



Vancity is a credit union operating in British Columbia, Canada within the territories of the Coast Salish and Kwakwaka'wakw people. As a values-based financial co-operative, Vancity serves the needs of its more than 560,000 members and their communities. These member owners make up Vancity's customer base, including retail and business banking relationships. Vancity uses its assets to help improve the financial well-being of its members while at the same time helping to develop healthy communities that are socially, economically, and environmentally sustainable. Vancity was founded to address financial exclusion and to this day maintains a strong focus on financial literacy and inclusion through innovative products and partnerships serving underserved communities, including refugees, newcomers and people experiencing financial hardship.

Vancity's financial health and inclusion approach mirrors the priorities outlined in Canada's [National Financial Literacy Strategy 2021 - 2026](#), with a focus on meeting members' needs for timely advice, accessible products and services, and financial empowerment. The National Strategy highlights two key realities: the pandemic has intensified financial stress and challenges, and it is more challenging than ever to navigate the financial marketplace. These realities are reflected in Vancity's priorities and actions, with the ultimate goal of improved financial health for all members. Canadian data from the [World Bank Global Findex Database](#) highlights similar gaps, including the opportunities to improve Canadians' ability to save for old age (in 2021 59% saved for old age and 52% were worried about not having enough money for old age), meet monthly expenses (in 2021 34% were worried about not having enough money for monthly expenses or bills), and come up with emergency funds (in 2021 6% found it not possible and 35% found difficult to come up with emergency funds in 30 days). Insights from the [Financial Resilience Institute's](#) peer-reviewed Financial Resilience Index model and Financial Well-Being studies (2017 – 2023) build on these findings, overall emphasizing challenges in household financial resilience and continued financial stress for Canadians at the national level (as of February 2023 78% of Canada's population has some level of financial vulnerability), with significant nuances by province and for different segments of the population (see [Index reports](#)).

Vancity knows that needs can be greater for the following prioritized groups: Indigenous people, newcomers and refugees, and people experiencing financial hardship. While Vancity will continue to pay particular attention to serving the needs within these communities, Vancity will also look to widen its impact by scaling solutions that address needs common across segments and the broader membership.

## **Vancity's Commitment to Financial Health & Inclusion.**

Submitted to the UN Principles for Responsible Banking

To this end, Vancity has committed to:

**Increase the average member financial confidence score from 7.4 out of ten in 2023, to 8.0 by 2030<sup>i</sup>**

To monitor progress towards achieving its target, Vancity will periodically track:

- Based on survey data the percentage of members who could not cover an unexpected expense of \$5000, starting from a baseline value of 9.3% in 2023
- Based on survey data the percentage of members with products connected to long term savings and investment plans, starting from a baseline value of 61.8% for terms and GICs and 61.4% for managed or self-directed investment products in 2023

Understanding that confidence is one of several elements that contribute to financial health, Vancity is exploring how periodic tracking of the following additional indicators can help monitor progress towards achieving this target and further refine its financial health and inclusion approach. Once initial data on these indicators and our target is understood, it is Vancity's intention to decide which indicators are most useful and meaningful in support of our action plan.

- The mean financial resilience score of Vancity members compared to that of British Columbians and Canadians, based on survey data from the Seymour Financial Resilience Index®<sup>ii</sup>
- The percentage of members who rate highly the extent of Vancity's role in building confidence to manage finances, based on survey data
- The percentage of members who find it difficult to meet necessary cost of living expenses, based on survey data
- The percentage of members who, in the previous 6 months, exhibited account behaviour indicative of difficulty managing day-to-day expenses
- The percentage of members who could not cover an unexpected expense of \$400, based on survey data
- The percentage of members who agree that they are on track to have enough money to provide for their future financial needs, based on survey data
- Number of active partnerships to achieve financial health and inclusion targets

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An additional dimension of Vancity's approach to financial health and inclusion is the connection to climate and climate justice. Recognizing that many Canadians are already grappling with the financial impact of climate-related weather events, Vancity will continue to examine the impact of climate change on its communities' and members' financial health. Vancity plans to track the following metrics as important indicators of the connection between climate and financial resilience:

- The percentage of members who have been impacted by extreme weather events in the past 12-24 months, based on survey data
- The percentage of members who anticipate having to spend money to help prepare for extreme weather events this year, based on survey data
- The percentage of members who have significant financial stress from anticipated expenses to prepare for extreme weather events, based on survey data

For further details and examples, see [Vancity's financial resilience and inclusion work](#).

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<sup>i</sup> This target is based on a Vancity retail member survey question: "Overall, how confident are you, that you can successfully manage your financial situation over the next 12 months? (1 = Not at all confident and 10 = Extremely confident) and uses the average weighted score across respondents.

<sup>ii</sup> This KPI is based on an index and scoring model and related datasets provided by the Financial Resilience Society. This index and scoring model measures *a household's ability to get through financial hardship, stressors and shocks as a result of unplanned life events* across nine behavioural, sentiment, and resilience indicators. More information on the index and scoring model is available at <https://www.finresilienceinstitute.org/indicators-and-scoring-model/>. The contents of the index and scoring model and related datasets used herein are proprietary to and copyright of Financial Resilience Society dba Financial Resilience Institute and used by Vancouver City Savings Credit Union under license. Seymour Financial Resilience Index ® is a registered trademark used under license by Financial Resilience Society. All rights reserved.