Financial Inclusion
For Homeless Persons and Those at Risk

A Step Up on the Ladder of Self-Sufficiency

SEDI

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This report would not have been possible without the efforts of many organizations and individuals.

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This study also utilized knowledge from 22 Key Informants who are committed to assisting those who are homeless or at risk of losing their housing. Their efforts include activities related to the provision of housing and related supports; policy research, analysis and development; social service program development and support; academic research and increasing access to information related to those who are homeless or "at risk". We thank them for the wealth of knowledge and their unwavering encouragement.

Most importantly, we are indebted to the 63 Canadian adults who participated in the 7 focus groups held to inform this study. All of these participants were living within transitional housing or were recent users of a rent bank or similar eviction prevention programs. They participated with a frank articulation relating to the barriers they face and the hopes and dreams they have for themselves and their families. This insight is a vital component in our efforts to demonstrate how specific socio-economic program supports and enhancements can make a difference.

It is also important to note that the research and recommendations within this report are the responsibility of the authors of the report and do not necessarily reflect the views of the Homelessness Partnering Secretariat, Human Resources and Skills Development Canada (HRSDC).

The Project Research Team:

Adam Fair, SEDI, Program Coordinator
Barb Gosse, SEDI, Director, Asset-Building Initiatives
Hollis Moore, SEDI, Research Coordinator
Jennifer Robson, Independent Research Consultant

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Executive Summary

This report presents the findings from a year-long study of financial inclusion and financial literacy among homeless and insecurely housed Canadians. The project aimed to address the following four knowledge gaps:

1. To explore the nature and extent of financial exclusion among residents in large multi-service shelters across the country;
2. To document and understand the experiences of shelter providers and agencies helping residents maintain current housing (such as rent banks) in addressing the financial inclusion needs of their clients;
3. To document and understand the experiences of residents in shelter housing and those at risk of losing their housing in relation to financial inclusion and financial literacy;
4. To identify appropriate policy responses and intervention models to improve financial literacy and financial inclusion.

The study included the following components:

- A literature review of previous research on financial exclusion among homeless and at-risk populations;
- An environmental scan of existing initiatives that may address financial exclusion among homeless and at-risk populations in the communities of interest;
- Key informant interviews with 22 representatives of service providers, researchers and policy-makers;
- Focus groups and a written survey of 63 adult Canadians in transitional housing or who are recent users of a rent bank or similar eviction prevention program.

Deficits in appropriate and affordable housing may also interact with other forms of exclusion, creating cycles of increased exclusion and risk. In the current study, we consider the interaction between homelessness and access to mainstream financial services. The conceptual model proposes that, without a stable address access to mainstream financial services in Canada is difficult if not impossible. Furthermore, without mainstream financial services, the ability to effectively manage financial resources and acquire new ones is likely to be impaired.

Summary of Key Findings

Taken as a whole, the evidence from the literature review, environmental scan, key informant interviews, the quantitative and qualitative information from focus groups all suggest that:

- Residents of transitional housing and users of rent banks do not evenly enjoy a full degree of financial inclusion in mainstream banking services. While basic deposit account ownership may be high, access to other financial products and services appears to be weak at best. When clients do have other financial products these are most often loans or credit cards with unmanageable balances that contribute to their financial insecurity.
- Use of fringe financial services appears to be very high among homeless and insecurely housed persons. This is in spite of quite high access to deposit accounts. The exact reasons for the use of fringe service providers appear to be complex, ranging from perceptions of mainstream financial institutions, poor experiences with customer service at financial institutions, to desires to hide income or process a transaction more quickly than is possible at mainstream financial institutions.
- Clients of rent banks and residents of transitional shelters express a strong demand for financial education and for opportunities to practice new financial patterns with real money, real financial goals and real financial rewards when they succeed. They are interested in using mainstream financial services but want to have choice and to feel respected in their relationships with financial service providers.
- Housing service providers recognize the importance of financial literacy and financial inclusion among other key life skills their clients express a need for. They are thoughtful in their descriptions of client experiences, showing a genuine care and understanding of the complex needs and multiple barriers faced by their clients. Many of these providers are making efforts to improve the financial management skills of their clients through information and counseling, often delivered in informal and very personalized ways such as a one-on-one conversation or offer of assistance in developing a monthly budget. These organizations generally agree they would like to be doing more but are already stretched in their capacity. Their other programs and supports are usually delivered as on-going initiatives, available to clients when they are ready to avail themselves of them.
- The organizations with the greatest capacity and experience in delivering financial education and inclusion initiatives are often less experienced in working directly with homeless persons or those living in transitional housing.

There appears to be both an opportunity and imperative to offer more financial education to residents of transitional shelters and those who are insecurely housed. There is evidence for gaps in financial inclusion, gaps in financial literacy among clients as well as some openness to learning new knowledge and practicing new skills. While shelter and rent bank providers are doing their best to respond to a wide range of complex client needs, they currently have additional capacity to deliver more structured and targeted financial education. Partnerships with other agencies may be one approach to addressing this capacity challenge. However, given that focus group participants were so clear in stating a preference for working with known and trusted staff, a more responsive approach would be to invest in staff training and organizational capacity among transitional shelters and rent banks to offer more intensive and ongoing financial learning opportunities for their clients.

I. Introduction

SEDI has received funding to pursue a qualitative and explorative study with the overall aims of examining financial exclusion among Canadians living in shelter housing or Canadians at risk of losing their existing housing.

The project aims to address the following four knowledge gaps:

1. To explore the nature and extent of financial exclusion among residents in large multi-service shelters across the country;
2. To document and understand the experiences of shelter providers and agencies helping residents maintain current housing (such as rent banks) in addressing the financial inclusion needs of their clients;
3. To document and understand the experiences of residents in shelter housing and those at risk of losing their housing in relation to financial inclusion and financial literacy;
4. To identify appropriate policy responses and intervention models to improve financial literacy and financial inclusion.

The study builds on SEDI's previous research and aims to draw on the expertise of stakeholders (including clients) researchers and policy-makers. The study includes:

- A literature review of previous research on financial exclusion among homeless and at-risk populations;
- An environmental scan of existing initiatives that may address financial exclusion among homeless and at-risk populations in the communities of interest;
- Key informant interviews with 22 representatives of service providers, researchers and policy-makers;
- Focus groups with up to 63 adult Canadians in transitional housing or who are recent users of a rent bank or similar eviction prevention program.[1]
- Review by the National Steering Committee on Financial Literacy, a multi-sectoral national advisory body established by SEDI.

[1] *In Calgary, some Focus Group attendees had used the Provincial Homelessness and Eviction Prevention Fund.*

1.1 Definitions

For the purpose of this study, SEDI proposes to use the following terms and definitions:

Asset-building

Any program or policy whose impact is to increase personal capital (financial, social, tangible, etc..) can be described as asset-based. Included are a wide range of measures such as grants, sheltered savings plans but most common in Canada are tax credits or the non-taxation of certain forms of capital acquisition. Asset-building is used in this report, and in other literature, to refer to a sub-set of asset-based initiatives that are progressive and seek to target the greatest benefit to low-income and low-wealth households and individuals. Asset-building initiatives may also include grants and tax credits however the most common program model are Individual Development Accounts (IDAs). IDAs and similar programs offer a matching savings incentive for deposits made into a dedicated purpose account, generally restrict the use of account funds for specific purposes and offer or even require beneficiaries to participate in financial education (Scanlon and Page-Adams, 2001).

SEDI's Independent Living Account (ILA) project offered matched savings accounts, case management and financial education to residents in transitional and shelter housing in several communities across Canada. In this project, the IDA and asset-building model was modified to enable accountholders to use their own and matching savings for costs related to affordable, sustainable rental housing. These included, for example, rent deposits, savings to cover multiple months of rent in subsidized housing, deposits for utilities and costs to move into and set-up a household.

At-risk of housing loss

Persons who are or have been at imminent risk of eviction, loss of essential utilities related to housing (such as heat or electric power) or otherwise at imminent risk of losing housing which is otherwise habitable and permanent. For the purposes of this study we will use a proxy of current or recent (within the last 3 months) clients of one or more of the rent bank and other housing loss prevention programs included in the study.

Communities of interest

Sampled communities among the 61 identified as priorities by the Homelessness Partnering Secretariat. The methods for selecting sampled communities within this population are discussed later in this report.

Emergency housing

Any facility with overnight sleeping accommodations that can be accessed by someone needing shelter on an urgent and immediate basis. The primary purpose of emergency housing is to provide temporary shelter for the homeless in general or for specific populations of homeless persons. The length of stay can range from one night up to as much as three months.

Financial exclusion

Financial exclusion can be described as the circumstances in which a person does not have access to appropriate financial products or services and are limited in their opportunity, ability and confidence to make informed decisions about their financial situation or organise their money effectively (adapted from Regan and Paxton, 2003). It includes but is not limited to access to appropriate, regulated mainstream financial products (such as bank and credit products), public programs and services with a financial benefit (such as income support and tax credits) and financial advice, information and education.

Financial literacy

Includes:
Financial knowledge and understanding: The ability to make sense of and manipulate money in its different forms, uses, and functions, including the ability to deal with everyday financial matters and make the right choices for one's own needs.

Financial skills and competence: The ability to apply knowledge and understanding across a range of contexts including both predictable and unexpected situations and also including the ability to manage and resolve any financial problems or opportunities.

Financial responsibility: The ability to appreciate the wider impact of financial decisions on personal circumstances, the family, and the broader community, and to understand rights, responsibilities, and sources of advice or guidance.

It is demonstrated by the following five types of behavior:

1. Keeping track of your own financial resources: demonstrating you know how much your own resources are worth and where they are kept.
2. Making ends meet: keeping expenditures normally to within your available resources. This includes accessing additional resources when required.
3. Planning ahead: demonstrating forethought to expected and unexpected events. Typically this involves some form of saving.
4. Choosing products: demonstrating an ability to choose among available financial products to select those most suited to your own needs. Typically this involves some willingness and ability to shop around and compare financial products across and within providers.
5. Staying informed: actively staying abreast of developments that are likely to affect your personal financial circumstances.

Promoting financial inclusion

Measures that enhance the ability of citizens to access and use appropriate financial products, access direct transfers for which they are eligible and to demonstrate greater financial literacy.

Rent bank

A rent bank is a short-term financial assistance mechanism through which low-income tenants may apply to receive financial assistance to address short-term rent arrears.

Shelter residents

Persons who regularly depend on emergency, transitional or supportive housing. For methodological reasons discussed later in this report, the focus of the current research is on the sub-set of residents of transitional or supportive housing.

Support services

Supports to residents or tenants provided by transitional housing providers or by a community agency, that has experience working with homeless people and/or people who have mental health issues, addictions issues, concurrent disorders, or other issues such that they may require supports to help the transition from the shelter system to more independent living and/or to assist with maintaining housing.

Supportive housing

Longer term accommodation for people who have experienced homelessness and/or have mental health issues and need supports in order to stabilize their lives and learn the skills necessary to successfully integrate into the community and move to permanent housing.

Transitional housing

Short to medium term accommodation that is accessible to people experiencing homelessness that includes appropriate support services that are provided in order to assist residents to maintain their housing and become more self sufficient

Under banked

Persons who have constrained access to financial products and services, for example, they may have access to a credit card but not to a savings deposit account.

Unbanked

Persons who do not have basic banking services, in particular a deposit account with a chartered financial institution.

1.2 Research Questions

Based on the objectives and concepts outlined above, the following research questions have guided SEDI's research and analysis in the current study:

1. What evidence is there for financial exclusion among residents in large multi-service shelters?
   a. Do these residents have access to mainstream banking services?
   b. Do these residents have access to multiple forms of mainstream banking services, such as operating accounts as well as credit services?
   c. Do these residents use fringe financial services such as payday lenders and cheque cashers? How do patterns of mainstream and fringe financial services interact?

2. What programs and services are shelter providers and agencies serving those at risk of losing their housing offering their clients to address the financial inclusion needs of their clients?
   a. Is this a priority area for these service providers?
   b. Do service providers view financial inclusion as a strong area of demand among their clients?
   c. What organizational capacity, mission or other issues might explain any gaps between service delivery and priority or demand attached to financial inclusion?

3. What programs and services are shelter providers and agencies serving those at risk of losing offering their clients to address the financial literacy needs of their clients?
   a. Is this a priority area for these service providers?
   b. Do service providers view financial literacy as a strong area of demand among their clients?
   c. What organizational capacity, mission or other issues might explain any gaps between service delivery and priority or demand attached to financial literacy?

4. Can we identify appropriate policy responses and intervention models to improve financial literacy and financial inclusion for residents of transitional shelter and clients at risk of losing their housing?

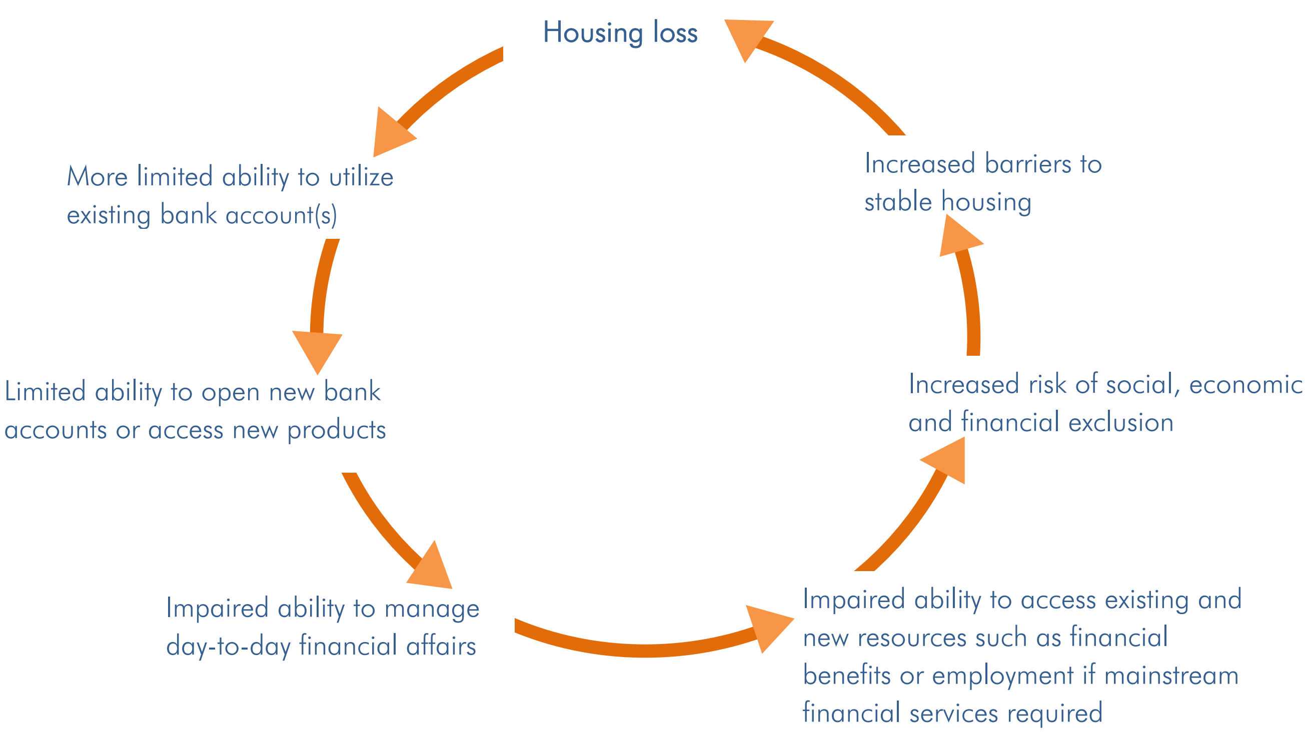
1.3 Conceptual Model and Literature Review

There is a growing interest across Canada in a "housing first" approach to homelessness. This approach, which provides immediate access to stable housing as well as wrap-around services tailored to each client, is believed to offer a stable foundation on which greater participation and self-sufficiency can be developed. When a stable housing environment is established, even Canadians facing multiple barriers (such as mental health, substance abuse and physical health challenges) are better able to participate in education, training and the labor market to acquire skills and earn income that may provide some protection against future risks of homelessness and support greater and sustainable self-sufficiency (Aubry, 2009, personal communication).

However, many experiencing homelessness appear to continue to cycle through emergency and transitional shelters (Lenk and Anucha), at significant personal and social cost. A panel study of homelessness in Ottawa found that within the first year of exit from a shelter, the 412 clients tracked over 2 years faced a 79% risk of at least one stay in a homeless shelter. A study of homelessness in Toronto by Novac et al suggests that the average duration of a shelter stay is approximately 3 months and that for each month of emergency shelter use, the costs in social services, policing and health services are $4,583 per month. A study by Acacia Consulting suggested that housing loss is often a result of a poor fit in affordability or suitability between tenants (particularly those with the highest levels of need) and housing supply.

Deficits in appropriate and affordable housing may also interact with other forms of exclusion, creating cycles of increased exclusion and risk. In the current study, we consider the interaction between homelessness and access to mainstream financial services. The conceptual model proposes that, without a stable address access to mainstream financial services in Canada is difficult if not impossible. Furthermore, without mainstream financial services, the ability to effectively manage financial resources and acquire new ones is likely to be impaired. The following diagram illustrates one example of such a cycle:

Figure 1: Financial Exclusion Cycle



Financial exclusion has become increasingly salient in the face of two developments: 1) the increasing importance of financial services in the management of personal and household financial resources including employment income, public income benefits, retirement planning, and access to affordable credit; and 2) new and ongoing barriers faced by low-income individuals and households in accessing and using mainstream financial services. Addressing financial exclusion requires action on at least three fronts:

1. Measures to address structural issues in access to adequate banking and financial services;
2. Measures to promote financial literacy through education, access to information and access to advice; and
3. Measures to promote individual and household financial stability and well-being, including manageable use of credit and ownership over productive assets (Regan and Paxton, 2003).

For the purpose of this study we will focus primarily though not exclusively on the latter 2 measures. International research suggests that initiatives to increase financial literacy are more successful when they are connected to a financial benefit that makes the learning concrete and provides a more immediate reward for behavioral change (Hilgert, Hogarth and Beverly, 2003). At the same time, the literature on asset-building suggests that access to new financial resources and practicing new financial behaviors can promote broader financial learning and improve participation in the financial mainstream (Sherraden, 1991; Sanlon and Page-Adams, 2001). For this reason, we will focus particularly on financial inclusion issues that touch on savings and productive assets as well as the inverse – personal debt.

The following section summarizes the interim findings from a literature review conducted by SEDI to supplement the review included in the project proposal and to further inform the development of the survey methodology and data collection instruments. The review was completed searching online and electronic journals in English-language sources only. Keyword search strings included: “homelessness”, “housing loss”, “shelter residents”, “financial services”, “financial literacy”, “banking” and “financial education”. Based on previous reviews, we relied extensively on research conducted in the United States and United Kingdom to supplement a somewhat limited body of Canadian research. We included materials published within the last 20 years but gave priority to research published in the last 10 years. Published materials included conference reports, peer-reviewed and non-reviewed journals, working papers, books and public media.

1.3.1 Financial circumstances and behaviors related to financial exclusion

Estimates of the unbanked and underbanked population in Canada vary (ACEF-Centre). One 1998 estimate placed the figure at three percent of all Canadian adults and eight percent of all households with annual incomes below $25,000, but acknowledged that these figures likely underestimate the size and scope of the problem (Barradus, 1998). The literature review found no specific quantitative estimates of financial inclusion or financial literacy among homeless persons in Canada. The best proxy may be a 1998 study of access to basic banking among social assistance recipients that estimated the proportion of social assistance recipients without a bank account to be as high as 60%.[2] Given the high rates of social assistance dependency in the shelter population, this estimate may even be conservative given the number of barriers faced by homeless persons such as addictions and mental health challenges. However, in the 10 years since these studies were conducted, several governments have moved to systems of direct deposit as the preferred or even default method for delivering income support such as social assistance. For the clients who rely on these benefits, this may have had the impact of reducing the incidence of unbanked, at least following application for the benefit. However it does also increase the stakes for those Canadians without deposit accounts.

Explanations offered for why some Canadians may not have basic bank accounts vary. Generally they reflect a real or perceived gap between the circumstances of the consumer and the practices or regulations of the banking institution. For example:

- difficulties and costs of obtaining and supplying the right kind of personal identification during the account application process;
- refusal by financial institutions to open an account for various or unclear reasons;
- requirements for minimum deposits that cannot be met by very low-income consumers;
- administrative holds placed on funds when balances or credit ratings are low, including even deposits of government cheques into accounts with small balances;
- service fees and other charges; and
- closures of branches in low-income neighbourhood and trends towards self-service banking through on-line or automated teller machines. (Canada, 1998; Ekos, 1998; Ramsay, 2001).

A study of unbanked consumers also found that the consumers themselves cited low knowledge as a reason for being unbanked (Buckland et al. 2003). Enhanced financial literacy can address the demand side of strategies aimed at increasing financial inclusion and access to mainstream banking (Regan, 2003).

A related problem is increasing reliance among unbanked and underbanked consumers on fringe financial services. Both phenomena – exclusion from mainstream financial services and reliance on high-cost unregulated fringe providers – appear to be at least partly related to financial literacy. A study by a team of researchers in Winnipeg found that the use of fringe financial services, such as pawn shops and payday loans, among low-income clients was high in spite of service fees ranging from 210 to 450 percent (annualized) for even basic services, such as cheque cashing (Buckland et al., 2003). By comparison, the authors found that mainstream financial service providers charge an average of only $44.28 per year for low-cost basic bank accounts. In attempting to understand why consumers who can ill-afford such costly services continue to use them, the researchers concluded that a lack of financial information and awareness as well as a lack of accessible alternatives were among the determining factors.

[2] *Grant, Michael. 1998. Canada's Social Payment Disbursement System and the Financial Services Sector. Research paper prepared for the Task Force on the Future of the Canadian Financial Services Sector, Ottawa.*

A review of literature in the UK found that access to credit (one measure of financial inclusion) was strongly related to affluence and financial stability, however the use of credit was strongly linked to need and financial instability (Wales, 2005). The review also suggested that over-indebtedness (without financial capital to repay debts) may increase the risks of homelessness by increasing the odds of falling behind on housing related costs, increasing the likelihood of eviction and in turn resulting in increased re-housing costs.

1.3.2 Impacts of financial literacy

Internationally research appears to confirm that consumers across western developed nations share significant gaps in their financial knowledge and financial information (Schuldner Beratungen, 2005). Cutler and Devlin (1996), in a frequently cited paper, proposed that financial literacy has both a knowledge component (i.e., individuals' performance on objective tests of financial knowledge) as well as a confidence component (i.e., individuals' self-reported knowledge, abilities, and efficacy related to financial matters). This distinction is useful in understanding the differences between measures of what people objectively know and how confident they feel in their financial knowledge and management abilities. Generally, research finds that consumers tend to over-estimate their own financial literacy (Roshco, 1998; DiSpalatro, 2000; Chevreau, 2002), and the positive effects of financial literacy education and training programs may work primarily by increasing participant confidence (Kim, 2001; Vitt et al., 2000).

Researchers in this field also tend to find that the connection between financial literacy and financial behaviors may be tenuous at best (Hilgert, Hogarth and Beverly,2003) and that consumers, particularly those in low-income tend to behave in ways that fall outside what might be predicted by rational economic models (Schuldner Beratungen, 2005). In fact consumers, and vulnerable consumers in particular, often make financial decisions – including decisions to self-exclude from the financial mainstream – that appear on a superficial level to be contrary to their self-interest, even when adequate information is available to them (Kempson and Atkinson, 2006; Kempson, Collard and Moore, 2005).

1.3.3 Savings and assets among homeless and those at-risk of homelessness

SEDI has completed a study funded by the Canada Mortgage and Housing Corporation and the National Secretariat on Homelessness (SEDI, 2003). Among low-income Canadians consulted for the study, a strong level of support for asset-based approaches to affordable housing was clear. This support included access to homeownership but also to other housing including the private rental market as a transition from shelter and temporary housing. SEDI also consulted with a broad range of stakeholders in the housing policy community. The study confirmed that an asset-based housing policy enjoyed support as an appropriate use of government expenditures and an approach that might complement existing housing policies, generate opportunities for new partnerships and potentially increase the availability of affordable rental units.

In Canada, local community based programs have had some success in providing financial literacy supports to low-income clients (SEDI and Ryerson University, 2006). The Independent Living Account Project has shown that incentivized savings as well as financial literacy were critical components to assisting those living within transitional housing in preparing for and completing their move to self-sufficiency. The research found that both project participants and program staff agreed on the long-term value of the financial literacy training and matched savings incentives. Participants further noted that the technical information was key to their development of knowledge and skills related to banking, budgeting and saving, however; the first-hand experience of the saving process was a powerful learning opportunity. This finding is consistent with previous research that finds that financial learning primarily takes place through real experience in financial management and decision-making. Interventions designed to increase financial inclusion and positive financial behaviors are more likely to succeed when clients are dealing with real money that makes concrete what might otherwise be quite abstract information and knowledge.

II: Data Collection Methodology and Tools

The following section discusses how SEDI developed the data collection methods and tools for the current study. Final sampling frames and collection instruments are attached as appendices.

2.1 Environmental Scan

As part of the current study, SEDI has completed an environmental scan of existing community-based initiatives that may address financial exclusion among homeless and at-risk populations in the communities of interest. The scan was informed by work SEDI completed in 2006-07 and 2007-08 to catalogue financial literacy resources and services available to the general population, to persons with disabilities and to newcomers to Canada. Data collection methods for this project were similar to those earlier scans and included:

- Mining SEDI's existing project and program information databanks
- On-line research through major search tools including scanning websites of organizations serving homeless and at-risk populations
- Supplementing these sources through telephone or email communication with aforementioned organizational staff.

The scan was used to develop SEDI's sampling frame for each the key informant and focus group stages of research.

2.2 Sampling Frame

The Homelessness Partnering Strategy has designated 61 communities across Canada as priority communities for action and investment. SEDI has reviewed those communities and has further narrowed the scope by first focusing on urban areas. While homelessness and housing challenges are very real in rural communities, we felt it was necessary in the current study to limit the sample to urban areas where participants and staff could more easily be sampled and where results could more easily be generalized across the sampled population.

As a second stage, SEDI looked for communities with the greatest shelter bed and transitional bed capacity. In trying to locate communities where focus groups could most easily be recruited and conducted and where key informant interviews would reflect the views of organizations operating at a larger scale, bed capacity appeared to be the best indicator. The results are summarized at Appendix 1. Not surprisingly, Toronto, Vancouver, Montreal and Calgary have the greatest capacity – likely in response to significant need in these large urban areas. Communities and organizations with greater transitional bed capacity are more likely as well to have greater capacity to deliver ancillary programs such as life skills training, counseling, referrals services and individualized planning that may or may not include financial literacy education, information or advice.

However, SEDI also recognizes that many medium and smaller urban areas also have acute challenges related to homelessness and housing. The experience and capacity of Canada's largest metropolitan areas is not necessarily the same in other urban areas. For this reason, we have also ensured, through the Canadian Coalition of Large Multi-Service Shelters (CCLMS) membership list initially but not exclusively, that small and medium-sized cities are included in the sample design as well. Summaries of the final samples for each of the key informant interviews and the participant focus groups are attached at Appendix 2.

2.3 Key Informant Interviews

SEDI's original proposal to HRSDC called for 12 key informant interviews in at least 7 cities. Based on our scan, we amended the methodology to complete 22 key informant interviews with a judgment sample of staff from organizations serving homeless and at-risk persons. The informants included representatives of:

- Organizations that provide transitional housing and are members of the Canadian Coalition of Large Multi-Service Shelters
- Organizations that provide transitional housing and are not members of the CCLM
- Organizations that operate a rent bank program
- Other expert stakeholders such as homelessness researchers familiar with the issues faced by rent bank users and persons in transitional housing.

The interviews were conducted in person wherever possible but were more frequently conducted by telephone. Four members of the project team conducted the interviews. All interviewers used a common interview guide (Appendix 3) and provided detailed written notes for data entry and analysis. Interviews were semi-structured and took on average 60 minutes to complete.

Organizations were invited to participate in the study through an initial letter (delivered by email, fax or regular mail that described the study objectives and background and introduced SEDI as an organization. Following that letter, organizational leaders were contacted by phone to confirm their agreement to participate and identify appropriate staff who could take part in the interview process. Key informants were then contacted directly to arrange a time and location for the interview. Consent to use their remarks and to name them in the final list of key informants was obtained verbally from all interview subjects as part of the interview template.

Following the interviews, responses were entered and coded using NVivo7, a qualitative research and analysis software package. Two staff members collaborated in developing the coding key to improve inter-rater reliability. Entries were coded and then recoded in an iterative process to enable exploration and analysis as trends and themes emerged in the data. Where it is helpful for illustrative purposes, we have included in the results and discussion section of this report excerpts from interviews after removing any identifying information from the quote. The original notes have been maintained in their original format in the Nvivo7 file for reference and validation.

For those key informants who express an interest, a copy of the final report will be circulated once it has been accepted by HRSDC.

2.4 Focus Groups

SEDI has conducted 7 separate focus groups with 63 participants in total. These focus groups were conducted following the key informant interviews and were held in Calgary, Vancouver and Toronto. Participants were recruited through organizations contacted for the key informant interviews and included transitional housing clients and recent[3] clients of rent bank programs. Participants were recruited by local organization staff, all of whom were required to sign a project confidentiality form (attached at Appendix 5).

Where possible, focus groups were held in meeting spaces provided by host organizations in an environment as familiar and relaxed as possible for the participants. All participants were first provided with a verbal and written copy of a short plain language description of the study and confidentiality clause (attached at Appendix 6) as part of the informed consent process. Participants also completed a brief written survey (attached at Appendix 4) that asked basic demographic information, information about current financial resources and obligations, use of mainstream and alternative financial services and asked them to assess their own interest in financial learning and current subjective financial literacy. Results of the written surveys were coded using a simple Excel spreadsheet and the results were analyzed for differences by age, gender and education. Owing to the high numbers of incomplete data, results could not be analyzed by income or employment status. Participants were paid a stipend of $40 each and were required to sign a plain language release form authorizing the use of their responses, confirming their understanding of the purpose of the study and the confidentiality provisions.

Groups of individual transitional housing residents were segregated by gender for at least 3 reasons:

1. Mixed gendered groups may foster social desirability and gender role effects, creating response biases, regardless of the population being sampled.
2. Shelter and transitional housing services typically are provided separately to each men and women.
3. Among at-risk and homeless populations, rates of victimization and abuse are significantly higher and women, in particularly, may feel less safe in a mixed gender environment.

All sessions were facilitated by a member of SEDI's research team. Focus groups were recorded in detailed notes taken by facilitators. Facilitators used a template guide (attached at Appendix 7) to ensure

[3] *For the purposes of this research, we have chosen to define "recent" rent bank use as at least one transaction during the past 3 months.*

consistency across the group session while allowing an iterative and open-ended discussion to assess opinions, attitudes and affective responses.

The proposed methodology was reviewed by an external methodologist, Deborah Hierlihy, Principal, Oriole Research and Design Inc. and adjusted in response to comments received. The project was also presented to and discussed, at an interim stage in early 2009, by SEDI's Advisory Committee on Financial Literacy (please see Appendix 8 for a list of Committee members).

III: Qualitative Results from the Key Informant Interviews

3.1 Evidence on Financial Exclusion

In general key informants expressed the view that financial inclusion and financial literacy were important for the long-term wellbeing of their clients and agreed that clients demonstrated important needs in this regard (for example needs for financial learning and support in using financial services). None of the key informants contacted had conducted qualitative or quantitative research to gather evidence to this effect, but they were able to reflect on their direct experiences with clients or to make inferences from previous research or evaluations. There was little if any information on the incidence of full exclusion from mainstream banking – informants generally felt that several clients arrived at the shelter without an existing bank account. As one respondent put it "A few have bank accounts but most don't."

The staff at shelters expressed the view that other forms of financial products such as credit cards, savings or registered accounts (such as RRSPs) were very unlikely to be held by homeless persons, particularly in the very earliest stages of arriving at the emergency shelter. Among transitional housing residents, key informants estimated that access to basic banking was more widespread and that many or even most long-term residents were likely to have a deposit account but that regular use of other mainstream products was unheard of. That said; reports of outstanding debts including student loans, utilities debts and outstanding cell phone charges were among the most common cited.

> *"A few have bank accounts but most don't."*

Among rent bank providers, staff reflected an opposite estimation – few if any rent bank clients, based on staff knowledge, did not have a bank account at the time they applied for a loan. In fact, at least one key informant reported that ownership of a bank account was one of the screening criteria used in determining eligibility for assistance. Credit card debt among rent bank clients was raised as a concern by a small number of key informants. These respondents noted that several clients arrived to ask for assistance to avoid housing loss only after exhausting all other financial resources and that some clients have liquidated all other savings and falling significantly behind on financial obligations resulting in new and unmanageable debts (generally student loans, utilities bills in addition to rental arrears etc..). These respondents noted that mainstream banks simply did not have the type of product needed by working poor clients to meet occasional short falls or unexpected large costs (examples included car repairs, prescription drug costs or lost wages due to illness) in an affordable way.

More commonly, key informants reflected the view that their clients wished to avoid the use of credit and tried to manage expenses on a cash flow basis alone. While some respondents noted that wages among clients were too low and rents were too high, most emphasized the influence of debts as the major contributor to financial instability among their clients. They noted that most clients do a reasonable job of making ends meet so long as costs and income remain constant but are unable to get ahead due to heavy debt loads. When incomes are interrupted or sudden expenses emerge, the rent bank staff said "Clients can fall into a downward financial spiral leading to a real threat of housing loss."

According to one key informant, the needs and experiences related to housing loss of shelter users and rent bank users are incommensurable. Based on his research, he concluded that rent bank users are at less real risk of eviction than might be imagined by either clients or service providers and are almost entirely unlikely to become clients of emergency or transitional shelters.[4] He said that while financial reasons (non payment of rent or mortgage) are generally claimed as the reasons for eviction enforcement, most are actually the result of a poor fit between the housing supply and hard to house persons. In fact, he suggests, rent bank users, because they are generally screened for capacity to repay a loan, are more likely to have employment income and to be higher functioning in contrast to clients in emergency shelters who are generally in crisis and struggling with multiple challenges related to mental health, physical health and addictions. He proposes that many threatened evictions can and are resolved through dispute resolution mechanisms between tenants and landlords. This perspective might suggest that rent banks may not be targeting those most in need of help to prevent housing loss, a view that is in stark contrast with the perspectives expressed by the rent bank providers interviewed for this study. There may however be a middle-ground possibility between these two perspectives: rent banks may be filling a niche in addressing credit needs for lower income households. In other words, lower-income households may be unwilling or unable to use mainstream financial products to meet shortfalls in cash flow and may be turning to rent banks alongside other options to resolve rental arrears including formal and informal negotiated agreements with landlords. What is clear is that mainstream financial institutions do not appear to be seen as offering alternatives to the rent banks.

"Clients can fall into a downward financial spiral leading to a real threat of housing loss."

Key informants from both the shelter providers and rent banks did share the view that their clients rely heavily on fringe financial service providers including payday lenders, cheque cashers and pawn brokers. Rather than filling a void for unbanked clients, key informants believed that even clients with bank accounts turned to higher cost fringe service providers.

Shelter providers commented that cheque cashing was common among clients, particularly those on social assistance (outside Alberta) and those with addictions who wanted cash quickly. Shelter providers also pointed to the role that some local stores play in providing basic financial services including cheque cashing or quasi-deposit services. In Alberta, key informants noted that it was impossible to receive social assistance, even the amount for personal needs available to shelter residents, without direct deposit to a bank account. Rent bank providers emphasized the reliance among clients on fringe providers as alternative sources of credit in payday loans or pawning household items, services that would be more consistent with permanent housing and higher rates of employment. This suggests that it would be important to consider the use of fringe providers in a more nuanced way, recognizing that different providers and different services appeal to different clients. Not unexpectedly, key informants mentioned that clients had real or perceived difficulty meeting the identification requirements of mainstream providers, did not feel welcome in mainstream

"When income tax cheques arrive people do turn to cheque cashers. Sometimes this is just the easiest route."

[4] *Michel Frojmovic, Consultant, Acacia Consulting, Ottawa, telephone interview. Attributed with permission.*

banks and viewed nearby fringe providers as more convenient. Key informants also noted that beyond accessibility, their clients described several characteristics that they found appealing in fringe providers. For example, not having holds on cheques makes it easier to meet emergency demands for funds such as paying reconnection charges for utilities. Similarly, informants said their clients reported they felt the fees were more clear and transparent than at mainstream banking institutions. Finally, there was some suggestion that fringe providers may be used by clients to conceal income from creditors or social assistance administrators.

Beyond describing the patterns of use of these fringe providers, the transitional housing providers and rent bank providers shared a common view that the high rates of fringe banking were detrimental to the wellbeing of their clients. They expressed concerns with high fees and rates of interest, particularly on payday loans which they saw as contributing to downward spirals of financial insecurity and exclusion, in turn compromising housing security. At one rent bank provider, the concerns regarding fringe financial service providers were so great that the agency will help clients negotiate with any creditor other than fringe financial service providers. Other key informants were more muted in their critique, expressing the hope that if clients were offered better alternatives and were given support to overcome a crisis that they would chose mainstream providers for financial products.

A related and very prominent theme across the key informants was the degree to which clients of shelters, transitional housing and rent banks all tend to operate financially in a cash-based world. This is, in their estimation, not necessarily an irrational choice, given their circumstances. As one respondent put it "They have unique strategies that assist them with getting by financially. Many of these actions are not random but are learned. For example those on the streets have different ways of handling money as do those living within transitional housing."

Working with cash may help homeless and insecurely housed clients feel a stronger sense of control over their limited resources. Key informants noted that clients have a very low level of trust in institutions including financial institutions but extending to government as well. Leaving funds in a deposit account may raise fears, not unreasonable ones if money is garnished by creditors or social assistance is reduced, of a loss access to the money itself. Key informants also spoke about the impact of homelessness or threat of housing loss on the locus of control among clients. When clients are in crisis, particularly when they first arrive in an emergency shelter, or make an application for assistance from a rent bank, interviewees described clients as feeling they had no alternative left and no ability to stabilize their lives alone. Taking these psychological needs into account may contribute to a more fulsome understanding of the dynamics of financial exclusion among homeless and at-risk Canadians.

"They have unique strategies that assist them with getting by financially. Many of these actions are not random but are learned. For example those on the streets have different ways of handling money as do those living within transitional housing."

3.2 Current Practice – Financial Inclusion and Financial Literacy

Key informants were asked to describe any programs or services currently offered to clients to address financial inclusion and financial literacy needs. While the housing-first approach was highlighted as a promising methodology by key informants, none of those interviewed for this study described direct experience in its implementation so we are not able to draw any inferences on whether or how financial services and financial education or advice might be currently used in housing-first programs.
There was a remarkable range of programs and services noted by clients. These might be organized into the following broad categories:

3.2.1 Mandatory Personal Financial Management

Some shelters reported mandatory savings programs for transitional housing residents to force them to accumulate a small nest egg to cover their costs when they exit the shelter as well as giving them experience in regularly paying rent for their housing. A handful of shelters and rent bank providers also mentioned trusteeship programs in which staff assumed responsibility for receiving income and paying expenses on behalf of clients while giving them a small regular allowance within a set budget. These were generally described as temporary responses for clients with particular needs related often to mental health or addictions and for which clients might even volunteer. Strategies were generally put in place to gradually restore progressive amounts of individual control over resources and staff interviewed reported that they viewed trusteeships as unfortunate and ideally avoidable.

3.2.2 Training and Experiential Learning

A very few key informants reported offering regular and ongoing financial training or education programs such as workshops or mini-courses. Generally these were not shelter providers. Shelter providers instead mentioned budgeting and money management as among the skills they seek to build with clients through life skills training. The training is often very personalized – for example helping a client develop a personal budget – and relies a great deal on 'learning by doing' through living in transitional housing and gradually taking on greater levels of responsibility comparable to independent living. This includes for example, eventually taking on employment to earn income and planning and meeting personal expenses such as food and personal needs. Shelter providers who were interviewed, with the exception of those who had participated in the delivery of the Independent Living Account project, did not report offering workshops or group training to clients on financial topics. Instead group sessions were usually aimed at psychological needs and interpersonal skills. With the exception of a reported partnership between two organizations in Calgary, the general pattern is that social service agencies who administered rent banks were more likely to offer more and more intensive forms of financial education but not necessarily aimed at or delivered to transitional shelter residents or homeless persons. The shelter providers in turn were more likely to report waiting until clients were in a more stable environment of transitional housing before beginning efforts to build financial skills and that these were almost exclusively focused on a fairly limited set of abilities to set and stick to a regular budget.

Generally key informants reflected the view that their current financial education programs were a starting point but that they could not currently fully meet their clients financial literacy needs. Some key informants described financial inclusion and financial literacy as one among a wide range of needs but cautioned that clients with multiple barriers (such as mental health and addictions) could not be expected to turn around quickly or easily. A handful of respondents expressed concerns that a focus on the financial behaviors and skills of individual clients might detract attention from systemic issues such as access to affordable housing and adequacy of wages or income support. Overall however, key informant interviews found that financial inclusion and literacy is viewed by shelter and rent bank providers as part of an integrated approach to housing and financial stability. As one interviewee put it:

> *"When we think about homeless persons and poverty, it's not just about housing, it's not just the roof. It's the financial piece, the financial supports, financial literacy is essential. This should be at the centre with other supports."*

3.2.3 Referrals and Advocacy

Many key informants in both shelters and rent banks made reference to referral and advocacy services. Most often this was to help clients access public income support – for example helping clients apply for social assistance and, frequently, to advocate for moving clients from the side of social assistance for persons expected to find employment to the program for persons with disabilities. Key informants in rent banks also spoke of providing suggestions and referrals to community resources to help clients get through their current financial crisis. These included referrals to credit counseling for employed clients with significant debt loads, referrals for additions counseling if a substance abuse issue appeared to be draining financial resources, and suggestions to use community programs such as food banks, grants for home heating costs and clothing donations to make ends meet as part of rent bank loan.

3.2.4 Financial Assistance

In addition to the mandatory savings programs in transitional shelters mentioned above, key informants mentioned two types of voluntary measures to address the financial needs of clients.

The first is, of course, loans offered to eligible clients under rent bank programs. This current study identified five rent bank programs across the country. In all cases, program staff who were interviewed reported that their annual funding is never sufficient to meet demand and gave estimates of unmet demand several times the number of households they were able to assist in a given year. Most rent banks described by program staff were designed as repayable loans, with repayment plans negotiated at the outset with clients. However; the actual rates of repayment were reported as very low despite efforts to make repayment as flexible and as slow as possible. One interviewee reported an average repayment rate of just 41% on funds lent in contrast with an Ontario average among rent banks of only 22%.[5] Such low rates of repayment had, according to another interviewed, lead at least one rent bank to switch from offering repayable loans to grants. The value of the assistance offered to rent bank clients tends to be restricted to set number of months in rental arrears or to a dollar value per household. The program data that some staff shared generally pointed to an average loan or grant of between $1,000 and $2,000 per household. Because provincial social assistance offers some assistance for urgent shelter costs, even to households not in receipt of income support benefits, rent banks tend to reach clients with greater employment and higher incomes than the social assistance eligible population. Generally the loans and grants are delivered with

[5] *Gladys Wong, Executive Director, NIPOST, Toronto, telephone interview. Attributed with permission.*

some one-on-one efforts to review household expenses and refer clients to other programs and services, as per those described above.

Only one key informant made reference to a savings circle program. These have a long-standing history in the international field of micro-credit as informal or informal savings clubs or pooled savings available to members on a rotating basis. In Canada these have been relatively small programs delivered by community economic development organizations to low-income clients, predominantly women, through formal savings groups sometimes with a match on the deposits made by members. The shared experience or membership within the group is thought to bolster commitment and motivate clients to save more and persist towards their goals. In this case, the program was offered by a community economic development agency within the same department that runs the local rent bank. As such it is a program aimed at building the financial security for any eligible low-income household not necessarily those who might be at risk of housing loss or homelessness.

3.3 Other Findings: Information for Future Program Design, Delivery and Research

During the course of the interviews, key informants offered several observations that may be very relevant for future policy, practice and research. These are presented here as findings in response to the fourth research question posited in section 1.2 and discussed in the conclusion at section 7 in this report.

In discussing how to provide interventions that might enhance financial inclusion or literacy, most respondents were quick to note that such measures may be too advanced for clients during a period of crisis, particularly when they first arrive at an emergency shelter. To be able to effectively influence financial behavior, respondents spoke about the necessity of ensuring clients were in a period of relative stability and were less susceptible to mental health crises, substance abuse or other issues among the multiple barriers noted among the homeless and at-risk populations.

Certain types of clients were thought to be most likely to respond to and benefit from interventions to improve financial literacy and inclusion. These included residents in transitional housing, youth leaving care, users of rent banks, shelter residents with some employment income and “couch surfers” or the hidden homeless who do not have a permanent residence but who are unlikely to use a shelter. It is unclear how a program might effectively locate and serve this later group. In developing programs, staff noted that delivery must consider age and gender-related differences. Younger shelter and rent bank users are less likely to have had significant experience with independently and successfully managing their financial affairs whereas older clients may be able to draw on life experience as a source of learning, validation and aspiration for the future. Women in shelter systems, according to several key informants, are often leaving or currently experiencing domestic violence and so issues of power, control and trust must be treated carefully and responsively by staff. There were however certain characteristics of effective programs that were felt by respondents to be key across client groups:

- Participants must be able to see some tangible benefit to participating in any program on financial literacy or financial inclusion. They must be able to point to some reasonable financial benefit. Tying interventions to a financial incentive may also give clients an important opportunity to practice the new skills and knowledge they are gaining in the program.
- Personalized approaches to service delivery are crucial in working with this population. Respondents spoke repeatedly, both in shelter and rent bank contexts, of the importance of being responsive to individual differences and working with clients one-on-one to offer more support when needed and push more strongly for change when clients appeared to be more capable and ready.

In comparison with existing interventions for financial learning (such as workshops, seminars and websites), the above two recommendations suggest a very different kind of approach to designing and delivering effective programs for homeless and at-risk clients. For example, just-in-time delivery would be key, so that program supports are available when clients present and are ready to avail themselves of them, rather than waiting for the next session of a program to begin. The degree of personalized and interpersonal interaction involved would also differ from more typical group workshops or very impersonal web-based learning that is more common among financial literacy interventions.

Respondents noted at least two systemic issues that they felt would be important in shaping any effective strategy on financial inclusion. First, given the very high rates of social assistance dependency among their clients, many respondents noted that the complexities of the current provincial social assistance systems were themselves an impediment to better financial inclusion and literacy outcomes. While helping clients navigate the process of applying for income assistance is already something shelter staff regularly provided, many respondents noted that social assistance regimes have often contradictory rules creating disincentives for clients to make what would be objectively better financial decisions. Similarly, a subset of respondents argued that it was less useful to consider the issue of financial inclusion and financial literacy in the context of homeless alone but rather that it would be better understood in a context of housing instability to include a wider range of client circumstances from possible risk of housing loss, through residence in transitional housing to homelessness. Taking a more inclusive and holistic approach may lead to better programs for more clients but it would require better coordination and collaboration among organizations who have developed expertise in working with particular subgroups of clients, such as shelters that primarily serve homeless persons versus rent banks that primarily work with those at some risk of housing loss.

The need for cooperation and collaboration was also evident in considering the degree of specialization among the organizations consulted for this study. Agencies with expertise and capacity to serve the needs of shelter and transitional housing clients reported more limited efforts and capacity to work with clients on issues of financial learning and inclusion. Agencies with expertise and capacity to work with clients on issues of financial learning and inclusion reported limited or no experience in working with shelter or transitional housing residents. Clearly an opportunity and perhaps even an imperative exists for greater collaboration and cooperation across these two types of organizations for more effective approaches to financial inclusion and financial literacy among the most excluded Canadians.

IV: Quantitative Results from the Focus Group Surveys

Following the key informant interviews, SEDI conducted a series of focus groups with residents of transitional shelter and recent users of rent bank programs. As part of the focus group session, participants were asked to complete a brief written questionnaire on demographic characteristics and indicators of financial strain, financial inclusion and self-assessed financial literacy. The results of these surveys are presented and discussed in this section of the report.

4.1 Demographic Profile of Focus Group Participants

Among the 63 focus group participants, the average age was between 30 and 39 years of age, with more participants falling the early part of this range. There were however some differences between older and younger participants that emerged during this analysis. These age related differences are presented below. Of the 63 respondents, 63% were men and 37% were women. Again, gender-related differences are presented below.

Participants, on average, reported having completed secondary education as their highest level of education. Women reported a slightly higher level of education, with a majority reporting they had participated (but not completed) post-secondary education. Among all respondents, only 7 (11%) reported they had completed some form of post-secondary education including trade or technical school, college or university. In previous studies, formal education has been shown to have an uneven but important relationship to financial inclusion and financial literacy with better educated persons showing greater skills and knowledge in some key domains such as planning ahead financially.[6]

Attachment to the labour force was generally weak across the sample with majority of participants reporting they were unemployed and looking for work. Women reported somewhat stronger labour market participation with a majority reporting part-time or temporary employment. Younger respondents (under 30 years old) were most likely to say they were not working and not currently looking for work but this should be interpreted with some caution since 19 of the 26 respondents under 30 did not respond to a question about their current employment.

4.2 Financial Strain

While the questionnaire did include a question about major income source and range, the response rates were very low so these are not included in this report. Participants did respond to a question regarding their total debt obligations. Because the question asked respondents to select a category or range that

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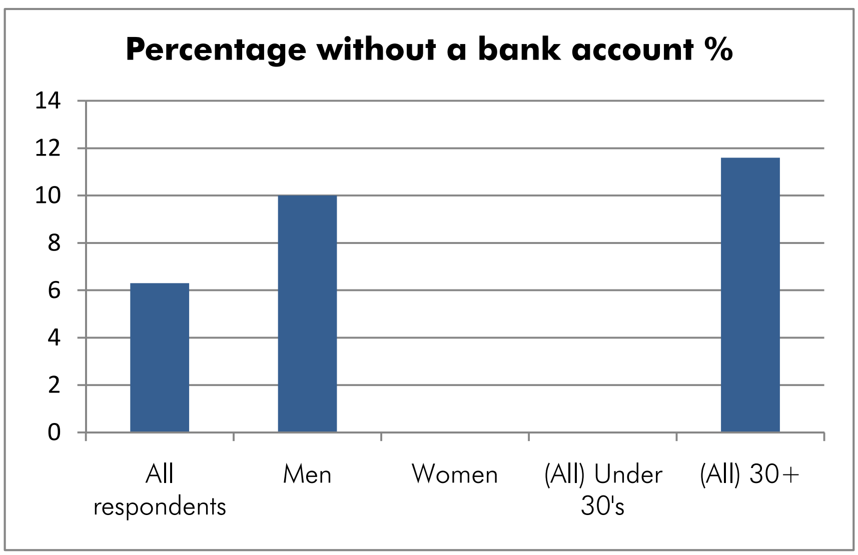
[6] *Atkinson, A. (2007) Financial capability amongst adults with literacy and numeracy needs. Basic Skills Agency.*

reflected their personal debt, we can only present the most frequent ranges reported by respondents and sub-groups of respondents. Nevertheless, the differences by gender and age are notable. Women and respondents over age 30 were more likely to report higher personal debt loads. On the one hand, older participants have had a longer opportunity to pay down debt (such as student loans accumulated earlier in life), they have also had a longer opportunity to accumulate it (such as credit card and utilities debts).

Figure 2: Average Debt

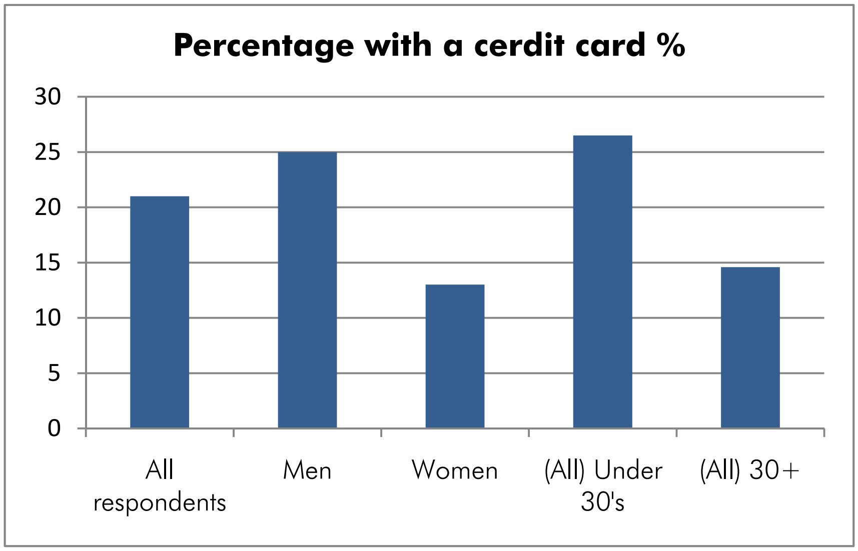
Average debt	
Group	Estimated personal debt
All respondents	0-$5,000
Men	0-$5,000
Women	$5,000-$10,000
(All) Under 30's	0-$5,000
(All) 30+	$5,000-$10,000

Figure 3: Percentage Without A Bank Account



Among all respondents, 6.3% reported they did not have a basic bank account. This is higher than estimates among the Canadian population as a whole (see discussion on page 8 in this report) but not remarkably so. Among both female and younger participants all respondents indicated they had a bank account so these may have brought down the overall figure. Among men and older participants, the likelihood of not having a basic bank account was much higher, at or above 1 in every 10 focus group participants.

Figure 4: Percentage With A Credit Card

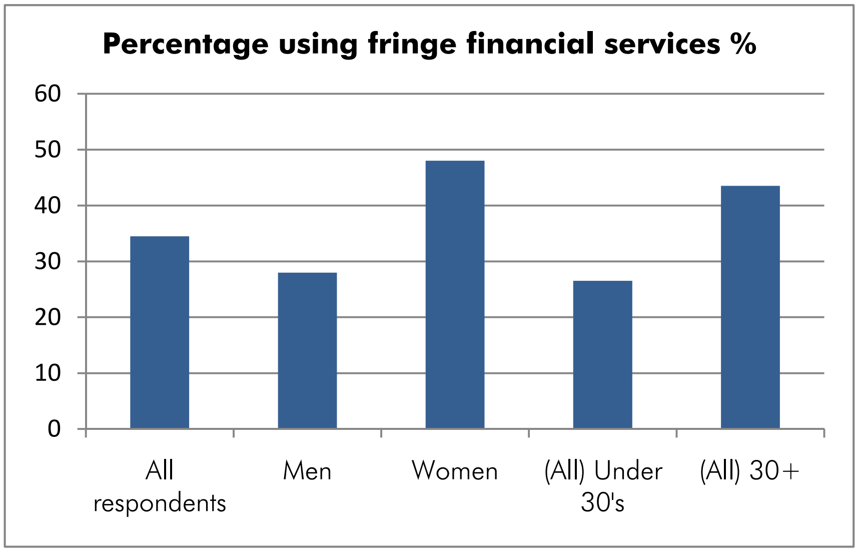


Access to a deposit account is one measure of financial inclusion and is perhaps the best indicator of being "unbanked". However, as Regan and Paxton have argued, full financial inclusion implies access to range of products and services from financial institutions. In addition to the question on bank accounts, participants were asked if they owned a credit card. This may be viewed as one indicator of financial inclusion in that it implies a stronger relationship with one or mainstream service providers if both deposit and credit services are available. Rates of credit card holding were moderate among participants though higher among men and younger participants. Credit cards were held by residents of transitional shelters and by recent rent bank users alike. While it was not uncommon for participants with a bank account to report they did not have a credit card, all participants reporting they had a credit card also reported having a bank account. For participants with very low incomes, few resources and mutiple barriers to wellbeing and stability in their lives, credit may be a mixed blessing. On the one hand, it may provide participants with a tool to meet necessary expenses and to build a credit rating for future use. On the other hand, unpaid credit card balances may have been among the largest contributors to the personal debt levels reported above.

Outside of access to mainstream forms of credit or financial services, residents of shelters and clients of rent banks may turn to fringe financial service providers. Consistent with the findings from the interviews with shelter and rent bank staff, the survey of focus group participants found notable trends in the use of fringe financial services such as payday lenders, cheque cashers and pawn brokers. Participants were asked if they used these services and results are reported below.[7]

[7] *Owing to slightly different wording in the questionnaires fielded, we cannot report on the frequency of fringe financial services use. All responses of "sometimes" or "frequently" were coded as affirmative.*

Figure 5: Percentage Using Fringe Financial Services



Use of fringe financial services was highest among women, nearly half (48%) of whom said they "sometimes" or "frequently" used one or more fringe financial services. Surprisingly, younger respondents were the least likely to report using fringe financial services. This is a finding that differs from research on the general population[8] and also differs from what might be expected given age-related differences in financial literacy.

4.3 Self-rated Financial Literacy

Participants in focus groups were asked to rate their financial skills, confidence and knowledge on a 5-point Likert scale. Among the 14 questions, we report here on 4 that were answered the most reliably by respondents. These offer some insight into self-rated capability in managing day-to-day money matters, selecting products and planning ahead.

Figure 6: Self Rated Financial Literacy

"I have confidence managing my own money"

Group	Average self-rating (1- 5)	% rating very high (5)	% rating very low (1)
All respondents	3.45	20.6%	4.7%
Men	3.55	25.0%	5.0%
Women	3.30	17.3%	4.3%
(All) Under 30's	3.21	11.5%	0
(All) 30+	3.61	29.4%	8.8%

[8] *Environics Research Group (2008) "Youth Financial Literacy Study", Financial Consumer Agency of Canada, Ottawa.*

"I understand how credit works and how to get it"

Group	Average self-rating (1-5)	% rating very high (5)	% rating very low (1)
All respondents	3.13	19%	12.7%
Men	3.27	22.5%	15%
Women	2.91	21.7%	8.7%
(All) Under 30's	3.13	11.5%	3.8%
(All) 30+	3.14	26.5%	20.6%

"I understand how banks work"

Group	Average self-rating (1-5)	% rating very high (5)	% rating very low (1)
All respondents	3.54	28.6%	6.3%
Men	3.68	32.5%	7.5%
Women	3.30	17.3%	4.3%
(All) Under 30's	3.54	23.1%	0
(ALL) 30+	3.56	35.3%	11.8%

"I set financial goals and know how to achieve them"

Group	Average self-rating (1-5)	% rating very high (5)	% rating very low (1)
All respondents	3.25	20.6%	7.9%
Men	3.29	25%	12.5%
Women	3.17	13%	0
(All) Under 30's	2.89	11.5%	3.8%
(All) 30+	3.49	29.4%	11.8%

While there was some convergence both within individual respondents and across the sample in ratings on the four questions, self-assessed capability was slightly stronger on managing relationships with banks and managing day-to-day financial affairs. Across the 4 questions, men consistently rate themselves higher than average and women consistently rate themselves lower. There were few age-related differences in average ratings although older respondents were more likely to give themselves a higher rating for being able to plan ahead financially as compared with younger respondents and the overall sample. A similar but weaker age difference appeared as well on managing day-to-day financial affairs.

Looking only at the likelihood of rating oneself very high (or 5 on the 5-point scale) both men and older respondents were substantially more likely to rate themselves as very capable across all four measures. But these respondents were also much more likely to rate themselves very poorly (or 1 on the 5-point scale) across all four measures. This suggests that men and older respondents may be more polarized than women and younger respondents in their self-assessments. It also suggests that different groups may believe they have very different areas of competency although nearly all groups rated themselves lower in terms of understanding and managing credit. Given the very low proportion who have credit cards this may not be surprising.

People's self-assessments are very likely to shape their perceptions about what skills or knowledge they might benefit from gaining. To the degree that participants rate themselves highly in particular areas (whether this accurately reflects their real capacity to exercise certain financial skills or knowledge), they are less likely to seek out or participate in financial learning initiatives. To the degree they rate themselves more poorly, they may be more willing and motivated to seek learning opportunities or other support. The above information may be useful in developing more nuanced approaches to financial education that appeal to different subgroups of the homeless and at-risk populations.

V. Qualitative Results from the Focus Group Discussions

5.1 Managing Money

Participants in focus groups were first asked how they would use a modest amount of additional income. The responses revealed a consistent pattern of choices and decisions that reflected very mainstream approaches to managing money. Participants consistently stated they would:

- Use some to cover basic needs (such as rent, household goods and even pre-paying some bills)
- Use some to pay down debts
- Send some to help support family members
- Save some.

5.2 Attitudes Towards Planning Ahead and Saving

Participants in the focus groups also took part in exercises to explore their attitudes towards saving and planning ahead financially. Although there was unanimous agreement that saving is a worthwhile financial habit and that having savings to draw from was an important part of financial stability and inclusion, participants described multiple personal obstacles to building any savings of their own. These obstacles included:

- Feelings of impulsiveness or lack of self-control over spending, perhaps; reinforced by a belief the consequences for each modest over expenditure was small or negligible. One participant noted that when something has been bought with savings over time the loss of that asset feels worse and is a strong disincentive against poor financial habits.
- A sense that current personal income is too low to be able to save anything after financial obligations and basic needs are met. Similarly, some participants stated that any savings they might be able to put away would be too small to feel meaningful or useful.
- Existing obligations or expenses such as rent, debt repayment and family support obligations that were too onerous to be able to make ends meet let alone get ahead financially. Among the debts, participants very frequently named student loan repayments, credit card debts, utilities debts (such as cell phone bills) and other un-specified debts to a level of government.

5.3 Interest in a Financial Incentive

Given that participants universally believe that saving is worthwhile and yet felt unable to engage in saving money themselves, it is perhaps unsurprising that they expressed strong support for a financial incentive. The plans or goals that participants raised for such an incentive included:

- Building up savings for a deposit on their own home (generally but not exclusively rental);
- Building savings for a medium-term goal that might enhance their employability or income-earning prospects such as education or training, tools for self-employment or a vehicle;
- Building savings for long-term goals including retirement savings or simply having a nest-egg in case of emergencies.

5.4 Interest in Financial Education

As with support for the value of saving and security, there was nearly unanimous support among focus group participants for the idea that more financial education and information should be made available to clients in transitional shelters or at risk of losing their housing. Several participants mentioned key life events such as parenthood or employment in explaining their sense that becoming financially literate was an important endeavor. Several clients said they wished they had had more information or education on financial matters earlier in their lives and believed they may have been able to avoid many hardships and crises. As one participant put it "It's better to learn before, but you learn best when you're in trouble."

"It's better to learn before, but you learn best when you're in trouble."

Participants raised a wide range of financial issues or areas that they would be interested in learning about through some structured education initiative. These included:

- Employment-related information such as how to complete a timesheet and work out wages earned, interpret a paystub, understand deductions and file an income-tax return.
- Money-management skills such as setting and staying within a budget, reducing expenses.
- Understanding rights and obligations such as tenant's rights, publicly-funded benefits and negotiating with creditors and debt collection agencies.
- Establishing better relationships within mainstream financial systems. For example, establishing credit, recovering from bankruptcy and dealing more effectively with financial institutions.

5.5 Attitudes Towards Financial Service Providers

In marked contrast with the assessments of the staff interviewed, and even to their own stated use of fringe financial services, participants expressed, as a group, very balanced views of mainstream financial institutions. A handful of participants voiced feelings of being unwelcome or judged when interacting with financial institutions.

"You feel judged when they know you're taking out your last $10."

"I get in and out [of the branch] quickly."

"I'm not their favorite."

Another handful of participants expressed very positive views and even longstanding relationships with one or more financial institutions. However the most common view of financial institutions was that there was good and bad across institutions and branches and that the experience of clients ultimately "Depends on the bank, the branch, the staff (that you deal with)."

Participants also offered very concrete ideas on what would make it easier for them to use mainstream financial institutions. These include:

- Help with meeting ID requirements; this was raised by some participants as a major barrier to banking with financial institutions.
- More personalized service from financial institutions particularly in recommending the most suitable financial products.
- Protecting choice by ensuring that financial inclusion initiatives do not limit clients' choices to particular financial institutions and by asking financial institutions to do a better job of explaining the range of products available.
- Greater responsiveness in banking practices to low-income clients. For example one participant mentioned frustration in having large lump sums garnished to repay a student loan rather than smaller payments that left something to live on.

5.6 Ideas for Program Design

Participants offered several observations that are relevant for the design of any program to improve financial inclusion, literacy and well-being among residents of transitional shelters or rent banks. These are summarized below:

- Practicing skills with real money in a real account was strongly valued by participants. The idea of matching savings was seen as increasing the reward and the stakes for maintaining better financial behaviors.
- Taking part in financial education was most appealing in a group setting but only if delivered by familiar and trusted staff such as case managers in transitional shelters.
- Financial inclusion and literacy strategies have to be part of broader, multifaceted approaches to building self-sufficiency such as employment development.

- While financial education should be structured as a series of workshops or a course with a defined end, participants want access to ongoing help, advice and support if they need it. This would extend beyond a move out of transitional housing, for example, or well-after a request for assistance from a rent bank.

VI: Discussion

Summary of Key Findings

Taken as a whole, the evidence from the literature review, environmental scan, key informant interviews, the quantitative and qualitative information from focus groups all suggest that:

- Residents of transitional housing and users of rent banks do not evenly enjoy a full degree of financial inclusion in mainstream banking services. While basic deposit account ownership may be high, access to other financial products and services appears to be weak at best. When clients do have other financial products these are most often loans or credit cards with unmanageable balances that contribute to their financial insecurity.
- Use of fringe financial services appears to be very high among homeless and insecurely housed persons. This is in spite of quite high access to deposit accounts. The exact reasons for the use of fringe service providers appear to be complex, ranging from perceptions of mainstream financial institutions, poor experiences with customer service at financial institutions, to desires to hide income or process a transaction more quickly than is possible at mainstream financial institutions.
- Clients of rent banks and residents of transitional shelters express a strong demand for financial education and for opportunities to practice new financial patterns with real money, real financial goals and real financial rewards when they succeed. They are interested in using mainstream financial services but want to have choice and to feel respected in their relationships with financial service providers.
- Housing service providers recognize the importance of financial literacy and financial inclusion among other key life skills their clients express a need for. They are thoughtful in their descriptions of client experiences, showing a genuine care and understanding of the complex needs and multiple barriers faced by their clients. Many of these providers are making efforts to improve the financial management skills of their clients through information and counseling, often delivered in informal and very personalized ways such as a one-on-one conversation or offer of assistance in developing a monthly budget. These organizations generally agree they would like to be doing more but are already stretched in their capacity. Their other programs and supports are usually delivered as on-going initiatives, available to clients when they are ready to avail themselves of them.
- The organizations with the greatest capacity and experience in delivering financial education and inclusion initiatives are often less experienced in working directly with homeless persons or those living in transitional housing.

There appears to be both an opportunity and imperative to offer more financial education to residents of transitional shelters and those who are insecurely housed. There is evidence for gaps in financial inclusion, gaps in financial literacy among clients as well as some openness to learning new knowledge and practicing new skills. While shelter and rent bank providers are doing their best to respond to a wide range of complex client needs, they currently have more capacity to deliver more structured and targeted financial education. Partnerships with other agencies may be one approach to addressing this capacity challenge. However, given that focus group participants were so clear in stating a preference for working with known and trusted staff, a more responsive approach would be to invest in staff training and organizational capacity among transitional shelters and rent banks to offer more intensive and ongoing financial learning opportunities for their clients.

Based on the advice from key informants and from focus group participants, an effective delivery strategy might have the following characteristics:

- Integrate financial learning with a financial incentive while supporting clients in developing better and stronger relationships with mainstream financial service providers.
- Tailor the topics covered in a financial learning program to the clients targeted by the program. This may mean starting with topics that clients rate most highly as of interest or value or topics where clients are known to state they have weaker skills and knowledge. It likely means taking less normative approaches to what clients "should" learn or do and responding to the goals that clients set for themselves and the circumstances in which they find themselves.
- Build on existing relationships of trust by using staff who are familiar to clients to deliver financial literacy programs. This may require additional support and training to staff to equip them for this role.
- Adopt a similar model to other programs offered by shelter providers by being made available to clients when they are ready to begin and remaining available to them until they are ready to leave. This is in contrast with many existing financial literacy interventions that set workshop dates and then recruit participants to attend.
- Position a program as another support among many available to clients to assist them in regaining or establishing independence and stability in their lives. Financial learning can have an important influence but it can only complement the crucial measures that address mental health, addictions treatment, physical health, personal safety, employability and emergency financial needs, among others.

VII: Conclusions and Future Areas for Research

The current study is the first of its kind in Canada that we have been able to identify. To date, no real attention has been paid to the financial literacy and financial services needs of shelter residents and rent bank clients. Outside of Canada, there has been more attention to the interaction between financial inclusion, financial instability and cycles of housing loss. Canada can both benefit from greater attention to this international research and contribute to it.

Future research should be conducted to confirm the findings of this study. The key informant interviews were conducted with a large and broad sample and so these may be less important to replicate. However, the survey and focus group findings can and should be subject to validation through new research conducted directly with clients of transitional shelters and rent banks. In particular, attention should be paid to understanding the use of fringe financial services. It isn't clear that clients are necessarily demonstrating a real preference but may instead be engaging in behavior they feel to be less than desirable in a context of restricted choices and options.

Finally a whole other stream of research will be needed to implement and evaluate programs to identify effective practices and approaches to improving financial inclusion and financial literacy among homeless and at-risk clients. In setting evaluation frameworks, measureable but reasonable benchmarks will need to be set. It may be unreasonable, for example, to expect interventions that deliver financial learning to have effects on financial behavior if there are few or no opportunities to practice new skills and establish new patterns. Similarly, depending on the duration of interventions, it may be unreasonable to expect large changes in financial knowledge, financial behavior and housing outcomes. That said, measurement tools should be developed and used, particularly ones that can offer some more objective information about financial literacy levels (rather than self-rated abilities).

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IX: Appendices

Appendix 1: Sampling Frame Background

National Data on Distribution of Shelter and Transitional Housing

Region/Community	Total beds	Total shelters	Emergency	Transitional	Combination
Canada	26,214	853	543	295	15
Selected Communities					
Metro Toronto	4,430	82	62	20	0
Calgary	3,178	52	16	36	0
Montreal	3,094	94	62	27	5
Greater Vancouver	1,858	77	46	31	0
Edmonton	1,438	30	14	16	0
Winnipeg	1,065	23	17	6	0
Ottawa	700	24	19	5	0
Quebec	651	34	22	12	0
Peel Region	628	11	6	5	0
London	517	10	9	1	0
Halifax Region	432	22	8	14	0
Saskatoon	378	26	9	17	0
Yellowknife	305	10	6	4	0
Fredericton	128	6	4	2	0
Saint John	119	6	4	2	0
St. John's	115	9	5	2	2
Moncton	105	7	3	3	1
Subtotal	19,141	523	312	203	8
% of National total	73.02%	61.31%	57.46%	68.81%	53.33%

Source: Homelessness Partnering Secretariat (2008) "Shelter Capacity Statistics - Designated Communities", HRSDC, Ottawa, June 2008

Appendix 2: Final Sample Key Informants and Focus Groups

Name	Organization	Location
Rob Eady Manager of Public Relations	Shepherds of Good Hope	Ottawa
Sue Garvey Director	Cornerstone / Le Pilier	Ottawa
Arlene Hache Executive Director	Yellowknife Women's Centre/Centre for Northern Families	Yellowknife
John Rowland Manager of Data Systems	Calgary Drop-In and Rehab Centre	Calgary
Michel Frojmovic Consultant (Researcher)	Acacia Consulting	Ottawa
Dr. Tim Aubry Professor	University of Ottawa	Ottawa
Breanne Hunter Manager of Community and Family Services	Salvation Army	Dunville, Ontario
Carolann Barr Director of Research and Community Initiatives	Raising the Roof	Toronto
Andrea Shaw,Team Leader and Kirsteen Connelly, Rent Bank Coordinator	Momentum	Calgary
Wayne Smith Director of Emergency Shelter	Siloam Mission	Winnipeg
Laura Sanderson, Supervisor, MoneyWise, Winter Warmth and Rent Bank programs	The Salvation Army	Ottawa
Rima Zavys Director, Homelessness & Housing Help Services and Mental Health & Developmental Services	WoodGreen Community Centre	Toronto
Mark Stanley Executive Director	Addictions & Residential Services, The Salvation Army	Edmonton
Gladys Wong Executive Director	Neighbourhood Information Post (NIPOST) / Toronto Rent Bank	Toronto
Joanne Pattison Supervisor	Community Programs Unit-Quality Assurance, Ontario Works	Peel Region

Michael Poworoznyk Executive Director	Metro Turning Point Shelter	Halifax
Karen Smith Acting Manager	Seaton House	Toronto
Karen O'Shannacery Executive Director	Lookout Emergency Aid Society	Vancouver
Michael Anhorn Manager of the Emergency Shelter Program	BC Housing Shelter Support Services	Victoria,B.C.
Dr. Stephen Gaetz Associate Dean of Research and Field Development, Faculty of Education	York University	Toronto
Cyril Morgan Executive Director (mission) and Chair (CCLMS)	Welcome Hall Mission and Canadian Coalition of Large Multi-Service Shelters	Montreal
Dion Oxford Executive Director	Gateway Shelter, Salvation Army	Toronto

Summary of Focus Groups

Focus Group Sample Design					
	Adult men	Adult women	Families	Youth (25 & under)	Total N=
Current Transitional Housing Resident	2x10	10	0	10	40
Rent bank client 1 or more times in last 3 months	0	10	10	0	20
Total N=	20	20	10	10	60

Focus Groups Completed					
	Adult men	Adult women	Families	Youth (25 & under)	Total N=
Current Transitional Housing Resident	13, 14	4	0	7,12	50
Rent bank client 1 or more times in last 3 months	0	3	10	0	13
Total N=	27	7	10	19	63

Appendix 3: Key Informant Interview Template

The following template will be used to interview program staff. For those researchers contacted as part of the current study, the questionnaire will be modified to focus on their previous and on-going research including any evaluations of existing programs and services.

Introduction

Thank you for agreeing to take part in this study SEDI is conducting with funding from HRSDC. We're talking with staff in agencies across the country to better understand how homeless and at-risk clients are getting help in making decisions about money, budgeting and making ends meet and how they are using or not using financial services as part of their overall housing transitions. Before we begin I wanted to remind you again that your answers will only be used for the research and won't be attributed to you. The results will be part of our final report next spring. Do you have any questions or concerns about the study that we should talk about first?

Background

1. To start, could you tell me a little about [organization name] and your role there?
2. How many clients do you typically work with at a time (or in a year)? How long do you usually stay involved with them?
3. What kinds of things do you find you spend most of your time doing for or with clients?
4. What other kinds of services or help for clients do you spend your time on?

Impressions of Clients' Financial Exclusion

1. How often do you hear from your clients about issues they are having with money? If required prompt: For example, about not having enough of it, where to keep money they do have, debts they have, etc. How many clients would you say this affects (ie: a few, many, most, all)?
2. What kinds of issues do you hear most often?
3. When your clients need to make a financial transaction (cashing a cheque, keeping money somewhere, etc…) what do they seem to do? If required prompt: For example, do they use a local bank branch? Do they use cheque cashers? How many clients would you say this affects (ie: a few, many, most, all)?
4. From what you know of your clients, would you say they tend to have bank accounts? What about loans or other debts?

Organizational Capacity and Demand for Financial Education

1. Does your organization have services for clients that help them with budgeting, making ends meet or keeping track of money? What about other kinds of help with money? How many clients would you say this affects (ie: a few, many, most, all)?

2. How do clients get into those programs? What kinds of feedback do you get from your clients about these services? Have you done any evaluations of these programs? If so, would you be willing to share the evaluation results with us?
3. [If these are not universal for all clients] Do you notice any differences in the clients who use these services and those who don't?
4. Compared to the other programs your organization runs, how would you describe how much the [name(s) of program(s)/service(s)] are needed by your clients? How often are they asked for by your clients? How effective do you think they are in helping your clients?
5. Are there things that you think [organization name] could do to improve [program(s)/service(s)]?

Linking financial incentives and financial learning

1. Does [organization name] give any benefits, grants, loans or financial support to clients? If so, can you tell me more about that? Is there any link between this program and the [program(s)/service(s)] you mentioned above that help with budgeting, etc..? If so, how do you think this helps your clients? How many clients would you say this affects (ie: a few, many, most, all)?
   The ILA model that SEDI piloted with shelters in Toronto, Fredericton and Edmonton offered clients a savings account, a match on money they deposit and use for housing, plus case management and 15 hours of financial education.
2. How different does this sound from what [organization] is offering clients now?
3. What kinds of impacts do you think you'd see with clients from a program like an ILA?

- If required prompt: Do you think their use of banks or financial institutions might change? Do you think they'd save? Do you think the financial education would matter? Do you think it would change their housing situation? Would they make other financial changes (like paying down debts)? Other changes?

4. What kinds of issues would you expect there might be in starting up a program like an ILA in [organization name]?

- If required prompt: Costs to implement? Staff training to deliver financial education? Already overstretched organizational capacity?

That's the end of the formal questions. Is there anything that we didn't cover that you'd like to add?

Do you have any questions for me?

Are you interested in reading a copy of the final report?

If over the next few days you think of anything that you'd like to add or change from what you've said today or have any questions, please don't hesitate to contact me at:

[interviewer email] or [interviewer phone number].

Appendix 4: Written Survey Template Used in Focus Groups

Questions for Focus Group Participants

PLEASE CHECK ALL THAT APPLY	
Gender:	☐ Male ☐ Female ☐ Other
Age:	☐ younger than 19 ☐ 20's ☐ 30's ☐ 40's ☐ 50's ☐ 60's ☐ 70's +
Number of Children:	☐ 0 ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ More than 4
Language:	☐ English is my first language ☐ English is my second language
Education Level:	☐ No High School ☐ Some High School ☐ Completed High School ☐ Some University or College ☐ Completed University or College ☐ Professional Training/Certification (please note field ____________________)
Annual Income Level:	☐ 0-$10,000 ☐ $10,001-$20,000 ☐ $20,001-$30,000 ☐ $30,001- $40,000 ☐ $40,001-$50,000 ☐ More than $50,000
Primary Source(s) of Income:	☐ Employment ☐ Employment Insurance (EI) ☐ Income Assistance ☐ Income Assistance for people with disability ☐ Retirement income (CPP) ☐ Other __________________________
Employment Status:	☐ Unemployed – looking for work ☐ Unemployed – not looking for work ☐ Casually Employed ☐ Retired ☐ Part-Time ☐ Full-Time
Current Debt Level:	☐ None ☐ 0-$5,000 ☐ $5,001-$10,000 ☐ $10,001-$20,000 ☐ $20,001-$30,000 ☐ Other _______________________
Sources of Debt:	☐ Credit card ☐ Student Loans (OSAP) ☐ Utilities (phone, hydro, cable) ☐ Bank loan ☐ Taxes ☐ Car ☐ Child payments ☐ Other______________
Do you currently have a bank account?	☐ Yes ☐ No
Do you currently have a credit card?	☐ Yes ☐ No
How often do you use payday loans, cheque cashers, pawn shops, etc.?	☐ Never ☐ Sometimes ☐ Frequently

Have you ever own or rent your own apartment or house?	☐ No ☐ Yes If yes, how long ago _________	
Have you ever been evicted?	☐ No ☐ Yes	
Have you ever used the Community Start Up and Maintenance Benefit (CSUMB)?	☐ No ☐ Yes, _________time(s).	
Have you ever been evicted?	☐ No ☐ Yes	
Have you ever used a rent bank?	☐ No ☐ Yes, _________time(s). I needed help because ________________.	
If yes, did you pay back your rent bank loan?	☐ No ☐ Yes, in part ☐ Yes, the whole sum	
What financial topics would you like to learn about?	☐ Basic Banking ☐ Saving and budgeting ☐ Credit Ratings and Reports ☐ Credit and Credit cards	☐ Basics of Investing ☐ Debt ☐ Consumerism ☐ None of the above
What other financial supports are you interested in?	☐ Assistance opening a Bank account ☐ Money Management Workshops ☐ Credit Counselling (to assist with Debt)	☐ Assistance Applying for government benefits ☐ Other (I wish there was someone to help me...) _________________
PLEASE ANSWER QUESTIONS TO THE BEST OF YOUR ABILITY		
What are your main monthly expenses?		
Last year (2007) did you have any other large expenses?		
Normally, after all of your expenses are paid, do you have any money left over?	☐ Yes ☐ No	
If you do have some money left over do you save any of it?	☐ Yes ☐ No	
If you do save what do you save for?		

INDICATE THE EXTENT TO WHICH YOU AGREE WITH THE FOLLOWING STATEMENTS (Please circle the appropriate number. If a statement does not apply, for example if you do not have children, please cross it out.)					
	← Fully disagree			**Fully agree →**	
I have confidence managing my own money.	1	2	3	4	5
I understand how to balance my income and my expenses.	1	2	3	4	5
I pay for things I need before spending money on things I want.	1	2	3	4	5
I understand how credit works and how to get it.	1	2	3	4	5
I understand how banks work.	1	2	3	4	5
I can confidently speak to representatives of financial institutions.	1	2	3	4	5
I understand how advertising affects my life.	1	2	3	4	5
If I end up in financial trouble, I know what resources are available in the community.	1	2	3	4	5
If I need financial help my family can and will provide it.	1	2	3	4	5
My family would support my financially if they could.	1	2	3	4	5
If my children need financial help I can and will provide it.	1	2	3	4	5
I would support my children financially if I could.	1	2	3	4	5
I feel confident discussing money issues with others.	1	2	3	4	5
I set financial goals and know how to achieve them.	1	2	3	4	5
Thank You!					

Appendix 5: Site Staff Confidentiality Form

Project Staff and Volunteer Confidentiality Agreement

Staff / Volunteer Name: ________________________________

Title: ________________________________

Start Date: ________________________________

I understand that any information pertaining to individuals who participate in this research study: Financial Inclusion for Homeless Persons and Those at Risk: A Step Up on the Ladder of Self-Sufficiency is private and must be treated as confidential. I agree that I will not reveal any such information regardless of how or where I acquire it to any person, unless such person has been authorized by the participant to have access to that information.

On termination of my employment / contract / voluntary employment with [delivery agent name], I agree to turn over to [the delivery agent], SEDI and/or the researchers, all participant information that I have collected or that has been provided to me. Also, I understand that this agreement is binding even after the completion of my employment, contract or voluntary employment with [delivery agent]. Any unauthorized use or disclosure of any private information is a breach of the terms and condition of my employment and may subject me to court action by any interested party. Nothing herein shall be construed to prevent disclosure of information to any court or government agency if such disclosure is required by law. But if I am subpoenaed or if I have reason to believe that I may be called upon to make such disclosure, I agree to notify [delivery agent] and SEDI immediately in writing and, upon their request, to cooperate in all lawful efforts to resist such disclosure.

________________________	________________________________
Staff / Volunteer Signature	Date
________________________	________________________________
Staff / Volunteer Name (please print)	Received By (please print)

Appendix 6: Focus Group Participant Release Form and Informed Consent

PARTICIPANT AGREEMENT FORM

Research Description

SEDI (Social and Enterprise Development Innovations) is exploring some financial experiences and knowledge of people living in shelters or who may be at risk of losing their housing. You have been asked to participate in this group interviewed, or focus group and share your experiences.

This group interview will be 1 hour in length and is taking place from time on date at location.

The facilitators name is first and last name and she/he is also SEDI staff. She is available in person during the focus group and at other times to answer questions or for any reason at contact info/through the community agency.

Please read this entire document carefully before signing and dating it and returning it to the facilitator from SEDI. If you have any questions about the focus group, or what is expected of your participation, please talk with SEDI staff.

A) You will receive $40 for participating in this group and it will be provided to you at the end of this session.

B) Your participation in this focus group is entirely voluntary, and you can refuse to answer any questions, or stop the interview at any time, if you become uncomfortable. If you have concerns with any of the questions, please talk with the facilitator.

C) If you feel uncomfortable during or after the interview, please seek out counselling services within your shelter, or through your location specific for people not in the shelter system.

D) What you say during this focus group will always be kept anonymous. Your identity will be kept anonymous. Even if we use a quote from you, it will never be said that YOU said it. You can make up a name, use just your first name, or initials.

E) The group will be audio taped and there will be somebody from SEDI taking notes. This is so that we can make sure not to miss anything. These recordings will only be used by SEDI staff and will not be given to anyone else.

F) You need to also respect the privacy of the other members of the group by not discussing with anybody any personal information that they share during the focus group discussion.

G) Your participation will not affect your use of, or need of, services in any way.

H) A copy of the final report will be available in March of 2009. Please let SEDI staff, or your community agency know if you would like to read or receive a copy of the report.

If you agree to participate in this focus group, please sign below.

"I will sign my name to indicate that I have agreed to participate as set out above or I will only provide my initials or first name. "

____
Date

____
Researcher

____
Date

____
Participant's initials or first name

Appendix 7: Focus Group Facilitator Guide

The following facilitator guide was developed using widely used focus group facilitation methodologies and is consistent with focus groups previous conducted by or on behalf of SEDI. The guide may be modified following the first group to make any necessary adjustments based on reactions to the implementation. We expect these to be very minor in nature if required at all.

Welcome and introduction (5-7 minutes)

Welcome. Thanks for coming today/this evening. My name is [facilitator name] and I'm part of a research team at Social and Enterprise Development Innovations. SEDI is national charity that develops new programs to help low-income people in Canada. SEDI is doing a research project with [host organization} and other groups across Canada so we can understand what kinds of programs will be most helpful to you.

Before we get started I want to talk about a few ground rules that we all need to agree on:

1. Everything that is said in here today is confidential. Your names won't be used in our report and no one outside the research team will ever hear what you tell us.
2. The session is being tape-recorded but only to make our notes easier to do. After that the tape will be erased.
3. Only one person talks at a time and everyone who wants to talk gets a turn.
4. There are no right or wrong answers. We want to find out what you think and hear about your experiences. Your honesty is going to be the most helpful to us.
5. You will get paid at the end of the session and you'll have to sign a form just like it was explained to you. I'd like to read that form to you now. [Read informed consent].

Copies of our report will be sent late next spring to [host organization] and you can read about the results then if you're interested.

Does anyone have any questions before we get started?

Once the questions have been addressed,

First exercise (8-10 minutes)

We're going to start with a bit of daydreaming. Imagine that instead of $40 for your time today you were being paid $1,000. What would you do with that money? We're going to go around the table. When it's your turn, can you say your first name and then tell us a little about what you'd do with that much money?

Let each participant speak for a minute or two. Note themes.

Second exercise (20 minutes)

For this next part you're going to need a pencil and a piece of paper. I'm going to read out some statements and when you hear something that you agree with, I want you to make a mark like an 'x' or a checkmark, anything that will help you count up the number you agreed with. Then we'll stop and talk about them.

1. Banks don't want people like me as customers.
2. Banks give people a hard time, dealing with them is a big hassle.
3. There are better places to keep your money than a bank account.

Stop and ask how many agreed with none, 1, 2, or all 3. Then invite a participant who agreed with all or none to start the discussion. Invite other participants to join the discussion and respond. Note themes.

4. People who don't have any money don't need to know much about it.
5. When it comes to money, the best teacher is life experience.
6. The best time to learn about making ends meet, about debt, about saving, etc… is when you're in real trouble and have to fix it.
7. The best time to learn about making ends meet, about debt, about saving, etc… is when you've already taken care of more important things.

Stop and ask how many agreed with none, 1, 2, 3, or 4. Then invite a participant who agreed with all or none to start the discussion. Invite other participants to join the discussion and respond. Note themes.

Third exercise (15 minutes)

This time, I'm going to read a line and I want you to fill in the blank at the end. We'll go around after and hear what each other wrote. Remember, there are no wrong answers and don't be afraid to put something down even if you think it might not sound good or might sound silly. If you don't want to write it down, for any reason, that's ok too. I'll re-read each statement before we talk about it.

1. Money in my hands is like ____________________.
2. I learned the most about money from ___________________.
3. The most important thing I know about money is ________________________.
4. The last time I asked someone for help with money I ______________________.
5. The most money I ever owed was ___________ and it was to _______________.
6. When I think about how much money I'm going to need to get/keep my own place to live I _______________________.

Invite participants to share their answers to one or more questions by repeating the question and going around the table. Probe participants' responses for attitudes and personal experiences related to money management, debt, financial learning, thinking ahead, etc.

Break (10 minutes)

Fourth exercise (30 minutes)

We've been talking about banks and money and learning. Now I want to ask you to help us design a program that you think would help you – or people you know. This is kind of like a menu – I'm going to read you a line or two that describes part of a program and you're going to tell me whether or not you think it would be a good idea.

Use flip chart with 1 written program element per page to present each program element and then note reactions/changes/counter ideas.

1. Somebody at [organization] is your case manager and together you figure out a plan just for you.

Pause and ask for participant response. Probe for whether or how different than what already delivered.

2. You get a bank account to keep any money you already have or might get. The account doesn't cost anything.

Pause and ask for participant response. Probe for location and conditions of account.

3. Every time you put a dollar in the account, you get $3 from the program.

Pause and ask for participant response. Prompt for match rates and access to match.

4. You can only use the program money for certain kinds of things.

Pause and ask for participant response. Probe for ideas on what uses for match.

5. You get a course on money that teaches about budgeting, using bank accounts, debt, etc..

Pause and ask for participant response. Probe for ideas on content, mandatory or voluntary, who should teach it.

Continue discussion flipping back and forth between chart pages as needed.

Conclusion:
Thank you. That was really great. You've given us a lot to think about and a lot of really, really helpful ideas. We're at the end of the focus group now but before we stop I want to invite you to ask any new questions that might have come to you since we started. After that we'll get you folks your well-earned money and let you get on with the rest of your day/evening.

I can also stay for a few minutes afterwards if anyone would prefer to speak one on one.

Thanks again for your time, your honesty and your ideas.

Appendix 8: Advisory Committee on Financial Literacy

Name	Title	Organization
Mr. Charles Coffey	Chair of the Committee	Retired Vice President Royal Bank of Canada
Mr. Chris Fawcus	President and CEO	Aon Reed Stenhouse Canada Inc.
Mr. David Agnew	President	Seneca College
Ms. Debbi Dimoff	Partner	Growing Legends Consulting
Ms. Jane Rooney	Director, Financial Literacy and Consumer Education	Financial Consumer Agency of Canada
Mr. Ken Smith	Chair	SECOR Consulting
Mr. Rick Eagan	Community Development & Special Projects Coordinator	St. Christopher House
Ms. Susan Murray	Director, Government Relations	Desjardins Group
Ms. Susan Wolburgh-Jenah	President & CEO	Investment Industry Regulatory Organization of Canada

SEDI
Social and Enterprise Development Innovations
1110 Finch Avenue West, Suite 406
North York, ON
M3J 2T2
Canada

Tel: 416-665-2828
Fax: 416-665-1661

info@sedi.org
www.sedi.org