Canadian Financial Diaries Research Project

FinancialDiaries.ca

The Finances of Full-Time Employed Participants

with Canadian Financial Diaries Research Project, Phase One Participants

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Introduction

The Canadian Financial Diaries Research Project is a multi-year research project which looks at the financial lives of low- and modest-middle income households in Canada. Phase One of the Canadian Financial Diaries focused on twenty-nine participants who met regularly with researchers to share about their finances. Participants were asked to record their financial inflows and outflows on a weekly basis. Researchers and participants then met regularly in person to record these quantitative data and to hear about their financial decision-making. Qualitative data about these decisions, as well as about participants' financial values, experiences, and well-being were also gathered during these meetings, as well as during interviews where participants discussed their understanding of financial literacy, financial wellbeing, and their impressions about the project.

This summary is the third in a series describing the financial health of low- and modest-middle income participants involved in the Canadian Financial Diaries Research Project. The seven participants in this summary were selected because they were all employed full-time. This summary aims to highlight for the reader the participants' financial values and practices, and to offer insights into participants' financial wellbeing, including any barriers or opportunities which might impact their financial health or inform their financial decisions.

The information included in this report is based on quantitative and qualitative data from participants' financial diaries and from interview logs. An intentional effort has been made to distinguish between the voices of the participants, the researchers, and the writer, and to present accurate stories while attempting to remain aware of any personal bias. The Financial Diaries Team has assigned a pseudonym to each participant to maintain anonymity. In some cases, the data in a summary reflects only one individual, while in others the data is reflective of the participant's entire household.

Some Insights from this group of participants

The state of these participants finances varied including some younger participants with few assets and just one middle aged participant with more assets. In terms of lining up income and spending, and saving for the future, most participants were doing well. Tyler was quite exceptional in his ability to save, even with a modest paying job. Along with Helena and Kira, these 3 participants stand out in terms of finances by principal, as distinct from *homo economicus*, the economic human. They all had modest jobs, were frugal with their spending, and seemed to pursue quality of life over quantity. Aretta, Eniola, and Roya were newcomers to Canada and were upwardly mobile in pursuing higher education, professional careers, and Canadian citizenship in the case of Aretta and Eniola. Other insights include,

- Participants in this group with more modest income spend most of their income on basic needs including food, housing, and clothing.
- Most participants tracked their spending, if less formerly, before joining the diaries project. And often they did it more comprehensively during the diaries process and said that they learned more about their finances in doing that. It suggests that when people are motivated to track their spending that there is something to be learned. Some participants, for instance, Perlah, struggled with the tracking, so that for some it was not as meaningful or helpful as for others.
- These participants, as compared with the precariously employed or unemployed participants, had one or more credit cards. It was very interesting to see how people managed them. Most of these participants were very careful to not carry a balance from month to month to avoid incurring interest charges. They would pay their credit card off on a regular basis in some cases after every transaction in other cases every day or week.

Many of the participants pointed to the ability to spend wisely and avoid debt as being key factors of financial wellbeing. Most were budgeting very informally before their participation in the project, however they shared with researchers about very intentional and value-driven financial practices such as intentional saving towards specific goals, minimalism, prioritizing bills, and debt repayment. These values were reflected in their income and spending patterns. Several participants noted that participating in the Canadian Financial Diaries Project provided them with increased clarity and awareness of their spending behaviours.

One common theme arising from the participants' responses in this interview was the importance of saving. Whether the participant first set aside savings before spending or saved only what was left after the bills were paid, whether they purchased investment products or whether they practiced frugality, minimalism, or creativity in budgeting and paying bills, most participants placed a high value and priority on accumulating savings. For many, savings functioned as a financial buffer against unforeseen or larger than usual expenses. For one, however, saving was simply an intrinsic value; he saved because he had learned to be saver, regardless of income.

Financial Diaries Participant: Roya

Summary

Roya is a young, single newcomer in her mid-twenties. At the beginning of the project, Roya was working two jobs, one as a full-time unionized contract worker for a crown corporation and the other as a part-time retail employee. Roya shared with researchers that some of her longer-term financial goals were to save money to buy a condo and a car, as well as to pay for her education. Her short-term goal was to improve her financial wellbeing.

Diaries Project

Roya learned about the Financial Diaries Project from a local tax clinic. She began in in May 2018 and participated for fifty-two weeks. For Roya, financial wellbeing means paying off her credit cards and becoming a wiser spender to be able to save towards her goals without undue hardship. Roya shared that she felt that improving her financial wellbeing would require that she trim her spending, strengthen her saving habits, and continue her education:

> I know that I have to learn how to spend money and how to save money better. And then after that like I'm going back to school. So, like with my master's degree, I would like to get a better job, higher pay, so I would be able to um, I guess get out of this debt that, that I am right now faster and easier.

She told researchers that she had been tracking her monthly expenses for years using colour-coded excel tables and charts, however found automatic debits (expenses automatically applied to her account) and other unexpected costs would throw off her budget. According to Roya, her previous method of tracking finances had been helpful for her to gain awareness of her overall spending but was not detailed enough to allow her to analyze her spending habits. She said that participating in the diaries project has made her more aware of (and better able to track) the details of her spending. As she explained, “When you see something one-by-one, it's easier to analyze it and know how you spend; why you spend on that. But when you have this [monthly spending] as a whole, it's a little bit more difficult to analyze it or like even change it.” In her exit interview, Roya acknowledged to having been a “shopaholic”, but that she now spends less and saves more.

Sociodemographic

Roya describes her cultural background as Persian. She is a first generation Canadian, having moved to Canada from Iran in 2015 with her parents. When Roya began participating in the Financial Diaries Project, she was working two jobs and had plans to continue with her education. She is single and lives with her parents and extended family (her parents, aunt, and nephew).

Roya has a Bachelor of Architecture and considerable internet and communication technology (ICT) knowledge. She owns a smart phone and has access to the internet at home. Roya plans to pursue a Master's in Architecture and Interior Design, and her financial goals are to own a condo and a car and to continue her education.

Roya shared with researchers (as have other newcomer participants) that she faces barriers to financial improvement because of her immigration status. As part of her immigration process, Roya needed to send a set of fingerprints to Iran so that her criminal record check could be sent to Canada. Within one two-week diary period alone, she spent just over 100 USD and 130 CAD on documentation for obtaining Canadian citizenship. The final citizenship fee is an additional $630 (over and above the cost of fingerprinting and ordering documentation).

As a newcomer, Roya also faces other hurdles. Her Bachelor of Architecture degree was earned in Iran and she wants to pursue a Master's in Architecture and Interior Design. When she applied for her master's program in the past, she was not accepted based on her grade point average. She now needed to take an English language accreditation exam to submit her application, however she had difficulty finding an available test date before the application date. The cost of these tests is in addition to the $100 cost of an applications to the master's program.

Financial Practices

Roya's annual income at the start of the project was $42,000 per year. She was working two jobs, one of which was full-time unionized, with the flexibility to move to part-time work once she goes back to school. Roya lives at home with her parents, which helps her to minimize her costs. She does not have to pay for rent, groceries, or any utilities other than half of the internet bill ($35 monthly). She pays for her personal phone bill, personal groceries, gifts, books, and salon expenses. She also pays for her car loan, parking, gas, and insurance.

Roya regularly lends money to her parents. Regarding these loans, Roya says "you can kind of consider them as savings, as I'm getting them back". She also contributes minimally to the support of her aunt and nephew, who also live in the household.

Roya told researchers that she learned about financial management from her family and from online videos. She was saving towards a down payment for a condominium, however, she was only able to save a fraction of it during the diary year ($7,000 out of her goal of $15,000). She also took out a loan for a new car during the project, later expressing to researchers that purchasing a used car may have been a better choice for her.

Roya uses three credit cards with different points rewards systems. She purchases gas with a card which earns points towards grocery purchases and uses an employee discount at the retail store where she works. She tracks her credit card purchases on her phone app. Roya told researchers that at first, she had not understood about how the interest on her credit cards worked. "I didn't know at the moment that I should pay more than like minimum payments that they asked, and I didn't do that, and they charged me with interest. And after that I learned to like pay it like on time and pay the full amount."

Assets & Liabilities: Start and Finish of the Diaries Project

Roya has one checking account, one regular savings account, a tax-free savings account (TFSA), and three credit cards (Table 1). She also owns household items valued at $700; her parents own household items valued at $15,000. At the beginning of the project, Roya carried unpaid balances on her credit cards ($17,500). She also owed a small amount to the Canadian Revenue Agency (CRA), a small sum to a friend, and $1800 to a family member.

At the end of the project, Roya owed $2,8000 to a family member, but was also owed $8000 by a family member. During the project, Roya had taken a loan to buy a car, for which she still owed just under $12,000. Roya's net assets became less negative through the diary period from approximately $5,251.

Table 1. Start and Finish Financial Assets and Liabilities

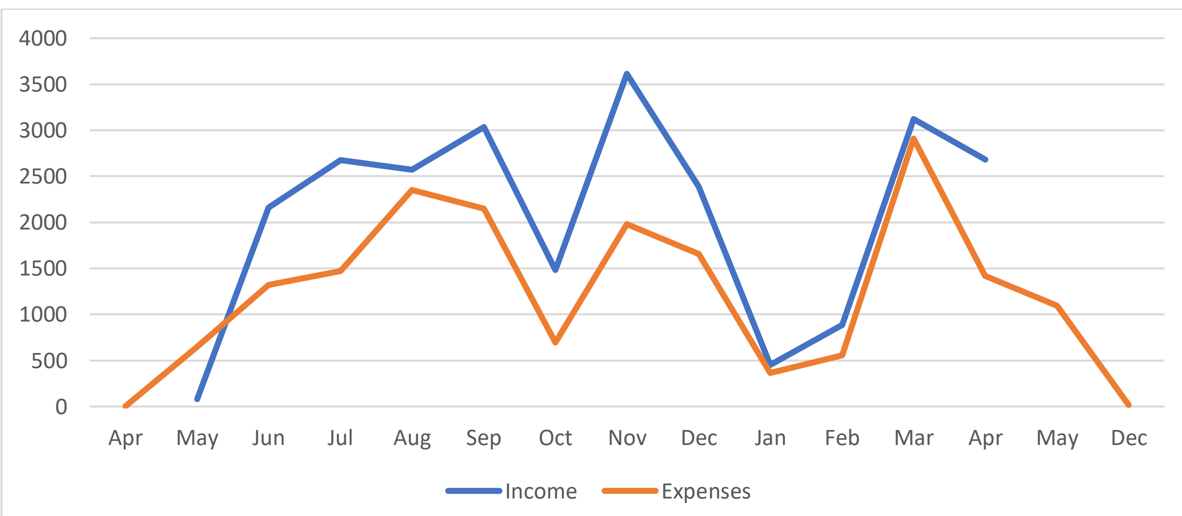
	Start	Finish
House contents (participant)	700	700
Vehicles	25,000	25,000
Checking	973	152
Savings	35	9
TFSA	355	7,400
Money owed from family	58	8,000

Credit card balances	-17,500	31,000
Car loan	-25,000	-11,880
CRA	-370	
Money owed to family	-1,800	-2,800
Total	-9,670	-4,419

Income and Spending Patterns

Roya's spending patterns reveal her spending and income correlate quite well and that her spending generally does not exceed her income (Figure 1). The spike in outflow in August was because she went on vacation and spent on eating out. The dip in October's income was the result of lower earnings during a union strike. The spike in income in November was due to extra income from Roya's second job working in retail. The dip in January was because of lower earnings from employment, as Roya was only working part time then. An income spike in March was accompanied by higher expenditures on insurance and auto maintenance.

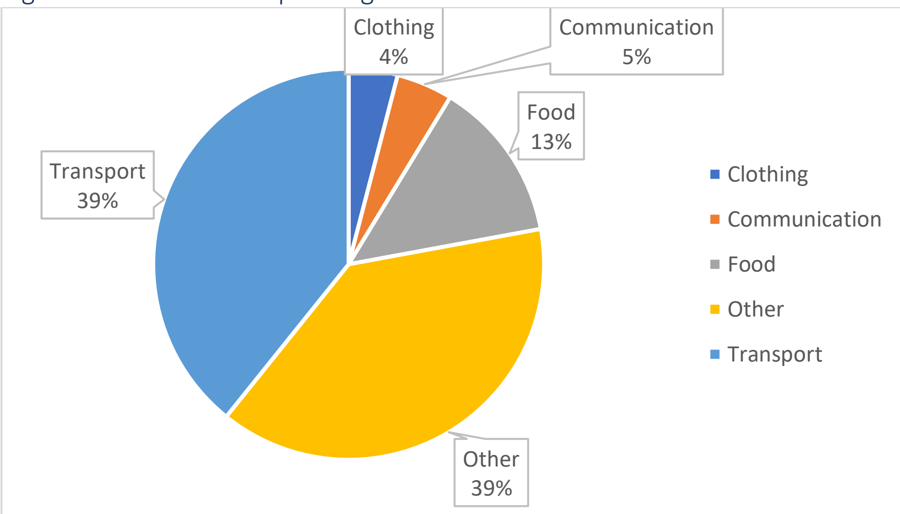
Figure 1. Income and Spending by Month



Roya spends the most on transportation costs such as car insurance, gasoline, and car payments (Figure 2). The next highest category of spending is on 'other,' including financial fees, household items, and health spending. The third highest category is food; this is spending on eating out, not groceries, as

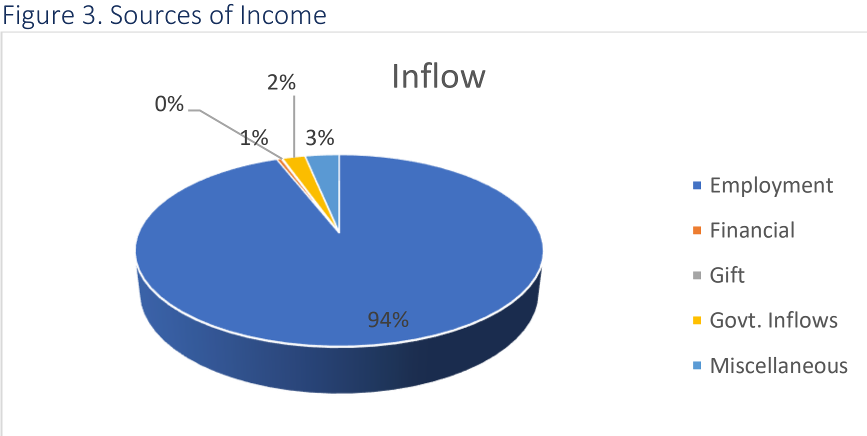
Roya's parents pay for the groceries for the household. Communications and clothing are smaller elements of her spending.

Figure 2. Allocation of Spending



Roya's main source of income is from employment (94%) (Figure 3). This is from both employment income and research incentives. Miscellaneous income is the interest the participant gets from savings. She receives 3% from the miscellaneous category. The financial category is only made up of intra-household transactions (1%).

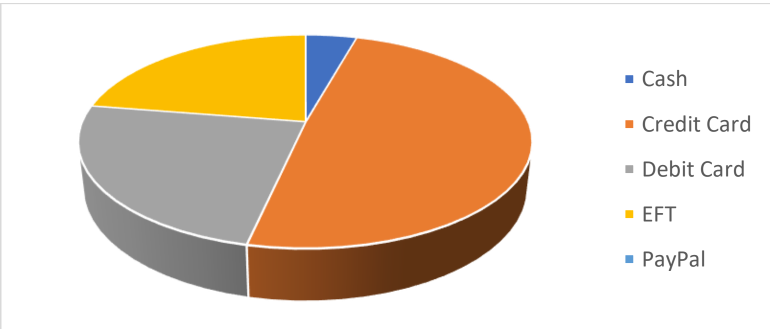
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Roya makes 49% of her transactions using credit cards (Figure 4). She also frequently uses her debit card (24%) and electronic funds transfer (EFT) (22%). Roya rarely uses cash.

Figure 4. Method of Transactions



Financial Diaries Participant: Perlah

Summary

Perlah is a first generation Canadian in her late thirties. She came to Canada from the Philippines in 2006. Perlah works full-time at a local financial institution, and her financial goals are to pay off her debt, including the family's mortgage, after which she feels she could begin to save for retirement. This diary focuses mostly on the finances of Perlah and her son, as her husband declined to participate.

Diaries Project

Perlah joined the Financial Diaries Project in October 2018 and participated for twenty-one weeks. She learned about the project at her workplace. Perlah told researchers that she felt mostly confident about certain aspect of her finances, such as managing her bills, but that she was less assured about her spending.

Prior to her participation in the project, Perlah was not tracking her finances in detail. Instead, Perlah's goal was to regularly pay her bills. Her method was to record her bills and her plan for debt repayment informally on a notepad and only spending what was left after the bills had been paid.

Perlah affirmed that she had found the the diary process "hard", saying, "I have to know where the money goes and it's hard to track. That's my weakness, spending the money without thinking. I just have $100 one day and then it is gone, and I don't know how I spent it." Perlah indicated that she will continue to track her finances after the project, but likely not in as detailed a manner.

Perlah's definition of financial wellbeing includes having enough savings to be able to meet one's financial obligations for a year without borrowing from others, despite potential disruptions such as a job loss. Perlah shared that another aspect of financial wellbeing was to avoid unnecessary debt: "For me, having a financial wellbeing is a person who has no debt at all, like mortgage has been paid. Someone who can have their needs met rather than their wants. Not necessarily having to work seven days a week."

Sociodemographic

Perlah describes her cultural background as Filipina/Asian. She works full-time, and is the main caregiver for her son, who lives with autism. Her husband was also working full-time at the start of the Financial

Diaries Project. The household experienced financial pressures after Perlah's husband was laid off from work in January.

Perlah has some post-secondary education and her husband has a Master of Business Administration (MBA). She and her family live in a private house, for which they are still paying-off the mortgage. She owns a smartphone and has access to internet at home. Perlah and her family have a strong network of family and friends within the Filipino Canadian community.

Financial Practices

At the start of the project, the annual income for Perlah's household was approximately $90,000. Although this is a household diary, the data reflect mostly Perlah's financial transactions. Perlah is employed at a local financial institution where she has worked full-time for several years, and she shared with researchers that she felt that her employment situation was stable. Her husband, however, lost his job in January. He eventually gained employment in another position, however, due to a pay-out from his previous workplace, he was not eligible for Employment Insurance (EI) during the unemployed period. This created extra financial pressure for the household, and Perlah was unable to continue to participate for the full fifty-two-week diary period.

Although Perlah's parents had also moved to Canada in 2006, they have since moved back to the Philippines. Perlah took out a loan to help them move and is currently paying off this loan, in the form of a balance on her credit card.

Perlah is an intentional saver. She told researchers that she plans for Christmas spending in advance, saving $25 per pay cheque bi-weekly for six months to mitigate higher expenditures in that season. Perlah also shifted funds back and forth as a strategy for paying off her credit card balances. She transferred her balance from a higher interest card (9%) onto a low-interest card (0.99%) and worked actively to pay it off, a goal which she accomplished during her time with the project.

Perlah shared that she had learned about finances from her parents. She told researchers that her parents have experienced many financial ups and downs, ranging from loss and insolvency to the ownership of many properties. She explained that the uncertainty she experienced growing up reinforced her belief that she needed to be prepared to adapt to circumstances. Perlah has developed (as it appears to the Financial Diaries Team) a level of flexibility and resilience when it comes to navigating fluctuations in her finances.

Assets & Liabilities: Start and Finish of the Diaries Project

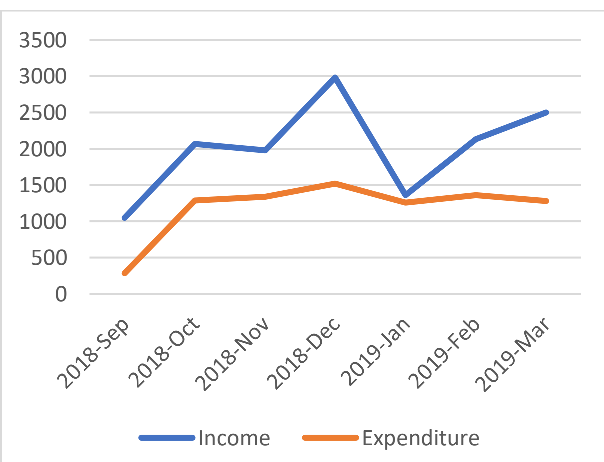
Perlah did not share with us her asset-liability situation at the start of the diary but she did at the end. She estimated a total of $138,850, by far the highest net assets of any diary participant.

- Equity in home $65,000
- Used sales value of home furnishings $12,600
- Used sales value of personal effects $2,000
- Used sales value of car $12,000
- Balance in bank accounts $6,300
- RRSPs $500
- Value of pension funds $40,000
- Credit card balance $1,100
- Line of credit balance $5,450
- Net assets $138,850.

Income and Spending Patterns

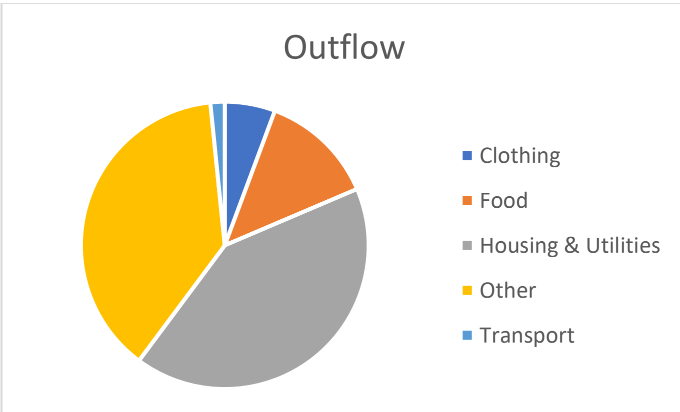
Perlah's main source of income was derived from employment (Figure 1). The spike in December was due to that month having three employment pay periods instead of two in other months. The dip in income January was conversely because there was one pay-period instead of two. There was subsequently a corresponding dip in spending as the household adjusted to the lower income. Spending was very even except September, as it was a partial month.

Figure 1. Income and Spending by Month



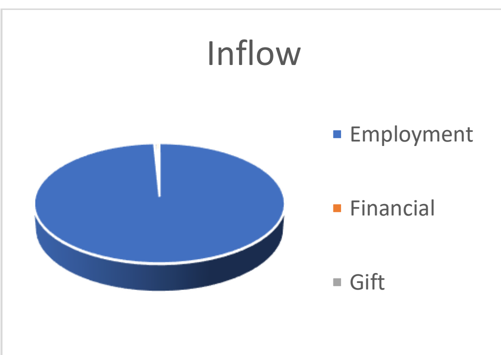
Perlah spends the most on housing and other (particularly household items and financial fees) (Figure 2). As a homeowner, Perlah prioritizes mortgage payments. Spending on these categories is followed by food expenses.

Figure 2. Allocation of Spending



Perlah's main source of income is from employment (Figure 3). This category constitutes 99% of her income.

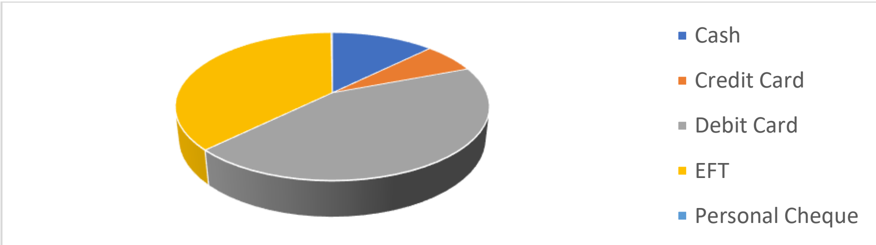
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Perlah mostly uses debit (43%) and electronic funds transfer (EFT) (37%) for her financial transactions (Figure 4). She rarely uses credit cards (7%).

Figure 4. Method of Transactions



Financial Diaries Participant: Helena

Summary

Helena is in her mid-thirties. Seasonally employed, she earns a middle-income salary in a seasonal job of approximately $17,000 per year. According to Helena, her financial decisions are guided by her values. In speaking with researchers, she equated financial wellbeing to financial stability, and questioned whether increased income for the purpose of increased consumption was necessary. She shared with the Financial Diaries Team that although she is an informal budgeter, mentally tracking her expenses, she is very intentional in her financial practices and particularly cautious about avoiding debt.

Diaries Project

Helena joined the Financial Diaries Project in fall of 2018 and participated for fifty-two weeks. She learned about the project from a friend. Helena's inflows and outflows seemed (to the Financial Diaries Team) to be diligently recorded.

According to Helena, being able to meet one's financial obligations (pay the bills) and being able to save some income are indicators of financial wellbeing. She shared that she did not have specific plans for investment or retirement but shared with researchers that property ownership seemed to her to be a wise investment. When asked about what might improve her financial wellbeing, Helena questioned whether increased income was necessarily a component of financial wellbeing. "I am trying to decide if improving is actually having more money or if it's just wanting less stuff".

Sociodemographic

Helena describes her primary cultural background as Mennonite. She is single and lives alone, renting a private space in a shared household. She works seasonally with a gross yearly income of $17,000, and supplements this with part-time work and Employment Insurance (EI) in the off-season. Helena owns a laptop and has access to internet at home; however, she does not own a cell phone and prefers email communication.

From what Helena shared with researchers, she appears to have strong connections with her family and her community. Some of the benefits of this social network were the shared use of a donated vehicle and a large cash gift of $2,000 from friends. She was also able to find her current living space (an affordable private space within the home of family friends) via her social connections.

Financial Practices

Helena shared with the Financial Diaries Team that she chooses to live according to her values, prioritizing meaningful work over full-time or well-paying work and purchasing products that are good for the environment. She also shared that she often chooses to repair items over buying new. Helena practices various forms of sharing, ranging from shared meals and transportation to cooperative economic practices, such as car sharing and bulk-buying with friends.

When asked about her financial literacy, Helena expressed to researchers that she felt some hesitation about the subjects of investments and credit; she felt overwhelmed by the prospect of learning about various financial products.

Helena had a student loan in the past but paid it immediately to avoid interest. Some of her future financial goals are to continue her education, buy a house, and practice her art. For these reasons, Helena felt she needed to begin building a credit score and therefore only recently obtained her first credit card. She shared with the Financial Diaries Team that she remains uncomfortable using this credit card.

Assets & Liabilities: Start and Finish of the Diaries Project

Helena's total net assets increased slightly through the diary period (Table 1). She began her participation in the Financial Diaries Project with one chequing account, one savings account, and a tax-free savings account (TFSA). At the beginning of the project, Helena owned various household items, sports equipment valued at $600, and a small inventory of ceramic crafts for sale (estimated to be less than $500). By the end of the project, her chequing balance remained unchanged, however her savings –in her savings account and TFSA-- increased significantly (from approximately $17,000 to 21,000) and she had only a small sum owing on her credit card ($120).

Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
House contents	4,080	4,080
Chequing	7,080	7,080
Savings	6,065	8,065
TFSA	11,139	13,139
Vehicle	300	300

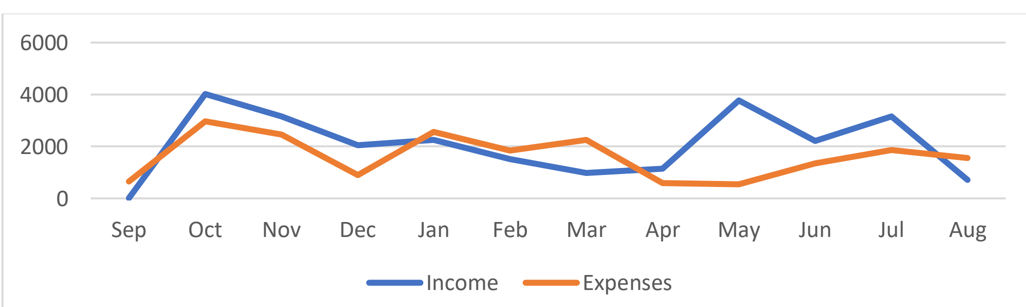
Credit card	120	120
Fin sub-total	24248	28,284

Income and Spending Patterns

Helena's income and spending track one another from September through April but diverge somewhat from May through August (Figure 1). The spike in income in October was due to the receipt of a tax refund of approximately $2,200. This was followed by a significant spike in expenditures (including an airline ticket, leisure equipment, footwear, and gasoline). Due to being seasonally employed, Helena anticipated her expected job loss in the subsequent months. During the off-season, her income dips when she is collecting Employment Insurance (EI) and working only casual jobs. She used money from the tax return to purchases things while her income was high. The higher income from May to August 2019 was due to Helena resuming her seasonal employment. During this time, she also received just under $1,600 from a tax refund and nearly $600 in gifts from family and friends.

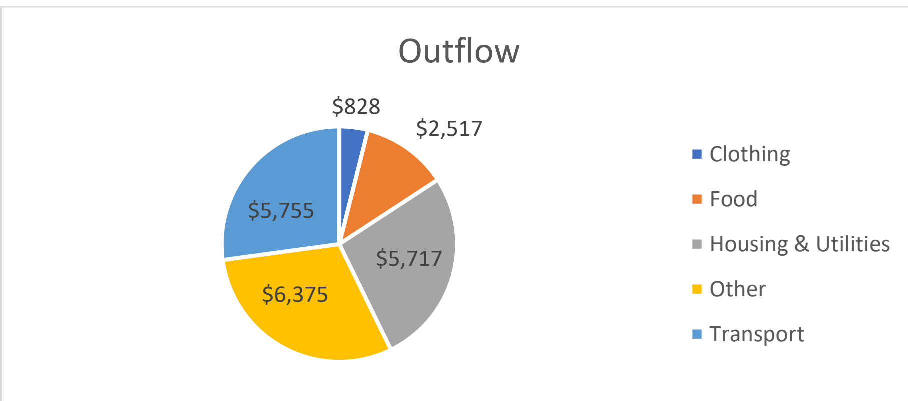
Helena predominantly spends less than her income. From October to December 2018, as well as from April to July 2019, her income exceeded her expenditures, but from January to March 2019 her expenditures were significantly higher than income. In January and February, Helena increased her expenses on food and clothes and donated $500 to charity. In March, Helena's income from employment was much lower compared to the other months, even though it was supplemented with Employment Insurance, which meant that she needed to draw from savings to meet her expenses for that month.

Figure 1. Income and Spending by Month



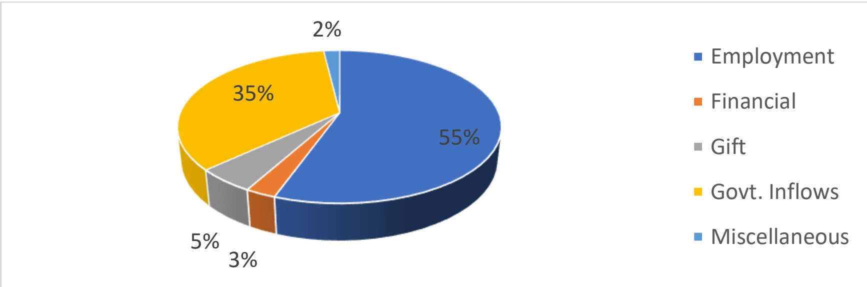
In terms of her expenditure, Helena spends the most on 'other' (especially educational fees, gifts, and household items) and housing and (Figure 2). Helena spent about $5,700 for housing during this period. She rents a room with an on-suite bathroom and shared kitchen in a home which she shares with a couple who are family friends. The next largest cost is transportation. She shares the cost of running a vehicle to which she has access but does not own. She drives a substantial distance to and from her part-time job and had some extra auto repair bills in the spring. Helena also purchased an airline ticket for just over $2,500 during her diary period, which contributed significantly to her transportation expenses. All other transport expenses are bicycle expenses. Helena's expenses on food are comparatively low, at approximately $2,500. Helena is a strict vegetarian and does not purchase restaurant food. She also shares bulk food purchases with a friend and receives numerous invitations for meals with family or friends.

Figure 2. Allocation of Spending



Helena's main source of income, seasonal and part-time employment, constituted about 55% of her total income (Figure 3). This was supplemented by income in the form of Employment Insurance (EI), amounting to 35% of total income, as well as tax refunds during the diary period. The EI was received after Helena was laid off from her seasonal job and was only casually employed (December to April 2019). She made only a nominal income from selling her own ceramic art, her part-time job, which she shared with researchers was intended only as a hobby. She also regularly received (and gave, under expenses) gifts and in-kind transactions from family and friends.

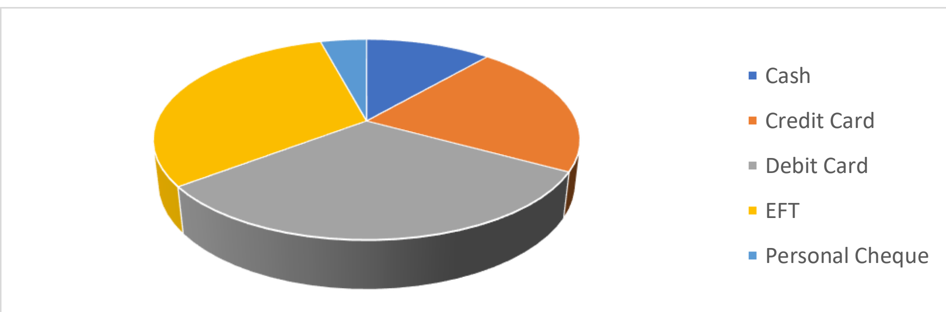
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Helena uses debit for 32% of her financial transactions (Figure 4). Her remaining transactions are quite diverse: electric funds transfer (EFT) for 31% of her transactions, credit for 22% of her transactions, and 15% of transactions using cash.

Figure 4. Method of Transactions



Financial Diaries Participant: Eniola

Summary

Eniola came to Canada is an international student from Nigeria and, during the diaries process, she was working to gain full time employment and permanently stay here. She was working two jobs at the beginning of the Financial Diaries Project and eventually gained a permanent and professional full-time job in a small community in Manitoba. Both her employment income and net assets improved during her participation in this project.

Diaries Project

Eniola joined the Financial Diaries Project in 2018 and participated for fifty-two weeks. She was referred to the project by a colleague at her workplace. A change in employment shortly into the project time limited her participation. Eniola shared with the Financial Diaries Team that although she had not made any changes to her financial management since starting the project, she had become more aware of her spending. She felt that her own participation in the project had been beneficial and would recommend it to other people.

Sociodemographic

Eniola describes her cultural background as Nigerian. A young woman in her early twenties, Eniola was initially a visiting student, however she shared that she was working towards becoming a permanent resident so that she could live and work in Canada. When she began participating in the project, Eniola was working two jobs at separate agencies. She worked a full-time position and an additional part-time position as a disability support worker but was earning only a low to middle-income wage. Eniola was soon hired to a professional position which boosted her income.

Eniola is single and has no children. She lives alone in private rental accommodations. She owns a smart phone and has access to the internet at home. She contributes financially to her community and lends to family and friends. Her means allow her to travel to maintain international family connections.

Financial Practices

At beginning of the Financial Diaries Project, Eniola was working more than full-time hours. Her last year's income was just over $14,000, however her income increased during her time in the Diaries Project, to just under $45,000 per year.

Eniola prioritises saving. Using a system of mental budgeting, she first removes savings from her pay leaving the remainder available for spending. She often leaves her credit cards/debit card at home to prevent the temptation to spend spontaneously. She regularly transfers money from her bank account to credit card, sometimes on a daily or even transaction basis. Eniola provides financial support to extended family members, however she shared with researchers that she never borrows money, as she has no need to do so.

Assets & Liabilities: Start and Finish of the Diaries Project

Eniola began her diary year with a checking account, a savings account, one credit card, and a tax-free savings account (TFSA) (Table 1). Eniola's assets also included some household items and a vehicle (valued at around $9,000). Eniola managed to contribute significantly to her TFSA. Her net assets increased through the diary period by 14% (Table 1).

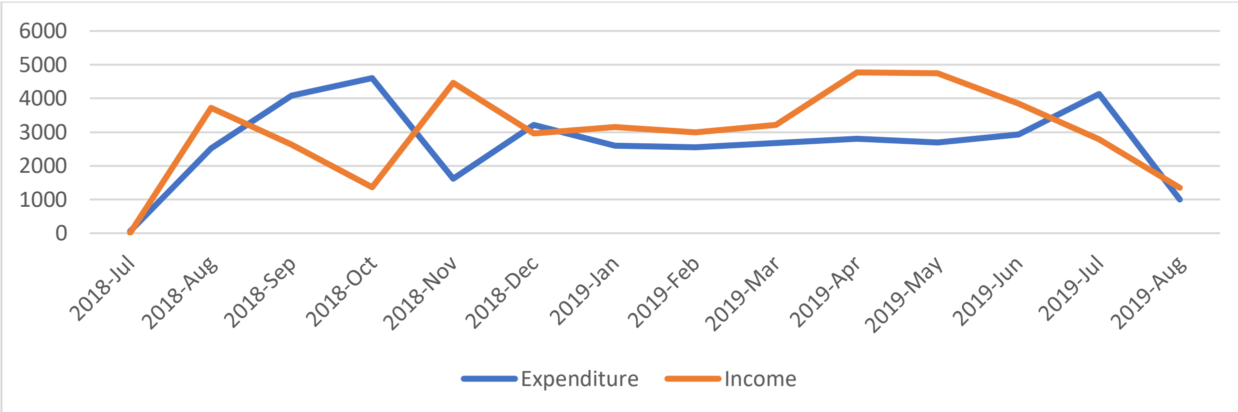
Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
Furniture & kitchen	1,240	1,240
Chequing		302
Savings	9,335	3093
TFSA	0	9077
Other savings	1,500	
Total	12,075	13,712

Income and Spending Patterns

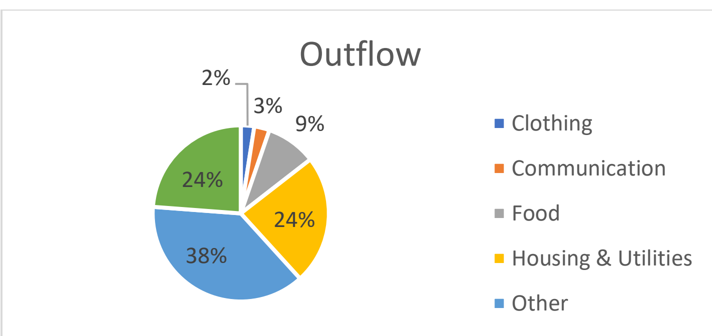
At the first part of her diary, her income and spending follow a similar spike-trough pattern, but with a one-month delay (Figure 1). Later, by December, income and spending became less variable. Spikes are often associated with 'lumpy' purchases, e.g., the spike in outflows in October was due to high expenditures on car maintenance and car insurance, as well as relocation costs. Higher Inflows from April reflect her higher salary.

Figure 1. Income and Spending by Month



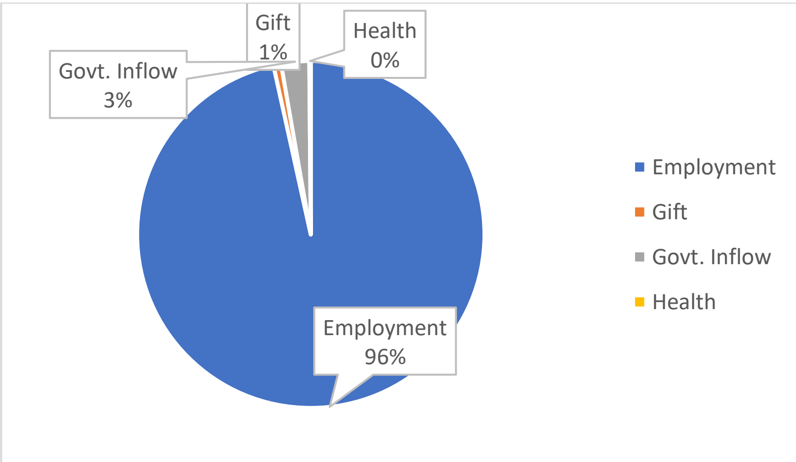
The largest category that Eniola spends on is 'other,' and this includes household items and charitable donations (Figure 2). She shared with researchers about regularly giving substantial amounts to her faith community, family, and friends. This is followed by transportation costs, which consist mainly of car maintenance and auto insurance payments. Her housing is also a major portion of her spending. The main household items that Eniola spends on are kitchen equipment, towels, and sheets. Eniola spends proportionately less on food, as her habit is to buy groceries and cook rather than purchasing prepared food from restaurants.

Figure 2. Allocation of Spending



Eniola is employed full time, and her main source of income is from employment (91%) (Figure 3). The government inflow is receiving the GST tax rebate. She is generous and she also receives a small amount of financial support from others.

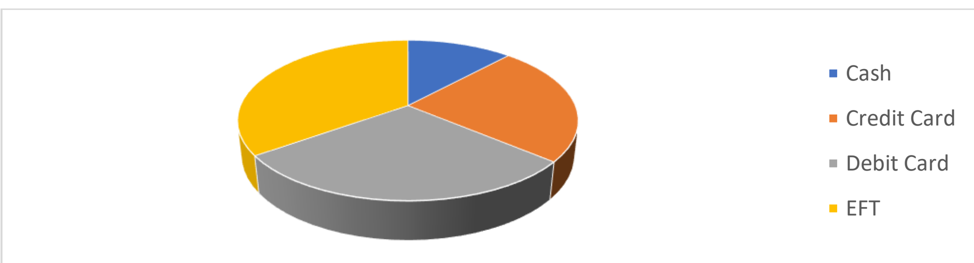
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Eniola mostly makes transactions using electronic funds transfer (EFT), which is about 35% of overall transactions (Figure 4). This is followed by debit card, which constitutes about 29% of the transactions. Eniola uses her credit card for many of transactions, however she treats her credit card like a transactions card, promptly repaying any amounts she uses. Cash transactions make up the smallest percentage of Eniola's transactions.

Figure 4. Method of Transactions



Financial Diaries Participant: Tyler

Summary

Tyler is a single male in his early thirties. At the start of the Financial Diaries Project, he was working part-time for a local non-profit as a bicycle mechanic and an educator. As the project progresses his work became full-time. Tyler described himself to researchers as someone who was by nature a saver rather than a spender. He expressed a strong preference for purchasing locally from small businesses. His financial goals during his time with the project were to save as much as possible and to express his values through his financial decisions.

Diaries Project

Tyler began participating in the Financial Diaries Project in August 2018 and participated for fifty-two weeks. He learned about the project from a local legal help centre. Tyler's diaries appeared to researchers to be consistent and thorough. He presented himself as financially knowledgeable and told researchers that he preferred to invest his savings because uninvested money loses value. Tyler also shared that both his investments and his purchases were informed by a strong aversion to the consumerism related to big retailers; he chose to make his purchases from local, family-owned, or small-scale businesses when possible. Tyler shared with researchers that he saw financial wellness as having the necessary self-control to restrain spending. He actively pursued this in his own financial life.

Tyler explained to researchers that he felt that the Financial Diaries process would be beneficial for others who are having financial difficulties in that it would help them to pinpoint where their problems lie. He even referred two other participants to the project. Tyler told researchers that he found the project interesting; he found the conversations with the Financial Diaries Team were therapeutic and that the data from the diaries served to affirm his personal conviction for his frugal practices that included such thing as dumpster diving and buying used.

Sociodemographic

Tyler describes his cultural background as Canadian. He has an undergraduate degree in Music, and at the start of the project, was working part-time for a local non-profit which promoted bicycle use and repair. Later in the project, he later began working full-time hours at this position. He shared with researchers that he enjoyed this work and would like to pursue further training in auto mechanics for his own interest at some point. Tyler also occasionally worked as a caller for auctions and square dances.

Initially, Tyler was renting a room in a house with other roommates but had to move mid-year when his landlord decided to sell the house. He has a laptop and internet at home, but no smart phone.

Financial Practices

Tyler had a history of casual employment and estimated his income for the year before joining the project at approximately $9,700 per year. However, due to increased employment, his 2018-19 rose to approximately $41,000.

Researchers observed that Tyler's financial decisions were the result of a combination of ethical conviction and pragmatic choices. Tyler shared that he had always been a saver by nature, with regards to both money and other things, and this attitude was rooted in deeply held pro-community and anti-global capitalism values.

Tyler shared with the Financial Diaries Team that he does not budget. Instead, he sees his frugality as a mechanism to enable savings. Tyler avoids the temptation to indulge in conspicuous consumption, which he notes frequently drives consumer spending. In addition, Tyler practiced many money-saving habits, such as dumpster-diving, which greatly reduced his spending even on essentials such as food. When he makes purchases, he likes to buy used, as this is more environmentally friendly and less expensive. Tyler shared that he does not have a smart phone on principal. He has the use of a borrowed car and shares the use and operating costs with a friend.

As a result, Tyler manages to save a lot of money with a limited income. He shared he always spends less then he earns but does spend close to his earnings when making large investments such as paying tuition, which he refers to as 'calculated investments'.

During the diary, he saved quite a lot of money and he would accumulate 'chunks' of money, $5,000, in his checking account and then purchase TFSAs in the form of Guaranteed Investment Certificates (GICs). Though Tyler has considered saving for a house, he has no plans to spend on a house at his time; instead, he sees his savings as a general financial buffer for unexpected expenses. Tyler actively works at building his savings and shared his investment philosophy with researchers in his financial wellbeing interview. Invested money accrues sufficient interest to keep up with inflation: uninvested savings loses value. He shared with an interviewer that he had managed to save approximately $20,000 during his year with the project.

Tyler told researchers that he is motivated to use his credit card for the points but avoids debt because he sees it as a liability both economically and spiritually. He claimed that he has never paid interest on his credit card purchases, and instead regularly pays the balance owing every thee-week period.

Assets & Liabilities: Start and Finish of the Diaries Project

Tyler's has one checking account and one savings account (Table 1). He also has additional investment products, such as Guaranteed Investment Certificates (GIC's), which he 'ladders' in 5-year terms. His net asset position improved remarkably over the course of the diaries project, by over $20,000.

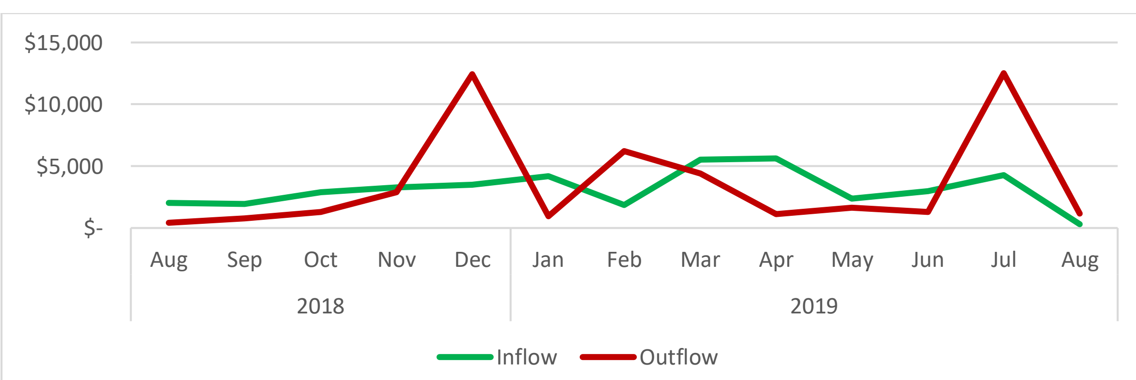
Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
Household contents	1,000	1,500
Chequing	3,079	2,391
TFSA	21,000	43,000
Total	25,079	46,891

Income and Spending Patterns

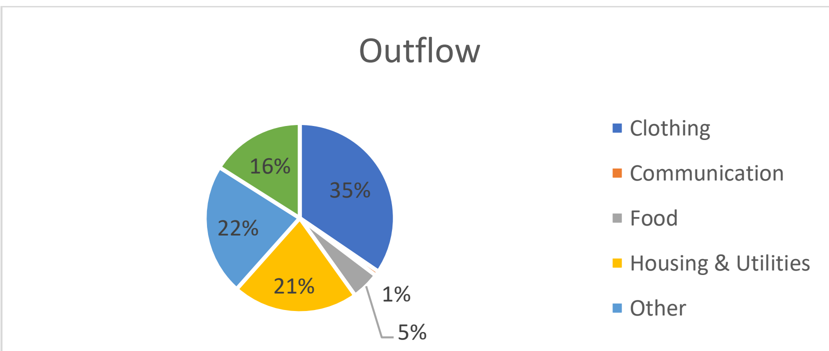
While Tyler experienced a large increase in income during his year with the project (from $9.700 to $41,000 per year) his spending patterns did not change (Figure 1). His inflows were generally higher than his outflows, except for spikes in outflows in December, February, and July. The spike in outflows in Dec is due to an investment a savings product. In February Tyler invested $4,000 into a Guaranteed Investment Certificate (GIC) for 18 months at 3%, and in July he transferred $10,000 to his savings.

Figure 1. Income and Spending by Month



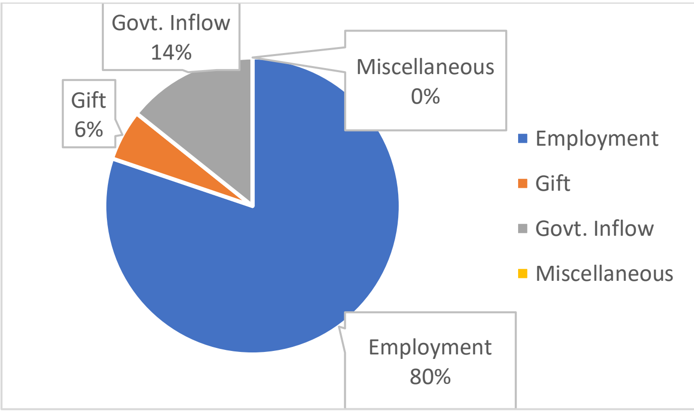
Of his limited spending, Tyler spends the most on clothing/accessories categories (Figure 2). The 'other' category includes several items including spending on leisure that includes a significant book purchase budget. His minimal spending on food can be attributed to frugal practices: shopping at liquidation stores; collecting points on credit cards which can be redeemed from groceries; shopping for items such as eggs in bulk from farmers; and dumpster-diving. Sharing a vehicle (and associated costs such as insurance and repairs) with a friend helps to keep transportation costs low. Tyler does not own a smartphone, and therefore his communications bills do not include mobile internet access.

Figure 2. Allocation of Spending



Tyler's main source of income is from employment (Figure 3). At the beginning of his time with the Financial Diaries Project, Tyler was working part-time at a bicycle repair center. His work hours at this job shifted fluctuated between part-time and full-time participation throughout the project. He supplemented this income with various part-time and occasional work: selling scrap metal; working at a fundraiser; posing as a lab model; and working as a teaching assistant. Government inflows include GST and income tax rebates.

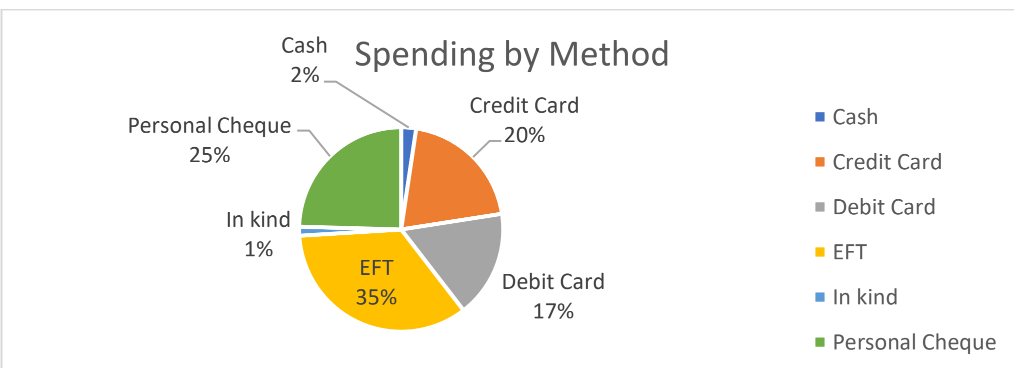
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Tyler mainly uses electronic funds transfer (EFT) for the majority (35%) of his transactions (Figure 4). This is followed closely by use of personal cheques (25%) and credit card purchases (20%), which his is careful to pay off regularly before the payment due date. Tyler makes about 17% of the transactions using a debit card and shared with researchers that he does not like to use cash because he is worried that he might lose it, or it might be stolen.

Figure 4. Method of Transactions



Financial Diaries Participant: Aretta

Summary

Aretta is in her early twenties. Originally from Nigeria, Aretta came to Canada on a student visa. She shared with the Financial Diaries Team that she plans to apply for permanent resident status so that she can continue to live and work in Canada. Her financial goals are to find professional employment and pay off her outstanding tuition and student loans.

Diaries Project

Aretta started with the Financial Diaries Project in October 2018 and participated for six weeks. She heard about the project from a friend who was already participating. Due to the pressure to work and the busy-ness of her various part-time jobs, Aretta decided she could not continue her participation in the project.

Sociodemographic

Aretta describes her cultural background as Nigerian. She first came to Canada on a student visa in 2013, and at the time of the project, she had recently completed a graduate degree. She plans to take further specialized studies in the future.

Already working several part-time semi-professional jobs at the start of the project, Aretta's goal was to find a professional position to gain permanent resident status. One requirement for permanent resident status is to be employed for one year at a profession, or 'Level B,' position. Her part-time jobs were not sufficient to meet this requirement.

As an international student, Aretta was required to pay international student tuition rates of \$15,000 to \$17,000 per year. She had borrowed the money for tuition from friends and was subsequently now working up to seventy hours per week to repay these loans. At one point, Aretta owed \$14,000, however the outstanding amount at the start of the project was \$2,500.

Aretta lives alone in a private rental apartment. Her extended family lives in Nigeria but her younger brother (nineteen) joined her in November. Aretta shared that although he is an adult, she will be somewhat responsible for guiding him through his transition in Canada, including helping him look for work and continue with his education. There are plans for her mother to join her soon as well. Aretta has access internet at home and owns smart phone.

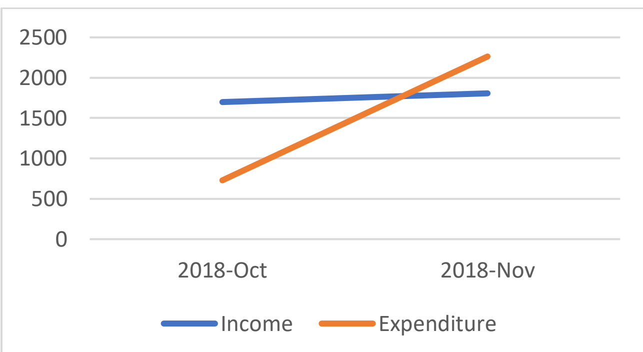
Financial Practices

Aretta shared with researchers that she likes to maintain a positive balance on her credit cards and pays them off regularly. She wants to improve her credit rating but does not want to incur debt. At the start of the Financial Diaries Project, Aretta had her savings account at one institution and her credit card through a different institution. This initially created challenges for researchers as they tried to reconcile her diary.

Income and Spending Patterns

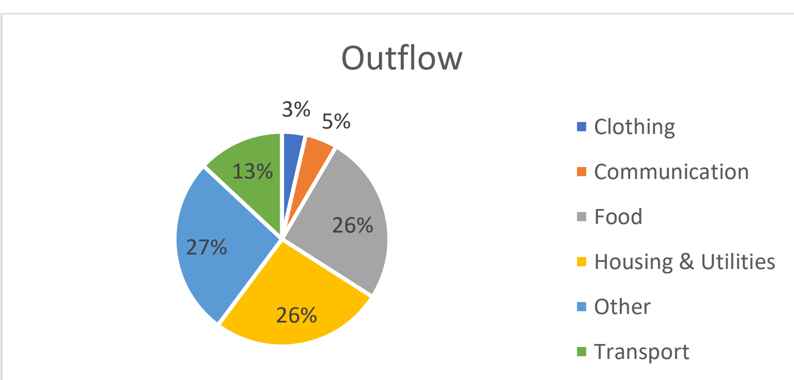
Income and spending over the two months find income higher than spending in October and the reverse in November (Figure 1).

Figure 1. Income and Spending by Month



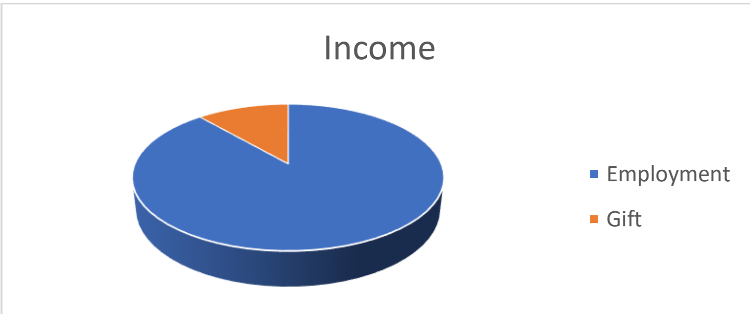
Aretta spends the most on food and housing, a pattern typical of most participants in this income bracket (Figure 2). The ‘other’ category includes household items and leisure.

Figure 2. Allocation of Spending



Aretta's main source of income is from employment (salary and research incentive) with a small amount received in the form of a gift (Figure 3).

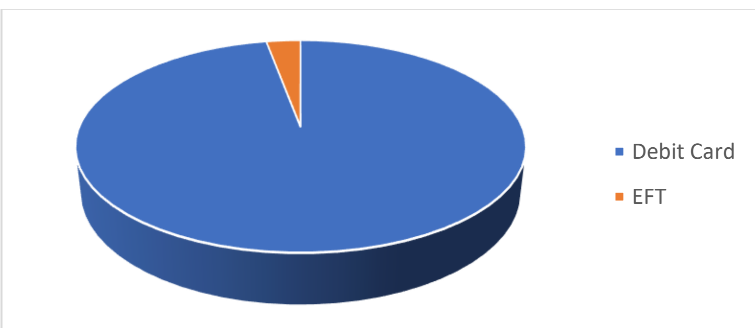
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Aretta makes 97% of her transactions using debit and only 3% via electronic fund transfer (EFT) (Figure 4). She does not tend to use cash.

Figure 4. Method of Transactions



Financial Diaries Participant: Kira

Summary

Kira is a young woman in her early thirties. She was studying in a post secondary institution and working full time in a customer service/retail position when she began her participation with the Financial Diaries Project. She shared with researchers that her current financial goal is to continue to build and maintain her savings, but that she is not presently saving for a specified purpose. Kira also shared that she felt financial literacy was important and that “a lot more time could be dedicated to making sure that kids coming out of high school understand what they're doing with their finances.”

Diaries Project

Kira started participating in the Financial Diaries Project in October 2019 and participated for fifty-two weeks. She heard about the project from a friend. Kira told researchers that she considers herself knowledgeable about finances, and that she does not feel like she has so many things going on with her finances that it is unmanageable.

Kira only began tracking her finances after returning from a recent university exchange program in Japan, when, in her words, she realized “how quickly money goes if you are not paying attention”. According to Kira, her own method of budgeting is intuitive; she simply restrains her spending to build her savings. She shared with the Financial Diaries Team, however, that she found the practice of filling out the financial tracking forms an enjoyable one. Researchers found her diaries to be comprehensive if somewhat complicated.

Kira’s definition of financial wellbeing was having an income which exceeded one’s standard of living. As Kira explained, “You always want to have a little bit of a buffer in case of like emergency situations or things that you don't expect to come up.”

Sociodemographic

Kira describes her cultural background as Russian-Mennonite. She holds two undergraduate degrees and was working full-time at a retail salesclerk position when she began her participation with the Financial Diaries Project.

Early in the project, Kira moved out of the family home and into her own apartment which was a private rented space in home of another family. She shared with researchers that she would someday like to move to a rural area. Kira disclosed that, due to being able to live with her family rent-free during her years as a post-secondary student, she was free from consumer debt. She owns a smart phone and has access to the internet.

Kira's choices appeared to researchers to be value driven. She shared with the Financial Diaries Team that she felt very committed to her church, and that she frequently attended denominational conferences and meetings. She also shared with researchers that embracing simplicity was a core spiritual value which she demonstrated with her financial choices, pointing to her conservative style of dress as one example.

During her participation in the project, Kira suffered the loss of both her father and grandmother- events which, researchers noted, were emotionally difficult for Kira.

Financial Practices

At the beginning of the Financial Diaries Project, Kira was working full-time. She was earning slightly more than minimum wage, and her income was $15,000 per year. In addition to her retail position, she also has a business/hobby in which she sells vintage clothing which she either makes from scratch or repairs, and then advertises on an online platform.

Kira prioritizes spending on food and housing. She began her diaries participation with a balance on her credit card. This was due to recent travel expenses and paying her ballet school tuition. Kira shared with researchers that carrying such a large balance on her credit card made her uncomfortable.

Kira saves consistently, moving her money first from checking to savings, and then to her Tax-Free Savings Account (TFSA). This, she explained to researchers, was to keep the checking account at the minimal level needed, moving money into the savings where she will not see it or spend it, and then only moving funds back into chequing from savings if she needs to. Mid-way through the project, Kira got a second credit card, which she said made her feel like she was spending more. Kira told researchers that she preferred to accumulate savings in case of unexpected expenses, and that her parents had also been financially conservative. Because she consistently contributes to her savings, Kira shared that she feels it unnecessary to budget. Instead, she relies on her savings to act as a buffer. She also shared that because she lived at home with her parents until recently and had no rent payments to consider, the personal consequences of overspending have been minor.

Assets & liabilities: Start and Finish of the Diaries Project

Kira has one saving account and one checking account, as well as a tax-free savings account (TFSA). (Table 1). Kira's net assets increased by around $500 during the diary period and her TFSA amount increased by almost $6,000.

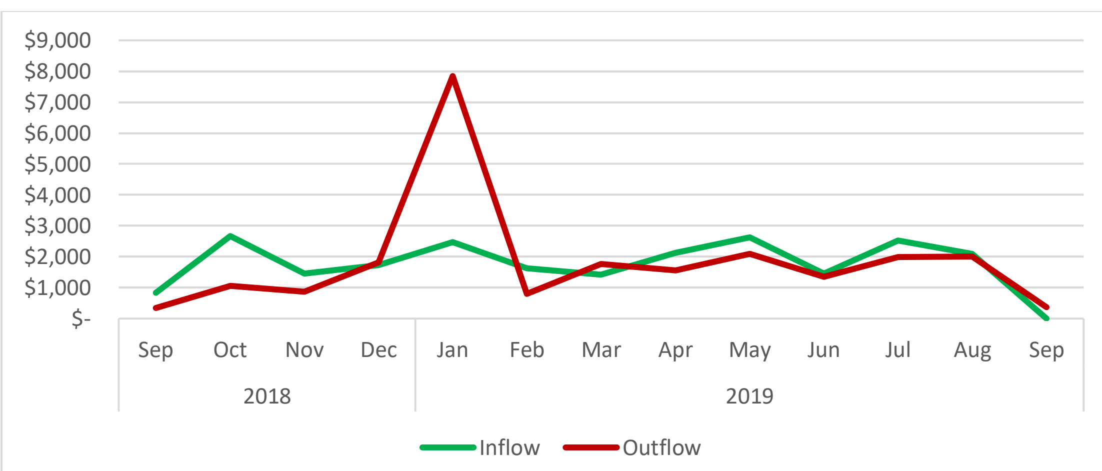
Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
House contents	2,000	5500
Chequing	2,023	1,400
Savings	18,364	13,600
TFSA	24,081	30,000
Credit cards	-2,384	-2,000
Financial sub-total	42,084	43,000

Income and Spending Patterns

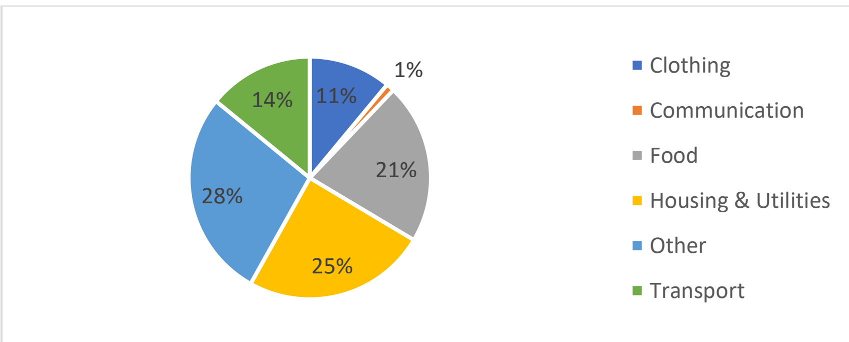
Kira's inflows exceeded her outflows for most of her year with the project (Figure 1). There was a spike in outflows in January when she moved into a new apartment and needed to purchase her own furniture, household items, and groceries.

Figure 1. Income and Spending by Month



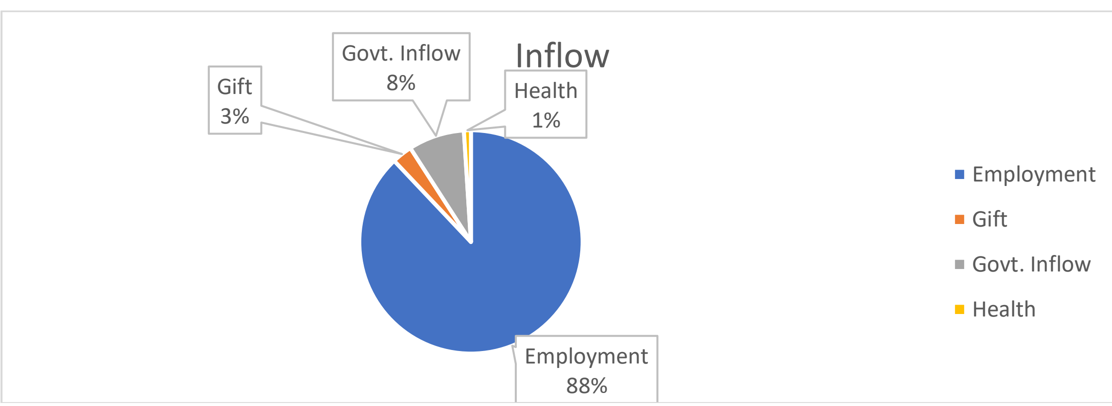
Kira spends the most on 'other' that includes household supplies and next on housing (Figure 2). She also spends a significant proportion of her income on food and clothing. Kira does not drive, and therefore shops at the nearest grocery store. According to Kira, this is a convenient option (but not necessarily the least expensive). She also shared with researchers that she struggles with groceries and cooking because she is constrained by owning only a small fridge but no freezer, and that she wanted to reduce her spending on fast food.

Figure 2. Allocation of Spending



Kira's main source of income is employment (Figure 3). She also makes nominal amounts of income from gifts, tax rebates, and a small savings account.

Figure 3. Sources of Income



Percentages of Transactions and Method Used

Kira makes about 35% of her transactions using electronic funds transfer (EFT), 25% using personal cheques, and 20% of her transactions using her credit card (Figure 4). She rarely uses cash.

Figure 4. Method of Transactions