Canadian Financial Diaries Research Project

FinancialDiaries.ca

Control, Sufficiency, and Social Support

Lessons from Low-income Canadians about Financial Wellbeing

Canadian Financial Diaries Research Project, Phase One

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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 report, *Control, Sufficiency, and Social Support: Lessons from Low-income Canadians about Financial Wellbeing*, examines how diary participants achieve the financial wellbeing that they have. The evidence we found is that low-income people work very hard to manage their finances. They endeavor to control their finances so that, as one participant said, their finances don't control them. They must prioritize needs and wants because there is not enough for both. One participant talked about her goal of having a 'little bit more' than her needs so that there was a little extra for savings or small purchases or trips. Finally, we saw that family and friends are terribly important for achieving financial wellbeing because social supports can provide loans, gifts, and emotional support. Having a low-income means that banks offer few financial supports. Of course, family and friends also make demands.

Data for this report comes from two main interview sets. One set of interviews addressed financial wellbeing and literacy.[1] This interview set included questions such as "Where/when/from whom did you learn to manage your finances?" "What does financial wellbeing mean to you?" and "How can your financial wellbeing improve?" The other interview set was conducted at the conclusion of the research study, after participants had been tracking and reporting on their financial spending bi-weekly for about a year. Referred to as exit interviews, these reflected upon impacts of the study and participants overall experience with financial tracking, budgeting, saving, and spending.[2]

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

[1] See Appendix I for Financial Wellbeing questionnaire.
[2] See Appendix II for Exit Interview questionnaire.

personal bias. The Financial Diaries Team has assigned a pseudonym to each participant to maintain anonymity.

Data and Analytical Method

The intent of this report is to present a qualitative analysis of 33 interviews, conducted with interviews from 18 participants. 14 of the participants had two sets of interviews, while 5 participants only had one interview, altogether totaling 33 interviews for coding and analysis.[3] The qualitative data were analyzed using content analysis that involved preparing the data, listening to audio recordings and reading transcripts of the interviews, followed by identifying key themes from the data.

The interviews were two of three quarterly interviews undertaken with phase one participants (see appendices). These interviews deliberately used open-ended questions to hear the voice of the participant. One interview focused on the topic financial wellbeing and literacy and asked participants to share with interviewers about their ideas of what it means to be financially well and financially literate. The second interview was the exit interview which asked the participant to share their views about the diaries process including ways that it might have affected them and ways that it might be improved.

The interviews had been transcribed via an automated transcription program. They needed to be cleaned for errors from that automated process. We listened to the audio recordings to undertake this cleaning process. Every interview was listened to, pausing, and replaying the recording until all the interviews were transcribed as accurately as possible. Once the data was cleaned, the analysis was approached inductively to identify general themes (or 'nodes') and associated quotations.

The interviews were inserted into NVivo, a qualitative analysis software. With NVivo, transcripts can be coded for themes or "nodes," as they are identified by the software, that the researcher sets. Then, the interview data can be organized by node. For instance, using the theme 'capacity to control finances' there were three steps. First, the interviews were listened to again, while simultaneously reading them. During this phase, most of the content was coded into nodes. A final read-through was done to catch any inferences or references to the *capacity to control finances* theme that were missed. Altogether, the interviews were reviewed three times after the initial transcription, which itself involved listening to them twice. This method of qualitative analysis deliberately seeks to identify all major issues raised by the participants. Using both transcript and audio recording allows the researcher to identify themes and references through the written transcript, and by listening to the audio recordings, it

[3] A listing of the participants interview is found in the appendix.

enables one to hear the respondents' voice to better understand nuances that come from respondent's tone.

When developing the report, select language is used to express the frequency in which participants reference ideas/concepts/themes. The language used is outlined below:

- Majority-More than 9 of the 18 interviewees participating.
- Many-A significant portion of participants, but not necessarily a majority.
- Select-A specific number of participants, who strongly expressed indicated theme.
- Some-A smaller group of participants.
- Minority-Less than 9 of the 18 interviewees participating.

Socio-economic background of the participants

The interviews indicated there are a variety of practices employed by participants to track, budget, and manage their finances (Table 1).[4] Some participants leaned on the side of caution with their finances, others were meticulous budgeters, and some more impulsive spenders. Part of this difference is explained by the variation in annual income among the participants of this study, ranging from $8,800 to $41,000/annually. Some participants were fully employed, and some were unemployed. Many participants were single, some had dependents including children or foster children, while others received support from caregivers and family.

Table 1. Some socio-economic indicators of diaries phase 1 participants

[4] Dueck-Read, J. (2019). *Participant Financial Practices*. Financial Diaries Research Project. https://financialdiariesca.files.wordpress.com/2019/09/participant-financial-practices-final_anonymous.pdf

	Pseudonym	Financial Wellbeing Interview	Exit Interview	Diary duration	Per capita HH income	Indigeneous*	Refugee to canada	Marital status	Internet connection	Smart phone, Tablet or computer	Partner's work in last 12 months	Age	People living in HH
1	Eniola			52	$42,014	No	No	Single, never married	Yes	Yes	N/A	22	1
2	Nita	x	x	52	$40,764	Yes	No	Divorced	No	Yes	N/A	59	4
3	Tyler	x	x	52	$31,867	No	No	Single, never married	Yes	Yes	N/A	30	1
4	Aretta			6	$30,377	No	No	Single, never married	Yes	Yes	N/A	22	1
5	Helena	x	x	52	$26,335	No	No	Single, never married	Yes	Yes	N/A	35	1
6	Dante	x		21	$24,609	No	No	Married	Yes	Yes	Yes	39	3
7	Emilia			52	$24,560	No	No	Divorced	No	Yes	N/A	63	1
8	Roya	x	x	52	$24,197	No	No	Single, never married	Yes	Yes	N/A	25	5
9	Donna	x	x	52	$21,857	No	No	Divorced	Yes	Yes	N/A	63	1
10	Sarah	x	x	52	$20,547	No	No	Divorced	Yes	Yes	N/A	55	1
11	Kira	x	x	52	$20,081	No	No	Single, never married	Yes	Yes	N/A	31	1
12	Jacquelyn	x	x	52	$19,360	Yes	No	Separated	No	Yes	N/A	36	1
13	Frida		x	52	$17,031	No	No	Single, never married	Yes	Yes	N/A	37	2
14	Avi	x	x	52	$16,609	No	No	Single, never married	Yes	Yes	N/A	34	1
15	Sylvie			16	$16,511	Yes	No	Single, never married	Yes	Yes	N/A	34	1
16	Mary	x		52	$15,798	No	No	Single, never married	No	No	N/A	59	1
17	Amy			52	$13,949	No	No	Single, never married	No	Yes	N/A	38	1
18	Melissa	x		52	$13,885	No	No	Single, never married	Yes	Yes	N/A	47	2
19	Annette	x		52	$13,784	No	No	Divorced	Yes	Yes	N/A	53	1
20	Kateryna	x	x	52	$13,763	No	No	Single, never married	No	Yes	N/A	53	1
21	Francois			52	$13,560	No	No	Married	Yes	Yes	No	52	5
22	Mia			22	$13,375	Yes	No	Single, never married	Yes	Yes	N/A	40	1
23	Rupi	x	x	52	$12,466	No	No	Divorced	Yes	Yes	N/A	44	2
24	Fernanda			52	$11,723	No	No	Married	Yes	Yes	Yes	37	2
25	Izara	x	x	52	$11,372	No	No	Single, never married	Yes	Yes	N/A	19	4
26	Linda	x	x	52	$7,724	Yes	No	Single, never married	Yes	Yes	N/A	63	1
27	Ochieng	x	x	29	$5,228	No	No	Single, never married	Yes	Yes	N/A	59	1
28	Namid			21	$4,986	Yes	Yes	English	No	Yes	33	0	
29	Tara			13	$0	No	No, 2007	Other - Arabic	Yes	Yes	42		

Themes

Controlling one's finances so they don't control you

When asked to express what wellbeing means to them, respondents, across the sample, stated that it means being able to control their finances to meet their needs and some of their wants as well. "First and foremost [financial wellbeing means] that I have enough to have my needs met."[5] Higher income participants, in general, felt more control over their finances and more respondents connected being in control with the ability to distinguish between *needs and wants*. Seven respondents talked about the difference between a need and a want, and the importance of prioritizing them.[6] Financial wellbeing was understood by participants as an awareness of the difference between needs and wants and ongoing prioritization of one's spending. Financial wellbeing also meant the ability to meet one's needs, and, in an ideal situation, some of one's wants. When participants felt as though their financial wellbeing was not being met, it meant that they could not provide for their needs or some wants. But this depended on the person's income level.

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[5] Pseudonyms have been assigned to each participant to ensure their anonymity. When names are used, they are the pseudonyms that participant have been assigned. Quote contributed to Kateryna.
[6] Kira-FWB.

The discussion of needs and wants led some participants to talk about *what is enough*? And responses varied somewhat among people with different incomes. When asked what wellbeing meant to Linda, whose annual income was very low, she responded: "I don't want a lot of money in my account, I just want to be able to buy groceries on a regular basis, to be able to not worry where my next meal is coming from, and how to get from point A to point B."[7] A better-off participant, Kira, had higher expectations on finances: "Your income is sufficient and slightly more than sufficient to pay for your standard of living. I think that basically your standard of living also includes your wants and not just your needs."[8] Tyler, a better-off participant, acknowledged the satisfaction that comes with having enough money to meet the needs for their life, stating: "I have enough money to live on and I think that's pretty satisfying."[9] Tyler was "frugal in terms of spending habits," stating that meeting financial wellbeing is having enough money to live to "satisfying ends."[10]

Part of the diaries process was having participants regularly record and for a year *track their finances*. And many participants did this before they joined the project. Many participants talked about the careful effort they made to track their spending and stick to their budget even if the budget was not written down. For some participants, their hard work meant they limited their debt or paid it off altogether.[11] In many ways, this tracking and management was hard work that required perseverance, and it refutes the commonly held stereotype that people with low-incomes are to blame for their poverty.[12] In fact, participants worked hard and utilized different strategies to manage their limited income.

One participant, Nita, regretted she did not take more care in her tracking, "I turned a blind eye to it [watching my spending] and I just usually paid most of the expenses and the basic needs and I should be actually writing it down, so I know."[13] For another participant, Ochieng, unemployed and relying on social assistance, the concepts of financial tracking and literacy seemed irrelevant. With such a low income why was a budget needed, was his view. He discontinued participating in the project early

[7] Linda-FWB.
[8] Kira-FWB.
[9] Tyler-FWB.
[10] Tyler-FWB.
[11] Avi-FWB & Melissa-FWB.
[12] Jones, T. (2017). A Different Class of Care: The Benefits Crisis and Low-Wage Workers. *The American University Law Review, 66*(3), 736.
[13] Nita-FWB.

because he did not see the point. His spending was simple and regular because his income was low and stagnant.[14]

Another critical issue raised by participants about control and finances related to *credit*. Most diaries participants had very little consumer debt. This is because many of them were ineligible for credit and some were quite young and had not accumulated debt at all. Other participants had accumulated debt and some others, who had intentionally decided to not borrow, talked about how having no debt was a feature of their notion of financial wellbeing.

Participants emphasized that financial wellbeing was achieved when they were in control of their finances and this meant needs were met and, depending on one's income level, *some wants were met as well*. Not meeting one's needs or wants led some participants to engage in credit and, for some, this meant struggling with ongoing debt. Melissa, for instance, revealed that debt was a major factor in her consideration of financial wellbeing. For her, to be financially well-off, meant she had to be without debt. In relation to debt and financial wellbeing, Melissa stated: "It makes me physically ill to think that I owe people money. It bothers me."[15] Another respondent, Perlah, who had one of the highest incomes in the sample, reiterated this sentiment when asked about financial wellbeing, stating: "For me, having 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."[16]

Poverty is a barrier

Seven of the nine participants with very low annual incomes voiced anxiety about the *scarcity* they faced. Annette, who was in this category, indicated she paid her bills first, bought groceries with what was left, then put the rest into savings.[17] In an average month, she had less than $5 excess. Another participant, also with a low income, felt a lack of control over their finances: "I think at this point the finances are in control of me."[18] Linda referenced this experience of constrained spending and limited capacity as being "always behind the eight ball," meaning they were always at a disadvantage or in a losing situation.[19] For Nita, who was a foster parent, controlling spending was a challenge: "It's just the

[14] Ochieng-FWB.
[15] Melissa-FWB.
[16] Perlah-FWB-pt. 3.
[17] Annette-FWB.
[18] Nita-FWB.
[19] Linda-FWB.

incoming and the outgoing. The incoming is good. The outgoing, is hard to keep track of."[20] Managing outflows was identified by participants as a critical feature of achieving financial wellbeing.

To lower-income participants, managing their spending sometimes involved *making difficult choices*. For instance, participants talked about refusing requests from their children for money or opting for cheaper groceries than they would ideally like to purchase. Rupi was unemployed, receiving Employment and Income Assistance, and had one child. She prioritized paying bills, "So where most priorities are paying the bills, like my rent, my utilities, my phone bills, then the secondary costs to my groceries. Because I know that I can manipulate with my grocery, I can handle, I can control myself. But those fixed expenditure, I have no control in my hand…I called priority spending."[21] Material poverty forces the participant to focus on the bare essentials, at the expense of some things like reasonable quantity and quality of food that Rupi forgoes.

Several participants struggled in meeting their needs because they relied on *meagre inflows from income support programs*. Seven participants said that low level of support hampered their financial and overall wellbeing. Linda shared, **"**I've worked hard, and I've given enough out there. I would like to be at least comfortable. That's all it comes down to."[22] Rupi, a single parent and newcomer to Canada, with a monthly budget of approximately $1,100 found the government support she received "really tight."[23] She recognized this disparity by stating: "I know it's a blessing that I'm getting from the government, it is the help thanks to the Canadian government and the people. But it is not much to run a family."[24]

For many participants, the diaries research project presented an opportunity for reflection. Five participants in the exit interviews indicated that the Financial Diaries interviews and tracking process helped them process their finances, offering a "kind of therapeutic process."[25] Having a place to go to discuss finances and process financial information in an accessible manner encouraged participants. To Izara, being in the Financial Diaries was even therapeutic to an extent, stating: "I honestly feel like this is my therapy session for my finances."[26]

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[20] Nita-EI.
[21] Rupi-FWB.
[22] Linda-FWB.
[23] Rupi-FWB.
[24] Rupi-FWB.
[25] Frida-EI.
[26] Izara-EI.

For Ochieng, a participant who immigrated from Africa, he reflected that despite receiving government support he had never lived so poor: “Once I get to my EIA paycheck, I have to see if my rent is gone, my phone is being paid. Right. My hydro is being paid. So, the rest, I don't know. I don't have that much.”[27]

Government income supports are very low and they are changeable. Annette found relying on social assistance very challenging, stating: “With EIA [Manitoba’s social assistance program], things can change the moment's notice and you don't know whether it's going to be something for the better or something for worse.”[28] Annette had personal experience with EIA and heard many other’s stories about it. She described it as a sort of tug-of-war: “A lot of times people get caught in welfare tug-of-wars and they're stuck between their social worker and whatever the social worker is asking for. And a lot of times those tug of wars…a good half of the time they can't be completely solved.”[29]

For some participants, their limited income also required them to rely on alternative inflows for resources, such as *food banks*. Mary articulated this experience, stating in relation to tracking their spending and prioritizing, food banks assist in taking off “the painful edge,” “To know what my priorities are, and to know what I need. The food banks have helped. That takes off the painful edge. I just pick up what I need, milk and things like that, and I find out that everything works.”[30] Mary must rely on a food bank as her income is insufficient to meet her needs. With limited income, there is less control over expenditures as certain needs are required. Scarcity means there is little choice about where the money is going: it must go to meet food, housing, and healthcare.

Participants talked about how they felt *trapped in a low-income position*. Three participants talked about the barriers they faced to transition from Employment Insurance or Employment and Income Assistance to employment, sometimes referred to as the ‘welfare wall.’[31] [32] When referring to attaining employment for the winter, Helena, who was seasonally employed, found the benefits to her were lessoned because of the corresponding lowering of her Employment Insurance: “I don't know how it's going to pan out because EI is going to be lower right. As soon as you start working more, you can't

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[27] Ochieng-FWB.
[28] Annette-FWB.
[29] Ibid.
[30] Mary-FWB.
[31] Ochieng-FWB, Helena-EI, Mary-FWB.
[32] Torjman, S. (2017). *Dismantling the Welfare Wall for Persons with Disabilities.* Caledon Institute of Social Policy, 4.

collect as much EI if you declare it, which I do. Sometimes it's hard to know if that second job is actually worth it."[33]

To many, this income scarcity affected their *mental health*. One respondent, with a very low income, stated she had *insufficient income* and that more income was needed for them to achieve financial wellbeing. Now, too much worry is generated over just meeting her material needs, "Not having to worry about where food is going to come from. Being able to actually eat properly instead of processed foods. Being able to afford to have fruit and vegetables in your fridge and meat. Never having to worry about bills."[34] Annette underscores a very practical consequence of her low income and that is food insecurity.

With income scarcity, Mary found that "there's a struggle and it takes a toll on health, mentally and physically, because the two go together."[35] Five other interviews had references to mental and physical impacts of income scarcity. Regarding mental health, Kira made the direct connection between finances and mental health, stating: "Financial wellbeing and also like mental wellbeing are pretty tied together, so that would probably drop at the same time, which is not a good situation."[36] Kira went on to detail that: **"**Well, I feel if your financial situation is unstable, then you know, like your emotional and mental state is also going to feel unstable because that affects a lot of your life."[37]

Jacquelyn echoed some of these points and stated that emotional support was something that would help her as she struggled with low income. "I wish there was lots more emotional support about [low income]. That it's okay. It's okay to go through this, you're going to be okay. And it does have a lot of factors in health, wellbeing, as I said a lot of income."[38]

Better- off participants managed spending with less stress but nevertheless faced tough choices at times. Roya, a participant in the group's mid-income range, expressed this financial control as the ability to cease spending on clothing, a category they often thought they overspent on.[39] Specifically for this participant, the tracking aspect of the Financial Diaries research project taught them financial recording and management that allowed them to cease excess spending and to increase saving. In

[33] Helena-EI.
[34] Annette-FWB.
[35] Mary-FWB.
[36] Kira-FWB.
[37] Ibid.
[38] Jacquelyn-FWB.
[39] Roya-EI.

reflecting on the diaries project, Roya voiced: “It was like a constant change, I think. And it was little by little…Like I don't spend that much on clothing anymore. And that was a great change that I think mostly happened because of this program. And then I feel like I save more. Well, it was because I had a goal, but still I think it helped.”[40] Tyler, a relatively better-off participant, and exceptionally frugal saver, shared that making “calculated investments,” was what allowed them to feel comfortable in their capacity to control spending.[41]

The importance of family

Another important theme from the qualitative data was about the important role that family and community plays in personal finances. Participants help and are helped by close companions through regular gifts and loans. Participants cited receiving financial and moral support from their family and, at times, their family being a drag on their finances. But many participants talked more about the support they provide and less about support they receive.

Participants discussed the *financial and moral support they provide* to their families and how important that was for them. For some, they felt upset when they could not provide for their families, such as in the case of Annette who stated: “Being able to help my kids when they really need help, that would be huge because right now I can't help them out if they're in trouble. And that bothers me. I'd like to be able to help them out. I've got three very strong kids who are very independent and can manage things on their own. But yeah, if they come for help, I wish I could help them.”[42] Annette even thought about her kids’ finances after her death: “I would like to be able to…get life insurance for myself so that my kids aren't struggling when it comes that time for me.”[43]The financial support relationship between Annette and her kids was one-sided, at least from her perspective.

However, Nita worried that supporting her children too much would *prevent them from becoming independent*: “…And I want to help [my child] because she's not responsible for that situation. I'm trying to help her. I feel as though I'm helping her, but really, down the road, I might not be helping her because she's, she's got to make all these plans on her own as well.” Nita also shared that she was motivated to save for her kids: ““I think financial health means that every time I get money for the kids it's a good thing because we have the transportation, we got the shelter and we get the food

[40] Ibid.
[41] Tyler-EI.
[42] Annette-FWB.
[43] Ibid.

and we pay the bills and we can probably get a little bit extra. But I need to save because in the future I would like them to take them to Disneyland, but I need to save."[44] Donna expressed a similar feeling, calling it 'maternal guilt' and that she wished she supported her children more: "And I think maybe there's part of the maternal guilt that I think, oh, I should have given them more, but you know, I have to do as much as I can."[45]

Frida went even further by *supporting family and friends*. Frida shared how she spent more than she could to have people over for a meal. For Frida, providing and sharing meals with others was a part of her identity. She understood and accepted that she was sharing more than she had "Yes, it's part of my identity. Yeah, that's it. Yeah and it gets me friends too. Some friends come around, Oh, I want to try that. I want to try that... So, most times when I cook it's because I'm having people over. But that's what makes me happy. That's what makes me interested in wanting to cook. So, I'm okay with, I'm good living that way here."[46]

Tyler also talked about caring for his friends through his financial decisions. He talked about going back to school and how doing so would be benefit others through the *notion of social capital*: "But it's going to be a useful skill for other people in my social network as well. I don't just want this for myself. It's an idea of also giving back to the community, to my family members."[47] He saw a win-win relationship in improving his education and abilities in that it would benefit him and his friends.

Mary shared *how family and community support her*. People can help by making suggestions and offering different ways to think about challenges: "Having support of people and organizations. Like the clinic, they've been very beneficial. They've been helpful. The social worker…They give me little nuggets, little tips to send me on my way. And family, my father. Or neighbors. Tips, things like that."[48]

Many participants, when asked about how they *learned about managing finances*, shared that it was through their family. Kira, for instance, stated how she selected her bank based on family connections: "I've always dealt with [a] credit union and that's been my family bank…and my dad was like on a first name basis with everybody. It was, you know, my dad's bank, my grandparents bank, aunts and uncles all went there." For other participants, their family taught them the principles they continued to practice regarding saving, tracking, budgeting, and spending. Linda expressed how she

[44] Nita-FWB
[45] Donna-FWB.
[46] Frida-EI.
[47] Tyler-FWB.
[48] Mary-FWB.

learned these practices through her parents: “Well my mom showed us how to, which I never, I never really did it. That was a lot of work. I didn't want to do that.”[49]

Helena reflected that early influences about finances could come from a variety of sources but, in the end, it is partly up to the individual to embrace them: “It could be any number of influences when you're learning how to manage your finances that teach you. And if you get those influences, you might be taught to use your finances better. You don't get those influences you might not be. Part of it is in your control but lots isn’t.”[50]

Overall, the interviews indicate that participants’ financial wellbeing is closely linked with their interpersonal networks. Their networks presented opportunity to connect with people, but also a strain at times. Family connections influenced the development of financial practices early on in participants’ lives.

Discussion

This report summarizes results from a qualitative analysis of 33 interviews from phase one of the Canadian Financial Diaries research project. These interviews come from a year’s worth of work with 29 people using a financial diaries methodology. These participants were purposively selected and come from the lower end (low income and modest middle income) of the income spectrum. They were all initially based in Winnipeg. These interviews represent around one-half of the qualitative materials collected in phase one.[51] The research was undertaken by a research assistant under the supervision of the principal investigator. The qualitative analysis involved a content approach through which key themes in the data were identified. These themes were then drafted in a preliminary report. The next step was to re-group various sub-themes leading to a revised set of final themes. The final set of themes include, controlling one’s finances so they don’t control you; poverty is a barrier; and, the importance of family and network support.

Controlling one’s finances was central to participants in achieving financial wellbeing. This control comes from various things including differentiating between needs and wants and prioritizing

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[49] Linda-FWB.
[50] Helena-FWB.
[51] These data do not include some wellbeing and exit interviews and the income tax return interviews. It also does not include the regular weekly interviews, and, obviously, it does not include the quantitative data.

the former. It also involves knowing what is enough, in terms of one's needs. Participants valued tracking their spending to gain control and tended to hold their budget in their heads (rather than on paper). Being very low income to modest middle income meant that most participants did not have credit. But it was clear that most participants thought that credit would reduce their control and diminish the financial wellbeing. Most participants talked about feeling well financially when they were able to meet their needs and have a little left over for wants or savings.

Poverty was a barrier many of the participants faced. This is not surprising given that many participants incomes are well below the official market-basket measure poverty threshold. This led them to make tough choices and sometimes led them to not purchase essentials like certain groceries. Participants relying on government support, i.e., social assistance, felt this challenge the most among the participants. Participants talked about it being painful and about how low-income felt like a trap that they could not get out of. Poverty created worry for many and for some it also led to mental health challenges. Better off participants talked less about these issues and some talked about the benefits of participating in the diaries process, tracking their spending, and thinking more carefully about what is important regarding their spending.

Another important theme that arose from the analysis is the importance of family and other social supports for participants' financial wellbeing. Family and friends are an important source of support for participants. This support comes in emotional and material form. Participants regularly received or gave gifts and loans to family and friends. Many participants noted that they were often on the giving end of this relationship. Family was also an important early source of learning about financial practices.

The interviews provided rich content to enable in-depth analysis to themes that assist in holistically understanding the finances of low- and modest middle-income Winnipeggers. Having adequate income, being in control, and having social supports, were identified as important factors explaining financial wellbeing.

APPENDICES

Financial Wellbeing Questionnaire

Questions to guide a conversation about financial wellbeing & literacy

15 October 2018

Approach

The purpose of these questions is to understand more about the participant's financial wellbeing, literacy, and their understanding of these concepts. These questions are intended as a guide and as a means of hearing our participant's voice. Audio recording and taking notes is an advisable approach. In order to audio record be sure to get participant's consent by going through the appropriate consent form. The interview will last 45-60 minutes. If the participant does not understand a term, please invite them to define it as they wish. If necessary, the interviewer can define it and please note that in the write-up.

Preliminary questions

These questions are intended to 'set the stage' of the interview and to begin the conversation and to get the participant to begin thinking and sharing about their finances. The responses can be used to tailor subsequent questions.

1. How knowledgeable do you feel about your finances?
    a. *In order to encourage the participant to share more you might ask the following:* Do you feel 'in control' of your finances? Do you feel confident about your finances? When financial emergencies occur, can you respond?

2. Where did you learn how to manage your finances? Were there particular lessons you learned as a kid or as an adult?
    a. In order to encourage the participant to share more you might ask the following:
        i. When?
        ii. From whom?

3. In order to encourage the participant to share more you might ask the following (Note that these are components of a common fin lit definition) For instance, where did you learn about the following,
    a. Tracking finances (*define*)
    b. Budgeting (*define*)
    c. Saving/Using credit (*define*)
    d. Planning your finances, anticipating changes, & protecting yourself (*define*).

Financial wellbeing & literacy

4. What does financial wellbeing mean to you?
    a. Encourage the participant to share their thoughts

   b. If needed, in order to encourage the participant to share more, you might ask the following: What are the components of financial wellbeing, in your mind?
      i. *If necessary, possible prompts:* Is fin wellbeing related to meeting life goals? To making ends meet. To saving money for certain goals.

5. How could your financial wellbeing improve?
   a. Encourage the participant to share their views including what 'financial wellbeing' means to them
   b. Then ask the following,
      i. How might tracking your finances (like you do in the diaries project) help?
      ii. How might budgeting (setting up a weekly/monthly financial table listing income on one side, and that would be equal to, spending on the other side) help?
      iii. How might regularly saving money help?
      iv. How might careful use of credit help?
      v. How might planning your longer-term finances (e.g., planning for big purchase, new job, retirement) help?

6. To what extent do you think the following factors affect your financial wellbeing?
   a. What role does active saving play in your financial wellbeing?
   b. What role does <u>not</u> borrowing for daily living expenses play in your financial wellbeing?
   c. What role does restraining your spending play in your financial wellbeing?
   d. What role does confidence in your ability to manage your finances play a role in your financial wellbeing?

7. Are there any other thoughts you have about your financial wellbeing or how to achieve it?

Exit Interview Questionnaire

Tools to administer with participants in final stages of diary

This is a list of tools to complete with diary participants in their last few visits.

- Complete Asset-liability form
- Complete Socio-demographic form
- **Responses to personal inflow/outflow pie charts and inflow/outflow over time:** Ask about surprises & not, learnings & not, and changes to finances in the future & keep the same

Final interview

Ask participant if they agree to having the conversation audio recorded. If yes, please go through and have the person sign the **Audio Consent Form**.

1. If you think back to when you began meeting with diaries project staff, would you say that your finances have changed since then?
   1.1. How and why have your finances changed?
   1.2. Has participating in the diaries affected your finances?
   1.3. If yes, how?
2. What would you tell potential participants about this project? Would you recommend that others participate? Why or why not?
3. Please tell us about your experience participating in the Financial Diaries project.
   3.1. What did you find most helpful about our regular meetings?
   3.2. What aspects of your participation were enjoyable?
   3.3. What aspects of your participation were challenging?
   3.4. Would you say there were any benefits to you personally as you participated in this project?
   3.5. What have you learned about your finances from the project, e.g., the value (or not) of tracking your finances, understanding spending, seeing the variation of flows, learning how flows and asset changes work?
   3.6. Did this project meet your needs as a participant? If not, how could a future project respond better to participants' needs?
4. What kind of suggestions do you have for how we might do this kind of project in the future?
5. Do you have any other comments or questions?
6. Ask if participant is willing to be involved in a group meeting with other diary participants, likely in the fall 2019, in which we discuss preliminary results in order to get their feedback.
7. Thank them for their participation and give them a thank-you card.

References

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