

FINANCIAL EMPOWERMENT CHAMPIONS - Project overview -

Background

Financial Empowerment (FE) is an approach to poverty reduction that focuses on improving the financial security of people living on low incomes. It is an evidence-driven set of interventions that have proven successful at both eliminating systemic barriers to the full financial inclusion of people living on low incomes and providing supports that help them improve their financial outcomes and build their financial security.

Canadians living in poverty face multiple financial barriers. These barriers often include: low financial literacy; negative financial behaviours that undermine their future security; mainstream financial information and products that don't meet their needs; and public policies/programs that inhibit positive financial behaviours by people living on low incomes (like saving). Together, these prevent many individuals living on low incomes from building the financial stability and assets they need to pursue routes to prosperity.

Grass roots efforts to address these barriers are increasing and becoming more responsive to the needs of people living on low incomes. However, there are few resources or strategies in place to deliver sustainable, scaled approaches across Canada.

In this project, Prosper Canada will work with organizations nationwide to develop and deliver financial empowerment interventions that can be expanded to reach a much larger number of individuals facing barriers to financial wellbeing and stability.

During this project, Prosper Canada and its partners will also explore ways to embed FE interventions into existing services (whether they be government programs, banking institutions or large non-profits). This will increase the access to and sustainability of these interventions, especially in a challenging fundraising environment where there is increased competition for funding to social programs.

Overview

Prosper Canada will partner with at least five organizations (Financial Empowerment Champions (FECs)) across Canada to improve the financial wellbeing of over one million Canadians living on low incomes. FECs will aim to expand proven financial empowerment (FE) interventions across the country and build the capacity of other local organizations and service systems (municipalities, financial institutions, etc.) to incorporate and expand FE interventions into their current work.

The five year project will operate from January 2, 2016 to October 31, 2020.

Objectives

- Train and support each FEC to deliver and expand up to five FE interventions, collectively improving the financial outcomes of 175,000 Canadians living on low incomes across Canada
- Build staff skills in all FECs to train other organizations to provide FE interventions
- Collaborate with five large private, public and/or non-profit “service systems” to embed FE interventions into their services, reaching one million Canadians living on low incomes. A service system could be a government institution, a financial services provider, or a large nonprofit that has a large reach into low-income populations
- Generate and share bilingual program tools, resources, and evaluation techniques, disseminating them nationally
- Develop and maintain a cross-sectoral community of practice for policy-makers, funders, financial institutions, and practitioners, fostering knowledge exchange and coordinating action to expand the impact of FE interventions
- Evaluate all components of the project, capturing the impact of FE interventions and informing the future use of new funding models.

Financial Empowerment Champions

FECs will be selected for their work focused in specific regions or municipalities (e.g. an organization serving individuals in Edmonton). However, one FEC may be chosen for its *population focus* (e.g. an organization helping *newcomers* across Canada, by providing financial literacy training). The following are populations that would be considered:

- Seniors
- Newcomers
- Aboriginal people
- Individuals living with disabilities
- Children and families living on low incomes
- Youth
- Homeless.

At least one FEC will be selected based on its capacity to provide programs in French.

Financial empowerment interventions

FE interventions are projects and activities that have been proven to increase the financial wellbeing of people living on low incomes. Organizations are encouraged to expand and/or implement up to five of the following 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
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Note: Implementing all five interventions is encouraged but not mandatory.

There are many different models that an FEC might choose to deliver these interventions. For example, an FEC may **partner** with another agency to provide financial literacy education to individuals, while providing financial coaching **in-house**. Table 1: *Financial empowerment interventions* provides a brief description of each intervention and lists examples of projects that would fit under each one. This list is meant only to provide an illustration and is not exhaustive.

Table 1: Financial empowerment interventions

	Financial literacy education	Financial coaching	Support to open RESPs, access CLB and CESC	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 RESP and access the CLB and CESC.	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 frontline staff -Development of curriculum for specific groups (newcomers, youth, Aboriginal groups) 	<ul style="list-style-type: none"> - One-on-one financial coaching - Matched savings programs - Financial case management and problem solving 	<ul style="list-style-type: none"> - RESP, CLB and CESC promotion - Supports to open RESPs, in person or online (using SmartSaver tool) - RESP, CLB and CESC 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"> - Support to obtain government identification - Support to open basic bank services (Chequing/ savings accounts) - Help to set up direct deposit

Service systems

Prosper Canada is currently exploring how to embed FE interventions into services delivered by municipal and provincial governments (like social assistance), financial institutions (like bank branches), and nonprofits that have a large reach into low-income groups (like settlement service providers). Ideally, these “service systems” would have the following characteristics:

- Are stably resourced
- Have the necessary infrastructure to provide FE initiatives
- Have broad reach into low-income populations (10,000 individuals or more)
- Aim to tangibly improve the financial outcomes of their participants.

An example: Prosper Canada is working with St. Michael’s Hospital in Toronto to develop an online tool to help doctors connect patients to financial benefits for which they are eligible.

Those organizations selected as FECs will work with Prosper Canada to embed FE interventions into service systems.

Available funding and match requirements

FECs are eligible to apply for project funding of up to \$150,000/year for a 4.5 year period. These funds will be provided by the Government of Canada’s Social Development Partnerships Program. The funding agreement requires Prosper Canada and the FECs to raise matching funds at a ratio of at least \$1 to \$1. For example, if an FEC receives \$150,000/year, there will be an expectation that at least \$150,000/year will be raised to match this investment. Any funds the FEC has received for FE interventions in 2016 (and future years) qualify as matching funds.

In some circumstances, funds for FE interventions already raised by a partner organization (that is supporting an FEC in the delivery of FE interventions as part of this project) can be counted towards the match.

Prosper Canada will work with each FEC to develop fundraising strategies to meet the match requirements.

Project supports

The capacity of FECs to deliver FE interventions will be strengthened in three main ways: on-site training; sharing of tools; and access to the wider FE community.

Training

FECs will receive training (as required) to successfully develop and implement FE interventions. This training will be followed by mentorship and the sharing of tools and materials.

Sharing of tools

Organizations often develop FE programs and curricula that are tailored to their participants’ unique needs. Prosper Canada will work with each FEC to ensure that they have the necessary tools and materials to expand and develop FE interventions. These tools may range from intake forms for hosting tax clinics, to a central database to track outcomes and evaluate the project.

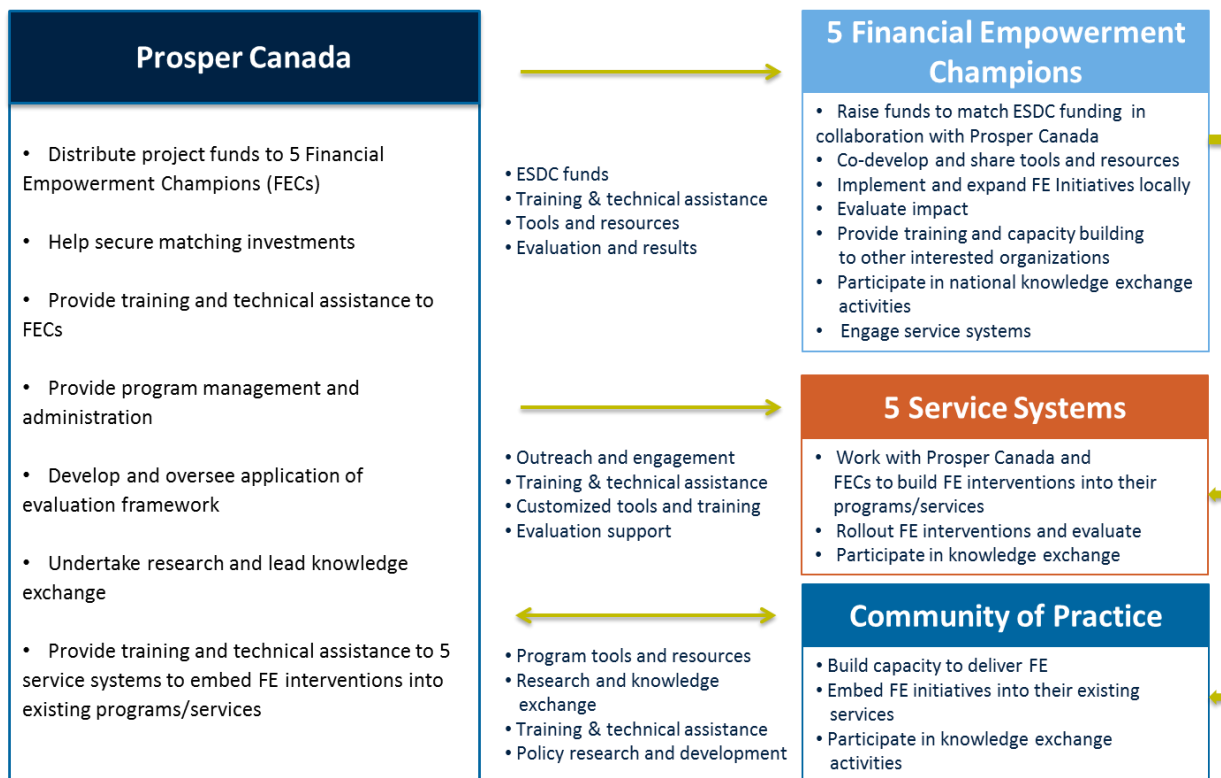
Access to FE community

Prosper Canada will act as a national coordinator of the project. Each quarter, all FECs will meet via teleconference to share knowledge and discuss project challenges and opportunities.

Prosper Canada will also engage other FE networks and committees in sharing best practices and tools as they are developed across Canada.

Below, Table 2: *Financial Empowerment Champions project*, outlines the tasks and responsibilities of each group involved in this project.

Table 2: Financial Empowerment Champions project



Targets

The following are targets that FECs and Prosper Canada will work together to meet by October 31, 2020:

- 140,000 individuals living on low incomes will increase their financial knowledge, skills, and confidence
- 5,000 individuals will meet with a financial coach and create a financial action plan;
- 8,000 RESPs will be opened
- 13,100 individuals will file their taxes
- 3,500 applications for government benefits will be submitted
- 400 individuals that did not previously have a bank account will open one
- 5,000 individuals will set-up direct deposit to their bank account to improve their financial management and reduce banking costs
- 2,000 frontline service providers will be trained to deliver financial literacy
- 500 frontline service providers will receive training on the benefits of RESPs, CLBs and CESGs
- 1,000 volunteers will assist individuals living on low-incomes to file their taxes
- 1 million individuals living on low incomes will be reached through embedding FE interventions into large service systems.

For the purpose of evaluating progress to each target, the organizations' current client reach for 2016 can be included.

Please refer to the application form (Section 4, question 1) for details on average reach targets for individual FECs.

Project partners

The **Government of Canada's Social Development Partnerships Program** will provide funding to eligible not-for-profit organizations.

Prosper Canada will provide project management and technical support to FECs.

Financial Empowerment Champions will partner with Prosper Canada to expand and/or implement FE interventions and train other frontline organizations to do the same.

Organizations that would like to become an **FEC** can access the application on our website, www.prospercanada.org. **FECs will be selected in August 2016.**

For more information

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