



Institute for Community Prosperity

# COMMUNITY INVESTMENT PROFILE

## Assiniboine Credit Union

Banking the unbanked

### Background

**Industry:** Financial services

**Company founded:** 1943

**Headquarters:** Winnipeg

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

**Legal Type:** Cooperatively Owned Company

**Owned:** Canadian Owned

**Years dedicated to Community Investment (C.I.):** Since founding

**Region of Focus:** Winnipeg, Gillam and Thompson, MB

**Investees/ Partners include:**

- Nourishing Potential (Winnipeg Foundation)
- United Way
- Supporting Employment and Economic Development (SEED) Winnipeg
- Enterprising Non-Profits Manitoba
- Jubilee Fund

### Community Investment Strategy:

After World War Two, founder Ed McAffrey noticed that many of his neighbours struggled to pay their regular bills and without assistance from banks, had to rely on payday lenders to get by. To provide a solution to this issue, Ed, his wife Anne, and some of Ed's co-workers from the Winnipeg Electrical Company founded a credit union to provide loans to people in need. In 1943, Assiniboine Credit Union Society Ltd was created through collaboration between the founding members.<sup>1</sup>

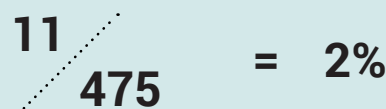
Assiniboine considers itself to be a values based financial institution with a commitment to "contribute to long-term business success and help build a better world for all".<sup>2</sup> Assiniboine's community investment strategy benefits the Winnipeg community through socially minded loans and providing charitable and community organizations with grants and sponsorships. Its Community Financial Centre provides non-profits, cooperatives, and social enterprises with loans which would be difficult to obtain from conventional financial institutions. Assiniboine provides organizations focusing on community renewal, environmental sustainability and community enterprise development with Community Grants ranging from \$500 to 5,000.<sup>3</sup> In 2014, Assiniboine invested \$460,990 into community grants and community sponsorships.<sup>4</sup> Assiniboine Credit Union's community investment strategy is tied to their core business as a financial institution; much of their giving is through financial literacy, socially responsible investing and matched savings accounts.

**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.

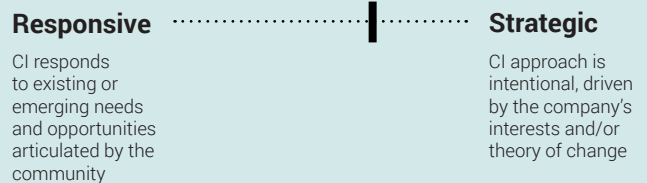
#### Geographic scope



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



#### Granting or sponsorship approach



# FOCUS Investment: Values Based Banking

## Issue:

Between 1996 and 2009, Winnipeg's North End lost 10 bank branches.<sup>5</sup> Once the major banks had left, many people had to rely on fringe financial institutions such as pay-day-loan businesses to do their banking. Fringe financial institutions have high fees and interest, which cut into already tight budgets, especially in communities experiencing high levels of poverty.

Owning assets is one way many Canadians become financially sustainable. However, it is difficult for people living on low incomes to save enough money for large purchases such as a down payment on a house. The inability to get ahead financially can cause people to remain stuck in their situations and dependant on social assistance.

## Solution:

Part of Assiniboine Credit Union's mission is to "bank the unbanked". Community leaders and partners observed that people living in North End of Winnipeg had very limited options for banking and asked Assiniboine to do something about it. Assiniboine partnered with the North End Community Renewal Corporation (NECRC) to create the Community Financial Services Centre. The Centre provided low income residents of the area an affordable way to open bank accounts, cash cheques, get access to their money, and gain financial education. Then, in 2012, Assiniboine opened up a full service branch to serve the residents of Winnipeg's North End community.

Assiniboine also helps Manitobans living on low-incomes through asset building. Assiniboine collaboration with SEED (Supporting Employment and Economic Development) Winnipeg and the United Way of Winnipeg to create the Asset-Builders Partnership. The Partnership was created to help low income people save and create opportunities for themselves. In 2007, Assiniboine Credit Union created the Matched Saving Account Program for AssetBuilders participants. Participants choose a savings goal and take money management training through local non-profit organizations. The Matched Savings Account helps participants grow their savings by matching every dollar saved three to one with funds from organizations such as the United Way. In 2014, 714 people used the Matched Savings Account Program.<sup>6</sup>

Employees support AssetBuilders Programs by participating in Assiniboine's annual United Way campaign to help fund Matched Savings Accounts. In 2014, 75% of Assiniboine employees took part in the campaign.<sup>7</sup> Employees are also encouraged to share their financial and business expertise with the community through participation in consultations and seminars for AssetBuilders programs and others. Assiniboine Credit Union believes that giving back to the community is part of employees' responsibilities and considers community engagement in performance reviews.

## Impact and Evaluation:

Since its inception, the Matched Savings Account Program has helped 3,035 people save \$1.2 million and has donated \$2.9 million in matched savings.<sup>8</sup> In acknowledgement of this Program, Assiniboine is the recipient of Credit Union Central of Canada's 2015 National Credit Union Social Responsibility Award.<sup>9</sup> Assiniboine is also committed to investing a minimum of 2% of its pre-tax earnings into the community over a three year rolling basis.

## Endnotes

1. Shirley Muir, "Ed McAffrey, Assiniboine Credit Union's Founder and First Member" para 2, Assiniboine Credit Union, October 16, 2014, <http://asteriskonline.ca/2014/ed-mcaffrey-first-member/>.
2. Assiniboine Credit Union, "Assiniboine Credit Union's commitment to values based banking" para. 2, Assiniboine Credit Union, September 2013, <http://annualreport.assiniboine.mb.ca/files/AssiniboineCU%20-%20VBB%20Policy%20-%20Nov-2013.pdf>.
3. Assiniboine Credit Union, "About Community Grants" para.1, Assiniboine Credit Union, 2015, <http://www.assiniboine.mb.ca/My-Community/Sponsorships-Grants/About-Sustainable-Community-Gr.aspx>.
4. Assiniboine Credit Union, 2014 Annual Report, Community- Non-Financial Results para. 7, [http://annualreport.assiniboine.mb.ca/Non-financials\\_Communities.html#Gettingpeoplebanked](http://annualreport.assiniboine.mb.ca/Non-financials_Communities.html#Gettingpeoplebanked).
5. Assiniboine Credit Union, "How did we get here?" para. 4, Assiniboine Credit Union, 2015, <http://www.assiniboine.mb.ca/My-Finances/Banking/Access/McGregor-Branch/How-did-we-get-here.aspx>.
6. Assiniboine Credit Union, 2014 Annual Report, Community- Non-Financial Results para. 3.
7. Assiniboine Credit Union, 2014 Annual Report, Community- Non-Financial Results para. 11.
8. Credit Union Central of Canada, "Financial empowerment through asset building" para. 6, Credit Union Central of Canada, 2015, <http://www.cucentral.ca/CUSR/Lists/SuccessStories/View.aspx?ID=70>.
9. Credit Union Central of Canada, "2nd Annual National Credit Union Social Responsibility Award" para. 1, Credit Union Central of Canada, 2015, <http://www.cucentral.ca/SitePages/TheCreditUnionDifference/NationalAwards/SocialResponsibility/2015.aspx>.