

MNP DEBT INDEX

Wave 29

June 2024

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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 **2,001 Canadians** from the Ipsos i-Say panel was interviewed from **Jun 6 – Jun 11, 2024**.
- 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 Consumer Debt Index has declined once again to 85 points, demonstrating that the road to recovery is not a straight line! Canadians are feeling pessimistic about their personal finances, despite a fleeting surge of optimism last quarter. The recent announcement from the Bank of Canada about dropping key interest rates may have led some to anticipate a more significant decline or immediate impact. Consequently, they are now feeling more disheartened and are eagerly awaiting the next announcement, hoping to see a consistent decline that will have a more meaningful impact on their finances.

Insolvency Rates Steady

46% of respondents are \$200 or less away from financial insolvency, consistent with last quarter. The proportion stating they are already insolvent has slightly decreased to 29% (-2), while more respondents claim to have a small buffer, but are still within \$1 to \$200 of insolvency (17%, +3) each month.

Women continue to be more at risk of insolvency than men. Notably, there has been a significant increase among Albertans at risk of insolvency. Among Canadians who have stated they are overwhelmed with debt and believe lower interest rates won't help, six out of ten are insolvent or at risk of insolvency (62%)

Month-End Finances Down

After all bills and essential expenses are settled, Canadians, on average, are left with \$782 at the end of the month, a decrease of \$60. Most Canadians across various demographics have experienced a decline in their month-end finances, likely due to increased cost of living on food, shelter and transportation.

Older Canadians (55+) and those with a household income of less than 40K have approximately \$100 more leftover this quarter. However, Albertans have seen a significant decrease in their month-end finances this quarter (-\$599), following a substantial increase in March 2024.

Negative Sentiment on Current Debt but Optimistic for the Future

Debt perceptions have sharply fallen after a rise in March 2024. When asked to compare to a year ago, 23% of Canadians (-4) feel their debt situation is much better, while 16% (+3) believe it's much worse. Reflecting on five years ago, 29% (-1) say their debt situation has improved, but 26% (+6) report it has worsened.

As interest rates drop, Canadians' expectations for future debt stabilize. Considering five years ahead, 39% (+2) feel more optimistic about their debt, with 12% expecting it to worsen, unchanged from last quarter.

Executive Summary

Further Interest Rate Decline Needed

Two-thirds of Canadians state they desperately need a reduction in interest rates (66%), and high interest rates have negatively impacted their household finances (65%). Almost half express concern about their ability to repay their debts, even if interest rates were to decline (47%).

Concurrently, just over half believe that interest rates will need to go down a lot before their financial situation significantly improves (57%). They also express concern that interest rates may not decline quickly enough to provide the financial relief they require (56%). Notably, 34% feel they are so heavily in debt that even lower interest rates would offer little help.

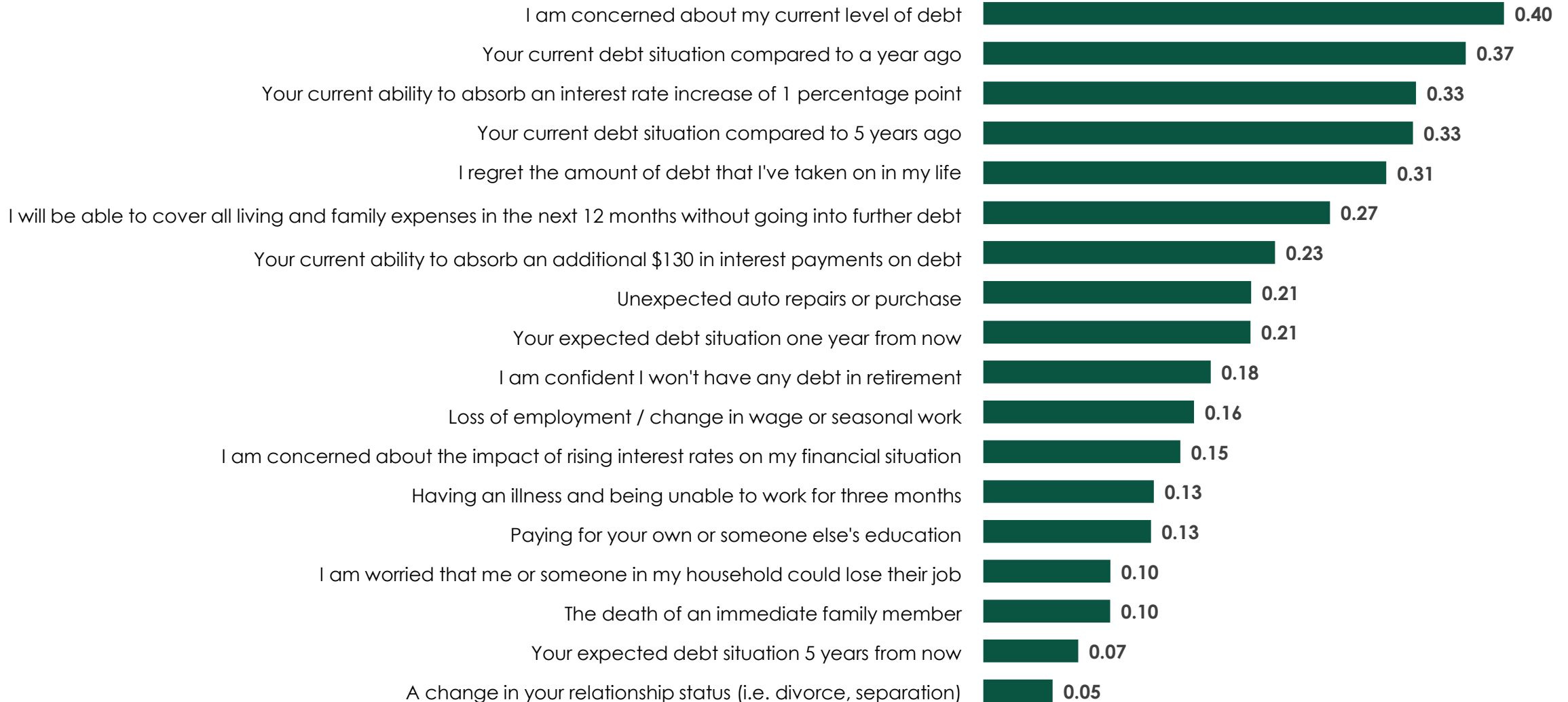
Lower Interest Rates Makes Room for More Savings and Lower Debt

If interest rates drop in the next three months, many Canadians intend to save more (45%) or accelerate their debt repayment (36%). However, nearly three in ten believe that declining interest rates won't affect them in any way (29%).

Canadians aged 18-34 are significantly more inclined to save more or spend more on non-essential items if interest rates decrease, while those aged 34-54 are more likely to focus on paying off debt more quickly. Those aged 55 and above, British Columbians, and Ontarians are most likely to report that changes in interest rates won't impact them.

THE DEBT INDEX

Debt-Index Inputs

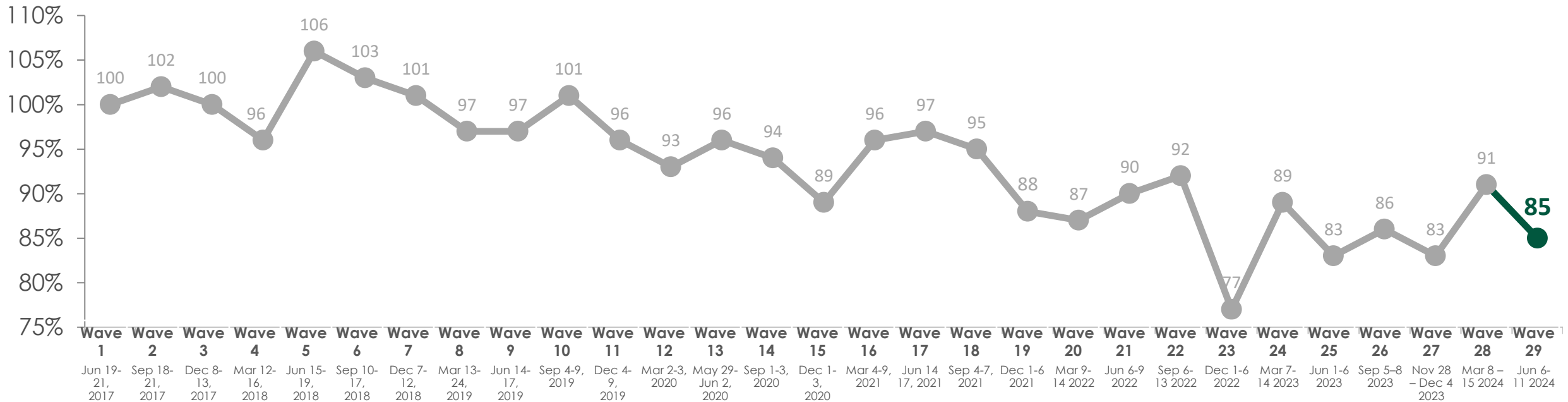


Debt-Index Inputs (Tracking)

Questi on	Measure	Score	% (Top/Bottom 3 Box)																								Δ vs. Mar 2024					
			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	Mar 2023	Jun 2023		Sep 2023	Dec 2023	Mar 2024	Jun 2024	
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%	30%	30%	34%	30%	37%	36%	-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%	22%	23%	21%	25%	24%	24%	22%	27%	23%	-4
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%	24%	22%	23%	22%	25%	21%	-4
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%	32%	29%	28%	27%	30%	29%	-1
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%	31%	28%	34%	31%	34%	31%	-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%	36%	37%	30%	34%	33%	33%	33%	35%	32%	-3
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%	21%	19%	19%	19%	24%	19%	-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%	26%	24%	25%	24%	25%	23%	-2
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%	31%	30%	28%	28%	30%	29%	-1
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%	36%	32%	32%	32%	33%	33%	-
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%	26%	23%	26%	25%	24%	23%	-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%	21%	18%	16%	19%	18%	18%	18%	18%	18%	-
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%	26%	23%	26%	26%	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%	25%	24%	20%	23%	24%	22%	21%	22%	21%	-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%	43%	43%	39%	40%	37%	38%	39%	41%	40%	-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%	25%	26%	21%	24%	22%	22%	23%	24%	22%	-2
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%	40%	37%	35%	38%	37%	39%	+2
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%	29%	27%	29%	28%	26%	28%	+2

Debt-Index Tracking

The MNP Consumer Debt Index **has declined once again to 85 points, showing a pattern of two-steps forward, one step back.** Despite the Bank of Canada announcement dropping key interest rates to 4.75%, Canadians are still pessimistic about their current personal finances and are awaiting the next announcement for a significant change as many Canadians are expecting to renew their mortgage this year.

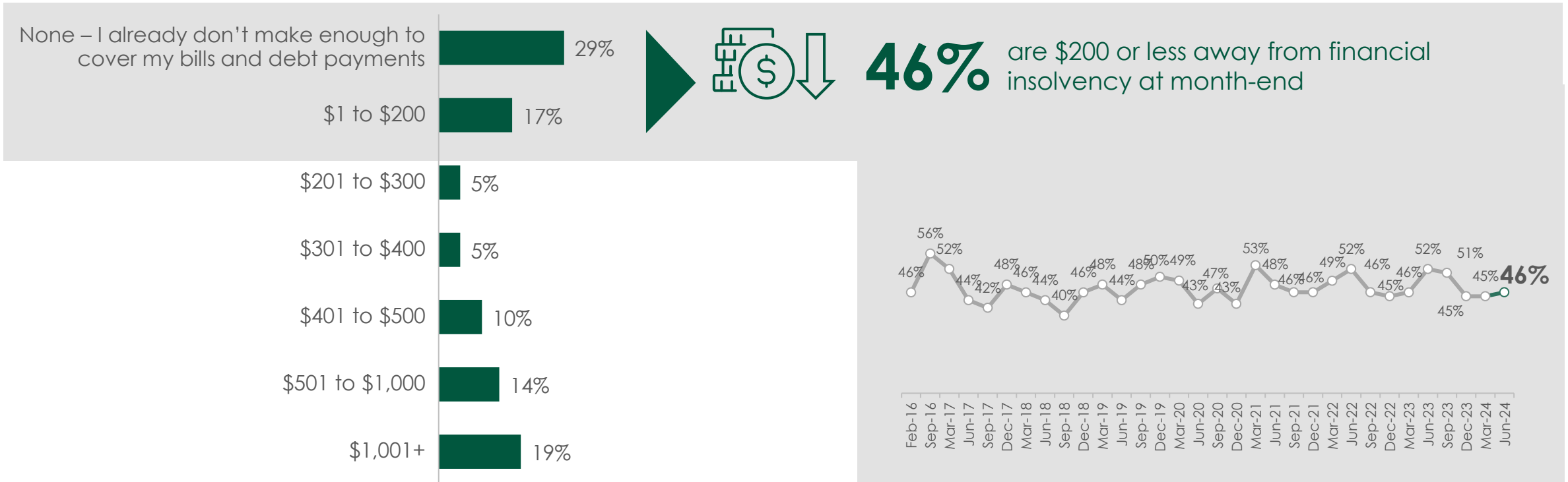


Note on interpretation: A high debt index score means that Canadians feel positive towards their personal finances, as well as confident in their ability to cope with unexpected financial situations. A low index score describes the opposite – negative feelings and low confidence.

EVALUATING PERSONAL FINANCES

Finances at Month-End

Consistent with March 2024, 46% are **\$200 or less away each month from financial insolvency**. However, fewer state they are already insolvent (29%, -2), and more are \$1 to \$200 away from insolvency (17%, +3).

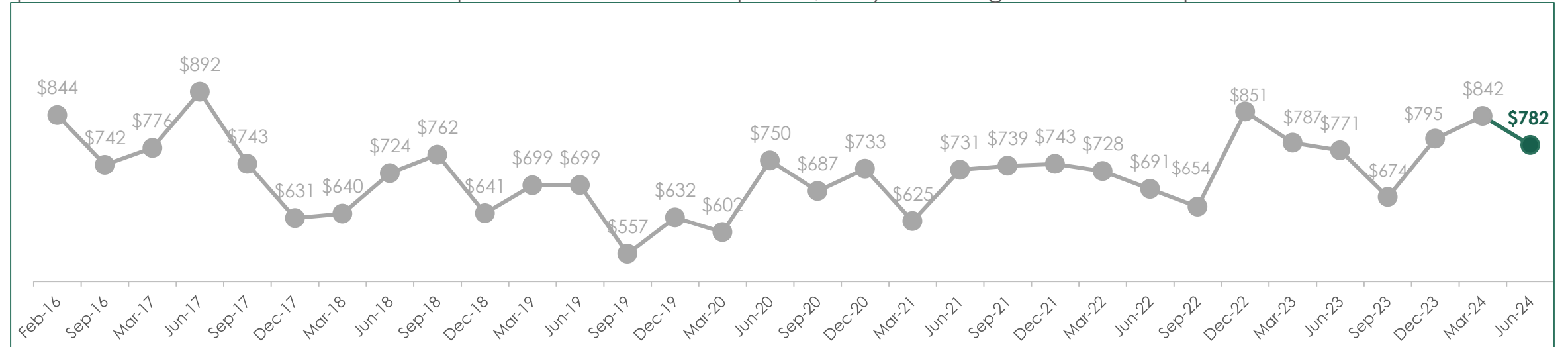


Q1. Thinking about the amount of after-tax income you make each month compared to the amount of your bills and debt obligations each month, how much is left over? In other words, how much wiggle room do you have before you wouldn't be able to pay all your bills and debt payments each month (which is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

Base: All Respondents (unweighted) n=2001

Average Finances Left at Month-End

After all bills and essential expenses are settled, on average, **Canadians are left with \$782 at month-end**, down \$60. Most Canadians across various demographics have seen a decline in month-end finances, potentially due to an increase of spending as interest rates begin to decline, rising housing costs or persistently-stubborn inflation. However, older Canadians (55+) and those with less than \$40K household income have about \$100 more leftover this quarter, likely reflecting efforts to scrimp and save.



Average Finances Left at Month-End

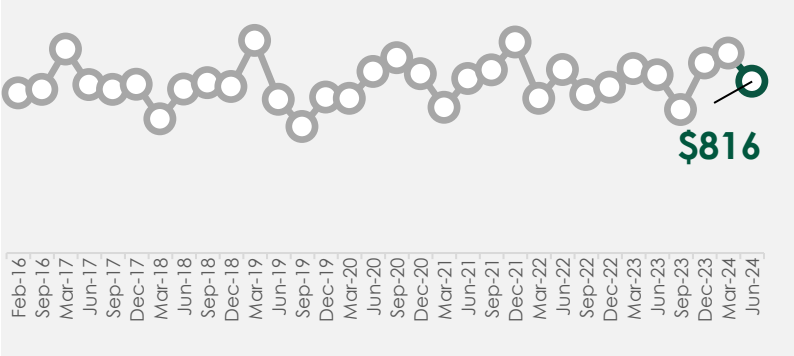
	Mean (incl. 0)	Gender		Age			Household Income			
		Male A	Female B	18-34 C	35-54 D	55+ E	<\$40K G	\$40K to <\$60K H	\$60K to <\$100K I	\$100K+ J
Current wave (June 2024)	\$782	\$917 B	\$660	\$734	\$706	\$883 D	\$550	\$568	\$795 GH	\$1,379 GHI
Change since last wave (Mar 2024)	-\$60	-\$131	+\$9	-\$367	+\$6	+\$99	+\$98	-\$128	-\$63	-\$552

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)?

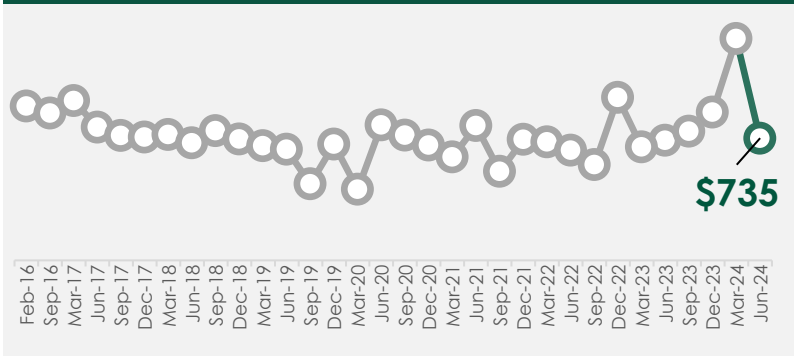
Base: All Respondents (unweighted) n=2001

Average Finances Left at Month-End (Regional View)

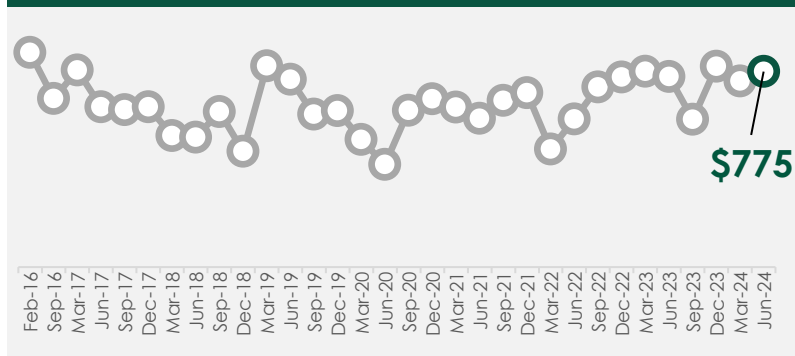
British Columbia -\$134



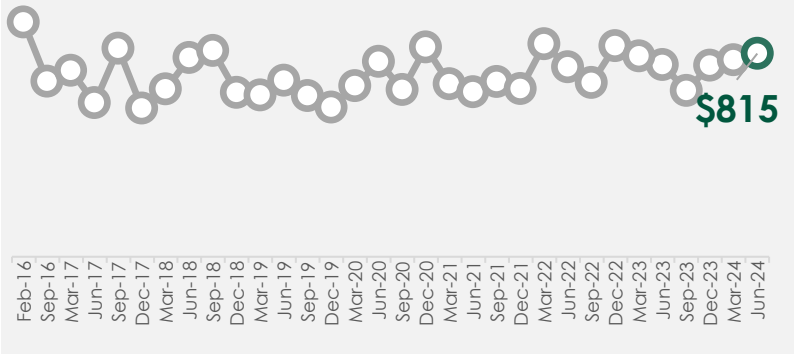
Alberta -\$599



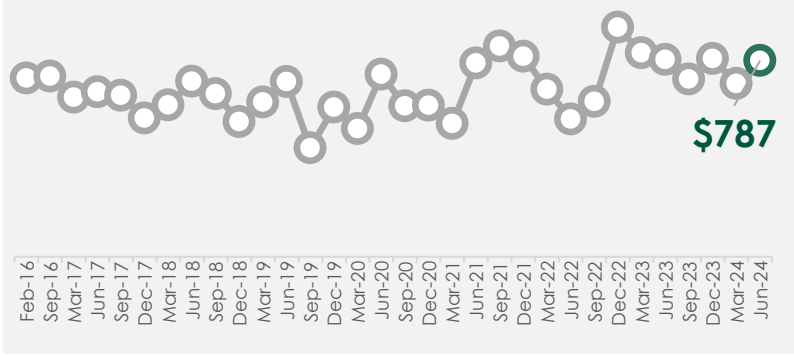
Saskatchewan/Manitoba +\$37



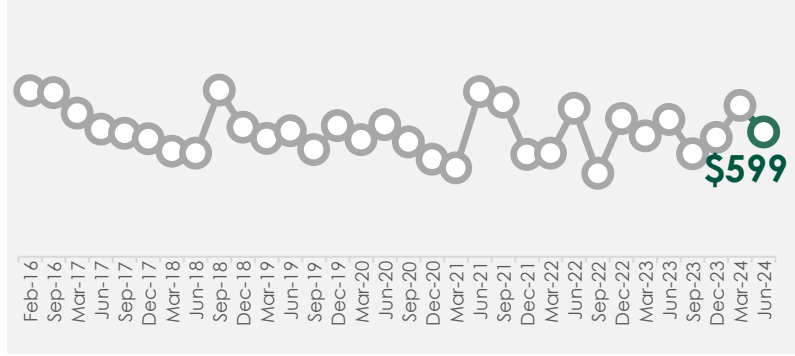
Ontario +\$27



Quebec +\$92



Atlantic Canada -\$129



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=2001, BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

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

Canadians who report being \$200 or less away from insolvency continue to be women, however, the gender gap has widened slightly. Three in five Canadians with less than \$40K income are still at risk of insolvency. Interestingly, Albertans have seen a significant increase in those at risk of insolvency. Six in 10 Canadians who have stated they are overwhelmed with debt and for whom lower interest rates won't help are insolvent or at risk of insolvency (62%).

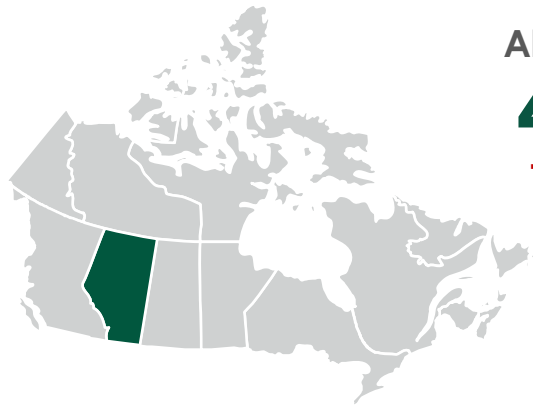
41%
-1 pts



50%
+3 pts



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



Alberta

47%
+13 pt

Followed by residents of:

- Atlantic Canada (**48%**, -)
- British Columbia (**47%**, +2)
- Saskatchewan/Manitoba (**47%**, +2)
- Quebec (**45%**, +2)
- Ontario (**44%**, -4)



Overwhelmed with Debt and Lower Interest Rates Won't Help Much

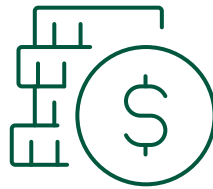
Agree

62%

vs.

Disagree

37%



<\$40K

59%
-1 pts

vs. \$40K to \$60K (**45%**, +2),
\$60K to <\$100K (**43%**, -11),
and \$100K+ (**27%**, +2).



Gen Z

54%
+6 pts

vs. Gen X (**52%**, +3), Millennial (**48%**, +4) and Boomer (**35%**, -5).

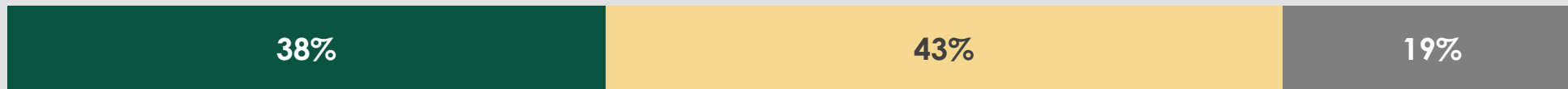
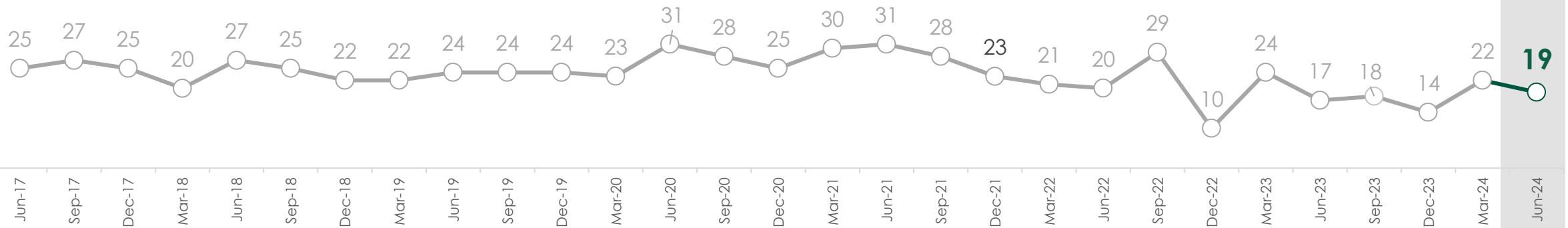
Q1. Thinking about the amount of after-tax income you make each month compared to the amount of your bills and debt obligations each month, how much is left over? In other words, how much wiggle room do you have before you wouldn't be able to pay all your bills and debt payments each month (which is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

Base: All Respondents (unweighted) n=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Personal Debt Rating

Canadians' **net personal debt rating has declined slightly to 19 points**, a three-point decrease from last quarter. The shift is a result of fewer who felt their personal debt rating is 'excellent' (38%, -3).

Net Rating (Excellent minus Terrible)



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

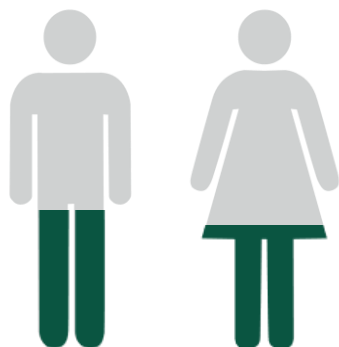
Q2. On a scale of 1 to 10, where 1 is 'terrible' and 10 is 'excellent', how would you rate your personal debt situation?
Base: All Respondents (unweighted) n=2,001

Excellent Personal Debt Self-Assessment

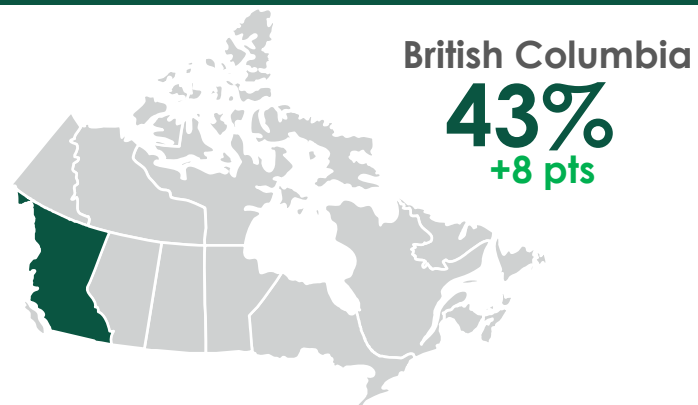
Who is more likely to rate their personal debt situation as 'good'? Assessments are up for British Columbians and Atlantic Canadians, and down significantly for Albertans, Quebecers, and those with \$100K+ income.

40%
-3 pts

36%
-3 pts



Women are more likely to say that they are either already insolvent or \$200 or less away from insolvency,



Followed by residents of:

- Ontario (**43%**, +1)
- Atlantic (**40%**, +6)
- Alberta (**36%**, -14)
- Saskatchewan/Manitoba (**30%**, -5)
- Quebec (**30%**, -10)



\$100K+ Income
43%
-9 pts

vs. \$60K to <\$100K (**40%**, -3), \$40K to \$60K (**39%**, +1), and <\$40K (**32%**, +1).



Boomers
57%
-4 pts

vs. Gen Z (**32%**, -1), Gen X (**31%**, -1), and Millennial (**27%**, -2).

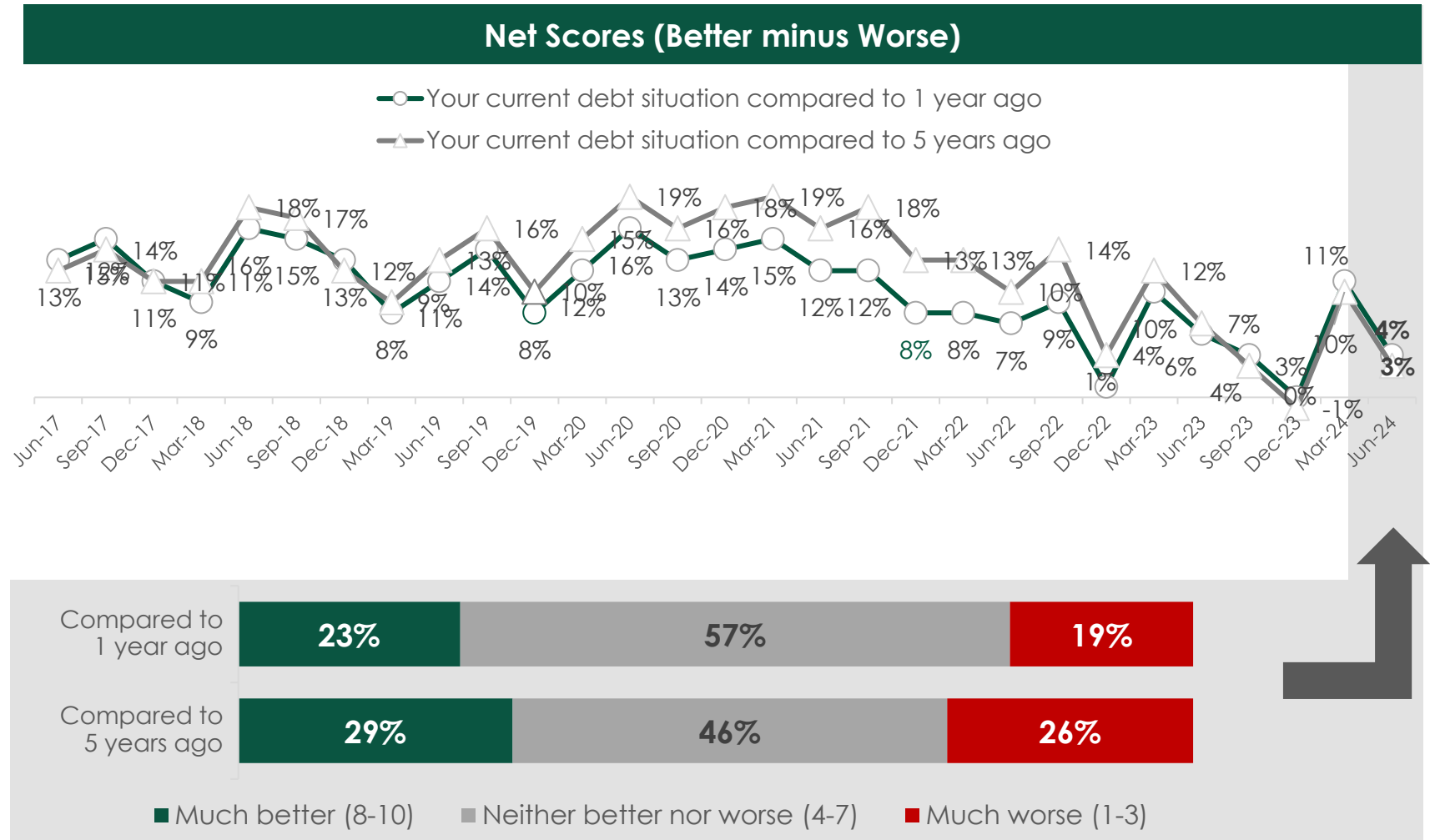
Q2. On a scale of 1 to 10, where 1 is 'terrible' and 10 is 'excellent', how would you rate your personal debt situation? Top three box responses.
Base: All Respondents (unweighted) n=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Current Debt Situation

Current debt perceptions have declined significantly after a generous bump in March 2024.

When asked to **look back to one year ago**, fewer Canadians perceive their current debt situation to be much better (23%, -4) and more 16% (+3) have rated it much worse.

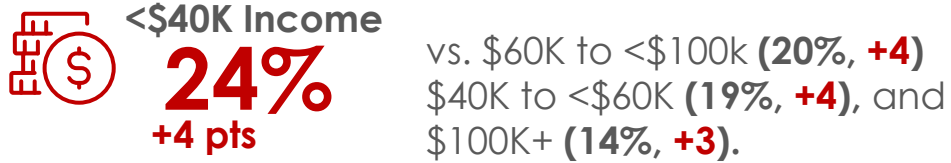
Looking back to five years ago, three in ten (29%, -1) say their debt situation has improved and a growing proportion (26%, +6) say it has worsened.



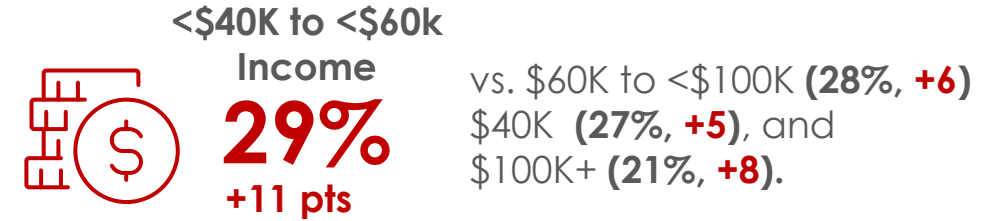
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?
 Base: All Respondents (unweighted) n=2,001

Current Debt Situation: **Worse**

Your current debt situation compared to 1 year ago



Your current debt situation compared to 5 years ago



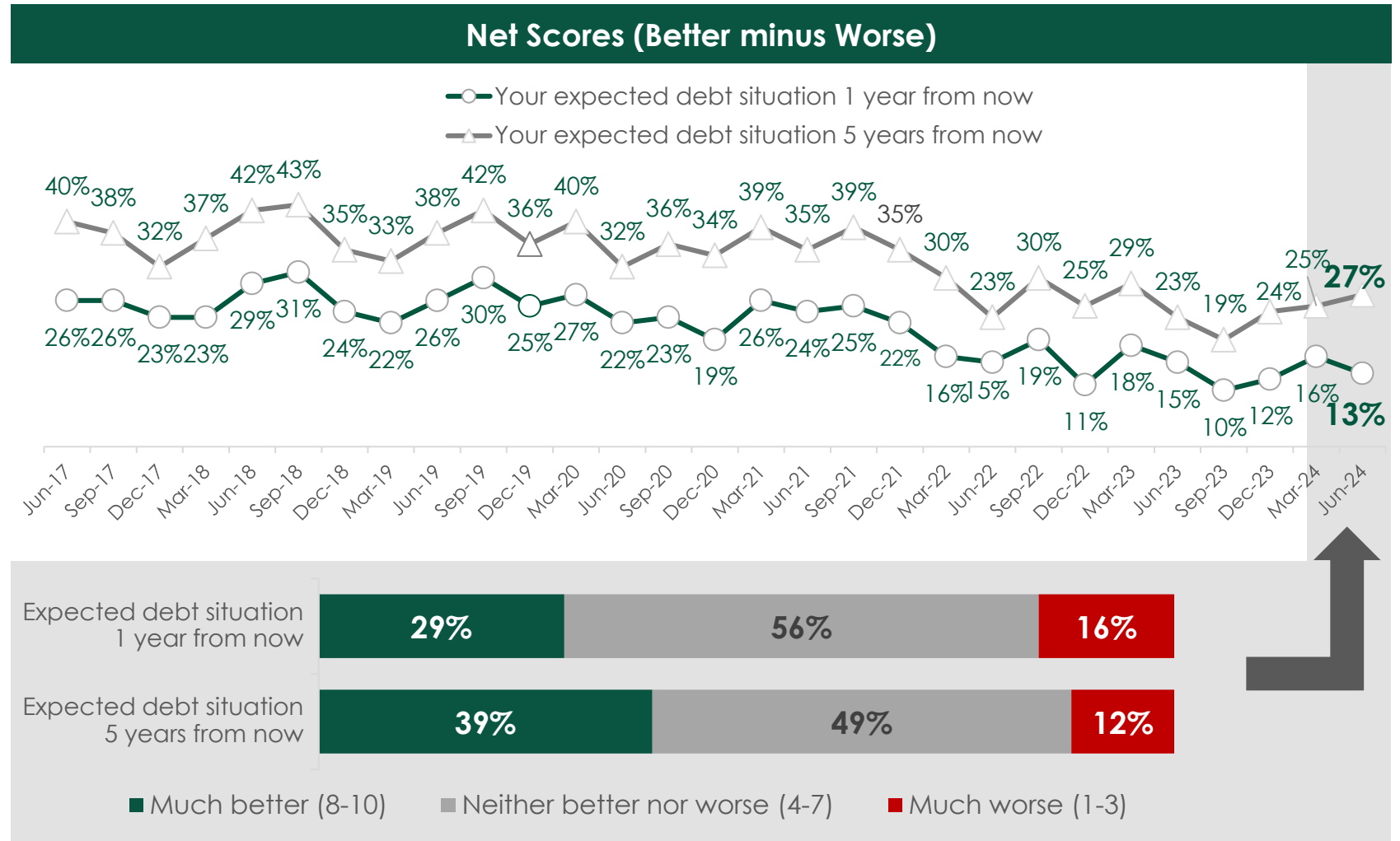
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...? Bottom three box responses.
Base: All Respondents (unweighted) n=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Expected Debt Situation

Canadians' perceptions of their expected debt situation in the future stabilize as interest rates begin to drop.

Looking ahead to **one year from now**, 3 in 10 Canadians expect their debt situation to improve (29%, -1), although a growing proportion believes it will worsen (16%, +2).

Looking **five years into the future**, more Canadians are feeling better about their expected debt (39%, +2) and a similar proportion to last quarter believes that their debt situation will worsen (12%, unchanged).



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
20%
0 pts

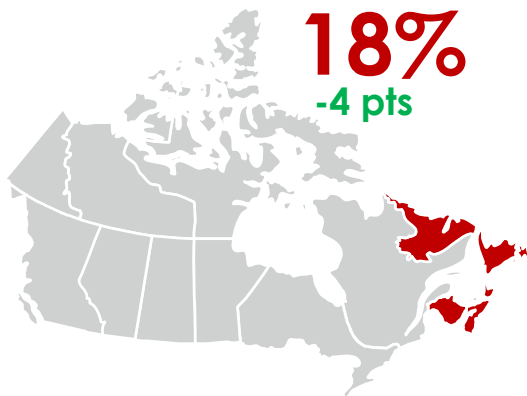
vs. \$40K to <\$60K (**18%, +3**) and \$60K to <\$100K (**13%, -3**), and \$100K+ (**11%, unch.**).



Gen X
23%
+2 pts

vs. Gen Z (**18%, -1**) and Millennials (**15%, -1**), Baby Boomers (**11%, +3**).

Atlantic Canada



Followed by residents of:

- Ontario (**18%, +3**)
- Sask./Manitoba (**17%, -3**)
- Quebec (**15%, +3**)
- British Columbia (**14%, -2**)
- Alberta (**13%, -4**)

Your expected debt situation 5 years from now



<\$40K to <\$60K Income
18%
unchanged

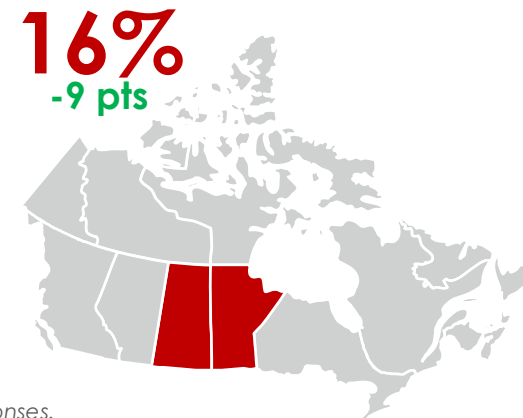
vs. \$40K (**16%, -6**), \$60K to <\$100K (**10%, -12**), and \$100K+ (**6%, -7**).



Gen X
15%
-11 pts

vs. Gen Z (**15%, -6**), Millennials (**11%, -8**) and Baby Boomers (**10%, -3**).

Sask./Manitoba



Followed by residents of:

- Atlantic Canada (**15%, -9**)
- Alberta (**13%, -4**)
- Ontario (**12%, -8**)
- Quebec (**12%, -5**)
- British Columbia (**11%, -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=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

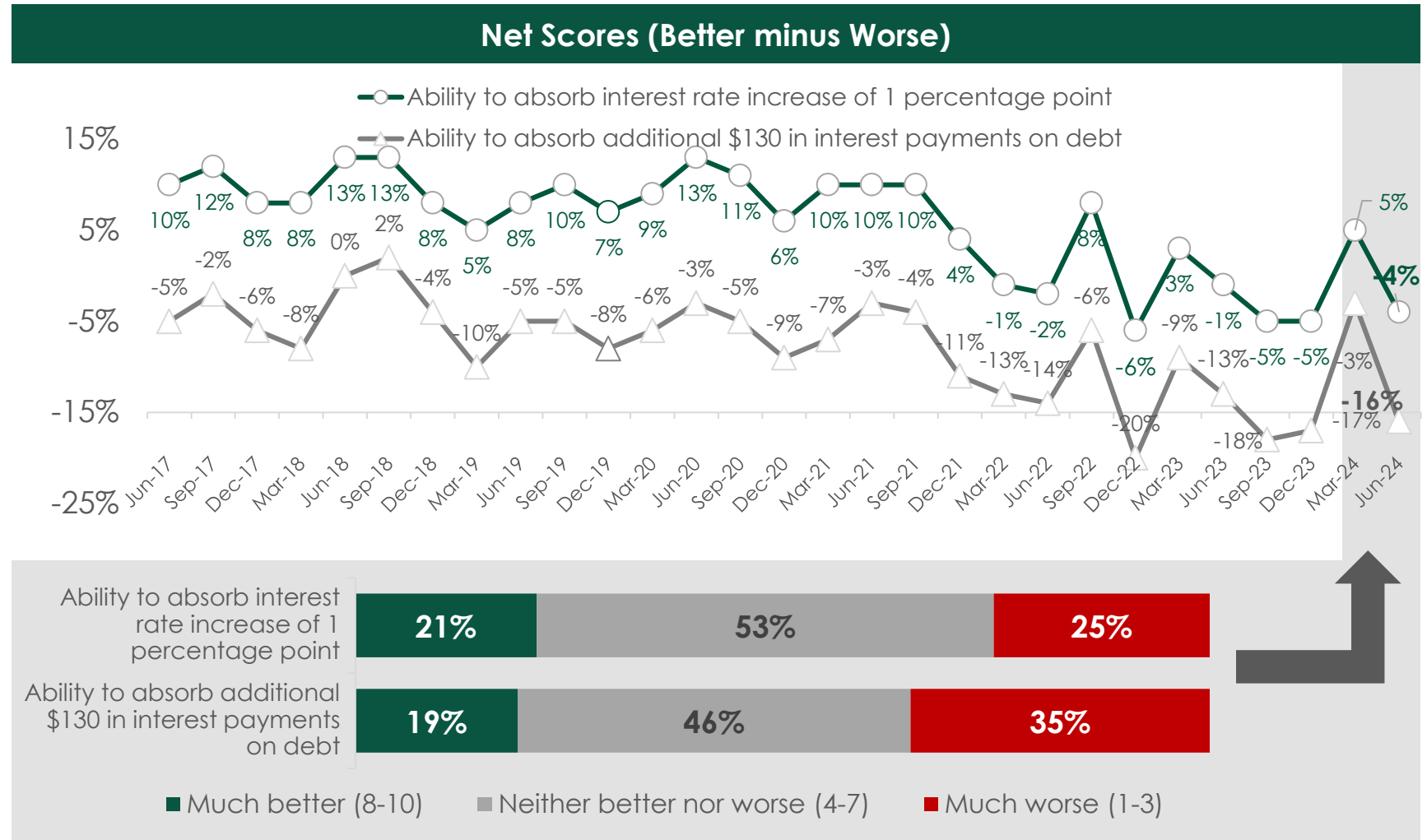
Current Ability to Absorb Interest Rate Increase

Canadians' perception of their ability to absorb additional interest rate increases has declined significantly from last quarter matching levels compared to last year.

Net score when phrased as a **one percentage point increase** has decreased by 9 points to -4%.

Net ability to absorb **an extra \$130 in interest payments** declined significantly, down 13 percentage points to -16%.

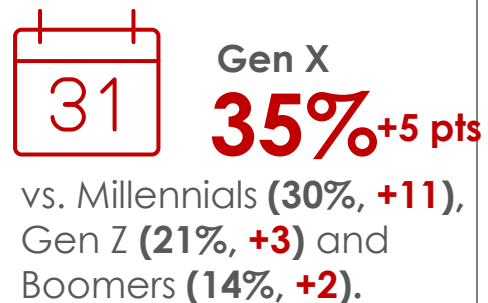
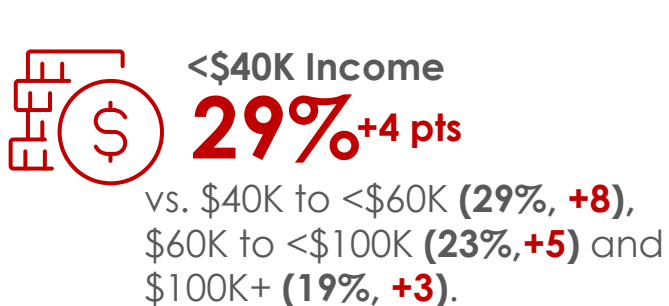
While interest rates are showing signs of declining over the next couple years, Canadian will likely not react well to rates that are sluggish to drop or – worse still – go back up.



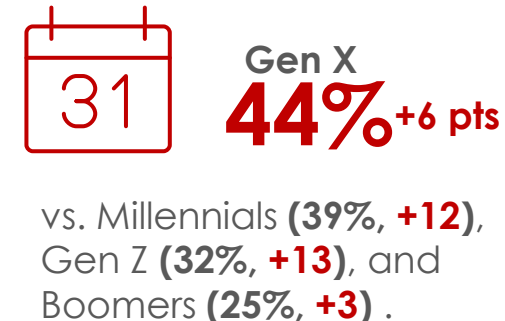
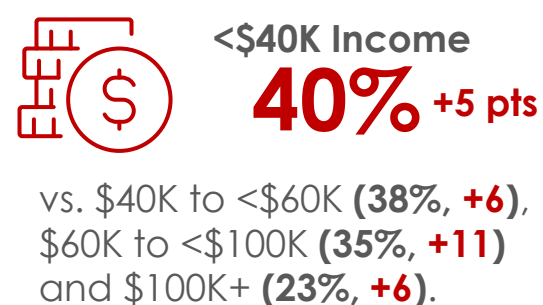
Q3. On a scale of 1 to 10, where 1 is 'much worse' and 10 is 'much better', how would you rate ...?
 Base: All Respondents (unweighted) n=2,001

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

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

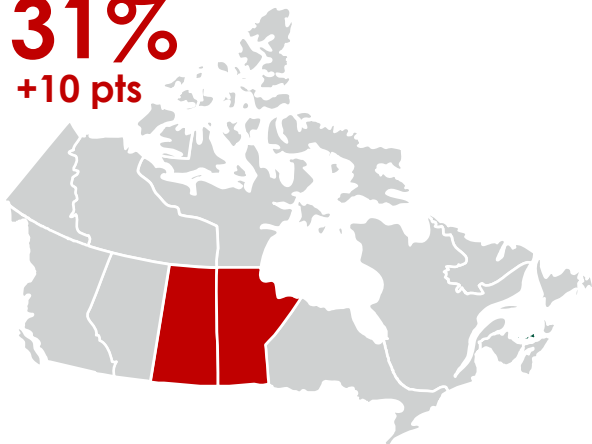


Your current ability to absorb an additional \$130 in interest payments on debt



Sask./Manitoba

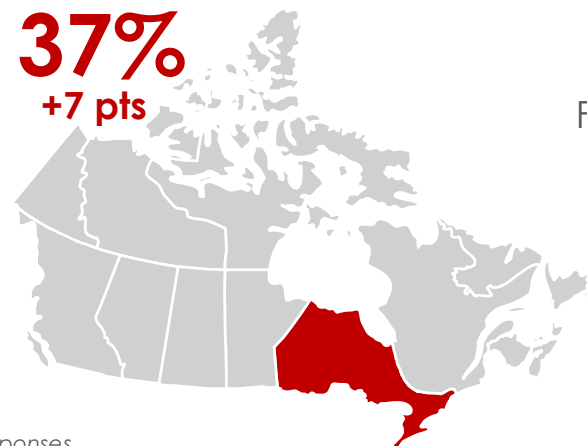
31%
+10 pts



Followed by residents of:

- Alberta (**26%**, +3)
- Quebec (**26%**, +7)
- Ontario (**25%**, +5)
- British Columbia (**22%**, +5)
- Atlantic Canada (**21%**, unch.)

Ontario
37%
+7 pts



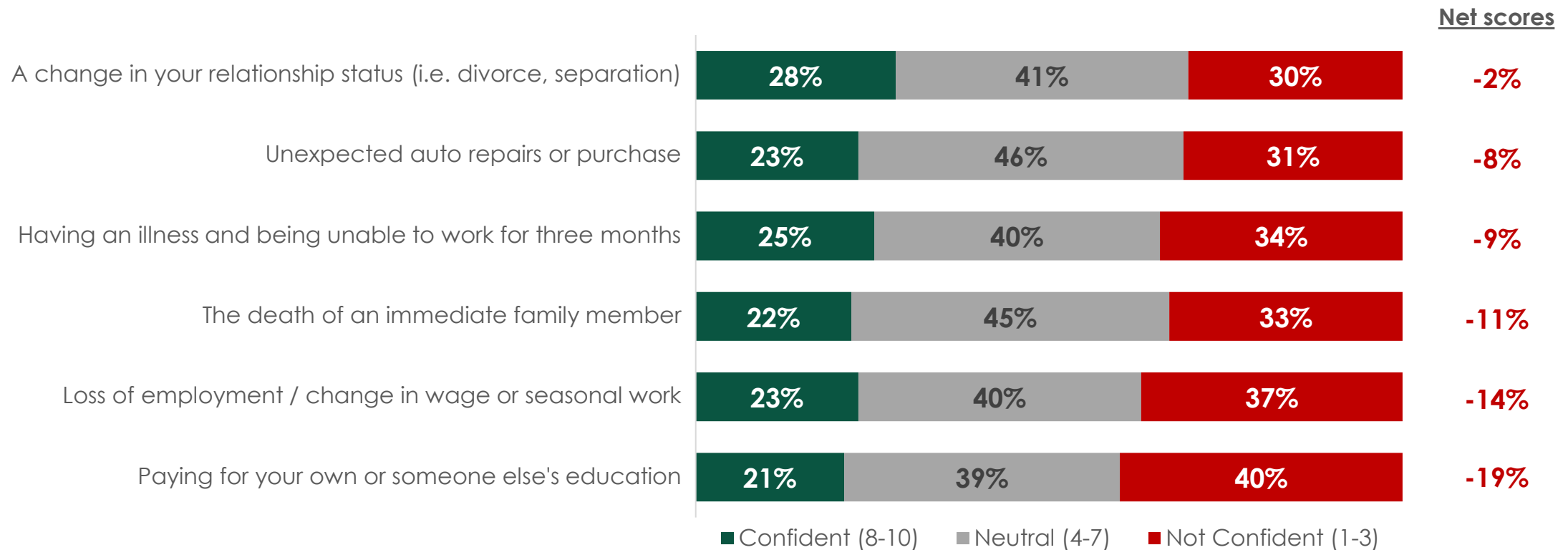
Followed by residents of:

- Alberta (**36%**, +8)
- Sask./Manitoba (**36%**, +11)
- Quebec (**33%**, +8)
- British Columbia (**32%**, +8)
- Atlantic Canada (**31%**, +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=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Confidence in Ability to Cope

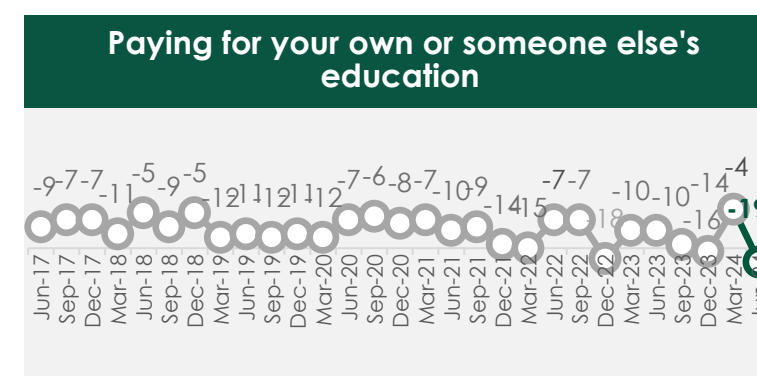
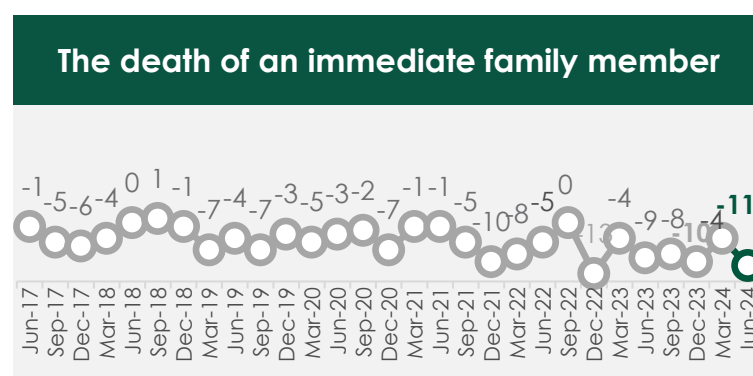
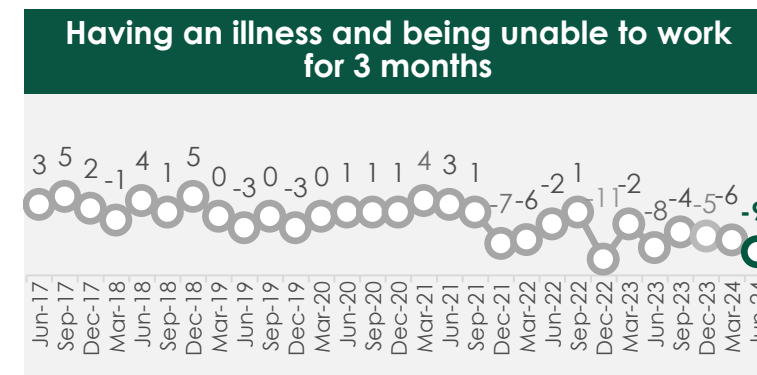
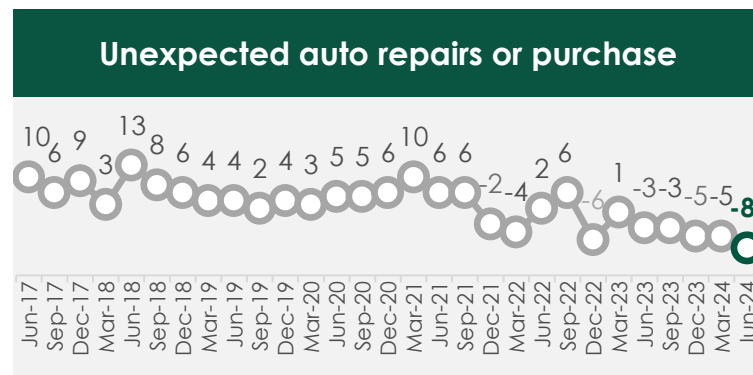
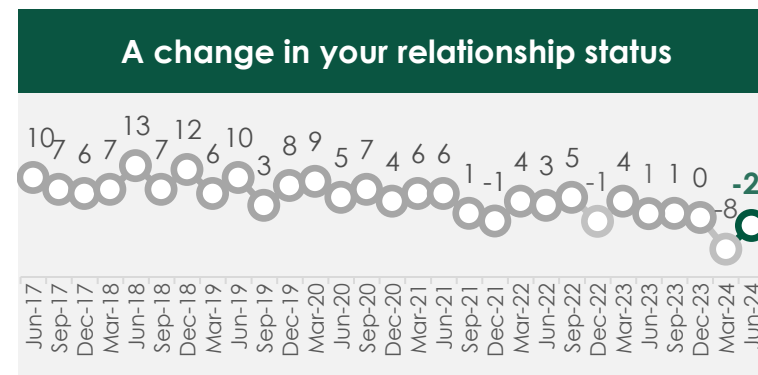
Canadians remain pessimistic about their ability to cope with life's unexpected expenses as net confidence is negative across the board. However, more are feeling confident about their ability to cope with a change in their relationship status (+2) and fewer are less confident (-4). Significantly more are not confident about paying for their own or someone else's education (+14)



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=2,001

Confidence in Ability to Cope – Net Scores

Net confidence scores on coping with life changes have remained in the negative across the board, most notably paying for your own or someone else's education (down 15 percentage points), the loss of employment (down 8 percentage points), and the death of an immediate family member (down 7 percentage points).



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=2,001

Not Confident in Ability to Cope

A change in your relationship status



<\$40K

33%
Unch.

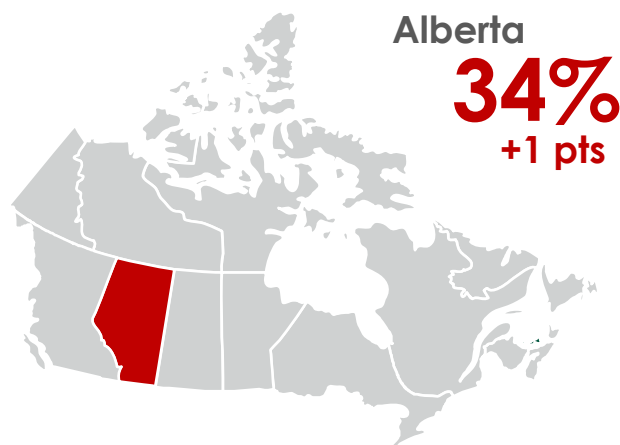
Vs. \$100K+ Income (**31%, +9**),
\$60K to \$100K (**29%, +3**)
and \$40K to <\$60K (**29%, +3**).



Millennials

36% +5 pts

Vs. Gen X (**33%, -1**),
Gen Z (**31%, +9**), and
Baby Boomers (**23%, +1**).



Followed by residents of:

- Sask./Manitoba (**33%, unch.**)
- Ontario (**31%, +4**)
- British Columbia (**29%, +1**)
- Quebec (**28%, +5**)
- Atlantic Canada (**26%, -6**)

Unexpected auto repairs or purchase



<\$40K Income

41% +4 pts

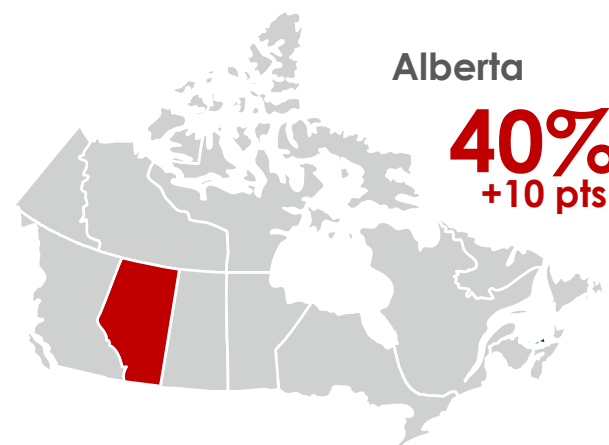
vs. \$40K to <\$60K (**31%, +7**),
\$60K to <\$100K (**29%, +6**)
and \$100K+ (**21%, +6**).



Gen X

38% +3 pts

vs. Millennials (**36%, +7**),
Gen Z (**30%, +6**)
And Boomers (**21%, +5**).



Followed by residents of:

- Sask./Manitoba (**35%, +9**)
- British Columbia (**30%, +7**)
- Quebec (**30%, +8**)
- Atlantic (**29%, -1**)
- Ontario (**29%, +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=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Not Confident in Ability to Cope

Having an illness and being unable to work for 3 months



Millennials
43% +10 pts

vs. Gen Z (**41%**, +10), Gen X (**36%**, -6), and Baby Boomers (**21%**, +2).

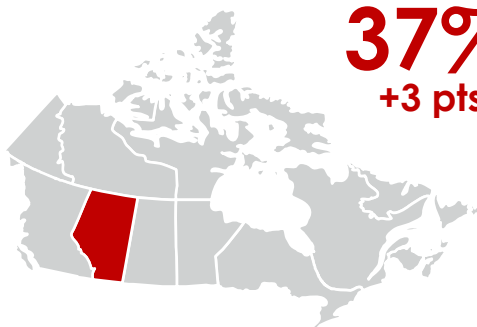


\$40K Income
41% +4 pts

vs. <\$40K to 60K (**35%**, 0), \$60K to <\$100K (**31%**, +2) and \$100K+ (**26%**, +5).

Alberta

37%
+3 pts



Followed by residents of:

- Atlantic Canada (**34%**, -2)
- Sask./Manitoba (**34%**, +2)
- Quebec (**34%**, +8)
- Ontario (**33%**, +1)
- British Columbia (**32%**, +2)

The death of an immediate family member



Millennial
40% +7 pts

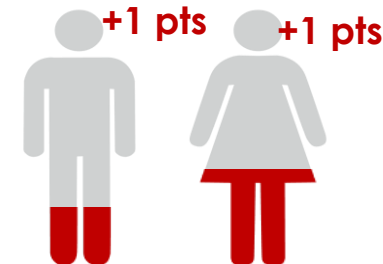
vs. Gen Z (**37%**, +3), Gen X (**34%**, -3) and Baby Boomers (**25%**, +5).



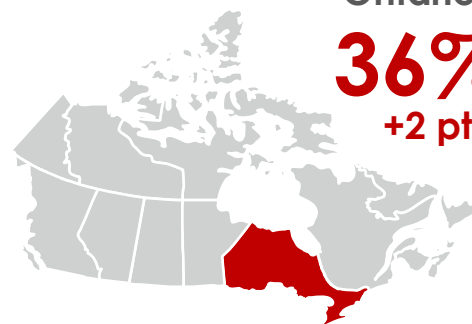
<\$40K Income
43% +4 pts

vs. \$60K to <\$100K (**32%**, +7), \$40K to <\$60K (**30%**, +1), and \$100K+ (**26%**, +5).

27% **40%**



Ontario
36%
+2 pts



Followed by residents of:

- British Columbia (**33%**, +4)
- Atlantic Canada (**32%**, -8)
- Quebec (**31%**, +8)
- Alberta (**31%**, +2)
- Sask./Manitoba (**31%**, -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=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173)..

Not Confident in Ability to Cope

Loss of employment/change in wage or seasonal work



Gen Z
52%
+24 pts

vs. Millennial (**45%, +10**),
Gen X (**41%, -1**) and
Baby Boomers (**20%, +4**).



\$40K
44%
+12 pts

vs. \$60K to <\$100K (**36%, +9**),
\$40K to <\$60K (**35%, -1**), and
\$100K+ (**30%, +4**).

Alberta

42%
+10 pts

Followed by residents of:

- Atlantic Canada (**41%, +1**)
- Sask./Manitoba (**37%, +8**)
- Ontario (**37%, +3**)
- Quebec (**35%, +13**)
- British Columbia (**33%, +6**)

Paying for your own or someone else's education



Gen Z
43% +10 pts

vs. Millennial (**42%, +6**),
Gen X (**42%, 0**) and
Baby Boomers (**36%, +10**).



<\$40K Income
52%
+5 pts

vs. \$40K to <\$60K (**42%, +5**),
\$60K to <\$100K (**34%, +6**)
and \$100K+ (**30%, +11**)

Alberta

45%
+4 pts

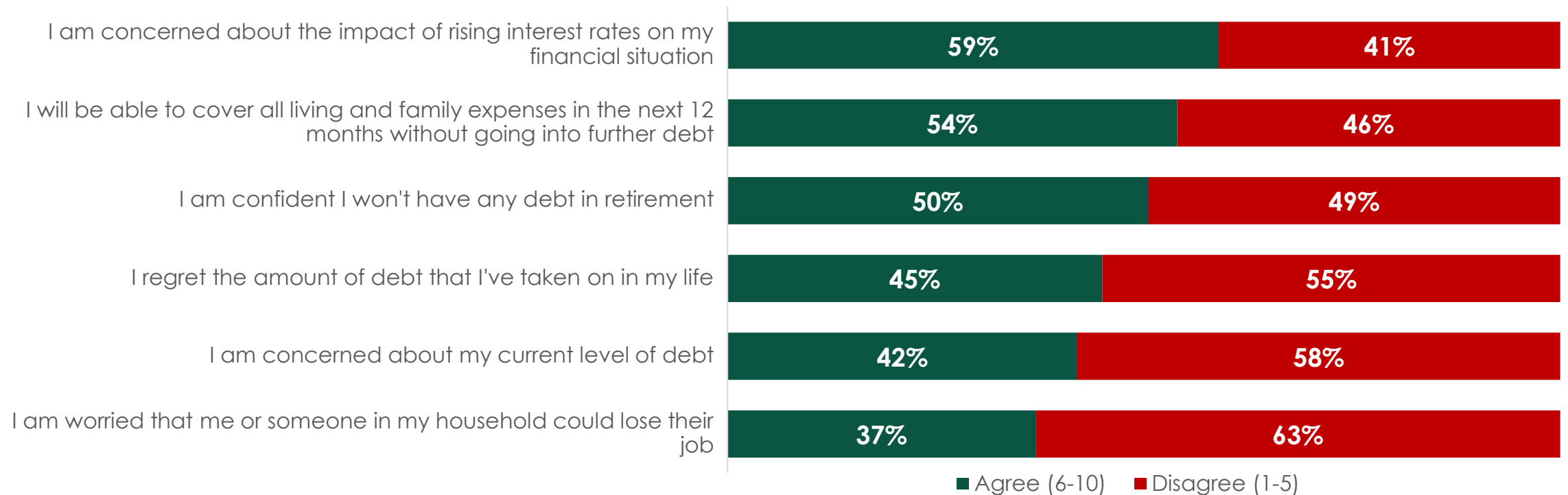
Followed by residents of:

- British Columbia (**43%, +13**)
- Atlantic Canada (**43%, +4**)
- Sask./Manitoba (**41%, +8**)
- Ontario (**41%, +3**)
- Quebec (**34%, +8**)

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=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Evaluating Personal Finances

Consistent with last quarter, three in five Canadians agree they are concerned about the impact of rising interest rates on their financial situation (59%, unchanged). Half of Canadians are confident they won't have any debt in retirement, but at least four in 10 regret the amount of debt they have taken on (45%) or is concerned about their current level of debt (42%).

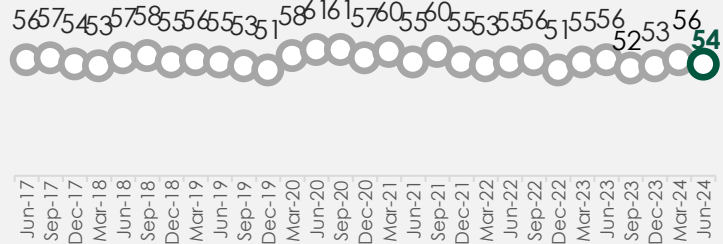


Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,001

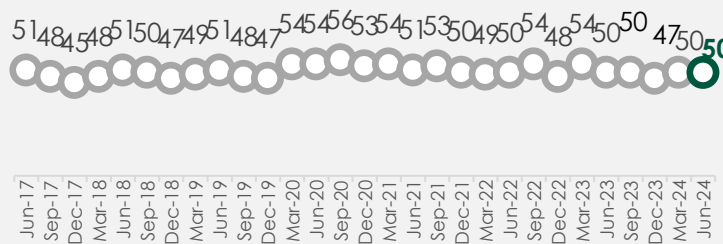
Evaluating Personal Finances – Agree (6-10)

Canadians' evaluation on their personal finances is consistent with the previous quarter. Slightly more are concerned that they or someone in their household could lose their jobs (37%, +2).

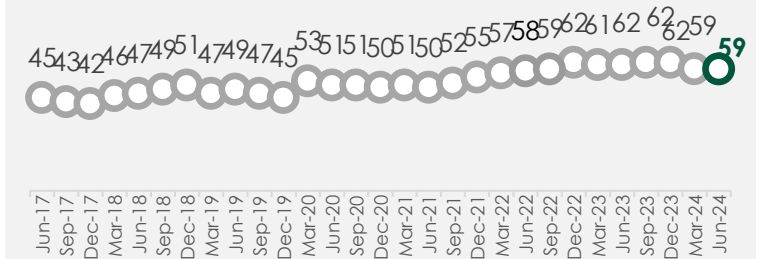
I will be able to cover all living and family expenses in the next 12 months without going into further debt



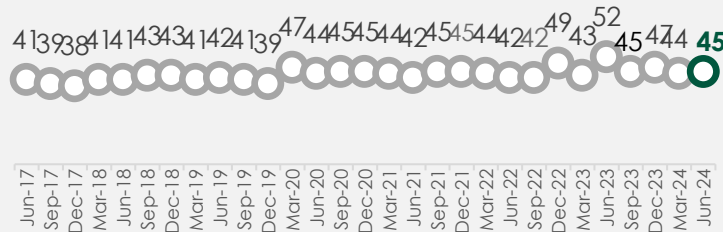
I am confident I won't have any debt in retirement



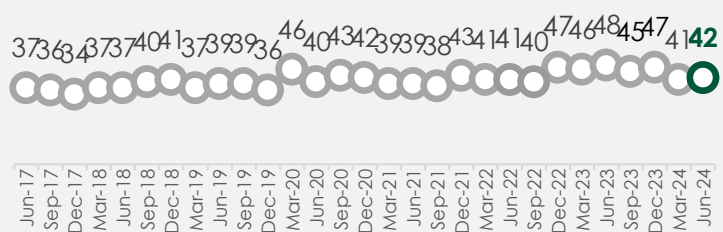
I am concerned about the impact of rising interest rates on my financial situation



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



I am concerned about my current level of debt



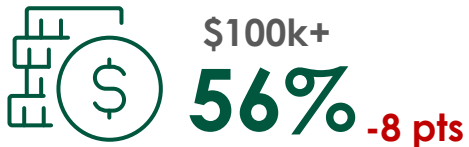
I am worried that me or someone in my household could lose their job



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=2,001

Evaluating Personal Finances – Agree (6-10)

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



vs. \$60K to <\$100K (**55%**, +4)
\$40K<\$60K (**49%**, +3) and
<\$40K (**45%**, +1).



vs. Gen Z (**51%**, 0),
Millennials (**46%**, -4), and
Gen X (**42%**, -2).

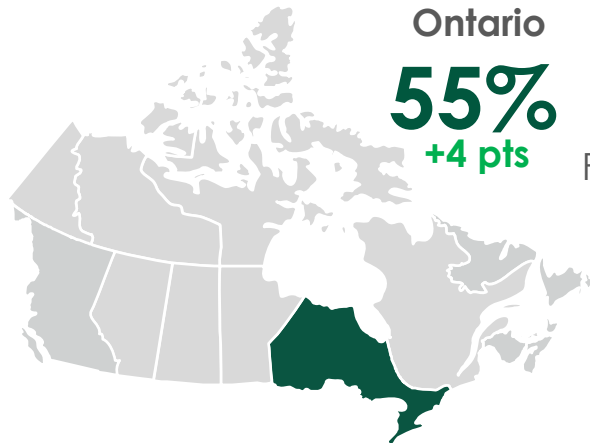
I will be able to cover all living and family expenses in the next 12 months without going into further debt



Vs. Gen X (**49%**, +2),
Gen Z (**46%**, -1) and
Millennials (**42%**, -8).

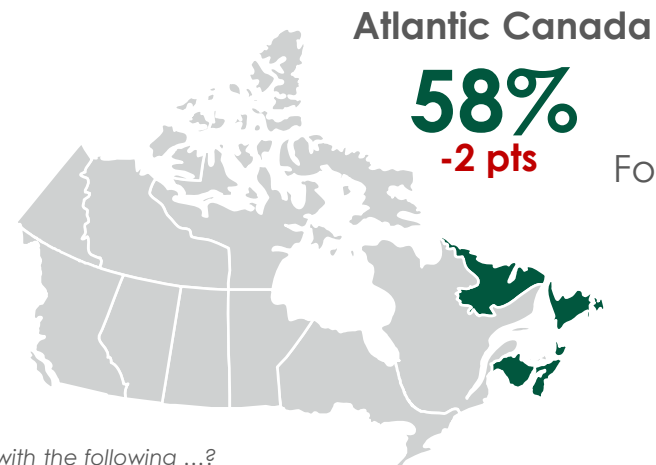


vs. \$60K to <\$100K (**58%**, -2),
\$40K to <\$60K (**51%**, -2) and
<\$40K (**47%**, -1).



Followed by residents of:

- Atlantic Canada (**49%**, +2)
- Alberta (**49%**, -1)
- Quebec (**49%**, -1)
- British Columbia (**47%**, -5)
- Sask./Manitoba (**39%**, -12)



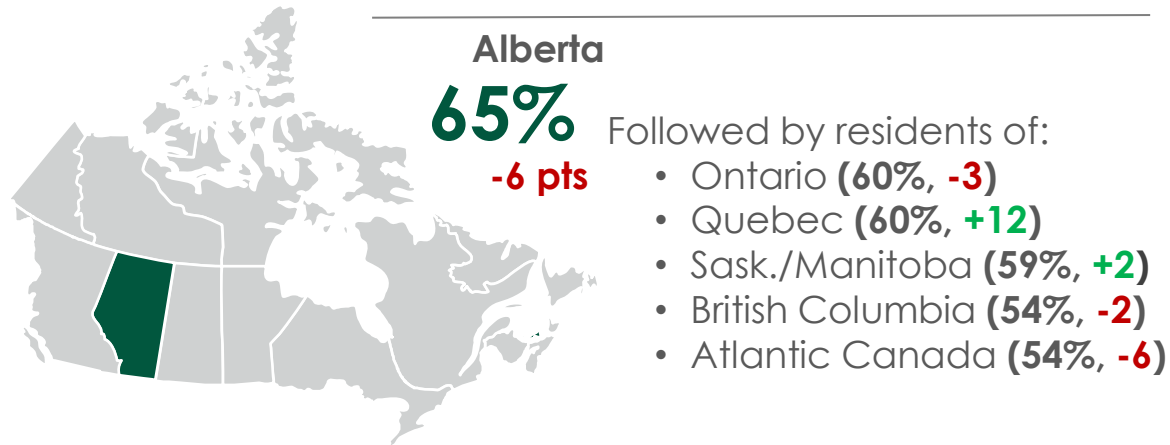
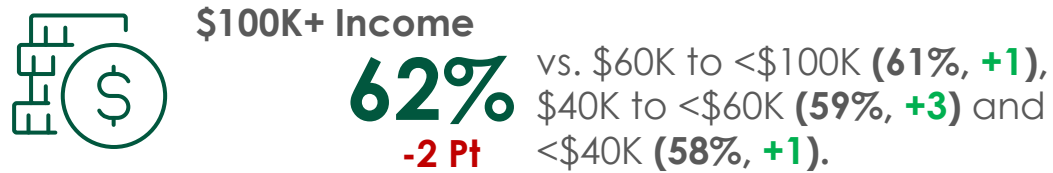
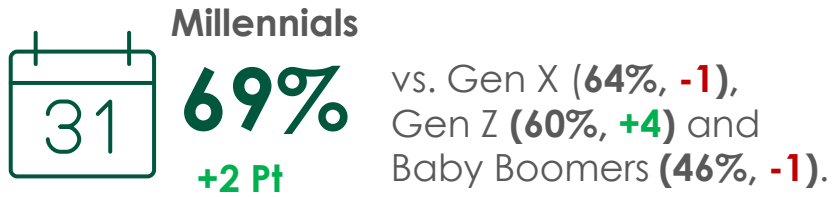
Followed by residents of:

- Ontario (**58%**, 0)
- British Columbia (**54%**, -4)
- Alberta (**50%**, -7)
- Quebec (**49%**, -3)
- Sask./Manitoba (**45%**, -11)

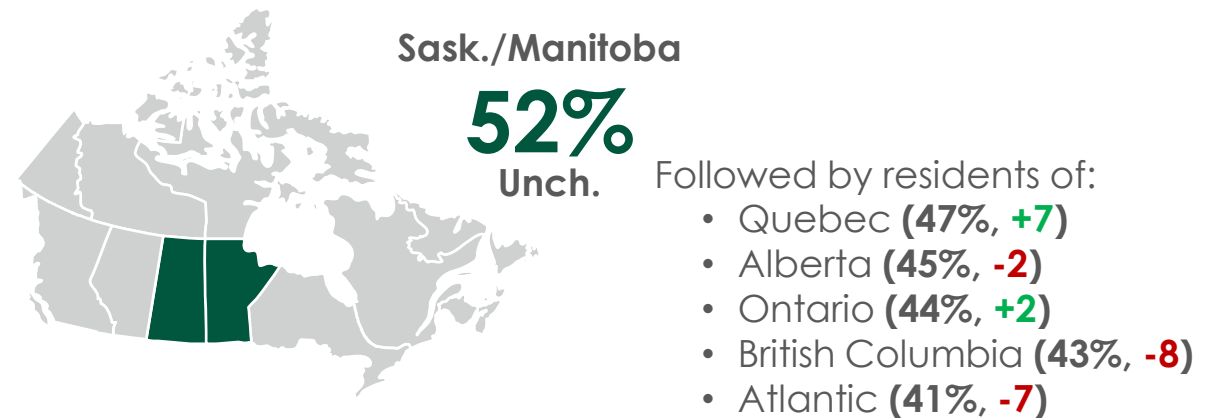
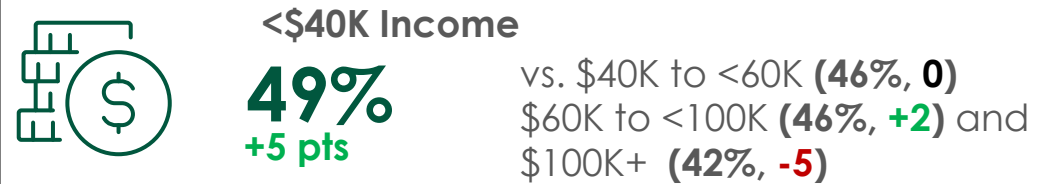
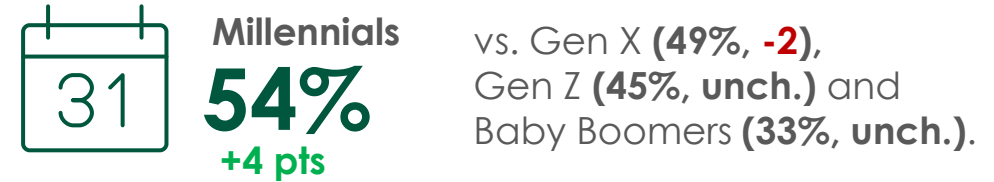
Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Evaluating Personal Finances – Agree (6-10)

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



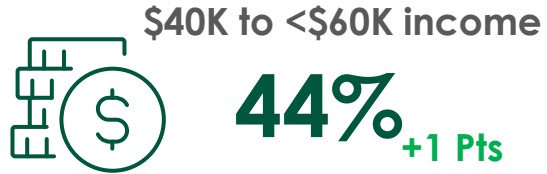
I regret the amount of debt that I've taken on in my life



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=(2001) BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

Evaluating Personal Finances – Agree (6-10)

I am concerned about my current level of debt

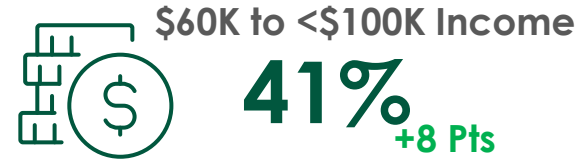


vs. <\$40K (**43%**, +1),
\$100K+ (**43%**, +1) and
\$60K - <\$100K (**40%**, +4).

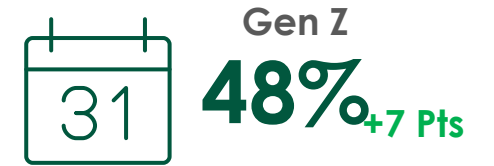


vs. Gen X (**48%**, unch.),
Gen Z (**44%**, -4) and
Baby Boomers (**24%**, +2).

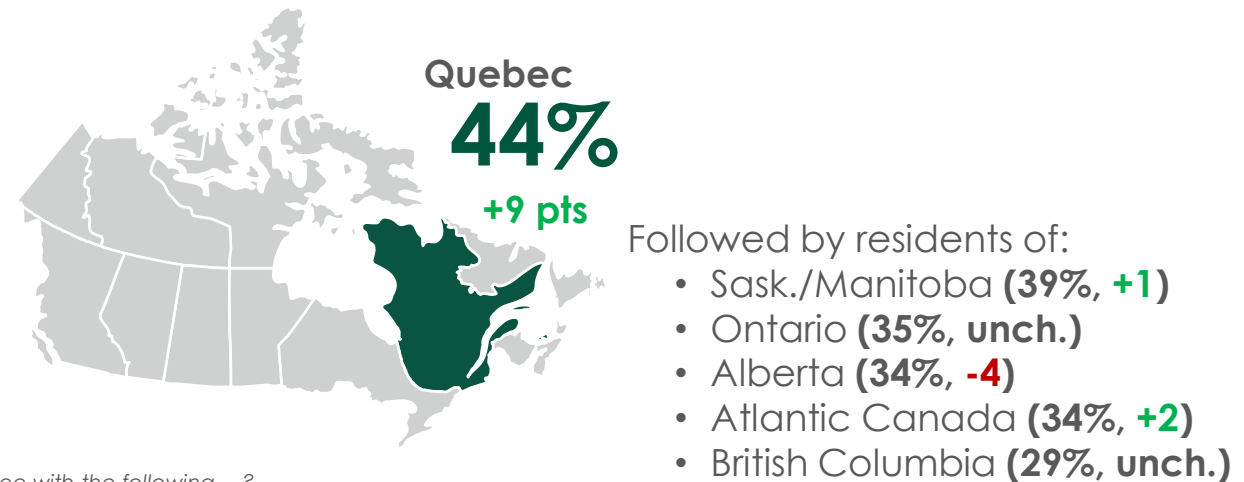
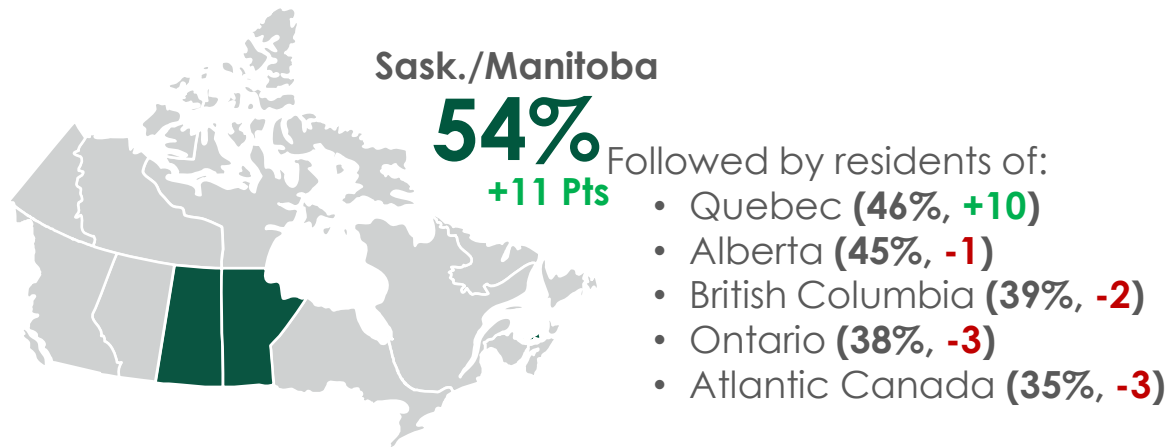
I am worried that me or someone in my household could lose their job



vs. <\$40K (**38%**, +6),
\$40K to <\$60K (**35%**, -3) and
\$100K+ (**35%**, -4).



vs. Millennials (**46%**, +2),
Gen X (**41%**, -1) and
Baby Boomers (**20%**, +3).

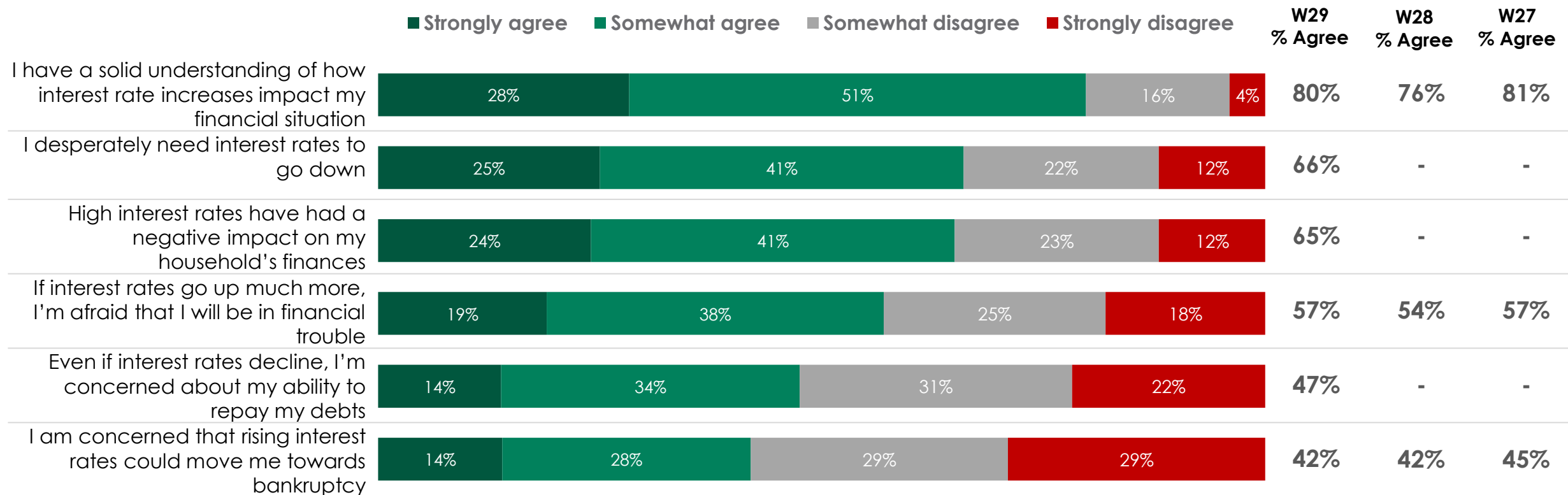


Q5. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how much do you agree or disagree with the following ...?
Base: All Respondents (unweighted) n=2,001 BC (n=275); AB (n=201); SK/MB (n=170); ON (n=725); QC (n=457); ATL (n=173).

INTEREST RATES

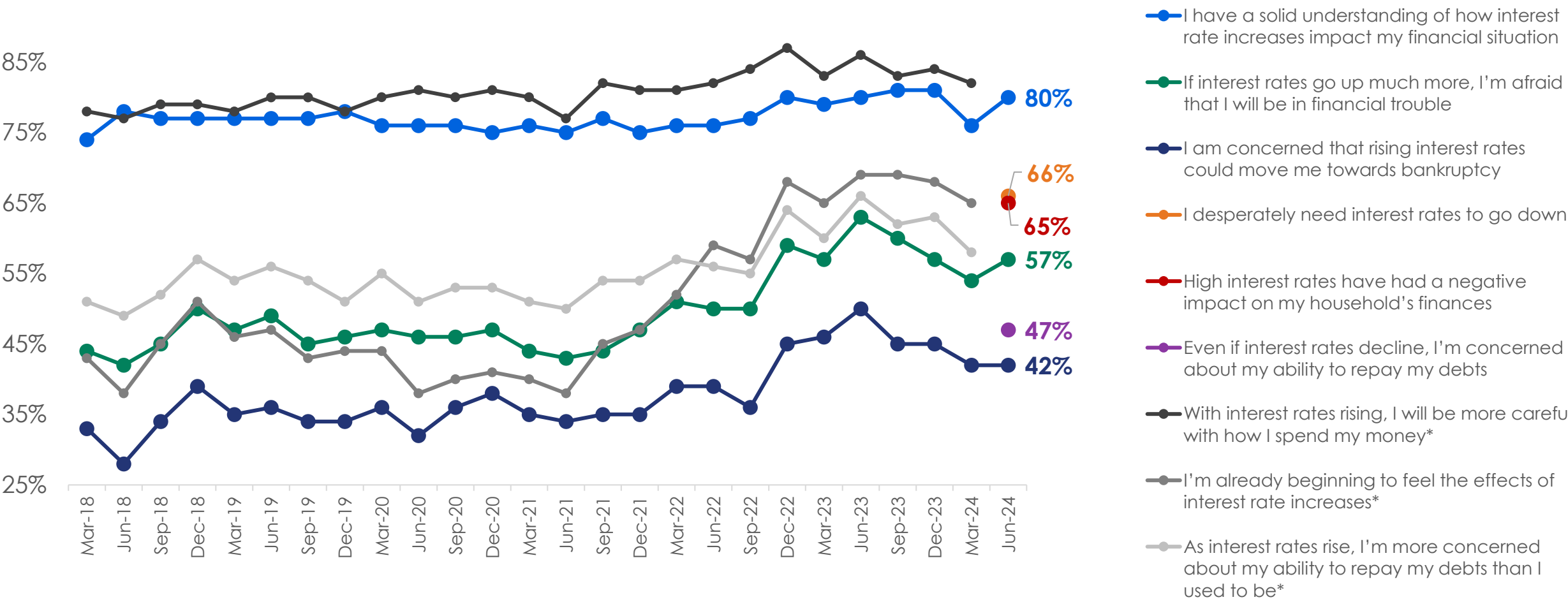
Attitudes Towards Interest Rates

Most Canadians agree they have a solid understanding of how interest rate increases impact their financial situation (80%, +4) and if interest rates go up much more, they will be in financial trouble (57%, +3). Two-thirds of Canadians state they desperately need interest rates to go down (66%) and high interest rates have had a negative impact on their household's finances (65%). Just under half agree that even if interest rates decline, they are still concerned with their ability to repay their debts (47%).



Q7. To what extent do you agree or disagree with the following?
 Base: All Respondents (unweighted) n=(2001)

Attitudes Towards Interest Rates Tracking (T2B)



Q7. To what extent do you agree or disagree with the following?
 Base: All Respondents (unweighted) n=2,001
 *Statements removed in Jun 2024.



Attitudes Towards Interest Rates

Women and Canadians aged 18-54 are most likely to agree they desperately need interest rates to go down and that high interest rates have had a negative impact on their household's finances. Canadians aged 18-34 are significantly less likely to have a solid understanding of how interest rate increases impact their financial situation compared to other age groups despite 71% saying they are aware. Overall, Canadians aged 55+ are least concerned with the effects of interest rates on their personal finances compared to younger Canadians.

% 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
I have a solid understanding of how interest rate increases impact my financial situation	80%	81%	79%	71%	82% C	84% C	82%	80%	82%	76%	84% D	81%	75%	77%	84% GH	87% GH
I desperately need interest rates to go down	66%	60%	71% A	73% E	75% E	53%	63%	67%	67%	63%	69%	69%	65%	70%	66%	64%
High interest rates have had a negative impact on my household's finances	65%	62%	68% A	71% E	74% E	53%	63%	69%	77% ADEF	65%	61%	62%	67%	63%	64%	68%
If interest rates go up much more, I'm afraid that I will be in financial trouble	57%	54%	59%	69% E	67% E	39%	53%	54%	65% AD	54%	62% AD	54%	62% J	58%	55%	54%
Even if interest rates decline, I'm concerned about my ability to repay my debts	47%	47%	47%	56% E	57% E	32%	43%	45%	59% ABDF	44%	54% AD	44%	55% IJ	47% J	46% J	39%
I am concerned that rising interest rates could move me towards bankruptcy	42%	42%	42%	58% DE	50% E	24%	41%	41%	56% ABDF	38%	47% D	39%	49% IJ	43%	42%	36%

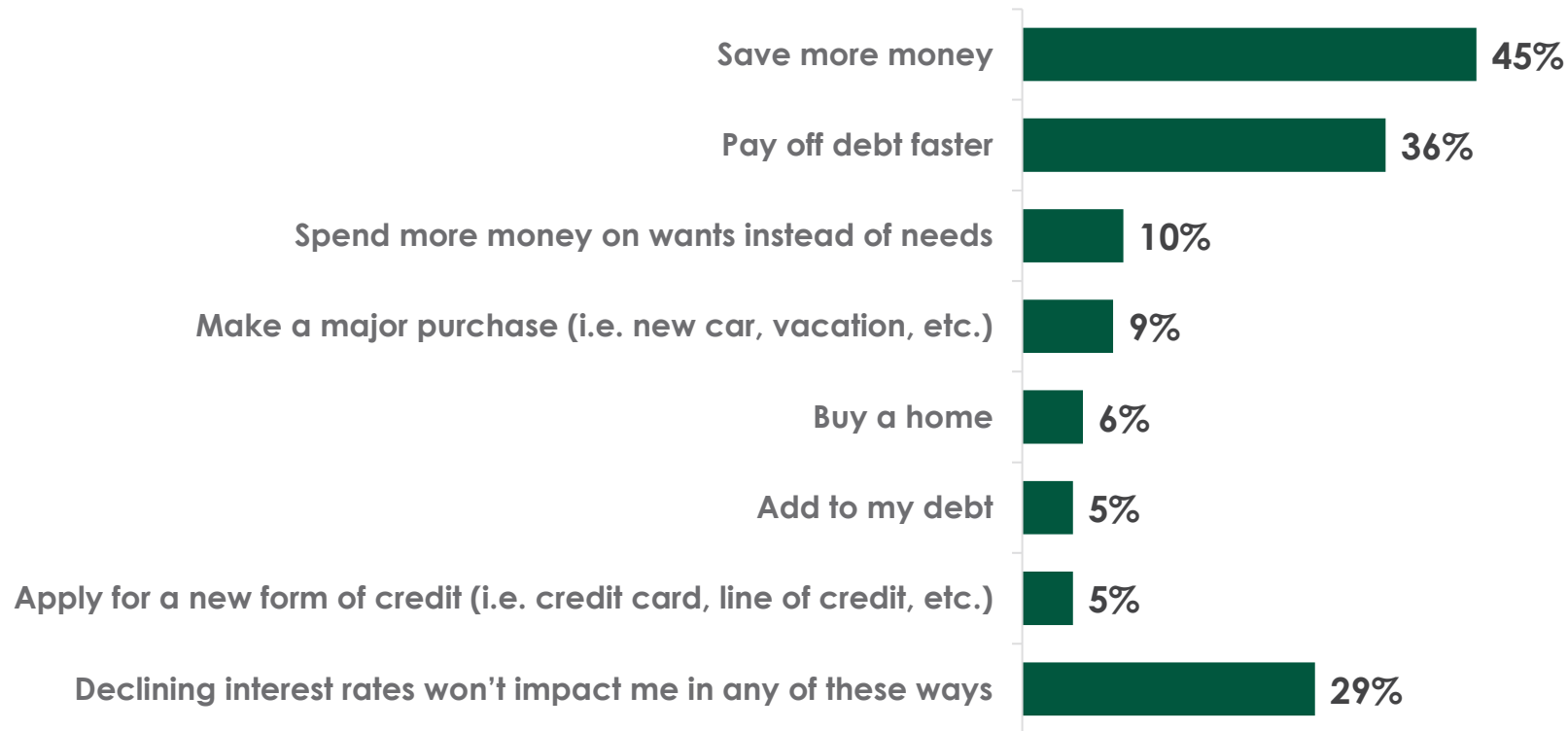
Q7. To what extent do you agree or disagree with the following?

Base: All Respondents (unweighted) n=(2001) Male (n=899); Female (n=1075); 18-34 (n=450);35-54 N (n=805); 55+ (n=746), <\$40K (n=469), \$40K to <\$60k (n=320), \$60K to <\$100K (n=513), \$100K+ (n=532), BC (n=275), AB (n=201), SK/MB (n=170), ON (n=725), QC (n=457), ATL (n=173)

Impact of Lowering Interest on Personal Finance

Behaviours if Interest Rates Decline

If interest rates decline in the next 3 months, most Canadians plan to save more money (45%) or pay off their debt faster (36%). Fewer say they will spend more on wants instead of needs (10%), make a major purchase (9%), buy a home (6%), add to their debt (5%), or apply for a new form of credit (5%). Three in 10 say that declining interest rates won't impact them in any of these ways (29%).



Qwave29.1. Which of the following are you likely to do if interest rates decline in the next 3 months?
Base: All Respondents (unweighted) n=2,001

Behaviours if Interest Rates Decline - Demographics

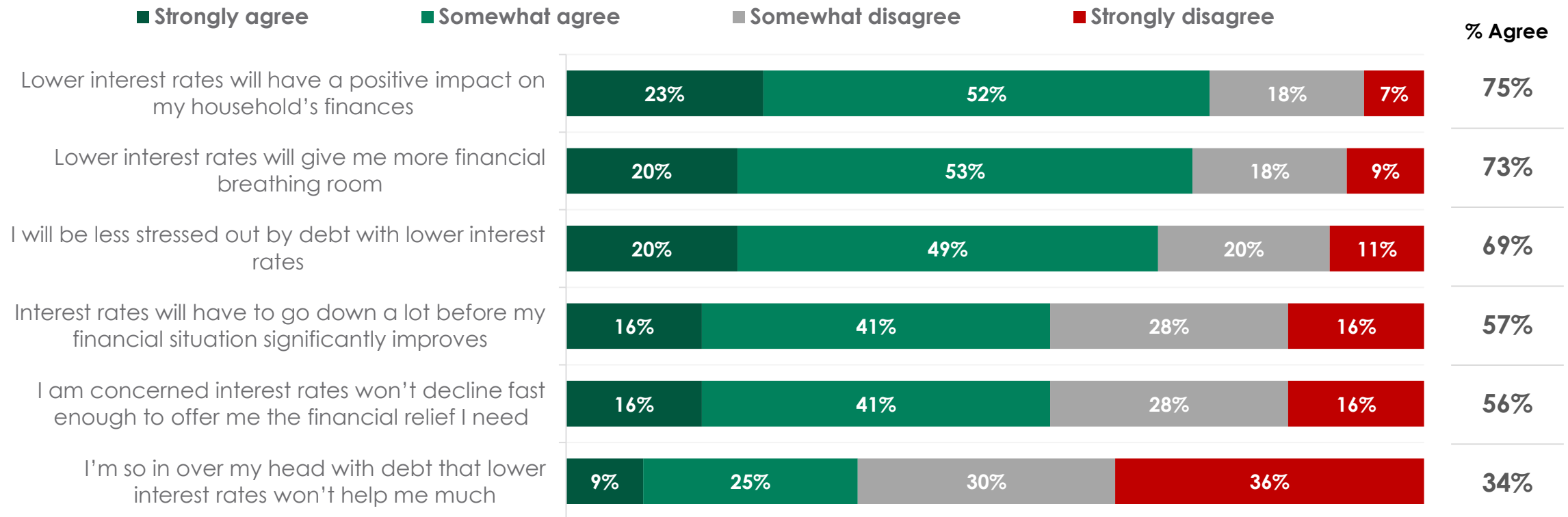
Canadians aged 18-34 are significantly more likely to say they will save more money or spend more money on wants instead of needs if interest rates decline, while those aged 34-54 are more likely to say they will pay off their debt faster. Those aged 55+, British Columbians, and Ontarians are significantly most likely to say that declining interest rates won't impact them.

	Total	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
Save more money	45%	43%	48%	62% DE	49% E	30%	43%	48%	48%	43%	49%	40%	48%	40%	46%	46%
Pay off debt faster	36%	37%	34%	38% E	44% E	26%	33%	41%	40%	35%	33%	41%	32%	35%	35%	44% GHI
Spend more money on wants instead of needs	10%	9%	12%	16% DE	11% E	5%	14% E	14% E	11%	9%	7%	13%	11%	8%	12%	9%
Make a major purchase (i.e. new car, vacation, etc.)	9%	9%	9%	14% E	10% E	4%	8%	10%	13%	8%	8%	10%	9%	7%	11%	8%
Buy a home	6%	6%	6%	11% E	8% E	1%	6%	5%	7%	5%	8%	10% D	8%	7%	5%	6%
Add to my debt	5%	5%	5%	10% DE	6% E	1%	5%	3%	7%	5%	7%	2%	6% J	7% J	5% J	2%
Apply for a new form of credit (i.e. credit card, line of credit, etc.)	5%	5%	5%	10% DE	6% E	1%	5%	4%	11% BDF	4%	7% D	3%	9% IJ	6%	3%	3%
Declining interest rates won't impact me in any of these ways	29%	30%	28%	13%	20% C	47% CD	37% CE	27%	23%	34% CE	19%	27%	26%	29%	29%	28%

Qwave29.1. Which of the following are you likely to do if interest rates decline in the next 3 months?
Base: All Respondents (unweighted) n=2,001

Impact of Interest Rate Declines on Personal Finance

Three in four Canadians say lower interest rates will have a positive impact on their household finances (75%) and will give them more financial breathing room (73%). On the other hand, just over half say interest rates will have to go down a lot before their financial situation significantly improves (57%) and they are concerned interest rates won't decline fast enough to offer the financial relief they need (56%). Notably, 34% are too deep in their debt that lower interest rates won't help much.



Qwave29.1. To what extent do you agree or disagree with the following?
 Base: All Respondents (unweighted) n=2,001

Impact of Interest Rate Declines on Personal Finance - Demographics

Older Canadians (55+) are significantly less likely to agree across all statements than their younger counterparts. Saskatchewanians and Albertans and those with \$40K or less household income are significantly more likely to say they need interest rate to go down a lot before their financial situation significantly improves and are concerned interest rates won't decline fast enough to offer financial relief. Quebecers and Canadians with \$40K or less are significantly most likely to say they have accumulated so much debt that lower interest rates won't help much.

	Total	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
T2B Agree																
Lower interest rates will have a positive impact on my household's finances	75%	73%	76%	81% E	84% E	63%	71%	78%	80%	74%	76%	77%	70%	73%	77%	81% GH
Lower interest rates will give me more financial breathing room	73%	72%	75%	78% E	82% E	61%	67%	76%	77%	74%	73%	73%	71%	72%	75%	76%
I will be less stressed out by debt with lower interest rates	69%	67%	71%	74% E	78% E	58%	67%	70%	68%	69%	69%	74%	69%	66%	70%	71%
Interest rates will have to go down a lot before my financial situation significantly improves	57%	56%	57%	67% E	66% E	41%	57%	57%	67% D	53%	60%	55%	65% IJ	59%	52%	53%
I am concerned interest rates won't decline fast enough to offer me the financial relief I need	56%	54%	58%	68% E	65% E	40%	48%	58%	61% A	54%	63% ADF	51%	61% IJ	57%	52%	54%
I'm so in over my head with debt that lower interest rates won't help me much	34%	34%	33%	46% E	41% E	19%	31%	26%	36%	30%	46% ABDF	29%	42% HIJ	32%	30%	29%

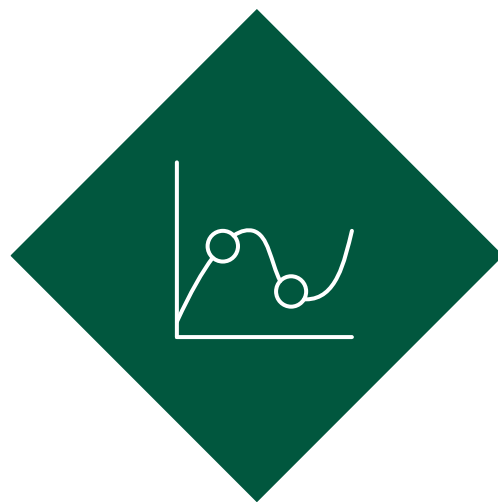
Qwave29.2. To what extent do you agree or disagree with the following?
Base: All Respondents (unweighted) n=2001

MEDIA ANGLES



MNP Debt Index Dips Slightly Despite Interest Rate Declines

Last quarter's optimism tempers as exceptions of personal debt rating, current debt rating soften, but expected debt situation have improved.



Majority Says Lower Interest Rates Bring Additional Breathing Room

But 57% say rates have to drop a lot more before it significantly improves their financial situation



Interest Rate Declines May Not Be Fast Enough for Canadians

Two-thirds of Canadians say they desperately need interest rates to go down (66%), but 47% remain concerned about ability to pay their debt even if rates go down.



Young Canadians Saving Money and Minimizing Debt

If interest rates decline in the next 3 months, Canadians aged 18-34 are significantly more likely to save more money while those aged 34-54 are more likely to say they will pay off their debt faster.

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