

Participant Financial Practices
Canadian Financial Diaries Research Project
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Introduction

This document contains information on methods that Financial Diary (FD) participants in Phase I use to manage their finances. FD participants manage their finances in many ways, some of which are listed in categories such as credit card, savings, general financial management, loans, reduce spending, housing, and seeking additional income/employment.

This document does not simply list the financial practice employed by diary participants. Instead, these practices are phrased as advice for others. For example, some participants talk about how they pay off their credit card regularly and do not accumulate debt or even a large amount to pay off at the end of the month. This practice of paying off credit expenses within a day or week of making the expenditure is then phrased as advice, “Pay things off on time. Don’t accumulate debt with credit cards.” Additionally, there are also several variations of this idea, as provided by other FD participants.

The financial practices information is anonymized so that respondents' identity is protected. In fact, in some cases, several participants had a similar practice. For example, three participants paid their credit card regularly/daily/weekly to ensure that they did not accumulate debt.

This Financial Practices document is intended to illustrate participant financial practices as if they were offering advice to others. However, participants did not use the exact words as listed below. Other limitations of this information is that it does not fully explain how each participant used the practice nor explain how helpful it was to their overall financial health and well-being. Furthermore, we are not suggesting that low-income participants can simply better manage their meagre income to increase their financial capacity, but that participants have found ways to manage their finances in a variety of ways.

Methods

The original research for this report was created to answer a question posed to the team in early June 2019. "How would our diaries participants advise others to manage (tips, advice, suggestions, habits, goals, practices, etc.) their finances in order to manage them and or improve them?" Working with this question, research assistants reviewed qualitative logs from their diary participants and created initial ideas and lists of their participants. One RA also surmised that many of her low-income participants would not offer direct advice to others but had a variety of practices that they used and found helpful to manage their own finances. Thus, the research question changed from advice that participants would offer to practices that diary participants are currently using to manage their own finances.

During the second phase of this research one RA combed through the logs of all active diary participants to find what might be written about how they managed their finances. She found an array of practices that shed light on how participants save money, manage their finances, reduce spending, manage credit cards and seek additional income/employment. To create this document, the RA utilized her original notes and those of a second RA and combined it with information culled from the second phase of reading active participant logs.

Results

The practices that participants identified were categorized into 4 groups: credit card management, savings practices, general financial management, loans, reduce spending, housing, employment/additional income:

Credit card management

1. Pay things off on time. Don't accumulate debt with credit cards.
2. Use credit cards but make sure that you have enough to pay them off.

3. Pay off your credit card with weekly payments
4. Pay off credit card so you do not carry a balance month-to-month
5. Pay off credit cards online (where you can see the balance and pay it automatically and you don't have to wait for the cheque to go through)
6. Collect points on credit cards to use toward other purchases (i.e. PC Mastercard)
7. If you carry debt, change from higher interest credit card to lower interest credit card if possible

Savings

1. Save for your kid's future. You won't always get the Child Tax Benefit and it can help a lot.
2. Participate in a saving circle or place where you can get matching funds.
3. Find ways to save outside of the EIA system—perhaps have an account where money is in the care of a family member.
4. Save the honorarium from Financial Diaries for when you really need it
5. Have savings deducted automatically from your pay cheque

General financial management

1. Write down what you spend/track it. You will learn a lot from writing and then talking about expenses with someone.
2. Track spending to see where you can cut corners and make changes
3. Remember what you want to buy next month and make sure to allocate money for it.
4. You can let some debts go. If you don't need a driver's license again, then don't pay your MPI.
5. Watch your accounts online or use phone banking to know how much money you have to spend.
6. Don't use your debit card too much so you don't have to pay extra fees
7. Put money away "mentally"/hide it physically so it will be there when you need it. One participant noted that how she hid money in a place where she does not see it regularly so "out of sign and out of mind."
8. Watch YouTube channels on financial practices to learn more
9. Use only one card (debit or credit) so that you can track it easier

10. Don't get too stressed about finances, it'll be okay
11. When women get married, keep one credit card in maiden name (so if they get divorced/ are not on good terms with their partner, they can have a way to purchase things)

Loans

1. Payday loans are bad; don't get them.
2. Spring Easy/internet loans are bad; don't apply for them.

Reduce spending

1. Buy in bulk.
2. Watch for sales at Giant Tiger and Super Store.
3. Don't purchase items with all the bells and whistles.
4. Negotiate deals with the bank and find ways to lower your bank fees.
5. Buy household items at Dollarama
6. Buy second-hand household items from Kijiji.
7. See if you qualify for the Connecting Families program which offers free internet if you have a child
8. Utilize and find out about all community resources to get things cheaper.
9. Find and eat leftover foods from the Food Bank dumpster
10. Buy food on liquidation from grocery stores
11. Purchase a refurbished computer
12. Buy eggs in bulk from rural farmers and sell to friends
13. Share a car with a friend including maintenance and insurance costs
14. DIY: Change the oil in your car
15. Use the Food Bank to supplement available food
16. Purchase from informal and used markets (Kijiji, facebook marketplace, thrift store)
17. Use SimpleTax to do taxes—it's free.
18. Watch for fee increases in bills like home or cell phone, cable and internet. Cancel or negotiate services when you cannot afford them

19. Keep debit and credit cards at home when you go out so you are not tempted to spend money
20. Utilize friend's discounts for clothing purchases and then pay them back
21. Sign up for loyalty programs that offer bonuses on your birthday
22. Find deals online (use groupon)
23. Don't get behind with Shaw Cable—it costs a lot to get out of the hole.
24. Negotiate to get a good deal with Shaw.
25. Get your high school kids involved in Wayfinders as there are monetary benefits for them.
26. Wash clothes in the tub when you don't have money for laundry.

Housing

1. Subsidized housing with MB Housing can save you a lot of money from private rental housing.
2. If you are eligible, rent assist can help you with your private rental
3. Barter and find ways to lower rent (offer to clean or take care of yard)
4. Connect and learn from community including social worker to learn about new opportunities for reduced rent (rent assist, senior's living, etc.)

Employment/ Additional income

1. Get an extra side job for a few months when they are available
2. If immigrant or refugee, volunteer to get Canadian experience so you can get a better job in the future.
3. If have a bit extra, purchase things on credit for work and get reimbursed (and you get points this way)
4. Piece together a variety of jobs and sell stuff informally
5. If you need additional cash, consider being a research assistant with Hilltop
6. Find studies to participate in via Kijiji.