



ALTERNA SAVINGS
MICROFINANCE
CELEBRATING
TWENTY-FIVE YEARS

WHY MICROFINANCE MATTERS: THE ALTERNA STORY

alterna
savings

Supported
by



CELEBRATING 25 YEARS
IN COMMUNITY IMPACT

> Executive Summary

Alterna's Community Microfinance Program has supported underserved communities for 25 years, enabling entrepreneurs to access loans and build resilience. The program promotes financial inclusion, economic empowerment, and financial well-being, to underserved communities with significant participation from women, Black, Indigenous, People of Colour (BIPOC) communities, newcomers to Canada and other racialized groups, and individuals from low-income backgrounds.

> Introduction

Microfinance strengthens communities by providing underserved individuals with access to affordable loans, financial literacy initiatives, and essential support services. This enables entrepreneurs to start, grow, and scale their businesses, which in turn helps them secure stable incomes and build assets. Alterna's Community Microfinance Program addresses financial exclusion and promotes equity, particularly benefiting women, BIPOC communities, newcomers, and low-income populations in Canada. This initiative helps reverse a decades-long trend in which 100,000 fewer Canadians started businesses compared to 20 years ago (BDC, 2024). By breaking down barriers to traditional capital markets, the program promotes financial inclusion and equity, allowing individuals to improve their livelihoods and contribute to local economies.

Additionally, the program includes wrap around supports and business development services, which equip borrowers with the skills needed for long-term financial stability. A significant contributor to this impact is Alterna's partnership with the Business Development Bank of Canada (BDC).

Through a joint loan initiative, BDC matches Alterna's microloans—doubling the available capital for qualified applicants. Together, Alterna and BDC are helping to build stronger, more resilient communities by empowering entrepreneurs with the tools and capital they need to succeed.



> The Alterna Story

Alterna Savings, a member-owned cooperative financial institution, has been serving communities for over 115 years. With over 206,000 members, Alterna provides accessible financial services through branches, a Contact Centre, and digital channels.

Since 2000, Alterna's Community Microfinance Program has disbursed over \$10 million in loans, supporting 1500 small business owners, individuals, and organizations. Alterna Savings' Community Microfinance Program has played a pivotal role in strengthening and building communities by providing accessible financial services to underserved individuals. The program facilitates financial inclusion, allowing entrepreneurs to start businesses, secure stable incomes, and build assets. By offering tailored financial products, wrap around supports, and business development services, Alterna supports small business owners, particularly women, BIPOC individuals, newcomers, and low-income populations. These efforts help reduce socio-economic inequities, promote economic independence, and foster community resilience. Through strategic partnerships and collaborations, Alterna ensures that financing is paired with necessary training and support, maximizing the success of borrowers and driving wider community economic impact.

Understanding Community Needs

Alterna offers flexible financial products, such as the Nest Egg Term Deposit, encouraging savings with as little as \$10 per month. This helps micro-entrepreneurs build resilience.

Inclusive Character-Based Lending

Alterna uses a character-based lending approach, considering personal commitment, experience, and business ideas alongside traditional criteria.

Types of Loans and Programs

- Income Builder Loan
- Success Accelerator Professional Development Loan
- Skilled Professionals and Trades Loan
- Social Impact Entrepreneurship Loan
- Working Women Business Loan
- MicroSavings Program

Promoting Financial Inclusion

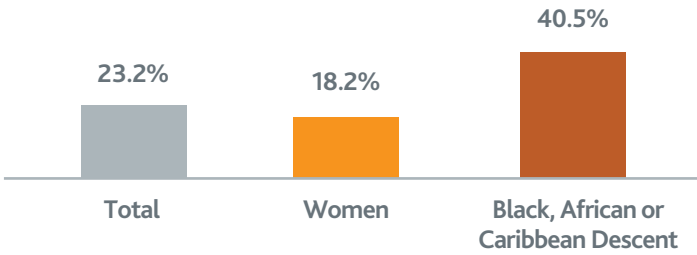
Alterna's program addresses financial exclusion by providing loans ranging from \$1,000 to \$25,000 to underserved groups. Over 50% of loans are granted to women, and 85% to racialized individuals.

A Focus on BIPOC

85% of Alterna's micro loans support BIPOC entrepreneurs. By improving access to capital, programs such as the Black Entrepreneurship Loan Fund offer tailored financial solutions to help address systemic barriers and promote inclusive economic growth. In a recent study conducted by BDC between 2024-2025, more Black, African or Caribbean descent entrepreneurs plan to seek financing, demonstrating a potential increase in demand for business loans among this demographic.

Financing Requests by Demographic
BDC

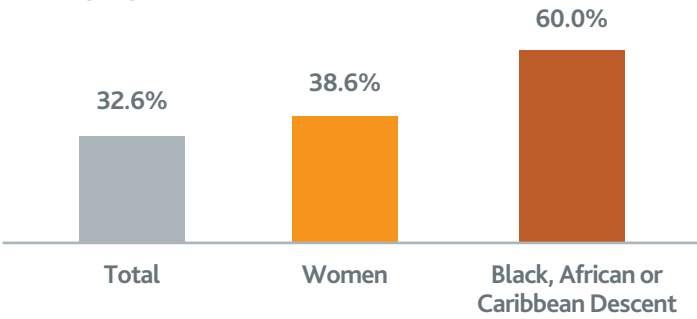
WILL REQUEST FINANCING



In the same study, Black, African or Caribbean descent (60.0%) and women (38.6%) entrepreneurs noted they would benefit from financing for their businesses.

Interest in Financing by Demographic
BDC

IT WOULD BE HELPFUL TO OBTAIN FINANCING



Financial Education and Empowerment

Alterna offers financial education programs, including banking basics, budgeting, credit management, and savings strategies, fostering financial independence and long-term success.

> Partnerships and Collaborations

Alterna collaborates with organizations like BDC, Block, and community loan funds to expand financing solutions for underrepresented entrepreneurs. These partnerships enhance access to capital and provide necessary training and support.

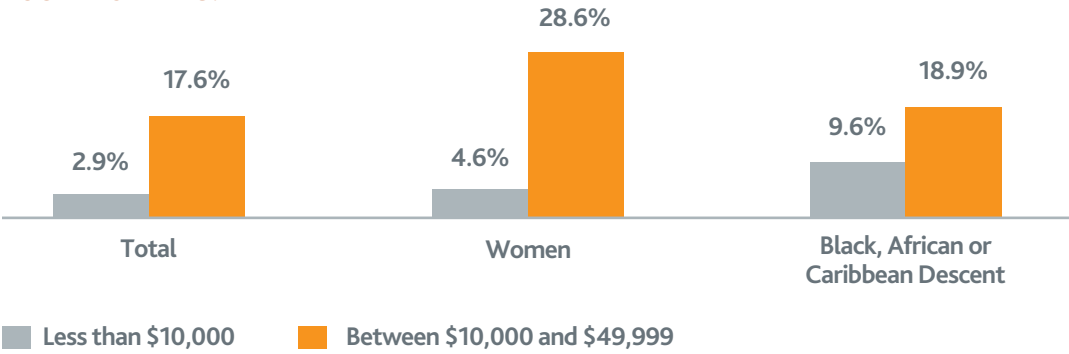
Business Development Bank of Canada (BDC) Partnership

Alterna Savings has partnered with BDC to expand financing solutions for underserved entrepreneurs, including Black business owners, women founders, and social enterprise leaders. This collaboration aims to address documented disparities in capital accessibility.

Qualified applicants approved for up to \$25,000 through Alterna's Community Microfinance Program can receive a matching \$25,000 contribution from BDC, totaling \$50,000. The below chart demonstrates the importance of this partnership. Through the partnership between BDC and Alterna, the available financing of up to \$50,000 effectively addresses the majority of these requests, which typically range from \$10,000 to \$49,999.

Financing Requests by Amount

WHAT IS THE AMOUNT OF FINANCING YOU ARE SEEKING?



Since approximately 20% of financing requests are for amounts under \$50,000, this response targets documented needs and disparities in capital accessibility. What's more, this percentage increases to 33% for women and 28% for individuals of Black, African, or Caribbean descent as noted above.

A significant portion of women and Black entrepreneurs are seeking smaller financing amounts (under \$50K). It may suggest many are early-stage businesses with modest capital needs. Smaller loan amounts often face challenges in traditional lending settings (lower profit for lenders, higher perceived risk). Such groups may also lack strong banking relationships, collateral, or credit history, limiting their access to capital.

The data shows a need for accessible, flexible microloans or small business financing designed with these groups in mind. The Joint Loan Program is designed to fill this gap by offering microloans with flexible terms, paired with financial education and wrap around supports. It ensures that early-stage and underrepresented entrepreneurs have the capital they need to grow.

The partnership allows entrepreneurs to be part of BDC's portfolio, providing access to additional supports offered by BDC. This initiative helps business owners evolve and grow beyond the Community Microfinance Program, to build financial resilience and thriving businesses.

Goals

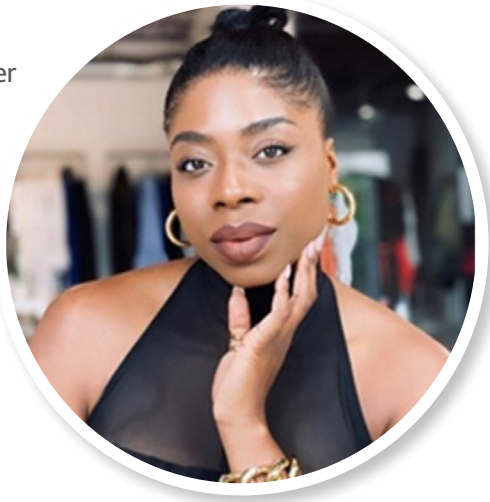
- Increase access to capital for underserved groups
- Support business growth and expansion
- Foster economic independence and resilience

Through this partnership, Alterna and BDC are committed to promoting financial inclusion and empowering underserved entrepreneurs to achieve their business goals.

Showcasing | Israella Kobla

Emefa Kuadey's story is one of resilience, passion, and transformation. Initially pursuing a career in civil engineering, her life took a turn in 2012 when her brother passed away during her third year of university. She took time off to grieve with her family in Ghana, where she discovered sewing with the help of her aunt.

After graduating and working as a civil engineer, Emefa realized she was unfulfilled and decided to pursue her passion for fashion. In 2017, she left her corporate job to study fashion design at George Brown College in Canada. Leveraging her resources, networking, and community connections, she launched her clothing brand, Israella Kobla, in 2019. The brand reflects her engineering background through minimalist designs inspired by architecture and timeless aesthetics.



Strategic Financing with Alterna & BDC

BDC assisted Israella Kobla by providing funding through a joint loan partnership with the Black Entrepreneurship Loan Fund where Alterna played a pivotal role. This financial support was crucial for the brand's successful entry into retail stores. The funding from BDC and the Black Entrepreneurship Loan Fund allowed Israella Kobla to form partnerships with Hudson's Bay and Nordstrom stores. It also supported the brand in scaling operations to meet retailer demands and expand its market reach effectively.

"Without the funding, we wouldn't have been able to successfully enter retail stores last year."

Emefa's journey demonstrates the importance of Alterna's partnership with BDC and how access to financing is critical to success. Her story is a testament to perseverance, creativity, and the power of pursuing one's passion.

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Case Studies

Ottawa Community Loan Fund (OCLF):

Supports underserved entrepreneurs with loan guarantees and financial management workshops.

Afro-Caribbean Business Network (ACBN):

Provides low-interest loans and tailored financial solutions to Black entrepreneurs. ACBN launched a micro-loan program offering low-interest loans from \$500 to \$25,000 to help Black-owned businesses grow and thrive.

> Measuring Impact

Alterna Savings' Community Microfinance Program measures its impact through data-driven insights, highlighting significant social and economic benefits. For every dollar loaned, approximately \$4.37 in social and economic value is generated. The program maintains a high repayment rate of over 90% and has a substantial focus on supporting women and BIPOC entrepreneurs. The impact is seen at both micro and macro levels, improving individual socio- economic status and contributing to local community development and job creation. This comprehensive approach demonstrates Alterna's leadership in fostering financial inclusion and community resilience.

> The Next 25 Years

Looking ahead, Alterna Savings' Community Microfinance Program aims to continue its commitment to financial inclusion and community empowerment. The program plans to adapt to the evolving needs of its members, particularly focusing on BIPOC communities, women, 2SLGBTQ+ individuals, and other underserved populations. By leveraging digital tools, Alterna seeks to expand its reach, improve efficiency, and enhance impact, especially in remote and rural areas. Programs such as BDC's are essential to sustain and expand lending efforts, ensuring long-term success and equitable financial access for all.



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