

The Power of Financial Literacy: Breaking the Cycle of Poverty



[Team ENERGI](#) is changing lives. ENERGI stands for “Enterprise Niagara for Employment Resources and ‘Green’ Initiatives” – and a whole lot more. Since 2009, the Team ENERGI program has delivered [life skills workshops, employment supports, and ‘hands-on’ work experience](#) to youth facing barriers to employment in Niagara.

The goal is to help participants find entry level employment and apprenticeships. As part of this program many team members have helped work on several community building projects including renovations work on cooperative housing units in Niagara.

Upping its Game

In [2015 the program was expanded](#). Niagara Peninsula Homes (NPH) partnered with PenFinancial Credit Union to offer team members a financial education. As NPH Executive Director Betty Ann Baker noted: “In order to break some of the habits and cycles of poverty, you have to address the behavior. Through this partnership, we’re able to provide participants with essential money management skills to help them reach their financial goals, but more importantly their life goals.”

We’ve all learned our financial habits from somewhere. Often it is our family or friends. Everyone

has an uncle or brother-in-law who offers “helpful” advice. For those living in poverty there is little room for financial mistakes. Spending too much at coffee shops without realizing it can mean the difference between making and not making a rent payment.

To set Team ENERGI members on the track to success PenFinancial provided financial literacy seminars and one-on-one coaching. Topics ranged from budgeting to understanding and using credit and generating savings. To support saving, 4 members of Team ENERGI were given a chance to take part in a [Growth IDA program](#) -- a matched savings program that encourages participants to save towards a particular goal – to help move from poverty to prosperity. Their savings were matched at a 3:1 ratio by PenFinancial with a minimum and maximum amount that participants could save.

As program co-ordinator David Young noted, ““One of the biggest barriers I have found in all of my years working with youth is simply lack of confidence or hesitancy to approaching a financial institution at all.”

Holding the workshops and mentoring sessions within PenFinancial branches helped to solve this barrier. By familiarizing the participants with the Credit Union, it showed them the human side of banking and reinforced that they can be comfortable meeting with advisors without feeling intimidated.

Team ENERGI and IDA Participant, James Zarb, experienced first-hand the impact that the matched-savings program can have.



“All of the information that we learned during the financial literacy workshops was delivered in a way that made sense to me and could be applied to own life. When I began working, the budgeting and savings knowledge that I gained through the program was very useful, and even helped me purchase a vehicle to get to and from my job. Without that knowledge, as well as the matched-savings that I was provided with, I’m not sure where I would’ve been able to get that kind of support.”

A New Season

This year the program is back and covering all the financial literacy topics participants need to know. 10 participants are also enrolled in the Growth IDA program. Their savings are being matched at a 1:1 ratio and they are receiving one-on-one coaching to reach their financial goals. Among other topics, team members will meet with a financial advisor to track expenses, set up budgets, review life goals, and set up savings plans to meet those goals.

According to Josh Juhlke, marketing and communications specialist at PenFinancial, “It’s about the fundamentals, so whether you’re saving for a car, saving for your first home or you’re saving for possible investments in the future, it’s the same fundamentals that are relevant across the board, so they (IDA participants) can use the knowledge that they gained in the program for the rest of their lives.”

For example, team members might start by analyzing a pay stub. There they could learn the difference between gross and net income and how to base a budget on the net income they actually bring home. From there, members may do a budgeting exercise, such as tracking their spending for 30 days. This exercise would help them figure out how much they spend on different items and then create an honest budget. They may also meet with an advisor and learn how to revise a budget as life circumstances change. Financial flexibility is an important skill – while team members may be saving up for a car now, they may need to save for a mortgage in the future, or adjust their budgets to accommodate maternity leaves or shift changes that result in reduced pay.

The Power of the Program

Through the program, Team ENERGI members are learning important money management skills. Participants are learning to replace less helpful habits with positive skills. They are also building the confidence they need to make financial decisions that will help them achieve their goals.



They are learning to make choices that support their financial security and receiving the supports they need to succeed in Niagara.