



**Sicredi's Youth Committees: Empowering Youth  
through Cooperative Education and Professional Development**

**Executive Summary**

The Youth Committee initiative was created by Sicredi – one of the largest credit union systems in Brazil – to attract, empower and retain young members. Youth Committees combine cooperative and financial education with entrepreneurship, professional development and community support activities. By investing in young people and encouraging their involvement in community development, Sicredi's Youth Committees are creating ambassadors for the cooperative model and empowering youth. The relationship between young people and their financial cooperative is being redefined in the process and helps ensure the sustainability of the cooperative business model for future generations.

The report below provides an overview of the Youth Committee model and identifies key elements to consider as World Council explores the potential for replicating this initiative in other countries. There is an impactful opportunity for World Council to network the resulting youth committees globally and create an entirely new professional development opportunity for young people – all thanks to their financial cooperatives.

**Background**

In May of 2019, World Council and Sicredi co-hosted the 1<sup>st</sup> Global Youth Summit. The event brought together an international delegation of young credit union professionals and members of Sicredi's Youth Committees to explore opportunities in diversity and inclusion. World Council staff were captivated by the passion these young credit union **members** shared for the cooperative movement. Their energy was inspiring and contagious.

By connecting cooperative and financial education with professional development activities, Sicredi is empowering young people to make a positive impact on their communities. This has changed the way that these young people interact with their credit unions – and represents a valuable example to share with the world.

World Council returned to Brazil in January 2020 with a delegation of YP advocates for an in-depth examination of the Youth Committee initiative. During a week-long immersion, the visiting delegation reviewed the Sicredi system structure and saw how their exceptional focus on community has guided the formation of several initiatives designed to increase awareness of the cooperative model. By expanding engagement efforts, Sicredi is creating a community of young ambassadors, strengthening governance, promoting leadership and ensuring the long-term sustainability of their credit unions.

This experience provided valuable insights on useful strategies for credit unions facing a crisis of relevance with young people. This report summarizes key elements of the Youth Committee structure and process. It includes international perspectives from visiting and hosting delegations connected through World Council's exchange programs. World Council sees great potential for this initiative to support credit unions' efforts to differentiate themselves and improve their relevance with this important demographic.

**Sicredi: A Brazilian Credit Union System**

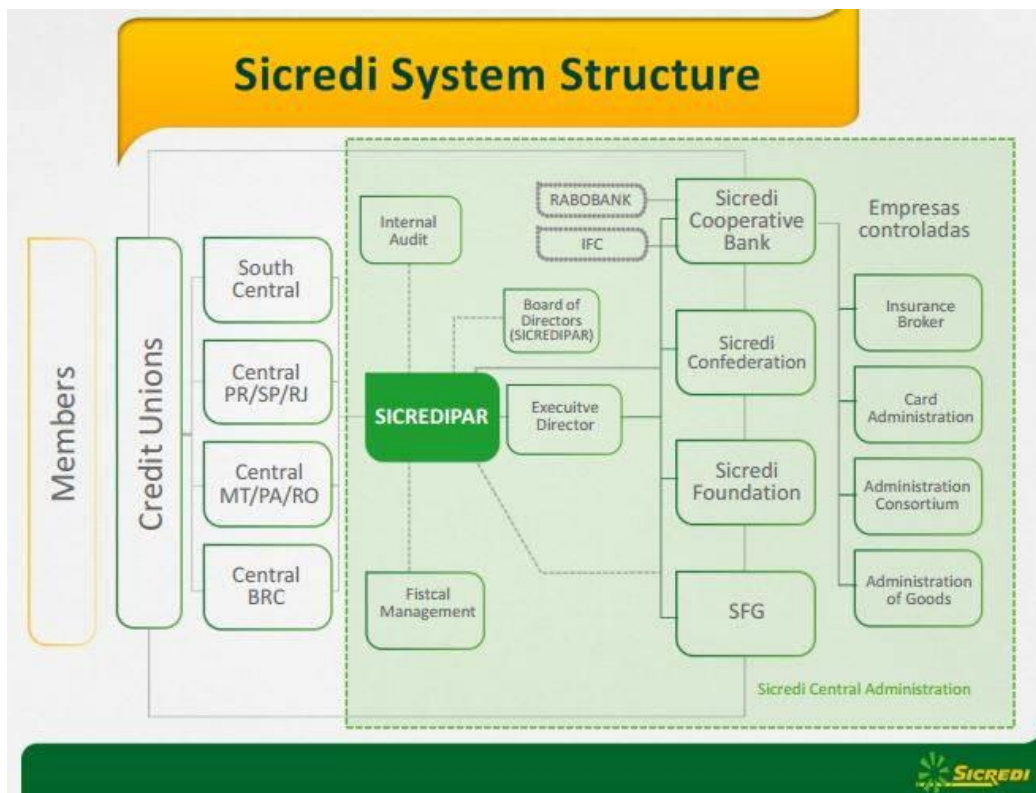
The Sicredi credit union system has a powerful collaborative structure. All **credit unions** within the system use the same brand, products, and operational processes – and adhere to the same rules, policies, and



bylaws. Each credit union operates within a defined region and does not compete with other credit unions in the Sicredi system.

Individual credit unions are connected on a regional basis through **Centrals**, which provide liquidity, training, compliance and program support services. The Centrals come together under the umbrella of **SicrediPar** – which oversees a cooperative bank, the Sicredi Foundation, a guarantee fund and a systemwide confederation responsible for shared back-office services: accounting, IT platform, branding, marketing and more.

Credit unions within the Sicredi system operate independently but benefit greatly from the efficiencies derived from this shared service model. Collaboration has resulted in advancements in product innovation, digital transformation and community outreach – efforts that would be difficult or impossible for individual credit unions to accomplish alone. The system’s credit unions have been growing at an average rate of more than 20% in membership and assets for several years. Currently, Sicredi serves more than 4.4 million members and has assets of approximately US\$25 billion.



### A Culture of Cooperation

For outsiders, it is inspiring to see the culture of cooperation that Sicredi has created, both internally among employees and externally with members and their communities. In January, our delegation attended an annual meeting at a branch office of a Sicredi credit union in a small town in rural Paraná state. Over 400 members showed up to hear the board Chair’s presentation of the annual report – a process that will be replicated at each one of that credit union’s 52 branch locations.



Community engagement is in Sicredi's DNA. As credit union members arrived at the branch's annual meeting, Sicredi used technology to confirm members' identities, utilizing fingerprint biometrics to confirm membership and distribute voting credentials. They live and breathe the cooperative philosophy – incorporating technology every step of the way.

← Registration at a Sicredi branch's annual meeting.

### **A Crisis of Relevance**

The average age of membership at financial cooperatives in the United States, Brazil and the United Kingdom ranges from 44 to 47 - and is increasing. This means that most members are past their prime borrowing years. Income from interest is the most significant item on almost every credit union's income statement, therefore as more members move from borrowing age to saving age, the average Return on Member (ROM) will decline.

In 2013, a Fintech start-up was established in Brazil, offering a simple digital experience for financial service consumers. Today, **NuBank** has more than 25 million clients – and over 70% of them are under 36 years old. As competition from Fintech disruptors increases, financial cooperatives are working hard to ensure that their members have full digital access to financial services - but is it enough?

The need for **differentiation** has never been greater for credit unions facing **a crisis of relevance**. Financial cooperatives around the world emphasize their "cooperative difference", however, many struggle to effectively tell their story and put that cooperative philosophy into practice. Sicredi's Youth Committee initiative has the potential to do both.

### **Youth Committees: A New Initiative for Engagement**

Youth Committees support the professional development of young people through cooperative education and leadership experiences, raising awareness of the cooperative model and encouraging greater participation in governance. The program turns young people into advocates for cooperatives and empowers them to become agents for social change in their communities.

"Working together to make a difference." →



Several years ago, World Council published a [Technical Guide](#) with international lessons for young adult membership growth. Sicredi's Youth Committee initiative incorporates several of those strategies as it attempts to redefine its relationship with young members by going beyond products and services.



## Structure and Process

While there are guidelines for the structure and intent for Youth Committees, the initiative allows **significant flexibility** for each credit union to form groups and coordinate activities **based upon the local reality**. Below is a high-level overview of the key concepts and processes that Sicredi has established to guide the formation and functioning of Youth Committees.

- **A commitment to young people:** The first and perhaps most important step is to secure a commitment from both the **CEO and board of directors** to support the vision for this initiative. The success of this program depends upon a CEO who is committed and will drive this priority from the top down.
- **Internal infrastructure:** Within the Sicredi system, most credit unions have a **Cooperative Development Coordinator (CDC)** who is responsible for building cooperative relationships with members, employees and the community. This position reports directly to the CEO and plays a key role supporting the Youth Committee's development and evolution. *See CDC Job Description document for details.*
- **Target Audience:** The Coordinator works with member service representatives to **identify a group of young people** that will be invited to the initial convocation of Youth Committee members. The goal is to identify individuals who would be most receptive to leadership development opportunities. The target audience can be **members only** or may also include **non-members**, generally between the ages of **18 and 35**. Attrition is likely. The strategy is to start small and build momentum.
- **Registration:** Sicredi has created an online portal where interested participants can register electronically, submitting personal profile information that will later be used to define the project teams. A registration period of up to 90 (ninety) days is recommended over the months of December, January and February (summer in the southern hemisphere). The registration period and program description are published on the credit union's communications channels, including:
  - Social networks (Facebook, Instagram, LinkedIn, etc);
  - Website;
  - Traditional media (radio or newspaper);
  - WhatsApp and/or e-mail;
  - Notice posted at the branches.
- **General Requirements for Participation:** At the first informational meeting, the requirements for each Youth Committee are established between the group gathered and the credit union. At Sicredi, the following requirements generally apply:
  - Participants must be members of the credit union;
  - Participants must make a commitment to attend x# of meetings and support the actions defined in the Youth Committee work plan;
  - Participants may not participate in political activities/campaigns;
  - Participants must have good credit history;
  - Participants agree to cause no harm to the credit union's image.
- **Leadership Team:** The Youth Committee will have a leadership team composed of 1 (one) leader and 3 (three) vice-leaders to coordinate the Committee's activities and facilitate communication





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with all participants. This team can be elected by the group or appointed by the credit union. Their term is equal to the program period.

In addition to the requirements noted above, the leadership team must have:

- Public speaking skills;
  - A willingness to travel;
  - A flexible schedule to participate in credit union events and meetings;
  - The ability to mobilize and coordinate groups;
- **Leadership Team Responsibilities:** This team plays an important role supporting effective engagement between the credit union and its Youth Committee.
    - Coordinate and supervise activities in accordance with the established objectives;
    - Represent the Youth Committee in its internal and external relations;
    - Convene the Youth Committee and preside over meetings;
    - Promote meetings;
    - Comply with the Youth Committee guidelines.



### **Program Content: Professional and Community Development**

- **Workplan:** Individually, each Youth Committee creates a two-year workplan which identifies the thematic focus of training activities and determines what activities they wish to coordinate. The workplan consists of two modules, a Training Module and an Application Module, each with a duration of 9 months.
- **Schedule:** Committee meetings are scheduled to take place on a monthly basis, in both physical and digital environments.
- **Training Module 1 – Professional Development:** The specific content of training activities will be determined by the members of each Youth Committee in accordance with the resources designated by the credit union and the availability of volunteer mentors. The thematic focus of the curriculum in Module 1 includes the following:
  - Cooperative Philosophy
  - Leadership
  - Financial Education
  - Entrepreneurship
  - Sustainability
  - Emotional Intelligence
  - Project Management
  - Volunteer Activity



- **Volunteer Activity:** A special activity is planned for the final meeting in the Training Module. Below are several examples of volunteer activities undertaken by Sicedi's Youth Committee members:
  - **Financial Education.** Coordinating workshops/lectures in schools or companies to encourage the appropriate management of financial resources;
  - **Cooperative Education.** Supporting efforts to coordinate the credit union's general assembly, encouraging greater participation of members, advocating for the cooperative model;
  - **Social Responsibility.** Serving as an instructor and/or speaker on matters of interest to the community; organizing food or clothing drives; supporting activities that raise awareness of social class, education, age, disability, gender, social or racial prejudices;
  - **Local Development.** Encouraging community sports activities; increasing environmental awareness by participating in conservation, recycling or clean-up efforts
- **Application Module 2 – Community Development:** Many young people have a desire to play an active role in something that makes a difference in people's lives. Module 2 is designed to be more dynamic and creative, allowing young people to take the lead in creating social impact projects in their community.

With the knowledge gained in Module 1, together with mentoring from professionals on each theme, Youth Committee members develop proposals for **social impact projects**. These projects must demonstrate a direct and collective benefit to the local community. Youth Committee members prepare a feasibility, applicability and impact study as part of their project proposal. All projects must be completed before the end of the Youth Committee program period.

The goal of this module is to give young people the opportunity to get their hands dirty – developing skills through the creation, innovation, planning, leadership and financial management of their project. Youth Committee members become active participants in local development efforts.

- **Project Themes:** Sicedi supports projects related to the themes noted below:



**Education:** Projects aimed at improving the development of collective education at its different levels and contexts, and not limited to schools, universities, or educational systems.



**Culture:** Projects that aim to guarantee access to and expand the cultural offerings, stimulating cultural and artistic production and dissemination, developing awareness and respect for the culture of other peoples and/or nations.



**Sports:** Projects that include actions which aim to promote social inclusion through sports activities, focusing on the integral development of children, adolescents, youth and adults.



**Health:** Projects aimed at disease prevention and awareness, improving the health of the community.



**Environment:** Projects aimed at preserving, conserving and improving the natural environment.



**Security:** Projects aimed at improving community security.

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**Social Inclusion:** Projects that address the issue of exclusion from social benefits based upon differences in social class, education, age, disability, gender, social or racial prejudice.

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- **Project Registration:** Sicredi intends to create an online portal where Youth Committee members register the following project information:
  - Project name;
  - Goal;
  - Term - start and end dates;
  - Expected benefits;
  - Audience impacted;
  - Budget - maximum support amount,
  - People and entities involved.

Each team will create a video detailing their project. This will serve as a basis for voting by the community. Project videos will be shared on the credit union's social networks where the public will have the opportunity to vote for their favorite project.

- **Selection of Project Finalists:** Each team will be allowed to utilize their own social media networks to encourage voting for their projects as they compete to be beneficiaries of financial support to assist with project implementation. This selection process is intended to raise awareness among young people about Sicredi through social media networks and inform them that Sicredi has a dedicated program for the professional development of young people.

Finalists are selected based upon:

- The number of people impacted;
- The length of time over which the benefits are generated;
- The social benefit to the community;
- The extent of local coverage.

Sicredi recommends that projects be selected for support based upon the highest score received on a scale of 1 to 10 points, weighted according to the following:

- 60% - Credit Union management and board of directors;
- 40% - Electronic voting by the community.

Additional criteria may be included in the selection of project beneficiaries – however, electronic voting is a key element for stimulating greater engagement of young people and the community that may be impacted.

### **Program Budget**

For the implementation of the Youth Committees, investments will be concentrated in the cost of training materials and fees for facilitators/speakers. Expenses may also include food, meetings space rental, transportation and accommodations during special activities/events. An additional amount must be set aside for financial support for the projects selected for implementation.

Sicredi has estimated annual expenses of R\$100,000 (**US\$22,500**) to cover the event launch, ongoing meetings/activities and project financing. They have estimated an additional program development expense of R\$ 250,000 (US\$56,000) to develop the training program content, online platform and related technology. This expense would be shared across the credit unions in the Sicredi system.



### Results

- 18 of 36 credit unions in the region covered by Central PR/SP/RJ have Youth Committees, with 486 active youth members
- 17 youth committee members were elected to leadership roles at their credit unions in 2019
- 20 community development projects have been developed by youth committee members



### People Helping People

During our visit with Sicredi in January 2020, we visited with Youth Committees at 4 different credit unions. The experiences they shared made it clear that this program is succeeding in its effort to develop a new generation of empowered advocates for the cooperative model. We met with several young adults who shared how they have become active agents for positive social change in their communities.

- Amanda Juliao recently completed university studies in law. She credited Sicredi for the education she received on the cooperative model and the passion it has ignited for promoting those principles in her personal and professional life. She is an active advocate for promoting financial education among children in her community and was recently recognized by the local Chamber of Commerce as Lawyer of the Year.
- Pedro Dantas, a university graduate in electrical engineering, indicated that the Youth Committee has inspired him to embrace the power of the cooperative philosophy. He started a solar energy installation and consulting company during the same year he joined the Committee. As a result of that experience, Pedro changed his business model to incorporate conscientious capitalism and cooperative principles. He began sponsoring community solar projects for local schools. Since then, his business has grown significantly. After installing only three solar panel projects in the first year, his business grew to 14 projects in the second year. His portfolio grew to 54 projects last year —and he credits its growth to the cooperative spirit injected into his business model.
- Marcos Paulino, is a young dairy farmer who developed a new process that improves milk quality while simultaneously increasing production. He won several awards recognizing his efforts, however instead of keeping the secret to himself, he created a project to share his technical guidance with other small farmers in his community. As a direct result of his efforts, the region is now recognized for producing the highest quality milk in the country and has led to new government standards based upon these techniques. Small farmers affiliated with the project have also increased productivity and improved the sustainability of their operations.





### Ideation Session – Exploring the Global Potential

On the final day of the exchange, the visiting delegation discussed the potential for replicating the Youth Committee initiative at credit unions in other countries. Several areas were identified for further consideration:

What are the characteristics of credit unions that would be most likely to implement Youth Committees?

- Educators credit unions – especially those with in-school/university branches
- Rural vs. urban culture – need flexibility to accommodate the local reality
- Entrepreneurial focus – strengthen existing financial education efforts
- Credit unions that already engage with YP programs
- Leagues/Associations/Federations – collaborative opportunity for affiliated credit unions

Who are the ideal partners for this initiative **within** the local community?

- Chamber of commerce – several have their own youth leadership programs
- Other coops – many food coops have an active membership base
- Schools/Universities – student groups, programs like DECA and 4H

Who are the appropriate partners for this initiative **outside** the local community?

- Leagues/Associations/Federations with existing YP programs
- NCUF – CUDE
- Filene Institute



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- The Cooperative Trust - Crashers Program (US)
- Sustainability and diversity/inclusion focused organizations
- Potential for synergies with CUNA's Open Your Eyes campaign (US)
- CUSOs, Corporate and Foundation sponsors/donors

### Key considerations:

- A **solid commitment** is needed from both the CEO and Board for the program to be viable.
- **Governance and cultural differences.** Credit unions operate in many different local realities. Program flexibility will be important to accommodate them.
- **Funding.** How do we best measure value/results of the investment? Are there sponsorship opportunities, both individually and program-wide?
- **Youth attracts youth.** Credit unions will need an engaged staff to identify ideal candidates for Youth Committees. How do we identify who will benefit most from the opportunity?
- **Diversity and Inclusion.** Youth Committees should represent a cross section of the community, consider demographics and be inclusive despite education level.
- Communicating the **value proposition and potential.** Create Powerpoint for program advocates to utilize and convince. Develop social media strategy. Webinars. Infomercials. Participate in industry events, conferences, chapter meetings. Synergies with League/Association/Federation YP Programs.
- Part of a **multi-pronged approach.** Youth Committees are not a stand-alone solution. There is potential for great synergies with existing YP programs, Sister Societies, community groups, financial education, cooperative education.

Lastly, the ideation session considered the case for support and explored elements of a strategy for replicating this initiative at other credit unions. A Toolkit was identified as a useful mechanism for promoting the initiative globally. It should contain everything a young credit union professional would need to sell the initiative to decision-makers and clearly define the organizational implications, highlighting:

- Structure, Process and Responsibilities
- Value of the investment in YP leadership
- Cultural implications for integrating cooperative education, both internally / externally
- Potential for redefining the relationship between young people and credit unions

*Our thanks to PSCU for supporting our efforts  
to share this initiative with credit unions around the world.*

