



MATCHED-SAVINGS PROGRAMS BUILD FINANCIAL STABILITY

Our financial literacy skills allow us to be self-sufficient and financially independent. A financially literate population also benefits the economy by reducing the pressure on social programs and enhancing economic stability.

However, increased financial knowledge alone is not enough to change people's behaviours. Incentives, such as having one's savings matched, motivate people to make sound financial decisions and build their assets to achieve long-term financial stability.

MATCHED-SAVINGS IN BRIEF

Matched-savings programs reward individuals for saving money and participating in money management education by matching their savings towards the purchase of productive assets, such as education, housing or starting a small business. The matched funds act as a power boost to a person's own savings allowing them to achieve their goals in a shorter period of time.

A recently concluded nine-year research study by the Social Research and Demonstration Corporation on the learn\$ave program—a matched-savings program that Momentum participated in—indicates that people living on low incomes can and do save when provided with the right incentives. In addition, the research demonstrates that matched savings are effective in promoting regular saving behaviour (SRDC, 2010).

MOMENTUM'S MATCHED-SAVINGS PROGRAMS REDUCE POVERTY

In Momentum's matched-savings programs—Fair Gains, Youth Fair Gains, Savings Circles and Owen Hart Home Owners—participants attend regular money management sessions while they save. The sessions cover financial literacy topics such as Assets, Budgeting, Banking, Credit, and Consumerism. After they complete the workshop series and are ready to purchase an asset, Momentum arranges to provide the money directly to the vendor. The direct payment ensures that the participant will benefit from their asset as intended.

At the end of the program a successful participant will have:

- Purchased an asset
- Developed effective money management skills
- Developed savings patterns
- Developed personal assets such as self-confidence

\$1 Saved by participants

+ Financial Literacy Skills

+ Confidence

+ \$3 Matched by Momentum

= A SUSTAINABLE LIVELIHOOD

Did You Know?

With over 500 people participating to date, Momentum has one of the largest suites of continuously-operating matched-savings programs in Canada.

Momentum has provided over \$1.5 M in matched savings since the programs began in 1999.

PROOF OF MOMENTUM'S IMPACT

Momentum's matched-savings programs are making a difference:

1. Since 1999, over 70 people previously living below the low income cut off (poverty line) moved into their own home.
2. A study of the Social Return on Investment (SROI) of Momentum's Fair Gains program showed that for each \$1 invested in the program, \$3 is returned to the community—as calculated by increased contribution to the tax base, increased purchasing capacity and reduced dependence on social supports.
3. Participants cashed out \$217,112 in matched savings for 136 asset purchases in 2009, including 59 cashouts for education and 14 cashouts for the purchase of homes.
4. Over 90% of participants in matched-savings programs report an increased confidence in dealing with financial institutions to access the services they need.

"Now I am proud when I look at my bank balance, because I have something to show for all my hard work."

- Youth Fair Gains participant



Building a Brighter Future

With the amount of positive energy Kelly* brings to the room, it is difficult to imagine that two years ago she and her son were living in a women's shelter. Having been a pharmacist in her home country, she was underemployed because she didn't have Canadian credentials.

"I learned that with my diverse personal, social and human assets I had a lot to offer to myself and my family"

- Fair Gains participant

At the shelter, Kelly heard about Momentum and the Fair Gains program. She admits that when she started Fair Gains, she was only excited about the matched-savings component and did not see the need to attend workshops. This outlook changed as, through the workshops, she began to realize what she had to offer to herself and her family. Kelly says "I learned that with my diverse personal, social and human assets I had a lot to offer to myself and my family, and it didn't matter that my financial assets weren't as strong." With this new-found perspective, she found herself becoming more optimistic about the future.

The future is looking brighter for Kelly. In November 2009, she flew to Montreal to write her Canadian Pharmacy qualifying exam, using her Fair Gains savings to pay the exam fees. "I am very grateful for the knowledge that I have learnt from the workshops and the other participants. I now believe in myself and I have true confidence in handling what the future has in store for me and my son."

Fair Gains provided Kelly with the opportunity to capitalize on her strengths in order to achieve greater financial stability. After passing her Pharmacy qualifying exam, Kelly found a job at a pharmacy and has become more financially stable and has built a brighter future for herself and her son.

* Name has been changed

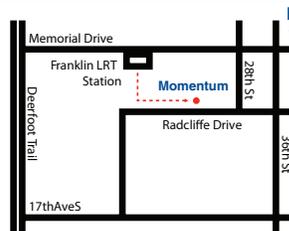
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