Cash Crunch Loan Project
PARTNERS PILOTING MICRO LOAN TO EASE CASH CRUNCH

Build people’s assets and develop local economy among intentions

Lisa Bailey  The New Economy  June 25, 2015
Financial Empowerment
United to reduce debt, grow savings, build assets.

**REDUCE DEBT**
- **BASIC NEEDS ASSISTANCE**
  - Assist people facing emergencies such as eviction or disconnected utilities.
- **SAFE & AFFORDABLE FINANCIAL PRODUCTS**
  - Significantly reduce demand for payday loans.

**GROW SAVINGS**
- **FINANCIAL COACHING**
  - Practical money management help in neighbourhoods.
- **TAXATION & GOVERNMENT BENEFITS**
  - File taxes and access benefits.

**BUILD ASSETS**
- **EDUCATION SAVINGS**
  - Open RESPs for children in Calgary.
- **LEARNING & EARNING**
  - Grow money saving skills for tangible assets (tuition or tools for work).
## Results

<table>
<thead>
<tr>
<th>Success Indicator</th>
<th>Results</th>
<th>Leakage Calculations</th>
</tr>
</thead>
<tbody>
<tr>
<td># of referrals/# of loans disbursed</td>
<td>59 referrals/56 loans disbursed</td>
<td>$ loaned at 400% = $283,400</td>
</tr>
<tr>
<td>$75,000 disbursed to micro loan participants</td>
<td>$70,850</td>
<td>$ loaned at 12% = $8,502</td>
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<tr>
<td>Loan repayment rate</td>
<td>23% (13/56) have had delinquency reported to the credit bureau (30 days late or more)</td>
<td>Difference is savings in total = $274,898</td>
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<tr>
<td># of additional FCF products opened by new members</td>
<td>6</td>
<td>Difference is savings average per person = $416/month</td>
</tr>
</tbody>
</table>

*Leakage Calculations:*

- $ loaned at 400% = $283,400
- $ loaned at 12% = $8,502
- Difference is savings in total = $274,898
- Difference is savings average per person = $416/month