



CASE STUDY | ENOUGH FOR ALL CALGARY: CANADA'S FIRST FINANCIAL EMPOWERMENT MODEL

Calgary's Financial Empowerment Collaborative plays an important role in the city's community-driven *Enough for All* poverty reduction strategy. Working toward achieving the goal that everyone has the income and assets needed to thrive, the collaborative designs and delivers initiatives that support Calgarians living on low incomes to reduce debt, increase savings, and build assets.

THE CITY OF CALGARY

Calgary is the third largest municipality in Canada, housing a young and diverse population of 1.2 million. The average age of its residents is 36 years, and 28% represent visible minorities. People are drawn to the city for its high quality of life, proximity to nature, and cleanliness. The City of Calgary is committed to "making life better for [its] citizens of today and tomorrow," and to "fostering a culture of innovation, creativity and best practices."¹ Despite these efforts, poverty remains a fact of life for many Calgarians, particularly among those who struggle with inadequate incomes to meet their basic needs.

Snapshot of Poverty in Calgary

- One in two Calgarians worry about not being able to save for the future.
- One in three Calgarians are concerned about not having enough money for housing.
- One in five Calgarians are concerned about not having enough money for food.
- One in ten Calgarians live in poverty.

Source: <http://enoughforall.ca/learn>

CALGARY'S POVERTY REDUCTION STRATEGY: ENOUGH FOR ALL

The Calgary Poverty Reduction Initiative (CPRI) was a joint project launched by The City of Calgary and United Way of Calgary and Area in 2011 following newly elected Mayor Naheed Nenshi's "Better Ideas" campaign. The initiative's intent was to collaboratively develop a community-led poverty reduction strategy.

“***My neighbour's strength is my strength.***”

¹ <http://www.calgary.ca/ca/city-manager/Pages/About-Us/ourcity.aspx>

The *Enough for All* strategy was developed based on 15,000 hours of consultation with citizens, the business community, government, non-profits, and academia. It aims to reduce poverty in Calgary by 50% by 2023.

Enough for All was unanimously approved and adopted by City Council and United Way's Board of Directors in 2013.² In January 2015, a four-year agreement between the City of Calgary, United Way of Calgary and Area, Vibrant Communities Calgary (VCC), and Momentum, moved stewardship of the strategy from the CPRI Secretariat within the City to the community through VCC.³

VCC serves as the backbone organization for the strategy and applies a Collective Impact approach to guide its process, engagement, and implementation. This approach aligns work already happening in the city and helps to fill service and program gaps, in order to maximize the results of the many collective efforts undertaken by a wide range of stakeholders with the end goal of reducing poverty in Calgary.

Enough for All Priorities for Action

- All Calgary communities are strong, supportive and inclusive.
- Everyone in Calgary has the income and assets needed to thrive.
- Everyone in Calgary can easily access the right supports, services and resources.
- All Aboriginal peoples are equal participants in Calgary's prosperous future.

EVERYONE HAS THE INCOME AND ASSETS NEEDED TO THRIVE

Financial vulnerability affects many people in Calgary. Wages are not keeping up with the rapidly increasing cost of living, and most people living below the poverty line belong to households in which at least one person is working. Many others are living above the poverty line, yet still experience financial vulnerability due to low levels of savings and high levels of debt. With Alberta's economic downturn and resulting layoffs, many Calgarians are experiencing financial stress for the first time.

To mitigate these challenges, residents must be afforded opportunities to earn sufficient incomes and build financial assets. When people are able to make confident, better informed decisions about their finances, they gain much-needed financial security.



Effectively addressing poverty will require providing people with the opportunity to earn a sufficient income and build financial assets.



Enough for All's second priority for action states that everyone in Calgary should have the income and assets needed to thrive. Progress in this area is being realized by the leveraging of investments within programs, concerted efforts towards influencing policy change at multiple levels of government, and steps taken towards scaling financial empowerment strategies across broad systems.

² <http://enoughforall.ca/where-weve-been/>

³ <http://enoughforall.ca/key-partners/>

CALGARY'S FINANCIAL EMPOWERMENT MODEL AND COLLABORATIVE

Calgary was the first city in Canada to develop and implement a financial empowerment model. Its city-wide Financial Empowerment Collaborative was launched in 2015 by United Way of Calgary and Area, the City of Calgary, Vibrant Communities Calgary, Momentum, Bow Valley College, and the Government of Alberta. Effectively structured and well-resourced, it was developed as a means to address the root causes of poverty, including wealth, access, and education, while responding to the immediate needs of Calgarians living on a low income.

Calgary's Financial Empowerment Collaborative

- Supports Calgarians living on a low income to expand financial knowledge, reduce debt, grow savings, and build assets.
- Builds the capacity of community agencies to help Calgarians improve their financial well-being.
- Advocates for policy changes to ensure all Calgarians can fully participate in the financial system.

The Collaborative creates measurable improvements for people living on a low income by delivering proven strategies to help them reduce and manage debt, increase savings, and build assets. Strategies include supporting individuals living on a low income with taxes and benefits clinics, financial literacy and one on one coaching supports, access to RESP options, and matched savings programs. The Collaborative strengthens partnerships, builds capacity of organizations to provide financial empowerment services, advocates for policy and systems change, and increases the number of Calgarians benefitting from financial empowerment services and supports.

WORKING TOGETHER FOR GREATER IMPACT

Calgary understands that no single organization can solve poverty alone, and that the complex work of poverty reduction must be accomplished through intentional collaboration between community agencies, corporate partners, government, individual philanthropists, and academic institutions.

In 2017, close to \$1 million was invested through the Financial Empowerment Collaborative by United Way of Calgary and Area, Family and Community Support Services, and Prosper Canada.

Partnering organizations work together across the community to increase community capacity and local access to programs and services that can help empower those in poverty to take control of their financial situations. Partners collaborate to test, prove, and scale solutions needed to implement this work.

Collectively, these groups extend the reach, accessibility, and availability of financial supports and programs, taking a proactive approach that both addresses the root causes of poverty, and responds to the immediate needs of Calgarians living on a low income.



Calgary has become a shining example of how collaboration between partners can lead to tangible efforts to financially empower individuals and families in need.



SUCCESSES OF CALGARY'S FINANCIAL EMPOWERMENT COLLABORATIVE

The bold goal for Calgary's Financial Empowerment Collaborative is for 45,600 Calgarians living on a low income to see a positive change in their net worth by 2023.

Since its launch, the Collaborative has already created great impact. In 2017 alone, it supported 11,420 Calgarians to reduce debt, grow savings, and build assets. A second notable achievement is that it has already achieved its sub-goal of 16,100 people impacted by the end of 2018. To date, more than 20,000 Calgarians living on a low income have seen a positive change in their net worth.

Goal for 2023: 45,600 Calgarians living on a low income see a positive change in their net worth.

Progress by end-2017: More than 20,000 Calgarians had already seen a positive change in their net worth.

Calgary's Financial Empowerment Collaborative's huge strides in financial empowerment transgress six evidence-based and complementary strategies: basic needs assistance; safe and affordable financial products; financial coaching; taxation and government benefits; education savings; and matched savings.

Outcomes from 2017 under each of these strategies include:

1. Basic Needs Assistance:

- 1,534 Calgarians living on low incomes accessed community supports; \$1,105,688 in crisis support funds were provided to individuals and families facing a financial crisis; and 94% of recipients reported that these funds stabilized their emergency and prevented them from falling deeper into financial crisis.

2. Safe and Affordable Financial Products:

- Calgarians now have access to three new mainstream banking options that have been developed as alternatives to payday loans.

3. Financial Coaching:

- 71 agency staff were trained to coach individuals experiencing financial stress, ensuring that more individuals and families living on low incomes could learn strategies to reduce debt, increase savings, and build assets.

4. Taxation and Government Benefits:

- 587 tax clinics were held in the community, led by 857 trained volunteers; and 8,445 tax returns were filed through tax clinics resulting in \$3,721,649 in tax refunds for Calgarians living on low incomes.

5. Education Savings:

- 143 front-line staff were trained to as Community Champions to help Calgarians living on low incomes to open RESPs for their children. With the support of 17 partner agencies, 961 new RESPs were opened in 2017. As children with RESPs are three to six times more

likely to go on to post-secondary education, this long-term strategy supports ending intergenerational poverty in Calgary.

6. Learning and Earning Matched Savings:

- 311 people living on low incomes participated in a matched savings program, growing their financial literacy and earning matching savings towards the purchase of an asset; and \$403,542 was put toward purchasing a financial asset.

Successes in Financial Empowerment Programming (2017)

- **1,534** Calgarians living on low incomes received community supports for basic needs, with **\$1,105,688** provided to individuals and families facing a financial crisis.
- **71** agency staff were trained to coach individuals experiencing financial stress.
- **587** tax clinics were held in the community, led by **857** trained volunteers.
- **8,445** tax returns were filed through tax clinics, resulting in **\$3,721,649** in tax refunds for Calgarians living on low incomes.
- **143** front-line staff across **17** partner agencies supported Calgarians living on low incomes to open **961** new RESPs for their children.
- **311** people living on low incomes participated in a matched savings program, with **\$403,542** from these funds put toward purchasing a financial asset.

POLICY AND SYSTEMS CHANGE

In addition to the design, delivery, and support of the above programs and services, Calgary's Financial Empowerment Collaborative works with policymakers to achieve sustainable policy and systems change that addresses root causes of poverty.

In 2015, the Collaborative began to explore the issue of payday loans. To deepen their understanding, the City created a Payday Lending and Financial Inclusion Task Force, which included members from United Way, Momentum, Vibrant Communities Calgary, CUPS, First Calgary Financial, Servus Credit Union, the Canadian Payday Loan Association, and a Calgarian with experience accessing payday loans. Recommendations of the Task Force were unanimously approved by City Council. These included: requiring businesses to obtain business licenses to ensure they could be monitored for safe practices; changing to municipal bylaws to lower the density of payday lenders; and requiring payday lenders to pay licensing fees. Expected policy outcomes for 2018 include that people use more affordable alternatives to payday loans, reduce reliance on fringe lenders, reduce their interest payments, and open bank accounts to reduce their reliance on costly cheque cashers.

At the provincial level, the City's financial empowerment partners also made recommendations that helped shape Bill 15: An Act to End Predatory Lending. Passed in the provincial legislature in May 2016, Bill 15 reduced the maximum allowable interest rate from \$23 to \$15 per \$100, making it the lowest

payday lending rate in Canada. The bill also stipulated that payday lenders must promote financial literacy resources and allow consumers to repay loans and interest in installments.



With the new regulations, Alberta has gone from one of the most expensive provinces in Canada to get a payday loan, to by far the most affordable.



Another policy win resulted in November 2017, with the Government of Alberta tabling Bill 31: A Better Deal for Consumers and Businesses Act. This Act contains a series of measures intended to strengthen Alberta's consumer protection laws. It contains several measures to strengthen Alberta's high-cost credit rules, including introducing a definition for high-cost credit (32% and above), establishing disclosure and advertising requirements, requiring the use of standard contract formats or contract terms, and establishing licensing requirements for high-interest lenders.

Finally, evidence from the United States supports that financial empowerment interventions, when integrated into service delivery of social services like social assistance, housing, and employment, can boost both program and participant financial outcomes – the so called “supervitamin” effect.⁴ Inspired by this, Calgary's Financial Empowerment Collaborative is now partnering with large systems to support the integration of financial empowerment interventions. In 2017, a pilot was launched with the City of Calgary's Affordable Housing unit to integrate financial coaching into affordable housing in the city, and the Calgary Homeless Foundation has started to train case managers in financial literacy and financial coaching. The Collaborative will continue this work in 2018, partnering to build financial empowerment into service delivery with other partners such as Alberta Health Services and the Government of Alberta.

Successes in Financial Empowerment Policy (2015-2017)

- **Payday Lending and Financial Inclusion Task Force** recommendations were unanimously accepted by City Council, and included requirements for businesses to obtain business licenses, municipal bylaws to be implemented to lower the density of payday lenders, and for payday lenders to pay licensing fees. (2015)
- **Bill 15: An Act to End Predatory Lending** was passed in the provincial legislature, which resulted in the reduction of the maximum interest rate allowed from \$23 to \$15 per \$100, making it the lowest payday lending rate in Canada. (2016)
- **Bill 31: A Better Deal for Consumers and Businesses Act** was tabled by the Government of Alberta, which strengthened Alberta's high-cost credit rules. (2017)
- **The City of Calgary's Affordable Housing Unit Pilot** integrated financial coaching into affordable housing. (2017)

⁴ <https://www1.nyc.gov/assets/dca/downloads/pdf/partners/Research-SupervitaminReport1.pdf>

LOOKING AHEAD TO 2018

Calgary's *Enough for All 2018 Implementation Plan*⁵ maps out which activities need to be delivered and which medium-term outcomes need to be achieved in order to meet the strategy's overall goals. Building from the strong foundation laid by the Financial Empowerment Collaborative so far, partners new and old will continue to support Calgarians in making permanent changes to their financial health, with a focus on embedding financial empowerment activities into their everyday work.

Between 2018 and 2023, the City of Calgary remains focused on realizing transformational change. Long-term goals include decreasing the debt of low income Calgarians by \$7.14 million and increasing savings by \$1.16 million for approximately 2,400 Calgarians.

Planned activities for 2018 include launching a new tax time matched savings program in partnership with ATB Financial, fully transitioning the Financial Empowerment Collaborative backbone from United Way to Momentum, and progressing systems integration of financial empowerment.

As a new Strategic Plan was developed in late 2017, a key activity to be completed in 2018 will also be to develop a new brand identity for the Collaborative.

CONCLUSION

The City of Calgary sees building the financial stability of their youth and families as an investment in the city's future. The City and its financial partners recognize that in times of economic challenges, anyone can struggle to meet ends meet. In Alberta's current economic climate, this work is especially critical.

Financial empowerment strategies help Calgarians alleviate financial stress and prevent others from slipping into poverty. Overcoming poverty, in turn, creates opportunity and positively impacts the lives and well-being of all community members.

In large part due to the important work being done by Calgary's Financial Empowerment Collaborative, financial empowerment is gaining momentum in Calgary. The city is steadily realizing its bold goals, and more and more vulnerable Albertans are being moved from poverty to possibility.

READ MORE

- [Enough for All Poverty Reduction Strategy \(2013\)](#)
- [Implementation Plan - Enough for All \(2018\)](#)
- [UW Calgary Financial Empowerment Infographic](#)
- [VCC Calgary Evaluation Response Report \(2017\)](#)
- [Evaluation of Year 2 of Enough for All \(2016\)](#)
- [Financial Empowerment Report to Stakeholder \(2016\)](#)

BY: ALISON HOMER

Get Involved

- Join the cause at www.enoughforall.ca/act
- Follow VCC on Facebook at www.facebook.com/vibrantcalgary
- Follow @vibrantcalgary on Twitter and tweet using #endpovertyYYC & #enoughforall

⁵ [https://cdn2.hubspot.net/hubfs/316071/VC/2018 Implementation Plan E4A.pdf](https://cdn2.hubspot.net/hubfs/316071/VC/2018%20Implementation%20Plan%20E4A.pdf)