



ANNUAL REPORT

2006-07





stands for Social and Enterprise Development Innovations. We are a national charitable organization dedicated to reducing poverty in Canada.

We want to see Canadians from all walks of life participate in the economic mainstream and build a more secure future for themselves, their families and their local communities.

For over two decades, SEDI has created hope through additional prospects and opportunities for poor, low-income and at-risk Canadians that empower them to achieve their personal best.

Working in partnership with government, corporations, foundations and community groups, we remove the barriers that prevent those who are struggling financially from realizing their full potential.

Whether it's to start a business, go back to school or find a home, SEDI introduces low-income Canadians to new ways of reaching their goals and develops the tools they need to make it happen.

MESSAGE FROM THE CHAIR AND FOUNDING EXECUTIVE DIRECTOR



**Doug
Melville,**
Chairperson

20 years of innovation: reflections on the past, present and future

There are many things that make it exciting to be involved with an organization that uses social innovation: the challenge of uncertainty, achieving measurable results while still being innovative and raising investment capital for ideas yet unproven. These conditions have persisted throughout SEDI's 20 years of existence and are well known to any entrepreneur who has tried to create a successful enterprise, be it socially or commercially driven.

What has not changed is SEDI's principles. We still believe that low-income people want to participate and contribute to their communities and that with the right supports, they will do so. We still believe that communities and policy makers must constantly explore new avenues to improve the quality of life of Canadians and that the best solutions are informed from the bottom up. And we still believe that scale (reaching large numbers of people in need) is critical to achieving sustainable solutions.

Innovation is a multi-year process that involves a significant amount of tough legwork, investment, research, partnering and influencing and to advance our cause. Progress is often slow and difficult to measure in the short-term. Over the years, SEDI has introduced four significant social policy innovations that have benefited communities across Canada, each requiring a unique approach.

Our first innovation was the concept that government sponsored self-employment training would assist the poor to achieve self-sufficiency. The results included a national program for the unemployed, less punitive regulations for welfare recipients and broader recognition that low-income

women can be successful business owners. We will continue to engage policy makers on issues that matter to low-income self-employed Canadians, particularly those with disabilities.

Our second innovation was in the area of youth-at-risk. We applied the principles of successful self employment: confidence, competence, connections and capital to youth-at-risk. The result has been the creation of tools that hundreds of agencies across the country have used to assist young clients who want to be self-sufficient. We are already expanding this activity to include savings and asset-building and financial literacy for youth.

Our third innovation was in the area of savings and asset-building. We set out to change the traditional architecture for social policy in Canada. The result has been two new pieces of federal legislation, a federal financial literacy outreach program, a growing number of community asset projects and welfare regulatory reform in seven provinces. We continue to promote research that will fill the knowledge gaps with respect to how best to support asset-building, particularly by the working poor, First Nations peoples, people with disabilities and the homeless.

Our fourth innovation is financial literacy, an area of tremendous importance to all sectors of society. We have achieved early successes in our work with the Financial Consumer Agency of Canada (FCAC) but there remains much to do. SEDI sincerely thanks our Board of Directors and all of our donors, supporters, partners and clients for believing in our work. Without their support, continued innovation would not be possible.



**Peter
Nares,**
*Founding
Executive
Director*

SELF EMPLOYMENT



Bob
Wilson,
Director

Keeping small businesses ahead of the curve

“SEDI levels the playing field in the small business sector. We help create self-employment opportunities for all Canadians, including newcomers to Canada, low-income people, the unemployed and people with disabilities.”

Self-employed Canadians contribute to the local economy by purchasing goods and services, creating jobs for others and reducing their dependence on government assistance. But they're often vulnerable because of limited access to the support tools that traditional employees enjoy, such as affordable financing, disability insurance, parental and maternity support and skills training.

SEDI works with the business sector, community organizations and government to fill these gaps and give disadvantaged small business owners the best chance at success.

Our overarching focus is to ensure that the interests of low and modest income self-employed Canadians are integrated into **policy-making at every level of government**. We support change to labour market programs so that no person who wants to participate is left out by virtue of being self-employed.

SEDI is particularly active in supporting people with disabilities. Our initiatives include practical self-employment learning resources tailored specifically to them. For instance, we are working with several communities across Canada to develop the **Building a Bridge to Self Employment for People with Disabilities** project, which includes a capacity building program for community groups serving people with disabilities.

Through the **EnAbling Change Project**, we help small businesses in Ontario become more aware of how important it is to be accessible to customers and employees with disabilities. Website e-learning modules are one of the innovative components of this initiative.

Over the coming years, SEDI will continue to develop **business-startup resources** for people with disabilities, as well as youth and First Nations people, with tools ranging from online workbooks and reference material to how-to workshops.

As self-employment continues to be an important and burgeoning segment of our country's economy, SEDI will strive to ensure that all Canadians get an equal opportunity to fulfill their dreams of entrepreneurship.

YOUTH



Casey
Cosgrove,
Director

Forging new ground for youth

“SEDI works in partnership with more community-based youth organizations than any other group in Canada to build and enhance their organizational capacity to help young people become self-sufficient adults.”

SEDI supports hundreds of community youth groups across Canada by helping them to improve their programs and services and boosting their capacity to reach out to disenfranchised young people.

Financial Capability for Youth (FCY) is a great example. Launched in 2006, this Ontario Trillium Foundation funded initiative will teach valuable financial literacy skills to some 100 community organizations and 1,100 youth over the next two years. **Financial Literacy for Youth (FLY)** is another promising project funded by CIBC aimed at educating young people about issues such as debt, credit, predatory lenders, consumerism, budgeting and investing.

SEDI is again forging new ground in youth entrepreneurship with a program called **Youth Ink**, funded by the Ministry of Small Business and Entrepreneurship. We have been collaborating with over 150 community organizations and are reaching out to over 1,500 youth over the next two years to create a culture of entrepreneurial thinking among youth and those in the community who influence them.

When it comes to **Community Engagement**, we will put our extensive experience to work in communities across Canada by helping citizens to maximize community resources and guiding youth through the maze of local opportunities and programs. Our model encourages people to take an interest in today's youth and make their needs a top priority.

The next year will see new developments such as a Provincial **Symposium on Youth Entrepreneurship** with some of Canada's top leaders in the field. Key learnings in the area of prevention and early intervention have prompted SEDI to expand its **focus on children**.

We and our partners have many other ambitious innovations planned for working with youth over the years ahead, but our ultimate goal will remain the same: the well-being of the next generation of Canadians.

ASSET-BUILDING



Barbara
Gosse,
Director

Building bridges to financial security

“With poverty now on government agendas, it’s an opportune time to move forward with practical asset-building program options for low-income Canadians. We need to shift our thinking and see these programs as investments that allow disadvantaged individuals to participate in the economy and contribute to their communities.”

“No one ever invested in me before and that is what really made the difference.”

SEDI project participant

Asset-building supports have enabled participants in SEDI programs to save more money faster so that they can acquire assets such as a new business, post secondary education, job training and home ownership. Through partnerships with local non-profit agencies and financial institutions, we’ve assisted over 3,700 Canadians with personal savings of over \$3.75 million in order to help them become self-sufficient.

learn\$ave

SEDI’s **learn\$ave** program offers savings incentives, financial education, job training, and small business-startup resources to low-income adults. To date, we’ve assisted over 3,600 Canadians in 10 sites across the country. These savings have generated over \$10 million in federal matched contributions to enable more struggling families to become economically self-sufficient.



Through matched savings, SEDI’s Independent Living Account (ILA) pilot project has achieved a 57% success rate of assisting those living within transitional housing facilities to move to a self-sufficient lifestyle. This project gives shelter residents the tools and skills necessary to connect with financial institutions, save money, pay bills and become more independent. Follow-up research has shown that after 8 to 15 months out of the project, over 95% of those sampled are still housed independently. SEDI is expanding this project in the City of Toronto and promoting similar programs in communities throughout Canada.

Home\$ave

Home ownership is a powerful step towards a more secure future. Existing government home buyer and tax credit programs are out of reach for low-income earners. In major cities like Toronto and Vancouver, home prices are so high, that there isn’t nearly enough affordable housing to meet the demand. SEDI has been working to engage partners in a national demonstration project called **Home\$ave** to help people build savings through matched credits so they can put a down payment on their own home.

FINANCIAL LITERACY

Creating the foundation for financial well-being

The ability to make informed financial decisions makes all the difference to a person's quality of life, now and in the future. These decisions range from simple daily spending, banking and budgeting to insurance, investing, saving for retirement, home ownership and post-secondary education.

Canadians today are expected to navigate a knowledge-based economy that is putting more and more financial decisions into the hands of the individual consumer. Those living on the margins are increasingly vulnerable and stand to benefit the most from improved financial literacy.

When you consider the following, it is clear that concerted action is needed:

- The average consumer's debt-to-income ratio is now at an all-time high of 122%.
- Collectively, Canadians owe \$760-billion in personal debt from credit cards, mortgages, lines of credit and student loans.
- Between 1984 and 2005, only the wealthiest 10% of Canadians increased their share of total wealth.
- One in five households without a credit card were turned down when they applied.
- Nearly half (48%) of Canadians who retire and then go back to work do so because they need the money.
- 72% of Canadians say they have no financial plan.
- Almost half of Canadians report being just one or two paycheques away from a financial crisis.

In June 2005, SEDI partnered with the Financial Consumer Agency of Canada (FCAC) and the Policy Research Initiative (PRI) of the Federal Government to sponsor the first ever national conference on financial literacy. This conference confirmed that financial literacy is important, if not essential, for all Canadians.

Over the past year, we began developing our strategy to achieve the vision of a financially literate Canada. SEDI has now dedicated itself to enabling Canadians of all income levels to become more

financially literate through: **research** that will accurately describe and diagnose the problems in need of fixing; **innovation** that can generate and test solutions in a way that informs sustainable policy; and the creation of **partnerships** with all sectors of society to respond to issues related to the supply of and demand for financial literacy services.

Our first step was to establish a multi-sector committee of key stakeholders to guide our initiatives, undertake research into prime consumer and service supply issues and to work with policy makers to increase awareness.



RESEARCH AND POLICY DEVELOPMENT



Jennifer
Robson,
Director

Paving the way to a poverty-free Canada

“SEDI’s innovative expertise in policy development and research is internationally renowned. More importantly, the potential benefits to disadvantaged Canadians are astounding.”

Influencing policy through innovation and practice is at the core of SEDI’s mission. Through research and dialogue with experts across Canada and abroad, we propose new government policies to benefit disadvantaged Canadians.

Asset-building

Asset-building is a promising and emerging area of social policy. Throughout the world, governments, philanthropic organizations and charities are experimenting with this new approach to reducing poverty. In Canada, SEDI has led this area of research and practice for the past 10 years. In 2006, we released *Wealth and Well-being, Ownership and Opportunity: New Directions in Social Policy for Canada*, a bilingual collection of essays from leading thinkers in Canada, the US and the UK.

Financial Literacy

Hot on the heels of the first-ever National Symposium on Financial Capability, we continue to partner with leaders and stakeholders to create an enabling environment in which all Canadians have the opportunity to develop their financial know-how. Research at SEDI is focusing on the consumer preferences of low-income Canadians for financial literacy products and services, charting the availability of such resources, learning about ways to create access to financial literacy for particularly vulnerable groups and leading a broader policy and research discussion in Canada while contributing internationally to existing dialogue in the US, UK and other OECD countries.

Self Employment

SEDI’s ongoing work continues to ensure that the interests of modest income self-employed Canadians are integrated into policy-making at the federal, provincial and municipal levels as new labour market frameworks are developed and implemented.

Youth

SEDI calls upon governments and funders to create seamless local networks for youth-at-risk. Our ultimate goal is the creation of a Community Engagement Model that would connect community youth-serving organizations. This initiative would encourage communities to make youth-at-risk a high priority focus and harness local resources to meet their needs.

ORDINARY PEOPLE WITH EXTRAORDINARY STORIES

The SEDI Awards celebrate remarkable personal progress. The focus is on the journey – not the final destination – to achieving one's personal best.

The SEDI Awards honour people who have turned their lives around by demonstrating perseverance and creativity in overcoming barriers such as financial hardship, physical disability, or a challenging environment. The Awards also recognize the individuals and organizations that have helped them along the way.

One of the key attractions is the SEDI Silent Auction, where every featured item is a success story in itself: products and services are offered by self-starters supported by SEDI. Proceeds allow SEDI to help more Canadians start their own business, become self-sufficient and contribute to the local economy.

This year's event featured high profile presenters including CBC's **Suhana Meharchand** as emcee, Workopolis President and CEO **Patrick Sullivan** as keynote speaker, Citytv's **Mark Dailey**, Paralympian **Jeff Adams**, Toronto's first visible minority Deputy Chief of Police **Keith L. Forde**, celebrity financial advisor **Linda Leatherdale**, and Officer of the Order of Canada **Charles S. Coffey**.



“ An economically more literate public means a more effective monetary policy. When Canadians understand our functions, responsibilities, and policies, they can plan for the future with greater confidence and make better economic decisions.”

David Dodge
Governor, Bank of Canada

SEDI AWARD WINNERS

SEDI Awards

Support. Celebrate. Inspire.



Brenda Summers-Gabel
Kapuskasing, ON

Success in Self Employment Award

Brenda left a good position in Yellowknife and relocated to Kapuskasing to support her husband's career. When she realized that job opportunities were limited, she looked to self-employment. With assistance from the Self Employment Benefits (SEB) program, she opened up a coffee house, Back to the Grind, which was awarded "Best New Business" by the Kapuskasing and Area Chamber of Commerce.



Dorothy Halliday
Sydney Mines, NS

Impact on Youth Award

In 1999, Dorothy founded Community Cares Youth Outreach in Sydney Mines, Nova Scotia. This outreach centre gives at-risk young adults aged 16 to 30 resources for work, learning, leadership and life and has helped over 200 young people become fully engaged in the community.



Lynne Fisher
Toronto, ON

Independent Living Award

After years spent battling alcohol abuse, Lynne committed to a life of sobriety. Through SEDI's Independent Living Account project, she was able to save enough money to leave the transitional housing system, rent a place of her own and reconnect with her two children. She now works full time as a family support worker for the Salvation Army.



Brian Hachez
Kapuskasing, ON

Self Employment Abilities Award

As a result of a 1995 car accident, Brian requires the use of a wheelchair to get around. With SEDI's help, Brian was able to use his retrofitted vehicle and equipment to start a successful snow removal and yard maintenance business and continue to provide for his family.



Nekesha Blake
Toronto, ON

Saving for School Award

Through SEDI's *learn\$ave* program, Nekesha saved enough money to go back to school full time to become a Registered Practical Nurse (RPN). She began working in her field shortly after her graduation in late 2004. Along the way, she sponsored her mother, sister and brother as immigrants to Canada.

Find more inspirational success stories at www.sedi.org

SEDI AWARD JUDGES

Kamal Hassan Chair
CEO
Skymeter Corporation

David Furlong
Executive Director
Idea Nation

Mary Beth Kyer
Founder and President
Euforea

Paul Marchildon
President
Atlantis Creative Group

Peter Fragnelli
Commercial Account Manager
BMO Bank of Montreal

Sasha Nagy
Business Features Editor
The Globe and Mail

Patrick Sullivan
President
Workopolis

Ron N. Panetta
Assistant Vice President
Special Accounts
Business Development Bank of Canada

Jo Altilia
Executive Director
Literature for Life

Jim Pullen
J. Pullen & Associates

Daisy Wai
President
AD 2000 and Beyond
Advertising Inc.

“This program has given me hope where I had none before... I can now show my daughter that her aspirations can come true.”

SEDI program participant

“By ensuring Canadian are better able to make wise financial decisions, individuals win and so does the economy. Canada can’t afford to ignore financial literacy any longer.”

Charles Coffey
Officer of the Order of Canada



SUPPORTERS AND PARTNERS

Partners

Community partners are the mainstay of our success. SEDI is immensely grateful to all the local agencies from coast to coast who help us achieve our goals.

Amelie House, Toronto
Canadian Association of Business Incubators (CABI)
Canadian Paraplegic Association – Ontario
Canadian Society for Social Development - Nelson BC
Carlas Place
Child and Youth Friendly Ottawa
City of Toronto Youth Outreach Workers
Community CARES
Confederation College, Thunder Bay
Côte-des-Neige CJE
Dalhousie University College of Continuing Education
Disability Resource Centre - Richmond BC
Dixon Hall Neighbourhood House, Toronto
Employment & Education Centre, Brockville
Enterprise Centres - Kenora, Niagara Falls, St. Catharines
Essex Community Futures Development Corporation
Eva's Phoenix, Toronto
Family Service Association of Toronto
FOCUS Community Development Corporation
Fort York Residences, Toronto
Georgian Career Centre
Glenn Crombie Centre, Cambrian College
Greater Sudbury Chamber of Commerce

Huron Business Development Corporation
JobStart, Toronto
Kingston Employment & Youth Services
Kootney Career Development Society
Lac Seul First Nation
Lutherwood, Ontario
Metro Credit Union
Ministry of Northern Development and
Mines - Sault Ste. Marie Area Team
Momentum, Calgary
Muskoka Community Development Corporation
New Westminster Community Development Society
Norfolk District Business Development Centre
North Claybelt Community Development Corporation
Northumberland Community Futures Development
Corporation
Old Brewery Mission, Montreal
Ontario Association of Community Futures Development
Corporations Inc.
Ontario Association of Credit Counselling Services (OACCS)
Ontario Association of Youth Employment Centres (OAYEC)
Orillia Area Community Development Corporation
Oxford Small Business Support Centre

***“Programs like SEDI’s are
needed to prevent homelessness
from being a revolving door.”***

Joe Mihevc
Toronto City Councillor

PARO: Centre for Women's Enterprise, Thunder Bay,
Phoenix Halifax
Résecur des carrefours jeunesse-emploi du Québec
Seaton House, Toronto
SEED Winnipeg
Social Research and Demonstration Corporation
St. Christopher House, Toronto
St. Clares Residence, Toronto
St. Leonards Community Services, Brantford
The Venture Centre, Timmins
Thunder Bay Ventures
Toronto Business Development Centre
TRACKS
United Way of Chatham-Kent
United Way of Halifax Region
YES Employment Services, Toronto
YMCA – Cornerbrook, Edmonton, Fredericton, Greater
Toronto, Hamilton, Medicine Hat, Montreal, Regina,
Sault Ste. Marie, Simcoe County, Sudbury
Youth Employment Services, Winnipeg
Youth Opportunities Unlimited, London ON

SUPPORTERS AND PARTNERS

Donors and Funders 2006-2007

SEDI thanks all the organizations whose generosity allows us to effect meaningful change in the lives of Canadians from coast to coast.

CIBC
City of Toronto
Financial Consumer Agency of Canada (FCAC)
Human Resources and Social Development Canada
Levi Strauss Foundation
National Secretariat on Homelessness
Office of Consumer Affairs (OCA) -Industry Canada
Ontario Ministry of Community & Social Services
Ontario Ministry of Small Business and
Entrepreneurship (MSBE)
Ontario Trillium Foundation
RBC Financial Group
TD Bank Financial Group



SEDI Awards sponsors

We extend special thanks to the organizations whose generous financial support made our celebration of triumph over adversity a great success.

Platinum: \$25,000

H&R Block
The Globe and Mail

Gold: \$15,000

Workopolis

Silver: \$10,000

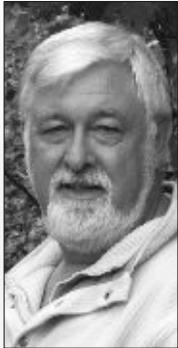
AKA New Media Inc.
Deloitte
Genworth Financial Canada
PMI Canada
RBC Financial Group
TD Bank Financial Group

Bronze: \$5,000

Aon Reed Stenhouse
Credit Union Central of Ontario
Desjardins
Ernst & Young
Terrasan

Support: \$3,000

BMO Bank of Montreal
Business Development Bank of Canada
Canadian Scholarship Trust Foundation
Financial Consumer Agency of Canada
Friedman Family Foundation
Ombudsman for Banking Services and
Investments (OBSI)
Streampoint Solutions
The Investment Funds Institute of Canada
TransGlobe Property Management Services



Richard Hookham,
Treasurer

April 1st, 2006 – March 31st, 2007

As of March 31st, 2007, SEDI's financial position was solid. Our total revenues were \$3,916,934 unfortunately down from the \$5,652,358 of the previous year and lower than Management's forecast of \$4,453,502. The differences are primarily due to maturing projects and less cash-outs under the **learn\$ave** project. However SEDI still generated a tidy surplus of \$129,684.

All expenses and liabilities are fully covered by revenue. Current assets and program activities continue to be limited to fully funded initiatives to minimize the chance of a deficit.

The sustainability fund now stands at \$670,481 providing some cushion against unforeseen financial challenges.

The year-end audit report is a "clean" audit, meaning that no problems were detected with the level of materiality established by the auditor.

While revenue dropped from the previous fiscal year due to the maturing of the **learn\$ave** project and the completion of other projects, continued financial prudence by Management prevented any major disruptions to operations.

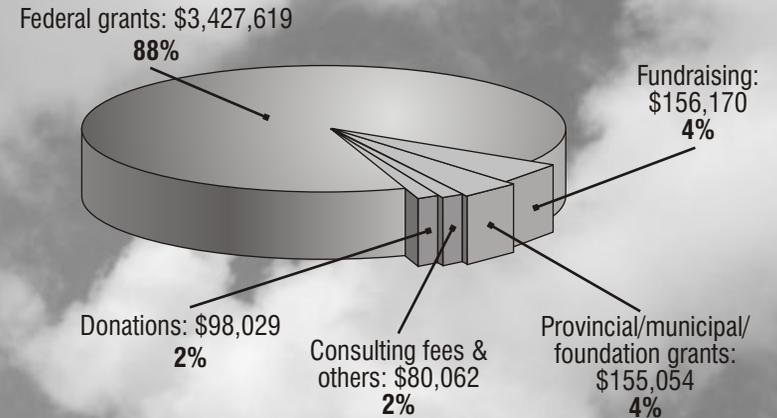
SEDI continues to rely heavily on funding support from Human Resources and Social Development Canada (HRSDC). Steps to diversify revenue sources have been undertaken and are beginning to show promise.

SEDI is currently on a very sound financial footing with appropriate financial management practices in place. New programs and initiatives are moving forward and are indicative of the continued strength of SEDI and its reputation with key funding agencies.

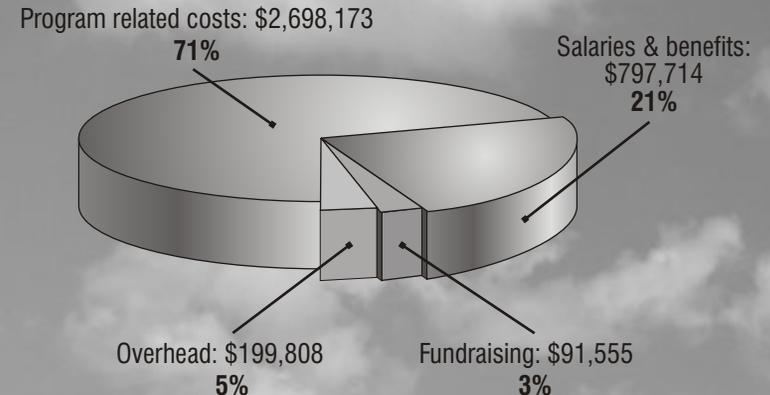
I congratulate the organization on its successes and tangible impact over the past year.

SEDI REVENUE

Full financial statements are available on request by contacting the SEDI office.



SEDI EXPENDITURES



BOARD OF DIRECTORS

SEDI is fortunate to have a vibrant and visionary team of professionals to guide its work. We owe much of our success to their expert counsel and leadership.

“I was in financial despair, with my hope lagging behind it... Now words like success and happiness are in my grasp.”

SEDI project participant

Doug Melville

Chair

Senior Deputy Ombudsman, Banking Services
Ombudsman for Banking Services
and Investments (OBSI)

John Capozzolo

Senior Vice President, TD Canada Trust

Bill Currie

Principal, Deloitte Inc.

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Director, Communications,
Toronto Regional Research Alliance

Richard Hookham MBA, CGA, PEng

Consultant
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James D. Hughes

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Susan Pigott

Vice President, Centre for Addiction
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