

# Financing Worker Co-ops

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# Start-up

- grants to support incorporation
- Impact Business Development support
- *Co-operate Now*

# The Five 'Cs'

**Character**

**Capacity**

**Conditions**

**Collateral**

**Capital**

Microcredit

# Microfinance

## Microborrowers

entrepreneurs

people entering a trade or profession

newcomers building credit history

people repairing credit history

## Borrowing to

start a business

upgrade education

renew certifications

purchase tools or equipment

# Microfinance

**Microborrowers** | **Borrowing to**  
entrepreneurs | start a business

# Microfinance

**Microborrowers** | **Borrowing to**  
entrepreneurs | start a business

- A range of products to meet a variety of circumstances and needs
- A typical loan: \$50,000 for five years at prime + 3%
- **Work to Own**: up to \$10,000 for up to seven years at prime + 2%

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Co-operative

Conventional





- sought financing for electronic equipment
- support from *Tenacity Works* contingent on additional financing
- risk mitigated by:
  - ✓ CWCF involvement
  - ✓ members experience in the business
  - ✓ loan guarantees
  - ✓ familiarity
  - ✓ the co-op structure

# Co-op Succession

- Assessing: how much debt could the members take on?
- Defining: how flexible can Vancity be?
- Resolving: how flexible can the owner be?

**Vancity**  
Make Good Money.™

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**Thank you!**