



MNP Consumer Debt Index falls to 86 points as financial confidence erodes across Canada

Almost half of Canadians (48%) are at risk of insolvency as average month-end finances decline



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Calgary, AB, Oct 6, 2025 — The latest MNP Consumer Debt Index reveals Canadians' confidence in managing personal debt has decreased, with the index falling to 86 points, down two points from last quarter, marking the lowest September score since 2023. The drop reflects growing financial vulnerability amid persistent economic uncertainty, concern about borrowing costs, and employment anxiety. Although the Bank of Canada held interest rates at 2.75 percent during the survey period, and cut to 2.5 percent shortly after, nearly two-thirds (63% -1 pt) of Canadians say they desperately need rates to go down. Even if rates decline, 44 percent (-1 pt) remain concerned about their ability to repay debt, and 42 percent (+1 pt) worry that the eventuality of rising rates could push them toward Bankruptcy.



Insolvency risk and month-end finances deteriorate

Nearly half of Canadians (48%) are within \$200 of not being able to pay their bills each month, up six points from the previous quarter. The average amount left after monthly expenses has dropped to \$744, a decrease of \$172. Women, younger Canadians aged 18–34, and middle-income earners experienced the steepest declines, with women reporting just \$531 left at month-end and those earning between \$60K–\$100K averaging \$727. Less than half of Canadians (46%) report having six months of emergency savings, with men (51%) and those aged 55 and older (60%) far better prepared than women (40%) and young adults (35%).

Canadians' net personal debt rating fell three points (+18 pts), the lowest September score since 2023. Only 37 percent (-2 pts) rate their debt situation as "excellent," while 19 percent (+1 pt) describe it as "terrible."

Outlook is bleak as Canadians seek interest rate relief

Looking back, only 28 percent (+2 pts) feel that their debt situation is better than it was five years ago, while just over a quarter (26% , +5 pts) say they are worse off than they were five years ago. Looking ahead, just 26 percent expect their debt situation to improve in the next year, down seven points, and just 36 percent expect improvement over five years, down four points.

Canadians' ability to handle rate increases of one percentage point has weakened further. Fewer Canadians (22%, -2 pts) state they are much better equipped to absorb this increase than they used to be. However, nearly a quarter (24%, +2 pts) say their ability to deal with this increase has worsened. Canadians may take some consolation in the fact that rates are edging downward, but for how long?



AI employment concerns

In addition to financial stress, Canadians are increasingly worried about the impact of artificial intelligence (AI) on employment. Four in 10 Canadian (44%) expressed concern that AI could negatively affect their job or income. This sentiment is strongest among younger Canadians, with 56 percent of those aged 18–34 and 49 percent of those aged 35–54 expressing concern, compared to just 34 percent of those aged 55 and older. Lower-income groups are also more likely to be worried, with nearly half (49%) of those earning under \$40K expressing concern, compared to 36 percent of those earning \$100K or more.

Lifestyle adjustments and financial stress

As financial pressures intensify, Canadians are making notable lifestyle changes to manage their budgets and reduce expenses. Over half (51%, unch.) report grocery shopping strategically — using meal plans, bulk buying, coupons, and price matching — to stretch their dollars further. Additionally, 45 percent (-1 pt) are avoiding impulse purchases, and 41percent (-3 pts) have stopped dining out or ordering takeout. More concerning, a quarter still say they are eating less (24%,-4 pts), and nearly 20 percent are delaying or skipping medical care, indicating that financial stress is beginning to impact health and well-being.

Despite these efforts, many Canadians feel they have exhausted their options. Thirty percent report having no plans to save more in the next 12 months, and only 15 percent intend to create or revise a household budget. A further 10 percent are considering relocating to more affordable housing (unchanged) or are even eating less (+3 pts), underscoring the severity of the financial strain for some.

About the Study

These are some of the findings of an Ipsos poll conducted between September 4 and September 9, 2025, on behalf of MNP LTD. For this survey, a sample of 2,001 Canadians aged 18 years and over was interviewed. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 2.5 percentage points, 19 times out of 20, had all Canadian adults been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to, coverage error and measurement error.

For more information about the MNP Consumer Debt Index, please visit mnpdebt.ca/CDI.

For more information on this news release, please contact:

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ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP

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