

Proactive Onboarding

Pre-arrival IDP Partnership & Community Ambassadors

Relationship-building with immigrants prior to arrival & tiered, incentive-driven ambassador programs to increase awareness for Wealthsimple's RESP platform.

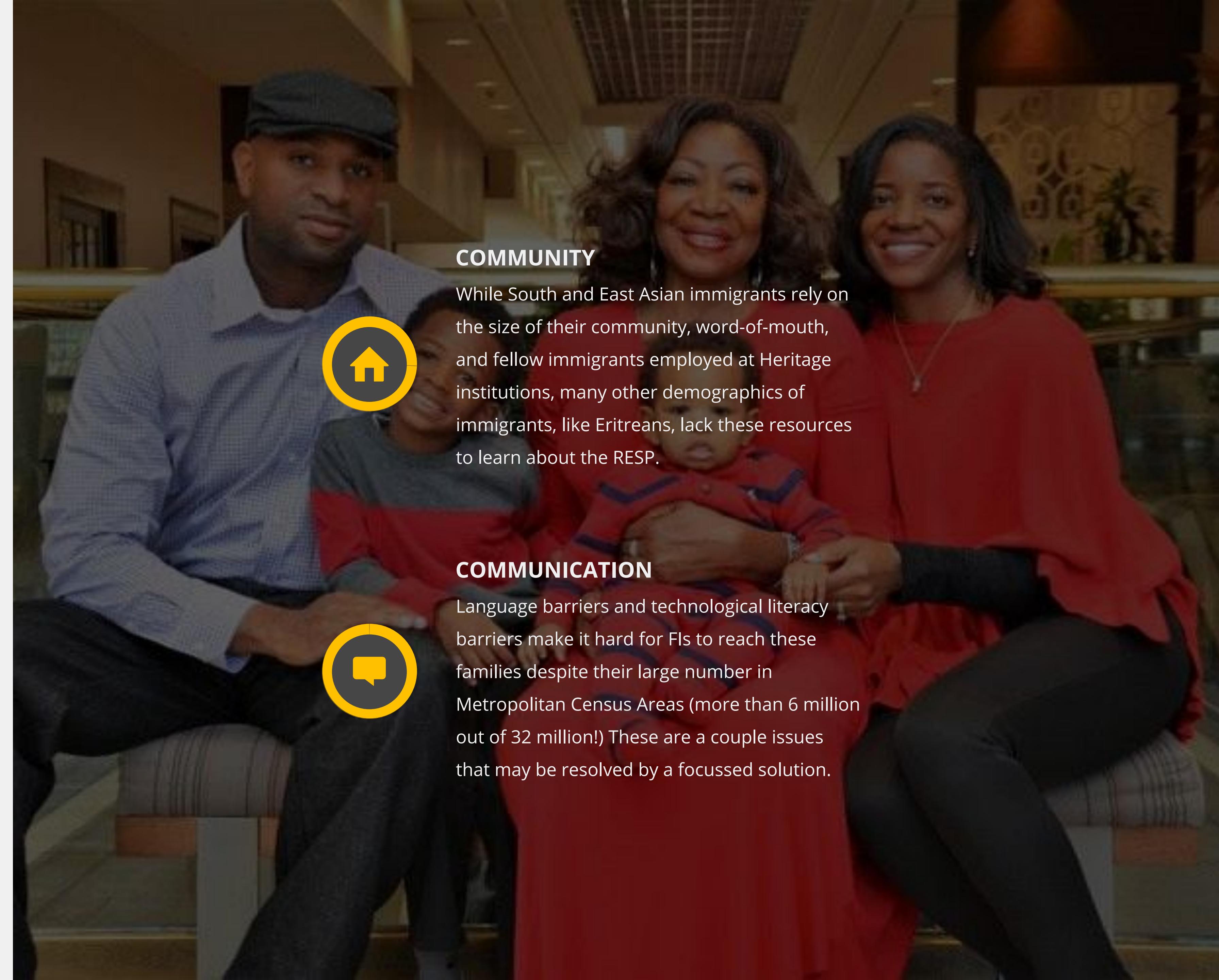
Putting Faces to the Problem

Birhan's Family

Saving up for the future

This is a newcomer family from Eritrea we met at a community centre. They have two young boys, and do not speak much English.

Because they had limited insight into Canada's financial resources, their children were not signed up for the RESP and Canada Learning Bond, preventing them from being able to pay for higher education later on.



COMMUNITY

While South and East Asian immigrants rely on the size of their community, word-of-mouth, and fellow immigrants employed at Heritage institutions, many other demographics of immigrants, like Eritreans, lack these resources to learn about the RESP.



COMMUNICATION

Language barriers and technological literacy barriers make it hard for FIs to reach these families despite their large number in Metropolitan Census Areas (more than 6 million out of 32 million!) These are a couple issues that may be resolved by a focussed solution.

(These are real people!)

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Our Recommendation

A pre-arrival **awareness** campaign and community **ambassador** program.



1st REC: IDP PARTNERSHIP

IDP is the organization that offers worldwide IELTS education programs (as the IELTS is required to obtain a Permanent Residence card). By partnering with IDP, Wealthsimple can pre-emptively spread awareness of RESPs to future permanent residents.



2nd REC: AMBASSADOR CAMPAIGN

We created a gamified ambassador campaign to target hard-to-reach demographics. We're recommending this because there's generally more trust in community members and face-to-face interactions than in governmental and digital communications.



3rd REC: REGION PROFILING

By using criteria that optimize on higher returns for Wealthsimple, we identified a sample of 5 optimal regions to target for RESP marketing. The criteria accounts for factors like household income, immigrant population, and education disparity amongst populations.

The Status Quo

The opportunity in **numbers**.

Who we're targeting and why

The opportunity for impact with our solution lies with **immigrant pre-arrivals** through the Express Entry and Family Pass, as well as **low to mid-income Canadians** (since 40% more top quintile income families have RESPs as compared to bottom quintile families).

By targeting pre-arrival immigrants, we can access a larger demographic and **build deeper relationships**, since immigrants will not have yet engaged with other RESP platforms through community word-of-mouth.

Express Entry + Family Pass



65,401

The number of immigrants that arrived to Canada on Express Entry and Family Pass (c. 2017)

Avg Annual RESP Contribution



\$1484

Given the market size and this \$1484 average contribution, Wealthsimple has a large opportunity for assets under management.

Med/Low- Income Families



1,367,145

This is the approximate number of families in the 1st, 2nd, and 3rd quintile of income, who haven't signed up for an RESP.

Immigrant Hub Cities



5

Toronto, Ottawa, Calgary, Vancouver, Montreal, all hold about 91% of Canada's immigrant population.

Market value of the opportunity, via Assets Under Management

Market Value formula: Average RESP contribution (including Govt. funding) x Number of census families x 10% market saturation = Potential market value of region for one year

Low-Ball

Average

High-Ball



Low Contribution

\$49,217,040

Assuming a low annual contribution of \$300, combined with a 20% government contribution, multiplied by a 10% retention rate of the median/low income households in Canada

Average Contribution

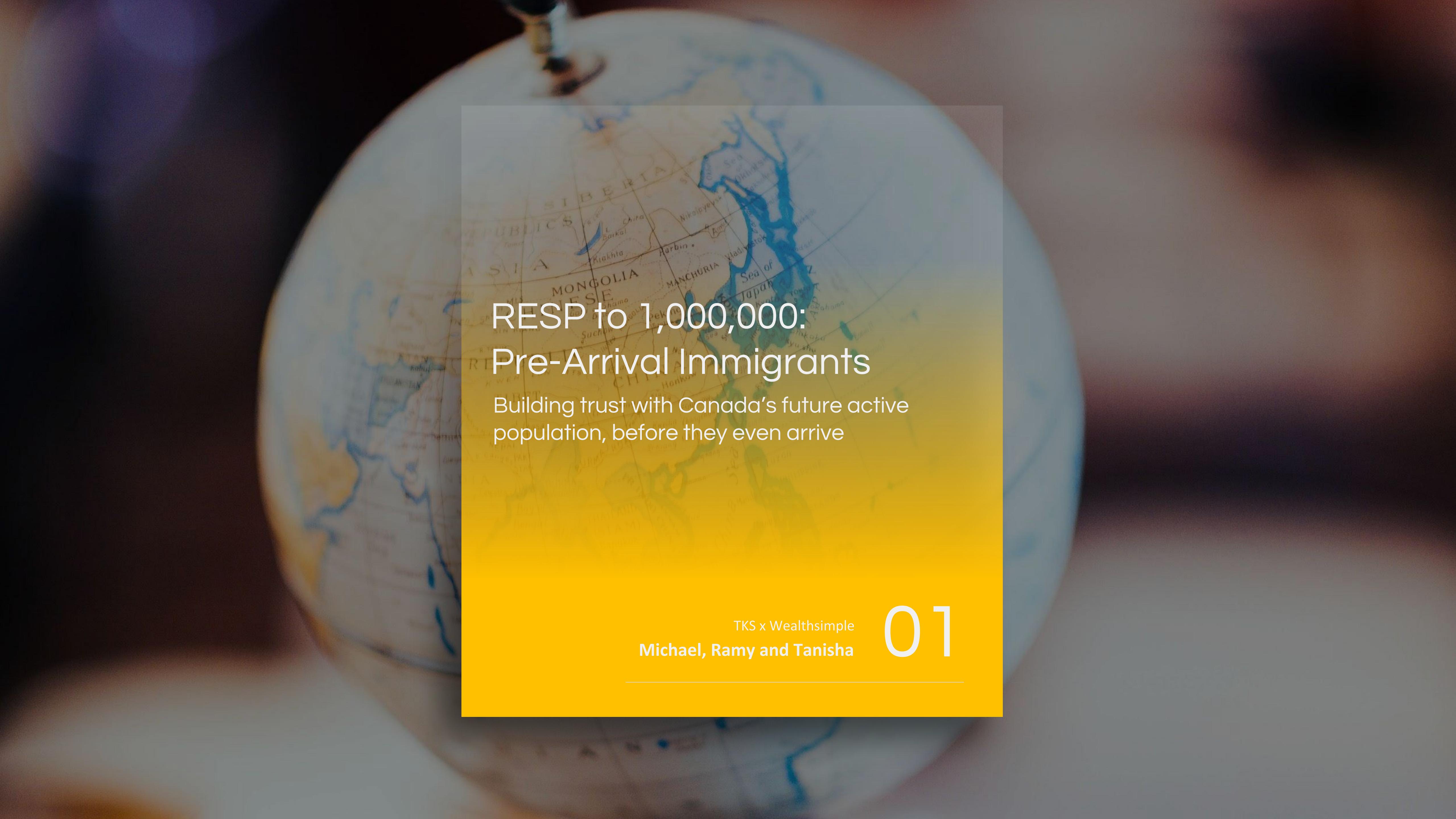
\$243,487,364

Assuming the 2017 average annual contribution of \$1484, combined with a 20% government contribution, multiplied by a 10% retention rate of median/low income households in Canada

Maximum Contribution

\$410,142,000

Assuming the highest annual contribution of \$2500 combined with a 20% government contribution, multiplied by a 10% retention rate of the median/low income households in Canada



RESP to 1,000,000: Pre-Arrival Immigrants

Building trust with Canada's future active population, before they even arrive

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01

Partnering with IELTS administrators to maximize Pre-Arrival Immigrant outreach, and build long-term relationships.



Targeting Express Entry

We'll be targeting skilled worker immigrants (called **Express Entry immigrants**) and their sponsored families, as they have the **highest rates of entrance into postsecondary education**. In terms of partners, we selected **IELTS (an English proficiency exam) administrator organizations**, since the IELTS is mandatory for Express Entry.



Financial Literacy Partnerships

The IDP wants **higher placement rates** for test-takers at their international destinations, and helping them get familiarized with the country's financial systems is **aligned with that goal**. By creating Canadian financial literacy materials for IDP with WS' pre-existing content, we can tap into nearly all Express Entry Canadian immigrants prior to arrival.

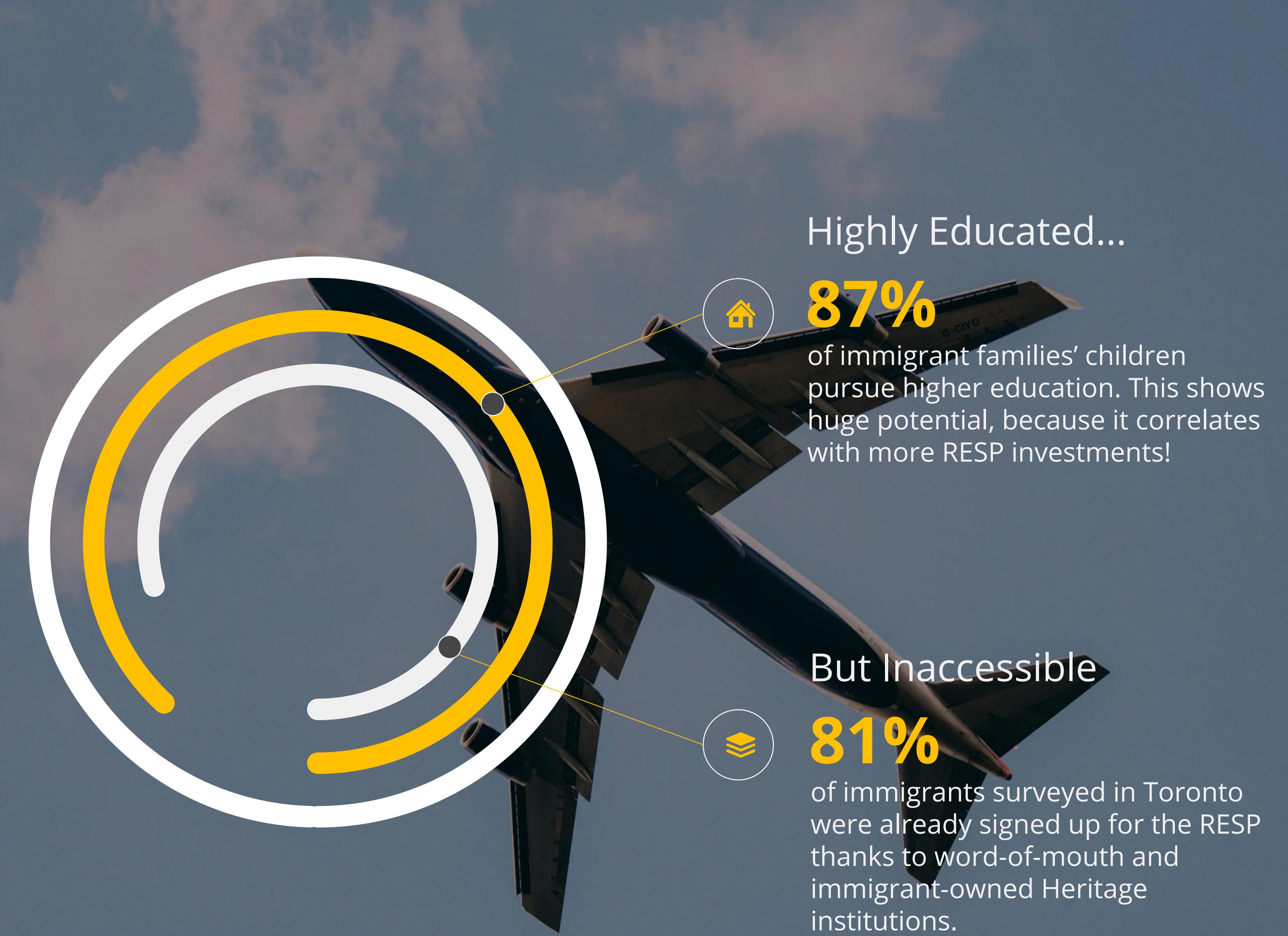
Context on the Status Quo

The Immigrant Problem

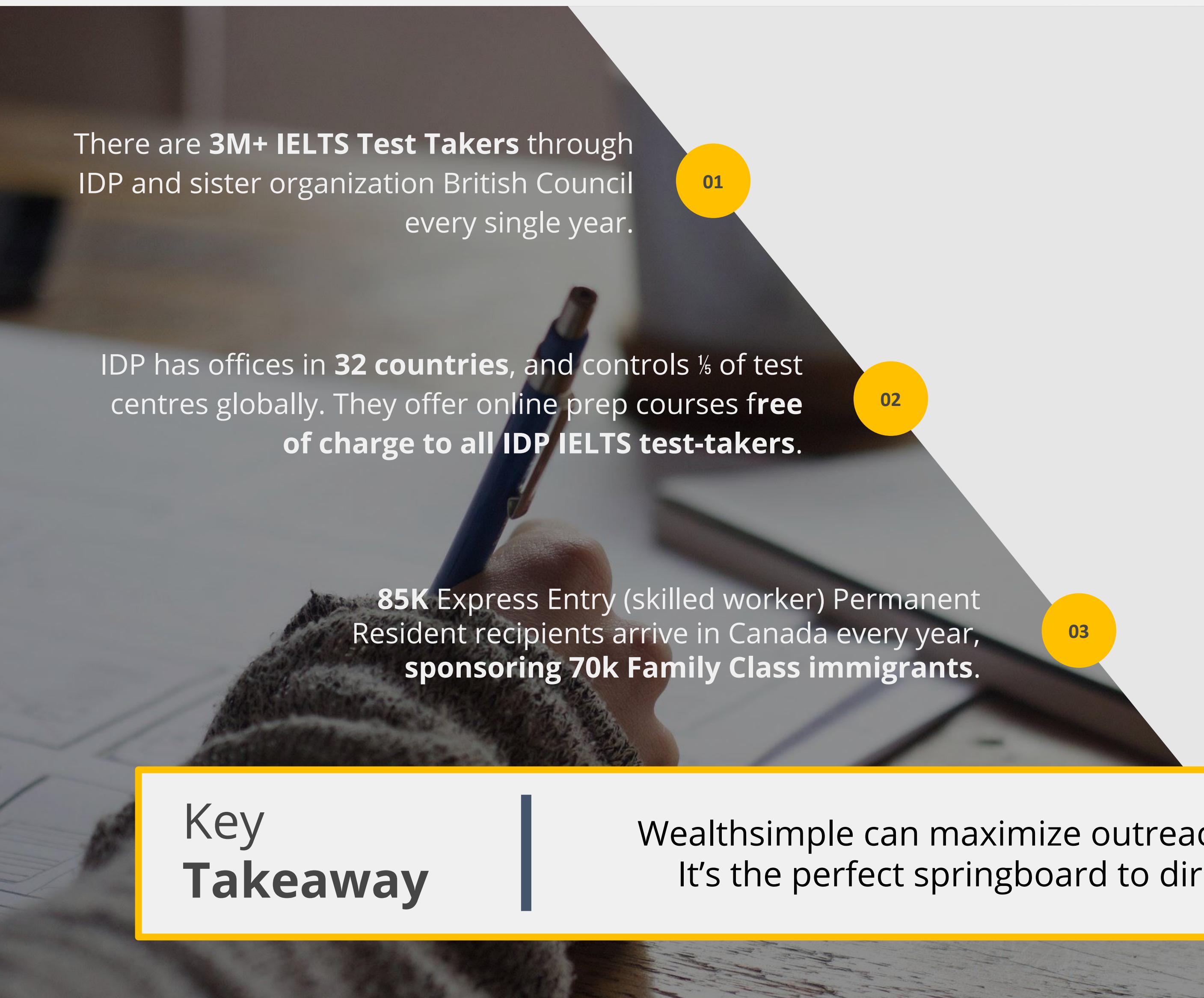
Over 2M children are unaccessible

Out of 7M Canadian immigrants, 2M+ are children aged 0-14 at the time of immigration. **This is a huge market.** But, as the data to the right says, it'll be hard to compete with the institutions these families have **already** built long-term trust with for their RESPs...

Well, unless Wealthsimple starts targeting immigrants before they even enter Canada.



Why target IDP and IELTS testing?



There are **3M+ IELTS Test Takers** through IDP and sister organization British Council every single year.

01

IDP has offices in **32 countries**, and controls $\frac{1}{5}$ of test centres globally. They offer online prep courses **free of charge to all IDP IELTS test-takers**.

02

85K Express Entry (skilled worker) Permanent Resident recipients arrive in Canada every year, sponsoring 70k Family Class immigrants.

03

You can't immigrate **without it**.

In order to obtain a **Permanent Resident visa** to Canada, **all Express Entry candidates must take the General Training IELTS exam**. These are jointly administered through IDP and British Council.

Over the next 10 years, the **potential market will represent more than 1.5M immigrants**.

Wealthsimple can provide Canada-specific financial literacy through partnerships with IDP and later British Council to establish **trust-based relationships** with them **before any other FI can**.

Key Takeaway

Wealthsimple can maximize outreach with minimal investment by partnering with IDP. It's the perfect springboard to directly engage with Canadian pre-arrival immigrants.

Implementation: IDP - Concrete Contacts

IDP IELTS Masters

Reaching IELTS test-takers, keeping the approach **online**.

Contact

IELTS' main online studying and preparation portal, is managed jointly by IELTS and Macquarie University in Sydney, Australia. This jointly managed portal provides IELTS prep to students **worldwide**.

Create Video Content

After partnering with IELTS Online through Macquarie University create small 2 minute videos on Canada's financial system which can be shared with all IELTS test takers with goals for Canadian studying, and/or IELTS takers in Canada..

Incentive to Stay in Touch

Gain trust of incoming immigrants by providing them a source of information, guidance and place of contact when coming into Canada. Seeing the videos initially, the newcomers and likely their families will have a brand awareness when they settle in Canada.

The IDP IELTS testing system presents **all IELTS registrants** with a **free online preparation portal: IELTS Masters**. This portal is jointly managed with a university in Sydney, Australia: Macquarie University.

Why IELTS Masters?

We recommend partnering with IDP's IELTS Masters course due to their **large reach (2M IELTS test-takers)** and **online-only nature**. By partnering with IDP, Wealthsimple can easily create a system to filter for Canada-bound test-takers only, and present a video-based financial literacy campaign on their portals.

This will be able to help potential Express Entry candidates both gain RESP awareness, and develop brand loyalty with Wealthsimple for reaching out initially before any other financial institution.

After exposing and educating candidates to Wealthsimple's platform, an idea for future engagement would be a **weekly newsletter** which will allow direct contact with users as they enter Canada and sign up for RESP.

Contact Macquarie University Partnerships: ce@mq.edu.au

Going deeper into the IDP partnership

Who to get in touch with



MACQUARIE
University
SYDNEY · AUSTRALIA

Dr. Paul Hogan **Macquarie University**

Macquarie university is a direct operator of IELTS Master online, so their partnership wing will be a solid place to start.

Dr. Paul Hogan is the head of corporate partnerships for Macquarie University, making him a key connection for this partnership.

Contact Info

paul.hogan@mq.edu.au



Premal Modha **IDP Canada Partnerships**

IDP serves as a portal for students worldwide to access internaitonal education, and also has direct pipeline to IELTS Master. Students who sign up for IELTS with IDP, get access to

Manager at the library volunteer tax program for future reference

Contact Info

premal.modha@idp.com



RESP to 1,000,000: Gaming The System

Creating an optimized ambassador
program that targets new demographics.

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02

A gamified ambassadors program can build **community** and **trust**, while increasing customer base.



Building Ambassador Incentives

Key point: making sure Ambassadors stay motivated to the cause.

Solution: Student Ambassadors win points through referrals to the RESP platform with personal links, and earn money that can only be invested into Wealthsimple's products = financial incentive. They'll also use Wealthsimple's educational materials to personally help increase financial literacy in their communities (which are often under-targeted by traditional FIs) = emotional incentive.



Scalable Recruitment

Historically, traditional FIs have the advantage of physical branches, which lets them build better trust. But that's not the case anymore, especially when it comes to the neglected 54% of lower income families who aren't aware of the RESP or CLB.

With online geographically-targeted ads and contacting churches and community centers for Ambassador recruitment, Wealthsimple can double down on demographics that haven't yet been tapped into by traditional FIs and have first-mover advantage.



Building Culture

80% of ambassador programs fail after the first 3 months. It's because they don't build an emotional or social connection with the brand.

Studies show that sharing experiences with a group of people makes you feel more loyal to them; Wealthsimple can leverage this by creating a Reddit-like online community of like-minded Ambassadors all over Canada. It will self-select for volunteers that are driven about financial literacy, and influence friendly competition over referral points.

Implementing the Ambassador Program

Ambassadors representing RESP within our identified target regions (slide 17) is an optimal way to spread awareness of Wealthsimple's RESP platform.

Immigrants and low-income Canadians tend to trust community members over 3rd party outreach. This is shown by how letters sent by the government to all eligible CLB beneficiaries has not significantly influenced application rates.

Ambassador Roles

- Sharing promotional content and providing native-language context.
- Hosting or helping with community financial literacy workshops
- Answering questions on RESPs, and directing interested patrons to Wealthsimple's service.

Community Ambassador

We found, anecdotally, that nearly all low-income newcomer immigrants frequent **religious centres and community centres**. This presents an opportunity for **trusted members of the community** to increase awareness about the RESP and CLB by hosting weekend workshops and classes, and distributing information pamphlets.



Social Ambassador

Nonprofit organization representatives, such as tax clinics under the **Community Volunteer Income Tax Program**, would have similar tasks as Community Ambassadors. Workshops would contain information on RESP signups through Wealthsimple and foundational investing skills in general. This would be within our identified target regions.



Student Ambassador

Younger students who're more **comfortable with mobile financial services** will promote Wealthsimple's RESP platform in our identified target regions where there is **less technological literacy** among older generations. They will also refer **families and peers in their network** to the RESP platform with their personal links, and spread the word on social media.



Implement What's Worked

Ambassador Success Cases

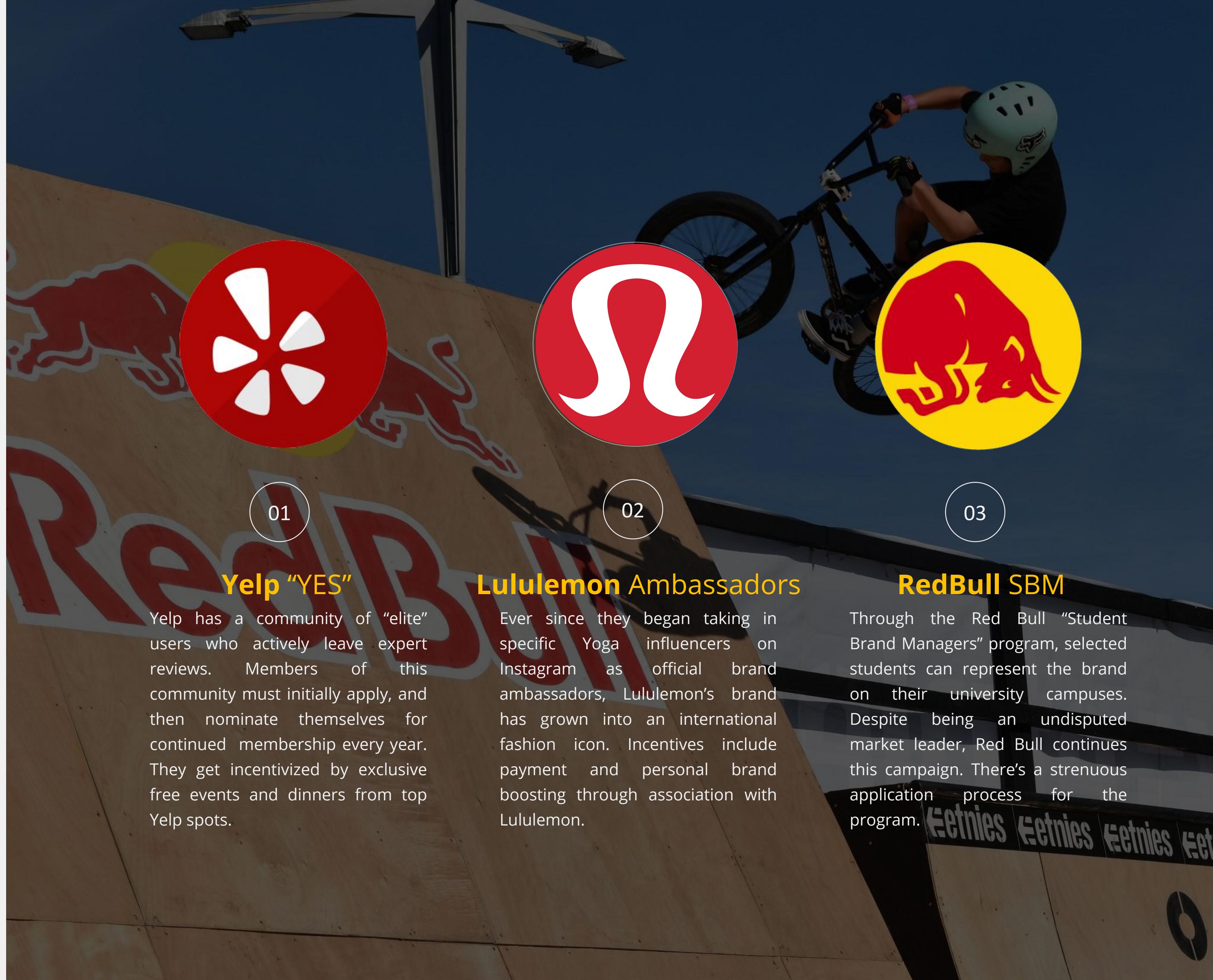
Follow the Leaders

Leading companies across multiple industries see scalable value in ambassador marketing. Successful ambassador programs include:

Incentivization: Whether the incentive is money, social “clout”, or exclusive access to events, successful programs have tangible rewards for their ambassadors.

Brand Positioning: Those who were selected to represent the corporate brand in these programs, were done so with specific intention and according to a targeted criteria/application process.

Exclusivity: From the application process to the brand association, exclusivity brings higher quality applications. It is key for Wealthsimple to leverage this more, especially as its brand grows in recognition amongst consumers.



Yelp "YES"

Yelp has a community of “elite” users who actively leave expert reviews. Members of this community must initially apply, and then nominate themselves for continued membership every year. They get incentivized by exclusive free events and dinners from top Yelp spots.

Lululemon Ambassadors

Ever since they began taking in specific Yoga influencers on Instagram as official brand ambassadors, Lululemon’s brand has grown into an international fashion icon. Incentives include payment and personal brand boosting through association with Lululemon.

RedBull SBM

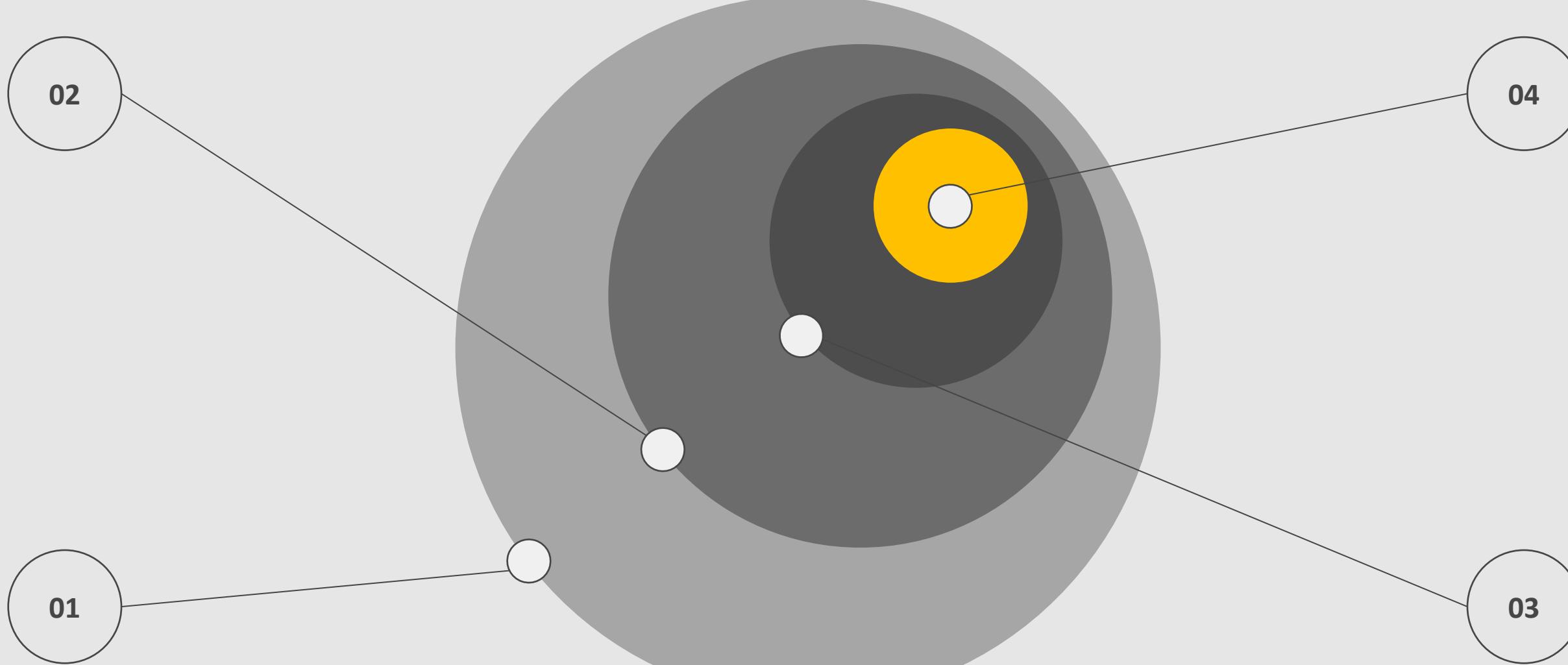
Through the Red Bull “Student Brand Managers” program, selected students can represent the brand on their university campuses. Despite being an undisputed market leader, Red Bull continues this campaign. There’s a strenuous application process for the program.

Filters for Identifying Optimal Target Regions for Ambassadors



Household Income

Because we're targeting a demographic that's not tapped into for RESP sign-up by most traditional FIs, the median household income in each region will be filtered for low- to mid- income households: preferably less than 85k a year.



Number of Households

Deploying and searching for ambassadors in a new region expends resources, so it's important for the region to have a sufficient population to make it a viable investment. Therefore, we filtered for Census Regions with 50,000+ households.

RRSP, TFSA, RPP Investment

If 65%+ of a Region's households are investing in RRSP, RPP or TFSA, it serves as a positive indicator as to a general willingness and understanding of investing for long-term goals. This makes the Census Region a strong choice for Wealthsimple's RESP service to reach out.

Education Disparity

Regions should have a secondary school graduation rate of 70%+ amongst the working-age population. Regions with lower school graduation rates tend to have highly complex socio economic challenges that are beyond Wealthsimple's current scope.

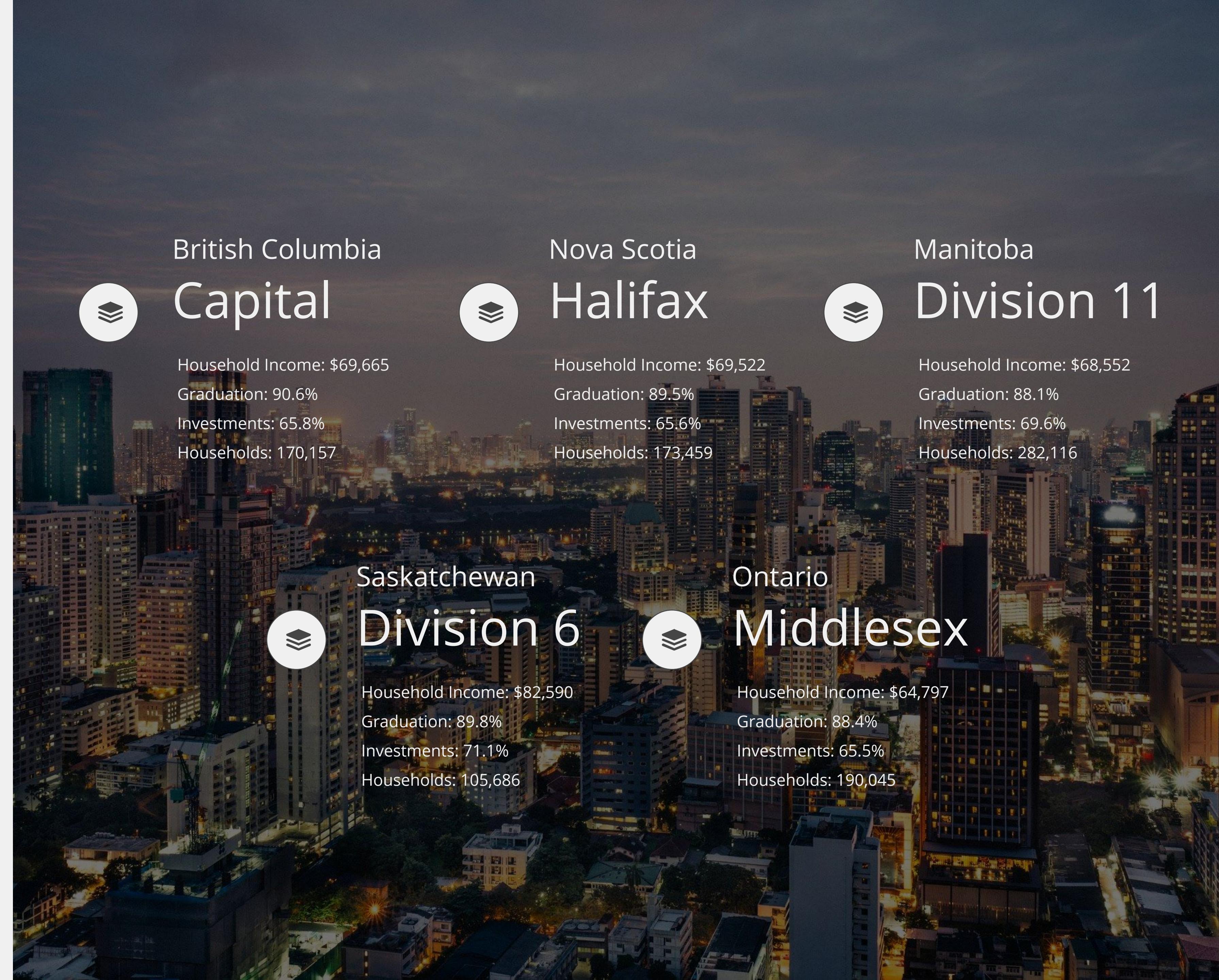
Optimal Census Regions

Five municipalities to start with

The Filters

As mentioned, we identified these ideal regions according to 4 main criteria points:

- Household Annual Income (\$50k-\$80k)
- Secondary School Graduation rate 70%+
- RRSP, TFSA, RPP Investments rate 65%+
- 50,000+ Households



Going deeper into recruiting Community Ambassadors

Who should you start talking to?



Rev. Yibrah Goitom
St. Michael Eritrean Church

Most low-income newcomer immigrants convene at local churches on a regular basis, because it gives them a sense of community. Wealthsimple can speak with church members, like Reverend Yibrah Goitom of St. Michael Eritrean Orthodox church, to spread the word about RESPs to these untapped demographics.

Contact Number
+1 (416) 762-9666



Adam Craig
Windsor Riverside Public Library

Adam Craig is the manager of the Windsor Riverside Public Library, within an area that is significantly lower income as compared to the rest of the province. This library runs a Community Volunteer Income Tax Program, and so is perfect as a starting point for an Ambassador campaign for Community Ambassadors.

Contact Number
+1 (519) 255-6770



Understanding the Problem: Next Steps

Assumptions, and questions yet to be
answered by data.

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03

Assumptions Made (Anecdotal Only Data)

Lingering **assumptions** to look into

These are a few unanswered questions, that we would need to gain more data points on.



RESP Growth via Ambassadors

We are running off of previous cases of both community-oriented and brand-oriented ambassador programs, to predict the efficacy of the ambassador plan.



RRSP/TFSA/RPP = RESP Eagerness

We assume higher percentage of a region investing in these various funds, signifies that eligible residents would be eager to sign up for RESP. once they learn about it.



Immigrants on RESP

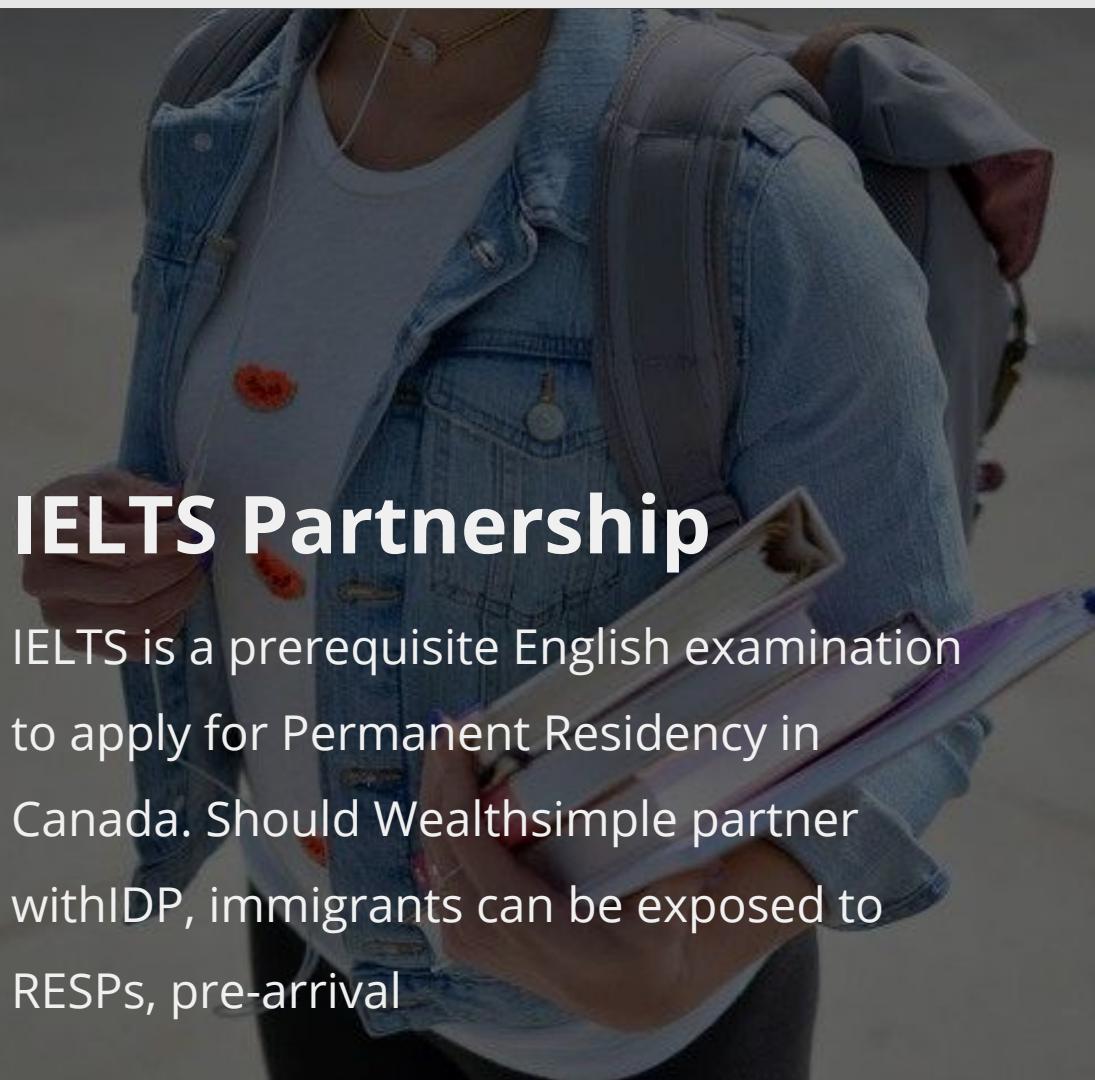
There isn't a lot of publicly available data that reveals the demographics of RESP registrants. Our assumption that immigrants make up a lot of RESP registrants come from insights by RESP agencies

Wrapping It Up

Making use of Wealthsimple's **agility** and **scalability** to solve **hard outreach problems**.

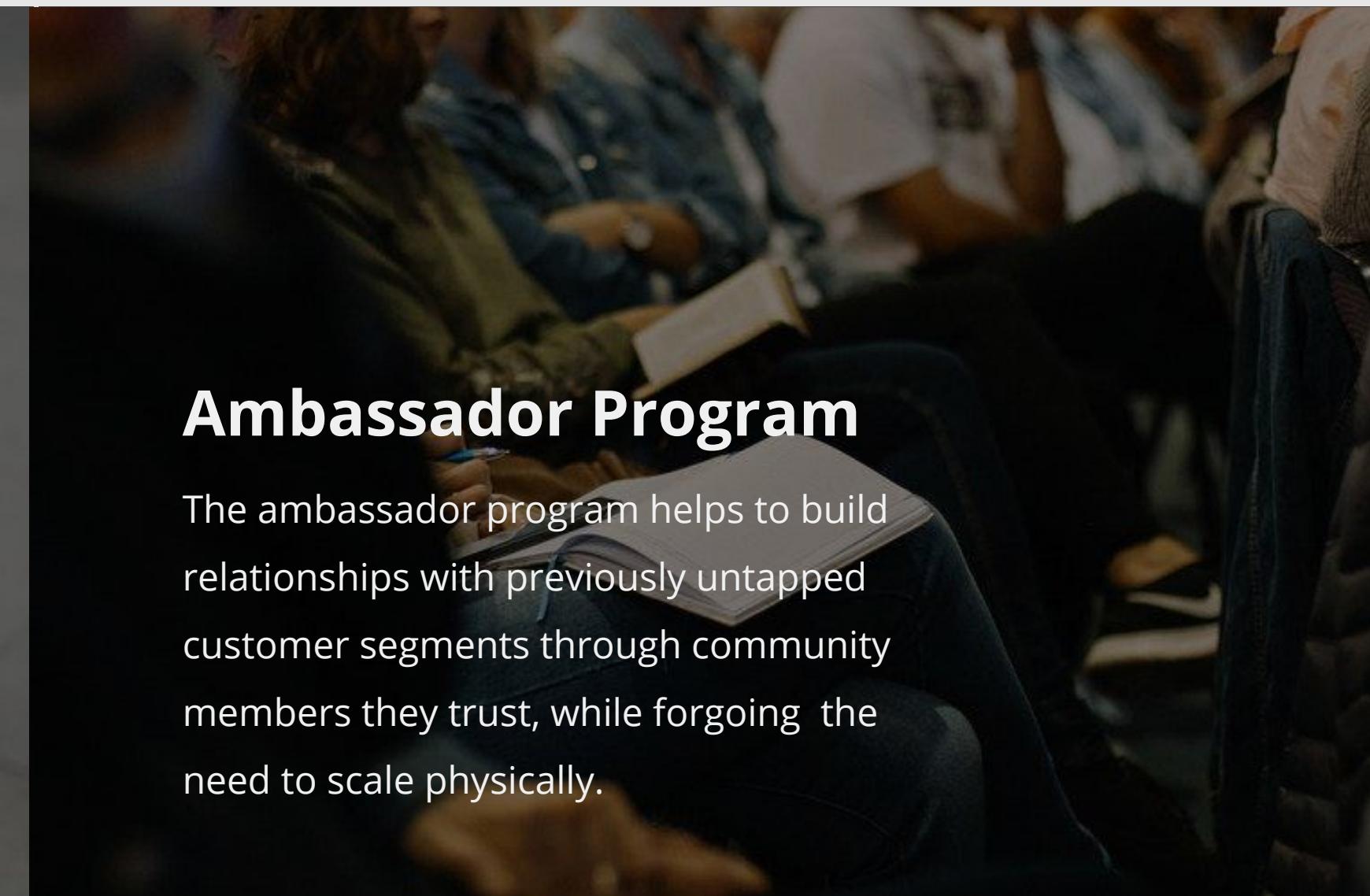
The 3-Punch Solution

A digital RESP platform is something no other FI has tried before, and because of that the challenges and advantages that can be leveraged and unique and exciting.



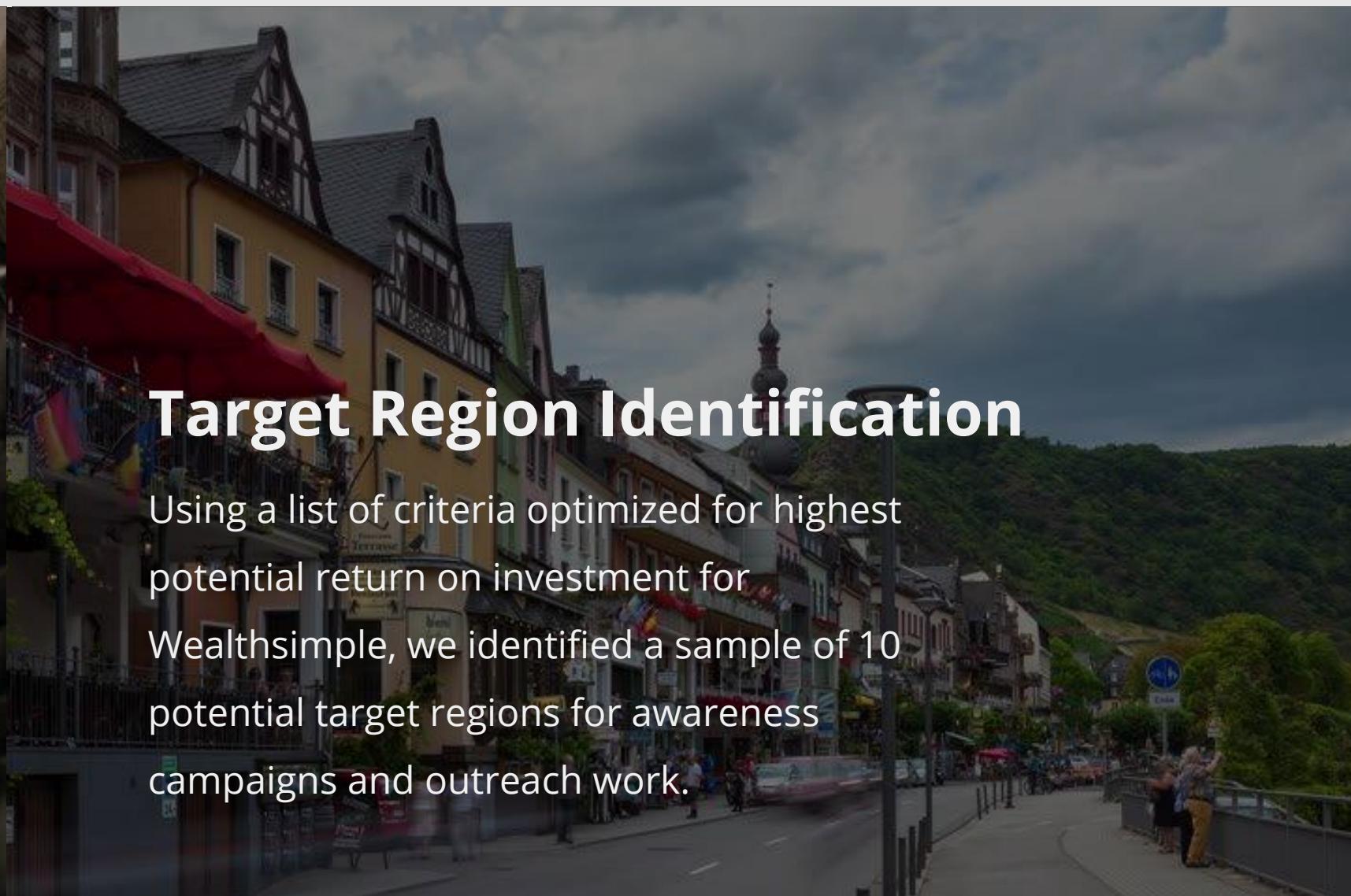
IELTS Partnership

IELTS is a prerequisite English examination to apply for Permanent Residency in Canada. Should Wealthsimple partner with IDP, immigrants can be exposed to RESPs, pre-arrival



Ambassador Program

The ambassador program helps to build relationships with previously untapped customer segments through community members they trust, while forgoing the need to scale physically.



Target Region Identification

Using a list of criteria optimized for highest potential return on investment for Wealthsimple, we identified a sample of 10 potential target regions for awareness campaigns and outreach work.

Thank You, Wealthsimple!

For the challenge, and for your work on helping more kids get into postsecondary education.

Ramy Zhang
ramyjzh@gmail.com



Tanisha Bassan
tanishabassan@gmail.com



On a personal note:

This was an amazing learning experience for ourselves as a team, and just as plain old teenagers who never realized the extent of the education disparity in Canada until this challenge pushed us to look for that data. This problem lies very close to our own hearts. Literally nobody else in the country is working on something like this, yet we get to work on it - this opportunity has been incredible. Thank you Wealthsimple for this! We hope our recommendation was valuable.

- Ramy, Tanisha and Michael

Michael Trinh
trinh.orszag@gmail.com

