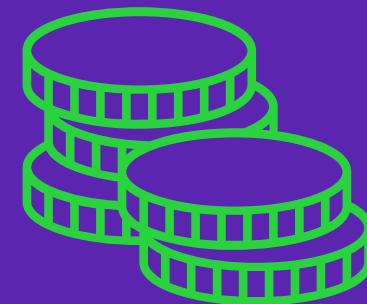


2022 CONSUMER DEBT REPORT

Prepared for  Credit
Counselling
Society



FROM THE PRESIDENT

The Credit Counselling Society (CCS) has been helping thousands of Canadians weather the storm brought on by the pandemic this year. We've heard time and again that this year has been a financial wake up call for many people. With this in mind, we wanted to get a deeper understanding of how Canadians are doing when it comes to managing their finances. This report provides important insights into the debt, perceptions, feelings, financial management skills, and future outlook for Canadians, and will inform how we provide services and resources to our clients.

You'll see that our 2022 Consumer Debt Report, conducted by the Angus Reid Forum, found that 31% of Canadians feel worse about their finances today than at the beginning of the pandemic. We know that many people never learned about money management growing up and the pandemic amplified the stresses and concerns that were already present. This is where building a budget and creating a plan to reduce your debt and build your savings comes in - and where CCS's team of financial educators and credit counsellors shine.

As you review these findings remember it is never too early to start dealing with your debts and, no matter your level of debt, there are resources and experts available at CCS who can help you chart a path forward.

Scott Hannah
President & CEO
Credit Counselling Society

We Help.
We Educate.
We Give Hope.



METHODOLOGY

What

Canadians were surveyed on their financial health and perceptions of financial assistance. Specific topic areas included debt and savings levels, people's experiences managing and carrying debt, and perspectives Canadians have on reaching out for financial assistance.

Who

A nationally representative sample of n=1,032 Canadians, plus boosts of n=100 Canadians in each of B.C., Alberta, Saskatchewan, Manitoba and Ontario. Final data are weighted to match census proportions on age, gender, and province.

When

The study was fielded from January 6 to 12, 2022

Note

Differences between netted (summed) results and their individual components in this report are due to rounding.

Where relevant, significant differences vs. a study fielded in November 2020 are noted with  at 95% confidence.



STATE OF CANADIANS' PERSONAL FINANCES

SECTION SUMMARY:

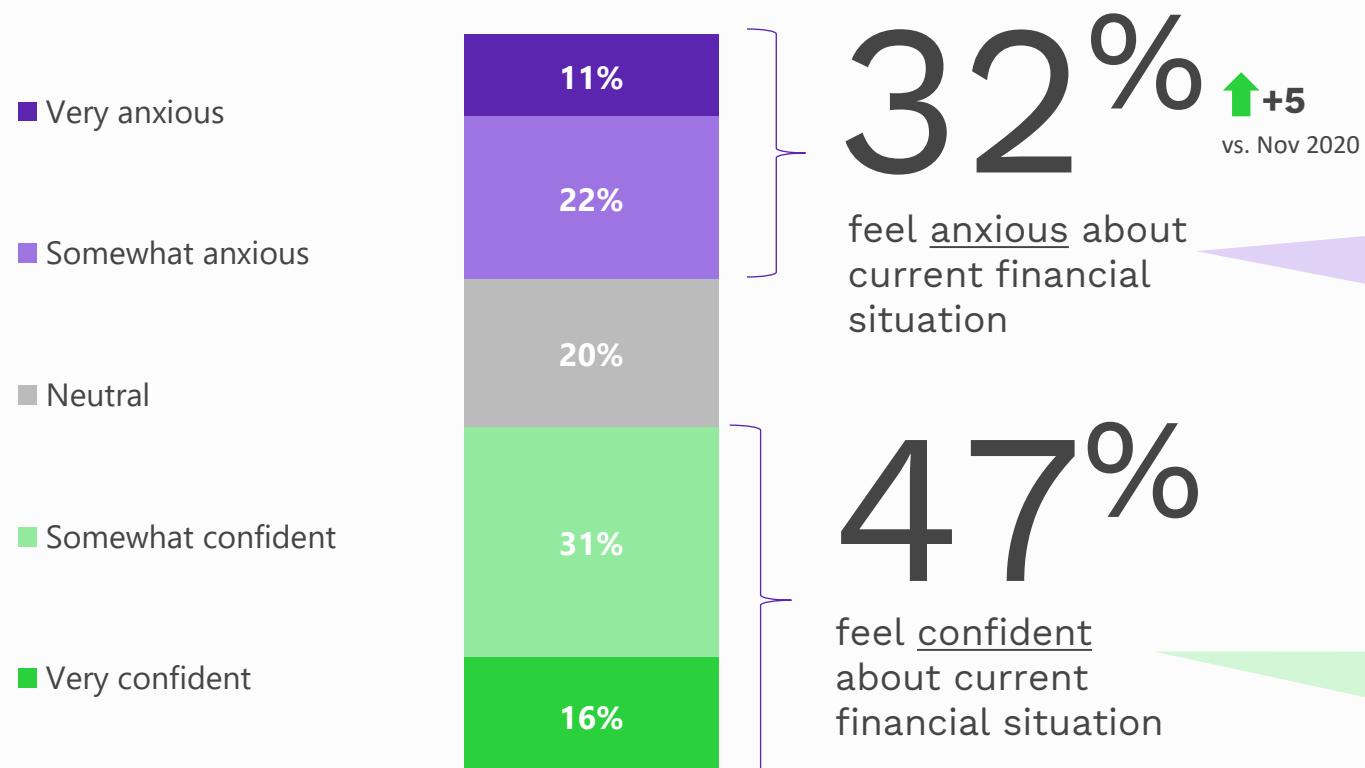
STATE OF CANADIANS' PERSONAL FINANCES

Canadians are split in terms of their financial health, with large portions of the population feeling anxious about their personal finances and others feeling confident. COVID-19 has perpetuated this divide with **equal portions of the country saying their finances have improved or worsened during the pandemic.**

Spending less on non-essentials is one of the key ways for Canadians to regain control of their finances and a sense of optimism moving forward.

CANADIANS HAVE MIXED VIEWS ON THEIR PERSONAL FINANCES, BUT ARE MORE LIKELY TO FEEL CONFIDENT THAN NOT.

A third of Canadians feel anxious about their finances, especially lower income earners, and those who experienced employment change due to COVID-19.



Canadians are more likely to feel anxious about their personal finances if they are:

- **Female** (37%)
- **Under 55** (36%)
- **Lower income** (52% of <\$50K)
- Experienced **employment change due to COVID-19** (52%)
- Have **non-mortgage debt \$10,000+** (43%)

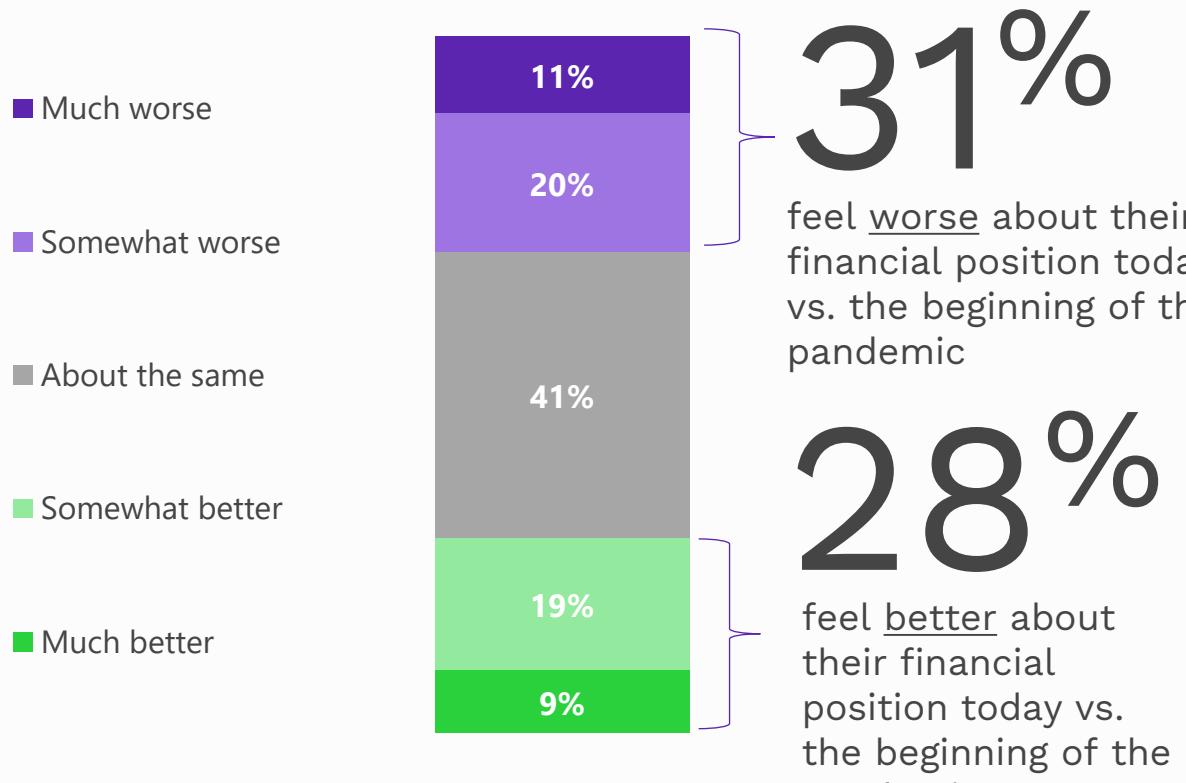
Canadians are more likely to feel confident about their personal finances if they are:

- **Male** (54%)
- **55+** (54%)
- **Higher income** (55% of >\$50K)
- Are not carrying any **non-mortgage debt** (66%)

CANADIANS ARE DIVIDED ON THE IMPACTS OF THE PANDEMIC: THREE-IN-TEN ARE WORSE OFF, AND THREE-IN-TEN ARE BETTER OFF.

Those hardest hit by the pandemic have lower incomes and are more likely to have experienced disruptions in employment due to the pandemic.

Financial Situation Now vs. Beginning of Pandemic



Canadians are more likely to feel worse about their financial position today if they are:

Manitoba residents (39%)

Female (34%)

35-54 (35%)

Lower income (42% of <\$50K)

Experienced employment change due to **COVID-19** (50%)

Carrying non-mortgage debt \$10,000+ (41%)

Canadians are more likely to feel better about their financial position today if they are:

BC residents (33%)

Male (32%)

18-34 (39%)

Higher income (33% of \$100K+)

THOSE BETTER OFF DUE TO THE PANDEMIC PRIMARILY POINT TO LOWER LUXURY SPENDING AND INCREASED INCOME AS CONTRIBUTORS.

Meanwhile salary increases/a new job is the top single contributor to improved finances due to the pandemic, with 37% saying this is the #1 reason they are better off.

Reasons for improved financial situation



Canadians are more likely to select spending less on non-essentials top 3 if they are:
55+ (68%)

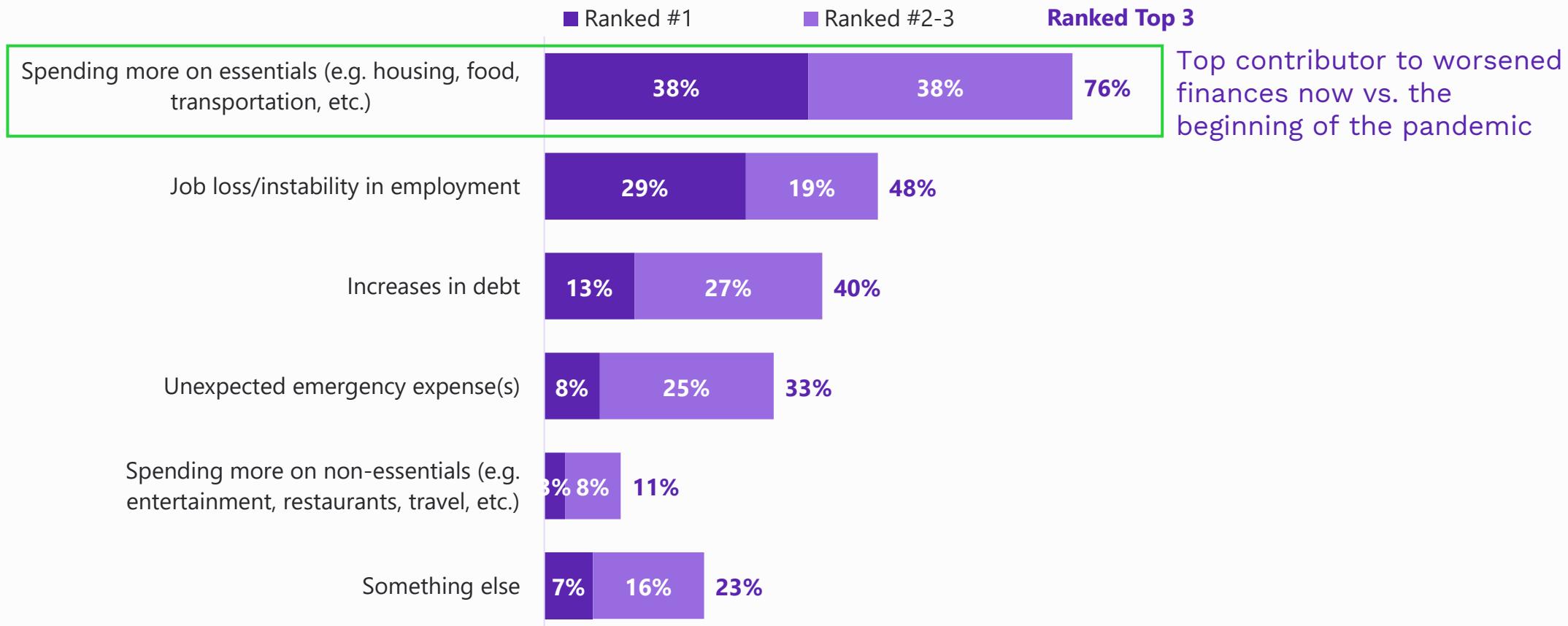
Top contributors to improved finances now vs. the beginning of the pandemic

Canadians are more likely to select increases in income/getting a new job top 3 if they are:
18-34 (73%)
Have debt \$10,000+ (63%)

SPENDING ON ESSENTIALS IS THE TOP CONTRIBUTOR TO WORSE FINANCES DUE TO COVID-19 — THREE IN FOUR SAY THIS IS A FACTOR.

Another half of Canadians say employment instability has made them worse off.

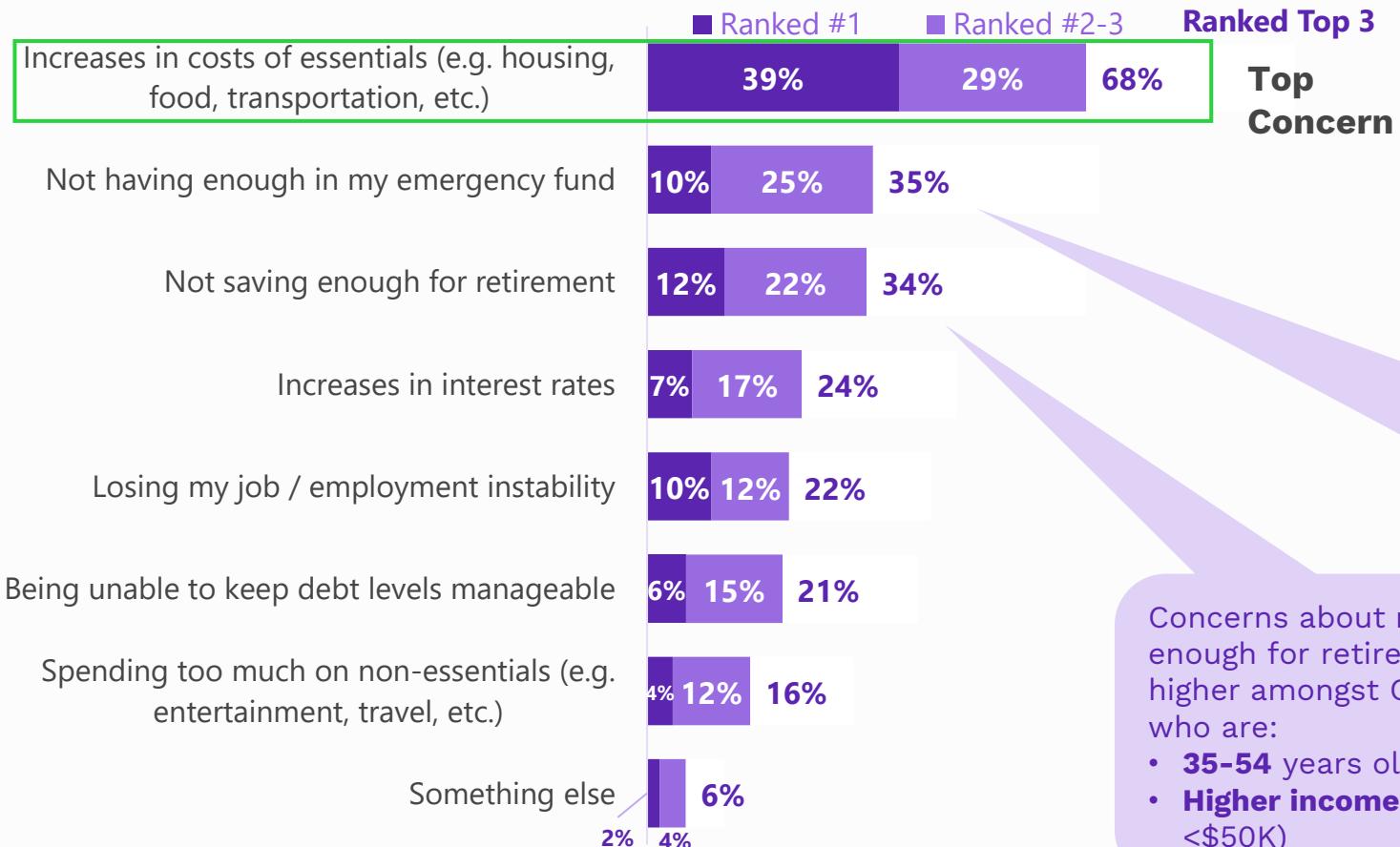
Reasons for worsened financial situation



INCREASING COSTS OF ESSENTIALS TOPS THE LIST OF FINANCIAL CONCERNS FOR CANADIANS.

Younger Canadians have the most concerns about the costs of essentials.

Greatest current financial concerns



Concerns about costs of essentials are higher amongst Canadians who are:

- **Manitoba or Saskatchewan** residents (77%)
- **18-34** years old (74%)

Concerns about emergency funds are higher amongst Canadians who are:

- **Quebec** residents (43%)
- **Female** (39%)
- **18-34** years old (43%)
- **Lower income** (47% of <\$50K)
- Experienced **employment change due to COVID-19** (43%)

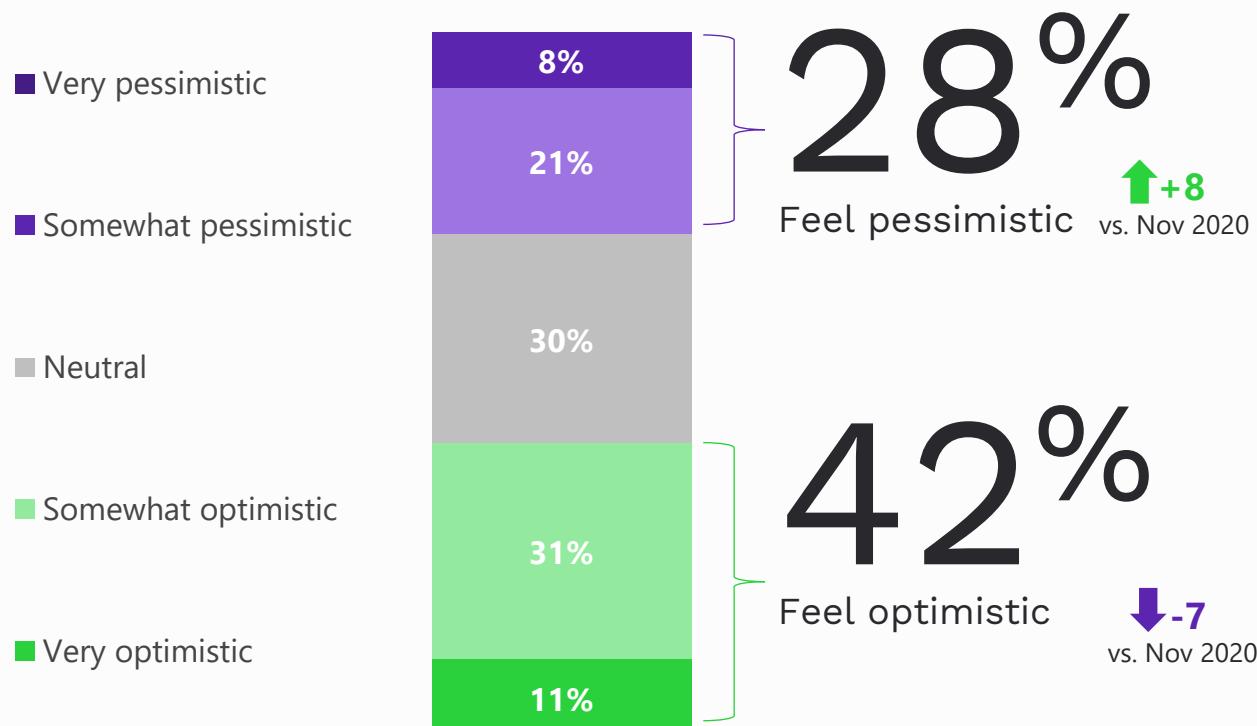
Concerns about not saving enough for retirement is higher amongst Canadians who are:

- **35-54** years old (43%)
- **Higher income** (39% of <\$50K)

NEARLY THREE-IN-TEN FEEL PESSIMISTIC ABOUT THEIR FINANCES HEADED INTO 2022, MOST COMMONLY LOWER EARNERS AND THOSE BURDENED WITH DEBTS.

Meanwhile, four-in-ten are feeling optimistic and are most commonly higher earners with no debts.

Attitudes about personal finances to start 2022



Canadians are more likely to feel pessimistic to start 2022 if they are:

- **Ontario** (31%) or **Saskatchewan** (30%) residents
- **Earn <\$50K** (42%)
- Experienced **employment changes due to COVID-19** (42%)
- Have debt **\$10,000+** (37%)

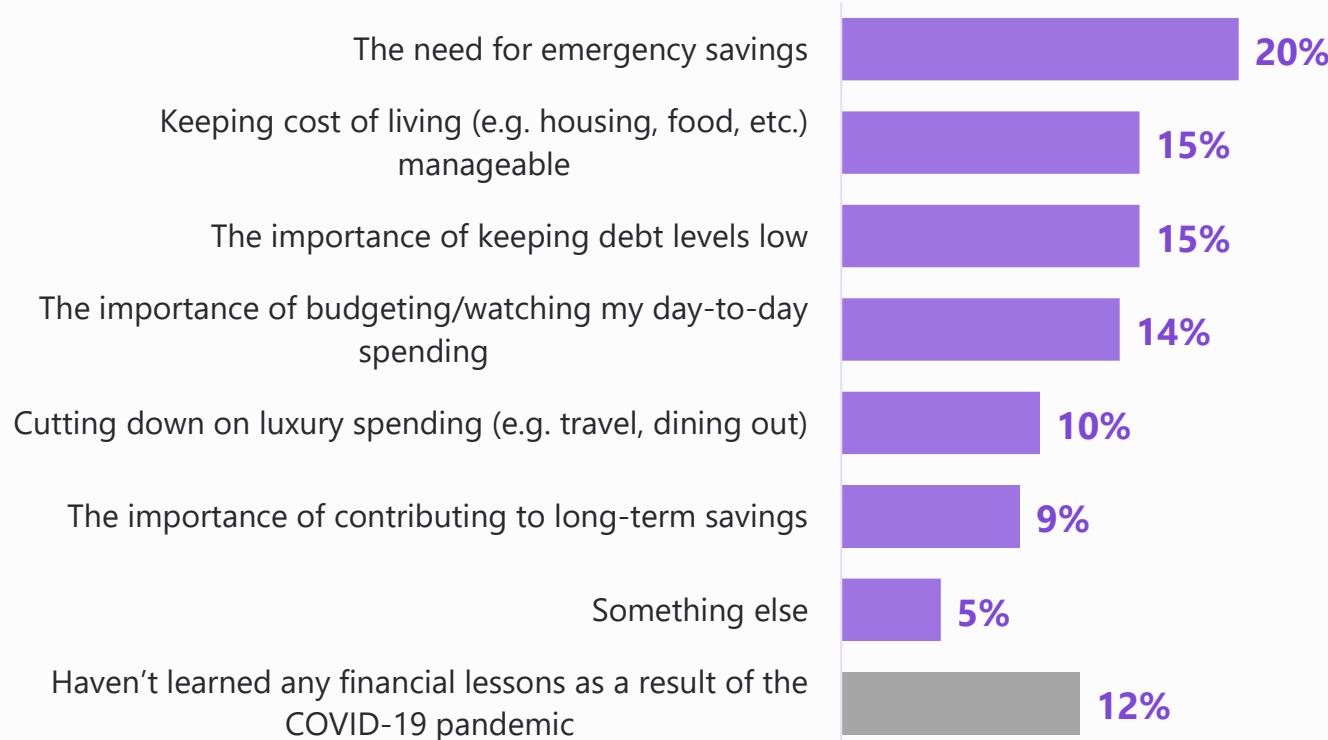
Canadians are more likely to feel optimistic to start 2022 if they are:

- **Male** (47%)
- **Higher income** (53% of \$100K+)
- **No employment changes due to COVID-19** (47%)
- Have debt **<\$10,000** (47%) or **no debt** (49%)

NEED FOR EMERGENCY SAVINGS IS THE TOP LESSON LEARNED DUE TO THE COVID-19 PANDEMIC, PARTICULARLY FOR YOUNGER CANADIANS.

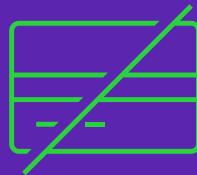
Following closely are reigning in costs of living, keeping debt levels low, and keeping a budget.

Biggest financial lesson learned during the pandemic



The need for emergency savings is a bigger lesson amongst Canadians who are:

- Quebec (30%) or Saskatchewan (23%) residents
- Female (22%)
- 18-34 (25%)
- Experienced employment changes due to COVID-19 (25%)



DEBT AND SAVINGS

SECTION SUMMARY:

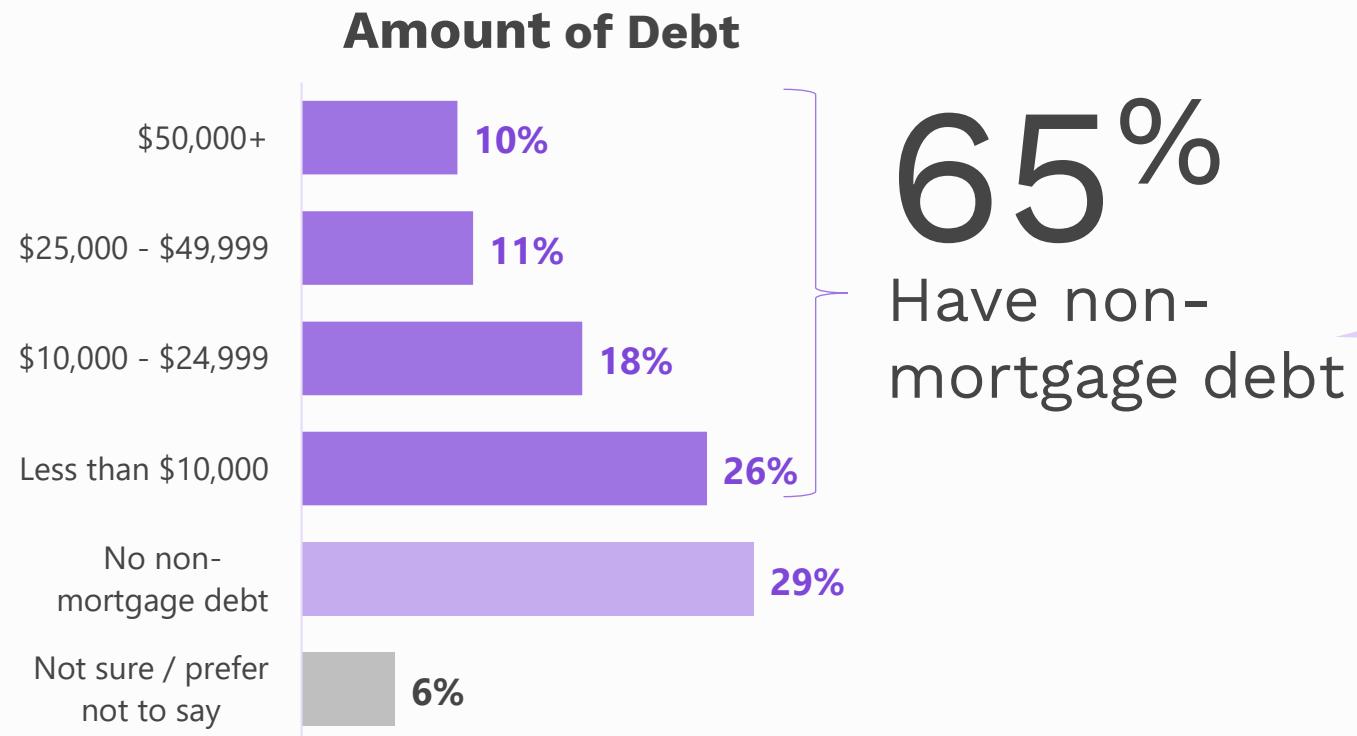
DEBT AND SAVINGS

Most Canadians are carrying non-mortgage debt, with many feeling anxious and worried as a result. While most debt-holders are managing their debt, one-in-ten are **unable to manage their debt** and are falling behind on payments.

In terms of supports, indebted Canadians are **just as likely to lean on credit as they are their nest egg** for support, with credit cards and personal savings being the most common supports leveraged.

TWO-THIRDS OF CANADIANS ARE CARRYING NON-MORTGAGE DEBT.

Canadians between the ages of 35-54 are most likely to have debts.

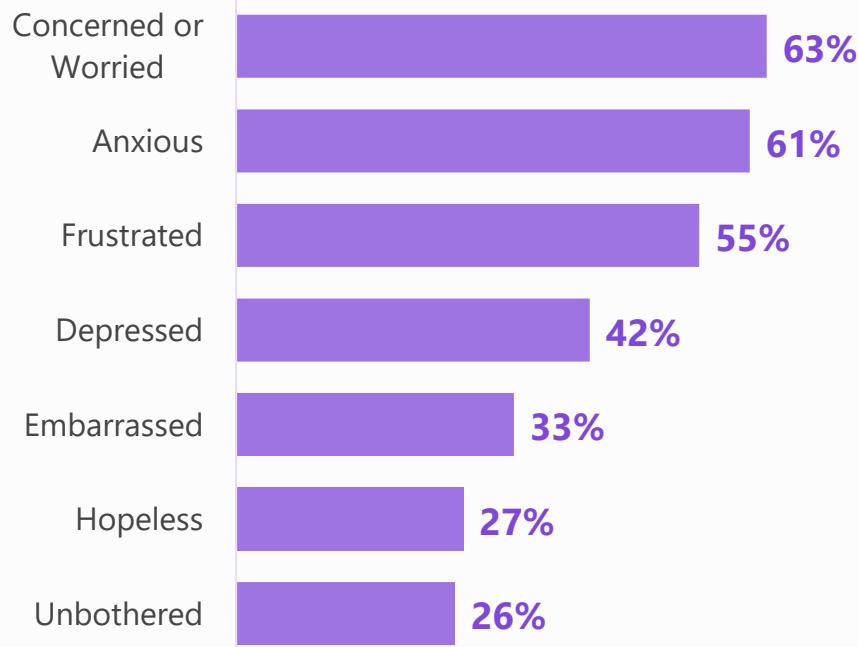


- Canadians are more likely to have debts if they are:
- Alberta (68%) or Quebec (68%) or Atlantic Canada (74%) residents
 - Male (67%)
 - Aged 35-54 (72%)

OVER HALF OF CANADIANS WITH DEBT SAY IT MAKES THEM FEEL CONCERNED, WORRIED OR ANXIOUS, PARTICULARLY YOUNGER CANADIANS AND FEMALES.

Canadians over 55 are more likely to say they are unbothered by their levels of debt.

How Canadians Feel about their Debt Levels



Younger Canadians (<55) and females are more likely to be experiencing negative emotions as a result of their debt levels.

Older Canadians (55+) are more likely to be **unbothered** by their debt levels (34%)

ONE-IN-TEN CANADIANS HAVE UNMANAGEABLE DEBTS, BEING UNABLE TO KEEP UP WITH OR ARE DEFERRING PAYMENTS.

Younger Canadians and lower income earners are most likely to be currently struggling with managing their debt

How Canadians are Managing Debt

■ Deferring debt payments

5%
4%

■ Unable to keep up with my minimum payments, but not deferring

22%

■ Paying minimum required payments only

34%

■ Paying a bit more than minimum payments

35%

■ Paying much more than minimum payments

9%

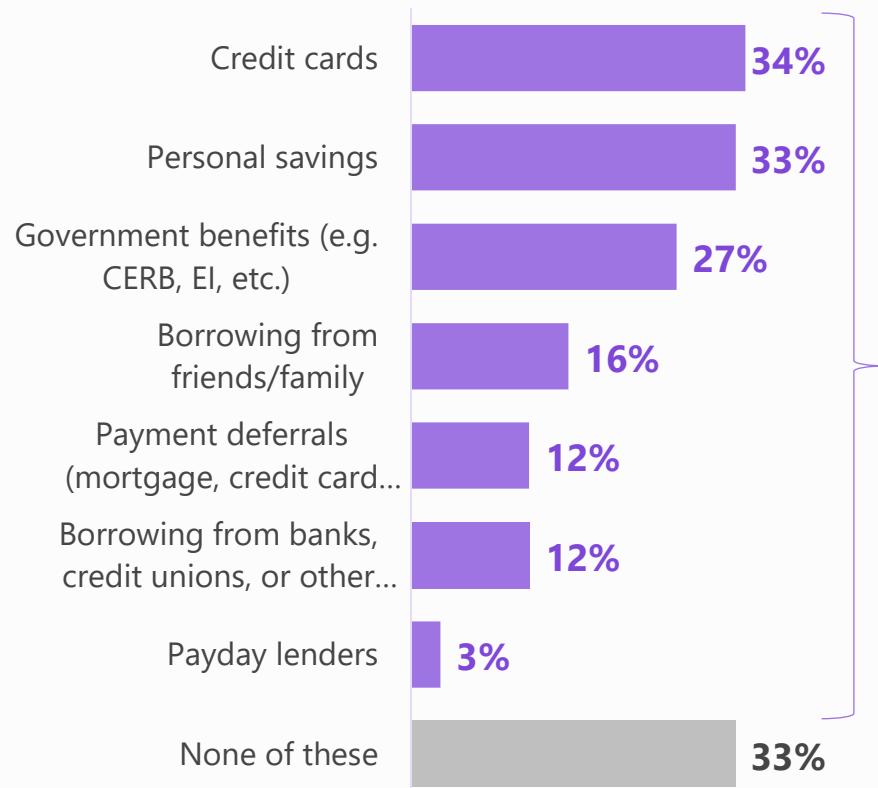
are unable to keep up with minimum payments or are deferring payments

Canadian debt-holders are more likely to be struggling to pay down their debt if they are:
18-34 (15%)
Earn <\$50K (19%)
Experienced employment changes due to COVID-19 (15%)
Have debt \$10,000+ (12%)

CREDIT CARDS AND PERSONAL SAVINGS VIE FOR THE TOP FINANCIAL SUPPORTS CANADIANS HAVE TURNED TO DURING THE PANDEMIC.

Canadians are most likely to have leaned on credit for support if they experienced employment changes due to COVID-19 and/or have larger debt loads above \$10K.

Sources of Financial Support Turned To



67%

of those carrying debt have sought financial help during the pandemic

Canadian debt-holders are more likely to be turning to credit cards if they are:

- **Female** (38%)
- **Under 55** (36%)
- Experienced **employment changes due to COVID-19** (45%)
- Have **debt** \$10,000+ (40%)

Canadian debt-holders are more likely to be turning to personal savings if they are:

- **18-34** (40%)
- Experienced **employment changes due to COVID-19** (47%)
- Have **debt** \$10,000+ (36%)

And less likely to leverage savings if they are **Quebec** residents (25%).



PERCEPTIONS OF FINANCIAL ASSISTANCE

SECTION SUMMARY:

PERCEPTIONS OF FINANCIAL ASSISTANCE

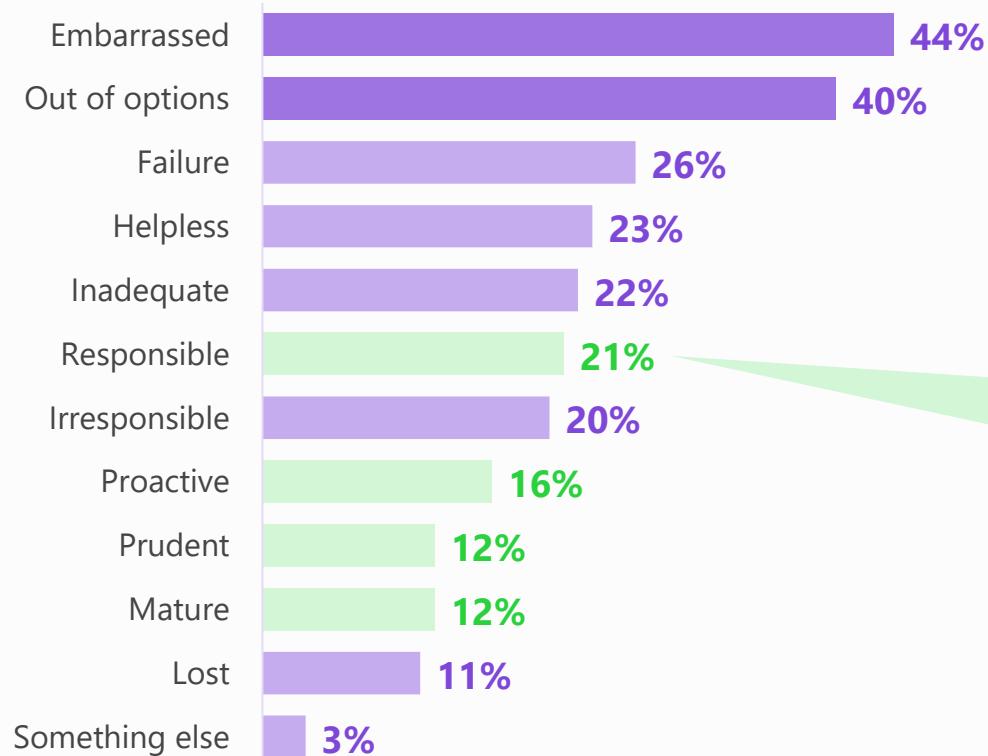
Canadians show **high levels of concern and understanding when friends or family are struggling** with their finances, but tend to be **more worried about what others will think** if they needed to reach out.

Many Canadians feel there is a stigma around reaching out for financial assistance, being **more likely to feel embarrassed or out of options** than responsible or proactive.

CANADIANS FEEL MORE NEGATIVE EMOTIONS THAN POSITIVE WHEN THINKING ABOUT REACHING OUT FOR FINANCIAL HELP.

Lower income Canadians have the most negative impression of reaching out, while older Canadians are more likely to see it as a mature or responsible choice.

How reaching out for financial help would make you feel



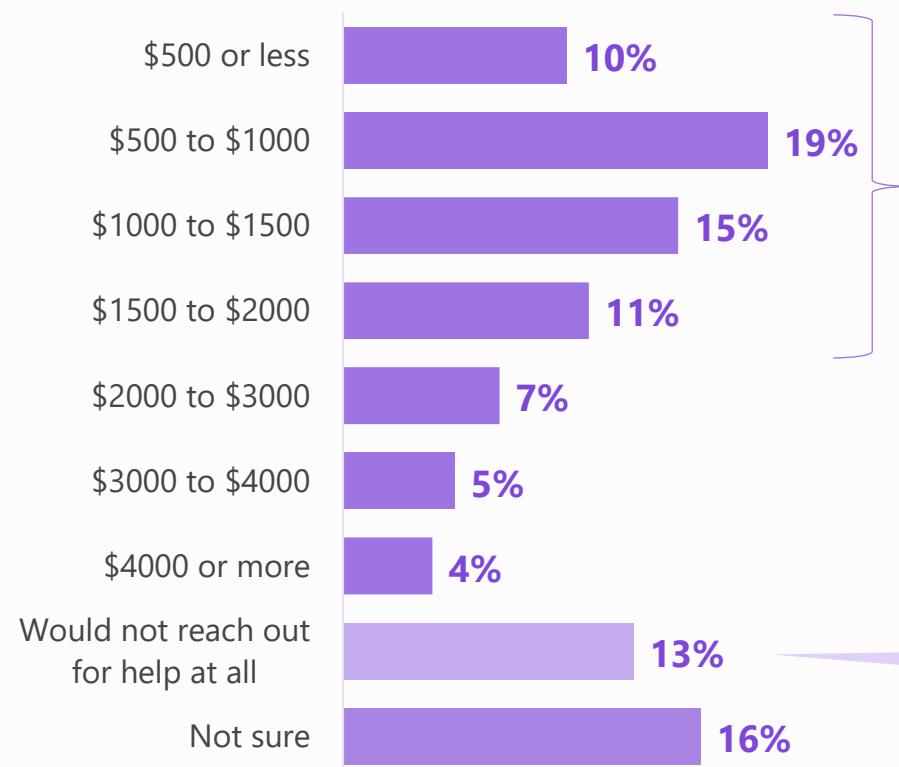
Lower income (<\$50K) Canadians have a more negative view of reaching out for financial help, being more likely to say it would make them feel **lost** (18%), **out of options** (47%), **helpless** (33%) or **embarrassed** (47%).

Older Canadians (55+) are more likely to see reaching out for financial help in a positive light, with 45% saying it would make them feel Responsible, Proactive, Prudent or Mature (vs. 34% of those under 55).

JUST OVER HALF OF CANADIANS WOULD BE LIKELY TO REACH OUT FOR FINANCIAL ASSISTANCE WHEN OR BEFORE THEIR MONTHLY DEBT OBLIGATIONS REACH \$2K PER MONTH.

Canadians would consider reaching out for financial assistance at a wide range of minimum monthly payment levels.

Monthly payment levels needed to reach out for financial assistance



55%

would reach out for help when or before their payments get to \$2,000

Quebec residents are more likely to reach out at lower monthly debt obligations (70% would reach out with monthly payments of \$2K or less).

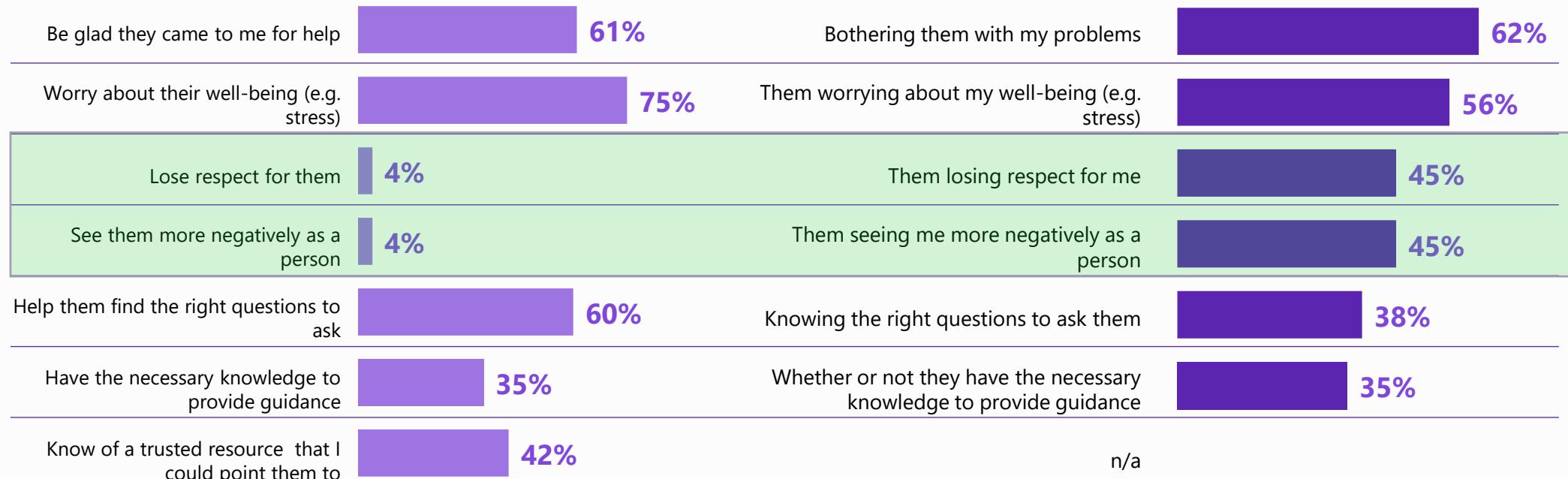
Canadians are more likely to say they wouldn't reach out for financial help *at all* if they are:

- **Older** (55+) (21%)
- **Confident** in their current finances (20%)
- Have **lower levels of debt** (<\$10K) (17%)

MOST CANADIANS WOULD BE CONCERNED FOR THE WELL-BEING OF A FRIEND/FAMILY MEMBER REACHING OUT FOR ASSISTANCE, BUT GLAD THEY CAME TO THEM FOR HELP.

Only small proportions of Canadians would lose respect or take a more negative view of the friend/family member, although this is a real concern for nearly half of Canadians.

If they were asked for help



If they were asking for help

Credit Counselling Society

Base: Total (n=1532)

Q22. If a friend or family member confided in you that they were having trouble with their finances, how likely or unlikely would you be to...

Q23. If you yourself were struggling financially and wanted to reach out to a friend or family member for assistance, to what extent would you be concerned about each of..

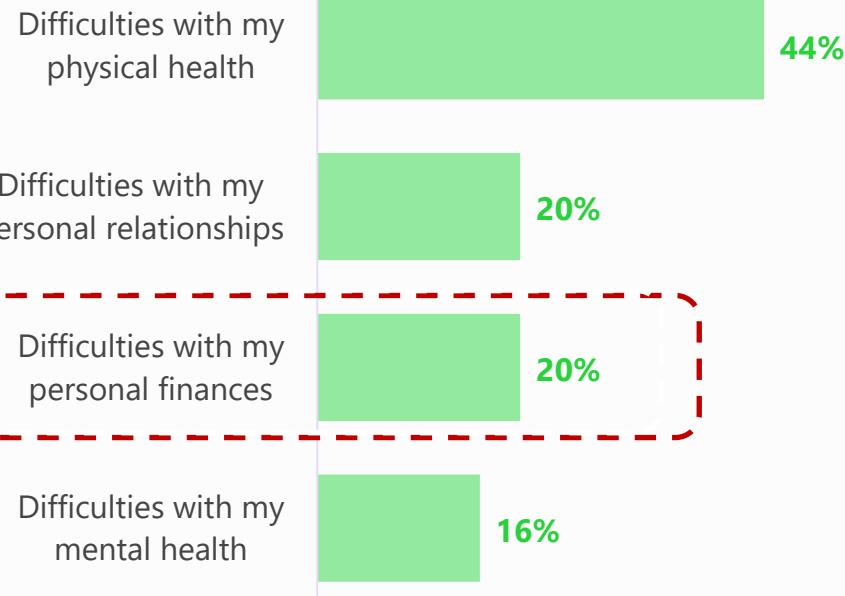
THREE-IN-TEN CANADIANS FEEL MORE COMFORTABLE DISCUSSING THEIR PHYSICAL/MENTAL HEALTH OR PERSONAL RELATIONSHIPS THAN FINANCES WITH A FRIEND OR FAMILY MEMBER.

One-in-five are more open about their finances, feeling more comfortable discussing them than they would discussing health or relationship matters.

Comfort Levels Discussing Personal Finances

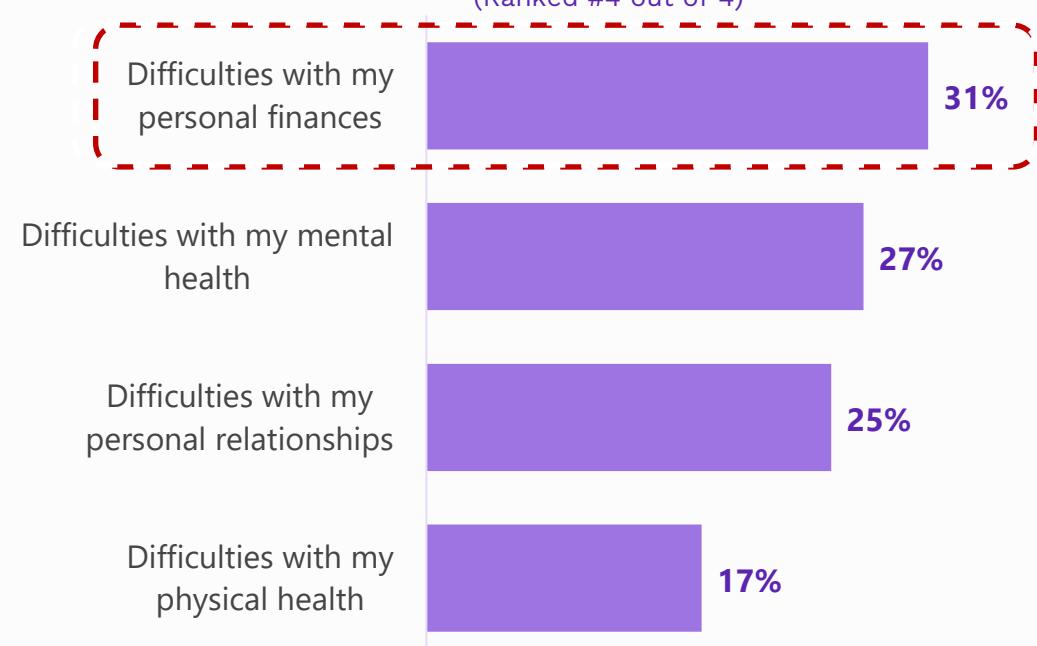
Most Comfortable

(Ranked #1 out of 4)



Least Comfortable

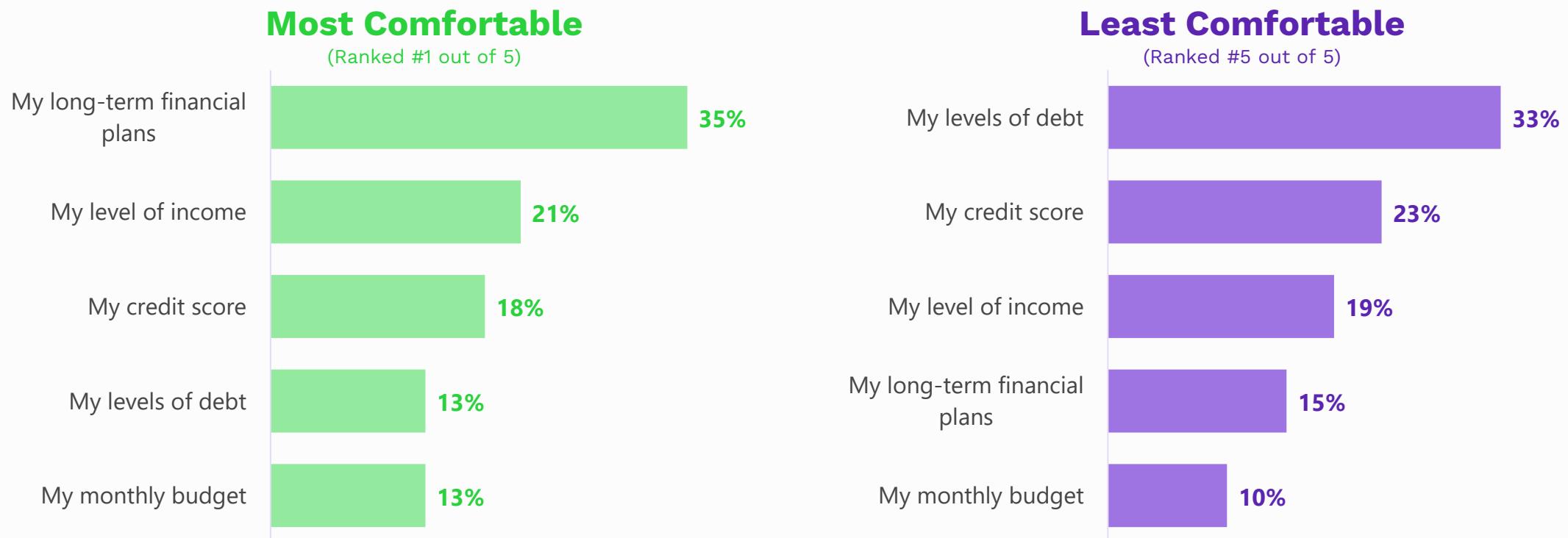
(Ranked #4 out of 4)



WHEN IT COMES TO FINANCES, CANADIANS ARE MOST COMFORTABLE DISCUSSING THEIR LONG-TERM FINANCIAL PLANS.

Canadians are least comfortable discussing their debt levels.

Comfort Levels Discussing Personal Finances



HOW CCS CAN HELP

“

There are countless ways to get a debt issue under control. No matter what path you take, the first step is always going to be the same: just get started. Deal with your debts as soon as you think you may have a problem. The Credit Counselling Society can help you create a realistic plan that will put you back in control and on the right track.

”

Scott Hannah
President & CEO
Credit Counselling Society



ABOUT US



Telephone: 604.527.8999
Toll Free: 1.888.527.8999
E-mail: info@nomoredebts.org

Charitable Registration Number: 89469 0890 RR0001
Ontario Registration Number: 4723742

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on Twitter

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Services

- Confidential credit counselling services
- Toll free telephone counselling and information services
- Debt repayment and settlement programs
- Educational workshops and webinars on personal money management and resolving debt problems
- Credit and money management publications
- Online assistance and information
- Referrals to other community and professional services

Credit Counselling Society is the operating name of the Credit Counselling Society of British Columbia. We are a non-profit charitable organization and a founding member of Credit Counselling Canada (CCC), a national association of non-profit credit counselling agencies. Our Counsellors and Educators help tens of thousands of Canadians each year find solutions to their debt and money problems, learn new skills and regain financial stability.

For further information about our services and programs please contact:

Scott Hannah, President & CEO

Telephone: 604.636.0211
Toll free: 1.888.527.8999 ext. 1211
Email: scott@nomoredebts.org

Isaiah Chan, Vice President

Programs & Services
Telephone: 604.636.0263
Toll free: 1.888.527.8999 ext. 1263
Email: Isaiah.chan@nomoredebts.org

Office Locations

Head Office & Education Centre

440 - 88 Sixth Street
New Westminster, BC V3L 5B3

British Columbia:

Abbotsford, Burnaby, Kelowna,
Nanaimo, New Westminster, Surrey,
Vancouver, Victoria.

Alberta:

Calgary, Edmonton.

Saskatchewan:

Regina, Saskatoon.

Manitoba:

Winnipeg.

Ontario:

Hamilton, Kitchener-Waterloo, London,
Mississauga, Ottawa, Toronto.

Awards

Established in 2007, the Institute for Financial Literacy presents the EIFLE Awards to individuals and organizations that have shown exceptional innovation, dedication, and commitment to the field of financial literacy education. In 2019 The Credit Counselling Society was honoured to be selected as the Non-Profit Organization in North America of the year.

