MNP Consumer Debt Index rises to 91 points, reflecting modest improvement amid sustained cost pressures

Canadians' month-end finances drop as almost half report being near financial insolvency, underscoring financial divide.

Ipsos

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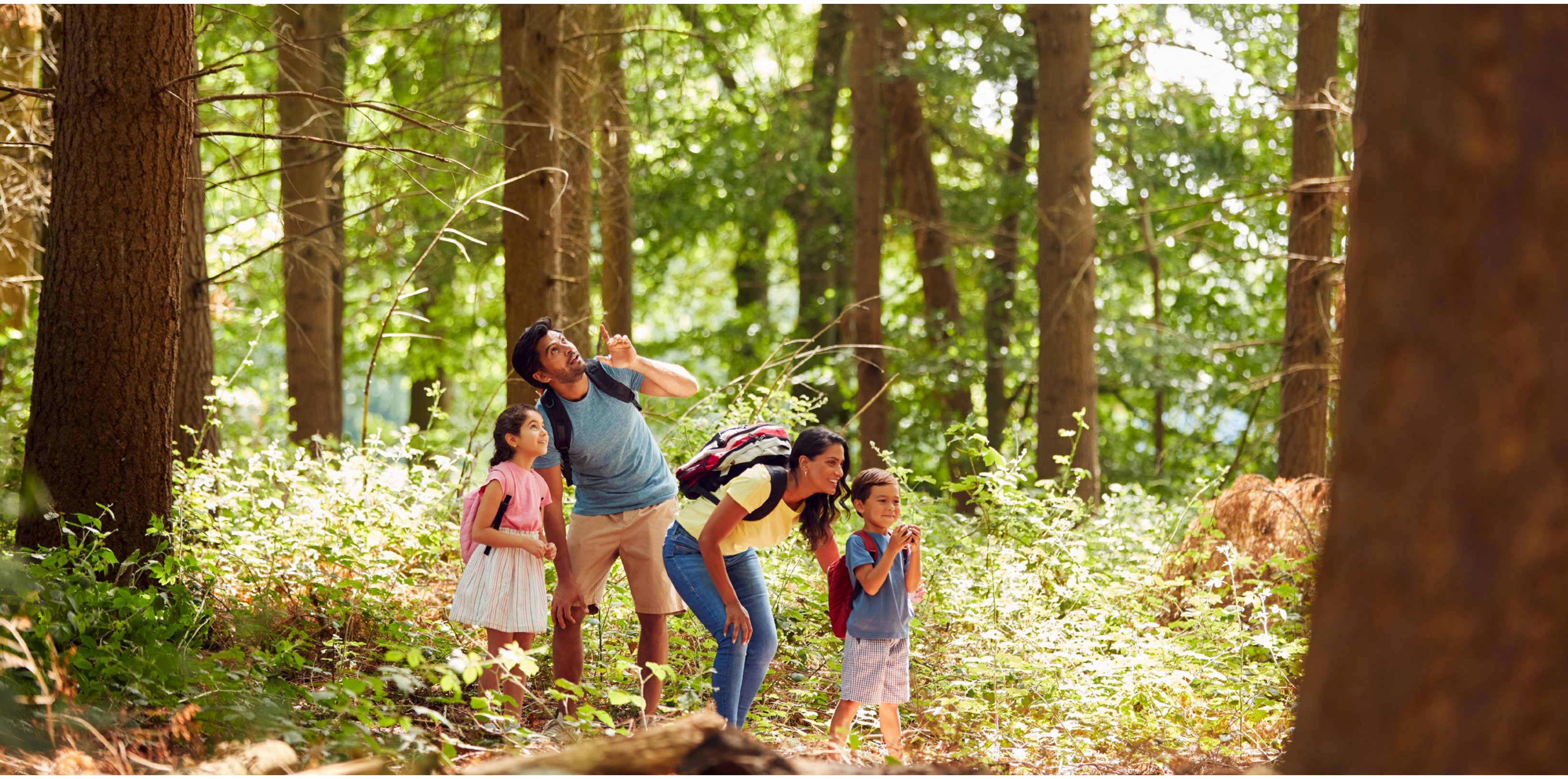
Calgary, AB, July 13 2026 — The latest MNP Consumer Debt Index has risen to 91 points, a four-point increase that reflects a modest improvement in Canadians' financial confidence despite ongoing economic uncertainty and persistent cost pressures. Households continue to navigate an endurance economy, focusing on getting through sustained financial pressures rather than experiencing meaningful growth. Month-end finances have declined to $878, while nearly half of Canadians (46%) are on the brink of financial insolvency — underscoring an increasingly uneven financial landscape across the country.

Insolvency risk rises as month-end finances decline

Nearly half of Canadians (46%) report being $200 or less away from financial insolvency each month, up three points from last quarter. Nearly three in 10 (28%) say they don't earn enough to cover their bills and debt payments. Women and younger adults remain among the most financially vulnerable. Average finances left at month-end dropped to $878, down from $1,000 last quarter. Gains in the previous quarter were driven by men, those earning between $60,000 and $100,000, and younger Canadians — groups that are now driving the current decline. Those aged 35 to 54 are the only group reporting increased financial flexibility this quarter ($916, +$72).

Debt sentiment improves slightly as confidence increases

Net personal debt ratings rose to 22 points (+4 pts), an increase from March 2026, which represented the lowest March debt rating in the Index's history. Two in five (40%) Canadians now describe their debt situation as excellent. Canadians' outlook on future debt shows signs of gradual improvement. Nearly a quarter (24%) say they are better off than a year ago, and three in 10 (30%) feel more secure than they did five years ago. Looking ahead, three in 10 (30%, unchanged) expect their debt situation to improve over the next year. Two in five (40%) anticipate improvement over the next five years — up three points from last quarter, signaling modest gains in longer-term confidence.



Interest rate concerns persist despite signs of gradual adaptation

While the Bank of Canada continues to hold its key rate at 2.25 percent, Canadians' capacity to absorb further interest rate increases remains constrained. Similar proportions feel better (24%) or worse (22%) about handling an interest rate increase of one percentage point. However, affordability weakens notably when this increase is framed as an additional $130 in monthly interest payments. Only one in five (21%) say they could manage the added cost, while more than a third (35%) say they could not absorb this increase, producing a net score of -14 points. Elevated borrowing costs continue to weigh on households, with three in five (62%, +1pt) saying they need interest rates to go down. More than half (53%) fear financial trouble if interest rates rise further.

Canadians caught in pre-spent paycheque cycle

A third (32%) of Canadians say most of their paycheque is already committed before it arrives, while one in six (16%) say all of it is spoken for or their expenses exceed their upcoming income payment. Overall, three in five Canadians say at least half of their income is already spoken for (61%) before it arrives. Women (19%) are more likely than men (14%) to say their expenses exceed their income payment, as are those aged 18 to 54 (20%) compared to those over 55 (11%). A quarter of those with household incomes under $40,000 say this is the case (25%), which is significantly higher than other earners.

Canadians cutting back on expenses amid sustained cost pressures

Canadians are most likely to say they are cutting back on travel and experiences due to financial pressures or global uncertainty (57%), followed closely by dining and socialization (56%). Nearly four in 10 (37%) say financial pressures are impacting their financial progress. More than a third (35%) are cutting back on family and personal enrichment, like personal care, clothing, and children's activities. Women (23%) are more likely than men (18%) to say they are cutting back on family and personal enrichment. Women (23%) are also more likely than men (18%) to say they are cutting back on household upkeep. Younger Canadians are more likely than those over 55 to report cutting back across all categories. One in 10 (9%) Canadians are turning to credit or borrowed funds to maintain plans and activities. Nearly a quarter (23%) are cancelling plans and activities or avoiding making them altogether due to the cost.

About the Study

These are some of the findings of an Ipsos poll conducted between June 11 and June 16, 2026, 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 ±2.7 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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