

The Rainy Day Project

A new and innovative program which seeks to assist those members of the Aboriginal community who are struggling with money management issues by utilizing a pro-active & interactive approach.

A Public Report Presented By:



The Edmonton Financial Literacy Society

The Rainy Day Project is made possible through funding from:



Alberta
Capital Market
Foundation



AARC

Alberta
Aboriginal Affairs and
Northern Development

Alberta Employment, Immigration
and Industry

Executive Summary

The purpose of phase one of the Rainy Day Project was to modify The Edmonton Financial Literacy Society's existing Financial Literacy material to contain a Traditional Aboriginal Culture and Values component, and to then evaluate the impact of the changes.

This was a ground breaking project - we are not aware of any other organization within North America that has made this kind of change to a 'modern western' developed course. This added a new spiritual dynamic to the approach of money management, and facilitated a greater understanding of traditional teaching and values to members of the Aboriginal community.

From the completion of phase one, EFLS now has a greater understanding of the strengths and weaknesses of this approach, and has already developed solutions to improve on the excellent results from phase one. One of the other great innovations of this project was based on EFLS'S approach to working in the community. Its mandate is to, wherever possible, work in partnership with, and build on the skills of, other specialist community organizations. This project is a great example of community collaboration, and how the capacity of a project can be increased exponentially by collaborations.

One of the best testimonies as to the success of phase one can be seen in the comments made by participants in the evaluation section, and their numeric course evaluations. The over all ranking of the course (from 1=poor to 10=excellent) was on average 9.25 out of 10.

I am also delighted to report that EFLS has now secured a large portion of the funding required for phase 2 of this project, which will also allow us to deliver a few of the courses outside of the Edmonton area.

Nigel Kidd
Executive Director
The Edmonton Financial Literacy Society
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The Need for Financial Literacy

Financial Literacy is the information, knowledge and skills that an individual possesses to evaluate the various options available in the financial and consumer marketplace and the ability to identify those that best suit each individual's needs and circumstances.

Just as we all need basic reading, writing, and arithmetical skills to navigate in today's world, we also need financial literacy skills. Financial literacy is under rated yet critical because it is an indicator of whether people comprehend the external forces that significantly affect the quality of their lives.

Financial literacy is essential in order for one to fully participate as a consumer of financial services and products, to access government financial assistance programs and to accumulate wealth.

Why is there a need for a program such as the Rainy Day Project?

Research indicates that too many people in Canada lack a functional level of financial literacy. The unfortunate reality is that members of Canada's Aboriginal community are somewhat more susceptible to this syndrome as quite often they are disadvantaged due to generally lower levels of education, the presence of difficult socio-economic conditions and have a tendency towards tenuous relationships with mainstream financial institutions.

Supporting the above Statement of Need is data derived and quoted from the report entitled "*An exploration of housing options for Aboriginal People in Edmonton, Alberta and Winnipeg, Manitoba*". The research and information compiled was conducted by the Canadian Mortgage and Housing Corporation (CMHC), October 2005:

- *"The largest concentrations of urban Aboriginal people in Canada live in Edmonton and Winnipeg. More than half of the Aboriginal households in Edmonton and Winnipeg have incomes below Statistics Canada low-income cut off points (LICO), and more Aboriginal households in these cities live in poverty compared to the national average."*
- *"The average annual individual income for Aboriginal people in Edmonton and Winnipeg is noticeably less than the average income for non-Aboriginal individuals."*
- *"Many Aboriginal people lack an established relationship with a Financial Institution and credible references for landlords."*
- *"According to Statistics Canada, approximately 65% of the Aboriginal households in Winnipeg and 71% in Edmonton rent their accommodations. Families and individuals rent because they cannot afford to buy a home, due to a lack of education and occupationally focused skills, low paying and insecure job opportunities, and other barriers to securing sustainable, meaningful employment."*
- *"There is a growing middle class of urban Aboriginal people who could become homeowners given appropriate information and support."*
- *"Urban and rural Aboriginal communities need opportunities for education and employment in order to create stability in their families and communities, thereby creating favorable conditions for home ownership."*

EFLS'S Approach

What is the Edmonton Financial Literacy Society (EFLS) and What do they do?

Originally established in 1995 and **formerly named *The Edmonton Community Loan Fund Society (ECLF)***, as a non-profit organization its mandate was to provide low-income residents of the Edmonton area a viable alternative to acquiring small business loans when more conventional options were exhausted.

About five years ago the organization noted that the demand for these types of loans was declining. However, it continued receiving a high volume of inquiries with regards to accessing personal loans, consolidation loans and payday loans. This trend of ever increasing personal debt pointed towards a *deeper need in the Edmonton Community.....the need for financial literacy education.*

The transition to **providing financial literacy courses** to those in need was initiated in 2002 and has been the organization's full time focus since 2004. **On January 24, 2006, the organization officially changed its name to the Edmonton Financial Literacy Society (EFLS)** in order to better reflect the type of programs and services that it is presently providing to the community. In partnership with other local non-profit organizations, EFLS is delivering financial literacy courses to Edmonton area residents who are low-income and highly *marginalized*. These include residents of substance abuse recovery houses, recent immigrants, young single parents and Aboriginals.

Since its inception, the organization has delivered their financial literacy courses to over 360 individuals via partnerships with 20 different local non- profit organizations.

How did the Rainy Day Project begin?

This groundbreaking project is the first of its kind in North America and is the brainchild of EFLS'S current Executive Director; Nigel Kidd. He recognized that due to the presence of dysfunctional socio-economic conditions, members of Canada's Aboriginal Community do not have (nor have they in the past) the same opportunities as *other Canadians* to acquire and hone their financial literacy skills and thus are at a major disadvantage in terms of their interactions with the mainstream financial community.

Sensitive to the distinct needs of the Aboriginal Community, Nigel focused on creating a unique financial literacy course delivery strategy that also combined traditional Aboriginal culture and values, to solidify the teaching within the Aboriginal Community and enhance the knowledge Aboriginal people have about their ancestors and the positive philosophies that are equally applicable today.

In order for the Edmonton based pilot project to be effective, EFLS acknowledged the need to partner with a non-profit organization that was primarily focused on Aboriginal issues to ensure that the financial literacy curriculum delivered was conducive with participants from Edmonton's Aboriginal Community. As stated earlier, the partner organization enlisted for this project is the *Bent Arrow Traditional Healing Society* and was chosen because Bent Arrow currently has a client base of over 6000 Aboriginals and from EFLS'S perspective, was an ideal partner organization in terms of initiating a project of this nature.

Nigel worked intently with Bent Arrow's Executive Director, **Shauna Seneca** to modify the financial literacy course materials to ensure that the materials would be effective, compatible and relevant to the local Aboriginal community. The Rainy Day Project was one of the last projects that Shauna Seneca worked on before her untimely death in December 2006.

In partnership with Bent Arrow, EFLS is developing, implementing, and evaluating the best methods to educate Aboriginal Peoples with Financial Literacy skills regarding budgeting, implementing healthy spending habits, banking, and housing issues. Including the reinforcement of Aboriginal culture and values within the curriculum will serve to augment each participant's level of self confidence in terms of their ability to access mainstream financial products, services and institutions.

What is the correlation between Financial Literacy and Aboriginal Related Issues?

There are presently no financial literacy programs specifically targeted at the Aboriginal community in Canada and Aboriginals unfortunately are consistently among the most impoverished sectors of Canadian society. Furthermore, statistics reveal that members of the Aboriginal community are more likely to be denied access to affordable housing, home ownership opportunities, debt counseling services and conventional financial products / services.

Knowledge is power, by providing members of the Aboriginal community with the financial skills, education and training it will empower them to be more confident and educated when interacting with present Canadian financial systems. Subsequently, the financial knowledge and education that Aboriginals acquire and convey to others from the program will serve well to reduce the discriminatory bias in terms of obtaining mainstream financial products / services

What Planning took place prior to launching the Rainy Day Project?

Based on a realistic estimate of program participant volume and resources available to deliver the project, a budget was prepared prior to applying for and receiving adequate funding.

Subsequently, a time line for project delivery was prepared and further broken down into manageable phases. Furthermore, Pre and Post Project participant questionnaires were drafted for project evaluation purposes.

Project Funding

Before embarking on any project of this nature and magnitude, sufficient funding needed to be secured. The following organizations generously funded phase 1 of the Rainy Day Project:

- The Edmonton Housing Trust Fund (EHTF) (Fiscal agent for the Federal Government's *Urban Aboriginal Strategy* Program.
- Alberta Capital Market Foundation.
- Alberta Aboriginal Affairs and Northern Development.
- Alberta Human Resources and Employment.
- Alberta Employment, Immigration & Industry.
- CIBC.

Project Delivery

The **Edmonton Financial Literacy Society (EFLS)** in partnership with the **Bent Arrow Traditional Healing Society** provided financial literacy education to members of the Aboriginal Community in Edmonton. This project is officially entitled **The Rainy Day Project**, and the partnership with Bent Arrow was for phase one of the program, to modify and evaluate the material changes to EFLS'S basic financial literacy course.

The **primary objective** of this initiative is to provide effective approaches to support Edmonton's Aboriginal Community in improving their money management skills and quality of life in order to overcome barriers such as affordable housing, home ownership, debt reduction, long term savings and crime prevention.

The project aims to increase awareness of the needs of Aboriginal peoples, and the benefits from this project methodology throughout Canada. **Secondary objectives** of this project are:

A) To enhance each participant's level of self confidence by the reinforcement of Aboriginal culture and values.

B) To effectively demonstrate how community partnerships can evolve and grow for the greater good of the communities they serve.

What are the objectives of the Rainy Day Project?

The following project goals and related indicators of achievement were established as guidelines to measure the level of project success.

Goal 1. Greater trust and understanding of current Canadian Banking Systems and implications of filing annual income tax returns	Outcome <ul style="list-style-type: none">• Increase in number of Aboriginal Peoples possessing and accessing a bank account.• Fewer Aboriginal Peoples utilizing expensive pay day loan companies.• Increased numbers of Aboriginal Peoples receiving GST credit, Child Tax Benefits.
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Goal 2. Greater understanding of qualifying criteria for rental housing or home ownership.	Outcome <ul style="list-style-type: none">• Greater number of Aboriginal Peoples securing possession and establishing stability in the rental housing market.• Increased number of Aboriginal Peoples inquiring about home ownership programs.
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<p>Goal 3. Greater positive understanding for traditional Aboriginal values, culture and beliefs.</p>	<p style="text-align: center;">Outcome</p> <ul style="list-style-type: none"> • Increased self confidence of Aboriginal Peoples integrated with other members of society. • Building a legacy for teaching future generations of the Aboriginal community.
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<p>Goal 4. Greater understanding of the needs of the Aboriginal community throughout Canada.</p>	<p style="text-align: center;">Outcome</p> <ul style="list-style-type: none"> • More awareness of effective programming and supports needed by the Aboriginal community. • Federal Government taking a more active role in procedures to assist the Aboriginal community.
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What evaluation methods will be utilized for the Rainy Day Project?

Each participant will provide evaluation to the Edmonton Financial Literacy Society after each session, and also provide an overall evaluation of the course itself at its conclusion.

The evaluation data collected will be of a quantitative nature and in conjunction with course attendance statistics, will demonstrate its effectiveness within the Aboriginal Community.

The chosen partner Aboriginal focused non-profit organization will also serve as external consultants in the evaluation process.

An important element of the evaluation process will be to measure the level of modified embedded behaviors in the participants.

What has transpired thus far with the Rainy Day Project?

- EFLS has identified the partner organization (Bent Arrow) and established broad terms and working arrangements.
- EFLS has secured funding to cover the project costs.
- Bent Arrow modified the curriculum to include traditional Aboriginal Culture and Values.
- Project delivery of 10 courses within the Edmonton area.
- Evaluations and assessments made. The final (3 month post) assessment will be processed shortly, and an addendum to this report will then be published.

The Financial Literacy curriculum was incorporated into the following Bent Arrow programs:

Circle of Hope – *A holistic support for Aboriginal survivors of residential schools.*

Wind dancers – *A program focused on Aboriginal youth.*

SWAT (Safety Watch Aboriginal Training) – *An employment program to allow individuals to become certified and progress into careers within the safety field. This project combined the safety ticket and financial literacy with an employment component and was run twice. Due to the nature of this training each session was conducted daily over a 2 week period (rather than once or twice a week as was the case with other groups).*

Parent Link – *A gathering place for Aboriginal families which provides free programs and resources for parents. It also provides a safe and secure childcare.*

Orenda House – *A transitional housing project for homeless individuals between the ages of 15-29.*

Healthy Families – *A long term intensive home visitation program which provides services to pregnant and first time parenting families (while this is an outreach program, the financial literacy project meetings were held at a Bent Arrow location and brought together people that were part of the program that would not normally meet otherwise).*

In addition, there were three other groups. One course was offered to staff to assist them in either future facilitation of the course or as part of the assessment to the modifications. Two more courses were delivered to people not usually accessing Bent Arrow through a series of promotional e-mails circulated to government departments and the UAS.

There were some challenges to phase one:

1. The primary funding was approved by the UAS, but they did not have any funds, and could make no guarantee that funding would be forthcoming upon approval. Once funds were received into the UAS, they had to be spent by 31st March 2006 – this resulted in a smaller scale project of 13 courses.
2. Funding for the content modification came from Alberta Aboriginal Affairs & Northern Development and The Alberta Capital Market Foundation. While the UAS covered a large amount of the project deliver costs, there was a shortfall of circa \$40,000 in EFLS'S project management costs. A decision was made to proceed with the project and to look for the shortfall while project delivery was underway. Alberta Works were able to confirm support for the additional funding in December 2006.
3. During December 2006, Shauna Seneca, the Co-Executive Director of Bent Arrow sadly passed away. She was also the lead project manager on this project. Due to the challenges placed upon Bent Arrow, the project was then amended to deliver 10 courses (part of the focus on phase one was to work with Bent Arrow staff during delivery of the materials – as Bent Arrow adjusted to the changes, and some of their staff took on additional responsibilities, it was decided that 10 courses would be a more suitable project deliverable). One of the Bent Arrow staff then took over the project management, but was then not able to continue with co-facilitation of one of the groups. Ultimately this group was the only one which did not complete all of the sessions of the course.

Evaluations from phase 1

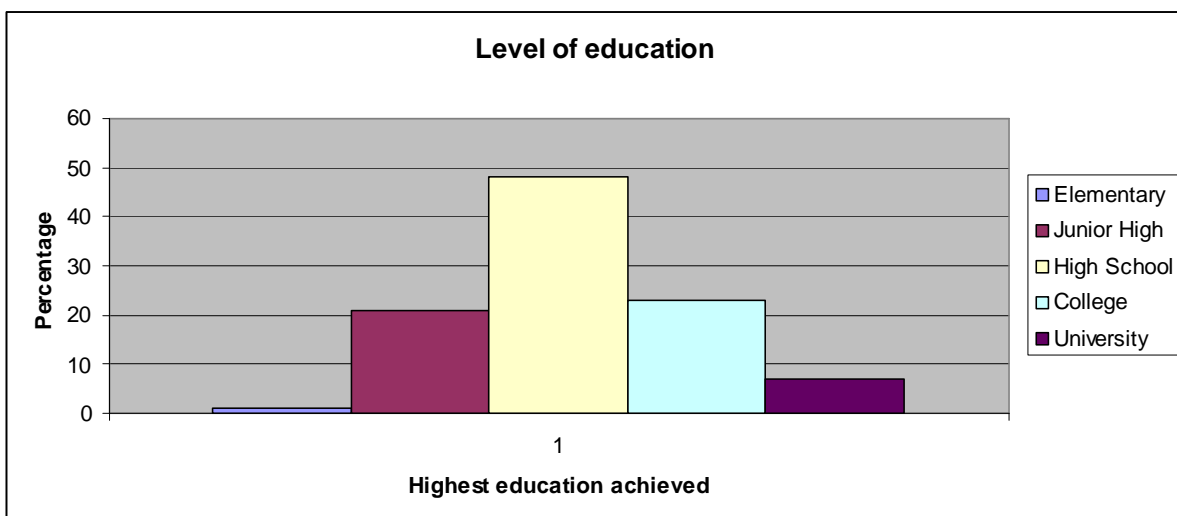
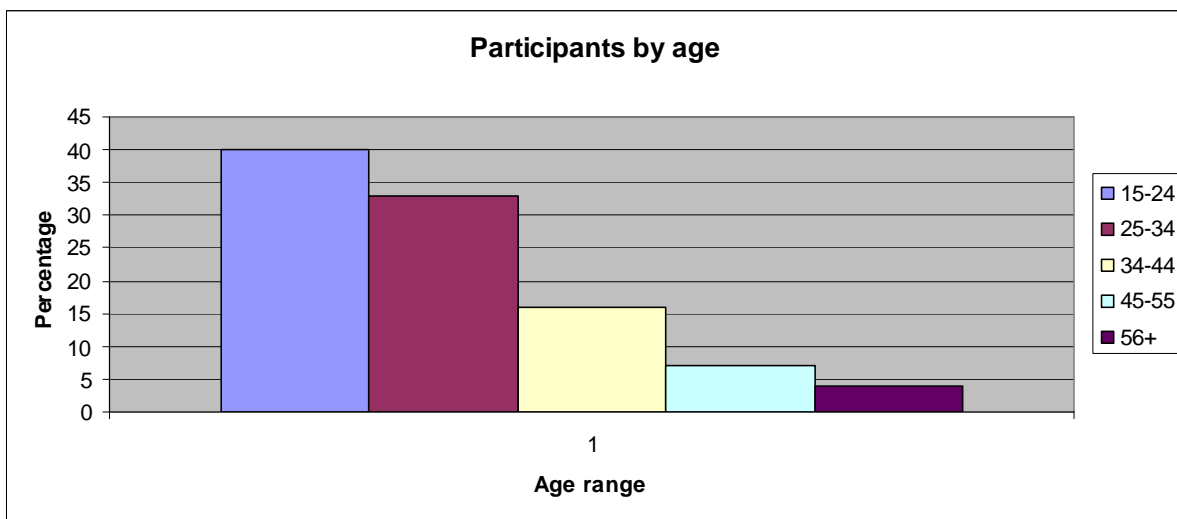
Evaluations were conducted in the following manner:

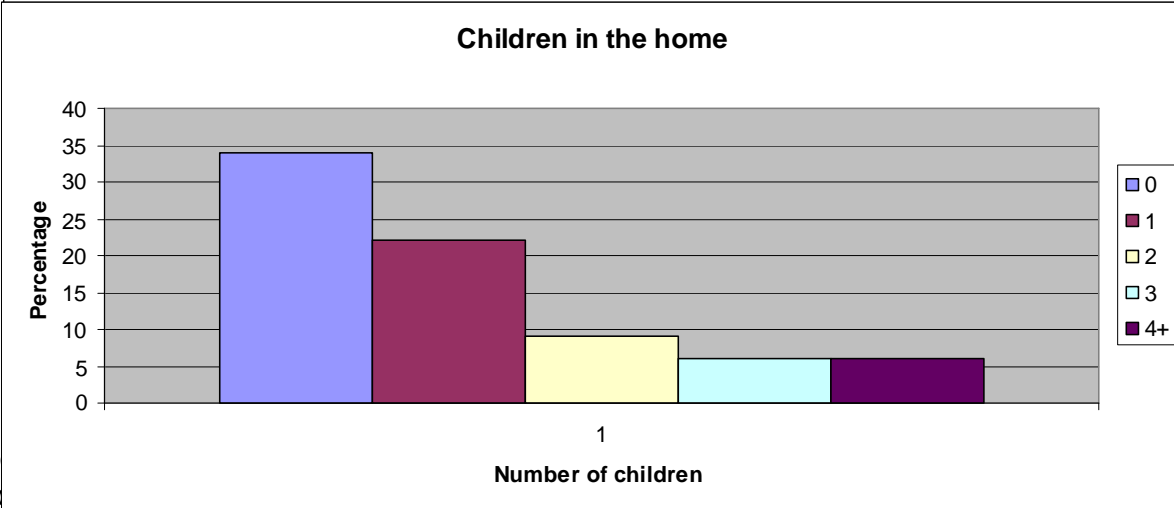
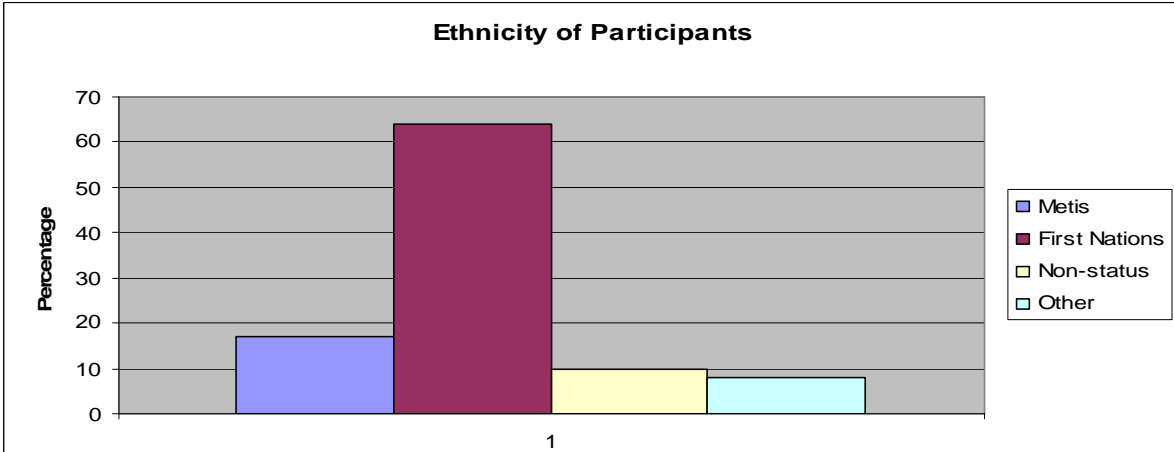
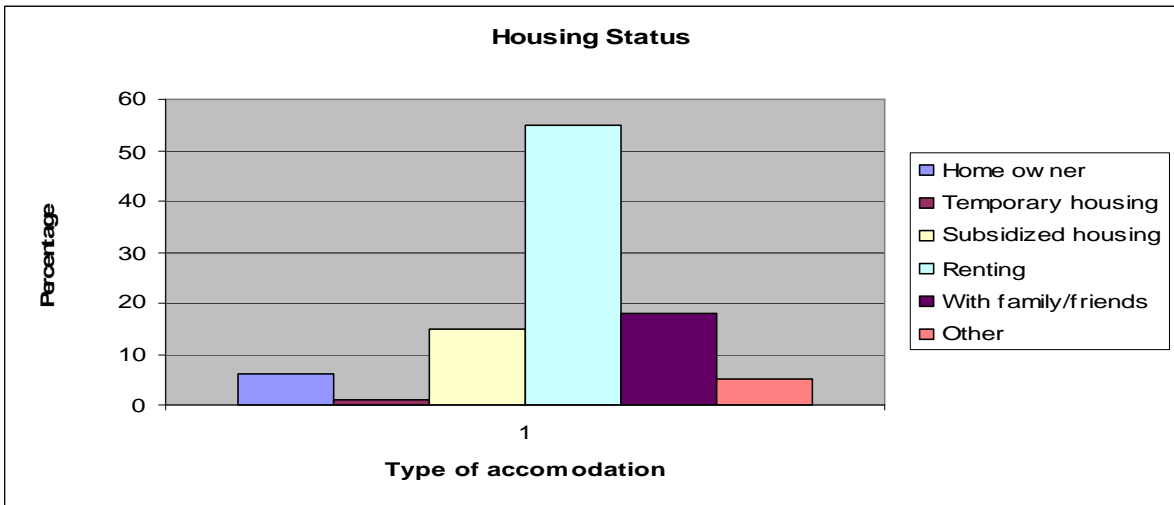
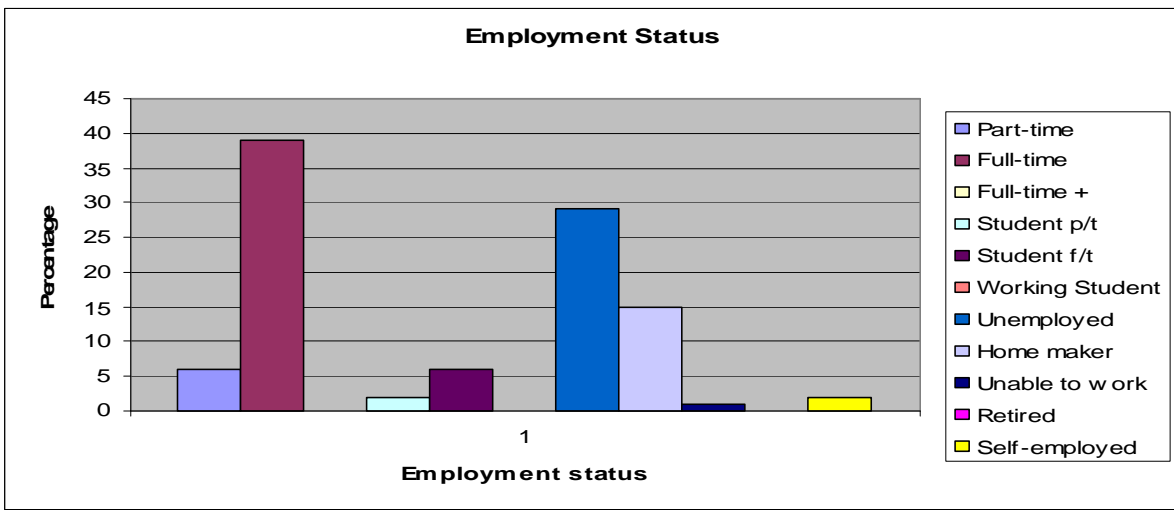
- ✓ Pre - course enrolment questions asking for general information and statistics.
- ✓ Pre - course questions about knowledge, behaviors and beliefs relating to the course content.
- ✓ Session evaluations (not referred to directly in this report), but used to track the 'quality' of a particular session or assessment of materials / group needs.
- ✓ Course evaluations
- ✓ Post - course questions (most of them were the same as the pre - course questions for comparison of pre - course questions to understand knowledge gained and behaviors altered as a result of this course).

Pre - Course Indicators

Information on people registered:

Total number of courses run 10
Total number of people enrolled 94 Ave 9.4 per class
52% were female and 48% were male





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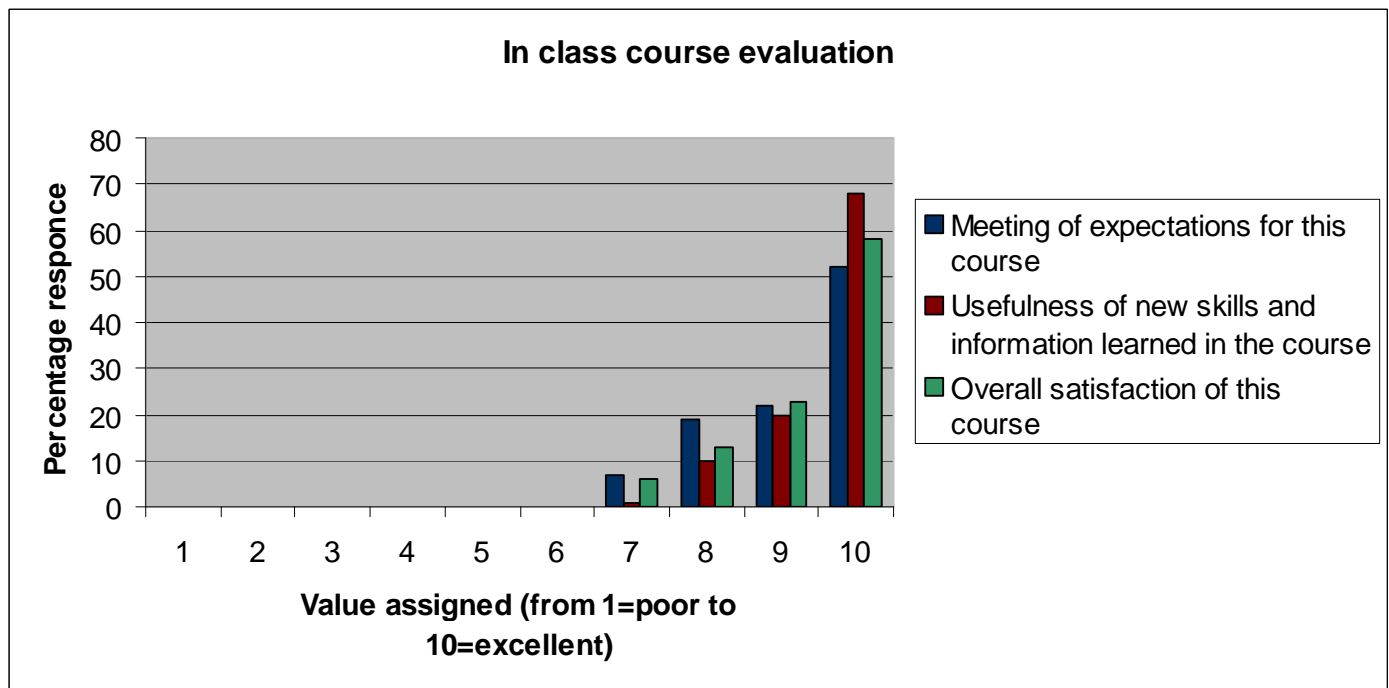
1. 79% of people employed worried about finances at work.
2. 69% of people in a relationship argued about finances with their partner (including somewhat, often or extremely often).
3. 26% did nothing to track or manage their money.
4. 65% had no idea how to obtain a credit report.
5. 98% had no effective financial goal or plan established (45% had no financial goals or plans at all, and 53% had a vague idea. Only 2% had specific, or SMART financial goals established).

Post - Course Indicators

In class course surveys at the end of the final session:

Each person was asked to provide a numeric evaluation of various aspects ranging from 1-10 (1=poor up to 10=excellent).

This shows for selected questions the percentage response for each value.



Top things learned from this course were (in order of popularity):

1. Fixing spending leaks.
2. Setting goals and expanding assets.
3. Understanding and improving credit scores.
4. Finding ways to save money.
5. Tracking money.
6. Identifying our money values.

Comments made by the participants in relation to this course include:

"This course has helped me to understand and accept the restrictions imposed on me and still save some money."

"I now feel motivated to adjust and improve my budget."

"The course has helped me to curb my spending and to think about what I'm buying before I buy it. I've changed my habits and now want to get an RRSP."

"I am now more aware of my spending leaks and temptations."

"I will use what I've learned to control my spending, pay off my debts, and save for the future."

"I now know how to save money"

"Every time I go shopping I will think of this course, and stick to my budget."

"This was my first time taking an all native group, and I found it 10 times more comfortable."

"I now know what my next steps are."

"This will help to start me on my way to the oil field industry and maybe to something better."

"I received a different view of obstacles, and how I can choose to be solution focused."

"I feel supported and informed when I have been given the opportunity to improve myself with the information I learned from your course."

"Your content was easy to learn and relate to my circumstances. I am grateful to have had this opportunity to learn."

"The course has helped me to think further than the limits I saw in my life."

"Great info, I had no idea what was on my credit report!"

"This course has helped me to empower myself with the tools I need to take control of my spending and savings. I am very grateful!"

"I will now become more creative in how I look at money, more constructively and with abundance."

Further information will be released once all of the post - course evaluation responses have been processed.

Initial Conclusions from the above data

70% of participants were under 35 years old, with an even mix of males and females. Most were First Nation. There was also a significant amount of people who were working full time, or unemployed. Typically they were home renters and possessed some level of high school education. Over 30% have no children, and the majority of the rest have 1-2 children.

The information generally is similar to other projects EFLS has worked on. Noticeable differences are the younger age of the groups, and the higher quantity of unemployed people. This may not be indicative of Aboriginals within Edmonton, but reflects on the programs offered by The Bent Arrow Traditional Healing Society that were used within this project (i.e. 2 SWAT Safety Watch Aboriginal Training) programs are focused on helping people re-train for a new career, and predominantly draw from unemployed people.

It was felt that it would have been desirable to have a larger number of people register, but that as this was a new program within the Aboriginal community, the numbers presented were considered good, and it would be expected that with increased profiling of the courses that the up-take would also increase.

It is indicative of the pre-course survey results that financial management is of great concern to the people who enrolled, and affected greatly their quality of life, and relationships they have with their family. The major result was that 98% did not have an effective financial goal in place. From this it can be assumed, that without the element of luck, 98% of them would not be likely to improve their financial situation if they did not take this course.

One of the interesting aspects from the things learned was that fixing spending leaks seen as a major lesson learned for the participants, and EFLS will now evaluate how much time and emphasis the course focuses on this component accordingly.

The process of referring to the final session in class survey has its drawback as it does not take into account the people who did not complete the program (which will be covered by the post-course survey). However, the results of this survey indicate from their point of view the great value they attach to this course, not just from the numeric assessments, but from the varied comments that were also given. If over 50% of those starting the course not only finish it, but rate their overall satisfaction of the course to be on average 9.25 out of a possible 10, then it can be concluded initially that the course was a great success.

The Next Steps

- At the time of this writing, implementation of phase 2 of *the Rainy Day Project* will go ahead as EFLS has confirmed funding from the Alberta Capital Market Foundation in the amount of \$87,500 and from ECALA (The Edmonton Community Adult Learning Association).
- In addition to the Bent Arrow Traditional Healing Society, EFLS is seeking to partner with other Aboriginal based organizations for program delivery including the Alberta Native Friendship Centers.
- Based on feedback received thus far, revisions and improvements are being implemented as needed to the Aboriginal Financial Literacy curriculum. This also included the removal of distributing disposable cameras from the project as it transpired that they were not as popular with the Aboriginal program. (*Disposable cameras are used by participants to take photos of their assets – this will be substituted with drawings and pictures cut from magazines*). Initial evaluations of the incentives offered indicates that the preferred support would be a meal at each session (*rather than just a snack*) as this enabled participants to attend sessions without any other concerns inhibiting them.

Published by:

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