Design and Implementation of a Program to Help the Poor Save

The *learn*$ave Project

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The Social Research and Demonstration Corporation (SRDC) is a non-profit organization and registered charity with offices in Ottawa, Vancouver, and Sydney, Nova Scotia. SRDC was created specifically to develop, field test, and rigorously evaluate social programs. SRDC's two-part mission is to help policy-makers and practitioners identify social policies and programs that improve the well-being of all Canadians, with a special concern for the effects on the disadvantaged, and to raise the standards of evidence that are used in assessing social policies and programs.

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Acknowledgements

The successful implementation of the *learn*$ave project would not have been possible without the efforts of many organizations and individuals. We would like to acknowledge and thank those who have contributed to this success.

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learn$ave is offered in 10 communities across Canada from Halifax to Vancouver. At the outset, SEDI found and recruited local agencies at each of these sites to deliver *learn*$ave to the local populations. *learn*$ave's implementation could not have proceeded without these dedicated people who recruited participants and provided financial management training and case management services. We would like to express our gratitude to the following organizations and staff:

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The Authors

Executive Summary

BACKGROUND

This report describes the implementation of *learn*$ave, a demonstration project modeled on antipoverty programs called Individual Development Accounts (IDAs) that were initially pioneered in the United States in the early 1990s. IDAs are now much more widespread throughout the United States and have emerged elsewhere in recent years.

learn$ave and IDAs in general are designed to help those with low income build their savings to purchase specific assets such as homes, retirement funds, or further education. As an incentive to encourage people to save, IDAs offer a generous matching contribution for every dollar that participants save. They also offer instruction in managing personal finances and the services of a case manager.

learn$ave is a research and demonstration project designed to test whether financial incentives can help low-income people improve their long-term economic prospects. As the fundamental feature of *learn*$ave, project participants are encouraged to open special *learn*$ave bank accounts and to build their savings as a means of achieving their goals. For every dollar that a participant deposits, an additional two to five dollars (depending on geographic location) is contributed by *learn*$ave. These funds can be withdrawn provided that they are used to finance post-secondary education, skills development, associated supports to learning, or a new small business.

The *learn*$ave demonstration has been designed to address the following research questions before any decision is taken to implement a similar program across Canada:

- Will the offer of financial incentives to save for education, training, or starting a new small business be sufficiently attractive to a significant number of low-income Canadians and landed immigrants? Which groups will find it most attractive?
- Will they be able to save more to achieve these goals?
- Will they continue their education and training or start new businesses with their savings?
- Will these activities yield improved earnings and employment prospects in future?
- Can such a program be cost-effective from the perspectives of individual participants, governments, and Canadian society as a whole?

The purpose of this report is to provide a document of record on the implementation of *learn*$ave. The report describes the design of the project and its evaluation strategy, how it was implemented, and who enrolled in it. The information in this report provides not only a basis for replicating the project, but it also establishes a useful context for interpreting the research findings as they unfold.

LEARN$AVE'S DELIVERY NETWORK

In June 2000 Human Resources Development Canada (HRDC)[1] began funding the *learn*$ave demonstration project and contracted the Social Research and Demonstration Corporation (SRDC) and SEDI (Social and Enterprise Development Innovations) to design and manage the demonstration. SEDI is responsible for project implementation, and SRDC is responsible for research associated with the evaluation of *learn*$ave.

A network of local not-for-profit partners are delivering *learn*$ave at 10 sites in seven provinces across Canada. The sites and associated delivery agencies are as follows:

Primary Sites:

- Halifax: United Way of Halifax Region
- Toronto: Family Service Association of Toronto
- Vancouver: New Westminster Community Development Society

Secondary Sites:

- Digby: Western Valley Development Authority
- Fredericton: Fredericton YMCA
- Montreal: Montreal YMCA, Aurora Business Project
- Kitchener–Waterloo: Lutherwood
- Grey–Bruce: Social and Enterprise Development Innovations
- Winnipeg: Supporting Employment and Economic Development (SEED) Winnipeg Inc.
- Calgary: Mennonite Central Committee Employment Development

At 9 of the 10 sites RBC Royal Bank provides enhanced deposit-account services to participants in *learn*$ave, with the assistance of Caisse d'économie Desjardins in Montreal. At the Winnipeg site the Assiniboine Credit Union offers these services.

DESCRIPTION OF *LEARN*$AVE

Through the efforts of the local delivery agencies, eligible individuals are invited to participate in the project. To be eligible, individuals must meet the following requirements:

- Must reside at a *learn*$ave site
- Only one person per household may apply
- Must possess a social insurance number
- Age must be between 18 and 65
- Cannot be in school full time
- Income cannot exceed 120 per cent of Statistics Canada's low income cut-off (LICO)

[1]Since the dissolution of Human Resources Development Canada (HRDC) in December 2003, the federal Department of Human Resources and Skills Development Canada (HRSDC) has been funding the project.

- Liquid assets cannot exceed the lesser of 10 per cent of annual income or $3,000
- The value of a home owned by the household cannot exceed the median value of homes in the area

Interested individuals were invited to apply through extensive outreach and recruitment activities at each of the 10 sites. As an overall target, 4,875 enrollees were sought for the project.

Once accepted at one of the primary sites, the majority of applicants were invited to open a *learn*$ave account at RBC Royal Bank. Each dollar they save over a three-year period (up to a maximum of $1,500) is matched by a $3 credit to a maximum of $4,500. During this savings period, a net deposit of at least $10 has to be deposited to count as an "active savings month." After 12 "active savings months" have accumulated, the participant can then claim the savings and matched credits and spend the total proceeds on an approved purchase related to education, training, or starting a new small business. Matched credits must be claimed within four years of the enrolment date.

At the primary sites half of those who are invited to open a *learn*$ave account are expected to attend 15 hours of financial training. The training sessions are intended to enhance participants' financial literacy and money management skills such as budgeting, use of credit, and spending. The sessions also encourage participants to identify their personal skills and knowledge to help them reach their goals. Participants who must attend training sessions also have access to case management services from the local delivery agencies.

At the secondary sites everyone who enrols is invited to open a *learn*$ave bank account, is expected to attend training sessions, and has access to case management services. However, in contrast to the common approach adopted within the three primary sites, a number of variations exist across the seven secondary sites:

- Montreal offers the highest match rate at $5 for each dollar saved; however, only $900 in savings are eligible for matched credits.
- Kitchener–Waterloo offers the lowest match rate at $2 but offers enhanced counselling services to participants in lieu of an extra $1 in matched credits.
- Digby offers a $4 match rate.
- Grey–Bruce offers a $2.50 match rate, with an additional $0.50 available as an incentive to attend training sessions and meet certain goals.
- In Fredericton the maximum amount of savings eligible for matched credits is $2,000, and $6,000 in credits are available.
- In Calgary participants have only two years in which to accumulate savings eligible for matched credits, instead of the usual three years.

Winnipeg is the only site that has more stringent eligibility criteria for applicants. In Winnipeg applicants must have an annual income below the appropriate LICO to be considered eligible, rather than the 120 per cent of the LICO required at all the other sites. In addition, the Winnipeg site has set another target: two thirds of the participants should have an income below 60 per cent of the LICO.

THE EVALUATION RESEARCH DESIGN

Hypotheses

The evaluation plan has been designed around the need to demonstrate the extent to which certain hypothesized impacts will occur as a result of *learn*$ave. These hypotheses correspond to a number of intermediate steps leading to the final intended results as follows:

- **Implementation hypothesis:** The provision of training sessions and case management services will increase the likelihood that the following hypotheses will hold true.
- **Savings hypothesis:** Participants will save more and will accumulate greater assets, without increased hardship.
- **Educational and micro-enterprise development hypothesis:** Participants will complete more courses and start more small businesses.
- **Employment and earnings hypothesis:** Participants will have a greater likelihood of employment and will eventually have higher earnings.

The Experimental Study

The validity of each of these hypotheses will be tested at the primary sites through the use of an experimental design. As the central element of this design, the impacts related to the hypotheses as experienced by participants over time will be compared with the impacts they would have been expected to experience had they not participated in *learn*$ave. In order to simulate these conditions, a control group of individuals who do not have access to *learn*$ave benefits has been selected to capture the impacts that would have occurred without *learn*$ave. Members of the control group must share the characteristics of participants, including their motivation to apply to *learn*$ave, as closely as possible.

In Halifax, Toronto, and Vancouver eligible applicants were randomly assigned to one of three groups. The first group is the "*learn*$ave-only" group, which receives only the matched credits. The second group is the "*learn*$ave-plus" group, which receives the credits plus financial training sessions and case management services. Finally, the third group is the control group, which does not receive any *learn*$ave benefits or services.

According to the original research plan, each of the primary sites was given a target of 1,200 enrollees to be evenly divided into the three groups. These sites were also each allowed to recruit 75 income assistance (IA) recipients who are not part of the experimental study and are therefore not randomly assigned to any of the groups; they receive all available *learn*$ave benefits, including matched credits of $3 for each dollar saved, financial management training, and case management.

Shortly after acceptance, and before random assignment to one of the groups, the applicants were surveyed by telephone to gather relevant information about personal and family characteristics as well as other baseline information related to the hypotheses being tested. All three groups will be surveyed to update this information at 18 months, 40 months, and 54 months from the date of their random assignment.

The random assignment process ensures that there are no systematic pre-existing differences among the groups. Consequently, any differences that are observed in the outcomes of the groups will provide a valid measure of *learn*$ave's impacts. To test the first hypothesis (that training

sessions and case management will have a significant positive impact beyond the impacts due to the matched credits alone), the experiences of the *learn*$ave-plus group will be compared with those of the *learn*$ave-only group. To test the remaining hypotheses, the experiences of the *learn*$ave-only and *learn*$ave-plus groups will be directly compared with those of the control group at various points over the life of the project.

Project impacts determined from the experimental study at the primary sites will be used in a benefit–cost analysis. Benefits and costs will be assessed from different perspectives. In accordance with accepted practice in social benefit–cost analysis, the research will examine the benefits and costs realized by *learn*$ave participants, taxpayers, government, and society as a whole.

The Non-experimental Study and the IA Study

The budget available for the demonstration precluded the possibility of using an experimental design at all 10 sites — much larger numbers of participants and a control group would have been needed to meet the requirements of an experimental study. Due to these budget limitations, the total sample size for the seven secondary sites was limited to 1,050 participants, and the research plan for the secondary sites is based on analytical methods that are less dependent on larger sample sizes and therefore less rigorous than those employed for the experimental study at the primary sites.

The non-experimental study at the secondary sites will examine the variations in project delivery at different sites. Surveys of participants, data from the management information system, and qualitative methods will be used in the analysis.

Up to 25 per cent of the participants at each secondary site were allowed to be in receipt of income assistance when they applied. These participants will be included as part of the overall study of the secondary sites. IA recipients who were recruited at the primary sites will not be included in the experimental study. Instead, their experiences resulting from participation in *learn*$ave will be evaluated in a manner similar to that employed for participants at the secondary sites.

LESSONS LEARNED

Lesson 1: Recruitment proved to be more difficult than expected.

This report shows that *learn*$ave came very close to meeting its overall recruitment target, with 4,827 enrollees recruited out of a target of 4,875. Early results were disappointing and the recruitment period had to be extended beyond the planned two years to recruit that number.

Lesson 2: An array of marketing methods was necessary to recruit the numbers needed for *learn*$ave.

At the outset, it was thought that partnerships with other local non-profit agencies would facilitate recruitment. But, in general, these other agencies referred relatively few participants to the site offices. In order to recruit participants, virtually all sites found that a well-organized recruitment campaign that went beyond agency outreach was necessary.

Lesson 3: The effectiveness of various marketing methods varied by site and target group.

What worked very well at some sites did not necessarily work well at all sites. For example, transit ads were a successful part of the recruitment campaign in Toronto, Kitchener, and Calgary. But they were not as successful in Fredericton and Vancouver. According to some site managers, enrollees heard about *learn*$ave several times from other sources, and word of mouth was often the way they last heard about *learn$ave* before applying.

What worked for some segments of the target population did not necessarily work for the whole target population. For example, other local agencies were more successful at referring IA recipients than referring non-IA recipients.

Lesson 4: Resources available for recruitment activities had to be supplemented.

The unanticipated demands of outreach and recruitment and the urgent priority to increase recruitment levels reduced the time available for other important activities. Especially at the primary sites, staff indicated that recruiting new participants and processing applications occupied much more of their time than was expected.

Some sites did not build the necessary staff time and expertise into their initial staffing plans. These sites found that they had to add this expertise during the recruitment period when it became evident that more needed to be done to interest the eligible population in applying.

Lesson 5: Enrollees are not typical of the whole eligible population.

learn$ave had much greater appeal for certain groups within the low-income population. Those who were ready for the changes in their lives that could be facilitated by participating in *learn*$ave and who were in a position to take advantage of these benefits were more likely to apply. Recent immigrants were foremost in this category, as many of them already had high levels of formal education and they needed to obtain Canadian credentials.

In addition, *learn*$ave was of interest to Canadians who were more likely than the general eligible population to be younger, single, well educated, and employed.

Lesson 6: The three primary sites recruited the numbers of enrollees for the experimental study that would have been expected based on the size of their local eligible populations.

In comparison with the number of eligible individuals, the Halifax office recruited the highest proportion (1.55 per cent) of the eligible population in spite of having the shortest recruitment period of the three sites. Vancouver followed at 1.3 per cent and Toronto at 1.2 per cent. These proportions indicate that the 254 enrollees in Halifax for the experimental study represent a reasonable number when considered in comparison with enrolment in Toronto and Vancouver.

Lesson 7: The maximum take-up rate, under ideal conditions, could possibly approach five per cent of the eligible population.

This report discusses two estimates of the maximum take-up rate *learn*$ave could have achieved if everyone in the eligible population had been aware of its existence and their eligibility for it. A maximum take-up rate of 4.6 per cent is estimated based on a comparison of actual enrolment with the eligible population as drawn from the Survey of Labour and Income Dynamics (Statistics Canada, 2004). A corresponding rate of 5.1 per cent is estimated using the findings from a market research survey conducted especially for this project.

Lesson 8: The eligibility criteria and the screening process for applicants were generally effective.

Overall, the criteria used to select enrollees for *learn*$ave and the screening process itself achieved the intended result: those who enrolled had low incomes and low financial net worth. According to information collected in the baseline survey, only 0.7 per cent of experimental study enrollees had an income above 120 per cent of Statistics Canada's low income cut-off and their average financial net worth was $2,833.

In spite of the fact that full-time students were not normally eligible for *learn*$ave, 3.4 per cent of experimental study enrollees said they were in school full time at the time of the baseline survey. However, this could be due to the time lag between application and the baseline survey and the fact that full-time high school upgrading was acceptable under the eligibility criteria.

Lesson 9: Special eligibility criteria were needed for very recent immigrants.

Immigrants are required to bring large sums of money into the country in order to prove that they can support themselves for an initial settlement period of six months without recourse to income assistance. Many recent immigrants therefore had high levels of liquid assets when they entered Canada. It was decided that it was unjust to penalize them by treating the funds that they are required to bring into the country to use for living expenses as assets. As a result, special rules — or protocols — were designed for recent immigrants.

Lesson 10: *learn*$ave was presented clearly and consistently to prospective applicants and new enrollees.

Staff at the site offices explained *learn*$ave's rules clearly and consistently to participants. Implementation research conducted by SRDC found a high degree of consistency among all three primary sites in their key messages to applicants. Prospective participants could understand *learn*$ave's benefits and requirements and could therefore make an informed choice about applying. Surveys after orientation sessions and after 10 months of participation in the project indicate that, with few exceptions, participants were able to correctly identify key project rules.

Lesson 11: The *learn*$ave training curriculum did not satisfy all participants and training facilitators.

The *learn*$ave training (L$T) curriculum that was designed especially for *learn*$ave focused on two main areas: (1) financial management and (2) prior learning and assessment, which covers participants' wider goals and their self-assessment of prior learning and abilities. Diverging views suggest that there was less than full agreement among project partners on the objectives for the L$T and this made the task of curriculum development more difficult.

The components of L$T dealing with prior learning and assessment appear to be best suited for those who need to build more confidence in themselves. These components may be less important for certain participants, especially those with better savings habits and high levels of formal education as typified by many recent immigrants in this study.

Lesson 12: Many participants have been slow to complete their *learn*$ave training.

By the end of 2004, just over three quarters (78 per cent) of *learn*$ave-plus participants in the experimental study at the primary sites had completed their L$T. Part of the delay was due to the additional staff resources needed for recruitment and part was due to difficulties in scheduling sessions at convenient times for participants. Participants in the IA study at the primary sites

were much slower in completing their L$T — only 53 per cent of this group had finished by the end of 2004. At the secondary sites, 71 per cent had completed their training.

Lesson 13: Procedures for the withdrawal of matched credits are cumbersome, although by necessity.

Many steps are involved in the procedures established for the withdrawal of matched credits. A number of verifications are included in the process to ensure that public funds are being used in a transparent manner and to minimize the potential for fraud.

While understanding the need for accountability, participants and site staff feel that the process is occasionally onerous and time-consuming. The amount of documentation that participants must provide before and after receiving their cheque for the credits is a source of dissatisfaction. In addition, many vendors will not accept cheques from third parties, thus requiring SEDI to take the extra step of having those cheques certified.

Lesson 14: Revisions to the management information system were needed to serve project needs.

The management information system (MIS) developed for use in IDAs in the United States (MIS-IDA) was adopted for use in *learn*$ave. It later became obvious that the MIS-IDA could not serve all the project's needs and that a *learn*$ave-MIS more in tune with the specific features of the project had to be developed. As a result, the new *learn*$ave-MIS was phased in as its various components were developed.

Phasing the MIS-IDA out and phasing the *learn*$ave MIS in caused some difficulties for *learn*$ave's operations. The conversion from the MIS-IDA to the *learn*$ave MIS created the need to retrain staff and to re-enter some information for the limited number of participants who had already enrolled.

Lesson 15: Good working relationships have been established and maintained among project partners.

SEDI and SRDC have worked together since the beginning of *learn*$ave designing and implementing various aspects of the project. SEDI organized the network of 10 local delivery agencies, which has functioned well in delivering services to participants and meeting operational challenges as they arose.

RBC Royal Bank, the Assiniboine Credit Union, and the Caisse d'économie Desjardins also form an essential link in the network of services. The relationship between site staff and local banking representatives has generally provided the capacity to solve account problems quickly. However, when there was staff turnover at RBC Royal Bank or when RBC staff was preoccupied with other priorities, site staff experienced delays in resolving some of these problems.

Lesson 16: *learn*$ave was successfully implemented and the demonstration will be a valid test of an IDA program in Canada.

Overall, the operational components of *learn*$ave were successfully implemented. After they enrolled and *learn*$ave's benefits and requirements were explained to them, participants have opened their bank accounts and received their matched credits. A substantial majority of participants are satisfied with *learn*$ave and the manner in which the project is delivered.

Lesson 17: The research design was successfully implemented and the research did not have a significant adverse impact on *learn*$ave's operations.

learn$ave is a demonstration project whose main purpose is to test an IDA program designed to meet certain goals. Its research design is embedded in the overall design of the project. As a result, the activities associated with the research add a further dimension to the implementation and operations that are associated with typical IDAs.

The essential components of the research design have been implemented successfully to date. The process of randomly assigning enrollees to one of three groups including the control group has been completed as planned at the primary sites. The baseline survey has been conducted and subsequent surveys have been completed, are underway, or will be launched as planned. Focus groups and the implementation research have been conducted.

Because it is an integral part of *learn*$ave, the research has had some impact on other aspects of the project's operations. For example, the random assignment process may have dissuaded a small minority from applying. The research has also added greater administrative complexity and created delays in certain operations. These minor disadvantages, however, are worth the benefits of learning whether *learn*$ave can produce the positive impacts purported for IDAs.

CONCLUSIONS

A number of important milestones have been achieved in the implementation of *learn*$ave. First, the detailed design for *learn*$ave's parameters, implementation, and research has been completed. Second, the organizational infrastructure to deliver and evaluate *learn*$ave was put in place and the project was successfully implemented. By mid-2005 all of the principal operational phases of *learn*$ave have either been completed or are generally proceeding as planned. These phases include the recruitment and enrolment of participants and control group members, the savings period, the provision of services such as financial management training, the withdrawal of matched credits, and the research activities associated with the evaluation of *learn*$ave.

The project came very close to meeting its overall recruitment target after extensions in the recruitment period of up to seven months at four sites. In spite of generous incentives, a small proportion of the eligible population applied after approximately two years of intensive effort by the local agencies that are delivering *learn*$ave at the 10 sites. It is estimated that about five per cent of the eligible population might have applied if everyone in the eligible population had been fully aware of *learn*$ave.

learn$ave has much greater appeal for certain groups within the low-income population. Those who are ready for the changes in their lives that can be facilitated by participating in *learn*$ave and who are in a position to take advantage of these benefits are more likely to apply. Recent immigrants to Canada appear most likely to apply, although others with a good formal education and those who are younger, single, and employed are also more likely to apply than others in the eligible population.

The implementation of *learn*$ave has generally progressed smoothly. All of the key operational components were successfully implemented. Participants were able to understand key *learn*$ave messages, open their bank accounts, and receive their matched credits. Furthermore, the majority of participants were satisfied with *learn*$ave and felt that staff did a good job of running the project.

The project was launched in June 2000 and is scheduled to end in the year 2009 with the completion of a final evaluation report. Because participants and control group members are still engaged in these activities related to saving and, to a lesser extent, withdrawal of credits, it is still too early to address questions related to saving and subsequent activities. Only after the savings and subsequent activities of participants are tracked and compared with those of the control group can the remaining questions be addressed with any validity. For example, participants are saving in their *learn*$ave accounts, but many of them were saving and had a positive financial net worth before they entered *learn*$ave. It remains to be seen whether they will save more as a result of their participation in *learn*$ave.

This report is the second in a series of research reports that will be published until the end of the demonstration in 2009. Future reports will focus on saving activity and longer-term results and impacts as they develop over time.

Chapter 1: Introduction

This report describes the implementation of *learn*$ave, a demonstration project modeled on antipoverty programs called Individual Development Accounts (IDAs). Designed to help low-income individuals improve their economic well being, IDAs encourage people to substantially increase their savings in order to purchase key assets such as homes, retirement funds, or further education. As an incentive to encourage people to save, IDAs offer a generous matching contribution for every dollar that participants save on their own. They also offer instruction in managing personal finances and the services of a case manager.

IDAs have grown steadily in popularity in the United States, where they were pioneered in the early 1990s and have started to emerge outside of the United States in recent years. In late 1990s Human Resources Development Canada (HRDC)[1] became interested in the potential of IDAs to help low-income Canadians pursue lifelong learning as a means of maintaining their attachment to the labour force and improving their earnings prospects. At that time, it was recognized that low-income Canadians were generally not benefiting from existing programs promoting lifelong learning.

Diverse groups of Canadians could benefit from additional education. Many Canadians left high school or college before new information and communications technologies that would transform the world of work were integrated into school curriculum. Others were poor academic achievers as young people and may need additional help to return to a setting that they associate with poor results or failure. On their arrival in Canada, many new immigrants must learn one of the official languages while they struggle to establish themselves in new surroundings; moreover, many employers may not accept academic credentials that new immigrants earned in their former countries as appropriate qualification for available jobs. For these people, as well as for others in similar circumstances, it may be particularly difficult to return to full-time studies to further their education and training if they have families to support.

It must be noted that Canadian students do have access to educational support programs, including both the federal Canada Student Loans Program (CSLP) and province-specific programs. While these programs lend billions of dollars to full-time students each year, part-time students do not enjoy equal access to these loans.

Other programs that support education include tax-deferred Registered Educational Savings Plans (RESPs), Canada Education Savings Grants (CESGs), and the Registered Retirement Savings Plan (RRSP) Lifelong Learning Plan. Canadians can deposit up to $4,000 per year into an RESP and defer taxation on the resulting interest, dividends, and capital gains; each RESP has a beneficiary who can use the accumulated funds for post-secondary education. For RESP beneficiaries who are children, the CESG provides a matching contribution of 20 per cent of the amount put into the RESP, up to a maximum of

[1] In December 2003 Human Resources Development Canada (HRDC) was reorganized into Social Development Canada (SDC) and Human Resources and Skills Development Canada (HRSDC). Following this reorganization, HRSDC assumed responsibility for *learn*$ave, but this document also acknowledges HRDC when referring to events that occurred before December 2003.

$400 per year. Similarly, the RRSP Lifelong Learning Plan allows Canadians to make tax-free withdrawals from their RRSPs for lifelong learning.[2]

However, these programs are not specifically targeted at low-income adults who might be considering going back to school on a part-time basis. Low-income Canadians have a more limited ability to save and accumulate funds in RESPs or RRSPs. In addition, their low taxable income tends to remove much of the incentive inherent in tax-based savings measures. The current lack of a student financial aid policy that specifically targets low-income adults may indicate a need to create a national program that enhances equality of opportunity and participation for the disadvantaged.

While IDAs may have the potential to help promote equality of opportunity and participation in education, despite the growth of IDAs as an antipoverty initiative over the past 15 years, rigorous empirical evidence supporting their effectiveness in substantially improving human capital does not yet exist. For this reason, HRDC signed a contribution agreement in June 2000 with SEDI (Social and Enterprise Development Innovations) and the Social Research and Demonstration Corporation (SRDC) to design and implement *learn*$ave, a demonstration project to test the effectiveness of an IDA that would help Canadians save to further their education and training or to start new small businesses and thus improve their longer-term economic prospects.

The *learn*$ave demonstration project is designed to address the following research questions before any decision is taken to implement a similar program across Canada:

- Will the offer of financial incentives to save for education, training, or starting a new small business be sufficiently attractive to a significant number of low-income Canadians and landed immigrants? Which groups will find it most attractive?
- Will they be able to save more to achieve these goals?
- Will they continue their education and training, or will they start new small businesses with their savings?
- Will these activities yield improved earnings and employment prospects in future?
- Can such a program be cost-effective from the perspectives of individual participants, governments, and Canadian society as a whole?

To study the impacts of *learn*$ave and address the research questions, SRDC is using an experimental design based on random assignment. Those who enrol in *learn*$ave are divided at random into participant groups comprised of project participants who receive *learn*$ave's treatment and a control group whose members do not receive the treatment but who form the basis of comparison to test if and how *learn*$ave works. The process of random assignment ensures that these groups do not differ in any systematic way, except that the participant group participates in the *learn*$ave treatment and the control group does not. As a result, any differences between the groups that emerge after enrolment are viewed as a product of project participation and can be attributed to *learn*$ave's intervention. While the research

[2]The RESP limits are $4,000 per year, for up to 22 years and up to a lifetime limit of $42,000; the contributions are not tax-deductible. The CESG is essentially an IDA program with a match rate of 0.2:1 and the only allowable use is children's post-secondary education. Under the RRSP Lifelong Learning Plan, individuals may withdraw up to $10,000 per year (up to a maximum of $20,000) from their RRSPs, provided they (or their spouses) are enrolled in full-time training or higher education for at least three months during the year; withdrawals must be repaid in instalments over a 10-year period.

design is based primarily on random assignment, other qualitative methods will also be employed to address related issues.

learn$ave has enrolled almost 5,000 low-income individuals at 10 sites across Canada. In order to recruit enrollees, provide financial incentives to save, and supply other project services, a broad network of partnering agencies is involved in the project. SEDI is responsible for the overall planning, organizing, and implementing of the infrastructure and operations associated with the demonstration. SRDC is responsible for designing and conducting the evaluation of *learn*$ave. SEDI has recruited 10 local delivery agencies to run daily operations "in the field."

This demonstration project is quite extensive in both scale and duration. It is the largest experimental study of an IDA project anywhere in the world in terms of the size of the random sample and number of sites. It began in June 2000 and it will end in 2009 when SRDC's final report is written. While enrollees are recruited, savings are accumulated, individual outcomes are achieved, and results are measured, SRDC will issue a series of reports to inform interested parties on the progress of the demonstration. In May 2004 the first research report entitled *Helping People Help Themselves: An Early Look at* learn*$ave* (Kingwell, Dowie, & Holler) introduced the project and presented some preliminary observations on the first phase of operations. Subsequent reports will be released on a roughly annual basis until 2009 and will describe the progress of *learn*$ave's participant and control group members as they strive to reach their goals. The final report will include estimates of the longer-term post-project impacts and will include a benefit–cost analysis.

The purpose of the present report is to provide a document of record on the implementation of *learn*$ave. The report describes the design of the project and its evaluation strategy, how it was implemented, and who enrolled. The information in this report provides more than just a basis for replicating the project; it also establishes a useful context for interpreting the research findings as they unfold.

This report is organized into eight chapters. The next chapter describes the origins, rationale, and evolution of IDAs as well as the argument for conducting the *learn*$ave demonstration project. The third chapter presents the project model and the research design that will be used to evaluate *learn*$ave. The fourth chapter examines the actual implementation of *learn*$ave in the field as applicants were recruited, enrolled, and randomly assigned to the various research groups. The fifth chapter profiles the enrollees and compares them with the population that was eligible to participate in *learn*$ave. The sixth chapter examines the implementation of project services associated with participants' initial orientation to the project, as well as their saving activities and spending for approved goals; it also covers the implementation of project services, including case management and training sessions for participants on managing personal finances. The seventh chapter presents feedback from participants and includes their opinions on issues related to saving activities and project services. The final chapter presents conclusions and lessons learned in the process of implementing *learn*$ave.

Chapter 2:
Individual Development Accounts in Theory and Practice

THE RATIONALE FOR INDIVIDUAL DEVELOPMENT ACCOUNTS

Promoting both savings and the accumulation of assets among low-income families is increasingly viewed as an effective way to fight poverty and social exclusion and to reduce income inequality, or perhaps more importantly, inequality of opportunity. Assets, particularly those accumulated for skills development, learning, small business capitalization, and even home acquisition, arguably give people more control over their lives by providing a source of empowerment and fostering a more forward-looking attitude. To the extent that assets ease liquidity constraints and facilitate access to credit, they increase individuals' ability to take risks and to make important decisions (such as starting a business or returning to school) that can broaden the range of opportunities both for themselves and their children.

These assumptions form the basis of Michael Sherraden's influential book *Assets and the Poor* (1991), which proposed the concept of matched savings schemes or Individual Development Accounts (IDAs). Sherraden argues that low-income, low-wealth individuals can save and accumulate assets if they are given similar opportunities and the same incentives provided to the non-poor. Assets, he claims, are different from income because both the *act of saving* and the *possession of assets* change the attitudes of the poor by having a positive influence on their attitudes toward personal development. In that sense, IDAs could have effects on individuals that the most generous income support program alone cannot provide.[1]

Another important argument in favour of asset-based policies is that the availability of IDAs could correct financial market inequalities caused by the inherent problem of asymmetric information. Like any other borrowers, the poor know more about their own characteristics than financial institutions do. However, lacking income or assets that can mediate some aspects of asymmetric information, the poor must rely on a bank's ability to assess their "human capital." Because this is more difficult to communicate and assess than assets or income, the poor are effectively denied access to credit or even savings opportunities because in the absence of assessments based on human capital, financial institutions generally treat the poor as "bad customers." This market failure results in a miscommunication between the two parties, where neither party can perceive an interest on the part of the other in finding a mutually beneficial solution, even though such interest might exist. An IDA could help establish a basis for such a solution, particularly if the program included the element of economic literacy training or some information and education on the basics of using financial services.

[1]Sherraden's list of potential benefits includes the positive effects of assets on household stability, personal efficacy, individuals' social influence and political participation, nutrition, health, acculturation, education, and the acquisition of financial skills. See Sherraden (1991), pp. 145–187.

IDAs are also seen as a way to improve fairness within the broader tax and transfer system because they extend to the poor advantages that are otherwise available only to the non-poor through the extensive preferential treatment afforded to savings and capital income in the income tax system. In Canada contributions to various savings plans for retirement, education, lifelong learning, and home ownership receive preferential tax treatment, and although these tax preferences are available to everyone, they benefit only those who have a positive tax liability, thereby excluding most of those at the lower end of the income scale.[2]

Not only do low-income individuals have limited access to tax subsidies, but they are also discouraged from saving by the rules of programs that deny income support to individuals or families with assets in excess of certain limits. In Canada eligibility for social assistance is based on a "needs test," which compares the budgetary needs of applicants and their dependants with the household's total income and assets. Applicants are usually required to convert non-exempt assets into liquid assets and to live off the proceeds before qualifying for assistance.[3] Even though asset-limit rules can be justified on the basis that assets that can be easily converted into cash should not be given preferential treatment over ordinary income when assessing individuals' private resources, these rules seem to work against the goal of promoting savings among economically disadvantaged groups.[4]

INDIVIDUAL DEVELOPMENT ACCOUNTS: WHAT THEY ARE AND WHAT THEY ARE NOT

Typically, IDAs are financial schemes that offer a generous matching contribution for every dollar participants save on their own, thereby significantly increasing the rate of return of the savings. Matched contributions are provided either by governments, private foundations, or other private organizations. The programs include various rules that impose minimum and maximum amounts of savings per month, limit the total amount of personal savings eligible for matching, and restrict the length of the overall savings period. Participation is usually restricted to households with limited income and assets, and the use of funds accumulated through the program is restricted to specific purposes, such as purchasing a home, starting or expanding a small business, or undertaking post-secondary education or training. IDAs also consist of more than a financial incentive, usually including short courses in financial management as well as requiring either participation in peer support groups or meetings with a case manager while enrolled in the project.

IDAs are different from other types of initiatives that, while sharing the same general goals, have different structures and features. For example, microfinance initiatives help individuals build assets and set up small businesses. These programs seek to rectify failures in the financial market by providing financial services (primarily credit) to poor people

[2]In addition to tax-preferred saving schemes, the tax system provides myriads of provisions that exempt other forms of capital income from taxation: these include the preferential tax treatment of capital gains on principal residence, small businesses, and farm properties; tax relief for various expenses to earn investment income; and business losses. In Canada these so-called "tax expenditures" cost the federal government billions of dollars annually.

[3]In most Canadian provinces and territories, the amount of exemption varies according to household size and applicants' employability status. Assets such as a principal residence, business property, equipment required for employment, and, in some cases, the value of a car are generally considered exempt. In some provinces amounts saved in registered savings plans are also exempt.

[4]For empirical investigation of the impact of welfare rules on asset accumulation, see Golosov and Tsyvinski (2004), Hurst and Ziliak (2001), and Orszag (2001).

mainly in developing countries. The process of asset building is different from IDAs as the funds made available are first borrowed by individuals, invested, and then repaid through instalment payments.[5]

Endowment programs are another form of assistance. Unlike IDAs, they do not yield shorter-term gains, and unless they are combined with a matched-savings scheme through which the act of saving is rewarded, they are less likely to generate the potential positive impacts on individuals' ways of thinking that are attributed to IDAs. This type of program provides an endowment for children at birth, to which parents can contribute as well, and the funds cannot be accessed until the child reaches 18 years of age. Restrictions may or may not apply to the uses of assets at maturity. For example, under the Child Trust Fund, all children in the United Kingdom receive an annual payment of £250 in trust (about $600), and children in families with a household income below a certain threshold receive an additional annual payment of £250. Further additional payments are also made when the child turns 7 years of age. When the child reaches 18 years of age, the funds become available and there are no restrictions on how the accumulated funds can be used.

Unlike the Child Trust Fund, the Canada Learning Bond (CLB) imposes restrictions on the use of the assets. This program provides $500 at birth for children born on or after January 1, 2004, and unlike the United Kingdom's Child Trust Fund, is available only to low-income families (generally families with incomes under $35,000). Until the age of 15, children qualify for additional annual payments of $100 each year their family's income remains under this low-income threshold. Because the CLB is paid into a registered education savings plan (RESP), the funds can be used only for the child's post-secondary education. Because it is combined with the Canada Education Savings Grant (CESG) program, this program also includes elements of a matched-savings scheme.[6]

In the United States endowment funds are established under the Saving for Education, Entrepreneurship, and Downpayment (SEED) demonstration, which began in 2003 and is scheduled to last a total of six years. SEED accounts are long-term savings and investment accounts established at birth, and the accumulated funds become available when the beneficiary reaches 18 years of age. Participants receive an initial deposit of between US$500 to $1,000; additional contributions can be made by family members, community members, or the participants themselves. Similar to the CLB, the program includes elements of matched-savings initiatives. The use of the accumulated assets is restricted to higher education, training, small business development, home purchase, or retirement. SEED participants have to take part in age-appropriate financial education training, and other conditions such as earning good grades in school may also apply.[7]

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[5]The United Nations proclaimed the year 2005 as the International Year of Microcredit. For more information on microfinance, see the Web site of the United Nations Capital Development Fund at http://www.uncdf.org/english/microfinance/index.php.

[6]For every $100 contributed in a given year by low-income parents, the government provides a $30 to $40 grant on the first $500 of contribution for each child. Eligible savings over the first $500 continue to receive the 20 per cent grant under previous rules, up to a maximum grant of $400.

[7]The Corporation for Enterprise Development (CFED) coordinates the SEED initiative in partnership with the Center for Social Development at Washington University and the School of Social Welfare at the University of Kansas. For more information, see the CFED Web site at http://www.cfed.org.

Other programs are in the Individual Learning Account (ILA) category, where the common feature is the restriction that the resources must be spent on education, training, or other skills-upgrading activities (generally for adults). Most of these programs take the form of learning credit cheques (or vouchers) deposited in individuals' accounts. Other ILA initiatives consist of tax-assisted savings schemes, with or without matching grants. Some of these programs are universal in nature while others are targeted. Some ILAs target low-income individuals, while others may target women, the unemployed, temporary employees, or students. Voucher-type ILA programs are currently in place in Spain, Switzerland, and the Netherlands, while Sweden offers a universally available system of tax-preferred ILAs that includes a matching grant (or "competence grant premium") according to the scope of the educational opportunity undertaken.[8]

EXISTING IDA PROGRAMS

The effects of participating in IDAs are likely to appear over a long span of time. Because IDA programs are relatively new, there is currently only limited evidence of their effectiveness.[9] However, it is well worth examining what programs currently exist and what limited outcomes they have reported.

The United States

With more than 20,000 account-holders, 500 community-based programs, and representation in almost every state, the United States is often viewed as a leader in the IDA field. IDA programs were encouraged in the United States by provisions contained in the 1996 *Personal Responsibility and Work Opportunity Reconciliation Act*, a major reform in welfare legislation. This Act mandated that any funds accumulated in an IDA would not affect a welfare recipient's eligibility for any means-tested federal program. It also allowed states to use federal welfare money to fund IDA programs. Most of the programs are either part of the American Dream Demonstration or authorized under the 1998 *Assets for Independence Act* (AFIA).[10]

The AFIA authorizes the Department of Health and Human Services to aid both state and local organizations in setting up and funding IDAs. A demonstration program was established in 1998 through congressional enactment of AFIA. Under this program, five-year grants are competitively awarded to non-profit organizations, state or local agencies, or tribal organizations working with a qualified non-profit entity. The legislation specifies that grantees be permitted to use a minimum of 2 per cent and a maximum of 9.5 per cent of the federal funds they receive for economic literacy, administration, monitoring, and evaluation. Grantees must therefore raise a substantial amount of funds from non-federal sources. IDAs

[8]ILAs were a major strand in the UK government's Skills Strategy. However, at the end of 2001 the government decided to terminate this initiative after serious allegations of fraud and theft involving ILAs. See the Web site of the UK Department of Education and Skills at http://www.dfes.gov.uk/ila/strategy.shtml for more information on the UK experience and also Organisation for Economic Co-operation and Development (2002) for details on European programs.

[9]See Organisation for Economic Co-operation and Development (2003) for an exhaustive review of the state of asset-building initiatives in OECD and non-OECD countries as well as information provided by the New America Foundation at http://www.assetbuilding.org.

[10]Smaller initiatives include the Department of Housing and Urban Development's Family Self-Sufficiency (FSS) program for residents of subsidized federal housing units, a program for refugees managed by the United States Office of Refugee Resettlement and the Federal Home Loan Bank's programs in co-operation with state initiatives.

under the AFIA must follow strict rules. For example, participants must agree to a preset schedule of regular savings patterns and amounts, and only savings from earned income can be deposited into an account. The accumulated assets can be used for a first home purchase, small business capitalization, or post-secondary education.[11]

The American Dream Demonstration (ADD) began in 1997 as the first large-scale test of IDAs. It ran for four years and enrolled 2,364 participants.[12] Run by non-profit community-based organizations, the 14 ADD programs provided matched-savings accounts that could be used for the purchase of a home, for the establishment of a micro-enterprise, or for post-secondary education. As there were no attempts to create a common national program design (except that all ADD participants had to attend financial education courses) there were many differences among the ADD programs. Some programs included job training or technical education as a permissible use, others included home repair or remodelling, and a few programs included retirement as well. Match rates ranged from 1:1 to 7:1 but the average match rate was 2:1. The ADD was sponsored nationally by a number of private foundations as well as by local funders at each site.

Even though these initiatives represent a modest penetration of IDAs among the target population of the working poor in the United States, they offer a wealth of information about program design, management, and feasibility as well as about participants' saving behaviour. They have demonstrated that low-income people are able to save, that participants not only generally understand the rules and respond to the incentives — especially by saving in order to buy a first home — but also pursue goals of higher levels of education or starting a new business. Participants may have very different experiences with the program; saving remains difficult for many of them, even in the context of the supportive and generous financial structure of an IDA. Other participants save more successfully than they have in the past, although there is evidence of some asset shifting, where individuals shift funds from other savings vehicles to contribute to the newly available IDA scheme. Results from all ADD initiatives show that IDAs seem to attract certain types of individuals: in particular, 80 per cent of participants were women and 85 per cent had completed high school, although gender and education did not seem to have an impact on participants' savings performance.

Findings from the first experimental assessment of IDAs were published in 2004 by the organization responsible for evaluating the Community Action Project of Tulsa County (Oklahoma) initiated under the ADD initiatives.[13] Participants in this project were part of a randomized trial; thus half of them were randomly assigned to a treatment group and allowed to open an IDA, while the other half were assigned to a control group and were not given the same opportunity. Results from this evaluation suggest that the program had a significant influence on home ownership among those served by the program, especially among African-American participants who also increased their retirement savings. The purchase of a home and home repair or improvement represented two thirds of the matched withdrawals made by participants. However, the evaluation does not address important questions such as the effectiveness of the program in terms of benefits generated by each dollar of public funds

[11]The national evaluation of the demonstration program is composed of two parts: an impact study and a process study. The findings of the process study are reported in Ciurea, Blain, DeMarco, & Mills (2002).

[12]The Corporation for Enterprise Development (CFED) was responsible for designing and guiding the ADD programs while the Center for Social Development (CSD) at Washington University in St. Louis was responsible for the research. For a detailed evaluation of IDA programs under the ADD initiative, see Schreiner, Clancy, & Sherraden (2002).

[13]See Mills, Patterson, Orr, & DeMarco (2004).

or its impact on longer-term outcomes such as employment and earnings trends. In particular, it does not shed any light on the impact on either poverty alleviation or social inclusion, which are outcomes of greatest interest to policy-makers.

The United Kingdom

In the United Kingdom the Saving Gateway offers pilot IDA programs for lower-income individuals in five regions, with the intention of implementing IDAs on a national basis. In four of these areas, the pilot projects include services related to financial literacy, micro-enterprise, and adult learning offered by the Community Finance and Learning Initiative. Unlike other IDAs, the Saving Gateway imposes no restrictions on how the matched savings can be used, as the key aim of this program is to encourage low-income individuals to adopt the habit of saving money. It provides a 1:1 match rate when the account matures, which, for the pilot project, occurs after only 18 months.

Similar to IDA experiences in the United States, early results from the UK project indicate that women are greatly over-represented among IDA participants compared with the eligible population. However, unlike IDAs in the United States, programs in the United Kingdom disproportionately attracted lone parents and those who did not have a bank account. Very few participants have made withdrawals from their account and most of them have no intention to do so, suggesting that in this case, due to their particular nature, the Saving Gateway accounts provide a financial cushion and thus act as precautionary savings.[14]

Taiwan

In 2000 the City of Taipei began offering matched savings accounts to poor individuals who were also working. Participants who met eligibility requirements and attended financial education classes have their savings matched on a 1:1 basis and the accumulated assets can be used for home purchase, small business start-up, or higher education. When an IDA is initially opened, each participant is asked to select one of these three goals and is then assigned to relevant educational classes. Although more than half of participants initially chose home purchase as their initial purpose for saving, many participants became concerned about high housing prices and indebtedness and subsequently shifted to the one of the other goals.[15]

Canada

The Canadian experience with IDAs is very limited, consisting of a number of pilot projects involving a small number of participants. For example, Calgary's Mennonite Central Committee Employment Development organization is operating an IDA project called Fair Gains, mainly sponsored by the United Way. Matched savings (at a 3:1 rate) can be used for home ownership, career training or education, education of a child, or operating a business. Participants are expected to attend a financial literacy course and peer-group sessions. The same organization also administers Youth Fair Gains, targeting individuals between the ages of 16 and 21, as well as the Owen Hart Home Owner Programme, which is restricted to home ownership.[16]

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[14]For more information on the Saving Gateway pilot projects see Kempson, McKay, and Collard (2003).
[15]The Taipei initiative operates at a very small scale with about 100 participants. See Cheng (2004) for more details.
[16]For more details, see the Mennonite Central Committee Web site at http://www.mcca-ed.org.

Lutherwood recently completed two IDA pilot projects in Kitchener–Waterloo region. The first project targeted lone mothers in receipt of income assistance (IA) while the second involved low-income families in the Chandler–Mowat area of Kitchener whose savings goal was the purchase of a computer.

Supporting Employment and Economic Development (SEED) Winnipeg Inc. also runs an IDA program that enables low-income participants to save for productive assets or household necessities. Program supports include money management training, one-on-one financial counselling, and matched savings credits that are added to the funds that participants save on their own.

WHY AN IDA TEST IS NEEDED IN CANADA

Schemes such as IDAs have the potential to improve both fairness and economic efficiency. However, it is not certain that they will work in the ways that their proponents hope. Asset accumulation may be a consequence of pre-existing attitudes that cannot be easily changed. The goal of accumulating liquid assets in order to buy non-liquid assets such as higher education or a small business may conflict with the need to accumulate liquid assets as insurance against adverse economic events. Funds accumulated in IDAs can serve more immediate purposes, but this type of usage is discouraged since such unmatched withdrawals diminish the savings that are eligible for matched contributions. The objective of IDAs is to move savers beyond precautionary goals so they can make an investment in the future. The very poor may not have sufficient income to make IDA contributions and thus IDAs may be more of a niche program than a broad-based strategy to alleviate poverty.

In the past 20 years a vast body of research has studied subsidized savings schemes and the empirical examination has led to significant controversy over their impact on behaviour.[17] One very important aspect of the debate concerns the extent to which contributions to these accounts crowd out other forms of savings, or in other words, the extent to which they actually create "new savings" as opposed to simply shifting amounts saved in non-subsidized savings schemes into subsidized savings schemes. There could be a deadweight loss associated with such programs when subsidized savings substitute at least some saving that would have taken place in the absence of the subsidy. IDAs, like other government-assisted savings plans, may not change peoples' "heads" but simply represent windfall gains for those who already have a mind for savings.[18] Rigorous evaluations of these initiatives are thus needed to test whether the hypotheses that underlie IDAs have empirical support.

[17] See for instance Milligan (2002).

[18] While recognizing the importance of this issue, some have pointed out that given that the level of financial wealth among the target group is relatively low, deadweight costs are likely to be small. See for instance Paxton & Regan (2002).

Chapter 3: The Design of *learn*$ave

This chapter outlines the features of *learn*$ave and describes the research plan for the project's evaluation. In order to fulfill the expectations for which the project was first proposed, *learn*$ave was designed with its evaluation requirements at the forefront of the planning process. As discussed previously, SEDI (Social and Enterprise Development Innovations) and the Social Research and Demonstration Corporation (SRDC) jointly designed the demonstration project as a rigorous empirical test of Individual Development Accounts (IDAs) in Canada.

SEDI is a Canadian not-for-profit charitable organization that has been working to improve the social and financial circumstances of low-income Canadians since 1986. A central focus of SEDI's work has been to form partnerships with governments, communities, organizations, and individuals to develop and test ideas that ultimately produce strategies and tools, in the interests of increased social and economic development. SEDI is primarily responsible for *learn*$ave's operations while SRDC is responsible for its evaluation.

This chapter begins by outlining the main features of *learn*$ave, including its target population, services offered to participants, allowable uses of funds, and its delivery network at 10 sites across Canada. The chapter then explains the approach that has been designed for the evaluation of *learn*$ave and provides a timeframe for the release of research findings.

TARGET POPULATION AND ELIGIBILITY REQUIREMENTS

Consistent with the fundamental purpose of IDAs, *learn*$ave is designed to offer financial incentives to save and associated services to low-income individuals. These individuals include the "working poor," those who are receiving income assistance (IA) and landed immigrants. *learn*$ave is intended to assist those who have previously been unable to save sufficient funds to accumulate financial assets and who believe that they can improve their future prospects by furthering their education and training or by starting a new small business.

These considerations led to the development of a number of eligibility criteria that are aimed at selecting members of the general population who would benefit most from participating in *learn*$ave. To be eligible, applicants had to meet the criteria outlined in the following sections.

Applicants Must Reside Within the Boundaries of a *learn*$ave Site

learn$ave is offered at 10 sites across Canada. From east to west these include Halifax, Digby–Annapolis Counties (Nova Scotia), Fredericton, Montreal, Toronto, Kitchener–Waterloo, Grey–Bruce Counties (Ontario), Winnipeg, Calgary, and Vancouver. Applicants had to live within the designated boundaries of each of these sites as described in Appendix A.

Only One Person per Household May Apply

Throughout this report, the term "household" refers both to family members living together in the same dwelling and to unattached individuals who are not living with family members.[1] In the interests of promoting equality of opportunity and for technical reasons related to the research methodology, eligibility was limited to one person per household.

Applicants Must Be Between 18 and 65 Years of Age

learn$ave is restricted to individuals who were 18 to 65 years of age at the time they applied. Those who were 18 to 20 years of age were eligible if they had been out of school for 24 months immediately prior to their application. Since the primary focus of the demonstration is adult learning and small business development, individuals who are of working age form the appropriate target population. Those between 18 and 20 years of age are often students who are taking a year away from their studies to earn more income; they are not part of the target population if they intend to return to school to complete their education.

Applicants Cannot Be Enrolled in School Full Time

For purposes of determining eligibility, a full-time student is defined as any post-secondary student who is carrying at least 60 per cent of a full course load.[2] Individuals who were full-time students at the time of their application were not eligible for *learn*$ave. Full-time students have already found a way to finance their education and thus are not among those most in need of *learn*$ave.

Applicants Must Possess a Social Insurance Number

To be eligible for *learn*$ave, individuals had to have a valid social insurance number. This criterion allows non-permanent residents to join Canadian citizens in having access to *learn*$ave and enables *learn*$ave to reach the broadest possible number of low-income individuals in Canada.

Income Cannot Exceed 120 Per Cent of Statistics Canada's Low Income Cut-Off

The threshold of 120 per cent of Statistics Canada's low income cut-off (LICO) allowed a wide spectrum of low-income individuals to apply to *learn*$ave; it was also high enough to include families with sufficient income to save without serious hardship.[3] In Toronto and Vancouver during the recruitment period, the threshold translated to approximately $36,000 per year for a family of three, while the equivalent threshold in Halifax was about $31,000 per year. The income eligibility cut-offs by household size at each site are provided in Appendix B.

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[1] Statistics Canada defines an "economic family" as a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common law, or adoption. The term "family" is used in this sense throughout this report.

[2] This definition of a full-time student is used in the administration of the Canada Student Loans Program.

[3] After *learn*$ave was implemented and recruitment had already begun, special protocols were introduced for new immigrants who arrived in Canada in the year of, or year before, their application to *learn*$ave. These protocols are explained in Chapter 4.

Household income, rather than individual income, determined eligibility for *learn*$ave. Under the assumption that families share incomes, individuals with a low personal income may have access to considerable funds in relatively wealthy households. The use of household income as an eligibility criterion limits this possibility.

Liquid Assets Cannot Exceed the Lesser of 10 Per Cent of Annual Income or $3,000

learn$ave is intended to reach the large numbers of low-income individuals who have not been able to save significant amounts in the past. Incorporating an asset threshold excludes those who have already saved successfully and are thus less likely to need the incentives that *learn*$ave provides.

Liquid assets include balances held in savings accounts, investment funds or certificates, stocks, bonds, retirement funds, and education funds. Chequing account balances were not considered for eligibility purposes because these funds are needed to cover normal living expenses.

The Value of a Home Owned by the Household Cannot Exceed the Median Value of Homes in the Area

Some individuals who own their own homes may have low household incomes and low liquid assets. They were eligible for *learn*$ave as long as the market value of their home when they applied did not exceed the median market value of homes in their community. The median value is the value at which half of the homes have lower values and half have higher values.

THE *LEARN*$AVE PACKAGE OF SERVICES

At the core of all IDA programs is the financial incentive offered to participants to encourage them to save. *learn*$ave offers "matched credits" ranging from $2 to $5 for every dollar participants save (within certain limits). Consistent with other IDA programs, *learn*$ave also provides services that are intended to help participants save. These services include instruction in managing personal finances (or "financial management training") and case management services.

Matched Credits

Participants at six of the *learn*$ave sites including three primary sites in Halifax, Toronto, and Vancouver are offered $3 for every dollar they save, subject to certain conditions.[4] At the other sites, the match rate varies from 2:1 to 5:1. All participants keep their savings in special "*learn*$ave accounts" under their full financial control while their "matched credits" are held in trust until they are ready to spend the proceeds on course purchases or other approved expenditures.

[4]The benefits and services offered at the three primary sites (Halifax, Toronto, and Vancouver) are identical, while the package of services varies at the remaining sites. For simplicity, the rest of this section refers to the match rate and the full range of services offered at the primary sites. Similarities and differences across the 10 sites are explained later in this chapter.

Only the first $1,500 of savings is eligible for matched credits. Participants who save $1,500 will be eligible to receive $4,500 in matched credits, thus making a maximum amount of $6,000 available to them.

The maximum savings period for *learn*$ave is three years. Amounts deposited by participants within three years of their enrolment in *learn*$ave are eligible for matched credits. In order to encourage participants to save on a regular basis, participants cannot withdraw their matched credits until they have made net deposits of at least $10 in at least 12 different but not necessarily consecutive months. The maximum monthly deposit is $250; any monthly deposits in excess of $250 are not eligible for matched credits.

The money that participants deposit in their *learn*$ave accounts belongs to them and can be withdrawn at any time. Access to the matched credits, however, is allowed only in conjunction with withdrawals for an approved use of funds. Any withdrawals of participants' savings for reasons other than an approved purchase are not eligible for matched credits.

Financial Management Training

Sessions in financial management training are part of *learn*$ave's service package. The primary objective of this training is to help participants meet their savings goals.

The training curriculum covers the principles of money management, including strategies for budgeting, spending, and the use of credit. In addition to financial components, a section of the training curriculum offered at most sites is devoted to assisting participants in developing realistic goals. To this end, the training sessions encourage participants to identify their existing skills and attributes, identify strategies to help overcome barriers that may prevent them from achieving their goals, and build a practical and positive approach to meeting these goals.

At most of the sites, the course consists of 15 hours of coursework organized into 5 three-hour modules with most of the training devoted to financial management.

Case Management

The services of a case manager are offered to most participants, with certain exceptions. Case management is intended to encourage participants to meet their savings targets, to identify and address problems that they may be experiencing in meeting those targets, and to provide referrals to appropriate agencies to deal with other problems that may arise during the savings period.

Case managers are expected to undertake a quarterly review of participants' savings activity, attendance at financial management training sessions, and progress toward goals. If a participant is having difficulty in any of these areas, the case manager contacts him or her to offer assistance. Participants are also free to contact their case manager on their own initiative at any time.

In addition, case managers may establish voluntary peer support groups so that participants can share their savings experiences, exchange information about issues related to *learn*$ave, and support each other as they try to meet their savings targets. Peer support groups operate independently from the case manager and are led primarily by volunteers or by the participants themselves.

ALLOWABLE USES FOR MATCHED CREDITS

Participants are allowed to spend their matched credits on one of two goals: (1) adult education including enrolment in degree-granting programs or less formal skills development courses and (2) small business development. These credits accumulate as participants save and they are held in trust until they are claimed. According to an agreement that SEDI had secured with the Department of Finance, matched credits were not to be considered as taxable income.

Adult Education and Skills Training

Approximately 80 per cent of participants are allowed to spend their matched credits on adult education and skills training — applicants' intentions for the use of *learn*$ave credits are indicated on their application forms. In order to withdraw their credits, participants must be enrolled in an institution listed by the Canada Student Loans Program as a "Designated Educational Institution" — institutions on the list include universities, colleges, technical institutes, and private career colleges (Statistics Canada, 2005a).

Tuition fees are eligible for payment using matched credits that participants earn through their savings. *learn*$ave pays these fees directly to the approved educational institution when the participant enrols at the institution. "Supports to learning" are also eligible and include books, computers, and other materials required for the course as well as child-care services and disability supports that are unavailable from government programs.[5]

Participants can use up to 50 per cent of their accumulated funds (individual savings plus matched credits) to a maximum of $1,500 for supports to learning. Expenditures on supports to learning are limited to the period when the participant is enrolled in an approved adult education or training course.

Micro-enterprise

Matched credits can also be used to start a small business, which is defined as a business that requires up to $10,000 in start-up capital. The credits cannot be used to support an existing enterprise.

Up to 20 per cent of participants are allowed to use matched credits for small business development. As a prerequisite to using their credits for micro-enterprise activities, participants are required to present a business plan that identifies

- the nature of the business;
- a marketing and sales strategy;
- an outline of the administrative and production processes;
- a human resources plan including investors, management, and employees; and
- a financial plan including sources of financing and projected revenues, costs, and profits.

[5]In the Digby and Grey–Bruce sites, "transportation" is also an allowable "support to learning." Because both of these sites cover an extensive rural area, participants are allowed to purchase, lease, or rent a vehicle to attend courses at locations far from their homes.

Participants are then referred to a reputable business development agency in their local area. The agency provides training and assistance for the development of the business plan, and it is responsible for its approval. After the plan is approved, the matched credits are released.[6] The credits cannot exceed the amount of the capital costs identified in the business plan.

Changing Goals

Some participants are allowed to change their savings goals. Participants who enrolled in the small business stream are free to switch their savings goal to education or training at any time. However, participants at the primary sites whose stated goal was education are not allowed to switch to the small business stream.[7]

Changing Beneficiaries

Participants are allowed to transfer their matched credits to other adult family members in their household under certain conditions. Participants who have met the savings requirements and earned a corresponding amount of matched credits can transfer their credits to other adults who lived with them at the time of their enrolment in the program. These designated beneficiaries must meet the same age requirements as the participants themselves. This means that beneficiaries must be 21 or older at the time the participant joined the program or 18 to 20 years of age if they have been out of school for at least the previous two years. All beneficiaries must be out of school or attending only part time when the funds are transferred.

LEARN$AVE'S DELIVERY NETWORK

SEDI and SRDC form the consortium that is responsible for designing, implementing, and evaluating *learn*$ave. Because the project is delivered at 10 sites across Canada and has an important financial component, the assistance of local agencies located in each of the site venues is essential to provide services to participants.

Local Delivery Agencies

SEDI has established a network of local not-for-profit agencies in all 10 communities to operate *learn*$ave and provide services to participants. These agencies are responsible for recruiting and screening eligible participants and for providing financial management training sessions and case management services. They are also responsible for collecting relevant data on participants and their savings activities and for sharing these data with SEDI and SRDC. Appendix A contains a more detailed description of the local delivery agencies as well as site-specific information.

[6]By providing an outline of their business plan, participants can withdraw a portion of their matched credits to complete the business plan and to conduct related activities such as market research, business training, and technical consulting.

[7]Participants in the education stream at the secondary sites can switch to the small business stream, but only if there are available openings under the 20 per cent cap.

The local delivery network comprises the following organizations:

- **Halifax: United Way of Halifax Region.** With a history of providing programs that focus on increasing self-sufficiency, well-being, and community building, the United Way of Halifax Region is delivering *learn*$ave in Halifax.
- **Digby–Annapolis: Western Valley Development Authority (WVDA).** WVDA is a community-based organization dedicated to community economic development. Since 1994 WVDA has been involved in a range of programs aimed at promoting local business growth and developing the economic potential of Digby and Annapolis counties.
- **Fredericton: Fredericton YMCA.** The Fredericton YMCA has 15 years of experience in delivering employment and small business programs through its Employment Services Branch. The YMCA reaches a broad range of low-income families and individuals in the Fredericton area.
- **Montreal: Montreal YMCA, Aurora Business Project.** The Montreal YMCA has decades of expertise in delivering employability, entrepreneurship, and local development programming. The YMCA's Notre-Dame-de-Grâce location and its Community Economic Development Department delivers *learn*$ave, building on its extensive experience in community credit and economic development.
- **Toronto: Family Service Association (FSA) of Toronto and the Consortium Team.** The FSA of Toronto is a social service agency that has been serving low-income individuals and families across Metropolitan Toronto for over 80 years. FSA is the lead agency working with a consortium of agencies — St. Christopher House, St. Stephen's House, and the YWCA.
- **Kitchener–Waterloo: Lutherwood.** Lutherwood delivers employment and community service programs predominantly to families and individuals affected by low-income or unemployment. Lutherwood has delivered two previous IDA programs in the region.
- **Grey–Bruce: Women and Rural Economic Development (WRED) from 2001 to 2003 and SEDI from 2003 to the present.** WRED was an organization dedicated to enhancing the sustainability of rural Ontario communities. WRED delivered programs dedicated to business development, access to capital, and networking from 1993 to 2003. When WRED became insolvent in 2003, SEDI continued to provide *learn*$ave services in Grey–Bruce.
- **Winnipeg: Supporting Employment and Economic Development (SEED) Winnipeg Inc.** SEED Winnipeg Inc. is a community-based organization serving inner-city and marginalized clients through small-business development, micro-credit development, and community enterprise programming. In 2000 the organization introduced a local IDA program before *learn*$ave was implemented. SEED is working closely with the North End / Stella Community Ministry, another non-profit community-based organization, to provide two locations for *learn*$ave's delivery.

- **Calgary: Mennonite Central Committee Employment Development (MCCED).** MCCED has almost 15 years of experience in providing skills training, small business training and start-up capital, and financial literacy training to unemployed and underemployed Calgary residents. MCCED is also delivering three other local IDA programs.
- **Vancouver: New Westminster Community Development Society (NWCDS).** The NWCDS has been in operation since 1992 and is dedicated to the community of New Westminster and the enhancement of social and economic development within the City of Vancouver and the surrounding region.

Financial Institutions

Since *learn*$ave accounts are a central feature of the project, SEDI has secured an agreement with RBC Royal Bank to provide specific financial services at the sites. In Winnipeg, SEED Winnipeg decided to use the Assiniboine Credit Union instead of RBC Royal Bank. In Montreal the YMCA decided to give participants the choice of opening their *learn*$ave accounts at either RBC Royal Bank or la Caisse d'économie Desjardins. At all the other sites, RBC Royal Bank serves all participants.

At all sites, these financial institutions maintain participants' *learn*$ave accounts. They also monitor activity in those accounts and provide a monthly report of individual transactions to the local delivery agency. Finally, they attempt to ensure that their staff remain aware of *learn*$ave and the bank's role in the project.

EVALUATION DESIGN

The purpose of the *learn*$ave demonstration project is to test the effectiveness of an IDA that is intended to help Canadians put aside savings to further their education, upgrade their training, or to start new businesses and thus improve their longer-term economic prospects. The project has been designed around the requirements for a rigorous evaluation.

The evaluation design incorporates a number of important features. First, the impacts resulting from *learn*$ave will be compared with circumstances that would have been expected to occur if the demonstration had not taken place. To achieve this, the evaluation will track relevant longitudinal impacts both for participants in *learn*$ave and for those who did not participate. Secondly, implementation research will take place to ensure that a judgment can be made on whether the project was tested fairly and to help explain why certain impacts occurred. Finally, benefits and costs will be assessed to determine whether an initiative such as *learn*$ave can pay for itself.

The evaluation design includes three component studies:

- an experimental study that incorporates a control group of individuals in Halifax, Toronto, and Vancouver who are not receiving any of *learn*$ave's benefits;

- a non-experimental study (without a control group) in the same three cities that is restricted to income assistance recipients;[8] and
- a non-experimental study without a control group in the remaining seven sites.

The remainder of this chapter describes each of these studies and the research hypotheses that will be addressed. It also describes the implementation research activities that are involved in all three studies and the benefit–cost analysis that will build on findings from the experimental study.

Research Hypotheses

There are a wide variety of outcomes that could be expected from *learn*$ave if it is effective in achieving its objectives. These hypothetical outcomes fall generally under four headings:

1. Changes in savings behaviour
2. Changes in education and small business development
3. Changes in employment and earnings
4. The provision of financial training sessions and case management services will increase the likelihood that the above hypotheses will hold true

To some degree, the first three of these hypotheses are likely to occur in a sequential order. It is hypothesized that participants will save by making deposits in their *learn*$ave account. These deposits along with matched credits would be used to go back to school or to start a small business. Increased education would in turn lead to long-run improvements in employment and earnings. The details of these hypotheses are specified in this section; subsequent sections discuss strategies for testing the hypotheses.[9]

Changes in Savings Behaviour

learn$ave provides a substantial financial incentive to save for approved goals. The rate of return is extremely large because each dollar of savings deposited by a participant in his or her *learn*$ave account leverages $3 in matched credits at the three primary sites — this represents a rate of return of 300 per cent. Because the rate of return to saving for *learn*$ave participants is so high, it is hypothesized that

- *learn*$ave participants will save a greater proportion of their income than they normally would have saved without the incentives.

[8]Under the original evaluation design, IA recipients were to be included in the experimental study at the primary sites. However, the Government of Ontario at the time refused to waive the provincially regulated income/asset limits for IA recipients participating in this demonstration project. These limits were subsequently waived by the current government, but until then special measures had to be implemented at the Toronto site to assist IA recipients in planning their credit withdrawals to minimize potential clawbacks in IA benefits. As this chapter will explain, the design for the experimental study had to be consistently applied at all three experimental sites. As a result, IA recipients were excluded from the experimental study.

[9]The original evaluation design included plans for testing hypotheses related to one of the premises behind the early development of IDAs — which is that assets have an empowering effect and can change one's attitudes towards education, future orientation, and personal efficacy as well as help build one's social capital. Measuring such hypotheses would have involved the use of a number of psychological scales each involving a battery of questions. This would have in turn required adding a large number of questions to the follow-up telephone surveys — which was unrealistic given the number of questions already needed to test the hypotheses outlined in this section. Therefore, the evaluation will not test hypotheses related to personal attitudes and social capital.

Because savings are often used to make purchases, another measure — net worth — is needed to estimate the extent to which savings are used to purchase assets. Net worth is defined as the stock of physical assets (such as homes or vehicles) and financial assets (savings accounts, stocks, and bonds) offset by debts. It is hypothesized that

- *learn*$ave participation will lead to an increase in participants' total net worth.

In order to save more than they had saved previously, most *learn*$ave participants will have to reduce their current level of consumption. As a result, it is possible that greater savings will increase the hardship to which participants are exposed. However, it is also possible that *learn*$ave participants will be able to increase their "consumption efficiency" by spending more carefully in order to maintain the same level of consumption while spending less money. This may be particularly true for participants who have access to financial management training. It is hypothesized that

- savings resulting from *learn*$ave participation will not create increased hardship among participants.

Changes in Adult Education and Micro-enterprise Development

As noted earlier, *learn*$ave's approved goals are adult education or training and small business development. It is therefore hypothesized that

- *learn*$ave participants will take and complete more courses at eligible educational institutions than they would have otherwise and
- *learn*$ave participants will start and operate more small businesses than they would have otherwise.

Some small businesses fail soon after they begin operations. Because the small businesses set up by *learn*$ave participants may be better financed and because the financial management training undertaken by some *learn*$ave participants may be effective, it is hypothesized that

- the small businesses set up by *learn*$ave participants will survive longer, on average, than they would have otherwise.

Changes in Employment and Earnings

Ultimately, the objective of *learn*$ave is to increase the economic well-being of participants by increasing their employment and earnings. The offer of incentives should lead to greater savings that will, in turn, lead to more education, training, and small business start-up. This incremental activity should then result in increased employment and earnings. It is hypothesized that

- in the long run, *learn*$ave participants will have a higher rate of employment and higher earnings than they would have otherwise.

The Incremental Impact of Financial Management Training and Case Management

IDA programs usually provide financial management training and case management services to help participants find ways to save. IDA practitioners view training and case management as instrumental in ensuring that participants can make successful use of their matched credits.[10] It is therefore hypothesized that

- the provision of financial management training sessions and case management services will increase the likelihood of positive changes in savings behaviour, educational courses taken, small businesses started, and employment and earnings.

Experimental Study

With or without *learn*$ave, some low-income individuals will decide that they need to save more to meet their goals and will continue their education or start new businesses. In many cases, their employment situation and their earnings will improve over time. Therefore, to get a true picture of *learn*$ave's effectiveness, the evaluation design must include a method of disentangling the improvements in individuals' circumstances that resulted from their participation in *learn*$ave from changes that would have occurred if they had not participated.

To achieve this objective, it is necessary to identify a group of individuals who resemble *learn*$ave participants as closely as possible. The best way to form such a group is to select people who meet *learn*$ave's eligibility criteria and then assign them on a random basis to treatment groups that take part in the project or to a control group that does not (but that continues to have access to all other programs and services to which it would normally have access). This randomized experimental design ensures that there will be only one systematic pre-existing difference between the treatment and control groups: that some individuals participate in *learn*$ave and some do not. Consequently, any differences that are observed in the outcomes of the groups will provide a valid measure of *learn*$ave's impacts.[11]

This experimental study is being undertaken at 3 of the 10 sites — Halifax, Toronto, and Vancouver. These primary sites were chosen because of their potential to recruit the substantial numbers of individuals required for a randomized trial. At these sites eligible applicants were randomly assigned to one of three groups, two of which are treatment groups participating in *learn*$ave. The first treatment group is the "*learn*$ave-only" group, which receives only the matched credits. The second treatment group is the "*learn*$ave-plus" group, which receives the credits plus financial management training and case management services. Finally, the third group is the control group, which does not receive any of *learn*$ave's benefits or services.

[10] See Mills et al. (2000), p. 68.

[11] Strictly speaking, the expected values of the averages for all pre-existing characteristics of the program group and the control group should be the same, although their actual values may differ somewhat, especially in small samples. Random assignment ensures that the two groups will not differ systematically, but it does not guarantee that they will be identical. Random differences can still occur; these differences do not bias the impact estimates, but they do reduce the precision of the estimates. Data on the characteristics of the sample collected just prior to random assignment can be used in regression models to improve the precision of the estimates. See, for example, Mohr (1995) and Orr (1999).

Individuals taking part in the experimental study include the "working poor" who meet the eligibility criteria — those receiving income assistance are excluded from the experimental study. IA recipients who enrolled at the primary sites are part of a separate study.

According to the original research plan, each of the primary sites was given a target of 1,200 enrollees for the experimental study to be divided evenly into the three groups.[12] The benefits and services offered at the three primary sites are identical — for example, all three sites offer a 3:1 match rate for savings deposited in *learn*$ave accounts — thus allowing the samples of enrollees to be combined across all three sites for analytical purposes. Combining the three sites, there would then be 1,200 enrollees in each of the three groups — the *learn*$ave-only, *learn*$ave-plus, and control groups.

According to procedures established for the experimental study, the delivery agencies at the primary sites sent SRDC a list of accepted applicants each week during the recruitment period. SRDC then randomly assigned each applicant to one of the three groups and returned the allocations to each delivery agency, at which point applicants were advised of their status. The process is similar to a lottery in that chance is the only criterion used to determine how applicants are divided — information on application forms was not taken into account.

Telephone surveys were used as the primary method of collecting the data necessary for the experimental evaluation. Shortly after they were found to have met the eligibility criteria and before they were randomly assigned to one of the three groups, applicants were surveyed by telephone to gather relevant information about personal and family characteristics as well as other baseline information related to the hypotheses being tested.[13] All three groups will be surveyed to update this information at 18 months, 40 months, and 54 months from the date of their random assignment.

A *learn*$ave management information system (MIS) has been implemented at all sites to support program operations and evaluation needs. The MIS data will yield important information about savings behaviour, *learn*$ave services received by participants, and use of matched credits. Because financial management training and case management services may lead to more positive impacts for the *learn*$ave-plus treatment group, it is essential to document the extent to which participants have used these services.

In addition to the follow-up surveys and the MIS, the experimental study will use tax data collected by the Canada Revenue Agency (CRA), Employment Insurance data collected by Human Resources and Skills Development Canada (HRSDC), and income assistance data collected by the provinces of Nova Scotia, Ontario, and British Columbia.[14]

To test the hypothesis that training sessions and case management will have a significant positive impact beyond the impacts due to the matched credits alone, the experiences of the *learn*$ave-plus group will be compared with those of the *learn*$ave-only group. To test the

[12]For the balance of this report, all applicants (except IA recipients) who were accepted at the primary sites will generally be termed "enrollees." Enrollees include members of the control group who do not enjoy any of the benefits offered though matched credits or other *learn*$ave services. The term "participant" is reserved for those in the non-experimental studies (as explained in subsequent sections) and for those in the *learn*$ave-only and *learn*$ave-plus groups when it is necessary to refer to benefits and services they receive from *learn*$ave.

[13]All surveys of participants and the control group are being conducted by POLLARA Inc. under contract with SRDC.

[14]Enrollees have provided SRDC with their informed consent to obtain this information directly from HRSDC, CRA, and provincial income assistance departments.

remaining hypotheses, the experiences of the *learn*$ave-only and *learn*$ave-plus groups will be directly compared with those of the control group at various points over the life of the project.

The target sample of 3,600 randomly assigned enrollees at the three primary sites is large enough to ensure that policy-relevant conclusions about the underlying hypotheses can be stated with confidence and reliability. Any results larger than a threshold value termed the "minimum detectable effect" (MDE) will be deemed statistically significant. The MDE is the smallest difference between a treatment and control group outcome that will be judged to be statistically significant with a given sample size. For example, with initial sample sizes of 1,200 individuals in each of the three groups and sample attrition rates of approximately 30 per cent, any difference between the groups' accumulated liquid assets over the life of the project that is greater than $763 will be statistically significant. Any difference that is smaller than $763, even if it is positive, will not be considered significantly different from zero. Appendix C explains the theory behind MDEs in greater detail.

The MDEs shown in Table 3.1 refer to the comparisons of the combined *learn*$ave-only and *learn*$ave-plus groups with the control group that will be made over the duration of the experiment. For example, the stock of liquid assets, which captures the total amount saved in all available savings vehicles, can be measured at various points in time. *learn*$ave's participants will be saving in a special *learn*$ave account, to which members of the control group do not have access; meanwhile the control group may be saving to some extent in regular bank accounts and perhaps also in mutual funds, investment funds, Guaranteed Investment Certificates, Canada Savings Bonds, RRSPs, stocks, bonds, or other financial assets. A comparison of liquid assets will determine whether and to what extent *learn*$ave participants are saving and thereby increasing their total liquid assets relative to the control group.

Table 3.1: Minimum Detectable Effects (MDEs) for the *learn*$ave Experiment

Outcome	Minimum Detectable Effect
Proportion taking courses (%)	3.7
Proportion self-employed or owning small businesses (%)	4.1
Amount of liquid assets ($)	763

Non-experimental Study at Secondary Sites

The budget available for the demonstration project precluded the possibility of implementing an experimental design involving all 10 sites — control groups and much larger sample sizes would have been needed to meet the requirements of an expanded experimental study. Due to budget considerations, each of the seven secondary sites was permitted to enrol up to 150 applicants for an overall total of 1,050 individuals, all of whom participated in *learn*$ave because there was no control group at those sites.

Unlike the experimental study that excluded income assistance recipients, each site office in the non-experimental study at the secondary sites was allowed to recruit up to 25 per cent of their participants among those who were in receipt of income assistance at the time of application.

At the secondary sites everyone who enrols is invited to open a *learn*$ave bank account, is expected to attend training sessions, and has access to case management services. However, in contrast to the common approach adopted within the three primary sites, a number of planned variations exist across the seven secondary sites. The following variations will be assessed in order to estimate their influence on *learn*$ave's effectiveness:

- Digby offers a $4 match rate.
- In Fredericton the maximum amount of savings eligible for matched credits is $2,000, and $6,000 in credits are available.
- Montreal offers the highest match rate at $5 for each dollar saved; however, only $900 in savings is eligible for matched credits.
- Kitchener–Waterloo offers the lowest match rate at $2 but offers enhanced counselling services to participants in lieu of the extra $1 in matched credits.
- Grey–Bruce offers a $2.50 match rate, with an additional $0.50 available as an incentive to meet training and savings goals.
- In Calgary participants have only two years in which to accumulate savings eligible for matched credits, instead of the usual three years.

Winnipeg is the only site that has more stringent eligibility criteria for applicants. In Winnipeg applicants must have an annual income below the appropriate LICO to be considered eligible, rather than the 120 per cent of the LICO required at all the other sites. In addition, the Winnipeg site has set another target: two thirds of the participants should have an income below 60 per cent of the LICO.

For their financial management training sessions, Digby, Montreal, and Kitchener–Waterloo use a common training curriculum identical to that used at the three primary sites. Fredericton, Grey–Bruce, Winnipeg, and Calgary use locally designed curricula that vary in differing degrees from the common curriculum. The locally designed curricula vary in length from about 15 to 30 hours.

Because the research plan for the secondary sites is based on analytical methods that are less dependent on larger sample sizes and control groups, the findings will be less reliable than those resulting from the experimental study at the primary sites. The MIS will provide quantitative data such as demographic information, savings transactions, financial management training attendance, and information on the use of matched credits. Qualitative research methods, such as observations of application and financial management training sessions, and interviews with site staff will also be used in the analysis.

The Non-experimental Income Assistance Study

As mentioned previously, IA recipients who enrolled at the primary sites are not included in the experimental study. Each of these sites enrolled 75 IA recipients for a combined total of 225 in Halifax, Toronto, and Vancouver. They all received benefits and services to which members of the *learn*$ave-plus group were entitled — they were not assigned to separate groups.

The outcomes experienced by the IA recipients will be analyzed using methods similar to those used in the non-experimental study of secondary sites.

Implementation Research

The implementation research has two main objectives:

1. to provide a document of record for the experiment and demonstrate that the *learn*$ave model was given a "fair test"
2. to provide a context for interpreting the impacts of *learn*$ave and to identify lessons learned in project delivery

To show that *learn*$ave received a fair test, the research will document the project as it was actually implemented and it will indicate any significant deviations from the intended project model. In implementing any large-scale demonstration, adjustments usually must be made to deal with unanticipated situations. To the extent that the experiment as implemented differed substantially from the intervention as conceived, the impact evaluations would be less relevant to the intended project model. This component of the research will examine the intended model, significant problems encountered, and corrective actions taken.

It is also important to demonstrate that the information given to enrollees is accurate and consistent and that they understand the nature of the offer and the options that *learn*$ave provides to them. In addition, the implementation research needs to ensure the project is being delivered in a similar manner at the three primary sites where the design for the experimental study assumes uniformity in benefits and services.

The second objective of implementation research is to examine how and why certain impacts occurred. For example, the methodology employed for the experimental study will determine whether and to what extent impacts will have occurred, but it cannot explain why they occurred. Implementation research can investigate some of the complex and inter-related factors that might be at the root of any observed differences between the treatment and control groups.

In addition, studying project implementation can reveal lessons learned about the operational problems and successes associated with delivering a large-scale IDA demonstration project. When the project is in the field, these lessons can be used to modify project operations. In the longer run, this information can contribute to the continuing discussion on best practices for IDAs and can be valuable to any organization that wants to launch an IDA program.

The implementation research will include descriptive analyses using data collected from field observations of operations at the sites as well as interviews, focus groups, and document reviews. Surveys and the MIS will also provide useful information.

Benefit–Cost Analysis

The benefit–cost analysis is an essential part of the evaluation design. It is intended to address the following fundamental issues: Will *learn*$ave produce net gains or net losses from the perspective of participants in the program? Will *learn*$ave be cost-effective from the standpoint of taxpayers and government budgets? And what are the benefits and costs of *learn*$ave to society as a whole?

To address these issues, the analysis of *learn*$ave's benefits and costs will be assessed from different perspectives. Benefits to some individuals (for example, the matched credits

are a benefit to participants) are costs to others (the credits are a cost to government and taxpayers). It is therefore useful to consider not only the overall benefits and costs accruing to the whole of society, but also the benefits and costs from the perspective of different segments of society. In line with accepted practice in social benefit–cost analysis, the research will examine the benefits and costs accruing to the following perspectives: *learn*$ave participants, government, and society as a whole.

Because it requires reliable estimates of impacts, the benefit–cost analysis will be based on the impacts identified from the experimental study at the three primary sites. As a result, the analysis will take place after all the surveys of enrollees have been completed.

In preparation for the benefit–cost analysis, a cost study of *learn*$ave's operations at the primary sites will be conducted at appropriate stages of the project when all site activities are underway and the initial implementation challenges have been successfully met. Operational or fiscal reports from SEDI and the local delivery agencies will be used to identify resources spent to run the project. Staff time and personnel costs devoted to the project will be determined using time studies, time sheets, and staff interviews. Surveys will be conducted to record how site staff allocated their time on various project activities over a fixed period.

The gross administrative and operating costs at the primary sites will be estimated using standard cost analysis principles.[15] This information will be used to estimate the costs of various project activities.

Most of the benefits and costs will become evident before the date of the final evaluation report on *learn*$ave. However, some benefits resulting from additional educational activities are expected to develop after the study period. To account for this, the analysis will attempt to project the data from the experimental study to estimate the rate of private and external returns to education and learning activities (Vaillancourt, 1992) and the value of non-market effects of schooling such as intergenerational effects, consumption efficiency, and health. Generally, non-experimental methods will be used to estimate these effects on education and earnings. Observed information from treatment and control group members can then be used to calculate net benefits from the perspectives of participants, government, and society as a whole.

Major non-monetary benefits and costs such as individual well-being will be added to the analysis. These non-monetary items will be based mainly on projected long-term benefits and presented in units appropriate for the analysis.

A more detailed description of the benefit–cost analysis is provided in Appendix D.

RESEARCH REPORTS

The *learn*$ave demonstration project will take nine years to complete. The project began in June 2000 when planning started on the design of *learn*$ave's operations and its evaluation. From June 2001 to December 2003 participants were recruited and screened — the last applicants were enrolled in February 2004 after they completed the baseline survey. By February 2007 the period within which all participants earn and spend their matched

[15]See Greenberg and Appenzeller's (1998) *Cost Analysis Step by Step* for steps in estimating the gross costs of programs.

credits for approved goals will end. From then until May 2009 the final follow-up surveys of enrollees will take place and the final evaluation reports will be published.

A number of evaluation reports on *learn*$ave will be published as the project proceeds through its various stages. At a minimum, the following reports are planned over the life of the project:

1. ***Helping People Help Themselves: An Early Look at* learn*$ave*, published in 2004**

This report covers preliminary information on recruitment and enrolment, participant characteristics and the target population, financial management training and case management, and basic information on savings patterns and withdrawal of matched credits.

2. ***Design and Implementation of a Program to Help the Poor Save: The* learn*$ave Project* (the current report)**

3. **Results from the 18-month follow-up survey (to be completed in 2006)**

This will be the first report on the impacts of *learn*$ave in the experimental study at the primary sites. The 18-month survey began in May 2003; each participant and control group member at these sites is being interviewed by telephone 18 months after their baseline interview. The survey covers participants' personal budgeting activities, education and training, employment and income, and assets and liabilities. The situation of participants will be compared with non-participants in the control group and to the situation that existed just before they entered *learn*$ave when they were interviewed for the baseline survey.

4. **Findings from the non-experimental studies (to be completed in 2006 or 2007)**

This report will describe findings from the non-experimental study at the secondary sites and the non-experimental study of IA recipients at the primary sites. The findings will be based on information gathered from the implementation research, the management information system, and focus group sessions. Differences in results across the seven secondary sites will be interpreted in the context of variations in the design and delivery of *learn*$ave at those sites.

5. **Results from the 40-month follow-up survey (to be completed in 2007 or 2008)**

This report will cover topics similar to the 18-month follow-up report at a later point in time.

6. **Final *learn*$ave report (to be completed in 2009)**

This report will incorporate the findings from the 54-month follow-up survey from the experimental study and the analysis of the benefits and costs of *learn*$ave. An update of the impacts from the non-experimental studies will also be included.

Chapter 4: From Outreach to Random Assignment

learn$ave is first and foremost a demonstration project that is intended to test an Individual Development Account (IDA) strategy in Canada. As the essential first step toward a rigorous evaluation of *learn*$ave, almost 5,000 individuals had to be found and enrolled in the project. It was important not merely to recruit this number of individuals, but also to ensure that the selection process was fair.

This chapter documents the challenges and procedures involved in recruiting and screening potential enrollees. It also describes adjustments that were made during the recruitment period in response to the main difficulties that arose during implementation.

The first section describes the activities of the primary and secondary sites in their efforts to make the target population aware of *learn*$ave and recruit the number needed for a successful research effort. The second section then provides the overall results of the recruitment effort and estimates the take-up rate among the eligible population. The third section describes how inquiries for information about *learn*$ave by potential applicants were accommodated. The fourth section describes the application procedures and the steps leading to the random assignment of enrollees in the experimental study to one of the treatment groups or the control group. The final section describes the random assignment process as well as the tracing databases that were used to assist the sites in their recruitment activities.

RECRUITMENT

When conducting experimental studies, it is preferable to invite a random sample of individuals from a list of qualified applicants from a known population to enrol in the project. However, this preferred course of action could not be followed in the *learn*$ave demonstration because the necessary information was unavailable for the purposes of this study.[1]

Instead, *learn*$ave's prospective participant and control group members had to be recruited from among low-income individuals within the general population. Outreach and recruitment thus became the task of the local delivery agencies at the 10 sites. Recruitment officially began in June 2001 at the secondary sites and in August 2001 at the primary sites, although each site started its campaign at slightly different times. The original plan called for the recruitment period to close by May 31, 2003.

Initially, Human Resources Development Canada (HRDC), the sponsoring department at the time, decided that the national and local media could not be used to promote *learn*$ave largely because it was believed that a broad, high-profile marketing campaign might create much more interest among the target population than could be accommodated by a

[1]Since *learn*$ave is federally funded, discussions took place with the Canada Revenue Agency (CRA) to explore the possibility of obtaining information on the low-income population that could have been used to draw a sample of those who could have met *learn*$ave's eligibility requirements. It was decided that information from CRA could not be used for this purpose.

demonstration project of limited scope. From June until November 2001 these media restrictions remained in place. The delivery agencies could not actively solicit interviews from local or national media, but they could respond to any inquiries addressed to their offices. The agencies were permitted to place paid advertisements and public service announcements in any local media source, including newspapers, television, and radio. The restrictions were modified in November 2001 to permit the agencies to actively solicit interviews from the local media. Before doing so they needed to write a media plan and have it approved by SEDI (Social and Enterprise Development Innovations).

Throughout the recruitment period there was no national marketing campaign. SEDI, in its role as coordinator of *learn*$ave's implementation, offered suggestions to the site agencies about key messages, approved advertisements, and promoted information sharing among the sites. The agencies were required to submit their advertising materials to SEDI for approval. In addition, SEDI encouraged the sites to share ideas on effective recruitment techniques through electronic communications, bi-annual "all-sites meetings," and regular meetings of representatives from the primary sites.

Each individual delivery agency was responsible for developing a marketing plan and for designing all of the outreach materials and advertisements. They used a wide variety of techniques including outreach through other local agencies; newspaper, radio, and television advertisements; public transit advertisements; and public service announcements. They also relied on "word of mouth" among the eligible population as a result of their marketing and outreach efforts.

The Early Recruitment Period

Primary Sites

Toronto and Vancouver started holding public application sessions in August 2001 with Halifax commencing about one month later. During this period all the experimental sites — but especially Halifax and Toronto — relied heavily on outreach through networking with other local agencies, which they later found through experience to be relatively ineffective.[2] This "agency networking" largely involved meeting with staff, displaying materials in agency offices, and meeting with groups of clients of other non-profit agencies. The *learn*$ave agencies found that the client base of many of their partner agencies included high numbers of income assistance (IA) recipients but a limited number of "working poor."

Before recruitment began, the delivery agencies felt that agency outreach would be a productive recruitment method and that it was consistent with the low-key atmosphere that was reinforced by the media restrictions. Throughout the campaign they found that their partner agencies' response was positive; however, the staff of other agencies often did not transmit the messages about *learn*$ave to their clients. Some partner agencies were so busy meeting their day-to-day demands that they did not have much time or energy to recruit for *learn*$ave.

[2]The types of local agencies varied from site to site. Examples include social service agencies, employment centres, family resource centres, neighbourhood centres, community health centres, child-care centres, ethno-cultural agencies, and community housing associations.

The Vancouver office was the first of the experimental sites to rely heavily on other recruitment methods in conjunction with agency outreach. Up to May 2002 they used community newspapers as their primary form of advertising and they also included posters in selected transit stations and direct mailings to certain postal codes. They ran newspaper advertisements almost weekly starting in August 2001 and continuing throughout their entire recruitment campaign. Most of the advertisements were placed in community papers primarily in New Westminster, Burnaby, and Surrey. In addition, advertisements were placed in *The Employment Paper*, which is distributed throughout the Vancouver area.

Secondary Sites

Most of the secondary sites started their recruitment activities in May or June 2001. Many of the techniques involving newspapers, transit advertisements, and agency outreach that were used at the primary sites were also used at the secondary sites. However, there were many differences in the design of the initial recruitment campaign among the secondary sites. Some sites were able to quickly design a recruitment campaign that was effective in their area. For example, both Calgary and Fredericton designed effective recruitment campaigns quickly and each enrolled 50 participants (one third of their target) by the end of October 2001. Fredericton designed a multi-faceted advertising campaign while Calgary relied heavily on advertisements in the Calgary Light Rail Transit System (the C-Train).

At other sites the initial recruitment campaign was much less effective. As with the primary sites, the secondary sites relied more heavily on agency outreach early in the recruitment period. For example the Kitchener office relied heavily on agency recruiting, posters, brochures, and postcards throughout 2001. They found that this was insufficient, and in early 2002 they added additional sources of advertising such as cable television and transit advertisements. They found that the transit advertisements were an effective part of their campaign while public service announcements resulted in very few inquiries.

Some of the secondary sites started slowly due to staffing issues or other matters. For example, the Montreal site chose not to begin recruiting in the summer of 2001 due to staffing problems at the site office and to allow sufficient time to clarify how those receiving provincial benefits would be impacted if they joined *learn*$ave.[3]

Low Initial Levels of Enrolment

The initial recruitment phase was not very successful, especially at the primary sites. By the end of April 2002 only 177 participants had enrolled in the experimental sample in Halifax, Toronto, and Vancouver after about eight months of recruitment. Vancouver had the highest numbers at 100, followed by Toronto with 48 and Halifax with 29. During this early period, the primary sites had recruited only 5 per cent of the 3,600 enrollees needed for the experimental study in 38 per cent of the original recruitment period.[4] However, during the same period a high proportion of the income assistance (IA) participants had been recruited:

[3]In *learn*$ave's planning phase, waivers were sought to exempt savings in a *learn*$ave account from provincially regulated income/asset limits for income assistance (IA) recipients participating in the project. As it awaited a response from the Government of Quebec, the Montreal site office waited several months before starting recruitment. In late 2001, even though the issue was not resolved, the site decided to start recruiting non-IA recipients. In July 2002 the necessary waiver was received from the Government of Quebec so that the Montreal site could begin recruiting IA recipients.

[4]The site offices began to accept applications for the experimental study on August 20, 2001. The original recruitment period ended on May 31, 2003 (a period of 21 months).

in total 142 IA recipients had been accepted, which represents 63 per cent of the IA target at the primary sites in 38 per cent of the recruitment period.

Up to the end of March 2002 the secondary sites had enrolled 272 participants. This represents 26 per cent of their overall target in 42 per cent of the original recruitment period.[5] In the spring of 2002 all three primary sites made changes in their recruitment campaigns that improved the results in Toronto and to a lesser extent in Vancouver — but the slow pace of enrolment continued in Halifax. Some of the secondary sites also started to adjust their campaigns at that time.

New Recruitment Campaign

Primary Sites

As a result of the low initial recruitment numbers, both Halifax and Toronto launched a new multi-faceted marketing campaign in the spring of 2002 while Vancouver refined its existing campaign.

The revamped Toronto campaign began in mid-May 2002 and included a large number of components. The campaign featured new posters and brochures containing the slogan: "Wanted: 1200 people looking to change their lives." The key components of the campaign were as follows:

- A news release to 80 locations in the City of Toronto on May 13, 2002.
- Coverage in the *Mandarin World Journal* and a subsequent notice on a Mandarin Web site placed by a viewer of the *Journal*.
- A seven-minute Mandarin segment on the local television station CFMT.
- Front-page coverage in *Learning Curves*, a free newspaper distributed at Toronto's libraries.
- Posters in the Toronto Transit System (TTC) on selected subway cars, buses, and streetcars.
- Advertisements placed in *Metro Today* (now referred to as *Metro*), a free publication available in transit stations.
- Paid advertisements in Portuguese, Tamil, and Somali newspapers and radio.
- Posters and brochures distributed by site staff and some participants to a wide variety of agencies and commercial locations in nine areas within Toronto.

The Halifax campaign began in April 2002 and was similar in many ways to the Toronto campaign. The slogan for the Halifax campaign was "A better education. A better life." It included the following:

- A news conference on April 23, 2002 that resulted in coverage in local newspapers, television, and radio.

[5]The first secondary sites began to enrol participants at the beginning of June 2001.

- Newspaper advertisements in the Halifax *Chronicle Herald* and the Halifax *Daily News*.
- Advertisements in the Halifax Transit System.
- Advertisements on the local Television Guide Channel.

Although Vancouver's transition in the spring of 2002 was not as sweeping as it was in Halifax and Toronto, some important changes were made that increased the number of inquiries to the Vancouver office. The campaign materials were redesigned and began to feature animals such as squirrels with the slogan "*learn*$ave helps you squirrel away more nuts that you can imagine." Furthermore, the Vancouver office began to place greater emphasis on recruiting in the City of Vancouver. While applicants living in the City of Vancouver were always welcome to apply, the previous recruitment campaign had focused on the cities of Burnaby, New Westminster, and Surrey. The Vancouver office targeted the City of Vancouver through advertisements in *The Georgia Straight*, a free weekly paper available at many locations in the city. The office also launched an extensive *learn*$ave transit campaign on buses and Greater Vancouver's rapid transit system (the Sky Train).

In many ways, the response to the spring 2002 marketing campaign shows that, while all three of the primary sites used marketing strategies that had several common features, what seemed to work at each site varied to some extent. The Toronto site office found that a high proportion of new immigrants to Canada — especially from China — responded relatively enthusiastically to their marketing campaign. They found that *learn*$ave resonated especially well and spread quickly by word of mouth among this community. The top two sources of inquiries from interested individuals were the *learn*$ave advertisements in the subway cars and in *Metro Today*, with a large number of calls also coming from word of mouth and the CFMT interview. The transit advertisement was very successful partially because the TTC left many of the posters in the subway cars for almost a year at no additional cost even though the Toronto office had purchased the advertisements only for a six-week period.

Newspaper advertisements formed the core of Vancouver's recruitment campaign. *The Georgia Straight* proved to be a very valuable addition to this campaign as the site received 355 calls generated by this source between June and August 2002. The Sky Train advertisements proved to be ineffective with only a limited number of calls coming from this source. At the Halifax site none of the recruitment tools was able to deliver the results that were anticipated. Most of the sources generated about an equal number of calls.

After the early relative successes of their revised campaigns, the Toronto and Vancouver offices retained the core components of their marketing efforts for the rest of the recruitment period. Toronto purchased four-week blocks of advertisements in *Metro Today* on three further occasions during the recruitment period. Toronto also refreshed its subway campaign with new "tear-off pads" on the advertisements and some new posters in May 2003.[6] The Vancouver site continued to rely heavily on newspaper advertisements, particularly in *The Georgia Straight*. After a period of eight months the Sky Train and bus advertisements were not renewed. In the fall of 2002 they also translated some of their materials into other languages such as Chinese. Later in the recruitment period the Toronto and Vancouver sites

[6]The use of "tear-off pads" in Toronto's subway system may explain the greater success of transit advertising in Toronto relative to Vancouver — tear-off pads are not allowed on the Sky Train.

noticed that referrals by word of mouth had started to increase. As more people enrolled, there were more people talking about *learn*$ave. Word of mouth turned out to be particularly valuable in Vancouver where it generated more calls to the site office than any other method.

The Halifax site attempted to introduce another broad campaign in the fall of 2002 featuring revised materials using the same "wanted" slogan that the Toronto office had found so effective. However, as with Halifax's previous campaign, the response was quite limited. The campaign featured advertisements in buses, cable television advertisements, transit shelter posters, and advertisements in the Halifax *Daily News*. As well, billboards and a direct mailing to low-income households were added to the campaign. The Halifax office also distributed materials to employers whose staff might be eligible for *learn*$ave. Most of the elements of Halifax's advertising campaign ran for a relatively short time — only throughout the fall of 2002. The only feature that continued to run in the winter of 2003 was the cable television advertisement, which continued until the end of May 2003.

The Toronto and Vancouver site offices were eventually able to convey a sense of urgency that helped their recruitment campaign. For example, the Toronto office noticed that people began to submit their applications more quickly after their application sessions filled up. The Vancouver office found that they had some of their most productive months late in 2003 when it became clear that the number of available spaces was running out. In contrast, the Halifax site was never really able to convey this sense of urgency. It launched its "last chance" campaign in the summer of 2003, but both the campaign itself and the response were limited.

Secondary Sites

Since the delivery agencies at each secondary site were asked to recruit only 150 participants, most of these site offices faced a less severe recruitment challenge. Nonetheless, many of them discovered at some point that they had to expand their range of marketing methods at least to some degree. Fredericton began their recruitment campaign using a broad range of methods — this paid off quickly as Fredericton became the one of the first sites to meet its target despite its relatively small population. Three sites — Digby, Grey–Bruce, and Kitchener — changed their approach and engaged in an extensive multi-faceted advertising campaign similar to those eventually attempted at each of the experimental sites. Some of the sources they used included transit, cable television, newspaper, and radio advertisements — the specific media varied from site to site.

The larger centres — Montreal, Winnipeg, and Calgary — found that because of the size of their market, a multi-faceted advertising campaign was not necessary. Instead, these sites found that a limited number of key advertising methods used in conjunction with agency recruitment and word of mouth were sufficient. For example, the Montreal site with its large population found that an article in the Montreal *Gazette* coupled with posters in partner agencies was sufficient.

At two secondary sites — Digby and Grey–Bruce — recruitment was especially difficult. These are both large rural areas with a relatively small and dispersed population. In addition to their multi-faceted recruitment campaign, other measures that were unrelated to marketing or advertising were necessary. Both sites were allowed to increase the size of their catchment areas. In late 2002 the Digby site began accepting applications from the neighbouring counties of Kings and Yarmouth. In May 2003 Grey–Bruce added part of the county of

Simcoe. Furthermore, both sites found that small business was a frequent choice of participants in their area. This is at least partly due to the fact that post-secondary institutions are not as readily accessible in these communities as they are in larger centres. Consequently, in December 2002 HRDC agreed to allow SEDI to increase the small business cap at these two sites from 20 to 40 per cent of participants.

How Participants Heard About *learn*$ave

The preceding section of this chapter referred to the relative impacts of various recruitment methods as the site offices attempted to meet their targets. Table 4.1 summarizes the responses of enrollees to the following question from the *learn*$ave application form: "How did you hear about the project?" The table reinforces the importance of a broad-based marketing campaign and the impact of word of mouth, an indirect source that results from other more direct recruitment strategies.

Table 4.1: Proportion of Enrollees Hearing About *learn*$ave Through Various Recruitment Methods, by Study Group

	Experimental Study (%)[b]	Non-experimental Study (%)	IA Study (%)
Word of mouth	34.7	41.1	22.2
Media	28.9	14.1	16.9
Poster/brochure	16.5	18.6	10.7
HRDC[a] office	6.7	2.3	4.9
Other agency	7.5	18.6	33.3
Other method or unknown	5.6	5.4	12.0
Sample size	2,382	1,001	225

Source: Management information system (MIS).

Notes: For this table, data for the experimental study includes only participants in the *learn*$ave-only and *learn*$ave-plus groups.

[a]In December 2003 Human Resources Development Canada was reorganized into the departments of Human Resources and Skills Development Canada and Social Development Canada.

[b]Excludes 18 Vancouver cases for which data are not available.

Hearing about *learn*$ave from friends, relatives, or acquaintances through word of mouth has proven to be the most effective means of promoting *learn*$ave. This is especially true at the secondary sites where 41.1 per cent of those recruited found out about *learn*$ave through word of mouth — more than twice that of the next best method at these sites. As the project progressed, word of mouth gained momentum and importance, gradually improving its effectiveness in reaching potential participants. Among the experimental participants, 28.9 per cent heard about *learn*$ave through the media, which includes advertisements, interviews with *learn*$ave site staff, and articles about *learn*$ave.

Reliance on other local agencies at the primary sites proved to be a relatively ineffective means of recruitment from the low-income working population since only 7.5 per cent of them heard of *learn*$ave in this manner. However, income assistance recipients were more likely to be recruited through partner agencies, with 33.3 per cent saying that they heard about *learn*$ave through another agency. The secondary sites were between these two extremes with 18.6 per cent recruited through this source.

It is important to note that, while the question on the application form is extremely useful in exploring the effectiveness of various recruitment methods, enrollees responded to the question by stating the *main* way that they heard about *learn*$ave. The site offices reported that many individuals had to be exposed to the information from several sources before they were willing to contact the site office to get more details about *learn*$ave.

FINAL RECRUITMENT RESULTS

Overall Numbers

By the end of the extended recruitment period, the site offices had recruited 4,827 individuals, or 99 per cent of the overall target of 4,875 enrollees. Table 4.2 shows the recruitment targets for the three studies — the experimental study, the non-experimental study at the secondary sites, and the non-experimental IA study — as well as the actual enrolment during the original recruitment and extended recruitment periods. Appendix E provides more detailed information on recruitment by site and by study.

Table 4.2: Recruitment Targets and Actual Enrolment to the End of the Original and Extended Recruitment Periods

Study Type	Recruitment Targets	Enrolment During the Original Recruitment Period[c]	Enrolment During the Extended Recruitment Period[d]
Experimental study[a]	3,600	2,427	3,601
Non-experimental study[b]	1,050	959	1,001
Income assistance study	225	223[e]	225
Total	4,875	3,609	4,827

Sources: Management information system (MIS) and baseline survey.

Notes: [a]Numbers enrolled in the experimental study include enrollees who were randomly assigned to one of the research groups (*learn*$ave-only, *learn*$ave-plus, or the control group) by the date indicated. As explained later in this chapter, random assignment usually took place two to three weeks after the application was complete — longer in extenuating circumstances.

[b]Numbers enrolled in non-experimental and IA studies include participants to whom acceptance letters were mailed by the date indicated.

[c]To May 31, 2003.

[d]To February 2004 in experimental study. The recruitment period ended in all non-experimental sites by August 2003.

[e]The final two income assistance enrollees had applied during the original recruitment period, but according to the MIS the site office had not sent an acceptance letter until a later date.

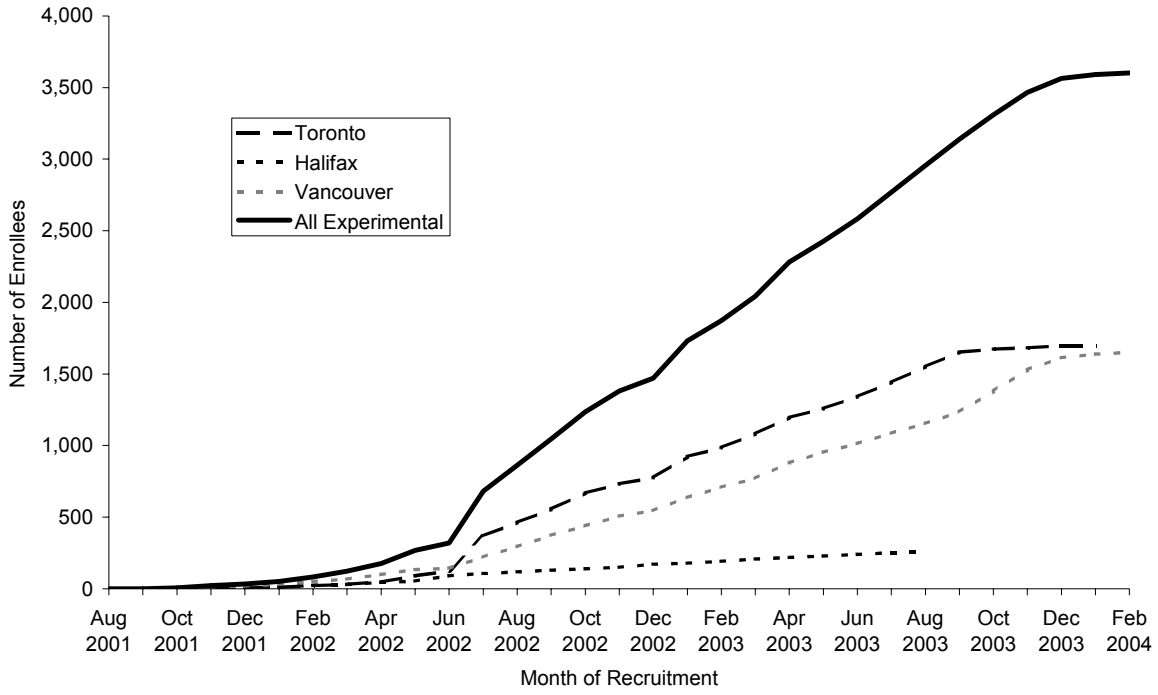
Primary Sites

At the primary sites a total of 3,601 individuals enrolled in the experimental study and another 225 individuals enrolled in the non-experimental IA study. Before the original recruitment period had ended, it had become evident that the growth in enrolment that had taken place in Toronto and Vancouver would not occur in Halifax, and as a result the Halifax site would not be able to meet its target of 1,200 experimental enrollees. By the spring of 2003 SEDI decided to reallocate most of the Halifax spaces to Toronto and Vancouver. The recruitment periods for each of the three sites were consequently adjusted. In Halifax recruitment officially ended on July 31, 2003, after 254 individuals had enrolled in the experimental study. The Toronto and Vancouver offices were advised that they would be able to continue recruiting until December 31, 2004 — seven months after the original

recruitment deadline. In fact, the Toronto office did not need the full extension and largely completed its recruitment by the end of August 2003 with a total of 1,697 enrollees. The Vancouver campaign continued until December 2003, by which time 1,650 participants had enrolled.[7]

As shown in Figure 4.1, recruitment for the experimental study at the primary sites began slowly and then gained momentum as time progressed. Recruitment improved substantially in June 2002 — just after the primary sites had made improvements to their marketing campaigns — and this higher pace continued until the extended recruitment period ended.

Figure 4.1: Number of Enrollees in the Experimental Study, by Month of Enrolment



Source: Baseline survey.

Note: Month of recruitment is based on the date of random assignment.

While enrolment for the experimental study took longer than expected, IA recipients were recruited with relative ease. By the spring of 2003 all participants in the non-experimental IA study had been recruited.[8] By the same period, the experimental study had reached only 67.4 per cent of its target.

[7] A limited number of applications were accepted after these dates to replace people who could not be contacted for their baseline interview. They are included in the final totals shown above and in Table 4.2. The first report about the research on *learn*$ave — *Helping People Help Themselves: An Early Look at* learn*$ave* (Kingwell, Dowie, & Holler, 2004) — also reported enrolment results. In that report, those who were randomly assigned after December 31, 2003, as well as those who were recruited after that date to replace some applicants who could not be reached for their baseline interview, were excluded from the preliminary recruitment totals.

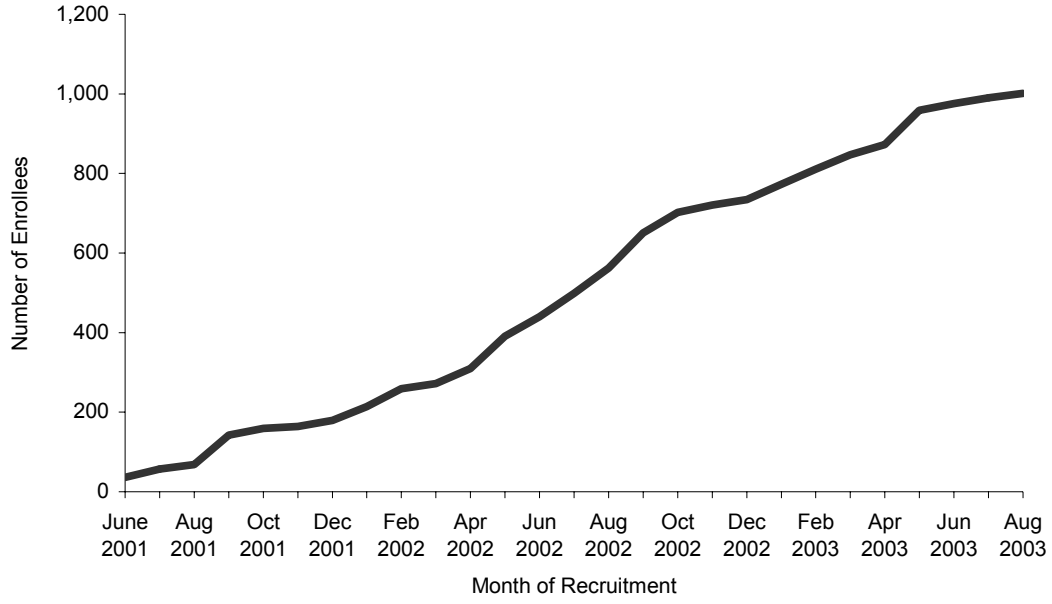
[8] Two of the 225 IA recipients were not officially counted as enrollees during the original recruitment period. According to the MIS, they had been accepted but the site office had not yet prepared their acceptance letters. The date on the acceptance letter is the official enrolment date.

Recruitment of IA recipients at the primary sites could have been completed earlier. During selected weeks, the Halifax and Vancouver offices froze their recruitment of IA recipients and retained these spots for release later in the recruitment period — they were concerned that they would reach their final IA cap well before the end of the recruitment period and would then have to repeatedly advise IA recipients that all spaces were filled.

Secondary Sites

The secondary sites came very close to meeting their overall goal. All these sites except for Grey–Bruce recruited their maximum number of 150 participants — the final total for Grey–Bruce was 101. Figure 4.2 shows the progress of the secondary sites over the extended recruitment period from June 2001 to August 2003.[9] Overall recruitment for the non-experimental study at the secondary sites appeared to be much smoother than that for the experimental study — it shows regular and steady progress throughout the entire recruitment period. However, Figure 4.2 tends to mask the fact that slow recruitment at some sites tended to be offset by brisk recruitment at others. For example, Fredericton filled many of its spaces very quickly at the beginning of the recruitment period, while Montreal began very slowly. The larger number of sites tends to smooth out the fluctuations individual trends experienced at different sites.

Figure 4.2: Number of Enrollees in the Non-experimental Study at Secondary Sites, by Month of Enrolment



Source: Management information system.

Note: Month of recruitment is based on the date of the acceptance letter.

[9]The Grey–Bruce and Kitchener sites were granted short extensions beyond May 31, 2003. Kitchener completed its recruitment in July 2003 and Grey–Bruce stopped recruiting in August 2003.

Take-Up Rate

The first research question to be addressed by the evaluation of *learn*$ave is "Will the offer of financial incentives to save for education, training, or starting a new small business be sufficiently attractive to a significant number of low-income Canadians and new immigrants?" Another way of phrasing the question is "What proportion of the eligible population will enrol in *learn*$ave if given the opportunity?"

The actual number of eligible households[10] is unknown, but it can be estimated from two sources of information available at Statistics Canada. The Survey of Labour and Income Dynamics (SLID)[11] and the Census of Canada each have particular features that make them suitable to create reference groups of households with characteristics matching *learn*$ave's eligibility criteria. SLID identifies IA recipients and is therefore most suitable to create reference groups for the experimental and non-experimental IA studies at the primary sites. Accordingly, these reference groups comprise a subsample of the SLID population that includes households residing within the boundaries of the project sites and having a main income earner between 21 and 65 years of age who is not a full-time student and who is earning less than 120 per cent of the low income cut-off (LICO).[12] The reference group for the experimental study does not include IA recipients, while the reference group for the IA study includes only IA recipients.

SLID's sample sizes are inadequate to represent the eligible population at the secondary sites. The non-experimental sample at the secondary sites comprises both IA recipients and non-IA recipients. Since the 2001 Census also includes both groups, it is suitable to represent the eligible population at the secondary sites. Consequently, the reference group for the non-experimental study at the secondary sites is a subsample of the Census population that comprises households residing within the boundaries of the project sites and having a "household maintainer" between 21 and 65 years of age earning less than 120 per cent of the LICO.

The number of enrollees relative to the total eligible population is represented by the take-up rates shown in Table 4.3. For the experimental study, the take-up rate was 1.27 per cent over the extended recruitment period.[13] The primary sites recruited a total of 3,601 people for the experimental study from an eligible population of 284,377. Even though Halifax enrolled the lowest absolute number (254 enrollees), it in fact had the highest take-up

[10] As mentioned in Chapter 3, a "household" for purposes of *learn*$ave includes unattached individuals and economic families of two or more persons living in the same dwelling and related to each other by blood, marriage, common law, or adoption. By this definition, individuals who live in the same dwelling but are not related to one another therefore form more than one household. Only one member of each household was allowed to apply to *learn*$ave.

[11] SLID is a longitudinal survey administered by Statistics Canada. It is composed of two panels of respondents who are surveyed annually for a six-year period. A new panel, each comprising about 30,000 adults, is introduced every three years. SLID provides information on demographic characteristics, family relationships and household composition, education, employment, as well as other information. Statistics Canada provided SRDC with custom tabulations of SLID subsamples that matched as closely as possible the eligibility criteria shown above.

[12] Economic families of two or more people are not asked about their student status in the Census, but they are asked in SLID.

[13] The shortest recruitment period at a primary site occurred in Halifax: it ran from September 2001 to July 2003.

rate at 1.55 per cent. The rate was slightly lower in Vancouver at 1.30 and was the lowest in Toronto at 1.20.[14]

Table 4.3: Proportion of the Eligible Population Enrolled in *learn*$ave

Study Type	Size of Eligible Population[a]	Number of Enrollees	Take-Up Rate (%)
Experimental study total[b]	284,377	3,601	1.27
Halifax[b]	16,341	254	1.55
Toronto[b]	141,452	1,697	1.20
Vancouver[b]	126,585	1,650	1.30
Non-experimental study total[c]	432,325	1,001	0.23
Income assistance study total[d]	65,541	225	0.34
Total for Canada[b]	1,349,940	n/a	n/a

Sources: Survey of Labour and Income Dynamics (2002 reference year), 2001 Census, MIS, and baseline survey.

Notes: [a]Includes unattached individuals and all economic families of two or more people where the reference person is between 21 and 65 years of age.

[b]Excludes income assistance recipients. Eligible population excludes families where the reference person is a full-time student.

[c]Includes both income assistance recipients and non-income assistance recipients. Eligible population excludes unattached individuals who are full-time students but does not screen economic families of two or more people for their student status. Low-income status is based on year 2000 income as reported on the census form.

[d]Eligible population includes only income assistance recipients and excludes families where the reference person is a full-time student.

The take-up rate for the experimental study is constrained by its overall target, which is a small proportion of the eligible population. Nevertheless, an extended period of intense recruitment was necessary to enrol a number close to the target, and one of the primary sites recruited only 21.2 per cent of its target.

Due to their low targets, take-up rates were considerably lower for the non-experimental and IA studies. The IA study enrolled 0.34 per cent of the eligible population and the non-experimental study at the secondary sites enrolled 0.23 per cent. Many of these sites, however, could have easily recruited more participants.

The Market Research Survey

The low take-up rates raise a number of questions: Did the outreach and marketing campaigns fail to reach enough of the eligible population? What did people like about *learn*$ave? What did they dislike? Why did more people not apply?

To help answer these questions, the Social Research and Demonstration (SRDC) conducted a market research survey of potential participants from April to June 2003.[15] Households in low-income areas in Toronto and Vancouver were contacted at random by telephone. Respondents were first asked a series of screening questions designed to determine their eligibility for *learn*$ave: these questions covered all of the eligibility criteria listed in this report, including the amount of their financial assets.[16]

[14]These take-up rates supersede the preliminary rates provided in *Helping People Help Themselves: An Early Look at* learn*$ave* (Kingwell, Dowie, & Holler, 2004) because they are based on final enrolment figures and more precise reference groups.

[15]This survey was conducted by POLLARA Inc. under contract with SRDC.

[16]For simplicity, respondents were asked whether specified household assets were less than $3,000; they were not asked to state a specific value for their household assets.

A description of *learn*$ave was then read to those respondents who were deemed eligible. Consequently, those who did not have an interest in furthering their education or training or in starting a new small business may have been less inclined to complete the interview. Those who did choose to complete the interview were asked a series of questions probing their background characteristics and their views and intentions relevant to the issues of importance to the research objectives.[17] The findings from the market research survey are presented in Appendix F.

Awareness of and Interest in learn*$ave*

When the survey was conducted in the spring of 2003, 17.7 per cent of those who were eligible to enrol in *learn*$ave said they had already heard about the project. Half of those who had heard about *learn*$ave had a very positive impression and another 41.8 per cent had a somewhat positive impression. Among the reasons most often mentioned for their positive views, they said they liked the "free money" available to participants (27.8 per cent) and the fact that *learn*$ave helped people achieve their goals (36.4 per cent).

Only 4.7 per cent of the respondents had a negative impression of *learn*$ave. Their reasons for this impression were most often due to a concern that they might not qualify (6 per cent) or that they might be assigned to the control group (4.9 per cent). Only 2.7 per cent said that they were skeptical that *learn*$ave was a legitimate project.

Among the 1,259 eligible respondents, 38 had already applied to participate in the project. This number represents 17 per cent of those who were previously aware of the existence of *learn*$ave. The 38 applications also represent a take-up rate of three per cent of the 1,259 eligible survey respondents.

All respondents who said they were interested in *learn*$ave were invited to attend one of the application sessions that were to take place within the following month — 69.9 per cent said they wanted to attend. When they were contacted again in a second survey approximately one month later, however, very few had actually followed through on their intentions. Only 29 individuals attended a session to obtain more information about *learn*$ave or to apply — this number represents 6.4 per cent of the 452 people who were contacted a second time.[18] A lack of time was the main reason cited for not attending. Only 2.4 per cent said they were no longer interested and only 1 per cent said they did not think the offer was legitimate.

Among those who had attended a session, 16 completed an application form — this represents 55 per cent of those who had attended a session and 3.5 per cent of those who had said they would attend and had responded to the second survey. Another six people said they still intended to complete their application forms. A relatively large number — 313 respondents — said they still hoped to attend a session in future.

[17]The characteristics of those who completed the interview closely match those of the reference group in Toronto and Vancouver.

[18]While 854 respondents said they were interested in attending a session, many of them were not surveyed again because they could not be contacted within the following month, they had not agreed to a second interview, or they were IA recipients who were not eligible for the experimental study.

Implications for a Maximum Take-Up Rate

The first report on the *learn*$ave research (Kingwell, Dowie, & Holler, 2004) discussed the insights that the market research survey provides in estimating a maximum take-up rate. In this section, the findings of that report are updated based on additional information obtained since the publication of that preliminary report.

The findings from the market research survey indicate that three per cent of eligible respondents had already applied to *learn*$ave before they were contacted as part of the market research survey. After they heard about the project during the survey, an estimated further 2.1 per cent applied within the month following the survey.[19] Thus, one month after the survey, the take-up rate among eligible survey respondents had risen to 5.1 per cent. This cumulative take-up rate is based on the fact that all eligible respondents were aware of *learn*$ave and their eligibility to participate by the time they had completed the survey.[20] Consequently, the 5.1 per cent rate can be viewed as an estimate of the maximum take-up rate among eligible individuals in the general population.

The first report on *learn*$ave (Kingwell, Dowie, & Holler, 2004) indicated that an attempt would be made to determine the extent to which interested individuals may have applied after the second wave of the market research survey. Based on further research, there is no definitive indication that additional survey respondents applied to *learn*$ave.[21]

An alternative approach can be used to estimate a maximum take-up rate for *learn*$ave — this approach is based on increasing the take-up rate that actually occurred by assuming that everyone in the eligible population would eventually become fully aware of *learn*$ave. According to information collected in the market research survey, 17.7 per cent of the eligible population in low-income areas of Toronto and Vancouver were aware of *learn*$ave in April and May of 2003. At that time, 2,209 individuals had enrolled in the experimental study at those two sites — the corresponding take-up rate is 0.82 per cent based on the size of the eligible populations shown in Table 4.3. Using a simple extrapolation, an increase in the awareness level from 17.7 per cent to 100 per cent would raise the take-up rate for Toronto and Vancouver from 0.82 per cent to 4.6 per cent.[22] Thus if everyone in the target population in those areas had been aware of *learn*$ave at that time, about 4.6 per cent of the eligible population might have applied.

These observations therefore lead to two estimates of the maximum take-up rate that could potentially occur if everyone among the eligible population knew about *learn*$ave.

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[19]The additional 2.1 per cent is based on the fact that 16 individuals applied among the 452 who were contacted a second time — this represents 3.54 per cent of those contacted again. When this proportion is applied to the 739 people who said they were interested in attending an information session, it is estimated that an additional 26.2 individuals would have applied. These 26.2 individuals represent 2.1 per cent of the 1,259 eligible respondents.

[20]Notification that they were eligible was based on their responses to the screening questions, which in some cases were approximations representing the eligibility criteria.

[21]This conclusion is based on (1) records from the Vancouver office on how their enrollees heard about *learn*$ave and (2) where respondents gave permission, an attempt to match phone numbers from application forms with phone numbers from the market research survey. Unfortunately, neither method provided a clear indication that there were additional applications from the survey respondents.

[22]The extrapolated rate of 4.6 per cent is obtained by dividing the average rate for Toronto and Vancouver as of May 31, 2003, (0.82 per cent) by the proportion of the eligible population in those cities as estimated by the SLID reference group who were aware of *learn*$ave at that time as estimated by the market research survey (17.7 per cent). This extrapolation is based on the assumption that those who were not yet aware of *learn*$ave would eventually have applied in the same proportion as those who already were aware.

Although determined through different methods, the two estimates tend to converge around five per cent of the eligible population.

LEARNING MORE ABOUT *LEARN*$AVE

Individuals who heard about *learn*$ave and were interested in getting more information about the project and making an application usually contacted the site office. The site's staff would then answer the individual's inquiries and try to arrange a meeting either one-on-one or at an application session with other prospective applicants. As described below, the process was slightly more complex for applicants at the primary sites than at the secondary sites due to the random assignment procedures in Halifax, Toronto, and Vancouver. Application sessions were mandatory for everyone who wanted to apply for the experimental study at the primary sites — they could not submit an application without attending a session.

Primary Sites

To find out more about *learn*$ave, people would either call the site office or check the local *learn*$ave Web site. These Web sites generally contained more detailed information about the *learn*$ave project, the eligibility criteria, upcoming application sessions, as well as the contact number for the site office. Interested individuals often browsed through these pages to learn more about *learn*$ave before either contacting the site office or attending an application session. The sites found this to be a helpful tool for people to determine whether they were eligible without contacting the site office.

If they called the site, they were given more information about *learn*$ave and were asked some basic questions about their eligibility. Each site differed in the amount of information they provided over the telephone — for example Vancouver asked a few more screening questions than Toronto. Once it was determined that the person was likely to be eligible, they were told about the times and locations of upcoming application sessions.

The Halifax and Vancouver sites went further than the Toronto site over the phone. They asked people to register for particular application sessions — and would often follow-up with those who did not attend the session. In addition, during the first phone conversation they spoke to potential participants about the documentation that they needed to bring to the application session and about the importance of the documents.

In Toronto and Vancouver group application sessions were held several times a week in several locations throughout the catchment area, often at other non-profit agencies. In addition to group application sessions, one-on-one application sessions were scheduled in Vancouver and especially in Halifax.

All three sites used a standard slide presentation at the sessions. This slide presentation contained information about the experimental research, the *learn*$ave program parameters, and detailed eligibility criteria. At the end of the sessions, interested individuals were given a copy of the application form and an agreement form that authorized their informed consent to abide by the specific conditions associated with the experimental study. The informed consent form described the main features of the project and its specific conditions including, for example, an agreement that the applicant would allow SRDC to obtain their personal data from government sources for research purposes.

In Halifax and Vancouver those attending application sessions were encouraged to fill out an application form at the end of the session. Project staff would walk people through the form and give them tips on how best to fill it out. In contrast, the Toronto site relied on a "mail back" application system — applicants were encouraged to complete the form at home and then mail or deliver it to the site office. Along with the application form, Toronto applicants were given a mailing envelope addressed to the project office.

To assess the extent to which key information about *learn*$ave was clearly and adequately explained, SRDC staff attended several application sessions during the recruitment period. In attending the sessions, SRDC found that all three sites delivered the standard slide presentation with a high degree of consistency. In some instances — especially in smaller sessions or in one-on-one sessions — the presentations were less formal. However, even in those instances SRDC found that the core messages of *learn*$ave were delivered clearly. The site staff gave many application sessions and quickly became very familiar with the materials. Any errors SRDC observed were generally minor and happened early in the recruitment period when staff were still becoming familiar with the complexity of *learn*$ave's eligibility criteria and the associated questions that often arose.

In general, participants were engaged throughout the presentations and asked many questions about aspects of *learn*$ave that they did not understand. SRDC observed that some topics generated more questions and took more time for prospective applicants to absorb. In particular, SRDC noted that the rules governing *learn*$ave bank accounts — for example, the savings period, savings minimums, savings maximums, and the required number of monthly deposits — generated many questions at the application sessions. These features are described in Chapter 6 of this report. Chapter 6 also provides information on special surveys that confirm participants generally understood *learn*$ave's key rules.[23]

The quick surge of Toronto applications in the summer of 2002 led to some very large application sessions. These application sessions were often difficult and frustrating for both attendees and project staff — many attendees did not have an opportunity to ask the questions that they would have asked in a smaller session. The Toronto site did not keep track of the number of people who wanted to attend particular sessions or try to limit the size of the sessions because they did not want to turn anyone away or discourage anyone from applying — especially after several months of very low recruitment. However, after the initial response to the multi-faceted advertising campaign, the average size of the application session gradually decreased to more manageable levels.

Secondary Sites

Many steps in the application process at the secondary sites were similar to those in the experimental study at the primary sites. However, the absence of a baseline survey and random assignment allowed for a more streamlined process at the secondary sites. For most of these sites, the first contact between the participant and the site office occurred by telephone. As with the experimental sites, this was an opportunity to discuss some of the features of *learn*$ave as well as to do a preliminary check on the respondent's eligibility. After a telephone conversation, the applicant was invited to meet with site staff either one-

[23]These surveys include an exit survey of participants following "orientation sessions" that was administered to *learn*$ave-only and *learn*$ave-plus participants and a follow-up survey 10 months after the baseline interviews.

on-one or in a group setting at an application session.[24] The number of sessions that were done one-on-one varied from site to site, but in general the smaller recruitment targets at the secondary sites allowed for more one-on-one meetings. Unlike the experimental sites, the secondary sites did not use a common set of slides at the application sessions.[25]

Due to the more limited number of application sessions, SRDC attended fewer application sessions at the secondary sites. SRDC found that the presentations were usually less formal than they were at the primary sites. However, participants generally received and were able to understand *learn*$ave's key features before applying. Furthermore, staff at the secondary sites were knowledgeable and were able to answer applicants' questions.

APPLICATION PROCEDURES

Once prospective applicants had had the opportunity to learn about the project and had decided that they wanted to participate, they were required to complete an application form and provide certain supporting documentation. The application form was identical at all sites — except that there was no attached informed consent form for those applying at the secondary sites or for IA recipients applying for the non-experimental study at the primary sites.[26]

The application form required applicants to report their total income in the year prior to and the year of their application; income for the year of application was projected based on year-to-date income. To be eligible, an applicant's income had to be below 120 per cent of LICO in both years. Before being accepted, the applicants had to provide original income documentation both for themselves and their spouse, if applicable, for the year of application and the year prior to application. The incomes of other members of the economic family also had to be reported on the form but supporting documentation was not required. For the previous year's income, the preferred documentation was a Notice of Assessment issued by Canada Revenue Agency (CRA). For the current year's income, the applicant had to provide a separate document for each source of income; for example, the key document for employment income was a recent pay stub.

A considerable amount of staff time was often needed to obtain complete income documentation since the site offices had to follow-up missing documents and remind applicants to provide the missing information. In Halifax and Vancouver, even though applicants were encouraged to bring all of their appropriate documents to the application session, they frequently did not do so. In Toronto application forms were frequently mailed to the *learn*$ave office before the required documentation was submitted.

In addition to income, applicants were asked for their date of birth, social insurance number, income assistance status, student status, choice of savings goal, and contact information. They were also asked to report their liquid assets, including balances in savings

[24] In the rural sites more of these activities took place by mail and telephone.

[25] *learn*$ave's operations manual gave the secondary sites more flexibility as to how the material should be presented. The only stipulation was that certain key messages be delivered to each person before the application was completed.

[26] The consent of non-experimental participants was obtained primarily through the Project Participation Agreement, which is described in Chapter 6.

accounts, GICs, stocks, bonds, mutual funds, RRSPs, RESPs, and other savings.[27] As noted previously, applicants were not asked to report their chequing account balances. In addition, they were asked whether they owned a home and, if so, what the market value of their property was.

For non-income criteria, the assessment of eligibility was usually based on self-reported information, although site staff did have discretion to ask for additional documentation where they saw fit. This reliance on self-reporting may have created the potential for misrepresentation by applicants; however, SEDI felt that verifying all of this information would be too burdensome.[28]

Another apparent weakness of the asset screening process was the exemption of chequing account balances from the asset test. This exemption was implemented to minimize those situations in which applicants could be rejected merely because their paycheque was deposited into their bank account on the day before they applied. But this rule created the potential for applicants to shift funds into chequing accounts to avoid rejection due to the asset limit. Evidence from the baseline survey suggests that as a result of this loophole, a small proportion of enrollees with relatively high bank account balances were accepted into *learn*$ave: 9.8 per cent of the respondents to the baseline survey indicated that they had a total minimum balance of more than $5,000 in all their bank accounts, including chequing accounts, when they entered *learn*$ave.

Debts or credit ratings were not included as eligibility criteria. While excluding debts made the application process considerably more manageable, it is likely that many individuals with relatively high asset holdings had even higher personal debts and were nonetheless ineligible for *learn*$ave. With respect to credit ratings, applicants were often told that credit problems may affect their ability to open a *learn*$ave bank account.[29] If an applicant expressed concerns about their creditworthiness, site staff usually recommended that he or she attempt to open a regular account at RBC Royal Bank as a trial before applying to *learn*$ave.[30]

Changes in Eligibility Criteria

In addition to changes in recruitment campaigns, two significant revisions to the eligibility criteria were introduced after the start of the recruitment period, largely in response to the low initial recruitment results. The changes affected the allowable asset limits and adjusted the criteria to better accommodate the situation faced by newcomers to Canada.

The original asset maximum was set at five per cent of the previous year's income. However, early in the recruitment period many site offices felt that they were turning away people with savings marginally over the limit — even though they sometimes had total savings of less than $1,000. As a result, in November 2001 the asset limit was raised to the lesser of 10 per cent of income or $3,000.

[27]Applicants were required to list RESPs only when they were the beneficiary (not when another member of their household was the beneficiary).

[28]SEDI was responsible for finalizing the application criteria and application form. However, throughout the process SEDI consulted closely with SRDC.

[29]Further detail on the screening process used by RBC Royal Bank is provided in Chapter 6.

[30]If the person was later accepted into *learn*$ave, this account could be converted into a *learn*$ave account.

The second major change concerned applicants who were newcomers to Canada — for project purposes, a newcomer was defined as a person who had immigrated to Canada in either the year prior to or the year of application. Over the early recruitment period, it became evident that some special rules, or protocols, were needed for newcomers. Until March 2002 there was no newcomer protocol — people who had foreign income in the year prior to application or the year of application were simply not permitted to join *learn*$ave.

Newcomers initially could not apply to *learn*$ave for two reasons. First, it was difficult and at times impractical or impossible to document their foreign income. Notices of assessment were not available and foreign pay stubs, when they were available, were usually not available in English or French. Secondly, many immigrants are required to bring large sums of money into the country to support themselves for an initial settlement period of six months without any need for income assistance. Therefore many newcomers have high levels of liquid assets when they enter Canada. SEDI felt it was unjust to penalize newcomers by treating the funds that they are required to bring into the country to use for living expenses as assets.

In early March 2002 SEDI implemented the first version of the special protocol for newcomers. Applicants were asked to report their income using a special *learn*$ave form — a Foreign Income and Asset Declaration (FIAD) form. The FIAD asked for world (Canadian and foreign) earned income or government transfer income in Canadian dollars, regardless of whether it was received before or after they entered Canada. Income that they received in Canada was verified as it was for non-newcomers.[31] However, income earned outside Canada was usually self-reported and not verified through documentation. Funds brought into Canada to cover living expenses for six months were verified using the IMM1000 or IMM5292 forms, which were completed by immigration officials at the point of entry.[32]

Newcomers were also asked to report the current value of their liquid assets in chequing accounts, savings accounts, and other savings vehicles on the FIAD. Similar to the rules followed for non-newcomers, funds in chequing accounts were exempt from the usual asset limits; the asset limits then applied to all other liquid assets.

SEDI introduced a second version of the newcomer protocol in June 2002 that placed clearer limits on newcomers' liquid assets including chequing account balances. This was needed to protect against the possibility that some applicants could have large sums in their chequing accounts, thus circumventing the spirit of the asset limit rules. It was believed that the risk of excessive funds in chequing accounts was greater for some newcomers than for non-newcomers.

As a result, newcomers were asked to report the following three sources of funds for their economic family:

- World income (Canadian and foreign)

[31]Upon request, applicants were directed to the Bank of Canada Web site to help them convert foreign currency into Canadian currency.

[32]Some individuals entering Canada as refugees may not have had an IMM1000 or IMM5292, and provisions had to be made for alternate documentation.

- Funds brought into the country at the port of entry[33]
- Transfer of foreign funds between the time of arrival and the date of application completion[34]

Funds from these three sources were added separately for the year of application and the year prior to application. If the total in each year was less than 120 per cent of the LICO plus $3,000, the applicant was deemed eligible. Income and assets were treated under a single criterion, replacing separate criteria for income and assets.

The revised protocol had the advantage of placing clearly defined limits on liquid assets. As well, it asked for funds in possession at the time of immigration that could be directly verified against the IMM1000 form. However, it was more complex and time-consuming to administer.

As expected, the protocol allowed newcomers to enter *learn*$ave with bank balances that were higher than the bank balances of non-newcomers. According to information collected through the baseline survey, 25.3 per cent of newcomers had a total minimum balance of more than $5,000 in all of their bank accounts when they entered *learn*$ave — this compares with 3.5 per cent of non-newcomers who had similar balances. Higher balances were expected for newcomers because they were allowed to have sufficient funds in their bank accounts to cover six months' living expenses, starting from the date of their entry into Canada.

The Random Assignment Process

Enrollees in the experimental study in Halifax, Toronto, and Vancouver were the only ones to be randomly assigned. When an application form and supporting documentation were submitted to one of these sites as part of the experimental study, site staff did a final check to confirm that the application form was complete and the applicant was eligible. Halifax and Vancouver implemented a system whereby another staff member checked each application form. The Toronto office did not double-check each application form.

Periodically, SEDI conducted spot audits of application forms. In addition, as the recruitment period closed, the Toronto office was asked to double-check all of their forms. Based on these reviews, it was determined that the screening process was correctly applied at all sites. On very rare occasions mistakes by staff resulted in participants being admitted in error — it is estimated that this happened in less than one per cent of cases.

Each Friday copies of all the accepted application forms received that week for the experimental study were sent to POLLARA. POLLARA then electronically recorded the information on the forms and ran a further check on completeness and eligibility. When necessary, POLLARA called site offices for clarifications or corrections to application forms; this occurred more frequently with Toronto forms. On the whole, the Halifax and Vancouver offices' system of double-checking, combined with more help from site staff in completing the application forms, led to cleaner application forms.

[33] If the applicant arrived in Canada in the year prior to application, these funds were added to the previous year's income. Otherwise they were applied to the current year. The FIAD corrected for any duplication between the funds brought into Canada and world income.

[34] As with non-newcomers, assets that were "locked in" for at least four years were exempt.

After the forms were verified each week, the records were sent to POLLARA's call centre in Bathurst, New Brunswick where accepted applicants were then contacted by telephone for baseline interviews.[35]

Each week POLLARA sent application forms and survey responses to SRDC. Strictly on the basis of case numbers, SRDC then assigned the enrollees to the *learn*$ave-only, *learn*$ave-plus, and control groups though its random assignment algorithm. When the random assignment process was completed for that week, SRDC notified each site office of the case numbers assigned to each group. The site offices in turn contacted each enrollee to advise them of the result and invited those assigned to the *learn*$ave-only and *learn*$ave-plus groups to an orientation session.

Early in the recruitment period, delays were experienced in completing the baseline interviews and subsequently in the random assignment process. These delays lessened considerably as processes improved for batching application forms and reaching enrollees for their baseline interviews. Once the procedural details were improved, the elapsed time from the receipt of an application form at POLLARA to random assignment averaged two to three weeks. Delays still occurred occasionally if POLLARA had to await clarification regarding questions on application forms or if applicants were difficult to reach for the baseline interview.

The application process was much smoother for the secondary sites and for IA recipients at the primary sites. Since there was no random assignment or baseline survey, applicants who had all of their documentation with them when they met with site staff could sometimes be approved for the project immediately. At the initial meeting, those who were eligible would sometimes be given their orientation to *learn*$ave as well as all of the necessary paperwork to open their bank account. At the experimental sites, these steps could not take place for non-IA recipients until the baseline survey and random assignment were completed.

SUPPORTING INFORMATION SYSTEMS

As discussed in Chapter 6, SEDI developed a *learn*$ave management information system (MIS) to provide information on participants' relevant personal characteristics and project-related activities. However, the *learn*$ave MIS began to track *learn*$ave-only and *learn*$ave-plus participants only after they had been randomly assigned — consequently, this database was not useful in supporting the recruitment, application, and enrolment processes up to and including random assignment at the primary sites. In order to support their activities in these areas, each of the primary sites had to develop its own "in house" tracking database early in the recruitment period. Although the functionality and implementation of these databases differed from site to site, they were able to do the following:

- Track the number of calls to the site office as well as how each caller heard about *learn*$ave, which in turn provided key feedback on the effectiveness of various parts of the recruitment campaign

[35]The vast majority of interviews were completed in English by the Bathurst office. However, the survey was also translated into Chinese and, where necessary, POLLARA's Vancouver office contacted applicants in either Mandarin or Cantonese.

- Track contact information and the status of applicants as they moved through the enrolment process and random assignment[36]
- Automatically generate notification letters for the *learn*$ave-only, *learn*$ave-plus, and control groups after applicants were randomly assigned and entered[37]

While these databases were in some respects rudimentary, site staff indicated that they performed the required tasks for which they were designed. However, the inability of the MIS to perform these tasks meant that information had to be entered twice in order to accomplish multiple tasks — for example, name and contact information had to be entered into the tracking database, and then again into the MIS for *learn*$ave-only and *learn*$ave-plus participants. In addition, neither the tracking databases nor the MIS were capable of automatically "reading in" the random assignments sent by SRDC; they had to be entered manually into both systems. While this was a possible source for error, verifications by SRDC indicate that this process was completed accurately.[38] A more integrated system would have automatically transferred the information from the tracking system into the MIS.

[36]Vancouver began tracking people when they first called the site office. Toronto began tracking applicants when they attended an application session.

[37]The Halifax office addressed these letters manually using information from the database.

[38]SRDC compared the random assignment grouping entered into the MIS with the data from SRDC's random assignment computer.

Chapter 5: Characteristics of the Research Samples

This chapter describes the characteristics of the research samples in the *learn*$ave demonstration project. As mentioned in Chapter 3, *learn*$ave is comprised of three studies: (1) an experimental study of enrollees randomly assigned at the three primary sites, (2) a non-experimental income assistance (IA) study of those in receipt of income assistance at the primary sites, and (3) a non-experimental study of all individuals enrolled at the seven secondary sites.

Profiles of the samples are presented in the first three sections. The fourth section compares the sample for each of the three studies with corresponding profiles of the target populations who were eligible for *learn*$ave. This comparison provides an indication of the extent to which the eventual findings of this demonstration project can be generalized to the eligible population and shows who was most attracted by the opportunities offered by *learn*$ave.

The experimental study requires accepted applicants to be randomly assigned into two treatment groups (*learn*$ave-only and *learn*$ave-plus groups) and one control group. The random assignment process should ensure that each group has similar characteristics. The final section of this chapter discusses whether the random assignment process produced the intended result.

THE ENROLLED SAMPLE FOR THE EXPERIMENTAL STUDY

The experimental study sample is comprised of 3,584 individuals from Halifax, Toronto, and Vancouver.[1] Of this total, 1,195 were randomly assigned to the *learn*$ave-only group, 1,194 to the *learn*$ave-plus group, and 1,195 to the control group. Information pertaining to the experimental sample presented in this chapter was obtained from the application and participant information forms as well as the baseline survey. These sources capture information about the enrollees' demographic, socio-economic, and financial circumstances when they entered *learn*$ave. Comprehensive information about this sample is available because the experimental study is the central component of the research on *learn*$ave and each individual in the experimental sample was required to complete an interview as part of the baseline survey before enrolling in the project. Appendix G contains more detailed profiles of the experimental sample.

Demographic Characteristics

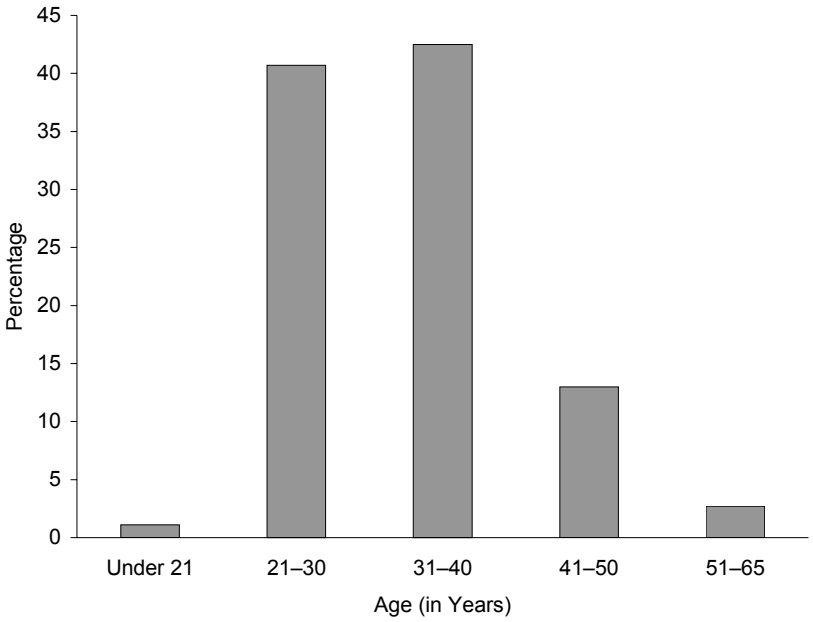
Gender and Age

The sample members for the experimental study at the primary sites are almost evenly split between men and women. Slightly more than half (52.3 per cent) are women. On average they were 33.4 years of age when they enrolled. Figure 5.1 shows the proportion of

[1] As discussed in Chapter 4, 3,601 individuals enrolled in the experimental study. In a subsequent review of the application process, 14 enrollees were later found not to have met the eligibility criteria; in addition, two enrollees withdrew their consent to allow their personal data to be included in the baseline database and the responses of one enrollee to the baseline survey were not adequately captured. The sample was therefore reduced to 3,584.

sample members in each age group. More than 80 per cent of the sample was under 40 years of age. Only 2.7 per cent was over 50 years of age.

Figure 5.1: Age of Enrollees, Experimental Sample

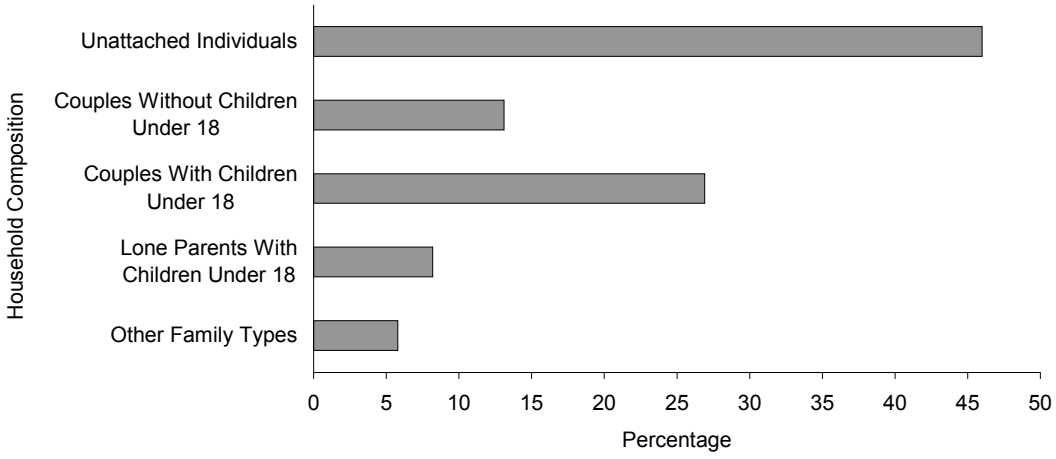


Source: Application form.

Household Composition

On average, 2.1 individuals from the same family lived in a typical household. Of this number, an average of 1.6 persons were adults while the remainder were children under 18 years of age. As shown in Figure 5.2, a high proportion of the sample lived alone (46 per cent). Couples with children under 18 years of age constitute 26.9 per cent of the sample, while lone parents with children under 18 years of age constitute another 8.2 per cent.

Figure 5.2: Household Composition of Enrollees, Experimental Sample



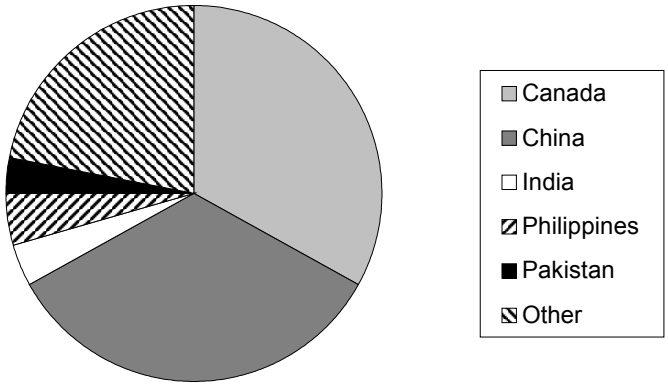
Source: Baseline survey.

Citizenship

An unexpectedly high number of sample members were landed immigrants (49.7 per cent). Only 1.7 per cent were refugees or in Canada on work or student permits. Another 48.5 per cent of the sample were Canadian citizens, and 33.2 per cent of the sample were born in Canada. A very high proportion of those born outside Canada (76.4 per cent) arrived in Canada within the five-year period before they enrolled in *learn*$ave.

As shown in Figure 5.3, a majority of the sample members were born in China (33.7 per cent) or Canada (33.2 per cent). India, Pakistan, and the Philippines account for 11.3 per cent of sample members' birthplaces.

Figure 5.3: Country of Birth of Enrollees, Experimental Sample



Source: Baseline survey.

Education

Sample members had high levels of formal education, with 52.2 per cent possessing a university degree at the bachelor's level or higher. As shown in Table 5.1, only 7.6 per cent of the sample earned a high school diploma and stopped pursuing a formal education at that point.

Table 5.1: Highest Level of Education, Experimental Sample

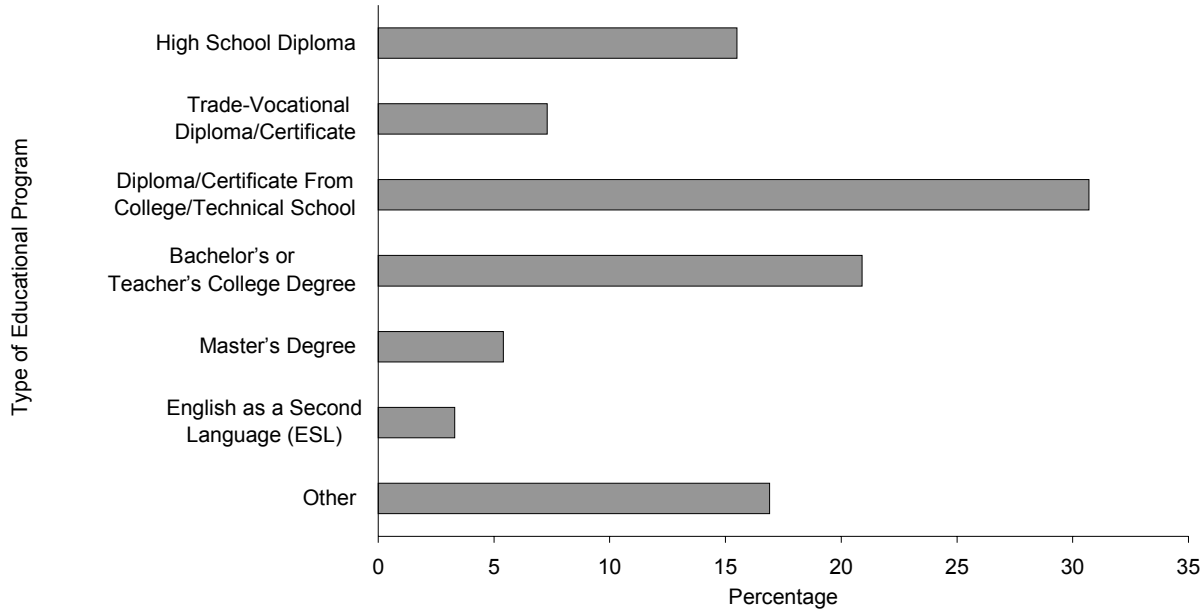
Highest Level of Education	Percentage of Sample
Less than high school	2.8
High school diploma	7.6
Some post-secondary	16.6
Non-university certificate or diploma	20.8
University degree	52.2

Source: Baseline survey.

Over half the sample (56.1 per cent) earned their highest level of education outside Canada in foreign educational institutions.

Sixteen per cent of the sample were enrolled in educational courses or programs when they responded to the baseline survey. Most were enrolled on a part-time basis (12.6 per cent), while 3.4 per cent were enrolled full time.[2] As shown in Figure 5.4, the majority of those continuing their education were working towards a college or technical certification (30.7 per cent), a bachelor's degree (20.9 per cent), or a high school diploma (15.5 per cent).

Figure 5.4: Experimental Sample Members Enrolled in an Educational Program, by Type of Program



Source: Baseline survey.

Employment Characteristics

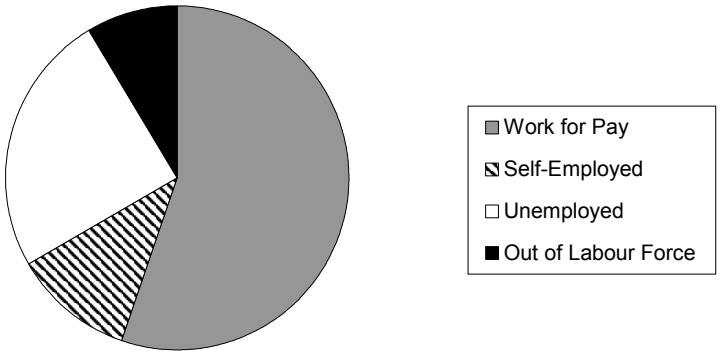
Close to two thirds of the sample members were employed at the time of the baseline survey — 55.2 per cent worked for pay and another 11.4 per cent were self-employed. As shown in Figure 5.5, 24.9 per cent were unemployed and looking for work.

Those who were working tended to concentrate in three industries. The largest proportion of the employed sample members worked in retail, wholesale, and service industries (34.7 per cent). Tourism, hotels, and restaurants accounted for 14.5 per cent and manufacturing and processing accounted for another 12.3 per cent.

Employment tended to be of relatively short duration. Almost half of those employed (42.8 per cent) had begun to work in their current job less than 12 months before the baseline interview. Another 33.5 per cent had worked in that job from one to two years and a further 10.8 per cent from two to three years.

[2] A small proportion of enrollees reported during their baseline interview that they were in school full time. According to the eligibility criteria, full-time students are not eligible for *learn*$ave. There are a number of possible reasons for the discrepancy: (1) full-time high school upgrading is allowed, (2) there is a time lag between the acceptance of applications and the baseline survey of enrollees in the experimental study during which time personal circumstances may change, and (3) data entry errors.

Figure 5.5: Labour Force Status, Experimental Sample



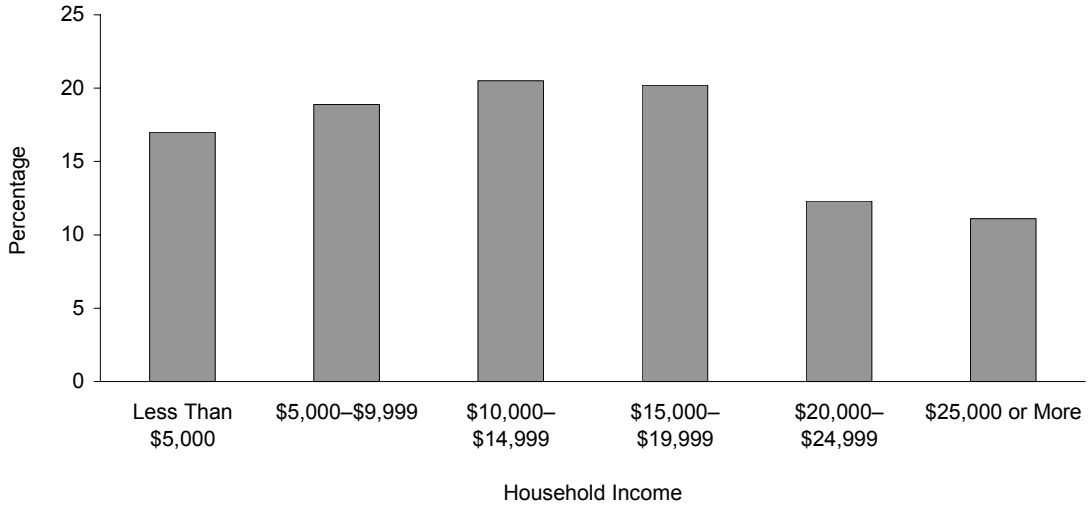
Source: Baseline survey.

Household Finances

Income

Annual household income was an important criterion for determining entry into the *learn*$ave project.[3] Because *learn*$ave is intended for low-income families, total household income could not exceed 120 per cent of the low income cut-off (LICO). On average, household income for the calendar year immediately preceding application to *learn*$ave was $13,943 for the full sample in the experimental study. As shown in Figure 5.6, the majority of enrollees have household incomes between $5,000 and $20,000. Only 23.5 per cent have household incomes exceeding $20,000.

Figure 5.6: Household Income in Calendar Year Before Application to *learn*$ave, Experimental Sample



Source: Application form.

[3]As noted in preceding chapters, the term "household" for the purposes of *learn*$ave excludes individuals living in the same dwelling who are not related to each other by blood, marriage, common law, or adoption.

Individuals who enrolled in *learn*$ave had an average income of $11,208 in the calendar year before their application. Table 5.2 indicates that employment income supplied the largest contribution to individuals' income ($8,738 from paid employment and $314 from self-employment).

Table 5.2: Individual Income in Calendar Year Before Application to *learn*$ave, Experimental Sample

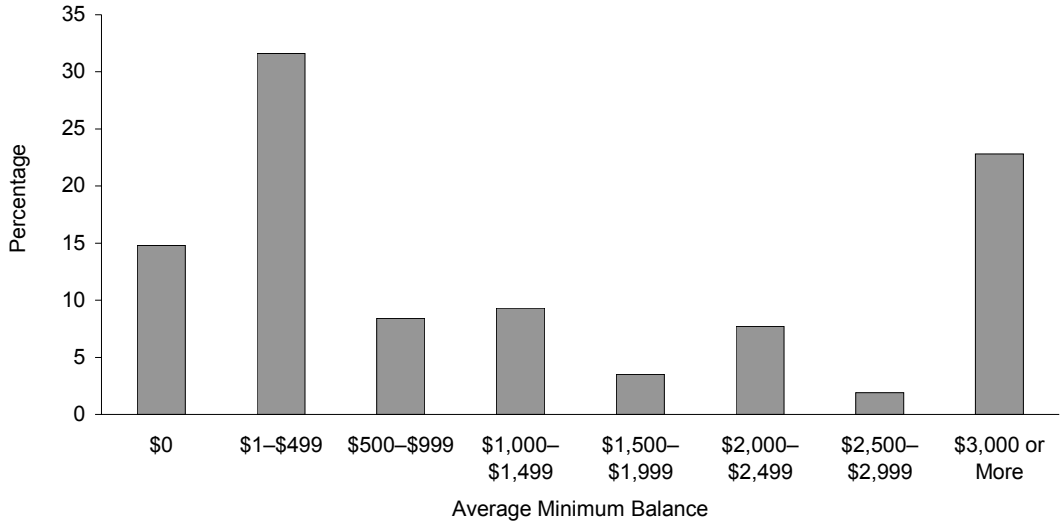
Source of Income	Annual Amount ($)
Employment earnings	8,738
Self-employment earnings	314
EI benefits	455
IA benefits	154
Other sources	1,547
Total	11,208

Source: Application form.

Savings

The vast majority of individuals who enrolled in *learn*$ave (98.2 per cent) already had at least one bank account when they entered the project. For those with accounts, the average minimum balance during the month before the baseline interview was $2,088. As shown in Figure 5.7, a substantial minority had no savings in their account.

Figure 5.7: Average Minimum Balance in Bank Accounts During the Month Before the Baseline Interview, Experimental Sample



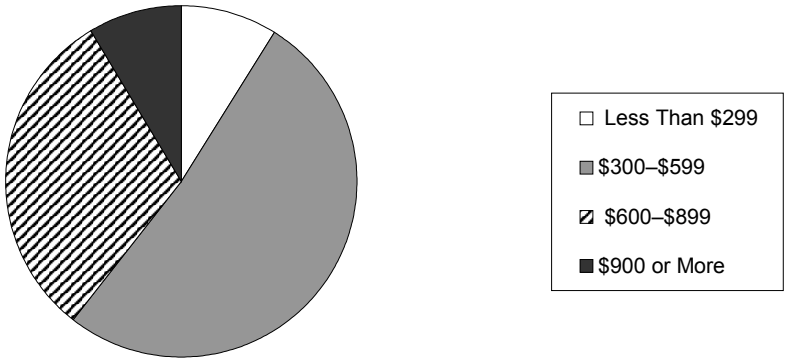
Source: Baseline survey.

Slightly more than half the sample members (57.0 per cent) were using a household budget when they enrolled. Of those with a budget, 94.5 per cent found it helpful.

Household Expenses for Housing and Vehicles

Much of the sample members' income was needed to cover monthly costs related to rent, utilities, vehicles, and the costs of home ownership in some cases (5.1 per cent owned their own home). As shown in Figure 5.8, almost two thirds were paying less than $600 a month for rent — the average rent was $546.[4] Only 5.7 per cent of the sample had their rent subsidized by government.

Figure 5.8: Monthly Cost of Rent for Accommodations, Experimental Sample



Source: Baseline survey.

For 43.1 per cent of those who rented their accommodations, monthly rent did not include electricity, heating, and water. These sample members paid $67 for utilities in an average month.

Among the 5.1 per cent of sample members who owned their home, expenses for utilities, taxes, and insurance amounted to $745 in an average month. Monthly mortgage payments averaged $774.

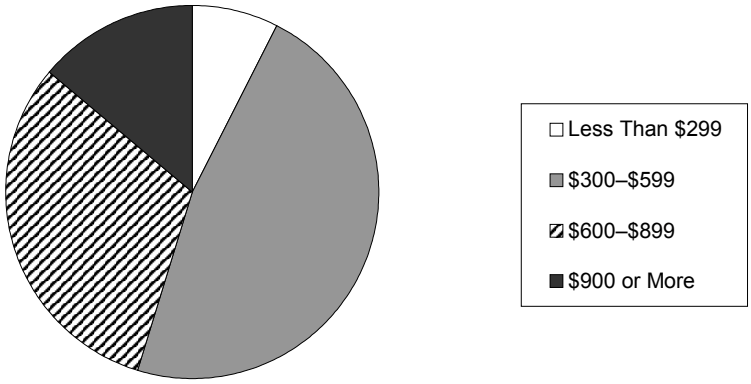
Monthly housing costs for the full sample are shown in Figure 5.9, which combines the costs of those who rent and those who own their home. More than half of the sample paid less than $600 in an average month for rent, utilities, mortgage payments, taxes and insurance. The average monthly cost for these expenses was $615 for the full sample.

A small proportion of the sample (8.3 per cent) had the added expense of a lease or an outstanding debt for one or more vehicles. These individuals paid an average of $222 per month to cover these expenses.

In spite of their relatively low income levels, a large majority of sample members (92.8 per cent) succeeded in paying their rent or mortgage instalments when due. Almost as many (87.8 per cent) paid all other housing expenses on time.

[4]This amount excluded the portion of housing costs paid by non-family members sharing the accommodations.

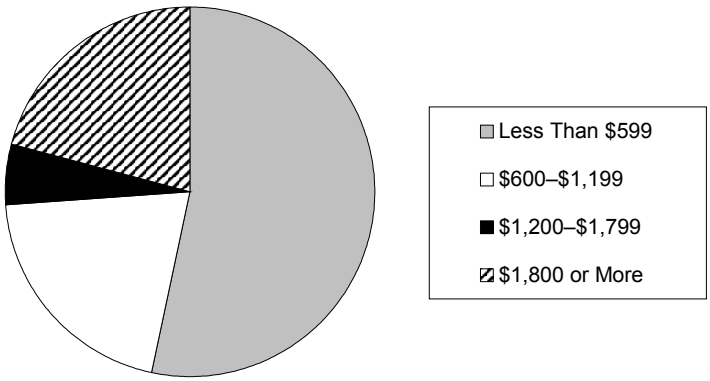
Figure 5.9: Total Monthly Housing Costs, Experimental Sample



Source: Baseline survey.

A substantial minority (27.0 per cent) experienced some difficulty in meeting household expenses. This group had to borrow from family or friends an average of 2.7 times during the 12 months before enrolment to pay for food, rent, mortgage payments, or other necessities. As shown in Figure 5.10, many had to borrow more than $1,800 during those 12 months.

Figure 5.10: Amount Borrowed by Household in the Last 12 Months to Pay for Necessities, Experimental Sample



Source: Baseline survey.

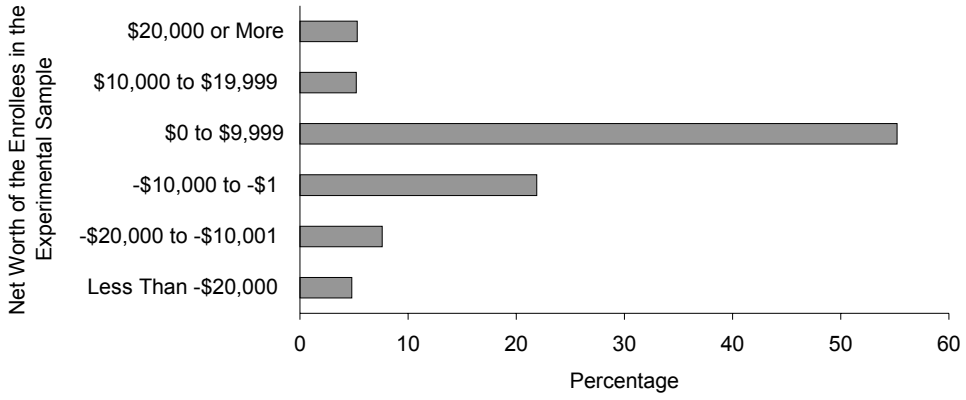
In addition, a small proportion (7.4 per cent) of the sample members used a food bank an average of 6.4 times during the 12 months before they enrolled.

Net Worth

Net worth is defined as the difference between the value of asset holdings and the amount of indebtedness. Because *learn*$ave is designed to increase the incremental amount of one's savings and ultimately increase one's income in the longer term, it is important to estimate the net worth of sample members at the time of the baseline survey and subsequent follow-up surveys.

The average net worth of sample members at the time of the baseline survey was $2,833. Figure 5.11 shows the wide range of net worth values among the sample. Two thirds of the sample members have positive values for net worth because the value of their assets exceeds that of their debts. The values of each category of asset and debt are described in the following sections.

Figure 5.11: Net Worth of Enrollees, Experimental Sample



Source: Baseline survey.

Assets

Assets comprise three main categories: financial assets, non-financial assets, and business assets. Financial assets include bank account balances, term deposits, stocks, bonds, mutual funds, registered retirement savings plans (RRSPs), registered education savings plans (RESPs) and other financial assets. Non-financial assets include assets such as a principal residence, other real estate, and vehicles. Business assets are not included in this determination of asset holdings because the information is not available from the baseline survey, which was a telephone survey of limited duration.

Table 5.3 shows the various categories of assets held by members of the sample. Almost everyone (98.2 per cent of the sample) had a bank account, and those with an account had an average minimum balance of $2,088 at the time of the baseline survey. A minority, and in most cases a very small minority, of sample members had other categories of assets. About one third (35.9 per cent) had one or more vehicles worth an average of $3,909. Some (15.9 per cent) had savings in the form of RRSPs, term deposits, mutual funds, and stocks and bonds worth an average of $1,660. A few sample members (5.1 per cent) owned homes with an average market value of $156,753.

Table 5.3: Proportion of Experimental Sample Members Holding Specific Assets by Asset Category and Value of Assets in Each Asset Category

Asset Category	Percentage Holding Assets in Category (%)	Mean Value Among Asset Holders ($)
Bank accounts	98.2	2,088
Savings at home or with friends	4.7	1,771
Other special savings accounts	3.9	1,950
Investments including bonds, term deposits, and RRSPs	15.9	1,660
RESPs	8.6	2,303
Other education savings	4.5	2,384
Principal residence	5.1	156,753
Vehicles	35.9	3,909

Source: Baseline survey.

Notes: The first four categories refer to the savings and investments of individual enrollees; the last four refer to household assets.
Sample members who failed to respond to an item were not included in the calculations of mean values.
Mean values among those holding specific categories of assets as shown in Table 5.3 underestimate the actual values at baseline because for the first third of the sample, responses were capped at a maximum value. Based on responses from the other two thirds of the sample, the actual mean values are estimated to be higher than the values shown above by the following percentages: bank account balances, 12 per cent; savings at home or with friends, 18 per cent; other special savings accounts, 13 per cent; investments including bonds, etc., 8 per cent; RESPs, 3 per cent; and other education savings, 16 per cent. For principal residence and vehicles there is no increase.

Debts

As shown in Table 5.4, outstanding mortgages represent the largest debt balance for the small proportion of sample members who own their home. Four per cent of them own a home and have a mortgage, and their average outstanding balance payable on the mortgage is $102,499.[5]

Table 5.4: Proportion of Experimental Sample Members With Specific Debts by Category and Value of Outstanding Debt in Each Category

Debt Category	Percentage With Debts in Category (%)	Mean Value of Outstanding Debt ($)
Mortgage	4.3	102,499
Vehicle loans	10.0	3,459
Student loans	22.2	12,248
Unpaid credit card balances	25.9	2,327
Other loans	19.4	6,253

Source: Baseline survey.

Notes: The first two categories refer to the debts of individual enrollees; the last three refer to household debts.
Sample members who failed to respond to an item were not included in the calculations of mean values.

Student loans were the second largest type of debt — 22.2 per cent of the sample owed an average of $12,248 for this type of loan. The majority of sample members (68.7 per cent) had at least one credit card and 25.9 per cent of the sample had an outstanding balance on their credit cards. The average amount owing on other loans, which included loans other than for mortgages, vehicles, credit cards, and student loans, was about three times higher than credit card loans — but they were well below mortgage and student loan amounts.

[5]Enrollees were allowed to own their home as long as its market value did not exceed the median market value of homes in their community.

THE ENROLLED SAMPLE FOR THE NON-EXPERIMENTAL IA STUDY

Those who were in receipt of IA benefits at the three primary sites were also invited to participate in *learn*$ave. All 225 applicants who were accepted — 75 at each of the three sites — had full access to *learn*$ave's benefits including matched credits, financial management training, and case management services. They are not part of the sample for the experimental study at the three primary sites; instead, they comprise a separate sample of enrollees for the IA non-experimental study.

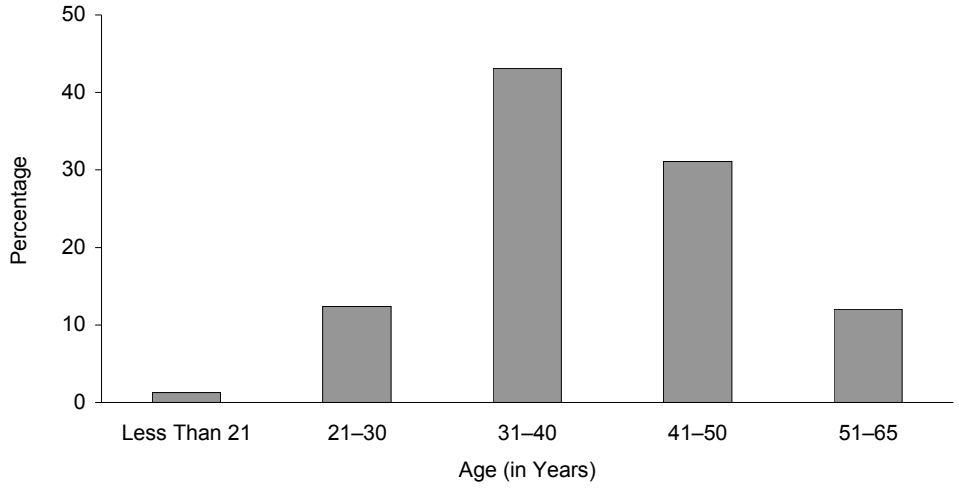
The information about the sample presented below was obtained from enrolment forms, which include the application form and the participant information form. These individuals were excluded from the baseline survey administered to the experimental sample. As a result, the information on the IA non-experimental sample is much less comprehensive than that available for the experimental sample.

Demographic Characteristics

Gender and Age

A substantial majority (71.1 per cent) of the sample members are women. As shown in Figure 5.12, the largest proportion (43.1 per cent) was between 31 and 40 years of age when they enrolled. On average they were 39.7 years of age, which is about six years older than the experimental sample.

Figure 5.12: Age of Enrollees, Non-experimental IA Sample

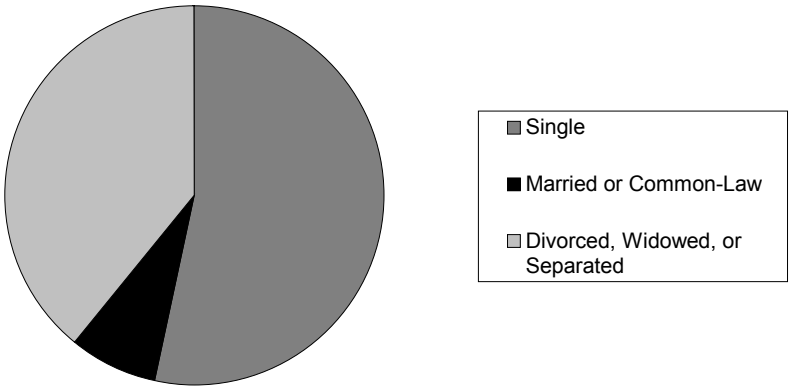


Source: Application form.

Household Composition

An average of 2.2 family members lived in sample members' households — this number included 1.2 adults and 1 child. As shown in Figure 5.13, the majority of the sample members were single (53.3 per cent). A large proportion (39.1 per cent) were divorced, widowed, or separated.

Figure 5.13: Marital Status of Enrollees, Non-experimental IA Sample



Source: Application form.

Citizenship

In stark contrast to the experimental sample, a large majority of the sample members (86.7 per cent) were Canadian citizens. Only 11.6 per cent were landed immigrants.

Education

As shown in Table 5.5, 24.5 per cent of sample members had a university degree, diploma, or certificate — this proportion is almost half the proportion of experimental sample members with the same credentials. One fifth (20.5 per cent) had a high school diploma and stopped pursuing a formal education at that point.

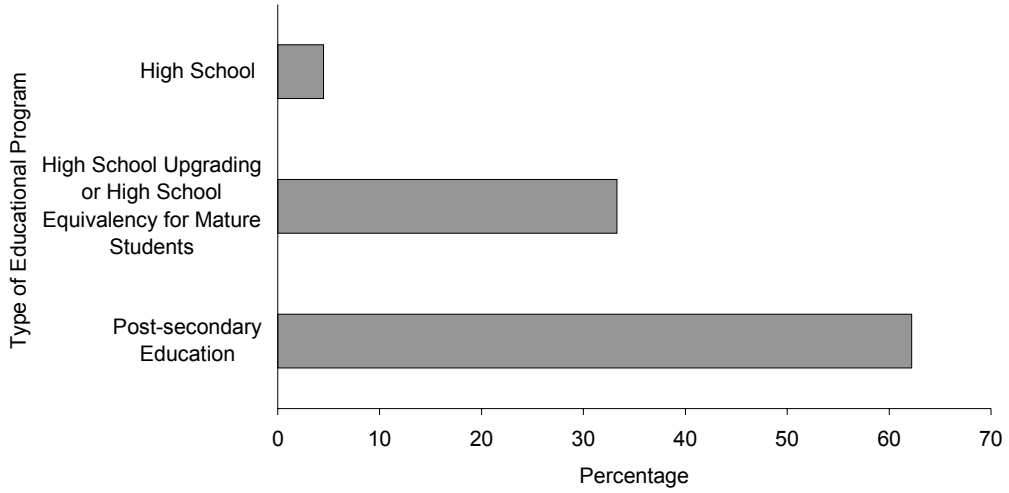
Table 5.5: Highest Level of Education, Non-experimental IA Sample

Highest Level of Education	Percentage of Sample
Less than high school	12.4
High school diploma	20.5
Some post-secondary	25.3
Non-university certificate of diploma	17.3
University degree	24.5

Source: Participant information form.

Twenty per cent were pursuing further education when they enrolled in *learn*$ave: 14.2 per cent of sample members were enrolled part time and another 5.8 per cent were full-time students. As shown in Figure 5.14, they were primarily enrolled in post-secondary courses.

Figure 5.14: Non-experimental IA Sample Members Enrolled in an Educational Program, by Type of Program



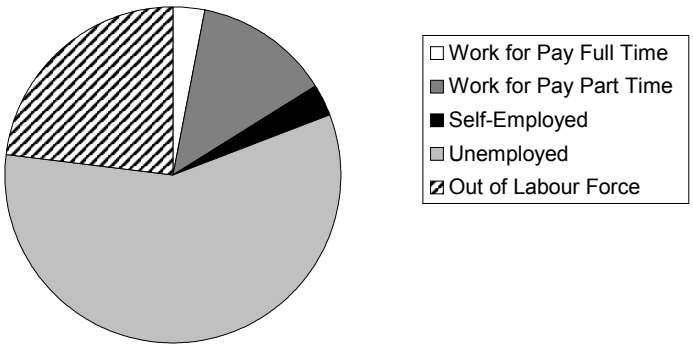
Source: Application form.

Employment and Income

Employment

Since enrollees in the IA non-experimental study had to be in receipt of income assistance benefits when they applied, a minority of the sample members were employed. As shown in Figure 5.15, a small minority (3.1 per cent) were employed full time according to information they provided on participant information forms, which were usually completed weeks after the application date. It is likely that their employment status changed between the dates of application and enrolment.

Figure 5.15: Labour Force Status, Non-experimental IA Sample

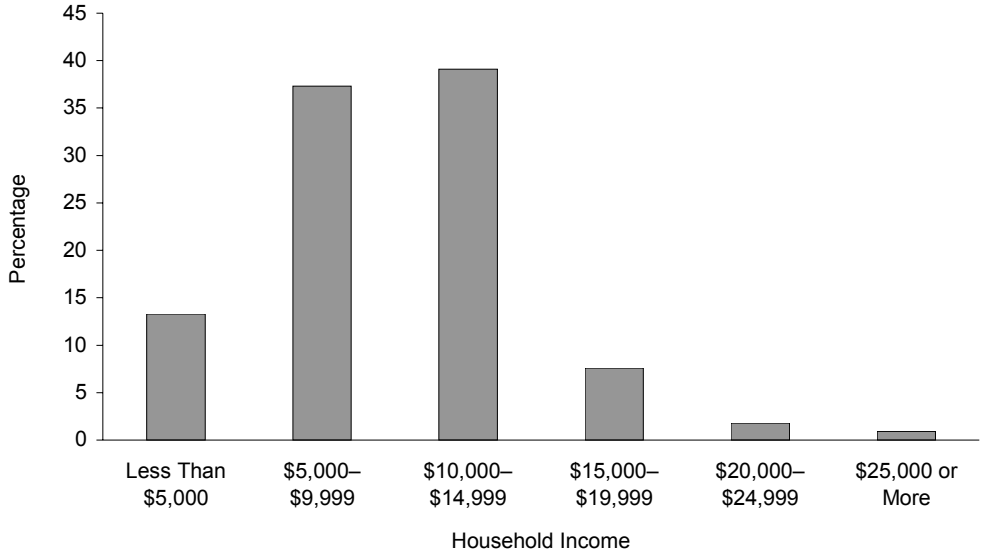


Source: Participant information form.

Income

On average, the annual household income of IA study enrollees in the year preceding application to *learn*$ave was $9,958. As shown in Figure 5.16, more than three quarters of the sample members had an income between $5,000 and $15,000.

Figure 5.16: Household Income in Calendar Year Before Application to *learn*$ave, Non-experimental IA Sample



Source: Application form.

The individual average annual income for each sample member was $9,749. As shown in Table 5.6, income assistance benefits provided the largest contribution to average individual income ($6,217). Employment income provided another $2,611.

Table 5.6: Individual Income in Calendar Year Before Application to *learn*$ave, Non-experimental IA Sample

Source of Income	Annual Amount ($)
Employment earnings	2,611
Self-employment earnings	74
EI benefits	226
IA benefits	6,217
Other sources	621
Total	9,749

Source: Application form.

Assets

When they applied to *learn*$ave, sample members indicated the amount of their holdings of various categories of assets on their application forms. Since they were not asked to complete a baseline interview, no other information on their debts, net worth, or household finances is available. In addition, as noted in Chapter 4, applicants were not asked to indicate the balance in their chequing accounts. These balances are therefore not included in the asset holdings of the non-experimental IA sample.

Very few of the sample members held any assets, and among those who did, the average value of their assets was very low. Only 5.8 per cent of the sample owned their own home — the average value of their homes represented by far the highest amount in any asset category ($80,310). Overall, the average value of the sample members' assets was $3,599.[6]

No information is available on the debts of individuals in this sample because the information was not requested on the application form and no baseline survey of this sample was conducted.

THE ENROLLED SAMPLE FOR THE NON-EXPERIMENTAL STUDY

At the seven secondary sites, participation in *learn*$ave was open to those in receipt of income assistance (about 25 per cent of the final sample) in addition to others who were not receiving income assistance. All of the 996 sample members who were accepted as participants in the project have full access to matched credits, financial management training, and case management services.[7]

The information about the sample presented below was obtained from the application form and the participant information form. These individuals were excluded from the baseline survey administered to the experimental sample. As a result, the information on the non-experimental sample at the secondary sites is much less comprehensive than that available for the experimental sample.

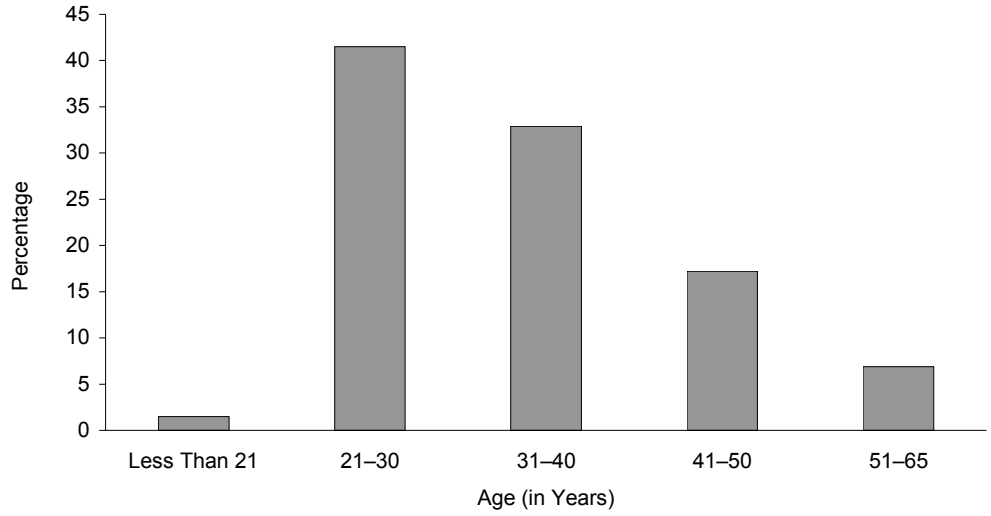
Demographic Characteristics

Gender and Age

Over two thirds (68.8 per cent) of the sample members are women. As shown in Figure 5.17, the largest proportion (41.5 per cent) was between 21 and 30 years of age when they enrolled. On average they were 34.5 years of age, which is about one year older than the experimental sample and five years younger than the IA sample.

[6]The mean values of the various asset categories cannot be presented because sample sizes are too small for most categories.
[7]Among the 1,001 individuals who enrolled, five were later found to have been ineligible: three had exceeded the income or asset thresholds and one was a student under 21 years of age.

Figure 5.17: Age of Enrollees, Non-experimental Sample

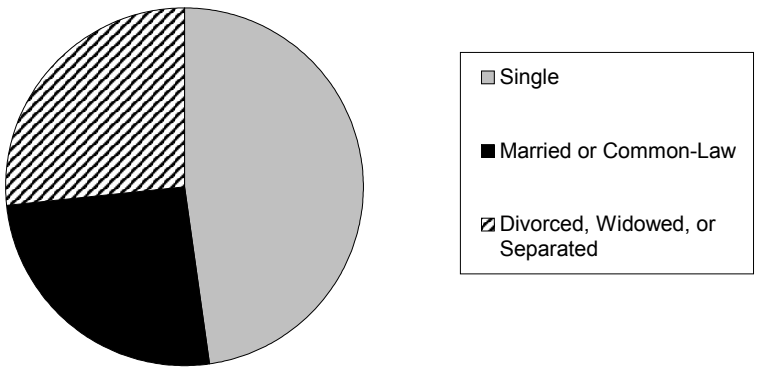


Source: Application form.

Household Composition

An average of 2.3 family members lived in sample members' households — this number included 1.4 adults and 0.9 children. As shown in Figure 5.18, almost half of the sample members were single (47.8 per cent). The next highest proportion were married (25.4 per cent).

Figure 5.18: Marital Status of Enrollees, Non-experimental Sample



Source: Application form.

Citizenship

A large majority of the sample members (80.5 per cent) were Canadian citizens. This is a much higher proportion than the proportion of experimental study members who were Canadian citizens. Only 17.2 per cent of the non-experimental sample were landed immigrants.

Education

As shown in Table 5.7, 25.7 per cent had a university degree, diploma, or certificate, which is about half the proportion of experimental sample members with the same credentials. Another 15.0 per cent of sample members had a high school diploma and did not pursue their formal education any further.

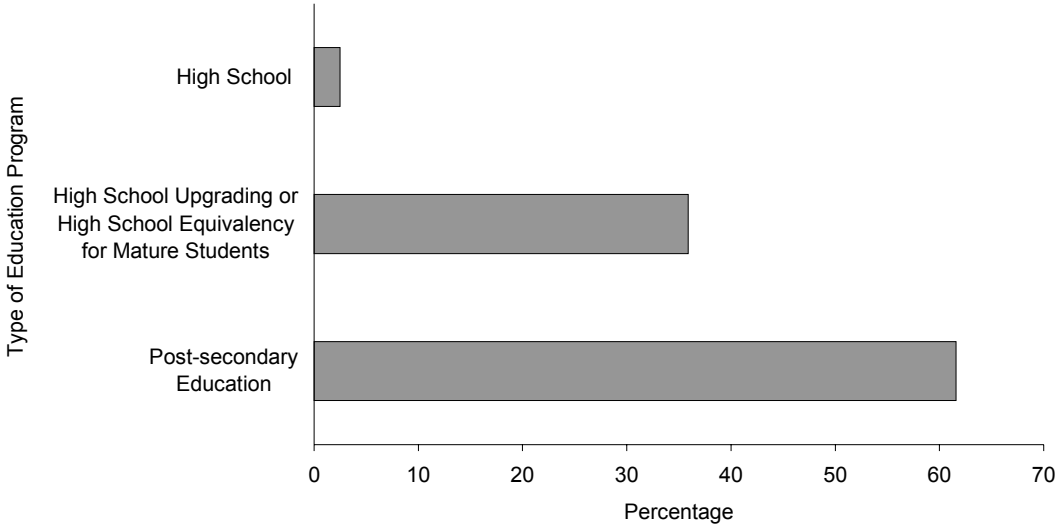
Table 5.7: Highest Level of Education, Non-experimental Sample

Highest Level of Education	Percentage of Sample
Less than high school	10.1
High school diploma	15.0
Some post-secondary	29.1
Non-university certificate or diploma	20.1
University degree	25.7

Source: Participant information form.

A minority of the sample (16.0 per cent) was pursuing further education when they enrolled in *learn*$ave: 11.8 per cent of sample members were enrolled part time and another 4.2 per cent were full-time students. As shown in Figure 5.19, they were primarily enrolled in post-secondary courses.

Figure 5.19: Non-experimental Sample Members Enrolled in an Educational Program, by Type of Program



Source: Application form.

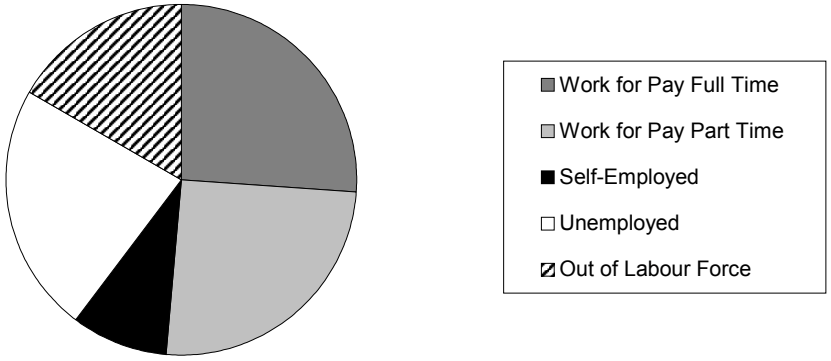
Employment and Income

Employment

Most of the sample members were employed when they entered *learn*$ave. As shown in Figure 5.20, 26.2 per cent were employed full time, another 25.1 per cent were employed part time, and 9.1 per cent were self-employed. Since one quarter of the sample comprises those

who were receiving income assistance when they entered *learn*$ave, the overall employment rate of 60.4 per cent for the whole sample falls between the employment rates for the experimental sample and the non-experimental IA sample.

Figure 5.20: Labour Force Status, Non-experimental Sample

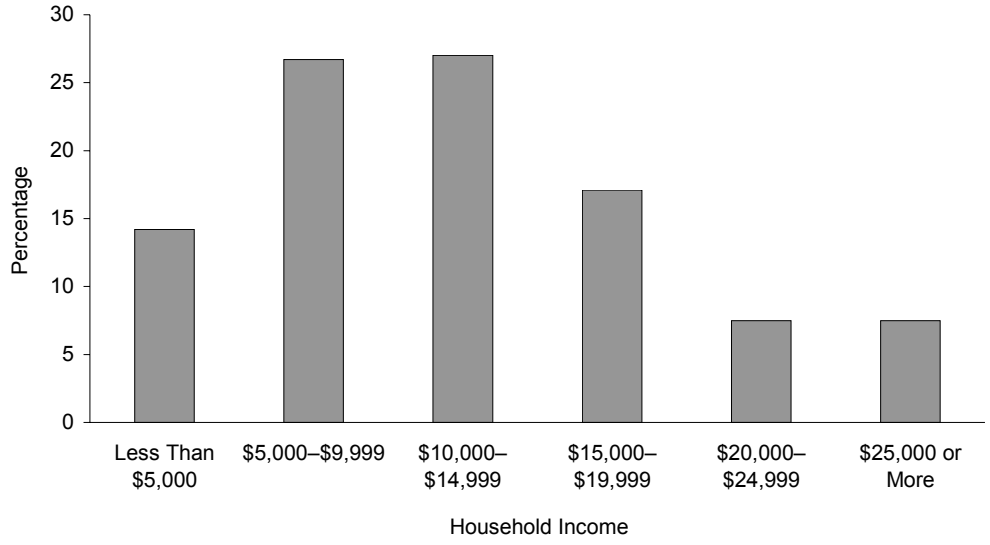


Source: Participant information form.

Income

On average, annual household income for non-experimental study enrollees at the secondary sites in the year preceding application to *learn*$ave was $12,648. As shown in Figure 5.21, just over half the sample had incomes between $5,000 and $15,000.

Figure 5.21: Household Income in the Calendar Year Before Application to *learn*$ave, Non-experimental Sample



Source: Application form.

The individual average annual income for each sample member was $9,940. As shown in Table 5.8, employment income provided the largest contribution to average individual income ($6,372). Income assistance benefits provided another $1,739.

Table 5.8: Individual Income in the Calendar Year Before Application to *learn*$ave, Non-experimental Sample

Source of Income	Annual Amount ($)
Employment earnings	6,372
Self-employment earnings	400
EI benefits	571
IA benefits	1,739
Other sources	858
Total	9,940

Source: Application form.

Assets

Sample members indicated on their application forms the amount of their holdings in various categories of assets when they applied to *learn*$ave. Since they were not asked to complete a baseline interview, no other information on their debts, net worth, or household finances is available.

As shown in Table 5.9, 15.7 per cent of the sample owned their home. The average value of their homes was $71,406, which represented by far the highest value in any asset category. Close to 19 per cent of the sample had savings accounts with an average balance of $445. The vast majority of sample members had no other assets.

Table 5.9: Proportion of Non-experimental Sample Members Holding Specific Assets by Asset Category and Value of Assets in Each Asset Category

Asset Category	Percentage Holding Assets in Category (%)	Mean Value Among Asset Holders ($)
Savings accounts	18.8	445
Guaranteed Investment Certificates	1.4	1,073
Stocks	3.6	694
RRSPs	5.5	972
RESPs	0.6	776
Principal residence	15.7	71,406
Other assets	2.3	651

Source: Application form.
Notes: All the above categories are considered household assets on the application form.
Sample members who failed to respond to an item were not included in the calculations of mean values.

Overall, the average value of sample members' assets was $11,084. The account balance in their chequing accounts is unknown: funds in chequing accounts were not considered in determining applicants' eligibility for *learn*$ave.

No information is available on the debts of individuals in this sample because the information was not requested on the application form and no baseline survey of this sample was conducted.

THE RESEARCH SAMPLES AND TARGET POPULATIONS

This section addresses the following questions: How do the samples for the three studies resemble one another and how do they differ? And to what extent do the samples of enrollees represent the underlying eligible populations who could benefit from participating in *learn*$ave?

Comparison of the Research Samples

In the three samples combined, there are 4,805 enrollees including members of the experimental study's control group and excluding a small number of enrollees who did not meet the eligibility criteria or decided to withdraw their consent to be part of the research study.

Table 5.10 shows the characteristics of the overall sample as well as those of the individual studies. Members of the control group are included in the sample for the experimental study. Overall, *learn*$ave's enrollees tend to be young (33.9 years of age) with a good formal education (45.4 per cent have a university degree). As expected, they have low incomes ($10,877) and less than two thirds are employed (63 per cent). But unlike other IDA programs, a substantial proportion of enrollees tend to be landed immigrants (41.2 per cent) and less than two thirds (61.5 per cent) speak one of Canada's official languages at home. Just over half (56.6 per cent) of enrollees are female, compared with almost 80 per cent of participants in the American Dream Demonstration.

As the preceding sections of this report attest, the three study samples differ substantially from one another. Not unexpectedly, the greatest variations are evident when sample members from the experimental study (none of whom was receiving IA) and the non-experimental IA study are compared. In spite of the fact that they live in the same cities, there are wide variations between these two samples in almost every characteristic shown in Table 5.10, which summarizes the results presented in preceding sections of this chapter. Compared with the IA sample, experimental study sample members are more likely to be young men, married, with a higher level of formal education, and employed. As expected, employment rates for the two samples diverge sharply.

For certain characteristics, no comparison is possible because less information was collected for the IA sample and for the non-experimental sample at the secondary sites. As explained in a preceding section, most of the research effort is concentrated in the experimental study, and a baseline survey was therefore conducted only for the experimental study sample.

For this reason, it is not possible to directly compare the proportion of recent immigrants among the three samples. About half of the experimental study sample (50.9 per cent) are recent immigrants who arrived in Canada during the five-year period immediately preceding their enrolment in *learn*$ave; the corresponding proportion among the IA sample is unknown. However, since the proportion of landed immigrants at the primary sites (49.7 per cent) closely approximates the proportion of recent immigrants at those sites, it is reasonable to compare those with landed immigrant status across the three studies. The wide variation of landed immigrants at the primary sites — 11.6 per cent of non-experimental IA enrollees as compared with 49.7 per cent of experimental enrollees — is quite striking.

Table 5.10: Selected Characteristics of the *learn*$ave Samples at Time of Enrolment, by Study Type

Characteristic	Experimental Study	Non-experimental Study	Non-experimental IA Study	Weighted Average
Gender (%)				
Female	52.3	68.8	71.1	56.6
Age (%)				
Under 21	1.1	1.5	1.3	1.2
21–30	40.7	41.5	12.4	39.5
31–40	42.5	32.9	43.1	40.5
41–50	13.0	17.2	31.1	14.7
51–65	2.7	6.9	12.0	4.0
Mean age	33.4	34.5	39.7	33.9
Marital status (%)				
Single	45.4	47.8	53.3	46.3
Married or common law	42.3	25.4	7.6	37.2
Divorced, widowed, or separated	12.3	26.8	39.1	16.6
Household type (%)				
Unattached individuals	46.0	n/a	n/a	n/a
Couples without children under 18 years of age	13.1	n/a	n/a	n/a
Couples with children under 18 years of age	26.9	n/a	n/a	n/a
Lone parents with children under 18 years of age	8.2	n/a	n/a	n/a
All other types	5.8	n/a	n/a	n/a
Home language (%)				
English/French	53.0	86.7	84.9	61.5
Other	46.9	13.3	15.1	38.4
Don't know / refused	0.1	0.0	0.0	0.1
Immigration status (%)				
Canadian citizen	48.5	80.5	86.7	56.9
Landed immigrant	49.7	17.2	11.6	41.2
Other	1.7	2.3	1.8	1.8
Place of birth (%)				
Born in Canada	33.2	n/a	n/a	n/a
Born in China	33.7	n/a	n/a	n/a
Don't know / refused	0.1	n/a	n/a	n/a
Immigration year (%)				
Recent immigrant[a]	50.9	n/a	n/a	n/a
Equity groups (%)				
Aboriginal	1.2	4.2	4.9	2.0
Visible minority[b]	65.0	24.6	26.7	54.4
Activity limitation	6.4	12.2	31.6	8.8
Highest level of education (%)				
Less than high school	2.8	10.1	12.4	4.8
High school graduate	7.6	15.0	20.5	9.7
Some post-secondary	16.6	29.1	25.3	19.6
Non-university certificate or diploma	20.8	20.1	17.3	20.5
University degree	52.2	25.7	24.5	45.4

(continued)

Table 5.10: Selected Characteristics of the *learn*$ave Samples at the Time of Enrolment, by Study Type (Cont'd)

Characteristic	Experimental Study	Non-experimental Study	Non-experimental IA Study	Weighted Average
Current education activities (%)				
In school part time	12.6	11.8	14.2	12.5
In school full time	3.4	4.2	5.8	3.7
Employment and income				
Employed (%)	66.5	60.4	19.1	63.0
Annual income ($)[c]	11,208	9,940	9,749	10,877
Annual employment earnings ($)	8,738	6,372	2,611	7,961
Annual self-employment earnings ($)	314	400	74	321
Annual employment insurance benefits ($)	455	571	226	468
Annual social assistance benefits ($)	154	1,739	6,217	766
Dwelling tenure (%)				
Owned by household	5.1	15.7	5.8	7.3
Not owned by household	95.0	84.3	94.2	92.7
Sample size	3,584	996	225	4,805

Sources: Application form, participant information form, and baseline survey.

Notes: Some numbers may not sum exactly to 100 per cent due to rounding.

[a]Includes respondents who immigrated in 1998 or later.

[b]Enrollees in the experimental study were asked, "Would you say you were White, Chinese, South Asian, Black, Arab, Filipino, South East Asian, Latin American, Japanese, Korean, or a member of another group?" Those who gave an answer other than white were classified as a visible minority. In contrast, participants in the non-experimental and IA studies were simply asked, "Do you consider yourself to be a member of a visible minority?"

[c]Annual income is individual income in the calendar year prior to application. For those who immigrated to Canada in the year prior to application, annual income is based on a formula that includes foreign income, Canadian income, and money brought into Canada.

For most characteristics shown in Table 5.10, the non-experimental sample at the secondary sites has characteristics that generally fall between those of the other two samples. This is not surprising since the non-experimental sample at the secondary sites comprises IA recipients as well as others who are not IA recipients — about 25 per cent of that sample were IA recipients when they enrolled in *learn*$ave. The characteristics of the sample at the secondary sites fall between the others in age, gender, marital status, and employment level.

This generalization does not hold true in two areas, however. In the area of formal education, the sample at the secondary sites is almost identical to the IA sample — close to 25 per cent of both samples have university degrees. In addition, members of the non-experimental study at the secondary sites are more likely to speak English or French at home than are members of the other two samples (86.7 per cent at secondary sites, 53.0 per cent of the experimental sample, and 84.9 per cent of the IA sample).

Appendix G contains more detailed information on the characteristics of the experimental sample in total and by site.

Comparison of Research Samples With Eligible Populations

As explained in Chapter 4, the research samples were recruited from the general population because an appropriate database with information needed to identify and contact low-income individuals who would qualify for participation in *learn*$ave was not available for this demonstration. As a result, no source of information is available to describe the precise eligible

population. As also discussed in Chapter 4, there are two sources of data that can be used to obtain an approximate profile of the eligible population. The first is the latest Census completed in 2001 and the second is the Survey of Labour and Income Dynamics (SLID).

The first report on the evaluation of *learn*$ave that the Social Research and Demonstration Corporation (SRDC) published in May 2004 (Kingwell, Dowie, & Holler) included a preliminary comparison of partial samples recruited before the end of the enrolment period with the relevant eligible populations. That report used a reference group selected from the 2001 Census based on as many of the eligibility criteria outlined in Chapter 3 of this report as were available. The Census reference group included those who

- lived within the boundaries of each of the 10 sites,
- were between 21 and 65 years of age,
- had a pre-tax family income below 120 per cent of LICO in their area, and
- were not in school full time.

The Census does not distinguish between those who were receiving income assistance from those who were not. It is therefore an adequate source for sketching a profile of the eligible population at the secondary sites because both the Census and the sample for the non-experimental study at these sites include a mix of individuals, some of whom were receiving income assistance and most of whom were not.

The Census is less suitable for profiling the eligible target population at the primary sites, where two separate studies are taking place — a non-experimental study limited to those receiving income assistance and an experimental study limited to those who were not. In this report, custom tabulations from SLID are used as the source of information to describe the relevant target populations for these two studies because SLID identifies respondents who received income assistance in the reference year. However, although SLID's overall sample size is quite large, the sizes of the subsamples selected to conform with *learn*$ave's eligibility criteria are in many cases insufficient to adequately describe the profiles for particular sites and for particular characteristics. For example, Statistics Canada could not provide an adequate SLID sample for the total eligible population at the secondary sites, nor could it provide data on the proportion of the eligible populations who fall within certain age groups.

Table 5.11 compares each of the three study samples with its corresponding eligible population, as approximated by SLID at the primary sites and by the 2001 Census at the secondary sites. It is important to recognize that the profiles of the research samples in Table 5.11 do not exactly match those in Table 5.10. The profiles in Table 5.10 accurately portray the characteristics of the research samples, while the samples in Table 5.11 are assigned weights to reflect the distribution of the eligible population across the various sites. By weighting the samples in this manner, each sample can be compared with its respective eligible population.[8]

[8]This was necessary because Statistics Canada was not able to report the characteristics of the eligible population for each of the three sites, because the SLID sample for Halifax was too small. However, Statistics Canada did report total aggregate values for all three sites together, because the aggregate sample was sufficiently large. Consequently, as the only method available to allow a comparison to take place, enrollee samples had to be weighted to conform to the SLID samples, rather

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Table 5.11: Selected Characteristics of the *learn*$ave Samples and Eligible Populations at the Time of Enrolment, by Study Type

Characteristic	Experimental Study[a]		Non-experimental Study[b]		Non-experimental IA Study[c]	
	Eligible Population	Sample	Eligible Population	Sample	Eligible Population	Sample
Gender (%)						
Female	48.9	51.0	53.9	65.4	72.2	68.3
Age (%)						
18–20	n/a	1.0	n/a	1.7	n/a	1.3
21–30	23.0	39.8	24.3	43.8	n/a	11.0
31–40	29.5	43.5	27.9	32.2	n/a	40.7
41–50	25.0	13.0	22.5	15.7	n/a	33.5
51–65	22.5	2.7	25.2	6.5	32.5	13.5
Mean age	41.0	33.5	n/a	34.0	43.0	40.3
Marital status (%)						
Single	29.4	43.8	33.8	61.5	43.9	51.6
Married or common-law	56.3	44.4	45.3	16.9	26.3	9.8
Divorced, widowed, or separated	14.3	11.8	20.9	21.6	29.8	38.6
Household type (%)						
Unattached individuals	23.1	45.5	n/a	n/a	33.4	n/a
Couples without children under 18 years of age	23.1	13.7	n/a	n/a	17.2	n/a
Couples with children under 18 years of age	31.5	27.8	n/a	n/a	12.5	n/a
Lone parents with children under 18 years of age	4.2	7.4	n/a	n/a	24.4	n/a
All other types	18.1	5.6	n/a	n/a	12.4	n/a
Language (%)[d]						
English/French	32.9	49.1	76.1	87.3	45.9	78.4
Other	47.0	50.8	23.0	12.7	27.9	21.6
Don't know / refused	20.1	0.1	0.0	0.0	26.2	0.0
Place of birth (%)						
Born in Canada	28.4	28.2	62.8	n/a	38.4	n/a
Born in China	10.9	36.6	2.0	n/a	2.5	n/a
Don't know / refused	20.1	0.0	0.0	n/a	26.2	n/a
Recent immigrant[e]	25.4	55.4	9.1	n/a	21.2	n/a
Highest level of education (%)						
Less than high school	11.0	2.5	35.0	6.6	23.6	11.6
High school graduate	14.3	6.9	14.8	10.0	18.2	17.8
Some post-secondary	10.3	15.7	11.2	21.9	9.1	26.5
Non-university certificate or diploma	21.0	19.8	23.4	21.4	20.1	17.8
University degree	19.3	55.1	15.6	40.1	2.5	26.3
Don’t know / refused	24.1	0.0	0.0	0.0	26.5	0.0

(continued)

than the converse. For consistency, the Census data and the enrollee profiles for the non-experimental study at the secondary sites were also weighted to conform to the distribution of the eligible population at each site.

Table 5.11: Selected Characteristics of the *learn*$ave Samples and Eligible Populations at the Time of Enrolment by Study Type (Cont'd)

Characteristic	Experimental Study[a]		Non-experimental Study[b]		Non-experimental IA Study[c]	
	Eligible Population	Sample	Eligible Population	Sample	Eligible Population	Sample
Current education activities (%)						
In school part time	8.4	12.7	6.2	12.4	8.2	16.4
In school full time	0.0	3.2	0.0	2.4	0.0	7.2
Employment and income						
Employed (%)[f]	54.5	65.8	53.7	68.3	13.6	17.1
Annual income ($)	11,221	11,201	10,568	10,532	12,664	10,131
Annual employment earnings ($)	7,988	8,673	5,710	7,629	1,398	2,715
Annual self-employment earnings ($)	1,005	314	477	360	23	86
Annual employment insurance benefits ($)	359	452	446	599	205	304
Annual social assistance benefits ($)	0	155	n/a	1,225	7,670	6,246
Dwelling tenure (%)						
Owned by household	44.4	4.4	n/a	7.9	16.4	4.1
Not owned by household	55.6	95.6	n/a	92.1	83.6	95.9
Sample size	488,564	3,584	542,190	996	80,717	225

Sources: Application form, participant information form, baseline survey, and custom tabulations from Statistics Canada from the 2001 Census (Statistics Canada, 2003b) and the Survey of Labour and Income Dynamics (SLID — 2002 reference year) (Statistics Canada, 2004).

Notes: The information presented in this table is strictly intended to compare the sample in each study with its corresponding eligible population. The characteristics of the three samples listed in this table do not represent the actual sample profiles. They have been weighted to conform to the population distributions of the corresponding eligible populations for each study. Sample sizes are unweighted.

Custom tabulations from SLID were used to represent the eligible populations for the experimental and non-experimental IA studies in Halifax, Toronto, and Vancouver, with the exception of the number of part-time students, which is from the 2001 Census.

Custom tabulations from the 2001 Census were used to represent the eligible population for the non-experimental study at the other seven sites.

n/a refers to the unavailability of data from particular sources.

Some numbers may not sum exactly to 100 per cent due to rounding.

[a]Excludes income assistance recipients.

[b]Includes both income assistance recipients and non-income assistance recipients.

[c]Includes only income assistance recipients.

[d]Mother tongue is the reported language for the eligible population for the experimental and IA studies, whereas for all the other columns home language is shown.

[e]The experimental and IA eligible populations include respondents who immigrated in the years 1998–2002. The experimental sample includes enrollees who immigrated in 1998 or later. The non-experimental eligible population includes respondents who immigrated from January 1996 and May 2001.

[f]Includes those in full- or part-time employment either as an employee or self-employed.

Table 5.11 highlights a number of important distinctions between those who enrolled in *learn*$ave and the underlying populations from which they were drawn. For all three studies, it is evident that *learn*$ave has attracted individuals who are more likely to be younger, single, well educated, and employed than the general eligible population. For example, experimental sample members, with an average age of 33.5, are 7.5 years younger than the eligible population. Their employment rate is about 11 percentage points higher than that of the eligible population (65.8 per cent compared with 54.5 per cent). The experimental sample

members are also almost three times as likely to possess a university degree (55.1 per cent of the experimental sample compared with 19.3 per cent of the eligible population).

As already noted, a very high proportion of experimental sample members are recent immigrants who arrived in Canada within the five-year period before they applied to *learn*$ave. A high proportion of the eligible population, concentrated in Toronto and Vancouver, are also recent immigrants (25.4 per cent), but this number pales in comparison to the 55.4 per cent in the sample.

The non-experimental study samples, at both the primary and secondary sites, also differ from their respective eligible populations. They tend to be younger, single, better educated, and more likely to be employed than the target population. Some of these differences are not as pronounced as those related to the experimental sample. For example, IA sample members are 2.7 years younger than the eligible population. The only study group that was less likely to be female than the corresponding eligible population was the non-experimental IA sample — 68.3 per cent of the sample members were female as compared with 72.2 per cent of the eligible population.

Did Random Assignment Work?

Assuming random assignment was successfully implemented, the measures for the treatment and control groups should be similar at baseline. However, statistically significant differences may occur by chance. A chi-square test for level of significance was applied to tabulations on baseline characteristics for the *learn*$ave-only, *learn*$ave-plus, and control groups. The detailed results are presented in Appendix H.

Differences were observed for only the following four characteristics at baseline:

1. Limitation in the kind or amount of activity as a result of a long-term physical or mental condition or health problem — statistically significant at the five per cent level of significance
2. Highest level of education obtained by the respondent's mother — statistically significant at the 10 per cent level of significance
3. Type of certification expected from continuing studies — statistically significant at the five per cent level of significance
4. Duration of unemployment for respondents who were unemployed at baseline — statistically significant at the 10 per cent level of significance

There were no other statistically significant differences among the three groups. These results therefore indicate that the random assignment process successfully divided enrollees into the *learn*$ave-only, *learn*$ave-plus, and control groups on a strictly random basis.

Chapter 6: Participating in *learn*$ave

Chapter 4 described the activities involved in recruiting individuals for *learn*$ave, screening and accepting applicants, and the random assignment process for enrollees in the experimental study. This chapter describes *learn*$ave activities that occur after participants have been accepted into the project, and discusses the essential rules and the steps participants must follow as they save, withdraw matched credits, and purchase approved assets. All enrollees except those who have been assigned to the control group are eligible to open a *learn*$ave account.

The first sections of the chapter describe the processes of notifying participants of their acceptance and providing an orientation on the benefits of *learn*$ave and its rules, such as savings parameters and banking arrangements, that they must follow in accessing these benefits. The chapter then describes the financial management training and case management services that most participants receive. Other key components described in this chapter are the procedures for matched withdrawals and the development of *learn*$ave's management information system (MIS) — the MIS is used throughout this chapter to provide information on participants' activities in the project. The chapter concludes by examining participants' overall level of satisfaction with *learn*$ave.

Throughout the chapter, several references are made to a 10-month mini-survey, in which 868 *learn*$ave-only and *learn*$ave-plus participants were interviewed about 10 months after they entered the project. The purpose of the survey was to determine their knowledge of *learn*$ave's rules, their experience in using their *learn*$ave bank account, and their level of satisfaction with various aspects of the project. The findings from the mini-survey are presented in Appendix I.

ACCEPTANCE AND ORIENTATION

Notification of Acceptance

Once accepted, participants in the *learn*$ave-only and *learn*$ave-plus groups in the experimental study, as well as participants in the non-experimental and income assistance (IA) studies, were given a notification letter indicating that they had been accepted and were eligible to open a *learn*$ave bank account. The date on the notification letter served as the participants' official start date and the beginning of the three-year savings period.[1]

The method of delivering the letter varied slightly from site to site. Some sites preferred to mail the letter, which usually included an invitation to an orientation session, while other sites preferred to present the letter in person. In general, the letters were delivered to participants in a timely manner — among experimental participants, 90.9 per cent of the letters were prepared within 15 days of the date of their random assignment to a treatment group.[2]

[1]The savings period is two years in Calgary.

[2]In most cases, the Halifax and Vancouver site offices set up an appointment for an orientation session by phone and then presented the participant's acceptance letter at the orientation session. In a few rare instances where these site offices could

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Orientation to *learn*$ave

The primary sites invited each participant to an orientation session after he or she had been randomly assigned. The orientation session was intended to provide more detailed information concerning the *learn*$ave bank account and to complete the necessary paperwork for enrolment.

The orientation session described in detail the rules and restrictions on savings activity such as the match rate, the minimum and maximum time periods within which participants could save for matched credits, and the sanctioned uses of savings. For those in the *learn*$ave-plus group and for all participants at the secondary sites, the session also described the financial management training and case management services. In order to help *learn*$ave-only and *learn*$ave-plus participants remember these project parameters, they received a "project handbook" for their reference throughout the project. The handbook contained a detailed description of all aspects of the project including the savings protocols, banking arrangements, matched credit withdrawal procedures, and the research activities.

The other main purpose of the orientation session was to complete and sign the necessary documentation. Participants had to sign a project participation agreement (PPA), which was a prerequisite to opening a bank account. The PPA signified that participants agreed that they understood the project rules as well as the potential impact of *learn*$ave's matched credits on their entitlement to other government programs such as income assistance benefits and student loans.[3]

After participants had signed the PPA, they were given a letter of introduction and a form authorizing the release of information that they could take to the bank to open an account. The release of information form allowed the bank to share information about participants' *learn*$ave accounts with the site office. At the orientation session, participants were also asked to complete a short participant information form containing a limited number of demographic questions, which were subsequently entered into the MIS.

At the primary sites most of the orientation sessions were held in a group setting — approximately two thirds of participants attended a group orientation session, while the remainder attended a one-on-one session.[4] Regardless of the size of the session, virtually all of the facilitators used a standard *learn*$ave orientation slide package. This ensured that the key messages were delivered with a high degree of consistency across all three sites.

At the secondary sites, the content of the orientation sessions was almost identical to that of the primary sites. However, the secondary sites had much more flexibility as to the manner in which the information was provided. On some occasions, they held combined application and orientation sessions, while at other times they preferred to hold two separate sessions.

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not set up an orientation quickly, they waited several weeks to process the acceptance letter. This led to a small number of instances where the official start date was considerably later than the date of random assignment.

[3]Most provinces strictly regulate the amount of liquid assets that income assistance recipients can have at one time. For many income assistance recipients these limits are lower than the amounts that can be saved through *learn*$ave. Therefore in most provinces a waiver exempting money in a *learn*$ave account was sought and received. In some provinces waivers could not be obtained and "work around" arrangements had to be made with participants. These arrangements involved encouraging participants not to save the full amount before "cashing out." The matched credits are generally not as problematic as the funds in the participant's *learn*$ave account — to date IA administrators have not treated the matched credits as additional income.

learn$ave can also result in a reduction in the amount of federal or provincial student loans that participants receive.

[4]Almost all of the one-on-one sessions took place in Halifax and Vancouver where the weekly volume of cases was lower.

Although the style of presentation at orientation sessions varied considerably among the secondary sites, in general it was less formal than at the primary sites.

There was no strict time limit on attending an orientation session — in essence, participants had up to two years to attend one. However, since attending a session was a mandatory prerequisite to opening a bank account, participants were encouraged to attend at their earliest convenience. Generally participants did attend a session quickly. At the primary sites about 98.5 per cent of participants attended an orientation session and the vast majority did so within 45 days of their random assignment.

Assessment of Orientation Sessions

Researchers from the Social Research and Demonstration Corporation (SRDC) attended a number of orientation sessions and observed that, after the very early phase of implementation, site staff were knowledgeable about the subject matter. SRDC did observe that the sessions varied in terms of the extent to which site staff covered additional material beyond that contained in the slide package and the extent to which participants asked questions. Another variation between sessions concerned the administration of the PPA — some site staff preferred to read some or all of the PPA aloud to ensure that everyone understood the contents while others allowed participants to read the document themselves.

To assess the effectiveness of the orientation sessions and to determine whether participants were able to understand the essential *learn*$ave rules, SRDC used two different surveys — an exit survey and a 10-month mini-survey. SRDC researchers administered the exit survey to 36 participants immediately following a number of sessions held at each of the primary sites. While the sample is too small to provide precise findings, the results suggest that participants understood the rules explained during the orientation sessions.

As part of the 10-month survey to a sample of *learn*$ave-only and *learn*$ave-plus participants, participants were tested on their knowledge of *learn*$ave. The results showed that 10 months after their orientation sessions participants were able to understand and remember the match rate, minimum savings period, and the approved savings goals. Almost all participants (99.4 per cent) were able to name at least one of *learn*$ave's savings goals. The vast majority (92.6 per cent) correctly indicated that every dollar they saved would be matched with three dollars, while 90.0 per cent correctly indicated that they had to make a deposit in at least 12 separate months before accessing their matched credits.

OPENING ACCOUNTS AND SAVING

Savings Parameters

This section of the report describes the savings parameters associated with *learn*$ave accounts. As already noted, *learn*$ave matches each dollar participants save at a predetermined rate. The matched credits earned by these savings are held in trust until participants are ready to withdraw them for an approved purchase. At the primary sites as well as in Fredericton, Winnipeg, and Calgary, participants earn three dollars for every dollar

they save. The match rate varies in Digby, Montreal, Kitchener, and Grey–Bruce to study the effect of different match rates.[5]

Before they can withdraw, or "cash out," any portion of their matched credits, participants have to accumulate at least 12 active savings months. An active savings month is one in which the balance at the end of the calendar month is at least $10 higher than the balance at beginning of that month. The savings months do not have to be consecutive — participants can continue to save and accumulate active savings months for up to 36 months from the date of their acceptance letter. After the 36-month savings period elapses, participants have an additional 12 months to withdraw the matched credits. Once the full 48-month period elapses, participants lose their entitlement to the matched credits, although they of course retain their own savings.

At the majority of sites, including the primary sites, only the first $1,500 that participants save is eligible for the match.[6] Participants can deposit as much or as little as they want into their account each month; however, only the first $250 that participants deposit in a given month is matched. Participants can withdraw their own money from the *learn*$ave account at any time but, if they do so, they lose the corresponding matched credit. There is no limit on the number and frequency of these "unmatched" withdrawals — the only charges associated with these withdrawals are the usual bank service charges.

In their responses to the 10-month survey, participants indicated that *learn*$ave is generous and promotes a habit of saving. For example, 98.3 per cent of respondents agreed that getting three dollars for every dollar saved was generous. In addition, 86.3 per cent agreed that the requirement to save for at least 12 months before cashing out fostered a habit of saving.

On the other hand, many participants sought greater flexibility concerning the manner in which the *learn*$ave account operates and the approved uses for matched credits. When asked what aspect of *learn*$ave they would like to see changed, the account rules (for example, match rate, maximum savings, and savings goals) were more frequently mentioned than other aspects of the project such as the application process or the financial management training.[7] In particular, 71.4 per cent of respondents agreed that the amount of money that they could save and earn through *learn*$ave was insufficient to meet their education or small business goals.

Banking Arrangements

Before they can start to save for matched credits, participants have to take the letter of introduction that they received at their orientation session to any local branch of RBC Royal Bank to open a bank account.[8] Participants are allowed to take up to two years to open their bank account. For most of the early phase of the project, RBC Royal Bank applied its standard approval and verification procedures to participants wanting to open a *learn*$ave

[5]For a further description of the non-experimental site variations, see Chapter 3.

[6]In Digby and Annapolis only the first $1,125 can be matched. In Montreal only the first $900 can be matched. In Fredericton the first $2,000 can be matched.

[7]Fifty-eight per cent of respondents mentioned one or more of the savings protocols compared with six per cent who mentioned the application process and four per cent who mentioned the financial management training.

[8]In Montreal participants could open their accounts at either RBC Royal Bank or the Caisse d'économie Desjardins. In Winnipeg participants could go any local Assiniboine Credit Union branch but not to RBC Royal Bank.

account. In rare cases — usually when the participant had overdue debts or deposits that had been "written off" in the past — the bank refused to open an account.[9]

Once the account has been opened, participants can make deposits at any bank branch in Canada either in person or at an ATM location. Participants do not receive any account statements directly from RBC Royal Bank. Instead, the data on account transactions are transferred to the appropriate site offices each month, and they in turn send monthly statements to participants who have an account. The statement shows their individual savings as well as their matched credits earned to date. There are no fees associated with deposits or monthly account administration; however, there are service charges for withdrawals.[10] At the end of the project or after they have withdrawn the maximum allowable matched credits, participants may keep the account open as a personal account, at which time the bank stops forwarding information on account activity to the project sites.

According to the 10-month mini-survey, most participants were satisfied with their banking arrangements; 95.1 per cent of respondents who had opened an account either agreed or strongly agreed that the *learn*$ave bank account was easy to open, while 90.8 per cent of respondents with accounts either agreed or strongly agreed that the bank account was easy to use. Most participants were satisfied with the account statements that they received; 93.8 per cent of respondents indicated that they received accurate bank account statements. However, there were some problems with the transfer of account data between RBC Royal Bank and the site offices. Sometimes participants were not automatically added to the data transfer when they opened their account, and in some cases the bank data contained errors. In most cases the errors were resolved by SEDI (Social and Enterprise Development Innovations), the site offices, and RBC Royal Bank before the statements reached the participants. However, in rare instances, the bank statements contained errors or participants with accounts did not receive any bank statements.

FINANCIAL MANAGEMENT TRAINING

Everyone in the *learn*$ave-plus group and all income assistance participants at the primary sites as well as all participants at the secondary sites were expected to attend a financial management training course given by site staff. The primary sites and Digby, Montreal, and Kitchener used a specially designed curriculum for this course, which is known as *learn*$ave training (L$T). Fredericton, Grey-Bruce, Winnipeg, and Calgary chose to use their own locally designed curricula instead of the L$T curriculum.

learn$ave Training

The curriculum for the *learn*$ave training course was developed by the Prior Learning Assessment (PLA) Centre in Halifax, based on general specifications provided by SEDI. Throughout the development of the curriculum, ongoing consultation on the content of the L$T and its method of delivery took place involving SEDI, the PLA Centre, and each site. The L$T

[9]Based on the 10-month survey, this occurred for less than two per cent of participants. New federal legislation enacted in September 2003 contained a requirement that banks must provide access to basic banking services. As a result, RBC Royal Bank changed its account opening procedure, thus eliminating most of the potential barriers for *learn*$ave participants who wanted to open an account after that date.

[10]The withdrawal fee is $1 at RBC Royal Bank branches and RBC ATM machines.

was then tested on a group of early participants in Kitchener before it was finalized. In November 2001, following several revisions, a draft describing the curriculum and its method of delivery was distributed to the primary sites and to other sites that had agreed to use it.

The L$T combines the concept of Prior Learning Assessment and Recognition (PLAR) with the more standard elements of financial management training. PLAR is intended to help participants recognize existing skills and personal attributes that they possess and that will help them achieve their goals. As part of PLAR, participants are asked to identify barriers that could prevent them from achieving their goals as well as strategies to overcome those barriers.

Several standard topics related to financial management form part of the curriculum, including spending patterns and the effect of consumerism, household budgets, credit ratings, and investing.

As one of the central components of the course, each participant assembled his or her own personal *learn*$ave "portfolio," which provided evidence of past learning efforts, achievements, and future goals. The format of the presentation was not specified — participants were asked to use their own style of presentation. Participants were encouraged to compile all of the relevant exercises that they completed as part of the L$T and include them in the portfolio. They were also encouraged to add additional documents such as certificates that would provide proof of their prior learning.

The L$T curriculum was delivered in a group setting as a mix of facilitator presentations, group discussions, and individual exercises. The course required 15 hours of class time, normally delivered in five separate three-hour modules on different days to groups of about 12 participants. However, two modules were sometimes combined and offered together on Saturdays — an option that proved to be popular for some participants in Toronto and Vancouver. Appendix J describes the *learn*$ave training curriculum in greater detail.

Assessment of *learn*$ave Training

There were several questions about the L$T in the 10-month mini-survey. Most respondents had positive impressions of the L$T. In their opinion, the manner in which the site staff conducted the sessions was the most positive feature of the training — 32.5 per cent strongly agreed and 62.3 per cent agreed that staff taught the material well. They also generally agreed that the classes helped them to save and meet their goals — 19.3 per cent strongly agreed and 63.8 per cent agreed that the training helped them to save, while 22.9 per cent strongly agreed and 63.1 per cent agreed that it helped them to set goals.

Researchers from SRDC visited several L$T sessions. During these site visits, they found that participants generally engaged in the discussions that took place during the L$T sessions. Many also expressed positive comments about the training and the facilitators. However, there were also isolated instances where participants expressed dissatisfaction or where it was apparent that participants attended the sessions only because it was a requirement.

As discussed in Chapter 7, participants were asked about their reactions to different aspects of the L$T during focus group sessions. These focus groups found that regular savers and recent immigrants found the financial aspects of the training to be the most beneficial and they were more likely to question the need for, and usefulness of, the PLAR component. In contrast, irregular savers were more likely to see the value in the PLAR aspects.

In conducting its implementation research, SRDC heard a wide variety of positive and negative views from site staff. As discussed in the preceding section, the curriculum attempted to strike a balance between traditional financial management training and the participants' perceptions of their goals and the human capital that they had developed. There were opposing views among site staff as to whether the correct balance was achieved. Some staff members would have preferred the curriculum to focus more heavily on self-assessment and goal-setting while others would have preferred to spend more time on financial management topics such as budgeting and ways of spending wisely. Others expressed their concern that the exercises specified in the curriculum were too simple for many of the participants and some exercises were redundant. Some also felt that the curriculum did not flow well. The most positive views tended to centre in Halifax while the proportion of dissenting views increased going from east to west.

In order to address these concerns, SEDI convened a workshop in the fall of 2002. Based on the results of that workshop, SEDI, in consultation with the PLA Centre, adjusted the curriculum in February 2003. Since the main content of the curriculum could not be altered due to research requirements, the revised curriculum reordered the exercises to improve the flow and reduce redundancy, and some exercises were replaced with new ones suggested by site staff.[11] SEDI also emphasized that staff had flexibility in delivering particular topics — for example they had the option to invite guest speakers as needed.

Other Financial Management Training

As previously noted, Fredericton, Grey–Bruce, Winnipeg, and Calgary each used their own locally designed curriculum for the training sessions. These sites decided at the outset that they would not incorporate the PLAR curriculum; they decided instead to focus on financial components such as budgeting, using credit, and spending money wisely, although the Fredericton office added some goal-setting exercises. These site offices felt that a locally designed curriculum would best meet the needs of their participants. Winnipeg and Calgary each had an existing curriculum that was adapted relatively easily for *learn*$ave's purposes. The Winnipeg curriculum incorporated aboriginal teachings that were important given the high aboriginal population at that site. The Fredericton and Grey–Bruce sites did not initially have a curriculum; they decided to design one specifically for the *learn*$ave project instead of using the L$T.

The amount of time needed to cover the material varied among these four sites. The training in Fredericton and Winnipeg took about 15 hours, as did the L$T (the addition of some goal-setting exercises at the Fredericton site increased the training time there to 18 hours). However, the training in Grey–Bruce and Calgary involved much more classroom time — approximately 30 hours. The extra time allowed facilitators in these sites to cover additional topics or cover certain topics in greater detail. For example the Calgary site covered topics such as interpersonal negotiation and insurance, while Grey–Bruce covered topics such as community supports and networking and spent more time on helpful hints such as ways to save money while shopping for necessities.

[11]Substantial revisions to the curriculum after many participants had received their training would have created a "cohort effect," through which the treatment received by those who enrolled at a later date would differ from that received by early enrollees.

SRDC attended sessions at these four sites. Based on these visits and speaking with case managers, SRDC found that most participants had a positive experience with the course — some exceptionally so. SRDC found the site staff to be enthusiastic and able to keep participants engaged. It was also apparent that it was sometimes difficult for participants to fit the training into an already busy schedule.

Attendance at Financial Management Training

According to the information in the MIS, the vast majority of participants fulfilled the requirement to attend the training sessions. As shown in Table 6.1, the attendance rate was highest in the experimental study where 84.3 per cent had completed more than nine hours of financial management training. In the non-experimental study, the proportion of participants who attended at least some of the training is comparable to that in the experimental study; however, the number of participants who attended more than nine hours is lower at 75.9 per cent. The attendance rate for the non-experimental IA study is considerably lower than the other studies in all categories.

Table 6.1: Attendance at Financial Management Training (FMT) Sessions by Study

	Experimental Study[a]	Non-experimental Study	IA Study
Attended some FMT (%)	89.1	86.0	77.8
Attended more than 9 hours of FMT (%)	84.3	75.9	62.7
Attended 15 hours of FMT[b](%)	78.1	71.0	52.9
Average hours attended[c]	14.4	15.3	12.9
Sample size	1,189	996	225

Source: Management information system.

Notes: Includes FMT taken before December 9, 2004.

[a]This column includes only *learn*$ave-plus participants as they are the only experimental group that attends FMT. It excludes five Vancouver participants who were not entered into the MIS at that time.

[b]The Winnipeg site is not part of the non-experimental study number for this row, because many of the Winnipeg courses lasted less than 15 hours; depending on the class size, they took between 12 and 16 hours.

[c]Average hours attended is the average among participants with at least some FMT training.

In many cases, there was a long time delay before participants started their training, especially in the experimental study at the primary sites. The MIS data indicate that participants in the experimental study went to their first training session an average of seven months after they were officially accepted into *learn*$ave; in contrast, participants at the secondary sites started training an average of three months after their acceptance and participants in the non-experimental IA study tended to start 4.4 months after. The delay among the experimental study participants shortened over time from 2002 to 2003. While there is no formal time limit for completing the training, site staff must verify that participants have completed their training before they process any requests for withdrawal of matched credits.

Earlier in the implementation of *learn*$ave, the pace of recruitment was of paramount concern and staff resources were devoted to meeting recruitment targets. At the time, staff time was insufficient to schedule and conduct training sessions. As the recruitment problem eased, more attention could be directed to the training sessions.

In addition to the lower priority attached to financial management training during recruitment, participants themselves often could not attend because the sessions were at an inconvenient time (27.4 per cent cited this reason) and it would take more time than they had (12.0 per cent). The other main reasons for not attending were related to the slow start in providing the sessions — many said no one had contacted them about the sessions (22.6 per cent) and some said the sessions had not started (9.3 per cent).[12]

CASE MANAGEMENT

According to *learn*$ave's design, the *learn*$ave-plus group in the experimental study and participants in the other two studies are entitled to receive case management services. Those in the *learn*$ave-only group are not entitled to services beyond those needed in administering their *learn*$ave accounts and withdrawing matched credits. Consequently, the *learn*$ave-only group receives account statements on a monthly basis and case managers respond to their questions about project rules when asked. Participants in the *learn*$ave-only group were informed of the limits on the assistance available to them at their orientation sessions and case managers have indicated that they are aware of these limitations.

The *learn*$ave-plus group receives all of the services available to the *learn*$ave-only group as well as more intensive case management. Case managers are available to answer questions on the best means of meeting savings goals. In addition, project staff are expected to actively monitor the savings habits of *learn*$ave-plus participants and to intervene when necessary. Beginning in the summer of 2002, the site offices sent reminder letters to *learn*$ave-plus participants who had not opened an account within two months of their acceptance into *learn*$ave. Case managers then followed up with phone calls as necessary.

After the first two months of the savings period, case managers are supposed to contact *learn*$ave-plus participants who had failed to save over any subsequent three-month period. The purpose of the contacts is to initiate a conversation with participants to discuss the reasons for their inability to save as well as to explore possible solutions. However, case managers do not provide counselling services for such matters as marital or addiction problems. Instead, they refer such cases to other agencies as needed.

Participants in the non-experimental and IA studies were entitled to receive a level of case management comparable to *learn*$ave-plus participants. Each secondary site was given the flexibility to design a system of case management that met their needs — there was very little discussion among the secondary sites about how to best organize their case management services.

Level of Services Received

During their interviews with SRDC, managers of the site offices pointed out that their staff had not been as proactive in following up missed deposits as originally hoped due to the demands of the recruitment and cash-out processes. Although case management services were not as intensive as originally planned, most participants felt that they did receive support. When interviewed in the 10-month mini-survey, 81.4 per cent of *learn*$ave-plus participants agreed that they had received support and encouragement from the *learn*$ave staff on how to reach their savings goal.

[12]Findings from the 10-month mini-survey.

Data from the MIS indicate that, as intended, participants in the *learn*$ave-plus group received more case management services than those in the *learn*$ave-only group. As shown in Table 6.2, case managers spent an average of 106.9 minutes working on *learn*$ave-plus files as compared with 55.1 minutes on *learn*$ave-only files. An average of 8.0 contacts took place between staff and *learn*$ave-plus participants as compared with 4.1 for *learn*$ave-only. In addition, the table shows that for 96.3 per cent of *learn*$ave-plus clients there is at least one case note between the client and the case manager in the MIS as compared with 66.1 per cent for *learn*$ave-only.[13]

Table 6.2: Case Management Services Received, by Study

	Experimental Study[a]			
	***learn*$ave-Only**	***learn*$ave-Plus**	**Non-experimental Study**	**IA Study**
Average total case management time per participant (minutes)	55.1	106.9	103.5	159.1
Average monthly case management time, per participant (minutes)	2.4	5.0	4.0	6.4
Average number of contacts per participant	4.1	8.0	5.6	8.6
Type of contact (%)				
Participants with at least one contact	66.1	96.3	83.7	95.6
Participants with at least one project-related contact	65.1	95.7	82.4	93.8
Participants who received a referral to an outside agency	1.5	4.3	9.3	20.4
Sample size	1,182	1,189	996	225

Source: Management information system.
Notes: Includes services received before December 9, 2004.
After application and orientation is complete, each time project staff makes contact with a participant they are to record the length and type of contact in the MIS (excluding time for financial management training).
[a]Excludes 18 Vancouver cases who were not entered into the MIS at that time.

The services received by non-experimental study participants were roughly comparable to the *learn*$ave-plus group at an average of 103.5 minutes per participant. Participants in the IA study received more services than both non-experimental and *learn*$ave-plus participants — case managers spent an average of 159.1 minutes on each of the IA files. IA participants were among the first to be recruited — that is likely the main reason for their high use of case management services. When the longer period of participation is taken into account, the difference between *learn*$ave-plus and IA participants is much smaller; on average, case mangers spent 5.0 minutes per month on each *learn*$ave-plus file as compared with 6.4 minutes per month on each IA file.[14]

The case notes include time that case managers spend on individual files after the application and orientation processes have been completed. As shown in Table 6.2, most participants in all groups had at least one project-related contact with their case manager, but only 1.5 per cent of them received a referral to outside services. For the *learn*$ave-only

[13]The case manager is expected to complete a separate case note for each contact.
[14]Case managers were often available before and after financial management training sessions to answer questions. This time is not captured here.

group, case managers spend the bulk of their time helping participants to withdraw their matched credits; but they also answer questions about the account statements or project rules. For *learn*$ave-plus clients, the case notes include these same things plus time spent on other matters such as helping clients with their *learn*$ave portfolio (which is a requirement of the *learn*$ave training) and discussing savings goals and savings strategies. Time spent on bulk mailings for account statements or cash-out packages is not included.

Revised Case Management Strategy

In early 2005 SEDI introduced a revised case management strategy aimed at increasing the amount of case management services. A key feature of this strategy is an enhanced MIS capability that automatically flags *learn*$ave-plus participants requiring case management follow-up either by letter or by phone for such things as running out of time to save, being newly eligible to cash out, and running out of time to cash out. It is hoped that as a result of these changes there will be greater standardization among the sites.

All those in the *learn*$ave-only and *learn*$ave-plus groups who have not completed 12 months of active savings by their 30th month will be sent letters indicating the number of active savings months they have accumulated, the number of months remaining before the savings period elapses, and the number of additional months they have left to make up the balance. A short summary of key project rules will be enclosed with this letter.

MATCHED WITHDRAWALS

As they save in their *learn*$ave accounts, participants have full access to their savings. Matched credits that are earned by those savings, however, are held in trust and released only when the participant is eligible and ready to withdraw them — this withdrawal of matched credits is commonly referred to as "cashing out." After participants have accumulated 12 active savings months with net deposits of at least $10 in each of those months, they can submit a cash-out request. Cash-out requests can be made up to 48 months after the participant started *learn*$ave.[15]

The primary point of contact is the local *learn*$ave site office. Three to four months before participants become eligible to claim their matched credits, the site office gives them a cash-out package containing an introduction to the process as well as all of the necessary forms. For participants who applied before February 2003, the packages are sent after eight or nine active savings months. For people who applied after February 2003, the package was handed out at the orientation session.

When participants decide to withdraw matched credits, they submit the completed request forms along with the necessary documentation to the site office. The office verifies the forms to ensure eligibility and completeness and forwards the information to SEDI. SEDI then produces the cheques and sends them to the project office by courier within one week after receiving the requests. The participants then pick up the cheques from the site office and withdraw the portion of their savings that corresponds to the matched credits from their *learn*$ave accounts.

[15]In Calgary the time limit is 36 months.

Participants in the education or training streams can enrol only in educational institutions that are included in the master list of designated institutions maintained by provincial ministries of education.[16] Participants must provide proof that they are enrolled in a designated educational institution, even if they are not requesting any money for tuition, and a price quote from a reputable vendor. Cash-outs can be approved only for courses that will be taken in the future — participants cannot be reimbursed for courses for which they have already registered or for courses they have completed. Cheques are made out to the educational institution rather than to the participant.

As noted in Chapter 3, participants who are saving for their education and training are eligible to spend up to 50 per cent of their accumulated savings to a maximum of $1,500 on supports to learning. In the case of supports to learning, the cheque is made out to the vendor selling the good or service. For both tuition and supports to learning, participants are required to provide original receipts within 30 days of cheque receipt. In addition, they are required to provide proof of course completion within 90 days of finishing the course.

The cash-out process for starting a new business is slightly different. Participants can receive limited funds for preliminary research by submitting a business plan outline. However, to receive matched credits for start-up capital, they must complete a business plan and have it approved by a third party. In addition, they must register their business with the provincial government and open a bank account in the name of the business. Although they are not required to provide original receipts in all instances, they are required to retain their receipts and produce them on request.

Through interviews with project staff, SRDC found that the cash-out process has generally worked as intended. However, there have been some ongoing difficulties. First, some participants want their cheques on very short notice. SEDI has been able to provide the sites with cheques within one week after receiving the request. Nevertheless, project staff report that participants often expect an even faster turn around time and they have often pressured project staff to expedite the request. Secondly, many vendors will not accept a cheque from a third party. As a result, SEDI has had to produce certified cheques on many occasions.

A third difficulty for some participants has been the list of designated institutions. Although it contains a wide variety of both public and private institutions, project staff still report several instances where participants have requested funds for institutions that are not on the list. At one time participants were allowed to seek an exemption from SEDI for courses not on the list. As of December 2002, however, exemptions were no longer permitted. This change was necessary to ensure that *learn*$ave remained a test of an initiative that could become a national program, in which case exceptions could not be made.

Another source of difficulty has been incomplete forms and missing documentation. In an attempt to minimize this problem, SEDI has updated the forms several times to make them clearer and easier to complete.

In an attempt to make the cash-out process smoother for both participants and staff, the experimental sites began to hold "cash-out orientation sessions" for both *learn*$ave-only and

[16]Each province maintains a list of institutions at which students can receive federal and provincial student loans. The lists contain a wide variety of public and private institutions.

learn$ave-plus participants in mid-2003. Where numbers were sufficient, the site offices invited participants to a group session before they became eligible for cashing out. These sessions reiterated the eligible uses of the funds and described the process, timelines, and documents for cashing out. However, these sessions have not been well attended to date — only a limited number of participants in Toronto and Vancouver and a few secondary sites have attended a cash-out orientation session.

Tax Treatment of Matched Credits

When *learn*$ave was about to be implemented, the Department of Finance informed SEDI that *learn*$ave's matched funds would receive tax prepaid status — participants would not have to pay taxes on their matched credits and they would accordingly not be eligible for any of the associated education tax deductions. This was clearly stated in the participation agreement that participants signed at their orientation sessions.

After implementation had begun, the Department of Finance informed SEDI that the previous notification was not official and *learn*$ave credits would be considered taxable because no exception could be made for the *learn*$ave project. In March 2003 SEDI informed the project sites of this reversal, and SEDI indicated that it was working with Human Resources Development Canada (HRDC) and the Department of Finance to ensure that there was an arrangement where no participant was worse off as a result. For participants who enrolled after March 2003, the mention of tax-prepaid status was removed from the participation agreement. When asked, site staff told participants of the new tax status. No formal announcement was sent to participants until a clear resolution of the final tax treatment was available.

After a resolution was obtained in the spring of 2004, participants were sent a letter notifying them of the revised tax treatment. They were informed that any matched credits that they cashed out after the end of July 2003 would be considered a bursary, which implies that a certain amount received in any calendar year would not be taxable and would not have to be reported on a tax return.[17] Furthermore, participants would be able to claim the corresponding education deductions. Amounts cashed out before August 2003 would be taxable.

The Department of Finance estimated that the vast majority of participants would pay less tax under the new tax arrangement but potentially some of them could pay more.[18] Participants have been informed that if they find that they have to pay more tax as a result of the change they can apply for compensation. To date, however, very few participants have done so. In order to seek compensation, participants have to provide completed tax returns under both the tax prepaid status and the taxable status.

PARTICIPANTS' OVERALL IMPRESSIONS OF *LEARN*$AVE

According to the 10-month mini-survey, participants in the *learn*$ave-only and *learn*$ave-plus groups have a high degree of overall satisfaction with both the *learn*$ave project in general and their local delivery agency. When asked "Overall, how satisfied are

[17]This amount can be either $500 or $3,000 depending on the nature and duration of the course of study.
[18]The Department of Finance estimated that for most participants the ability to claim education tax deductions more than offset the loss of tax prepaid status.

you with *learn*$ave?" 71.5 per cent indicated that they were very satisfied while 24.8 per cent indicated that they were somewhat satisfied. Less than 1.5 per cent of respondents indicated that they were dissatisfied.

In addition, 95.4 per cent of respondents indicated that their local delivery agency does a good job of running *learn*$ave while 2.0 per cent disagreed. When asked to give reasons for their views, 45.1 per cent mentioned that the site staff provided the information that they needed while 22.3 per cent noted that the staff provided the information in a reasonable time. In addition, some respondents noted that staff were knowledgeable (28.5 per cent) and supportive (17.4 per cent).[19] However, the 2.0 per cent of respondents who felt their local agency did not provide good service said that the office did not return their calls and that *learn*$ave was not explained clearly.

MANAGEMENT INFORMATION SYSTEM

A management information system (MIS) is an essential tool in any project involving large numbers of participants and financial transactions across many sites. *learn*$ave's MIS records and stores information related to participants and activities such as account opening, saving, matched withdrawals, and other services provided to participants. SEDI designed and operates the system, which is necessary for ongoing management of the project as well as its evaluation.

The following components comprise *learn*$ave's MIS:

- **Basic demographic information on participants:** The MIS captured this data from the application form and the participant information form.
- **Account information:** The system was designed to produce monthly account statements and to calculate the amount of deposits eligible for matched credits saved and the number of active savings months accumulated. SEDI uses the monthly data containing participants' *learn*$ave account transactions to drive the financial component of the system.
- **Withdrawal of matched credits:** The system records all cash-out requests. This information includes the status of the request, the amount of the request, the amount of unused credits available, the payee for the cheque, the cheque number, and whether the cheque was picked up by the participant.
- **A record of contacts between participants and staff:** The MIS was designed to allow the site office to enter the amount of time they spend with each participant as well as the type of contact (for example, financial management training, telephone contacts, and meetings). This provides a history of each file that site offices can refer to when contacting participants. In addition, SEDI and SRDC use this data source to determine the amount of financial management training and case management services participants have received.

[19]Respondents were encouraged to give up to three reasons for their overall opinion. Results presented here are the combined totals of the three reasons. The question was open-ended — respondents were not given a list of possible reasons.

- **Date of participants' exit from *learn*$ave:** The MIS logs the date each participant enters and leaves the project as well as the reason for leaving.

Design and Evolution of the MIS

SEDI was primarily responsible for overseeing the design and implementation of *learn*$ave's MIS. The MIS was implemented and updated in phases throughout the recruitment and savings phases of the project.

In late 2000 after consulting with SRDC, SEDI decided to adapt the "MIS-IDA" software that the Center for Social Development (CSD) at Washington University had developed and that had already been used in many IDA projects in the United States. In order to adapt it for *learn*$ave, the CSD customized the software in 2000 and early 2001. "MIS-IDA Canada" was launched in May 2001. It featured the capacity to record basic demographic information, bank account information, and case notes as well as the ability to produce monthly *learn*$ave account statements.

While the decision to use the MIS-IDA allowed the project to be launched on time in June 2001, it became evident that the customized MIS-IDA would not be adequate as the project progressed. The system had to be capable of dealing with features that were unique to *learn*$ave — one such feature is the account protocol that specifies the requirement for 12 monthly deposits of $10 each before credits can be withdrawn. The MIS-IDA was not capable of performing the associated calculations. Therefore, SEDI decided to develop a new MIS especially for *learn*$ave.

The new system was introduced gradually. The first phase of the new system, which was launched in November 2001, had the ability to capture participants' demographic information. The demographics fields in the *learn*$ave MIS corresponded with the actual *learn*$ave forms better than the MIS-IDA. In addition, the first phase of the new MIS automatically performed some of the necessary savings calculations, such as the number of active savings months. At this point, the MIS-IDA was still used to enter the case notes as well as to import the bank data, which were in turn transferred to the *learn*$ave MIS. For the limited number of participants who had enrolled prior to the launch of the first phase of the *learn*$ave MIS, some information was automatically converted from the MIS-IDA to the new system while the remainder of the information had to be re-entered manually.

In May 2002 SEDI launched the second phase of the *learn*$ave MIS and discontinued any use of the MIS-IDA. The second phase introduced the ability to enter case notes, import the bank statements directly (rather than via the MIS-IDA as had previously been done), and to check bank statements for errors. The third phase of the *learn*$ave MIS, implemented in April 2003, contained an extensive module for calculating and processing matched withdrawals. This version of the MIS also made some previously available tasks such as entering the attendance data on financial management training more user-friendly.

Bank Data: A Key Component

One of the ongoing challenges closely related to the MIS concerned data received from RBC Royal Bank. As the *learn*$ave MIS was being developed, RBC Royal Bank had to design a program to extract data from their main system by grouping the many codes for various types of account transactions into a smaller number of categories available in the

MIS. For example, RBC Royal Bank uses separate codes for different types of account withdrawals such as withdrawals from tellers and from ATMs: these amounts are added up and recorded under the single category of "withdrawals" in *learn*$ave's MIS.

Another challenge was the need to ensure that *learn*$ave accounts are correctly identified as such. Especially early in the project, some accounts that participants had opened at RBC Royal Bank were not properly coded as *learn*$ave accounts; they were therefore not identified as *learn*$ave accounts and not linked to participants. As a result, the information pertaining to these unlinked accounts was not included in the monthly account data that the bank forwarded to the site offices.

In addition, there were other account problems for which the cause was not as obvious; for example, information for some participants would sometimes appear in the bank data in a particular month but would be missing in the next month. These problems were most acute for participants at the Toronto and Vancouver sites where the volume of cases was the highest. Although the overall incidence of problems was low relative to the number of clients, it took months to resolve them.

To deal with these issues, SEDI and RBC Royal Bank implemented several measures. In late 2002 the letter of introduction that participants took to the bank was revised to clarify the instructions for bank officials. But a review of information for some Toronto participants in the summer of 2003 found that there were still several unlinked *learn*$ave-only accounts.

To identify and fix any remaining unlinked accounts among *learn*$ave-only accountholders (whom site staff could not contact directly to discuss matters related to case management of savings activities), account statements showing a nil balance were sent to those who had been in the project for at least two months and for whom the MIS indicated no *learn*$ave account had been opened.[20] Also in the summer of 2003, SEDI designed a template that the site offices could use to submit requests to the bank related to tracing issues. This helped to ensure that the bank had all of the necessary information to check into problem cases. Furthermore, each successive update of the MIS made it easier for project staff to diagnose the exact nature of the problem.

RBC Royal Bank assigned a contact at a "control branch" to work with each site office. The control branch was responsible for exporting the account data to the site office as well as answering questions about *learn*$ave accounts from site offices and other local RBC branches. The site offices noted that a good relationship with their control branch contact made a big difference in quickly resolving problem cases. At times throughout the implementation phase, however, staff turnover at the control branch hampered the working relationship with the site office. As well, the branch contacts were volunteers whose *learn*$ave duties had been added to their regular workload. At times the branch contacts were not able to deal with *learn*$ave issues on a timely basis.

[20]It was hoped that if the statement were incorrect and the participant had actually saved, he or she would call the site office number listed at the bottom of the statement. Those with unlinked accounts could then be identified and the account could be linked to the participant. For *learn*$ave-plus participants, case managers identified unlinked accounts directly through personal contact with the participants.

Other MIS Issues

Other problems were encountered during the implementation of the *learn*$ave MIS. In rare instances, errors occurred during manual data entry. Following routine checks on the quality of the MIS data, SRDC discovered errors and inconsistencies in some of the relevant dates, especially the date participants officially entered the project. In the summer of 2003 in an effort to resolve this problem, many site offices manually verified the dates on participants' acceptance letters. In order to minimize such problems, SEDI added an automatic quality check module to the MIS in the spring of 2004 that allows the site offices to more easily diagnose and correct problems. Subsequent reviews of the data have shown that quality has improved.

During SRDC's implementation research, site managers and staff raised some additional problems with the MIS. They remarked that the system became more user-friendly with each successive version. However, some project sites said that improved versions of the MIS were not released soon enough to meet their needs. In addition, they felt that the MIS was not capable of easily providing them with key pieces of information related to project operations. In response to the need for more information, each successive stage of the MIS continues to improve its capacity to produce reports helpful to the site offices.

Chapter 7: Talking With Project Participants

As discussed in earlier chapters of this report, the success of an initiative like *learn*$ave depends on recruiting people who are interested in saving to earn matched credits with the intention of furthering their education and training or starting a new small business. As the first two important steps in *learn*$ave, individuals must be recruited and then build savings in their *learn*$ave accounts.

This chapter explores recruitment and saving from the perspective of participants. As noted in Chapter 4, the pace of recruitment was slower than expected and the original recruitment period had to be extended. This raises a number of questions: Why was recruitment so challenging? Why do many eligible individuals who have taken the trouble to find out about *learn*$ave decide not to enrol? What motivates others to enrol?

Once people have enrolled in *learn*$ave, they try to save from their limited resources. There are many aspects about savings behaviour that need further investigation: Why do some people save while others do not? Is saving related to family background, cultural differences, or other demographic characteristics? How is the experience of regular savers different from that of irregular savers?

In addition to the questions on recruitment and saving, it was important to gain a greater understanding of participants' views on the services they have received through two fundamental components of *learn*$ave — financial management training and case management services.

To investigate these questions, the Social Research and Demonstration Corporation (SRDC) conducted two rounds of focus groups during the fall of 2002 and the fall of 2003. This chapter describes the focus groups and the impressions of those who attended the focus group sessions. The findings from these focus groups are not generalizable, but they will be useful in helping to explain the reasons for the findings that will appear in forthcoming research reports.

PURPOSE AND COMPOSITION OF FOCUS GROUPS

Round I

The first round of focus groups primarily addressed the recruitment issue. In the fall of 2002, SRDC held 12 focus groups involving a total of 102 individuals at the three primary sites — Halifax, Toronto, and Vancouver — and two of the secondary sites — Calgary and Digby, Nova Scotia.

The first round was designed to explore

- the factors that contribute to the decision to participate in *learn*$ave, including potential applicants' perceptions of local marketing campaigns promoting *learn*$ave, and
- participants' perceptions of two major services — financial management training and case management.

There were two types of focus groups in the first round. The first type comprised *learn*$ave participants and the second type comprised non-participants who had made inquiries about the project and had been deemed eligible but had not completed an application.

Two focus groups were conducted at each of four sites — Halifax, Digby, Calgary, and Vancouver. In each case, one focus group was composed of *learn*$ave participants and the other of non-participants. The Toronto site also held the same two sessions. In addition, however, because of the high numbers of recent immigrants who had enrolled there, two extra focus group sessions were held at the Toronto site — one invited participants who were "newcomers" who had arrived in Canada within a two-year period prior to their application to *learn*$ave, and the other invited newcomers who had been deemed eligible but had not applied. Each site office was asked to recruit focus group members from a broad cross-section of *learn*$ave participants and non-participants who had met project eligibility criteria.[1]

In recruiting the focus groups, site staff used their existing telephone and mailing lists to identify and contact participants and non-participants.[2] SRDC provided a telephone screening tool and a recruitment letter to the site offices to promote recruitment consistency across the sites.

Round II

The second round of focus groups addressed questions related to saving. Twenty-four focus group sessions took place in the fall of 2003 and they comprised a total of 147 individuals in Halifax, Toronto, and Vancouver.

These focus groups sessions were designed to explore

- the factors that affect savings behaviour and attitudes of *learn*$ave participants, with a focus on differences between regular and irregular savers and between participants who were "newcomers" (i.e. those who had immigrated to Canada within a two-year period prior to their application to *learn*$ave) and non-newcomers, and
- participants' perceptions of financial management training and case management and the difference those services have made in savings behaviour and attitudes toward saving.

To ensure that they would have had sufficient time to attempt to save, participants invited to the sessions had to have been enrolled in *learn*$ave for a minimum of nine months by the end of August 2003. Separate focus groups were formed of those who saved regularly and those who did not save regularly. "Regular savers" were defined as those who had made a net deposit of at least $10 in at least 75 per cent of the available months since they enrolled in the project. "Irregular savers" were defined as those who had made deposits in less than 50 per cent of the available months. Newcomers were also invited to separate focus groups.

[1]Income assistance recipients were not included in this round of focus group discussions. In spite of the intention to invite non-participants who were eligible, there were nine non-participants who indicated during the discussions that they had not met the eligibility criteria. Efforts were then made to adapt the focus group questions to accommodate these individuals through exploration of the experience and opinions of those who had shown interest in *learn*$ave but had been unable to enrol due to project criteria.

[2]The site offices kept lists of people who had inquired about *learn*$ave and/or had attended an application session.

In order to assess the effect of financial management training and case management services on saving, there were focus groups for participants in *learn*$ave-only and in *learn*$ave-plus. Individuals in the *learn*$ave-plus group had to have completed at least nine hours of financial management training to be invited to a session.

To accommodate these variations, the following six types of focus groups took place in the second round:

- Regular savers in *learn*$ave-only
- Irregular savers in *learn*$ave-only
- Regular savers in *learn*$ave-plus
- Irregular savers in *learn*$ave-plus
- Newcomer regular savers in *learn*$ave-only
- Newcomer regular savers in *learn*$ave-plus

Focus group sessions were initially planned for newcomers who were irregular savers, but their numbers were insufficient.

Using information from the management information system (MIS), SRDC provided the three site offices with lists of potential participants for each of the six types of focus groups listed above. The site offices recruited focus group members from these lists. SRDC also provided the site offices with a telephone screening tool and a recruitment letter.

KEY FINDINGS FROM FOCUS GROUPS

About Recruitment

Among the focus group members who were most interested in improving their future prospects by acquiring additional skills and knowledge or by starting their own business, *learn*$ave was seen as a rare opportunity. When they first heard about the project, most had an overwhelming curiosity about an offer that promised to "give away money" for education, training, or starting a small business.

Many newcomers in the focus groups appreciated the opportunity to be part of the project. Almost all the newcomers in the focus groups regarded the project as a good opportunity for upgrading their skills or education, which they regarded as essential in their situation. However, they had the view that *learn*$ave was only one of many available tools they could use to establish themselves in Canada.

A few individuals said they were initially skeptical about the offer. Those who eventually enrolled in *learn*$ave initially seemed to be more skeptical than non-participants about the legitimacy of the project; but they were more inclined to make the effort and make inquiries, which eventually satisfied their doubts. To them, gaining access to the matched credits was worth the effort.

There were many individuals who appeared to be less motivated than participants or who may have felt less capable of taking action to improve their prospects. For them, *learn*$ave was not attractive enough to overcome their doubts.

A number of those who attended the focus groups commented on the application process. Application sessions were seen as a necessary step in the application process. Some focus group members believed that mailing application forms to potential applicants rather than providing them at application sessions was not an effective recruitment method.

Some felt that too many people were present at the application sessions they attended. Those who attended the larger sessions felt that the questions they had about *learn*$ave and the application process were not adequately resolved under such conditions. These people would have been more likely to apply if there had been fewer potential applicants at each session and if the opportunity had been available at the end of the session to speak to site staff on a one-on-one basis.

Some non-participants felt that it would have been more useful if the site offices had maintained contact with those who had inquired about *learn*$ave but still had doubts. They thought that it would have been helpful if the office had contacted them to help them deal with their concerns.

About Saving

Those who enrolled in *learn*$ave did so because they wanted to improve their future prospects and saw the project as a means of helping them achieve their goals. They generally wanted to save money, earn the matched credits, and spend the proceeds on activities related to their goals. However, not all participants were equally successful in meeting their savings targets.

Based on discussions that took place during the focus group sessions, there are certain characteristics that distinguished the more successful regular savers from irregular savers. Regular savers are more likely to be forward-looking, with clearer long-term goals and a more rational approach to money and saving. They are more self-disciplined and focused, and they are committed to achieving their goals by making personal sacrifices when necessary.

These characteristics are especially apparent among newcomers who recently immigrated to Canada. Overall, newcomers are very savings-oriented and have a rational approach to money management. Their savings goals are most clearly defined and they make many personal sacrifices to meet their goals.

The low-income and low-asset individuals who enrolled in *learn*$ave face many barriers to saving, such as low earnings, debts, family responsibilities, and a high cost of living. Although regular and irregular savers faced many of the same barriers, regular savers seem to be more successful in overcoming them and in making regular deposits in their *learn*$ave account.

Everyone who attended the focus group sessions felt that their participation in *learn*$ave helped them to save. They appreciated the matched credits most of all. They also appreciated receiving the monthly account statements — they said the statements kept them focused on their goals and gave them a sense of pride and accomplishment in watching their savings grow. Both regular and irregular savers said that the matched credits provided a good incentive to save. Irregular savers were more likely to admit that they would not save if they were not participating in the project.

About Financial Management Training and Case Management

Generally, focus group members who were participating in *learn*$ave-plus were satisfied with the financial management training and case management services available to them.

The purpose of training and case management is to help participants meet their savings goals, to identify and address problems they may encounter in meeting their goals, and to reflect on their saving and spending behaviour. During the focus group discussions, many participants indicated that the training sessions provided them with the opportunity to share their experiences with other participants and helped them in their efforts to achieve their savings goals.

The discussions about financial management training revealed some differing perceptions among regular savers, irregular savers, and newcomers. Most focus group members stated that they already had a good general understanding of the information delivered in the training sessions and many said that they already applied the principles taught in the course. Newcomers and regular savers said they derive benefits from the financial aspects of the training sessions, but they were more likely to question the utility of prior learning assessment and portfolio development. Irregular savers appreciated all aspects of the financial management training, including the sections dealing with prior learning assessment and the development of personal portfolios, as an effective means to keep them focused on their goals and on the need to save.

Case management services are universally appreciated by those who have access to them as members of the *learn*$ave-plus group. Both regular and irregular savers hold very positive views of the services they received and the caring, professional manner with which staff members provided those services.

FINDINGS ON RECRUITMENT ISSUES

At first glance, *learn*$ave is an opportunity that should attract many participants. Especially during the initial recruitment phase, however, many sites struggled as they attempted to enrol participants. Low recruitment was the main issue examined during the first round of focus groups in 2002.

Initial Attraction to *learn*$ave

During the focus group sessions, the facilitators asked those in attendance to think back to their initial exposure to the *learn*$ave offer and to reflect on what prompted them to call the *learn*$ave office for more information or to attend an application/orientation session. Responses reflected an overwhelming curiosity about the offer to "give away money" for education, training, or a small business development. Those who eventually enrolled seemed especially interested in the offer of matching dollars.

> *What attracted me was the three-to one-matching. That is something really different that you don't really see everyday.*
>
> *It just sounded like a really good deal. Who wouldn't say yes to saving one dollar and getting three dollars for it?*
>
> *The idea of getting help from the government to save for school, you don't see that often so it's something worth looking into.*

At the same time, several individuals said they did not initially believe that the offer was genuine. Several said they thought the offer was "too good to be true," and thought "that there had to be a catch."

> *I looked at it and thought, what do you mean three dollars for every one dollar? I thought it looked like free money. It can't be right.*
>
> *I thought it sounded like a great deal but that there had to be a catch. It sounded too good to be true. The government is usually the last person to give people free money.*

But for many, especially those who enrolled, their skepticism was matched by curiosity about the offer. In the end, this curiosity prompted individuals to call the community agency to learn more about the project.

> *The three to one didn't sound right to me. It sounded too good to be true, so I thought I'd phone and get some more information.*
>
> *I was actually skeptical. When I saw the pamphlet I just thought I could try applying and see what comes out of it, but I didn't really think that anything would happen. I was very skeptical to be honest.*
>
> *When I first heard it on the radio, I didn't believe it because sometimes they lie too much. So I wasn't willing to go all over the place to find out. Then the second time I heard it on the radio, that's when I said I would call them.*

When asked why they had inquired about the project, participants described a strong personal belief that there was really nothing to lose and everything to gain from making an inquiry. In addition, for some individuals, the credibility of the community agencies and the fact that it was advertised as an HRDC-sponsored project helped them overcome their doubts.

> *The only reason I thought it was legitimate was that it was a government-sponsored agency.*
>
> *I think there are so many people who see the program and think, "Ah, there is no way, it is some kind of a scam." If there is some way of emphasizing the HRDC involvement, because HRDC is something people already trust as an organization.*
>
> *The involvement of [the delivery agency] was a huge thing for me because I had heard about it. My grandma for years would save all of her clothing and would do all sorts of community work with the [agency] so I had quite an awareness of them and how they are helping community development all over the world. So that the [agency] was connected with this for me was a positive thing, it gave the project credibility.*

Non-participants, on the other hand, seemed less doubtful about the project and actually showed a high level of interest in the project as a way to help them change their saving and spending habits. Other barriers as discussed in the next section ultimately dissuaded them from applying.

Perceived Barriers to Applying

Focus group members identified a range of barriers or disincentives that could lead to a decision not to apply to *learn*$ave. Some were dissatisfied with the basic project parameters, some did not like aspects of the application process, some had personal, family, or financial problems, and some simply procrastinated.

Dissatisfaction With Project Rules

Amount of Matched Credits

Some individuals said the cap on savings was too low to make the effort worthwhile. They decided not to participate because the money they could save would not cover the costs needed to achieve their goals. Others argued that education requirements are more costly than *learn*$ave seemed to recognize.

> *I suggest that the maximum savings need to be higher so that anybody that wants to get a master's degree would be able to do it.*
>
> *Well, if this support will pay the whole tuition, that would be very encouraging for me, but it covers only $6,000 and that is not enough. If it works in a way that pays all the tuition that could really work for me.*

Length of Saving and Withdrawal Period

Several focus group members said that the savings period of one year was too long. While this seemed to be a minor point for *learn*$ave participants, several non-participants stated that they would have enrolled if they would have been able to use their savings and credits in less than 12 months. Most of those people appeared to have a clear idea of their personal goals and intended to pursue them using other funding.

> *In my head I thought it was something sooner than one year. The way they explained it in the paper, I thought it was something else not that long.*
>
> *I want to start my career, but I have to wait for one year for the money and then I start to take the course; it will take me about two years from now. If I want to start now I can't.*
>
> *The main issue here is to save and use this money for your goal. So if you save enough money in six months, you should be able to use it.*

A few people were concerned that the time frame was not long enough to accommodate changes in planned activities.

> *I am planning to go to school, and if I don't get in, then my plans will change. So I am worried because I only have so long to spend it. I think this should be changed because it's your money, you saved it; you should have a longer period to decide.*

Use of Savings

Several focus group members suggested that savings and credits should be available for other purposes beyond education or starting a small business. These individuals seemed to place a higher value on other goals as the way to "get ahead."

> *You have only two possibilities — to invest in business or education. I understand that this money is to invest in the future, but many of the landed immigrants and refugees that came to Canada don't have enough work or don't find a good*

salary, and our main goal is to reach in the meantime something else like buying a house. You don't have the opportunity to save to buy a house and most of the people want to be free of paying rent. If I could have the opportunity to use this savings to pay the first down payment, for me it would be good. For many families it could be attractive.

Some indicated they would have preferred to pay off existing or future student loans with their savings. In their view, they wanted to start with a clean slate and reduce their debts for the future.

I don't think I even calculated if I could do it, it was more the issue of the student loan. I wanted to use learn*$ave to save as a back up to pay off a student loan in case I didn't get work right away. That way I wouldn't have to default on the loan.*

The part about it not going towards a student loan that is still an issue for me. I don't agree with it.

Possible Assignment to the Control Group

Almost all participants said that while they did not want to be put in the control group, they regarded *learn*$ave as an opportunity and felt they had nothing to lose in taking a chance.

It was a problem for me, but at the same time I understand that it is an experiment, so they need the feedback from everyone. It goes with the territory.

When you are hard up for money you gamble more, especially with projects like this. So there may be doubt that you might not be accepted in the program; but still, like everybody says, it's a lottery, so if you are taken in, then good for you; if you are not, then better luck next time.

I would say that I think the lottery was a good idea. Everybody is applying and everybody wants to get in. If only a selected few people get picked, then you appreciate it a lot more.

The possibility of being assigned to the control group at the random assignment sites was a disincentive for several non-participants.

Having the one-in-three chance of not getting the learn*$ave account was a problem for me. It just seems like it's a lot of work to collect all your income information for the past years. It was hard for me to get all my T4s together. And then you think, well you know, there's a one-in-three chance I am not even going to get this anyway. Then I am going to have the responsibility of sitting on the phone for two hours every couple of months and having it rubbed in my face, that I don't have any savings. That I found put me off a little.*

Completing Application Forms and Providing Personal Information

Most non-participants said they were overwhelmed and discouraged when faced with the *learn*$ave application form. This was particularly true for those who took part in application sessions attended by a large number of people and those living in rural areas who had received forms in the mail.

I remember the application was fiendishly complicated, very restrictive, and it had lots of subclauses. Certainly on the surface, it was beyond my capacity to deal with at that stage.

When I got the application, I found it immensely complicated for me. I couldn't work out what the requirements were, and I couldn't be bothered, but that was situational — I want to emphasize that.

On the other hand, project participants reported little difficulty in completing the forms. Several people said that project staff had assisted them and had answered their questions in a timely fashion.

A few non-participants expressed irritation with the amount and the type of information requested on the *learn*$ave application form. Some did not want to provide income tax information. Others seemed to take issue with the length of the form itself. Several individuals reported that these requirements resulted in their decision not to apply.

I didn't even look at the application form because I was told I was required to submit a copy of my income tax return. My income tax return is between me and Revenue Canada only. So as long as that requirement remains, I am never going to be a part of this program.

It was a bit difficult for me because at the time I hadn't officially declared bankruptcy, so I was afraid if I divulged financial information that I would all of sudden have creditors calling me.

It's not a matter of intelligence or reading forms, I mean we all fill out endless numbers of forms. I felt it was too intrusive. I felt cynical, as I mentioned before, because I thought, "Oh well, you have to basically give away the farm before you can get help from this project."

Personal Problems

Individual and Family Difficulties

For some non-participants, the *learn*$ave offer came at a time when they were experiencing family problems. For them, applying to *learn*$ave was one task too many. Several individuals said they still considered *learn*$ave as an opportunity, but one that they could not pursue at this point in time.

I was in a situation in my life where my mother had just died and I was very grief-stricken. I was fighting a court battle to remain in the house that my mother owned. There were many things going on in my life where I couldn't deal with something like learn*$ave.*

There was a sense of hopelessness that comes with being unemployed and aged. It discourages you from making too much effort in any direction unless you are absolutely sure that there is going to be a benefit at the end of it. So much energy is already expended on just surviving.

They gave me all these papers and all the information needed for the application, and I take it out and I write down my name, but then I see it was for me too difficult. I support my own family; I have three kids and a wife. Sometimes I work more than one job, and it's very difficult. It's up and down. I was going there to try and save money and I never tried to go back.

Lack of Savings Goals or Future Plans

Several non-participants indicated a lack of interest in *learn*$ave's savings goals and expressed uncertainty about their own goals. For these reasons, they did not see any merit in the project.

> *I had been interested in going back to school, but I didn't think that would change my life right away. As a newcomer to Canada, I thought it's better to get experience first, maybe like doing volunteer work in the field I would like to work in to get practical experience rather than going to school.*
>
> *I wasn't quite sure when I wanted to go back to school, so I guess that was the main reason I didn't enrol.*
>
> *I am 55, so I am not so employable. I had some confused idea of trying to upgrade my skills, but I had no plan. My life was in such turmoil, I didn't see how I could possibly qualify.*

Inability to Save

A few non-participants expressed reservations regarding their ability to save the required minimum amount of 10 dollars per month that would qualify them for matching funds. Because of this limitation, they decided they would not apply to *learn*$ave.

> *We are a family of four. Last year we made $24,000 with a family of three. This year with a family of four and we are making a lot less with me on leave. It is very difficult. There is no possible way we could save.*
>
> *Right away I was skeptical about whether I could ever save a dollar. I found out I was right. I can't save the money.*
>
> *I am the only one working right now because my husband has been laid off. I didn't think that I would be able to put that dollar aside to be able to qualify.*

Difficulty Opening a Bank Account

Participation in *learn*$ave requires opening an account at the Royal Bank or other participating financial institutions.[3] Several non-participants were reluctant to approach the bank due to their financial history, and they saw the need to open a bank account as a barrier to enrolling in the project. Others believed that the bank would use their *learn*$ave savings to cover their outstanding debts.

> *I have bank accounts at other banks. Six years ago I had an account with the RBC and closed it. I attempted to open another when I moved here and they declined me because of my credit report, so I haven't been into a Royal Bank since. It was a discouraging process to go through.*
>
> *I had declared bankruptcy but it is past now, but I would say that some banks are renowned for taking your money right out. You owe, they take it right out. Why would you want to save anything if it is going to be sucked right out?*
>
> *I also have a student loan with the Royal Bank, so if I open an account with them, they are definitely going to take out what I am saving.*

[3] *learn*$ave bank accounts are available at RBC Royal Bank in nine project sites, at the Assiniboine Credit Union in Winnipeg only, and at the Caisse d'économie Desjardins in Montreal only.

Procrastination

Some non-participants explained that they had not made any explicit decisions about applying to *learn*$ave. They said they had simply forgotten to complete the application form or had postponed the decision to apply. Some said that without an external deadline for the application, they were less likely to complete the process.

> *I haven't decided not to do it. If anything, I have been lazy about it.*
>
> *I still think it's a good opportunity; I have just been lazy. Getting it together and deciding what to do, it hasn't been on my mind. I have other priorities right now, and I don't feel any sudden rush.*
>
> *I am a procrastinator, and its just getting all the paperwork done, that's the only thing that is holding me back.*

FINDINGS ON SAVING ACTIVITIES

The facilitators asked those invited to the focus groups to reflect on their saving activities. The groups explored issues related to savings strategies and attitudes towards saving. Those who have saved on a regular basis in their *learn*$ave accounts differ in a number of important areas from those who have saved in a more irregular pattern. Newcomers display characteristics that mirror those of regular savers.

Characteristics of Savers

Regular Savers

Regular savers tend to be more forward-looking with strong savings goals and they are determined to succeed.

They are forward-looking.

> *Remember I've got one year to complete this now, which means it's a question of priorities, which means that I've got a one-year block to pull this off, which means anything else that I could accomplish in this time frame all of a sudden went to the back burner because this came to the foreground. I have been putting this off and now I can't. I'm looking at my financial security in the future because anything I don't use for education will go in an RRSP for my retirement.*

They are committed and they make personal sacrifices.

> *First of all, I would agree because I'm myself a smoker, so I would definitely go and cut out that. It's a burden, a financial burden. But there's another thing because my situation is entirely different right now because once we came here we had to start from zero. You see what I mean? Like, once I got my first job it was eight dollars an hour. Right now I am a manager so that's good, but at that time we were trying to make both ends meet with this. So after two months, once I got a raise, I told my wife, "Okay, we were living with that eight dollars an hour, so because this is the beginning of our new era in this new country, whatever I'm earning over and above we will just consider that I am not earning that." So for four or five months we just lived with eight-dollars-an-hour wages.*

They have a clear savings goal and strategy.

> *Just like you're going to do something, you have to have a plan if you have a goal. For example, some people may just climb around this mountain so they will never*

reach the top; so you have a goal, but still you should have a strategy. So I think both are important, and there's a saying that where there's a will there's a way.

They have strong savings attitudes.

You might be saving for retirement, you might be saving for anything like a house or education or anything, and if you don't plan for the future like learn*$ave and then do something, then I don't think you're going to get ahead. Even in a job, if you don't study then most likely you're not going to get ahead, and to reach that goal it's very important to save money.*

They are self-disciplined and focused.

I can save the money in 12 months, right? So I have to be focused. I focus on my savings up to eight months or six months, and then when it gets there I have six months more for 10 dollars.

They take a rational approach to money.

I didn't question it. I didn't judge it, for lack of better words. I didn't say, "Oh, this is going to be difficult." I had no idea. I said, "It's a good experience; let's just do it," and I think for saving it's just, "Oh, I've got an extra 5 or 10 dollars; it doesn't have anywhere to go. Oh well, we could go over there." I'm not going to miss it; it's not part of my living money.

They are resourceful.

Well, I just moved recently and my father offered to help me move and then I got some friends to help me, so that cost me about one third of the price. So that's good because I budgeted for moving and then I didn't have to spend it on anything.

Irregular Savers

Irregular savers are generally more pessimistic when looking towards the future, and saving is not their top priority.

They are more pessimistic when looking towards the future.

I think it's important to save money. I do believe I can't at this point in my life. Part of it is because of my attitude; it's not a bad attitude but it's an attitude where I feel if I die tomorrow it's irrelevant. So saving is really relatively not important for me. It bothered me because I do want to pay for my education.

They lack clear goals.

I either wanted to start a business or if I didn't have the job plan in place by the time, they say two years down the road, then I would get myself upgraded for some admin-type business school type of thing, something that's a little bit more stable than the trade that I've learned in the past, because I found that the trade in the past was very unstable.

They are not as committed to saving.

It is difficult to save just because I haven't had the discipline: it comes in and it goes out. I worry when rent comes up and I worry when there are things that I have to pay that come up, but other than that I just need to be more disciplined. That's what I'm working on.

They are not as willing to make personal sacrifices in order to save.

> *I'm a person with a lack of discipline because I'm pregnant. I will buy candy, a whole box or whatever, but I can save those monies to put in the bank. I just need to be more wise where I spend the money, but being in this program, each month I receive the bank statement showing zero savings and "Oh, I'm not that poor." It's always constantly reminding me I'm a person lacking discipline; I should repent and confess.*

Newcomers

The majority of newcomers are regular savers and they have clear goals that usually include establishing their careers in Canada.

They are highly focused on establishing a career.

> *We have a very clear plan for five years. Before the end of next year we'll buy a house and a car, and maybe after next year I will work as a professional engineer and will manage to pay the mortgage as soon as possible. So I deposit every dollar for this objective. We are not stressed out about it but full of hope.*

They are very future-oriented.

> *Saving money is important to me in the past and I think I'm still young, and I'm taking education so I have a better prospective for myself in the future. So I save that part for my future. Also, because I don't have so much emergency expenses, if I get ill, if I get sick, maybe that will cost me a lot of money, so it is important to save for that as well.*

They have strong savings attitudes.

> *I just save as much money as I can, so when I was working sometimes I put 250 dollars each month away. If I'm not working and I have no money, I just put 10 or 20 dollars each month. Because every year I spend much money on training, so I just want to save for 12 months and cash out. So I'm just saving money as much as I can.*
>
> *Most Chinese families, they have the habit of saving money for their safety. I think in China the welfare system is not as good as in Canada. Therefore saving is a good habit.*

They are very willing to make personal sacrifices.

> [We may have to] *change some preference; buy some similar things, to some cheaper things like that. For example, you can buy cheaper meat because for nutrition it's almost the same. The taste* [may be] *a little different but the price is very different, so that is a kind of save. Also, we save from buy toys for the baby; we can buy less to save some money for education.*

Barriers to Saving

Economic Influences

Some of the most common barriers to saving were related to economic influences including low wages, unstable work or income, and loss of employment. Both regular and irregular savers identified those issues as the most common barrier to saving.

> *When you are laid off from work it makes it hard to save.*

A higher-paying job would obviously give you leverage. If you're making an extra 10 dollars a day it would be easier to save.

Generally, family responsibilities are among the main reasons for many participants to save. However, these responsibilities also make saving more difficult, especially for single parents. Satisfying the immediate needs of children, such as medical expenses and school supplies, can make saving difficult.

It's very hard. When you have a family, raising three children by myself and not having child support, so it's hard to save and try to put more money in your saving account. Sometimes anything can happen.

Unexpected expenses also make saving more difficult. Those expenses are often related to medical necessities and emergencies as well as other financial emergencies such as cars or household items that need repair or replacement.

Expenses like emergency expenses if you don't expect these expenses. Like I had a problem with my daughter; she broke her hand and it was surgery, and in the hospital I did not have to pay for surgery, but I have to pay for the emergency car. I have to buy the medicine by myself. I did not expect this.

Social and Cultural Influences

The focus groups explored issues related to the pressure to spend in our society. They argued that the pressure to spend makes saving very difficult for many individuals.

It's our culture; we live in a consumer culture; that's what's difficult. As soon as we step outside of this door we're going to see ads; we're going to go home and watch TV, cable or no. I don't like to watch TV too much, but even if you're on the Internet on the computer, I mean, we're inundated with it.

Participants also discussed the pressure to spend created by more well-to-do friends and acquaintances.

I find sometimes that some of my friends have a lot more money because they just do different things or even if they're in the arts they are more successful or something. You feel this pressure if they want to go out for dinner and they want to go out for a night on the town. Or you go for a dinner party and you want to bring something and you don't want to be cheap, you don't want to be the poverty-stricken one in the group, so you're trying keeping up.

Personal Influences

For some irregular savers, a critical event or a series of events have made it much harder to focus on saving. While some regular savers also lived through critical events, they were more likely to be able to deal with them.

It was sort of difficult, because when I got into a motor vehicle accident, I had problems with EI, which I had to fight with. And then after that it's just trying to balance a backup of bills, and I'm still, as I said, I'm unemployed and there's no EI coming in. I'm just getting motor vehicle insurance.

The overwhelming majority of newcomer participants talked about the fact that their situation makes saving difficult. They face an increase in living expenses, a lack of Canadian credentials, and difficulty finding a well-paying career.

In China we had our house, we had our apartment. Here we must pay rent. The rent is, I think, over 50 per cent of our expenses in one month. So one thing that makes saving money more difficult here is the cost of living.

learn*$ave is very important in achieving my goals in life. I think it's very important, because when you come into this country as an immigrant you are not very confident. You come to Canada highly educated and not confident, but when you get an opportunity to actually go to school here and compare yourself with other students, your confidence level goes up. Then you feel you can compete equally in any situation. So that's what actually everybody needs to get ahead in life.*

Strategies for Saving

During the focus group sessions, attendees were asked to share their strategies for saving. While most of them identified similar strategies, irregular savers did not apply these strategies as rigorously as regular savers.

While both groups described their deposits in *learn*$ave accounts as a bill they had to pay to themselves, this strategy was more commonly applied by regular savers. In addition to treating their savings as a bill to be paid each month, some regular savers noted that they would under no circumstances withdraw the money they had saved.

I just budget it all out and look at it like it's a credit card payment or a car payment or something. Once it's in there, I don't even look at it.

I put 20 dollars a month on baby bonus day, and in my mind it's a bill and the money's gone.

It's like a bill, almost. It's not like spendable money in that account.

Many regular savers are so focused on reaching their savings goals within a one-year period that they have set high specific targets. Many have selected $125 per month as their target because $125 per month over 12 months will result in total savings of $1,500, which is the maximum amount eligible for matched credits at the three main sites.

I haven't finished yet; I'm almost finished. In the beginning I made sure I put in $125 because that's a month times 12, which gives you the total required amount.

I participate in the program since maybe July of last year, and I deposit $125 for one year, and right now I already used learn*$ave money.*

Both regular and irregular savers tend to deposit extra money that they receive from outside sources beyond their usual incomes into their *learn*$ave account.

We put in a lot of the income tax return. That was extra money that we got.

Usually for me it's extra money like gift money or child support and it kind of happens to come in that month, that would be money that's put away into savings.

Many regular savers make use of automatic withdrawals from their account to contribute to their *learn*$ave savings. On the other hand, most irregular savers either did not know that the option existed or had thought about doing it but had not done so.

To me, that's what I had to do, basically. That's why I had it on automatic withdrawal, because I knew that if I would have had to do it on my own

gumption, it just wouldn't happen because I would spend it on something else, but if it's gone and it's gone automatically, I'm more apt to be able to do it consistently on a month-to-month basis.

Because I am getting a regular paycheque, I'll have a certain amount taken off my paycheque and put directly into my learn*$ave account.*

Many regular savers had taken on additional work or worked more hours to contribute to their savings goal. Irregular savers, on the other hand, had thought about taking an additional job or working more hours but very few had done so.

After I started the program, I started a new part-time job even though I was already working full time, but this helps me saving. I didn't get the job for the sole purpose of saving, but I guess you could do that too.

If you have several sources of income and always stick to one source of income and put that aside for savings. For me, I also have a part-time job, so whenever I got a cheque from that agency I put that money away in my learn*$ave account.*

For most participants, cutting back their spending seems to be the easiest approach to saving money. For example, they cut out luxuries, coffee, cigarettes, lunches, or snacks. They also look for bargains, stop pleasure shopping, or sell their car and use public transportation.

I confronted some of my spending demons. Does that need more explanation? My somewhat, I wouldn't say "compulsive shopping," but spending really on unnecessary things. So I'm kind of just tightening things up. I had very little extra money to spend anyway; but, my gosh, if there was 20 dollars a month on insignificant Dollar Store things I would do it, so I really reflect on the 20 dollars I think could go elsewhere now.

It's important to save on small things. Like if I cut out coffee for a week, and that maybe adds up to 10 dollars, and then I go for a two-dollar coffee at Starbucks which is really good and really tasty at the end of the week to reward myself, I feel like, "Okay, great; I did it."

Another savings approach employed by many regular savers is the use of a budget. For them, the budget helps them assess and control their financial situation. Irregular savers, on the other hand, do not appear to use a budget consistently.

I have to budget because I know I only have so much, so if I don't make sure I have everything in order, then my rent might not get paid. There's no extra money sitting anywhere, so I have to budget.

The budget puts everything in perspective. If I don't really write everything down, I don't know how much extra I do have to pay or that I do have extra. So actually seeing it and writing it down as a budget really helps.

Many of the regular and irregular savers make use of free offers and they access community resources that are available at a nominal charge. Female *learn*$ave participants make use of this approach more often than male participants. Many of the women who participated in the focus group sessions were single parents who took advantage of free community resources and events on behalf of their children.

If I can't enjoy life it's so boring, but I save money and meanwhile I enjoy living life. I collect some information from community centres at the library: some swimming pools and some parks are free of charge. For example, the swimming pool is open and free of charge on Friday or Saturday or Tuesday. Remember the day you don't need to pay.

I take advantage of the Friday night at the ROM for my son, for entertainment. I don't have to pay.

FINDINGS ON FINANCIAL MANAGEMENT TRAINING AND CASE MANAGEMENT

Financial Management Training

All three primary sites and three of the secondary sites use the same curriculum for their financial management training sessions. The course, termed "*learn*$ave training" (L$T), is intended to help participants decide on a savings goal, establish a savings plan, learn about general money management techniques, and incorporate the concept of prior learning assessment to better understand their goals and directions.[4] During both rounds of focus group sessions, participants were asked to assess the usefulness of the L$T.

Most *learn*$ave-plus participants spoke positively about the financial management training sessions. They indicated that the training sessions provided them with the opportunity to share their experiences with other participants and helped them in their efforts to achieve their savings goals.

I enjoyed the group. We all got to know each other, and know each other's names. It helps a lot to be friends with different people. I felt that was pretty good.

I went from saving nothing to now being able to save through learn*$ave. I never had a savings account in that sense before; you always ended up spending that money on one thing or another. So, yes, that is something this program has really brought home, that putting money away actually means something. It has a goal at the end. It's a good thing.*

The information given in the courses was very, very useful. They provided a lot of information in a small period of time regarding the economy, regarding how to prepare the budget and how to find out your credit and how to create our credit. There was so much information in these courses, which was very useful and very informative.

Overall, newcomers and regular savers said they derived benefits from the financial aspects of the training sessions, which served as a review of financial principles many say they already apply. But they were more likely than irregular savers to question the utility of the "prior learning assessment and recognition" and the "development of personal portfolio" aspects of the course. In those cases, they would have preferred to get additional information related to the financial component covered during the L$T, such as information related to budgeting, strategies on investing, and credit management.

I think the information this project offered us is very small for me in the daily life, but I know how to check my credit by letter, so it's very important. Other information like bank information and doing search on the price of groceries, it's been a great influence on my life.

Generally speaking, it is helpful and it's a chance to know new people, networking, and I get some knowledge about finance in Canada. But it's not helpful for me to form a saving habit — not at all.

[4]See Appendix J for an outline of the curriculum.

There is a fair bit of emphasis on getting this portfolio together and I found it frustrating to do that one; I felt like there's more important things to do. Like, I was needing to put something together with my portfolio, but not quite the way in which it was designed for the group, and so I felt a conflict in that because I felt like if I'm going to do a portfolio and spend this time, then I should be spending it in a way that's going to make me move on to the next step, like get me something in my hand that I can take to a prospective employer or educational institution that says what I have done and where do I need to go from here to get to the next step.

Many irregular savers, on the other hand, thought that the sections facts related to aspects of self-reflection, developing a personal portfolio, and sharing experiences with other *learn*$ave participants were helpful.

The other people in the group were more important than the program. For me the money became secondary to the group and to the self-realization of a lot of things in my life. The amount of money involved wasn't necessarily going to change my life, so I had to change my life. So it helped me get in touch with myself, who I'd been and who I'd become. It made a big difference.

For me the most important part was the portfolio development and the question "Who am I?" That one question took over for me; it made me look at whom I'd been and whom I'd become and how to do some things from there. It was very important.

Staff from the site offices delivered the L$T sessions. The majority of participants stated that the sessions were well facilitated and that the facilitators were respectful and understanding.

Because, maybe, I work in the financial service industry, so I have more knowledge about this than other people, but I do think this training was helpful. I really like the way the instructor talked. She tried to have everyone participating and talking to each other in the discussions.

[Facilitator's name] *who was our facilitator, yes, the humour was wonderful. She admitted to her humanness and her ability and her frailty rather than standing there as an expert stating, "And we are now going to change you." She was very, very human about it, and it would encourage us to take little steps; it was very, for a lack of better words, almost nurturing. Like she had taken a role of a parent and encouraging us kids to put our money in the piggy bank again.*

A few participants commented that there was too much homework and they were not satisfied with the material provided in the course. Others indicated that the L$T was overly time-consuming. However, negative comments were few in relation to the positive comments made by focus group members.

Case Management

Case management services are provided only to the *learn*$ave-plus group. The site offices monitor the savings pattern of each accountholder in this group, and they give the participants support and advice as needed. The purpose of case management is to encourage participants to meet their savings targets, to identify and address problems they may be having in meeting those targets, and to provide referrals to deal with other problems that might arise during the savings period.

For the majority of *learn*$ave-plus participants, case management is a very important and positive component of their experience with the project. There was an overwhelmingly

positive response from the majority of participants in the two rounds of focus groups about the support the case managers have provided.

> *She has been so incredible. If I don't have a ride, she will come and pick me up at home and take me to the meeting or to the class. During the session when we were doing the actual training, my baby was two months old and she would take her out for a walk in the hallway so I could be a part of the group and take my lessons. She always calls me if there is an opportunity that she thinks I could be involved in. She just wrote me a letter and got me involved in a women's business conference that is happening and contacted some people so that I could go without cost. She has been incredibly helpful. She has been just amazing. Her support made me feel like I could do it.*

> *They usually give me a call back within the hour. She is my case manager and she has a heavy load but is always there and gets back to me in a timely manner with the information that I need.*

> *The incentive, too, is you know you have that support behind you; it gives you that little push. They always say, "If you are having problems, call." I need a big push sometimes, so in a way it's really good.*

The majority of participants who are close to reaching their savings goal are especially aware of the usefulness of having contact with a case manager. Many of those individuals anticipate more contact with their case manager once they reach the point of cashing out their funds and they feel it is important to maintain good rapport with their case manager.

> *The contact is probably very important when you're trying to cash out to have someone on the other side that knows how to get the things done. I think to have a rapport, so they know who you are and you know them and going through the process of getting your cash out will be smoother I'm sure.*

For participants who are saving on an irregular basis, their needs are more centred on overcoming barriers and not losing sight of their savings goals. The case managers seem to make a difference in the lives of those participants and their involvement seems to make project participation easier. Many of those participants stated that the support they received from the case managers was instrumental in keeping them focused on meeting their savings goals as well as their broader goals.

> *She's very, very intelligent, very well spoken, and very wise as a person. She shares herself, she talks about her own experiences, and the way she talks it's just like things that didn't make any sense to you before all of a sudden make sense, and you see exactly what you have to do and how you have to do it. So I talk to her, but I don't talk to her all the time. I try to have something to show for it so that next time I talk to her I'm not just, "Okay, let's talk about this," and I'm, "Okay, since the last time we talked I did this and that and that, and this happened and now I need your help."*

Newcomers especially indicated they were happy to be able to communicate in their own language.

> *It has made a big difference because I think it's very important that she speaks Mandarin because a lot of Chinese people if they come here as new immigrants and participate in this project, and this is a somehow complex procedure. So it's easier for us to understand with our native language. So I think I connected very good with* [the case manager] *with our native language, so I think it's very positive.*

Chapter 8: Conclusions and Lessons Learned

The *learn*$ave demonstration was designed to test the potential of individual development accounts (IDAs) to help low-income Canadians and landed immigrants pursue lifelong learning as a means of improving their employment and earnings prospects. The project is addressing the following research questions:

- Will the offer of financial incentives to save for education, training, or starting a new small business be sufficiently attractive to a significant number of low-income Canadians and landed immigrants? Which groups will find it most attractive?
- Will they be able to save more to achieve these goals?
- Will they continue their education and training or start new businesses with their savings?
- Will these activities yield improved earnings and employment prospects in future?
- Can such an initiative be cost-effective from the perspectives of individual participants, governments, and Canadian society as a whole?

The project was launched in June 2000 and is scheduled to end in the year 2009 with the completion of a final evaluation report. As of the publication of this report, a number of important milestones have been achieved. First, the detailed design for *learn*$ave's parameters, implementation, and research has been completed. Second, the organizational infrastructure to deliver and evaluate *learn*$ave was put in place and the project was successfully implemented. By mid-2005, all of the principal operational phases of *learn*$ave have either been completed or are generally proceeding as planned. These phases include the recruitment and enrolment of participants and control group members, the savings period, the provision of services such as financial management training, the withdrawal of matched credits, and the research activities associated with the evaluation of *learn*$ave.

Because participants and control group members are still engaged in these activities, it is still too early to address all but the first of the research questions listed above. Only after the savings and subsequent activities of participants are tracked and compared with those of the control group can the remaining questions be addressed with any validity. For example, participants are saving in their *learn*$ave accounts, but many of them were saving and had a positive financial net worth before they entered *learn*$ave. It remains to be seen whether they will save more as a result of their participation in *learn*$ave.

As noted in Chapter 1, the purpose of this report is to provide a document of record about the implementation of *learn*$ave. The preceding chapters describe the design of the project and its evaluation strategy, how it was implemented, and who has enrolled in it. The information in this report is intended to not only provide a foundation for replicating the project, but also to establish a useful context for interpreting the research findings as they unfold.

This chapter draws some overall conclusions and summarizes the main lessons that have been learned to date from the implementation of *learn*$ave. The evidence that supports those conclusions is contained in the preceding chapters of this report.

OVERALL CONCLUSIONS

The project came very close to meeting its overall recruitment target after extensions in the recruitment period of up to seven months at four sites. In spite of generous incentives, a small proportion of the eligible population applied after approximately two years of intensive effort by the local agencies that are delivering *learn*$ave at the 10 sites. It is estimated that up to five per cent of the eligible population might have applied if everyone in the eligible population had been fully aware of *learn*$ave.

learn$ave has much greater appeal for certain groups within the low-income population. Those who are ready for the changes in their lives that can be facilitated by participating in *learn*$ave and who are in a position to take advantage of these benefits are more likely to apply. Recent immigrants to Canada appear most likely to apply, although others with a good formal education and those who are younger, single, and employed are also more likely to apply than others in the eligible population.

The implementation of *learn*$ave has generally progressed smoothly. All of the key operational components were successfully implemented. Participants were able to understand key *learn*$ave messages, open their bank accounts, and receive their matched credits. Furthermore, the majority of participants were satisfied with *learn*$ave and felt that staff did a good job of running the project.

As in any initiative of this magnitude, however, some unanticipated difficulties arose as the project was implemented. The most serious of these involved the effort to advertise the project and recruit 4,875 individuals as participants and control group members. After this difficult phase of the project drew to a close, other lessons were learned about particular aspects of running the project. These are outlined in the following sections of this chapter.

Overall, two main conclusions emerge. First, it appears that *learn*$ave has found a niche among specific segments of the population. And, second, the project as implemented will provide a valid test of the effectiveness of an IDA specifically designed to meet particular goals among the Canadian population.

LESSONS LEARNED

Recruitment Lessons

Lesson 1: Recruitment proved to be more difficult than expected.

This report has shown that *learn*$ave came very close to meeting its overall recruitment target, with 4,827 enrollees recruited out of a target of 4,875. When *learn*$ave was being designed, it was known that IDA projects elsewhere had experienced recruitment difficulties, especially early in the recruitment period — but it was believed that across the 10 sites in some of Canada's largest cities, enough individuals could be found who would want to earn $3 in credits for every dollar they saved. However, the disappointing early results and the need to extend the recruitment period beyond the planned two years led to the conclusion that the overall results did not fully meet expectations.

Lesson 2: An array of marketing methods was necessary to recruit the numbers needed for *learn*$ave.

learn$ave's recruitment efforts involved more trial and error than originally anticipated. In order to recruit participants, virtually all sites found that a well-organized recruitment campaign that went beyond agency outreach was necessary. At the outset, it was thought that partnerships with other local non-profit agencies would facilitate recruitment. But, in general, these other agencies referred relatively few participants to the site offices.

Certain sites — particularly Fredericton, Calgary, and Vancouver — anticipated the need for a broad recruitment campaign and avoided placing too much reliance on other agencies. From the outset, they quickly designed and implemented multi-faceted recruitment campaigns that led to early positive results.

Many sites eventually found that they had to launch a coordinated marketing campaign that included a variety of methods. For example, in the spring of 2002 the Toronto site found that a layered promotion strategy with a range of advertising methods worked well. The site office continued this layered approach throughout the remainder of the campaign by intermittently purchasing newspaper advertisements to complement its subway advertising.

While effective marketing plans should be tailored for specific sites, some site staff believed that a coordinated national campaign would have helped recruitment. This could have taken the form of a national media campaign or marketing methods that could have been adapted to circumstances at each site. It could have raised awareness early if implemented at the beginning of the recruitment period.

Lesson 3: The effectiveness of various marketing methods varied by site and target group.

What worked very well at some sites did not necessarily work well at all sites. For example the mass media, including newspapers, radio, and television, worked better at the primary sites. In addition, transit ads were a successful part of the recruitment campaign in Toronto, Kitchener, and Calgary. But they were not as successful in Fredericton and Vancouver. Although the Fredericton ads were placed on almost every bus, public transit is not as heavily utilized in Fredericton. The Vancouver Sky Train is heavily used, but the lack of tear-off pads may have limited the impact of these advertisements.[1]

Word of mouth builds on active marketing activities and it worked well everywhere, especially at the secondary sites. It began slowly and gained momentum over the recruitment period. According to some site managers, many enrollees reported that they heard about *learn*$ave several times from other sources, and word of mouth was often the way they last heard about *learn*$ave before applying.

What worked for some segments of the target population did not necessarily work for the whole target population. For example, other local agencies were more successful at referring income assistance (IA) recipients than non-IA recipients. A significant proportion of the IA recipients in *learn*$ave heard about the project through their contacts with other agencies and then enrolled. However, very few of *learn*$ave's enrollees who were not IA recipients were clients of these other agencies.

[1]Some advertisements on buses or subway cars had a pad of individual notices containing important information about *learn*$ave that potential applicants could tear off and keep for future reference.

Lesson 4: Resources available for recruitment activities had to be supplemented.

Since the level and scope of the marketing effort that was required was not anticipated at the outset, some sites did not build the necessary staff time and expertise into their initial staffing plans. These sites found that they had to add this expertise during the recruitment period when it became evident that more needed to be done to interest the eligible population in applying.

The unanticipated demands of outreach and recruitment and the urgent priority to increase recruitment levels reduced the time available for other important activities. Especially at the primary sites, staff indicated that recruiting new participants and processing applications occupied much of their time. As a result, many participants did not begin their financial management training until they had been in the project for a long period of time. Furthermore, until recruitment was completed, fewer case management services could be offered than originally planned at the primary sites.

Lessons on Interest in *learn*$ave Among the Eligible Population

Lesson 5: Enrollees are not typical of the whole eligible population.

learn$ave had much greater appeal for certain groups within the low-income population. Those who were ready for the changes in their lives that could be facilitated by participating in *learn*$ave and who were in a position to take advantage of these benefits were more likely to apply. Recent immigrants were foremost in this category: many of them already had high levels of formal education and they likely needed to obtain Canadian credentials.

In addition, *learn*$ave was of interest to Canadians who were more likely than the general eligible population to be younger, single, well educated, and employed.

Other low-income Canadians in the labour force were less likely to apply to *learn*$ave. There were indications, however, that more IA recipients would have applied if the targets for IA participation had been higher.

Because those who enrolled do not represent the whole eligible population, the overall findings of *learn*$ave's impacts will not be generalizable to the relevant population. Analyses of subsamples will be used to capture the findings related to recent immigrants and other enrollees.

Lesson 6: The three primary sites recruited the numbers of enrollees for the experimental study that would have been expected based on the size of their local eligible populations.

At the outset it was believed that at least 1,200 eligible individuals would apply in any of Canada's larger cities; consequently, the three delivery agencies in Halifax, Toronto, and Vancouver were each asked to recruit that number for the experimental study. When it became evident that Halifax's target would not be met, Toronto and Vancouver were each assigned higher targets to compensate for the expected shortfall in Halifax.

Toronto was the first primary site to reach its target three months into the extended recruitment period, followed by Vancouver at the end of the period. Halifax had enrolled just over one fifth of its target when its recruitment phase was cut off two months into the extended recruitment period.

In comparison with the number of eligible individuals, the Halifax office recruited the highest proportion (1.55 per cent) of the eligible population in spite of having the shortest recruitment period of the three sites. Vancouver followed at 1.30 per cent and Toronto at 1.20 per cent. These proportions indicate that the 254 enrollees in Halifax for the experimental study represent a reasonable number when considered in comparison with enrolment in Toronto and Vancouver.

The fact that Halifax recruited a proportion of the eligible non-IA population similar to that in Toronto and Vancouver — without the advantage of large numbers of recent immigrants — implies that Halifax was relatively more successful in recruiting non-immigrants.

Lesson 7: The maximum take-up rate, under ideal conditions, could possibly approach five per cent of the eligible population.

This report discusses two estimates of the maximum take-up rate *learn*$ave could have achieved if everyone in the eligible population had been aware of its existence and their eligibility for it. A maximum take-up rate of 4.6 per cent is estimated based on a comparison of actual enrolment with the eligible population as drawn from the Survey of Labour and Income Dynamics. A corresponding rate of 5.1 per cent is estimated using the findings from the market research survey.

Neither of these estimates allows for possible opposing influences that could affect the take-up rate. For example, it is highly unlikely that everyone in the eligible population would become aware of *learn*$ave, although awareness could approach a very high level if *learn*$ave were introduced across Canada as a federal program. On the other hand, it is also possible to envision the likelihood of a "snowball effect" generated by greater personal knowledge of *learn*$ave's benefits among the eligible population through the experiences of friends and acquaintances.

Although an exact maximum take-up rate cannot be determined, preliminary information obtained to date suggests a range of values around five per cent of the eligible population.

Lessons on Eligibility and Screening

Lesson 8: The eligibility criteria and the screening process for applicants were generally effective.

Overall, the criteria used to select enrollees for *learn*$ave and the screening process itself achieved the intended result: those who enrolled had low incomes and low financial net worth. According to information collected in the baseline survey, only 0.7 per cent of enrollees had an income above 120 per cent of Statistics Canada's low income cut-off.[2]

The average net financial worth of enrollees in the experimental study was $2,833, which appears to be higher than expected given the maximum asset cap of $3,000 (net worth deducts the value of outstanding debt from assets). However, the asset cap excludes the value

[2]The income amount reported in the baseline survey referred to the 12-month period ending with the baseline interview, whereas amounts reported on the application form referred to annual income in the year before and the year of application. A small margin for reporting error was applied to the baseline data. It is also important to note that a file review of the application forms of enrollees conducted in Toronto also found a similar proportion of enrollees who had exceeded the income limit.

of homes owned by a small proportion of enrollees. It also excludes funds in chequing accounts while the information from the baseline survey includes all bank accounts and other asset holdings. Chequing accounts were normally excluded from the screening process because it was decided that funds used for daily living expenses should not be considered as assets for purposes of eligibility.

In the case of newcomers who entered Canada within two years of application to *learn*$ave, chequing account balances had to be included under the newcomer protocol that was introduced in early 2002. Because of the rules devised especially for them, newcomers were more likely than others to enter *learn*$ave with higher bank balances.

In spite of the fact that full-time students were not normally eligible for *learn*$ave, 3.4 per cent of experimental study enrollees said they were in school full time at the time of the baseline survey. However, this could be due to the time lag between application and the baseline survey and the fact that full-time high school upgrading was acceptable under the eligibility criteria.

The application process seemed to work effectively. But including chequing account balances — and raising the overall asset cap — as part of the asset criterion may have improved the process.

Lesson 9: Special eligibility criteria were needed for very recent immigrants.

Very recent immigrants — or newcomers to Canada — were simply not permitted to join *learn*$ave until March 2002. For the first six months, newcomers could not apply to *learn*$ave for two reasons. First, it was difficult and at times impractical or impossible to document their foreign income. Secondly, many immigrants are required to bring large sums of money into the country in order to prove that they can support themselves for an initial settlement period of six months without recourse to income assistance.

Many newcomers therefore had high levels of liquid assets when they entered Canada. It was decided that it was unjust to penalize newcomers by treating the funds that they are required to bring into the country to use for living expenses as assets, but no solution to their specific circumstances had yet been found.

After the early recruitment period, special rules — or protocols — were designed for newcomers. The special protocol for newcomers applying to *learn*$ave is described in this report.

Lesson on Communicating *learn*$ave's Features

Lesson 10: *learn*$ave was presented clearly and consistently to prospective applicants and new enrollees.

Staff at the site offices explained *learn*$ave's rules clearly and consistently to participants. Implementation research conducted by the Social Research and Demonstration Corporation (SRDC) found a high degree of consistency among all three primary sites in their key messages to applicants. Furthermore, at all sites the messages were delivered clearly in a way that prospective participants could understand *learn*$ave's benefits and requirements and could therefore make an informed choice about applying.

Some potential for misunderstanding existed in Toronto where large numbers of prospective applicants were in attendance at several application sessions. At those sessions,

many individuals could not ask questions to clarify their understanding of *learn*$ave due to the impracticality of allowing everyone to speak in the available time and to the possible embarrassment many feel in very large groups. This situation occurred at times because the site office did not want to turn anyone away, especially after many months of slow recruitment.

Large application sessions did not appear to have created serious difficulties, however. Surveys after orientation sessions and after 10 months of participation in the project indicate that with few exceptions participants were able to correctly identify key project rules.

Lessons on Financial Management Training

Lesson 11: The *learn*$ave training curriculum did not satisfy all participants and training facilitators.

The *learn*$ave training (L$T) curriculum that was designed especially for *learn*$ave focused on two main areas: (1) financial management and (2) prior learning and assessment, which covers participants' wider goals and their self-assessment of their prior learning and abilities. There were diverse opinions on the part of project staff as to whether the correct balance between these two areas was achieved. Some project staff felt that greater emphasis should have been placed on self-assessment and goal setting while others felt the aspects of financial management deserved greater attention. These diverging views suggest that there was less than full agreement among project partners on the objectives for the L$T and this made the task of curriculum development more difficult.

The components of L$T dealing with prior learning and assessment appear to be best suited for those who need to develop more confidence in themselves. These components may be less important for certain participants, especially those with better savings habits and high levels of formal education, as typified by many recent immigrants. It may be more appropriate to offer modules targeting components to those who need particular types of training. However, since *learn*$ave is a demonstration project that demands large samples receiving similar treatments, it was necessary to use one curriculum for all *learn*$ave-plus participants.

Lesson 12: Many participants have been slow to complete their *learn*$ave training.

Before *learn*$ave-plus and non-experimental participants are eligible to withdraw their matched credits, they are expected to have completed their *learn*$ave training. By the end of 2004, just over three quarters (78 per cent) of *learn*$ave-plus participants in the experimental study at the primary sites had completed their L$T. There was often a considerable delay between the date of enrolment in *learn*$ave and attendance at the first training session — this delay averaged seven months for participants in the experimental study. Part of the delay was due to the extra staff activities needed for recruitment and part was due to difficulties in scheduling sessions at convenient times for participants.

Participants in the IA study at the primary sites were much slower to complete their L$T — only 53 per cent of this group had finished by the end of 2004. At the secondary sites, almost 71 per cent had completed their training.

Lesson on Withdrawal of Matched Credits

Lesson 13: Procedures for the withdrawal of matched credits are cumbersome, although by necessity.

Many steps are involved in the procedures established for the withdrawal of matched credits. A number of verifications are included in the process to ensure that public funds are being used in a transparent manner and to minimize the potential for fraud.

While understanding the need for accountability, participants and site staff feel that the process is occasionally difficult and time-consuming. The amount of documentation that participants must provide before and after receiving their cheque for the credits is a source of dissatisfaction. Some participants also complain that the list of designated learning institutions does not include the institution of their choice.

The use of cheques for payment has proven to be inconvenient. Many vendors will not accept cheques from third parties, thus requiring SEDI (Social and Enterprise Development Innovations) to take the extra step of having those cheques certified. Future IDA programs will likely have to investigate the option of electronically transferring funds to the vendor.

Other Lessons

Lesson 14: Revisions to the management information system were needed to serve project needs.

The management information system (MIS) developed for use in IDAs in the United States (MIS-IDA) was initially adopted for use in *learn*$ave. It later became obvious that the MIS-IDA could not serve all the project's needs and that a *learn*$ave-MIS more in tune with the specific features of the project had to be developed. As a result, the new *learn*$ave-MIS was phased in as its various components were developed.

The phase-out of the MIS-IDA and the phase-in of the *learn*$ave MIS caused some difficulties for *learn*$ave's operations. The conversion from the MIS-IDA to the *learn*$ave MIS created a need to retrain staff and to re-enter some information for the limited number of participants who had already enrolled. Furthermore, as successive components of the *learn*$ave-MIS were developed, the site offices had to continue using the previous system until the new system was ready for implementation.

A good system for tracking potential applicants who have contacted the site office is an important tool in recruiting for a previously unknown demonstration project. Each primary site found that a system of tracking applications as they moved through the various stages of the application process was essential. Unfortunately, little attention was given to such a tracking system during the design of the *learn*$ave-MIS. In hindsight, it would have been preferable to have a recruitment tracking system integrated with the MIS. If that had been done, the three primary sites would not have had to design their own systems independently, and there would have been no need to make similar entries in two separate information systems.

Lesson 15: Good working relationships have been established and maintained among project partners.

A project of the scale and complexity of *learn*$ave depends on effective coordination with a common understanding of the project's parameters and presents challenges for its successful implementation. SEDI (Social and Enterprise Development Innovations) and

SRDC have worked together since the beginning of *learn*$ave designing and implementing various aspects of the project. SEDI organized the network of local delivery agencies, which has functioned well in delivering services to participants and meeting operational challenges as they arose.

SEDI has convened face-to-face annual meetings with all of the project partners as one method of facilitating a common understanding of project requirements and solving any difficulties that have arisen. In addition, regular conference calls were held with the three primary sites on a regular basis during the recruitment period.

RBC Royal Bank, the Assiniboine Credit Union, and the Caisse d'économie Desjardins also form an essential link in the network of services. Good working relationships between site staff and local banking representatives were an essential requirement in solving account problems quickly. However, when there was staff turnover at RBC Royal Bank or when RBC staff was tied up with other priorities, site staff experienced delays in resolving some of these problems.

Overall Lessons on Implementation

Lesson 16: *learn*$ave was successfully implemented and the demonstration will be a valid test of an IDA program in Canada.

learn$ave is a large and complex demonstration project that involved much planning, organization, and implementation activity. As in any such endeavor, the "devil is in the details" and unforeseen events will always occur when plans are put into practice. This and preceding chapters have identified both plans and operational features and events. After enrolment was completed, the difficulties that arose were effectively resolved.

Overall, the operational components of *learn*$ave were successfully implemented. After they enrolled and *learn*$ave's benefits and requirements were explained to them, participants were able to open their bank accounts and receive their matched credits. A substantial majority of participants are satisfied with *learn*$ave and the manner in which the project is delivered.

Lesson 17: The research design was successfully implemented and it did not have a significant adverse impact on *learn*$ave's operations.

learn$ave is a demonstration project whose main purpose is to test an IDA program designed to meet certain goals. Its research design is embedded in the overall design of the project. As a result, the activities associated with the research add a further dimension to the implementation and operations that are associated with typical IDAs.

The essential components of the research design have been implemented successfully to date. The process of randomly assigning enrollees to two treatment groups and a control group has been completed as planned at the primary sites. The baseline survey has been conducted and subsequent surveys have been completed, are underway, or will be launched as planned. Focus groups and the implementation research have been conducted.

Because it is an integral part of *learn*$ave, the research has had some impact on other aspects of the project's operations. For example, the random assignment process may have dissuaded a small minority from applying. The market research survey indicates that 4.9 per cent of respondents said the possibility of assignment to the control group was a feature they

did not like about the project. In addition, some focus group attendees thought the control group was a disincentive, but it was nevertheless worth applying.

The research also has had other repercussions. It added greater administrative complexity and created delays in certain operations. For example, the random assignment process increased the elapsed time from application to enrolment. And the surveys impose a response burden on participants and control group members.

These minor disadvantages, however, are worth the benefits of learning whether *learn*$ave can produce the positive impacts purported for IDAs. Future reports will focus on these impacts attributable to *learn*$ave, including incremental saving activities, expenditures on learning and small business development, and eventual employability and employment earnings.

Appendix A: *learn*$ave Sites

HALIFAX

The Region

Founded in 1749, Halifax is a heritage city with many historic sites and properties. Today Halifax serves as the capital of Nova Scotia as well as the business and cultural centre of Canada's Atlantic provinces, known as the maritime region.

The catchment area for *learn*$ave is the Halifax Regional Municipality (HRM), a large area of 5,490 square kilometres that includes the four former municipalities of Halifax, Dartmouth, Bedford, and Halifax County.[1]

The population of the HRM was 359,111 at the time of the 2001 Census. This represents a growth rate of 4.7 per cent since the 1996 Census. The 2001 Census also reported that 6.9 per cent of the population were not born in Canada and 11.4 per cent lived outside Nova Scotia five years earlier.

At the time of the 2001 Census, the median age of the population was 36.6 years of age. Among those 20 to 64 years of age, 27.8 per cent had a university degree, certificate, or diploma; but 17.7 per cent did not graduate from high school. The vast majority of the population (92.6 per cent) were born in Canada.

According to the 2001 Census, there were 276,160 persons over 14 years of age who had an income. Their median annual income was $22,989. Employment earnings provided 76.7 per cent of their income, government transfers 10.8 per cent, and other sources of income 12.6 per cent. The Census also found that 18.2 per cent of the population between 21 and 65 years of age had incomes below 120 per cent of Statistics Canada's low income cut-off (LICO).[2]

The Delivery Agency

United Way of Halifax Region (UWHR) plays a leading role in the Halifax Regional Municipality. Working with individuals, organizations, businesses, institutions, government, and community volunteers, United Way has actively supported the community since 1925.

Its mission is to strengthen neighbourhoods and communities by facilitating programs and services that link people and resources, encourage participation, and increase giving. To achieve this mission, UWHR acts as a leader, convener, coordinator, innovator, funder, and fundraiser. In order to effectively make a difference, United Way focuses resources on four impact areas: helping young children and their families, increasing safety and reducing violence, increasing well-being and self-sufficiency, and building stronger volunteer organizations and communities.

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[1]Background information for each site was obtained from Statistics Canada's 2001 Community Profiles (Statistics Canada, 2005c).

[2]The calculations of poverty rates for each site are based on custom tabulations from the 2001 Census of Canada provided by Statistics Canada (2003b).

DIGBY–ANNAPOLIS COUNTIES (NOVA SCOTIA)

The Region

This predominantly rural area includes seven municipal entities including four towns and three regional municipalities. The majority of the population speak English and are of European descent. Most of these individuals are descended from English, Scottish, and German settlers, as well as from United Empire Loyalists from the United States. Rich in history and cultural diversity, this area also includes a large French-speaking Acadian community, African-Canadian communities, and a Mi'kmaq First Nations community.

The catchment area for this site area includes all of the Digby and Annapolis counties of Nova Scotia. This area includes the towns of Annapolis Royal, Bridgetown, Digby, and Middleton as well as the Municipality of the County of Annapolis, the Municipality of Clare, and the Municipality of Digby. Towards the end of 2002 the catchment area was expanded to include Kings and Yarmouth counties. This includes the towns of Berwick, Kentville, Wolfville, and Yarmouth. It also includes the municipalities of Argyle and Kings. All four counties cover a very large area of 9,945 square kilometres.

At the time of the 2001 Census, the population of the catchment area was 127,030, which represents a 1.8 per cent decline from the preceding five-year period. At that time, 31 per cent of the population who were 20 to 64 years of age had not completed high school and 15 per cent had earned a university degree, certificate, or diploma. Ninety-six per cent of the population were Canadian-born and 6.7 per cent of the population were living outside Nova Scotia five years earlier. There were 96,455 persons over 14 years of age who had an income. Twenty-one per cent of the population between 21 and 65 years of age had an income below 120 per cent of LICO.

The Delivery Agency

The mission of the Western Valley Development Authority (WVDA) is to build on the diverse cultural heritage of the area and work with the community to create a vital, prosperous, and self-reliant region where everyone will have ample opportunity for a full and satisfying life. The WVDA was created in 1994, the first of 13 Regional Development Authorities (RDAs) in Nova Scotia. It functions as a partnership among the provincial and federal governments, the seven municipalities in Annapolis and Digby counties, and the residents of the region.

The WVDA focuses on community economic development in the broadest sense. WVDA's services encompass activities as diverse as preparing posters advertising whale watching, facilitating meetings for community groups, holding training courses in silviculture for income assistance (IA) recipients in response to forestry companies' concerns about the lack of a trained workforce, starting new businesses, attracting new companies to the region, and helping local businesses find new markets.

FREDERICTON

The Region

Fredericton is the capital city of New Brunswick, nestled between the Gulf of Saint Lawrence and the Bay of Fundy. Its rich history includes First Nations people, early French and British settlers, and the important role played by the province in shaping Canada as a nation.

learn$ave's catchment area includes the City of Fredericton and the surrounding area, including Taymouth, Prince William, Oromocto, and Tracey. During the five-year period preceding the 2001 Census, the population of Fredericton increased by 2.3 per cent to 47,560. According to the 2001 Census, the median age of the population was 37 years of age. Thirty-five per cent of those from 20 to 64 years of age had a university degree, certificate, or diploma. A small proportion of the population (6.7 per cent) were born outside of Canada and 9.4 per cent lived outside New Brunswick five years earlier.

According to the 2001 Census, 38,295 people over 14 years of age had at least some income, and their median total annual income was $22,094. Employment earnings provided 72.3 per cent of their income, government transfers 11.7 per cent, and other sources 16 per cent. At that time, 16 per cent of the population who were between 21 and 65 years of age had incomes below 120 per cent of the LICO.[3]

The Delivery Agency

The Fredericton YMCA is firmly established in the community as the centre for development and growth in the areas of fitness, recreation, leadership, social activities, and international and social development. It offers extensive employment services, provides subsidies for members, runs sessions on financial planning and debt counselling, provides a wide range of recreational services, and offers access to child-care facilities for infants and preschoolers and a wide range of youth programming. The relationships established through these activities also provided an easily accessible group of individuals out of which potential *learn*$ave participants were later drawn.

In addition to *learn*$ave, the YMCA of Fredericton offers services in co-operation with other non-profit agencies and with all levels of government, including Employment Services, the Career Information Centre, the Community Access Centre, the Streetworker Project (working with the homeless), Independent Living Accounts (an IDA-based project helping the homeless move from transitional housing to the private rental market), Parenting Classes, and Childcare Services as well as subsidy programs offered to those in need for YMCA programs. The Fredericton YMCA is regarded by the general public as a welcoming agency that offers much to the community.

[3]The poverty rate is calculated for the Fredericton Census Agglomeration (CA) — an area that includes the City of Fredericton as well as some of the surrounding rural area. The CA includes 50,195 people between the ages of 21and 65.

MONTREAL

The Region

Montreal is the largest city in the province of Quebec. It is Canada's second most populous city after Toronto, and the world's second largest francophone city after Paris.

Montreal is situated in the southwest of the province, approximately 200 km southwest of the provincial capital, Quebec City, and 150 km east of the Canada's capital, Ottawa, Ontario.

Montreal sits on the Island of Montreal at the confluence of the Saint Lawrence River and Ottawa River. The city also includes a total of 74 nearby islands such as Île des Soeurs, Île Bizard, Île Sainte-Hélène, and Île Notre-Dame. Applications to participate in *learn*$ave were accepted from all areas of the Island of Montreal. However, the recruitment effort was focused on four low-income areas.

The 2001 Census reports the population of the City of Montreal as 1,039,534, which represents an increase of 2.3 per cent over the preceding five-year period. A large minority (27.6 per cent of the population) were born outside of Canada and 8.7 per cent lived outside the province of Quebec five years earlier.

According to the 2001 Census, the median age of the population was 37.4 years. Among those from 20 to 64 years of age, 30.8 per cent had a university degree, certificate, or diploma. However, 20.4 per cent did not finish high school. In 2001 there were 821,875 individuals over 14 years of age who had an income, and their median total income was $18,540. Employment earnings provided 73.3 per cent of this income, government transfers 15.7 per cent, and other sources 11.1 per cent. The City of Montreal had the highest poverty rate of the 10 *learn*$ave sites, with 38.2 per cent of the population between 21 and 65 years of age under 120 per cent of the LICO.

The Delivery Agency

The YMCA of Greater Montreal was established in 1854 when it opened a public library. One of its branches — the YMCA in Notre-Dame-de-Grâce (NDG) — is delivering *learn*$ave through its Community Economic Development (CED) department.

The CED department has micro-credit experience and offers entrepreneurship training to low-income anglophone women, providing access to free business development and entrepreneurial training, professional skills development, and $5,000 of loan-circle micro-credit lending for starting a business. The training sessions involve 17 weeks of training in entrepreneurship, life skills, and loan-circle training; it also provides one Harvard method case study each week.

The YMCA also offers many youth programs, including social, recreational, sports, and educational activities. "At risk" youth and young offenders are among the YMCA's target groups.

TORONTO

The Region

Toronto is located on the shore of Lake Ontario and is Canada's largest city, with a population of 5 million in the Greater Toronto Area. It is one of the most multicultural cities in the world — 100 languages and dialects are spoken here, and close to half of Toronto residents speak a language other than English or French at home.

learn$ave applications were accepted from residents of the City of Toronto, with an emphasis on west downtown Toronto, Scarborough, and north Etobicoke. At the time of the 2001 Census, the population of the City of Toronto was 2.48 million, which represents a growth rate of four per cent over the 1996 Census. Forty-nine per cent of the population were born outside of Canada and 43 per cent were members of a visible minority, of which those of Chinese and South Asian background each accounted for 10 per cent of the population. Twenty-one per cent of the population were new immigrants who arrived in Toronto after 1991 and 13 per cent lived outside of Ontario five years earlier.

According to the 2001 Census, the median age of the population was 36.9 years of age. Among those from 20 to 64 years of age, 33.9 per cent had a university degree, certificate, or diploma. However, 19.1 per cent did not complete high school. The Census also reported that 76.5 per cent of those over 14 years of age had an income. Their median income was $23,491. Employment earnings provided 78.7 per cent of this income, government transfers 9.5 per cent, and other sources 11.8 per cent. At that time 25.2 per cent of the population between 21 and 65 had an income below 120 per cent of LICO.

The Delivery Agency

Family Services Association (FSA) of Toronto is the main agency responsible for the delivery of *learn*$ave in Toronto. St. Christopher House, St. Stephen's House, and the YWCA are part of a consortium led by FSA — they provide overall guidance and support in the development and promotion of *learn*$ave in Toronto. They also promote *learn*$ave to participants in their own programs, which are focused on recipients of income assistance, and they have promoted the concept of asset building in the larger social and community services sectors in Toronto.

FSA is mainly a counselling agency for individuals and families. FSA has been a partner and a collaborator in other joint efforts to establish new programs and services, and it has a track record and experience in delivering new programs. For example, FSA delivers counselling and parenting skills for families, programs for people with intellectual disabilities and their families, and services for gay and lesbian individuals and their families. It also has a Community Action Unit that works with newcomer communities and a Family Violence Centre for people abusing their partners and for women and seniors experiencing abuse.

KITCHENER–WATERLOO

The Region

The catchment area for this site includes three cities — Kitchener, Waterloo, and Cambridge — and a neighbouring rural area. The region is located 100 kilometers southwest of Toronto in the centre of the triangle formed by three Great Lakes: Ontario, Erie, and Huron.

The population of the region was 438,515 at the time of the 2001 Census. This represents a considerable growth rate of 8.2 per cent since the 1996 Census, which makes it one of the fastest growing areas in Ontario. In 2001, 21.4 per cent of the population were born outside of Canada, but only 5.9 per cent lived outside Ontario five years earlier.

At the time of the 2001 Census, the median age of the population was 35.3 years of age. Among those from 20 to 64 years of age, only 20.1 per cent had a university degree, certificate, or diploma and 21.9 per cent did not graduate from high school. According to the 2001 Census, there were 328,325 persons over 14 years of age who had an income. Their median annual income was $25,917. Employment earnings provided 81 per cent of their income, government transfers 9 per cent, and other sources of income 10 per cent. Compared with other *learn*$ave sites, the incidence of low incomes was relatively low with only 12.5 per cent of the population between 21 and 65 having incomes below 120 per cent of the LICO.

The Delivery Agency

Lutherwood is *learn*$ave's delivery agency in the Kitchener–Waterloo region. Lutherwood is a community-oriented, church-affiliated, and financially strong organization with a mandate to serve people in client-centred, innovative, and entrepreneurial ways in order to build better futures for community members. Lutherwood was created in 1998 by the amalgamation of three established local community organizations and is a non-profit organization serving individuals and families in Waterloo and Wellington. It serves over 10,000 clients and has a staff of over 300 in seven offices: three in Kitchener, two in Waterloo, one in Cambridge, and one in Guelph.

Lutherwood provides a wide range of services related to children's mental health, community services, employment development, small business training, therapeutic counselling, housing for senior citizens, and services for low-income residents. It has also delivered two previous IDA programs in the region.

GREY–BRUCE COUNTIES (ONTARIO)

The Region

The catchment area for *learn*$ave includes Ontario's Grey and Bruce counties and the northern adjacent portions of Huron, Perth, and Wellington counties. Towards the end of the recruitment period in May 2003, the catchment area was expanded to include the Midland, Penetanguishene, and Elmvale areas of Simcoe County. The area is predominantly rural, with Owen Sound being the largest urban centre. The relatively sparse population is scattered across a very large region that includes extensive farmland — Grey and Bruce counties alone cover an area of 8,664 square kilometres.

At the time of the 2001 Census, the population of Grey and Bruce counties was 152,965, which represents a small decline from a population of 153,301 reported in the 1996 Census. The vast majority (99.3 per cent) had lived in Grey–Bruce or elsewhere in Ontario five years earlier and were born in Canada (91.4 per cent). Only 13 per cent of the population who were 20 to 64 years of age had a university degree, certificate, or diploma, and 24 per cent had not finished high school.

There were 118,060 persons over 14 years of age who had an income. Only 13.7 per cent of the working-age population had an income below 120 per cent of the LICO.

The Delivery Agency

From its inception at this site, *learn*$ave was delivered by Women in Rural Economic Development (WRED). In July 2003 WRED ceased operations and SEDI (Social and Enterprise Development Innovations) assumed responsibility for delivering *learn*$ave in Grey–Bruce. Since the two WRED staff members who had worked on the project were hired by SEDI, the change in delivery agent did not create any disruption for the participants.

WRED's origins can be traced to a national study of farmwomen conducted in 1992 and a provincial conference in 1993 that brought together women from across Ontario to investigate ways to increase women's participation in the rural economy. At the conference, rural women identified the issues and barriers to their economic self-sufficiency, particularly the lack of access to business training and business supports. In 1992 a committee called the "Ontario Farm Women's Network" was created and WRED evolved from this network.

Programs run by WRED included self-employment training, development of rural women's business networks, mentorship programs, life skills training, loan funds, farm diversification training, micro-enterprise loans, business development, investment clubs, and access to a resource centre.

WINNIPEG

The Region

Winnipeg is the provincial capital of Manitoba and is located along the Red and Assiniboine rivers. It is the province's largest city and the site of one of the world's largest wheat markets. The catchment area served by the project is the City of Winnipeg. Emphasis was placed on recruiting participants from the north end of the city, which is one of the poorest inner-city areas in Canada.

At the time of the 2001 Census, the city's population was 619,544, which represents a small rise of 0.2 per cent over the previous census. A significant minority of the population (8.6 per cent) were aboriginal people. Seventeen per cent of the population were born outside Canada, and seven per cent lived outside Manitoba five years earlier.

According to the 2001 Census, the median age of the population was 37.3 years of age. Among those from 20 to 64 years of age, 23.1 per cent had a university degree, certificate, or diploma and 22.1 per cent did not finish high school. There were 476,310 individuals over 14 years of age who had an income, and their median total income was $22,313. Employment earnings provided 76.1 per cent of this income, government transfers 12.1 per cent, and other sources 11.8 per cent. Approximately one fifth (21.7 per cent) of the population between 21 and 65 had an annual income under 120 per cent of the LICO.[4]

The Delivery Agency

Supporting Employment and Economic Development (SEED) Winnipeg was incorporated in the late 1980s in response to a need to revitalize the inner-city economy.

Accordingly, its first activities were related to micro-enterprise development. In 1997 SEED expanded and started providing technical support for community enterprises. The goal is to help community enterprises grow and develop under alternative ownership and management structures.

SEED Winnipeg emphasizes partnerships with other non-profit organizations. It offers its clients services in the following areas: business planning and evaluation assistance, business management training, personal development training, business consulting services, access to small business loans, networking (e.g. trade shows), and advocacy services (e.g. social services, media coverage). In 2000 the organization introduced a local IDA program before *learn*$ave was implemented.

SEED is working closely with the North End Stella Community Ministry, another non-profit community-based organization, to provide a north end location for the delivery of *learn*$ave.

[4]The poverty rate is calculated for the Winnipeg Census Metropolitan Area — an area that includes the City of Winnipeg and a relatively small number of people in the surrounding rural area.

CALGARY

The Region

Calgary is located in southern Alberta in the eastern foothills of the Rocky Mountains at the confluence of the Bow and Elbow Rivers. Originally established in 1875 as a fort by a contingent of the North West Mounted Police, Calgary has grown from a frontier settlement to a world-class city.

learn$ave's catchment area is the City of Calgary. While recruitment originally focused on certain communities, the catchment area covers the entire city.

At the time of the 2001 Census, Calgary was the sixth largest city in Canada with a population of 878,866 — its population experienced a rapid growth of 14.4 per cent over the preceding five years. Much of this growth was fuelled by non-Albertans who moved to Calgary — 15 per cent of the city's population lived outside Alberta in 1996. Just under 22 per cent of the population were born outside Canada.

According to the 2001 Census, the median age of the population was 34.8 years of age. Among those from 20 to 64 years of age, 27.7 per cent had a university degree, certificate, or diploma and 16.6 per cent did not finish high school. There were 687,040 individuals over 14 years of age who had an income, and their median total income was $25,476. Employment earnings provided 82.8 per cent of this income, government transfers 7.2 per cent, and other sources 10 per cent. Seventeen per cent of the population between 21 and 65 had an annual income under 120 per cent of the LICO.[5]

The Delivery Agency

Mennonite Central Committee Employment Development (MCCED) is a not-for-profit society that has helped low-income Calgary residents develop their productive futures since 1991. As a Community Economic Development (CED) organization, MCCED offers hope and opportunity to people living in poverty.

MCCED operates CED programs in four key areas: business development, financial literacy, technology access, and trades training. Since 1999 MCCED has been delivering a local IDA program called "Fair Gains" and now runs five IDA programs, including a home-ownership asset-building program.

MCCED started as a program of the Mennonite Central Committee Alberta — an international social development and relief agency. MCCED was created in Calgary and initially provided training to immigrants to enter the trades.

In 1994 MCCED began offering small business training to the underemployed and later provided micro-enterprise loans. In 1999 MCCED began to offer money-management training in conjunction with a savings incentive program. Youth programs in entrepreneurship and financial literacy were also created. On January 1, 2002, MCCED became a new self-governing charitable organization — legally separate from the Mennonite Central Committee of Alberta. Its services are offered to all regardless of race, colour, ancestry, ethnic origin, religious beliefs, gender, or age.

[5]The poverty rate is calculated for the Calgary Census Metropolitan Area — an area that includes the City of Calgary and a relatively small number of people in the surrounding rural area.

VANCOUVER

The Region

Vancouver is located in British Columbia, which is the westernmost of Canada's 10 provinces. Vancouver is the third largest city in Canada and the largest city in British Columbia. The city is surrounded by water on three sides and is nestled alongside the Coast Mountain Range. Vancouver is a vibrant and cosmopolitan city and has a mix of many multicultural groups. After English and Chinese, the most common first languages spoken are Punjabi, German, Italian, French, Tagalog (Filipino), and Spanish.

The catchment area for this site is the Greater Vancouver Regional District (GVRD). The GVRD has 21 member municipalities in the lower mainland, including the cities of Vancouver, Burnaby, Coquitlam, Surrey, New Westminster, Richmond, and North Vancouver. Throughout the recruitment period, applications were accepted from all parts of the GVRD.

At the time of the 2001 Census, the GVRD's population was 1,986,965, having experienced a high growth rate of 8.5 per cent since the 1996 Census. Over one third of the population (37.5 per cent) were born outside Canada — 16.5 per cent of the population immigrated between 1991 and 2001 — and 12.6 per cent of the population lived outside British Columbia in 1996.

The population was highly diverse, with 36.9 per cent who were members of a visible minority. Those of Chinese and South Asian background constituted 17.4 per cent and 8.4 per cent of the population respectively.

According to the 2001 Census, the median age was 37.4 years of age. Among the population from 20 to 64 years of age, 28.6 per cent had a university degree, certificate, or diploma, while 16.4 per cent did not complete high school. There were 1,523,715 persons over 14 years of age who had an income, and their median income was $23,237. Employment earnings provided 78.7 per cent of this income, government transfers 9.6 per cent, and other sources 11.7 per cent. Almost one quarter of the population (24.1 per cent) had incomes under 120 per cent of the LICO.

The Delivery Agency

The New Westminster Community Development Society (NWCDS) began its operations in November of 1992 and received Society incorporation shortly thereafter in October 1994. The NWCDS is dedicated to the community of New Westminster and the enhancement of social and economic development within the city and the surrounding region.

The society began as a community economic development (CED) initiative of School District #40 — New Westminster. The district and other stakeholders agreed that the implementation of a CED-based organization within the community was a necessary step towards its health and sustainability. The society's mission, vision, and suggested programs and services were formed through public consultation — a process which is at the heart of community economic development. CED is a community-directed process that combines social, economic, and ecological aspects in a participatory and holistic way.

The society supports individual growth, community development, and economic progress through innovation and collaboration. Its goal is to make a positive difference in the life of the community and in the lives of its residents.

In 2001 the NWCDS moved out from under the umbrella of School District #40 and now bases its operations in downtown New Westminster. The society continues to focus its energy on social programs such as moving individuals toward sustainable employment, asset-building strategies for lower-income earners, and economic programs such as business development.

Appendix B: Income Eligibility by Site and Size of Household

Table B.1: *learn*$ave Eligibility Cut-Offs by Income

Household Size	Montreal, Toronto, Winnipeg, Calgary, Vancouver	Halifax, Kitchener–Waterloo	Fredericton	Digby–Annapolis, Grey–Bruce
Single	$23,113	$19,825	$19,688	$15,973
2	$28,892	$24,781	$24,610	$19,967
3	$35,933	$30,821	$30,606	$24,833
4	$43,496	$37,308	$37,050	$30,060
5	$48,622	$41,705	$41,414	$33,602
6	$53,747	$46,102	$45,780	$37,145
7 or more	$58,872	$50,498	$50,146	$40,688

Source: Tabulations by the Social Research and Demonstration Corporation (SRDC) based on Statistics Canada data (Statistics Canada, 2005b).

Notes: The income eligibility criterion is set at 120 per cent of Statistics Canada's low income cut-off (LICO), before tax.

The totals shown above were effective February 2003 and are based on the 2002 LICOs. The income eligibility cut-offs for the project were updated whenever new LICOs were published by Statistics Canada. This occurred three times during the enrolment period — June 2002, December 2002, and February 2003.

Appendix C:
The Analysis of Minimum Detectable Effects

The goal of a random assignment experiment is to test whether an intervention produces impacts on various outcomes of interest. To do this, the experiment normally uses two samples that correspond to underlying populations from which the samples were drawn: a treatment group that participates in the intervention and a control group that does not. In this case, there are three samples: a *learn*$ave-only treatment group that is eligible to receive matched credits, a *learn*$ave-plus treatment group that is eligible for matched credits, financial management training, and case management services, and a control group that does not receive any of *learn*$ave's benefits or services. From these samples, test statistics are used to derive conclusions about the project's impact on the populations. Usually this means that for a given output, there is an attempt to measure how different the mean value for the treatment group (for example, amount of savings) is from the control group's mean. In the case of discrete or qualitative data, it is the difference in proportion or probability (for example, the difference between the treatment and control groups in the proportion of each group who take courses towards a degree, diploma, or certificate) that is of interest.

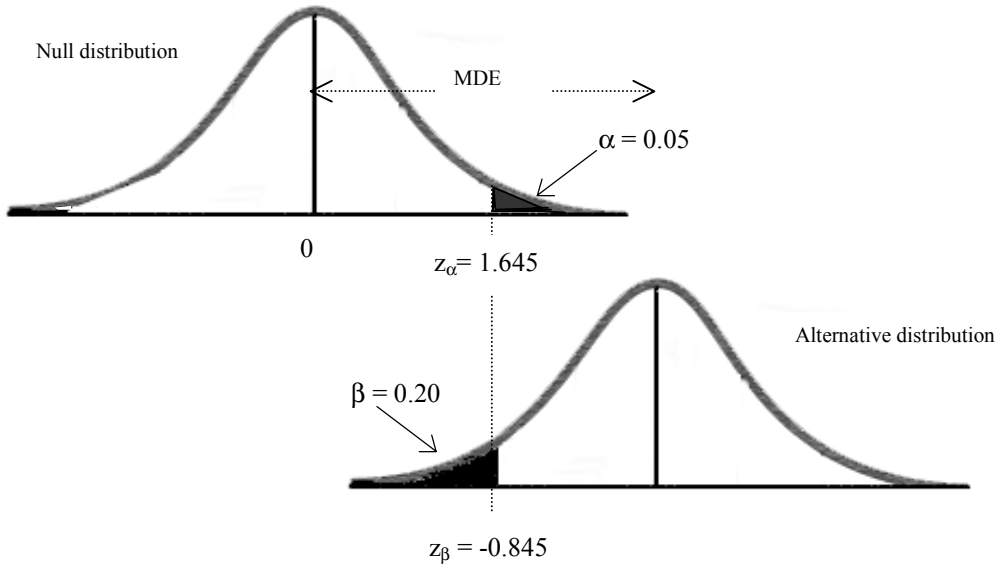
When making statistical inferences, it is not possible to be entirely certain that a test statistic did not occur by chance (that is, it is not possible to be certain that a difference in sample means actually represents a true difference in the population means). To deal with this uncertainty, hypothesis tests are conducted that allow conclusions to be reached as to the reliability of the estimate of the difference in means and to quantify the probability that the conclusions drawn concerning that difference may be incorrect.

In a random assignment experiment, the objective is to determine with an acceptable level of certainty whether the intervention had some positive (or negative) impact. This can be achieved by formulating a "null hypothesis" that the intervention had no impact and an "alternative hypothesis" that it had a positive (or negative) impact. The hypothesis tests are then carried out to determine whether the null hypothesis is accepted or rejected in favour of the alternative hypothesis. For example, if the outcome of interest is the amount of savings, the null hypothesis would state that the treatment group's average savings are the same as that of the control group; the alternative hypothesis would state that the treatment group's savings are higher than those of the control group.

If after the intervention it is found that the treatment group's average amount of savings is $500 higher than that of the control group, it might be concluded that the intervention effectively increases participants' savings. However, it is not possible to be totally certain that the test statistic (i.e. the treatment versus control group difference in means) did not occur by chance. Consequently, a benchmark for an acceptable level of certainty must be established. This is an arbitrary choice. For example, it could be decided that there must be a 95 per cent certainty that the test statistic (the measured difference in savings) did not occur by chance (that is, that there must be a 95 per cent certainty that the null hypothesis of zero impact was correctly rejected).

In such a case, the corollary is that there will be a five per cent chance that the null hypothesis was incorrectly rejected. This is called the alpha (or Type I) error, as illustrated in the first distribution in Figure C.1, which shows a standardized sampling distribution where the units are standard deviations. Here, the darkened area, which amounts to five per cent of the total area under the curve and represents the alpha error, is called the rejection zone (the remaining area is called the acceptance zone). This means that if the test statistic is more than 1.645 standard deviations higher than the mean, the null hypothesis will be rejected with 95 per cent certainty that this is the correct conclusion. If the test statistic is less than 1.645 standard deviations higher than the mean, the null hypothesis will not be rejected.

Figure C.1: Standardized Sampling Distributions



where α is the alpha (or Type I) error, β is the beta (or Type II) error, z_α is the critical value of the standardized null distribution beyond which the null hypothesis is rejected, and z_β is the critical value of the standardized alternative distribution within which the alternative hypothesis is rejected.

In testing hypotheses it is equally important to quantify a second type of error that can occur: it is possible that the null hypothesis is false, but is nevertheless incorrectly accepted. The probability that a false null hypothesis has been accepted (that is, the probability that there has been a failure to detect a difference in the means) is called the beta (or Type II) error. In order to quantify the beta error, there must be a specific alternative hypothesis. It cannot simply be said that the impact is thought to be positive: a specific value must be selected for the alternative hypothesis (for example, a $500 increase in savings). The second distribution in Figure C.1 shows the standardized sampling distribution under the assumption that the alternative hypothesis is true.

Previously, it had been established that the null hypothesis would be accepted if the test statistic was less than 1.645 standard deviations from the centre of the null distribution. If a line is drawn from this critical value in the null distribution through the alternative distribution, it can be seen that a portion of the alternative distribution falls within the acceptance zone of the null distribution. If the sample statistic fell in this region, the null hypothesis would be incorrectly accepted. Thus, this region represents the probability that a beta error is made. The

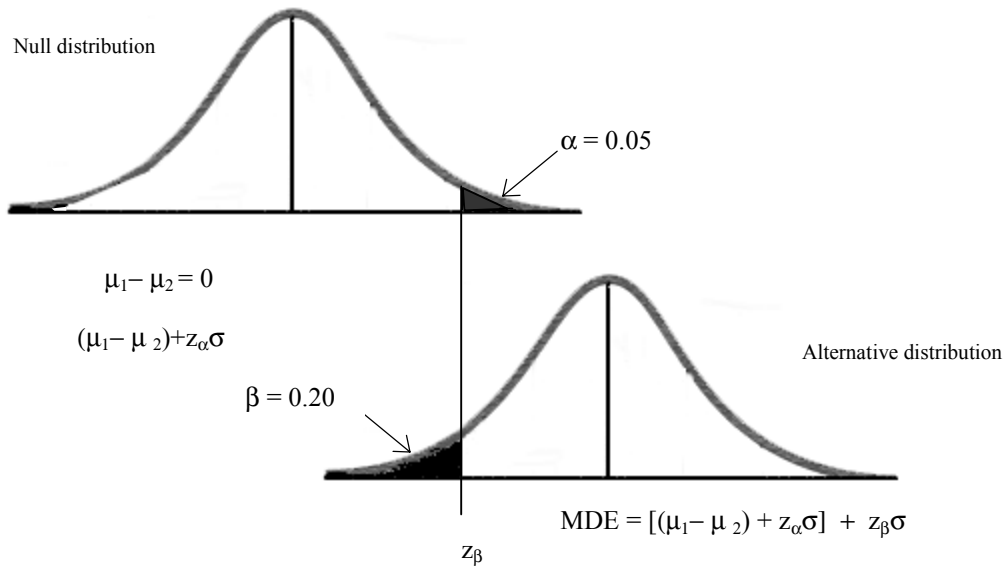
rest of the area under the alternative distribution curve is the probability that a true alternative hypothesis will be correctly accepted in this experiment — it represents the "statistical power of the test" to detect an impact. The power of the test is the additive inverse of the beta error (i.e. the beta error expressed as a proportion subtracted from 1).

When random assignment experiments are conducted, a specific value for the alternative hypothesis must be selected. The value for the alternative hypothesis is set indirectly by first determining the level of risk that decision-makers are willing to accept for the likelihood of making an incorrect decision. This overall level of risk is represented by specific values selected for the alpha and beta errors. Normally, a 5 per cent alpha error and a 20 per cent beta error are chosen — this combination of a 5 per cent chance of incorrectly concluding there is an impact when there is not and a 20 per cent chance of incorrectly concluding there is no impact when there is, has proven to be a practical compromise between an acceptable comfort level for decision-makers and a reasonable cost of conducting an experiment. Too much caution, expressed in the form of smaller alpha and beta errors, would reduce the risk of drawing incorrect conclusions about an experiment, but it would require larger sample sizes and make it much more difficult to detect an impact in an intervention that actually provided considerable benefits to participants.

Given these probabilities of alpha and beta error — 5 per cent and 20 per cent, respectively — it is important to know how big the impact has to be before the null hypothesis will be rejected. This is called the Minimum Detectable Effect (MDE) and is represented by the horizontal distance between the centre of the alternative and null distributions in Figure C.1.

Since the distributions in Figure C.1 are standardized (the units are standard deviations), these need to be converted into distributions of the test statistic. Figure C.2 shows these distributions. Here it can be seen that the null distribution is centred at the null hypothesis, a zero difference in population means. The alternative distribution is centred at the MDE.

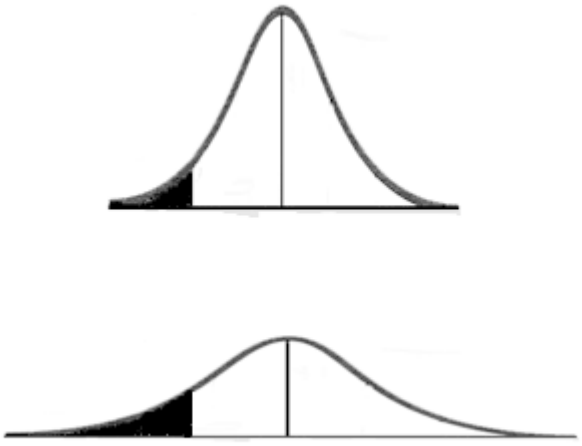
Figure C.2: Sampling Distributions of the Test Statistic



where μ_1 is the mean of the first population, μ_2 is the mean of the second population, and σ is the standard deviation of the population of the difference in means.

The MDE is of interest to researchers because they would like to select a sample size that allows them to detect small impacts that have policy relevance. Small sample sizes increase the variance of the sampling distribution since there are fewer observations that can moderate the effect of extreme values. With larger variations, the spread of the distribution increases the probability of alpha and beta error, as illustrated in Figure C.3. When both alpha and beta errors are held constant, as sample size decreases the MDE will increase. If the MDE is too large, it will not be possible to detect policy relevant impacts. The goal then is to select a sample size (given the statistical power and expected variation of the outcomes) that has an acceptable MDE, while also taking account of the practical and cost considerations of marginal changes in the size of the sample. Judgment must be exercised in making the trade-off between the power of an experimental design to detect impacts and the cost of conducting the study.

Figure C.3: The Effect of Sample Size on Alpha or Beta Error



The MDEs shown in Table C.1 refer to selected examples of treatment–control comparisons that will be made over the duration of the experiment. As one example, the amount of liquid assets held by the treatment and control groups will be compared at various milestone dates to determine whether and to what extent *learn*$ave participants may be saving relative to the control group. *learn*$ave participants will be saving in a special *learn*$ave account to which members of the control group do not have access. It is also likely that the control group is saving to some extent in regular bank accounts, or perhaps in mutual funds, investment funds, Guaranteed Investment Certificates, Canada Savings Bonds, RRSPs, stocks, bonds, or other financial assets. As one way to estimate savings, the stock of liquid assets, which captures the total amount saved in all available savings vehicles, can be measured at various points in time.

The research design for the *learn*$ave experimental study in Halifax, Toronto, and Vancouver called for the enrolment of a sample of 3,600 individuals. Of this total, 1,200 were to be in the *learn*$ave-only group, 1,200 in the *learn*$ave-plus group, and 1,200 in the

control group. Over the 54-month follow-up period during which a number of surveys will be conducted to track the relevant activities of enrollees, substantial attrition in sample size will occur due to some enrollees' lack of continued commitment to respond to the follow-up surveys or to changes in their residence and phone numbers that cannot be traced. As a result, the MDEs in Table C.1 are based on an assumed overall attrition rate of approximately 30 per cent. These estimates assume that results are pooled across the three random assignment sites.

Table C.1: Minimum Detectable Effects (MDEs) for *learn*$ave

Outcome	*learn*$ave-Only vs. Control Group	*learn*$ave-Plus vs. Control Group	*learn*$ave-Only vs. *learn*$ave-Plus	Total *learn*$ave vs. Control Group
Proportion taking courses (%)	4.2	4.1	3.9	3.7
Proportion self-employed or owning a small business (%)	4.7	4.7	4.5	4.1
Amount of liquid assets ($)	894	824	787	763

Note: These calculations are based on a one-tailed test and an assumed 5 per cent probability of a Type I error (i.e. the probability that the experiment will conclude that there is a difference between the treatment and control groups for a given outcome measure when in fact there is no difference) and an assumed 20 per cent probability of a Type II error (i.e. the probability that the experiment will conclude that there is no difference when in fact there is a difference).

Appendix D: Framework for the Benefit–Cost Analysis

OVERALL ACCOUNTING FRAMEWORK

In preparation for the benefit–cost analysis, all of the relevant effects of *learn*$ave must be identified. These effects are classified into three categories: benefits, costs, and cost neutral effects. In accordance with accepted practice in social benefit–cost analysis, these three categories of effects must be interpreted from the differing perspectives of *learn*$ave participants, government, and society as a whole. Benefits to some groups are costs to others — for example, the matched credits are a benefit to participants but are a cost to government and taxpayers.

Because it requires reliable estimates of impacts, the benefit–cost analysis will be based on the impacts identified from the experimental study at the three primary sites. As a result, the analysis will take place after all the surveys of enrollees have been completed. For some effects such as earnings, the average differences between treatment and control group members will be quantified and then monetized. Other items will be presented in other appropriate units.

The full array of benefits and costs for each of the three perspectives is the accounting framework for the analysis. The accounting framework for *learn*$ave is shown in Table D.1. The first column presents the list of the benefits and costs that will be included in the analysis — the list includes empirical components such as those related to savings, employment, and education, and projected components, such as expected returns on education. The other columns show the benefits and costs for participants, government, and society as a whole. Benefits are denoted as "+", costs as "-", and neither as "0".

SPECIFIC COSTS AND BENEFITS

learn$ave Account

The first category of empirical components pertains to the actual *learn*$ave account. When participants put money into their accounts, it obviously represents a cost to the participant at the time of the deposit. These deposits are of no cost to the government and therefore are a cost to society as a whole. However, when participants withdraw their funds (either as a matched withdrawal or an unmatched withdrawal), the savings are returned to them, thus representing a benefit to the participant and to society.

Upon withdrawal, any associated payment of matched credits is also a benefit to participants, but represents a cost to the government. The participant and government effects cancel one another and the matched credits are neutral from the perspective of society as a whole.

Table D.1: Benefit–Cost Analysis Accounting Framework

Components of Analysis	Accounting Perspective: Participants	Government Budgets	Society as a Whole
A. Empirical Components			
learn$ave accounts			
Deposits by participants	-	0	-
Withdrawals of savings	+	0	+
Withdrawals of *learn*$ave matched credits (approved use)	+	-	0
Withdrawals of interest on *learn*$ave deposits (approved or unapproved use)	+	0	+
Employment earnings			
Wages and salaries			
In-program	+	0	+
Foregone earnings	-	0	-
Post-program	+	0	+
Self-employment/business			
In-program	+	0	+
Foregone earnings	-	0	-
Post-program	+	0	+
New employee hires	+	0	+
Education/employment expenses[a]			
Tuition	-	0	-
Transportation	-	0	-
Child care	-	-	-
Other	-	-	-
Transfer payments			
Government grants/loans for education/training	+	-	0
Transfers for Employment Insurance, income assistance, GST, National Child Benefit	-	+	0
Interest relief, loan forgiveness	+	-	0
Asset appreciation and expenses			
Income and growth in financial capital (interest, dividends, capital gains)[b]	+	0	+
Appreciation of capital assets (home, business, other properties)	+	0	+
Interest/maintenance charges on liabilities[c]			
Interest on student loans	-	-	-
Other loans	-	0	-
Other non-employment income			
Private grants for education/training	+	0	+
Rental income, child support, gifts	?[d]	0	?[d]
Taxes			
Federal/Provincial	-	+	0
Payroll taxes (CPP, EI)	-	+	0

(continued)

Table D.1: Benefit–Cost Analysis Accounting Framework (Cont'd)

Components of Analysis	Accounting Perspective: Participants	Government Budgets	Society as a Whole
Costs of *learn*$ave			
Agencies' administrative and operating costs	0	-	-
In-kind grants (free, discounted goods or services such as fee waivers from the Royal Bank)	0	-	-
In-time grants (free labour from volunteers)	0	-	-
Costs of other programs			
Government grants for education/training	0	-	-
Employment Insurance, income assistance, GST, National Child Benefit	0	+	+
Education/training administrative costs	0	-	-
Administrative costs and defaults for student loans	0	-	-
B. Projected Components			
Private and external returns on education	+	+	+
Projected impacts on net pure asset appreciation[e]	+	+	+
Intergenerational effects	+	+	+

Notes: [a]The inclusion of these components will be reviewed before the analysis is conducted. There is an argument for their exclusion as they may be interpreted as increases in "consumption," which should not necessarily be viewed as a cash outflow (see Schreiner, 2000).

[b]Financial capital includes assets such as non-*learn*$ave bank accounts, RRSPs, RESPs, mutual funds, stocks, bonds, GICs, term deposits, pensions, and insurance.

[c]This may include assets such as personal loans, RRSP loans, home mortgages, loans on other property, and business loans.

[d]The direction of these effects is ambiguous, as positive or negative impacts are plausible.

[e]This category includes income and growth on financial assets plus appreciation of capital assets minus carrying costs on maintenance of these assets.

Employment Earnings

The employment impacts may vary depending on the stage of the project. Early in the project, participants have an incentive to work more hours in order to earn funds to deposit into their *learn*$ave account. Once project participants begin applying their matched savings to approved uses, they can be expected to have, on average, less time to work because they will be more likely to be attending school, which may in turn reduce their earnings. If participants are able to complete their schooling relatively quickly, the final follow-up survey may be able to detect increased employment as a result of the education taken.

The expected impacts on self-employment are similar to the effects on employment. Participants who were already self-employed may work harder shortly after they are accepted in order to be able to save. Once saving is complete, participants may forego paid employment to open a new business. During business start-up, self-employment earnings may be less than employment earnings would have been. However, once businesses become established they could produce greater benefits to participants.[1]

[1]In addition to self-employment earnings, there may be a change to the value of the business — this is captured under asset appreciation and expenses.

Education/Employment Expenses

Expenses related to increased participation in employment or in education and training (such as for child care and transportation) are expected to increase as a consequence of participation in *learn*$ave. This represents a cost to participants. To the extent that the provision of any of the required services is partly subsidized for low-income workers, this also results in a cost to government budgets and to society as a whole.

Transfer Payments

If a higher proportion of participants are furthering their education, *learn*$ave may increase the amount of federal/provincial education grants that they receive compared with the control group. If the amount of federal/provincial loans for education is increased (not a transfer payment directly), these involve transfers in the form of interest relief (while in school and up to six months afterwards) and possibly loan forgiveness. If *learn*$ave is successful and enhances the participants' earnings and stability of employment in comparison with control group members, then transfer payments to participating individuals will also be reduced. This reduction in transfer income represents a cost to participants and an equal benefit for government budgets. Similar to taxes, transfer payments constitute neither a cost nor a benefit to society as a whole.

Asset Appreciation and Expenses

As a result of *learn*$ave, participants may think more about investing in financial assets or capital assets. Similar to the *learn*$ave account, when an investment is purchased it represents a cost to the participants; however, when the asset is sold, there is a corresponding benefit that is accrued back to the participant. Any increase in value will be considered a net benefit.

The benefit–cost analysis must also take into account the effect of *learn*$ave on interest and maintenance charges on debts or liabilities. These debts may diminish the benefits of owning a particular capital or financial asset. For example, mortgage interest costs may offset much of the capital gains as a result of owning a home. To the extent that *learn*$ave encourages participants to borrow to purchase financial assets, capital assets, or human capital assets, these costs represent a cost to participants and to society as a whole.

Other Non-employment Income

learn$ave may increase the amount of private education grants that participants receive compared with the control group. *learn*$ave may also have an indirect effect on other sources of non-employment income including child support/alimony, rental income, or gifts/support from other family members. The direction of these effects is ambiguous, as positive or negative impacts are plausible.

Tax Payments

If participants increase their employment or investment income, they will pay more taxes to the federal and provincial governments. These taxes represent a cost to the participant but a benefit to governments and, in turn, no cost to society as a whole.

Costs of *learn*$ave and Related Government Programs

learn$ave requires resources for its administration and operations, which in turn represent a cost to government budgets and to society as a whole. Costs associated with research and evaluation are not included in the accounting framework because these are considerable one-time costs involved in demonstration projects, which would not be incurred in an ongoing program.

In addition, discounts or below-market prices may be available. For example, the financial institutions managing *learn*$ave accounts may reduce their normal charges for maintaining and processing *learn*$ave accounts. Discounts are measured as the difference between the normal market price and the discount price. These grants do not directly affect program participants. If the grants reduce the tax liabilities of these institutions, it would be a cost to government in the form of lower tax returns.

To offset tuition and other education costs, there are several government sources of funding including loans and grants. It is unclear whether *learn*$ave would increase the use of these programs. On one hand *learn*$ave may encourage more people to take courses and in turn increase demand for these programs. Conversely *learn*$ave funds may act as a substitute for existing funding sources.

Beyond grants and loans to students, governments also support education through transfers to educational institutions. To the extent that *learn*$ave stimulates increased demand for programs where the delivery costs are not fully covered by participant fees, there will be additional costs to government budgets and to society as a whole.

There are also government transfer programs that support some low-income Canadians such as Employment Insurance and income assistance. If *learn*$ave is able to encourage increased education and employment, it is likely that participants will not require these transfers as much as they would have previously. This represents a cost to participants but a benefit to government budgets — it is therefore neutral from the perspective of society as a whole.

Projected Components

It is unlikely that all of *learn*$ave's eventual impacts will be captured within the 54 months that participants are tracked. Data from the follow-up surveys will be used to project the benefits of *learn*$ave related to education, asset appreciation, and intergenerational effects that may be fully realized only after the surveys are complete.

A considerable body of literature indicates that increased education results in increased earnings over the course of an individual's career.[2] These increased earnings are of benefit not only to individuals, but also to government budgets, as individuals would pay more in income tax based on their higher earnings. Furthermore the literature indicates that parental education has a strong and positive effect on children. Better-educated parents appear to have children with higher educational attainment and higher future earnings. This would create benefits to the household and to society as a whole as they would contribute more in taxes and make less use of transfer programs.

[2]See Statistics Canada, National Graduates Survey (2005b).

Appendix E: Sample Build-Up by Site and Month of Random Assignment — Experimental Sites

Table E.1: Sample Build-Up by Site and Month of Random Assignment — Experimental Sites

Month of Assignment	Halifax	Toronto	Vancouver	Monthly Total	Cumulative Total
2001					
October	+++	+++	+++	6	6
November	+++	+++	10	15	21
December	6	+++	+++	12	33
2002					
January	+++	+++	13	19	52
February	0	11	20	31	83
March	13	11	17	41	124
April	5	16	32	53	177
May	15	43	34	92	269
June	9	33	9	51	320
July	38	245	79	362	682
August	15	93	72	180	862
September	12	93	79	184	1,046
October	11	113	66	190	1,236
November	11	65	68	144	1,380
December	9	43	38	90	1,470
2003					
January	22	147	92	261	1,731
February	8	62	71	141	1,872
March	12	95	63	170	2,042
April	16	116	108	240	2,282
May	11	61	73	145	2,427
June	11	84	61	156	2,583
July	11	101	73	185	2,768
August	12	109	68	189	2,957
September	+++	101	+++	183	3,140
October	0	22	148	170	3,310
November	0	8	147	155	3,465
December	0	13	84	97	3,562

(continued)

Table E.1: Sample Build-Up by Site and Month of Random Assignment — Experimental Sites (Cont'd)

Month of Assignment	Halifax	Toronto	Vancouver	Monthly Total	Cumulative Total
2004					
January	0	+++	+++	28	3,590
February	0	0	11	11	3,601
Total	254	1,697	1,650	3,601	3,601

Source: Application form database.

Notes: After the application was accepted, the form was checked, the applicant was contacted for a baseline interview, and then the file was sent to the Social Research and Demonstration Corporation (SRDC) for random assignment. There was on average a delay of about two weeks between the acceptance of the application and random assignment — longer if someone was difficult to reach for the baseline interview.

The Halifax site finished accepting applications on July 31, 2003. Toronto largely finished by August 31, 2003, while Vancouver finished by early December 2003. At the end of the recruitment period, the Toronto and Vancouver sites kept a short waiting list of applications. Some of these applications were processed after recruitment had officially finished to replace applicants who could not be located for their baseline interview.

Sample sizes are presented here according to the site where the participant enrolled. A limited number of participants transferred sites after enrolment.

+++ indicates a sample size too small for publication.

Table E.2: Size of Experimental Study Sample by Site and Research Group

Site	*learn*$ave-Only	*learn*$ave-Plus	Control Group	Total
Vancouver	551	549	550	1,650
Toronto	565	566	566	1,697
Halifax	85	84	85	254
Experimental study total	1,201	1,199	1,201	3,601

Source: Application form database.

Notes: Sample sizes are presented here according to the site where the participant enrolled. A limited number of *learn*$ave-only and *learn*$ave-plus participants transferred to a different site after enrolment.

Table E.3: Sample Build-Up by Quarter — Secondary Sites

Quarter of Enrolment	Digby	Fredericton	Montreal	Kitchener	Grey–Bruce	Winnipeg	Calgary	Quarterly Total	Cumulative Total
2001									
Quarter 2	0	5	0	10	0	0	21	36	36
Quarter 3	19	34	0	+++	+++	20	29	106	142
Quarter 4	11	17	0	+++	+++	+++	0	37	179
2002									
Quarter 1	5	21	16	15	+++	+++	25	93	272
Quarter 2	15	12	51	27	7	31	25	168	440
Quarter 3	8	52	59	12	14	41	25	211	651
Quarter 4	9	9	24	6	8	27	0	83	734

(continued)

Table E.3: Sample Build-Up by Quarter — Secondary Sites (Cont'd)

Quarter of Enrolment	Digby	Fredericton	Montreal	Kitchener	Grey–Bruce	Winnipeg	Calgary	Quarterly Total	Cumulative Total
2003									
Quarter 1	36	0	0	18	12	22	25	113	847
Quarter 2	47	0	0	40	42	0	0	129	976
Quarter 3	0	0	0	14	11	0	0	25	1,001
Total	150	150	150	150	101	150	150	1,001	1,001

Source: Management information system.

Notes: For the secondary sites, the quarter of enrolment is determined by the date of the acceptance letter. For some participants, there was a short delay between the date of application and the date of the acceptance letter.

+++ indicates a sample size too small for publication.

Table E.4: Sample Build-up by Quarter — Income Assistance Study

Quarter of Enrolment	Halifax	Toronto	Vancouver	Quarterly Total	Cumulative Total
2001					
Quarter 4	0	52	10	62	62
2002					
Quarter 1	20	23	32	75	137
Quarter 2	+++	0	+++	14	151
Quarter 3	+++	0	+++	16	167
Quarter 4	19	0	13	32	199
2003					
Quarter 1 and beyond[a]	+++	0	+++	26	225
Total	75	75	75	225	225

Source: Management information system.

Notes: For the income assistance participants, the quarter of enrolment is determined by the date of the acceptance letter. For most participants, there was a short delay between the date of application and the date of the acceptance letter.

+++ indicates a sample size too small for publication.

[a]The final two income assistance enrollees had applied during the original recruitment period, but according to the MIS, the site office had not sent an acceptance letter until a later date.

Appendix F: Market Research Survey

PURPOSE OF THE SURVEY

The Social Research and Demonstration Corporation (SRDC) undertook a two-phase market research survey (MRS) between April and June 2003 in order to obtain more information about reactions to *learn*$ave in the general population. The first purpose of this study was to determine the proportion of the eligible population who were already aware of *learn*$ave and to ask for their impressions of *learn*$ave. The other purpose was to examine people's reactions when they heard about *learn*$ave for the first time and determine how many would apply to *learn*$ave once they knew about the project.

SAMPLING STRATEGY

The goal was to reach a representative sample of *learn*$ave's eligible population in Toronto and Vancouver. While it may have been methodologically preferable to call telephone numbers in these cities at random to determine whether the respondents were eligible for *learn*$ave, this approach was deemed to be too labour-intensive and costly. In order to improve the efficiency of the surveying process, only people in low-income neighbourhoods were called. Where a respondent consented to the interview, they were asked a series of questions to determine whether they were eligible for *learn*$ave — those who qualified completed the full MRS.

For each postal walk in the City of Toronto and the Greater Vancouver Regional District, Statistics Canada's Small Area Data Division calculated the proportion of the population below the Low Income Measure (LIM) based on income tax records.[1] POLLARA chose one quarter of the postal walks that had the highest proportion below LIM. They then compiled a list of all of the available phone numbers in those areas. From that list POLLARA randomly selected the phone numbers to be called. As shown in Table F.1, almost 70,000 numbers were dialed in order to reach 7,855 people who were willing to do the interview. Among the remaining 61,896 numbers, about 25 per cent were either business numbers, not in service, or fax numbers.[2] At the other numbers, the respondents refused to answer the survey or could not be reached. Upon answering the phone, respondents were not immediately told about *learn*$ave: they were told instead that the interviewer was calling from POLLARA on behalf of a program sponsored by the Government of Canada.

[1] A postal walk is the area covered by an individual letter carrier.

[2] There is a delay between the date a phone number is changed and the date that the change appears in a phone number database. The database used by POLLARA to compile the list of phone numbers for the MRS was between 6 and 18 months out of date.

Table F.1: *learn*$ave Eligibility, Awareness, and Take-Up Among Respondents in Market Research Survey

Category	Number of Respondents
Phone numbers dialed	69,751
Agreed to do survey	7,855
Eligible	1,259
Screened out[a]	6,596
Heard of *learn*$ave before survey	223
Applied to *learn*$ave before survey	38

Source: Market research survey.

Note: [a]The first few survey questions addressed respondents' eligibility for *learn*$ave. Respondents who were not eligible or who refused to answer were screened out and did not complete the rest of the survey.

Respondents who were willing to complete the survey were asked about their age, family size, income, liquid assets, and student status in an attempt to determine their eligibility for *learn*$ave. Among the 7,855 respondents who agreed to do the survey, 1,259 were likely eligible for *learn*$ave — this represents an eligibility rate of 16 per cent.

ELIGIBLE POPULATION AND KNOWLEDGE OF *LEARN*$AVE

Only a limited number of respondents had heard about *learn*$ave before the MRS. Of the 1,259 who were likely eligible, 185 had heard about *learn*$ave before the MRS but had not applied, and 38 had applied to *learn*$ave before the survey. The 38 people who applied previously did not complete the full survey and are not included in the responses below.[3] Among Toronto respondents who knew about *learn*$ave but who had not previously applied, about 30 per cent said that they first heard about *learn*$ave through posters in subway trains and about an equal number mentioned word of mouth. In Vancouver, among the same group, about 35 per cent said word of mouth while close to the same number said either newspapers, radio, or television.

After an initial set of questions, all respondents were read a brief description of the *learn*$ave program and were asked for their reaction.[4] As shown in Table F.2, respondents had a very favourable view of the program. The vast majority (90.8 per cent) either had a very positive or somewhat positive overall impression, while 84.3 per cent said that they were either very or somewhat likely to tell others about the project. A lower but still favourable number (75.3 per cent) were interested in participating in the program. When asked what they liked best about *learn*$ave, respondents most often mentioned the free money and that *learn*$ave helps people achieve their goals. The most common reasons cited when asked what they liked least about the program were that they might not qualify and the risk of being in the control group — but these reasons were only mentioned by 6.0 and 4.9 per cent of respondents respectively.

[3]Respondents were screened out if they volunteered that they had already applied. There are likely a limited number of additional prior applicants who did not volunteer this information and in turn completed Wave I and Wave II of the neighbourhood survey.

[4]A total of 623 interviews were completed in Toronto and 598 in Vancouver. Of these, 1,124 interviews were completed in English and 97 interviews were completed in either Mandarin or Cantonese.

Table F.2: Initial Reactions Among Respondents in the Market Research Survey

Category	Number of Respondents
Overall impression (%)	
Very positive	49.0
Somewhat positive	41.8
Somewhat negative	3.2
Very negative	1.5
Don't know / refused	4.6
Interested in participating (%)	
Very interested	40.1
Somewhat interested	35.2
Not very interested	9.6
Not at all interested	12.4
Don't know / refused	2.7
Likely to tell others (%)	
Very likely	51.3
Somewhat likely	33.0
Not very likely	6.7
Not at all likely	5.7
Don't know / refused	3.4
What was best about *learn*$ave (%)	
Helps people achieve goals	36.4
Free money / easy money	27.8
Opportunity to improve life	7.0
Other	13.1
Don't know / refused	15.8
Total	1,221

Source: Market research survey.

INTEREST IN APPLYING

Most respondents were interested in getting more information about *learn*$ave. When asked, 854 or 69.9 per cent of respondents who had not yet applied said that they would be interested in attending a *learn*$ave information session, while 25.1 per cent said that they were not interested, and 4.9 per cent did not know. Everyone who was interested but was not currently receiving income assistance was given the number of their local *learn*$ave project office to call to arrange to attend an upcoming information session. Income assistance (IA) recipients were not invited to a session since all of the available IA spaces were already full when the MRS was being conducted.

Those who were invited to attend a session and who consented to be interviewed again were called approximately one month later to find out whether they followed through with their intentions. As shown in Table F.3, a total of 709 respondents were contacted for the second wave and 452 completed the interview resulting in a response rate of 63.8 per cent.

Table F.3: Interest in *learn*$ave and Take-Up Among Respondents as a Result of Participation in the Market Research Survey

Category	Number of Respondents
Eligible but had not applied before the survey	1,221
Wanted to apply after the survey	854
Invited to an application session[a]	739
Contacted for a follow-up survey	709
Completed a follow-up survey[b]	452
Called or e-mailed for more information[c]	58
Accessed the *learn*$ave Web site	31
Attended an application/information session	29
Applied to *learn*$ave	16
Plan to complete an application soon	6

Source: Market research survey.

Notes: [a]Income assistance recipients were not invited to an application session, since when the MRS was being conducted all of the income assistance spaces were already full.

[b]The follow-up survey took place within the two-month period after the first wave of the market research survey and was mainly intended to determine whether the respondents who had said they wanted to attend an application/information session had actually done so.

[c]Among those who were contacted in the follow-up survey.

The results from the Wave II survey indicate that very few respondents acted on their initial interest in *learn*$ave: only 12.8 per cent of Wave II respondents had called or e-mailed the site office, while only 6.9 per cent accessed the *learn*$ave Web site. When asked for the main reason that they did not call or e-mail the site office, almost half of the respondents mentioned a lack of time. Other common reasons were family or personal sickness (5.8 per cent), lost the phone number (5.8 per cent), or forgot about *learn*$ave (7.1 per cent). Only about five per cent of respondents said that they were no longer interested in *learn*$ave or mentioned one of the aspects of the *learn*$ave design that they did not like. The legitimacy of *learn*$ave did not seem to be a problem, as only about one per cent said that they thought the offer was not legitimate.

A smaller proportion of the sample took the additional step of attending an information session or filling out an application: 6.4 per cent of Wave II respondents attended an application session, while 3.5 per cent actually completed an application form and 1.3 per cent planned to complete one soon. When those who sought additional information by contacting the office or accessing the Web site were asked why they did not attend a session, time constraints and other things getting in the way were commonly cited; however, some respondents — about 15 per cent — said that they did not attend because they were no longer eligible.[5]

[5]There are two possible reasons why this may be the case. First, people's circumstances may have changed between when they completed Wave I and when they called the project office. Also the screening questions used on the Wave I survey were approximate and a limited number of respondents may have in fact not been eligible for *learn*$ave.

Attempts were made to determine whether more MRS respondents applied to *learn*$ave after they completed the Wave II survey. Based on the data from available tracking mechanisms, it is uncertain whether an additional number of MRS respondents applied to *learn*$ave.[6]

REPRESENTATIVENESS OF THE MRS SAMPLE

A comparison between the Wave I sample from the MRS and a reference group drawn from the 2001 Census is presented in Table F.4. Both samples are restricted to those who are eligible for *learn*$ave: they take into account age, student status, and income. Income assistance recipients are included in both samples — no attempt was made to screen people on this basis. One difference between the selection criteria is that the MRS screened people based on their liquid assets whereas this information is not collected by the Census.

Table F.4: Comparison Between the Market Research Survey Respondents and the Census Reference Group

Characteristic	MRS Respondents	Census Reference Group
Gender (%)		
Female	56.4	53.8
Martial status (%)		
Single	34.2	28.6
Married or common-law	49.1	53.9
Divorced, widowed, or separated	15.8	17.5
Age (%)[a]		
21–30	19.2	21.0
31–40	34.5	30.3
41–50	26.8	25.8
51–65	18.5	22.9
Education (%)		
High school graduate	82.6	71.3
Taken some post-secondary (without university degree)	37.0	37.0
University degree	22.8	20.3
Employment and income		
Employed (%)	61.9	52.9
Annual income ($)[b]	22,147	15,995

(continued)

[6]The Vancouver *learn*$ave site attempted to track how all of their enrollees found out about *learn*$ave. Their records indicate that 18 *learn*$ave enrollees heard about *learn*$ave through the MRS. However, it is unclear whether these 18 people actually completed the MRS or whether some of them heard about it by word of mouth. The Toronto site did not keep a similar statistic. Where participants gave permission, POLLARA attempted to match the phone numbers of respondents in Wave II of the MRS and the database containing information from *learn*$ave application forms. However, a substantial number of MRS respondents did not give their permission to perform the link, and there were likely a number of people who changed phone numbers between the MRS and the time they completed their *learn*$ave application.

Table F.4: Comparison Between the Market Research Survey Respondents and the Census Reference Group (Cont'd)

Characteristic	MRS Respondents	Census Reference Group
Home language, place of birth, and immigration (%)		
English or French home language	57.2	52.0
Born in Canada	34.6	32.3
Born in China	9.8	11.8
Recent immigrant[c]	18.2	22.1
Total	1,221	600,815

Sources: Market research survey (MRS) and 2001 Census of Canada.

Notes: Eligible population is represented by a reference group drawn from the 2001 Census population in the Greater Vancouver Regional District and the City of Toronto in accordance with restrictions imposed by the *learn*$ave eligibility criteria.

The characteristics of the reference group are weighted by the proportion of MRS respondents from each site.

Totals are unweighted.

[a]The age categories differ slightly between the two samples. The MRS survey is divided as follows: 21–29, 30–39, 40–49, 50–65. The Census categories are divided as shown in the table above: 21–30, 31–40, 41–50, 51–65.

[b]Total family income. MRS respondents were asked to give their income within a $5,000 range. These intervals were used to create an approximate average.

[c]For the MRS, "recent immigrant" includes respondents who came to live in Canada between January 1998 and the time of the MRS in mid-2003. For the reference group, "recent immigrants" includes people who came to live in Canada between January 1996 and May 2001.

As shown in Table F.4, the two samples are similar in most respects but there are some differences. The most noticeable differences are that the MRS sample is considerably more likely to have a high school diploma (82.6 versus 71.3 per cent) and has a higher average annual family income ($22,147 versus $15,995). MRS participants are also more likely to be employed (61.9 per cent versus 52.9 per cent) and slightly more likely to be single. For the categories of home language, country of birth, and recent immigrants, the MRS sample much more closely resembles the Census population than *learn*$ave enrollees. MRS participants are slightly more likely than the Census population to be born in Canada and have English or French as their home language.

CONCLUSIONS

The demographics of the sample in the MRS closely resembles the Census reference group of potentially eligible individuals. The results indicate that there was limited awareness of *learn*$ave among the general population prior to the MRS. Once people were made aware of *learn*$ave, their initial impressions were very favourable and many were interested in applying. However, only a few of those who expressed an interest actually followed through and applied. It is difficult to say exactly what the interest would be if a program such as *learn*$ave were to be offered nationally; however, information from the MIS suggests that such a program would likely be taken up by only a limited proportion of the population.

Appendix G: Characteristics of Enrollees

Table G.1: Characteristics of Enrollees in the Experimental Study in Total and by Experimental Study Site at Baseline

Characteristics	Halifax	Toronto	Vancouver	Total
Personal characteristics (%)				
Gender				
Male	33.1	54.8	42.6	47.7
Female	66.9	45.2	57.4***	52.3
Age				
Under 21 years	2.8	0.4	1.7	1.1
21–30 years	51.2	37.4	42.3	40.7
31–40 years	31.9	48.2	38.4	42.5
41–50 years	11.4	11.9	14.3	13.0
51–65 years	2.8	2.1	3.3***	2.7
Average age (years)	31.6	33.8	33.3	33.4
Marital status				
Single	61.8	36.7	51.7	45.4
Married	19.7	53.2	34.6	42.3
Separated, divorced, or widowed	18.5	10.1	13.7***	12.3
Equity group (%)				
Visible minority[a]	10.2	85.1	53.1***	65.0
Aboriginal	2.4	0.4	1.9***	1.2
Activity limitation	18.5	3.7	7.3***	6.4
Basic economic family type				
Unattached individuals	48.0	39.7	52.1	46.0
Couples without children under the age of 18	7.5	17.3	9.8	13.1
Couples with children (one or more children under the age of 18)	16.9	32.3	22.9	26.9
Lone parents (one or more children under the age of 18)	19.7	6.7	7.9	8.2
Other economic family types	7.9	4.0	7.3***	5.8
Total number in household (relatives only)				
1	48.0	39.8	52.1	46.0
2	19.7	21.2	16.0	18.7
3	16.9	25.9	17.2	21.3
4	9.8	8.7	8.4	8.7
5	3.5	2.9	4.1	3.5
6 or more	2.0	1.4	2.2	1.8
Average number in household	2.1	2.2	2.1	2.1
Total number of adults in household				
1	64.6	45.0	59.2	52.9
2	30.7	49.6	34.6	41.4
3 or more	4.7	5.4	6.2	5.7

(continued)

Table G.1: Characteristics of Enrollees in the Experimental Study in Total and by Experimental Study Site at Baseline (Cont'd)

Characteristics	Halifax	Toronto	Vancouver	Total
Average number of adults in household	1.4	1.6	1.5	1.6
Total number of children in household				
0	61.0	59.3	67.4	63.1
1	16.1	27.2	17.7	22.0
2	15.8	9.2	10.4	10.2
3 or more	7.1	4.3	4.6	4.6
Average number of children in household	0.7	0.6	0.5	0.6
Immigration status				
Canadian-born	92.1	13.0	44.8	33.2
Canadian citizen, born outside of Canada	5.9	14.1	18.0	15.3
Landed immigrant	+++	70.2	36.3	49.7
Other (student, work permit, refugee)	+++	2.7	1.0***	1.7
Language				
English	98.0	35.0	63.3	52.5
French	+++	0.6	0.6	0.6
Chinese	+++	42.1	22.2	30.0
South Asian	+++	9.2	5.8	7.0
Tagalog (Filipino)	+++	2.1	3.2	2.4
Other	+++	11.0	5.0***	7.5
Country of birth				
Canada	92.1	13.0	44.8	33.2
China (including Taiwan, Hong Kong, and Tibet)	+++	47.6	24.7	33.7
India	+++	6.0	2.1	3.8
Philippines	+++	4.1	5.3	4.4
Pakistan	+++	4.7	1.9	3.1
Other	7.1	24.7	21.2***	21.9
Year of entry				
Before 1993	75.0	10.6	22.8	15.7
1993–1997	+++	5.7	11.3	7.9
After 1997	+++	83.8	65.9***	76.4
Highest level of formal education				
Less than high school graduation certificate	6.3	1.3	3.9	2.8
High school graduation certificate	15.8	4.9	9.1	7.6
Some post-secondary education	26.0	11.5	20.3	16.6
Non-university certificate or diploma	33.9	16.5	23.2	20.8
University degree	18.1	65.7	43.5	52.2
Highest level of education was taken in Canada				
Yes	96.5	22.6	57.5***	43.9
Currently continuing education				
Part time	8.7	10.0	15.8	12.6
Full time	6.7	3.7	2.6***	3.4

(continued)

Table G.1: Characteristics of Enrollees in the Experimental Study in Total and by Experimental Study Site at Baseline (Cont'd)

Characteristics	Halifax	Toronto	Vancouver	Total
Degree expected from current study				
High school diploma	+++	9.0	22.2	15.5
Trade-vocational diploma/certificate	+++	6.2	7.9	7.3
Diploma/Certificate from college/technical school	26.5	34.5	28.6	30.7
Bachelor's/Master's/Professional degree	50.0	29.7	22.2	27.7
Other	+++	20.7	19.1***	18.8
Highest education level father obtained				
Less than high school	32.9	23.2	22.1	23.3
High school diploma	51.2	41.6	45.5	44.0
University degree or higher	15.9	35.3	32.4***	32.8
Highest education level mother obtained				
Less than high school	33.8	34.5	28.4	31.7
High school diploma	48.4	45.4	51.5	48.4
University degree or higher	17.8	20.1	20.1***	20.0
Employment history (%)				
Labour force status				
Work for pay	59.8	54.9	54.7	55.2
Self-employed	13.8	7.0	15.4	11.4
Unemployed	17.3	29.5	21.3	24.9
Out of labour force (student, at home, retired, and not working for pay)	9.1	8.5	8.6***	8.6
Last job: worked for pay or were self-employed				
Work for pay or self-employed currently	73.6	62.0	70.1	66.5
Have ever worked for pay or been self-employed	26.0	37.3	29.1	32.7
Never worked for pay and never self-employed	+++	0.8	0.9***	0.8
Work type				
Tourism/Hotels/Restaurants	20.7	11.9	15.8	14.5
Retail/Wholesale/Service industry	36.4	32.4	36.6	34.7
Communications/Utilities	4.9	5.2	3.6	4.4
Health services	9.8	5.2	5.9	5.9
Education	6.0	2.9	4.7	4.0
Financial services	2.7	4.0	2.6	3.2
Manufacturing/Processing	+++	21.7	5.7	12.3
Recreation/Sports facilities	+++	2.1	5.7	3.8
Other	18.5	14.5	19.6***	17.2
Duration of unemployment among those unemployed				
Less than 1 year	55.6	49.3	48.8	49.4
1–2 years	25.4	39.4	32.3	35.7
2–3 years	+++	7.4	8.7	7.9
3–4 years	+++	2.1	4.7	3.1
4 years or more	11.1	1.8	5.5***	3.8

(continued)

Table G.1: Characteristics of Enrollees in the Experimental Study in Total and by Experimental Study Site at Baseline (Cont'd)

Characteristics	Halifax	Toronto	Vancouver	Total
Work at two or more jobs				
Yes	7.9	5.1	7.9***	6.6
Volunteer activities				
Yes	41.3	33.2	42.7***	39.1
Income ($)				
Participant				
Employment income	10,634	8,170	9,024	8,738
Self-employment income	102	220	443	314
EI benefits	430	378	539	455
IA benefits	157	164	144	154
Income from all other sources	391	2,334	922	1,547
Total[b]	11,714	11,266	11,072	11,208
Spouse				
Employment income	1,730	2,317	2,098	2,175
Self-employment income	122	57	51	58
EI benefits	113	100	40	73
IA benefits	0	29	29	27
Income from all other sources	35	636	219	402
Total[b]	1,999	3,139	2,436	2,735
Participant and spouse				
Employment income	12,364	10,487	11,122	10,912
Self-employment income	224	276	494	373
EI benefits	543	478	578	529
IA benefits	157	193	173	181
income from all other sources	426	2,970	1,141	1,948
Total[b]	13,713	14,405	13,508	13,943
Household income from the baseline survey (%)[c]				
Under $5,000	4.6	17.7	12.3	14.3
Between $5,000 and $9,999	16.2	20.5	20.5	20.2
Between $10,000 and $14,999	27.0	21.7	23.0	22.7
Between $15,000 and $19,999	23.7	17.8	21.4	19.9
Between $20,000 and $24,999	15.8	11.6	11.1	11.7
Between $25,000 and $29,999	5.4	5.2	5.3	5.3
$30,000 and higher	7.5	5.5	6.3	6.0
Expenditures ($)[d]				
Monthly rent	365	553	507	518
Monthly cost of utilities, not included in rent	45	14	35	26
Monthly housing cost[e]	592	619	614	615
Monthly payments on vehicle debt or lease	45	12	26	21
Savings activity (%)				
Have bank account	98.0	98.2	98.4	98.2
Have credit card	60.2	68.0	70.7***	68.7
Use a household budget	52.4	61.6	53.0***	57.0

(continued)

Table G.1: Characteristics of Enrollees in the Experimental Study in Total and by Experimental Study Site at Baseline (Cont'd)

Characteristics	Halifax	Toronto	Vancouver	Total
How helpful is budget				
Very helpful	55.6	67.9	60.8	64.0
Fairly helpful	35.3	27.5	33.4	30.5
Not very helpful	6.8	3.9	4.8	4.5
Not helpful at all	+++	0.8	1.1***	1.0
Net worth ($)[f]				
Minimum bank balance last month (chequing and saving)	429	2,912	1,419	2,049
Amount in financial investments (CSBs, term deposits, RRSPs)	583	225	254	264
Amount saved at home or with friends	43	92	82	84
Amount in other special accounts	59	90	66	77
Amount in household RESPs	195	202	194	198
Amount in other household savings for education	158	109	97	107
Value of home less outstanding mortgage principal	5,323	2,240	4,572	3,531
Value of household vehicles less outstanding unpaid principal	1,194	671	1,432	1,058
Mortgage	8,322	3,488	4,766	4,419
Car loans	841	172	448	346
Credit card balances	925	343	820	604
Amount owed on student loans	4,739	1,854	3,292	2,720
Amount owed on other loans	1,421	874	1,522	1,211
Own your home (%)	14.6	3.5	5.2***	5.1
Currently own a vehicle (%)	46.1	24.2	46.4***	35.9
Bankruptcy (%)[g]	12.3	6.5	9.1***	8.1
Net worth	898	3,470	2,482	2,833
Sample size	254	1,681	1,649	3,584

Sources: Application form and baseline survey.

Notes: Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Some numbers may not sum exactly to 100 per cent due to rounding.

[a]Enrollees in the experimental study were asked, "Would you say you were White, Chinese, South Asian, Black, Arab, Filipino, South East Asian, Latin American, Japanese, Korean, or a member of another group?" Those who gave an answer other than "White" were classified as a visible minority. In contrast, participants in the non-experimental and IA studies were simply asked "Do you consider yourself to be a member of a visible minority?"

[b]Household income is the income in the calendar year prior to application as reported on application form. For those who immigrated to Canada in the year prior to application, household income is based on a formula that includes foreign income, Canadian income, and money brought into Canada.

[c]Household income from the baseline survey is the household income in the last 12 months prior to baseline interview date.

[d]For the items related to expenditures, the "Don't know" and "Refused" responses were imputed by their site means. All of the averages pertain to all enrollees.

[e]The monthly housing costs include household rent, utilities, mortgage payment, tax, and insurance.

[f]For the items related to net worth, the "Don't know" and "Refused" responses to assets and debts were imputed by their means. The "Don't know" and "Refused" responses to house value and mortgage were imputed by their site mean. All of the averages pertain to all enrollees.

[g]Bankruptcy refers to those who have ever declared bankruptcy, had payments deducted from a paycheque, or had a court order to make payments.

+++Results are based on a sample size that is too small for publication.

A chi-squared statistic or t-test was used to check for differences. Statistical significance levels are indicated as *** = 1 per cent, ** = 5 per cent, and * = 10 per cent.

Appendix H: Characteristics of Enrollees by Research Group

Table H.1: Characteristics of Enrollees by Research Group

Characteristics	*learn*$ave-Only	*learn*$ave-Plus	Control Group
Personal characteristics (%)			
Gender			
Male	46.4	48.2	48.5
Female	53.6	51.8	51.6
Age			
Under 21 years	0.7	1.4	1.3
21–30 years	41.0	41.1	39.9
31–40 years	43.1	42.4	42.0
41–50 years	12.7	12.1	14.1
51–65 years	2.5	3.0	2.6
Average age (years)	33.4	33.4	33.6
Marital status			
Single	45.9	46.6	43.7
Married	41.8	41.0	44.1
Separated, divorced, or widowed	12.3	12.4	12.2
Equity group			
Visible minority[a]	64.2	65.3	65.6
Aboriginal	1.1	1.3	1.3
Activity limitation	5.0	7.1	7.2**
Basic economic family type			
Unattached individuals	46.3	47.8	43.9
Couples without children under 18 years of age	13.3	12.1	13.9
Couples with children, one or more children younger than 18 years of age	26.2	26.5	28.0
Lone parents, one or more children younger than 18 years of age	8.3	7.8	8.5
Other economic family types	5.9	5.8	5.7
Total number in household (relatives only)			
1	46.3	47.9	43.9
2	19.0	17.5	19.6
3	21.8	20.0	22.0
4	7.8	9.2	9.0
5	3.5	3.4	3.6
6 or more	1.7	1.9	1.9
Average number in household	2.1	2.1	2.2

(continued)

Table H.1: Characteristics of Enrollees by Research Group (Cont'd)

Characteristics	*learn*$ave-Only	*learn*$ave-Plus	Control Group
Total number of adults in household			
1	53.4	54.3	51.1
2	41.5	40.4	42.3
3 or more	5.4	5.4	6.6
Average number of adults in household	1.6	1.6	1.6
Total number of children in household			
None	63.8	64.5	61.2
1	21.8	20.7	23.5
2	9.9	10.3	10.5
3 or more	4.5	4.5	4.9
Average number of children in household	0.6	0.6	0.6
Immigration status			
Canadian-born	33.1	33.6	33.0
Canadian citizen, born outside Canada	16.3	15.7	14.0
Landed immigrant	48.7	49.6	50.8
Other (student, work permit, refugee)	1.9	1.1	2.2
Language			
English	53.4	53.6	50.5
French	0.5	0.7	0.5
Chinese	30.0	28.3	31.6
South Asian	6.6	7.1	7.3
Tagalog (Filipino)	1.6	2.9	2.8
Other	7.9	7.4	7.4
Country of birth			
Canada	33.1	33.6	33.0
China (including Taiwan, Hong Kong, and Tibet)	34.1	31.8	35.1
India	3.1	4.1	4.1
Philippines	3.9	4.5	4.8
Pakistan	2.9	3.4	3.1
Other	23.0	22.7	19.9
Year of entry			
Before 1993	17.3	16.2	13.8
1993–1997	7.1	8.9	7.6
After 1997	75.6	74.9	78.6
Highest level of formal education			
Less than high school graduation certificate	2.5	2.7	3.3
High school graduation certificate	7.3	7.4	8.2
Some post-secondary education	17.4	16.8	15.6
Non-university certificate or diploma	21.3	19.9	21.3
University degree	51.6	53.3	51.6
Highest level of education was taken in Canada			
Yes	44.5	45.0	42.0

(continued)

Table H.1: Characteristics of Enrollees by Research Group (Cont'd)

Characteristics	*learn*$ave-Only	*learn*$ave-Plus	Control Group
Currently continuing education			
Part time	12.7	12.5	12.5
Full time	3.5	3.2	3.4
Degree expected from current study			
High school diploma	15.1	19.2	12.0
Trade/Vocational diploma/certificate	11.1	6.4	4.3
Diploma/Certificate from college/technical school	26.2	24.8	41.9
Bachelor's/Master's/Professional degree	32.5	25.6	24.8
Other	15.1	24.0	17.1**
Highest education level father obtained			
Less than high school	22.7	23.8	23.3
High school diploma	44.7	43.5	43.7
University degree or higher	32.6	32.7	32.9
Highest education level mother obtained			
Less than high school	32.6	30.2	32.2
High school diploma	46.5	51.9	46.9
University degree or higher	20.9	18.0	21.0*
Employment history (%)			
Labour force status			
Work for pay	54.9	55.9	54.7
Self-employed	11.1	12.4	10.6
Unemployed	25.4	22.9	26.3
Out of labour force (student, at home, retired, and not working for pay)	8.5	8.8	8.5
Last job: worked for pay or were self-employed			
Work for pay or self-employed currently	66.0	68.3	65.2
Have ever worked for pay or been self-employed	33.0	31.1	34.0
Never worked for pay and never self-employed	1.0	0.6	0.8
Work type			
Tourism/Hotels/Restaurants	16.9	13.8	12.7
Retail/Wholesale/Service industry	34.4	34.3	35.5
Communications/Utilities	4.6	4.4	4.1
Health services	6.3	5.1	6.2
Education	4.0	3.7	4.4
Financial services	3.5	3.3	2.8
Manufacturing/Processing	12.2	11.2	13.6
Recreation/Sports facilities	3.3	4.0	4.0
Other	14.7	20.1	16.7

(continued)

Table H.1: Characteristics of Enrollees by Research Group (Cont'd)

Characteristics	*learn*$ave-Only	*learn*$ave-Plus	Control Group
Duration of unemployment among those unemployed			
Less than 1 year	53.7	43.4	50.9
1–2 years	31.8	38.8	36.7
2–3 years	9.4	8.2	6.2
3–4 years	2.6	4.4	2.5
4 years or more	2.6	5.2	3.7*
Work at two or more jobs			
Yes	6.9	6.4	6.4
Volunteer activities			
Yes	38.7	38.4	37.3
Income ($)			
Participant			
Employment income	8,446	8,780	8,988
Self-employment income	281	353	308
EI benefits	407	482	477
IA benefits	147	168	148
Income from all other sources	1,520	1,451	1,670
Total[b]	10,800	11,234	11,591
Spouse			
Employment income	2,149	2,078	2,297
Self-employment income	50	42	83
EI benefits	100	53	67
IA benefits	35	17	30
Income from all other sources	420	334	451
Total[b]	2,753	2,523	2,928
Participant and spouse			
Employment income	10,595	10,857	11,285
Self-employment income	331	396	391
EI benefits	507	535	544
IA benefits	181	184	178
Income from all other sources	1,940	1,785	2,120
Total[b]	13,553	13,758	14,519
Household income from the baseline survey (%)[c]			
Under $5,000	14.6	14.7	13.7
Between $5,000 and $9,999	19.2	19.8	21.5
Between $10,000 and $14,999	24.6	22.2	21.7
Between $15,000 and $19,999	19.8	21.1	18.8
Between $20,000 and $24,999	11.3	11.7	12.0
Between $25,000 and $29,999	4.6	4.9	6.2
$30,000 and greater	6.3	5.7	6.1

(continued)

Table H.1: Characteristics of Enrollees by Research Group (Cont'd)

Characteristics	*learn*$ave-Only	*learn*$ave-Plus	Control Group
Expenditures ($)[d]			
Monthly rent	511	515	529
Monthly cost on utilities, not included in rent	26	24	27
Monthly housing cost[e]	621	607	617
Monthly payments on vehicle debt or lease	25	19	18
Savings activity (%)			
Have bank account	98.3	98.1	98.3
Have credit card	68.1	69.0	68.9
Use a household budget	55.2	58.4	57.3
How helpful is budget			
Very helpful	61.8	64.5	65.7
Fairly helpful	32.4	33.3	29.0
Not very helpful	4.8	4.3	4.3
Not helpful at all	1.1	0.9	1.0
Net worth ($)[f]			
Minimum bank balance last month (chequing and saving)	2,150	2,066	1,932
Amount in financial investments (CSBs, term deposits, RRSPs)	267	251	273
Amount saved at home or with friends	56	89	107
Amount in other special accounts	85	85	61
Amount in household RESPs	231	183	180
Amount in other household savings for education	108	96	117
Value of home less outstanding mortgage principal	3,854	4,338	2,402
Value of household vehicles less outstanding unpaid principal	1,035	1,145	995
Mortgage	5,288	4,030	3,937
Car loans	403	325	312
Credit card balances	601	600	309
Amount owed on student loans	2,958	2,950	2,252
Amount owed on other loans	1,326	1,090	1,217
Own your home (%)	5.7	5.2	4.3
Currently own a vehicle (%)	35.4	36.0	36.4
Bankruptcy (%)[g]	8.3	8.3	7.8
Net worth	2,900	3,612	1,989
Sample size	1,195	1,194	1,195

Sources: Application form and baseline survey.

Notes: Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Some numbers may not sum exactly to 100 per cent due to rounding.

[a]Enrollees in the experimental study were asked, "Would you say you were White, Chinese, South Asian, Black, Arab, Filipino, South East Asian, Latin American, Japanese, Korean, or a member of another group?" Those who gave an answer other than "White" were classified as a visible minority. In contrast, participants in the non-experimental and IA studies were simply asked, "Do you consider yourself to be a member of a visible minority?"

[b]Household income is the income in the calendar year prior to application as reported on application form. For those who immigrated to Canada in the year prior to application, household income is based on a formula that includes foreign income, Canadian income, and money brought into Canada.

(continued)

Table H.1: Characteristics of Enrollees by Research Group (Cont'd)

[c]Household income from the baseline survey is the household income in the last 12 months prior to baseline interview date.

[d]For the items related to expenditures, the "Don't know" and "Refused" responses were imputed by their site means. All of the averages pertain to all enrollees.

[e]The monthly housing costs include household rent, utilities, mortgage payment, tax, and insurance.

[f]For the items related to net worth, the "Don't know" and "Refused" responses to assets and debts were imputed by their means. The "Don't know" and "Refused" responses to house value and mortgage were imputed by their site mean. All of the averages pertain to all enrollees.

[g]Bankruptcy refers to those who have ever declared bankruptcy, had payments deducted from a paycheque, or had a court order to make payments.

+++Results are based on a sample size that is too small for publication.

A chi-squared statistic or t-test was used to check for differences. Statistical significance levels are indicated as *** = 1 per cent, ** = 5 per cent, and * = 10 per cent.

Appendix I: 10-Month Survey of *learn*$ave-Only and *learn*$ave-Plus Participants

The research plan includes in-depth telephone surveys of all enrollees 18, 40, and 54 months after they entered *learn*$ave. These surveys ask questions pertaining to key impact variables such as savings and education activities. In order to obtain further information about participants' experience in the project, the Social Research and Demonstration Corporation (SRDC) conducted an additional short telephone interview of *learn*$ave-only and *learn*$ave-plus participants.[1] This interview, conducted by POLLARA Inc., took place approximately 10 months after the baseline interview. The purpose of the survey was to determine participants' knowledge of key *learn*$ave rules, their savings techniques and challenges, and their satisfaction with the project.

Table I.1 presents the planned and actual number of completed interviews. The sample size was chosen in order to provide reasonable margins of error while minimizing the response burden. Using the planned sample size, the sampling error is plus or minus 3.3 per cent 19 times out of 20.

Table I.1: Planned and Actual Sample Sizes for the 10-Month Survey

	Planned	Actual
Total interviews	870	868
learn$ave-only		
Halifax	35	32
Toronto	200	204
Vancouver	200	201
learn$ave-plus		
Halifax	35	29
Toronto	200	204
Vancouver	200	198

Source: 10-month mini-survey of *learn*$ave-only and *learn*$ave-plus participants.

A subsample of *learn*$ave-only and *learn*$ave-plus participants were contacted for the 10-month interview. In order to obtain the necessary number of interviews, all Toronto participants who completed their baseline interviews between September 2002 and May 2003 were contacted for the 10-month interview between July 2003 and March 2004. All Halifax and Vancouver participants who completed their baseline interviews between September 2002 and July 2003 were contacted between July 2003 and May 2004. Overall, 1,139 participants were contacted and 868 interviews were completed, resulting in a response rate of 76.2 per cent. Table I.2 presents the key findings of the 10-month survey.

[1]The original research plan included a number of questions on project satisfaction as part of the 18-month interview. However, these questions would have made the 18-month interview too long.

Table I.2: Selected Results From the 10-Month Survey of *learn*$ave-Only and *learn*$ave-Plus Participants

	Toronto	Vancouver	Total
Satisfaction with *learn*$ave (%)			
Overall			
Very satisfied with *learn*$ave	66.9	75.9	71.5
Somewhat satisfied with *learn*$ave	29.7	20.3	24.8
Banking arrangements			
Opened a *learn*$ave account	98.5	91.5	94.8
Agreed that the *learn*$ave bank account was easy to open[a]	94.8	95.4	95.1
Agreed that the *learn*$ave bank account was easy to use[a]	90.1	91.0	90.8
Financial management training (FMT)			
Attended some FMT[b]	61.3	54.6	57.8
Agreed that FMT classes were taught well[c]	96.0	93.5	94.8
Agreed that FMT classes helped them to save[c]	88.0	78.7	83.1
Local agency			
Agreed that their local agency does a good job of running *learn*$ave	95.1	95.5	95.4
Per cent of respondents who could correctly identify			
One of the *learn*$ave savings goals	99.8	99.3	99.4
The 3:1 *learn*$ave match rate	94.1	92.7	92.6
That 12 monthly deposits are required before receiving matched funds	90.2	89.7	90.0
Saving (%)			
How did you get the money to put into your *learn*$ave account?[d]			
Employment income / worked more hours	79.4	81.7	80.5
Transferred from other savings	16.2	13.2	14.4
Spent less	6.6	7.9	7.1
Other	14.0	12.7	13.4
Were able to save as much as wanted to in *learn*$ave account so far[e]			
Yes	69.5	56.1	61.8
No	29.7	43.1	37.5
Per cent who agreed that			
Saving was easier than I thought	63.7	59.7	61.4
Would have saved the same amount even if I was not in *learn*$ave	39.5	24.6	30.9
Little emergencies stop me from saving	56.4	64.2	61.1
It's hard to resist temptations to spend money	51.0	54.6	52.5
Key aspects of program design			
Per cent who agreed that			
Getting three dollars for every dollar saved is generous	97.8	98.5	98.3
Having to save for at least 12 months creates a habit of saving	81.6	91.0	86.3
The amount of money received through *learn*$ave is not enough to meet education or small business goal	76.0	69.2	71.4
Total	408	399	868

Source: 10-month mini-survey of *learn*$ave-only and *learn*$ave-plus participants.

(continued)

Table I.2: Selected Results From the 10-Month Survey of *learn*$ave-Only and *learn*$ave-Plus Participants (Cont'd)

Notes: Halifax totals are not presented separately due to insufficient sample size. Halifax cases are included in the "total" column.

Rows that show "agree" are taken from instances where the respondent is read a statement and asked to answer either "strongly agree," "agree," "disagree," or "strongly disagree." This table shows the combined number of responses for "strongly agree" and agree."

For some questions, all categories may not total to 100 per cent due to the presence of missing values or rounding.

For each question, the total sample includes all cases including the limited number who answered "don't know" or refused to answer.

[a]Among respondents who opened an account.

[b]Among *learn*$ave-plus respondents.

[c]Among *learn*$ave-plus respondents who attended some financial management training.

[d]Responses total to greater than 100 per cent because some respondents gave more than one reason.

[e]Includes only respondents with a *learn*$ave bank account balance greater than $0.

Appendix J: *learn*$ave Training Curriculum

This appendix provides a more detailed description of the *learn*$ave training (L$T) curriculum. The L$T combines the concept of Prior Learning Assessment and Recognition (PLAR) with the more standard elements of financial management training. PLAR is intended to help participants recognize existing skills and personal attributes that they possess and that will help them achieve their goals. As part of PLAR, participants are asked to identify barriers that could prevent them from achieving their goals as well as strategies to overcome those barriers.

Several standard topics related to financial management form part of the L$T curriculum including spending patterns and consumerism, household budgets, credit ratings, and investing.

In most cases, the curriculum was delivered in the form of five three-hour modules; however, sometimes alternate formats were used — such as two modules presented together on a Saturday. In such cases, the order of the exercises was often reorganized to make them more appropriate for an all-day session.

In each of the modules, the facilitators were expected to cover all of the topics, but there was some flexibility to adapt the module to the needs of their groups. For example, facilitators could vary the amount of time on any given topic, engage guest speakers for given topics, and use additional resources such as Web sites.

In order to address concerns that site staff had about the curriculum, SEDI (Social and Enterprise Development Innovations) convened a workshop in the fall of 2002. Based on the results of that workshop, the curriculum was revised. This summary of the curriculum is based on the revised facilitators' guide and exercises distributed in February 2003.

In addition to the course content presented in the following sections, each module usually began with a brief show of hands indicating the number of participants who had opened an account and made their first deposit.

MODULE 1: INTRODUCTION TO LEARNING AND *LEARN*$AVE ACCOUNTS

The first module introduced participants to some of the key concepts of PLAR, which emphasizes that people learn much of what they know outside formal classrooms. Some of the exercises in the first module were intended to help participants recognize the difference between formal and informal learning. As well, the exercises helped participants to "evidence" informal learning and realize how this learning can be transferred to different contexts. Evidencing means articulating and providing proof of skills that have been learned — for example, a participant could show a pair of woollen mittens to illustrate that they can knit.

During the first module, facilitators introduced the *learn*$ave portfolio that participants were expected to assemble after the course. The portfolio was meant to provide evidence of past learning efforts and achievements and to state future goals. Participants were asked to compile all of the relevant exercises that they had completed as part of the L$T and include them in the portfolio. They were also encouraged to add additional documents such as certificates that would provide proof of their prior learning success.

The first module included a review of the key aspects of the *learn*$ave account protocols. Participants were also asked about their personal financial situation as part of a "financial fitness quiz." For a home assignment, they were given a template and asked to record all of their spending transactions for a period of one week. They were also encouraged to obtain their personal credit report and were given information on how this report can be obtained.

MODULE 2: TRAITS, PASSIONS, DREAMS, AND GOALS

During the second module, facilitators asserted that money is a value-laden term. Participants engaged in a discussion about the perspectives that their family, friends, and society have on money and how those views have influenced them. They also debated the relationship between spending and making choices. A central issue that often arose in this discussion concerned the extent to which many expenses are fixed or can be varied. These discussions led into a discussion about budgeting; facilitators presented templates with which participants could record their income and expenses and a template to summarize the important features of their budgets.

The other component of this module concerned personality type, values, and goals. Participants engaged in a series of exercises to help determine their personality type and values. During one exercise, participants were told that they had been invited to six parties and they had to select three of them. Each party was intended to represent one of the six Holland Code personality types: Realistic/Practical, Investigative/Inquiring, Artistic/Creative, Social/Helping, Enterprising/Persuading, and Conventional/Organizing.

During this module participants were then asked to relate their personality type and values to the skills necessary for their *learn*$ave goal. It was hoped that by learning more about themselves they would be in a better position to make better choices about possible *learn*$ave goals. As an assignment, they were asked to interview someone who could give them guidance that would help them meet their savings goal. For example, this person could be an instructor at an educational institution or someone who is working in the field that the participant preferred.

MODULE 3: MANAGING MONEY

The third module focused heavily on consumerism. The first exercise asked participants to give examples of some of the "consumerism trends" of the past five decades — for example, a TV set in every home was a trend that began in the late 1950s. Then facilitators discussed contemporary consumerism and the media — they talked generally about the current "buy, buy, buy" culture as well as some specific techniques that advertisers use to sell particular products. Participants were in turn asked to think about how the media influences their own spending decisions.

Another component of the module presented saving and investing. Facilitators handed out a chart showing the amount participants had to save each month in order to meet certain *learn*$ave savings goals. Facilitators usually discussed some of the basics of longer term investing such as rate of return and the risk/return trade-off. As a home assignment, participants were asked to consider several questions related to their *learn*$ave deposit plan, such as how much they planned to deposit, challenges that might prevent them from making those deposits, and changes they had to make in order to meet their *learn*$ave savings goal.

MODULE 4: MANAGING YOUR CREDIT

One of the key components of the fourth module addressed credit. For this module, participants were encouraged to bring their credit reports to the session — examples were also on hand for anyone who had not obtained their own report. Facilitators spoke about the substance of credit reports and credit bureaus. Facilitators also presented information about the length of time information is kept on file, the credit rating system, how creditors use the information, finding errors on one's file, and correcting errors. Participants discussed the smart use of credit, such as the types of credit available and the amount of debt that people can reasonably carry.

Another component of this module helped participants to think about their educational and career goals. Participants were asked to discuss what they learned from the interview about their savings goal that they were asked to complete after the second module. They were then asked to answer a series of questions that helped to "evidence" that they have some of the general skills necessary to meet their educational or small business goals. For example, one question was "When I need to know things, I am able to find the answers."

Finally, in preparation for the next module, participants were asked to think about what they had learned from the L$T.

MODULE 5: SKILLS AND SAVINGS — LOOKING FORWARD AND CREATING YOUR *LEARN*$AVE PORTFOLIO

This module usually began by discussing the things participants said they had learned from the L$T. Participants were then asked to write down their *learn*$ave savings goal and their interim goals. Facilitators listed four questions that they should keep in mind when determining their goals:

1. Realistic — Is the goal within your reach?
2. Yours — Is it something you want?
3. Specific — Is there a way you can measure it when you have reached your goal?
4. Rewarding — Is there a reward in the accomplishment of the goal?

Participants were then asked to look at some of the exercises from previous modules such as the Holland Codes in order to determine what would help them meet their goals. They were also asked to use previous exercises to identify gaps between their skills, values, and abilities and their chosen goal. They were asked to think about a plan to address these gaps.

During this module, participants once again completed the financial fitness quiz that they had completed during the first module to measure the progress in their financial management skills since they started the course. Near the end of the module, facilitators presented a possible detailed outline of the portfolio that participants were expected to complete after the course. Participants were also given a chance to discuss the curriculum as well as what they had learned from other participants.

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