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January/February 2019

## The Social Change Issue

- > Credit unions explore reconciliation with First Nations
- > Connecting with isolated and low-resource communities
- > Tackling climate change - the defining challenge of our age

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**On the cover:** British Columbia Salish artist Luke Marston was asked by the Truth and Reconciliation Commission, mandated to inform Canadians about what happened in Indian Residential Schools, to fashion a ceremonial box as a tribute to survivors of the oppressive system. The “Bentwood Box” was made out of one piece of red cedar, its panels carved to represent the cultures of Inuit, Metis and First Nations peoples. Story Page 22.

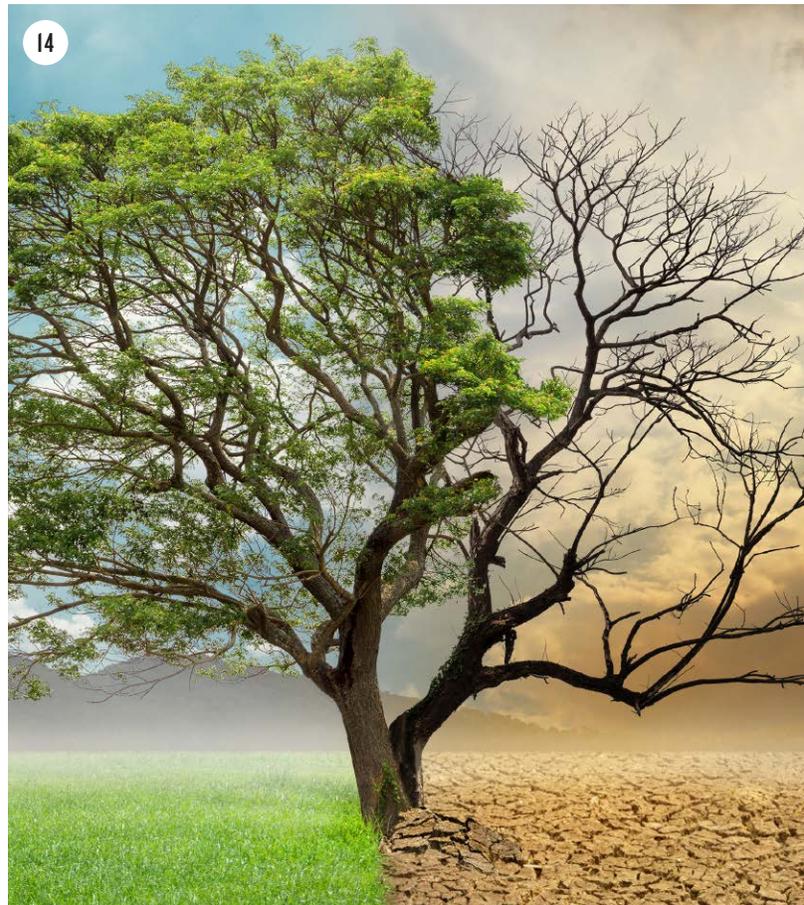
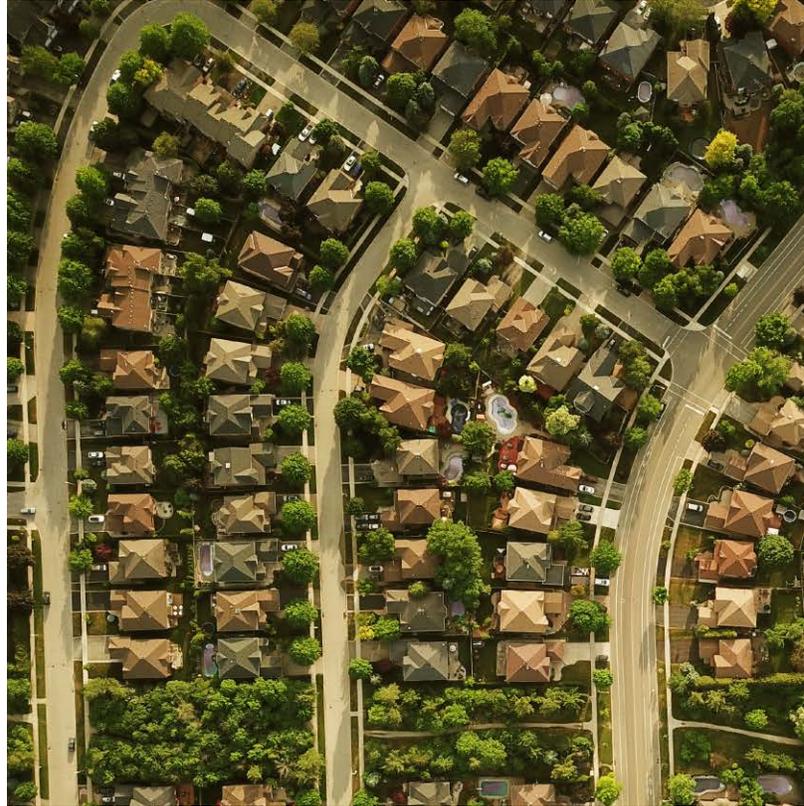
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# Social change leaders

It's 2019 and the world is in a quandary. I wish that, like Chicken Little—wrongly convinced that the sky was falling—my assessment of global affairs was erroneous.

Unfortunately, it's not. Landmark reports released in late 2018 by the UN Intergovernmental Panel on Climate Change (IPCC) as well as the United States National Climate Assessment give clear evidence of the deleterious effects of climate change on individual health as well as global economies due to increasing droughts, floods and soaring temperatures. The IPCC is urging a rapid transition away from fossil fuels to limit a dangerous global temperature rise above 1.5 C, with only 12 years to make the necessary changes.

What part can credit unions play in derailing this trajectory towards climate calamity? As it turns out, credit unions are taking a leadership role when it comes

to climate change mitigation, something we address in this Social Change issue's feature "Hot mess."

Positive social change is happening as well in our relations with Canada's Indigenous peoples. Following on the heels of the Truth and Reconciliation Commission, which probed the impact of the residential school system, a national call to action was promulgated. In "Overcoming colonization," we look at some initiatives that are being undertaken to enhance relations with First Nations.

In the feature "Close connection," *Enterprise* looks into some innovative research involving **Alterna Savings & Credit Union** that investigated how to better connect with isolated and low-resource communities in order to enhance impact on local communities—another positive social change.

*Enterprise's* regular columns also look into other big changes within the system. Close Up profiles **Desjardins Group** CEO Guy Cormier, who discusses his financial cooperative's fossil fuel divestment plans and sustainability initiatives. Another social change is explored in Marketing Matters, which looks at a new advance currently being tested by credit unions—virtual teller Alexa—allowing members to do banking via voice commands in the comfort of their own home.

The Work Life column discusses another ground breaking societal shift. Older



workers 65 and over, rather than heading out to pasture, are contributing as part- or full-time workers well past the conventional age of retirement, enhancing credit union operations thanks to their years of experience and accumulated wisdom.

Happy New Year to all as we look forward to 12 months of positive social change, working together to make a better world.



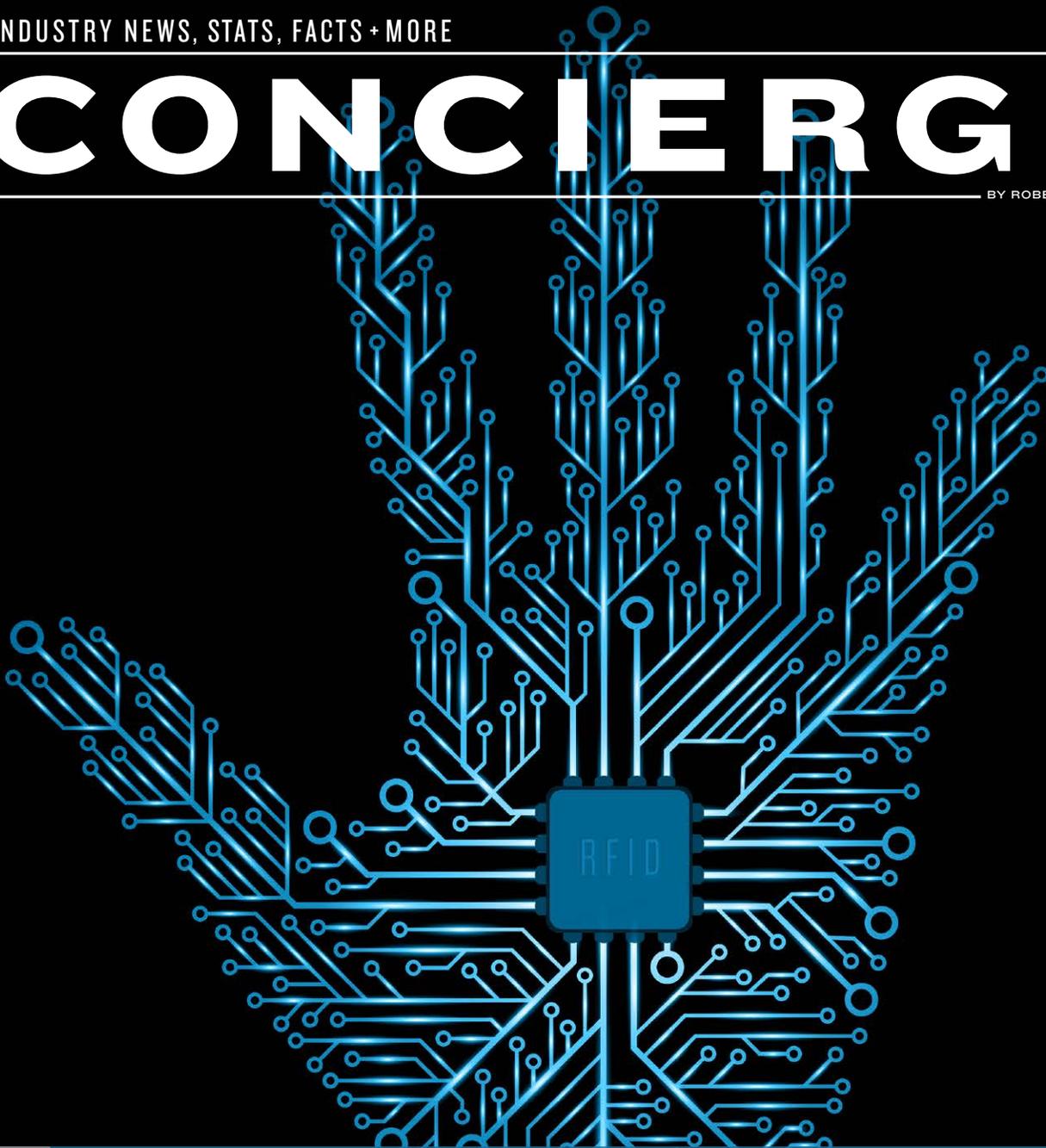
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# CONCIERGE

BY ROBERTA STALEY

**GLOBAL**

## Cashing in your chips

In the TV series *Star Trek: The Next Generation* starring Patrick Stewart as the fictional Jean-Luc Picard, captain of the USS Enterprise-D, 24th century technology advanced to embrace the use of isolinear optical chips as data storage devices. These chips enabled warp drive in Galaxy-class vessels and stored memory in Starfleet issue hand-held computer interfaces, called Personal Access Display Devices.

Back in the real world, 21st-century microchip technology has made a quantum leap forward as implants in a person's hand, thus replacing cash transactions. The country that has embraced this is

Sweden, where more than 4,000 citizens are implanted with microchips, allowing them to pay for food, travel and enter keyless offices with a wave of their hand. Buses, parking lots, pay toilets and restaurants are also operating via clicks rather than cash, reports *The New York Times*.

In concert with microchip technology is Sweden's fast track towards becoming a cashless society. A fifth of Sweden's population admits to eschewing technologies like automatic teller machines. The use of bills and coins now represents just one percent of the economy while only 10 percent of consumers paid cash for an item in 2018, states the *Times*. Meanwhile, only half of Sweden's 1,400 bank branches accept cash deposits.

Microchip technology in Sweden has

been around for several years, ever since the Swedish incubator Epicenter implanted employees in 2015 with grain-of-rice sized radio frequency identification (RFID) microchips, giving users the ability to open doors or operate machines like a printer by a waving a hand in front of a chip reader, *Allure* magazine reported. It is expected that functions such as starting a car, locking doors or turning on lights will also be conducted via microchip implants, *Allure* added.

Microchipping employees has also been tried in Wisconsin at Three Square Market (32M), which develops software for vending machines. RFID chips allow staff to log into their computers, pay for purchases and store medical information, *USA Today* reported in 2017.





DIGITAL TRANSACTIONS

## New app for First West members to send money

This past October, **First West Credit Union** (250,000 members, \$11 billion in assets) rolled out SendGlobal, an international money transfer mobile application allowing members to send money around the world. First West and its regional divisions: Envision Financial, Island Savings, Valley First and Enderby & District Financial have all launched the app.

SendGlobal allows First West members to send money to more than 80 countries directly from their bank account. Recipients may pick up their funds from 145,000 locations globally, receive the funds directly in their bank account, or have the cash delivered directly to them.

SendGlobal is integrated through tunl., a fintech integration platform built by FICANEX, which provides next-generation digital services for more than 170 financial institutions.

REAL ESTATE

## Cannabis isn't making friends in real estate

The potent aroma of marijuana isn't going to cut it when it comes to evoking that same homey feeling among prospective new owners as the time-honoured trick of baking cookies.

That is the finding of real estate search site Zoocasa, which released a report last October revealing that 52 percent of Canadians would be less likely to consider buying a home if they knew that a legal amount of cannabis—four plants—was grown there. Also, 57 percent of homeowners felt that cultivating plants would negatively impact a home's value.

Last fall, the *Cannabis Act* came into effect, allowing Canadians to consume the drug and grow their own plants as well as purchase it from provincially regulated retailers.

Rental units would likely be affected by pot smoking as well. Forty six percent of survey respondents who were renters agreed that smoking cannabis would devalue their unit, although 33 percent disagreed.

Demographically, millennials were the least likely, in comparison to Gen Xers and Baby Boomers, to consider home cannabis cultivation stigmatizing.

The insurance industry isn't too chuffed about cannabis either. The *CBC* reported that legal cannabis cultivation could result in a jump in renters' or homeowner's insurance premiums or possibly even cancellation.



AWARDS

## BlueShore Financial receives national accolade



**BlueShore Financial Credit Union** (42,000 members, \$5.6 billion in assets) has been named one of Canada's 10 Most Admired Corporate Cultures by Waterstone Human Capital, a cultural talent management and executive search firm.

The national award, which BlueShore Financial has won three times, recognizes Canadian organizations that demonstrate a strong workplace culture that enhances performance and competitive advantage. Companies are scored on vision and leadership, recruitment and hiring, retention, rewards and recognition, organizational performance and corporate social responsibility.

Blueshore Financial CEO Chris Catliff stated in a media release that "corporate culture can make or break an organization and companies whose culture is aligned to their business goals routinely have stronger performance and a competitive advantage. Our employees are the key to our success," said Catliff. "They create possibilities and bring our strategy to life every day."

GLOBAL

# Credit union escapes conflagration unscathed

Sierra Central Credit Union is one of the survivors of a fire that virtually razed the community of Paradise, Calif. this past November in the state's worst fire in a century, reports the *Credit Union Times*.

Sierra Central CEO John Cassidy stated: "The word is miraculous and that's no understatement. We are one of the very few, very fortunate businesses to survive."

More than 90 percent of the homes in the town of 26,000 people were destroyed by the fire, which ignited in a rural area Nov. 8 and roared through the countryside of Butte County, north of Sacramento, incinerating 62,000 hectares, an area about one quarter the size of the Greater Toronto Area.

Dubbed the Camp Fire, the inferno was finally contained Nov. 25. By deadline, at least 85 people had been killed and 249 were listed as missing. About 19,000 buildings, most of them homes, were

destroyed. *The Washington Post* reported that the death toll is expected to rise while thousands of displaced people were living in shelters and hotels or camping outdoors.

Cassidy pledged that the credit union would help the people of Paradise rebuild their community. "We'll be there for them."



ENTREPRENEURS

# Business owners young, female and motivated



A recent study of Canadian entrepreneurs shows an increasing number of business owners are young, well-educated women, *BCBusiness* reported.

Based upon 809 interviews last September with small and medium business (SMB) owners, the study, titled *The New Canadian Entrepreneurial Experience: Women and the future of Small Business*, was sponsored by customer relationship management firm Salesforce and conducted by Toronto-based Gandalf Group.

Key findings included:

- The percentage of entrepreneurs under age 45 was higher for women (59 percent) than for men (42 percent). Of those younger than 35, 27 percent were women in comparison to 19 percent of men.
- Entrepreneurs younger than 45 were more motivated than older respondents to start businesses due to financial uncertainty and disaffection with previous employment.
- Seventy five percent of female business owners were in the service sector while men were twice as likely as women to own a business in the Science, Technology, Engineering and mathematics (STEM) sector.
- Women STEM business owners experience greater challenges than their male counterparts, including more difficulty accessing capital.
- Women tended to be more motivated by work-life balance (79 percent) while men were more motivated by financial considerations (78 percent).

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## **Clear focus**

**Of the many challenges Guy Cormier has faced since becoming Desjardins CEO in 2016, none has been thornier than the decision whether to invest—or not—in the controversial Trans Mountain pipeline. Although Desjardins backed down from divestment, Cormier pledges that fossil fuels will be on the financial chopping block in future.**

by Alexandra Gill



**O**f all the moral quandaries Guy Cormier has faced since becoming president and CEO of **Desjardins Group** (seven million-plus members, \$295 billion in assets) in 2016, the question of whether or not to fund energy pipeline projects was probably one of the most difficult. Cormier says it was a group of millennials that helped him make up his mind after encouraging a more pragmatic approach to fossil fuel divestment—which is probably not what most would expect from the so-called green generation.

Mind you, who would have thought that Canada's largest federation of financial cooperatives would actually take the recommendations of its Youth Advisory Board seriously? "It's not true that millennials are all totally against oil and gas," Cormier says of the valuable insights he has gleaned from the youth committee, a group of 12 credit union members, elected caisse officers and Desjardins employees between the ages of 18 and 35. "These young ones really helped me have a better understanding that when it comes to pipelines, transition is the key word."

Compromise was not what environmentalists and Indigenous groups were hoping for back in July 2017, when Desjardins made headline news by placing a moratorium on the financing of pipeline projects. At the time, Desjardins was among 24 financial institutions that had agreed to lend money to a subsidiary of Kinder Morgan Canada for the high-profile expansion of its Trans Mountain pipeline, which was subsequently purchased by the federal government. If Desjardins had turned the temporary freeze into a permanent

boycott (as the Dutch-owned ING Group had already done), it would have set a precedent in the Canadian finance industry and could have triggered a call to action across the country.

Instead, Desjardins lifted the suspension five months later, agreeing to live up to its lending agreements while vowing to evaluate the environmental, social and governance (ESG) practices of clients in all future lending decisions. This was still a substantial change that expanded ESG

25 percent below average) by 2020.

Last spring, Desjardins began installing 200 charging stations for electric vehicles in Quebec and Ontario. This past September, it doubled its number of socially responsible investment (SRI) products, including a new line of eight exchange-traded funds (ETFs).

Cormier is proud of Desjardins' commitment to combating climate change. "Now people can look at Desjardins

again weighed in on Desjardins' recently softened stance on the cannabis industry with surprisingly nuanced views.

"Sometimes we hear, 'Oh, millennials all want to smoke cannabis.' It's not true. This advisory committee told me, 'we're not pro cannabis and we're not against it but if it's there, Desjardins should be a leader in education and its impact on health, especially as a life and health insurer.'"

Cormier, who has four millennials in their 20s at home, was about their age when he first began working for Desjardins as a teller in 1992. Admittedly he wasn't nearly as "woke" as today's kids. "Was it really clear in my mind what the purpose of Desjardins was? Was it clear in my mind the role we could play to enrich the lives of our members and clients, to enrich society, to impact the economy? Not necessarily.

"But after a few years, I decided to go back and do my master's degree. After this, I received so many offers from banks. Some colleagues said, 'just go to Toronto and work in a big bank, you'll have more money, more impact, blah, blah, blah.' But it had been, at this time, six or seven years that I was with Desjardins. And by then I knew that we were more than just a financial institution. Our purpose is very different from the big banks."

On this point, Cormier has no moral quandaries or ambiguity. "As a cooperative, we want to always work in the best interests of our clients and our members. It's not in conflict with the fact that we have to make money. Actually, this year we'll make more than \$2 billion in net earnings. We're okay. But at the end of the day, this is not the only game we want to play." ■

"NOW PEOPLE CAN LOOK AND DESJARDINS AND SAY, 'YOU KNOW WHAT? IT WASN'T JUST WORDS. YOU TOOK REAL ACTION.'"

— GUY CORMIER

criteria beyond major accounts to include insurance, wealth management and banking.

Desjardins also unveiled new measures to divest from fossil fuels: the purchase of carbon credits to offset its greenhouse gas emissions (it became carbon neutral in 2018); a focus on renewable energy for the direct investment of its own assets (which includes the Desjardins pension plan); and a commitment to reduce the carbon footprint of its own assets in publicly traded securities (to

and say, 'You know what? It wasn't just words. You took real action.'"

He's just as pleased with the Youth Advisory Board he created, which was actually one of the first decisions he made after becoming CEO. Cormier takes the members out for informal dinners every couple of months, just to talk about life and see what makes them tick. They are also asked to provide input at the meetings of the board of directors and management committee, where they



# CLOSE



# connection

A TWO-YEAR FILENE RESEARCH INSTITUTE STUDY INVOLVING OTTAWA'S ALTERNA SAVINGS & CREDIT UNION ANALYZED HOW TO BEST CONNECT WITH ISOLATED AND LOW-RESOURCE COMMUNITIES. THE RESULT? A LOANS PROGRAM WITH GREATER SOCIAL IMPACT ON COMMUNITY. BY BRENDA BOUW

**W**hen the Filene Research Institute and its partners set out to study the role banks and credit unions could play in improving the financial wellbeing of minority households, **Alterna Savings & Credit Union** (140,000 members, \$5.1 billion in assets) and its microfinance program seemed like a natural fit.

Ottawa-based Alterna launched its microfinance program in June 2000 and has since lent more than \$5 million with a 96 percent repayment rate. The well-established program offers loans between \$1,000 and \$25,000. It's considered unique for pairing loans with financial education and added support services such as financial planning and business coaching for borrowers. "I think what intrigued Filene was the wrap-around support to help individuals and entrepreneurs succeed," says Susan Henry, Alterna's manager of community investments. Henry has 25 years of experience with microfinance and helped the credit union create its program. "It may require more [resources] but it's a good investment not just for the credit union but also for the individual in need of the financing."

Alterna was the only Canadian credit union selected to participate in the Reaching Minority Households Incubator — a process designed by Filene, a think tank for the consumer finance industry, in collaboration with Visa and the Ford Foundation — to analyze five financial products with strong track records designed to help an underserved part of the population.

Alterna was the originating credit union for the Community Microfinance Loans (CMLs) portion of the two-year project that ended in late 2017. Eight other "testers" were added to the group to help determine the results, including Alterna's Peterborough Community Savings Credit Union subsidiary. The other four financial products tested

included Individual Taxpayer Identification Number (ITIN) lending, data-mined auto loans, QCash small-dollar loans and Payday Payoff installment loans. Filene tested the five products—using a handful of financial institutions and loans per product—to determine how well they met the needs of minority households and their long-term sustainability. The testing included whether each product was scalable, had an impact for consumers, was desirable for both credit unions and their members and was financially sustainable.

**"OUR GOAL IS TO MAKE MICROFINANCE MORE ACCESSIBLE AND ACTIONABLE FOR FINANCIAL INSTITUTIONS."**

—ADAM LEE, FILENE INSTITUTE



**SUSAN HENRY**  
MANAGER, COMMUNITY INVESTMENTS, ALTERNA SAVINGS & CREDIT UNION



**ADAM LEE**  
INCUBATOR DIRECTOR, FILENE INSTITUTE

### Lending with support

Alterna's microfinance program was cited for its lending support programs as well as its "character-based" underwriting, which considers an applicant's skills and the quality of their business idea, in addition to community partnerships that give borrowers access to experts outside of the credit union. Henry says Alterna aims to go beyond traditional finance to develop loan products that have a social

impact on their communities. "It comes down to: is there a gap in the market and can we create the financial tools to fill and further develop financial inclusion?" She adds that the program is often a springboard into more traditional lending for borrowers.

It's these qualities of Alterna's microfinance program that led entrepreneur Marilyn Simms to seek two loans, totalling \$7,500, from Alterna for her Toronto-based company, Vert Catering, a green catering company that specialized in fresh and local foods. Simms had several years of experience in the food industry and decided to start Vert Catering in 2005, targeting conference production companies, interior designers, architects, environmentalists and wedding parties. The first \$5,000 loan was made in 2010 to help the catering company purchase a vehicle, while the second was for \$2,500 in 2012, used to buy a commercial dishwasher. "I like the support from the entire Alterna team," says Simms. "My loan account coordinator is always inquiring on how the business is doing and I feel they want to see us succeed. They have given a lot of advice. I also know that I can make an appointment at any time and ask any question. It feels like a community. Alterna aligns with our business values."

### Testing the microfinance model

Alterna's well-established microfinance program served as a model for the other credit unions that participated in the CML part of the Filene incubator, each with little or no experience in the specialized area of lending. Filene tallied the results for all nine credit unions, including Alterna, and found a largely positive response.

According to the final report, all borrowers said they would recommend the program to family and friends and 96 percent said they would use the program again if needed. The report also states that 55 percent of borrowers came from minority households "and their experience with the program was more positive than non-minority households in nearly every category." What's more, 62 percent of respondents said the loan was to start a new business, "demonstrating promise for financial institutions to reach new entrepreneurs in their

community,” the report stated.

Return on assets was 0.90 percent, which Filene states was slightly higher than the industry average of 0.75 percent. “The strongest sign of long-term program scalability was that all testing credit unions will continue to offer the program and all would recommend it to other credit unions,” the report said, adding that, despite the significant time and effort required to set up the program, “it positioned them to fulfill a core community need.”

Rosa Franco, director of lending at Neighborhood Trust Federal Credit Union in New York, says being part of the Filene CML loan program gave her the tools and resources required to restructure her organization’s small business loan program. For instance, instead of asking borrowers to fill out the same documentation for every loan size, there is now less paperwork and scrutiny on smaller-sized loans as compared to borrowers asking for larger sums. “We tried to make it less overwhelming and to make more sense for the borrower. Our program is working much better now,” says Franco, whose credit union has one branch and about 4,200 members who are predominantly immigrant and entrepreneurs based in such New York City neighborhoods as Washington Heights, Inwood and West Harlem.

Changes to the CML program also enabled Franco’s credit union to add resources and to develop community partnerships that, in turn, has led to referrals from organizations specializing in offering technical assistance to small businesses.

The update also increased demand for microloans, which has brought more business to the credit union and enabled

it to receive a federal grant to help build up its financial reserves and invest more in its microfinance programs for the future. The incubator “opened my eyes as to what was possible,” says Franco, adding that members are also noticing a change in the process and are feeling more empowered. Franco commends Alterna and Henry in particular for sharing the information and tools that enabled Neighborhood Trust to set up a



**“IT HAS GIVEN US THE ENERGY TO MOVE FORWARD TO CONTINUALLY DO THIS EVEN MORE AND HELP TO BUILD MORE FINANCIAL RESILIENCY AND INCLUSION FOR ALL.”**

—SUSAN HENRY, ALTERNA SAVINGS & CREDIT UNION.

successful CML program. “I hope more organizations will be willing to do this for their communities,” Franco says.

### **Lasting results**

While Alterna was more of a teacher than a student in the program, Henry says the experience reinvigorated her credit union’s goals to create more financial inclusion, particularly among minority households. “It has given us the energy to move forward to continually do this even more and help to build

more financial resiliency and inclusion for all,” Henry says. “It’s about fostering this type of leadership and making sure that it continues so that, as credit unions, we can service more individuals who are excluded from mainstream financial products and services.”

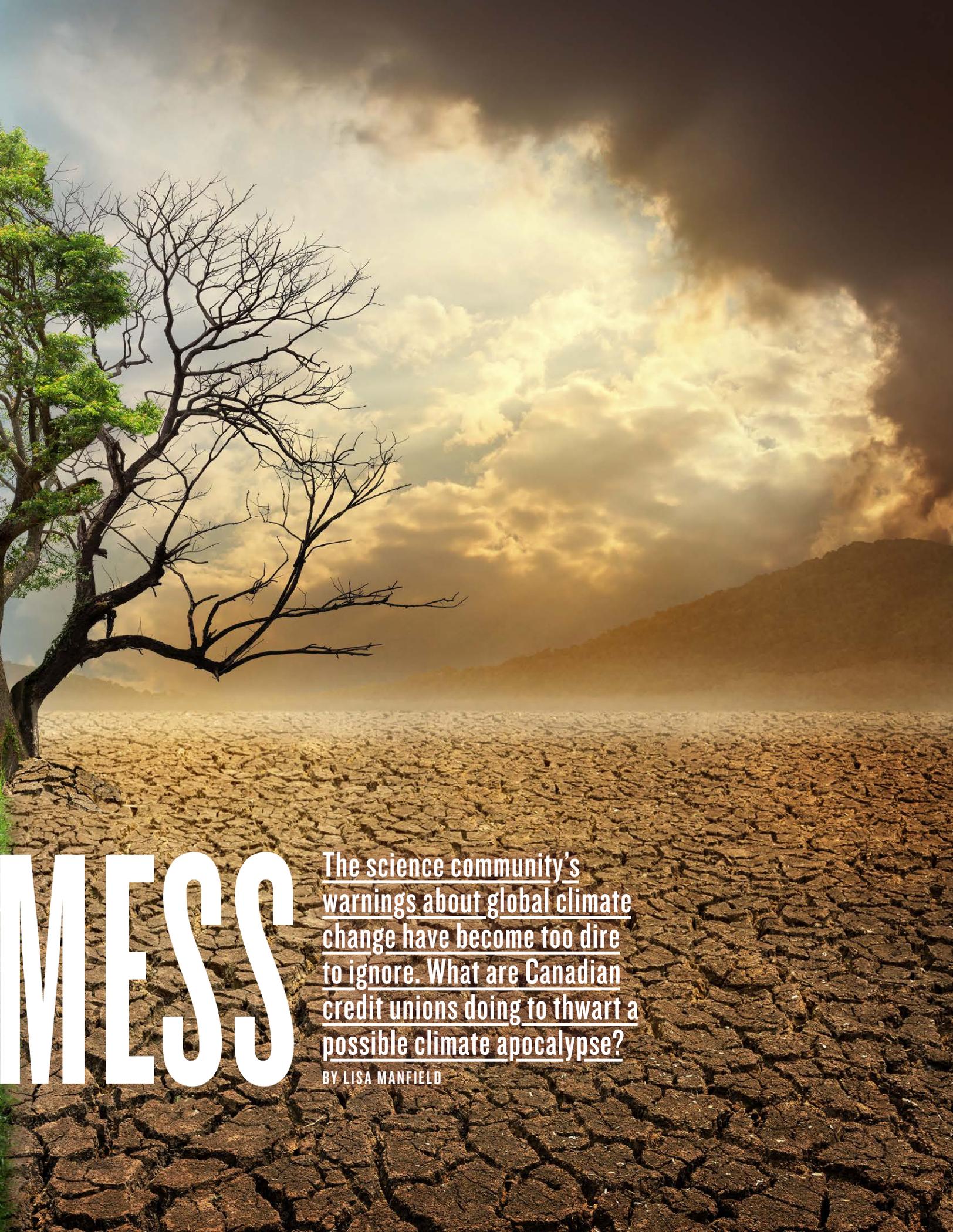
The Filene incubator report concludes that microfinance may never become a large portion of a credit union’s asset base (noting that just 0.01 percent of Alterna’s assets are in CMLs) but offers “strong potential” for financial institutions committed to helping local communities build economic capacity and meet the needs of minority and other vulnerable households. “We are also heartened by the fact that both consumers and credit union managers reported positive consumer experiences with CMLs, positive views about their scalability, positive views about their role in reaching minority and financially vulnerable households and moderate profitability once the program was rolled out in full,” stated the report.

Adam Lee, Filene’s incubator director, says the organization is now working with Visa to reach what he calls “the ultimate goal” of the incubator—to have more financial institutions implement the most promising concepts tested, including offering microloans in their communities. Filene and Visa are working on a program model that banks and credit unions can use to help them set up a microfinance program that is both impactful and sustainable in their communities. “Our goal is to make microfinance more accessible and actionable for financial institutions,” says Lee. ■

*For more information on the Filene incubator go online to: [filene.org/learn-something/reports/reaching-minority-households-incubator](http://filene.org/learn-something/reports/reaching-minority-households-incubator)*



HOT



# MESS

The science community's  
warnings about global climate  
change have become too dire  
to ignore. What are Canadian  
credit unions doing to thwart a  
possible climate apocalypse?

BY LISA MANFIELD

**A**s the planet heats up, so, too, have climate action initiatives. But the window is rapidly closing to drastically cut carbon emissions and collaboration is needed more than ever.

Last October, the Intergovernmental Panel on Climate Change (IPCC), an international body created by the World Meteorological Organization and the United Nations Environment Programme, released its special report, *Global Warming of 1.5 °C*. The report was an outcome of the 2015 Paris Agreement, to which 195 members of the United Nations Framework Convention on Climate Change, including Canada, signed on with the intention of keeping global temperature increases to less than 2 C degrees above pre-industrial levels.

To call the report dire would be putting it lightly. Focused on the environmental impacts resulting from 1.5 C degrees of warming (1 C degree of warming was already reached in 2017), the report explores a variety of devastating scenarios the globe could face in the coming years depending on our ability to keep warming below 2 C degrees, or, more likely, how far we'll overshoot that target.

The impacts detailed in the report: catastrophic weather patterns, floods, fires, droughts and global food shortages, made headlines. So did the tone of the report — more urgent and foreboding than the scientific community has ever articulated. The bottom line is: we have 12 years to make major changes in the way we live and the actions we take to dramatically reduce carbon emissions. Currently we're on track to hit 1.5 C degrees of warming by 2030, which will bring a more intense barrage of climatic disasters.

And should we continue on our current course, we could reach 4 C degrees later this century. The fact is, climate change, and its ensuing effects, are well underway and accelerating rapidly.

North Americans are feeling the heat. Just a month after the report was released, the deadliest wildfire on record in California ripped through the state, destroying entire towns and incinerating about 19,000 homes. This past summer proved the worst on record for fires in Canada, too, while across the country temperatures

**“Our previous generation, we were a wasteful generation and we believe there’s a strong movement toward concern for the planet and concern for people.”**

—TAMMY CHRISTOPHER, CEO, OMISTA CREDIT UNION

soared. But it's just the tip of the iceberg for Canadians if we don't act quickly and collectively on climate change. “The report was another wakeup call,” says Merran Smith, executive director of Clean Energy Canada. “The consequences of global warming are going to be worse than what we expected. And it's happening faster than we expected. But there are solutions that are ready to go right now,” Smith says. “We have energy efficient buildings, renewable energy, solar and wind technologies. We have the solutions, they create jobs and they're affordable. What we don't have is time for denying these solutions and slowing down implementation.”

### Credit unions on climate action

Dennis Cunningham, manager, environmental sustainability at Winnipeg-based **Assiniboine Credit Union** (125,500 members, \$4.6 billion in assets), recalls reading an article in *The New York Times* right after Hurricane Michael laid waste to parts of Florida last October. The article described the devastation in Mexico Beach,



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CENTRAL CREDIT UNION



**DENIS FLINN**  
ASSISTANT GENERAL  
MANAGER, CCEC

located in the Florida Panhandle. Nearly every home in the town was destroyed but for one house that had been rebuilt to withstand 400 kilometre-an-hour winds, more than double the requirements for the area. “This article showed the contrast between burying your head

credit unions and businesses in the province,” says Cunningham. “But we also do it because our goal is to be around for another 75 years or longer. And if we’re looking to another 75 years, we have to be aware of what that IPCC report implies for how we need to

incidences of tornadoes or extreme weather events. If you’re not looking at that now, then you’re probably putting your business at risk. It’s a future that’s only 12 years away.”

**Save the environment, boost business**

There’s a business case to be made for climate action, too. “There’s a direct connection between taking action on climate change and helping your business,” says Smith of Clean Energy Canada, citing both long-term cost savings and customer loyalty. “The Clean200 ranks the world’s biggest publicly traded companies [by green energy revenues] and they have shown that their returns outperform fossil fuel companies by a factor of two.”

Smith also cites a group called RE 100. “Over 150 multinational companies are committed to sourcing 100 percent of their energy from renewable energy sources. It’s having an impact. Some have already hit their goals: Google, Lego, Wells Fargo. But there’s a glaring lack of Canadian companies on that list,” Smith says.

It’s not that Canadian companies aren’t making their own commitments but perhaps they’re too humble to brag about them. “Global companies are out there telling people what they’re doing and why,” Smith says. “It would be great to see Canadian businesses speaking up. If they came together and put out that kind of statement and signal, it would be powerful, because we know Canadians want climate action.”

Credit unions may not be shouting it from the rooftops but they are coming together to make change. In Atlantic Canada, seven credit unions, along with Atlantic Central, have partnered with Bullfrog Power to green their energy consumption. “You can reduce



DESTROYED HOMES AND CARS FROM 2018 THOMAS FIRE OFF FOOTHILL ROAD IN THE VIA ARROYO AND VIA PASITO NEIGHBORHOOD, THE LARGEST FIRE IN CALIFORNIA HISTORY.

practice business moving forward. If we’re going to reach a tipping

point in 2030, we will see dramatic changes in the climate. So what does that mean for how we operate, how we design new branches and buildings and the type of risk associated with certain mortgages or investments?”

in the sand and anticipating things that may come,” Cunningham says. “I think that’s the biggest issue when trying to talk about climate change; it’s a long-term issue. It’s easy to say that this IPCC report is alarmist but there will be a point in time when it starts happening more and more: the fires, the flooding, the heat waves. And it’s not like they were unexpected,”

Cunningham adds.

Assiniboine, which recently celebrated its 75th anniversary, has successfully aligned its organizational values with sustainability initiatives. Last year it won the Canadian Credit Union Association’s award for social responsibility for its wide variety of sustainability programs running the gamut from green branches to waste reduction, employee commuting and community impact. “We do it because it differentiates us from many other

Cunningham says Assiniboine currently builds new branches that are designed with efficient heating

**“We support food co-ops and small local businesses, so there is a direct tie-in to the climate change situation.”**

—DENIS FLINN, ASSISTANT GENERAL MANAGER, CCEC CREDIT UNION

systems. “And yet, as our climate changes, we’re probably going to need to design buildings to cool more effectively. And we’ll need to design to handle intense periods of rainfall, stronger winds, higher

**“We’ll need to design to handle intense periods of rainfall, stronger winds, higher incidences of tornadoes or extreme weather events. If you’re not looking at that now, then you’re probably putting your business at risk.”**

— DENNIS CUNNINGHAM, MANAGER, ENVIRONMENTAL SUSTAINABILITY, ASSINIBOINE CREDIT UNION

your energy consumption as much as possible,” says Anthony Santilli, vice-president of sales and marketing at Bullfrog Power, “but we all still need to consume energy. With Bullfrog you can support renewable energy, which is making a shift at the grid level.”

Bullfrog Power procures energy from renewable sources like wind farms and puts that energy into the grid, matching its clients’ consumption. “We all need energy to run our lives,” Santilli says. “The question is: what type of energy do you want to use?”

For Atlantic Central, signing on with Bullfrog was a no-brainer. “Our decision to invest in renewable

energy aligns with our values,” says Nancy Lutes, communications and stakeholder engagement specialist at Atlantic Central.

“We’re not going to retrofit all of our buildings,” adds Paul Paruch, vice-president of marketing and business solutions at Atlantic Central, “so it was an obvious choice to go with Bullfrog Power. And the ripple effect that had is that now credit unions are starting to see this as a more friendly alternative and a responsibility they would share with us.”

Atlantic Central is also working with Nova Scotia-based credit unions, as well as the Nova Scotia

Co-operative

Council, to pilot an

Impact Investing program designed to support local businesses with social purpose. “In our first round we funded three companies with a small pool of pilot capital,” Paruch says. “One received an equity injection as well; it wasn’t just sponsorship or grant money. These were injections that they might otherwise find hard to borrow.”

Meanwhile, Tammy Christopher, CEO of **OMISTA Credit Union** (10,000 members, \$240 million in assets), in Moncton, NB, has taken corporate social responsibility a step further.

GEOCOLOR IMAGE OF THE EYE OF A HURRICANE.

OMISTA has become a certified B Corporation, a standard that measures the company's entire social and environmental performance. "We were looking at how society as a whole is moving toward more of a grassroots approach, where people are very concerned about our planet," says Christopher. "Our previous generation, we were a wasteful generation and we believe there's a strong movement towards concern for the planet and concern for people. All of those issues are something we feel align very well with credit unions and we felt that the B Corp organization met those values."

In addition to doing "all the regular things" like recycling and reducing waste, OMISTA is also supporting local businesses working toward climate solutions, including a solar farm, and "we're looking for opportunities for anything in renewable resources to get involved with," Christopher says. "We have a sustainability committee that is looking at how we're having an economic impact in our community."

### The power of influence

In addition to supporting climate action projects, credit unions are also well positioned to educate members about climate issues and apply their influence democratically.

For single-branch **CCEC Credit Union** (4,500 members, \$50 million in assets) in East Vancouver, community-based environmental action has always been part of its DNA. "We support food co-ops and small local businesses, so there is a direct tie-in to the climate change situation," says Denis Flinn, assistant general manager at CCEC. "The one thing that we've seen more recently is people are concerned about the mechanisms through which pressure can be applied to make a change. The way



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we've tried to plug into that is democratic participation," Flinn says.

Flinn adds that CCEC is one of the few credit unions that took an official stance on the Trans Mountain Pipeline. The pipeline is controversial as its proposed expansion will increase the amount of oil being transported from Edmonton to the Westbridge Marine Terminal in Burnaby, BC. This will increase the amount of oil to 890,000 barrels a day, up from 300,000 barrels daily. Tripling the capacity will boost the number of oil tankers travelling through the City of Vancouver's Burrard Inlet to 10 from two per week, increasing the risk of an oil spill. Flinn says that the credit union members expressed opposition to the expansion. "We believe credit unions have an opportunity to be instructed by membership as to what matters. We're a small player in the grand scheme of

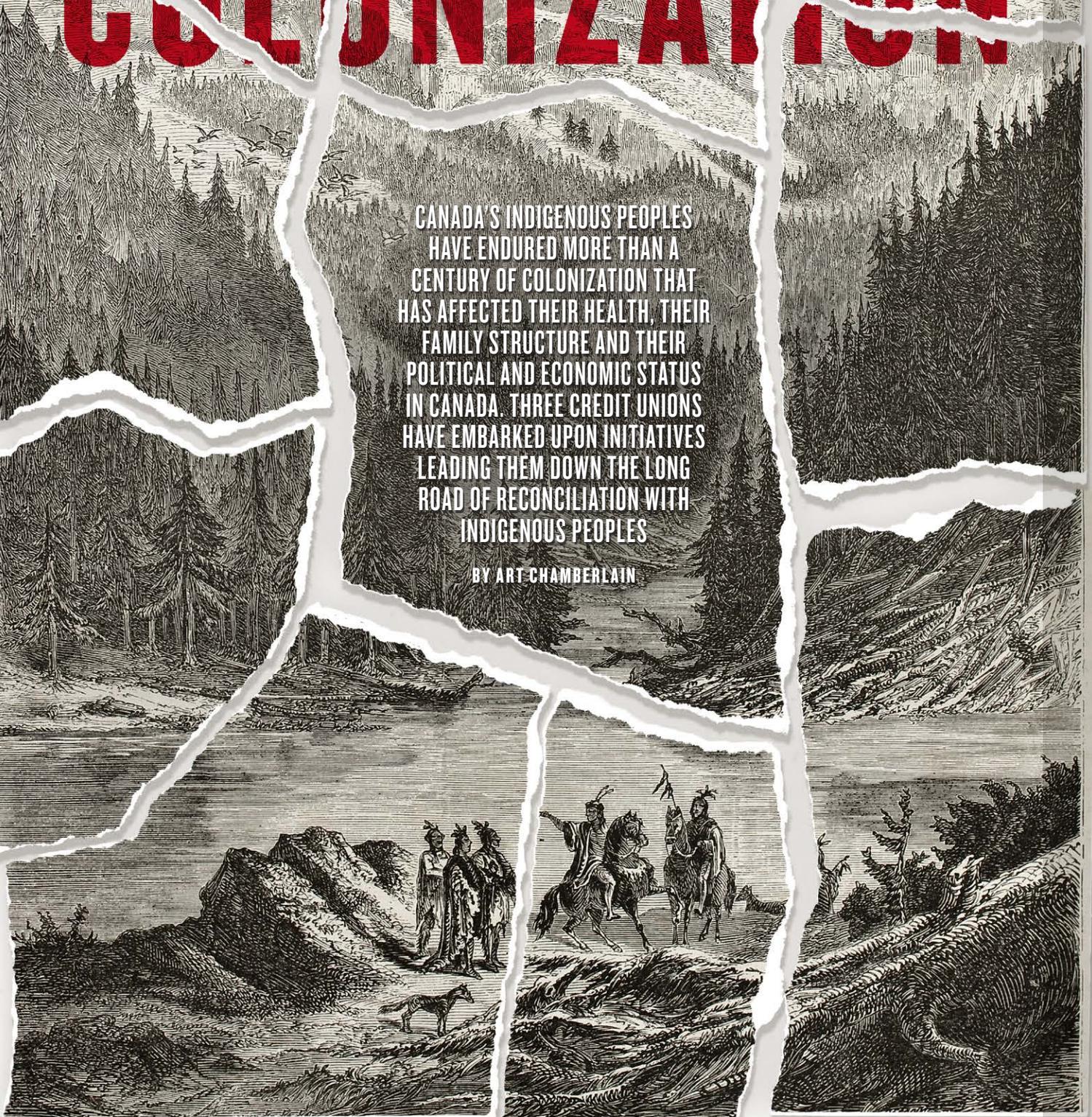
things but that's why we choose to connect to these issues and push."

It's easy to get lost in the doom and gloom of the latest IPCC report but credit unions are proving that collective action can add up. "There are a lot of barriers but many of them can be easily overcome when people start to understand that addressing climate change doesn't mean significant hardship as individuals or as society," Assiniboine's Cunningham says. "But not addressing it is likely to result in significant hardship. The cooperative principle for credit unions is about working with communities. It really is vital that we extend that principle into protection and restoration of our physical environment. If we want the credit union system to endure over the long term, it needs to support the needs of both members and communities." ■

# OVERCOMING COLONIZATION

CANADA'S INDIGENOUS PEOPLES HAVE ENDURED MORE THAN A CENTURY OF COLONIZATION THAT HAS AFFECTED THEIR HEALTH, THEIR FAMILY STRUCTURE AND THEIR POLITICAL AND ECONOMIC STATUS IN CANADA. THREE CREDIT UNIONS HAVE EMBARKED UPON INITIATIVES LEADING THEM DOWN THE LONG ROAD OF RECONCILIATION WITH INDIGENOUS PEOPLES

BY ART CHAMBERLAIN





THOUSANDS OF PEOPLE TOOK PART IN THE WALK FOR RECONCILIATION, HELD IN OTTAWA MAY 31, 2015, AIMED AT RENEWING RELATIONSHIPS AMONG INDIGENOUS PEOPLES AND ALL CANADIANS.

**T**his story is about education. No, it's not about some business-book, MBA-track list of five ways to be a better manager and make more money, revealing innovative ways to help fix customer problems.

The help, in this case, is with reconciliation, a word that has developed a special significance over the past decade and now has deep meaning for Canada and for credit unions.

The story starts 136 years ago in 1883 when Sir John A. Macdonald's government decided that the best way to deal with Indigenous peoples was to take their children away and put them in special schools that would not let

them speak their languages or learn about their own cultures. Over the next 110 years, 86,000 children were placed in residential schools. Many were abused and mistreated. Even those who escaped direct abuse were damaged by the basic goal of the schools, which was to destroy Indigenous culture. As Macdonald stated, "Indian children should be withdrawn as much as possible from the parental influence and the only way to do that would be to put them in central training industrial schools where they will acquire the habits and modes of thought of white men."

The last of the more than 150 residential schools finally closed in the 1990s and, in 2005, a settlement was reached on class-action lawsuits by school survivors. The settlement provided



**BRENDAN REIMER**  
STRATEGIC PARTNER,  
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ASSINIBOINE CREDIT UNION

money to survivors and their families and established a Truth and Reconciliation Commission that spent six years touring the country and listening to more than 7,000 people talk about the impact the schools had on their lives. The commission's final report included 94 calls to action on the ways Canadians need to respond to move forward as a renewed and healthy nation. Many, but not all, of the calls to action involved government activity.

Call to action 92 is specifically aimed at businesses, including credit unions, and sets out what they should do to reach out to Indigenous peoples.

First, the three distinct groups that are covered by the term Indigenous should be defined:

- First Nations — the most varied group existing from coast, to coast, to coast.
- Metis — descendants of First Nations and European settlers and associated with a distinct geographic group.
- Inuit — Maritime circumpolar people of Canada.

In call to action 92, the commission called “upon the corporate sector in Canada to adopt the *United Nations Declaration on the Rights of Indigenous Peoples* as a reconciliation framework.” The Canadian Chamber of Commerce has stated that action 92 is unclear on who should lead and urged the federal government to show the way, while acknowledging that businesses can move ahead on their own.

Adopting the UN declaration means committing to consultation on any major economic development project, ensuring that Indigenous peoples have equitable access to jobs, corporate training and education and educating staff and management on the history of Indigenous peoples.

Murray Sinclair, the Manitoba judge who led the commission and who is now a Senator, has

said that the UN declaration should be the starting point for discussions. “Since Confederation the government of Canada has deliberately attempted to wipe out the culture and language of Aboriginal people,” Sinclair said, calling the approach

cultural genocide. He further stated that education is the key to reconciliation, noting that the residential schools played a key role in creating the current problems. The *Public Health Reviews* reported in 2017 that this long period of “colonization” affected Indigenous physical, mental, emotional and spiritual health, manifesting in higher rates of obesity,

**“THIS IS A LONG JOURNEY, THIS IS NOT A PROJECT. THIS IS A LONG, LONG JOURNEY THAT WILL LAST BEYOND MY LIFETIME.”**

—BRENDAN REIMER



**PAUL LEDOUX**  
BOARD DIRECTOR,  
AFFINITY CREDIT UNION



diabetes and cardiovascular disease as well as lower educational attainment, loss of culture and language and disconnected family structures.

Seven generations of children went through residential schools and it may take us as many generations to fix these profound socioeconomic challenges. As Sinclair stated, “Education is what got us into this mess, at least the use of education in terms of residential schools.”

### Commitment declared by credit unions

The Truth and Reconciliation Commission issued its final report in June 2015. It was followed in March 2016 by a commitment by **Vancouver City Savings, Affinity** and **Assiniboine** credit unions to adhere to the UN declaration and ensure their organizations supported reconciliation efforts. The three are members of the Global Alliance for Banking on Values and all felt this step was a natural one for them to take.

At Winnipeg-based Assiniboine (125,500 members, \$4.6 billion in assets), Brendan Reimer, strategic partner, values-based banking, says the credit union's commitment on implementing the call for economic development has focused on "looking at financial inclusion, financial empowerment, as an aspect of creating economic opportunities for Indigenous peoples."

Assiniboine has programs to ensure access to financial services for people who often face barriers and has "focused on developing new partnerships with Indigenous-led, Indigenous-focused organizations, who we work with to ensure

**"I CONSIDER MYSELF A RESIDENTIAL SCHOOL SURVIVOR: MY MOTHER WENT TO THE DUCK LAKE RESIDENTIAL SCHOOL FOR NINE YEARS AND I HAD A BROTHER AND TWO SISTERS THAT WENT, SO I HAVE SOME PERSONAL EXPERIENCE WITH WHAT IT HAS DONE."**

— PAUL LEDOUX

that people are able to access fair, affordable financial services, so that they don't have to go to the fringe banks."

Reimer says the main focus at Assiniboine has been its commitment to education and learning. "We have a variety of opportunities created here to learn about treaties, to learn about residential schools, to learn about different aspects of Indigenous culture, hearing from elders, led by the Indigenous Leadership Circle, an employee-led group of Indigenous employees who guide and plan our collective learning journey. It's been



wonderful to see them step forward and take leadership in this space."

Reimer says Assiniboine was one of the original signatories to a Winnipeg Indigenous Accord, an agreement by local businesses and social groups to implement the commission's calls to action. Each organization makes a public pledge to act and reports annually on its progress. Assiniboine is continuing to work on its pledge for call to action 92. "One of the first things we did was go talk to our Indigenous leaders in the community and say,

'we've been called to action, we want to respond effectively and appropriately and we really would value your advice on how to proceed,' " Reimer says. "Assiniboine has done a bunch of things but we are learning as we go," he says. "This is a long journey, this is not a project. This is a long, long journey that will last beyond my lifetime."

At Vancity (525,000 members, \$26.4 billion in assets) Sheryl Ries, director of diversity and inclusion, says the credit union was actively helping Indigenous groups years before the commission's report. "We understood that this community had been underserved and marginalized and so a lot of work began many, many years ago to really understand the community and learn more about the history and the systemic barriers, so we could meet those unmet needs," Ries says.



TOP: A TOTEM POLE LOCATED IN HUU-AY-AHT FIRST NATIONS COMMUNITY OF ANACLA, BC. ABOVE: A YOUNG ABORIGINAL BOY WEARING A TRADITIONAL BUTTON BLANKET WORN AS A CEREMONIAL CAPE AT A VICTORIA CELEBRATION.



**“WE HAVE A VARIETY OF OPPORTUNITIES CREATED HERE TO LEARN ABOUT TREATIES, TO LEARN ABOUT RESIDENTIAL SCHOOLS, TO LEARN ABOUT DIFFERENT ASPECTS OF INDIGENOUS CULTURE, HEARING FROM ELDERS, LED BY THE INDIGENOUS LEADERSHIP CIRCLE, AN EMPLOYEE-LED GROUP OF INDIGENOUS EMPLOYEES WHO GUIDE AND PLAN OUR COLLECTIVE LEARNING JOURNEY.”** —BRENDAN REIMER

Vancity has devoted much time on teaching employees about the realities of Canadian history, because many did not learn it in school. One valuable tool has been a free, 12-week online University of Alberta course titled Indigenous Canada. “As employees learn more and understand more their appetite to contribute to the movement and to contribute in a positive way to the right kind of social change grows and grows,” Ries says.

This is a challenge and an opportunity for Vancity, since it has to ensure enthusiastic employees move forward in a sensitive way and don’t plunge ahead causing unintended problems.

Reimer at Assiniboine raises the same concern, noting that

it’s best to be respectful and ask your Indigenous partners what they need and how to proceed and be wary of trying to solve what you think the problem may be.

At its annual conference last spring, members of the **Canadian Credit Union Association (CCUA)** passed a resolution committing the organization to the UN declaration. Its efforts have focused on education for credit unions with several webinars providing background and advice. One of the first questions from credit unions was how they could start the process. A webinar devoted to this topic had representatives from Vancity, Affinity and Assiniboine advising that they approach local communities with humility and mutual respect.

Reimer says that Indigenous leaders have been

glad that the credit union has engaged with them and he urges credit unions to take their first step, even if it just means acknowledging at meetings or in their annual report that they operate on Indigenous territory or on treaty lands. He also suggests credit unions consider simple moves such as including Indigenous businesses as suppliers for anything from branch needs to staff lunches. In fact, the Canadian Council for Aboriginal Business is developing a supplier database that businesses can tap for just such needs.

**SaskCentral**, which has passed a resolution adopting the United Nations Declaration on the Rights of Indigenous Peoples, has a staff Truth and Reconciliation Commission committee. It has also undertaken several education initiatives, including setting up an online discussion forum for Saskatchewan credit unions.

### Personal experience

Paul Ledoux is a member of the Muskeg Lake Cree Nation and a board director at Affinity (125,500 members \$5.4 billion in assets) in Saskatchewan. The credit union has a unique governance structure with nine district councils, eight based on geography and one for Indigenous members. The district councils elect members of the board.

Ledoux says he’s a member of Affinity’s cooperative values committee and it reviewed the entire Truth and Reconciliation Commission report. “Over a period of time we read sections and after a meeting we would have a discussion about what we read and what we understood,” he says. “I consider myself a residential school survivor: my mother went to the Duck Lake Residential School for nine years and I had a brother and two sisters that went, so I have some personal experience with what it has done.”

Ledoux says he is proud that the three credit unions that have adopted the UN declaration are “front-runners in the financial industry. We are building relationships with First Nation communities.”

The resolution passed at last year’s CCUA conference encouraged all credit unions to show their support and commitment to building the lives and fulfilling the dreams of Indigenous peoples, actions that will result in a better future and a better Canada. ■



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# Seniors wanted

**In Canada, more people over the age of 65 are choosing to work part or even full-time. Can senior workers still be valuable employees for credit unions?**

By Nick Best

Last fall, Tochi Sandhu celebrated his 78<sup>th</sup> birthday. The auspicious event wasn't — unlike many people who have reached this age — a break from the mundane routine of retirement. Rather, it was another notch in a remarkable career: Sandhu can now boast 61 years of employment — 29 of those in the credit union system.

Why is Sandu still coming to work, Monday to Friday, 9 am to 5 pm, at **First West Credit Union**, (250,000 members, \$11 billion in assets), based in Langley, BC? Is he a workaholic? Is he an anomaly? The answer to both of those questions is “no.” And the answer is a definite “yes” to the query: is he an invaluable staff member — despite being on the cusp of 80?

Sandhu is part of a growing number of Canadians who are choosing to work — voluntarily — past 65. This was Canada's traditional age of retirement until the late 1990s before a series of landmark court cases challenged what many saw as age discrimination under human rights legislation. In 2015, Statistics Canada reported that more than one million people, or just under 20 percent of Canadians aged 65 and older, worked at some point during the year. That is nearly double the number of seniors who worked in 1995. Another Statistics Canada study from 2017 indicated that seniors with a bachelor's degree or higher, as well as those without private retirement income, were more likely to work beyond conventional retirement age.

What can such senior workers

contribute to a credit union? In Sandu's case, he has brokered more than \$1 billion in loans without any bad debt or loss and won the Top Commercial Lender award for more than 10 years from Envision Financial, a division of First West. For Sandhu, working more than a decade beyond conventional retirement



age isn't about the money. Rather, it is an extension of his life philosophy that boils down to “honesty, discipline, respect for others and hard work leading to a healthy and happy life.”

## Longer career trajectory

The saying, “live to work or work to live” is too simplistic a notion for the complex social and economic factors

that determine individuals' career and work choices as well as their retirement plans. “It would be a mistake to think that older Canadians work longer simply because they need or want the extra money,” says Daniel Béland of the University of Saskatchewan's Department of Sociology. “The sense of fulfillment, the personal interactions and the social status associated with one's job are clear factors,” says Béland, a Canada Research Chair in Public Policy. “For many people, work is an integral part of their personal and social identity.”

But, as the Fourth Industrial Revolution — Industry 4.0 — with its cloud computing, artificial intelligence, automation and cognitive computing bears down upon us, how can the skills of our elders hold relevance for credit unions? Workplace veterans, says Peter Cappelli, professor of management at the Wharton University of Pennsylvania, can be invaluable. Motivated by social contact more than money, Cappelli says, they know their customers, are loyal to their employer and are more active in their community.

## Seniors are productive

Yet, despite such assets as experience and good judgment — as well as evidence showing seniors are generally as productive or even more so than younger employees — the workforce can be discriminatory towards those who are sporting grey hair and hard-earned wrinkles. This, says Cappelli, doesn't acknowledge the value that older workers bring to an organization. “Every aspect of job performance gets better as we age,” Cappelli says.

Sandhu says that he isn't motivated simply by the day-to-day pleasure of engaging with members that keeps him working at First West. The credit union has a supportive culture along with “inspiring leadership that yields retention of staff and stability.” It is this job satisfaction, he says, that motivates staff to “carry on working and deliver their best.”

From Sandhu's perspective, senior workers and credit unions can be a win-win scenario. “Together we all succeed.”



# Virtual teller

**Alexa, Amazon's voice-based virtual assistant, the latest technological advance in banking convenience, is undergoing testing by Canadian credit unions.**

By Veronica Mastroianni

**T**wo Canadian credit unions are testing a system that lets their members do their banking through Alexa, Amazon's voice-based virtual assistant. The technology comes by way of **Central 1 Credit Union**, which developed it in collaboration with San Francisco design agency Point One Digital. By way of this new and innovative tool, Alexa becomes a personal member service representative, allowing end users to tell the artificial intelligence (AI) platform to make payments, transfer money and perform other banking transactions, all via a simple voice command. Additionally, thanks to Alexa's voice recognition capability, the system ensures that an authorized user is requesting these transactions, keeping the member's banking information private and safe.

Aside from providing greater convenience for those who already use the Alexa-based smart home speakers, the system will also benefit and improve banking accessibility for individuals who are visually impaired, are challenged by mobile or keyboard interfaces, or have difficulty leaving their homes. Currently, trials are being undertaken by Saskatchewan's **Conexus Credit Union** (127,461 members, \$6 billion in assets) and **Innovation Credit Union** (52,164 members, \$2.5 billion in assets) in the hope Alexa will become available to members this year.

## Quicker than online

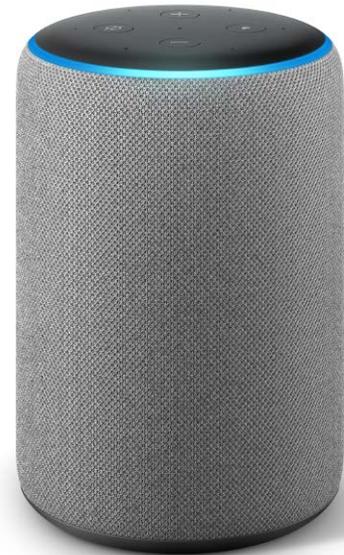
The voice-command banking system works through a conversational interface on any Alexa-enabled device. Quicker than a person can access an online account, the system enables users to inquire about an account balance, pay a bill and transfer

money between accounts. To set-up an Alexa account, a member first needs to install the Amazon Alexa app on their mobile device. Then they use the app to download the "Innovation skill" onto the Alexa device. Once installed, the member needs to link their Innovation online banking login to the "skill" on the Alexa device via the Amazon app. A member must create an additional four-digit code to complete the voice-command set-up. When the "skill" is verbally activated, it's initially authenticated via voice biometrics. Once the speaker is recognized, he or she then articulates their four-digit code before the saved digital banking credentials are used to enable any functionality within the app.

Dean Gagne, chief digital and technology officer at Innovation, points to the positive feedback provided by numerous employees who have been testing Alexa. For those who already own the Alexa-home system, the voice-command banking system is a convenient add-on to their daily routines, he says.

Innovation's involvement with the voice-command banking system was possible thanks to collaboration with Central 1's senior product manager, Alexander Chan. During an interview on the credit union talk show *CUBroadcast*, Chan explains that "we launched Alexa banking before the big banks and from a credit union perspective we're really proud of this achievement. And when we look at Alexa banking, it's not only about its unique features, we're also looking at the tremendous potential it can bring to credit union members in terms of accessibility of use."

To make it more interactive and user-friendly, Conexus included a feature that allows Alexa to share financial tips with



its end users, further mimicking an interaction with a real-life credit union employee. Along with ease of use, Alexa will also be able to accommodate technological growth in the future.

## Attracting millennials

Keeping up with changing times also serves a vantage point in terms of member attraction, particularly when looking at younger generations like millennials. Technology is continually progressing and if credit unions aren't leveraging new technological advancements, they might be overlooked by potential members searching for innovative banking resources, says Gagne. "To reduce the roadblocks to attract generations like millennials, you need to have up-to-date technology," he says. "It might not guarantee their commitment to your credit union but you automatically won't be in the running if you don't have the latest products available."

As Alexa redefines traditional banking methods, credit unions have found a natural partner to meet the needs of members who are limited by disabilities, who wish for greater convenience and who strive for the latest and newest interactive technology. ■



# Real estate trends for 2019

This coming year will see higher interest rates and real estate prices as well as the development of more imaginative home layouts accessorized with smart technology.

By Roberta Staley

In the rapidly changing Canadian real estate landscape, new homeowners as well as the real estate industry are in for big changes this year, according to a study, titled *Emerging Trends in Canadian Real Estate*, released this past fall by Price-waterhouseCoopers and the Urban Land Institute.

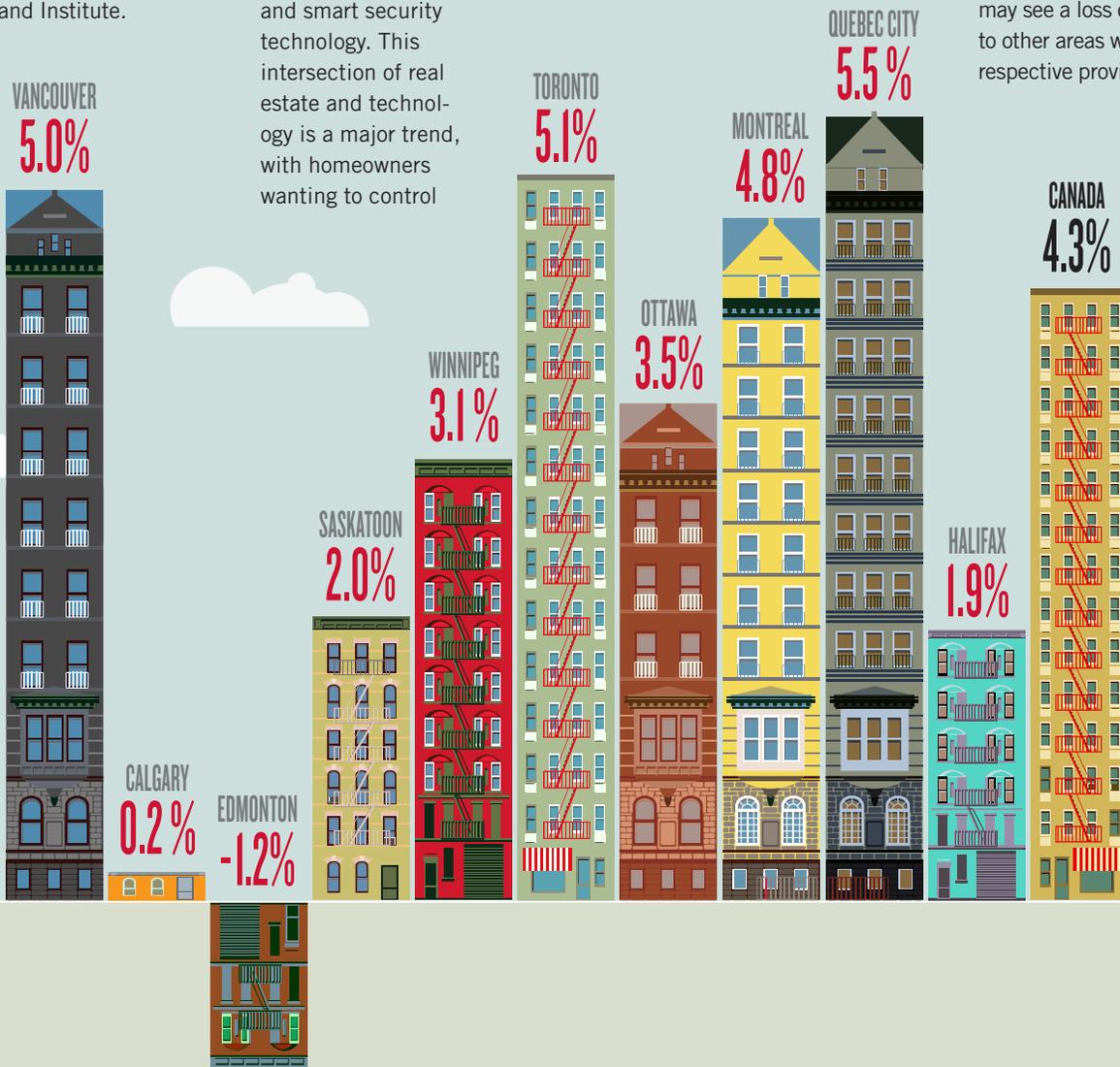
Increasingly, residential living spaces are catering to diverse demands from homeowners. The growing number of self-employed individuals want homes that accommodate workspaces and home offices. Potential Airbnb hosts want open concept living spaces, common areas and smart security technology. This intersection of real estate and technology is a major trend, with homeowners wanting to control

lighting and other household amenities from their mobile devices. As a result, builders are beginning to include smart building technologies in their structures.

Mortgages are also on the rise. The benchmark interest rate rose to 1.75 percent last

October, following a 1.5 percent July hike by the Bank of Canada. More hikes will follow, predict policymakers, in order to keep the inflation rate close to a two percent target, *Trading Economics* reports.

Affordability will continue to drive mobility as well as lifestyle. The proportion of household income needed to service the costs of a single-family home grew to 53.5 percent in the first quarter of last year, with Vancouver hitting 119.3 percent. As a result, millennials are expected to abandon urban centres for the suburbs in search of affordable housing. Over the next five years, Toronto, Montreal and Vancouver may see a loss of people to other areas within their respective provinces.



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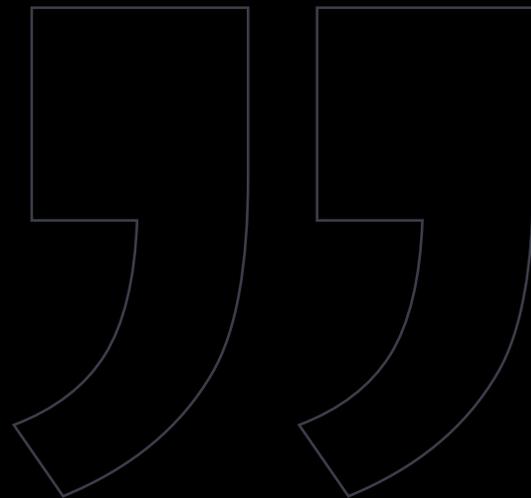
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