



MNP Consumer Debt Index holds steady throughout 2025, but Canadians brace for a challenging 2026

Fewer Canadians are at risk of financial insolvency (41%, -7 pts) as average amount left at the end of the month grows (+\$163).



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Calgary, AB, January 12, 2026 — The latest MNP Consumer Debt Index increased to 87 points, a modest one-point increase since last quarter, continuing the 2025 trend of relative stability. Canadians have adopted a wait-and-see approach to their finances as economic signals remain mixed, and the future remains uncertain heading into 2026.



While Canadians are pessimistic about the year ahead, there is some cause for optimism. The Index has never improved in December, and so this recent increase — while small — breaks the trend of deteriorating debt sentiment heading into the winter months. Additionally, the average amount of money that Canadians have left at the end of the month has risen to \$907, up \$163 since last quarter. While Canadians report some financial relief at the end of 2025, many see the year ahead as challenging — with a majority believing that 2026 will be worse.

While the Bank of Canada held interest rates at 2.25 percent during the survey period, nearly two-thirds (64%, +1 pt) of Canadians say they desperately need interest rates to go down. Almost half (48%, +4 pts) remain concerned about their ability to repay their debts, even if interest rates decline. Two in five (44%, +2 pts) worry that rising interest rates could drive them toward Bankruptcy.

Insolvency risk and month-end finances increase amid low debt sentiment

Four in 10 Canadians (41%) report being \$200 or less away from financial insolvency each month, down seven points from the previous quarter. This marks the lowest level measured in the post-pandemic era. The average amount left after monthly expenses has risen to \$907, up \$163 since last quarter. Women, Canadians aged 18-34, and middle-income earners experienced the steepest increases, with women reporting \$741 left at month-end and those earning between \$60,000 to \$100,000 averaging \$990. Almost half (47%) of Canadians report having six months of emergency savings. Men (51%) and those aged 55 and older (56%) are more likely to have six months of emergency savings than women (42%) and young adults (39%).

Canadians' net personal debt rating decreased by one point to 17 points, the most positive December score since 2022. Approximately two-fifths (37%, unchanged) rate their debt situation as excellent, while a fifth (20%, +1 pt) describe it as terrible.

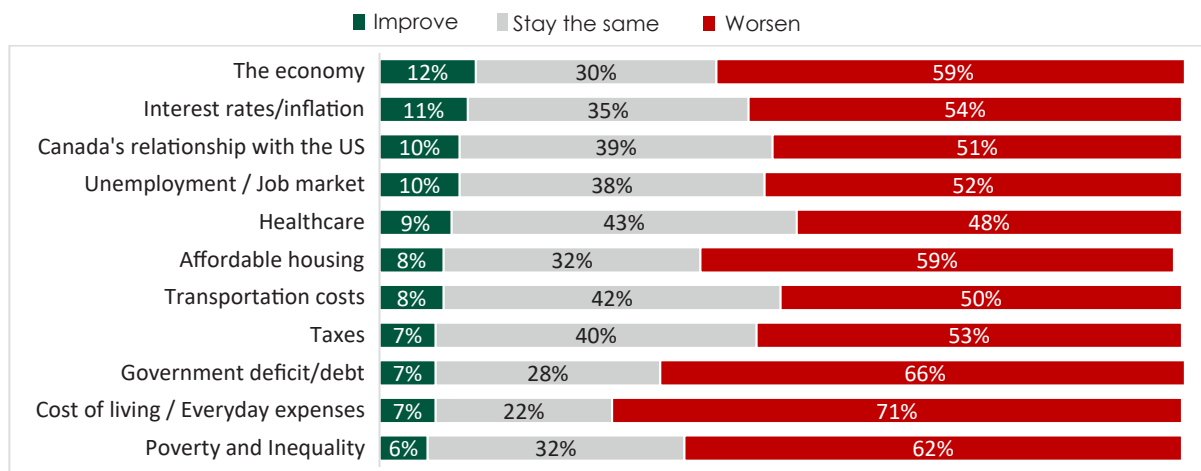


Outlook brightens slightly as Canadians pursue interest rate relief

Three in 10 Canadians (29%, +1 pt) feel that their debt situation is better than it was five years ago, while a quarter (24%) say they are worse off compared to five years ago. The five-year outlook is similarly optimistic, with optimism rising (39%, +3 pts), and concern falling slightly (13%, -2 pts). Canadians' ability to absorb an interest rate increase of one percentage point has maintained previous levels (22%, -2 pts).

Canadians carry negative perceptions heading into 2026

While more Canadians expect most aspects of daily life to worsen in 2026 rather than improve, Canadians are slightly more optimistic about their debt outlook.



Healthcare (43%) and taxes (40%) are the most likely to remain unchanged while the majority of Canadians believe the cost of living (71%), government deficit/debt (66%), and poverty (62%) will likely worsen in 2026. Only men and Canadians aged 18-34 significantly believe all the following issues will improve in 2026. A third of Canadians (29%) expect their debt situation to improve in the next year. More than one in 10 (14%) expect their debt situation to worsen, and two-fifths (39%) expect improvement over five years, both up three points.

Women (74%) and Canadians aged 55 and older (77%) expect the rising cost of living to worsen this year. Women (65%) and Canadians aged 55 and older (64%) also expect poverty and inequality to grow worse in 2026. The same proportion among both these groups (56%) expect taxes to worsen this year, and women (53%) and Canadians aged 55 and older (54%) also believe healthcare will worsen in 2026. Residents of British Columbia (71%) and Alberta (70%) and older Canadians (73%) are united on government deficit worsening in 2026.



AI employment concerns

In addition to financial stress, Canadians are increasingly worried about the impact of artificial intelligence (AI) on employment. Four in 10 Canadians (44%) expressed concern that AI could negatively affect their job or income. This sentiment is strongest among younger Canadians, with approximately half (52%) of those aged 18-34 and just under half (48%) of those aged 35-54 expressing concern, compared to a third (34%) of those aged 55 and older. Lower-income groups are also more likely to be worried, with half (49%) of those earning under \$40,000 expressing concern, compared to two-fifths (38%) of those earning \$100,000 or more.

Lifestyle adjustments and financial stress

Canadians are primarily responding with a fight mentality (59%) as financial pressures intensify, while many opt to flee (32%) or freeze (15%). Women are more likely to choose the fight response (62%), predominantly by adjusting their budgets (46%). Canadians aged 18-34 (51%) and those earning less than \$40,000 (34%) lean towards fleeing. Canadians aged 18-34 (23%) and those earning less than \$40,000 (18%) were also more likely to freeze.

Canadians who adopted a fight mentality adjusted their budgets (43%), attempted to consolidate debt (12%), and sought advice from a financial professional (11%). Canadians who took a flight response relied on credit cards to cover necessary expenses (17%), avoided discussions about financial matters with family or professionals (15%), and avoided any kind of thinking about financial responsibilities (12%). Alternatively, Canadians froze (15%), unsure where to begin when facing financial stress. Canadians aged 18-34 (22%) were more likely to avoid discussions about financial matters with family or professionals or to remain paralyzed.

About the Study

These are some of the findings of an Ipsos poll conducted between November 28 and December 1, 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 ± 2.7 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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