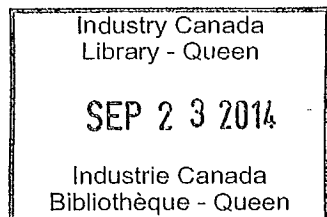


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During the past twenty years, the alternative financial services industry has increased in use and importance in Canada, especially in urban areas as major banks and to some extent credit unions/caisses populaires have abandoned their branches in the inner cities. The most common of these are deferred deposit loan operations, most commonly known as payday lenders. Payday loans are short-term loans, usually under \$1,000, advanced against a post-dated cheque, which is payable on the borrower's next payday. These loans typically add a number of registration and other fees to the maximum rate legally available, and are often refinanced or "rolled over" to the next payday with additional fees payable, making them the most expensive source of consumer credit available. The high interest rates, as expressed on an annual basis, have raised the attention of media and regulators, with some provinces (e.g., Manitoba) planning legislative controls on payday loans, which are currently under federal jurisdiction. The importance of these loans in consumer insolvency is largely unknown: Are they helping to fill the gap and allowing consumers to avoid bankruptcy, or are they just one more loan to add to an already overextended debtor, pushing him or her over the brink into bankruptcy?

Research Objectives

The research will provide an analysis of the role that payday loans play in consumer insolvencies, both summary administration bankruptcies and Division II proposals in Canada. There seem to be two schools of thought about these loans—either they are usurious and the least knowledgeable, vulnerable consumer will fall prey to them, or they are a rational answer for consumers with few assets and few alternatives to use at a time of great need. Currently there is no research in Canada to determine the importance of payday loans in consumer insolvencies, although a recent study (Mayer, 2004) has considered the role of these loans in selected US counties. This research is inspired by Mayer's study using a sample of filings of both consumer bankruptcies and Division II proposals from seven major Canadian cities.

Literature Review

Payday lending is a relatively new phenomenon, although the principle of short-term loans at high interest rates is certainly not new. These businesses developed during the 1990s for many reasons—the decline of branch banking by the chartered banks and credit unions, the increasing paperwork required for an application for a short-term loan at financial institutions, and as a legitimate business opportunity for entrepreneurs. Fees in mainstream banks have risen considerably during the era of deregulation, and some consumers do not have a bank account as service fees on these accounts erode their savings. The payday loan industry is part of the alternative financial services, or fringe banking industry, which includes pawnshops, cheque-cashing firms, payday loan firms, rent-to-owns and income tax preparation services that advance funds (Buckland & Martin, 2005). The Canadian Association of Community Financial Services

Providers (2005) estimated that there were 1000 offices/stores offering payday loans in 2003, while Kitching and Starkey (2006) estimated that in 2004, there were 1,200 payday loan stores in Canada. The industry is growing rapidly, so it is difficult to get updated information. According to Graves (2003) and other authors, it is the most rapidly expanding segment of the credit industry.

There are many concerns expressed by consumer groups and policy analysts on the practices of payday lending (AARP, 2002; Lott & Grant, 2002). The major concern is that repeat borrowing is expanding with payday loans "morphing into an expensive source of longer term credit" (Stegman & Faris, 2003). One study of the Canadian industry (Ernst & Young, 2004) showed that, on average, payday lenders provide 15 repeat or rollover loans for every first time loan extended. Since the administrative costs for these rollovers are much lower than the cost of processing a new loan, there is a great financial incentive for the industry to encourage them. Nevertheless, payday lenders offer important banking services in low income and minority neighbourhoods that were abandoned by the mainstream financial institutions during bank deregulation.

Who are the payday lenders?

Kitching and Starkey (2006) outline the main industry players in the payday loan field in Canada. They include National Money Mart Company, the Canadian leader with Money Mart payday loan stores. They estimate Money Mart's market share to be 30% by the number of stores, and 50% by volume of business. As of November 2005, there were 344 Money Mart stores in Canada. Rentcash operates under the Cash Stores and Installoan banners, and operates 298 stores in Canada with the exception of Nunavut and Quebec. It is publicly traded on the Toronto Stock Exchange. Cash Money is the third major player, operating 70 payday loan stores in six provinces. Many small companies also offer payday loans to Canadians. The Canadian Payday Loan Association is the national industry association and represents about 40 companies, including the top three in the industry listed above. It is a self-regulatory organization and membership is voluntary. Its only recourse in dealing with a complaint is to revoke the company's membership, although the association is on record as supporting government regulation of the industry.

Most payday lenders are located in working class and high-minority neighbourhoods (Buckland & Martin, 2005; Stegman & Farris, 2003). Graves (2003) studied neighbourhoods in metropolitan Louisiana and Cook County, Illinois and found that disenfranchised neighbourhoods are simultaneously targeted by payday lenders and neglected by mainstream financial institutions. He found that neighbourhoods with payday loan outlets nearby were much poorer and less white than the country as a whole.

Who uses payday lenders?

The 2005 Survey of Financial Security (Pyper, 2007) provided the most recent information about the users of payday loans. The data showed that younger families, and unattached individuals and married couples with children were more likely to use these loans. Families with higher incomes and home ownership also had a significantly lower incidence of using payday loans. They noted that, for payday loan users, spending tended to exceed income.

The Financial Consumer Agency of Canada (FCAC, 2005) used an Ipsos Reid poll to determine Canadian's experience with, and motivation for, using payday loan services. About 25% of respondents reported using payday loans, and those most likely to have used the services were men, those between ages 18 and 34, urban residents, residents of the four western provinces, those with some post-secondary education, and those with household incomes less than \$30,000 per annum.

Stegman and Faris (2003) found payday borrowers in North Carolina were more likely to have impaired credit histories, lower incomes, be African American, and have parents who did not have a banking relationship than non-borrowers. The extensive report by Lott and Grant for the Public Interest Advocacy Centre (2002) surveyed a random sample of Canadian households in 2001 to ask about use of alternative financial services, including payday lending. Factors affecting use included Canadian's increasing dependence on credit to finance consumption, and stagnating incomes for most Canadians. They found a significant percentage (30%), were using the highly costly rollover provisions of payday loans. They also note that borrowers would not turn to extreme forms of lending such as loan sharks if payday lending was not available.

Why do people borrow from payday lenders?

Lott and Grant (2002) estimate that about 350,000 Canadians use payday lenders each year. Reasons for using payday lenders include their fast and efficient service (money was needed immediately), convenient hours and location, and the borrower's poor credit history and lack of a bank account (FCAC, 2005). Buckland and Martin (2005) interviewed payday loan clients and found that although they preferred mainstream services, they often found them difficult or undesirable to access. Reasons given were "location and hours of operation, restrictions placed on services, lack of respect and safety, and control and anonymity" (p.168).

Elliehausen and Lawrence (2001), using a national US sample, reported that 94% of payday borrowers report having other options but choose paydays loans instead and that 92% of customers had favourable attitudes toward the experience. They also found that payday loan customers earned between \$25,000 and \$50,000 per year and three quarters of them had a high school diploma. It seems obvious that there are clear advantages for consumers in using these services, that they are aware of the costs, and that a decision to use this service is rational.

Is payday lending "criminal" or "anti-consumer"?

Some critics believe that lenders target vulnerable, low income consumers, charge massive fees and encourage the loans to be renewed, magnifying a modest loan into a back breaking debt (Ciccone, 2006). Industry proponents, on the other hand, believe that a useful and desirable financial service is being provided, that their customers are largely ignored by the mainstream banks, and that the increased fees are a direct result of the increased risks firms bear when lending to those with poor credit histories (Ciccone, 2006).

Most payday loans are small (under \$1000) and are made for a term of two or three weeks. Typical costs are about 20% of the value borrowed, with a borrower providing a post-dated cheque for the loan amount and fees. For example, in order to get a loan of \$300, the borrower must

provide appropriate identification and proof of employment with a cheque for \$360. When the loan is about to be called, the lender informs the borrower that the cheque is soon to be deposited; at that time, the parties may agree to rollover or refinance the loan for an additional period of time. The Canadian payday loan industry statistics show the average payday loan is valued at \$280 and is extended for a period of 10 days (Whitelaw, 2005).

The cost of offering payday loans varies with location and size of firm. Buckland and Martin (2005) studied the alternative financial services market in Winnipeg and noted that payday loans were typically made for a two-week period in amounts of \$100 - \$300 based on a proportion of the client's paycheque. Fees included an interest charge, processing fees and cheque cashing fees. They found that fees on a \$100 two-week loan varied from \$18 to \$38 with an average of \$26. On an annualized basis, they found interest rates varied from 260 percent to 650 percent with an average rate of 551 percent. Stegman and Faris (2003) calculated that the median payday loan in North Carolina in 2000 was \$244 with a 14-day maturity and a loan fee of \$36. The annual percentage rate (APR) was determined to be 419%. An Ernst and Young study for the industry (2004) calculated that the cost of providing first time payday loans was \$29.35 per \$100 on average compared with \$18.20 for the provision of a rollover loan.

Buckland and Martin (2005) point out that fringe banking clients are low income and often are unable to afford the fees charged. In addition, they are unable to improve their credit rating or establish a regular pattern of savings by using such services. On the other hand, the proliferation of fringe banking services allows consumers to access services that were formerly unavailable to them. New technologies and developments in the financial services sector mean that fringe banks can often better meet the needs of consumers than mainstream banks (Elliehausen & Lawrence, 2001) by providing convenient locations, extended hours, and friendly service. Wilson (2004) states that the core problem is lack of access to short-term credit on affordable terms for low-income consumers, a perspective which is consistently ignored by policy makers.

Regulation of payday lenders

There has been little market regulation of the payday loan sector of the economy in Canada. The industry is controlled or regulated in many countries, including South Africa, Australia, the U.K. and most states in the United States (Lawford, 2003). Some jurisdictions simply prohibit rollovers, while others restrict the interest rates and charges permitted for such loans, which then may inhibit other transactions. Ramsay (2003) states that there may be a role for interest rate ceilings, which are well above the market rate, as are used in many countries. Because of the unique circumstances in payday lending, especially the short time frames involved, it is likely that industry specific legislation will be required.

Some attempts to regulate payday lenders in Canada have been proposed. Bill S-19, which had its first reading in the House of Commons just prior to the January 2006 federal election, proposed to reduce the criminal rate of interest from 60% per annum to the inter-bank rate plus 35% per annum, currently 37.5% per annum (Babe, 2006). This was meant to enhance consumer protection, but has caused difficulty for some legitimate loan transactions. Section 347 of the Criminal Code has provisions for declaring a criminal rate of interest above 60% per annum with interest defined as including all fees and charges. Many authors have written about the difficulties

inherent in Section 347 as it may restrict some very short-term business transactions that necessitate a high rate of interest for a day or so (Waldron, 2003; Ziegel, 2003). In October 2006, Bill C-26 was introduced, which would amend Section 347 of the Criminal Code of Canada and exempt payday loans from criminal sanctions in order to facilitate provincial regulation of the industry. This exemption would only apply to payday loan companies licensed by provinces that have consumer protection laws limiting the overall cost of the loans. Some writers (Lawford, 2003; Ziegel, 2006) believe that the federal government is passing the problem on to the provinces, which may or may not choose to regulate payday lenders. As well, there will likely be a lack of uniformity in enforcement (Kitching & Starky, 2006). Class action suits are another option for consumers challenging the charges of payday lenders.

In December 2006, Manitoba enacted the Consumer Protection Amendment Act (Payday Loans) which has not yet received royal assent. Hearings will be held in November 2007 to determine the maximum cost of credit which will be permitted to be charged. The legislation permits borrowers to cancel a payday loan without penalty within 48 hours, requires bonding and licensing of all payday lenders, requires that the terms of the loan must be given to borrowers in writing, and that the cost of such loans will be determined by the Public Utilities Board (Manitoba Statutes, 2006). Nova Scotia and Saskatchewan have also legislation pending (Pyper, 2007).

Internet access to payday lending has increased dramatically in the past five years. Many of these lenders have only a virtual address and use e-mail and telephone to carry out their transactions. Internet payday lending is unregulated, fraught with jurisdictional issues, and can be particularly intrusive in requesting personal information and setting unrealistic lending limits and rollover provisions (Lawford, 2003).

Payday Loans and Bankruptcy

Not much literature exists connecting the experience of payday loans with consumers filing for bankruptcy. The FCAC (2005) study by Ipsos-Reid showed fewer than one in ten users of payday loans reported having filed for bankruptcy or having consulted a credit counselling service following a payday loan. Over one in ten, however, reported that they borrowed money to repay their payday loan. Mayer (2003) estimated that over 10% of all bankruptcy petitioners in Milwaukee County owed more than one payday loan. Some petitions listed as many as nine payday loans and the median debtor claiming one or more of these debts owed the entire next paycheck to payday lenders. Payday loans can serve a useful role for consumers needing an emergency cash advance, and although it is costly relief, one loan will likely not lead to financial ruin. The product only becomes problematic when rollovers are permitted, or when several lenders advance cash against the same paycheck.

The Survey of Financial Security data (Pyper, 2007) show that there is a close relationship between financial difficulty and the use of payday loans, with four in 10 families who use these loans reporting their spending exceeded their income. They found that payday loan users were more than twice as likely to have declared bankruptcy than those who did not (15% versus 6%).

There seem to be two schools of thought about these loans—either they are usurious and the least knowledgeable, vulnerable consumers will fall prey to them, or they are a rational answer for

consumers with few assets and few alternatives to use at a time of great need. Currently there is no research in Canada to determine the importance of payday loans in consumer insolvencies, although a recent study (Mayer, 2004) has considered the role of these loans in selected US counties.

Mayer's work (2004) reports the results of a survey of 3,600 bankruptcy petitions filed in selected US counties between 2000 and 2002. He found that petitioners with payday loans went bankrupt sooner than other petitioners, most with two or more loans and owing nearly all or more of their next paycheck to payday lenders. He found that the median customer with only one loan owed only 17% of net monthly income, which was not considered problematic; however one borrower listed 17 payday loans totaling \$4,933, more than three times her monthly income.

Payday lending is the most rapidly expanding segment of the credit industry. There is much conjecture around the notion that payday lending contributes to the growth of personal bankruptcy. In fact, some research has shown that the expansion of consumer credit is closely related to increases in bankruptcy filings in the US. The industry position seems to be that these are such small loans that they hardly have an effect on the eventual bankruptcy, and might even prevent bankruptcy by allowing consumers to deal with an emergency expense that might otherwise force them into bankruptcy. An empirical analysis of the situation, presented in this paper, should help in determining the importance of such loans in consumer insolvency proceedings.

Research Questions

Are payday loans a major factor in consumer insolvencies in Canada?

- Do insolvents with payday loans file for bankruptcy or make a proposal with lower debt-to-income ratios than do other insolvent consumers?
- Are insolvents with payday loans holding more short-term debt than other insolvent consumers, and do they owe more than 25% of their net monthly income to payday lenders?
- What other variables may be associated with high levels of payday loans held by insolvent consumers?
- Is there a difference between regular filings and Division II proposal filings with respect to the importance of payday loans?

Methodology

Data

The sample was drawn by the Office of the Superintendent of Bankruptcy (OSB) from the Consumer Bankruptcy and Division II Proposals filed in Canada's six largest cities, based on 2001 Census Metropolitan Areas (CMAs) for the years 2005 and 2006. These were Toronto, Montreal, Vancouver, Calgary, Edmonton and Ottawa/Hull. Winnipeg was also sampled. The sample was randomly selected from OSB e-filing tables. The number of e-files has been increasing in each of

the CMAs over the period surveyed (Table 1). The sample size was determined based on the volume of summary administrations (bankruptcies) or Division II proposals (proposals) filed in each CMA with a 95% confidence level and a 5% margin of error.

The Statement of Affairs Form (form 79) was used to collect the names of any payday lenders included in the list of creditors. These are the members of the Canadian Payday Lending Association and others identified as payday lenders. To build this list, OSB used the list of members from the Payday Loan Association (80%) plus others they believe are payday lenders. The association listed only its members, and it is believed that there are many other firms offering these loans. Statistics Canada Business Registry would not divulge its list of payday lenders. For these reasons, it seems likely that the incidence of payday lending is considerably underrepresented in the data.

A sample of personal bankruptcy and proposal filings was selected randomly from records evenly dispersed throughout the year. Detailed financial information was taken from these records, including household income, assets, debts, debt-income ratio, employment status, sex of the debtor, marital status, household size and number of dependents. For those form 79s containing payday loans (PDLs), information was gathered about these loans in relation to other loans such as mortgage, student loans, credit card debt, installment loans and automobile loans. The data in the e-files had been collected by bankruptcy trustees, for record keeping rather than for research purposes, therefore consistency in the way questions were asked of clients was not ensured. Some trustees conduct an oral interview, while others have clients fill out a questionnaire or version of form 79. The answers therefore were inconsistent, especially in the reasons for the bankruptcy and the bankrupt's occupation. Some answers were very complete, whereas others were vague and difficult to code.

Because e-filing of proposals did not reach a significant level until 2005, data before that date were not used. Some CMAs did not have enough e-filed proposals to meet the suggested sample framework--for this reason all the files containing payday loans for Calgary and Winnipeg were used. The e-file volume is shown in Table 2.

The files were selected randomly, therefore there were some joint files in the sample. Because the number of joint files is small, and occurs in every CMA, it was determined that, in order to prevent other biases such as gender or income, these files should be included for this research. The final sample selection is shown in Table 3.

Analyses

Occupation was coded using the 2006 National Occupational Classification (NOC) of Human Resources Development Canada, although it could only be rated to the first digit of the code (occupational structure). This was because data on occupation was not collected in a systematic manner, and many responses could not be classified; therefore, there were a large number of missing values as can be noted in Table 4. Debt-to-income ratio was defined as consumer credit (using short-term debt as a proxy) as a percentage of the bankrupt's yearly income. Short-term debt included bank loans, finance company loans, bank credit card balances, other credit card

balances, taxes owed, individual loans, payday loans, services balances and other loans. Long-term loans included mortgage loans and student loans.

All data for each CMA and each year were entered individually into the Statistical Package for the Social Sciences 15 program, with chi square tests, analysis of variance (ANOVA) tests and t-tests used where appropriate. Then data from all seven cities were amalgamated by year and tested using the same statistical tests as those for the individual CMAs. The amalgamated results were weighted using the weights given in Table 3, and Montreal was excluded because very few payday loans had been reported in this jurisdiction. The general descriptive data uses the un-weighted sample which includes the Montreal CMA; the answers to the research questions use the weighted data for accuracy.

In most cases, the data were found to have a normal distribution. In some cases where the data were not found to be normal, they were recoded with the highest value truncated. This procedure particularly affected the variables of long-term loans, student loans, and the payday loans in Montreal. The data were normalized to allow appropriate statistical techniques to be used.

Results

Descriptions

In the samples from 2005 and 2006, cases including one or more PDLs accounted for 10% and 10.5% respectively for the amalgamated sample. The Montreal CMA did not have enough payday loans (PDL) for analysis because these loans are not permitted by provincial legislation, although there were some reported by trustees. In 2005, 10 were reported (0.2%) while in 2006, 4 were reported (0.1%) in summary administrations, with only 2 reported in 2005 in proposals. Other CMAs ranged from 6 to 24% of e-files reporting payday loans. Winnipeg had the highest proportion of payday loans reported (23.7% of 2006 filings) and Vancouver had the lowest proportion (6.0% in 2006). The range of the number of payday loans held by an insolvent consumer was from one to ten in 2005, increasing to 13 in 2006, and the amount held ranged from \$75 to \$13,500 in 2005 to \$25 to \$22,019 in 2006. The PDL cases in 2005 had a mean loan outstanding of \$1,456.50 and 2.47 loans per person; in 2006 these means decreased to \$1,223 and a mean of 1.99 loans per person.

The mean age of insolvents, as reported, was 42 in both years with a range of 18 to 105 in 2005 and 17 to 87 in 2006, and the number of household members ranged from 1 to 9 (2005) or 1 to 10 (2006). In each year, the mean number of household members under 18 was 0.58, with the number of children ranging from 0 to 7 in 2005 and 0 to 6 in 2006. In the financial area, the bankrupts' monthly incomes ranged from \$0 to \$7,449 with a mean of \$1,830 in 2005 and \$0 to \$9,399 with a mean of \$1,948 in 2006. Total household incomes were larger, ranging from \$0 to \$9,166 with a mean of \$2,279 in 2005 and \$0 to \$10,100 with a mean of \$2,372 in 2006.

Short-term loans ranged from \$0 to \$3,731,161 with a mean of \$30,111 in 2005 and in 2006 the range was \$0 to \$1,332,107 with a mean of \$30,932. Long-term loans ranged from \$0 to \$773,633 with a mean of \$42,053 in 2005, and \$0 to \$721,977 with a mean of \$40,611 in 2006.

Debt-to-income ratios were high, as would be expected with this sample. Sixty-one percent of the sample had debt-income ratios greater than 100% in 2005, rising to over 63% in 2006.

Research Question 1:

Do insolvents with payday loans go bankrupt with lower debt-to-income ratios than do other insolvent consumers?

If it is true that those insolvents with PDLs go bankrupt with lower debt-to-income ratios than other insolvents, they may be going bankrupt sooner and with less debt than other insolvents. This may be positive, as less is written off by creditors and the consumers' misery is shortened. The mean debt-to-income ratio was 102% in 2005 (104% in 2006) for those with payday loans, and 150% in 2005 (155% in 2006) for those without payday loans. The t-test showed the difference between the means was significant for both years (t-value -9.101, N=3297, $p < .000$ in 2005; t-value -8.977, N=3078, $p < .000$ in 2006). This shows that payday loan debtors have much lower overall debt levels compared with other insolvents. The PDL holders went bankrupt with considerably lower debt-to-income ratios than those without PDLs. This could indicate that they went bankrupt earlier than those without PDLs and that the pressure of holding one or more loans with a need to payback very quickly might encourage insolvents to seek relief and protection from their creditors through the bankruptcy process.

PDL holders had lower amounts of long-term loans than did those without PDLs although the result was only significant in the 2006 data (t-value -2.489, N=2934, $p < .013$). The mean amount of long-term loans held by PDL files was \$15,007 in 2005 and \$14,580 in 2006 and for nonPDL files, \$16,634 in 2005 and \$17,245 in 2006. Since long term loans are often mortgage loans, these data are compatible with the Survey of Consumer Finances (Pyper, 2007) which showed that homeowners were much less likely than renters to hold payday loans.

Research Question 2:

Are insolvents with payday loans holding more short-term debt than other insolvent consumers, and do they owe more than 25% of their net monthly income to payday lenders?

Insolvents with PDLs hold significantly less short-term debt than do insolvents without these loans. The mean dollar value of short-term loans held by PDL files was significantly different than those without these loans. PDL files held \$14,485 in 2005 and \$13,938 in 2006 compared with a mean of \$25,972 in 2005 and \$26,615 in 2006 in files without payday loans (ANOVA $p < .052$ $F = 2.105$, $df = 6$) showing that PDLs decreased as short-term loans increased.

The data from 2005 showed that 19% of the insolvents with PDLs owed more than 25% of their monthly income to payday lenders, whereas in 2006, the percentage increased to 25% of insolvents reaching this threshold. Household monthly incomes were even more severely impacted by PDLs with 25% of household monthly incomes in 2005, and 29.5% of these incomes in 2006 being owed to payday lenders. With this major amount of the family budget being allocated to the payment of

one or more payday loans, in addition to the many other obligations to repay short and long-term loans, it is obvious that these loans are becoming an increasing burden.

Since in order to be eligible for a PDL, a consumer needs to be employed and have a paycheck to advance against the loan, one would expect that there would be a positive relationship between income and whether a consumer has a PDL or not. The dollar amount of PDLs is positively associated with total income (ANOVA $F=2.783$, $df\ 4$, $p<.027$ in 2005; ANOVA $F=4.046$, $df\ 4$, $p<.003$ in 2006). In 2005 however, among those with PDLs and household monthly incomes of \$1,000 or less, 71% had payday loans greater than \$400 and among those with incomes of \$1001 to \$2,000, 79.8% had PDLs exceeding \$400. Among those with PDLs and household monthly incomes of \$1,000 or less, 62% had payday loans greater than \$400 in 2006, and among those with incomes of \$1,001 to \$2,000 75% had PDLs exceeding \$400. Lenders do not appear to be concerned with the income level and other financial commitments of consumers when extending payday loans as many low-income consumers would have difficulty repaying these high outstanding loan amounts within a pay day period.

Research Question 3:

What other variables may be associated with high levels of payday loans held by insolvent consumers?

As can be seen in Table 4, there were no significant differences between insolvent consumers with and without PDLs in the gender of the bankrupt but many other variables did show some relationship with holding a payday loan. Age was significantly different between PDL and nonPDL holders with the latter being older by about three years. The mean age of PDL holders was 39 while nonPDL holders had a mean age of 42. Marital status was significantly related to payday loan status, with single persons more likely to hold a PDL than married persons ($X^2 = 23.362$, $df\ 2$, $p<.000$ in 2005; $X^2 = 27.421$, $df\ 2$, $p<.000$ in 2006) consistent with previously reported research.

The number of persons in the household for PDL holders was smaller than the number in households of nonPDL holders, but this was only significantly different in 2006 (t-value -2.802, $N=3438$, $p<.005$). Average household size was 2.15 persons for PDL households in 2005 and 1.95 in 2006, compared with 2.20 in 2005 and 2.16 in 2006 for nonPDL households. The number of household members under 18 was not significantly different between the groups in 2005, but showed a trend toward more household members under 18 for nonPDL holders in 2006 (t-value -1.677, $N=3438$, $p<.09$). The mean was less than one for both groups in both years.

As would be expected by the nature of the loan, employed persons were more likely to hold PDLs than others, with retired persons, unemployed and disabled persons less likely to hold PDLs. Because occupation was not recorded for large numbers of the sample cases, it was not considered valid to use this measure for detailed comparison. The bankrupts' main activity was significantly different between PDL and nonPDL cases with more PDL holders reporting being employed, and fewer disabled, retired, doing unpaid household work or students ($X^2 = 26.182$, $df\ 6$, $p<.000$ in 2005; $X^2 = 16.536$, $df\ 6$, $p<.011$ in 2006).

The bankrupt's monthly income was significantly related to PDL status with those having these loans having a mean income of \$2,186 and those without PDLs having a mean income of \$1,964 in 2005 (t-value 4.396, N=3,440, p<.000). This significant difference was also evident in 2006, with monthly incomes of bankrupts in PDL cases being \$2,207 and nonPDL cases being \$2,018 (t-value 3.404, N=3,202, p<.001). Household monthly incomes between PDL cases and nonPDL cases were not significantly different in either of the years studied. Since PDL holders are more likely to be young and single, the difference in the income of the bankrupt is more likely to be of relevance than the household income in predicting bankruptcy.

The reasons causing the bankruptcy are recorded in the data, and range from very specific, such as a tax liability, to vague, such as "misfortune." The responses were coded into 5 general categories to determine if any reason was associated with the use of payday loans. The PDL holder was significantly more likely to report gambling and addiction problems, and credit overuse, than the nonPDL holder in both years ($X^2 = 45.178$, df 5, p<.000 in 2005; $X^2 = 41.698$, df5, p<.000 in 2006). Since credit overuse is a way to finance gambling and other addictions, this relationship bears further investigation with more precise data collected from bankrupts.

Research Question 4:

Is there is a difference between summary administration filings and Division II proposal filings with respect to the importance of payday loans?

Those holding PDLs were much more likely to have filed a prior bankruptcy or proposal than non-PDL bankrupts. In 2005, 29% of PDL holders had filed a previous bankruptcy or proposal, whereas only 14% of nonPDL holders had done so. This was also true in 2006, with 32% of PDL holders having previously filed compared with 15% of those not holding PDLs. The difference was statistically significant ($X^2 = 53.529$, df 1, p<.000 in 2005; $X^2 = 67.623$, df 1, p<.000 in 2006).

The incidence of PDLs was almost identical between those filing proposals and bankruptcy. The mean number of these loans was only significantly different between the groups in 2006 with proposal filers holding 2.21 PDLs on average while bankruptcy filers held 1.83 PDLs (t-value -2.588, N=335, p<.010). The dollar value of the loans was also significantly different between the two groups in 2006 with the mean combined amount of all PDLs for bankrupts totalling \$1,112 while proposal filers' combined PDL totalled \$1,385 (t-value -2.684, N=328, p<.008). These same differences did not hold in the 2005 data.

The two years differ in whether proposal filers have more payday loans in their liabilities than do bankruptcy filers, and more time will be needed to determine if this is a trend. The present data do not point to consumers choosing to file a bankruptcy over a proposal based upon the number of PDLs held.

Individual CMAs

Because the sample numbers were smaller in the individual CMAs, many of the cells in the cross tabulations contained fewer than 5 responses, so some of the relationships between the variables could not be tested. This situation occurred particularly with the variable of occupation. The

financial variables are discussed in the following section and in Tables 6 to 12. The demographic variables were not significantly different in most CMAs, therefore the results are shown in Tables 13 to 19 included in the Appendix.

Vancouver

The data from the Vancouver CMA followed the pattern of the amalgamated data sets in 2005 and 2006 in showing the same relationships between PDLs and other financial data. Both household income and the bankrupt's income were significantly different between PDL and nonPDL holders with those holding PDLs having higher incomes in both cases. This was not true for other CMAs. Those holding PDLs had only half the amount of short-term debt than did non-holders (\$15,418 in 2005 compared with \$32,019 for non-holders; \$16,617 in 2006 compared with \$29,553 for non-holders). Since those nonPDL files were able to get more credit without resorting to a PDL, it likely means that there were other alternatives than payday lenders which were open to consumers although they did not choose to use them.

Calgary

In Calgary, PDL holders were significantly different from nonPDL holders in the amount of long-term debt held with PDL holders holding much less long-term debt (t-value -3.119, N=694, p<.002 in 2005; t-value -2.617, N=456, p<.009 in 2006) than did nonPDL holders. In 2005, PDL holders had \$27,092 in long-term loans compared with \$51,800 for nonPDL holders; in 2006, these amounts were \$9,998 for PDL holders and \$16,397 for those without PDLs. The large long-term loan amounts may relate to the higher housing prices in this city and the larger mortgages taken out to finance housing purchases. There was no significant difference between the bankrupt's monthly income in both the PDL and nonPDL subsets in 2006.

Edmonton

Long-term debt was also significantly different between PDL and nonPDL holders in Edmonton with PDL holders having lower amounts of long-term debt (t-value -3.601, N=565, p<.000 in 2005; t-value -2.136, N=518, p<.033 in 2006). In 2005, PDL holders had \$26,033 in long-term loans compared with \$56,252 for nonPDL holders; in 2006, these amounts were \$14,489 for PDL holders and \$20,022 for those without PDLs. The household monthly income did not differ between the two groups although the bankrupt's monthly income was significantly different with PDL holders having higher incomes in both 2005 and 2006 (t-value 2.436, N=566, p<.015 in 2005; t-value 3.219, N=570, p<.001 in 2006).

Winnipeg

Winnipeg had by far the largest percentage of payday loans in the e-filing sample. In 2005, 20.4% of Summary Administration files included a payday loan; in 2006, 23.7% of the files had a PDL. For Division II Proposal e-files, 28.5% in 2005, and 21.7% in 2006 contained a payday loan (Table 2). The bankrupt's monthly income was considerably lower than the mean of other CMA's in the study, with PDL cases in 2005 having a mean income of \$1,693 per month compared with \$1,543

for nonPDL cases, whereas in 2006 PDL cases had a mean income of \$1,725 per month compared with \$1,683 for nonPDL cases.

Toronto

Long-term loans were also significantly different between PDL and nonPDL holders in Toronto. PDL holders had mean long-term loans of \$24,491 in 2005 (\$13,858 in 2006) compared with \$52,629 for nonPDL holders in 2005 (\$55,470 in 2006) (t-value -2.307, N=721, $p < .021$ in 2005; t-value -3.381, N=722, $p < .001$ in 2006). Household monthly incomes were considerably above the mean for other CMAs with PDL files showing a mean income of \$2,386 in 2005, and \$2,499 in 2006, compared with nonPDL files with a mean monthly household income of \$2,499 in 2005 and \$2,447 in 2006.

Ottawa Hull

In this CMA, the data followed the trends in the amalgamated data sets. Prior bankruptcy or proposal filers were much more likely to have PDLs in both years and those filing proposals were significantly more likely to have PDLs than bankruptcy filers in 2006 (T-value -2.651, N=62, $p < .01$). Unlike the total data set, age was not significantly different in either year between those with PDLs and nonPDL files, both of which had a mean age of 42.

Montreal

The PDL case numbers were too small in this region to make any bivariate comparisons. However, of the 12 PDLs reported in 2005, three (25%) were for over \$5,000. Since these PDLs are expected to be repaid by the next payday, it is unrealistic in the extreme to think that consumers could repay this large balance in two weeks. Of the four PDLs reported in 2006, one was for \$13,000, again an unreasonable amount to consider repaying in a short period. Since there are legislative controls on PDLs in Quebec, these may actually be other types of short-term loans that consumers are reporting as payday loans.

Limitations

This study is limited in that data were collected in the course of the bankruptcy process by trustees without any consistent instructions, and there is a good deal of variation in the complexity and consistency of the responses. Also, not all bankruptcies have been e-filed, and only those using this method were sampled. Some payday lenders may not be identified in the data as they are not members of the Payday Loan Association or payday lenders appearing on the supplementary list provided by OSB.

Conclusions

As would be expected by the very nature of the type of loan, bankrupts with payday loans are more likely to be employed and have higher incomes and lower debt-to-income ratios than other bankrupts. But do payday loans contribute to bankruptcy? If they were actually the small loans of \$300 or so to tide one over to the next payday, they would be unlikely to contribute much to the

overload of credit leading to bankruptcy. But since the average PDL in the CMAs in this study is over \$1,500, and the average number of these loans held by an insolvent consumer is more than two, it is unlikely that they can be repaid on the terms expected by the payday lender. The bankrupt's mean monthly income was \$1,830 in 2005 and \$1,948 in 2006, which is less than \$500 more than the amount owed on average to payday lenders in that month. With some borrowers owing as much as \$22,000 to payday lenders, and some insolvents holding as many as 12 payday loans, the situation is severe for many consumers who choose to use this financial alternative.

Payday advance credit is unlike other short-term loans in that the principal is typically due in 14 days or less. If unable to be paid, these loans will be rolled over, time and time again, incurring higher administration and interest charges and becoming a greater burden for the lender. If the payday loan was replaced with a short-term loan or installment loan, the insolvent might find it possible to pay the debt off without having the experience of bankruptcy and the subsequent loss by business of debt write-downs.

There are no differences between the number and amount of PDLs held by those filing summary administration bankruptcies or Division II proposals. Therefore it does not appear that consumers are less likely to choose a proposal and pay back their creditors if they hold a payday loan. PDL holders are more likely to have filed for bankruptcy or for a proposal prior to the bankruptcy or proposal captured in this data set, and have had experience with the system unlike those not holding PDLs. Either that experience has not taught them much about managing their finances, or perhaps other sources of credit have been exhausted and they are restricted to borrowing from payday lenders.

The payday borrower who files for bankruptcy tends to be single, younger and with a higher income than bankrupts without these loans. These characteristics make the case for consumer education to provide a balance to the ubiquitous presence of payday loan establishments in many inner-city and, increasingly, suburban neighbourhoods. If mainstream lenders provided more accessible services, and educational institutions and non-profit or government agencies gave more objective information about payday lenders in public service advertisements, perhaps these borrowers might attempt to access other lending options. The fact that payday lenders do not post reliable information about interest rates and rollover provisions in their premises or on their Internet sites does not allow the consumer to compare rates and services accurately.

The analogy has been made between a payday loan and taking a taxi for transportation. Each provides a relatively inexpensive solution in the short-term, but for a longer period, such as financing a purchase for a year, or taking a taxi between cities, they are prohibitively expensive. There is a market need for these loans to provide "instant" cash for emergencies but too often they are not restricted to one loan and one pay period. Therefore, it seems more effective to regulate the number of loans that a consumer can hold at one time, rather than the interest rate, which appears fraught with jurisdictional concerns.

In some US states, there are restrictions on the number of loans carried and the length of time they are allowed to be held. Illinois adopted the rule in 2001 that consumers could carry only one payday loan at a time, and that it could not be rolled over. Although it would be difficult to enforce, if this were the case in Canada, it would relieve the payday loan pressure which may push

consumers into bankruptcy. A model that might be considered for regulating the number of payday loans held by one individual is the Drug Program Information Database (DPIN) which connects Manitoba Health and all pharmacies in Manitoba to a central database (Manitoba Centre for Health Policy, 2006). This prevents duplication and double-doctoring by providing the dispensing pharmacy with real time information to show the patient's drug profile and allows the pharmacist to deny filling a prescription, which is the same or similar to another recently prescribed. If prescription drugs can be controlled, so that patients can only hold one prescription from one pharmacy at a time, perhaps the same control could be placed on payday lenders to permit only one payday loan to be held at a time. The Canadian Payday Loan Association could serve a valuable public service by establishing a database and voluntarily enforcing this rule.

There are still many unknown elements in the relationship between payday loans and the incidence of bankruptcy. This sample showed that about one in ten bankruptcies includes a payday loan, and that the average bankrupt carries two of these loans at the same time. The payday loans are a heavy burden for an insolvent consumer, but it is not possible to determine whether the loan is hastening the insolvent's decision to file for bankruptcy.

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Table 1

Electronic and Total Filing Volume of Bankruptcies and Division II Proposals in 2005 and 2006

CMA	Year	Summary Administration			Division II Proposals		
		E-filing	Total	Percent E-filing	E-filing	Total	Percent E-filing
Montreal	2005	6171	11035	56%	1079	1980	54%
	2006	6020	8255	73%	907	1765	51%
Ottawa Hull	2005	2684	3631	74%	387	927	43%
	2006	1942	2395	81%	375	603	62%
Toronto	2005	7639	11426	67%	2188	4098	53%
	2006	5939	7778	76%	2437	3075	79%
Winnipeg	2005	857	1702	50%	144	461	31%
	2006	621	1117	56%	138	249	55%
Calgary	2005	1845	2712	68%	76	348	22%
	2006	988	1256	79%	145	214	68%
Edmonton	2005	2054	2936	70%	243	475	51%
	2006	1286	1534	84%	205	268	76%
Vancouver	2005	3320	3829	87%	208	415	50%
	2006	2425	2505	97%	273	352	78%

Table 2

Number of Electronic Files with Payday Loans in 2005 and 2006

CMA	Year	Summary Administration		Division II Proposals	
		E-file with Payday Loans	Percent of E-file with Payday Loans	E-file with Payday Loans	Percent of E-file with Payday Loans
Montreal	2005	10	0.2%	2	0.2%
	2006	4	0.1%	0	0.0%
Ottawa Hull	2005	226	8.4%	45	11.3%
	2006	169	8.7%	43	11.5%
Toronto	2005	502	6.6%	159	7.3%
	2006	386	6.5%	188	7.7%
Winnipeg	2005	175	20.4%	41	28.5%
	2006	147	23.7%	30	21.7%
Calgary	2005	181	9.8%	6	7.9%
	2006	116	11.7%	24	16.6%
Edmonton	2005	292	14.2%	39	16.0%
	2006	230	17.9%	43	21%
Vancouver	2005	216	6.5%	14	6.7%
	2006	146	6.0%	33	12.1%

Table 3

Final Sample Selection

Summary Administrations				Division II Proposals			
CMA	Year	Files with Payday Loans	Files without Payday Loans	Total	Files with Payday Loans	Files without Payday Loans	Total
Montreal	2005	10	375	385	2	328	330
	2006	4	381	385	0	330	330
Ottawa Hull	2005	30	325	355	32	248	280
	2006	31	324	355	32	248	280
Toronto	2005	25	360	385	25	324	350
	2006	25	360	385	27	323	350
Winnipeg	2005	65	255	320	41	103	144
	2006	76	244	320	30	108	138
Calgary	2005	34	316	350	6	70	76
	2006	41	309	350	24	121	145
Edmonton	2005	50	300	350	35	185	220
	2006	63	287	350	43	177	220
Vancouver	2005	23	337	360	13	187	200
	2006	22	338	360	24	176	200

Table 4

Descriptive Statistics for Demographic Variables (2005 and 2006) Using Weighted Data for all CMAs

		2005 (N=4538)		2006 (N=4219)	
		N	%	N	%
Age †	19-25	269	7.3	259	7.5
	26-35	964	26.0	915	26.5
	36-45	1194	32.3	1036	30.0
	46-55	779	21.0	742	21.5
	56-65	334	9.0	353	10.2
	over 65	161	4.4	144	4.2
Gender	Female	1634	44.2	1508	43.7
	Male	2064	55.8	1943	56.3
Marital status*	Single	1094	29.7	1027	30.1
	Married, common-law	1621	44.0	1463	42.8
	Divorced, separated	970	26.3	925	27.1
Occupation*	Management	164	4.6	150	4.6
	Business/finance	541	15.2	472	14.4
	Science	90	2.5	63	1.9
	Health	128	3.6	101	3.1
	Social Sciences	175	4.9	121	3.7
	Arts	77	2.2	99	3.0
	Sales	778	21.8	728	22.2
	Trades	631	17.7	647	19.8
	Primary	17	0.5	16	0.5
	Processing	132	3.7	156	4.8
	Not stated	833	23.4	722	22.0
Main activity*	Retired	170	4.7	138	4.2
	Student	14	0.4	19	0.6
	Unemployed	425	11.8	329	9.9
	Disabled	80	2.2	1	0.0
	Strike or lock-out	1	0.0	83	2.5
	Housework	72	2.0	47	1.4
	Employed	2833	78.8	2412	81.4
Number in household ^o	One	1556	42.2	1563	45.5
	Two	892	24.2	720	20.9
	Three	517	14.0	499	14.5
	Four or more	722	19.6	656	19.1
Members under 18 ^o	None	2362	64.0	2183	63.5
	One	599	16.2	589	17.1
	Two	492	13.3	496	14.4
	Three or more	235	6.4	170	4.9

Descriptive Statistics for Demographic Variables (2005 and 2006) Using Weighted Data for all CMAs

		2005 (N=4538)		2006 (N=4219)	
		N	%	N	%
Reason for bankruptcy*	Marital breakdown	337	9.2	249	8.2
	Lack of income	1036	28.4	908	26.5
	Gambling, addictions	69	1.9	73	2.1
	Credit overextension	1245	34.1	1200	35.1
	Health, helping others	453	12.4	437	12.8
	All other reasons	513	14.0	526	15.4

*Chi-square test for independence was statistically significant for both years, $p < .001$ (marital status in 05 was $p < .008$)

†T-test value for differences was statistically significant for both years, $p < .001$

° T-test value for differences was statistically significant only for 2006, $p < .005$ for number of members, $p < .10$ for number under 18.

Table 5

Descriptive Statistics for Financial Variables (2005 and 2006) Using Weighted Data for all CMAs Excluding Montreal

	2005 (N=3703)		2006 (N=3450)	
	N	%	N	%
Type of case				
Bankruptcy	2045	55.2	2117	61.4
Proposal	1659	44.8	1333	38.6
Prior proposal or bankruptcy*				
Yes	563	15.3	562	16.4
No	3123	84.7	2870	83.6
Cases with payday loans				
PDL	435	10.0	442	10.5
No PDL	3923	90.0	3776	89.5
Number of payday loans ^a		(N=360)		(N=334)
1	123	34.2	157	47.0
2	94	26.1	95	28.4
3	74	20.6	50	15.0
4	32	8.9	14	4.2
5-10	37	10.3	18	5.4
Total payday loan amount				
\$400 or less	44	12.4	61	18.5
401-800	70	19.7	84	25.5
801-1200	61	17.1	48	14.5
1201-1600	56	15.7	45	13.6
1601-2000	41	11.5	39	11.8
2001-2400	38	10.7	23	7.0
2401-5000	43	12.1	29	8.8
Over 5000	3	0.8	1	0.3
Debt-to-income ratio †				
25% or less	50	1.5	43	1.4
25.01 – 50%	257	7.8	224	7.3
50.01 – 100%	964	29.2	871	28.2
100.01 – 200%	1295	39.3	1221	39.6
Over 200%	731	22.2	727	23.6
Dollar amount of short-term loans †				
2000 or less	140	3.9	124	3.7
2001 - 5000	236	6.6	250	7.5
5001 – 10000	575	16.0	454	13.7
10001 – 20000	912	25.4	881	26.6
20001 – 30000	647	18.0	557	16.8
30001 – 50000	659	18.4	648	19.6
50001 – 100000	389	10.9	377	11.4
over 100000	27	0.8	22	0.7

Descriptive Statistics for Financial Variables (2005 and 2006) Using Weighted Data for all CMAs Excluding Montreal

	2005 (N=3703)		2006 (N=3450)	
	N	%	N	%
Dollar amount of long-term loans °				
1000 or less	718	23.3	643	21.9
1001-5000	279	9.0	289	9.8
5001-10000	410	13.3	400	13.6
10001-20000	719	23.3	661	22.5
20001-50000	782	25.4	751	25.6
50001-100000	175	5.7	191	6.5
Over 100000 (not normally distributed)				
Bankrupt's monthly income†				
\$1000 or less	684	18.5	619	17.9
1001-2000	1472	39.8	1374	39.8
2001-3000	1173	31.7	1047	30.4
3001-4000	286	7.7	304	8.8
Over 4000	87	2.4	105	3.0
Total household income				
\$1000 or less	430	11.6	384	11.1
1001-2000	1130	30.5	1031	29.9
2001-3000	1205	32.6	1080	31.3
3001-4000	592	16.0	599	17.4
Over 4000	344	9.3	355	10.3

*Chi-square test for independence was statistically significant for both years, $p < .001$

†T-test value for differences was statistically significant for both years, $p < .001$, (household income was $p < .003$ in 05, and $p < .021$ in 2006).

° T-test value for differences was statistically significant only for 2006, $p < .01$

Table 6

Descriptive Statistics for Financial Variables (2005 and 2006) Vancouver CMA

	2005 (N=560)		2006 (N=560)	
	N	%	N	%
Type of case				
Bankruptcy	360	64.3	360	64.3
Proposal	200	35.7	200	35.7
Prior proposal or bankruptcy‡				
Yes	72	12.9	65	11.6
No	488	87.1	494	88.4
Cases with payday loans				
PDL	36	6.4	46	8.2
No PDL	524	93.6	514	91.8
Number of payday loans				
		(N=36)		(N=46)
1	26	72.2	28	60.9
2	6	16.7	11	23.9
3	1	2.8	3	6.5
4	3	8.3	1	2.2
5-10	0	0.0	3	6.5
Total payday loan amount				
\$400 or less	6	16.7	5	10.9
401-800	16	44.4	20	43.5
801-1200	11	30.6	4	8.7
1201-1600	1	2.8	5	10.9
1601-2000	0	0.0	3	6.5
2001-2400	2	5.6	3	6.5
2401-5000	0	0.0	5	10.9
Over 5000	3	0.8	1	2.2
Debt-to-income ratio †				
25% or less	2	0.4	3	0.6
25.01 – 50%	29	5.6	32	6.3
50.01 – 100%	126	24.4	132	26.2
100.01 – 200%	208	40.2	200	39.7
Over 200%	152	29.4	137	27.2
Dollar amount of short-term loans †				
2000 or less	18	3.3	17	3.2
2001 - 5000	30	5.6	20	3.8
5001 – 10000	62	11.5	83	15.6
10001 – 20000	123	22.8	129	24.2
20001 – 30000	78	14.5	90	16.9
30001 – 50000	123	22.8	104	19.5
50001 – 100000	94	17.4	79	14.6
over 100000	11	2.0	11	2.1

Descriptive Statistics for Financial Variables (2005 and 2006) Vancouver CMA

	2005 (N=560)		2006 (N=560)	
	N	%	N	%
Dollar amount of long-term loans				
1000 or less	128	24.0	126	23.6
1001-5000	48	9.0	52	9.7
5001-10000	63	11.8	81	15.2
10001-20000	135	25.3	116	21.7
20001-50000	130	24.4	136	25.5
50001-100000	28	5.3	23	4.3
100001-200000	1	0.2		
Bankrupt's monthly income†				
\$1000 or less	95	17.0	90	16.1
1001-2000	206	36.8	208	37.1
2001-3000	196	35.0	195	34.8
3001-4000	48	8.6	56	10.0
Over 4000	15	2.7	11	2.0
Total household income †				
\$1000 or less	61	10.9	58	10.4
1001-2000	157	28.0	155	29.5
2001-3000	205	36.6	188	33.6
3001-4000	92	16.4	87	5.5
Over 4000	45	8.0	62	11.1

†T-test value for differences was statistically significant for both years, $p < .001$, (household income was $p < .06$ in 05, and $p < .03$ in 2006).

‡Chi-square for independence was statistically significant only for 2006, $p < .003$

Table 7

Descriptive Statistics for Financial Variables (2005 and 2006) Calgary CMA

	2005 (N=700)		2006 (N=495)	
	N	%	N	%
Type of case				
Bankruptcy	350	50.0	349	70.6
Proposal	350	50.0	145	29.4
Prior proposal or bankruptcy†				
Yes	92	13.2	88	18.0
No	607	86.8	402	82.0
Cases with payday loans				
PDL	84	12.0	65	13.1
No PDL	616	88.0	429	86.8
Number of payday loans				
		(N=84)		(N=65)
1	40	47.6	26	40.0
2	16	19.0	17	26.2
3	14	16.7	17	26.2
4	9	10.7	3	4.6
5-10	5	6.0	2	3.1
Total payday loan amount				
\$400 or less	16	19.5	7	11.5
401-800	17	20.7	12	19.7
801-1200	12	14.6	14	23.0
1201-1600	12	14.6	7	11.5
1601-2000	9	11.0	8	13.1
2001-2400	4	4.9	3	4.9
2401-5000	7	8.5	9	14.8
Over 5000	5	6.1	1	1.6
Debt-to-income ratio †				
25% or less	6	1.0	11	2.5
25.01 – 50%	43	6.8	28	6.3
50.01 – 100%	157	24.9	130	29.0
100.01 – 200%	233	36.9	176	39.3
Over 200%	192	30.4	103	23.0
Dollar amount of short-term loans †				
2000 or less	25	3.6	16	3.4
2001 - 5000	54	7.9	39	8.2
5001 – 10000	94	13.7	58	12.2
10001 – 20000	171	25.0	136	28.5
20001 – 30000	110	16.1	71	14.9
30001 – 50000	123	18.0	88	18.4
50001 – 100000	91	13.3	65	13.6
over 100000	17	2.5	4	0.8

Descriptive Statistics for Financial Variables (2005 and 2006) Calgary CMA

	2005 (N=700)		2006 (N=495)	
	N	%	N	%
Dollar amount of long-term loans †				
1000 or less	140	20.2	115	25.2
1001-5000	65	9.4	50	11.1
5001-10000	63	9.1	68	14.9
10001-20000	119	17.1	92	20.2
20001-50000	121	17.4	107	23.5
50001-100000	44	6.3	22	4.8
100001-200000	105	15.1	2	0.4
Over 200000	37	5.3	0	0.0
Bankrupt's monthly income □				
\$1000 or less	140	20.0	82	16.7
1001-2000	344	49.1	180	36.7
2001-3000	181	25.9	171	34.8
3001-4000	30	4.3	50	10.2
Over 4000	5	0.7	8	1.6
Total household income				
\$1000 or less	90	12.9	60	12.3
1001-2000	271	39.0	141	28.9
2001-3000	204	29.4	180	36.8
3001-4000	100	14.4	79	16.2
Over 4000	30	4.3	29	5.9

†T-test value for differences was statistically significant for both years, $p < .01$, (household income was $p < .06$ in 05, and $p < .03$ in 2006).

□ T-test value for differences was statistically significant for 2005 only, $p < .03$

Table 8

Descriptive Statistics for Financial Variables (2005 and 2006) Edmonton CMA

	2005 (N=570)		2006 (N=570)	
	N	%	N	%
Type of case				
Bankruptcy	350	61.8	350	61.4
Proposal	216	38.2	220	38.6
Prior proposal or bankruptcy†				
Yes	108	19.2	120	21.2
No	454	80.8	447	78.8
Cases with payday loans				
PDL	84	12.0	65	13.1
No PDL	616	88.0	429	86.8
Number of payday loans				
		(N=84)		(N=106)
1	30	36.1	50	47.2
2	21	25.3	30	28.3
3	16	19.3	15	14.2
4	8	9.6	8	7.5
5-10	8	9.6	2	1.8
Total payday loan amount				
\$400 or less	13	15.7	12	11.3
401-800	15	18.1	29	27.4
801-1200	14	16.9	11	10.4
1201-1600	7	8.4	13	12.3
1601-2000	5	6.0	7	6.6
2001-2400	9	10.8	9	8.5
2401-5000	20	24.1	16	15.1
Over 5000	0	0.0	9	8.5
Debt-to-income ratio †				
25% or less	14	2.7	12	2.2
25.01 – 50%	41	7.9	49	9.2
50.01 – 100%	134	25.7	150	28.0
100.01 – 200%	213	40.8	200	37.4
Over 200%	120	23.0	124	23.2
Dollar amount of short-term loans †				
2000 or less	14	2.5	45	8.1
2001 - 5000	38	6.8	48	8.6
5001 – 10000	90	16.2	75	13.5
10001 – 20000	141	25.3	146	26.3
20001 – 30000	85	15.3	84	15.1
30001 – 50000	115	20.6	87	15.7
50001 – 100000	72	12.9	70	12.6
over 100000	2	0.4	0	0.0

Descriptive Statistics for Financial Variables (2005 and 2006) Edmonton CMA

	2005 (N=570)		2006 (N=570)	
	N	%	N	%
Dollar amount of long-term loans †				
1000 or less	103	18.2	115	22.2
1001-5000	35	6.2	56	10.8
5001-10000	42	7.4	66	12.7
10001-20000	113	20.0	113	21.8
20001-50000	118	20.9	119	23.0
50001-100000	34	6.0	39	7.5
100001-200000	93	16.5	10	1.9
Over 200000	27	4.8	0	0.0
Bankrupt's monthly income†				
\$1000 or less	109	19.3	72	12.6
1001-2000	202	35.7	238	41.8
2001-3000	180	31.8	197	34.6
3001-4000	68	12.0	55	9.6
Over 4000	7	1.2	8	1.4
Total household income				
\$1000 or less	60	10.6	47	8.2
1001-2000	148	26.1	184	32.3
2001-3000	169	29.9	182	31.9
3001-4000	112	19.8	93	16.3
Over 4000	77	13.6	64	11.2

†T-test value for differences was statistically significant for both years, $p < .02$

Table 9

Descriptive Statistics for Financial Variables (2005 and 2006) Winnipeg CMA

	2005 (N=448)		2006 (N=458)	
	N	%	N	%
Type of case				
Bankruptcy	320	71.4	320	69.9
Proposal	128	28.6	138	30.1
Prior proposal or bankruptcy †				
Yes	84	18.8	107	23.4
No	362	81.2	351	76.6
Cases with payday loans				
PDL	106	23.7	106	23.1
No PDL	342	76.3	352	76.9
Number of payday loans		(N=106)		(N=106)
1	26	24.5	45	42.5
2	28	26.4	22	20.8
3	31	29.2	24	22.6
4	8	7.5	5	4.7
5-10	13	12.2	10	9.3
Total payday loan amount*				
\$400 or less	18	17.0	24	22.6
401-800	19	17.9	26	24.5
801-1200	20	18.9	17	16.0
1201-1600	16	15.1	9	8.5
1601-2000	15	14.2	6	5.7
2001-2400	9	8.5	13	12.3
2401-5000	9	8.5	8	7.5
Over 5000	0	0.0	3	2.8
Debt-to-income ratio †				
25% or less	7	1.7	7	1.6
25.01 – 50%	42	10.0	35	8.1
50.01 – 100%	132	31.5	123	28.5
100.01 – 200%	154	36.8	182	42.2
Dollar amount of short-term loans †				
2000 or less	32	7.6	29	6.5
2001 - 5000	57	13.5	60	13.4
5001 – 10000	94	22.3	85	19.0
10001 – 20000	112	26.6	118	26.4
20001 – 30000	69	16.4	56	12.5
30001 – 50000	38	9.0	69	15.4
50001 – 100000	19	4.5	30	6.7
over 100000	0	0.0	0	0.0

Descriptive Statistics for Financial Variables (2005 and 2006) Winnipeg CMA

	2005 (N=448)		2006 (N=458)	
	N	%	N	%
Dollar amount of long-term loans †				
1000 or less	72	16.4	82	18.3
1001-5000	39	8.9	32	7.1
5001-10000	52	11.8	51	11.4
10001-20000	107	24.3	86	19.2
20001-50000	95	21.6	101	22.5
50001-100000	49	11.1	51	11.4
100001-200000	26	5.9	44	9.8
Over 200000	0	0.0	1	0.2
Bankrupt's monthly income				
\$1000 or less	93	20.8	77	16.9
1001-2000	238	53.1	244	53.5
2001-3000	95	21.2	108	23.7
3001-4000	20	2.5	20	4.4
Over 4000	2	0.4	7	1.5
Total household income				
\$1000 or less	45	10.0	46	10.1
1001-2000	158	35.3	164	36.0
2001-3000	144	32.1	128	28.1
3001-4000	75	16.7	74	16.2
Over 4000	26	5.8	44	9.6

†T-test value for differences was statistically significant for both years, $p < .05$

*ANOVA significant in 2005 at $p < .000$, 2006 at $p < .078$

Table 10

Descriptive Statistics for Financial Variables (2005 and 2006) Toronto CMA

	2005 (N=734)		2006 (N=735)	
	N	%	N	%
Type of case				
Bankruptcy	385	52.5	385	52.4
Proposal	349	47.5	350	47.6
Prior proposal or bankruptcy*				
Yes	91	12.4	94	12.9
No	642	87.6	637	87.1
Cases with payday loans				
PDL	84	12.0	65	13.1
No PDL	616	88.0	429	86.8
Number of payday loans		(N=50)		(N=52)
1	14	28.0	24	46.2
2	15	30.0	16	30.8
3	11	22.0	7	13.5
4	4	8.0	2	3.8
5-10	6	12.0	3	5.8
Total payday loan amount				
\$400 or less	3	6.0	13	25.0
401-800	7	14.0	12	23.1
801-1200	9	18.0	6	11.5
1201-1600	11	22.0	8	15.4
1601-2000	8	16.0	9	17.3
2001-2400	6	12.0	2	3.8
2401-5000	6	12.0	2	3.8
Over 5000	0	0.0	0	0.0
Debt-to-income ratio †				
25% or less	8	1.2	8	1.2
25.01 – 50%	46	7.0	45	6.8
50.01 – 100%	192	29.3	182	27.5
100.01 – 200%	250	38.1	263	39.8
Over 200%	160	24.4	163	24.7
Dollar amount of short-term loans †				
2000 or less	26	3.7	20	2.8
2001 - 5000	36	5.1	47	6.6
5001 – 10000	108	15.4	90	12.7
10001 – 20000	174	24.8	183	25.9
20001 – 30000	145	20.7	130	18.4
30001 – 50000	139	19.8	154	21.8
50001 – 100000	71	10.1	77	10.9
over 100000	2	0.3	6	0.8

Descriptive Statistics for Financial Variables (2005 and 2006) Toronto CMA

	2005 (N=734)		2006 (N=735)	
	N	%	N	%
Dollar amount of long-term loans †				
1000 or less	136	18.9	112	15.5
1001-5000	51	7.1	61	8.4
5001-10000	85	11.8	83	11.5
10001-20000	148	20.5	141	19.5
20001-50000	156	21.6	173	24.0
50001-100000	27	3.7	37	5.1
100001-200000	39	5.4	34	4.7
Over 200000	79	11.0	81	11.2
Bankrupt's monthly income □				
\$1000 or less	146	19.9	142	19.3
1001-2000	287	39.1	285	38.8
2001-3000	235	32.0	226	30.7
3001-4000	49	6.7	62	8.4
Over 4000	17	2.3	20	2.7
Total household income				
\$1000 or less	92	12.5	80	10.9
1001-2000	222	30.2	202	27.5
2001-3000	240	32.7	232	31.6
3001-4000	109	14.9	143	19.5
Over 4000	71	9.7	78	10.6

*Chi-square test for independence was statistically significant for both years, $p < .05$

†T-test value for differences was statistically significant for both years, $p < .000$

□ T-test value for differences was statistically significant for 2005 only, $p < .03$

Table 11

Descriptive Statistics for Financial Variables (2005 and 2006) Ottawa Hull CMA

	2005 (N=635)		2006 (N=635)	
	N	%	N	%
Type of case				
Bankruptcy	355	55.9	355	55.9
Proposal	280	44.1	280	44.1
Prior proposal or bankruptcy*				
Yes	150	24.0	180	28.6
No	474	76.0	450	71.4
Cases with payday loans				
PDL	84	12.0	65	13.1
No PDL	616	88.0	429	86.8
Number of payday loans				
		(N=62)		(N=62)
1	22	36.1	27	43.5
2	15	24.6	22	35.5
3	12	19.7	9	14.5
4	6	9.8	2	3.2
5-10	6	9.8	2	3.2
Total payday loan amount				
\$400 or less	7	11.5	4	6.5
401-800	15	24.6	12	19.4
801-1200	7	11.5	12	19.4
1201-1600	8	13.1	11	17.7
1601-2000	5	8.2	9	14.5
2001-2400	8	13.1	5	8.1
2401-5000	9	14.8	9	14.5
Over 5000	2	3.3	0	0.0
Debt-to-income ratio †				
25% or less	16	2.7	13	2.2
25.01 – 50%	51	8.6	58	10.0
50.01 – 100%	171	28.9	194	33.4
100.01 – 200%	223	37.7	223	38.4
Over 200%	129	22.1	92	15.9
Dollar amount of short-term loans †				
2000 or less	26	4.2	25	4.1
2001 - 5000	50	8.1	65	10.5
5001 – 10000	122	19.7	93	15.1
10001 – 20000	176	28.5	189	30.6
20001 – 30000	96	15.5	93	15.1
30001 – 50000	94	15.2	99	16.0
50001 – 100000	54	8.7	53	8.6
over 100000	0	0.0	0	0.0

Descriptive Statistics for Financial Variables (2005 and 2006) Ottawa Hull CMA

	2005 (N=635)		2006 (N=635)	
	N	%	N	%
Dollar amount of long-term loans				
1000 or less	139	22.3	152	24.2
1001-5000	48	7.7	45	7.2
5001-10000	76	12.2	58	9.3
10001-20000	92	14.8	109	17.4
20001-50000	141	22.7	89	14.2
50001-100000	40	6.4	41	6.5
100001-200000	66	10.6	73	11.6
Over 200000	20	3.2	60	9.6
Bankrupt's monthly income□				
\$1000 or less	94	14.8	84	13.2
1001-2000	238	37.5	224	35.3
2001-3000	208	32.8	187	29.5
3001-4000	68	10.7	80	12.6
Over 4000	27	4.3	59	9.3
Total monthly household income				
\$1000 or less	79	12.4	67	10.6
1001-2000	200	31.5	188	29.7
2001-3000	205	32.3	185	29.2
3001-4000	94	14.8	100	15.8
Over 4000	57	9.0	94	14.8

*Chi-square test for independence was statistically significant for both years, $p < .05$

†T-test value for differences was statistically significant for both years, $p < .09$

□ T-test value for differences was statistically significant for 2005 only, $p < .03$

Table 12

Descriptive Statistics for Financial Variables (2005 and 2006) Montreal CMA

	2005 (N=715)		2006 (N=765)	
	N	%	N	%
Type of case				
Bankruptcy	385	53.8	385	50.3
Proposal	330	46.2	380	49.7
Prior proposal or bankruptcy				
Yes	172	24.2	169	22.1
No	539	75.8	595	77.9
Cases with payday loans				
PDL	12	1.7	4	0.5
No PDL	703	98.3	762	99.5
Number of payday loans		(N=12)		(N=4)
1	22	36.1	27	43.5
2	15	24.6	22	35.5
3	12	19.7	9	14.5
4	6	9.8	2	3.2
5-10	6	9.8	2	3.2
Total payday loan amount				
\$400 or less	2	16.7	1	25.0
401-800	1	8.3	1	25.0
801-1200	4	33.3	0	0.0
1201-1600	1	8.3	0	0.0
1601-2000	1	8.3	0	0.0
2001-2400	0	0.0	0	0.0
2401-5000	0	0.0	1	25.0
Over 5000	3	25.0	1	25.0
Debt-to-income ratio				
25% or less	8	1.2	17	2.4
25.01 – 50%	106	15.9	94	13.3
50.01 – 100%	225	33.7	246	34.9
100.01 – 200%	249	37.3	257	36.5
Over 200%	80	12.0	91	12.9
Dollar amount of short-term loans				
2000 or less	28	4.1	23	3.1
2001 - 5000	60	8.7	55	7.4
5001 – 10000	156	22.7	166	22.2
10001 – 20000	217	31.6	242	32.4
20001 – 30000	114	16.6	110	14.7
30001 – 50000	91	13.2	96	12.9
50001 – 100000	21	3.1	55	7.4

Descriptive Statistics for Financial Variables (2005 and 2006) Montreal CMA

	2005 (N=715)		2006 (N=765)	
	N	%	N	%
Dollar amount of long-term loans				
1000 or less	217	33.6	237	34.9
1001-5000	81	12.6	86	12.6
5001-10000	96	14.9	110	16.2
10001-20000	129	20.0	118	17.4
20001-50000	101	15.7	116	17.1
50001-100000	21	3.3	13	1.7
100001-200000	0	0.0	0	0.0
Bankrupt's monthly income				
\$1000 or less	111	15.5	109	14.2
1001-2000	352	49.2	344	44.9
2001-3000	168	23.5	219	28.6
3001-4000	59	8.3	64	8.4
Over 4000	25	3.5	30	3.9
Total monthly household income				
\$1000 or less	96	13.4	87	11.4
1001-2000	302	42.2	309	40.3
2001-3000	187	26.2	225	29.4
3001-4000	91	12.7	103	13.4
Over 4000	39	5.5	42	5.5

APPENDIX

Table 13

Descriptive Statistics for Demographic Variables (2005 and 2006) CMA Vancouver
2005 (N=560)

		2005 (N=560)		2006 (N=560)	
		N	%	N	%
Age	19-25	22	3.9	39	7.0
	26-35	123	22.0	121	21.6
	36-45	187	33.4	173	30.9
	46-55	136	24.3	123	22.0
	56-65	59	10.5	76	13.6
	over 65	33	5.9	27	4.8
Gender	Female	248	44.3	251	44.8
	Male	312	55.7	309	55.2
Marital status	Single	167	29.8	198	35.5
	Married, common-law	225	40.3	206	37.0
	Divorced, separated	167	39.9	153	27.5
Occupation*	Management	30	5.5	20	5.1
	Business/finance	52	9.5	47	12.1
	Science	14	2.6	6	1.5
	Health	140	3.3	7	1.8
	Social Sciences	22	4.0	12	3.1
	Arts	19	3.5	14	3.6
	Sales	141	25.9	101	26.0
	Trades	103	18.9	78	20.1
	Primary	3	0.6	4	1.0
	Processing	4	0.7	7	1.8
	Not stated	126	23.1	93	23.9
Main activity	Retired	34	6.2	36	6.5
	Student	4	0.7	1	0.2
	Unemployed	47	8.6	34	6.1
	Disabled	12	2.2	15	2.7
	Strike, Lockout	1	0.2	0	0.0
	Housework	19	3.5	13	2.4
	Employed	431	78.6	454	82.1
Number in household	One	261	46.6	298	53.3
	Two	151	27.0	114	20.4
	Three	60	10.7	60	10.7
	Four or more	88	15.7	87	15.6
Members under 18	None	396	70.7	392	70.1
	One	79	14.1	75	13.4
	Two	64	11.4	67	12.0
	Three or more	21	3.8	25	4.5

*Chi-square test for independence was statistically significant for both years, $p < .005$

Table 14

Descriptive Statistics for Demographic Variables (2005 and 2006) Calgary CMA

		2005 (N=700)		2006 (N=495)	
		N	%	N	%
Age †	19-25	60	8.6	59	11.9
	26-35	176	25.1	133	26.9
	36-45	222	31.7	137	27.7
	46-55	135	19.3	101	20.4
	56-65	72	10.3	44	8.9
	over 65	35	5.0	20	4.0
Gender	Female	323	46.1	180	36.4
	Male	377	53.9	314	63.6
Marital status*	Single	197	28.2	185	37.5
	Married, common-law	294	42.1	152	30.8
	Divorced, separated	208	29.7	156	31.6
Occupation	Management	28	4.0	22	4.6
	Business/finance	98	14.0	72	14.9
	Science	15	2.1	6	1.2
	Health	24	3.4	10	2.1
	Social Sciences	39	5.6	12	2.5
	Arts	14	2.0	14	2.9
	Sales	149	21.3	110	22.8
	Trades	177	25.3	158	32.8
	Primary	5	0.7	9	1.9
	Processing	9	1.3	13	2.7
	Not stated	141	20.2	56	11.6
Main activity*	Retired	38	5.5	14	2.9
	Student	1	0.1	5	1.0
	Unemployed	46	6.6	30	6.2
	Disabled	23	3.3	10	2.1
	Housework	13	1.9	6	1.2
	Employed	574	82.6	422	86.7
Number in household	One	324	46.3	282	57.4
	Two	179	25.6	97	19.8
	Three	98	14.0	58	11.8
	Four or more	99	14.1	54	11.0
Members under 18	None	472	67.4	362	73.7
	One	104	14.9	62	12.6
	Two	84	12.0	48	9.8
	Three or more	40	5.7	19	3.9

*Chi-square test for independence was statistically significant for both years, $p < .005$

†T-test value for differences was statistically significant for both years, $p < .001$ (age significant for 2005 only $p < .002$)

°Chi-square test for independence was statistically significant for 2005 only $p < .06$

Table 15

Descriptive Statistics for Demographic Variables (2005 and 2006) CMA Edmonton

		2005 (N=570)		2006 (N=570)	
		N	%	N	%
Age †	19-25	50	8.9	51	8.9
	26-35	138	24.5	160	28.1
	36-45	169	30.0	156	27.4
	46-55	121	21.5	121	21.2
	56-65	70	12.4	55	9.6
	over 65	16	2.8	27	4.7
Gender	Female	239	42.2	239	41.9
	Male	327	57.8	331	58.1
Marital status [°]	Single	141	25.1	202	35.7
	Married, common-law	280	49.8	195	34.5
	Divorced, separated	141	25.1	169	29.9
Occupation*	Management	32	5.8	19	3.5
	Business/finance	66	12.0	83	15.1
	Science	11	2.0	11	2.0
	Health	13	2.4	17	3.1
	Social Sciences	33	6.0	16	2.9
	Arts	14	2.5	10	1.8
	Sales	133	24.2	113	20.6
	Trades	137	24.9	154	28.1
	Primary	8	1.5	7	1.3
	Processing	7	1.3	12	2.2
	Not stated	96	17.5	107	19.5
	Main activity [°]	Retired	23	4.1	28
Student		3	0.5	4	0.7
Unemployed		43	7.7	33	5.9
Disabled		7	1.3	17	3.0
Housework		19	3.4	16	2.8
Employed		461	82.8	466	82.6
Number in household‡	One	228	40.6	291	51.3
	Two	159	28.3	132	23.3
	Three	78	13.9	66	11.6
	Four or more	97	17.3	78	13.8
Members under 18	None	373	66.4	388	68.4
	One	84	14.9	84	14.8
	Two	71	12.6	64	11.3
	Three or more	34	6.0	31	5.5

*Chi-square test for independence was statistically significant for both years, $p < .005$; occupation, $p < .10$.

†T-test value for differences was statistically significant for both years, $p < .001$ (age significant for 2005 only $p < .002$)

°Chi-square test for independence was statistically significant for 2005 only $p < .06$

‡T-test value for differences was statistically significant only for 2005, $p < .08$

Table 16

Descriptive Statistics for Demographic Variables (2005 and 2006) CMA Winnipeg

		2005 (N=448)		2006 (N=458)	
		N	%	N	%
Age †	19-25	46	10.3	38	8.3
	26-35	131	29.2	123	26.9
	36-45	135	30.1	136	29.7
	46-55	84	18.8	84	18.3
	56-65	37	8.3	55	12.0
	over 65	15	3.3	22	4.8
Gender	Female	204	45.5	204	44.5
	Male	244	54.5	254	55.5
Marital status	Single	149	33.5	163	35.7
	Married, common-law	180	40.4	173	37.9
	Divorced, separated	116	26.1	121	26.5
Occupation	Management	18	4.1	17	3.8
	Business/finance	70	16.1	55	12.4
	Science	17	3.9	12	2.7
	Health	12	2.8	16	3.6
	Social Sciences	16	3.7	24	5.4
	Arts	9	2.1	12	2.7
	Sales	102	23.5	111	25.1
	Trades	76	17.5	89	20.1
	Primary	2	0.5	1	0.2
	Processing	19	4.4	19	4.3
	Not stated	93	21.4	87	19.6
Main activity	Retired	21	4.7	23	5.1
	Student	2	0.5	2	0.4
	Unemployed	40	9.0	27	6.0
	Disabled	4	0.9	17	3.8
	Housework	14	3.2	6	1.3
	Employed	362	81.7	372	83.2
Number in household	One	125	28.0	177	38.6
	Two	132	29.6	113	24.7
	Three	90	20.2	70	15.3
	Four or more	99	22.2	98	21.4
Members under 18	None	274	61.4	310	67.7
	One	89	20.0	52	11.4
	Two	58	13.0	65	14.2
	Three or more	25	5.6	31	6.8

†T-test value for differences was statistically significant for both years, $p < .001$ (age significant for 2005 only $p < .002$)

Table 17

Descriptive Statistics for Demographic Variables (2005 and 2006) CMA Toronto

		2005 (N=734)		2006 (N=735)	
		N	%	N	%
Age ‡	19-25	48	6.5	46	6.3
	26-35	203	27.7	206	28.0
	36-45	237	32.3	226	30.7
	46-55	155	21.1	161	21.9
	56-65	60	8.2	70	9.5
	over 65	31	4.2	26	3.5
Gender	Female	323	44.1	319	43.4
	Male	409	55.9	416	56.6
Marital status	Single	214	29.2	191	26.1
	Married, common-law	332	45.6	355	48.4
	Divorced, separated	187	25.5	187	25.5
Occupation	Management	31	4.4	32	4.6
	Business/finance	115	16.4	105	15.0
	Science	13	1.9	14	2.0
	Health	25	3.6	22	3.1
	Social Sciences	32	4.6	22	3.1
	Arts	13	1.9	25	3.6
	Sales	146	20.8	146	20.9
	Trades	116	16.5	125	17.9
	Primary	2	0.3	1	0.1
	Processing	41	5.8	49	7.0
	Not stated	168	23.9	159	22.7
Main activity ^o	Retired	28	4.0	21	3.0
	Student	3	0.4	4	0.6
	Unemployed	103	14.6	82	11.6
	Disabled	12	1.7	15	2.1
	Housework	10	1.4	8	1.1
	Employed	550	77.9	574	81.4
Number in household‡	One	306	41.7	313	42.7
	Two	160	21.8	140	19.1
	Three	106	14.5	118	16.1
	Four or more	161	22.0	162	22.1
Members under 18	None	450	61.4	437	59.6
	One	124	16.9	141	19.2
	Two	105	14.3	117	16.0
	Three or more	54	7.4	38	5.2

^oChi-square test for independence was statistically significant for 2005 only $p < .06$

‡T-test value for differences was statistically significant only for 2006, $p < .05$

Table 18

Descriptive Statistics for Demographic Variables (2005 and 2006) CMA Ottawa Hull

		2005 (N=635)		2006 (N=635)	
		N	%	N	%
Age	19-25	55	8.7	62	9.8
	26-35	151	23.8	158	24.9
	36-45	222	35.0	189	29.8
	46-55	123	19.4	140	22.0
	56-65	55	8.7	59	9.3
	over 65	29	4.6	27	4.3
Gender	Female	271	42.7	299	47.1
	Male	364	57.3	336	52.9
Marital status	Single	208	33.3	189	31.4
	Married, common-law	247	39.6	252	41.9
	Divorced, separated	169	27.1	160	26.6
Occupation	Management	28	4.7	30	5.4
	Business/finance	94	15.7	86	15.2
	Science	26	4.3	14	2.5
	Health	27	4.5	19	3.4
	Social Sciences	27	4.5	36	6.4
	Arts	13	2.2	5	0.9
	Sales	123	20.5	131	23.4
	Trades	80	13.3	91	16.3
	Primary	1	0.2	1	0.2
	Processing	6	1.0	10	1.8
	Not stated	175	29.2	137	24.5
Main activity	Retired	37	6.0	31	5.4
	Student	1	0.2	3	0.5
	Unemployed	77	12.6	59	10.2
	Disabled	26	4.2	13	2.2
	Strike, lock-out	0	0.0	1	0.2
	Housework	12	2.0	5	0.9
	Employed	459	75.0	467	80.7
Number in household	One	285	45.7	264	41.9
	Two	161	25.8	164	26.0
	Three	76	12.2	90	14.3
	Four or more	102	16.3	112	17.8
Members under 18	None	414	66.3	396	62.9
	One	100	16.0	114	18.1
	Two	78	12.5	95	15.1
	Three or more	32	5.1	25	4.0

Table 19

Descriptive Statistics for Demographic Variables (2005 and 2006) CMA Montreal
2005 (N=715)

		2005 (N=715)		2006 (N=765)	
		N	%	N	%
Age	19-25	58	8.1	68	8.9
	26-35	173	24.2	192	25.1
	36-45	208	29.1	205	26.8
	46-55	157	22.0	149	19.5
	56-65	85	11.9	99	12.9
	over 65	33	4.6	53	6.9
Gender	Female	290	40.6	317	41.5
	Male	425	59.4	447	58.5
Marital status	Single	245	34.3	271	36.1
	Married, common-law	266	37.5	290	38.7
	Divorced, separated	199	28.0	189	25.2
Occupation	Management	27	4.0	36	4.9
	Business/finance	90	13.2	76	10.3
	Science	20	2.9	13	1.8
	Health	17	2.5	36	4.9
	Social Sciences	25	3.7	33	4.5
	Arts	16	2.4	11	1.5
	Sales	142	20.9	148	20.1
	Trades	117	17.2	117	15.9
	Primary	5	0.7	1	0.1
	Processing	17	2.5	24	3.3
	Not stated	204	30.0	241	32.7
Main activity	Retired	47	6.7	62	8.3
	Student	3	0.4	7	0.9
	Unemployed	136	19.3	144	19.3
	Disabled	1	0.1	8	1.1
	Housework	10	1.4	15	2.0
	Employed	506	72.0	510	68.4
Number in household	One	366	51.5	375	49.1
	Two	166	23.3	176	23.0
	Three	88	12.4	93	12.2
	Four or more	91	12.7	120	15.7
Members under 18	None	494	69.5	514	67.3
	One	121	17.0	109	14.3
	Two	66	9.3	95	12.4
	Three or more	30	4.2	46	6.0

