

Building a Foundation for Effectiveness: Findings on Financial Literacy Evaluation in Canada 2012



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I. Introduction

Financial literacy programming for low-income people is growing rapidly across Canada, as community-based organizations strive to respond to the rising need for financial education, problem solving and personal money management skills. In a context of tight funding and rapidly growing demand, financial literacy leaders have identified program monitoring and evaluation as a critical priority to support the effectiveness and long-term sustainability of financial literacy as a community service. They see that evaluation plays an important role in enhancing learning, improving practice, strengthening accountability, and demonstrating results.

Although many community-based organizations have experience in monitoring and evaluation, few have access to full tools designed to track and evaluate financial literacy activities and outcomes. Meanwhile, funders of financial literacy initiatives are beginning to demand higher monitoring and evaluation standards, requiring reliable, high quality information about the effectiveness and results of the financial literacy programs that they sponsor.

The report of Canada's Task Force on Financial Literacy clearly emphasized the importance of evaluation:

Recommendation 26: *"The Task Force recommends that all stakeholders establish clear evaluation standards for their investments in financial literacy programs. To that end, the Government of Canada should offer resources and tools to support and enhance the evaluation capabilities of financial literacy education providers, particularly voluntary agencies."*¹

SEDI has been at the forefront of national financial literacy initiatives in Canada since 1995, and promotes financial education as a sustainable solution for individuals struggling to break the cycle of poverty. Together with a broad range of partners, SEDI has achieved significant social policy and program impacts in the area of financial literacy. In 2009, SEDI acted as a strategic advisor to the Task Force on Financial Literacy, supporting its efforts to develop a national strategy on financial literacy for Canada.

In 2010, Social and Enterprise Development Innovations (SEDI) launched the Financial Literacy Evaluation Project (FLEP), a pan-Canadian strategy to promote the effective monitoring and evaluation of community-based financial literacy activities. FLEP was funded by **the Investment Industry Regulatory Organization of Canada (IIROC)**, the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. IIROC sets high-quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

FLEP also benefited from the generous guidance and support of a voluntary **Advisory Panel** of financial literacy leaders and funders and a **Reference Group** of frontline practitioner experts from across

¹Canadians and Their Money: Building a Brighter Financial Future, Task Force on Financial Literacy, December 2010, p. 79.

Canada. SEDI is indebted to IIROC and all of these partners for their invaluable contribution to this project. For a complete list of Advisory Panel and Reference Group members, please see *Appendix 1*.

This paper has been written to engage community-based financial literacy organizations in thinking about evaluation. It summarizes the findings of the FLEP process including:

- a case for why evaluation matters
- the state of financial literacy evaluation in Canada
- key elements of the effective evaluation of community-based financial literacy programs
- an overview of the financial literacy monitoring and evaluation tools that have been developed for use by frontline delivery organizations
- possible strategies to strengthen financial literacy evaluation capacity in Canada

II. Financial Literacy Evaluation Project (FLEP) Overview

FLEP brought together financial literacy practitioners, funders, researchers and policy makers to begin to develop and test practical, cost-effective tools to promote and support the monitoring and evaluation of community-based financial literacy programs.

The project's objectives were to:

- "Develop and test a set of easy-to-use and adaptable evaluation tools for Canadian practitioners and funders of financial literacy programs.
- Develop a consensus-based framework for the implementation of the evaluation tools and interpretation of the results generated by evaluations." (*IIROC Proposal*)

The deliverables of the project included:

- A set of evaluation tools for funders and practitioners
- A 'how to' guide for program managers on evaluation to help them in the use and administration of the tool set
- A discussion paper and deck on why evaluation matters and the key elements for evaluating a financial literacy program
- Distribution of the evaluation tools to more than 500 community organizations across the country within six months of completion of the foregoing deliverables.

The project involved four overlapping phases of activity:

- **Phase 1: Stakeholder engagement and input** (November 2010 to March 2011) including national consultations and a bibliographic scan culminating in the preparation of a FLEP design paper.
- **Phase 2: Creation of a monitoring and evaluation tool set** (April to September 2011) including the design and development of tools supported by a practitioner Reference Group convened to provide guidance to the process and feedback on deliverables.
- **Phase 3: Pilot testing and validation of the tools** (October 2011 to March 2012) including pilot testing of various components of the tools at eight sites across Canada in cooperation with Reference Group organizations.
- **Phase 4: Dissemination** (January to September 2012) including the writing of a 'how to' evaluation resource, the finalization of deliverables, and the development and launch of a web-based dissemination strategy.

III. Why Evaluation Matters

Evaluation is a systematic process that enables organizations to document, reflect on and assess their programs and results. Very simply, evaluation poses three key sets of questions:

- **Accountability** – Did we do what we said we would do? Was it on schedule? Was it well done? Were promised deliverables achieved?
- **Outcomes** – How effective was the program? Did it make a difference in the lives of participants? What results did we achieve?
- **Design and strategy** – Did we do the 'right' thing? Did we learn anything about effective practice?

Making effective monitoring and evaluation a core part of the project/program planning and implementation cycle helps community-based organizations to:

- **Strengthen practice** –support project staff and participants to assess what is working and what is not, and build a learning culture.
- **Ensure accountability** – show board members and funders that funding has been well spent.
- **Demonstrate results** – provide a base of evidence from which to assess the effectiveness of financial literacy activities.

Evaluation is particularly important to community-based financial literacy because the majority of financial literacy programs do not receive dedicated funding and their long-term viability is uncertain. Evaluation can help enable organizations to prepare a compelling, evidence-based case for the effectiveness of financial literacy education and supports, thereby increasing funders' long-term commitment and financial support for this relatively new program offering.

With this rationale in mind, FLEP focused on foundation building for evaluation and on the development and piloting of strong evaluation tools to support two long-term priorities:

- **providing a simple, cost-effective data set to support process and outcomes evaluation** by community-based financial literacy organizations; and
- **generating a credible set of outcomes data to support formal and rigorous evaluation methods in the future**, making it possible to compare the effectiveness and results of different financial literacy programs and approaches.

IV. Evaluation of Financial Literacy Programs – What’s Going On?

Internationally, the development of approaches to financial literacy evaluation is primarily being driven by the academic and policy communities. FLEP’s bibliographic scan (2010) showed that the majority of published evaluations to date have been large, formal, multi-site financial literacy demonstration projects. It was difficult to find any documentation of more diverse, informal community-based financial literacy evaluation initiatives.

The Organization for Economic Cooperation and Development (OECD) and a number of national governments have conducted significant international research and collaborated to promote evaluation standards and practice in the field of financial literacy. The OECD and its members have adopted a simple matrix to frame the desired results of financial literacy activities, which SEDI used to guide its development of outcomes evaluation tools for Canadian practitioners:

FINANCIAL CAPABILITY OUTCOMES ²	KNOWLEDGE	ATTITUDES	BEHAVIOUR
• Making ends meet			
• Keeping track of money			
• Choosing products			
• Planning ahead			
• Staying informed and getting help.			

Canada’s Task Force on Financial Literacy used this common international framework to define financial literacy as “... having the knowledge, skills and confidence to make responsible financial decisions” wherein:

²Kempson, E. (2009), *Framework for the Development of Financial Literacy Baseline Surveys: A First International Comparative Analysis*, OECD Working Papers on Finance, Insurance and Private Pensions, No. 1, OECD Publishing. (<http://www.oecd.org/dataoecd/7/16/45999254.pdf>, Sourced Jan 23, 2012)

- **Knowledge** means understanding personal and broader financial matters.
- **Skills** are the ability to apply that knowledge in everyday life.
- **Confidence** means feeling self-assured enough to make important decisions. This is often a key factor in supporting people to take action to change how they manage their money.
- Responsible **financial decisions** mean that people will be able to use the knowledge, skills and confidence they have gained to make choices that are appropriate to their own circumstances.”³

In Canada, a framework has been developed to measure financial literacy levels. The 2009 *Canadian Financial Capability Survey (CFCS)*⁴, sponsored by Human Resources and Skills Development Canada, Finance Canada and the Financial Consumer Agency of Canada, was one of a number of similar studies undertaken in the USA, the United Kingdom, Australia and other jurisdictions. It provided invaluable baseline information about Canadians’ knowledge, abilities and behaviour with respect to: money management, budgeting, the use of financial services, and financial goal setting and planning.

Overall, Canadians received a grade of 67% on the survey. While it is not yet possible to determine trends in the financial knowledge and capability of Canadians, the data provided a foundation for understanding the dimensions of financial literacy outcomes and gives financial literacy programs an opportunity to benchmark the results of their participants against the financial capability levels of the Canadian population overall.

Following on these promising developments, SEDI embarked on a national consultation to build a consensus on financial literacy monitoring and evaluation priorities, design common evaluation tools and resources, and create a foundation for long-term capacity building for community-based financial literacy programs.

FLEP is one of the first international efforts to establish national monitoring and evaluation standards for community-based financial literacy practitioners⁵. Although it has been difficult to develop a common framework for documenting these programs due to the diversity of practice, target populations, geography, and languages across Canada, we have made significant headway. One size rarely fits all though and, as a result of the FLEP consultation process, we concluded that it would not be appropriate to promote a narrow range of evaluation options and criteria. Instead, FLEP focused on developing a flexible, easy-to-use package of evaluation tools and resources appropriate for community use that can support a wide range of programs and evaluation purposes. We believe that this will translate into enhanced participation in evaluation and ownership of the tools by community-based financial literacy agencies and funders.

³The Task Force on Financial Literacy, *Financial Literacy in Canada*. <http://www.financialliteracyincanada.com/definition.html> (Accessed August 22, 2012)

⁴Leslie-Anne Keown, *The financial knowledge of Canadians – Report on the Canadian Financial Capability Survey*. (Accessed August 22, 2012)

⁵The National Endowment for Financial Education (NEFE) embarked on a similar process to promote evaluation among American financial educators in 2009. SEDI wishes to acknowledge NEFE’s early work in shaping a common framework for evaluating financial literacy programs. They designed and developed an on-line evaluation toolkit to help financial educators understand evaluation concepts and efficiently apply them to their educational programs. The toolkit consists of two main parts: an evaluation manual and a flexible, easy to use ‘evaluation creation’ tool. [Financial Education Evaluation Toolkit](#), National Endowment for Financial Education (NEFE), 2010, Denver. (Accessed May 15, 2011)

V. Community-Based Financial Literacy Evaluation Practice

For over 20 years, financial education and coaching activities have been offered through social and economic development programs serving low-income individuals and communities in Canada. The last five years, however, have seen a rapid growth in community-based financial literacy programming in response to a growing consumer crisis and consumer demand for financial information, money management skills, and financial problem solving.

By 2005, common contextual factors were actively driving global demand for financial literacy. These included⁶:

- Growing consumer debt and reduced household savings
- Reduced pension and retirement coverage
- Low levels of literacy and basic skills
- Changes in the marketing and delivery of financial services
- Increased reliance on alternative financial services
- Changes in the delivery of government services and benefits.

To date, however, financial literacy programming in Canada has developed in the absence of a coherent and consistent funding and policy framework. There are currently few formal sources of funding for financial literacy programs and competition for funding is often fierce. As a result, funding is commonly ‘patched together’ from different sources. This lack of sustainable targeted funding has shaped the field, encouraging short-term, project-based delivery, undermining the consistency and quality of services, restraining growth, and limiting the sustainability of program offerings.

Organizations respond to these constraints by ‘embedding’ financial literacy into other adult education initiatives that have been designed to meet broader social and economic objectives. While embedding increases the sustainability (and possibly the effectiveness) of financial literacy programming, it also makes it difficult to evaluate the positive and negative effects that can be directly attributed to financial literacy interventions.

This delivery context has created serious challenges for the evaluation of financial literacy programming:

A moving target – The field of financial literacy is still in an early phase of learning and rapid innovation. Broadly accepted, standardized program approaches and curricula do not yet exist. Practitioners pursue a wide range of programming objectives and approaches, so it is difficult to find a neat ‘apples to apples’ comparison in financial literacy program design and delivery, both within and across programs.

Diverse target populations and organizations – one size fits none! Evaluation strategies and activities must be flexible and adaptable to diverse participants (i.e. to financial needs, life stage, gender, culture, and literacy level) and communities.

⁶Cited from: [Why Financial Capability Matters - Synthesis Report on Canadians and Their Money](#), June 2005, PRI.

Weak evaluation funding and capacity – The current state of evaluation in community-based financial literacy reflects the weakness of evaluation in non-profit community-based organizations in general – organizations rarely receive sufficient funding to implement full evaluations and most have little evaluation knowledge and experience to draw on. Few organizations move beyond basic performance monitoring and there is a strong demand from practitioners for feedback from evaluators on program design and delivery at the local level.

It will be critical to develop monitoring and evaluation processes for community-based financial literacy programs that are cost-effective and easy to implement by over worked, cash-strapped organizations. Practitioners would benefit from appropriate funding and technical support for their evaluation efforts, and capacity building to enhance their familiarity with the principles of evaluation and their monitoring and evaluation skills.

Financial literacy activities and outcomes are difficult to separate out from broader social outcomes– Financial literacy outcomes are highly complex and often intangible. As mentioned above, activities are often embedded into other objectives and programs, which makes it hard to identify and attribute outcomes to individual financial literacy activities. Financial literacy programs are designed to affect the knowledge, attitudes and behaviour of low-income people in many different ways, and there is no standard set of expected outcomes that will fit all programs. Flexibility and customization of outcomes evaluation strategies are, therefore, critical, yet it is possible, at the same time, to promote evaluation standards. In addition, it is important to include strong qualitative research into efforts to ‘measure’ financial literacy outcomes, making it possible to explore the dynamics of changes in participants’ money management behaviour and attitudes.

Resistance to evaluation strategies that focus on participants as the ‘problem’ – Practitioners are very keen to develop evaluation strategies that explore the many dimensions of financial literacy. For example, they seek to understand and respond to the causes of financial exclusion as a part of their learning and evaluation strategies, and assess their consumer protection and policy development strategies to learn more about effective practices in promoting social change.

Lack of evaluation capacity in community-based financial literacy agencies – Only a few Canadian organizations have the funding, expertise and tools to design and implement learning and evaluation strategies for their financial literacy programs. Most lack the capacity to integrate evaluation into their work in a systematic and professional way.

The FLEP consultations identified two separate groupings of financial literacy evaluation capacity:

- **New entrants to financial literacy programming** - A wide variety of community based organizations are beginning to deliver financial literacy programming. Inexperienced and under-resourced, they often learn ‘by doing’. Their financial literacy programming is more precarious and they are likely to incorporate financial literacy components into pre-existing programs. The priority for this group will be to build a long-term foundation for evaluation by promoting the development of monitoring systems.

- **Financial literacy leaders** - A core of experienced organizations in Canada have achieved advanced specialization in the delivery of financial literacy programming. There are likely fewer than 25 organizations in this category across Canada. These organizations are increasingly formalizing their practice and programming, and many are moving to establish formal financial literacy departments. While currently diverse in programmatic approach, the leaders have demonstrated their readiness to establish standards of program design and practice. They tend to have management information systems, but only conduct process evaluations on a 'spot light' basis with larger projects that have a sufficient budget. They are often involved in organizing 'hubs' of practitioners and are therefore well positioned to support organizations in their region to build program and evaluation capacity.

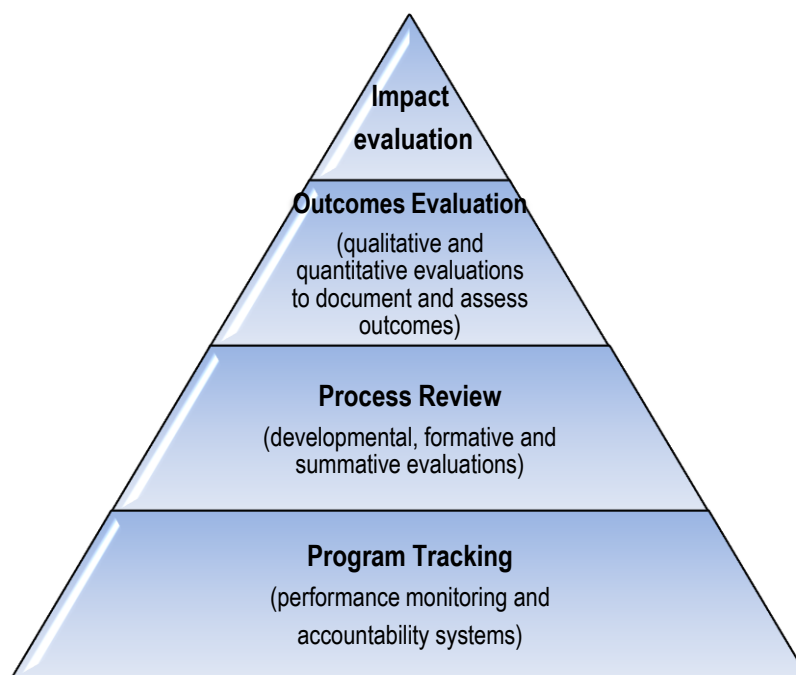
It is important to underscore that community-based practitioners cannot be expected to undertake more rigorous evaluations without a substantial investment of resources and the involvement of professional external evaluators. Unless financial literacy organizations can strengthen their ability to evaluate financial literacy programming, it will be difficult, if not impossible, to build an evidence base for financial literacy.

VI. Strengthening Community-based Financial Literacy Evaluation

SEDI concluded that an effective way to strengthen the evaluation of community-based financial literacy programs is to assist organizations to improve their ability to document their financial literacy work and begin to undertake simple process and outcomes evaluations.

The FLEP project made a substantial investment in developing a package of tools and resources that will support the growth of evaluation capacity at the community level, taking into account the different stages that organizations typically pass through as they build this capacity. *Figure 1* below offers a simplified schematic of these stages.

Figure 1 Stages involved in building organizational evaluation capacity



As a consequence of FLEP, community-based organizations engaged in financial literacy education will have a range of tools and resources at their disposal that will help them to:

- **Ensure accountability** -Community-based organizations now have access to a standard, yet flexible, set of financial literacy evaluation tools customized to monitor financial literacy activities. Practitioners and funders also now have access to a credible, common framework within which to track and report their progress.
- **Strengthen practice** - Practitioners now have access to a financial literacy evaluation resource kit which includes evaluation planning worksheets and templates, a sample logic model and adaptable tools for data collection, analysis and reporting. These will help in reviewing the design and delivery of their programs and learning more about promising and effective practices. The development of a pan-Canadian practitioner network will also enable them to better share their learning and to work together to promote evaluation.
- **Document outcomes** - The evaluation tools also provide different options for undertaking basic outcomes evaluation. By supporting practitioners to document the changes that they seek to promote in people’s lives through their financial literacy programs, it is possible to learn more about what does and does not work and to develop an evidence-based case to promote long-term funding and support for financial literacy programming.

VII. Setting Financial Literacy Evaluation Priorities

As noted above, SEDI convened a national Reference Group of financial literacy practitioners to share learning and to begin developing a common framework for the evaluation of financial literacy programs. The group discovered that they strongly agreed on priorities for the evaluation of community-based financial literacy programs, emphasizing the need for solid program monitoring systems and process evaluation to support the continuous improvement of financial literacy program design and delivery.

They also identified four sets of evaluation questions specific to community-based financial literacy programming:

1. **Accessibility** - *How can community organizations promote financial capability most effectively in low-income and marginalized populations? How must financial literacy programming be adapted to increase its relevance and usefulness to different target populations?*

The Reference Group was interested in investigating the role of adult education and the application of the Sustainable Livelihoods approach⁷ to financial literacy supports for low-income and marginalized populations. They would also like to capture promising practices in improving the accessibility of financial services and products for vulnerable consumers through collaborative partnership with the financial services sector.

2. **Learning what works** - *What are promising and effective practices in financial literacy design and delivery? In what contexts do different delivery options (e.g. coaching and workshop facilitation) promote the best results?*

The Reference Group made some progress in developing a theory of change, proposing that financial literacy programs change participants by deepening their understanding of money management through a ‘spiralling’ repetition of information, problem solving and skills on a ‘just in time’ basis, promoting changes in attitudes, knowledge and behaviour over time. Practitioners are interested in sharing promising practices in program delivery and promoting innovative adult education, workshop facilitation and coaching techniques.

The Reference Group was also keen to explore the notion that embedding financial literacy into more holistic interventions is potentially more effective than ‘pure’ financial literacy delivery, and to identify cost-effective approaches for promoting and program models for delivering financial literacy education and supports to specific program populations. In addition, they

⁷ Many financial literacy and asset building practitioners are using the asset-based Sustainable Livelihoods approach to implement and assess their work. It was adapted by Eko Nomos from the international work of the U.K. Institute for Development Studies as a part of the Canadian Women’s Foundation’s Collaborative Fund for Economic Development in 2000. For more information go to: [Women in transition out of poverty: An asset-based approach to building sustainable livelihoods](#), CWF Women and Economic Development Consortium, February 2001, Eko Nomos. (Sourced August 30, 2012)

sought to answer questions about the impact of universal financial literacy program offerings and the potential for ‘mission drift’ created by serving middle-income consumers. Practitioners noted that evaluators must take into account the ‘fit’ of the agency and its mission/structure with a particular style of financial literacy intervention.

The group wished to review the role of the financial services sector in promoting financial literacy, assessing the potential to provide unbiased/solid financial information while also including corporate representatives and/or volunteers in programming. More work is also needed on the ethical and liability issues related to providing financial advice in financial literacy.

3. Outcomes -*What differences do financial literacy interventions make in the lives of low-income and vulnerable consumers?*

Reference Group members also expressed interest in assessing possible long-term attitude and/or behaviour changes initiated by financial literacy interventions, and determining the comparative impacts of different program approaches and designs. They are eager to document a holistic range of qualitative and quantitative results, including cost-effectiveness and Social Return on Investment (SROI).

All agreed that it will be important to focus on the **financial literacy** outputs (the immediate results of their program) in their monitoring work, but also wanted to ensure that broader, longer-term outcomes were also being documented. They noted that evaluation should also focus on the broader concept of **financial capability**, taking into account more than just financial behaviours, also exploring related changes in participants’ civic engagement, ability to self-advocate, ability to navigate complex bureaucratic systems, hope and self-directed behaviour (the outcomes of adult learning and community development practice).

4. Promoting strategic change and policy action-*What is the current context that promotes financial exclusion and how can community-based organizations begin to change that context?*

Reference Group members stressed that financial inclusion is not just about financial education. They were keen to advance the consumer protection agenda, and came up with an extensive list of policy and regulatory issues that require attention (available on request) and underscored the importance of linking evaluation to this broader policy agenda, where it can help to inform issues and solutions.

VIII. An Emerging Common Evaluation Framework

Based on accepted evaluation design practice and the financial literacy-specific issues and questions identified by the FLEP Reference Group, SEDI has produced a **sample financial literacy logic model** (see *Appendix 2*) – a program planning tool that outlines objectives, activities, outputs and outcomes.

SEDI has also produced a **generic financial literacy evaluation framework** (please see *Appendix 3*) for program evaluation. This is an outline that identifies the key areas of inquiry, indicators, methodologies and deliverables of the evaluation. The evaluation framework has three levels to support different evaluation priorities. Each level has questions that deal directly with financial literacy program design and delivery.

These documents are offered to provide organizations with a practical starting point for planning an evaluation. Organizations can choose their own level of complexity and customize the models provided to suit their own evaluation needs and program designs.

IX. Financial Literacy Evaluation Resource Kit

To further assist community-organizations that want to evaluate their financial literacy programs, SEDI has developed a comprehensive **set of evaluation tools**, an accompanying **“how to” guide**, and links to **other useful evaluation resources** that can all be found online at *Financial Literacy Evaluation Resource Kit*. These are designed to help people who manage and deliver community-based financial literacy programs to build processes for learning and evaluation into their day-to-day financial literacy work.

The *Financial Literacy Evaluation Resource Kit* merged from discussions with community-based financial literacy organization, based on their experience in delivering programming for low-income vulnerable populations. These organizations were clear about their evaluation needs and constraints, and provided valuable feedback during the development of the evaluation tools and resource kit.

Financial Literacy Evaluation Resource Kit objectives

- **To help community-based organizations to monitor and evaluate their financial literacy activities** using a practical, customizable, step-by-step approach.
- **To promote continuous improvement of community-based financial literacy activities** by supporting practitioners to think more clearly and systematically about the design and implementation of effective financial literacy activities.
- **To begin building a common foundation for learning and outcomes assessment**, beginning with an emerging framework for understanding financial literacy evaluation, and a common set of tools for tracking results and evaluating delivery. In the future, practitioners may use these common documentation strategies and indicators to compare program outcomes and to build an evidence base.

What does the kit offer?

- **A set of financial literacy evaluation tools** with forms and questionnaires to document: 1) program-related performance metrics; 2) participant demographics; and 3) participant financial literacy outcomes. These data sets have been designed to provide a common statistical base for a range of evaluation strategies.
- A **'how to' user guide** to support the implementation of the evaluation tools, with an overview of the tool set and implementation instructions for each tool.
- Links to **other useful evaluation resources** are being compiled and will be available soon.

Who is the kit for?

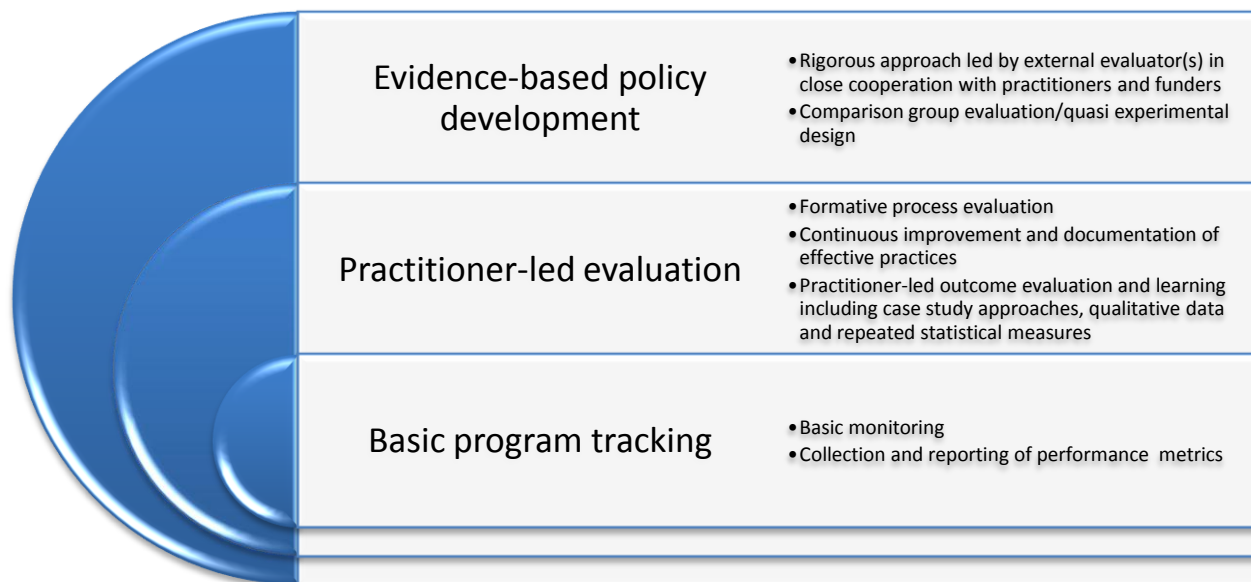
While financial literacy funders and evaluators will be interested in the kit, it is primarily designed to support community-based organizations that deliver financial literacy programs. As such, the *Financial Literacy Evaluation Resource Kit* and the broader CCFL website explore some of the basic concepts and definitions related to financial literacy, outline the key components of evaluation, and provide a starting point for improved program accountability and evaluation. The kit will assist practitioners to think about the design of their financial literacy activities and the results they intend to achieve.

X. Building Evaluation Capacity Over the Longer Term

This project has already been shaped by a creative tension between the sometimes competing requirements of relevance and rigour. On the one hand, we have learned that efforts to build evaluation capacity will only succeed if our approach and resources reflect the interests and constraints of community-based financial literacy programs. On the other hand, we aim to create a credible and rigorous data collection tool set that will stand up to the scrutiny of policy makers and funders. In order to ensure the success and uptake of evaluation strategies in this sector, it will be essential to collaborate with practitioners, funders, academics and policy makers to develop a balanced approach to evaluation, grounded in shared priorities and resulting in an evaluation resource package that will satisfy a variety of evaluation requirements.

To respond to these different levels of expertise, evaluation capacity should be built from the basics up, to support the development over time of a full continuum of monitoring and evaluation practice, as set out in *Figure 2* below.

Figure 2 Full continuum of monitoring and evaluation practice



The members of the FLEP Reference Group are keenly committed to building a community of financial literacy practice in Canada. To this end, they identified the importance of practitioners working together to promote evaluation practice. They noted the following elements of a possible strategy to develop evaluation capacity.

1. **Convening** to build clarity and consensus about financial literacy evaluation priorities, approaches and outcomes through:
 - Collaborative leadership – building a pan-Canadian community of evaluation practice
 - The creation of shared standards for program documentation and evaluation
 - The promotion of a more rigorous evidence-based evaluation and policy development agenda,
 - A collaborative policy process involving academia, funders and international partners.
2. **Capacity building** to support the integration of evaluation and performance monitoring into financial literacy practice. This would include:
 - Providing common evaluation frameworks, indicators and tools that are easily accessible on the Internet.
 - Promoting the use of these shared tools by funders, accompanied by adequate resources and supports for evaluating financial literacy programs they fund
 - Enhancing access to practical evaluation coaching and expertise (e.g. distance learning and regional outreach)

- Demonstrating cost-effective methods for community-based monitoring and evaluation
- Documenting learning about effective financial literacy practices and building program standards in the context of a larger continuous improvement agenda (this should take into consideration the full range financial literacy program models and approaches and related issues such as coaching, training, consumer rights, etc.)
- Initiating experimental, comparison group design evaluation programs where appropriate.

XI. Conclusion

Through the *Financial Literacy Evaluation Project*, SEDI has been able to build a solid foundation for the evaluation of community-based financial literacy programs and financial literacy leaders are well positioned to work together to cultivate a strong field of evaluation practice. Financial literacy organizations/communities are ready and open to creating the necessary partnerships and are interested in moving beyond competition to share learning and promising practices. Financial literacy practitioners are prepared to set standards for programming and evaluation (although they do not wish to impose standardization). Through existing regional leadership and infrastructure, they are keen to pursue a partnership-based hub model for promoting monitoring and evaluation. Furthermore, funders and policy makers want to promote evaluation and program metrics, and are eager to cooperate in promoting the new tools FLEP has produced.

Appendix 1 - Acknowledgments

Sponsor

SEDI and the CCFL wish to thank the Investment Industry Regulatory Organization of Canada (IIROC) for its generous support which made this project possible.



Janet Murray was the project coordinator for FLEP. She led the national consultations for the project as well as developed and piloted the resources and tools in the Financial Literacy Evaluation Resource Kit. She also contributed the discussion paper **“Building a Foundation for Effectiveness: Findings on Financial Literacy Evaluation in Canada 2012”**.

Jennifer Robson played a critical role in the initial research of the FLEP project. She also developed and piloted the **Personal Financial Literacy Quiz** tool that is part of the Financial Literacy Evaluation Resource Kit.

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- **Michele Smith**, United Way Toronto

Contributors Consulted During the FLEP Process

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- SuzanneSeebach, Aboriginal Financial Officers Association of Canada (AFOA), Ottawa
- Paul Chamberlain, Canadian CED Network, Toronto
- Alex Wilson, National Institute for the Care of the Elderly (NICE), Toronto
- Adam Fair, Liz Mulholland, May Wong, Christina Sackeyfio, and Natasha McKenna, the Canadian Centre for Financial Literacy (CCFL), SEDI, Toronto

Funders

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- Marc Chalifoux and Amy Hanen, Community Relations, TD Bank, Toronto
- Blair Dimock, The Ontario Trillium Foundation, Toronto
- Jessica Egginton, Status of Women Canada (SWC), Toronto
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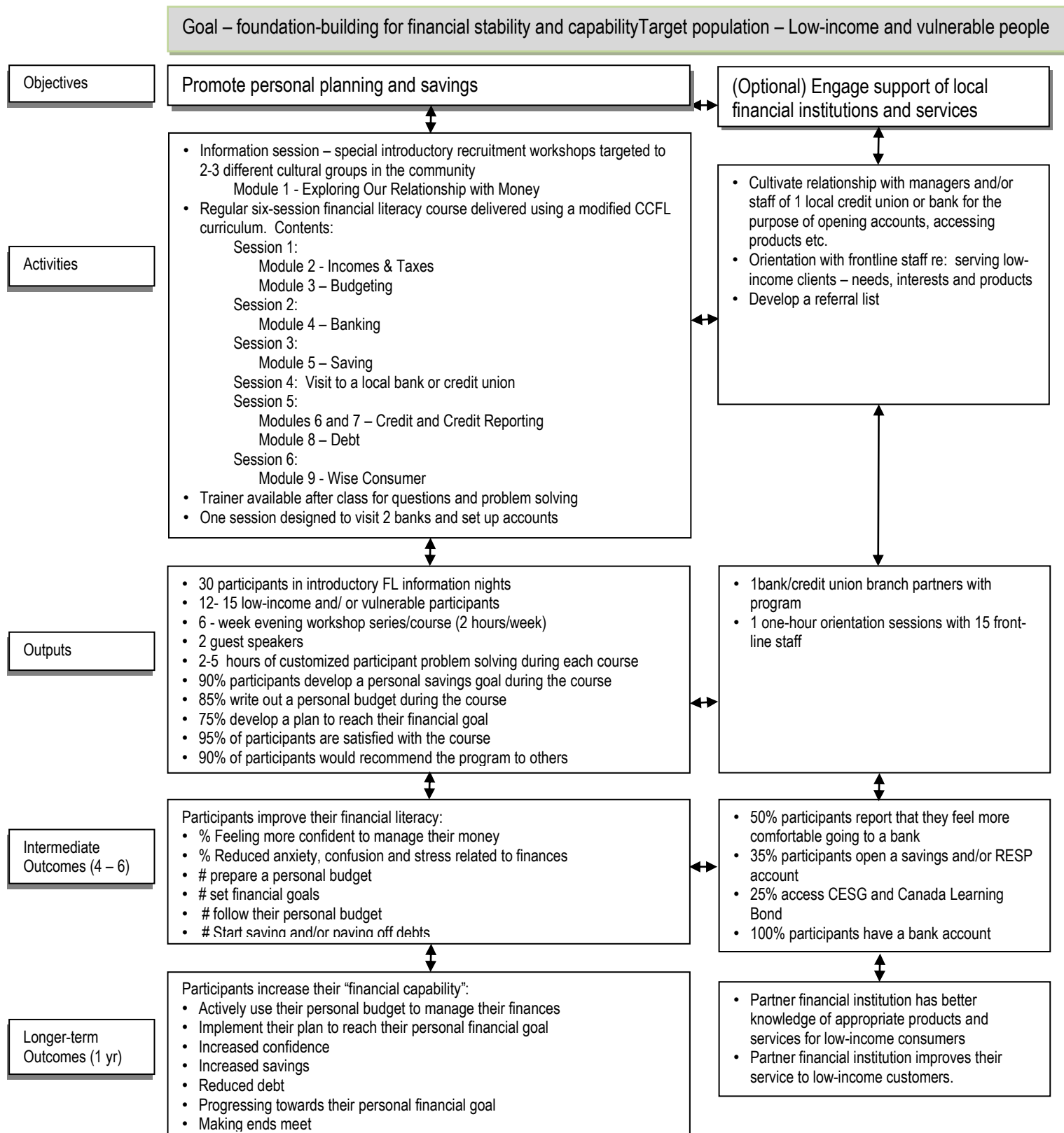
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- Prof. Dilip Soman, Rotman School of Business, University of Toronto, Toronto

Appendix 2 - Sample Logic Model for a Simple Financial Literacy Program



Inputs:

Human Resources

- Facilitator(s)
- Admin Support
- Manager
- Volunteers/pro bono presenters
- Training of trainers and volunteer presenters

Program

- Marketing
- Financial literacy curriculum
- Supports to participation (transit costs, child care, food?)
- Facilities costs
- Volunteer appreciation

Partners

- Relationship building
- Referrals from other agencies
- Services and connections to financial Institutions
- Sponsorship and donations from funders

Appendix 3 - Evaluation Framework

Level 1: Process review

- Overall progress assessment – *How did the program go?*
- Program design – *Was this an effective approach for meeting our objectives?*
- Accessibility – *Was the program accessible to, and appropriate for, low-income consumers?*
- Effective practice – *What was the quality of delivery?*
- Management and coordination – *Was the program well managed and organized?*
- Collaborations and partnerships – *How did partnership promote the program's objectives?*
- Program sustainability – *Can the organization maintain this program into the future?*

Level 2: Outcomes assessment

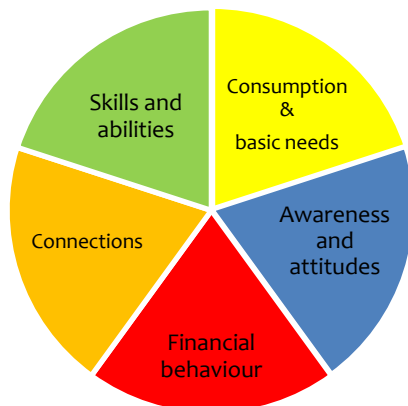
- Participant outcomes – *What difference did the program make in participants' lives?*
- How do financial literacy activities promote participant change – *What is the theory of change?*
- Community outcomes – *What are the effects on the community, volunteers and partner agencies?*

Practitioners developed a common list of the basic outcomes (see Figure 1 below) that they would expect of a community-based financial literacy intervention for low-income people. They were firm in their conviction that evaluation must explore the holistic range of outcomes that result from their adult learning techniques and using the Sustainable Livelihoods model, they identified the following core outcomes of financial literacy, emphasizing the financial changes are often the result of increased self-confidence and other more complex behaviour changes.

Level 3: Policy evaluation

- Strategic practices and outcomes – *How has the financial literacy program improved the context that creates financial exclusion?*

FIGURE 1 Outcomes of Community-Based Financial Literacy Programs



<p>SKILLS AND ABILITIES</p>	<ul style="list-style-type: none"> • Practical learning about money topics that affect their lives (e.g. credit, debt, banking, contracts etc.) • Increased practical skills in budgeting and managing money • Improved consumer awareness • Building self-direction – the ability to make and carry out a plan of action
<p>AWARENESS AND ATTITUDES</p>	<ul style="list-style-type: none"> • Increased confidence managing money • Strengthened awareness of rights and entitlements related to money • Setting financial goals for the future • Reduced worry and fear (e.g. about bills, debt) • A sense of hope – the feeling that their financial situation will improve • A stronger sense of control over their finances
<p>CONNECTIONS</p>	<ul style="list-style-type: none"> • Comfortable getting help with money (examples: filing taxes, financial advisor, credit help, credit counseling or using online tools and resources) • Connected to sources of reliable financial information • Access to appropriate financial products and services
<p>CONSUMPTION AND BASIC NEEDS</p>	<ul style="list-style-type: none"> • Making ends meet • Comparing prices when shopping • Being able to afford basic needs (food, housing etc.)
<p>FINANCIAL BEHAVIOUR</p>	<ul style="list-style-type: none"> • Making sure that spending isn't more than income each month • Keeping track of spending and income • Paying bills on time • Paying debt when money is owed • Saving money • Accessing financial entitlements