

# **Vancouver's Young Professionals and the Impacts of their Financial Challenges**

**by  
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## **Abstract**

This research study explores the financial-related challenges impacting young professionals in the City of Vancouver. It approaches the topic from a life course perspective, considering how the financial-related challenges are interacting with life course milestones and adult role transitions. Qualitative interviewing is used to explore the experiences of eight young professionals living in Vancouver. Results from interviewing help to illuminate what financial and economic challenges come with being a young professional living in the City of Vancouver and what impacts the challenges are having in their lives.

**Keywords:** millennial generation; young adult; young professional; financial and economic challenges; life course perspective; City of Vancouver

## **Dedication**

This thesis is dedicated to my cousin Branden. You didn't have the chance to cross the podium, but I can only imagine the places you would have gone. We miss you.

## **Acknowledgements**

I want to thank my professors and classmates for helping me to approach learning from a place of openness and curiosity. A special thanks to Karen Ferguson for your guidance and encouragement through the thesis process.

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# Chapter 1. Introduction

This thesis is about Vancouver's young urban professionals and how their lives are being impacted by the financial-related challenges they face. My interest in this topic was sparked by the volume of media articles to do with the Millennial Generation's "financial woes". I noticed articles about home ownership becoming increasingly out of reach, frustration with securing desirable employment, and graduates struggling to pay off their student debts. The media suggests Vancouver's long-term viability for young adults is in question. Being a young urban professional myself, I also recognized my peers discussing the same topics found in the media.

A group within the Millennial Generation is frequently represented in the media articles— young, *educated* adults. This group anecdotally reports on challenges having to do with employment and wages after graduating, debt, and housing whether renting or purchasing (Barrett, 2017; Lindsey, 2015; Melanson, 2016). I determined to focus on this group who for the purposes of my study I call young professionals. I also focus on those living in the City of Vancouver, herein also referred to as "the City". I further explain study population selection later in this chapter and in Chapter 3 (Research Design and Methodology).

Despite the volume of media articles there is little academic research attempting to discover how young professionals are experiencing what I label their "financial-related challenges" from their own perspectives. This represents a literature gap. This literature gap, my personal observations, and the prevalence of media articles, come together to make the topic a good candidate for an inductive research project. I wanted to know more about what the media articles suggest. Why are some young professionals reportedly struggling to "make it" in Vancouver? What experiences are young adults having with the financial-related challenges?

Research on the financial-related challenges facing young professionals typically focuses on one single trend. These studies are best understood as each one piece of the over-all financial picture for young professionals. In Chapter 2 (Literature Review) I draw these distinct studies together, which span across many academic disciplines, to create a more robust understanding of the challenges facing the study population. It was

necessary to establish this base of knowledge before being able to ask how the challenges might be impacting the study population. Thus, the following two-part research question represents my interest in the topic and acts as a research guide:

*What financial-related challenges are young professionals facing in the City of Vancouver and what impacts are these challenges having in their lives, from their own perspectives?*

Although not as common, there is some research which focuses on the financial-related challenges collectively. Generation Squeeze, an advocacy and research group based in Vancouver, has produced several articles on the financial challenges facing young adults in Canada. Their research takes a generational lens, using quantitative analysis to compare the Millennial Generation's economic and financial situation to other generations. The group argues that young Canadians face challenges to do with relatively stagnant or even decreased wages compared to the Baby Boomer Generation, that the steeply rising cost of education has become a large financial burden, and that purchasing housing is becoming increasingly difficult for young adults (Kershaw, 2015; Kershaw & Anderson, 2015). Randy Shaw, in his book *Generation Priced Out*, makes use of anecdotal accounts from young adults while he discusses contemporary housing challenges in urban America. It's easy to draw parallels between the experiences of young adults in Vancouver with the cities Shaw focuses on such as San Francisco. Shaw details young professionals' experiences such as rent splitting among many people and frustrations with the high cost of rent preventing saving towards the purchase of a home.

The City of Vancouver acknowledges the phenomenon mostly from a housing challenges perspective. *Housing Vancouver*, the City's housing strategy, describes how Vancouver is becoming increasingly unviable for young households and families. The City acknowledges that "though Vancouver continues to be an attractive place for young people to study and start their careers, the high price of housing, the growing inaccessibility of homeownership, and the costs associated with raising a family makes it difficult for these households to stay in the city long-term" (City of Vancouver, 2017, p. 15).

The City notes the necessity of being a viable place for those in early and mid career. This helps to support knowledge passing and continuity at workplaces. The concept of a vibrant city, as the City of Vancouver suggests, includes supporting a diverse population. This includes diversity of ages and it being a place for young families (City of Vancouver, 2017). Cities grappling with affordability challenges such as Vancouver and San Francisco appear to be viewed increasingly by young adults as temporary places to live while going to school or gaining some job experience but not as long-term places to “settle down” and raise a family (Barrett, 2017; Melanson, 2016). The City acknowledges that there has been an increase in the population aged 25 to 34 along with a decline in households with young children (City of Vancouver, 2020). This may support the sentiment expressed in some of the media and scholarship that cities such as Vancouver are not seen as places to “settle down”. My research is important for the City of Vancouver in terms of helping to highlight trends which threaten the economic sustainability and vibrancy of the City.

There are demonstrated psychological stressors on young adults experiencing the financial-related trends I discuss throughout this thesis. Individuals with early adult life debt, as they transition through young adulthood, have been shown to increasingly view their debt as a negative aspect in their lives. The debt can lead to feelings of being out of control, reduced capacity to meet goals, and lower self-regard (Dwyer et al., 2011). Young graduates who find themselves with persistent unemployment or underemployment have been shown to experience psychological distress (Cassidy & Wright, 2008). Individuals who don’t own their own home and live in a society where home ownership has been normalized, may be viewed as irresponsible or flawed citizens in addition to grappling with their own dashed expectations (McKee, et al., 2017). This research is then also important in terms of illuminating how the trends are having negative on-the-ground impacts on the lives of the study population.

A last reason this research is important is for starting to fill a literature gap and its ability to contribute to the greater urban studies body of knowledge. As mentioned, there is little academic research on this topic despite its prevalence in media articles. I was not able to find an academic study on the Millennial Generation’s financial-related challenges with a broader scope than housing-related challenges from the perspective of the individual. There is some limited research, such as Generation Squeeze’s work, that approaches the topic using statistical data. Although informative, these types of studies

do not provide rich insight into how someone is experiencing the statistical trends. As well, media articles which interview members of the study population are not able to offer a “deep-dive” on the topic. What I hope my study can offer is an in-depth examination of the study population’s experiences and draw meaning from those experiences. My study can offer insight into the challenges young, urban professionals are currently facing in Vancouver. I can start to answer important questions such as do young professionals view Vancouver as a viable city to spend their careers and start family life in? From the perspective of young professionals, is there anything the City could do better to support their longevity in Vancouver?

This study makes use of research on financial-related challenges including housing-related challenges. I acknowledge the trends I present also impact other segments of Vancouver’s population; however, my focus is to understand how young professionals are experiencing the trends. I also acknowledge in many ways the study population is privileged in terms of their educational attainment, incomes, etc. I do not suggest the study population is “worse-off” in Vancouver than others, especially not marginalized groups or previous generations.

## **1.1. Context**

A brief overview Vancouver’s change and growth since the mid 1980s provides context for my study because the oldest of the Millennial Generation was born approximately at this moment of economic and social transition in the City. The mid 1980s saw Vancouver’s resource sector in sharp decline along with its “associated industries, labour, and social correlates” (Gustein & Hutton, 2019, p. 52). A new period of development was starting in Vancouver. The 1980s saw establishment of the SkyTrain which linked communities such as Surrey to Vancouver creating a more integrated region. During this time, Vancouver’s links to Asia-Pacific in terms of “capital, culture, trade, and exchange” (Gustein & Hutton, 2019, p. 53) as well as immigration from Asia-Pacific, grew exponentially. Expo 86 is associated with growth in Vancouver’s visitor economy and the sale of the Expo 86 lands to an Asia-Pacific investor helped to signal that Vancouver was open to foreign investment. City-building programs from new trade and investment relations and supporting new immigration were initiated. Vancouver also consolidated connections with other west coast American cities including Vancouver’s establishment as “Hollywood north” although it should be noted

that Vancouver differs from its west coast counterparts in having a smaller-scale innovation economy and industrial districts. Vancouver is thus an example of a post-industrial city where former reliance on the resource economy and labour force has been replaced by the service economy and a highly educated workforce (Gurstein & Hutton, 2019).

Much of the flow of global capital into Vancouver since the mid 1980s has been in the residential sector (Gurstein & Hutton, 2019). This has contributed to Vancouver's declining housing affordability. While a review of current Vancouver housing market complexities is not within the scope of this thesis, my research is occurring in a city experiencing a housing crisis. Vancouver's affordability challenges are adding to the financial stressors experienced by the study population. Vancouver is one of the least affordable cities in Canada. 32% of those living in the Vancouver Census Metropolitan Area pay 30% or more of their household income on shelter costs each month whether renting or owning (Statistics Canada, 2017d). In comparison, this number was 21.9% for both Calgary and Edmonton, 24.6% for Montreal, and 33.4% for Toronto. More specifically, in the City of Vancouver, approximately 36.6% of households pay 30% or more of income on shelter costs<sup>1</sup> demonstrating the city is less affordable than the region at large. The City of Vancouver, in its *Housing Vancouver Strategy- Annual Progress Report and Data Book, 2019*, provides up-to-date data relevant to the discussion. While the report notes a slight cool-down in the benchmark prices of single detached homes between 2017 and 2018, local and regional demand for market-owned housing is increasing with population growth, British Columbia's rising GDP, and increasing median incomes among locals. This is combined with speculative buying and the commodification of housing. Rental vacancy rates sat at 0.8% in 2018. Despite the City reporting that local wages are increasing on average, inflation of market owned housing is still outpacing local wage growths. For example, the report outlines a 141% increase in detached home prices over the last ten years in Vancouver East whereas median Vancouver household incomes increased by less than 40% during this time (City of Vancouver, 2019).

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<sup>1</sup> Owner and tenant households with household total income greater than zero, in non-farm, non-reserve private dwellings by shelter-cost-to-income ratio - 25% sample data.

Vancouver is not alone in its affordability challenges. As the City of Vancouver reports, other cities around the world are also experiencing the “same threats to diversity, equity, and vibrancy that are facing Vancouver’s communities because of housing affordability” (City of Vancouver, 2017). Randy Shaw outlines this phenomenon in the United States. Shaw (2018) details how the middle class and more marginalized groups are increasingly being “priced out” of desirable American cities such as San Francisco, Los Angeles and New York. Shaw notes this trend is also spreading to historically affordable or working-class cities such as Denver and San Diego. Shaw places emphasis on how the Millennial Generation is the most negatively impacted generation by these trends. The members of this generation are now faced with trying to establish themselves, and “make it” in cities increasingly reserved for the wealthy and elite.

As mentioned, there is an abundance of media covering the Millennial Generation’s challenges in Vancouver. Some articles are written by study population members and are simply anecdotal accounts. Others are well researched reviews of academic or government-produced information. The articles demonstrate the public’s interest in the topic. I found it useful to sift through the articles to understand what is presumably of importance to Vancouverites. While I can’t rely on these articles as part of my academic literature review, they provide a sense of the current “atmosphere” of anxiety about affordability in Vancouver.

Articles written by study population members themselves, or articles which interview study population members, can provide insight into how some young professionals are feeling about their current situation. Purdon & Palleja (2017) interview graduates about their challenges with finding steady employment. Others interview members young professionals to build a case as to why Vancouver is unfavourable for young adults. For example, Lindsey (2015) details how the high cost of housing coupled with stagnant wages makes the City unattractive for young professionals. Piliéci sifts through Statistics Canada census reports and other sources to demonstrate how the rising cost of education coupled with no guarantee of desirable work after graduating, and poor wages for those who do secure work, is leaving some graduates in a financial predicament. This along with the rising cost of living (including housing costs) has created a challenging situation for young, educated adults across Canada (2019).

Anecdotal accounts can be disheartening to read and reveal difficult personal decisions surrounding leaving the City (Barrett, 2015 & 2017).

There is another set of sources which I've grouped into "non-academic" sources along with media articles. These sources are produced by interest groups or financial institutions in the form of short reports or articles. These reports have a specific interest in mind, such as reporting home ownership rates among young adults and strategies to address the issue (Choi, et al., 2018). Lending institutions report on trends such as how many young adults' parents co-sign their mortgages or loan money for purchasing housing (Evans, 2017; Lee-young, 2018).

Not all media sources paint a bleak picture for Vancouver's young adults. Some articles are aimed at dispelling myths and contradict popular trends in the media. For example, Lauster uses Statistic Canada data to argue that young people are not leaving Vancouver but are rather moving to the City (2018). Peterson (2019) interviews members of the Millennial Generation who own housing across Canada and asks how they've managed to purchase a home despite financial challenges and cost.

## **1.2. The Study Population**

Media articles and research suggest financial-related challenges to do with employment and wages after graduating, debt (typically stemming from school), and housing are impacting young adults. I wanted to capture the personal stories of those currently grappling with these challenges. To best do this, I selected young, university-educated individuals who are currently working and live in Vancouver as the study population. For the purposes of my study I call this group young professionals. I define the study population parameters next.

I selected the ages of 25 to 34 years old to represent young adults. This was based on Statistics Canada age categories which I relied upon for contextual data. For the census year 2016, Statistics Canada considers people 25-34 to belong to the Millennial Generation. There are 125,195 people belonging to the Millennial Generation living in the City of Vancouver or 19.8% of Vancouver's population (Statistics Canada, 2017f). This is compared to the Vancouver Census Metropolitan Area for which the

Millennial Generation makes up 14.7% of the population (Statistics Canada, 2017f). I use the terms young adults and the Millennial Generation interchangeably.

I narrowed “educated” to those that hold at least a bachelor’s degree. I wanted to capture the experience of young adults who have taken on the cost burden of attending university since this is a key financial challenge said to be facing the group. Although being a bachelor degree holder doesn’t necessarily equate to professional status, I use being “university educated” as the criterion for being a young professional in my study. There are 70,205 young adults aged 25-34 in Vancouver holding, at minimum, a bachelor’s degree.<sup>2</sup> This means 56.6% of the Millennial Generation living in Vancouver has a bachelor’s degree or higher in terms of post-secondary education (Statistics Canada, 2018). This is compared to 47.4% of those aged 25 to 64 in Vancouver (Statistics Canada, 2018).

To capture stories about challenges with employment and wages after graduating, I focus on those who are currently working. Although unemployment is also a financial-related challenge research suggests, I also wanted to capture stories about other “early-career” challenges. If research participants had experienced unemployment in the past, I could still gain insight about their past unemployment challenges. I narrowed the study population to those earning employment income.<sup>3</sup> This is a Statistics Canada term which allowed me to utilize Statistics Canada data as contextual information presented in this chapter. This term is unrelated to how much time has been spent working (e.g. could be spent working full time full year, part time full year or part of the year either full or part time).<sup>4</sup> There are 55,010 young adults aged 25-34 in Vancouver who reported earning employment income and who worked full year, full time (44.3% of young adults). 41% reported earning employment income and working part of the year (whether full or part time) (Statistics Canada, 2018).

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<sup>2</sup> The statistics used to define the study population here and in the ensuing discussion are based on a 2018 table released by Statistics Canada which predicts data based on a 25% sample of the population (Statistics Canada, 2018). As such, the table is based on 124,085 young adults in Vancouver compared to 125,195 as reported in the census profile of Vancouver.

<sup>3</sup> Defined by Statistics Canada as “all income received as wages, salaries and commissions from paid employment and net self-employment income from farm or non-farm unincorporated business and/or professional practice during the reference period”.

<sup>4</sup> This does not include those who reported “not working” but still earn employment income. For example, those on parental leave not working but still being paid in part by an employer.

I did not select an income category which participants would have to fall under. Study population members earn different incomes. By using “earning employment income”, I am eliminating those from my study who do not work. This potentially eliminates the very affluent from my study who do not work. I am also eliminating those who are receiving employment insurance, a different government assistance, or not reporting an income source whatsoever. It happened that my research participants earn individual incomes between \$40,000-\$49,999 and \$70,000-\$79,999.

I wanted to be able to compare participants’ reported incomes with the averages for the study population to place their experiences into context. It would be challenging to compare someone’s wages and experience with financial-related challenges who only works part time or part of the year with someone who works full year full time. I focus on those who work full year full time for ease of making a meaningful comparison between participants and study population averages. Statistics Canada found that there are 33,095 people holding at least a bachelor’s degree, earning employment income and working full year full time, belonging to the Millennial Generation, and living in the City of Vancouver (Statistics Canada, 2018). This number makes up 26.7% of those aged 25 to 34 living in Vancouver (Statistics Canada, 2018). For the entire study population who work full year, full time, their average employment income is \$62,549 and their median employment income is \$57,168. In comparison, holding all variables the same but extending the age to 25-54, the average income is \$83,205 and the median income \$67,668 (Statistics Canada, 2018).

I filtered out potential participants who had recently moved to Vancouver because they might not have had enough time to fully experience challenges that come with living in the City. Newcomers might not have been able to provide the same breadth of stories as someone who has lived in the City for some time. None of my interviewees have lived in Vancouver for less than three years.

I initially chose not to interview young professionals who have children. I made this choice based on the premise that having children brings its own set of unique financial challenges. One participant volunteered for my study who didn’t disclose to me that they had a child until part-way through our research interaction, but I decided to use this interview anyways. Although this participant was indeed facing unique financial challenges that come with having a new child, his stories also help to explain an

important life course transition many other young adults are either currently undertaking or considering for the future.

### **1.3. Summary and Thesis Overview**

This chapter introduced my research question, the context in which my research is being carried out and defined the study population. Next, in Chapter 2 (Literature Review), I pull together existing research and scholarship to help illuminate what financial-related challenges are facing the study population. I also review scholarship on life course theory and how I'm using it to help answer my second research question; "what impacts are these challenges having in their lives, from their own perspectives?". Chapter 3 (Research Design and Methodology) describes the rationale for why I selected interviewing as the superior method for data collection, the process of completing my research including analysis, and some of the challenges with and drawbacks to my methodology. Chapter 4 (Research Findings) reviews the most significant findings from interviewing organized into the main groups of challenges I found during my literature review. I also provide a profile of research participants. Chapter 5 (Themes and Discussion) first reviews the key themes emerging from interviews. Secondly, I consider what significance can be pulled from the findings and possible implications the findings have for the City of Vancouver. I reflect on my literature review and apply it to my findings. Last, I offer a brief review of my thesis, consider limitations of my study, and consider opportunity for future research in Chapter 6 (Conclusion, Limitations and Future Research).

## Chapter 2. Literature Review

My research first aims to understand what financial-related challenges exist for young professionals living in Vancouver, and second, what impacts the challenges are having in their lives from their own perspectives. In other words, my research aims to illuminate the experiences of the study population connected to their financial challenges. For example, is the growing inability to purchase housing in Vancouver resulting in young adults delaying family life (living in a conjugal or common-law relationship and children)? How do graduates experiencing underemployment or overqualification afford to live in Vancouver? During review of research on the topic, I found a lack research using qualitative analysis which approaches the phenomenon from the view of young adults themselves. There is much quantitative or statistical study reporting on the financial-related trends or challenges impacting young professionals, but very little qualitative research taking a “deep dive” into how young professionals experience the challenges from their own perspectives.

My first literature theme provides a base for understanding what I’m loosely calling the study population’s “financial-related challenges”. Exploring research on this topic, mostly made up of statistical studies and trends, helped me form the questions I brought forward to research participants during interviewing. I was able to divide my questions to participants into the key financial challenge themes research suggests. For example, one of the main challenges I found facing the study population through my review of research is unemployment and underemployment. I was then able to ask interviewees about their possible experiences with unemployment or underemployment. Having background knowledge on the main financial-related challenges also enabled me to make sense of my interview findings. I could compare participants’ experiences against what research suggests is occurring and discover similarities and differences.

To support answering my second research question, the impacts these challenges are having in young professionals’ lives, I draw from life course theory literature. As I will discuss, life course transitions are a way to understand someone’s progression through life. This especially makes sense for young adults because they typically experience several transitions on their way through to becoming an “adult”. This is whether we measure the achievement of objective traditional life course milestones or

attempt to understand more subjective measures of “adulthood”. Considering the impact of financial-related challenges on the life course allows for a meaningful way of understanding these impacts.

As mentioned, there is little research which attempts to understand how young adults are experiencing the impacts of the trends, including impacts to life course transitions, from their own perspectives. This is a gap my research aims to start filling. For example, we know through statistical trends that young adults in Vancouver have delayed entry into the housing market as compared to previous generations (City of Vancouver, 2017), and can theorize how that might impact someone over the course of their life, but what does not owning real estate as an adult mean from the perception of the person experiencing this barrier?

The research I rely on is mostly Canadian or, if unavailable, American. However, due to the relative lack of Canadian or American-based study representing the perspective of young adults, I cite research from Northern Europe, Australia or the United Kingdom.

## **2.1. Financial Challenges**

This section pulls together studies from various academic disciplines to create an understanding of the financial-related challenges facing the study population. The literature can be grouped into three main categories of trends: employment and wages after graduation; debt; and housing. The research I use to present the challenges mostly uses quantitative analysis and does not necessarily explain the reason behind the trend or what the outcomes of the trend might be. These types of studies provide a base for understanding the current financial situation for young professionals in Vancouver. I wait to discuss what the impacts of the financial-related trends and challenges might be until later in this chapter.

### **2.1.1. Wages and Employment**

Young adults may find themselves facing challenges with wages and employment upon graduating. These challenges center around issues with

underemployment, education not necessarily “paying off” financially due to its high cost, and stagnant wages for young, educated individuals.

Research on wage and employment trends for university graduates is commonly framed as whether university is “worth it” financially through the comparison of wages and education. The answer to this question depends on factors such as location of residence within Canada, the gender of the individual, and field of study (Statistics Canada, 2017b). Statistics Canada released several publications on the “value of education” topic for young adults following the census year 2016. These studies cover topics such as how type of degree relates to one’s earnings or how type of degree relates to being overqualified for one’s job. For example, for those aged 25-34 holding a bachelor’s degree in Canada, Statistics Canada reports on the 2015 annual median incomes of individuals who are now paid employees working full time. Both men and women who studied in the arts and humanities field earn the lowest wages out of all degree types. For men it was \$47,795 and for women \$44,892. The degree types associated with the highest paying wages are nursing for women (\$75,027) and engineering for men (\$78,054) (Statistics Canada, 2017b). Another study of interest reports overqualification rates for the same group. Statistics Canada defines overqualification as being employed in a job which typically only requires high school education despite having at least a bachelor’s degree. The overqualification rate for all degree types is 17.4%. For comparison, arts and humanities has an overqualification rate of 28.5%, health care of 4.2% and engineering of 5.0% (Statistics Canada, 2017a).

What these statistics illuminate for my study is that whether university is financially “worth it” likely depends on type of degree earned. Graduates’ satisfaction with their education may then also differ depending on degree earned. Graduates who are overqualified (also sometimes called overeducated or underemployed) for their jobs mean they earn wages below their earning potential.

The unemployment rate for university graduates relative to others is another way of considering the economic worth of education. The unemployment rate for those 25-44 in British Columbia in 2019 was 3.9%. For university graduates, it was 3.4% (Statistics Canada, 2020c) which suggests those with a university degree between the said ages are slightly better off. Unemployment may impact new graduates more, in terms of

finances, than other segments of the educated population. New graduates would likely not have spent the required time to pay into Employment Insurance to then access it.

Looking to wages for new graduates specifically, Morissette and Johnson's study utilizing Statistics Canada data between 1981-2004 found that the wage gap between workers aged 35 and younger and those over 35 has increased, while at the same time, the wage gap between those with university education and no university education has had little change (2005). The relevance of these trends for my study is that young, university educated individuals may see less of an immediate economic "pay-off" when entering the job market than university graduates have in the past. This may result in slower economic recovery after school.

Another key financial-related challenge for young professionals is the cost of education. University education has steeply risen over the last ten years. Students pay an average of 40% more for tuition than they did ten years ago in Canada and the cost of tuition and other student fees are predicted to keep rising faster than inflation (Statistics Canada, 2016). This is coupled with a stagnation in the availability of grants, bursaries, and other student funding that does not have to be paid back (Houle, 2014).

Despite the increasing cost, those aged 25 to 35 years old are twice as likely to have postsecondary education today compared to 1976 (Kershaw, 2015). Since the 1990s, the number of jobs requiring a high school education or less has shrunk while the number of jobs requiring university education has doubled (Association of Universities and Colleges of Canada, 2011). This can partly be explained by changes to the labour market in the last half of the 20<sup>th</sup> century as the economy moved towards a technical and information-based economy. In the United States, this trend has made it increasingly necessary to have university education to obtain high-paying, desirable jobs (Danziger & Ratner, 2010). As well, Statistics Canada reports there is increased family pressure to attend school (2007a) which speaks to shifting social trends. These factors have made university education increasingly desirable and necessary while at the same time the cost of this education has increased.

A possible contradiction becomes apparent when comparing the Association of University and Colleges of Canada's claim that the number of jobs requiring university education has doubled and yet overqualification is an issue facing young adults in

Canada. Perhaps this can partially be explained by graduates not taking the *kind* of education needed for today's job market. The issue of university education being "mismatched" with today's jobs, and graduates' frustrations surrounding this, is represented in the media (Pilieci, 2019).

Other academic literature on the wage and employment challenges for the study population uses a generational lens and compares the Baby Boomer Generation, Generation X and the Millennial Generation's wages and incomes. The Millennial Generation has been found to have higher median household incomes than Generation X and the Baby Boomer Generation at the same age (Statistics Canada, 2019a). However, other studies show an overall decrease in individual earnings for young adults aged 25 to 34 years old. Generation Squeeze, a Vancouver-based advocacy group, has produced age-based studies on this trend. A study produced by Generation Squeeze found that there was a 9% decrease in wages for full time working young adults aged 25 to 34 between 1976 and 2010 (Kershaw, 2015). The appearance of conflict between the findings of Statistics Canada and Generation Squeeze's findings can possibly be explained by the data set used. Statistics Canada uses household income whereas Generation Squeeze uses individual income. It is possible with more women in the work force and couples waiting longer to have children, this means dual income households are more common in the Millennial Generation compared to Generation X. This could lead to increases in household incomes over time. In this study, I have focused on individual wages because I am assessing impacts relative to a single person (rather than a household) – such as underemployment, debt or cost of education. However, it is also important to understand how the trends I discuss might be impacting decisions with creating a "household" (i.e. moving in with a partner) and how the study population benefits from having a household income.

These trends demonstrate the first set of financial challenges facing the study population. Based on the literature, the cost of university education has steeply risen. At the same time, the economic recovery after school may be slowed due to stagnant wages and issues with underemployment/unemployment. Studies commonly call into question the "economic pay-off" of school.

### **2.1.2. Debt**

Studies suggest that student-related debts and other forms of unsecured debt are a concern for graduates and young adults.

Hodson, Dwyer & Neilson argue that credit has become more accessible and easily available to young adults over time. There has been a shift towards younger generations taking on unsecured debts. Unsecured debt describes debts not secured by a lien and most commonly would be credit card debt or lines of credit (Irby, 2018). This is in comparison to older generations who tended to take on secure debt burdens such as a house mortgage (Hodson, Dwyer & Neilson, 2014). One of the reasons for this is a larger percentage of young adults pursue post-secondary education than previous generations (Hodson, Dwyer & Neilson, 2014). This may mean older generations, as a whole, were less burdened with recovering from the cost of education leaving them free to pursuing home ownership at an earlier age.

Unsecured debt can also be student loans which a large percentage of university students rely on. In British Columbia, including both government-issued student loans and other sources of student loans, 47% of university graduates had student loan debt averaging \$30,000 after their undergraduate degree. For those finishing a master's degree, 41% had student loan debt owing an average of \$36,000 (Statistics Canada, 2020b). Robson & Loucks (2018) report that the Millennial Generation carries relatively higher debts than Generation X did at the same age which is partially attributed to the high cost of post-secondary education. Houle (2014) also found that debt-burden growth among young people in the United States has increased the most in American college-educated adults which may be attributed to the cost of education.

Although some studies acknowledge increased access to unsecured credit being an opportunity for those who could not otherwise afford the education mobility it brings (McNeil, 2013), research also discusses the risks. First, taking on a student loan does not guarantee a well-paying job will be secured (Porter, 2012). This means the debtor may have difficulty paying back the loan. Second, students may use high-interest credit cards or lines of credit to help pay for school or living expenses that are not covered by government loans.

Debt represents the second major set of challenges the literature suggests is facing the study population. University graduates, on average, have taken on a large amount of student loan debt to obtain their education. At the same time, young adults today tend to take on unsecured debts, such as credit card debt, compared to previous generations. I discuss some of the outcomes of early adult-life debt in Chapter 5 (Themes and Discussion).

### **2.1.3. Housing**

Housing-related trends for young adults demonstrate they are slower to move out from their family home, take longer to save for a down-payment on a home, and purchase housing later in life than Generation X and the Baby Boomer Generation. As well, the study population lives in one of Canada's least affordable cities for both renting and owning housing which is having various effects in their lives.

As introduced in Chapter 1 (Introduction), Vancouver is currently undergoing a housing crisis and it is helpful to keep this knowledge in mind when considering the ensuing discussion. Given this context, my study assumes Vancouver is experiencing many housing-related challenges and focuses on how this situation might be impacting the study population.

I found comparing Vancouver and Canada's home ownership trends for young adults helpful to understand what challenges come with being a young adult living in the City. The cost of market owned housing has inflated greatly in the City of Vancouver over the past decades. For a typical young adult to earn enough for a 20% down payment on an average house, it would take 23 years in Metro Vancouver today compared to the five years it would have taken in the 1970s (City of Vancouver, 2017). Generation Squeeze produced a Canada-wide analysis assuming a rate of 15% of earnings are going towards savings. For someone between the ages of 25 and 35 years old who earns a median income, a 20% down payment would have taken 5.3 years to save between 1976-1980. By 2006-2010, it took the same person 10.1 years (Kershaw, 2015). This demonstrates that it takes first year homeowners an additional five years today to save for a home Canada-wide; presumably, the exponentially longer time needed to save in the City of Vancouver is due to higher housing cost. It is also probable

that the high cost of rent in the City of Vancouver further diminishes young adults' ability to save for a down payment on a home.

The timing of purchasing a first home and the type of home purchased differs across Canada. Metropolitan areas have a higher average age for first-time home purchasers and lower rates of a first purchase being a single-detached house. Both Statistics Canada and non-scholarly sources such as banks and notaries track first-time home ownership statistics. Statistics Canada reports that while approximately half of first-time home buyers (48.2%) in the Vancouver CMA are under the age of 35, only 21.4% purchased a single-detached house. This is in comparison to Canada-wide numbers where 50.6% are under 35 but 52.9% bought a single-detached house (Statistics Canada, 2020a).

According to one bank-led poll, the average age for a first-time home buyer is now 36 in Canada (Vecina, 2020), demonstrating the challenge young adults face in purchasing a home. This difficulty is part of a worldwide trend. Mackie outlines how young people's housing problems are a contemporary global concern (2016) although the reasons for this challenge can differ depending on location.

An effect of Vancouver's housing challenges is its contribution to the trend of more young adults living at home. In 2017, 32% of young Canadians aged 25 to 29 and 12% aged 30 to 34 lived with at least one parent. In 1995 these percentages were 20% and 5%, respectively (Statistics Canada, 2019c). In the Vancouver CMA, 38.6% of young adults aged 25 to 34 lived with at least one parent in 2016 as compared with the national average of 34.7% (Statistics Canada, 2017g). There are different reasons why young adults might live at home for longer. Housing expense (both market rental and owned), the need for financial support during/after education, and employment trends such as increase of temporary or part time work (Statistics Canada, 2007b; Statistics Canada, 2007c; Statistics Canada, 2017g) are all reasons why young adults are staying at home for longer. Another possible reason for this trend might be to save money to purchase housing, especially in less affordable cities (Statistics Canada, 2007b). Hughes found that young people are less likely to live with parents in times of favorable economic conditions (2003) which suggests if young adults were financially able to, they may choose to move out sooner.

The housing-related research I've presented highlights the growing delay of home ownership among young adults. It also provides the outcomes of expensive real estate and rental housing, such as delayed home ownership and staying at home for longer. It appears that the cost of housing alone is not the only reason for the trends. A combination of reasons is at play including the other financial challenges young adults are grappling with. Housing trends represent the third major set of financial-related challenges that I consider to be facing the study population. I outline some of the effects of these trends in the study population's lives in the next section.

## **2.2. Financial Challenges and Life Course Transitions**

The literature I present in this section provides a framework for my second research question; "what impacts are the financial challenges having in young professionals' lives from their own perspectives?". In this section I first explain my use of life course transitions as a method to understand how the study population is being impacted by their financial challenges. Second, I provide an overview of existing literature which studies the interaction of the financial challenges I presented in the last section with life course transitions.

### **2.2.1. Life Course Transitions**

To make sense of the many possible impacts the financial challenges might have on the lives of members of the study population, I use the concept of life course transitions stemming from the life course theory. To better understand how I'm applying a life course perspective to my research, it helps to define key concepts within the field. Life course theory draws from multiple disciplines and in short refers to "a multidisciplinary paradigm for the study of people's lives, structural contexts, and social change...it draws attention to the powerful connection between individual lives and the historical and socioeconomic context in which these lives unfold" (Mitchell, 2003, p.1051). The life course is defined by Giele and Elder as "a sequence of socially defined events and roles that the individual enacts over time" (1998, p. 22). The life course can be understood via transitions, pathways and trajectories. A transition is a life change or event (going from single to married) within a trajectory. A trajectory is a long-term pathway which can contain multiple transitions (education or career). Transitions can

have socially defined appropriate ages of completion and depending when and in what order transitions occur, their timing can impact trajectories (Mitchell, 2003).

Through the twentieth century up to about 1970 in western countries, the life course could be described as standardized. Transitions to adulthood were compressed into the early and mid twenties (Shanahan, 2000). These milestones typically included five key benchmarks, being: “the completion of education, entry into the labour market, leaving the parental home, entry into marriage, and entry into parenthood” (Billari & Liefbroer, 2010, p. 1). Krahn et al. argue home ownership is a sixth important adult transition in Canada (2018). Krahn et al. suggest that transitions can be divided into “first-stage” (leaving home, finishing formal education and obtaining a full time job) and “second-stage” (marriage, parenthood and home ownership). Different types of research make use of these objective milestones or benchmarks to understand an individual’s progress through life. For example, Statistics Canada uses five key benchmarks when making longitudinal generational comparisons, including: point in time leaving the education system, point in time leaving the parental home, first full time work year, whether ever in a conjugal union and whether ever having had children. These milestones or benchmarks are used to understand select events or realities in someone’s life. For example, a researcher may ask how one’s socio-economic status effects the trajectory of education or transition of marriage.

The “normative sequencing” of traditional milestones is changing and can differ based on gender, ethnic culture and socio-economic status. Clark argues that the Canadian trajectory is still school completion, work, home-leaving and then marriage or cohabitation (2007) but does not mention parenthood. Prominent changes to this sequence include couples cohabitating earlier and more women having children prior to marriage. Krahn et al. discuss the importance of gender as a predictor of role transition sequencing as women typically leave the parental home and experience marriage and parenthood sooner than men (2018). Timing of transitions are also influenced by ethnic culture. Socio-economic status matters as youths from families with higher socio-economic status typically acquire more education. Last, the local economy matters because something such as a weak labour market will make it more difficult to establish a career.

When I started researching the use of life course theory for my study, I narrowed my search to studies which focus on young adult role transitions. My study is not able to capture life-long trajectories. In 2000, Jeffery Arnett introduced the concept of “emerging adulthood” to explore the experiences from age 18 to 29 with a focus on the 18-25 age group. Arnett argued that today traditional life milestones are often mixed up, repeated, or do not occur in early adult life as they traditionally have. Arnett found that from the perceptions of young adults themselves, gaining adult identity is no longer strongly defined by traditional milestones. Rather adult identity is defined by “traits” such as feeling responsible for one’s own life, which young adults can feel without passing traditional milestones. The top three adult roles Arnett found important to his research participants were accepting responsibility for one’s self, making independent decisions, and gaining financial independence from family (2000). Some of the traits Arnett found are not objective, measurable transitions. Rather they are subjective to the person experiencing them.

A difference between the groups of young adults I interview and those captured by emerging adulthood theory is age. At the time of my study, the Millennial generation is well into their thirties and it is recognized more work needs to be done studying this period of life (Arnett, 2015). Research has started to focus on this older demographic, as scholars recognize that the transition to adulthood has been elongated (Krahn, et. al, 2018).

While Arnett argues traditional milestones are losing relevance and aren’t as important to young adults, other researchers have critiqued this thesis and maintain the importance of traditional milestones. Scholars maintain that the “timing and sequencing of ‘objective’ events in the educational, occupational and family life domains still exert a strong structuring influence on people’s life courses and related life outcomes.” (Billari & Liefbroer, 2010, p. 59). One benefit of this argument is that by understanding the experience of previous generations, it is possible to predict how someone’s life today might be shaped by events which have occurred in early adult life. A common example of this approach in the literature are studies of the long-term impacts of early debt accumulation (Zhang & Kim, 2018).

Scholars also maintain that the traditional milestones are still very much relevant to young adults themselves. Our society has ideals and norms of what it means to be an

adult, and this impacts young adults' perceptions of their own progress and success with becoming an adult. For example, Benson & Furstenberg explain that traditional roles, in particular experiencing events related to family life, have been shown to influence one's own perception of gaining adult identity (2007). Social and cultural norms shape ideas of adulthood and where someone ought to be in their life. For example, "North American culture is characterized by strong expectations that children become independent, functioning, and contributing members of society" (Mitchell & Lennox, 2020, p. 215). Young adults themselves also have their own ideas of maturity which can in part come from the behaviors we associate with "growing up" (Krahn, et al., 2018).

The concepts used in life course theory are important tools for understanding the major influences behind participants' life course transitions and trajectories, for example, how the life path is shaped and influenced by historical period and location (Mitchell, 2003). An example relevant to my study of historical period and location is the changes Vancouver has seen in its housing affordability aligning with the Millennial Generation becoming adults.

The media, which originally sparked my research interest in this topic, has a role to play in normalizing and promoting particular representations of adulthood at a given time (social and cultural norms). Media reports reflect public discourse on this topic and can shape and influence what young adults consider normal or ideal adult traits. Mitchell and Lennox (2020) used these media articles to help with understanding what traits young adults consider important for becoming an adult. The media articles I researched for this thesis are both useful for understanding what might be of importance to young adults (i.e. what is socio-culturally important for becoming an adult) and as a source for gathering young adults' expressed opinions and experiences about the milestones for adulthood. In media articles, I found that young adults often relate their experiences with financial challenges to their major life goals, milestones and role transitions. For example, young adults explain how their financial situation is impacting their ability to move out from their parent's house.

Although I draw from some emerging adulthood theory in terms of understanding more subjective role transitions, as mentioned, this work is not without criticism and study of early adult life transitions has grown since Arnett's early work. One criticism is the concept only applies to a certain sector of the world's population- i.e. it is a "luxury"

that only those with sufficient means can experience. Young adults who occupy marginal social positions in terms of “race/ethnicity, social class, and educational attainment” (Seyd, 2015, p. 13) may not experience the same emerging adulthood period. This applies both on a global scale and within western nations. As well, emerging adulthood work is heavily focused on American college and university-educated young adults and has a relative lack of representation from different social groups.

As introduced earlier, adult roles can differ culture to culture. For example, subjective markers of adult identity in India are having control of emotions, fulfilling traditional gender roles and abiding by social norms (Seiter & Nelson, 2011 as cited in Arnett, 2015), none of which are the most important traits/roles Arnett found among American young adults defining adulthood (Arnett, 2000 & 2015). Considering my study is taking place in a highly multicultural city (Gurstein & Hutton, 2019), young adults in Vancouver likely have a wide range of beliefs stemming from their cultural backgrounds. Research participants, except one, are from western countries and all have been university educated in western countries. Due to this, my research participants are somewhat homogenous in terms of backgrounds and happen to align with the profile of young adult typically studied in western emerging adulthood theory.

I have selected the life course theory approach to understand how different financial challenges or trends may be impacting someone’s life. Based on life course studies literature, and media articles, I approached my interviews with study population members assuming they would recognize and view traditional adult benchmarks or milestones as part of their lives. While it seems generally agreed upon in the literature these transitions are becoming more “fluid, uncertain and extended” (Mitchell & Lennox, 2020, p. 215) in contemporary societies, traditional milestones are still used for understanding how the life course is progressing and how certain events and realities can impact it. The socially-defined traditional milestones also influence young adults’ own perceptions of achieving adulthood. I approached my interviews assuming interviewees may also have their own, more contemporary and subjective notions of role transitions they think are important. During interviewing, I found that participants spoke about both traditional, objective milestones and more subjective adult traits they consider to be important on the pathway to becoming an adult. Participants used their life course transitions, or lack/delay of transitions, to understand their own situations and give meaning to their financial challenges.

## **2.2.2. The Impact of Financial Challenges on Life Course Transitions**

This section presents literature which studies how the financial challenges I outlined interact with life course transitions. Some of the literature I use focuses on how the milestone itself is being impacted. Other literature begins from the assumption the milestone is being impacted and instead researches what the various outcomes of not achieving the milestone might be. For example, if graduates find themselves unemployed (therefore not meeting the milestone of establishing a career), what are the social or emotional effects in their lives?

What's missing from the literature that is relevant to my study is how the study population, or even young adults in general, are experiencing the financial trends and impacts from their own perspectives. Through my literature review, I found that studies having to do with impacts of financial trends on the life course tend to focus on older adults, perhaps because the long-term effects of financial trends on their life can be studied. When I am able, I draw from literature which reports on how the study population is perceiving their own experiences. Typically this would be through interviewing or some form of survey. The three sections below represent three main themes I can draw from the research studying the interaction between financial challenges and life course transitions.

### ***Establishing a Career***

I wanted to understand how the financial challenges are impacting the milestone of establishing a career after graduating. There is an abundance of media articles outlining graduates' frustrations with unemployment or not being able to secure the job they want, often written by the graduates themselves (Pilieci, 2019; Purdon & Palleja, 2017). However, there is limited scholarship in this topic area. Studies mostly seem to be based in countries where overeducation or unemployment for graduates are well-known issues such as in some of China's urban centers. Canada's employment situation for new graduates is not as dire possibly meaning there is not as much academic research interest.

Some research suggests that being overeducated for one's job is a temporary phase, a way to get a "foot-in-the-door", with suitable employment eventually occurring. Other research suggests that once an unsuitable job is accepted, career advancement

occurs to a lesser degree than if a graduate waits for a suitable job. Accepting a job for which one is overeducated may result in a “career trap” of persistent overqualification (Meroni & Vera-Toscano, 2017). This may be particularly frustrating for someone who has spent a large sum of money on education which will not be utilized or compensated through wages high enough to pay back the debt.

In terms of the personal experience of not starting a career or being unemployed, young adults finding themselves unemployed after graduating are at risk for psychological distress. Unemployment in general has demonstrated negative psychological impacts (Reneflot & Evensen, 2014). Cassidy & Wright conducted a longitudinal study in the United Kingdom surveying a group of young adults through their transition from students to new graduates. The authors questioned the group in terms of their job status and psychological well-being nine months after graduating. Those graduates finding themselves unemployed and underemployed nine months after graduating had higher levels of psychological distress than when they were students. Those who had secured their desired employment had lower psychological distress than when they were students (2008). Although their study is dated, Schaufeli and VanYperen may offer a partial explanation for this phenomenon. Educated individuals tend to have higher expectations for themselves than non-educated individuals and tie their social status to their career success (1992).

Becoming employed and establishing a career after graduating is a major traditional milestone, a “first-stage” transition, for the study population. Based on the studies above, persistent unemployment or underemployment may be a cause for distress. More academic research is needed in this area to discover how persistently underemployed or overqualified university graduates feel about their situation.

### ***Becoming a Financially Independent Adult***

A significant contemporary adult transition is achieving financial independence from family or establishing oneself financially (Arnett, 2000 & 2015; Mitchell & Lennox, 2020). The study population’s financial-related challenges are impacting this transition.

Earlier in this chapter, I explained how unsecured debt (including student loan debt) is one of the main financial-related challenges facing the study population. The research on impacts of debt among young adults explains the many outcomes debt

accumulation can have, including a reduced ability to become financially independent from family. Although some initial positive experience with debt may be experienced by young adults in terms of allowing independence, as young adults age, they tend to view debt as a negative aspect of their lives (McNeill, 2013; Dwyer et al., 2011; Hodson et al., 2014). Some of the outcomes of early-life debt accumulation are diminished ability to obtain economic independence (including continued reliance on family), consequences to psychological and physical health, increased risk of bankruptcy, ownership of fewer assets through the life course, and increased risk of not finishing academic studies once debt becomes too high (Houle, 2011; McNeill, 2013; Dwyer et al., 2011; Dwyer et al., 2012). The initial positive experience with accessing debt is replaced with feelings of being out of control, feelings of reduced capacities to meet goals, and lower self-regard (Dwyer et al., 2011).

Continued financial reliance on family appears to be a common way for young adults to cope with their financial challenges. Somewhat contradictory to this is research demonstrating that achieving certain milestones such as educational attainment *increases* chances of financial independence from family (Lee & Mortimer, 2011). This is interesting for my study because if something like education attainment increases the chance of financial independence, the study population might have expectations for themselves that they should be financially independent and living on their own. It is also questionable whether the literature's understanding of what increases a young adult's financial independence work the same in expensive cities such as Vancouver.

Statistics tell us that marriage occurs later in life now (Statistics Canada, 2007a). There are different reasons for this. One reason is theorized to be that young adults do not see themselves as economically ready to enter a union. This may especially be the case for men, whose marriage rates appear to increase with increasing economic success (Goldscheider, 2006). Debt also appears to have a role to play in romantic cohabitation or marriage choices. Addo (2014) found that credit card debt is positively correlated with common-law relationships but negatively correlated with legal marriage. This is an example of how debt or being slower to establish economic security can impact the major life milestones of romantic cohabitation, marriage or having children. Although other societal trends are certainly at play, I assume establishing economic stability, or the diminished ability to, might be impacting young adults' decisions to do with starting family life.

Financial independence from family is important in shaping young adults' own perceptions of becoming an adult. Mitchell & Lennox (2020) found through their review of media articles and interviews with young adults that both viewed life course transitions as obstacles which individuals can overcome if they work hard enough reflecting neoliberal norms in western countries such as Canada. In other words, if young adults work hard enough, they will be able to become financially independent from their parents. In expensive cities such as Vancouver this independence may be harder to achieve. Mitchell & Lennox found that young adults in their study then attempted to avoid being labelled as "moochers" while they were relying on family. Participants did this in part by focusing on their own "financial shrewdness". For example, living at home for longer than socially expected may be justified by young adults as a smart, deliberate decision and something that benefited them long term. Interestingly, the authors found that this was only socially acceptable when other markers of adult identity were being achieved, such as having a career job. What this shows is the strong influence our societal and cultural beliefs have in shaping young adults' own perceptions of achieving adulthood (in this case financial independence from family). Considering the financial-related challenges directly impact being able to achieve this important adult role transition, I entered interviewing expecting this topic to be something my research participants would speak about.

### ***The Impacts of Housing Challenges***

Housing-related challenges, including difficulty with entering the real estate market and living in one of the most expensive Canadian cities in terms of both rental and market housing, are impacting young professionals' life milestones.

With purchasing housing being out of reach for many, the City of Vancouver reports that young adults are staying in the rental market for increasing lengths of time (City of Vancouver, 2017) and young adults may enter creative living situations to achieve affordability. There are many media articles about Vancouver's rental market which mirrors rental stories coming from other unaffordable cities, such as San Francisco. Shaw, in his book *Generation Priced Out*, formalized these anecdotal accounts occurring in San Francisco. Examples of common occurrences he found are young adults splitting accommodation with many others, young adults entering non-

desirable living situations due to little other choice and competition, and low stability of tenure due to events such as “renovictions” (2018).

A critical adult role transition is to leave the parental home and establish an independent household. As discussed in the previous section, the age of doing so is increasing. As well, returning to living at home (even multiple times) is becoming more common (The Economist Staff, 2012). While housing costs are certainly not the only reason for this trend, it is one contributing factor. Young adults may view living with parents and/or roommates past a certain age to not be adult and that eventually either living alone or with a romantic partner is preferable (Klinenberg, 2012). Mitchell and Lennox (2020) found that living with parents past the socially-acceptable time still holds stigma. Thus, the cost of housing is impacting the study population’s notions of becoming an adult.

Research suggests that young adults still largely have ownership as their ultimate housing goal, although it takes longer and is more difficult to achieve than it was for earlier generations (Choi, et al., 2018). Home ownership has been normalized in westernized nations and is still considered the “tenure of choice” (McKee et al., 2017). For a long time, the location, type, and size of one’s home has been used as a reflection of social standing (Allen, 2007). In countries where home ownership has been normalized and is relied on for wealth building, we tend to perceive those not owning housing as flawed or irresponsible citizens (McKee et al., 2017). Krahn et al., (2018) discuss the high importance young Canadians place on home ownership, even suggesting it should be added as a recognized major life milestone. Young adults not entering the housing market may face social stigma and personal disappointment.

Similar to financial stability, the housing trends might be impacting the milestone of starting family life. Addo (2014) found that cohabitating is a way to manage financially through cost saving, but legal marriage is still viewed as an endeavour requiring financial stability and a large up-front cost in some cases. As well, home ownership and family life, marriage and parenthood, are correlated (Choi, et al., 2018; Tyndall and Christie-Mizell, 2016; Warner and Sharp, 2016 as cited in Krahn et al., 2017). These deep-rooted societal beliefs, such as home ownership being necessary to raise children, impact the study population and influencing their decisions around life milestones.

It is of interest to my study to ask what the study population's own thoughts are about achieving home ownership and what impact they perceive not owning as having in their lives. McKee, et al. found that young people retain long-term preference for homeownership as it is a part of adult identity acquisition. Upon discovery that this might not be as achievable as predicted (or as it was for older generations), McKee et al. state that young adults experience a "fallacy of choice". This is because the societal norm of eventual home ownership does not align with objective reality. The authors found that the young adults wanted to own housing so they could have security of tenure, make their home personal through decorating or renovating, and to build their wealth. This is something affecting the mental well-being of young adults as they come of age and realize they won't be able to become home-owners (2017). With owning housing still being a goal for many young adults, they may make large life-altering decisions to meet their housing goals. For example, young adults may choose to leave Vancouver to achieve home ownership (City of Vancouver, 2017).

### **2.3. Summary**

The first section of this chapter outlined research organized into three major categories of financial-related challenges impacting the study population. The second section of this chapter has provided three themes on the topic of financial challenges impacting life milestones. These themes offer examples of how life milestones and transitions (whether traditional or more subjective) might be interacting with the study population's financial challenges and the limited amount of academic research to do with their own perceptions of this.

Reflecting on the literature, it becomes evident the financial challenges are intertwined. The challenges I presented are overall resulting in a slower economic "pulling ahead" for the study population as they financially recover from university and establish themselves. An elongation of life course transitions goes hand-in-hand with this slowed economic movement. It's not always clear which is impacting which. Life course transitions may also impact the financial trends. For example, study population members may not want to be tied down to a particular career, prefer part time or temporary work, and are therefore impacting their own wages.

I acknowledge societal-level shifts and preferences amongst young adults to do with work, family life, housing, etc. are occurring. My study asks what impacts the financial trends I've established are having on the lives of young professionals. I will discuss this concept in more detail in Chapter 5 (Themes and Discussion). Furthermore, it is most important for my study to understand how young professionals are experiencing the trends from their own perspectives, through their own experiences, no matter how the trend came about. Even if participants offered alternate reasons for the trends than the scholarship, I was still able to capture the impacts these trends are having in their lives.

## Chapter 3. Research Design and Methodology

### 3.1. Research Design

#### 3.1.1. Choosing a Topic, Question and Method

The media is rich with articles about the Millennial Generation's "financial woes". I became interested in how the generation is grappling with these financial-related challenges due to the large amount of media attention the topic receives. I also belong to the generation myself and noticed peers discussing many of the same topics prevalent in the media. Becoming aware of the abundance of media articles and anecdotal accounts from peers, as an emerging pattern, was the start of my inductive research.

During my initial review of media articles and research on the Millennial Generation's financial-related challenges, I noticed there was a segment of the population; young, *educated* adults, who are represented in the media. The media in Vancouver is often focused on the Millennial Generation's challenges with purchasing housing (Evans, 2017; Lee-young, 2018; Peterson, 2019) but anecdotal accounts from young adults tend to have a broader focus, and also incorporate challenges stemming from time and cost of years spent in university, plus challenges with securing desirable employment and poor wages (Barrett, 2017; Lindsey, 2015; Melanson, 2016). Challenges with employment and wages after graduating and debt intermingle with the housing affordability challenges cities such as Vancouver and San Francisco are facing. Together the challenges make up a more robust, complete understanding of the "financial picture" for today's young urban professionals. As explained in Chapter 1 (Introduction) I selected the study population based on being the group best representing those who are experiencing the financial-related challenges. I also defined the study population characteristics to make use of Statistics Canada data for context.

There is an abundance of media articles on my research topic but a lack of academic studies approaching the topic from an individual's perspective. In other words, there is very little research which uses a qualitative, idiographic, "deep-dive" approach to understanding the personal experiences and subjective viewpoints of the individual experiencing the trends. I wanted to start to fill this literature gap. I settled on the following two-part research question:

*What financial-related challenges are young professionals facing in the City of Vancouver and what impacts are these challenges having in their lives from their own perspectives?*

The first question asks what the financial-related challenges are. This information exists across multiple academic disciplines in scholarship and research. I was able to pull these studies together to understand what the different financial-related challenges facing the study population might be. I grouped the challenges into those having to do with wages and employment after graduating, debt, and housing as explained in Chapter 2 (Literature Review). During interviewing I asked participants about their experiences to do with the financial-related challenges I presented in Chapter 2 (Literature Review).

For the second research question my goal was to explore an individual person's perspective on their challenges. I determined that some type of a qualitative interviewing process would be the superior method. A survey or questionnaire would not provide rich details on personal stories and would not leave room for participants to explain the "why" behind their answers.

As cited in Babbie & Roberts (2018, p. 296), I follow Steinar Kvale's seven stages of a complete interview process, being:

1. *Thematizing* ("clarifying the purpose of the interviews and the concepts to be explored")
2. *Designing* ("laying out the process")
3. *Interviewing*
4. *Transcribing*
5. *Analyzing* ("determining the meaning of gathered materials in relation to the purpose of the study")
6. *Verifying* ("checking the reliability and validity of the materials")
7. *Reporting* ("telling others what you've learned"- in my case through this thesis)

Qualitative studies are typically high in validity meaning a "measure that accurately reflects the concept it is intended to measure" (Babbie & Roberts, 2018, p. 132) but low in reliability which means "the same data would have been collected each time in the same phenomenon" (Babbie & Roberts, 2018, p. 130). This is the case for my study. My

results can be considered valid in terms of offering a robust understanding of participants' views. Despite not knowing for certain whether my interview results can be applied across the study population in general, my background research suggests there are perspectives widely shared across the study population. What my research can offer is an in-depth look at the experiences of a few study population members rather than saying my results are relative to the entire study population. Attempting to reach many members of the study population, to increase reliability, would lead to using a survey or questionnaire which misses capturing the detail-rich answers my research is concerned with.

I considered what form of interviewing to carry out and how the interviews would be structured. On one hand, my topic is quite broad and there were certain topics I wanted to ensure I could cover during the interview without the length of time being too onerous for participants. On the other hand, I also wanted to give participants some flexibility and opportunity to provide unanticipated concepts or themes I didn't find during my background research (since my interview questions are based on this research). I also wanted to ask participants questionnaire-type questions such as their incomes and housing costs to bring perspective to their experiences. For example, if I found a participant to be really struggling financially, it would help to know their debt and income levels. It would help me to situate participants against the study population "averages" and place the interview into context.

I considered hosting a focus group, or series of focus groups. However, the nature of my questions are quite personal and include finances. This means participants might have been uncomfortable sharing their stories with a group. As well, I have a lack of experience with this research method. I determined to do individual interviews, and due to the nature of my interview questions, I would assure participants confidentiality.

I selected in-depth, one-on-one, semi-structured qualitative interviewing which also has a questionnaire component blended into the interview. I approached the interview in segments, where I would ask questions about the three main financial-related challenge areas I had found during my research/literature review. I prepared qualitative "guiding questions" ahead of time, based on my research, but these questions left room for participants to answer freely and direct the conversation (see Appendix B). For each "segment" I also wove in objective and quantitative questions I had such as

asking participants their wages, debts, shelter cost, how long they have lived in Vancouver, who they lived with, etc. (Appendix A).

Qualitative interviewing “allows the researcher to pursue issues in depth and gives the respondent more freedom to direct the flow of conversation” (Babbie & Roberts, 2018, p. 293). The type of qualitative interviewing can be described as semi-structured, which is an interview organized around “general questions or themes organized in advance” (Babbie & Roberts, 2018, p. 294). The strength of this method is its flexibility and ability to adapt to changing conversation. I adjusted my questions during interviewing by omitting some questions I had planned or by introducing others. For example, I didn’t know one participant had a child until part-way through the interview (I was not planning to interview young adults with children). I then went on to ask the participant about what financial-related challenges having a child has brought. I also found out one participant lives in a housing co-op, had not anticipated this tenure type, and needed to adjust the questions I asked about their housing situation. These two examples highlight the importance of being flexible and adaptive during semi-structured interviewing.

I needed a way to make sense of the answers I would receive. I use literature to do with the transition to adulthood (life course theory) as a method to understand meaningful impacts to a young adult’s life. As explained in Chapter 2 (Literature Review), life course transitions are a way of understanding how someone is progressing through life. The approach may be more objective through observing the achievement of specific milestones. It may also be more subjective through attempting to understand young adult’s own perceptions and understanding of role transitions. Young adults’ own contemporary ideas of role transitions may differ from traditional milestones. I was then able to ask participants about how the financial-related challenges are impacting their life milestones, whether traditional or more subjective/personal, as a way of understanding meaningful impacts to their lives. Although I based some pre-determined questions I would ask participants on the milestones offered in academic research, I was also “open” to discovering alternate role transitions participants offered. Using a semi-structured approach allowed me to be open to alternate experiences participants offered me. Participants were able to explain their own ideas of what it means to become “adult” and how their financial-related challenges are impacting these notions. I was able to

discover participants' experiences surrounding how the financial-related challenges are impacting their lives in a meaningful way.

It was desirable for the interviewees to be able to express their personal thoughts and feelings. This meant I would not know their possible responses or all the possible directions our conversation could take. The pre-determined qualitative questions then acted as an interview guide only to prompt conversation and to help keep the conversation relevant to my research question. I found myself thinking ahead to the next question I would like to ask and needed to remind myself to *listen* to what the interviewee was saying and consider if their point warranted more attention. As Earl Babbie and Lance Roberts explain, "you need to ask a question, listen carefully to the answer, interpret its meaning for your general inquiry, frame another question either to dig into the earlier answer or to re-direct the person's attention to an area more relevant to your inquiry. In short, you need to be able to listen, think and talk almost at the same time." (Babbie & Roberts, 2018, p. 294). Simply asking participants "what impacts are you experiencing?" from the financial-related challenges would likely not encourage meaningful discussion.

After my first interview using the approach of including both the semi-structured interview questions and questionnaire-type questions mixed in together, I asked the participant if they thought a separate questionnaire delivered before or after the interview would have been preferable as to not distract our discussion. This participant expressed they liked the "break" which the easy-to-answer questions provided, and I decided to stick with my approach.

### **3.1.2. Participant Recruitment and Selection**

The next step was to determine how many interviews I would conduct and to find participants. After I created an initial interviewing guide, I estimated approximately forty-five minutes to one hour would be needed to discuss the topics I wanted to cover. At the same time I would not ask for a large time commitment from participants. I also left room for an additional 30-minute follow-up interview if I felt I needed a participant to re-explain something they'd said (verifying). Based on this time, and the time it would take me to transcribe the interview afterwards, I attempted to secure ten interviews.

Being of the study population myself, I initially planned for third-party recruitment also known as snowballing. Snowballing entails contacting known members of a study population and then asking “those individuals to provide the information needed to locate other members of that population whom they happen to know” (Babbie & Roberts, 2018, p. 150). The justification for this method is that I belong to the study population and would be able to use personal contacts to gain participants. I did not interview study population members who I have a personal relationship with because this might influence responses.

My initial method didn’t yield much interest and I decided to branch out with my approach to find participants. I created a poster which I hoped would pique interest. It offered some basic information on my study and a small financial incentive. Considering the age of my study population, I posted this recruitment online to Facebook.<sup>5</sup> I asked “friends” on Facebook to “share” my poster to any groups they might belong to containing young adults in Vancouver or with other friends they thought might be interested. I also hung posters close to my residence in Vancouver.

For reasons I will explain below, I only completed eight interviews. The majority of participants were a result of the social-media poster “sharing”.

### **3.2. Conducting Interviews**

After potential participants contacted me, either via Facebook or via email, I sent my *participant consent form* to prospective participants electronically so they could review details of my study and have opportunity to ask questions. I had several potential participants contact me after I shared my poster via social media. However, after sending my *participant consent form*, I didn’t hear back from many potential interviewees. Prospective participants may have been deterred by the personal nature of the questions. I had challenges with recruiting my last three participants with it taking three months to complete interviews five through eight. Based on my challenges, and the length of my completed interviews running longer than originally anticipated, reducing the number of interviews to eight was reasonable in terms of my study scope.

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<sup>5</sup> Facebook is a social-media platform. “Friends” on Facebook are others you are able to connect with and these friends may “share” posts you have created. Thus, an exponential number of people can share a post.

Typically interviews require a high level of cooperation from the interviewee and are challenging to secure. Babbie & Roberts suggest “small, nonprobability samples are generally used, such as purposeful or snowball samples” (2018, p. 298).

I arranged to meet participants at a quiet location most convenient for them. I used electronic tape recording to facilitate transcribing later. I took some notes during interviewing, such as what I might adjust for the next interview, or if something popped out which I wanted to remind myself of. Some interviews were conducted at the participant’s place of work, some at Simon Fraser University, one at a participant’s household and one over the phone. Interviews occurred over a five-month period between early February 2019 and end of July 2019. Interviews lasted longer than I originally anticipated, with the longest being one hour and 15 minutes and the shortest 52 minutes. I conducted one interview over the phone, which was not ideal, due to losing some of the richness face-to-face conversation provides. However, it was hard to meet with this participant and I settled on having a phone conversation rather than forfeiting the interview. I found the interview at a participant’s household provided useful context for our discussion. I was able to gain a richer “feel” for how the participant lived. For example, I could literally see the space constraints they complained about and was able to appreciate their descriptions of why they enjoyed living in their neighbourhood.

I noticed the more interviews I conducted, the smoother they went. My confidence increased with each interview and I noticed my own skill with prompting participants to elaborate when needed, or with bringing our conversation back to topic, improved. It was important to listen carefully to the interviewee and use prompting language such as “how is that?”, “in what way?”, “what would be an example of that?” (Babbie & Roberts, 2018). I also adjusted my open-ended qualitative interview questions as interviews progressed, to “fine-tune” steering the conversation to the topics I wanted to cover. The questionnaire-type questions remained the same for consistency.

### **3.3. Transcribing and Analysis**

After interviewing I transcribed the recording as soon as I could. Transcribing soon after the interview helped with remembering why a participant had worded something in a particular way and helped me to remember visual cues. For example, hearing the participant’s voice change in the recording would prompt me to remember a

certain facial expression or undertone to their answer. I created an excel spreadsheet with a row for each question I asked with participants' alias across the top of columns. I was then able to easily "fill-in" the short answer questions (such as age, income, how many years lived Vancouver, etc.) and compare participants' answers to each other at a glance. This method was more challenging for the qualitative, long-answer questions because our conversation jumped around at times and didn't follow an order necessarily. I paired questions with responses the best I was able to. I mostly transcribed all content from interviews and used a bit of selective transcribing when conversation went off-topic. As I transcribed, I also started highlighting and making notes to myself for items I wanted to give more thought to later. This is also called memoing (Babbie & Roberts, 2018, p. 346-348).

By organizing participants' answers into the questions I asked, I was able to quickly recall information or find a particular topic I remembered a participant speaking about. For example, if I wanted to remember who had spoken about their debt, I could reference the row(s) under which we discussed debt. I was also able to easily compare participants' answers. This process was the start of coding my interview data. Coding is essentially classifying or categorizing pieces of data with some sort of a retrieval system. Coding can be utilized in qualitative analysis after interviewing and can be a form of inductive theory building (Babbie & Roberts, 2018, pp. 341-346) which is suitable for my study. Organizing the interview data into initial themes (by the topics I discussed with participants) helped immensely with being able to organize a large volume of data into a digestible manner. As I organized, I was also able to start pulling out small sub-themes which emerged from interviews. I was able to add columns beside certain "groupings" of similar thoughts or answers and label it. Or, if a participant was the only one to speak about something, this would also stand out in the spreadsheet.

Considering I had done research prior to the interviews and based my questions to participants on the financial-related challenges and role transitions, this naturally led my interview data to be somewhat organized into topics stemming from my own background research. However, the interviews also revealed concepts and themes my research didn't uncover. For example, receiving (or not receiving) financial help from parents isn't a financial challenge per say, but it was a point of focus participants kept coming back to. In a sense, some participants considered their "lack" of help from

parents to be a type of challenge. During coding, I was also able to pull out these new concepts and themes.

An additional task I completed during my background research on the financial-related challenges was collecting data on the study population averages. This permitted me to place participants' responses into context. For example, if a participant told me they're struggling to pay rent, it would help me to know whether their rent is considered unaffordable, whether they earn above or below the study population, etc. I also wanted to understand the study population better in general, and know their population, income, etc. against the averages in Vancouver. I found this data to be available "pre-canned" in various Statistics Canada interactive data tables. I used this contextual data for both background information and when drawing meaning from my interview results.

I used life course theory to understand the themes I pulled from interview data. I asked myself questions such as "what traditional milestones are participants concerned with?", "does Vancouver support participants in achieving the milestones they want to?", "have participants suggested alternate milestones to what the literature has suggested?", and "in what ways are participants' experiences similar and different from what the literature has suggested?". I then created discussion themes around what I considered to be the most meaningful results from interviewing while using my literature review to "ground" the data. This permitted me to start answering the second research question of what impacts the financial-related challenges are having in young professionals' lives from their own perspectives.

### **3.4. Research Design Drawbacks**

I entered my interviews assuming that the financial-related challenges are something occurring based on research I reviewed and something that participants would be familiar with. The purpose of interviewing was not to demonstrate the trend is occurring, but to rather illuminate how someone is experiencing the trend and what sort of impacts this has had in their life. I acknowledge that by somewhat pre-determining the main themes I would ask participants about, I may have lost some potential insights. I tried to mitigate this at the end of the interview by asking participants very general questions such as if they had any additional thoughts on the topic or what the next five years of their life might look like.

I am part of the study population and recognize that my own personal biases might have come out during interviewing and when interpreting the results. I found myself sympathizing with participants about their challenges, and our interviews at times took on a friendly, or personal, feeling. Before starting the interview, I would explain to participants why I was interested in the topic and a bit about myself to break the ice. This included that I also belong to the study population. This might have motivated participants to share certain answers over others or to present themselves in a certain way. Researchers should be aware of their previous assumptions or understandings in order to be “open” to the data they collect. “This process, referred to as “bracketing,” is considered necessary to increase the trustworthiness of the research process” (Smith et al., 2009).

Alternatively, belonging to the population one is studying can be advantageous. I think participants were comfortable with me and this may have helped in answering some of the more uncomfortable questions. Perhaps participants and I both belonging to the study population helped to build rapport.

I found that I attempted to fit too many topics into one interview. To keep close to the time my poster indicated, I rushed some interviews towards their end and would have liked to speak with the participant further. Having a separate questionnaire for the quantitative questions may still have been a preferable approach rather than blending the questions into my interviews. I found asking these simple questions took away from time to explore the open-ended questions. Asking abrupt questions also broke the natural flow of our conversation and made it somewhat clumsy or choppy. On the other hand, I may have had difficulty securing participants if I asked for “work” to be done prior to meeting (i.e. filling out the questionnaire). If I had asked for it after, I wasn’t guaranteed a participant would return the questionnaire. I believe my approach was probably the least amount of “work” for participants and considering my challenges with recruitment it was likely best to not ask for additional effort from participants. One alternative approach I could have tried is to deliver an in-person questionnaire after the interview.

## Chapter 4. Research Findings

This chapter presents findings from in-depth, one-on-one, semi-structured interviews conducted with eight young professionals who fit my study population criteria.

First, I provide a brief profile of participants which may be referenced when considering my interview results. Second, I explore my interview findings which have been divided into three main sections, being: employment and wages, finances and debt, and housing. These topics represent the main financial-related trends my literature review suggests are impacting the study population.

### 4.1. Profile of Participants

The criteria for participants was to be between the ages of 24-35, to have completed at least a bachelor's degree for post-secondary education, be employed full year full time, and to have lived in the City of Vancouver for at least one year. Although participants share these characteristics they are heterogenous in other aspects of their lives such as marital status, employment and earning, country of birth (two participants are not Canadian citizens), being a parent (one participant has a child) and so on. Participants expressed a wide breath of perspectives and life experiences.

The youngest participant was 26 and the oldest 34. Three identified themselves as male and five as female. Their occupations included three working in various local government professional roles, one in human resources, one employed by her family's equipment rental business, a nanny, a university administration manager, and a private elementary school teacher. Two participants were Permanent Residents who moved to Canada from Ireland and Pakistan, respectively.

Nick<sup>6</sup> is 33 and lives with his wife and young child in a two-bedroom co-op housing unit in the Mount Pleasant neighbourhood of Vancouver. Nick has completed both a bachelor's degree and master's degree and is employed by a local government in the lower mainland.

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<sup>6</sup> All participants' names are pseudonyms.

Ashley is 34 and lives on her own in a market rental bachelor apartment in the West-end of Downtown Vancouver. Ashley has two bachelor's degrees and is currently finishing a master's degree. Ashley is employed by a local government in the lower mainland.

Nina is 30 and lives with her common-law husband in a market rental one-bedroom apartment in the Dunbar-Southlands neighbourhood of Vancouver. Nina has a bachelor's degree and is employed as a private nanny.

Racheal is 26 and lives with her common-law husband in a one-bedroom market rental apartment in Vancouver's Kitsilano neighbourhood. Racheal has a bachelor's degree and is finishing her master's degree. Racheal is employed by her family's equipment rental business.

Brad is 26 and lives with four other friends in a five-bedroom market rental single-detached dwelling in the Fairview neighbourhood of Vancouver. Brad has bachelor's degree with a one-year addition of a teaching degree and a subsequent master's degree he earned in the United States. Brad is employed as a teacher in a private school.

Moe is 26 and lives with a friend in a two-bedroom market rental apartment in the Yaletown neighbourhood of Vancouver. Moe is originally from Pakistan and has a bachelor's degree from Canada. Moe is employed in human resources.

Madelaine is 30 and lives with her common-law husband in a one-bedroom market rental apartment in the Fairview neighbourhood of Vancouver. Madelaine is originally from Ireland where she obtained both a bachelor's degree and master's degree before moving to Canada. Madelaine is employed in university administration.

Julie is 33 and lives with her common-law husband in a one-bedroom market rental apartment in the Grandview-Woodland neighbourhood of Vancouver. Julie has completed a bachelor's degree and is currently finishing her master's degree. Julie is employed by a local government in the lower mainland.

## **4.2. In-depth, One-on-One, Semi-structured Interview Findings**

This section presents findings from interviews conducted with the eight young professionals profiled above. I wanted to find out whether participants are experiencing the financial trends I presented in Chapter 2 (Literature Review). By interviewing members of the study population, I could gain a rich understanding of how the trends and challenges impact and are being experienced by a study population member. Alternatively, I could find why someone isn't experiencing a trend or how they've addressed it. Interviews mostly consisted of asking participants pre-determined, open-ended questions about their experiences with the financial challenges I found. I prompted interviewees to speak about impacts to their life milestones and discovered other experiences outside of those I found during my literature review. I also collected quantitative data during interviews, such as participants' incomes, to be able to compare their financial situation to population averages and place their stories into context.

Within each results section are sub-headings representing a group of results which stood out or a main topic I could draw from the interviews. The quantitative data collected from participants is displayed via a table summarizing the results for ease of comparison.

### **4.2.1. Employment and Wages**

My literature review suggests that the study population faces challenges with employment and wages upon graduating. Scholarship demonstrates challenges with unemployment, underemployment and stagnant wages. This, along with the rising costs of university, brings into question the economic "pay-off" of education. Persistent unemployment/underemployment has been shown to cause psychological distress in young graduates and the study population may be experiencing challenges with economically recovering after school.

#### ***Employment after Education***

I questioned participants about their experiences with employment after finishing university or between degrees. I asked questions such as how useful they thought their

degree was for being employable or if their education brought what they consider success in the job market.

After Ashley graduated from her undergraduate degree, she found herself unable to find work in a field related to her studies. She experienced periods of unemployment, relying on Employment Insurance during one bout. She also took on short-term work and returned to a job she held before attending university.

I tried to find work, couldn't, and then I started to question why I got this BA. I ended up going back to the same job [the same job Ashley held previously to university] as a liquor store manager. All the psychology jobs were \$10, \$12 an hour. I was making more money managing the liquor store, which I didn't need my degree to do.

This was a common experience for participants after completing their undergraduate degrees. Four participants had accessed Employment Insurance at some point after finishing their undergraduate degree and the jobs they did have were not necessarily ones requiring university education. An undergraduate degree hadn't been as fruitful as some participants hoped and this led them to question whether their undergraduate had been "worth it" economically.

A common reaction to addressing perceived lack of success in the job market was to complete a graduate degree. Of the six participants who had finished or were currently finishing their graduate degree, four were now employed in a field directly related to their education. As Nick explains, having a graduate degree was a way to become employable.

The undergrad in philosophy wasn't great, it's difficult to interview for jobs with that, but the graduate degree has definitely helped with turning an un-impactful undergrad into something that is actually employable.

Ashley had a similar experience.

I have my dream job. It took me awhile, I wouldn't say my first degree has been useless, but not fruitful in the job department. I had to go back the drawing board. And now, I feel like I finally found what I wanted to do. I believe your education is an investment in your future, I just think a lot of people go into school without really knowing what they want to do. And then they get these degrees which aren't necessarily useful, so I think you have to be careful what you go to school for.

Ashley needed additional education to secure work in the field she desired which has come at an additional cost. Ashley is also currently working on her third degree online (she has two different undergraduate degrees already) so she may move up within her organization. This aligns with what I found in academic literature suggesting increasing levels of education are required to gain desirable jobs (Danziger & Ratner, 2010).

Madelaine had a different experience. Madelaine has completed a master's degree and although steadily employed in university administration, does not feel fulfilled because her current work is unrelated to her field of study (geography). Madelaine's experience did not align with other participants who generally obtained their graduate degree with a specific type of career in mind. Madelaine discussed completing more education once she figured out her long-term career goals.

Madelaine is facing underemployment or overeducation. Although Madelaine mentioned her soft skills gained from university are useful, she also mentioned her job description only requires an undergraduate degree. She also mentioned feeling as though she wasn't utilizing her master's degree. Nina and Racheal, who are employed as a nanny and in equipment rentals, respectively, are also underemployed.

Two participants had only an undergraduate degree and are not employed in a field related to their education. Unlike other participants who had taken graduate level education to compensate their undergraduate degree, they were happy with their current job and wages and were not planning to take more education in the foreseeable future. I wanted to understand how these participants, Nina and Moe, viewed their success in the job market.

After Nina graduated with a degree in music, she experienced some of the same struggles as other participants with securing desirable employment. Eventually, she found work as a Nanny. She explained that although she does not need an undergraduate degree for her work, having her music training as a credential helped her land her most recent job. Nina teaches music to the children she looks after. She is applying her education in an unforeseen, creative way and still benefitting from the education. When I asked Nina whether she felt her education was "worth it" she further explains:

I think so. I think any sort of learning is good. So whether you take one class, or go and do a whole degree, I think you're learning something and you're interacting with different people, and you're thinking of things in different ways that you wouldn't normally have the opportunity to.

Nina earns the lowest wage of participants and has the second highest amount of debt. From an outsider's perspective, she is underemployed and appears to have some difficulty with paying back debt incurred while in school. It is questionable whether Nina's education has been "worth it" financially. However, Nina doesn't seem to view her education as a waste and wanted to focus on its benefits. Nina might not be as bothered by her underemployment since her partner is a source of financial help, or in other words, Nina might not be under pressure to secure a higher paying job. Underemployment or overeducation may not be as large of a source of distress for the study population if their financial situation is otherwise stable.

Moe took business in school and is now working in human resources. He spoke at length about his positive experience in school and the benefits it has brought him in terms of friends, transferable skills and securing his current job. Moe was also focused on how his education in business helped him practically in terms of understanding his own finances.

I think that education might not give you a job right away, but kind of gives you opportunity to reflect and discover yourself. I took lots of different classes and discovered a lot of things about different areas.

Participants described the non-financial related benefits their education had brought them. For example, being a good role model for younger siblings, learning how to live independently, feeling confident, gaining social skills, making friendships, etc. I tried to prompt participants to speak about the financial value their education is having, but they led the conversation towards other values of education. When I compare participants' stories to those in media articles about education not paying off, the difference may be participants are at least employed full time. Media accounts include stories about temporary work, or difficulty with finding work in general, in addition to underemployment.

Another insight is that the non-monetary values of education are as equally (if not more) important to interviewees. The values, such as feeling independent or accomplished, are representative of more subjective/personal notions of what it means

to become an adult. Through their education, participants are able to achieve the traditional role transition of education and also achieve other “adult traits” they feel are important such as feeling independent and accomplished.

## **Wages**

I questioned participants about their individual and household income since graduation to find out how they are experiencing the trends I found in academic studies and media articles (see Table 1). Participants mostly fell into either the \$50,000-59,999 or \$60,000-69,999 (three participants each) Statistics Canada annual employment income category. One participant earned \$40,000-49,999 and one \$70,000-79,999. For comparison, the average employment income for the study population is \$62,549 and the median \$57,168 (Statistics Canada, 2018) for the last census year<sup>7</sup>. Considering interviewing took place four years after these numbers were reported, the average and median employment income would be higher adjusting for inflation. I collected participants' employment income in categories and can only say with confidence that one participant earns below the median, three relatively close to the median (in the same gross income category) and four earn above the median. I consider the median to be a better comparison to reduce extreme wage or income outliers. I know from background research that study population members are only marginally better-off than those who have no education in terms of income. The median income for those 25-34 years old in Vancouver is \$51,040. This is compared to Greater Vancouver where the median is \$48,852 (Statistics Canada, 2018).

The participant earning the highest wage, Nick, explained his thoughts on how much he earned.

I think I'm still surprised every now and then. I grew up in a very lower income household so it boggles my mind still sometimes that I make more than \$20 an hour. So sometimes the privilege boggles my mind.

The participant earning the lowest wage, Nina, also expressed satisfaction with her wages.

With my Nanny family, we negotiated something, I had only baby-sat, I hadn't done any sort of career child-care...I started at a lower wage

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<sup>7</sup> This is for the year 2015 because employment data is reported for the year prior to the census year (2016).

and was completely happy with that. I've been very happy with my wages since then. Some people say I should be getting paid more but I'm feeling like I'm paid fairly, I can afford to live here.

People tend to compare themselves to peers and may measure their success in relation to others in a similar life stage (Arnett, 2000). Feeling “better-off” than your peers is a personal viewpoint and would be impacted by experiences such as Nick describes about growing up in a low-income household. However, to help explain why Nina is satisfied with her income, household income may also have a part to play. Nina earns the lowest wage (\$40,000-\$49,999) but has explained she can “afford to live here” because her household income is \$120,000. This likely influences Nina’s perception that she earns enough to live satisfactorily.

Participants’ earnings haven’t always been so high. When participants were experiencing underemployment after their undergraduate degrees, some spoke about their poor wages being a factor in deciding to return to school. For example, as Ashley did when she described the entry-level wages for those in her field of study (psychology). Participants also referenced friends or people they know who are currently struggling with poor wages. Racheal spoke about her friend’s situation:

I have a friend who the first job she took out of university, they were paying her \$25,000 a year. Like, you can't afford to eat. And then the next job, she was at \$35,000 and said “this is amazing”, and I said, “no it's not”. She was lucky enough to be living at home and didn't have student loans. That was how she made it work. But if that wasn't the case, I don't know how people make it work.

The members of the study population I interviewed aren’t being paid as poorly as Racheal’s friend, but do acknowledge these situations exist.

## **Summary**

My intention was to find out how the employment and wage challenges presented are impacting participants’ lives. Current unemployment, and generally income (whether household or individual) is not an issue for participants. What my interviews mostly capture is how participants have experienced issues with unemployment or underemployment in the past. To overcome these challenges, some participants took more education which is an additional financial and time burden. Others have stayed underemployed. Those who had gone back to school tended to be more

upfront with the perceived deficiencies in their undergraduate education and the cost burden it had brought.

Participants acknowledged the trends I presented in Chapter 2 (Literature Review), such as diminished ability to pay off loans due to poor wages, had experienced some of the challenges in the past, and spoke about people they knew experiencing challenges. One of the goals for my study was to capture some of the stories you hear similar to Racheal's friend; however, participants happen to be employed full year full time (and even if they have a lower than the median income for their age group, enjoy a high household income) and are therefore somewhat buffered from the employment and wage trends I presented.

One finding of note is how participants used their education to achieve contemporary life milestones such as feeling independent, being a role-model, or accomplished. Even if a participants' education hadn't led to a particular career or feeling settled in their career (a traditional life milestone), it had brought experiences with other adult-role transitions. These experiences are clearly important for participants from their own perspectives.

#### **4.2.2. Finances and Debt**

My literature review suggests the study population is experiencing a slower economic recovery after school partially due to unsecured debt accumulation. Research suggests today's young adults tend to take on unsecured debts such as credit card debt and student loans. This early-life debt accumulation has been shown to have negative psychological impacts for young adults.

##### ***Income, Debt and Savings***

To help understand participants' financial situations, I asked about their individual and household income, individual debt and individual savings. I was then able to understand whether participants are above or below the "averages" of other members of the study population. The following table contains this information for ease of comparison.

**Table 1 Participants' Incomes, Debts and Assets**

Participant	Individual Employment Income	Income Compared to Population Median Income <sup>8</sup>	Household Employment Income	Approximate Individual Debt	Approximate Savings	Other Assets
Nick	\$70,000-\$79,999	Above	\$90,000-\$99,000	\$7,000	\$70,000	Car
Ashley	\$50,000-\$59,999	Close to	\$50,000-\$59,999	\$0	\$50,000	
Nina	\$40,000-\$49,999	Below	\$120,000+	\$9,000	\$0	Car
Racheal	\$50,000-\$59,999	Close to	\$120,000+	\$0 (\$160,000 owed to parents for property)	\$17,000	Car & Property
Brad	\$60,000-\$69,999	Above	\$60,000-\$69,999	\$0	\$120,000	Car
Moe	\$50,000-\$59,999	Close to	\$50,000-\$59,999	\$0	\$50,000	
Madelaine	\$60,000-\$69,999	Above	\$120,000+	\$0	\$35,000	Car
Julie	\$60,000-\$69,999	Above	\$120,000+	\$10,000	\$5,000	Car

I asked participants how much debt they currently have. All participants had approximately \$10,000 or less in current personal debt. I asked participants about any other kinds of debt they might have (money owed to family, on cars or other large purchases). I have not included money owed on vehicles in Table 1. Vehicles tended to be shared with romantic partners and participants weren't able to provide reliable numbers. Some participants did not know how much money was owed on a vehicle since the vehicle was shared with a partner or it was being leased. In the case of Racheal, her parents purchased a recreational property for her, and she and her partner are paying her parents back for it. I did not include the amount of money she "owed" on

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<sup>8</sup> The study population's median income is \$57,168. Participants reported their income in a range. It is not possible to know how much above or below a participant's income is, however, I can generalize to state whether it is above, below or falls within the same Statistics Canada income range.

the property as personal debt because it wasn't a formal loan. The property was already in Racheal's name and she described not always paying the debt on a regular basis. Racheal told me the property cost \$160,000 and she had been paying her parents for a year so the amount owed would be less than that.

Participants in relationships struggled at times to provide me with accurate numbers because their finances are tied with their partner. I consider the savings reported by those in partnerships to not necessarily reflect individual savings. Particularly for Nick and Madelaine, household savings was reported. Brad's savings come from an inheritance.

### ***Student Debts***

Based on my literature review, I expected participants' current financial situations to be impacted by ongoing student loan repayments or repayments on other debts incurred while in school. While in school, participants needed to pay for both school and living expenses, and tended to use various combinations of financial sources while in school, including: help from parents, student loans (both private and government), wages from working, personal savings and scholarships/funding.

Five out of eight participants accessed student loans while completing their education, some at the undergraduate level and some at the graduate level. I wanted to know how participants had repaid their loans relatively quickly. One reason for quick repayment was simply that a small amount had been borrowed. Participants tended to only access student loans for part of their degree(s), when all other options had been exhausted. For example, after their Registered Education Savings Plan was depleted. Another reason for repaying loans quickly was aggressive repayment plans higher than the recommended repayment rate set by the loan issuer.

### ***Consumer Debt***

Participants' current debt may not be student loans but is still partially related to school. Nina and Julie described their debt as consumer debt (either credit cards or lines of credit) but after hearing their descriptions of when they got themselves into the debt, it became evident it had started while in school. As well, Nina's debt is consolidated with a student loan from a bank. Indirect student-related debt is something I found as a potential financial burden identified by other researchers. Even if students do not use

student loans, they may go into other forms of debt to stay financially afloat or in attempt to create a desired standard of living while in school (Dwyer, McCloud & Hodson, 2011).

Nina and Julie are the closest examples I have to a study population member still being negatively impacted financially by debt accumulated during school several years after graduating. Nina and Julie live with common-law partners who both earn a relatively high income. Nina and Julie both described receiving financial help from their partners and are buffered from the financial hardship they could be experiencing otherwise. On the other hand, if Nina and Julie are receiving help from their partners, and still have not paid their debt off, it could indicate how much of a struggle it is to pull themselves out of debt.

I eased into the consumer debt conversation with participants by having them explain their views on debt and about their experiences with student loan debt. Student loan debt seemed to be a comfortable way of speaking about debt because it's perhaps viewed as "good debt"- i.e. money is being spent on something which is supposed to help with earning potential. I then asked participants how much consumer debt they had and depending on how my conversation was progressing with the participant, if they ever had trouble paying it back. I allowed participants to give me as much detail as they felt comfortable providing about the debt. Nina and Julie seemed a bit embarrassed by their debt. Nina mentioned making sacrifices to her lifestyle to try to pull ahead financially but also spoke about the times she did not make smart choices. Nina ended up with credit card debt she eventually consolidated with her outstanding student loan to have one manageable payment per month. I asked Nina whether her credit card use had been heavy in school.

I think for my first couple of years, it was just when I booked vacations, like "I know I can pay this off in a couple months", so it goes on there [referring to the card], and I did pay [the card] off regularly but that changed quickly. Then I relied on it a lot more, then it was a hard habit to break.

Julie also spoke about travelling throughout school when recounting her positive university experience but also indicated school being the time when her debt started.

I can't be certain if all participants were being truthful about their debt. Participants tended to emphasize the efforts they've placed into getting ahead financially and breezed-over spending habits. If participants did mention bad spending habits, they

tended to frame it as something they have overcome or learned how to manage. Approaching debt from a “lessons learned” angle helped participants speak about it. For example, Racheal emphasized her new budgeting skills when I asked her if she ever had trouble paying off her credit cards:

Not really, but there are months where that was too much, and I've started at the end of every month, to itemize, and actually force myself to look at where I'm spending. Sometimes I think “how is that even possible?” [in reference to seeing how much she has spent]. Even seeing the breakdown of everything, making goals towards how I'm spending, what things I should be cutting out, and what things are actually adding up [is good]. I'm on my fourth month of doing it, because it helps when I go to those things that have become habits, I can say “oh wait, that added up too much last month”. The coffee shop was one-sometimes I go to get a small cappuccino and it's \$5 and they want a tip on top of that.

Although I found participants to be open about discussing their experiences, I also found that debt wasn't a comfortable topic for participants who have debt. I anticipated capturing more about debt struggles than I did. Stigmas exist in our culture towards poor money management. Perhaps debt also impacts participants' personal perceptions of being a responsible adult, as my literature review suggests, and this makes the topic uncomfortable.

### ***Financial Management***

Participants are living rather frugally. This seems to contradict the stereotype portrayed in the media of the Millennial Generation not knowing how to save for a rainy day. Participants told me they learned financial management from various sources such as family (growing up self-described “poor” or “well-off” didn't matter), school, self-education and through learning to financial manage with a partner.

Instead of discovering how debt might be impacting participants, I can instead tease out how *staying out* of debt and making financial sacrifices to get ahead financially might be impacting some participants.

Throughout my conversation with Madelaine she alluded to how her thrifty attitude towards finances impacts different aspects of her life. I asked Madelaine if finances are an important topic in her relationship with her partner. She described this being a point of contention in her relationship at times due to her partner's overspending.

I'm quite organized and I do keep an eye on things a lot more than [her partner]. He doesn't have as much value as I do with money. We have a joint bank account, so there has been times it's caused issues, there's been times when he's gone out to the bar and had a big bill and I'm like "wait, what? that's not cool". I'm always the one to be say "oh, it's cheaper here, let's go here". I'm maybe a little bit more savvy.

Nick spoke about his relationship as part of the reason his household is "making it" in Vancouver. Nick described he and his wife teaching themselves financial management and attributed their financial success to the partnership itself. For example, Nick's wife put some of her graduate funding towards his own graduate tuition. Nina spoke about her partner having his finances well under control, including being knowledgeable about investments. On the other hand, Nina hadn't considered doing this largely because she had no individual savings to invest. Nina spoke about starting to make financial investments with her partner which provides her with opportunity to save. Julie spoke about her partner covering her portion of rent from time-to-time if she was having trouble paying it. It became clear, unsurprisingly, romantic partnerships are a way to cope financially.

Participants recalled past struggles they had financially, especially as students. Brad recalled what he thought was a humorous experience in learning to manage his credit cards. While working as a teacher in Texas, he took desperate measures when his car needed repair and he was unable to pay for the repairs himself.

So the long and short of it is that I put my car repair on these two credit cards, it's amazing I was even approved for them to be honest, I think they just give them out to anyone. My greatest moment of financial instability was, at the end of the month, I couldn't make rent and pay the other bills at the same, so I went and sold my blood five times. There's this whole sub-culture [of doing that] there [referring to the United States].

Moe described another approach to getting ahead. Moe had immigrated to Canada from Pakistan for post-secondary education and had moved from complete reliance on his family to complete financial independence. He had numerous gigs throughout university.

I haven't relied on one source of income, I've always done small freelancing and other kinds of small work.

Moe talked about how he enjoyed taking on small jobs throughout university and was smart with saving what he earned. I was surprised to hear Moe had managed to grow

his savings despite being one of the youngest participants at 26 and newly graduated. This was partially related to his choice to complete back-to-back co-op programs mixed with short-term jobs. Moe also explained how being taught about budgeting in business school had helped him be more financially-savvy.

Most participants worked while in school, especially during graduate school. Participants spoke about times they made financial decisions which resulted sacrificing their desired lifestyle, for example by paying off student debts as quick as possible rather than spending extra money frivolously. Participants considered strict money management after school the smart thing to do financially. However, I wanted to know how this approach, and other sacrifices to lifestyle, might be impacting participants' lives in ways other than getting ahead financially. Making sacrifices could mean making choices like not going on trips, not eating meals out, etc.

Brad lives with four other roommates in a shared house. While he enjoys the social aspects living with others brings, Brad is also choosing to live with many roommates so he can afford to live in a house and not a basement suite. Brad would not be able to live in a house without multiple roommates and told me about the trouble he's had in the past with roommates who he didn't like living with. Moe spoke about not owning a vehicle and how grocery shopping can be difficult due to always carrying his purchases.

Nick provided an intimate detail about his life when he told me about paying for IVF when he and his wife were trying to conceive. Nick anticipates needing it again in the future. Nick explained how financially challenging this has been and spoke about what he calls his household's complicated budgeting.

Nick: We have a series of different savings accounts, from everything from household expenditures, to pet food, to medical bills, to baby insurance. We basically have ten different savings accounts, and the income basically flows to the savings accounts. We try to take the model from *Until Debt Do You Part* [a reality TV show about budgeting] into different bank accounts so it's like digital jars.

Int: So it sounds like you're really self-educated on budgeting.

Nick: Ya, reality TV helped us with that...[laughs].

The original intention with my study was to not interview participants with children because this can bring an extra financial complexity I did not include in my background research and literature review. However, I discovered Nick has a young child part way through the interview. Nick offers insight into a life challenge which all other participants are either already considering or considering for the future. Despite a very large expense Nick and his wife have recently weathered, they are still coping financially and have savings. Perhaps part of the reason his household *is* saving so much is because they must if they want to reach their family goals.

### ***Perceptions of Debt***

I asked Ashley about whether financial independence was important for becoming an adult.

I think if people can't get their financial stuff together, it shows how responsible you are as a person. If you can't get your finances straight, you don't understand the value of short-term pain, long-term gain. You know it's not all about having everything you want right away, you need to learn to plan ahead, and not over-extend yourself and pull your weight.

Ashley appears to have a strong view on smart money management. The media can portray today's young adults as not very financially disciplined and give this lack of discipline as a reason for why they might have such a hard time achieving milestones such as purchasing a house (Picchi, 2017; Toronto Life, 2016; Woroch, 2020). Ashley does not seem to fit into that stereotype. Other participants also appear financially disciplined or even frugal. Brad had received a large inheritance and decided to not spend any of it, rather saving it for purchasing a house. Moe told me that debt is something to always be avoided. When considering Ashley's statement her emphasis on financial responsibility may be to demonstrate her competency around finances and to remove herself from the frivolous or undisciplined stereotype.

Other participants had a more balanced view on debt, explaining that not all debt is bad. For example, if someone is working towards paying something off, such as a car, this might have some merit. There was consensus that credit card debt should be avoided. Racheal explains her thoughts on debt:

I feel like it depends on the kind of debt. If you're taking out debt to borrow, to buy something, that you have a steady stream of income for,

I think there is good debt. I think it's when people get stuck in credit card debt, with extremely high interest rates, stupid debt, it's just really expensive. So I don't think debt is always a bad thing, it just has to be the right kind of debt. It's just kind of an assumed part of life, you're going to have debt.

Racheal hints at a possible generational reality. All participants, except Madelaine, had a credit card in their teens or by 21 at the latest. Madelaine, who grew up in Ireland, told me it's not as common there for teens/young adults to have credit cards. Five participants had utilized student loans at some point during their university education (typically to supplement other financial sources). Other participants had been exposed to credit products at a young age even if their first card was controlled by their parents. This might bring a level of comfort using credit products and indeed participants provided stories about their credit card use while in university, at a young age. For example, Brad's story about paying for car repairs by maxing out two easy-to-get credit cards.

### ***The Role of Parental Help***

Most participants are not carrying debt and I've discussed how their actions and attitudes may have helped them to stay out of debt. However, there is another possible explanation. Parents have had a large role to play in keeping some participants out of debt, especially student debt. I asked participants how much and in what forms they had received financial help from family. I also prompted participants to discuss what their underlying thoughts and feelings are about financially relying on family. I asked this to understand how family reliance might be impacting notions of becoming an adult. Financial independence from family is an important life course transition (Arnett, 2000; Mitchell & Lennox, 2020).

The most common parental financial contribution participants received was help with university education. Inheritances from relatives was another. There was also the promise of future help from parents towards purchasing real estate. Most participants also told me about receiving day-to-day forms of contributions such as having parents cover costs of bills (cell phone, groceries, etc.). Participants also received help in non-direct forms, such as being employed by a parent or being permitted to live at home at no cost periodically.

I was surprised at Moe's ability to save, despite being one of the youngest participants and newly graduated. This ability to save is brought into context by knowing Moe's parents completely supported him financially for his first three years of university. Once Moe started working, he was able to start saving without first paying off debts.

Racheal is one participant who is continuing to rely on her family. Her parents covered the cost of university (including all living expenses) for her to attend school across the country. Upon returning home after graduation, she lived with her parents at no cost, until she was able to find desirable housing for herself and her partner to share. She is currently employed by her family and recently had her parents lend her money to purchase a recreation property outside of Vancouver. When I asked Racheal whether she ever worried about money while in school, she spoke about her feelings towards her parents helping her.

I think I was really fortunate, I mean there were times when I felt bad for not making my own money, I would try to work over the summer, save up, and spend that as much as I could. But I also think that my older sister did the same thing, so I didn't feel as bad. My parents were really nice that way, so they never put any feelings of guilt on us or anything like that. I like to think they planned for it.

Three participants had received an inheritance from a family member, one of which, at \$120,000 was described as life-altering. Brad, who received the inheritance, recognized the power the inheritance has brought and how he's been insulated from the typical financial situation his peers may be in.

I want to be careful to not attribute participants' appearance of financial stability *only* to their parents because they've also put effort themselves into saving money and paying off debt. Nick and Brad both told me their parents haven't helped them much besides providing the money from a Registered Education Savings Plan towards their education (Brad's inheritance is from a Godparent). These two participants also told me asking their families for financial help is out of the question when we spoke about family help towards down payments on property.

It is obvious some participants have used help from parents (either in the past or ongoing) as a mechanism to "make-it" living in Vancouver. Participants currently financially independent from their families, such as Moe and Madelaine, have still

received a large amount of help during school which allowed them to start their careers either debt-free or with much less debt had they completely relied on loans.

One literature gap my study may be able to start help filling is how the study population feels about receiving financial help from parents. I wanted to know how help from parents, especially continued reliance, might be impacting interviewees' sense of what it means to become an adult. When I asked participants what it meant to be an adult and whether being financially independent was part of it, they differed in opinion. Some participants spoke about their idea of what it means to be an adult shifting from traditional measures, but this was mostly centered around housing.

Nick compares his situation to others when I asked if he would feel comfortable asking his parents for help to purchase a dwelling. Nick can be described as receiving very minimal financial help from his parents and has instead established himself financially secure through other means.

Nick: In my experience family and money don't mix well so I would probably avoid that circumstance. We've flirted with that in the past, does all the family get together to buy a home, split it, and all live together, one happy commune?, and it just never came together. So I don't think I have the kind of family structure that that would work together.

Int: You hear about people doing that a lot now.

Nick: Ya, I'm a little bit jealous that they're that *Brady Bunch* together.

I found Nick's feelings interesting because they may indicate a desire to be closer to family or at least have the option of accessing help. This demonstrates the complexity of feelings surrounding receiving help from family. Having an offer for help may bring feelings of security.

Ashley's strong views on establishing herself financially independent from family, as I've described earlier, are revealing because she also explained that financial help was available to her in the form of her parent's offer to pay for her education. Ashley turned it down. It could be that Ashley's sense of becoming an adult is very tied to financial independence and it was more important for Ashley to establish herself as an adult than to accept help.

## **Summary**

When I consider participants' experiences with debt and finances as a whole, I see a group of young adults who have made sacrifices such as living in undesirable housing situations, restricting their lifestyle, adopting frugal attitudes, or taking action such as working multiple jobs while in school. In some cases, financial help from parents has contributed to participants "making it" in Vancouver. I was surprised by the amount of savings some participants had. Even if the savings can partially be attributed to parents helping with major costs such as education, it still contradicts public discourse of the generation tending to be frivolous (Picchi, 2017; Toronto Life, 2016; Woroch, 2020). Holding onto savings seems to be a strategy used by participants until greater certainty about their future can be achieved.

### **4.2.3. Housing**

My literature review suggests young adults are slower to purchase housing and are also slower to move from their family home than Generation X and the Baby Boomer Generation. As well, the study population lives in a city facing affordability challenges which impacts both renting and owning housing. Despite home ownership rates dropping in young adults, research suggests it is still desired by young adults. Krahn et. al (2018) suggest home ownership should be considered a milestone of adulthood in Canada. Challenges with affordability and desire to own housing is contributing to uncertainty with staying in Vancouver long-term.

#### ***Renting in Vancouver***

All participants currently live in a type of rental housing including splitting a single-detached dwelling with friends, a unit in a co-op, and apartments. Only one participant lives on their own, in a bachelor apartment, with the rest either living with their romantic partners or roommates. No participants own their own housing.

To place my discussion about housing with participants into context, it is useful to know the cost of their housing, what is considered affordable rent for their earnings based on the Canadian Mortgage and Housing Corporation (CMHC)'s average shelter-cost-to-income-ratio (STIR) (CMHC, n.d.), and how much their household pays

compared to average rents in Vancouver. I also included participants' neighbourhoods for context. Table 2 displays this information.

**Table 2 Participants' Housing Costs and STIR Calculations**

Participant	Participant's Dwelling Type	Neighbourhood	Total Cost of Dwelling Rent	Average Cost of Dwelling Type in Vancouver <sup>9</sup>	STIR <sup>10</sup> for Individual	Rent Paid by Participant <sup>11</sup>
Ashley	Bachelor Apartment	Downtown West-end	\$1040	\$1227	21-25%	\$1040
Racheal	1 Bedroom Apartment	Kitsilano	\$1200	\$1382	12-14%	\$600
Julie	1 Bedroom Apartment	Grandview-Woodlands	\$1500	\$1382	15-18%	\$750
Nina	1 Bedroom Apartment	Dunbar-Southlands	\$1700	\$1382	20-26%	\$850
Madelaine	1 Bedroom Apartment	Fairview	\$2100	\$1382	18-21%	\$1050
Nick	2 Bedroom in Co-op	Mount Pleasant	\$1475	\$1752	22-25%	\$1475
Moe	2 Bedroom Apartment	Yaletown	\$2600	\$1752	26-31%	\$1300
Brad	5 Bedroom House	Fairview	\$4000	-	14-16%	\$800

Three participants' households pay below the average cost in Vancouver for their rental accommodation and only one participant pays approximately 30% of their income or more towards rent. This means participants live in what is considered affordable rental accommodation under CMHC's measure of affordability (CMHC, n.d.).

<sup>9</sup>The average for each unit type is taken from CMHC's estimates in October 2019. It is important to note these averages include *all* rental units meaning units which have been rented for longer periods of time are likely to have lower rents than the same unit if it were to be placed back onto the rental market today.

<sup>10</sup>STIR refers to CMHC's average shelter-cost-to-income ratio. CMHC calculates the shelter-cost-to-income-ratio for each household individually by dividing its total annual shelter cost by its total annual income. As I am interested in each participant's costs, I used what my participant's share of annual shelter cost is and divided it by their total annual income. Because participants provided their income category, for example \$50,000-59,999, results are displayed in a range rounded to the nearest whole number.

<sup>11</sup>This only includes rent and does not include other expenses associated with housing such as utilities or parking for vehicles. These are additional living expenses and they varied for each participant.

When I asked participants to talk about their experiences with renting in Vancouver, they provided stories surrounding competition for rental housing, having luck when it came to finding their current place to live, and inadequacies in their accommodation such as space or quality.

### **Cost and Competition**

Participants have moved frequently over the past five years with five participants having moved at least four times during this time period. Reasons for moving included to complete education, to relocate for work, to move in with a romantic partner and unsatisfactory or unstable living conditions.

Most participants had stories about low vacancy rates and competition for desirable rental units. Racheal talked about being lucky to be able to leave work mid-day to view rental units since she's employed by her family. Racheal still found competition to be high.

As soon as something popped up on Craigslist, you would have to be the first person to phone and be ready to see it at any time. At the time, I was working with my Dad, so I could be more flexible, I could sort of pop out at any time. So even that I found really stressful, you'd find something you really like, and then realize everybody else had already seen it. And a lot of time, they don't put up any photos [referring to the landlord], so we just started walking around the neighbourhood we wanted to be in and calling all the [rental vacancy] signs.

Other participants had similar stories to tell in terms of competition for rental units. Moe is originally from Pakistan. Having lived on a university campus during his undergraduate degree, Moe described the process of finding somewhere to rent with no rental references and not being a Canadian citizen.

It was like a job, we [he and his friend] were giving interviews to landlords, they asked for bank statements, they asked for residency, and so on. We were just graduated at that time, and we had never rented anywhere before, right? So I wasn't even sure, like how can we find a home? And then the landlords were very demanding but we finally got something. I had to give six months of bank statements to them. It took us two months to find somewhere to rent.

Renting can be uniquely challenging for the study population because young adults are trying to establish themselves from home or a university campus for the first time. They may not have rental references or the experience to know what is legal for

landlords to ask for. Alternatively, the study population might be at an advantage within their age cohort in Vancouver because they are able to provide evidence of steady employment/ income.

Participants considered themselves to have found self-described rental deals and used language such as being “lucky” or “we had horseshoes”. The reason some participants eventually found their desired rental accommodation was by unique situations such knowing a landlord through a friend or being able to hold out for the right place. Racheal described staying in her family home with her partner for half a year while she searched for accommodation. The accommodation she eventually found was through a personal referral and she was able to secure the unit at a below average price. Racheal felt lucky to have been able to stay with family and not rush into a rental situation. Ashley described knowing a friend who was moving out of a desirable building. Ashley’s friend “put a good word in” for her, explaining Ashley was reliable to the landlord. Ashley also told me her unit was being rented to her for less than similar units in the building newly rented because the landlord hadn’t changed the rent from what her friend paid. Ashley brings up a phenomenon with renting in Vancouver. Taking over a friend’s unit through referral seems to be common practise. This benefits the landlord because they have some assurance they’re renting to someone reliable and also the renter by not going through an extensive search process and having some assurance from their friend it’s a “good” place to rent. It’s a method by which some participants have managed to find their current accommodation.

Participants’ perceptions of the rental situation in Vancouver seems to be that finding any half-decent rental is fortunate. How fortunate participants truly are might be questionable because they have made sacrifices to allow their rent to be affordable. Keeping costs down, to the point of achieving CMHC’s STIR affordability, has been achieved by participants through splitting rent and living in small units with either a romantic partner or roommates. Other strategies to secure desirable units include staying at home until suitable accommodation can be found or going by rental reference.

### **Inadequate Quality and Space**

Space constraints was the largest complaint from participants in terms of their current living situation. Other frustrations centered around lack of storage (and having to ask parents or use lockers to store goods), not having outdoor space to do activities like

garden, lack of privacy in their shared space, or dealing with unwanted noise. Most couples were splitting one-bedroom units despite also expressing their desire for more space. Racheal described issues with space in a one-bedroom apartment when I ask about her current living situation.

...we really make it work for ourselves, but I think if we didn't have our property [Racheal owns a recreation property] as a space to go and spread out a bit, it would start to wear on us, [my partner] works shift work so it works well for me that he's gone two days a week. We make it work so that we're not living on top of each other in that regard. We just need some more space.

### **Romantic Relationships**

Racheal's quote refers to another aspect of renting in Vancouver. I found those participants with the worst space constraints to be couples splitting one-bedroom units. Those sharing the cost of rental accommodation, in particular couples splitting one-bedroom units, have some of the lowest STIRS. However, I wanted to know how participants' romantic relationships might be impacted by the housing trends I discuss. I questioned participants about their household makeup (who they live with) and what some of the reasons were behind making the choice to live together. Those participants in a relationship explained their decision to move in together being partially financial. Julie spoke about moving in sooner than planned with her partner (only a few months after meeting) but added they would have moved in "eventually anyways" to rationalize the choice. Nick was candid in explaining that finances was the largest factor initially behind choosing to live with his now-wife.

It was certainly financial actually. It was financial as well as the relationship.

Ashley described her relationship being impacted by *not* being able to move in together when I asked her if her current living situation of living alone is ideal.

No, there is a lot I like about it, but my ideal situation would have been to be living with my boyfriend. Because the cost of rent is so high, he was in a living situation that didn't make sense for him to leave, that I couldn't join, I had to find my own place. Also, [her bachelor apartment] it's on an arterial road, and it's loud, and research shows there is more pollution so there's health concerns, there's also really bright lights outside. Sometimes there's drunk people outside. So there's certain things I love about it, but it's not ideal.

Ashely's been renting a bachelor apartment while her partner lives in a shared accommodation with friends. She described her partner's shared accommodation, a single-detached dwelling, as being cheap and for that reason her boyfriend did not want to leave the house and move in with her. Ashley was waiting for one of her boyfriend's roommates to move out so she could move into the shared accommodation but would have liked to live with her boyfriend sooner.

Not many participants have lived on their own. Julie described how she would have liked to try living on her own since she's always lived with partners or roommates. I was not able to discern from my interviews what possible impacts there might be from choosing to couple up rather than to try living independently for cost-saving purposes. It could be that Vancouver's rental market is having a role to play in members of the study population living together sooner than they otherwise would have. Research shows common-law arrangements tend to be correlated with debt, opposed to marriage which tends to be correlated with financial security (Addo, 2014). This suggests a connection between participants' romantic cohabitation choices and their economic uncertainty.

### ***Home Ownership Expectations***

When I started to discuss home ownership with participants, they revealed more significant, long-term impacts that their living and tenure situations are having in their lives. I discovered participants have strong hopes or expectations that they would one day own housing. Participants discussed the wealth building opportunity owning housing might bring, the perceived benefits of stable tenure, and the pressures they feel from family and society to own real estate. For the most part, participants acknowledged owning a home, especially a single-detached dwelling, would likely not happen in Vancouver due to cost. Participants also discussed the impacts of this realization on their life milestones or future major life decisions.

### **Financial Investment**

Participants considered owning housing to be a good financial investment (although as I will discuss, not necessarily in Vancouver). Brad expressed his desire to own a single-detached dwelling. After witnessing his aging grandparents use their home as a source of income to pay for expensive medical treatments and how this had taken financial burden off his family, Brad sees housing as a smart wealth building tool.

I think I originally held that progressive view that housing should be a right, and provision based on what people need. Now that I'm actually in a search [to purchase a home]...it seems to me that owning a home is a pretty big risk, so you have to have a reward attached to it to make it worthwhile. One of the reasons that I want to buy is that I see it as one of the best wealth-building tools, much better than the stock market, and it's got that dual-purpose.

Other participants weren't as convinced about Vancouver's real estate market being a smart financial investment. Rather it was viewed as risky, by some, due to high cost and uncertainty. Racheal describes her thoughts when I ask her if owning a house is a type of financial investment.

I've always seen it that way, I think my parents have always engrained that in me. Where it is just the easiest way to grow your money, it's the best asset. Which is also why [my partner] and I aren't in a huge rush to get into the market because we can't see how we'd get our money back out of it if we're buying at such a high rate. But I think investment and buying a home go hand in hand.

Racheal was unsure about purchasing housing in Vancouver due to the large up-front investment it would entail but still held the belief it was important. Racheal also owns land outside the City which her parents purchased for her via a personal loan. Perhaps this has satisfied Racheal's desire to make a financial investment by owning real estate. Racheal is still able to feel as though an investment has been made and her money is going towards something for the future.

It is interesting that the notion of wealth building is a reason for owning a home but also something some participants have cast doubt on, at least in Vancouver. Participants who want to purchase a single-detached home as a financial investment may need to leave Vancouver to do so.

### **Stability of Tenure and Family Life**

Participants want to own housing most importantly for stability of tenure and the perceived benefits this stability brings. The main benefits participants believed stable tenure would bring is creating a grounded feeling of "home" and being able to provide for children.

All participants, whether or not in a current relationship, expressed the desire to eventually have a family and all but one explained how their current living situation would not support this goal. Nick, who lives in a co-op with a child, was the exception.

Participants tended to view stability of tenure as something required, or at least desirable, for raising a family. I asked Ashley if owning your home is important for having children:

That's linked to security of tenure, if you have a family, you want to be stable and not worry about getting an eviction notice, you want stability for your kids and also for the school catchment. So stability and security of tenure.

All except Racheal grew up in a single-detached dwelling and held memories of a private back yard and space. Participants spoke about wanting to pass along the experience of having space and a private yard to their future children. I asked Madelaine the same question as Ashley:

I think it's really important. I see some colleagues that live in the west end, one is in a basement suite and she's got a son and they're trying to find something a bit bigger so he has more space. My partner's boss just found out that they're pregnant and they own a one-bedroom close to us in Fairview. They're also looking to move to get a bit more space. I think probably because I grew up in an environment where there was so much space, where I was able to play with my bike out front, it's important to me. I can see maybe for a couple of years when the kids are young, having an apartment or a townhouse but as they grow up, I would prefer for a house to give them more freedom.

Brad didn't have his own bedroom, and therefore as much space, growing up. He also described his family dynamic as not stable. Brad might be using that experience and his knowledge from being a teacher to explain why for him single-detached homes with space for children are superior.

I think the stability is good, I know this from teaching too, there is research to support that when kids have stability, they really do benefit from that. I grew up in a house where we shared bedrooms, but it is better for kids to have their own bedroom. Although, I guess that research is controversial because it's hard to say who could afford to have homes with enough bedrooms for their kids. But I think that stability is good for kids and home ownership and stability are correlated.

Not all participants thought a single-detached dwelling is necessary for raising children; some are shifting their views. Racheal explained being raised in a smaller space.

I grew up in a duplex, there was four of us in 1200 square feet so I'm used to a small space. I don't see anything wrong with raising a family

in a small space, but I don't like the idea of being in an apartment. I think even having some sort of small front lawn would be ideal for me. When I picture a home, I don't picture a huge home with a huge backyard. Something more modest, not necessarily an apartment or a condo.

The ability to place roots down in a community was another reason home ownership is important to participants. Moe went into detail about ownership being necessary to feel a sense of home for where one lives and about wanting to provide a place for his children to create memories in, which requires longevity in one place. I asked him how important owning his own home is.

I would say it's very, very important. Because right now, I'm living in an apartment and I'm sort of paying someone else's mortgage. I think that way because I cannot call it a home, it's like a house, right? A home is something of your own because you can create so many memories there. I know [my current home] will not last very long because I may have to end my lease or the landlord may have to. So it's very important for me to have something to call my "home".

Brad and Julie spoke about wanting to invest time into where they live in terms of home improvement. For Brad, this was gardening and for Julie this was purchasing furniture and decorating the interior of her apartment. Brad and Julie spoke about how their instability of tenure deterred them from investing time into their homes. Julie explains:

I keep looking online at decorating ideas or going to IKEA but I don't want to buy furniture that's only for the apartment. We [referring to her partner and herself] might move to a different apartment and then it'll look out of place and be a waste of money.

Brad explained his similar viewpoint to Julie's.

I think home ownership is good, I think it would be good if we were a society of home owners because every place that I've gone, I've planted a garden, and every time I leave, I've tried to build something and it gets torn up [referring to a garden]. I've never joined a Community Association and I always dreamed that would be something I did. I think if you have that "I'm going to be here for a long time" [attitude], you have a sense of ownership for this plot and you're invested.

Participants seem to correlate stability, feeling grounded, and a sense of home with ownership.

## **Societal and Family Pressure**

Nick was the only participant who didn't want to pursue market housing. Nick lives in a two-bedroom co-op. He described having an adequate amount of space including shared outdoor space private to the co-op where his child can play. Although Nick is satisfied with not owning real estate, he described his wife's desire to purchase housing. When we discussed why that might be, he explained how his partner modeled her expectations from her parents who were first-generation Canadians. His wife's parents have essentially been able to build their wealth by purchasing a home in Vancouver. The timing of their purchase was lucky due to real estate values sharply increasing in Vancouver since their purchase. Nick explains:

Nick: It's a point of tension in my relationship in that it's not important to me but my partner sees it as important for stability and equity. So it's not important to me but it's definitely a back and forth in the relationship.

Int: What do you think the differences are between your opinions?

Nick: Everything comes down to a sense of what being on the property ladder has done for my partner's parents, like go from recent immigrants to buying a piece of property and becoming stable and accumulating wealth from owning a property. I think she sees that as her path to security, and for me, I see it as the liability, the cost. So that's the back and forth.

Nick also spoke about relatives not understanding why he and his partner have not yet purchased a home, especially considering they have a child.

We have relatives that might think less of us, that we're less grown up because we don't own property- there's certainly social impacts from people who don't live here. Just people thinking maybe we're immature or wondering we haven't grown up.

Madelaine recounted a funny experience when her parents came to visit (from Ireland) and share her one-bedroom apartment for a night.

I've had my Mom ask me that various times, "so when are you guys buying in Vancouver?" [I would like to say] "listen, you don't know how it works here". When my parents visited, she's like "how do people live in these spaces, literally?" She was actually shocked, and they only stayed with us for one night...and it was peak summer with no AC and they never said anything, but I knew she was not enjoying it.

Besides pressure from family, participants might also be feeling pressure from society/cultural norms or themselves. Julie, one of the older participants, spoke about her fears surrounding not yet being a home-owner.

It sometimes bothers me that my friends outside of Vancouver all own houses for the most part. I try to be happy for them but I also worry [my partner] and I are falling behind financially or not really doing what we should be doing. It makes me worry about our future.

While my interviews reveal all the reasons and pressures to own housing, some participants also spoke about their views on ownership softening. For example, Ashley, for whom establishing herself as a responsible, financially-independent adult is very important, also recognizes that Vancouver's housing market is an outside force impacting decision-making around housing. She told me that staying at your parent's home through a person's twenties might be appropriate sometimes, for example, as a means of saving money for a down-payment on a home or to finish post-secondary education. She and I discussed whether living at home longer is considered normal now.

It seems like with our generation actually, there are a lot of people living at home for longer, but I think that's sort of because no one can afford otherwise. Our parent's generation, you go to school, you get the job with the bachelor's degree, and you can easily, fairly easily, you can even get an apartment with your foot in the market or you can rent for a bit and save up easily. But it's just a different time. I don't know if it's society's expectation so much as we've just been forced into it. It seems like if you're in school, if you live in the same city as your parents live, then most people I think would live at home.

Ashley frames living at home almost as a necessity in Vancouver even though she also has strong views around learning how to cope financially independent from family.

Other participants were not as concerned about feeling left behind. These participants acknowledged purchasing a home was an eventual goal, usually timed for when they would have children, but for the time being were content with living in the City in a smaller space.

### ***Housing Considerations for the Future and Summary***

Brad is an example of someone in a paradoxical financial situation. He has inherited a large amount of money, and has saved it, but also does not reap the benefits of this wealth in the way he would like to. Brad would like to use his inheritance towards purchasing housing. Brad also lives rather frugally through splitting rent in a house with

four other roommates and described himself “being allergic to luxury items”. Despite starting the search for housing with a broker, and saving his money, Brad is realizing the amount of money he has may still not be enough to purchase a home in Vancouver. He also recognized he won’t be purchasing a single-detached dwelling but some sort of alternative.

Participants have made sacrifices, such as not having enough space, to achieve housing affordability. One reason why participants are putting up with lack of space, such as couples splitting small one-bedroom units, is to save for the future. They have not yet saved enough to purchase housing (except Brad who received an inheritance), but nonetheless saw saving as important for one day being able to do so. Having lack of secure tenure appears to be creating feelings of low attachment for participants towards their housing. For some, this feeling of low attachment is extended to Vancouver. Most participants were unsure of their long-term plans when it came to where they might live in the future and in some ways, renting is a method to stay flexible. In other ways, renting is creating instability for participants.

I asked participants if they would consider leaving Vancouver if it meant being able to purchase the type of dwelling they wanted. Two participants didn’t think they would leave due to family (Nick and Racheal) but the rest agreed leaving Vancouver is what it would take to meet their housing goals should they want to reach them. I had expected participants to speak about moving outside of the City to a nearby, more affordable, municipality such as Surrey. However, most did not want to live in the “suburbs” and would instead rather leave the entire lower mainland. For example, Moe was not ready to leave Vancouver but spoke about being able to establish himself somewhere like Kelowna should a good job come up. Participants explained a long work commute not being desirable should they move to somewhere like Surrey or Langley. Participants also spoke about not wanting to give up Vancouver’s amenities. What this tells me is that at least for most of the study population members I interviewed, home ownership is something to be achieved, and the perceived benefits it might bring are strongly embedded in our societal expectations. A main reason participants are holding onto the desire for home ownership is the strong belief starting a family requires stable tenure.

The discussions I had with participants about housing helps me to understand the complex, long-term impacts Vancouver's rental and market housing situation is having in their lives. I picked up on the sense that participants are feeling unsettled and unsure of what to do long term. Expectations from family or society to complete life milestones, especially owning some sort of housing, may be weighing on participants. This speaks to the possible impact to Vancouver's future in being a viable city for members of the study population to thrive.

## Chapter 5. Themes and Discussion

This chapter first outlines the key themes which have emerged from interviews with participants. I review and discuss how the main financial-related challenges my literature review suggests are impacting young professionals including how their challenges are contributing to an elongated transition to adulthood. I then discuss the outcomes of participants addressing and managing their financial challenges, how they're holding onto traditional/conventional life course transitions (I focus on home ownership), and how their experiences are impacting their notions of becoming a responsible adult. The last key theme I discuss is participants' uncertain future in Vancouver. I reflect on these findings in terms of the literature I reviewed.

Second, I consider what meaning can be pulled from my findings and what possible implications the findings have for the City of Vancouver under the *Significance of Findings* section in this chapter. I end with a few alternatives/suggestions which, based on my interview results, may help to address some of the challenges research participants discussed.

### 5.1. Key Themes

#### 5.1.1. An Elongated Transition to Adulthood

The main financial challenges I found during review of research and media accounts were those related to employment and wages after graduating; debt; and housing. These challenges, together, influence young professionals' transitions through life milestones. Studies collectively suggest that young adults complete more years of education than previous generations and pay more to do so considering its rising cost. This can result in starting young adult life "financially challenged". Trying to pull ahead financially after school is slowed by wage and employment trends such as more temporary or part time entry-level work, challenges with underemployment/unemployment, and stagnant or even diminished wages for young adults (Association of Universities & Colleges of Canada, 2011; Danziger & Ratner, 2010; Morissette & Johnson, 2005; Statistics Canada, 2005 & 2020b). In other words, the financial "pay-off" of attending school for longer than previous generations is under scrutiny. This slower financial recovery after school (and staying in school for longer and

repeatedly) is attributing to housing-related trends such as young adults living at home for longer and reduced ability or inability to purchase housing. In expensive cities like Vancouver, the housing trends are exacerbated due to cost. Trends such as staying at home for longer, staying in school for longer, delay/inability to purchase housing, and economic uncertainty are theorized to be attributing to the delay of starting family life.

The financial challenges I presented in my literature review are adding to a slowing or stretching out of traditional life course transitions and delay in achieving adult roles. These “decisions, opportunities, and conditions” (Mitchell, 2003, p. 1053) concerning early life course transitions impact longer-term life course trajectories. For example, by returning to school multiple times or by returning to live at home after leaving (i.e. “reserve transitions”), the life course path can be altered (Mitchell, 2003). For the most part, my research participants have not yet achieved their “second-stage” life course transitions (marriage, children and home-ownership) and as discussed, it is evident how events such as repeating or reversing the “first-stage” life course transitions impact completing the “second-stage” transitions. It is not only the achievement of milestones which can be impacted but other outcomes later in life such as mental health, marriage patterns, socio-economic status, etc. (Mitchell, 2003).

I acknowledge there are larger social trends and changing preferences which also influence the delay of transitions. For example, my study is occurring in a time when women are pursuing education, careers and delaying family life to a greater level than earlier generations. This is a societal shift occurring in the background of my study, particular to this historical period, geographical location, and study population. However, I am approaching the concept from a “financial lens”. Both academic studies (Beaujot, 2004; Billari & Liefbroer, 2010; Clark, 2007) and my interview results demonstrate the financial-related challenges I’ve described are a key part of the elongation of traditional adult role transitions for the study population.

### **5.1.2. Managing Financial Challenges**

I found both similarities and differences when comparing interviewees’ experiences with financial-related challenges to what the media and academic studies suggest is occurring. In summary, most participants had experienced challenges with securing the types of job they desired after graduating and some had gone back to

school for additional education to make themselves more employable (reverse transitions). Three participants were still completing additional university education while they work full time. I was surprised to find out that all participants are student debt free (although two have consumer debt which originated while in school) and instead have savings. There were different reasons for this situation. Most interviewees had taken a variety of measures or made sacrifices to their desired lifestyle to stay out of debt. Others relied on family for financial assistance or had received inheritances.

Participants' experiences with housing are experiences which closer align with those I found in scholarship, research and media articles. All participants are renting and had negative stories about renting in terms of cost, competition and what their current housing situation leaves to be desired. However, our conversation about housing mostly drifted to challenges with purchasing and what this has meant in their lives. Participants have not yet purchased housing and for all but one this was something important to be achieved. Purchasing housing has been suggested as an important life milestone in Canada (Krahn, et al., 2018). Not yet crossing this traditional milestone is having various effects in participants' lives such as influence on whether to start family life, feeling unsettled, or ultimately causing uncertainty with whether to stay in Vancouver.

My interviews revealed the ways in which participants have coped and established themselves despite their financial challenges. One way I found participants to be staying afloat is by creating affordable living situations. Brad splits his rent with multiple roommates and Nick and Julie candidly explained how their choice to move in with their romantic partners was initially based on cost savings. Participants splitting one-bedroom units with their romantic partners all expressed their desire for more space but also had the lowest STIRs out of the group. Nick, living in a two-bedroom co-op with his wife and young child, was satisfied with his housing but explained his past frustrations with the long waiting and interview process to enter the co-op. Madelaine had recently moved out of Downtown Vancouver's West End to the Fairview Neighbourhood to achieve more living space in relation to housing cost. Madelaine also spoke about missing her old neighbourhood and how much she and her partner had enjoyed living there. I had expected some participants to be living in unaffordable accommodation to closer align with the type of accommodation they desire, but this wasn't the case for interviewees. This perhaps demonstrates participants are willing to do what it takes when it comes to achieving an affordable place to live in *Vancouver* and keep their costs

down. At the same time, participants have decided to stay in the City rather than moving to a near-by municipality which may offer more space for cost, etc.

Participants also explained other ways they were financially coping. Nick detailed the self-described complicated budgeting system he and his wife taught themselves. Moe spoke about working numerous gigs through school. Julie talked about not joining her friends for evenings out when she was trying to pay off debt. These types of stories demonstrate the many ways participants are coping with the financial challenges presented to them and are becoming what they consider financially stable. Financial assistance from family is another way participants have either coped in the past with their financial challenges or still are. It was common for participants to have received assistance from family during school, which is also partially why participants aren't carrying student loan debt.

In addition to their actions, and help from family, I found participants to have financially responsible, even frugal, attitudes. Ashley and I discussed what it means to be able to run your own household:

I feel like if you're an adult, you should get your stuff together. You should be able to function in society without your parents cleaning up after you, paying your phone bill, etc. People ride out that family phone plan for as long as they can and don't clean up after themselves. So my belief is that you should "get it together".

Madelaine spoke about being frugal and always checking where to get the best prices on items even if time consuming or causing disagreements in her common-law relationship. Brad explained his underlying attitude and how this has helped him financially manage in an expensive city like Vancouver:

I do feel quite allergic to luxury items, like a big thing for me is that I don't drink very much, even just going out, I don't do that very much... and I think the Honda Accord is the dream car. I'm here in Dunbar looking down the street and I'm like "why would you people..." [referring to wondering why people would own expensive vehicles]. The point [of a car] is for it to get you from A to B. I hope if I ever buy a new car, that whoever knows me, will stop me.

When I set out on my interviews, I expected at least some interviewees to be carrying student loan debt or to be visibly struggling financially. Instead, I discovered the ways in which a group of young professionals have managed to financially cope and "make it" living in Vancouver. Interviewees have taken lengths to either recover from or

buffer themselves from financial challenges. As well, I found participants to have an attitude of being financially responsible.

One of the concepts important to life course theory is human agency and personal control. Most relevant to my study is the concept of “control cycles” meaning behaviour and expectations are modified due to needs or resources changing (Mitchell, 2003, p. 1053), for example, how behaviours and expectations were modified during the Great Depression. It would seem that despite outside forces strongly influencing participants’ financial hardships (cost of education, housing, wages etc.), participants have been able to take steps to mitigate some of the negative outcomes experienced by their peers. For example, staying out of debt has been largely achieved by the group. Early-life debt accumulation can have negative impacts on long-term life course trajectories (Houle, 2011; McNeill, 2013; Dwyer et al., 2011; Dwyer et al., 2012). Making sacrifices to life-style and adopting frugal attitudes are examples of ways participants are maintaining some control over their life course trajectories. Arguably, the families of young adults are contributing to this “control cycle” by providing large amounts of financial assistance to ensure their children are successful or stay afloat. As I will discuss later in this chapter, whether their efforts and the financial assistance from family is enough to allow participants to live their desired life in Vancouver, remains in question.

### **5.1.3. Holding onto Convention**

During interviewing, it became apparent that participants tended to have their life goals aligned with traditional milestones. While participants may still be engaged in the milestones of finishing education and entry into a career (“first-stage” transitions), they have yet to own their own housing. I purposefully selected members of the study population who did not yet have children and so this traditional milestone, part of family life, has also not yet been crossed. These two traditional (“second-stage”) milestones (family life and owning housing) were something desired by participants but at an undetermined time in the future. One exception to this observation is Nick, who neither desired to own his own home and as I discovered during our interview, already has a child. For the most part, “second-stage” transitions (marriage, children and home-ownership) were viewed as an eventual goal without a specific timeline for completion.

It appears participants still *desire* to complete traditional milestones, even if they don't know when. This aligns with work in life course theory which demonstrates the continued relevance of traditional milestones in young adults' lives (Benson & Furstenberg, 2007). Young adults' own notions and sense of becoming "adult" is shaped by social and cultural norms. Young adults, by completing milestones such as owning a house and starting family life, can form their adult identity (Krahn, et al., 2018).

I find adherence to the dream of home ownership the most meaningful example of holding onto convention because it is common to participants (except Nick). The main reasons participants wanted to own their own housing is for the possibility of accruing wealth, feeling settled, and stability of tenure. Not owning a home is influencing other major life decisions such as having children and deciding where to live long term. Indeed, home ownership is shown to be strongly correlated with marriage and parenthood in Canada (Krahn, et al., 2018). Participants views tended to align with this correlation because they view stability of tenure as something required, or at least strongly desirable, for raising a family.

Ultimately, not being able to complete the traditional transitions can impact research participants' life-long trajectories.

#### **5.1.4. Becoming a Responsible, Financially Independent Adult**

As discussed in Chapter 2 (Literature Review), there is an expectation in contemporary western societies that young adults become "independent, functioning and contributing members of society" (Mitchell & Lennox, 2020, p. 215). Part of this is achieving traditional milestones, and as scholarship has suggested, establishing financial independence from family (Arnett, 2000). I found participants to discuss the topic of being a responsible adult closely with financial independence from family.

Participants tended to present themselves as responsible people who are frugal and have taken actions to stay out of debt and establish themselves financially. When I discussed past or current financial challenges with participants, they tended to frame the conversation as a learning lesson or something they've now overcome. One reason young adults may strive to portray themselves as financially-disciplined or savvy is the stigma or shame surrounding not being viewed as a responsible "adult" or member of

society. As discussed in Chapter 2 (Literature Review), media articles are helpful to consider because they show public discourse on this topic. Younger generations can be portrayed as financially frivolous or lacking “the grit and drive to make it in the way previous generations did” (Mitchell & Lennox, 2020, p. 216). Participants seemed to be distancing themselves from this portrayal.

McKee et al. (2017) offer a housing consumption angle on the topic of young adults becoming responsible members of society from their own perspectives. The authors explain that due to home ownership being normalized and relied on for wealth-building, those who are not able to partake are viewed as flawed or irresponsible citizens. As young adults come of age and realize they won’t be able to purchase housing this is a cause of psychological distress. It is possible that the underlying societal assumptions McKee et al. discuss are impacting participants’ self-perceptions of being a responsible adult. During interviewing, a portrayal of being a financially responsible adult was provided which contradicts those underlying negative societal beliefs about those who carry debt or are unable to purchase housing. Mitchell & Lennox (2020) also found through their interviews with young adults that their interviewees portrayed themselves in a manner which countered stereotypes, such as being labelled a “moocher”, when living at home past the socially acceptable age.

Participants acknowledged that by living in Vancouver, unaffordable housing is part of their financial reality. If the study population thinks about their personal financial situation as being impacted by forces outside of their control, it may alleviate some personal responsibility. In other words, young professionals may be feeling stigmatized by society for being “behind” in adult roles, but at the same time, may relieve themselves from this stigmatization considering trends they can’t control like Vancouver’s housing unaffordability and by ensuring they take other steps to be a responsible adult such as establishing a career.

Participants differed greatly on their opinions about financial family aid. Continued reliance on parents is seen as negative by some. Ashley described how young adults need to “grow up” and pull their own weight when we discussed financial independence. Ashley spoke about establishing herself financially and turning down financial assistance for school from her family for the purpose of feeling independent. This was a way for her to feel “adult”. As well, it allows Ashley to create a life course

transition where she perhaps hadn't been able to in other areas of her life such as finishing her education (Ashley is still in school), purchasing a house or starting a family.

I stubbornly, and I kind of regret in hindsight, I was like "I can do this on my own", and I made a point of paying the rest of my way despite the fact there was some money put aside for me. I just wanted to be fully independent and have nothing that could be held over me.

Continued family reliance is an expected part of life for other participants. Of all the interviewees, Racheal receives the most financial assistance from family. Although Racheal appeared somewhat sheepish about this, she justified it by discussing how other peers have had help from their parents too and it is a requirement for purchasing real estate in Vancouver. Racheal can "blame" Vancouver for her requiring help from family rather than it being a product of her own efforts. Racheal provides some insight when we discuss whether she worried about money while in school:

...anyone I know that is buying anything at this age, it's because their parents have given them a down-payment and co-signed on their mortgage. There's the people that pretend like their parents aren't helping them, but we all know that they are.

Participants have not achieved all of their desired traditional life milestones, in particular the "second-stage" transitions Krahn et al. (2018) discuss. Being able to secure the adult benchmark of being financially independent from family is a way to achieve an important measure of adulthood if not the more traditional milestones. The participants who haven't been able to feel as independent from family tended to justify this as situational rather than something they've caused themselves. It is clear feeling as though one is gaining adult identity, whether or not through the traditional milestones, is important to participants.

### **5.1.5. An Uncertain Future**

I asked participants what they enjoyed about living in Vancouver and why they have stayed. The main reasons were for recreation opportunities, mild weather, lifestyle, work/career opportunities, and proximity to family. Only two participants had grown up in the Lower Mainland; Racheal in Vancouver and Nick in Surrey. Nina grew up in rural Manitoba, Julie and Ashley in rural British Columbia, and Brad in a suburb outside of Toronto, Ontario. Moe and Madelaine are originally from overseas, with Moe immigrating

from Pakistan and Madelaine from Ireland. A common path to Vancouver for those not growing up in the area was either to attend university or for career opportunities.

Brad offers some insight on the reason he came to Vancouver and why he's staying for now:

...it meant this became the best place in the country to get hired as a teacher. Whereas, previously it had been the same as anywhere else, sort of a tight market [explaining how he heard about opportunity for teaching jobs in Vancouver]. I'm outdoorsy, I camp all the time, I hike all the time. I grew up in a city [Brad grew up in a suburb outside of Toronto]. I think a city is sort of closer to my roots. I think about trying to settle and make a life for myself, and maybe have a family. I think you need to be where there are a lot of young people. I think in a lot of rural areas, maybe there aren't that many [young people], trying to move there and get married is kind of unlikely.

A lifestyle reason Brad adds to why young professionals might be interested in Vancouver is the opportunity to meet others their own age. Moe described coming to Vancouver from Pakistan at eighteen years old to attend university in Vancouver. Moe explains why he's stayed in Vancouver and what he is considering for the future:

You have both sea and mountains here. You don't get that combination anywhere else in the world. Out of the other universities in Canada, Vancouver is the only one without a bad winter. I love Vancouver.

I would say it's nice in terms of living in downtown Vancouver, everything is very close, we can go to Granville Island, I can easily go to Stadium, I can go to work, there are shops and everything nearby.

Nick and Racheal are the two participants who expressed that they aren't planning to leave Vancouver. Leaving wasn't something they'd currently consider due to wanting to stay close to family. In particular, Nick, having had a child recently, did not want to move away from family support. Racheal has a bit of an advantage in that her parents recently gave her a loan to purchase a recreation property outside of the Lower Mainland. Having the property to go stretch out in, as Racheal put it, has helped her not feel as crowded living where she does. This might have some influence on Racheal feeling as though she can stay in Vancouver.

Moving to why participants might be frustrated with living in Vancouver or be considering leaving, reasons mostly included cost of living and lack of housing opportunities. Moe explains his thoughts on staying in Vancouver:

If I did have that opportunity from my family [referring to parents helping him purchase a house], say in Kelowna if I had a job there, I would go and sustain myself and my [future] family there.

Nina and I discussed whether she thought Vancouver was a viable city for her to live in long term:

No, it's just too expensive. Knowing that we can't buy a home here ever, even for people who make good money. It works for some people- I have friends who are currently renting and are planning to buy a condo and are happy to raise a family in a condo. So I'm like "you're insane", but in their head they think they don't have to take care of a lawn, or spend time and money on all these things [referring to yard work and maintenance]. And even the lifestyle, I'm not sure if this is the vibe I want to raise my kids in. Even though his [referring to her partner] family is here and mine is in Winnipeg, we can go somewhere in the middle.

Julie had similar thoughts to Nina, except in her case, both her and her partner's family now live in the Lower Mainland. Julie explained the predicament of wanting to stay in the Lower Mainland for the purpose of having family close by to help with future children but also wanting to purchase housing. Julie noted something that other participants hadn't mentioned. Julie talked about her decisions possibly impacting her family's thoughts on leaving Vancouver:

My mom and dad told me that if we [referring to her household] left Vancouver and had a family somewhere else, they might move with us, or after us, once my Dad retires. That way they could be close to our kids.

Madelaine is in an intergenerational predicament. She spoke about her parents in Ireland and how she has come to notice their aging recently. She expressed foreseeing she and her partner moving back to Ireland eventually so she could spend time with her parents and care for them. At the same time, Madelaine is facing a parallel situation in Ireland in terms of Dublin's housing cost. Madelaine spoke about her uncertainty with being able to afford housing near Dublin just as her and her partner are challenged to purchase in Vancouver.

Despite Racheal expressing she doesn't plan to leave the City, she offers a good summary of participants' thoughts on the viability of Vancouver long term:

I have a lot of friends who are looking at living in Victoria and stuff like that. And that was part of why we bought our property [Racheal's

parents purchased her a recreation property in interior BC which she's paying back]. I love Vancouver during the week, but I get really sick of the City and I need to leave. I don't know if it's really a place people see themselves owning a house and raising a family and staying long-term. At least with my circle of friends. I don't think it's as high of a priority for them to stay in Vancouver long-term. I think it's fun for now, when we all kind of rent and get ourselves established, but I don't know if anyone really sees the vision long-term.

I came to understand through my interviews that there are a lot of reasons participants enjoy living in Vancouver and that the City has offered education and career opportunities. However, as participants have either completed or were nearing completion of school and have been in the work force for some years, most now felt unsure or unsettled about their futures in Vancouver. A distinction I can make is that participants aren't necessarily "directionless" by not knowing what they want to do in life, but rather they appear to be in a state of limbo. I can make this assumption because participants know for the most part their life goals/milestones and aspirations. These are "second-stage" adult-youth transitions of marriage or romantic union, parenthood and home ownership (Krahn et. al, 2018). It is only that despite their efforts, and financial assistance from parents in some cases, Vancouver will not be able to support their achievement of the second-stage milestones. In particular, owning a home and starting a family. Due to this reality, some participants are left feeling unsure of how to move forward with their life goals unless they leave Vancouver. There are some other reasons at play as well, such as the need to be closer to ageing parents, as Madelaine describes.

Expectations from family, self, or society to complete life milestones, especially owning some sort of housing, may be weighing on participants. As discussed in Chapter 2 (Literature Review), public discourse in western contemporary society shows *expectations* of linear adult benchmarks despite the reality of achievements not being as achievable as in the past. In other words, while most can rationally understand housing in Vancouver is becoming increasingly out of reach for younger generations, there is still an underlying societal assumption that people become homeowners as adults. McKee et al. refer to young adults' experiences as a "fallacy of choice" when they realise their expectations of achieving home ownership are dashed (2017).

Participants expressed that having stable tenure would be when they could feel more settled and start a family. Home ownership, stability, family life (marriage and parenthood) going hand-in-hand may come down to personal opinion. However, if the

study population is holding onto those preferences stemming from socio-cultural influences, this speaks to the possible impact to Vancouver's future in being a viable city for young professionals to thrive in.

## **5.2. Significance of Findings**

The main themes I've been able to pull from interview results are that participants are experiencing an elongated transition to adulthood in part due to their financial challenges and desire to eventually meet "second-stage" traditional milestones. Participants expressed pressure from themselves, family and society to achieve transitions even if crossing these milestones was something to be done in the future. Participants' reactions to the financial challenges have been to take actions to "make it" living in Vancouver and rely on other measures of achieving adulthood. Participants are feeling uncertain about their futures in Vancouver because the City will, for the most part, not be able to support their long-term life goals. What can be learned from my findings and why might my findings matter for the City of Vancouver? Last, I offer a few alternatives, based on my interview results, for consideration.

### **5.2.1. "Making it" in Vancouver**

Participants are trying to meet their life milestones and goals but aren't necessarily getting to where they want to be. They are staying afloat but not making enough progress towards where they want to be in life. This is partially because participants are adhering to traditional "second-stage" life milestones of home ownership/establishing a household and family life. For the most part, participants have indicated it will be difficult to achieve these endeavours in the way they want, in Vancouver.

I've interviewed a group of young adults who are educated, employed full time, and of who half receive above the median income for their age group in Vancouver. Some have received significant financial contributions from family. As well, participants appear to be quite financially responsible or even frugal. What is concerning is that despite this, participants are *still* unable to achieve some of their life goals. This inability isn't from participants' own actions such as being frivolous with finances or not saving their money. Studies suggest that young professionals may be starting their lives

financially behind due to student loan debt. On one hand, this can mean reduced ability to accumulate finances for housing (whether renting or purchasing). On the other hand, in comparison to others their own age, it's plausible the study population should have an advantage over others who have not received the same level of education and earn less. It also happens that the members of the study population I interviewed didn't leave school with a large amount of student debt and are therefore not starting their adult life as financially challenged as other young professionals might be. Despite escaping this challenge, participants have not purchased a home and most are considering leaving the City to do so.

### **5.2.2. A Temporary Place to Live?**

Second, Vancouver may be following in other global cities' footsteps when it comes to supporting young adults. Randy Shaw's book, *Generation Priced Out*, provides many anecdotal stories and accounts about young adult's experiences in San Francisco (2018). I can draw parallels between San Francisco's housing situation to Vancouver's in terms of housing affordability (both rental and owned) and being attractive for young adults to start their careers in. In both cities, young professionals do not seem to be adjusting well to the new reality of poor housing affordability even if they are high income earners compared to the general population. In San Francisco's case, Randy Shaw described how rents have been inflated for new, young professionals such as those employed in Silicon Valley. Randy Shaw outlines that despite being able to pay for the costly rents, due to their high wages, this leaves little room for young professionals to be able to save their money for eventually purchasing real estate.

I can draw similarities between the stories in *Generation Priced Out* and participants' experiences. Some participants have located to Vancouver for education and career prospects. As interviewees are starting to wrap up their education and have some years in the work force, they're starting to think ahead to how well Vancouver can support family life and their aspirations of owning a home. Perhaps Vancouver, and other cities which have become unaffordable like San Francisco, are being viewed by young professionals as a place to start a career, gain experience, and then leave for more affordable pastures when it comes time to "settle down". This observation is further supported by participants' descriptions of Vancouver being a fun, temporary place to live. Brad explains:

It's a huge missing middle, there's nobody here in their 30s. It's a great place to live if you're a young person, in the sense that it's a fun lifestyle, but nobody is going to stay in this area when they get married and have kids, you just can't. Even if they wanted to rent, what are they going to rent, a basement suite?

Brad's statement can be brought into context by knowing the demographics of Vancouver compared to the region. For the 2016 census year, 17.5% of Vancouver's population was aged 30-39 compared to the CMA where 14.2% of the population was aged 30-39. This highlights Brad's perception of the situation and he assumes the 30s is a time when one would "settle down".

Rachel, who has expressed staying in the City, offers further insight into how young adults might be viewing Vancouver's viability long term:

I think when my parents moved out here from Ontario, they rented a place basically on Kits point...and ended up buying it, but things don't really work out that way anymore. You can't just rent an apartment in Kits and then buy a duplex. It worked out for them. I think it affects people my parents age though, because they see how all the young people are starting to leave, and it's definitely changing the way the City is.

It appears that Vancouver supports the traditional milestones of attending school and starting a career, but perhaps not two of the other traditional milestones, purchasing housing and starting family life. Considering for the most part the members of the study population I interviewed still viewed the traditional milestones as important, my findings suggest Vancouver may not be viewed as a viable long-term city by young professionals.

I asked participants at the end of our interview if they had any final thoughts on the situation for young professionals in Vancouver. Racheal, who is planning to stay in the City, provided her thoughts on the matter:

I think the City is putting way too much focus on building condos and I just don't see myself living in a luxury condo. I think the way they're going now, focusing on the right supply of housing, so more walk-ups, more three-story buildings for families with multi-bedroom units, is moving in the right direction. But they're still building crazy luxury condos, don't get me wrong, have you seen the Oakridge Plan? So I think maybe there are some strides in the right direction, but I think it's maybe too late. And a lot of people raising kids in condos which doesn't seem ideal to me. So it'll be interesting to see what happens.

Nina, who is planning to leave the City, also provided her thoughts:

I remember about an article coming out a couple of years ago, about our generation starting to leave Vancouver, and I think it's pretty accurate. It's pretty rare people want to stick around. I even have a friend our age, who, he was one of those rare gems that bought his place at 20-something, sold that place, bought another townhouse, and was only able to because it's crazy how quick it changes [referring to property value increase]. Even they [referring to her friend and his partner] have moved out of the City. They moved to the interior because they could buy a house there.

I think if you're renting to then get into the buyer's market, it's not possible. Unless you have an aggressive plan and budget and minimal expenses, it's very unlikely. Your monthly expenses are so high, you can't save up for anything. So it'll be interesting to see where things go, and they [referring to developers or the City] just keep building more condos and it's not helping anything. At some point, people are going to stop wanting condos. And it doesn't help the rental situation.

I found participants to be knowledgeable and insightful on Vancouver's affordability challenges. Racheal and Nina offer examples of how participants are well aware of many of the issues I researched. Some participants were keeping track of what the City is doing in terms of varying the house supply, such as Racheal hints at. Participants offered stories of peers who were facing similar financial-related challenges to themselves and expressed concern with Vancouver's viability for young professionals. I can say with confidence that Vancouver's affordability issues, and more generally the financial challenges facing the study population, are issues participants have already spent some time considering. Participants are now in the process of determining how to address the challenges they face. Of importance to the City's viability is the strong possibility, based on my interview findings, of young professionals feeling as though they need to leave the City.

As introduced in Chapter 1 (Introduction), Vancouver's vibrancy and inclusivity as a City may be impacted by the trends I discuss in this thesis. If young adults do not think a city is viable to "settle down" in, this suggests Vancouver may have difficulty attracting and retaining young families. This pattern is already being observed in Vancouver. The City reported in its *2020 City Social Indicators Profile* while the City is gaining young adults aged 25 to 34, a decline in families and children is also occurring, likely in response to housing affordability pressures. As well, households in Vancouver are more likely than those in the region to be made up of single people or people living together

who are unrelated, and less likely to be made up of households with children (City of Vancouver, 2020).

### **5.2.3. Alternatives**

This section offers suggestions, based on my interview results, which may help to ease some of the challenges faced by the study population.

#### ***Housing Options***

One aspect of my interviews I haven't focused on thus far are the alternatives participants discussed to owning a single-detached dwelling. While this type of home was the preferred choice for some, other participants were softening to the idea of alternative housing types. Nick and Racheal had ideas other than owning a single-detached dwelling. These two participants are unique from the rest because they're both originally from the Lower Mainland and are also not willing to leave the City. Nick and Racheal can offer some insight into how young professionals may end up grappling with their housing challenges.

Nick was the only participant who wasn't concerned with ever owning real estate. A factor in this is Nick's current housing situation. Nick lives in co-op housing and has secure and adequate space at below-market rental rates. The process of joining the co-op took six years and required a one-time payment to secure the unit on top of monthly "rent". This affords Nick and his family some stability of tenure. Nick was very happy with the lifestyle and affordability provided by the co-op. However, Nick also spoke about pressure from family to purchase housing now that he and his wife have a child, and how his wife wanted to eventually own housing. Despite Nick still experiencing some of the social pressures to own, his situation suggests alternative tenure options outside of owned housing might be considered suitable to young adults for raising a family.

Racheal explains how a townhouse, or a smaller type of dwelling than a detached home, would be suitable for her:

I don't like the idea of being in an apartment, I think even having some sort of small front lawn would be ideal for me. So when I picture a home, I don't picture a huge home with a huge backyard. Something more modest, but not necessarily a condo.

Nick, who lives in a two-bedroom unit currently, explained being fine with a condo or a small townhouse:

I personally like condos or a small townhome. I think it's a delightful size for a small family without having to clean a bunch of stuff and do a lot of yard work.

Ashley, who is interested in ownership, expressed being flexible in the type of unit she would be willing to live in:

I would like some outdoor space and a garden, and you don't need to own a house to do that. You can do that in a duplex, triplex, townhouse, even some apartment buildings would have a shared courtyard. But I like to be able to hang outside and grow vegetables.

Racheal is unique from other participants because she owns a recreation property outside of the City. Racheal described her main complaint about inadequate space in her current living situation as bearable due to having her property to recreate on. As well, she explained that owning the property has satisfied her desire for making an investment and feeling as though she's putting her money towards something. Perhaps alternative forms of investment, besides housing, will be something other members of the study population have done or are considering doing.

For reference, the City of Vancouver reports that 61% of its housing stock in 2016 is apartments (whether above or below 5 storeys). 15% is single-detached homes and 24% townhouses or row homes (City of Vancouver, 2020). Based on what research participants indicated during interviewing, rental apartments are desirable for keeping STIRs low but the amount of space and amenities typical apartments and condos offer make them not seen as viable long-term places to live. In the case of rental apartments, this tenure type isn't viewed as stable enough to raise children. A "mis-match" of housing types to what participants want, and low variability of alternate housing types, seems apparent. As well, being able to secure an alternate tenure type outside of owning or rental seems rare.

I've outlined how most participants have the milestone of owning a home as an eventual goal. Some participants seemed to accept the City simply wouldn't be able to provide the type of housing they wanted at the price they can afford. These participants are thinking of leaving to meet their aspirations. However, as our conversation about housing went on, some participants explained not necessarily needing a single-detached

dwelling. What this tells me is that perhaps more participants would be willing to stay in Vancouver if there were more alternative housing types offering some of the requirements participants have. For example, private yard space, access to amenities like a garden, or greater security of tenure such as the co-op is offering Nick.

### ***Transportation***

Another aspect of my interviews I haven't focused on thus far is why participants aren't willing to re-locate to a suburb of Vancouver where greater housing affordability can be achieved. It may seem a somewhat obvious solution to move away from the City to a more affordable area of the region and commute into the City for work. In reality, this may be what participants end up doing to achieve their desired housing goals.

Some participants felt quite strongly about not wanting to commute into the City to work based on perceived impact to quality of life. Nick explains some of the reasons for wanting to stay in the City of Vancouver when I ask if he would consider leaving:

It would be unlikely that we would leave the city of Vancouver if we can avoid it. We both really enjoy short commutes to our offices, the amenities, and being able to go for walks that are interesting. We both grew up in urban Surrey and we lament the idea of having children and walking around malls...and how easy it is to be active here, and as a parent, how easy it is to do things that are free, not cost anything and still entertain your child.

When Madelaine described possibly moving back to Ireland to care for her aging parents, she explained how Dublin is in a similar situation to Vancouver in terms of housing cost in Dublin's city centre. Madelaine describes her thought process around purchasing housing in Dublin and commuting into work:

...Dublin is crazy expensive, if you do the conversion with the Euro, it's really comparable. Only in Dublin City though, there are areas where I'm from that are on the commuter-belt that are getting a *bit* more expensive, but in terms of more rural areas, it's not comparable to Vancouver at all [meaning the rural areas outside of Dublin are less expensive]. You could live there [the more rural areas] and commute into Dublin, but you're looking at spending three hours in your car everyday. That's the compromise, we have a friend who just bought a home in this small village and they're going to spend a least two hours a day commuting into Dublin. Most of the work is in the city center, like all the fields. So that's a real challenge. However, there is a train, I'm sure it's well run. Then I start looking at people who have kids and they're in day-care and you're trying to pick them up. If one person is

staying at home and the other is working, by the time they get home, the kid is going to be in bed. To me, it's not an option.

Madelaine explained a way to purchase housing in the Dublin area is to live far from Dublin's city center and take light rail into the city for work. She explained that she has grown accustomed to living close to where she works and is not willing to entertain a lengthy commute in either city or "live in the suburbs". However, Dublin's light rail system is more extensive than Vancouver's SkyTrain system and arguably it would be more feasible to live in a suburb of Dublin and commute in, than Vancouver. Based on Madelaine's opinion, Dublin's outlying more "rural" surrounding areas are still affordable to young adults her own age. It is more the matter of not wanting to commute.

For those who do relocate to the suburbs surrounding Vancouver and commute into the City via personal vehicles, there are quality of life issues from spending many hours commuting. Metro Vancouver released a study in 2015 detailing that when the cost of transportation (such as owning and operating personal vehicles) is factored into overall living cost, the "savings" from living in outlying communities vanishes (Metro Vancouver, 2015). Metro Vancouver states that the region is overall less competitive in attracting a workforce compared to other major Canadian cities due to the combination of expensive real estate and expensive transportation. There are also the environmental aspects to consider of these trends.

What can possibly be learned from my conversation with participants not willing to commute, and based on studies such as Metro Vancouver has released, is improvement to Metro Vancouver's transportation system is vital. Arguably, if commuting in from outlying areas was improved in terms of speed and convenience (such as increased frequency), the region would be more desirable and feasible for young adults to relocate to.

### ***Advocacy***

As discussed throughout this thesis, a sense of anxiety can be seen in the media articles surrounding the study population's fear of not being able to stay in the City. Participants were quite knowledgeable about the financial-related challenges facing their generation. Not only because they're living the challenges; some participants were keeping their eyes on housing policy and regulation coming from the City of Vancouver. Some participants are waiting to see what steps the City takes to improve the situation

for those their age. The City does seem to be acknowledging this concern from a housing perspective (City of Vancouver, 2017) although it is yet to be seen whether any concrete changes occur to ease the situation.

Madelaine explains some of her thoughts on the City's inaction:

...so I think they're not considering people being able to afford to buy homes, they're just looking at the dollar figures they're getting generated for the City each year.

Moe also shares his thoughts:

...because they are the ones to set the policy and how it effects the economy, for instance, even in my building, the apartments are rented at different price levels. So the home owner can charge any amount of rent [speaking to when new renters move into the building]. There needs to be a structure [referring to regulation].

As outlined under the *Temporary Place to Live?* section in this Chapter, other participants spoke about frustrations with the *type* of housing being built (such as luxury condos) and its “mis-match” to their long-term needs.

Randy Shaw, in his book *Generation Priced Out*, provides stories about the role of young adults' housing advocacy in San Francisco. In one example, Shaw explains young professionals' mounting frustration with single-family neighbourhoods in San Francisco being preserved and a resistance to the introduction of varied housing types. A young women, Laura Clark, takes on a housing advocate role and rallies others her age to address the city. The 28-year-old focused on how the “pricing out” of the middle and working class is exaggerated by city laws and policy. She also focused on how young well-paid technology workers are intentionally gouged on rent which then prevents saving towards purchase of a home. Laura ends up jointly forming “Grow SF”, a grassroots, tenant-led, pro-housing movement. After the movement gains much momentum, Laura later helps to form a political party which would “coordinate grassroots advocacy for improving housing affordability and sustainability in increasing housing and transit-oriented development” (Shaw, 2018, pp. 157-160).

This type of political activism is perhaps one way for Vancouver's young adults to help their own situation. Advocacy groups do exist, such as *Generation Squeeze*. This group operates at the National level and is interested in issues of generational inequity.

Arguably young adults could do more to become politically engaged and apply pressure to the City of Vancouver, to help ease at least the housing-related issue this thesis has discussed.

## Chapter 6. Conclusion, Limitations and Future Research

This thesis has explored, in depth, the experiences of eight young urban professionals surrounding their financial-related challenges. My research sought to answer:

*What financial-related challenges are young professionals facing in the City of Vancouver and what impacts are these challenges having in their lives, from their own perspectives?*

My first question was primarily answered by pulling together studies found across multiple academic disciplines. I grouped these studies into challenges with employment and wages; debt; and housing. This provided me with the knowledge necessary for carrying out interviews with study population members. My semi-structured interview questions were based on the challenges I found during background research and literature review. I was also able to discover, during interviewing, what *other* financial-related challenges the study population is having outside of those I found during my research.

My second question was primarily answered by interviewing participants. I prompted participants to speak about their experiences with the financial-related challenges. I included questions to do with traditional and contemporary milestones to understand how the challenges are meaningfully impacting participants' lives. I analyzed the interview data by pulling from my findings main themes or "impacts" participants are experiencing. I also gained insight on this research question from reviewing media articles written by study population members and the limited amount of academic literature on the topic.

The following is a summary of the main themes I can draw from the research findings as outlined in Chapter 5 (Themes and Discussion). Participants are experiencing the same elongated transition to adulthood that academic studies have suggested is occurring. This appears to be partly due to financial-related influences. There are both similarities and differences when I compare interviewees' experiences with financial-related challenges to what the media, scholarship and research suggest is

occurring. The most significant difference appears to be participants' avoidance of debt and accumulation of savings despite their challenges. The most similar experiences are those surrounding housing. For example, participants are experiencing a lot of the same challenges with renting my background research and literature review suggests. As well, participants' desire for home ownership, and the various impacts not yet achieving it is having, was a common theme to our interviews.

Participants have taken different steps, including receiving financial help from family, and have made sacrifices to keep themselves financially afloat in Vancouver. I found participants to be financially disciplined, or at least they presented themselves in this way. This counters the media's portrayal, at times, of younger generations being financially frivolous or undisciplined.

Participants desire to achieve traditional life course milestones even if the timing of achievement is not traditional. I found that participants are attempting to secure their own measures of adulthood, like financial independence from family or establishing themselves as a responsible adult, as alternates to completing the more traditional milestones western contemporary societies expect. Perhaps this helps participants to feel accomplished or "adult" considering achieving all their goals is not possible right now.

Lastly, there are many aspects of living in Vancouver participants enjoy. For most the City was somewhere to locate for school and work ("first stage transitions"). However, now participants are feeling uncertain about their futures in Vancouver mostly due to not being able to purchase housing and the benefits participants assume owning a home will bring. As participants are becoming older, they are turning their attention to the traditional life milestones of establishing their own households and possibly starting family life. Participants are starting to think about whether Vancouver is a suitable long-term option for settling down and to support their goals.

I was able to draw main points of significance from my findings. Participants seem to be taking much action, are making sacrifices, and are receiving help from family in order to "make it" living in Vancouver. As mentioned, I found participants to have rather frugal attitudes and to express their financial responsibility. Rather than having a large amount of debt, most participants are debt free and instead having savings. Yet

despite these efforts, and participants being highly educated and employed full time, they are still not getting to where they want to be in life. If young professionals in Vancouver are placing this much effort into staying afloat (along with receiving help from family) but are still not able to reach their goals, this calls into question Vancouver's ability to support the population.

Although I cannot extend participants' thoughts to the entire study population, I found participants to reflect the media articles I found during background research in terms of questioning Vancouver's viability for young adults. It's possible Vancouver becomes increasingly viewed as a fun, temporary place to live as a young adult (perhaps to complete education or start a career) but not as a viable place to settle down and start a family. Participants discussed this concept and had comments about what the City is doing in terms of attempting to ease the situation.

As outlined in Chapter 5 (Themes and Discussion), my interviews offer a few insights into what might help young professionals stay in the City. First, participants weren't necessarily fixed on owning a single-detached dwelling. Although some expressed wanting to use housing to grow wealth, the perceived benefits of owning were more to do with access to outdoor space, more space in general and stability of tenure. Stability of tenure seems to be strongly linked to the notion of putting down roots, feeling invested in a community and being able to engage in family life.

The above suggests the City's recent focus on the "missing middle" housing types is a step in the right direction (City of Vancouver, 2017). The majority of participants did not think raising a family in a small condo is desirable but also recognized they would not be able to purchase a house in Vancouver. This leaves something in the middle. Some participants mentioned alternative housing types being acceptable such as a townhouse or large condo with access to outdoor space. Alternate tenure types outside of market rental and market owned housing might also help to ease the situation. The participant living in co-op housing was satisfied with his housing in terms of stability for raising a family. Alternate tenure types such as those co-ops offer is a way to satisfy some of young adults' concerns with stability of tenure. However, this participant also spoke about the challenges with securing the co-op. This highlights the desirability or demand for this type of housing. Better access to alternate stable tenure options would likely benefit the study population.

Greater variety of housing types and more tenure options outside of market rental and owning, are strategies for making the City more affordable and desirable. These are actions the City of Vancouver is already aware of in their recent housing strategy, *Housing Vancouver*. Whether or not the City is successful in encouraging these initiatives enough to facilitate young professionals seeing the City as a viable place to settle down and support their endeavours is yet to be seen.

As discussed in Chapter 5 (Themes and Discussion), the role of transportation and advocacy would seem an important part of the solution for young professionals seeking a good “adult” life in the region. Considering interviewees had not yet left Vancouver, I was able to capture some of their reasons for staying. An unwillingness to commute into the City for work (so far) was expressed by several participants even though leaving may help with purchasing a home. Improvements to Metro Vancouver’s transportation options may help to improve the feasibility of travelling into the City to work while living elsewhere. Political involvement and advocacy are also likely actions the study population could better use to their advantage.

There are other challenges the study population faces which, if eased, would help young professionals. The cost of post-secondary education has increased dramatically and is contributing to young, educated individuals starting their life “financially challenged”. Improved student loan forgiveness and increases to the availability of grants and other bursaries would help. In addition, graduates may struggle with securing steady, well-paying employment and work upon graduating. Initiatives such as paid internship programs or other funded opportunities which benefit both the employer and employee help. These observations are already known by industry and levels of government, it seems more a matter of expanding opportunities and programs. The important role of advocacy can again come into play here.

My study can contribute to the larger urban studies body of knowledge. There has not yet been a study which explores, in depth, the financial-related challenges facing young professionals in Vancouver and illuminates what the impacts of these challenges are, in their lives, from their own perspectives. The media is rich with accounts on the topic and yet there are very few academic studies. My study can offer an in-depth look into how a group in our urban centers is grappling with a very real set of challenges. These challenges are contributing to Vancouver not being a viable city for young

professionals to thrive in long-term. This, in turn, is damaging for the City's economic sustainability and vibrancy.

## **6.1. Limitations and Future Research**

While my study has helped to illustrate the real-life experiences of a select number of young professionals, my research has several limitations. First, my sample size does not, nor intend to, represent the entire study population. Rather my interviews provide rich detail and insight into the current experiences of a few study population members. As well, participants are quite homogenous as a group in terms of ethnic and cultural background. Moe was my only interviewee from a non-European or British ethnic background. Although Moe is originally from Pakistan, he spent his education in the Canadian school system and does not have his family in Canada. It would have been interesting to have included a couple of young professionals from different cultural backgrounds to discover how their experiences compare to the other interviewees' experiences. Last, my study is a "snap-shot" in time. It would be informative to interview the same group to see how their challenges eventually impact their "second-stage" transitions and life course trajectories over time (a longitudinal study). The long-term impacts of the financial-related challenges my study discusses are yet to unfold considering the study population's age.

There are many young professionals who couldn't "make it" living in Vancouver and have already left the City. My study design did not include those who have experienced serious struggles to the point of leaving. Rather, I captured a group who is considering leaving and are now in a state of limbo until they decide what to do. Another area for future study may be to interview young professional "ex-Vancouverites" to discover what made them leave the City. This would further help to inform what the City of Vancouver could do better to support its young professionals. As well, the issues this thesis discusses can be applied across Metro Vancouver, I selected Vancouver partly for convenience. My type of study would have value in being conducted at a larger scale, across the region, to discover place-specific similarities and differences.

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## Appendix A. Quantitative Data Questions

The following is a list of questions I prepared in advance of interviews with participants. I asked all participants the questions below.

### Housing:

1. Length of time living in Vancouver.
2. Length of time living at current residence.
3. Current type of housing, tenure type, bedrooms, location, rent and other associated costs, and who live with.

### Education, Wages and Employment:

4. Age started university, length of time in university, types of degrees, and whether full time or part time.

### Debts and Finances:

5. Whether or not used government-issued student loans or private loans to fund school. If so, amount of student loan debt upon graduating and how much is remaining.
6. Amount of other (consumer) debt, personal loans, money owed on vehicles, etc.
7. Amount of savings including RRSP/TSFA, etc.
8. Ever accessed government aid (e.g. E.I.) and for what.
9. Statistics Canada individual gross income category and household's category.

## Appendix B. Semi-structured Interview Guide

The following is the list of questions I prepared in advance of interviewing participants. This list does not cover all the topics we discussed as some were not asked and other were added as the interview progressed. These questions were meant to prompt conversation and typically I would also ask “why or why not?”, “in what ways?”, “elaborate on that”.

### Housing:

1. Background on moving out from home: what age did you move out for the first time and what were the reasons for doing so, did you ever move back in?
2. Is there a time or age when it's no longer appropriate to live at home? Did your parents have expectations surrounding the appropriate time to move out? How did your relationship change with your parents after you moved out? Do you think our society has expectations about this?
3. What were some of the reasons for living in your current residence? What do you like/not like about it and the neighbourhood? Is your current residence your ideal living situation and why or why not?
4. How was the process for finding your current residence? What sort of experiences did you have?
5. Have you moved a lot in the past? What were some of the reasons for moving from previous residences?
6. If living with a romantic partner- what were some of the reasons behind moving in together? If not and have a partner- is this something you and your partner might like in the future and are you facing any challenges to do so?
7. How important is home ownership to you and why? Do you see some dwelling types as desirable over others?
8. Tell me about your childhood dwelling type. Is it important to own a home for raising a family?

9. Are you planning to purchase housing in the future and why or why not? If so, how will you achieve this? Will your parents help?
10. What impacts do you think owning a home vs. not owning might have in your life?
11. Do you have any thoughts on housing affordability in Vancouver in terms of how it might be impacting you or your peers?

Education, Wages and Employment:

12. Describe your educational path after high school.
13. Do you think school has been a worthwhile endeavour? Are you happy about your choice of degree?
14. What happened with getting a job after school, did you start working right away, were you already working, did you experience any unemployment, etc.?
15. Tell me about the path leading to your current employment. Are you satisfied with this job, including wages?
16. Do you have any thought on the Vancouver job market for young professionals like yourself? What about compared to other places?

Debts and Finances:

17. Experiences with paying for school- how did you pay, did your parents help, how was your spending during school, etc.?
18. Experiences with student loan debt- did you or are you paying according to the recommended student loan re-payment rate, why or why not? Have you ever had challenges with paying back debt incurred in school?
19. Tell me about your household's big monthly expenses, your budgeting techniques, how you learned to budget, etc.?

20. Experiences with other kinds of debt- have you ever had trouble meeting your monthly bills or with accumulating consumer debts? What happened? Has there ever been a time you've experienced your definition of financial difficulty?
21. Did you ever receive any education on how to manage credit products and from where? What are your views on debt, is it always to be avoided or are some kinds of debt okay?
22. Do you think it's important to be financially independent from your family? Describe any financial assistance you receive from family now or have in the past.

The Future:

23. What do you have planned for the next five years? Do you see Vancouver as a viable place for you or your household to live long term?
24. Do you believe the City has a role to play in helping to make Vancouver a viable place for young professionals?
25. Do you have any other thoughts or comments on the situation for young professionals like yourself in Vancouver?