

Canadian Financial Diaries Research Project



FinancialDiaries.ca

The Finances of Precariously Employed Participants with Canadian Financial Diaries Research Project, Phase One Participants

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Introduction

The Canadian Financial Diaries is a multi-year project that seeks to capture the finances and financial experiences of low- and modest-income earners in Canada. CFD collects quantitative data and the financial flows of participants and qualitative information about participants' financial experiences, well-being, and financial decision-making. In phase 1, CFD worked with 29 participants for one year. During this year of in-person meetings, we met with participants weekly or semi-weekly to record financial inflows and outflows. Participants recorded their financial data on a weekly basis and then provided a written copy of those flows or talked us through their finances.

This summary is the second in a series describing the financial health of low- and modest-middle income participants involved in the Canadian Financial Diaries Research Project. The participants in this group were purposefully selected because their employment situations during their participation in the project rely on one or more casual and part-time jobs. These jobs are sometimes in the informal sector, often with small employers, and not very secure so that these jobs and the associated income could be described as precarious. The goal of this summary is to provide the reader with a glimpse of the lives and financial practices of seven precariously employed participants to better understand both the barriers and opportunities which impacted their financial well-being.

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. Please note that, 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.

One theme which arose in looking at the data for this group was that, for many participants, to rely on social supports to support their finances, and vice versa, finances were used to reinforce their social connections. It was common for participants in this group to have their finances entangled with those of their families: they made purchases for each other; shared bills; and borrowed to and loaned from each other (both small and large sums) on a regular basis (sometimes repaying in kind rather than cash). While this created a valuable safety net for some participants, other participants seemed to give more than they received. Complicated intra-family and friend financial dynamics made it more difficult to track individual participant spending patterns.

Another theme which arose was the challenges faced by newcomer Canadians. The newcomers in this group face a unique intersection of barriers which can contribute to the precariousness of their work. The delays to employment and the costs involved in acquiring work permits and permanent resident status frustrate the efforts of newcomers to gain formal employment. Language skills may also pose a barrier for newcomers. For those under pressure to repay resettlement loans or to provide for their households, the limited language skills restrict their employment opportunities, while at the same time, the time and energy required for work often limit/prohibit their participation in English language classes where they could upgrade their skills.

This report will describe the financial lives of each of the seven participants. For each participant we draw on quantitative and qualitative data to present a view of their finances and some of their financial challenges and strengths.

Methods

The Canadian Financial Diaries (CFD) research project has been operating since 2017 and began the first of two one-year data collection phases in March 2018. The first phase finished up in October 2019 due to the gradual recruitment of participants for their one-year participation. A total of twenty-nine people participated in phase one and 23 of them completed the 12-month term while the remaining participants were engaged for less than 12 months. We continued to input, clean, and analyze data through 2020 and into early 2021 as the pandemic began. The pandemic slowed down the work process and delayed the start of phase two.

The CFD research project involves a mixed methodology that involves quantitative and qualitative components. The foundation of the diaries process is the financial diary that participants maintain. This requires the participant to track their income, spending, saving, and borrowing, ideally daily and then, through weekly or biweekly meetings with diaries interviewers, share them with the project. These meetings provide the basis for relationship and trust building with diaries staff and act as informal opportunities to talk with participants about their thoughts about their finances. Interviewers kept detailed notes on these meetings and these logs act as one tool for qualitative analysis. More formal interviews were done on a regular basis and the topics of these interviews include experience with the income tax return process, thoughts about financial literacy and wellbeing, and an exit interview that asked participants about their experiences with the diaries process.

Financial Diaries Participant: Avi

Summary

Avi is in his mid-thirties, starting out in his work career, and is a newcomer Canadian. He was working several part-time jobs at the beginning of the project, however mid-way through he moved from Winnipeg to Toronto and found full-time employment in a human resources (HR) position. Avi shared with researchers that his short-term goal was to achieve 'financial freedom'. According to him, this meant paying off the balance owing on his credit card and ensuring that his income exceeded his spending. In Avi's words, "It's about being in the moment and doing what you have to do to establish yourself, and once the money starts flowing, you can start saving and do other stuff- big, long-term goals."

Diaries Project

Avi joined the Financial Diaries Project in March of 2018 and participated for fifty-two weeks. He learned about the project through a local tax clinic. For the first half of the project, Avi met in person with researchers in Winnipeg, however after relocating to Toronto in the fall, he met with researchers over the phone.

Avi shared with the Financial Diaries Team that he feels knowledgeable about his finances in that he knows how to save to respond to financial emergencies. Prior to participating in the project, Avi did not do formal budgeting; he simply constrained his spending to his needs. He defined financial wellbeing as having sufficient savings to form a 'financial security blanket' and possibly having passive income, such as income from investments such as a rental property or stocks.

Avi noted that his participation in the project changed his relationship with money. In his words, "after I started doing the study with you, I know where to cut my costs, I know where to cut off my spending if it's an emergency. You know, where it's going." He also mentioned that he is becoming more mindful his credit card purchases.

Avi stated that he enjoyed the diaries process and that, although he had had a clear idea of his budget beforehand, joining the project had helped him gain an even greater awareness. He said that he would recommend participation in the Financial Diaries Project because, "it definitely helps the person to be more mindful and be more careful with their finances."

Sociodemographic

Avi describes his cultural background as South Asian. Initially as an international student, Avi arrived in Canada in 2013. His extended family resides in India. When he first began with the Financial Diaries Project, Avi was working several casual jobs which were unrelated to his area of study. This was one reason he supplied for moving to Toronto (he was looking for work in his profession). Avi became a Canadian citizen in early 2018, just after relocating to Toronto. He convocated with a graduate degree in 2018.

Avi is single and shared an apartment with a roommate while he lived in Winnipeg. After moving to Toronto, he once again shared a private apartment with a roommate, however he did not have to pay rent until he got a job. Mid-way through the project, Avi got a position in a related profession, Human Resources.

Financial Practices

During the year that Avi participated in the Financial Diaries Project, he had an annual income of approximately \$25,000 from a variety of casual and part-time jobs, including research, data entry, and modelling for artists. Avi visited family in India mid-way through the project, a trip for which his family paid. They also assisted him financially when he moved from Winnipeg to Toronto.

Avi shared with researchers that he manages to save money and to spend less than his income by prioritizing essential purchases such as food and only making larger purchases after first saving some funds as a 'safety net'. He told researchers that he does a 'need-want' question when considering purchases. According to Avi:

I'm usually the kind of guy, I don't spend unnecessarily, I'm very knowledgeable of where I can spend and where I can cut off. And obviously, I'm big on saving and whatever I have saved for emergencies I have a safety net going on, so it's good in a way that I'm being very mindful with every penny.

In the past, Avi had two credit cards on which he had accumulated a debt. He plans to pay off and close one credit card and to keep the other one. Avi contributes \$25 bi-weekly each to his TFSA and \$25 bi-weekly to his RRSP.

Assets & Liabilities: Start and Finish of the Diaries Project

Avi has one checking account and four savings accounts earmarked for specific purposes; direct deposit; expenses; travel fund; and parents' savings (Table 1). At the start of the project, Avi had a balance of \$8,500 on his credit cards and owed a family member \$3,000. By the end of the diaries period, Avi had a remaining balance of \$5,000 on his credit cards and his debt to his family member was reduced to \$1,500. Avi's net assets increased through the diary period.

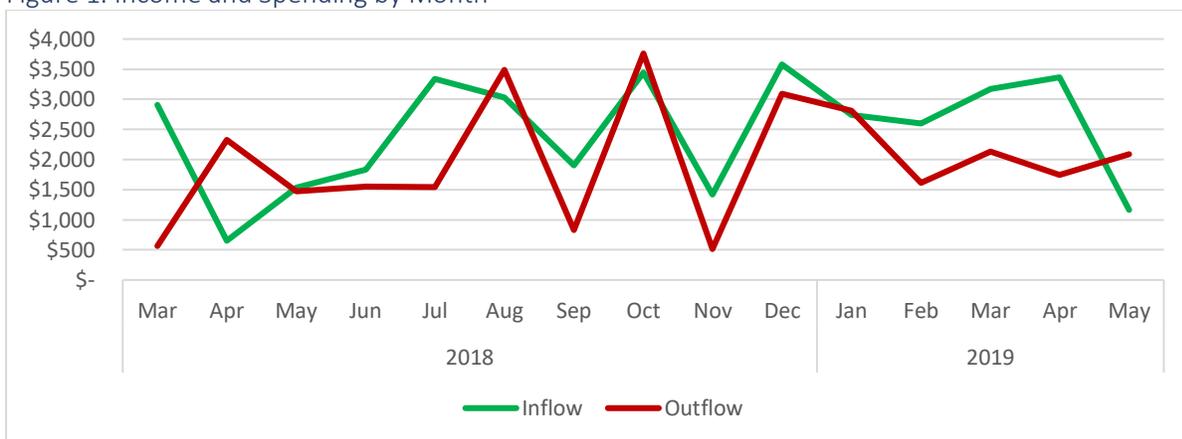
Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
House contents	5500	5500
Chequing	427 (combined)	575 (combined)
Savings		
Mutual Funds		500
Balance on 2 Credit Cards	-8500	-5000
Loan	-3000	-1500
Financial Sub-total	-\$5,573	\$75

Income and Spending Patterns

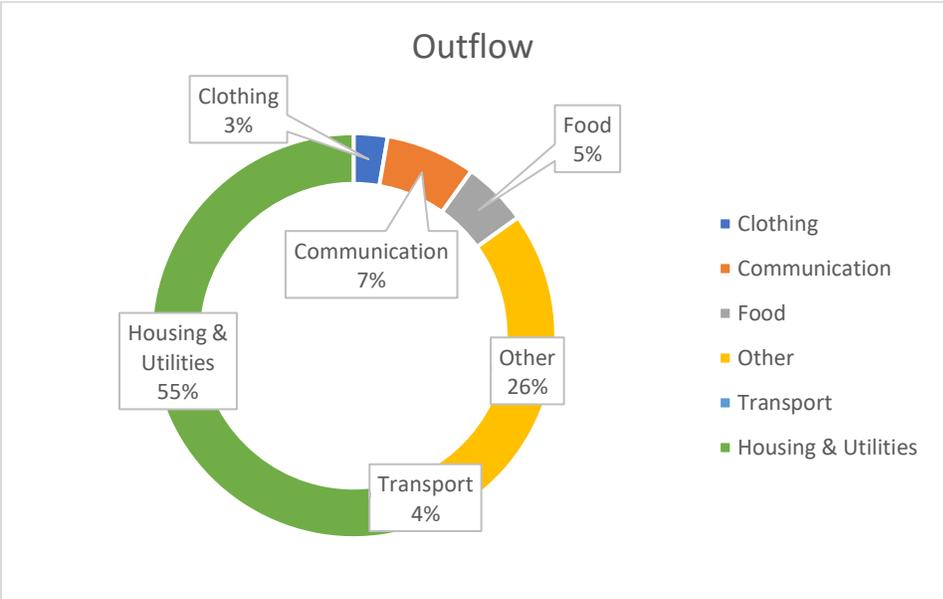
Avi's reliance on casual work meant that his income was quite erratic (Figure 1). For the most part, Avi's inflows closely mirror his outflows. (Figure 1). There is little evidence of consumption smoothing in terms of his spending. He generally spends less than he earns.

Figure 1. Income and Spending by Month



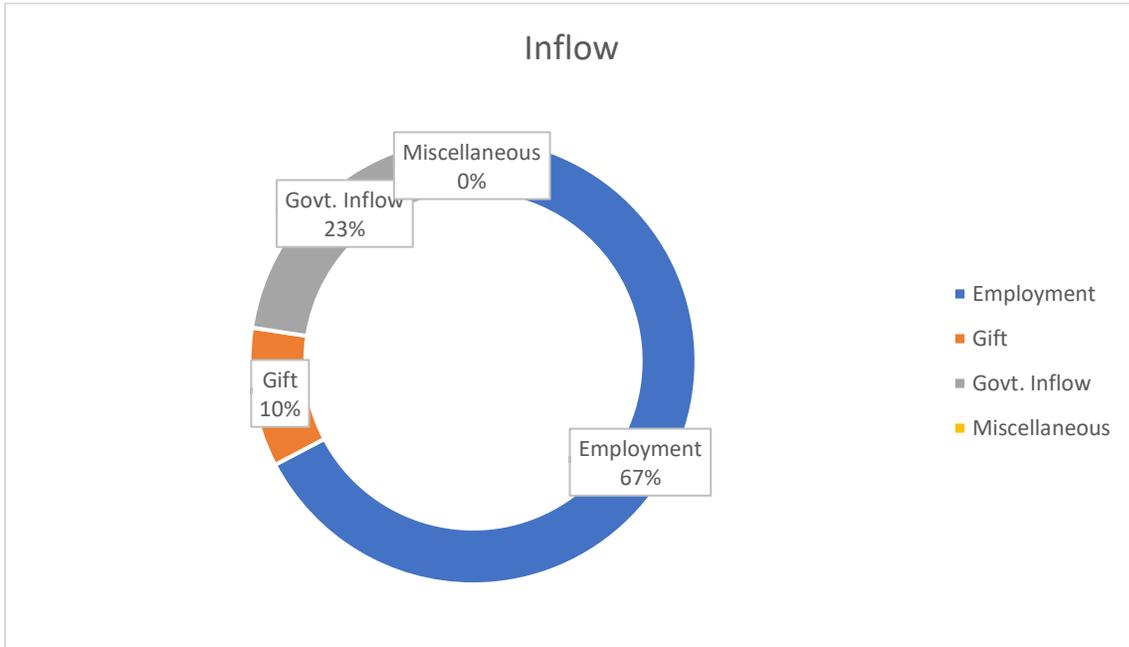
Avi spends the most on housing followed by communications (Figure 2). He spent 14% of his expenditure on dental bills. Avis spends minimally in the other categories. He shared with researchers that he priorities necessities.

Figure 2. Allocation of Spending



Avi’s main source of income is employment (Figure 3). A sizeable tax return in June (\$2000) contributed significantly to his income and that is included under ‘government inflows.’ In addition, Avi sold various items when he moved to Toronto, including a gift card, in an online sales forum.

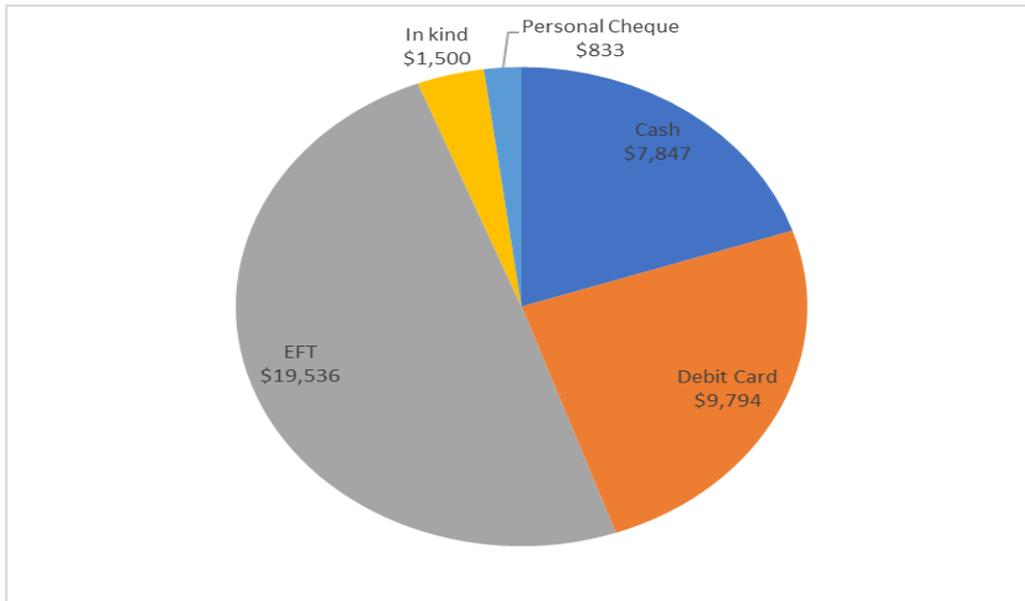
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Avi mixes debit and cash payments and receives income through electronic fund transfers (EFT) (Figure 4).

Figure 4. Method of Transactions



CFD Phase One Participants Background: Izara

Summary

At nineteen, Izara is the youngest Financial Diaries Project participant. She arrived in Canada with her family in 2015. A part-time university student, Izara was working two part-time jobs during her time with the project. She told researchers that her near term financial and life goals were to save money to relocate to another province and change universities and to buy a car.

Diaries Project

Izara joined the Financial Diaries Project in April of 2018 and participated for fifty-two weeks. She learned about the project from a local tax clinic. Izara shared that she would recommend to others that they participate in the project: “I honestly feel this is my therapy session for my finances.” She explained that the act of going through her spending with another person allowed her to re-evaluate purchases in retrospect and to identify wasteful spending. Izara shared that she felt that she gained an overall awareness of her inflows and outflows, and noted that her inflows now exceeded her outflows, whereas prior to the project she had been “in the negative a lot”. She reflected that she is also more intentional about setting aside a certain portion of her income for larger purchases or unexpected expenses.

Sociodemographic

Izara describes her cultural background as Ethiopian. She is single and still lives with her parents in the family home. Izara is working part time jobs at a call centre and a retail store. In addition to her part-time jobs, Izara also does various other work: freelance photography; handing out samples in a retail setting; selling health products as a home business.

Izara has access to the internet at home. She shared with researchers that she likes to learn about finances by watching videos online. Although she used to have a five-year financial and life plan, Izara explained that she is working less now, and that her immediate goal is to survive (financially). She would like to switch universities but sees that as possibly more expensive.

Financial Practices

At beginning of the Financial Diaries Project, Izara was working part-time hours. Her total estimated annual income was \$2,000.

While Izara lives with her parents, she does not contribute towards groceries or rent. Her finances are fairly intertwined with those of her family and they help each other in various ways. Izara has student loans but has used this to lend money to her father. She shared that she is now expecting her father to manage the repayment of her student loan. Izara's phone line is on the family plan. She pays ahead for nearly a year, so she does not have to pay monthly. Her mother and father are joint bank account holders on Izara's accounts. This account was set up before Izara turned eighteen, and she has not made any changes.

Izara has many reciprocal transactions with friends. She frequently pays for items for her friends/coworkers. Sometimes she uses her credit card as a loan, and sometimes Izara's friends purchase items for her. These loans are later repaid in various forms, such as cash or in kind, such as paying for food when out together, car rides, etc. Izara shared that she also uses her credit card for friends' purchases to gain the points, and that she uses her employee discount for family and friends.

Izara tends to put only what she plans to spend in her chequing account, keeping it just above zero and only moving funds to her chequing account when needed. Izara keeps her savings account for larger expenses like tuition. She stores small amounts of cash in a dedicated space at home, which she empties every few months.

Izara uses her mobile banking app to track her spending. She has two credit cards, but she mentioned to researchers that she only uses one so she can keep on top of payments and only got second one for the points. Izara generally pays off her balance at the end of each month.

While Izara used to eat out a lot, she shared that she is being more careful now, and eats at home more frequently. She explained that she does this for both health and financial reasons. Izara also noted that she is spending time with different friends, which has reduced her tendency to spend money on dining out.

Assets & Liabilities: Start and Finish of the Diaries Project

At the beginning of the project, Izara had one checking account, one savings account, and two credit cards (Table 1). Her physical assets at the start of the project included a laptop, furniture, and camera equipment (Table 1). Izara also had a student loan for \$4,000 and was owed \$4,000 by her father. By the end of the project, Izara's net assets. Her student loan debt had increased and her loan to her family had also increased, however the understanding was that Izara's father would take on the responsibility of repaying the student loans.

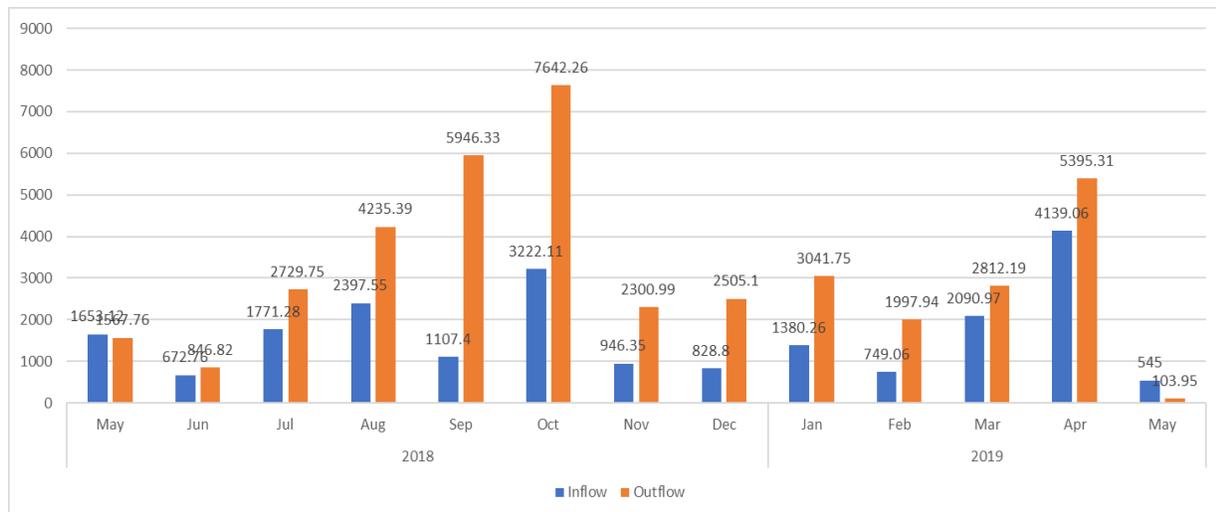
Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
House contents	1815	2,465
Chequing	538	289
Savings	2,000	2,526
USD		228 (~CAD 296)
Loan to family	4,000	6,500
Credit cards		-1,682
Student loans	-4,000	-5,800
Fin sub-total	353	4,594

Income and Spending Patterns

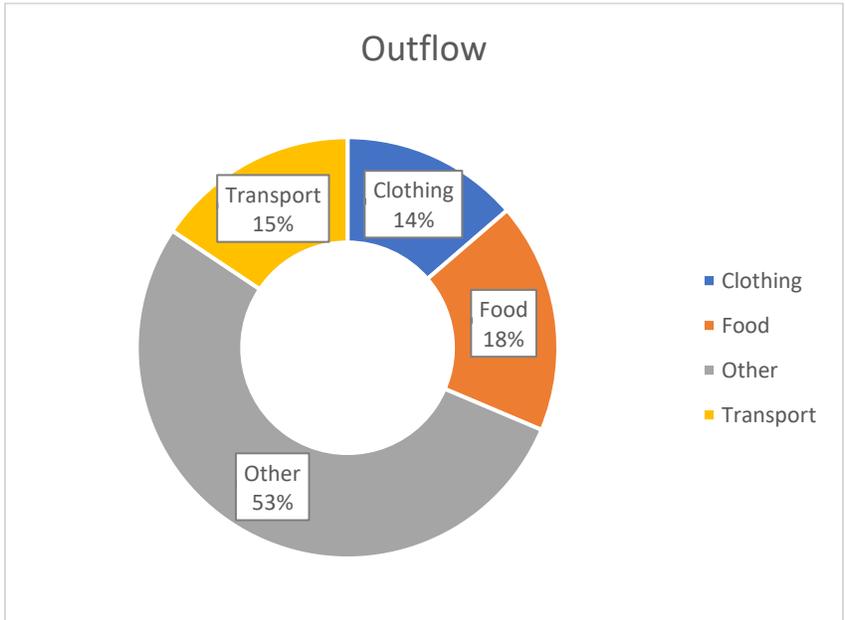
Izara’s outflows are slightly above her inflows and this is partly because she frequently lends to family and friends (Figure 1). Izara’s outflows exceeded her inflows in July and August, due to travel. She indicated to researchers, however, that she had saved for these expenses and used this savings to pay for the travel costs. The spike in outflow in September was due to payment of university tuition, and the spike in outflow in October was due to Izara lending \$4,000 to her father.

Figure 1. Income and Spending by Month



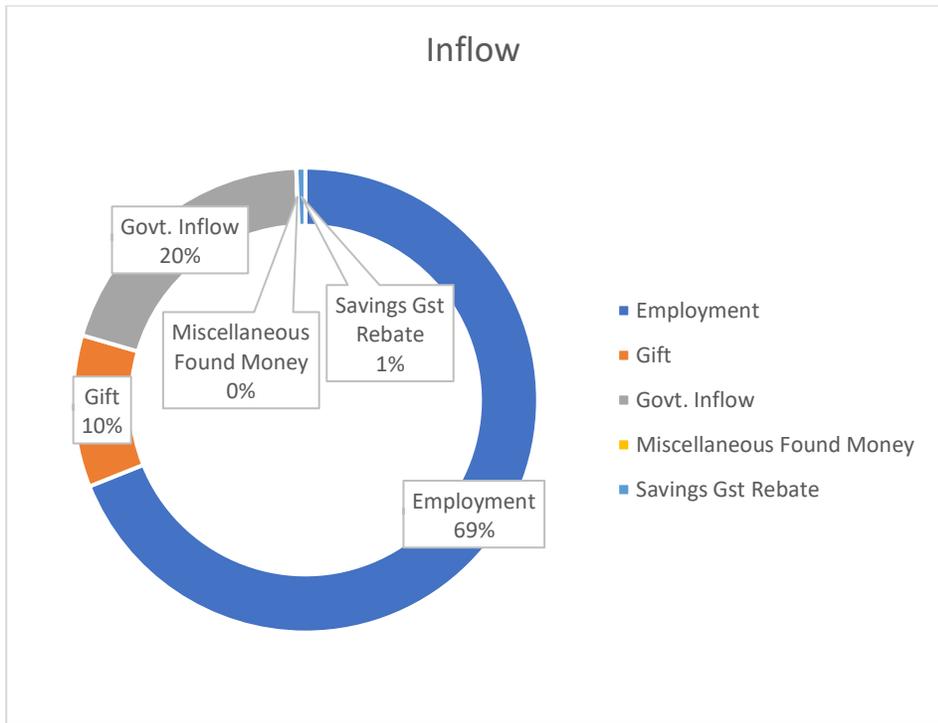
Izara spends the largest share of her expenditure on food (18%), transport (15%), and clothing (14%) (Figure 2). The ‘other’ category includes several items including a large expenditure for tuition and books amounting to 25% of her spending.

Figure 2. Allocation of Spending



Izara’s main source of income is employment, followed by government inflows (income tax refund and GST rebate), and gifts (Figure 3).

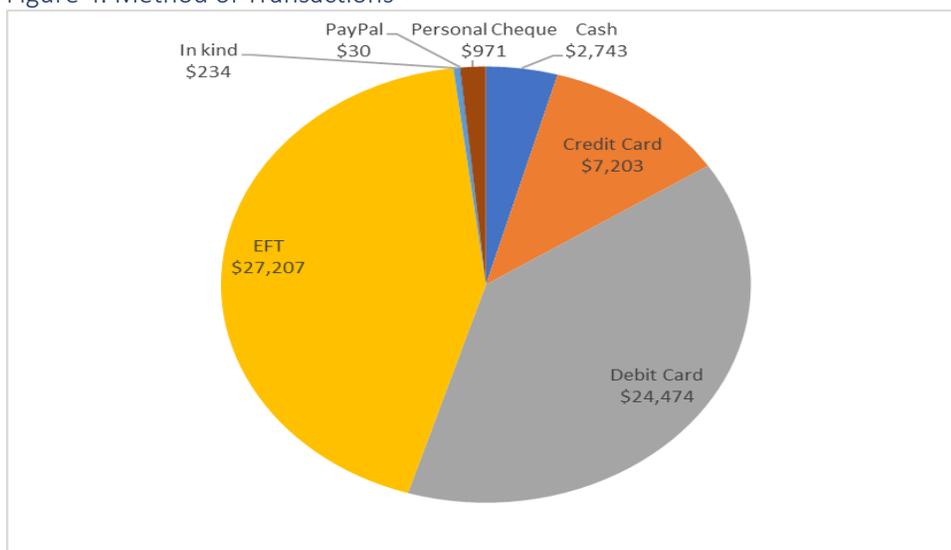
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Izara makes most of her (income and expenditure) transactions using electronic funds transfer (EFT) or her debit card. She does not like cash because, as she shared with researchers, she once lost a significant amount of cash in a robbery. Izara now feels that if her card were to be stolen, her funds would be recoverable, whereas cash would be lost forever.

Figure 4. Method of Transactions



CFD Phase One Participants Background: Francois

Summary

Francois is an immigrant from The Democratic Republic of Congo. Now in his early fifties, he came to Canada with his family in 2016. His is a household diary although he struggled with including information particularly from his spouse. Francois was unemployed at the beginning of the Financial Diaries Project but was later hired to work in a food processing facility. Household income from employment improved during Francois' participation in the project.

Diaries Project

Francois joined the Financial Diaries Project in March of 2018 and participated for fifty-two weeks. He learned about project through a local non-profit organization. As Francois's diary was inclusive of his household, the Financial Diaries Team found reconciling his diary to be a challenge. A lack of data from

family members meant that tracking the inflows and outflows was a more complex process. The data were therefore mostly (though not solely) reflective of Francois's finances and less those of his family members. Francois shared with researchers that he had felt financially knowledgeable in his birth country, but that the system in Canada was different. He said the project helped him better understand the financial system in Canada, and that participating in the project provided him with a better understanding of the flow of his finances because of seeing the details of what money is being spent on.

Sociodemographic

Francois describes his cultural background as Congolese. He and his wife have four teenage children and two grandchildren. In total, five family members share an apartment rented from Manitoba Housing (a provincial government housing assistance program).

Francois had been a nursing assistant in the Democratic Republic of Congo. At the beginning of the project Francois was taking conversational English classes, and his wife was in an employment training program. Soon after starting with the project, Francois was employed at a food processing plant, working the night shift. He shared that he found it too hard to work and keep learning English, placing him in a bind shared by other newcomers: he needed to improve his English skills to get better work, but he simultaneously also needed to work to support his children's education.

Financial Practices

When he first began with the Financial Diaries Project, Francois was receiving Employment Income Assistance (EIA), funding from Manitoba's welfare program. The gross yearly household income was estimated at \$16,800.

As mentioned above, Francois was not able to track and share all the household transactions with the Financial Diaries Team. Researchers noted that some of the financial terminology was difficult for Francois and they felt that this might be due to a language barrier. François also told researchers that in his home country he had operated a small business and maintained the financial records, but here in Canada his wife had autonomy with her spending. He shared that there were lots of outflows, such as credit card or debit card charges, for which he did not know the details. Francois has a learner's drivers' licence and there is one vehicle owned by the household.

Assets & Liabilities: Start and Finish of the Diaries Project

Francois shares one joint bank account with his wife, however they each also have separate accounts (Table 1). Near the end of the project, Francois opened a tax-free savings account (TFSA) where he planned to save money towards his goal of obtaining a prepaid credit card. Francois’s household assets are comprised mainly of household contents such as furniture, appliances, cell phones, a television, and a computer. The family owns one vehicle. Their only liability is \$4000 remaining of their government loan for travelling to Canada.

Income and Spending Patterns

Figure 1 shows income and expenses for Francois’s household from April 2018 to January 2019. There is higher volatility in expenses compared to income. This is because they mostly buy food in bulk one month and then spend less on food the next. This habit accounts for the various dips in May, November, and January. There are spikes in August, October, and December, where food expenses peaked. The spike in income in December occurred when Francois started working (and subsequently stopped receiving EIA).

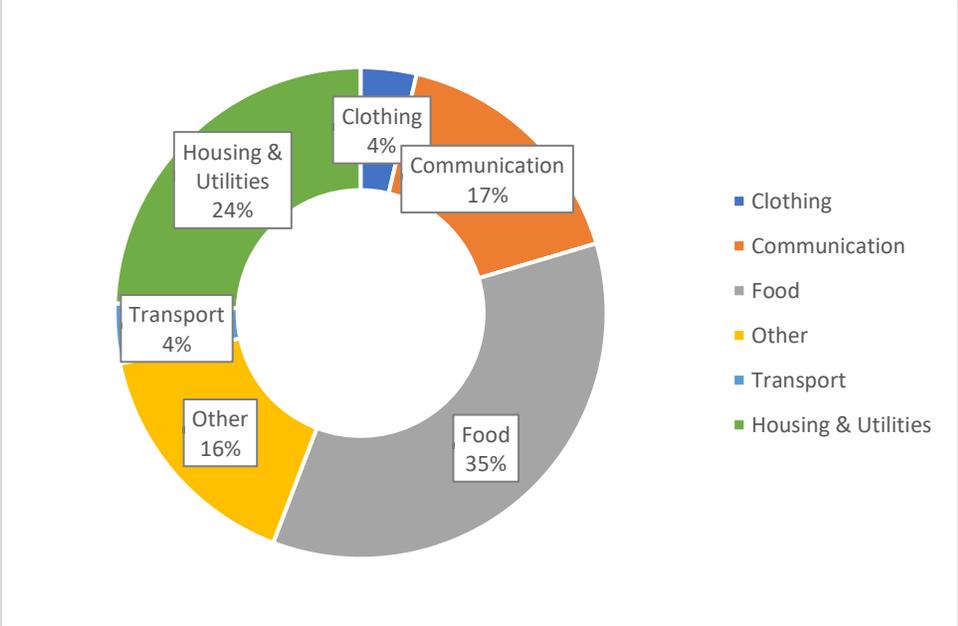
Figure 1. Income and Spending by Month



Francois’s household spends the most on food, followed by housing and utilities (Figure 2). Francois and his wife mostly cook food at home and his wife manages food purchases for the household. The next highest category of spending is on housing. The family’s housing costs are subsidized by Manitoba

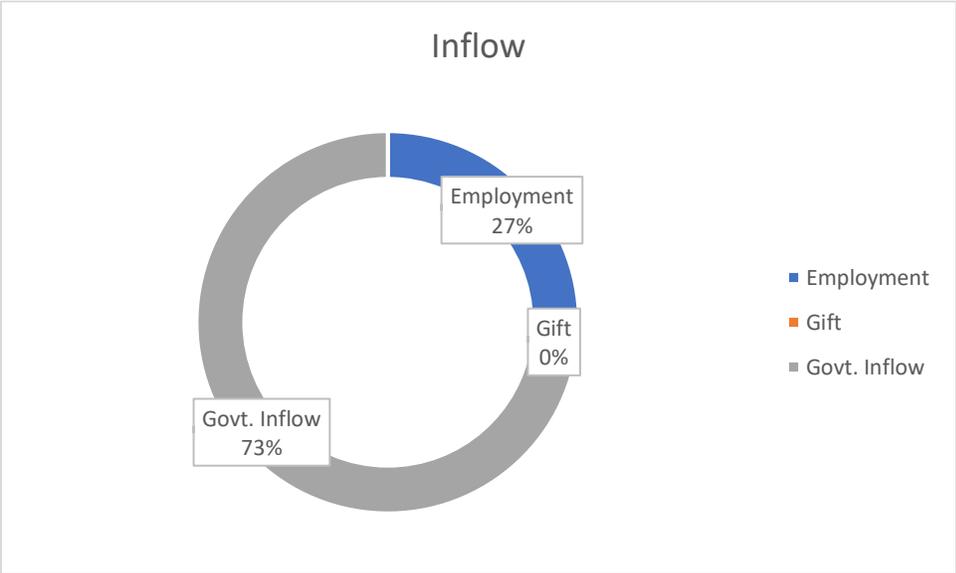
Housing. Household communication costs were high because there were expenses for cable TV bill, internet, a telephone landline bill, and a mobile phone bill.

Figure 2. Allocation of Spending



Francois’s main source of income was from government inflows: Employment Insurance and Assistance (EIA); Child Tax Benefit; a Goods and Services Tax (GST) rebate; Rent Assist (government of Manitoba rental assistance program); and a federal income tax refund. Government inflows constitute about 3 of Francois’s overall income, while employment income makes up approximately 27%.

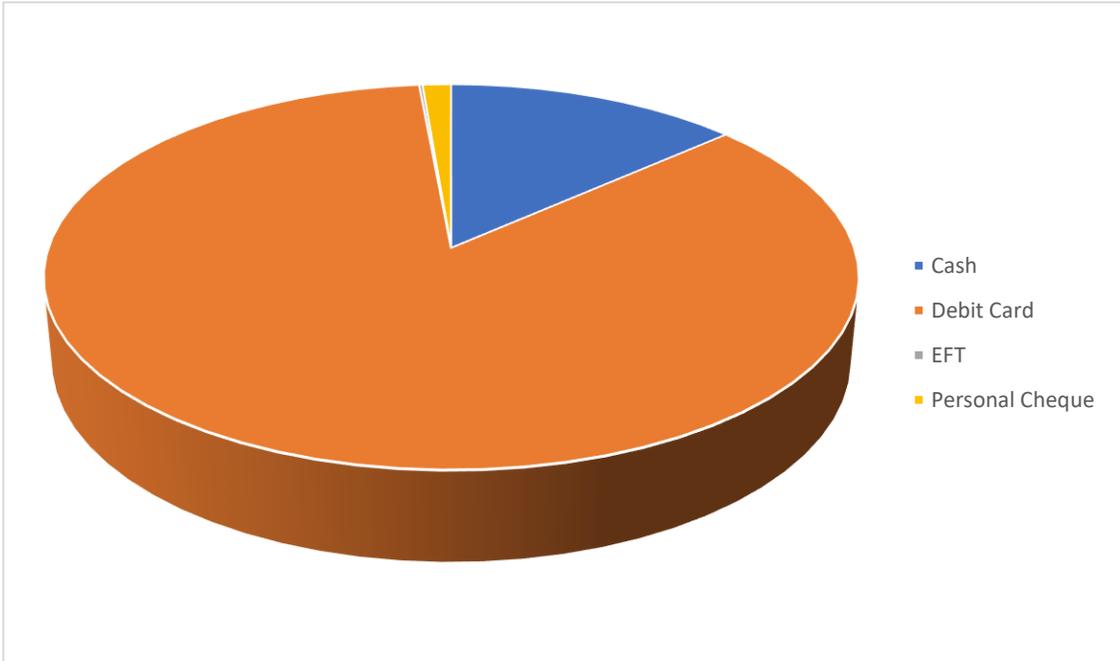
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Francois mostly uses a debit card (85%) for expenses (Figure 4). Cash was less important (13%), but Francois was more likely to use cash, whereas his wife generally used the debit card.

Figure 4. Method of Transactions



Financial Diaries Participant: Jacquelyn

Summary

Jacquelyn is in her mid-thirties. Although she has some post-secondary education and now earns more than ever, she shared with researchers that she feels constrained by financial debt and educational limitations. She attributes her disadvantages to her own experience in the child welfare system, having spent the latter part of her adolescence in foster care. Although she shared that she does not always feel like she is in control of her finances and finds the more abstract aspects of finances, such as debt and credit management and online banking, challenging, Jacquelyn feels proud of herself for keeping up with her daily food and housing expenses.

Diaries Project

Jacquelyn began her participation in the Financial Diaries Project in June 2018 and participated for 52 weeks. She learned about the project through a local food bank. When she first began the project, she was regularly employed and earning 23,000 per year. Early in the project, however, Jacquelyn lost that position when her contract was not renewed. This resulted in several weeks of unemployment, and she need to apply for and receive Employment Insurance (EI).

Throughout the project, researchers noted a pattern of loans going back and forth between Jacquelyn and her partner and family members, which created an accounting challenge. Researchers also noted that Jacquelyn often came to meetings without a complete record of her transactions. During the exercise of recounting her financial transactions with the Financial Diaries Team, Jacquelyn expressed surprise at both the amount she was earning, as well as her expenditures.

It seemed to the researchers that Jacquelyn was developing a growing awareness of her day-to-day finances. She told the Financial Diaries Team that being a part of the Financial Diaries Project has made her more conscious of her purchases, and that it has helped her identify what she wants and help her set small goals.

Sociodemographic

Jacquelyn describes her cultural background as Indigenous. She has been legally separated from her former partner for several years. In her interviews, she shared with researchers details which appear (to the writer) to point to a fragile social support system and the legacy and ongoing impacts of colonization. She does not have custody of her children. Jacquelyn shared that a former foster parent

has been a big support, especially in the past, but that she (the foster parent) now sometimes relies on Jacquelyn for financial support, which makes Jacquelyn feel obligated to help her to repay this kindness.

While she and various family members depend on each other for loans in times of need, there is consistent pattern of Jacquelyn denying her own needs to help others, and of others failing to contribute where they have promised to do so. At the start of the project, she shared a private two-bedroom apartment with a roommate who was inconsistent with rent payments. She moved out mid-way through the project, leaving Jacquelyn solely responsible for the rent.

Jacquelyn completed her General Educational Development certificate (GED) as an adult, while raising three young children. She shared that although she has had several years' experience in administration, she would like to pursue post-secondary education in the field of administration to improve her future job prospects but lacked the savings to fund this goal.

Jacquelyn told the Financial Diaries Team that she would like to improve her financial situation by earning more money but faces several barriers. At the beginning of the project, Jacquelyn was precariously employed, having worked at a temporary agency for the past eight years. During this time, she held numerous different positions at various wages, but received no sick days or benefits as a temporary worker.

Jacquelyn does not have a driver's license or vehicle. She told researchers that she feels that she might be able to find another part-time position in her current agency if she could drive. She also finds it a challenge to commute to different parts of the city to work at the various positions assigned to her by her temporary employment agency.

Although she earns more money now than she has previously, Jacquelyn has accumulated considerable personal debt and has a poor credit rating. Payday Loans and communication bills (cell phone bills with data overages amounting to \$3,000) from years ago have gone to collections, amounting to approximately \$20,000 in total. She has been receiving Rent Assist, but a higher income in the previous year has reduced the amount she currently receives. Although Jacquelyn regularly borrows money when her income is not sufficient, she also lends money to family members. Jacquelyn describes herself as a giver, saying she helps when she can do so. She recounted an occasion where she gave her daughter grocery money and subsequently spent very little for her own groceries the following week.

Financial Practices

Jacquelyn has an unpredictable income as a casual worker. Because she works for a temporary agency, she can be placed in various positions at variable wage rates. Although she had a good contract at the

beginning of the project, when that ended, Jacquelyn was without work for several weeks, and needed to rely on Employment Insurance (EI). According to Jacquelyn, losing her well-paid position negatively impacted her mental health. She has had various health issues in the recent past which have also contributed significantly to periods of income loss. She experiences periods of financial stability and instability; when she is laid off, she borrows money to pay bills.

Jacquelyn lives paycheque-to-paycheque (paid weekly) and saves for rent and utility bills. She also prioritizes giving, despite her limited income. Her finances have become intertwined with those of her partners' finances, with a lot of lending, borrowing and frequent e-transfers. Jacquelyn shared that she also regularly paid for her daughter's transportation and her partner's telecommunications bill, despite this resulting in her use of the foodbank to make ends meet.

Although she does not, at present, have substantial savings nor a consistent source of income, Jacquelyn shared that she would like to be able save a few months of income to have some padding for rent, and to invest in a vehicle someday. However, Jacquelyn did not share with the Financial Diaries Team a plan for savings toward that goal.

Assets & Liabilities: Start and Finish of the Diaries Project

Jacquelyn has one checking account. Jacquelyn had insignificant amounts in her savings account at the start and end of the diary. In fact, her net financial assets deteriorated over the course of the project. She was owed a small amount of money by a family member at the beginning of the analysis. Regarding liabilities, Jacquelyn reported a debt of several hundred dollars at the beginning of the analysis, but at the end of the project she had a debt with a collection agency which amounted to several thousands of dollars. She also owed a portion of unpaid rent.

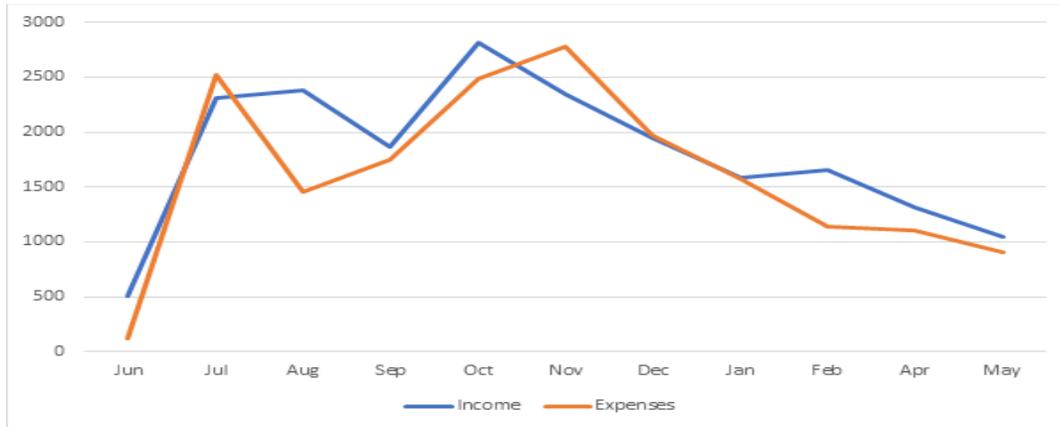
Income and Spending Patterns

Jacquelyn's pattern in expenditure and income on goods and services from June 2018 to May 2019 is found below (Figure 1). Income and spending showed spikes in July, October, and November. Income volatility is due, as previously mentioned, to working a variety of temporary jobs.

Spending volatility is due to a few reasons. The spike in July, for example, was due to the large expenditure on food (both grocery stores and restaurants). The dip in spending in August was due to lower expenditures on food. The expenses on mobile telecommunications, however, was larger compared to the previous months (due to non-payment of her bill in June and July). November and December expenses on rent were high because Jacquelyn was sharing her rental unit with a friend who

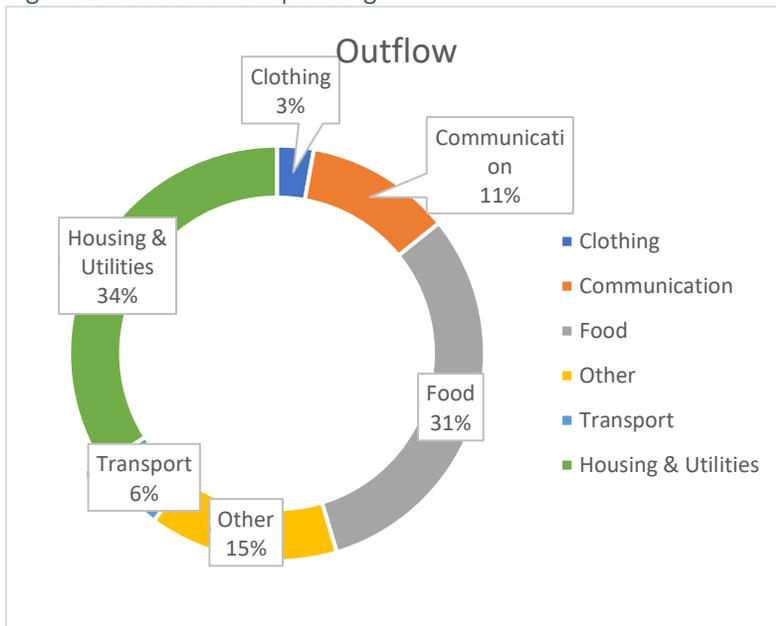
was unable to pay their share of the rent, which left Jacquelyn almost solely responsible for the rent payments for those months (\$1108 in November and \$931.5 in December). As a rule, her expenditures are less than her income, aside from the months of July, November, and December.

Figure 1. Income and Spending by Month



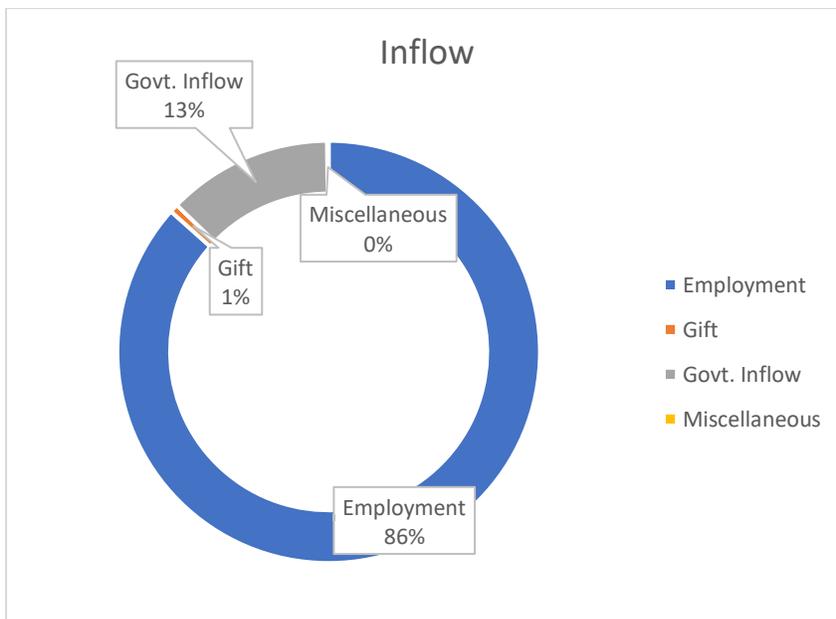
Jacquelyn's main expenses are on housing and utilities (34%) and food (31%) (Figure 2). Jacquelyn lives in a modest 2-bedroom rental unit. Jacquelyn does a minimal amount of cooking and spends a fair portion of her food budget on eating out, as well as on regular purchases, such as soda, at convenience stores. She spends a about 11% of her income on communications, and, under 'other' 7% on leisure purchases such as Spotify and Netflix services. Jacquelyn has two MTS cell phone plans. One plan was used by her partner, however they separated mid-way through Jacquelyn's year with the Financial Diaries Project. He lost the phone, and she had to pay \$200 as a result. Jacquelyn still pays for this plan, but no one is currently using it.

Figure 2. Allocation of Spending



Jacquelyn’s main source of income is from temporary employment, which constitutes 86% of her earnings. During her year with the Financial Diaries Project, this amounted to just over \$16,000. Income received from Employment Insurance (EI) and Rent Assist (government inflows) comprises about 13% of Jacquelyn’s total income.

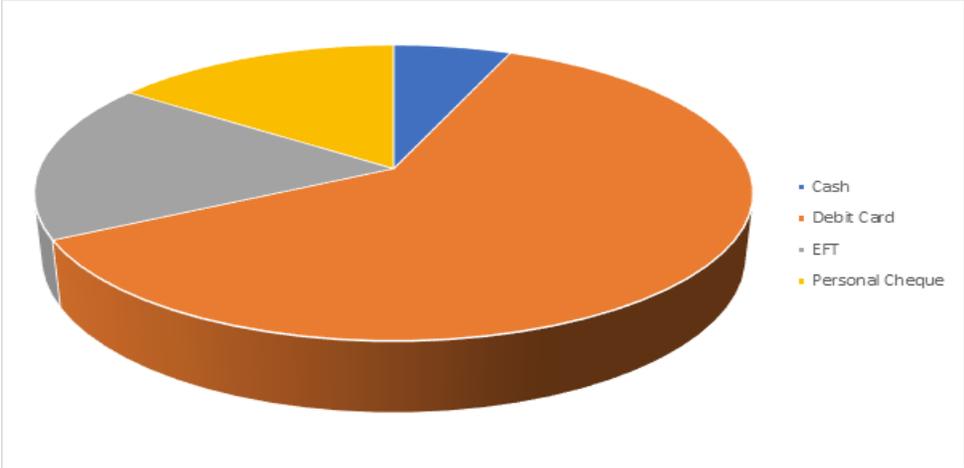
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Jacquelyn mostly uses her debit card for (income and expense) transactions (61%). This is followed by electronic transfers, which account for about 17% of her expenditures. She mentioned buying cheques to pay for her rent. Due to poor credit and accumulated debt, Jacquelyn has never had a credit card.

Figure 4. Method of Transactions



Financial Diaries Participant: Kateryna

Summary

Kateryna is a single adult in her fifties. At the start of her involvement with the Financial Diaries Project she was casually employed with a local business. The Financial Diaries Team observed that Kateryna appeared to be careful with expenses and her day-to-day transactions, however she did not speak about specific long-term financial plans. She lives in a neighbourhood with very limited access to in-person banking, however she shared that she does not do online banking because she does not trust online accessing her account. During the time of her participation in this project, Kateryna saw a modest improvement in her net assets and employment.

Diaries Project

Kateryna participated in the diary project for fifty-two weeks, beginning in May of 2018. She learned about the Financial Diaries Project from a local tax clinic. Both before and throughout this project, she tracked her expenses and kept what appeared to the researchers to be a very careful diary.

Socio-demographic

Kateryna describes her cultural background as Mennonite and Ukrainian/English. She is single and lives alone in a private rental accommodation. She has one adult child and one grandchild who sometimes comes to stay with her. Her educational background includes some secondary school. Kateryna owns a smartphone but does not have an internet connection at home.

Before starting with the project, Kateryna estimated her annual income at \$10,000. Her income was gained from the informal economy. She had previously enjoyed full-time employment with a well-known company in the retail sector but was terminated when the company closed its doors. After losing this job, Kateryna worked intermittently at a position in the service sector. The remuneration was intermittent and informal, and not equivalent to a minimum wage. Kateryna referred to this as a bartering relationship, and shared that she was paid either in cash or received goods or services in exchange for her work. By the end of project, however, Kateryna had acquired a part-time minimum-waged municipal position, one which brought her a more regular income and greater stability.

Financial Practices

During the year that Kateryna participated in the Financial Diaries Project, she had an annual income of approximately \$17,000. This was based on two part-time low-waged jobs and the income that she received through Rent Assist. Kateryna would often emphasise to the Financial Diaries Team that she was satisfied with her financial situation. Kateryna's lifestyle seemed to the Financial Diaries Team to border on hardship, as she seemed to make do with what for many might seem inadequate resources.

Kateryna lives in a neighbourhood without sufficient in-person banking options, however she does not do internet banking. She does not own a computer and shared with researchers that she feels impatient with the intricacies of using a computer. The Financial Diaries Team noted that this placed Kateryna in a difficult position regarding banking options. In addition, Kateryna shared that her bank no longer offered a book to track transactions, instead offering online tracking, and that they charged extra fees for paper statements, making it difficult for her to track her finances.

At the start of her participation in the Financial Diaries Project, Kateryna's focus was very much present-oriented because, as she shared with researchers, the potential gap between her income and her bills once her Employment Insurance (EI) ran out was troubling to think about. Kateryna stated that her current goals were to pay for her bills, including rent, groceries, and utilities. She also told shared

that she felt that education and training could improve her current position, however she did not share a specific strategy towards these goals.

Kateryna’s diary appeared to the Financial Diaries Team to be done very carefully. She is cautious about using credit and tries to avoid debt. Kateryna reported that she uses her credit card only when she does not have cash, and she pays it down immediately.

Assets & Liabilities: Start and Finish of the Diaries Project

Kateryna has one checking account. She keeps small amounts of savings in the form of cash at home to avoid paying for debit transaction fees. She also has a credit card but rarely uses it. Her net assets increased through the diary period, due to her receipt of an income tax refund (Table 1). Kateryna’s assets improved mainly because of her tax return, her acquisition of better-paid employment enabled her to save the amount of the refund, whereas she might previously have used it towards her regular expenses.

Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
Chequing	860	2,644
Cash	0	130
Total	860	2,774

Income and Spending Patterns

Kateryna s monthly income and spending track closely although outflows are lumpier than inflows (Figure 1). However, when looking at her weekly income and spending, they track very closely (Figure 2). One such example is evident for the months of August and September (Figure 2). It is also clear that small outflow spikes come after income spikes. This can be seen where an income spike in late September is followed by a small spending spike in early October.

Figure 1. Income and Spending by Month

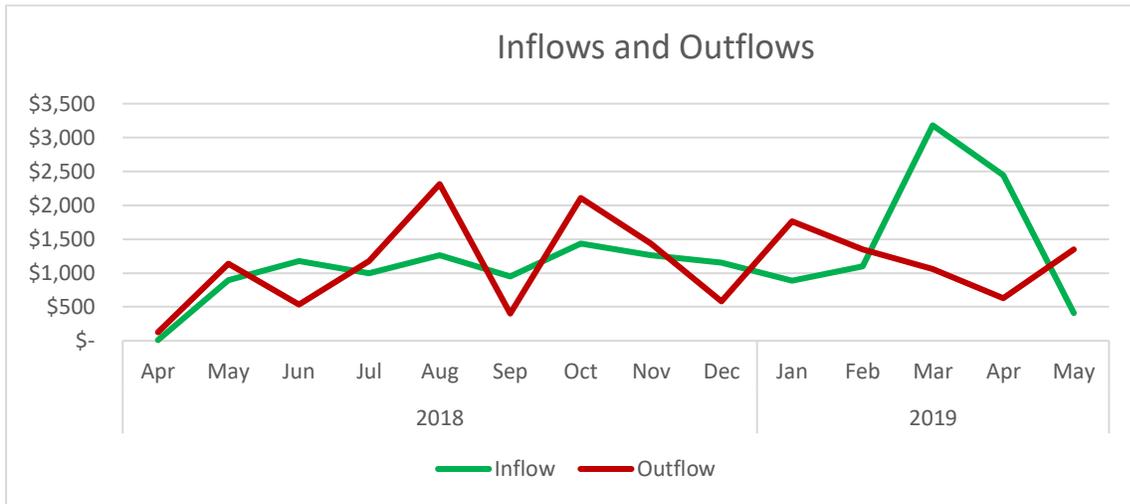
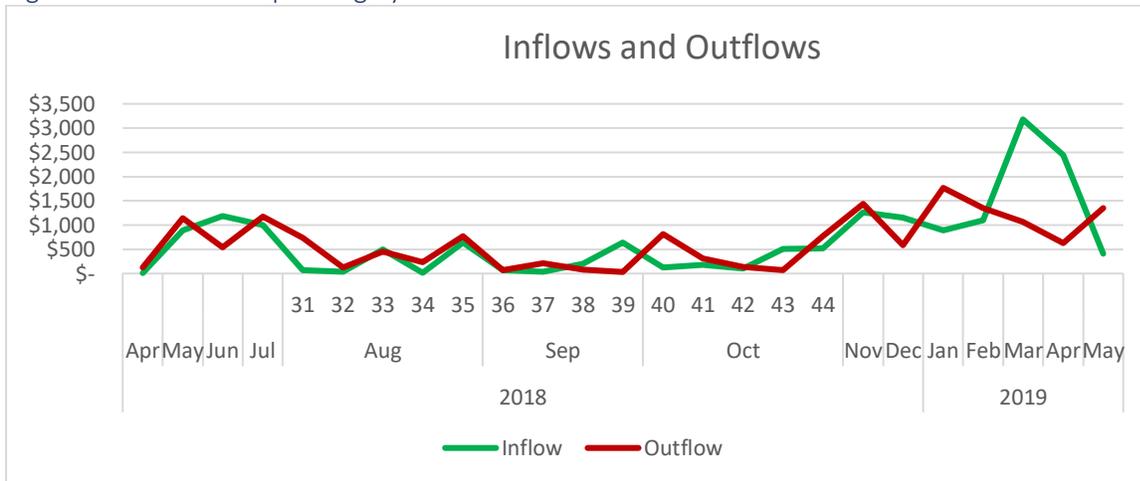
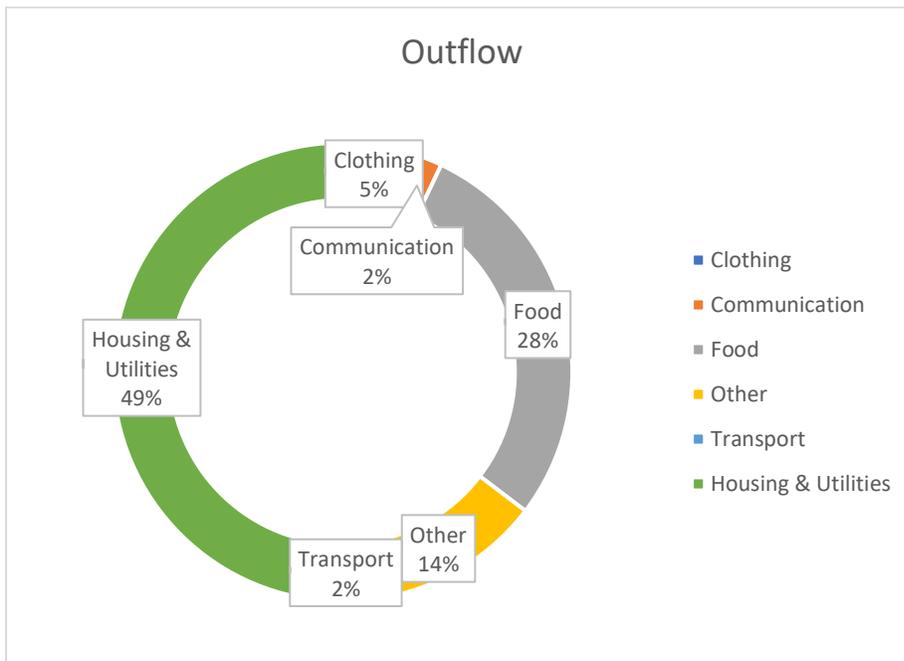


Figure 2. Income and Spending by Month or Week



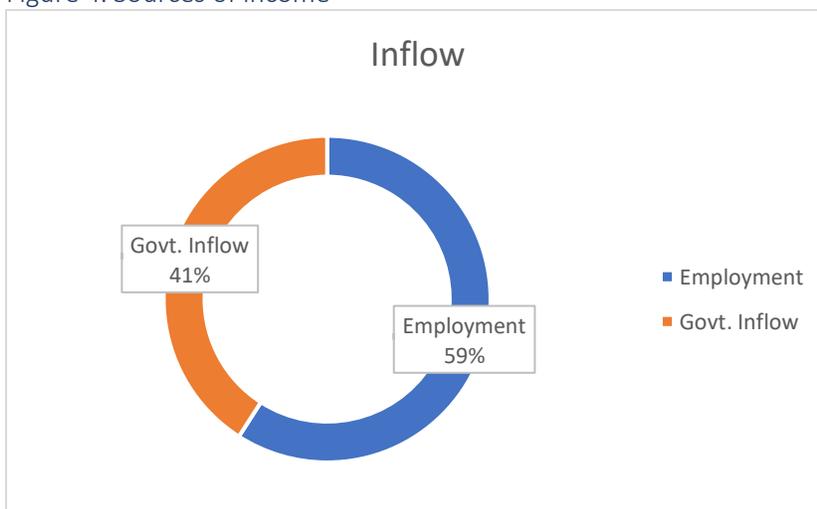
The majority of Kateryna’s spending goes towards housing/utilities (49%) and food (28%). Smaller amounts going towards clothing (5%). Kateryna also makes frequent charitable donations and gives gifts to family members and friends (7% of spending).

Figure 3. Allocation of Spending



Kateryna received 59% of her income from employment. Kateryna works casually for a small local business owner, who has not, according to Kateryna, put her on the payroll. Instead, the owner pays Kateryna in cash, and often pays for her groceries in exchange of work done for the business. Kateryna has not been able to accumulate a significant amount of savings. She receives 41% of her income from various government inflows. For instance, she regularly receives rent assistance from the government.

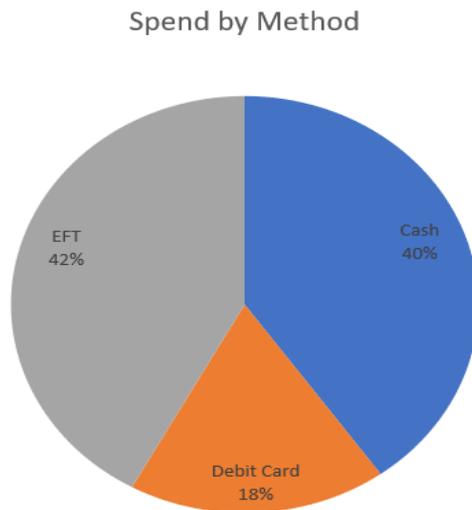
Figure 4. Sources of Income



Percentages of Transactions and Method used

Kateryna uses electronic funds transfer (EFT) (direct deposits from work and Rent Assist) for most of her (incoming and outgoing) transactions (42%). This is followed by use of cash (40%) and use of her debit card (18%). She does not use her credit card on a regular basis. Kateryna is an important example of a person who still relies on cash for most of her transactions.

Figure 5. Method of Transactions



Financial Diaries Participant: Mary

Summary

Mary is a single woman in her late fifties. At the beginning of the Financial Diaries Project, she was working on a casual basis at with two local organizations. She received Rent Assist from the province of Manitoba and discovered, during the project, that she was also eligible for the 'Fifty-five Plus Supplement.' Mary's net assets and employment situation deteriorated somewhat during the project, as she lost one of her part-time jobs. She was able to cover her needs during this time by borrowing money from a family member.

Diaries Project

Mary participated in the project for fifty-two weeks, from May 2018 to April 2019. She had learned about the diary project from a local tax clinic. The Financial Diaries Team noted that Mary was careful and thorough in her financial recording during her participation in the project. Mary shared with the Financial Diaries Team that she is a 'visual person' and enjoyed charting her finances during her participation in the project for that reason.

Socio-demographic

Mary describes her cultural background as Canadian. She lives alone in a private rental accommodation. She has some secondary level education. Before starting with the project, Mary estimated her annual income at approximately \$8,000.

During conversations with researchers, Mary referred to previous mental health challenges and shared that this is an ongoing daily struggle for her. In addition, Mary has had several surgeries and subsequent periods of recovery in the past, which she shared had been a barrier to work. She has been on Employment and Income Assistance (EIA) in the past and indicated, because of her sense of a loss of freedom and control, that she is averse to doing so again.

Mary pointed out to the researchers that she felt that people and networks were an important source of social capital. She shared with the Financial Diaries Team that she regularly uses a local food bank. Mary told researchers that this was not only beneficial financially, but that this was also a source of community for her, as she was able to spend time connecting with friends during her appointments at the food bank.

Financial Practices

During the year of her participation in the Financial Diaries Project, Mary earned approximately \$16,000 in annual income from two jobs, one of which ended during the period of the project. She received Rent Assist, the Fifty-five Plus supplement, and family support towards her rent payments. At the start of the project, Mary reported that she previously had to resort to using a substantial amount of savings to make ends meet.

Mary told the researchers that she has actively pursued financial learning on her own, listening to well-known speakers on the topic of finances. She also mentioned learning about finances, at an

earlier time, by observing how her mother managed the family finances. Mary does telephone banking; she does not have a smart phone or an internet connection at home.

Assets & Liabilities: Start and Finish of the Diaries Project

Mary’s net assets decreased through the period of her participation in the project due to loss of employment, which caused her to borrow money from a family member (Table 1).

Table 1. Start and Finish Financial Assets and Liabilities

	Start	Finish
Chequing	1,100	1,700
Cash	0	130
Loan from family member	-7,500	-15,000
Total	-6,400	-13,170

Income and Spending Patterns

Mary’s monthly income and spending track closely although outflows are lumpier than inflows (Figure 1). However, when looking at her weekly income and spending, they track very closely (Figure 2). It is also clear that small outflow spikes come after income spikes. This pattern is like Kateryna’s pattern. Both participants are not using credit and are able to make bigger purchases after they received bigger inflows. This can be seen where an income spike in late September is followed by a small spending spike in early October.

Figure 1. Income and Spending by Month

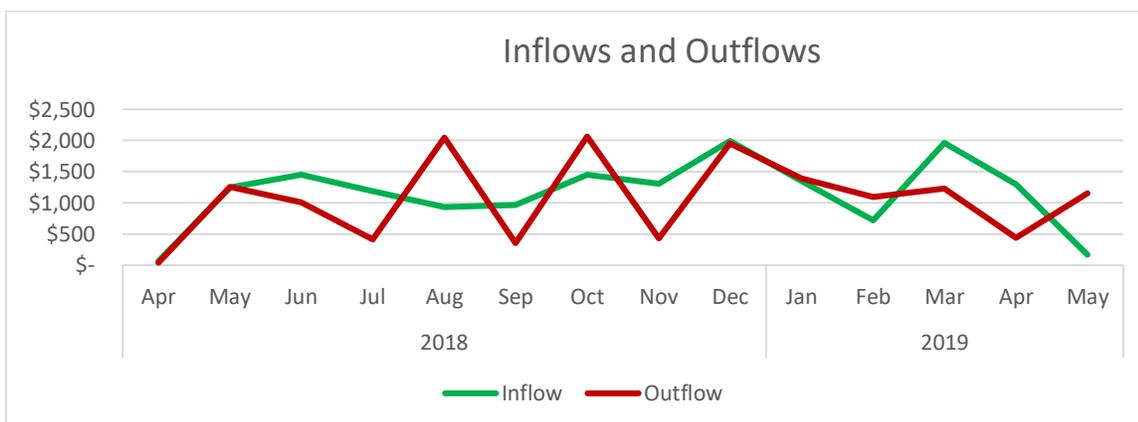
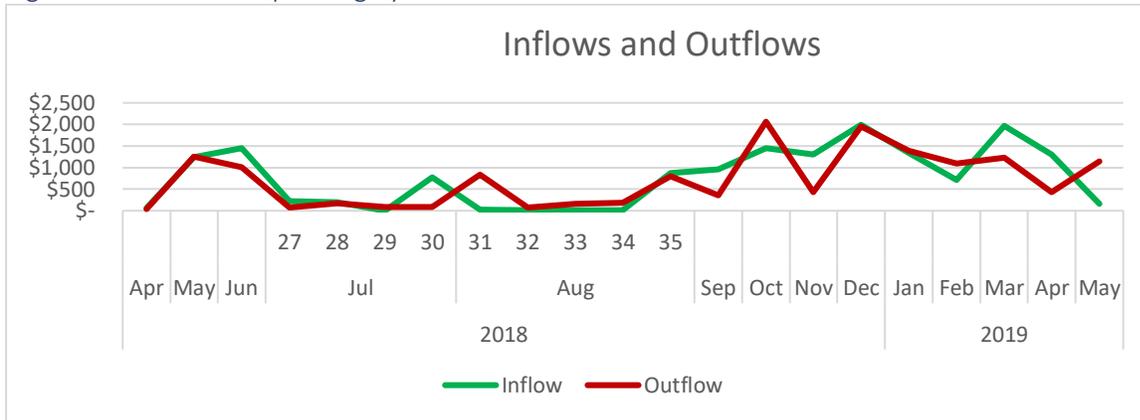
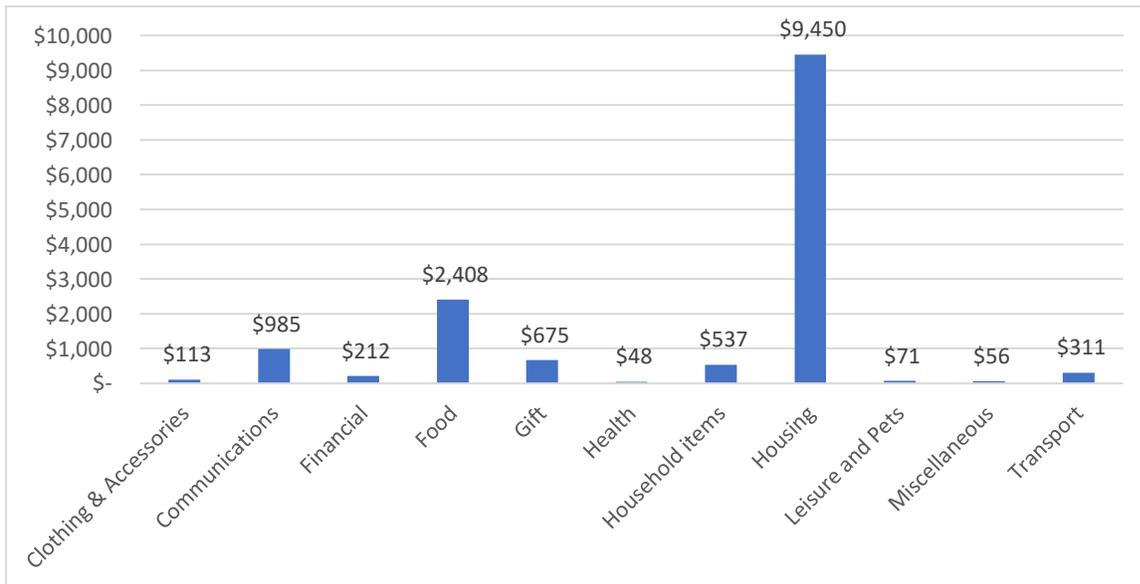


Figure 2. Income and Spending by Month or Week



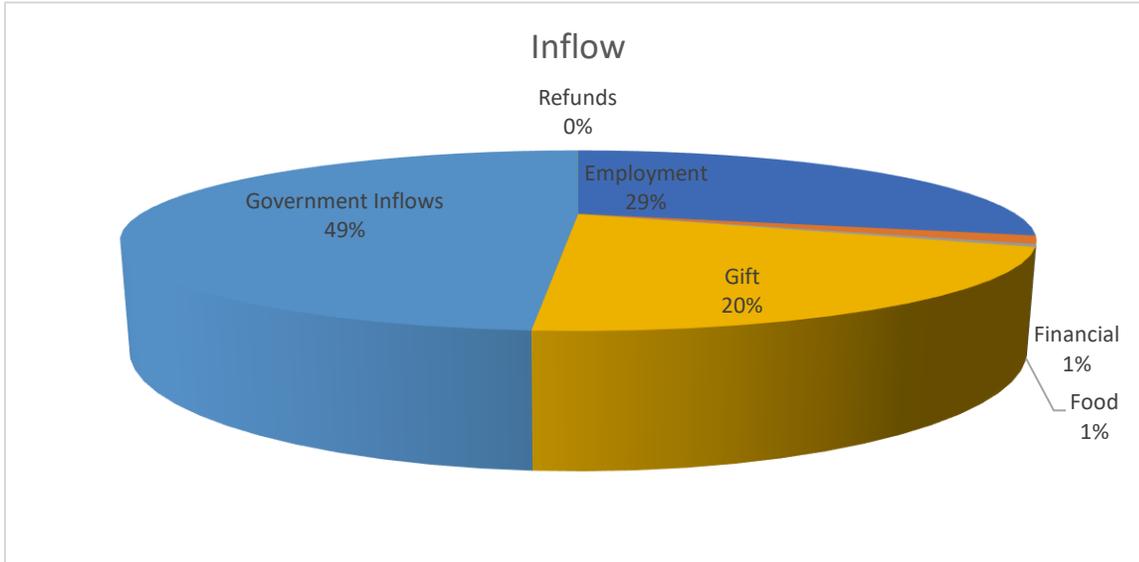
Most of the Mary's spending goes towards housing and food. Smaller amounts go towards communications and household items. Although Mary receives Rent Assist from the Manitoba government, her housing expenditure is still high compared to her expenses, amounting to 63% of her total outflows. Mary's expenditure on food is also considerable. In addition to purchasing groceries, Mary often eats out at restaurants. She also makes regular charitable donations. Once again, an expenditure akin to Kateryna.

Figure 3. Allocation of Spending



Mary received 29% of her income from employment and just under 49% from various government inflows (including an income tax refund and Rent Assist), and 20% as a financial gift from a family member.

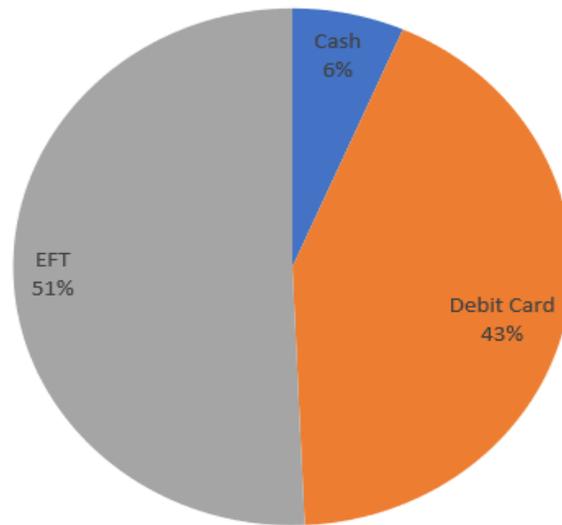
Figure 4. Sources of Income



Percentages of Transactions and Method used

Mary relies mainly on electronic fund transfers for her inflow and outflow transactions (51%), followed closely by use of her debit card for 43% of her transactions. Her cash transactions are minimal.

Figure 5. Method of Transactions



Financial Diaries Participant: Fernanda

Summary

Fernanda is a married woman in her late thirties. As a recent newcomer to Canada, she was not formally employed during her involvement in the Financial Diaries Project. She came into the project with prior accounting skills and was responsible for tracking the finances in her household.

Diaries Project

Fernanda began participating in the Financial Diaries Project in April 2018 and participated for fifty-two weeks. She had learned about the project from a local tax clinic. Fernanda's finances did not change significantly during the diary process; however, she shared that she prefers the diary process of tracking her finances to her previous method. She now tracks her finances every week rather than at the end of the month.

Socio-demographic

Fernanda travelled from Brazil to Canada on a student visa in 2016. She and her partner live alone in an apartment. Fernanda was in the process of applying for permanent resident status in Canada during her

time with the Financial Diaries Project. Fernanda did not have the necessary immigration status for formal employment at the time of the project, however her partner worked a retail position and together they worked several cleaning jobs.

Financial Practices

During her year with the Financial Diaries Project, Fernanda’s annual household income was just under \$25,000. Fernanda and her partner regularly use their credit card for transactions. Fernanda even uses her credit card to pay for rent. They also spend significant amounts on leisure activities such as dining out. While Fernanda and her partner frequently charge purchases to their credit card, they tend not carry credit card debt. Instead, they usually pay towards the balance in several small increments throughout the month.

Fernanda would save her honorarium from the diaries project for special occasions. She also saves small amounts of cash at home, which she utilizes to offset small expenditures. Her current financial goal is to save for her immigration and residency documents, which she estimates will cost approximately \$2,000.

Assets & Liabilities: Start and Finish of the Diaries Project

Fernanda has one checking account and one savings account. Her main assets were the contents of her home. Her net assets dropped slightly through the diary period as her \$1,500 savings were used up (Table 1).

Table 1. Start and Finish Financial Assets and Liabilities

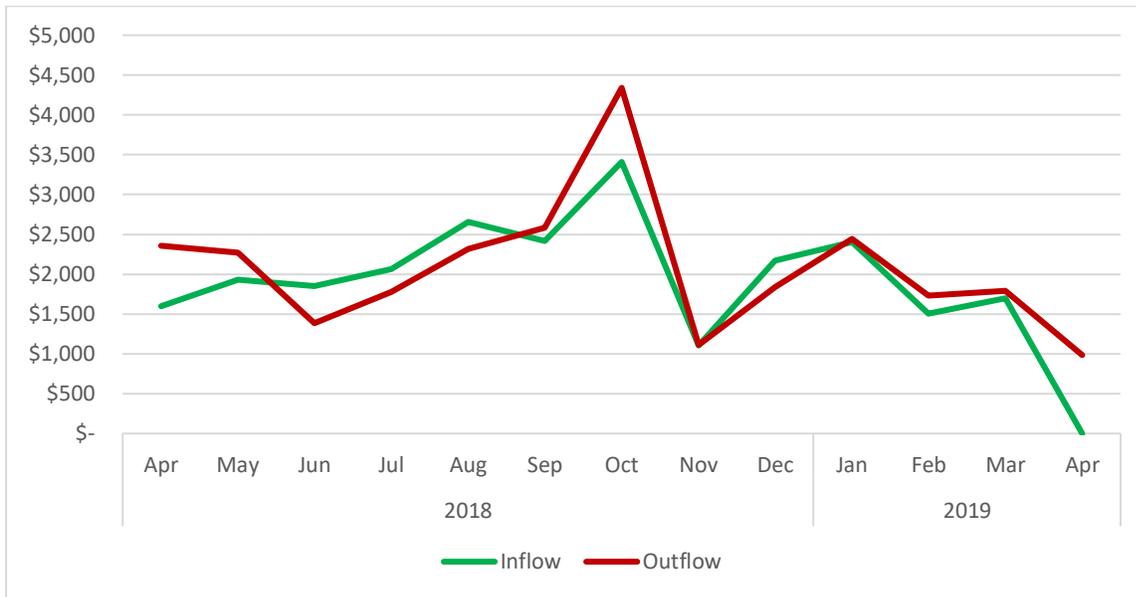
	Start	Finish
House contents	7580	7580
Chequing	109	36
Savings	1500	0
Financial Sub-total	1609	36

Income and Spending Patterns

Except for October and November, Fernanda’s income and spending are regular (Figure 1). The spike in outflows in October was due to the cost of filing applications for residency status and even in that month income and spending were quite close. Fernanda spent \$1,000 in the application itself. In addition, there

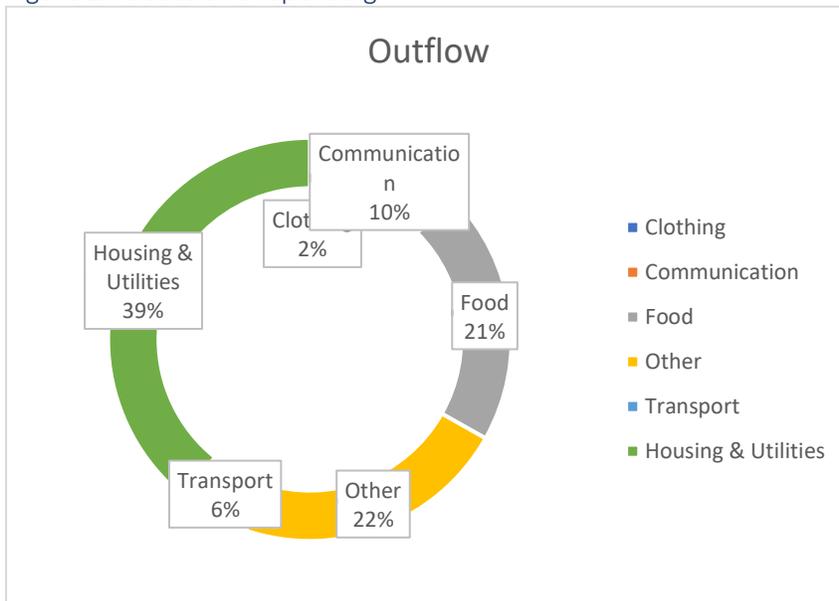
was a visa renewal for \$200 and an application for Fernanda’s work permit cost her \$355. She spent an additional \$200 refiling for the work permit after the first application was denied. The costly process of applying for a work permit is a barrier to both employment and income and serve to place an added burden on new immigrants, especially for a household living on a single fixed income. Income was higher in October as well, but not as high as spending, and this reflects higher piece-work employment income.

Figure 1. Income and Spending by Month (includes credit transactions and repayments)



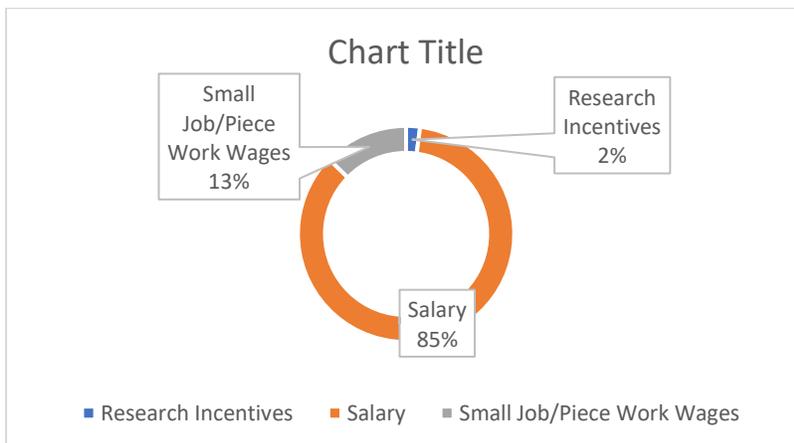
Fernanda prioritises housing/utilities, food, and communications (Figure 2). Her rent costs are high, as she receives no Rent Assist. Fernanda’s household expenditure on communication (mobile phone and internet access) is significant, and accounts for about 10% of her total outflows. She also purchased a new phone last year. Leisure and household items, falling into the ‘other’ category, represent another 10% of spending. Since Fernanda is a newcomer, some of her expenses are related to immigration applications. Costs for filing for permanent resident status, getting photos for application forms, and other immigration fees amounted to no less than 7% of her total expenses.

Figure 2. Allocation of Spending



Fernanda household's main source of income is her partner's income and the money earned from casual labour in the informal economy. Her partner has a full-time salaried job that contributes to around 85% of the total household income. Fernanda contributes by working alongside her partner in his second job providing cleaning services. She also made some money by selling an old mobile phone and appliances online, as well as for her participation in the Financial Diaries Project.

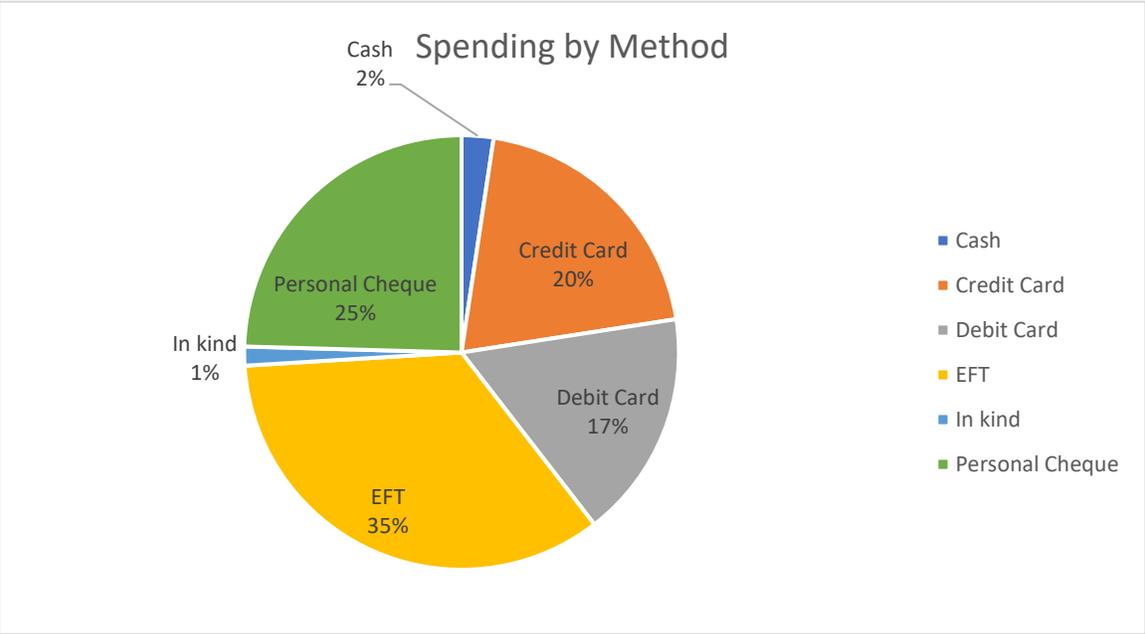
Figure 3. Sources of Income



Percentages of Transactions and Method Used

Fernanda uses electronic fund transfer most often, for about 35% of her (inflow and outflow) transactions. Fernanda’s partner receives his salary via direct deposit into their bank account. Because she uses personal cheques to pay for her rent, this method accounts for 25% of Fernanda’s transactions. Fernanda uses her credit card (20% of transactions) more often than her debit card, and she very seldom uses cash. Fernanda also pays for her credit card online, and items such as movie tickets are also often obtained via an online purchase.

Figure 4. Method of Transactions



CFD Phase One Participants Background: Nita

Summary

Nita is in her late fifties. She is not formally employed outside the home; however, she has been a full-time, long-term foster parent to three children. Although her income did not increase during her participation in the financial Diaries Project, Nita shared that she felt that her finances had improved.

Diaries Project

Nita joined the Financial diaries Project in June 2018 and participated for fifty-two weeks. She had learned about the diary project from her son.

Near the start of the project, Nita told the Financial Diaries Team that she felt knowledgeable about her finances- she had a business administration certificate from a local community college and had observed her father's financial practices as he managed the family farm. In addition, Nita said that she had taken a course on financial tracking through a local non-profit organization. Despite this knowledge, however, Nita did not feel that she was in control of her finances. She had a small notebook where she liked to financial transactions, however she did not do this consistently. "I think at this point the finances are in control of me because I haven't really had time to sit down and look over all the, the bills, et cetera."

Interviewers found that Nita's quantitative diaries consisted of a general list of transactions, and that there were discrepancies between the written data and the verbal accounts. Interviewers therefore frequently needed to ask additional questions regarding the details of these transactions to gain a more complete picture.

When asked about her definition of financial wellness, Nita side that her definition included having sufficient income for necessities, such as food, clothing and shelter, and transportation, but that financial wellness went beyond such necessities and included saving for the future and for things such as family vacations.

By the end of the project, Nita had become more mindful of her spending. She shared that what she found most helpful about the project was the opportunity to discuss her finances with someone else: "I think it gives because it gives me a chance to talk about my expenses every week or every two weeks. And I think about it after I talk and then I go home and contemplate. It's always on my mind, expenses now."

Socio-demographic

Nita is divorced with three surviving adult children. She describes her cultural background as Sioux. Nita's children do not officially live in the household; however, she is currently caring for three foster children. One son also frequently stays with Nita for extended periods. Nita is also very involved in caring for her grandchildren and helping with transportation to childcare.

Nita comes from a family of ten. Her parents struggled with alcoholic abuse, and Nita was placed in foster care as a child, where she attended residential school as a part of the Sixties Scoop (refers to the child welfare practices from 1960-1990, where Indigenous children in care were removed from the care of birth families and placed into the care of white, middle-class families across North America, a practice now recognized as extremely deleterious to the cultural identities of these children). She is expecting a settlement payment as result of the sixties Scoop Class Action. One of Nita's adult children also struggles with alcoholism, and another son was tragically murdered a few years ago.

While her main source of income is currently derived from her role as a foster parent, Nita shared with researchers that she has recently earned a BA in Aboriginal Governance. She told researchers that one barrier she faces to employment is a past criminal record. This has caused her to lose what Nita viewed as a good, stable employment opportunity (Nita was hired to work as a maintenance worker at a facility a few years ago but was let go upon the discover of her criminal record from nearly three decades ago).

Nita and her foster children live in subsidized housing. They are waiting for a 3-bedroom unit to become available through Manitoba Housing (provincial non-profit housing program), as Nita's foster son is turning five, and will his own bedroom after that point. Nita has a smart phone but does not have an internet connection at home.

Financial Practices

At the start of the project, Nita estimated her annual income at \$41,400. Her main source of income is from employment as a foster parent.

Nita frequently lends to family members but does not keep records. These loans function more like gifts, as they are mostly not repaid. This is particularly true for loans to her son, who has a drinking issue. Nita also helps her children financially in various ways, such as: letting her adult son live with her periodically; paying for her daughter's cell phone bill and frequently giving her rides; paying for daughter's traffic ticket (she drove through a red light); and paying for her son-in-law's parking ticket. Nita used to give loans to friends in the past but ceased to do so during her participation in the project.

In addition to sharing financial resources with her children, Nita spends a lot of time helping her adult children by driving them to places they need to go and caring for her grandchildren, often at the expense of her own self-care. She often resorts to take-out food or frozen dinners after spending time helping her children and subsequently being unable to take the time to prepare food from scratch.

Nita stated that she was currently not a saver. She said that although she felt her income was modest, that she could potentially save if she became more intentional, saying “I know if I were to save, I could save.” Nita regularly saves \$50 per month towards the \$900 fee required to pardon her past criminal record check.

Nita purchased a van near the end of the diary process (April-May), which improved her credit score. Up to this point, she had preferred to keep only one basic credit card with a low limit (\$400). She was leery of credit card debt, as she had accumulated a substantial balance owing on her cards in the past which took several years to clear. Nita shared with researchers that she was not completely comfortable having the additional credit cards.

Nita shared with the Financial Diaries team that she would like to buy RRSP’s with her portion of the Sixties Scoop Class Action Settlement. She also shared that the reason that she wanted to work outside the home was to save money for later in life, as her children already had enough to worry about in supporting themselves, and she did not want to place expectations on them.

Income and Spending Patterns

The graph below shows Nita’s income and spending patterns from June 2018 to May 2019. Her monthly outflows and inflows track one another quite closely.

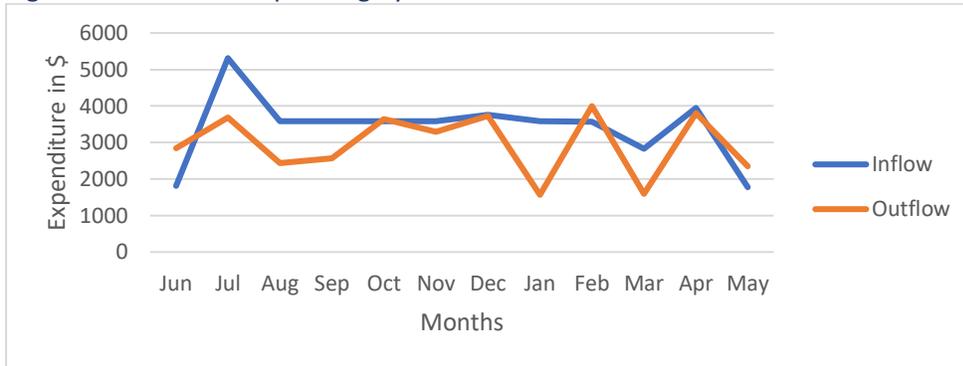
The income spikes in June and April occurred when Nita received more income as a foster parent, while there was an unobservable dip in August and March, due to decreased foster parenting income (this was a reduction in payment which was made to correct an accidental overpayment by the agency in the previous year)

The spike in outflows in July was caused by an increased expenditure on food and on communication (cable TV bill, internet bill and mobile phone bill). Similarly, in October, there were increased expenditures on food and transportation (car insurance, gasoline, and car payments). Nita also had higher court hearing fees (triple the usual amount) in October.

The dips in outflows in September, January and March were due to lower food, communication, and transport expenses. The dip in outflows in August was due to lower expenses on communication and transport.

Food, communication, and transportation are spending categories for which Nita spends on her children and grandchildren (providing rides, paying for cell phone bills, helping with unexpected auto-related expenses, and buying fast food) and likely fluctuate in response to their circumstances and needs.

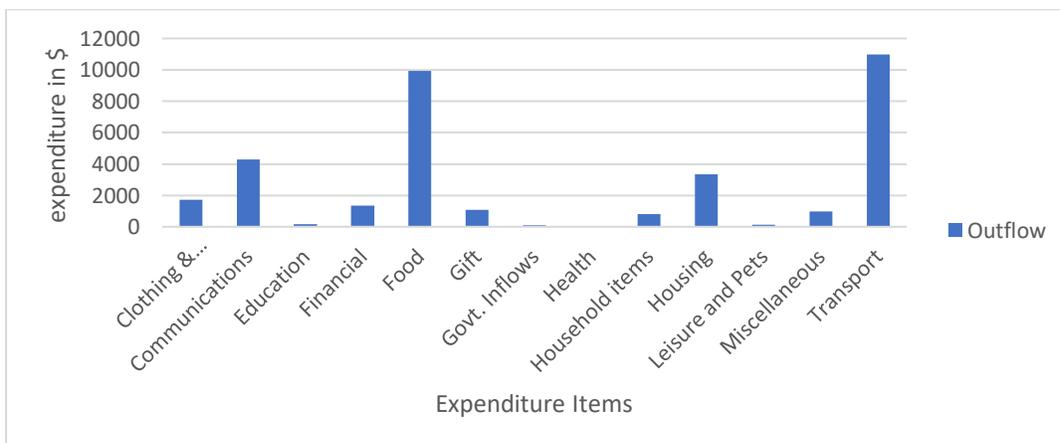
Figure 1. Income and Spending by Month



Nita mostly spends on food, transport, and communication (Figure 2).

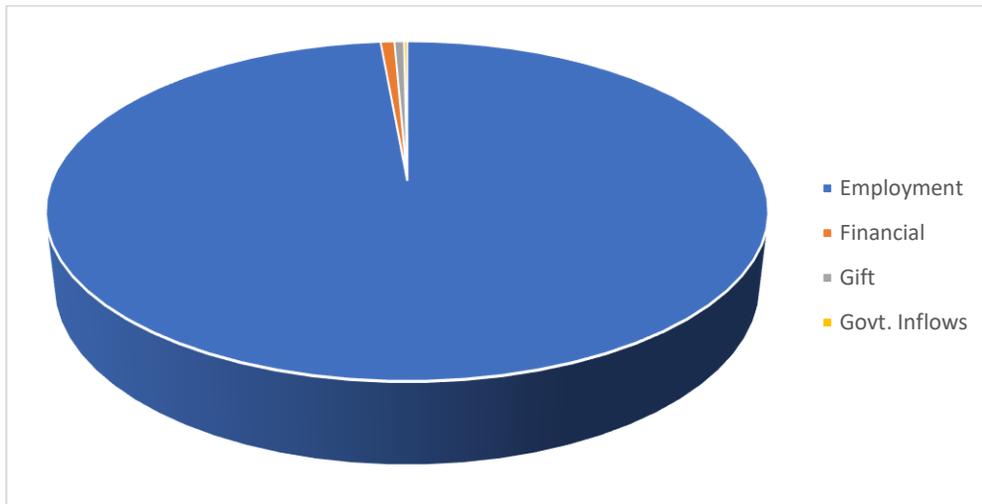
Nita has high food costs because she is often too busy to cook from scratch, and so must rely on take-out and ready-made foods for her household. She also purchases food for her adult children and grandchildren. Her high transport costs are due, in part to the purchase of a new van during the year she participated in the project. Her housing costs are low because she lives in subsidized housing.

Figure 2. Allocation of Spending



Nita earns 97% of total income as a foster parent (Figure 3).

Figure 3. Sources of Income



Percentages of Transactions and Method Used

Nita relies primarily on debit for her transactions (74%). She uses electronic funds transfer (EFT) for 11% of her financial transactions and cash for 9 % of her transactions. Nita rarely uses her credit card.

Figure 4. Method of Transactions

