

# COMMUNITY INVESTMENT PROFILE



Institute for  
Community Prosperity

## Vancity

Financial wellbeing for all

### Background

**Industry:** Financial

**Company founded:** 1946

**Headquarters:** Vancouver

**Customer:** Business to consumer and business to business

**Legal Type:** Cooperatively Owned Company

**Owned:** Canadian owned

**Years dedicated to Community Investment (C.I.):** 20+ years

**Region of Focus:** British Columbia

**Investees/ Partners include:**

- Vancity Community Foundation
- Reconciliation Canada
- Each One Teach One

### Community Investment Strategy:

Vancity Credit Union is Canada’s largest credit union and is widely regarded as one of the most forward-thinking and community-oriented companies in Canada. Many financial institutions only care about the bottom line. As a values based financial institution, Vancity’s goals encompass more than just money. Its vision is “to redefine wealth in a way that furthers the financial, social and environmental well-being of our members and their communities.”<sup>1</sup>

Since it was founded in 1946, Vancity has been focused on shared value. Vancity operated differently from other financial institutions, and was the first to approve mortgages for people living East of Cambie street, one of Vancouver’s working-class neighbourhood.<sup>2</sup> Vancity continues to take chances on those who need it most, providing loans and lines of credit to small businesses and social purpose companies, as well as not-for-profits.

Vancity’s community investment strategy is unique in many ways, one of which is how Vancity utilizes its community investment employees. At Vancity, every employee is responsible for doing their part for the community. The 35 C.I. employees work as project leaders and support staff to ensure community investment projects realize their full potential and are rooted in the co-op principle of reciprocity.

Through their Shared Success Program, Vancity shares 30% of their net profits with its members and the community, \$16.4 million in 2014.<sup>3</sup> Since 1994, Vancity has given \$221 million to members through dividends and community organizations through grants and community investment programs.<sup>4</sup>

**CI Dashboard:** This dashboard is one way to illustrate how companies invest in community, providing a tool to compare across different company CI profiles. It is important to note that no category is privileged over another.

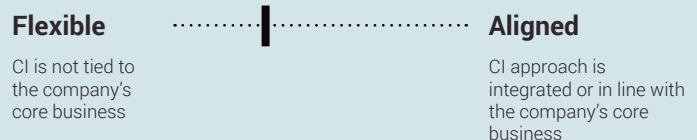
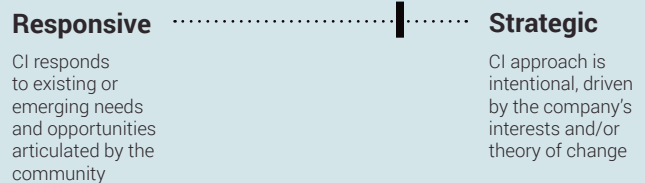
#### Geographic scope



**CI staff ratio** (Presented as percentage of total staff)

$$\frac{30-35}{2,539} = 1\%$$

#### Granting or sponsorship approach



# FOCUS Investment: Reconciliation and a living wage

## Issue:

The Canadian government ran residential schools from 1870s until 1990s. Residential schools forced First Nations children out of their family homes, stripping them of their cultural, spiritual and linguistic identity. Over 150,000 First Nations, Metis, and Inuit children attended residential schools, 90 to 100% of them suffered severe physical, mental and sexual abuse.<sup>5</sup> The effect of residential schools has had multigenerational impact, creating numerous social issues for First Nations, Metis and Inuit people.

Living wage is another issue being addressed by Vancity's community investment strategy. A living wage is the hourly wage necessary for two working parents to support a family of four. In Vancouver, the living wage is \$20.68 with benefits.<sup>6</sup> However, minimum wage in British Columbia is only \$10.25, leaving a huge gap for families.<sup>7</sup> The gap between what it costs to live and what people are actually being paid is causing many social issues. For instance, B.C. has the highest child poverty rate in Canada and more than 25% of couples with children do not earn a living wage.<sup>8</sup>

## Solution:

Vancity is a founding partner of Reconciliation Canada. Reconciliation Canada is an Aboriginal-led non-profit organization created to begin the healing process for those affected by residential schools. The organization achieves this goal by providing education and outreach programs to strengthen the relationships between Aboriginal peoples and all Canadians. Vancity believes that this partnership is an important part of strengthening communities. In November 2012, Vancity gave Reconciliation Canada a \$500,000 grant and continues to provide ongoing financial and technical support to help the organization grow.<sup>9</sup> Vancity's partnership with Reconciliation Canada involves being part of the dialogue around the reconciliation process and listening to the needs of the community. The founder of Reconciliation Canada Chief Dr. Robert Joseph explained the need for the organization stating: "Our future, and the wellbeing of all our children rests with the kind of relationships we build today."<sup>10</sup>

Vancity also contributes to the well-being of the community by being a living wage employer and advocate. In 2011, Vancity became the largest North American financial institution to provide a living wage to its employees. The Credit Union goes a step further by directly reaching out to other employers, encouraging them to adopt a living wage policy. Becoming a living wage company is a long process, however, the transition is often easier for small businesses which have more flexibility than large companies.

Vancity believes that it has a duty to educate and empower communities, one of the ways its does this is through Each One Teach One (EOTO). Each One Teach One uses Vancity's financial knowledge to provide financial literacy workshops in the communities it operates in. The employee run program teaches groups about filing taxes, basic banking, budgeting and developing a credit history. EOTO often partners with community organizations that help refugees, low income people, Aboriginal Canadians, and newcomers. The workshops give participants the confidence and skills to improve their financial wellbeing and reconnect Vancity employees to the community. It is important to note that EOTO doesn't talk about or sell its products during the workshops. It believes it is more important to benefit the community and keep their trust than to promote Vancity. Bringing the goals of financial wellbeing and reconciliation together, Vancity provides workshops on the subject for Aboriginal people and other communities through its Each One Teach One program.

## Impact:

Reconciliation Canada has played an important role in shining a light on the terrible history of the residential school system and is helping to begin the healing process for those affected by it. Vancity's living wage advocacy inspired the City of Vancouver to agree to become a living wage employer in 2015. Since Each One Teach One was created in 2008, over 250 Vancity employees have taught more than 10,000 people financial literacy skills.<sup>11</sup>

## Endnotes

1. Vancity, "Vision and values" para. 1, Vancouver City Savings Credit Union, 2015, [https://www.vancity.com/AboutVancity/VisionAndValues/?xcid=about\\_megamenu\\_visvallbid](https://www.vancity.com/AboutVancity/VisionAndValues/?xcid=about_megamenu_visvallbid).
2. Vancity, "Highlights" para. 54, Vancouver City Savings Credit Union, 2015, <https://www.vancity.com/AboutVancity/VisionAndValues/Glance/Highlights/>.
3. Vancity Credit Union, 2014 Annual Report, p. 4.
4. Vancity, "Grants" para. 1, Vancouver City Savings Credit Union, 2015, <https://www.vancity.com/AboutVancity/InvestingInCommunities/Grants/>.
5. Reconciliation Canada, "Background" para. 3, <http://reconciliationcanada.ca/about-2/history-and-background/background/>.
6. Vancity, "Living Wage" para. 3, Vancouver City Savings Credit Union, 2015, <https://www.vancity.com/AboutVancity/VisionAndValues/ValuesBasedBanking/livingwage/>.
7. Government of British Columbia, "Minimum Wage Factsheet" para. 1, Employment Standards Branch, March 2014, <https://www.labour.gov.bc.ca/esb/facshs/min-wage.htm>.
8. Vancity, "Vancity becomes the largest organization in Canada to adopt living wage policy" para. 3, Vancouver City Savings Credit Union, 2015, <https://www.vancity.com/AboutVancity/News/MediaReleases/May24/>.
9. Vancity, "Reconciliation Canada" para. 7, Vancouver City Savings Credit Union, 2015, <https://www.vancity.com/AboutVancity/InvestingInCommunities/Partnerships/ReconciliationCanada/>.
10. Reconciliation Canada, "Background", para. 4.
11. Vancity, "Each One, Teach One" para. 2, Vancouver City Savings Credit Union, 2015, <https://www.vancity.com/AboutVancity/InvestingInCommunities/StoriesOfImpact/FinancialLiteracy/EachOneTeachOne/>.