



Recover and Rebuild: Helping Canadians build financial security during the pandemic and beyond.

Indigenous Financial Literacy: Behaviour Insights from an Indigenous Perspective

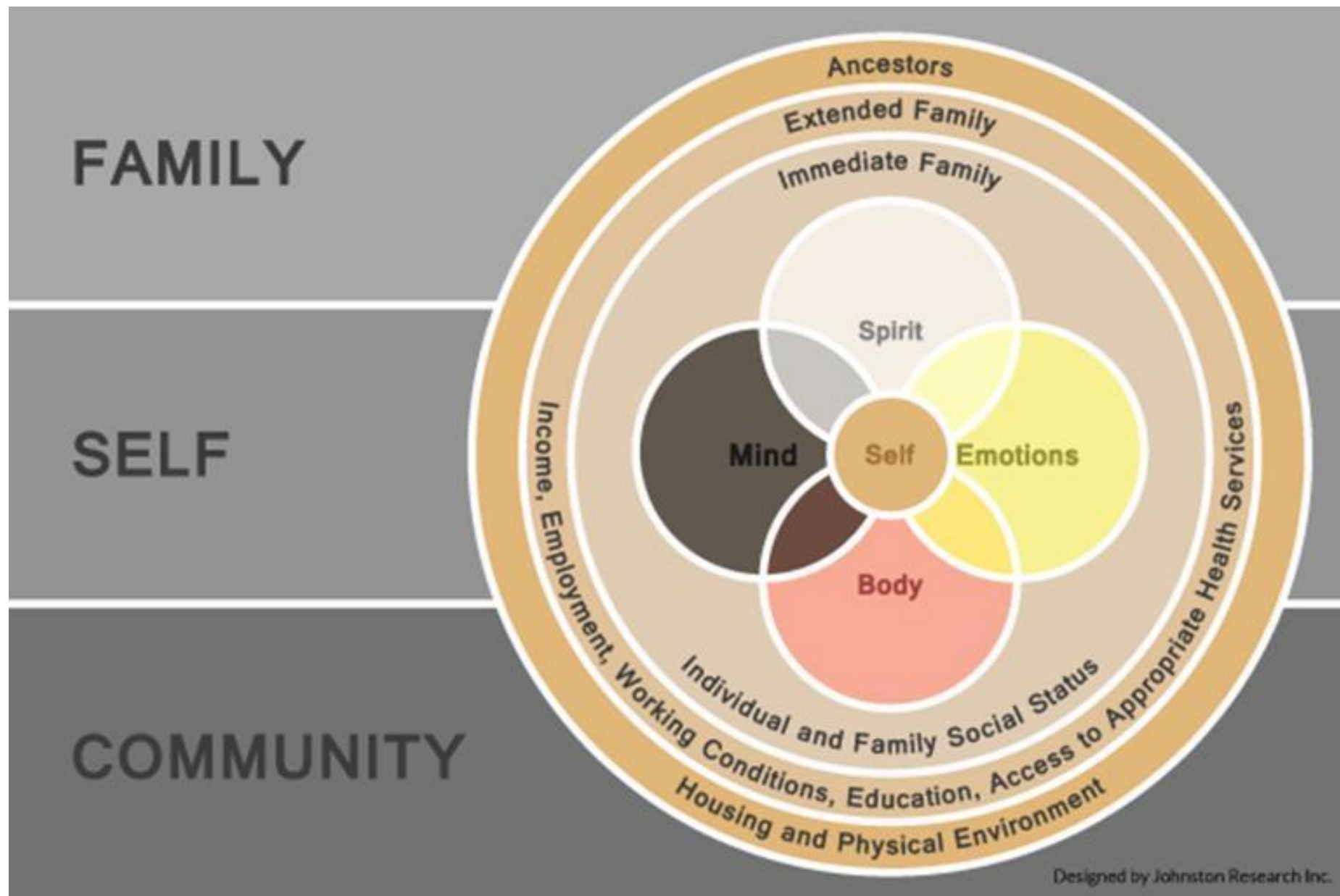
Simon Brascoupé, MA, CAPA, CFNHM

Senior Vice-President Education, Communications
and Services

First Nations Education Administrators Association



Indigenous Social Determinants of Health



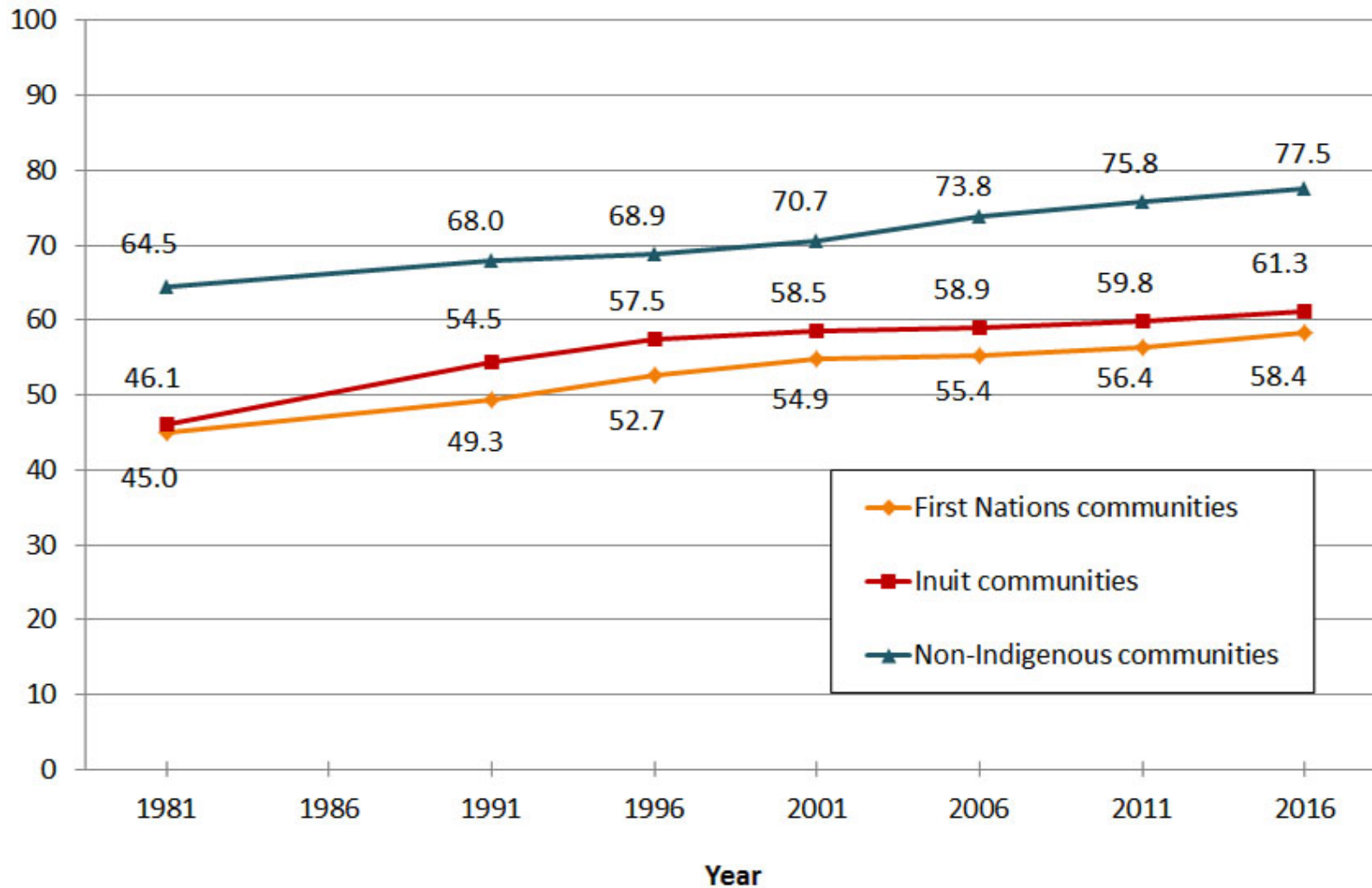




Figure 1:
Average CWB
scores by
community
type, 1981 to
2016


<https://www.sac-isc.gc.ca/eng/1419864229405/1557324163264>

CWB education, income,
labour force, housing



National overview of the Community Well-Being index, 1981 to 2016

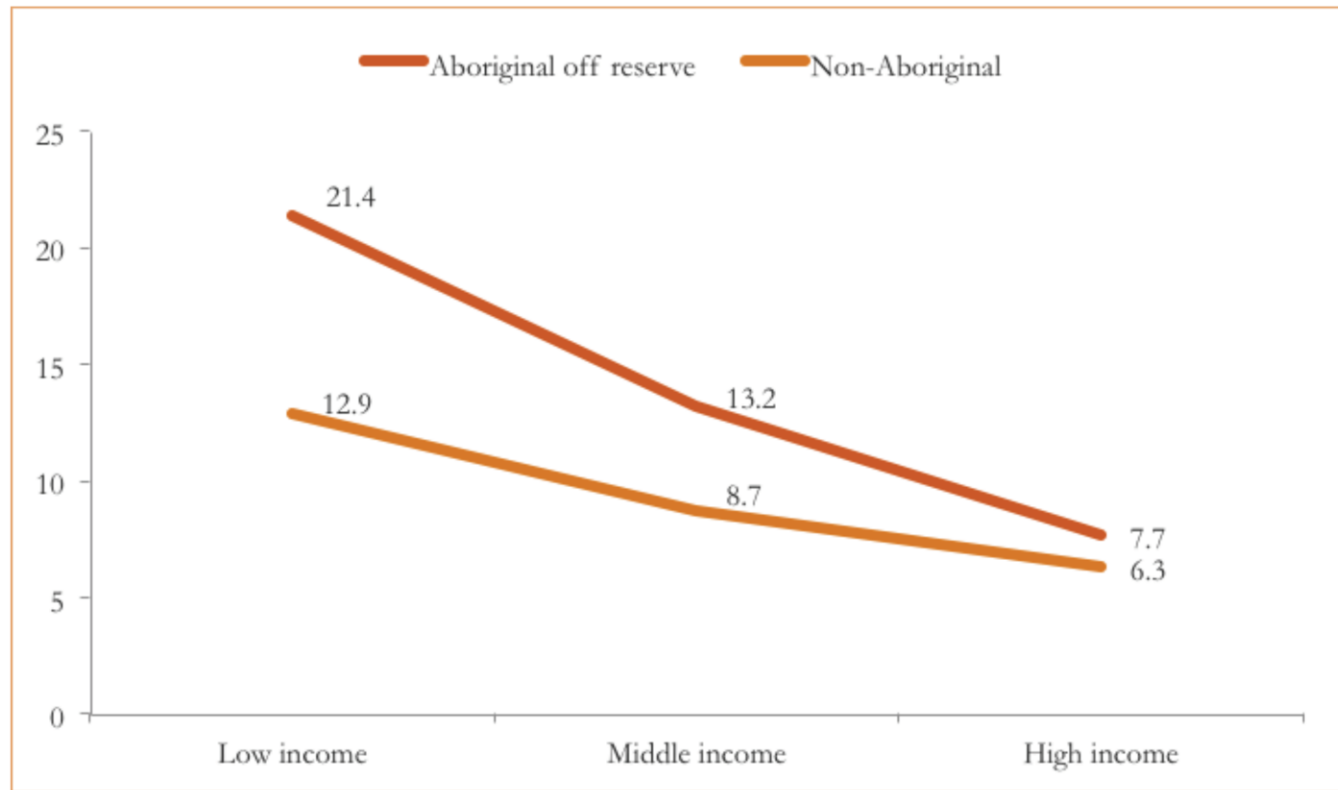
The index is made up of the following 4 components:

1. education is based on how many community members have at least a high school education and how many have acquired a university degree
 2. labour force activity measures how many community members participate in the labour force and how many labour force participants have jobs
 3. income is calculated based on a community's total income per capita
 4. housing is based on the number of community members whose homes are in an adequate state of repair and are not overcrowded
- 

Causes of stress

- Colonization, residential school
- Loss of culture, language, land, etc.
- Poverty
- Low education attainment
- Poor health

CHART 3: PERCENTAGE OF ABORIGINAL AND NON-ABORIGINAL POPULATIONS IN CANADA WITH MAJOR DEPRESSIVE EPISODES, 2000-01



A sim...
when...
househ...
occur...
episod...
living...
note i...
the lik...
episod...
incom...
Indige...
depres...
for the...
Furthe...
incom...
the ste...

Anoth...
be linl...

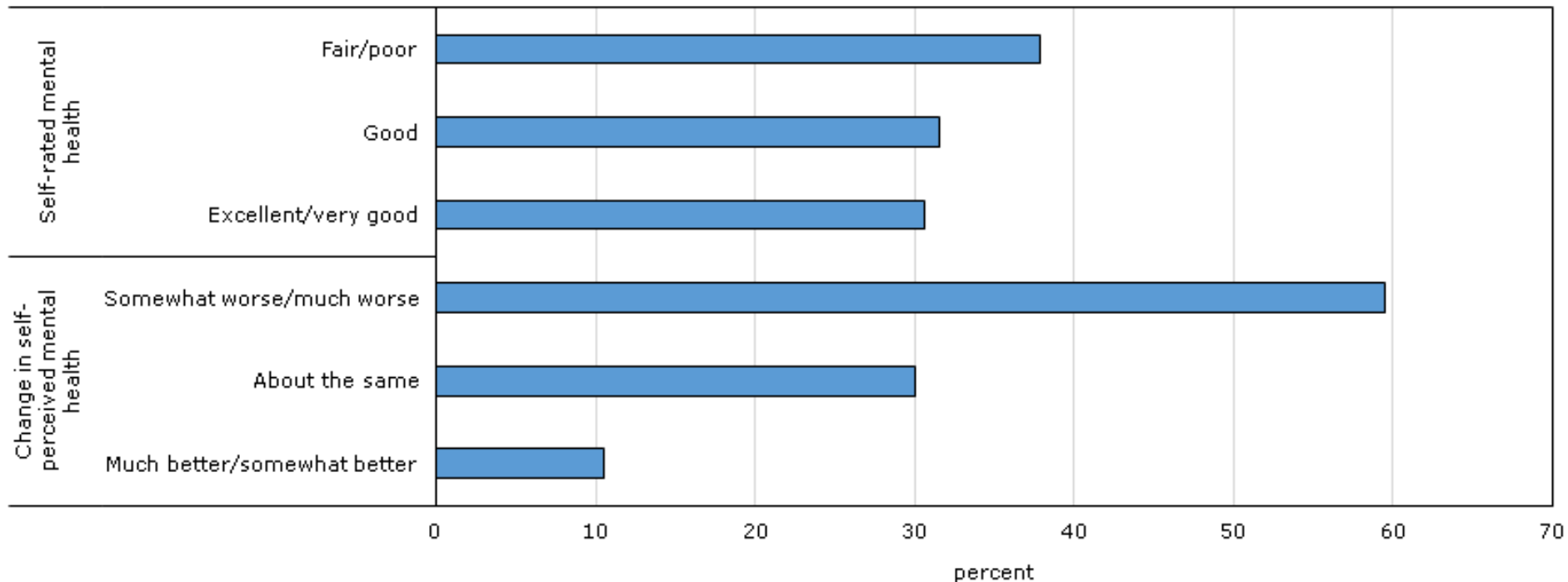
Chart 3: Aboriginal & Non-Aboriginal Major Depressive Episodes

Gap 8.5; 4.5; 1.4

Six in ten Indigenous participants report that their mental health has worsened since the onset of physical distancing

Chart 1

Self-perceived mental health and change in self-perceived mental health since the onset of physical distancing, Indigenous participants, April 24 to May 11, 2020



Source: Impacts of COVID-19 on Canadians - Your mental health.

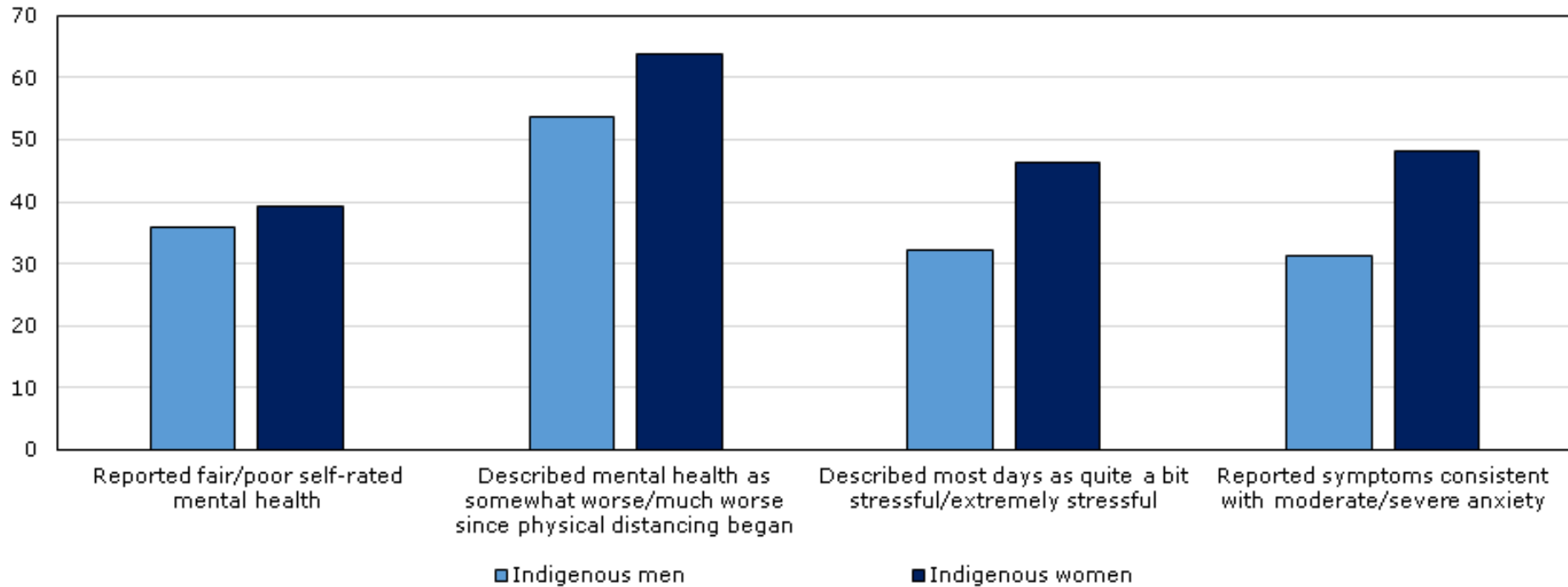
<https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00035-eng.htm>

Indigenous women report high stress and anxiety

Chart 2

Impacts of COVID-19 on mental health, Indigenous participants, April 24 to May 11, 2020

percent

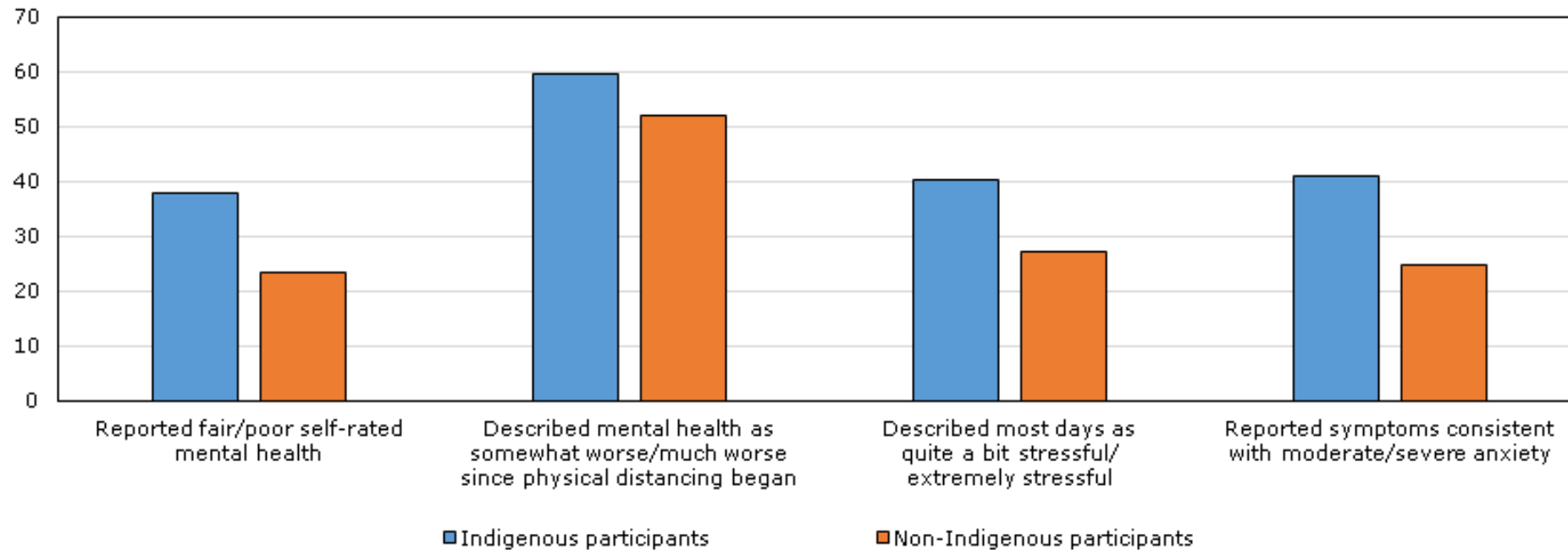


Source: Impacts of COVID-19 on Canadians - Your mental health.

Data reflect mental health disparities between Indigenous and non-Indigenous people

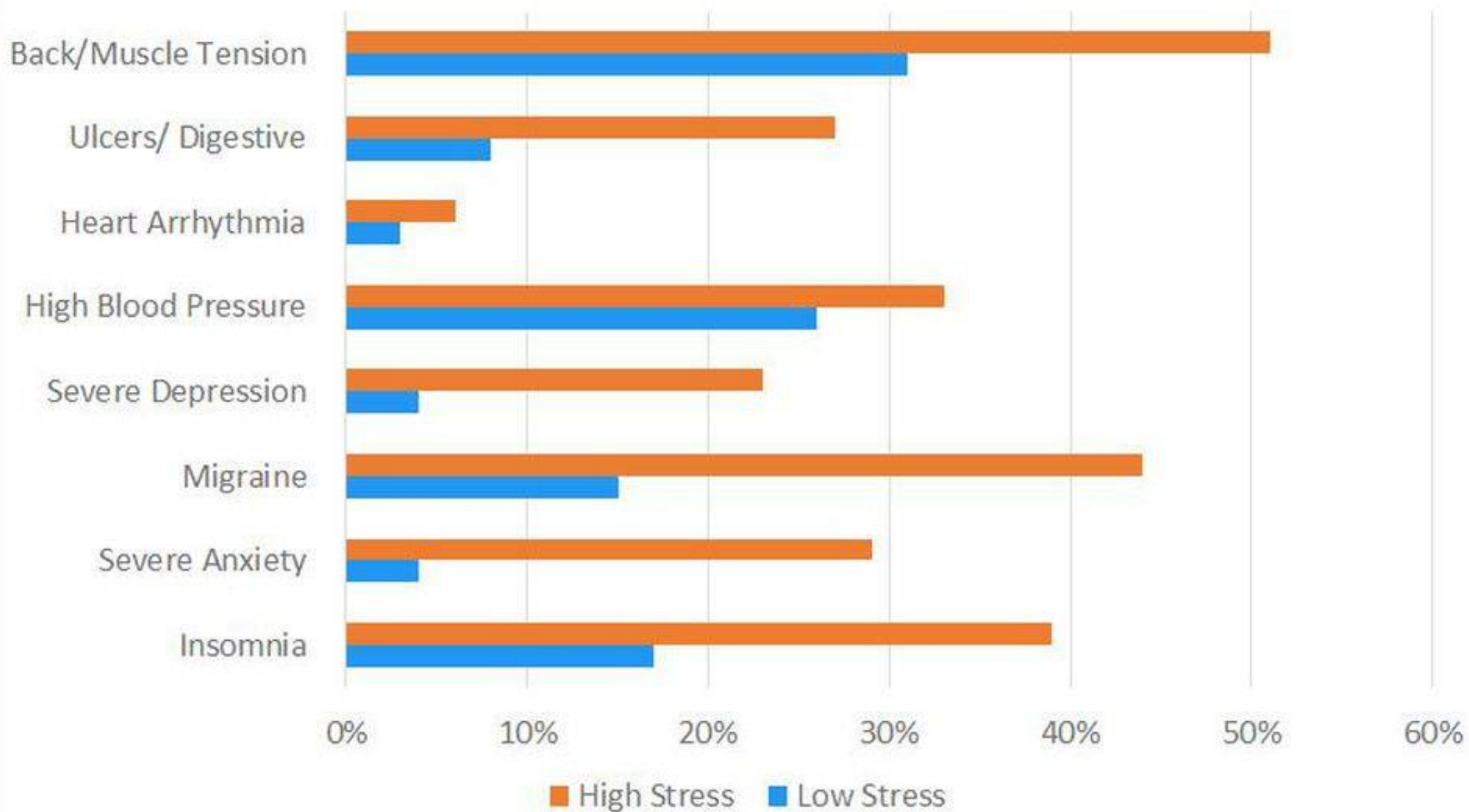
Chart 3
Impacts of COVID-19 on mental health, Indigenous and non-Indigenous participants,
April 24 to May 11, 2020

percent



Source: Impacts of COVID-19 on Canadians - Your mental health.

Effects of "Debt Stress"





Ngai Tahu

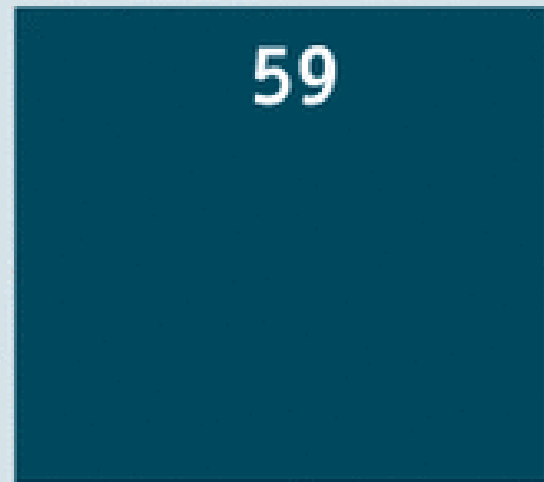
A study found little difference between the financial knowledge of the Ngai Tahu and other New Zealanders. The success was attributed to the tribe's governing body, Te Rananga o Ngai Tahu, established a long-term saving scheme for their members and provides financial education to its members. The authors write, "With the evidence strongly suggesting that Māori are disadvantaged, it may seem surprising that members of Ngāi Tahu, one particular Māori tribe, show levels of financial literacy that are not significantly different from those of the general population" (Crossan et al., 2011, 12). The authors offer two reasons for their success; income from a land claims settlement and the Ngai Tahu's approach to community financial health and financial literacy education.

Crossan, Diana, Feslier, David, and Hurnard, Roger, 2011; Financial Literacy and Retirement Planning in New Zealand, Netspar Discussion Papers. Discussion Paper 01/2011-015. Pp. 1-24.)

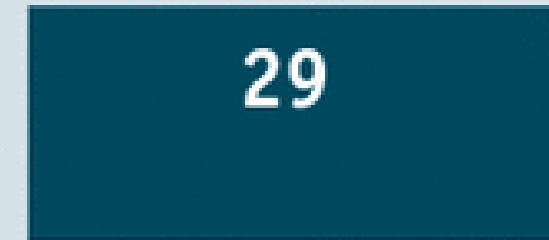


All play and no work

Native American tribes experiencing an increase in poverty, 2000-10, %



Tribes that give cash from casinos directly to members



Tribes that don't

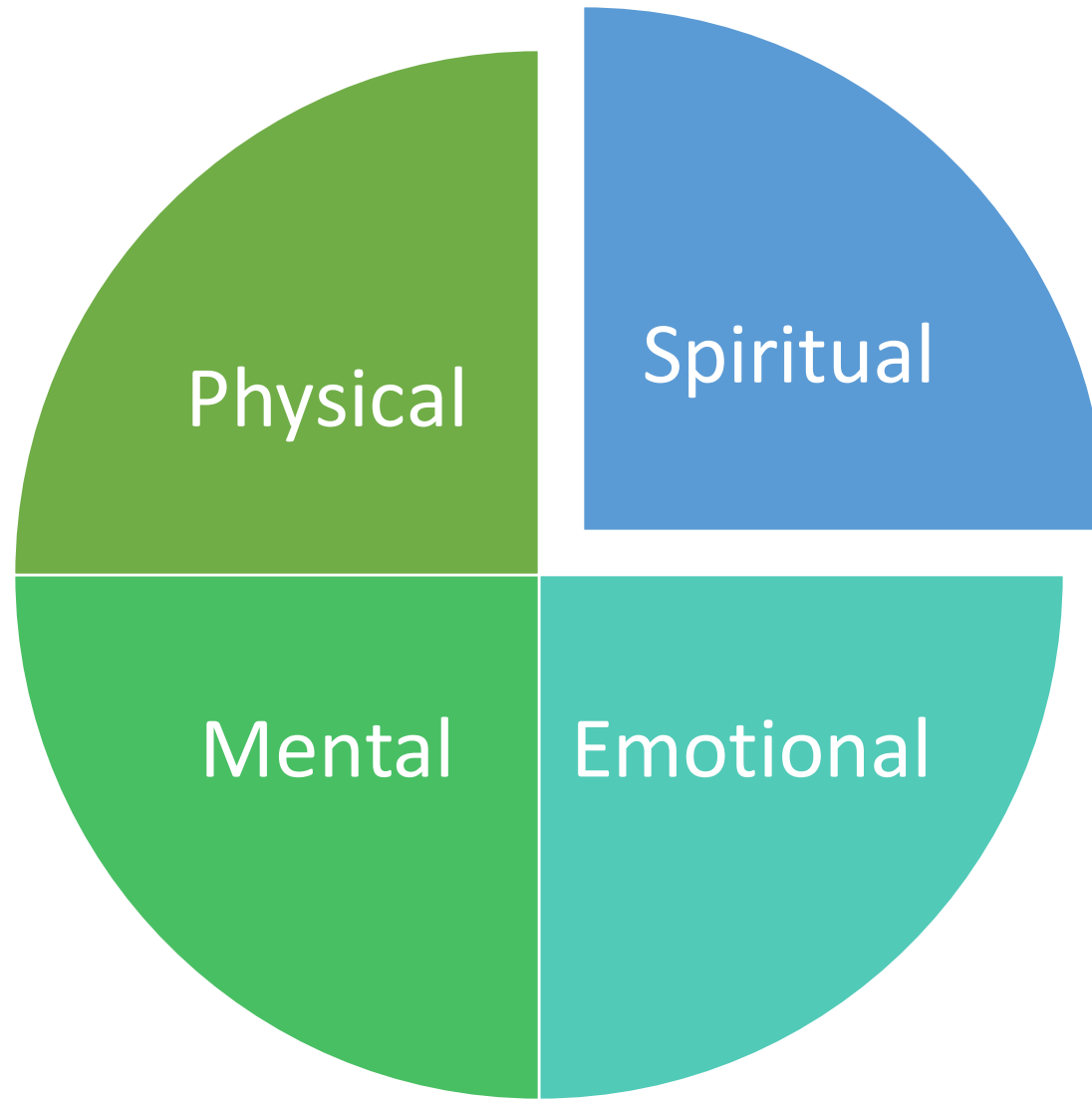
Source: "Sovereignty, Economic Development and Human Security in Native American Nations" by W. Gregory Guedel



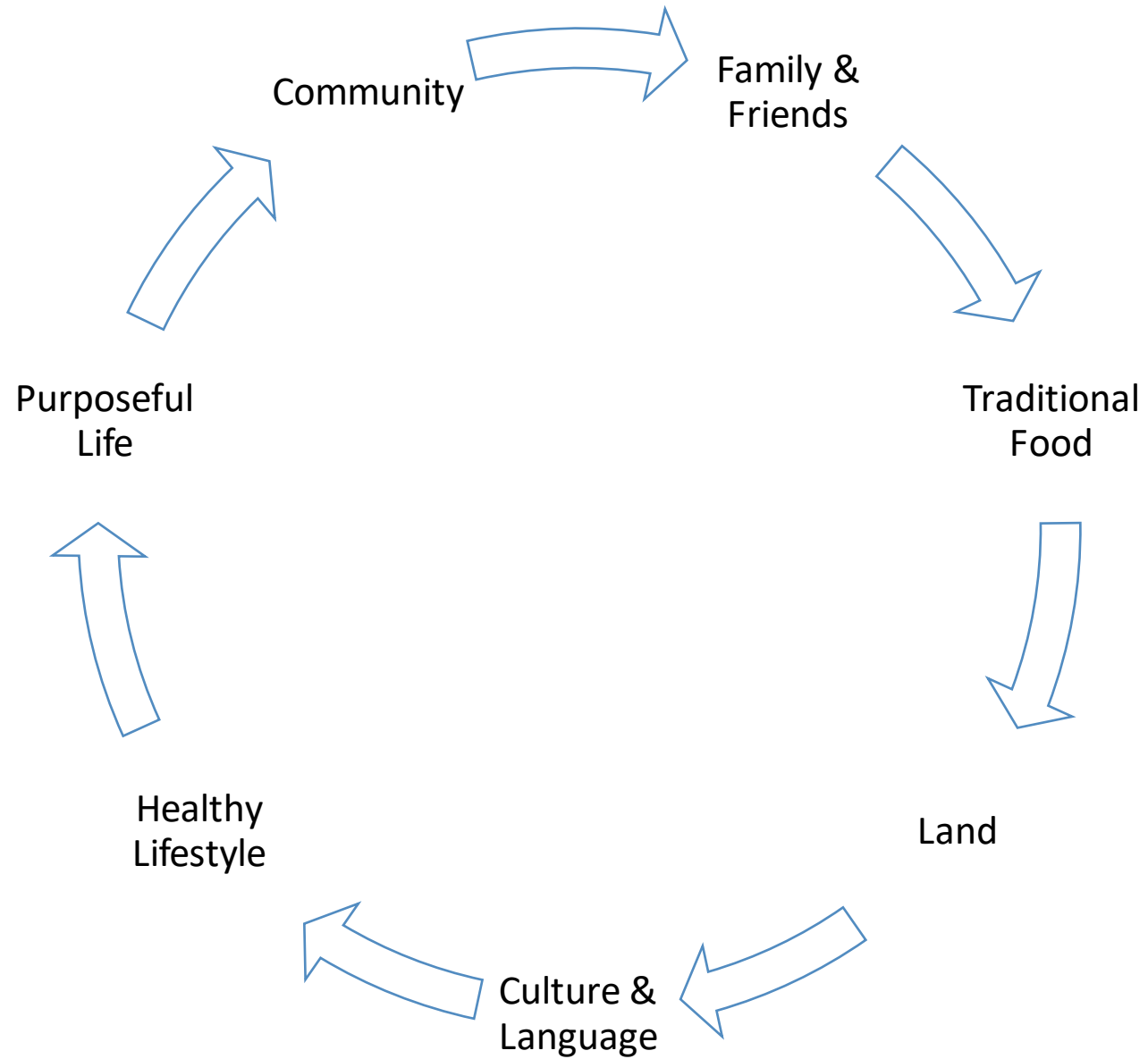
Healing Path



Holistic



Medicine

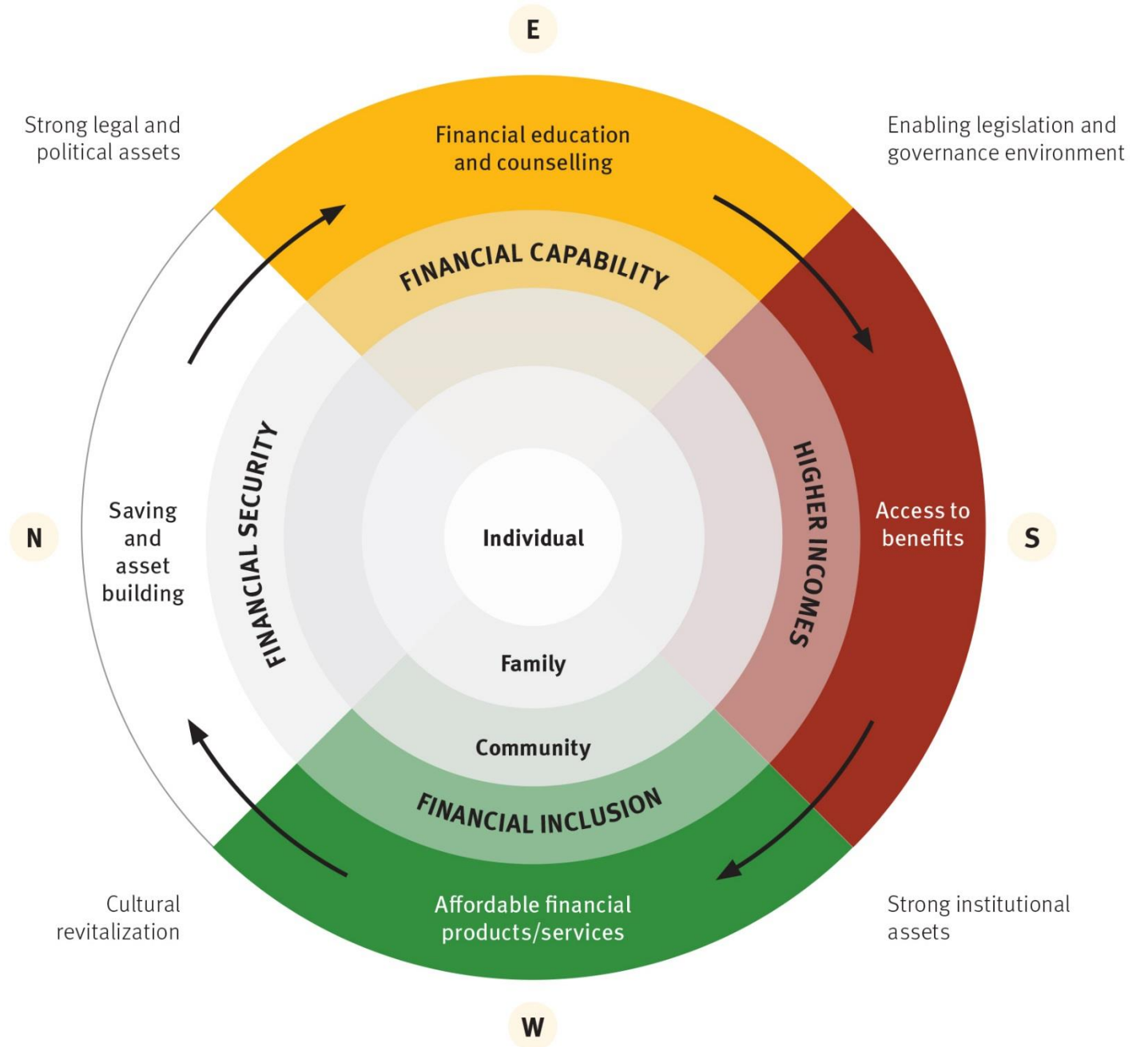


Financial wellness is understood by Indigenous Peoples to be...

The continuous process of balancing income, saving, investing and spending to achieve one's life goals (physical, emotional, mental and spiritual) over the life cycle, and to maintain a state of wellness for individuals, family and community.



Indigenous Financial Wellness Framework



First Nations Financial Wellness Project

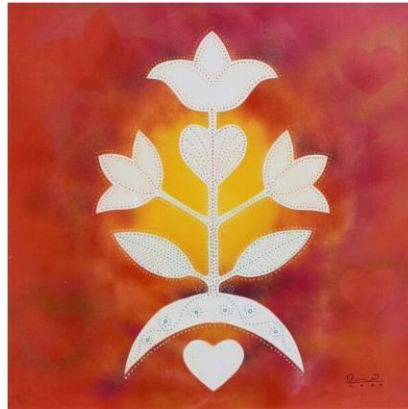
Building sustainable capacity in communities to provide:



Context is different on and off reserve

On reserve

- Income not taxable on reserve
- Low tax filing rates and income tax preparation is a challenge
- No local banks in most cases
- ID can be a barrier
- Average income low
- Education, employment, health indicators significantly below Canadian averages



Urban

- Income is taxed
- Better access to income tax preparers
- More access to banks
- ID can still be a barrier
- Average income higher than on reserve
- Education, employment and health indicators stronger than on-reserve but below Canadian averages

Opportunity: Boost access to income benefits

An estimated 50% of First Nations individuals miss out on important income benefits because they don't tax file – e.g. \$680M in Canada Child Benefits

Barriers

- Unaware of benefits
- Worried they might owe CRA money
- Complexity (tax system and forms)
- Low literacy/English language/numeracy
- No secure computer access
- Difficulty assembling paperwork
- Mistrust of government
- Lack of confidence.

Opportunity

- **Expanding access to benefits is a federal gov't priority**
- **Rising First Nations awareness and interest** – more in the south addressing this issue with tax preparation supports
- **Prosper Canada and AFOA collaborating to promote opportunity**, but local capacity and access to non-profit and gov't supports can be an issue
- **We are working to pilot new approaches** with CRA volunteer program and others

Opportunity: Build savings

20% of Indigenous people don't know how they will finance their retirement and 16% are counting on government assistance alone.

Barriers

- Few or no local financial institutions
- Many people unbanked/underbanked
- Low financial literacy
- Low income
- Precarious/volatile income makes it hard to save
- Sharing prioritized over saving

Opportunity

Building emergency savings a priority under Canada's Financial Literacy Strategy

Financial education combined with apps and online tools can help people save

SmartSaver offers help with education savings.

Innovative tax time savings interventions help people turn tax refunds into emergency/longer term savings.

Opportunity: Expand access to banking services

Only 4 First Nations have a bank on reserve and many communities are forced to rely on informal, high cost and/or predatory financial products and services

Barriers

- Few local banks/credit unions
- Alternative services costly (Northern Store)
- Lack of I.D. an issue for many people
- Have to open accounts in person and travel costs can be prohibitive
- Poor internet makes online banking hard

Opportunity

- **Banks interested in serving growing Indigenous market** and related partnerships
- **Fintech may open up secure alternatives to “in person” requirement** to open an account
- **Vouching and services to help people get IDs** can reduce this barrier
- **Federal gov’t expanding high-speed internet** to more rural/remote communities

Opportunity: Boost access to income benefits


An estimated 30-40% of First Nations individuals miss out on important income benefits because they don't tax file – e.g. \$350M+ in Canada Child Benefits

Why a focus on tax filing?

- Many federal and provincial benefits are eligible only through the income tax system
- Evidence shows that many people living on a low-income can quickly boost their incomes – sometimes as much as 50 per cent for families – if they have the tools and supports to access all the government benefits they're entitled to
- Many First Nations people are filing their taxes but may be paying high fees from \$100 - \$200 for simple tax returns, and may have other transportation costs
- Tax filing rates are often highest for seniors and individuals with children and lower for young singles
- There are many barriers and challenges with filing taxes but also successful interventions to ensure people can file their taxes and access government benefits



Benefits of Community Tax Filing Supports

- Opportunity to increase awareness of relevant benefits and programs community members may be eligible for
 - Increased income from accessing tax credits and benefits that community members are entitled to
 - Simple tax returns prepared at no cost (Or help to file taxes at no cost)
 - Community members avoid incurring costs and high fees and reduce travel costs
 - Some income tested programs and benefits require that a participant has filed their taxes
 - Increased access to loans and mortgages that depend in part of proof of income verified through a Notice of Assessment from the CRA
- 



Income Boosting Benefits

In Ontario, there are over 40 potential federal and provincial income benefit programs that people with low-incomes can access directly or indirectly

- Important income supports for individuals and families with low-incomes like the **Canada Child Benefit, Old Age Security, Guaranteed Income Supplement, Working Income Tax Benefit and the GST/HST credit**
- Tax credits available based on eligibility like the **Disability Tax Credit, Caregiver Tax Credit**
- Provincial programs aimed at supplementing federal benefits or offsetting household expenses for things like home heating




Community Volunteer Income Tax Program (CVITP)

Community organizations host free tax preparation clinics

Arrange for volunteers to prepare income tax and benefit returns

For eligible individuals who have a modest income and a simple tax situation



Community Volunteer Income Tax Program (CVITP)

The CRA provides participating community organization and their volunteers with:

- ✓ training
- ✓ free income tax preparation software
- ✓ access to a toll-free dedicated telephone line
- ✓ surplus computers (when available)
- ✓ promotional products and services

To become a participating community organization, register online at [**cra.gc.ca/volunteer**](https://cra.gc.ca/volunteer)

Example: Wikwemikong Unceded Indian Reserve Volunteer Tax Clinic

Tax Year	Number of Returns Filed *
2013	143
2014	357
2015	612
2016 (up to May)	580





National Virtual Tax Clinic Training



Would you or members of your community or organization be interested in learning more about preparing tax returns and accessing benefits that community members may be entitled to?


Would you or someone you know be interested in learning about volunteering as a tax preparer for your community or organization?


If so learn how to File Taxes and Talk About Benefits. Attend AFOA Canada's 2nd National Virtual Tax Clinic Training Session September 15 - 16, 2020

We are offering a FREE 2-day training session via Zoom Meeting to help you through the process!

For more information, please contact the Financial Wellness team at Financialwellness@afoa.ca or call (866) 722-2362 or (613) 722-2362.

https://www.afoa.ca/en/About/News_Media/2020/Virtual_Tax_Clinics.aspx



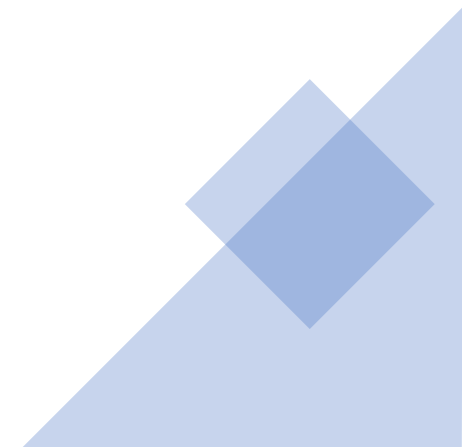


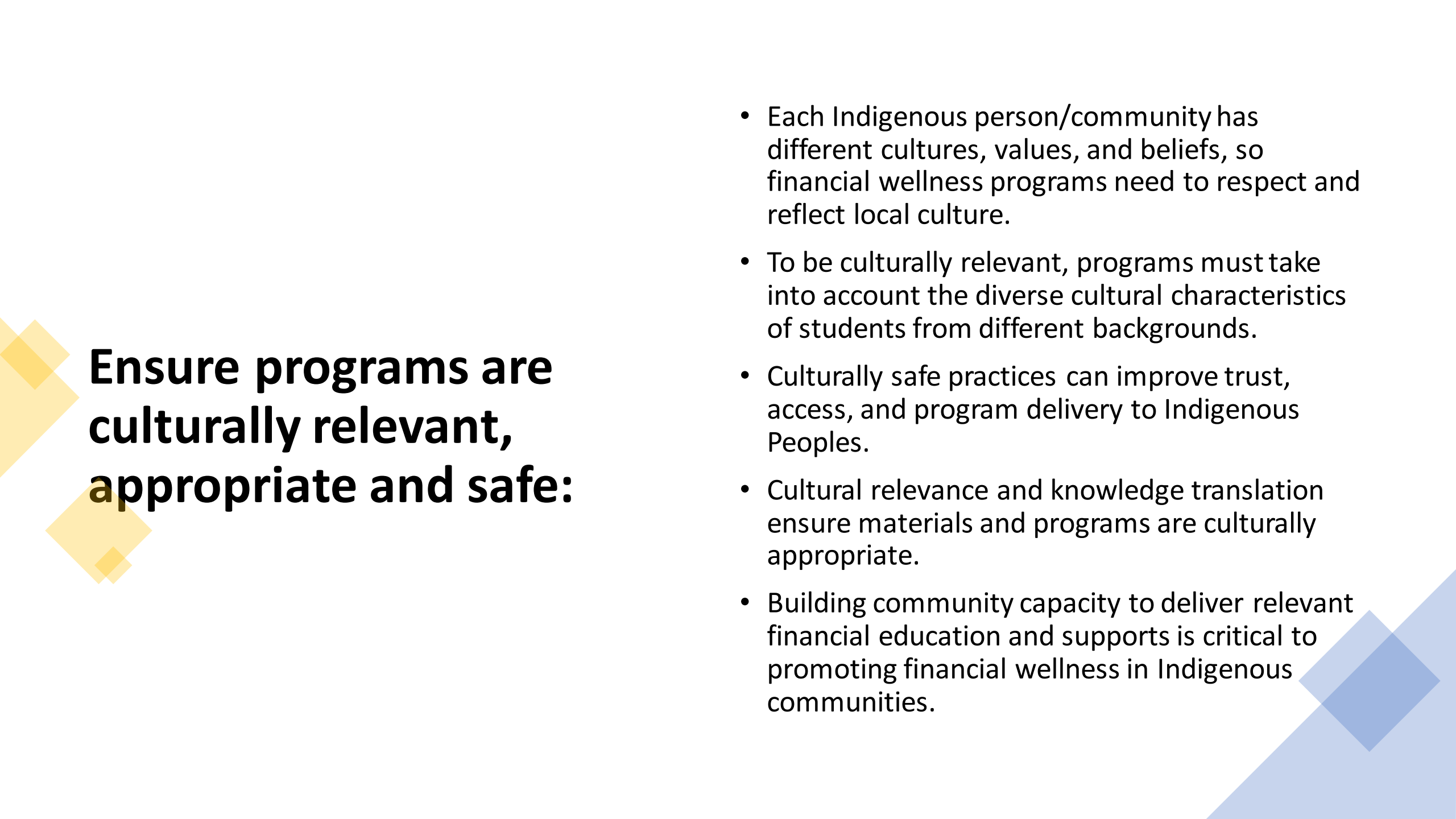
Building on Promising and Best Practices

- Prosper Canada and AFOA Canada (2019) The Shared Path: First Nations financial wellness
- 




Foster community engagement, ownership, and participation:

- There is a significant body of evidence in favour of community engagement, ownership, and participation.
 - Engaging communities in researching, designing and developing programs and related materials helps to ensure their success and sustainability.
 - Ensuring programs are delivered by community members, or in partnership with a local institution, also helps to maintain a community focus.
- 

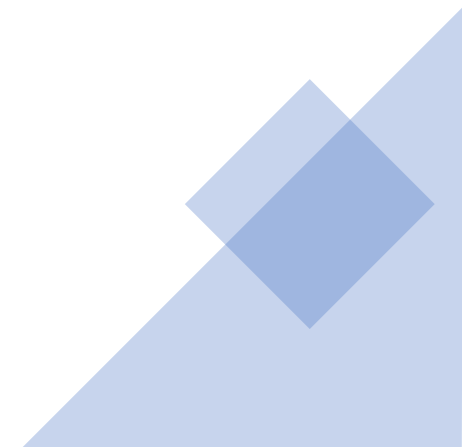



Ensure programs are culturally relevant, appropriate and safe:

- Each Indigenous person/community has different cultures, values, and beliefs, so financial wellness programs need to respect and reflect local culture.
- To be culturally relevant, programs must take into account the diverse cultural characteristics of students from different backgrounds.
- Culturally safe practices can improve trust, access, and program delivery to Indigenous Peoples.
- Cultural relevance and knowledge translation ensure materials and programs are culturally appropriate.
- Building community capacity to deliver relevant financial education and supports is critical to promoting financial wellness in Indigenous communities.

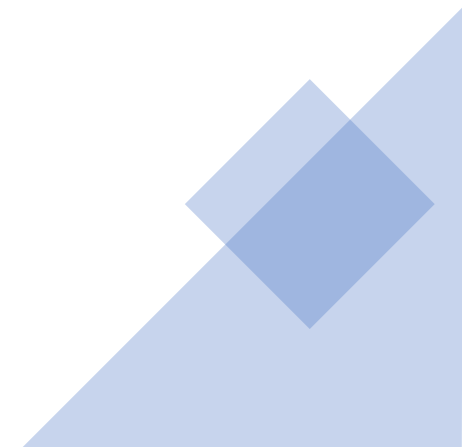


Offer participants practical benefits:

- Financial wellness programs that offer some kind of practical benefit are the most likely to attract participants and to be successfully completed.
 - Programs need to have community, as well as individual, benefits that are understood and supported by community members.
- 



Mobilize partnerships with relevant bodies and organizations:

- Indigenous community partnerships with the public, private, Indigenous and financial sectors are critical to success in delivering financial wellness programs. Partnerships enable communities to
- 

The slide features decorative geometric shapes. On the left, there are several overlapping yellow diamonds of various sizes. On the right, there are overlapping blue diamonds, including a large one in the bottom right corner. The text is positioned in the center-left area.

Take a strengths-based approach:

- The strengths-based approach focuses on what communities and individuals are already doing well and communicates, builds on and enhances this through continuous quality improvement.
- The first step is to leverage local solutions by identifying and enhancing successful financial practices, programs, and approaches that already exist in the community.
- Continuous improvement involves setting success measures with the community and then regularly monitoring and evaluating progress to see what, if any, changes are needed to achieve them.



References

- Aboriginal Financial Officers Association of British Columbia (2011) First Nations Financial Fitness Your Guide for Getting Healthy, Wealthy, and Wise
- AFOA Canada. (2015) Aboriginal Financial Literacy Needs Assessment and Framework, a comprehensive in-depth overview of Aboriginal financial literacy needs and a guide for addressing these.
- AFOA Canada. (2013) Literature Review of Indigenous Financial Literacy in Australia, Canada, New Zealand and the United States examines both the financial literacy literature and programs for Indigenous peoples across the life cycle.
- Moodie, N., Roost, F. D., & Dommers, E. (2014). My Moola: Final report from the evaluation of an Indigenous financial literacy program.
- Prosper Canada and AFOA Canada (2019) The Shared Path: First Nations financial wellness
- The Atlantic Aboriginal Economic Development Integrated Research Program, AAEDIRP (2018) Financial Literacy of Indigenous Secondary Students in the Atlantic Provinces
- The British Columbia Association of Aboriginal Friendship Centres' Aboriginal Financial Literacy: Journey to Empowerment is a 250-page facilitator's guide and curriculum exploring financial literacy topics through an Aboriginal lens.

Simon Brascoupé, MA,
CAPA, CFNHM
Senior Vice-President
Education,
Communications and
Services
First Nations Education
Administrators
Association

- Miigwetch
- Thank you
- Merci