

FINANCIAL EMPOWERMENT CHAMPIONS - Frequently asked questions -

What is a Financial Empowerment Champion (FEC)?

FECs are organizations that are currently delivering one or more financial empowerment (FE) intervention(s) to help Canadians living on low incomes achieve financial wellbeing and intend to expand the impact of their initiative(s). FECs will work with Prosper Canada, receiving funding of up to \$150,000/year for 4.5 years as well as technical assistance (e.g. training, access to documents and curriculum and support from others in the FE field).

What is Financial Empowerment?

FE is an approach to poverty reduction that focuses on improving the financial security of people living on low incomes. It does this by introducing a set of interventions that together help individuals to grow their incomes, improve their credit scores, savings and debt levels, and build wealth through education, employment, entrepreneurship and improved housing.

FE is not like most other poverty reduction approaches. It focuses on helping people living on low incomes participate and feel included in our financial system. It increases their opportunities and knowledge, and fosters behaviours that are critical to their economic security and their ability to invest in their future.

What is an FE intervention?

These are projects and activities that have been proven to increase the financial security for people living on low incomes. This project will focus on the following five interventions:

- Financial literacy education (Delivered directly to individuals living on low incomes or through training other frontline staff to deliver)
- One-on-one financial coaching
- Support to open Registered Education Savings Plans (RESPs) and access the Canada Learning Bond (CLB) and Canada Education Savings Grant (CESG)
- Assistance with tax filing and accessing government benefits
- Support to access basic banking.

To learn more about Financial Empowerment please read Prosper Canada's [Financial Empowerment Brief](#).

What are some examples of projects that would fit into the different FE interventions?

There are many different projects that could fit under each intervention. Some projects would also fit under several interventions. See *Table 1: Financial empowerment interventions* for a description of each intervention and some examples.

Table 1: Financial empowerment interventions

	Financial literacy education	Financial coaching	Support to open RESPs, access CLB and CESG	Assistance with tax filing and accessing government benefits	Support to access basic banking
Intervention description	Improve the financial knowledge, skills and confidence of individuals by increasing their access to quality financial information and education.	Trained coaches meet with individuals to identify and work towards personal financial goals.	Support to open the federal Registered Education Savings Plan and access the CLB and CESG.	Boost incomes by helping individuals to file their taxes and access government benefits.	Connect individuals to safe and affordable banking services, reducing reliance on predatory lenders.
Project examples	<ul style="list-style-type: none"> - Delivery of financial literacy workshops to individuals - Training of front line staff -Development of curriculum for specific groups (newcomers, youth, Aboriginal groups) 	<ul style="list-style-type: none"> - One-on-one coaching - Matched savings programs - Financial case management and problem solving 	<ul style="list-style-type: none"> - RESP, CLB and CESG promotion - Supports to open RESPs, in person or online (using SmartSaver tool) - RESP, CLB and CESG enrollment events 	<ul style="list-style-type: none"> - Promotion of government benefits - Online benefit calculators - Host volunteer tax filing clinics - Help to apply for government benefits 	<ul style="list-style-type: none"> - Supports to obtain government identification - Supports to open basic bank services (Chequing/ savings accounts) - Help to set up direct deposit

How do you define “low-income”?

Any person who lacks the financial resources and essentials to enjoy a minimum standard of life and wellbeing considered acceptable in the society they live in.

(Adapted from Investopedia <http://www.investopedia.com/terms/p/poverty.asp>)

Statistics Canada also produces an annual [Low Income Cut Off](#) (LICO). The approach is an attempt to estimate an income threshold at which families are expected to spend more than the average on certain products. Any individual who has an income at or below the LICO would be considered as living on a low income.

How long is the project?

The project officially began on January 2, 2016 and will end October 31, 2020. Partnership with FEC organizations will run for 4 ½ years.

What happens after the program ends in 2020?

The funding for this project ends in 2020. Part of the reason for having FECs provide matching funds is to build partnerships with funders so that these interventions will continue to be delivered through a diverse funding base. The goal is to have FE interventions sustainably financed and embedded in the FEC’s programming so that they will continue long after this project ends.

Who do I contact for more information?

Please contact John Stephenson at FECapplication@prospercanada.org or 416-665-2828 ext. 2233.

Targets

The following chart demonstrates targets that will be reached by the end of the project on **October 31st, 2020** for both individual Financial Empowerment Champions (FECs) and the project as a whole.

	Each individual FEC (or collaborative) will – on average – meet these targets	The project as a whole will meet these targets
Target	Train 400 frontline staff to deliver financial literacy to individuals (with an approximate reach of 28,000 individuals receiving financial literacy education)	Train 2,000 frontline staff to deliver financial literacy to individuals (with an approximate reach of 140,000 individuals receiving financial literacy education)
	Support 1,000 individuals to meet with a financial coach and create a financial action plan	Support 5,000 individuals to meet with a financial coach and create a financial action plan
	Help 1,600 individuals to open RESPs	Help 8,000 individuals to open RESPs
	Support 2,620 individuals to file their taxes	Support 13,100 individuals to file their taxes
	Submit 700 applications for government benefits	Submit 3,500 applications for government benefits
	Support 80 individuals that did not previously have a bank account to open one	Support 400 individuals that did not previously have a bank account to open one
	Help 1,000 individuals set up direct deposit to their bank account to improve their financial management and reduce banking costs	Help 5,000 individuals set up direct deposit to their bank account to improve their financial management and reduce banking costs
	Train 100 frontline staff in other organizations on the benefits of the RESP, Canada learning bond and the Canada education savings grant	Train 500 frontline staff in other organizations on the benefits of the RESP, Canada learning bond and the Canada education savings grant
	Enable 200 volunteers to assist individuals living on low incomes to file their taxes	Enable 1,000 volunteers to assist individuals living on low incomes to file their taxes