



Internship Role & Purpose

- Research through literature and existing models to determine feasibility of P2P lending model
- Critique and revise 2019's Fair Banking Study in collaboration with Angus Reid Market Research
- Prepare relevant COVID-19 and racial inequity questions for 2020's Fair Banking Study
- Analyze and interpret raw data set on Gig Economy workers in the creative industry in partnership with UKAI Projects
- Develop project timelines and project concept for DUCA Impact Lab Community Bank

About DUCA Impact Lab

- DUCA Impact Lab is a registered charity under the DUCA Credit Union
- Incubator committed to solving inequities in the financial system
- Experiment with meaningful and scalable solutions to provide fair financial services to all

We believe banking can be better.

Major Projects

Community Bank

- Scaling pilot projects to build an inclusive bank for all community members that promotes positive impact
- Peer-to-Peer (P2P) Lending
- Eventual product within Community Bank to help increase credit access to all individuals

- #### Gig Economy Analysis
- Partnership with UKAI Projects to analyze cash flow of creative workers in the gig economy
- #### Fair Banking Study 2020
- Annual study with Angus Reid to determine banking perspectives from borrowers and lenders



Debt Impacting Ability to "Get Ahead"

How Personal Debt Has Impacted Life (Among borrowers)

		HOME OWNERS	RENTERS
Your opportunity to save and build wealth	52%	52%	51%
The quality of your housing situation	18%	14%	23%
Your ability to pay for basic expenses (food, utilities, transportation)	18%	15%	23%
Your ability to rent or purchase an apartment or house	17%	8%	28%
Your ability to pursue advanced education or training	14%	11%	17%
Your ability to pursue the employment of your choosing	13%	13%	13%
Your ability to afford childcare	4%	5%	4%
None of the above	38%	40%	35%

How Personal Debt Has Impacted Health Care Needs (Among borrowers)

		HOME OWNERS	RENTERS
Ability to afford dental care	26%	21%	32%
Ability to afford physiotherapy	14%	12%	16%
Ability to afford counselling	14%	9%	20%
Ability to afford prescription drugs	12%	9%	15%
Ability to maintain health care treatments	11%	9%	11.4%
Ability to afford transportation to and from medical appointments	6%	4%	8%
None of the above	64%	71%	57%

36% Report some health care impact

Sustainability in the Financial System

- Current mainstream banking services and products have failed to capture all groups of people, particularly, the economically vulnerable
- 20% of borrowers have used debt restructuring and debt counselling services
- 43% of borrowers feel stressed about their personal debt
- 52% of borrowers say personal debt has impacted their opportunity to save and build wealth
- Credit scoring is incomplete and non-transparent; a barrier to credit access for those that need it the most
- The growing desire for foundations, impact funds and even some financial institutions to include impact investments as part of their treasury holdings and product structures is becoming easier to put into action - Between 2016 and 2018, impact assets under management have grown 81%

Lessons Learned

- Cash flow management can be used as a more accurate and reliable alternative to credit scores when assessing creditworthiness
- Individuals incentivized with an interest rebate at the end of their loan term are less likely to default on their loan repayments
- COVID-19, CERB, and loan deferrals has significantly skewed debt and loan data for 2020
- Economic and social pillars of sustainability are critical in reimagining a more just, fair, and sustainable world

Social Responsibility in Financial Institutions



It's not about the number of people participating in financial literacy workshops, it's about **creating better opportunities to apply financial literacy knowledge.**



It's not about the percentage of Canadians who have access to bank accounts, it's about **how they are using those accounts and how the institutions are facilitating better financial health.**



It's not about giving back less than 1% of pre-tax profits to community organizations, it's about **engaging communities to solve problems and providing equitable financial services that work for everybody.**