

Meeting the Needs of Independent Workers at Vancity Credit Union

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The Independent Worker Revolution

- 20-30% of workforce is now 'independent' - aka, freelancer, contractor, temporary, part-time
- Significant increases in past decades
- Many reasons why - companies contracting out, 'new' digital business models (e.g., UBER), and attraction of independence and flexibility
- In B.C., Canada, 300K+ solo-entrepreneurs and rising

Lawrence F. Katz and Alan B. Krueger, "The Rise and Nature of Alternative Work Arrangements in the United States, 1995–2015," NBER Working Paper No. 22667, September 2016, www.nber.org/papers/w22667.

McKinsey (2015). "Independent Work: Choice, Necessity and the Gig Economy". Decemeber.

Vancity Research

- Vancity wanted a clear picture – we didn't have one.
- Motivations, pains & gains, financial needs
- **Advantages:** freedom, independence, flexibility
- **Disadvantages:** Workers are precarious
 - Lack of stable income; uneven cash-flow
 - lack of savings; more financial stress
 - lack a social safety net - health benefits, paid sick days
 - Often feel that they are 'on their own'

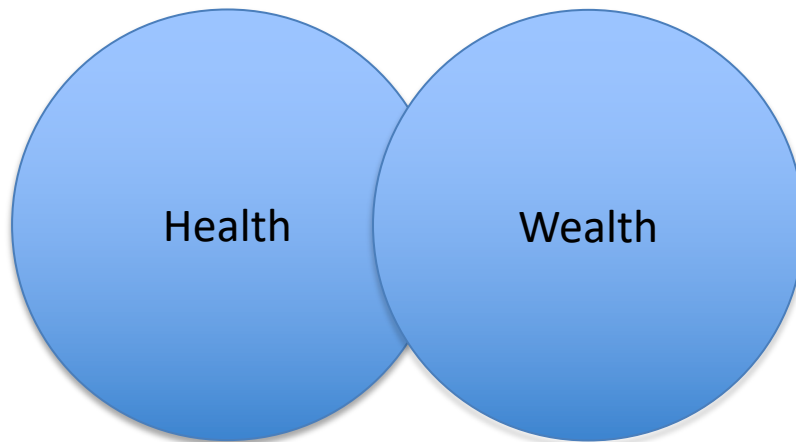
Vancity Research

- 80% by 'choice', 20% by 'chance'
- 5% - low usage of business banking support – reported a lack of business advice from their financial institution
- 55% - have felt significant stress in the past month
- 74% - report that biggest disadvantage to indie-work is no access to affordable health benefits; and that no insurance agencies / health plans 'speak to them'

Innovating to Meet Needs

- Holistic view of the member - required a Mindset Shift

“Our strategy will provide access to convenient, accessible financing, personalized advice and resources often unavailable to independents due to their size”



The Health & Wealth concept emerged from our research

Innovating to Meet Needs

- Pillars of the Strategy
 - Meet real needs of independent workers
 - Additional revenue streams for Vancity
 - Launch quickly & iterate
- Two pilots to start:
 - Health Benefits for Vancity Members
 - A Fintech partnership to provide more convenient + accessible cash flow loans

Health Benefits for Independents

- Vancity Member Health Benefits Program (Launched Feb, 2018)
- Partnership with Pacific Blue Cross: 'Referral model'
- High quality
- Affordable
- Pooled approach
- Inclusive
- Health literacy



Vancity Member
Health Benefits Plan

Running your own business is more than just the bottom line;
it's supporting the people behind the scenes.

Ask us how the Vancity Member Health Benefits Plan can help.

Health Benefits

- Branch network, small business team and marketing campaigns drive awareness and referrals
- Project team leads the design, change and roll-out
- Approx. 1500 appointments booked
- Digital appointment tool
- 120+ Health Plans sold; 260+ people covered (60% had no health coverage previously)
- Member retention and satisfaction high
- Staff engaged and excited by new 'health' product
- Vancity generates percentage of revenue on premium fees



Fintech Partnership – Small Dollar Loans

- Partnership with Fintech Judi.AI (Launched Sept, 2017)
- Fast, easy, trustworthy
- Transparent
- Enhanced financial literacy
- AI-based credit adjudication
'say yes more with less risk'
- Fast moving and responsive development cadence



Fintech Partnership

- Over 250 loans applied for by independents (also use for small business lending)
- 125 approved since Jan. 2018 - \$4,750,000 (avg. 38K)
- Member experience highly positive
- Appreciate the transparency, literacy, speed
- Staff time savings over 4 hours per application
- Loans velocity increased approx. 200%



Capacity Wins

- Accelerated time to market
- OPEX largely carried by partner
- Dev faster and outsourced, responsive
- Improved / new revenue streams
- Made staff's lives easier, saved time
- Vancity seen as sophisticated, progressive
- Member experience improved
- Members' precarity and stress reduced



Vancity

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JUDI.AI

Next Steps...

- Accelerate the programs
- Build out Suite of Services
 - Professional Services (Accounting Software, etc)
 - Co-working partners
- Bundle products together into a holistic 'suite'
 - Critical aspect to keep an eye on
 - “Vancity Independent-Worker Bundle” or the “Health & Wealth Package”
 - Engage community to support this design

Credit Union Recommendations

- **Proactively research** the needs of independent workers in your trade region.
- **View the independent worker as a growing opportunity** who can be supported through a suite of products and services
- **Partner with innovative organizations** that also want to solve independent worker
- **Prototype solutions in-market** and iterate through feedback from the independent workers, staff and the community.