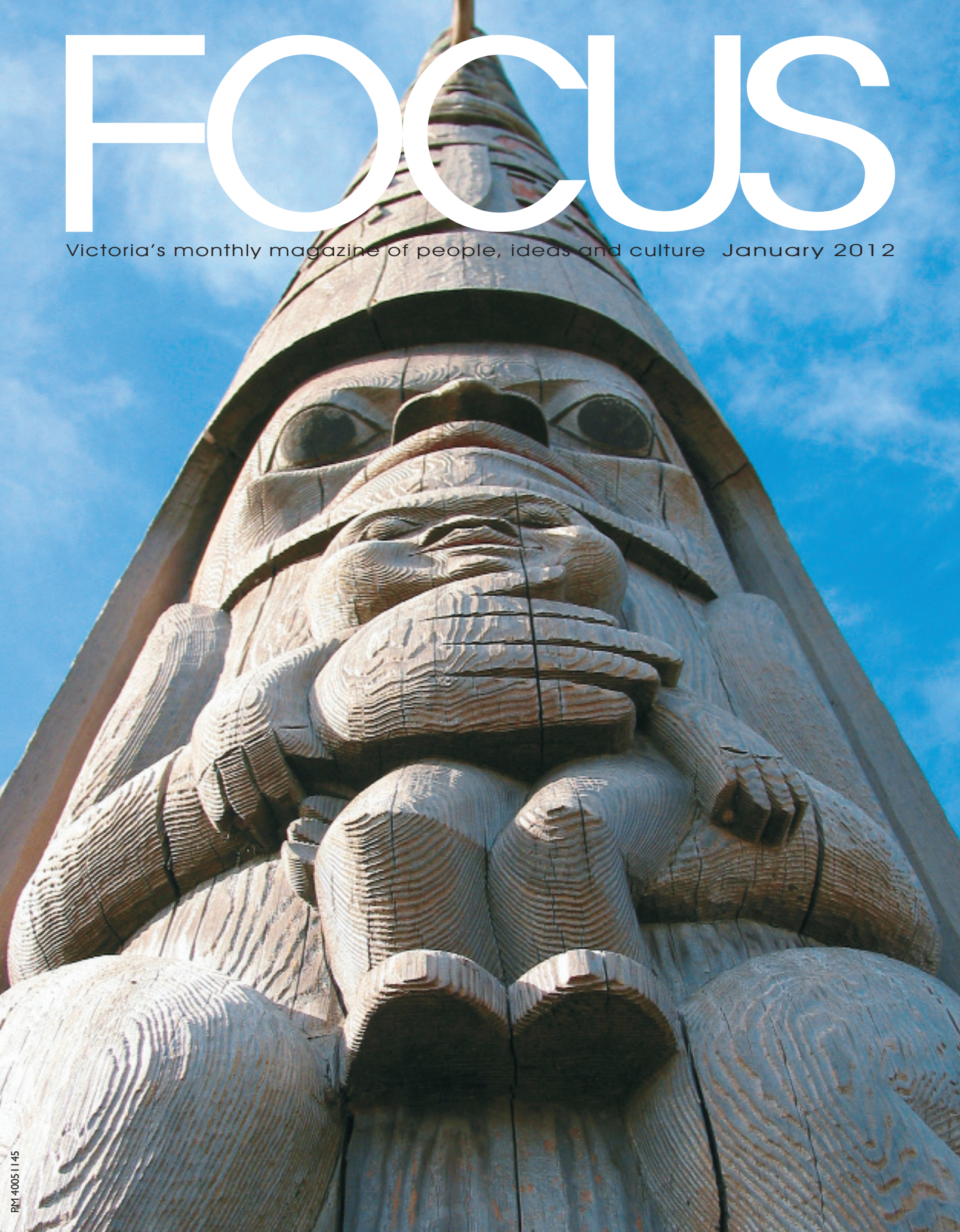


FOCUS

Victoria's monthly magazine of people, ideas and culture January 2012



Put your money where your municipality is

ROB WIPOND

On January 31, a panel of local experts will talk about new ways to ensure your savings, RRSPs, and investment dollars help strengthen our community sustainability and resilience. We offer a preview of some of the ideas they'll address.

During her presentation at the Community Social Planning Council of Greater Victoria's recent annual general meeting, economic development expert Nicole Chaland brought out a perspective-shifting number: \$360 million.

That's how much Greater Victoria residents invested last year in Registered Retirement Savings Plans (RRSPs)—enough to effectively double last year's growth in Greater Victoria's entire gross domestic product. Yet instead of boosting our economy or helping improve our community, most of that enormous wealth of ours was simply drained away into globalized mutual funds.

If we could create some sort of local pool for RRSPs, Chaland said, "What we'd be doing is capturing money that's already being invested, and we'd be making sure it's invested locally."

And that, says Community Social Planning Council director Rupert Downing, is what he's setting out to do in the wake of Chaland's feasibility report on community investment funds (CIF).

"This is a very exciting opportunity," says Downing, who envisions such funds helping develop local affordable housing.

"There is a capital gap," explains Downing. "The availability of subsidies [from governments] and mortgages from banks or credit unions doesn't cover the full cost of developing market rental housing." What we need, he says, is "patient capital," where loans are relatively cheap and investors don't need or expect to pull their money out in a hurry—like with RRSPs.

The Community Social Planning Council (often called the Community Council) recently coordinated meetings between BC provincial government representatives and their counterparts in Nova Scotia, where such community investment funds are already in operation, discussing tweaks to RRSP and venture capital tax credits that could facilitate the process here.

"The funds that work need a tax incentive," says Downing. "That's the optimum."

A Cape Breton community investment fund has already captured two percent of their local RRSPs—if we could merely equal that here, that'd be \$7.2 million annually.



Left to right: Nicole Chaland, Lisa Helps, Stephen Whipp, Rebecca Pearson, Rupert Downing

Community investment funds around North America generally focus on supporting locally-owned businesses but, because of their broader mandate to foster overall community development, they usually come with an additional focus on improving local environmental sustainability, social justice, economic resilience and self-reliance. So aside from affordable housing developers, Downing points to City Harvest (an urban farming cooperative), City Green Solutions (a home-energy retrofitting non-profit), and Community Micro Lending (a provider of small loans to new entrepreneurs) as examples of the kinds of companies which often fall between the cracks when trying to raise conventional loan capital, but which could be readily helped through a CIF.

The Community Council is gathering a steering group to begin developing the business plan and legal framework for a regional community investment fund. So to anyone with business, financial, tax, legal or marketing expertise willing to do a little pro-bono work, says Downing, "We'd be very pleased to hear from them." Downing will be speaking about the initiative at an upcoming community investment forum sponsored by Transition Victoria, Vancity and *Focus*. Along with Chaland, Downing, and new Victoria councillor Lisa Helps, who is a director of Community Micro Lending (see *Focus*, April, 2010), several other speakers will outline additional options for redirecting your dollars back into our local community.

One of those speakers will be Vancity community business banking account manager Rebecca Pearson.

"Just by banking with Vancity, you are investing in community," notes Pearson,

explaining that credit union regulations require virtually all of Vancity's \$14.5 billion in assets to be invested in British Columbia. And most of that, she says, stays in the Lower Mainland and Southern Vancouver Island.

"On top of that, we are focusing on community impact," she adds. "So we're not just investing locally, but we're also making an effort to invest in the building blocks of a sustainable economy."

Pearson points to the Root Cellar Village Green Grocer, Dockside Green, and the Victoria Car Share Co-op as examples of progressive local enterprises with which Vancity has been involved.

But exactly where your savings are invested is often not under an individual's direct control, and so some Vancity members remain frustrated by the credit union's investments in more conventional or less ethical businesses. Pearson says Vancity is developing options for those people, too.

"The most interesting thing that we're working on right now for more direct connections between your dollars and where they get locally invested is the Resilient Capital Program," says Pearson. Just starting up now in Victoria, but with a pilot project underway in Vancouver, the program gathers investors who can contribute \$50,000 or more into a multimillion dollar pool. "Their money will be made available to social enterprises to help build resilient communities."

In Vancouver, Vancity's Resilient Capital Program recently helped support a major expansion to a non-profit that runs women's shelters, and a revisioning of Save on Meats as a multifaceted social enterprise benefiting its impoverished Downtown Eastside neigh-

bourhood through a restaurant serving all income levels, accessible work opportunities, and a rooftop vegetable garden.

“We’re still looking for depositors,” says Pearson. And to entrepreneurs with great ideas for improving local resilience, she adds, “We’re looking simultaneously for investment opportunities on the Island.”

That’s good news to Stephen Whipp, an ethical investment advisor with Manulife Securities Incorporated and vice-president of the Westshore Chamber of Commerce, who’ll also be speaking at the forum. Whipp says he constantly hears from prospective clients with a hunger for ethical investment opportunities that are specifically local.

“One issue that comes up over and over and over is people want to help,” says Whipp. “[Investors ask] ‘How do I help? Other than growing my own food, other than cutting back on how much I drive or increasing how much I use transit, how do I make my community a better place?’”

Due to regulations to protect us from scams, however, licensed brokers and investment advisers like Whipp are restricted to recommending opportunities that are listed on mainstream capital markets. So instead, Whipp provides financial and business advice to “put tools in the toolbox” that help people do their own “due diligence” when they examine local investment opportunities. Another approach Whipp suggests people explore is community “investment clubs,” an ad hoc version of a community investment fund where small groups of people get together to share the costs and efforts of doing such due diligence.

But these are makeshift solutions which shouldn’t have to continue this way, argues Whipp. He hopes growing public demand will push governments, regulators, and investment firms with sufficiently large expert infrastructures to more proactively facilitate targeted, ethical, community investment opportunities.

“I think the credit unions have an ability to make a huge play in this area,” comments Whipp. “That in itself may make others pay attention to it.”

AT THE OTHER END OF THE SPECTRUM, of course, some would argue that trying to make money from money, while participating within a global financial system that’s arguably

Invest Your Money IN LOCAL CHANGE

A forum on present and future options for putting savings, RRSPs and investment dollars into local, sustainable, ethical businesses to build a more self-reliant economy

Nicole Chaland, Sustainability Solutions Group, Program Director for Simon Fraser University Certificate Program for Community Economic Development

Converging Global Crises and the Benefits of Local Investment Models for Businesses and Communities

Stephen Whipp, CFP, Senior Financial Advisor with Stephen Whipp Financial and Manulife Securities Incorporated, specializing in Socially Responsible Investing and Financial Planning
Challenges and Possibilities for Ethical, Local Investing

Rupert Downing, Executive Director of the Community Social Planning Council of Greater Victoria, former director of the Canadian Community Economic Development Network
Building Affordable Housing and Social Enterprises with Community Investment Bonds

Rebecca Pearson, MBA, Account Manager, Vancity Community Business Banking
Invest in Community Impact through Banking Locally

John Ehrlich, Owner/manager of Alderlea Farm & Cafe, and Farmer at TLC's Keating Farm in Duncan
Food Security through Community Supported Agriculture

Lisa Helps, City of Victoria Councillor, Executive Director of Community Micro Lending
"We need each other to flourish": Small Investments, Big Paybacks through Local Investments

ADMISSION FREE

**7 pm Tuesday, January 31, 2012
Ambrosia Conference Centre
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“ I THINK WE’RE AT AN INCREDIBLE CROSSROADS. We have a huge opportunity which may never be there again, to show people that you can do business in a different way.” —Stephen Whipp

dubious at its core, is inherently antithetical to sustainability, social justice and community development. From this perspective, ethical investing is a tiny bandage over the gaping wound that’s brought our society to the brink of environmental, social and financial collapse.

Yet it’s difficult to deny that Vancity’s \$14.5 billion, or Greater Victoria’s own \$360 million annually in RRSPs, are amounts that could have far-reaching and profound societal impacts if directed creatively and progressively back into their source communities. Those aren’t mere bandage levels of money. And even if, after some hypothetical apocalypse, we were to pull out of the global economy altogether through an alternative local currency, we’d probably still need some infrastructure guided democratically by members, not unlike a credit union or community investment fund, to help manage that currency and provide expert guidance on where to funnel our collective financial resources. So why not explore what’s possible if we put our financial shoulders to the wheel right now?

John Ehrlich, another speaker at the forum, has already shown what’s possible, even with just a little upfront investment and no complicated legal or regulatory frameworks.

While family farms are disappearing across Canada, his Alderlea biodynamic farm near Duncan has been expanding at 30 percent annually since 2003. This year, 200 families will invest on average \$450 each as “shareholders” in exchange for weekly veggie bins. Aside from being emotionally uplifting to have so many people “committed” to helping your farm survive, says Ehrlich, this “Community Supported Agriculture” system improves cash flow, efficiency and marketing.

“The biggest thing is having the money up front, before the season begins, purchasing seeds and tools and other things,” he explains. “And we know exactly what to grow and how much to put out for the families each week.”

Starting a community-supported farm, says Ehrlich, is as simple as bringing some community members together to help stabilize a farmer’s livelihood by providing upfront payments for produce at near-retail rates. But our next regional hurdle is figuring out how to rally enough local resources to actually purchase land for farming. Ehrlich has been closely involved with The Land Conservancy’s experiment with Keating Farm, and will outline those efforts at the forum.

“I think we’re at an incredible crossroads,” summarizes Whipp. “We have a huge opportunity which may never be there again, to show people that you can do business in a different way.”

The Community Investment Forum is 7 pm Tuesday, January 31 at Ambrosia Conference Centre, 638 Fisgard Street. Admission is free. For more information see “Events” at www.TransitionVictoria.ca.



Rob Wipond discloses that he has \$200 invested in a maintenance and landscaping company through Community Micro Lending.