

## **Alterna Savings announces one of the first microsavings program in Canada aimed at financial resilience for small business entrepreneurs**

**Toronto, ON – October 5, 2021** – Alterna Savings is excited to kick-off Small Business Month by announcing the addition of a targeted savings component, called Microsavings, to its award-winning Community Microfinance Program. Designed to build resilience, this built-in savings program will empower entrepreneurs to create financial reserves for their small businesses and work towards other long-term gains.

This innovative service encourages savings by giving borrowers the option to add up to 1% to their microloan repayment. These funds go into a savings account for the duration of the loan repayment term. Once the payments are complete, the money is released to the entrepreneur to use in whatever way makes sense for their business or to establish an RRSP. These savings could also be released early in emergency situations, providing a safety net for borrowers.

“Savings are an important tool for entrepreneurs, and it has always been a strong component of the Alterna Community Microfinance Program,” says Rob Paterson, President, and CEO of Alterna Savings. “The pandemic has taught us that without a healthy safety net of reserves, businesses face significant threats. With an average loan amount of \$5,000 over a three-year term, the microsavings enhancement could result in savings of \$1,800, or 36% of the original loan amount. Those funds will be a great future asset for small business owners.”

Healthy savings are essential for micro and small entrepreneurs, a point that was driven home during the economic crisis created by COVID-19. The Canadian Federation of Independent Business reports that 7 in 10 small business owners have taken on debt due to COVID-19, and they estimate that these businesses now collectively owe over \$135 billion due to the pandemic (Business, 2021). For many businesses, government monetary relief or loan deferral programs from financial institutions like Alterna Savings were the only thing keeping them afloat. This emergency highlighted to Alterna the need to provide additional saving support to entrepreneurs and small business owners to allow them to be better positioned in the event of future crises.

Alterna Savings’ Community Microfinance program has led the industry since its inception over 20 years ago. The microsavings enhancement is one of the first of its kind in Canada. It demonstrates Alterna’s commitment to continue that leadership and to further our goal of supporting underserved entrepreneurs and increasing economic equity and inclusion throughout all communities in Canada.

### **About Alterna Savings**

Alterna Savings and Credit Union Limited (Alterna) has been *the good in banking*<sup>™</sup> for 113 years and, based on assets under management, is one of Canada’s Top 10 credit unions (CCUA, 2021). Alterna is made up of Alterna Savings and Credit Union Limited and its wholly-owned subsidiary, Alterna Bank. Together, we have \$10 billion in assets under management.

As the first full-service, member-owned co-operative financial institution outside Quebec, Alterna Savings shares its expertise with more than 185,000 members through a network of 36 branches across Ontario, that includes partner Peterborough Community Savings; as well as call centre and digital channels.

Members and customers also benefit from an industry-leading online brokerage, investment management services, and have access to over 43,000 surcharge-free ATMs in North America with THE EXCHANGE Network in Canada and the Allpoint Network in the US. Connect with us



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