

MNP Consumer Debt Index

The number of Canadians hovering near financial insolvency reaches a five-year high

MNP
LTD

Toll Free **310-DEBT**

A downward trend

Canadians report having less money left over at the end of the month, with many moving closer to insolvency.



Falling into a debt trap

While interest rates are unlikely to rise in the near term, the current environment may be lulling many households into a false sense of security.

- 25%** **One in four** Canadians have taken on more debt because of the pandemic
- 59%** **Nearly two-thirds** believe the current low interest rate environment is a good time to buy things they otherwise could not afford.
- 49%** **Half of consumers** say they're more relaxed about carrying debt than they usually are.

About the MNP Consumer Debt Index

Even with discussions of a possible resurgence of COVID-19 in Canada, the MNP Debt Index has increased seven points through its sixteenth wave to match its previous spike in May 2020. However, this does not mean that the picture is rosy for Canadian households, as households report less money leftover at month-end, most likely the result of continued disruption to many Canadians' job situations. Especially concerning is that more than half of Canadians (53%) say they are \$200 or less away from financial insolvency, a 10-point increase since December.



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