

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.



Frequently Asked Questions

Q: *What is an Individual Development Account (IDA)?*

A: There are many different forms of Individual Development Accounts, but they all share certain common characteristics. IDAs are savings accounts to help low-income persons build assets by matching each dollar they save with a savings credit at a set ratio and for a set period of time. For example, if an account holder saves \$1 and is matched at 3:1, that \$1 becomes \$4. By matching each dollar saved, IDAs provide low-income families and individuals with an opportunity and an incentive to build savings that they ordinarily would be unable to do on their own. Account holders may also receive financial management training and case management services to help them 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. Depending on the project, the matching credit and delivery costs can be financed by governments, foundations or other sources.

The savings not only help account holders acquire new assets, but those assets provide opportunities with long-term benefits. The act of saving itself can also have important benefits for disadvantaged families and individuals, increasing a sense of hope and control over their future. When financial management training and case management services are provided, the benefits can be even bigger. **learn\$ave** will test ideas about how and why IDAs work and will evaluate the differences they make in the lives of account holders.

Q: *How do the **learn\$ave IDAs for learning work?***

A: While taking part in the **learn\$ave** project, account holders will be asked to save for at least 12 months and their savings will be matched by federal project funds. Different sites are using different ratios - ranging from 2:1 up to 5:1 - but most savings will be matched at 3:1. At a 3:1 match rate, **learn\$ave** account holders could accumulate as much as \$6,000 in combined personal savings and matching savings credits. The matching portion is not deposited directly into the IDA. Instead, it grows as a credit that can be spent in combination with an individual's personal savings for a course or program at a designated education or training provider or to start-up a small-business with a business plan. Many account holders will also receive financial management training and case management services to help them meet their savings goals.

Q: *Why not just give income support instead of matching savings?*

A: Poverty is not just a question of income, it is also a question of savings and assets. Savings and assets cushion against unexpected changes affecting income (such as job loss) and leverage other opportunities for asset accumulation. Even a small amount of savings can help low-income Canadians to enhance their own human capital in ways that may offer substantial returns. Income meets immediate needs, but assets help build futures.

Q: *Why a national project?*

A: Poverty is not uniform across Canada and different needs exist in different communities. **learn\$ave** has been designed to test approaches that will be as responsive as possible to the particular situation of low-income Canadians, no matter where their community is located. The project will reach a broad cross-section of eligible low-income families and individuals, both working poor and those on social assistance.

Q: *Why a demonstration project?*

A: Based on what we know, IDAs seem to make significant and positive differences in the lives of account holders. But a lot of the current information hasn't been tested and never on a national scale in Canada.

Better information produces better and more effective policy. Information and lessons learned through **learn\$ave** will provide solid information on the efficacy of IDAs for learning in offering long-term benefits for low-income Canadians. In all aspects of the project, the privacy, well-being and dignity of all Canadians who volunteer to take part will be protected.

Q: Who is involved in running **learn\$ave?**

A: Social and Enterprise Development Innovations (SEDI), a non-profit organisation, has advocated the use of IDAs over the last several years to promote self-sufficiency among disadvantaged Canadians. SEDI has joined with the Social Research and Demonstration Corporation (SRDC) to design and implement **learn\$ave** with federal funding from the Applied Research Branch of Human Resources Development Canada. SRDC, a leading expert in the field of social research, has designed the research study and will conduct the evaluation.

SEDI and SRDC have also built relationships with non-profit and charitable community agencies in 10 demonstration sites. Each of these organisations 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.

Q: Where are the **learn\$ave demonstration sites?**

A: The project is being implemented in 10 communities across 7 provinces. These are Vancouver (B.C.), Calgary (AB), Winnipeg (Man.), Grey & Bruce Counties (Ont.), Waterloo Region (Ont.), Toronto (Ont.), Montreal (Que.), Fredericton (N.B.), Halifax (N.S.) and Digby & Annapolis Counties (N.S.).

Q: Who can apply to be part of **learn\$ave and how?**

A: Eligibility for **learn\$ave** is limited to low-income Canadians aged 21-65 years who don't already have significant savings. Full-time students are not eligible unless they are mature students who are completing their high school equivalency. Applicants who are aged 18-20 years may also be eligible if they have been out of school for at least 2 years. Eligibility criteria have been developed based on the Statistics Canada Low-Income Cut-offs as well as the recently released Survey of Financial Security. For more information on the eligibility criteria, see "[How to Apply](#)."

Applications are available by contacting the **learn\$ave** community partner in each demonstration site. The community partners can provide more information and help with the application process.

Q: How many low-income Canadians will be involved?

A: In each of Toronto, Halifax and Vancouver, 1,275 low-income Canadians will be recruited to take part on a voluntary basis. They will each be randomly assigned to 1 of 3 groups for research. One third of participants will be assigned to a comparison group. Another third of participants will be assigned to a group receiving a **learn\$ave** account and another third will be assigned to a group receiving a **learn\$ave** account plus financial management training and case management services.

In each of the remaining 7 sites, 150 low-income Canadians will be recruited to take part on a voluntary basis and will receive different variations on a **learn\$ave** account, financial management training and case management services.

In total, 4,875 low-income Canadians will take part in the demonstration and 3,675 of these participants will hold **learn\$ave** accounts. The remainder of participants will be part of the comparison group.

Q: Who is funding this demonstration?

A: Funding for the project is provided through the Applied Research Branch of Human Resources Development Canada. This branch supports research and innovation projects in order to assess possible policy/program interventions. **learn\$ave** is part of the branch's work on measures to enhance life-long learning. A total of approximately \$35 million over 9 years has been earmarked to fund this project. Of this, more than \$11.5 million is dedicated to matching the savings of **learn\$ave** account holders. The remaining amount will cover the costs of designing, managing and delivering the project to participants - including case management and financial management training - as well as the costs of research and evaluation.

Q: Are other levels of government involved?

A: Provincial and territorial governments have been briefed on the project by federal officials and by project staff. Provinces have been asked, where required, to waive the asset regulations on social assistance to ensure that social assistance recipients who volunteer for **learn\$ave** would not see their benefits decrease. Provincial and territorial governments will continue to be informed as the project unfolds.

In Fredericton, the **learn\$ave** community partner has received funding for one year from the Government of New Brunswick towards the financial management training for **learn\$ave** account holders in Fredericton.

Q: How long will the demonstration project run?

A: **learn\$ave** is planned to run for a total of 9 years, to 2009. June 2000 - May 2001 was a start-up year during which project partners developed and finalised the project's operational and research details. **learn\$ave** will be delivered from June 2001 - May 2007 but participants will only be accepted between June 2001 and May 2003. Each **learn\$ave** account holder will have up to 3 years to build their savings and matching savings credits. After saving, each account holder has up to 1 year to make use of his or her total account holdings, bringing an end to the delivery phase in May 2007. The follow-up and evaluation period will begin June 2006 and continue to May 2009.

Q: Who else is working on IDAs?

A: IDAs were first proposed by Dr. Michael Sherraden, Professor of Social Development and Director of the Center for Social Development at Washington University in St. Louis, Missouri. Dr. Sherraden's extensive research on the impact of assets on poverty led him to conclude that assets can make a significant social and economic difference in people's lives. His work and that of the Corporation for Enterprise Development (CFED) have led to a growing IDA movement in the United States, where federal and state legislation now supports on-going IDA programs in about 250 communities. Other countries, such as the United Kingdom and Taiwan, are also exploring IDA-style programs.

Q: Have IDAs been tried before in Canada?

A: Since SEDI began its work on IDAs 5 years ago, 4 IDA projects have been established in 3 communities. These include projects lead by: Lutherwood Community Opportunities Development Association in Kitchener; the Alberta Mennonite Central Committee Employment Development in Calgary; and by SEED Winnipeg Inc. and the North End Community Ministry in Winnipeg. These projects have helped low-income Canadians save for a computer, save for a home or save to start their own small business. Reports from these projects suggest that IDAs can be successfully implemented in Canada, that low-income Canadians can save and benefit from IDAs and that IDAs may have a positive impact in a variety of circumstances and in meeting a variety of asset goals. **learn\$ave** is pleased that each of these organisations will be acting as a community partner in the national demonstration.

Q : How is this different from existing initiatives?

A: Although there have been some measures to help Canadians build assets and other measures to help make education and training more accessible to low-income Canadians, no existing program offers the incentives being assessed in *learn\$ave*. Most measures to encourage saving - such as RRSPs and RESPs - require disposable income and so benefit middle and upper income Canadians mostly because they have significantly more disposable income to save. *learn\$ave* is testing a new approach targeted to low-income Canadians that will help them build-up savings and access one of the most critical assets of all, learning.

Q: But can people with low incomes really afford to save anything?

A: IDAs are not for everybody and they will be out of reach for some people. But evidence from other IDA projects suggests that many low-income account holders can and do successfully use IDAs to save. For example, in one project in Calgary, participants saved \$40 each month by the end of the first year. And in the US, the largest IDA project has found that participants accumulate more than US \$800 a year when their personal and matching savings are included. Financial management training and case management support also seem to play key roles in helping account holders to budget, meet their financial obligations and still contribute to their IDA. *learn\$ave* will test how effective IDAs are in promoting saving for learning and in what ways programs might be successful in improving the labor market prospects of participants.



IDAs – Growing Interest

learn\$ave is a project to test the effectiveness of Individual Development Accounts for learning that borrows from other IDA projects that have been in place before it. In fact, **learn\$ave** has incorporated some of the best practices in these other IDA projects in the United States of America and Canada. Other countries, such as the United Kingdom and Taiwan, are also exploring IDA-style programs. Practitioners and advocates from these countries have already indicated their interest in **learn\$ave** since this is the largest demonstration of its kind anywhere in the world.

More on other Individual Development Accounts to help low-income people build assets and opportunities...

The United States of America

Individual Development Accounts were first proposed in the early 1990's by Dr. Michael Sherraden, Professor of Social Development and Director of the Center for Social Development (CSD) at Washington University in St. Louis. Dr. Sherraden's extensive research on the impact of assets on poverty led him to conclude that assets can make a significant social and economic difference in people's lives. The work of the CSD and that of the Corporation for Enterprise Development (CFED) have led to a growing IDA movement in the United States. Federal and state legislation now supports on-going IDA programs in about 250 communities.

By far the largest IDA project in the United States is the Downpayments on the American Dream Policy Demonstration, a six-year research project that is the first to test the efficacy of IDAs. Launched in 1997 by the CSD and CFED, the project is running 14 programs in the US, offering roughly 2,500 accounts to allow low-income Americans to save for education, micro-enterprise capitalisation, training and home ownership. Some initial results from the project are extremely encouraging. They suggest that low-income persons can and do use IDAs to save money and build assets. It also suggests that different IDA programs can have a real impact on how much account holders save. With a typical match rate of \$2 for every \$1 saved, account holders accumulated an average of \$880 per year.

For more information about this and other IDA programs in the United States contact:



www.cfed.org



www.gwbweb.wustl.edu/Users/csd

Canada

Community groups in 3 Canadian communities have already run IDA programs to help local low-income families and individuals save and invest in themselves. Each of these organisations was first introduced to the concept of IDAs by Social and Enterprise Development Innovations (SEDI) during the early exploratory work for **learn\$ave**. Each of these organisations has joined **learn\$ave** as a community partner, lending their experience and expertise to the design and implementation of the project.

Waterloo Region

Lutherwood Community Opportunities Development Association, a multi-service community organisation in the Waterloo region, has delivered 2 IDA-style programs. Opportunity Development Accounts (ODAs) have been offered to a group of 14 sole support mothers, 8 of whom successfully completed financial management training and saved \$250 over one year, matched at 3:1 and generating \$8,000 in savings for education, small business start-up and investment. ODAs have also been offered to 18 families living in a low-income neighbourhood. Sixteen account holders saved \$437 over one year which was matched to purchase a computer valued at over \$1,700. These computers have since become a new resource to assist the account holders' neighbourhood.

For more information, contact De Rail at:
(519) 743-2460 ext.411
Or by e-mail at learnsave@lwdcoda.org



Calgary

MCC Alberta Employment Development offered Fair Gains to 20 low-income Calgarians in 1999, 20 in 2000, and an expected 40 in 2001. By the end of the first year, more than 90% of participants were saving more than \$40 per month matched at a 3:1 ratio from program funds. Participants saved towards education, small business capitalisation and housing. Five out of the 20 participants in 1999 continued their savings beyond the first year towards a down-payment on a home, saving as much as \$90 per month at a 4:1 match ratio.

For more information, contact:
Khadijah Shivji
at MCC Employment Development
(403) 272-9323
Or visit their Website at: www.mcca-ed.org



Winnipeg

In February 2000, SEED Winnipeg Inc., in partnership with the North End Community Ministry (NECM), introduced a local IDA program that aims to reach 30 participants this year. In delivering the IDA program, SEED and NECM are working with the Alternative Financial Services Committee, a collaborative of local organisations. Participants have completed their financial management training and have now been saving for several months.

For more information, contact:
Louise Simbandumwe at SEED Winnipeg Inc.
(204) 927-9933



North End Stella Community Ministry

About The Research

learn\$ave is a project designed to evaluate the effectiveness of Individual Development Accounts for learning to help low-income Canadians save to finance a learning opportunity. The project is being undertaken by Social and Enterprise Development Innovations (SEDI), with the Social Research and Demonstration Corporation and community agencies in 10 communities across Canada. The Social Research and Demonstration Corporation (SRDC) is responsible for the evaluation component of the demonstration. SRDC is recognised, within Canada and internationally, as a leader in social policy research and experimentation. Working with community agencies and the program designers, SRDC has designed a 3-part research and evaluation strategy for **learn\$ave** to test Individual Development Accounts for adult learning.

For nearly 10 years, SRDC has conducted large-scale demonstrations of new social policy ideas in Canada. Like other demonstrations before it, **learn\$ave**'s research component includes the very best principles of social research:

- participation in **learn\$ave** is fully voluntary and all eligible applicants have an equal opportunity to take part in the demonstration project;
- project staff take time to walk through a process of "informed consent" with all participants to make sure they fully understand their rights and responsibilities before agreeing to take part;
- participants are treated with respect at all times during the project; and,
- the confidentiality of participants' information is protected at all times and will be used by researchers only for the purposes of project evaluation.

National demonstration

Poverty isn't uniform across Canada, but it is a reality in different communities, local economies and socio-cultural groups. That's why researchers will look at how **learn\$ave** works in different kinds of communities and for different groups of participants. Included in the 10 project sites are smaller, rural locales, as well as some of the largest metropolitan centres in Canada. **learn\$ave** participants will come from diverse backgrounds - selected only on the basis of basic eligibility requirements and a desire to take part in saving to access greater learning opportunities.

Long-term findings

learn\$ave is planned to run for a total of 9 years, to 2009. June 2000 - May 2001 was a start-up year during which project partners developed and finalised the project's operational evaluation, and research details. **learn\$ave** will be delivered from June 2001 - May 2007 but participants will only be accepted between June 2001 and May 2003. Each **learn\$ave** account holder will have up to 3 years to build their savings and matching savings credits. After saving, each account holder has up to one year to make use of his or her total account holdings, bringing an end to the delivery phase in May 2007. The follow-up and evaluation period will begin June 2006 and continue to May 2009.

This will allow researchers to study the impacts of the IDAs beyond the short-term effects on participants' savings behaviour during the course of the project. By looking at changes one or two years beyond the end of the savings period, researchers hope to find out more about how the **learn\$ave** savings translate into learning through education, training, or starting a micro-enterprise. At that time, SRDC will use the project data to model long-term IDA impacts.

The Impact Study: Random assignment

In Vancouver, Toronto and Halifax, **learn\$ave** will run as a *random assignment* demonstration project. This means that 1,200 eligible participants in each site have an equal chance of being assigned, at random, to any 1 of 3 project groups:

- The “*Comparison*” group : 400 participants in each site who will be interviewed over time so that their experiences may be compared with those in the other **learn\$ave** groups;
- The “**learn\$ave**” group: 400 participants in each site who will receive a **learn\$ave** account and matching savings credits;
- The “**learn\$ave plus**” group: 400 participants in each site who will receive a **learn\$ave** account, matching savings credits, training in financial management and support from **learn\$ave** project staff.

The project parameters in each of these three sites will be identical to allow the pooling of results for statistically significant findings. The design of this project provides the most rigorous determination of project impacts. It should be noted that the type of evaluation envisioned here is underway in only one other Individual Development Account (IDA) project in the world - the American Dream Demonstration project in the United States of America.

In the 3 Random Assignment sites, participants' savings will be matched at a 3:1 ratio - \$3 for each \$1 saved - up to the first \$1,500 saved. Participants will save for a minimum of 12 months and a maximum of 3 years.

By tracking changes over time in each groups' savings, education, training and other learning experiences, researchers will be able to find out if **learn\$ave** is effective in helping participants save and use their savings for learning. This approach should also provide information about what parts of **learn\$ave** are most effective - the account and credits or the financial management training and case support.

Furthermore, by looking closely over time at how each group thinks about savings, about learning and about their future, researchers will be able to test the theory behind **learn\$ave**: Does having savings and assets change the way that people with low incomes think about and plan for their future?

Case studies

There's more than one way to run an Individual Development Account program and more than one way that it can benefit participants. Seven case study sites will each offer slightly different programs to 150 participants each:

Digby & Annapolis Counties	Offering a match rate of 4:1 (up to a maximum of \$4,500 in matching credits)
Fredericton	Increasing the maximum personal savings that can be matched to \$2000
Montreal	Offering a match rate of 5:1 (up to a maximum of \$4,500 in matching credits)
Waterloo Regions	Offering a match rate of 2:1 and offering enhanced counselling services
Grey & Bruce Counties	Offering a match rate to 2.5:1 and bonuses of up to \$750
Winnipeg	Recruiting participants who have significantly lower incomes
Calgary	Reducing the maximum savings period to 2 years

150 participants in each of these sites will all receive a **learn\$ave** account, matching savings credits, financial management training and support from a **learn\$ave** caseworker.

By comparing and contrasting the program experience in these sites to each other and to the findings from the random assignment sites, researchers hope to learn more about how and why Individual Development Accounts for learning work. The case study method will be used, not to gain statistically significant results, but as an opportunity to test out a number of different approaches to delivering Individual Development Account projects.

Implementation Research

SRDC will also conduct implementation analysis to document the project operations. The information gathered should enrich our understanding about the project's impacts. Ultimately the project's success will be measured through participant observation, in-depth interviews and focus groups, as well as examining data from the project management information system. Context for understanding the project's operations will be drawn from research using secondary sources of data on local socio-economic conditions. Implementation analysis will be conducted in all 10 project sites with a view to building a body of "best practices" knowledge for IDA practitioners.

Benefit-cost Analysis

The benefit-cost analysis will give a detailed account of key project benefits and costs, drawing on information for the analysis of the project impacts from estimates of the project costs, from survey responses and other sources. The analysis will aim to provide information on whether *learn\$ave* produces net gains for participants, is cost-effective from the standpoint of taxpayers and governments, and how it benefits or costs society as a whole.

Reporting results

The Social Research and Demonstration Corporation (SRDC) is collecting information through a variety of sources including:

- a series of surveys with participants;
- a project-wide management information system tailored to *learn\$ave*;
- administrative records; and
- in-depth interviews and focus groups with participants and staff.

SRDC will publish findings throughout the project. The first findings may be available after the first 18 months of the program delivery.

For more information about *learn\$ave*'s research and evaluation, contact SRDC at:



50 O'Connor Street
Suite 1400
Ottawa, ON K1P 6L2

Phone: 1(800) 729-4377
Fax: (613) 237-5045
Internet: www.srdc.org

How To Apply

You've already heard how special savings accounts called Individual Development Accounts are helping people save for better opportunities. If you're interested in taking part in a national demonstration project that offers Individual Development Accounts for learning, returning to school, taking training or starting a small business, here's information on how to apply.

Space is limited! Don't wait! Find out if you're eligible and apply today!

Are You Eligible ?

Answer The Following Questions To Find Out:

1. Is your family income low?

This is a demonstration project for people with low incomes. To be eligible, your total family income this year and last year has to be at or lower than the cut-off (see below). These cut-offs are based on the size of your family and the cost of living in the area you live in. Please check the table carefully to see if your family income is at or below the cut-off for your location:

WHERE YOU LIVE	FAMILY SIZE					
	1 person	2 people	3 people	4 people	5 people	6 people
Toronto Montreal Vancouver Winnipeg Calgary	21,463	26,828	33,366	40,390	45,149	49,908
Halifax Waterloo Region	18,409	23,011	28,619	34,643	38,726	42,809
Fredericton	18,282	22,853	28,420	34,403	38,456	42,510
Grey & Bruce Counties, ON Digby & Annapolis Counties, NS	14,833	18,540	23,059	27,912	31,202	34,492

What do we mean by "family"?

By family, we mean everyone living in the same household who is related by blood or marriage (including common-law and same-sex couples). We're only counting income from adults over the age of 18.

What do we mean by income?

By income, we mean money from steady jobs, occasional work, EI benefits, social assistance, pensions, Workers' Compensation, etc... You'll be asked about all of these kinds of income on the application form and asked to give written proof.

Example:

Peter and Cynthia live together as a common-law couple and have 2 children. They live in Metro Toronto. Peter's 21-year-old brother also lives with them and helps with the mortgage and groceries. Last year, Peter's total income from all sources was \$20,000, Cynthia's was \$13,000 and Peter's brother made \$5,000. This year Peter's income was \$19,000, Cynthia's was \$10,000 and Peter's brother made \$9,000. Their total income last year was \$38,000 and this year is \$38,000 which is under the guideline of \$45,149 for a family of 5 living in Metro Toronto.

What do we mean by proof of income?

We need a document from you that shows what your income is as well as proof of the income of your spouse or partner (by marriage or common-law and including same-sex relationships). And we need proof of income for this year and for last year.

The best proof of income you can use for last year is the "Notice of Assessment." This is the form that the government sends you every year after you file your income taxes. If you don't have copies of your own or your spouse's Notice of Assessment, you can get copies by calling the Canada Customs and Revenue Agency at 1-800-959-8281.

Here's a list of other kinds of proof of income that you can use for your own and your spouse's income:

- T-4 slip, the form your employer gives you to file your taxes
- Record of Employment, the form you receive when you leave a job
- Pay-stubs or a payroll statement
- Receipts for self-employment income
- A signed letter from your employer that includes your salary or wage
- T5007 slip or RL-5 slip (in Quebec), the form that you use on your taxes if you have received any social assistance payments
- Benefits statements or stubs
- A copy of the letter you received to confirm your eligibility for a benefit payment
- A signed letter from your benefits administrator that includes the amount of your benefits

2. Are your family's savings low?

This is a demonstration project for people who don't already save much money. To be eligible, your family's savings have to be less than the cut-off. By savings we mean money in bank accounts, Registered Retirement Savings Plans, trust funds, etc.... ***If your combined savings are less than 10% of your family income then you may be eligible.***

3. Are your other assets under the guidelines?

This is a demonstration project for people who don't have other kinds of big assets like a valuable home. To be eligible, any property that you own - like houses or condominiums - has to be less than the cut-off for your area. These cut-offs are based on the average real estate values in your area.

4. Are you 21 to 65 years old ?

This is a demonstration project for working age adults. To be eligible, you have to be at least 21 years old but not older than 65 years old. If you're between the ages of 18 and 20, you can still qualify if you've been out of school for at least 2 years.

5. Are you out of school or only studying part time ?

This is a project to help adults go back to school or train who aren't already in college, university or training. We will only take applications from students if they are studying part time. By part time we mean less than a 60% course-load.

Full-time college and university students are not eligible.

The only exception is for people 21 years and older who are finishing high school as a full-time student.

6. Do you have a social insurance number ?

You'll need to have your social insurance number for your application to be processed. If you don't have a social insurance card, you can use any form or letter from the government if it has your name and social insurance number together. If you don't have a social insurance number, you can apply for one by calling your local Human Resources Development Canada office. The number is in the back of your local phone book, in the government section, under "social insurance number."

If You Answered “yes” To All Of These Questions You May Be Eligible!

To apply and for more information, contact the *learn\$ave* project in your area.

SPACE IS LIMITED - CALL NOW!

What's Involved ? - Case Study Sites

Digby & Annapolis Counties - Fredericton - Montreal - Waterloo Region Grey & Bruce Counties - Winnipeg - Calgary

Read this to find out more about the **learn\$ave** project in Digby & Annapolis Counties, Fredericton, Montreal, Waterloo Region, Grey & Bruce Counties, Winnipeg and Calgary

Step 1: Applying

Contact the **learn\$ave** project in your area. You'll get information on the project, on how to apply and find out if you might be eligible based on:

- whether your family income is less than the cut-off
- whether your family savings and assets are less than the cut-off
- your age and whether or not you are in school

See "**How to Apply**" for more information about whether or not you might be eligible.

If you think you are eligible, fill out an application. To complete your application, you'll need to make sure you have:

- your proof of income (see "**How to Apply**")
- your social insurance number

learn\$ave project staff can answer any questions you might have and to help you fill out your application. Your application can't be accepted without your proof of income and your social insurance number. When your application is complete, **learn\$ave** project staff will be able to accept and process your application.

Step 2: Enrolling

Once your application has been accepted, our staff will tell you more about the project and exactly what it means to be in **learn\$ave**. Then you can decide if you want to be part of this demonstration project. It means that when you agree to be part of **learn\$ave**, you agree to let the project researchers use information from any surveys you fill out and from your project file. Remember, all your information is kept confidential.

Step 3: Getting oriented

You'll be asked to come to a meeting with the **learn\$ave** project staff and a group of other people who are just starting the project too. Our staff will tell you about the details of the project. They'll also try to answer any questions you have.

Step 4: Opening your *learn\$ave* account

After your orientation session, one of the first things you'll do in the project is open your *learn\$ave* account. RBC Royal Bank is the only financial institution that has these accounts in:

- Digby & Annapolis Counties
- Fredericton
- Waterloo Region
- Grey & Bruce Counties, and
- Calgary

If you are in Montreal, you can open your *learn\$ave* account at RBC Royal Bank or at the Caisse d'économie Desjardins. If you are in Winnipeg, the Assiniboine Credit Union is the only financial institution that has these accounts in Winnipeg.

learn\$ave project staff can help you find a branch to open your account. The staff at RBC Royal Bank, the Caisse d'économie Desjardins and the Assiniboine Credit Union can help you open your account - they are friendly and know about *learn\$ave*.

If you've had problems with banking or have never had an account before, don't worry. We've made sure that the accounts are easy to open and easy to use. These accounts are a safe place to keep your savings in the project. You can also take out your own money if you need to in an emergency.

Step 5: Building your savings

Because it's a demonstration project, *learn\$ave* works a little differently, depending on where it's running. Check with your local *learn\$ave* project to find out more.

You can save for as little as 12 months or for as long as 3 years.

Every \$1 you save in your *learn\$ave* account will be matched by a savings credit.

You may be able to earn more than \$3,000 in matching savings credits.

These credits won't actually be deposited into your account. Instead they'll grow in a separate account as your own savings grow. The credits you earn can be used to pay for learning opportunities like **education, training or starting a small business**.

You'll get regular statements to show you how you're doing on your savings. You'll also see how your total savings are growing with the savings credit that matches each dollar you save each month.

How much you save is up to you - whether it's \$200 to take a course next year or \$6,000 to start the small business you've wanted. *learn\$ave* will help you save for learning.

Step 6: Training and services

You'll also get training and support to help you save.

Your local *learn\$ave* project will run training sessions to give you important information about banking, budgeting, debt and credit. You'll be surprised to find out how much you already know. You'll also get help in finding information to meet your needs and your goals. Everyone has to take this financial management training.

Saving can be difficult when you've got rent or bills to pay, groceries to buy and expenses to meet. Our staff are there to help you keep on track with your savings and find solutions to problems that might come up.

Sometimes it can help just to talk to someone in the same situation you're in. You may also want to have regular get-togethers with other **learn\$ave** participants to share ideas and offer encouragement.

Step 7: Using your savings and credits

When you're ready to use your **learn\$ave** account savings, **learn\$ave** project staff will help you. **learn\$ave** project staff will make sure you've met the project guidelines to get the savings credits that you've earned:

- you've saved at least \$10 per month for at least 12 months;
- you're using the money to go back to school, train or start to a new small-business (with a business plan); and,
- you've finished your financial management training.

If you're going back to school or taking a course, the **learn\$ave** project staff will pay the school a portion from your matching savings credits for every \$1 you use from your account to pay for your courses.

If you're going back to school and need to pay for books or equipment for your courses, buy a computer for your courses or pay for childcare, you might be able to use some money from your account and matching savings credits. The **learn\$ave** project staff will pay the store or daycare a portion from your matching savings credits for every \$1 you use from your account.

You'll need to give the **learn\$ave** project staff a copy of your enrolment form from the school and the **learn\$ave** project staff will collect receipts for all the matching savings credits they send.

If you are starting a small business, the **learn\$ave** project staff will send your matching credit directly to your small business. You'll need to keep receipts for anything your business uses the money for. You'll also need these receipts for your taxes.

You'll have up to one year after your last year of saving to use up your total **learn\$ave** matching savings credits. If you have your own money left over in your account it will be returned to you.

**You've seen your savings grow -
now those savings can grow into new opportunities!**

What's Involved ? - Random Assignment Sites

Toronto - Vancouver - Halifax

Read this to find out more about the **learn\$ave** project in Toronto, Vancouver and Halifax.

Step 1: Calling the Information Line

Call the **learn\$ave** Information Line in your area. You'll get information on the project, on how to apply and find out if you might be eligible based on:

- whether your family income is less than the cut-off
- whether your family savings and assets are less than the cut-off
- your age and whether or not you are in school

See "**How to Apply**" for more information about whether or not you might be eligible.

Step 2: Applying

If you think you are eligible, you should come to a **learn\$ave** application session. Call the **learn\$ave** Information Line to find out when the next application session is scheduled. Don't forget to **bring to the application session:**

- Your proof of income (see "**How to Apply**")
- Your social insurance number

learn\$ave project staff will be at the application session to answer any questions you might have and to help you fill out your application. Your application can't be accepted without your proof of income and your social insurance number. If your application is complete, **learn\$ave** project staff will be able to accept and process your application right at the application session.

Step 3: Enrolling

Once your application has been accepted, our staff will tell you more about the project and exactly what it means to be in **learn\$ave**. Then you can decide if you want to take part in this demonstration project. This is called Informed Consent. It means that when you agree to be part of **learn\$ave**, you agree to let the project researchers use information from surveys you fill out and from your project file. Remember, all your information is kept confidential.

If you agree to the Informed Consent, you'll be contacted to do a quick survey. This survey will include some general questions about you and some questions about your experience so far with saving and with education.

Step 4: Being assigned to a project group

There are 3 different **learn\$ave** groups in the project. Everyone who is enrolled has an equal chance of being assigned to any of these groups. The project researchers - not the **learn\$ave** project staff - assign each person to a group. The researchers use a process that is random - completely up to chance - to make it fair. The 3 groups are:

- The **Comparison** group: These 400 people will be interviewed over time so that the researchers can stay in contact and compare how they save and learn on their own, compared with those in the other **learn\$ave** groups.
- The **learn\$ave** group: These 400 people will be offered a **learn\$ave** account and matching savings credits worth \$3 for each \$1 saved in the account.
- The **learn\$ave plus** group: These 400 people will be offered a **learn\$ave** account, matching savings credits and support from **learn\$ave** project staff. They'll also be asked to take training in financial management like budgeting, credit and banking.

If you're randomly chosen for the Comparison group, the researchers will write to you to let you know. Please call them if you have any questions.

If you're randomly chosen for one of the other groups, you'll get a letter from the **learn\$ave** project staff and be asked to come to an orientation session.

People in the Comparison group don't have to come to orientation sessions. But we will rely on your help in the **learn\$ave** project by asking you to answer a survey every once in awhile.

For the **learn\$ave** and **learn\$ave plus** groups:

Step 5: Getting oriented

You'll be asked to come to a meeting with the **learn\$ave** project staff and a group of other people who have also been randomly chosen for the same project group. Our staff will tell you about the details of the project for your group. They'll also try to answer any questions you might have.

Step 6: Opening your **learn\$ave** account

After your orientation session, one of the first things you'll do in the project is open your **learn\$ave** account. RBC Royal Bank is the **only** financial institution in Toronto, Vancouver or Halifax that has these accounts. **learn\$ave** project staff can help you find a RBC Royal Bank branch. RBC Royal Bank staff can help you open your account -- they are friendly and know about **learn\$ave**.

If you've had problems with banking or have never had an account before, don't worry. We've made sure that the accounts are easy to open and easy to use. These accounts are a safe place to keep your savings in the project. You can also take out your own money if you need to in an emergency.

Step 7: Building your savings

You can save for as little as 12 months or for as long as 3 years.

Your savings in the account will be matched by a savings credit worth \$3 for each \$1 in your account.

If you save \$15, it's matched with a savings credit of \$45 for a total of \$60.

If you save \$150, it's matched with a savings credit of \$450, for a total of \$600.

If you save \$1,500, it's matched with a savings credit of \$4,500, for a total of \$6,000.

These credits won't actually be deposited into your account. Instead they'll grow in a separate account as your own savings grow. The credits you earn can be used to pay for learning opportunities like **education, training or starting a small business**.

You'll get regular statements to show you how you're doing on your savings. You'll also see how your total savings are growing with the savings credit that matches each dollar you save each month.

How much you save is up to you -- whether it's \$200 to take a course next year or \$6,000 to start the small business you've wanted. *learn\$ave* will help you save for learning.

Step 8: Training and services - for the *learn\$ave plus* group

If you've been randomly chosen for the *learn\$ave plus* group, you'll get training to help you save. Your local *learn\$ave* project will run training sessions to give you important information about banking, budgeting, debt and credit. You'll be surprised to find out how much you already know. You'll also get help in finding information to meet your needs and your goals. Everyone in the *learn\$ave plus* group has to take this financial management training.

Saving can be difficult when you've got rent or bills to pay, groceries to buy and expenses to meet. Our staff are there to help you keep on track with your savings and find solutions to problems that might come up.

Sometimes it can help just to talk to someone in the same situation you're in. You may also want to have regular get-togethers with other *learn\$ave* participants to share ideas and offer encouragement.

Step 9: Using your savings and credits

When you're ready to use your *learn\$ave* account savings, *learn\$ave* project staff will help you. *learn\$ave* project staff will make sure you've met the project guidelines to get the savings credits that you've earned:

- you've saved at least \$10 per month for at least 12 months;
- you're using the money to go back to school, train or start to a new small-business (with a business plan); and,
- if you're in the *learn\$ave plus* group, you've finished your financial management training.

If you're going back to school or taking a course, the **learn\$ave** project staff will pay the school \$3 from your matching savings credits for every \$1 you use from your account to pay for your courses.

If you're going back to school and need to pay for books or equipment for your courses, buy a computer for your courses or pay for childcare, you might be able to use some money from your account and matching savings credits. The **learn\$ave** project staff will pay the store or daycare \$3 from your matching savings credits for every \$1 you use from your account.

You'll need to give the **learn\$ave** project staff a copy of your enrolment form from the school and the **learn\$ave** project staff will collect receipts for all the matching savings credits they send.

If you are starting a small business, the **learn\$ave** project staff will send your matching credit directly to your small business. You'll need to keep receipts for anything your business uses the money for. You'll also need these receipts for your taxes.

You'll have up to one year after your last year of saving to use up your total **learn\$ave** matching savings credits. If you have your own money left over in your account it will be returned to you.

**You've seen your savings grow -
now those savings can grow into new opportunities!**



Project Partners

Lead partners



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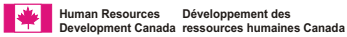
Social and Enterprise Development Innovations is a non-profit organisation working to promote economic self-sufficiency for disadvantaged Canadians. For the last 5 years, SEDI has advocated the use of Individual Development Accounts and has introduced the concept to other Canadian groups. SEDI is the lead project partner for the program design and implementation.



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The Social Research and Demonstration Corporation is a non-profit organisation created to develop, test and rigorously evaluate social programs designed to improve the well-being of all Canadians. The organisation pays particular attention to disadvantaged Canadians. SRDC is the lead project partner for the research design and evaluation.

Project funder



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Funding for the project is provided by the Applied Research Branch of Human Resources Development Canada. This branch supports evaluation and innovation projects in order to assess possible policy/program interventions. **learn\$ave** is part of the branch's work on measures to enhance life-long learning.

National participating financial institution



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As part of its community development strategy recognizing the importance of strategic partnerships, **RBC Royal Bank** is providing national financial services to **learn\$ave**. This includes providing enhanced deposit account services to account holders, account information management services to the project and support to the project design and implementation through personnel time and expertise.

Community partners



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Halifax: **Metro United Way of Halifax Regional Municipality**

Metro United Way will be the lead organisation for program delivery in the Halifax Regional Municipality. MUW works with community partners to build an extraordinary community. This includes increasing well-being and self-sufficiency so that people of all ages have skills that allow them to adapt to crisis, face life's challenges and fully participate in the community. *learn\$ave* is one way Metro United Way makes a difference in their community.

Digby & Annapolis Counties: **Western Valley Development Authority (WVDA)**

WVDA is a community-based non-profit organisation dedicated to community economic development. Since 1994, WVDA has been involved in a range of programs aimed at promoting local business growth and developing the economic potential of Digby and Annapolis Counties. WVDA is also dedicated to the broader aim of building the capacity of communities in the Western Valley region.

Fredericton: **Fredericton YMCA**

The Fredericton YMCA has been working in its community for 150 years providing an extensive range of social and physical programs. With 10 years' experience in delivering employment programs through its Employment Services branch and many programs operating in response to the needs of the community, the non-profit organisation reaches a broad range of low-income families and individuals in the Fredericton area.

Montreal: **Montreal YMCA, Aurora Business Project**

The Montreal YMCA has decades of expertise in delivering employability, entrepreneurship and local development programming. The charity's Notre-Dame-de-Grâce location, and its Aurora Business Project, will lead the site delivery, building on extensive experience in community credit and community economic development. The Montreal YMCA has also formed a partnership with the *Caisse d'économie Desjardins* to offer local participants a choice of using the Caisse or the RBC Royal Bank for their *learn\$ave* account.

Toronto: **Family Service Association and Consortium Team**

The Family Service Association (FSA) of Toronto is a non-profit social service agency that has been serving low-income individuals and families across Toronto for over 80 years. FSA is working with a consortium of agencies - *St. Christopher House, St. Stephen's Community House and the YWCA* - chosen for their strategic location throughout Toronto. FSA is the lead agency in the Toronto consortium.



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Waterloo Region: Lutherwood Community Development Association (CODA)

Lutherwood CODA is a large, non-profit social service agency whose mission is "building better futures for individuals, families and communities." Lutherwood CODA's main program areas are in employment and mental health services. Lutherwood CODA has delivered two previous IDA programs in the Waterloo Region.



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Grey & Bruce Counties: Women and Rural Economic Development (WRED)

WRED is a non-profit organisation dedicated to enhancing the sustainability of rural Ontario communities. Since 1993, WRED has been delivering programs dedicated to business development, access to capital and networking.



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Winnipeg: SEED Winnipeg Inc.

SEED Winnipeg Inc. is a non-profit community-based organisation that works to combat poverty and assist in the renewal of Winnipeg's inner city. In February 2000, SEED, in partnership with the *Northend Community Ministry* (NECM), also introduced a local IDA program that aims to reach 30 participants. NECM has been serving inner-city families for over 90 years. In delivering the IDA program, SEED and NECM are working with the Alternative Financial Services Committee, a collaborative of local organisations. The *Assiniboine Credit Union* will deliver the financial services to **learn\$ave** account holders in Winnipeg.



North End Stella Community Ministry



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Calgary: Mennonite Central Committee (MCC) Alberta Employment Development

MCC Employment Development has ten years' experience in providing programming, including skills training, small business start-up and financial literacy training to unemployed and underemployed Calgarians. Since 1999, MCC Employment Development has been delivering a local IDA program called "Fair Gains."



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Vancouver: New Westminister Community Development Society

The New Westminister Community Development Society (NWCDs) has been in operation since 1992 and is dedicated to the enhancement of social and economic development within the City of New Westminister. During the developmental year, the NWCDs worked closely with the VanCity Community Foundation, a non-profit community organisation established in 1989.