The Effects of Over-indebtedness on Interpersonal Relationships

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Abstract

This thesis examines the effects that living with unmanageable levels of debt has upon the borrower's interpersonal relationships. In recent years, Canadian individuals and households have accumulated record levels of consumer debt and consumer bankruptcies are on the rise. While the material reality of problematic debt and the economic deprivation that invariably accompany it have received significant attention from researchers, the interpersonal consequences of living with unmanageable debt remain relatively neglected. Numerous sociological and psychological studies demonstrate how important healthy interpersonal relationships are in maintaining subjective well-being and mental health. In this dissertation, I utilize in-depth interviews to uncover detailed descriptions of how living with problematic levels of indebtedness can have a negative impact on these important interpersonal relationships. Data generated from these interviews reveal novel insights not yet described in the sociological literature. They describe the manner in which heavily indebted individuals often struggle to maintain healthy familial, friendship, and romantic relationships. These data also reveal the difficulties that debtors experience in trying to form new relationships – especially romantic ones. In revealing how over-indebtedness places the ability to form and maintain relationships in jeopardy, this research brings to light an under-appreciated social problem. I argue that the ubiquity of consumer debt in our contemporary neoliberal economy makes this research particularly salient, not only in understanding the scope of the problem, but also by informing social policy that is designed to mitigate it.

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Table of Contents

List of Tables and Figures

List of Appendices

Chapter 1: Introduction

Most Canadians are in debt and have been for some time. Since 1999, the level of indebtedness of Canadian households has grown from 110% of disposable income to over 165% (Parkinson 2016:1). Today, 56% of Canadians are just $200 away from being overwhelmed with debt, 31% find themselves unable to service their current personal debts, and over half of all Canadians report being worried about their debt situation (Marr 2016:1).

The abrupt collapse of global financial markets in 2007 and the corresponding economic downturn of 2008 have changed many Canadians' relationship to and use of credit. This so called "credit crunch" has inspired a flurry of empirical research over the past ten years examining the economic consequences of mounting consumer debt. While the material reality of problem debt and the economic deprivation which almost invariably accompanies it are well documented and understood, the study of the interpersonal consequences of unmanageable debt remains relatively neglected. This research will remedy this by examining how living with unmanageable levels of personal debt affect an individual's ability to enter into and maintain healthy and stable personal relationships.

1.1: Canadians in debt

Just how much do Canadians owe? As of 2016, Canada's household debt is bigger than its gross domestic product for the first time in the nation's history. Canadians total credit market debt currently stands at $1.97 trillion. Of this debt, $1.29 trillion is composed of mortgage debt, while the remaining $586 billion is composed of consumer short-term debt (Isfield 2016:2). Excluding mortgages, the typical Canadian citizen owes $21,686. Almost $4000 of this debt is owed to credit card companies with most of the remainder in the form of short-term loans. The vast majority of Canadians hold one or more types of debt with the average citizen using 3.7 different credit products. When we include mortgages into the equation we find that over 26 million, or almost 75%, of Canadians have at least some form of debt (Evans 2016).

Holding debt isn't necessarily a bad thing. Many Canadians rely on credit to finance major purchases like houses or automobiles and are able to meet their debt obligations without major hardship. Yet today we find a large and increasing number of Canadians burdened by unmanageably large debt. Debts that in many cases were incurred in order to finance day-to-day living expenses and make up for shortfalls in their income. This represents a serious problem for both individual Canadians and for the nation as a whole. A recent study by MNP Accounting found that 31% of Canadians are currently unable to pay their bills on time. Over half of Canadians are just $200 a month away from being unable to service their debts, and a majority (52%) describe their indebtedness as a cause of worry and stress (Marr 2016:1). Almost a million Canadians would be unable to service their debts if interest rates were to rise even 1%. When we consider that interest rates are and have been at historically low rates for some time, we can see the potentially precarious financial situation in which many Canadians find themselves.

In light of Canadian's increasing reliance upon credit it should come as no surprise to find insolvencies also on the rise. Canadians have two options when they find themselves insolvent. They can file for bankruptcy or they can file a proposal for debt restructuring (Bank of Canada Review 2012:44). Over the past ten years, over one million Canadians have sought protection from their debts through one of these processes. The average Canadian filing for bankruptcy has a yearly income of approximately $25,000 and debts totaling just over $92,000. This number is quite high when we consider that most bankruptcy filers are renters so their total debt does not include a mortgage. The average income for those filing for debt restructuring is approximately $36,000 with total debt of $115,000. These levels of debt are significantly higher than the national average of approximately $80,000 for home owners and $11,000 for renters (Bank of Canada Review 2015:46). According to the Office of Superintendent of Bankruptcy Canada, the Canadian insolvency rate as a percentage of the Canadian adult population recently peaked at 5.8 insolvencies per thousand consumers and has since leveled off at approximately four per thousand (Bankruptcycanada.ca 2015). While this is an improvement it is still significantly higher than the 1990 rate of only 2.1 per thousand consumers. Those who file for insolvency typically find themselves with reduced access to secured credit and must rely upon higher interest debt products such as credit cards or payday loans – which of course can make a difficult financial situation even worse.

Perhaps most troubling is the fact that almost 25% of in-debt Canadians believe they will never be debt free. Those who believe that they will at some point be debt free estimate that on average, that it will take them eight years or more to achieve (IPSOS 2016:1). Nearly half of those in debt cite the rising cost of living as the primary reason for their difficulty in paying down their debts. This is especially true for younger Canadians. According to their polling, IPSOS reports that over half of Canadians in debt frequently worry about their financial situation and express concern that a rise in interest rates will make servicing their debts even more difficult or impossible. Not surprisingly, over 40% of Canadians polled feel that "debt is inevitable" (IPSOS 2016:3).

1.2: The consequences of debt

Why should we worry about Canadians taking on ever increasing amounts of debt? In conventional economic literature, the risk of economic instability is usually cited as the most common problem with high levels of indebtedness. Debt threatens financial stability because many creditors are also debtors themselves (Banks and financial institutions for example). This means that defaults on debt can have a domino effect that travels throughout the economy – much like what we saw in the so called "credit crunch" of 2007/2008. Furthermore, resources dedicated to servicing debts are resources that could otherwise finance the purchase of consumer products and services. This means that high levels of personal debt can negatively affect consumer demand.

There are a number of studies which show that the problems that accompany personal indebtedness transcend economic well-being and can negatively affect the mental and physical health of those experiencing it (Brown et al. 2005, Drentea and Lavakas 2000, Bridges and Disney 2010, Balmer et al. 2006). However, most of this literature is quantitative. Because of this, Roosa et al. (2010) argue in their review of the literature that there is a tendency to overlook the context and details of each individual case. This makes it difficult to determine if it is the problem debt that caused the poor health or vice versa.

Other studies, most notably Conger et al. (1990, 1994, 1999) link economic hardship and material deprivation to poor marital and familial relationships. These studies found that economic strain negatively affects marital quality. They also report that asset to debt ratio to be a significant indicator of economic stress. For the most part, however, these studies do not look specifically at debt. It is also worth pointing out that most of the studies that have looked at financial stress and relationships have tended to focus on marriage. Other important personal relationships such as those with extended family members, friends, coworkers and peers, and dating/romantic relationships are largely overlooked. Also, almost every study I have been able to find has only looked at how financial hardship affects pre-existing relationships. The possible ways in which financial stress may impact the ability to form new relationships remains largely unexplored.

Upon review of the relevant literature I was struck by the almost complete lack of qualitative studies. Most research which examines the negative consequences of financial stress or debt tends to be quantitative. It is also noteworthy that most of this research is the work of either economists, psychologists or social workers. There are only a few sociological studies to date which explore the negative effects of living with problematic debt, especially in regards to how it affects personal relationships.

Dew (2007, 2008, 2011) is one of the few sociologists to look specifically at how indebtedness affects personal relationships. Using quantitative methods he found a strong correlation between debt and marital stress and marital dissatisfaction (Dew 2008), he also reports that financial disagreement was the most serious type of conflict in terms of its potential to end the marriage (Dew 2011). In the only qualitative research looking at how debt affects personal relationships that I was able to locate, Grant et al. (2000) argues that living with debt "recasts the nature of relationships with significant others (Grant et al. 2000:234), potentially having a negative impact upon relationships with partners, children and friends. Living with debt, she argues, makes it difficult to maintain established relationships and to form new ones.

1.3: The importance of relationships

Judging by the small amount of research devoted to the examination of how debt affects relationships, one may ask if this is actually a worthwhile topic for investigation. I would argue that it is. Sigmund Freud believed that an individual's mental health depends principally upon their work and love lives. When either of these sources of well-being are threatened, pathologies of either the "heart" or the "head" can be expected, (Medoff 1996:120). Today, one can find a significant body of literature which looks at the importance of relationships in terms of individual health and happiness. For example, an important measure of mental and physical health and happiness often used in academic literature is known as subjective well-being (SWB). This refers to the measurement of one's subjective well-being from the perspective of the individual respondent. In his comprehensive review of the SWB literature, Argyle (2001:71) concludes that "social relationships have a powerful effect on happiness and other aspects of well-being, and are perhaps its single greatest cause". Myers (1995), called the connection between subjective well-being and friendship a "deep truth", and goes on to argue that "although age, gender, and income…. give little clue to someone's happiness… better clues come from knowing… whether [people] enjoy a supportive network of close relationships" (1995:65).

Evolutionary theories posit that the existence of strong interpersonal relationships has historically been correlated with positive evolutionary outcomes such as reproductive success (Lucas and Dyrenforth 2006:258). In their literature review, Baumeister and Leary (1995) suggest that there is considerable evidence that evolutionary pressures have led to a universal need to belong. Furthermore, because close relationships are such a fundamental need, we might expect that individuals experience stress and anxiety when they are deprived of them and joy and happiness when the need is met. They also note that being deprived of close relationships can have far-reaching implications for health and overall well-being as well. Other researchers, such as Sarason, Sarason and Gurung (1997) note that close personal relationships play an important role in health outcomes (1997:16), and that this linkage between social support and both physical and mental health outcomes is widely recognized in the scientific literature.

It is noteworthy that young adults are especially affected by the quality of the personal relationships in their lives. Aquilino (1997) and Prager (1995) both found that the quality of relationships with parents plays a critical role in the well-being of emerging adults (Demir 2010:294). Friendships and romantic relationships are also particularly important to this group. Decades of empirical research document that friendship quality is related to happiness among young adults (Demir 2010:295). Most post-secondary students consider their romantic relationships among the closest and most important relationships they have. There is a considerable amount of research that has documented the close association between romantic relationships and happiness across the lifespan (Berscheid et al. 1989).

Sociologists have long been concerned with the study of family and intimate relationships. Talcott Parsons' (1956) early influential work on the family suggested that the traditional extended family had been replaced in modern society by the nuclear unit whose primary purpose was to socialize children and provide stable roles and boundaries for adults. These roles emphasized traditional gender distinctions with women charged with child care and homemaking, while men fulfilled the role of financial provider. In Parson's view, strong families provide the lynchpin of a successful stable society by encouraging social cohesion, order, and the moral health of a society (Gillies 2003:4). Functionalists like

Parsons understand the nuclear family as a successful adaptation to the needs of modern society, viewing it as both natural and desirable.

This functionalist perspective on the family came under heavy criticism in the 1970's by feminist authors (Millett 1970, Mitchell 1971, Oakley 1972) who challenged its ideological underpinnings. They took specific issue with the 'naturalness' of traditional gender roles in the family arguing that they are in fact patriarchal social constructions which maintain women's subservience to men. They also questioned the functionalist understanding of the family as a harmonious and cohesive site of healthy social interaction.

As women in Western democracies began to achieve a measure of gender equality and autonomy in the 1960's and 1970's, the nuclear family also changed. The 1970's saw many couples begin to adopt a more egalitarian, less traditional style of relationship. This was accompanied by a rise in the rates of divorce and separation (Young and Willmott 1975 in Gillies 2003:7). Morgan (2014) argues that these changes in the family were indicative of the shifting nature of marriage and intimate relationships. While functionalists might view the apparent dissolution of the nuclear family as a threat to social stability, others saw it as indicative of a welcomed shift in the nature of how men and women relate within intimate relationships. No longer a social institution necessary for the stability of society, marriage became primarily a personal relationship between equal partners. Its major role became one of providing companionship, support and intimacy for individuals.

Anthony Gidden's (1992) notion of the `pure relationship' tries to capture the contemporary foundations of personal relationships. He notes that people no longer feel restricted by traditional relationship roles, but rather, are free to define the nature of their relationship themselves. Similarly, Giddens argues that couples are no longer bound by the traditional notion that families exist to care for and socialize children or provide social cohesion. This means that people feel free to enter into (or exit) relationships purely based upon whether or not they meet their personal needs. For Giddens, the economic and social roles of the family have been severely diminished. Intimacy, trust and openness are now the lynchpins of the modern romantic relationship. Ulrich Beck puts forth a similar position to Giddens. In his view, the contemporary intimate relationship is a conditional one. It is characterized by risk and fragility as opposed to rituals and rules (Beck-Gernsheim 1998).

While sociologists may debate the role or function of intimate and familial relationships, there is broad agreement about their importance. I would argue that this underlines the usefulness of this thesis. By examining the extent to which individual over-indebtedness has the potential to undermine the formation or maintenance of intimate relationships, this research has the potential to bring to light a very serious problem. A problem I suggest has not yet received sufficient attention by sociologists.

1.4: Choosing this topic

As the preceding discussion reveals, there are a number of mostly quantitative studies that link financial distress and/or unmanageable debt to negative relationship outcomes. There is also extensive evidence to support the hypothesis that the quality of interpersonal relationships is very closely tied to overall happiness and health. As several authors (Balmer et al. 2005, Tokunaga 1993, Drentrea 2000) have pointed out, however, problem debt often occurs in conjunction with other negative life events and the causal chain is not always clear. Simply because we are able to correlate different phenomena does not necessarily mean that one is responsible for causing the other. And if there is a causal connection, it can be difficult to establish which phenomenon is the cause and which is the effect. For example, a solid case could be made that our society encourages the use of material goods or consumerism as substitutes for our basic need for love, companionship or meaningful work (Bauman 2000, Medoff and Harless 1996). But using consumption of material goods as a means to deal with loneliness or alienation can itself lead to increased levels of personal debt. This indebtedness may then in turn have a negative effect on relationships. So does debt negatively affect relationships and lead to loneliness, or do negative relationships and loneliness encourage indebtedness? Or perhaps it is both or neither?

One of the strengths of qualitative research is its ability to flesh out the minutiae of complex social situations and relationships. In seeking out the details and particulars of living with problem debt, this research will shed some light on what if any cause and effect relationship exists between indebtedness and other negative life events. Hopefully this will represent a significant addition to the existing literature.

This research is largely motivated by my own life experiences. I have personal experience dealing with over indebtedness. The negative effects my debts had not only upon my relationships, but upon my entire life, played a major role in inspiring this research. In my early twenties I assumed over $150,000 in debt in order to finance a business endeavor which unfortunately did not work out the way I had hoped. I ended up being left with a very large amount of debt and no practical means to pay it off. Though I was eventually able to dig myself out from under my debts, the process took a significant toll on me personally as well as on those close to me. My debts, and the effect that trying to deal with them had upon my life, proved detrimental to relationships with my friends, family and significant other. In light of the apparent ubiquity of debt, I began to wonder if anybody else has had experiences similar to my own.

Margret Atwood, in her 2008 book "Payback", remarks that there is a story behind every debt:

> Any debt involves a plot link: how you got into debt, what you did, said, and thought while you were in there, and then – depending on whether the ending is to be happy or sad – how you got out of debt, or else how you got further and further into it until you became overwhelmed by it, and sank from view (Atwood 2008:81)

This thesis will tell these stories. Using in-depth interviews it will seek to uncover the specific details and experiences of those living with problematic levels of debt. Research participants will be individuals who are currently, or have in the past, experienced problem debt and are willing to discuss how the experience affected their personal relationships. Problem or unmanageable debt is defined as a) debts that cannot be repaid according to the terms set out in the original contract between creditor and debtor; b) the inability to repay debts altogether; c) having to borrow new money to service old debt; or d) having to sacrifice essentials (food, shelter, or clothing) in order to service debt.

Chapter 2: Literature Review

2.1 The Cultural and Economic History of Debt

Throughout much of the history of western civilization, debt and especially usury (which is the lending of money at exorbitant rates of interest) has been condemned as both immoral and impractical. Lenders and borrowers not only risked their soul by engaging in usury, but also risked financial ruin if their debts could not be paid off. Today, despite our mostly debt friendly society, there are still remnants of this uneasiness with debt sprinkled through our culture. For example, we find the once powerful moral sanctions that surrounded debt are still expressed in the structure of language: the Italian term for moneylender *lo stozzino*, is derived from the verb 'to strangle', and in German one uses the same term *die schuld* to express the ideas of both debt and fault. In English, the words 'debt' and 'sin' have been used synonymously, while the image of the heartless, greedy money lender, from Shylock to Scrooge, is a staple of popular western culture and literature.

The practice of usury pre-dates formalized banking or the striking of money. The regulation of usury is at the heart of some of civilizations' earliest legal codes, as well as the subject of less formal moral sanctions and norms. It is easy to understand how usury has at the same time been both loved and despised throughout history. On the one hand, the ability to borrow items of value, be they money, commodities, or even labour power, can be a life-saver in times of need. The immediate value of something can be so great that it compensates for having to pay interest or a future fee for its use. The problem, however, is that this form of lending can leave itself open to a range of abuses: the borrower may refuse to pay the lender back, while lenders may exploit the desperate by charging unfair rates of interest. Moreover, larger questions of economic disparity, poverty, economic exploitation and the general distribution of wealth become intertwined in the debt issue.

Some of the first recorded moral condemnations of usury originate in ancient Greece. Credit, though commonly available, generated a considerable amount of controversy at the time (Gelpi

2000:11). Both Plato and Aristotle viewed usury unfavourably. Plato envisioned a republic where markets, money and debt are not needed. Aristotle condemned usury because he considered it a perversion of the true nature and function of money. For Aristotle, money was meant to function as a medium of exchange or as a means of storing value, not as a tool for generating wealth. He detested money-lending and considered it one of the lowest occupations because the lender's profits arise not from any substantial labour or work, but from mere avarice, greed, trickery and manipulation (Gelpi 2000).

Ancient Rome developed what was, up until that time, one of the most advanced codified legal systems with a variety of rules and regulations concerning the lending of money. These laws covered the maximum rate of interest one may charge, granted grace periods of up to three years for insolvent debtors, and laid out the punitive measures creditors were allowed to inflict upon debtors. Up until around 300 B.C., creditors were allowed, under certain circumstances, to seize the property of insolvent debtors and imprison, enslave, or even kill them.

It has been argued that usury was the "great Roman industry" (Gelpi 2000:11), a pillar of the empire's success. Many Romans amassed great personal fortunes through money-lending. The later years of the Roman Empire saw usury become an ever more important part of its economy, and in some eyes, an increasingly destructive and exploitative practice; interest rates as high as 50% were common, and it was typically the already highly taxed peasant or farmer who found themselves heavily indebted and unable to pay.

The practice of usury was to become a major concern of the Christian church. Christianity has had a long, complicated, and often contradictory relationship to debt. Among the first to categorically condemn the practice of usury in all its forms were the Hebrews; the Old Testament frequently admonishes money lending (Deuteronomy 15:6, Deuteronomy 28:12-13). The New Testament, however, takes a slightly more permissive tone when dealing with money lending. While not going so far as to forbid usury completely, it does contain explicit warnings about the dangers of indebtedness and extols the virtues of repaying one's debt in a timely fashion. For example: "The rich rules over the poor and the borrower becomes the lender's slave" (Proverbs 22:7), "Owe no one anything except to love one another, for he who loves another has fulfilled the law" (Romans 13:8). The bible does not forbid debt nor condemn the debtor, but borrowing is clearly discouraged. Numerous passages reference hardships that inevitably accompany unmanageable debt. The bible even casts debt as a 'curse' which is laid upon the sinner as punishment for not following God's commands:

> If you do not obey your Lord your God, do observe to do all His commandments and His statutes with which I charge today, that all these curses will come upon you and overtake you… The alien who is among you shall rise above you higher and higher, but you will go down lower and lower. He shall lend to you, but you will not lend him; he shall be the head, and you will be the tail (Deuteronomy 28:15, 43, 44).

The Church enforced a complete ban on the practice of usury up until around the thirteenth century. The teaching and sermons of the church leaders presented the money lender as the epitome of evil, greed and sinfulness. We see this in the sermons of the influential St. Basil (1329-79), for whom lenders are considered little more than dogs:

> You never stop barking, always demanding more. If your debtor swears, you do not believe him. You find out what he has at home, take up a position in front of the house, and knock at the door. You disgrace him before his wife and before his friends too. In the market place you way-lay him and make his life unbearable. Usury is the beginning of lies, it fosters ingratitude and perjury. Its fruits are full of vipers. It is said that at birth vipers eat their way out of their mother's bellies. Interest is born by devouring the house of the debtor. Against that, he who has pity on the poor gives to God, and God will compensate him (Gelpi 2000:20).

Like Aristotle, church leaders argued that wealth generated from usury is not the product of legitimate labour, but the fruit of greed and avarice. Usury creates conflicts and divisions among people and causes them to spend all their time obsessing over money, rather than thinking about God.

Despite the churches' sanctions against usury, merchants and traders in medieval economies required credit. Beginning around the twelfth century the church began to relax its sanctions on usury. Although its official ban remained in place until the sixteenth century, Christian leaders quietly began to turn a blind eye to money-lending, recognizing its social and economic usefulness. Perhaps the most significant development in the relationship between usury and the moral codes of the church came with the Reformation and Calvinism, to which I will now turn.

In the sixteenth century, John Calvin founded a religious doctrine built upon the belief that the purpose of life was to work towards the creation of God's kingdom on earth. God ordained the faithful to dedicate themselves to this goal and the possession of a rigorous work ethic was considered a sign that an individual was among God's chosen. This is why work became so meaningful to Puritans – by becoming sanctified and acquiring a spiritual significance. A willingness or even compulsion to work was a public testament to the individual as well as to the rest of society of a deep spiritual relationship with God. Max Weber (2001) writes that a "psychological motivation arose out of the conception of work as a calling and as a means best suited (and in the end often the sole means) for the devout to become certain of their state of salvation (Weber 2001:xxxvi). This work ethic forged a very close link between religious belief and economic activity.

> Although believers could never know with certainty of their salvation status, they could logically conclude in light of God's desire for an earthly kingdom of abundance to serve his glory, that the actual production of great wealth by an individual for a community was a sign that God favored that individual. In effect, personal wealth became, to the faithful, actual evidence for their salvation status (Weber 2001:xxxvi).

For the believer, the generation of wealth and money was not an end in itself, and spending profit on worldly goods was considered sinful. Instead, the acquisition of wealth was considered evidence of an individual's divine favour, as a mark of their 'saved' status. This belief system led to a fundamental shift in how profit and wealth were viewed. People who were successfully engaged in business and the pursuit of profit, even though they regularly used credit and debt, were no longer considered self-interested, greedy or exploitative. Rather, they were now considered blessed by virtue of their business acumen. Whatever profits they generated were re-invested in their businesses as an indication of their loyalty to God's grand design. In these beliefs we find the origin of what Weber referred to as the 'spirit of capitalism'. This led to a revolution in the moral status of credit and debt. Access to credit was needed to expand business and do God's work. Money lenders became necessary allies in the creation of God's kingdom on earth.

Calvinism thus ushered in a revolutionary change in the moral status of wealth and capital. No longer a source of evil and corruption, money became a necessary tool in the pursuit of God's will. Of course, spending one's profits on frivolous luxuries was still considered sinful and a misuse of capital. The divine purpose of capital was for it to be re-invested where it could grow and generate more capital. Wealth was to be pursued only in so far as it could be used to generate more wealth; it was not to be possessed, hoarded or enjoyed. Despite this new tolerance of usury, strong moral guidelines regarding the use of credit and debt still endured into the eighteenth and nineteenth centuries. The legacy of these Victorian moral guidelines continue to be felt today, although their force and influence eroded in the twentieth century, especially during the latter half of the century.

In his analysis of seventeenth and eighteenth century credit and debt, Calder (1999) argues that the keystone of the Victorian money management ethic was a very simple warning: avoid debt. Living within one's means was considered not only financially prudent, but also the ethical and moral way to structure one's life. Admonishments about acquiring debt can be found in the written and spoken words of some of the most respected religious leaders of the day as well. One of the eighteenth centuries most well-known preachers, Charles Marden, warned that the "trinity" of evil was "debt, dirt and the devil" (Calder 1999:92). These sentiments were echoed by one of Mardens contemporaries, the evangelical minister Henry Ward Beecher:

> Debt is an inexhaustible fountain of dishonesty… It has opened the heart of every fountain of inequity; it has besoiled the conscious, it has tarnished the honor, it has made a deliberate student of knavery, a systematic practitioner of fraud; it has dragged him through all the sewers of petty passions – anger, hate, revenge, malicious folly, or malignant shame (Calder 1999:94).

Despite the Victorian's apparent disdain for debt and the debtor, they allowed for the use of debt and credit so long as these were used responsibly and in a manner that did not harm either the individual or the larger society. Like the Calvinists, Victorians recognized two types of debt: productive and consumptive. This was borrowed from classical economists like Adam Smith who wrote:

> The borrower may use [a loan] either as capital, or as a stock reserved for immediate consumption. If he used it as capital, he employs the maintenance of productive laborers, who reproduce the value with a profit. He can, in this sense, restore the capital and pay the interest without alienating or encroaching up any other source of revenue. If he used it as a stock reserved for immediate consumption, he acts as part of the prodigal, and dissipates in the maintenance of the idle, what is destined for the support of the industrious (Smith 1776:291).

Smith was so confident that people would recognize that debt-fueled consumption was contrary to their best interests that he had little reason to speak more on the matter. Smith was wrong, however, as the twentieth century and the rise of mass consumer culture presented a formidable challenge to Victorian moral sanctions against the use of debt. It is to this rise in consumer culture and its enormous role in expanding the popular use of debt which I will now turn.

2.2: The rise of consumer credit

The ideals of saving and thrift that had been such a firmly entrenched part of nineteenth and early twentieth century culture began to evaporate as the twentieth century progressed, especially in the years following the Second World War. Consumer lending, or 'buying on time' revolutionized how Westerners consumed by allowing people on limited incomes to purchase expensive items they would otherwise have not been able to afford.

As a retail marketing device, consumer credit is relatively new, having first appeared in the late nineteenth century coinciding with the introduction of new durable goods. New technologies allowed everyday household, farm, and business activity to be carried out more easily, quickly and efficiently. The problem with these new goods, however, was their price. Most average working families and farms simply could not afford to buy them outright. In response to this problem, retailers began to use installment credit or "buying on time" as a marketing and sales tool.

Probably the earliest durable goods to find a mass market through the use of installment credit were sewing machines. Singer was the first to introduce a small machine geared for home use and was eager to experiment with new forms of consumer credit in order to maximize sales of this expensive, though extremely useful machine. By the beginning of the twentieth century, installment credit was commonly used to purchase a whole range of durables and had expanded to ease the purchase of less expensive items as well. Allowing consumer credit to be used to purchase less expensive items meant that those with lower incomes could begin to access them – and they did in great numbers. As this practice became more common, debt soon became associated with the economically marginalized. This predictably led to debt once again assuming a measure of social stigma. This stigma did little to quell the expansion of consumer credit though. As Calder (1999:167) argues, the driving forces behind this expansion – industrialization, urbanization and immigration – were simply too powerful. Industrialization greatly increased the output of durable consumer goods, and without consumer credit these goods could not have been purchased in the numbers needed to keep up with supply. Urbanization created a new social environment that encouraged people to communicate things like social status through consumption patterns. Immigration meant that goods which could not be practically moved by the immigrants to their new homes had to be replaced.

Perhaps the single consumer product most frequently cited as the driving force behind the modern expansion of credit is the automobile. By 1924, almost three out of every four cars sold were purchased on installment credit. Of the total retail credit granted that year, more than half involved debt acquired to finance the purchase of an automobile (Calder 1999:184). In order to meet this huge new demand for credit a plethora of new financial companies emerged and competed fiercely with each other for clients. This competition led to lower interest rates, more favourable payment schedules, and lower down payments – all of which served to further drive demand. By the 1930's virtually all retailers of durable goods offered financing. In the United States, total retail credit grew to over seven billion dollars from just under half a billion in 1910.

By the 1950's, long held values of thrift and saving were increasingly coming into conflict with a new set of post-World War II material aspirations. Steigerwald (2008) argues that this tension was finally resolved by redefining thrift. No longer simply a means to wealth or a mark of good character, thrift and savings became a means to further consumption. Paradoxically, thrift became a partner to, rather than the opposite of debt. The days of saving money in order to invest began to disappear, only to be replaced by the practice of saving in order to make a down-payment on the purchase of commodities. As incomes began to rise in the 1950's and 1960's, a wave of confidence in the strength of the economy and widespread feelings of optimism for the future swept through Western democracies. This optimism was harnessed by manufacturers, retailers, and real estate developers who encouraged people to assume large amounts of debt. With this came a fundamental shift in how debt was viewed. Here we find the beginnings of the contemporary consumer-credit driven society.

Changing consumer attitudes towards debt were facilitated by complex changes to the structure of the global economy. The next several sections will take a brief look at globalization, its effects upon western economies and their use of credit and debt, and how these effects ultimately led to the assent of debt-driven consumption as one of the prime drivers of contemporary western economic growth

2.3: Globalization and the evolution of debt

As the flow of capital started to become internationalized in the 1960's, banks around the world began accepting deposits and providing loans in U.S. dollars. This helped to absorb and recycle the massive amounts of U.S. dollars circulating around the world in their function as an international reserve currency and instrument for international payments. This contributed to the deregulation of currency markets as these U.S. dollars, by virtue of being held in foreign banks, were not subject to the laws and regulations of the United States Federal Reserve. These international banks were not obligated to set up mandatory reserves for their dollar loans, which meant that they could offer high returns to depositors and excellent rates to borrowers. As western economies began to slow down from the post-World War II long wave of economic growth, banks found less opportunity for investment and subsequently became flush with dollars. In their quest for new markets, these financial institutions began to look to southern, less developed nations as potential markets to invest their capital.

In 1973, a huge rise in oil prices meant that oil producing nations, most of them in the middle-east, found themselves with vast amounts of U.S. dollars (Barnett 1994:368). Most of these dollars ended up deposited in European and American banks, which resulted in enormous liquidity. Non-oil-producing countries in the south, on the other hand, were hit with skyrocketing oil prices. This forced poorer countries to borrow money from western financial markets in order to finance their now ballooning deficits. Encouraged by these conditions, western banks began an aggressive policy of marketing low-rate loans to third-world countries as a means of putting their massive dollar holdings to work: "Any number of the South's leading government officials and enterprise heads from the time can be found to testify that the representatives from the north's banks descended upon them to offer loans, tripping over one another to offer the most attractive terms" (Toussaint 2005:139). The low interest rates and favourable loan terms offered by the banks made these loans irresistible. By the time the financial crisis of the 1980's hit, many of these third world countries owed money to literally hundreds of different banks. Leading the charge to recycle their petro-dollars as loans to third world countries was Citibank who, at the time, was the largest single holder of Middle East oil revenues (Barnet 1994:368). As Citibank CEO Walter Winston was said to proclaim: "Countries do not go broke" (1994:369).

The rise in oil prices helped precipitate a global recession which caused a massive slowdown of growth in western countries. As a response, developed nations began offering attractive loans to third world countries in the form of export credits. Loans were provided to developing nations on the condition that they used this money to purchase goods and services from creditor nations (these goods were often industrial or military hardware) (Toussaint 2005:139). These sort of deals were structured to help boost the sales of large western corporations and contributed very little to the economic development of third world countries; in fact, they often proved to be a liability.

Though many of the loans extended to third world countries were through private financial corporations, a good portion of them were directly through northern governments or their proxies (such as the World Bank). These `development loans' were used to finance large infrastructure projects (the so called `megaprojects'), to finance the third world's already out of control debt, and to help steer third world countries toward export orientated production geared to meeting the demands of northern nations. One of the consequences of this was that third world countries began competing with each other in the export of raw materials and other basic goods to the west. This, in turn, caused prices to drop, which meant less export revenue and further financial hardship for these developing countries (Toussaint 2005:140).

The international banking system ran into serious trouble in the late 1970's and early 1980's as rising global inflation levels became intolerable to western financial systems (Calder 1999). High inflation means that creditors can lose money on their loans. As a result, U.S. Federal Reserve chairman Paul Volker made it his mission to stamp out inflation by raising interest rates. The effect of these rate raises on third world countries was devastating, with payments on some loans as much as tripling (Toussaint 2005:142). This situation was made worse by falling prices of minerals and other natural resources upon which third world countries depended for export earnings (Barnet 1994:370). This crisis was so severe that some indebted countries had outstanding debts higher than their entire gross domestic product. To make matters worse, the late 1970's and early 1980's saw a huge capital flight from third world countries totaling well over $100 billion. In order to protect their wealth, many of the third world economic elite who had benefitted so richly from earlier loans now put their capital in Western banks in order to protect them from the economic crises in their own countries. As a member of the Federal Reserve board remarked in the early 1980's, "it's not that Latin Americans don't have any assets. They do. The problem is they're all in Miami" (Barnet 1994:370).

In the end, the Third World debt crisis of the late 1970's and 1980's did not result in the collapse of the world banking system, nor did most indebted countries declare bankruptcy and default on their loans. One important effect it did have, however, was to make third world countries wary of assuming large amounts of debt from Western banks.

With the realization that the profit making potential of lending to underdeveloped countries was almost exhausted, banks, and especially American banks, once again found themselves with more capital than they could profitably invest. This realization coincided with the presidency of Ronald Reagan, arguably the most pro-corporate, pro-business president in fifty years (Dobbin 2003:51). Along with Reagan, the 1980's saw the election of a host of governments around the western world who whole-heartedly embraced the pro-market ideology of neoliberalism – Brian Mulroney in Canada, Margaret Thatcher in the United Kingdom, and Helmet Kohl in Germany to name a few. This set the stage for the rapid expansion of consumer and business debt around the western world, and the emergence of financialization as a key engine of corporate profit in the new neoliberal economy.

2.4: Neoliberalism and debt-driven consumption

In the early 1980's Citicorp took the lead in beginning to tailor its business model towards the consumer lending market. Toussaint (2005) argues that "After lending billions to insolvent nations and defaulting developers, Citicorp officials found the idea of spreading the risk around in short-term credit at high interest to tens of millions of people around the world very attractive" (Toussaint 2005:374). This meant that rather than financing development or the production of commodities, as had been the bank's traditional primary role in the capitalist economy, Citicorp and other financial institutions would now focus on financing consumption. It was decided that credit could be sold just like any other product and millions of consumers who had never been in debt could be enticed into buying on credit.

Along with increased effort on the part of financial institutions to market debt to consumers came an effort to lobby government agencies to create an environment favourable to these financiers and their new products. Western governments proved quite receptive to these lobbying efforts. As real wages stagnated and economic disparities increased in the 1970's and 1980's, governments saw a rapidly expanding supply of consumer debt as a way to mitigate these social and economic problems. The fact that an increasing number of citizens were unable to meet their basic needs with their earned incomes could be masked by supplying them with easy access to cheap credit.

Draut and Silva (2003) analyzed consumer debt through the 1990's. Although the decade is often framed as one of unprecedented economic prosperity, their research points to a decade of declining real wages, job displacements, and rising costs of living. The illusion of prosperity, they argue, was maintained through the massive proliferation of consumer debt.

Economic hardship was not the only factor that helped create an increased demand for credit in the 1990's. The decade also saw extremely aggressive marketing of consumer credit by financial institutions. For example, direct mail solicitations for credit cards in the United States jumped from an already enormous 1.52 billion in 1993, to a staggering 5 billion by 2001. Draut and Silva (2003) also point to deregulation of the consumer financial industry as a major cause of the era's debt expansion. No longer restricted in the amount of interest they can charge, nor in the amount of fees they can collect, lenders saw a potential gold mine in trapping consumers in never-ending cycles of debt. Under the so called "democratization of credit", lenders began to market debt to more low income families. In addition, they lowered minimum payments, making it easier to carry large amounts of debt. Finally, financial companies took advantage of the deregulated market and introduced a whole range of service fees, late fees, and penalties. Even today, despite the high number of defaults, credit cards and unsecured debt remain one of the sectors most profitable products.

2.5: Credit and the Modern Consumer

Structural changes to the financial sector and economy as a whole may not completely account for the enormous rise in consumer debt over the past several decades. Along with structural changes came cultural changes in how we view the use of debt and the problem of indebtedness. These changes, to which I will now turn, played a significant role in the creation of the modern indebted consumer.

There is a significant amount of literature devoted to the contemporary consumer. Broadly speaking, this literature demonstrates that it is the relationship between consumption and social comparison which drives this new consumer, and which in turn has contributed to soaring levels of consumer debt. It is this relationship on which I will now focus.

The classic work on the relationship between consumer behaviour and social comparison is Thorstein Veblen's *Theory of the Leisure Class* (2007). Veblen argued that in affluent societies, consumption becomes the means through which the wealthy establish and broadcast their socio-economic status. Not only do these conspicuous displays of wealth assure the individual their proper spot in the social hierarchy, but they also provide a model for the lower classes (especially the upwardly mobile) to emulate. At Veblen's time, however, upward mobility was considerably more difficult than it is today. There was little middle-class to speak of, and those at the bottom of the socio-economic ladder could observe the conspicuous consumption of the 'leisure class' but could only emulate it in the most superficial manner.

The mass production of consumer goods that began in the early twentieth century changed everything. As we have already seen, this, along with the introduction of consumer credit, made it possible for people to acquire a whole range of commodities which were previously unattainable. Post World War II North America saw the creation of a large middle-class with a relatively large amount of disposable income and access to a great deal of credit. Rather than looking to the rich, however, this middle class tended to look to their urban neighbours for their spending cues. The idea of "keeping up with the Joneses" was born.

Schor & Holt (2000) argue that the consumer of today no longer relies upon their neighbour as a reference group. Instead, lifestyles of the upper-middle class and the very wealthy have become the standard against which all else is measured. If the early and middle parts of the twentieth century were about consumer comfort, the late twentieth and early twenty-first centuries are more about consuming luxury (Schor & Holt 2000:3).

One reason for this shift to "upscale emulation" as they call it can be found in the decline of the neighbourhood as the nexus of social life and social comparison (Schor & Holt 2000:5). As neighbourhood contacts declined, the workplace became a more important source of reference. But perhaps more importantly, as people spend more time at home, the television has become one of the most important sources of consumer cues and information. Because television shows are frequently skewed to display and glorify the lifestyles of the wealthy, they inflate viewer's perceptions of what other people have, and by extension, what they themselves must acquire and consume if they are to fit in.

In an interesting study of American social and economic aspirations, Fournier and Guiry (1993) found that 35% of their sample population aspired to reach the top 6% of the income distribution, while almost half aspired to the top 12%. Only a small percentage (15%) were content with a middle-class lifestyle. Despite these dreams, the vast majority of people will not achieve the level of income required to meet their lofty aspirations. Most will not even come close. This means that a considerable `aspiration gap’ has developed. People’s desires and needs have grown more quickly than their incomes, causing them to rely more and more upon consumer credit to bridge the gap. Creating the illusion of prosperity and increased material wealth in an increasingly economically stratified society requires ever increasing levels of personal debt. Consumer credit allows consumers to temporarily overcome discrepancies between inflated consumer desires and stagnant or even declining incomes.

It is important to note that the conspicuous consumption of Veblen’s era, despite some superficial similarities, is in fact quite different from the debt-driven consumption we see today. Veblen focused on the psychological aspects of class distancing. His rich status seekers were aware of what they were doing with their consumptive behaviours; in other words, seeking to display and re-inforce their social status through conspicuous consumption was a purposeful, goal-driven behaviour. This is not how consumption works today. According to Bourdieu (1984), taste has today become naturalized or unconscious. Individual consumers are not as aware of the class implications of their choices and preferences as the rich consumers of the past would have been. Bourdieu makes a case that various agents of socialization like the family, school, friends, peers, etc., are the most powerful determinants of taste for a broad range of cultural goods. This includes such things as food, dress, leisure and art to name a few. Social standing is gained, lost and reproduced largely through everyday acts of consumption and consumer behavior. This means that what we buy, and by extension the consumer credit often used to buy it with, are deeply implicated in the structures of social inequality.

Despite the role that consumer debt plays in masking and perpetuating social and economic inequality, eliminating or restricting it would likely prove quite difficult. Bauman (2000) observes that in today's liquid society, the concept of freedom has become intertwined with notions of consumer choice, notably consumers' freedom of self-identification through the use of mass produced merchandised commodities (2000:84). In this culture, debt and consumer credit become not simply a ticket to the good life, but a vital tool in the exercise of freedom. Small wonder that despite the considerable number of people who run into debt problems, and despite the enormous social and economic problems which the abundance of debt contributes to (such as the so called 'credit crunch' and recession of 2008), citizens do not rail against our financialized economy or the proliferation of debt. On the contrary, some citizens may even vigorously resist any attempt to rein in consumer debt as an attack upon their freedom.

Finally, we live in a world where credit (and especially credit cards) have become so ubiquitous that it would be difficult to function without it. It is impossible to rent a car, buy a plane ticket, rent a hotel room or make purchases online without a credit card. As access to consumer credit becomes even more important, lenders have expanded their businesses to serve those who have traditionally been denied credit – which in turn further expands the total amount of consumer debt in our economy. Those on the lower end of the socio-economic scale are often particularly vulnerable to unscrupulous lenders. As Manning (2007) points out in a 2007 U.S. Senate Committee on Banking, Housing, and Urban Affairs:

> There has developed a] distinction between "first-tier" or low-cost mainstream banks and "second-tier" or "fringe" banks such as pawnshops, rent-to-own shops, "payday lenders", car title lenders, and check-cashers. This widening institutional division between the consumer financial service sectors has dramatically increased the cost of credit among immigrants, minorities, working poor, and heavily

> indebted urban and increasingly suburban middle classes (Manning 2007).

The second-tier lenders often charge exorbitant rates of interest and catch the poor in a vicious cycle where they are required to assume ever larger amounts of debt in order to service their previous loans. This makes it almost impossible for them to ever pay off their debts in full, deepening their precarious financial situations.

2.6: The Causes of Problematic Debt

In the previous section I outlined how the explosion of consumer debt and indebtedness in general can be traced back to structural changes in Western economies and cultural changes in how we view debt and indebtedness. These changes have made the proliferation of easily available credit a necessary precondition of economic growth. Furthermore, popular culture has evolved to re-cast indebtedness from (at best) a necessary evil, to a vital component of personal freedom and economic well-being. As we have seen, this rapid expansion of debt has also been accompanied by the increasingly serious issue of individual over-indebtedness. How and why has over-indebtedness become such a ubiquitous problem for Western economies? Who exactly gets into problems with debt and why? Many citizens in our contemporary western economies are able to use various forms of credit available to them without falling into arrears. Why do some people get into problematic debt situations while others do not?

Broadly speaking, there are two approaches to understanding problem indebtedness. The first approach focuses on individual agency and seeks to correlate specific individual behaviours and attitudes with negative financial outcomes in general. This assumes that individuals are rational free-agents capable of making autonomous decisions in their lives. According to this world-view, the economic circumstances of an individual's life are largely the result of their own freely made decisions and preferences (Livingstone & Lunt 1992).

The second approach takes a critical look at the social and economic structures which limit individual autonomy and restrict or influence an individual's choices and opportunities. From this perspective, individual choices reflect the influence of larger social structures. This means that matters such as problematic personal debt need to be understood as originating in social and economic policies, not in individual behaviours or choices (Martin-Baro 1996). Both of these perspectives will now be examined.

2.7: Agency versus Structure

Anthony Giddens (1987) contends that the structure/agency problem is central to sociology. He argues that "every research investigation in the social sciences or history is involved in relating action [or agency] to structure" (1987:219). In the case of this research, the structure/agency problem is particularly important for two key reasons. First, it is reasonable to assume that the impact of problem debt on any personal relationship will to some extent depend upon how the individuals within that relationship interpret and understand their particular situation. Is the debtor evil? A possessor of poor or weak character? Are they unable to control their consumptive urges or individually disposed to partake in pathological financial behaviours? By understanding problematic debt as the result of individual shortcomings or failures, it casts the debtor in a rather negative light. This in turn may place a person's suitability as a partner or friend or spouse in question. Who wants to marry somebody who cannot manage their finances competently or who is a 'deadbeat' debtor? On the other hand, if problem debt is understood as originating in circumstances and structures beyond any one individual's control, then the stigma surrounding debt is somewhat mitigated. In this view, problematic debt is not the result of individual character flaws, but rather, is due to economic and social forces beyond the individual's control.

The second reason the agency/structure problem is relevant to this research is because our understanding of the causes of problem debt will necessarily influence how we choose to respond to it as a society. Recent years have seen the proliferation of debt counselling agencies which attempt to deal with problematic debt by modifying individual financial behaviour. As already noted, these agencies tend to treat unmanageable debt as a consequence of poor individual economic decision making. They propose a remedy in which debtors are encouraged to take responsibility for their financial behaviour and receive financial education in how to manage and pay back their debts. If, however, we understand personal debt as the inevitable result of larger economic and political structures, it then becomes a problem best attacked on a societal rather than individual level. This means that, at best, attempts to deal with problematic debt through behaviour modification will have limited success in mitigating problematic debt. At worst, these counselling agencies reify personal debt, obscuring its real causes and perpetuate the economic and social structures which create problematic debt and exploit it for profit.

2.8: Problem debt and individual agency

Who gets into difficultly with debt and why? Much of the literature examining these questions is rather old. Despite its age, much of this research is still relevant to this project and will be examined in this section.

Dessart and Kuylen (1986) found that problem debt situations are typically associated with several factors: First are socio-economic factors which include low level of income, number of children aged 7-18, and renting one's home as opposed to owning (Dessart and Kuylen 1986:318). Second are psychological or decision-based factors: "Problematic debt situations are encountered less frequently among borrowers who have taken a well-considered decision about the credit to be raised than among borrowers who have not done so" (Dessart and Kuylen 1986:321). Also, "Borrowers who consider the term of the credit and/or a low interest rate to be unimportant run a greater risk of a problematic debt situation than borrowers who do consider these credit features to be important" (Dessart and Kuylen 1986:321). Note that this study found that people with either very high or very low knowledge of credit and borrowing proved least likely to get into problematic debt situations. The authors argue that this is because those with the least financial knowledge tend to be cautious when it comes to assuming debt. It is those who have a low to moderate knowledge who are most likely to get into problematic debt situations (Dessart and Kuylen 1986:323). The third factor relating to problem debt is institutional. Dessart and Kuylen found that the total number of outstanding debts proved to be the most important institutional factor in the creation of problem debt situations. Also, the risk of default on payment appears to be greater when the debt is arranged via an intermediary or third party (Dessart and Kuylen 1986:317). Speaking generally, the more risk that financial institutions are prepared to accept, the greater the number of problem debt situations that will arise amongst borrowers.

Livingstone and Lunt (1991 and 1992) have conducted research examining the psychological and behavioural factors associated with problem debt. Their 1991 study found that the relationship between certain aspects of an individual's psychology and external economic and social pressures was useful in predicting problematic debt situations. Specifically, they report that stress, careless budgeting, lack of self-discipline, and absence of savings are all associated with problematic debt. In their 1992 study, Livingston and Lunt found that those in debt tend to be significantly younger, have less personal savings, and tend to see debt as a useful way to obtain things without having to save up for them first (Livingston and Lunt 1992:127). Those who believe that credit is a useful way of obtaining things for which they do not currently have the money are more likely to attribute their debt problems to the credit system. They cite their pleasure in consuming and shopping as one of the main contributors to their financial problems and also tend to express their social worth and social relations through consumption (Livingston and Lunt 1992:128-9). These people feel less in control of their finances and are more likely to make impulse purchases. People with serious debt problems, on the other hand, tend to offer explanations for their situation based on unstable, uncontrollable external disasters or crises (Livingston and Lunt 1992:129). The authors conclude that "being in debt appears to be linked to sociopsychological participation in consumer culture more generally" (Livingston and Lunt 1995:129). Walker et al. (1992 in

Lea et al. 1995:684) also noted the correlation between consumer behaviour and problematic debt in his research, finding that those in debt frequently chose to classify as necessities purchases that others would consider luxuries (such as expensive Christmas presents for children or fashion goods). Similarly, Achtziger et al. (2015) explored the links between self-control, compulsive buying and debt. They found that those with high levels of self-control are less likely to accrue large levels of debt. Compulsive shopping, on the other hand, is strongly linked to high levels of consumer debt. Their research also found that woman are more likely to engage in compulsive shopping than men.

Tokunaga (1993) attempts to create a psychological profile of people with debt problems in his 1993 study. He argues that people with unmanageable debt have typically been portrayed in one of two ways. The first is that of an unethical individual who intentionally neglects their financial obligations. The second is that of an unlucky person struck by an unanticipated adverse life-event which forces them to use credit to survive. His research found that the truth lies somewhere in the middle (Tokunaga 1993:310). Those with credit problems are likely to have been brought up in a family that was not in financial distress and did not use credit. They displayed a low sense of self-worth, believed their lives were controlled by forces beyond their control, and had little faith in their ability to overcome problems and obstacles (Tokunaga 1993:310). While similar to Livingston and Lunt's research (1992), the data from Tokunaga's research also suggest that the causes of problematic debt are more due to external economic and structural factors than individual psychological or behavioural factors.

Another attempt to chart the correlation between problematic debt and psychological variables is found in Lea et al. (1993 and 1995). Like Tokunaga (1993), their research did not find any substantial like between the two. Rather, they found that important factors predicting debt status included whether the respondent's peers were also in debt, and how they thought other people would react if they knew that the respondent was in debt. Their more comprehensive 1995 study found problematic debt to be associated with a decline in financial status relative to parents, poor money management skills, and the use of more expensive lower-tier sources of credit (Lea et al. 1995:699). The authors conclude that while psychological factors play a noteworthy role in facilitating the accumulation of problematic consumer debt, they may not be as significant as earlier research has suggested. Rather, they found that living in poverty is the variable most commonly associated with problematic debt situations:

> When we come to consider the causation of debt, the best hypothesis is that this entire [debt] pattern has its origins in economic factors. The key economic variables retained in the analysis show that debt is primarily found among people looking after families on low incomes in insecure housing. These conditions are associated with a set of behavior patterns that make it harder to cope with them… for the most part, the psychology of debt forms part of the wider question of the psychology of poverty, and any substantial reduction in the incidence of debt must come from a reduction in the impact of poverty (Lea et al. 1995:700).

Martin-Baro (1996) argues that we need to be wary of psychological and behavioural explanations for problematic personal debt. There is a tendency, he believes, for psychology to pathologize certain behaviours. This obscures the link between social oppression and individual circumstance. Mainstream psychological and classical economic literature tend to present the heavily indebted as unable to control their urges to consume or as incapable of the sort of rational economic decision making upon which their theoretical models are assembled. Walker et al. (2015) contend that this negative image, which is internalized by the debtor, is the result of “subtle yet discernable economic oppression”; in this manner “mainstream psychology has been used as an ally in the presentation of social inequality as dispositional failure” (2015:268).

Much of the more recent psychological literature looks specifically at the role of individual personality in saving and borrowing behaviours (Nyhus and Webley 2001, Joireman et al. 2010, Meier and Sprenger 2010). Nyhus and Webly (2001), suggest that there is a strong relationship between personality structure and financial behaviour. They found that extroversion, emotional stability and autonomy are all robust predictors of saving and borrowing behaviours in students. These results are mostly consistent with other similar studies. For example Robert (2000) reports that students with extroverted personalities were more likely than introverts to aspire to exciting lifestyles focused on consumption and hedonistic life goals. Nyhus and Webley (2001) affirm that extroverts are more likely to incur additional social expenditures, seek out new experiences, and focus more on acquiring status symbols (Nyhus an Webley 2001:153).

Emotional stability is also found to influence borrowing behaviours. Proneness to anxiety or low emotional stability can be correlated with seeking to minimize borrowing and debt usage, and fears about coping with finances in general (Nyhus and Webley 2001:163). This correlation exists independent of the subject's objective financial circumstances. In terms of autonomy, Nyhus and Webley (2001) report that greater autonomy is associated with lower savings and the increased likelihood of personal debt. They also found that the more agreeable a person is the more likely they are to have less savings and be willing to borrow money, and that greater savings tend to be associated with higher levels of individual self-control. The results of Nyhus and Webley's (2001) research are consistent with a more recent study by Harrison and Chudry (2011) which also found that extroverts are more likely to take part in behaviours which increase the likelihood of incurring debt, and that more neurotic individuals were more likely to be aware of and concerned about money and their financial situation.

Joireman et al. (2010) also link personality to borrowing behaviour, finding credit card debt to be strongly associated with compulsive buying tendencies and inadequate consideration of the future consequences of borrowing. Meier and Sprenger (2010) also link high credit card debt to a propensity to focus on present rather than future needs. Wang et al. (2011) argue that self-control, self-esteem, self-efficacy and the ability to defer gratification all predict lower credit card debt.

As Hanna et al. (2015:204) and others have noted, there is an abundance of psychological research highlighting the apparent economic dysfunctionality of those who find themselves unable to manage their debts (Amar et al, 2011; Wang et al. 2011 Nyhus & Webley 2001). Similarly, mainstream economists have also tended to understand an individual's inability to service their debt as a dispositional failure. Guided by logical positivism, they subscribe to a form of economic rationalism which constructs the individual as a rational, self-interested, independent economic actor (Hanna et al. 2015:204). This view, known as “economic rationalism”, informs how problematic debt is often understood in popular and academic discourse. It discounts economic structures and presents those struggling with debt as autonomous free agents, as subjects of their own decisions rather than objects of oppressive macro-economic practices.

By framing problematic debt as a product of financial incompetence or the inability to delay gratification, debt becomes something requiring a specific set of techniques and instruments in order to modify that problematic behaviour (Miller and Rose 2008). The personal shortcomings of the poor and disadvantaged are presented as changeable through their own behavior, something to be encouraged by a system of government rewards and punishments.

2.9: Problem Debt and Social Structure

Despite the pervasiveness of economic rationalism, there is evidence to suggest that consumers are not the self-interested rational actors and decision makers that this world-view purports. For example, Kamleitner et al. (2012) in their review of the psychological literature, report that consumers tend to emphasize or exaggerate the benefits of using credit to meet current needs while discounting the future costs. Other research has found that people tend to underestimate the probability of experiencing serious or even catastrophic life events such as illness or unemployment (Stark and Choplin 2010). Furthermore, it appears that people often misjudge their ability to repay their debts and to adapt to unforeseen future financial circumstances. Some even interpret their credit limit as a signal of their future income potential (Soman and Cheema 2002).

In light of the deficiencies of economic rationalism, some authors propose that the problem of “personal” debt is in fact a social issue, one that needs to be understood within the context of the larger stratified economy. Walker et al. (2012) argue that over-indebtedness is a “manifestation of a particular model of late capitalism where the dominant economic and political modes of organization demand the increased use of credit to sustain consumer demand" (2012:271). This model of late capitalism, also known as "neoliberalism", is maintained through "a range of ideological and discursive representations of debt that privilege the pathologisation of individuals at the expense of a macroscopic analysis" (2012:272). Today, the western world has largely organized their economies around the principles of neo-liberalism, defined by Harvey (2005:2) as "a theory of economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedom and skills within an institutional framework characterized by strong private property rights, free markets, and free trade". Neoliberal rationalities of government consist of a number of ideologically coherent political precepts drawn together by a fundamental belief in the superiority of the free market over intervention by the apparatus of the state (Walker et al. 2012:534). Characteristics of the neoliberal economy such as globalization, changing labour laws, and poorly regulated international financial markets have allowed financial institutions to "adopt practices that have proved successful in creating personal debt" (2012:264). These economic policies combined with the global recession that started in 2008 have created a crisis of under-consumption. Lower real wages have resulted in less consumer spending which necessitated the expansion of personal debt in order to finance the growth of western economies (2012:266).

Bauman (2000:98) remarks that "living in credit… has become part of the national curriculum". Consumer credit is now a necessary component in contemporary consumption practices (Marron 2015:408). The sustained politics of wage suppression and financial deregulation have created a growing number of citizens in need of credit for the necessity of everyday items of survival and to cope with the financial impact of day to day events. (Nyhus and Webley 2001). Turner (2008) also argues that the persistent rise in personal debt has helped mitigate rising unemployment caused by the recession. The result is that, for many, being in debt, even heavily indebted, is now the normal state of affairs. This has changed how we view personal debt as a society. As part of a long-term process, consumer credit provided by main street banks and other major financial institutions has lost much of the old moral and cultural opprobrium that historically attached itself to debt. Consumer credit now comes to be presented, in essence, as one financial tool among a wider set that enables consumers to maintain their material welfare (Marron 2015:408).

In order to understand the nature and function of personal debt within the context of today's neoliberal economies, we have to look at capital not as a "thing" but as a process where money is perpetually sent out in search of more money (Harvey 2005). Central to the function of capital in the neoliberal economy is the process of financialization. Krippner (2005:174) defines financialization as a "pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and industrial production". It describes a historical trend since the late twentieth century in which finance and financial considerations became increasingly central to the workings of the western economies. Marking a fundamental discontinuity between the post-war war economies (Davis & Kim 2015:205), this "shift in the center of gravity of the capitalist economy from production to finance" (Foster 2010:1) is reflected in almost every aspect of the neoliberal economy, including: (1) increasing financial profits as a share of total profits; (2) rising debt relative to GDP; (3) the growth of FIRE (finance, insurance, and real estate) as a share of national income; (4) the proliferation of exotic and opaque financial instruments; and (5) the expanding role of financial bubbles. Financialization is also manifested in a greater emphasis on maximizing shareholder value, and the increased importance of financial activities by non-financial corporations (Davis and Kim 2015:205).

The financialization of western economies has led to a new regime of accumulation – one based largely upon weakened labour unions, diminishing real wages and large capital gains. In this new regime, corporate profits remain high despite the diminishing purchasing power of labour (Lavoie 2015). It is also associated with increased economic inequality (Davis and Kim 2015:211). Research has shown that revenues from financial investments are typically not reinvested in productive activities; this leads to stagnation of real wages and rising debt for wage earners (van der Zwan 2014). In the financialized neoliberal economy, those who have extra assets see increased returns from investments while those who cannot afford to take part in financial markets suffer. This leads to a highly stratified society (Fligstein and Goldstein 2015).

Increased household debt is also a major feature of financialization (Minsky 2008). Stagnant income combined with easier access to debt means that household consumption is increasingly maintained by accumulating debt rather than with earnings. Households are encouraged to take on more and more debt by financial institutions who are willing to grant larger and larger loans. Financialization has thus "transformed a growth regime that relied on high real wages and high business investment into a regime based on high consumption spending and ever-rising household gross debt, justified by the high prices in the stock market and the real estate market" (Lavoie 2015:217). What we are witnessing today in society as a whole is what might be called the "financialization of class." The term "social class", often shortened to "class", is used by sociologist to refer to the division of members of a society based on social and economic status (Oxford Reference 2017). David Harvey argues that the credit system has now become the major modern mechanism for the extraction of wealth by finance capital from the rest of the population (Harvey 2008), and in turn, for maintaining class hierarchies.

One of the most significant characteristics of the neoliberal financialized economy is the extensive securitization of debt. This is the financial practice of pooling various types of contractual debt such as residential mortgages, commercial mortgages, auto loans or credit card debt obligations and selling their related cash flows to third party investors as securities, which may be described as bonds, pass-through securities, collateralized debt obligations (CDOs,) or asset-backed securities. Investors are repaid from the principal and interest cash flows collected from the underlying debt and redistributed through the capital structure of the new financing. Montegomerie (2007) and Geisst

(2013) argue that the development of asset backed securities as part of the process of financial liberalization has served to augment the supply of money available for consumer spending. More importantly, it has made profits and future credit contingent on a steady stream of persistent revolving debtors. Securitization has increased the supply of credit available and transformed lending patterns to focus increasingly on those already in debt (Walker C. et al 2012:242). In light of this, Walker argues that agencies in the mainstream credit sector, when considered together, comprise a form of industrial parasitism that enable the targeting and acquiring of persistent revolving door debtors and hence the continued growth in the proportion of unpaid balances (Walker C. et al. 2012:243).

2.10: Reconciling Agency and Structure in the Neoliberal Economy

Several authors have suggested different theoretical approaches to economic rationalism and positivistic mainstream psychological explanations for personal debt. Hanna et al. (2015), drawing on Michel Foucault, provide an account of the “indebted individual” as a particular type of subject constructed through “technologies of knowledge” and “technologies of power” (Hanna et al. 2015:206). Technologies of knowledge allow specialists such as psychologists or counsellors to position certain types of behaviour as illegitimate and deviant. In this way the dominant ideology enables or constrains certain behaviours by labelling them as “normal” or “abnormal”, as “acceptable” or “unacceptable”. Technologies of power control and construct the subject through discursive regimes (2015:206). These technologies mask the power relations behind economic and political structures under the guise of promoting personal freedom and choice. From this perspective, “financial competency, rational choice, and financial acumen can all be understood as disciplinary technologies that formulate and constrain the subjectivity of the “indebted individual”” (2015:206).

Maurizio Lazzarato proposes a theory of personal debt suggesting that the birth of neoliberalism in the 1970’s has restructured the creditor-debtor relationship: “the power of credit, central to neoliberalism, requires the construction of an indebted subjectivity. Producing a responsible, guilty and thus hindered subject, this condition involves individuals and society facing an infinite social debt" (Lazzarato in Charbonneau & Hanson 2014:1039). Citing the influence of Deleuze and Guattari, who maintain that one of the major innovations of capitalism is the introduction of "endlessness" into the economy (1977), Lazzarato argues that contemporary capitalist debt represents an innovation over previous societies mainly due to the impossibility of its complete reimbursement (Lazzarato in Hansen 2014:1042). Debt is no longer something to be accessed occasionally when needed then later paid off, but rather has become a constant feature of contemporary economic activity. Whereas in less advanced capitalist economies, power stemmed from the relationships between the owners of the means of production and the workers, today we find power stemming from the endless nature of the creditor-debtor relationship (Lazzarato in Charbonneau & Hanson 2014:1042):

> I believe that the shift that has occurred with neoliberalism… concerned the issue of society: how to control society as a whole? The power of debt in neoliberalism represents a highly efficient mechanism of control and capture, more efficient that the modes of resistance put in place by the workers movement. While the latter still focuses on the dynamics located within the productive space, power is not exerted on a broader social scale (Lazzarato in Charbonneau & Hanson 2014:1042).

The oppressive capitalist/worker relationship has been supplanted by a more effective creditor/debtor relationship. Workers have yet to develop forms of struggle and resistance specifically aimed at the issue of indebtedness. This dynamic came to a head with the financial crisis of 2007-2008 which Hansen describes as western capitalism's "first financial capture through private indebtedness" (2014:1045). In the neoliberal economy, debt, monetary and fiscal policies are the primary tools used by the dominant classes to capture and consolidate wealth.

Another alternative understanding of neoliberalism originates from Bourdieu (1977, 1990, 1992, 2000) who is highly critical of economic rationalism and the class structure he believes it propagates and obscures. Bourdieu argues that the neoliberal worldview is sustained through a process of "imposing norms and then selling the means – generally ineffective ones – of bridging the gap between these norms and the real possibilities of achieving them" (Bourdieu 1992:24). In the case of debt, borrowing is a tool used by the subject to "construct themselves according to the imposed entrepreneurial consumer norm" (Lemke 2001:196). Debt is popularized as an instrument to be used by free agents in order to attain things of value and live the lifestyle championed by the dominant culture.

Bourdieu argues that neoliberal economic and social policies are imposed by the dominant class principally through a state structured educational process. Subordinate classes are taught to internalize the dominant symbols and meanings thereby ensuring their reproduction. Bourdieu calls this process "symbolic violence". It creates a situation in which the values and norms which sustain oppressive social relations become the 'objective' values and culture of the society as a whole. Values and practices that sustain the dominant class are "misrecognized" by the subordinate social classes, mistaken for the cultures and values of the entire society rather than that of the privileged few. Naked acts of self-interest are clothed with the mantle of the commonly recognized symbolic goods, making the winners or dominant classes appear not as exploiters, but as gifted individuals with superior cultural endowment (Bourdieu 1992:163-65).

Several authors (Lin 2001, Arthur 20012, Gartman 1991) cite the importance of the pedagogic process by which this "symbolic violence" is accepted without resistance or even conscious awareness by most citizens. The practice of "financial literacy" in particular is singled out for criticism. Different agents of socialization such as the family, friends, and media are all significant in this pedagogical process but the most important component is the state school system: "In the educational system, not only do the agents (teachers and administrators) acquire and misrecognize the dominant culture and values as universal and objective, but they transmit "knowledge" by rewarding students who carry out the reproduction of dominant culture and values in the next generation" (Lin 2001:14-15). In this way, class structures shaped by the neoliberal economy becomes so deeply embodied in individual dispositions that they appear natural and obscure their social origins (Bourdieu 1977:72-97).

One of the central ideas in Bourdieu's social analysis, and one that is useful for this discussion, is the concept of "habitus" which he defines as:

> A system of durable and transportable dispositions, structured structures, predisposed to function as structuring structures, that is, as principles which generate and organize practices and representations that can be objectively adapted to their outcomes without presupposing a conscious aiming at the ends or an express mastery of the operations necessary in order to sustain them (Bourdieu 1990:53)

This definition suggests that habitus constitutes a "generative principle within agents, working strategically according to the situation" (Chandler 2013:471). People are not simply mechanical agents molded and controlled by objective economic structures, nor on the other hand, are they completely free agents unencumbered by the historical reality of their material and economic circumstances. Rather, Bourdieu uses the concept of habitus to explain how agents are able to act in accordance with internalized social forces despite lacking any strict or conscious plan to do so. Bourdieu does not deny agency, but makes the history of the agent "second nature", meaning that the unique actions of agents are best understood as "regulated improvisation" (Bourdieu 1977:79).

This approach is interesting because with it Bourdieu attempts to overcome the apparent dichotomy between structure and agency. In regards to debt and borrowing, his analysis may help bridge the gap between those who seek individual or subjective explanations for problem debt, and those who point to structural or larger economic processes as the causes of debt. The habitus of an agent establishes dispositions that orient him or her towards particular modes of behaviour (Chandler 2013:472). In this sense, the characteristics of any individual personality need to be understood within the historical and social context which shapes them, i.e. the neoliberal economy. Individual subjects do possess a measure of agency, but it is limited by their current and past context and experiences, which in this case could include their social class, educational background, peer or friend group (to name but a few).

Understanding the causes of personal debt requires both an understanding of the structural topography of the neoliberal state, as well as sensitivity to individual agency and how said agency is shaped by "objective" social structures. The utility of Bourdieu's approach will be demonstrated in later chapters when I examine and analyze the data from my interviews.

2.11: The association between problem debt and poor health

The previous sections have outlined several theoretical approaches that account for how and why some people get into problematic debt situations. Understanding why individuals assume unmanageable levels of personal debt becomes even more important when we consider the range of negative consequences that can accompany it. A number of researchers have looked at how living with problem debt and financial stress in general can negatively affects one's emotional and even physical well-being. This literature is noteworthy because, as we shall see in the next section, many researchers link poor health, especially mental health issues like depression, or the suffering of constant anxiety and stress, to negative relationship outcomes. This section will examine this literature, beginning with studies which correlate debt and poor mental and physical health.

Brown et al. (2005), in their survey of British households, found that heads of households who have outstanding credit, and have higher amounts of such debt, are significantly less likely to report complete psychological well-being (2005:645). Interestingly, the results of this research indicate that unsecured debt such as credit card debt and unpaid bills have a greater negative effect on psychological well-being than secured debt such as home mortgages or car payments. The authors conclude by arguing that there may be a "substantial psychological cost associated with consumer credit culture" (2005:645).

Drentea and Lavrakas report that the debt/income ratio "is significantly associated with worse physical health and self-reported health" (2000:518), and that the stress caused by debt is associated with poor general health (2000:527). The authors note that individuals in debt are often forced to "cut corners” in order to service their debts. This means that they may be forced to forgo health related expenditures. Also, collection tactics can border on harassment and leave debtors anxious and depressed. They speculate that the stress of being in debt may lead to Dangerous escapist behavior such as smoking, drinking, or taking other drugs (2000:519). In a similar study, Bridges and Disney (2010) found a “strong association between being in a depressed psychological state and self-reported problems of indebtedness and financial stress"(2010:402). This association between debt and depression exists irrespective of any objective indicators of the financial situation of the household. Examining the relationship between debt and depression among women with young children, Bridges and Disney found that “worry about debt was the strongest independent socioeconomic predictor of the depression score at both the initial and follow-up occasions” (2010:441). Bridges and Disney suggest that the depression experienced by family members suffering financial hardship is similar regardless of whether they cope by juggling and assuming ever more debt or by cutting back on essentials. Both have similar negative effects on mental health (2010:450).

One particularly interesting study authored by Balmer et al. (2006) looked at social and demographic predictors of debt problems, and asked whether problematic debt situations tend to occur in combination with other problems. They found that those who are particularly susceptible to getting into problem debt situations are people who rent (rather than own) their accommodation, younger people, the poorly educated and single parents. The strongest predictors of debt problems were being in receipt of government benefits (such as welfare or unemployment insurance) and long-term illness or disability (2006:43). In terms of overlap with other problems, the study found that the experience of domestic violence, personal injury, clinical negligence and relationship breakdown all resulted in significant increases in the likelihood of problem debt (2006:44). An increased likelihood of debt problems was also found in those receiving welfare benefits, the unemployed, and the homeless.

Other research appears to indicate that people who are experiencing negative life events or situations (mental illness, addiction issues) are more likely to be in debt than those who are not. Jenkins et al. (2008) found in their research that one-quarter of those with mental illness were in debt (2008:1489). Also, the more debts one has, the more likely one is to have some sort of mental disorder (2008:1492).

In addition to the above studies, it has also been found that problem debt can be particularly harmful to the health of middle aged and older individuals (Ferrie et al. 2005: Georgiades et al. 2009: Wright & Steptoe 2006) Financial difficulties in general are associated with increased mortality (Kahn and Pearlin 2006: Szanton et al. 2010). Job insecurity and debt are independently associated with negative effects on overall mental health and can trigger depression (Meltzer et al. 2013), and credit card debt to income ratios can lead to anxiety and stress (Drentea and Lavakas 2000). Not surprisingly, research has also revealed that low levels of debt and positive financial behaviours are generally associated with favourable physical and mental health (Bridges and Disney 2010: Kim et al. 2003: Xiao et al 2006).

Taken together, these studies succeed in establishing a link between problem debt and poor health, but they do not provide conclusive evidence of a causal relationship. Nor, as Fitch (2009:3) points out, do they provide a detailed account of the processes through which debt and mental health interact. Commenting on the literature, Roosa et al. (2010) note that most of the research examining economic influences on personal interaction is not theory driven. In addition, they also argue that there is a tendency to overlook the context and details of each particular case (2010:523-34). This means that it is difficult to know if it is the problem debt that caused the poor health or the poor health that caused the problem debt. It could be one, both, or neither.

This dilemma underlines the need for qualitative research that looks at the relationship between debt and health. By exposing the details and processes through which economic and health variables interact, evidence pertaining to the exact nature of their relationship should be generated. This is important because, as the next section demonstrates, there is considerable reason to believe that changes in the health and behaviours of individuals experiencing problem debt and/or general financial strain can have a negative effect on their personal relationships.

2.12: The association between economic stress and poor marital and family relations

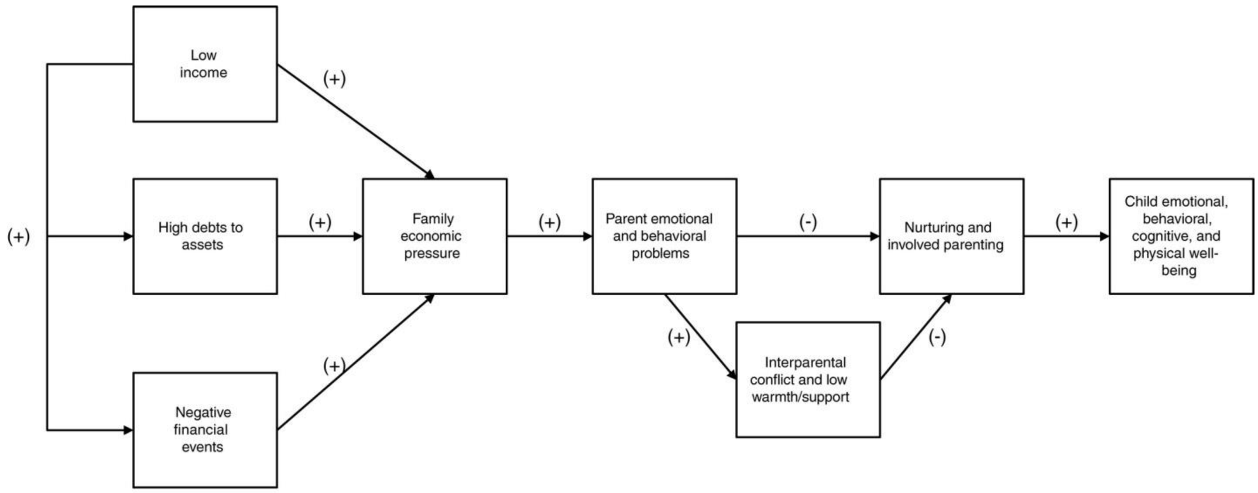
The association between financial hardship and poor marital and family relations has been the subject of numerous studies by Conger et al. (1990, 1994, and 1999). Several of these are particularly relevant to this research.

In their 1990 paper Conger et al. explored the types of marital interaction that might serve as a mechanism linking economic hardship to marital quality and instability (1990:652). They found that economic strain "increased hostility and decreased the warmth/supportiveness of husbands towards their wives. Men's hostility was associated with greater perceptions of marital instability by wives and with lower levels of satisfaction/happiness (marital quality) for women" (1990:652). A follow-up study in 1994 looked at how economic stress affects marital relations using several indicators – level of income, the stability of the work situation and asset to debt ratio (Conger et al. 1994:195). Asset to debt ratio was found to be a significant indicator of economic stress (only level of income was greater). In the case of the male, a strong correlation between depression and economic stress was discovered. There was also a correlation between economic pressure and depression for the women as well. However, this correlation was not as strong as it was for men. Overall, the authors argue that their study indicates that "chronic economic pressures have a negative impact on partners' emotions, which in turn have direct and indirect effects on marital quality through the hostile exchanges they exacerbate between spouses" (1994:201).

Finally, Conger et al. (1999) studied the association between economic stress and change in the quality of marital relations. Their research supports the finding of earlier studies linking financial hardship to marital strain. Interestingly, they found that interaction between marital support and economic pressure was statistically significant. This means that "the positive association between economic pressure and emotional distress was of greater magnitude for less supportive compared to more supportive couples" (1999:69). They also found that "couples who demonstrated the ability to generate realistic and non-exploitative solutions to their conflicts and disagreements, and who did not engage in protracted solution generation to the neglect of actually resolving a disagreement, were less likely to suffer distress in their marriage as a result of such conflicts compared with less capable couples" (1999:69). This study is also noteworthy for its introduction of The Family Stress model – which attempts to provide a theoretical account of the process through which financial strain can negatively affect relationships. This *Family Stress Model* (Conger and Conger 2002) is not a perfect fit for the problem at hand, but I would argue that a modified version of it may be helpful in exploring how problem debt affects relationships.

The Family Stress model is consistent with a social causation perspective and argues that people's family lives are in part shaped by their economic circumstances (Conger and Donnellan 2007). This model suggests that chronic low income, negative economic events such as loss of employment and a high debt to asset ratio subject parents and families to economic pressure. Faced with this pressure, they are forced to cut back on basic material needs such as food, shelter and clothing and may be unable to pay bills or meet financial obligations. It is argued that under these circumstances, parents and caregivers (this can include the extended family) experience an increased risk of emotional distress brought on by feelings of depression, anxiety, anger, alienation and failure. The presence of parental emotional distress in turn predicts problems in family relationships, including increased conflict between caregivers and subsequent deterioration of parenting practices and the parent/child relationship (see Figure 1). There is a considerable amount of empirical research dating as far back as the Great Depression that supports this thesis (Conger and Conger 2007).

Figure 1. The Family Stress Model.



Conger RD, Donnellan MB. 2007.
Annu. Rev. Psychol. 58:175–99

By arguing that economic adversity leads people to behave in a manner that negatively affects personal and familial relationships, the Family Stress Model provides a starting point for understanding the connection between economic circumstances and the quality of interpersonal relationships. In terms of this research, however, the model has several shortcomings.

First, the Family Stress Model focuses on the effects of economic hardship and poverty in general, rather than the difficulties specifically associated with problem debt. While there may be a relationship between poverty or low socioeconomic status and debt, this does not mean that problems with debt are confined to the economically disadvantaged. In fact, there is significant empirical evidence that problem debt is a common problem faced by a broad stratum of people who would consider themselves “middle class” (Jacoby 2002:560). Furthermore, I would argue that those in problem debt situations face difficulties (such as dealing with bill collectors and collection agencies, or the stigma attached to indebtedness) that those in poverty or under financial strain in general do not necessarily face. These difficulties may present unique problems and impact personal relationships in ways that low socio-economic status or general economic hardship do not.

Second, the Family Stress Model is primarily concerned with the nuclear family and with the effects of financial hardship upon children in particular. As I have already discussed, familial relationships are but one example of many different types of important interpersonal relationships that may be affected by problem debt. Relationships with friends, colleagues, and extended family members may all be strained when one member of the relationship is experiencing problem debt. Spouses or partners, by virtue of the fact that their debts are likely shared, may well experience debt in a different way than a friendship relationship where only one member has debt problems. It should also be noted that the family stress model is concerned with existing relationships. It does not address the problem of how debt or financial strain may serve as a barrier which prevents people from entering into relationships.

In terms of dating behaviour, both social-exchange theory and socio-biological perspectives could be useful in understanding how problem debt could affect the ability to attract and keep a mate. In social-exchange theory, people marry or get into close relationships when they calculate that the perceived benefits of entering into the relationship exceed the perceived costs. Each partner is aware of their personal preferences and needs as well as what they have to offer a potential mate. Being in debt adds to the cost of entering into a relationship with a debtor, thus making the debtor less desirable. From a socio-biological (and rather hetero-normative) perspective, on the other hand, mate selection is based upon maximizing reproductive success. According to this perspective, men seek out women who look fertile (healthy) while women look for men who will be good providers. Here again we see the potential problems with being in debt. Debt has a negative effect on health which may make women less physically attractive and removes men’s ability to fulfill their role as provider. It should be pointed out, however, that maximizing reproductive success is not something that everybody necessarily takes into account when choosing partners. Intimate relationships can take many forms and we need to be careful not to privilege certain types.

The third drawback of the family stress model is that it uses the concept of stress or psychological distress to mediate the link between economic hardship and relationship problems. Unlike economic hardship however, debt can be hidden - there may be issues of trust and deception with debt that have the potential to shape relationship dynamics in ways that poverty does not. Issues such as "financial infidelity" or deception relating to one partner's use of debt are common and may have the potential to cause a whole range of problems for relationships.

Looking at the issue of how financial behaviour affects marriage from a slightly different perspective, Skogrand et al. (2011) examined how couples with self-described great marriages manage their finances. This study found several key findings. 1) One spouse (usually the most qualified or willing) manages the finances. 2) There is a great deal of trust between partners. 3) There is a lot of communication in regard to financial issues and concerns. 4) These married couples have little or no debt. When they do acquire debt they pay it off quickly. 5) They live within their means.

It seems that the couples in Skogrand et al.'s study were aware that unmanageable levels of debt can affect marital satisfaction. This study also discovered that "at least some couples can have financial challenges, and may at times even argue about money, but still can have great marriages. What seemed to make the difference for these couples was how they dealt with the challenges and how they perceived them" (Skogrand et al. 2011). Financial strain does not necessarily damage a relationship (2011:34). Couples can work through financial stress and emerge with their relationships unscathed or even stronger.

2.13: Debt and Personal Relationships

There are several researchers who have looked at how debt directly affects relationships. One of them is Dew (2011 and 2008). He finds in both studies a strong correlation between high debt and marital stress. Dew's 2008 study used social exchange theory to examine how changes in the amount of debt relate to marital satisfaction for newlywed couples. Social exchange theory postulates that relationship satisfaction rises or falls as individuals compare the costs and benefits of the relationship with their expectations (Dew 2008:2). Dew hypothesized that to service debt requires more work hours, allows less time with one's partner, leads to more conflicts over money, and to an increased perception of financial unfairness (Dew 2008:2), all of which lead to decreased marital satisfaction. His study confirmed his hypothesis: "consumer debt change variables predicted change in spouses' time together, financial arguments, and perceived financial unfairness" (Dew 2008:6). Student debt was unrelated to marital satisfactions. This study also found that paying off consumer debt was positively related to change in marital satisfaction. "As couples assume debt, they are more likely to spend less time together, argue more about their finances, and feel that their marriage is unfair" (Dew 2008:9).

In his more recent 2011 study, Dew examined how "financial well-being, disagreement, and perceptions of unfairness are related to the dissolution of marriage" (Dew 2011:178). Dew cites a study which shows that "being able to share living expenses" is one of the most important reasons for entering into a cohabitating relationship (Dew 2011:179). The flip side of this is that when the economic benefits of cohabitating disappear, the relationship may also decline. For example, Dew cites Edin (2000) who found in a study of low-income single mothers that if they were not receiving financial benefit from their cohabitation then they would end the relationship (Dew 2011:179). In his own study, Dew found that financial disagreement was the most serious type of conflict in terms of its potential to end the union (2011:185). His research also found that finances are a frequent topic of contention among couples: "financial disputes between spouses are often more contentious, continue unresolved longer, and predict divorce better than other areas of disagreement" (Dew 2011:178). He also found that financial disagreements among couples are more intense and less frequently resolved than other conflicts (Dew 2011:180).

In one of the only qualitative studies looking at how debt affects relationships, Grant (2000) investigates how "living with problem debt transforms people's lives" by adversely affecting their self-image and straining personal relationships. She argues that “living with debt recasts the nature of relationships with significant others... debt can become the haunting theme of people’s sense of themselves in their personal relationships” (Grant 2000:234).

Grant found parents with high debt loads report difficultly in fulfilling their role as provider. As a result, these parents not only fear a loss of respect from their children, but worry that their children may be forced to inherit their debts should something ever happen to them. Grant also found that friendships can be changed by the experience of debt. Some of her interview subjects expressed the belief that old friends now regarded them primarily and essentially as a ‘person in debt’. People living with unmanageable debt usually have little if any money to pursue social activities; this makes new social relationships difficult to establish and old ones difficult to maintain.

> Friendships can become unequal and uncomfortable. Sometimes friends and families pay for treats and holidays. People struggle with their limited finances in an effort to keep some equality within the friendship and to live out the accepted patterns of friendship... However welcome the financial support and generosity of friends and family, financial dependence changes these relationships in ways which highlight the financial situation of the person in debt. Debt becomes a key point of reference in their identity as a friend (Grant 2000:236).

Grant reports that her research subjects are aware of the potential for debt to transform and contaminate social relationships. As a result, they seek to hide or disguise their financial woes, even from those closest to them such as their partners or immediate family. Perhaps the most debilitating consequence of debt reported by Grant’s interviewees is the perception that it takes away from their ability to make material and emotional contributions to the happiness of their friends and family.

2.14: Gender and Financial Stress

Research has found that men and women react quite differently to both their own problematic debt situations and to their partner’s or significant other’s debts. For example, Conger et al. (1994) found that in the case of the male under financial strain, a strong correlation between depression and economic stress was discovered. These variables were also correlated for women, but the correlation was not as strong as it was for men. It is interesting to note that for men, economic pressure often led to hostility towards their partner while the same did not hold true for women (1994:202). Also, women are more likely to become depressed or unhappy, and see a reduction in the quality of marriage when men are depressed. This is contrasted with men, who do not become depressed in response to the depression of their spouses. Another interesting study by Dwyer et al. (2013) indicates that women may have a somewhat higher tolerance for student loan debt than men. Their research found that men are more likely to drop out of college because of their debts, and that they do so at lower debt levels than women.

Falconier and Epstein (2010) looked at the differences between how men and women react to economic stress within the context of a relationship. “When a man is under economic strain, both partners tend to be more psychologically aggressive towards each other, and women display fewer positive behaviors towards their partners. In turn, all these behaviours are associated with lower relationship satisfaction for women, whereas only male psychological aggression contributes to his own relationship dissatisfaction” (2010:792). Females respond to their partner’s economic strain rather than their own, and their relationship satisfaction is more dependent on relational behaviours than is true for their partners (2010:793). These results are consistent with Conger et al.’s (1994) mediational stress model in which economic strain reduces relationship satisfaction through changes in the partners’ relational behavior (Falconier & Epstein 2010:792). For females, relationship satisfaction was negatively affected when the male experienced economic strain, whereas the same was not true for males. Their relationship satisfaction did not seem to be tied to the females’ economic strain (2010:794).

Thorne (2010) uses qualitative methods to look at how the gendered division of household labour is intensified among families who experience severe financial stress (Thorne 2010:185). His study found that financial chores that were once gender neutral become women’s work in times of financial stress. These chores are “full-time micro management of every dollar and debt, negotiations with aggressive debt collectors, and researching and filing personal bankruptcy” (Thorne 2010:185). This places women under considerable emotional stress. Thorne found that there were two main reasons why women took on these tasks: either they thought their husbands were too irresponsible, or their husbands simply refused to take part and the women were powerless to compel them (Thorne 2010:195).

This literature shows that the experience of problem debt may differ by gender. Furthermore, how one reacts to a partner’s (or potential partner’s) debt may also be influenced by gender.

2.15: Gaps in the literature

As the literature demonstrates, the process by which individuals, couples or families assume problematic levels of debt, and how this debt affects their relationships is complex. Problem debt often occurs in conjunction with other negative life events and the causal chain is not always clear. For example, Balmer et al. (2005) found that the experience of domestic violence, personal injury, change in employment status, loss of home, and relationship breakdown each resulted in significant increases in the likelihood of problem debt. Yet in terms of the temporal ordering of these problems, they report that “When problem sequence was examined based on start dates, there was little evidence that additional problems reported by those with debt problems occur predominantly before or predominately after their debt problems” (2005:45). Other authors who have looked at the relationship between debt/financial duress and other negative life events have also acknowledged the difficulty in demonstrating causal links. Drentrea (2000) for example, correlates credit card debt and anxiety but is unable to demonstrate a cause and effect relationship. This is similar to Tokunaga (1993) who attempted to create a psychological profile of people with debt problems. Like Drentrea (2000), he found that debt is associated with a range of other negative life events and behaviours but could not establish a causal link. Almost all the literature which examines debt or financial stress and relationship outcomes focuses on relationships within the nuclear family – usually the relationship between spouses or parents and dependent children. This leaves a whole range of important personal relationships unexamined.

There is the possibility that not all relationships will be negatively affected by problematic debt or that the amount of effect will vary. Are certain types of personal relationship more vulnerable or perhaps more resilient to the stresses caused by problem debts? Are there strategies that can be employed to mitigate the negative effects of debt or financial stress on personal relationships? Are there other variables that interact with problem debt and personal relationships that the literature has missed or has been unable to explain to date?

Finally, after surveying the literature on problem debt it has become apparent how little of it is sociological. Most of the literature I draw upon in this chapter is either economic or psychological. It seems that sociologists have yet to tackle the problem of unmanageable debt to the degree that other disciplines have. I hope that this study will start to help remedy this deficiency.

2.16: Conclusion

The practice of lending or borrowing money, or usury, has been around for a long time, pre-dating formalized banking. Despite its utility, usury has throughout history been subjected to widespread condemnation, framed as a contributor to economic inequality, poverty, and economic exploitation. Modernity saw the rise of consumer credit as the newly created middle class began to borrow in order to finance expensive durable goods – especially the automobile. This was accompanied by relatively new financial behaviours such as consumerism and conspicuous consumption – both of which have flourished under increasingly easy access to consumer credit.

Today we live in a world where consumption has become linked to notions of individual freedom and expression (Bauman 2000). Furthermore, the importance and ubiquitousness of credit (especially credit cards) make it difficult for individuals to function in the modern economy without it.

Even those with relatively modest or no incomes are today able to access credit through high-interest "second-tier" lenders. This widespread accessibility of consumer credit, combined with new social norms which frame consumption as an entertaining means of self-expression and identification, encourages people to use credit even when it leads to financial hardship.

Structural changes to the late capitalist economy brought about by globalization and financialization have forced many to rely upon consumer credit in order to finance their day-to-day necessities (Walker et al 2015). The economic policies of the neoliberal economy combined with the financial crisis of 2008 have led to a crisis in under consumption – a crisis only held in check by the expansion of personal debt. The result is not only more people in debt, but also a change in how we as consumers view debt itself. No longer the object of scorn or moral condemnation, many people now see debt as an essential tool in maintaining material welfare (Marron 2015).

But even as debt and consumer credit have become ever more important in modern economies, a significant amount of evidence exists that problematic or unmanageable debt may affect the physiological and psychological health of those experiencing it (Brown et al. 2005, Dentrea and Lavrakas 2000). Other research has found that economic stress in general can negatively affect marital, familial and other personal relationships (Conger et al. 1999, Dew 2008 and 2011, Grant 2000). Few of these studies are sociological, however, and most use quantitative rather than qualitative methodologies.

In the next chapter I will outline the qualitative research methodology used in this study. It will explain why this method is appropriate for studying people's experiences with problem debt, outline how data were collected and organized, and touch upon some of the difficulties I encountered during the data collection process.

Chapter 3: Research Strategy and Methodology

3.1: Introduction

The purpose of my research project is to uncover and describe the experiences, thoughts, and insights of those who are struggling with problem debt or who have had difficulty with debt in the past. It will explore what impact, if any, these difficulties with debt have upon people's personal relationships. This chapter will outline the research strategy and data collection methods employed in this study. The first section will detail my initial research strategy and justify my choice of the in-depth interview as the primary method of data capture. The second section will provide details of the actual recruitment and data collection process.

3.2: Researching sensitive topics

Social scientists often carry out research on topics that are "sensitive" in the sense that they deal with behaviour that is intimate, discreditable, or incriminating (Renzetti & Lee 1993:ix). Investigating sensitive topics can involve particular kinds of costs or risks for the research participant. These may include psychic costs, such as guilt, shame, or embarrassment. Other costs may include legal or social sanctions should details of illegal or questionable behaviour be made public. These potential risks might not only make research subjects reluctant to participate in studies of a sensitive nature, but may also affect the relationship between researcher and research participant, hedging it with mistrust, concealment and dissimulation (Renzetti & Lee 1993:4-5).

There is a taboo surrounding the discussion of personal finances with strangers in our society, making it a potentially difficult subject to research. People are often reluctant to discuss their incomes and their debts, or, more generally, how we feel and think about personal financial matters and how we relate to others because of it (Trachtman 1999:278). What is it about financial matters that makes it a taboo subject for some people, and what does the presence of this taboo mean for social scientists investigating how people live with problem debt?

A range of explanations have been offered to explain this apparent reticence regarding discussions of money and debt. Writing over a hundred years ago, Freud (1908) identifies money with feces and with anal eroticism. He proposes that, much like in the case of sexual problems, shame is a powerful motivation for keeping financial matters private. Freud suggests that "money questions will be treated by cultured people in the same manner as sexual matters, with the same inconsistency, prudishness, and hypocrisy." Lloyd (1997) offers a more sociological explanation for this money taboo:

> In a society that claims to be a classless meritocracy on the one hand and a capitalist paradise on the other, there is no acceptable level of wealth. We have to pretend to be equal even as we know ourselves to have vastly different opportunities depending upon our income. This contradiction necessitates that we speak of money euphemistically or keep quiet (Lloyd 1997:50).

Similarly, Fenichel (1945) offers a Marxist analysis of the money taboo where the general characterization of financial matters as "indelicate" fulfills a purposeful function in maintaining the dominant ideology:

> Ignorance about financial matters and the effort to repress them as much as possible lead to illusions about the true state of affairs in this field and about the possibilities for rational acquiring of wealth… [Thus] maintaining the present day class relationships (Fenichel 1945:75).

Irrespective of why people are disinclined to discuss personal finances, the fact remains that this reluctance may make it difficult to recruit research subjects. It also may make those who are recruited hesitant to reveal embarrassing details about their financial behaviour. This problem is further exacerbated by the fact that this research also intrudes into the private sphere of interpersonal relationships. Details of relationships between family, friends and spouses/partners are deeply personal and may be difficult for researchers to access.

The sensitivity of the research topic affects almost every stage of the research process from the formulation of a research strategy to implementation, dissemination, and application (Renzetti & Lee

1993:6). In the case of this particular research project, the sensitive and personal nature of the topic under investigation was taken into account in the research design, which will now be discussed.

3.3: The Semi-structured interview

This research project utilized semi-structured in-depth interviews in order to gain a detailed, richly textured picture of how living with problem debt affects people's relationships. Unlike quantitative data collection methods which typically emphasize breadth of information rather than depth, this research sought detailed personal stories and reflections regarding how living with debt affects personal relationships. Qualitative research in general has several strengths which make it well suited to this project. Not only are qualitative research methods particularly useful for studying social interactions and complex meanings processes (Maxwell 1996), but also they allow for novel understandings of phenomena that are difficult to examine with quantitative methods (Strauss and Corbin 1990:19). Rubin and Rubin (2005) argue that interviews provide important context and allow for dealing with the complexity of multiple, overlapping, and sometimes conflicting themes by focusing on the specifics of history, meanings, and situations (Rubin and Rubin 2005:35). This makes the in-depth interview especially well-suited to this project. In order to fully understand the complex interactions between financial behaviour and personal relationships, it is necessary to talk directly with those who can provide first-hand accounts of what it is like to experience problem debt and who can reflect upon the consequences it has had for their lives and relationships.

Qualitative researchers rely quite extensively on interviewing (Marshall and Rossman 2006:101). Kahn and Cannell describe the interview as a "conversation with a purpose" (1957). This is an apt description as interviews are typically more like conversations than formal, structured events. During the interview, the researcher explores a few general topics in order to help uncover the respondent's views, but otherwise respects how the participant frames and structures the responses (Marshall and Rossman 2006:101).

The literature identifies three main types of interviews (Babbie 2001, Merriam 2002, Berg 2007): structured, semi-structured and non-structured. The main difference between these types of interviews is the level of rigidity regarding their presentation structure (Berg 2007:92). Each will be briefly examined. The formal or standardized interview uses a highly structured set of interview questions which are presented to informants exactly as worded. The goal is to present each informant with the same stimulus so that the responses to each question will take a similar form and are easily comparable (Babbie 2001). This method assumes that each respondent will share similar understanding of each question, and that the questions are comprehensive enough to elicit the information the researchers require (Denzin 1970:117). A drawback of the structured interview is that it denies the researcher the ability to ask follow-up questions or pursue meaningful tangents. Because of this, the structured interview was unlikely to yield the sort of detailed, personal information this research project seeks to uncover.

In contrast to the structured interview, the unstructured interview does not utilize a set of prepared questions. It starts from the assumption that the interviewer does not know what the important questions are in advance of the interview. This means that the interviewer must develop and adapt their lines of inquiry as the interview develops. Because it avoids the pursuit of specific lines of inquiry, the unstructured interview is also not an appropriate method for this research project.

The third type of interview, and the one used in this research, is the semi-structured interview. It can be located somewhere between the formal rigidity of the standardized interview and the unstructured informal interview. This type of interview utilizes a number of predetermined questions, but allows the interviewer the freedom to digress or to follow-up on the predetermined questions with further probing. It is this ability to follow-up and flesh out details of the subject's thoughts and experiences that make the semi-structured interview so well suited to this project.

As the name implies, the in-depth interview seeks to uncover “deep” information. Johnson (2002:106) argues that “deep” has several meanings within the context of the interview. First, the interviewer seeks, as much as possible, to achieve the same detailed level of understanding and knowledge as the research subject. Although the interviewer does not directly share in the experiences of the research subject, interviews of sufficient depth can allow him or her to imagine themselves in the subject’s shoes. In the words of Goffman, the goal here is one of “subjecting yourself… and your own social situation, to the set of contingencies that play upon a set of individuals, so that you can physically and ecologically penetrate their circle of response to their social situation” (1989:125).

Second, deep explanations delve beneath simple commonsense explanations and understandings. The in-depth interview not only explores the contextual boundaries of any given experiences or perceptions, but also aims “to uncover what is usually hidden from ordinary view or reflection or to penetrate to more reflective understandings about the nature of that experience” (Johnson 2002:106). “Deep” lines of inquiry such as how people experiencing problematic debt situations interpret their state of affairs; their actions; and the nature of their emotions will all be explored using this method.

Third, deep understandings allow us to grasp the multiple meanings, views, and perspectives on various social phenomena. Different people interpret the social world in different ways. For example, the age, gender, social-economic status, and general life histories of each individual subject will colour how they interpret their social world. A deep interview will seek to gain an explicit understanding of the multiple perspectives and interpretations each unique interviewee has to offer on the subject at hand. It may be that people with different characteristics such as gender, age, socio-economic status, and level of education will view problem debt and relationships quite differently.

The in-depth interview involves a type of social and personal interaction between the researcher and the informant that is unique among social research methodologies. To be effective and useful, in-depth interviews will develop and build upon intimacy; in this sense they resemble the forms of communication one finds between friends (Johnson 2002:1045), and allow for the acquisition of deep knowledge. This makes in depth interviews especially useful when information regarding very personal matters, values, cultural knowledge, or personal reflection is required.

> If one is interested in questions of greater depth, where the knowledge sought is taken for granted and readily articulated by most members, where the research group involves highly conflicted emotions, where different individuals or groups involved in the same line of activity have complicated, multiple perspectives on some phenomenon, then in depth interviewing is often the best approach (Johnson 2002:105).

The in-depth interview differs from other forms of interview because it involves a greater involvement of the interviewer's self. Johnson (2002:107) asserts that in-depth interviews almost always involve some form of give or take with the interviewer and informant sharing views, feelings, and reflections. It is through this shared process that the interviewer builds trust and rapport:

> To progressively and incrementally build a mutual sense of cooperative self-disclosure and trust, the interviewer must offer some form of strict or complimentary reciprocity… [This] reciprocity is possible only if the interviewer is a former or current member of the group under study, and would take the form of the interviewer's sharing with the informant his or her own views, feelings, or reflections on the topics being discussed (Johnson 2002:107).

Lofland (1995) argues that researchers with little or no firsthand knowledge of the subject at hand, or "neophyte interviewers", often experience difficulty collecting useful empirical data using the in-depth interview. This is especially true early in the interview process where the results will often tell more about the researcher's ignorance than the phenomenon being studied. Rubin and Rubin (2005) echo this point, emphasizing the time it can take for the neophyte interviewer to really begin to "hear" what the research subject is conveying.

In the case of this research project, I, the interviewer have not only experienced problem debt, but have also had firsthand experience with how it can negatively affect personal relationships. In this sense, I could be said to possess “member” or “insider” status by virtue of the fact that I have some degree of firsthand knowledge of the subject being studied. This knowledge helped me empathize with informants and made it easier to recognize and explore the nuances and layered meanings that arise during the course of the interviews. While an already established knowledge base may aid the interviewer in understanding and contextualizing knowledge gleaned from informants, it may also lead to preconceived notions or biases that may colour the interview. As a researcher, especially one using qualitative data collection methods, the possibility of bias is ever present and must be guarded against. Although my own experiences with personal debt were mostly negative, as a researcher I approached each interview open to the fact that other people’s experience of debt could be quite dissimilar from my own.

Berg (2007) discusses the importance of establishing a good rapport between interviewer and informant. He defines rapport as “the positive feelings that develop between an interviewer and the subject” (Berg 2007:116), and argues that establishing a sense of common ground between interviewer and interviewee is an ideal way to build this rapport. This does not mean, however, that the in-depth interview should take the form of a conversation between equal partners, with equal time allotted to each participant. Rather, Berg frames the ideal situation as one where the interviewer assists the subject in conveying what is almost a monologue on the research topic, while maintaining control of the interaction throughout the interview.

3.4: Interview strategy

Seidman (1991) outlines three stages of the interview process. These formed an approximate guide in structuring the interviews for this research project. The first stage is the focused history; this involves asking the participant to tell as much as possible about him or herself in light of the interview topic. The purpose of this is not to obtain an entire life history, but to focus only on those historical items that may be relevant to the issue at hand. The second part of the interview looks at the participants' actual experience relating to the topic being explored. Interviewees are asked to reconstruct the details of their experiences. The third stage of the interview involves asking informants to reflect upon the meaning of their experience. This is how Seidman describes what it means for a participant to "make sense" of their experience:

> Making sense or making meaning requires that the participant look at how the factors in their lives interacted to bring them to the present situation. It also requires that they look at their present experience in detail and within the context in which it occurs. This… establishes the conditions for reflecting upon what they are now doing in their lives (Siedman 1991:12).

Of course, these three stages are not always distinct, and overlap will probably occur during the course of the interview.

Despite the usefulness of the in-depth semi-structured interview, its use in sociological research is subject to several potential drawbacks and caveats. The first potential problem emerges from the fact that interviews involve personal interaction, so cooperation on the part of the informant is essential. Interviewees may be unwilling or uncomfortable sharing information face to face with the researcher. Even if they are willing to share, the quality of the information they provide may not be very valuable or insightful. People are often unaware of recurring patterns in their lives (Marshall & Rossman 2006:10). Not everyone enjoys self-reflection, nor is everyone necessarily very good at it. Similarly, the subject may possess poor communication skills, making it difficult for the interviewer to understand their responses. Interviewees may also be untruthful (in this case, they may be tempted to lie in order to avoid the shame that some people feel about their indebtedness). Furthermore, even if potential respondents have no objection in principle to sharing their life stories with a researcher, they may be unable or unwilling to sacrifice their time in order to take part in a lengthy interview.

A second potential issue arises from the fact that the interviewer requires a particular skill set in order to be effective. This includes good listening skills, as well as the ability to interact well with others, to frame questions appropriately, and to gently probe for elaboration (Marshall and Rossman 2006:102). These skills become even more important when dealing with sensitive topics like personal debt and relationships.

A third consideration is that interviewing allows for the rapid collection of highly detailed data. This can overwhelm the researcher. Interview data is also time consuming to code and analyze. Marshall and Rossman (2006) argue that transcribing and translating text have become increasingly salient issues in discourses on qualitative research. Neither is purely a technical task, but rather, each involves judgement and interpretation on the part of the researcher. For example, even if the researcher has a taped record of the interview, the judgements involved in placing something as simple as a period or semi-colon are complex and help shape the meaning of the interview data. Furthermore, the visual clues we rely upon to interpret another's meaning are lost when we listen to the taped interview. For example, does a long pause in the conversation indicate that the informant is reluctant to answer? Are they thinking? Or perhaps they are responding to a question using deliberate non-verbal clues. These nuances can often be lost through the transcription process. One way to mitigate these potential problems is to transcribe each interview immediately after it is completed. Also, immediate post-interview time should be used to record any additional thoughts or impressions that may have arisen during the interview process.

During the course of this research project most of the obstacles and challenges I faced were directly related to the decision to use in-depth interviews. Difficulties in recruiting research participants and in scheduling and carrying out interviews presented much more of a challenge than I anticipated, and hindered the progress of this project. These problems will be discussed later in this chapter.

3.5: Sampling and recruitment

This research utilized non-probability sampling methods in order to recruit research participants. A non-probability sample is one that has not been selected using a random selection method. This means that some members of the population are more likely to be chosen to participate in this research than others. The choice of sampling method has important consequences in terms of reliability and generalizability. Non-probability sampling results in a somewhat arbitrary selection of research participants in the sense that the probability of any particular element of the population being chosen is completely unknown. This means that research findings may not be generalizable to the entire population as there are no appropriate statistical techniques for measuring random sampling error from a non-probability sample.

The population this research project is interested in are those who 1) have in the recent past or are currently dealing with an unmanageable debt load and 2) are at the same time a participant in at least one interpersonal relationship. This is likely a very large population. My original research design included several strategies for recruiting potential research subjects. These include putting up posters at community centers and schools, mass emails to my university's graduate mailing list, word of mouth, and seeking out relationship and/or debt counsellor and financial advisors to see if they would be willing to recruit subjects from their client lists.

There was no strict pre-determined sample size required for this research. Because the goal of a research project such as this one is to maximize quality information, I planned to continue recruiting until no new information was forthcoming from the recruited interviewed subjects. Douglas (1985:50-4) suggests that researchers usually stop receiving new information after approximately 25 in-depth interviews. Similarly, Clarke and Jack (1988) and Miles and Huberman (1994) suggest that smaller recruitment numbers are typical of qualitative research using in-depth interviews as the method of data collection. As such, a total of 25-30 interviews was set as an approximate goal for this project. Lofland (1984:89) points out that in-depth interviews typically yield a great deal of information; in doing so, they sacrifice breadth for depth, meaning the number of interviews is usually small. This is echoed by Wiess

(1994) who argues that because each respondent is expected to provide so much information, qualitative research projects require a smaller sample size than quantitative studies.

Because the sample population is so large, I thought it would be fairly straightforward to recruit the required number of research subjects despite the sensitive, personal and potentially embarrassing nature of the topic. This assumption, however, turned out to be incorrect. Recruiting research participants proved to be the most challenging aspect of this project. This will be discussed in detail later in this chapter.

3.6: Reliability

Reliability, which refers to the extent to which a study or research instrument yields consistent results over time and with different research subjects (Kendall et al. 2007:40), is not only a function of the sampling process; there are other factors that need to be considered in this regard as well. The most important of these considerations is the simple fact that different interviewers, even ones who are ostensibly looking at the same themes and working with the same population, are likely to generate different interview results.

In the case of this research, I conducted all the interviews and data collection myself. My goal throughout this process was to be as consistent as possible regarding how I approached and related to each interview participant, as well as how I asked and framed each question/follow-up.

It is important to note that over half of the people I interviewed were either friends or acquaintances of mine. This was good in the sense that I already had an established rapport with these research participants. I found that having this previously established level of comfort and trust between interviewer/interviewee helped make asking and answering personal questions less intimidating and awkward for both parties. Because this group of subjects knew and trusted me, they also may have been willing to share intimate details of their lives with me that they would not have been willing to share with a stranger. This is true not only because they were already comfortable speaking with me, but also because they understood how important this project is to me and wanted to give me “good” information.

A high level of familiarity between researcher/subject can create problems in terms of reliability, however, and care had to be taken to ensure that each interview subject was treated the same way throughout the interview process. Before interviewing a friend or acquaintance, I would explain to him or her that during the interview process I would like to keep a sense of what could be called “professional detachment” between us. In other words, I tried to keep the same sense of formality while interviewing friends/acquaintances that would exist were I interviewing a complete stranger. For the most part I believe that I was successful in this regard. Friends and acquaintances were able to “pretend they didn’t know me” for the purposes of this interview. Because of this I would argue that I was able to successfully maintain as consistent an approach and tone as is possible under the circumstances.

Of course, a study such as this which relies upon qualitative data collection methods will never achieve the same level of reliability found in quantitative research. One of the drawbacks of qualitative research is having to sacrifice reliability and generalizability for the sake of acquiring the rich subjective details of people’s experiences. As we shall see, however, the comparative lack of reliability does not lessen the value of qualitative research. In the case of this study, my interviews yielded a wealth of detailed information that would not be available through other methodologies, even though these other methodologies may have a higher degree of reliability.

3.7: Validity

Another important consideration that needs to be addressed is the validity of the research results. The term validity refers to the extent to which an empirical measure reflects the real meaning of the concept under investigation (Babbie and Benaquisto 2002:128), or the extent to which a measuring instrument measures what it intends to measure. This research will be valid in the sense that (as much as possible) the renditions of stories this research has uncovered are accurate and true to the meanings that the research participants wish to convey. Throughout the interviews I have sought to minimize the effect of the interview process on how participants reconstruct and interpret their experiences. Furthermore, every effort has been made to record and transcribe the interviews and interactions with the research subjects as accurately as possible.

There is a second component to validity, however, and this refers to the validity of the actual information provided by the informants. One may believe that the data is presented accurately, but this does not mean that the data itself does not reflect the biases, prejudices or even the dishonesty of the interviewees. One could question whether respondents are telling the truth or if their recollections are as accurate as they believe. Furthermore, one could argue that some respondents may lack the insight or the intelligence to provide worthwhile reflections on their situations and experiences.

I agree that some research participants are less credible informants than others. The problem, however, is that the criteria or basis on which we make these judgements is unclear. Who gets to decide what qualifies as credible? It is because of this dilemma that many qualitative researchers disagree with the epistemological assumptions that underlie the concept of validity (Seidman 1991:17), while some argue for a new vocabulary with which to discuss validity, such as replacing the term validity with trustworthiness (Lincoln and Guba 1985).

I would argue that questions of validity may be somewhat misguided in the case of this particular research study. This is because qualitative research is grounded in the assumption that the most profound and meaningful types of knowledge can be gained only by the deepest intersubjectivity between the researcher and the research subject (Siedman 1991:17). In the case of this study, to focus too heavily on the validity of what respondents say will be to miss the point of the research. I tend to agree with Siedman (1991) who has this to say on validity in qualitative research: “The goal of the [research] process is to understand how our participants understand and make meaning of their experience. If the interview structure works to allow them to make sense of themselves as well as to the interviewer, then it has gone a long way towards validity” (Siedman 199:17).

3.8: Ethical Considerations

This research follows the ethical guidelines set out in the Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans (Babbie and Benaquisto 2002:203-4). This document describes an ethical framework for researchers built around several core principles. These principles are: 1) respect for human dignity, 2) respect for free and informed consent, 3) respect for vulnerable persons, 4) respect for privacy and confidentiality, 5) respect for inclusiveness, 6) balancing harms and benefits, 7) minimizing harm, and 8) maximizing research benefits.

Participation in this research project was voluntary and research participants signed a document indicating informed consent (Appendix B). This document briefly describes the intent of the research, the methods that are to be used to collect data, and how the data generated are to be analyzed and disseminated. All participants were guaranteed both anonymity and confidentiality. These guarantees were extremely important for this research as interview subjects were asked to share details of their private financial circumstances as well as details of their personal lives. Without these guarantees it is unlikely that many people would have been willing to take part in this project. Furthermore, there is a real potential for harm should an individual’s personal information become public because of this research. All information was scrubbed thoroughly before final results were published in order to ensure that no information could be used to identify the informants. All names used in this thesis are pseudonyms. A complete list of these pseudonyms can be found in Appendix A.

During each interview I brought literature from several local debt-counselling agencies and made this available to the research subject should they request it.

3.9: Recruiting research subjects

As this project is investigating a sensitive subject, I anticipated from the beginning that recruiting research subjects might be difficult. In order to mitigate this difficulty I decided to employ several different recruitment strategies. The goal was to cast as wide a net as possible and increase the chances of successfully enlisting participants. Also, using multiple recruitment methods would help ensure as diverse a sample population as is practical using non-random methods.

The first component of my plan was to introduce myself to local debt counsellors and request their help finding volunteers. A letter (Appendix C) in which I introduced myself and briefly outlined my research was sent to all the St John's debt counselling agencies I could find. The letter did not specifically ask for help in recruiting volunteers, but rather, was intended to "get my foot in the door". As such, this letter simply requested a meeting to discuss their experience helping people with problem debt. My plan was to first have a face to face meeting and build a rapport before asking if they would be willing to approach some of their clients about taking part in my research.

A total of 12 letters were mailed to local debt counsellors and debt counselling agencies. Of those letters five went to non-profit or not-for-profit organizations while the remaining seven went to private organizations and counsellors. Each of these letters was followed up by an email, phone call or both. Of the letters sent, only four led to actual meetings with debt counsellors, none of whom ended up helping me recruit research participants. Most of the letters I sent received no response, even after a follow-up email was sent.

Meetings were set up with several debt counsellors who worked for non-profit organizations. They were more than willing to meet with me and discuss their jobs and the types of situations with which they typically assist their clients. In fact, a few even expressed enthusiasm for my research and felt there was a need to explore and expose the difficulties that problem debt often imposes upon relationships. For the most part, however, these counsellors were generally not receptive to my request that they help me recruit their clients for my research. Three of the four counsellors were unequivocal in denying my request. Because they deal with such sensitive issues, these counsellors did not feel it would be appropriate to ask clients to share their stories with somebody unknown to them. They were understandably wary of doing anything that might threaten their client's trust. My guarantees of confidentiality and anonymity were not sufficient to convince them to help. One debt counsellor was somewhat receptive to the possibility of approaching his clients about my research. In the end, however, nothing came of this despite repeated follow-ups on my part.

Met with this dismal success rate, I decided to approach other types of organizations, counsellors, and social workers to see if they might be of any help. This included senior's organizations, bankruptcy trustees, and various community organizations that work with the disadvantaged. This approach also yielded rather sparse results. Most inquiries received either no reply or a luke-warm response. I did receive a favourable response from one community organization that works with people with disabilities. A worker from that organization was willing to ask her clients if they would participate in my study. Most people she approached were not interested. She did, however, manage to recruit one person whom I did end up interviewing.

It should probably not come as a huge surprise that debt counsellors were reluctant to give me the help I requested. Other researchers have noted that it can be difficult to get so-called "gatekeepers" to act as go-betweens for the researcher and potential research subjects. Groger et al. (1999) note that these gatekeepers are often reticent or protective towards the people they work with and care for, hindering researchers' access. In the planning stages of this research, I had counted on this method of recruitment yielding the bulk of my interview subjects. Its subsequent failure meant having to rely more heavily upon other means of recruitment than I had planned.

The second component of my recruitment strategy consisted of putting up posters around St. John's which introduced my research and asked for volunteers. These posters went up in community centers, grocery store bulletin boards, or anywhere else I could find. Also, several of the debt counsellors I met with suggested that even though they would not approach clients for me, I would be allowed to put up posters in their workplaces to advertise for volunteers. Note that my posters only indicated that I am studying how living with problem debt affects people's lives in general. I did not mention relationships in the poster. My reasoning for this was that I was trying to cast as wide a net as possible so I decided to keep the specifics to a minimum. As I have already mentioned, I sought to enter into this research project with an open mind. This means not making any assumptions regarding how, or even if, problem debt affects personal relationships. I was afraid that if my poster mentioned problem debt and personal relationships, potential research subjects who are in debt but have no relationship problems may wrongly think they are excluded from this study. In other words, I did not want potential research subjects to assume that because their debts have not affected their relationships that I would not be interested in hearing from them.

I put up approximately 20 posters in total. The response to this recruitment method was again disappointingly low. I did receive several tentative inquiries but none of them led to actual interviews.

My third recruitment strategy involved sending out a mass email on Memorial University's Graduate Student Union email server. The content of this email was the same as the recruitment poster mentioned earlier. The logic behind my choice to use a mass email was two-fold. First, it would reach several thousand students. My literature review speaks to how students often struggle under the burden of their student loans, so university students should represent a fertile demographic for studying debt. Second, since many of the recipients of my email are graduate students themselves, I hoped that they might be sympathetic to my need for recruits and this would in turn encourage them to volunteer. In my own experience as a graduate student, I have frequently heard it discussed among my peers how difficult it is to recruit participants for their research. As such, there is a certain solidarity among graduate students and a willingness to help out their peers. I hoped to exploit this solidarity with my email.

Sending a mass email turned out to be a reasonably productive approach. I received a total of seven responses, four of which led to actual interviews. One of the problems I encountered with this approach was that many of the replies I received were from students who were not located in Newfoundland, making interviewing them difficult. Also, many were busy with their own research which made scheduling the interviews a challenge.

The most productive method of recruiting research subjects was by word of mouth. This approach yielded 19 interviews in total. I am a musician and have extensive contacts in the local artistic community. I made a point to talk to my friends, acquaintances and colleagues about my research and my need for volunteers. Many people in my circle of contacts told me that they themselves have experience dealing with problem debt and would be willing to participate in my study. Furthermore, many also informed me that they knew of other people in similar situations and would be willing to approach them about also participating.

This particular approach to recruiting is called snowball sampling. This method is frequently used by qualitative researchers and assumes that a 'bond' or 'link' exists between the initial sample and others in the same target population, allowing a series of referrals to be made within a circle of peers and acquaintances (Berg 1988). It is considered particularly useful if the aim of a study is primarily exploratory, qualitative and descriptive (Hendrecks et al. 1992). Additionally, this method is particularly useful in cases like mine, where some degree of trust is required to initiate contact.

While this strategy was successful in yielding the research subjects this project required, it did introduce some potential methodological concerns into my research. The primary problem concerns the representativeness of my sample. Some (Van Meter 1990, Kaplan et al. 1987) have argued that snowball sampling limits the validity of the sample. Because participants are not selected randomly but are the subjective choices of the respondents initially accessed, most snowball samples are at least somewhat biased and results derived from said samples cannot be generalized to other populations (Griffiths et al 1993). Furthermore, snowball samples will be biased towards those that are members of social groups and who possess relationships with others. This means that the sample will over-emphasize social cohesiveness in social networks (Griffiths et al. 1993) and may miss any socially isolated individuals who are not connected to any of the social networks to which the researcher has access (Van Meter 1990). It is also possible that members of a single snowball ‘chain’ will share similar or even unique characteristics that are not shared by the wider population.

Most of my participants for this project came from two snowball networks. The first network consisted of musicians and artists while the second network was mostly made up of academics and students. In both cases the participants were all at least somewhat acquainted with me before I interviewed them. In defense of my sample method and the validity of my sample population, I would argue two points. First, while many of my volunteers are artists, most of them only engaged in their art as a hobby. Most still have regular full-time jobs and therefore could not be said to represent a unique group in respect to indebtedness. Similarly, the academics I interviewed are not substantially different than most other professional groups in any significant way and also need not be considered special or unique. Second, as we shall see later when I discuss the specifics of my sample populations, there is a good range of ages, incomes, marital statuses etc. Because of this I would argue that the sample population this research accessed is about as diverse as one could expect from a non-random sample.

3.10: Sample population

The sample population for this research consisted of 24 residents of St John’s, Newfoundland and Labrador. Despite the use of a non-random sampling, method this study did yield a reasonably diverse sample in terms of age, sex, income, and levels of debt.

I interviewed a total of eleven males and thirteen females. Most were middle aged (35-54). This is unsurprising considering the sampling method used. With the bulk of research subjects being either friends or acquaintances, it should be expected that most of them are around my age. I interviewed six respondents aged from 25 to 34, but was only able to recruit one subject under the age of 25 and one subject over the age of 65.

In terms of marital status, a total of eight interviewees were single, three were divorced, and the remaining 15 were either married or in a common law relationship. Only four research subjects have children.

In terms of income there was a fairly wide distribution:

- Two subjects made $15000 or less,
- six subjects made $15-30000,
- ten subjects made $30-50000,
- four subjects made $50-75000,
- two subjects made more than $75000.

Similarly, there was also a wide distribution in terms of levels of debt.

- Six subjects owed $15000 or less,
- three owed $15-30000,
- four owed $30-50000,
- three owed $50-75000,
- eight owed $75000 or more.

Most of the research participants (13) were employed full time at the time of the interview. Three were unemployed, three were full-time students, two were self-employed and one person was retired.

3.11: The interview process

Interviews for this project were conducted over a span of three years from 2012 to 2015. They typically lasted anywhere from 45 minutes to 1.5 hours and were conducted wherever the interview subject felt most comfortable. In most instances this ended up being the research participant's home, although several interviews were also conducted at my own residence. Interviews were recorded and transcribed by me immediately upon their conclusion.

Relevant demographic data for each interview subject was recorded before the actual interview began. These included age, sex, marital/relationship status, employment status, level of income, and current level of personal debt. The interviews themselves were guided by a list of general questions which focused on the main areas I wished to inquire about. This list was composed of six sections and formed a loose structure which was followed in every interview.

The first section of the interview focused on how the interviewee came to find themselves in a problematic debt situation and how this has debt affected their general day to day lives. These questions included:

- How did the research subject acquire their debt? What kinds of debt did they acquire?
- Was it easy or difficult to acquire their debt?
- Did they understand how debt works?
- Do they have friends or family in similar debt predicaments?
- At what point did their level of debt start to become a problem for them? How did they react?
- Have efforts been made to collect on their outstanding debts?
- How often do they think about their debts? Does it cause them stress?

The second part of the interview is based upon questions which focused on if and how their problem debt situation has affected their relationship with family. These areas of inquiry included:

- Are family members aware of the interviewee's debt situation? Do they ever talk about it, and if so, what is said?
- Are other family members also experiencing difficulty managing their debts?
- Have family members ever been approached for financial assistance?
- Did the subject's parents or extended family ever talk about debt? Has the subject received any informal financial education from family members?
- Has the subject's problems with debt affected how they interact with family members?

The third part of the interview process was similar to the second but looked at relationships with friends, acquaintances, and colleagues and how they have or have not been affected by the respondent's problematic debt situation. These questions included:

- Has the respondent spoken with friends about their debt problems? Why or why not? Are the respondent's friends aware of their debt situation?
- Do they have friends who are also experiencing problems with debt?
- Are debt or financial matters in general something the respondent typically discusses with friends?
- Has the interviewee ever tried to borrow money from friends to service their debts?
- Has the subject's debt situation impeded their ability to socialize or interact with their friends as they would like?

The fourth part of the interview focused specifically on those respondents who have romantic partners and how their debts may or may not have affected their relationships. These questions included:

- Was the interviewee in a relationship when their debt was acquired? Was their partner aware they were talking on debt and, if so, how did they react?
- Were debt and financial details in general shared before the relationship began?
- Has the subject ever tried to hide details of their debts from a partner (or vice-versa)?

- How does having problem debt affect the dynamics of the relationship?
- Did having problematic debt exacerbate other relationship problems?
- If the debt problem was resolved, did it have any lasting effects upon the relationship?

The fifth part of the interview focused on respondents who were not in romantic relationships. Here I was specifically interested in whether or not being in debt affects one's ability to enter into relationships. These questions included:

- Has having debts affected the subject's ability to socialize? If so, how?
- Does the subject believe that being in debt affects their desirability to potential partners?
- Do subjects share details of their debt situations with potential partners? If so, at what point in the relationships does this typically occur?
- Does the subject pay more attention to the financial details of potential partner's lives because of their own experiences with debt? Are high levels of debt a red flag when seeking romantic partners?
- Has being in debt caused the subject to change their dating habits?

The sixth and final part of the interview encourages the informant to reflect upon their financial situation and what it means for their lives as well as the lives of others. These questions include:

- Is there a social stigma surrounding being in debt?
- Are some types of debt more socially acceptable than others?
- Do the subjects themselves stigmatize other people in debt?
- How has the subject's financial behaviour changed because of their debt?
- Are high levels of individual debt a social problem? If so, what needs to be done to mitigate it?

Almost all of the interviews were conducted one-on-one with two exceptions. One interview subject asked if her husband could be present during the interview even though he was not interested in participating (I said yes). The second exception was for a respondent who has a minor intellectual disability. She asked if a trusted facilitator could be there for the interview. This facilitator was there primarily for emotional support because the interviewee was a little nervous.

Before I began asking questions, I would first briefly outline my own experiences with problem debt and how they inspired me to undertake this research project. I hoped that subjects might experience less embarrassment and be more willing to share personal information if they knew that I had also shared similar experiences. Cowles (1988:169) argues that subjects who are disclosing sensitive material may be reluctant to share their experiences and feelings if they are self-conscious or ashamed. It is hard to judge whether by disclosing my own experiences, I helped encourage my research subjects to be more frank in our discussions. Several interviewees, however, did seem to relax a little bit after hearing my own stories of problem debt.

Sharing my own personal experiences managing problematic debt did have at least one unintended consequence when several interviewees asked me for advice based on my own first-hand knowledge of dealing with debt. While I brought material from several local debt-counselling agencies to every interview in case of just such a scenario, I only intended to refer people to these agencies, not to give out advice myself. This issue was further compounded by the fact that some of my research subjects were friends and acquaintances, which made me feel like I had a personal obligation to be of help beyond what I would normally feel with research subjects who were unknown to me. My response to this was to offer them the debt counselling agency literature I had brought, and to suggest we continue our conversation at a later date in a less formal setting. I felt it was important to remain as detached and focused as I could during the interview process so as to keep my role as friend or acquaintance separate from my role as researcher.

The interviews themselves were mixed in terms of quality and amount of disclosure. Of the twenty-four interviews, there were six that did not yield very much information. It is difficult to determine if this was because the research subjects were reluctant to share, or that they simply were not used to reflecting upon their financial situation. Even probing questions with this group tended to yield little usable information. Most interviewees, however, seemed quite happy to share detailed information about both their financial and personal lives. Considering how difficult it was to recruit research subjects, I was a little surprised that so many seemed so willing to share so much detailed information about their situations. Flesch (1975:99) notes that, even when discussing sensitive or potentially embarrassing situations, interviewees often welcome the opportunity to talk freely and are grateful to discuss their true feelings without subterfuge or concealment. This seems to have been the case with many of my research subjects. As will be discussed in the data chapter, many respondents were quite willing to reveal particulars of their private financial information as well as intimate details of their personal relationships and lives. Several interviewees even thanked me for the opportunity to tell their stories and found sharing somewhat therapeutic.

3.12: Coding and Presenting Data

The interviews yielded a large amount of data of varying degrees of quality. As is to be expected, some participants were more articulate and better able (or perhaps more willing) to reflect upon their circumstances than others. Though every interview yielded usable results, some proved more valuable and enlightening than others. This is reflected in the data chapter where several of the most interesting and articulate research participants receive a comparatively large amount of attention.

Organizing and presenting the large amount of information collected during the interview process proved somewhat challenging. As already mentioned, each interview was structured around six general areas of inquiry:

- Getting into debt,
- debt and familial relations,
- debt and friendship relations,
- debt and romantic relationships,

- debt and dating/socializing,
- reflections upon debt.

Data is organized and presented using these six headings. After the interviews were completed and transcribed I used colour coding to organize and consolidate the answers to each of the questions contained in each broad area of inquiry. In doing so I was able to find similarities or disparities between each individual story, recognize trends and outliers, and choose the interview data which best illustrated the experiences and thoughts of the research participants.

Weiss (1995) argues that data from in-depth interviews is not easily categorized. This means that analysis must rely less upon counting and categorizing and more upon summary, interpretation and analysis. This is reflected in my presentation of the interview data. Whenever possible I chose to use extended quotes and to let the interviewees describe their situations using their own words. Following the advice of Miles and Huberman (1994:100), I wanted to let each interview “breathe and speak for itself”. In the interests of readability, however, some interview data is paraphrased or summarized. In addition, some minor changes had to be made to the data presented in order to hide potentially identifying information though care was taken to make sure that none of these changes affected the substance of the data. A small amount of otherwise useful interview data could not be scrubbed of potentially identifying data and as a result was not be used.

3.13: Conclusion

Qualitative research is guided by a continuous and emergent process of data collection (Lincoln and Guba 1985). This means that researchers must be willing to adapt and refine their research design as circumstances dictate. My original research plan did not anticipate how difficult it would be to recruit research subjects and relied too heavily upon the cooperation of debt counsellors – none of whom proved particularly helpful. Perhaps in light of how sensitive my research topic is I should have anticipated these problems. I was lucky, however, to have a large social network from which I was able to recruit interviewees once my original plan failed. Despite setbacks I was able to adapt my research plan and successfully recruit an adequate number of participants.

As will be demonstrated in the next chapter, many of the interviews conducted during the course of this research projected yielded precisely the sort of "in depth" information I was hoping for. Rubin and Rubin (2005:78) suggest that interviewers are most effective if they take time to learn something about the interviewees. In this case, the fact that many of the interviewees were already known to me may have helped set them at ease and encouraged them to reveal details of their personal lives that they would hesitate to reveal to strangers. With a couple of exceptions, most participants seemed quite relaxed during the interview and willing, sometimes even eager, to share their personal stories of how problem debt has affected their relationships and lives in general. The next chapter will present the results of these interviews, explore how they compare to and expand upon other similar studies, and discuss what, if any, conclusions we can draw from them.

Chapter 4: Getting into debt

4.1: Introduction

This chapter will explore the data collected through the interview process. These interviews yielded a substantial amount of deep, detailed information about how problem debt affects relationships with family members, friends, romantic partners, spouses, as well as potential romantic/dating partners. We will begin this section, however, by examining the specific circumstances that led to each participant's problems with unmanageable debt. This will set the context for the remaining data chapters.

4.2: Getting into debt: Student loans

Approximately half of this studies' participants first got into problematic debt situations through student loans. Unlike some other forms of debt, borrowing for education is widely accepted as a prudent long-term financial investment (Luong 2010:5). By investing time and money in education students expect to not only increase their chances of finding a meaningful and financially lucrative career, but also find more opportunities for self-accomplishment, social interaction and independence (Oreopoulis and Salvanes 2011:162). While student's expectations in this regard are not unreasonable, there is evidence to suggest that students often overestimate their own personal earning potential (Rothstein & Rouse 2014:4) and as a result their ability to repay their loans. Avery and Turner (2012:4) also point out that students often assume they will earn the average income associated with their particular field or major, failing to take into account their own particular personal skills, abilities and career path – all of which impact their ability to repay their student loans. Finally, the job market and economy in general can change significantly in the time it takes to complete one's studies. Despite the best planning, students may find themselves unable to enter their chosen field upon graduation and consequently may be forced to seek less lucrative employment.

Typical of this situation is Liam. He is a 41 year old male in a long term relationship who has lived in St John's all his life. In his late teens, Liam says that both he and his peers were encouraged, even expected, to attend a postsecondary institution if they wanted a rewarding well-paying career. Liam's parents could not afford to contribute financially to his education so he was forced to rely upon student loans. He tried to lessen his debt burden by getting a part-time job while attending school but there were few jobs available at the time. Liam explains that he didn't really worry about assuming a large amount of debt because he assumed he would be able to pay it off once he began his career. He was also reassured by the fact that his situation was not unique. Liam explains that being in debt over one's head "was a common thing" amongst his friends and peers at the time. None of his friends came from privileged backgrounds so if they wanted a post-secondary education it meant assuming debt. Rather than worrying about it, Liam simply accepted debt as "the cards he was dealt" and tried to make the best of it. Even his parents, who were somewhat concerned that he was assuming so much debt at a young age, accepted the situation as inevitable. Liam's experience is consistent with research which finds that students from lower income families are more likely to be in debt when they graduate and have the largest debt loads (Callendar and Jackson 2004:3).

By the time Liam finished his education, the economy had contracted and there were no jobs available in his chosen career. After graduation, he found himself unemployed and saddled with student loans totaling over $14,000. He was forced to move back into his parent's home because he could not afford to both support himself and service his debt. This was the beginning of Liam's difficulties with unmanageable debt, the legacy of which would continue to cause him problems for years to come.
Like many Canadian student loan recipients, Liam chose to temporarily enter a less lucrative field (a "McJob" in his words) in order to service his debt while waiting for employers in his chosen field to once again begin hiring. This highlights one of the unfortunate consequences of student loans – they often force graduates to change their career paths in order to meet the immediate financial obligations

imposed upon them by their repayment demands. The Canadian Federation of Students notes that because student loan repayment begins almost immediately upon graduation, graduates are forced to make employment and career decisions based upon what can best contribute to repayment of their outstanding loans (Burely 2015:2). They are unable to gain career related volunteer experience or take a lower paying career-related job in order to get their 'foot in the door'. Those with high levels of student related debt are also less likely to engage in entrepreneurship.

The difficulties Liam faced with his student loans are echoed by those faced by David. A male in his mid-30s, David attended a trade school (at the advice of his high school counselors) and graduated with over $10,000 in student debt. Initially hired in his chosen field, David was laid off after only seven months and found himself unable to find alternate employment and unable to meet his debt obligations.

Until David found himself unemployed, he had never seriously considered the possibility that his student debts would cause long term problems for him "I just assumed I would be able to get by", he states "I was young, you know what I mean? It was free money as far as I was concerned." Like Liam, he was surrounded by peers who assumed large amounts of debt, which in his mind made assuming student loans seem like "not a big deal." This cavalier attitude towards debt extended not just to student loans, but to all forms of borrowing. He reports that most of his friends tended to rack up fairly large debts and did not seem overly concerned about it. Some of them even did this knowing full well that they would be unable to pay back their debt. This was seen almost as an act of rebellion - as "sticking it to the man." He goes on to say that "nobody gave a shit about debt because they were already so much in debt."

Even when graduates are able to enter their professional field of choice, this does not necessarily mean they will be able to pay back their student loans. Ryan, a 30 year old male, assumed a large student debt-load while attending a trade school. While he was fortunate to find full time and relatively well-paying employment in his field upon graduation he soon discovered that despite being employed, meeting his student loan payments proved an unmanageable burden. Looking back, he reflects that “you never really get caught up in this industry.” Even employed full time, a hair stylist such as himself does not make enough money to cover the education costs needed to initially enter the profession. Ryan’s difficulties are consistent with findings from studies such as Schwartz (2002) who found that problems in repaying student loans follow a clear pattern by field of study. Those occupations characterized by low average earnings have a higher proportion of graduates reporting difficulty with repayment (Schwartz and Finnie 2002:13). As his career progressed Ryan decided to start his own business, in an attempt to increase his income. Here again though he was hampered by the legacy of his still-unpaid student loans.

While several other research participants echoed the experiences of Liam, David and Ryan with their student loans, a few stood out by taking a rather unexpected approach to dealing with their unmanageable student loans – they decided to return to school. The logic behind this is twofold: it not only postpones having to repay their previous student loans, but also helps increase their employability, which they hoped would lead to a higher paying career that would in turn allow them to eventually repay their debts. Unfortunately, this plan does not always work out as hoped. Primarily because it means assuming even more debt. Schwartz and Finnie (2002) found that getting more student loans usually increases the chances of default. As we shall see, the experiences of my interviewees are certainly consistent with these findings.

One example of somebody who decided to deal with her debts by upgrading her education is Sarah. Sarah is in her mid-thirties and is married with two children. She is currently struggling with almost $50,000 in student loans and school-related debt. Having no savings of her own and no possibility of financial support from her parents, Sarah was forced to rely upon student loans to finance her undergraduate degree. Upon graduation she found herself with $25,000 in debt and unable to find a job which would allow her to support herself and pay down her loans. Even after she moved back into her parents' home she still found her income was not enough to cover her basic living expenses and service her debt. Sarah decided to return to school to obtain an advanced degree in the hopes that it would increase her job prospects. This choice was made despite the knowledge that doing so would also greatly increase her debt load. She "simply felt I had no choice". Today, Sarah is employed in a reasonably high-paying career but her student debts have become so high that even an above average income is insufficient to get them under control.

Jennifer's story is very similar. Like Sarah, she is also in her mid-thirties and has student loans totaling around $50,000 that she accumulated while obtaining an undergraduate and two graduate degrees. While she understood the importance of education in attaining a well-paying career, she initially did not understand the consequences of assuming so much debt. When she began her education and initially assumed these debts, the prospect of having to pay them back seemed very distant and not something to worry about: "You're young and suddenly you have all this money." She says she always spent her entire student loan each term even if she really did not need to. Jennifer spoke about how many of her friends were in a similar situation with their student loans: "We used to joke about how we will never pay it off", she says.

Both Sarah and Jennifer incurred significant other school-related debts during their studies. Jennifer did not have a credit card while completing her first degree, but obtained a Visa card while doing her second. The student loans she had at the time did not cover her living expenses, so she used her Visa to supplement her income. Jennifer also used credit cards to pay for flights home to visit her parents and family. By the time she had finished her second degree, she had almost $20,000 in credit card debt. She knew when she started accumulating credit card debt that it would be difficult to pay it back. By that point, however, she had already accumulated so much debt that she had become almost indifferent to it: "I knew what I was getting myself into, but I think it had got to the point… where the debt was so high that it felt like a hopeless situation… I was never going to get it paid off, so what if I spend an extra hundred bucks here or there. And it kept adding up." The bulk of this credit card debt was acquired paying for living expenses, but a lot of it was frivolous spending as well.

Sarah also has considerable credit card debt in addition to her student loans. Her first card was a Sears card she obtained as an undergraduate. She says she only used this to purchase necessities – such as a bike to get to and from school. Upon graduation, she obtained another credit card – this one being a pre-approved MasterCard with a $4,000 limit – to help her meet day to day expenses while she looked for employment. Once she decided to return to school, she got yet another credit card, again to help cover basic necessities such as groceries.

Several other respondents also financed multiple degrees though student loans. Of these, two in particular stand out. Even though they were able to find high-paying jobs in academia almost immediately upon graduation, they were still unable to service their student loans. Mary is a single mother with three degrees and over $50,000 in student debt. Despite working part-time throughout her studies and only spending on the bare-necessities, she still incurred more debt than she can currently afford. Andrew, another successful academic, spoke about how his debts accumulated despite always being employed, even as a student. At their peak, his student loans totaled over $25,000 but it is the credit card debt he assumed as a student that has proven most difficult to pay off. When asked about this, he says "Yeah, I got lots of credit cards. They were easy to get. The credit card companies all came to our campus. I got both a MasterCard and a Visa card. Then I got a Sears card, a Zellers card, and a Canadian Tire card." He rather sheepishly admits that these cards were used on frivolous things like socializing, video games and other unnecessary material items which he now regrets purchasing.

Though student loans are intended to supplement the cost of living as well as tuition and other school expenses, these examples suggest that they are often insufficient for this purpose. This is consistent with Statistics Canada data which show that students are increasingly supplementing their student loans with other forms of credit. From 1995 to 2005 the proportion of students with only government sponsored loans fell from 67% to 52% while the proportion of students with only non-government loans increased from 14% to 22% (Luong 2010:5).

Almost all of my interview subjects with student loans have defaulted on them one or more times. Schwartz (1999) argues that there are three primary reasons for defaulting on student loans: (1) incentives for default are created by the program rules; (2) users do not understand how the loan/repayment schedule works; 3) defaulters cannot afford to pay (1999:318). He concludes that inability to repay debts is the primary cause of default. The results of this research confirm Schwartz's findings. In every almost interview it was revealed that the inability to repay student loans can be directly tied to simply not having sufficient funds. It seems as though students not only overestimate the job market and their earning potential, but also fail to understand the potentially life-altering consequences of assuming large amounts of debt.

Perhaps it should come as no surprise to find that students are sometimes confused and ill-informed when it comes to student loans. The process of applying for student financial aid or loans can be quite complicated. None of the subjects interviewed received any formal education in how to manage their finances before assuming their student loans. Even informal training was rare. When asked if they received much guidance or training from their parents, most reported that they did not beyond a few vague warnings not to get in 'over their heads' with their loans. Schwartz argues that the circumstances in which student loans are issued are one of the primary causes of confusion for students:

> Unlike consumer loans, student loans are not tied directly to the purchase of tangible consumer goods and no repayment is demanded until the end of full time studies. Indeed, there is little contact with the lender for potentially long periods of time while the student is engaged in full-time studies. As a result, some students may not even know (or not remember) that part of their financial aid package was, in fact, a loan that must be repaid. (1999:321)

Both Jennifer and Sarah underestimated the total amount of student loan debt they had incurred and received a nasty shock when, upon graduation, they learned how much they owe and how high the monthly payments would be. Says Sarah:

> What I did definitely not understand was the amount of minimum payment that the loan was going to cost me and how little I would have left over for food and lodging. I didn't understand that having debt with five different people would mean five different minimum payments that were not going to be easy to meet even with making minimum payment. I also did not understand compound interest. I still do not understand compound interest. One of my cards was 28% interest and I did not understand that… So yeah I did understand that I was taking on a lot of debt. What I didn't understand was how difficult it was going to be to pay it back.

In their 2014 study, Andruska et al. found that nearly two-fifths of students underestimate the total amount of student loan debt they owed (2014:134). They note that few financial products used by families are as complex as student loans. For example:

> The decision about how much to borrow is often bundled with the choice of college or university, and may involve a joint negotiation between parents and students as to who will do the borrowing and who will do the paying. Families often take out loans as a series of independent annual decisions rather than with any consideration of previous or subsequent loans. Interest on student loans may or may not be deferrable depending on the student's financial need, enrollment status, and post-graduate studies or job situation. Students often take out loans from a variety of providers, but they rarely see a comprehensive picture of their total student loan obligations, and virtually never see an estimate of the total monthly payment obligation for all of their federal and private loans (Andruska et al. 2014:125)

Because of her own experiences with debt, Jennifer strongly feels that every student should receive some sort of financial training before being allowed to assume large amounts of debt. This sentiment was also echoed by several others. Perhaps their naïve understanding of student loans and credit in general contributed to unrealistic expectations regarding their loan repayments. A recent poll by the CIBC found that two-thirds of post-secondary students believe they will have their loans completely paid off within five years (Leong 2014). The Canada Student Loan Program (CSLP) reports that students graduating in 2015 will actually take an average of ten years to pay off their loans (Leong 2014).

These interviews expose another common problem with Canadian student loans – they are rarely sufficient on their own to cover the actual costs of being a student. Almost all research participants report that they were forced to supplement their student loans with other privately issued forms of debt. Credit cards and lines of credit were the most popular sources of additional funding for students. This use of private debt was especially prevalent in the research subjects who went back to school to pursue advanced degrees. The CSLP recently released a report which found that while the amount of money students owe on federal loans has remained relatively constant over the past ten years, the amount of private debt has increased significantly, especially for graduate students. Average private debt for them has risen from approximately $19,000 in 2005 to $40,000 in 2015, an enormous increase (Press 2015). These private sources of funding are all relatively expensive compared to government student loans and do not allow the favourable repayment terms found with the CSLP. Also, it stands to reason that having many loans from many different providers makes getting a complete picture of one's debt more difficult.

It is interesting to note that even though the interviewees almost unanimously agreed that their student loans were insufficient, this did nothing to mediate the propensity for many of them to spend student loan money on non-school related or non-essential items. David talks about how his first purchase upon receiving his student loan was a $500 guitar. Jennifer, who says she grew up in a family which was "not particularly wealthy", speculates that her relative deprivation may have contributed to her "going a little overboard" with her consumer spending. It seems the novelty of having a relatively large amount money for the first time makes it hard for some students to resist engaging in spending sprees. Similarly with Andrew, much of the money he acquired through loans was lent to friends or spent on socializing and the purchase of unnecessary items. There were a couple of exceptions to this, however. Several interviewees emphasized that their debt problems occurred despite being extremely careful with their student loan money. Mary says "The only debt I have ever had is student loan debt" and these funds went entirely to tuition and living necessities. Jennifer was also especially adamant that the money she borrowed was spent on bare necessities: "I don't shop or anything. I haven't even bought myself a bra for six years. I did not spend much at all on socializing."

4.3: Living expenses and discretionary credit

After student loans, the second most common reason for research participants getting into debt is to cover basic living expenses or to supplement their discretionary income.

Elizabeth is married and in her early 30's. Even with full-time employment she found that her income was barely enough to cover her living expenses let alone allow her any extra funds to socialize or go shopping with her peers. She acquired her first credit card rather unexpectedly: She says, "Some guy at a table outside the bank at a mall was offering credit cards. So I signed up for it. When it arrived in the mail I was like 'cool, I have a credit card'". Elizabeth didn't need the card to cover necessities but appreciated having the extra money available for "fun" things.

> It was nice to be able to go shopping because my paychecks were spent on bills. It was mostly discretionary spending. I would go shopping or go to a club when I couldn't afford it. It was mostly fun stuff that I couldn't normally treat myself to. Socializing was a big part of it. I wanted to be able to do things with my friends whenever they wanted to do stuff. I didn't want to feel left out.

She reports that she was not particularly worried about taking on credit card debt. Part of the reason for this was because she had little or no understanding of how credit worked nor the consequences of not paying it back: "I didn't know any better. I didn't have a good relationship with my parents. There was not a lot of education from them. I grew up really fast and had to learn everything by myself. Nobody educated me about debt at all". Elizabeth was also encouraged to acquire and use a credit card by the simple fact that everybody else seemed to be doing it. When asked if her friends were in similar situations with their credit cards, her answer was, "Oh my God yes!"

Social interactions can have a significant impact on financial decision-making in a wide variety of contexts. This is especially true for less financially sophisticated individuals who are more likely to rely upon social learning mechanisms for cues regarding the proper or improper use of credit (Frydman 2014, Bursztyn et al. 2014). With her somewhat reckless use of credit, Elizabeth, a self-described extrovert, displayed behaviours consistent with the existing body of literature which suggests that extroverts tend towards additional social expenditures by socializing, seeking out new friends, and acquiring status symbols (Harrison and Chudry 2011:153). Furthermore, highly extroverted individuals have been found to have a higher propensity to use overdrafts and have a history of borrowing from their families (Harrison and Chudry 2011:162).

Like Elizabeth, Leah also first got into debt through the self-reportedly frivolous use of credit cards. Leah and her husband enjoyed shopping and purchasing the latest gadgets. This eventually resulted in them incurring tens of thousands of dollars in debt through the purchase of non-essential consumer goods. Unlike Elizabeth, however, who was young and single when she first started using hers, Leah was mature (42 years old) and married. She reflects upon when her first credit cards arrived in the mail: "I remember getting them and thinking, "Oh look at all this free money."

From her description of their spending habits, it would appear that both Leah and her husband display materialistic tendencies. Sirgy (1998) defines materialism as an individual variable reflecting a high relative importance placed on the acquisition of material goods. Highly materialistic consumers are more likely to view themselves as spenders and have a more favourable attitude towards borrowing than consumers low in materialism (Watson 2003). Both Leah and her spouse seem to fit this description. They frequently bought expensive items on impulse and enjoyed owning goods manufactured by prestigious or high end brands.

Leah goes on to say that while she understood in an abstract way that she was borrowing money, she was almost completely oblivious to the long-term consequences of borrowing:

> I suppose I understood that I was borrowing money. I just didn't realize how quickly it accumulated and how hard it was to pay off. Also, I didn't have a good understanding of how much you are paying to get the credit. That wasn't explained to me at all. The fact that I was paying 25% interest, so that if I bought something for $500 I would end up paying $1,500 for it.

Paying down the credit cards was never a priority for Leah. She and her husband were both employed with good jobs which gave them access to a considerable amount of credit. She tells how, when things got tight or they had trouble servicing their debt, it seemed like somebody was always willing to lend them even more money. Leah and her husband used to get mailed pre-approved loan offers from Trans-America Credit and would agree to the loans as a matter of course – with no regard for whether or not they actually needed the money. When those offers stopped coming and she and her husband started having trouble servicing their debt, they didn't seek debt counselling, rather, they went to talk to their bank manager who would simply give them more money. I asked whether the bank manager ever tried to caution them or advise them to slow down their spending. Leah says no: "He just gave us whatever we wanted. No questions asked." Through banks, Leah and her husband were able to refinance their debts. By consolidating all their debts within their mortgage, they were able to clear up their credit cards, only to promptly max them out again. This became a cycle until their debts spiraled completely out of control.

Evan's debt problems also started with credit cards. Now married and in his 40's, he explains how in his early twenties he would constantly get credit card offers though the mail. He filled out the applications as a sort of joke, never thinking that they would actually approve him. Evan says that he did not take the applications seriously and would lie about his level of income. After doing this several times and always being turned down, he all of a sudden got accepted for three different cards. Each card had a $12,000 to 15,000 dollar credit limit. These were his first credit cards and his first experience with debt.

At the time, Evan did not really consider the consequences of assuming lots of credit card debt. He says "I wasn't really thinking ahead, I guess it was sort of a devil may care thing… it always seemed to work itself out". He would get to the point where he started to get into trouble with his debt, but then he would get some money and pay the cards back down. Once he got his credit card balances down to zero, however, it wouldn't take him long to once again rack up large debts. After a few years, he found less and less work which meant less income. This meant that he began having more and more trouble paying off his credit card bills. He says "I went from being able to pay two or three thousand dollar chunks, to gee, I wonder what the minimum payment is on this thing".

Another factor Evan says he never considered (which he blames on his "own stupidity") is the amount of interest charged on credit cards. This is especially important when you're carrying a large balance as Evan did. He says he was paying over 20% interest on his credit card debt. Even though he knew how credit cards worked and what would happen if he fell into arrears, he just never thought he would be in a position where he couldn't make payments.

Unlike many other interview subjects, Evan did not really talk about debt, particularly his own indebtedness, with his friends and peers. He says he did not want to be known as "the retarded kid who couldn't keep it working". He did know lots of other people who were also running up large credit card bills. The difference, however, is that his better established peers were making more money than him and could afford to pay back their debts. Much like Elizabeth, Evan wanted to live the same lifestyle as his friends despite making less money. Credit card debt allowed him to do this, albeit temporarily at least.

While most interview subjects at least partially blame their own foolish or irresponsible spending for getting in over their heads in debt, Natalie and her husband Liam tell a much different story: Their debt problems began with the purchase of a new home. They approached this transaction reasonably confidently saying, "We are both pretty experienced with debt." Before buying the house, "we already had a pretty good rhythm of using debt, it was quite manageable. We had credit cards and personal and business line of credit." The house they purchased was a heritage property in need of a lot of repairs and upgrades. Liam reports that they "got into it with their eyes open. I knew with this thing being a 170 year old structure there would be problems."

With their good credit they had little trouble getting a mortgage to purchase the property. Their problems began with the realization that their restoration project was going to end up costing them double to triple what they had originally anticipated. Even though they initially had what they thought was a reasonable plan for dealing with their debt, they soon found themselves having to get a second mortgage and tap every other source of credit they had access to. Compounding their problem was the arrival of their first child, which meant less time to work and less income to service their debts. Natalie and Liam recall discussing their difficult debt situation with their friends. Natalie says: "I am not ashamed or embarrassed by our debts. There are lots of people in our generation who are in similar situations. People can relate to our experience. I feel like having a lot of debt is just a fact of life. I know plenty of other people in similar situations".

One of these people in a similar situation is Matthew. Until he purchased his first house, he had made a point to pay for everything with cash. Like Natalie and Liam, his house was old and in need of renovations – the cost of which soon became overwhelming. After he began renovations he realized that the house had serious structural issues, so serious in fact, that he eventually had to tear the house down and borrow even more money to build a new one. Looking back he realizes that his financial decisions at the time were "very foolish".

There is research to indicate that people with disabilities are several times more likely to report debt than individuals without similar problems (Fitch et al. 2007:129). Karen is a woman in her late 40's with a disability which has made it difficult to find employment. As a result, she has lived on various forms of social assistance since her teens and has struggled with debt. Her problems with debt began when she acquired her first credit card in her 20's. Because of her poor financial situation she needed her brother to co-sign for her. Despite only using it for necessities, she soon had her card maxed out and was unable to make even the minimum payments. Unable to stand the constant harassment by collection agencies, Karen had to go to her brother and admit she was in over her head. He reluctantly (and quite angrily) paid her credit card off and then cancelled it. She still feels ashamed of herself and is always aware of this shame when she is around her brother. She doesn't think he holds it against her that he had to bail her out financially, but Karen wonders if his wife does.

Finally, not everyone who gets into a difficult debt situation does so because of their own independent financial decisions. Janet, who is 46 and recently divorced, is unique among my research participants in that she married into her debt problems.

> I got into debt through marriage. My ex-husband had poor credit. He was an addict – pot and pills. He couldn't get a line of credit. I got our first line of credit so he could get a computer so he could get a job. He was able to get a job but that was how our debt started. From there it kept accumulating and accumulating until it became the second biggest reason I left him. The first was abuse, the second was debt.

She goes on to say that she had absolutely no debt before she got into a relationship with her husband. After getting married she discovered that he had already declared bankruptcy once so any credit they needed had to be obtained by her. None of the money she borrowed was used for necessities. When asked what the money was spent on she says:

> Computers and electronics were a big thing, and he was really into television shopping. Something would come up on TV with a 1-800 number and he would order it. He would buy computers, stereo equipment, and stuff like that. Big things. He would buy stuff that was ridiculous, frivolous. So even though I knew how deep in debt we were, he seemed to be able to push that reality aside and keep on shopping.

Most of this spending was done deceptively or behind her back:

> I travel for my work so oftentimes I go away and come home and a bunch of packages arrive. I am like "what's going on?" and he would go "Oh I ordered this stuff". And sometimes it would be stuff for me, like one or two things for me and a whole bunch of stuff for himself – items for me to soften the blow. He didn't sleep well at night so went online to order things. He jumped right on the internet band wagon.

For Janet, it was the actions of her spouse that led to her leaving their marriage and getting her debt under control. She tells how things came to a head after being married for about ten years. She had just made an extra $4000 from a work contract and her plan was to use that money to pay down her maxed out Visa card. When her husband found out about this extra income, he declared that he needed it to pay for dental work. He never took care of his teeth, Janet complains, no matter how much she bugged him about it. When she found out about this, yet another unnecessary bill, she says her "heart just sunk, it went right from my fuckin head to my feet." This was the point she knew she "could no longer live like this". She recounts quite vividly how this incident marked the end of her rope:

> This happened on April 30th and I thought… this is ridiculous. By May 7th or 9th I left. And that was a big part of it. I left with that 4000 dollars and put it right on the Visa. That was the tipping point. Coming home with money to pay on debt and have him want to spend it on something he could have prevented. He was the main spender of everything I had. So that was the straw that broke the financial back.

4.4: Debt becomes a problem

Like Janet, the majority of my research participants were able to recall specifically when they first realized that their debts were becoming a problem. Says Evan: "The moment of realization came when I had missed two payments on my American Express card and they called up and gave me a do or die deadline for paying off my entire bill." He was able to make a payment, but got sent to collection anyway. American Express then demanded that Christian pay off his entire bill. "So I went from being a couple of payments late, to suddenly owing them $15,000". He started receiving phone calls and letters from a collection agency regarding his credit card bill. Evan moved frequently so collectors had a hard time tracking him down. Also, he made a habit of not answering the phone if he did not recognize the number. He says that, at the time, he had no idea how to deal with the situation. Evan says that the collection agencies pursued him very aggressively. The more aggressive they became, however, the more Evan avoided them.

Evan isn't the only interviewee whose debt problems led to being sent to collection agencies. David also only came to fully realize the extent of his problems once the creditors started knocking on his door. At first he says he ignored the threatening calls. Like Evan, David employed caller ID to avoid collection calls. He eventually did contact his creditors but was unable to work out a realistic re-payment plan with them. The collectors demanded far more money than David could afford so he simply stopped trying. He says he pretty much told them to "fuck off" and began ignoring their threats. At this point he had no money and no possessions so he didn't see how they could make things worse for him.

David says that even though he later tried to work with the collection agencies, he still found them very difficult and unreasonable. He comments:

> Had they been willing to work towards a manageable and reasonable way for me to pay off my debts, it wouldn't have taken me so long to get them under control… Every creditor I spoke to was just so cutthroat and some of the things they said were just so mean and nasty that I couldn't imagine giving them any of my money. Even if I had the money to give them I wouldn't just because I wanted them to feel like they had failed.

Major or unexpected life events can not only cause people to get into debt but can exacerbate already precarious debt situations. This was the case with several interviewees who report that their debt situations finally reached a crisis point because of a major life event. After completing her last degree, Sarah was in the process of seeking employment when she suffered a major injury due to a car accident. This unexpectedly left her unable to work or even look for work for almost six months. This left Sarah almost completely unable to service her large debts. For her, this was the moment that she realized that she was in serious financial trouble.

Mary recalls that the event that pushed her over the edge financially was having a baby as a single mother. After finishing her education, she found herself able to meet her minimum debt payments – barely. It was only after she had her first child and went on maternity leave that "things started to get nasty". She says:

> I let the student loan people know I was on maternity leave and therefore would not be able to pay the same amount of money. I think I went into arrears at that point although it was not for a drastic amount of money. And then I didn't hear anything for months… Probably a year after I had my daughter they came after me with this really official letter. It looked like the Ontario government was taking me to court over this amount of money that I owed them. I contacted them and told them I didn't know what this letter means, and that I had just been on maternity leave but they didn't care. They eventually did send the loans to a collection agency. When I started working for the Ontario government they were able to track me down. When I got that official [collection] letter, it was like no other letter I had ever received. It sent shivers down my spine. It's like I am going to be in shit. I had a breakdown about it. It was really scary intimidation tactics. But I just didn't have the money.

Like Mary, Leah also saw her debt situation come to a head with the arrival of her first child. Even though she and her husband had planned for the child, they severely underestimated the additional strain it would put on their finances. It is at this point that they first began to have trouble servicing their debt and realized the hole they had dug themselves into.

Liam and Natalie, like several other interviewees, report that there wasn't a particular moment when they realized they were in trouble; rather, it was the "slow accumulation of things over time". Several other interviewees report that their problems began when their debts got so high that they reached a point where they could not afford to cover their basic day to day expenses and still keep their debts current. For example, Andrew tells how despite being employed with a high paying job he found himself unable to afford much needed new glasses: "What really hit me was my eyesight – I didn't have enough money to get new glasses, even with insurance. I started thinking to myself why am I am in this situation? I have a good job. I shouldn't be here." Andrew was particularly upset when his poor financial situations prevented him from being able to help a family member in need. He says, "One of my family members was sick and I could not afford to buy a plane ticket out west without help. This was a big deal to me. This is when it really hit… My debt prevented me from being there for my family when needed."

4.5: Living with problem debt

Living with problem debt can be very stressful. In light of the considerable amount of literature linking debt to negative mental health outcomes it is no surprise that almost all respondents reported feeling some level of mental distress because of their debts.

Natalie talks about the stress her debts caused her, “I was in tears. I don’t think we ever regretted doing this, but we are under a huge amount of stress because of this, plus there is also our little guy.” Indeed, having a “little guy” (or girl, in the case of Mary) seems to add an extra dimension of stress to problematic debt situations. All of the parents I interviewed expressed dismay at the possibility that their financial situations could have negative consequences for their children. Whether this means not being able to save for their child’s education (Mary), not being able to afford quality daycare (Sarah) or just generally not being able to afford the things they would like to be able to purchase for their child (Natalie). Reading & Reynolds (2001) found that the negative effect of debts upon mental health can be especially acute for people with young children. The results of this research seem to bear out these findings.

As has already been mentioned, not being able to pay your debts usually means having to deal with the stress of collection calls. More than half of my research participants reported receiving regular calls from collection agencies. Some, such as Chantelle and David even talk about receiving collection calls at work and how embarrassing and stressful that was. But even those interviewees who never had to deal with collections agencies still experienced a great deal of anxiety over their debt. Jennifer was never hounded by debt collectors, yet she still found trying to manage her debts extremely taxing psychologically. She talks about how her debts made her “feel sick all the time”. Sometimes she would be having a good day and then she would remember her debts and “the stress would just hit her”. She was frequently fraught with guilt at the prospect of having to delay paying bills. Jennifer reports that her stress not only made her physically sick but even prevented her from sleeping. Even now that she is beginning to get her debt under control she still has frequent sleepless nights.

Emma has so far been able to avoid having her debts sent to collection, but like Jennifer, is "really stressed" by her situation:

> I have been so stressed out that I was unable to work. I constantly have a sinking stomach feeling, I questioned whether I should quit school, I questioned whether I should go part time (but then I would lose my dental and health benefits), I considered getting a job off campus but it is really hard to get work done when you are a full time student working more than 20 hours a week. I sought counselling at MUN because I was so stressed and it was causing problems, I was so stressed out I could not work, and then I was stressed out because I was not getting any work done.

Along with the stress of being in debt comes the guilt and regret. Many respondents report that their debt situations had a negative effect on their self-esteem. Carol talks about the humiliation of having to call her parents for financial help: "I felt like, what was wrong with me? I was in my late 30's and didn't have anything except for debt. I didn't have a house, I didn't have property. I didn't have my own fridge and stove. I was renting and I didn't own anything." David says he "felt like a low-life, I felt like I was unsuccessful" because of unmanageable debts. He felt like he didn't measure up to his more successful peers. David also found it very difficult to see the stress that his debts caused his parents. He says, "It killed them. They thought I was on a road to nowhere." Like several interviewees, David tells how birthdays and Christmas were especially difficult for him because he couldn't afford to purchase presents for anybody he was close to.

Having so much debt definitely had a similarly negative affect on Jennifer's self-image. She says, "This was the first point in my life where I really had a chance to be independent, and I felt like I was blowing it." She thought she should be able to handle her finances and everything else that is going on in her life successfully. Her situation made her feel like she did not have control over her life even though she should. She says she often felt very ashamed. She does not think her debts affected how most other people thought of her though, but only because she was able to hide them successfully. Had she not been able to keep her debts secret she thinks that people would have had a lower opinion of her.

A great deal of the stress reported by debtors is related to their belief that debt carries with it a serious social stigma. Andrew says, “I grew up in Alberta and if people were in debt it was assumed it was because they were alcoholics or something. There is definitely a stigma there.” Mary also believes there is a lot of stigma surrounding debt:

> I think that you feel like you are a failure if you have debt issues. I am embarrassed and it is really hard to tell anybody [about it]. I feel like it is a dark dirty secret hanging over me… I would never tell anybody here at work about my debt, it would be mortifyingly embarrassing. In your mind you just assume that people who have debt are irresponsible or gamblers. There are a lot of negative stereotypes.

This stigma can also discourage people from talking about their debt problems and from seeking help. When asked if she thinks debt carries any social stigma Sarah, replied “Oh my god yes!” She goes on to say that she thinks the shame people feel because of their debts is part of the problem:

> If everybody was more open about debt that we are dealing with then we might get some sort of social movement on the go. But because it has become a personal issue people do not discuss it. It is seen as lacking self-control, it is embarrassing. If we did not have a friend who had already gone through bankruptcy we would not even be considering it. There is such a sense of shame surrounding bankruptcy, it is like cancer. It is something people whisper about. Our daycare provider knows someone who declared bankruptcy and when she talks about it she always says the word bankruptcy in a whisper. Like it’s a tawdry shameful secret or something.

Several respondents expressed a belief that some forms of debt carry more of a social stigma than others. These respondents found consolation in the fact that if they are going to be over their heads in debt, at least it is a ‘good’ debt. Says Natalie: “I feel there is a stigma surrounding debt when it is surrounding things that are shunned upon – like gambling debt or purchasing an expensive car.” She feels that because her debt was not acquired irresponsibly and because so many others are in a similar situation, she does not have to feel ashamed of her situation. Likewise, Chantelle feels that people are more likely to cut a debtor some slack if they know the debts are from student loans. David, Carol and Jennifer all shared similar opinions.

A large part of Jennifer's shame over her finances is due to the fact that a significant portion of her debt was acquired through unnecessary spending. Jennifer used shopping and consumption as a way to make her feel better when her relationship with her significant other was not going well. Debt became a vicious cycle for Jennifer: "my finances caused problems, and then these problems caused me to spend more, because shopping makes you happy."

Even though they will admit that being heavily in debt is not an ideal situation, for some people it is perceived as unavoidable, and this makes it easier for them to accept. For example, Liam says that he never felt distress or guilt because of his financial situation. Being in debt over one's head "was a common thing" amongst his friends and peers. Similar sentiments are expressed by Ryan, who doesn't believe there is any significant stigma attached to being in debt and who didn't let it affect his self-image or self-esteem.

Whether it affected their own self-image or not, every participant agreed that the ubiquity of debt and debt problems has lessened the social stigma that has traditionally surrounded it. Andrew says:

> I think [the stigma] is less now because we are bombarded with new facts about how in debt Canadians are. It seems like it is everybody's fault we are in debt. Individuals realize "hey, it is not only me". The stigma is less overall, people understand what it is like to be in debt. For some individuals it can still be a tough thing.

Janet shares similar sentiments:

> I think there is stigma but it isn't as bad as it was when I first started accumulating debt in the 90's. Everybody I know is carrying a certain amount of debt. My friend has a 16 year daughter who just bought a car on credit for $25,000. Kids do not feel the way their parents do about debt. Having a loan is a rite of passage these days. When I was young asking parents to co-sign a loan was a big deal, now it seems like it is

> nothing. I know people who have declared bankruptcy and will tell you in a casual conversation. I think some people almost see [debt] as a sign of affluence – "look at all the loans I have."

4.6: Getting into debt: Summary and Discussion

Even though each individual situation is unique, a few noteworthy trends emerged through the course of the interviews. First, in almost every case, the interviewees simply did not have enough income to service their debts. There were no efforts to try and defraud their creditors and everybody displayed a genuine desire to pay if only they could. Even though a few, like David and Ryan, reported trying to hide from their creditors, this was only because they were completely unable to make their payments and were unable to find a compromise with their creditors. Furthermore, almost everybody spoke of regret. If they could re-live their pasts, most would be much more cautious in their use of debt (if they were to use it at all).

Another noteworthy finding is that most interviewees have or have had multiple forms of debt. Several participants such as Natalie and Sarah report frequently having to use one form of credit to pay off another. Many also spoke of owing money to utility companies or owing back rent. These research participants almost all agree upon how easy it was to access credit despite the fact that many of them had little or no income and, in some cases, were very young.

It is particularly interesting that almost every story reveals how the subject was encouraged and re-assured in decisions to take on debt by the apparent fact that all their peers were doing the same things. There is a substantial body of empirical research which shows how social interactions can influence financial-decision making in a wide variety of contexts (Frydman 2014:2) and that those with less financial sophistication tend to use this social learning mechanism more (2014:25). Most of the academic literature I have found, however, has looked at the peer effects on buying and investment decisions. None has looked at how peers can affect personal debt decisions. The research that does exist clearly shows the weight that peer behaviour has in influencing how young people make their own personal debt decisions. Peer influence becomes even more important when we consider that none of the interviewees had any formal financial education and little or no informal education on debt.

A later section will look at some of the negative effects problematic debts situations can have on friendships and socializing. It is interesting to note, however, that the desire to maintain relationships can help to push people into debt. Evan, Elizabeth, Leah, Andrew, and several others used credit to allow them to socialize. Without credit, they would not have been able to socialize and participate in the same activities as their friends. For some young people, fear of social isolation or loneliness appear to be a much greater concern that assuming too much debt

Several of my interview subjects were married or in serious relationships at the time they first started getting into debt. In each case, they report that acquiring debt placed a strain on the relationship. This should come as no surprise judging from the literature and will be examined in further detail later.

Even though some commonalities were discovered, every situation is unique. Not everyone felt the same levels of anxiety while taking on debt. Some respondents, such as Liam, have accepted that taking on debt is simply a necessary part of life and nothing to be ashamed of. Similarly, Evan and Matthew expressed some level of concern over their debts but do not consider it a major cause of distress for them or their partners. Gathergood (1012) suggests that, for particular social groups, the ubiquity of indebtedness has served to lessen the social stigma surrounding it. This may help explain why several interviewees seem relatively unfazed by their debts.

In Chapter Two I touched upon the large body of literature which suggests that there is a strong relationship between personality factors and economic behaviour. Specific individual characteristics or practices such as careless budgeting, lack of self-discipline or self-control, impulsiveness, extroversion and materialism are all associated with low levels of savings and relatively high levels of personal debt (Livingston and Lunt 1992, Lea et al. 1995, Tokunaga 1993, Walker 1996, Nyhus and Webley 2001, Yang and Lester 2014, Wang et al. 2011). These studies all emphasize the role of personal agency in shaping individual financial circumstances. Debt, in this view, is best understood as a result of poor individual decision-making skills on the part of the debtor.

Several of the participants in this study do indeed place the blame for their unfavourable financial predicaments squarely upon their own shoulders, citing their short-sighted financial decisions or irresponsible behaviours as a primary cause of their current debt problems. For example, several recipients of student loans admit to spending resources that should have been devoted to financing their education on frivolous items such as guitars or televisions. Others used borrowed money to socialize, to shop for unnecessary consumer items, or to spend on drugs/alcohol. It would seem then, that for some, the problem of unmanageable debt could possibly be at least partially mitigated though self-regulation.

But can it really? A pervasive theme that ran through almost every interview was the constant disparity between income and expenditures. Most interviewees simply did not have the necessary financial resources needed to meet their day-to-day requirements. This proved especially acute amongst the current and former students I interviewed. It is also remarkable to hear about the aggressive manner in which credit products had been marketed to participants by financial institutions. Every debtor interviewed in this study was able to access credit with relative ease. In some cases quiet large amounts. This was true even when their own personal financial circumstances should have made lenders question their ability to pay back these loans. These interviews also seem consistent with the thesis that debt in the neoliberal economy has become normalized and has lost much of the shame and moral condemnation that once surrounded it (Marron 2012). Interview subjects in this study experience the contemporary economy as one in which debt is not only readily available, but also carries little social stigma for many. Combine this with the apparent fact that for some, especially young people, the financial consequences of carrying high levels of debt are often misunderstood, and it quickly becomes apparent why many of my interviewees were willing to take on large levels of debt. Indeed, many subjects see the assumption of personal debt as a necessary part of contemporary economic life. Debt is simply inevitable.

C. Wright Mills (1959) describes what he calls 'the sociological imagination' as the ability to see the relationship between individual experiences and larger social structures. In the context of this research, I would argue that, despite a few possible exceptions, the stories my interviews uncovered frame problem debt chiefly as a consequence of structural issues, of macro-economic policies. As such, the issue of problematic personal debt represents an excellent example of how something that is experienced as a personal problem, can have a public or structural cause.

As discussed in Chapter Two, the financialization of the neoliberal economy has made the marketing of financial products highly profitable. In addition, the ability of financial institutions to commodify debt as asset-backed-securities has allowed them to offload the risks traditionally born by lenders to investors (Seoderberg 2014, 2015). Finally, we find ourselves in a situation where the profits generated from financial products like student loans or credit cards far outpace the profits derived from the production of more traditional physical goods (Lapavitsas 2009). In light of this, the ubiquitousness of these financial products should come as no surprise.

Several interviewees, especially those who found themselves unable to pay back student loans, expressed a great deal of frustration at their predicaments. Liam, for example, expressed anger over the fact that he thought he was doing 'everything right' by getting a loan and attending a post-secondary institution. Only later did he discover that he was unable to secure employment in his chosen field and had no way to repay his student loans. This is similar to Mary, Jennifer and Sarah, who were each led to believe that getting advanced degrees would increase their future employability and income, only to discover upon graduation that this was in fact simply not the case.

These interviews also illuminate another important contributing factor in the creation of problematic debt situations, that being the individual's personal and social context. As Marron (2012) explains:

> Particular life events like sickness, unemployment, changed family circumstances and marital breakdown can have a profound effect on an individual's income. In turn, this is seen to impact upon their ability to repay current obligations on credit repayments as well as sustain payments on utility bills, mortgages and other financial commitments. These factors, in some sense, are understood to reside outside the immediate scope of the individual's will and represent unintended, partially structural factors explaining potential repayment failures and drifts into over-indebtedness. (2112:214)

Several respondents attributed their financial problems to a disability, or a change in familial or life circumstances. Note though, as Marron (2012) points out, these reasons for problematic debt situations are themselves influenced by social structure. For example, there is no reason why a disability should necessarily lead to debt problems, unless of course, the economy is structured such that people with disabilities are typically excluded from the workforce, or if the benefits provided by a society's social safety net prove inadequate.

In summary, the data extracted from the interviews seem to have uncovered three dimensions to the question of what causes people to enter into problematic debt situations: individual agency, structural causes, and the subject's life circumstances. Each contributes to causing problem personal debt in different amounts, varying somewhat according to the circumstances. To understand the dynamic of how these three dimensions work together to shape individual economic behaviours, we will return once again to the work of Bourdieu and his analysis of the contemporary neoliberal economy.

In my earlier discussion of Bourdieu I touched upon Bourdieu's concept of Habitus (1977). He used the term to denote the set of dispositions and beliefs that organize the way we understand the social world and how we react to it. Habitus is an individual's internalized understanding of the social world. It includes the various ends that appear useful and/or possible for that particular individual (Horvat 2001).

What makes this concept useful here is that it doesn't deny individual agency, but rather, places it within the context of the larger social structure. Structure and agency mutually affect and shape each other.

Bourdieu argues that within any social space, there are social structures which give rise to particular 'dispositions' within the people who occupy that space. These dispositions can be understood as inclinations towards certain behaviours, as the tendency to favour one choice over another or to privilege one practice over another. In this sense, habitus doesn't deny the importance of individual agency, but rather, limits the range of options any individual agent has available to him or her. This brings us to Bourdieu's key argument regarding neoliberalism: it is an all-encompassing and all-pervasive paradigm for shaping habitus producing structures (Chopra 2003). The neoliberal state, through its economic, social and cultural policies, creates a situation where individuals do possess a measure of autonomy, but only in the sense that they are free to choose from practices which conform to and re-inforce the dominant neoliberal ideology.

With the concept of habitus in mind, we can now see how it makes little sense to talk about the subject under neoliberalism as an autonomous free economic agent. Liam, for example, talks about 'playing the cards he was dealt', and other interviewees express similar sentiments in their beliefs that they were either doing what they thought was expected of them, that by borrowing they were following a well-worn path to success. Others simply felt that, given the circumstances of their lives, they simply had no other realistic option but to assume large amounts of debt.

Understanding why people get into problematic debt situations is important if we as a society wish to address this issue. These findings support critics of the debt counselling industry (Soederberg 2014, Walker 2012, Marron 2015, Walker et al. 2015,) who question its effectiveness given that it only addresses individual agency while ignoring the structural causes of personal debt. That said, debt counselling did prove helpful to a few interviewees in helping get their debts under control, setting budgets, and in some cases eventually paying their debts off.

Almost all the interviewees in this study describe heightened levels of stress and anxiety due to their debts. These descriptions were often quite vivid: "I was in tears" says Natalie, while Emma reports "I have been so stressed out that I was unable to work, I constantly have a sinking stomach feeling". These results are in line with several studies linking debt and financial difficulties to elevated levels of stress, anxiety and mental distress (Bridges and Disney 2010, Brown et al. 2005, Drentea and Lavrakas 2000, Meltzer et al. 2013). In addition to the stress caused by their debts, several respondents told about how being unable to manage their debts has negatively affected their self-esteem. Emma describes her feelings of humiliation: "What was wrong with me I wondered", while Andrew says he "felt like a low-life", like he didn't measure up to his peers, like he was a failure.

In Chapter Two I noted that while there are several studies linking mental distress and poor mental health to high levels of debt/financial insecurity, almost all of them are quantitative. Furthermore, there is a tendency for them to overlook the context and details of each individual case (Roosa et al. 2010), making it difficult for them to demonstrate a causal relationship between poor mental health and financial stress or debt. Judging from this literature, it is difficult to know if it is the problem debt that caused the stress/poor mental health or the stress/poor mental health that caused the problem debt. It could be one, both, or neither.

By detailing the process through which individuals get into problematic debt situations, I would argue that this research sheds some light on this question of causality. In many of this study's participant's stories, there seems to be a direct relationship between unmanageable debt/financial stress and mental distress or poor mental health. Subject's feelings of anxiety, stress and general poor mental well-being only appeared after their debts had gotten out of control. Furthermore, it would appear that those who believe that debt carries a significant social stigma are most likely to experience shame, anxiety and general mental distress over their situation. This can be contrasted with the interviewees who seemed relatively unfazed by their debts. Liam and Ryan for example, do not believe that debt caries the serious social stigma or negative connotations it did in the past, nor did they report heightened levels of mental distress because of their debt situation.

Only one research subject had pre-existing mental health issues before she began having problems with unmanageable debt. In her case she reports that her difficulties with debt, while not the root cause of her problem, certainly exacerbated them.

In summary, most interviewees seemed quite willing to assume personal responsibility for the decisions that led them to assume unmanageable levels of debt. Their stories, however, show that one cannot understand how they arrived at their difficult financial situations without also taking into consideration both the structural causes of their debts, as well as their individual life circumstances. The lack of jobs (especially ones that pay a living wage), the apparently ubiquity of debt, and the ease at which it can be accessed encourage some people to assume a lot more debt than they can handle. These structural factors can be compounded by negative life events which make assuming debt the only practical way to cover living expenses.

The stories outlined in this chapter indicate the importance of context in understanding the causes of problematic debt situations and reveal some of the negative consequences living with debt can have upon an individual’s personal well-being. While some interviewees seemed relatively unfazed by their difficulties with debt, most found that it had at least some negative effect on their physical and/or mental health. These negative consequences will be explored in further detail in the next chapters which will look specifically at the effects unmanageable debt can have upon personal relationships.

Chapter 5: Debt and relationships

5.1: Introduction

The previous chapter detailed how interview subjects first got into problems with debt. This chapter will examine the many ways living with unmanageable debt can have a deleterious effect upon the debtor's personal relationships. I will look at four specific types of relationships: family (including extended family) relationships, friendships and acquaintances, marriage and committed romantic relationships, and dating.

5.2: Debt and the family

This research uncovered a rich variety of stories detailing the specifics of how living with problematic debt can harm relationships with family members. Much of the literature which looks at financial stress and family life focuses upon how problem debt or financial troubles can affect the nuclear family (Conger et al. 1994, Conger et al. 1990, Conger et al. 1999, Skogrand et al. 2011). These interviews build upon these studies by focusing specifically on personal debt, and by broadening the focus to detail how problematic debt situations can negatively affect interactions with family members beyond the immediate nuclear family.

As I have already discussed in the previous chapter, most respondents made at least some effort to keep their debt situation secret. Nobody liked having to do this as it adds to an already difficult and stressful situation. Plus, of course, nobody likes finding themselves in circumstances where they have to lie regularly and deceive the people close to them. Despite how uncomfortable it made them feel, several interviewees reported keeping the extent of their debts hidden from their families for fear that it would damage their relationships. Sarah explains:

> I didn't talk to my parents [about my debts] because they would have lost their minds. [My parents] did not know I was drowning. They would not have approved. They knew I was taking out a student loan to do my undergraduate. They did not know I was taking on boatloads of credit card debt. They knew I was taking out a loan for my masters but they

> knew I had a full scholarship so they thought "how could she possibly need more?"

Sarah also kept her debt hidden from her partner's parents:

> People have different views towards money and I quickly caught on that my partner's family doesn't talk about it much. And I wasn't talking about it much with my family because I didn't want them to hit the panic button. With friends this was fine, but with my partner and parents I don't think I said anything until I hit rock bottom. The homeless tend to be rock bottom.

Right now, neither Sarah's parents nor her partner's parents have any idea of the extent of her current debts. When I asked her about this, she laughed and told me that they have to put a considerable amount of effort into keeping their parents in the dark on this matter. She explains:

> Here is the rub. I had to go to my parents and ask for the first month's payment for daycare because I could not put it together. My parents were shocked but I told them this was a one-time thing. Then I had to go back to them the following year when the student loan hit the fan and ask for $3000. So now I am into my parents for $4000 and they do not even know the half of it. And [my partner's] parents gave us $50,000 so we could buy this house. Now we gave them back $25,000 using a line of credit but we still owe them 25 grand. They definitely do not know that we have all this debt. They think we have a mortgage. My parents know a bit more about my student loans, but not the total. If they did they would lose their minds.

Sarah had previously mentioned that she and her partner were considering declaring bankruptcy. I asked if fear of a parental reaction to this was holding her back.

> Yeah. We would have to go a fair distance to keep that from them. Like if we declared bankruptcy and then our car died. How do we explain to them that we cannot get a new one? So we are keeping it from the parents. That I had to go to my parents and ask them for money on two separate occasions is horrifying, I cannot imagine what [my partner] is going through – owing his parents 25. It's terrifying.

Natalie and her partner have also gone to great lengths to keep the extent of their debts hidden from their parents, especially from his. She says that Liam's parents "would not be happy" to know about their true financial situation. Her partner's father used to be a banker who specialized in mortgages and he warned them about buying such an old house. If he were to find out about their debts he would be “shocked”. Liam says that such a revelation would most certainly have a very negative impact upon their relationship with his parents.

Elizabeth’s parents knew when she acquired her first credit card but did not approve, even though Elizabeth first got the card only intending to use it for emergencies. She calls their opinions on debt “old school – you are not supposed to drink, steal or get into debt.” To this day she has never shared financial information with them. Had they ever known about her debts she says: “Oh my god, they would have freaked out. Killed me.”

Jennifer’s parents knew she was taking out student loans but had no idea about the credit card debt or the overall extent of her financial troubles. Like several other respondents, she went through considerable effort to try and keep her debt situation hidden from her family. Jennifer reports feeling afraid they would be disappointed or worried about her if they knew. The logistics of keeping the debt hidden eventually proved too much for Jennifer. Her family became curious when Jennifer was forced to take a second job to pay down her debts despite already having a reasonably high paying career. At this point she felt like she was actually doing something to get her debts under control and didn’t feel ashamed to share details of her debt situation with family members. But there are some details she kept to herself. She says she never told her parents about her credit card debts and never will: she is just too embarrassed.

Andrew also talks about purposely hiding his debts from his family. At the moment only his mother and a close aunt are aware of the extent of his problems. If the rest of the family had known about his debts there would have been trouble. He says:

> They would have screamed and shouted at me. One of the toughest letters I have ever written was to my mother. This was about a year and a half after I went to credit counseling. I needed some cash at that time. It shocked her.

By this point Andrew's debt had reached a crisis point and he was unable to service his debts and cover basic living expenses without help. Even though he found it very embarrassing at the time, he does not regret seeking help.

> Even though I know I disappointed them a bit, it all worked out well in the end. I called my aunt and with my mom I sent a letter. They did not hesitate to help me when I needed it and I have kept them apprised of my progress.

In the end Andrew does not think his situation had any lasting negative effects on his relationship with his family. He says: "My parents had already gone through financial stress with my other siblings. My oldest brother declared bankruptcy twice. My relationship with my parents has always been strained. My debt did not make this relationship any better or worse."

Several interviewees made no effort to hide their debts from their parents and families. Unlike many of her peers, Mary did not receive any financial assistance from her parents when it came time to attend university. They valued education, however, and supported Mary's decision to further her studies even if meant taking on a lot of debt. Despite having some sense that Mary was struggling financially, they were initially surprised to learn her situation had deteriorated so badly. It was her family who first suggested she consider bankruptcy: "After I got the letter saying I was about to be sued I talked to parents and to other family members. This is where I first got the idea of bankruptcy. I do not think I would have had the idea myself." She talks about how embarrassed she was when she first came clean about the details of her debt. Even though her family was supportive and understanding this did not lessen the shame she felt, and still feels, about her situation.

Mary's story is particularly interesting because she talks about how horrible her parents felt that they were unable to contribute financially to her education. They "felt a bit guilty" she says, like if only they had been able to offer some financial support for their daughter she would not have ended up in such a difficult situation. Knowing that your debts are not only causing yourself grief, but also negatively affecting the people close to you, exacerbates an already difficult situation. David talked about how terrible he felt to see the stress his parents experienced because of his debt problems. Like Mary's parents, David's mother and father felt somewhat guilty because they were not able to provide him with any financial help. They were afraid for him and how his debts would affect his future ambitions. He says: "It killed them. They thought I was on a road to nowhere".

Approximately a third of my research subjects talked about having to approach family members to borrow money. For some, like Natalie and Liam, this was particularly difficult. Desperate for cash, they decided to approach Liam's father for a $25,000 loan. Liam recounts the event:

> That was very painful, my dad is an ex-banker. I didn't want to have any discussions with him about what we were doing financially. I was raised with a lot of Calvinist guilt. Going to them and asking if it would be possible to borrow money was very stressful. And it still is because we haven't managed to pay them back yet.

It was originally Natalie's idea for her husband to get a loan from his parents. In fact, she recounts how she had to put a considerable amount of pressure on Liam before he would agree to this plan. Natalie says this caused a strain on their marriage and made for some very tense exchanges between them. In the end, however, their need for money outweighed other considerations and they got the loan.

Sarah approached her parents for a loan after completing her first degree. Even though the loan was needed to cover debts, she made up a story about how her unemployment insurance hadn't kicked in yet and how she just needed a few bucks to get by in the meantime. When asked why she had to lie about the reason for the loan, Sarah reported that there is no way her parents would have given her money to pay off debt. She says:

> They would have said no. There are the sort of folks that – at one point I called them for help while I was in Vancouver working on my undergrad. They said it would be best if I just applied for welfare, they are not sending me money. They offered to fly me home, but said if I wanted to continue living as I was I needed to apply for welfare.

As already mentioned, Sarah was later able to successfully borrow several thousand dollars from her parents to cover daycare and other necessities. But again, she was forced to deceive her parents in order to justify the loan. Maintaining a lie can be stressful and difficult, especially when you are being chased by debt collectors. In Sarah's case the student loan collectors ended up calling Sarah's parents while trying to track her down.

> Yeah the student loan people did call my parents. I went into interest relief and told my parents that they were just calling concerning that. That this wasn't going to affect my credit rating was the line I kept telling them. Then I got the student loan people to only call me at home.

Several other interviewees also report family members being contacted and in some cases harassed by collection services.

Janet also had to approach a family member for a loan. It was her original intent to ask her parents for a loan, but she ended up borrowing several thousand dollars from her sister instead.

> I tell you it was really hard. I built myself up for about a month. I approached my sister for advice about how to ask my parents for money. She said "Are you crazy? Let me help you." So we worked out a loan with interest. I didn't want to alarm my parents. They definitely would have been alarmed.

Janet talks about how her siblings are all doing just fine financially. For her, the second oldest of three brothers and two sisters, to be in such dire financial straits was humiliating for Janet. She calls it her "cloak of shame".

Janet's husband at the time also tried to keep his financial situation a closely guarded secret from his parents. Eventually, their debts forced them to move into his parent's basement for a minimal amount of rent. It soon became difficult to keep their situation hidden as they found themselves unable to pay even a token rent to his parents or stay on top of their utility bills. Eventually Janet did tell his parents about their circumstances. They agreed to speak with him about his poor financial skills but she says nothing ever came of it.

Several interviewees talked about how living with unmanageable debt can turn what should be enjoyable family occasions into stressful ordeals. For example, David found birthdays and Christmas to be especially stressful because he was unable to afford to give presents. These and similar sentiments were quite common among this projects' research participants. Even when the participants' family tried to be sympathetic and accommodating it did little to ease the humiliation. Carol explains:

> If I wanted to go home for Christmas, [my parents] would have to pay for it. Xmas was always ridiculous. My family is very generous and always spend a lot of money on each other at Christmas, but my family understood that I was broke. So we all made an agreement that we would not spend as much. I was able to cut what I would normally spend by two-thirds but that was still very embarrassing for me. They all understood and nobody made me feel embarrassed. But I just felt embarrassed anyway.

She reports that, in the end, her family spent as much or more than they usually do, while Carol could barely afford to buy anybody anything. Furthermore, Carol, much like Jennifer and Sarah, was only able to fly home to see her parents if they paid for her ticket. This means that she found herself in a position where she had to either go for long stretches without seeing her family (and sometimes make up excuses about why she could not), or "suck it up" and ask for a ticket home.

The stories contained in this chapter are particularly striking because they show just how socially debilitating the sense of shame experienced by debtors can in fact be. On the one hand, most interviewees expressed an intense desire for secrecy, to hide their financial troubles from their loved ones to prevent interfamily conflict and shield loved ones from the stress of seeing them suffer. On the other hand, even when family members were aware of research participant's debts, this seems to do little to alleviate their sense of shame and failure. In some cases, like Carol's, her family's sympathy and understanding may even exacerbate her sense of shame and embarrassment.

As mentioned earlier, there is little if any research that explores how debt or financial hardship can affect extended families, focusing instead on the nuclear unit (Conger et al. 1994, Conger et al. 1990, Conger et al. 1999, Skogrand et al. 2011). This research show that the effects of problematic debt situations on extended families can be quite serious and perhaps have wider ranging effects than one would anticipate.

5.3: Debt and Friendships

I will now turn to how problematic debt situations can affect an individual's relationships with friends and acquaintances. Specifically, I want to examine whether or not managing problematic debt impedes the debtor's ability to socialize and to maintain and meet new friends. This aspect of living with debt and financial stress has not received a great deal of academic attention, and I would argue that this represents a significant omission in the literature. Developing and maintaining friendships is important to a person's well-being (Van Der Horst et al. 2012). This makes understanding how friendships can be affected by problematic debt worth examining in detail.

In Chapter Four I discussed how the initial willingness of respondents to take on debt was influenced by a perception that their peers were also engaging in similar activities. Once the debt became a problem, however, many report becoming reluctant to talk about it with friends and peers. Many respondents have not discussed their debt problems with their friends at all, and those who have generally did not go into great detail or reveal the full extent of their problems.

Some interviewees such as Natalie feel that there are a lot of people in similar situations as she and her husband, struggling with multiple mortgages and debts. She says it is "just a fact of life these days". They have some select friends with whom they can empathize and share "war stories" about their financial difficulties, but this does not extend to everybody. She tells how "we do have some friends who we confided in but only to a certain extent because they were very critical". This can be contrasted with Elizabeth. While she knows she has friends struggling under similar circumstances, she explains that they find the topic extremely stressful and avoid it in conversations. Similarly, Matthew also knows he has friends who struggle with debt. He says that amongst his peers, debt is a personal issue and is not something you discuss casually. Another interesting perspective comes from Andrew. He is an intensely private person and has no interest at all in telling his story to friends or peers: "I never had anybody to share with except my mom and aunt. I did not know anybody with my debts or seek anybody out."

Janet has only told one friend about her debt situation – her boss. Like Janet, her boss has struggled with problem debt, making her a sympathetic and non-judgmental person to confide in. Janet is unwilling to share her story with any other of her friends because she is afraid it may affect how they see her. She says: "I keep it private, I never let anybody know that I was struggling with money because I have a strong independent streak and I felt like this was something I had to do on my own." Indeed, other interviewees expressed similar sentiments; nobody wants their friends to feel sorry for them or think less of them.

Sarah presents a very interesting perspective when asked about whether or not she talks about her debt problems with friends. She suggests that it may be easier to talk about debt as a young student but much more difficult as one gets older.

> In your twenties everybody is on equal footing. Our mistake was that [my partner and I] both pursued tons of education. I have friends who started working in their 20's and who are now established. We never got real jobs till our mid 30's. We thought with our high educations we would be raking in the money but it didn't happen… Problem debt is not something 40 somethings talk about, this is something 20 something's talk about. My friends, for the most part, have had both partners working for long periods of time. So they are not as deep in debt as us. If you got a BA and a decent job 20 years ago you are probably doing ok – which is what most of my friends did. Now they are saving for retirement and we are still struggling under student loan debt. So no, we do not have this conversation now with polite company.

One of the most difficult problems for people who have unmanageable debt is social isolation. Approximately half of my respondents reported that their financial situation prevents them from socializing with their current friends or making new ones. Elizabeth talks about how trying to stay on top of her debt payments meant cutting her socializing budget to almost nil:

> I felt like I couldn't go out and be with my friends because I had to save money. I became depressed about it. I was not happy at all. And my friends were annoyed because I barely went out anymore. If at that age

> group your friends want you to go out and you don't want to… then they think Elizabeth is a stick in the mud.

Similarly, Chantelle says "Sometimes my friends with money would ask me to go shopping or dinner or downtown but I would have had to get further in debt to do this stuff." Her friends started to become bored with her and stopped asking her to take part in their outings. Chantelle was reluctant to share her debt problems with her friends, even if she had she does not think they would have understood.

In the same way that some interviewees felt the need to deceive family members about their true financial state, Andrew would lie to his friends in order to avoid social situations which he could not afford: "I used to make up excuses why I couldn't socialize. I have a couple of health issues that let me get out of social events with no problem. I have used it as an excuse because I have no money for socializing."

Sarah says that her peer group has changed because of her debts. She now feels more comfortable socializing with and relating to 20-somethings than she does with people her own age.

> I have good friends who go on cruises, and they go out to dinner at expensive restaurants. We cannot afford expensive restaurants. It brutally eviscerated those friendships. How do you keep up with the Joneses if they want to go to Raymond's? We are not going to Raymond's… I find I am making younger and younger friends because my friends of my age – the 40 somethings – we are not in the same league as them. We cannot go out with them. But the younger ones with young kids who are still sort of getting it together – they understand, it is easy to explain stuff to them. It is hard to tell my peers that I cannot go shopping or go out. It sucks.

Carol also reports having a difficult time socializing with the friends she grew up with:

> I would go home for Christmas and hang around with my old friends that I grew up with. And they would say "make sure you bring some fancy outfit because we are going out for New Year's Eve." Or "We are going somewhere where it is a hundred dollar ticket, plus drinks, plus a limo." So that is not something that I am able to take part in.

Carol's friends are aware that she is a student with high debts and a low income. She says, "I did have some friends who were like 'You are a student, you are not allowed to pay,' but she finds their generosity and sympathy for her situation rather embarrassing. Like several other research participants, Carol feels that at her age she should be established in life. It is humiliating to be struggling financially when her peers are not.

Jennifer tells how she had to take a second job in order to service her debt. This, even more than the financial hardship caused by her debts, interfered with her ability to socialize. Having to hold down a second job significantly cuts down the amount of time she has to socialize - she reports that nights and weekends are rarely free. At the time of the interview, Jennifer says she hasn't had a full day off in a month. Even when she does have evenings that are free, she cannot stay out late because she has to work the next morning. Jennifer has been able to maintain her friendships, she just can't see her friends as often as she would like. Jennifer says she would definitely like to socialize more if she could only afford it. Her lack of flexibility in terms of her work schedule means there are some friends that she almost never gets to see.

Jennifer goes on to say that even when she can find time for social activities with her friends she is mostly limited to activities that do not require a lot of money. It is interesting to note that when she explained to her friends that she cannot afford expensive social activities; a lot of them admitted that they were in similar financial situations and welcomed her suggestion that they do less expensive activities. She says "it was almost like me bringing this up was a relief to everybody". Her friends collectively set out to find less expensive social activities and were successful.

As we saw in the literature review, there is a considerable amount of academic and popular literature which talks about the various hardships caused by unmanageable debt (Balmer et al. 2006, Bemel 2016, Bridges & Disney 2010, Brown et al 2005, Dew 2008, 2011). In light of this it comes as no surprise to find so many interviewees struggling with the effects that problematic debt has had on their lives. What is surprising, however, is that a significant number of respondents reported that their debts did not have a detrimental effect on their relationships with friends and family or their ability to socialize.

David has always had a very active social life. When his debts made it difficult for him to go out, many of his friends would rally around him and buy him drinks or pay his way. They were also very receptive to taking part in social events and activities which didn't cost a lot of money. Plus, David's roommate was very generous and helped him out when he could. It is interesting to note that David does not see financial matters as terribly private and says he will "discuss them freely for the most part" with his friends and peers. Perhaps because David was so open with his debt issues, he found himself easily able to connect with other people who were experiencing similar difficulties. In his social group there were several other people who also were deeply in debt. This made "cheap and cheerful" outings and social events popular amongst his peers.

Ryan, much like David, leads a very active social life. Although the financial hardships caused by his debts did impact his ability to go out to restaurants and bars with his friends, he does not think it had much of an overall negative impact on his social life. He doesn't consider his debts a mark of shame and makes little effort to hide them. He never thought there was a "super stigma" attached to indebtedness, at least not in his peer group. This stigma was also lessened by the fact that Ryan had "good" debts. Good in the sense that they were student loans and did not originate in irresponsibility or short sightedness on his part. Also, Ryan is a musician, so his going out involved him performing at local bars and clubs. He didn't make a lot of money doing this, but it did allow him free entry to many local nightspots and usually included free drinks. When he wasn't able to go out, he says he enjoyed "chilling out with his friends at home" and generally taking part in activities which do not cost very much.

Daniel and Liam shared stories which mirror those of David and Ryan. Daniel is also an artist who was able to make up for his lack of socializing funds by performing at local clubs and bars. Many of Liam's peers lived with a legacy of large student loan debt and also welcomed socializing with people in similar situations and keeping outings inexpensive. Like Ryan, Liam did not feel stigmatized for having so much debt because he feels he was never irresponsible with money, he simply did the best he could with the situation he found himself in. In fact, Liam says he never even considered that his debts might affect his ability to socialize.

5.4: Dating and Debt

This final data section will look at how problematic debt situations affect the debtor's ability to date and form new romantic relationships. This is another area which has not yet received a great deal of attention in the literature (Addo 2014). While the previous chapter touched upon debt and relationship formation, it mostly focused on already established couples. This chapter will concern itself with the experiences of single individuals in debt and how their financial situation affects their dating behaviours and outcomes.

As we saw earlier in Sarah's story, problem debts can potentially impede somebody from forming new romantic relationships by making you less eligible in the eyes of a potential mate (or the potential mate's family and friends). This is something that Emma reports worrying about frequently. She fears that her debts could affect her ability to find a partner in the future or make potential mates hesitant to enter into a long-term relationship with her. She would at least like to get her credit card debt down before starting another serious relationship. Jennifer also reports that she feels it is important to pay off her debts before committing to a relationship. She does not think it would be fair to saddle someone else with her financial issues. Ideally, she would also like to get her debt under control before she has any children.

Jennifer says she has dated a bit over the last year or two. She generally doesn't hesitate to explain her debts and her financial situation to potential partners. So far most guys she has dated have been fine with it. This is at least partially due to the fact that a lot of her dates also have their own debts to worry about and they tend not to judge. If she dated somebody who did not have any debts, Jennifer thinks she would likely feel intimidated and hesitant to discuss her financial problems with them.

Having had so many difficult experiences with debt has also changed what Jennifer looks for in a potential partner. She claims she would not reject a potential partner because of his level of debt, but she would reject somebody who doesn't take their debts seriously. Jennifer definitely finds the ability to successfully manage finances an attractive and important quality for a potential boyfriend.

Carol was single when she started having debt problems and tells how her financial woes made it extremely difficult to have a social life and date:

> It was hard for me to meet anyone because I wasn't able to go out. I didn't have money to go out. When I did go out it would be on campus at the campus bar where it is cheap. And it is the same people, the same likeminded people. So I didn't have a lot of romantic relationships and when I did it was embarrassing to say what do you want to do tonight? All I could afford to do is feed the ducks at Bowring Park. They want to go to dinner and movie and I don't mind being treated once in a while but I cannot be treated and never treat. So that really is just not acceptable to me so I just didn't do that. So I didn't have romantic relationships.

A small silver lining for Carol is that at least her debt comes from student loans and not irresponsible spending. She believes this lessened the shame and social stigma that is usually associated with problem debts: "I think being a PhD student is sort of prestigious. It is OK for people to buy me dinner because I am a starving student. I think the social status connected with a PhD student somewhat negates the shame."

Mary is the only interviewee to have already declared bankruptcy although several are considering it or have considered it in the past. When she met her current partner she knew she would eventually have to come clean about her past debts and bankruptcy. She recalls being very nervous about the prospect of revealing these details:

> I thought he would think less of me. I think having debt signifies a number of negative stereotypes – that you are irresponsible with money, can't handle responsibility, are negligent in certain aspects of

> your life – none of those things are really true of me. And people who knew me know that. But somebody who is just meeting me and found out this significant thing – which will have a huge impact on our life together so… I wanted this person to be honest with me and to consider a future then I had to fess up to this thing that might impact us. And we were talking about moving in and what that would mean. So it was the time to have that talk.

She shares details of what it was like to finally have what she calls “the talk”:

> I said “I have something to tell you.” I was really worried. I didn’t want him to judge me. We had been seeing each other for 3 or 4 months. I was really embarrassed and there was a huge build up to it. I immediately felt better after I said it. He was fine, he was ok with it. I think he understands that some things are beyond our control. And he got the fact that it was student loan debt. I think it might have been different if it had been other kinds of debt. Fifty thousand in credit card debt has a different implication.

Janet wanted to start dating after she left her husband but her debts made it difficult to socialize and made her hesitant to enter into a relationship.

> My debts really had an impact on my social life. I actually didn’t date. It was over a year till I had a very casual relationship. It started online so I could hide my debt. For the first eight months, I only went out with friends and didn’t really consider seeing anybody. I couldn’t afford to. I couldn’t afford a decent outfit. I didn’t want to risk spending thirty bucks on a date, better to spend it on groceries. Everybody around me felt like I had to be pushed into the dating pool but I didn’t want to find somebody that I really like and then be all “oh by the way I am drowning in debt.”

She had no doubts that her debts would make her less desirable to potential partners. She explains that “If I was talking to somebody I wanted to date and they told me that they had over $40,000 in debt and nothing to show for it I would think twice. It’s not only the money, it’s the responsibility. It is a reflection of the person’s financial abilities.”

Janet has gotten her debt under control and is once again in a long-term relationship. She says that while she was single and dating, she was quite mindful of any new potential partner’s financial and debt situations. She was only prepared to date somebody who is responsible, employed and pays their bills on time.

Andrew is another interview subject whose social and dating lives were detrimentally impacted by his debts. He says that his desire to find a partner in life had to be put on hold until he got his debts under control: “I have never been in a relationship, or had a partner through all of my debt troubles. I haven’t even tried to date seriously for a number of years because I do not want to bring debt into the relationship. That’s not fair to the other person.”

Andrew’s debt has been like a dark cloud hanging over his social life:

> [The debt] is always there. There is always this social stigma. It’s just not a comfortable place to be. On top of that, I am somewhat of a romantic and if I am taking a woman out I want to make sure I am actually taking them out. There are times when you might want to spend a couple of hundred dollars on a date but I cannot do that. So the direct consequences of debt are that I am unable to socialize in some of the ways I would like. When the conversation about buying a house or having children comes up, and you already have a bag full of debt…

Most respondents said they would be hesitant to date somebody who had a large amount of debt but would not simply reject them out of hand. Several respondents pointed out that if they avoided people who are in debt the dating pool would be pretty small. Leah stands out with her unwavering resolve to never again date somebody in debt. She says she “will never go back to being in debt, never”. Unlike many other respondents she doesn’t care if a potential partner got into debt because of student loans. She would still be quite skeptical of their ability to manage money and after her own experiences, she “wants nothing to do with that.”

Interestingly, not all respondents felt that their debts necessarily had a negative impact on their social and dating practices. David continued to date and socialize despite his financial troubles. Indeed he met and married his current wife before he was able to completely dig himself out of debt. Likewise, Ryan never had trouble dating despite his debts. Both report that debt is common enough in their social circles that it really isn’t a factor in casual dating.

Finally, Leah’s story offers an unexpected insight into how debt can be especially burdensome for people with disabilities. Leah has an intellectual disability which has made it difficult to find employment. As a result, Leah has been relying on social assistance for some time now. She explains how if two people on social assistance decide to live together their benefits are drastically reduced. Having to devote a sizeable portion of one's income towards debt repayment, combined with government regulations which already make co-habitation of partners difficult, represents a serious obstacle for couples who would like to get married or live together. Leah knew that while she was trying to carry a large debt load she was simply not able to afford to start a serious relationship and didn't even try. Leah is no longer in debt today and adamantly states she would never enter into a partnership with somebody who is.

5.5: Romance, marriage and debt

As has already been stated in earlier chapters, there is a substantial amount of literature focused on how debt and financial stress affect marriage and the nuclear family. This literature (Conger et al. 1990, 1994, and 1999, Skogrand et al. 2011, Dew 2011 and 2008) generally does not look at the effects of debt or financial stress on the formative stages of romantic relationships. This does not mean that this is not an important topic though. This is especially true in light of the fact that dating and the development of romantic relationships often occur while in school or at a relatively young age, which as we saw in Chapter Three, is also the time when many people first begin assuming debt and begin to realize that it might become a problem.

This section focuses on two primary areas of inquiry. First it will seek to uncover how problematic debt situations affect the formation of long-term romantic partnership and/or marriage, and second it will examine the potential impact problematic debt situations have upon already established romantic relationships. Few studies have examined the association between consumer debt and divorce (Dew 2011), let alone the actual details and processes through which consumer debt actually can cause or contribute to the destruction of a marriage. As we shall see in this chapter, several of my studies' participants experienced the dissolution of their marriages while they were trying to actively trying to deal with their debt problems. This makes the details of their stories particularly important.

We begin this section with Jennifer's story. Jennifer tells how she maintained a long distance relationship with her partner while she was in school. He was the only one who was privy to all of her financial information including her debts. Jennifer explains that her debt issues caused constant stress and conflict in their relationship: "it made him angry", she says. Her partner always managed his finances so well while she did not. He warned her about the dangers of getting into debt, but she says she "did it anyway." Jennifer's partner also had student loans but he never ran up large credit card debts like she did. Also, his parents were able to help him out financially. This caused a lot of tension between them.

Jennifer thinks that, ultimately, her debts probably were not the root cause of her relationship problems but they certainly exacerbated them: "it made things worse. It gave us one more thing to argue and fight about". When they got a bit older and began exploring the possibility of getting married, they started to argue about her debts even more. Her partner was not pleased that he would have to assume responsibility for the debts she foolishly ran up. In the last couple of years of their relationship, they argued about her debts quite frequently, usually three or four times a week.

After she broke up with her partner, her rate of debt accumulation actually accelerated. Again, she used debt-financed consumption as a way to comfort herself and deal with stress. Also, being single meant she no longer had somebody to share expenses with and this also added to her debt. She also went out and socialized a lot more once she became single even though she couldn't afford it.

Chantelle also has a long term partner she has dated for almost ten years. She says they were already a couple and living together when she first began to get into debt. Her boyfriend was aware that she was getting in over her head and fought strongly against it. Chantelle says "He always told me not to get a credit card. For the student loan thing, he recommended I work part-time rather than take on all that debt. But I didn't listen."

Chantelle says that she and her partner have never had a lot of free money so having to service her debt causes her partner to resent her. This is especially acute when they are broke and have no extra money to pay her credit card bill or student loan payment. Another point of tension in their relationship is when her boyfriend has to field collection calls for her. She explains:

> When I didn't have my own cell phone and we were just using his, they had his number. So every day they were calling him. He was getting mad at me because I wasn't dealing with it. Every single day he would have to ignore a call or tell them that I will call them back. So yeah, that is one thing that he is constantly annoyed with.

While Chantelle feels that her relationship probably is not threatened by her financial situation, she is aware that it has the potential to continue causing them problems in the future, especially if they ever want to purchase a house together or get married.

Like Chantelle, Natalie and Liam do not feel their relationship is at any serious risk because of the problems caused by their debts. Yet Natalie admits it still causes them a lot of problems and exacerbates other issues in their relationship. For example, she explains how the stresses caused by their financial situation intensified with the arrival of their first child:

> Having [our child] really ramped the tension up. Without [having a child] it would have been a completely different experience. We have a strong marriage but our marriage was definitely put to the test at this point. We had some pretty intense conversations about how we were going to do things. There is no question I am way shorter tempered and quick to get frustrated because of this whole experience.

Natalie reports that she still finds dealing with a child in addition to their financial stresses to be extremely difficult. She says, "It just puts us both on edge. And it pushes us to our limit of comfort. We are not comfortable in this situation. Any sort of financial emergency right now would definitely put us into the red zone, we don't have much of a [financial] cushion at all right now."

Leah reports that her's and her husband's debts were the basis of constant battles. She tells how she was the one who managed their finances and felt like the stress was always on her shoulders: "He was the spender and I paid the bills, so it was my stress. I was the responsible one, he just didn't want to think about it." She explains that she tried to get him more involved in their financial management but he refused. In the later part of their marriage, arguments about money and finances were relentless. Leah tells how she was resentful that he wouldn't take more responsibility for his financial decisions or help with financial planning. Much like Natalie and Liam, Leah's relationship became even more difficult with the arrival of their first child. Taking care of a newborn, managing out of control debts, as well as living through a poorly planned renovation of their house proved too much for the couple. Leah reports that she dreaded paydays because he would inevitably want to go purchase something while she wanted to pay the bills. When he wanted to buy something he would get angry at her because they had no money in their account, he would ask, "What they hell I was doing with all the money?" He didn't realize how difficult it was paying the bills and made no efforts to find out.

Several respondents reported that they or their partner do not typically communicate very much about financial matters. Evan was also married at the time he started getting heavily into credit card debt, but he and his wife did not share a lot of personal financial information. She knew he had a lot of debt, but did not realize the extent of it. He says about his wife "we didn't really share our lives financially". Evan was considered the breadwinner in the relationship. He and his partner did not discuss their debts before getting married, though Evan knew that she had debts from school. When Evan didn't have a lot of money coming in it placed a strain on his relationship. This was compounded by the fact that what money was coming in had to go toward servicing Evan's debt.

A couple of respondents related how they or their partner have made efforts to hide the extent of their debts or their spending from each other. Matthew admits that he tends to be rather reckless with his spending and is not always completely forthcoming with his spouse when he makes large purchases. This can be a source of tension. He knows that his spending habits can cause his partner distress: “she definitely worries more about it than me.” Lately, however, he has been reining in his spending habits in order to avoid conflict. Furthermore, some recent “troubles with the bank”, as he puts it, have caused him to start thinking more about his debts and what he needs to do to get them under control.

When asked, Janet tells how her partner would secretly take on new debt: “It was constant” she says. As an addict, he needed cash all the time and would often take out cash advances on their credit cards. He would also secretly go online at night and order things they couldn’t afford to pay for. It was extremely difficult for her to communicate to him the problems his irresponsible use of credit were causing them. She says “He avoided talking religiously. He went out of his way to ensure we never talk about finances.” Despite their lack of productive communication on this issue, Janet says she knows that “He definitely felt shame. When he drank there were a couple of times he cried about it.”

One of the most interesting things Janet talks about is how her husband’s debt changed the dynamics of the relationship. She says:

> He was a traditionalist when it comes to money. The fact that I knew about his levels of debt made him think I looked at him poorly because of it (which I was). It would just make him stricter…. It made him want to be more dominant because he had no control over his debt.

Janet had already spoken about how her husband was physically abusive. She does not think that his debts ever directly contributed to his being abusive towards her, but the level of tension his financial habits added to their relationship was certainly not helpful.

David’s situation is interesting and rather unique amongst my research subjects. David had a serious girlfriend when he found himself out of work rapidly getting into debt. When his debts started to become a problem they began to cause tension in his relationship. His girlfriend was relatively well-off financially and wanted to help him pay down his debts. In fact, she insisted on helping. David said this threatened his sense of independence. This played a large role in the dissolution of the relationship. He tells how he didn't like having to move back home because of his financial problems, but even that he found less threatening to his independence than his now former girlfriend.

David says that it was a new romantic relationship that gave him the motivation to get his debts under control: "It wasn't until I met my next girlfriend and we started talking about marriage, that my debts really start to affect me and I figured I had to do something". He explains he began this new relationship not expecting it to get serious, but when it did, he once again was faced with the fact that he really had to do something about his debts. He decided to "be up front about everything right away." He didn't want to begin a relationship only to have her reject him later down the road when she found out about the extent of his debts. David believed that he really couldn't offer her anything in a relationship unless he got his debts under control. The desire to contribute to and maintain his relationship with his new girlfriend was the largest single incentive to tackle his debt problems. He reports that this girlfriend also had a lot of debt but was handling it in a more productive matter. In this sense, she served as a role model for him.

David thinks that, were it not for that new relationship, and for the help and support she gave him, he would probably still be in debt. In some ways, handling their respective debt problems together has actually helped their relationship. To be able to work together to overcome a shared problem has helped strengthen their relationship. This does not mean, however, that his debts have not been a source of conflict as well. David says there were some nights of fighting and crying while they argued over what he and they were going to do next about his debt problems. She would get angry when creditors would call looking for him and insist that he do something about it. He says that had he not taken care of his debts there is no question that he and his new girlfriend would have broken up because of it.

Though married now, Sarah was experiencing financial problems because of her debts when she first met and started dating her current husband. She met him when she was 29 and had just started her first “real” job after finishing school. Sarah was able to meet her debt payments for approximately six months until she got into a car accident. She says that this is the point she had to confess to her partner that she had a lot of debt and she probably wasn’t going to be able to make payments on it. She says, “Yeah it was quite the conversation. He was aware of the student loans but was not aware of the credit card debt. This was the first time we talked about it. I was unable to afford my housing.” She didn’t like to share this information but felt she had no choice at this point:

> Because when you ask “do you have a spare bedroom” they would wonder why you can’t pay for housing. I said that I couldn’t afford housing because I was trying to fend off the debt collectors. So he found out pretty early in the relationship that I was unable to survive due to the amount I had to pay.

Sarah talks about how her debt situation almost derailed her new romance. When asked if it caused tension in her relationship she said:

> It wasn’t so much tension as it was apprehension on his part. I mean, do I want to pursue a relationship with this person? Here is someone who can’t work and owes $30,000 worth of debt, now has to find a new living situation. This was all a little much for the dating scene.

Sarah talks at length about how friends of her future husband recommended that he avoid her because of her debts:

> He had some old friends who were lawyers…. They thought what’s going to happen if she gets injured again or buys all this stuff. I think they had an impression of me that I must have bought a lot of stuff, because none of them have had to survive on credit.

Despite the advice to the contrary, her partner did propose and he and Sarah got married. While their relationship problems may have begun with Sarah’s problematic debt, her new husband soon began to get into debt as well which exacerbated their situation. Sarah says their struggles with debt have been difficult for them:

> I think it has markedly affected our quality of life. As I was trying desperately to tread water and get my debt under control [my husband] has been accumulating more. Our solution to our debt problems has been to acquire more debt. Get more debt to pay off debts. The anxiety

> and the tension that has caused between us is the number one issue in our relationship.

When asked how often their financial issues cause problems between them she replied:

> Around the time of the accident, we argued once a week. Like wondering how are we going to make this payment? Then the other person says "Stop talking about it, it is stressing me out." And the other person is like "we have to talk about it". And so on…. Since we got married this comes up twice a week at least and someone is always saying "Why did you do that? Why did you buy that thing for the baby? And I go "well why did you buy that"? Any time we have a little extra money it causes tension. Where should it go? We are always fighting about priorities. Where should the money go? And also where the money went? Like fighting over previous purchases and why the credit card balance is so high… It's constant, always under the surface. A constant source of tension.

She thinks that their debt problems are going to continue to have a negative impact upon their relationship in the future. Sarah says the only time they get a lull is when they are getting into even more debt. This gives them some cash and a temporary respite but is ultimately futile and self-defeating. She calls their situation "ludicrous".

Sarah also talks about another interesting problem that debt caused in their marriage:

> The power balance changed in the relationship. We had two people who lived independently in their own homes, each working and paying the bills – on equal footing. To someone who was carrying the weight of two people. I felt very dependent up him, like I had to kowtow to whatever he wants. And I found out later that that dynamic will always shift and change if one person is working and the other is not.
> It can make for a lot of resentment. The person who is paying the bills can get very resentful and the person who is not working can feel very guilty. I felt at points that well what if we break up? What then? And that is an awful feeling. And he was wondering "what if she never goes back to work? What then?" Now I have this person depending on me? So we had this tremendous stress, and we would argue. And he was always the one holding the carrot. He was the one who had the power and I didn't. And if we had any more destructive thing happen that could have been really bad. But all it was money, it was the one issue. He would say "you can't buy that, or you can't do that" and I had to listen because he was the one with the money. I would just have to say "yes dear." I couldn't make any decisions in the relationship myself. Which is awful.

5.6: Debt and relationships: Summary and Discussion

The interviews paint a clear and striking picture of the damaging effects problem debt can have upon personal relationships. Beginning with the family, the data uncovered in this study demonstrate the ways in which over-indebtedness can cause an individual's relationship with parents, siblings, and in some cases, even extended family members to suffer. I would argue that this finding is particularly significant because it shows that the harmful effects of over-indebtedness go beyond those that accompany relatively straightforward economic deprivation or poverty.

First, and perhaps most significantly, research subjects revealed how those struggling with problem debt often felt the need to hide the extent of their financial woes from family members. This introduces an element of deception into familial relationships and can make what should be mundane and normal family interactions stressful and uncomfortable. Several respondents reported going to great lengths to keep their debt situations hidden from parents, siblings, in-laws, and even aunts and uncles. Most cited similar reasons for engaging in these deceptions. Foremost was the fear of how family members would react. Sarah, Natalie, and Jennifer all worried that their parents and in-laws would respond with shock, anger and disappointment were they to learn the true extent of their debts. These interview accounts show how the fear of being discovered, and the possible negative consequences this discovery would have upon their family relationships, can be a significant source of distress for those in debt and exacerbate the stress already caused by their financial troubles. Added to this is the sense of guilt and shame that accompany having to lie to or deceive loved-ones.

Not all respondents kept their debts secret. Some, like Andrew, Mary and Ryan did reveal the details of their indebtedness to family members. Their accounts illustrate how coming clean about their financial troubles can also lead to relationship difficulties. First, there is the shame and embarrassment that comes with revealing their inability to manage their finances to their families. Second is the guilt that arises from causing loved ones to worry about them. Mary talks about how her parents felt guilty that they were unable to contribute financially to her education, and as a result, felt somewhat responsible for her subsequent school related debts. David shared a similar story. Not only did his parents feel guilty for not being able to help him out financially, but they also experienced a great deal of stress themselves over the apparent fact that their son's future may be negatively affected by his debts. This finding was interesting because it illustrates how the feelings of stress, anxiety and guilt often associated with unmanageable debt can reach beyond the debtor. Parents in particular can view their child's debt problem as a reflection upon their parenting skills (or lack thereof), or upon their own inability to earn enough money to insulate their child from the need to use debt to finance their education or other life expenses.

A few interviewees approached family members for loans. Once again, these interactions were characterized by feelings of guilt, shame, and failure on the part of the respondent. Sarah and Natalie report being faced with the doubly difficult task of asking family members for financial assistance while still trying to hide the true extent of their debts.

Another interesting and common sentiment amongst interviewees was the way in which their debts made what should have been happy family holidays and events stressful and unpleasant. These social events, such as Christmas for example, can require expensive travelling or gift giving – both of which are extremely difficult for people with already unmanageable debt. Several recipients report being faced with the uncomfortable prospect of either borrowing money, or having to make up some excuse about why they cannot attend.

The manner in which problematic debt and financial stress affect relationships with extended family members is a topic that has not received much, if any, attention in the literature. What literature does exist tends to focus on effects within the nuclear family (Conger et al. 1990, 1994, 1999, Skogrand et al. 2011). The results of this study demonstrate several ways in which problematic debt situations have the potential to negatively affect relationships with immediate and extended family members.

As we saw in Chapter Two, there are several quantitative studies that link problems with debt to poor mental health and diminished emotional well-being (Brown et al. 2005, Bridges and Disney 2010). Yet it is not always clear in these studies exactly why problematic debt is so harmful beyond the obvious financial or material deprivation typically associated with it. A strength of the in-depth interview is its ability to uncover “deep” information (Johnson 2002), and in this case, to uncover some of the causal mechanisms behind social phenomena. Not only do the findings of this research confirm the results of other studies which correlate indebtedness and poor mental health or stress, but they also reveal several of the causal mechanisms that link them together. In other words, these data suggest that the mental duress typically associated with indebtedness may not come from the debt itself, but rather, from the effect it has upon relationships.

Many of this study’s respondents were able to describe ways in which their debt situations negatively affected their ability to socialize and maintain friendships, although for some, this problem was more acute than for others. Much like what we found in the section dealing with problem debt and familial relationships, several respondents told of their unwillingness to share details of their financial problems with friends and acquaintances. They also cited many of the same reasons for this reluctance, such as shame, embarrassment, and the belief that their friends might think less of them if they knew the extent of their debts. Those who did share their stories with friends or peers describe doing so only with a select few who they felt could be trusted or who would not judge them negatively.

If there is an upside to the prevalence of problem debt in our society, it is that those experiencing debt problems can often find others in similar situations to commiserate with. For example, some research subjects like Natalie and Janet tell of how they share their ‘war stories’ with a few select friends who have themselves experienced problems with debt. They report finding some degree of comfort in having a sympathetic ear to commiserate with. Yet even with these friends there is still an element of embarrassment and shame which restricts how much they are willing share.

One interesting and novel finding is how the experience of problem debt can influence, in unusual ways, decisions regarding who to socialize with. Sarah tells how her financial situation has helped change the age of her peer group. Despite being in her thirties, Sarah finds herself socializing with younger people. She explains that young people who are just starting out are generally in debt themselves and more likely to be non-judgmental of her situation. She finds discussing her financial problems with her older more financially-independent peers intimidating and embarrassing and worries they would be more apt to judge her negatively. Some of course, like Andrew and Chantelle, chose to keep their debts completely secret from their friends and peers.

Probably the primary negative impact debt had upon socializing and the maintenance of friendships is due to the simple fact that servicing debt eats up money and resources that could otherwise be spent on entertainment and socializing. Because of this, several respondents report feelings of social isolation and loneliness. Elizabeth and Chantelle describe an interesting dynamic where friends, who are in the dark regarding the respondent's financial problems, express displeasure at their apparent reluctance to socialize. In addition to the problems caused by lack of funds, some respondents such as Jennifer also reported that having to work an extra job or extra hours meant less spare time to spend with friends. This meant that even inexpensive social activities became difficult for her to participate in.

It is interesting to hear from research subjects who did not report any negative impact on their social lives at all despite their debts. David and Ryan, both of whom expressed few qualms about sharing their financial details with friends, tell how their social group rallied around them and supported them though their tough times. This includes not only a willingness on their parts to engage in inexpensive social activities, but even to lend or give David and Ryan money when necessary. Finally, a couple of respondents like Liam and Rick describe a social life completely unaffected by their debts. The accounts of these four individuals raise the question of whether hiding one's debts from friends only makes a difficult situation even worse. They challenge the perception that we should feel shame or guilt over our debts when we consider how common problematic debt situations actually are.

Much in the same way that indebtedness can change the dynamic of friendships, the data in this chapter show that problematic debt can negatively affect marriage and can hinder the development of romantic relationships as well. This is especially true when one partner is experiencing problems with debt while the other is not. Such a scenario can cause stress, tension and conflict between partners and may even contribute to the ultimate dissolution of relationships.

Participants in this study, despite their relatively small numbers, detail a range of experiences when it comes to dealing with problematic debt while in a romantic relationship. There are several examples of instances where it was either 1) the interviewee who was responsible for the debts, 2) where both partners contributed, and 3) where it was the interviewee's partner who brought debt problems to the relationship. Each of these provides different insights into the topic at hand.

Chantelle talks about the resentment her partner felt towards her because of her debts. Not only for the financial hardships her debts brought to their relationships, but also because her partner had to deal with the stress of fielding collection calls. She also worries about what her debts may mean for the future of her relationship, especially if they want to purchase a house together and have a family. A similar account was provided by Jennifer. Like Chantelle, her partner was in a comparatively good financial condition and felt anger and resentment at what he perceived as Jennifer's inability to manage her finances. Money became a frequent cause for friction between them. Unsurprisingly, as the couple began to consider their future and possible marriage, the tension caused by Jennifer's debts became even more acute. Her partner was wary of taking on her debts through marriage. She gives some insight into just how much friction her debts caused with her admission that she and her partner argued at least three or four times a week about her debt. While it may not have been the root cause of their eventual breakup, her financial woes likely contributed.

Few empirical studies have been conducted to determine the role that financial behaviour has on influencing relationship satisfaction (Britt et al. 2008). The results of this research seem to indicate that financial behaviours can have a very significant affect upon this. Interview data also indicate that problematic debt causes friction in relationships even when both partners share responsibility for their debts. Respondents repeatedly told of how the constant tension caused by trying to manage their debts had the effect of exacerbating other relationship problems and conflicts.

One interesting observation is how dealing with problematic debts can affect the dynamic and power relations within the partnership. Both Leah and Janet bore primary responsibility for managing the finances in their relationship and had to deal with partners who resented any attempts to get their finances and debts under control. Janet in particular talks about how her husband, a traditionalist in terms of gender roles, felt threatened by her attempts to take control of and manage their finances.

Several studies have examined the gendered division of financial labour in relationships. Thorne (2010) reports that the gendered division of financial labour actually intensifies among families who experience financial stress. She identifies three primary tasks involved in managing debts: the micro management of every dollar and debt, negotiations with aggressive debt collectors, and if necessary researching and financing bankruptcy procedures (Thorne 2010:185). Her research found that women tend to be the ones to take on these tasks by themselves, leading to considerable emotional stress for them. Dunn and Mirzaie (2016) in their study found that during periods of financial difficulties in relationships, women tend to experience more stress than their male partners. The experiences of Janet and Leah would appear to confirm these findings. In addition to the stress caused by their debts, Janet also had to deal with her husband's abuse and the fear that their financial problems could trigger him. Fox et al. (2002) found in their research that the number of debts a couple has significantly increases the odds of male-on-female violence. In her and her husband's case, Janet does not believe their debts directly led to an increase in violence in their marriage. Even so, she does believe that the ever present stress from their debts led to the already considerable distress and tension she experienced in their relationship, and was definitely a contributing factor to their ultimate break-up.

Unsurprisingly, the interviews revealed several instances where one partner made a conscious effort to keep the extent of their debts and their spending hidden from the other. The perceived need for deception and secrecy in regards to debts appears to be a theme that runs through almost every interview in some fashion or another.

David is the only interviewee who considers his debts a direct cause of the dissolution of a romantic relationship. Interestingly, it was only after he had entered into another relationships and was considering marriage that he finally decided to get his debts under control. Unlike most respondents whose debt problems caused tension in their relationship, David and his financee saw their relationship grow stronger by working together to take care of his debts.

The findings in this chapter not only confirm the findings of other studies that link debt and financial stress to marital and relationship problems (Conger et al. 1990, 1994, 1999, Skogrand et al. 2011, Dew 2011 and 2008, Grant 2000), but also show how debt and financial stress can damage relationships that are still in the formative stage.

Lastly, interview subjects talked about the ways problematic debt can make it difficult to date and enter into relationships with potential romantic partners. Unsurprisingly, the financial hardships caused by having to service unmanageable debt represent one of the primary reasons interviewees reported for not being able to socialize and date as much as they would like. Respondents commonly reported that they simply cannot afford to spend scarce funds on dating and other similar social activities.

Several interviewees report feelings of fear and anxiety at the prospect that potential partners would be scared off by their debts, especially potential partners who were looking for serious long-term relationships or marriage. In the previous chapter, Sarah talked about how her financee's friends counselled him to avoid marrying her because of her debts. In light of this, it would appear that fears of problem debt can make somebody a less eligible partner are not without grounds. This result is in line with other studies which found that young adults across all social classes typically cite financial security as a prerequisite for marriage (Cherlin 2009, Edin 2005, Manning et al. 2007, Smock et al. 2005). Predictably, several respondents explained that their own problems with debt, and the complications it caused in previous relationships, have made them hesitant to get involved with a new potential partner experiencing similar financial difficulties.

Young adults today are increasingly delaying marriage (Addo 2014:1677). Rising levels of personal debt and delayed entry into the labour market are frequently cited as contributing to this delay in marriage (Furstenberg et al. 2001, Setterseten and Ray 2010, Gicheva 2016). Several studies point to financial well-being and stability as predictors of marriage, especially for men (Sassler and Goldscheider 2004, Sweeney 2002, Xie et al. 2003). The findings of this research are consistent with these studies. It is significant to note that even for those subjects who have managed to pay back their debts, the fear that potential partners will react negatively to their financial history remains an ever present worry.

Most, but not all, respondents found sharing their financial details to potential partners (what Mary calls ‘the talk’) mildly to extremely stressful. Some, like Andrew, have no desire to share financial details with potential partners at all, preferring to wait until they are financially secure before dating. That some people choose to drop out of the dating market altogether because of their problem debts is one of the most interesting and troubling findings of this research, especially considering that getting their debts under control or paid off is often a long-term process. A number of interviewees have been living with debt problems for years – a long time to be without a date.

A small minority of respondents reported few if any negative consequences from their debt situations in terms of dating. This could be because different social groups have divergent views on how much of a liability problem debt is in assessing the suitability of potential dating partners. A few interviewees argue that the ubiquity of problem debt helps mitigate the social stigma surrounding it. As a result of this, they believe their own debts have little impact upon their desirability to potential mates, and similarly, would not consider a potential partner's debts a liability in their eyes.

In summation, this research has exposed some of the damaging effects that living with unmanageable debt can have upon different types of interpersonal relationships. Kindred relationships can become strained and stressful as those in debt seek to hide the extent of their financial woes from loved ones. These effects can range beyond the nuclear family and even damage relationships with extended family members. Similarly, friendships become difficult to form and maintain as debtors find themselves unable to afford to socialize and become isolated from their peers.

Perhaps the most striking stories this research uncovered detail the manner in which living with problematic debt interferes with the formation and maintenance of romantic relationships. In addition to the financial hardships brought on by indebtedness, the accompanying social stigma and the adverse impact being in debt can have on the debtor's self-esteem can make finding a romantic partner challenging. Data from this research also indicate that heavily indebted individuals can be significantly less appealing as potential romantic partners, and in light of this, it is no surprise that some debtors decided to forgo dating altogether.

Together, the results of this research document how being in debt can obstruct an individual's ability to enter into and maintain healthy relationships. Considering how ubiquitous personal debt has become in Canadian society, these results are quite disturbing. These results also show that the problems associated with unmanageable debt extend outside the economic realm to affect other spheres of life as well.

Chapter 6: Conclusion

6.1: Researching problematic debt

Chapter Three detailed the research methodology employed in this study. In seeking to uncover the minutiae of how research subject's debt problems have affected their personal relationships, this research project ventured into a difficult area of inquiry. Collecting data meant intruding into the private sphere of individual's finances, married and family life, and dating and romantic behaviours. The sensitivity of this research topic affected every aspect of the research process, especially research design and data collection.

The semi-structured in-depth interview was the primary tool used to collect data. This method was chosen because, unlike quantitative methods which typically emphasize breadth of knowledge over depth, this project sought to reveal deep and complex details of the thoughts, experiences and reflections of those who have lived with unmanageable debt. In order to understand financial behaviours and their effects upon relationships it is important to understand the history and context behind them. The in-depth interview is uniquely suited for this task.

As somebody who has himself experienced problems with debt and who has first-hand experience with the negative effects it can have upon relationships, I could be said to possess "insider" status. This proved useful in helping me empathize with informants and made it easy to establish a good rapport with them. It also meant, however, that I had to be especially vigilant and guard against letting my own experiences and biases colour the data collection process. Each interview was approached with an open mind and the understanding that other people's experiences of debt could be quite different from my own.

The interviews themselves went well with almost every participant seeming quite willing, or in some cases even eager, to talk about their problems with debt and the negative effects it had not only upon their relationships, but also upon nearly every aspect of their lives. Interviews were transcribed immediately in order to retain and record nuances such as visual clues or other impressions that are not easily captured with recorded interviews.

The most serious challenges this research project encountered were in the areas of sampling and recruitment. My original recruitment plan employed non-probability sampling methods which largely counted upon the cooperation of debt industry insiders (like debt counsellors) to assist me in recruiting research participants. Although my initial contacts with debt industry professionals appeared promising, in the end none of them were willing to approach their clients to see if they were willing to participate in my research. This represented a serious setback but was one that I perhaps should have anticipated in light of the sensitive nature of my topic and the taboos surrounding the subject. Convincing “gatekeepers” to act as go-betweens for the researcher and research subjects is often difficult (Groger et al. 1999). In this case counsellors seemed reluctant to ask their clients to share their personal financial and relationship details with a stranger, fearing that to do so may threaten the high level of trust necessary for a productive counsellor/client relationship.

Recruitment plan B entailed 1) sending out a mass email to all Memorial University graduate students asking for recruits, and, 2) exploiting my own social network by asking friends, acquaintances, co-workers or anybody else I could find if they knew of any potential research subjects. This approach proved fruitful and yielded 24 research participants. I was rather fortunate to have a social network from which to recruit research subjects after my original strategy proved inadequate, but this did raise some concerns about the reliability of the data I collected. More than half of my interviewees were either friends or acquaintances and I had to take special care to prevent my relationships with interviewees from colouring the data I collected. This revised recruitment strategy also raised concerns because it made it difficult to ensure the heterogeneity of my sample population, although in the end my sample did contain a fairly diverse mix in terms of age, gender, marital status, level of education, and levels of income as described on page 75.

The difficulties I encountered in my attempts to recruit research subjects are telling. Despite the ubiquity of over-indebtedness, my recruitment problems indicate that the taboos that surround discussions of one's personal debt problems remain quite strong. People, it seems, just do not want to talk about their debts. Fenichel (1945) suggests that the taboo associated with personal financial matters serves to reinforce the dominant ideology. Ensuring that both the causes and consequences of personal debt remain 'off-limit' topics for casual conversation helps to hide the extent and seriousness of the problem. It is difficult to fully understand let alone address a problem when people are unwilling to talk about it.

One might wonder if the amount of media attention devoted to personal debt and over-indebtedness may have lessened the personal debt taboo. Many of my research subjects were quite aware of the fact that personal indebtedness is a widespread problem. This awareness, however, seems to have done little to alleviate their sense shame or make them less reluctant to talk about their debts. Should we be surprised by this? Under the dominant neoliberal ideology and the 'financial literacy paradigm' it espouses, over-indebtedness remains above all a personal failure. It reflects an inability on the part of the individual to be responsible, to control their frivolous impulses, to follow the 'proper' path to financial security. No amount of media exposure will inspire collective action as long as personal over-indebtedness continues to be framed as an individual problem rather than a structural one.

When I reflect upon the interview process and the results it yielded, I think it is fair to say that the fact that I have experienced problematic debt myself and that I was willing to share my experiences with the interviewees was key to my research. It also probably helped that I already had a social connection with most of my interviewees. This causes me to wonder what my results would have been had I been successful with my original recruitment plan and able to recruit strangers. I suspect that at least some of my research subjects would have been quite hesitant to reveal personal details of their lives to somebody they did not already know and trust.

Judging by my own experiences with this research, I will not be surprised if future scholars who wish to examine personal indebtedness face similar recruitment problems. Without my large personal network of friends and acquaintances to draw upon I would not have been able to carry out this research. I think that this thesis effectively demonstrates the value that being an “insider” or having a personal connection with research subjects can bring to social research, especially when considering taboo or difficult topics.

6.2: Getting into debt

Each interview began with a detailed discussion about the circumstances and conditions which led the interviewee into their problematic debt situation. Even though the original purpose of this research was to look at how problem debt negatively affects personal relationships, the stories of how people got into debt and the wide-ranging difficulties their debt caused them, proved to be one of the more interesting results of this research. These particular results are also useful in that they have direct policy implications in terms of how we deal with problematic personal debt in general.

A little more than half of this studies’ subjects first got into debt by taking on student loans, making this by far the most common form of debt reported by interviewees. All of these subjects viewed borrowing money to upgrade their education as a sound financial strategy. Soon after graduation, however, they began to question the wisdom of their plan. Interviewees reported difficultly finding employment upon graduation which left them without the funds required to service the debts they acquired as students, let alone the resources required to pay for the basic necessities of living. Several graduates reacted to this unfortunate state of affairs by returning to school and attempting to upgrade their education even more – which of course required taking on even more debt. Several respondents also told of how they were forced to supplement their student loans with other more expensive forms of debt such as credit cards.

Most former students interviewed in this study report being confused about how the student loan system works and surprised by the total amount of debt they managed to accumulate while in school. They also talk about the shock of discovering just how high their monthly student loan payments were after they graduated.

Through the course of the interviews I was struck by how many interviewees expressed the view that there are “good” and “bad” debts. Good debts are those that are incurred responsibly and which represent a wise and considered investment. Bad debts, on the other hand, are those which represent frivolous or irresponsible spending and consumption. Most of my interviewees believe student loans fall into the “good” category. These debts were assumed with the expectation that investing in education will yield future financial rewards. Furthermore, interviewees revealed how they were encouraged to assume student loans by trusted authorities – parents, counselors, and student advisors as well as by their peers. This perhaps explains the immense frustration research subjects expressed at their financial predicaments. They thought they followed “the script” like they were supposed to, and believed they were treading a well-worn and reliable path to future financial security. Several graduates even returned to school in order to upgrade their education, further increasing their debt burdens. Yet these promised rewards failed to materialize. Respondents found themselves unable to secure employment upon graduation, and even when they did, they discovered their chosen field does not pay enough for them to cover both living expenses and service their debt.

What are we to make of this? I would argue that these stories expose the financial literacy paradigm as essentially bankrupt. Subjects report finding themselves in dire financial straits despite their genuine best efforts to adhere to the tenets of the paradigm. This is not to say that financial literacy is completely without value, indeed some respondents did benefit from financial counselling and education. It is clear, however, that increasing levels of financial literacy cannot on its own be an effective solution to the problem of personal over-indebtedness. Financial literacy does not defend against a poor job market, stagnating wages, and growing financial inequality. Furthermore, this research shows that even those who do possess a measure of financial literacy and who follow expert financial advice can still find themselves in debt. How can they not feel shame or embarrassment in light of the apparent fact that they failed despite following the proper 'script'? That they have stumbled on the path that led so many others to financial success? Surely this must then be their own fault, the result of their own personal shortcomings. Little wonder they feel shame and embarrassment at their predicaments.

If paying for one's education was the most common reason cited for getting into debt, the second was to cover basic living expenses or to supplement discretionary income. This debt was mostly in the form of unsecured credit card debt although other common forms of debt reported include mortgage, car loans and bank lines-of-credit.

Even though each case is somewhat unique, a few common themes emerged through the course of the interviews. First, is the ease at with which debt can be accessed. This was true even for those who were not in ideal financial situations. In several cases interviewees describe the aggressive manner in which debt is marketed. Several describe being pressured to sign up for credit cards or about receiving unsolicited offers of guaranteed loans in the mail. Nobody in my sample population had any problem getting into debt. Similarly, many interviewees reported being naïve or confused about how debt works when they first began to acquire it. Common to many stories was the sense of shock and dismay respondents felt when they realized how difficult it would be to pay back their loans or credit cards. By the time many realized the financial hole they had dug for themselves it was too late.

Although some respondents used credit to pay for self-described "frivolous" or "unnecessary" things such as socializing or unnecessary consumer products like televisions or guitars, most debt (beyond student debt that is) was accrued in the purchase of everyday living necessities like housing, food, or utilities. This finding is important because it frames problematic debt not as the result of the individual's inability to properly self-regulate their economic behaviour, but rather, as a consequence of the disparity between many research subject's income and their basic living expenditures. Even though most interview subjects were employed or had other sources of income, they were not able to generate enough revenue to cover both the cost of living and the cost of servicing their debts.

These finding again underline my contention that personal over-indebtedness is ultimately a reflection larger economic structures rather than individual behaviours or characteristics. By using credit to fund their purchases, individuals are able to at least temporary mitigate their fundamental problem – which is lack of income. More generally, the easy availability of credit masks the disparities between the upper and lower economic classes by allowing both to consume similar products and live similar lifestyles – until it comes time to pay the bills that is. Then, as this research reveals, the structural inequalities that characterize the neoliberal economy become difficult to hide or ignore.

Another interesting finding is the reported ubiquity of debt. Respondents tell how they were encouraged to take on debt by the apparent fact that all their peers were doing so as well. Several respondents expressed a belief that the assumption of personal debt is simply an inevitable part of living in today's economy. This proved especially true for those who wish to access higher education.

A large portion of interviewees told of the anxiety and general mental distress that came with being unable to manage their debts. Many respondents reported feelings of stress, guilt, and embarrassment over the apparent inability to manage their finances. Some believe that their debts have negatively affected their self-image and self-esteem. This is closely related to the common perception among research subjects that there is a social stigma attached to being unable to replay one's debts, especially if the debts were incurred through frivolous or irresponsible spending.

In the conclusion to Chapter Four I argue that my interview results reveal that research subjects got into problematic debt situations because of 1) their own actions and decisions, or agency, 2) the economic structure of the neo-liberal economy which requires the proliferation of consumer debt in order to continue expanding, and 3), because of individual life circumstances such as socio-economic status, physical health, etc. Drawing upon Bourdieu's concept of habitus (1977) I contend that the current neoliberal state has created an economic and social structure in which individuals do possess a measure of autonomy or agency, but only in the sense that they are free to choose from practices which re-inforce the dominant neoliberal ideology. This research calls into question the dominant neoliberal ideology and refutes its commonly accepted mantra that the problem of individual over-indebtedness can be countered simply by increased levels of financial literacy. Ultimately, personal over-indebtedness has its roots in the economic and social inequality which has come to characterize our neoliberal economy. Its solution, therefor, will only be found in changing the structural features that work to create and sustain economic inequality.

It is notable that almost every interviewee recounts first getting into debt at a relatively young age. Having little if any financial education to guide them, interviewees naively assumed large amounts of debt while giving insufficient consideration to how they would pay it back. Some interviewees referred to their first credit card or line of credit as "free money", while others, encouraged by inflated estimates of their future earning potential, assumed large student loans which they had difficulty repaying. These examples point to the need for improved financial education, especially for young people who often make life-changing financial decisions without understanding their full implications. Yet they do not take away from my argument that, on its own, increasing individual financial literacy is insufficient to deal with the problem of personal over-indebtedness.

Finally, the results of this research underline the importance of context in understanding the causes of problematic debt situations and show the value of qualitative research in this area. By pursuing a "deeper" understanding of how people get into unmanageable debt, this thesis reveals a complex series of both individual and structural factors which work together to create the difficult financial circumstances most of my research subject's found themselves in.

6.3: Problematic debt and relationships

Living with problematic debt can negatively affect the debtor's relationship with their family. Many Interviewees tell of their efforts to keep the extent of their debt hidden from family members out of fear for how they would react. Several report feeling guilty at having to lie to their loved ones and talk about their constant sense of anxiety that comes from having to keep up a façade.

Respondents who did reveal the extent of their debts to family members faced other problems. There is the shame and embarrassment that comes with admitting they are unable to manage their finances, the guilt that comes with knowing they are causing their loved ones worry and stress, and in some cases the guilt of knowing that family members may themselves experience deprivation or get themselves into debt in order to help the research subject out financially. Another interesting finding is the apparent dread which some interview subjects felt in anticipation of holiday or family events. Interviewees report feelings of embarrassment that they cannot afford to travel or take part in celebrations that require spending money.

Many of this research's participants were able to describe ways that their debts have negatively impacted their ability to form new friendships and maintain already established ones. For some this problem was more acute than for others.

It seems the most significant negative effect debt had upon socializing was due to the fact that servicing debt requires resources that could otherwise go to fund socializing and entertainment. Interview subjects describe having to make excuses to explain their absence at social events. Also, the need for extra income to service debt can mean having to work more hours or even take on an extra job. This results in less time for socializing even when the activities are relatively inexpensive. Much like in earlier chapters, several research subjects describe the efforts they go through to keep their debts hidden from their friends. Again, feelings of shame and embarrassment are the primary motivation for this behaviour.

One interesting finding is that not all respondents saw their social lives and friendships adversely affected by their debt situation. A few interviewees recount how their friends, some of whom had themselves experience with unmanageable debt, actually rallied around them. They helped choose relatively inexpensive social activities or even lent or gave money to the respondents if it meant they could include them in a social activity. This finding goes to show that, despite many similarities, not everybody with unmanageable debts necessarily shares the same experiences. Context and the circumstances surrounding each individual's life are important in how they experience problem debt.

Clear data emerged from the interviews that unmanageable debts can unfavourably affect people's marriages or established romantic relationships in addition to hindering the formation of new ones. Research subjects talk about feelings of resentment and anger when their partner irresponsibly runs up debts. Similarly, they also talk about being the subject of their partner's scorn when they are the ones responsible for creating their debt problems.

Living with the stress of unmanageable debt takes a toll on a relationship. It can lead to conflict in already established relationships and exacerbate other problems. In one case it even led to the dissolution of an otherwise healthy relationship. Respondents also told stories of one partner trying to hide their debts from another which led to feelings of guilt on the part of the deceiver, and resentment and betrayal on the part of the deceived. It is difficult to imagine how such behaviours could not do serious damage to a relationship.

In terms of dating, being in a position of unmanageable debt can make somebody less eligible in the eyes of potential mates. It can also cause people to delay forming romantic relationships, getting married, or having children and starting a family. Several respondents avoided dating altogether because of their financial situation. They also report that their own negative experiences with debt have made them wary of dating somebody else who is experiencing similar difficulties. Those who do decide to come clean and tell their potential partners about their financial situation ("the talk" as a couple of interviewees referred to it), recall feelings of nervousness when anticipating how their partner would react.

Much as in the discussions about debt and friendship, a few respondents found that their debts did not have a detrimental effect upon their dating lives or their romantic relationships. One participant even credits his new romantic partner as giving him the support he needed to begin to reverse his debt problems.

When reflecting upon these results, perhaps the most noteworthy finding is that the hardships associated with personal indebtedness clearly go well beyond those of simple material deprivation. The emotional toll over-indebtedness has upon the debtor is often severe and unrelenting. Feelings of personal despair, guilt, failure, desperation and embarrassment are common and difficult to deal with, not only for the debtor, but for those close to her or him as well.

The media typically frames problematic personal debt as threat to the larger economy. Yet, as this research shows, there are very strong connections between personal problems and social structures. Personal over-indebtedness represents a serious impediment to the emotional well-being of its victims and can threaten already established relationships while impeding the formation of new ones. It is likely that as long as the neoliberal economic structures that created this problem remain in place, there will be little hope of dealing with this problem in an effective manner.

Finally, it is fascinating to consider that the introduction of new consumer credit products can have a profound impact upon how we understand, negotiate, and experience our personal and intimate relationships. This research indicates that structural changes to the capitalist economy, most notable financialization and financial deregulation, can in turn profoundly affect how we relate to each other on a personal level. These interviews show how an individual's use of debt products can affect how and when they enter or exit relationships, how they view potential partners, decisions to get married or have children, and shape the dynamic of all types of personal relations and interactions.

6.4: Policy implications

This research reveals the wide-ranging negative effects that over-indebtedness can have on individuals and those close to them. In light of this, I would argue that the results of this research underline the urgency and seriousness which need to guide our collective response to this issue. But what should this collective response be?

How we as a society choose to react to the problem of unmanageable individual indebtedness largely depends upon our understanding of how and why problematic debt situations arise in the first place. This makes the results of this research valuable. Despite the large body of literature (mostly psychological) reviewed in Chapter Five, which suggests that there is a strong correlation between personality factors and economic behaviour, I would argue that the data collected in this research tend to support an alternative hypothesis – that individuals find themselves in unmanageable debt situations largely (but not entirely) as a response to the structural requirements of our neoliberal economy. This has significant implications in terms of how we should deal with problematic personal debt on both a micro and macro level.

As I have demonstrated, some of the participants in this study blamed their debt problems on their own poor financial decisions. They cite inadequate financial planning, frivolous and short-sighted spending, financial illiteracy, and general immaturity as all contributing to their financial woes. Within a neoliberal economic and political context that emphasizes individual autonomy and agency, people will tend to understand over-indebtedness as a failure of self-government (Marron 2012:418). Individuals struggling with debt are presented as autonomous financial subjects rather than as the objects of problematic economic processes and policies. This means that in addressing problematic debt situations, debt counsellors and financial educators will typically tend to focus on finding out what is it about indebted individuals that predisposes them to dysfunctional economic behaviours, and in turn, promote individual financial literacy as a solution. Although achieving a level of financial expertise may offer some individuals a measure of immediate remedy (several subjects reported seeking and finding some measure of assistance from credit counselling agencies), it also effectively shifts responsibility for over-indebtedness from the economy and the state to the individual, reinforcing hierarchies of inequality and the system that reproduces them (Arthur 2011:203).

The most common structural causes of indebtedness reported by the participants in this research, such as the need to take out large student loans or having to use credit to cover basic living expenses, cannot be effectively addressed by debt counselling services or increased levels of financial expertise. It is also worth noting that many of the credit counselling agencies, while ostensibly presented as community based, non-profit debtor-friendly organizations, are in fact closely aligned with the major banks and lending agencies (Ben-Ishai and Schwartz 2014). This makes them more inclined to direct clients towards re-payment schemes when other options (such as bankruptcy) would be of greater benefit to the debtor (Gardener 2002:31).

For the most part, governments in Canada seem to have fully endorsed the promotion of so called `financial literacy' as the appropriate response to the over-indebtedness of its citizens. In fact, some government organizations even go so far as to frame neoliberal financial literacy as a vital component of responsible citizenship. For example, the Ontario Ministry of Education in a 2010 document stated that equipping "Ontario students with the knowledge and skills needed for responsible financial decision making in the twenty-first century is also to equip them for success as involved and responsible citizens" (Ontario Ministry of Education 2010:2 in Arthur 194). Similarly, the Canadian federal department of finance argues that macro-economic stability is enhanced when consumers become more financially literate and are better able to consume financial products responsibly (Arthur 2012:194).

In contrast to this financial literacy paradigm, others, such as Arthur (2012) contend that "educating citizens entails a fostering of critical thinking skills that will enable citizens to reflect on not only the choices available but also the conditions which have created the choices" (2012:195). This brings us back once again to C. Wright Mills and the importance of nurturing our "sociological imagination", or developing the ability to understand the relationship between individual experiences and the larger social structure. The results of this research indicate that the problem of individual over-indebtedness is not one that can be remedied by attempts (even well-meaning ones) to correct individual financial behaviours, but rather, it is a problem that needs to be tackled on a macro level. We need to address the structural features of the neoliberal economy which create economic disparities and necessitate unsustainable borrowing. As Sonti (2013) argues:

> The problem with attempting to build a politics of debt resistance is that our crisis of personal indebtedness is not really about debt. It is about neoliberalism… The material hardship that debt is inflicting on increasing numbers of us will require focusing less on the fact that we owe loads of money and more on the reason we owe it. And the reason we owe so much is not that we have borrowed excessive sums, it is that we cannot afford the things we need without borrowing. (Sonti 2013:1).

For the most part, western governments have rejected economic redistribution as a means of tackling indebtedness or other social issues, instead concerning themselves with increasing transparency and standardizing credit products (Marron 2012:418). But, as already mentioned, these 'responsible lending' policies, while perhaps somewhat useful, ultimately do little to address the core causes of problematic debt that this research has revealed. The issue then, becomes one of tackling unemployment, wage stagnation, and social inequality. It seems unlikely that these problems can be addressed in a substantive way with anything less than a sea change in current government policy. Our contemporary neo-liberal social and economic structures, like the ideology that underpins them, have an institutional momentum and popular legitimacy that likely make them difficult to counter.

Increasing the public's awareness of our society's personal debt problem is a necessary first step in prompting social change. This means not only making people aware of the seriousness and scope of the issue, but more importantly, helping them understand the underlying structural causes of unmanageable personal indebtedness. This awareness can help shape public discourse on economic and social issues and bring pressure to bear upon elected officials to reform public policy.

6.5: Limitations and directions for future research

Commenting on the sociological research process, Patton (2002) argues that “there are no perfect research designs. There are always trade-offs” (2002:162). This particular research project, and the results it has yielded, exemplifies both the strengths and weaknesses of the qualitative research method. One of the primary reasons I chose the in-depth interview is so that the issues and subjects explored by this research could be evaluated in depth and with great detail. This meant limiting my sample size to a number that was both practically manageable, yet large enough to yield the results I required. As Mason (2010) points out,

> Within any research area, different participants can have diverse opinions. Qualitative samples must be large enough to assure that most or all of the perceptions that might be important are uncovered, but at the same time if the sample is too large data becomes repetitive and, eventually, superfluous.

When deciding on sample size for qualitative research, I was guided by the concept of saturation (Glasner 1967:180) which refers to the point at which the collection of new data yields no further insights into the topic at hand. In the case of this research, I started to achieve saturation after approximately 20 interviews. I think a case could be made that the major reason I was able to reach saturation with this relatively small number of research participants is due to the homogeneity of my sample group.

In Chapter Three I discussed how my original recruitment strategy failed to yield very many research participants. A consequence of this was that I had to draw upon my own social networks to find recruits. While this new strategy ultimately proved successful, it did severely limit the diversity of my sample and influenced the results of my research. Because most of my interviewees were either friends, colleagues or acquaintances, one would expect them to be rather similar to myself in terms of lifestyle, values, socio-economic status and age. This raises legitimate questions about the representativeness of my sample population. Furthermore, it should also be noted that my sample, partially by virtue of being limited to current residents of St. John's Newfoundland, was lacking in racial and ethnic diversity. This meant that I was unable to explore how ethnicity (and possibly racism) factor into the equation. Other researchers have examined how people of different ethnicities experience indebtedness in different manners (Dugger et al. 2013, Killewald 2013, Firestone 2014). My own research, however, yielded no insights into this important question. Similarly, my sample was composed entirely of Canadian-born residents. Statistics Canada reports that immigrants tend to accumulate more debt than non-immigrants (Hurst 2011, Chawla 2012 et al.). It may be the case that immigrants to Canada have perspectives and experiences of debt that would add valuable insights to the question at hand. This is something that future researchers may want to explore.

There is a good chance that a sample which included greater diversity in terms of age, socio-economic status, ethnicity or even geographic location might yield somewhat different results. Another important consideration is that my research participants were almost all able to readily access mainstream consumer credit sources like credit cards, student loans, or lines or credit. There is data, however, to indicate that many Canadians are excluded from mainstream credit and from access to financial services (Ramsey 2000 Buckand & Martin 2005). Again, the experiences of this particular demographic were not explored in my research and represent a shortcoming that needs to be addressed in future studies.

Finally, in light of the small sample size this research had to draw upon, one should be cautious before generalizing the results to larger populations. For example, having only been able to recruit one person with a disability means that her particular experiences should not necessarily be taken as representative of all persons with disabilities. Though it may be possible to correlate people's experiences with debt with individual variables such as the subject's gender, age, race or socioeconomic status, the relatively small sample size used in this research makes it unsuitable for this goal. Again, this is an area in which more investigation is needed. Future researchers may shed insight on this question by utilizing a larger sample or by focusing their recruitment efforts on one specific group or demographic.

This research opens new ground and points to possible directions for future research. Its findings are particularly relevant to the sociology of emotion. T. David Kemper (1978) argued for the importance of status and power in influencing emotional states. Emotions emerge and evolve as interpersonal events change individuals' status and power. This research shows how social structure can influence individual's status and power in unexpected ways. Being in debt has a profound effect upon one's social status and leaves one feeling powerless and desperate. No doubt this contributes to the formation of negative or harmful emotions not only on the part of the debtor but also those he or she cares about. This research points to new ways the dynamic between power/status and emotional states can be explored.

Despite its drawbacks, the results of this research paint a very compelling picture of the hardships that can accompany over-indebtedness and clearly detail how it can have a harmful effect on a whole range of interpersonal relationships. Unlike quantitative research which focuses on breadth of information rather than depth, this thesis draws on the strength of qualitative methodology to reveal the context and details of what people actually experience when trying to deal with unmanageable debt. This is important because it allows this research to not only establish that yes, over indebtedness does indeed have an adverse impact on personal relationships, but also gives important and original insights into exactly how and why this occurs. By providing a more complete understanding of the process through which indebtedness deleteriously influences people's lives, we gain a new perspective on the seriousness of the issue, as well as important insights into what we as a society need to do to address it.

Chapter 7: References

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Appendices

Appendix A: Research subject Biographies

Liam is a male in his early 40's. He and his common-law partner have no dependents and lived together in a rented apartment at the time of the interview. Liam is employed in the health industry and earns approximately $40,000 a year. At the time of our interview, he had managed to pay down his debts to less than $10,000.

David is a man in his late 30's who owns a house in St. John's with his wife and 4 year old son. He earns approximately $30,000 a year working full-time in the service industry. When interviewed, his debts totaled over $150,000 – primarily long-term mortgage debt. He had just finished paying off approximately $7,000 in credit card debt at the time we spoke.

Ryan is a male in his early 30's. At the time of our interview he lived in St. John's in a rented apartment with his common-law partner. Ryan is self-employed in the service industry and earns approximately $40,000 a year. His total debts amount to approximately $30,000.

Sarah is a woman in her late 30's. She is married with two young children and lives with her family in their St. John's home. Both she and her husband are professionals although Sarah is currently a stay-at-home mom. Their household income at the time of her interview was approximately $110,000. Their total household debt is almost $500,000.

Jennifer is a female in her mid 30's. She is a graduate student at Memorial University and lives by herself in a rented apartment in St. John's. At the time of our interview, Jennifer supported herself though student loans and a part-time job with together provided an income of approximately $30,000. She owes over $50,000 (and growing) in debt.

Mary is a female in her late 30's. She is a single mom with a toddler who rents an apartment in St. John's. At the time of our interview, Mary had a long-term partner who she had been dating for a couple of years. She has an advanced degree and is employed full-time in an academic position. She owes approximately $12,000 in mostly short-term unsecured debt.

Andrew is a man in his late 40's. He is single with no dependents and lives by himself in a rented apartment in St. John's. Andrew has an advanced degree and full time employment in an academic position. He earns approximately $90,000 a year, and has debts totally approximately $13,000.

Elizabeth is a married woman in her late 30's. She is a stay-at-home mother who lives with her husband and young child in their Mount Pearl home. At the time of our interview she and her husband had just finished paying off almost $6000 in credit card debt.

Leah is a woman in her early 50's. Married at the time of the interview (now divorced, largely due to her and her husband's conflicts over financial matters), Leah lives by herself in her house in St. John's. She possesses a university degree and works at a managerial level career earning a little over $50,000 a year. When interviewed, she owed debts totally approximately $40,000.

Evan is a married male in his early 40's. He lives with his common law partner and their five year old son in their St. John's home. He earns slightly less than $40,000 in a service sector job and owes almost $50,000 in unsecured debt (mostly credit card).

Natalie is a woman in her late 30's who lives with her husband Liam (who was also interviewed separately) and their toddler. Natalie and her husband own their St. John's home. Natalie is a stay at home mom. When interviewed, she and her husband owed approximately $270,000, mostly in mortgage debt.

Liam is a male in his early 40's who lives in St. John's with his wife Natalie and their toddler.

Matthew is a male in his mid 40's. He live with his wife in their St John's house. University educated and employed full-time as a professional, Matthew earned a salary of approximately $70,000 at the time of his interview. His debts total approximately $35,000.

Karen is a woman in her late 40's who rents an apartment in St. John's with her common-law husband. She suffers from a life-long disability which has made it difficult for her to find full-time employment. She currently works part-time in the service industry and earns less than $25,000 a year. At the time of the interview she was in the process of trying to pay down her debts which amounted to approximately $20,000.

Janet is a woman in her early 50's. She owns her house in St. John's and lives with her common-law partner. At the time of our interview Janet worked full-time and earned approximately $60,000 with debts totaling over $75,000.

Chantelle is a woman in her late 20's. She and her common-law partner rent an apartment in St. John's. She works in the service industry earning approximately $30,000. Her debts total approximately $10,000.

Emma is a single female in her early 30's. At the time of our interview she lived by herself in a rented apartment in St. John's. She has an advanced degree and is employed full-time in an academic position and part-time in a service job. Her yearly income is over $80,000. Amanda has a lot of debt with credit card and students loans totaling over $60,000.

Daniel is a male artist in his early 40's. Daniel is married with 3 children and lives with his wife in their St. John's home. Rick earns approximately $50,000 a year and has debts totaling $120,000.

Sophia is a divorced woman in her early 50's. She lives by herself in an apartment she rents in St. John's. She is currently unemployed and owes debts of approximately $8,000.

Nathan is a single male university student in his early 20's. He lives in an apartment in St. John's with his three roommates. At the time of his interview Nathan had debts totaling approximately $4,000.

Christian is a single male in his late 20's. He is a professional artist and lives by himself in a rented apartment in St. John's. Nathan's yearly income is approximately $30,000. At the time of his interview he owed almost $20,000 in mostly unsecured debt.

Nora is a divorced single mother in her late 20's. She rents an apartment in St. John's and works full-time in the service industry. Her annual income is approximately $35,000 and she has $30,000 in mostly unsecured debt.

Gary is a male in his early 50's. He and his partner live in their St. John's home with their three children. Gary is a professional and earns a salary of approximately $80,000. His total debts amount to approximately $170,000.

Appendix B: Letter of consent

The effects of unmanageable debt on personal relationships

Participant Consent Form

This research will examine how unmanageable levels of personal debt affect an individual's ability to enter into and maintain healthy and stable personal relationships. Unmanageable or problem debt is defined as debts that cannot be repaid according to the terms set out in the original contract between creditor and debtor; the inability to repay debts altogether; having to borrow new money to service old debt; or having to sacrifice essentials (food, shelter, or clothing) in order to service debt.

Participation in this research project is entirely voluntary. ***If you do decide to take part you will be asked to sign this consent form. You will be free to withdraw from the study at any time and without giving a reason. Your participation in this project will involve taking part in a 1-2 hour interview at a location and time convenient for you. During the interview you will be asked to describe and reflect upon your experiences with problem debt, and how this debt has (or has not) affected your personal relationships. During the course of the interview you may choose not to answer any question without giving a reason.***

All information collected about you and your particular experiences will be kept strictly confidential (subject to legal limitations). It will not be shared with **any** debt counsellors or agencies. Privacy, anonymity and confidentiality will be ensured in collection, storage and publication of all material collected during the course of this interview. Only the researcher and his supervisors will be able to access this information. This interview will be digitally recorded and transcribed with all data being kept on a secure password protected computer. This information will be stored for 5 years (per Memorial University guidelines), then destroyed.

Information collected from this research will be published in a thesis as a requirement for the fulfillment of a PhD at Memorial University in the Department of Sociology. Information gathered during this interview will also be used as material for academic papers for publication and for presentation at academic conferences. In doing so, however, no information will be released or published that would disclose the identity of a participant. A copy of the final research (as well as a transcript or recording of the entire interview) will be provided to interviewees upon request. You may also contact the researcher's supervisor (Dr. Robert Hill) at 709-864-7457 if you have any questions or concerns about this research project.

The proposal for this research has been reviewed by the Interdisciplinary Committee on Ethics in Human Research and found to be in compliance with Memorial University's ethics policy. If you have ethical concerns about the research (such as the way you have been treated or your rights as a participant), you may contact the Chairperson of the ICEHR at icehr@mun.ca or by telephone at 709-864-2861.

1. Your signature here means that you have read and understood the information about this research, you have had the opportunity to ask questions about the research and are satisfied with the answers, you understand the goal of the research and your part in it, and you understand you are free to withdraw at any time without giving reason. A copy of this Consent Form has been given to me for your records.

-- -------------------------------------

Signature of participant Date

2. Your signature here means that you understand that the comments you make during the course of the interview may be directly quoted in the research results (minus any indentifying information). Should you not wish to be directly quoted you can still participate in this research project.

-- --------------------------------------

Signature of participant Date

3. I have explained this study to the best of my ability. I have invited questions and given answers. I believe that the participant fully understands what is involved in being in the study and potential risks of the study and that he or she has freely chosen to be in the study.

-- --------------------------------------

Signature of investigator Date

Telephone number: 709-579-9870

Email address: steadman.jamie@gmail.com

Appendix C: Letter of introduction

Dear:

My name is Jamie Steadman. I am a Ph.D. student in the sociology department at Memorial University and am currently researching the impact of unmanageable debt on people's personal lives and relationships.

I am writing this letter to ask for your help with my research. As a professional in the debt counseling field, your experiences, insights and expertise would be of great value to my research project.

Would it be possible for me to interview you? I am happy to meet at whatever time is most convenient for you and don't anticipate needing more than 30 minutes to an hour of your time.

My research plan has been approved by Memorial University's Interdisciplinary Committee on Ethics in Human Research. If you wish to verify my status with Memorial University or discuss the research you may also contact my supervisor Dr Robert Hill (rhill@mun.ca or 709-864-7457).

I will contact you in the next several days to see if we can arrange a meeting.

Cheers,