

BOOK OF DOCUMENTS

2016 PAYDAY LOANS REVIEW

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Appendix

Canadian Regulations by Province

Province	Price cap	APR disclosure	Borrowing limit	Cancellation period	Maximum NSF fee	Post default interest rate
BC	23	Yes	50% net pay	Next business day	\$20	30%
Alberta	23	Yes	\$1,500	2 business days	\$25	2.5% per month
Saskatchewan	23	NO	50% net pay	Next business day	\$50	30%
Manitoba	17	Yes	30% net pay	48 hours	\$20	2.5% per month
Ontario	21	No	\$1,500	2 business days	'Reasonable charges'	Not applicable
Nova Scotia	25	Yes	\$1,500	Next business day	\$40	60%
New Brunswick	Pending	Not applicable	Pending	48 hours	\$40	Pending
PEI	25	No	\$1,500	2 business days	'Reasonable charges'	Pending

Source: Barrett Consulting Services Inc. 2015, p.18

Sources for U.S. Regulations by State

Legal Status of Payday Lending by State, available: [Washington DC: Consumer Federation of America](#), accessed 16 October 2015.

State Payday Loan Regulation and Usage Rates, available: [Philadelphia: The Pew Charitable Trusts](#), accessed 16 October 2015.

The Pew Charitable Trusts. 2012. *State Payday Loan Regulation and Usage Rates*. Philadelphia: The Pew Charitable Trusts.

APPENDIX 3: American Payday Lending Data

States with Limited Regulation			Payday Loan Dollar Volume (Including Churn) 3	Total Payday Fees 4	Avg. Loan Amt. 5	Population size per state *	Stores per 100,000 population	Maximum charge allowed on a \$300 loan per 2 week pay period	Rate	
# of Stores	Loans per store									
Alabama	1,070	3,541	\$1,326,104,500	\$232,068,288	\$350	4,858,979				
Alaska	34	2,550	\$34,900,146	\$5,668,403	\$403	738,432	22.02	\$	53	0.176666667
California	2,119	5,797	\$3,276,629,497	\$578,325,106	\$263	39,144,818	4.60	\$	50	0.166666667
Florida	1,275	5,756	\$2,906,456,786	\$312,651,131	\$396	20,271,272	5.41	\$	45	0.15
Hawaii	15	3,541	\$18,590,250	\$3,281,179	\$350	1,431,603	6.29	\$	35	0.116666667
Idaho	213	2,170	\$165,060,286	\$32,880,009	\$357	1,654,930	1.05	\$	53	0.176666667
Illinois	522	265	\$46,020,498	\$7,024,288	\$333	12,859,995	12.87		no limit	
Indiana	376	4,220	\$502,850,000	\$70,557,000	\$317	6,619,680	4.06	\$	47	0.156666667
Iowa	218	3,904	\$294,098,537	\$37,267,944	\$346	3,123,899	5.68	\$	44	0.146666667
Kansas	352	3,541	\$436,251,200	\$65,437,680	\$350	2,978,204	6.98	\$	39	0.13
Kentucky	578	3,598	\$677,500,000	\$112,800,000	\$326	4,425,092	11.82	\$	45	0.15
Louisiana	931	3,541	\$1,153,834,850	\$181,316,905	\$350	4,670,724	13.06	\$	54	0.18
Michigan	646	3,541	\$800,620,100	\$108,701,335	\$350	9,922,576	19.93	\$	55	0.183333333
Minnesota	74	4,572	\$127,043,568	\$9,048,734	\$376	5,489,594	6.51	\$	42	0.14
Mississippi	1,036	3,541	\$1,283,966,600	\$260,725,926	\$350	2,992,333	1.35	\$	29	0.096666667
Missouri	934	2,505	\$716,320,800	\$124,909,200	\$306	6,083,672	34.62	\$	33	0.11
Nebraska	180	3,527	\$182,225,167	\$32,162,742	\$350	1,896,190	15.35	\$	225	0.75
Nevada	339	3,541	\$420,139,650	\$77,725,835	\$350	2,890,845	9.49	\$	53	0.176666667
New Mexico	121	686	\$31,200,000	\$4,700,000	\$375	2,085,109	11.73		no limit	
North Dakota	56	1,940	\$34,800,000	\$6,900,000	\$320	756,927	5.80	\$	47	0.156666667
Oklahoma	358	2,867	\$404,600,000	\$54,300,000	\$320	756,927	7.40	\$	61	0.203333333
Rhode Island	29	6,327	\$70,549,986	\$7,054,999	\$394	3,911,338	9.15	\$	45	0.15
South Carolina	367	2,899	\$416,200,000	\$62,500,000	\$385	1,056,298	2.75	\$	30	0.1
South Dakota	126	3,541	\$156,158,100	\$34,354,782	\$391	4,896,146	7.50	\$	45	0.15
Tennessee	1,208	3,791	\$1,124,696,366	\$198,508,909	\$350	858,469	14.68		no limit	
Texas	2,617	2,240	\$3,061,174,112	\$682,731,583	\$221	6,600,299	18.30	\$	53	0.176666667
Utah	116	3,541	\$142,121,576	\$26,292,492	\$522	2,469,114	9.53		no limit	
Wisconsin	423	3,541	\$76,652,781	\$22,459,265	\$345	2,995,919	3.87		no limit	
Wyoming	87	3,541	\$107,823,450	\$10,782,345	\$300	5,771,337	7.33		no limit	
Total	16,420		\$19,994,588,807	\$3,363,136,078	\$350	586,107	14.84	\$	30	0.1
States with more extensive regulation										
State										
Maine 7						1329328				
Oregon 8		n/a	\$66,174,976	\$7,279,247	\$266	4028977	n/a	\$	25	
Washington 9	160	5123	\$319,290,707	\$45,714,139	\$390	7170351	n/a	\$	18	
Virginia 10	189	n/a	\$185,679,381	\$42,047,046	\$395	8382993	2.23	\$	45	
							2.25	\$	69	
Most of this Table comes from Center for Responsible Lending (2014), except where otherwise noted. Population from US census data. Stores per 100,00 and the average rate column are the author's calculations.										
Notes: The data exclude loans from banks and unlicensed lenders. We use the most recent data available from each state as of the writing of this report. In general, "regulator" indicates a metric directly reported by the state regulator. "Imputed" refers to a metric that is imputed from other data directly reported from a regulator. For example, an average fee could be imputed by dividing total fees by the number of loans. "Estimated" means a metric that we estimated using assumptions that we outline below.										
1When regulator data were unavailable, we used the figures from the 2011 Stephens, Inc. annual report (based on 2010 payday loans).										
2We estimated the average number of loans per store for states that do not provide these data by calculating the weighted mean from the states that do so. This weighted mean is 3,541.										
3For states that did not report payday loan volume, we estimated it by multiplying the number of payday stores in the state times the average number of loans per store (3,541) times the median loan size from CFPB (2013) (\$350).										
4For states that did not report total fees, we estimated it by using the statutory maximum rate, since the evidence shows that payday lenders charge the maximum allowable amount. For states with no statutory maximum, we used the median rate charged by storefront lenders that publish their rates.										
5For states that did not report average loan amount, we assumed the \$350 median from CFPB (2013).										
6 Colorado has a six-month minimum term, coupled with a fee limitation and restrictions on repeat refinancing. For more information on Colorado, see Section 4. Data on this table from										
7 Maine prohibits the advance of money on a post-dated check except for "supervised lenders" and limits fees to \$5 for loans up to \$75, \$15 for loans from \$75.01-\$250, and \$25 for loans over \$250.										
8 The minimum loan term in Oregon is 31 days, and fees are limited to 36% APR plus 10% of the principal borrowed, up to \$30. 9										
9 Washington State limits the number of payday loans to eight per year, enforceable through a database. Max fee is 15% on first \$500 and 10% on anything over \$500. http://dfi.wa.gov/sites/default/files/reports/2014-payday-lending-report.pdf										
10 The minimum loan term in Virginia is two pay periods, and there is a mandatory 45-day cooling-off period after the fifth payday loan in six months, enforceable through a database. The permitted fee is \$5 ("verification fee" + 20% of principal + 36% APR, which is about \$4.15 on a two week loan of \$300.										

**APPENDIX 4:
Canadian Payday Lending Data**

2015	# of stores per province	Loans per store	Loan Volume	Estimated population size per province	Stores per 100,000 population	Maximum charge allowed
Canada	1425			35,733,400	3.99	
Nova Scotia (2015)	45			943,000	4.77	\$22 per \$100 borrowed
New Brunswick - No identifiable registry for payday lenders+	35			753,900	4.64	legislation not proclaimed; rate is to be \$21 per \$100
Ontario (2015)	813			13,792,100	5.89	\$21 for each \$100 advanced
Manitoba (2016)	40			1,293,400	3.09	\$17 for each \$100 borrowed
Saskatchewan (2015)	53			1,133,600	4.68	\$23 for each \$100 borrowed
Alberta (2015)	235			4,196,500	5.60	\$23 for each \$100 borrowed
British Columbia (2014)	204			4,683,100	4.36	\$23 per \$100 borrowed
Newfoundland and Labrador	N/A			527,800		no payday legislation so the federal loan rate of 60% annual limit
Quebec	N/A			8,263,600		35% a year cap
Prince Edward Island	N/A			146,400		\$25 per \$100 advanced
<p>“+http://www.yellowpages.ca/search/si/1/Payday%20Loans%20%26%20Cash%20Advances/NB” There are many duplications of Cash Store Financial and Money Mart at the same address. Yellowpages also lists easyfinancial as a payday lender, but it is a rent-to-own company and installment lender. 35 is best attempt to avoid duplication.</p> <p>Alberta is an estimate from the regulator and it includes 13 online with no bricks and mortar location.</p> <p>The regulator’s numbers are out of date. Cash Store/Instaloans went bankrupt and closed in 2014, but the regulator must have them still in the count. The current count on the website shows 204 registrants, including at least one pure on-line lender, 310 Loan. Accessed March 16, 2016.</p> <p>http://www.consumerprotectionbc.ca/consumers-alias/consumers-find-a-licensed-business?&page=3&task=active_bus&license_type=Payday%20Lender&license_number=&business_name=&license_city=</p>						

**APPENDIX 5:
Manitoba Payday Loans Outlet
2008 – February 28, 2016**

Name	Address	Town / City	2008	2010	Feb 28/16
Winnipeg					
Altus Finance Ltd.	unknown	Winnipeg	Y		
Attic Furniture Ltd.	216 Sherbrook	Winnipeg	Y	Y	Y
Can Cash Ltd	5-208 Marion Street	Winnipeg	Y		
Cash Money Cheque Cashing	1353 McPhillips St. Unit 1	Winnipeg	Y	Y	Y
Cash Money Cheque Cashing	311 Henderson Hwy	Winnipeg	Y	Y	Y
Cash Money Cheque Cashing	890 St. James St.	Winnipeg	Y	Y	
Cash Money Cheque Cashing	1321 Archibald St	Winnipeg	Y	Y	Y
Cash Money Cheque Cashing	647 Portage Ave.	Winnipeg	Y	Y	Y
Cash-X Payday Loans	City Place Mall	Winnipeg	Y		
Cheque Stop Cash Centre Corp	443 McPhillips Street	Winnipeg	Y		
Cheque Stop Cash Centre Corp	431 Graham Avenue	Winnipeg	Y		
Cheque Stop Cash Centre Corp	1094 Nairn Avenue	Winnipeg	Y		
Instaloans	1594 St Mary's Road	Winnipeg	Y	Y	
Instaloans	1155 Main Street	Winnipeg	Y	Y	
Instaloans	859 Portage Avenue	Winnipeg	Y	Y	
Instaloans	B-1417 Henderson N Kld	Winnipeg	Y	Y	
Instaloans	120-2855 Pembina Ft Gry	Winnipeg	Y	Y	
Instaloans	2519 Portage St Jas	Winnipeg	Y	Y	
Instaloans	1A-1565 Regent W Trans	Winnipeg	Y	Y	
Instaloans	1235 Pembina Hwy	Winnipeg	Y		
Instaloans	1020 McPhillips St	Winnipeg		Y	
Instaloans	79 Selkirk Ave	Winnipeg		Y	
Mogo	203-414 Graham Avenue	Winnipeg	Y		
Mogo	1086E St. Mary's Road	Winnipeg	Y		
Money Mart	1-620 Dakota Street	Winnipeg	Y		
Money Mart	24-2188 McPhillips Street	Winnipeg	Y	Y	Y
Money Mart	215 Henderson Highway	Winnipeg	Y	Y	Y
Money Mart	102-294 Portage Avenue	Winnipeg	Y	Y	Y
Money Mart	253 Osborne Street	Winnipeg	Y	Y	Y
Money Mart	413 Selkirk Avenue	Winnipeg	Y	Y	Y
Money Mart	879 Portage Avenue	Winnipeg	Y	Y	Y
Money Mart	101-379 Broadway	Winnipeg	Y	Y	
Money Mart	1740 Pembina Ft Gry	Winnipeg	Y	Y	Y
Money Mart	B-405 Ellice	Winnipeg	Y	Y	Y
Money Mart	2-666 St James Street	Winnipeg	Y	Y	Y
Money Mart	2545 Portage Avenue	Winnipeg	Y	Y	Y
Money Mart	103-1601 Regent W Trans	Winnipeg	Y	Y	Y
Money Mart	95 Oak Point Highway	Winnipeg	Y	Y	Y
Money Mart	801 McLeod Ave	Winnipeg	Y	Y	Y
Money Mart	330 Fischer	Winnipeg			Y
Money Mart	1105 St Marys Rd.	Winnipeg		Y	Y
Money Mart	1676 Main St	Winnipeg		Y	Y
Money Mart	208 Marion St.	Winnipeg		Y	Y
National Cash Advance	216 Sherbrook	Winnipeg		Y	
National Cash Advance	3137 Portage Ave	Winnipeg		Y	
National Cash Advance	1 - 660 Osborne	Winnipeg		Y	
National Cash Advance	2077 Pembina Hwy	Winnipeg		Y	
National Cash Advance	855 Regent Ave	Winnipeg		Y	
National Cash Advance	1038 St James	Winnipeg		Y	
National Cash Advance	661 Henderson Hwy	Winnipeg		Y	
National Cash Advance	1014 St Mary's Rd.	Winnipeg		Y	
Money Tree Payday Loans Inc.	1376 McPhillips Street	Winnipeg	Y	Y	Y
Moneymax Canada Ltd	990 Portage Ave.	Winnipeg	Y	Y	Y
Payday Loans Cash Now Inc	216-819 Sargent Avenue	Winnipeg	Y	Y	Y
Sorensen's Loans 'Til Payday In	313 Day Street	Winnipeg	Y		
Sorensen's Loans 'Til Payday In	6-510 Sargent Avenue	Winnipeg	Y		
Sorensen's Loans 'Til Payday In	551 Selkirk Avenue	Winnipeg	Y		
The Cash Store	989 McPhillips Street	Winnipeg	Y		*
The Cash Store	176 Henderson Highway	Winnipeg	Y	Y	

The Cash Store	912 Portage Avenue	Winnipeg	Y	Y	
The Cash Store	584 Pembina	Winnipeg	Y	Y	
The Cash Store	1000 Nairn Avenue	Winnipeg	Y	Y	*
The Cash Store	279 Portage Avenue	Winnipeg	Y	Y	
The Cash Store	922 St James Street	Winnipeg	Y	Y	
The Cash Store	25 Marion Street	Winnipeg	Y	Y	
The Cash Store	101 Regent Avenue East	Winnipeg	Y	Y	
The Cash Store	1020-1030 Keewatin Street	Winnipeg	Y		
The Cash Store	3715 Portage Ave.	Winnipeg		Y	
The Cash Store	1020 Notre Dame Ave	Winnipeg		Y	
Xtra Cash Ltd	741 Portage Avenue	Winnipeg	Y	Y	Y

Outside Winnipeg

The Cash Store	1-2637 Victoria Avenue	Brandon	y	Y	*
City Cash Company	H-435 Rosser Avenue	Brandon	y	Y	Y
The Fastcash Company	840 McTavish Avenue	Brandon	y	Y	Y
Instaloans	759 1st Street	Brandon		Y	
Money Mart	750B Victoria Ave.	Brandon	y	Y	Y
National Cash Advance	120-1800 18th St.	Brandon		Y	
(The) Fast Cash Company	19 1st Avenue SW	Dauphin	y	Y	
The Cash Store	210 Main Street North	Dauphin	y	Y	
Parkland Payday Loans	1st Avenue NE	Dauphin		Y	Y
Dash Into Cash Ltd	41 Main Street	Flin Flon	y	Y	
Money Mart	76 Main St.	Flin Flon			**
The Pas Payday Loans	380 Hazelwood Ave	The Pas		Y	Y
The Cash Store	1101 Saskatchewan Avenue West	Portage	y	Y	
Instaloans	50 24th St NW	Portage	y		
Money Mart	10 Saskatchewan Ave. East	Portage	y	Y	Y
Portage Payday Loans	322 Saskatchewan Ave E.	Portage			Y
The Money Pit	442 Main Street North	Portage	y		
The Cash Store	478 Main St.	Selkirk		Y	
Instaloans	321 Main Street	Selkirk	y	Y	
Money Mart	295 Main Street	Selkirk	y	Y	Y
The Fastcash Company	329 Main Street	Steinbach	y	Y	Y
The Money Pit	626 Main St	Swan River	y		
Swan River Payday Loans	4th St. Avenue S	Swan River		***	Y
The Cash Store	300 Mystery Lake Road	Thompson	y	Y	
Money Mart (conversion)	300 Mystery Lake Road	Thompson			Y
C11 a1 Financing and Loans	73 Thompson Dr	Thompson			Y
The Fastcash Company	254 Main St	Winkler	y	Y	

Online only

Loan Express				Y	Y
Little Loan Shoppe, The	www.littleloanshoppe.com		Y		
310-Loan	www.310loan.com/		Y	Y	Y

Notes:

The column labelled **2008** is the list the PILC provided to the PUB. The industry accepted it as being complete.
The column labelled **2010** is the list of the first year of registrants under the Act.
The column labelled **Feb 28/16** is the current list of registrants under the Act.

* Converted from Cash Store to Money Mart and licensed 2015, but not renewed 2016

** First license 2015, not renewed 2016.

*** First license 2013.

Three title loans companies are also registered, but they have the same name and use the same address as three payday lenders in Dauphin, The Pas and Swan River, and so they are not listed separately here.

Sub-Category Counts

Winnipeg	54	54	26
Outside Winnipeg stores	17	20	12
Online only	2	2	2

Total Stores	<u>73</u>	<u>76</u>	<u>40</u>
Money Mart	18	20	22
Money Mart Winnipeg	15	17	17

Number of Stores per 100,000 population using 2016 store numbers

Using Statistics Canada 2011 figures: CMA figures for Winnipeg;
census agglomeration for Brandon, Portage la Prairie, Steinbach
and Thompson; MB + SK for Flin Flon

	Pop'n	Stores per 100,000
Winnipeg	730,018	3.6
Brandon	53,229	5.6
Dauphin	2,200	45.5
Flin Flon	5,592	0.0
The Pas	5,513	18.1
Portage la Prairie	12,996	15.4
Selkirk	9,834	10.2
Steinbach	13,524	7.4
Swan River	3,750	26.7
Thompson	12,839	15.6
Winkler	10,670	0.0
Manitoba	1,233,700	3.2

Table 1: Regulatory Model

Base Case 15% Cap		Base Case 17% Cap	
\$ Volume of loans	\$2,340,000	\$ Volume of loans	\$2,340,000
Revenue model:		Revenue model:	
interest rate		interest rate	
average loan term	12	average loan term	12
%age fee	15%	%age fee	17%
Cost Model		Cost Model	
Operating cost/\$100 loan	11	Operating cost/\$100 loan	11
Cost of capital real	8.00%	Cost of capital real	8.00%
Cash on hand	32055	Cash on hand	32055
Loans receivable	76,932	Loans receivable	76,932
Capital investment per store	50,000	Capital investment per store	50,000
Initial store loss	100,000	Initial store loss	100,000
Regulatory deposit	25,000	Regulatory deposit	25,000
Payables and accruals per st	48,430	Payables and accruals per st	48,430
Net investment per store	235,556	Net investment per store	235,556
Bad debt rate/loans	2.20%	Bad debt rate/loans	2.20%
Economic Income Statement		Economic Income Statement	
%age fee revenue	343,278	%age fee revenue	389,048
Interest revenue		Interest revenue	
Total Revenue	\$343,278	Total Revenue	\$389,048
Operating cost	257,400	Operating cost	257,400
Capital cost	18,845	Capital cost	18,845
Bad debt cost	<u>51,480</u>	Bad debt cost	<u>51,480</u>
Total Economic Cost	<u>\$327,725</u>	Total Economic Cost	<u>\$327,725</u>
Excess Profit	<u>\$15,553</u>	Excess Profit	<u>\$61,324</u>
Excess as a % of Total loans	0.7%	Excess as a % of Total loans	2.6%
Excess as a % of Total revenue	4.5%	Excess as a % of Total revenue	15.8%
Excess as a % of good loans	0.7%	Excess as a % of good loans	2.7%

Table 4: Estimation of Money Mart Operating Costs per \$100 Loan

Values from Dollar Financial 10K for year ended June 30, 2013

All values with \$ sign are in 000s

10K pg/Calculation

Loan volume	\$922,900		11
Payday Revenue	\$190,700		130
Total Revenue	\$322,900		130
Operating Margin	\$159,500		130
Total Operating Cost	\$163,400	Rev - Margin	
Adjustments:			
Gold purchase	-\$7,684	*	
Loan loss provision	-\$20,100		130
Allocate HO costs	\$39,042.62	135700X.2877	
Income tax	\$13,900		130
Adjusted operating cost	\$188,559		
Payday allocation rate	0.59058532	%age of revenue	
Operating Cost payday	\$111,360		
Operating cost per \$100 loan	12.066	op cost/volume	
Convert to \$CD	12.014	.9957X12.066 pg 51	
Loan loss percentage	0.02177917	loss/volume	

Suppose no HO costs at all.

Total operating costs	\$149,516	
Payday allocation rate	0.590585	
Operating cost payday	\$88,302	
Operating cost per \$100 loan	9.568	
Convert to \$CD	9.527	

Allocate DFC HO cost to Money Mart

Corporate Expense	\$109,400	83
Other depreciation	\$26,300	83
Total to allocate	\$135,700	
DFC total revenue	\$1,122,300	83
MM rev/DFC rev	0.28771273	

Payables percentage

DFC Payables	\$52,700	82
DFC tax payable	\$17,700	82
DFC Accruals and other	<u>\$93,200</u>	82
DFC total payables	\$163,600	
MM share of payables	\$47,070	**
MM Payday share of payables	\$27,799	
Payday payables per store in \$	48,430	divide MM by 574

* Allocated as a percentage of total gold sales revenue

** Dollar Financial payables allocated on revenue basis to Money Mart, and then part of it allocated to payday lending.

provides an equity percentage of less than 40% of total capital, but I will use 40% to be conservative.

There are several ways to estimate cost of equity, but the data for most of them is no longer readily available, has never been available for some of them, and the assumptions for a small company like Dollar Financial make all methods imprecise at best. The compound average real return to Canadian or US equity is 5 – 6% in the long run. Dollar Financial does not seem to be closely related to equity market patterns, given its business, and if the Capital Asset Pricing Model and related models like Fama-French were used, we would likely get lower than 6% cost of equity. I do not think that is reasonable in this situation and I use a much older model, which advocates adding three or four percentage points to the company's bond yield to get an estimate of its required return on equity. That would give a nominal required equity rate of 14% which is very high.

The debt rate must be after tax. The taxes for Dollar Financial are so complicated because of multiple jurisdictions that a marginal rate is impossible to extract; so I use 25%, which is perhaps a bit low, but conservative. The cost of capital must also be converted to real rates, and a 2% long run inflation rate seems reasonable. The estimate of the cost of capital is shown in Table 5. The end result is 7.9%; Table 1 rounds this off to 8%. This is a reasonable estimate for any payday lender.

Component	Estimate	Weight	Weighted Value
Debt	$[(1+.1(1 - .25))/1.02] = 5.4\%$	0.6	3.2%
Equity	$(1.14/1.02) - 1 = 11.8\%$.4	4.7
Weighted average cost of capital			7.9%

Cash on hand, Loans receivable. The cash on hand is a reasonable estimate, based on loan volume and the receivables value uses the 12-day loan period, which is almost certainly more than the average carry.

Capital Investment per store. Stores are leased. This is an estimate of leasehold improvements and original furniture. Maintenance is already in operating cost. Depreciation is also left in operating cost, though it would normally be deducted in a FCFF model and capital expenditures added. In this case, capital expenditures in the Canadian segment are actually lower than depreciation expense and so to be conservative depreciation expense is used.

Initial store loss. This is not an entry usually seen, but it is a relevant investment. Part of creating a viable retail store in any industry, not just payday lending, will be suffering initial losses while the store builds up its clientele. This initial loss would be recaptured eventually by an owner when the store is sold, since the buyer will not have to incur the initial operating losses.

Regulatory deposit. Required by Manitoba, not necessarily seen in other jurisdictions.

Table 6: Variations on the Base Case*Panel 1: Vary Fee, Operating Cost \$12*

Loan volume	\$2.34MM	\$2.34MM	\$2.34MM	\$2.34MM
Fee	14	15	16	17
Operating cost per \$100	\$12.00	\$12.00	\$12.00	\$12.00
Bad debt rate	2.20%	2.20%	2.20%	2.20%
Cost of capital	8.00%	8.00%	8.00%	8.00%
Excess Profit	-\$30,732	-\$7,847	\$15,039	\$37,924

Panel 2: Vary Fee, Operating Cost \$11

Loan volume	\$2.34MM	\$2.34MM	\$2.34MM	\$2.34MM
Fee	14	15	16	17
Operating cost per \$100	\$11.00	\$11.00	\$11.00	\$11.00
Bad debt rate	2.20%	2.20%	2.20%	2.20%
Cost of capital	8.00%	8.00%	8.00%	8.00%
Excess Profit	-\$7,332	\$15,553	\$38,439	\$61,324

Panel 3: Vary Volume 15% fee

Loan volume	\$1.9MM	\$2.2MM	\$2.5MM	\$2.6MM
Fee	15	15	15	15
Operating cost per \$100	11	11	11	11
Bad debt rate	2.20%	2.20%	2.20%	2.20%
Cost of capital	8.00%	8.00%	8.00%	8.00%
Excess Profit	\$10,725	\$14,017	\$17,039	\$17,835

Panel 4: Vary Operating Cost, 15% fee, 2.34 million loan volume

Loan volume	\$2.34MM	\$2.34MM	\$2.34MM	\$2.34MM
Fee	15	15	15	15
Operating cost per \$100	9.53	10	11	12.5
Bad debt rate	2.20%	2.20%	2.20%	2.20%
Cost of capital	8.00%	8.00%	8.00%	8.00%
Excess Profit	\$49,951	\$38,953	\$15,553	-\$19,547

Panel 5: Vary Operating Cost, 15% fee, 2 million loan volume

Loan volume	\$2MM	\$2MM	\$2MM	\$2MM
Fee	15	15	15	15
Operating cost per \$100	9.53	10	11	12.5
Bad debt rate	2.20%	2.20%	2.20%	2.20%
Cost of capital	8.00%	8.00%	8.00%	8.00%
Excess Profit	\$41,222	\$31,822	\$11,822	-\$18,178

Panel 6: Vary Bad debt expense, 15% fee, 2.34 million loan volume

Loan volume	\$2.34MM	\$2.34MM	\$2.34MM	\$2.34MM
Fee	15	15	15	15
Operating cost per \$100	11	11	11	11
Bad debt rate	1.80%	2.50%	3.00%	4.00%
Cost of capital	8.00%	8.00%	8.00%	8.00%
Excess Profit	\$26,317	\$7,480	-\$5,975	-\$32,885

Panel 7: Some Special Cases:

Stronger underwriting: \$1.8MM volume, loan losses 1.5%, 15% fee, op cost \$12.15: Excess profit = **\$3,418**

Excellent: cost control \$11, loan loss control 1.8%: Volume \$2.5MM,, 15% fee, Excess profit = **\$28,809**

Bad result: Volume \$2.2MM, loan losses 2.5%, fee 15%, op cost 12: Excess profit = **-\$15,573**

Base case with 11.8% cost of capital: Excess profit = **\$6,602**

Base case with 2.778% bad debt rate: Excess profit = **\$0**

Base case with oper cost of \$9.53/100, fee of 13%: Excess profit = **\$4,181**

17% Fee, Op Cost 12.5, Volume 2.34MM, Bad debts 3%: Excess profit = \$4,321

Panel 1 assumes the 2013 operating cost including a head office allocation. A fee of \$17 is definitely too high and 14% too low. A fee of 15% is also likely too low at that cost structure.

Panel 2 assumes the \$11 cost structure and tests the same fees. A 14% fee still generates what is probably a material economic loss while a 15% fee results in a significant excess profit.

Panel 3 assumes the \$11 cost structure and a 15% fee and varies the volumes. Even at an average volume lower than Money Mart enjoyed before gaining any business from SCF, it would generate excess profit.

Panel 4 returns to the base case volume and varies the operating cost. When the cost is \$12.50, which is well above the measured cost and contradicts my previous analysis, there is a significant economic loss. Otherwise, there are significant economic profits.

Panel 5 drops loan volume to \$2 MM and varies the operating cost. The result is the same as in Panel 4.

Panel 6 varies bad debt expense and this panel does produce material economic losses at higher bad debt rates. These higher rates are well beyond what Money Mart has suffered in the past.

Panel 7: Special Cases give some more insight into what the model produces under different assumptions for the values, but do not contradict the recommendation for a 15% fee cap. In my opinion, I have used assumptions and values throughout that tend to bias the results in favour of a higher fee cap, and hence I do not see a justification for leaving it at 17% in Manitoba, nor at the higher rates in other provinces.

Note that in the Special cases with operating cost of \$9.53 per hundred a fee of 13% is justifiable.

There is one more important insight from Table 6 that I will discuss in the next subsection.

Table 9: Possible Loan Frequencies for Canada

Total household number is 14,400,000. Assume 8% of households took out one or more payday loans, which is 1,152,000 households. They took out 5.568 million in total at an average amount of \$449. Divide the households who borrowed into the three CFCS groups: 1 loan, 2 loans, 3 or more. How many loans on average did the high frequency cohort take out in a year? Try two different distributions of borrowing frequency among the 8%.

Loan Frequency Per Borrower	% of households in the category	Number of households in the category 000s	Number of loans to this category 000s	Average number of loans to high frequency category in a year
1	3%	432	432	
2	4	576	1,152	
3 or more	1	<u>144</u> 1,152	<u>3,984</u> 5,568	3984/144 = 27.7
1	1	144	144	
2	2	288	576	
3 or more	5	<u>720</u> 1,152	<u>4,848</u> 5,568	4848/720 = 6.7

Table 9 shows two examples of how we could allow for the apparent difficulties with the statistical data. I assumed that the correct number of borrowers is 8% of all households. Table 9 shows two possible divisions of that 8% of households among the three CFCS categories of one, two and more than two loans per year. While many possible combinations of numbers are possible, the same answer keeps appearing. A significant number of households are borrowing a lot of loans per year. In Table 9, even assigning 5% of households to the high frequency category still leaves the average loan count in that category above the BC and Canadian averages, at 6.7 per year per household. Manitoba's population is 3.6% of Canada, and thus we could estimate that almost 26,000 Manitoba households could be in this high frequency category. As Section 5 of my report shows, the cost is getting pretty high relative to income, and these households are clearly in a debt trap.

Nova Scotia shows the same pattern of a large number of repeat borrowers. The Nova Scotia statistics are reported in a different format from the BC and CFCS statistics, and the regulators report is shown in Appendix 7. The Nova Scotia data supports the focus group evidence that St. Aubin (2016) reports. A large number of borrowers are unable to repay the loan on the first due date and need to get repeats/extensions.

5. Maximum Size Permitted for Payday Loans

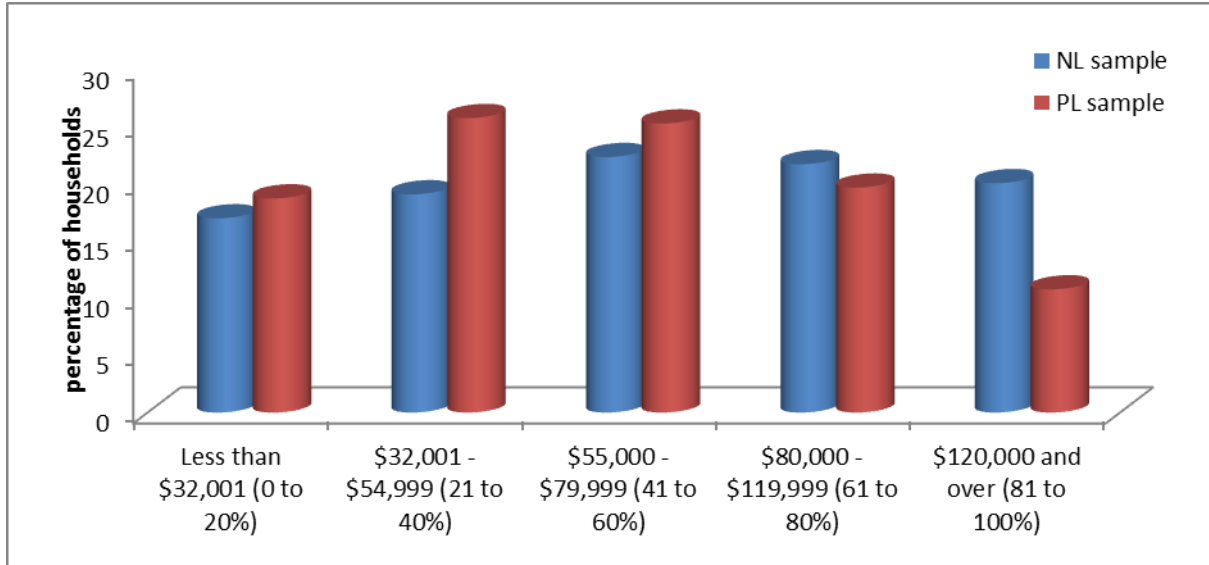
The PUB has requested evidence on whether the maximum permitted loan should be less than 30% of gross income. The purpose of a limit on the size of the loan relative to income is to prevent borrowers from digging themselves into too deep a debt hole and spending too much of their income on loan fees. Table 10 shows the effects of three different sets of limits and fee caps on a single client as an illustration, but the same understanding would arise from any reasonable client situation. The client has take home pay of \$1,500 every two weeks or \$39,000 per year. This client earns well above minimum wage, but still below the average industrial wage in Canada. This client is somewhere in the middle of the income levels of payday loan clients, according to the statistics reported in Simpson and Islam (2016a, b, forthcoming). The great majority of payday loans are made to repeat borrowers as shown in Section 3 of this report. Therefore, most loans will be to customers on the right side of the table, with several loans per year, rather than be one time borrowers.

Table 10: Effect of Payday Loan Limits and Fees								
A client has take home pay (after taxes, CPP, EI premiums, etc.) of \$1,500 every two weeks (\$39,000 per year). What are the total fees per year and fees as a percentage of take home pay if the client borrows the maximum amount one to eight times in a single year?								
Panel A: Fee is 15% of loan, loan limit is 20% of income and thus the maximum loan is \$300.								
# of loans/yr	1	2	3	4	5	6	7	8
Loan fees	\$45	\$90	\$135	\$180	\$225	\$270	\$315	\$360
Fees as % of take home pay	0.12%	0.23%	0.35%	0.46%	0.58%	0.69%	0.81%	0.92%
Panel B: Fee is 21% of loan, loan limit is 30% of income and thus the maximum loan is \$450.								
# of loans/yr	1	2	3	4	5	6	7	8
Loan fees	\$94.50	\$189	\$283.50	\$378	\$472.50	\$567	\$661.50	\$756
Fees as % of take home pay	0.24%	0.48%	0.73%	0.97%	1.21%	1.45%	1.70%	1.94%
Panel C: Fee is 21% of loan, loan limit is 20% of income and thus the maximum loan is \$300.								
# of loans/yr	1	2	3	4	5	6	7	8
Loan fees	\$63	\$126	\$189	\$252	\$315	\$378	\$441	\$504
Fees as % of take home pay	0.16%	0.32%	0.48%	0.65%	0.81%	0.97%	1.13%	1.29%

We can see that the effect of taking out several payday loans in a year is material to someone with this level of income, though not crushing. For example, if this client took out the maximum number of loans under a regime of 30% of income as a limit and a fee of 21%, the annual cost would be 1.94% of take home pay. A single loan could be reasonably regarded as having an immaterial effect. The effect on the dollar cost of a higher permitted limit is more significant than the higher fee schedule. The current range of fees in Canada is 17% to 23% and

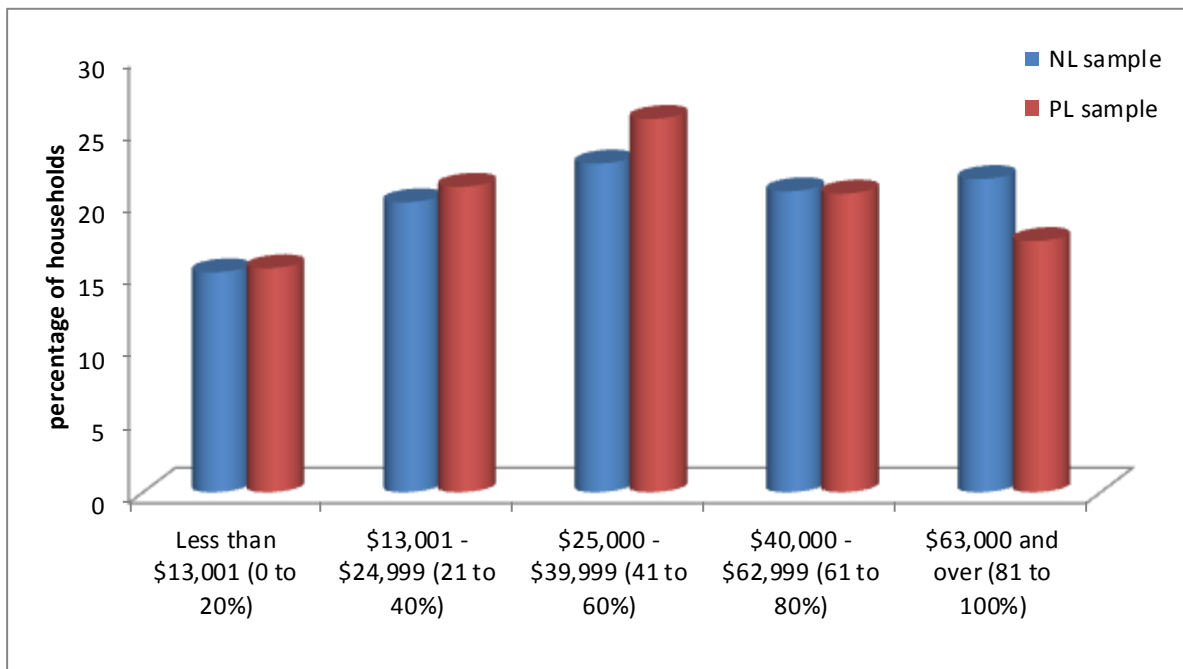
Figures and Tables

Figure 1. Household income distribution by Payday Loan Users (PL Sample) and Non-users (NL Sample) in the Canadian Financial Capability Survey (CFCS), 2014



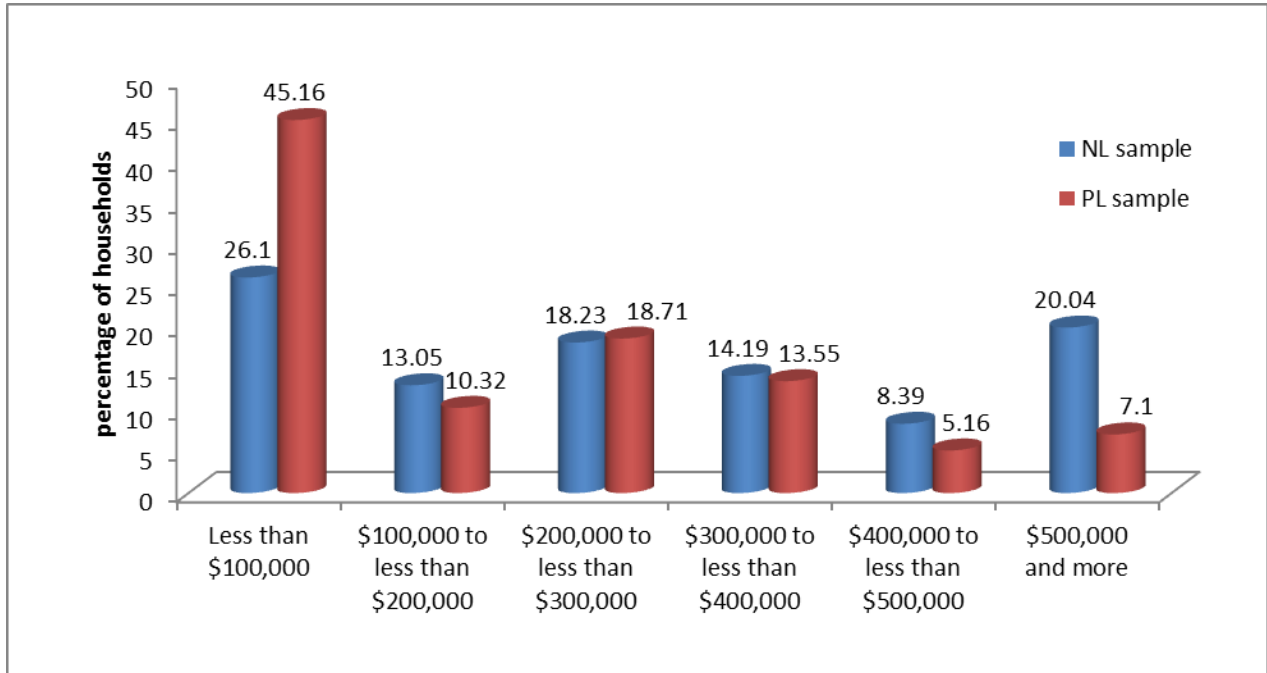
Source: Author's calculations using public files of CFCS 2014

Figure 2. Personal income distribution by Payday Loan Users (PL Sample) and Non-users (NL Sample) in the Canadian Financial Capability Survey (CFCS), 2014



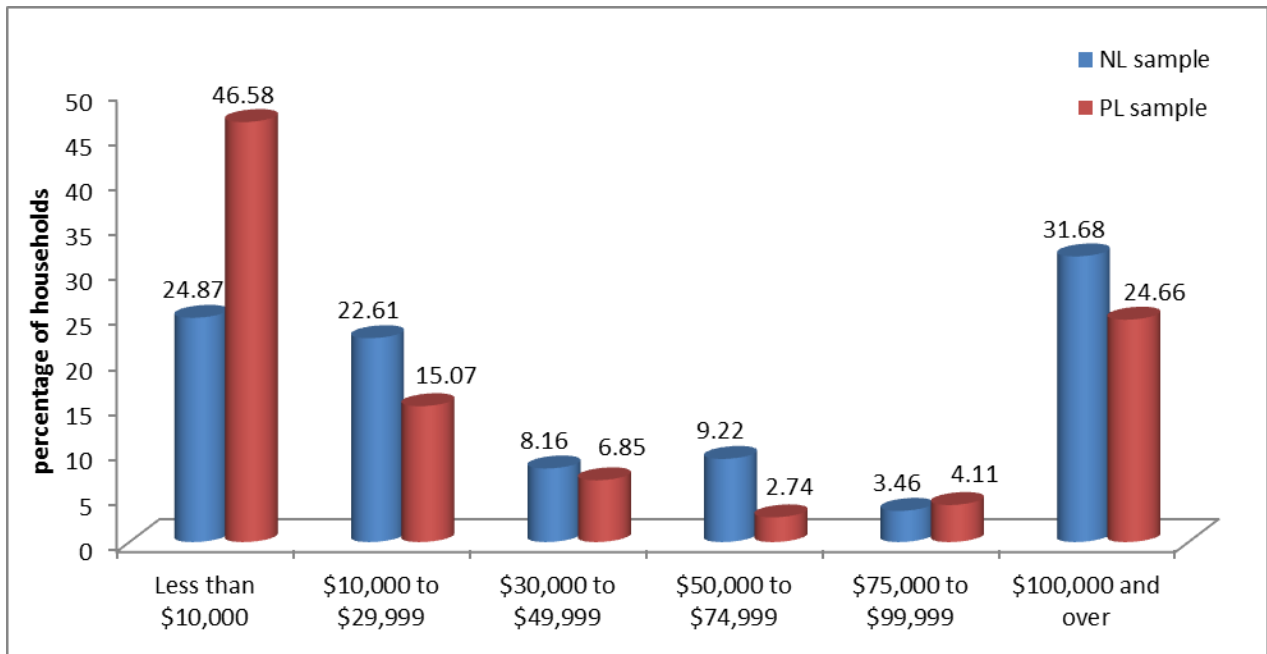
Source: Author's calculations using public files of CFCS 2014

Figure 3. Total Tangible Assets Distribution by Payday Loan Users (PL Sample) and Non-users (NL Sample) in the Canadian Financial Capability Survey (CFCS), 2014



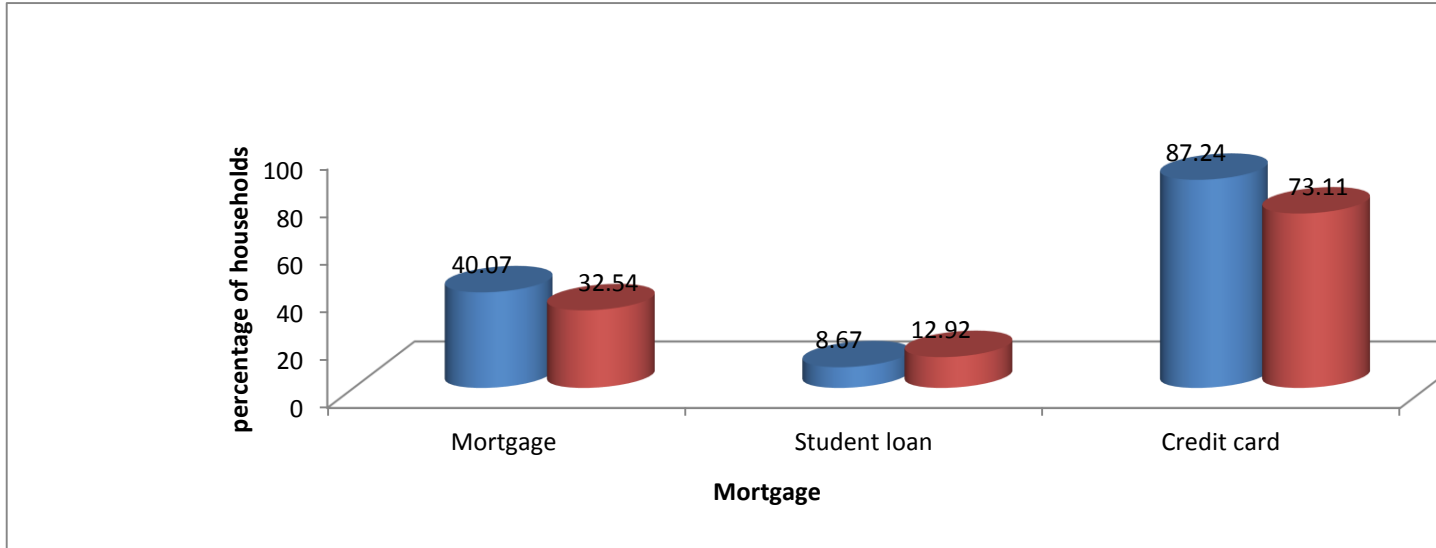
Source: Author's calculations using public files of CFCS 2014

Figure 4. Total Financial Assets Distribution by Payday Loan Users (PL Sample) and Non-users (NL Sample) in the Canadian Financial Capability Survey (CFCS), 2014



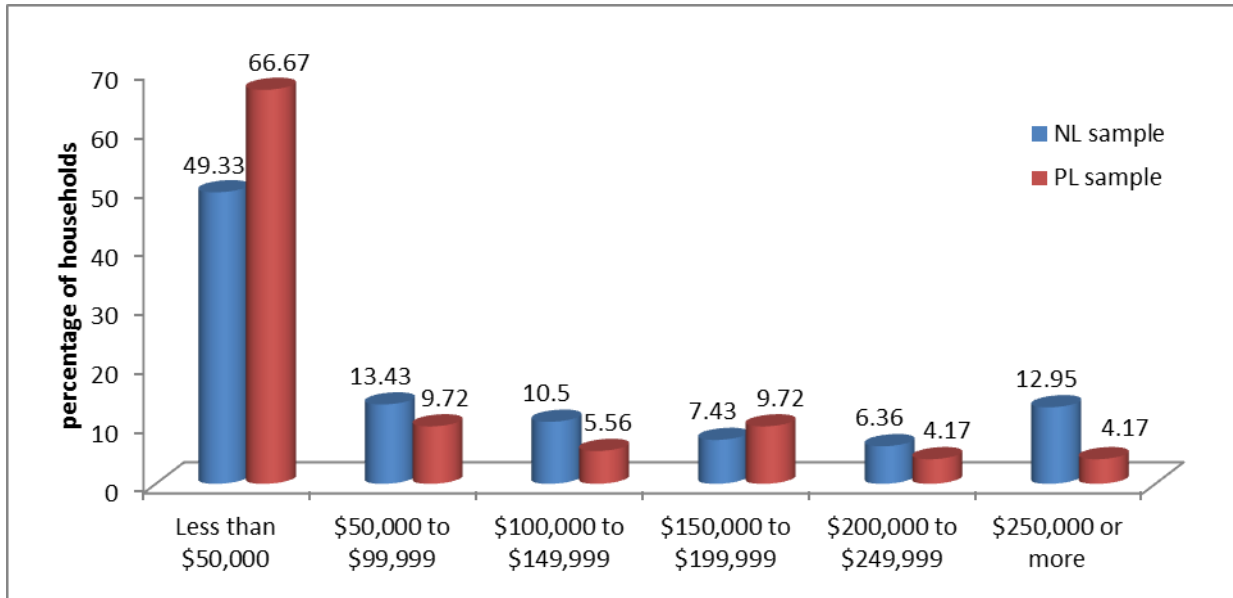
Source: Author's calculations using public files of CFCS 2014

Figure 5. Types of Loans Distribution by Payday Loan Users (PL Sample) and Non-users (NL Sample) in the Canadian Financial Capability Survey (CFCS), 2014



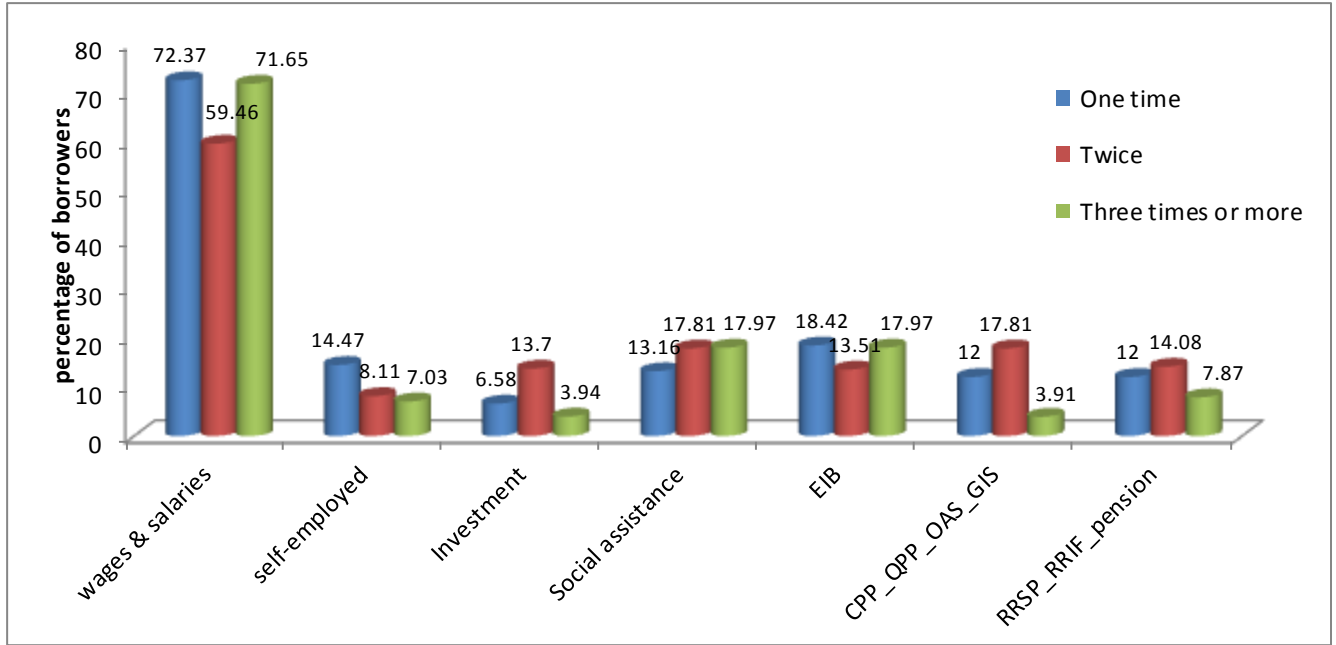
Source: Author’s calculations using public files of CFCS 2014

Figure 6. Total Liabilities Distribution by Payday Loan Users (PL Sample) and Non-users (NL Sample) in the Canadian Financial Capability Survey (CFCS), 2014



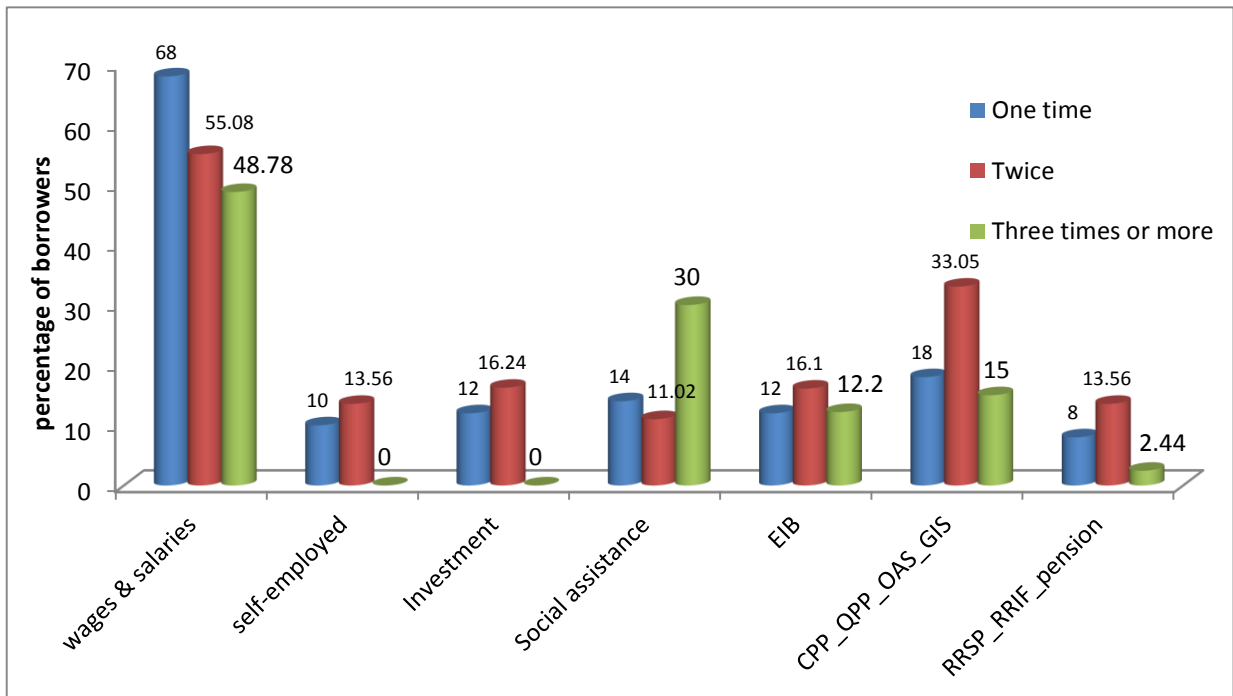
Source: Author’s calculations using public files of CFCS 2014

Figure 7. Frequency of Payday Loans Use by Household Income Source: CFCS 2009



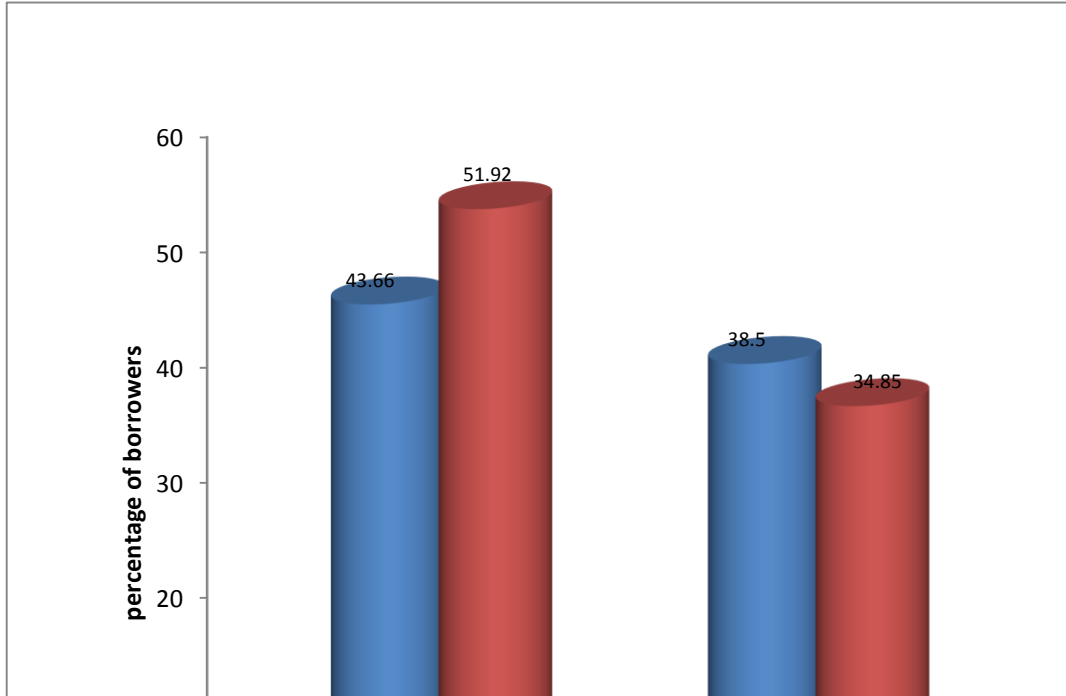
Source: Author's calculations using public files of CFCS 2009

Figure 8. Frequency of Payday Loans Use by Household Income Source: CFCS 2014



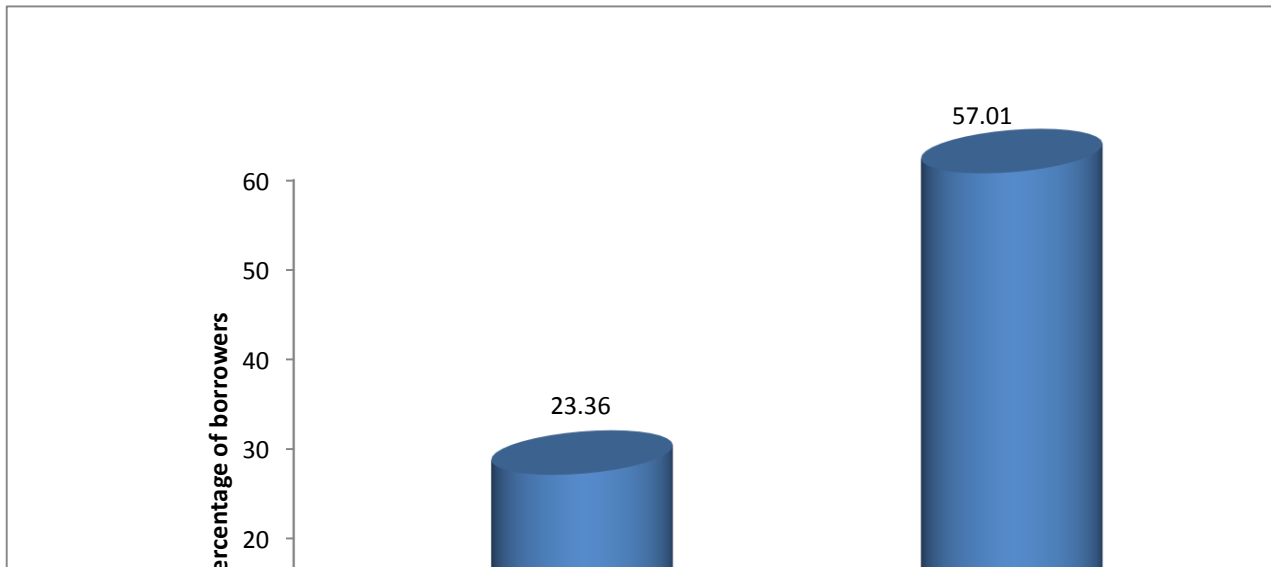
Source: Author's calculations using public files of CFCS 2014

Figure 9. Education of Borrowers: CFCS 2014, CFCS 2009.



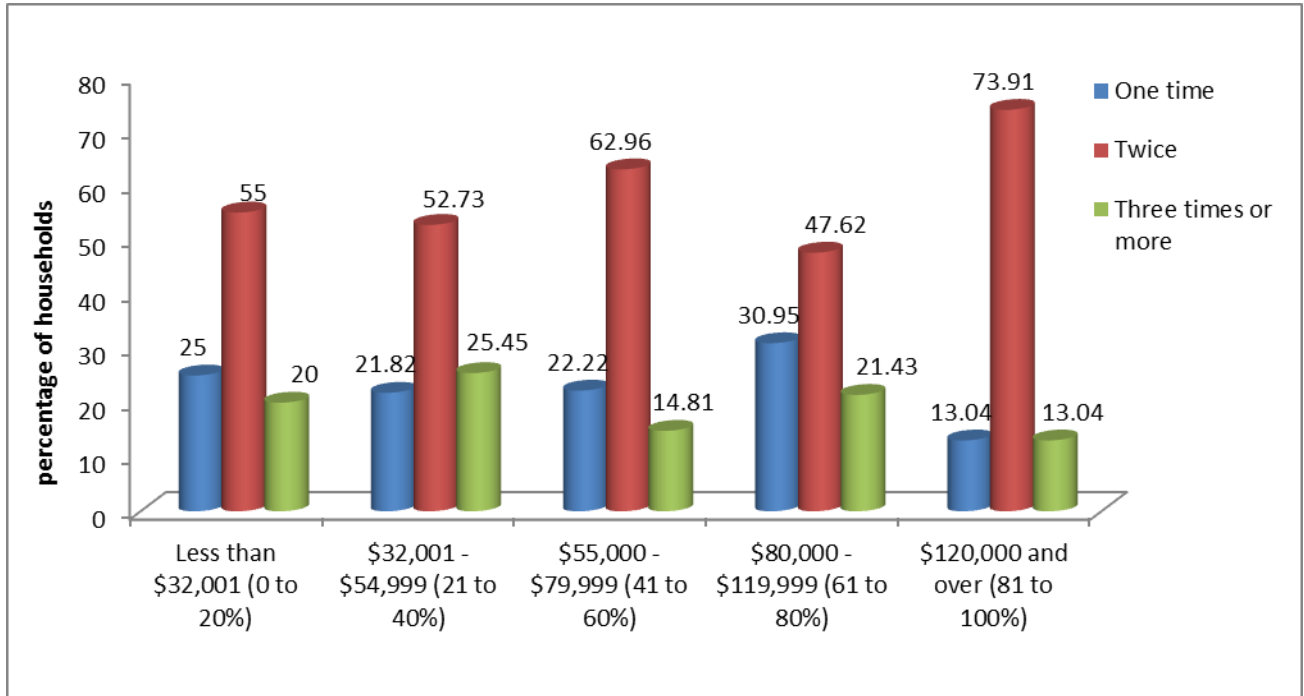
Source: Author's calculations using CFCS 2009 & CFCS 2014 public files

Figure 10. Frequency of Payday Loan Use in the Canadian Financial Capability Survey (CFCS), 2014



Source: Author's calculations using public files of CFCS 2014

Figure 11. Frequency of Payday Loans Use by Household Income in the Canadian Financial Capability Survey (CFCS), 2014



Source: Author's calculations using public files of CFCS 2014

Table 1. Probit Estimates of the Determinants of Payday Loan Borrowing Using the CFCS 2014.

[Dependent variable is 1 if a member of the household has taken out a payday loan in the last 12 months and 0 otherwise]

	1		2		3		4	
	Coefficient estimate	Robust standard error	Coefficient estimate	Robust standard error	Coefficient estimate	Robust standard error	Coefficient estimate	Robust standard error
age								
18 to 24(base)								
25 to 34	.354**	.164	.349**	.166	.301*	.174	.820**	.393
35 to 44	.363**	.167	.314*	.169	.240	.177	.764*	.394
45 to 54	.279*	.167	.308*	.169	.247	.174	.819**	.390
55 to 59	.105	.188	.200	.194	.151	.198	.761**	.414
60 to 64	.357**	.182	.466**	.189	.440**	.192	1.038**	.411
65 to 69	.147	.191	.254	.199	.185	.205	.494	.450
70 and over	-.112	.183	.000	.192	-.077	.197	.248	.443
sex	-.057	.063	-.077	.063	-.074	.064	-.112	.087
Marital status								
Married (base)								
Living common-law	.344***	.104	.376***	.106	.369***	.107	.575***	.142
Widowed	.371***	.125	.405***	.128	.365***	.131	.564***	.164
Separated	.617***	.124	.647***	.125	.599***	.128	.521***	.168
Divorced	.183	.116	.217**	.118	.216*	.118	.182	.158
Single, never married	.351***	.086	.439***	.096	.457***	.099	.440***	.136
Number of children			.121***	.039	.060	.051	.008	.068
Financial responsibility for children					-.217*	.115	-.488***	.145
education								
High school or less(base)								
Some college, university without degree					-.448***	.162	-.378*	.204
College, trade, vocational or technical school					-.145*	.074	-.143	.099
University undergraduate degree					-.344***	.098	-.367***	.132
University graduate degree					-.340**	.149	-.301	.208
Employment								
Employed (base)								
Self-employed							-.258	.203
Not working and looking for work							.019	.206
Not working and not looking for work							-.061	.173
Retired							.232	.174
A student (including work programs)							0	
Doing unpaid household work							-.033	.355
Household income								
Less than \$32,001 (0 to 20%) (base)								
\$32,001 - \$54,999 (21 to 40%)							.169	.139
\$55,000 - \$79,999 (41 to 60%)							.141	.148
\$80,000 - \$119,999 (61 to 80%)							.078	.157
\$120,000 and over (81 to 100%)							-.138	.177
Total asset								
Less than \$100,000 (base)								
\$100,000 to less than \$200,000							-.594***	.185
\$200,000 to less than \$300,000							-.135	.130
\$300,000 to less than \$500,000							-.494***	.138
\$500,000 or more							-.441***	.123
cons	-2.191***	.186	-2.302***	.195	-1.696***	.288	-1.510***	.481
N	6505		6505		6393		3380	

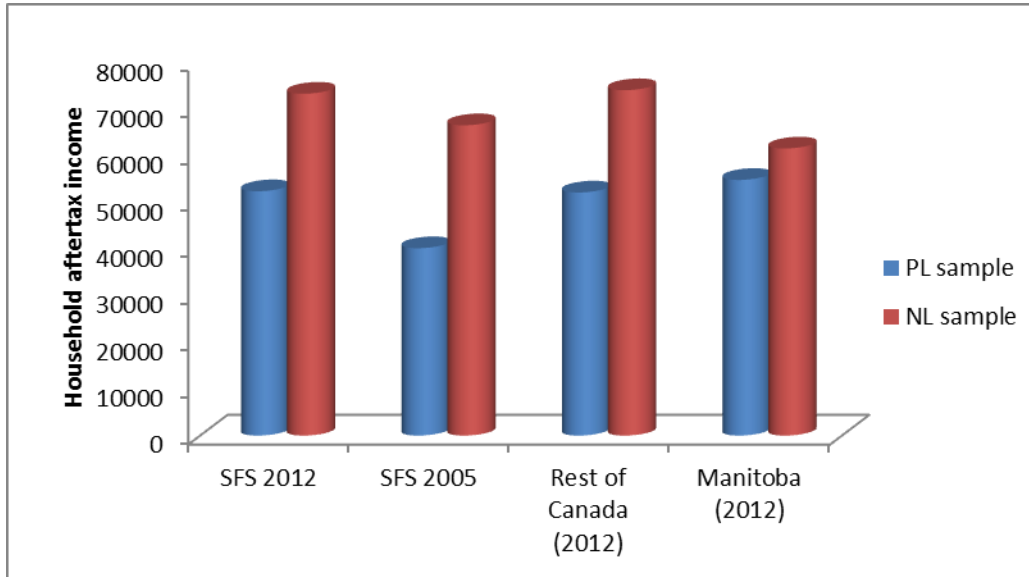
Table 2. Ordered Probit Estimates of the Determinants of Payday Loan Borrowing Using the CFCS 2014

[Dependent variable is 1 if respondent has taken out a payday loan once in the last 12 months, 2 if respondent has taken out a payday loan twice in the last 12 months, 3 if respondent has taken out a payday loan three times or more in the last 12 months, and 0 otherwise]

	1		2		3	
	Coefficient estimate	Robust standard error	Coefficient estimate	Robust standard error	Coefficient estimate	Robust standard error
age						
18 to 24(base)						
25 to 34	.410**	.170	.223	.172	.735*	.411
35 to 44	.421**	.172	.217	.174	.703*	.410
45 to 54	.369**	.175	.210	.169	.739*	.406
55 to 59	.225**	.200	.056	.195	.654	.427
60 to 64	.495**	.197	.324	.194	.964**	.427
65 to 69	.275**	.206	-.006	.225	.393	.461
70 and over	.045**	.199	-.274	.224	.167	.455
sex	-.065	.062	-.114*	.066	-.116	.086
Marital status						
Married (base)						
Living common-law	.376***	.105	.364***	.107	.573***	.140
Widowed	.452***	.128	.338***	.127	.551***	.159
Separated	.691***	.126	.537***	.125	.499***	.163
Divorced	.276**	.122	.182	.119	.180	.157
Single, never married	.478***	.101	.433***	.099	.451***	.131
Household size	.076**	.031				
Number of children			.046	.053	-.001	.070
Financial responsibility for children			-.255**	.117	-.500***	.145
education						
High school or less(base)						
Some college, university without degree			-.459***	.161	-.437**	.202
College, trade, vocational or technical school			-.133*	.075	-.173*	.098
University undergraduate degree			-.281***	.099	-.419***	.128
University graduate degree			-.231	.153	-.322	.206
Employment						
Employed (base)						
Self-employed			-.271*	.144	-.266	.199
Not working and looking for work			-.073	.171	.015	.201
Not working and not looking for work			.085	.129	-.022	.170
Retired			.063	.128	.222	.171
A student (including work programs)			-.366	.285	-4.107***	.141
Doing unpaid household work			.376*	.202	.031	.354
Household income						
Less than \$32,001 (0 to 20%) (base)						
\$32,001 - \$54,999 (21 to 40%)			.051	.101	.166	.136
\$55,000 - \$79,999 (41 to 60%)			-.044	.105	.125	.144
\$80,000 - \$119,999 (61 to 80%)			-.152	.113	.082	.154
\$120,000 and over (81 to 100%)			-.359***	.125	-.126	.175
Total asset						
Less than \$100,000 (base)						
\$100,000 to less than \$200,000					-.568***	.186
\$200,000 to less than \$300,000					-.098	.127
\$300,000 to less than \$500,000					-.495***	.134
\$500,000 or more					-.440***	.119
N	6505		6383		3436	

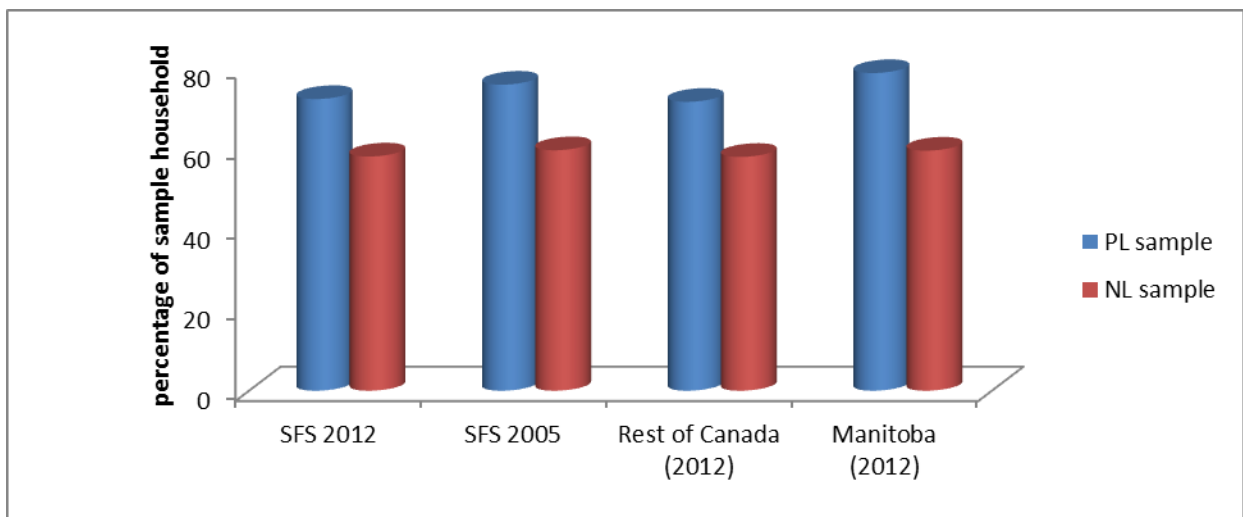
Figures and Tables

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.



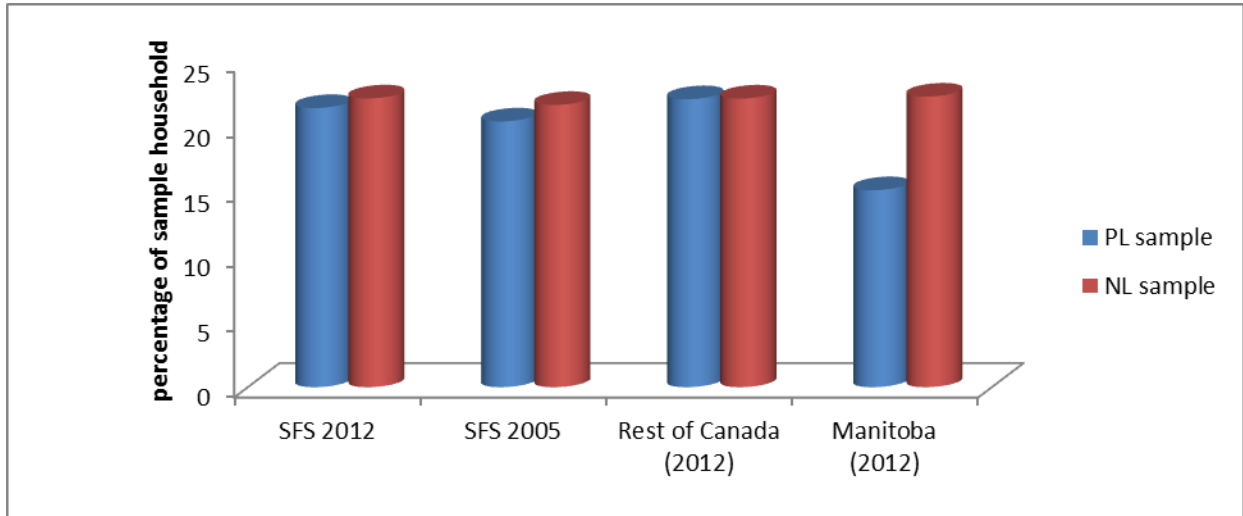
Source: Author's calculation using public files of SFS 2012 and 2005.

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.



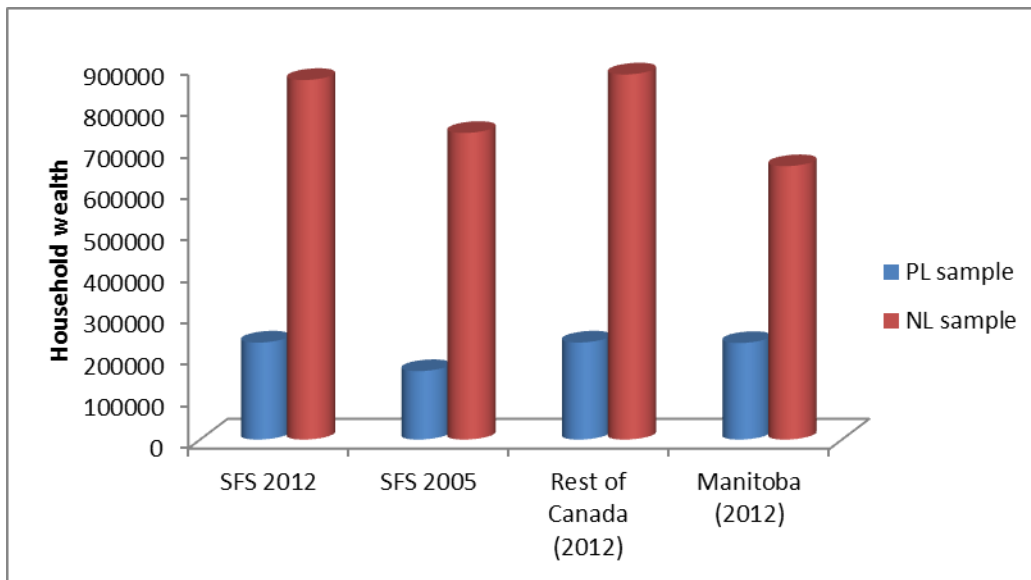
Source: Author's calculation using public files of SFS 2012 and 2005.

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.



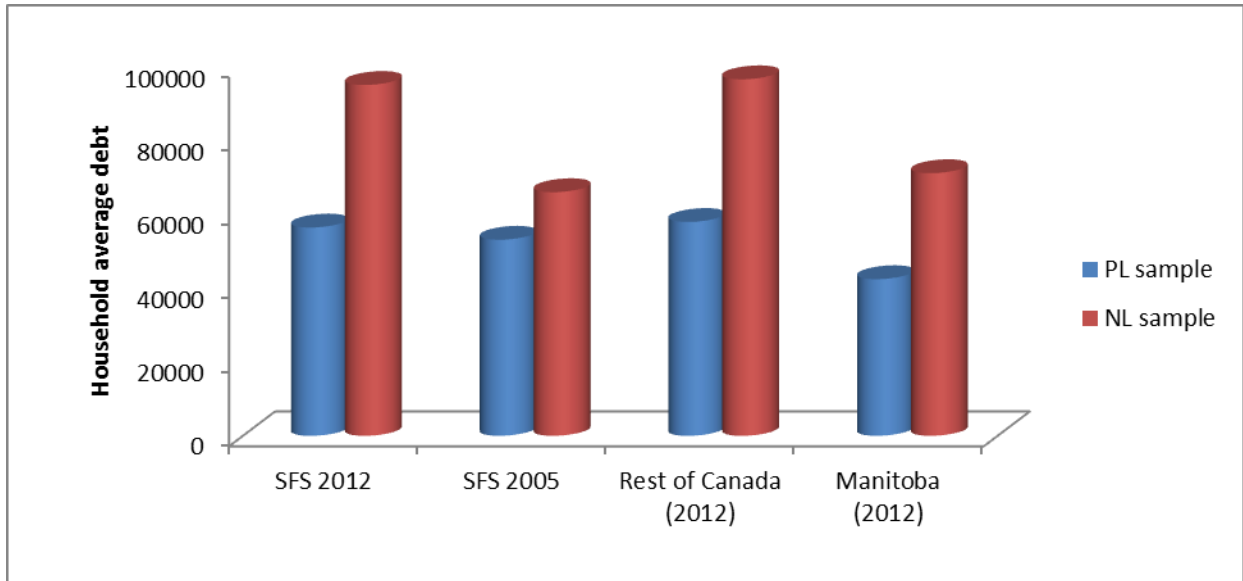
Source: Author's calculation using public files of SFS 2012 and 2005.

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.



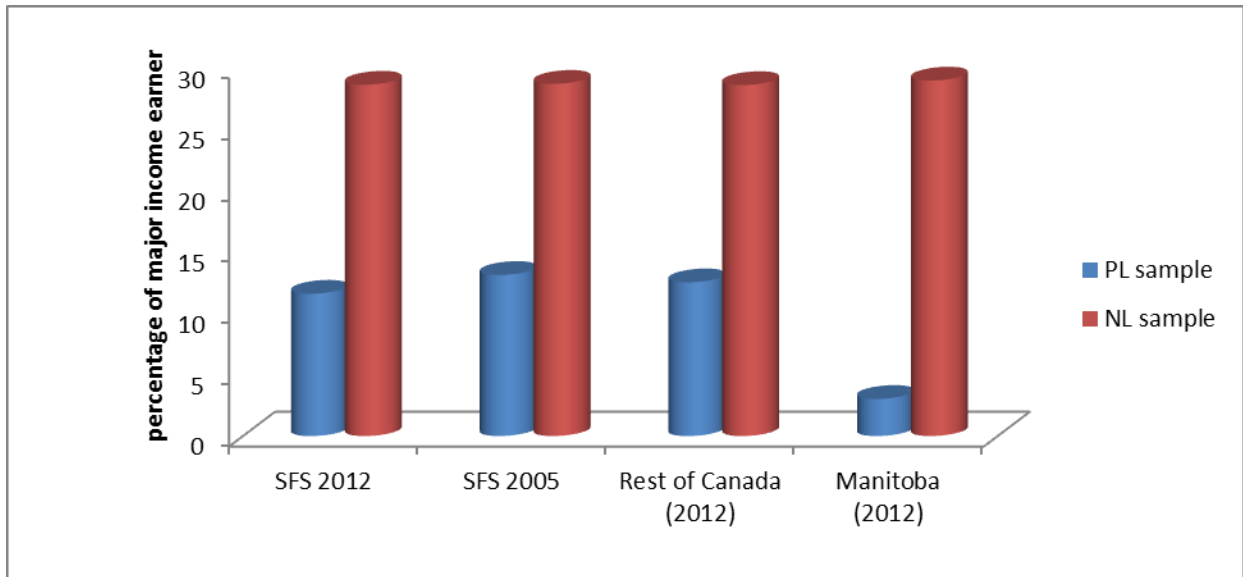
Source: Author's calculation using public files of SFS 2012 and 2005.

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.



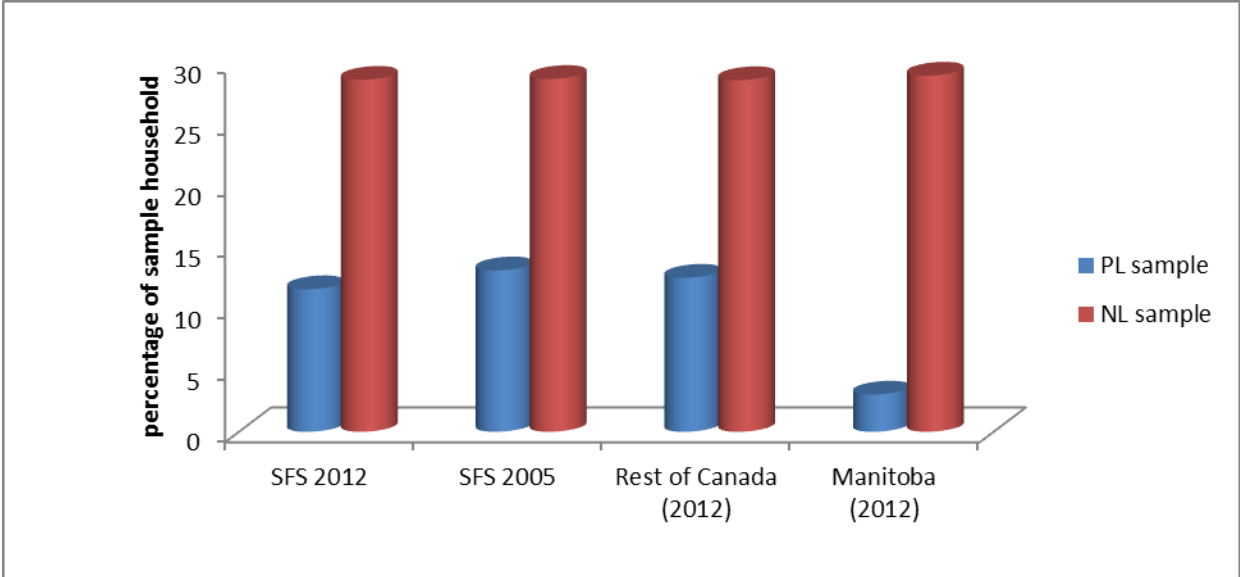
Source: Author's calculation using public files of SFS 2012 and 2005.

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.



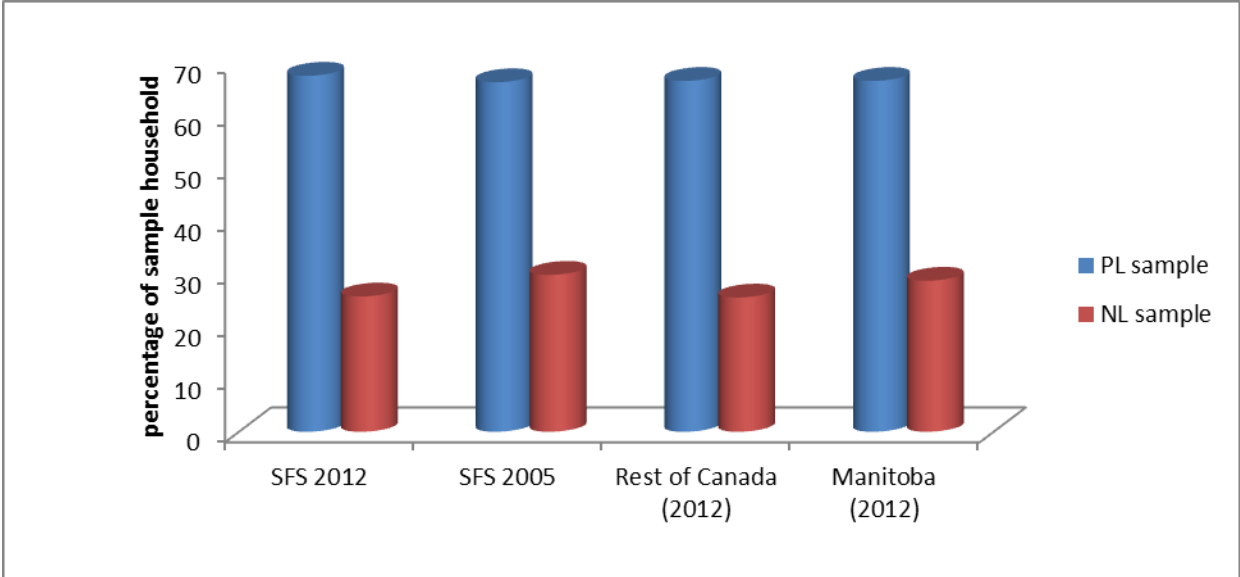
Source: Author's calculation using public files of SFS 2012 and 2005.

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.

Income source	SFS 2012		SFS 2005	
	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

Income source	Rest of Canada		Manitoba	
	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