

Canadian Financial Diaries Research Project



FinancialDiaries.ca

Connecting the Circle

Participants' Feedback on Diaries Phase 1 Research Results

8 September 2021

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Special thanks to Phase One Participants

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INTRODUCTION

The Canadian Financial Diaries research project is a multi-year project that seeks to understand the finances and financial experiences of low- and modest-income earners in Canada. Over the period of one-year through weekly or biweekly visits, the project collects financial flow data and qualitative information about participants' financial experiences, wellbeing, and financial decision-making. In Phase One, the project worked with 28 participants. Researchers met regularly with participants to record financial inflows and outflows and gathered qualitative data in interviews to better understand the financial values and personal circumstances which informed participants' financial decision-making.

In early 2021, researchers conducted a high-level review of the preliminary results to identify key themes or learnings from Phase One.¹ They subsequently met virtually with a subset of the Phase 1 participants to present these themes and get their feedback. The purpose of the meeting was to give participants an opportunity to comment on the findings and to glean further insights from the participants. This report will summarize the key learnings from the review along with the participants' feedback.²

Method

The feedback session was planned for the evening of 23 June 2021, for 90 minutes, and was held virtually. Participants were approached about their interest and availability and seven participants were eventually able to attend. Two research assistants were assigned the responsibility of synthesizing phase one results to fit within a twenty-minute presentation that would be followed by a feedback session

¹ Working papers on Phase 1 of CFD can be accessed on the CFD website: <https://financialdiaries.ca>

² Pseudonyms have been assigned to participants to preserve anonymity.

with participants. A team of two research assistants –Derek Bassey and Greg Allan-- were responsible to comb through the working papers to extract key themes that became apparent. These results were shared in a focus group session of participants. This group consisted of seven purposefully selected sample of participants from Phase One of the project, coming from diverse backgrounds, and who had access to internet and were able to meet via the Zoom format. The presentation took 20 minutes and the feedback session lasted for one hour.

SUMMARY OF THE MAIN THEMES EMERGING FROM PHASE ONE RESULTS

The presentation was composed of the seven key themes identified from the existing working papers. The oral presentation was shared with the participants using slides (Box 1 below).

One theme which arose in the data was that participants work hard to manage their finances. The data describing participants' outflows demonstrated financial restraint and knowledge about finances. Participants viewed financial tracking as a helpful tool in financial decision-making. They expressed that they see the practice of saving as important. Unexpected expenses were one factor cited as determining financial decisions like saving. Social exclusion, the state of the economy, and the current Canadian retirement income system were mentioned as impacting participants' abilities to accumulate private savings for retirement.

Participants shared that their expectations about finances were relative to their total incomes. They shared that their spending was value driven and based on needs rather than wants. The data showed that the top two categories of financial outflows were on food and housing.

Value-driven financial decision-making was another theme which arose from the data. Family and friends were seen as important supports both for finances and financial decision-making. Some participants also told researchers that family and community/personal ties played a large role in keeping them financially afloat, but for some, these same supports could also be a source of financial strain as

expectations of support flowed both ways. Mainly participants expressed that they deliberately avoided debt.

The quantitative data showed that participants' financial inflows came mostly from employment earnings and government inflows. Participants expressed to researchers that they valued financial autonomy and that they saw employment as key to financial stability, however they also mentioned barriers to employment. Those participants precariously employed struggled to manage several jobs. Most participants expressed that they saw information technology as a priority, but that the cost of it was a challenge and that gaining employment would be difficult without a computer or internet connection. For some, there were many barriers. Newcomers shared about delays to employment and that costs of acquiring work permits as frustrating to their efforts to become gainfully employed. Language barriers and the pressure to repay resettlement loans created pressure to work, which diverted their time from taking English language classes to hone their skills.

A salient theme arising in participants' comments was that poverty is a barrier to getting out of poverty. They spoke about the cost of poverty, financial exclusion, and the welfare wall. Those with lower incomes have bank accounts but tend to use higher cost fringe financial services because they are more convenient, responsive to their needs, and also more respectful/welcoming.

Participants shared that while exclusion from government support sometimes exacerbated their circumstance, people who relied on government support often became stuck there. They commented that the current social assistance systems are not treating beneficiaries in a way that helps them to rebuild or retain a sense of control. Employment income gains reduced social assistance income, and prevented people from gaining better employment. Government assistance was often not sufficient to live comfortably or allow participants to live without anxiety/fear/stress related to their finances. Such social assistance programs inhibit the ability of clients to gain positive experiences in making their own financial decisions.

Finally, a theme which arose in connection to experiences during the pandemic was that social assistance rates did not change to reflect the higher expenses that came with the pandemic. The impact on those that were ineligible for the Canadian Emergency Response Benefit (CERB) was dramatically negative, while those that were eligible for CERB did not experience a drastically positive impact. Participants also shared about a lack of access to information on types of government support during the pandemic. The data also showed that lower incomes impact participants' mental health, particularly during the pandemic, which impacted inflows, creating stress and fear related to finances.

Box 1. The outline of the presentation

Key Finding 1: People are careful managers of their finances

- Control Participants endeavor to control their finances rather than being controlled by them.
- Tracking Financial Tracking helps with financial literacy and financial well-being
- Technology Access to internet, online banking, telephone banking, etc. are a key part of personal finances.
- Saving is important – whether there is not enough money in the budget for it or not
- Needs vs Wants: we found that participants understand and evaluate the difference between individual needs and wants. They employ this understanding to make better decisions about their finances.

Key Finding 2: Poverty itself is a barrier to getting out of poverty

There are hidden, latent costs of poverty: Being low-income can be expensive. Access to services that assist individuals are at a proportionally higher cost due to factors like technology and transportation. The results spoke of the 'welfare wall'

Key Finding 3: The importance of family and community

- Family and friends are embedded in the decision-making process/flow of finances
- Value driven spending through differentiating needs and wants
- Family and friends are important supports for low- and modest-income individuals
- Family or interpersonal ties can sometimes be a source of financial strain

Key Finding 4: Personal Experiences of low- and modest middle-income individuals

- Challenging finances can create adverse effects on mental and physical health
- COVID-19 related changes to income created stress and anxiety
- Unexpected expenses can drastically alter financial futures
- Expectations of what money can do for oneself was relative to one's total income

Key Finding 5: Sources of Income

- The top two sources of money inflow were employment and government inflows (assistance, tax refunds and rebates, etc.)
- The top two sources of money outflow were food and housing
- Government assistance is not enough to live comfortably or does not allow for living without anxiety/stress related to finances
- However, exclusion from government support can be an exacerbating factor

Key Finding 6: Employment Factors

- Employment is key to financial stability as vast majority of income is from employment
- Gains on employment income reduces social/government assistance income
- Full-time workers can be considered low-income because minimum wage is below poverty line
- Leads to being “trapped” in government support or “trapped” in low-paying jobs

Key Findings 7: System Factors

- Social assistance systems are not treating beneficiaries in a way that helps them to rebuild or retain a sense of control
- Systems are not designed for households to have a positive experience with money
- Social assistance rates did not change to reflect or accommodate the higher expenses that came with the pandemic
- Banks and private financial institutions are not actively invested in helping low- and modest-income individuals with financial decisions.
- Low- and modest-income individuals tend to use higher cost fringe financial services because they are more responsive to their needs and generally more respectful.
- Eventually leads to financial exclusion from mainstream banking services

PARTICIPANTS FEEDBACK ON THE RESULTS

All participants voiced strong support for the presented results. They felt that the presented themes accurately reflected their financial and economic experiences. One participant, in particular, saw the research as valuable and hoped that this would help to inform programs and policies for financially vulnerable persons. Participants restated their perception that financial tracking was a valuable tool in the management of their personal finances. Through the discussion participants reiterated concerns about financial exclusion, fringe banking, and the cycle of poverty which they felt was perpetuated by current policies and practices within social assistance and employment assistance programs.

One issue that participants thought we should address more thoroughly is debt. Participants noted a tension around debt, many of whom are debt averse. They shared that the financial system encourages cycles of debt dependency. For example, participants shared that they were not able to access certain services unless they had a credit card. This, they said, left them feeling coerced into actions such as acquiring a credit card or establishing a line of credit, thereby increasing the risk of incurring debt which was particularly difficult to repay on a limited income.

Detailed notes on feedback

This is a compilation by Wendy Nur of notes that were taken by team members during the feedback session. The notes roughly follow the flow of the conversation. Different participants are distinguished with P1, P2, etc.

- P1 was thrilled that the study is being done and commented on its importance, citing she had not seen a study of this kind before. She commented that she would find the updated info helpful, also for her work with (named a local group representing needs of vulnerable consumers). Her diary was a 'reality check'. Remarkd that participating in the project made her surprised to see how much she pays in bills. When asked, "Do our key findings confirm your experience?", her response was "yes".

- P2 shared that as his goal was to get rid of debt, key findings 1 and 2 resonated with him most. Debt clearing was his primary need and want- therefore, he explained, that he wished that the key findings highlighted the topic of debt. Debt coverage involved devoting most of one's income to paying off the interest on debt before being able to pay off the principal, which represented a major source of financial strain for him. P2 felt that this should be emphasized in the research findings. He also noted that participation in the project helped him to clarify what were needs and what were wants to prioritize his spending (towards paying down his debt). According to P2, "poverty breeds more poverty".
- P1 also shared her experience of climbing out of long-term debt. She expressed that it took her a long time to get out of debt and now that she is out of it, she is very careful with her finances to ensure she does not get back into the cycle of debt.
- P2 shared that he learned not to go into debt- that, like P1, he tried to be careful to not get back to the cycle of debt.
- P4 found that you got to see where the money went how to track what was left to work with. As a result of her involvement in the project, she learned to make more food from scratch to stretch her finances.
- P3 shared that she felt that people are often forced into debt by necessity. She stated that people do not take loans or get into debt out of pleasure, it is usually a last resort. For example, Pay Day Loans are often the only source of credit available to those living in poverty.
- P3 mentioned the temptation to accept more debt from loaners because of exclusionary practices. As a newcomer, when P3 initially, came to Canada, she had no card but was forced by circumstances to obtain one as there were services she could not access unless she had a credit card. As a result, she had to establish a line of credit and effectively incur debt.
- P4 commented on how debt makes it hard for those on low income, especially as certain places make it easy to get credit cards. Credit cards are easy to fill up to the limit, but interest climbs up fast and paying them off on low income is not easy. She noted that she was still in debt but has learned how to use her money more effectively.
- P3 also noted her view that some social assistance systems served to maintain dependence on said systems. Those suffering from the 'welfare wall', the cycle of poverty associated with EIA were not earning enough to be able to pay off debt. She also expressed the desire for the dependency cycle of social assistance to be addressed. She spoke to her experience of recently getting of social assistance by gaining employment, however, as a result her rent doubled which represented a major

deduction from her monthly income. Consequently, though she now earns \$1800 per month, she shared that she was no further ahead. This created the need to go back to social assistance. Instead, she would like to see people like her given a break to catch up and save a bit instead of immediately having their benefits reduced when they start earning more.

- P5 shared that she was approached and offered credit when she first turned 18. She noted that her initial credit limit was quite high- \$3,000. She shared that she was able to get a larger credit limit when she got her first credit card and knew little about how credit works, and compared this to the present, where, as an adult, she can no longer get as large an amount for credit limit. This practice, she shared, sets you up for failure and potential debt at 18 years of age. For someone who has just become an adult and is earning low income, this is an introduction to the debt cycle.
- P5 remarked that the CFD project helped her to see her finances from a different perspective. She shared that she believes that mainstream financial services withhold information from low-modest income folk, a factor which is then compounded by other demographic factors such as race, ethnicity, religion, etc. P5 shared that she feels the system does not work well- that it is not made for the poor and that one is at a disadvantage if they are 'immigrant, black, Muslim'. She stated that the system "keeps the rich, rich and the poor, poor".
- P1 spoke to how is difficult to explain how EIA works- that it is called a work incentive program. You don not, however, get to keep all your earnings. There is a "70% tax". 70% of a person's earnings are deducted after an allowed \$200 initial amount.
- P6 Commented that EIA does not have the adequate resources to properly assistance individuals in the job-hunting phase, that what is offered now is unhelpful. She lamented that income earned from employment when on social assistance can be exempt only up to \$200, but that it is currently higher in other places (\$400 in Ontario), and wonders whether this could be raised in Manitoba.
- P1 shared that EAI is very complicated. Social assistance coordination needs to be revamped as supports are poorly executed. For example, there are early job search supports but these are poorly done. There are few resources available to help an individual who are trying to exit the system, as well as afterwards, and this proves to be a barrier to those trying to get off social assistance. In some provinces you simply get cut off once you become employed.
- P6 shared what she termed a 'bad' experience with EIA. Recipients lose EIA support if they receive other forms of assistance to pursue training/educations, and this also happened to her.
- P3 also shared that she felt that EIA was not helpful, and that she also had some 'bad stories' related to EIA.

- P7 interjected that in Manitoba, at least you receive 3 months of EIA coverage before you get cut off after becoming employed.
- P1 shared another problem with EIA- not all EIA workers know the manual She also felt that social assistance requirements do not take barriers into consideration. For example, the requirement to meet 60 job searches per week did not consider individuals limited access to transportation. She shared an example of someone being suddenly cut off of EIA support for failing to meet this job search requirement, which was, in her opinion, an unreasonable expectation. She spoke to her experience of having dealt with miscommunication between social workers where one would tell her something that would later be refuted by another social worker.
- P6 shared was concerned about job insecurity and international students competing with local people for jobs. She cited social assistance restrictions and policies as contributing factors to job insecurity. She expressed the desire for there to be other options for low-modest income individuals like subsidized insurance that would act as an incentive and assistance to get off social assistance.
- P3 stressed the importance of savings
- P7 shared about the power of savings and that the Child Tax Credit helped her set aside savings for her son's education.
- P2 was interested in how to improve savings and lower debt through financial education. He expressed an interest in investigating mutual funds.
- P5 agreed that investment was key. She shared that she found the internet contains resources on how to invest (YouTube), and that savings just lose value at the current low interest rate. It was better to invest, in her opinion.
- P5 shared about a relative of theirs getting free furniture, restoring it and flipping it via online selling through FB marketplace. Advised to start with free items
- P2 advised that learning about investment needed to be taken in small steps, one day at a time. Stressing that investment is a 'calculated risk'.

APPENDICES

Appendix A: Financial Diaries Reports

Assignee	Type	Length	Link and Title of Work
Derek	JA	M	How this Tax Season Impacted Poverty
Greg	NA	M	This Tax Season Poses Extra Challenges
Derek	NA	S	The Multiple Costs of COVID-19 on Less Wealthy Households
Greg	R	L	Control Sufficiency and Social Support: Lessons from Low Income Canadians About Financial Well Being
Derek	R	L	The Finances of Precariously Employed Participants
Greg	R	L	Full-Time Employed Participants: Frugal or Upwardly Mobile The Finances of Full-Time Employed Participants
Derek	R	L	CFD Research Contributes to Report on Basic Income Basic Income, Financial Literacy and Financial Capability: How do we get better alignment?
Greg	R	L	Personal Finances and COVID-19 The Differential Impact of the Pandemic and Recession on Family Finances: Report on COVID-19 Follow Survey with CFD Phase 1 Participants
Derek	V	M	Video Introducing How Low and Modest-Middle Income Canadians are Faring Through the Pandemic? COVID-19 Financial Diary Survey Interview
Derek	P	S	How Are Low and Modest-Middle Income Canadians Financially Faring Through the Pandemic
Derek	D	M	One Participants Financial Diary
Greg	P	S	Gender Balance of the CFD Phase 1 Group
Greg	SS	M	Fair Credit, Health, and Well Being
Greg	R	S	Frugal Financial Practices of Low Income Canadians Participant Financial Practices
Greg	V	M	Video Explains Purpose and Process of Diaries and Introduces Some Staff and Participants Canadian Financial Diaries Research Project

Derek	R	L	Evidence of Financial Resourcefulness of Low Income Canadians: Snapshot of Five Families' Finances
Greg	NA	M	Diaries Project Contributes to Toronto Star Article on Cashless Economy Who is Left Behind in a Cashless Society?
Greg	R	L	Phase 1 Participants graduating Data and Collection Nearing Completion CFD Methods Report on Phase 1
Derek	R	S	COVID-19 Access to Basic Banking and Alternative Financial Services
Derek	R	S	Report Investigates How Reforms to Canada's Retirement Income System Will Affect People With Low Income Reforming Canada' Retirement Income System for Canadians Living on Low Incomes
Derek	R	L	Participants' Thoughts About How Financial Well Being and Literacy: A Pilot Study Having Control and Learning By Doing: Qualitative Pilot Study of Participants Ideas of Financial Well Being and Literacy
-	R	-	How Did We Undertake Phase 1 of the Diaries? CFD Methods Report on Phase 1
-	R	-	Financial Practices of Our Diarists Participant Financial Practices
Derek	R	M	Report on Income Tax Return Module of the CFD
Greg	R	L	Regulatory Scan of Diaries-Related Research Drafted Financial Rules and Regulations Relevant to Canadian Low-Income Households

Type

JA = Journal Article

NA = News Article

R = Report

V = Video

SS = Slideshow

P = Post (no link to outside content, but read the information contained on the Fin. Diaries blog post)

D = Diary (a table containing a personal diary information)

Length

S = Short

M = Medium

L = Long

Link and Title of Work

The title of the post on the CFD website so it can be easily located, and the title of the work linked from that post, if different

Appendix B: CFD Working Papers Extractions

Compiled by Greg Allen

Key Finding	Extractions from Research
<p>Participants work hard to manage their finances.</p>	<p>They endeavor to control their finances rather than being controlled by them. Autonomy is also important, and feeling like one can manage on their own without needing help from others</p> <p>Saving is important - whether there is enough money in the budget for it or not</p> <p>Technology is a key part of personal finances. Despite being low-income, most participants had access to technology such as computers, smart phones, online banking, banking apps, debit cards and credit cards, and telephone banking, as opposed to cash and in-person visits to the bank only.</p> <p>Financial tracking helps with financial literacy and financial well-being</p> <p>Understanding the difference between needs and wants - employing this understanding to make good decisions</p>
	<p>Poverty itself is a barrier to getting out of poverty.</p> <p>Welfare wall</p> <p>Uncertainty in EIA</p> <p>The cost of poverty: technology costs, etc.</p>
<p>Participants' values expressed in finances and had value-driven decision making</p>	<p>Family and friends are important supports for low-income families and individuals.</p> <p>Family and friends are embedded in the decision-making process, or flow of finances</p> <p>Understanding the difference between needs and wants - employing this understanding to make good decisions</p> <p>Prioritizing needs over wants, and being able to meet one's needs = financial well being</p> <p>No debt = financial well being</p> <p>Value driven spending - understanding of wants vs. needs</p> <p>Financial well-being means that financial behavior and decisions flow out of one's core values and the principles they try to live their lives with.</p>

<p>Having low-income has a unique personal experience</p>	<p>The personal experience of poverty mental health and health Mental health - covid changes to income created stress and fear Unexpected expenses can drastically alter the financial future of low-income people Unexpected expenses is a factor in determining financial decisions like saving Expectations of what money can do for oneself, in terms of meeting or exceeding needs, was relative to one's total income. People's understanding of what they deserve was tempered by their current reality.</p>
<p>Employment is key to financial stability</p>	<p>Most participants received most of their income from employment and most participants sustain themselves with employment income. Government assistance is often not enough to live comfortably or allow participants to live without anxiety/fear/stress related to their finances. Even full-time workers can be considered low income as minimum wage is below the poverty line, thus exclusion from government support can be an exacerbating factor, while people on government support are often stuck there.</p>

Compiled by Derek Bassey

1. Top two sources of money inflow are from employment and government funds, while the top two sources of outflow are on food and housing. This shows the financial competence/restraint of low to modest income folk
2. Social assistance systems are not paying/treating beneficiaries in a way that helps them to rebuild or retain a sense of control. Because the system as it is, is not designed for households on it to have positive experience with money that builds capabilities.
3. Lower-income folk have bank accounts but tend to use higher cost fringe financial services because they are more convenient, responsive to their needs, and also more respectful/welcoming. Using of which can lead to a vicious cycle
4. Social assistance programs stunt ability of clients to gain positive experiences in making their own financial decisions
5. Social assistance rates did not change to reflect/accommodate the higher expenses that came with the pandemic
6. Impact on those that were ineligible for CERB was dramatically negative while those that were eligible CERB did not have a drastically positive impact.
7. Lack of access to information on types of government or provincial support during the pandemic
8. Research finds banks are not pre-emptively concerned with aiding.
 - a. Leads to financial exclusion- excluded from mainstream banking services
 - b. Lack of government oversight of fringe bankers does more harm than good
9. What stops people from getting better employment?
 - a. Employment income gains reduces social assistance income
 - b. Precariously employed struggle to juggle jobs. Tougher without internet/computer: Digital aspect

10. Social exclusion, the state of the economy, and the current Canadian retirement income system affect the ability to accumulate private savings for retirement
11. Family and community/personal ties plays a big role in what is keeping some people financially afloat but also could be a source of financial strain.

Appendix C: Key Findings by Article

How This Tax Season Has Impacted Poverty

- Poverty threshold in MB is \$22015
- Phenomenon of social exclusion- low-income folk prevented from getting necessary support
- Low-income folk depend on their tax refund to balance their budgets or put money aside
- Covid-19 has made clear how economic inequality divides people
- Social exclusion most acute in precarious settings (part-time, assistance)
- What stops people from getting better employment?
 - o Employment income gains reduces social assistance income
 - o Precariously employed struggle to juggle jobs. Tougher without internet/computer: Digital aspect
- Reduction in employment income reduces tax refund amount
- Tax refund often the only opportunity for them to save and stay out of the cycle of debt and high interest short term loans
- Research finds banks are not all too interested in alleviating their situation
 - o Leads to financial exclusion- excluded from mainstream banking services
 - o Lack of government oversight of fringe bankers does more harm than good
- Kateryna is very meticulous with tracking her finances. However, she remains “underbanked”
 - o Once received lump sum payment from employer but was not given the option to put it into a savings account
 - o Savings account acts a mental barrier
- Closer you are to the poverty line more likely you will fall below it
- Low-income people value being in control of their finances
- Trauma, risk-aversion, and tunnelling- some behavioral categories of low-income people
- CERB did not target all those in acute need

The Multiple Costs of COVID on less wealthy households

- Continued employment and social support had little impact on household income.
- Impact on those that were ineligible for CERB was dramatically negative while those that were eligible CERB did not have a drastically positive impact
- 9 out of 19 depleted their savings. 4 did not know of any government pandemic support

The Finances of Precariously Employed Participants

- Finances were used to reinforce social connections. Participants commonly had their finances entangled with those of their families
 - o Complicated intra family financial dynamics
- New-comers’ intersectional barriers
 - o Delays to employment, costs of acquiring work permit etc. frustrate gainful employment efforts
 - o Language barriers and the pressure to repay resettlement loans diver their time form taking English language classes to hone their skills.

Avi:

- Goal to achieve financial freedom
- Feels knowledgeable about his finances

- Parents helped him financially with the move to Toronto
- Two credit cards
- Finished university

Izara:

- Goals: to save money, relocate to another province, buy a car
- Finances intertwined with her parents
- Two credit cards
- In university

Francois:

- Finances intertwined with his parents
- Feels knowledgeable of the financial structure in his home country but not so much in Canada
- Needed to improve his English but hard to balance with needing to provide
- Diary researchers found it hard to reconcile his books
- Used to be a nurse

Jacquelyn

- Feels constrained by financial debt and educational limitations
- Finds abstract aspects of finance challenging. Does not always feel she is in control of her finances
- Has some post-secondary education
- Diaries made her more conscious of her day-to-day expenses as well as her finances in general
- Family members depend on each other for loans etc., but she tends to give more loans than receive them.

CF Diaries Research Contributes to Report on Basic Income

- IA recipients in BC have lower knowledge of mainstream financial topics/financial literacy and lower levels of capability in some areas of financial management
- No significant difference between EIA clients and other adults in terms of budgeting
- IA programs stunt ability of clients to gain positive experiences in making their own financial decisions
- Non-profit supply of information and assistance to low-income folk is precarious
- Scarcity faced by people in poverty has a “mental tax”
- Social assistance systems impose a degree of complexity in financial decision making that is challenging
- For-profit services are not adequately suited in meeting the needs of low-income clients in regard to financial guidance and advising.
- Lower-income folk have bank accounts but tend to use higher cost fringe financial services because they are more convenient, responsive to their needs, and also more respectful/welcoming.
- Using high-cost fringe providers can lead to a vicious cycle
- EIA recipient population has more limited relationship with formal financial services, more limited mainstream financial knowledge, and significant challenge in making ends meet and gaining new information about personal financial topics.
- Trend of not filing tax return forms
- EIA system is not paying beneficiaries in a way that helps them to rebuild or retain a sense of control
- Regulations that discourage saving act as obstacles to for efforts in planning finances

- Households on IA as currently designed are not encouraged to have positive experiences with money that build confidence and capabilities

How low- and modest-income Canadians are faring through the pandemic.

- Canadian Financial Diary Survey interview:
- People are more stressed because of being at home more and the increased financial demand that creates
- People are resilient: finding ways of making it financially. Wiser more calculated purchases
- EIA was not enough to cover the increased expenses
- CERB was a cushion for lower income participants
- Expenses were higher (increased utility and food bills)
- Social assistance rates did not change to reflect/accommodate the higher expenses

Evidence of Financial Resourcefulness

- Most incomes rely on employment and government funds
- Methods of transactions are erratic-some are heavily cash based, some are electronic funds transfers (EFT's), some are debit, no obvious pattern
- Food and housing top two sources of outflow, hardly any money goes to leisure or recreational activities.

Investigations on Canadians Retirement Income System

- Components of the retirement income system: Registered Retirement Savings (RRSP); Old Age Security (OAS); Canada Pension Plan (CPP); and Guaranteed Income Supplement (GIS). An increase in one does not necessarily result in a net benefit
- Median age for retirement has gone up
- Social exclusion, the state of the economy, and the current Canadian retirement income system affect the ability to accumulate private savings for retirement