



# HOMELESSNESS PARTNERING STRATEGY

## Summary

### Financial Inclusion for Homeless Persons and Those at Risk A Step Up on the Ladder of Self-Sufficiency

Fair, A., Gosse, B., Moore, H. & Robson, J., Social and Enterprise Development Innovations (SEDI), 2008

This study examined the interaction between homelessness and financial exclusion in Canada to document and better understand the experiences of shelter residents, shelter providers, and agencies.

#### Key terms

**Financial exclusion** refers to having limited access to appropriate financial products or services as well as having limited opportunity, ability, or confidence to organize money effectively or to make informed decisions about one's financial situation.

**Financial literacy** refers to having financial knowledge, understanding, responsibility, skills and competence.

#### Population examined

Canadians who are: living in shelter housing; at risk of losing their existing housing; residing in transitional housing; or using rent banks.

#### What issues are they facing?

- Many homeless Canadians cycle through emergency and transitional shelters.
- Without a stable address, it is difficult to access mainstream financial services and, thus, effectively manage financial resources.
- There is a lack of financial education, literacy, and inclusion among homeless and at-risk populations.



## How was the study done?

- A literature review and an environmental scan explored existing community-based initiatives in Canada that address financial exclusion among homeless and at-risk populations.
- Interviews were conducted with 22 key informants including service providers, researchers and policy-makers.
- Seven focus groups and a survey were completed with 63 individuals who were in transitional housing or were rent bank program clients in Calgary, Vancouver and Toronto.

## Results

- Transitional housing residents and rent bank clients experience some level of financial exclusion in mainstream banking services and have limited access to other financial products and services.
- Homeless and insecurely housed persons rely heavily on high-cost, unregulated fringe financial services such as pawn shops, payday loans, and cheque cashing.
- Transitional housing residents and rent bank clients express the need for:
  - financial skills training delivered by familiar and trusted staff;
  - opportunities to practice financial skills with real money, real financial goals, and real financial rewards; and
  - respectful communication when interacting with mainstream financial service providers.
- Housing service providers identify financial literacy and financial inclusion as key life skills, but do not feel that their organizations have the capacity to offer financial management skills to their clients.
- Organizations that have the greatest capacity and experience delivering financial education and inclusion initiatives often have less experience in working directly with homeless people and transitional housing residents.

## Recommendations for an effective service delivery strategy

- Invest in staff training and organizational capacity among transitional shelters and rent banks to enable them to offer ongoing financial learning opportunities for homeless and at-risk populations.
- Establish partnerships with financial agencies to increase the capacity of shelter and rent bank providers to deliver more structured and targeted financial education.
- Integrate financial learning with a financial incentive while supporting the development of a stronger relationship between clients and mainstream financial service providers.
- Adapt the topics covered in financial learning programs to the client's particular needs, circumstances, and goals.
- Encourage staff members who are already familiar with the clients to deliver financial literacy programs in order to foster relationships of trust.
- Adopt a delivery model that encourages financial learning programs to be made available to clients when they enter other programs and remain available to clients until they are ready to leave the program.
- Position financial learning programs to work in conjunction with other available support programs that address mental health, addiction, physical health, personal safety, employability and emergency financial needs.



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