

Credit Unions Take Action To Equip Canadian Youth To Be Financially Savvy

~ Youth Week marked by launch of national program
and Canada's first-ever savings account geared to 11- & 12-year-olds ~

May 1, 2014 – Gibsons BC

In a move to combat the growing trend of household debt, and instead create a nation of smart savers and spenders, a group of like-minded credit unions have launched a national program called Humanomics to raise awareness and introduce innovative financial products to foster good financial habits among Canadians, especially youth.

Established by Credit Union Atlantic in Nova Scotia, Innovation Credit Union in Saskatchewan, and Coast Capital, Prospera and Sunshine Coast in BC, the Humanomics Program is economics with a human focus. The program directly reflects how credit unions work together towards a greater good, reinvesting in local communities and providing opportunities to support their members' financial well-being.

The first product launched through the Humanomics Program is Canada's first-ever bonus savings account for 11- and 12-year olds. "Our credit unions are working together in a bold and ambitious way to create a nation of smart savers," said Shelley McDade, CEO, Sunshine Coast Credit Union. "The Humanomics Youth Savings Account is Canada's first-ever bonus savings account for 11- and 12-year-olds that will reward youth with up to \$125 after three years if they've demonstrated good savings behavior."

"Putting community and people first is fundamental to credit union culture and indicative of how credit unions operate," said Marie Mullally, President and Chief Executive Officer, Credit Union Atlantic. "That is why we have introduced the Humanomics Program to help families by providing smart advice, simple products and services that give them a break and get them out of debt, while providing opportunities to help them save and invest for the future. The savings account for 11- and 12-year-olds is just the first of many new ways we will be helping Canadians."

The limited-time offer savings account will pay a preferential rate of interest and will be available to youth from May 1 - June 13 this year. On the one-year anniversary date of the account opening, the credit union will deposit a bonus payment of 20 per cent to the account up to a maximum of \$100, and an additional five per cent bonus will be paid on the third-year anniversary date (up to a maximum of \$25).

As part of their work to bring the Humanomics Program to market, the credit unions commissioned a national poll that revealed the majority of Canadians believe financial institutions have a role to play when it comes to improving the financial well-being of Canadians, and providing specific products for children that encourage good financial habits is at the top when it comes to how financial institutions can help Canadians and their families. The poll was carried out by Ipsos Reid and interviewed 1,527 Canadian adults, including 431 parents from coast to coast from March 19 to 26, 2014. The survey is considered accurate to within +/- 2.9 percentage points had all Canadian adults been polled and within +/- 5.4 percentage points had all Canadian parents been surveyed.

Quick Facts

- The average Canadian household now has 5.5 per cent of income in savings and owes \$1.63 for every dollar in disposable income earned. – Statistics Canada, September 2013

Ipsos Reid Study, on behalf of the Humanomics credit unions – March 2014

- 86 per cent of parents wish financial institutions would take a more pro-active role in educating youth in Canada about savings and debt. 94 per cent of parents agree that if Canadian youth are taught about savings at an early age it will lead to better financial management practices in the future.
- Parents know that instilling the value of savings at an early age is important, with 61 per cent agreeing that they wish they had been instilled with the importance of savings at a younger age.
- When it comes to specific things financial institutions can do to help Canadians and their children adopt better financial management habits, providing specific banking products for children that encourage good habits (62 per cent) and providing new and innovative banking products that focus on people, not profits for the bank (59 per cent) rise to the top.

Additional Quotes

“Good financial habits start with our youth because young people are the future of Canada. The Humanomics Youth Savings Account is a much needed first step in creating a financially savvy generation with strong financial literacy and solid long-term savings habits. After all, good habits for the future start early.”

– Daniel Johnson, Chief Executive Officer, Innovation Credit Union

“In light of the growing level of personal debt in Canada, more financial education about the benefits of saving money early is needed. By equipping our nation’s children with financial products like the Humanomics Youth Savings Account we can foster healthy financial habits and equip young people with the tools to optimize the possibilities before them. This in turn will create a brighter, more successful future for all Canadians.”

– Tracy Redies, President and Chief Executive Officer, Coast Capital Savings

“We are working together for the greater good, for the benefit of our communities and our members. Good financial habits start with our youth and because they’re the future of Canada, we’re starting by helping young people learn how to manage money and become more confident and successful savers, consumers and investors.”

– Bruce Howell, President and Chief Executive Officer, Prospera

Helpful Links

Website and video: humanomicscu.ca

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