

Financial Inaccessibility, Management and Literacy

Analyzing money management strategies when the income is volatile and unpredictable

What are the research questions?

1. What are the challenges faced by people experiencing income volatility and precariousness?
2. What is a mutually agreeable operational definition of income volatility and precariousness in the first place?

Why in our research?

Given that income precariousness and volatility are a part of people's life, what are the best money management strategies and financial literacy resources in research that can help make people adapt and make their lives easier?

How did we conduct our research?

A review and synthesis of academic literature, community based reports, institutional services and support, and financial literacy information including Financial Consumer Agency of Canada modules.

Who needs to know about it?

Financial Literacy experts need to understand how financial literacy can be adapted to situations involving unstable and non-fixed income. Policy makers and institutional leaders need to analyze the impact of their policies, and learn how to better design them for people with volatile and precarious income.

What is the social problem?

Increasing number of Canadians are moving from fixed, stable sources of income to unstable income. This is leading to higher income volatility and precariousness in society whose impact is not mitigated by traditional financial literacy resources such as budget planners and advisors. This trend is leading to rising poverty, income in-equality, earnings instability and food insecurity which is highly concerning in the crisis situation of Covid-19.

What are the key barriers identified to financial success?

1. Variation in defining and measuring key terms.
2. Inadequacy of existing financial literacy information.
3. Inaccessibility of financial resources and information.
4. Understanding the impact of the problem.
5. Institutional Barriers
6. Policy Barriers

For more information

Muhammad Shahmir Masood, Management Supervisor:
Dr Brenda Spotton Visano, Economics and Public Policy
York Community Finance Project (YUFCP)
<https://yucfp.info.yorku.ca/>

Our Solution

1. Recognizing different definitions of income volatility and precariousness to clarify the various dimensions of the problem.
2. Expanding working definitions to cover financial, statistical and social perspectives on income volatility and precariousness.
3. Analyzing the effectiveness of existing financial literacy resources and identifying challenges these resources may present to those whose income is volatile or precarious.
4. Offering preliminary suggestions for adapting existing financial literacy resources.

Future research

Refining existing financial literacy resources and creating new resources catered towards addressing the unpredictable income challenge.

Developing an appropriate financial literacy program to increase access to resources.

Developing a student centred program for financial literacy at the York University Community Finance Project.