

# Prosperity Gateways

Cities for financial empowerment



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Expanding access to financial empowerment supports for Canadians living on low incomes nation-wide.

### The problem



#### Finances are the #1 cause of stress in Canadians' lives today

Canadians report that their personal finances are the leading cause of stress in their lives. 41% of Canadians overall cite money as their biggest problem, but this number rises to 60% for Canadians with low incomes (under \$40,000).<sup>1</sup>

### Municipalities pay the price when residents can't make ends meet

When residents lack adequate incomes, can't save and get into debt, municipalities experience lower revenues and higher costs, alongside:

- rising rates of evictions
- homelessness
- food insecurity
- family violence
- public health problems
- unpaid taxes and utility bills

Financial insecurity costs cities 0.3% to 4.6% of their total budget annually.<sup>2</sup>

### The solution

#### Financial empowerment enables cities to reduce poverty and costs

"In just over three years, pilot nonprofit financial empowerment sites in 14 communities have helped 270,000+ people with low incomes to build their financial health and 109,000 people to access over \$305 million dollars in new income." (up to March 2019).

Cities can tackle poverty and its related costs head on by offering free financial empowerment supports to residents. Supports like financial coaching/counselling, tax clinics and help accessing benefits improve participant income, saving and debt levels, enhance credit scores and reduce financial stress.

### Embed financial help into key services to create Prosperity Gateways

Too often, hidden financial problems prevent residents from fully benefitting from the municipal programs and services they access. Prosper Canada aims to help city governments reduce poverty by building financial help into these services in ways that enable residents to move from poverty to prosperity and improve service outcomes.



Evidence shows that building free financial help into municipal welfare, employment, housing, shelter and health services has a "super vitamin" effect – boosting service outcomes.<sup>4</sup>

## The pioneers

Cities building gateways to prosperity



#### Calgary, AB

- Working with partners from all sectors to expand delivery of free financial help services.



#### Edmonton, AB

- Exploring ways to build free financial help into transit and recreation subsidy programs.



#### Toronto, ON

- Offering financial education, coaching and tax clinics.
- Exploring opportunities to embed financial help into other services



#### Regional Municipality of Peel, ON

- Coordinating and delivering free tax clinics for low-income residents.

# Turn your services into Prosperity Gateways

Municipalities can embed the following key financial empowerment supports into their services:



Financial education

Financial literacy workshops tailored for people with low and modest incomes to build their financial capability and money management skills.



Income tax clinics

Free neighbourhood tax clinics for people with low incomes to help them tax file and access income-boosting credits and benefits.



Benefits screening and assistance

Screen low-income residents for benefits they may be eligible for but not receiving, and help them to access free tax clinics and complete benefit applications.



One-on-one financial help

Financial coaching/counselling to help people get banked, solve urgent financial problems, set financial goals and develop action plans to achieve them, and take advantage of important government savings incentives through TFSAs, RESPs and RDSPs.

## How to start creating Prosperity Gateways in your community

Municipal governments do not have to deliver financial empowerment supports themselves to turn their services into Prosperity Gateways.

In many cases, it may be more cost-effective to establish referral pathways to other local service providers or to partner with non-profit organizations, foundations or financial service providers to deliver the financial help your service users need. In some cases, however, municipalities may find it is more effective to deliver financial help services directly.

### How Prosper Canada can help

For help identifying, planning and implementing financial empowerment integration opportunities, please contact Prosper Canada. We offer:

- A structured, human-centred consulting process to help cities to identify, design and integrate proven financial empowerment services into municipal programs and services and to scale these sustainably.
- Connection to our North American network of financial empowerment leaders, including practitioners in your community or region.

### For more information

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