

Credit Unions and Public Health: A theory of change

What credit unions do

- Make it easy for members to save
- Use pooled savings to offer fair and affordable loans to members, including those who can't usually get one from a high-street bank
- Build a local financial system of support
- Make finance simple
- Help members build their credit score
- Share surplus income with members as a

Credit Union Values

- Ethical finance
- People not profit
- Be for communities
- Be in it together
- Work in partnership

Thriving community and economy

- Reduced poverty and inequality
- Community wealth building
- Stronger local economy
- Improved community health

Thriving people

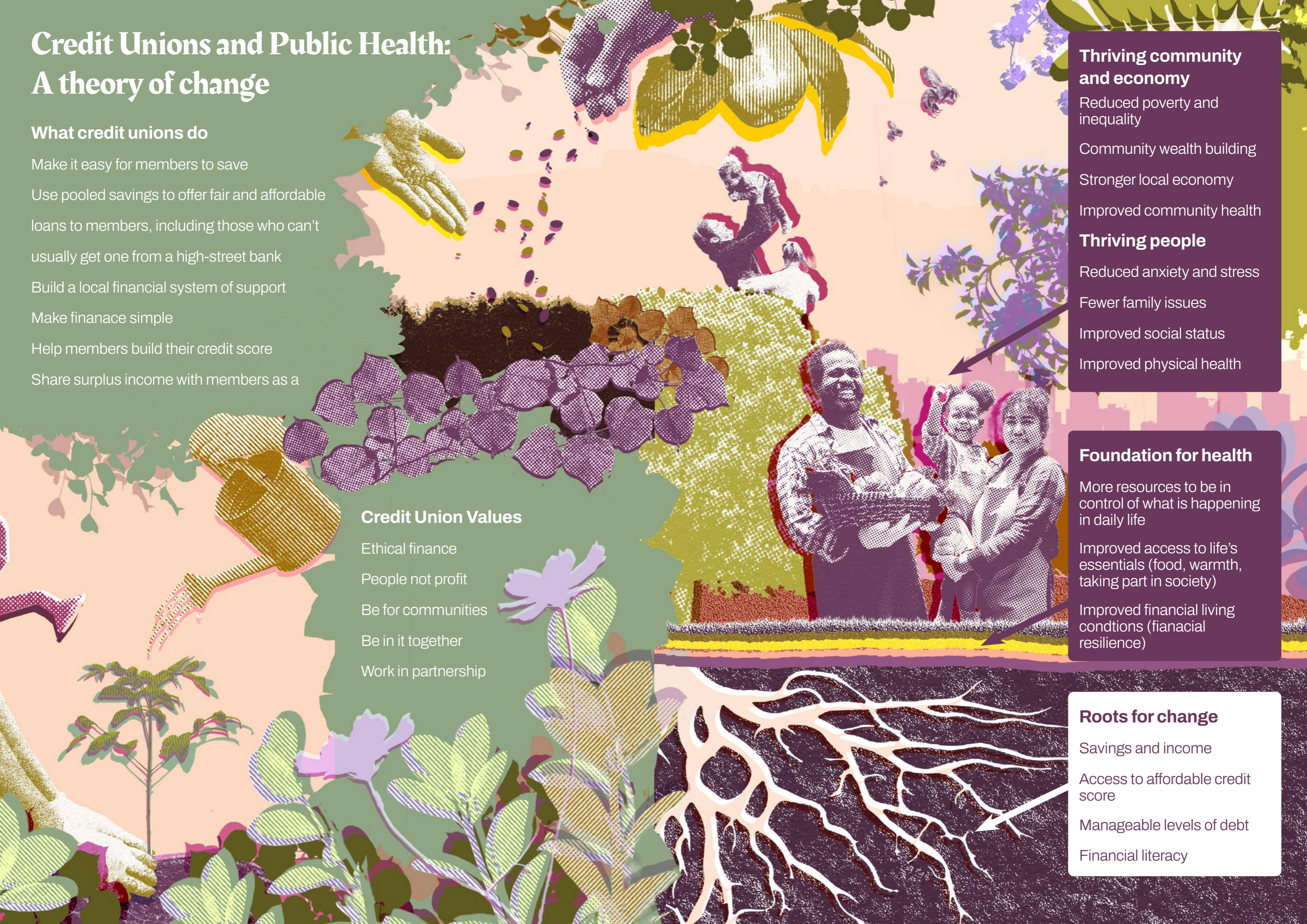
- Reduced anxiety and stress
- Fewer family issues
- Improved social status
- Improved physical health


Foundation for health

- More resources to be in control of what is happening in daily life
- Improved access to life's essentials (food, warmth, taking part in society)
- Improved financial living conditions (financial resilience)

Roots for change

- Savings and income
- Access to affordable credit score
- Manageable levels of debt
- Financial literacy





This theory of change illustrates how credit unions can impact public health. It is based on a mixed methods study by [Made in Common](#) - a research programme highlighting voices, ideas and examples of how we can “design out” inequality from our economy: how we produce and provide for one another.

The study involved a rapid review of published and grey literature, and a qualitative ‘zine-making’ workshop with people in West Yorkshire who have experience of credit unions, either through working in or with a credit union, as a member and/or as a researcher. It is a companion document to the zine, [‘Credit Unions: Where you can save money and build community’](#). In the research, there was a recurring, visual reference to understanding credit unions’ relationship with public health as ‘growing community’. For the theory of change, we embraced this metaphor of growing, visually representing how credit unions can impact public health in relation to key elements in an ecosystem (roots for change, soil as a foundation and trees that anchor ecosystem health)

The theory of change shows what credit unions ‘put into’ their communities - creating the conditions and environment for people to thrive. This includes ‘what they do’, such as making it easy for members to save, making finance simple, and offering fair and affordable loans to members, including those who cannot usually get one from a high-street bank. This also includes their ‘values’ which shape how they work, including: ethical finance, focusing on people not profit, being in it together for communities, and working in partnership.

The theory of change shows that this approach has a range of important impacts for public health, which start with growing a stable financial foundation for communities and public health - like the roots of a tree. Credit unions support people to have more savings and income, access affordable credit, have manageable levels of debt and develop financial literacy. These are the roots for change.

From these roots, people can develop the foundations for good health - this is like healthy soil. Stable financial conditions means people have resources to be in control of their lives and can access life’s essentials (healthy food, warmth, taking part in society). These foundations help people to thrive in their communities, akin to a healthy ecosystem, and can be particularly important for mental health and family life: supporting people to feel equal and minimise anxiety and stress about unexpected expenses or debt, which are often triggers for family issues and health problems.

By making sure that all members of a community can benefit, including people who may not be able to access high street banking services, credit unions help reduce poverty and inequality. By reinvesting member’s money back into a community, they also support community wealth building and help build a stronger local economy, which can benefit the health of all residents.

The [Made in Common](#) project has been supported by the Research England Policy Support Fund, distributed by The York Policy Engine



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