

Too often low-income Canadians lack the tools and resources necessary to prepare them for today's rapidly changing job market and the demands of the knowledge economy. Low-income Canadians are often at a double disadvantage. Not only do they frequently lack needed education and skills, they often can't afford the costs of improving their training and education.

Programs, such as the Life-long Learning Plan through RRSPs, that help Canadians finance their own learning are often out of reach for low-income families and individuals. And because low-income Canadians also tend to have less formal education and training, they often don't benefit from employer-sponsored learning. In an economy where skills and learning are more important than ever, it's critical that low-income Canadians have the opportunity to bridge the skills and education gap. But, by investing in learning, low-income Canadians can build a better future for themselves and their families. By helping low-income Canadians build their personal savings, **learn\$ave** will help people access learning, one of the most critical assets of all.

To benefit from the current roster of registered savings vehicles and tax benefits, you have to have enough pre-tax income to afford them.

Low-income Canadians are less likely to have post-secondary education or to have completed highschool than higher income Canadians.

It's estimated that 40% of jobs in Canada now need at least 16 years of formal education. (CMEC)

IDAs: An asset-based response

Individual Development Accounts (IDAs) help low-income families and individuals build savings by matching each dollar saved over time with a savings credit. Depending on the project, the matching credit can be financed by governments, foundations or other sources. Saving isn't easy, so IDA holders may also receive financial management training and case management services to help meet their savings goals. The combined personal savings and matching credit can be spent by the account holder on one or more uses that will enhance longer-term economic well-being -- for example by returning to school or starting a small business. IDAs have been successfully implemented in the United States where about 250 communities offer different forms of IDA programming to at least 5,000 low-income Americans. Other countries, such as the United Kingdom and Taiwan, are also exploring options for IDA and asset-based approaches.

In Canada, Social and Enterprise Development Innovations, a non-profit organisation, has advocated the use of IDAs to promote self-sufficiency among low-income Canadians. Other organisations in Canada have implemented local IDA programs in 3 communities. Based on initial results and anecdotal reports, IDAs seem to be making a difference.

learn\$ave: A national demonstration

SEDI has partnered with the Social Research and Demonstration Corporation (SRDC), a leading expert in the field of social research and evaluation, to design and implement **learn\$ave**. This multi-year (planned to 2009) demonstration of Individual Development Accounts for learning is funded by Human Resources Development Canada. The largest demonstration of its kind in the world, **learn\$ave** will reach 4,875 low-income Canadians who volunteer to take part in the following locations:

- Vancouver (BC)
- Winnipeg (Man.)
- Waterloo Region (Ont.)
- Montreal (Qué.)
- Halifax (NS)
- Calgary (AB)
- Grey & Bruce Counties (Ont.)
- Toronto (Ont.)
- Fredericton (NB)
- Digby & Annapolis Counties (NS)

SEDI and SRDC have built relationships with non-profit and charitable community agencies in the ten sites. Each of these organizations brings to the project important experience and expertise in working to assist and empower low-income Canadians. These community partners are acting as the delivery agents for the project, recruiting participants, providing services and gathering information for research.

SEDI has developed a partnership with RBC Royal Bank to provide enhanced deposit-account services to **learn\$ave** participants in 9 of the 10 project sites. RBC Royal Bank has also lent its core competencies to the project design and implementation through personnel time and expertise. Through relationships with local community partners, the Assiniboine Credit Union is the financial service provider in Winnipeg and, in Montreal, the Caisse d'économie Desjardins is offering account holders a choice of using the Caisse or RBC Royal Bank for their **learn\$ave** account.

Across Toronto, Halifax and Vancouver, the savings of 2,625 account holders will be matched with \$3 of federal project funds for every dollar saved (up to \$1,500 in savings) over a 1 to 3 year period. Financial management training and case management services will be provided to 1,425 account holders in these sites. Another 1,200 participants will be tracked in a comparison group. Across the other 7 sites, 1,050 account holders will receive varying levels of matching federal project funds on their personal savings, as well as services. Account holders will be able to use their combined personal savings and matching credits - as much as \$6,000 - to finance a learning opportunity through adult education, training or micro-enterprise start-up.

By evaluating the outcomes in each site, **learn\$ave** hopes to show that IDAs for learning can make a difference in the lives of low-income Canadians, helping people quit a cycle of poverty through saving and learning. Information and lessons learned during **learn\$ave** will provide governments and all Canadians with a stake in social and economic policy with solid information on the efficacy of IDAs in offering long-term benefits for low-income Canadians and improving Canada's system of social programs.

