



CREDIT Union Lines

AIL CANADA

TOOLS AND RESOURCES FOR CREDIT UNIONS • NOVEMBER 2008

THE BLUE PAPER of the Month

“As A Recession Looms, Innovation Could Be Your Competitive Key”

It’s obvious that troubled times lie ahead.

Banks (and some credit unions) have been going under. Recession looms at our doorsteps, and every financial institution is faced with problems we’ve never seen before.

However, some credit unions have found that a few innovations can really tilt the scales in their favor during these times of turmoil.

That’s why this month’s American Income Life *Blue Paper* looks at the critical topic “As A RECEPTION LOOMS, INNOVATION COULD BE YOUR COMPETITIVE KEY.”



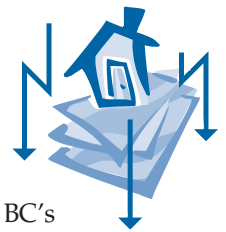
This issue shows you how some very innovative credit unions have found techniques for weathering the storm. It gives examples of the types of programs they initiated and the results they achieved. ♦

For your complimentary copy, just contact your AIL representative or call the AIL Credit Union Center at 800-278-6661.

Trends and Topics

BC HOUSING MARKET IN RECESSION

The widespread impact of the credit crisis on mortgage finance, the economy, and consumer confidence has sent BC’s housing market into recession, according to Central 1 Credit Union’s latest *Economic Analysis of British Columbia* newsletter.



“A poor economic outlook for 2009 and tight credit conditions extending into next year will keep housing sales on a downward trajectory for several more months,” said Central’s Chief Economist, Helmut Pastrick. “Housing sales will decline by a further 17 percent in 2009, following a projected 30 percent fall this year. An easing in the credit crisis, lower mortgage rates, and an improved economy will see housing sales turning upward in 2010.”



Housing prices will continue falling from their March 2008 high into next year, bringing the provincial median sales price down 13 percent to \$310,000 in 2009 and by an additional 5 percent in 2010. A turning point in the price downtrend is expected in 2010.

New construction is forecast to tumble 37 percent in 2009 in a poor sales climate and tight credit environment. Housing starts will make a modest recovery in 2010, following a sales turnaround and relaxing credit conditions. ♦

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CU Trends and Topics

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VANCITY AND COAST CAPITAL SAVINGS NAMED AMONG BC'S TOP 50 EMPLOYERS

Two credit unions, Vancity and Coast Capital Savings, were listed among BC's best employers. This special designation recognizes the British Columbia employers that lead their industries in offering exceptional places to work.

Vancity, Canada's largest credit union, was singled out for letting employees "purchase" extra vacation days in exchange for reduced coverage under their flexible benefits plan; supporting alternative work arrangements,

Vancity

including flexible hours, telecommuting, shortened work weeks, and 35-hour work weeks (with



full pay); operating a unique green building grant program (funded by profits

from its credit card operations); helping members "go green" by offering reduced loan rates for hybrid vehicles and energy-efficient home renovation; giving new employees three weeks paid vacation, which increases after only four years; and reaching its goal of going carbon neutral, two years ahead of schedule.

Coast Capital Savings, Canada's second-largest credit union, was honored this year for starting employees at three weeks of paid vacation; encouraging employees

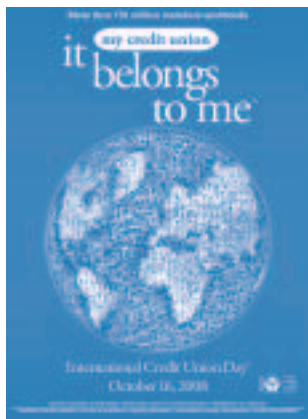
to continue their education with tuition subsidies (to \$1,500 a year), as well as in-house and online training programs; and offering a variety of great financial benefits, including subsidized home Internet plans, profit-sharing, and generous referral bonuses (from \$250 to \$5,000), depending on the vacancy.

Now entering its fourth year, BC's Top 50 Employers is an annual competition organized by Mediaworld Canada Inc. Employers are evaluated on these criteria: Physical Workplace; Work Atmosphere & Social; Health, Financial & Family Benefits; Vacation & Time Off; Employee Communications; Performance Management; Training & Skills Development; and Community Involvement. Employers are compared to other organizations in their field to determine which offer the most progressive and forward-thinking programs. ♦



CREDIT UNIONS CONTRIBUTE RECORD AMOUNT TO COMMUNITY PROJECTS

During this year's celebration of International Credit Union Day on October 16, Credit unions across



Canada highlighted the more than \$35.8 million they contributed to community efforts last year — an all-time record and a 3 percent increase over 2006.

The seventh annual national survey of credit union philanthropy shows that credit unions support their local communities with money, services, and time. The

Serving the Community



largest category of support was donations and sponsorships. Credit unions gave \$25.3 million in this area, up about 3 percent from the previous year. Credit unions also donated

\$3.7 million to their own charitable foundations, handed out more than \$900,000 in scholarships and bursaries, and provided \$2.8 million in financial services to community organizations, largely by reducing or waiving service charges for such groups.

In addition to money, credit union employees volunteered for community activities and organizations. In 2007, 47 percent of the credit unions surveyed said their employees participated in community activities as part of their paid work and 67 percent of employees volunteered on their own time. ♦



Comments? Suggestions? Questions?

Call the Credit Union Center Hotline:

1-800-278-6661