

Workshop: Financial Services Innovation

Presented by: Douglas Pawson

Wednesday May 9th, 2018



WHO ARE WE?

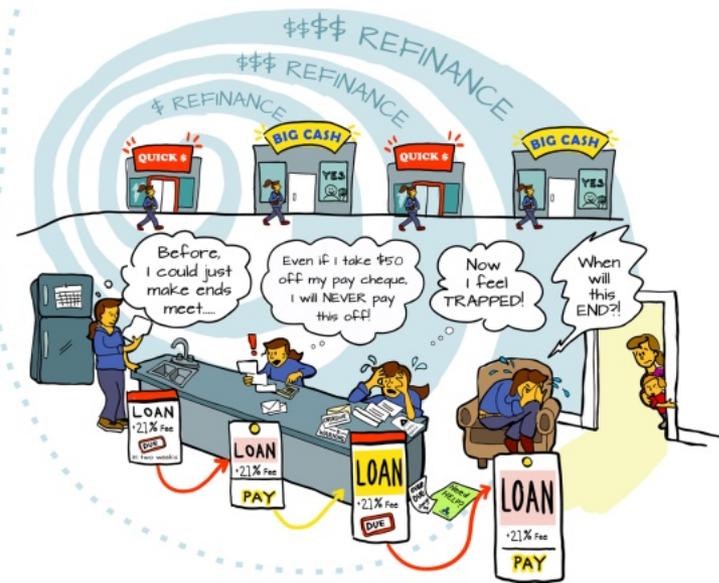
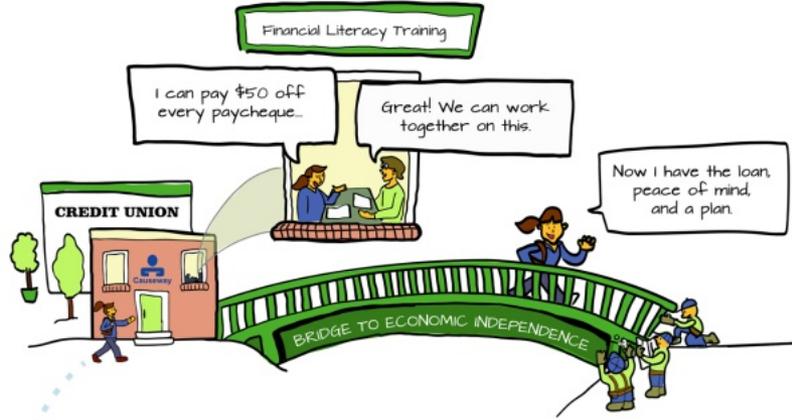
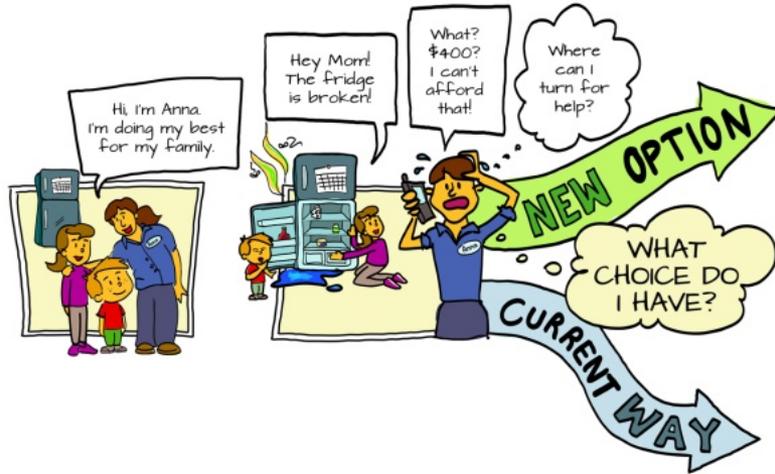
Causeway is a not-for-profit agency that helps people with mental health issues and other challenges find rewarding work and live more independently.

AN INTEGRATED NETWORK OF PROGRAMS





CAUSEWAY
COMMUNITY FINANCE FUND



A Better Alternative

STARTS HERE

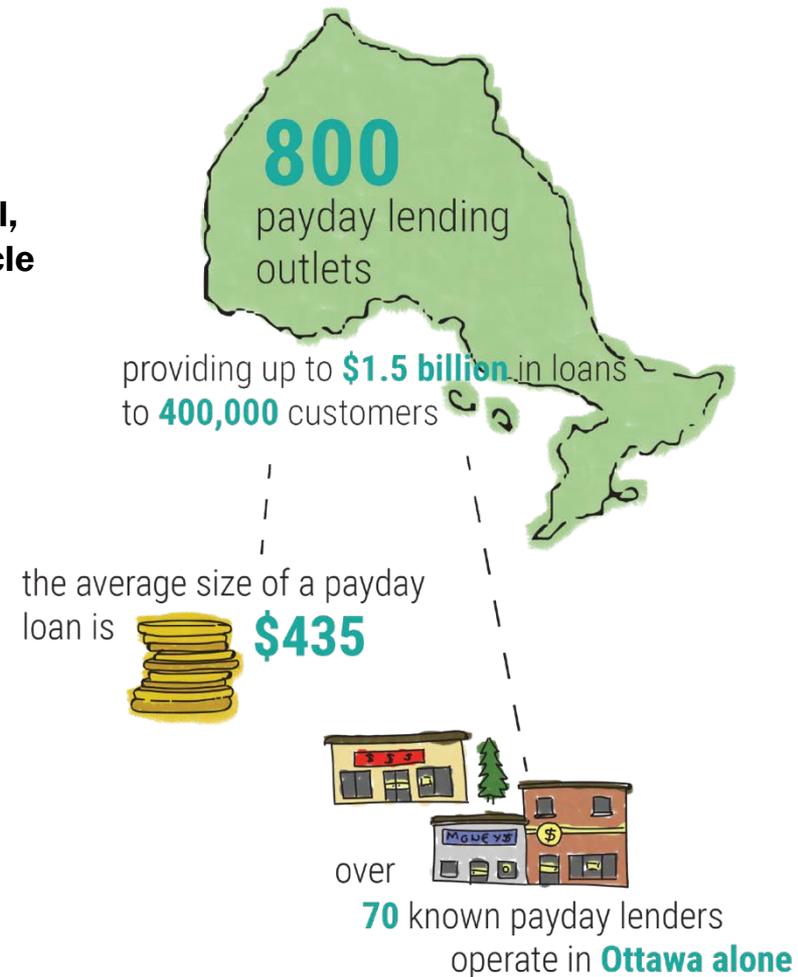
www.causewayfinancefund.org

THE TROUBLE WITH PAYDAY LENDING

By accessing even one payday loan to cover a budget shortfall, they risk falling into a spiraling cycle of high-cost debt – a cycle that is extremely difficult to break out of

On Average:

- Payday lenders offer short-term loans of up to **\$1500**
- A loan is **\$435** with a **10-day** repayment period
- The cost of a **\$100 loan is \$15**
- The cost to the borrower for a **10-day \$300 loan is \$45** – this amounts to an **annual interest rate of over 400%**



THE NEED FOR AN ALTERNATIVE

Many Canadians who live from one pay cheque to the next turn to payday lenders to cover budget shortfalls due to income insecurity, unplanned life expenses, and the lack of accessible credit options through traditional banking services.

Why we created the CCFF

- Many of our working clients accessed payday loans to cover their budget shortfalls
- Low income individuals were not accessing credit services or loans from mainstream financial institutions
- For many, their only choice was to borrow from a payday lender

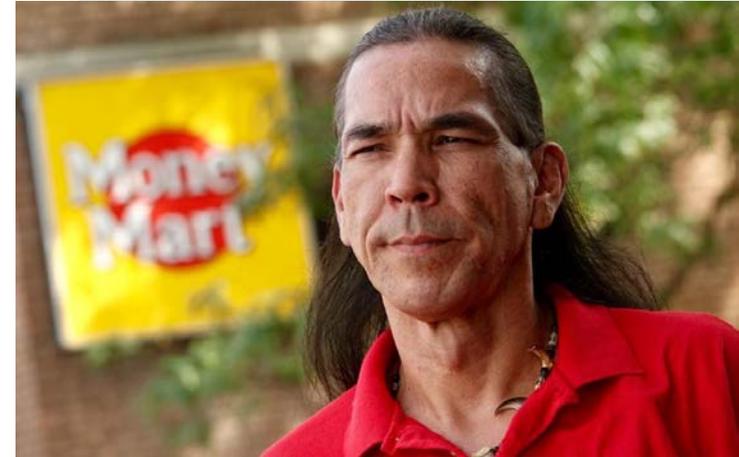


Photo Credit: Ashley Burke, CBC Ottawa

- Robbie McCall owed over \$31,000 on what initially started out as a \$200 loan
- It took him 9 years to pay off that loan
- “I maxed out every one of them and I still had no money...I didn’t have any food in the fridge. I didn’t want to have people over because I couldn’t afford coffee.”

Source:

<http://www.cbc.ca/news/canada/ottawa/payday-loans-interest-causeway-lenders-1.4328211>

<http://www.cbc.ca/radio/thecurrent/the-current-for-january-3-2018-1.4470118/how-a-200-payday-loan-cost-over-31-000-1.4470207>

THE SOLUTION

The Causeway Community Finance Fund offers a better alternative to payday loans and aims to create an inclusive and prosperous community where everyone has access to basic financial services.



Providing reasonable loans

We provide access to short-term, low-interest loans with flexible repayment terms.



Building Relationships

We help people connect with mainstream financial institutions like credit unions.



Improve Financial Literacy

We give people the tools that they need to improve their financial literacy.

This would not be possible without the partnerships of three credit unions & our supporters



THE SOLUTION

We provide access to short-term, low-interest loans with flexible repayment terms. Our goal is to help individuals break free from the vicious cycle associated with payday lending and leave them with a some sense of financial security for life's unpredictable expenses.

RATE

Prime
+ 2% - 6%

TERM

Up to 3
years

LOAN

\$500 -
\$1500

“

I received the loan and was able to pay off both of the outstanding debts. I want to express my sincere gratitude for all you did to help and to commend you for coming up with this idea to help people in this position...you have lifted us above the waterline and we can breathe again.

- CCFF Loan Recipient



(left to right) city councillor Mathieu Fleury, Alterna CEO Rob Paterson, councillor Jeff Leiper, executive director of Causeway Don Palmer, councillor Catherine McKenney, director Doug Pawson, MPP Yasir Naqvi – CCFF Launch November 2016

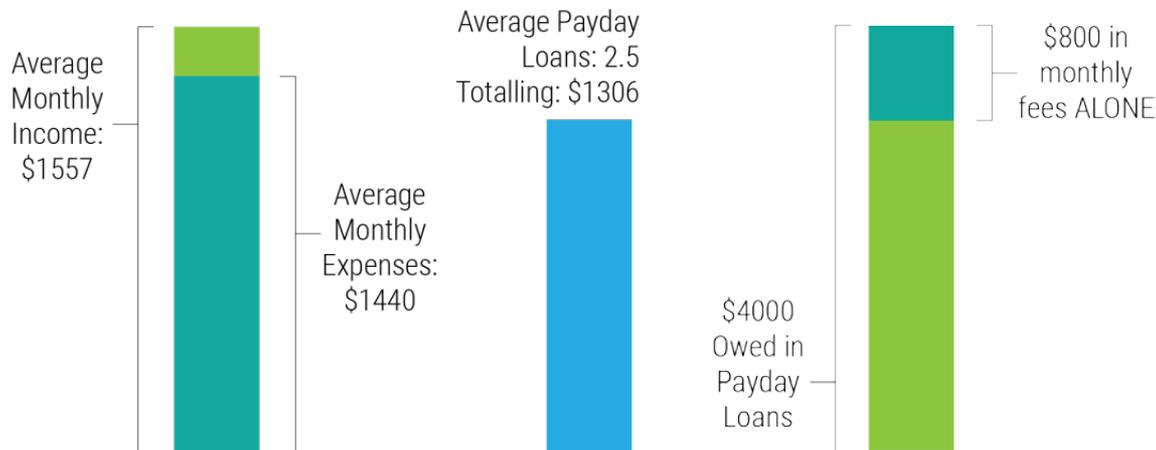


(left to right) director Doug Pawson, MPP Yasir Naqvi, executive director of Causeway Don Palmer, Ontario Trillium Foundation volunteer Norma Lamont – CCFF One Year Recognition Event November 2017

OUR IMPACT

In the first year of operation, we've disbursed over \$25,000. Our ultimate goal is to create a solution that is scalable, replicable and helps even more people get the services they need.

The average recipient of our services



“We all like to believe that we are invincible but the reality is that life can and often does put us in a place where we are challenged beyond our limits. A loss of a job or becoming sick can quickly spiral out of control and all is gone. Within a short time, we become those who are vulnerable in society. This I know all too well.

What Causeway’s Community Finance Fund has and continues to do is to provide a lifeline. More impressive however, is the respect they give to those in need. No one is a number and everyone is of value. This falls in perfectly with how I want to see society.”

- Rick (CCFF loan recipient)



www.causewayworkcentre.org

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