

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

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- 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!