
HRSDC Financial Capability Scan Part 2

Emerging Models and Promising Practices: *A “Snapshot” of Community-based financial capability Practice in Canada*

Resources for Results (R4R)

March 12, 2011

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The research and recommendations are the responsibility of the author/s of the report and do not necessarily reflect the views of the Community Development and Partnerships Directorate

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R4R - Evaluation coaching and services for non-profit managers seeking cost-effective solutions to evaluate programs and improve results

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Janet M. Murray,
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Report One – *Considerations for Promoting Financial Capability to Vulnerable Populations*

Introduction

A note regarding the findings:

This research focused on eight community-based financial capability organizations, some of the best known and most experienced practitioners in Canada.

It is somewhat problematic, however, to extrapolate the experience of these eight leaders to draw conclusions about a broader field of practice. There is a second tier of organizations new to the field which have less capacity and much fewer resources for the delivery of financial capability programming.

During this research period, the author conducted a national scan on behalf of SEDI, consulting an additional 20 agencies that deliver financial capability.

According to the author's estimate, currently less than 50 organizations across Canada have achieved advanced specialization in the delivery of financial capability programming. Hundreds of other voluntary sector agencies are beginning to develop such programming and pursue funding for it.

This paper is based primarily on the HRSDC research, but periodically draws on learning from the broader field to support some preliminary conclusions about the field in general.

The financial capability¹ of vulnerable populations has been identified as a key area of interest to the Community Development and Partnerships Directorate (CDPD) of HRSDC. In the fall of 2010, CDPD commissioned an intensive primary research survey to learn about the financial capability practice of leading community-based organizations, and to contribute to CDPD's evidence base for developing policy options. Eight leaders in community-based financial capability programming shared extensive information about their funding, program design and delivery, promising practices, and partnerships (see box).

The report is very timely. Recommendation 14 of the Task Force on Financial Literacy advocates that "*the Government of Canada, as well as provincial and territorial governments, invest in the capacity of the voluntary sector to offer financial information, learning and guidance to Canadians.*"² The attached papers now make available a very thorough 'snapshot' of financial capability programs in communities across Canada, offering decision-makers a clearer understanding of the challenges and opportunities that will face those who seek to grow the field of practice.

Building on the very detailed *Report 2 – Promising Programs Review* (part of this package), this paper summarizes the research findings and highlights issues relating to financial capability in the context of income security and social development in Canada. It offers a commentary on the current state of the field; it also highlights new developments, decision-making challenges and priorities for action.

Findings

The field of financial capability is burgeoning

For over 20 years, financial education and coaching to support vulnerable populations to manage their personal finances have been components of Canadian social and economic development programming by community-based organizations. Yet recognition of an emerging field of practice and the

¹ There is at present no commonly agreed upon terminology in the field. 'Financial capability', 'financial literacy' and a broad range of other terms appear to be used interchangeably. This paper uses HRSDC's preferred term, 'financial capability'.

² *Canadians and Their Money: Building a brighter financial future* (Report of recommendations on financial literacy), Task Force on Financial Literacy, December 2010.

Defining a Field of Practice

A 'field of practice' is defined as any set of activities and actors that share three characteristics:

- **Domain.** There is a specific set of issues that are identified as being at the core of the field.

- **Community.** There is a set of individuals who are working on, or concerned about, these issues. Individuals are able to identify the extent to which they are part of this set.

- **Shared practice.** The individuals in the community have developed similar methods of addressing these issues.

Part of the Solution: Leveraging Business and Markets for Low-Income People, Ford Foundation, undated.

<http://www.bwbsolutions.com/pdf/FordFoundation-PartoftheSolution-ExecutiveSummary.pdf>

accompanying terminology of 'financial capability' have only gained traction in most parts of Canada over the past two to three years.³

During this time, the scale and reach of financial capability interventions have grown dramatically, as both established and new delivery agents respond to substantial and increasing demand from low-income consumers seeking to navigate a more and more complex, financial management context. It seems clear that financial capability programming is here to stay.

Community-based organizations are well positioned to provide widely accessible and appropriate financial capability interventions at the community level

In many respects, the Canadian voluntary sector and its constituent community-based organizations offer a solid, well-established, well-articulated infrastructure to promote and deliver effective financial capability interventions to vulnerable populations in communities across Canada. Many community economic development organizations, social service organizations, and consumer organizations have mission statements that are clearly aligned with the goals of financial capability efforts. These organizations are grounded in strong local credibility and well-developed relationships of trust. They have extensive experience facilitating and managing collaborative, multi-sectoral partnerships.

Community-based practitioners specialize in reaching and serving marginalized, low-income populations

The research revealed that lead financial capability organizations have the proven technical expertise to design effective participant-centred, empowerment oriented, adult education initiatives adapted to a range of vulnerable target groups. It is no surprise that they identified service gaps related to financial literacy, and responded proactively by offering financial information, coaching and training embedded within the continuum of their community-level supports and services. They have all invested significant resources to customize financial capability services and supports by culture, language and literacy levels, life stage, learning styles, and supports required for participation.

Community-based organizations take a strategic approach in their efforts, promoting change at many levels

All of the respondent organizations recognize the **context** that creates social and financial exclusion, asset depletion and poverty. They all augment their work by pursuing a strategic and pro-active approach to influence that context and promote an enabling policy and regulatory environment. Most have made a

³ As per the Ford Foundation definition of 'field of practice', there is a clear domain for financial capability in Canada, the beginnings of an organized community of practitioners, and emerging local standards of practice.

considerable institutional investment in policy development related to their core mission. They seek to change policies and procedures (of financial institutions and various levels of government) that undermine the prospects and well-being of their clients and communities.

Financial capability programming in Canada is developing outside a consistent funding and policy context

With few sources of funding for financial capability programming, the growth of Canadian programs has been largely responsive, driven by consumer demand. The absence of reliable, ongoing funding sources has shaped the field, restraining growth and undermining the consistency and quality of services. Competition for funding is fierce, and what funding *does* exist is primarily project-based, short-term and inconsistent.

Yet this lack of funding has also resulted in the development of more viable, client-centred programs that appear to be very effective in reaching marginalized populations and supporting them to build financial capability. The current funding context has resulted in the embedding of programs within separately funded, core initiatives of community-based organizations, creating strong customization of financial capability offerings to target populations, and promoting the viability of programming.

Funding of financial capability is lagging behind public need

At present, funding levels are insufficient to meet community demand from vulnerable populations for financial capability information, training and services. At the same time, demand is growing.

Current financial capability funding across Canada is somewhat atypical compared to the general funding base of non-profit, community-based social development programming. The research found that funding comes from a diverse range of sources including charitable foundations, corporations, organizational fundraising, United Ways, and various levels of government. The Federal government has not yet funded 'pure' financial capability programming. Meanwhile, financial institutions have begun to invest intensively in financial capability. This pattern of more intensive private sector investment in voluntary sector programming is new to Canada, and very promising.

Although the broader field of financial capability practice is still precarious, lead community-based organizations appear to be finding ways to consolidate their resources, infrastructure and investments in order to ensure that financial capability programming will continue. Smaller organizations are experiencing more of a struggle to identify resources to support financial capability programming, and to build up staffing and capacity to deliver.

Relative freedom from externally imposed conditions and requirements has promoted widespread experimentation and innovation, resulting in a wide range of program designs, delivery mechanisms and approaches. Lead agencies nonetheless called on the Federal government to invest in financial capability program delivery, even as they celebrate the flexibility and low administrative requirements of their non-governmental funding sources.

Financial capability programming is formalizing and maturing

While most community-based organizations across Canada view financial capability as one intervention in a wider slate of programs designed to promote a range of broader anti-poverty and social inclusion objectives, all of the lead agencies increasingly acknowledge the importance of financial capability in its own right. These larger organizations are moving beyond the piecemeal project-based approach, towards more formal, separate management and implementation arrangements for financial capability programming.

Half of the leaders consulted in this research have already established financial capability departments, while one is in the process of doing so. Financial capability has become a focal point of managerial attention, to be more intentionally planned and strategically directed by the organization.

Separate financial capability projects within larger, more experienced organizations are becoming increasingly interconnected. These organizations are beginning to offer a stronger and better articulated spectrum of program options for consumers, starting with brief, introductory, one-off, drop-in sessions for the general public; adding more intensive individual coaching and formal workshop series; and then feeding clients of these financial capability programs into more action-oriented initiatives, such as matched savings programs and micro-enterprise development programs.

While currently diverse in programmatic approach, these leaders are now ready to establish standards of program design and practice

After moving through a period of considerable experimentation, adaptation to local contextual factors, and customization to specific target populations, community-based financial capability practice seems to be consolidating naturally and ‘settling’ among these more advanced agencies. In particular, as lead organizations gain experience and expertise in financial capability training and develop a better understanding of consumer demand, their program design and content are becoming more consistent and professional.

Although financial capability programs still vary widely in their objectives and design, the research suggests that lead practitioners in the field could begin to develop common program standards and guidelines for effective delivery, such as

capturing emerging delivery models and promising practices. Community-based organizations are very interested in a collaborative, peer-based approach to building a field of practice.

The field currently lacks the conceptual tools and capacity to document the outcomes of financial capability interventions

Most agencies assess financial capability results for their contribution to their organizational mission, and pursue a broader, more holistic set of income security and social development indicators that includes confidence, connections, knowledge and financial skills. As a consequence, practitioners have not generally established clear objectives and indicators for client outcomes specifically relating to financial capability. Nevertheless, many of the lead agencies have taken steps to document and evaluate the outcomes of their financial capability programs: 75% have at least taken early steps to identify preliminary indicators and to assess holistic outcomes.

Respondents agreed on the need for a collaboratively developed theory of change to articulate the expected outcomes of financial capability programs. Such a theory of change should explore the stages through which clients progress as they gain access to financial information, build their knowledge, and increase their financial management skills.

The newest development in the field has been the growth of outreach activities designed to scale up delivery and expand the practitioner base

As noted above, financial capability delivery by community-based organizations is embedded into a wide range of social and economic development and adult education interventions that are already a part of organizations' program offering. Nevertheless, many distinct models of financial capability programming are emerging.

Figure 1 (below) offers a simplified diagram to identify various program delivery options that currently exist. All of these options are grounded in different choices that organizations make as they seek to deliver financial capability programming and/or scale-up the capacity of the field to deliver programming. The framework highlights three decision making dimensions that are present in each programming option:

- individual vs. group orientation
- internal vs. external delivery
- direct service with participants vs. capacity building with practitioners and their organizations

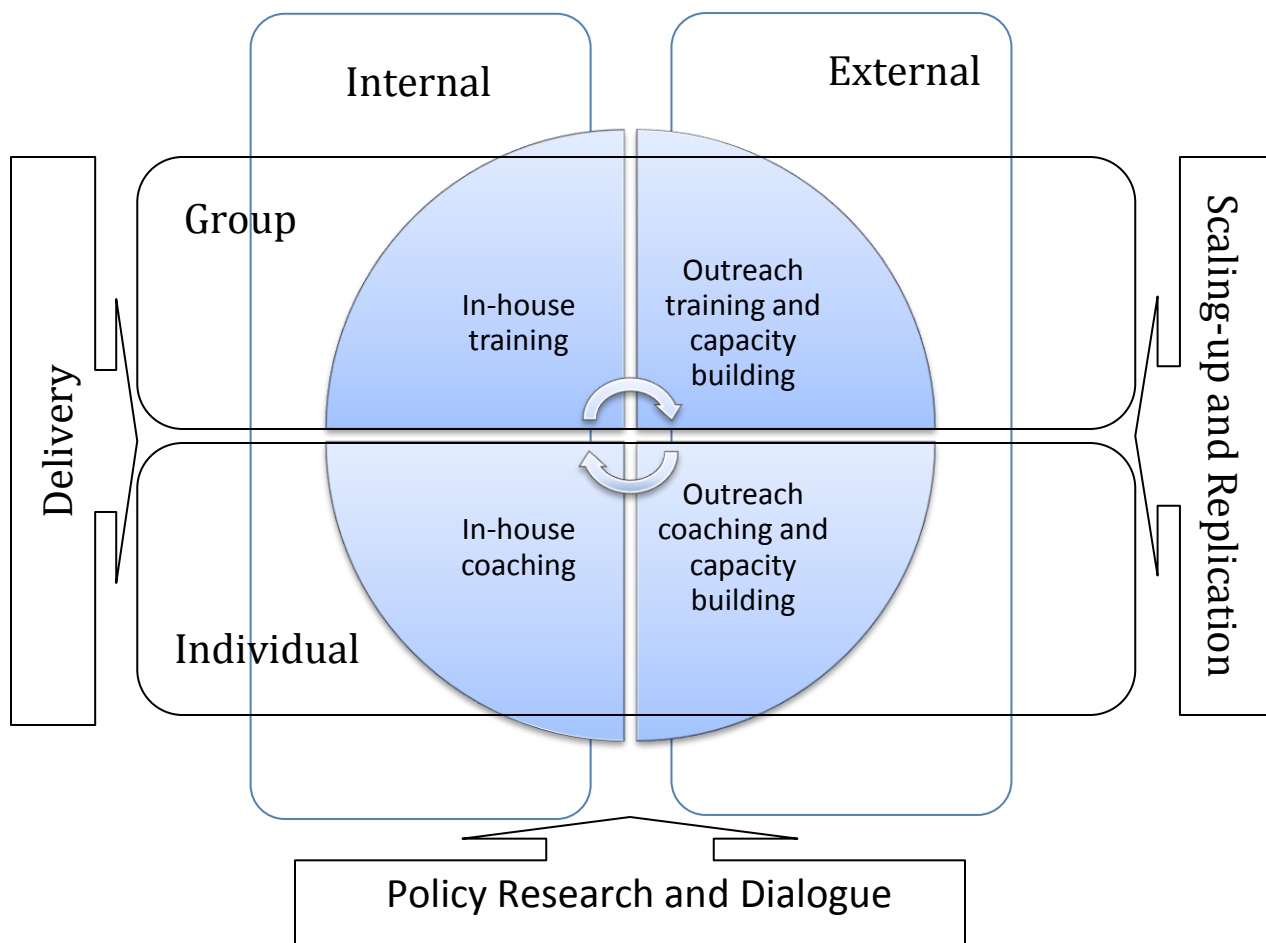


Figure 1: financial capability Implementation Options

Leaders are increasingly implementing outreach programming in response to rising consumer demand, offering direct service training to the clients of other community-based organizations through a variety of arrangements. Many lead agencies are beginning to promote capacity building training and mentoring in order to increase delivery capacity in their communities (two have considerable experience in this regard). Others draw on the considerable expertise of SEDI's Canadian Centre for Financial Literacy in capacity building and training of trainers.

Lead agencies noted that they currently have limited 'absorptive capacity' – the ability to meet external demand for financial capability services – and resist overextending themselves into other jurisdictions. When they receive community requests for financial capability training from outside their immediate geographic catchment area, they prefer to shift the burden of delivery onto organizations within that community, pursuing a range of capacity building initiatives.

Financial capability program design and delivery is difficult work, and respondents noted that quality control issues are already emerging as inexperienced organizations seek funding for their own in-house financial capability programs.

While this is a natural feature of a new and expanding field of endeavour, some fear that the quality and effectiveness of the financial capability field could suffer as a result of weak funding and insufficient capacity building.

One lead organization mused on the potential challenge of mission drift as it invests more in financial capability. Growth of financial capability activity could take it in directions that do not explicitly advance its core objectives. “We try to stick to our knitting,” said one respondent. Leaders also noted the importance of maintaining a long-term connection to direct delivery, underlining the importance of staying in tune with the constantly changing realities of vulnerable groups.

One-on-one coaching shows signs of promise and growth

Anecdotal reports of smaller and newer organizations across Canada revealed that one-on-one coaching is more widespread in organizations that have little funding specifically for financial capability. While the lead organizations were much more likely to pursue formal training in their financial capability delivery, many noted that they are increasingly offering individualized financial capability coaching. Conversations with international academics/researchers identified a similar trend in other jurisdictions.

Lead agencies are becoming hubs of financial capability programming, capacity building, learning and policy development

The lead organizations are increasingly organized and specialized in their financial capability work, constantly transforming their organizational structure and programming to adapt to new realities and opportunities in the field. Over half have become ‘hubs’ of financial capability activity that build sophisticated partnerships, promote capacity building in their communities, develop curriculum that is used by other organizations, and advocate for a more enabling policy context and developmental environment.

Multi-sectoral partnerships are a growing aspect of successful financial capability delivery, and a key feature of this ‘hub’ based development pattern (see Paper 3 for a partnership case study profiling the Winnipeg and region *Assetbuilders* Partnership). Long-term working relationships with other community-based organizations, governments, financial institutions and funders allow leaders to increase efficiencies through economies of scale and to leverage enhanced political support, funding, expertise, services and delivery.

The field lacks evaluation capacity

Community-based organizations are very interested in evaluation and are knowledgeable about evaluation practice, yet they lack resources to take control of the evaluation agenda. As a consequence, they tend to focus on performance monitoring for accountability purposes.

Evaluation capacity is directly related to the lack of funding for evaluation: organizations lack practical experience with more rigorous forms of evaluation largely because they do not have the resources to hire in-house staff, external evaluation expertise, and professional data management support.

Strategies to evaluate financial capability initiatives should focus on building the in-house capacity of community-based organizations to undertake their own process evaluations, to capture learning, and to begin documenting outcomes effectively.

Conclusion

This paper has identified five key challenges and a corresponding agenda for action for those interested to promote a national strategy to deliver financial capability programming:

- Building voluntary sector capacity to meet rising consumer demand for financial capability supports and services
- Documenting emerging models and promising practices for serving vulnerable populations, to contribute to setting standards and guidelines for the field
- Integrating results-based planning and evaluation into financial capability program planning and establishing benchmarks for program participants' progress
- Building the capacity of financial capability practitioners to document and evaluate their work
- Crafting a funding and policy context that promotes and sustains community-based efforts to build the financial capability of vulnerable populations

Recommendations

The following recommendations are intended to guide those seeking to promote community-based financial capability:

Create a national community of practice, drawing on the financial capability program experience of a variety of community-based organizations and sectors

- Facilitate a collaborative process with practitioners in the field to explore and develop standards of practice and to identify emerging models.

- Maintain a strong commitment to balancing quality control and flexibility/innovation to meet the needs of participants.
- Further explore standards of practice relating to the different forms of delivery. Develop basic practitioner guidelines and fidelity checklists to support more consistent delivery within programs.
- Offer systematic, incremental opportunities for professional development and certification.
- Increase sharing and access to curricula and other resources.
- Explore and develop cost-effective models of delivery.

Build on existing capacity to deliver financial capability, in order to create the absorptive capacity to meet rising consumer demand

- Build national capacity to train trainers and coaches based on the capacity building expertise and programming of organizations such as SEDI that have already delivered coaching, curriculum and train-the-trainer programs to hundreds of organizations across Canada.
- Fund training-of-trainers initiatives to provide comprehensive capacity building and ongoing mentorship/coaching.
- Support peer-driven quality control initiatives.
- Pilot and compare different outreach models for replicating programs and scaling-up the field.
- Explore the potential of a cascading national leadership and a 'hub' strategy to build delivery capacity in the field.

Invest in evaluation and learning

- Develop a practical theory of change and outcomes indicators building on work already done in the field
- Provide sufficient funding (at least 10% of the budget) for performance monitoring and evaluation as a core component of program funding.
- Integrate evaluation capacity building into the roll-out of any capacity building initiatives in the field.
- Support more rigorous, external evaluation of emerging models.

Survey Fact Sheet #1: Perceptions of financial capability at the community level

Financial capability practice is not new, but only recently 'named'

Although 62.5% of the financial capability leaders surveyed have integrated financial education into their programs for over a decade, the notion of 'Financial Capability' or 'Financial Literacy' is relatively new. Only in the past four to five years has financial capability come into the collective consciousness of the non-profit sector, with organizations only recently beginning to focus and specialize in it as a separate area of endeavour.

Financial capability programming has emerged naturally and incrementally in response to client demand, rather than external funding. All eight community-based organizations (CBOs) noted that financial capability programming grew out of a staff-identified gap in services and subsequently as a result of the persistent advocacy efforts to promote interest in funding the work. Community Economic Development and matched savings initiatives have always used personal financial education as an entry point for livelihoods development and asset building.

How do CBOs perceive financial capability?

CBOs universally see financial capability programming as a way of building the confidence, knowledge and skills necessary to promote a range of longer-term financial

objectives including: economic engagement, resilience, financial responsibility, and financial security.

Regardless, respondents frequently spoke of the pro-active, hands-on nature of their financial capability interventions with marginalized populations, which are designed to move beyond the passive provision of information in order to build clients' practical skills and the confidence to use them. Many respondents perceived the continuum of client needs and financial capability levels by life stage and target group. Over half noted that financial capability must be developed at multiple levels – individual, household, and community.

Expected outcomes of financial capability work

While many practitioners have sought to learn more about how marginalized people become financially capable, there is currently no agreement on any specific theory of change nor are there any standardized outcomes indicators for community-based financial literacy practice.

Many CBOs become involved in financial capability as an intervention designed to advance broader, complex social and economic objectives. Embedded financial capability initiatives often do not have specific, clearly stated financial objectives. This makes it difficult to 'unpack' the outcomes of holistic interventions and to identify the results that are directly attributable to FC.

Over half of the respondents have been using more holistic, multi-dimensional ways of thinking about outcomes in order to capture the complex processes of behavioural change that clients go through.

The ad hoc and inconsistent nature of funding for financial capability has undermined the development of clear and specific program objectives and outcome indicators. Objectives and expectations vary greatly among projects, funders and target groups. In addition, the customization, flexibility and responsive nature of financial capability interventions have resulted in a looseness and informality of expected outcomes.

The FCAC/SEDI definition of Financial Capability (2005) is still relevant and useful

"While there is no agreed definition of financial capability in Canada, ... an enabling environment for financial capability would ensure that all Canadians develop the skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take effective action to improve their financial well-being. Financial capability training, information, and advice seek to help individuals make informed and confident decisions about all aspects of their financial lives, including budgeting, financial product use, investing, planning, saving, and their use of financial and government services."

From FCAC, *Why Financial Capability Matters, Synthesis Report on Canadians and Their Money: A National Symposium on Financial Capability* held on June 9-10, 2005 in Ottawa,

Survey Fact Sheet #2: A profile of lead community-based financial capability organizations serving marginalized populations

The eight lead agencies that were consulted in the survey are diverse organizations from across Canada that all offer financial capability as a part of their strong commitment to social inclusion and poverty reduction. Most are large, complex, experienced organizations:

- Annual budgets are substantial: four have annual organizational budgets of over \$2M and the remaining organizations were in the \$250K to \$1M range.
- Organizations have large numbers of specialized staff: five (62.5%) had over 25 employees, two (25%) had 10-25 employees and only one (SJCLF) had under 10 employees.

All have a local, urban focus, primarily offering inner-city programming. One organization (PARO) also offers regional outreach programs in surrounding rural and remote communities in northern Ontario. SEED works to build capacity with partners in rural communities near Winnipeg.

Entry points for Financial Literacy

None of the eight leader organizations is solely focused on financial capability. They have become involved in financial capability through one or more of the following mission-related entry points, including: community economic development, poverty alleviation, asset building, and consumer education (see Figure 1 below). This notion of an entry point is critical to understanding the evolution of the field of financial capability in Canada, and to positioning various options for scaling up financial capability activity.

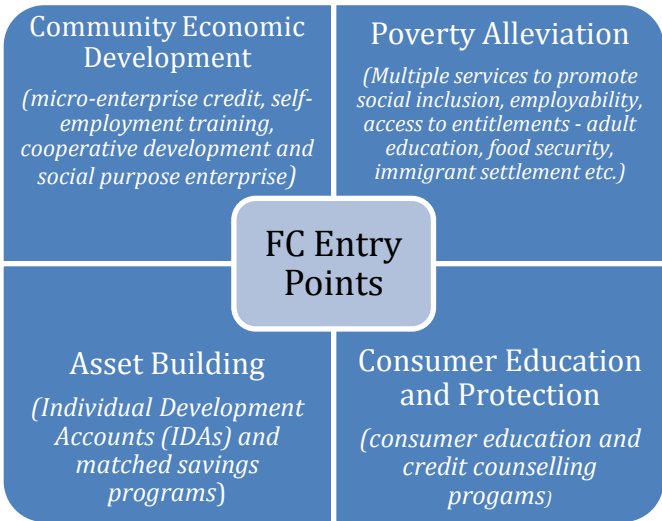


Figure 2: A typology of financial capability entry points

Financial capability organizations tend to come from three general categories:

Community-based social service organizations:

Multi-site, multi-service social development organizations offer a comprehensive social support infrastructure to promote poverty alleviation in most urban centres across Canada. These organizations are increasingly embedding financial capability in their broad range of supports and services.

Community Economic Development (CED) organizations:

Financial capability has always been an important component of the work of community economic development organizations. These multi-service economic development organizations promote livelihoods development through self-employment, asset building, social purpose enterprises, and employment training.

Consumer Counselling and Protection Organizations:

These are focused-purpose organizations that work primarily with consumers on an individual basis to provide information, guidance and support. This category includes credit counselling organizations and Quebec consumer unions.

Of the 8 financial capability leaders surveyed:

- 5 (62.5%) have micro-enterprise/micro-finance programs
- 5 (62.4%) offer employment training and services
- 3 (37.5%) offer a range of social services related to food security, housing, and immigrant settlement etc.
- 2 (25%) currently promote asset building and savings programs
- 5 (63.5%) use the Sustainable Livelihoods model – a holistic, asset-based approach to promote informed decisionmaking and behavioural change

Financial Capability activities in CBOs come from a range of motivations and entry points

The eight CBOs are diverse and pursue a range of missions leading to a range of objectives and programs. Most of the organizations are participant-centred and focus on promoting social and/or economic inclusion. They take a holistic approach to resolving the complex, multi-dimensional challenges of poverty. In many respects, financial capability has become positioned as an essential ingredient in a strategy for meeting broader social and economic objectives.

Survey Fact Sheet #3: The Organization of Financial Capability within CBOs

Program structure is formalizing at lead CBOs

CBOs structure financial capability in multifaceted ways depending on their mission, funding, and the way that financial capability has unfolded in the organization over time.

- CED organizations are more likely to integrate financial capability functions into many of their program departments throughout the organization, although the largest CED organizations did have financial capability departments as they are able to fund financial capability as a stand-alone offering, and as they move to promote financial capability in the broader community. financial capability also appears to be evolving as a front-end offering for new clients who are considering further engagement in a range of economic development activities.
- Evidence suggests that social service organizations are initially more likely to have pockets of financial capability activity. Then, as financial capability activity grows in importance, it is re-organized into clusters of programs, moving over time towards departmentalization. Social service organizations seem to organize financial capability staff to service and add value to other program areas, providing another dimension of asset-building for low-income people.⁴

All types of organizations increasingly acknowledge the importance of financial capability in its own right, and are moving towards more formal, separate management arrangements for FC. As this happens, larger CBOs are going beyond the piecemeal project-based approach towards a more robust and well-rounded financial capability program offering. In this management context, financial capability becomes a focal point of managerial attention and becomes more intentionally planned and strategically directed within the organization.

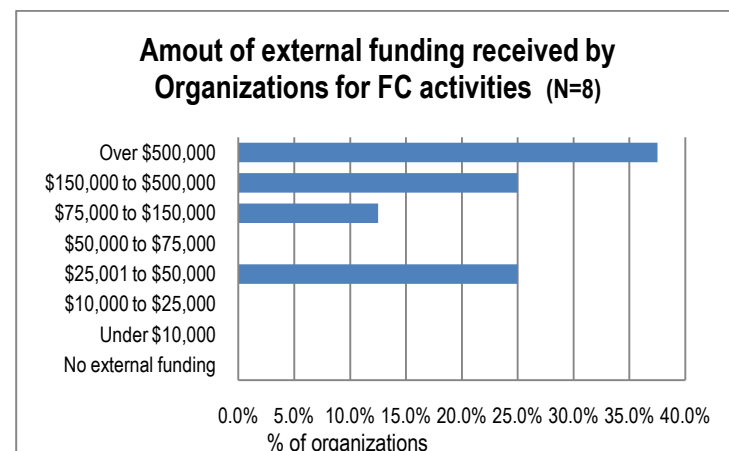
Unexpectedly, the eight CBOs have achieved impressive scale in their financial capability programming.

The Scope of the Eight CBOs' Programming

Program	Overall combined financial capability budget (range)	# distinct FC programs/ services:	# staff working directly on FC programs/ services:	Overall number of distinct FC clients across the organization (range):
Carrefour Jeunesse, Montreal	\$25K to \$50K	4	2	251-500
Family Services of Greater Vancouver	\$150K to \$500K	7	6	Over 1000
Momentum, Calgary	Over \$500K	9	7	Over 1000
PARO, Thunder Bay	\$150K to \$500K	3	3	251-500
Saint John Loan Fund	\$25K to \$50K	1	1	251-500
St. Christopher House, Toronto	Over \$500K	5	3	Over 1000
SEED Winnipeg	Over \$500K	4	12	501-1000
WoodGreen Comm. Services, Toronto	\$75K-\$150K	5	2	Over 1000
Total		38	36	
Average (N=8)		4.75	4.5.	

Challenges in implementing FC

Respondents told us that the scope and scale of their programs varies over time, depending on their ability to fundraise and sustain funders' project investments. Three CBOs' financial capability programs have gained substantial funding: over \$500K. Yet all respondents noted that their biggest challenge is finding consistent, ongoing funding for the financial capability initiatives.



All of the organizations identified operational challenges in implementing FC, as opposed to program design and

⁴ Adult literacy organizations have not been actively involved in financial capability programming and have only recently begun to show interest.

development challenges. Surprisingly 62.5% saw “designing and implementing appropriate monitoring and evaluation” as a challenge, highlighting their combined interest and lack of capacity. Next, 37.5% identified the challenges of finding qualified staff.

Demand is rising

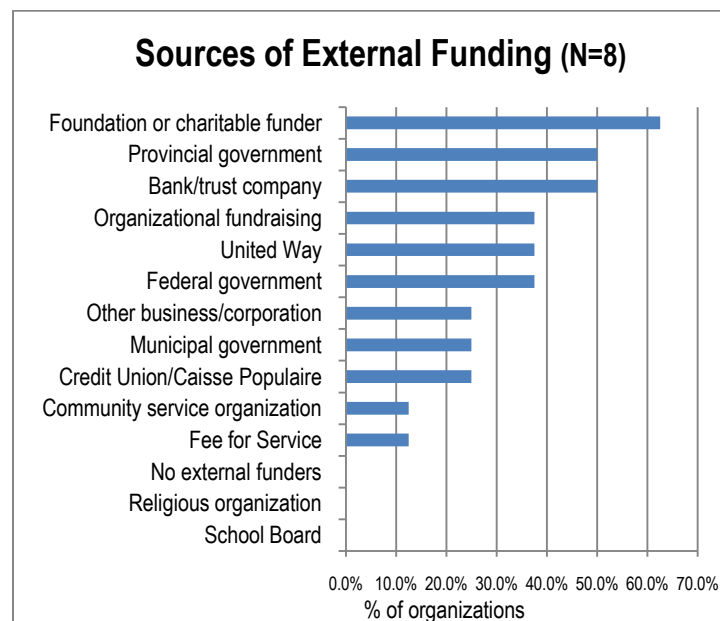
CBOs noted that demand for most of their programs is very high: five (62.5%) currently have a waiting list for participation in their financial capability programs. Three (37.5%) noted that they have to do regular promotion and outreach to fill their programs (two were IDA programs that require much more commitment and motivation from their participants). Most, however, said that they find it challenging to meet demand – their programs are filled readily. CBOs are already investing resources from other programs and core budgets in order to embed financial capability supports and services; with rapidly rising demand, it is unclear if these CBOs will be able to maintain a sufficient volume and quality of services to meet demand.

Survey Fact Sheet #4: The Nature of financial capability Funding

The current profile of financial capability funders is substantially different from that in other Canadian social development sectors.

The field has developed without substantial contributions from the Federal government and little provincial investment (with the exception of related provincial government investments in Manitoba (IDAs) and New Brunswick (economic development)). The active investment of corporations in this sector is unique and exceptional, in particular the sizeable donations provided by charitable arms of Canadian financial institutions, which see a strong connection between their interests and the issue of financial capability.

United Ways in many cities are playing a growing role in this sector, acknowledging the importance of financial knowledge and skill in alleviating poverty. United Ways provide more stable, core stable funding with a longer-term commitment. The new TD Bank/SEDI Financial Literacy Fund is also a source of funding for some organizations in the field.



The lack of a policy context for financial capability is shaping and limiting the field of FC

Lack of funding has had a clear impact on the growth, structure and quality of program delivery. Respondents spoke of a serious lack of sufficient and consistent funding, and of the competitive nature of fundraising. Funding tends to be short-term and project-based. As a result, CBOs'

approach to financial capability can be piecemeal, as they patch their funding together from a wide range of sources.

Much of the financial capability funding that does exist tends to focus on program delivery. Respondents noted that it provides insufficient resources to cover the costs of community partnerships, research, evaluation, and professional development. In outreach and capacity-building programs, funding often does not cover partners' organizing, delivery and monitoring costs.

The 'embedding' of financial capability has developed as a front-line response to the current funding context, as all of the CBOs try to meet rapidly rising participant demand for financial supports and services with little new money and resources. While there are definite advantages to embedding (such as increased customization, flexibility, and sustainability of financial capability supports and services), it has delayed the development of a strategic focus on financial capability in these organizations (limiting formalization, evaluation and learning about effective practice) and has further stressed staff who are often already overcommitted. Respondents noted how challenging it was to maintain continuity of staffing in this uncertain funding environment.

Precariousness in the face of growing demand

The research revealed some precariousness in the field of FC. Respondents noted that their programs still lack sustainability, which seems to vary among projects and within organizations.

"Up to today we have had a strong long term partner. Our challenge is to diversify our sources of funding and evolve our program to respond to funder and participant needs. We would like to engage provincial and federal funding partners."
(Respondent)

Many of the respondents expressed a preference for Federal and provincial government funding of FC, although the experience of more flexible funding has shifted their expectations as to how funding should be structured.

Ideal funding would:

- Offer longer-term, core funding to support consistent program delivery and innovation
- Maintain the flexibility of program design and implementation which has resulted in more customized, robust, client-centred programming
- Encourage and support partnerships and collaborative delivery models
- Fund all aspects of financial capability programming including professional development, evaluation, and partner costs

Survey Fact Sheet #5: Promising Practices and Emerging Models of financial capability Delivery

The research revealed a dynamic, evolving picture of financial capability delivery across Canada.

The majority of financial capability delivery by CBOs is embedded into a wide range of social and economic development and adult education interventions that are already a part of the organizations' program offering.

Yet the research provided a newly emerging framework for understanding the range of programming and delivery options available to financial capability practitioners. All of these options are grounded in different choices that organizations make as they seek to deliver financial capability programming and/or scale-up the capacity of the field to deliver programming. The framework highlights three decision making dimensions that are present in each programming option:

- individual vs. group orientation
- internal vs. external delivery
- direct service with participants vs. capacity building with practitioners and their organizations

These four categories of delivery house a range of related models:

In-house group training includes:

- Specialized, formal curriculum-based financial capability training
- Financial capability training integrated into enterprise development and asset-building programs
- Financial capability department "servicing" other programs and departments within the CBO by providing FC training
- Embedding financial capability as a component of a broader social development and/or essential skills intervention

In-house coaching includes:

- Formalized coaching and problem solving staff "service" the CBOs other programs and departments
- Embedded coaching in existing programming and financial capability training
- Consumer education and credit counselling

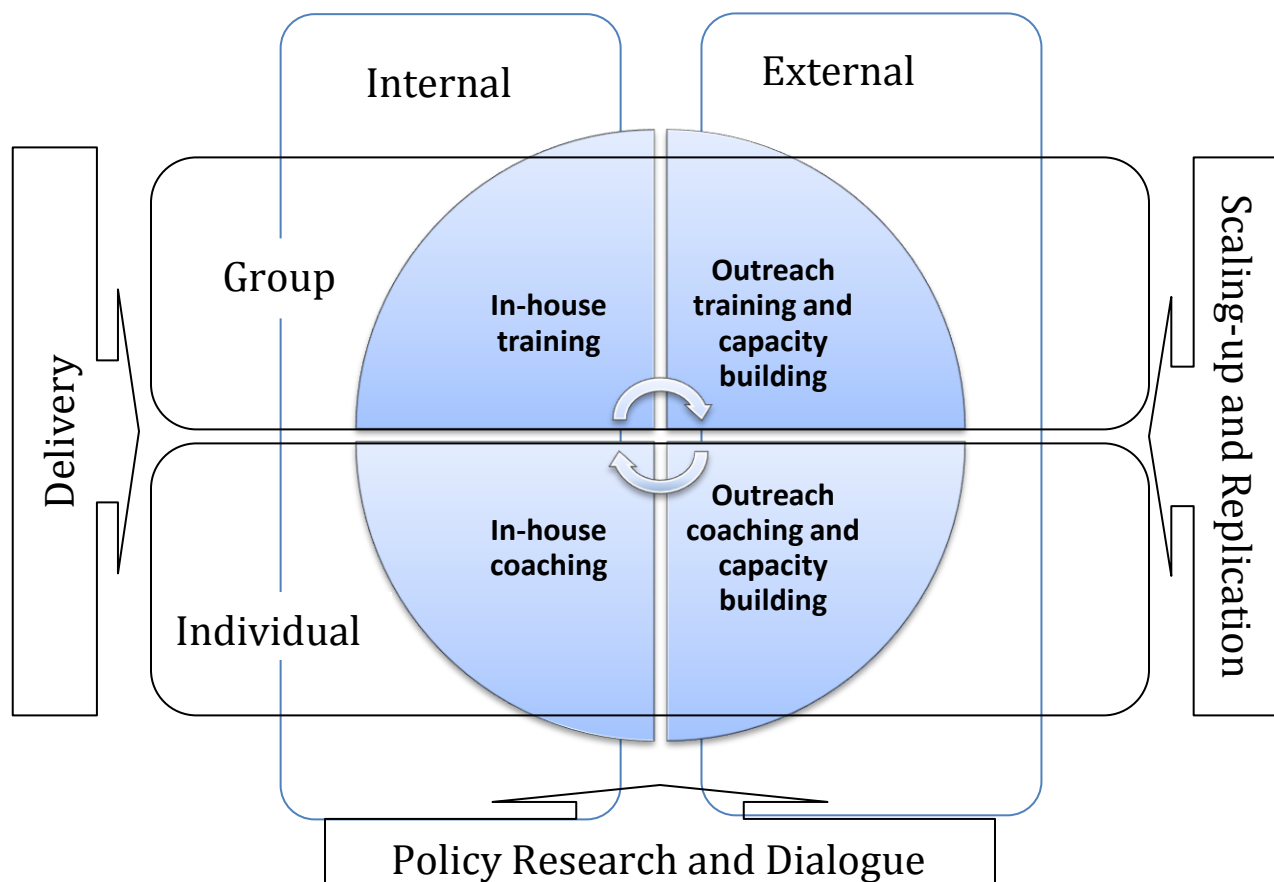


Figure 3: Financial Capability Implementation Options

Outreach training includes:

- Direct delivery of formal financial capability training to the participants of other CBOs
- One-off public information sessions in neighbourhoods
- Regional outreach and distance learning (e.g. videoconferencing)

Outreach training capacity-building approaches:

- Hub model – collaborative financial capability capacity building and delivery
- Formal training-of-trainers and capacity building by national or regional organization in partnership with host organizations (SEDI-Canadian Centre for Financial Literacy)

Outreach coaching includes:

- Peer-to-peer coaching by volunteers
- Outreach coaching – centralized organization and delivery of financial capability coaching to multiple organizations
- Internet-based self help

Outreach coaching capacity building approaches:

- Replication of outreach coaching and training of coaches

What are these financial capability leaders doing?

Seven of the eight financial capability leaders focus their resources on specialized, formal financial capability training; only one (St. Christopher House) does no group-based training. Group-based financial training is predominantly classroom based and grounded in a standardized curriculum. financial capability training staff often supplement group sessions with ad hoc, on-demand coaching and problem solving, and at two organizations tax filing services offer an opportunity for one-on-one problem solving and coaching.

Most training programs offer a combination of the following core elements in different order:

- Budgeting and money management/record keeping
- Financial planning and goal setting
- Financial attitudes and behaviour
- Banking
- Consumerism
- Credit and debt
- Self-assessment (of a holistic set of personal assets to support behaviour change)

Practitioners are increasingly interested in one-on-one approaches because they see the effectiveness of strategies that are immediately geared to the life stage, knowledge level and needs of the learner, and pro-actively support practical problem solving and action.

‘Embedding’ is a common-sense solution to the lack of direct funding for financial capability activities. Indeed, CBOs clearly perceive ‘embedded’ financial capability programs as more

effective in achieving desired outcomes because they integrate financial education into a holistic range of supports and services, and allow for intensive customization of training and supports to a specific target group. Embedding is largely informal and takes a number of different forms (training and coaching-based) across the field.

Outreach delivery of financial capability is a new and growing force in the field

Four organizations noted that they have also responded to demand for financial capability services in their community by offering the direct delivery of financial capability workshops at other organizations. Some of the organizations are working to shift their outreach resources away from direct delivery towards the development of financial capability delivery capacity through training of trainers, coaching and co-delivery.

Four of the organizations offer periodic drop-in workshops that are open to the public, sometimes as a part of their recruitment strategy. Internet-based delivery is not common, although three organizations noted that they use the Internet in their ongoing work. PARO is engaged in a partnership-based approach, pursuing an innovative, technology-based, distance learning strategy with videoconferencing in remote, northern Aboriginal communities.

Further exploration of these lead CBOs’ activities reveals that they are increasingly organized and specialized in their financial capability-related work. They are constantly transforming their organizational structure and programming to adapt to new realities and opportunities. Over half can be considered ‘hub’ organizations in the field of FC: they build sophisticated partnerships, promote capacity building in their communities, develop curriculum that is used by other organizations, and advocate for a more enabling policy context and developmental context

Emerging standards of delivery?

An interesting finding of the research is that while the current levels of program fidelity and consistency of program delivery are low, there are strong similarities in program curriculum content and program structure. While standardization of financial capability delivery is not likely to happen in Canada (practitioners strongly advocate flexible, customized delivery), there are signs that curriculum and program design standards are emerging.

Figure 4: Emerging Models

	INTERNAL In-house financial capability programming <i>Building the organization's capacity to meet rising demand</i>	EXTERNAL Outreach financial capability interventions <i>Scaling up to meet rising community demand</i>
Group Interventions	Integrating financial capability within enterprise development and asset building <ul style="list-style-type: none"> • Momentum • PARO • SEED • Saint John Community Loan Fund 	Local outreach – to provide direct service training in financial capability to enhance community agencies' work with marginalized clients <ul style="list-style-type: none"> • Family Services of Greater Vancouver • Momentum • SEED
	Organizational service model – establishing a financial capability department to provide embedded training to all of the organization's programs <ul style="list-style-type: none"> • JVS Toronto 	Hub Model – Collaborative financial capability capacity building and delivery <ul style="list-style-type: none"> • SEED Winnipeg – Asset Building Collaborative • Momentum
	Embedding financial capability into an intensive high-engagement employability program <ul style="list-style-type: none"> • WoodGreen Community Services – "Money Management" course offered within Homeward Bound's Boundless Possibilities for Women (BPW) program 	financial capability capacity building with other agencies/ communities <ul style="list-style-type: none"> • SEDI's CCFL train the trainer work across Canada
	Specialized, formal, curriculum-based financial capability training <ul style="list-style-type: none"> • Carrefour jeunesse emploi Côte-des-Neiges (Montreal) Employment Services 	Regional outreach and distance learning <ul style="list-style-type: none"> • PARO Centre for Women's Enterprise (Thunder Bay) - Aboriginal
Individual Interventions	Formalized coaching and problem solving – establishing a department to provide financial supports and services to the clients of all programs <ul style="list-style-type: none"> • St. Christopher House - Financial Advocacy and Problem-Solving (FAPS) 	Outreach Coaching <ul style="list-style-type: none"> • The United Way of Toronto is working with FAPS to replicate the coaching approach – the plan is to organize a cluster of coaches who provide service to multiple organizations.
	Embedded coaching – integrated into the delivery of financial capability and other life skills and adult education programs <ul style="list-style-type: none"> • Most CBOs take this approach to some extent, offering coaching as a part of their general training and counselling work. 	Peer-to-Peer Coaching <ul style="list-style-type: none"> • The NICE Network FL project for seniors in Toronto is piloting a peer-to-peer based coaching approach • A youth Independent Living Account project (SEDI)
	Consumer and credit counselling <ul style="list-style-type: none"> • Options consommateurs • Credit Counselling organizations 	Internet-based self- help <ul style="list-style-type: none"> • There are many on-line, self-help models and resources

Survey Fact Sheet #6: Monitoring and Evaluation

The status of community-based organizations' (CBO) evaluation of financial capability interventions mirrors the general weakness of evaluation investment and practice in the Canadian non-profit sector. Evaluation is increasingly highlighted as a core practice in the sector, but little investment of funding and capacity building have been tied into that shift.

The lead organizations are clearly more advanced in evaluation practice than smaller organizations that are new to FC. Consultation with other CBOs across Canada revealed that such organizations struggle to implement the most basic aspects of performance monitoring, and do not progress much beyond that point.

The survey revealed that the financial capability evaluation agenda is driven by the accountability requirements of funders that emphasize performance monitoring and some basic research to document participant-level outcomes.

Respondents reported a continuous evolution of monitoring and evaluation requirements as funders and funding change.

The project-based, often precarious nature of funding means that few organizations take a systematic approach to evaluation: objectives, outcomes, data collection systems and evaluation methods tend to vary on a project-to-project basis. For various reasons, primarily lack of a sufficient budget for evaluation, not enough time and resources are invested in evaluation-related activities.

The main challenge to evaluation has been that few organizations make a concerted investment in project planning (i.e. the use of logic models) and designing evaluations that are integrated into the fabric of the program. Perhaps as a result of the fact that financial capability begins as a practice designed to advance broader organizational missions, few projects identify clear objectives and expected outcomes.

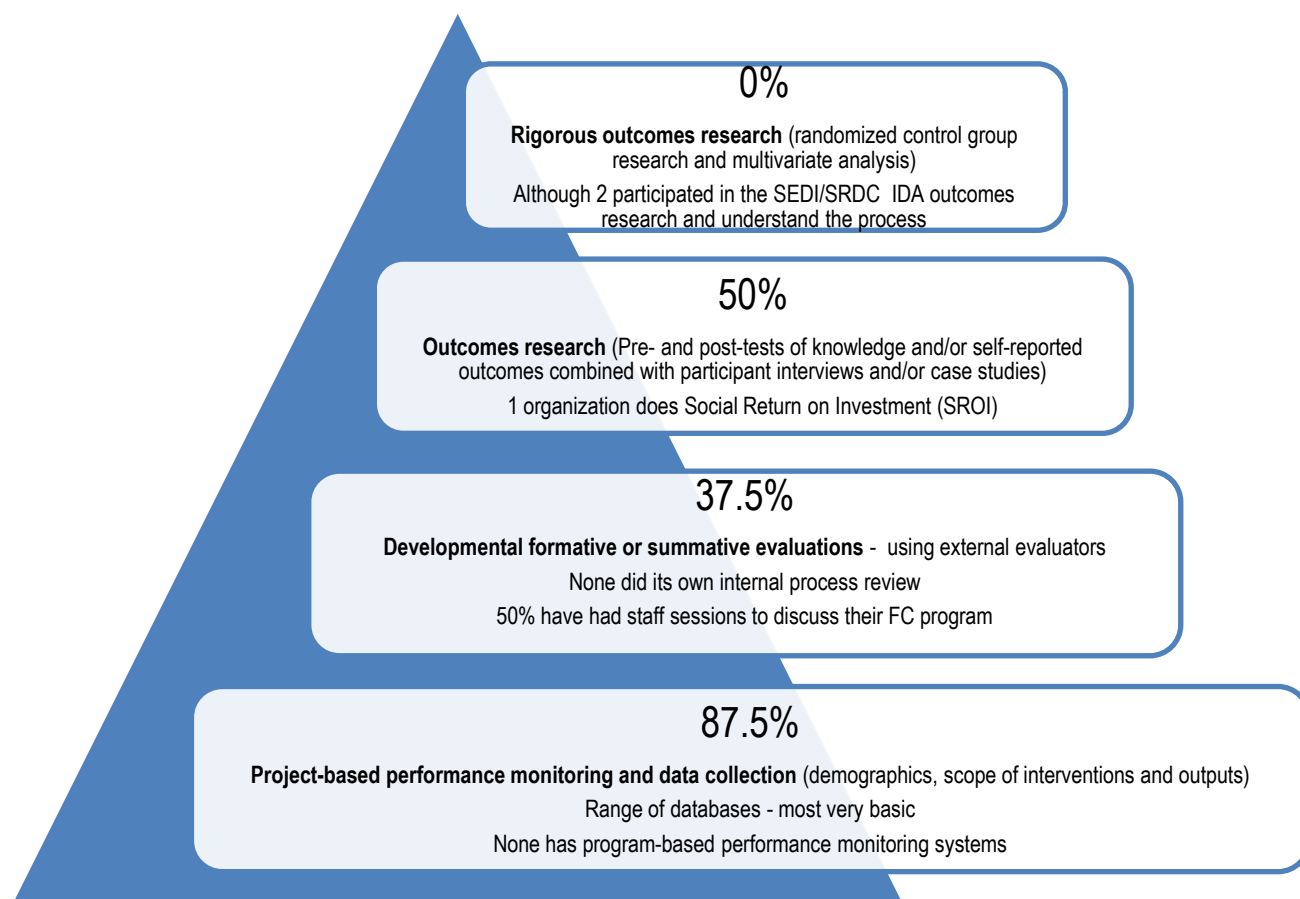


Figure 1: An overview of financial capability leaders' evaluation practice (N=8)

At best, ‘evaluation’ work focuses on performance monitoring

The focus on accountability has resulted in a CBO emphasis on performance monitoring. Data collection is generally implemented on a project-to-project basis. The positive side of this situation is that CBOs have invested in continuous learning and improvement of financial capability performance metrics. Most of these lead organizations have monitoring systems, some of which are very sophisticated. Some are moving to build in more advanced metrics and analysis, such as Social Return on Investment (SROI). Yet even the organizations with more complex data collection and management systems noted that it is very challenging to get the metrics right and to manage the high volume of data. Many respondents felt that their data is rich, but under-utilized.

Additional indicators of respondents’ evaluation capacity:

- 62.5% have developed logic models for at least one financial capability program and do some project design that incorporates evaluation, but few progress beyond the preliminary planning stage of evaluation and solely focus on monitoring as a part of their accountability to each project’s funder
- 87.5% have experience with performance tracking
- Four (50%) have undertaken in-house outcomes research on one or more of their financial capability projects
- Three (37.5%) have worked with external evaluators to implement more elaborate process reviews and/or outcomes research

Respondents were very interested in creating common indicators and a centralized, Internet-based data collection and processing system for the field. SEDI is currently facilitating the *Financial Literacy Evaluation Project* – a collaborative, pan-Canadian initiative to promote evaluation capacity building and to develop a common set of core outcomes indicators for the field of practice.

Outcomes Evaluation

CBOs do not consistently use results-based planning in their programming and their projects are not commonly grounded in a statement of how change happens. A few of the respondents have made good progress in defining the expected outcomes of their financial capability work, yet most still struggle to identify concrete, measurable indicators. Results-based planning is not extensively used, although half of the lead CBOs are doing some form of outcomes

documentation. Most common is a simple data collection process, focusing on financial capability knowledge and/or behaviour change. These CBOs devise simple repeated measurement tools, including pre-/post- and follow-up data collection.

A range of evaluation challenges were noted:

- Lack of resources in budget (staff, time, money)
- Inconsistency in program design and delivery
- Database challenges (volume, indicators, design)
- Finding appropriate and qualified evaluators
- Weak in-house capacity for evaluation
- Asking too much of participants – inappropriate treatment (e.g. testing) and difficulty of follow-up
- Asking too much of staff (excessive paperwork)

Outcomes

A great deal of work remains to be done to capture the knowledge and behavioural changes of financial capability participants. The chart below identifies a range of basic behavioural indicators that reveal specific actions resulting from people’s participation in financial capability programs. Yet practitioners have a much more complex, textured story to tell about how change happens and what stages people go through as they build self-confidence and money management skills.

Outcome Indicators (on a Lykert scale where 1=very small change and 6=substantial change)

Participants are now...

Moderate to substantial changes observed (level 4-6)

- Checking credit reports
- Taking steps to build or improve credit scores
- Comparing prices when shopping
- Planning so that their monthly spending does not exceed their income
- Getting help with their finances (e.g. filing taxes, credit counselling)
- Keeping track of spending and income
- Taking steps to pay off debt
- Paying bills on time

Low to moderate changes observed (level 1-3)

- Making a long-term plan for their finances
- Staying informed about financial topics that may affect them
- Opening a new bank account

Mixed results (no clear response pattern – some high/some low)

- Saving money
- Writing out a personal budget/spending plan
- Setting a goal for saving