Financial Exclusion & Poverty in Canada:
A Research Project

An Introduction

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Plan

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Introduction

- The Financial Exclusion and Poverty in Canada research project is a 3-year research project, funded by the SSHRC, which seeks to understand the causes & consequences of, and responses to, financial exclusion in inner-cities neighbourhoods in Winnipeg, Toronto & Vancouver.
Introduction

- **Financial exclusion** generally refers to a form of social and economic exclusion where the person or community have no, or limited, access to mainstream banking services.

- **Mainstream bank** refers to deposit-taking institutions which are regulated by the state, such as a bank, trust company and credit union.

- Rather than rely on mainstream banks, financially excluded people rely more on **fringe banks**—such as pawnshops, cheque-cashers and payday lenders which do not accept deposits and are often unregulated—or **informal financial services**, which includes credit or transactions services from friend, family or neighbour (e.g., corner store).
Goals of the Project

- First, we shall seek to understand the nature and causes of financial exclusion. Why do people choose to be unbanked? How does being unbanked affect a household’s financial position?

- Second, the research program seeks to understand how financial service providers, special community-based projects, and relevant regulations affect participants’ financial wellbeing.
The Research Team

- Field Research: Antonia Fikkert, Marilyn Brennan, Rick Eagan

- ‘Macro-data’ Research: Wayne Simpson, Brian McGregor, Xiao-Yuan Dong

- Research Assistants: Jennifer Braun, Coralee Buckley, Teresa Chernecki, Stacy Clark, Jennifer Mussel, Jessica Leigh, Daniel Liadsky, Marni Lifshen, Angela Slater, Erin Vosters

- Participants: We are grateful to the over 150 participants (residents, key informants, etc.) who directly participated in one or more of our field methods
The Research Team
(continued)

- Collaborators & Logistical Support
  - Toronto: Rick Eagan, Maureen Fair, Miryam Zerballos, St. Christopher House
  - Vancouver: Marcia Nozick, EMBERS; Dan Small, PHS Community Services Society
  - Winnipeg: Andrew Douglas, SEED Winnipeg

- Website: Daniel Liadsky

- Funding: Social Sciences and Humanities Research Council

- Academic support: Menno Simons College, The University of Winnipeg, Canadian Mennonite University

Fringe banks, Winnipeg, 2009
Financial Exclusion Concept

Social-personal
- Social context
- Personal situation

Financial Exclusion

Policy
- Access to Banking
- Consumer Protection
- Other

Banks
- Accessibility
- Institutional Culture
- Restrictions

J. Buckland: Fin Excl & Poverty in Canada
Research Design
(Format taken from Kirby et al. 2006)

Theory: Institutional theory of financial exclusion

Research design: Quantitative-qualitative mixed method

Research Methods: Field methods, ‘Macro-data’ methods

Dissemination & dialogue: reporting, presenting, & dialoguing

Next steps: theory, research, action

Financial Exclusion
Methods

- Field methods
  - Resident surveys: Neighbourhood survey, Financial life history, Financial diaries
  - Key informant surveys: CBP survey, Banker inclusion survey
  - Other: Mystery shopping

- ‘Macro-data’ methods: bank mapping, national survey analysis
Outputs
[website]

- Reports
  - Field methods
    - Resident surveys: Neighbourhood survey, Financial life history, Financial diaries (analysis stage)
    - Key informant surveys: CBP survey, Banker inclusion survey (final draft stage)
    - Other: Mystery shopping
  - ‘Macro-data’ methods:
    - Bank mapping (pending)

- Articles
  - Field methods
    - Financial literacy, financial capability
  - ‘Macro-data’ methods:
    - National survey analysis (2 times)

- Presentations
  - Financial exclusion, financial literacy, community banking projects