



A social dividend, not just a financial one

Social Return On Investment Study

Donore Credit Union, Ireland's first and oldest credit union, is the first credit union to undertake a Social Return On Investment study.



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Social Value International certifies that the report “A social dividend, not just a financial one”, published on 8 June 2020, satisfies the requirements of the assurance process.

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Awarded 8 June 2020



Ben Carpenter
Chief Executive Officer



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Do more with Donore

Donore Credit Union Limited (CU Ltd) is Ireland's first and oldest credit union ¹. It is located in The Liberties: a historic neighbourhood situated southwest of Dublin's city centre. Its inaugural meeting was held in April 1958. In its first year of operation, the credit union had 94 members with a share balance of £240 ². Today, it has almost 5,000 members, assets of more than €36 million, and a broad service offering. Its mission is to deliver quality and valued services to its members. Donore CU is regulated by the Registrar of Credit Unions – a subdivision of the Central Bank of Ireland – and is a founding member of the Irish League of Credit Unions (ILCU).

www.donorecu.ie



Helping not-for-profits to build a better world

Whitebarn Consulting was established by Sandra Velthuis in 2005. Whitebarn Consulting provides a range of supports to community groups, co-operatives, charities, voluntary bodies, non-governmental organisations, social enterprises, and the private and public sector bodies that work with them. Most Whitebarn Consulting contracts focus on outcomes, impact and social value. Sandra was the first Accredited Practitioner of Social Return On Investment (SROI) in the Republic of Ireland and today she is a Level 3 Advanced Practitioner. She is a member of Social Value International and The Wheel.

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Acronyms and abbreviations used in report

AGM	Annual General Meeting
APR	Annual Percentage Rate
CEO	Chief Executive Officer
CFCFE	Centre for Community Finance Europe
CPD	Continuing Professional Development
CSR	Corporate Social Responsibility
CU	Credit Union
CUAC	Credit Union Advisory Committee
CUDA	Credit Union Development Association
CUDS	Credit Union Development Society
CUFA	Credit Union Financial Analytics
CUMA	Credit Union Managers' Association
CUSOP	Credit Union Organisation for Payments
DIRT	Deposit Interest Retention Tax
ILCU	Irish League of Credit Unions
Ltd	Limited
NSF	National Supervisors Forum
RUFI	Research Unit for Financial Inclusion
SDGs	Sustainable Development Goals
SROI	Social Return On Investment
UK	United Kingdom

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Supplement: Value map (Excel spreadsheet)

“Donore CU is not a profit or cost centre, this remains and always will be a people centre.”³

Chapter 1: Why this evaluation?

An established and trusted movement ...

The Irish credit union movement has a long and fascinating history ⁴. As the first credit union in the country, Donore CU played a pivotal role in that history ⁵. Today, the Republic of Ireland has 241 credit unions serving 3.4 million members ^{6 7}, giving it one of the highest penetration rates in the world ⁸. Credit unions have an excellent reputation ^{9 10}, have topped customer experience charts for the past five years ^{11 12}, and their community sponsorship activities resonate very well with the Irish public ¹³.

Sometimes misunderstood ...

Yet despite these positives, there are still people who do not know what a credit union is or who have only a partial understanding of the rationale for credit unions, the role they play in Ireland, and the range of services they provide. The Registrar of Credit Unions describes a credit union as:

"... a financial co-operative formed for the promotion of thrift among its members..."¹⁴.

And the ILCU explanation is as follows:

"A credit union is a group of people, connected by a 'common bond' based on the area they live in, the occupation they work in, or the employer they work for, who save together and lend to each other at a fair and reasonable rate of interest. Credit unions offer members the chance to have control over their own finances by making their own savings work for them. Every credit union is owned by its members – the people who save with it and borrow from it. Credit unions exist only to serve members – not to profit from their needs. Surplus income generated is returned to the members by way of a dividend and/or is directed to improved or additional services for members. Members' savings are used to fund loans to other credit-worthy members of the credit union. So, the money in a credit union always remains in the local community or 'common bond' that the credit union serves."¹⁵

Redefining its role in a changed world ...

The core values of credit unions are those of co-operatives in general, that is: self-help; self-responsibility; democracy; equality; equity; and solidarity, together with what might be termed the ethical values of: honesty; openness; social responsibility; and caring for others ¹⁶. These principles remain vital to today's credit unions. However, the environment in which credit unions operate has changed massively since the late 1950s: socially, economically, technologically and in other ways. Competition has grown. Regulation has increased. Traditional common bonds have been questioned ¹⁷. Weaker credit unions have closed down or merged, resulting in a sharp decline in the number of Irish credit unions, without a full understanding of the total eventual impact this may have ¹⁸. Without doubt, the Irish credit union movement is in flux and under stress ^{19 20}. Credit unions are struggling to determine what business models they need to adopt over the coming years to adapt to this changed landscape, whilst at the same time staying true to their founding principles ^{21 22}.

Reconnecting with its social obligations ...

To some eyes, a modern credit union may look much the same as a high street bank and may offer a similar menu of products and services. This is especially true of some of Ireland's larger credit unions. And at a time when so-called 'corporate social responsibility' (CSR)²³ is a normalised aspect of the business world – including the banking sector^{24 25} – credit unions cannot claim to have a monopoly on being socially conscientious. But scratching even slightly below the surface, it quickly becomes apparent that credit unions continue to differ from mainstream financial providers, and not only in terms of their service/product range.

Being ethical, being democratically owned and governed, and being committed to concern for the community are their very *raison d'être* – not 'nice to have' add-ons. Their difference from traditional banks, by virtue of their not-for-profit mandate, value system, volunteer ethos and community focus, has been acknowledged^{26 27}. However, articulating these core concepts in a clear, consistent and persuasive manner appears to be a real challenge for the credit union movement. As noted in research by Carol Power and colleagues (2012, p. 9), it is imperative that this problem is addressed if credit unions are to survive:

*"An ability to demonstrate and highlight the distinctiveness of credit unions vis-à-vis conventional financial institutions will be a key determinant of the future of credit unions in Ireland ... examining existing practices, exploring and defining social objectives, and periodically measuring the extent to which these objectives are fulfilled, offers potential for helping credit unions to uphold the principle of social responsibility in a meaningful way."*²⁸

Seeking a way to measure social impact and social value ...

However, as Small Change, the CFCFE and the Research Unit for Financial Inclusion (RUFi) at Liverpool John Moores University have recently pointed out (2015, p. v):

*"Even if credit unions can articulate their social goals and objectives, all is in vain if they cannot measure, evaluate and prove the social impact that they are making ... If we wish to strengthen the foundations of our sector, we should equip ourselves with the capacity to demonstrate our impact."*²⁹

Demonstrating impact is rarely an easy task, but this does not mean it should not be attempted. Amongst other approaches, co-operatives have experimented with Social Auditing, the Co-op Index, the Co-operative Sustainability Scorecard and the Democracy Audit³⁰. Turning attention to credit unions specifically, albeit in other parts of the world, credit unions are beginning to make use of a number of different measurement frameworks^{31 32 33}. The SROI approach has also been posited as one potentially valid way of demonstrating the value of credit unions^{34 35 36} and has been successfully trialled in slightly different, but related, contexts^{37 38 39 40}.

For reasons of accountability ...

Credit unions are accountable to those who have a legitimate interest in their work. Primarily, these are its members, but there are others beyond the membership who too have a stake in what credit unions do. Understanding what value is created by the credit union – for whom and how – and reporting this back to stakeholders in a way that is meaningful to them, is an essential component of the credit union's governance function.

Credit union regulation already requires that accurate financial reporting is done, but there is undoubtedly scope to improve the way credit unions report on their social value. This is in line with a general move amongst social purpose organisations towards a) more robust measurement and b) more compelling storytelling about how their activities achieve impact ^{41 42}.

For reasons of continuous improvement ...

After six decades of operation, and a recent period of turbulence ⁴³, Donore CU is taking stock. It continues to play the role of pioneer by being the first credit union in the country to commission an SROI study. It assumes that it is a social value creator, but does not yet know exactly how much value it generates and which products and services are the most and least beneficial to individuals and organisations in the community. Gaining this understanding will enable it to adjust its activities and ways of working to better meet their needs, so that more social value can be released in the future. Donore CU has, from the outset, committed to learning from this evaluation, to acting on reasonable recommendations, and to embedding social value measurement and reporting into its core work from here on in.

For reasons of advocacy ...

Donore CU intends to use the results of this evaluation to full effect to inform legislators (elected representatives), policy makers (notably the Department of the Taoiseach ⁴⁴, Department of Finance ⁴⁵ and Credit Union Advisory Committee: CUAC ⁴⁶, but possibly others too), regulators (including the Central Bank of Ireland) and other parties who exert an influence, about the total value that a small, local and independent credit union can bring about. In this way, an informed debate can be had not only about the role of credit unions as alternative financial providers, but also about their ability to address other public policy goals.

And making a contribution to the wider credit union movement and beyond ...

The main purpose of this study is to establish what the social value of Donore CU is, with obvious direct benefits to this individual credit union in terms of the goals outlined above and also in terms of its marketing, public relations and similar organisational functions.

However, there are other actors in the credit union movement who are also likely to be interested in the results and who may therefore derive indirect benefits from this research. This group includes researchers, other credit unions, CUMA ⁴⁷, National Supervisors Forum (NSF) ⁴⁸, CFCFE ⁴⁹, Credit Union Development Association (CUDA) ⁵⁰, ILCU ⁵¹, and even the ILCU Foundation ⁵², which is the charitable arm of the ILCU that assists credit union development in Africa, Central America and Eastern Europe. Donore CU takes its co-operative ethos seriously and has indicated that it is happy to discuss the process of undertaking an SROI study and the results of this project with any interested parties, both inside the credit union movement and outside it.

In conclusion

This evaluation is timely and there are a large and varied number of reasons for undertaking it.

Chapter 2: The research process

Adhering to *The Seven Principles of Social Value*

These principles form the backbone of any social value study and were adhered to throughout the process:

"1: Involve stakeholders

2: Understand what changes

3: Value the things that matter

4: Only include what is material

5: Do not over-claim

6: Be transparent

*7: Verify the result"*⁵³.

Setting up a steering group

A steering group was established to drive and guide the research. This group comprised the CEO of Donore CU – who is a paid staff member – as well as the Chairpersons of the Board⁵⁴, the Secretary of the Board and one further Director – who are all volunteers. Together, they bring a wealth of experience of the credit union movement, of Donore CU itself and of the local community. They are also all members of the credit union in their own right, so understand the organisation from a user perspective. The consultant reported to the steering group on a weekly basis and used it as a representative sounding board throughout the process.

Scoping the evaluation

This is an SROI evaluation of Donore CU, covering the period 1 October 2018 – 30 September 2019: its financial year. This study describes and measures all the notable changes brought about by the organisation over that period, and values these using monetary equivalents wherever possible. This does not mean that all of the figures that are shown in this report are actual cash flows that have taken place, although some are. It simply means that an attempt has been made to equate the value that people place on certain gains and losses caused by the credit union to other things that they attach importance to in their lives, and at the same time compare these to the value of any financial and non-financial resources they have invested. In this way, the social return of the organisation can be calculated. Note that only material (that is, relevant and significant) changes are included in the social value account, as per Social Value International's *Standard for Applying Principle 4: only include what is material*⁵⁵.

Observing

The consultant made frequent visits to the credit union throughout the process and also attended its annual general meeting (AGM) in January 2020. This enabled her to gain a very good 'feel' of the place.

Reviewing written materials

Relevant external literature and internal documentation were gathered and synthesised. This included a review of the Donore CU website and its social media channels. Administrative data were especially important to establish what resources had been invested into the credit union and what activities were able to take place as a result of that investment.

Mapping stakeholders

After the scope was agreed, the steering group undertook a stakeholder mapping exercise. This established which individuals and organisations potentially experienced change as a result of the activities undertaken by Donore CU, or otherwise influenced the organisation. Stakeholders themselves are normally best placed to describe the changes they experience and/or effect and their views should therefore primarily inform the results, alongside information gathered through literature/documentation reviews and from experts in the field. During the research process, some stakeholder groups were removed from the social value account, because the evidence showed that they were not in fact experiencing any outcomes or because the outcomes they may have been experiencing were not material. Furthermore, some stakeholder groups were subdivided, because it became evident that they experienced different types of changes as a result of the credit union's activities.

Engaging stakeholders – first phase ⁵⁶

Applying the *Ethical Guidelines* of the Social Research Association ⁵⁷ and Social Value International's *Standard on Applying Principle 1: involve stakeholders* ⁵⁸, a stakeholder engagement plan was drawn up. This commenced with informal discussions with various key informants, from inside and outside the organisation, in order to fully understand the context in which it operates.

To gain clarity on the different results generated for different stakeholders, research that was primarily qualitative in nature was then undertaken. This comprised two strands:

Firstly, three focus groups – one for members, one for volunteers and one for staff – were organised by Donore CU staff and facilitated/recorded by the consultant. Note that all volunteers and employees are also members of the credit union. Some 28 people took part in the focus groups. Whilst every effort had been made by staff to ensure that focus group participants represented a cross-section of the wider group, it became apparent to the consultant that some potentially important voices might have been missing and efforts were then made to speak with these individuals as part of the second strand.

In the second strand, such people and every community partner of Donore CU for whom details were available, were contacted with an invitation to share their views of Donore CU through a semi-structured interview. Some 19 people were interviewed, with all but one of the interviews being done by telephone. Detailed notes were taken.

The question guide that was used to prompt discussions at focus groups and in the interviews is shown overleaf.

A total of 60 stakeholders participated in this phase of the process.

Focus group and interview questions

What is the nature of your relationship with Donore CU? Think of all the different ways in which you interacted with the credit union during the year.

What resources (financial and non-financial) did you contribute to Donore CU?

What changes did you experience as a result of your involvement with Donore CU? What is different for you? (For example, what did the loan or donation allow you to do or how did your behaviour change?)

Were all the changes positive or were there any negative changes too?

Were you surprised by any of these changes? Were they unexpected?

How long will the effect of these changes last? One, two, three, four, five years?

Wouldn't these changes have happened anyway, without Donore CU?

Couldn't you have gained these benefits/disbenefits elsewhere?

Didn't anyone else contribute to the changes you describe?

By engaging with Donore CU, did you miss out on something else?

How important were these changes to you? How would you value them? What would they be equivalent to?

Was it just you/your organisation that experienced changes, or do you think anyone else was affected too? If so, who and how?

Is there anything else you would like to say or ask?

Mapping and evidencing outcomes

Outcomes for different stakeholders were then defined, as per Social Value International's *Standard on Applying Principle 2: understand what changes (part one: creating well defined outcomes)*⁵⁹. Outcomes are the changes that occur as a result of activities – or inaction. They can be major or minor, anticipated or unexpected, positive or negative (limited negative outcomes may be traded off against a greater quantity of positive outcomes). They can relate to changes in awareness, attitude, behaviour, capacity, circumstance, or something else. Sometimes, ultimate outcomes happen quickly, whereas at other times there are one or more intermediate outcomes for a stakeholder that may then lead to ultimate outcomes over time.

Using the qualitative data gathered, together with key external research, so-called chains of events or outcomes pathways were drafted for stakeholders. Decisions also had to be made about which step on the pathway would be measured for materiality, because some outcomes are simply too distant and/or too broad to be able to measure and attribute in any meaningful way to the organisation, and others might not in fact influence decision-making. The chains of events and accompanying narrative were tested for sense and clarity with the steering group and external experts, and amended as necessary.

Engaging stakeholders – second phase

As part of the process of verifying, evidencing and valuing the results identified during the qualitative phase, research that was largely quantitative in nature was then undertaken. As the number of non-members whose outcomes appeared to be material was relatively small, and as in-depth one-to-one discussions had taken place during phase one, it was felt that sufficient data had already been gathered for these groups for understanding the change process, seeking indicators and making valuations. The same held true for scholarship recipients and volunteers. Further, it was not considered essential to probe prize winners, because their outcomes were already clearly defined.

However, more data was felt to be needed for other types of members. To this end, an online members' survey was rolled out (see appendix 1 for survey instrument). This was widely publicised on the Donore CU website, the credit union's and consultant's social media feeds, via email and within the credit union itself. To ensure that those without ready internet access were not excluded, hard copies were also made available in the credit union, and these responses were subsequently entered manually on to the SurveyMonkey platform that was used. In order to maximise response rates, the survey was incentivised ⁶⁰.

Some 378 responses were garnered, which was considerably lower than hoped for, but this was perhaps unsurprising due to the survey happening at the height of the Covid-19 pandemic, when potential respondents might have had different priorities. Of these 378, two people decided not to proceed with the survey after the first question and 16 were deemed ineligible as they were not in fact members of Donore CU. This reduced the number of respondents to 360. Whilst this is not an insubstantial figure, it represents less than 8% of the total membership and it cannot therefore be claimed that the voices of all members have been heard. The survey results can be found in appendix 2.

Valuing outcomes

The valuation process was informed by the Social Valuation International *Standard on Applying Principle 3: value the things that matter* ⁶¹. A range of valuation techniques is available to those calculating SROI ⁶², including revealed preference, stated preference, wellbeing valuation and cost-based methods. The choice of monetisation approach will be influenced by many factors, including the nature of the outcome, the audience for the results and the availability of resources.

There are problems associated with using too many valuation techniques in the same study, so an anchoring approach was trialled, and subsequently halted. Whilst a mix of techniques was used, the numbers were limited as much as possible. In instances that involved money (of which, due to the nature of the organisation, there were many more than in a typical social initiative), it was relatively simple to use hard data. For less tangible results, other meaningful indicators were sought and proxies were used to establish equivalent monetary values (using the stakeholder inputs from phase one and employing a variety of useful external resources ^{63 64 65 66 67 68}). Inevitably, some estimates had to be made. All values were tested for sense and clarity with the steering group. In order not to overclaim, any assumptions and estimations made were named, a very conservative approach to the calculation of value was adopted, and double-counting was avoided. This almost certainly means that the total social value generated by Donore CU has been underestimated, but this is preferable to overclaiming of social value.

The process of valuing outcomes included consideration of the commencement and duration of outcomes – where proxies were used, care was taken to ensure these had the same duration as the outcomes. The amount of change effected was also quantified as far as was possible. This was not always easy, because the change experienced by stakeholders often did not relate to an earlier baseline. Finally, the valuation process included examination of the following:

- Deadweight: would the outcome have happened anyway in the absence of Donore CU? ⁶⁹
- Displacement: did the outcome lead to another outcome, possibly a negative outcome, happening elsewhere?
- Attribution: was the outcome caused solely by Donore CU or did other organisations or people also play a part?
- Drop-off: does the effect of the outcome last or does it lessen over time?

The detailed rationale for the valuation of each outcome can be found in appendix 3.

Calculating the social return

To calculate the organisation's impact, for each outcome, the number of stakeholders experiencing the outcome was multiplied by the selected value. If applicable, percentage deductions were made for deadweight, displacement, attribution and drop-off. It was found that all outcomes remained material after these calculations (that is, sufficiently significant in terms of their quantity, duration, value and causality) and thus continued to be included in the social value account.

Standard calculations were undertaken to uncover the programme's SROI, which was then subject to a sensitivity analysis (see appendix 4).

Note that this report is supplemented by a 'value map', which is an Excel spreadsheet containing all the calculations necessary to determine Donore CU's social return. Due to the nature of the value map, there is a potential to become overly fixated on the final figure indicating the programme's social return in numerical form and thereby to ignore the rich narrative that precedes it. This is inadvisable. Whilst every effort was made to manage the research process to the highest standards and whilst the rationale for all calculations is reported transparently, it should be remembered that the final figure presented is inherently risky. Reasons for this include:

- Not having gauged the views of every single stakeholder and thereby potentially missing out on unheard views
- A potential simplification of chains of events, because people's lives are not linear
- Having been forced to estimate where hard figures were unavailable
- Due to time and resource constraints, not having used multiple indicators for each outcome to increase confidence in the results
- Using average scores from survey data, albeit weighted, which might mask different degrees of outcomes experienced by stakeholders
- Having used imperfect proxies, sometimes from a different jurisdiction, where no better alternatives appeared to be available
- Research bias ⁷⁰.

It is nonetheless hoped that the professional judgements made are sufficiently sound for readers to trust the evaluation results and, where appropriate, implement the arising recommendations.

Verifying, assuring and embedding

The emerging results were verified with the steering group. Only very minor amendments were found to be necessary and these changes were incorporated.

Social Value International provided external assurance.

Finally, the consultant and Donore CU discussed next steps. It was agreed that the results of the study and its recommendations would be communicated widely to all stakeholders. Whilst Donore CU would have hoped to organise a big official launch event, Covid-19 restrictions may mean that this is not feasible in the short-term. In any case, it was agreed that the full report and value map and a user-friendly summary version would be put on the organisation's website. At least one hard copy would be made available in the reception area of Donore CU for reference purposes. The study would also be publicised via press release, emails to all those who took part in focus groups and interviews, social media, in the next newsletter and annual report, at the next AGM, and at any events in the next year or so at which the credit union is invited to speak.

How the study would be used into the future was also discussed. This included deliberation on the setting up of a simplified version of the social value account, which could be used to track and report on the organisation's social value in future years. It also involved consideration of the need to gather, in future years, more accurate data on numbers which had to be estimated during the course of this research. Donore CU was also urged to consider applying for the *Social Value Management Certificate*⁷¹.

A note on numbers

Note that numbers used in this report have been rounded up and down to the nearest integer wherever possible.

In conclusion

The six stages of undertaking an SROI analysis outlined in *A Guide to SROI*⁷² have been followed in a manner that suited the specific needs of Donore CU and its stakeholders.

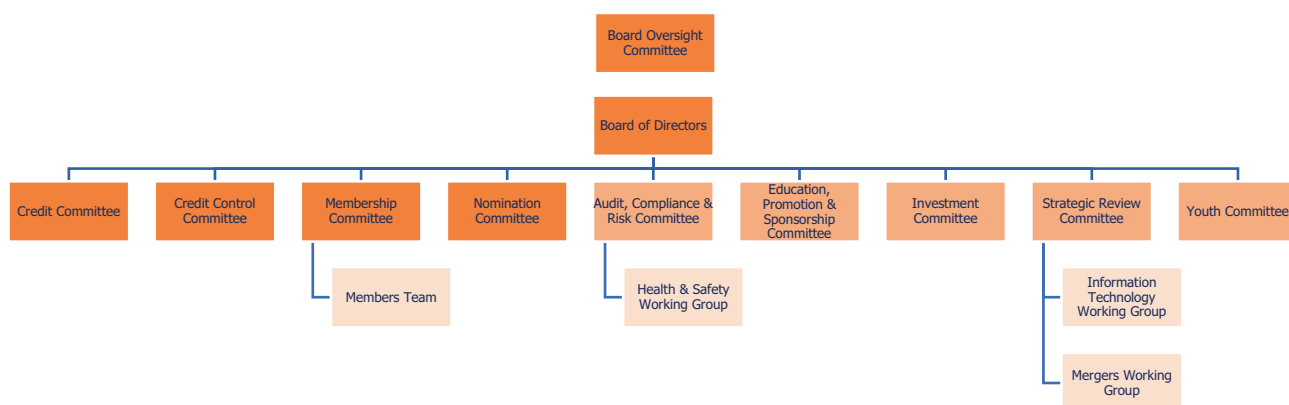
Chapter 3: Life at Donore CU in the year under review

Compliance

As a credit union, the organisation is in the first instance accountable to the Registrar of Credit Unions. It must therefore always function according to the *Credit Union Handbook*⁷³ and must abide by the Registrar's reporting requirements⁷⁴. It must also meet all other legal and regulatory requirements demanded of it by the state. These are ongoing activities.

Structure

The graphic below shows the way the credit union is structured. The darker boxes signify its statutorily required committees. The Youth Committee was newly established during the year. The organisation is governed by a Board of Directors, who act in a voluntary capacity. Most Committees and Working Groups comprise a mix of Directors, other volunteers and staff members.



The common bond

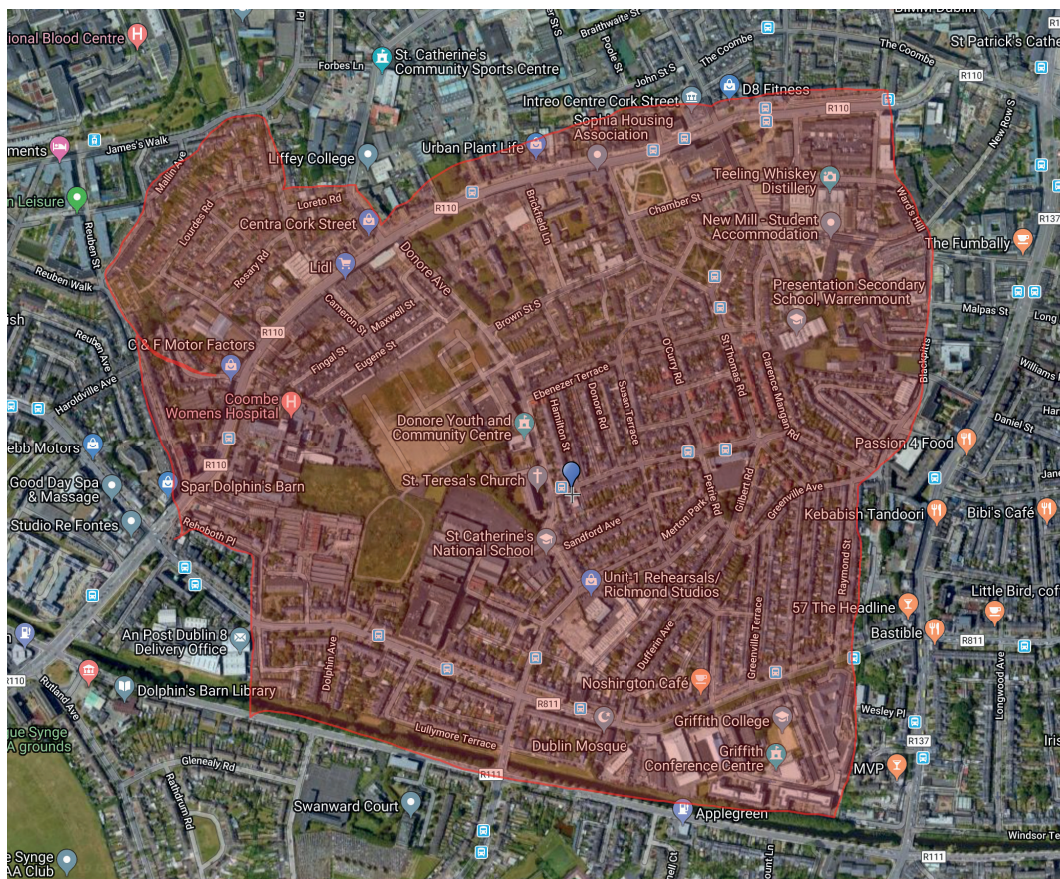
The common bond was determined when the credit union was established and remains unaltered. It largely follows the boundaries of the Catholic parish of Donore Avenue⁷⁵ (but note that the common bond area is somewhat bigger than the parish, notably on the eastern edge). It is shown on the map overleaf. It can be seen that the credit union, marked with a blue pin, lies in the centre of the parish. Anyone who lives, works or studies within this catchment area can become a member of Donore CU.

According to *Census 2016*, the area covered by the common bond is home to at least 5,388 people⁷⁶ (though again, note that this is an undercalculation due to the boundary size issue). The population is very mixed, in terms of educational attainment, occupation, socio-economic status and other factors. Pobal's 2016 *Deprivation Index*⁷⁷ shows that some of the Small Areas in the parish are 'affluent' with others alongside them being classified as 'very disadvantaged'.

Census 2016 shows that all age groups are well-represented in the locality and this is reflected in a wide range family and household structures. Some 3,079 people in the area are of Irish nationality, with the remainder roughly evenly divided between other Europeans and the rest of the world. The population is largely classified as white, although other ethnicities are also represented. Just over half describe themselves as Roman Catholic, and nearly a third as having no religion.

The neighbourhood has 2,338 dwellings, built in three main periods: pre-1919, between the two World Wars, and during the first decade of this century. Nearly two-thirds of people reside in houses/bungalows and one-third in apartments/flats, with a very small number living in bedsits and communal establishments. Just over half of households in the area have a car, two-thirds have a personal computer and more than three-quarters have internet access at home. Focus group participants pointed out that whilst many local owner-occupiers are asset-rich, they are often cash-poor.

The common bond of Donore CU⁷⁸



The area is also home to community groups, schools, places of worship and businesses. There is a post office on Cork Street at the northern boundary of the parish, with several further post offices in surrounding areas. However, there are no banks or building societies within the common bond area. The closest ones are 1.5 km walk away from the credit union.

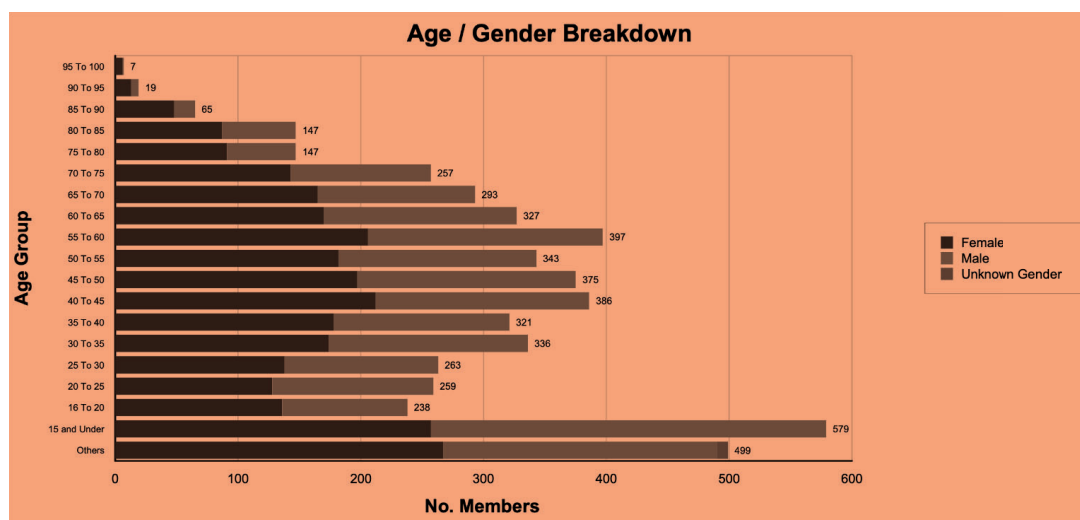
There are six parishes that border the Donore Avenue parish. Whilst they may previously have had their own local credit unions, each of these has now been subsumed into the common bonds of very large consolidated credit unions: Capital CU ⁷⁹, Health Services Staffs CU ⁸⁰ and Heritage CU ⁸¹. Donore CU has secured the agreement of all these credit unions to respect its common bond.

Membership

People of any age can join the credit union upon payment of a once-off €1 joining fee and buying at least €10 in shares. Members who are aged 16 or over are entitled to vote. Significant efforts were made during the year to source new members. This included a financial referral programme, in which applicants referencing their school or sports club received €5 or €10 into their account depending on age, with a further €10 going to their school or club.

Membership grew by almost 6% from 4,518 at the start of the year to 4,776 by year end. With the mean membership size of a credit union now standing at over 11,000 ⁸², Donore CU is therefore relatively small by national standards. In theory, its membership equates to 89% of the local population. In practice, however, it should be noted that around a third of members in fact reside outside the common bond area (ordinarily because they grew up in Donore and since moved elsewhere, but retained their credit union membership). This, plus the fact that there are major redevelopment projects happening in the locality ^{83 84}, suggests that there is definite scope for further growth in membership within the common bond catchment.

The chart below shows the age/sex distribution of the membership, highlighting that the credit union is a popular option for children and that slightly more women than men are members.



Financials ^{85 86}

Donore CU's total revenue grew by 27% during the year to more than €1.3 million and it made a surplus of almost €220,000. It finished the year with nearly €36.5 million of assets (up 5% from the previous year). As such, it is one of the 43% of Irish credit unions that have assets of less than €40 million. Its loan to asset ratio was 27% (up from 18% the previous year), which is the median ratio for all credit unions. Its total reserves stood at slightly more than €6.5 million or 18% of assets, and its regulatory reserve was in excess of 11%.

Premises

Donore CU is housed at 22 Rutledge Terrace in Dublin 8. There is a bus stop directly outside the building and there is on-street parking. The building is wheelchair accessible, well-kept and very visible to passers-by. Inside, there are four counters, four private interview rooms, a waiting area and back offices/meeting rooms etc. A historical wallchart, community notice board, leaflet dispensers and looped television channel are provided in the hall. The premises are the hub of all credit union activity, including a visit from the Sam Maguire Cup ⁸⁷ in April!

Opening hours

The opening hours of Donore CU were as follows (with the exception of public holidays and staff training sessions):

- Monday 9.30 am – 5.00 pm
- Tuesday 9.30 am – 5.00 pm
- Wednesday closed
- Thursday 9.30 am – 5.00 pm
- Friday 10.00 am – 6.00 pm
- Saturday 9.15 am – 12.30 pm
- Sunday closed.

Saving products

Three types of savings products were offered during the year, namely: Special Share Account (attracting a dividend of 0.2%), Deposit 'A' Account (attracting interest of 0.1%) and Christmas Club (no interest paid). No transaction fees applied and savings were protected by the Deposit Guarantee Scheme up to €100,000.

Loan products

The credit union engages in prudent lending and is proud to have a fast-growing loan book (25% growth in the previous year, which is the second highest rate in the country). Members aged 16 and older may apply for loans between €100 to €150,000. The loan application process is simple and swift, with decisions made on-the-spot or within 24 hours if all relevant documentation has been supplied. More than 95% of loan applications were approved during the year. Eight loan products were offered, charging varying nominal interest rates namely:

- First Time Borrower Loan (6.9%)
- Student Loan (6.9%)
- Diamond Plus Loan (7%)
- Covered Loan (7.95%)
- Car Loan (8.95%)
- Dream Bigger Loan (8.95%) ⁸⁸
- Standard Loan (12%)
- 'It Makes Sense' Loan (12%) ⁸⁹.

During the year under review, Donore CU also offered its first substantial loan to a local business that was urgently seeking new premises (the Dublin Food Co-op ⁹⁰).

In total, 1,530 new loans were issued, totalling €5.8 million. Members may take out more than one loan at any one time, provided that the credit union is satisfied that they have a capacity to repay, although only limited numbers avail of this option. Repayment schedules for loans are flexible and there are no penalties for early repayment. By year end, the most common outstanding balance per loan was between €5,000 and €10,000, payable within three to five years ⁹¹. Home improvement loans, loans to fund family occasions and covered loans were especially popular. At year end, the outstanding loan balance stood at around €9.8 million. In some years, borrowers receive a loan interest rebate, though not during the year being reviewed. An interest rebate of 5% was approved at the AGM in January 2020, but this is outside the scope of the evaluation and is therefore excluded.

In the year, 84 loans were in arrears, which is a reduction on previous years. Every attempt is made to get loans that are in arrears repaid, up to and including engaging doorstep recovery firms and solicitors for recovery through the courts. Some €146,000 of bad debts were recovered. Seven member accounts were written off during the year, totalling €13,672.

Debt consolidation

Donore CU seeks to reduce member indebtedness in a number of ways. It takes practical action to deal with mounting debt and as part of this process educates members about avoiding the same problems in the future. The debts of those using moneylenders (who charge exorbitant interest rates), those with multiple credit cards, those with excessive credit card limits (over €2,000) and those with high embedded credit card balances, may be paid off by the credit union and consolidated into affordable restructured loans, usually at nominal interest rate of 8.95%. The roll-out of the Central Credit Register ⁹² has been instrumental in identifying loan applicants with high debts. During the year, 75 members were assisted in consolidating their loans at a far lower rate of interest than they were paying previously. Consolidated loans equated to around 5% of overall loans.

Insurance products

Subject to certain eligibility criteria, Donore CU members can avail of three types of insurance. This is a free benefit that has been maintained on behalf of members in spite of a move towards full or part-payment for such insurance products in other credit unions, or even the total scrapping of same ^{93 94}. During the year, seven members received pay-outs from Loan Protection Insurance (total value: €90,827), 39 from Death Benefit Insurance (total value: €52,650) and 42 from Life Savings Insurance (total value: €15,164).

Additionally, members can access a range of paid-for general insurance policies (car, home, travel, etc) from external providers CUSafe ⁹⁵, CoverU ⁹⁶ and Credit Union Plus ⁹⁷, although the numbers involved are believed to be very small.

Other products and services for members

Donore CU has a policy of greeting and calling all members by their first name. Any business they wish to be conducted in private is facilitated. Well-behaved dogs are welcomed on to the premises and are given dog treats by staff!

Members can avail of free financial advice from external provider CUInsured⁹⁸, although again, the numbers involved are small.

Around 75 people took advantage of the credit union's free will writing service.

When a member dies, their relatives can get advice on paying for funerals, sorting probate, and so on. After death, nominees can access up to €23,000 of savings without the need for probate.

Mobile banking is available: 1,087 had registered for this by year end. Inward and outward electronic transfers can be made. For those who prefer it, household bills can be paid over the counter using the An Post PostPoint facility⁹⁹. Payments can also be made over the phone.

Donore CU is one of a small number of community credit unions to offer a 'budget account' service to take the hassle out of paying bills; this cost €50 for the year¹⁰⁰ and 333 members availed of it. Members who use this service are encouraged to visit the office and sit down with a staff member in order to figure out a way to manage their finances as efficiently as possible.

A modern website and a YouTube channel with inspirational videos¹⁰¹ are in place. Returning visitor numbers are rising. The organisation is also making increasing use of social media, with c. 750 followers on Facebook¹⁰², c. 250 on Instagram¹⁰³ and c. 50 on LinkedIn¹⁰⁴ by the end of the year under review¹⁰⁵. These advertise both the credit union itself, but also other matters of potential interest to users, such as community events, community consultations and other opportunities. Also during the year, two newsletters were issued, and the credit union was advertised in local newspapers, at public transport stops, using flyers and through mail drops. Branded diaries and pens were also made available to members.

Members are encouraged to participate in regular prize draws and competitions; around 20 of these were organised during the year¹⁰⁶. Winners are always announced through the credit union's communications channels to ensure transparency.

Finally, the credit union continually seeks to find practical ways in which it can help its members, such as forwarding member CVs to employers for large scale construction projects in the area¹⁰⁷ and providing free document shredding one weekend per year.

Educational establishments and community groups

In addition to the financial referral programme mentioned earlier, Donore CU engages with community partners in a range of other ways, including, on an ad hoc basis, the provision of advice.

In March, Donore CU organised a successful half-day event in the local community centre that brought together around 20 local community organisations. It was attended by over 100 people.

Twenty-two clubs and associations used the credit union for their financial transactions and some of these borrowed small amounts of money from time to time. Larger loans for community groups at a preferential rate are being considered, but none have been issued so far.

A number of organisations received financial donations totalling some €7,700 from Donore CU. These donations, which included monies from the membership referral initiative, were given out at the CEO's discretion and comprised funds for:

- Diabetes Ireland ¹⁰⁸
- Donore Boxing Club ¹⁰⁹
- Donore Community Drug and Alcohol Team ¹¹⁰
- Dublin Food Co-op ¹¹¹
- Dublin Taxi Drivers' Special Children's Taxi Outing ¹¹²
- ILCU Foundation (sponsored walk/run organised by CUMA) ¹¹³
- Society of St Vincent de Paul (Conference of the Little Flower) ¹¹⁴
- Kevin's Hurling and Camogie Club ¹¹⁵
- South Inner City Community Development Association (The Liberties Festival ^{116 117})
- St Catherine's National School ¹¹⁸
- St Patrick's Cathedral (Love D8 Community Fair ¹¹⁹)
- St Paul's Club ¹²⁰
- St Teresa's Senior Citizens Club
- Tallaght University Hospital (Webb Ward ¹²¹)
- The Liberties Senior Citizen Group
- The Tenters Residents' Association.

The above was supplemented by various events organised directly by Donore CU, but from which members of the some of the above groups benefited and which may thus be regarded as indirect donations. The first was a reception in the credit union to mark its 60th birthday. The second was another reception at the credit union during which its Christmas draw took place. The third was the annual Christmas lunch with entertainment for the area's senior citizens. These cost a total of €5,961.

Donore CU contributed half of the €3,000 Brendan Lynch Scholarship to a third-level student of nearby Griffith College ¹²² and a second-level student successfully applied for a €200 Gaeltacht scholarship from the credit union ¹²³.

Furthermore, work experience opportunities are provided from time to time for local students, including young people with additional support needs. In the year under evaluation, a team of business students from Griffith College assisted the credit union with marketing ¹²⁴. The credit union is gradually implementing the team's recommendations. Donore CU also gave presentations to Griffith College students.

Furthermore, Donore CU was represented at an open day at Warrenmount Community Education Centre ¹²⁵ during the year.

Whilst credit union awareness and education is an integral part of all of the above, the main initiative that Donore CU undertakes in this regard is the provision of age-appropriate financial education programmes in local schools, coupled with more informal school initiatives (for

instance, infant classes make occasional 'field trips' to Donore CU). It engages a contractor to deliver two programmes (although a representative from Donore CU usually accompanies her to workshops and provides students with Donore CU information and merchandise). The cost to the credit union for delivering these programmes during the year was at least €2,967. The Savings Awareness Programme comprises a one-hour workshop and a slogan competition. During the year under evaluation, all five local primary schools availed of this programme (Griffith Barracks Multi-Denominational School ¹²⁶, Presentation Primary School Warrenmount ¹²⁷, Scoil Treasa Naofa ¹²⁸, St Catherine's National School and St James' Primary School ¹²⁹), with at least 104 ¹³⁰ students in fifth and/or sixth class taking part. 'Clued-In' ¹³¹ is an ILCU programme about personal finance and credit unions, which was delivered to Presentation Secondary School Warrenmount ¹³²; around 36 students took part. In CBS James Street ¹³³, an in-house school credit union is operational, which is supported by Donore CU via advice and a club account. Furthermore, all local schools are encouraged to participate in the ILCU Art Competition ¹³⁴. As well as passing the best entries on to the regional level of the competition, Donore CU also offers prizes to local winners and displays their artwork in the credit union, where families are encouraged to come and view them.

Representation

Locally, Donore CU was represented on the St Teresa's Gardens Regeneration Board ¹³⁵. It also had informal links with The Liberties Business Forum ¹³⁶.

It was a member of CFCFE, Credit Union Organisation for Payments (CUSOP Payments Ltd) ¹³⁷, CUMA, ILCU, NSF, and the Registrar of Credit Unions' CEO Forum. Furthermore, it sat on user groups for Credit Union Financial Analytics (CUFA) ¹³⁸, Credit Union Development Society (CUDS) ¹³⁹ ¹⁴⁰ and Red Flare ¹⁴¹. During the year in question, the CEO also presented at the CFCFE conference ¹⁴², the RBK credit union seminar ¹⁴³ and the Association of British Credit Unions Ltd London and South East Forum ¹⁴⁴.

Finally, in July, Donore CU hosted an African delegation on behalf the ILCU ¹⁴⁵.

In conclusion

Life at Donore CU was exceptionally busy during the year under evaluation, with close to 5,000 members benefiting from a wide range of financial and non-financial services provided. Tens of organisations also enjoyed benefits from Donore CU's work.

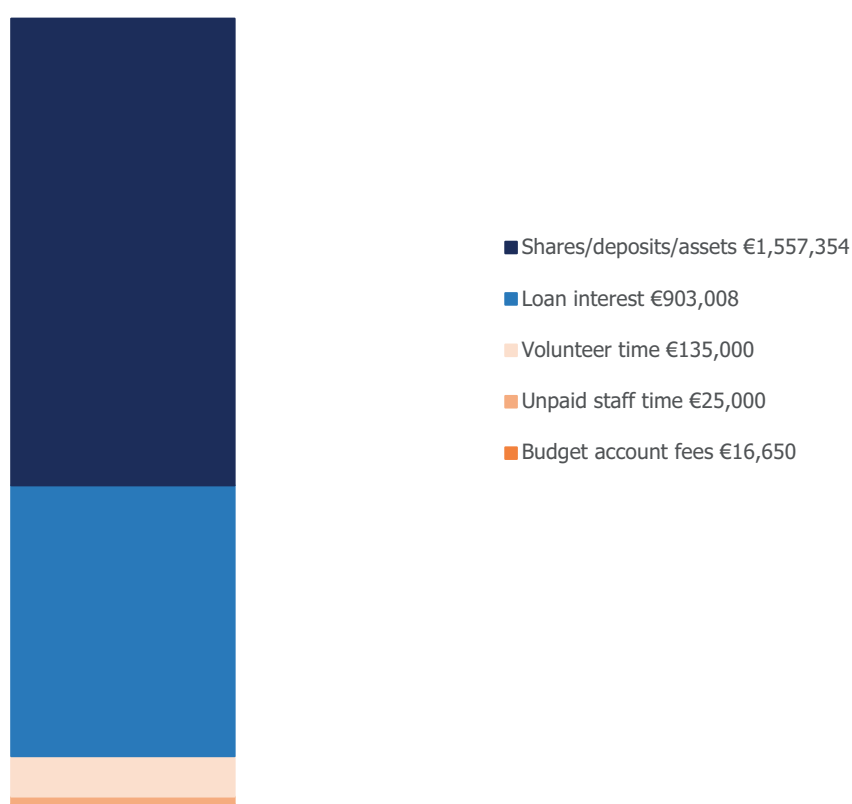
Note, however, that the credit union does not presently offer individuals the option of current accounts, overdrafts, debit cards, credit cards or mortgages ¹⁴⁶. Also note that, unlike some other credit unions, Donore CU does not currently offer formal referral pathways to other information and advice services, nor payroll services to local employers, nor enterprise development supports.

Chapter 4: Resources invested ¹⁴⁷

Resources overview

The activities described in the previous chapter could not have happened without a significant input of resources. These are broken down below. Note that not all stakeholders made investments and also that the size of their investments varied considerably.

The value of resources invested into Donore CU during the year under evaluation



Member shares and deposits

Each member owns shares in the credit union. These amounted to €22,336,172 in total. The full value of these should not be included. In the year under review, a net total of €1,341,530 more shares were taken out than in the previous financial year, indicating active investment in the credit union. A further €7,518,593 was held in member deposits and the equivalent active increase over the year was €175,668. These are shown under shares/deposits/assets in the chart.

Property, plant and equipment

As a co-operative, all property, plant and equipment are held in common by all members. The net book value of these at year end was €398,241, comprising land/buildings freehold of €324,434 and fixtures/fittings/equipment of €73,851. However, given the long lifespan of these assets, only a proportion should be added to the social value account for the period under evaluation. The convention of using one year's depreciation of these assets has therefore been followed ¹⁴⁸, which totalled €40,156 according to the credit union's accounting treatment of same. These are shown under shares/deposits/assets in the chart.

Interest on loans

Those who took out loans from the credit union had to pay interest on these. The total interest paid by borrowers was €903,008 and is shown under loan interest in the chart. Of this, €3,894 was paid by the organisation with a business loan.

Budget account fees

Those members availing of this service paid a total of €16,650 for the year, as indicated under budget account fees in the chart.

Reserves

Total reserves stood at €6,506,306 by year end. Note that the regulatory reserve ¹⁴⁹ and operational risk reserve account for €4,409,912 of that total. Whilst reserves perform an important function, by definition, they do play not an active role. Reserves are therefore not included in the social value account.

Staff time

During the year under evaluation, Donore CU employed 10 members of staff: a Manager, Assistant Manager, Credit Controller/Business Development Officer and five Member Services Officers, each contracted to work 32.25 hours per week. A further Member Services Officer was contracted to work 19 hours a week and a Finance Officer was contracted to work 20 hours per week. These contracted hours have not been valued as they are reimbursed through salaries and other employment benefits; doing so would constitute double-counting. However, employees reported working an extra half an hour per day on average (totalling more than 1,000 hours per year if an annual leave allowance of 25 days and nine public holidays are accounted for in the case full-time staff, with pro rata allocations for part-timers) and this should be valued. The average wage for Donore CU staff is less than €29.88 per hour ¹⁵⁰. Allowing for a conservative €25 per hour, the total value of additional unpaid staff time was nonetheless worth in the region of €25,000, and is indicated as such in the chart.

Volunteer time

Nine members volunteered for the Donore CU Board of Directors with a further nine doing so for Committees and Working Groups ¹⁵¹. By definition, they were not paid for their contribution of experience, skills and energy.

The time they invested during the year has been calculated. It has been suggested that working two to four hours per week (or between 100 and 200 hours per year) on credit union business constitutes good practice for volunteers. However, volunteer focus group participants felt that this did not accurately reflect the actual time that they committed to the credit union, in terms of continuing professional development (CPD)¹⁵², travel, reading, report writing, meetings (including strategy away-days), conference attendance, reflection and ad hoc duties. A more representative 250 hours per year has therefore been used, although it is accepted that this will vary somewhat between individual volunteers, with some giving more and some giving less than this average.

The value of volunteers should never be reduced to the amount of money they save an organisation¹⁵³. However, because of the need to put a financial value on their input for the social value account, a wage equivalent has nevertheless been used. Choosing the appropriate level is difficult. The minimum wage¹⁵⁴ is not meaningful, given the skills and level of responsibility of the work undertaken by volunteers. Neither are the high remuneration rates for non-executive directors in the corporate sector¹⁵⁵, because the context in which they operate is so different. Instead, the average industrial wage for the financial sector of €30.67¹⁵⁶ could be used. Alternatively, the average wage for Donore CU staff could be used, which, it has already been explained, is less than €29.88 per hour. It would appear appropriate to use a round figure of €30 per hour, which equates to €7,500 per volunteer for the year, or €135,000 for the entire volunteer force, as indicated in the chart.

Central Bank of Ireland

The Registrar of Credit Unions is responsible for the registration, regulation and supervision of credit unions. There are obviously costs associated with running the Registry. In theory, a proportion equivalent to the cost of servicing one credit union could be allocated to the social value account. However, note that Donore CU paid €44,624 in Central Bank of Ireland levies to cover such costs and they have therefore not been included, because this would constitute double-counting.

In conclusion

Both financial and non-financial resources were invested into Donore CU by its members. The total value of these was €2,637,012 and it was this that enabled Donore CU to do its work during the year. It would appear that the credit union has considerable reserves that could be put to use in future in ways that would allow further social value to be released for members and/or others in the local community.

Chapter 5: Credit unions: making a difference?

External research

Research suggests that co-operatives, including credit unions, deliver positive impact. For instance, Jessica Gordon Nembhard (2105, p. 152) has written:

*"Co-operatives have been found to provide many benefits to communities, and to have a significant positive impact on the economy. Co-operative survival rates are longer than conventional small businesses. They enable their members to stabilize and increase their incomes, and to accumulate assets. Many co-operatives create jobs, improve working conditions, and provide superior employment benefits. As local businesses, co-operatives increase community economic development and sustainability, and recirculate resources. Co-operatives provide economic benefits, but also social and health benefits."*¹⁵⁷

And Carol Power and colleagues (2012, p. 13), focusing their attention on Irish credit unions, have stated:

*"By virtue of their very existence, credit unions contribute to economic and social wellbeing within communities by promoting financial and social inclusion, boosting the local economy, and providing important services. Furthermore, they are engaged with the community development agenda through their involvement with community groups, schools and youth activities, and local enterprise initiatives."*¹⁵⁸

Certainly, such commentary is encouraging and lends credence to the belief that positive outcomes and impact are being delivered by the co-operative that is Donore CU. However, as mentioned earlier, a more detailed analysis of the exact process and nature of value creation by the organisation is warranted at this time.

This study

Donore CU has many different stakeholders, each influencing the organisation, or being influenced by it, to a greater or lesser degree. These stakeholders, and their outcomes, were analysed. Chapter 6 outlines which stakeholder outcomes have not been valued, and explains why. Chapters 7, 8 and 9 describe the stakeholders for whom outcomes have been valued to ascertain whether these are in fact material.

In conclusion

General claims made about the socio-economic impact of credit unions ought to be tested. An SROI study of one credit union provides an excellent opportunity to assess what stakeholder groups experience what kind of positive and/or negative as a result of that organisation's activities, and which of these are material.

Chapter 6: Stakeholder outcomes not valued

Donore CU

No outcomes have been allocated to the organisation itself. The co-operative only exists by virtue of its members. Any (dis)advantages created by or for the organisation are felt amongst its members (whose outcomes are, naturally, included in the calculations – see chapter 7).

Staff

It will be shown later that the skilled and experienced staff team plays a lynchpin role in the success of the credit union, both for its members and for the wider local community. At the start of the research process, it was posited that material outcomes may also have been generated for the employees themselves, but this did not really prove so. This does not mean that staff gained no benefits from working at the credit union. Indeed, the excellent staff retention rates and employees' commitment shown to their jobs by consistently working in excess of contracted hours, suggest the opposite.

On the plus side, staff have secure employment for which they receive a salary, pension contribution and professional development opportunities and, above all, through which they gain job satisfaction from working with credit union members. In the focus group, they talked of appreciating the fact that they were continuing a long tradition of helping others in the community and they described feeling privileged to assist members going through tough times.

However, concerns were also expressed about low salary levels, a seemingly ever-increasing workload due to greater regulation, and a feeling that their opinions were not always taken on board. In particular, they voiced frustration that some of Donore CU's newer members may not understand how credit unions (ought to) work and they feared that an increase in online transactions was leading to a loss of 'the personal touch', which they consider to be so integral to the value of the credit union.

In short, staff experience a range of advantages and disadvantages from their employment that they might have about almost any other job. It thus cannot be claimed that unique value is being created for them by Donore CU. Note, however, that they may be receiving advantages/disadvantages in their capacity as credit union members.

An opposing argument could potentially be made for one Griffith College business student who started volunteering with the organisation at the start of 2019. He soon found himself on the payroll on a part-time casual basis, working on the Donore CU marketing function. The benefits he receives from this are somewhat different to those of the main staff team. He is a non-Irish national who has been made to feel very welcome, he is earning much-needed money, he is gaining relevant practical experience that supports his academic studies, he is building his resumé, and he appreciates the freedom and flexibility that the job gives him. However, as with the other staff members, there is no sense that he could not have gained these benefits elsewhere (although not necessarily all in one place). Also, as he is the only person in this position, he is not considered sufficiently significant for inclusion into the social value account in his capacity as a member of the staff team. However, note that he is also a member of the credit union and a volunteer on the Youth Committee; these experiences are thus included.

Suppliers

During the year, Donore CU purchased goods and services from many different suppliers. These include but are not limited to: trainers; videographers; accountancy firms; companies dealing with credit union hardware and software; investment advisors and providers; and solicitors. It has a good working relationship with these suppliers. Whilst these businesses obviously make a profit from Donore CU, the transactions between them and Donore CU are commercial ones. They are not reliant on this sole client for their income, nor does Donore CU make up a particularly significant proportion of their turnover. It is not appropriate, therefore, to consider them as part of the social value account.

Those in the locality not members of, or otherwise unsupported by, the credit union

Donore CU does not operate in a vacuum. Whilst it already provides services to many local individuals and organisations in its common bond area and beyond, there are others who remain unsupported, whether that is through choice or not. Residents who are not members of the credit union are of particular interest in this regard, but there are also likely to be other local enterprises and other groups in the local community with whom the credit union does not yet have a relationship. There may be potential for Donore CU to release greater social value in the future by identifying and engaging with these people and organisations and seeing how it can be of service to them. However, for the purposes of this study, they have been excluded.

The local community

It could be argued that the very presence of Donore CU in the community adds value, even to those who have no interest in ever interacting with the credit union. Some individuals may simply enjoy the civic vibrancy that Donore CU brings and may appreciate the fact that the organisation exists for people who need it. They would regret its theoretical disappearance. Although valuing such sentiment can be attempted, this is a process that is not without its challenges and was not deemed worthwhile for the purposes of this study, because the value was anticipated to be low.

Furthermore, any improvements in the wellbeing of individual credit union members could potentially lead to spin-off benefits that might then improve the wellbeing of their communities, but this link is nebulous due to so many other factors being at play.

The local economy

Possible multiplier effects could also be occurring in the local economy. For instance, people who have access to credit may spend money in nearby shops. Money circulating within a local economy can undoubtedly reap benefits for that community¹⁵⁹. However, members could just as likely be spending that money elsewhere. Indeed, being situated in a city with a multitude of retail options and having relatively good internet access that allows for easy online shopping, makes this far more likely than if the credit union was based in a more rural area.

Similarly, there could potentially be benefits stemming from an employee's credit union membership for their employers, either locally or further afield. For instance, if credit union members are less worried about their financial situation, they may take fewer days off work due to stress, thereby reducing absenteeism costs. However, potential outcomes such as these were not referenced during the consultations and are considered to be too distant and too intangible for inclusion.

It could be argued that local firms of undertakers are an exception. Donore CU offers members up to €5,000 insurance on their life savings and a further €1,300 in death benefit. When relatives of a deceased person contact an undertaker, they are asked if s/he was a member of the credit union. Donore CU can make payments directly to the undertakers. Whilst this obviously benefits the undertakers, the difference that is made to these firms is no greater than that of suppliers, discussed above. The primary beneficiaries remain the families of the member who has died (who are themselves assumed to be members of the credit union ¹⁶⁰).

One could also say that if people join Donore CU, they may be less likely to use, or even stop using, the services of other financial providers, which may have a negative displacement effect on these providers. However, as most such providers operate in a wholly commercial – and at times even unethical ¹⁶¹ – manner, this is felt to be of little concern to Donore CU.

The state

One might also successfully argue that an improvement in the financial and social wellbeing of people in a community reaps indirect benefits for the state, at both local and national level. For instance, it may result in welfare savings, or increased revenue, or less stress on public services. However, in the absence of a direct interrelationship between Donore CU, its members and the state (with the notable exception of the Registrar of Credit Unions), it would be difficult to closely attribute any such outcomes to the credit union. The state has thus not been included.

Other players in the credit union movement

As has been indicated, the credit union movement is big and complex with a wide range of actors across all sectors of the economy: statutory, corporate and not-for-profit. Although many will be interested in the results of this evaluation – not least the credit unions with whom it already has a close working relationship – they are not directly affected by what Donore CU does and are thus not material stakeholders. Whilst the Central Bank of Ireland, and the Registrar of Credit Unions in particular, does directly affect Donore CU, it operates at too much of a remove and is primarily concerned with regulation, not social value. This different priority notwithstanding, it is expected that the full value calculation of the credit union will be of some interest to the Registrar of Credit Unions.

In conclusion

Whilst Donore CU probably creates net value for its staff, suppliers, the wider local community/economy, the state and the credit union movement, no monetary assessment of this has been attempted, because the outcomes are not judged to be material at this point in time. This does not preclude these stakeholders from being included in Donore CU's social value assessments in future years.

Chapter 7: Stakeholders whose outcomes have been valued

Stakeholder groups

Those stakeholders who are expected to experience material outcomes from their involvement with Donore CU (as ascertained from experts, from the first consultation phase and from relevant literature) can be readily split into members and non-members, with the vast majority of outcomes being delivered for the former. But these are very broad groupings and further subdivision is necessary, because the outcomes for different clusters of people vary.

Pat McGinn and colleagues (2019) make a case for differentiating between affluent, coping and vulnerable members of a credit union ¹⁶². This is an enlightened categorisation, but is insufficient on its own here. For the purposes of this study, Donore CU's member and non-members groups have been subdivided as follows (note that people can, and usually do, belong to more than one group):

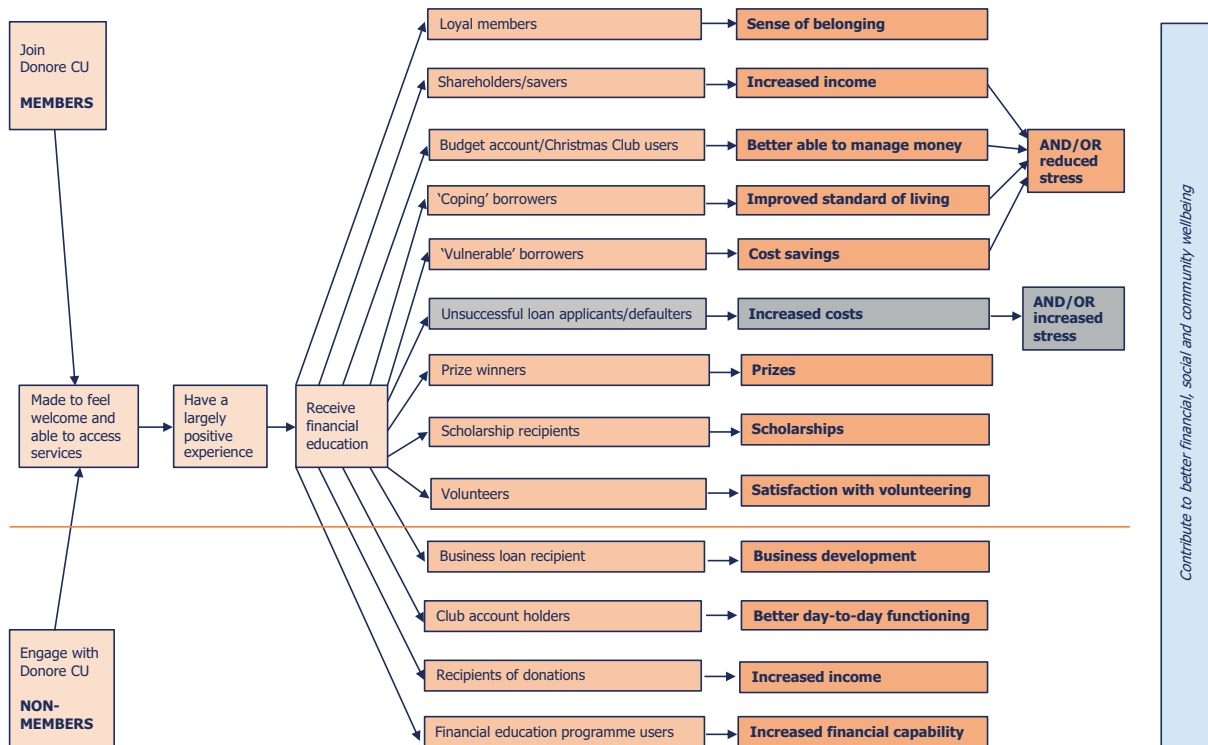
Members	Non-members
Loyal members	Business loan recipient
Shareholders/savers	Club account holders
Budget account/Christmas Club users	Recipients of donations
'Coping' borrowers	Financial education programme users
'Vulnerable' borrowers	
Unsuccessful loan applicants/defaulters	
Prize winners	
Scholarship recipients	
Volunteers	

Chapter 8, next, describes the outcomes and impact for credit union members and chapter 9 does the same for non-members. The detailed valuations for each of these are provided in appendix 3. The outcomes pathways for all are summarised on the following page. The outcomes that are valued because they have been judged to be material are presented in bold text.

In conclusion

Stakeholders in the social value account can be divided into two main groups, members and non-members. Thirteen further subgroups can be identified. As a result, there is a flow of interrelated outcomes, the majority which are positive, although negative outcomes can also be identified (indicated in grey in the graphic below):

How Donore CU delivers outcomes



Chapter 8: Member outcomes and impact

Becoming a member of Donore CU: the start of the outcomes chain

People join the credit union at different stages of their life and for different reasons. Some have no choice about becoming a member, because in families with a tradition of credit union membership, a parent or grandparent is likely to open an account for them at birth or at some other point during their childhood. Some adults become members because they like the ethical, co-operative ethos of credit unions and wish to support this. But a large proportion chooses to join mainly in order to meet some or all of their financial needs. Once they are welcomed into the credit union, they have access to the full range of member services and supports outlined earlier.

Note that whilst the majority of members also uses the services of other financial providers, for some, Donore CU is their sole financial service provider. The survey revealed that 11% of respondents did not have a different way of banking, although staff estimate that up to one-third of members might not in fact have a bank account. Donore CU therefore facilitates access to legitimate financial services for people who are intimidated by money or otherwise excluded from commercial financial institutions. (However, it should be noted that around 5% of Ireland's population over the age of 15 remains 'unbanked' ¹⁶³.)

Member satisfaction: an important intermediary outcome

The research found that the vast majority of members were extremely happy with the service they received from Donore CU, with the role played by the friendly and helpful staff team being of particular importance in this regard. For instance, the organisation received a 5/5 rating on Facebook and members left the following comments during the year under evaluation ¹⁶⁴:

- *"great service friendly a wonderful staff well done donore heart of our community"*
- *"Brilliant credit union. Fantastic staff. Could not be more helpful."*
- *"I love this credit union. The staff are so nice and friendly there very helpful. I've been in this credit union a long time and would never consider moving thanks for all your help."*
- *"It's a great service to have in the area. The staff are very helpful and friendly to everyone, both young and old. I would have no problem recommending Donore Credit Union."*
- *"Amazing staff all very friendly"*.

Some of those who attended the members' focus group contrasted their experience of workplace-based credit unions with their experience of Donore CU and expressed far greater satisfaction with the latter. The convenience of Donore CU was also referenced throughout the consultations. The physical proximity of the credit union for most of its members, its relatively long opening hours compared to many other credit unions, and its online banking facilities were all cited as examples of this.

It would be unrealistic to expect everyone to be wholly satisfied with the credit union all of the time. Donore CU resolved three formal complaints during the year.

However, in general, members felt overwhelmingly positive about the credit union, as reflected in the survey results, which saw respondents give Donore CU an average satisfaction rating of eight out of 10. Donore CU also received a 'net promoter score' ¹⁶⁵ of +51, which is considerably higher than the average score of +34 for financial services ¹⁶⁶.

Financial education: a further intermediary outcome

It was posited that if members' experience of the credit union is positive, they are more likely to be open to any messaging by the credit union than if they have a more negative mindset. Regardless of whether members are actively seeking to be educated about money matters, interaction with Donore CU invariably involves receiving information, and sometimes advice, about making the most of one's money. The interventions might be subtle, but if repeated frequently and consistently, financial awareness may be raised and new knowledge may be gained. The survey results showed that 53% of members felt that Donore CU provided them with a lot of useful information/advice, and a further 33% said that they received some useful information/advice from Donore CU. For example, one respondent stated:

"Donore CU personnel are very helpful in practical ways about how to manage my accounts, they are also very positive when giving advice."

Whilst financial education of itself does not necessarily translate into enhanced financial behaviours, it can nonetheless be regarded as a key step in the change process.

Material versus non-material outcomes

Although each of the above intermediate outcomes are obviously very important to the overall change process, they have not been deemed material for the purposes of the social value account. This is because the evidence gathered from the qualitative consultation stage suggested that there are further steps that are even more relevant and/or even more significant to varying member types. It is these outcomes, which are explored in the sections that follow, that have been judged as being material. Some member subgroups only experienced one material outcome, whereas others experienced one material outcome and/or another material outcome.

Note also that there is a further ultimate effect that is of interest, but that is considered to be too distant and too vague to be considered material, namely the contribution that Donore CU makes to general financial, social and community wellbeing. The value of this has therefore not been calculated.

Loyal members

Noreen Byrne and colleagues (2012, p. 39) pointed out that for many credit union members in Ireland, their sense of connectedness with the organisation was very important to them:

*"... members clearly value their relationship with the credit union and are not willing to trade its local nature for increased services. There is often an assumption that the key determinants of member value revolve around the delivery of a good dividend and loan interest rates, convenience, and modern financial services. Of course these factors are important, but in a credit union sense, they may not be the main drivers of member value."*¹⁶⁷

This preference for a relational, rather than a technical, value proposition was echoed in subsequent research ¹⁶⁸.

It became evident during the course of this project that people tended to self-identify as members of Donore CU, not as customers. They truly feel they have a stake in what the credit union does and how it does it and wish their voices to be heard in this regard (as illustrated by the organisation's ability to attract some 60-80 members to its AGMs, which are held on evenings in the middle of winter).

Of course, in legal terms, members own their credit union. But many also displayed 'psychological ownership' ¹⁶⁹ of the credit union and this appeared to be closely linked with an attachment to The Liberties, and particularly to the local parish of Donore Avenue. This sentiment was continuously reinforced by a variety of factors: the geographically relevant name of the credit union; ongoing Donore CU communications; the physical presence of the credit union in the community; and actual visits to its building. It was described how the credit union acts as an important meeting point, even for people who now live outside the area, but who continue to come back from time to time for their banking needs. Chats amongst people in the queue are commonplace and banter between staff and members is the norm.

Members appear to feel comfortable at Donore CU. Children are welcomed in from day one. Those who are lonely have a friendly and unhurried place to pop into. Those with dogs can bring them indoors instead of having to tie them up outside. Those who, for whatever reason, do not want to talk about their financial affairs in public, can see staff in private. Those who are vulnerable due to age, disability, behavioural challenges or some other reason, are looked after with respect and warmth. Staff members frequently 'go above and beyond' (ensuring an older member is carrying their cash safely on their person, informing a member who may not be aware of them about their rights and entitlements, putting a SIM card into a mobile phone for someone who is not tech savvy, booking tickets for a person without internet access, etc).

Because staff turnover rates are so low, the team has built up excellent local knowledge over time. As stated previously, the employees themselves are also members. Furthermore, many members have been part of the credit union for a long time. Staff and members are therefore familiar with each other. Members feel understood by staff and they trust them. They feel the same about the volunteers who are involved in running Donore CU (see later). All share a strong sense of pride in being Ireland's first credit union.

Particularly pertinent quotes from focus group participants and survey respondents include:

- *"Lovely and helpful staff members and love being a part of the credit union in every sense."*
- *"It's the little things that matter most."*
- *"It's not mé féin ¹⁷⁰; it's a real community".*
- *"It's great to walk into a financial institution where all staff know you by name. Long may Donore CU last."*
- *"The credit union is like an extended family member: if we lost it we would mourn it."*

All of this contributes to long-term membership loyalty, commitment and identity, which aligns with research by Richard Simmons (2015) ¹⁷¹. In turn, this delivers a strong sense of belonging.

Outcome: *sense of belonging* (a change in attitude)

Impact value: €6,265,045

Shareholders and savers

Every member of Donore CU, regardless of age, has a minimum share in the co-operative. In addition, they may choose to buy further shares and/or open a deposit account, especially if this message is constantly reinforced by the credit union movement ^{172 173} and by others around them. In the short-term, they may receive a dividend and/or interest on their shareholding and/or savings (and around 30 new members received €5 or €10 into their accounts through the membership referral scheme described previously – total c. €200). During the year, dividends of €51,811 were paid out and a further €6,040 was paid out in interest. The low dividend and interest rates were reflective of the overall market. Furthermore, some members received insurance payments to the value of €158,641.

However, of arguably greater significance are the longer-term effects. Research points to the desirability of acquiring a regular savings habit and highlights the benefits of beginning this process during childhood ¹⁷⁴. Donore CU certainly concurs with this research, as evidenced by its work with local schools. But the credit union would also point out that it is never too late to start saving and that even adults who might previously have struggled to manage their money can become regular savers. In the words of one members' focus group attendee:

"With Donore's help, I have gotten far better at saving. It's opened my eyes: a little goes a long way."

In an ideal world, everyone would be financially resilient: that is, able to withstand financial strain or shocks that come their way. In reality, many are not. They may borrow for daily expenses (see below) and may not save actively. Recent research by the Competition and Consumer Protection Commission ¹⁷⁵ showed that 7% of the Irish population was 'struggling', with a further 16% 'just about coping'. A majority of 52% was 'doing fine now, with a little put by' (that is, having built up a buffer against unforeseen costs ¹⁷⁶). Only 25% was classified as 'secure' (that is, with savings pots large enough to spend on higher value goods and services from time to time).

The savings products offered by the credit union, supplemented – very importantly – by the range of free services available to shareholders/savers (insurance, advice, will writing, and so on), give members a sense of security and alleviate financial anxiety. Having some level of savings and – very significantly – having a sense that their money is safe in the credit union, appears to provide considerable comfort to members and makes them feel that they have greater control over their financial situation, which reduces any associated stress, a fact that is widely reflected in the literature about credit unions.

Finally, a number of consultees said that they would love to do all their banking via the credit union, rather than with commercial banks, with one stating:

"I trust the credit union a thousand times more".

Outcome: *increased income* (a change in circumstance)

Impact value: €185,798

Outcome: *reduced stress* (a change in capacity)

Impact value: a proportion of €770,324¹⁷⁷

Budget account and Christmas Club users

Some people, especially those on lower incomes, struggle to manage their limited funds. For example, 24% of UK adults report having little or no confidence in managing their money¹⁷⁸. This is why initiatives such as Donore CU's budget account and its Christmas Club have a useful role to play, as echoed in similar practical initiatives elsewhere^{179 180 181}. Those using the Christmas Club appreciate having a ring-fenced facility where they can save regularly for what is one of the most expensive times of the year. Those choosing to avail of the budget account service do not mind paying the small weekly management fee to ensure that all their household bills are paid on time. These are very practical approaches to managing money that enable a greater financial understanding and that secure peace of mind. As one survey respondent commented:

"Donore CU enables ordinary people to save, borrow and make financial plans without complicated language and difficult financial arrangements. This easy way of dealing with money matters allows members to feel we have control of our money."

Outcome: *better able to manage their money* (a change in capacity)

Impact value: €22,912

Outcome: *reduced stress* (a change in capacity)

Impact value: a proportion of €770,324¹⁸²

Coping borrowers

Credit unions are far from the only option for those seeking to borrow money; indeed, there are numerous players seeking to claim a share of the personal loans market. However, not all providers will give credit to all people and not all offer affordable products. The credit union prides itself on enabling access to credit regardless of a person's circumstances, provided of course that they can evidence an ability to repay their loan. For young people, the credit union is likely to be the place where they will take out their first loan. Knowing that credit is available, should they need it, is a definite source of comfort to members, young and old.

For most people, the credit union's loans offering is simply a safeguard against unforeseen circumstances (for example, a washing machine breakdown) and/or a way of paying for a significant life event (for example, a child's Holy Communion) and/or a means of enhancing their quality of life (for example, an overseas holiday). In short, it is a route to an improved standard of living for members. In the words of one focus group participant:

"I wouldn't have the house I have today without this credit union. Well, I might have the house, but it wouldn't have all the things in it that it has and it wouldn't be as well maintained."

These members, who might be classified as coping, reported feeling far less nervous asking for a loan in the credit union than they would in a bank. They felt the loans were affordable, and indeed, with the interest rate on consumer credit in Ireland averaging 10.32% in 2019¹⁸³, the cost of borrowing at Donore CU tended to be lower than elsewhere. They also appreciated the way in which the loans were structured and the ability to rearrange their payment plans without penalty should their situation change. This can be illustrated with a quote from the survey:

"If I lost my job or became ill for any reason I feel the credit union would be understanding and rearrange my loans and budget account to help me get through the short term situation this is very comforting for my mental health."

Being able to avail of one or more loans in this way meant not only that their immediate consumption needs were met, but also that they still had sufficient disposable income for daily life and, very importantly, that they retained an ability to save, even if only in small amounts (see above). Again, this helped to reduce their money worries.

Outcome: *improved standard of living* (a change in circumstance)

Impact value: €1,547,906

Outcome: *reduced stress* (a change in capacity)

Impact value: a proportion of €770,324¹⁸⁴

Vulnerable borrowers

There is another group of borrowers who can reasonably be classified as vulnerable because they struggle to make ends meet on an ongoing basis. For them, taking on consumer debt is an absolute necessity, rather than a choice¹⁸⁵. Some options for small-scale borrowing that they might historically have made use of, such as pawnbrokers and local shops willing to give credit, have all but disappeared from the Dublin landscape. These people may be excluded from mainstream credit due to being on very low incomes and/or having a history of bad debt

(possibly having undergone insolvency arrangements). They may be overindebted and owe monies to a range of creditors, such as banks, utilities companies, insurance companies, etc.

Moneylenders are a particular problem. Moneylenders registered with the Central Bank of Ireland include hire purchase/rent to own providers, catalogue companies and home collection agents who charge interest rates of between 25% and 188% Annual Percentage Rate (APR) ¹⁸⁶, rising to a staggering 288% APR if collection charges are included ¹⁸⁷. Illegal moneylenders may charge even higher rates of interest. Focus group members referred to moneylenders as 'loan sharks' and described in detail the way they prey on the most vulnerable in their community, including single mothers in poverty and families affected by addiction.

The credit union recognises that it has a role to play in ensuring financial inclusion for this group of people. Its personal microcredit loan offering ¹⁸⁸ and its debt consolidation service – both coupled with informal financial counselling – are very important in this regard. Those individuals who Donore CU becomes aware of (either because they are already members and a search on the Central Credit Register flags their debt problems, or because they are potential new members who present themselves at the credit union) and who then avail of these services, can experience very significant benefits. A comment by a survey respondent illustrates this:

"Very compassionate, discrete help and advice was given to me. I don't know what I would have done without their support and trust that I could pay back once back on my feet and back to work."

Another consultee described the help received thus:

"It is a literal lifesaver."

Moving from unmanageable to manageable debt means a reduction in total debt, an increase in available funds for day-to-day expenditure due to costs avoided, and possibly the beginnings of a savings pot. In turn, this may reduce the likelihood of rent arrears, enable tenancy sustainment, and so on. Less tangible, but nonetheless crucial, members may be less stressed about their financial situation and re-find individual dignity and self-esteem.

However, it should be noted that securing access to affordable credit is not a panacea. Noreen Byrne and colleagues (2007) ¹⁸⁹ found that some people will use both credit union services as well as the services of moneylenders and this, according to consultees, is a practice that continues today.

Outcome: *cost savings* (a change in circumstance)

Impact value: €36,800

Outcome: *reduced stress* (a change in capacity)

Impact value: a proportion of €770,324 ¹⁹⁰

Unsuccessful loan applicants and defaulters

As outlined by Georges Gloukoviezoff (2014)¹⁹¹, even if relatively accessible credit options are available, in practice this does not mean that everyone will be able to avail of these. Barriers will remain, for instance, for those who cannot demonstrate that they have a capacity to repay their loans. In such cases, staff may provide borrowing advice and offer smaller loans than those requested. However, the credit union has no option but to refuse one loan application in an average week.

Furthermore, those who are granted a loan may not keep up with payments and go into arrears. Donore CU encourages members who are in financial difficulty to come in and discuss their problems. It strives to make repayment as flexible as necessary, but it does actively pursue defaulters. Such action notwithstanding, as indicated earlier, there were seven people with bad debt write-offs during the year.

Arjun Ravi (2013)¹⁹² argues that people in such situations might nonetheless gain some benefits from the credit union, such as increased financial knowledge and increased awareness of their financial position. Whilst this is probably true, the ultimate outcome for this group – increased costs – is negative and has negative repercussions in terms of stress¹⁹³.

Outcome: *costs incurred* (a change in circumstance)

Impact value: -€14,013

Outcome: *increased stress* (a change in capacity)

Impact value: -€14,599

Prize winners

During the year, around 85 members won prizes in the various draws and competitions that the credit union ran. The total value of the prizes was in excess of €9,945. These winnings constituted an outcome in their own right, but also helped to reinforce winners' feelings of loyalty towards the credit union. In theory, it could be argued that those who entered but did not win a prize may have experienced a negative outcome (feelings of disappointment or envy, for example), but in practice, people accept that there can be no expectation of receiving such rewards.

Outcome: *prizes* (a change in circumstance)

Impact value: €9,945

Scholarship recipients

Although the numbers involved were very small, the two students who received scholarships nonetheless placed value on these. The monies eased concerns they may have had in relation to paying for their courses, thereby freeing up energy to spend on their studies. The full benefits of these studies may not be reaped until later years, however, and no future value has been allocated to the students. As with prize winners, the same positive feedback loop to loyalty and the same rationale for not including negative outcomes, apply.

Outcome: *scholarships* (a change in circumstance)

Impact value: €1,700

Volunteers

Volunteering is one form of active citizenship¹⁹⁴. The important role played by volunteers in Irish credit unions has been explored previously^{195 196 197}. Such research highlights volunteers' motivation to get – and remain – involved, as well as the challenges experienced by some credit unions in attracting and retaining suitable volunteers on an ongoing basis. Recent research on volunteer Directors of credit unions (CUAC, 2020, pp. 1-2) found that:¹⁹⁸

"... the survey findings are broadly positive. They highlight the rewarding nature of the role of a Director of a credit union for the Director, and its positive impact on personal and career development [but] ... Many Directors feel that legislation, and regulation and supervisory activities are occupying the focus of Boards at the expense of strategic issues. There is a strong view that the regulator is not fully cognisant of the unique ethos of the credit union movement."

When focus group participants were asked about their experience of volunteering with Donore CU, their answers largely tallied with the above research and the consultant's in-depth knowledge of this topic¹⁹⁹. When they first began volunteering, they were somewhat daunted and had little idea of what was involved. This meant that the level of commitment required and the extent of legal responsibility that came with governing the organisation was rather unexpected. Also unanticipated, however, was how much they would enjoy doing the voluntary work. They talked of welcoming the following aspects: the training they received for their role; the knowledge they absorbed; the transferable skills they picked up (technical and social); the experience they gained in running a financial institution; the friendships they made; and the pride they felt at helping members of their community (who, in turn, were grateful for what they did). They became increasingly confident and their self-esteem rose, which is something that was evident not only to them, but also to their families.

Donore CU volunteers tend to remain involved on a long-term basis and the credit union has not had any particular difficulties in attracting people to take on voluntary roles.

Outcome: *satisfaction with voluntary activity* (a change in circumstance)

Impact value: €46,433

In conclusion

Unsuccessful loan applicants and defaulters excepted, the work Donore CU undertakes on behalf of its members results in positive changes in their attitude, capacity and circumstance. Together, these contribute to an overall improvement in their wellbeing. As a co-operative provider of financial services, it may have been expected that the financial wellbeing of members would be ameliorated, be they shareholders/savers, borrowers, users of the budget account service/Christmas Club, or those in receipt of prizes/donations. More surprising, perhaps, is the way in which Donore CU plays a role in improving the social wellbeing of its stakeholders, especially its most loyal members and its volunteers. The total impact value of these effects equals €15,858,252.

Chapter 9: Non-member outcomes and impact

Engagement with Donore CU

Research undertaken in 2011 by Jonathan Evans in Northern Ireland ²⁰⁰ showed that the role of local credit unions in community development should not be underestimated (and, with the right conditions, had the potential to be extended significantly).

Due to the embeddedness of Donore CU in the Dublin 8 community, there are many links between it and other local organisations. Indeed, it would be fair to suggest that Donore CU is an integral part of the community infrastructure. Recent years have seen particular efforts being made to build upon historical relationships and to reach out to local bodies with whom the credit union had not had much contact previously.

Sometimes, Donore CU takes the lead, such as organising the half-day event that brought together local community groups and local residents and the senior citizens' Christmas lunch. At other times, it adopts a partnership approach, as illustrated by the Brendan Lynch scholarship that it grants in association with Griffith College. And at yet other times it operates more in the shadows; for instance on The Liberties Business Forum. Perhaps most significant is the role it plays in linking different actors in the community, for example, by signposting members to services that they can avail of, having a visible presence at community events and making introductions between representatives of different groups. In the words of one consultee:

"We want to be part of each other's community."

These are all illustrations of 'social capital' ²⁰¹. Assessing the worth of social capital within a community is challenging and has not been attempted. Instead, efforts have been made to value the outcomes that are derived from the various direct services that Donore CU offers to organisations in the community. It should be remembered that individuals within each of the organisations described below may be credit union members in their own right (or could potentially become members if they are not already). It was unsurprising, therefore, to find that community partners echoed the stories of member satisfaction, financial education and value creation explored in the chapter 8. The previous discussion around material versus non-material outcomes is equally applicable.

Business loan recipient

As stated, the Dublin Food Co-op was the only recipient of a business loan during the year. This long-established co-operative was renting premises in nearby Newmarket, but was, unfortunately, given notice to quit. To overcome the vagaries of the rental market, a decision was made to purchase a premises in Kilmainham. This was made possible with a social finance loan from Community Finance Ireland ²⁰². However, more money was needed to fit out the new building and Donore CU's top-up loan was therefore critical in terms of developing the business, which is now doing well in spite of the recent upheavals ^{203 204}. The alignment of organisational values and the way in which Donore CU dealt with the Dublin Food Co-op was very much appreciated:

"They offer us a huge degree of comfort, as we know they care about the social impact of what we do, not just the money side of things."

Throughout the consultation process, various people pointed to the potential for Donore CU to provide more loans like this, in order to further local economic development.

Outcome: *business development* (a change in circumstance)

Impact value: €52,529

Club account holders

The consultant has extensive experience of working with not-for-profits of varying sizes²⁰⁵. In her opinion, having a club account at a credit union would be of particular benefit to the smallest of community groups, such as senior citizens' clubs, parents' associations in schools and summer projects for children. The interviews confirmed this to be true. The proximity of the credit union, its good opening hours, its short queues, its lack of banking fees, its willingness to accept coins and its friendly advice were all cited. One account holder summed it up as follows:

"We would be lost without the credit union. We know them so well. They're just always there, always helpful."

Some larger entities pointed out that, ideally, they would like to do all their business through the credit union, but that not all their needs in this regard could be met at present, because systems are largely set up to facilitate personal, not organisational, banking. For instance, some electronic banking options are not available and it is difficult to have multiple signatories on an account. It was also remarked upon that some funders do not allow payments to be made into credit union accounts and specify that groups must have an account with a commercial bank.

Outcome: *better day-to-day functioning of community groups* (a change in capacity)

Impact value: €4,752

Recipients of donations

By their very nature, local clubs and community groups are not profit-making entities and are largely reliant on others to resource their work. Any monies they are granted by Donore CU are thus very welcome. But the amounts of money involved are quite small and should be seen in the context of the other funds and in-kind supports they receive from their own members, from other sponsors, from the local authority, etc. Again, donations are most significant for the smallest groups. The work that this money enables these groups to do is often invisible to the outside world, but is of major importance to their beneficiaries, be they older isolated people who are enabled to have days out, households living in poverty where basic living needs are met, or similar scenarios of addressing disadvantage. In the words of one consultee who is grateful for Donore CU's support:

"I hope it always continues: it's vital for our local community."

Outcome: *increased income* (a change in capacity)

Impact value: €13,664

Financial education programme users ²⁰⁶

It is a feature of the modern day education system that external bodies are clamouring to come into schools to undertake work with children (and sometimes with teachers and parents too). Mindful of timetable pressures and child protection issues, schools have to be judicious in their choice of external speakers. Donore CU has built up a good relationships with all local schools and is welcomed into these schools every year.

The feedback from teachers on the financial education programmes that Donore CU facilitates in their schools was highly positive. Students' own feedback ²⁰⁷ during the year was somewhat more tempered:

- 50% rated the content of the workshop as good, 23% as excellent
- 49% believed that the workshop was worthwhile, 20% very worthwhile
- 43% felt the workshop was relevant to the school curriculum, 9% very relevant
- 40% felt the option to enter a competition was relevant, 37% very relevant.

Students made various practical suggestions for programme improvement (for example, removing the bingo element of the workshop). Teachers also talked of other ways in which in their schools could potentially work more closely with Donore CU, such as an expanded second-level programme, more work experience placements, more integrated work with the parent body, formalised partnerships in relation to back-to-school costs, and so on.

It is worth recounting one example of a local primary school which had made a decision to bring 53 pupils on an overnight trip for the first time in the school's recent history. Donore CU provided this school with a donation that enabled around seven families to send their children on this trip who would otherwise not have been able to afford to go. A Donore CU staff member also gave a presentation to the children to explain the importance of saving for the trip and how they could best do this at home. In other words, the children could put into practice straightaway the lessons they had learnt in school and were able to see tangible benefits in a short period of time. It is of course hoped that these learnings will be retained as they get older and that they will act as a useful 'protective factor' ²⁰⁸ as the children develop into young adults.

There is no consensus on how the success of financial literacy initiatives is best measured and in any case, most of the work that has been done in this field focuses on adults, not youths ²⁰⁹. The Money Advice Service in the UK did recently commission a review of the evidence as to what interventions work best with children and young people ²¹⁰. This stressed the importance of starting as early as possible. It also found that workshops and face-to-face classroom formats do help to build ability and mindset but that, ideally, such interventions should be coupled with parental involvement as this too appears to be effective in influencing behaviour. Another key theme identified was that robust return-on-investment analyses are currently lacking. Nonetheless, it is worthwhile making a rough estimate as to what the value might be of the increased financial capability amongst the children and young people in the locality as a consequence of their links with Donore CU.

Outcome: *increased financial capability (a change in capacity)*

Impact value: €11,727

In conclusion

The research into the outcomes for non-members revealed changes in capacity and circumstance. Considered in isolation, the impact on each non-member stakeholder group is relatively limited. However, this does not mean that it is immaterial. There is a complex web of interactions that takes place, which, when added together, highlights the rich community wellbeing role played by Donore CU. As stated by one survey respondent:

"Even though I'm only 19 I've seen the decline in community spirit in the city centre recently but Donore CU never fails to contribute to the feeling of community in our area and I think that's important to a lot of people living here."

It became evident during the course of the research, however, that there is undoubtedly more that Donore CU could do in future years to increase the current total value of €82,672.

Chapter 10: Calculating the social return

Summarising the value of the impact

The values generated could then be ranked in order of magnitude:

Stakeholders	Outcomes	Impact values
Positive		
Members (various)	Reduced stress	€7,700,324
Loyal members	Sense of belonging	€6,265,045
Coping borrowers	Improved standard of living	€1,547,906
Shareholders & savers	Increased income	€185,798
Business loan recipient	Business development	€52,529
Volunteers	Satisfaction with volunteering	€46,433
Vulnerable borrowers	Cost savings	€36,800
Budget account & Christmas Club users	Better able to manage money	€22,912
Recipients of donations	Better day-to-day functioning	€13,664
Financial education programme users	Increased financial capability	€11,727
Prize winners	Prizes	€9,945
Club account holders	Increased income	€4,752
Scholarship recipients	Scholarships	€1,700
Negative		
Unsuccessful loan applicants & defaulters	Increased costs	-€14,013
Unsuccessful loan applicants & defaulters	Increased stress	-€14,599

The social return

The SROI could then be calculated. This was done by establishing how much value was generated in the year under evaluation and how much in subsequent years. In order to calculate the total present value, the costs paid and benefits received in different time periods were added up and discounted using a standard discount rate of 3.5% ²¹¹. The value of the inputs (€2,637,012) that was calculated in chapter 4 could then be subtracted from the present value (€30,371,618) in order to derive the net present value of €27,734,606.

The SROI ratio is the present value divided by the value of the inputs, namely 11.52 : 1. Alternatively, the net SROI is the net present value divided by the value of the inputs, which is 10.51 : 1.

These figures imply a level of accuracy that is unhelpful. They were derived using a large number of assumptions and approximations and therefore carry inherent risk. In order to increase the level of confidence about the judgements made, sensitivity analysis was then undertaken (see appendix 4). On the basis of this, more nuanced and meaningful claims could then be made:

A social dividend in excess of €25 million was generated by Donore CU during its 2018-2019 financial year.

For every euro equivalent invested into Donore CU, in the region of €10 of social value was created.

In conclusion

Value is inherently subjective and as such, we must be uncomfortable with uncertainty. Every day, decisions are made about the relative worth of things on the basis of gut feelings alone. Having more robust qualitative and quantitative data – however imperfect – should allow for better decisions to be made, both by Donore CU and by others who can learn from Donore CU's experience. These are discussed further in the final chapter.

Chapter 11: Conclusions and recommendations

From gut feeling towards greater certainty

Supporters of credit unions had previously suggested that these financial co-operatives deliver significant social impact and, in turn, implied that this impact has considerable worth. This research, which focused on a local credit union in an urban area, has confirmed that this is true, at least in this case. It has also shown that an SROI approach is a valid way of analysing and expressing the social value of a credit union, although it should be acknowledged that doing so for the first time can be a time-intensive process. It can now be stated with relative confidence that for every euro equivalent invested into Donore CU, in the region of €10 of social value is created. This is, by any measure, an excellent rate of return.

What do the results tell us about Donore CU?

An analysis of the outcomes that are generated by Donore CU highlights some important points. Most obviously, it reminds us that, without members, there would be no credit union. Next, the staff team plays an absolutely vital role in the delivery of outcomes and it is plain that every effort should be made to ensure that the commitment shown by employees is sustained into the future. Furthermore, the credit union could not survive without the dedication of the volunteers on its Board of Directors and various committees, and their contribution should likewise continue to be celebrated. Moreover, it has been shown that Donore CU is deeply rooted in its local community, which is an important feature of its success.

The outcome that delivered the greatest value, and that was judged as being most valuable by those who completed the member survey, was the relief from money worries as a direct consequence of being a member of Donore CU. This benefit is hard to grasp, yet clearly of immense importance to many people, and Donore CU could consider framing its future communications with this sentiment in mind.

The second most valuable outcome was the sense of belonging that Donore CU engenders amongst its most loyal members, which is also somewhat of a nebulous benefit. This outcome was rated as being slightly less important in the member survey, however, and there were also challenges associated with its monetisation (see appendices 3 and 4). These caveats notwithstanding, the 'family-like' atmosphere that Donore CU has undoubtedly managed to build up over time is clearly very important to its success and losing this would undoubtedly affect the organisation's overall social value.

The majority of the other outcomes are more money-oriented, benefiting individuals or groups directly (through increasing their income/saving costs) or indirectly (by enabling a better lifestyle/day-to-day functioning/business development as a result of being able to access credit). By far the biggest value was created for the subgroup of members defined as coping borrowers. Although the total value for more vulnerable borrowers will probably never equal this, it is evident that the credit union can truly save people who are in dire financial straits, both through its personal microcredit loans and by consolidating otherwise unmanageable debts. Conversely, it should be conceded that there are individuals who are not deemed creditworthy and/or who default on their loans and that negative outcomes are generated for this subgroup.

The total values of the remaining outcomes tended to be smaller, but were sufficiently substantial to still be considered material. These are the satisfaction experienced by Donore CU's volunteers, the ability of budget account and Christmas Club users to better manage their money, and the increased financial capability experienced by the children and young people who participate in the credit union's financial education programmes.

No room for complacency

Whilst Donore CU should of course be congratulated for the amount of social value it generates currently, it should not rest on its laurels. Not only is it constantly subject to external forces that might affect its ability to continue to deliver social value at the same rate, the organisation's very reason for existence is its social remit. It should therefore always be striving to maximise its social value. In so doing, it lives out its core values and enhances its accountability to members and other stakeholders.

Most obviously, Donore CU must try to minimise any negative outcomes. It should continue its policy of guiding those who seek too much credit as well as offering flexible repayment plans for those who go into arrears. It should continue to do this in as supportive a manner as possible, whilst at the same time protecting the interests of all other members of the co-operative.

Secondly, Donore CU should ensure that as many members/non-members as possible make use of its existing services. This means ensuring all these people are aware of all services that they might avail of, because it was evident from some of the questions raised during the consultations that not all had this full level of service awareness.

Thirdly, Donore CU could enhance its service offering. Although there have been innovations in recent years (such as online transactions and the It Makes Sense loans), the product range is still quite limited when compared internationally or even with some of the larger credit unions in Ireland ²¹² ²¹³. Initiatives planned for 2020 and beyond, such as further small enterprise loans and a pilot loans facility for Sustainable Energy Communities ²¹⁴, are very welcome. However, thought should also be given to other services that members and club account users might desire, including current accounts for both individuals and groups ²¹⁵.

The above actions would not only help the existing membership and the non-members who already engage with Donore CU, but it might also attract new members and new groups/businesses. However, this is unlikely to happen without further extensive publicity efforts that segment the market and sell the particular benefit(s) that might persuade new subgroups of 'customers'. For instance, there are growing numbers of local residents who come from countries and cultures where credit unions are less well-known and these require a basic introduction on how the system works. Additionally, there will be people within the common bond who have a negative view of commercial banks, including a dislike of their transaction charges, but who also do not know that the modern credit union offers a wide range of free/low-fee banking and related services. Furthermore, there will continue to be an influx of younger age groups into the local area who might be pulled in by the ethical nature of the credit union and its mobile banking options.

Perhaps most importantly, there are local people who continue to be unbanked and/or at the mercy of moneylenders. By their very nature, these marginalised groups are hard to reach and unlikely to respond to standard marketing efforts. Outreach undertaken in partnership with other relevant service providers might prove more effective in these instances. It is recognised that focusing on the most disadvantaged carries risks for the rest of the membership. However, if the credit union cannot provide services to these people, who else is there to serve them?

Finally, when asked to rank outcomes in the member survey, the second most popular answer was the active and positive role played by Donore CU in the community. Whilst the credit union undertakes many community-focused activities that deliver social value, the approach adopted is somewhat ad hoc. For instance, the total prize fund for draws/competitions was bigger than the total direct donations to community groups and any such donations are given out at the Manager's discretion as opposed to following an agreed credit union policy. A more systematic and strategic approach has the potential to release even greater social value. Unlike some credit unions²¹⁶, to date, Donore CU has not made use of provisions under Section 44 of the Credit Union Act, 1997 to establish a 'special fund for social, cultural etc purposes'²¹⁷, more often called a community fund. This would be worth exploring further. It may also prove a worthwhile exercise to find all community-based organisations and businesses operating within the common bond, not just those already engaged with, and see if there is scope for adding further value to each other's missions through more joint working.

Is Donore CU representative?

It cannot be said with any certainty that the social value of Donore CU, which is one of a decreasing number of independent credit unions, is applicable to all credit unions in Ireland. Donore CU is relatively small and on the one hand it could be argued that as a result of its limited size, it can only offer a limited amount of total value. On the other hand, however, the research has shown that its embeddedness in the local community and the sense of loyalty and belonging this inspires delivers very significant value, which larger and more distributed credit unions would almost certainly find much more difficult to achieve. This point was made by many of the experts interviewed as part of the research. It should also be noted that on more than one occasion, consultees referred to Donore CU as 'punching above its weight'.

How does Donore CU's experience compare to other providers?

This study was not a comparative one, so neither can it be claimed definitively that Donore CU offers greater social value than other financial providers. However, legitimate questions can be asked of other players in the financial market²¹⁸. How many see themselves as having a financial inclusion role? How many address social problems as well as providing financial services? How many have measured their own social return? In 2009, Eilís Lawlor and colleagues published research that compared the value of different professions and found that high earning investment bankers in London destroyed £7 of social value for every pound in value they generated ...²¹⁹ The closest cousins of credit unions are probably post offices, and these are struggling for survival in many places²²⁰.

Who should take heed of the findings?

The primary audience for the findings of this report are Donore CU's closest stakeholders: its members (including its staff and volunteers) and the organisations in the community with whom it already has a relationship. Donore CU is urged to communicate the results to these people in a way that will resonate with them. But to limit the results of this study to them would be to not make full use of the research undertaken. There are learnings for other parties also and Donore CU must ensure these are shared with the relevant individuals and organisations.

The Registrar of Credit Unions at the Central Bank of Ireland is the first body that springs to mind. This is without doubt because the narrative surrounding credit unions in recent years has been largely around regulation and compliance with same. Whilst having viable and trustworthy credit unions is clearly essential, care must be taken that a regulatory lens and a drive for efficiency and scale does not result in losing the very aspects of credit unions that are valued by their users. This is already recognised to some extent by CUAC, the body that advises the Minister of Finance and others ²²¹.

Credit unions have the capacity to meet many public policy goals and to this end, they are of interest to other government departments and agencies, as well as elected representatives. Some examples are given below; this list is not exhaustive.

The Government of Ireland has committed to taking action on the Sustainable Development Goals (SDGs). Its current *SDGs National Implementation Plan* ²²² makes some reference to the importance of affordable credit for small business, and whilst this is certainly something where credit unions can play a role, there is much that they can deliver upon in addition to this. This research with Donore CU has shown that it has already had an impact on goals 1, 3, 4, 8 and 10, and there is scope to do more in future. Note that some overseas credit unions already report on how they are addressing the SDGs ²²³.



In 2016, the Department of Finance and the Department of Rural and Community Development collaborated on a study of the desirability and feasibility of introducing a local public banking system in Ireland²²⁴. It was concluded that there was not a compelling case for the state to set up such a system, not least because of the existence of the country's post offices and credit unions. Yet, policy documents emanating from the Department of Rural and Community Development since then have made little to no discernible reference to credit unions. The recently launched *National Social Enterprise Policy for Ireland*²²⁵ notes the importance of social enterprises being able to access affordable credit and names social finance providers Clann Credo and Community Finance Ireland but does not mention credit unions, which, it has been shown in this report, can play a key role, especially in terms of the provision of smaller loans to social enterprises/co-operatives. Neither are credit unions mentioned in its recent strategy for supporting the community and voluntary sector²²⁶ nor its draft volunteering strategy²²⁷.

There is already a formal link between the Department of Employment Affairs and Social Protection through the It Makes Sense personal micro-credit scheme. Take-up of this scheme could undoubtedly be increased, but there may be other ways too in which that department and its agencies could optimise on the credit union network.

The Department of Justice and Equality recognises the marginalisation of certain groups in our society and has drawn up strategies for their social inclusion, including their financial inclusion. The *National Traveller and Roma Inclusion Strategy*²²⁸ recognises the need for members of these communities to be able to access affordable credit, although interestingly, its *Migrant Integration Strategy*²²⁹ published the same year omits any mention of same.

The above examples illustrate that credit unions not only deliver value to their members, they also have the capacity to deliver public value. The graphic below is of the so-called 'Public Value Creation' framework taken from a 2017 report about Ireland's Citizens Information Services²³⁰, but this research has shown that it could equally be applied to credit unions:



It is worth noting that grant-making bodies, especially those who give out small grants, such as local authorities and charitable trusts, also have a role to play. It has been shown that the credit union is the natural home for small community groups and not only should grant-makers not be making it difficult for these groups to receive donations in credit union accounts, they should be actively promoting grantees to use their local credit union for it is a more efficient and ethical use of their limited resources.

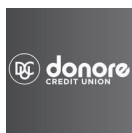
Finally, it is hoped that the other actors in the credit union movement take on board the findings and cooperate to find ways in which they might be translated for the good of all credit unions in Ireland and beyond.

Recommendations

On the basis of the evidence presented, the consultant recommends that Donore CU:

1. Publicises the results of this report to its local stakeholders.
2. Publicises the results of this report to relevant national stakeholders (and, in partnership with relevant umbrella bodies, seeks ways to influence the future actions around credit unions of these stakeholders)
3. Finds ways to eliminate negative outcomes, and if this is not possible, minimise these.
4. Raises awareness of its full suite of services to encourage greater take-up.
5. Canvasses its members to find out what other services they would be interested in and, if feasible, expands its service offering in line with their expressed unmet needs.
6. Markets the credit union to subgroups of the local population in ways that are likely to appeal to them (consider including relief from financial worries as a common benefit).
7. Engages in outreach activities with local partners already working with groups of people experiencing disadvantage to encourage them to join the credit union for their financial needs.
8. Adopts a more strategic approach to community development initiatives that includes the establishment of a community fund.
9. Continues to track its social value in the future and makes decisions on the basis of insights gained.
10. Explores the desirability of applying for the Social Value Management Certificate.

Appendix 1: Survey instrument



What is the social value of Donore Credit Union?

We need your help!

We at Donore Credit Union (CU) have contracted Sandra Velthuis, an independent researcher who works with not-for-profits, to undertake a study that will uncover the full 'social value' of our credit union.

This member survey forms an important part of the research process. We would be very grateful if you could fill it in. There are no right or wrong answers. Everything you share is useful. You do not have to give your name and your answers are completely confidential. It should take you no more than 10 minutes to fill in.

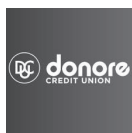
As a thank you for participating, we will enter all completed surveys into a prize draw for €100.

The closing date for this survey is Saturday 21 March 2020.

* 1. Would you like to proceed?

Yes

No



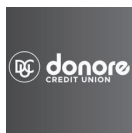
What is the social value of Donore Credit Union?

Membership

* 2. Are you a member of Donore CU?

Yes

No



What is the social value of Donore Credit Union?

Services

3. In addition to having a Donore CU account, do you have any of the following? (tick all that apply)

- An account with another credit union
- A Post Office account
- A bank account
- Another way of 'banking' (please specify)

4. Thinking about your dealings with Donore CU over the past year or so, how likely are you to recommend this credit union to a family member or a friend? (allocate however many stars you wish)

highly unlikely

highly likely



5. Does Donore CU provide you with useful information and advice about making the most of your money?

- Yes, a lot
- Yes, some
- No, not really

6. To what extent do you agree with the statement "I feel a sense of belonging to Donore CU"?

- Agree strongly
- Agree slightly
- Disagree slightly
- Disagree strongly

7. Are you involved with any other local organisations or clubs or associations or community groups that you feel a sense of belonging to?

- Yes
- No

* 8. Did you use Donore CU's budget account service and/or the Christmas Club in the last year or so?

- Yes
- No



What is the social value of Donore Credit Union?

Money management

9. To what extent do you agree with the statement "I feel better able to manage my money because I use the budget account service and/or the Christmas Club"?

- Agree strongly
- Agree slightly
- Disagree slightly
- Disagree strongly



What is the social value of Donore Credit Union?

Borrowing

10. In the last year or so, did you borrow money from any of these sources? (tick all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Family or friends | <input type="checkbox"/> Credit card |
| <input type="checkbox"/> Loan from another credit union (not Donore CU) | <input type="checkbox"/> Store card/catalogue company/hire purchase company |
| <input type="checkbox"/> Loan from a bank | <input type="checkbox"/> Moneylender |
| <input type="checkbox"/> Bank overdraft | |
| <input type="checkbox"/> Other (please specify) | |

* 11. In the last year or so, did you borrow money from Donore CU?

- Yes
- No

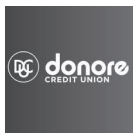


What is the social value of Donore Credit Union?

Loan types

12. What type of loan did you have with Donore CU? (tick all that apply)

- First Time Borrower Loan
- Student Loan
- Diamond Plus Loan
- Covered Loan
- Other (please specify)
- Dream Bigger Loan
- Standard Loan
- 'It Makes Sense' Loan

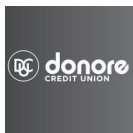


What is the social value of Donore Credit Union?

Loan effect

13. To what extent do you agree with the statement "Taking out a loan with Donore CU has improved my standard of living"?

- Agree strongly
- Agree slightly
- Disagree slightly
- Disagree strongly



What is the social value of Donore Credit Union?

'It Makes Sense' Loan

14. What effect did the 'It Makes Sense' loan have on you financially?

15. What effect did that the 'It Makes Sense' loan have on you emotionally?



What is the social value of Donore Credit Union?

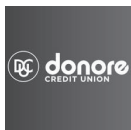
Debt consolidation

* 16. Did Donore CU help you to consolidate your debts in the last year or so?

- Yes
- No

17. What effect did that debt consolidation have on you financially?

18. What effect did that that debt consolidation have on you emotionally?



What is the social value of Donore Credit Union?

Loan refusal

* 19. Were you refused a loan from Donore CU in the last year or so?

- Yes
- No

20. What effect did that loan refusal have on you financially?

21. What effect did that loan refusal have on you emotionally?



What is the social value of Donore Credit Union?

Arrears

* 22. Did you get into arrears with a Donore CU loan in the last year or so?

- Yes
- No

23. What effect did these arrears have on you financially?

24. What effect did these arrears have on you emotionally?



What is the social value of Donore Credit Union?

And finally ...

25. To what extent do you agree with the statement: "I am less stressed about my finances as a result of being a member of Donore CU"?

- Agree strongly
- Agree slightly
- Disagree slightly
- Disagree strongly

26. Did anybody else play a role in reducing your worries about money?

- Yes
- No

27. Can you rank how important the following things are to you? (ONLY PLACE NUMBERS AGAINST THE ONES THAT APPLY TO YOU and ignore the others; 1 = most important, 2 = next most important and so on)



That I have a feeling of belonging to Donore CU



That I receive financial bonuses from Donore CU (such as dividend or interest)



That the Donore CU budget account/Christmas Club allow me to better manage my money



That my standard of living is better thanks to Donore CU



That Donore CU has reduced the cost of my borrowing



That I am less stressed about money because of Donore CU



That Donore CU plays an active and positive role in our community

28. Is there anything else you would like to say about Donore CU: positive, neutral or negative? This could be an explanation for your previous answers or something that you think is important but were not asked about.

29. If you wish to be entered into the prize draw for the chance to win €100 in cash, please write down a number we can contact you on. You do not need to give your name unless you want to.

Appendix 2: Survey results ²³¹

Other ways of banking

Only 11% of respondents did not have access to any other means of banking.

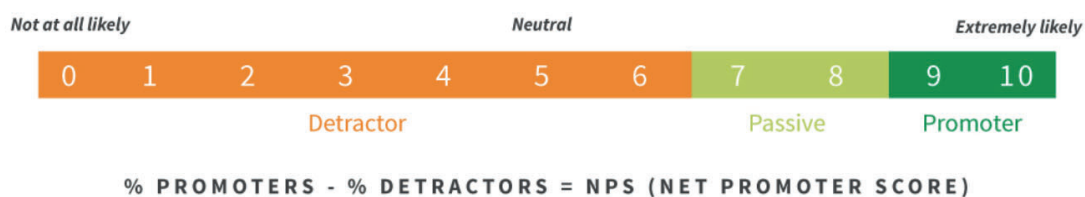
For those who did, having a bank (or in one case, a building society) account, was by far the most common alternative, with 85% of respondents stating that they had one. Similar numbers of respondents (12-13%) had accounts with another credit union and/or the Post Office. Online banking solutions were used by a further 8%, with Revolut ²³² being commonly quoted.

Satisfaction rating

Thinking about your dealings with Donore CU over the past year or so, how likely are you to recommend this credit union to a family member or a friend?

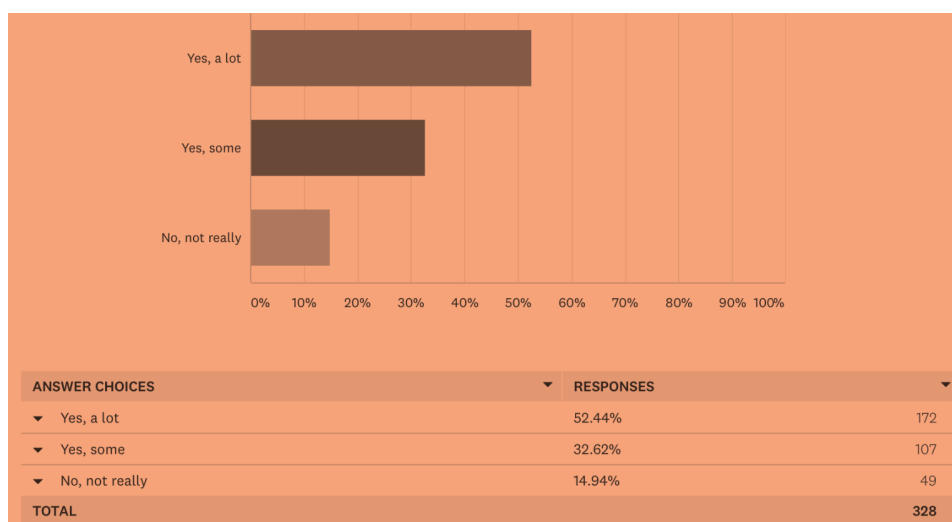
324 answered this question, which used a 10-point scale in which 1 = highly unlikely and 10 = highly likely. The average rating given was 8 out of 10.

It is also possible to use the data to calculate the net promoter score of +51.



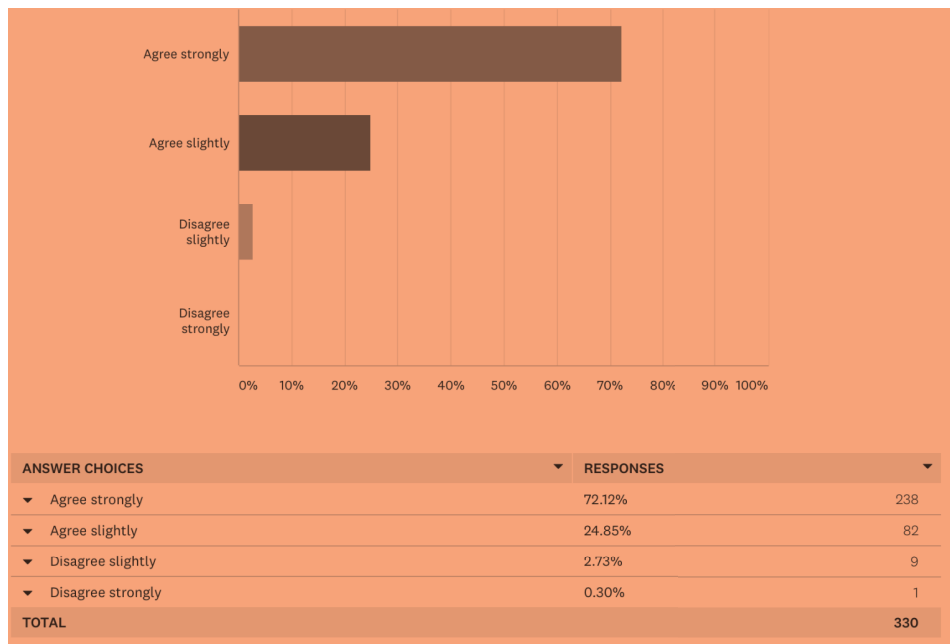
Information and advice

Does Donore CU provide you with useful information and advice about making the most of your money?

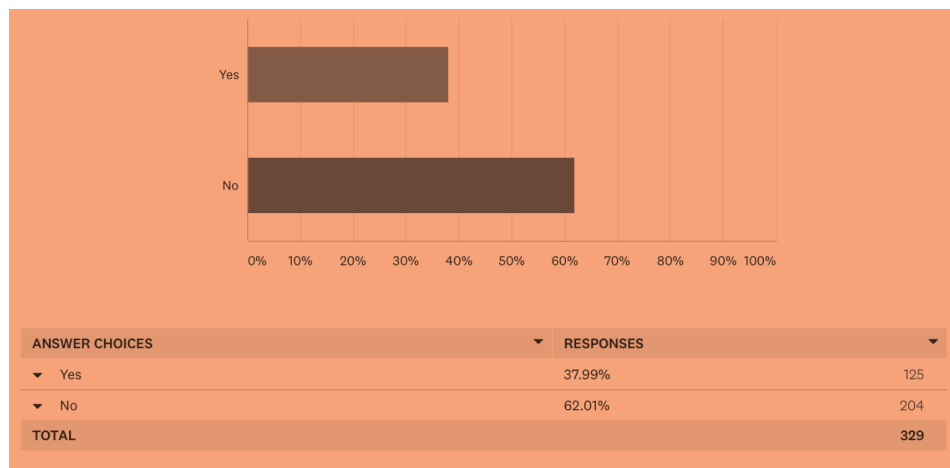


Sense of belonging

To what extent do you agree with the statement "I feel a sense of belonging to Donore CU"?



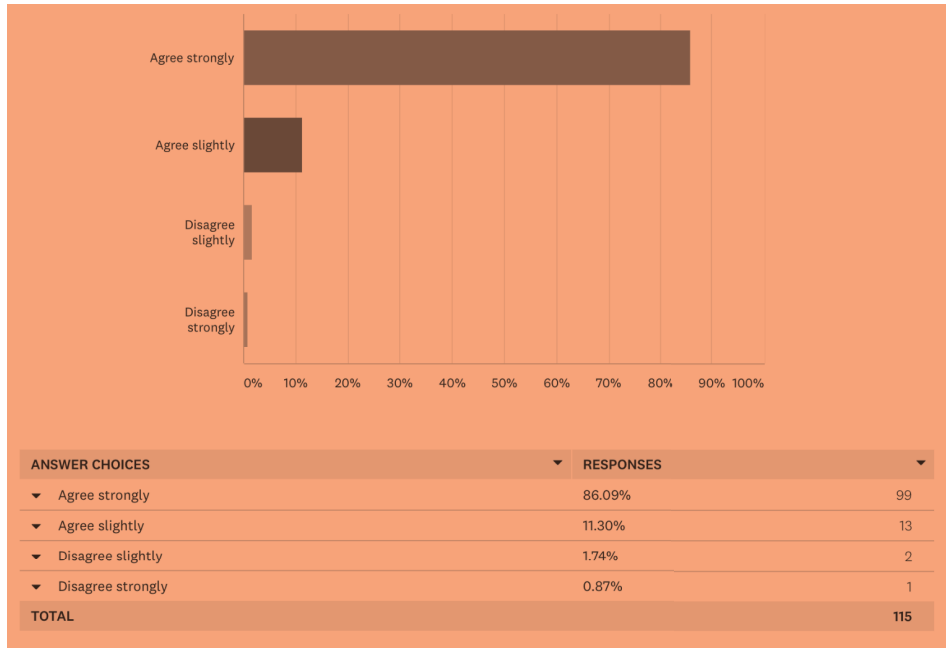
Are you involved with any other local organisations or clubs or associations or community groups that you feel a sense of belonging to?



Budget account and Christmas Club

116 respondents said they had used either or both of these services in the past year. Only those who answered yes were asked the following question:

To what extent do you agree with the statement "I feel better able to manage my money because I use the budget account service and/or the Christmas Club"?



Borrowing from sources other than Donore CU

Members were asked if they had borrowed money from any sources other than Donore CU in the past year. Only 21% did – and only six of these had multiple loans. The sources were as follows (most used ones at the top):

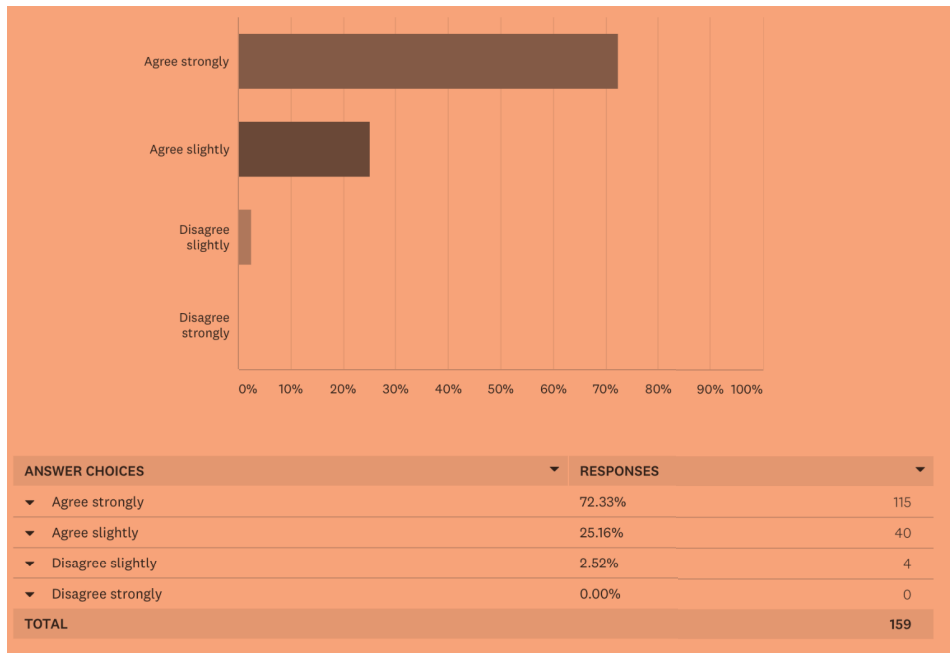
- Credit card
- Family or friends
- Bank overdraft
- Bank loan
- Loan from another credit union
- Store card/catalogue company/hire purchase company
- Moneylender.

Borrowing from Donore CU

168 people said that they borrowed from Donore CU in the previous year.

The majority of these were paying off a Standard Loan. First Time Borrower Loans were also popular, with fewer availing of the other loan options that are offered by Donore CU.

To what extent do you agree with the statement "Taking out a loan with Donore CU has improved my standard of living"?



It Makes Sense Loan

Five respondents stated that they had taken out an It Makes Sense loan, although it would appear that one of these may have answered this question in error.

When asked to describe what effects this loan had on them emotionally, the four remaining members wrote: ²³³

- *"if lefties a weight of my shoulders to help me Mental too"*
- *"Totally safe"*
- *"Good"*
- *"I wasnt stressed"*

Debt consolidation

47 respondents said that Donore CU had helped them to consolidate debts over the previous year.

When asked what effect this debt consolidation had had on them financially, they mainly mentioned that it had saved them money, which had in turn allowed them to improve their lives. One said it meant they kept hold of a house they would otherwise have lost. Another stated it had paid off their credit card debt, covered oral surgeries and enabled the purchase of engagement rings. One said household bills were now paid on time. Three said it had enabled them to budget wisely and manage their finances in a way they had previously not understood. Two others stated it had enabled them to take a holiday. Two referenced being able to pay for their car.

When asked what effect this debt consolidation had had on them emotionally, respondents talked of relief, less worry, greater peace of mind, having a huge weight lifted off them, being able to sleep better at night, mental stability, happiness, and being in greater control.

Loan refusal

Only two people said that they had been refused a loan by Donore CU in the previous year.

When asked what effect this had had on them financially, the only response was *"difficulty"*.

When asked what effect this had had on them emotionally, the only response was: *"I was upset because I always pay I never miss"*.

Arrears

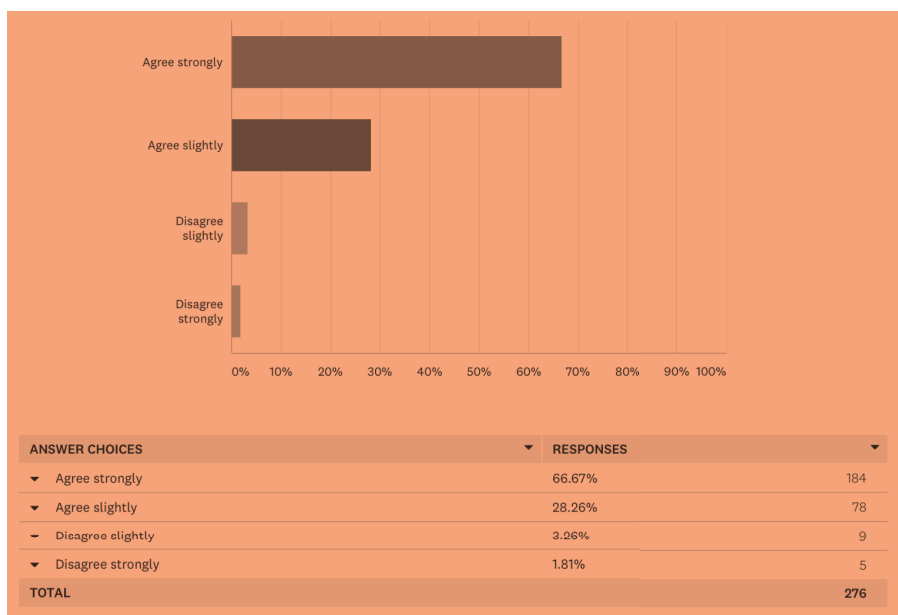
21 respondents said that they had fallen into arrears in the previous year.

When asked what effect this had had on them financially, the responses varied. One person said it had simply been down to a miscalculation and the issue was readily resolved. Another said it had only been a few euro and it was therefore a minor issue. However, one person described the situation as being *"hard"* and another as *"crippling"*. One said they had had to use some of their savings to pay off the debt. Yet another said that an arrangement was made where the arrears could be paid off at a rate that was affordable.

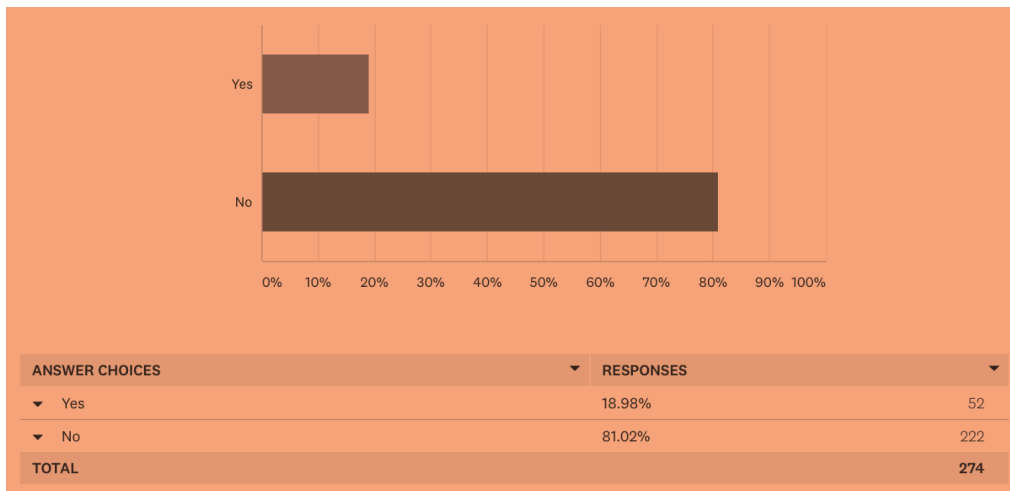
When asked what effect this had had on them emotionally, there were references to not liking being in arrears, finding it tough, stress, worry, self-annoyance and fear.

Stress reduction

To what extent do you agree with the statement: "I am less stressed about my finances as a result of being a member of Donore CU"?



Did anybody else play a role in reducing your worries about money?



Ranking outcomes

Respondents were asked to rank the various outcomes they had experienced. 275 answered this question. The results were as follows:

	1	2	3	4	5	6	7	TOTAL	SCORE
That I have a feeling of belonging to Donore CU	12.04% 26	14.35% 31	15.74% 34	17.13% 37	14.81% 32	11.11% 24	14.81% 32	216	3.99
That I receive financial bonuses from Donore CU (such as dividend or interest)	11.00% 22	15.00% 30	21.00% 42	16.00% 32	9.00% 18	11.00% 22	17.00% 34	200	4.02
That the Donore CU budget account/Christmas Club allow me to better manage my money	15.54% 30	13.99% 27	13.99% 27	13.47% 26	9.84% 19	13.47% 26	19.69% 38	193	3.93
That my standard of living is better thanks to Donore CU	16.83% 34	13.37% 27	14.36% 29	18.32% 37	19.31% 39	9.41% 19	8.42% 17	202	4.28
That Donore CU has reduced the cost of my borrowing	19.13% 35	16.39% 30	13.11% 24	11.48% 21	14.75% 27	14.75% 27	10.38% 19	183	4.28
That I am less stressed about money because of Donore CU	24.31% 53	22.94% 50	16.51% 36	10.55% 23	8.72% 19	9.17% 20	7.80% 17	218	4.85
That Donore CU plays an active and positive role in our community	25.57% 56	15.98% 35	15.98% 35	9.59% 21	11.42% 25	11.87% 26	9.59% 21	219	4.61

Final qualitative feedback

An analysis of the words used by members highlighted the extent to which members value the welcoming, friendly and helpful staff team: the vast majority of the 154 respondents who gave additional feedback made positive reference to the staff members. Other particularly relevant responses have been sprinkled throughout the report.

Appendix 3: Valuations

A note on valuation

Valuation is as much an art as it is a science.

It had been intended to trial an anchoring technique, in which outcomes that do not have a ready financial value are anchored to those that do. This would have excluded certain discrete outcomes that only applied to specific subgroups (prize winners, scholarship recipients and volunteers), and could either have included or excluded non-member outcomes.

However, this approach was found to be very challenging in practice. In particular, members' prioritisation of outcomes showed a far less pronounced variation than had been anticipated, meaning that it was difficult to place more importance on any one outcome over another. As shown by the survey results, the outcomes can be ranked, as per the list below, but the degree of difference between the most important (top) and least important (bottom) outcome is slight:

- That I am less stressed about money because of Donore CU
- That Donore CU plays an active and positive role in our community
- That my standard of living is better thanks to Donore CU
- That Donore CU has reduced the cost of my borrowing
- That I receive financial bonuses from Donore CU (such as dividend or interest)
- That I have a feeling of belonging to Donore CU
- That the Donore CU budget account/Christmas Club allow me to better manage my money.

More of a 'pick and mix' approach to valuation was therefore employed, but the above ranking nonetheless proved useful when interpreting the results and undertaking the sensitivity analysis (appendix 3).

Loyal members

Inputs

None – captured under shareholders and savers.

Outputs

Ongoing and active engagement with the credit union.

Ultimate outcome

Notable sense of belonging.

Number of people experiencing change

238 survey respondents said they felt a strong sense of belonging to Donore CU, with a further 82 saying they felt a slight sense of belonging. Taken together, this would suggest that 89% of members (4,251) share the belonging sentiment. This tallies to a large extent with research by Noreen Byrne and colleagues²³⁴ who found that for 95% of members, their relationship with their credit union was of importance to them (60% very important and 35% important).

Nonetheless, such high figures are likely overestimates. Not only does the strength of feeling differ between members, it is probable that those who were particularly invested in their credit union were more likely to have taken part in such surveys. If only those members who completed the survey for this project are taken into account, we know for certain that 340 of them have the feeling of belonging to Donore CU. Clearly that number is too low and needs to be increased to reflect those members who feel loyalty towards Donore CU, but who did not for whatever reason complete the survey. A rough estimate therefore has to be made. Given the above evidence, it would appear fair to say that more than half of members (c. 2,400) feel a sense of belonging to Donore CU.

As so few survey respondents disagreed with the statement about belonging, and as all of those who did only disagreed slightly, it is believed that they were neutral in relation to this outcome and did not experience a different, potentially negative, outcome.

Amount of change experienced

Both qualitative and quantitative data would suggest that this sense of belonging is quite strong.

Outcome starts

A sense of belonging may happen straightaway but is more likely to be something that grows over time. It is therefore said to start the year after the activity.

Outcome lasts for

A sense of belonging tends to be a longer-term effect and the maximum time beyond the year of activity has therefore been allowed.

Indicator for outcome

Self-reported sense of belonging, as per focus groups and member survey, triangulated with external research.

Monetisation

The value of a sense of belonging is, however, very difficult to monetise. Most of the research done in this field relates to belonging to a place²³⁵ rather than to an organisation. Where it does relate to an organisation, it is generally positioned as an employee engagement/staff retention issue²³⁶, which is not our primary concern here. It has been established that members' sense of belonging is closely associated with their sense of belonging to the local parish of Donore Avenue. External research confirms the importance of geographical proximity to value creation for credit union members²³⁷.

Although, in theory, something like the Value Game ²³⁸ could have been used to monetise this outcome, it is the view of the consultant that such a technique does not work well when dealing with rather abstract concepts like a sense of belonging. Instead, the Social Value Bank in the UK ²³⁹ was used. Data from this resource suggest that the feeling of a sense of belonging to a neighbourhood was worth £3,753 per annum in 2011. Allowing for inflation ²⁴⁰, this figure can be increased to £4,609, which at year end equated to €5,198 ²⁴¹. Whilst this is clearly an imperfect metric, in the absence of any obviously better alternatives, it is the one that has been put to use.

Deadweight

If the sentiment being valued is a sense of belonging to a neighbourhood, it is quite possible, indeed likely, that this might have occurred in the absence of Donore CU. The deadweight rate of 19% recommended for this value by its authors has been used.

Displacement

None identified.

Attribution

Many members also feel a sense of belonging to other groups in the community. 38% of survey respondents said that they did so and this is the attribution rate that has been used.

Drop-off

A year on year drop-off rate of 20% has been allowed to account for the outcome tailing off over the five-year period if membership does not continue beyond the year (unlikely given the long-term memberships of the credit union).

Impact

€6,265,045

Shareholders and savers

Inputs

€1,557,354 in assets (annual proportion), new shares and new deposits.

Outputs

More than €1.5 million made available to the co-operative.

Ultimate outcome

Increased income.

Number of people experiencing change

4,776, which is the total membership.

Amount of change experienced

This varies from member to member, depending on the size of their holding and individual circumstances. For ease of calculation, an average per member has been assumed. Whilst it could be argued that this does not adequately reflect the difference in outcome between different types of members, the potential benefits from the services offered are available to all.

Outcome starts

During the period of activity (on the basis of the previous year's performance).

Outcome lasts for

One year only.

Indicator for outcome

The additional income received from membership referral bonuses (€200), dividends (€51,811), interest on savings (€6,040) and insurance pay-outs (158,641).

Monetisation

The total increased income (€216,692) divided by the total number of members equals just over €45 per member.

Deadweight

Could members have accessed the above benefits elsewhere? To some extent, the answer to this question is yes, because there are other providers of savings and insurance products. It is difficult to make a direct comparison, however, as the conditions under which these providers make payments to their customers vary, both over time and between providers. Membership referral bonuses are uncommon, and the way in which insurance is offered as a free benefit to Donore CU members is also uncommon. Donore CU's dividend rate of 0.2% and interest rate of 0.1% during the year under evaluation was low, but not significantly lower than most other providers of instant access lump sum savings accounts in the 2018-2020 period^{242 243} and in some cases, it was in fact higher. On the basis of the above evidence, only a nominal deadweight rate of 5% has thus been allowed.

Displacement

Whilst shareholders and savers benefited from a modest increase in their income, it should be noted that some of this was displaced through taxation. In 2019, Deposit Interest Retention Tax (DIRT) at a rate of 35% was levied on dividends and savings interest (not membership bonuses and insurance pay-outs, nor would it have been charged on interest rebate, had that been a feature during the year under evaluation). Dividends and savings interest account for 27% of the total increased income; the pro rata equivalent for DIRT constitutes around 9%, which is the displacement rate that has been used.

Attribution

None identified.

Drop-off

None identified.

Impact

€185,798

Budget account and Christmas Club users

Inputs

€16,650 in budget account fees.

Outputs

333 budget accounts and 610 Christmas Club accounts.

Ultimate outcome

Improvement in ability to manage money.

Number of people experiencing change

Donore CU administers 610 Christmas Club accounts and a further 333 budgets accounts. It is known that there is some overlap between these, but unfortunately, the administrative systems in use do not allow a ready calculation of the number of members who hold either or both a Christmas Club account and/or budget account. Staff estimate that around three-quarters of budget account users also make use of the Christmas Club and that there are some Christmas Club users who do not make use of the budget account service. The total number of stakeholders in this group is in the region of 700, therefore.

When asked in the survey if they felt these services helped them to manage their money, 86% agreed strongly and a further 11% agreed slightly. Accounting for those members who felt slightly less strongly about this outcome by halving their number, the total number of people experiencing the change is therefore around 644. The tiny minority who did not feel their ability to manage their money had improved as a result of using these services have not been included in the calculations, on the assumption that this lack of financial capability might have been expressed elsewhere (such as going into arrears).

Amount of change experienced

A notable improvement in members' ability to manage money.

Outcome starts

The benefits of these services start to be reaped in the year of the activity.

Outcome lasts for

The benefit will last for some time, even if members decide to stop using the services (which is unlikely if they find them beneficial), because good savings habits and bill-paying routines are built up. Without any further intervention, at least one further year has been assumed for the outcome.

Indicator for outcome

Self-reported improvement in ability to manage money, as per focus groups and member survey, triangulated with external research.

Monetisation

In order to monetise the outcome, it would seem appropriate to look at short courses targeted at improving people's everyday budgeting skills. Three such courses were identified on an Irish adult learning website, costing €49²⁴⁴, €59²⁴⁵ and €160²⁴⁶ each. The median course at a cost of €59 has been selected as a representative proxy.

Deadweight

A quick internet search reveals that there are a number of other providers offering Christmas savings clubs, both commercial entities and other credit unions.

Additionally, An Post offers a Household Budget Service on behalf of the Department of Employment Affairs and Social Protection, where social welfare recipients can have portions of their welfare payments deducted directly to pay certain utility bills and local authority rents – and even in some circumstances, repayments on their It Makes Sense Loans with their credit union^{247 248}.

In theory, therefore, some members could have gained the benefits elsewhere, although in practice they are less likely to do so because they are offered as an overall Donore CU package. 33% is deemed a reasonable rate of deadweight.

Displacement

It could be argued that the credit union is 'taking away business' from other providers. This is of no real concern in relation to the commercial Christmas savings clubs, but could be said to be true in the case of other credit unions and the post office, which also seek to provide a community service²⁴⁹. However, such competition should not be overstated. Firstly, other credit unions operate in different common bonds. Secondly, the credit union movement and the post office network recognise that there are a multitude of opportunities for collaboration²⁵⁰. In the absence of accurate data, a small figure of 10% displacement has been estimated.

Attribution

None identified.

Drop-off

None identified.

Impact

€22,912

Coping borrowers

Inputs

€899,114 in loan interest paid (input shared between coping and vulnerable borrowers).

Outputs

1,384 loans (not including It Makes Sense loans and consolidated debts).

Ultimate outcome

Notable improvement in standard of living.

Number of people experiencing change

Donore CU advised that some 1,500 members had taken out loans by year end. From this number should be subtracted those borrowers who have been classified as vulnerable (see below), resulting in a total of 1,384. It is possible that some of the people in the coping borrowers category might be classified more appropriately as vulnerable^{251 252}, but without in-depth knowledge of their overall financial affairs, it has been assumed that they are all coping.

When asked in the survey if they felt that taking out a loan with Donore CU had improved their standard of living, 72% agreed strongly and a further 25% agreed slightly. Accounting for those members who felt slightly less strongly about this outcome by halving their number, and also by somewhat revising their number downwards to account for a slight overrepresentation of borrowers in the survey, the total number of people experiencing the change is therefore around 1,100. The tiny minority who did not feel their standard of living had improved, have not been included in the calculations, on the assumption that external factors would largely have been responsible for this.

Amount of change experienced

A notable improvement in standard of living as a direct result of being able to borrow from Donore CU.

Outcome starts

During the period of activity.

Outcome lasts for

A review of the outstanding loans shows that the average time left on loans, expressed both as the mean, median and mode, is one to three years. It is thus posited that the outcome lasts for at least two years.

Indicator for outcome

Self-reported improvement in standard of living as per focus group and member survey, triangulated with external literature and actual size of outstanding loans.

Monetisation

'Financial comfort' (valued at £8,917 in 2011)²⁵³ is regularly used in the UK. This was considered for use, but ultimately discarded as an option. The proxy used instead is the value of the average outstanding loan balance which is enabling the members to have their standard of living. Whilst the mean outstanding loan balance at year end was €6,388, the median and mode were both €2,500 and it is this that has been used, so as not overclaim.

Deadweight

Members could of course have borrowed money from elsewhere and some did (see attribution below). However this effect should not be overestimated. The research showed that some would not have felt comfortable going to a bank, some would not have been eligible for credit elsewhere, and some would have been charged higher rates of interest. Deadweight of 25% has been estimated.

Displacement

By borrowing from Donore CU, business was arguably taken away from other credit providers. However, not only was this not the case for the majority (see attribution below), the ethics of many other credit providers can be questioned. Only a nominal estimated 5% displacement has been included.

Attribution

21% of survey respondents said they had borrowed from elsewhere at the same time as borrowing from Donor CU. This is the attribution rate used.

Drop-off

The value of the outcome decreases over time as more of the loan gets paid off. It should also be remembered that borrowers may off pay the loan earlier than the agreed term without incurring further penalty. An average drop off rate of 20% has been used.

Impact

€1,547,906

Vulnerable borrowers

Inputs

€899,114 in loan interest paid (input shared between coping and vulnerable borrowers).

Outputs

Six 6 It Makes Sense loans and 110 consolidated debts.

Ultimate outcome

Cost savings.

Number of people experiencing change

Six people were issued with the personal microcredit (It Makes Sense) loans during the year under review; four of these loans were still being paid off at year end. A far greater number availed of Donore CU's consolidated debt service. During the year under review, 110 members were issued with consolidated debt loans; at year end 88 members were still paying off these off. Only those still paying off their debts at the end of the year have been included, which is arguably an underestimate. However, as most of those who had paid off their initial debts then moved from the vulnerable borrower to the coping borrower category, they have been included under that category.

Amount of change experienced

Even where the amounts themselves were not large, the cost savings resulting from these services were significant for the members involved.

Outcome starts

During the period of activity.

Outcome lasts for

The length of the outcome, naturally, is dependent on the size of the loan and the borrower's ability to repay that loan. The repayment period for the It Makes Sense loans tends to be shorter (one year or less) than that of consolidated loans (for which the average repayment period is closer to five years). This is because the size of the loan is typically different. As there were many more consolidated loans, a figure of around four years seems a suitable length of time to allocate to this outcome.

Indicator for outcome

The indicator that has been put to use here is an estimate of the direct costs savings from having an affordable loan with Donore CU, instead of the most likely alternative credit sources that would have been used by this group of borrowers previously, sourced from external literature.

Monetisation

Users of the It Makes Sense loan owed an average of €377 by year end. Donore CU charged them interest on that loan at a rate of 12.68% APR, which would result in a total bill of just over €400 for a 12 month period. Staff knowledge highlights that most would have used moneylender Provident for similar loans in the past. Provident charges 157.3% APR for lending the same amount ²⁵⁴, resulting in a total bill of more than €750.

The average amount outstanding on the consolidated loans was €6,178, attracting a Donore CU APR of 8.95%. Many of these members had been borrowing money for day-to-day outgoings on credit cards that averaged 19% APR in 2019 ²⁵⁵. The annual repayment at Donore CU would have been just over €1,500, whereas with a credit card, it would have been over €1,900.

Considering the relative sizes of these groupings, it can therefore be said that the yearly financial benefit to this vulnerable group of people is worth at least in the region of €375 to each of them in a year. However, as only the monies still outstanding at year end have been included, this somewhat underestimates the benefit, for it does not take into account that which the members have already paid off. The figure has therefore been increased to a more reasonable €400.

Deadweight

None identified. Whilst An Post does offer loans, these commence at €5,000 ²⁵⁶.

Displacement

None identified.

Attribution

None identified.

Drop-off

None identified. If members pay off these affordable loans in accordance with agreed terms, they will continue to reap the benefit of lower interest rates.

Impact

€36,800

Members (various)

Inputs

None – captured under shareholders and savers.

Outputs

Not applicable.

Ultimate outcome

Reduction in stress.

Number of people experiencing change

The total possible number of people in this instance would be the entire membership of 4,776. However, not everyone in the survey said that they had experienced reduced stress about their financial affairs as a result of Donore CU. 67% agreed strongly with the statement "*I am less stressed about my finances as a result of being a member of Donore CU*" and 28% agreed slightly. Accounting for those members who felt less strongly by halving their number, the revised total is around 3,869. The very small minority who did not report a reduction in stress have not been included in the calculations, on the assumption that this was almost certainly due to factors outside of the control of the credit union.

Amount of change experienced

A notable reduction in stress related to one's financial affairs.

Outcome starts

During the period of activity.

Outcome lasts for

A reduction in financial stress will last for as long as the individual concerned remains a member and does not have a loan refused, nor goes into unmanageable arrears, nor suffers an unexpected financial crisis. However, as someone's financial situation can worsen at any point, it would be unwise to extend this outcome beyond the year of activity.

Indicator for outcome

Self-reported decrease in stress, as per focus group and member survey, triangulated with external literature.

Monetisation

Like good physical health, good mental health is of immense value to people. Placing a monetary equivalent on it raises all sorts of logistical and ethical questions, however. For instance: does one use the cost of the services of a therapist as a proxy? What if the individual in question would never dream of seeing a mental health professional? Or does one use general values generated by economists, possibly based elsewhere? 2011 data from the UK ²⁵⁷ suggest that relief from depression/anxiety was worth £37,766 per adult and £11,819 for youths. Allowing for inflation ²⁵⁸, these figures can be increased to £46,375 and £14,513, which at year end equated to €58,896 and €18,432 ²⁵⁹. If adjusted to credit union's age ratio ²⁶⁰, a weighted average value of €49,589 can be calculated. However, this figure still seems unreasonably high on its own.

Deadweight

Members could of course be stressed about any number of issues, not just their financial affairs. Some might have ongoing mental health problems. Some people simply worry less than others would in the same situation. Some people do not in fact have any significant financial worries. Considerable deadweight should therefore be applied, which has been estimated at 95%.

Displacement

None identified.

Attribution

19% of survey respondents said that others had helped them to feel less stressed about money and it is this rate that has been used for attribution.

Drop-off

None identified.

Impact

€7,770,324

Unsuccessful loan applicants and defaulters 1

Inputs

None – captured under borrowers if applicable.

Outputs

52 unsuccessful loan applications and seven bad debt write-offs.

Ultimate outcome

Increased costs.

Number of people experiencing change

The total number of 59 has been estimated but is felt to be quite accurate. It is based on an average of one loan refusal per week and 7 bad debt write-offs.

Amount of change experienced

Accurate data on this group of people is sparse as there were so few survey respondents who answered this question (which is perhaps unsurprising). From what we know about people in financial crisis ²⁶¹, however, the effect is expected to be notable.

Outcome starts

During the period of activity.

Outcome lasts for

As long as the person remains in financial crisis. If even the credit union, which strives to provide affordable credit to all, is not/no longer in a position to assist the person, it is likely that this effect will be long-term and the maximum length of time has therefore been allowed.

Indicator for outcome

Direct costs incurred, as per self-reports and Donore CU estimates of same. In particular, it is probable that people in this subgroup would be pushed towards less affordable and higher risk credit options such as moneylenders.

Monetisation

In the absence of data on what alternative routes these people pursued when their debts were written off or their loan requests were refused, it is difficult to place an exact value on this. At first glance, one could argue that the effect of a bad debt write-off is a positive one for the person who owed the money (which averaged €1,953), but this is not in fact so. Not only will Donore CU continue to pursue the individual concerned, but also s/he will find it almost impossible to source affordable credit elsewhere. At the very least, it would seem appropriate to use the the inverse of that identified for vulnerable borrowers, namely -€2,500.

Deadweight

As noted above, if the credit union, which has a financial inclusion remit, is not in a position to provide credit to these members at the level they request, it is likely that there will be no other avenues of affordable credit open to them either, with the possible exception of loans from family and friends. A nominal 5% of deadweight has been estimated to cover such instances.

Displacement

Protecting other members from potential/actual bad debtors safeguards the common interest of the co-operative, but these benefits are already captured elsewhere. No displacement has been identified.

Attribution

The credit union cannot be held wholly responsible for the increased costs incurred by unsuccessful loan applicants and defaulters. Indeed, its role in this regard is likely to be only very minor. In the absence of accurate data, an estimate of 90% has been made.

Drop-off

None identified.

Impact

-€14,013

Unsuccessful loan applicants and defaulters 2

Inputs

As above.

Outputs

As above.

Ultimate outcome

Increase in stress.

Number of people experiencing change
59, as above.

Amount of change experienced
As above.

Outcome starts
During the period of activity.

Outcome lasts for
As above.

Indicator for outcome
Self-reported increase in stress, as per focus groups and members survey, triangulated with external literature.

Monetisation
It would seem apt to use the same wellbeing value used earlier for a decrease in stress, but as a negative, namely: -€49,589, although again, it would be important to temper this with appropriate deadweight and attribution rates.

Deadweight
For the same reasons as referenced earlier, a 95% deadweight ratio has been applied.

Displacement
None identified.

Attribution
As above.

Drop-off
None identified.

Impact
-€14,599

Prize winners

Inputs
None – captured under shareholders and savers.

Outputs
c. 20 competitions/prize draws with c. 85 winners

Ultimate outcome
Prizes.

Number of people experiencing change
85.

Amount of change experienced
Entry into competitions resulting in prizes.

Outcome starts
During the period of activity.

Outcome lasts for
Only lasts the period of activity.

Indicator for outcome
The value of prizes won is the only relevant indicator for this outcome.

Monetisation
The value of the average prize was just over €117 per winner.

Deadweight
None identified.

Displacement
None identified.

Attribution
None identified.

Drop-off
None identified.

Impact
€9,945

Scholarship recipients

Inputs
None – captured under shareholders and savers.

Outputs
Two scholarship competitions.

Ultimate outcome
Scholarships won.

Number of people experiencing change
Two.

Amount of change experienced

Their application resulted in a scholarship, one for Griffith College, the other for attending Irish college in one of the Gaeltacht regions.

Outcome starts

During the period of activity.

Outcome lasts for

Only lasts the period of activity.

Indicator for outcome

The indicator used is the value of the scholarships received from Donore CU, as evidenced in administrative records and triangulated by interviews. The Brendan Lynch scholarship was for €3,000 but the Donore CU contribution to this was only 50%, which is the outcome taken into account.

Monetisation

The average value of one scholarship was €850. Whilst this masks the reality of the Gaeltacht scholarship only being worth €200, it does not affect the total.

Deadweight

The scholarship was a bonus. The students would almost certainly have continued their studies in the absence of the scholarships, but the additional monies definitely eased their lives.

Displacement

None identified.

Attribution

None identified.

Drop-off

None identified.

Impact

€1,700

Volunteers

Inputs

Time valued at €135,000.

Outputs

Functioning of 15 committees.

Ultimate outcome

General satisfaction with volunteering.

Number of people experiencing change

18.

Amount of change experienced

Whilst this will vary from individual to individual, the regularity and consistency with which Donore CU's volunteers give of their time means that it is appropriate to infer average satisfaction levels amongst them ²⁶².

Outcome starts

After the period of activity, as it probably takes some time for this feeling to manifest itself.

Outcome lasts for

Sourcing evidence on the duration of volunteering effects was challenging. The consultant's personal volunteering history and her extensive professional experience in the field of volunteer development would suggest that three years is a reasonable timeframe.

Indicator for outcome

Self-reported satisfaction with volunteering, as per focus group, triangulated with external literature and consultant expertise.

Monetisation

Many attempts have been made to measure the value of volunteering, including the value on those participating in the voluntary activity themselves. Robust and detailed research published in 2013 by the UK government ²⁶³ explored the pros and cons of various approaches and concluded that the subjective wellbeing approach was the least problematic and most meaningful. Using 2011 data, the annual value of volunteering frequently to the volunteer was calculated as £11,300. Allowing for inflation ²⁶⁴, this figure can be increased to £13,876, which at year end equated to €15,650 per annum ²⁶⁵.

However, more recent work in that jurisdiction values regular volunteering at an arguably more reasonable £3,249 per year to the volunteer ²⁶⁶, or €3,665 if inflation is allowed for ²⁶⁷, which at year end equated to €4,136 ²⁶⁸. It is this latter proxy that has been put to use, but note that the survey data on which this value was based asked if people volunteer at least once a month, whereas it is known that Donore CU volunteers give more time than this. It is very possible, therefore, that the proxy used underestimates the actual value of volunteering to the credit union's volunteers.

Deadweight

Could the relative benefits garnered from doing voluntary work at Donore CU have been sourced elsewhere? To some extent, yes, but it should be remembered that the type of volunteering that the Directors and committee members do is specialised and only another credit union would have been able to offer the same mix of benefits. As per Central Bank of Ireland rules, Directors may not sit on the boards of multiple credit unions. Nonetheless, the deadweight rate of 19% recommended for this value by its authors has been used.

Displacement

It could be argued that individuals' free time was displaced by the taking up of voluntary work with the credit union, but volunteers in the focus group stressed that their decision to volunteer was entirely discretionary and they did not feel that displacement should be considered.

Attribution

Recent research ²⁶⁹ indicates that 23% of credit union Directors hold additional Directorships in other organisations and it is this figure that has been used. This was confirmed by volunteers at the focus group, a number of whom were also involved with other community organisations at the same time as volunteering with Donore CU.

Drop-off

Whilst the relative satisfaction with volunteering will remain as long as a person continues to volunteer, it will gradually fade if the volunteering ceases. On the above assumption that the outcome lasts for around three years, drop-off of 33% has been assumed.

Impact

€46,433

Business loan recipient

Inputs

€3,894 in loan interest paid.

Outputs

One business loan and ancillary services.

Ultimate outcome

Business development.

Number of people experiencing change

One organisation. Although the co-operative is comprised of members, the knock-on effects on these individuals are not considered here.

Amount of change experienced

Dublin Food Co-op went from a crisis situation in which it was losing its rental premises, to a situation in which it had bought, done up, moved into and began operating from a new premises and in which the business was doing well despite all of these upheavals.

Outcome starts

During the period of activity.

Outcome lasts for

The entire loan term. The loan was taken out for 10 years and therefore exceeds the maximum length allowed on the social value map.

Indicator for outcome

Business development as reported in interview and triangulated with Dublin Food Co-op data and Donore CU records. The building purchase was made possible with a social finance loan for €480,000 from Community Finance Ireland. However, more money was needed to fit out the new building and Donore CU's top-up loan of €70,000 was therefore considered critical in developing the business.

Monetisation

The outstanding loan balance, because it is precisely this funding that is enabling the business to develop. This was €55,294 at year end. This does not include, therefore, the payments made during the year, so it could be somewhat of an underestimate.

Deadweight

The social finance loan from Community Finance Ireland only covered the purchase cost of the building; not its kit-out. There are various credit options open to small and medium-sized businesses, both from traditional sources like banks and from newer 'fintech'²⁷⁰ ones. Therefore, the organisation could probably have sourced a loan from elsewhere to cover the cost of fixtures and fittings, and possibly even at a slightly lower interest rate than the 6.9% charged by Donore CU. At the start of 2019, new Irish business loans under €250,000 had an average interest rate of 5.5% (although this figure masked significant sectoral variation)²⁷¹. However, co-operative values are of immense importance to the organisation, and it is highly unlikely that more commercial alternatives would have been pursued. A nominal 5% deadweight has nevertheless been include to allow for the latter scenario.

Displacement

None identified.

Attribution

Whilst other players – notably Community Finance Ireland, co-op members and suppliers – undoubtedly also played a role in the development of the business, no attribution is considered necessary. This is because the value of the outcome has been limited to Dublin Food Co-op's outstanding loan balance with Donore CU only, and not the co-operative's overall financial affairs.

Drop-off

The value of the outcome decreases over time as more of the loan gets paid off. It should also be remembered that the borrower may off pay the loan earlier than the agreed term without incurring further penalty. An average drop off rate of 20% has been used.

Impact

€52,529

Club account holders

Inputs

None.

Outputs

22 club accounts and ancillary services.

Ultimate outcome

Better day-to-day functioning of community groups.

Number of people experiencing change

Twenty-two organisations.

Amount of change experienced

The effect of holding a club account with Donore CU should not be overstated, because it is merely an enabler of work that these organisations are set up to do, but the consultations showed that it is nevertheless important.

Outcome starts

During the year of activity.

Outcome lasts for

The outcome only lasts for as long as the organisations continue to hold their club account.

Indicator for outcome

Self-reported improvements in day-to-day functioning, as per interviews and triangulated with consultant expertise.

Monetisation

Monetisation in this instance comprises direct and indirect costs avoided by having a credit union account instead of an account with an alternative financial provider. In the absence of detailed information about each organisation's financial affairs, the costs have had to be estimated. Research ²⁷² shows that the banks/post offices nearest to Donore CU would levy in the region of €150 in transaction fees and administration charges per year. To this value can be added the relief from worries about matters such as coin lodgement restrictions and the additional time that would have to be spent travelling to and from these alternative providers. Whilst these are less tangible, it is proposed that they are worth at least the same again to the organisations. The total per organisation is therefore €300.

Deadweight

Donore CU knowledge and interview data would suggest that approximately 20% of those organisations holding a club account also hold a bank account. This is the deadweight figure used.

Displacement

As stated previously, it could be argued that the credit union is 'taking away businesses' from other providers. This is of no real concern in relation to the large commercial banks, but could be said to be true in the case of the post office, which also seeks to provide a community service ²⁷³. However, such competition should not be overstated. The credit union movement and the post office network recognise that there are a multitude of opportunities for collaboration ²⁷⁴. In the absence of accurate data, a small figure of 10% displacement has been allowed.

Attribution

None identified.

Drop-off

None identified.

Impact

€4,752

Recipients of donations

Inputs

None.

Outputs

Direct and indirect donations and ancillary services.

Ultimate outcome

Increased income.

Number of people experiencing change

Sixteen organisations.

Amount of change experienced

Limited.

Outcome starts

During the period of activity.

Outcome lasts for

Due to the modest nature of the donations, it cannot be inferred that the outcome lasts beyond the year of the activity (although the positive feelings towards the credit union as a result of the donations are longer lasting).

Indicator for outcome

The value of increased income from direct and indirect donations, as per Donore CU records and triangulated with interviews.

Monetisation

The value of the average direct/indirect donation was just under €854 per community group.

Deadweight

Obviously, community groups do receive donations from elsewhere, but by limiting the outcome to the increased income directly as a result of Donore CU, no deadweight is believed to apply.

Displacement

None identified.

Attribution

None identified.

Drop-off

None identified.

Impact

€13,664

Financial education programme users

Inputs

None.

Outputs

Six financial education workshops and ancillary services.

Ultimate outcome

Increased financial capability.

Number of people experiencing change

Although at least 140 students took part in the programme, only around 70% of those who did considered the workshop worthwhile and appreciated its content. The figure of those positively affected by the programming has thus been reduced to around 100. Given the immaturity of the age group and the brevity of the intervention, there is no concern that those not appreciating the workshop in the year under review experienced a negative outcome. But it is hoped that those thereby excluded from the calculations will engage more positively with the programming in future years.

Amount of change experienced

Whilst the financial education programme undoubtedly plays a useful role, the intervention is relatively small scale and the direct effect on the children and young people should not be overstated.

Outcome starts

During the period of activity.

Outcome lasts for

Research ²⁷⁵ shows that learning by children is not simply forgotten, although it does tail off over time. Continuous reinforcement, including the visible presence of the credit union in the community and the repetition of programming in subsequent years, helps the retention of learning. The maximum six years have been allocated in the social value map.

Indicator for outcome

Savings by under-16s.

Monetisation

It is difficult to know how to best monetise increased financial capability amongst local schoolchildren in the vicinity and practically, a technique such as the Value Game ²⁷⁶ was not an option. Donore CU records show that by year end, there were 579 members aged 0-15 with a total savings balance of €754,429 or a mean of €1,303 per young person. Although it cannot be assumed that all of those who benefited from the financial education programme are also members of the credit union, it nonetheless feels that this is a rational proxy (especially once attribution and drop-off are taken into consideration).

Deadweight

Financial capability is unlikely to 'simply happen'. There are many forces at play that encourage a poor use of money, such as relentless advertising targeted at children and young people and peer pressure. No deadweight has thus been allowed for.

Displacement

None identified.

Attribution

Parents are children's primary educators, including when it comes to financial education. Research from the UK shows that 91% of children and young people aged 7-17 would turn to their parents if they needed advice about money, rather than elsewhere ²⁷⁷. This very high attribution rate is therefore used.

Drop-off

See 'outcome lasts for' above. Research has found that there are no definitive rates for learning loss, but that for the age group in question, it ranges between 16% and 28%. A midway figure of 22% would appear to be reasonable.

Impact

€11,727

Appendix 4: Sensitivity analysis

Why a sensitivity analysis?

SROI studies must not overclaim. After establishing the ratio of 11.52 : 1, it was tested for sensitivity, assessing the extent to which it would change if assumptions made earlier in the process had been different.

Inputs

The financial inputs are quite clear-cut; staff and volunteer time less so. Entirely getting rid of the time input of staff and volunteers raises the ratio to 12.26: 1. Doubling the time input of both staff and volunteers results in the ratio being reduced to 10.86 : 1.

Length of accountability period

The length of the accountability period ranges from one to six years, depending on the outcome. If the length of each of the outcomes were to be limited, one by one, to a mere one year each, it affects the ratio very little – only varying to between 11.06 : 1 to 11.54 : 1. The only exception to this is the sense of belonging outcome for loyal members, which plummets to a ratio of 6.49 : 1 if only one year is taken into consideration.

Number of people affected

In many instances, the number of people or organisations affected was well-defined. In others, however, the numbers experiencing the outcome had to be estimated. It was acknowledged that the low response rate to the member survey could be a particular source for error here.

If only those 340 loyal members who we know from the survey definitely said they experienced a sense of belonging to Donore CU, the ratio drops to 5.23 : 1. If only those 112 members who we definitively know from the survey felt that their ability to manage their money had improved due to using the budget account and/or Christmas Club, the ratio drops to 11.50 : 1. If the coping borrower group is reduced to only those survey 155 respondents who said that Donore CU had helped them to improve their standard of living, the ratio falls to 10.62 : 1. If the actual number of survey respondents (262) who said their stress levels had reduced is used, the ratio becomes 8.77 : 1.

Proxy values

A large number of the values used were monetary ones, albeit sometimes estimated using the best available evidence. Relative certainty can be expressed about these. The exceptions to this are the subjective wellbeing valuations, all sourced from the Social Value Bank in the UK ²⁷⁸. Given the substantial monetised values of these proxies, it is worth testing them for sensitivity. If the values of the proxies were each a) halved and b) reduced by 90%, the respective results would be as follows:

- Sense of belonging – ratios revised downwards to a) 7.86 : 1 and b) 4.93 : 1
- Increase/decrease in stress – ratios revised downwards to a) 11.06 : 1 and b) 8.89 : 1
- Regular volunteering – ratios revised downwards to a) 11.50 : 1 and b) 11.49 : 1.

Deadweight

Deadweight rates varied from 0% to 95%. If that latter very high rate is applied to each of the other outcomes, one by one, the ratio changes only slightly, ranging from 10.55 : 1 to 11.55 : 1. The exception to this is the sense of belonging outcome. If 95% deadweight is applied instead of the 19% advised by the authors of this valuation, the ratio falls significantly to 4.65 : 1.

Displacement

Displacement rates varied from 0% to 10%. If the 95% test is repeated as per deadweight above, the results are similar, ranging between 10.53 : 1 to 11.55 : 1, bar two exceptions. If 95% displacement is applied to the sense of belonging outcome, the ratio once again falls to 4.65 : 1, and if the same is done for the two stress-related outcomes, the ratio dips to 8.75 : 1.

Attribution

Attribution rates varied from 0% to 90%. If the 95% test is repeated as per deadweight and displacement above, the results are once again very similar, ranging between 10.54 : 1 to 11.53 : 1. The same two exceptions apply. If 95% attribution is used for the sense of belonging outcome, the ratio falls to 4.79 : 1, and if the same is done for the two stress-related outcomes, the ratio dips to 8.77 : 1.

Drop-off

Drop-off rates varied from 0% to 33%. Repeating the 95% test as for deadweight, displacement and attribution above, but only for those outcomes that last for longer than one year, the change in ratio is even smaller, ranging from 11.09 : 1 to 11.54 : 1. The sense of belonging outcome once again drops considerably to 6.61 : 1.

Discussion

Very careful consideration was given to the values used in this report and a highly conservative approach was taken. Additionally, these very cautious values have now been stress-tested in this sensitivity analysis, up to a very unrealistic degree. The initial ratio of 11.52 : 1 remained largely consistent during this process and we can therefore be relatively confident about most of the values that were used.

However, there were two outcomes that were far more sensitive to any changes applied to them: the sense of belonging for loyal members and, to a lesser degree, the reduction/increase in finance-related stress. There is thus a need to be more prudent in the claims that are made about the social return of Donore CU, although not excessively so. It is more accurate to suggest that Donore CU generated a social return of around €10 for every €1 worth of investment.

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- ⁹⁴ Liz Dunphy, 2019, Cork credit union to scrap death benefit insurance, *Irish Examiner* <https://www.irishexaminer.com/breakingnews/ireland/cork-credit-union-to-scrap-death-benefit-insurance-962777.html>
- ⁹⁵ <https://www.cusafe.ie>
- ⁹⁶ <http://coveru.ie>
- ⁹⁷ <https://creditunionplus.ie>
- ⁹⁸ <http://cuinsured.ie>
- ⁹⁹ <http://www.postpoint.ie>
- ¹⁰⁰ Increased to €65 in the current financial year
- ¹⁰¹ <https://www.youtube.com/channel/UCoRK5bSTj301IACfJAic4DA/videos>
- ¹⁰² <https://www.facebook.com/donorecu>
- ¹⁰³ <https://www.instagram.com/donorecu>
- ¹⁰⁴ <https://www.linkedin.com/company/donore-credit-union>
- ¹⁰⁵ Donore CU, 2019, *End of Year Report: social media*
- ¹⁰⁶ Operating in line with regulation: Central Bank of Ireland, 2018, *Thematic Review of Prize Draws in Credit Unions* <https://www.centralbank.ie/docs/default-source/Regulation/industry-market-sectors/credit-unions/communications/reports/prize-draws-in-credit-unions-thematic-review-findings-march-2018.pdf?sfvrsn=4>
- ¹⁰⁷ The regeneration projects in nearby St Teresa's Gardens and Dolphin House (<https://www.dolphinhouse.ie/news/2016/05/09/announcement-of-community-benefit-clause-initiative>) and the construction of the new National Children's Hospital (<http://www.newchildrenshospital.ie/community-benefit>) have Community Benefit Clauses that have the potential to be beneficial to some of the credit union's members
- ¹⁰⁸ A donation to Donore Boxing Club for a memorial event
- ¹⁰⁹ <http://www.donoreboxingclub.com>
- ¹¹⁰ <https://www.donorecdata.ie>
- ¹¹¹ Membership referral donation only
- ¹¹² <https://www.facebook.com/taxidayoutdublin>
- ¹¹³ <https://www.cuma.ie/event/cuma-thon>
- ¹¹⁴ <https://www.svp.ie/what-we-do/local-offices/east-region.aspx>
- ¹¹⁵ <http://www.kevins.ie/Pages/Default.aspx>
- ¹¹⁶ <https://www.libertiesfestival2019.com>
- ¹¹⁷ <https://dublingazette.com/news/news-city-edition/liberties-festival-celebrates-community-47287>
- ¹¹⁸ <https://stcatherinesns.net>
- ¹¹⁹ <https://www.stpatrickscathedral.ie/love-d8> jointly organised with Dublin City Council and The Liberties Business Forum
- ¹²⁰ <http://donoreavenueparish.ie/st-pauls-club>
- ¹²¹ Donation in lieu of flowers following death of a staff member relative <https://rip.ie/death-notice/robert-bobby-kavanagh-killinarden-dublin/367632>
- ¹²² <https://www.griffith.ie/about-griffith/news/apply-now-brendan-lynn-scholarship>
- ¹²³ Two Gaeltacht scholarships are made available each year, but only one application was received in the year under review
- ¹²⁴ <https://www.donorecu.ie/competition>
- ¹²⁵ <https://warrenmountcentre.ie>
- ¹²⁶ <https://griffithbarracks.ie>
- ¹²⁷ <http://www.warrenmountprimary.com>
- ¹²⁸ <http://www.scoiltreasanaofa.ie>
- ¹²⁹ <http://www.saintjamesssps.com>
- ¹³⁰ The actual figure is likely higher as not all children may have completed feedback forms
- ¹³¹ <http://cluedin.ie>
- ¹³² <http://warrenmountsecondary.ie>
- ¹³³ <http://cbsjamesstreet.ie>
- ¹³⁴ <https://www.creditunion.ie/news/art-competition>
- ¹³⁵ <http://stgregen.ie/who-we-are>
- ¹³⁶ <https://libertiesdublin.ie/business/liberties-business-forum>
- ¹³⁷ <https://cusop.ie>
- ¹³⁸ <http://cufa.ie>
- ¹³⁹ <https://www.progress.ie/Our-Approach>
- ¹⁴⁰ <https://www.cuds.ie/index.asp>
- ¹⁴¹ <https://redflare.co/credit-union>
- ¹⁴² <https://www.cfcfe.eu/wp-content/uploads/2019/05/CFCFE-Successful-Lending-Conference-210519-presentations.pdf>
- ¹⁴³ <https://www.rbk.ie/events/2019-credit-union-seminar>
- ¹⁴⁴ <https://www.abcul.coop/about-us/abcul-credit-unions/-abcul-credit-unions-london-and-south-east-forum>
- ¹⁴⁵ <https://www.facebook.com/ilcufoundation/videos/2298310806873308>

¹⁴⁶ The Central Bank of Ireland has strict rules about which services credit unions are allowed to offer and some of these are based on the size of the credit union <https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/credit-unions/credit-union-handbook/cu-handbook-additional-servicessecf9cd134644629bacc1ff0000269695.pdf?sfvrsn=6>

¹⁴⁷ Figures from Donore CU Ltd, 2019, *Annual Report 2019*

¹⁴⁸ As per page 91 of The SROI Network, 2012, *A Guide to SROI* <https://socialvalueint.org/wp-content/uploads/2018/05/The-SROI-Guide-2012.pdf>

¹⁴⁹ Credit unions must maintain 10% of their assets in regulatory reserves, which is significantly higher than that of commercial banks, as noted in Central Bank of Ireland, 2018, *Credit Union Handbook* <https://centralbank.ie/docs/default-source/regulation/industry-market-sectors/credit-unions/credit-union-handbook/cu-handbook-reserves.pdf?sfvrsn=2>

¹⁵⁰ Employment costs for the year of €461,444 have been divided by 15,444, which is the total number of hours the staff were contracted to work during the year. These include other costs for which an employer is liable so the actual average wage is less.

¹⁵¹ The *Credit Union Handbook* differentiates between Directors and 'voluntary assistants' but for the purposes of this study they are all classified as volunteers

¹⁵² There is a requirement of 15 hours CPD per annum for both staff and volunteers, as indicated in the 2017 *CU CPD Guidelines* <https://www.culearn.ie/ilcu/nd/fresco/repository/EKP000092061.pdf> and all CPD is recorded on a training register

¹⁵³ For a critique of using paid salary equivalents to value volunteering, see Jayne Cravens, *The Value of Volunteers* <http://www.coyotecommunications.com/volunteer/value.shtml> but note that outcomes-based valuation is used later in the social value account to counter any such criticism

¹⁵⁴ Workplace Relations Commission, 2019, *National Minimum Wage* https://www.workplacerelations.ie/en/what_you_should_know/hours-and-wages/national%20minimum%20wage

¹⁵⁵ These averaged €63,382 in 2018 according to the *Ireland Board Index* prepared by Korn Ferry https://dsqapi1lkrkc.cloudfront.net/media/sidebar_downloads/KF-2018-Ireland-Board-Index.pdf

¹⁵⁶ Average hourly earnings in the financial and real estate sector in the third quarter of 2019 were €30.67 – Central Statistics Office, 2019, *Earnings and Labour Costs Quarterly: Q2 2019 (Final) Q3 2019 (Preliminary Estimates)* <https://www.cso.ie/en/releasesandpublications/er/elcqe/earningsandlabourcostsq22019finalq32019preliminaryestimates> and these have been multiplied by 250 hours per year

¹⁵⁷ Jessica Gordon Nembhard, 'Understanding and measuring the benefits and impacts of co-operatives' p. 152 in Leslie Brown, Chiara Carini, Jessica Gordon Nembhard, Lou Hammond Ketilson, Elizabeth Hicks, John McNamara, Sonja Novkovic, Daphne Rixon & Richard Simmons (eds.), 2015, *Co-operatives for Sustainable Communities: tools to measure co-operative impact and performance*, Co-operatives and Mutuals Canada & Centre for the Study of Co-operatives <http://www.cooperativedifference.coop/wp-content/uploads/2015/09/CoopsforSustainableCommunities1.pdf>

¹⁵⁸ Carol Power, Ray O'Connor, Olive McCarthy & Michael Ward, 2012, Credit unions and community in Ireland: towards optimising the principle of social responsibility, *The International Journal of Co-operative Management*, 6 (1.1), pp. 10-17 https://www.researchgate.net/publication/259061054_Credit_unions_and_community_in_Ireland_towards_optimising_the_principle_of_social_responsibility

¹⁵⁹ In 2005, the New Economics Foundation worked with Northumberland County Council and found that every £1 spent locally was worth 400% more than if it was spent outside the local area (study quoted in Move Your Money, *A Local Authority Guide to Banking for Social Good: how councils can change their banking to boost the local economy and deliver value for residents* <https://communityinvest.org.uk/wp-content/uploads/2014/12/A-Local-Authority-Guide-to-Banking-for-Social-Good.pdf>)

¹⁶⁰ This is not always the case, but, according to staff, is largely true and has been assumed for the sake of convenience

¹⁶¹ See, for example: Kate Kenny, 2019, *What I Learned about Irish Banking Culture from Whistleblowers* <https://www.rte.ie/brainstorm/2019/10/21/1084690-irish-banking-culture-whistleblowers> and Brendan Whelan, 2018, Opinion: It is time to ban moneylenders charging interest of up to 287%, *The Journal*, <https://www.thejournal.ie/readme/opinion-it-is-time-to-ban-moneylenders-who-exploit-the-poor-charging-up-to-287-interest-4337024-Nov2018>

¹⁶² Pat McGinn, Nick Money & Paul Jones (2019) *The Credit Union Difference: how to measure and report it – PPT materials for the toolkit*, Small Change, CFCFE & RUFU https://www.cfcfe.eu/the_credit_union_difference

¹⁶³ Tara Kelly, 2019, *Meet the Unbanked: who is Ireland's financially excluded?* <http://newslab.ie/ddjuud/meet-the-unbanked-who-is-irelands-financially-excluded>

¹⁶⁴ Direct quotes

¹⁶⁵ <https://www.netpromoter.com/know>

¹⁶⁶ Retently, 2020, *What is a Good Net Promoter Score?* <https://www.retently.com/blog/good-net-promoter-score>

¹⁶⁷ Noreen Byrne, Olive McCarthy, Michael Ward & JJ McMurtry, 2012, Credit union restructuring: don't forget the member!, *The International Journal of Co-operative Management*, 6 (1.1), pp. 33-41 https://www.researchgate.net/publication/234115648_Credit_union_restructuring_don't_forget_the_member

¹⁶⁸ Noreen Byrne & Olive McCarthy, 2014, Value proposition preferences of credit union members and patronage activity, *International Journal of Bank Marketing*, 32 (6), pp. 567-589 <https://doi.org/10.1108/IJBM-11-2013-0128>

¹⁶⁹ Noreen Byrne, Nick Money & Paul Jones (2019) *The Credit Union Difference: how to measure and report it – PPT materials for the toolkit*, Small Change, CFCFE & RUFU https://www.cfcfe.eu/the_credit_union_difference

¹⁷⁰ This means 'myself' in Irish

¹⁷¹ Richard Simmons, Measuring member engagement: building a model of change pp. 239-265 in Leslie Brown, Chiara Carini, Jessica Gordon Nembhard, Lou Hammond Ketilson, Elizabeth Hicks, John McNamara, Sonja Novkovic, Daphne Rixon & Richard Simmons (eds.), 2015, *Co-operatives for Sustainable Communities: tools to measure co-operative impact and performance*, Co-operatives and Mutuals Canada & Centre for the Study of Co-operatives <http://www.cooperativedifference.coop/wp-content/uploads/2015/09/CoopsforSustainableCommunities1.pdf>

¹⁷² Donore CU, *Savings* <https://www.donorecu.ie/Savings>

¹⁷³ ILCU, *Savings* <https://www.creditunion.ie/what-we-offer/savings>

¹⁷⁴ The Money Advice Service, 2018, *Developing Financial Capability in Children and Young People: A Review of the Evidence* <https://www.moneyadviceservice.org.uk/en/corporate/children-young-people-and-financial-capability-commissioning-plan--contributing-analysis-reports>

¹⁷⁵ Competition and Consumer Protection Commission, 2018, *Financial Capability and Well-being in Ireland in 2018*, p. 9 <https://www.ccp.com/business/wp-content/uploads/sites/3/2018/12/Financial-capability-2018.pdf>

¹⁷⁶ There is no agreement as to how big such an emergency fund ought to be, with measures in the UK ranging from £100, to £500, to at least three months income according to Pat McGinn, Nick Money & Paul Jones (2019) *The Credit Union Difference: how to measure and report it – XLS framework for the toolkit*, Small Change, CFCFE & RUFU https://www.cfcfe.eu/the_credit_union_difference

¹⁷⁷ Note that the full impact value for the outcome of reduced stress is not solely allocated to this group of people: it is shared amongst three other subgroups (see the graphic in chapter 7 and the supplementary value map)

- ¹⁷⁸ Financial Conduct Authority, 2017, *Understanding the Financial Lives of UK Adults* <https://www.fca.org.uk/publication/research/financial-lives-survey-2017.pdf>
- ¹⁷⁹ Sharon Collard, Andrea Finney, David Hayes & Sara Davies, 2012, *Quids In: the impact of financial skills training for social housing tenants* <https://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc1206.pdf>
- ¹⁸⁰ Arjun Ravi & Taimur Siddiqi, 2013, *SROI Forecast of the Indigenous Money Mentor Program*, Net Balance <https://www.nab.com.au/about-us/social-impact/community/indigenous-australian-support>
- ¹⁸¹ Brunel University London & A2Dominion, 2018, *What works? Evaluation of the DOSH financial capability programme* <https://www.fincap.org.uk/en/evaluations/evaluation-of-the-dosh-financial-capability-programme>
- ¹⁸² Note that the full impact value for the outcome of reduced stress is not solely allocated to this group of people: it is shared amongst three other subgroups (see the graphic in chapter 7 and the supplementary value map)
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- ¹⁸⁴ Note that the full impact value for the outcome of reduced stress is not solely allocated to this group of people: it is shared amongst three other subgroups (see the graphic in chapter 7 and the supplementary value map)
- ¹⁸⁵ This differentiation of borrower types is noted in Amie Lajoie, 2020, *Exploring Household Debt in Ireland: the burden of non-mortgage debt & opportunities to support low-income households*, Think-tank for Action on Social Change https://www.tasc.ie/assets/files/pdf/household_dept_report_final_3320.pdf
- ¹⁸⁶ Central Bank of Ireland, *Moneylender Search* <http://registers.centralbank.ie/LenderSearchPage.aspx>
- ¹⁸⁷ Department of Finance, 2019, *Capping the Cost of Licensed Moneylenders and Other Regulatory Matters: public consultation May 2019* <https://assets.gov.ie/9499/21ced52030ff467a8478275d2bb7dec8.pdf>
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- ¹⁹⁰ Note that the full impact value for the outcome of reduced stress is not solely allocated to this group of people: it is shared amongst three other subgroups (see the graphic in chapter 7 and the supplementary value map)
- ¹⁹¹ Georges Gloukoviezoff, 2014, *Creating Credit, Not Debt: towards a personal microloan scheme in Ireland* http://www.ucd.ie/geary/static/microloan/Creating_Credit_Not_Debt.pdf
- ¹⁹² Arjun Ravi, 2013, *Fair Finance: SROI Forecast* <http://www.socialvalueuk.org/app/uploads/2016/03/fair-finance-social-returnon-investment.pdf>
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- ¹⁹⁴ Clodagh Harris, 2008, The Irish Taskforce on Active Citizenship: the CLEAR analysis, *Representation*, 44 (1), pp. 15-26, <https://www.tandfonline.com/doi/abs/10.1080/00344890701869066>
- ¹⁹⁵ Lisa Stapleton, 2008, *Exploring the Importance of Volunteerism in Irish Credit Unions: Dissertation in Partial Fulfilment of the Requirements for the Degree of Master in Business Studies* [https://repository.wit.ie/1527/1/Dissertation_\(Lisa_Stapleton_MBS_Corp_Admin\).pdf](https://repository.wit.ie/1527/1/Dissertation_(Lisa_Stapleton_MBS_Corp_Admin).pdf)
- ¹⁹⁶ Anne Marie Ward & Donal G. McKillop, 2011, An examination of volunteer motivation in credit unions: informing volunteer resource management, *Annals of Public and Cooperative Economics*, <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-8292.2011.00438.x>
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- ¹⁹⁸ CUAC, 2020, *A Report on Research into Credit Union Directors* <https://www.gov.ie/en/press-release/cb4188-research-provides-valuable-insight-into-issues-and-challenges-facing>
- ¹⁹⁹ Sandra Velthuis set up and ran Ireland's national volunteer development agency 1997-2004 (now Volunteer Ireland) before becoming a freelance consultant in 2005
- ²⁰⁰ Jonathan Evans, 2011, *Community development and the role of 'community' credit unions in Northern Ireland* https://www.academia.edu/3445666/Community_development_and_the_role_of_community_credit_unions_in_Northern_Ireland
- ²⁰¹ Further information about social capital can be found here: <https://www.socialcapitalresearch.com>
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- ²⁰³ Dublin Food Co-op, 2018, *Press Release 6 November* <https://dublinfood.coop/press-release-tuesday-6-november-2018>
- ²⁰⁴ Dublin Food Co-op, 2019, *Kilmainham Four Months On: update* <https://dublinfood.coop/notes-from-march-4th-talkin-co-op>
- ²⁰⁵ <https://www.whitebarn.info/clients>
- ²⁰⁶ Whilst the direct relationship is between Donore CU and the schools, it became apparent during the course of the research that the benefits of this relationship accrue to the students, more so than to the schools. Of course, some of these students are already members of Donore CU, and Donore CU hopes that as a result of its work with the schools, more will join. However, the outcomes delivered for this group of young people are considered sufficiently separate from those allocated to members.
- ²⁰⁷ This relates to primary schools only; unfortunately, there were no feedback sheets for the one secondary school that received the Clued-In programme during the year (the other school will receive it in the current year).
- ²⁰⁸ Youth.Gov, *Risk and Protective Factors* <https://youth.gov/youth-topics/juvenile-justice/risk-and-protective-factors>
- ²⁰⁹ Melissa AZ Knoll & Carrie R Houts, 2012, The financial knowledge scale: an application of item response theory to the assessment of financial literacy, *The Journal of Consumer Affairs*, 46 (3), pp. 381-410 <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1745-6606.2012.01241.x>
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- ²¹¹ Discounting is a problematic area and there is ongoing debate about appropriate rates. The standard public sector rate advised on p. 67 of The SROI Network's 2012, *A Guide to SROI* has been followed <https://socialvalueint.org/wp-content/uploads/2018/05/The-SROI-Guide-2012.pdf>
- ²¹² Paul A. Jones, Nick Money & Ralph Swoboda, 2017, *The Irish Credit Union Business Model: Is it still fit for purpose?*, Centre for Community Finance Europe in collaboration with Liverpool John Moores University <https://www.cfcfe.eu/wp-content/uploads/2018/03/CFCFE-Irish-CU-Business-Models-Nov-2017.pdf>
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- 214 <https://www.seai.ie/community-energy/sustainable-energy-communities>
- 215 Not permissible under current Central Bank of Ireland rules, although this issue has been under discussion in Dáil Éireann <https://www.oireachtas.ie/en/debates/question/2018-07-03/86>
- 216 For example, the Member First CU Community Fund <https://www.mfcu.ie/mfcu-community-fund>
- 217 <https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/credit-unions/credit-union-handbook/cu-handbook-investments.pdf?sfvrsn=5>
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- 221 Referencing the 2016 *Review of Implementation of the Recommendations in the Commission on Credit Unions Report*, 'the not-for-profit mandate of credit unions [and] their volunteer ethos and community focus' are noted <https://www.gov.ie/en/publication/92dc08-credit-union-advisory-committee-cuac>
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- 230 Nat O'Connor, 2017, *Technical Report: the public value of Citizens Information Services in Ireland* https://www.citizensinformationboard.ie/downloads/social_policy/CIS_Making_an_Impact_Technical_Report_2017.pdf
- 231 Based on 360 member responses (note that not every respondent answered every single question)
- 232 <https://www.revolut.com/en-IE>
- 233 Direct quotes
- 234 Noreen Byrne, Olive McCarthy, Michael Ward & JJ McMurtry, 2012, Credit union restructuring: don't forget the member!, *The International Journal of Co-operative Management*, 6 (1.1), pp. 33-41 https://www.researchgate.net/publication/234115648_Credit_union_restructuring_don't_forget_the_member
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