



making ends meet

**Surviving**  
on low income in canada

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# **about making ends meet**

**CERA – Centre for Equality Rights in Accommodation, in collaboration with Canada Without Poverty, spent a year talking with low income people across the country. This publication is the outcome.**

**We spoke with over 100 low income people in Ottawa, Montreal, St. John's, Saskatoon, Calgary, Vancouver and Whitehorse about how they manage to survive and sometimes even thrive with very little money. The people we spoke with were diverse: young, older, racialized, disabled, Aboriginal, immigrants, newcomers, in receipt of social assistance, employed, living in private market accommodation and in social housing. The one thing they had in common was that they were living on very low incomes and managing, through a variety of strategies, to make ends meet.**

**We met with participants in churches, community centres and social service organizations across the country. In each case we asked participants the same set of questions to ensure we would be able to compare and contrast results. We were surprised to find that experiences across the country are remarkably alike, despite different economies, and diverse social programs in the different provinces and territories.**

**CERA takes seriously the issue of poverty in Canada. This publication is in no way intended to glorify poverty. Rather, the aim of the project is to expose the money-management skills that many low-income people possess or learn out of necessity, to survive. And the aim was met: after talking to participants from coast to coast, we have concluded that people with low-income who manage to make ends meet possess a set of impressive financial literacy skills and know-how.**

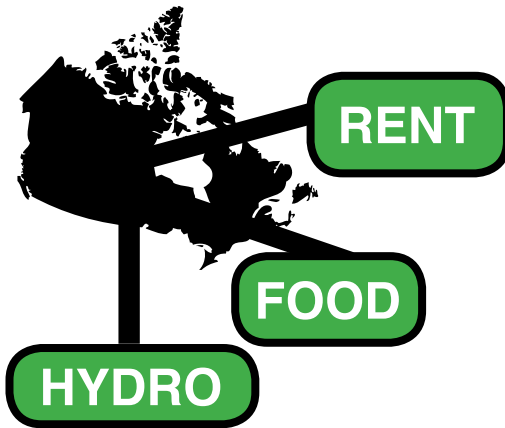
**This booklet is intended for those who work in the “financial literacy” sector as well as for decision makers in financial institutions and other fiscal decision-making positions. The aim of the booklet is to undo the myth that people living in poverty are irresponsible with money or mismanage money. It questions whether a lack of financial literacy is the cause of poverty. And it provides some insights into what poverty looks like in Canada.**



# What do we mean by "financial literacy"?

The ability to understand how money works in a household and the skills a person uses to make decisions about how to spend their financial resources and survive.

# top expenses in canada



Other expenses noted:



**MEDICATION**  
especially not covered  
by social assistance  
programs or welfare.

As well **CHILDCARE, PHONE/INTERNET & SCHOOL FEES** were mentioned as important secondary expenses.

## transportation



**TRANSPORTATION** was noted as another considerable expense, including both the cost of public transportation and/ or the cost of maintaining a car. Participants said that access to transportation was a staple expense as it is often the means for them to get to work and hence make ends meet. Transportation was seen as particularly costly for participants with disabilities. Transportation costs were mentioned specifically in cities where the quality of public transit was deemed expensive and inaccessible, including Whitehorse, Calgary, and St. John's.

# survival strategies

money  
saving  
skills  
strategies



- Creating monthly budgets
- Prioritizing rent payment before other expenses
- Bargain hunting for cheap utility providers
- Looking through flyers and using coupons for product discounts
- Buying the cheapest brands, almost always “no name”
- Researching which banks charge the smallest fees
- Buying products in bulk
- Buying clothes “off-season”
- Never going grocery-shopping hungry!
- Buying rolling tobacco and rolling papers instead of pre-rolled cigarettes
- Rolling coins and spare change
- Recycling bottles and cans at local depots for a little extra change

# going without

most participants go without basics  
as a strategy for making ends meet



- Going without new clothes to handle more important expenses
- Mothers often without food so their children can eat or have seconds
- Going without medication to pay for rent and food  
Giving up expenses like cigarettes or alcohol
- Several participants noted the higher cost of meat and said they often went without
- Going without certain forms of entertainment like cable or internet
- Cutting back on how often laundry is done and how much detergent is used

# community resources



- Relying on community resources is essential
- Almost every single participant across the country relied on food banks to get by, saving money for rent. Participants on the whole had a very negative experience of foodbanks, criticizing limits on frequency of use, treatment by employees, and the quality of food.
- Buying second-hand clothing at Salvation Army and other used clothing outlets like Value Village
- Using local community support centres (like drop-in centres and programs at churches)
- Using community gardens
- Using computers at the library to access the internet



## paid employment



Many participants in receipt of social assistance said that they try to find employment to supplement their income. Others indicated they have no choice but to work “under the table” while in receipt of social assistance as their entitlement is too low for survival. Participants were acutely aware of how much can be earned per month on social assistance before the money is clawed back.

## resourcefulness



Participants in all of the sessions shared their resourcefulness – a key skill for survival. Here are some of the tips they shared:

Baking at home rather than buying bread and other items  
Making and repairing clothes  
Knowing how to subsist on cheap healthy food like quinoa (high in protein) and lentils.

# unforeseeable costs and emergencies



We asked participants how they deal with emergencies like having to attend an out-of-town funeral and unforeseeable costs like those associated with having school-aged children. These were their responses:

- Charge additional expenses to a credit card and pay it off as soon as possible
- Use lending companies and pay the loan back as soon as possible (e.g. Money Mart)
- Asking family or friends for assistance
- If the emergency situation that arises is something like a funeral or a family member in the hospital, some participants admitted they are forced to forgo attending/visiting due to cost

Some participants simply have no support to turn to in a time of “emergency”

# social networking

social supports play a prominent role in making ends meet, for example.



- Sharing accommodations to pay rent
- Borrowing money from/sharing costs with friends and family
- Trading goods and services with others (e.g. housework traded for childcare)
- Using internet sites like Craigslist.ca and Kijiji.ca to buy and sell used products

# banking experiences

*we asked participants about their experiences with banks, here is what learned.*



Poor people are very comfortable using the mainstream institutional banks. Almost every participant across the country had a bank account in one of the main financial institutions. Many participants recognized the importance of having a bank account and there were several participants who were grateful for their bank's overdraft services to help manage expenses.

Many participants across the country articulated negative experiences with banks. Most felt that the transaction fees and other hidden costs were unfair and inappropriate given their low incomes. These participants noted that banks lack transparency and, as a result, indicated that they often feel deceived by banks.

Participants in receipt of social assistance with bank accounts expressed frustration with banks then cashing social assistance cheques because of the length of time it takes for cheques to clear and the oftentimes judgemental nature of bank tellers.

Surprisingly, very few participants had accounts with credit unions and most participants did not know about credit unions nor about the difference between a credit union and a bank.

# savings



**Needless to say, just getting by can be incredibly challenging on a low income. When it comes to getting ahead the challenge is even bigger. It is next to impossible for most low income people to save any money especially if they are in receipt of social assistance because the rates tend to be so low.**

**Plans to save money and get ahead are further complicated for those living on a low-income with a disability or illness. Several participants noted that in their experience, only certain medicines and generic drugs are covered under welfare. Between specialty medications and medical consultations (typically not covered), low-income people living with a disability or illness are especially disadvantaged with respect to long-term savings due to the priority of their immediate health.**

**A number of participants explained how the income support system makes it very hard to move into paid work. For example, there are often negative consequences when leaving the welfare system and entering the paid labour force, such as the loss of drug benefits or having to pay more in rent. Many participants also said that they received less money in paid employment than when in receipt of social assistance, and thus felt penalized when they tried to get-ahead.**

# recommendations



**At the end of each session, participants were asked to make recommendations to those in financial decision making positions. What follows is a summary of key recommendations.**

**One of the central feelings expressed by participants was that those who have the power to draft financial policy affecting low-income people in Canada are grossly unaware of the harsh realities of trying to make ends meet on a low income.**

- Participants in Vancouver challenged those with greater means to try to live on a low income.**
- Participants in Whitehorse hoped that officials would learn to truly and fully empathize with low-income people in Canada.**
- Participants in Saskatoon were clear that poor people should be much more involved in financial decision making processes, especially where those decisions affect their lives.**



*many of the low-income participants surveyed felt that institutions could better respond to the realities of living in low income.*

For example, many suggested that banks could waive certain fees for customers in a low-income bracket, or at the very least, banks could comply with certain measures regulating transparency of regulations.

Most participants complained that the cost of living is simply too expensive, even where no luxuries are purchased and the household budget is managed to the penny.

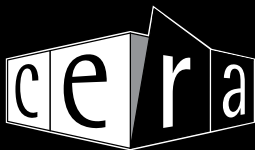
The solution to this is not obvious, but participants offered several solutions they thought would help them make ends meet. Participants from Vancouver suggested that social assistance payments should be indexed to the rate of inflation.

Others called for a more progressive tax system with even lower taxes for Canadians living in the low-income bracket.

Certain participants suggested that the price of common commodities could be lowered. Whitehorse participants recommended that the price of gasoline be lowered (a particularly costly expense for those who cannot rely on the city's public transit system).

## **in short**

Making ends meet on a low income requires a set of impressive financial literacy skills and know-how. But let's not be satisfied with the knowledge that many poor people have the ability to get by; let's work collectively to ensure poor people can get ahead.



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