Payday Loans Consumer Profile in Canada based on the Survey of Financial Security

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Summary of Results

- This study compares the consumer profile of payday loan borrowers in Manitoba with the rest of Canada using SFS 2012. It is important to note the small Manitoba sample (33 borrowers out of 340 in total) limits the reliability of the results and comparison with rest of Canada (ROC).

- The household income of payday loan users (the PL sample) is lower than that of non-users both in SFS2012 and in SFS 2005. The consistent gap during the time period of 2005 and 2012 indicates that payday loan users are primarily drawn from the poorer households in Canada.

- Payday loan borrowers in Manitoba have a higher average income than borrowers in the rest of Canada (ROC), but non-borrowers of payday loans in Manitoba have lower average income than non-borrowers in the ROC.

- Wages and salaries are the main source of income for borrowers and non-borrowers in both SFS2012 and 2005

- The average wealth of payday loan users was lower than that of non-users in 2005 and 2012, providing another indication of the poorer economic conditions of payday loan borrowers. The average wealth of Manitoba payday loan users does not differ from ROC users.

- The total liabilities of borrowers are less than non-borrowers. Both users and non-users of payday loans in Manitoba have lower average debt than that of the ROC.

- The proportion of borrowers with a high school diploma increased from 2005 to 2012 but the proportion of borrowers who are university graduates and who did not complete high school both decreased.

- The ratio of male to female households (based on the major income earner) using payday loans increased between 2005 and 2012. The proportion of male headed borrowers is higher in Manitoba than in the ROC.

- The proportion of borrowers' families using credit cards is notably lower than that of non-borrowers but this proportion increased between 2005 and 2012. Manitoban borrowers use less credit card services compared to the ROC.

- The proportion of borrowers who own a home is lower than that of non-borrowers.

- Based on probit regression analysis, lower income and wealth, a lower level of education, use of credit cards, home ownership, the number of earners, age of the major income earner and region of residence have been identified as key determinants of payday loan borrowing. Lower income and wealth, a lower level of education, the number of earners and residence in Manitoba increase the likelihood of borrowing and use of credit cards and home ownership reduce the likelihood of taking a payday loan.

- Regression analysis finds that households residing in the province of Manitoba are more likely to take a payday loan compared to households residing in the rest of Canada and this relationship is also statistically significant at the 10% level.

Payday Loans Consumer Profile based on the 2012 Survey of Financial Security in Canada

Introduction:

The purpose of the Survey of Financial Security (SFS) is to collect information from a sample of Canadian families on their assets, debts, employment, income and education to understand how family finances change because of economic pressures. The SFS provides a comprehensive picture of the net worth of Canadians. Information is collected on the value of all major financial and non-financial assets and on the money owing on mortgages, vehicles, credit cards, student loans and other debts.

The 2005 Survey of Financial Security (SFS) is the first survey in Canada that provided information about the use of payday loans. The SFS 2005, covering about 5,300 families, collected information on the assets and debts of families and individuals between May and July of 2005. Information was collected on the value of all major financial and non-financial assets as well as money owed for households grouped into five regions (Atlantic, Quebec, Ontario, the Prairie provinces and British Columbia). Regarding whether households borrowed money through a payday loan, the relevant SFS question was: "In the past 3 years, have (any of) you borrowed money through a payday loan?"

The second version of the survey was conducted by Statistics Canada between September and November of 2012. Since this survey identified province of residence, it facilitates a comparison of payday loan behaviour between Manitoba and the rest of Canada (ROC). The 2012 SFS has a stratified multi-stage dual frame design covering 12,003 families in both rural and urban areas.[1] Regarding whether households borrowed money through a payday loan, the relevant SFS question was: "In the past 3 years, have you (or anyone in your family) borrowed

[1] The 2012 SFS provided an initial sample size of 20,000 dwellings based on independent samples from two overlapping frames, the Labour Force Survey (LFS) area frame and a frame constructed from the urban portion of the 2009 T1 family file (T1FF). The LFS area frame strata were grouped into urban and rural strata within each province. A sample of 3,860 dwellings was selected from the urban strata and 7,731 from the rural strata. The urban T1FF frame was stratified by province and by four levels of predicted household net worth to select a sample of 8,409 dwellings. All families residing in the selected dwellings were included in the sample. There is overlap between the SFS and the Canadian Financial Capability Survey (CFCS), which collects information about Canadians' knowledge of financial matters and instruments and their ability to apply this knowledge in decision making. The latest CFCS in 2014 surveyed a total of 12,620 civilian, non-institutionalized adults using a similar stratified multi-stage survey design administered to a sub-sample of respondents to the Labor Force Survey during January and February of 2014.

money through a pay day loan?" A total of 340 households in this survey reported that they used payday loan in the past three years, including 33 payday loan borrowers in Manitoba. The results for Manitoba should be interpreted cautiously because the small sample limits statistical reliability.

The payday loan user's profile is drawn using the survey question that asks whether the respondents or their household members were using the services of payday lending during the last 3 years. The question had a response rate of 100% in SFS 2012 and 98.81% in SFS 2005. We dropped non-respondents to this question in SFS 2005, leaving a sample of 5,237, of which 137 respondents (2.61%) indicated that they had used the services of payday lending during the last 3 years. This compares with 340 payday loan borrowers in a sample of 12,003 (2.83%) in SFS 2012. As SFS 2012 is just a slightly updated version of SFS 2005, it is suitable to compare the profiles of payday loan users across these surveys where appropriate.

Payday Loan Consumption and Income

The **household income** of payday loan users (the PL sample) is lower than that of non-users (the NL sample) both in SFS2012 and in SFS 2005. The gap is similar in the two periods, indicating that payday loan users are the poorer households in Canada. However, the average household income of borrowers increased from $40,204 to $52,415 (30.4%) during this time period as shown in **Figure 1** and **Table 1.**

When we compare the household income between the province of Manitoba and the Rest of Canada (ROC) in SFS 2012, we find that the gap between payday loan users and non-users is remarkably lower in Manitoba than the ROC. At the same time payday loan borrowers in Manitoba have a higher average income than borrowers in the ROC, but non-borrowers of payday loans in Manitoba have a lower average income than non-borrowers in the ROC as shown in **Figure 1** and **Table 2.**

Wages and salaries are the main source of personal income both for borrowers and non-borrowers in SFS2012 and 2005. The percentage of households whose main source is wages and salaries fell slightly from 75.91% in 2005 to 72.35% in 2012 for borrowers and from 59.65% to 58.10% for non-borrowers, but payday loan users remain more dependent on wages and salaries as shown in **Figure 2** and **Table 3**.

This pattern is similar when Manitoba is compared to the ROC, but the percentage of borrowers in Manitoba (78.79%) having wage and salaries as the main source of income is higher than that of the borrowers in ROC (71.66%). About 21% of the payday loan borrowers have government transfers as their major income source which is very closed to that of the non-users (22%) and this percentage did not change that much between 2005 and 2012 as shown in **Figure 3**. The percentage of Manitoban payday loan users with government transfers as their major source of income (15.15%) is lower than that of the borrowers in the ROC (22.15%) as shown in **Table 4**.

The average amount of government transfers increased from $6,938 to $9,847 (41.9%) for payday loan users between 2005 and 2012 compared to an increase from $7,260 to $10,003 (37.8%) for non-users. While Manitoban payday loan users received an average of $7,467 in government transfers, borrowers in the ROC received $10,103.

The lower proportion receiving government transfers as their major income source and the higher average income suggests that Manitoba payday loan borrowers are in a better financial position than payday loan borrowers in the ROC. The lower amount of government transfers received by payday loan borrowers in Manitoba might also reflect a stronger financial position, although it may also reflect lower social assistance rates compared to the rest of Canada.

Payday Loan Consumption, Household's Wealth and Debt

The average amount of household wealth of payday loan users increased from $165,173 to $234,103 (41.7%) between 2005 and 2012 compared to an increase from $740,070 to $867,813 (17.3%) for non-users, as shown in **Figure 4**. It is evident that the average wealth of the payday loan users is substantially lower than that of non-users in both time periods, indicative of the poorer economic condition confronting payday loan borrowers. However, the results also indicate that payday loan use by the wealthier class is increasing over time. The average wealth of Manitoba payday loan users ($233,015) does not differ from ROC users ($234,220) but non-users in the ROC are wealthier than non-users in Manitoba.

While the average household debt of non-users increased from $66,135 to $95,239 (44%), the debt of payday loan users increased from $53,229 to $56,544 (only 6.2%) between 2005 and 2012. Both the level and growth of debt of non-users is higher than payday loan users as shown

in **Figure 5**, reflecting the more limited access to credit and mortgage of payday loan users. Both users and non-users of payday loans in Manitoba have lower average debt than in the ROC.

Payday Loan Consumption and Education, Age and Gender of the major income earner:

The majority of borrowers (about 70%) have a high school diploma or non-university post-secondary certificate in SFS2012, while 18.45% have less than a high school diploma and 11.60 % have a university degree. In contrast, 28.65% of non-borrowers are university graduates, implying that a university education is associated with reduced reliance on payday loan borrowing as shown in **Table 5**.

The proportion of borrowers with a high school diploma increased from 2005 to 2012 and this proportion decreased both for university graduates and those who did not complete high school. Only 3.03% of the borrowers in Manitoba had a university degree compared to 12.54% in the ROC. 57.58% of the borrowers in Manitoba had completed only a high school diploma compared to 35.97% in the ROC which may imply that the impact of more education in deterring payday loan borrowing is greater in Manitoba than the ROC, as shown in **Figure 6** and **Table 6**.

The major income earner of the borrower's family is much younger in both the 2012 and 2005 surveys (40.78 and 37.42 years, respectively) than that of the non-borrower's family (53.12 and 50.51 years, respectively) both in Manitoba and the ROC. Note, however, that the average age of the major income earner is higher in SFS 2012 compared to SFS 2005 as payday loan use by older individuals increases.

The proportion of households with a male as the major income earner is lower for payday loan borrowers than non-borrowers in 2012 and 2005, which suggests that payday loan users tend to be in female-headed households, although this proportion did increase somewhat for borrowers between 2005 and 2012 The proportion of female headed borrower families is lower in Manitoba than in the ROC as shown in **Table 7** and **Table 8**.

Other Characteristics of Payday Loan Consumers

Unattached individuals and couples with children are the principal groups of borrowers both in SFS 2012 and 2005, but the proportions of borrowers in these family groups decreased from 2005 to 2012. The proportion of borrowers who belong to a lone-parent family (15.73%

and 12.41% respectively, in 2012 and 2005) and couples with children (25.52% and 31.39% respectively) are notably higher compared to non-borrowers in both surveys, suggesting that female-headed lone-parent families and couples with children are more likely to take out payday loans as shown in **Table 9** and **Table 10**.

This pattern of family composition of borrowers is similar when we compare the province of Manitoba with the ROC except that the proportion of borrower families who are couples without children in Manitoba is lower than in the ROC.

The proportion of borrower families with a child under 18 years of age is 41.18% and 40.88 respectively for 2012 and 2005 compared to 24.37% and 24.08% for non-borrower families, indicating that households with children are more likely to use payday loans. About 45% of the borrowers in Manitoba have children in their family comparing to 40.72% of borrowers in the ROC, as shown in **Table 11** and **Table 12**.

SFS 2012 reports that 61.18% of the borrower families use credit cards compared to 87.99% of non-borrower families, as shown in **Figure 7**. These proportions were 56.20% and 84.37% respectively for the borrower and non-borrower families in 2005, implying that access to mainstream financial services for borrower families increased during this time period, although reduced access to credit cards continues to have impact on payday loan borrowing in Canada.

We would note here that the SFS does not identify the type of credit card, such as a bank credit card or one issued by a merchant, and whether credit card use reflects access to other banking services. Only 51.52% of payday loan borrowers in Manitoba use credit cards compared to 62.21% in the ROC, suggesting that borrowers have more restricted access to mainstream financial system in Manitoba compared to the ROC, as shown in ***Table 13*** and ***Table 14***.

The SFS 2012 reveals that 67.65% of the payday loan borrower families don't own a house compared to only 25.71% of the non-borrower families, as shown in **Figure 8**. About 10% of the borrowers own a house without a mortgage compared to 39.83% of the non-borrowers, reflecting the poorer economic conditions of borrowers (lower income and wealth and less access to mainstream financial services) that may result in more payday loan borrowing. This home ownership status didn't change notably during the period from 2005 to 2012. More Manitoban payday loan borrowers (27.27%) own a house with a mortgage than the borrowers in the ROC (22.15%) but only 6.06% of the

borrowers in Manitoba own a house without a mortgage compared to 10.10% in the ROC. The proportion of borrower households that don't own a house is the same (66.67%) in Manitoba and the ROC as shown in **Table 15** and **Table 16**.

Regression Analysis[2] of the Determinants of Payday Loan Consumption

We use the probit regression model[3] to explore the important determinants of payday loan consumption. This provides us with coefficient estimates of how much each determinant affects the probability of borrowing a payday loan, other factors considered, as shown in **Table 17.**

Our regression results show that the probability of payday loan borrowing increases as household income rises for those with lower household income, reflecting the job-related conditions associated with payday lending, but that those with higher household incomes have a lower probability of borrowing, as shown in the **Table 17**. This relationship between income and payday loan borrowing is statistically significant at conventional (5%) levels of significance.[4]

Higher household wealth is associated with a reduced probability of payday loan borrowing with a U-shaped relationship. Larger family size increases the likelihood of payday loan borrowing, but this relationship is not statistically significant.

The likelihood of payday loan borrowing increases with the major income earner's age, showing a significant inverted U-shaped relationship.[5]

A higher level of education of the major income earner is associated with an increased likelihood of payday loan borrowing up to a non-university degree, but graduating from

[2] Regression analysis refers to a statistical technique that attempts to determine the strength of the relationship between one dependent variable (in this case, the incidence of payday loan borrowing) and a series of other independent variables (in this case, characteristics of payday loan borrowers). It provides an estimate of the impact and statistical significance of a single independent variable on the likelihood of payday loan borrowing aside from the impact of other independent variables.

[3] A probit model is a form of regression analysis that is appropriate when there are only two outcomes of the dependent variable (borrowing or not borrowing).

[4] Statistical significance refers to the probability that a hypothesis (that income and payday loan borrowing are unrelated) may be true given the evidence (the estimated coefficient(s) and standard error(s)). A conventional 5% level of significance implies that the hypothesis can be rejected with only a 5% chance that it is true (Type I error).

[5] That is, the estimated impact of age on the likelihood of borrowing declines for older individuals

university reduces the probability of payday loan borrowing and this relationship is highly significant.[6]

Households residing in the province of Manitoba are more likely to take a payday loan compared to households residing in the rest of Canada and this relationship is also statistically significant, albeit only at the 10% significance level.[7]

Home ownership plays an important role in payday loan borrowing, showing that households that don't own a house have an increased likelihood of payday loan borrowing compared to those who own a house, and this relationship is significant. The number of earners in the household displays a significant inverted U-shaped relationship with the probability of taking a payday loan, which is consistent with the inverted U-shaped relationship between household income and the probability of borrowing.

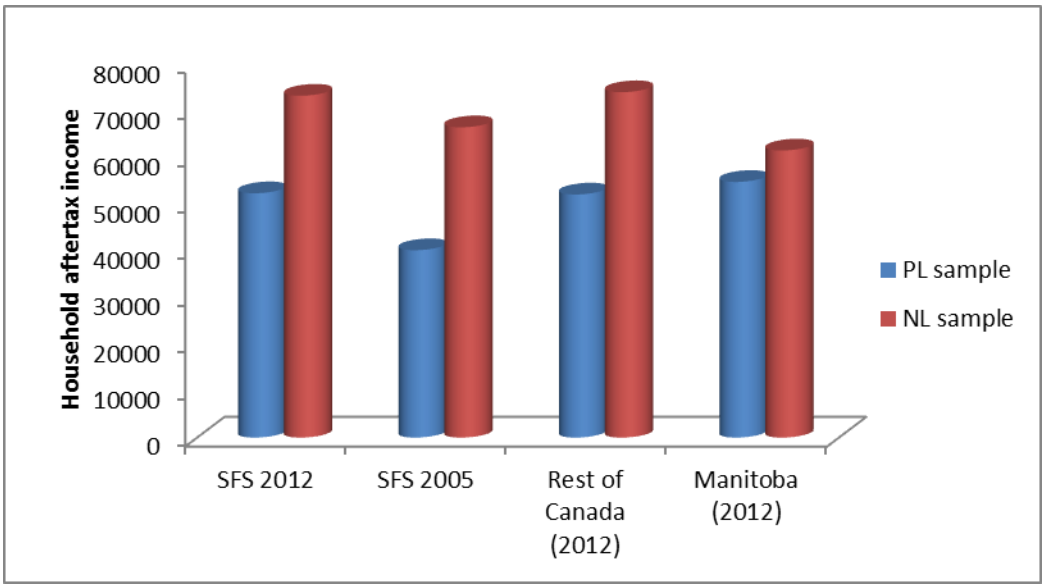
Households with a major income earner who is male are more likely to take a payday loan but this relationship is not statistically significant. We find that households using credit cards are significantly less likely to take a payday loan compared to those who are not using credit cards, which is expected because higher access to mainstream financial system should reduce the incidence of payday loan borrowing.

[6] The column in Table 9 titled "P>|z|" represents p-values or exact significance levels. A p-value of 0.005 for the effect of a university education on payday loan borrowing indicates that there is only a 0.5% chance that there is no relationship, less than the 1% significance level normally associated with highly significant relationships.

[7] The p-value of 0.055 indicates that the probability that there is no relationship between Manitoba residence and borrowing is 5.5%, slightly above the most conventional standard for statistical significance (5%) but less than the more relaxed standard (10%) often used.

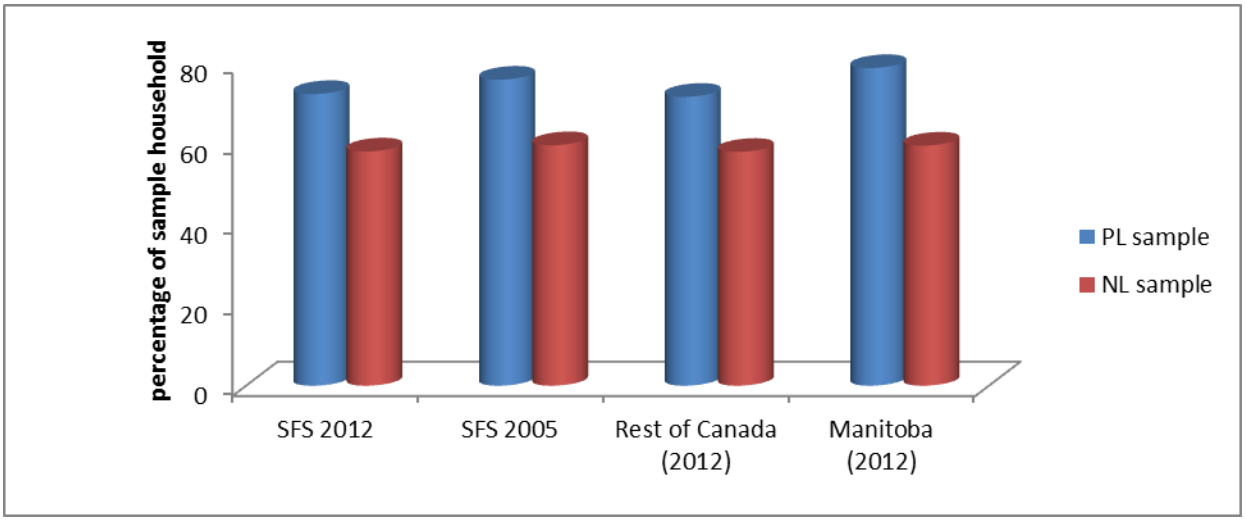
Figures and Tables

Figure 1. Household average income by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



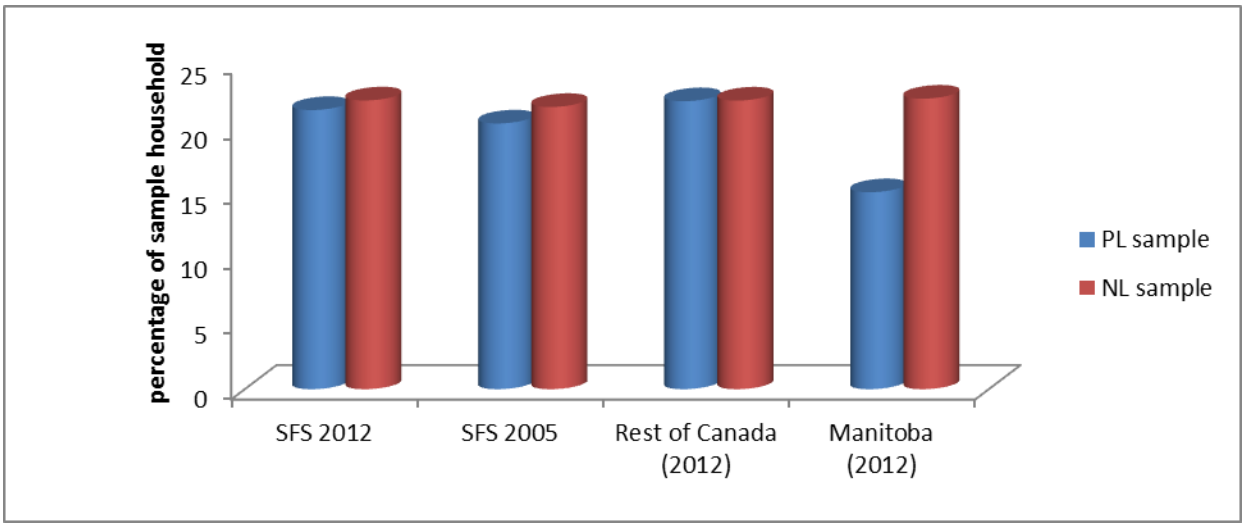
Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 2. Percentage of households whose major income source is wages and salaries by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



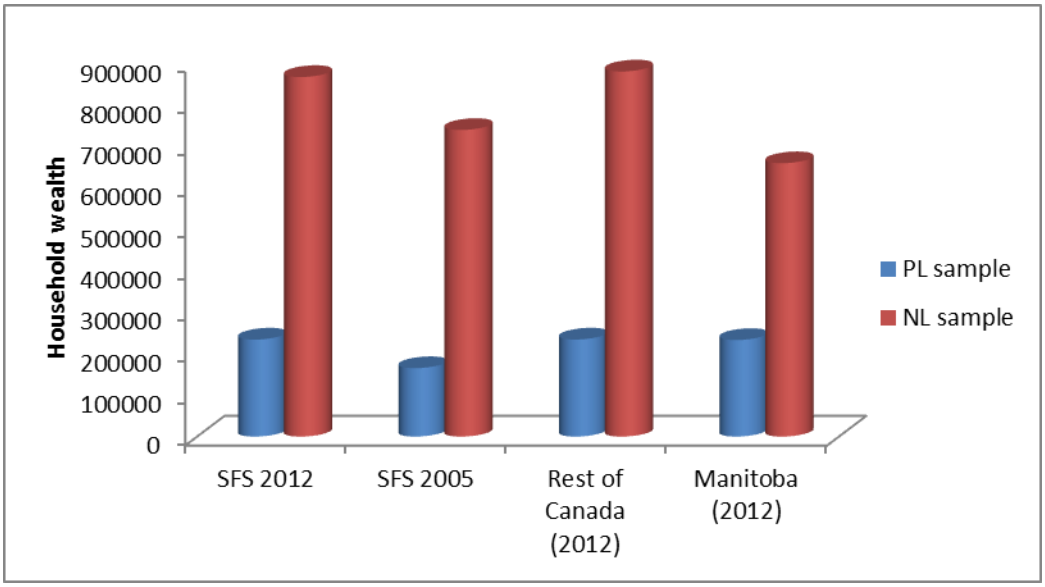
Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 3. Percentage of households receiving government transfer payments by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



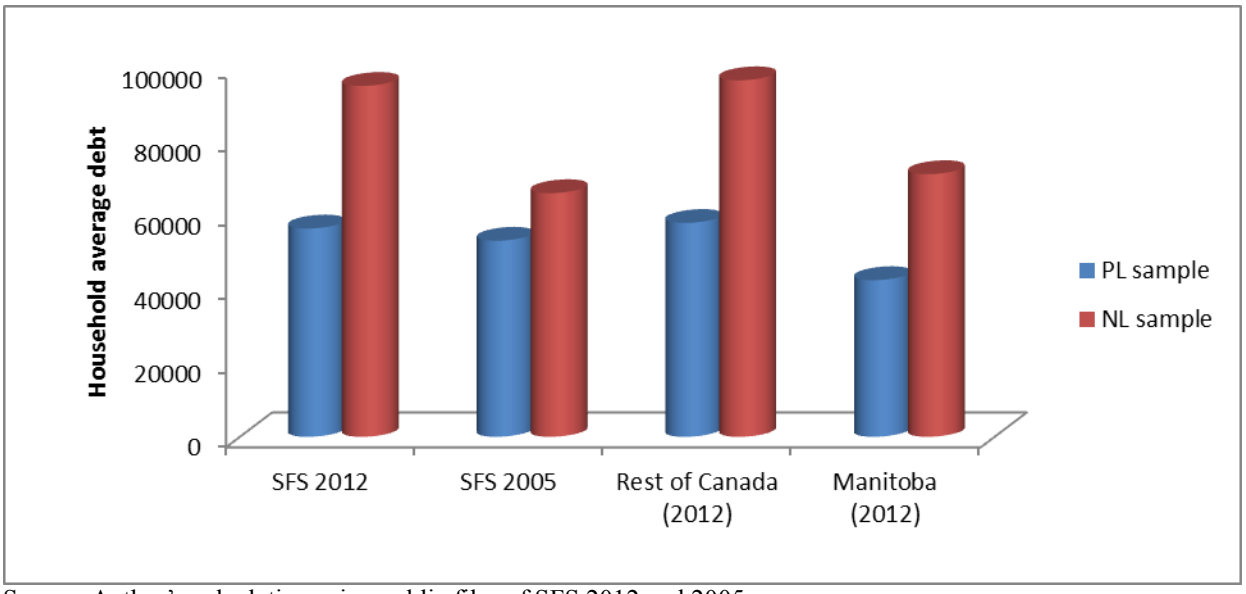
Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 4. Household average wealth by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



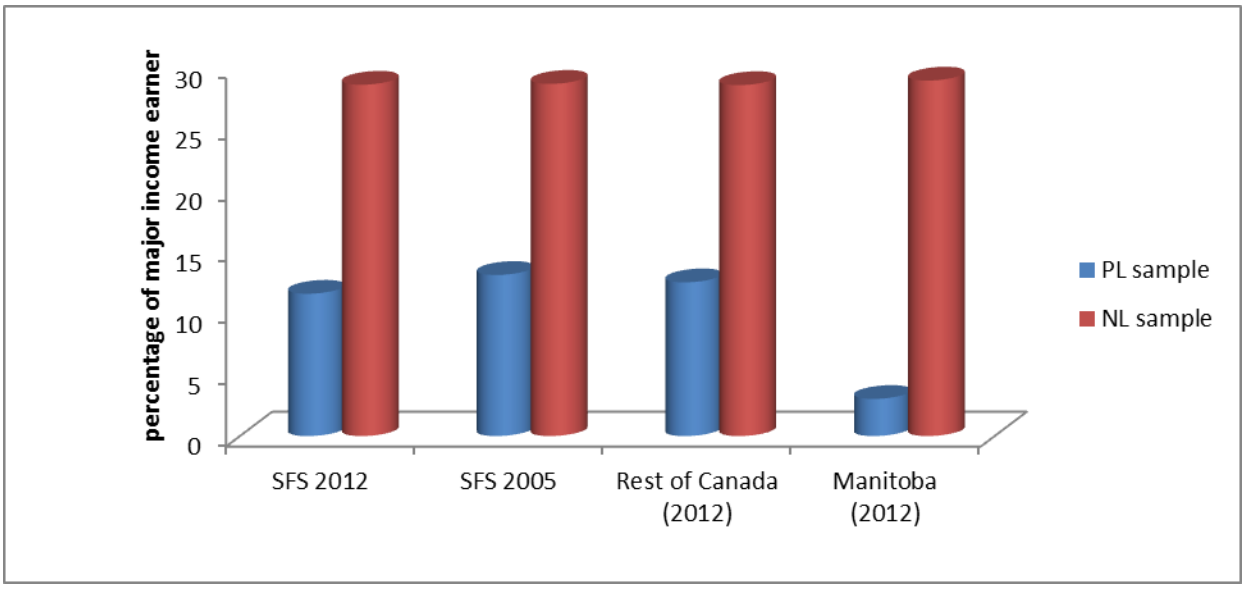
Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 5. Household average debt by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



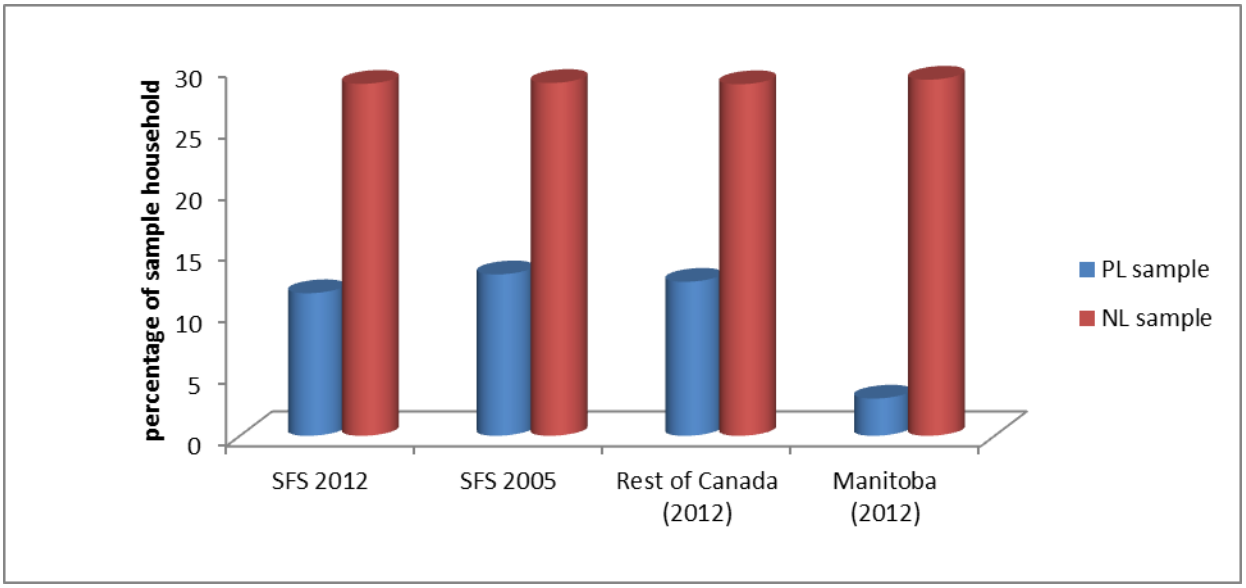
Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 6. Percentage of major income earners with a university degree by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



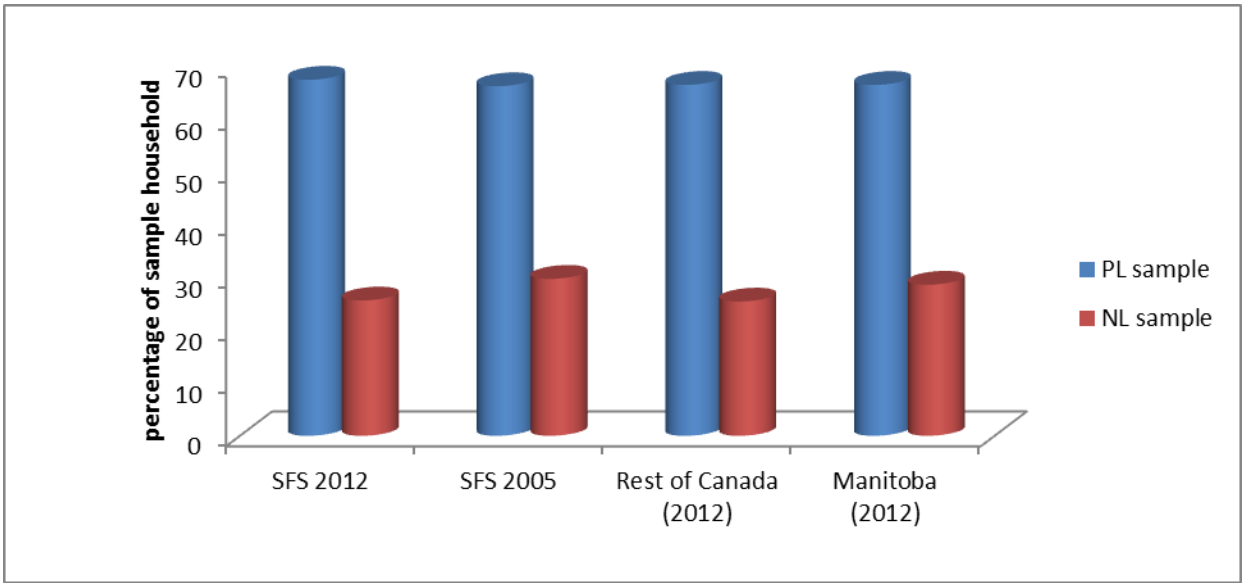
Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 7. Percentage of households using credit cards by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



Source: Author's calculation using public files of SFS 2012 and 2005.

Figure 8. Percentage of households not owning a home by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.



Source: Author's calculation using public files of SFS 2012 and 2005.

Table 1: Household Average Income, Wealth and Debt by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012		SFS 2005	
	Borrower	Non-borrower	Borrower	Non-borrower
Income	52415.51	73341.1	40204.01	66573.34
Wealth	234103.3	867813.7	165173.3	740070.7
Debt	56544.49	95239.61	53229.27	66135.07
Government transfer	9847.941	10003.21	6938.321	7260.515
Number of earner	1.45	1.342622	1.467153	1.344902
Age of major income earner	40.77941	53.11909	37.41606	50.51

Source: Author's calculation using public files of SFS 2012 and 2005.

Table 2: Household Average Income, Wealth and Debt by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012

	Rest of Canada		Manitoba	
	Borrower	Non-borrower	Borrower	Non-borrower
Income	52153.66	74099.21	54851.52	61593.03
Wealth	234220.2	881238.1	233015.2	659783.2
Debt	58050.98	96784.84	42529.55	71294.08
Government transfer	10103.83	10055.84	7467.424	9187.518
Number of earner	1.442997	1.344378	1.515152	1.315417
Age of major income earner	40.90879	53.20309	39.57576	51.81754

Source: Author's calculation using public files of SFS 2012 and 2005.

Table 3: Major income source by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012				SFS 2005			
Income source	Borrower		Non-borrower		Borrower		Non-borrower	
Wages + salaries	246	(72.35)	6,776	(58.10)	104	(75.91)	3,042	(59.65)
Government transfers	73	(21.47)	2,590	(22.21)	28	(20.44)	1,107	(21.71)
other	21	(6.18)	2,297	(19.69)	5	(3.65)	951	(18.64)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 4: Major income source by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012

	Rest of Canada				Manitoba			
Income source	Borrower		Non-borrower		Borrower		Non-borrower	
Wages + salaries	220	(71.66)	6,355	(58.00)	26	(78.79)	421	(59.55)
Government transfers	68	(22.15)	2,432	(22.20)	5	(15.15)	158	(22.35)
other	19	(6.19)	2,169	(19.80)	2	(6.06)	128	(18.10)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 5: Education of major income earner by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012		SFS 2005	
	Borrower	Non-borrower	Borrower	Non-borrower
< high school	62(18.45)	2120(18.35)	30 (21.90)	1,053 (20.65)
High school diploma	128(38.10)	2887 (24.99)	45 (32.85)	1,223 (23.98)
Non-uni. p-sec. cert./dipl.	107(31.85)	3,236 (28.01)	41 (29.93)	1,326 (26.00)
Uni. degree or cert.	39(11.61)	3,311 (28.66)	18 (13.14)	1,465 (28.73)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 6: Education of major income earner by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012

	Rest of Canada				Manitoba			
	Borrower		Non-borrower		Borrower		Non-borrower	
< high school	56	(18.48)	1,979	(18.23)	6	(18.18)	141	(20.14)
High school diploma	109	(35.97)	2,700	(24.88)	19	(57.58)	187	(26.71)
Non-uni. p-sec. cert./dipl.	100	(33.00)	3,067	(28.26)	7	(21.21)	169	(24.14)
Uni. degree or cert.	38	(12.54)	3,108	(28.63)	1	(3.03)	203	(29.00)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 7: Gender of major income earner by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012		SFS 2005	
	Borrower	Non-borrower	Borrower	Non-borrower
Male	194 (57.06)	7053 (60.47)	69 (50.36)	3,144 (61.65)
Female	146 (42.94)	4,610 (39.53)	68 (49.64)	1,956 (38.35)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 8: Gender of major income earner by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012.

	Rest of Canada				Manitoba			
	Borrower		Non-borrower		Borrower		Non-borrower	
Male	174	(56.68)	6,652	(60.72)	20	(60.61)	401	(56.72)
Female	133	(43.32)	4,304	(39.28)	13	(39.39)	306	(43.28)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 9: Family composition by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012				SFS 2005			
	Borrower		Non-borrower		Borrower		Non-borrower	
Unattached individual	89	(26.41)	3,230	(29.07)	38	(27.74)	1,475	(28.92)
Couple, no children	57	(16.91)	3,574	(32.17)	26	(18.98)	1,836	(36.00)
Couple with children	86	(25.52)	2,217	(19.95)	43	(31.39)	1,231	(24.14)
Lone-parent family	53	(15.73)	517	(4.65)	17	(12.41)	241	(4.73)
Other family types	52	(15.43)	1,573	(14.16)	13	(9.49)	317	(6.22)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 10: Family composition by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012.

	Rest of Canada				Manitoba			
	Borrower		Non-borrower		Borrower		Non-borrower	
Unattached individual	78	(25.57)	3,027	(28.97)	11	(34.38)	203	(30.62)
Couple, no children	56	(18.36)	3,391	(32.46)	1	(3.13)	183	(27.60)
Couple with children	77	(25.25)	2,083	(19.94)	9	(28.13)	134	(20.21)
Lone-parent family	46	(15.08)	480	(4.59)	7	(21.88)	37	(5.58)
Other family types	48	(15.74)	1,467	(14.04)	4	(12.50)	106	(15.99)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 11: Proportion of households having child aged between 0 to 17 years by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012				SFS 2005			
	Borrower		Non-borrower		Borrower		Non-borrower	
Yes	140	(41.18)	2,842	(24.37)	56	(40.88)	1228	(24.08)
No	200	(58.82)	8,821	(75.63)	81	(59.12)	3872	(75.92)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 12: Proportion of households having a child aged between 0 to 17 years by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012.

	Rest of Canada				Manitoba			
	Borrower		Non-borrower		Borrower		Non-borrower	
yes	125	(40.72)	2,661	(24.29)	15	(45.45)	181	(25.60)
no	182	(59.28)	8,295	(75.71)	18	(54.55)	526	(74.40)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 13: Proportion of households with credit cards by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012				SFS 2005			
	Borrower		Non-borrower		Borrower		Non-borrower	
yes	208	(61.18)	10,262	(87.99)	77	(56.20)	4,303	(84.37)
no	132	(38.82)	1,401	(12.01)	60	(43.80)	797	(15.63)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 14: Proportion of households with credit cards by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	Rest of Canada				Manitoba			
	Borrower		Non-borrower		Borrower		Non-borrower	
yes	191	(62.21)	9,655	(88.13)	17	(51.52)	607	(85.86)
no	116	(37.79)	1,301	(11.87)	16	(48.48)	100	(14.14)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 15: Home ownership status of household by Payday Loan users (PL Sample) and non-users (NL Sample) in the Survey of Financial Security (SFS), 2012 and 2005.

	SFS 2012				SFS 2005			
	Borrower		Non-borrower		Borrower		Non-borrower	
Own without mortgage	33	(9.71)	4,645	(39.83)	10	(7.30)	1,843	(36.14)
Own with mortgage	77	(22.65)	4,020	(34.47)	36	(26.28)	1,736	(34.04)
Do not own	230	(67.65)	2,998	(25.71)	91	(66.42)	1,521	(29.82)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 16: Home ownership status of household by Payday Loan users (PL Sample) and non-users (NL Sample) in Manitoba and rest of Canada in the Survey of Financial Security (SFS), 2012.

	Rest of Canada				Manitoba			
	Borrower		Non-borrower		Borrower		Non-borrower	
Own without mortgage	31	(10.10)	4,398	(40.14)	2	(6.06)	247	(34.94)
Own with mortgage	68	(22.15)	3,763	(34.35)	9	(27.27)	257	(36.35)
Do not own	208	(66.67)	2,795	(25.51)	22	(66.67)	203	(28.71)

Source: Author's calculation using public files of SFS 2012 and 2005.
Note: Number in the parenthesis shows percentage

Table 17. *Probit Estimates of the Determinants of Payday loan borrowing using the SFS 2012*

[Dependent variable is 1 if respondent or any of family members has taken out a payday loan in the past 3 years, and 0 otherwise]

Dependent variable: payday loan borrowing, Number of obs = 11831			
	Prob > chi2 = 0.0000	Pseudo R2 =	0.1735
	Coef.	Std. Err.	P>|z|
Age of major income earner	.0193894	.0109462	0.077
Age2 of major income earner	-.0003261	.0001182	0.006
Household income	7.25e-06	2.80e-06	0.010
Household income2	-3.76e	1.49e-11	0.012
Family size	.0498684	.1086016	0.646
Family size2	.0051379	.0178413	0.773
Education of major income earner			
< high school **(base)**			
High school diploma	.0907145	.0814483	0.265
Non-uni. p-sec. cert./dipl.	.0293319	.0841882	0.728
Uni. degree or cert.	-.2815622	.1011141	0.005
Manitoba vs rest of Canada	.1832526	.0955439	0.055
Household wealth	-2.68e	9.31e-08	0.004
Household wealth2	1.54e-14	8.88e-15	0.082
Household Debt	2.52e-07	5.50e-07	0.647
Household Debt2	-1.63e	6.49e-13	0.802
Home ownership			
Own without mortgage **(base)**			
Own with mortgage	-.0207272	.1064429	0.846
Do not own	.5858256	.0951348	0.000
Number of earner	.2545072	.1157525	0.028
Number of earner2	-.0599262	.0348552	0.086
Use of credit card	-.4926966	.0682514	0.000
Gender of major income earner	-.008833	.0560019	0.875
Constant	-2.356327	.288743	0.000

Source: Author's calculation using public files of SFS 2012 and 2005.