

# MNP DEBT INDEX

Wave 23

December 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 **Dec 1-6, 2022**.
- 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  $\pm 2.5$  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 taken a significant plunge to 77 points, the lowest score recorded throughout the five years. Canadians are feeling much less confident about their personal finances due to rapidly rising interest rates and persistent inflation. Overall, Canadians are fearing the impact of interest rate increases on their personal finances and are concerned about the affordability of essential items.

## Risk of Insolvency is Steady, but More Leftover Funds

Canadians are feeling significantly more pessimistic about their finances since the previous wave. Less than half (45%) say they are \$200 or less away from financial insolvency, down 1 percentage point. However, those with more than \$1000 at month-end has increased by 8 percentage points from September to 22%, underscoring the impacts of the k-shaped recovery – more doing well, more doing less well.

After all bills and essential expenses are settled, on average, Canadians are left with \$851 at month-end, the highest recorded average since June 2017. Average finances leftover are higher among males and younger Canadians. Many Canadians are cutting back on their discretionary spending and creating a cushion.

## Personal Debt Rating Takes a Heavy Hit

Canadians' net personal debt rating (positive subtract negative) has decreased significantly to 10 points, a nineteen-point increase from last quarter. The significant shift is a result of fewer Canadians rating their personal debt situation as 'excellent' (31%, -12) and more rating it as 'terrible' (21%, +7).

British Columbians and Ontarians saw the greatest decrease amongst the regions in rating their personal debt as 'excellent'. Boomers has also seen a significant decrease in the proportion to rate favourably regarding their personal debt.

## Expected Debt Situation More Pessimistic

Canadians' perceptions of their expected debt situation one year in the future has declined to lowest recorded net score.

Looking to one year from now, 3 in 10 Canadians expect their debt situation to improve (28%, -2) but an increasing proportion believe it will worsen (17%, +6). Five years into the future, many believe that their debt situation will worsen (14%), a four-point increase from September.

# Executive Summary

## Interest Rates Squeezing Canadians

With interest rates rising fast, Canadians are feeling significantly worse about their ability to absorb interest rate increases. Net score when phrased as a one percentage point increase has decreased by 14 percentage points to -6%. When phrased as an extra \$130 in interest payments, net score also decreased by 14 percentage points to -20%.

As interest rates continue to rise, more Canadians are feeling the effects (68%, +11), while three in five are concerned if rates go higher, they will be in financial trouble (59%, +9).

## Economic Challenges Necessitating 'Bad Habits'

Compared to December 2021, more Canadians are engaging in financial 'bad habits', likely because they have no other choice to make ends meet. Fewer say they have not engaged in any bad habits last year (39%), down eleven points from December 2021.

More say they have paid only the minimum balance on their credit card (26%, +5), borrowed money they can't afford to pay back quickly (18%, +7), paid minimum balance on their line of credit (17%, +6). 1 in 10 were lured in by deals or offers by companies such as Boxing Day, made a major purchase on credit without paying it off right away, spent money to 'keep up with the Joneses', or bought something on credit that requires no payments for a while.

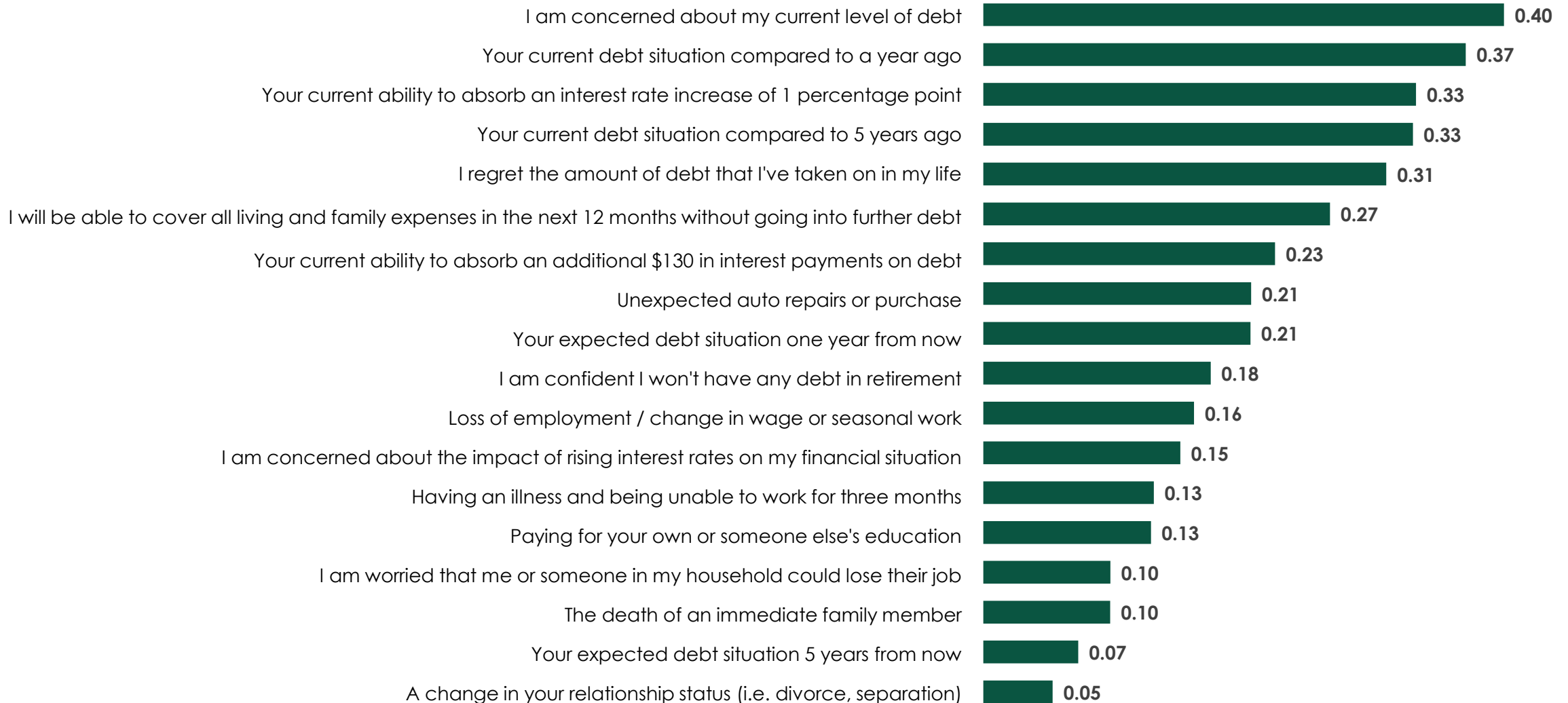
## Necessities Continue to Become Less Affordable

Canadians are feeling the pressures of the rising costs of living which is evident in net affordability for housing and savings continued to fall even lower. Overall affordability in all areas such as clothing, transportation, and food have not seen any improvement.

One-third of Canadians say they plan on reducing their consumer expenses in order to make ends meet (36%, +4) and 2 in 10 say they will use their savings to pay their bills (21%, +3). Most Canadians agree that with interest rates rising, they will be more careful with how they spend their money (87%, +3), which is likely why we're seeing the amount of money left over at the end of the month increase overall. But aggregate increases mask the fact that roughly 3 in 10 Canadians say they're really struggling right now.

# THE DEBT INDEX

# Debt-Index Inputs

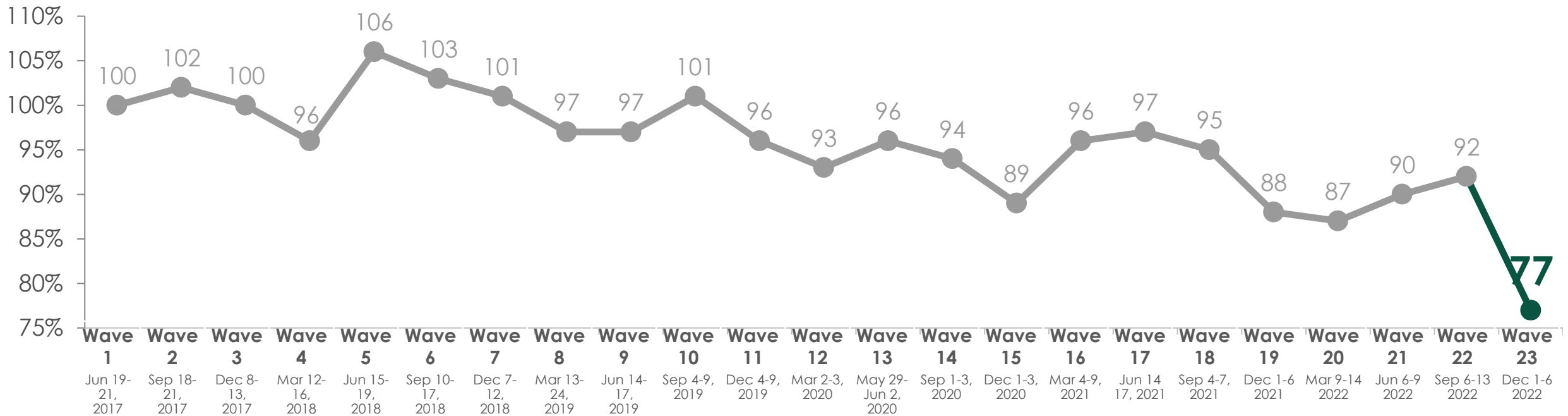


# Debt-Index Inputs (Tracking)

Question	Measure	Score	% (Top/Bottom 3 Box)																								Δ vs. Sep 2022
			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	Jun 2022	Sep 2022	Dec 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%	35%	37%	30%	-7	
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%	22%	23%	21%	-2	
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%	22%	25%	20%	-5	
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%	31%	31%	28%	-3	
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%	34%	35%	26%	-9	
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%	36%	37%	30%	-7	
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%	19%	21%	16%	-5	
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%	27%	26%	22%	-4	
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%	30%	30%	28%	-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%	32%	34%	29%	-5	
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%	26%	27%	21%	-6	
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%	21%	18%	16%	-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%	27%	27%	21%	-6	
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%	25%	24%	20%	-4	
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%	43%	43%	39%	-4	
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%	25%	26%	21%	-5	
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%	37%	40%	39%	-1	
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%	30%	30%	27%	-3	

# Debt-Index Tracking

The MNP Debt Index **has taken a significant plunge to 77 points, the lowest score recorded throughout the five years.** Canadians are feeling much less confident about their personal finances and managing their debt as the impacts of the continuing rise in cost of living and Bank of Canada interest rates catches up with Canadians. The index always drops in December (holiday spending, souring public mood, etc.) but this drop is unprecedented.



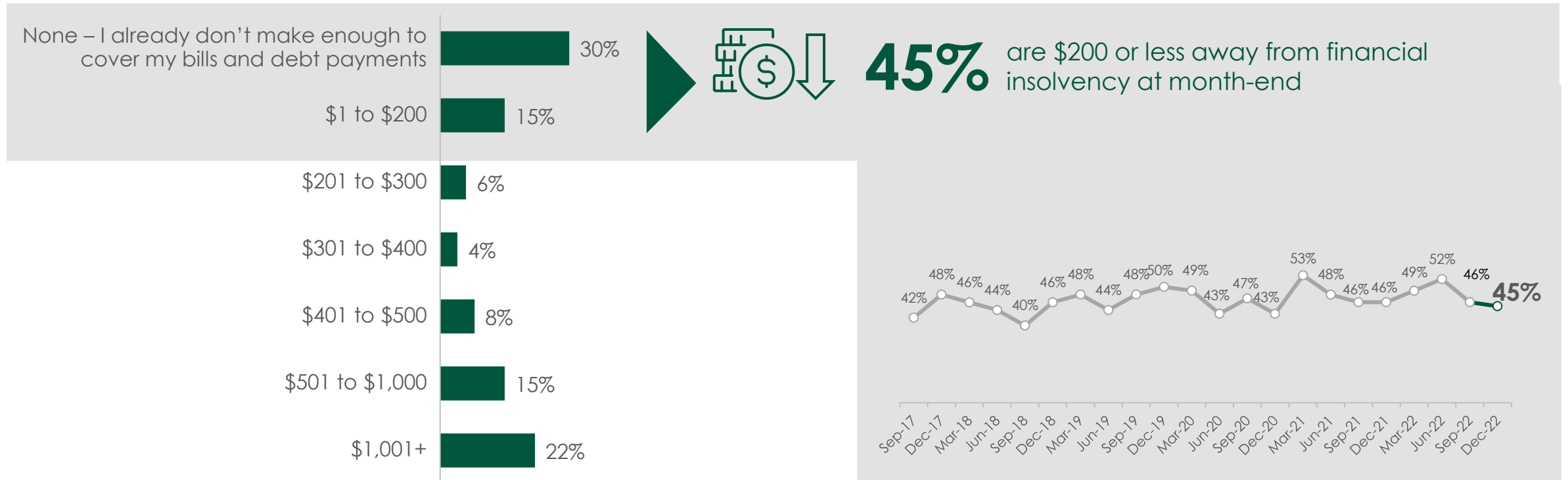
*Note on interpretation: A high debt index score means that Canadians feel positive towards their personal finances, as well as confident in their ability to cope with unexpected financial situations. A low index score describes the opposite – negative feelings and low confidence.*



# EVALUATING PERSONAL FINANCES

# Finances at Month-End

While Canadians are feeling much more pessimistic about their debt, the proportion of those who are **\$200 or less away from financial insolvency remains consistent**, down 1 percentage point from September. This proportion includes **30% who report already being insolvent** and are not able to cover their bills and debt payments (unchanged from September 2022). Notably, those with more than \$1000 at month-end has increased by 8 percentage points from September to 22%, underscoring the vast differences that the k-shaped recovery has wrought.



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 all bills and essential expenses are settled, on average, **Canadians are left with \$851 at month-end**, the highest recorded average since June 2017. As inflation continues to roar, Canadians may be more concerned with cutting back on what they consider essential and saving more money, leaving themselves with a larger cushion at month's end. Of course, not everyone can afford to do this.



## Average Finances Left at Month-End

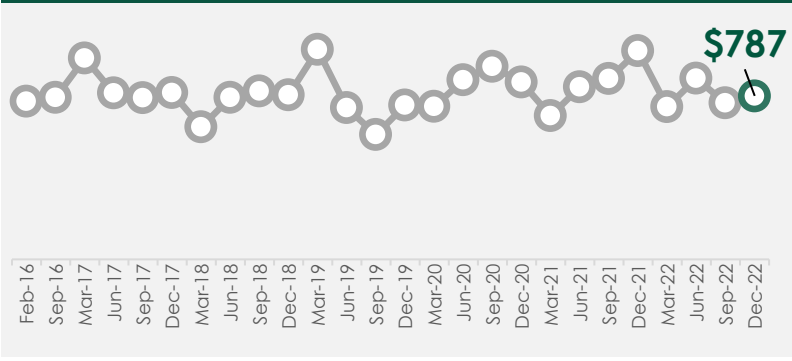
	Mean (incl. 0)	Gender		Age			Household Income			
		Male A	Female B	18-34 C	35-54 D	55+ E	<\$40K G	\$40K to <\$60K H	\$60K to <\$100K I	\$100K+ J
Current wave (Dec 2022)	\$851	\$1117 <b>B</b>	\$607	\$1096 <b>DE</b>	\$818	\$707	\$542	\$786 <b>G</b>	\$993 <b>G</b>	\$1625 <b>GHI</b>
Change since last wave (Sep 2022)	+\$197	+\$367	+\$41	+\$490	+\$226	-\$36	+\$183	+\$301	+\$239	+\$367

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)?

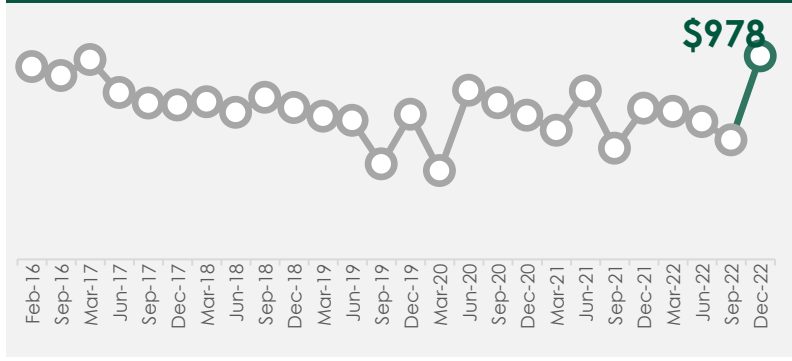
Base: All Respondents (unweighted) n=2,000

# Average Finances Left at Month-End (Regional View)

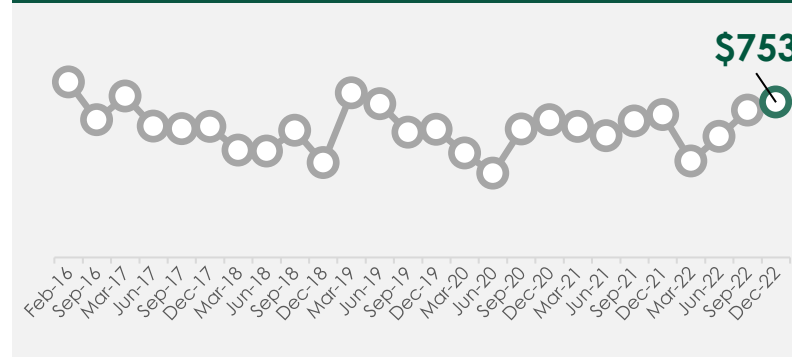
## British Columbia +\$34



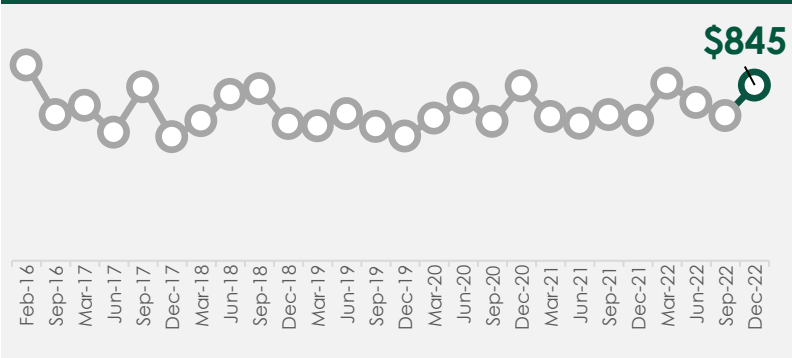
## Alberta +\$404



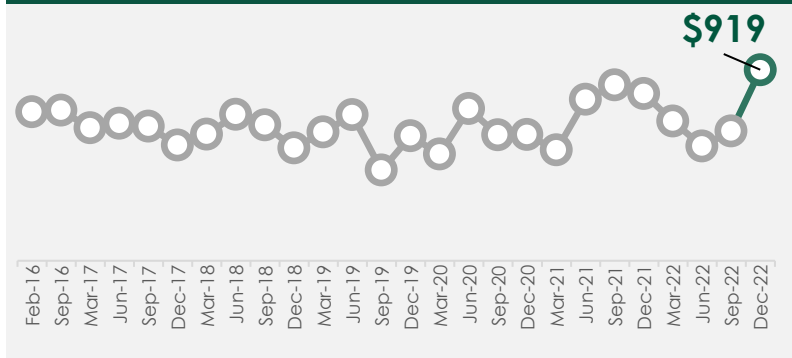
## Saskatchewan/Manitoba +\$40



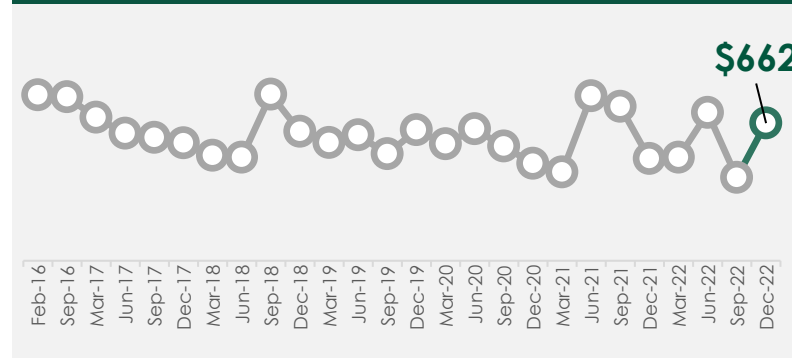
## Ontario +\$148



## Quebec +\$297



## Atlantic Canada +\$262



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, BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

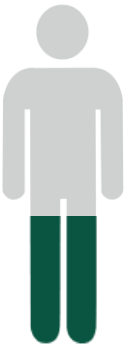


# Finances at Month-End – % \$200 or less from insolvency

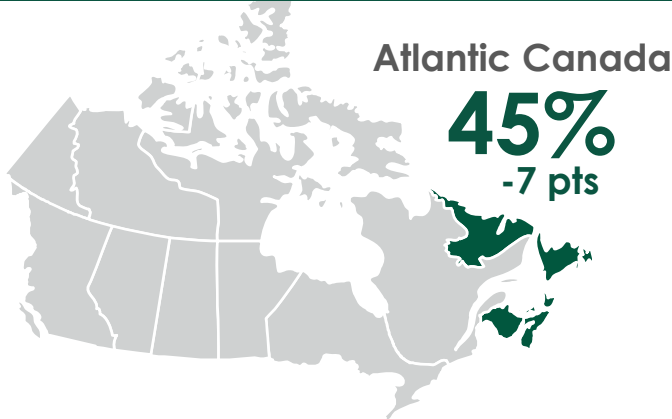
Canadians who report being \$200 or less away from insolvency are more likely to be women (50%, -8), Gen Z (58%, +3), or those with less than \$40K income (58%, -12) Those living in Atlantic Canada are the most likely to say they are either insolvent or precariously close to it (52%, +3) than those from other regions,

**37%**  
-3 pts

**52%**  
+2 pts

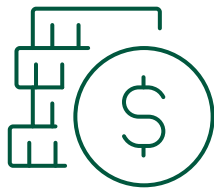


Women are more likely to be insolvent at month-end.



Followed by residents of:

- Quebec (**42%**, -7)
- Alberta (**42%**, -5)
- British Columbia (**44%**, +2)
- Saskatchewan/Manitoba (**45%**, -3)
- Ontario (**48%**, -1)



<\$40K Income  
**60%**  
+2 pts

vs. \$40K to <\$60K (**39%**, -9),  
\$60K to <\$100K (**35%**, -1), and \$100K+ (**22%**, -8).



Gen Z  
**49%**  
-9 pts

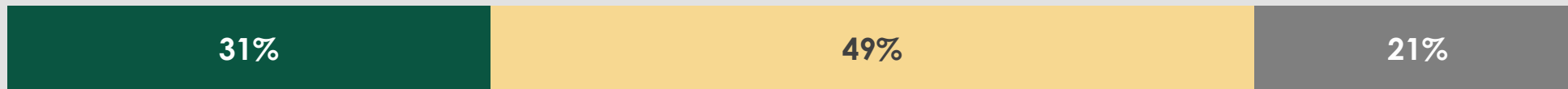
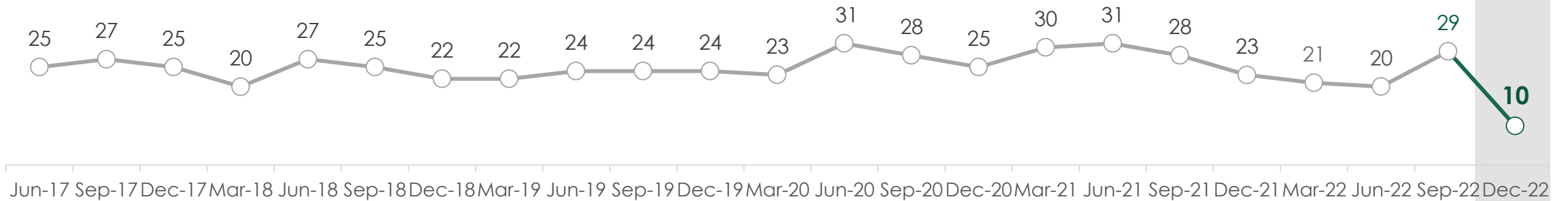
vs. Gen X (**47%**, -4), Millennials (**41%**, -6) and Boomers (**46%**, +8).

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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Personal Debt Rating

Canadians' **net personal debt rating has decreased notably to 10 points**, a nineteen-point decrease from last quarter. The significant shift is a result of fewer Canadians rating their personal debt situation as 'excellent' (31%, -12) and more rating it as 'terrible' (21%, +7).

Net Rating (Excellent minus Terrible)



■ Excellent (8-10) ■ Neutral (4-7) ■ Terrible (1-3)

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

# Excellent Personal Debt Self-Assessment

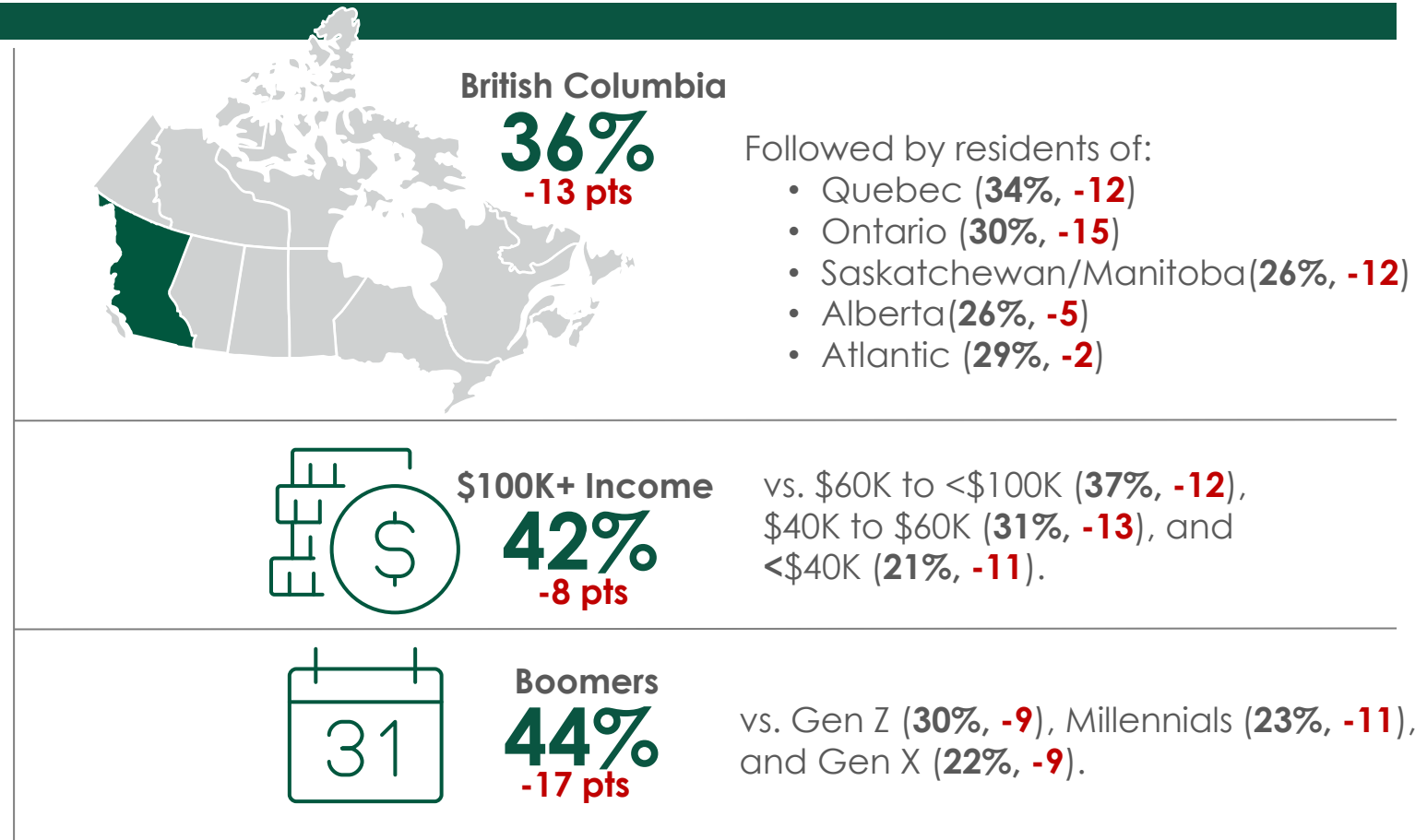
Who is more likely to rate their personal debt situation as 'good'? Assessments are down across the board.

**32%**  
-13 pts

**30%**  
-11 pts



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



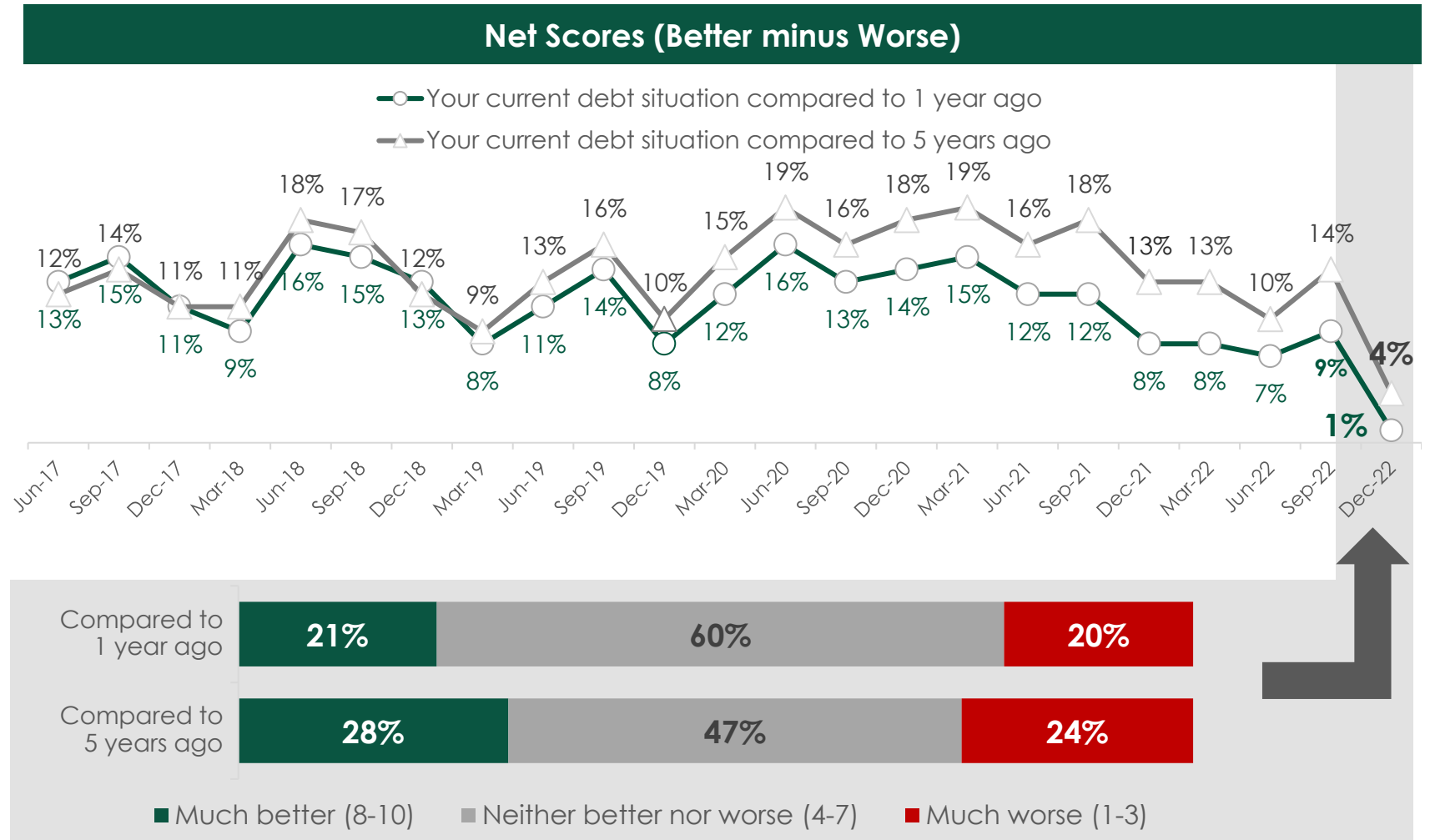
Q2. On a scale of 1 to 10, where 1 is 'terrible' and 10 is 'excellent', how would you rate your personal debt situation? Top three box responses.  
Base: All Respondents (unweighted) n=2,000 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Current Debt Situation

The impact of rising interest rates is beginning to show in consumers' current debt situation as Canadians are feeling less confident about their current debt.

When asked to **look back to one year ago**, a fifth of Canadians perceive their current debt situation to be better (21%, -2) and 20% (+6) have rated it much worse.

**Looking back to five years ago**, three in ten (28%, -3) say their debt situation has improved and a rising proportion (24%, +7) says it is worse.

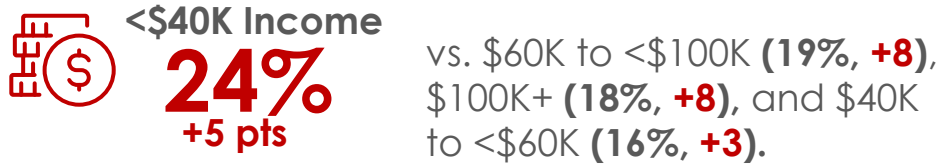


Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?  
 Base: All Respondents (unweighted) n=2,000

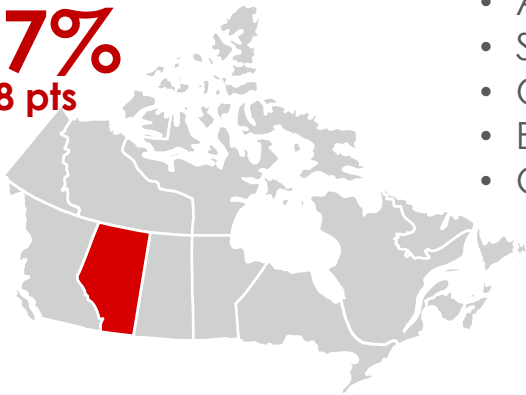


# Current Debt Situation: **Worse**

## Your current debt situation compared to 1 year ago



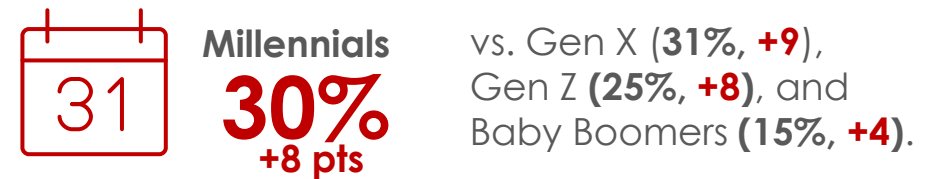
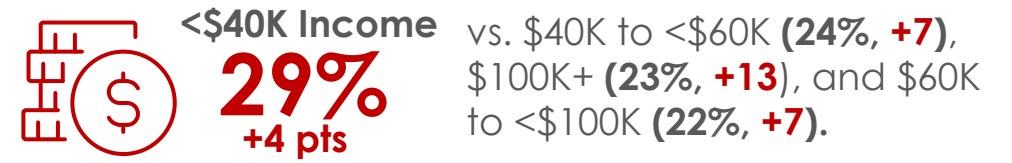
**Alberta**  
**27%**  
+8 pts



Followed by residents of:

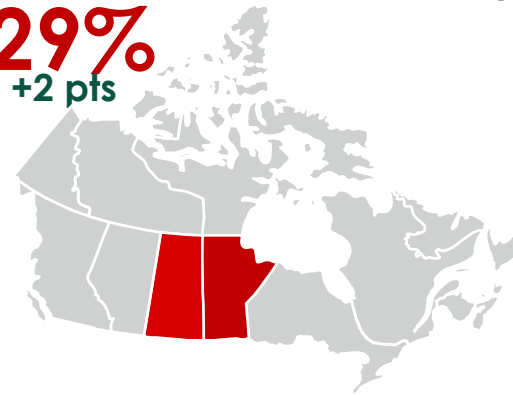
- Atlantic Canada (**25%, +10**)
- Saskatchewan/Manitoba (**21%, +2**)
- Ontario (**21%, +6**)
- British Columbia (**18%, +8**)
- Quebec (**15%, +5**)

## Your current debt situation compared to 5 years ago



**Saskatchewan/Manitoba**

**29%**  
+2 pts



Followed by residents of:

- Alberta (**29%, +4**)
- Ontario (**27%, +9**)
- Atlantic Canada (**26%, +6**)
- Quebec (**20%, +8**)
- British Columbia (**20%, +6**)

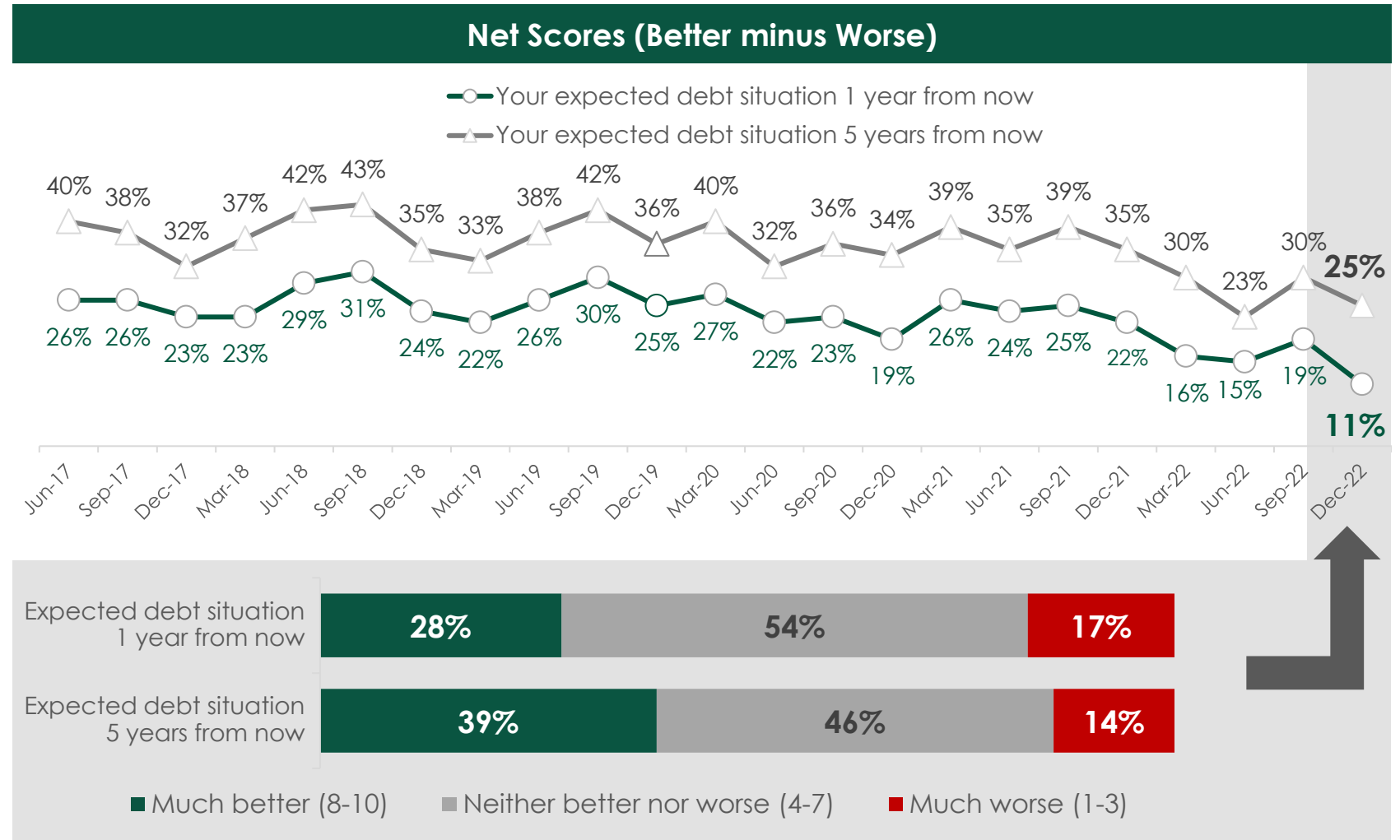
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...? Bottom three box responses.  
Base: All Respondents (unweighted) n=2,000 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Expected Debt Situation

Canadians' perceptions of their expected debt situation in the future has declined to the lowest recorded net score 1 year from now.

Looking to **one year from now**, 3 in 10 Canadians expect their debt situation to improve (28%, -2) but more (2 in 10) believe it will worsen (17%, +6).

Looking **five years into the future**, a similar proportion of Canadians are feeling much better about their expected debt (39%, -1) and one in ten believe that their debt situation will worsen (14%), a four-point increase from September.



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

# Expected Debt Situation: **Worse**

## Your expected debt situation 1 year from now



<\$40K Income  
**26%**  
+9 pts

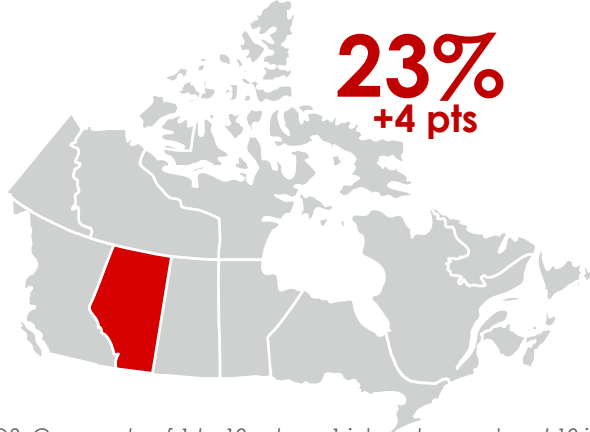
vs. \$60K to <\$100K (**12%, +6**),  
\$40K to <\$60K (**13%, +1**), and  
\$100K+ (**15%, +7**).



Gen X  
**24%**  
+9 pts

vs. Millennials (**18%, +5**),  
Gen Z (**14%, +4**), and  
Baby Boomers (**13%, +7**).

### Alberta



Followed by residents of:

- British Columbia (**21%, +13**)
- Atlantic Canada (**17%, +4**)
- Quebec (**17%, +8**)
- Sask./Manitoba (**16%, +5**)
- Ontario (**15%, +5**)

## Your expected debt situation 5 years from now



<\$40K Income  
**20%**  
+4 pts

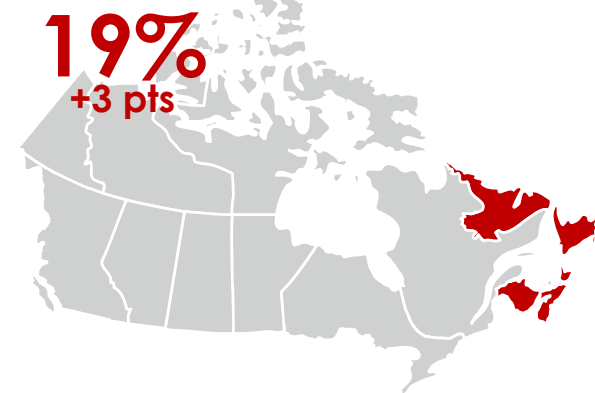
vs. \$40K to <\$60K (**12%, +1**),  
\$60K to <\$100K (**11%, +5**),  
and \$100K+ (**10%, +2**).



Gen X  
**19%**  
+5 pts

vs. Gen Z (**15%, +3**),  
Millennials (**13%, +1**), and  
Baby Boomers (**11%, +5**).

### Atlantic Canada



Followed by residents of:

- Alberta (**19%, +7**)
- Quebec (**14%, +5**)
- British Columbia (**16%, +6**)
- Ontario (**12%, +2**)
- Sask./Manitoba (**10%, -4**)

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.

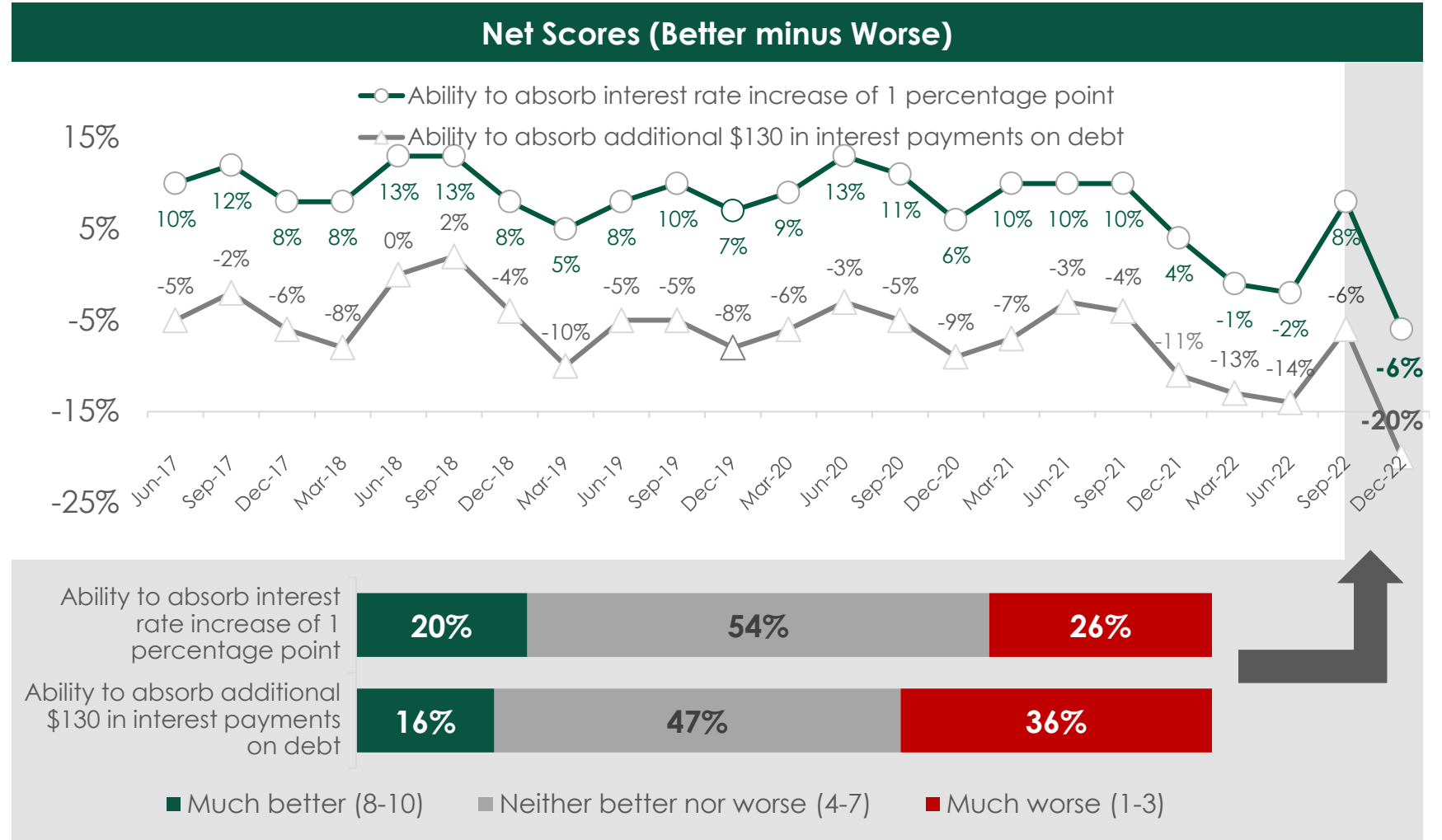
Base: All Respondents (unweighted) n=2,000 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Current Ability to Absorb Interest Rate Increase

With interest rates rapidly-rising, Canadians are feeling significantly worse about their ability to absorb interest rates increases.

Net score when phrased as a **one percentage point increase** has decreased by 14 percentage points to -6%.

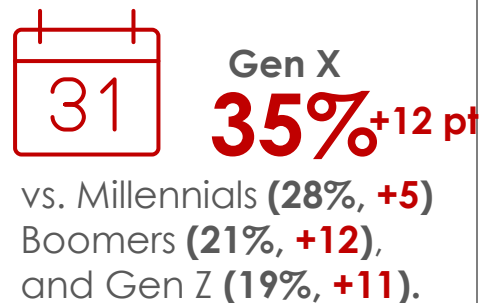
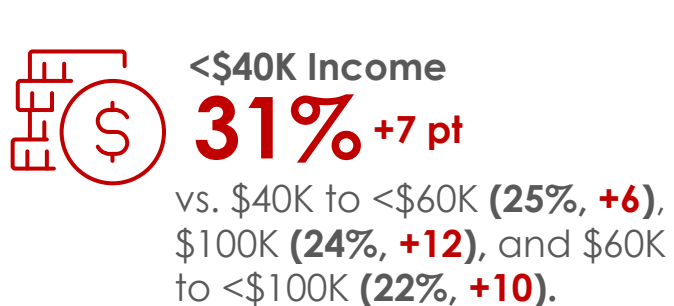
Net ability to absorb **an extra \$130 in interest payments** also decreased by 14 percentage points to -20%, indicating that sentiment is consistently more negative when phrased in dollar amount.



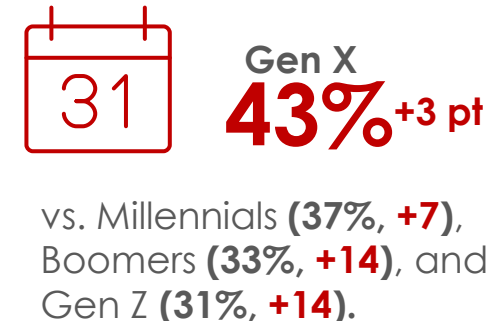
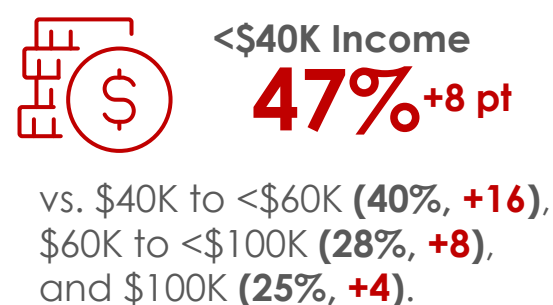
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?  
Base: All Respondents (unweighted) n=2,000

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

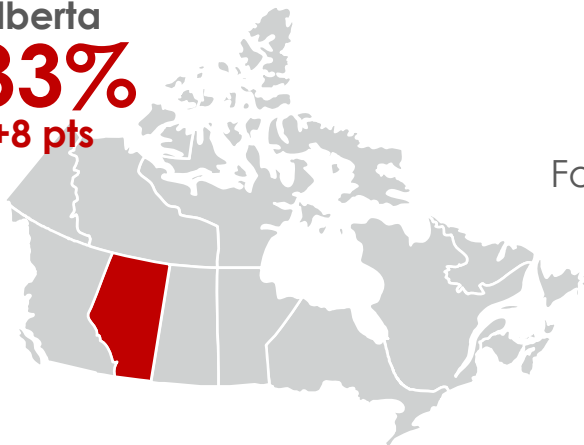
Your current ability to absorb an interest rate increase of 1 percentage point



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



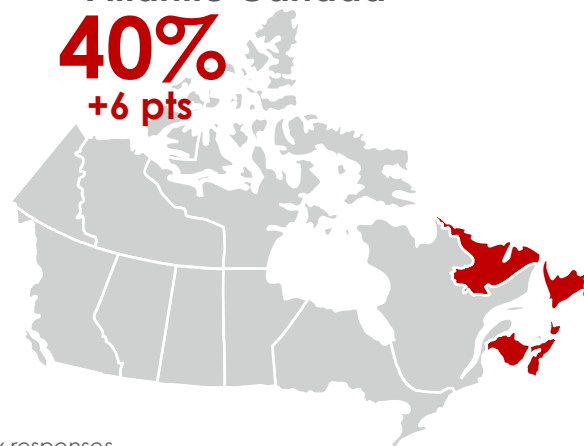
**Alberta**  
**33%**  
+8 pts



Followed by residents of:

- Ontario (**29%**, +12)
- Sask./Manitoba (**26%**, +3)
- Atlantic Canada (**24%**, +5)
- British Columbia (**24%**, +11)
- Quebec (**21%**, +7)

**Atlantic Canada**  
**40%**  
+6 pts



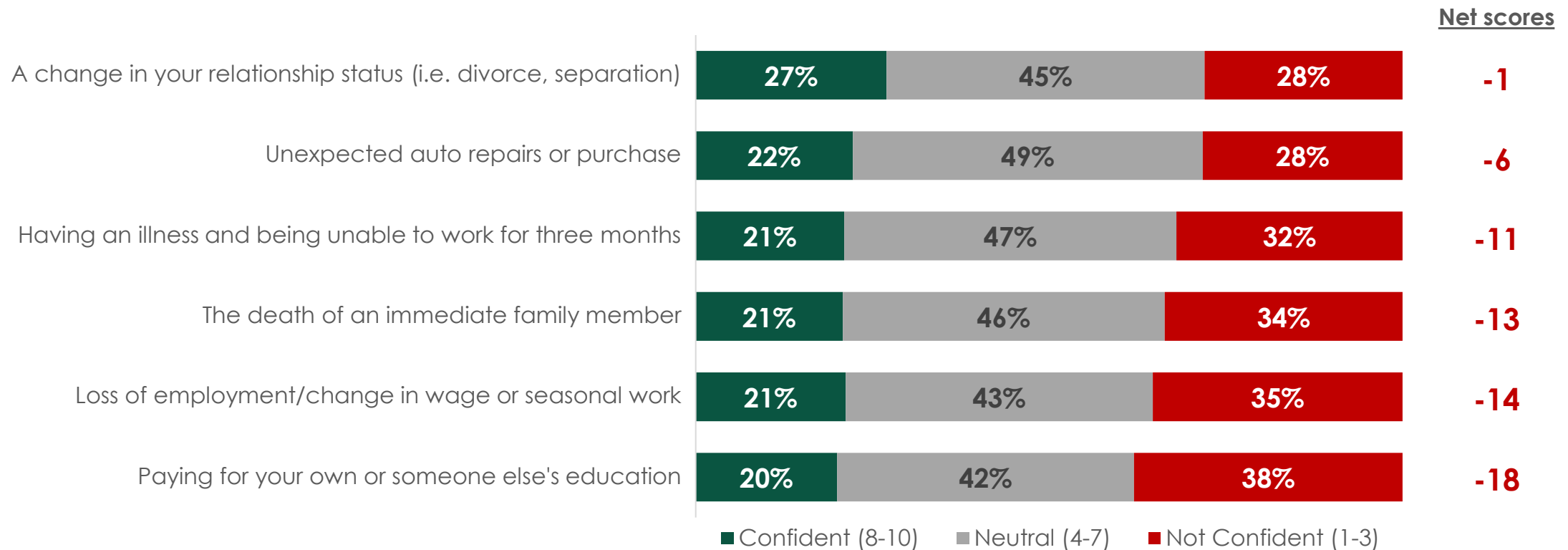
Followed by residents of:

- Alberta (**39%**, +6)
- Ontario (**39%**, +12)
- Sask./Manitoba (**36%**, -)
- British Columbia (**35%**, +11)
- Quebec (**31%**, +9)

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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Confidence in Ability to Cope

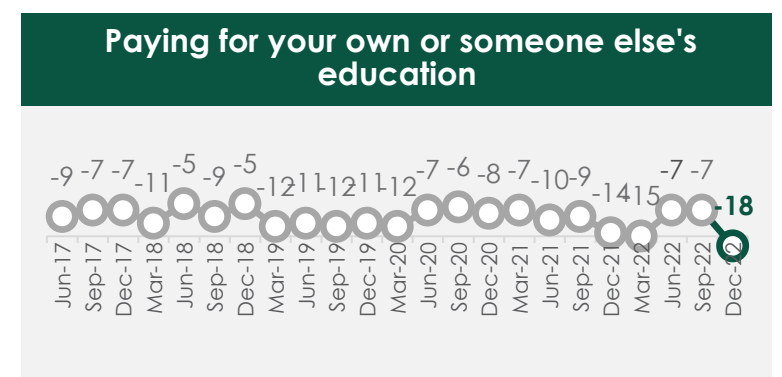
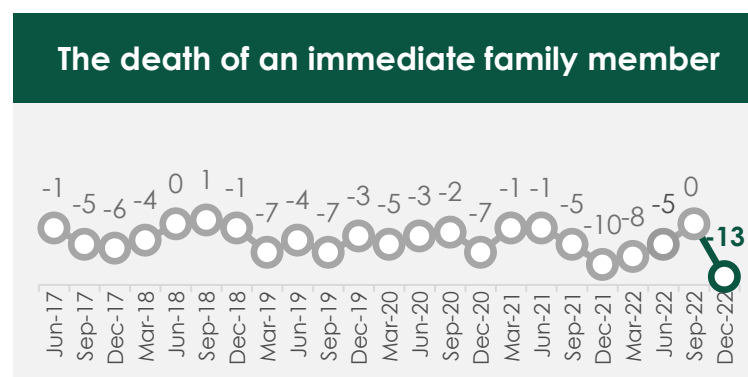
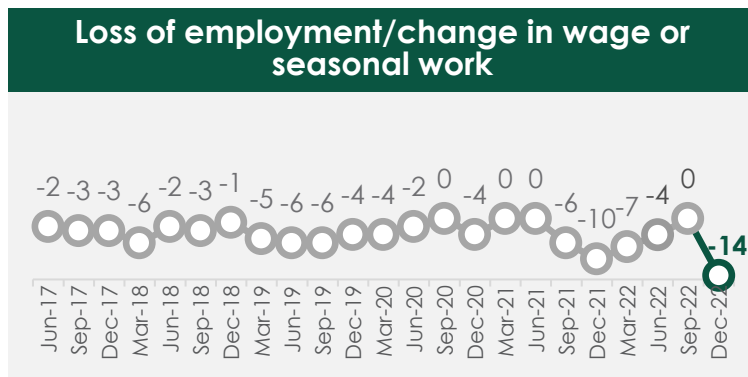
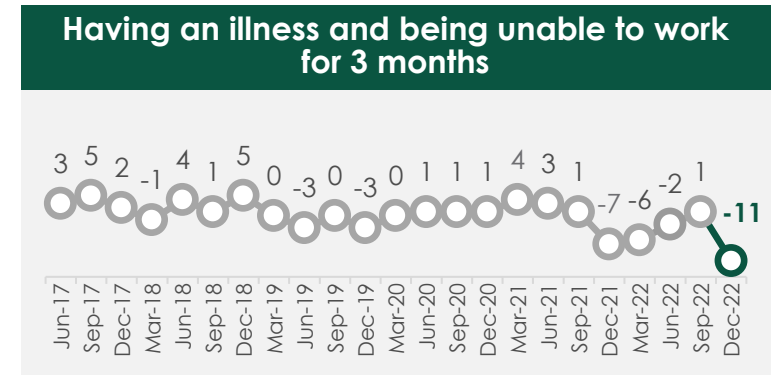
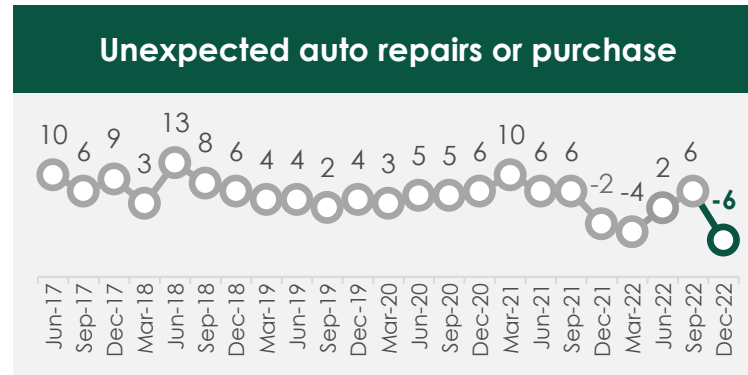
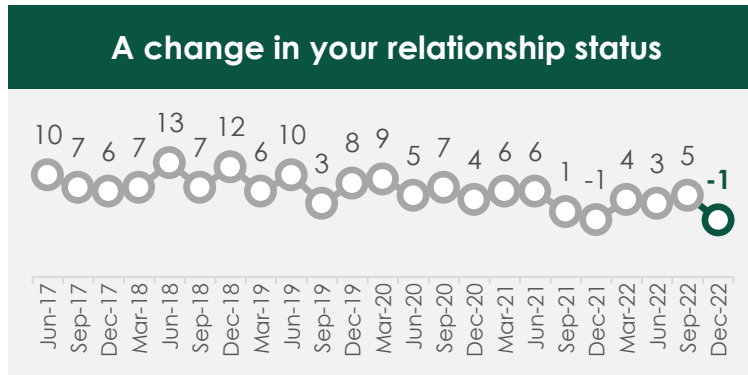
Across the board, Canadians are pessimistic about their ability to cope with life's unexpected expenses. Confidence is the lowest it has been since tracking began.



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 have decreased from September across the board and are at all-time lows.



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

**32%**  
+2 pts

Vs. \$100K+ (**30%**, +3),  
\$60K to <\$100K (**26%**, +6),  
and \$40K to <\$60K (**24%**, +5).

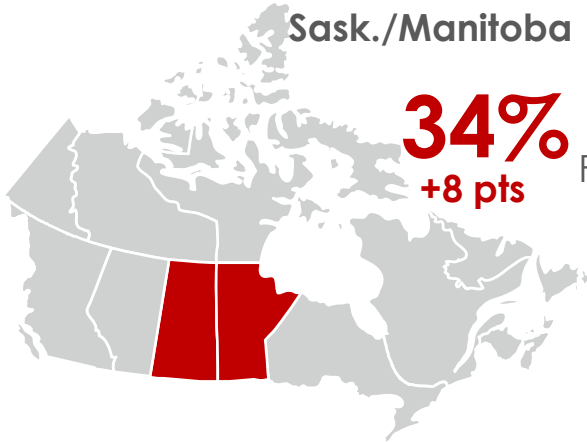


Millennial

**34%** +2 pts

vs. Gen X (**30%**, +2),  
Baby Boomers (**23%**, +4),  
and Gen Z (**26%**, +10).

Sask./Manitoba



**34%**  
+8 pts

Followed by residents of:

- Alberta (**33%**, +3)
- British Columbia (**26%**, -2)
- Sask./Manitoba (**34%**, +8)
- Atlantic Canada (**31%**, -2)
- Ontario (**30%**, +6)
- Quebec (**22%**, +3)

## Unexpected auto repairs or purchase



<\$40K Income

**37%** +5 pts

vs. \$40K to <\$60K (**29%**, +13),  
\$60K to <\$100K (**23%**, +7) and  
\$100K+ (**19%**, +9).

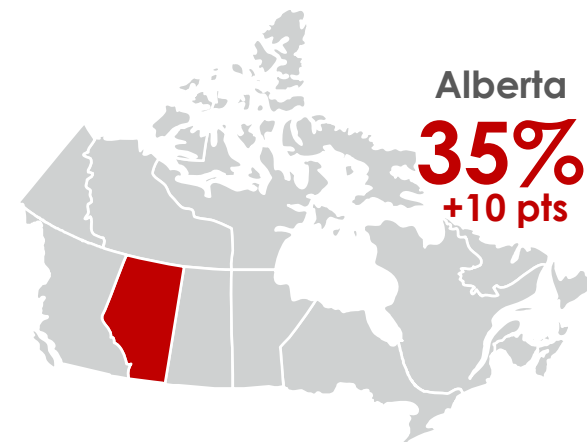


Gen X

**34%** +10 pts

vs. Millennials (**32%**, +8),  
Gen Z (**25%**, +4), and  
Baby Boomers (**23%**, +9).

Alberta



**35%**  
+10 pts

Followed by residents of:

- Sask./Manitoba (**34%**, +5)
- Atlantic Canada (**32%**, +6)
- Ontario (**30%**, +11)
- British Columbia (**30%**, +11)
- Quebec (**19%**, +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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).



# Not Confident in Ability to Cope

## Having an illness and being unable to work for 3 months



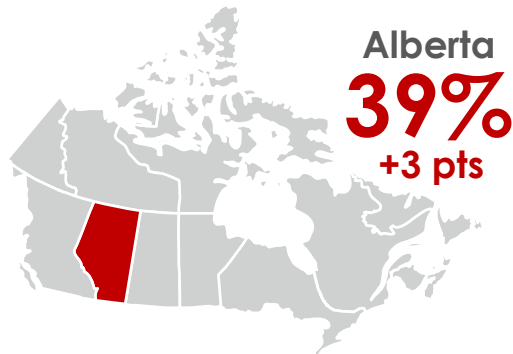
Millennials  
**41%** +5 pt

vs. Gen X (**38%**, +8),  
Gen Z (**37%**, +9), and  
Baby Boomers (**20%**, +6).



<\$40K Income  
**39%** +4 pt

vs. \$40K to <\$60K (**33%**, +7),  
\$100K+ (**28%**, +7), and  
\$60K to <\$100K (**27%**, +8).



Followed by residents of:

- British Columbia (**38%**, +14)
- Ontario (**35%**, +12)
- Sask./Manitoba (**32%**, -2)
- Atlantic Canada (**29%**, -5)
- Quebec (**23%**, -)

## The death of an immediate family member



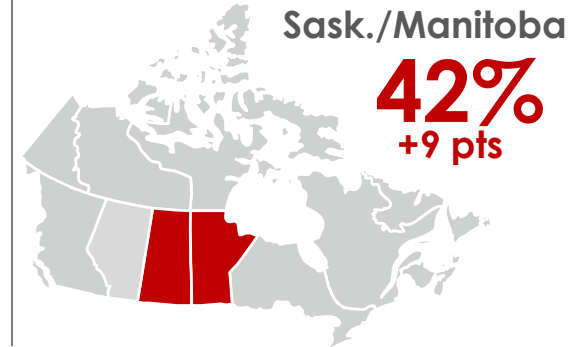
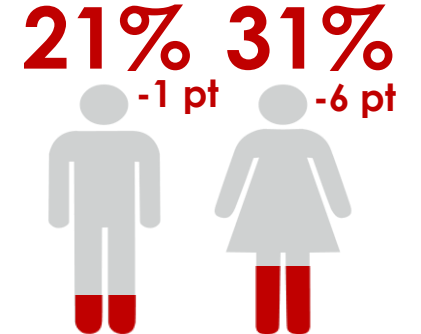
Millennials  
**39%** +6 pts

vs. Gen X (**38%**, +8),  
Gen Z (**35%**, +8), and  
Baby Boomers (**27%**, +9).



<\$40K Income  
**40%** +7 pts

vs. \$40K to <\$60K (**33%**, +7),  
\$100K+ (**30%**, +7), and  
\$60K to <\$100K (**30%**, +9).



Followed by residents of:

- British Columbia (**40%**, +16)
- Alberta (**38%**, +3)
- Ontario (**37%**, +7)
- Atlantic Canada (**37%**, -)
- 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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Not Confident in Ability to Cope

## Loss of employment/change in wage or seasonal work



Gen X  
**44%** +10 pts

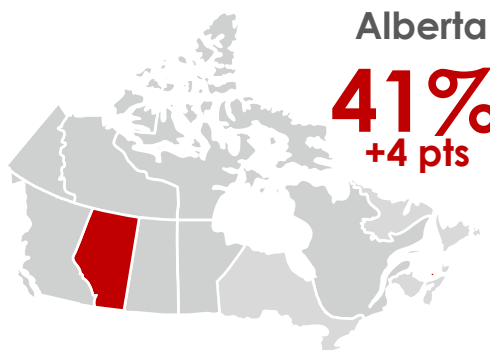
vs. Millennial (**41%**, +4),  
Gen Z (**32%**, +5), and  
Baby Boomers (**26%**, +12).



<\$40K Income

**42%** +10 pts

vs. \$40K to <\$60K (**35%**, +10),  
\$100K+ (**34%**, +11), and \$60K  
to <\$100K (**28%**, +2).



**41%**  
+4 pts

Followed by residents of:

- Atlantic Canada (**33%**, -3)
- Ontario (**38%**, +12)
- Sask./Manitoba (**38%**, -2)
- British Columbia (**35%**, +13)
- Quebec (**27%**, +5)

## Paying for your own or someone else's education



Gen X  
**44%** +11 pts

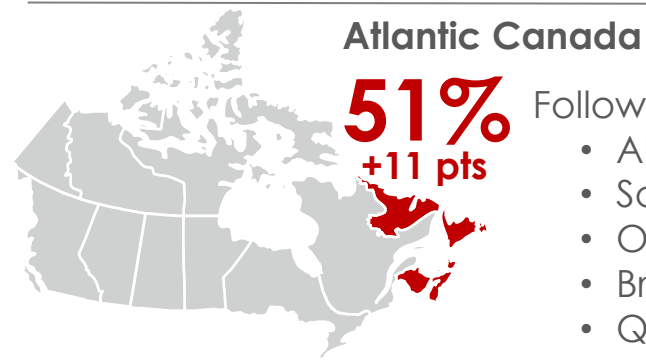
vs. Millennial (**41%**, +6), Gen Z  
(**32%**, -6) and  
Baby Boomers (**26%**, +1).



<\$40K Income

**47%** +6 pts

vs. \$40K to <\$60K (**38%**, +9),  
\$60K to <\$100K (**32%**, +4),  
and \$100K+ (**26%**, +7).



**51%**  
+11 pts

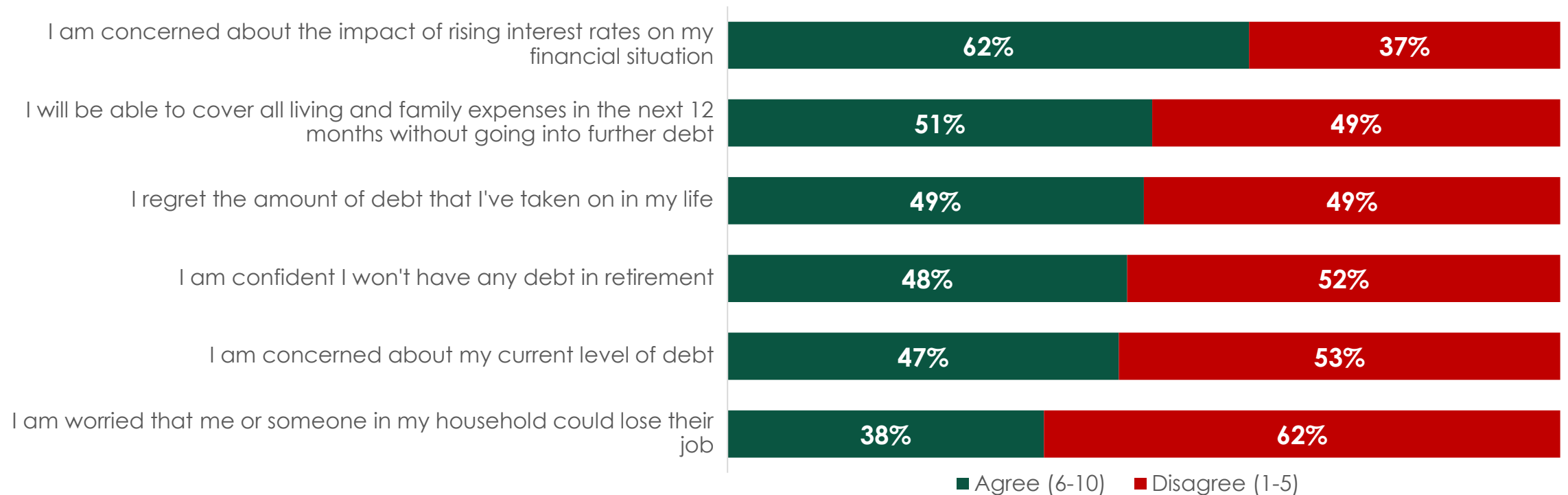
Followed by residents of:

- Alberta (**46%**, +6)
- Sask./Manitoba (**45%**, +8)
- Ontario (**39%**, +8)
- British Columbia (**35%**, -)
- Quebec (**27%**, +7)

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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Evaluating Personal Finances

Three in five Canadians agree they are concerned about the impact of rising interest rates on their financial situation (62%, +3). Only half say they will be able to cover all living/family expenses in the next year without going further into debt (51%, -5).

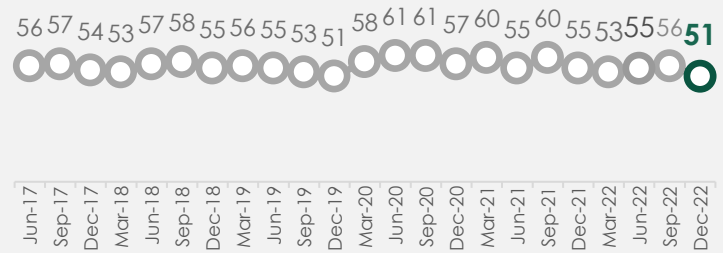


Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?  
Base: All Respondents (unweighted) n=2,000

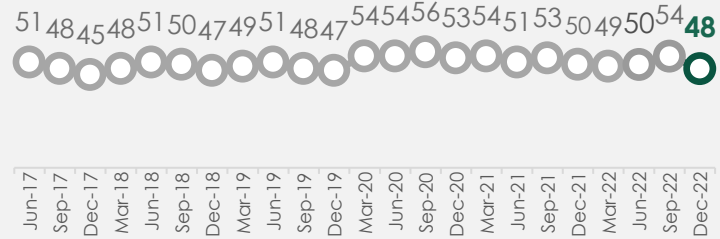
# Evaluating Personal Finances – Agree (6-10)

Compared to the previous wave, Canadian households' financial concerns are growing. More are concerned about the impact of rates on their financial situation (+3), fewer are confident they'll be debt-free in retirement (-6), more are concerned about their level of debt (+7) and regret the debt they'd taken on (+7). Job anxiety has also spiked (+7).

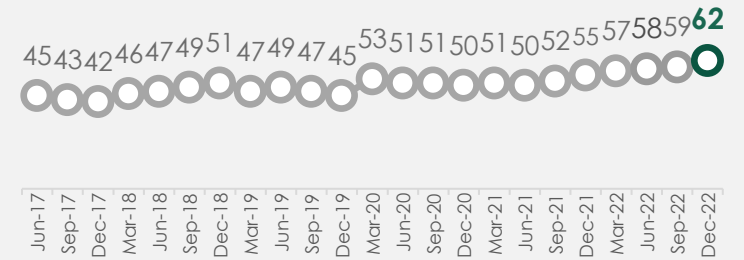
**I will be able to cover all living and family expenses in the next 12 months without going into further debt**



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



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



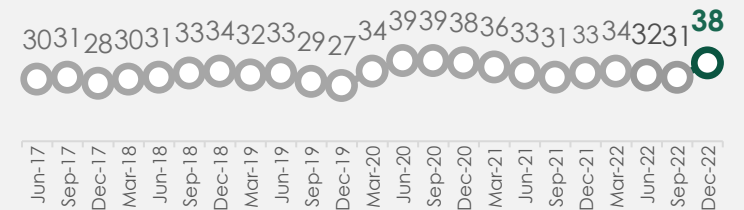
**I regret the amount of debt that I've taken on in my life**



**I am concerned about my current level of debt**



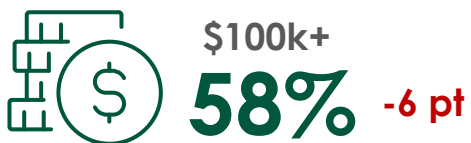
**I am worried that me or someone in my household could lose their job**



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 (**52%**, -7),  
\$40K<\$60K (**50%**, -2), and  
<\$40K (**42%**, -6).

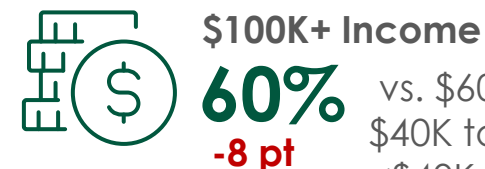


vs. Boomers (**50%**, -10),  
Millennials (**49%**, -3), and  
Gen X (**41%**, -7).

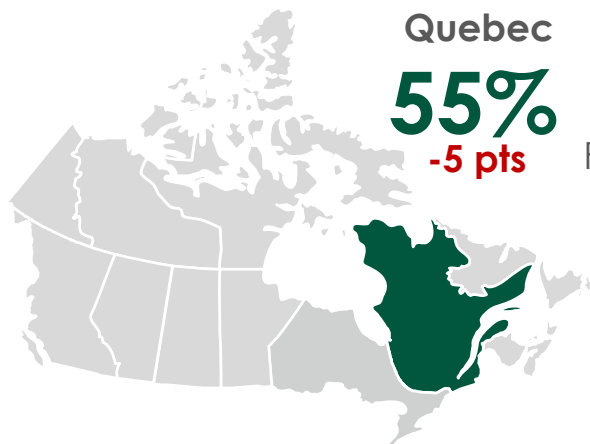
I will be able to cover all living and family expenses in the next 12 months without going into further debt



Vs. Gen Z (**49%**, -),  
Millennials (**48%**, +4),  
and . Gen X (**40%**, -12).

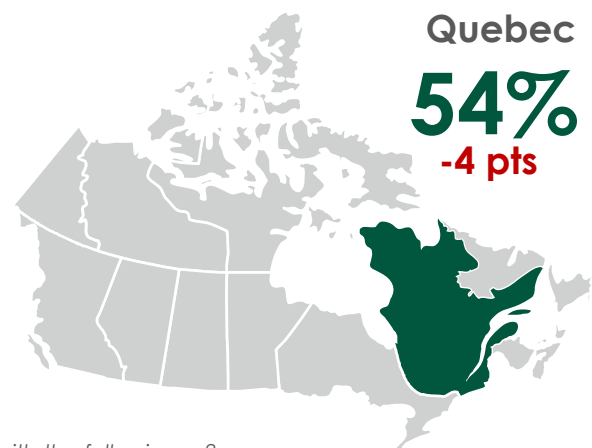


vs. \$60K to <\$100K (**56%**, -5),  
\$40K to <\$60K (**54%**, -3), and  
<\$40K (**44%**, -13).



Followed by residents of:

- British Columbia (**50%**, -4)
- Ontario (**48%**, -7)
- Atlantic Canada (**45%**, -7)
- Sask./Manitoba (**43%**, -11)
- Alberta (**44%**, -6)



Followed by residents of:

- British Columbia (**52%**, -7)
- Atlantic Canada (**52%**, +3)
- Sask./Manitoba (**51%**, -1)
- Alberta (**49%**, +3)
- Ontario (**49%**, -11)

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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Evaluating Personal Finances – Agree (6-10)

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



Gen X  
**66%**  
+1 pt

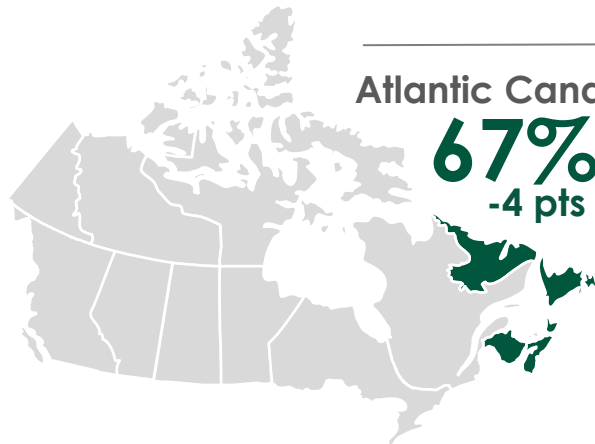
vs. Millennials (65%, -1)  
Gen Z (60%, +8), and  
Baby Boomers (58%, +8).



\$100K+ Income

**66%**  
+6 pts

vs. 60K to <\$100K (65%, +7),  
<\$40K (60%, +1), and  
\$40K to <\$60K (60%, +1).



Atlantic Canada

**67%**  
-4 pts

Followed by residents of:

- Ontario (65%, +6)
- Alberta (64%, -4)
- Sask./Manitoba (64%, +11)
- British Columbia (60%, +4)
- Quebec (57%, +3)

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



Millennials  
**57%**  
+4 pts

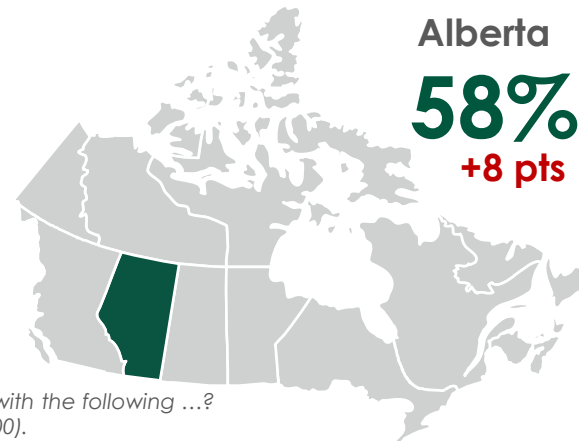
vs. Gen X (54%, +8),  
Gen Z (53%, +14) and  
Baby Boomers (39%, +8).



\$60K to <\$100K Income

**54%**  
+13 pts

vs. <\$40K (52%, +8),  
\$40K to <\$60K (47%, +6), and  
\$100K+ (47%, +2).



Alberta

**58%**  
+8 pts

Followed by residents of:

- Sask./Manitoba (57%, +19)
- Ontario (56%, +13)
- British Columbia (46%, +5)
- Atlantic Canada (46%, -13)
- Quebec (38%, +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 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# Evaluating Personal Finances – Agree (6-10)

I am concerned about my current level of debt



<\$40K income

**51%**

+10 pts

vs. \$60K to <\$100K (46%, +7), \$100K+ (43%, +3) and \$40K to <\$60K (40%, +2).



Millennials

**53%**

-1 pt

vs. Gen X (52%, +9), Gen Z (51%, +7), and Baby Boomers (34%, +8).

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



<\$40K

**38%**

+2 pts

vs. \$60K to <\$100K (38%, +11), \$100K+ (35%, +3), and \$40K to <\$60K (35%, +5).

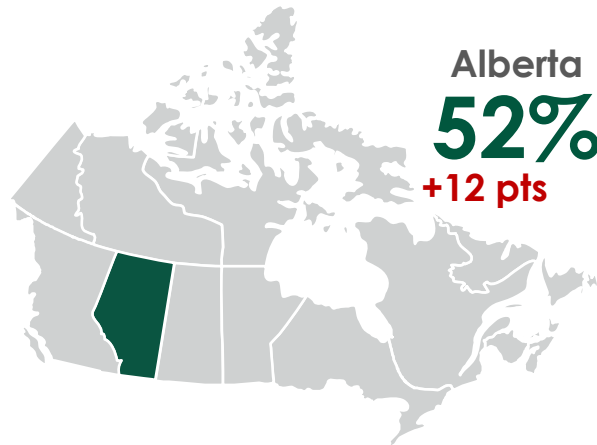


Gen Z

**50%**

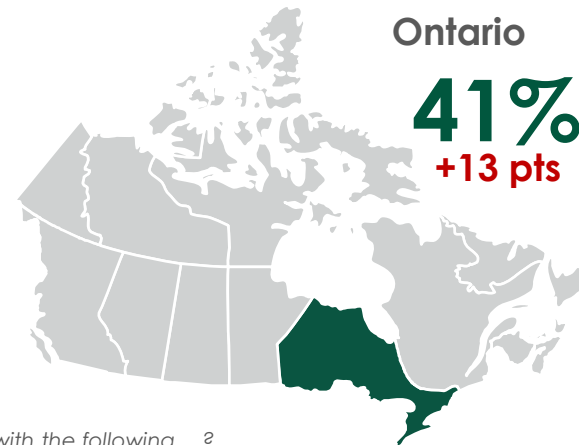
-10 pts

vs. Millennials (41%, +1), Gen X (41%, +8), and Baby Boomers (24%, +6).



Followed by residents of:

- Ontario (50%, +8)
- Atlantic Canada (50%, +1)
- Sask./Manitoba (50%, +9)
- British Columbia (43%, +3)
- Quebec (33%, -3)



Followed by residents of:

- Alberta (37%, -5)
- British Columbia (36%, +3)
- Sask./Manitoba (34%, +14)
- Quebec (31%, -)
- Atlantic Canada (27%, -12)

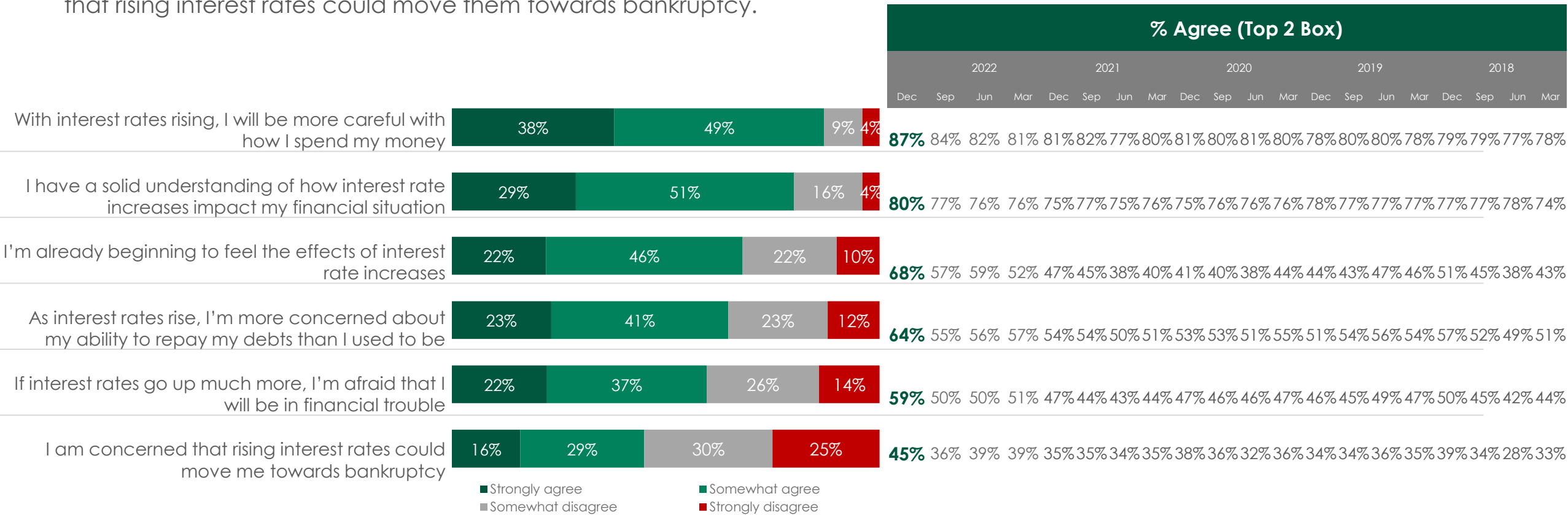
Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?  
Base: All Respondents (unweighted) n=2,000 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

# INTEREST RATES



# Attitudes Towards Interest Rates

Most Canadians agree that with interest rates rising, they will be more careful with how they spend their money (87%, +3). As interest rates continue to rise, more Canadians are feeling the effects (68%, +11), while three in five are concerned if rates go higher, they will be in financial trouble (59%, +9). Notably, four in five (80%, +3) agree they have a solid understanding of how interest rate increases impact their financial situation which leaves one in five (20%) who aren't aware. More (+9) have concerns that rising interest rates could move them towards bankruptcy.



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

# Attitudes Towards Interest Rates

Women and Canadians ages 35-54 and 55+ are most likely to agree they will be more careful with how they spend their money due to rising interest rates. Canadians with less than \$40K household income and those ages 18-34 and 35-54 are most likely to feel the effects of interest rate increases, concerned with their ability to repay their debts, and fear that rising interest rates moving them close towards bankruptcy.

% Agree (Top 2 Box)																
	Gender		Age			Region						Household Income				
Top 2 Box	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	<b>87%</b>	<b>83%</b>	<b>90% A</b>	<b>83%</b>	<b>88% C</b>	<b>88% C</b>	<b>85%</b>	<b>86%</b>	<b>91%</b>	<b>87%</b>	<b>86%</b>	<b>85%</b>	<b>86%</b>	<b>85%</b>	<b>87%</b>	<b>85%</b>
I have a solid understanding of how interest rate increases impact my financial situation	<b>80%</b>	<b>79%</b>	<b>81%</b>	<b>72%</b>	<b>80% C</b>	<b>86% CD</b>	<b>80%</b>	<b>78%</b>	<b>75%</b>	<b>80%</b>	<b>84% C</b>	<b>79%</b>	<b>76%</b>	<b>80%</b>	<b>84% G</b>	<b>82% G</b>
I'm already beginning to feel the effects of interest rate increases	<b>68%</b>	<b>67%</b>	<b>69%</b>	<b>76% E</b>	<b>75% E</b>	<b>56%</b>	<b>65%</b>	<b>67%</b>	<b>74% E</b>	<b>73% AE</b>	<b>60%</b>	<b>71% E</b>	<b>75% HIJ</b>	<b>66%</b>	<b>63%</b>	<b>64%</b>
As interest rates rise, I'm more concerned about my ability to repay my debts than I used to be	<b>64%</b>	<b>63%</b>	<b>66%</b>	<b>73% E</b>	<b>75% E</b>	<b>50%</b>	<b>62%</b>	<b>65%</b>	<b>72% E</b>	<b>68% E</b>	<b>56%</b>	<b>73% AE</b>	<b>72% HIJ</b>	<b>59%</b>	<b>60%</b>	<b>61%</b>
If interest rates go up much more, I'm afraid that I will be in financial trouble	<b>59%</b>	<b>57%</b>	<b>61%</b>	<b>72% E</b>	<b>70% E</b>	<b>41%</b>	<b>55%</b>	<b>66% AE</b>	<b>61%</b>	<b>64% AE</b>	<b>50%</b>	<b>62% E</b>	<b>69% HIJ</b>	<b>56%</b>	<b>54%</b>	<b>54%</b>
I am concerned that rising interest rates could move me towards bankruptcy	<b>45%</b>	<b>47%</b>	<b>44%</b>	<b>60% E</b>	<b>54% E</b>	<b>27%</b>	<b>44%</b>	<b>50% E</b>	<b>45%</b>	<b>49% E</b>	<b>38%</b>	<b>46%</b>	<b>57% HIJ</b>	<b>42%</b>	<b>39%</b>	<b>37%</b>

Q7. To what extent do you agree or disagree with the following?

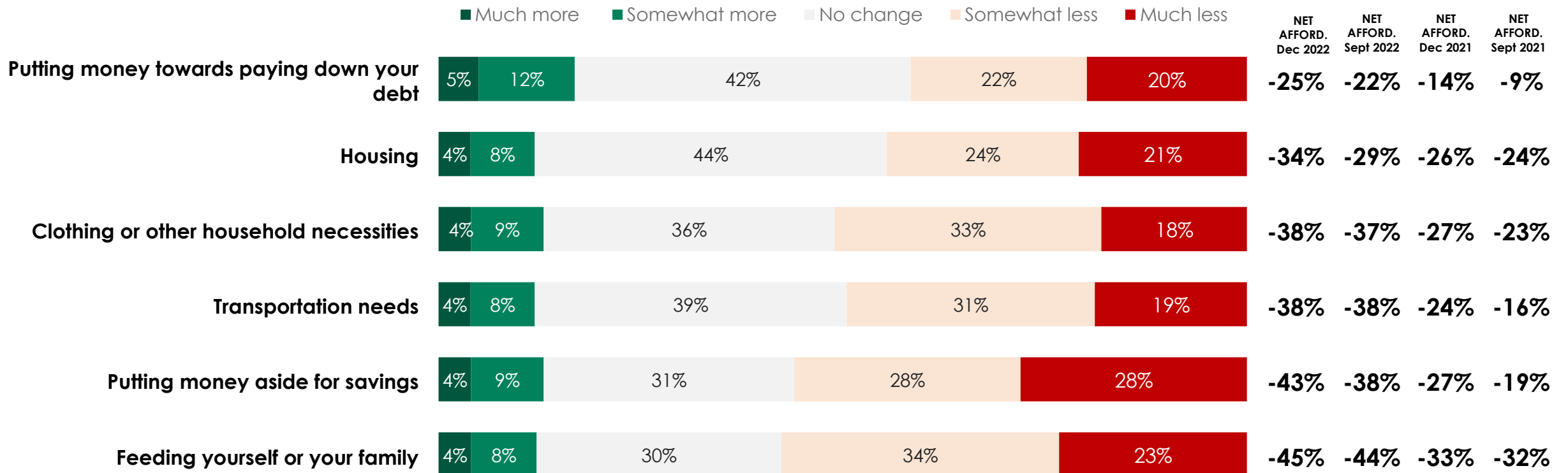
Base: All Respondents (unweighted) n=2,000 BC (n=317); AB (n=204); SK/MB (n=168); ON (n=733); QC (n=378); ATL (n=200).

Statements new to this wave are highlighted in green.

# ADDRESSING FINANCIAL CONCERNS

# Affordability

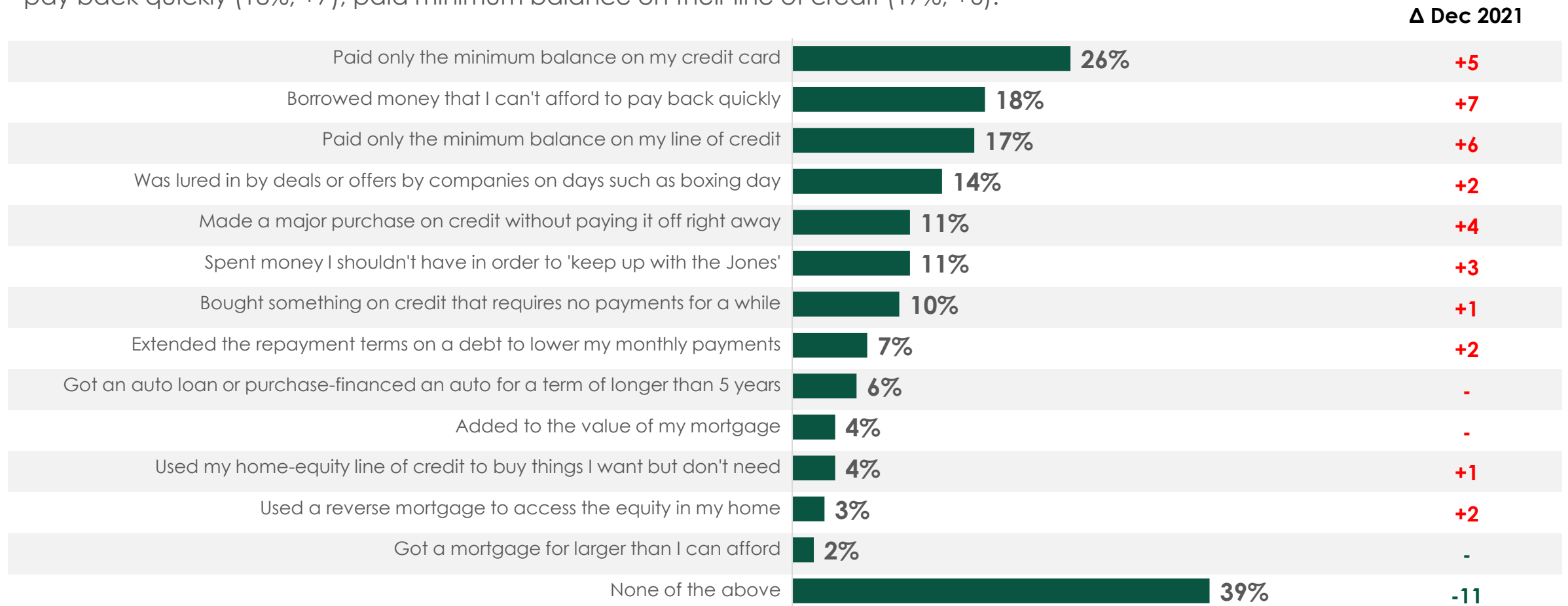
Canadians are feeling the pressures of the rising costs of living which is evident in net affordability for housing and savings continuing to fall even lower. A growing proportion say it is becoming less affordable for them to put money aside for savings, and one's ability to afford debt payments is also deteriorating.



NEW\_WAVE23\_1. In the last year, have the following become more affordable or less affordable for your household?  
 Base: All Respondents (unweighted) n=2,000

# Financial 'Bad Habits' or Necessities

Compared to December 2021, more Canadians are engaging in financial 'bad habits' – but maybe that is no longer an appropriate term given the difficult economic climate. Canadians are likely being forced to engage in these less-than-ideal tactics in order to survive. More say they have paid only the minimum balance on their credit card (26%, +5), borrowed money they can't afford to pay back quickly (18%, +7), paid minimum balance on their line of credit (17%, +6).

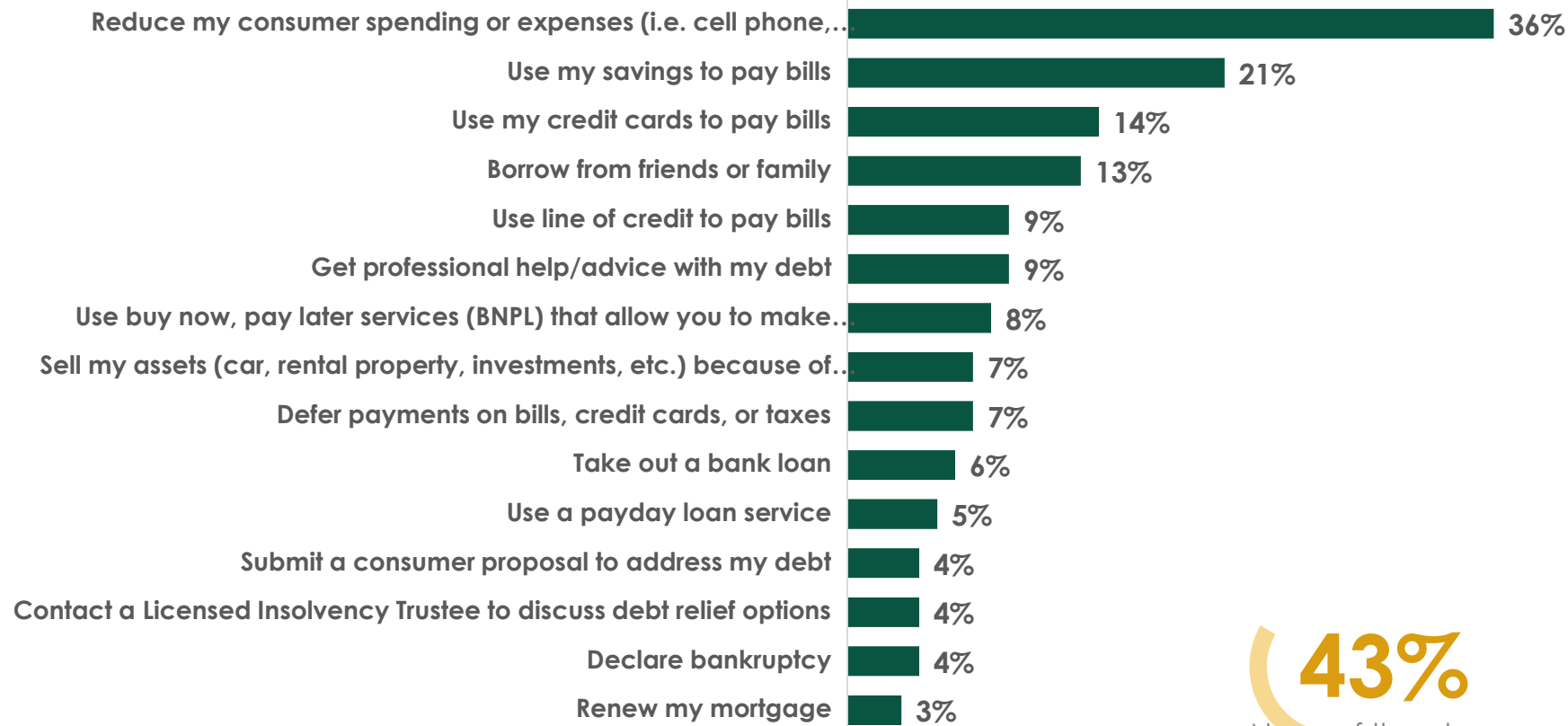


NEW\_WAVE23\_2. Which of the following are you considering doing in the next year? I have...

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

# Making Ends Meet

More Canadians say they plan on reducing their consumer expenses in order to make ends meet (36%, +4) and 2 in 10 say they will use their savings to pay their bills (21%, +3). About 1 in 10 say they will use their credit card to pay their bills (14%, +1) or borrow from friends or family (13%, +5). Fewer than 1 in 10 respondents say they will do some other action, use line of credit to pay bills (9%, +3), get professional advice (9%, +3), use BNPL (8%, +2), sell their assets (7%, +1), defer payments on bills (7%, +1), or take out a bank loan (6%, +3).



	Sep 2022	Mar 2022	Dec 2020
Reduce my consumer spending or expenses (i.e. cell phone, car, groceries, etc.)	32%	32%	18%
Use my savings to pay bills	18%	17%	8%
Use my credit cards to pay bills	13%	12%	11%
Borrow from friends or family	8%	8%	7%
Use line of credit to pay bills	6%	8%	10%
Get professional help/advice with my debt	6%	7%	6%
Use buy now, pay later services (BNPL) that allow you to make purchases	6%	4%	2%
Sell my assets (car, rental property, investments, etc.) because of financial difficulties	6%	7%	7%
Defer payments on bills, credit cards, or taxes	6%	6%	4%
Take out a bank loan	3%	6%	4%
Use a payday loan service	3%	3%	2%
Submit a consumer proposal to address my debt	3%	3%	-
Contact a Licensed Insolvency Trustee to discuss debt relief options	3%	3%	-
Declare bankruptcy	-	3%	-
Renew my mortgage	3%	5%	3%

43%  
None of the above

Responses <3% not shown

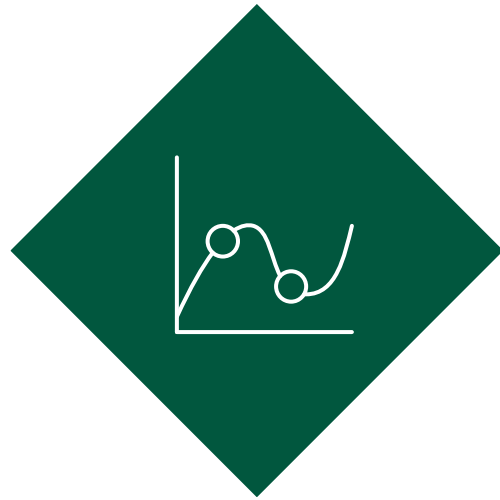
NEW\_WAVE23\_3. Which of the following are you considering doing in the next year? I have...  
Base: All Respondents (unweighted) n=2,000

# MEDIA ANGLES



## **MNP Debt Hits All Time Low**

*The impacts of the current economic situation have taken a toll on consumer confidence on their debt, as concern, regret about debt rises markedly.*



## **Canadians say they're Unable to Handle Further Interest Rate Increases**

*As Canadians debt confidence has diminished, worry about the future impact of interest-rate increase has also risen. Many say it could move them closer towards bankruptcy.*



## **In Defiance of Inflation, Canadians Have More Money At End of Month on Average**

*While 30% are still \$200 or less per month away from insolvency, the average Canadian has more money left over at the end of the month as Canadians scale back their discretionary spending.*



## **Financial Survival Techniques on The Rise**

*But could they turn into bad habits? More Canadians are building up their debt by only paying the minimum on the credit or line of credit and borrowing money they can't repay.*



# About Ipsos

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Ipsos is the third largest market research company in the world, present in 90 markets and employing more than 18,000 people.

Our research professionals, analysts and scientists have built unique multi-specialist capabilities that provide powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 business solutions are based on primary data coming from our surveys, social media monitoring, and qualitative or observational techniques.

"Game Changers" – our tagline – summarises our ambition to help our 5,000 clients to navigate more easily our deeply changing world.

Founded in France in 1975, Ipsos is listed on the Euronext Paris since July 1st, 1999. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

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# Game Changers

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In our world of rapid change, the need for reliable information to make confident decisions has never been greater.

At Ipsos we believe our clients need more than a data supplier, they need a partner who can produce accurate and relevant information and turn it into actionable truth.

This is why our passionately curious experts not only provide the most precise measurement, but shape it to provide True Understanding of Society, Markets and People.

To do this we use the best of science, technology and know-how and apply the principles of security, simplicity, speed and substance to everything we do.

So that our clients can act faster, smarter and bolder. Ultimately, success comes down to a simple truth:

**You act better when you are sure.**