U.S. Financial Diaries

The US Financial Diaries: What We're Learning

October 16, 2013

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Research leadership

Principal Investigators

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The US financial diaries were created jointly by the NYU Financial Access Initiative, the Center for Financial Services Innovation, and Bankable Frontier Associates.

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Sponsorship

Leadership support for the project is provided by the Ford Foundation and the Citi Foundation, with additional support and guidance from the Omidyar Network.

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- **What?** Researchers are collecting financial data from more than 200 low- and moderate-income households in four US regions
- **How?** Field researchers visit households regularly over the course of a year to collect detailed data on money spent, earned, saved, borrowed, and invested
- **Why?** To reveal the often-hidden ways that households manage their finances. To promote use of these insights by policy makers and financial providers designing programs and products

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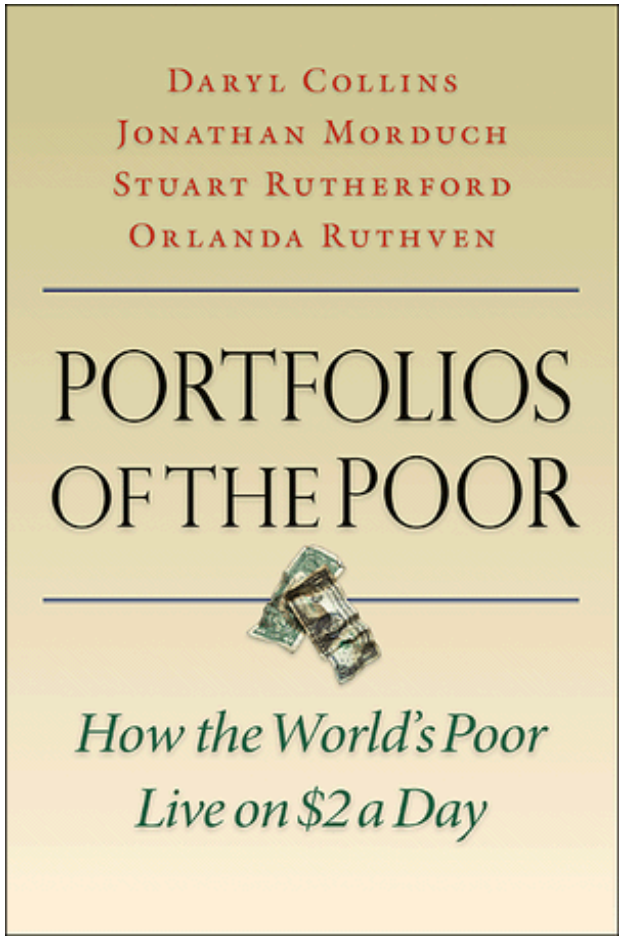
Financial diaries overseas



Financial diaries data first collected in India, Bangladesh, and South Africa:

- Developed methodology
- Helped reshape policy conversations and perceptions

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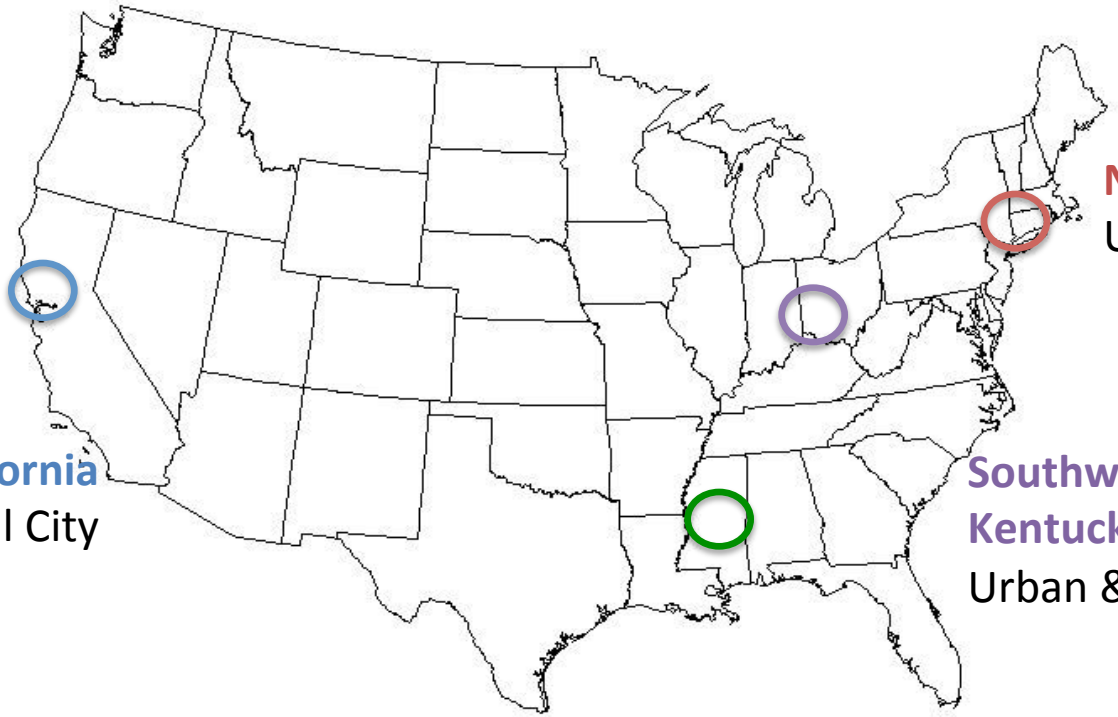
Research Locations



New York City
Urban

South Bay California
Urban & Small City

Southwest Ohio & Northern Kentucky
Urban & Small Town

Eastern Mississippi
Rural

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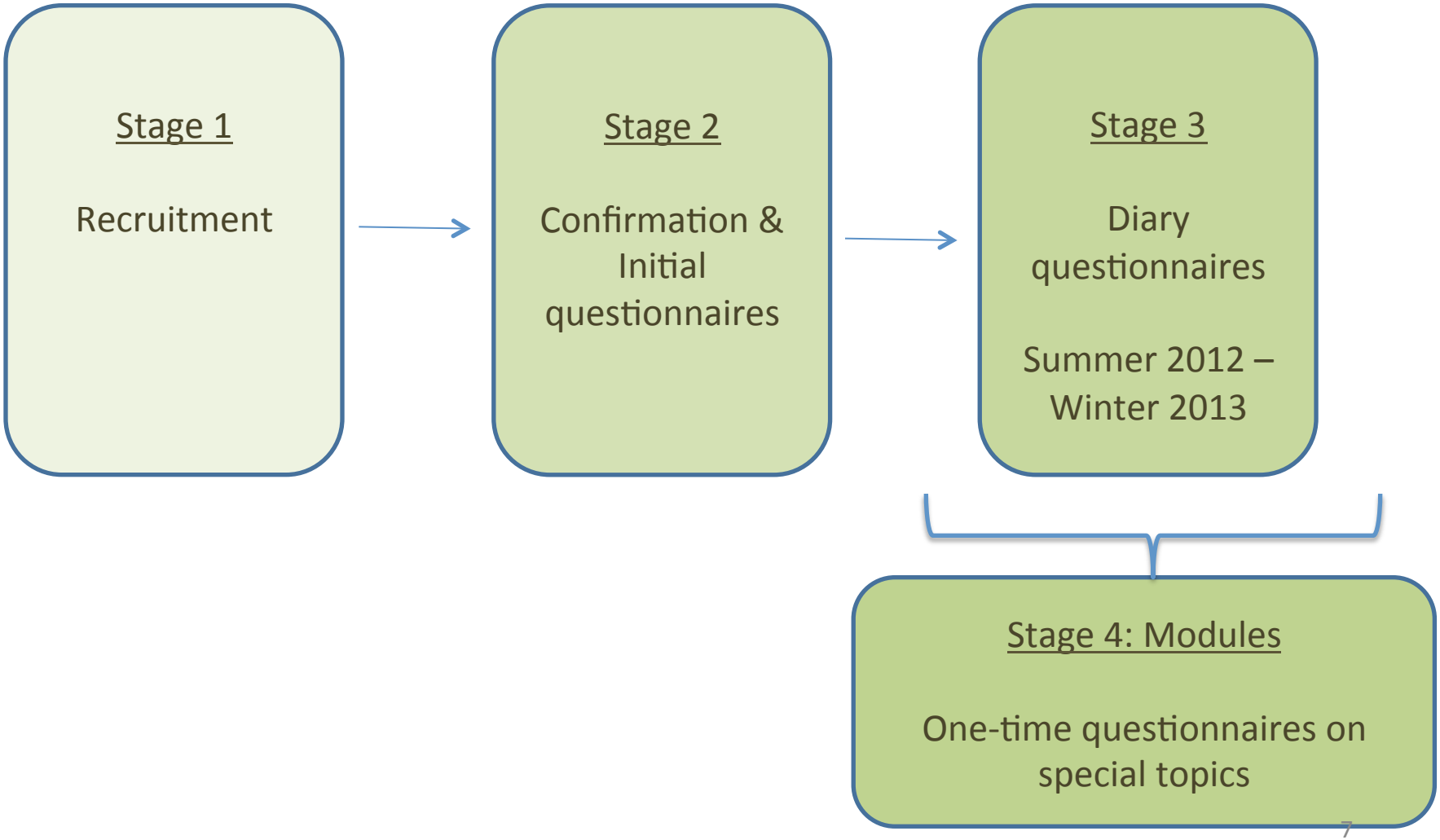
Financial Diaries process



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The Financial Diaries Method

Large quantitative surveys

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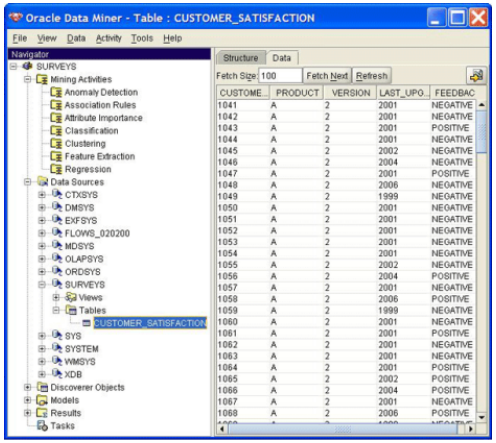
Small-scale ethnographic studies



High Frequency

Quantitative & Qualitative

Deep Dive

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Modules

- Aspirations and Attitudes
- Financial choices and knowledge
- Tax time
- Income
- Financial Instruments
- Health
- Gift card experiment

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Timeline

- Data collection through rest of 2013
- Data validation analysis ongoing
- Currently starting to distribute findings and will be ongoing over the next year and a half
- For updates, sign up for a Research Alert on our website: www.usfinancialdiaries.org

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Sample Profiles

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About this data

- The profiles presented offer a sneak peak at the ideas the research will tackle
- We aren't finished!
- Too early to draw complete conclusions
- Stay tuned, and check in with us at www.usfinancialdiaries.org

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Some early patterns

- Uneven incomes
- Expense spikes don't match income flows
- "Everyone has a system"
  - Financial planning for both short-term needs and long-term goals
- Resources are often shared with friends and household
- Debt acts as a safety net of last resort

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The Hosseins

- A Bangladeshi immigrant couple with a small pre-school aged son
- They both have the equivalent of college degrees from their home country, but those credentials are not recognized here—they have to start again
- Both change jobs frequently to take advantage of opportunities to earn more money
- They view education as their best hope of getting ahead—they agree Shaila will go to school first

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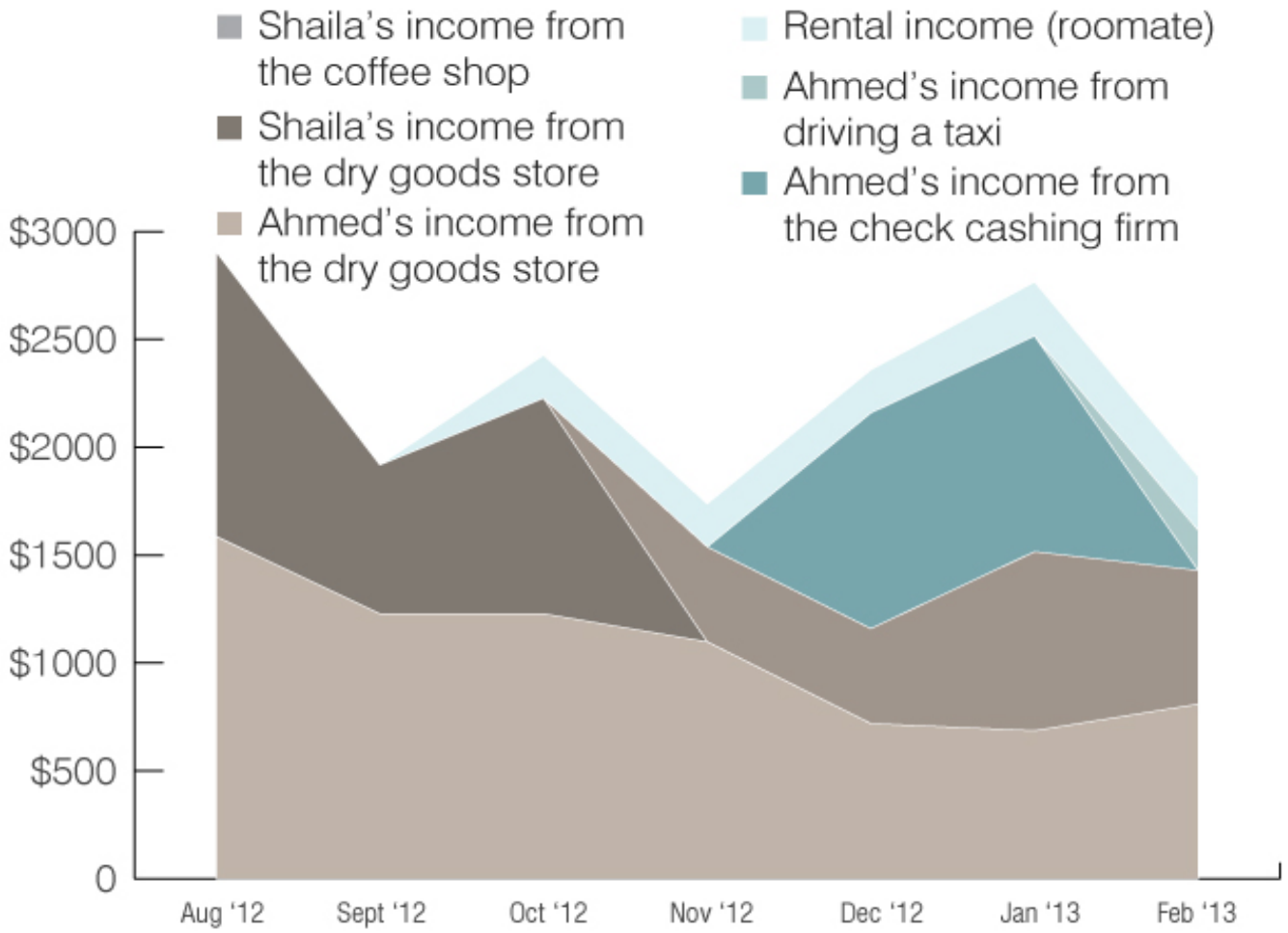
The Hosseins: Multiple income sources, and frequent job changes



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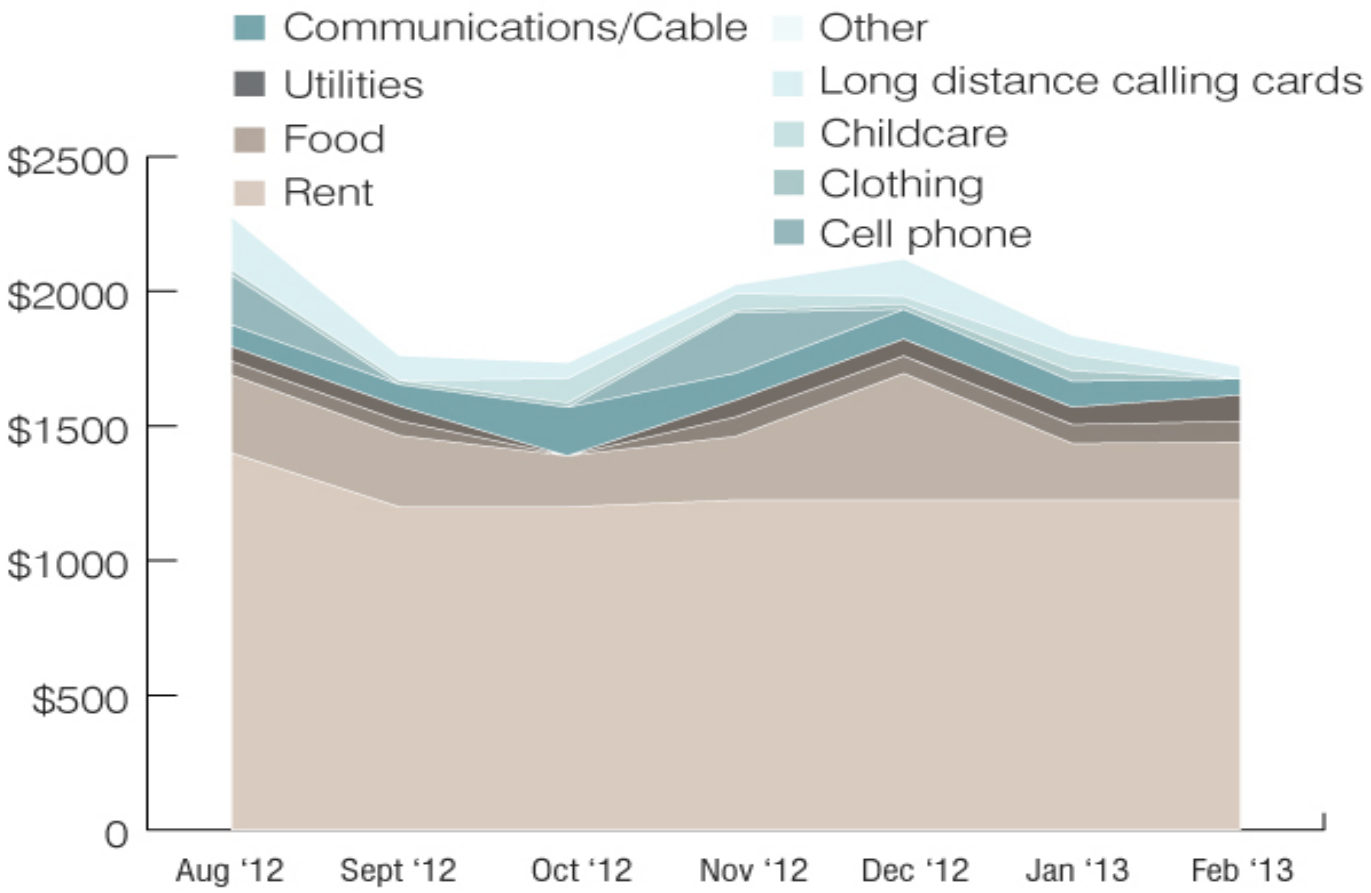
The Hosseins: New York's high rents take up half their monthly expenses



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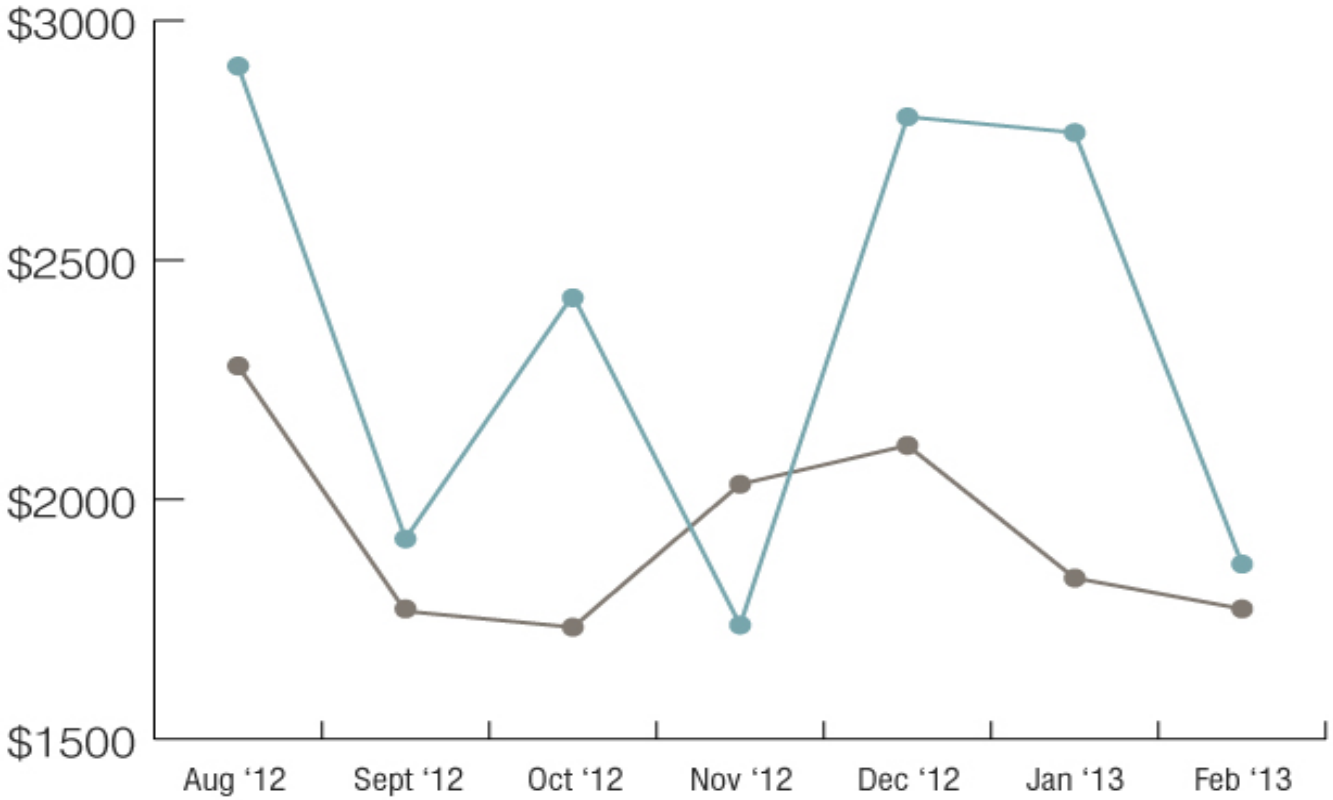
The Hosseins: Income exceeds expenses most months



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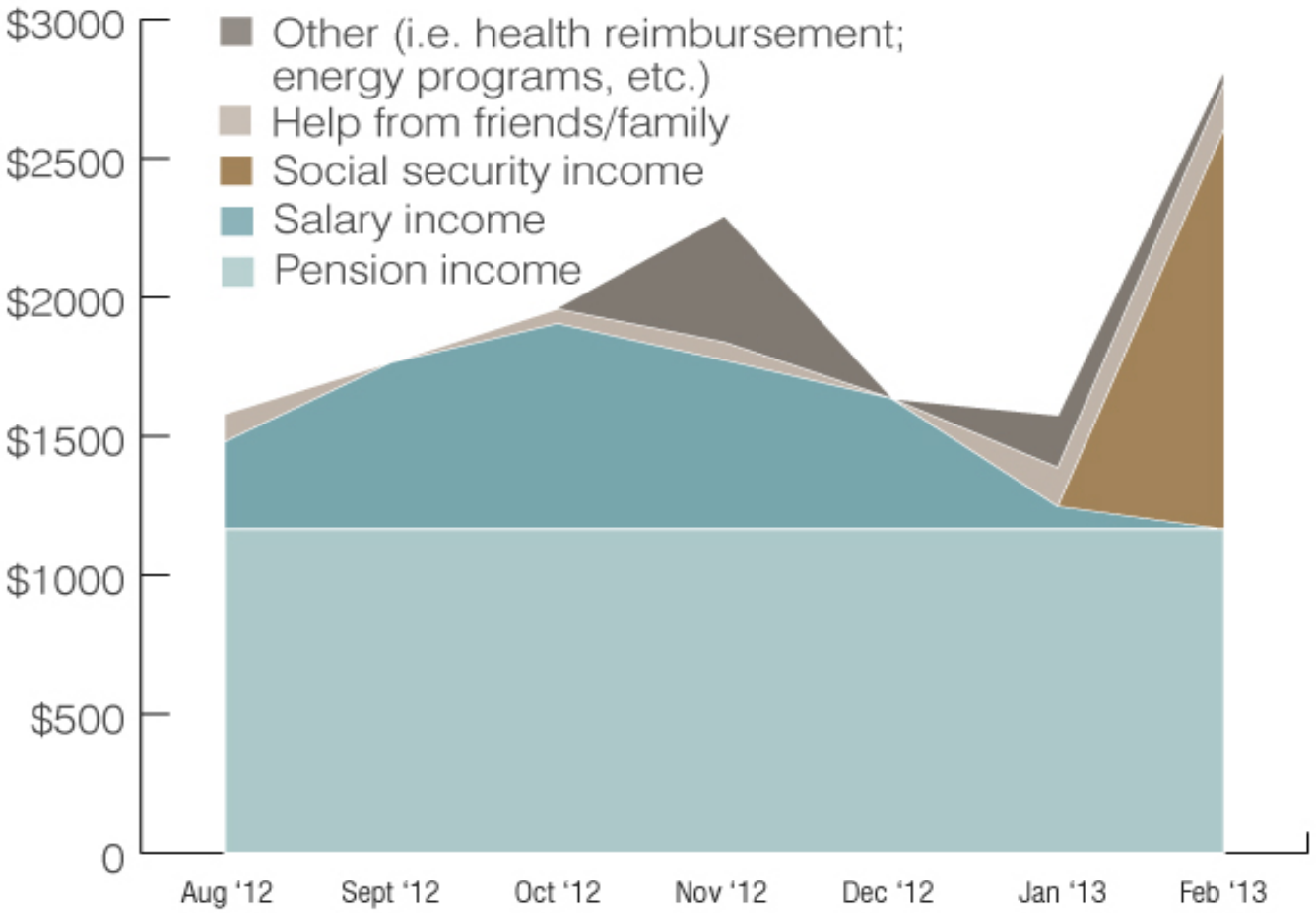
Rita:
Regular pension, irregular supplements



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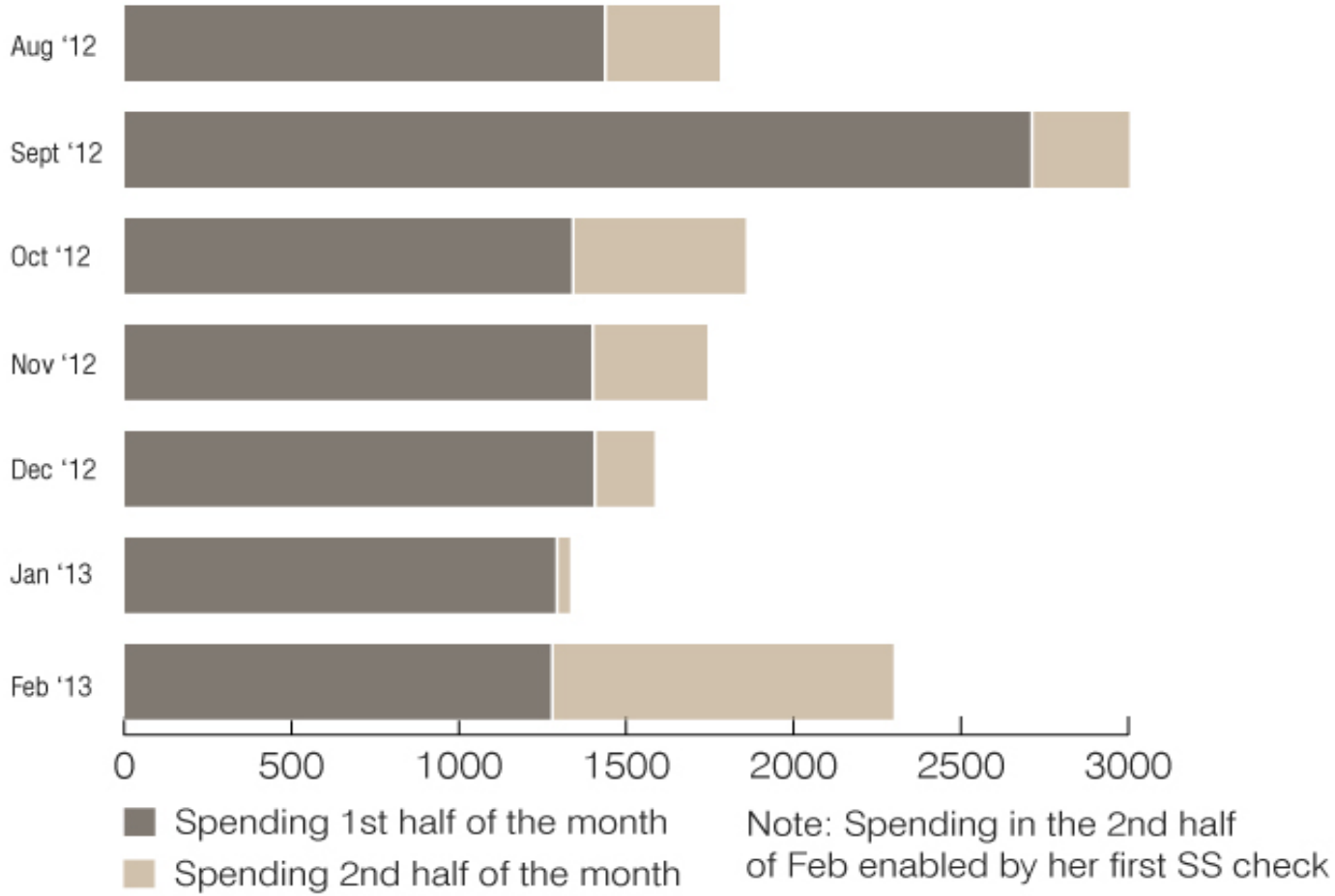
Rita:Most of her spending happens in the first half of the month



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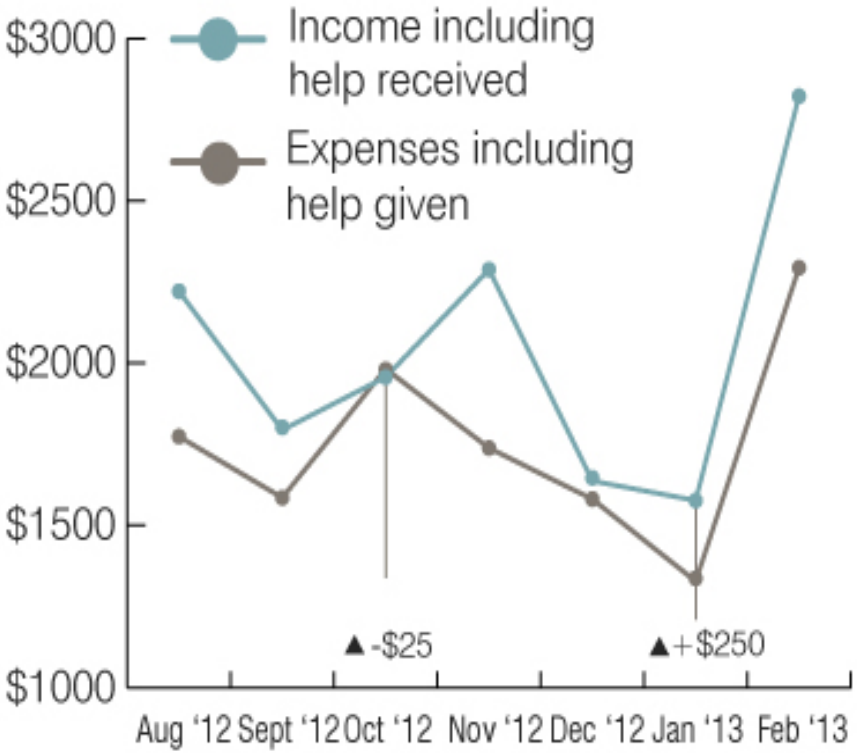
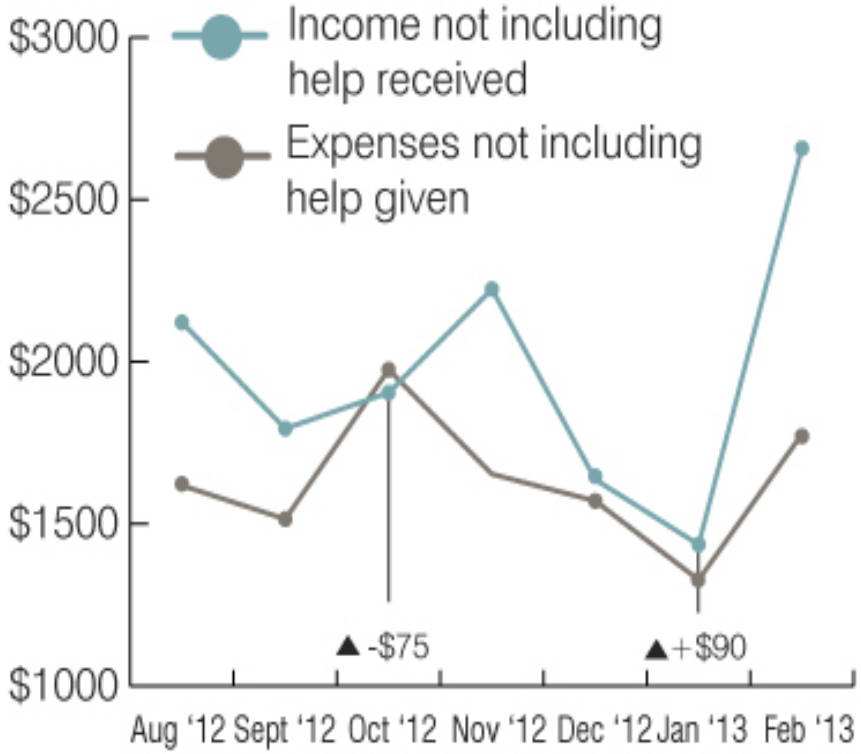
Rita: The help she receives makes a real difference in lean months





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The Rodriguez household: Multi-generational interdependence

- Five adults from three generations
- Each household member brings in some income —though it isn't clear how much goes into the common pot
- Active use of many traditional financial products to save and invest (mortgage, annuities, insurance), budget and pay bills (checking accounts, credit cards and small loans)
- The impact of future shifts in the household is unclear

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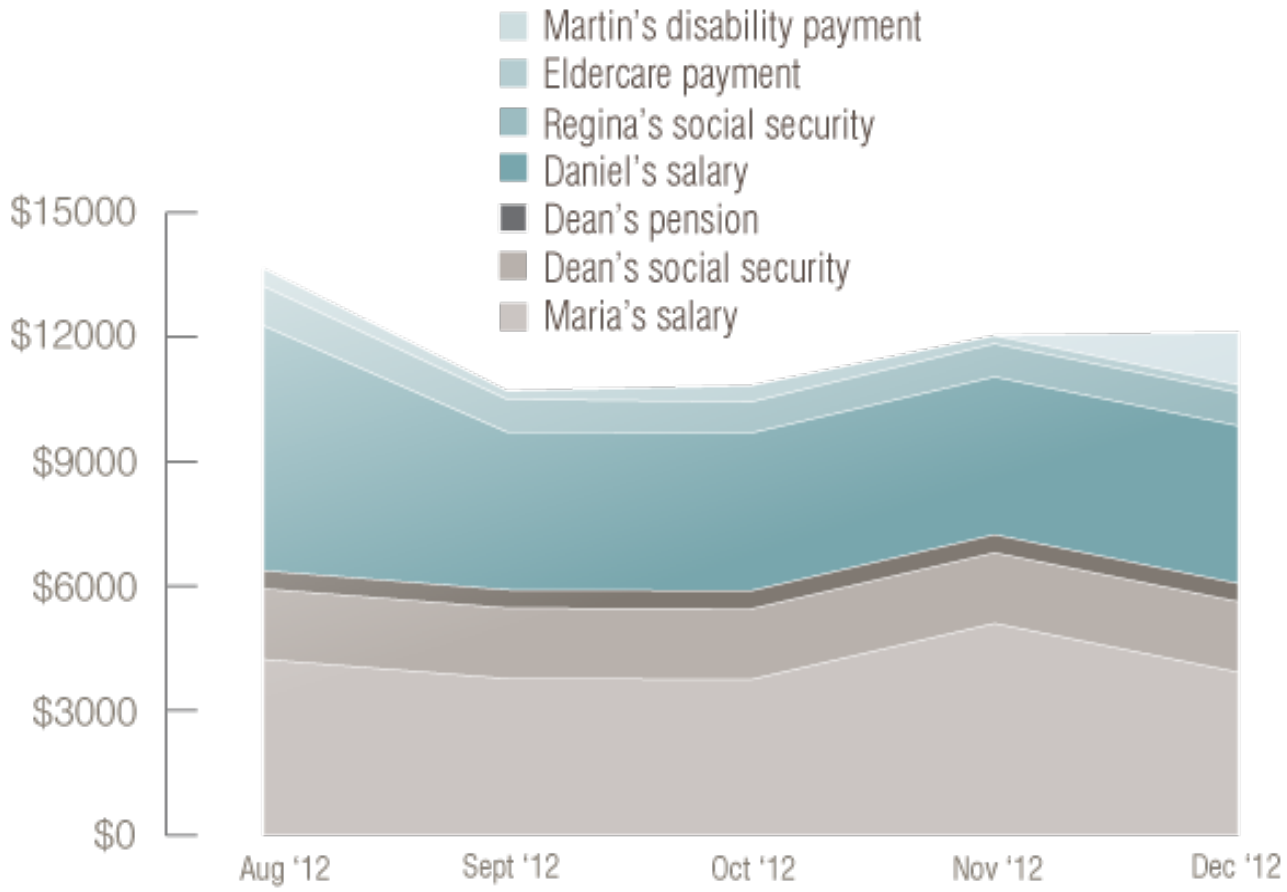
The Rodriguez' incomes: Fixed and steady today; but …



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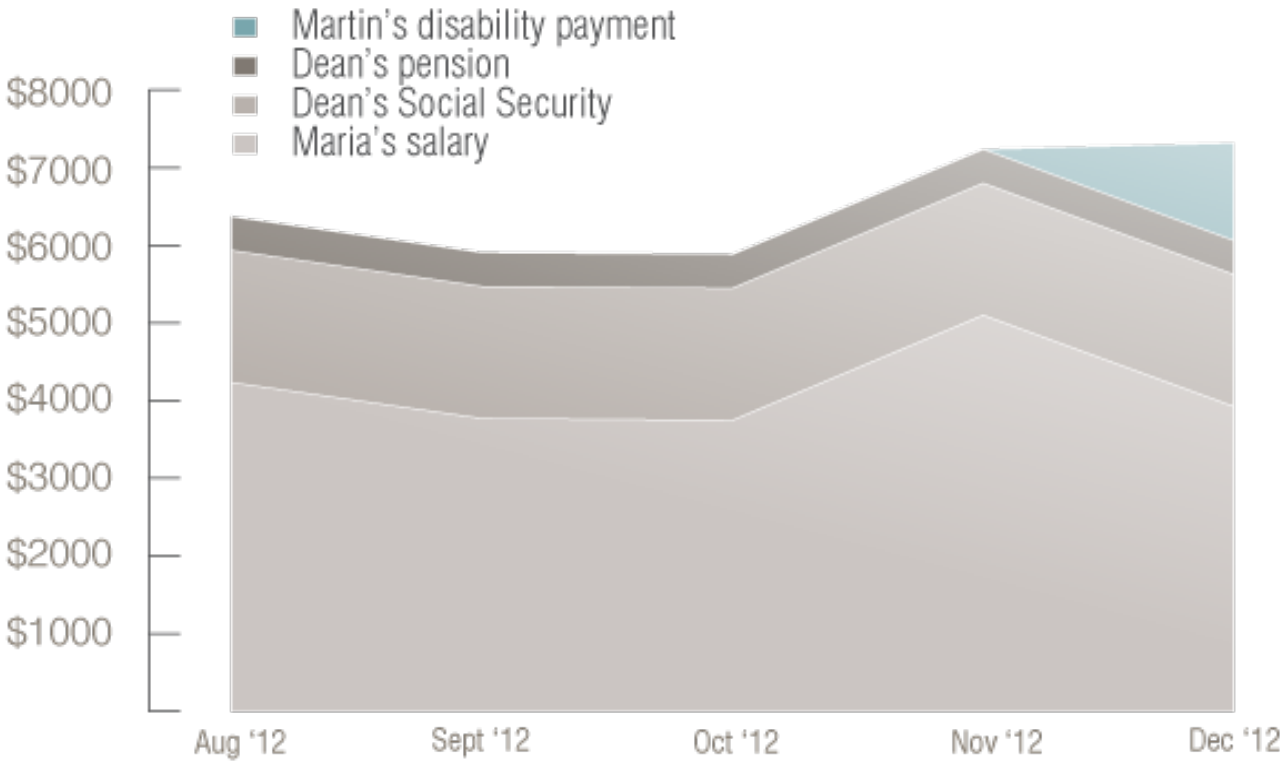
… Uncertain in the future



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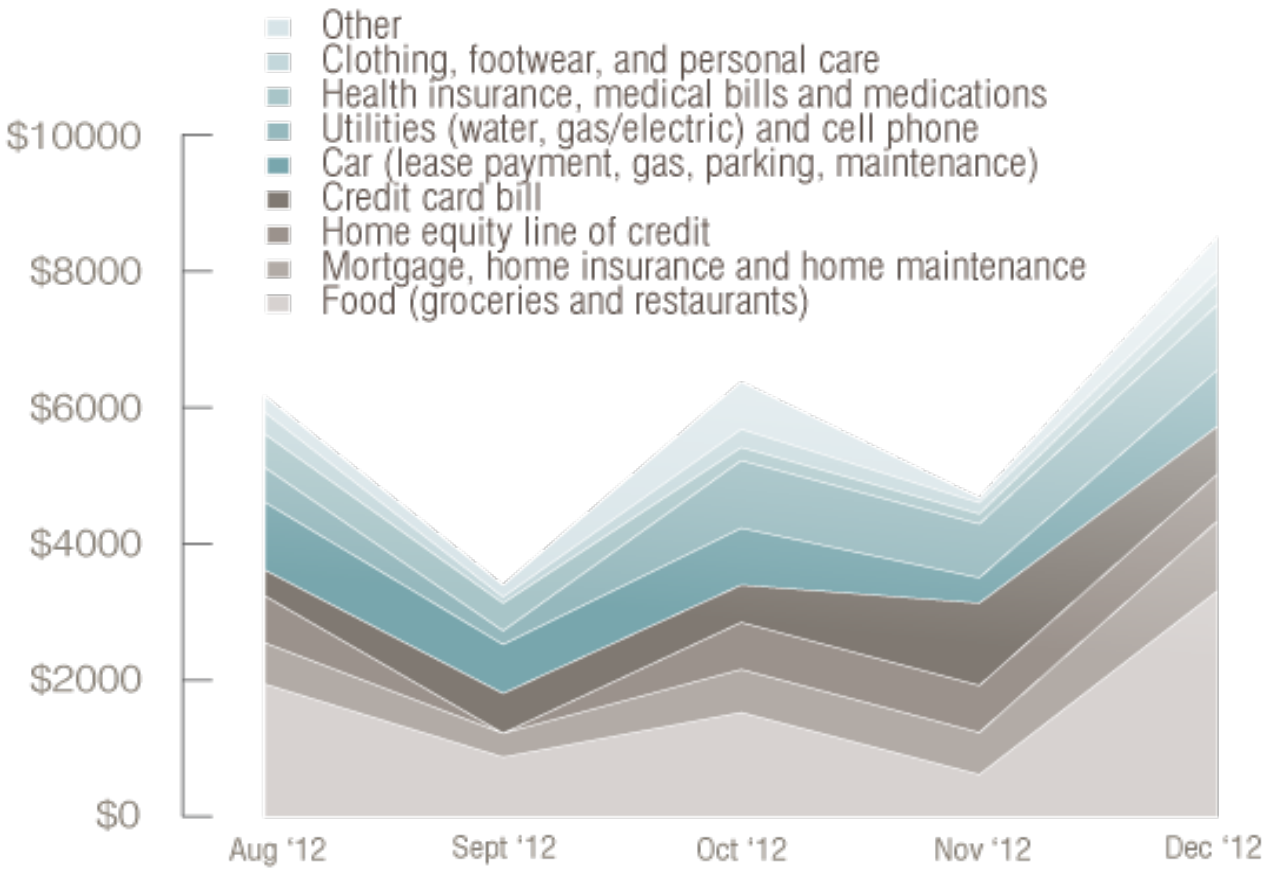
The Rodriguez' Expenses: Mix of fixed and variable, with significant debt



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Thank you

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