

**Together Building A Better  
Tomorrow For Our Community**  
A Social Return On Investment Study Of NBCU



**Naomh Breandan**  
CREDIT UNION LIMITED

## Project partners

### **Naomh Breandáin Credit Union Limited** <sup>1</sup>

*"Together Building A Better Tomorrow For Our Community"*

Naomh Breandáin Credit Union (NBCU) Limited is a community credit union in Loughrea, County Galway. It is a financial cooperative owned and controlled by its members. NBCU was set up in 1966; a time when Ireland was experiencing a deep recession and unemployment was high. Most local people were unable to gain credit from banks and many of them were forced into using moneylenders charging unacceptably high rates of interest. It was intended that by providing affordable credit facilities to these people, their standard of living would be improved and the local community would be enriched. The credit union today has more than 14,000 members and assets of €64 million <sup>2</sup>, but its mission remains unchanged.

<https://www.naomhbreandancu.ie>

### **Irish League of Credit Unions**

*"The credit union – imagine more"*

The Irish League of Credit Unions (ILCU) is the largest credit union representative body on the island of Ireland. Its purpose is to lead, sustain and support the development of credit unions. Founded in 1960 <sup>3</sup>, the ILCU today has an affiliated membership of more than 300 credit unions in the Republic of Ireland and Northern Ireland. The credit union movement is built on a not-for-profit philosophy and an ethos of self-help, mutuality and volunteerism. The ILCU, as an advocate of this ethos, has a vision to influence, inspire and support the credit union movement to achieve all its goals – social, economic and cultural.

<https://www.creditunion.ie>

### **Whitebarn Consulting**

*"Helping not-for-profits to build a better world"*

Whitebarn Consulting was established by Sandra Velthuis in 2005. The consultancy provides a range of supports to community groups, cooperatives, charities, voluntary bodies, non-governmental organisations, social enterprises, and the private and public sector bodies that work with them. Most 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 Social Value International Level 3 Advanced Practitioner.

[www.whitebarn.info](http://www.whitebarn.info)

# SOCIAL VALUE

---

## INTERNATIONAL

# Statement of Report Assurance

Social Value International certifies that the report  
**Together Building a Better Tomorrow for Our Community  
a Social Return on Investment Study Of NBCU**

published on 21/04/22, satisfies the requirements of the assurance process.

The assurance process seeks to assess whether or not a report demonstrates a satisfactory understanding of, and is consistent with, the Principles of Social Value. Reports are independently reviewed by qualified assessors and must demonstrate compliance with the Social Value report assurance standard in order to be certified. The Social Value report assurance standard can be downloaded from the website [socialvalueint.org](http://socialvalueint.org).

Assurance here is against the Principles of Social Value only and does not include verification of stakeholder engagement, report data and calculations.

Awarded 21/04/22



Signed

Mr Ben Carpenter  
Chief Executive Officer  
Social Value International



Social Value UK carries out the assurance service on behalf of Social Value International. Social Value International is the global network focused on social impact and social value. We are the global network for those with a professional interest in social impact and social value. We work with our members to increase the accounting, measuring and managing of social value from the perspective of those affected by an organisation's activities, through the standardised application of the Principles of Social Value. We believe in a world where a broader definition of value will change decision making and ultimately decrease inequality and environmental degradation.

Disclaimer: Social Value International will not be responsible for any actions that an organisation takes based upon a report that has been submitted for assurance. An assured report does not grant Accredited Practitioner status to the author/authors of the report unless it is part of a full application for Accredited Practitioner status.

## Acknowledgements

Sincere thanks to:

The staff, contractors, volunteers and members of NBCU for their kind cooperation with the logistics of this research project and for candidly sharing their views in one-to-one interviews, focus groups and the survey.

Others operating in the NBCU locality who similarly shared their views in one-to-one interviews.

The ILCU for supporting this study.

Social Value International for the provision of assurance services.

The Credit Union welcomes everyone in the community. I remember when I was in primary school one of the staff from Loughrea branch came to our school and introduced the Credit Union institution. He explained how they worked, how we can learn to save money. I was very excited and couldn't wait to open an account there. Money's a part of our life so we need to start saving from a young age. Money takes place in almost everything we are doing every day. It is very important to feel financial security for our physical and mental well-being. Credit Union is there if we need any financial support. We don't know when we will be in need of help. Now I know the Credit Union is there. My mother is going to the local Credit Union regularly and puts little money for my future. She explained to me that little steps make a big difference. I couldn't believe it, because it's so hard to go there all the time. I was very surprised when she showed me that after a year I got a quite big amount on my account. Now my future will be easier because I know how to save money in the Credit Union. I will be more responsible for my secure future with the Credit Union for any emergency cash. My uncle had a problem with his car. He went to look for help in the local Credit Union. He ~~was~~ was worried, but after he got a loan, he was very happy to get a new car. He could continue working. I remember that he told my mom that the staff were very helpful and he got a good repayment plan.

4

*"... members own and democratically control the credit union. Uniquely, they are the service users, beneficiaries, investors, borrowers, savers, and owners all at the same time. We get frustrated when we perceive that legislators, regulators, politicians or others don't seem to understand that we are different."*<sup>5</sup>

## Acronyms used in report

APR	Annual Percentage Rate
CEO	Chief Executive Officer
ILCU	Irish League of Credit Unions
NBCU	Naomh Breandáin Credit Union
SEW	Sustainable Energy West
SROI	Social Return On Investment
UK	United Kingdom

# Contents

	<i>Page</i>
PROJECT PARTNERS	2
CERTIFICATE OF ASSURANCE	3
ACKNOWLEDGEMENTS	4
ACRONYMS USED IN REPORT	5
CHAPTER 1: Why this evaluation?	7
CHAPTER 2: The research process	8
CHAPTER 3: Life at the credit union in the year under review	14
CHAPTER 4: Resources invested	19
CHAPTER 5: Excluding immaterial outcomes	22
CHAPTER 6: Valuing material outcomes and impact	25
CHAPTER 7: Calculating the social return	36
CHAPTER 8: Conclusions and recommendations	38
APPENDIX 1: Stakeholder engagement summary	42
APPENDIX 2: Focus group and interview questions	43
APPENDIX 3: Survey instruments	44
APPENDIX 4: Survey results	51
APPENDIX 5: Detailed valuations	57
APPENDIX 6: Sensitivity analysis	73
ENDNOTES	75

*Supplement: Value map (Excel spreadsheet) available on request*

## Chapter 1: Why this evaluation?

### **Because the credit union sector is in flux**

It has become increasingly important for organisations in all sectors to understand and manage their impact. NBCU understands that the credit union sector is no exception and that the time for doing this is ripe. Ireland has 301 credit unions, who combined have 3.6 million members, assets of €19 billion+, savings of €16 billion+ and outstanding loans of almost €5 billion<sup>6</sup>. But the movement is stressed. Myths about credit unions abound. There is growing competition from other financial providers, including banks, credit card companies and 'fintech'<sup>7</sup>. Many weaker credit unions have had little option but to merge with stronger ones, resulting in a sharp decline in the overall number of credit unions without an understanding of what the eventual effect of this will be. And credit unions are struggling to determine what business models they must adopt over the coming years to adapt to a changed landscape, while at the same time staying true to the cooperative principles and values on which they were founded<sup>8 9 10</sup>.

### **Because it builds on an emerging interest**

Irish credit unions can point to an excellent reputation<sup>11 12 13</sup> and solid financial performance, but have struggled to articulate their social value more broadly. Things are changing, however. The Centre for Cooperative Studies at University College Cork continues to research the unique role, and latterly the wider impact, of credit unions<sup>14 15 16 17 18 19 20</sup>. The not-for-profit Swoboda Research Centre, which researches credit unions, cooperative banks and similar community-based financial providers throughout Europe, is exploring social value reporting<sup>21</sup> and is rolling out a toolkit for measuring the social impact of credit unions in England, Wales and Ireland<sup>22</sup>. Credit unions are beginning to assess their social impact in various ways, illustrated by initiatives in Canada<sup>23</sup> and England<sup>24 25 26</sup>. In 2020, Donore Credit Union in Dublin, Ireland's first and oldest, published a SROI study<sup>27</sup>. Clockwise Credit Union in Leicester, England, quickly followed suit<sup>28 29</sup>. NBCU and Newington Credit Union in Belfast<sup>30</sup> are now joining these pioneering credit unions by using the SROI approach to ascertain and manage their own social value. They are being supported in this process by the ILCU, which also wishes to find out more about the social value being created by its affiliates, and how this can best be captured and reported upon.

### **Because it wants to ensure it is an accountable and sustainable organisation**

NBCU understands that organisations that stand still do not thrive. It believes that it plays a very important role in the town of Loughrea and its environs, and it wants to ensure that it can continue to serve its members and the wider community well over the coming decades. The Board of the credit union wishes to look beyond financial performance indicators and has begun thinking about adopting a social value approach. An action to 'measure the NBCU social dividend' has been included in its current strategic plan<sup>31</sup>. NBCU is already committed to listening to members and responding to their needs and this study is one more way of achieving this. NBCU is open to identifying areas of improvement and making viable adjustments to the way it works to release further social value. In so doing, it also hopes to attract new members and inspire neighbouring credit unions to similarly consider the social value of their work.

### **In conclusion**

This study is timely and there are several internal and external reasons for undertaking it.

## Chapter 2: The research process

### Adhering to *The 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
- 8: Be responsive <sup>32</sup>.



### Setting up a working group

A small working group was established to drive and guide the research, comprising the Manager/Chief Executive Officer (CEO), Deputy Manager, Business Development and Promotion Manager, a representative from the ILCU, and the consultant. All are credit union members and brought many years of varied experience and skills to the table. The consultant reported monthly to the working group and used it as a sounding board throughout the process.

### Scoping the evaluation

This is a SROI evaluation of NBCU, covering the period 1 October 2020 – 30 September 2021, which is its most recent full 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 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* <sup>33</sup>.

#### A note on numbers

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



## **Observing**

In November 2021, the consultant made a two-day visit to the credit union and its locality. This enabled her to gain a good 'feel' of the place.

## **Reviewing written materials**

Relevant external literature and internal documentation were gathered and synthesised. This included a review of the NBCU 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, an initial stakeholder mapping exercise was undertaken. This established which individuals and organisations potentially experienced change as a result of the activities undertaken by NBCU, 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 from literature/documentation reviews and 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 at present. 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. Such subdivisions were made mainly on the basis of people's use of particular NBCU services. There could have been merit in exploring if there were more granular subdivisions using factors such as age, gender and length of association with NBCU. This was not done on this occasion, because initial research did not appear to warrant it. However, NBCU may wish to consider doing so in future iterations of this research.

## **Stakeholder engagement**

Applying the *Research Ethics Guidance* of the Social Research Association<sup>34</sup> and Social Value International's *Standard on Applying Principle 1: Involve stakeholders*<sup>35</sup>, a two-phase stakeholder engagement plan was drawn up. This is detailed below. A summary of the numbers involved in both phases of the stakeholder engagement process can be found in Appendix 1.

## **Engaging stakeholders – first phase**

To gain clarity on the different results generated for different stakeholders, research that was primarily qualitative in nature was undertaken first. The questions that were used during these discussions can be found in Appendix 2.

Two focus groups – one for volunteers and one for staff – were organised by NBCU staff and facilitated/recorded by the consultant. Note that all volunteers and employees are also members of the credit union. Members who visited the credit union on the days that the consultant was present were asked if they would be willing to be interviewed about their experience of NBCU. This was done in a private space in the credit union lobby. Other organisations and individuals with whom NBCU had a relationship during the year were also invited to have a semi-structured interview with the consultant over the phone or via video link. A saturation point was reached once 36 people had shared their views, which concluded this first phase of the consultation process.

### **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)*<sup>36</sup>. Outcomes are the changes that occur from activities – or from 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. For some projects, such as training programmes, it is appropriate and feasible to assess change over a particular period of time using baseline and end-of-intervention data. This was not possible in this study, because of the more fluid and/or long-term relationship between people and the credit union.

Using the qualitative data gathered, together with key external research, a so-called chain of events or outcomes pathway was drafted for stakeholders. A decision 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.

For each outcome, the question was asked 'what happens to those people who are part of this stakeholder group, but who do not in fact experience the outcome?'. In all cases except one, this question was moot, as everyone experienced the outcome – for instance, all prize and bursary winners by definition won prizes and bursaries. In the case of those wishing to borrow money, the evidence was sufficiently strong to warrant having opposite outcomes for those who experienced the advantages associated with borrowing from NBCU and those who felt the disadvantages of being unable to access loans and/or defaulting on their loans.

The chains of events and accompanying narrative were tested for sense and clarity with the working group and amended as necessary.

## Avoiding double-counting

Staff time has not been included under inputs.

Increases/decreases in stress are closely linked to decreases/increases in disposable income, but only the latter is valued.

An increase in disposable income appears under various stakeholder groups, and indeed many credit union members belong to more than one of these stakeholder groups. At first glance, therefore, it could be argued that there has been double-counting. However, this has been avoided because only that increase in income which can definitively be linked back to the particular NBCU service in question features in the account.

### 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. An online survey was put in place, entry to which was incentivised<sup>37</sup> in order to maximise response rates. The survey instruments can be found in Appendix 3<sup>38</sup>. It was widely publicised on the NBCU website and 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. Some 440 responses were received. Whilst this is not an insubstantial figure, it represents only a small fraction of the total membership and population within the common bond and it cannot therefore be claimed that the voices of all stakeholders have been heard. The survey results can be found in Appendix 4.

### Valuing outcomes

Outcomes valuation is as much an art as it is a science. The valuation process was informed by the Social Value International *Standard on Applying Principle 3: Value the things that matter*<sup>39</sup>. A range of valuation techniques is available to those calculating SROI<sup>40</sup>, including revealed preference, stated preference, wellbeing valuation and cost-based methods. All have advantages and disadvantages. 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. It is preferable to use as few different valuation techniques in the same study as possible, although sometimes using more than one technique is the most appropriate course of action.

In this study, 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. However, for less tangible results, other meaningful indicators were and proxies were explored to determine equivalent monetary values<sup>41 42 43 44</sup>. All values were tested for sense and clarity with the working group.

In order not to overclaim, any assumptions and estimations made were named, a conservative approach to the calculation of value was adopted, and no double-counting took place. This may mean that NBCU's total social value has been underestimated, but this is preferable to overclaiming 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 have the same duration as the outcomes) and the amount of change effected. It also included (limited) examination of the following:

- Deadweight: would the outcome have happened anyway in the absence of NBCU? <sup>45</sup>
- Displacement: did the outcome lead to another outcome, possibly a negative outcome, happening elsewhere?
- Attribution: was the outcome caused solely by NBCU 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 5.

### **Calculating the social return**

For each outcome, the number of stakeholders experiencing the outcome was then multiplied by the selected value. If applicable, percentage deductions were made for deadweight, displacement, attribution and drop-off. 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 account. Standard calculations were undertaken to uncover the programme's SROI, which was then subject to a sensitivity analysis (see Appendix 6).

Note that this report is supplemented by a 'value map', which is an Excel spreadsheet containing all the calculations necessary to determine NBCU'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 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 approximate. Reasons for this include:

- Not having gauged the opinions of every single stakeholder and thereby potentially missing out on unheard views
- Assuming relative homogeneity within stakeholder groups as a result of not having analysed outcomes at a very granular level
- A potential simplification of chains of events, because people's lives are not linear
- Using average scores from survey data, albeit weighted
- Having been forced to estimate where hard figures were unavailable
- Having used imperfect proxies where no better alternatives appeared to be available
- Potentially double-counting (this is a risk in all SROI studies)
- Not having asked enough rigorous survey questions about deadweight, displacement, attribution and drop-off
- Research bias <sup>46</sup>.

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

### **Verifying and assuring**

The emerging results were verified with the Board and working group. Only minor amendments were found to be necessary and these changes were incorporated. Social Value International provided external assurance and further changes were made on foot of detailed assurance discussions.

### **Being responsive**

Finally, the working group discussed how the results of the study and its recommendations would be communicated to others and used into the future in order to avoid a situation in which the report would simply 'gather dust on the shelf'.

### **In conclusion**

The six stages of undertaking a SROI analysis outlined in *A Guide to SROI*<sup>47</sup> have been followed in a manner that suited the specific needs of NBCU and its stakeholders.



*Census 2016*<sup>49</sup> showed that the total population of the common bond area was in the region of 16,500 comprising c. 6,000 households, although those figures are known to have risen since then, which will be confirmed by *Census 2022*<sup>50</sup>. Most people live in housing that is owner-occupied, much of it built this century. Oil and peat are the most common forms of household heating. Most households own a car, with many having more than one. Broadband rates in homes are somewhat lower than they might be in a city. Economic activity is spread across many different sectors. The area might best be described as average in terms of the socio-economic status of its population. The most recent deprivation score for the most disadvantaged Electoral Division within the common bond was -10.45 (contrasted with lows of -13.60 in County Galway and -31.91 in the whole of Ireland) and +11.06 for the least disadvantaged Electoral Division (contrasted with highs of +18.40 in County Galway and +22.51 in the whole of Ireland)<sup>51</sup>.

### **Membership**

People of any age can join the credit union, subject to certain compliance checks. Membership for under-16s is free. Over-16s must pay a once-off €1.27 entrance fee and buy at least €5 in shares. Membership at the start of the year was 14,137 and was 14,525 by year end, indicating modest growth (just over 1%) but a very high level of penetration within the local area. Note that 8% of members no longer live, work, train or study within the common bond, but remain eligible for membership. Membership is popular amongst all age groups. Members aged 16 or over may exercise their right to vote at general meetings of the credit union. However, attendance at annual general meetings is in fact very low (33 members in the year under review).

### **The Naomh Breandan Way**

NBCU cares about quality. It has been certified in ISO 27001<sup>52</sup> since 2012 and at the time of writing is completing the final steps for certification in ISO 27701<sup>53</sup> and ISO 9001<sup>54</sup>. In addition, there is major focus within NBCU on vision, purpose, culture, ethics and values. The credit union has in recent years spent significant effort reflecting on what it stands for and how it should therefore operate. It has encapsulated its findings in what it calls '*The Naomh Breandan Way*'<sup>55 56</sup>. It has a new agreed vision – Together Building A Better Tomorrow For Our Community – and it has defined six core values, namely: Respect; Teamwork; Integrity; Leadership; Excellence; and Family. Associated behaviours for each of these values have been identified and are checked periodically amongst stakeholders using the 1872 Culture platform<sup>57</sup>.

### **Publicity**

Newsletters are produced twice a year<sup>58</sup>. A calendar is made freely available to members each year. NBCU has a website and makes good use of Facebook, where it has c. 2,800 followers<sup>59</sup>. It also has a presence on Instagram<sup>60</sup>, LinkedIn<sup>61</sup>, Twitter<sup>62</sup> and YouTube<sup>63</sup>, but makes far less use of these social media channels. From time to time, it secures press coverage for its initiatives and, since 2020, it has made occasional appearances on Loughrea Community Radio<sup>64</sup>.

## **Premises**

NBCU's main office is in a prominent location in the town of Loughrea. It also has a sub office in Woodford, but this has been closed since the start of the Covid pandemic. The Loughrea building is modern, has a large car park with two electric vehicle charging points, back offices/meeting rooms, kitchen/bathrooms and a lobby area (with six counters, a small room for private meetings, an informational screen and public noticeboard).

## **Opening hours**

Opening hours were reduced in early 2020 to manage the operational challenges of remaining open during the pandemic. During the year under review they continued to be limited to Tuesday to Saturday 10.00 – 16.00, with an hour's break for lunch at 13.00 – 14.00. NBCU envisages increasing its opening hours again in the near future.

## **Day to day 'banking'**

Members can visit the credit union, make contact by phone or email, or can use the online facility provided on the NBCU website or the NBCU app. An express lodgement and documents drop facility is available both during opening hours and out-of-hours. Household bills can be settled. Both standing orders and direct debits are available. The DocuSign facility permits the remote signing of forms, and supporting documents can also be uploaded. A foreign exchange facility is provided, including a 'click and collect service' (no commission is charged if currency is ordered online). There is a transaction fee of 50 cents for every cheque that is lodged by the member and €2 for every cheque that is written for the member.

Although the credit union was not yet able to offer this service during the year under review, it launched a current account with a debit card and associated services <sup>65</sup> <sup>66</sup> in early 2022.

## **Saving products**

Individual members have a share account. Clubs/associations/charities may also hold a club account with NBCU. Some savings are 'on demand', whereas others are 'committed' by virtue of loans or guarantees. Savings are protected by the statutory Deposit Guarantee Scheme, in theory up to a limit of €100,000 <sup>67</sup>, but in reality, there is a savings cap of €20,000. No interest or dividends were paid out to members during the year.

## **Loan products**

Members are encouraged to apply for personal loans if they need them <sup>68</sup>. The credit union constantly strives to dispel myths surrounding its loans, with many people continuing to believe that members must save for a minimum period and/or have shares to a certain value before they can borrow, or that it takes a long time to get a decision on a loan. Instead, loans are granted solely on the ability to repay and decisions <sup>69</sup> are made quickly. There is no minimum amount that people can borrow, although there are maximum limits depending on the loan product in question. A loan calculator is on the NBCU website. No loan interest rebate was paid out during the year. Varying annual percentage rates (APR) were charged:



- 'It Makes Sense' microcredit loan <sup>70</sup> (12.68% APR)
- Celebrate loan for personal life events (10.50% APR)
- Standard loan (including debt consolidation) <sup>71</sup> (9.5-10.5% APR)
- Accelerate loan for standard car finance (7.20% APR)
- Renovate loan for home improvements (6.72% APR)
- Educate loan for educational costs (6.20% APR)
- House loan <sup>72</sup> (5.5% APR)
- Cultivate loan for farming finance <sup>73</sup> (5.37-6.75% APR)
- Covid-19 emergency loan for unforeseen costs (5.00% APR)
- Secured demand loan (5.00% APR)
- CU Greener Homes loan for energy efficient home improvements <sup>74</sup> (4.90-7.98% APR)
- Community loan for community initiatives (4.50% APR)
- Recharge loan for electric car finance (3.99% APR)

Repayment schedules for loans are flexible and there are no penalties for early repayment. 'Top-ups' are available. A detailed credit control policy is in place to ensure that any loans in arrears are repaid. This policy commits to dealing sensitively with members who find themselves in financial difficulties, but also pursuing vigorously members who are able to repay but refuse to do so.

### **Insurance products**

NBCU offers two types of free insurance. Life savings insurance is payable to nominees when members pass away, on any savings they held before the age of 70. Loan protection insurance covers outstanding loan amounts if members are totally and permanently disabled before the age of 60 or pass away before the age of 80. Additionally, members can get a discount of up to 10% on AXA home and car insurance.

### **Prize draws and competitions**

The credit union runs a biannual cash draw (paid entry) as well as regular other draws and competitions (free entry).

### **Work with schools and students**

Three students, one each from the three secondary schools within the common bond, received a bursary from NBCU during the year. NBCU previously ran an active 'visual savings scheme' in local primary schools <sup>75</sup>, but this no longer operates. Local schools chose not to participate in the ILCU Schools Quiz <sup>76</sup> during the year under review, because it was held online instead of in-person due to Covid, but children and young people in the locality did continue to participate in the much-loved ILCU Art Competition <sup>77</sup>. NBCU has a Youth Advisory Council that is recruited from Transition Year students from two of the local secondary schools. It is used as a sounding board for engaging with the youth market and proactively provides opportunities for young people to get involved in credit union and other community activities. There have been no meetings of the Youth Advisory Council since the start of the Covid pandemic, however.

*"NBCU have been an excellent supporter of our school ... visited our Transition Year students numerous times over the past 10 years to work with and educate and support our students. Many projects were undertaken to include digital working with the elderly, climate/air pollution surveys, gardening projects and many others."*

### **Work with other groups in the community**

In addition to the club accounts and community loans referred to earlier, NBCU often provides donations to local groups and/or sponsors their initiatives. Furthermore, NBCU is a founding partner of Sustainable Energy West (SEW) <sup>78</sup>, set up to stimulate a local movement of energy efficiency and sustainable living. SEW was shortlisted for its innovative work in the Social or Sustainable Entrepreneurship category of the 2021 Deloitte Financial Services Innovation Awards <sup>79</sup>. Finally, NBCU is also playing a key role in a major project to refurbish the former Loughrea Town Hall into a multifunctional community space <sup>80 81</sup>.

### **Links with other organisations**

Regionally, NBCU has forged an innovative partnership with two neighbouring credit unions in Gort <sup>82</sup> and Ballinasloe <sup>83</sup>. This has involved the provision of joint loan products and allied communications as well the development of a collaborative operational resilience strategy. It also engages with other credit unions in County Galway on a regular basis. Nationally, NBCU was affiliated to: the Centre for Community Finance Europe (recently renamed the Swoboda Research Centre) <sup>84</sup>; Credit Union Development Association <sup>85</sup>, Credit Union Managers' Association <sup>86</sup>, CUSOP <sup>87</sup>; ILCU; and the Steering Group of the Credit Unions' CEO Forum <sup>88</sup>.

### **In conclusion**

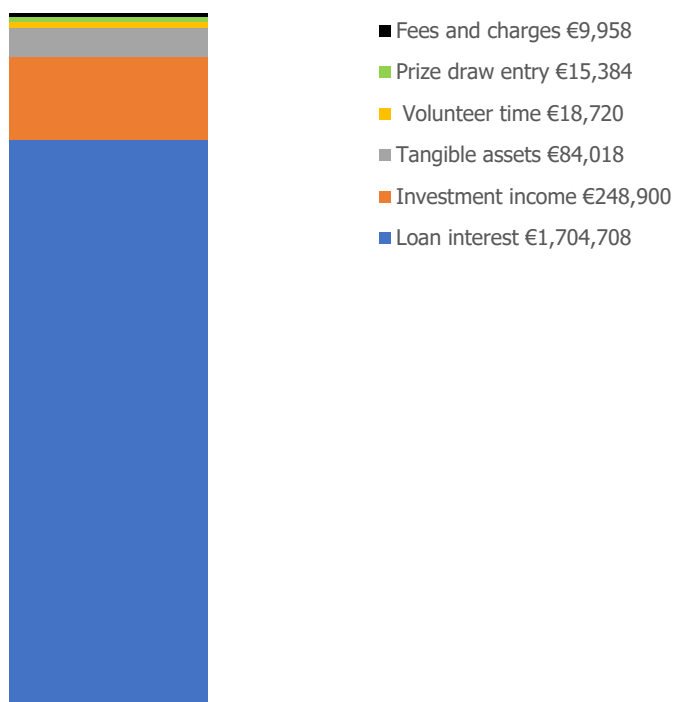
Despite a challenging year due to Covid, NBCU remained very busy, with a growing body of members and numerous community actors availing of a broad service offering.

## Chapter 4: Resources invested

### Resources overview

The activities described in the previous chapter could not have happened without a significant input of resources. These, together with resources that could potentially have been included, but are not, are broken down in this chapter.

### Included in the social value account



### Loan interest

Those who took out loans from the credit union had to pay interest on these. The total interest paid by borrowers during the year was €1,704,708.

### Investment income

Each member owns shares/has savings in the credit union. At year end, these amounted to €54,875,475 in total. The full value of these should not be included as most of this money is in fact invested elsewhere. The interest earned on these investments during the year, however, was available to the credit union to undertake its work and it is this investment income of €248,900 that has been included in the account <sup>89</sup>.

### **Tangible assets**

As a co-operative, all property, plant and equipment are held in common by all members. The total value of these at year end was €2,567,770. However, 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 been followed<sup>90</sup>, which totalled €84,018 according to the credit union's accounting treatment of same, comprising €31,690 for buildings, €16,799 for fixtures and fittings, and €35,529 for computer equipment.

### **Volunteer time**

Ten<sup>91</sup> members volunteered for the NBCU Board of Directors during the year, with a further three performing their role on the Board Oversight Committee. By definition, they were not paid for their contribution of experience, skills and energy. On average, they each give around five hours a month to credit union business each, or 60 hours per year. The value of volunteers should never be reduced to the amount of money they save an organisation<sup>92</sup>. 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 wage<sup>93</sup> 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 sector<sup>94</sup>, because the context in which they operate is so different. Instead, the average industrial wage for the financial sector of €30.67<sup>95</sup> could be used. Alternatively, the average wage for NBCU staff could be used, which has been calculated as €17.38 per hour<sup>96</sup>. It would appear appropriate to use a round midway figure of €24 per hour, which equates to €1,440 per volunteer for the year, or €18,720 for the entire volunteer force.

### **Prize draw entry**

A total of €15,384 was invested by those members who chose to enter the two prize draws during the year.

### **Fees and charges**

Entrance fees for new members aged 16 or older totalled €646. Those making use of cheques had to pay the associated costs, which amounted to €3,221. Members also paid commissions on foreign exchange transactions (€4,118). Furthermore, NBCU received commission from insurance taken out by NBCU members with AXA (€1,973). The total input was €9,958<sup>97</sup>.

## Excluded from social value account

### **Staff time**

During the year under evaluation, NBCU employed 14 staff members (10 whole-time equivalent). It could be argued that their hours of work should be valued, because their input is critical to the functioning and ultimate success of the credit union. However, this has not been done as they are reimbursed through salaries and other employment benefits for their work; doing so would constitute double-counting.

### **Reserves**

Total reserves stood at €8,786,202 by year end. Note that the regulatory reserve accounted for €6,825,247 of that total <sup>98</sup>. Whilst reserves perform an important function, by definition, they do play not an active role. Reserves are therefore not included.

### **Costs of regulation**

The Central Bank of Ireland is responsible for the registration, regulation and supervision of credit unions. There are obviously costs associated with this, and in theory, a proportion equivalent to the cost of servicing one credit union could have been allocated to the social value account. However, note that NBCU paid €80,376 in Central Bank of Ireland fees and levies to cover such costs and they have therefore not been included.

### **In conclusion**

Both financial and some non-financial resources were invested into NBCU by its members. By far the most significant of these was loan interest. The total value of resources invested was €2,081,688 and it was this that enabled NBCU to do its work during the year.

## Chapter 5: Excluding immaterial outcomes

### **Not all stakeholder outcomes are material**

The full list of NBCU's potential stakeholders and their potential outcomes was generated by the working group and through the phase one consultation exercise, and was cross-checked for completeness against external research. Discussions within the working group resulted in some stakeholder outcomes being removed from the social value account almost immediately. Further stakeholder outcomes were taken away when it became evident during the process that they were not sufficiently material to remain on the social value account. Those that were excluded are listed below. This chapter also covers two very broad outcomes that are definitely relevant and almost certainly significant, but which have reluctantly been excluded from this study due to the challenges associated with measuring them at this time.

### **NBCU and nearby credit unions**

No outcomes have been allocated to NBCU 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. Other County Galway credit unions, especially neighbouring ones in Gort and Ballinasloe, could potentially have been included in the NBCU social value account. And whilst they certainly gain from the relationship that they have with NBCU – in terms of peer support, the sharing of expertise and cost savings –these are in fact mutually beneficial, so do not warrant separate treatment.

### **Staff**

NBCU staff have secure employment for which they receive a salary, pension contribution and professional development opportunities. They also derive considerable job satisfaction from interacting with members and helping them in whatever way they can, particularly members who, for whatever reason, might be judged as vulnerable or find themselves in a difficult situation. However, this does not mean that their jobs are without occasional stress and frustration. Staff therefore experience a range of advantages and disadvantages from their employment that they might have about almost any other job. It cannot really be claimed that unique value is being created for them by NBCU. Note, however, that they may be experiencing benefits or costs in their capacity as credit union members.

Furthermore, it should be noted that NBCU is the only not-for-profit organisation in Ireland that is considering taking part in a 2022 pilot of the global Four Day Week initiative<sup>99</sup>. If this happens and it is decided to continue with a four-day week at the end of the trial period, it could be argued that the unique outcomes accruing to staff from this new working arrangement should be included in future calculations of NBCU's social value.

### **Potential members**

The very high level of NBCU penetration in the community has already been alluded to. But there are people within the common bond who still are not members and therefore cannot yet avail of the services that the credit union offers. This in itself is not a negative outcome. But there may be potential for NBCU to release greater social value in the future by identifying and engaging with these people and seeing how it can be of service to them. However, for the purposes of this study, they have been excluded.

### **The state**

As is shown in Chapter 6, NBCU generates resilience and wellbeing. One might 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 levels. For instance, it may result in social protection savings, or increased revenue, or less pressure on public services. However, in the absence of a direct interrelationship between NBCU, its members and the state (with the notable exception of the Central Bank of Ireland), it would be difficult to closely ascribe any such outcomes to the credit union. The state has thus not been included.

### **The environment**

'The environment' could potentially be regarded as a voiceless stakeholder. NBCU's commitment to protecting the natural environment, or at least minimising the environmental harm caused by humans, is noted. It is evident, for example, through its commitment to SEW, to the promotion of 'greener' loans, to its attempts at going paperless, and so on. And whilst these efforts should undoubtedly be commended, their impact is still too minimal to feature on the account.

## **Probably material?**

### **The local community more generally**

There can be no doubt whatsoever that NBCU plays a valuable role in the community. Its very existence can be said to bring value, in terms of essential service provision that improves the lot of local people and also in terms of civic vibrancy (footfall, Christmas lights, etc). And as the driving force, or at least an active player, in so many community initiatives, NBCU obviously also adds value. These benefits intermingle and build on one another, with a sense expressed by some of the consultees, that 'the whole is greater than the sum of its parts'. Yet, it is extremely difficult to pinpoint the exact benefit that the credit union generates for whom at any one time, not least because so many different actors are involved. It is safer to limit calculations to those stakeholders where the relationship with the credit union is less opaque, while accepting that together, the outcomes generated for these stakeholders are working towards net community wellbeing.

*"NBCU are at the heart of the community in Loughrea and are an integral part of all that is good in the town."*

## Probably material?

### **The local economy**

During the first consultation phase for this study, it became apparent that NBCU plays some sort of role in stimulating and maintaining a localised economy within its common bond, with filtering effects into the wider Galway region and thus, the common bonds of other credit unions. Loughrea's distance from Galway (more than 40km away) means that it has not been subsumed into that city's economy and has to a large degree retained its own local economy.

NBCU is highly committed to supporting local business itself. Wherever possible, it spends locally. This includes 100% of the costs of repair/renewal, subsistence and entertainment. Where this is not feasible, it strives to spend regionally, and if this is not an option, it purchases from suppliers elsewhere in Ireland. And whilst local people can and do spend money outside the local area, the survey found that NBCU members spend around 60% of their money locally.

There are numerous multiplier effects that arise from NBCU's own local spending and from the spending that is enabled because its members have access to credit. Commentary from consultees constantly alluded to this. Research confirms that money circulating within a local economy reaps considerable benefits for the community in question <sup>100 101</sup>. A much quoted 2005 study in Northumberland in England that used the Local Multiplier 3 tool, found that £1 spent outside a local area was worth £0.36 to that area, whereas £1 spent with local suppliers was worth £1.76 to that area (in other words, the value of local expenditure was worth 400% more than money spent elsewhere) <sup>102</sup>. An English credit union recently estimated that its members' expenditure patterns resulted in a multiplier effect of approximately 1 : 2 <sup>103</sup>. The Irish Small and Medium Business Association claims that every €10 spent locally generates more than €40 for the local economy <sup>104</sup>. 'Indie impact' studies across the United States <sup>105 106</sup> have found that expenditure in national retail chains led to a recirculation of local revenue of less than 14%, whilst the same expenditure in a local retail establishment yielded almost 45%. The equivalent figures for national chain restaurants and independent restaurants were 30% and 65%.

It was outside of the scope of this research to undertake a local multiplier study. Some 'back of the envelope' calculations using population data <sup>107</sup> and median disposable household income data <sup>108</sup> were commenced, but these were simply not rigorous enough to be included into this SROI study. Thus, as with the effects on the local community in general, it is known that NBCU plays a role, but we have little idea yet as to how big that role is.

*"Good for the local economy and for people in general."*

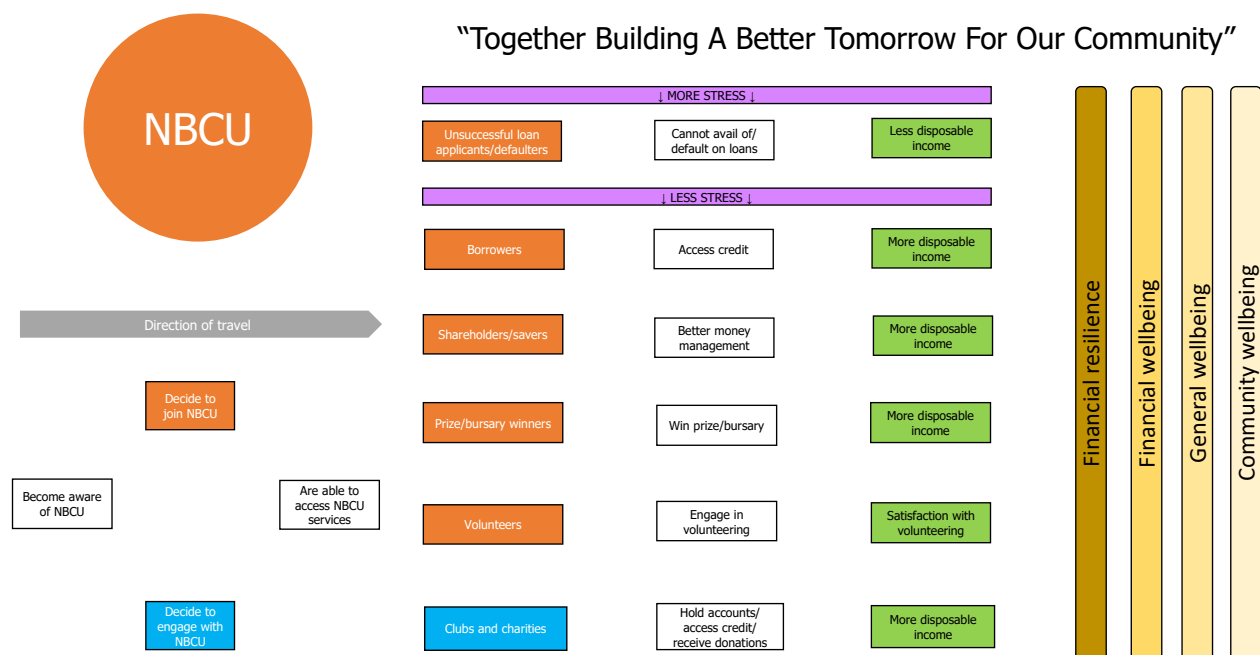
### **In conclusion**

Whilst NBCU almost certainly creates value for neighbouring credit unions, the paid staff team, the state, the natural environment, and the local community and economy more generally, no monetary assessment of this value has been attempted, because the outcomes are not judged to be material and/or measurable at this point in time. This in no way precludes these stakeholders from being included in NBCU's social value assessments in future years. The outcomes experienced by those stakeholders that are currently considered material are dealt with in the next chapter.



## Chapter 6: Valuing material outcomes and impact

### Material outcomes pathway



From cradle to grave, money affects everyone’s life. In an ideal world, every single person would be financially resilient throughout their lives: that is, able to exert control over their finances and withstand any financial strain or shocks that come their way. Financial resilience has been described as having 1) the ability to manage money, 2) access to a savings pot, even if this is relatively small, and 3) access to affordable credit<sup>109</sup>. The role of credit unions in this regard is therefore obvious.

The overarching social value of NBCU is its vision and the title of this report: *Together Building A Better Tomorrow For Our Community*. The ultimate end result of NBCU’s activities might thus be framed as community wellbeing, both in the present and in the future. But, as discussed in Chapter 5, this is too nebulous a concept to assess with any rigour. A community does not exist in isolation; it is made up of individuals and groups. It is difficult to achieve community wellbeing if not enough people in that community, and the groups to which they might belong, have sufficient levels of general wellbeing. Their general wellbeing will be influenced to a large extent by their financial wellbeing and their levels of financial wellbeing will depend on whether or not they are financially resilient.

So where does NBCU’s ‘line of accountability’ or ‘accountability ceiling’ lie? What outcomes does it generate that it can a) be held directly accountable for and b) manage as a result?

People's lives are multifold and complex and as a financial institution, NBCU can only ever hope to play a small role in them. The credit union can certainly make a contribution towards achieving resilience and wellbeing, but it cannot be held responsible for these, because they further depend on other factors over which it does not in fact have any control. The material outcomes it does have some control over and that can be measured and valued are:

- Enabling its members and community groups that it supports to increase their disposable income so that they themselves can work towards achieving financial resilience and wellbeing
- Ensuring NBCU volunteers are satisfied in their roles, which in turn will help them to achieve wellbeing.

### **The stages of the outcomes pathway**

The following stages can be identified:

#### Gaining awareness and overcoming barriers

Before being able to access the direct services provided by the credit union, people need to be aware of its existence and overcome any potential barriers to engagement. NBCU has a long history and is already very well embedded in the Loughrea community, meaning that this is less of a challenge than it might be for a newer organisation or an organisation where there are major misunderstandings or mistrust issues. Indeed, in the first consultation phase, people constantly referenced the fact that almost everyone they knew was already a member of NBCU.

#### Joining/engaging

People might then decide to join the credit union to address their financial needs. In the case of juvenile members, this decision is invariably made for them by their parents, whereas for adults it is a choice that they actively make themselves. Once a member, people can avail of the various services outlined in Chapter 3. In due course, they may also get involved as a volunteer, although very few do. Those involved in the running of local clubs and charities, who are almost always NBCU members themselves, may also engage with the credit union in various ways.

#### Having a positive user experience

The NBCU staff team appears to have a particularly significant role in assuring a positive user experience. Throughout the consultation process, the professional and personable approach of the staff was commented upon. Workers were described as being accommodating, approachable, courteous, empathic, friendly, helpful, obliging, polite, respectful, and so on. The sensitive way they deal with disabled members or those with other additional support needs was also remarked upon. The fact that staff are NBCU members themselves, and that staff and other members often know each other, engenders trust and makes people feel comfortable about sharing aspects of their financial lives. Members said they liked having the option to deal with particular staff if they so wished. They also mentioned that service at the credit union was unhurried, that staff took the time to listen to them, and that staff often really went out of their way to help them. Some members of staff were named as being especially impressive.

This desire amongst credit union members for a relational, rather than a technical, value proposition has previously been noted in research <sup>110 111</sup>.

*"You feel valued as a customer, however rich or poor you are. They treat you like a human being."*

The service offering itself is also important in terms of the user experience. Factors that were positively remarked upon in this regard were the convenience and attractiveness of the premises, the range of ways in which users could access services (for example, in-branch, by telephone or via the app) and the variety of services provided (most especially loans, but also things such as express lodgements, foreign exchange, paying bills and instant access to funds).

*"They're always at the end of the phone."*

Numerous consultees contrasted NBCU with commercial banks, many of which have closed their rural branches in recent years. There was a general consensus that unlike NBCU, today's banks do not necessarily provide a trustworthy <sup>112</sup>, respectful, personalised and caring service to their customers. NBCU was also compared favourably with some other credit unions.

*"The staff in the Loughrea branch are professional and very kind. It's a small thing but in this day and age in a financial institution it's rare and appreciated."*

*"It is a super credit union with amazing staff. They are always kind and helpful. If they had the same facilities as the bank, I would change all my banking to the credit union."*

*"I would recommend my credit union to both family and friends. They offer an unbeatable service which can be catered to your individual needs. You get a real sense of community when dealing with your credit union that other, larger establishments may not be able to provide."*

Formal user feedback reflects this largely positive sentiment towards the credit union. As indicated, NBCU makes use of the 1872 Culture platform to frequently 'temperature check' the views of stakeholders. The best possible combined score on that platform is 36<sup>0</sup> and the worst is 108<sup>0</sup>. With its most recent score from members of 45<sup>0</sup>, NBCU clearly performs well. Indeed, it ranks fourth in the country's 18 credit unions that are currently also using the platform (the highest, by comparison, has a score of 41<sup>0</sup>). Furthermore, the Net Promoter Score of +73 <sup>113</sup> arising from the survey undertaken for this study is considerably higher than the average score of 56 for the financial services sector <sup>114</sup>. In February 2022, NBCU was shortlisted in three categories in the Customer Centricity World Series: Best Customer Experience Strategy; Customer Success; and Employee Experience <sup>115</sup>.

*"I found myself separated with two young kids and Naomh Breandáin were always there for me throughout difficult times – they are invaluable and have great team."*

However, it should not be assumed that all members are equally satisfied. Although no formal complaints were received during the year, suggestions for improvement were given. These included: extending the limited opening hours, having more counter staff to reduce queues, modernising processes (requiring less paperwork, enabling pin numbers to be reset by email instead of via the post, making it easier to move money between accounts online, etc), and greater transparency about who is on the NBCU Board and how directors are selected. Other specific suggestions are referenced in the sections below.

### Achieving outcomes

As per the material outcomes pathway, the specific benefits or costs accruing to stakeholders as a result of their involvement with the credit union are described below. The detailed valuations for each of their outcomes are provided in Appendix 5.

### **Shareholders and savers**

A large majority of survey respondents indicated that being a member of NBCU helped them to manage their money well, with 65% saying they strongly agreed that this was the case and 32% saying they somewhat agreed. 61% of members also agreed strongly that NBCU membership gave them peace of mind and 34% agreed slightly.

Parents who set up a credit union account for their children, and encourage them to save, feel that they are doing the right thing by them. And indeed, research indicates that this is likely to lead to good money habits in the long-term <sup>116</sup>.

Similarly, and very importantly <sup>117</sup>, adults are enabled by the credit union to build up a savings pot as a buffer against unforeseen costs, for future expenditure plans, and possibly to secure loans. It should be noted that during both consultation phases, there were numerous references to the savings/shares cap. This has been instituted as a result of a low borrowing climate and to comply with regulatory demands, but members may not fully understand this. Many wish that they could invest more in their credit union, but due to the limits in operation, they feel forced into also having a bank account and/or use other savings and investment products. This weakness is compounded by the absence of other financial services within NBCU that members might desire, although any such criticism may lessen with the recent introduction of the eagerly anticipated current account.

Most savers and shareholders do not have more disposable income per se from being a member of NBCU. Those who do not have a bank account may pay lower transaction fees and those who choose insurance with AXA may get a preferential rate, but these are quite minor effects. And, in line with almost every other Irish credit union, NBCU did not pay its members any dividends during the year, a fact that was lamented by a handful of survey respondents. However, 49 member nominees <sup>118</sup> received pay-outs from life savings insurance. This increase in disposable income is discrete from any other increase in disposable income they might benefit from through NBCU.

**Outcome:** more disposable income from savings insurance

**Impact value:** €38,372

### More or less stress?

The research revealed that NBCU gives most of its members greater peace of mind and makes them less stressed about money than they would be if they were not a member. Having some or all of their money in the credit union makes them feel that they have a certain degree of control over their financial situation, gives them a sense of security, and may thus alleviate financial anxiety. Being able to borrow also reduces members' financial worries. Knowing that repayment terms are flexible and that borrowings are covered by insurance further lessens anxiety. Even those who never or only seldom borrow have a sense of security in knowing that they could almost certainly get a loan, should they ever need one.

Conversely, those whose applications for loans are refused or who fail to keep up with their repayments suffer an increase in financial stress.

Initially, a decision was made to value the increase/decrease in stress separately from the increase/decrease in disposable income <sup>119</sup>. However, ultimately it was decided to focus solely on the latter. There were various reasons for this:

Firstly, the two consultation phases indicated that ready access to a better disposable income was the outcome that was considered most important by NBCU members.

Secondly, there was an onus on the consultant and the client not to double-count or overclaim.

Thirdly, it was the most 'solid' outcome which can without any doubt be directly attributed to NBCU and which, crucially, it has power to manage and make future improvements to. The same cannot be said of peace of mind.

And finally, it was found that there were enormous practical challenges associated with valuing the peace of mind that a credit union might engender. Clearly, financial worries are very real and can be totally pervasive. They are not readily remedied by interventions that might commonly be suggested to help ease anxiety, such as a healthy lifestyle or counselling. It would not seem appropriate, therefore, to use the costs of such interventions as proxies. A value anchoring technique might have been attempted, but was not found to be workable on this occasion, as the solid questions that would have been needed to enable this were not included in the survey. A wellbeing valuation approach could also have been opted for, but when this was trialled, there were many caveats. For instance, members could 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. And some people do not in fact have any significant financial worries. To account for these issues, very significant rates of deadweight and attribution had to be applied, which is a far from perfect approach. Alternatively, very detailed subgroup research would have had to be done, which was outside the scope of this study.

## **Borrowers**

When describing the value of NBCU, many consultees pointed in the first instance to the access to credit. This option is potentially useful to any member aged 16 or over, but is especially beneficial for those who would struggle to borrow from elsewhere (for instance, who have no credit history, or have a chequered credit history, or are only seeking to borrow small amounts of money).

NBCU issued 1,760 new loans during the year. The most popular were secured loans, personal loans at the standard rate, car loans and home improvement loans. The majority was planning to pay off their loans over a three- to five-year period. Around 600 members 'topped up' an existing loan. The total loan book at year end stood at €23,626,536.

The convenience of the entire NBCU loan process was welcomed. Many consultees noted that applying for a loan was straightforward and that decisions were made quickly. Repayment was also said to be simple. The flexibility afforded in terms of repayment and restructuring was very much appreciated. At year end, just over 100 loans were in arrears. Those survey respondents who had fallen into arrears commented that usually, such situations were readily resolved.

*"The terms are manageable and payment options are flexible and can be tailored to suit the individual customer. I have benefited enormously from being a member of this credit union."*

*"I was allowed to temporarily decrease my payments when money was tight, it was a godsend."*

*"It was an emergency and the top up was easy and quick."*

The views on NBCU interest rates varied, which is unsurprising, as some were repaying at a rate as low as 3.99% APR and others were paying back at a rate as high as 12.68% APR (the average consumer interest rate nationwide during the year stood at 7.02%<sup>120</sup>). Some considered NBCU's interest rates to be attractive, whereas others thought they were not competitive when compared with commercial providers, and one person pointed out that an industrial credit union also offered lower interest rates. Some felt that comparatively high interest rates charged by NBCU were made up for by excellent customer care. Various suggestions were made in terms of potentially enhancing the NBCU credit offering including lower interest rates (especially for 'green' loans), standard mortgages, credit cards, overdrafts, and small loans to businesses other than farmers.

Many consultees remarked how much it had meant to them to have the NBCU loan facility. It had helped them to deal with unexpected circumstances that had arisen, had prevented situations that would have been highly problematic, and had facilitated them to achieve good things in their lives. There were references to being able to afford to buy cars, keeping homes warm, dealing with essential farm expenditure, covering Christmas costs, helping out family members, undertaking home upgrades, financing education, going on holiday, paying for weddings and funerals, and so on.

*"The credit union enabled me to study for my Master's degree and purchase a car. They made it very quick and easy to take out a loan."*

*"Our wedding loan from NBCU was an invaluable asset to us. It gave us peace of mind as we were able to take care of some major expenses before the big day."*

The 16 members who made use of the personal microcredit It Makes Sense loan offering <sup>121</sup> might be termed 'vulnerable borrowers' <sup>122</sup>, and for them, the benefits of a loan at NBCU might be particularly strong. It might help them to avoid the staggering interest rates of charged by licensed money lenders and even higher rates charged by illegal ones. It might possibly enable them to consider saving a small amount.

Each loan has a story attached to it and many of these stories are powerful. However, NBCU should only be viewed as the catalyst of those stories, as opposed to laying claim to the improved quality of life that may have resulted from the loans. The material outcome, therefore, is an increase in disposable income. In addition to the loans themselves, 11 members had their loans cleared with loan protection insurance following permanent disability or death to the tune of €103,244. Note that the various increases in disposable income are discrete from any other increase in disposable income they might benefit from through NBCU.

**Outcome 1:** More disposable income from loan protection insurance for borrowing members who are permanently disabled or their nominees post-death

**Impact value:** €103,246

**Outcome 2:** more disposable income for coping borrowers

**Impact value:** €18,110,472

**Outcome 3:** more disposable income for vulnerable borrowers

**Impact value:** €9,679

### **Unsuccessful loan applicants and defaulters**

Even if relatively accessible credit options are available, in practice this does not mean that everyone will be able to avail of these <sup>123</sup>. If someone cannot demonstrate that they have a capacity to repay, a loan cannot be granted, which can have negative repercussions in terms of stress <sup>124</sup>. In such cases, staff might provide a listening ear, provide guidance, and offer smaller loans than those requested. However, the credit union has no option but to reject around three loan applications in an average week, which leads to a negative result for the affected members. For instance, one member explained that a refusal for a car loan meant this was now being paid back at a higher rate of interest elsewhere, another described not being able to access much-needed private dental treatment, and yet another said that their online micro-business had been badly affected.

Those who are granted a loan may not keep up with payments and go into arrears. As indicated previously, situations such as these are often resolved effectively between the member and the credit union. However, some will default on their loans. Some €222,624 of bad debt was recovered during the year. Of this, €74,762 related to members who availed of Insolvency Service Ireland <sup>125</sup>. Five member accounts were written off during the year.

It has been argued that people in situations like this these might nonetheless gain some benefits from the credit union, such as increased financial knowledge and increased awareness of their financial position <sup>126</sup>. Whilst this is probably true, the ultimate outcome for this group – less disposable income – is negative.

**Outcome 1: less disposable income**

**Impact value: -€1,089,951**

### **Prize and bursary winners**

During the year, some members were fortunate enough to win prizes in the various draws and competitions that the credit union ran. These were the student bursary awards, the NBCU cash draws and a number of draws resulting in smaller cash prizes or gifts/vouchers from local businesses. Any increase in disposable income for winners is discrete from any other increase in disposable income they might benefit from through NBCU.

Feedback from winners indicated that these prizes and bursaries gave them more disposable income, which without doubt made them very happy. However, it would be difficult to attribute further material outcomes arising from these winnings. Certainly, a prize draw winner might have been able to pay for a weekend away, or a student's first term in university might have been eased, or competition winners might have been able to treat themselves to something from a local shop or a meal in a local restaurant, but these are unlikely to be life-changing events.

In theory, it could be argued that those who entered but did not win 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. One consultee commented that NBCU should be careful about only advertising competitions on Facebook, as this excludes those who do not use that social media platform.

**Outcome: more disposable income from draws**

**Impact value: €19,044**

### **Volunteers**

Volunteering is active citizenship in action <sup>127</sup>. The important role played by volunteers in Irish credit unions has been explored previously <sup>128 129 130 131</sup>. 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 <sup>132</sup> found that:

*"... 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."*



The volunteers on the Board and Committees comprise skilled individuals, with a good gender balance. When focus group participants were asked about their experience, their answers largely tallied with the above research, a new rapid evidence assessment about the subjective wellbeing of volunteers <sup>133</sup>, and the consultant's in-depth knowledge of this topic <sup>134</sup>. They conceded that there were occasional frustrations, such as fellow volunteers not always equally pulling their weight and the regulatory compliance burden. However, overall, they were very satisfied with their volunteering activity. They talked of learning new things, gaining skills, becoming more confident, getting to know new people and/or getting to know people better. Most especially, they talked of feeling proud to be part of a trusted organisation that directly gives back to the local community and that indirectly contributes to national policy.

It is a pity that, due to Covid, the voluntary Youth Advisory Council was not active during the year as historical evidence suggests that it has the capacity to deliver social value to the young people involved, to their schools, and possibly to the beneficiaries of any activities that they engage in. If it is restarted, any such outcomes should be tested for materiality and included in future social value accounts.

**Outcome:** satisfaction with voluntary activity

**Impact value:** €22,450

### **Clubs and charities**

Research <sup>135</sup> has shown that the role of local credit unions in community development should not be underestimated (and, with the right conditions, has the potential to be extended significantly). Due to the embeddedness of NBCU in Loughrea and its environs, and the proactive stance to community engagement taken by the credit union, there are many links between it and other local organisations. Indeed, as evidenced by interviews undertaken as part of the first consultation phase, it would be fair to suggest that the credit union is an integral part of the community infrastructure. Survey responses showed that there is quite a high level of awareness of the community role played by NBCU, with many of the respondents reporting being involved with organisations that have some sort of connection with the credit union. However, there is still a sizeable minority that is not aware of NBCU's broader community activities.

There are three ways in which local clubs and charities are aided by NBCU: through club accounts; through loans; and through the receipt of gifts. Each is considered in turn. Note that the various increases in disposable income are discrete from any other increase in disposable income they might benefit from through NBCU.

Some 149 community groups held a club account at the credit union. Interviewees representing such groups echoed the same positive sentiments about the NBCU service offering and staff team as those expressed by individual members. These largely free accounts help the groups in question to manage their costs. Note, however, that there were calls to get rid of the cheque lodgement fee.

*"It's a vital service for the community; we'd be lost without it."*

Arguably more significant is the fact that groups in the community can apply for loans from NBCU. During the year under review, 14 took out new loans and at year end, nine were still paying off their loans. There were different reasons for groups borrowing money, from bridging loans to match funding loans, and from small short-term loans to deal with an emergency to big long-term development loans for social enterprises that would eventually be able to charge fees for some of their services. Those in receipt of loans from NBCU were extremely glad of the service, especially the ongoing encouragement, accompanying advice and flexible loan terms offered.

Furthermore, NBCU engaged in philanthropic giving, which is considered to be an important part of the credit union remit, but the impact of which is rarely captured <sup>136</sup>. Some 22 groups <sup>137</sup> benefited from donations or sponsorships from the credit union. The range of these contributions was very wide, from €25 to €15,000. They were immensely grateful for the gifts, but these should always be seen in the context of the other funds and in-kind supports they receive from their own members, from other sponsors, from grant-givers, and so on.

The material outcome for clubs and charities is an increase in their disposable income. NBCU cannot claim accountability for benefits further down the outcomes chain, although it is worth contemplating them briefly. The fact that the credit union believes in the groups, whether through making a club account facility available and/or granting approval for loans and/or providing monetary gifts, boosts their morale. In a very practical way, NBCU support allows clubs and charities, which are largely volunteer-run, to function better on a day-to-day basis. It makes it easier for them to undertake their activities, whether these relate to community support, health, sports, the arts, heritage, the environment, or something else. Schools, community centres and sports facilities have been upgraded. Groups have been able to get energy audits done and have ended up with warmer halls and reduced electricity bills. They have been able to access funding from other sources such as the Sports Capital Programme <sup>138</sup> or LEADER <sup>139</sup>. And there are undoubtedly knock-on effects that result from this, but it should be accepted that these are both hard to capture and well-nigh impossible for NBCU to lay claim to. Various examples were quoted during interviews, including a new cricket pitch that enhanced the social inclusion of the small Indian community in the locality, the improved performance by a juvenile sports team when they finally received a proper kit, and the gradual regeneration of a village that revamped its community centre.

*"It's an infectious ethos – they bring people along with them."*

*"Our dreams came true."*

**Outcome 1:** more disposable income from having club accounts

**Impact value:** €6,866

**Outcome 2:** more disposable income from community loans

**Impact value:** €238,257

**Outcome 3:** more disposable income from donations

**Impact value:** €25,168

**In conclusion**

Unsuccessful loan applicants and defaulters excepted, the work NBCU undertakes results in positive changes in stakeholders' capacity and circumstance, which contribute to an overall improvement in resilience and wellbeing. The total impact value of these effects equals €17,483,602.

## Chapter 7: Calculating the social return

### Summarising the value of the impact

The values generated are ranked in order of magnitude in the table below:

Stakeholders	Outcomes	Value
<b>POSITIVE</b>		
Borrowers (coping)	More disposable income	€18,110,472
Borrowers (community)	More disposable income	€238,257
Borrowers (all individual)	More disposable income	€103,246
Shareholders/savers	More disposable income	€38,372
Clubs and charities	More disposable income (donations)	€25,168
Volunteers	Satisfaction with voluntary activity	€22,450
Prize/bursary winners	More disposable income	€19,044
Borrowers (vulnerable)	More disposable income	€9,679
Clubs and charities	More disposable income (club accounts)	€6,866
<b>NEGATIVE</b>		
Unsuccessful loan applicants & defaulters	Less disposable income	-€1,089,951

### The social return

The SROI was then calculated. This was done by establishing how much value was generated in the year under evaluation and how much in subsequent years. 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%<sup>140</sup>. The value of the inputs (€2,081,688) that was calculated in Chapter 4 could then be subtracted from the present value of €40,993,994 to derive the net present value of €38,912,306.

The SROI ratio is the present value divided by the value of the inputs, namely 19.69 : 1. Alternatively, the net SROI is the net present value divided by the value of the inputs, which is 18.69 : 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. To increase the level of confidence about the judgements made, sensitivity analysis was then undertaken (see Appendix 6).

On the basis of this, a more nuanced and meaningful claim can be made, namely, that during the 2020-2021 financial year, NBCU generated a substantial social dividend for its members and the Loughrea community more broadly. Adopting a highly conservative approach, it can be stated that for every euro equivalent invested into the credit union, at least €6 of social value was created. Adopting a far less conservative approach, it can be said that for every euro equivalent invested into the credit union, up to c. €20 of social value was created. When communicating its social return, it is important that not only the higher figure is used.

### **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 NBCU and by others who can learn from NBCU's experience. These are discussed further in the final chapter.

## Chapter 8: Conclusions and recommendations

### Bringing it all together

The Board and management of NBCU are to be congratulated on taking the plunge into a sea that is still relatively unexplored, and especially on doing so during the uncertain times of the Covid pandemic. Even if the precise ratio is uncertain, there can be no doubt that NBCU delivered an excellent rate of social return to its stakeholders during its past financial year. But knowing this is not enough. In line with the eighth principle of *The Principles of Social Value* mentioned in Chapter 2, the organisation must be responsive and should take follow-up actions on the basis of evidence presented. To facilitate this final stage of the SROI process, the consultant makes six broad recommendations, which are discussed in more detail below:

- Reflect on the social value already being created by NBCU
- Consider if there are opportunities to reduce negative value
- Find ways of increasing the numbers of people who can benefit from NBCU
- Release more social value by enhancing the NBCU offering
- Embed the social value approach
- Urge others to take on board NBCU's learnings.

### Reflect on the social value already being created by NBCU

The very reason NBCU was set up was to provide credit to those who needed it, and it is through this mechanism that it continues to generate the most significant value for the people of Loughrea. The biggest beneficiaries of this are those who have been termed as coping borrowers. Whilst the numbers involved might be far smaller, there are also notable benefits for community groups who borrow from the credit union and for vulnerable borrowers who avail of the personal micro-credit offering.

Although ultimately not valued separately, the peace of mind that NBCU engenders amongst its members is undoubtedly important. This is primarily a hard-to-grasp feeling, but it also finds practical expression at times of stress and grief, when the credit union's insurance policies come into play.

Value is also generated for community groups: mainly through the community loans referred to above, but also through donations and sponsorships, and even through the cost savings from having a club account with NBCU.

Additionally, prize and bursary winners receive occasional unexpected bonuses via their membership of NBCU.

Last, but not least, value is generated for the volunteers who govern the organisation: they of course invest their time, but they also get something back in return. And as the governance of the credit union depends entirely on their willingness to devote their experience and energy to NBCU, they are a vital resource that must be nurtured. NBCU should ensure that there are always sufficient numbers of committed and skilled individuals on the Board and Committees.

Although the job satisfaction or other benefits that paid staff might derive from working at NBCU were not included as material outcomes, the vital role played by the staff team should be acknowledged. Without their personable and member-focused approach, there would likely be fewer members and lower levels of service satisfaction, which would have a negative effect on the generation of outcomes. Again, therefore, ensuring that NBCU has a happy workforce, with the talents and commitment to deliver the organisation's activities, is crucial.

The staff and volunteers of NBCU are encouraged to take the time to celebrate the social value they have generated.

### **Consider if there are opportunities to reduce negative value**

Although most of the outcomes brought about by NBCU's activities released positive social value, one did not. Loan refusals (whether in whole or in part), long-term arrears and bad debt write-offs led to negative effects for a minority of the membership. Although NBCU must exercise caution as a lender – not least because not doing so would create problems for other members – it should also reflect on this issue. Is there anything else that could be done with this group of people to minimise the negative impact on them? Does anyone within NBCU have ideas that have not yet been tried? Are there lessons NBCU can learn in this regard from anybody else?

### **Find ways of increasing the numbers of people who can benefit from NBCU**

NBCU has an impressive level of penetration in its community, but as alluded to earlier, there are still people who could potentially be members of the credit union, but are not. Word-of-mouth and ongoing general communications about the credit union will continue to play a role in increasing the membership, but this is not enough if NBCU want to grow its membership at a greater rate. In order to extend NBCU's reach, proactive and targeted communications and outreach will be necessary. Data emanating from *Census 2022* will be helpful in this regard, but there are other ideas that could be considered before those data become publicly available. Various suggestions were provided by consultees, including: reaching out to migrant communities living in the locality; affinity memberships for local employers; targeting the apprenticeship community; and enticing young people through innovative marketing that focuses on ethics. It would also be worthwhile making contact with organisations that support people experiencing disadvantage to see if their service users would like to join NBCU (such as the Loughrea Community and Family Resource Centre <sup>141</sup>). Do, however, note the caveat about quality before quantity mentioned below.

### **Release more social value by enhancing the NBCU offering**

It was very evident to the consultant that NBCU is innovative, excited by new ideas and willing to put effort into progressing these. That is inspiring and commendable. However, trying to do too many things at once can backfire. There is no point introducing new services if there are unaddressed issues with established services. NBCU is therefore urged to attend to outstanding matters before delving into new projects. Quality improvement will facilitate volunteer and staff satisfaction, member satisfaction and membership recruitment. In other words, it is possible to generate more social impact without necessarily adding to the current NBCU offering.

The issues that were mentioned most frequently by members relate to the credit union not being open when they needed it to be and/or having to queue for a long time because counter staff numbers were limited. There were also requests for some of the credit union's processes to be modernised and for consideration to be given to removing cheque fees. The consultant would further recommend that the NBCU website be revamped to truly reflect what the credit union is about and to include all relevant and up-to-date information that a member, prospective member or member of the public might need in an easy-to-navigate way. NBCU should also consider whether it has the capacity to maintain all its social media channels to the standards expected in today's world. There are doubtlessly other outstanding quality issues that the Board and staff of NBCU are aware of that ought to be tackled sooner rather than later.

However, this does not mean other ideas should not be explored. There may be ways in which NBCU could extend its service offering in a manner that would generate further social value. Various ideas were suggested by consultees, such as a financial wellbeing app, having a more formal financial advice role, finding specific ways of supporting members pursuing postgraduate studies, and rolling out further supports for people who are bereaved (in addition to the insurances already provided).

It was also suggested that NBCU should continue to explore all the different ways in which it might be able to offer credit, both to individual borrowers, community groups, but also to small enterprises, especially if they have a social remit. The question of borrowing is an interesting one. It is known that borrowing generates the most value, and it is also known that if loans decrease – in size, number or length of repayment period – NBCU will deliver less value. Conversely, if borrowing increases, NBCU will be able to deliver greater value, not only through the act of providing credit, but also because this enables other value-generating activities to happen (payment of dividends and interest rebates, donations to charities, etc). But for a variety of reasons, people in Ireland are borrowing less than they might have done previously (this is the rationale for the current ILCU Monster Loan campaign <sup>142</sup>).

Yet the constant focus on borrowing, and especially the individual benefits brought about by personal borrowing, have the potential to overshadow the community benefits of the credit union. There is very little reference in NBCU's communications about the founding principles of pooling together, of neighbours helping each other, of its role as an important community actor, and so on. As a result, people think of themselves more as customers of a financial institution, rather than as members of a cooperative. They have the chance to have a say in how the credit union operates and to get involved, yet few respond to consultations, attend annual general meetings or consider volunteering. Changing the narrative around the credit union may help to shift this and may work towards releasing further social value in due course. Individual stories of impact delivered by the credit union also have a useful role to play in this regard.

### **Embed the social value approach**

The first and very practical way in which NBCU can embed a social value approach is by reporting the findings of this study back to its key stakeholders: its members and the community groups with whom it has a relationship. Involving stakeholders is the first principle of *The Principles of Social Value* and constant attention must be paid to this. NBCU should also consider the role of the 1872 platform and how this aligns with impact management.



If NBCU decides that it will keep tracking its social impact using the SROI approach, it should ensure the outcomes pathway in Chapter 6 remains up-to-date (for instance, at what point might there be a rationale for including staff or environmental benefits?). It should also ensure that the questions asked of stakeholders and the associated metrics truly reflect the change being created. As noted, there may be a need for a more granular approach and more evolved questions that consider deadweight, displacement, attribution and drop-off.

It is vital that NBCU monitors and evaluates what is – and what is not – having a positive effect on people and makes decisions on the basis of this. The Covid pandemic meant that some NBCU activities were paused. Now is a good time to reflect on whether certain services should be restarted or ceased. For instance, it should be noted that not one person mentioned the closure of the Woodford branch during the two stages of the consultation – was having this facility actually important to sufficient numbers of members? Was the visual savings scheme in schools the best way of teaching children financial literacy, or are there better ways? Should the goals of the Youth Advisory Council be revisited to see if they are still appropriate? Furthermore, if NBCU does introduce any new initiatives, it should make sure to consider the social value implications of these from the start.

Finally, it is worth thinking about the two interrelated aspects of NBCU's work that are believed to create value, but which due to the complexities of measuring them were excluded: the local community and local economy. NBCU could decide to 'plough its own furrow' in this regard, for instance by limiting any calculations about local economic impact to its own expenditure or gleaning more accurate data from members on where they spend their credit. But not only is that the antithesis of a community approach, it is extremely hard to do this. Useful lessons might be learnt from the community wealth building movement <sup>143</sup> and collaborating with others in the Loughrea area who might have an interest in pursuing this approach.

### **Urge others to take on board NBCU's learnings**

It would be a shame if after all the efforts invested, only NBCU members found out about this study. The consultant knows that this will not be the case. Not only will NBCU share it with the credit unions with whom it already has a close relationship, it will also be keen that the findings are disseminated more widely. The ILCU, which has collaborated on this study, has a particularly important role to play in this regard. With the Donore Credit Union SROI report previously completed, this NBCU study and the Newington Credit Union study happening concurrently, it will have three detailed reports which can inform its thinking about measuring the social value of credit unions. The ILCU should at the very least tell its affiliates about these studies and also anybody else in its network with whom it has links, including academics who might then choose to do further research in this area. Perhaps most important of all is that the Central Bank of Ireland increases its awareness of the important role played by community credit unions <sup>144</sup> and the social value that they generate. More sensitive regulation and greater flexibility permitted in using credit union reserves to support community initiatives might well release even more social value.

### **In conclusion**

Considerable food for thought is provided. The consultant wishes NBCU well on the next phase of its social value journey.

## Appendix 1: Stakeholder engagement summary

Phase 1: focus groups and interviews (36 unique individuals consulted)

Phase 2: survey (361 unique individuals consulted) <sup>145 146</sup>

Please note that in the table below, one person may in fact belong to more than one type of stakeholder group (for instance, a volunteer can also be a saver and borrower). Please also note that whilst direct stakeholder engagement was obviously a crucial element of the research, it was supplemented by internal and external documentary evidence, the views of stakeholders whose own outcomes were not material but who nonetheless acted as important informants, and also the professional experience and judgement of the consultant.

Stakeholder group	Total in group	Engaged during phase 1	Engaged during phase 2	Sample size	Notes
Shareholders/savers	14,525	22	359	Up to 2%	
Borrowers (individual)	2,481	12	203	Up to 4%	The phase 1 figure has been estimated; also this group was only subdivided into coping/vulnerable borrowers at a later stage in the process
Unsuccessful loan applicants/defaulters	<282	2	6	Up to 2%	The phase 1 figure may be an underestimate
Clubs and charities	>149	8	73	5% - 49%	The phase 2 figure is likely inflated as multiple respondents may have been involved with the same organisation
Prize/bursary winners	46	2	0	4%	No phase 2 engagement deemed necessary as outcomes were clear from phase 1 consultation
Staff	14	4	0	29%	No material outcomes identified thus not engaged during phase 2
Volunteers	13	3	0	23%	No phase 2 engagement deemed necessary as outcomes were clear from phase 1 consultation
Partner credit unions	>2	1	0	50%	No material outcomes were identified thus not engaged during phase 2
Potential members	Unknown	0	3	Unknown	No material outcomes identified during phase 2
The state					No material outcomes identified thus not engaged
The environment					No material outcomes identified and in any case impossible to engage

## Appendix 2: Focus group and interview questions

What is the nature of your relationship with NBCU? 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 NBCU?

What changes did you experience as a result of your involvement with NBCU? 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 NBCU?

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

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

By engaging with NBCU, 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?

## Appendix 3: Survey instruments



### Naomh Breandain Credit Union social value study

#### Welcome to our survey

I am Sandra Velthuis of Whitebarn Consulting. Naomh Breandain Credit Union has engaged me to undertake a study of its 'social value'. In order to do this, I need to hear what people think of the credit union, which is why I invite you to complete this short survey. Your answers are totally anonymous. The deadline for completion is Thursday 6 January 2022.

As a thank you for your time, we have organised a prize draw. Five lucky winners will each receive a €50 voucher. If you would like to enter this draw, you can click on a new survey link when you have answered all of the questions. There you can give your contact details, so that we can get in touch with you in case you win. The two surveys are completely unconnected, so your answers remain confidential.

You may only take the surveys once - duplicates will be removed. Please encourage everyone you know to complete this survey too. Thank you very much in advance.

\* Are you a member of Naomh Breandain Credit Union?

- Yes  
 No



### Naomh Breandain Credit Union social value study

#### Member questions

\* How likely is it that you would recommend Naomh Breandain Credit Union to a friend or colleague?

Not at all likely

Extremely likely

0      1      2      3      4      5      6      7      8      9      10

\* To what extent do you agree with the statement "Being a member of Naomh Breandain Credit Union enables me to manage my money well"?

- Strongly agree  
 Somewhat agree  
 Somewhat disagree  
 Strongly disagree

\* To what extent do you agree with the statement "Being a member of Naomh Breandain Credit Union means I have greater peace of mind and am less stressed about money than I would if I was not a member"?

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree

\* Did you have savings anywhere else in the past year? (tick all that apply)

- Another credit union
- Bank
- Post office
- Other (please specify)

- None of the above

\* Were you making payments towards any loans from Naomh Breandain Credit Union in the past year?

- Yes
- No

\* Did you top up or restructure any loans at Naomh Breandain Credit Union in the past year?

- Yes
- No

If yes, what did having this top up or restructuring facility mean to you?

\* Did you fall into arrears on any loans you had at Naomh Breandain Credit Union in the past year?

- Yes
- No

If yes, what was the effect of these arrears on you?

\* Did you apply for a new loan from Naomh Breandain Credit Union in the past year?

- Yes
- No

\* Was the loan approved?

- Yes
- No
- Not applicable

If not, what was the effect of this loan refusal on you?

\* Did you borrow from anywhere else in the past year? (tick all that apply)

- Family or friend
- Another credit union
- Bank (overdraft or loan)
- Post office
- Credit card company
- Money lender
- Other (please specify)

- None of the above

\* Thinking back to ALL of your spending in the past year, what proportion would you say you spent in the Loughrea area?

0% 50% 100%

\* Are you aware that Naomh Breandain Credit Union does not just provide services to its members, but also plays an active role in the wider community?

- Yes
- No

\* Are you involved in a club, group or some other organisation that had some connection with Naomh Breandain Credit Union in the past year?

- Yes
- No

If yes, what sort of connection was it? Tick all that apply.

- We hold an account at the credit union
- We have a loan with the credit union
- We received a donation/sponsorship from the credit union
- Other (please specify)

If there is anything else whatsoever that you would like to say about Naomh Breandain Credit Union, please do so here. We are especially keen to know if the credit union has made a difference to your life in any way. We are also interested in hearing what improvements we might make to be even more valuable to you and our community in the future.

\* Would you like to be in with a chance to win one of five €50 vouchers?

- Yes
- No



Naomh Breandain Credit Union social value study

#### Non-member questions

\* Are you aware that anyone can join the credit union, save up to €20,000, quickly borrow small to large amounts of money, and receive a range of other member benefits? (terms and conditions apply)

- Yes
- No

Naomh Breandain Credit Union social value study

Non-member questions

\* Are you aware that anyone can join the credit union, save up to €20,000, quickly borrow small to large amounts of money, and receive a range of other member benefits? (terms and conditions apply)

- Yes  
 No

\* Why are you not a member of Naomh Breandain Credit Union?

\* Did you keep money in any of the following places in the past year? (tick all that apply)

- Another credit union  
 Bank  
 Post office  
 Other (please specify)

- None of the above

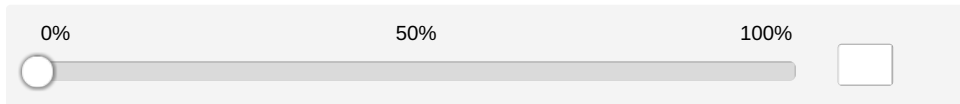
\* Did you borrow money from any of the following places in the past year? (tick all that apply)

- Family or friend  
 Another credit union  
 Bank (overdraft or loan)  
 Post office  
 Credit card company  
 Money lender  
 Other (please specify)

- None of the above



\* Thinking back to ALL of your spending in the past year, what proportion would you say you spent in the Loughrea area? Move the slider anywhere.



\* Are you aware that Naomh Breandain Credit Union does not just provide services to its members, but also plays an active role in the wider community?

- Yes
- No

If there is anything else whatsoever that you would like to say about Naomh Breandain Credit Union, please do so here.

\* Would you like to be in with a chance to win one of five €50 vouchers?

- Yes
- No

Naomh Breandain Credit Union prize draw

1. What are your details in case you win a prize and we need to contact you?

<b>Name</b>	<input type="text"/>
<b>Email Address</b>	<input type="text"/>
<b>Phone Number</b>	<input type="text"/>

## Appendix 4: Survey results

### Response rate

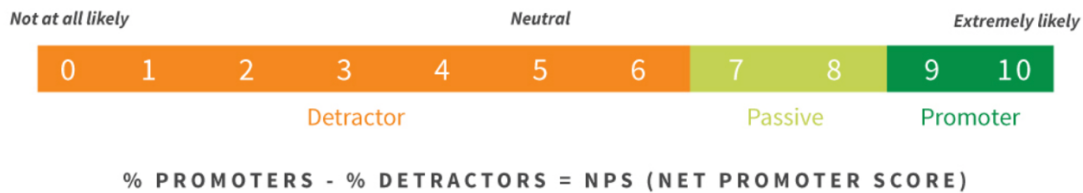
A total of 440 surveys were commenced, 435 of whom were NBCU members (c. 3% of the total) and five of whom were not members (considerably less than 1% of the total). 79 (76 members and two non-members) chose not to answer the remaining questions. This means that the total number of valid responses was reduced to 361.

### MEMBERS:

### Satisfaction rating

*How likely is it that you would recommend NBCU to a friend or colleague?*

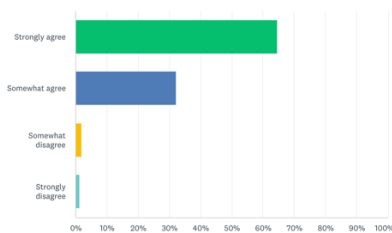
4% of respondents were found to be 'detractors', 20% were 'passives' and 76% were 'promoters'. A Net Promoter Score of +73 was achieved.



### Money management

To what extent do you agree with the statement "Being a member of Naomh Breandain Credit Union enables me to manage my money well"?

Answered: 361 Skipped: 75

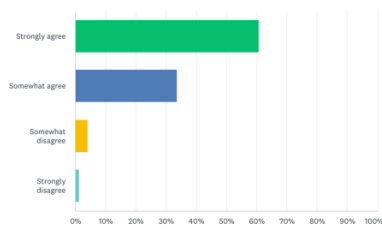


ANSWER CHOICES	RESPONSES	
Strongly agree	64.54%	233
Somewhat agree	32.13%	116
Somewhat disagree	1.94%	7
Strongly disagree	1.39%	5
TOTAL		361

## Peace of mind

To what extent do you agree with the statement "Being a member of Naomh Breandain Credit Union means I have greater peace of mind and am less stressed about money than I would if I was not a member"?

Answered: 361 Skipped: 75



ANSWER CHOICES	RESPONSES	
Strongly agree	60.66%	219
Somewhat agree	33.80%	122
Somewhat disagree	4.16%	15
Strongly disagree	1.39%	5
<b>TOTAL</b>		<b>361</b>

## Saving elsewhere

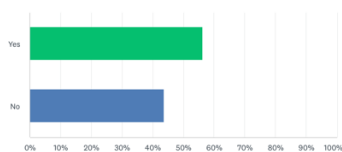
*Did you have savings anywhere else in the past year?*

One-third of respondents had no savings elsewhere. Of those who did, the vast majority (59%) had money in a bank account<sup>147</sup>. Other places included (in order of frequency): the Post Office; another credit union; long-term investments; Revolut; and at home.

## Loans

Were you making payments towards any loans from Naomh Breandain Credit Union in the past year?

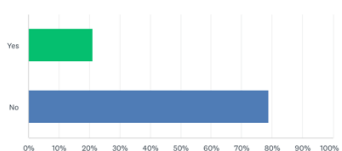
Answered: 361 Skipped: 75



ANSWER CHOICES	RESPONSES	
Yes	56.23%	203
No	43.77%	158
<b>TOTAL</b>		<b>361</b>

Did you top up or restructure any loans at Naomh Breandain Credit Union in the past year?

Answered: 361 Skipped: 75



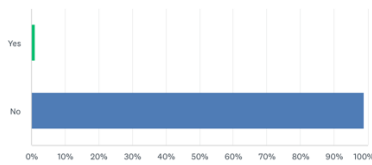
ANSWER CHOICES	RESPONSES	
Yes	21.05%	76
No	78.95%	285
<b>TOTAL</b>		<b>361</b>

*If yes, what did having this top up or restructuring facility mean to you?*

[A variety of answers was provided to this question. These are detailed in the main body of the report.]

Did you fall into arrears on any loans you had at Naomh Breandain Credit Union in the past year?

Answered: 361 Skipped: 75



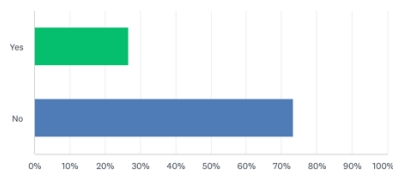
ANSWER CHOICES	RESPONSES	
Yes	1.11%	4
No	98.89%	357
<b>TOTAL</b>		<b>361</b>

*If yes, what was the effect of these arrears on you?*

[A variety of answers was provided to this question. These are detailed in the main body of the report.]

Did you apply for a new loan from Naomh Breandain Credit Union in the past year?

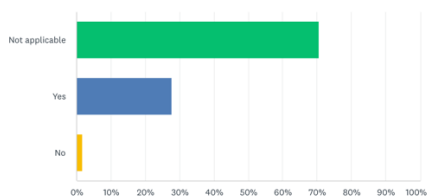
Answered: 361 Skipped: 75



ANSWER CHOICES	RESPONSES	
Yes	26.59%	96
No	73.41%	265
<b>TOTAL</b>		<b>361</b>

Was the loan approved?

Answered: 361 Skipped: 75



ANSWER CHOICES	RESPONSES	
Not applicable	70.64%	255
Yes	27.70%	100
No	1.66%	6
<b>TOTAL</b>		<b>361</b>

*If not, what was the effect of this loan refusal on you?*

[A variety of answers was provided to this question. These are detailed in the main body of the report.]

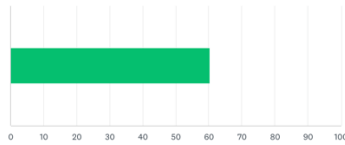
## Borrowing from elsewhere

Four-fifths did not borrow from elsewhere. Of the 20% who did, they borrowed from the following sources (in priority order): family or friends; bank (overdraft/loan/mortgage); credit card company; another credit union; car finance company; and money lender. No respondents borrowed from the Post Office.

## Spending

Thinking back to ALL of your spending in the past year, what proportion would you say you spent in the Loughrea area?

Answered: 361 Skipped: 75

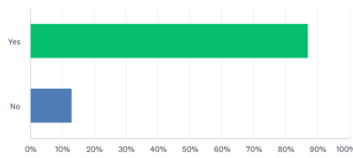


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Responses	60	21,811	361
Total Respondents: 361			

## NBCU in the community

Are you aware that Naomh Breandain Credit Union does not just provide services to its members, but also plays an active role in the wider community?

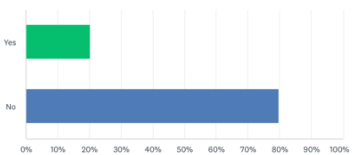
Answered: 361 Skipped: 75



ANSWER CHOICES	RESPONSES
Yes	86.98% 314
No	13.02% 47
TOTAL	361

Are you involved in a club, group or some other organisation that had some connection with Naomh Breandain Credit Union in the past year?

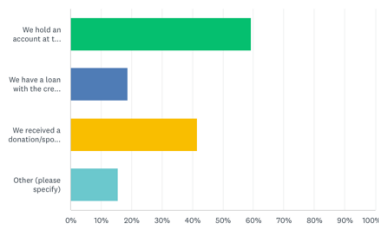
Answered: 361 Skipped: 75



ANSWER CHOICES	RESPONSES
Yes	20.22% 73
No	79.78% 288
TOTAL	361

If yes, what sort of connection was it? Tick all that apply.

Answered: 96 Skipped: 340



ANSWER CHOICES	RESPONSES
▼ We hold an account at the credit union	59.38% 57
▼ We have a loan with the credit union	18.75% 18
▼ We received a donation/sponsorship from the credit union	41.67% 40
▼ Other (please specify)	Responses 15.63% 15

### Final qualitative feedback

*If there is anything else whatsoever that you would like to say about NBCU, please do so here. We are especially keen to know if the credit union has made a difference to your life in any way. We are also interested in hearing what improvements we might make to be even more valuable to you and our community in the future. [The answers to this question are detailed in the main body of the report.]*

### NON-MEMBERS:

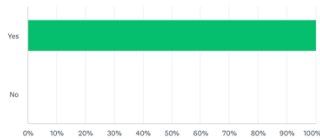
#### Reason for not being a member

Two respondents lived outside the common bond and a third had never thought about it.

#### Awareness

Are you aware that anyone can join the credit union, save up to €20,000, quickly borrow small to large amounts of money, and receive a range of other member benefits? (terms and conditions apply)

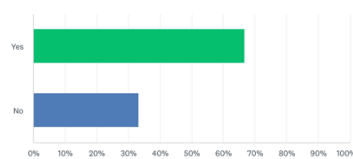
Answered: 3 Skipped: 433



ANSWER CHOICES	RESPONSES
▼ Yes	100.00% 3
▼ No	0.00% 0
<b>TOTAL</b>	<b>3</b>

Are you aware that Naomh Breandain Credit Union does not just provide services to its members, but also plays an active role in the wider community?

Answered: 3 Skipped: 433



ANSWER CHOICES	RESPONSES
▼ Yes	66.67% 2
▼ No	33.33% 1
<b>TOTAL</b>	<b>3</b>

### **Saving elsewhere**

All three had bank accounts and two also held credit union accounts elsewhere.

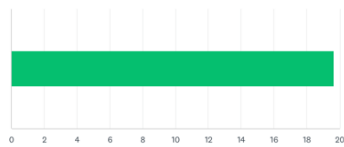
### **Borrowing from elsewhere**

Two had borrowed from another credit union and one of these had also borrowed from a bank. A third person had not borrowed at all.

### **Spending**

Thinking back to ALL of your spending in the past year, what proportion would you say you spent in the Loughrea area? Move the slider anywhere.

Answered: 3 Skipped: 433



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Responses	20	59	3

Total Respondents: 3

### **Final qualitative feedback**

*If there is anything else whatsoever that you would like to say about NBCU, please do so here.*

[One comment was made that has been inserted into the relevant section of the report.]



## Appendix 5: Detailed valuations

### Weighting

The survey conducted as part of this study did not specifically ask members to rank or weigh the outcomes that NBCU generated for them. However, the answers to the survey questions (both quantitative and qualitative), as well as the insights gleaned during the two focus groups and numerous interviews that were conducted, would suggest that access to finance/having a greater disposable income is the primary benefit of NBCU for members. The following two weightings have been applied and are shown on the value map, with 1 being most important and 2 having least overall significance:

- 1 = access to finance/increase in disposable income
- 2 = satisfaction with volunteering.

### **Shareholders/savers (outcome: more disposable income from savings insurance)**

#### Total number in group

14,525.

#### Inputs

Shareholders and savers make a considerable investment into the credit union. The following inputs have been allocated to this group: investment income of €248,900; tangible assets of €84,018, commissions of €6,091 and entrance fees of €646. These totalled €339,655.

#### Outputs

14,525 in receipt of day-to-day 'banking' and saving services.

#### Outcome

More disposable income from savings insurance.

#### Indicator and source

Savings insurance pay-outs deduced from NBCU data.

#### Number of people experiencing the outcome

The only people who had a direct increase in their income were the 49 recipients of life savings insurance pay-outs, who as indicated previously are also assumed to be NBCU members. It is important to note, however, that everyone is entitled to pay-outs under this policy<sup>148</sup> and could potentially benefit in this way.

#### Amount of change experienced

A very welcome payment at a time of grief to persons nominated by members.

### Duration

These are once-off payments so no more than one year is allowed for.

### Outcome starts

The timing of insurance pay-outs depends on when the member passed away and may take place either in the year of the activity or in the year following the activity: the former has been selected.

### Weighting

1.

### Valuation approach

Financial valuation.

### Monetary valuation

Pay-outs totalled €93,579, which equates to an average pay-out per nominee of €1,910.

### Deadweight

In the absence of NBCU, most people could have accessed financial services elsewhere. Indeed, 59% of survey respondents indicated that they used alternative providers. However, this should be interpreted against the 97% of respondents who said that NBCU helped them to manage their money well and also against the critique of many of these alternative providers. Life savings insurance of this kind is specifically designed for credit union members, with no ready equivalent available elsewhere in Ireland. Even though pay-outs from this policy are the primary outcome in this regard, it is arguably wisest to retain the figure of 59% for deadweight.

### Displacement

By saving with NBCU, business was arguably taken away from other providers. However, other providers operate in an open market place where they are able to compete for custom. No displacement figure has thus been included.

### Attribution

As the increase in disposable income can be fully attributed to NBCU, no attribution deduction needs to be made.

### Drop-off

As the duration of the outcome is only one year, no drop-off applies.

### Impact

€38,372.

## **Borrowers (outcome 1: loans cleared by loan insurance)**

### Total number in group

NBCU records show that there were 2,481 individual borrowers by year end.

### Inputs

Not applicable here as captured under the next two outcomes for this stakeholder group.

### Outputs

At 2,577, the number of loans is greater than the number of borrowers as 92 members had two loans and two members had three loans.

### Outcome

Loans cleared by loan insurance (that is, more disposable income).

### Indicator and source

Loan insurance data from NBCU.

### Number of people experiencing the outcome

11 members had their loan balance cleared on permanent disability or death. It is important to note, however, that everyone is entitled to this under this policy <sup>149</sup> and could potentially benefit in this way.

### Amount of change experienced

A very comforting practical development for members and their loved ones at a time of stress or grief.

### Duration

These are once-off transactions so no more than one year is allowed for.

### Outcome starts

The timing of insurance transaction depends on when the member became disabled or passed away and may take place either in the year of the activity or in the year following the activity: the former has been selected.

### Weighting

1.

### Valuation approach

Financial valuation.

### Monetary valuation

An average of €9,386 per member.

### Deadweight

Members may have life cover elsewhere but payments under any such policies would not affect any payments made by NBCU. No deadweight is therefore provided for.

### Displacement

No displacement was identified.

### Attribution

No attribution was identified.

### Drop-off

As the duration of the outcome is only one year, no drop-off applies.

### Impact

€103,246.

## **Borrowers (outcome 2: more disposable income for coping borrowers)**

### Total number in group

2,462 (the total number of individual borrowers minus the number of vulnerable borrowers).

### Inputs

The total amount invested by this group was loan interest of €1,684,124 (€1,704,708 minus It Makes Sense loan interest of €1,582 and community loan interest of €19,002).

### Outputs

2,558 general loans (the total number of loans issued to individual borrowers minus the number of It Makes Sense loans).

### Outcome

More disposable income for coping borrowers.

### Indicator and source

Disposable income available to members in this category who are keeping up their loan payments as deduced from NBCU records.

### Number of people experiencing the outcome

2,462.

### Amount of change experienced

Money to enable members to achieve the standard of living that they want or need. This is dependent on the size of the loan taken out and the stage of repayment.

### Duration

The duration depends on the length of the loan term outstanding. The average length remaining is three <sup>150</sup> to five <sup>151</sup> years, so a duration of four years has been selected.

### Outcome starts

After the period of activity.

### Weighting

1.

### Valuation approach

'Financial comfort' is regularly used as a proxy. This was valued at £8,917 in the UK in 2011 <sup>152</sup>. Taking into account inflation <sup>153</sup> and converting to euro <sup>154</sup> today's equivalent value would be €18,149. This was considered for use, but ultimately a financial valuation was opted for.

### Monetary valuation

The average outstanding loan balance for members in this category is used (€9,195), on the basis that is this that is disposable income that the member values because it adds to their standard of living.

### Deadweight

Members could of course have borrowed money from elsewhere and the survey results indicated that one-fifth did. However, this effect should not be overestimated. The research showed that some did not comfortable going to a bank, some believed more banks would be leaving the town of Loughrea, some would not have been eligible for credit elsewhere, and some would have been charged higher rates of interest. A deadweight figure of 20% nonetheless seems appropriate.

### Displacement

By borrowing with NBCU, business was arguably taken away from other providers. However, other providers operate in an open market place where they are able to compete for custom. No displacement figure has thus been included.

### Attribution

None applied as the outcome only relates to the benefit being delivered by NBCU.

### 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. On the above assumption that the outcome lasts for four years, drop-off of 25% has been assumed.

### Impact

€18,110,472.

## **Borrowers (outcome 3: more disposable income for vulnerable borrowers)**

### Total number in group

19.

### Inputs

It Makes Sense loans interest of €1,582.

### Outputs

19 It Makes Sense loans.

### Outcome

More disposable income for vulnerable borrowers.

#### Indicator and source

Amount of disposable income available to members in this category who are keeping up their loan payments as deduced from NBCU records and costs avoided by having access to affordable credit, as estimated from external data.

#### Number of people experiencing the outcome

19.

#### Amount of change experienced

By definition, the amounts of money involved in personal micro-credit loans are small. However, the very fact that credit was made available to these vulnerable borrowers plus the cost savings resulting from not having to go to higher interest providers were significant for these borrowers in terms of achieving the standard of living that they want or need.

#### Duration

The average length remaining is less than one year, so a duration of one year has been selected.

#### Outcome starts

After the period of activity.

#### Weighting

1.

#### Valuation approach

Financial valuation.

#### Monetary valuation

Users of the It Makes Sense loan owed an average of €466 by year end. In line with coping borrowers, the value of the loan is worth at least this much to them. However, as vulnerable borrowers, in addition, the costs avoided by having access to affordable credit should be accounted for. NBCU charges them interest on that loan at a rate of 12.68% APR, which would result in a total bill of €496 for a 12 month period, of which €30 would be interest. Staff knowledge highlights that most would have used moneylenders – registered or illegal – for similar loans in the past. Rates charged by registered moneylenders vary from 24.8% APR to a staggering 253% APR (including collection charges)<sup>155 156 157</sup>. Illegal money lenders may charge even higher rates of interest. It is difficult, therefore, to conclude what the cost savings for these borrowers might have been. If one uses the lowest APR for lending the same amount, the resulting bill would be €525, of which €59 would be interest, but this rises steeply to amounts well into the hundreds of euro if higher APRs are used. It can therefore be said that the yearly financial benefit to this group of borrowers is worth at least €29 to each of them in a year, but it likely would be considerably higher. A ballpark figure of €100 has been employed. The total is thus €566.

#### Deadweight

Research<sup>158</sup> has found that some people will use both credit union services as well as the services of moneylenders and indeed, at least one survey respondent said that they had additionally borrowed from a money lender. A rate of 10% deadweight has been estimated.

### Displacement

As vulnerable borrowers have so few credit options available to them, it would seem that it is not necessary to consider any displacement from other providers.

### Attribution

As the increase in disposable income can be fully attributed to NBCU, no attribution deduction needs to be made.

### Drop-off

As the duration of the outcome is only one year, no drop-off applies.

### Impact

€9,679.

## **Unsuccessful loan applicants/defaulters (outcome: less disposable income)**

### Total number in group

This group comprises: people who only had the loans they applied for partly approved (31); people who had their loan applications refused entirely (146); people who at year end were in arrears by more than 9 weeks (100); and members who had had their accounts written off (5)<sup>159</sup>. It is possible that there may be some overlap between these categories, but this has not been allowed for. Consideration was given to including those members whose bad was recovered during the year, but ultimately it was decided that these would be accounted for under coping borrowers. The total number is thus 282.

### Inputs

Not applicable.

### Outputs

31 part refusals, 146 refusals, 100 bad debt, 5 write-offs.

### Outcome

Less disposable income.

### Indicator and source

Loss of potential income deduced from NBCU data.

### Number of people experiencing the outcome

282.

### Amount of change experienced

The change in this instance is members struggling to access to credit to enable them to achieve the standard of living that they want or need. From what we know about people in financial crisis<sup>160</sup>, the effect is expected to be notable. The exact amount of change varied member to member, depending on their particular borrowing status.

### Duration

This negative outcome will remain 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.

### Outcome starts

During the period of activity.

### Weighting

1 (inverse).

### Valuation approach

Financial valuation.

### Monetary valuation

It could be argued that the simplest way of valuing this outcome would be to use the inverse of the increase in disposable income that was available to those who successfully borrowed from NBCU. However, more nuanced and accurate data were in fact available for this stakeholder group and it is these that were put to use. For those members who only had part of their requested loan approved, the difference between what they asked for and what received was €418,475. The value for loan applications made but refused was €1,500,000. Arrears of nine weeks or more were to the value of €372,493. Write-offs accounted for €3,576. The total was €2,994,544 or an average of €8,137 per person.

### Deadweight

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, or if members cannot keep up the affordable loan repayments offered, 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 allowed 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. In the absence of accurate data, an estimate of 50% has been made.

### Drop-off

As per the rationale provided under duration, no drop-off has been identified.

### Impact

-€1,089,951.



## **Prize/bursary winners (outcome: more disposable income)**

### Total number in group

The total number of entrants to the various NBCU draws and competitions is not known. It is known, however, that 641 members entered the biannual cash draw, so the absolute minimum number is 641. The total number is likely to be much higher, although there will be an overlap between those who entered the paid draw and free draws and competitions. An estimate of 1,000 has been used.

### Inputs

Entrants to the cash draw invested €15,384. Other entrants did not invest directly.

### Outputs

One bursary draw, two cash draws and 14 other draws and competitions.

### Outcome

More disposable income from draws.

### Indicator and source

The value of winnings deduced from NBCU records.

### Number of people experiencing the outcome

46 winners.

### Amount of change experienced

An unexpected bonus, varying in size.

### Duration

The outcome is immediate and has no longer-term effects.

### Outcome starts

Period of activity.

### Weighting

1.

### Valuation approach

Financial valuation.

### Monetary valuation

The value of the total winnings was €19,045 and the average prize was €414.

### Deadweight

Certainly other draws, competitions and bursary award schemes exist. But winning a prize draw from NBCU in no way precludes members from entering other such draws, so no deadweight is allowed for.

#### Displacement

No displacement was identified.

#### Attribution

As the increase in disposable income can be fully attributed to NBCU, no attribution deduction needs to be made.

#### Drop-off

As the duration of the outcome is only one year, no drop-off applies.

#### Impact

€19,044.

### **Volunteers (outcome: satisfaction with voluntary activity)**

#### Total number in group

13.

#### Inputs

Time valued at €18,720.

#### Outputs

Functioning of the NBCU Board and Committees.

#### Outcome

Satisfaction with voluntary activity.

#### Indicator and source

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

#### Number of people experiencing the outcome

13.

#### Amount of change experienced

Whilst this will vary somewhat from individual to individual, the regularity and consistency with which NBCU's volunteers give of their time means that it is appropriate to infer average satisfaction levels amongst them <sup>161</sup>.

#### Duration

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.

#### Outcome starts

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

## Weighting

2.

## Valuation approach

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 UK government research explored the pros and cons of various approaches and concluded that the subjective wellbeing approach was the least problematic and most meaningful <sup>162</sup>. As this is an additional benefit arising within NBCU to only a small subgroup of its overall membership, it would seem acceptable to incorporate this extra valuation technique into the study.

## Monetary valuation

Using 2011 data from the UK, the annual value of volunteering frequently to the volunteer was calculated as £11,300. Allowing for inflation <sup>163</sup>, this figure can be increased to £14,084, which at year end equated to €17,222 per annum <sup>164</sup>. However, more recent work in that jurisdiction values regular volunteering at an arguably more reasonable £3,249 per year to the volunteer <sup>165</sup>, or £3,665 if inflation is allowed for <sup>166</sup>, which at year end equated to €4,264 <sup>167</sup>.

## Deadweight

Could the relative benefits garnered from doing voluntary work at NBCU 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. The deadweight rate of 19% recommended for this value by its authors has nonetheless 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 their decision to volunteer is entirely discretionary and displacement should thus not be considered.

## Attribution

Recent research <sup>168</sup> revealed that 23% of credit union Directors hold additional Directorships in other organisations. Two-thirds of the focus group attendees indicated that they were also involved with other community organisations at the same time as volunteering with NBCU. As not all volunteers were consulted individually, a midway attribution figure of 50% has been assumed.

## 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

€22,450.

## **Clubs and charities (outcome 1: more disposable income from club accounts)**

### Total number in group

149 club account holders.

### Inputs

There are no costs associated with having a club account, with the exception of cheque transactions. As most cheque transactions are generated by these groups, the full amount of cheque fees paid (€3,221) has been allocated to this group. Some of these should more accurately have been allocated to members/shareholders, but as the amounts involved are relatively small and as it does not affect the overall total of resources invested, this is deemed acceptable.

### Outputs

149 club accounts.

### Outcome

More disposable income from having club accounts.

### Indicator and source

Desk research to estimate of cost savings from having a club account instead of an account with an alternative financial provider.

### Number of people experiencing the outcome

149 clubs/charities. Although these groups comprise members and have beneficiaries, the knock-on effects on these individuals are not considered here.

### Amount of change experienced

Relatively limited: average cost saving of €72 per group per year.

### Duration

The outcome only lasts for as long as the organisations continue to hold their club account so only one year has been allowed for.

### Outcome starts

In the period of activity.

### Weighting

1.

### Valuation approach

Financial valuation.

### Monetary valuation

The monetary valuation is direct costs avoided by having a credit union account instead of an account with an alternative local provider. In the absence of detailed information about each organisation's financial affairs, the costs have had to be estimated. An assumption is made that an average group will require c. 100 day-to-day transactions in a year. Research <sup>169</sup> <sup>170</sup> shows that the other providers in Loughrea would levy somewhere in the region of €48 <sup>171</sup>, €72 <sup>172</sup> and €115 <sup>173</sup> in account and transaction fees per year. The median figure of €72 has been selected.

### Deadweight

The above description shows that alternatives are available to the groups operating in Loughrea and a minority of those representing such groups in the consultation process confirmed that they held accounts elsewhere. It would seem appropriate to use the same deadweight figure of 20% that was used in the aforementioned SROI study of Donore Credit Union.

### Displacement

As stated previously, it could be argued that NBCU is 'taking away businesses' from these 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 <sup>174</sup>. 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 <sup>175</sup>. In the absence of accurate data, a displacement figure of 20% has nonetheless been allowed.

### Attribution

None identified.

### Drop-off

None identified.

### Impact

€6,866.

## **Clubs and charities (outcome 2: more disposable income from community loans)**

### Total number in group

The total number of groups availing of the community loan fluctuates throughout the year, especially as some are short-term and therefore paid off quickly. The figure of 9 has been selected, both to indicate an average and because it is the end of year figure that is used to make the calculations below.

### Inputs

€19,002 loan interest paid.

### Outputs

9 community loans.

### Outcome

More disposable income.

#### Indicator and source

The amount of disposable income available to organisations in this category who are keeping up their loan payments, as deduced from NBCU records.

#### Number of people experiencing the outcome

9 clubs/charities. Although these groups comprise members and have beneficiaries, the knock-on effects on these individuals are not considered here.

#### Amount of change experienced

Significant organisational and community development enabled by loans.

#### Duration

The outcome lasts for the remaining loan term. The average length remaining is seven <sup>176</sup> to eight <sup>177</sup> years, so the maximum length has been allowed for.

#### Outcome starts

After the period of activity.

#### Weighting

1.

#### Valuation approach

Financial valuation.

#### Monetary valuation

The average outstanding loan balance at year end was €41,364 per organisation.

#### Deadweight

There are other providers of loan finance for community-based organisations, including commercial banks, micro-finance providers (Microfinance Ireland <sup>178</sup>) and social finance providers (Community Finance Ireland <sup>179</sup> and Clann Credo <sup>180</sup>). Indeed, some of the interviewees in the first consultation phase noted that they had enquired about loans from different players on the market. In some instances this had resulted in loans at an acceptable rate of interest being approved, but in others the experience was very negative. In line with coping borrowers, deadweight of 20% has been estimated.

#### Displacement

Again, it could be argued that NBCU is 'taking away businesses' from other providers. This is of no real concern in relation to the large commercial banks, but could potentially be said to be true for micro- or social finance providers <sup>181</sup>. However, such competition should in no way be overstated, not least because these organisations have similar goals as NBCU. In the absence of accurate data, a figure of 20% displacement has nonetheless been allowed.

#### Attribution

None identified. This is because the value of the outcome has been limited to borrowers' outstanding loan balance with NBCU only, and not their financial affairs more generally.

#### 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% in line with the expected duration of the outcome has been used.

#### Impact

€238,257.

### **Clubs and charities (outcome 3: more disposable income from donations)**

#### Total number in group

22.

#### Inputs

None.

#### Outputs

Donations to 22 clubs and charities.

#### Outcome

More disposable income from donations.

#### Indicator and source

The value of donations deduced from NCBU records.

#### Number of people experiencing the outcome

22 clubs/charities. Although these groups comprise members and have beneficiaries, the knock-on effects on these individuals are not considered here.

#### Amount of change experienced

Welcome funding to enable improved day-to-day functioning.

#### Duration

Due to the relatively modest nature of most 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).

#### Outcome starts

During the period of activity.

#### Weighting

1.

#### Valuation approach

Financial valuation.

#### Monetary valuation

€25,165 total fund resulting in an average donation was just over €1,144 per club/charity. This obscures the fact that one of these grants was substantially bigger than the rest, but does not affect the overall value.

#### Deadweight

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

#### Displacement

No displacement was identified.

#### Attribution

Although other donors do contribute to the overall income of each club/charity, as the value of the outcome is limited to the contribution made by NBCU, no attribution has been allowed for.

#### Drop-off

As the duration of the outcome is only one year, no drop-off applies.

#### Impact

€25,168.



## Appendix 6: Sensitivity analysis

### Why a sensitivity analysis?

SROI studies must not overclaim. After establishing the ratio of 19.69 : 1 (net ratio 18.69 : 1), it was tested for sensitivity, assessing the extent to which it would change if the many assumptions made earlier in the process had been different.

### Inputs

The financial inputs are quite clear-cut; volunteer time less so. However, entirely getting rid of the time input of volunteers merely raises the ratio to 19.87 : 1 and doubling it only slightly lowers it to 19.52 : 1.

### Outcomes

One could argue that the subjective wellbeing of volunteers should not be included into a social value account that is otherwise dominated by financial valuations. If the value relating to the benefits of volunteering is omitted, the ratio only drops to 19.67 : 1, however.

### Length of accountability period

The length of the accountability period ranges from one to six years, depending on the outcome. Most are restricted to one year only. 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 relatively little – only varying to between 19.45 : 1 to 22.06 : 1. The only exception to this is the outcome of more disposable income for coping borrowers, which plummets to a ratio of 5.99 : 1 if only one year is taken into consideration. If the length of all outcomes is restricted to one year only at the same time, the emerging ratio is 8.10 : 1.

### Number of people affected

In almost all cases, the number of people or organisations affected was well-defined. The calculations are most sensitive to the number of coping borrowers. Once this drops to 269, the ratio reaches zero.

### Proxy values

Most the values used were monetary ones, albeit sometimes estimated using the best available evidence. Relative certainty can be expressed about most of these, although it is worth further testing the one relating to disposable income for coping borrowers because of its very high overall impact value. If the amount of disposable income is halved, the ratio drops very significantly to 8.64 : 1.

The one subjective wellbeing valuation, sourced from the Social Value Bank in the UK <sup>182</sup>, was also tested for sensitivity. If the value of the regular volunteering proxy is halved, the ratio only goes down to 19.68 : 1. If it is removed altogether, the outcome would of course no longer be material but the ratio would remain almost the same, namely: 19.67 : 1.

### **Deadweight, displacement, attribution and drop-off**

Initial rates varied from 0% to 59%. Stress-testing each of the outcomes, one by one, up to unrealistic levels of 95% did very little to change the ratios, with positive outcomes resulting in a range of 19.34 : 1 to 20.19 : 1 and the negative outcome for unsuccessful borrowers resulting in a range of 22.00 : 1 to 22.41 : 1. The one notable exception is the outcome relating to the increased income for coping borrowers. If a 95% drop-off rate is applied the ratio goes down to 6.83 : 1. By the time 92% deadweight or 89% displacement or 89% attribution are applied, the ratio drops below zero, again demonstrating that this is the most sensitive of the outcomes in the entire study.

### **Discussion**

Careful consideration was given to the values used in this report and a conservative approach to valuation was adopted. Additionally, these cautious values have now been stress-tested in this sensitivity analysis, up to a very unrealistic degree. The initial ratio remained largely consistent during this process and we can therefore be relatively confident about most of the values that were used. However, the very high return on investment appears to be hinged largely on loans for coping borrowers, and if the parameters of the metrics for this had been different, a considerably lower ratio would be in place. There is thus a need to be very prudent in the claims that are made about the social return of NBCU.

## End notes

- <sup>1</sup> There are various spellings of the credit union's name
- <sup>2</sup> Full details can be found in the most recent set of accounts for the period ending September 2021 <https://www.naomhbrendancu.ie/images/library/documents/12012022-121119.pdf>
- <sup>3</sup> It was originally known as the Credit Union League of Ireland
- <sup>4</sup> Entry from a Loughrea child to a short story competition late 2021
- <sup>5</sup> Olive McCarthy, 2020, *Credit Union Social Impact Measurement and Reporting: Realising the Potential*, Centre for Community Finance Europe [https://www.researchgate.net/publication/345762685\\_Social\\_Impact\\_Measurement\\_and\\_Reporting\\_for\\_Credit\\_Unions\\_Realising\\_the\\_Potential](https://www.researchgate.net/publication/345762685_Social_Impact_Measurement_and_Reporting_for_Credit_Unions_Realising_the_Potential)
- <sup>6</sup> World Council of Credit Unions, 2021, *Statistical Report 2020* [https://www.woccu.org/documents/2020\\_Statistical\\_Report](https://www.woccu.org/documents/2020_Statistical_Report)
- <sup>7</sup> Central Bank of Ireland, 2021, *Explainer: What is 'fintech'; and how is it changing financial products?* <https://www.centralbank.ie/consumer-hub/explainers/what-is-fintech-and-how-is-it-changing-financial-products>
- <sup>8</sup> Olive McCarthy, 2002, A values perspective of the Irish credit union movement, *Journal of Co-operative Studies*, 35, 2 (105), pp. 128-140 <https://www.ucc.ie/en/media/research/centreforco-operativestudies/docs/AValuesPerspectiveoftheIrishCreditUnionMovement.pdf>
- <sup>9</sup> 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://swobodacentre.org/wp-content/uploads/2020/07/201711\\_CFCFE001\\_Irish\\_Credit\\_Union\\_Business\\_Model.pdf](https://swobodacentre.org/wp-content/uploads/2020/07/201711_CFCFE001_Irish_Credit_Union_Business_Model.pdf)
- <sup>10</sup> Ed Mayo, 2020, *Credit Union Values: Five steps to a co-operative culture*, Centre for Community Finance Europe in collaboration with Liverpool John Moores University <https://www.cfcfe.eu/wp-content/uploads/2019/02/CFCFE-Mayo-on-Credit-Union-Values-January-2020-final.pdf>
- <sup>11</sup> The Reputations Agency, 2018, *Ireland Sponsorship: RepTrak 2018 – Best in class?* <https://thereputationsagency.ie/reptrak/reports/2018/10/16/ireland-reprtrak-sponsorship-report-2018>
- <sup>12</sup> ILCU, 2021, *RepTrak 2021 Study Finds Credit Unions Are Ireland's Most Respected Provider Of Financial Services* <https://www.creditunion.ie/news/latest-news/reptrak-2021-study-finds-credit-unions>
- <sup>13</sup> ILCU, 2021, *Credit unions Maintain Top Spot for Best Customer Experience for Seventh Year in a Row* <https://www.creditunion.ie/news/latest-news/credit-unions-maintain-top-spot-for-best-customer>
- <sup>14</sup> Noreen Byrne, Olive McCarthy & Mary O'Shaughnessy, 2004, *A Study of Volunteerism in Irish Credit Unions and Social Enterprises* <https://www.ucc.ie/en/ccs/publications/currentandpastpublications/studyofvolunteerism>
- <sup>15</sup> Noreen Byrne, Olive McCarthy & Michael Ward, 2007, Money-lending and financial exclusion, *Public Money and Management*, 27 (1), pp. 45-52 <https://www.tandfonline.com/doi/abs/10.1111/j.1467-9302.2007.00554.x>
- <sup>16</sup> 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](https://www.researchgate.net/publication/234115648_Credit_union_restructuring_don't_forget_the_member)
- <sup>17</sup> 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](https://www.researchgate.net/publication/259061054_Credit_unions_and_community_in_Ireland_towards_optimising_the_principle_of_social_responsibility)
- <sup>18</sup> 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>
- <sup>19</sup> Olive McCarthy, 2020, *Credit Union Social Impact Measurement and Reporting: Realising the potential*, Centre for Community Finance Europe [https://www.researchgate.net/publication/345762685\\_Social\\_Impact\\_Measurement\\_and\\_Reporting\\_for\\_Credit\\_Unions\\_Realising\\_the\\_Potential](https://www.researchgate.net/publication/345762685_Social_Impact_Measurement_and_Reporting_for_Credit_Unions_Realising_the_Potential)
- <sup>20</sup> Olive McCarthy, 2021, Social impact measurement and reporting for Irish credit unions, *International Journal of Co-Operative Accounting and Management*, 4 (2), pp. 4-16 [https://www.researchgate.net/publication/355184653\\_Social\\_impact\\_measurement\\_and\\_reporting\\_for\\_Irish\\_credit\\_unions\\_International\\_Journal\\_of\\_Co-operative\\_Accounting\\_and\\_Management/link/61d429cfd45006081689b3b7/download](https://www.researchgate.net/publication/355184653_Social_impact_measurement_and_reporting_for_Irish_credit_unions_International_Journal_of_Co-operative_Accounting_and_Management/link/61d429cfd45006081689b3b7/download)
- <sup>21</sup> Peter Cleary, Martin Quinn & Martijn van der Steen, 2022, *Social Value Reporting: Rebalancing legitimacy in credit unions*, Swoboda Research Centre
- <sup>22</sup> Pat McGinn, Nick Money & Paul Jones, 2019, *The Credit Union Difference: How to measure and report it – a guide to the toolkit*, Small Change, Centre for Community Finance Europe & Research Unit for Financial Inclusion [https://www.cfcfe.eu/the\\_credit\\_union\\_difference](https://www.cfcfe.eu/the_credit_union_difference)
- <sup>23</sup> Vancity in Vancouver, Canada publishes *Accountability Statements* as part of its annual reporting [https://www.vancity.com/AboutVancity/GovernanceAndLeadership/OurReports/?xcid=about\\_megamenu\\_annual](https://www.vancity.com/AboutVancity/GovernanceAndLeadership/OurReports/?xcid=about_megamenu_annual)
- <sup>24</sup> A credit union based in Bolton, England recently published *The Owl Effect: Measuring the social impact of Hoot Credit Union* <https://www.wisewithmoney.org.uk/wp-content/uploads/sites/13/2020/10/The-Owl-Effect-Measuring-the-impact-of-Hoot-Credit-Union.pdf>
- <sup>25</sup> Similarly, the Hull and East Yorkshire Credit Union in England published its first *Social Impact Report* in 2020 <https://www.hullandeycu.co.uk/images/slider/social-impact-report-2020.pdf>
- <sup>26</sup> Toynbee Hall, 2018, *MAP Tool Frequently Asked Questions* <https://www.toynbeehall.org.uk/other-projects/financial-health/map-tool/map-tool-faqs>
- <sup>27</sup> Sandra Velthuis, 2020, *A Social Dividend, Not Just A Financial One: A SROI study of Donore Credit Union* <https://socialvalueuk.org/wp-content/uploads/2020/08/Donore-CU-Social-Dividend-FULL-REPORT-96plus-Covers-Final.pdf>
- <sup>28</sup> Natasha Jolob, 2020, *SROI Evaluation Clockwise Credit Union* <https://socialvalueuk.org/wp-content/uploads/2020/08/SROI-Final-Report-Assured-12Aug20.pdf>
- <sup>29</sup> Natasha Jolob, 2020, *SROI Evaluation Clockwise Credit Union: Summary report* [https://www.clockwise.coop/wp-content/uploads/2020/10/Social-Return-on-Investment-Evaluation-Summary-Report\\_web.pdf](https://www.clockwise.coop/wp-content/uploads/2020/10/Social-Return-on-Investment-Evaluation-Summary-Report_web.pdf)

- <sup>30</sup> <https://www.newingtoncreditunion.co.uk>
- <sup>31</sup> NBCU, 2020, *Strategic Plan 2020-2024*
- <sup>32</sup> <https://socialvalueint.org/social-value/standards-and-guidance/the-principles-of-social-value>
- <sup>33</sup> <https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f059956bdd402ae100fdf7/1626364326249/Standard-for-applying-Principle-4.pdf>
- <sup>34</sup> Social Research Association, 2021, *Research Ethics Guidance* <https://the-sra.org.uk/common/Uploaded%20files/Resources/SRA%20Research%20Ethics%20guidance%202021.pdf>
- <sup>35</sup> <https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f058babaa9e46167496599/1626364102534/Standard-for-applying-Principle-1.pdf>
- <sup>36</sup> <https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f05a22bb93af6acac3d9f7/1626364452343/Standard-for-applying-Principle-2-.pdf>
- <sup>37</sup> All completed entries were entered into a prize draw for 5 x €50 worth of vouchers from local shops
- <sup>38</sup> The prize draw survey was deliberately kept separate from the main survey so as to ensure complete anonymity
- <sup>39</sup> <https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f0595f5ab2ef6cb3ed3116/1626364272907/Standard-for-applying-Principle-3.pdf>
- <sup>40</sup> Social Value International, 2017, *A Discussion Document on the Valuation of Social Outcomes* <https://socialvalueuk.org/wp-content/uploads/2017/09/Valuation-of-Social-Outcomes-pdf-1.pdf>
- <sup>41</sup> Jessica Gordon Nembhard & Lou Hammond Ketilson, 'Identifying the appropriate indicators to measure the impact of credit unions and other co-operatives on their communities' pp. 180-202 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>
- <sup>42</sup> Good Finance, *Outcomes Matrix: Income and Financial Inclusion* <https://www.goodfinance.org.uk/measuring-social-impact/outcomes-matrix>
- <sup>43</sup> HACT & Daniel Fujiwara, 2018, *Community Investment Values from the Social Value Bank*, [www.socialvaluebank.org](http://www.socialvaluebank.org) (License: [http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en\\_GB](http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB))
- <sup>44</sup> The ILCU has been progressing work on what it terms 'social pearls' and these were also taken into consideration
- <sup>45</sup> This is sometimes referred to as the 'counterfactual'
- <sup>46</sup> Martin Shuttleworth, 2019, *Research Bias* <https://explorable.com/research-bias>
- <sup>47</sup> The SROI Network, 2012, *A Guide to SROI* <https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f7fa286b9c6a47815bc3b2/1626864196998/The-SROI-Guide-2012.pdf>
- <sup>48</sup> <https://www.irishstatutebook.ie/eli/1997/act/15/enacted/en/html>
- <sup>49</sup> <https://www.cso.ie/en/census/census2016reports/census2016smallareapopulationstatistics>
- <sup>50</sup> <https://www.census.ie/about-census-2022>
- <sup>51</sup> <https://maps.pobal.ie/WebApps/DeprivationIndices/index.html>
- <sup>52</sup> <https://www.nsai.ie/certification/management-systems/iso-iec-27001-information-security-management-system>
- <sup>53</sup> <https://www.nga.com/en-us/certification/standards/iso-27701>
- <sup>54</sup> <https://www.nsai.ie/certification/management-systems/iso-9001-quality-management>
- <sup>55</sup> <https://www.facebook.com/naomhbreandancu/videos/149465380474779>
- <sup>56</sup> Charlie Boyle, 2021, *The Brendan Voyage: Navigating through change*, Customer Experience Excellence Ireland <https://www.cseireland.ie/the-brendan-voyage-blog>
- <sup>57</sup> <https://1872culture.com>
- <sup>58</sup> This is done in partnership with Gort and Ballinasloe Credit Unions – newsletters are distributed to 36,000 households
- <sup>59</sup> <https://www.facebook.com/donorecu>
- <sup>60</sup> <https://www.instagram.com/naomhbreandancu>
- <sup>61</sup> <https://www.linkedin.com/company/naomh-breandain-credit-union-limited>
- <sup>62</sup> <https://twitter.com/naomhbreandancu>
- <sup>63</sup> <https://www.youtube.com/channel/UC3SjP05vNYAu4du8k5S6gfw>
- <sup>64</sup> <https://www.loughreacommunityradio.com>
- <sup>65</sup> <https://mycu.ie>
- <sup>66</sup> <https://www.naomhbreandancu.ie/debitcards>
- <sup>67</sup> <https://www.naomhbreandancu.ie/images/library/documents/04072017-094946.pdf>
- <sup>68</sup> With the exception of community loans dealt with later, all NBCU loans are personal loans. Some might be put towards business use (especially for farmers), but if so, these are normally sole traders, not companies.
- <sup>69</sup> NBCU uses of this tool to aid its decision-making processes: <https://www.graphicalfinancialanalysis.com>
- <sup>70</sup> 'It Makes Sense' is a personal microcredit loan targeted at adults in receipt of social protection payments who might otherwise use the services of a moneylender; it is offered by more than 100 credit unions around the country <https://itmakesenseloan.ie/participating-credit-unions>
- <sup>71</sup> The 10.5% rate was put in place in 2017, but some borrowers are still paying at the old rate
- <sup>72</sup> Mortgages are offered for primary residences only, ordinarily at 3.5 times the gross salary of applicants with a loan to value ratio of 90%. Eligible single applicants may borrow a total of €100,000, and this is increased to €160,000 for joint applicants. The main target market for these loans is those who wish to purchase their local authority dwelling via Galway County Council's Tenant Incremental Purchase Scheme <https://www.galway.ie/en/services/housing/loans/purchase>
- <sup>73</sup> This is part of a broader national offering for Ireland's farming community <https://cultivate-cu.ie>. Note that the lower rate is for secured Cultivate loans.
- <sup>74</sup> This replaces a previous NBCU green loan offering called the ProEnergy Homes Scheme, which it offered in conjunction with three other Co. Galway-based credit unions. CU Greener Homes is a national initiative that also includes the provision of grants and a construction/retrofitting service, with interest rates varying depending on the eventual Building Energy Rating achieved <https://cugreenerhomes.ie>
- <sup>75</sup> <https://www.naomhbreandancu.ie/Savings-Card>

---

<sup>76</sup> <https://www.creditunion.ie/news/schools-quiz>

<sup>77</sup> <https://www.creditunion.ie/news/art-competition>

<sup>78</sup> <https://sustainableenergywest.ie>

<sup>79</sup> <https://www2.deloitte.com/ie/en/pages/financial-services/articles/fs-innovation-awards.html>

<sup>80</sup> <https://galwaybayfm.ie/galway-bay-fm-news-desk/step-forward-for-multi-million-euro-loughrea-town-hall-refurbishment-project>

<sup>81</sup> <https://www.seancanney.com/further-progress-for-loughrea-town-hall-regeneration-project>

<sup>82</sup> <https://www.qortcu.ie>

<sup>83</sup> <https://ballinasloecreditunion.ie>

<sup>84</sup> <https://swobodacentre.org/join-cfcfe/#members>

<sup>85</sup> <https://www.cuda.ie> – note that NBCU ceased its membership during the year

<sup>86</sup> <https://www.cuma.ie>

<sup>87</sup> <https://cusop.ie/cusop-locations>

<sup>88</sup> <https://cuceoforum.ie/steering-group>

<sup>89</sup> The treatment of these differs from that in the Donore Credit Union study previously alluded to. Subsequent consideration of this matter means that the approach adopted here is now deemed preferable.

<sup>90</sup> 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>

<sup>91</sup> The full complement is 11 but there has been a vacancy for some time

<sup>92</sup> For a critique of using paid salary equivalents to value volunteering, see Jayne Cravens, *The Value of Volunteers* <http://www.covotecommunications.com/volunteer/value.shtml> but note that outcomes-based valuation is used later in the social value account to counter any such criticism

<sup>93</sup> This ranged from €7.14-€10.20 per hour depending on age: Workplace Relations Commission, 2021, *National Minimum Wage* [https://www.workplacerelations.ie/en/what\\_you\\_should\\_know/hours-and-wages/national%20minimum%20wage](https://www.workplacerelations.ie/en/what_you_should_know/hours-and-wages/national%20minimum%20wage)

<sup>94</sup> These averaged €64,288 in 2020 according to the *Board Governance: International Comparison Chart* prepared by SpencerStuart <https://www.spencerstuart.com/research-and-insight/international-comparison-chart>

<sup>95</sup> Average hourly earnings in the financial, insurance and real estate sector in the third quarter of 2019 were €33.29 – Central Statistics Office, 2021, *Earnings and Labour Costs Quarterly: Q2 (Final) Q3 2 (Preliminary Estimates)* <https://www.cso.ie/en/releasesandpublications/er/elcq/earningsandlabourcostsq22021finalq32021preliminaryestimates>

<sup>96</sup> Total salaries for year were €351,613. The whole-time equivalent staff team comprised 10 and a whole-time week comprised 39 hours. The mean hourly rate was therefore €17.38.

<sup>97</sup> The audited accounts state the figure as €9,960

<sup>98</sup> 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>

<sup>99</sup> <https://fourdayweek.ie>

<sup>100</sup> Bernie Ward & Julie Lewis, 2002, *Plugging the Leaks: Making the most of every pound that enters your local economy*, New Economics Foundation, Esmée Fairbairn Foundation & Neighbourhood Renewal Unit, UK <https://neweconomics.org/uploads/files/plugging-the-leaks.pdf>

<sup>101</sup> Justin Sacks, 2002, *The Money Trail: Measuring your impact on the local economy using LM3*, New Economics Foundation & The Countryside Agency, UK <https://neweconomics.org/uploads/files/money-trial.pdf>

<sup>102</sup> 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://communityreinvest.org.uk/wp-content/uploads/2014/12/A-Local-Authority-Guide-to-Banking-for-Social-Good.pdf>

<sup>103</sup> Hoot Credit Union, *The Owl Effect: Measuring the social impact of Hoot Credit Union* <https://www.wisewithmoney.org.uk/wp-content/uploads/sites/13/2020/10/The-Owl-Effect-Measuring-the-impact-of-Hoot-Credit-Union.pdf>

<sup>104</sup> <https://www.isme.ie/shop-local> but note that no data sources are provided

<sup>105</sup> <http://www.civiceconomics.com/indie-impact.html>

<sup>106</sup> American Independent Business Alliance, *The Local Multiplier Effect: How independent local businesses help your community thrive* <https://amiba.net/wp-content/uploads/2021/02/The-Local-Multiplier-Effect.pdf>

<sup>107</sup> <https://www.cso.ie/en/census/census2016reports/census2016smallareapopulationstatistics>

<sup>108</sup> Central Statistics Office, 2021, *Survey on Income and Living Conditions 2020* <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020>

<sup>109</sup> Lindsey Appleyard, Sally Dibb & Hussan Aslam, 2020, *Financial capability: Supporting credit union members towards greater financial wellbeing*, Centre for Community Finance Europe in collaboration with Liverpool John Moores University [https://swobodacentre.org/wp-content/uploads/2020/09/202013\\_CFCFE013\\_Members\\_Financial\\_Capability.pdf](https://swobodacentre.org/wp-content/uploads/2020/09/202013_CFCFE013_Members_Financial_Capability.pdf)

<sup>110</sup> 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](https://www.researchgate.net/publication/234115648_Credit_union_restructuring_don't_forget_the_member)

<sup>111</sup> 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>

<sup>112</sup> Kate Kenny, 2019, *What I Learned about Irish Banking Culture from Whistleblowers* <https://www.rte.ie/brainstorm/2019/1021/1084690-irish-banking-culture-whistleblowers>

<sup>113</sup> Qualtrics, 2022, *What is a Good Net Promoter Score?* <https://www.qualtrics.com/uk/experience-management/customer/good-net-promoter-score>

<sup>114</sup> Retently, 2021, *What is a Good Net Promoter Score?* <https://www.retently.com/blog/good-net-promoter-score>

<sup>115</sup> <https://customercentricityworldseries.com/finalists>

<sup>116</sup> The Money Advice Service, 2018, *Developing Financial Capability in Children and Young People: A Review of the Evidence* <https://maps.org.uk/wp-content/uploads/2021/08/developing-fincap-in-cyp-evidence-analysis.pdf>

<sup>117</sup> 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>

- <sup>118</sup> It is assumed all nominees are also NBCU members
- <sup>119</sup> This would have been in line with the aforementioned SROI study of Donore Credit Union
- <sup>120</sup> Central Bank of Ireland, 2021, *Retail Interest Rates - March 2021* <https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/retail-interest-rates/interest-rate-statistics-march-2021.pdf?sfvrsn=4>
- <sup>121</sup> Department of Employment Affairs and Social Protection, 2019, *Press Release: Doherty initiative to encourage more credit unions to offer micro-credit loans* <https://www.gov.ie/en/news/598cc2-doherty-initiative-to-encourage-more-credit-unions-to-offer-micro-cr>
- <sup>122</sup> Amie Lajoie, 2020, *Exploring Household Debt in Ireland: The burden of non-mortgage debt and 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](https://www.tasc.ie/assets/files/pdf/household_dept_report_final_3320.pdf)
- <sup>123</sup> 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](http://www.ucd.ie/geary/static/microloan/Creating_Credit_Not_Debt.pdf)
- <sup>124</sup> Amie Lajoie, 2020, *Exploring Household Debt in Ireland: The burden of non-mortgage debt and 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](https://www.tasc.ie/assets/files/pdf/household_dept_report_final_3320.pdf)
- <sup>125</sup> <https://www.isi.gov.ie>
- <sup>126</sup> Arjun Ravi, 2013, *Fair Finance: SROI forecast* <http://www.socialvalueuk.org/app/uploads/2016/03/fair-finance-social-returnon-investment.pdf>
- <sup>127</sup> 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>
- <sup>128</sup> Noreen Byrne, Olive McCarthy & Mary O'Shaughnessy, 2004, *A Study of Volunteerism in Irish Credit Unions and Social Enterprises* <https://www.ucc.ie/en/ccs/publications/currentandpastpublications/studyofvolunteerism>
- <sup>129</sup> 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)
- <sup>130</sup> Anne Marie Ward & Donal G. McKillop, 2010, Profiling: a strategy for successful volunteer recruitment in credit unions, *Financial Accountability and Management*, 26 (4), pp. 367-391, <https://doi.org/10.1111/j.1468-0408.2010.00506.x>
- <sup>131</sup> 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>
- <sup>132</sup> Credit Union Advisory Committee, 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>
- <sup>133</sup> Joanna Stuart, Daiga Kamerāde, Sara Connolly, Angela Ellis Paine, Geoff Nichols & Jurgen Grotz, 2021, *The Impacts of Volunteering on the Subjective Wellbeing of Volunteers: A rapid evidence assessment*, Voluntary Sector and Volunteering Research Conference, University of East Anglia <https://www.uea.ac.uk/documents/96135/2840373/VSVR+2021+-+Wellbeing+-+slides+.pdf/67961dd3-3faa-d8f2-cdb2-fdc8d0fbd0f2?t=1631520784533>
- <sup>134</sup> Sandra Velthuis set up the Republic of Ireland's national volunteer development agency (now called Volunteer Ireland) in 1997 and ran this for seven years before becoming a freelance consultant
- <sup>135</sup> 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](https://www.academia.edu/3445666/Community_development_and_the_role_of_community_credit_unions_in_Northern_Ireland)
- <sup>136</sup> Elry Armaza, 2020, *Amplifying Social Impact: The state of credit union giving*, Filene Research Institute <https://filene.org/learn-something/reports/amplifying-social-impact-the-state-of-credit-union-giving>
- <sup>137</sup> One of these was for a local community effort that sought to raise money for an individual with cancer using the GoFundMe platform
- <sup>138</sup> <https://www.gov.ie/en/service/d13385-sports-capital-programme>
- <sup>139</sup> <https://www.gov.ie/en/publication/46cecf-leader-programme-funding>
- <sup>140</sup> 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>
- <sup>141</sup> <https://www.loughreafamilyresourcecentre.ie>
- <sup>142</sup> <https://www.creditunion.ie/what-we-offer/loans>
- <sup>143</sup> Centre for Local Economic Strategies & Preston City Council, 2018, *How We Built Community Wealth in Preston: Achievements and lessons* [https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES\\_Preston\\_Document\\_WEB\\_AW.pdf?m=636994067328930000](https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Document_WEB_AW.pdf?m=636994067328930000)
- <sup>144</sup> As per the Credit Union Advisory Committee 'the not-for-profit mandate of credit unions [and] their volunteer ethos and community focus' <https://www.gov.ie/en/publication/92dc08-credit-union-advisory-committee-cuac>
- <sup>145</sup> Although 440 people commenced the survey, only 361 proper responses were received and analysed
- <sup>146</sup> The figures in the 'engaged during phase 2' column correspond with the answers to the relevant survey questions as per Appendix 4, for example, 203 people said they were paying off a NBCU loan which is why the number of borrowers has been listed as 203
- <sup>147</sup> This included online banks
- <sup>148</sup> Terms and conditions apply
- <sup>149</sup> Terms and conditions apply
- <sup>150</sup> Simple average of number of days left on loan term
- <sup>151</sup> Weighted average of number of days left on loan term
- <sup>152</sup> HACT & Daniel Fujiwara, 2018, *Community Investment Values from the Social Value Bank*, [www.socialvaluebank.org](http://www.socialvaluebank.org) (License: [http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en\\_GB](http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB))
- <sup>153</sup> Using <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>
- <sup>154</sup> <https://www.xe.com/currencytables/?from=GBP&date=2021-09-30#table-section>

- 
- <sup>155</sup> <https://www.centralbank.ie/regulation/industry-market-sectors/moneylenders>
- <sup>156</sup> <http://registers.centralbank.ie/DownloadsPage.aspx>
- <sup>157</sup> Central Bank of Ireland, *Moneylender Search* <http://registers.centralbank.ie/LenderSearchPage.aspx>
- <sup>158</sup> Noreen Byrne, Olive McCarthy & Michael Ward, 2007, Money-lending and financial exclusion, *Public Money and Management*, 27 (1), pp. 45-52 <https://www.tandfonline.com/doi/abs/10.1111/j.1467-9302.2007.00554.x>
- <sup>159</sup> 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, but this is not the case because the person concerned may find it almost impossible to source affordable credit elsewhere
- <sup>160</sup> 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](https://www.tasc.ie/assets/files/pdf/household_dept_report_final_3320.pdf)
- <sup>161</sup> See Volunteer Ireland, 2017, *The Impact of Volunteering on the Health and Wellbeing of the volunteer* [https://www.volunteer.ie/wp-content/uploads/2017/08/Volunteer\\_Ireland-Report\\_FINAL.pdf](https://www.volunteer.ie/wp-content/uploads/2017/08/Volunteer_Ireland-Report_FINAL.pdf)
- <sup>162</sup> Daniel Fujiwara, Paul Oroyemi & Ewen McKinnon, 2013, *Wellbeing and Civil Society: Estimating the value of volunteering using subjective wellbeing data*, Cabinet Office & Department of Work and Pensions, England [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/221227/WP112.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/221227/WP112.pdf)
- <sup>163</sup> Using <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>
- <sup>164</sup> <https://www.xe.com/currencytables/?from=GBP&date=2021-09-30#table-section>
- <sup>165</sup> HACT & Daniel Fujiwara, 2018, *Community Investment Values from the Social Value Bank*, [www.socialvaluebank.org](http://www.socialvaluebank.org) (License: [http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en\\_GB](http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB))
- <sup>166</sup> Using <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>
- <sup>167</sup> <https://www.xe.com/currencytables/?from=GBP&date=2021-09-30#table-section>
- <sup>168</sup> Credit Union Advisory Committee, 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>
- <sup>169</sup> Money Guide Ireland, 2021, *Charges on Current Bank Accounts in Ireland* <http://www.moneyguideireland.com/comparison-of-bank-charges-in-ireland.html>
- <sup>170</sup> Bonkers, 2021, *Which Bank has the Best Value Current Account?* <https://www.bonkers.ie/blog/banking/which-bank-has-the-best-value-current-account>
- <sup>171</sup> Allied Irish Bank (€18 annual account fee and an average of 30c per transaction x 100)
- <sup>172</sup> Bank of Ireland (€72 annual account fee with most transaction fees included)
- <sup>173</sup> An Post/the post office (€60 annual account fee and an average 55c per transaction x 100)
- <sup>174</sup> Grant Thornton, 2014, *Into the Future: An assessment of the Irish post office network* <http://communityandpostoffice.ie/wp-content/uploads/2016/03/Grant-Thornton-Post-Office-Network-2014-Report.pdf>
- <sup>175</sup> Post Office Network Business Development Group, 2016, *Final Report* <http://communityandpostoffice.ie/wp-content/uploads/2016/03/PO-Network-Business-Development-Group-Final-Report.pdf>
- <sup>176</sup> Simple average of number of days left on loan term
- <sup>177</sup> Weighted average of number of days left on loan term
- <sup>178</sup> <https://microfinanceireland.ie>
- <sup>179</sup> <https://communityfinanceireland.com>
- <sup>180</sup> <https://www.clanncredo.ie>
- <sup>181</sup> See <https://socialfinance.ie>
- <sup>182</sup> HACT & Daniel Fujiwara, 2018, *Community Investment Values from the Social Value Bank*, [www.socialvaluebank.org](http://www.socialvaluebank.org) (License: [http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en\\_GB](http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB))