

MNP DEBT INDEX

Wave 20

March 2022

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MNP_{LTD}



Methodology



- These are findings of an Ipsos poll conducted on behalf of MNP.
- For this survey, a sample of **2,000 Canadians** from the Ipsos i-Say panel was interviewed from **March 9-15, 2021**.
- Quotas and weighting were employed to ensure that the sample's composition **reflects the overall population** according to the latest Canadian census information.
- The precision of online polls is measured using a credibility interval. In this case, the results are **accurate to within ± 2.5 percentage points**, 19 times out of 20, of what the results would have been had all Canadian adults been polled.
- Credibility intervals are wider among subsets of the population.
- Due to rounding, not all percentages will add up to 100%.

Executive Summary

The MNP Debt Index has **maintained a record low of 87 points**, the lowest level recorded since its creation in June 2017. A ballooning cost of living, runaway inflation levels, a recent interest rate hike, and continued economic fall-out from the pandemic is continuing to be very relevant in the first quarter of 2022. In addition to the current financial stresses, Canadians are at risk of **further interest rate hikes in the coming months**, thereby causing concern for many Canadians who were already approaching insolvency or struggling to make payments on debts with a variable interest rate.

Minor Change in Month-End Finances

After their bills and debt obligations have been paid, on average, Canadians are left with \$728 at month-end, continually unchanged since June 2021. As the economy continues to feel the financial burden from the pandemic, Canadians are continuing to return to work or have alternative sources of income.

However, not all demographics are feeling consistent with the general population. Younger Canadians are and those with lower household income (\$60K or less) are finding themselves with more funds at the end of the month than in December 2021.

Declining Personal Debt Rating

Canadians' net personal debt rating has been on the decline since June 2021 and has continued to decrease to 21 points, a two-point change from last quarter.

The shift is a result of fewer Canadians believing that their debt situation is 'excellent' (37%, -2 from last wave) and are equally likely to say it is 'terrible' (16%, unch.).

Canadians from Atlantic Canada (25%, -8) and women are less likely to rate their personal debt as 'excellent' (33%, -6).

Unchanged Concerns for Future Debt Situations

The economic impact from the extent of the pandemic has continued to hold a financial burden over Canadian households' finances in the short term.

Looking to one year from now, 3 in 10 Canadians expect their debt situation to improve (30%, -1) but 1 in 10 believe it will worsen (14%, +4).

Looking five years into the future, one in ten believe that their debt situation will worsen (12%), a two-point increase from December.

Executive Summary

Attitudes toward Interest Rates

Half (48%) of Canadians say that they are more relaxed about carrying debt than they usually are, representing a three-point increase from December.

In addition, over half (57%, +4) say that if interest rates go up much more, they worry that they will be in financial trouble. A slightly smaller proportion say they are already beginning to feel the effects of interest rate increases (52%, +5).

Younger Canadians (18-34 and 35-54) and those with a household income of less than \$40K, are also more likely to say they will be in financial trouble if interest rates go up and that they could be driven to bankruptcy.

Managing Expenses and Debt

Nearly six in ten Canadians say they are concerned about the impact of rising interest rates on their financial situation (57%, +2) and their ability to cover all living/family expenses in the next year without going further into debt (53%, -2).

Approximately half say they are confident they won't have any debt in retirement (49%, -1). The proportion of Canadians who say they regret the amount of debt they've taken on in life remains stable – but over four in ten still say they regret it (44%, -1).

Low Confidence in Ability to Cope

No more than three in ten (30%) are confident in their ability to cope with life-changing events without increasing their debt burden. Canadians are most confident in handling a change in their relationship status (30%, +3) and unexpected auto repairs (23%, -1).

As for other life events, such as loss of employment, having an illness and being unable to work for three months or the death of an immediate family member, Canadians are slightly less confident in their ability to handle them without taking on more debt. Canadians are the least confident in their ability to pay for either their own or someone else's education (22%, +1).

Executive Summary

Financial Experiences

One-third (32%) say they plan on reducing their consumer expenses in order to make ends meet. Nearly 2 in 10 say they will use their savings to pay their bills (17%) and just over 1 in 10 say they will use their credit card to pay their bills (12%).

Women (34%), those aged 35 to 54 (35%) and Gen X (37%) are most likely to say they are more likely to reducing their consumer spending and expenses.

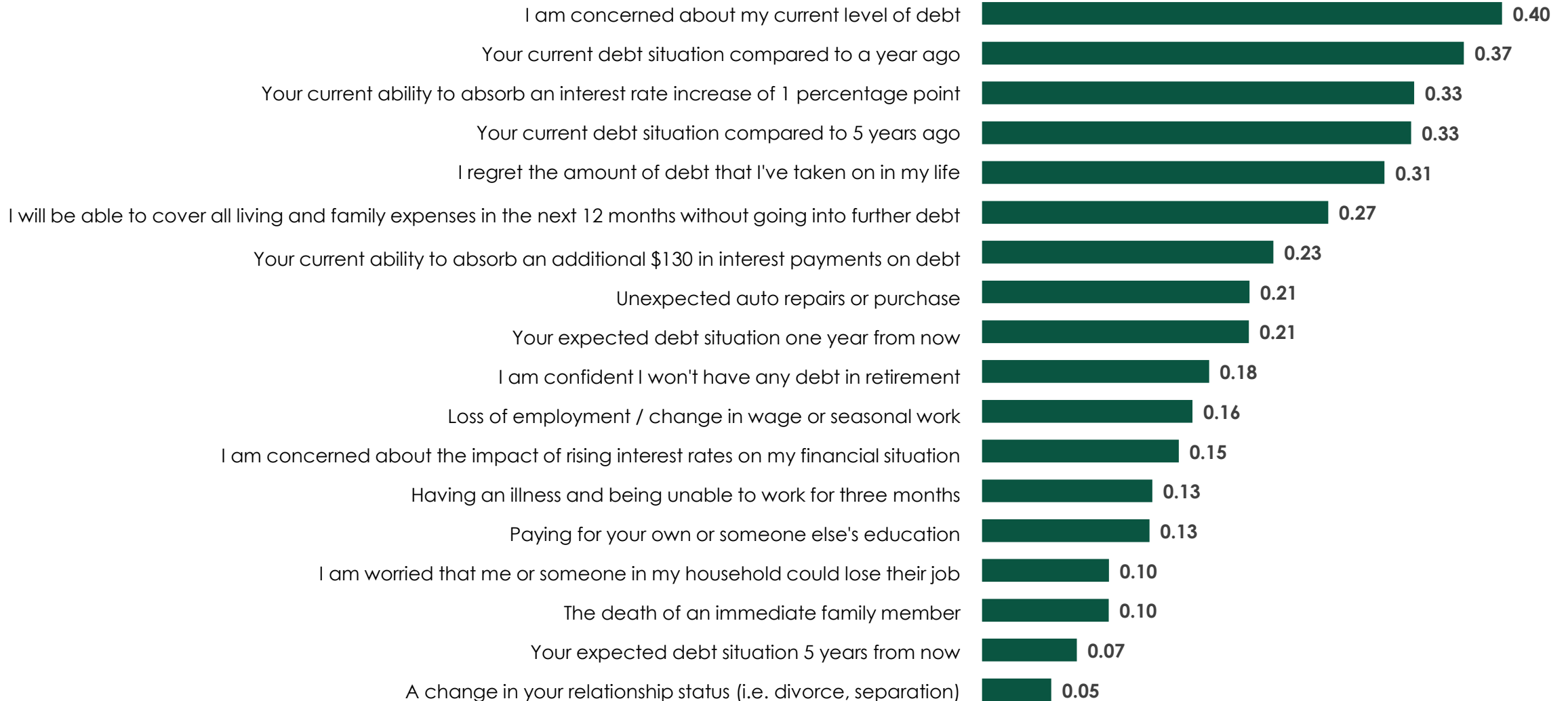
Difficulties Seeking Financial Advice

Canadians are split among those having difficulty trusting professional companies to help them get out of debt. Quebecers (40%) are less likely to agree with having difficulty trusting professional companies with their debt.

Approximately 3 in 10 Canadians don't know how to get out of debt or where to turn for help (32%) or have paid for ineffective financial advice (27%).

THE DEBT INDEX

Debt-Index Inputs

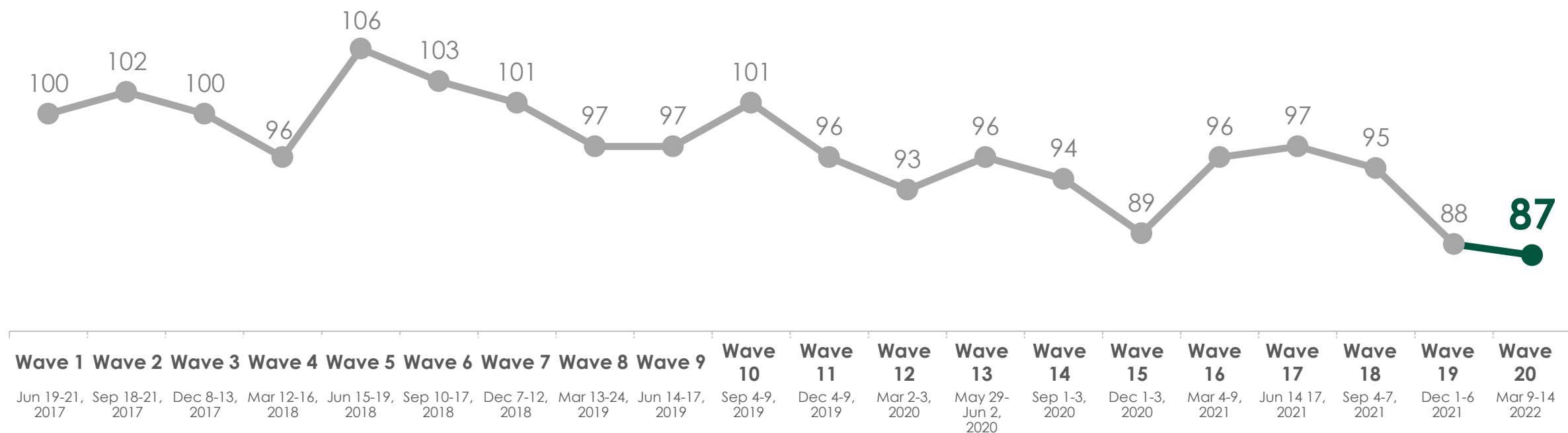


Debt-Index Inputs (Tracking)

Question	Measure		Score	% (Top/Bottom 3 Box)																			Δ vs. Dec 2021
				Sep 2017	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	
5_1	% Disagree	I am concerned about my current level of debt	0.40	39%	41%	38%	40%	38%	35%	38%	38%	38%	38%	31%	37%	33%	34%	36%	37%	36%	34%	33%	-1
3_1	% Better	Your current debt situation compared to a year ago	0.37	26%	25%	24%	27%	28%	27%	24%	24%	27%	23%	26%	27%	26%	22%	26%	25%	24%	24%	23%	-1
3_3	% Better	Your current ability to absorb an interest rate increase of 1 percentage point	0.33	28%	28%	27%	30%	30%	28%	26%	26%	28%	27%	26%	28%	28%	25%	26%	28%	26%	24%	21%	-3
3_2	% Better	Your current debt situation compared to 5 years ago	0.33	33%	32%	32%	35%	35%	33%	31%	33%	35%	32%	34%	35%	33%	31%	35%	33%	35%	33%	33%	-
5_2	% Disagree	I regret the amount of debt that I've taken on in my life	0.31	38%	40%	35%	38%	34%	35%	36%	36%	37%	35%	31%	36%	32%	31%	33%	36%	33%	30%	33%	+3
5_6	% Agree	I will be able to cover all living and family expenses in the next 12 months without going into further debt	0.27	38%	35%	35%	38%	37%	38%	37%	35%	37%	34%	35%	37%	37%	34%	37%	36%	38%	33%	35%	+2
3_4	% Better	Your current ability to absorb an additional \$130 in interest payments on debt	0.23	25%	23%	22%	26%	28%	25%	22%	22%	24%	23%	22%	23%	22%	20%	21%	23%	23%	19%	19%	-
4_3	% Confident	Unexpected auto repairs or purchase	0.21	31%	31%	28%	35%	33%	31%	30%	30%	29%	29%	27%	27%	28%	28%	30%	27%	27%	24%	23%	-1
3_5	% Better	Your expected debt situation one year from now	0.21	35%	35%	33%	38%	39%	36%	35%	36%	39%	36%	36%	33%	33%	30%	34%	35%	34%	32%	30%	-2
5_5	% Agree	I am confident I won't have any debt in retirement	0.18	33%	30%	31%	34%	32%	33%	32%	32%	33%	34%	33%	33%	34%	33%	34%	34%	34%	31%	32%	+1
4_6	% Confident	Loss of employment/change in wage or seasonal work	0.16	28%	27%	26%	29%	29%	30%	27%	27%	27%	27%	26%	24%	26%	25%	27%	27%	24%	23%	24%	+1
5_3	% Disagree	I am concerned about the impact of rising interest rates on my financial situation	0.15	29%	28%	26%	26%	26%	25%	27%	28%	27%	27%	22%	22%	23%	22%	23%	26%	23%	21%	19%	-2
4_2	% Confident	Having an illness and being unable to work for three months	0.13	30%	29%	28%	31%	31%	33%	29%	28%	29%	27%	28%	26%	27%	28%	28%	30%	29%	25%	25%	-
4_1	% Confident	Paying for your own or someone else's education	0.13	26%	25%	24%	28%	27%	29%	24%	25%	24%	24%	22%	24%	24%	23%	22%	23%	24%	21%	22%	+1
5_4	% Disagree	I am worried that me or someone in my household could lose their job	0.10	46%	45%	44%	47%	44%	43%	44%	44%	47%	43%	41%	38%	39%	38%	38%	42%	44%	41%	42%	+1
4_4	% Confident	The death of an immediate family member	0.10	27%	26%	26%	29%	30%	30%	25%	26%	26%	26%	25%	25%	26%	23%	26%	26%	25%	22%	23%	+1
3_6	% Better	Your expected debt situation 5 years from now	0.07	47%	44%	47%	50%	50%	47%	45%	47%	50%	46%	48%	42%	44%	42%	46%	44%	46%	45%	42%	-3
4_5	% Confident	A change in your relationship status (i.e., divorce, separation)	0.05	33%	31%	32%	36%	32%	36%	33%	34%	31%	33%	33%	30%	32%	29%	30%	29%	28%	27%	30%	+3

Debt-Index Tracking

The MNP Debt Index remained **relatively unchanged at its lowest reading – 87 points**. Although Canadians had become optimistic over the past year with many COVID-19 restrictions being lifted, they are still feeling the effects of the pandemic. Rising inflation and a recent interest rate hike by the Bank of Canada have contributed to households feeling that they might not be able to get by.

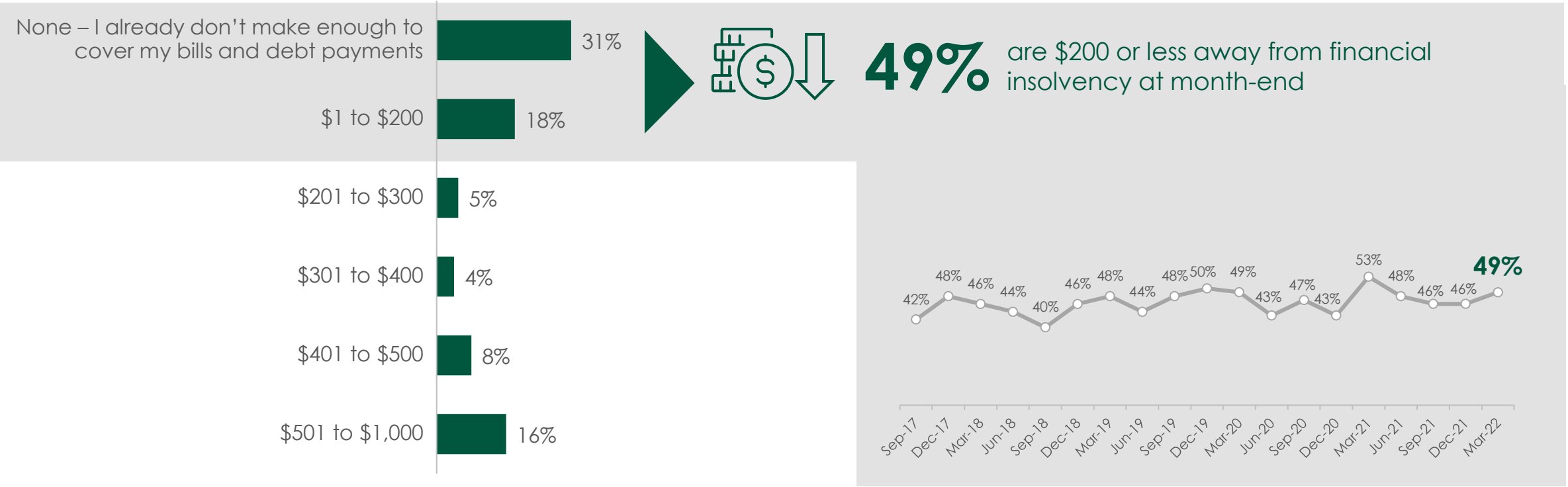


Note on interpretation: A high debt index score means that Canadians feel positive towards their personal finances, as well as confident in their ability to cope with unexpected financial situations. A low index score describes the opposite – negative feelings and low confidence.

EVALUATING PERSONAL FINANCES

Finances at Month-End

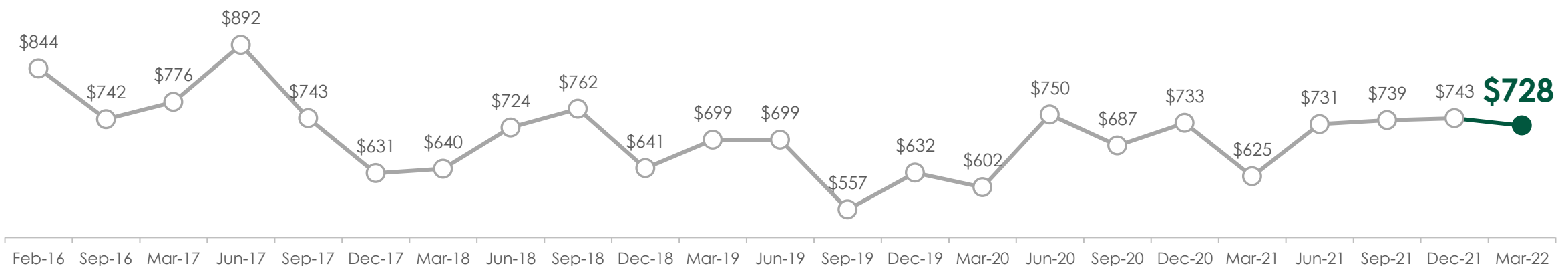
Canadians are feeling more pessimistic about their finances in general. **Less than half (49%) of Canadians say they are \$200 or less away from financial insolvency**, up 3 percentage points from December. This proportion includes **31% who report already being insolvent** and are not able to cover their bills and debt payments (unchanged from last wave). As usual, certain groups still are significantly more likely to be insolvent or close to insolvency than others. Women continue to be more likely than men to be insolvent (or at risk of insolvency). Furthermore, those aged 18 to 34 are also having difficulties.



Q1. Thinking about the amount of after-tax income you make each month compared to the amount of your bills and debt obligations each month, how much is left over? In other words, how much wiggle room do you have before you wouldn't be able to pay all your bills and debt payments each month (which is called financial insolvency)?
Base: All Respondents (unweighted) n=2,000

Average Finances Left at Month-End

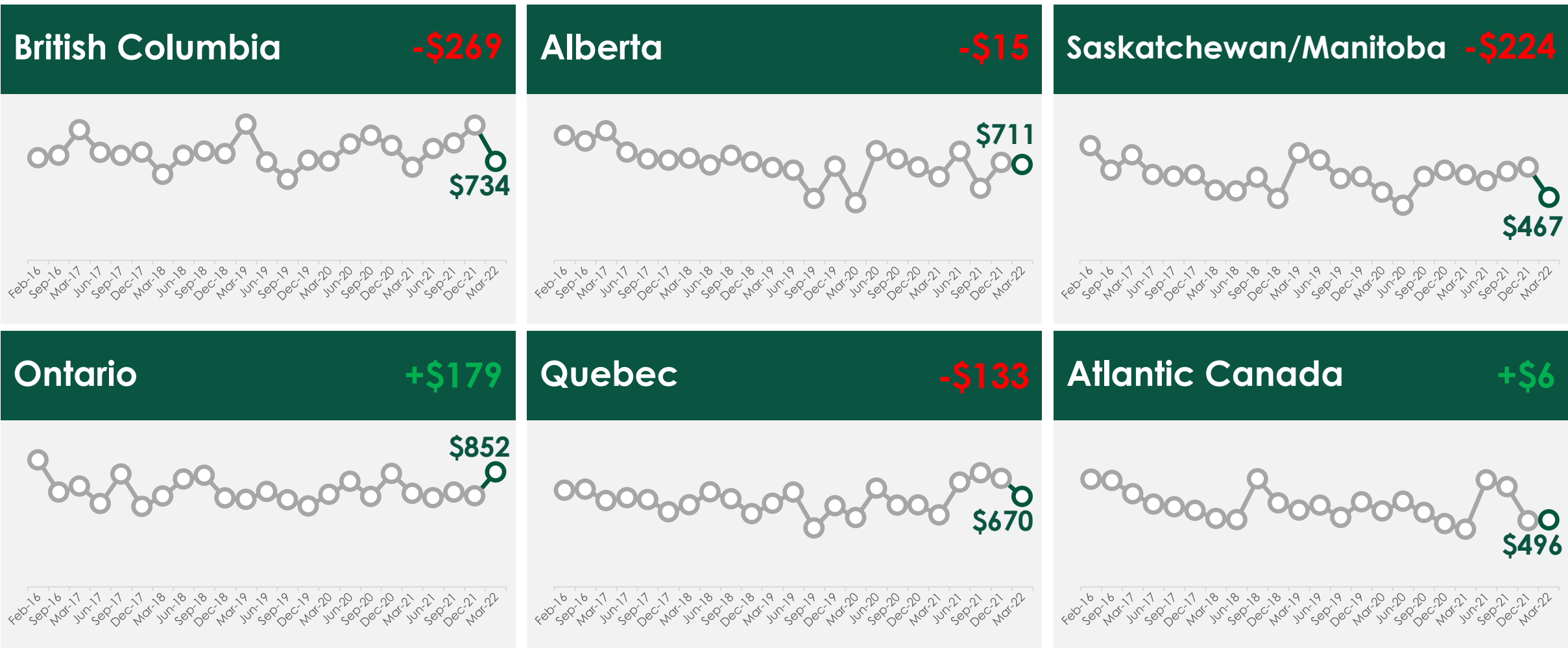
After their bills and debt obligations have been paid, on average, **Canadians are left with \$728 at month-end**, virtually unchanged since June 2021. As the economy continues to feel the financial burden from the pandemic, Canadians are continuing to return to work or have alternative sources of income. Younger Canadians are and those with lower household income (\$60K or less) are finding themselves with more funds at the end of the month than in December 2021. However, as the cost of living increases and Bank of Canada raises rates, this amount could fall in the coming months.



Average Finances Left at Month-End										
	Mean (incl. 0)	Gender		Age			Household Income			
		Male A	Female B	18-34 C	35-54 D	55+ E	<\$40K G	\$40K to <\$60K H	\$60K to <\$100K I	\$100K+ J
Current wave (Mar 2022)	\$728	\$926	\$541	\$831	\$705	\$676	\$464	\$730	\$837	\$1328
Change since last wave (Dec 2021)	-\$15	-\$42	+\$11	+\$105	-\$93	-\$31	+\$76	+\$61	-\$51	-\$186

Q1. Thinking about the amount of after-tax income you make each month compared to the amount of your bills and debt obligations each month, how much is left over? In other words, how much wiggle room do you have before you wouldn't be able to pay all your bills and debt payments each month (which is called financial insolvency)?
Base: All Respondents (unweighted) n=2,000

Average Finances Left at Month-End (Regional View)



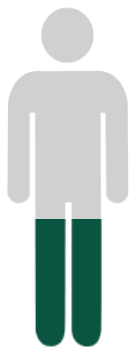
Q1. Thinking about the amount of after-tax income you make each month compared to the amount of your bills and debt obligations each month, how much is left over? In other words, how much wiggle room do you have before you wouldn't be able to pay all your bills and debt payments each month (which is called financial insolvency)?
Base: All Respondents (unweighted) n=2,000

Finances at Month-End – % \$200 or less from insolvency

There was a slight increase in proportion of Canadians who report being \$200 or less away from insolvency. Those living in Atlantic Canada are the most likely to say they are either insolvent or precariously close to it (60%, +3), while those in Saskatchewan/Manitoba are slightly less likely to say so (55%, +6). More Gen Z Canadians and those in households earning less than \$40,000 a year are likely at risk of insolvency.

40%
unchanged

58%
+5 pt



Women are more likely to be insolvent at month-end.



Atlantic Canada **+3 pt**

60%

Followed by residents of:

- Saskatchewan/Manitoba (55%, **+6**)
- Alberta (52%, **+8**)
- Quebec (48%, **+7**)
- British Columbia (46%, **+1**)
- Ontario (46%, **-2**)



<\$40K Income

67%

+3 pt

vs. \$40K to <\$60K (43%, **-4**),

\$60K to <\$100K (33%, **-2**), and \$100K+ (27%, **+10**).



Gen Zers

57%

+5 pt

vs. Millennials (49%, **+2**), Gen Xers

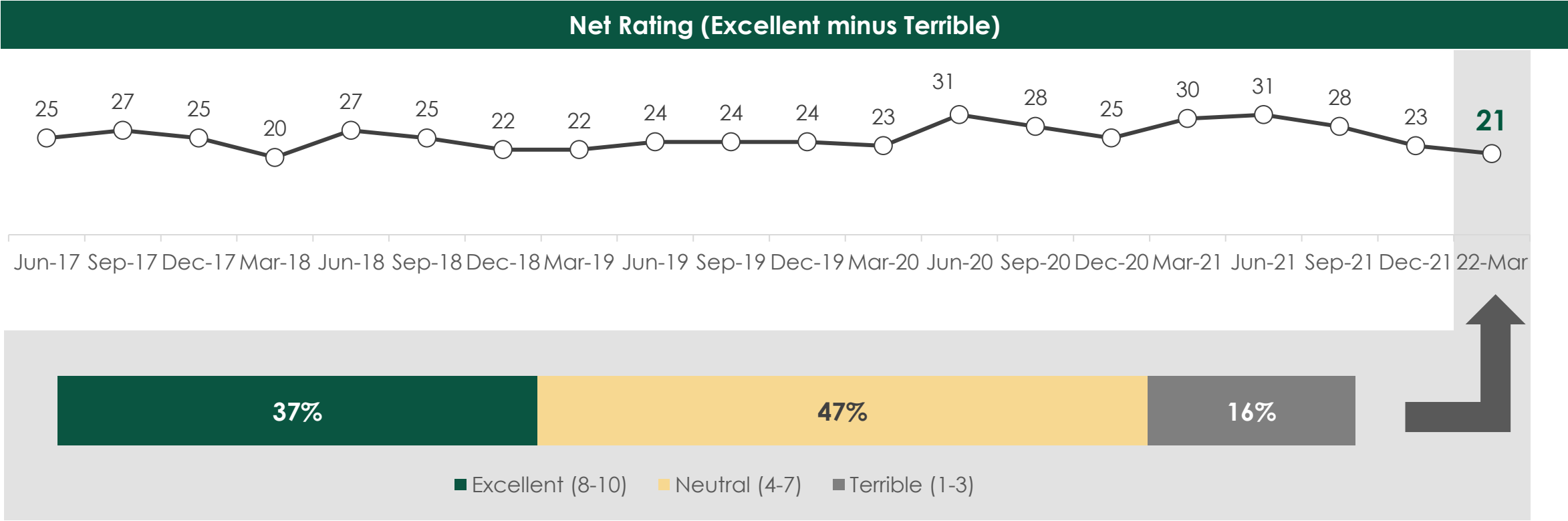
(51%, **+4**), and Boomers (44%, **-**).

Q1. Thinking about the amount of after-tax income you make each month compared to the amount of your bills and debt obligations each month, how much is left over? In other words, how much wiggle room do you have before you wouldn't be able to pay all your bills and debt payments each month (which is called financial insolvency)?

Base: All Respondents (unweighted) n=2,000

Personal Debt Rating

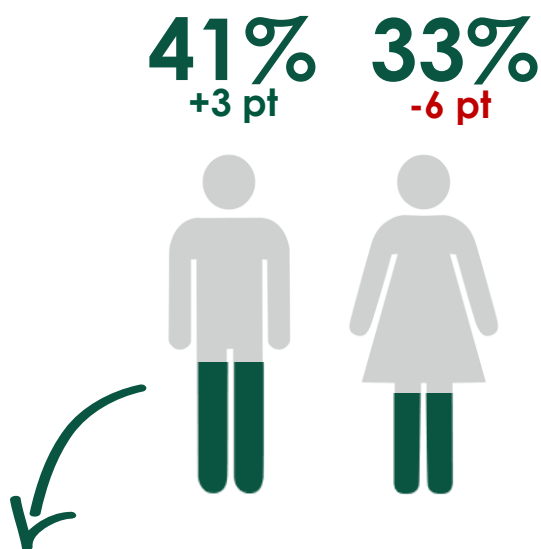
Since June 2021, Canadians' **net personal debt rating has continued decreased to 21 points**, a two-point change from last wave. The underlying reasons for this shift lie in the fact that fewer and fewer Canadians believe that their debt situation is 'excellent' (37%, -2 from last wave) and a similar proportion responded 'terrible' (16%, unchanged).



Q2. On a scale of 1 to 10, where 1 is 'terrible' and 10 is 'excellent', how would you rate your personal debt situation?
Base: All Respondents (unweighted) n=2,001

Excellent Personal Debt Self-Assessment

Who is more likely to rate their personal debt situation as 'good'?

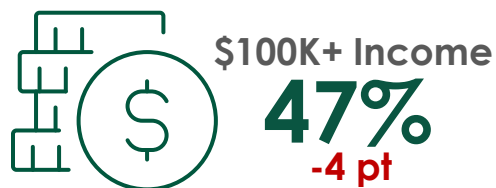


Women are more likely to say that they are either already insolvent or \$200 or less away from insolvency, while men are more likely to rate their personal debt situation as 'excellent'



Followed by residents of:

- British Columbia (39%, -1)
- Quebec (39%, -2)
- Alberta (32%, +1)
- Saskatchewan/Manitoba (29%, -1)
- Atlantic (25%, -8)



vs. \$60K to <\$100K (44%, +2), \$40K to \$60K (39%, +1), and <\$40K (27%, -1).



vs. Gen Z (33%, +6), Gen X (29%, -4), and Millennials (27%, -3).

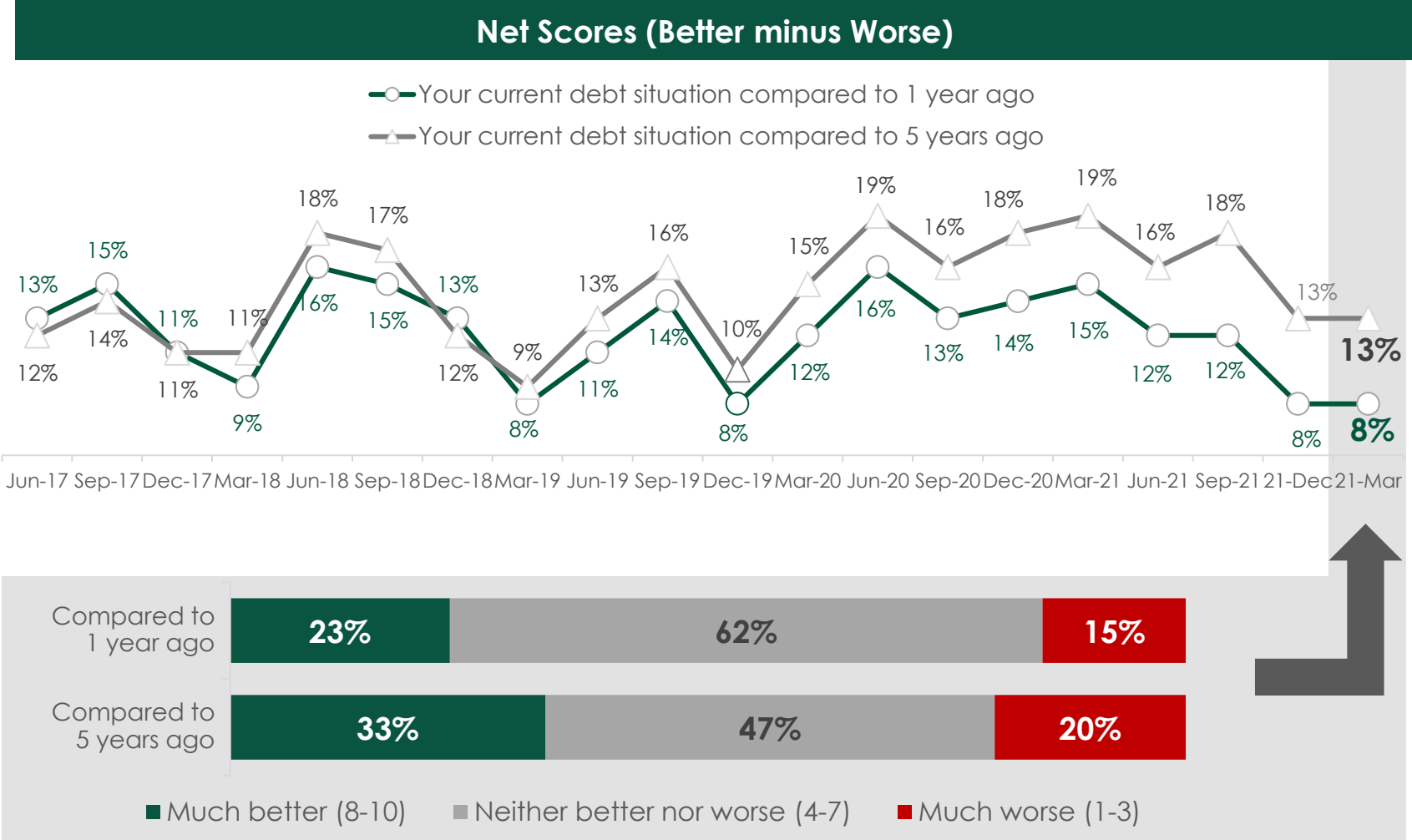
Q2. On a scale of 1 to 10, where 1 is 'terrible' and 10 is 'excellent', how would you rate your personal debt situation? Top three box responses.
Base: All Respondents (unweighted) n=2,000

Current Debt Situation

Continued rises in inflation and cost of living mean that fewer Canadians believe that their current debt situation is better than it was in the past.

When asked to **look back to one year ago**, a quarter of Canadians perceive their current debt situation to be better (23%, -1) and 15% has rated it much worse (-1).

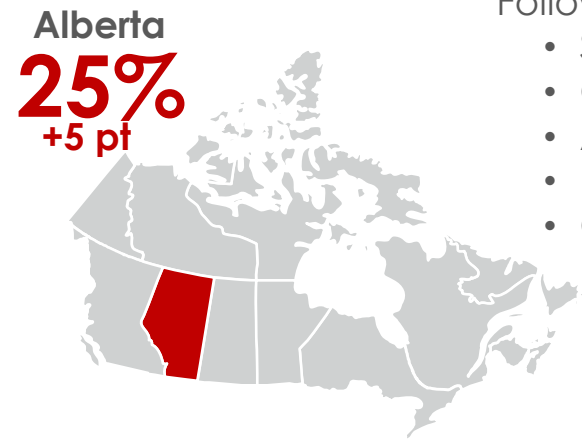
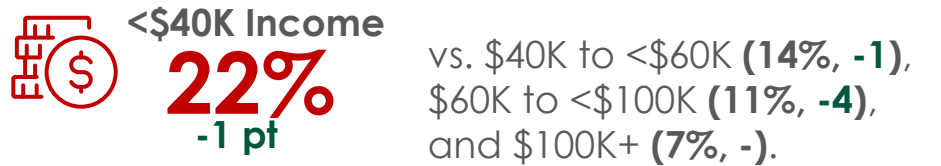
Looking back to five years ago, concerns regarding their current debt situation has also remained unchanged. A third (33%, -) say their debt situation has improved and 2 in 10 (20%, -) say it is worse.



Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?
Base: All Respondents (unweighted) n=2,000

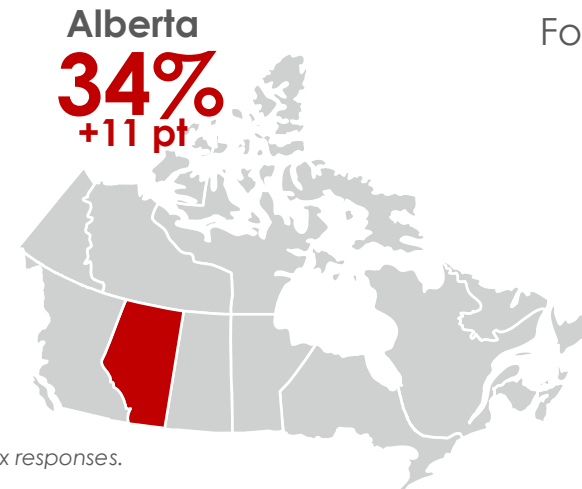
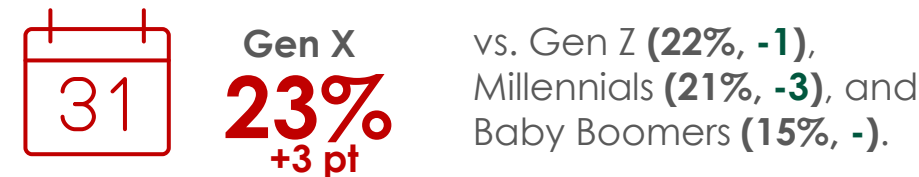
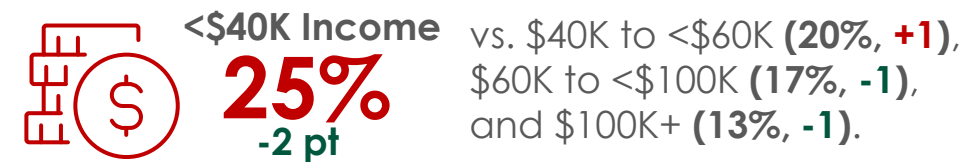
Current Debt Situation: **Worse**

Your current debt situation compared to 1 year ago



- Followed by residents of:
- Saskatchewan/Manitoba (19%, -1)
 - Ontario (16%, +1)
 - Atlantic Canada (14%, -3)
 - British Columbia (11%, -10)
 - Quebec (9%, -2)

Your current debt situation compared to 5 years ago



- Followed by residents of:
- Saskatchewan/Manitoba (26%, -)
 - Atlantic Canada (21%, -2)
 - Ontario (19%, -1)
 - Quebec (16%, +3)
 - British Columbia (14%, -10)

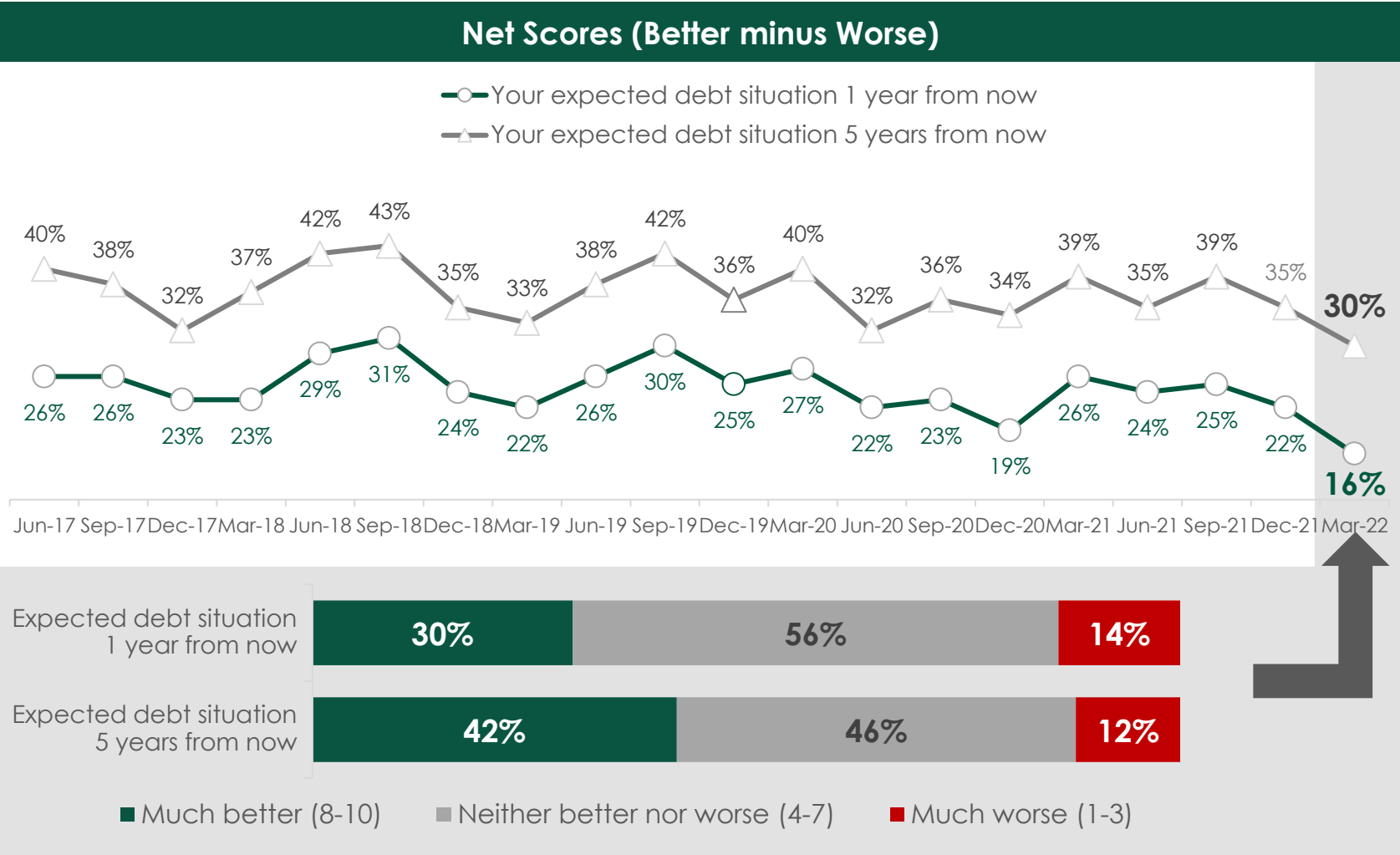
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...? Bottom three box responses.
Base: All Respondents (unweighted) n=2,000

Expected Debt Situation

The economic impact from the extent of the pandemic has continued to hold a financial burden over Canadian households' finances in the short term.

Looking to **one year from now**, 3 in 10 Canadians expect their debt situation to improve (30%, -1) but 1 in 10 believe it will worsen (14%, +4).

Looking **five years into the future**, one in ten believe that their debt situation will worsen (12%), a two-point increase from December.



Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?
Base: All Respondents (unweighted) n=2,001

Expected Debt Situation: **Worse**

Your expected debt situation 1 year from now



<\$40K Income

21%
+7 pt

vs. \$40K to <\$60K (12%, +2),
\$60K to <\$100K (10%, +1),
and \$100K+ (8%, +3).



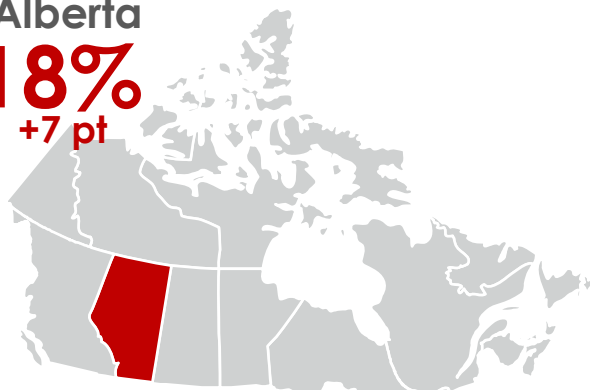
Gen X

17%
+4 pt

vs. Millennials (15%, +5),
Baby Boomers (11%, +3),
Gen Z (10%, -3).

Alberta

18%
+7 pt



Followed by residents of:

- British Columbia (17%, +3)
- Ontario (14%, +6)
- Atlantic Canada (13%, +1)
- Sask./Manitoba (11%, -5)
- Quebec (10%, +1)

Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...? Bottom three box responses.
Base: All Respondents (unweighted) n=2,001

Your expected debt situation 5 years from now



<\$40K Income

18%
+3 pt

vs. \$40K to <\$60K (12%, +3),
\$60K to <\$100K (10%, +5),
and \$100K+ (6%, -4).



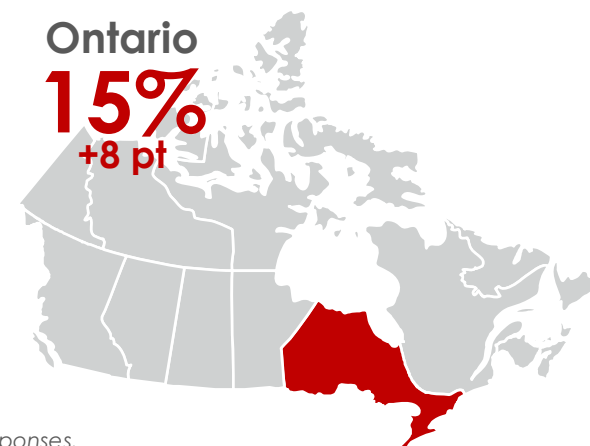
Gen X

15%
+6 pt

vs. Millennials (13%, +3),
Gen Z (11%, -8). &
Baby Boomers (10%, +1),

Ontario

15%
+8 pt



Followed by residents of:

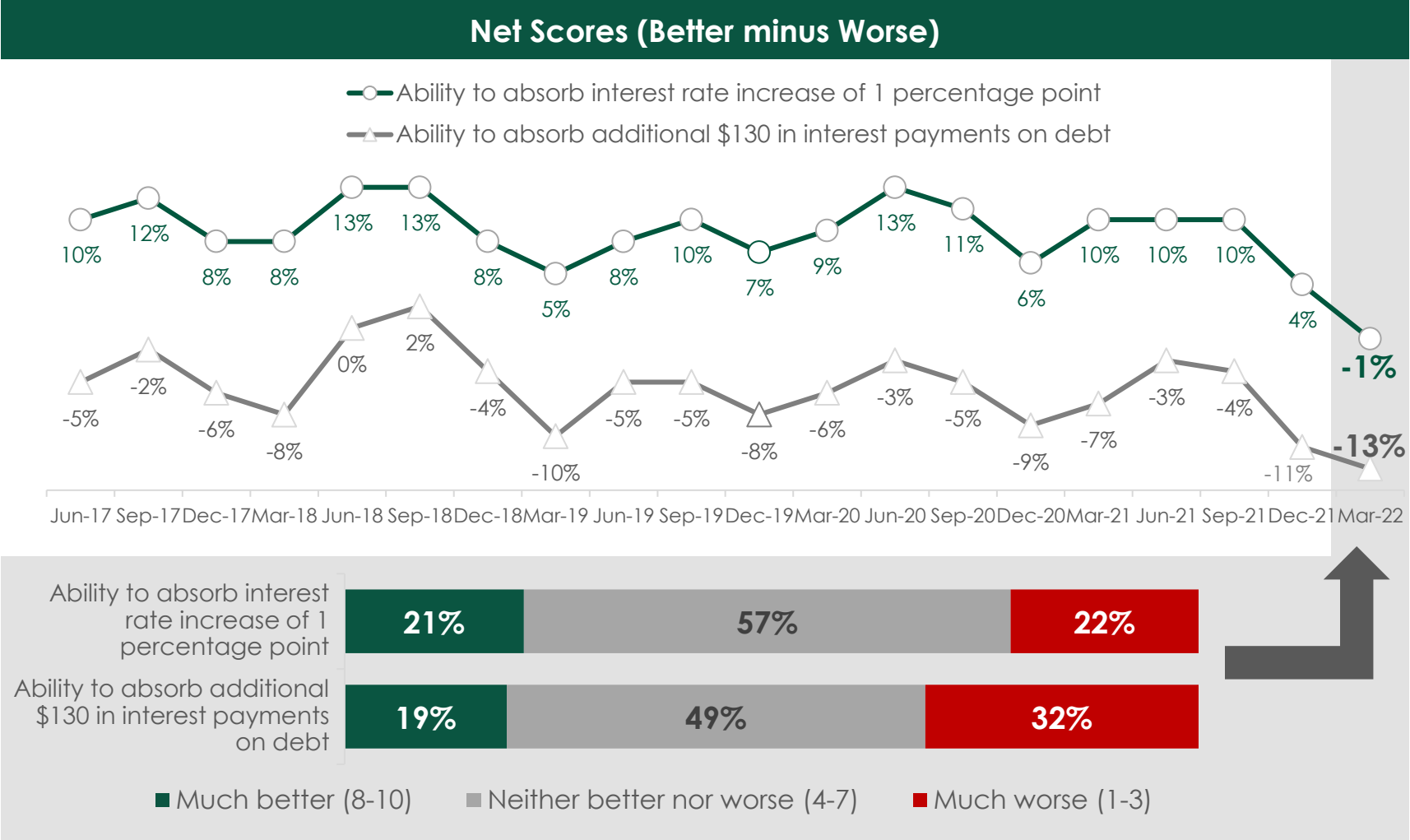
- British Columbia (13%, -5)
- Atlantic Canada (12%, +3)
- Alberta (11%, -2)
- Sask./Manitoba (11%, -4)
- Quebec (9%, +1)

Current Ability to Absorb Interest Rate Increase

Historically, Canadians have been relatively positive about their ability to absorb an interest rate increase. However, the potential of a rate becoming more possible, it has impacted Canadians perception on they financial capacity.

Net score when phrased as a **one percentage point increase** has dropped five points (to -1%), as a result of fewer saying they could absorb the increase (-3) and more saying they could not (+2). This is potentially problematic as these rises become a real possibility.

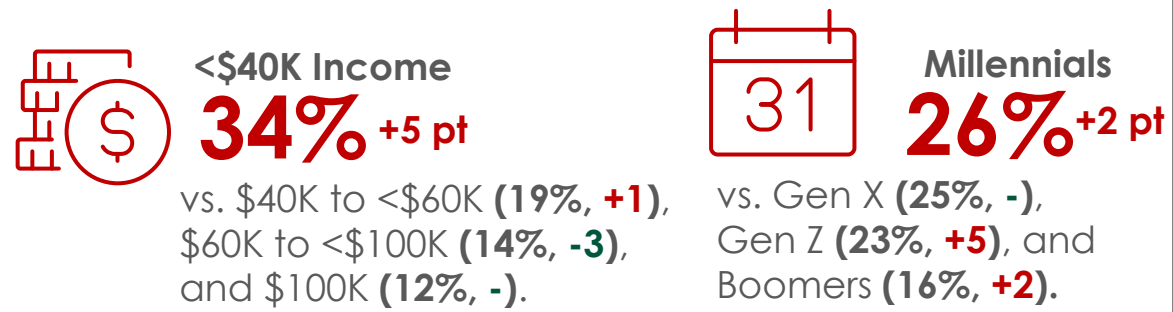
Net ability to absorb **an extra \$130 in interest payments** dips to -13% (-2). Similar say they could absorb the increase while more are saying they could not (+2).



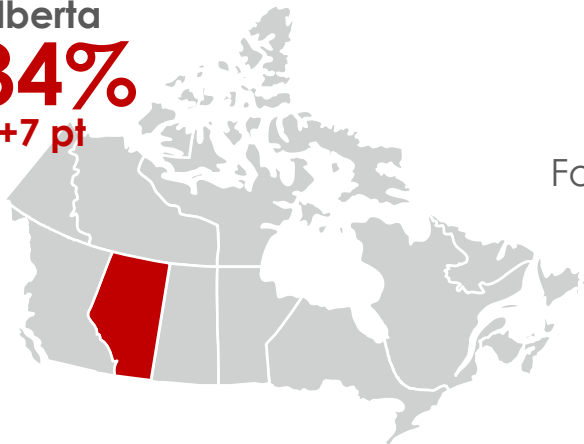
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?
Base: All Respondents (unweighted) n=2,000

Current Ability to Absorb Interest Increase: **Worse**

Your current ability to absorb an interest rate increase of 1 percentage point

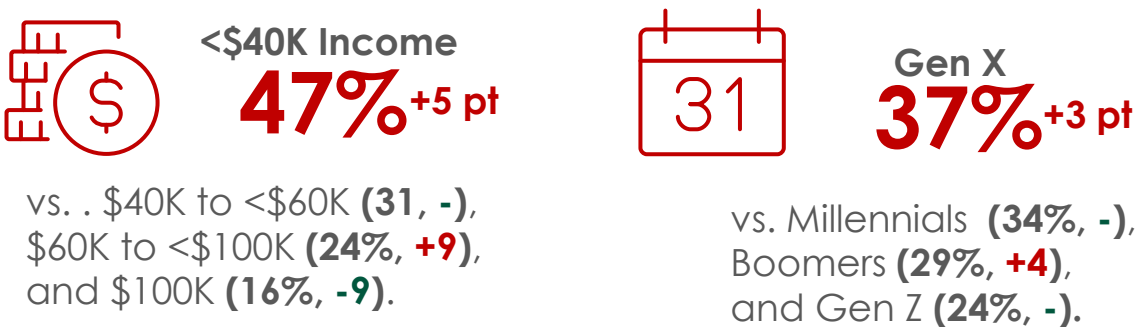


Alberta
34%
+7 pt

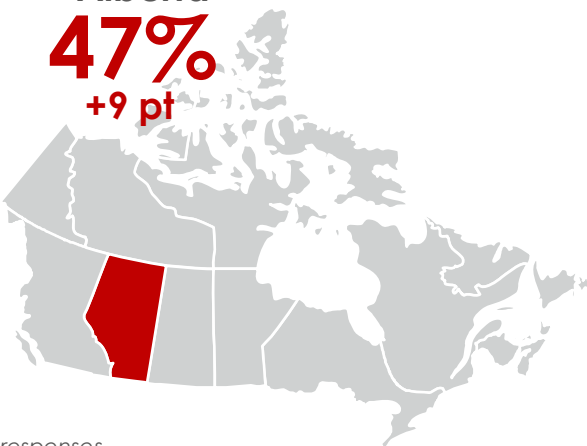


- Followed by residents of:
- Sask./Manitoba (29%, +7)
 - Ontario (22%, +4)
 - Atlantic Canada (20%, -4)
 - Quebec (18%, +3)
 - British Columbia (16%, -9)

Your current ability to absorb an additional \$130
in interest payments on debt



Alberta
47%
+9 pt

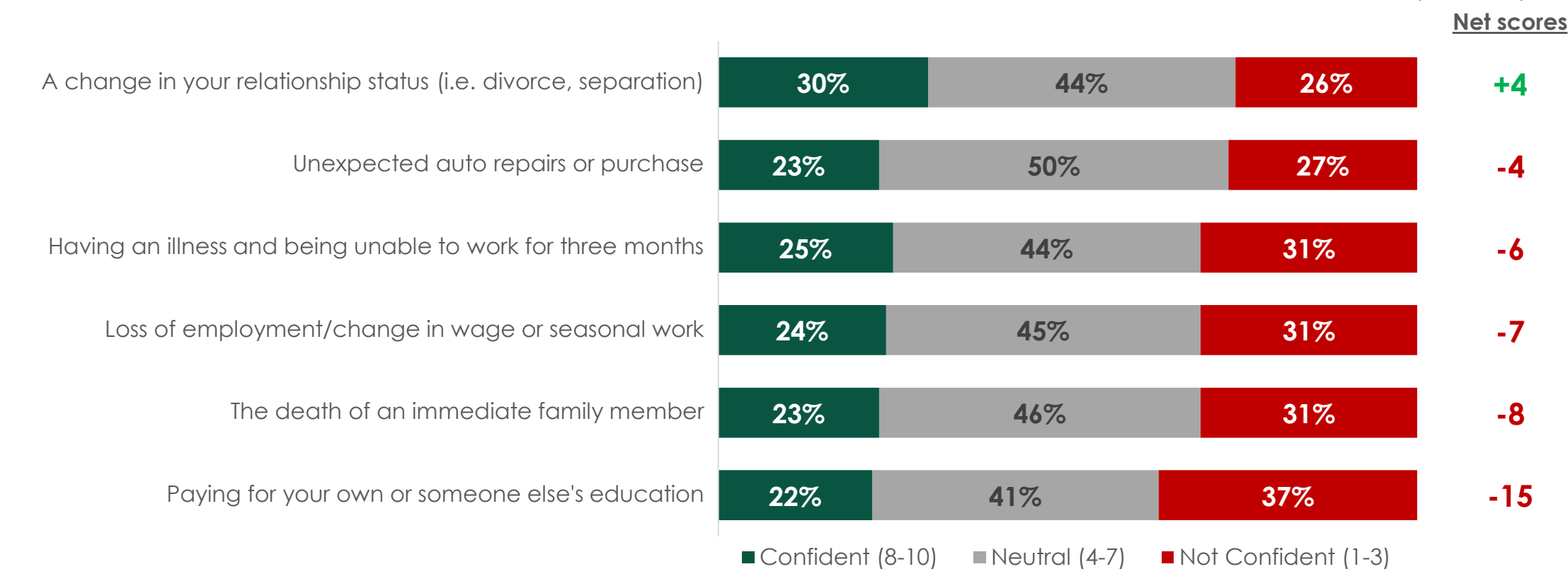


- Followed by residents of:
- Sask./Manitoba (40%, +5)
 - Atlantic Canada (34%, -5)
 - British Columbia (32%, -2)
 - Quebec (29%, +4)
 - Ontario (29%, +2)

Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...? Bottom three box responses.
Base: All Respondents (unweighted) n=2,000

Confidence in Ability to Cope

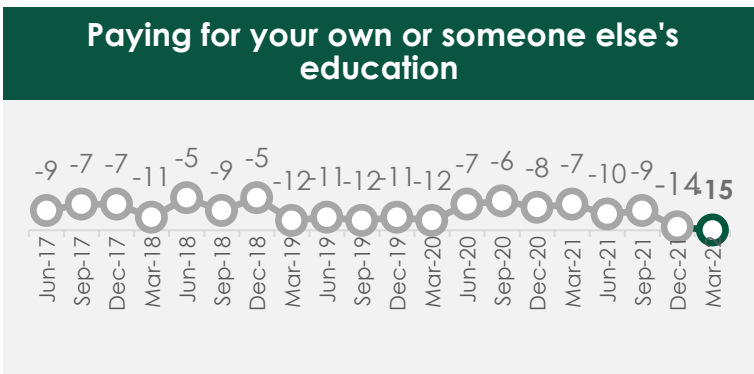
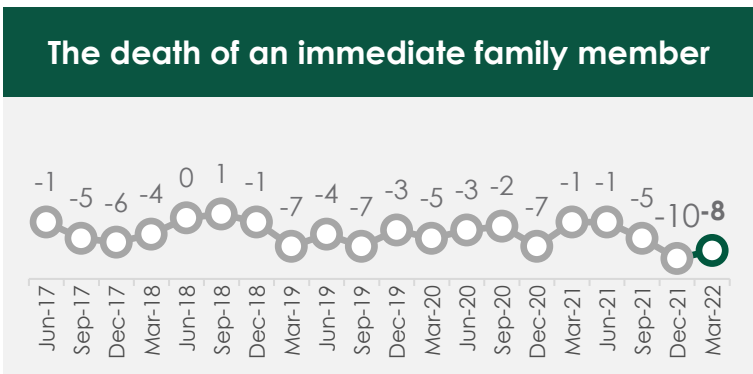
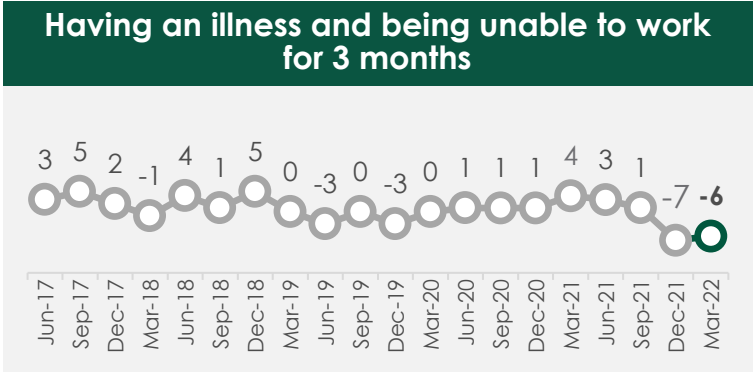
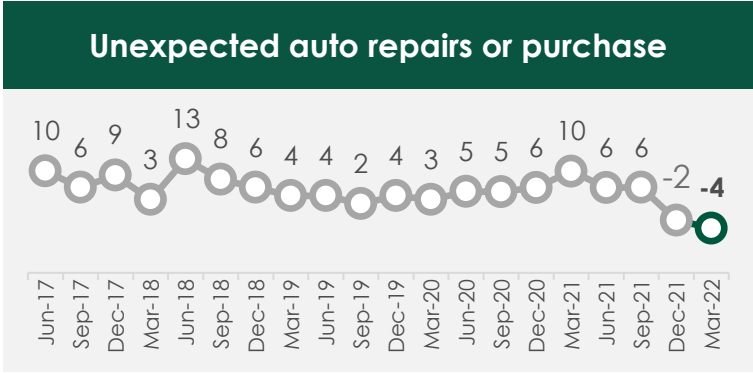
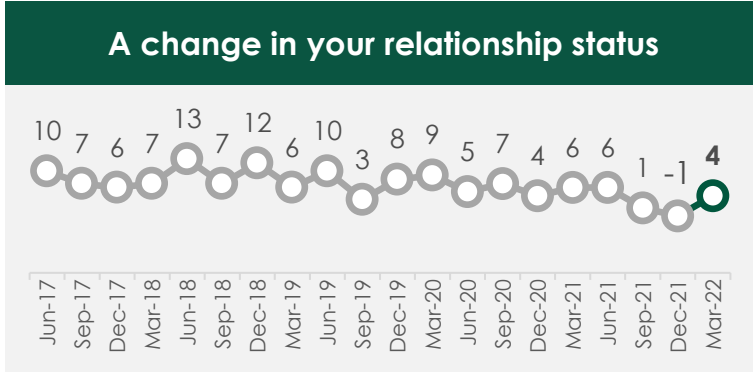
No more than three in ten (30%) are confident in their ability to cope with life-changing events without increasing their debt burden. Canadians are most confident in handling a change in their relationship status (30%, +3) and unexpected auto repairs (23%, -1). As for other life events, such as loss of employment, having an illness and being unable to work for three months or the death of an immediate family member, Canadians are slightly less confident in their ability to handle them without taking on more debt. Canadians are the least confident in their ability to pay for either their own or someone else's education (22%, +1).



Q4. On a scale of 1 to 10, where 1 is 'not at all confident' and 10 is 'extremely confident', how confident are you in your ability to cope with the following life changes without increasing your debt?
 Base: All Respondents (unweighted) n=2,000

Confidence in Ability to Cope – Net Scores

Net confidence scores on coping with life changes is relatively stable from December regarding unexpected auto repairs or purchase (-2), having an illness and being unable to work for three months (-1), paying for one's own or someone else's education (-1), and the death of an immediate family member (-2). Most notable changes are particularly associated with a change in relationship status (+5) or loss of employment (-3).



Q4. On a scale of 1 to 10, where 1 is 'not at all confident' and 10 is 'extremely confident', how confident are you in your ability to cope with the following life changes without increasing your debt?
Base: All Respondents (unweighted) n=2,000

Not Confident in Ability to Cope

A change in your relationship status



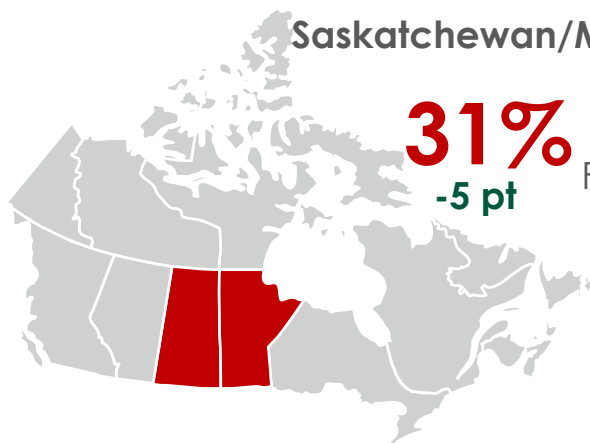
<\$40K Income
31% +2 pt

Vs. \$100K+ (**25%**, +1),
\$40K to <\$60K (**23%**, -2), and
\$60K to <\$100K (**22%**, -9)



Millennials
41% +7 pt

vs. Gen Z (**37%**, +11),
Gen X (**35%**, +6), and
Baby Boomers (**18%**, -4).



Saskatchewan/Manitoba

31%
-5 pt

Followed by residents of:

- Atlantic Canada (**31%**, -1)
- Alberta (**30%**, +1)
- British Columbia (**29%**, -5)
- Ontario (**25%**, -4)
- Quebec (**23%**, +4)

Unexpected auto repairs or purchase



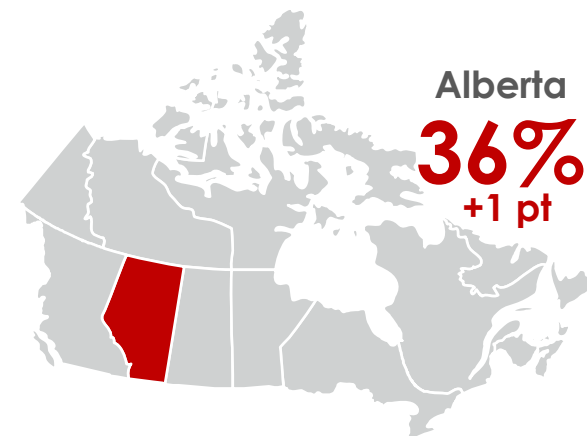
<\$40K Income
44% +9 pt

vs. \$40K to <\$60K (**23%**, -),
\$60K to <\$100K (**17%**, -7)
and \$100K+ (**13%**, -1).



Millennials
35% +6 pt

vs. Gen Z (**32%**, +2),
Gen X (**29%**, -1), and
Baby Boomers (**19%**, -).



Alberta

36%
+1 pt

Followed by residents of:

- Atlantic Canada (**31%**, +1)
- Ontario (**28%**, +3)
- Sask./Manitoba (**26%**, -8)
- British Columbia (**25%**, -3)
- Quebec (**23%**, +5)

Q4. On a scale of 1 to 10, where 1 is 'not at all confident' and 10 is 'extremely confident', how confident are you in your ability to cope with the following life changes without increasing your debt? Bottom three box responses.
Base: All Respondents (unweighted) n=2,000

Not Confident in Ability to Cope

Having an illness and being unable to work for 3 months



Millennials

40% -2 pt

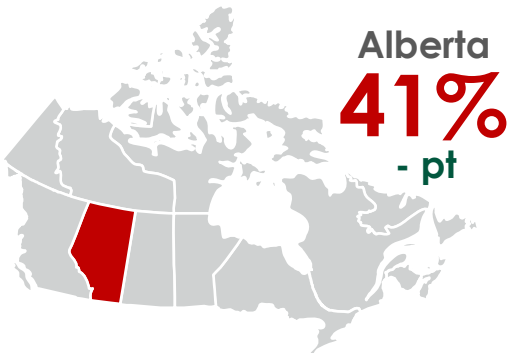
vs. Gen Z (**37%**, -2),
Gen X (**36%**, +3), and
Baby Boomers (**19%**, -2).



<\$40K Income

43% +6 pt

vs. \$40K to <\$60K (**27%**, -8),
\$60K to <\$100K (**23%**, -10),
and \$100K+ (**20%**, -3).



Followed by residents of:

- Atlantic Canada (**36%**, -4)
- Sask./Manitoba (**35%**, -4)
- British Columbia (**30%**, -1)
- Ontario (**30%**, -1)
- Quebec (**26%**, +1)

The death of an immediate family member



Gen Z

43% +1 pt

vs. Millennials (**39%**, +1),
Gen X (**31%**, -2), and
Baby Boomers (**22%**, -3).

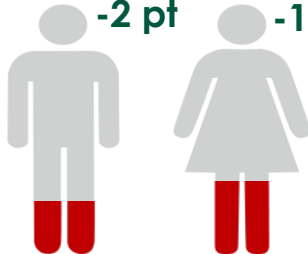
<\$40K Income

40% - pt

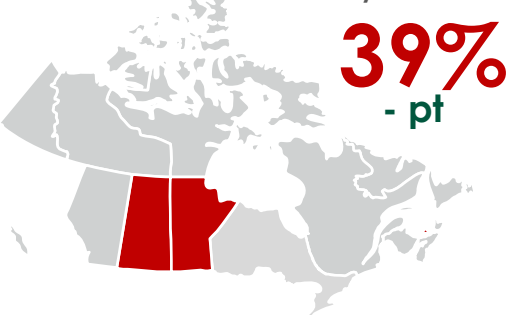


vs. \$40K to <\$60K (**32%**, +3),
\$60K to <\$100K (**23%**, -7),
and \$100K+ (**23%**, -1).

26% -2 pt **35%** -1 pt



Saskatchewan/Manitoba



Followed by residents of:

- Alberta (**37%**, -2)
- Ontario (**33%**, -)
- British Columbia (**31%**, -8)
- Atlantic Canada (**30%**, -9)
- Quebec (**22%**, -1)

Q4. On a scale of 1 to 10, where 1 is 'not at all confident' and 10 is 'extremely confident', how confident are you in your ability to cope with the following life changes without increasing your debt? Bottom three box responses.
Base: All Respondents (unweighted) n=2,000

Not Confident in Ability to Cope

Loss of employment/change in wage or seasonal work



Millennial

41% -2 pt

vs. Gen Z (**37%**, +3),
Gen X (**35%**, -3), and
Baby Boomers (**18%**, -2).



<\$40K Income

41% +3 pt

vs. \$60K to <\$100K (**28%**, -6)
\$40K to <\$60K (**26%**, -4),
and \$100K+ (**21%**, -8).

Alberta

42%
+2 pt

Followed by residents of:

- Atlantic Canada (**35%**, -6)
- Saskatchewan/Manitoba (**34%**, +1)
- Ontario (**31%**, -1)
- British Columbia (**29%**, -4)
- Quebec (**24%**, -2)

Q4. On a scale of 1 to 10, where 1 is 'not at all confident' and 10 is 'extremely confident', how confident are you in your ability to cope with the following life changes without increasing your debt? Bottom three box responses.
Base: All Respondents (unweighted) n=2,000

Paying for your own or someone else's education



Gen X

40% +2 pt

vs. Gen Z (**39%**, +2),
Millennial (**39%**, -), and
Baby Boomers (**31%**, +3).



<\$40K Income

51% +9 pt

vs. \$40K to <\$60K (**36%**, +3),
\$60K to <\$100K (**28%**, -7),
and \$100K+ (**20%**, -2).

Saskatchewan/Manitoba

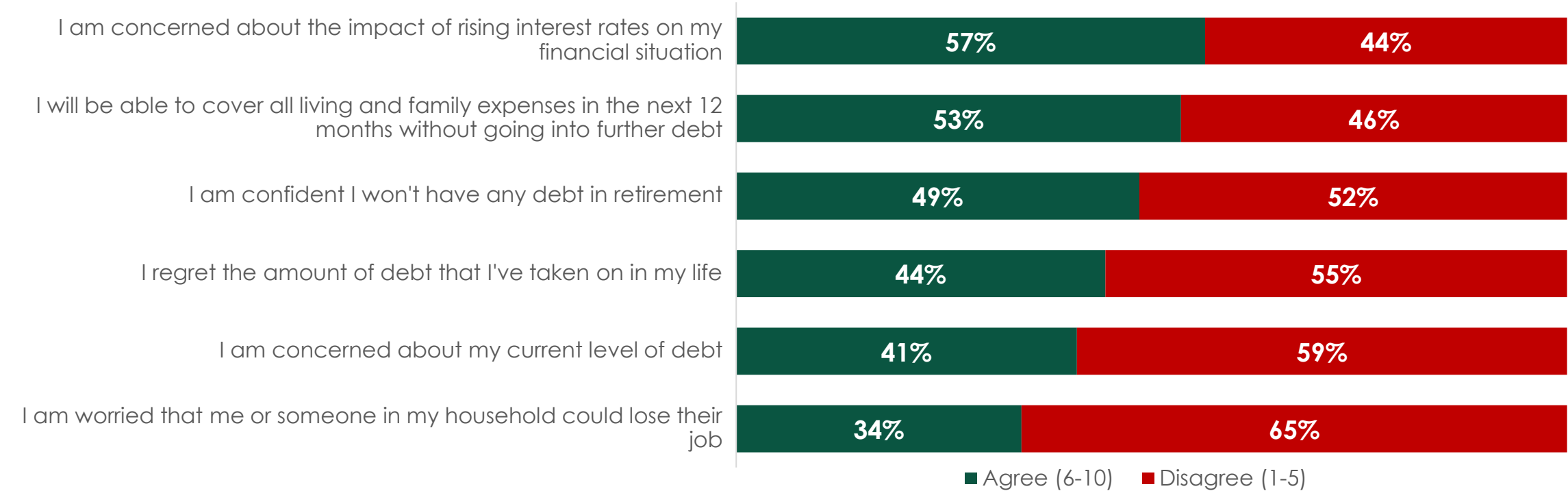
47%
+10 pt

Followed by residents of:

- Alberta (**46%**, +1)
- Atlantic Canada (**41%**, -3)
- Ontario (**37%**, +3)
- British Columbia (**34%**, -10)
- Quebec (**28%**, +6)

Evaluating Personal Finances

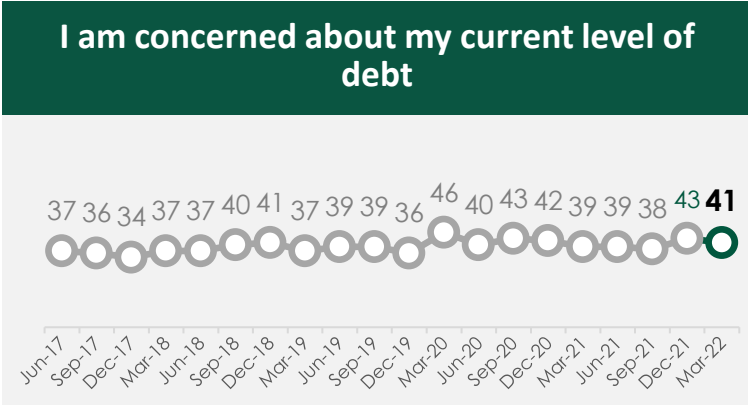
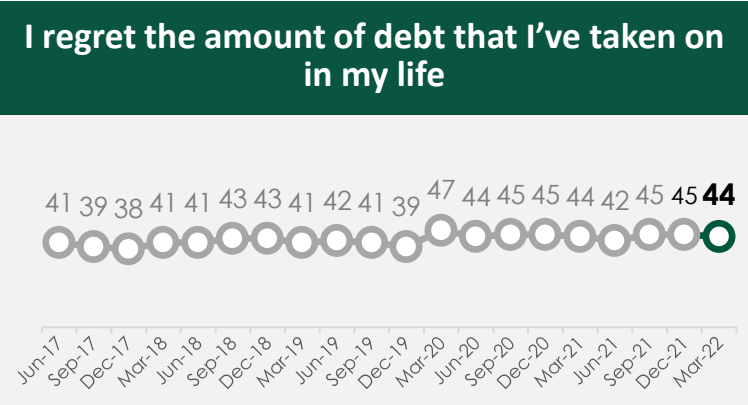
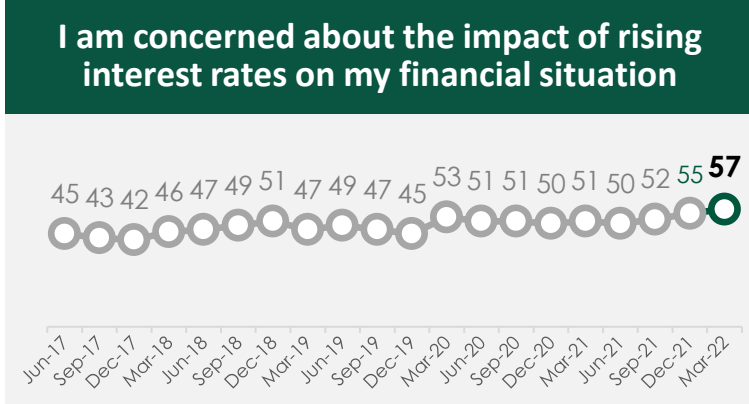
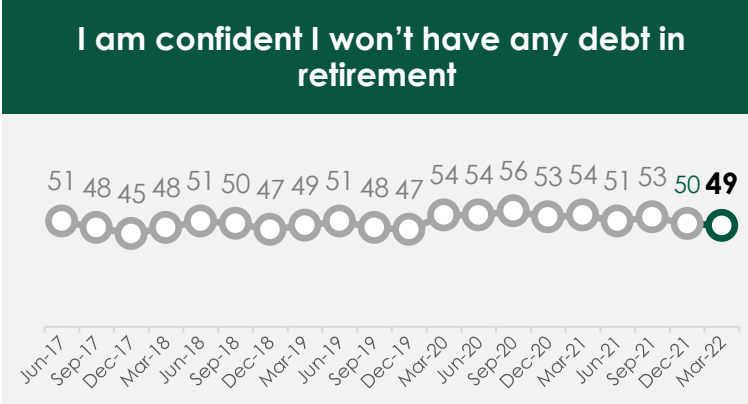
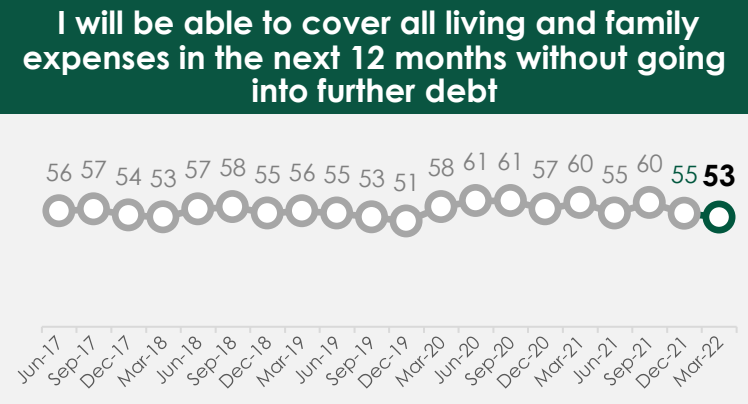
Over half of Canadians say they are concerned about the impact of rising interest rates on their financial situation (57%, +2) and their ability to cover all living/family expenses in the next year without going further into debt (53%, -2). Approximately half (49%) say they are confident they won't have any debt in retirement (49%, -1). The proportion of Canadians who say they regret the amount of debt they've taken on in life remains stable – but over four in ten still say they regret it (44%, -1).



Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,000

Evaluating Personal Finances – Agree (6-10)

Compared to the December wave, Canadian households' financial concerns are consistent. Fewer are confident they can comfortably cover their living expenses in the next year (-2) and concerned about their current level of debt (-2). Conversely, more say they are they are concerned about the impact of rising interest rates on their financial situation (+2).



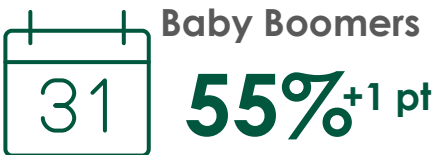
Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
 Base: All Respondents (unweighted) n=2,000

Evaluating Personal Finances – Agree (6-10)

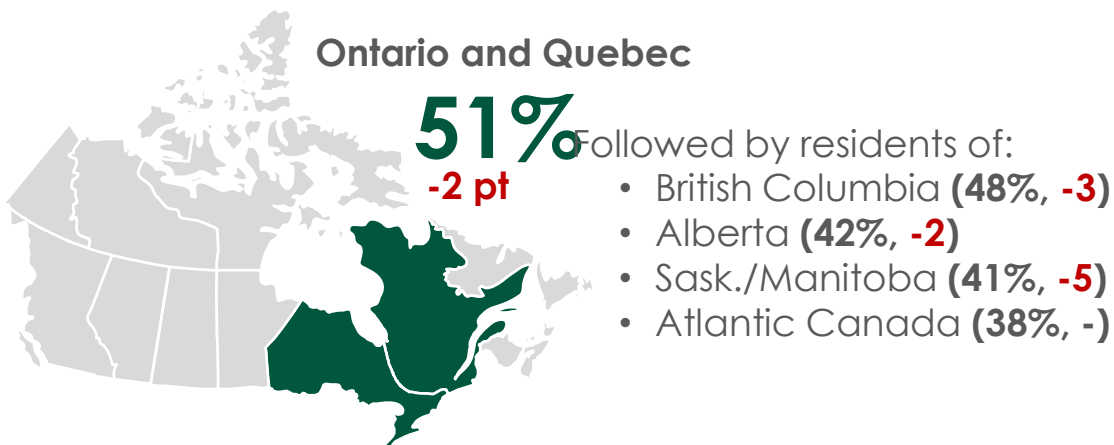
I am confident I won't have any debt in retirement



vs. \$60K to <\$100K (**55%, +1**),
\$40K<\$60K (**46%, -7**), and
<\$40K (**40%, +1**).



vs. Gen Z (**51%, -5**),
Gen X (**44%, -3**), and
Millennials (**42%, -6**).



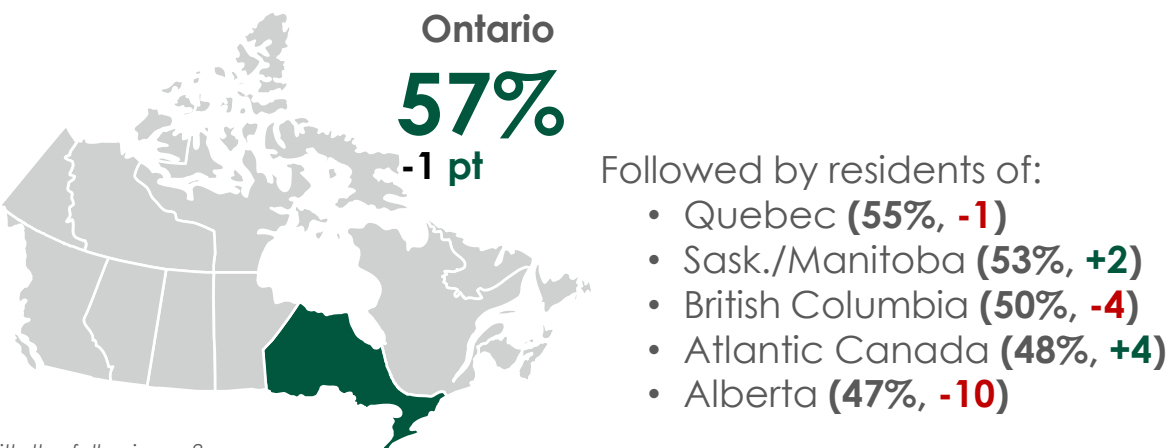
I will be able to cover all living and family expenses in the next 12 months without going into further debt



Boomers
70%^{-1 pt} Vs. Millennials (**49%, +4**),
Gen X (**47%, -3**), and
Gen Z (**38%, -8**).



\$100K+ Income
68%
-4 pt vs. \$60K to <\$100K (**60%, -**),
\$40K to <\$60K (**57%, -**), and
<\$40K (**42%**).



Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,000

Evaluating Personal Finances – Agree (6-10)

I am concerned about the impact of rising interest rates on my financial situation



Millennials
65%
+11 pt

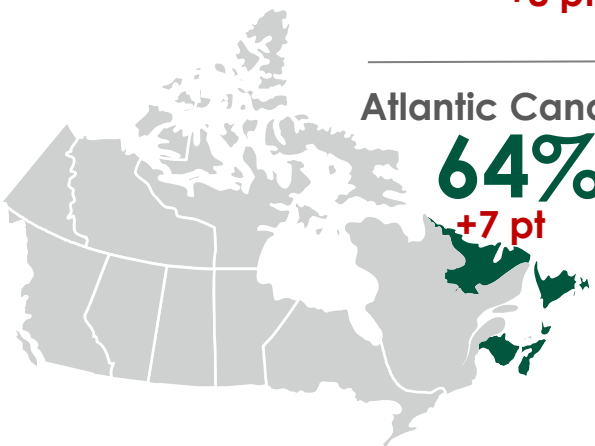
vs. Gen X (63%, +1),
Gen Z (55%, -4), and
Baby Boomers (48%, -1).



\$100K+ \$Income

61%
+8 pt

Vs. \$40K to <\$60K (59%, +4),
\$40K+ (56%, -), and
60K to <\$100K (55%, -1).



Atlantic Canada

64%
+7 pt

Followed by residents of:

- Alberta (61%, +1)
- Sask./Manitoba (58%, +3)
- Ontario (56%, +3)
- Quebec (55%, +11)
- British Columbia (53%, -8)

I regret the amount of debt that I've taken on in my life



Gen X
52%
-1 pt

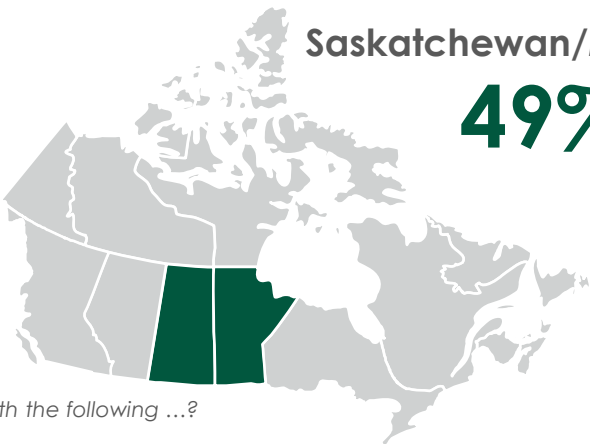
vs. Millennials (50%, -2),
Gen Z (49%, +5) and
Baby Boomers (34%, -1).



<\$40K Income

51%
-2 pt

vs. \$40K to <\$60K (43%, -3),
\$60K to <\$100K (41%, -1), and
\$100K+ (41%, +1).



Saskatchewan/Manitoba

49%
-3 pt

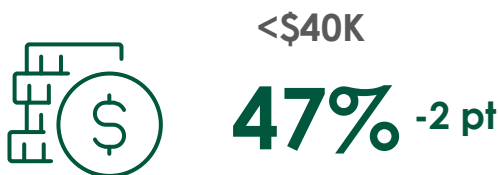
Followed by residents of:

- Alberta (47%, -3)
- Atlantic Canada (46%, -2)
- Ontario (45%, +1)
- Quebec (43%, -2)
- British Columbia (40%, -7)

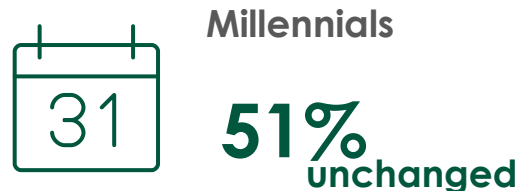
Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,000

Evaluating Personal Finances – Agree (6-10)

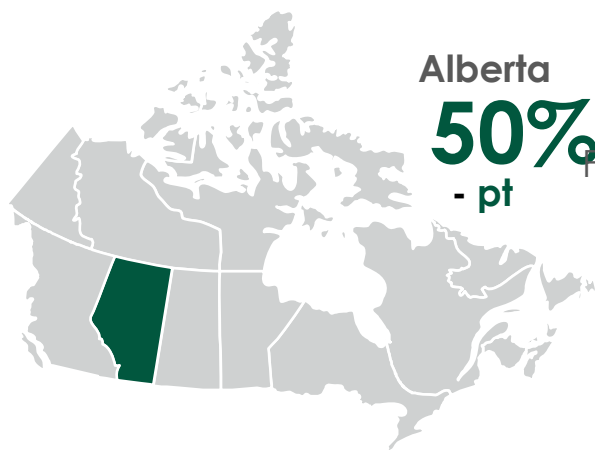
I am concerned about my current level of debt



vs. \$100k+ (**42%**, **+4**),
\$40K to <\$60K (**41%**, **-2**), and
\$60K to <\$100K (**35%**, **-7**).

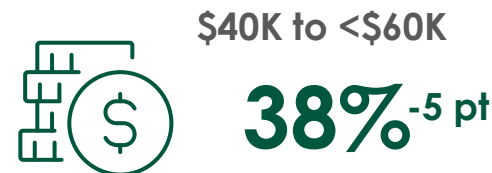


vs. Gen X (**50%**, **-1**),
Gen Z (**39%**, **-6**), and
Baby Boomers (**28%**, **-2**).



- Followed by residents of:
- Atlantic Canada (**47%**, **-1**)
 - Sask./Manitoba (**44%**, **-**)
 - British Columbia (**36%**, **-6**)
 - Ontario (**41%**, **-**)
 - Quebec (**38%**, **-**)

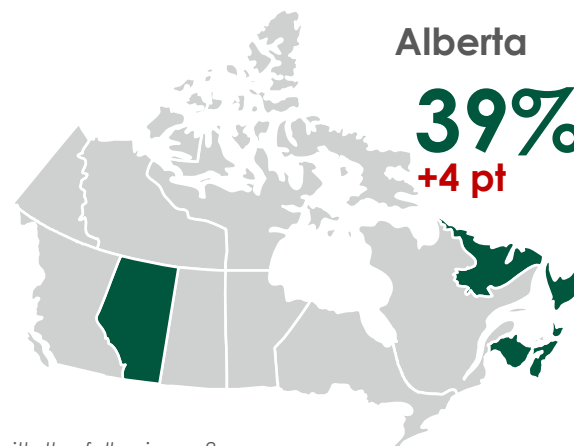
I am worried that me or someone in my household could lose their job



Vs. \$100k+ (**35%**, **-3**),
<\$40K (**33%**, **-16**), and
\$60K to <\$100K (**33%**, **-9**).



vs. Gen X (**41%**, **-1**),
Gen Z (**39%**, **-8**), and
Baby Boomers (**21%**, **-4**).



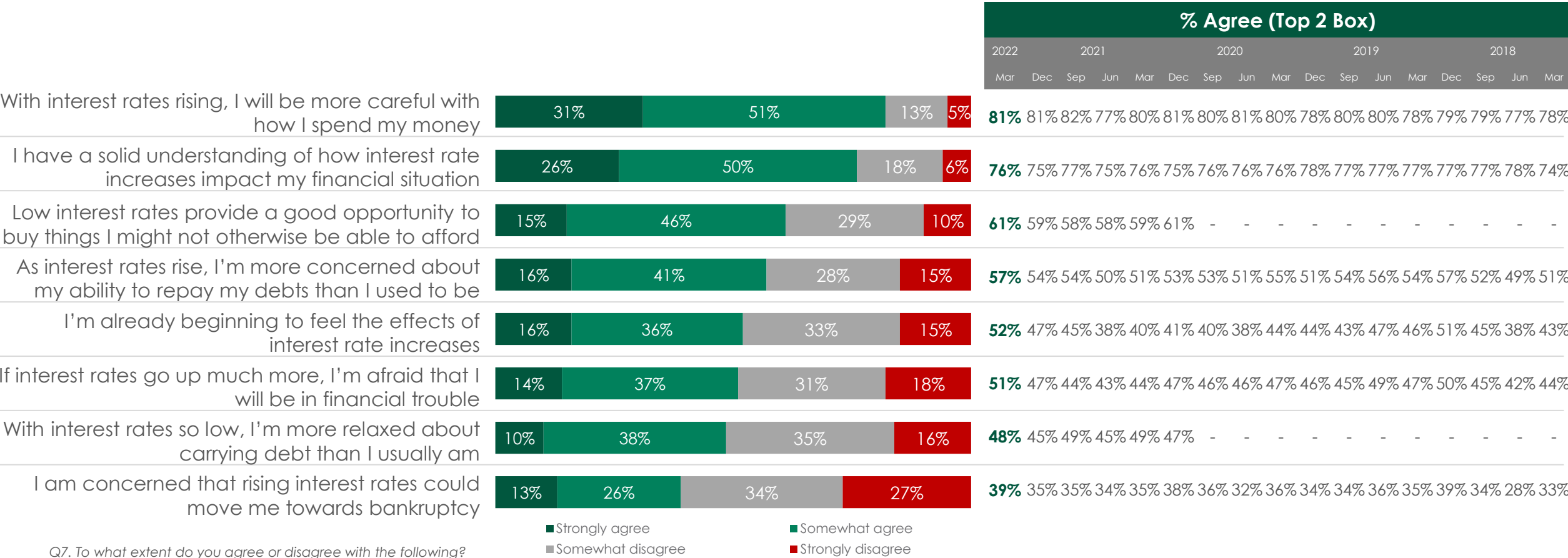
- Followed by residents of:
- Atlantic Canada (**39%**, **+8**)
 - British Columbia (**36%**, **+2**)
 - Quebec (**34%**, **-2**)
 - Ontario (**34%**, **-**)
 - Saskatchewan/Manitoba (**33%**, **-4**)

Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,000

INTEREST RATES

Attitudes Towards Interest Rates

Half (48%) of Canadians say that they are more relaxed about carrying debt than they usually are, representing a three-point increase from December. In addition, over half (57%, +4) say that if interest rates go up much more, they worry that they will be in financial trouble. A slightly smaller (yet still significant) proportion say they are already beginning to feel the effects of interest rate increases (52%, +5).



Q7. To what extent do you agree or disagree with the following?
 Base: All Respondents (unweighted) n=2,000



Attitudes Towards Interest Rates

Men, younger Canadians, as well as those living in Quebec, are more likely to say that with interest rates being so low, they are more relaxed about carrying debt than they usually are. Conversely, younger Canadians and those with household incomes less than \$40K are also more likely to say they will be in financial trouble if interest rates go up and that they could be driven to bankruptcy.

% Agree (Top 2 Box)																
	Top 2 Box	Gender		Age			Region						Household Income			
		Male A	Female B	18-34 C	35-54 D	55+ E	BC A	AB B	SK/MB C	ON D	QC E	ATL F	<\$40K G	\$40K to <\$60K H	\$60K to <\$100K I	\$100K+ J
With interest rates rising, I will be more careful with how I spend my money	81%	78%	85% ^A	78%	86% ^{CE}	80%	81%	80%	82%	80%	83%	87%	83%	83%	80%	80%
I have a solid understanding of how interest rate increases impact my financial situation	76%	77%	75%	69%	76% ^C	81% ^{CD}	76%	78%	76%	75%	80% ^{DF}	70%	71%	76%	78% ^G	83% ^G
Low interest rates provide a good opportunity to buy things I might not otherwise be able to afford	61%	62%	59%	63% ^E	62% ^E	58%	64%	58%	59%	60%	60%	67%	60%	55%	66% ^H	60%
As interest rates rise, I'm more concerned about my ability to repay my debts than I used to be	57%	53%	61% ^A	66% ^E	66% ^E	43%	60%	66% ^{DE}	58%	54%	53%	68% ^{DE}	65% ^{HIJ}	51%	55%	49%
I'm already beginning to feel the effects of interest rate increases	52%	48%	56% ^A	61% ^E	60% ^E	39%	53% ^E	58% ^E	56% ^E	53% ^E	45%	57% ^E	61% ^{HIJ}	46%	46%	45%
If interest rates go up much more, I'm afraid that I will be in financial trouble	51%	46%	56% ^A	64% ^{DE}	60% ^E	35%	52%	58% ^E	48%	52% ^E	46%	56% ^E	66% ^{HIJ}	46%	41%	40%
With interest rates so low, I'm more relaxed about carrying debt than I usually am	48%	51% ^B	46%	55% ^{DE}	49% ^E	43%	45%	39%	44%	46%	60% ^{ABCDF}	49%	49%	48%	49%	52%
I am concerned that rising interest rates could move me towards bankruptcy	39%	36%	41% ^A	54% ^{DE}	44% ^E	24%	35%	50% ^{ACDE}	37%	39%	35%	43%	52% ^{HIJ}	36%	30%	29%

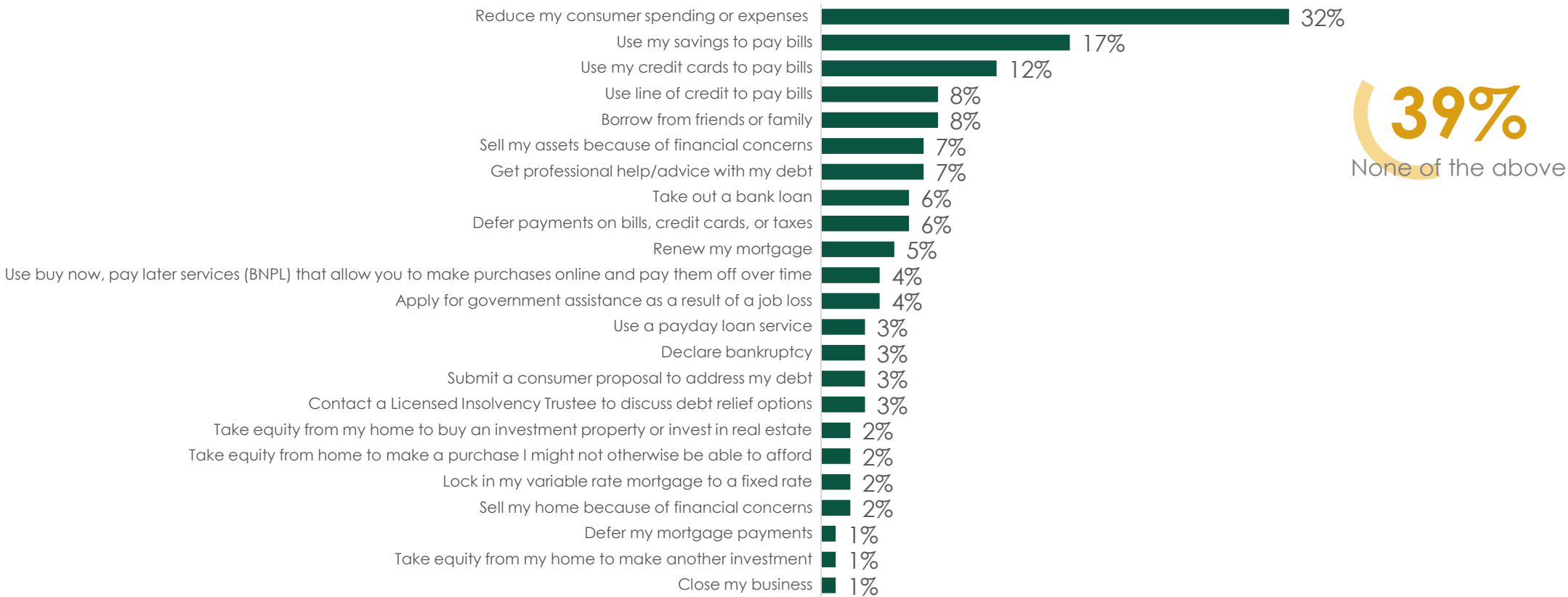
Q7. To what extent do you agree or disagree with the following?
Base: All Respondents (unweighted) n=2,000

Statements new to this wave are highlighted in **green**.

ADDRESSING FINANCIAL CONCERNS

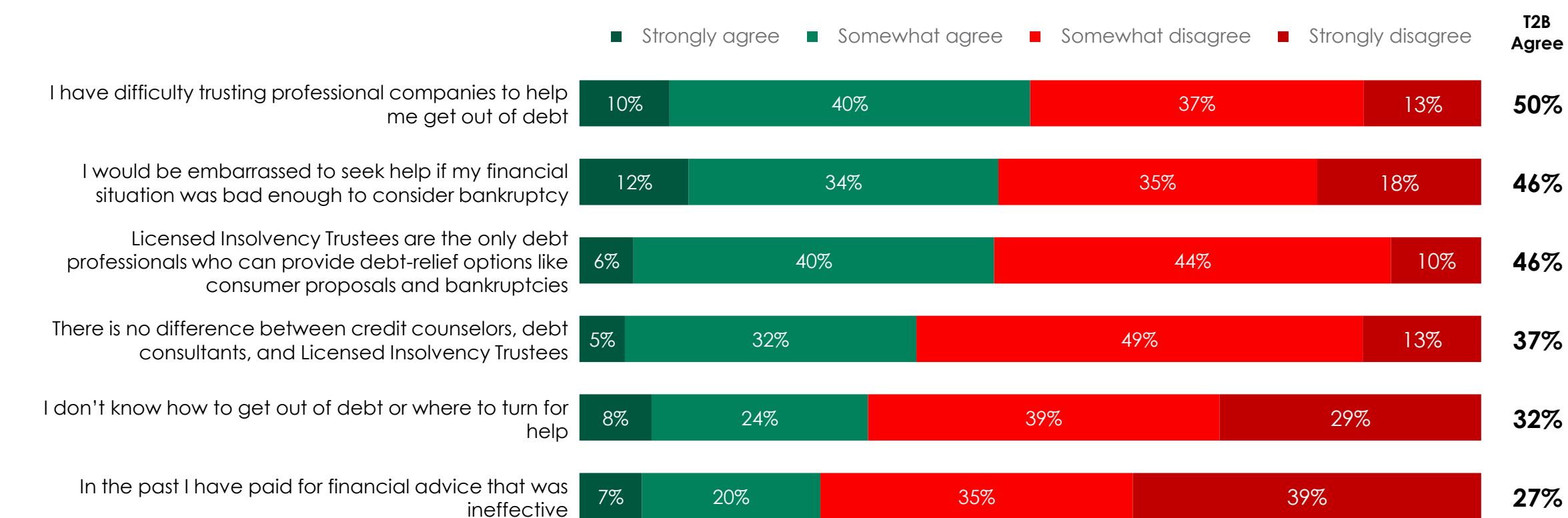
Making Ends Meet

With times being tough over the past year when it comes to household finances, one-third (32%) say they plan on reducing their consumer expenses in order to make ends meet. Nearly 2 in 10 say they will use their savings to pay their bills (17%) and just over 1 in 10 say they will use their credit card to pay their bills (12%). Fewer than 1 in 10 respondents say they will do some other action, such as deferring payments on bills or sell their assets due to financial concerns. Among those who are more likely to reducing their consumer spending and expenses, women (34%), those aged 35 to 54 (35%), and Gen X (37%) are most likely to experience this compared to other groups. Although nearly 4 in 10 (39%) have said that they will not do any of these actions in the next year, this may decrease as more households feel the pinch in the coming year.



Assistance with Managing Debt

Canadians are split among those having difficulty trusting professional companies to help them get out of debt (50% strongly/somewhat agree, 50% strong/somewhat disagree). Amongst regions, Quebecers (40% are less likely to agree with having difficulty trusting professional companies with their debt. Approximately 3 in 10 Canadians don't know how to get out of debt or where to turn for help (32%) or have paid for ineffective financial advice (27%).



NEW_WAVE20_2. To what extent do you agree or disagree with the following statements?
 Base: All Respondents (unweighted) n=2,000

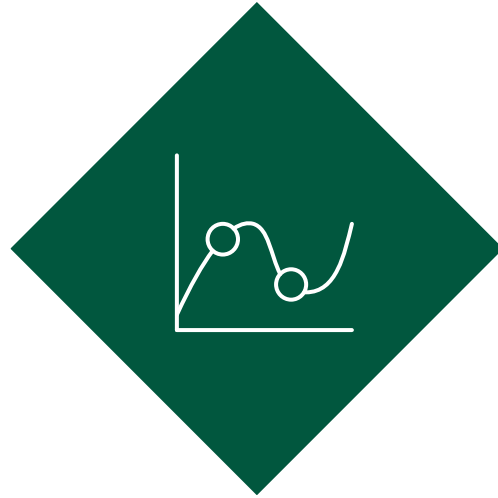


MEDIA ANGLES



MNP Debt Index Remains in Record Lows Amid Concerns of Inflation

Economic strain from the pandemic continues to impact Canadians to continue marking the lowest reading on record.



Canadians Concern on Impact from Interest Rate Hike

Canadians' financial situation are less likely to be able to absorb a interest hike.



Rising Cost of Living, Affordability Crisis increases Financial Burden

Gen Z (38%) and those with less than \$40K household income (42%) are less likely to agree they would be able to cover all living and family expenses without going further into debt



Difficulties Seeking Assistance With Reducing Debt

Half of Canadians have difficulties trusting companies assisting with managing their debt or are embarrassed to seek financial advice.

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You act better when you are sure.