



Creating Community Options for Financial Services

June 13 – 14, 2012

Winnipeg, MB

Conference Summary Report

Conference Partners:

Community Financial Counselling Services
Community Financial Services Centre
Consumers' Association of Canada (Manitoba)
Manitoba Consumer Protection Office
Public Interest Law Centre, Legal Aid Manitoba

Introduction

Consumer advocates, credit counsellors, educators, and governments are becoming increasingly concerned about the number of consumers who do not have adequate access to mainstream financial services. Research has shown that without access to such services individuals have a very difficult time participating in the marketplace. Further, these consumers typically turn to fringe or alternative financial services providers, such as pawn shops, payday lenders, cheque cashers, or rent-to-own businesses, which can be very expensive. Some contributing factors to this situation include a lack of mainstream financial services in locations accessible to consumers and a lack of financial literacy among Canadians in general.

In response to this situation, a number of stakeholders voiced a collective desire to further identify the factors affecting the ability of consumers to access mainstream financial services and to develop corresponding strategies to address them. Community Financial Counselling Services, the Community Financial Services Centre, the Consumers' Association of Canada (Manitoba), the Manitoba Consumer Protection Office, and the Public Interest Law Centre of Legal Aid Manitoba supported and encouraged the development of community alternatives by hosting a multi-stakeholder conference.

The conference was held in Winnipeg from June 13 to 14, 2012 and brought together 73 representatives from 48 organizations, spanning industry, consumer advocates, educators, credit counsellors, and government.

This summary report provides an overview of the materials and information presented at the conference and considerations and potential strategies developed by participants. For a full listing of the materials presented at the conference, please refer to Appendix A.

Conference Presentations

Presenters shared information ranging from the latest research on financial literacy to examples of best practices for delivering on-the-ground community financial services. An overview of this information has been organized under the following five categories:

Focus Area 1:	Financial Exclusion in Canada: Causes and Consequences
Focus Area 2:	Access to Financial Services
Focus Area 3:	Challenges Facing Manitoba Consumers: Income, Age and Mobility
Focus Area 4:	The Role of Financial Literacy in Accessing Financial Services
Focus Area 5:	Community Banking Models in Manitoba

Focus Area 1: Financial Exclusion in Canada: Causes and Consequences

Financial exclusion results when there is inadequate access to mainstream financial institutions for the “unbanked” and the “underbanked”. The unbanked are defined as those who having no banking facilities at all, while the underbanked are those who have limited access to mainstream banks and therefore rely on fringe or informal financial services.

Dr. Jerry Buckland, a professor at Menno Simons College in Winnipeg, Manitoba, is a leading researcher in the area of financial exclusion and the use of alternative financial services in Manitoba, Canada and other countries. Dr. Buckland identified several factors and characteristics of individuals that are often financially excluded: low-income; younger in age; less educated; from larger families with few earners; and non-homeowners. Despite their exclusion, these individuals were reported to be interested in obtaining financial services such as savings accounts, as well as being able to access credit.

While keeping up with the financial markets may not be as important for low-income individuals, Dr. Buckland pointed to evidence that low-income people are not more financially illiterate than other Canadians. He also stressed the point that it is important to dispel the myth that low-income persons are simply poor because they are financially illiterate. This is not the case. Dr. Buckland stressed the fact that it is necessary to find ways to help low-income people access the resources that will allow them to improve their financial situations.

Dr. Buckland offered a macro level and micro level view of the economy. On a macro level, he pointed out some of the factors affecting low-income people:

- Rising poverty rates
- Mainstream financial institutions are less interested in low-income people and vice-versa
- Society’s growing reliance on consumer debt
- Consumerism
- Growing divide between the rich and the poor and the financial services that cater to the different financial demographics
- Emergence and prevalence of payday lenders
- Stagnating or declining low and middle class incomes

On a micro level, some of the challenges faced by low-income people are:

- Consolidation of mainstream financial institutions in more affluent areas, allowing for the proliferation of fringe banks in less affluent areas
- Barriers to accessing financial services such as the need for government approved identification in order to open accounts; strict requirements for cheque cashing
- Unwillingness of mainstream financial institutions to offer solutions and services that fit the needs of low-income consumers
- Willingness of fringe banks to attract low-income persons and develop a culture that is welcoming resulting in low-income individuals feeling valued by these types of institutions
- Fringe banks have higher fees than mainstream institutions and do not focus on credit improvement or repair
- Perception that low-income individuals have high needs for transactional services and no long term plans for savings

Dr. Buckland noted many unanswered questions and research topics remain unexplored, such as whether there is a relationship between income levels and financial literacy and whether or not ethnicity plays a factor in financial exclusion. Finally, Dr. Buckland stated that there is a tremendous lack of data on the general characteristics of those who are unbanked and underbanked, which presents a challenge to researchers.

Despite the macro and micro level challenges, conference participants heard about some initiatives that were successfully addressing financial exclusion. Liz Evans, the Executive Director and Founder of Portland Hotel Society Community Services, described an initiative that has been established in partnership with Vancity, one of Canada's largest credit unions.

Pigeon Park Savings, which opened in 2004, is a branch of Vancity Credit Union, in partnership with the Portland Hotel Society in Vancouver's Downtown Eastside. Portland Hotel Society provides staff and technical and financial support is provided by Vancity. The bank was opened after the provincial government withdrew financial support for Four Corners Savings Association, which had provided full banking services in the neighbourhood. The building which houses the bank is provided for free by Vancouver Coastal Health and it receives an annual subsidy of \$200,000 from Vancity and has received grants from TD Canada Trust to do financial case planning with clients.

Pigeon Park Savings is a bank for the people living in Vancouver's Downtown Eastside community who tend to be excluded from mainstream banking. The bank's casual environment allows its clients to feel comfortable and included. Pigeon Park Savings has membership of 4,500 individuals and it has gained their trust because it is "meeting people where they are"; meaning that rather than wanting their clients to meet a certain standard set by the bank, it makes every effort to develop an environment where they are meeting the needs of their clients on their own terms, with dignity and respect. An important point was made when Liz noted that she would not be able to work in the community if she wanted things to get better on her terms.

Liz spoke about how the starting point for change is embracing people and accepting them for who they are. She also described how valued their clients feel being able to withdraw \$10.00

from their own accounts. Pigeon Park's one location offers basic accounts with unlimited transactions, counter cheques, bill payments, direct deposits, money transfers and ATM access for a flat fee. Instead of low-cost credit, the bank offers overdraft protection.

Another successful microcredit initiative has been implemented by Option consommateurs, a non-profit organization that provides small, short term loans to help low-income consumers stay out of debt. Sylvie De Bellefeuille, a lawyer for Option consommateurs, coordinates the organization's microcredit program, Pret du quartier, and spoke about the organization at the conference. Approximately half of the micro credit loans in Canada are issued in Quebec.

Option consommateurs, which has been in existence since 2001, was created by the neighbourhood's community organizations and is financed by local Caisses Desjardins and by Centraide Canada. This program offers loans with no interest and no fees. Further, the program is delivered at the neighbourhood level and includes supports such as budget counselling. One way this program is superior to many alternative financing establishments is that they strive to help their clients meet their needs and establish budgets - not give more debt to people who are unable to pay.

The loans issued by Option consommateurs are usually amortized over approximately one year and are in amounts between \$200 to \$1000. Sylvie noted that keeping in touch with the borrowers is key and all the loans are interest free. Prospective borrowers, who have been in contact with Option consommateurs, must open accounts with Caisse Desjardins. The process of opening an account is made easier as Option consommateurs gets in touch with Caisse Desjardins ahead of time, and provides an introduction. Support is provided throughout the repayment period and this program allows low-income persons to reconnect with financial institutions.

Option consommateurs has an 85 per cent repayment rate and shows that micro credit is a viable alternative. They feel they are developing a relationship with people that goes beyond just money. Sylvie stated that while this model of repayment management may take more time and effort than traditional lending models, it is worth it as this program provides financial dignity to a population who doesn't necessarily receive it from mainstream financial institutions.

Another initiative that was discussed was the approach to alternative financing taken by credit unions in the United States. Michael Beall, the President and Chief Executive Officer of the Missouri Credit Union Association, spoke about payday lending reliance in the Midwest and the various approaches that have been taken to counteract this problem.

He stated that Missouri is the "payday lending capital of the Midwest" as there are more payday lenders than banks and credit unions combined and the typical Missouri borrower is stuck in 9 payday loan transactions a year. There is no rate cap in Missouri and payday lenders can charge whatever they want.

In response to this situation, the Community Development Financial Institutions Fund (CDFI) was created to promote economic revitalization and community development. Financial institutions, which may include banks and credit unions, loan funds, and community development venture capital funds, can apply to the CDFI Fund for formal certification as a CDFI. Four Missouri credit unions qualified to take part in the CDFI project using a blended

approach with branches being located in extremely poor areas and having a high volume of loans to low-income consumers.

The Metro Credit Union (MCU) offers services such as cheque cashing and small loans to low-income residents. Conveniently located next to the Springfield Housing Authority, MCU has \$47 million in assets and 62% of their loans are to low to moderate income families, which they defined as families earning less than the median family income for Missouri, which is \$52,000 per year. MCU has been successful in offering what the CDFI refers to as credit establishing loans. These are small, \$300 loans, amortized over approximately 9 months.

Popular Bluff Credit Union qualifies for CDFI based on statistics that show 71% of its loans are issued to low-income consumers. The credit union rents a separate location beside a Hispanic La Tiende where Hispanic consumers already feel comfortable.

Focus Area 2: Access to Financial Services

Access to mainstream financial institutions is critical when the goal is to ensure that less individuals are financially excluded. Conference participants discussed the challenges of defining the term 'access' due to the many different ways in which individuals are prevented from gaining access.

Those who are unbanked and underbanked often face geographic barriers to access, living in neighbourhoods that are populated by fringe banks rather than mainstream financial institutions.

Other barriers to accessing mainstream financial services discussed throughout the conference were low understanding of banking language; low understanding financial services; and the lack of, and barriers to, obtaining proper identification. Banking culture can also be a barrier for some individuals that are not accustomed to dealing with banks or who do not feel welcome or appreciated.

The forms of access listed above present challenges to many individuals, but may possibly be heightened for two groups: new immigrants and Aboriginal Manitobans, particularly those coming to urban centres from reserves or who grow up in foster care.

Access to financial services is slowly being improved by several organizations with special initiatives that target vulnerable groups. Cheryle Dreaver of Eagle Urban Transition Centre described the transitional supports that the organization provides for Aboriginal citizens who are relocating to or living in Winnipeg. They provide various programs to their clientele such as: conducting needs assessments; providing information on banking rights; providing free access to the Internet for banking purposes; contacting support workers; raising funds to help with identification problems; and providing supports to youth.

Marvin Marcial, of Entry Program for Newcomers, reported that a 4 week course, which includes financial literacy training, is currently being offered to newcomers. Marvin advised that based on their experience, newcomers need more learning opportunities for credit building, better opportunities with which to establish and build credit, and more culturally appropriate banking information. More in depth research on how cultural differences affect financial services would be beneficial.

Ian Hughes, Chief Executive Officer of Marymount, an organization that offers care programs, schooling and community based support in Winnipeg, stated that there should also be a focus on financial skills for children in care. He stated that financial literacy is learned through a process of “osmosis” for most children – whereby they learn by observing their parents. He noted, however, that children in care may not have access to that same learning experience because they may not be exposed to those daily conversations and financial transactions in foster families. Children involved with child welfare may not have the same opportunities for part-time jobs, which can provide youth with the opportunity to get a bank account and develop basic financial literacy abilities. Children in care may also have challenges obtaining accepted forms of identification, and be more inclined to use payday loans

Support for children in the care of the child welfare system generally ends at the age of 18, although they can sometimes be extended to the age of 21. Financial independence and employment are significant challenges for these youth. It may be more important for these individuals that banks create an environment and culture where people feel safe and welcome. Ian stated that peer mentorship, support, career guidance and economic literacy are keys to their success.

Focus Area 3: Challenges Facing Manitoba Consumers: Income, Age and Mobility

There are particular challenges facing various groups of individuals, outside of the specific accessibility issues listed above. In particular, low-income individuals, senior citizens, and persons with disabilities face unique challenges with respect to accessibility.

Some of the challenges include a lack of knowledge; the prevalence of fringe banks; and language and literacy.

- *Lack of Knowledge*
 - Low-income individuals can lack the knowledge needed to make basic banking decisions.
 - Technology has become a very integral part of banking, and senior citizens often do not know how to use that technology, which may make them feel dependent on others and could put them at risk of financial elder abuse.
 - Staff from mainstream financial institutions can find it difficult to work with persons with disabilities if they are not familiar with the client’s needs.
- *High Cost Alternatives*
 - There are fewer banks and businesses in less economically viable areas of cities and as they leave, more fringe banks appear in their place.
 - Low-income individuals, senior citizens and persons with disabilities can have difficulty travelling distances to use mainstream banks, so fringe banking becomes the option by default.
 - All three groups listed above may be more vulnerable to high cost financial services, which can contribute to debt and dependency.
- *Language and Literacy*
 - ‘Successful’ banking requires a certain level of financial and technological literacy.

- While websites can contain a great deal of information, their design can pose navigational challenges to certain individuals with disabilities or those unfamiliar with the Internet.
- Banks are encouraged to work with low-income families to help them improve their financial literacy levels, which in turn assist them in obtaining credit.

Harry Paine of the Manitoba Council on Aging and the Broadway Seniors Resource Council suggested that misconceptions about older people exist. Society often believes that older people are retired, go south for the winter and are all financially comfortable. However, the facts are that many seniors live in poverty and have no or limited access to the mainstream banking system. This is even of more concern for seniors living in rural areas.

Helping senior citizens learn and trust in the technology of online banking may promote independence and reduce risk of financial abuse. Harry suggests that one way in which these challenges can be overcome would be to have more senior centres, where individuals of different generations can gather, feel comfortable asking questions and gain support. Intergenerational centres would offer support and potentially reduce the segregation between generations.

Zanna Joyce of the Society for Manitobans with Disabilities stressed that in order to make banking easier for persons with disabilities; we need to treat them as equals and with respect. One way to achieve this would be to change the infrastructure and architecture of banks so that they can accommodate all individuals. She also stated that staff should be trained on how to provide service to people with disabilities, so that no one feels disrespected when coming into a mainstream bank.

Aileen Krusch of SEED Winnipeg, a non-profit agency addressing poverty in Winnipeg's inner city, stated that they offer low-income individuals help in getting out of high cost banking situations. They also offer resources for helping low-income individuals gain credit, financial literacy training, and also set up educational group plans for older children. The growing complexity of financial products and services bring both more opportunities and perils for consumers. Financial literacy is incredibly important for low-income individuals, as poor financial decisions can have lasting economic consequences.

Conference participants appreciated learning about the programs and experiences shared by the presenting organizations, as well as about the benefits and supports they have provided to their clientele and communities. It was acknowledged that the continued development of programs through organizations such as these will be needed to support individuals overcome the challenges in accessing mainstream financial services.

Focus Area 4: The Role of Financial Literacy in Accessing Financial Services

Financial literacy poses a challenge to many Canadians, not just low-income individuals or the underbanked. Evelyn Jacks, President of the Knowledge Bureau and member of the National Financial Literacy Task Force, noted that, 42% of Canadians cannot read basic financial documents. For most individuals, financial literacy comes to us through "osmosis", where we listen and learn at home; "living room training" (Evelyn Jacks).

Unfortunately, more than half of Canadians are not financially literate and there are challenges addressing this. The first of these challenges is that individuals now make important financial

choices much earlier in life. Consumerism has led to individuals wanting more, sooner, which leads to making big financial decisions without having previous financial experience.

The second challenge is creating an environment where both low-income and high income individuals feel welcome. The needs and expectations of these individuals are different, and finding the balance that will accommodate everyone on the income spectrum can be difficult.

Finally, relationships are an integral part of non-traditional financial services. It is important for mainstream financial institutions to build relationships, so they can help determine what the needs are of different families and those from different cultures. If needs are not recognized then they cannot be met, and it is important to accept and integrate diversity so everyone feels welcome.

Panellists stated that it was important for financial literacy to be life cycle and needs focused. Saving for specific life events, one at a time, or to save for certain needs allows individuals to become acquainted with financial literacy in small steps and see their success. Their own success allows them to feel empowered and provides them with more confidence in their financial literacy and makes mainstream financial services less intimidating.

Evelyn Jacks stated that individuals are more receptive to programs and services when they are provided in a convenient and comfortable manner. For example, the Knowledge Bureau offers a virtual campus that helps individuals access educational and financial literacy materials. This online platform allows individuals to overcome traditional geographic and accessibility barriers. The Knowledge Bureau has also found that one-on-one service delivery, such as between an individual and a financial advisor, can be very effective in helping individuals understand and retain new information. The lack of relationships and one-on-one service delivery are often cited as challenges by the underbanked and unbanked at traditional financial institutions.

Jenn Bogoch from SEED Winnipeg discussed the different programs that her organization offers to low-income individuals and individuals who lack financial literacy. One such program is their asset building program, which helps individuals save towards a specific goal such as a computer, which can provide the knowledge, skill and confidence to continue on the path to saving and financial inclusion. They also offer standalone money management training, which are savings programs for larger expenditures such as home renovations. The organization has begun to use the term 'money management', rather than financial literacy, as early user feedback indicated that it was an easier term to understand.

Holly Toupin, Regional Vice-President, Central Winnipeg for RBC Royal Bank stated that the need for improved financial literacy touches on all demographics. She discussed some of the initiatives the bank is undertaking to improve service to those who may be at risk of financial exclusion. RBC Royal Bank offers pamphlets in different languages and has customer service representatives who speak multiple languages. These supports provide individuals with a certain level of comfort and inclusion, which foster improvements in financial literacy.

Access to banking and banks can pose an issue for certain individuals; however, through the use of telephone and Internet banking, some individuals are able to access banking when it is most convenient for them. RBC Royal Bank has also developed the Royal Eagles program which is an employee resource group. It is a fellowship for First Nations, Inuit and Metis RBC employees, whose goals are: to enhance Aboriginal cultural awareness at RBC Royal Bank; provide networking and mentoring for Aboriginal employees; support the recruitment and retention of Aboriginal employees; and act as a resource and for Aboriginal communities.

Through presentations and subsequent discussions, participants identified that while there is a broad need for financial literacy, a “one size fits all” model or answer does not exist. Therefore, research into how mainstream financial institutions can develop much needed services at the local level is needed. The importance of financial literacy is, now more than ever, crucial to enable consumers to navigate the number and complexity of financial products and services being introduced in the marketplace.

Focus Area 5: Community Banking Models in Manitoba

A panel was dedicated to looking at what Manitoba is currently doing to address financial exclusion. By way of demonstration, several organizations shared their experiences and best practices that contributed to their success.

Debra Joyal, Community Financial Services Centre Program Manager (CFSC), discussed the model that has been used in Manitoba to bring financial services to low-income populations, particularly in the north end of Winnipeg. This program formed an administrative partnership with Assiniboine Credit Union (ACU) and worked with SEED, where 72 workshops for individuals were developed. CFSC helped individuals acquire identification, which can be a significant barrier to accessing mainstream financial services, making simple acts such as cashing a cheque, quite difficult. Staff at CFSC helped provide assistance to members of the community who wished to open bank accounts at Assiniboine Credit Union (ACU). Since its inception in 2006, CFSC has helped 1,242 people acquire photo identification, 1,850 referrals were made and helped 752 people open bank accounts at Assiniboine Credit Union. Most of the people they assisted were unbanked individuals.

Priscilla Boucher, Vice-President Corporate Social Responsibility at Assiniboine Credit Union, discussed some of the financial incentive initiatives they have been involved in. Currently, there are 100,000 members and the credit union is working towards building and reinforcing a culture of inclusion. Some of the resources available to individuals are customized services for underbanked individuals, the identification of barriers to financial services and a plan for how to break through the barriers. These initiatives have been successful due to the partnerships created with SEED and the North End Renewal Project and due to the intensive level of support and guidance provided to these participants.

However, Chris Robinson, Professor of Economics at York University in Ontario, stated that credit unions cannot do everything that banks can do and this poses a problem. Assiniboine Credit Union alone is not enough and there has to be a way to influence their competitors. He believes there is a lack of will, because there is already a financial system in place that could enable services to be delivered to the financially excluded. He contended that social reward and not only profit, should be part of financial institutions’ mandate.

Looking forward, Priscilla Boucher suggested that governments could consider providing bank branches with a fund to enable them to offer small loans with reduced risk. Debra Joyal indicated that charitable donations were not enough to support non-profit helping programs and that government funding may be needed to aid in their efforts to reduce financial exclusion.

Suggested Strategies

Conference participants were organized into five focus groups to discuss and reflect upon the information presented.

Each group discussed one of the focus areas. The assignment was to go through all of the ideas, and come up with potential strategies and considerations to address that particular issue. This work was done in small groups, whereby the attendees chose which topic interested them the most and ideas flourished through these discussions.

Focus Issue 1: Limited Stakeholder Understanding of Financial Exclusion

Strategy to Address	Elements of Approach
1. Target Executives and Boards of Key Financial Institutions, Banks and Credit Unions	<ul style="list-style-type: none"> • Develop awareness strategies to explain what financial exclusion means in their communities • Use models that deliver the message on a personal level of understanding • Develop networks within mainstream financial institutions – engage ‘champions’ with different institutions that can open doors to the decision makers • Develop a consistent message regarding financial exclusion and its effect on society as a whole; define access

Focus Issue 2: Limited or No Access to Traditional Financial Services

Strategy to Address	Elements of Approach
1. Encourage the expansion of basic banking services	Encourage banks to: <ul style="list-style-type: none"> • Offer simple banking products • Develop customized, zero fee, no interest bank accounts • Provide low cost prepaid debit and visa cards • Consider mobile banking, where a designated person could sit at a different location that may be more accessible to people other than the bank on specific days when government cheques are issued • Ensure service is physically accessible for persons with disabilities, and train staff on providing service to persons with both physical and mental disabilities • Adopt culturally appropriate practices and welcoming, casual atmospheres • Develop public communications on what services are available and how they may be of benefit • Allow for clients to “drop in” as opposed to needing an appointment at the bank to access information • Address language barriers by providing services in many different languages and in locations where people gather as community-

	<p>seniors' complexes, schools, personal care homes.</p> <ul style="list-style-type: none"> • Offer cultural and sensitivity training with the goal of raising awareness of the many diverse populations that make Canada their home
2. Provision of identification	<ul style="list-style-type: none"> • Find creative ways to offer identification to those who are unable to obtain it by conventional methods • Increase awareness of MPI's "Manitoba Identification Card", a form of photo identification for non-drivers • Make obtaining other forms of ID easier by expanding the criteria of a guarantor to those in positions such as nurses, probation/parole officers and social assistance workers • Expand Employment and Income Assistance identification program to others who are not on assistance • Make more locations available where one can obtain government issued photo identification • Investigate ability to retain client identification on file to mitigate against lost identification card. • Extend expiration dates on existing identification cards • Create partnerships between organizations needed to support this process
3. Plain Language Product Descriptions	<ul style="list-style-type: none"> • Use plain language to explain the details and/or make translated documents available • Clearer communication will reduce misunderstandings and increase the probability that clients will end up with products that suit their needs. This approach will benefit all clients, not just low-income clients • Reduce pressure to sign documents right away by allowing individuals to review the documents in advance, or bring someone back to the bank to assist them

Focus Issue 3: Lack of Appropriate Financial Services for Different Populations

1. Encourage a Culture of Respect	<ul style="list-style-type: none"> • Develop a culture of sensitivity for all, including vulnerable groups • Community groups get together to develop training and create awareness programs • Offer accreditation for culturally respectful institutions • Research how cultural difference affect the ways people approach financial services • Develop newcomer-specific financial literacy initiatives
2. Ways to Assist Newcomers and People Who are Experiencing	<ul style="list-style-type: none"> • Explore use of incentives for individuals to participate in micro savings and micro lending programs, including individuals receiving social assistance

<p>Challenges in Life</p>	<ul style="list-style-type: none"> • Education and skill building for individuals transitioning on and off of financial assistance programs to reduce financial crisis • Use of peer models to share experience and knowledge with others in their own communities • Meet people ‘where they are’, go to the places where different communities gather • Government can issue social assistance cheques on different days throughout the month, not just at month’s end; risk of increased violence in low-income communities when social assistance recipients all receive monies on the same day
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Focus Issue 4: *Insufficient Financial Literacy and Supports*

<p>Strategy to Address</p>	<p>Elements of Approach</p>
<p>1. Provision of Financial Literacy Programming Designed to Meet the Varying Needs of Differing Populations</p>	<ul style="list-style-type: none"> • Peers to offer training and information sessions to the financially excluded so they understand the language, culture and context of the recipients • Present information in a non-threatening, contextual way is more likely to become integrated to daily life • Provide relevant programming to support and encourage the behavioural change aspects of financial literacy • Develop an accreditation program for training the trainer of financial literacy programs
<p>2. Financial Literacy as Part of a Required Education Curriculum</p>	<ul style="list-style-type: none"> • Educate youth before they enter the independent financial arena • Present the information to all students as a relevant, ‘on the same level’ learning experience • Focus on making students realize the benefit of such a mandatory course • Establish a peer mentorship program to help achieve the goal of financial literacy
<p>3. Cultivate Partnerships with Existing Resources to Ensure Appropriate Delivery of Relevant Money Management Skills training</p>	<ul style="list-style-type: none"> • Encourage community groups to work in conjunction with financial institutions • Generate increased financial literacy by learning together and supporting each other’s initiatives • Increase awareness of needs, resources and supportive programming opportunities • Invite staff of financial institutions to sit on committees/boards of various community groups • Create a repository of resources available on financial literacy so consumers and financial institutions can access it

Focus Issue 5: Lack of Accessible and Affordable Alternatives to High-Cost Lenders

Strategy to Address	Elements of Approach
1. Employer or Government Payroll Advance	<ul style="list-style-type: none"> • Develop an employer payroll or government cheque advance program to assist consumers in avoiding fringe banks; helps avoid the issue of repayment since the individual has worked for this money and the loan can be paid back directly through their wages; focus on regulation of the service and employer participation
2. Credit Union Matching Program	<ul style="list-style-type: none"> • Explore possibility of credit unions providing payday loans at the prescribed rate; reduce risk by creating loss-reserve fund • Identify other services or needs of the financially excluded that could be addressed by local credit unions • Look for long term solutions; full commitment is required to effect real change
3. Enlist Mainstream Financial Institutions as Part of the Solution	<ul style="list-style-type: none"> • Explore feasibility of tax incentives for financial institutions to open branches in low-income areas; • Use of government deposits or commercial accounts to support branches of financial institutions in areas with low service

Recommendations

The following steps were recommended at the conclusion of the group process. The conference planning committee will be taking these recommendations under consideration to determine next steps with regard to the issues raised and ideas put forward by participants of the conference.

- Assemble the conference organizing committee to determine what resources are needed to maintain the momentum created by the conference
- Considers ways in which communication between the various stakeholder groups who attended the conference can be facilitated in order to share the best practices of successful organizations and their initiatives.
- Consider what strategic partnerships can be formed to enable effective, actionable next steps
- Commission a research study into the use of payday lenders and alternative financial services in Manitoba, with funding supplied by the Manitoba Payday Borrowers Financial Literacy Fund

- Research ways in which to engage those who make use of alternative financial services, payday lenders, pawn shops (i.e. focus groups)
- Study the activities the various financial literacy focused groups currently operating in Manitoba. Research could determine whether there is a way in which activities can be coordinated so as to not duplicate existing efforts.

Concluding Remarks

The Creating Community Options for Financial Services Conference provided the opportunity for individuals working for the same cause to come together and share information, ideas and incentives. The conference was successful in assembling a broad spectrum of stakeholders and facilitating the sharing of experiences, best practices, and ideas on financial literacy and inclusion.

The hope is that this will be the first step towards a large scale solution, bringing together the various initiatives from the many organizations that were represented at the conference.

We would like to extend a thank you to all of the presenters, attendees, and funders of the conference for participating and sharing your work and ideas with all of us. We are truly humbled by your presence at the conference and hope that you will continue to be involved in the fight for financial inclusion.

Appendix

List of Conference Presentations:

June 13, 2012

Financial Exclusion in Manitoba: Causes and Consequences

Speaker: Dr. Jerry Buckland, Menno Simons College, University of Winnipeg

Pigeon Park Savings: Community Banking in a Low-Income Neighbourhood

Speaker: Liz Evans, Executive Director, Portland Hotel Society, Vancouver

Alternative Lending in Quebec: Tough Laws, Unique Response

Speaker: Sylvie De Bellefeuille, Option consommateurs, Montreal

Concurrent Panels:

Access to Financial Services for Newcomes, Youth and First Nations Consumers

Panelists: Cheryle Dreaver, Eagle Urban Transition Centre
Ian Hughes, Marymount
Marvin Marcial, Entry Programs for Newcomes
Moderator: Jan Forster, Consumer Protection Office

Challenges Facing Manitoba Consumers: Income, Age and Mobility

Panelists: Zanna Joyce, Society for Manitobans with Disabilities
Aileen Krusch, SEED Winnipeg
Harry Paine, Manitoba Council on Aging and Broadway Seniors Resource Council
Moderator: Peggy Barker, Consumers' Association of Canada (Manitoba)

The Role of Financial Literacy in Accessing Financial Services

Panelists: Evelyn Jacks, Knowledge Bureau
Carinna Roales, SEED Winnipeg
Moderator: John Silver, Community Financial Counselling Services

Community Banking Models in Manitoba

Panellists: Priscilla Boucher, Vice-President, Corporate Social Responsibility, Assiniboine Credit Union
Debra Joyal, Community Financial Services Centre
Dr. Chris Robinson, York University, Toronto
Moderator: Dr. Jerry Buckland, Menno Simons College, University of Winnipeg

American Credit Unions Serving Low-wealth Households

Speaker: Mike Beall, President and Chief Executive Officer, Missouri Credit Union Association

June 14, 2012

**Providing Alternative Financial Services in Canada, Quebec and the United States:
Different Regulatory Environments and Experiences**

Panellists: Dr. Jerry Buckland, Menno Simons College, University of Winnipeg
Sylvie De Bellefeuille, Option consommateurs
Liz Evans, Executive Director, Portland Hotel Society

Identifying Next Steps Towards Creating Community Options for Financial Services in Manitoba

Speaker: Patrick Falconer, Managing Director, The Project Group