

# Canadian Financial Diaries

*Learning with and from People with Low-income  
to Build Financially Empowering Practices and  
Policies*



FinancialDiaries.ca



Social Sciences and Humanities  
Research Council of Canada

Conseil de recherches en  
sciences humaines du Canada






# Objectives



1. Use the Financial Diaries method to understand the financial dynamics of vulnerable Canadians in a rapidly changing socio-economic context. This includes understanding the barriers and opportunities that they face in trying to improve their financial and overall well-being.

2. Adapt the Financial Diaries research methodology to include quantitative and qualitative components, use a burst design, and gather insights on how different educational interventions affect participants. The methods and data will be made available to other researchers.

# Objectives



3. Through the Financial Diaries, and drawing on research with regulators and practitioners, identify strengths and weaknesses of existing financial products, financially-oriented programs and policies with respect to financial vulnerability and empowerment in order to recommend new financial products, and financially-oriented programs and policies and re-design existing ones.

4. Design a phone/tablet application, and/or curriculum in another format that can be used by vulnerable Canadians to boost their financial capability and outcomes.

# What is it?

- Academic team: Gail Henderson, Jennifer Robson, David Rothwell, Louise Simbandumwe
- Technical assistance: Microfinance Opportunities
- Field team: Dr. Jodi Dueck-Reid, Kriz Cruzado, H. Himani

## Teams



- Social Sciences and Humanities Research Council 5-year (2017-2022) Insight Grant #892029
- Canadian Mennonite University
- Queen's University

## Funding



# Why is it needed?

- We know very little in Canada about household finances
- National aggregate statistics can tell us how well Canadians are doing financially (or not), but shed very little light on the *causes* of financial instability – i.e. what is driving low savings and high debt, beyond the obvious macro factors (i.e. interest rates)
- More micro-level household research is needed to shed light on these questions (e.g. financial diaries and longer term longitudinal cohort studies)
- In order to ensure we are developing appropriate policies and programs to support Canadians to build their financial wellbeing we need to make concerted efforts to build a body of knowledge about what is going on
- Data is ideally disaggregated by characteristics such as age, income, ethnicity, geography, etc. to understand the particular causes of financial instability for these groups, as well as more provincial and community level data so stakeholders at these geographies can see, understand and address causes of vulnerability to the extent these lie within their purview.

# Some relevant studies on household finances

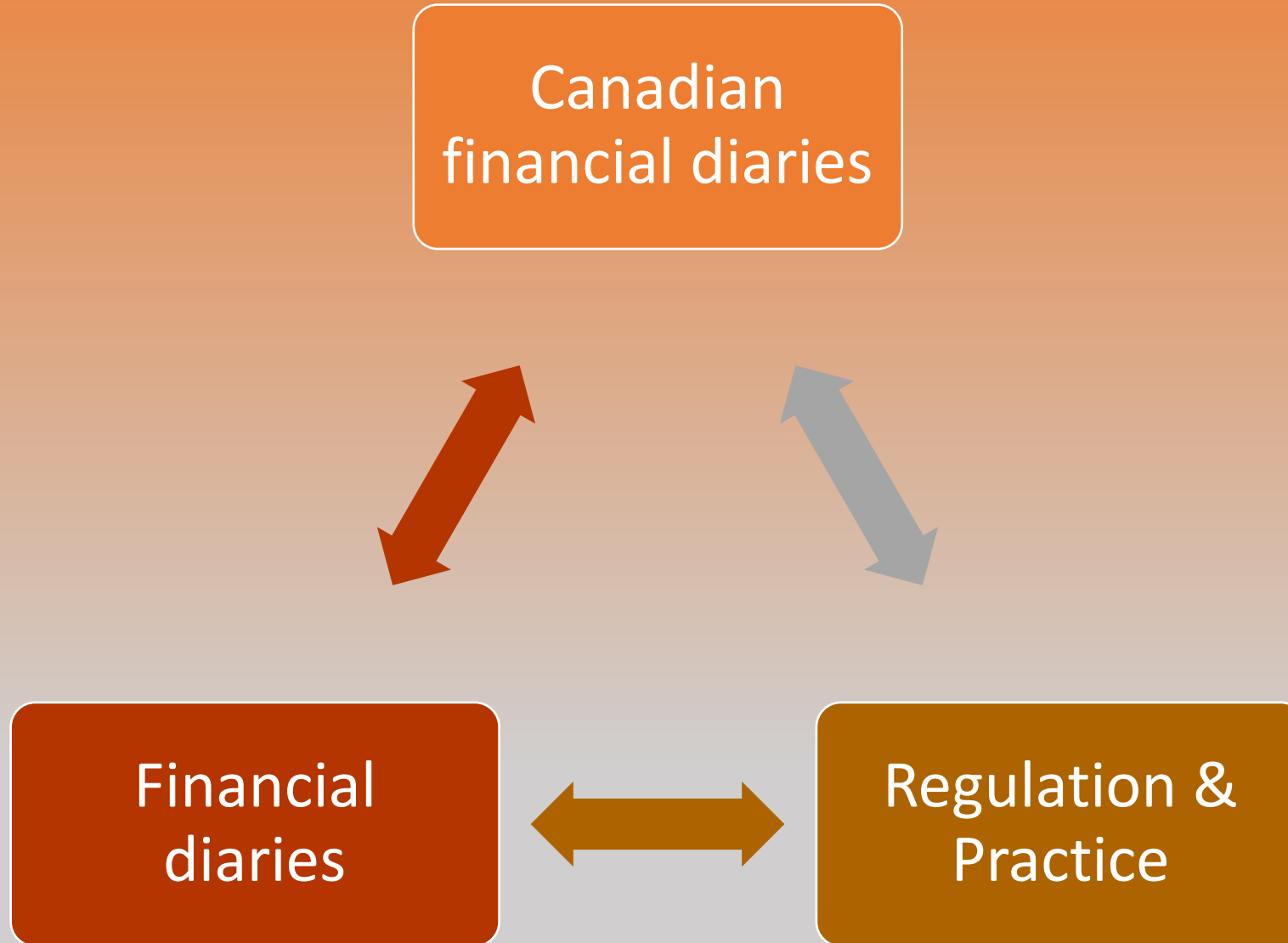
Type	Author(s)	Country of focus
Financial diaries studies	Collins et al. (XY)	Bangladesh, India, South Africa
	Morduch and Schneider (2017)	United States
	MFO (XY)	XY
Academic publications	Alan et al. (2015), Chawla (2007), Heisz (2015), Hossain and Lamb (2016), Robson (2017), Rothwell and Robson 2018)	Canada
		United States
	Hartfree and Collard (2015)	United Kingdom
Policy publications	DePratto & Bartlett (2015), TD Bank Group (2017)	Canada
		United States

# Some relevant studies on household finances

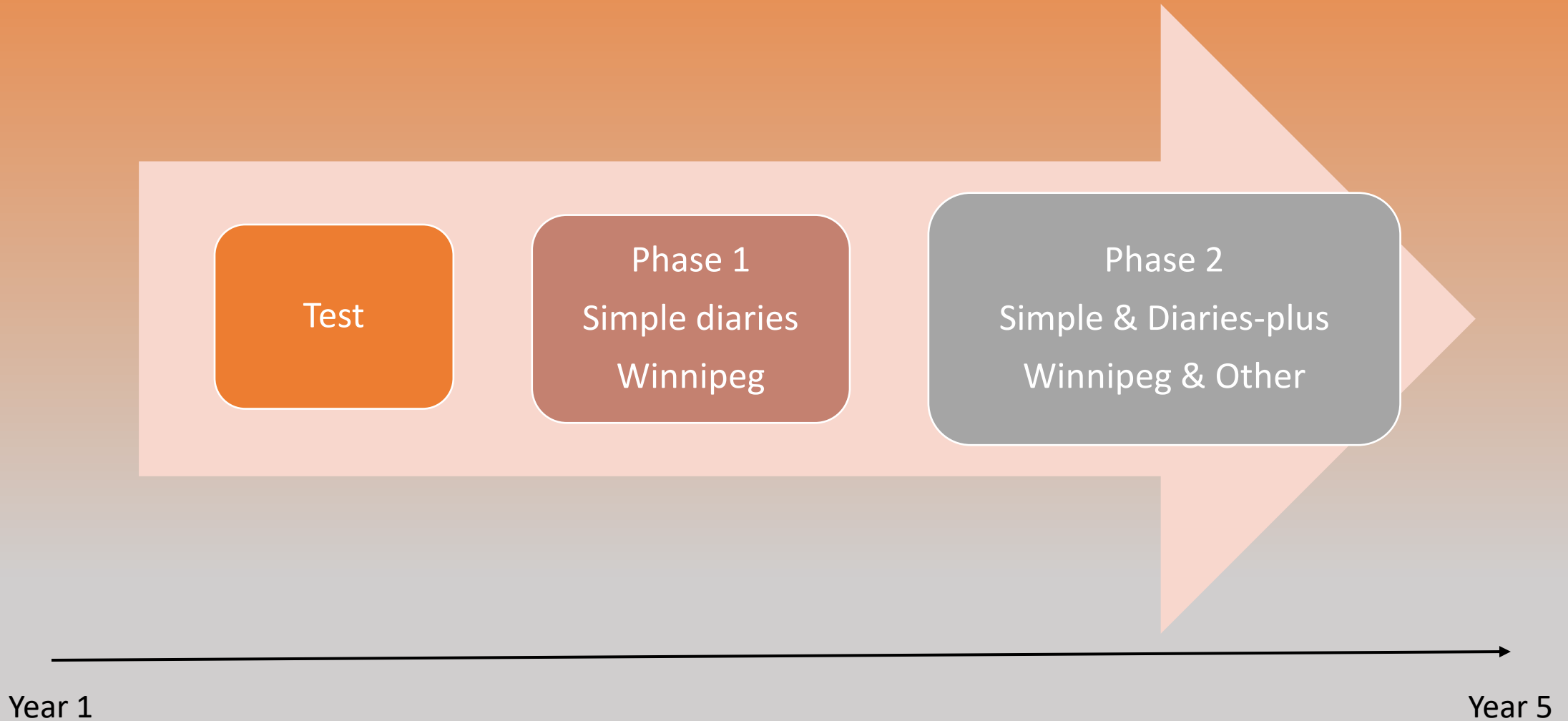
Type	Author(s)	Country of focus
Key persons	Rothwell (OSU), Fox (Stats Can), Mulholland (Prosper)	
Policy research symposium: Growing household financial instability: Is income volatility the hidden culprit?, March 2018, Toronto	Heinz, Burleton, Ens, Scott, VanRompaey, Robson, Johal, Weisstub, Prosper Can.	Canada
	Boshara, Levy, JP Morgan	United States



# The Project



# The Diaries



# What the diaries can provide

## Diaries will involve

- In-depth (quantitative and qualitative)
- Dynamic (for 12 to 18 months), and
- Interactive (dialogue with participants) data on household finances requires the building of relationship and trust with participants

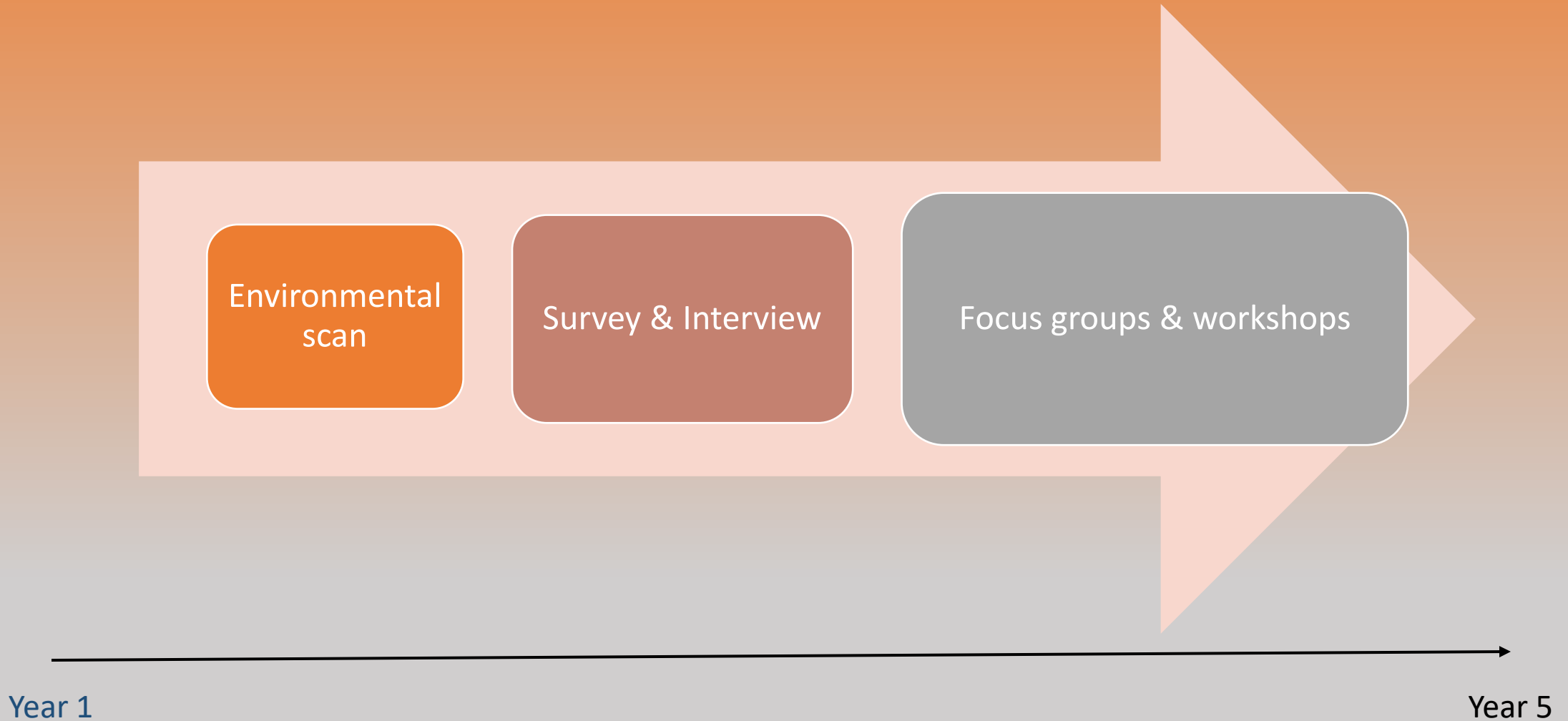
## Participants are encouraged to

- Record finances daily
- Meet with staff on a weekly, and later, bi (or possible tri)-weekly basis
- We will seek to identify how tracking affects money management and behavior

Recruitment for  
phase 1:  
- through several  
community based  
organizations and  
- the Norquay  
Building Tax clinic for  
people with low-  
income, March-April  
2018



# The Regulatory & Practice Components







# The diaries progress so far



Spring 2017

- April: notified by SSHRC about receiving grant
- Made arrangements with Drs. Henderson and Robson about Practitioner and Regulator Components of the project

# The diaries progress so far

Spring 2017  
(continued)

- Recruitment established for test and phase 1
  - Non-random selection
  - Purposive selection via community-based organizations
  - Convenience selection via low-income tax clinic
- Respondent criteria established for test and phase 1
  - Winnipeg resident
  - Household living below low-income measure
  - Ensure sufficient sample for Newcomer Canadians, Indigenous Peoples, and single-parent families



# The diaries progress so far

Summer  
2017

- Recruited and, together, trained 3 research assistants
- Worked with Microfinance Opportunities about data management

# Progress so far

Fall 2017

- Detailed plan and implementation of testing
- 4 participants
- Finalized a set of data collection methods
- Testing data management system

# Progress so far

Winter 2018

- Began recruitment with community organizations including SEED Winnipeg, IRCOM
- Regular recruitment with 'Norquay Building' Tax Clinic (for people with low income)

# Progress to May 2018

## Phase 1

- Quantitative and qualitative data
- 50 diarists for 52 weeks
- People with low-income including important sub-groups

## So far

- 108 prospective participants and still recruiting
- 23 participants, completed 1-7 weeks, 26% Indigenous Identity, 35% Newcomer, 26% single parent, 35% employed

## Methods

- Diaries: participant forms, interviewer form
- Socio-demographic, asset-liability, financial status and goals
- Modules: TBD



**Ideas?  
Comments?  
Questions?**

**Please  
contact us**

**Thank-you**



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