

# Metro Vancouver's Debtscape

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# Overview

1. Research questions
2. Quantitative methods
3. Qualitative methods
4. Discussion of results

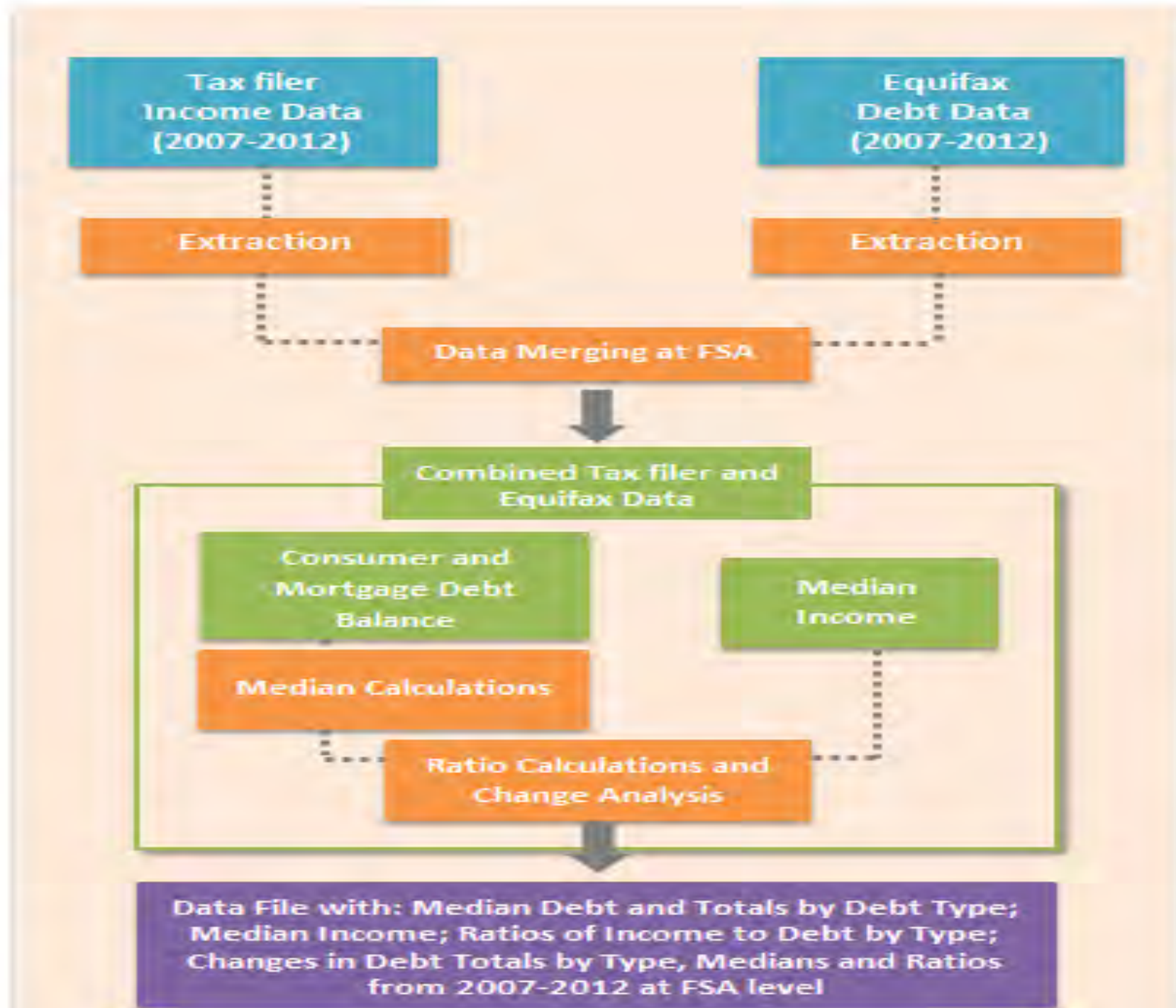
# Research Questions

1.How has the distribution of debt (consumer and mortgage) at the neighbourhood level (FSA) in Vancouver CMA changed in recent years (2007-2012)?

2.What are the factors behind and manifestations of high household indebtedness?

3.What policies can alleviate high debt stress for households in Metro Vancouver and do such policies vary across variables such as the type of debt, the rapidity of accrual, the relative wealth of the household, etc.?

# Quantitative methods



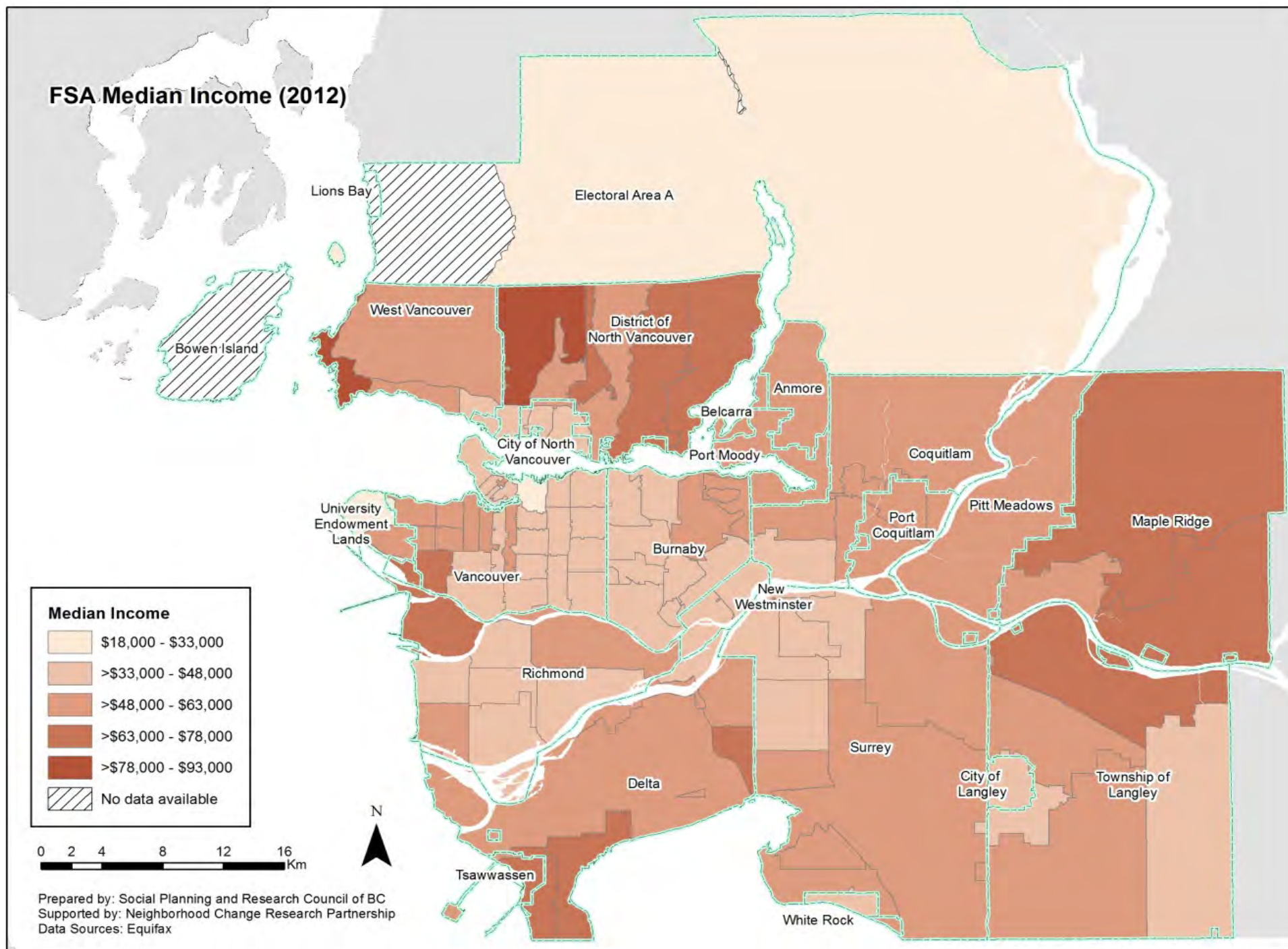
# Context Data

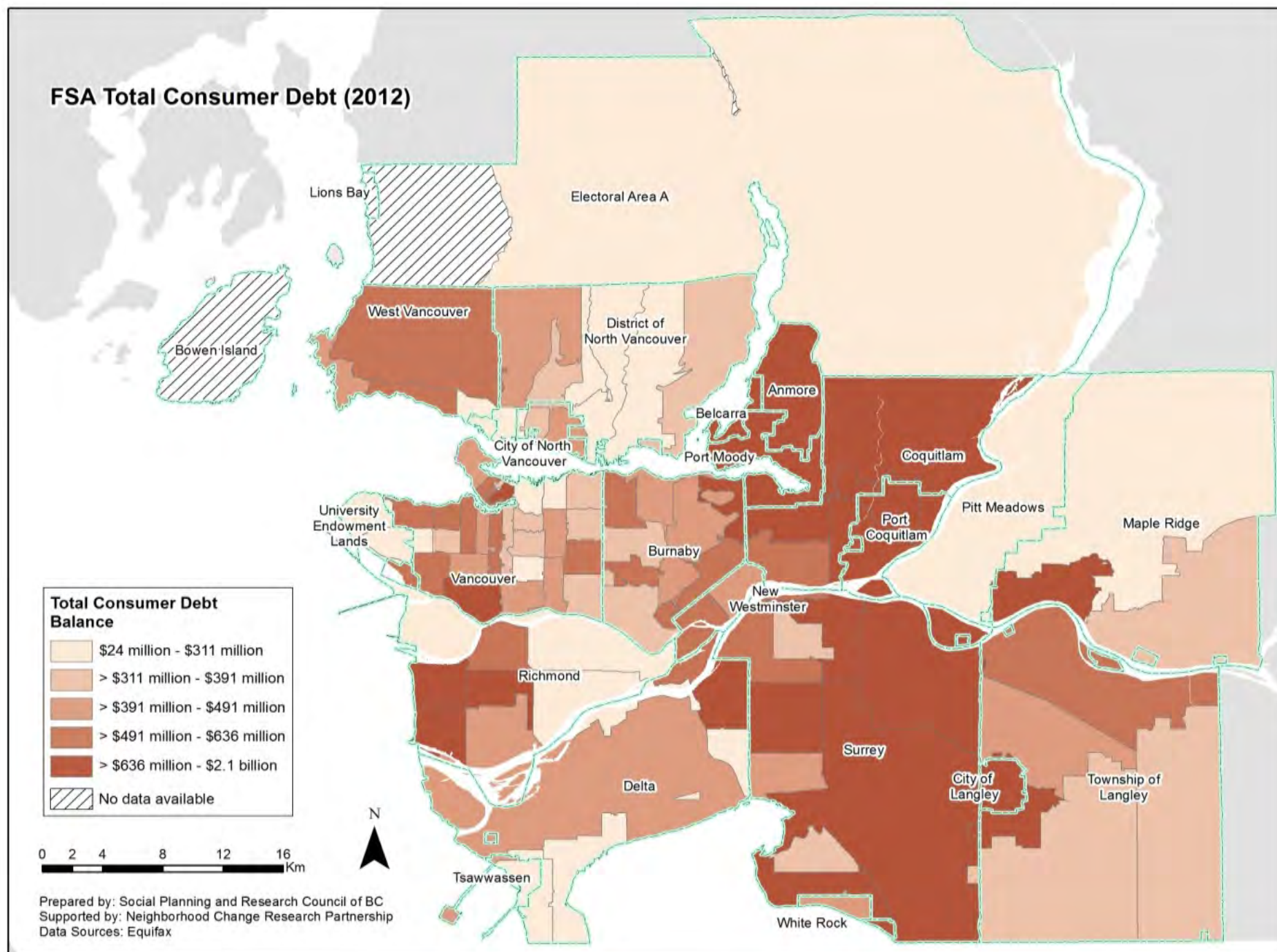
## Median after-tax annual income (for all families and all non-family persons) and median consumer debt, Metro Vancouver, 2007-2012

Year	Median after-tax annual income	Median consumer debt
2007	\$41,920	\$13,515
2008	\$43,520	\$15,050
2009	\$43,290	\$14,821
2010	\$42,780	\$14,748
2011	\$43,790	\$14,523
2012	\$45,120	\$14,755
% change, 2007-2012	8%	9%

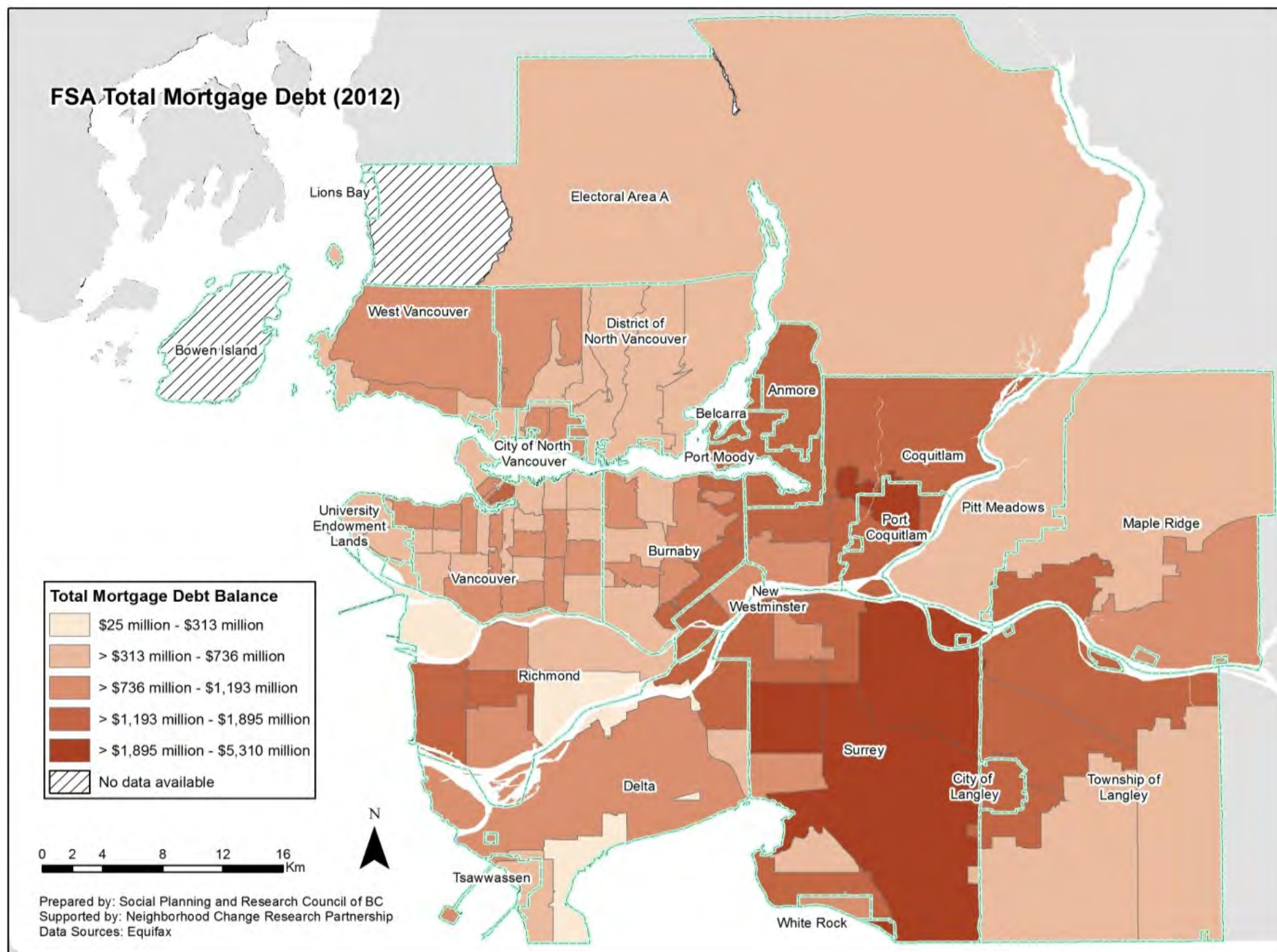


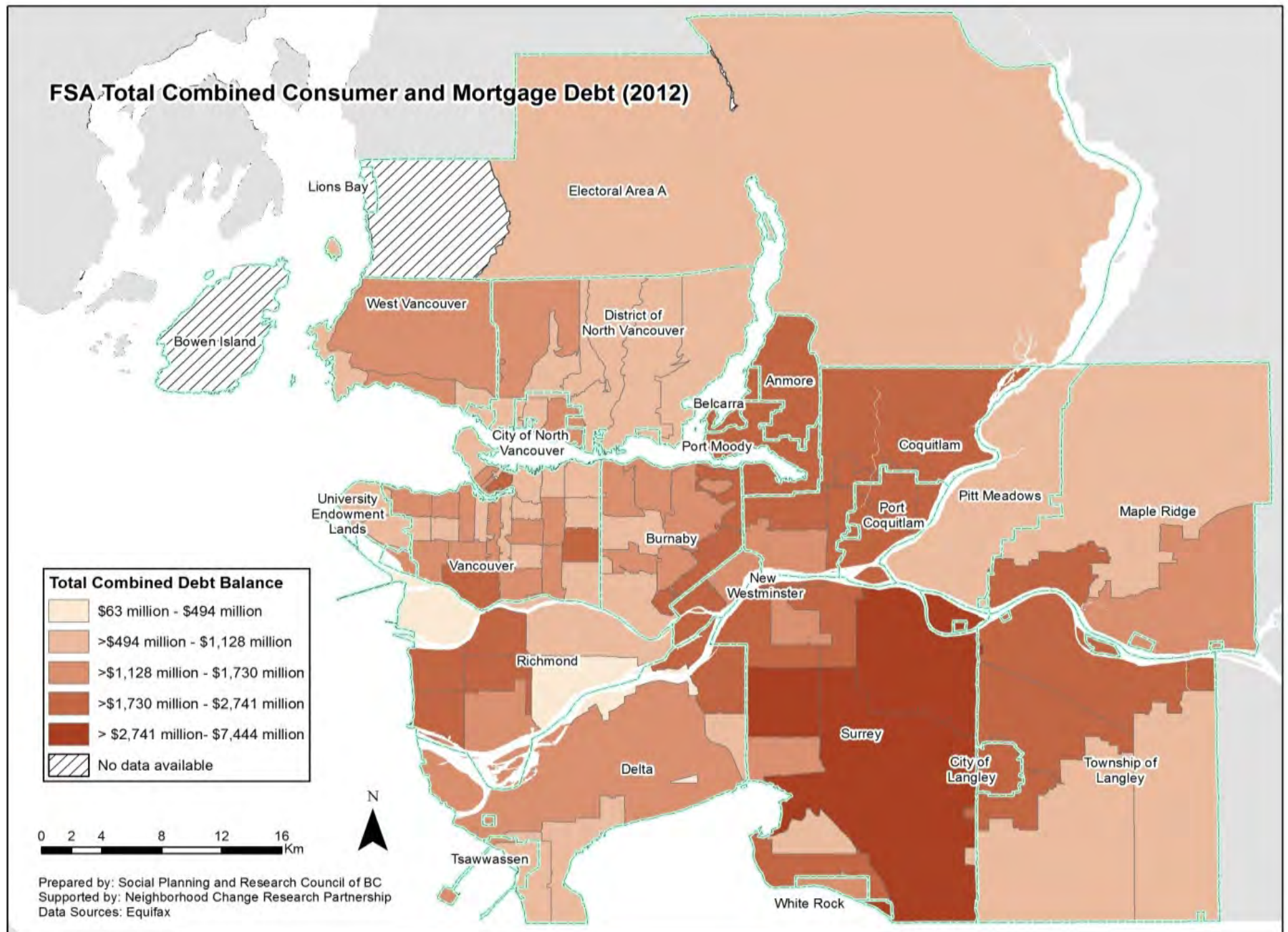
# Maps



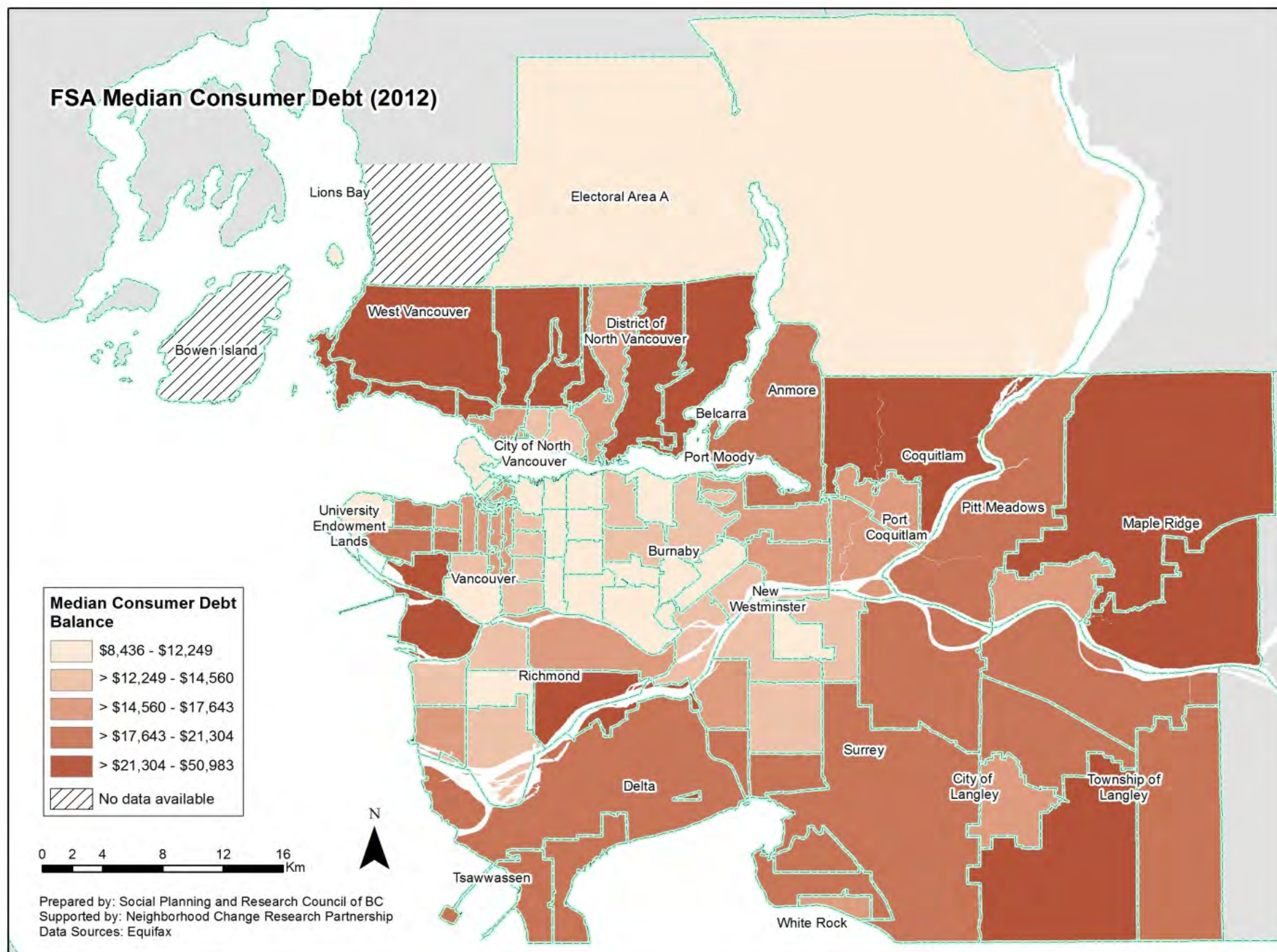


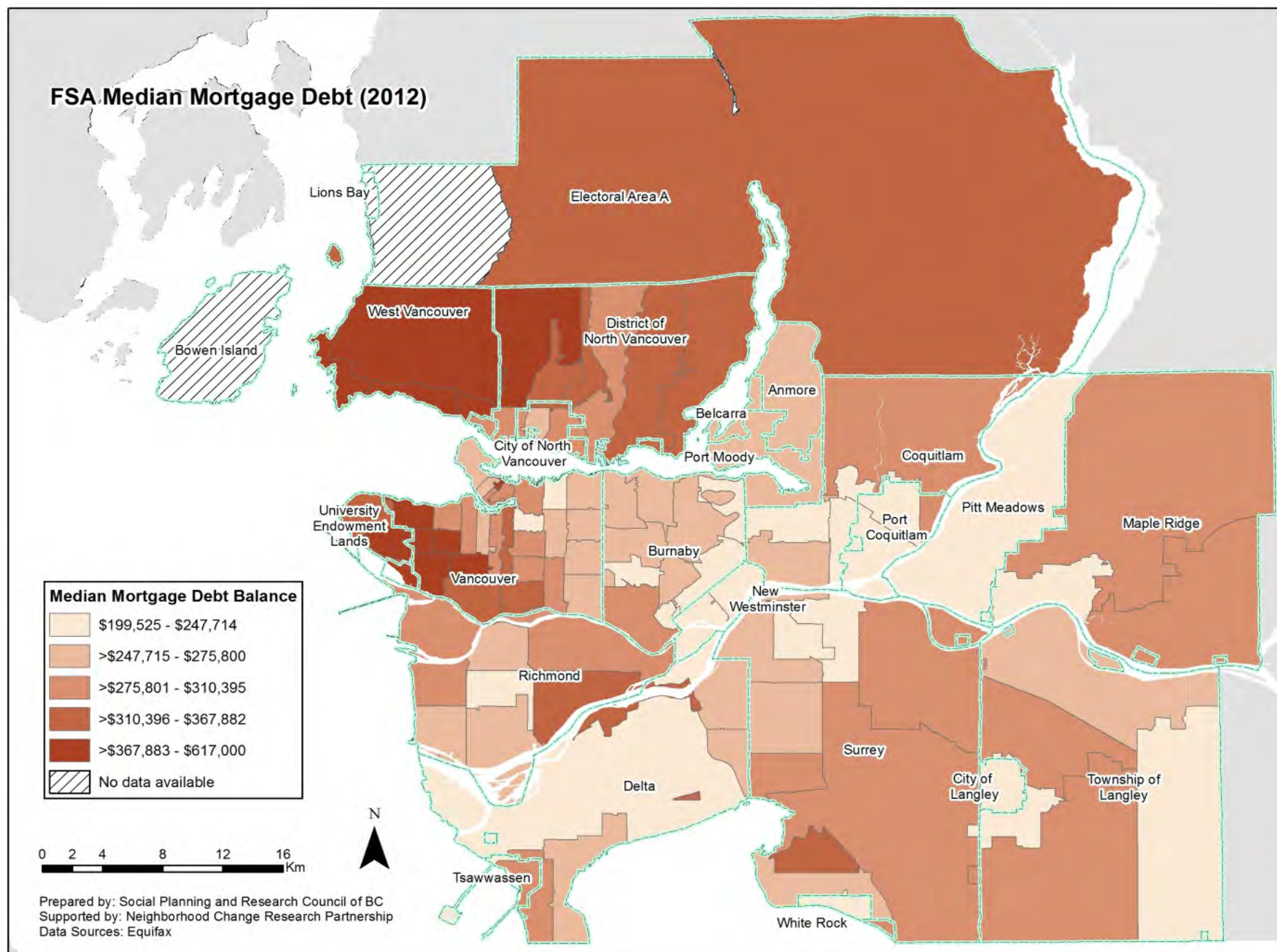




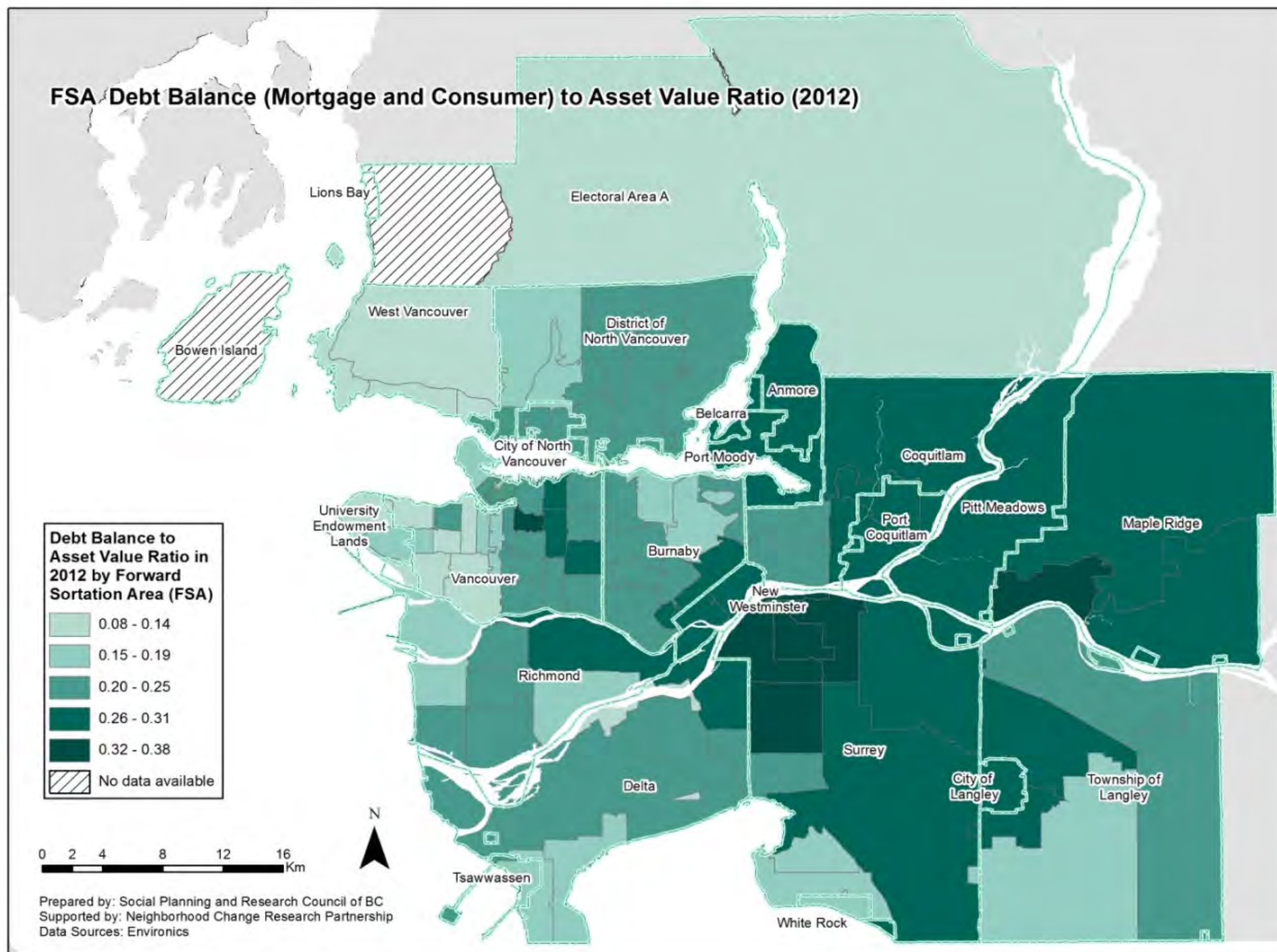




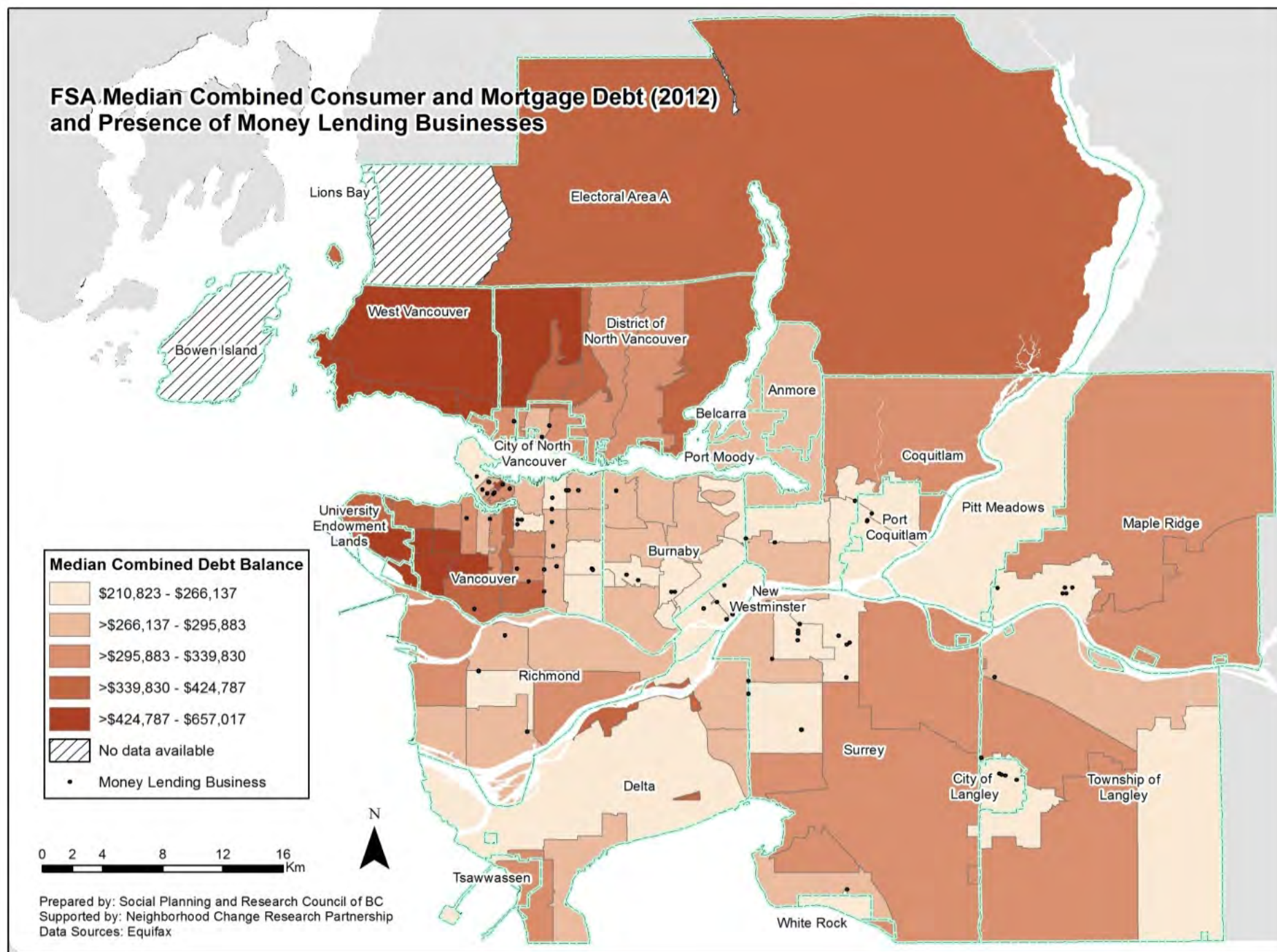




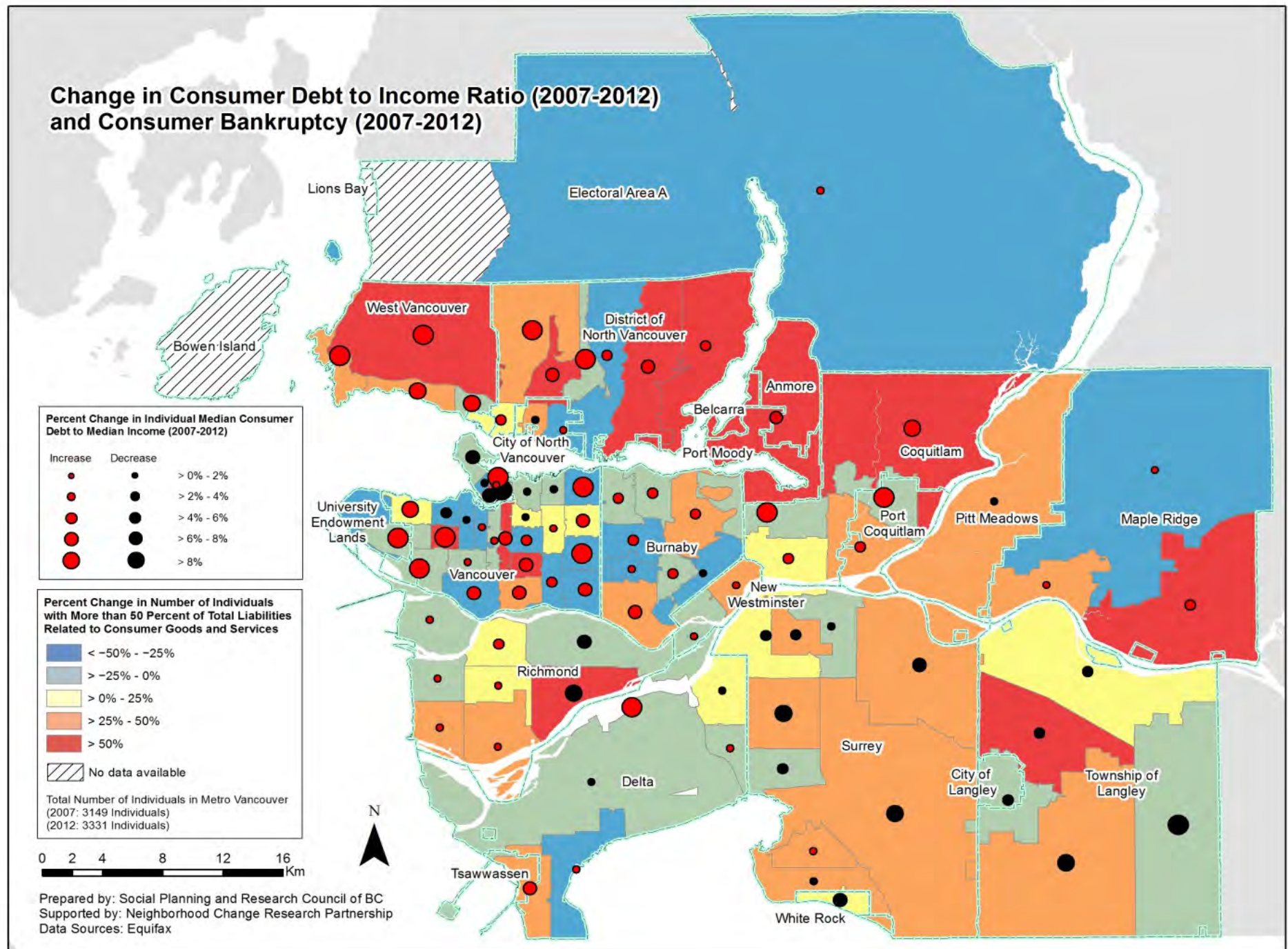




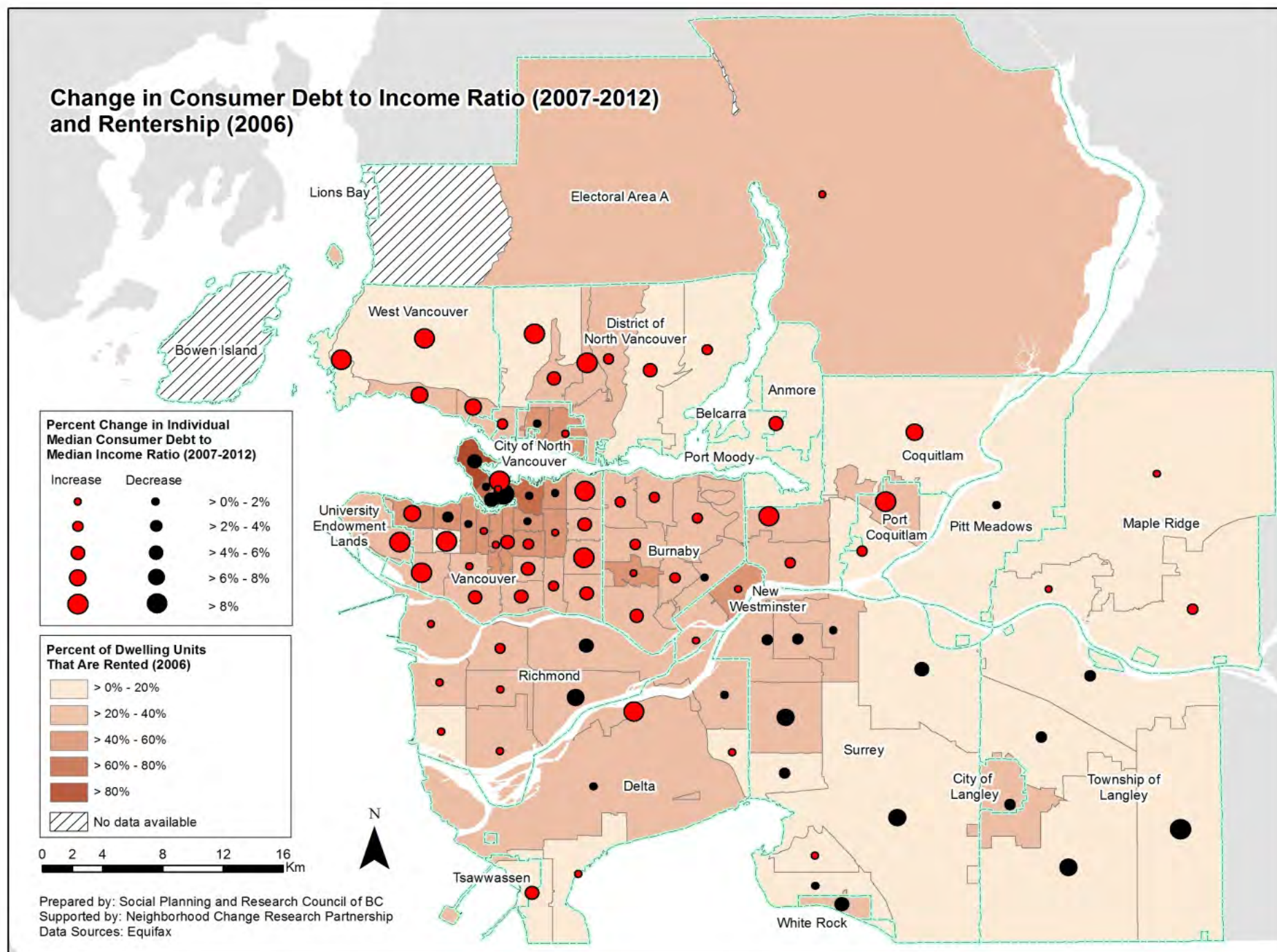












# Qualitative methods

# **Interview process aims to generate an understanding of:**

- 1.The emotional, lived experience of high indebtedness among residents of Vancouver;
- 2.Coping strategies that households employ to deal with high debt stress;
- 3.Causes and contributors to high indebtedness among resident of Vancouver;
- 4.Services needed to help prevent, cope with, and solve indebtedness.

# Summary of interview methods

- Non-participant observation
- In-depth expert interviews with Credit Counselors (n=10)
- In-depth interviews with past clients of the Credit Counseling Society (n=29)

# Select Characteristics of Sample

67% female

29% immigrants

83% white European

50% between 20 and 35 years old at the time of debt accrual

62.5% married or in a long-term partnership

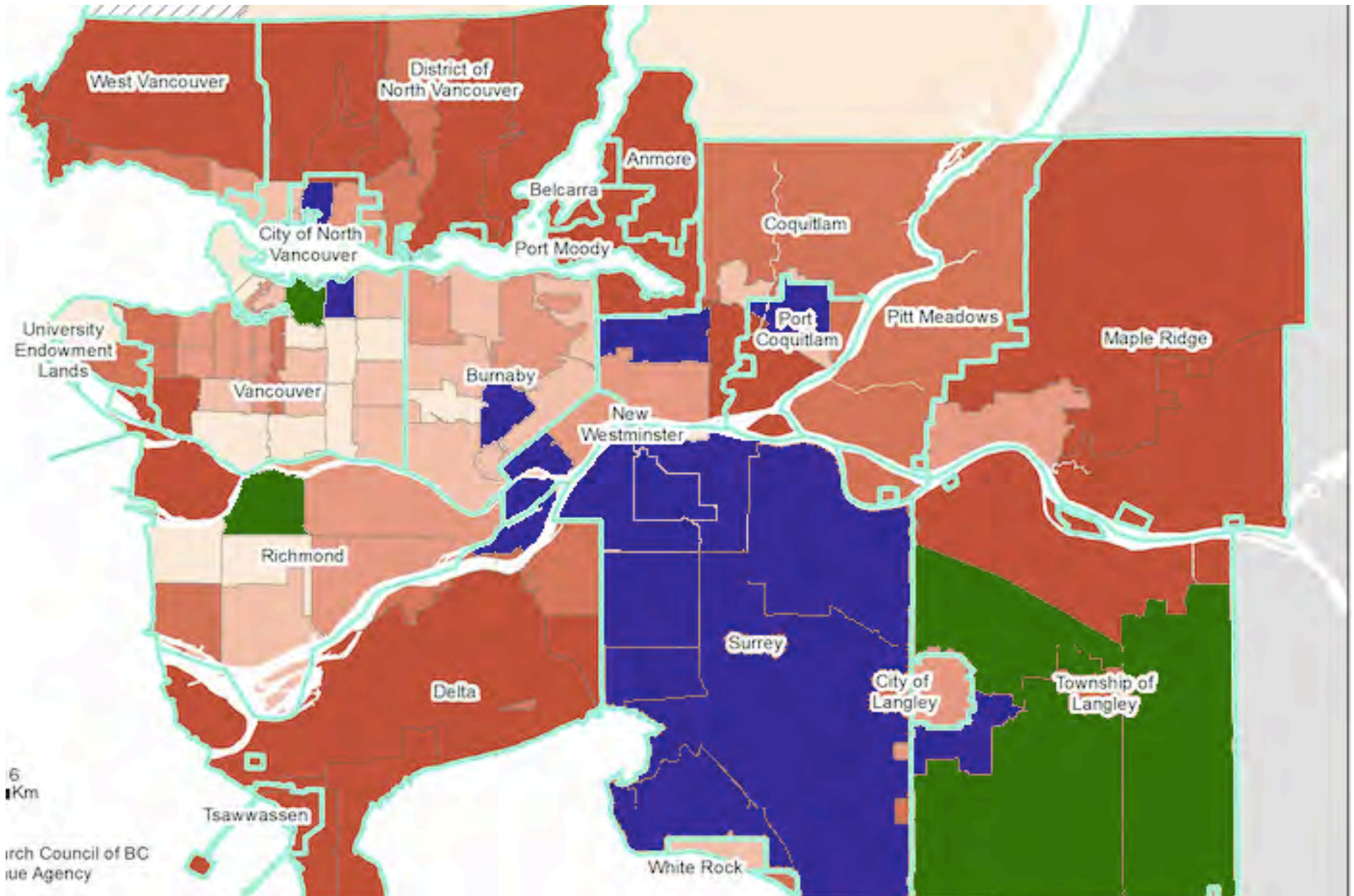
46% had an annual household income between \$25,000 - \$50,000

# Participant Recruitment

- Past clients selected + recruited through Credit Counselling Society
- Reside in high debt, low median income FSAs (2012 data)
- Successfully completed DMP or CP
- Contacted by CCS then interviewer
- \$50 Honoraria
- Interviews .5 – 1.5 hrs



Blue = Home FSA of Interviewees [Red, Pink, White = N/A]  
Green = Interviews desired but not achieved



# Discussion of Results

# Maps

- Ranging from a minimum of \$210,823 to a maximum of \$657,017, median (combined mortgage and consumer) debt levels in Metro Vancouver are high.
- In comparison, the median debt (mortgage and consumer debt), nationally, for all indebted Canadian families was \$60,100 in 2012 (though it varied substantially by family type) (Uppal and LaRoche-Côté, 2015).

# Maps

- North Shore and Vancouver West:  
**High income, high debt**
- The Tri-Cities, Maple Ridge and Pitt Meadows: **Middle-income, low debt**
- The Eastern Suburbs (Surrey, Langley):  
**Middle income, moderate debt**

# Maps

- Whereas the North Shore/Vancouver West FSAs displayed, in 2012, both the highest median income and median debt levels, the highest debt-to-asset ratios instead appear in the FSAs of the medium-income, moderately indebted suburbs of Surrey and the City and Township of Langley.
- Conversely, the North Shore/Vancouver West FSAs exhibit the lowest debt-to-asset ratios.
- The FSAs of the Tri-Cities, Pitt Meadows and Maple Ridge also displayed high relative debt-to-asset ratios ( $\geq 26\%$ ). Moreover, they experienced some of the highest increases in (median) consumer debt-to-income ratios (a measure of debt burden).

# Interviews with People in Debt

Employment is sacrificed to cover child care during debt repayment...

***“...I had just taken over custody of my daughter full time. So I was forced to quit my construction job. And then I was kind of in limbo trying to find a job where I was able to drop my daughter off at daycare at 7:00 and be able pick her up by 5:30.”***

# Interviews with People in Debt

Spending can be a coping mechanism for people experiencing mental health issues...

***“I also found that when I was down... I was reckless. Because of that whole depression, all of that stress. Whenever I wanted a relief I would spend extra money instead... there was a lot of guilt about it.”***

# Interviews with People in Debt

Easy access to borrowing money exacerbates individual and family economic insecurity...

***“The [Payday lender] that I went to... was right across from the bus stop where I went to work. And I remember cashing my pay cheque and ...I realized I didn't have enough to pay for rent or something... the first 300 dollars you get for free, [with] no interest. And then it became, like, 75% of my paycheck I was borrowing. But by the time you get it back, with the interest, it's 100 per cent of your pay check that you're giving to them.”***



Our Conclusions and  
Recommendations  
are Works in  
Progress to be  
Released in June...

# Questions and Discussion