



MNP Consumer Debt Index holds at 88 points, but Canadians' financial optimism could waver amidst global economic uncertainty

Insolvency rates remain stable, and Canadians are holding more money after all expenses.



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Calgary, AB, July 14, 2025 — The MNP Consumer Debt Index held firm at 88 points — the same level as last quarter. This stability may be partially attributed to the Bank of Canada holding key interest rates steady at 2.75 percent and ongoing tariff negotiations with the U.S. While consumer sentiment is currently stable, these feelings may shift due to economic uncertainty, global affairs, and the potential impact of U.S. tariffs on Canada.



Financial insolvency risk and net personal debt ratings hold steady

Two in five Canadians (42% , -1 pt) report being \$200 or less away from financial insolvency each month, on par with last quarter. Half of women say they are \$200 or less away from insolvency (50%, +2 pts), while men are moving away from insolvency risk (34%, -3 pts). However, average monthly savings have increased by \$ 49, now reaching \$ 916 as Canadians are likely building a financial cushion during uncertain economic times.

Canadians' net personal debt rating remained stable at 21 points (-1 pt) after recovering from an all-time low of eight points in December 2024. The one-point decline results from a one-point shift from excellent to neutral debt ratings, with two in five Canadians (39% ,-1 pt) rating their debt situation as excellent and nearly a fifth (18%, unchanged) rating it as terrible.

Expectations for future debt and ability to absorb interest rate hikes

A third of Canadians (33%, +3 pts) expect their debt situation to improve a year from now and two in five (40%, +1 pt) expect it to improve in five years. However, more than one in 10 (13%) believe their debt will worsen on both the one-year and five-year horizon.

Canadians' perception of their ability to absorb interest rate increases remained consistent as the Bank of Canada held interest rates steady. A quarter (24%) state they are much better equipped to absorb an interest rate increase of one percentage point, consistent with the previous year. However, one in five (22% , +1 pt) continue to say their ability to deal with such an increase has worsened.

Overall, most Canadians indicate they have a solid understanding of how interest rates impact their financial situation, up four points and matching the proportion compared to a year ago (80%). More individuals fear that rising interest rates could move them towards Bankruptcy (41% , +3 pts). A significant portion of Canadians remain concerned about their ability to repay their debts even if interest rates decline (45% , +2 pts).



Significant financial pressures on Canadian households

Many Canadians are taking steps to prepare for potential economic challenges. More than a third (37%) are more cautious with how they manage their money due to current financial pressures. More than a third (36%) feel anxious or stressed about their financial situation. Women (40%) are more likely than men (31%) to feel this way. Those aged 18-34 (45%) and 35-54 (44%), as well as households earning under \$40,000 (40%), are especially impacted. In addition, a third (32%) feel stuck living paycheck to paycheck, with this sentiment being higher among women (36%) than men (28%), those aged 18-34 (37%) and 35-54 (39%), and households earning under \$40,000 (45%). Only a fifth (22%) feel relatively stable despite current pressures, while a small proportion (15%) say they don't feel impacted at all.

Canadians are taking proactive steps to prepare in response to these pressures. Two in five Canadians (41%) say they are reducing discretionary spending, with more women (46%) reporting a reduction in discretionary spending compared to men (36%). A third (33%) are increasing savings or building an emergency fund. This is more common among those aged 18-34 (39%) than those aged 55 and older (28%). Households with an income of more than \$100,000 (41%) are more likely to take these measures than households with an income under \$40,000 (26%). Additionally, nearly three in 10 Canadians (27%) are prioritizing debt repayment, and a quarter (24%) are creating or revising their budget. However, nearly a quarter (23%) of Canadians are putting important life goals on hold, with the proportion climbing among 18-34 year olds (33%). Notably, nearly a fifth (17%) are not taking any steps to prepare for economic challenges.

About the Study

These are some of the findings of an Ipsos poll conducted between March 11 and March 14, 2025, on behalf of MNP LTD. For this survey, a sample of 2,000 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.

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

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