



Assets Building Initiatives in Canada: Review of Research and Lessons Learned for the Asset Building Field in the United States

Final Report

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Executive Summary

As asset building programs proliferate in the United States and new programmatic, data collection, and evaluation efforts are developed, it is informative to consider experiences of similar programs that have been implemented internationally. This report reviews asset building programs in Canada to highlight points of interest to American policy makers, program implementers, and researchers. Though the American context differs in some respects from that of Canada, the goals, structures, and implementation strategies of Canadian asset building initiatives and the methodologies and measures used to evaluate them can inform the development and evaluation of asset building policies in the United States.

Asset Building Research in Canada

This report reviews the major asset building demonstrations in Canada. It details the outcomes of the programs, describes the role of non-profit and governmental organizations in the programs' operation and evaluation, and examines the research components which are central to the design and implementation of these demonstration projects. Research strategies, findings, and limitations are presented, as well as lessons learned that may be applicable to asset building in the U.S.

The Canadian Government sponsored several innovative tests of asset building initiatives—including Independent Living Accounts, and learn\$ave, the largest experimental demonstration of matched savings accounts.

learn\$ave Demonstration

Canada has sponsored several innovative tests of asset building initiatives, including the largest experimental demonstration of matched savings accounts, the *learn\$ave* project. Funded entirely by Human Resources and Skills Development Canada (HRSDC) of the Canadian federal government, *learn\$ave* tested the use of Individual Development Accounts (IDAs) to support adult education and micro-enterprise development among nearly 5,000 individuals in ten locations across Canada. The *learn\$ave* intervention was designed by Social and Enterprise Development Innovations (SEDI) while the research component was designed and implemented by Social Research and Demonstration Corporation (SRDC). The longitudinal research, which began in 2001, includes an experimental design with four waves of data collection and post-participation follow-up. Three of the ten sites participated in the experimental evaluation and the others were evaluated with non-experimental methods.

In addition to testing the impact of IDAs on adult education, the *learn\$ave* demonstration also tested the impact of additional services. Eligible applicants at the experimental sites were randomly assigned to one of three groups:

- A treatment group that received access to an IDA (*learn\$ave*-only);
- A treatment group that received access to an IDA plus the offer of financial education and intensive case management (*learn\$ave*-plus); or

- A control group who had no access to a *learn\$ave* IDA or services.

More than 90 percent of the *learn\$ave* treatment group participants (across both treatment groups) opened accounts and more than 80 percent qualified for matching funds (meaning they saved at least \$10 a month for 12 months). Approximately half of the treatment group participants saved the maximum amount eligible for matched funding within the 36-month savings period.

The results of the experiment suggest that financial management training and case management services did not have a strong effect on savings behavior and matched withdrawals. While *learn\$ave* participation, at month 54, did not have a significant impact on net worth or total savings (including the value of all bank and *learn\$ave* accounts, retirement savings, and investments such as stocks and bonds), it did appear to affect the composition of assets. *learn\$ave* participants had higher average bank account balances and reduced retirement savings than control group members, which may suggest that participants chose to channel money into their *learn\$ave* accounts that would otherwise have been designated for retirement savings. At the 54-month point, both treatment groups demonstrated increased enrollment in training and education programs, including both degree programs and individual courses. Interestingly, treatment group members demonstrated the highest enrollment increase in post-secondary programs leading to a degree, suggesting that *learn\$ave* may impact the quality, not just quantity of education.

Of the 129 people living in transitional housing or at risk of homelessness, 100 made monthly savings deposits and 47 percent were eligible for matched funding for rental and housing support at the end of the one-year ILA demonstration.

Independent Living Accounts (ILA) Project

The Independent Living Accounts (ILA) project was also designed by SEDI and launched in 2004 with funding from local governments and private funders. The research component was funded by the National Homelessness Initiative under the National Secretariat on Homelessness of the Canadian federal government and carried out by Ryerson University. The demonstration was implemented in three cities and provided matched savings accounts for individuals in transitional housing or at risk of homelessness to help them accrue the savings needed to move into mainstream rental housing.

Of the 129 individuals who enrolled, 100 saved at least \$10 for one or more months and 47 percent of participants were eligible for matched funding for rental and housing support at the end of the one-year demonstration. Across all 129 accounts, a collective savings of more than \$33,000 was achieved and almost \$79,000 was earned in matched contributions by participants with previously low asset accumulation. The financial capability training was reported by all focus group participants to be critical to their success and many expected it to have a long-term impact on their lives.

Home\$ave

The third major asset building demonstration planned in Canada is Home\$ave, an IDA program to help low-income individuals save for home purchase. HRSDC commissioned SEDI to conduct

national consultation and implementation planning for this project in the early 2000s. Home\$ave has not yet been implemented due to lack of funding.

Other Canadian Asset Building Initiatives

In addition to these demonstrations, Canada has implemented a number of other asset building initiatives and policies. This report describes the more prominent provincial and local asset building initiatives in Canada. These programs do not include a significant research agenda but the program design and implementation experience of these initiatives may be informative for the U.S.

The cumulative lessons learned from these Canadian programs that may be applied to the U.S. context are presented below and detailed in Section VII in the form of specific recommendations for policy makers, program implementers, and researchers. The report concludes with a summary of the findings, a discussion of remaining gaps in knowledge, and recommendations for future knowledge development activities with regard to international asset building policies and programs.

Recommendations

The findings from the Canadian experience provide recommendations that cover a wide range of program design, implementation, and research issues. Many of the recommendations presented here are directly applicable to the AFI program and AFI grantee's IDA projects. Some are more broadly applicable to the asset building field and may be helpful for policy makers and practitioners whose asset building interests overlap somewhat with the AFI program.

Recommendations for Asset Building Policymakers and Administrators

- **Encourage grantees to highlight government affiliation** explicitly in program materials and marketing to build program legitimacy and trust. Program implementers found in the *learn\$ave* demonstration that government affiliation can go a long way to dispel applicant skepticism and distrust of a matched savings program.
- **Explore how existing asset limits on eligibility for other means-tested government programs may affect participation.** Asset limits for state and federally funded programs such as Temporary Aid for Needy Families (TANF) and Social Security Disability Insurance (SSDI) can prevent low-income families from participating because of the risk of losing needed income assistance. Many, but not all, states have raised asset limits to address this concern. In Canada, six provinces have implemented provisions to allow social benefit recipients to participate in asset building programs without putting their benefits at risk. AFI program managers can work with grantees to identify potential asset limit restrictions faced by their target population. AFI program managers may also be able to work directly with policy makers in relevant government agencies (both state and federal) to explore potential adverse effects of asset limits and consider policy solutions.

Building trust is critical to successful outreach—government affiliation and local word of mouth both go a long way to dispel skepticism and distrust of a matched savings program.

- ***Consider whether immigrant populations are unintentionally excluded by program rules and requirements related to asset limits.*** As discovered by the implementers in the ILA demonstration, asset limits for program eligibility may present a barrier for otherwise qualified recent immigrants, who are required to hold a great deal of liquid assets in order to obtain a visa. The value of their liquid assets shortly after immigrating does not necessarily reflect their earning potential or lead to long-term self-sufficiency. Many of these families and individuals could benefit from an asset building program that would help them build longer-term assets and stability.
- ***Allocate sufficient program resources and time to support grantees through long recruitment periods.*** The recruitment experiences of *learn\$ave* and ILA implementers paralleled U.S. experience in IDA recruitment, including the American Dream Demonstration and many AFI projects. In both countries, recruitment often took longer than anticipated, taking staff time away from already enrolled participants and delaying or weakening their program experience.
- ***Develop tool kits for new grantees that provide advice for effective recruitment and implementation.*** As was discovered in the *learn\$ave* demonstration, there is no one-size-fits-all recruitment strategy. Grantees may benefit from a tool kit of options from which they can pick and choose elements to develop a strategy that fits their location and population. Some elements will work better in urban settings, some in rural areas, others in areas with a high immigrant population, and so on. Assembling successful strategies and identifying under which conditions each worked best will provide grantees with the tools and flexibility they need to build a powerful recruitment plan.
- ***Allow flexibility and use existing resources, such as the AFI Resource Center or the IDA listserv to help grantees find solutions to site-specific problems.*** The Canadian demonstrations found that sites faced challenges with implementing the IDA programs and incorporating the program into their broader package of services. Grantees may need flexibility in program rules such as length of savings period and recruitment protocols in order to integrate the AFI program in to their existing services. In addition, AFI program managers can use the AFI Resource Center and other communication tools like the IDA listserv (hosted by CFED) to leverage advice from experienced grantees to help newer grantees address challenges in implementation.
- ***Design asset building programs to provide sufficient time for extended savings activity, flexible windows in which to spend matched funds, and longer-term evaluation follow-up periods.*** The ILA demonstration, for instance, did not allow a “cash out” period separate from the one-year savings period and this hampered participants’ ability to use the funding, as they were not always immediately ready to make an asset purchase even if they had saved the maximum amount. The AFI program design should encourage grantees to consider the length of time needed both to save and to “cash out” the matched funding. For example, by using program data from AFI² or another similar source, AFI

The bookends of an IDA program—outreach and the final purchase of an asset—require more substantial strategic planning and longer implementation periods than generally allotted.

grantees can learn critical information about participant experiences, including the average length of time it takes to save for specific asset purchases. Furthermore, a distinction between the full period of savings and the asset purchase period itself would facilitate program research and evaluation.

- ***Be cognizant of burdens created for grantees by research agendas: work with grantees to ensure program fidelity and reduce impact of research on program implementation.*** Demonstration research inevitably places extra burdens on project sites and project staff may face challenges to implementing the program with fidelity to the research design. For instance, the *learn\$ave* demonstration found that program staff were providing more case management services to the *learn\$ave*-only group than was intended in the research design and may not have had the resources necessary to provide the intensive proactive outreach that was planned for members of the *learn\$ave*-plus group. Project staff approach their work with priorities that may not match perfectly with the priorities of the research agenda. AFI program managers can work with both research teams and project site teams to identify and address potential issues, reduce grantee burden, and increase program fidelity.
- ***Well-administered programs and rigorous research require substantial investments of program staff time and energy.*** To the extent possible, AFI program managers should continue to account for these needs in planning the overall program budget.

Recommendations for AFI Grantees and Other Community Practitioners

- ***Consider tailoring program structure and delivery to specific, targeted populations*** (such as the homeless, recovering substance abusers, recent immigrants) with an awareness of the unique challenges to asset building faced by these populations.
- ***Tailor the project to the needs and circumstances of the program location.*** When possible, adjust program requirements and design to meet the needs of the local population. For example, a program design that works in an urban setting will likely need to be significantly adjusted to succeed in a rural setting. The local economy, demographics, and culture may also impact the program design.
- ***Simplify and streamline*** the application and eligibility determination processes to reduce burden on potential participants.
- ***Invest in the professional relationship between program staff and program participants. Dedicate grantee time to building staff's understanding of the details and intricacies of the program and encourage them to develop strong professional relationships with program participants.*** The Canadian demonstrations found that participants valued the dedication and knowledge of staff members and built ongoing relationships with project staff. Trust and confidence in staff may increase participants' program involvement and success.

Invest in the professional relationship between program staff and program participants—trust and confidence in staff may increase participants' program involvement and success.

- ***Require participants to open their own bank accounts and provide support as needed.*** The ILA demonstration found that when participants were required to go in to the bank and open their own accounts, they felt more ownership over the account and the subsequent savings. This may be a central element to increase participant empowerment and buy-in. However, some participants who may have had negative experiences with banks in the past may be reluctant to interact with bank staff. In these cases, it may be helpful for a case manager to help the participant develop a strategy or accompany the participant to the bank.
- ***Integrate the asset building project into the site's existing services as much as possible.*** For example, staff working with clients in a different program offered by the organization could refer clients to the matched savings program and occasionally check in with them about their progress and help them match their savings goals to the goals they are working on in the other program. This may increase staff commitment and continuity of programming for participants.
- ***Design relevant and achievable savings targets for participants.*** The maximum amount that a participant can accumulate through the matched savings should correspond with the expected expense of the savings goal. Programs can also connect participants with programs that can leverage additional assistance to help the participant meet the expense of the savings goal. If the cost of the savings goal (e.g. college tuition, house down payment) exceeds what participants can accumulate in the program, then this may have a discouraging effect on savings behavior.
- ***Financial education should target the applicable financial skills needed by specific populations*** rather than focus on general financial knowledge and goal setting that may be too broad, too elementary, or cannot be easily put into to practice with the IDA. Ensure that the financial education component is relevant and engaging for participants.
- ***Take time to develop strong relationships with project partners such as banks, community housing development organizations, and social service providers.*** These relationships can strengthen program delivery and lead to smoother resolution of any problems faced by participants or project staff.

Integrating the asset building project into the site's existing services helps to leverage recruitment and partnership potential.

Recommendations for Researchers and Evaluators

- ***If possible, use an experimental design with random assignment*** to treatment and control conditions. Any other research method risks misleading findings on the impact of the program and will not be able to produce accurate measures of program effect.
- ***As many expected impacts of asset building programs can only be measured in the long-term, it may be important to commit to a period of data collection long enough to measure the full effect of the program.*** For instance, the salary impact of education savings will not appear until after all the education is completed and the participant

reenters the workforce with a new qualification. Similarly, demonstrating whether or not homeownership is sustainable for IDA home purchasers or if IDA-funded small businesses survive will require the use of long-term data.

- ***Devote sufficient staff time and resources to ensure research of the highest quality and rigor.*** In particular, reserve extra time to work with implementation staff throughout program delivery.
- ***If using multiple treatment conditions, take active steps to ensure program fidelity.*** Assigning participants to more than one treatment condition can make tracking and the prevention of contamination more difficult for grantee staff. This may require additional efforts to maintain fidelity to the research design.
- ***Work with grantees and AFI administrators to ensure fidelity to experimental protocols for program delivery and to reduce inter- and intra-site variation.***
- ***Closely monitor the delivery of the program to investigate site specific variation as they occur*** that may cause variation in outcomes. Some degree of inter- and intra-site variation is inevitable in social research. Identification and documentation of these variations, in particular those that cannot be helped, will help inform analysis of the outcome data.
- ***Plan for proactive measures to reduce sample attrition*** such as annual postcards (with a financial bonus for confirming contact information) and address tracking.
- ***Structure research evaluation to maximize use of data and avoid collecting information that will not be analyzed.*** The *learn\$ave* demonstration collected detailed data on participants at the non-experimental sites through telephone surveys and the PMIS but researchers now do not expect that they will analyze these data, as they are putting their time and attention toward analysis of the experimental data. Though it can be tempting to collect as much data as possible, the data collection process often creates a burden for project site staff and should be limited to those data most likely to be analyzed and used.
- ***Design the Management Information System to integrate seamlessly with research and other modes of data collection*** and have system validated before onset of research period.

Quality research results require regular engagement with program staff throughout program implementation.

I. Introduction

As asset building programs proliferate in the United States and new programmatic, data collection, and evaluation efforts are developed, it is important to consider similar programs internationally and leverage their experiences to inform the design and evaluation of American programs. This report reviews asset building programs in Canada to highlight points of interest to American policy makers, program implementers, and researchers. Though the American context differs from that of Canada, the goals, structures, and implementation strategies of their asset building initiatives and the methodologies and measures used to evaluate them can inform the development and evaluation of assets building policies in the United States.

This report reviews asset building demonstrations in Canada and describes the role of non-profit, non-governmental organizations in the operation and evaluation of these projects. A point of particular interest is the research component, which is central to the design and implementation of the demonstrations. Research strategies, findings, and limitations to the interpretation of this research are presented, as well as lessons learned that may be applicable to asset building in the U.S.

Canada has sponsored several innovative and exciting tests of asset building initiatives, including the largest experimental demonstration of matched savings accounts, the *learn\$ave* project. Funded entirely by Human Resources and Skills Development Canada (HRSDC)¹ of the Canadian federal government, *learn\$ave* tested the use of Individual Development Accounts (IDAs) to support adult education and micro-enterprise development among nearly 5,000 individuals in ten locations across Canada. The longitudinal research, which began in 2000, includes an experimental design at three of the sites with four waves of data collection and post-participation follow up.

The *learn\$ave* demonstration was implemented and evaluated by two well-established non-profit organizations, Social and Enterprise Development Innovations (SEDI) and Social Research and Demonstration Corporation (SRDC). SEDI, headquartered in Toronto, works with federal, provincial, and local governments as well as community service providers across Canada to develop, test, and enhance policies and services to increase self-sufficiency for low-income individuals. The core areas of SEDI's focus are financial literacy and capability, saving and asset building, and entrepreneurship. SEDI conceived of, designed, and managed the *learn\$ave* intervention. The research component of the *learn\$ave* demonstration was designed and managed by SRDC, a nonprofit research organization that conducts research and experimentation to inform social policy in Canada.

The second major asset building demonstration in Canada, the Independent Living Accounts (ILA) project, was also designed by SEDI and launched in 2004 with funding from local governments and private funders. The research component was funded by the National Homelessness Initiative under the National Secretariat on Homelessness of the Canadian federal government. The demonstration

¹ HRSDC was known as Human Resources Development Canada (HRDC) until December 2003, when it was reorganized into two units, HRSDC and Social Development Canada (SDC). HRSDC maintained responsibility for *learn\$ave* after the reorganization. We refer throughout the report to HRSDC, for the sake of consistency.

was implemented in three cities and provided matched savings accounts for individuals in transitional housing or at risk of homelessness to help them accrue the savings needed to move into mainstream rental housing. The project was designed, implemented, and managed by SEDI. The research component was conducted by Ryerson University. Findings from the ILA research were widely disseminated among community agencies nationally and continue to inform asset building programs for individuals at risk of homelessness throughout Canada.

The third major asset building demonstration planned in Canada is Home\$ave, an IDA program to help low-income individuals save for home purchase. HRSDC commissioned SEDI to conduct national consultation and implementation planning for this project in the early 2000s. Home\$ave has not yet been implemented due to lack of funding.

In addition to these demonstrations, this report describes provincial and local asset building initiatives that may be relevant to the interests of U.S. asset building evaluators, policy makers, and community practitioners. These programs do not include a significant research agenda but the program design and implementation experience of these initiatives may be informative for the U.S.

Because the Canadian programs are similar in many respects to efforts undertaken by U.S. community and government agencies, they can offer important lessons. Throughout the report, we highlight aspects of programs that are of interest to members of the U.S. asset building field. Lessons to be learned from these programs are applied to the U.S. context in Section VII of the report in the form of specific recommendations for policy makers, program implementers, and researchers. The report concludes with a summary of the findings, a discussion of remaining gaps in knowledge, and recommendations for future knowledge development activities with regard to international asset building policies and programs.

II. History and Context of Asset Building in Canada

Canadian researchers and policy makers became interested in asset building as a policy tool in the 1990s as they followed closely the American Dream Demonstration, the passage of the Assets for Independence Act in the U.S, and the development of the Savings Gateway pilot in the U.K. Noting that Canada's principle mechanisms to support asset building operated primarily through tax incentives that generally excluded low-income Canadians, policy makers and advocates began considering how asset building strategies such as IDAs might be adopted in Canada.

Influenced by the work of U.S. counterparts including the Corporation for Economic Development (CFED) and the New America Foundation, Peter Nares, the founding Executive Director of Social and Enterprise Development Innovations (SEDI) designed a proposal for a major asset building demonstration in Canada in 1999, which was approved by the Canadian federal government and became *learn\$ave*. Human Resources and Skills Development Canada (HRSDC), a branch of the Canadian federal government, fully funded the *learn\$ave* nine-year demonstration project, which was launched in 2000. Asset building initiatives continued to enjoy support and interest among federal policy makers in the early 2000s. The National Homeless Initiative under the National Secretariat on Homelessness funded the research component of the Independent Living Accounts demonstration, which began in 2004. The Canada Mortgage and Housing Corporation (CMHC), somewhat similar to Fannie Mae in the U.S., commissioned SEDI to conduct a national consultation on Home\$ave, a proposed IDA for homeownership.

In December 2003, the “*Conference on Asset Based Approaches*,” was held in Gatineau, Québec. This conference brought together 125 government leaders, policy experts, researchers, and community experts to discuss the current state of the field and critically assess the applicability of asset building strategies to Canadian social policy. In 2004, British Columbia held another asset building conference, which highlighted early research from the pioneering asset building programs in Canada, including *learn\$ave*. It is important to note that national discussion in Canada on asset building has included strong critical voices questioning the effects these programs may have on consumption levels; the potential for asset promotion to conflict with low-income families' needs to build liquid assets (emergency savings); the scalability of projects; and concerns about the potential paternalistic nature of such policies (by choosing for participants how they can spend their savings, for example). It was widely agreed among both proponents and skeptics of asset building programs that, without changes in asset limits for income support programs, asset building programs could not succeed. The *learn\$ave* and ILA demonstrations encouraged policy makers to review existing, restrictive regulations pertaining to asset limits contained in the provincial social-assistance (welfare) policies. To date, six provinces have implemented amendments to their legislation and/or regulations that recognize the value of saving and asset-building accounts and have provided exemptions that allow low-income participants to save within these accounts without having their benefits compromised.

The federal interest and investment in asset building changed considerably with the shift in the political climate in the mid 2000's. In the 2004 general election, the Conservative party gained significant ground. The Liberal party, which had been in power since 1993, lost the majority but still

held the prime minister's position. In the 2006 general election, the Conservative party won the largest share of the House of Commons and the prime minister's seat. Federal support for and interest in asset building social policies dwindled amidst budget cuts on social spending nationwide. Funding for the National Secretariat on Homelessness was drastically cut, including the closure in 2007 of the National Homeless Initiative (NHI) that had funded ILA research. The NHI was replaced with the Homeless Partnering Strategy, which critics say reduced the funding and political power of this entity. While there have been some federal asset building policies implemented recently, the majority of movement in asset building policies and programs has occurred at the provincial and city levels. More detail on these programs is provided in Section VI.

III. The *learn\$ave* Demonstration

History and Description of the *learn\$ave* Demonstration

learn\$ave is an anti-poverty demonstration project modeled after the (IDA) programs in the U.S. IDAs were first proposed by Michael Sherraden in the 1990s to facilitate saving among low income residents for the purchase of assets like homes and small businesses and to fund post-secondary education. The executive director of Social and Enterprise Development Innovations (SEDI) in Canada, Peter Nares, learned of the objectives and implementation of innovative IDA programs in the U.S. through his collaborations with CFED (formerly the Corporation for Enterprise Development) and subsequently introduced asset building to Canada in 1999 through a proposal for *learn\$ave* IDAs.

Recognizing the lack of rigorous evidence on the ability of IDAs to improve human capital, the Canadian federal government's Human Resources and Skills Development Canada (HRSDC) approved funding for the *learn\$ave* project, which started in 2000. HRSDC partnered with two non-profit organizations: SEDI designed the intervention and managed the implementation while Social Research and Demonstration Corporation (SRDC) carried out the research component. The *learn\$ave* demonstration was designed to “test the effectiveness of individual development accounts in increasing the human capital of low-income Canadians” (SRDC 2009, p. 1). To date, *learn\$ave* is the largest experimental study of an IDA project in the world.

The *learn\$ave* program is similar in design to many IDA programs in the U.S., using matched savings accounts to encourage savings for assets. The *learn\$ave* program, however, focused on adult higher education as the primary savings goal. With the recognition that human capital is of mounting importance in a knowledge-based economy, designers of the program believed low-income individuals, who are less likely to access higher education, were increasingly at risk of exclusion from economic gains experienced by the nation as a whole. Original plans for the program included saving for children's education as well but this was dropped from the design when the funding source for *learn\$ave* was limited to adult education. In addition to saving for educational expenses, *learn\$ave* included a limited number of slots at each site for participants who wanted to save for small business development. The *learn\$ave* design did not include home ownership as a savings goal.

Program Design

The *learn\$ave* demonstration was implemented at ten sites across Canada. Three sites (referred to as primary or experimental sites) implemented a randomized experimental study design with a control group. At these experimental sites, eligible applicants were randomly assigned to one of two treatment groups or the control group:

- The first treatment group received access to the matched savings account only (*learn\$ave-only* group).
- The second treatment group received access to the matched savings account in addition to financial management training and intensive case management services, targeted toward helping participants meet their savings goals (*learn\$ave-plus* group).

- the control group was not given access to *learn\$ave* accounts, training, or services.

The remaining seven sites (referred to as secondary or non-experimental sites) did not participate in the experimental study. All eligible applicants in these sites were enrolled in the project and received access to the matched savings account and additional services that varied by site and client need, including financial literacy training and case management.

learn\$ave accounts were matched savings accounts, designed to help individuals improve their long-term financial outlook by establishing and achieving savings goals for educational or entrepreneurial expenses. The *learn\$ave* program matched deposits made by participants. At the non-experimental sites, match rates varied by site and ranged from two to five dollars of match for each dollar saved. Other program features also varied across the non-experimental sites.² Appendix A shows a chart summarizing program features across the non-experimental (secondary) sites.

Adult education was the primary savings goal for learn\$ave to help improve the human capital among low-income individuals who often don't have access to higher education.

The three experimental *learn\$ave* sites implemented identical program designs with a set 3:1 match rate, applied to the first \$250 deposited per month and \$1,500 overall during the three years (for a maximum match of \$4,500). After 12 active saving months (defined as months in which the account balance increased by at least \$10), accumulated funds could be used to finance post-secondary education, skills development, associated supports to learning, or a new small business. All matched credits were required to be claimed within four years of the participant's enrollment date.

For participants saving for education, matched funds were paid directly to the educational institution. In addition to tuition and fees, up to half of the accumulated personal savings and matching funds to a maximum of \$1,500 could cover learning supports such as exam fees, child care services, books and computers, and professional accreditation costs. For the entrepreneurship participants, matched funding was made available when participants provided a complete business plan that was approved by a local business development agency chosen by the *learn\$ave* local site partners.

The *learn\$ave-plus* group and all participants at the non-experimental sites were offered at least 15 hours of financial management training and intensive case management services. The financial training covered basic strategies for budgeting, spending, and credit, as well as developing financial goals.³ The program did not provide asset-specific training. Case management services were focused

² For example, Montreal, which offered the highest match rate of 5:1, only matched up to \$900 per participant. The Kitchener-Waterloo site offered the lowest match rate of 2:1 but also provided enhanced counseling services to participants. Grey-Bruce offered a match rate of 2.50:1 but raised it to 3:1 for those who attended training sessions and met targeted goals. Calgary reduced the savings period from three years to two. See Appendix A for further detail on program variation.

³ A summary of the *learn\$ave* financial education is presented in Appendix B of this report. For additional detail, see Kingwell, Paul, Michael Dower, Barbara Holler, Carol Vincent, David Gyarmati, and Hongmei Cao (2005). *Design and Implementation of a Program to Help the Poor Save: The learn\$ave Project*. Ottawa: Social Research and Demonstration Corporation, pp 83-87 and Appendix J.

on reinforcing savings goals and helping participants address potential challenges to meeting their goals. Table 3.1 compares the AFI program features with those of the 3 research groups in *learn\$ave*.

Table 3.1. Comparison of AFI and *learn\$ave* Program Features

	AFI	<i>learn\$ave</i> Non-experimental Sites	<i>learn\$ave</i> -only	<i>learn\$ave</i> -plus
Match rate	8:1 to 1:1	2:1 to 5:1	3:1	3:1
Maximum savings amount for matched funding	\$160-\$4,500*	\$900 – \$2,000	\$1,500	\$1,500
Possible allowable asset purchases	Education/training, home ownership, and business	Education/training and business	Education/training and business	Education/training and business
Savings period (in years)	5	2 to 3	3	3
Financial management training	Yes	Yes	No	Yes
Case management	Yes	Yes	No	Yes
Annual income cannot exceed**	\$35,300	\$19,650–\$28,434	\$19,650–\$28,434	\$19,650–\$28,434

Notes: All dollar amounts presented in this table are in 2001 U.S. currency.
2001 Average Annual Canadian Exchange Rate was 1.54 to the U.S. Dollar.

* Range in 2009 as reported in the 2010 AFI Report to Congress.

** For AFI, this figure represents 200% of the U.S. federal poverty threshold for the year 2001 for a family of four. As the Canadian poverty line differs by region, the range for *learn\$ave* provides the possible range of 120% of the poverty line cut-off for a family of four living in either a rural or urban area of any population size in 2001.

Eligibility

To be eligible for the *learn\$ave* demonstration, applicants were required to reside, at the time of enrollment, in one of the ten locations in which the *learn\$ave* program was being implemented (though they could subsequently move out of the area and remain in the program). They were also required to have a Social Insurance Number, be between 20 and 65 years of age, and not already be in school full-time. Only one person per household was allowed to apply. Applicants' incomes could not exceed 120 percent of Canada's low income cut-off (LICO)⁴ and liquid assets could not exceed

⁴ For a family of four at the time of recruitment, 120% of the LICO was approximately \$43,500 in Toronto and Vancouver and \$37,300 in Halifax (in 2002 Canadian dollars where the average annual 2002 Canadian Exchange Rate was 1.57 to the U.S. Dollar).

the lesser of 10 percent of their annual income or \$3,000. For homeowners, the value of their home could not exceed the median home value in the area. The Winnipeg site, one of the secondary (non-experimental) sites, reduced the income requirements from 120 percent to 100 percent of the LICO.

Recruitment

A recruiting goal was established to enroll 4,875 persons into the program. The ten sites were responsible for advertising and recruitment and SEDI provided ongoing support and consultation. Recruitment proved more difficult than project administrators anticipated and SEDI chose to extend the original two-year recruitment period by an additional seven months. With consultation from SEDI, the sites also designed and implemented new marketing strategies in order to meet the enrollment targets.

The urban sites found that recruiting through local agencies who serve the low-income population was not sufficient and implemented multi-faceted advertising and local media campaigns to increase public interest. For example, the Toronto site launched a campaign that included subway advertisements, media interviews, posters and brochures that brought a significant increase in enrollment. The secondary sites, which had lower recruitment targets than the primary sites, found that word of mouth was the most effective strategy. About 40 percent of the participants recruited at the secondary sites heard about the program from a friend, relative, or acquaintance. This was far more effective than any other strategy used by these sites. Interestingly, for the three experimental sites, media campaigns (responsible for about 32 percent of recruits) were slightly more effective than word of mouth (responsible for about 30 percent). Both the primary (experimental) and secondary sites found that income assistance (welfare) recipients were much easier to recruit than other eligible participants. However, the sites were restricted in how many income assistance recipients they could enroll.

Table 3.2. *learn\$ave* Participants by Research Group

Study Component	<i>N</i>
Experimental study total (3 sites)	3,584
<i>learn\$ave</i> -only	1,195
<i>learn\$ave</i> -plus	1,194
Control	1,195
Non-experimental study total (7 sites)	1,243
Total participants	4,827
Total participants with access to accounts (without control group)	3,632

The *learn\$ave* recruitment efforts were eventually successful, enrolling 4,827 individuals across all ten sites (3,584 in the experimental study), as shown in Table 3.2. However, 1,195 of these were assigned to the control group in the experimental study and thus did not participate in the *learn\$ave* intervention, leaving a total of 3,632 participants who were eligible to open accounts across all ten sites.

Brief Overview of Outcomes

More than 90 percent of the *learn\$ave* treatment group participants opened accounts and more than 80 percent qualified for matching funds (meaning they saved at least \$10 a month for 12 months). Approximately half of the treatment group participants saved the maximum amount eligible for matched funding within the 36-month savings period. However, among participants who earned matching funds, only 37 percent used all of the funds available to them. Early savers (those who reached the maximum in the first half of the savings period) were most likely to use all of their matched funds. The experimental study results suggest that the enhanced services (financial management training and case management services) provided to the *learn\$ave-plus* group resulted in a higher likelihood of saving, of qualifying for matched credits, and a higher likelihood of saving to the maximum matchable amount, over the *learn\$ave-only* group, but had little impact on use of matching funds. There was no significant impact found on net worth or total savings (including the value of all bank and *learn\$ave* accounts, retirement savings, and investments such as stocks and bonds) but *learn\$ave* did appear to affect the overall composition of financial assets and have a positive impact on financial goal setting, ongoing saving activities, and (for *learn\$ave-plus* only) budgeting. All *learn\$ave* participants had higher average bank account balances and reduced retirement savings than control group members, which may suggest that participants chose to channel money into their *learn\$ave* accounts that would otherwise have been designated for retirement savings. Both treatment groups demonstrated increased enrollment in training and education programs, including both degree programs and individual courses, with the highest enrollment increase in post-secondary programs leading to a degree. This indicates that the intervention increased not just the quantity, but also the quality of adult education.

The following sections provide an overview of the key players, the timeline and current status of the project, evaluation design, research findings, and the cost of implementation and research. We conclude with relevant lessons for policy makers, IDA program managers, and researchers in the U.S.

Key Players in the Demonstration Project

Design and Implementation

SEDI proposed the *learn\$ave* concept and designed and managed the implementation of the demonstration, including recruiting the community partners and financial institutions, designing the Participant Management Information System (PMIS), liaising with provincial and federal governments, and providing ongoing management and support to the community sites throughout the demonstration.

Demonstration Research

HRSDC and SEDI recruited SRDC to lead the evaluation of the *learn\$ave* demonstration. SRDC worked in tandem with SEDI to ensure that the research design would both fit seamlessly with the intervention and also provide vital evidence to help answer the key questions of policy makers, anti-poverty advocates, and community service providers about matched savings programs in Canada. SRDC designed the experimental and non-experimental evaluation components of the *learn\$ave*

study, recruited and oversaw the data collection firm POLLARA Inc., and led data validation, cleaning, analysis, and report writing.

Funding

HRSDC provided full funding for the *learn\$ave* project planning, implementation, and research. Given the emerging research on IDA demonstration projects in the U.S. and other matched savings programs around the world, HRSDC wanted to explore the potential of matched savings to help improve the long-term earnings prospects for low-income Canadians. The *learn\$ave* demonstration was considered an opportunity to test a strategy that could help strengthen work force attachment and improve future labor trajectories for Canada's working poor population. HRSDC was very interested to discover through the *learn\$ave* research whether a matched savings project could be beneficial from a social and a cost-benefit perspective and, if so, if it could be scaled up to provincial or national levels.

Partnering Community Agencies

SEDI recruited ten not-for-profit organizations across seven provinces in Canada to administer the program to local residents. SEDI utilized its established relationships with many non-profits across Canada with the capacity to undertake a project on the scale of *learn\$ave* and worked with these agencies to ensure their interest in the demonstration and access to sufficient numbers of the target population. There was no competitive process to select local partners for the *learn\$ave* program. The implementing sites were:

Primary (experimental) sites:

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

Secondary (non-experimental) 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

Financial Institutions

learn\$ave also worked with several financial institutions that provided the *learn\$ave* accounts and provided monthly reports of account activity to the local community partners. SEDI recruited RBC Royal Bank to partner with the program for the three experimental sites and six of the non-experimental sites. The Winnipeg site chose to use the Assiniboine Credit Union and the Montreal site allowed participants to choose between RBC and Caisse d'économie Desjardins (an organization of credit unions).

Timeline and Current Status of the Project

The *learn\$ave* demonstration operated on a nine-year timeline, including 1 year of planning, 2.5 years of recruitment and screening, a 3 year savings period, and 2.5 years of follow up research as presented in Table 3.3. Recruitment began in June 2001 and closed at the end of December 2003. The last applicants were enrolled in February 2004. Participants opened their accounts between 2001 and 2005 (participants were given up to two years from enrollment to open an account though most opened accounts within a month). The timing of participants' three-year saving periods varied by enrollment date. The last participant's saving period ended in February 2007 and the last cash-out period closed a year later in February 2008. Post-participation data were collected approximately 40 months and 54 months after baseline; the final wave of data collection finished in August 2008. The final results from the data analysis (using the 54-month data) were released in November 2010.

Some of the implementing organizations (field partners) have continued to implement asset building programs, including Momentum (in Calgary), SEED Winnipeg, and Manitoba Save! (implemented by SEED Winnipeg). The primary challenges faced by these programs are securing funding for the match and the lack of policy support, such as the AFI legislation in the U.S. There have been several asset building policy developments at the federal and provincial level, however. Further discussion of these developments is provided in Section VI of this report.

Table 3.3. Timeline of the *learn\$ave* Demonstration

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Planning period									
Recruitment & enrollment, baseline survey									
Savings period (rolling, 3 years from enrollment)									
Cash-out period (rolling, after 12 saving months)									
18-month survey (April 2003 – Jan 2006)									
40-month survey (Aug 2005 – July 2007)									
54-month survey (July 2006 – Dec 2008)									

Evaluation Design and Methodology

As previously noted, the research design for the *learn\$ave* demonstration included an experimental study in which applicants at the Halifax, Toronto, and Vancouver sites were randomly assigned to the control or one of two treatment groups. (Income assistance recipients at these sites were excluded from random assignment. This is described in more detail below.) A non-experimental study was undertaken at the remaining seven sites. The research design also included a cost-effectiveness analysis.

Description of Sample

The total sample for *learn\$ave* research (experimental and non-experimental combined) is 4,805. This is slightly lower than the 4,827 who enrolled because a small number withdrew consent to participate in the research study or were found ineligible. The average age of the sample at enrollment was 33.9 years and nearly half (45.4 percent) already had a university degree. Just over half (56.6 percent) the sample were female. The average income was \$10,877 and 66 percent were unemployed at enrollment. Strikingly, 41.2 percent were immigrants (with permanent resident status) and 38.4 percent reported speaking a language other than English or French at home at the time of enrollment.

Table 3.4 compares some of the characteristics between the Assets for Independence participants with the *learn\$ave* participants.

Table 3.4. Comparison of AFI and *learn\$ave* Participants⁵

Baseline Characteristics	AFI	<i>learn\$ave</i> Experimental	<i>learn\$ave</i> Non-Experimental
Proportion between 30 and 40 years of age*	37%	42.5%	32.9%
Gender (Male)	26%	47.7%	31.2%
Possession of a bachelor's degree or higher	15%	52.2%	25.7%
Married	23%	42.3%	25.4%
Employed	91%	66.5%	60.4%

Note: AFI reports ages in the range of 30 to 39 years, while *learn\$ave* uses a range of 31 to 40 years.

There were considerable differences in sample characteristics between the experimental and non-experimental secondary site samples. The experimental study had a much higher proportion of

⁵ Information on the AFI program was taken from the Office of Community Services, Administration for Children and Families, U.S. Department of Health and Human Services (2010). *Report to Congress: Assets for Independence Program Status at the Conclusion of the Tenth Year*. Washington, DC: Author, pp 26-27. Information on *learn\$ave* was taken from Kingwell, Paul, Michael Dower, Barbara Holler, Carol Vincent, David Gyarmati, and Hongmei Cao (2005). *Design and Implementation of a Program to Help the Poor Save: The learn\$ave Project*. Ottawa: Social Research and Demonstration Corporation, pp 73-74.

immigrants (49.7 percent compared to 17.2 percent) and a higher proportion of males (47.7 percent versus 31.2 percent). Participants in the experimental sample were much more likely to have a university degree (52.2 percent versus 25.7 percent) but less likely to own their own home (5.1 percent versus 15.7 percent) than participants in the non-experimental sample. These differences are partly explained by the exclusion of income assistance recipients in the experimental sample while about a quarter of the non-experimental sample was made up of income assistance recipients. In addition, some of the differences can be attributed to the site locations. Nearly half of Toronto’s residents are immigrants to Canada and so it is not surprising that a large proportion (70 percent) of the sample recruited in Toronto were immigrants. Vancouver also has a substantial immigrant population and more than a third (36 percent) of the Vancouver site enrollees were immigrants. The difference in proportion of immigrants between the experimental and non-experimental sites may explain the concomitant differences in education level and homeownership. Many of the immigrant participants came to Canada with high levels of education and have low homeownership rates, when compared with Canadian-born participants. Table 3.5 presents some of the key differences between *learn\$ave* experimental sample members and non-experimental sample members.

Table 3.5. Differences between *learn\$ave* Experimental and Non-Experimental Samples⁶

Baseline Characteristics	Experimental	Non-Experimental
Average age (in years)	33.4%	34.5%
Gender (Male)	47.7%	31.2%
Immigrant to Canada	49.7%	17.2%
Home language other than English or French	46.9%	13.3%
University degree	52.5%	25.7%
Own current residence	5.1%	15.7%
Married	42.3%	25.4%

To determine how the total sample and the experimental sample differed from the eligible population as a whole, SRDC conducted analysis using data from the Survey of Labour and Income Dynamics Census 2001 data. They found that the *learn\$ave* sample was significantly younger than the eligible population and more likely to be single, college-educated, and employed. These differences were more pronounced for the experimental sample.

The design of each of the study components are discussed in greater detail below followed by a section on the research findings.

⁶ Taken from Kingwell, Paul, Michael Dower, Barbara Holler, Carol Vincent, David Gyarmati, and Hongmei Cao (2005). *Design and Implementation of a Program to Help the Poor Save: The learn\$ave Project*. Ottawa: Social Research and Demonstration Corporation, pp 73-74.

Experimental Study

The experimental study included three research groups: a treatment group that received only the matched savings account (the *learn\$ave*-only group), a second treatment group that received financial management training and intensive case management services in addition to the matched savings account (the *learn\$ave*-plus group), and a control group that did not have access to any *learn\$ave* services or benefits.

In the experimental component of the demonstration, 3,584 applicants were found eligible and were randomly assigned to one of the three groups (approximately 1,195 in each group). The participants were relatively evenly spread between Vancouver (1,649) and Toronto (1,681) with only 254 in Halifax. Participants were also divided by savings stream. Within the two treatment groups, 2,389 participants were saving for education and 301 were saving for micro-enterprise (evenly divided by treatment group). Within the control group, 1,071 were considered education stream and 124 were considered micro-enterprise stream.

Participants were surveyed by telephone at baseline (just before random assignment), and then again at 18 months, 40 months, and 54 months following random assignment. The demonstration also utilized a Participant Management Information System (PMIS)⁷, which collected account information and data on participation in services (such as case management) by *learn\$ave* participants at all ten sites. The experimental study findings summarized in this report primarily represent post-participation data from the 54-month follow up, at which time the savings period had ended and participants had to have cashed out and used their matched savings by six months prior to administration of the survey.

While data from PMIS is available for the entirety of both treatment groups, the response rate for the 54-month follow up survey was 63.3 percent across the three groups (and only 47.5 percent for the control group). Analysis of the respondents at month 54 shows that treatment and control groups were still relatively similar. As detailed in Table 3.6, an analysis of the respondents to the 54-month survey shows that there were statistically significant differences between the treatment and control groups on a few baseline characteristics. The analysis controls for these differences to some extent by regression-adjusting the estimates. The *learn\$ave*-only and *learn\$ave*-plus groups at month 54 were statistically different on only one baseline characteristic—activity limitation (disability). The *learn\$ave*-plus group was slightly more likely to experience an activity limitation.

The research was designed to examine outcomes across a number of areas, including impact on savings and net worth, budgeting, experience of financial hardship, attitude to and participation in education programs, self-employment outcomes, employment and earnings. In addition, the study was designed to measure the relative impact of financial education and intensive case management services delivered in conjunction with the matched savings.

⁷ For more information on the PMIS, see Kingwell, Paul, Michael Dower, Barbara Holler, Carol Vincent, David Gyarmati, and Hongmei Cao (2005). *Design and Implementation of a Program to Help the Poor Save: The learn\$ave Project*. Ottawa: Social Research and Demonstration Corporation, pp 92-95.

Table 3.6. Statistically Significant Differences among Month 54 Respondents by Group⁸

Baseline Characteristics	learn\$ave -only	learn\$ave -plus	Control	Difference	
				L\$-only v Control	L\$-plus v Control
Age: under 21 years	0.4	0.7	1.2	-0.9*	-0.5
Activity limitation (disability)	5.8	8.0	8.3	-2.5*	-0.2
Labor force status: out of labor force (student, at home, retired, and not working for pay)	10.0	8.8	7.4	2.6*	1.4
Highest level of formal education: university degree	55.5	56.0	50.5	4.9*	5.5**
Highest level of formal education: high school graduate	5.9	6.9	9.0	-3.0**	-2.1
Household income: under \$5,000	14.4	14.4	10.2	4.1**	4.2**
Household income: between \$25,000 and \$29,999	5.4	4.8	7.0	-1.6	-2.2*

Notes: Two-tailed t-tests were applied to differences between research groups. Statistical significance level is indicated as * = 0.10; ** = 0.05.

Non-Experimental Study

Due to budget constraints, a non-experimental evaluation was conducted in the seven secondary sites. The budget also limited total participation at each of the secondary sites to 150 for a total sample size of 1,050 individuals. Participants at the non-experimental sites were provided access to *learn\$ave* accounts, financial education,⁹ and case management services. The non-experimental component of the *learn\$ave* research design included quantitative and qualitative methods including participant surveys, PMIS data, focus groups, and interviews with key staff. The purpose of this study was to explore variation in project delivery across sites, participant motivations and challenges, implementation issues, and which components of the program proved most beneficial.

Income Assistance Participants

Each of the three experimental sites was allowed to recruit up to 75 income assistance recipients. However, at the time of random assignment, the Ontario government declined to waive asset limits for recipients of income assistance. As a result, the income assistance recipients at the Toronto site were provided with special measures to help them participate while minimizing potential loss of

⁸ Taken from Leckie, Norm, Taylor Shek-Wai Hui, Doug Tattie, Jennifer Robson, and Jean-Pierre Voyer (2010). *Learning to Save, Saving to Learn: learn\$ave Individual Development Accounts Project Final Report*. Ottawa: Social Research and Demonstration Corporation, p. 29.

⁹ Three of the secondary sites used the financial management curriculum designed for *learn\$ave* and used at the experimental sites. However, four of the sites chose to use other curricula, which ranged in length from 15 to 30 hours.

benefits. Because the experimental study required that the *learn\$ave* model be applied consistently across sites and participants, recipients of income assistance were excluded from the experimental component of *learn\$ave*. These participants received the benefits provided to the *learn\$ave*-plus group, comprised of matched savings at a rate of 3:1, financial management training, and intensive case management. The Ontario government did later waive the asset limits but it was too late to include income assistance recipients in the experimental study. Their performance and experience were evaluated using non-experimental methods similar to those used at the seven secondary sites. The non-experimental sites were also allowed to enroll recipients of income assistance, limited to 25 percent of their total participants.

Research Findings

Experimental Study: Final Post-Participation Findings (54-month)¹⁰

The experimental study component of the *learn\$ave* demonstration was designed to determine the impacts of *learn\$ave* on a number of economic and educational outcomes. The findings from the final (54-month) follow up are presented here. At the time of the final data collection, the savings period had closed and participants had to have cashed out and used their matched savings six months prior to administration of the survey.

Using the control group to represent the counterfactual (what would have happened without the *learn\$ave* intervention), and two treatment groups (*learn\$ave*-only and *learn\$ave*-plus), researchers are able to identify program impacts and to isolate the impact of the financial education and intensive case management services. SRDC tested seven research hypotheses:

1. *learn\$ave* will encourage participants to **budget**;
2. *learn\$ave* will increase participants' **savings and overall net worth**;
3. *learn\$ave* will not cause undue economic **hardship** for participants;
4. *learn\$ave* will enhance attitudes to education and encourage participants to participate in **education or training**;
5. *learn\$ave* will enhance **self-employment** outcomes for micro-enterprise participants;
6. *learn\$ave* will eventually improve **employment prospects** for all participants; and
7. **Financial education and case management services** will contribute positively to saving, education, micro-enterprise and labor market outcomes

¹⁰ In this report, we describe results from the 54-month analysis. For a full description of the 18-month analysis, please see: Leckie, Norm, Michael Dowie, and Chad Gyorf-Dyke (2008). *Learning to Save, Saving to Learn: Early Impacts of the learn\$ave Individual Development Accounts Project*. Ottawa: Social Research and Demonstration Corporation. For the 40-month analysis, please see Leckie, Norm, Taylor Shek-Wai Hui, Doug Tattre, and Hongmei Cao (2009). *Learning to Save, Saving to Learn: Intermediate Impacts of the learn\$ave Individual Development Accounts Project*. Ottawa: Social Research and Demonstration Corporation.

Findings for each of these hypotheses are discussed in greater detail below, beginning with a description of the savings activities of participants in the two treatment groups. This is followed by a section describing findings on budgeting, savings, net worth, and economic hardship. Next we discuss findings on education and labor market outcomes for the education-stream savers, followed by findings on the education and self-employment outcomes of microenterprise savers. Finally, we discuss the impact of the financial education and case management services provided to the *learn\$ave*-plus group.

Savings Activities. In the two treatment groups, more than 90 percent of the 2,388 participants opened accounts and 82 percent made active deposits (at least \$10 each month for at least 12 months) within the 36-month saving period and were eligible to receive matching funds.¹¹ At the end of the savings period, the participants on average saved \$1,089 in matchable savings (i.e. eligible for the 3:1 match). The average matchable savings per month was \$30 and nearly two-thirds of participants (65 percent) saved the maximum matchable amount (\$1,500) or more over the course of the savings period. The majority of the savings activity among those who saved occurred in the first half of the 36-month saving period: 43 percent of participants reached the maximum amount of \$1,500 in the first 18 months. During the second half of the saving period, an additional 22 percent of the participants reached the maximum matchable savings amount. The main savings outcomes for participants in the *learn\$ave* treatment groups are summarized below in Table 3.7.

Table 3.7. Savings Outcomes for *learn\$ave* Treatment Group Participants

Proportion that opened an account	90%
Proportion that qualified for matching funds (saved at least \$10 for at least 12 months)	82%
Proportion that saved \$1,500 or more (maximum matchable amount)	65%
Average total savings qualifying for match	\$1,089

Participants who maximized the match funding by saving at least \$1,500 were more likely (at baseline) to have more education and be younger than those participants who did not reach the \$1,500 target. Recent immigrants were also significantly more likely to save the maximum. Interestingly, income level was not a significant predictor for this outcome; participants who reached the maximum of \$1,500 in matchable savings were relatively evenly distributed across income groups.

At the 40-month mark, 43 percent of the earned matched funds had been spent, with eight months left in which to make matched withdrawals. Nearly a quarter (24 percent) of participants had used all of their matched funds. By month 48 (the end of the investment period), participants had spent, on average, 80 percent of the matched funds that were available to them, and 37 percent of participants had used all of the matched funds they had earned. Among those who made a matched withdrawal by month 48, the average amount withdrawn per person was \$3,678 (this included both their original

¹¹ All findings described here are statistically significant with a p-value of at least 0.10, unless otherwise noted.

savings and matching funds). Among participants who earned matched funds, those who at baseline had a bachelor's degree and participants under 30 years of age were more likely to make a matched withdrawal by the 48-month mark. Interestingly, those reporting a baseline income between \$10,000 and \$20,000 were somewhat less likely than those with incomes below \$10,000 or above \$20,000 to have made matched withdrawals. About a third of all participants did not access any matching funds during the investment period, although at least half of those had earned a match.

Savings behavior was related to saving purpose: participants saving for education saved slightly more and more often than those saving for micro-enterprise. Education savers were also more likely than micro-enterprise savers to be eligible for matched withdrawals (83 percent versus 77 percent) and to have taken at least one matched withdrawal by month 40 (62 percent versus 45 percent). However, it appears that the micro-enterprise savers who did take withdrawals were ready to use the full amount earlier than the education savers. Micro-enterprise savers were more likely to have used all their matched funding by month 40 (28 percent versus 23 percent) and made larger withdrawals on average (\$3,356 versus \$1,539 per withdrawal). This pattern fits the expected spending needs of the two groups; entrepreneurs need larger amounts of money up front to start a business whereas students are likely to need smaller amounts in regular intervals to cover ongoing tuition payments.

Impact of learn\$ave on Budgeting, Savings, Net Worth, and Economic Hardship. The experimental study tested the hypothesis that the *learn\$ave* intervention would encourage budgeting activities and increase participants' savings and net worth, and would not cause economic hardship. Analysis of the 54-month data shows that the *learn\$ave* intervention had a positive impact on budgeting and goal setting activities. When compared with the control group, *learn\$ave* participants were significantly more likely to have set financial goals. While they were significantly more likely to keep a household budget at both 18 months and 40 months, by 54 months the percentage of control group members also keeping a budget increased and the difference was no longer statistically significant.

The learn\$ave intervention had a positive impact on financial goal setting and ongoing saving activities.

The program did have a significant positive impact on incidence of self-reported saving in the year prior to the 54-month survey, after the savings period for *learn\$ave* had ended, as well as intention to save in the future, suggesting that participation in the program may encourage longer-term savings behavior. The program did not, however, have an impact on total savings, including the value of all bank and *learn\$ave* accounts, retirement savings, and investments such as stocks and bonds. While during the first half of the savings period, the *learn\$ave* participants reported greater increases in savings than the control group, during the second half of the savings period (months 19 to 36), the average value of financial assets of *learn\$ave* participants actually dropped (both in absolute terms and relative to the control group). This suggests that participants might have reduced household consumption in order to increase savings (saving more than the control group) during the first half of the savings period and then reduced savings between months 19 and 36 (saving less than the control group) while many participants were cashing out and spending their *learn\$ave* funds. At the 54-month survey point, as would be expected, the investments participants made in self-employment and education with their *learn\$ave* funds had not yet yielded positive growth in their financial assets. One might expect that an increased enrollment in education programs among *learn\$ave* participants could have led to a decrease in labor participation and thus to a

decrease in savings but, as we discuss in the next section, there is no significant difference in labor market outcomes between the control and treatment groups, so this is unlikely to be an explanation for the savings and net worth findings.

There was no significant impact on net worth but learn\$ave did affect the composition of financial assets.

The *learn\$ave* demonstration did not have a significant effect on net worth by month 54 but did impact the composition of financial assets. At month 40, treatment group participants had higher bank balances (including *learn\$ave* accounts) but lower average retirement savings than control group members. This effect was also present at month 54. This may indicate that treatment group members channeled money into their *learn\$ave* accounts that otherwise may have been put into a retirement savings account. In addition, the value of household assets (such as furniture and appliances) decreased for *learn\$ave* participants during the savings period, while it increased for the control group. By month 40, treatment group members owned on average nearly \$3,000 less in household assets than the control group. This suggests that *learn\$ave* account holders may have either deferred purchases or purchased cheaper household goods during the savings period. However, at the 54-month mark, this program effect was no longer present. There were no significant impacts on total liabilities by month 54.

Interestingly, both the treatment and control groups experienced rapid growth in their assets and net worth during the second half of the savings period, largely as a result of changes in housing wealth. Between months 18 and 36, the mean net worth of the control group nearly quadrupled from \$4,259 to \$16,781. The vast majority of this gain is explained by a more than \$20,000 rise in mean home and property value. The net worth mean is calculated net of mortgage liability. There was a corresponding increase of \$12,551 in mean mortgage liability during the same period. As a result, any impact of the *learn\$ave* intervention on net worth is likely to be small relative to the other contributors to net worth, which the control group also experienced.

Economic hardship was measured by asking survey participants if, in the past year, they had experienced difficulty meeting expenses, had to borrow money to meet needs, used a foodbank, declared bankruptcy, and/or had overdue bills. On average, economic hardship did not differ significantly between the control or treatment groups in any of the follow-up surveys. At 40 months, *learn\$ave*-only participants were significantly more likely than both control group and *learn\$ave*-plus members to report having borrowed money to meet needs in the past year but were less likely than control group members to have used a foodbank. By 54 months, however, this effect had disappeared and there were no significant differences across groups on any hardship measure. About a quarter of the sample, across all groups, reported experiencing at least one measure of economic hardship in the past year at month 54, which had steadily declined from approximately 40 percent at 18 months and a third at 40 months.

Impact of learn\$ave on Education and Labor Market Outcomes for Education Savers. The *learn\$ave* research tested the hypothesis that the intervention would improve attitudes toward education and encourage participants to enroll in education or training programs. Researchers further hypothesized that the *learn\$ave* intervention would improve labor market prospects for participants. Because the impact on education and employment is expected to vary by saving stream, results for the *learn\$ave* education savers are presented separately from results for the micro-enterprise savers. This

section focuses specifically on education savers, while the results for micro-enterprise savers are presented in the next section.

Table 3.8. 54-month Sample Size by Research Group for Education-Stream¹²

	Control	<i>learn\$ave</i> -only	<i>learn\$ave</i> -plus	Total
Baseline	1,195	1,195	1,194	3,584
54 Months	568	842	859	2,269
Completion Rate	47.5%	70.5%	71.9%	63.3%

Results from the 54-month data collection demonstrate that *learn\$ave* improved attitudes toward education among the education savers (though this effect was somewhat diminished from that measured at 18 and 40 months) and increased enrollment in training and educational programs, especially college and university programs leading to a degree. This positive effect on educational program enrollment was found to increase over time and these effects were stronger for certain subgroups of the *learn\$ave* sample; some groups, defined by demographic characteristics, appear to experience more benefit from the intervention.

The *learn\$ave* evaluation measured attitudes toward education by asking four questions focused on the link between education and employment. Survey participants were asked if they strongly agreed, agreed, disagreed, or strongly disagreed with the following:

- Getting a good job depends on my education;
- I need more schooling to find a good job;
- No matter how much education I get, I will most likely end up with a low-paying job; and
- It is not worth going into debt to go to school.

At month 54, most participants (in treatment and control groups) demonstrated positive attitudes toward education, as would be expected from a population that applied to the *learn\$ave* program. At previous survey points (18 and 40 months), even given the overwhelmingly positive response across the sample, treatment group members were still significantly more likely than control group members to report an affirming attitude toward education on all four questions. However, it is noteworthy that the program’s positive effect on education attitudes was less present at month 54 than in earlier surveys (months 18 and 40). Also of interest is that at month 54 there were no observed impacts for the fourth measure of educational attitudes. Although at earlier survey points the program group members had been observed to have grown more accepting of the idea of taking on student debt than control group members, this attitudinal change was no longer present at the 54-month mark.

¹² This is the total sample size for the education-stream for the 54-month survey. These numbers do not include the sample members who did not respond to the 54-month survey, as their outcomes cannot be measured here.

With regard to actual participation in education programs at 54 months among those saving for education (rather than micro-enterprise), the *learn\$ave*-only intervention increased enrollment by 6.6 percentage points over the control group while the *learn\$ave*-plus intervention increased enrollment 8.2 points over the control group. The strongest effect was seen in enrollment in post-secondary programs leading to a degree, rather than individual courses. This was seen by the researchers as indicating that *learn\$ave* had an impact not just on quantity but also quality of education. The control group also reported high levels of enrollment; about 82 percent of control group members enrolled in some education or training program during the study period. However, control group members were significantly less likely to have enrolled in a degree, diploma, or certificate program (56 percent) than participants in the *learn\$ave*-only group (65 percent) and the *learn\$ave*-plus group (68.6 percent). The additional supportive services received by the *learn\$ave*-plus group appear to have impacted investment of both money and time. *learn\$ave*-plus members spent an average of \$2,142 more than control group members (and \$918 more than *learn\$ave*-only members) on education expenses. They also spent 159 more hours, on average, participating in education programs than control group members (29 more hours than *learn\$ave*-only members).

learn\$ave had an impact not just on quantity but also quality of education—more treatment group members enrolled in post-secondary programs leading to a degree.

It is informative to also consider how education enrollment figures vary by several key baseline demographic characteristics. Researchers found that analysis of enrollment by employment status, household income, immigrant status, level of education, and saving regularly (all measured at baseline) revealed significant impacts of *learn\$ave* on educational enrollment. Participants in *learn\$ave*-plus who were employed or self-employed at baseline experienced enrollment gains of approximately 18 percent and 23 percent respectively over comparable control group members. Among Canadian-born study participants, *learn\$ave* greatly increased educational enrollment (by nearly 20 percent over the control group). The impact for immigrants was far lower, largely because immigrants in the control group were much more likely than their Canadian-born counterparts to enroll in an education program even without access to the *learn\$ave* intervention.

While enrollment rates were spread relatively evenly between control group participants in the three income categories, the lower- and higher-income participants in the treatment group saw larger gains from *learn\$ave* than the middle-income group, and the lowest-income participants (less than \$10,000) in the treatment groups reported significantly higher enrollment than their peers in the control group at month 40. This increase was doubled for participants in *learn\$ave*-plus (16.5 percent) over those in *learn\$ave*-only (8 percent), suggesting that the lowest-income participants may have benefited most from the added services. However, by month 54, slightly different patterns emerged: the *learn\$ave* intervention did show a significant impact on enrollment for the middle-income group (both *learn\$ave*-only and *learn\$ave*-plus) but the effect for the higher-income participants (\$20,000 and above) had disappeared. Among the lowest-income group, *learn\$ave*-plus members were significantly more likely than control group members to enroll in educational programs but there was no significant difference for *learn\$ave*-only members, again suggesting that the additional services may be particularly beneficial for these participants.

As with income, enrollment rates were fairly similar for the control group members across education levels at baseline. However, for treatment group members, baseline education levels were predictive of enrollment. Treatment group members with the lowest levels of education (high school diploma or less) and those with the highest levels of education (university degree) were significantly more likely to enroll in an education program than comparable control group members. Finally, treatment group members who were regular savers at the baseline demonstrated significant impact from the *learn\$ave*-only and *learn\$ave*-plus interventions and were about 14 percent and 19 percent more likely to enroll in an educational program than the baseline savers in the control group.

With regard to labor market outcomes for those saving for education, there were no significant differences at 54 months in employment status, earnings, or working hours between treatment and control participants. This is not surprising, as the potential employment gains resulting from increased human capital would not be likely to appear until participants had finished their educational programs.

Impact of learn\$ave on Education and Self-Employment for Microenterprise Savers. The *learn\$ave* demonstration included a limited number of slots at each site for participants who wanted to save for microenterprise rather than education. Table 3.9 shows the allocation of micro-enterprise sample available to use at the 54-month mark. These participants were allowed to use their matched funds on either business start-up costs or education. Researchers hypothesized that *learn\$ave* would improve self-employment outcomes for these participants.

Table 3.9. 54-month Sample Size by Research Group for Microenterprise-Stream¹³

Total	Control	<i>learn\$ave</i> -only	<i>learn\$ave</i> -plus
424	117	150	157

Relative to the microenterprise control group ($n=117$), microenterprise savers in the *learn\$ave*-only group demonstrated an increased self-employment rate of about 25 percent. Interestingly, the increase was lower (about 15 percent) for microenterprise savers in the *learn\$ave*-plus group. The research also examined potential impacts on business assets for this stream of savers. Though no significant impact was found at month 40 on business assets or liabilities, by month 54, participation in the *learn\$ave*-only intervention had a significantly positive effect on net business assets and the average business assets relative to those of the control group. Interestingly, no similar impact was found for the *learn\$ave*-plus group. Across both treatment groups, no significant impacts were found for enrollment in education or training programs, and the enrollment rate for microenterprise savers was considerably lower than that for education savers and control group members.

¹³ This is the total sample size for the microenterprise-stream for the 54-month survey. These numbers do not include the sample members who did not respond to the 54-month survey, as their outcomes cannot be measured here.

Impact of Financial Education and Case Management Services. Participants assigned to the *learn\$ave-plus* research group were offered financial management training¹⁴ and intensive case management, intended to reinforce their savings goals and reduce barriers to savings. The evaluation was designed to test the hypothesis that these added services would improve savings, education, microenterprise and education outcomes over the *learn\$ave-only* group.

learn\$ave-plus participants were expected to attend 15 hours of training before taking a matched withdrawal. By the 48-month mark, about 91 percent had received some financial management training and about 81 percent had participated in 15 or more hours. On average, *learn\$ave-plus* participants received 14.4 hours of financial management training.

Participants in *learn\$ave-only* were expected to receive some limited case management services, designed to facilitate program operation by helping participants with problems related to their accounts and processing matched withdrawals. The case management services for *learn\$ave-plus* participants were intended to be more intensive, including efforts to proactively contact participants who missed several months of saving. In practice, however, case managers were not as proactive in reaching out to *learn\$ave-plus* participants as the program model intended. In addition, program staff did not exclude *learn\$ave-only* members from more intensive case management services if requested by the participant.

As shown in Table 3.10 on the next page, *learn\$ave-plus* participants received more case management contacts overall and spent more time, on average, with a case manager than the *learn\$ave-only* group. Case management services for both groups increased during the second half of the savings period, likely related to the increased incidence of making matched withdrawals.

Analysis of the PMIS data indicates that receipt of financial training and intensive case management services are positively (and significantly) related to savings outcomes for the *learn\$ave-plus* group. These participants were found to be more likely to save anything, to have higher savings at their savings peak, and to be more likely to save to the maximum matchable amount than *learn\$ave-only* participants. While statistically significant, the magnitude of these differences is relatively small: *learn\$ave-plus* participants were slightly more likely to save at all (95 percent versus 91 percent), were about 6 percent more likely to save to the maximum amount, and had an average peak savings amount that was \$54 higher on average than *learn\$ave-only* participants.. Although no statistically significant differences were found between the two groups at month 40 in average number of matched withdrawals, average amount of matched funding used, or the proportion who used all of their matched funds, this was not true by month 54, when the withdrawal and investment period had ended. In the final wave of data collection, participants in the *learn\$ave-plus* group were slightly more likely to withdraw any matched credits and to use the maximum amount of matched credits than the *learn\$ave-only* group. The demonstration researchers suggest that the relatively small impact of the “extra” services may be due in part to the overly basic nature of the financial education curriculum, as well as the unexpectedly high level of case management received by the *learn\$ave-only* group.

¹⁴ A summary of the financial education curriculum is presented in Appendix B of this report. For a more detailed description, see Kingwell, Paul, Michael Dower, Barbara Holler, Carol Vincent, David Gyarmati, and Hongmei Cao (2005). *Design and Implementation of a Program to Help the Poor Save: The learn\$ave Project*. Ottawa: Social Research and Demonstration Corporation, pp 83-87 and Appendix J.

Table 3.10. Case Management Services Received by Month 48¹⁵

	Total	<i>learn\$ave</i> -only	<i>learn\$ave</i> -plus
Proportion receiving any referrals (%)	5.9%	2.5%	9.2% ***
Average number of referrals, per participant	7.8	2.9	12.7 ***
Proportion receiving any services (%)	96.2%	93.7%	98.7% ***
Proportion receiving any project-related contact (%)	95.9%	93.3%	98.6% ***
Average number of project-related contacts	21.3	18.2	24.5 ***
Average number of minutes spent with case manager, per participant	238	199	277 ***

Note: *** indicates statistically significant difference, $p = 0.01$.

The added services for the *learn\$ave*-plus group did not have a statistically significant impact on budgeting and goal setting activities, nor on attitudes toward education. Researchers did find significant differences on enrollment in an education program when examining specific subgroups. For instance, as noted above, the lowest-income participants (household income below \$10,000 at baseline) in both treatment groups enrolled in educational programs at higher rates than their lower-income peers in the control group but this increase was not statistically significant for the *learn\$ave*-only participants. The *learn\$ave*-plus participants, on the other hand, enrolled in education programs at a rate 12.6 percent higher than the control group, double the increase shown by *learn\$ave*-only, and statistically significant at the $p=0.05$ level. Also, for recent immigrants, the added services of *learn\$ave*-plus increased their enrollment in education programs by just over 3 percent above the *learn\$ave*-only group (and almost 11 percent above their peers in the control group).

Cost-Effectiveness Analysis

The *learn\$ave* research design includes a cost-effectiveness analysis¹⁶ implemented to identify the benefits and costs of the intervention to society. In addition, the analysis was designed to discern whether the intervention is cost-effective from the perspective of taxpayers and government and whether it can produce a net gain for participants. The analysis captured benefits and costs of the *learn\$ave* intervention over the entire 54-month study period from multiple perspectives (e.g., matching funds are a benefit for participants but a cost for government) and is based on impacts from the experimental study. Developmental and start-up costs were excluded from the cost-effectiveness study as these would not be relevant in comparison with ongoing programs.

¹⁵ Taken from Leckie, Norm, Taylor Shek-Wai Hui, Doug Tattrie, Jennifer Robson, and Jean-Pierre Voyer (2010). *Learning to Save, Saving to Learn: learn\$ave Individual Development Accounts Project Final Report*. Ottawa: Social Research and Demonstration Corporation, p. 39.

¹⁶ For additional information on the design of the cost-effectiveness analysis, see Leckie, Norm, Taylor Shek-Wai Hui, Doug Tattrie, Jennifer Robson, and Jean-Pierre Voyer (2010). *Learning to Save, Saving to Learn: learn\$ave Individual Development Accounts Project Final Report*. Ottawa: Social Research and Demonstration Corporation, chapter 8. Also see Kingwell, Paul, Michael Dower, Barbara Holler, Carol Vincent, David Gyarmati, and Hongmei Cao (2005). *Design and Implementation of a Program to Help the Poor Save: The learn\$ave Project*. Ottawa: Social Research and Demonstration Corporation, Appendix D.

Matched credits were by far the highest cost item, accounting for \$1,890 (*learn\$ave-only*) and \$2,030 (*learn\$ave-plus*) in cost per participant.¹⁷ General operating costs were the next most expensive item and were very similar for both treatment groups (about \$1,250). Interestingly, total program activity costs for the two treatment groups were also similar, despite the difference in service level provided. With regard to program activities, the analysis found that processing of matched withdrawals was the most costly (nearly \$300 per participant). Recruitment (\$135) and case management (\$115 for *learn\$ave-only* and \$160 for *learn\$ave-plus* participants) were also relatively high cost activities. As previously noted, recruitment for *learn\$ave* proved to be much more difficult and expensive than anticipated and the researchers speculate that recruitment costs may have been lower if *learn\$ave* were a known and established government program. Further, they suggest that both recruitment and withdrawal processing costs were driven up by the need for labor-intensive verification efforts to prevent fraud. Cost savings could have potentially be generated by linking these processes with existing electronic records and systems.

Table 3.11. Costs per Program Group Member, Including All Program Group Participants¹⁸

Cost Item	<i>learn\$ave-only</i>	<i>learn\$ave-plus</i>
Program Activities	\$686	\$811
Recruitment	\$135	\$135
Enrollment	\$95	\$95
Financial Management Training	0	\$65
Case Management Services	\$115	\$160
Matched Withdrawal Orientation	\$16	\$17
Matched Withdrawal Processing	\$280	\$292
Account Closure	\$33	\$33
Bank Administration (imputed)	\$13	\$13
General Operating Cost	\$1,248	\$1,254
SEDI (National Coordinator)	\$426	\$426
Local Implementing Sites	\$822	\$828
Matched Credits Awarded	\$1,890	\$2,030
Total Cost-Economy	\$3,824	\$4,095

Note: all dollar values are presented in 2002 Canadian dollars.

The analysis also calculated cost-efficiency estimates of program outputs, including costs per active participant, per dollar saved, and per person enrolled in education. Costs of the program per active participant were \$4,755 (*learn\$ave-only*) and \$4,861 (*learn\$ave-plus*). Cost per dollar saved was

¹⁷ All dollar values are given in 2002 Canadian dollars.

¹⁸ Taken from Leckie, Norm, Taylor Shek-Wai Hui, Doug Tattie, Jennifer Robson, and Jean-Pierre Voyer (2010). *Learning to Save, Saving to Learn: learn\$ave Individual Development Accounts Project Final Report*. Ottawa: Social Research and Demonstration Corporation, p. 95.

very similar across treatment groups, about \$4.15. Cost per participant enrolled in education is \$4,516 (*learn\$ave-only*) and \$4,724 (*learn\$ave-plus*).

Additionally, the cost-effectiveness analysis took into account potential “windfall” effects, meaning that it estimated the cost of providing the program to treatment group members who would have enrolled in education anyway, even without *learn\$ave* (and therefore received a windfall opportunity). Based on control group findings, researchers calculate that among those in the *learn\$ave-only* group who enrolled in education, 93.5 percent would have enrolled without the matched savings. The result of this windfall effect is that for each person who was motivated by the financial match to enroll in education, the program also paid for 14.5 other participants who would have enrolled anyway.

Due to the lack of comparable programs with similar data, the study is unable to fully evaluate *learn\$ave*’s cost-effectiveness. However, researchers did calculate the minimum necessary increase in annual earnings (assuming an average of 32 more working years) for participants to meet the cost of the program. When all participants are included, annual earnings would need to increase by an average of \$4,440 for *learn\$ave-only* and \$3,478 for *learn\$ave-plus* participants. However, the *learn\$ave* program had a greater impact on enrollment in degree programs than in individual courses, leading to more cost-effective results for degree programs than overall education outcomes. To cover program costs for enrollment in degree programs, participants would need to earn, on average, \$3,095 (*learn\$ave-only*) and \$2,402 (*learn\$ave-plus*) per year. Because post-secondary degrees tend to yield

much higher returns than individual courses, researchers conclude that emphasizing (or even limiting participants to) degree programs could greatly increase the cost-effectiveness of the *learn\$ave* model.

The most expensive program activity costs were processing of matched withdrawals, recruitment, and case management.

As for the services provided through *learn\$ave*, the analysis found that the addition of financial management training and intensive case management, as provided to the *learn\$ave-plus* group, proved to be more cost-effective than matched credits alone. The larger education impacts for the *learn\$ave-plus* group were enough to more than make up for the slightly higher cost of providing the

additional services. Researchers also found that matched credits were a cost-effective means of encouraging self-employment and microenterprise.

Focus Group Findings

In addition to the experimental study, SRDC conducted focus groups in the fall of 2002 and again in the fall of 2003. In 2002, they held 12 focus groups involving 102 individuals total, at each of the primary (experimental) sites and two of the secondary sites. Half of these groups were made up of *learn\$ave* participants and the other half were comprised of non-participants who had expressed interest and been deemed eligible but had not applied. No control group members from the experimental study were included in the focus groups. The purpose of the first set of focus groups (in 2002) was to learn more about the impact of the recruitment strategy and the factors that contributed to individuals’ decisions to participate or not. SRDC also explored, with the participant groups, perceptions of the financial education and case management services.

Initial skepticism about the *learn\$ave* program was widely reported, though participants were more likely than non-participants to express this. The fact that *learn\$ave* was identified with the federal government and with recognized local agencies helped to dispel fears that it was a scam. Newcomer participants reported being very excited for the opportunity to “upgrade” their skills and qualifications for employment in Canada. Non-participants identified several barriers to participation including doubt about their ability to succeed in the program, thinking the match cap was too low to cover educational expenses, limited uses for the match, the complicated application form, and past negative experiences with the bank chosen for the project. Application sessions were considered necessary but too large for individual questions to be answered. Some non-participants said they would have applied if they could have spoken with someone one-on-one at the end of the session. Non-participants also noted that program staff should consider recontacting those who express interest but do not apply. Some said they meant to apply but procrastinated; a follow-up from the agency and an application deadline would have helped.

In 2003, SRDC held a second set of 24 focus groups with 147 *learn\$ave* participants total, at the three primary (experimental) sites, Halifax, Vancouver, and Toronto. No control group members were included in these focus groups. The groups were divided up by savings behavior (regular and irregular savers), research group (*learn\$ave-plus* and *learn\$ave* only), and newcomer (recent immigrant) status. The focus groups explored attitudes toward saving, factors that impact savings behavior, and perceptions of the financial education and case management services (for *learn\$ave-plus* participants).

Results from the 2003 focus groups identified several characteristics associated with regular savers, in contrast to irregular savers. Regular savers were more likely to have clear long-term goals, a stronger future orientation, and a more rational approach to saving, and were also found to be more willing to make personal sacrifices to achieve their goals. These characteristics were particularly evident among the newcomers. Low earnings, debts, family responsibilities, and a high cost of living were cited as barriers to savings for both regular and irregular savers. Both regular and irregular savers reported that the matched credits were the most important component of the program and that the monthly account statements were motivating. Among the *learn\$ave-plus* participants, the financial management training was generally felt to be covering material they already knew and applied but participants appreciated the opportunity to share their experiences and challenges with other participants. Attitudes toward case management services were universally positive.

Outcomes for Income Assistance Recipients

As noted above, income assistance (welfare) recipients were eligible to enroll in the *learn\$ave* program at all ten sites but enrollment was limited to 75 at each of the primary sites and 25 percent of total enrollment at each of the secondary sites. Income assistance recipients enrolled at the primary sites were excluded from the experimental study, due to challenges presented by asset limits for social benefits. To better understand the savings outcomes for this group, SEDI and SRDC both conducted separate evaluations of their participation.

There were 225 income assistance recipients enrolled at the three primary sites and all of these participants were offered financial education and intensive case management, in addition to a 3:1

match. Compared with the experimental sample, they were more likely to be female (70 percent versus 52 percent) and less likely to have post-secondary education (25 percent versus 50 percent). Their average annual household income was lower than the average among the experimental sample (\$9,958 versus \$13,943).

Income assistance recipients were able to successfully save and earn matched funds through the *learn\$ave* program. SEDI's comparison of income assistance recipients at the experimental sites with non-income assistant participants in the experimental study found that, though income assistance recipients were somewhat less likely to open an account (80 percent, compared to over 90 percent of the experimental sample), this group accumulated total personal savings of \$258,437 and average personal savings of \$695 per participant. Among those who made a matched withdrawal, the average amount of matched funding withdrawn was \$3,142.

A separate study of income assistance recipients showed that they saved an average of \$695 per participant.

SRDC used PMIS data to compare participants receiving income assistance at baseline with those who did not receive income assistance at baseline, across all ten sites. Similar to SEDI's findings above, this analysis found that income recipients did save significant amounts, though average savings were \$206 less than for non-income assistance recipients. This analysis controlled for program design and socio-demographic factors. A major reason for the lower savings rate may be the asset limits in place at the time for income assistance; recipients jeopardized their benefits by saving too much. Both SEDI and SRDC note that these findings demonstrate that even the poorest participants were able (and willing to) save, calling in to question the assumption underlying asset-limits in Canadian social welfare policy that income assistance recipients cannot save for the future. Many provinces have since exempted IDA savings from welfare asset limits.

Data Verification

SRDC performed regular data verification checks on the PMIS data and worked with SEDI and the community partners to address any inconsistencies. In 2003, all program sites conducted manual verification of the dates that each participant entered the program. In 2004, SEDI added an automatic quality check module to the PMIS that enables the sites to more easily identify and correct data quality issues.

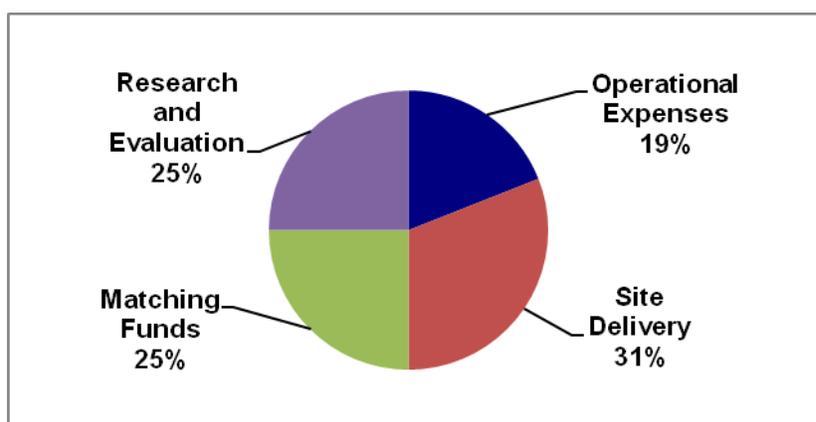
Limitations

While *learn\$ave* offers valuable evidence for practitioners, researchers, and policy professionals, those who want to apply the evidence to the American context should be aware of several limitations to the demonstration research. First, although *learn\$ave* generated an enviable sample size for the experimental component, the sample differs in significant ways from the eligible population in either Canada or the United States. For example, *learn\$ave* participants were more likely to be immigrants, younger, single, well educated, and employed than the general eligible population in Canada. These differences limit the generalizability of the findings to the Canadian population. Similar concerns must also be considered in applying the findings to the United States. In addition, because participants volunteered for a program supporting adult education, they are likely more interested in pursuing education than a random sample of the eligible population would be.

Secondly, all longitudinal research suffers from attrition and *learn\$ave* is no different. Researchers cannot know how key outcomes relate to the propensity of respondents to attrit or how full response would have altered observed outcomes. It is possible that attrition correlates with failure on achieving program goals and that motivations for attrition were different for treatment and control group members.

Costs of Planning, Implementation, and Evaluation

HRSDC funded the full project at \$31,553,000 (in 2000 Canadian dollars, which is equal to approximately \$21,140,500 in 2000 USD and approximately \$26,300,000 in 2010 USD).



About 19 percent of the total project cost (\$6,053,000) went to operational expenses including human resources, overhead costs, administrative fees (audit, legal, tax and accounting consultants), learning exchange facilitation (e.g. all-sites meetings and web-based connections), capital and developmental costs, and policy research and analysis. SEDI was responsible for the operational aspects of the *learn\$ave* demonstration.

Approximately 31 percent of the total project cost (\$9,900,000) covered the site delivery costs, which were administered by SEDI and included monitoring and local delivery costs. The matched funding allocated to participants comprised approximately 25 percent of the total cost at \$7,800,000.

The cost of the research component, designed and led by SRDC, was approximately \$7,800,000, one quarter of the total project expense.

Relevant Lessons for U.S. Policymakers, Researchers, and Practitioners

As the largest matched savings demonstration yet implemented, *learn\$ave* research produced a plethora of interesting and relevant findings for the asset building field in the U.S. and around the world. The findings from this research point to specific recommendations and suggestions for AFI-funded projects and other asset building endeavors. These recommendations for policymakers, community agencies, and program evaluators appear in Section VII of this report.

IV. The Independent Living Accounts Demonstration

History of the Independent Living Accounts Demonstration

The Canadian Independent Living Account (ILA) program was first conceptualized by Social and Enterprise Development Innovations (SEDI) in 2002 during a national consultation convened to discuss the viability of Home\$ave, another asset building intervention proposed by SEDI. During discussions about how to help low-income families save for homeownership, stakeholders became aware that a pressing, yet unmet, need existed to assist individuals living in transitional housing move to stable rental housing. Evidence from asset building programs in Canada and the U.S. demonstrated that even the very poor could save and achieve financial goals when provided incentives and tools. SEDI was looking to apply these lessons to increase self-sufficiency of people living in transitional housing and help them overcome major barriers to entering the private rental market. Transitional or temporary housing is considered an intermediate step on a continuum of care between an emergency shelter and permanent housing. Transitional shelters are designed for longer stays (between three months and three years) than emergency shelters and provide a variety of supportive services in addition to housing.

In 2004, SEDI undertook research commissioned by the Housing and Homelessness Branch of Human Resources and Skills Development Canada (HRSDC) with funding from the National Research Program of the National Homelessness Initiative. The purpose was to implement a small-scale pilot project to test the viability of a matched savings program with the transitional housing population. The demonstration was designed to test the scalability of the model (i.e. if it could be implemented nationally) and to identify the most significant program aspects (i.e. the parts of the package of services that were critical to success). The evaluation did not use an experimental research design.

The one-year ILA demonstration was launched in 2005, providing matched savings and other support to help individuals in transitional housing save for security deposits, utility connections, rental insurance, and moving fees. The program was implemented at three sites to test the intervention across different populations and settings: Edmonton, Fredericton, and Toronto. Edmonton, the capital of Alberta, has a population of roughly 1 million in the greater metropolitan area and one of the lowest urban population densities in North America and a relatively low rate of homelessness. In 2004, an annual one-day count of the homeless found approximately 2,200 homeless individuals in the City of Edmonton. Fredericton, the capital of New Brunswick, is the smallest ILA site with a population of just over 50,000. Toronto is the largest city in Canada, home to a quarter of the Canadian population, and also has the largest homeless population in Canada. Almost a quarter (22 percent) of the Toronto city population was living below the poverty line in 2003 and more than 30,000 individuals stayed in a homeless shelter at some point in 2002.

ILA provided matched savings (for security deposits, utility connections, etc.) and support to assist those in transitional living move to stable rental housing.

Eligibility

Eligibility for the program required that applicants possess a valid Canadian social insurance number, have total family income at or below 110 percent of the Low Income Cut-Off (LICO) as defined by Statistics Canada, be living in temporary housing or at risk of losing current rental housing at the time of application, and not hold liquid assets¹⁹ greater than 10 percent of their annual family income (with a program minimum of \$500 and a maximum of \$3,000).

Recruitment

The community partners were responsible for recruitment and SEDI provided support in developing recruitment strategies. Since the Toronto project partners provided transitional housing, they were able to utilize direct recruitment strategies with their clients. Neither the Fredericton nor Edmonton sites were direct providers of transitional housing services so they had less opportunity for direct contact with potential participants and found recruitment more challenging. Both sites worked through community partners that provided housing services in order to reach the eligible population. The ILA project enrolled 198 participants: 111 in Toronto, 18 in Fredericton, and 69 in Edmonton (though 34 of these were later found not to meet eligibility criteria). The saving incentives were a significant draw for recruitment; enrolled participants reported that despite some initial skepticism, the opportunity to earn matched savings was very appealing.

Program Design

All participants received access to matched savings accounts at local financial institutions as well as financial capabilities training and intensive case management services. The three program components were designed to operate as part of a comprehensive package with the aim that this combined support would facilitate entry into independent living in the rental housing market.

Project variations were introduced at each site to address differences in local housing market conditions, demographic characteristics of groups needing social service assistance, and service provider capacity and goals. These differences included variations in match rates across sites, maximum personal savings amounts, and monthly savings goals. Fredericton offered a match rate of 2:1 (i.e. \$2 in matching funds for every \$1 saved by the participant) while Toronto and Edmonton offered a 3:1 match. Match caps²⁰ also varied by site: Fredericton provided up to \$1,000 in matching funds per participant, resulting in possible total savings over the one-year savings period of \$1,500 (\$500 matched at 2:1) while Toronto allowed up to \$1,200 in matching funds, resulting in possible total savings of \$1,600 (\$400 matched at 3:1). Each site required participants to take at least 10 hours of financial capability training in order to cash out with matching funds, though participants could take more than the minimum. Fredericton offered 5 sessions totaling between 12 and 14 hours, Toronto offered 12 sessions totaling 16 hours, and Edmonton provided 5 sessions totaling

¹⁹ ILA asset limits only considered liquid assets, meaning those that could potentially be converted to cash during the demonstration period. This included savings, stocks, bonds, mutual funds, and any other investment or savings vehicles such as Registered Retirement Savings Plans that could be liquidated.

²⁰ A match cap is the maximum amount of matched funds available to participants.

approximately 15 hours. The trainings were offered at multiple times to maximize availability to participants. For additional information about the financial capability training, see Appendix B.

Unfortunately, due to a lack of fidelity to program protocols, eligibility criteria, and data collection methods at the Edmonton site, the ILA demonstration was unable to include data from these participants in the quantitative analysis. All quantitative data and findings include only participants from the Toronto and Fredericton sites, though qualitative data is available for all three sites.

Participant savings deposits were reported by bank statements and entered by case managers into the Management Information System (MIS) designed by SEDI for the ILA project. Savings matches were displayed as virtual credit on monthly bank statements so that participants could see how much match they were earning. The matching funds were contingent on meeting program requirements (e.g. minimum hours of financial education and number of contiguous savings months). When the participant was eligible for and ready to cash out, the matched funds were paid directly to the vendor along with the participant's own portion.

Brief Overview of Outcomes

Savings outcomes are available for the 129 participants at the Toronto and Halifax sites.²¹ Of the 129 who enrolled, 100 saved at least \$10 for one or more months. Nearly half of the ILA participants (47 percent) earned matching funds and 44 percent accessed the matching funds and relocated into affordable rental housing. Across all 129 accounts, a collective savings of more than \$33,000 was achieved and almost \$79,000 was earned in matched contributions by participants with previously low asset accumulation.

Using the wealth of information garnered from the ILA demonstration, SEDI has produced two reports, in 2006 and in 2009. The 2006 Final Report presents findings from the demonstration and discusses the role of financial education, saving incentives, and case management in helping people in temporary housing save and move into the private rental market. The 2009 report expands on the 2006 report by reframing the Return on Investment and includes findings from a small follow-up study conducted by SEDI with a sample of ILA participants post-program. The 2009 report also presents recommendations for expanding the ILA model to support specific groups and vulnerable populations in transitional housing or at risk of homelessness.

The following sections present a description of the key players, the timeline and current status of the project, evaluation design, research findings, and the cost of implementation and research. We conclude with relevant lessons for policy makers and IDA program managers in the U.S.

²¹ As noted previously, the Edmonton site enrolled 69 account holders. However, their enrollment is not counted here because consistent eligibility criteria were not applied by the implementing organization and researchers were unable to obtain sufficient data on program participants.

Key Players in the Demonstration Project

Design and Implementation

The ILA project was designed and administered by SEDI, a not-for-profit organization in Canada focused on policy development, project management, capacity building, public education and research in the areas of asset building, financial education and entrepreneurship for low-income individuals. As the lead organization, SEDI worked with all project partners to ensure the project design met the needs of the target population and the service providers. To execute the demonstration, SEDI staff developed an Operations Manual and a financial capability curriculum, trained case managers, created a Management Information System (MIS) to collect participant data, and managed the project research, which was carried out by Ryerson University.

Demonstration Research

The Faculty of Community Services within the Department of Urban and Regional Planning at Ryerson University was chosen to lead the ILA research because of their extensive experience researching homelessness and the need for supportive services in transitional housing. As noted above, funding for the research component was provided by the National Secretariat on Homelessness under the National Homelessness Initiative.

Funding Partners

Funding for the research component was provided by the National Research Program of the National Homelessness Initiative which falls under the umbrella of HRSDC's Housing and Homelessness Branch. SEDI took on fundraising responsibilities for the implementation costs and was successful in raising funds to cover administrative costs and matching funds from TD Canada Trust, Toronto Rotary Club, the City of Toronto, the City of Fredericton and the New Brunswick Building and Trades Union. In addition, the provinces of Ontario (Toronto) and New Brunswick (Fredericton) granted approval for Social Assistance Recipients to participate in the program without compromising eligibility for public benefits.

Partnering Community Agencies

SEDI recruited community agencies who were already serving the transitional homeless populations in the three selected cities to implement and administer the ILA program as community partners. In Toronto, these agencies include Fort York Residences, Eva's Phoenix, Amelie House and St. Clare's Residence. In Fredericton, SEDI recruited the Fredericton YMCA to implement the ILA program. Though the Fredericton YMCA serves the shelter population, they do not directly provide housing. They worked closely with a transitional housing facility but did find recruitment and communication with participants to be more difficult than for those sites who offered transitional housing services. The Edmonton Community Loan Fund implemented the project in Edmonton in conjunction with local transitional housing providers. Each of the partnering community agencies were responsible for recruiting clients, providing case management, delivering financial capability training, assisting with the banking processes, and administering the matched contribution process.

Financial Institutions

The ILA accounts were held in local banks: TD Canada Trust in Toronto, the York Credit Union in Fredericton, and the Edmonton Community Loan Fund in Edmonton. These banks provided staffing resources to open accounts, process deposits and withdrawals, and deliver monthly account statements to the community partners. Financial institutions also assisted in account monitoring, training for staff, and financial training for participants.

Timeline and Current Status of the Project

The ILA demonstration ran for one year, ending in March 2006. After the demonstration period ended, the ILA model continued to be implemented in the City of Toronto. ILA is currently on its third iteration and has expanded to include eight Toronto shelters. The City of Toronto provides support for administrative costs of the ILA projects while the matching funds are provided by private sources.

In 2008, SEDI received a Vital Ideas award from the Toronto Community Foundation for the ILA project. SEDI utilized funds from this award to further investigate the efficacy of the ILA model and to determine its ability to support specific vulnerable populations. In 2009, SEDI released a report detailing these findings. The report not only informs the current ILA program, but provides vital information for organizations who are interested in implementing ILA or a similar project²². ILA also recently received a substantial foundation grant to support financial literacy training and is currently consulting with the Centre for Addiction and Mental Health to improve financial education for populations impacted by substance abuse and mental illness. These findings will be used to improve delivery of financial education to the ILA sites.

Although the ILA demonstration has ended, the ILA model continues to operate in eight Toronto shelters while the success of the project provides opportunities for researchers to seek new ways to expand the model.

A major challenge that remains for ILA staff and participants is the lack of affordable housing. On-site housing case workers at most ILA partner sites help ILA participants to locate affordable and appropriate dwellings. Community partners have found the efforts of housing case workers to be of major importance in helping participants locate affordable and safe units.

Future Initiatives

SEDI would like to expand the ILA model to include the use of matched funds for employment support programs so that ILA participants who desire preparation for employment would be allowed to use a portion of their savings to pay for training. A proposal to fund this expansion is currently under consideration with a private foundation.

²² Fair, Adam, Hollis Moore, Jennifer Robson, Barbara Gosse (2009). *Independent Living Accounts: Leaving Homelessness in the Past*. Toronto: SEDI.

SEDI and their community partners also hope to expand the ILA model to support specific groups and vulnerable populations. Together, they would like to create programs for Aboriginal groups and newcomer populations (immigrants arriving within the past two years), homeless children and youth, persons with mental health or substance abuse issues, and persons who have been involved with the criminal justice system. In addition, SEDI and their community partners are interested in modifying the ILA program to be used with incarcerated individuals in the future and have secured funding for applied research with this population. The ILA program is currently running in two Aboriginal shelters with plans for expansion. Outreach to the newcomer population has not yet been substantial.

A follow up study on the ILA project's operational effects is scheduled for the summer of 2010. Goals for this research will include measuring sustained impact for participants who were able to obtain permanent housing as a result of successfully cashing out of the program in 2008 and 2009. In addition, a recalculation of the Return on Investment will be compared to computations from earlier reports in 2006 and 2009.

Evaluation Design and Methodology

Research Design

The overall research goal of ILA was to explore the results of providing financial training, savings incentives, and case management for persons living in temporary housing. The research component was designed to determine the effectiveness of the ILA program as an approach to assist the poor in building sufficient savings that could be leveraged to finance stable rental housing. The study was also designed to examine whether incentives like matching funds, financial literacy education, and case management enhanced the experience of participants and produced changes in financial knowledge and behaviors. The evaluation was intended to identify potential improvements to the model and inform policy and practice.

The research design included qualitative analysis, quantitative analysis, and a calculation of the cost per capita and return on investment. Due to funding constraints and the difficulty inherent in tracking the transitional shelter population over time, the study did not include a comparison group. The qualitative analysis used data from focus groups and key informant interviews to examine participant and staff responses to the project and to identify elements considered the most useful as well as areas for change. Case study methodology was used to assess project performance at each site independently. Each of these is discussed in greater detail below. The quantitative analysis used data from the MIS including socio-demographic and economic data from the application form, savings behavior throughout the project, case management notes, participation in the Financial Capability Training (FCT), goal achievement, and cash-out information to explore outcomes for program participants. Each of the study components is discussed in greater detail below.

Focus Groups. With the expectation that participants' attitudes and reactions to the program would be teased out most effectively in a group setting, researchers conducted seven focus groups (one at each agency with the exception of two in Edmonton) with six to 10 participants in each. Volunteers were recruited among the participants at each site. The groups were predominantly made up of successful ILA savers, though some program drop-outs also participated. Researchers followed a

standard Focus Group Protocol for each of the sessions. The focus group interviews lasted between 70 and 90 minutes and the sessions were audio taped, transcribed, analyzed and manually validated.

Key Informant Interviews. Key informant interviews provided program staff’s perspective on the program, the fit with organizational mandates, the services provided to clients, and identification of critical components of ILA as well as suggestions for change. The researchers conducted key informant interviews with staff, the partner agencies and the financial institutions. Twelve structured one-on-one in depth interviews were conducted, six in Toronto and three each in Fredericton and Edmonton. Researchers developed a Key Informant protocol to ensure consistency across interviews.

Case Studies. The performance of the ILA demonstration was evaluated at each site using a case study methodology. The case studies were intended to provide insight into why and how certain program outcomes were achieved as well as contextual basis for comparative analysis. The sites differed on many levels, including demographic, geographic, and local economic and political environments. The case studies were used to highlight these differences and explore the strengths and challenges of both implementation and performance of the ILA project in each of the three contexts.

Quantitative Analysis. The objectives of the quantitative analysis were to provide an overview of the participants, project participation, and savings as well as to identify relationships between demographic characteristics, participation levels, savings behaviors, and successful outcomes. The quantitative sample included 129 participants living in transitional housing at the Toronto and Fredericton sites. As noted above, data from Edmonton is not represented in the quantitative analysis because the program began its activities before the official start of ILA, maintained different eligibility criteria for clients, and elected not to follow project or data collection protocol. The Edmonton location was treated as a separate study.

Data obtained from the application forms was used as the baseline to evaluate the ILA project and to measure relative changes in participants’ economic well-being and housing situation. These variables included: gender, date of birth, cultural background, language most commonly spoken, citizenship, immigration status (including whether arrived in Canada in the last 2 years), employment status, marital status, disability status, recent experience with substance abuse, highest level of education, individual and family income, value of assets, current living arrangement and length of time there. These data were entered into the MIS. Throughout the course of the project, case managers also entered into the MIS data on participant financial education hours, savings behavior, savings amounts, cash outs for matched funds and case management information. The analysis of this data uses descriptive statistics and cross-tables to examine patterns of association between socio-demographic characteristics, levels of program participation, and savings outcomes.

Research Findings

The objective of the ILA evaluation was to inform policy and practice by evaluating the effectiveness of the ILA intervention and by gathering information about how to improve the project design in the future. Specifically, the researchers wanted to test:

- The effectiveness of the ILA intervention to assist the poor in accumulating enough savings to move into mainstream rental housing;

- The efficacy of the ILA model implemented with people living in transitional housing;
- The applicability of each program component (matched savings, financial education, and case management) for individuals in transitional housing; and
- Ways to improve the ILA model to increase success.

Findings from the evaluation are discussed below, beginning with a description of the sample. This is followed by a presentation of findings on participant savings behavior and savings outcomes. Next we discuss findings related to program success, defined as attaining matched funds to pay for rental housing expenses, followed by a discussion of staff perspectives on program successes and challenges, and participant perspectives of the program. Finally, we briefly discuss results from a follow-up study conducted one year post-participation.

Descriptive Statistics of the Sample. The sample composition was largely determined by the partnering agencies' target populations and differed significantly by agency. For example, the largest proportion (44 percent) of the sample came from the Fort York shelter in Toronto, which serves a male-only population. The 18 to 25 age category had the highest representation in the sample but this was largely due to the fact that all participants from Eva's Phoenix, a youth residence in Toronto, were in this age group. Despite the targeted nature of the sites, the overall gender distribution in the sample represented the typical gender distribution among urban homeless populations at approximately one-third female and two-thirds male. Age was relatively evenly distributed with the highest proportion (29 percent) between 18 and 25 years, 16 percent between 26 and 35 years, 24 percent between 36 and 45 years, 25 percent between 46 and 55 years and only 7 percent at 56 years and older.

Annual family income of participants ranged from \$400 to \$25,000 with an average of \$8,628. The average reported income among Fort York residents was higher at \$11,525 than at other sites. The site with the lowest average reported income was St. Clare's, an all-women shelter in Toronto, at \$4,687. The majority of participants had completed high school, though 42 percent had not. (The majority of those who had not completed high school were at Eva's Phoenix, representing the youngest cohort.) Twenty percent (25 participants) had completed some degree of post-high school education. Nearly half of the participants (46 percent) were unemployed when they applied for the ILA project while 20 percent were employed part-time and 29 percent were employed full-time or more. A small percentage of participants (5 percent) reported that they were retired or a homemaker and not seeking employment.

Twenty percent of participants in the sample reported that they were a visible minority and only 4 percent reported that they were aboriginal. All participants reporting minority or aboriginal status were in the Toronto project. Distribution of participants reporting disability status was even between the Toronto and Fredericton sites at 13 percent and 12 percent respectively, making up 13 percent of the total sample.

Participant Savings Behavior and Outcomes. The ILA evaluation was designed to measure if and how much the intervention encouraged participants to save. Over the course of the one-year demonstration, the Toronto and Fredericton participants saved a combined total of \$33,139 and earned \$78,937 in matching funds. Participants saved an average of \$37.82 per month and \$270.43

total over the one-year savings period. Savings behavior differed by agency. Eva’s Phoenix, the youth residence, had the highest average monthly savings per participant at \$63.91 though Fort York, the all-male shelter, had the highest average total savings per participant at \$387.34. The researchers note that Fort York had an existing forced savings program for residents and also the highest percentage of participants employed full-time, which likely contributed to this result. The Fredericton site had the lowest monthly savings average at \$25.06 per participant and the lowest average total savings per participant at \$213.02.

The savings accumulated by the 129 participants at each site is described in Table 4.1 on the next page. Nearly half (46 percent) of the Toronto participants reached the \$400 savings level to maximize the potential match. Just over a fifth (22 percent) of the Fredericton participants saved \$500 or more to maximize their potential match. (A third of Fredericton participants saved more than \$400.) Thirty percent of the overall sample saved between \$1 and \$399. About one quarter of the sample (26 percent, 34 participants) opened accounts but did not save any money.

The ILA project required participants to have at least six active saving months, defined as a \$10 increase from the account balance the previous month. Of the overall sample, 47 percent saved at least six months and were eligible to cash out. Of these, 91 percent (representing 44 percent of the overall sample) successfully cashed out with their matching funds and moved into the rental market.

Table 4.1. Participant Saving Accumulation by Site²³

N=129	Amelie House	Eva’s Phoenix	Fort York	St. Clare’s	Toronto Total	Fredericton YMCA	Grand Total
\$0	3	17	8	2	30 (27%)	4 (22%)	34 (26%)
\$1 - \$99	3	5	9	2	19 (17%)	5 (28%)	24 (19%)
\$100 - \$199	0	1	3	9	4 (4%)	0 (0%)	4 (3%)
\$200 - \$299	0	0	2	1	3 (3%)	2 (11%)	5 (4%)
\$300 - \$399	2	1	0	1	4 (4%)	1 (6%)	5 (4%)
\$400 - \$499	5	5	21	3	34 (31%)	2 (11%)	36 (28%)
\$500+	1	2	14	0	17 (15%)	4 (22%)	21 (16%)

Successful Participants. The ILA research defines program success as “the ability to access matched credits for rental housing and housing support” (Gosse, Springer, & Webber, 2006, p. 33). As noted above, the overall success rate was 47 percent and this varied by agency, ranging from 26 percent of participants at Eve’s Phoenix to 58 percent at Fort York. Interestingly, participants receiving Social Assistance were generally less successful than other participants: seven of the 24 participants (29 percent) receiving Social Assistance were eligible to cash out with matching funds, compared with 47 percent of the overall

Almost half of the ILA participants earned matched funding for rental and housing support.

²³ Taken from Gosse, Barbara, Joseph Springer, and Steven Webber (2006). *Building Foundations for Canadians in Transition: Final Report of the Independent Living Account Project*. Toronto: SEDI and Ryerson University, p 31. All figures are reported in Canadian dollars.

sample. The findings also suggest that family income is positively related to likelihood of participant success. The average family income of successful participants was \$10,214 compared with \$7,373 for those who dropped out. (The average for all participants was \$8,628 and ranged from \$400 to \$25,000.) While 47 percent were successful in the sense that they earned matching funds, 44 percent of participants actually accessed those funds through a matched withdrawal for rental housing expenses. Male participants were more likely than female participants to make a matched withdrawal, even after controlling for the higher proportion of men in the sample. This was in part due to the fact that shelters for women often allowed longer residence periods, making the one-year timeframe of the ILA problematic. Age also emerged as a predictor: older participants were more likely than younger participants to cash out. Education and race were not found to be predictors of successful saving in the project.

The researchers found a correlation between participation in the Financial Capability Training (FCT) and the likelihood of successfully cashing out. Those participants who cashed out of the ILA program took an average of 13.2 hours of FCT while those who did not cash out of the program took an average 5.74 hours. This could be related to the finding that 41 percent of those who dropped out of the program did so before saving any money and therefore may not have had any motivation to participate in the FCT.

Staff Perspectives on Program Success. As part of the qualitative analysis, researchers conducted structured interviews with key agency and bank staff. Results from this study revealed that the community agencies believed the ILA program complemented their agencies' missions and provided critical support to residents. Interviewees identified several indicators of program success among their clients, including higher self-esteem and a sense of taking control of their lives and developing a culture of savings which led some participants to save beyond the minimum required. The FCT was seen as a critical component of these outcomes and all program staff indicated a desire to expand the FCT facilitation in their programming even after the ILA demonstration ended. They also noted that the ILA program fostered stronger links between staff and clients which led to former residents staying in touch with staff and coming back to visit after moving into other housing.

Staff Perspectives on Program Challenges. Key informant interviews also revealed several recurring challenges to program implementation. Agency staff noted that attrition was high and identified a primary reason being the relocation of residents experiencing mental health issues to supportive facilities and that residents committing substance abuse infractions were either transferred to detox facilities or expelled from the shelter. Staff also noted that the project timeline was too short to work for many in the transitional housing population, noting that people in transition experience a lot of ups and downs and may need time to get used to the program's concept before maintaining a saving habit. In addition, the one-year timeline may have discouraged people from signing up. For example, St. Clare's Residence allowed residents to stay for up to two years but because the ILA program required participants to be ready to cash out within a year, it excluded those who wanted to stay a second year in the shelter. Staff also noted that many in the transitional housing community have had negative relationships with banks in the past and the requirement of establishing an account caused some hesitation among potential participants. More specifically, some were unwilling to open an account at the local bank hosting the ILA accounts because of a past run-in with that bank in particular. A final challenge noted by staff was the inadequate amount of resources allotted to cover staff time to effectively run the program.

Participant Experience of the Program. As a component of the qualitative analysis, researchers conducted a series of focus groups with participants at each site, including both “successful” participants and participants who left the program. The goal of the focus group study was to identify participant attitudes toward the program. Participants in the focus groups reported that they were initially skeptical of the ILA program and male participants were more likely than females to be suspicious that there was a catch. Female participants tended to be more optimistic about the potential for the program to help them. For both men and women, the financial incentives targeted toward accruing first and last months’ rent were the most significant factor in choosing to participate. The FCT was reported by all focus group participants to be critical to their success and many expected it to have a long-term impact on their lives. Participants noted that in the FCT, they learned and practiced basic financial skills that they needed in everyday life and this helped them overcome the challenge of finding dollars to save within a tight budget.

The financial capability training was reported by all focus group participants to be critical to their success and many expected it to have a long-term impact on their lives.

The character of interactions with front-line agency staff was instrumental in determining a positive or negative experience of the program for participants. Participants who were successful attributed their success in part to the support and dedication of agency staff and positive initial encounters. In contrast, one agency in Toronto experienced a high attrition rate at the beginning of the program due to negative interactions between applicants and the primary agency contact.

Analysis of the focus group data reveals strong feelings among participants that the ILA project had changed their life trajectory. They identified several key benefits of participation, including increased self-confidence, independence and control over their lives, self-sufficiency, long-term goal setting, and recognizing the benefits of deferred gratification. Participants also noted that they learned to trust others and built social networks and supports with fellow ILA participants who could relate to their experiences. Those participants who cashed out looked for housing in neighborhoods they previously would have considered out of reach and felt they were in good positions to negotiate with landlords because of their ready money.

Follow-up Study. One year after the conclusion of the original study, SEDI conducted follow-up interviews to assess participant’s level of success post-program. SEDI constructed a list of 50 former ILA participants from the Toronto site who had moved out of transitional housing. SEDI contacted these 50 former participants by mail and received responses from 22, whom SEDI then interviewed by phone. The purpose of this follow-up was to explore the sustained impact of ILA in participants’ lives and housing status. A year after the ILA demonstration, 81 percent of the 22 respondents were still paying their own rent using income or savings. In addition, 72 percent reported participating in the labor force and 41 percent said they were still using their ILA account as a basic bank account.

Data Verification

SEDI developed and maintained the MIS but the accuracy of this data depended on the partner agencies that recorded and submitted the information. To ensure the quality of the data, SEDI trained

the agency staff on how to use the system, included drop-down menus for ease of use, and provided online assistance. SEDI staff regularly checked the site data and communicated directly with the sites in the event of any abnormalities or discrepancies. Additionally, SEDI performed quarterly checks of the MIS data throughout the ILA project. As noted above, the Edmonton site elected not to use the MIS for data collection and their project data could not be validated.

Limitations

The most significant limitation of the ILA demonstration research is the lack of control or comparison group. Without an experimental or quasi-experimental design, it is not possible to separate the impacts of the program from changes or effects resulting from other factors. It is conceivable that the ILA participants might have been as successful at moving out of transitional housing without the ILA program. Without a comparison or control group, the findings cannot speak directly to the impact caused by the intervention.

The study also lacks data on recidivism. A full-scale follow up study to track the well-being and housing status of past participants would be helpful in answering questions about the lasting impact of ILA participation. It is important for policymakers and advocates to know if the ILA model can help participants sustain mainstream housing and economic independence. Finally, the return on investment analysis was calculated using data that was collected without the knowledge that this analysis would be performed.

It is also important to note that the small sample size (n=129) limits the research power of the ILA demonstration. In addition, the sample is not necessarily representative of the target population and thus the findings may not be generalizable.

Costs of Planning, Implementation, and Evaluation

The ILA demonstration research was funded by the National Research Program of the National Homeless Initiative at a total cost of \$105,000 (Canadian 2004 dollars; 2004 average annual exchange rate of 1.3 to the US Dollar). This paid for SEDI's labor costs, including project management, internal support for the MIS system, accounting and administrative support, as well as the external costs of development and ongoing programming support of the MIS. This amount also covered research consultation with Ryerson University (approximately \$35,000), travel to the sites, stipends for focus groups, research equipment, materials, office supplies, and printing and communications. The remaining costs of implementation (such as program match and operational costs for the sites) were provided by TD Canada Trust, Toronto Rotary Club, the City of Toronto, the City of Fredericton and the New Brunswick Building and Trades Union.

Costs to implement the project in Toronto, a major urban center with a relatively large homeless population, were used to calculate the cost per capita and a return on investment for the ILA program²⁴. The breakdown for project development and administration, staffing, overhead, and matched funds is included below in Table 4.2. Site administration costs included project operation

²⁴ This calculation did not include the full cost of developing and staffing the MIS nor any research costs.

costs such as orientation, training of trainers for the FCT, participant recruitment, case management, data collection, cash-out administration, and overhead at the site. SEDI staff and overhead cost includes project management, development of the FCT and associated training, development of the operations manual, a portion of the MIS costs, and project administration. It is important to note that the demonstration leveraged SEDI's extensive knowledge base and experience in project design, partner recruitment, and operations. On-site costs were also kept low by taking advantage of existing infrastructure at the partnering agencies. If implemented on a provincial or national scale, the program costs may vary significantly.

Table 4.2. Site and Per Capita Costs based on Toronto over the One-Year Demonstration²⁵

	Site Costs	Per Capita Costs
Site Administration	\$73,983	\$667
SEDI Staff and Overhead	\$62,500	\$563
Matched Contributions	\$71,569	\$1,169
TOTAL	\$208,052	\$2,399
Participant Savings	\$29,335	\$328

SEDI notes that the per capita cost should be understood within the context of the costs of housing individuals in transitional shelters, which SEDI reports ranges between \$39 and \$77 per day at the four Toronto agencies. As the demonstration succeeded in helping nearly half of the participants move in to mainstream rental housing and reduced the time they spent in the shelters, the per capita costs of the demonstration can be considered a savings. If participants on average are able to reduce their time in shelters by 30 to 60 days, the investment to implement the ILA intervention results in a net savings.

In the 2009 report, SEDI expands on this data to provide a return on investment calculation. Covering costs and benefits over a two-year period, SEDI calculates a return on investment of 2.19. (To calculate this figure, SEDI subtracted the sum of the costs from the sum of the benefits and then divided by the sum of the costs. A discount rate of 8 percent was applied to costs and benefits in the second year, in order to adjust for future value.) The results suggest that each dollar invested in an ILA project can generate \$2.19 in benefit within one year of project graduation.

Relevant Lessons for U.S. Policymakers, Researchers, and Practitioners

The ILA demonstration produced a plethora of interesting and relevant findings for the asset building field in the U.S. The findings from this research point to specific recommendations and suggestions for AFI-funded projects and other asset building endeavors. These recommendations for policymakers, community agencies, and program evaluators appear in Section VII of this report.

²⁵ Taken from Gosse, Barbara, Joseph Springer, and Steven Webber (2006). *Building Foundations for Canadians in Transition: Final Report of the Independent Living Account Project*. Toronto: SEDI and Ryerson University, p 53. All figures are reported in Canadian dollars.

V. The Home\$ave Program

History and Status of the Home\$ave Program

The first two major asset building demonstrations planned in Canada, *learn\$ave* and ILA, differed significantly from those pioneered in the U.S. and U.K. in that they did not allow participants to save money for home purchase. While there were small homeownership assistance programs operating throughout Canada in the 1990s and 2000s targeting low-income households, most governmental assistance was provided in the form of tax credits that primarily benefited middle and upper income earners. Homeownership IDAs were piloted through the American Dream Demonstration in the U.S. in the late 1990s and funded nationally through the federal Assets for Independence Act in 1998, as well as through states and private foundations. Canada had not yet tested asset building strategies to encourage homeownership on a large scale, however.

In 2004, the Canada Mortgage and Housing Corporation (CMHC) commissioned Social and Enterprise Development Innovations (SEDI) to research and design a pilot project to test homeownership IDAs across Canada. The CMHC is a government-owned corporation, established in 1946 to address the post-war housing shortage. It is now the primary national provider of mortgage loan insurance and mortgage-backed securities in Canada and plays a major role in housing policy and research.

With funding from CMHC, SEDI conducted a national consultation with community groups, service agencies, financial institutions, and provincial and local governments to design a pilot that would fit the needs, capacities, and priorities of all stakeholders. The resulting pilot project, Home\$ave, garnered significant interest from the provinces of Nova Scotia, Saskatchewan, and Manitoba as well as the cities of Toronto, Montreal, Hamilton, Regina, Saskatoon, Fredericton, and Halifax. In addition, several private organizations and financial institutions expressed interest in partnering with SEDI to fund and implement the Home\$ave pilot.

Despite national interest, the pilot project was not funded by the federal government and remains on hold. SEDI hopes to move forward with the implementation and research in the future.

VI. Provincial and Local Asset Building Initiatives

Since the introduction of asset building strategies to Canada in the late 1990s, many provinces and local service providers have implemented various asset building policies and programs. These are fundamentally different from the two major demonstrations detailed in this report, in that these programs do not include a significant research agenda and are often targeted to a specific local population.

This section details several federal, provincial and local programs that may be of most interest to the AFI community, including policy makers and grantees.

Federal Level Initiatives

Registered Education Savings Plan

The Registered Education Savings Plan (RESP) is a universal savings program for post-secondary education expenses, similar to 529 plans in the U.S. However, RESP accounts are available to adults as well as children. Anyone can open an account for a child, provided the child and parent have a social insurance number. The accounts can be opened at nearly all financial institutions across Canada, including banks and credit unions, and also with certified financial planners, though RESP accounts differ significantly in structure and rules by provider.

Money saved in the RESP earns tax-deferred interest and must be used for post-secondary education for the beneficiary. When money is withdrawn for post-secondary education costs, the earned interest is taxed as income for the beneficiary, which frequently results in tax-free withdrawals as many students do not earn enough income to be taxed. The accounts can remain open for up to 36 years. If the beneficiary does not use the money for post-secondary education, contributions to the account can be withdrawn, though any earnings are subject to tax. The RESP savings can also be transferred to another RESP account or to a Registered Retirement Savings Plan. There is a lifetime contribution limit of \$50,000. A number of federal and provincial programs have been developed to support utilization of RESP accounts for children, including the Canada Education Savings Grant and the Canada Learning Bond. These are both described in further detail below.

Canada Education Savings Grant (1998)

The Canada Education Savings Grant (CESG) provides incentives for families to open and contribute to a RESP for children. The CESG offers a 20 percent match for the first \$2,000 contributed each year to a RESP for every child up to age 17. The program is structured to provide progressive benefits to lower-income families, including an additional 20 percent and 10 percent match for the first \$500 in contributions for low- and moderate-income families, respectively. The lifetime limit per child for the CESG benefit is \$7,200. If not used for post-secondary education for the child beneficiary, all CESG contributions must be returned to the government.

Canada Learning Bond (2005)

Implemented in 2005, the Canada Learning Bond (CLB) is a government entitlement program to encourage low- and moderate-income families to open and save in a RESP for their child's post-secondary education. Families eligible for the National Child Benefit Supplement can apply for the

Canada Learning Bond for children born in 2004 and after. The child must have a RESP account to benefit. The program provides a one-time deposit of \$500 into the RESP accounts of qualifying children and annual deposits of \$100 for every year that the family continues to qualify for the National Child Benefit Supplement. The CLB will also provide \$25 to help cover the cost of opening a RESP (costs vary by provider). There is a lifetime limit of \$2,000 in CLB contributions. If not used for post-secondary education for the child beneficiary, all CLB contributions must be returned to the government.

Registered Retirement Savings Plan

The Registered Retirement Savings Plan (RRSP), first introduced in 1957, was developed to encourage and support employed Canadians in saving for their retirement period. An RRSP is a legal trust that is registered directly with the Canada Revenue Agency. They are designed to hold savings as well as investment assets, including mutual funds, mortgage-backed equity, contracts, bonds, stocks, guaranteed investment certificates, income trusts, funds sponsored by an employer, and foreign currency. Contributions to an RRSP made from income earned through employment are tax deductible, thereby lowering the amount of income tax paid by the contributor in a given year. Taxes on these contributions are deferred until the money is withdrawn from the account. Money that is generated by the RRSP, whether from interest, capital gains, or another source, is not taxed until it is withdrawn.

RRSPs exist in three forms (individual, spousal, and group) and may be opened with up to two other persons. Withdrawals made by the contributor from the RRSP are permitted at any age. However, the account must be cashed-out or transferred to either an annuity or a Registered Retirement Income Plan in its entirety by the end of the year in which the account holder turns 71 years old.

Registered Disabilities Savings Plan (2008)

The Registered Disability Savings Plan (RDSP) was created in 2008 to encourage and support Canadians with disabilities to save. Canadians under the age of 60 who are eligible for the Disability Tax Credit are eligible to apply for an RDSP. (Parents and guardians can open RDSP accounts for a disabled minor.) Anyone can contribute to the RDSP but must have written permission from the account holder. Earnings in the account are tax-free until the money is withdrawn. The accounts have a lifetime contribution limit of \$20,000. The federal government provides matching funds up to \$3,500, depending on family income, and also deposits up to \$1,000 a year in RDSPs for low and moderate income families until the beneficiary turns 49. The federal government funds must remain in the account (and cannot be withdrawn) for at least ten years. Savings in the RDSP does not impact eligibility for federal or provincial benefits, including social assistance payments.

Tax-Free Savings Accounts (2008)

The Canadian federal government created Tax-Free Savings Accounts (TFSA) in 2008, which are available to all Canadian residents ages 18 and older. The income generated through interest in a TFSA is exempt from tax when withdrawn. Only the account holder can contribute to the TFSA, up to a maximum of \$5,000 per year.

The Canadian Centre for Financial Literacy (2008)

The Canadian Centre for Financial Literacy (CCFL) was launched by Social and Enterprise Development Innovations (SEDI) and TD Bank Financial Group in 2008 as the first financial

education center in Canada with a national scope. Working with governments, businesses, and community agencies across the country, the CCFL aims to provide money management training to low-income populations and increase knowledge of and access to financial resources available to low income earners in Canada. The CCFL provides training and capacity building for social service agencies to help them tailor financial education to their unique service populations. The Centre also acts as a central pool for information on best practices, innovations, and research on financial education and literacy. In addition, the CCFL provides consultative services for governments and organizations interested in financial education initiatives.

National Task Force on Literacy (2009)

Established in 2009 by the Minister of Finance, the National Task Force on Financial Literacy is made up of 13 financial education experts from business, education, community organizations, and academia. The goal of the Task Force is to provide advice and recommendations to the Minister of Finance on a national strategy to strengthen the financial literacy of Canadians. The Task Force is conducting a national and international consultation to draw on best practices and build on existing initiatives in Canada and released a report at the end of 2010 that outlined a national strategy with timelines and milestones to assess achievement. The report outlined five priorities—shared responsibility, leadership and collaboration, lifelong learning, delivery and promotion, and accountability. Strengthening the financial literacy of Canadians is a shared responsibility requiring a multi-faceted and multi-stakeholder approach. Financial literacy is a skill that is acquired throughout life starting in the formal education system, and continuing with teachable moments throughout one's adult life. There is a need for simplified and easy to understand financial information that is readily accessible, and the appointment of an individual reporting to the Minister of Finance and an evaluation will help keep this initiative accountable with the Canadian public.

Provincial Level Initiatives

The Alberta Centennial Education Savings (ACES) Plan (2005)

The Alberta Centennial Education Savings (ACES) Plan was created by the Province of Alberta in 2005 to help parents plan and save for their children's post-secondary education. This program provides supports through the federal Registered Education Savings Plan (RESP). For every child born to Alberta residents in 2005 and after, with a RESP account in the child's name, the Plan contributes \$500 into the RESP account. In addition, deposits of \$100 are made for children of Alberta residents when they turn 8, 11 and 14 years of age, provided that the children are attending school. To be eligible to receive the \$100 deposits, children must be named as the beneficiary of an eligible RESP with a deposit of at least \$100 made to the account in the prior year.

Québec Education Savings Incentive (2007)

The Québec Education Savings Incentive (QESI), implemented in 2007, is a refundable tax credit to encourage families to use RESP to save for their children's education. All children under the age of 18 residing in Québec are eligible, provided they have a social insurance number and a RESP account. The trustee of the account (usually a parent or grandparent) must apply for the QESI on the child's behalf. The QESI can match up to 10 percent of the contributions made to the RESP account each year, up to a maximum QESI contribution of \$250 annually. Low- and moderate-income families can receive an additional amount, based on family income. The QESI has a lifetime maximum benefit of \$3,600 per child.

British Columbia’s Children’s Education Fund (2007)

The Children’s Education Fund, created by the Province of British Columbia in 2007, is designed to help British Columbia families pay for post-secondary education. Beginning in 2007, the province invests into the Fund \$1,000 for every child born to or adopted by British Columbia residents each year, approximately \$40 million annually. The Fund is managed by BC Investment Management Corporation. With interest, the financial assistance available from the Fund is expected to grow to approximately \$2,200 per child.

Children can apply the benefit to post-secondary education costs when they are between 17 and 26 years of age. Qualifying post-secondary schools include a wide range of facilities in British Columbia that provide academic, trades, or other vocational training. The specific eligibility rules for the Fund have not been finalized but are expected to be released well in advance of the Fund’s first cohort reaching the age of seventeen in 2024.

British Columbia Asset Building Collaborative

The British Columbia Asset Building Collaborative was created following the asset building-focused “Investing in Self Sufficiency Conference” held in British Columbia in 2004. A core group of British Columbia-based community agencies interested in using asset building strategies formed the Collaborative as a means of sharing information and resources and advancing asset building as an economic development tool. The Collaborative aims to promote the use of asset building, develop effective practice guidelines, influence policies related to asset building, and expand funding opportunities for asset building programs in British Columbia. The Collaborative is largely funded by the Vancity Credit Union.

Manitoba Saves! (2008)

The Province of Manitoba launched the multi-pronged Manitoba Saves! Program in 2008 to increase the enrollment in and impact of asset building programs already provided by SEED Winnipeg, a community agency in Winnipeg, Manitoba. The province committed funding to increase the number of low-income Manitobans enrolled in SEED Winnipeg’s financial education trainings (from 240 to 700) and IDA program (from 240 to 450). The province also exempted certain assets from social assistance eligibility rules, including savings and income generated by Registered Disability Savings Plans, gifts up to \$500 a month for individuals with disabilities, and savings up to \$4,000 annually for individuals who have lost their jobs.

Ontario Child Benefit Equivalent for Kids in Care (2008)

In 2008, the Ontario Government introduced a Child Benefit plan that included an asset building tool for children in foster care. The Ontario Child Benefit provides monthly cash payments to low-income families with children to help them meet monthly expenses. Included in this plan is the Child Benefit Equivalent (OCBE) for Kids in Care, which invests the equivalent of the Child Benefit payments for children in foster care to support educational and recreational programs for foster care children as well as to fund savings accounts for older children. The program provides funding for Children’s Aid Societies to open savings accounts for youth in care between the ages of 15 and 17 that the youth can access when they leave care. The accounts can accrue up to \$3,300.

Financial Literacy Training Implemented in Ontario Schools (2011)

The Province of Ontario will implement financial literacy into school curriculum for grades 4 through 12 in September 2011 to help students make informed choices about how to use and manage money. A working group is preparing recommendations for the Ministry of Education regarding the core financial concepts and skills that should be included and how to integrate these concepts into the existing curriculum.

Local Level Initiatives

Momentum (Calgary, Alberta)

Momentum is a community economic development organization in Calgary, Alberta, with a mission to offer hope and opportunity to low income residents. Momentum was first established in 1991 under the name MCC Employment Development, a program of the Mennonite Central Committee Alberta (MCCA). In 2002, MCC Employment Development separated from the MCCA and became an independent, community-based, charitable organization. In 2006, the organization changed its name to "Momentum" to better represent its impact on individuals and the full breadth of programs and services it provides.

Initially, MCC Employment Development offered training to immigrants entering skilled trade occupations. Training to create small businesses was soon added to the list of services, as well as small business loans for the unemployed and underemployed in Calgary. In 1999, the organization began an incentive program to help residents living below the poverty line save money. MCC Employment Development also created youth programs in entrepreneurship and financial literacy and opened a public access computer lab, which allowed participants to take advantage of the Internet to search for jobs. MCC Employment Development was a community partner site in the *learn\$ave* demonstration discussed in detail in this report. Today, Momentum works with over 3,000 people annually and offers several asset building programs.

- Fair Gains is an IDA program that offers a one-year savings period with an option of cashing out up to two years after completing the program. Participants are required to open and hold an account for one year, during which regular deposits of \$15 to \$50 must be made each month. After one year of active deposits, up to \$600 of participant savings are matched at a 3:1 ratio that can be used for an eligible asset, including homeownership, career and educational training, education for a child, starting or expanding a business, or purchasing tools for work. A participant who saves the full \$600 will receive \$1,800 in matching funds for a total cash-out of \$2,400. Participants are required to regularly attend workshops, peer group sessions, and one-on-one meetings to learn about financial management. Applicants must be 18 years of age, have minimal savings and assets, and fall within income poverty guidelines for their household. For example, a family of four must earn less than \$40,259 annually to be eligible to participate in Fair Gains.
- Youth Fair Gains is an IDA program, similar in design and structure to Fair Gains, but open to youth ages 16 to 21.
- Owen Hart Home Owners Program, available to participants who have successfully completed the one-year Fair Gains Program, offers the opportunity to save for a home

down payment and increase knowledge of financial management with an emphasis on home ownership issues. It is a two year program with the option of cashing out up to three years after completing the program. Participants are encouraged to deposit up to \$50 monthly in the first year and up to \$100 monthly in the second year for a total maximum savings of \$1,800. Following two years of regular deposits, savings are matched at a 4:1 ratio. Participants must attend financial management workshops with a focus on homeownership for one year.

SEED Winnipeg (Winnipeg, Manitoba)

Supporting Employment and Economic Development (SEED) Winnipeg is a non-profit agency established in the late 1980s with programming to support low income Winnipeg residents in saving money and to encourage small business start up and development. SEED Winnipeg was a community partner site in the *learn\$ave* demonstration and has continued to carry out numerous asset building programs.

- The Individual Development Account (IDA) Program provides matched savings accounts for low-income individuals and families to save toward buying or renovating a home, education (including children's and spouse's education), starting or expanding a small business, or disability supports. Participants in the IDA Program must save at least \$10 (and up to \$175) per month. Up to \$1,000 saved over two years is matched 3:1 by SEED Winnipeg, for maximum matching funds of \$3,000. Participants must have household incomes at or below 120 percent of the Low Income Cut-Off (LICO), which calculates to \$49,440 currently for a family of four in Winnipeg.
- The Saving Circle Program is a short-term IDA to help very low-income individuals and families save for household expenses such as furniture, medical expenses, a computer, education, a small business, or other household necessities. Participants can save between \$5 and \$65 per month for six months for a total matchable savings of \$275. After six months, participant savings are matched at a 3:1 rate by SEED Winnipeg, resulting in a possible total of \$1,000. Participants must have household incomes at or below 60 percent of the LICO, which calculates to \$24,720 currently for a family of four in Winnipeg.
- My Child's Future is a bundle of support services to help low-income parents understand and access the federal Registered Education Savings Plan (RESP) and Canada Learning Bond (CLB), a federal program that provides additional money for RESP accounts of children in low-income families. SEED Winnipeg offers education about RESP, help in filling out forms to open a RESP account, access to a social worker, and peer support. The goal of this program is to increase the number of low-income families accessing the RESP and Canada Learning Bond to save for their children's post-secondary education.
- The Build a Business Program is an eight-week business management training to teach participants how to build and execute a business plan. Throughout the training, participants build a business plan, one component at a time. After finishing the training, participants meet individually with a business counselor to outline goals to produce a complete and polished business plan within six months and to secure financing, if needed. Participants continue to meet monthly with their business counselor after

launching the business. Eligible participants must plan to base their business in Winnipeg and have a household income at or below 120 percent of the LICO.

- The Youth Build a Business Program uses the structure and design of the program described above, with the additional component of a living allowance provided by Human Resources and Skills Development Canada (HRSDC). Youth participants are also encouraged to participate in SEED Winnipeg's Saving Circle program to help offset start-up costs.
- The Community and Worker Ownership Program (CWOP) provides business start-up support to groups (of three or more) who want to start or expand a cooperative business in Winnipeg. The cooperative should aim to create jobs for primarily low-income individuals and SEED Winnipeg prioritizes those that plan to employ marginalized groups, such as at-risk youth, new immigrants, or disabled individuals. The program provides intensive support including assessment of group and organizational skills, business plan development, design of organizational and operational structure, business management training, assistance accessing financing, and ongoing financial review and strategic planning support for at least two years after the launch of the business.

New Foundations

New Foundations is a program run by Mennonite Central Committee British Columbia (MCC British Columbia) in partnership with World Vision Canada, Vancouver Churches and Vancity Credit Union. The program offers financial education and mentoring in conjunction with a matched savings program for single mother refugees and refugee claimants. Participants who make monthly deposits for a year receive a 3:1 match. The program also offers employment training and job search support.

CA\$H Plan

Eastside Movement for Business & Economic Renewal Society (EMBERS), a Canadian non-profit focused on the revitalization of Vancouver's inner city, offers a number of services to support local microenterprise projects including an asset building program known as the CA\$H Plan that offers 3:1 matched savings accounts to help participants raise the necessary funds to open a business. EMBERS also offers training programs throughout the year, teaching participants basic business principles and strategies so that they can invest their money properly. Participants are further supported by a volunteer business mentor. Lastly, EMBERS offers business support services such as bookkeeping and mail services to CA\$H Plan participants. These wrap-around services are targeted towards the part-time or working poor, new immigrants, and people with disabilities, or existing businesses that may have suffered a setback.

Your Money Matters

The Association of Service Providers for Employability and Career Training (ASPECT) has created an online training tool that is designed to teach people of all ages about the basics of money management. The tool is written at an 8th grade reading level and teaches basic financial and banking practices in Canada, which can make it particularly relevant for recent immigrants. Participants learn about how to open a bank account, how to deposit money, and how to manage their money. The Your Money Matters tool is supported both as a stand-alone resource and as a supplement to current programs.

VII. Applying the Canadian Findings in the U.S.

The asset building demonstration projects implemented in Canada hold many interesting findings and lessons that can be applied to asset building initiatives worldwide. These lessons may indeed have particular relevance for the U.S., given similarities in culture and policy priorities between the two nations. In this chapter, we use lessons learned from *learn\$ave* and the ILA project to develop recommendations for policymakers, community agencies, and program evaluators about how best to apply the findings from these programs to the asset building projects in the U.S. Some of these can be applied directly to the goals and parameters of the AFI program, while some are more relevant to other asset building initiatives and interests in the U.S.

Recommendations for Asset Building Policymakers and Administrators

- ***Encourage grantees to highlight government affiliation*** explicitly in program materials and marketing to build program legitimacy and trust. Program implementers found in the *learn\$ave* demonstration that government affiliation can go a long way to dispel applicant skepticism and distrust of a matched savings program.
- ***Explore how existing asset limits on eligibility for other means-tested government programs may affect participation.*** Asset limits for state and federally funded programs such as Temporary Aid for Needy Families (TANF) and Social Security Disability Insurance (SSDI) can prevent low-income families from participating because of the risk of losing needed income assistance. Many, but not all, states have raised asset limits to address this concern. In Canada, six provinces have implemented provisions to allow social benefit recipients to participate in asset building programs without putting their benefits at risk. AFI program managers can work with grantees to identify potential asset limit restrictions faced by their target population. AFI program managers may also be able to work directly with policy makers in relevant government agencies (both state and federal) to explore potential adverse effects of asset limits and consider policy solutions.
- ***Consider whether immigrant populations are unintentionally excluded by program rules and requirements related to asset limits.*** As discovered by the implementers in the ILA demonstration and *learn\$ave*, asset limits for program eligibility may present a barrier for otherwise qualified recent immigrants, who are required to hold a great deal of liquid assets in order to obtain a visa. The value of their liquid assets shortly after immigrating does not necessarily reflect their earning potential or lead to long-term self-sufficiency. Many of these families and individuals could benefit from an asset building program that would help them build longer-term assets and stability.
- ***Allocate sufficient program resources and time to support grantees through long recruitment periods.*** The recruitment experiences of *learn\$ave* and ILA implementers paralleled U.S. experience in IDA recruitment, including the American Dream Demonstration and many AFI projects. Recruitment often takes longer than anticipated and eats into staff and program resources.

- ***Develop tool kits for new grantees that provide advice for effective recruitment and implementation.*** As was discovered in the *learn\$ave* demonstration, there is no one-size-fits-all recruitment strategy. Grantees may benefit from a tool kit of options from which they can pick and choose elements to develop a strategy that fits their location and population. Some elements will work better in urban settings, some in rural areas, others in areas with a high immigrant population, and so on. Assembling successful strategies and identifying under which conditions each worked best will provide grantees with the tools and flexibility they need to build a powerful recruitment plan.
- ***Allow flexibility and use existing resources, such as the AFI Resource Center or the IDA listserv to help grantees find solutions to site-specific problems.*** The Canadian demonstrations found that sites faced challenges with implementing the IDA programs and incorporating the program into their broader package of services. Grantees may need flexibility in program rules such as length of savings period and recruitment protocols in order to integrate the AFI program in to their existing services. In addition, AFI program managers can use the AFI Resource Center and other communication tools like the IDA listserv (hosted by CFED) to leverage advice from experienced grantees to help newer grantees address challenges in implementation.
- ***Design asset building programs to provide sufficient time for extended savings activity, flexible windows in which to spend matched funds, and longer-term evaluation follow-up periods.*** The ILA demonstration, for instance, did not allow for a “cash out” period separate from the one-year savings period and this hampered participants’ ability to use the funding, as they were not always immediately ready to make an asset purchase even if they had saved the maximum amount. AFI administrators can encourage grantees to calculate and plan for the length of time needed both to save and to “cash out” the matched funding. Using grantee data (from AFI² or another similar source), AFI grantees can learn critical information about participant experiences, including the average length of time it takes to save for specific asset purchases. Research evaluations should then be designed to distinguish between the full period of savings and the time it takes to purchase the asset itself.
- ***Be cognizant of burdens created for grantees by research agendas and work with grantees to ensure program fidelity and reduce difficulties in implementation of research.*** Demonstration research inevitably places extra burdens on project sites and project staff may face challenges to implementing the program with fidelity to the research design. For instance, the *learn\$ave* demonstration found that program staff were providing more case management services to the *learn\$ave*-only group than was intended in the research design and may not have had the resources necessary to provide the intensive proactive outreach that was planned for members of the *learn\$ave*-plus group. Furthermore, project staff can approach their work with priorities that may not match perfectly with the priorities of the research agenda. AFI program managers can work with both research teams and project site teams to identify and address potential issues, reduce grantee burden, and increase program fidelity.
- ***Well-administered programs and rigorous research require substantial investments of program staff time and energy.*** To the extent possible, AFI program managers should continue to account for these needs in planning the overall program budget.

Recommendations for AFI Grantees and Other Community Practitioners

- ***Consider tailoring program structure and delivery to specific, targeted populations*** (such as the homeless, recovering substance abusers, recent immigrants) with an awareness of the unique challenges to asset building faced by these populations.
- ***Tailor the project to the needs and circumstances of the program location.*** When possible, adjust program requirements and design to meet the needs of the local population. For example, a program design that works in an urban setting will likely need to be significantly adjusted to succeed in a rural setting. The local economy, demographics, and culture may also impact the program design.
- ***Simplify and streamline*** the application and eligibility determination processes to reduce burden on potential participants.
- ***Allocate sufficient staff time to address potential difficulties in recruiting.*** A lesson learned from the Canadian demonstrations is that recruitment proved to take longer and more staff time than anticipated. This can result in taking staff time away from already enrolled participants and delaying or weakening their program experience.
- ***Dedicate specific project staff to allow them to learn the details and intricacies of the program and provide consistent and professional support to participants.*** The Canadian demonstrations found that participants valued the dedication and knowledge of staff members and built ongoing relationships with project staff. Trust and confidence in staff may increase participants' program involvement and success.
- ***Require participants to open their own bank accounts and provide support as needed.*** The ILA demonstration found that when participants were required to go in to the bank and open their own accounts, they felt more ownership over the account and the subsequent savings. This may be a central element to increase participant empowerment and buy-in. However, some participants may have had negative experiences with banks in the past be reluctant to interact with bank staff. In these cases, it may be helpful for a case manager to help the participant develop a strategy or accompany the participant to the bank.
- ***Integrate the asset building project into the site's existing services as much as possible.*** For example, staff working with clients in a different program offered by the organization could refer clients to the matched savings program and occasionally check in with them about their progress and help them match their savings goals to the goals they are working on in the other program. This may increase staff commitment and continuity of programming for participants.
- ***Design relevant and achievable savings targets for participants.*** The maximum amount that a participant can accumulate through the matched savings should correspond with the expected expense of the savings goal. Programs can also connect participants with policies and programs that can leverage additional assistance to help the participant meet the expense of the savings goal. If the cost of the savings goal (e.g. college tuition, house

down payment) exceeds what participants can accumulate in the program, then it may have a discouraging effect on savings behavior.

- ***Financial education should target the applicable financial skills needed by specific populations***, rather than focus on general financial knowledge and goal setting that may be too broad, too elementary, or cannot be easily put into to practice with the IDA. Ensure that the financial education component is relevant and engaging for participants.
- ***Take time to develop strong relationships with project partners such as banks, community housing development organizations, and social service providers.*** These relationships can strengthen program delivery and lead to smoother resolution of any problems faced by participants or project staff.

Recommendations for Researchers and Evaluators

- ***If possible, use an experimental design with random assignment*** to treatment and control conditions. Any other research method risks misleading findings on the impact of the program and will not be able to produce accurate measures of program effect.
- ***As many expected impacts of asset building programs can only be measured in the long-term, it may be important to commit to a data collection time span long enough to measure the full effect of the program.*** For instance, the salary impact of education savings will not appear until after the education is completed and the participant reenters the workforce with a new qualification. Similarly, to discover if homeownership is sustainable for IDA home purchasers or if IDA-funded small businesses survive requires long-term data.
- ***Devote sufficient staff time and resources to ensure research of the highest quality and rigor.*** In particular, reserve extra time to work with implementation staff throughout program delivery.
- ***If using multiple treatment conditions, take active steps to ensure program fidelity.*** Assigning participants to more than one treatment condition can make tracking and the prevention of contamination more difficult for grantee staff. This may require additional efforts to maintain fidelity to the research design.
- ***Work with grantees and AFI Administrators to ensure fidelity to experimental protocols for program delivery and to reduce inter- and intra-site variation.***
- ***Closely monitor the delivery of the program to investigate site specific variation as they occur*** that may cause variation in outcomes. Some degree of inter- and intra-site variation is inevitable in social research. Identification and documentation of these variations, in particular those that cannot be helped, will help inform analysis of the outcome data.
- ***Plan for proactive measures to reduce sample attrition*** such as annual postcards (with a financial bonus for confirming contact information) and address tracking.
- ***Structure research evaluation to maximize use of data and avoid collecting information that will not be analyzed.*** The *learn\$ave* demonstration collected detailed data on

participants at the non-experimental sites through telephone surveys and the PMIS but researchers now do not expect that they will analyze these data, as they are putting their time and attention toward analysis of the experimental data. Though it can be tempting to collect as much data as possible, the data collection process often creates a burden for project site staff and should be limited to those data most likely to be analyzed and used.

- *Design the Management Information System to integrate seamlessly with research and other modes of data collection and have system validated before onset of research period.*

VIII. Conclusion

While the Canadian demonstrations provide relevant findings from which we can draw recommendations that can be applied to asset building in the U.S., gaps in our knowledge remain. For example, we have very little evidence on the long-term impacts of asset building programs and this will be critical information for policy development going forward. Similarly, we do not know if certain asset purchases lead to stronger long-term (or short-term) impacts than others. For example, on average do savings programs focused on higher education pay off more in terms of economic gains than those focused on microenterprise development? Are the financial gains from one asset type more sustainable than the gains from another? This knowledge could help shape program design and delivery, for instance how participants are encouraged to use their savings.

In addition, we have very little knowledge about the social, psychological, and health outcomes of asset building programs such as IDAs. While *learn\$ave* and ILA, as well as early findings from the American Dream Demonstration suggest that there may be important non-economic outcomes from IDA participation, we do not know the scope or reach of those outcomes.

It would also be helpful to examine alternative asset building programs, meaning those outside of what has become the traditional IDA model in the U.S. For instance, how can asset building programs be effectively implemented with special populations, such as the homeless or the formerly incarcerated? There are a growing number of matched savings programs to help participant's clear debt, such as medical bills, to foster future asset building. While there is controversy around whether debt clearance should be considered asset building, it is important to consider how these programs could fit into the larger asset building field and what role they might play in IDA programs. Likewise, many IDA programs offer matches for asset purchases beyond education, homeownership, and microenterprise, such as vehicles, computers, and home appliances. We have very little knowledge, however, about the take up and impact of these alternative asset uses.

And finally, we can learn a great deal from national asset building programs implemented in other countries. What program elements are essential for scalability? How do these programs build on existing infrastructure? How does universal eligibility impact take up rates? Can automatic (default) savings programs be more effective than the current IDA model? Related to these questions is the gap in our knowledge about child development accounts, which have been implemented at a national scale around the world. Better knowledge about the economic, social, and educational outcomes of child development accounts, take up rates, and the implementation of progressive funding mechanisms will help inform current asset building policy development in the U.S.

Asset building policies and programs are widely applied in myriad forms throughout the world. Further review and analysis of asset building implementation and research in other countries may begin to address the knowledge gaps identified above and inform policies and programs in the U.S. Specifically, we recommend exploring the Savings Gateway program in the U.K. To learn more about asset building for education, more research on the (now ending) Child Trust Fund program in the U.K., child savings schemes in Singapore (Edusave, Baby Bonus, and Post-Secondary Education Accounts), Registered Education Savings Plans, and Child Development Accounts in Korea can yield important findings for the U.S.

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Appendix A. *learn\$ave* Secondary Sites: Program Variations

	Digby	Calgary	Fredericton	Grey-Bruce	Kitchener-Waterloo	Montreal	Winnipeg
Match rate	4:1	3:1	3:1	2.5:1*	2:1**	5:1	3:1
Maximum savings amount for matched funding	\$1,125	\$1500	\$2,000	\$1500	\$1500	\$900	\$1500
Savings period (in years)	3	2	3	3	3	3	3
Financial management training	L\$T	Own	Own	Own	L\$T	L\$T	Own
Hours of financial training offered	15	30	18	30	15	15	15
Case management	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Annual income requirements	120% of LICO	120% of LICO	Two thirds participants below 60% of LICO				

* The Grey-Bruce site also offered an additional 0.50:1 match (raising the match rate to 3:1) if participants attended the financial management training.

** The Kitchener-Waterloo site offered enhanced counseling services in place of a higher match rate.

Appendix B. Financial Education Curricula

learn\$ave Financial Education

The *learn\$ave* financial education curriculum, called *learn\$ave* Training or L\$T, was designed specifically for the demonstration project by the Prior Learning Assessment Centre with consultation from Social and Enterprise Development Innovations (SEDI) and partnering agencies. The L\$T was used by all three primary sites as well as three of the secondary sites (Kitchener–Waterloo, Digby and Montreal).

The community partners in the other secondary sites (Calgary, Winnipeg, Grey–Bruce, and Fredericton) implemented their own curricula. The L\$T curriculum provided approximately 15 hours of instruction, while the other curricula varied from 15 to 30 hours. Despite variations, many subjects were common across all sites, including budgeting, techniques for savings, using credit, and setting financial goals. All of the financial education was focused on general financial management; there was no asset-specific training for education or microenterprise.

The L\$T curriculum is divided into five three-hour modules, each with take-home assignments. Throughout the course, participants were expected to build a *learn\$ave* portfolio that included an identification of their past financial habits, exercises from the L\$T, and statements of future goals. Facilitators were given flexibility to adapt the presentation of the content in each module to better fit the needs of a particular group but were expected to cover all topics.

The first module introduced participants to the concepts of formal and informal learning, reviewed the parameters of the *learn\$ave* accounts and asked participants to review their financial situation through a “financial fitness” quiz. The assignment asked participants to record their financial transactions for a week and to obtain their credit report.

The second module focused on self-awareness with a facilitated discussion about diverse perspectives on money and budgeting. This module also included exercises to help participants identify their personality type and values and relate this to their savings goal. The assignment was to interview someone who could provide advice to help them meet their educational or microenterprise goal.

The third module introduced issues of consumerism and media/marketing influence on spending and saving behavior. This module also included information about saving and investing, including rate of return and the trade-off between risk and return with long-term investing. The assignment was to think through their deposit goal for the *learn\$ave* account, think about potential challenges, and identify what they could change in order to overcome challenges and meet their goal.

The fourth module focused on credit and credit reporting. Participants were requested to bring their credit reports so that they could apply the information to their own situation. This module also included a discussion about the interviews participants completed after the second module. The assignment asked participants to identify what they had learned so far from the training.

The fifth and final module included a discussion of what participants felt they had learned in the training and an identification of savings goals and interim goals (which may have changed since the first module). The curriculum encouraged participants to make sure that their goals were within reach, desired by the participant, measurable, and rewarding. This module also included a review of the exercises from previous sessions and asked participants to create a plan to address gaps between their current skills and what they need to reach their goal. Participants retook the “financial fitness” quiz from the first session. The curriculum closed with a presentation of an outline of the *learn\$ave* portfolio that participants were expected to compile and a discussion of the curriculum and experience of the training.

The L\$T training, with its focus on self-awareness and self-assessment, seemed to work best with those participants who had less confidence in their financial management skills coming into the program. Many of the *learn\$ave* participants, however, entered the program with already established good savings habits, knowledge and practice of budgeting, and high educational attainment. Focus group results and participant comments indicate that for these participants, the L\$T training was not particularly helpful and seen as too basic.

Independent Living Accounts Financial Education

The Independent Living Accounts (ILA) demonstration included financial capability training (FCT) as one of the major program components. The curricula differed by site but the training at all three sites covered basic financial education topics including banking, budgeting, credit, debt, and saving and spending strategies. The intent of the FCT was to focus on developing capabilities and providing participants with the opportunity to put their new skills into practice. The curricula were also designed to increase participant self-esteem, confidence, and the ability to set and achieve goals. The Toronto site used an FCT curriculum developed by SEDI with consultation from transitional housing shelter staff. SEDI also provided training to the Toronto facilitators. The Fredericton and Edmonton sites used their own curriculum.

The length of the training varied by site and ranged from 12 to 16 hours, though participants were only required to attend ten hours. At the Edmonton site, FCT was broken out into 12 sessions for a total of 16 hours of training. The Toronto site (using SEDI’s curriculum) provided five sessions for a total of 15 hours. The Fredericton site also provided five sessions which totaled between 12 and 14 hours. Participants who took a matched withdrawal attended, on average, over 13 hours of FCT. The training sessions were offered at multiple times and on different days to make it easier for participants to attend.

Focus group results suggest that participants overwhelmingly found the FCT valuable to their skill development and many identified the training as the program component with the most long-term impact. Participants also noted the importance of the manner in which the material was presented. Participants highly praised presenters who were engaging and able to translate the material into relevant and accessible information. The project staff also reported that they valued the FTC and intended to expand its implementation even after the demonstration ended.

Appendix C. Bibliography of Related Publications

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Appendix D. List of Acronyms Used in the Report

AFI:	The Assets for Independence Program, a Federal program in the United States that provides grants for Individual Development Account projects.
ACES:	Alberta Centennial Education Savings Plan, a program created by the Province of Alberta that builds on the RESP to increase savings for post-secondary education.
CCFL:	Canadian Centre for Financial Literacy, a national financial education center in Canada, launched by SEDI in 2008.
CSEG:	Canada Education Savings Grant, a Canadian Federal program providing an incentive match for families to open and contribute to a RESP.
CFED:	The Corporation for Economic Development, a U.S. based nonprofit organization dedicated to expanding economic opportunity for low-income families.
CLB:	Canada Learning Bond, a Canadian Federal entitlement program providing extra saving incentives for low- and moderate-incomes families who open and save in a RESP for post-secondary education.
CMHC:	Canada Mortgage and Housing Corporation, a government-owned institution that provides mortgage loan insurance and mortgage-backed securities as well as participating in housing policy, programs, and research.
FCT:	Financial Capability Training, a term used by the ILA project for the mandatory financial education aimed to increase the financial capabilities of participants.
HRDC:	Human Resources Development Canada, a unit of the Canadian Federal government that funded the <i>learn\$ave</i> demonstration. In December of 2003, HRDC was reorganized into two units, HRSDC and Social Development Canada. See HRSDC.
HRSDC:	Human Resources and Skills Development Canada. Part of the Canadian Federal government, created in December 2003, when HRDC was reorganized into two units, HRSDC and Social Development Canada (SDC). HRSDC maintained responsibility for <i>learn\$ave</i> after the reorganization and subsequently funded the research component of the ILA demonstration, through the National Homeless Initiative.
IDA:	Individual Development Account. IDAs are matched savings accounts that can be used for targeted asset building purposes (typically home purchase, education, and micro-enterprise).
ILA:	Independent Living Accounts, a major asset building demonstration in Canada that tested the use of IDAs with individuals living in transitional housing.

- LICO:** The Low Income Cut-Off, calculated annually by Statistics Canada of the Canadian Federal government, provides a measure of low-income Canadians based on family size and location.
- MIS:** Management Information System, a common term for the system used to collect account information and data on participation in IDA programs. The MIS used for the ILA demonstration was designed by SEDI. See also PMIS.
- NHI:** National Homeless Initiative, a program of the Canadian National Secretariat on Homelessness (which falls under the umbrella of HRSDC's Housing and Homelessness Branch). The NHI provided funding for the ILA research.
- OCBE:** Ontario Child Benefit Equivalent, a program of the Province of Ontario that invests the equivalent of the Child Benefits payments for children in foster care to support educational and recreational programs and to fund savings accounts.
- PMIS:** Participant Management Information System, a system designed by SEDI and used to collect account information and data on participation in the *learn\$ave* program. See also MIS.
- QESI:** Québec Education Savings Incentive, a refundable tax credit implemented by the Province of Québec to encourage families to use RESP to save for education.
- RDSP:** Registered Disability Savings Plan, a Canadian Federal program to encourage and support Canadians with disabilities to save through a matched savings account.
- RESP:** Registered Education Savings Plan, a universal savings program sponsored by the Canadian Federal government that provides tax-deferred savings accounts to encourage saving for post-secondary education.
- RRSP:** Registered Retirement Savings Plan, a legal trust designed to hold savings as well as investment assets. Contributions made from earned income are tax deductible and taxes on both contributions and interest are deferred until the money is withdrawn.
- SEDI:** Social and Enterprise Development Innovations, a Canada-based non-profit organization that focuses on reducing poverty through asset building, entrepreneurship, and financial literacy. SEDI designed and implemented both the *learn\$ave* and ILA demonstrations.
- SRDC:** Social Research and Demonstration Corporation, a Canada-based non-profit organization focused on social policy research and experimentation. SRDC designed and led the research component of the *learn\$ave* demonstration.
- TFSA:** Tax-Free Savings Accounts, savings vehicles available to all Canadians ages 18 and older. Any interest accrued in a TFSA is tax-free; the account holder can contribute up to \$5,000 per year.