



DIGNITY

Indian Business Corporation
Social Finance Report

INDIAN BUSINESS CORPORATION

“After nearly 40 years of making loans to First Nations entrepreneurs in Western Canada, we have witnessed many positive outcomes that occur when these businesses gain fair access to capital.”

—Clement Doore, IBC Trustee, Treaty 7

INDIAN BUSINESS CORPORATION (IBC) is a First Nations-owned lending organization that provides financing and support to First Nations entrepreneurs within the territory of Treaties 6, 7 and 8.

OUR VISION is that every viable First Nations business in our jurisdiction has access to the capital they need to launch, maintain and grow their enterprise, and in doing so, improve the social and economic circumstances of the individuals, families and communities involved.

WE RECOGNIZE DIGNITY as the right of all people to be appreciated and respected for their own sake, and to be treated ethically.

WE BELIEVE ECONOMIC DIGNITY involves those aspects of dignity that link to a person's sense of financial well-being.

DIGNITY IS POSSIBLE WHEN:

People have choice

People perceive representation

People experience less inequality

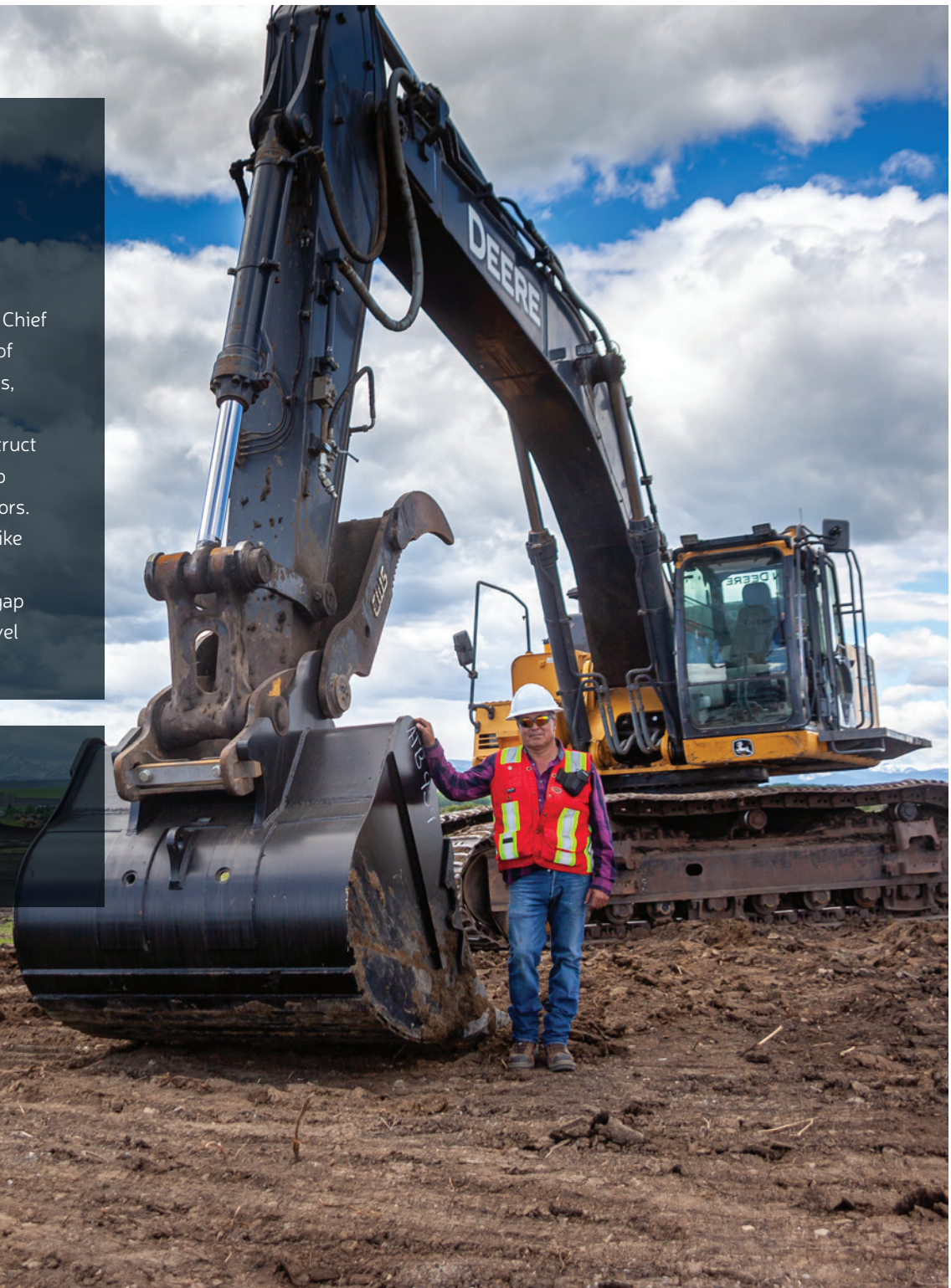
People access greater equity

A DIGNITY GAP PERSISTS

After more than two decades in road and bridge construction, Tracy Day Chief with his wife and business partner Beth Day Chief have bought millions of dollars in heavy equipment—often with financing from IBC. In the process, the Day Chiefs have created dozens of well-paid jobs for Indigenous and non-Indigenous workers alike. When given the opportunity to help construct Calgary’s Springbank Off-stream Reservoir, Tracy was required to put up financial guarantees that far exceeded those of non-Indigenous contractors. As governments seek to encourage Indigenous participation in projects like Springbank, their own processes often work in opposition to these good intentions. The Day Chiefs’ experience shows how an economic dignity gap persists among Indigenous business owners seeking to compete on a level playing field.

TRACY DAY CHIEF

Co-Owner, Chief’s Construction
Blood reserve, Alberta



JACK ROYAL

Chairman, Indian Business Corporation
Siksika Nation, Alberta

Jack Royal is standing in an ancient teepee ring, marking a historic Blackfoot gathering place at Siksika Nation.



**IBC is an important tool—helping
Alberta First Nations small business
owners achieve economic dignity.”**

DIGNITY

“So many First Nations people have suffered horrific experiences related to colonialism, residential schools and the ‘60’s scoop—directly or intergenerationally. We are beginning to grasp and accommodate the trauma that goes along with those experiences.”

“We call them rez skills. The team at IBC has a good grip on that.”

“First Nations people face barriers to securing any kind of financing, whether it’s for a home or business,” says Jack Royal, chairman of IBC’s board of directors. “I know this story well. We went to a big bank to arrange a mortgage and were told we had no security, that we needed a band council resolution and, according to the Indian Act, we needed a written guarantee from a bureaucrat in Ottawa. These hurdles are just unreasonable and impractical when you consider the state of housing on most reserves.”

Long before Royal joined the IBC board of directors, he and several generations of his family were ranchers on Siksika Nation, an hour east of Calgary. Like many ranchers, Royal faces seasonal cash flow challenges.

“It was a real hassle working with a conventional bank because their service was so geared to the mainstream and not First Nations business owners,” says Royal, “Then we heard about Indian Business Corporation. We heard IBC was First Nation owned, that they had a reputation for understanding the dynamics of a First Nations business and for taking into account each borrower’s situation.”

“My experience as an IBC customer put me on a sound footing to thrive as a rancher. It was also the beginning of a long-term relationship. Eventually, I was invited to join the board of directors where I have served for six years. In 2017, I accepted the role as chair of the IBC board of directors. This position is both an honour and a big responsibility to ensure IBC achieves its vision: that every viable First Nations business in Western Canada has access to the capital they need for their business to thrive.”

“IBC’s leadership has both technical and intrinsic skills based on their own lived experience to help their customers overcome challenges. Everyone at IBC is practical and has common sense. When you consider it took hundreds of years to build mainstream institutions, like banking, First Nations institutions are just getting these things figured out now. Organizations like IBC are assisting in getting us there. Call it reconciliation, call it healing, whatever—our path to prosperity involves awareness, education, understanding, ownership and the right tools. IBC is one of those important tools—helping Alberta First Nations small business owners experience economic dignity.”

Dignity involves

CHOICE

Financial systems that treat people with little or no regard for their personal agency to make life choices are harmful to their dignity. IBC believes treating people with economic dignity improves their financial capabilities and expands the choices they can make in terms of their well-being.

“Our experience at the bank: there’s a general bias against small business and a clear ignorance about Indigenous business—even when we’re profitable!”

Between them, Kara and Steven Potts hold graduate degrees and professional designations. They share six children and a seventh foster child. In 2018, when the Pottses moved from Kara’s home in Fort Belknap, Montana, to Steven’s home on Piikani First Nation in southern Alberta, they were approached by nation leaders with a painting contract. Both Kara and Steven had been painters in previously so they took the work. Over the last three years they have painted more than 30 homes on the reserve as well as several commercial properties. They also started side hustles—a coffee shop on wheels and an industrial cleaning service. Last year was tremendously busy, and the work keeps coming!

“When people find out we are good and reliable, that we have a business license, insurance and workers’ compensation they want to hire us, and that’s good.”

What’s not so good is managing cash flow. Potts Painting, like most small contractors, usually has to fund its operations—pay for wages, materials, transportation costs, etc.—on a cash basis while contracts often don’t pay for 90 days.

“We were offered a big painting job and our bank wouldn’t extend the \$10,000 line of credit we needed to buy supplies and pay our team for 90 days before we got paid,” says Kara. “Even though our credit score was good and we have a history of steady income, we were declined. This is the same bank that boasted having an Indigenous business focus but couldn’t read our tax return showing significant income earned on reserve. To make matters worse, the bank kept us on the hook for two months before they turned us down. It was very frustrating—definitely made you feel disrespected.”

Potts Painting had no other credit options and risked losing the work when they found out about IBC. “We negotiated the loan we needed with IBC over the phone,” explains Kara. “What a difference it is to be treated with dignity in financial matters.”

The business generally keeps two other painters from Piikani First Nation busy on their projects. “We face a labour challenge,” says Kara. “Transportation is a big issue when you live as rurally as we do. And some folks don’t have the same level of commitment to working hard every day. Fortunately, our older children are entering the picture to help with our cleaning and coffee businesses.”



STEVEN & KARA POTTS

Potts Painting
Lethbridge, Alberta

“What a difference it is to experience economic dignity.”



You're a role model
for all of us!"

LAURA PHYPERS

Partner, Advocate Law
Red Deer & Maskwacis reserve, Alberta



COURTHOUSE

Dignity demands

REPRESENTATION

For IBC, representation means aspiring entrepreneurs see people like themselves represented in professions, trades, business and finance. Representation opens up a world of possibility and allows people to contemplate taking a risk on a business idea.

“At age 14, I was on my own and paying rent,” says Laura Phypers. “I managed to graduate from high school and thankfully there was Doris, my guidance counsellor, also a First Nations person. At 17, I jumped a bus to Lethbridge with 200 bucks and a garbage bag with all my possessions. I was lucky to find a safe place to live and I landed a job, which gave me steady employment and some stability.”

Becoming pregnant triggered Laura’s decision to go to school; she realized she didn’t want to live paycheque to paycheque. “A baby was coming, I was alone and I realized I wanted something different, bigger. I wanted some choices in my life. My life might have been completely different because of the barriers I faced as a young Indigenous woman, a single mother, to say nothing of the stereotyping I’ve faced since I was a child when we were considered dirty Indians.”

“I was drawn to criminal law because of my experience growing up in poverty and out of recognition that Indigenous people are over-incarcerated and under-represented in Canada,” says Phypers.

In 2020, after seven years of school, Phypers was called to the Alberta bar as a criminal defence lawyer. After that, she took another bold step by contacting IBC for a small business loan that allowed her to purchase a law practice on the Maskwacis reserve northeast of Red Deer.

Phypers’ next move was to partner with her brother Andrew, already a criminal lawyer. “When it came time to build a business, I knew I wouldn’t get approved at a typical bank,” recalls Phypers. “When you’re in survival mode you’re not concerned with your credit score and the fact is—despite my academic achievements, my vision and work ethic—I would not have been considered credit-worthy by a big bank.”

IBC, on the other hand, pays attention to things like character, ability and opportunity. IBC’s willingness to finance First Nations entrepreneurs based on these factors—not just a credit score—has played a major role in Phypers’ success.

“With IBC’s help, I joined my brother to form Advocate Law. We’re based in Red Deer, Alberta, with three partners, eight lawyers and a team of five support staff,” says Phypers. “And IBC keeps in touch. I send financial reports and they keep tabs to ensure I’m able to pay down my loan. It’s a practical and reciprocal arrangement and I feel very well supported. IBC levels the playing field for its customers and treats them with dignity and respect.

“You don’t know that you’re going to have an impact on others. I was pregnant and I needed to do something for myself. Against all odds, I made it into law school and thanks to IBC I turned my degree into a thriving criminal law practice.”

Dignity demands

EQUALITY

In the face of widespread inequality for First Nations people, IBC recognizes its role to challenge systems and attitudes and to build a financial institution that helps its customers realize their full rights and achieve equality.

“My grandfather broke the farmland I grew up on. So when it came time to decide my own path, it was pretty clear I was going to farm.”

Cyrus Weasel Fat is a third generation farmer from Kainai Nation in southern Alberta. He’s a man on the move with about 800 acres in hay, a soil science diploma, a B.Sc. in agriculture and a PAg certification (professional agrologist).

Weasel Fat is also in the process of launching Kainai Ag Services (KAS) based on the Blood reserve, west of Lethbridge. “KAS is going to provide agricultural services across southern Alberta—everything from crop inputs to agronomy advice to custom services and more. I recognize how intensive agriculture is in our region and I’m committed to improving land management and to soil remediation. It’s essential,” says Weasel Fat.

“At heart I’m a hay farmer,” he says. “And we ship our bales internationally—mostly to Pacific Rim countries that want Timothy grass for the high sugar and energy values to feed their dairy industry. Our territory is perfect for Timothy grass, which grows best at high altitudes like in the foothills of the Rocky Mountains.”

While land farmed by Weasel Fat and his family is theirs to work on, build on, even pass on to the next generation, “because you can’t buy or sell it, banks won’t look at you when it comes to financing farm buildings or machinery—you have no collateral,” he explains. “Farming is already challenging—weather, volatile pricing for crops and for inputs. We have all the problems of an international business—clients on the Pacific Rim, global disruptions to our supply chain, etc. and yet, when it comes to business financing, there’s a real lack of understanding at the big banks. For First Nations farmers, it’s not a level playing field!”

This is why IBC is so important. “They helped us finance a large shed for our hay and an irrigation pivot—both essential for our business. We had no other option because we couldn’t meet mainstream security requirements. IBC, on the other hand, understands how things work for farmers living on reserve. They helped us develop our business plan and even found a grant worth 25 per cent of the total cost.”

Weasel Fat’s son Max is now taking on more responsibility for their hay operations, allowing his father to focus on building Kainai Ag Services. “There is a growing number of future agronomists coming up behind me with diplomas and degrees in agriculture. I hope to take on some of these apprentices so they can achieve their PAg designation while working at KAS,” says Weasel Fat.



“

It's not a level
playing field.”

CYRUS WEASEL FAT

Rancher, Kainai Ag Services
Kainai, Alberta

SHAWN MANKOWSKE

VHF Coffee
Calgary, Alberta



“It’s a paradigm shift back to Indigenous culture—where people support each other.”

Dignity is built on

EQUITY

IBC applies an intersectional lens when assessing what will help each IBC client to thrive and succeed. Each person has different circumstances. We allocate resources as needed for each client to experience equity in the support they receive from IBC.

“For my generation the biggest challenge will be moving from renting to owning. It feels like we’re forever paying into a system we didn’t design.”

Shawn Mankowske is from Kwanlin Dün First Nations near Whitehorse, Yukon. In 2003, he began a bachelor of fine art degree at ACAD in Calgary with hopes to transfer to OCAD in Toronto, but “I decided Toronto wasn’t for me and I finished my degree at ACAD,” says Mankowske. “I knew I wanted to combine my training in creating and building with my interest in green tech and sustainability.”

Mankowske’s solution to building assets and a life worth living were both found in VHF Coffee—a bespoke espresso truck that can operate off grid. “I knew what I wanted to do,” says Mankowske. “Bring Calgarians premium espresso drinks that are sustainably sourced, locally roasted and delivered right in their community. The challenge initially was all financial.”

“There are a lot of funding programs targeting young Indigenous entrepreneurs right now,” he explains. “Making sense of these programs is super challenging but IBC cut through the red tape and helped me secure a grant for 30 per cent of the project cost and a business loan to turn my idea for VHF Coffee into reality. Other funders were disorganized and didn’t have the answers to my questions. IBC was just better than the rest—they made time for me, went out of their way to see that I was successful getting financing and successful in launching my business.”

Financing from a regular bank wasn’t an option for Mankowske. “You need to have assets in place to secure a loan,” he says. “It’s a systemic problem for my generation. There’s a generational wealth gap and many of us can’t contemplate the risk associated with starting a business. And the banks don’t care! At IBC, it’s a different story.”

If his prototype VHF Coffee vehicle proves successful, Shawn plans to expand to five off-grid coffee vans over the next five years. “I’d like to be more centralized,” says Mankowske, “with space for roasting and room to develop our technology so we are less carbon-based. Each van is designed for two people—so I can imagine 10 people working in the vans with another three or four people helping with design, marketing and finance.”

“I’m interested in building a social enterprise that provides good jobs and offers hands-on experience designing, building, engineering, roasting, barista-ing—fostering shared interest and values—sort of what Indigenous society has traditionally been about: communalism, people interacting, building and growing together. It’s a paradigm shift back to Indigenous culture—where people support each other and workers experience equity.”

IBC BY THE NUMBERS

IBC'S GENERAL LOAN FUND

Loan fund **established**

1988

Total loans advanced

\$113.75M

Current **loan portfolio**

\$15 million

230 Number
of clients

Average loan size

\$65,000

47 Average age
of IBC clients

31% Female clients

Male clients **69%**

And **since 2009***

875 small business
loans provided

\$57M million
advanced

285 Full-time jobs
directly supported

\$200k Average investment
required to **create or
maintain** a full-time job

IBC statistics as of July 2022

*Beginning of IBC KPI tracking

INDIGENOUS BUSINESS STABILIZATION PROGRAM

471 Number
of loans

\$18M Value of
loans advanced

- The COVID-19 crisis (March 2020) triggered the Federal Indigenous Business Stabilization Program
- Between June 2020 and March 2021, IBC made 471 loans valued at \$18 million, nearly tripling its customer base and doubling its loans under management in less than 12 months
- 59.85% of stabilization program clients had not borrowed from IBC previously



Government
of Canada

Gouvernement
du Canada

“The last three years have been a test of our skills and our commitment,” says Rob Rollingson, general manager at IBC. “As a team, I would say the pandemic gave us the opportunity to improve our skills and build our capacity to process loans, meet and support customers, assess their eligibility, conduct due diligence, and provide more supports. We’re better at our jobs.”

COVID-19 almost delivered a knockout punch to IBC. At the height of the pandemic many businesses closed in bankruptcy and many IBC customers defaulted on their loans. During the first wave, IBC closed its office for two months. All staff worked from home. Demand for IBC loans dried up and IBC’s cash flow suffered significantly. The Federal Indigenous Business Stabilization Program, administered by the National Aboriginal Capital Corporations Association (NACCA), arrived in the nick of time for IBC’s customers and its team.

On the upside, IBC gained business insight into the resilience of customers from different sectors emerging from the pandemic. This allowed for more targeted aftercare of loan customers. The team greatly increased its capacity to process loans, solve problems and to be effective working remotely. The implementation of a new loan management database improved IBC’s decision making and enhanced its programs. The Indigenous Business Stabilization Program ultimately helped keep many Indigenous businesses afloat, including IBC.

CLOSING THE DIGNITY GAP

ROB ROLLINGSON

General Manager, Indian Business Corporation
Calgary, Alberta



“Closing the dignity gap demands a common commitment between the financial institution and the entrepreneur seeking financing. Then, the potential for positive social change is enormous.”

HOW CHANGE HAPPENS

Challenges First Nations entrepreneurs have technical expertise, opportunities and community support, yet they lack access to capital, appropriate business financing and other services.

Remedies IBC provides access to social and financial capital and other support necessary for First Nations entrepreneurs (on or off reserve) to risk launching, maintaining or scaling a business while successfully managing business debt.

Outcomes IBC clients increase their business and financial knowledge. Their companies grow and thrive. There is an increase in decent work within families and communities, as well as an increase in clients' household income. IBC clients experience more economic dignity and financial well-being.

In the 17 years I've been the general manager at IBC, I've witnessed again and again the good things that happen when First Nations entrepreneurs get the financing and the support they need to start or grow a business.

Over the last 10 years, we've looked at the social and economic impact of our lending and we've learned that household income is the number 1 determinant of health for individuals and their families. Income leads to better health, education, housing and nutrition for individuals, families and communities.

The COVID-19 pandemic was a game changer for IBC and our customers. The federal government entrusted us with an Indigenous Business Stabilization Program amounting to \$18 million in new loans issued in a very short period of time. The intensity of this experience caused us to reflect on our work—both our successes and our challenges. One factor stood out above all others in terms of the success of our clients: the extent to which they feel they've been met with dignity.

As we move toward the post-pandemic time, IBC has chosen economic dignity as its guiding principle—steering our efforts as a lending institution forward. We understand that economic dignity involves four key ingredients: our customers have choices in their lives; they see themselves represented in the world around them; they experience less inequality as they pursue their business goals; and they experience equity through the additional support we provide along with the loans we make.

To the extent there is a dignity gap between mainstream Canada and First Nations people, IBC is in the business of closing that gap.

INVESTING IN ECONOMIC DIGNITY





Kiwetinohk establishes \$100,000 Loan Fund Within IBC To Assist With Developmental Lending

“In support of the Truth and Reconciliation Commission’s corporate call to action, we have committed \$100,000 to establish a new small business loan fund with IBC,” says Kiwetinohk CEO Pat Carlson. “We share IBC’s commitment to fostering economic dignity for Indigenous small businesses. The Kiwetinohk fund will be used to assist IBC with small business loans in the territories where we operate.”

“Our company is made up of a diverse group of individuals. Many are entrepreneurial and have experience in small business startups,” says Sue Kuethe, Kiwetinohk’s community inclusion officer. “We are hopeful the loan fund will help us build relationships with community members and provide opportunities for our team to share additional support in whatever way makes sense.”

Kiwetinohk is an Alberta-based energy transition company that aspires to be a Canadian leader in the global shift to low-carbon energy. Kiwetinohk’s mission is to build a profitable energy transition business providing clean, reliable, dispatchable, affordable energy. Kiwetinohk develops and produces natural gas and related products and is in the process of developing renewable power, natural gas-fired power, carbon capture and hydrogen clean-energy projects. The company operates in the belief that businesses must be sustainable to be profitable, and profitable to be sustainable.

IBC SOCIAL IMPACT INVESTORS



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AltaGas

Canada 

Alberta 





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