



Central Liverpool
Credit Union

Supporting members during Covid-19

IMPACT REPORT

19 June 2020

**CONSUMER
CREDIT
AWARDS**

2020

VOTE FOR US

<https://centralcu.co.uk>

Data sources:

- Indices of Multiple Deprivation, 2019
- Money Advice Service Financial Capability Survey, 2015 & 2018
- NHS Liverpool: Neighbourhood Profile for Riverside, 2018
- Survey to borrowers during lockdown, March – June 2020: 90 respondents
- Financial wellbeing survey to members, June 2020: 400 respondents
- Decision engine data

Borrowing Covid-19

Between lockdown and the end of May 2020:

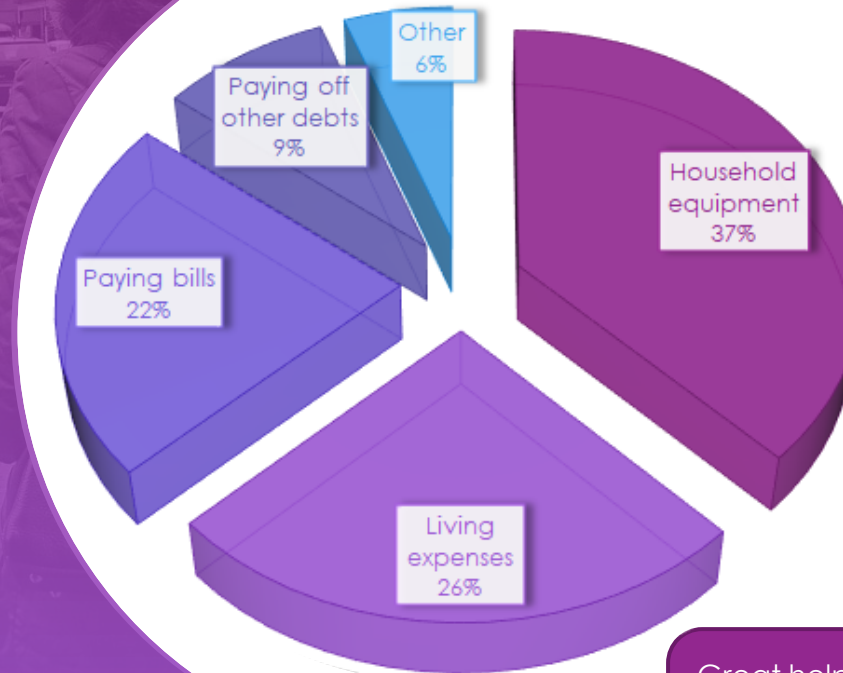
- 1,300 loan applications have been considered
- Half of loans went towards living expenses or paying bills

82% of applicants
Used some of their loan towards Covid-19 related expenses

62% of applicants
Think they will have to borrow as the lockdown continues

£800k of loans were issued between 23 March and 31 May

Use of Covid-19 funds



We stocked up due to social distancing and borrowed so we could buy in bulk



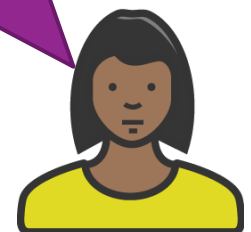
Due to the coronavirus I have not been able to work as usual so I was not able to pay for all the bills and living expenses.



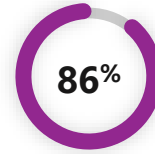
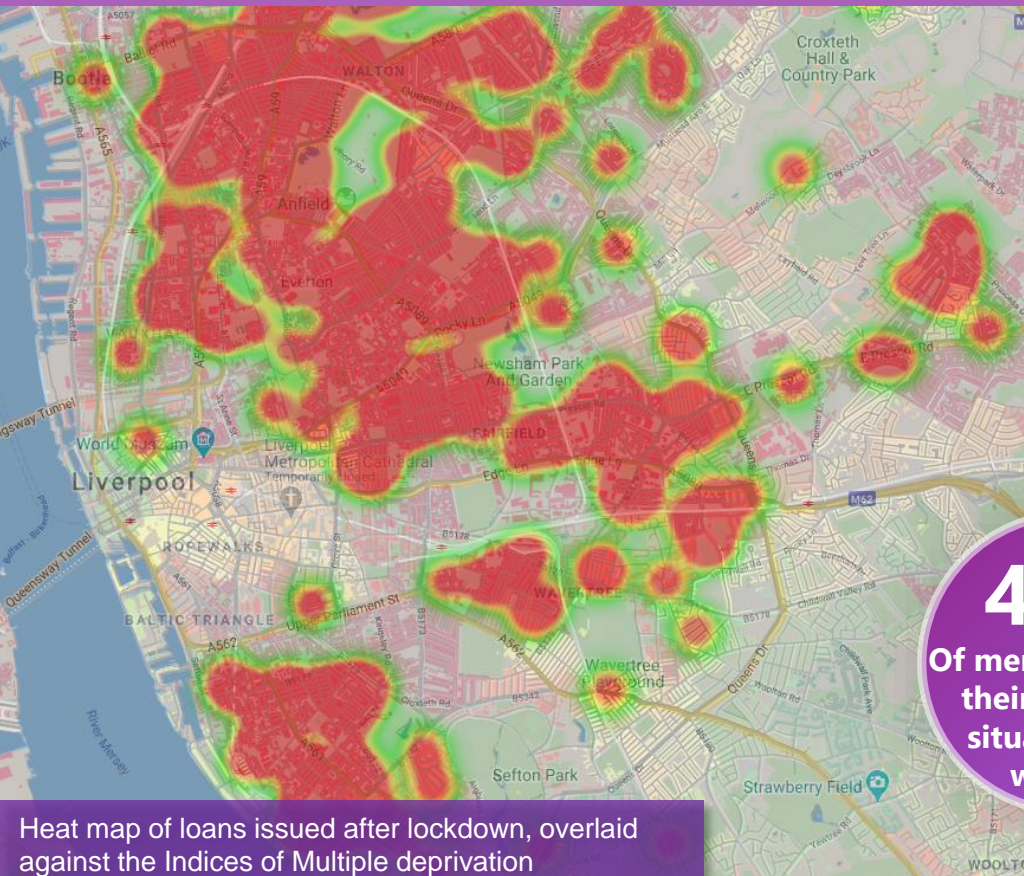
Great help for my little girls birthday during lockdown



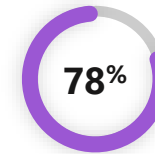
I borrowed for art supplies for the Children's home schooling. The lockdown has cost me a fortune



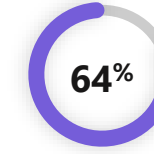
Services where they're needed most



of all loans *since lockdown* went to members living in the **top 20% most deprived areas**



of *all loans* during 2019/20 went to members living in the **top 20% most deprived areas**



of members with more than £100 in savings live in the **top 10% most deprived areas**

Health deprivation

Covid-19 hits unhealthy communities harder. Overall, in the Riverside ward where the Credit Union is located, **1/3 of people over 40** have a pre-existing health condition that **require self-isolation**. *Respiratory mortality is the highest in Liverpool*

46%
Of members think their financial situation will worsen



The Credit Union is grateful to Fair4All Finance for the support provided during Covid-19. A grant is helping us deliver more loans at a time when the need for affordable credit is the greatest.



Building resilience

Central Liverpool Credit Union is a successful community development credit union. Our anti-poverty work, in one of the poorest areas in the UK, has helped residents save millions of pounds.

"I am confident managing money"

Respondents who agree:

UK average: **58%**

CLCU members: **65%**

"Its very important to save for a rainy day"

Respondents who agree:

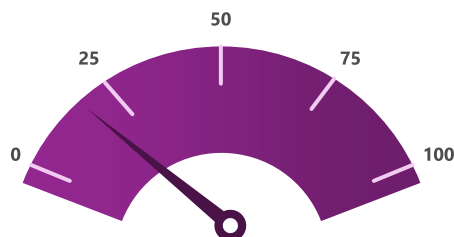
UK average: **40%**

CLCU members: **55%**

Turning borrowers to savers

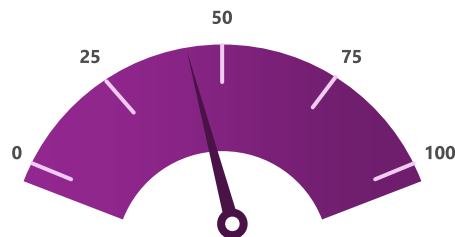
Every time a member borrows, they use our *Save as You Borrow Scheme*. A proportion of the loan repayment is allocated to a savings account, so at the end of the term, the borrower has built a safety net.

Members with **five years'** membership have 45p in savings for every £1 borrowed.



20%

2 years' membership saving to loan ratio: **20p:£1**



45%

5 years' membership saving to loan ratio: **45p:£1**

8/10

Members said that the credit union had encouraged them to save more

£2.8m saved every year compared to high cost credit

Borrowing from a **high cost lender** costs **1.65 times** the amount borrowed.

Borrowing from **Central Liverpool Credit union** costs **1.08 times** the amount borrowed.

Helping the financially excluded

75% of members have a credit score in the **bottom 20%** of the population. They are susceptible to high cost lenders.

Using the Credit Union **saves them £295 for every £500 borrowed.**

Calculating savings

So far, during Covid-19 we lent £800k. Compared to high cost lenders, **75%** of our borrowers have saved **£354,000 in excess interest payments**

Over the last 12 months we have lent £6.5m which equates to savings of **£2.8m**