

Good Money by Vancity – Episode 6 – The road ahead

Armine Yalnizyan: We're coming to the end of some status quo way of doing business.

Joe Reid: It's highlighted the ways that our economy, the environment and our society are really interdependent.

Avery Shannon: This pandemic in general has highlighted how there are inequalities in our society that have existed since before COVID-19.

Joe Reid: We've seen the world change massively in a 30- day period of time and then we've seen how we've reacted to that in a very short period of time and as well.

Armine Yalnizyan: If we get these building blocks right, how we feed one another, how we care for one another, this is maybe the path to the future that we can all resonate with.

Joe Reid: Financial institutions made a lot of money. Financial institutions, through making that money, have a responsibility back to the community.

Avery Shannon: There's as many different needs as there are individuals.

Armine Yalnizyan: Let's make sure everybody comes along for the journey, and that way we'll travel farther, and perhaps faster, together.

Anicka Quin: It's hard to believe we're heading into the fall. When we first started the Good Money podcast, people were still posting photos of their first loaves of sourdough. They were using Zoom for the first time and trying to figure out how to turn a kitchen table into an office and a kid's classroom. Hand sanitizer was worth its weight in gold and toilet paper was a hot commodity.

We've come a long way since those early days, but when it comes to the economy, we still have a very long way to go. Unemployment is still sky high, parents are unsure about kids return to school, and whole sectors of the economy are at a standstill. So where do we go from here? What is the path forward? As we rebuild, how can we make the economy better? To talk it over, I'm joined by Christine Bergeron. Christine is the interim president and CEO of Vancity, and she took over the position in the middle of the pandemic.

Hi, Christine.

Christine Bergeron: Hi, Anicka.

Anicka Quin: Before we get started I have to ask, what has the pandemic experience been like for you?

Christine Bergeron: Yeah, as I was listening to you talk about things, it brought me back, right, on hand sanitizer. I was actually away when the world changed, so to say, and things shut down. We were in New Zealand and trying to get back. So certainly that beginning was very different for us because everyone here was super focused on standing everything up and getting people working from home, and for us at Vancity, being really cognizant of our employees' health and then continuing to serve members, whereas I was far away just feeling the emotion of everything. It was interesting when we came back, I had already gone through a lot of this grief, whereas most hadn't even had time to think about it, right? That was my first experience. Of course, we were deemed essential services, as a financial institution, and so when I got back I was heavily into the work as well.

Then the second piece that was interesting, we're lucky, my husband was able to work from home, and trying to think about the kids, I have two young boys, on what the experience will be for them. What will they remember from this part of their life? We really tried to focus in on just being outdoors and having as much family time as we could in the evenings. People aren't traveling, so we're home more. It was really trying to look at things from their lens and hopefully not having them only think about the anxiety that we're all feeling, but actually trying to think about some of the positives that came from it too.

Anicka Quin: Yeah, amazing. My sister talks about making sure the kids go on a lunchtime bike ride with her, for both her own mental sanity and for them when they're reflecting back on this.

In earlier episodes of Good Money, we've talked about how often we're hearing the word unprecedented. I'm sure lots of us would love to never hear or use that word again in the not-too-distant future. Certainly, the economic effects of COVID are unlike anything we've ever seen, but what has the pandemic taught us about the Canadian economy, both good and bad?

Christine Bergeron: Yeah, I think it's certainly amplified a lot of the good and the bad within the economy, and broader society in Canada and everywhere really. But we know for sure that the pandemic didn't create the inequality, but it certainly has given us a lens to see how fragile the economy is and how much there is these systemic inequities across the board.

I guess on the bad side, I'd say that view of the wedge between groups and certain groups being hit harder, depending on the type of job, if you're in the service industry. We know that women have been disproportionately affected. We saw also though, from the good, of how quickly we could mobilize fast in an emergency, between government and private sector and civil society, other groups, to really think of common good and how to stand up programs and to support them.

I think we've certainly suggested that we could have been more prepared perhaps, people have said that, but we did also see some of the good of how groups had come together. We've seen a lot of associations, you think of the small business and not-for-profit sectors where they're really trying to understand how do I pivot my business, how do we come together and think of best practices. Whether that was people delivering meals, people thinking about residents on the downtown east side, really thinking about these pockets where people were being disproportionately hit and where there was already inequity.

I think all of that has taught us how interconnected we are. That's not really good or bad, that's just current state, I think, from supply chain effects, what's on the shelf at our store. How did this affect the fact that I can't buy something now that I used to be able to buy, and then what that kind of slow down can look like for emissions too in our economy. A lot of these aren't really good or bad, I think they just amplified in highlighted them and really that interconnectedness, and frankly, the fragility that's in that, right?

Anicka Quin: Yeah. I watched a live interview just before this, with Paul Grunberg from the restaurant, Savio Volpe, he's an owner there. He talked about when he thinks of 2020, he thinks about it creating an atmosphere for community and how touched he's been the way people have rallied around small businesses and restaurants, as a good way to think about all of the hard times right now.

Christine Bergeron: Mm- hmm (affirmative), mm-hmm (affirmative).

Anicka Quin: As we're saying then, it's people really have come together in ways we couldn't have imagined, I want to play you a clip actually from episode four of Good Money. It was the episode all about how members of the community stepped up to help vulnerable people during COVID- 19. This is Avery Shannon, who helped start the COVID- 19 Coming Together

Facebook page. It's a community page that's dedicated to connecting people who needed help with people who have helped to offer.

Avery Shannon: Well, this pandemic in general has highlighted how there are inequalities in our society that have existed since before COVID- 19. All these different people from groups that have been made marginalized are people who are being hit by this pandemic in a more extreme way. This group is, as much as possible, making space for those voices to be uplifted and for those needs to be met.

Honestly, it's been pretty successful at that. We've seen a number of people have access to resources and community and networks that they wouldn't have otherwise. That's being truly amazing to see.

Anicka Quin: Christine, when you hear that, what do you think?

Christine Bergeron: Yeah, I feel both sides of the equation. I feel uplifted and then I have to say there's a bit that feels a bit sad too. People did come together and so we did see how these small businesses, not- for- profit social enterprises could figure out how to look at these resources and get them in the places that were needed, but then it does make you also pause and think through the fact that they needed this to happen. It was so fragile that actually there were these issues and these groups are being hit harder in that all of that is amplified.

It makes me think about the work I do day to day in my job, but as a member of the community, how do we do more? How do we really help these marginalized groups so that in future events, and we know there will be future ones, how do we become more resilient starting now instead of responding?

Anicka Quin: Yeah, I remember her saying in that same episode too, we can choose fear and toilet paper hoarding or we can choose something better. I remember thinking that was a really wonderful outlook for something that was very challenging.

Christine Bergeron: Yeah. We've certainly seen, you go to the parks over the last few months and just so many people out in community, doing it with social distance, but there's definitely been a different sense of community and I think we need to lean into that for sure.

Anicka Quin: Mm- hmm (affirmative). Even months ago, people were starting to talk about rebuilding. Even though we still don't know where we're headed or how long we're in this, a lot

of people are guessing at what a recovery could look like. How do you think we should be going about rebuilding?

Christine Bergeron: Yeah, I really liked the frame of starting with the end in mind, or a wise friend who'd always say to begin as you would like to end. That view of if you want a cleaner and fairer society and economy, you have to start with that in the rebuild and pull it all the way through.

I think the other piece is that we're also not rebuilding from nothing. We are rebuilding on an existing system, which actually can sometimes complicate things, sometimes it's easier with the full blank slate. But if you think about, okay, well, how do you actually do that, where do you actually start on a rebuild, because it's easy to say it. I think there's a few streams to think about, and of course many individuals and organizations are thinking about this right now and I'm generally hopeful they'll be coming up with some good ideas too.

But I think one, for example, if you think of re- skilling the service sector, the losses have been huge, and how do you rebuild re- skilling in mind for these individuals if you also want to serve a cleaner future? So not simply re- skilling for today, but again, with that end in mind. One example is environmental audits or services around how to make your home more efficient. Can we take some of these very service- oriented individuals, but look at it from service from a cleaner economy lens. That could help both with the inequality and job losses, but also take those who are most effected and really helped them think differently about the work of the future. I think there's a lot of pieces within that, that super creative people and smart people within different sectors can think about.

I think we also, it's likely that there will be a good focus coming from different groups on clean technology broadly. Again, I think that's where you can look beyond, simply thinking, and simply as maybe not the right word because it's not simple, but clean tech innovations or businesses, but then also thinking about the talent and the reskilling that can be included in that thinking. It's going to have to be more integrated in how we think about rebuilding, and ideally not sector by sector, but across.

Innovation, broadly, again, the most obvious areas if you want something cleaner or fairer would be within the clean technology innovation area, but we know for sure that there will be and we need innovation in healthcare, within education. To the points earlier, when you're talking about parents wondering about school, universities, all of that, there's some huge shifts happening.

Then other areas, maybe it's rethinking local supply chains Again, less emissions with less transport, potentially supporting local more and really building resilience to more of these global shocks. I think there's ways to think about focusing on the local rebuild on the one hand and really thinking about that community level thinking, that we've sort of been talking about on the edges of it, because if you can do that, you're going to build social cohesion and community

support, but you're also going to be building towards cleaner and fairer, and ideally with re-skilling and jobs in that.

Anicka Quin: Right. Of course, before the pandemic there was a lot of attention being paid to the climate crisis. We were seeing massive wildfires and floods and storms. I think certainly people, back in January, thought that the Australia wildfires were going to be the story of 2020. Now everyone's focuses on COVID- 19, but the climate crisis hasn't gone anywhere. As we decide on how to rebuild, what role does the climate play?

Christine Bergeron: Mm- hmm (affirmative). It's interesting because we sometimes think about climate as this third- party thing, and of course it's the actions we can take that create the effects on climate that then affect people. But I think it does play a role of urgency and so it is being driven, just like the pandemic, by systemic global events and actions. We know that it will also hurt those who are already on the wrong side of economic inequity, and so it really needs to be front and center in the rebuild. I think it just needs to be integrated into that.

Again, the effects of climate, really, at the end of the day what matters is the effect on people. We need that dual focus in the rebuild. I think it's easy to think it's not necessarily front and center, but actually what's front and center right now for people is the shock to our global system. If we can keep a frame like that, then anything climate stays front and center because it's the same issues and a lot of the same effects will be felt by individuals and businesses too.

Anicka Quin: You're listening to Good Money, a podcast by Vancity. I'm your host, Anicka Quin. Coming up, we're talking about what the economic recovery might look like and how financial institutions can do their parts. If you want to hear more episodes of good money, make sure to hit subscribe.

Christine, when it comes to rebuilding, and in particular, rebuilding better, what are the barriers that you're foreseeing?

Christine Bergeron: Yeah. For sure some people would say that these are trade offs we can't make, it's going to be expensive, we've been spending so much money already, how are we going to do this? Certainly, I would say it's not easy. I don't want to imply that some of these ideas and the way to think through integration is easy, but I also don't think it needs to be about spending more or about really viewing a trade off. I think if you think broadly about stakeholders, and what I mean by that is normally you'd think about a shareholder with your business, but a stakeholder is just everything and everyone that's affected by it, and if you're thinking broadly about it instead of simply profit and with a longer- term lens and what you do in terms of

rebuilding or something that's good for business actually is good for society and hence it's good for business.

It is quite circular, but it does require a bit of a different way of thinking. We've always historically viewed growth as success and how's a business successful, and it's really how much can you make from a profit perspective. But I do think we're going to need to start asking ourselves, and this is a roadblock because this is hard and there's a lot of myths, a lot of history to it, around are you actually successful as a business if the society around you is not doing well? What does that really mean? The frameworks that we have in place make it quite difficult for a business, it can make it difficult for individuals, to really think about this different perspective.

If you think of risk and return and you think of even yourself with investments you might have, your retirement funds. We always talk about I want to get a certain return on my investments, and I totally understand it, I kind of do too. It's money you've worked super hard to save and you want that and you want to say, " Well, I want it to be the same returns other people have gotten over decades." On the one hand, it's fair, on the other hand, those returns never took into account the environmental issues and costs that we're seeing or the social costs and the inequities. So what should that frame really be and how should individuals and businesses look at that? That's very difficult to change. It's a systemic change that's needed and it's hard.

Those are for sure some of the roadblocks, because they're pervasive in how we think. I would argue, and many people out there are talking about this and I think people are starting to understand this more, is that our current system has not been working. I mean, it's certainly not working for most people. It's working for some, it's not working for most, and it's certainly not working for the environment. We need to be thinking about transition to climate, we need to be thinking about these pieces. Even though it will be hard and even though there will be roadblocks, it's necessary. I'm not sure that we can afford not to be thinking about these things, to be honest, if we want an economy that's still relevant to individuals decades out from now.

Anicka Quin: When you're talking about frameworks, in terms of systemic frameworks, by that you mean it's always just been straight up how much profit am I making, that sort of thing, whereas you want to see more costs associated, more environmental effects associated, that's taken out of what you'd call as a classic bottom line?

Christine Bergeron: Yeah, exactly. If you think of the traditional way of thinking about the return you get on something, it's usually based on, well, how risk averse are you. Normally you go in, someone says, " Are you risk averse or are you not?" Because if you're risk averse, if you do not want any risk, then you're going to make a bit less money or less return, but if you can take on lots of risks then maybe you can make a lot. It's just that whole concept of risk, but what does that mean? The risk to who and the risk to what?

Really, the risk is not simply about whether or not a company can be profitable. The risk should really be thinking about, well, how much risk is that going to then put into the community? How much risk is that can put to the air that you're breathing and the health of your children or your own health, those types of things. But it's hard, it's hard to quantify, it's hard to wrap your head around. That's where I think if we start collectively thinking about the effects on everyone and everything, then it gives you a different perspective. I think that's when maybe you say, " Oh, maybe it's enough money. I can make enough return and actually pay attention to the environmental effects and make sure that we're paying people living wage and that we're not just trying to make the most by funneling the least amount of dollars out to individuals who live in the community with me."

I think when you start thinking about local business and community that's where you can start to see a lot of wins, because it's easier for people to connect the dots, to say, " Okay, I'm hiring people who actually live down the street from me. They have to pay to live here too, so they should be paid a decent wage, a living wage." It's a bit easier then when you just keep putting it into this broad systemic framework where it feels like you have no control and it's way beyond your ability. If you bring it back to your day to day and what makes sense to you, then that whole view of stakeholders, your neighbors, your community gardens, your parks, then it's real and then you understand what that means, right?

Anicka Quin: Right, right. Okay, yeah, that makes a lot of sense. I want to play you another clip. This one is from episode two of Good Money, about the importance of the local economy. This is Joe Reid, vice president of Wealth Management and Impact Investing at Vancity.

Joe Reid: I think there's a new dialogue that's starting to happen in this country. Financial institutions have done well financially for a long period of time. You look back to 2008, after the financial crisis, and financial institutions made a lot of money. Financial institutions, through making that money, have a responsibility back to the community. I think that's where we're starting to see Canadians say they want more from their financial institutions.

Anicka Quin: Of course, Christine, in 2008 and 2009 financial institutions around the world and especially in the US got bailed out. How should it be different this time? What role do you think financial institutions should play in the recovery?

Christine Bergeron: Mm- hmm (affirmative). I think Canadian financial institutions have done, broadly, quite good work over the last few months in working together with government and others on programs and deferrals and ensuring that they could do as much as they could. Vancity, as an example, along with other advisors, we've built up reserve over the years and so this was our time to say, " Hey, it's time to put some of that back and to help individuals, to help

small businesses, not for profits." That means we will make less money, just by definition, but that was the time. This is the time to do that.

I think as we think broader and longer term in terms of how and what role FIs can play, we are seeing, as was in the clip, that consumers are asking more for that too. I think they were actually seeing that FIs are understanding that they need to respond to that and it's not just a niche, nice-to-have piece for them to talk about, that actually we need to be thinking differently.

I think some specifics of how financial institutions can play a role, how we allocate money and the money that FIs have in terms of where we lend makes a huge difference. You could argue it defines tomorrow and what our society will look like. So we need to be mindful of where that money's going and really understanding the impact it's having and whether, for example, can you get under that to understand what emissions are involved with that and what that means for the environment?

That's a long shred of time to get through all those pieces. If you talk about it at that level, it sounds quite technical, of how do I measure the emissions of my portfolios in FI, that's not necessarily super interesting for most people, but if you think about how do you allocate the money on a day-to-day basis and who's signing on to say ... There's some big investment firms, as an example, signing on to say if you are not taking into account inequality and climate change, I don't want to invest in you. That's the role, is take a stronger stand and say those types of things, and some are.

We are seeing that movement. I think we need to see more, but I think if the consumers are demanding it, and on the other hand, some of these leaders are starting to say we will not invest if you aren't taking these things into account, FIs generally are going to need to step up. I think that is the role to play and I think it is to start today, as we think about how we allocate the money.

Anicka Quin: What about at the personal or community level? What should institutions be doing there?

Christine Bergeron: Yeah, I think the community level is interesting, in that I think there's that view on how do you support local, but it does always still come down to who's getting the money and how are you lending it and how do you think about the bias at play? If you want to think about removing some of the inequality, we know that not everybody has the same access to capital. It's largely not because people have that intention, it's buried in process and in systems so the bias is there.

There is an element on the individual side to have to step back and really think through why is it that we don't have equal access to capital and what can we do to do that? Equal access to capital meaning typically women entrepreneurs borrow less money than male entrepreneurs, or business owners that are people of color might have less access to capital than those who are

white. There's pieces like that, that from an inequality perspective is really important for rebuilding to level that playing field.

Anicka Quin: Yeah. You know, I think certainly 2007, 2008, a lot of people became skeptical of financial institutions, but even with the examples you're giving there, with not enough women entrepreneurs getting loans, that sort of thing, what do you say to those people who are skeptical of financial institutions? Can money actually be good?

Christine Bergeron: I definitely think that money can be, and I think at the end of the day, money is money, but it's the people who are figuring out where it should go and how it needs to be distributed. I think that it can be, I think we've seen that. We certainly are doing everything we can to do that. We're not perfect, we need to keep doing more, but we're trying. There are networks of banks and financial institutions around the world where that is their goal.

I do think they can be. I think it's not to be naive. They also have shareholders and they are in a difficult position at times when you are supposed to be making a profit and those things can be at odds, but I think if you think longer term that most leaders are understanding that actually you will have a better outcome if you are thinking about that. So I think money needs to be for good in that sense.

Anicka Quin: Right. Then thinking in present terms right now, what kind of timeline are we looking at in terms of how long do you think it's going to take for us to recover?

Christine Bergeron: Yeah, so I certainly don't know the exact timeline for that. Many, many people have been drawing different graphs to tell you what they think it should be. But I guess my perspective is always when you aren't sure, you work on plans and you work on scenarios and then you adjust. But we do know that there's some basics, that whether you need a vaccine or not, we know it's not going to be two weeks. We thought originally, we thought, " Oh, it's going to be two weeks." I didn't think my kids were not going to go to school. I thought for sure, like, " No, no, they'll open up after March Break, no worries," right?

Anicka Quin: Yeah.

Christine Bergeron: I think we've all been surprised by some of those changes in the timeframe. My sister's down in Australia now and they're in lockdown again in Melbourne and that wasn't expected. So I don't know, but I do think that it's going to take consumer confidence on the one

hand and businesses to actually reopen and to find that right dance. If you open as a business, you're a restaurant and you're sitting max 60 or 70% capacity, and right now we're lucky, we've got the patios open so that's great, but we're going to go through different seasons, that's great if you can get full 70% capacity. You have to have consumers actually coming in because otherwise it's not going to work. Then how do you figure out to get to the capacity you need to actually be sustainable as a business, because most need to be higher than 70%. How do you build that?

That's going to take some time, because it will be a dance. We will see some upticks in cases and people will lose some of their confidence and then hopefully it will ebb and flow and come back, but I think we just need to work through it and be prepared for the ups and downs, right?

Anicka Quin: Yeah. Yeah, the dance is a good way to put it. Joe and I talked about it being interval training as well, that you're going to be working hard, it's going to get hard, maybe it'll relax a little bit, it'll get hard again.

I'm going to you one more clip. This one is from top Canadian economist, Armine Yalnizyan, who was our guest in episode five.

Armine Yalnizyan: Everybody recognizes that we're coming to the end of some status quo way of doing business. Whereas we can't slowly see the future, there are elements of it that the pandemic absolutely revealed to us as being essential, essential for humanity, not just for the economy. But the good news is, what's essential for humanity is critical for the economy. If we get these building blocks, right, how we feed one another, how we care for one another, how we care for the sick, how we care and feed our minds, that this is maybe the path to the future that we all understand, that we can all resonate with. This is not a foreign concept, but it has been one that has been overlooked in favor of trade and competition and winner take all. This is more like leave nobody behind, let's make sure everybody comes along for the journey and that way we'll travel farther, and perhaps faster, together.

Anicka Quin: Farther and faster together, I like that. How optimistic are you that the country will and can rebuild different?

Christine Bergeron: I mean, I'm pretty optimistic. I think, I wouldn't say I'm naive though, and I'm quite pragmatic. I think it will be difficult work, but I think more and more individuals, leaders, community members in various facets of our society are starting to understand this. That point of a path to the future, her quotes just made me think more about the empathy and compassion that actually Canadians have, and how do we think about pulling that together and understanding the issues that are at play, and for all of us to continue to demand that it happen.

I think we've all got personal stories of people that we've seen who needed help, and some, of course, in much more dire kind of situations than others, but I have to say, I have only seen compassion from so many people around how can I help and what else can we be doing? It doesn't mean that that's always the case, but I do think more people understand the value of putting people at the center, which is ultimately partially I think that quote that she was talking about. If you put people at the center, if you start with that, then that's how we will end. That's why I'm optimistic.

Anicka Quin: What is it that you think our listeners can do to help to make that happen?

Christine Bergeron: Yeah, it's so interesting. You always feel like these things are so much bigger than you are, so how do you do something with that? I guess my view of how I try to live, and so I don't always get it right, but if you want a better tomorrow, you start today. Your actions really do matter and I think people have understood that over the last few months, that if we all are taking certain actions that we can drop the numbers, and if we don't, then we see that change.

I think it is trying to get really concrete around if you need to buy a new vehicle, what kind are you going to buy, and how do you think about the emissions of that, and where are you going to shop and how can you support local? We've done different work at Vancity around the current view that businesses that were doing well through COVID were not necessarily in neighborhoods that were affluent. It was where there was community connection and social cohesion and they're offering something to their community.

There's something in that, that how do you go and support them and what do you do with your money, and how do you invest, and how do you vote, and how do you play a role in your community? You think of the streets around you, where you've been spending way more time, and how are you acting as a citizen and how are you supporting and thinking about those who need more support than others? If you're lucky enough and you're like me, if you're able bodied and you can work from home, all those pieces, you're lucky. So how do you take that in and help somebody else?

To me, every piece like that is super important and one's not even more important than the other because they all build. The quotes that we all know is that you think your individual actions don't matter, but at the end of the day, that's really all that matters. If you have that front and center, and if we're all doing that, man, we'll be in a good spot. Right?

Anicka Quin: Right. Yeah, the classic Margaret Mead, the never doubt that a small group of thoughtful, committed citizens can change the world, it's the only thing that ever has. That really resonates right now. Thanks so much, Christine.

Christine Bergeron: Thank you.

Anicka Quin: Christine Bergeron is the interim president and CEO of Vancity. That's it for Good Money for today, I'm your host Anicka Quin. Make sure to check out all of our Good Money episodes wherever you get your podcasts and tell your friends. Thanks for listening. Take care and stay safe.