



Evidence of Financial Resourcefulness of Low-income Canadians: Snapshots of Five Families' Finances

19 November 2020

Canadian Financial Diaries Research Team

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Introduction

The Canadian Financial Diaries Research Project is a project which explores the financial health of low- and modest-middle income Canadians. Using the financial diaries methodology, this research looks at both the barriers and opportunities which can impact financial well-being. Both quantitative and qualitative data were collected over the period of one year, from a purposefully-chosen group of 29 participants.

In this *Snapshots of Five Participants* we take a preliminary look at five of the participants in the Canadian Financial Diaries Project. Their files were chosen to represent the diversity of participants included in phase one. Readers will find a description of their backgrounds, socio-demographic information, an overview of their financial practices, along with their assets and liabilities, and insights into their spending patterns and methods. Pseudonyms have been assigned in order to preserve the anonymity of participants.

The observations included in this summary offer the reader a quick glimpse into the lives and financial practices of the participants. The information included in this report has been based on quantitative and qualitative data from the financial diaries, interview logs, open-ended interviews, as well as participants' assets and liabilities. The writer has attempted to weave, from the aforementioned materials, short summaries intended to serve as snapshots of the participants' financial well-being. An intentional effort has been made to distinguish between the voices of the participants, the researchers, and the writer, and to present informative stories while attempting to remain aware of any personal bias.

Some themes which arise in these summaries are the importance of social networks and financial resourcefulness for working Canadians living pay cheque to pay cheque. Having family and friends to turn to in times of financial need and exercising strong budgeting skills were key factors which contributed to participants' abilities to go through periods of financial volatility with resilience. The legacy of colonization can contribute additional barriers to financial wellbeing of Indigenous participants. Newcomers face particular challenges to financial well-being, specifically as they move through the costly process of acquiring work permits and permanent resident status.

Financial Diaries Participant: Sarah

Summary

Sarah is a single woman in her mid-fifties. She is employed full-time in early childhood education. Sarah described herself to the Financial Diaries Team as a lifelong budgeter. She also shared that long-term debts, lack of professional certification, and ongoing health concerns are all factors which she feels limit her efforts to make financial progress towards her desired goals, which are to pay her debts and become a homeowner.

Diaries Project

Sarah began participating in the Financial Diaries Project in 2018 and participated for 52 weeks. She learned about the project from a local tax clinic. When she first began, Sarah was already regularly keeping track of her finances. She shared with the Financial Diaries Team that she had received financial counselling in the past, which had helped her gain an appreciation for how frequent small expenditures accumulate over time. Sarah also shared that she found it challenging to be consistent with filling out her financial diary, but she appreciated the clarity that the financial tracking sheets provided. She came to meetings with a diary which appeared to the Financial Diaries Team be thorough and accurate. Sarah shared that she feels financial education is valuable and expressed to researchers her interest in the results of this project, including any potential policy recommendations that might be made.

Sociodemographic

Sarah describes her cultural background as Scottish/Irish/Welsh. She has two adult children whom she raised as a single mother. They are now both financially stable, a fact that she credits somewhat to her instruction and guidance. In conversations with the researchers, it was evident that Sarah enjoyed a strong social support network of family and friends, along with the expectation of financial assistance from this network. She also shared that she expected an eventual inheritance from family in the future. It appears to the writer that these supports, both present and future, provide the reassurance that forms the basis of her financial confidence, despite Sarah's current debt load and modest income.

Sarah rents a private basement apartment in Winnipeg and receives a monthly amount towards her rent through Manitoba's provincial Rent Assist program. During the year in which she participated in the Financial Diaries Project, Sarah earned a gross income of just over \$21,000, placing her below the official poverty line. Sarah shared with the Financial Diaries Team that although she had changed her career, owned her own business, and returned to school, she felt that age discrimination held her back from pursuing her career of choice. Sarah had also struggled with a painful chronic health issue for some time, and revealed to one of the researchers that the resulting pain creates an added barrier to better employment/better wages as it limits the amount of time that she is able to spend working.

Financial practices

In addition to her annual income from employment, Sarah receives Rent Assist, a provincial government subsidy towards her rent amounting to \$168/month, on average. She has also received personal loans from family members in the past.

Sarah prioritizes expenditures on basic needs including rent, phone, hydro, gas, medicines, and pet food, using what is left over to go toward her own food purchases. As someone on a fixed income, Sarah shared that she has always been deliberate with her spending choices. However, the Financial Diaries Team noted that she spent money freely on the things which are important to her, such as personal health products and pets. These expenditures are not large but point to the challenge faced by someone living in poverty. In meeting her modest needs and wants she has drawn on credit that has, at times been unserviceable, so that she ends up with debt. This debt acts a barrier to Sarah meeting future financial and life goals.

Sarah indicated to the researchers that prior to her participation in the Financial Diaries Project, she was fairly aware of her income and expenses, and kept informal tabs on her spending. However, she came into the project carrying significant personal and student loans, as well as credit card debt. Sarah shared that she considers herself to be a good financial manager, but that her debt and health prevent her from moving into a higher income bracket. During the project, Sarah acquired a pet dog, which increased her expenditures. She managed to pay down some debt but incurred more in another area.

Sarah was not able to significantly reduce her overall debt load during the year that she was involved with this project. She shared during an interview that her family of origin also habitually carried credit card debt. Sarah admits to struggling with finances. Her bank balance regularly dips below zero in her checking account. She shared that she lives paycheque to paycheque, but that she finds ways to

save small amounts of cash at home, such as keeping a piggy bank for small change, and would ideally love to be able to save enough to serve as financial padding to offset unexpected expenses.

Assets & Liabilities: Start and Finish of the Diaries Project

Sarah has one checking account and one savings account. During the period of her participation in the Financial Diaries Project, her net assets remained relatively stable. At the start of the project, Sarah had an outstanding balance on her credit cards. Over the course of the project, the outstanding balance on one card increased while the other decreased. While she was able to clear her student provincial loan by end of the project, Sarah still owed a substantial sum to a family member. However, her RRSP had accumulated \$2,400 by the end of the project.

Income and Spending Patterns

Sarah's income and spending features typical ebbs and flows and runs from March 2018 to March 2019 (Figure 1). The trend in income and spending are similar, but with a slight variability in August and December. Income and spending track one another fairly closely, even as they move up and down. Income swings are larger than expenditure swings. This is consistent with someone whose income varies and who lives, as she said 'from paycheque to paycheque.' In this scenario, spending will swing less as basic needs are a 'fixed' cost and wants can be shifted to periods in which income spikes.

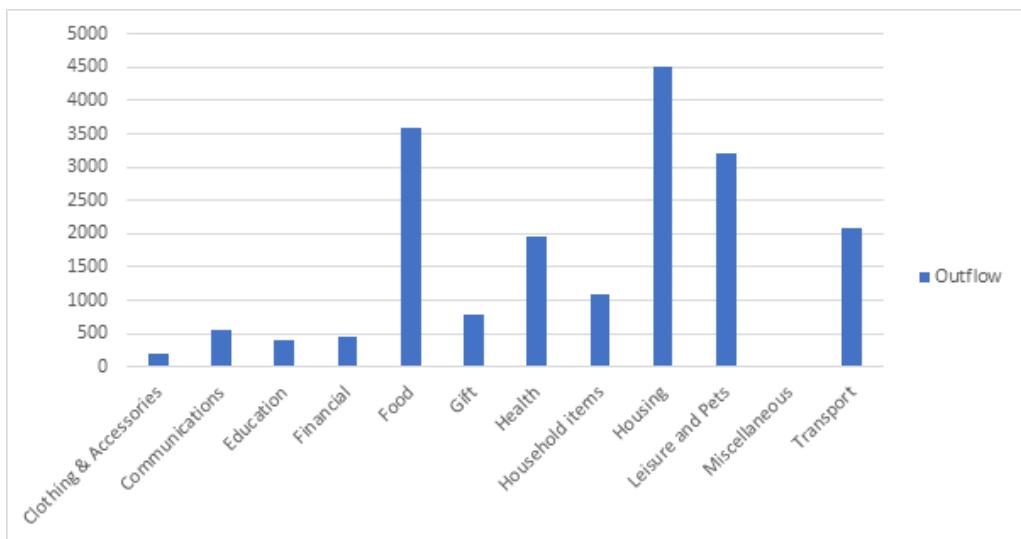
Compared to July, spending on cigarettes in August decreased by approximately 50% in August, and food and pet costs also decreased considerably. There was a spike in income in August due to the high income received from employment, constituting an increase of 37%. There was an income dip in October as a result of missed employment due to surgery. The spike in November income was a result of the receipt of an insurance payment of just over \$1,600. Sarah had been experiencing an ongoing insurance issue related to one of her credit cards. She had paid for balance protection which her credit card company had refused to honour. Payment for this issue reflected a positive resolution for her. In February as well, the income received was low compared with past months. Although Sarah mostly keeps a negative balance in her chequing account, for most months her savings account contains about 2/3 of the amount of her monthly rent payment.

Figure 1. Income and Spending by Month



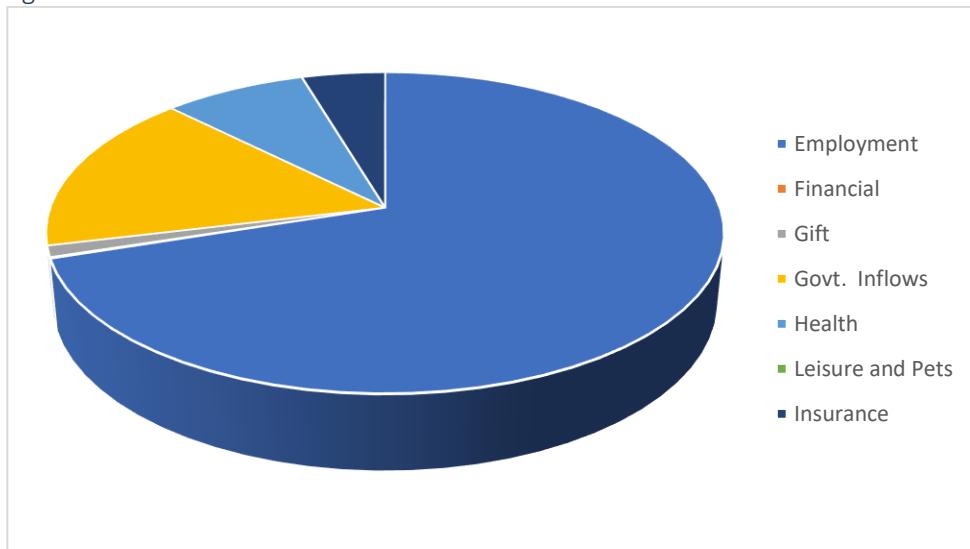
The main items that Sarah, living in poverty, spends on are basic needs such as food, housing, health, leisure and transport (Figure 2). Sarah regularly purchases soda and other items at convenience grocery stores or purchases meals at fast food outlets for the sake of convenience. The higher expenses on the pet and leisure category are due to spending on cigarettes and pet expenses. Sarah communicated to the Financial Diaries Team that she considers her dog to be a part of her family, and therefore deserving of adequate financial attention. Most of the transport expenses go toward car insurance and gasoline for her vehicle. These expenses, while adding up to more than her income, are very modest. Sarah is able to spend in excess of her income by borrowing.

Figure 2. Allocation of Spending



Sarah's main source of income is from employment (70%) (Figure 3). The next largest source of income is a recent tax refund and a GST rebate (government inflows) which constitute about 16% of her income. Clearly the tax rebates are an important part of Sarah's income. A modest boost in government inflows, enabling her to cover all her spending with accumulating debt, could improve her financial situation substantially. She also received some of her income from medical insurance, which enabled her to manage medical expenses incurred by a medical procedure and her subsequent recovery. Sarah received a nominal amount as proceeds from lottery winnings.

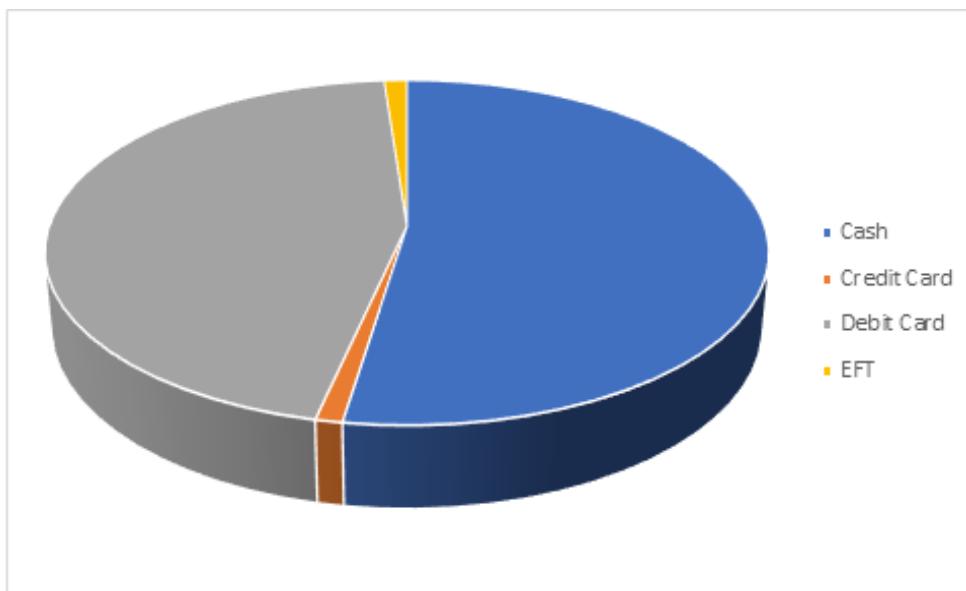
Figure 3. Sources of Income



Method of Transactions

We noted a wide variation of methods of payments and transactions among the Financial Diaries participants. However, most participants rely more on electronic transactions and less on cash. Sarah mostly uses cash and debit card for transactions (52% for cash and 45% for debit card) (Figure 4). Sarah is on the high end with respect to cash utilization. Credit card transactions comprise only 1% of her transactions; Sarah exceeded her credit limit in the past and was paying them off during her time in with the Financial Diaries Project.

Figure 4. Method of Transactions



Financial Diaries Participant: Jacquelyn

Summary

Jacquelyn is in her mid-thirties. Although she has some post-secondary education and now earns more than ever, she shared with researchers that she feels constrained by financial debt and educational limitations. She attributes her disadvantages to her own experience in the child welfare system, having spent the latter part of her adolescence in foster care. Although she shared that she does not always feel like she is in control of her finances and finds the more abstract aspects of finances, such as debt and credit management and online banking, challenging, Jacquelyn feels proud of herself for keeping up with her daily food and housing expenses.

Diaries Project

Jacquelyn began her participation in the Financial Diaries Project in June 2018 and participated for 52 weeks. She learned about the project through a local food bank. When she first began the project, she was regularly employed and earning 23,000 per year, just above the poverty line. Early in the project, however, Jacquelyn lost that position when her contract was not renewed. This resulted in several weeks of unemployment, and she need to apply for and receive Employment Insurance (EI). She moved below the poverty line when her income dropped.

Throughout the project, researchers noted a pattern of loans going back and forth between Jacquelyn and her partner and family members, which created an accounting challenge. Researchers also noted that Jacquelyn often came to meetings without a complete record of her transactions. During the exercise of recounting her financial transactions with the Financial Diaries Team, Jacquelyn expressed surprise at both the amount she was actually earning, as well as her expenditures.

It seemed to the researchers that, through the diaries process, Jacquelyn was developing a growing awareness of her day to day finances. She told the Financial Diaries Team that being a part of the Financial Diaries Project has made her more conscious of her purchases, and that it has helped her identify what she wants and help her set small goals.

Sociodemographic

Jacquelyn describes her cultural background as Indigenous. She has been legally separated for several years from her ex-partner, with whom she has four children. Although she is currently in a new relationship, Jacquelyn lives alone. In her interviews, she shared with researchers details which appear (to the writer) to point to a fragile social support system and the legacy and ongoing impacts of colonization. She does not have custody of her children. Jacquelyn shared that a former foster parent has been a big support, especially in the past, but that she now sometimes relies on Jacquelyn for financial support, which makes Jacquelyn feel obligated to help her in order to repay this kindness.

While she and various family members depend on each other for loans in times of need, there is consistent pattern of Jacquelyn denying her own needs to help others, and of others failing to contribute where they have promised to do so. At the start of the project, she shared a private two-bedroom apartment with a roommate who was inconsistent with rent payments. The roommate moved out mid-way through the project, leaving Jacquelyn solely responsible for the rent.

Jacquelyn told the Financial Diaries Team that she would like to improve her financial situation by earning more money but faces several barriers. At the beginning of the project, Jacquelyn was precariously employed, having worked at a temporary agency for the past eight years. The work was precarious because, during this time, she held numerous different positions at various wages, but received no sick days or benefits as a temporary worker.

Jacquelyn works very hard but faced many barriers. Jacquelyn completed her General Educational Development certificate (GED) as an adult, while raising three young children. She shared that although she has had several years' experience in administration, she would like to pursue post-secondary education in the field of administration to improve her future job prospects, but lacked the

savings to fund this goal. Another barrier she faces is that she does not have a driver's license or vehicle. She told researchers that she feels that she might be able to find another part-time position in her current agency if she could drive. She also finds it a challenge to commute to different parts of the city to work at the various positions assigned to her by her temporary employment agency.

Jacquelyn faces challenges to improve her education and income and, living near or below the poverty line, struggles to keep her spending in line with her limited income. Although she earns more money now than she has previously, Jacquelyn has accumulated considerable personal debt and has a poor credit rating. Payday Loans and communication utilities bills (cell phone bills with data overages amounting to \$3000) from years ago have gone to collections, amounting to approximately \$20,000 in total. She has been receiving Rent Assist, but a higher income in the previous year has reduced the amount she currently receives. Although Jacquelyn regularly borrows money when her income is insufficient, she also lends money to family members. Jacquelyn describes herself as a giver, saying she helps when she can do so. She recounted an occasion where she gave her daughter grocery money and subsequently spent very little for her own groceries the following week.

Financial Practices

Jacquelyn has an unpredictable income as a casual worker. Because she works for a temporary agency, she can be placed in various positions at variable wage rates. Although she had a good contract at the beginning of the project, when that ended, Jacquelyn was without work for several weeks, and needed to rely on Employment Insurance (EI). According to Jacquelyn, losing her well-paid position negatively impacted her mental health. She has had various health issues in the recent past which have also contributed significantly to periods of income loss. She experiences periods of financial stability and instability; when she is laid off, she borrows money to pay bills.

Jacquelyn lives paycheque-to-paycheque (paid weekly) and saves for rent and utility bills. She also prioritizes giving to others, despite her limited income. Her finances have become intertwined with those of her current partners', with a lot of lending, borrowing and frequent e-transfers. Jacquelyn shared that she also regularly paid for her daughter's transportation and her partner's telecommunications bill, despite this resulting in her use of the foodbank in order to make ends meet.

Although she does not, at present, have substantial savings nor a consistent source of income, Jacquelyn shared that she would like to be able save up ahead a few months to have some padding for rent, and to invest in a vehicle someday. Jacquelyn did not share with the Financial Diaries Team a plan for savings toward that goal.

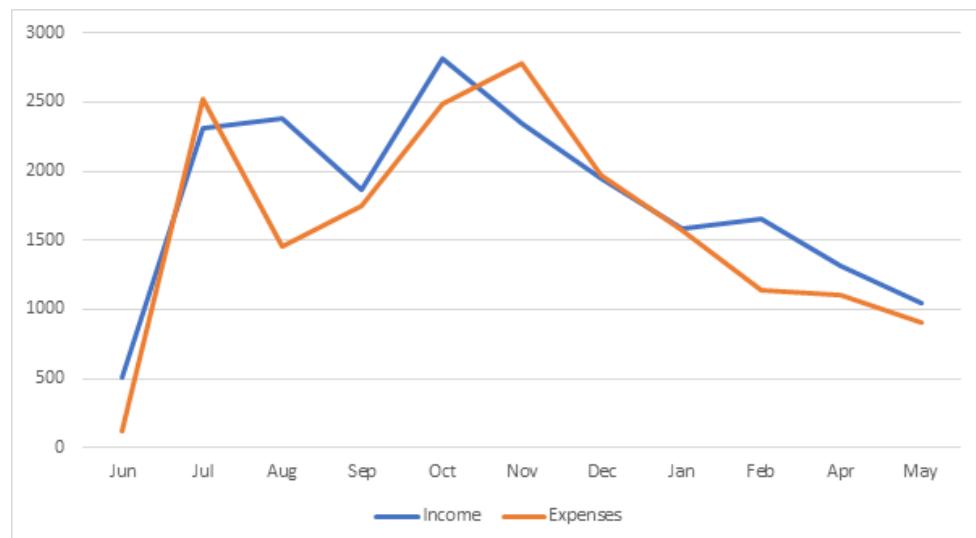
Assets & Liabilities: Start and Finish of the Diaries Project

Jacquelyn has one checking account. Jacquelyn had insignificant amounts in her savings account pre and post diary participation. Her net financial assets deteriorated over the course of the project, with outstanding debt to a collection agency and for rent. She was owed a small amount of money by a family member at the beginning of the analysis. With regard to liabilities, Jacquelyn reported a debt of several hundred dollars at the beginning analysis, but at the end of the project she had a debt with a collection agency which was amounted to several thousands of dollars. She also owed a portion of unpaid rent.

Income and Spending Patterns

Jacquelyn's pattern in expenditure and income from June 2018 to May 2019 demonstrates a deterioration from the first half (July-December) to the second half (January-June) (Figure 1). The two patterns showed spikes in July, October, and November. The spike in July, for example, was due to the large expenditure on food (both grocery stores and restaurants). The dip in spending in August was due to lower expenditures on food. The expenses on mobile telecommunications, however, was larger compared to the previous months (due to non-payment of her bill in June and July). November and December expenses on rent were high because Jacquelyn was sharing her rental unit with a friend who was unable to pay her share of the rent, which left Jacquelyn almost solely responsible for the rent payments for those months (\$1108 in November and \$931.5 in December). As a rule, her expenditures are less than her income, aside from the months of July, November, and December.

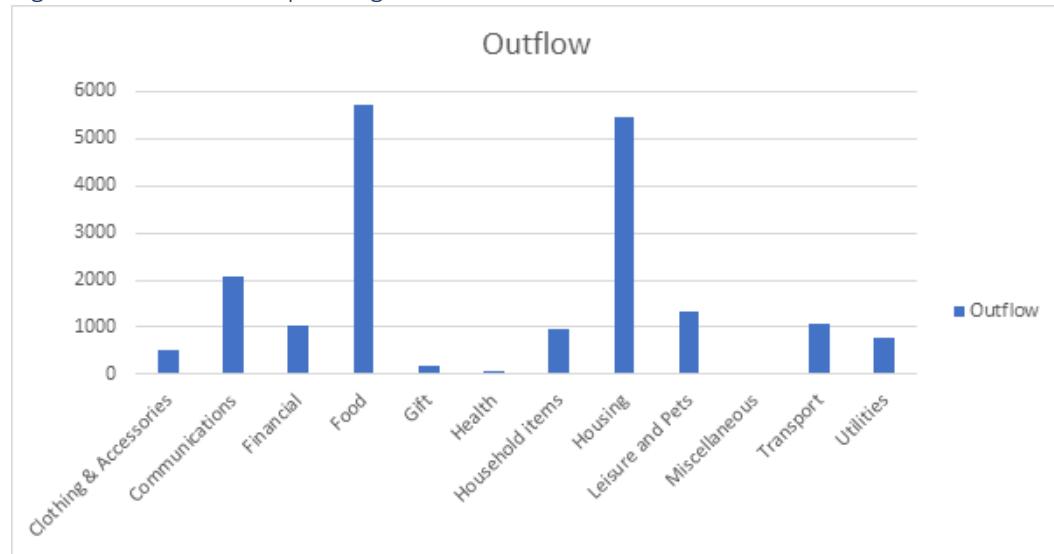
Figure 1. Income and Spending by Month



Jacquelyn's main expenses are on basic needs including food (30%) and housing (28%) (Figure 2). She also spends about 11% of her income on communications. Jacquelyn has two MTS cell phone plans. One plan was used by her partner, however they separated mid-way through Jacquelyn's year with the Financial Diaries Project. He lost the phone, and she had to pay \$200 as a result. Jacquelyn still pays for this plan, but no one is currently using it.

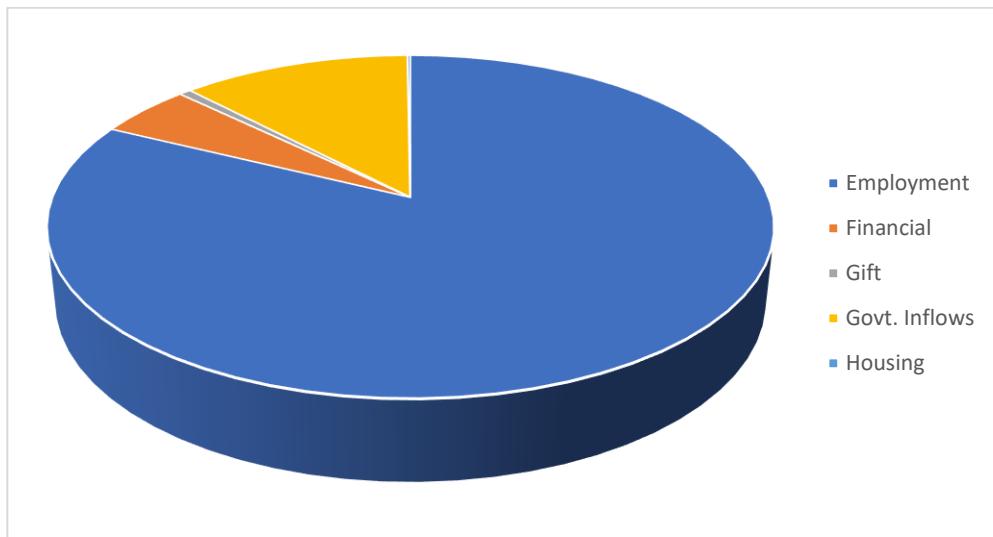
Jacquelyn lives in a modest 2-bedroom rental unit. She does a minimal amount of cooking and spends a fair portion of her food budget on eating out, as well as on regular purchases, such as soda, at convenience stores.

Figure 2. Allocation of Spending



Jacquelyn's main source of income is from temporary employment, which constitutes 82 % of her earnings (Figure 3). During her year with the Financial Diaries Project, this amounted to just over \$16,000. Income received from Employment Insurance (EI) and Rent Assist (combined into 'government inflows') comprises about 12% of Jacquelyn's total income. She also receives income from her partner, family, and friends in the form gifts which makes up about 6% of her total income.

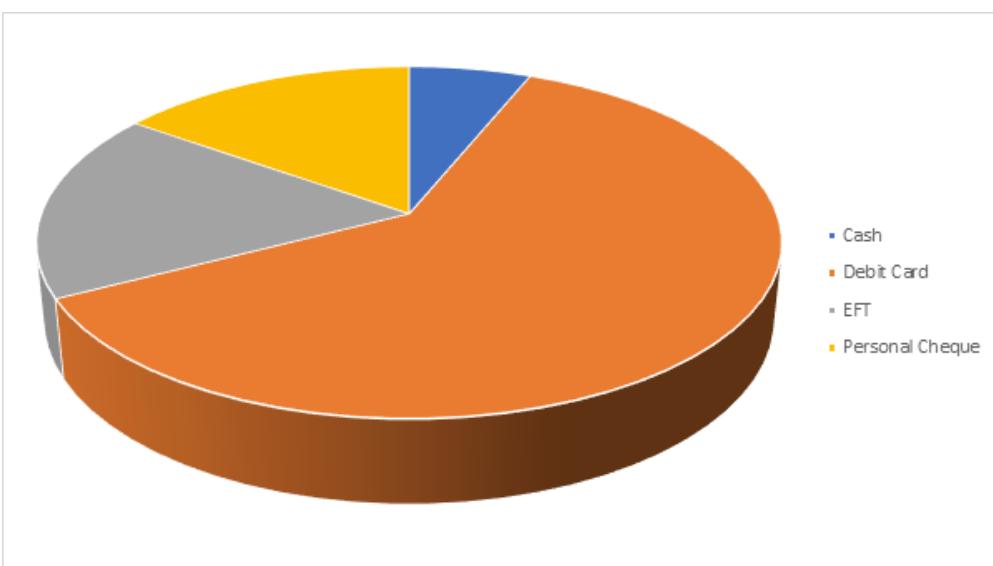
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Jacquelyn mostly uses her debit card for expenses (61%) (Figure 4). This is followed by electronic transfers, which account for about 17% of her expenditures. She mentioned buying cheques to pay for her rent (15% of total expenditures), which seemed to the researcher to be an added expense for someone on a limited budget. Jacquelyn rarely uses cash. Due to poor credit and accumulated debt, Jacquelyn does not have a credit card.

Figure 4. Method of Transactions



Financial Diaries Participant: Kateryna

Summary

Kateryna is a single adult in her fifties. At the start of her involvement with the Financial Diaries Project she was casually employed in a service position. The Financial Diaries Team observed that Kateryna appeared to be careful with expenses and her day-to-day transactions, however she did not speak about specific long-term financial plans. She lives in a neighbourhood with very limited access to in-person banking, however she shared that she does not do online banking because she does not trust accessing her account via the internet. During the time of her participation in this project, Kateryna saw a modest improvement in her net assets and employment.

Diaries Project

Kateryna participated in the diary project for 52 weeks, beginning in May of 2018. She learned about the Financial Diaries Project from a local tax clinic. Both before and throughout this project, she tracked her expenses and kept what appeared to the researchers to be a very careful diary.

Socio-demographic

Kateryna describes her cultural background as Mennonite and Ukrainian/English. She is single and lives alone in a private rental accommodation. She has one adult child and one grandchild who sometimes comes to stay with her. Her educational background includes some secondary school. Kateryna owns a smartphone but does not have an internet connection at home.

Before starting with the project, Kateryna estimated her annual income at \$10,000. This was due, in part, to the fact that some of her income was gained from the informal economy. She had previously enjoyed full-time employment with a well-known company in the retail sector but was terminated when the company closed its doors. After losing this job, Kateryna worked intermittently at a position in the service sector. The remuneration was intermittent and informal, and not equivalent to a minimum wage. Kateryna referred to this as a bartering relationship and shared that she was paid either in cash or received goods or services in exchange for her work. She also shared with researchers that this was not her only experience in the informal economy. By the end of project, however, Kateryna

had acquired a part-time minimum-waged municipal position, one which brought her a more regular income and greater stability.

Financial Practices

During the year that Kateryna participated in the Financial Diaries Project, she had an annual income of approximately \$17,000. This was based on two part-time low-waged jobs and rental support through the government's Rent Assist program. Kateryna would often emphasise to the Financial Diaries Team that she was satisfied with her financial situation. Kateryna's lifestyle seemed to the Financial Diaries Team to border on hardship, as she seemed to make do with what, for many, might seem like inadequate resources.

Kateryna lives in a neighbourhood without sufficient in-person banking options, however she does not do internet banking. She does not own a computer and shared with researchers that she feels impatient with the intricacies of using a computer. The Financial Diaries Team noted that this placed Kateryna in a difficult position with regard to banking options. In addition, Kateryna shared that her bank no longer offered a bank book to track transactions, instead offering online tracking, and that they charged extra fees for paper statements, making it difficult for her to track her finances.

At the start of her participation in the Financial Diaries Project, Kateryna's focus was very much present-oriented because, as she shared with researchers, the potential gap between her income and her bills was troubling to think about. Kateryna stated that her current goals were to pay for her bills, including rent, groceries, and utilities. She also shared that she felt that education and training could improve her current position, however she did not share a specific strategy towards these goals.

Kateryna's diary appeared to the Financial Diaries Team to be done very carefully. She is cautious about using credit and tries to avoid debt. Kateryna reported that she uses her credit card on rare occasions only when she does not have cash, and she pays it down immediately.

Assets & Liabilities: Start and Finish of the Diaries Project

Kateryna's net financial assets improved modestly over the diary period (Table 1). Kateryna has one checking account. In order to save small amounts of money she keeps small amounts of savings in the form of cash at home. Her net assets increased through the diary period, due to her receipt of an income tax refund (Table 1). Although Kateryna's assets improved mainly because of her tax return, her

acquisition of better-paid employment enabled her to save the amount of the refund, whereas she might previously have used it towards her regular expenses.

Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
Chequing	860	2,644
Cash	0	130
Total	860	2,774

Income and Spending Patterns

Kateryna's monthly income and spending track fairly closely although outflows are lumpier than inflows (Figure 1). However, when looking at her weekly income and spending, they track very closely. One such example is evident for the months of August and September (Figure 2). It is also clear that small outflow spikes come after income spikes. This can be seen where an income spike in late September is followed by a small spending spike in early October. Kateryna is certainly living 'paycheck to paycheck.'

Figure 1. Income and Spending by Month

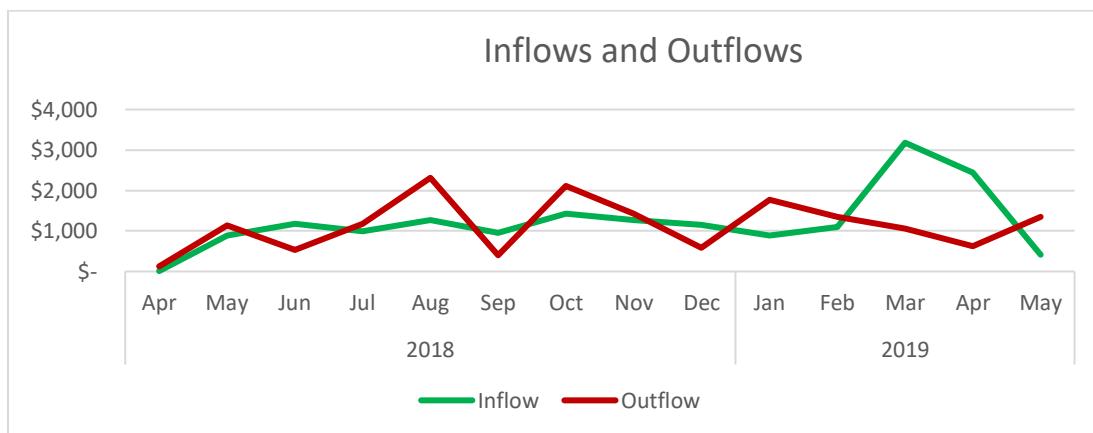
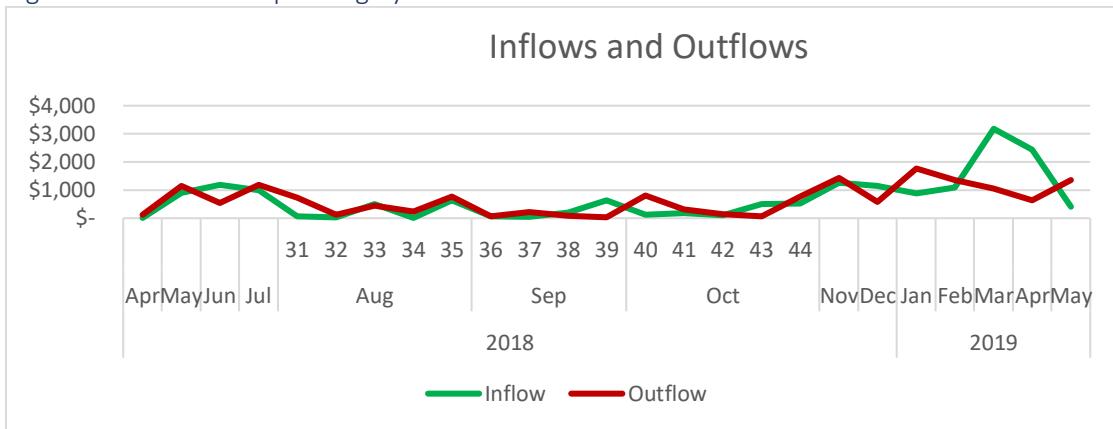
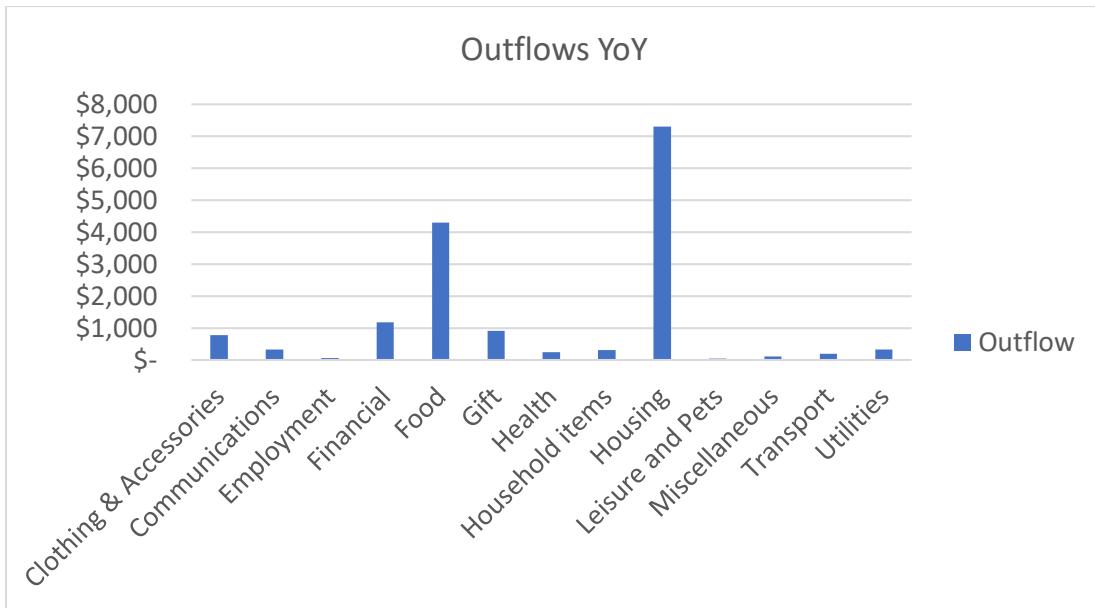


Figure 2. Income and Spending by Month or Week



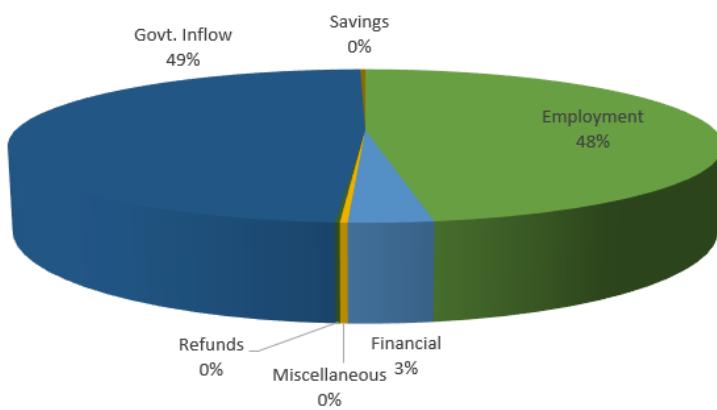
Given that she lives below the poverty line, the majority of Kateryna's spending goes towards the basic needs of housing and food (Figure 3). Food costs account for about 46% of her expenditures, while smaller amounts going towards financial fees clothing, and gifts. Most interestingly, Kateryna also makes frequent charitable donations and gives gifts to family members and friends.

Figure 3. Allocation of Spending



Kateryna received 48% of her income from employment (Figure 4). She also regularly receives Rent Assist from the government, which makes up 46% of her total income. Kateryna works casually for a small local business owner, who has not , according to Kateryna, put her on the payroll. Instead, the owner pays Kateryna in cash, and often pays for her groceries in exchange of work done for the business. Kateryna has not been able to accumulate a significant amount of savings.

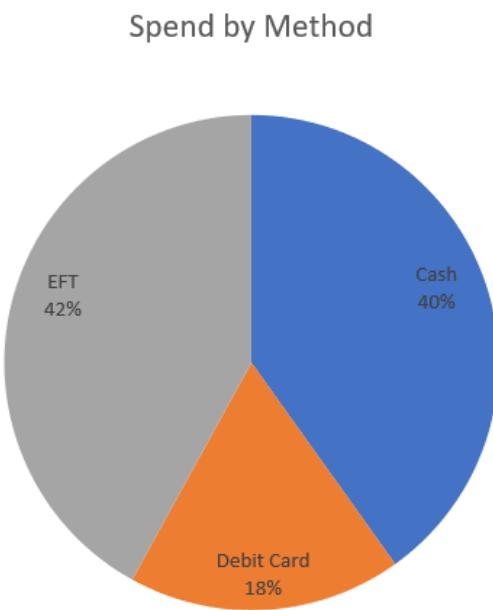
Figure 4. Sources of Income



Percentages of Transactions and Method used

Kateryna, more than most participants, relies on cash for most of her transactions (42%) (Figure 5). Kateryna is an important example of a person who still relies on cash for most of her transactions. This is followed by use of electronic fund transfer (direct deposits from work and Rent Assist) (42%) and use of her debit card (18%). She is very careful not to use her credit card on a regular basis as she does not want to accumulate debt.

Figure 5. Method of Transactions



Financial Diaries Participant: Mary

Summary

Mary is a single woman in her late fifties. At the beginning of the Financial Diaries Project, she was working on a casual and part-time basis with two separate organizations. She received Rent Assist from the province of Manitoba and discovered, during the project, that she was also eligible age-based income supplement. Mary's net assets and employment situation deteriorated somewhat during the project, as she lost one of her part-time jobs, when the company folded. She was able to cover her needs during this time by borrowing money from a family member.

Diaries Project

Mary participated in the Financial Diaries Project for 52 weeks, from May 2018 to April 2019. She had learned about the project from a local tax clinic. The Financial Diaries Team noted that Mary was careful and thorough in her financial recording during her participation in the project. Mary shared with the Financial Diaries Team that she is a visual person and enjoyed charting her finances in during her participation in the project for that reason.

Socio-demographic

Mary describes her cultural background as Canadian. She lives alone in a private rental accommodation. She has some secondary level education. Before starting with the project, Mary estimated her annual income at approximately \$8,000.

During conversations with researchers, Mary made reference to previous mental health challenges and shared that this is an ongoing daily struggle for her. In addition, Mary has had several surgeries and subsequent periods of recovery in the past, which she shared had been a barrier to work. She has been on Employment and Income Assistance (EIA) in the past and indicated that she is strongly averse to doing so again.

Mary pointed out to the researchers that she felt that people and networks were an important source of social capital. She shared with the Financial Diaries Team that she regularly uses a local food bank. Mary told researchers that this was not only beneficial financially, but that this was also a source of community for her, as she was able to spend time connecting with friends during her appointments at the food bank.

Financial practices

During the year of her participation in the Financial Diaries Project, Mary earned approximately \$16,000 in annual income from two jobs, one of which ended during the period of the project. She received Rent Assist, an age-based income supplement, and family support towards her rent payments. At the start of the project, Mary reported that she had to resort to using a substantial amount of savings in order to make ends meet.

Mary told the researchers that she has actively pursued financial learning on her own, listening to well-known speakers on the topic of finances. She also mentioned learning about finances by observing how her mother managed the family finances. Mary does telephone banking; she does not have a smart phone or an internet connection at home.

Assets & Liabilities: Start and Finish of the Diaries Project

Mary's net assets decreased through the period of her participation in the project due to loss of employment, which caused her to borrow money from a family member (Table 1).

Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
Chequing	1,100	1,700
Cash	0	130
Loan from family member	-7,500	-15,000
Total	-6,400	-13,170

Income and Spending Patterns

Mary's monthly income and spending track fairly closely although outflows are lumpier than inflows (Figure 1). However, when looking at her weekly income and spending, they track very closely. One such example is evident for the months of August and September (Figure 2). It is also clear that small outflow spikes come after income spikes. This can be seen where an income spike in late September is followed by a small spending spike in early October.

Figure 1. Income and Spending by Month

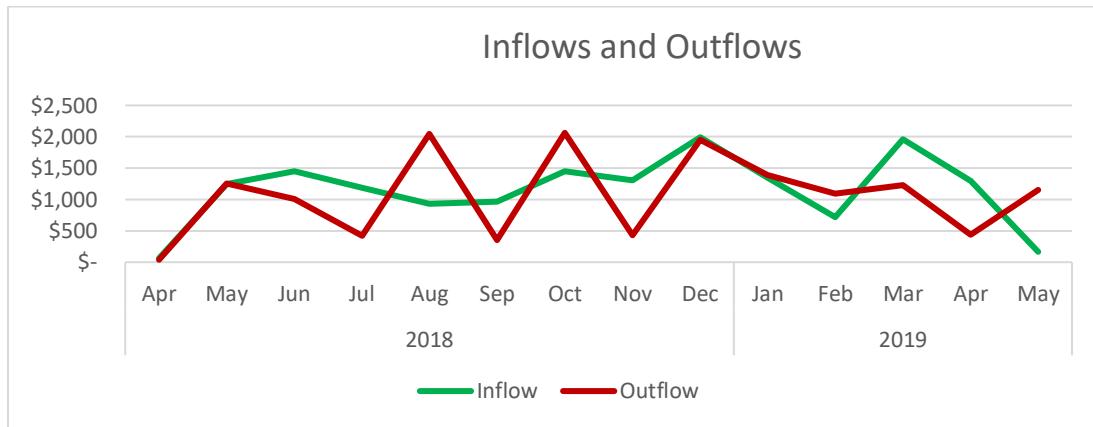
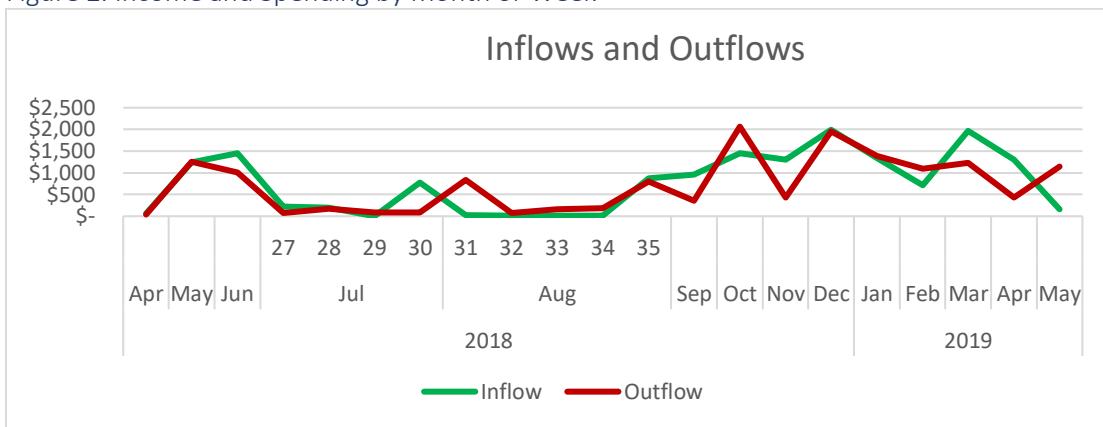


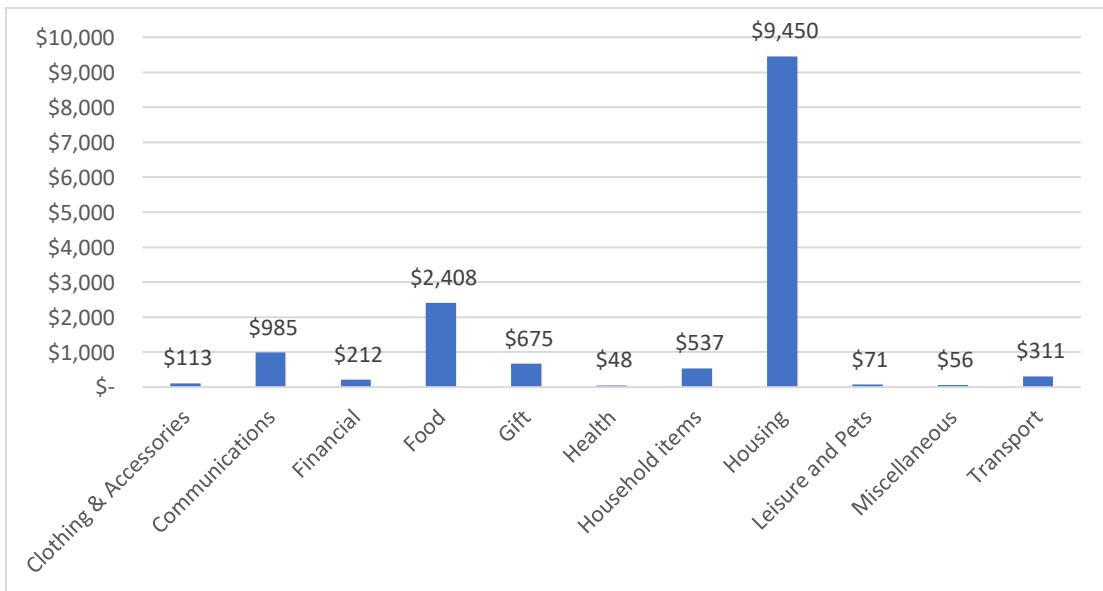
Figure 2. Income and Spending by Month or Week



The majority of the Mary's spending goes towards basic needs such as housing and food.

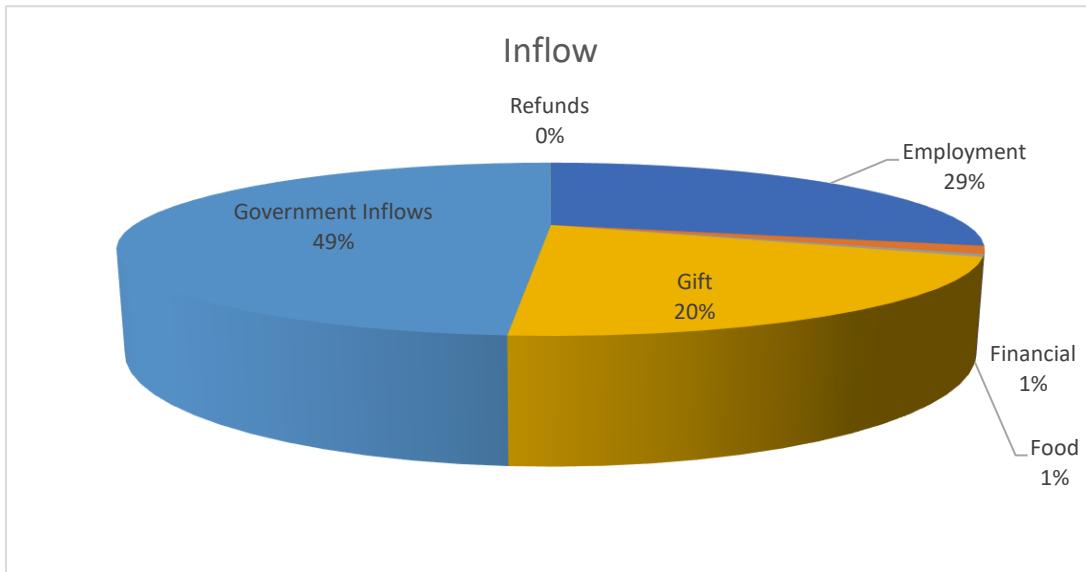
Smaller amounts go towards communications and household items. Although Mary receives Rent Assist from the Manitoba government, her housing expenditure is still fairly high compared to her expenses, amounting to 63% of her total outflows. Mary spends a large share of her limited income on food and makes regular charitable donations.

Figure 3. Allocation of Spending



Mary received 29% of her income from employment and just under 49% from various government inflows (including an income tax refund and Rent Assist), and 20% as a financial gift from a family member.

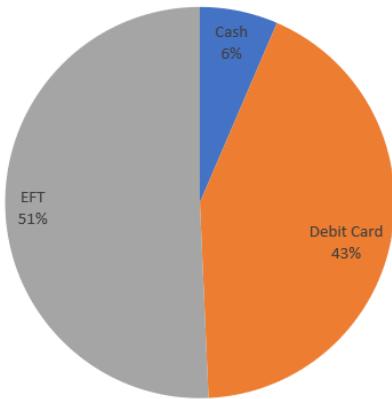
Figure 4. Sources of Income



Percentages of Transactions and Method used

Mary relies mainly on electronic fund transfers for her transactions (51%), followed closely by use of her debit card for 43% of her transactions. Her cash transactions are minimal.

Figure 5. Method of Transactions



Financial Diaries Participant: Fernanda

Summary

Fernanda is a married woman in her late thirties. She and her husband are recent newcomers from Brazil. Fernanda was not formally employed during her involvement in the Financial Diaries Project; however, her husband was employed full-time in the retail sector. Fernanda therefore participated as the respondent representing her household and the diary which she shared was for both her partner and herself. Fernanda came into the project with prior accounting skills, and was responsible for tracking the finances in her household.

Diaries Project

Fernanda began participating in the Financial Diaries Project in April 2018 and participated for 52 weeks. She had learned about the project from a local tax clinic. Fernanda's finances did not change significantly during the diary process; however, she shared that she prefers the diary process of tracking her finances to her previous method. She now tracks her finances every week rather than at the end of the month.

Socio-demographic

Fernanda travelled from Brazil to Canada on a student visa in 2016. She and her partner live alone in a private rental accommodation. Fernanda was in the process of applying for permanent resident status in Canada during her time with the Financial Diaries Project. Fernanda did not have the necessary immigration status for formal employment at the time of the project, however her partner worked a retail position and together they worked several cleaning jobs.

Financial Practices

During her year with the Financial Diaries Project, Fernanda's annual household income was just under \$25,000. Fernanda and her partner regularly use their credit card for transactions and sometimes uses her credit card to pay for rent. They also spend significant amounts on leisure activities such as dining out. While Fernanda and her partner frequently charge purchases to their credit card, they tend not carry credit card debt. Instead, they usually pay towards the balance in several small increments throughout the month.

Fernanda would save her honorarium for special occasions. She also saves small amounts of cash at home, which she utilizes to offset small expenditures. Her current financial goal is to save for her immigration and residency documents, which she estimates will cost approximately \$2,000.

Assets & Liabilities: Start and Finish of the Diaries Project

Fernanda has one checking account and one savings account. Her main assets were the contents of her home. Her net assets dropped slightly through the diary period as her \$1,500 savings were used up (Table 1).

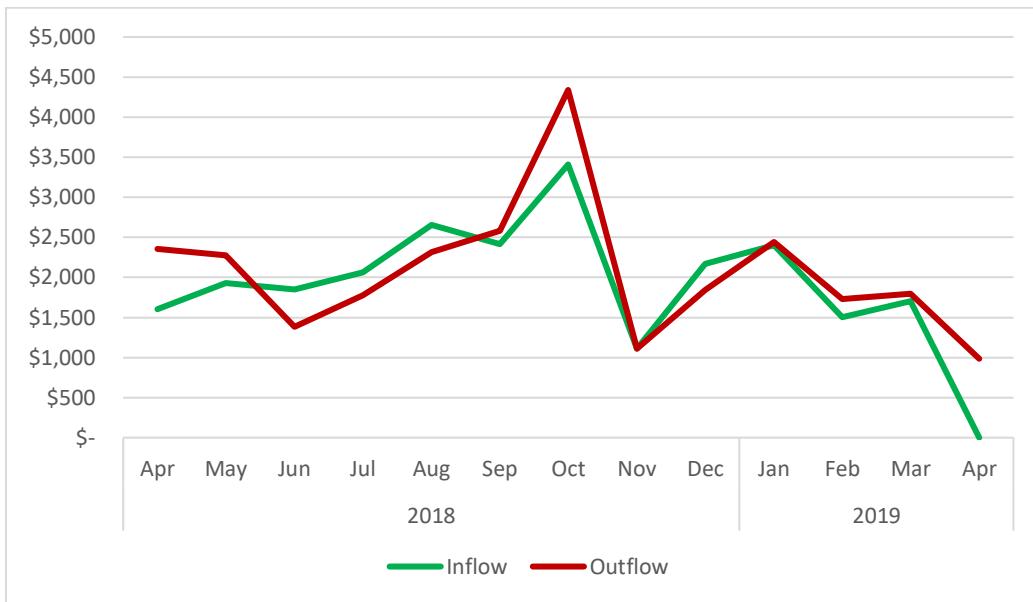
Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
House contents	7580	7580
Chequing	109	36
Savings	1500	0
Financial Sub-total	1609	36

Income and Spending Patterns

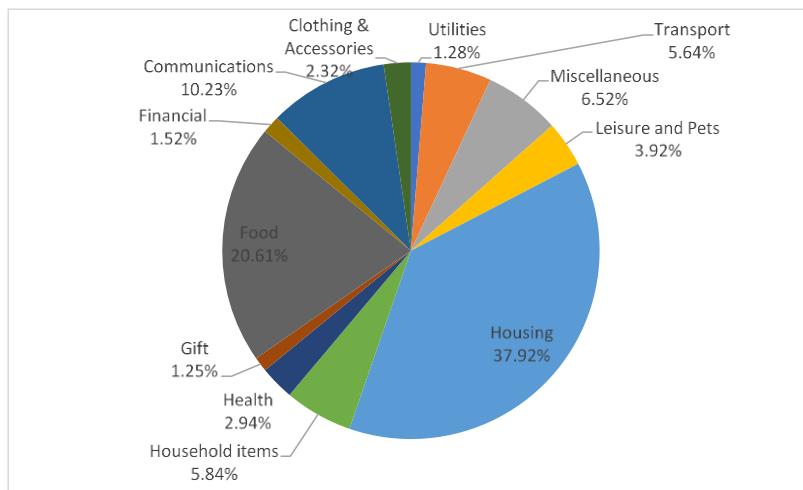
The family's income and spending follow one another quite closely over the diaries period (Figure 1). The spike in outflows in October was due to the cost of filing applications for residency status. Fernanda spent \$1,000 in the application itself. In addition, there was a visa renewal for \$200 and an application for Fernanda's work permit cost her \$355. She spent an additional \$200 resubmitting for the work permit after the first application was denied. The costly process of applying for a work permit is a barrier to both employment and income. These costs place an added burden on new immigrants, especially for a household living on a single fixed income.

Figure 1. Income and Spending by Month (includes credit transactions and repayments)



Fernanda and her husband prioritise basic needs including housing (rent), food, and communications (Figure 2). Their rent costs are high and they receive no Rent Assist. Fernanda's household expenditure on communication (mobile phone and internet access) is significant, and accounts for about 10% of her total outflows.

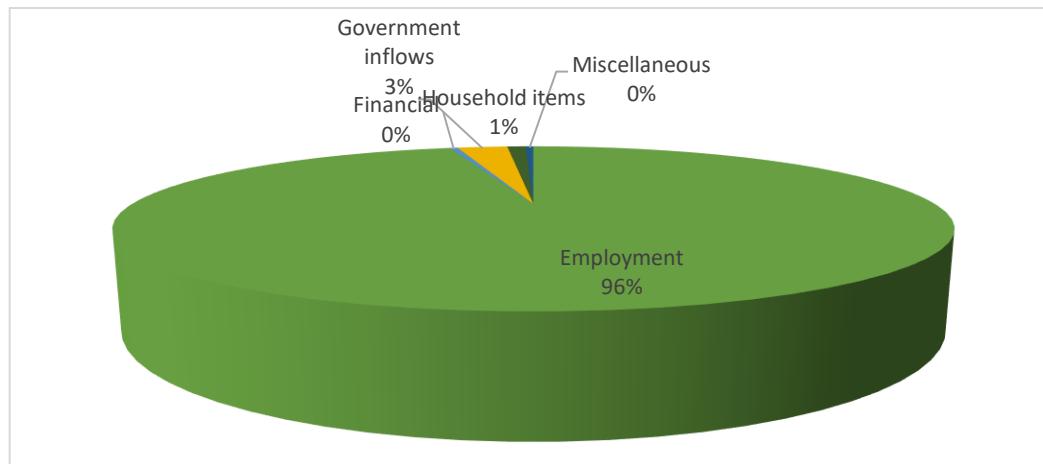
Figure 2. Allocation of Spending



Fernanda also purchased a new phone last year. Since Fernanda is a newcomer, some of her expenses are related to immigration applications. Costs for filing for permanent resident status, getting photos for application forms, and other immigration fees amounted to no less than 6% of her total expenses.

Fernanda's main source of income is her partner's employment income and the money earned from casual labour in the informal economy (Figure 3). Her partner has a full-time salaried job that contributes to around 83% of the total household income. Fernanda contributes by working alongside her partner in his second job providing cleaning services. She also made some money by selling an old mobile phone and appliances online, as well as for her participation in the Financial Diaries Project.

Figure 3. Sources of Income



Spending Methods

Fernanda uses electronic fund transfer most often, for about 35% of her transactions. Fernanda's partner receives his salary via direct deposit into their bank account. Because she uses personal cheques to pay for her rent, this method accounts for 25% of Fernanda's transactions. Fernanda uses her credit card (20% of transactions) more often than her debit card, and she very seldom uses cash. Fernanda also pays for her credit card online, and items such as movie tickets are also often obtained via an online purchase.

Figure 4. Method of Transactions

