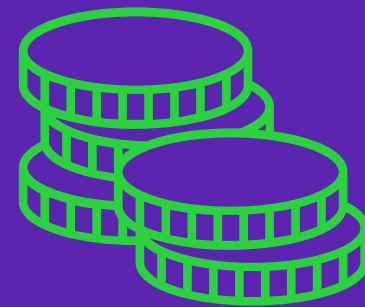


2024 CONSUMER DEBT REPORT

Prepared for  Credit
Counselling
Society



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=1,013 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 4 to 15, 2024

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 January 2023 are noted with   at 95% confidence.



STATE OF CANADIANS' PERSONAL FINANCES

SECTION SUMMARY:

STATE OF CANADIANS' PERSONAL FINANCES

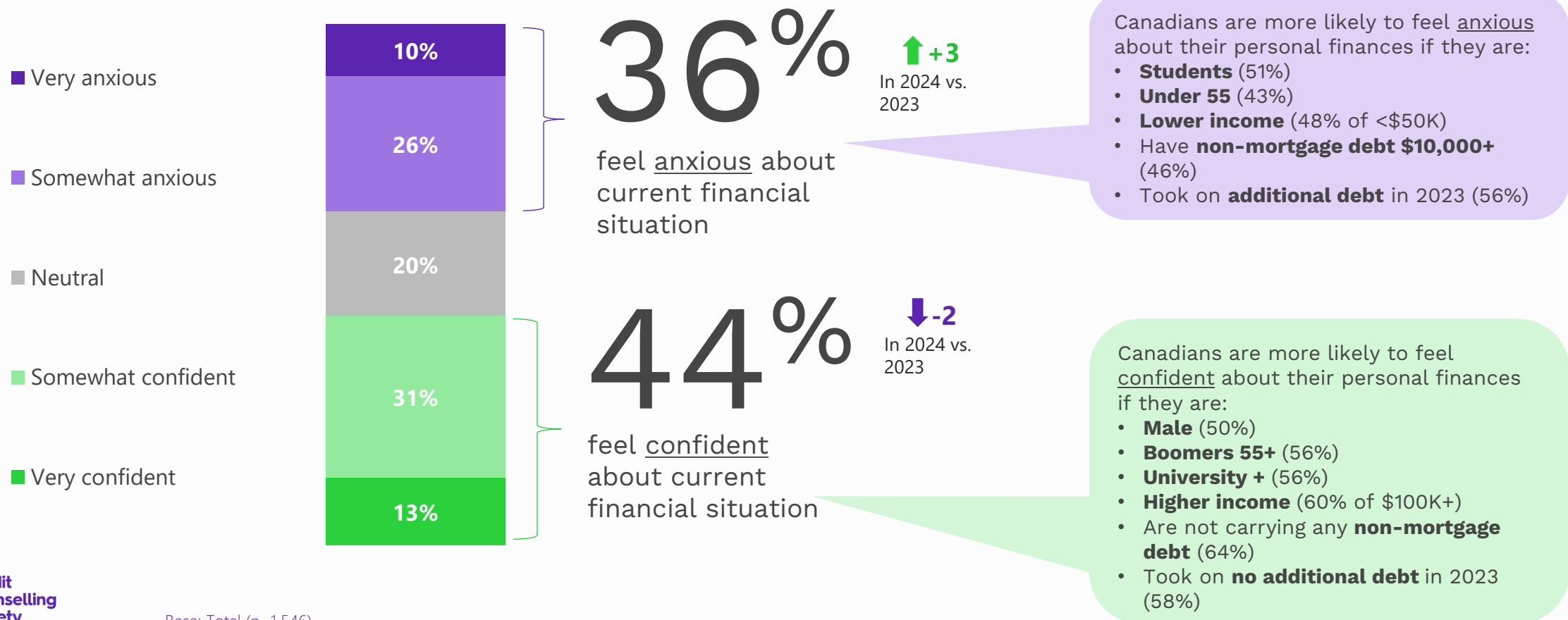
Canadians are becoming more anxious and less confident in their current financial situations for the fourth consecutive year since this study was introduced. With a growing concern for cost of living increases due to inflation, and a waning concern for other economic factors outside of their control.

More Canadians than ever before are only making the minimum required payments on their debt which is the third consecutive increase in this trend.

Emotions around debt have peaked at an all time high with more Canadians feeling frustrated, depressed, hopeless, anxious, concerned or worried than ever before.

OVER A THIRD OF CANADIANS FEEL ANXIOUS ABOUT THEIR CURRENT FINANCIAL SITUATION

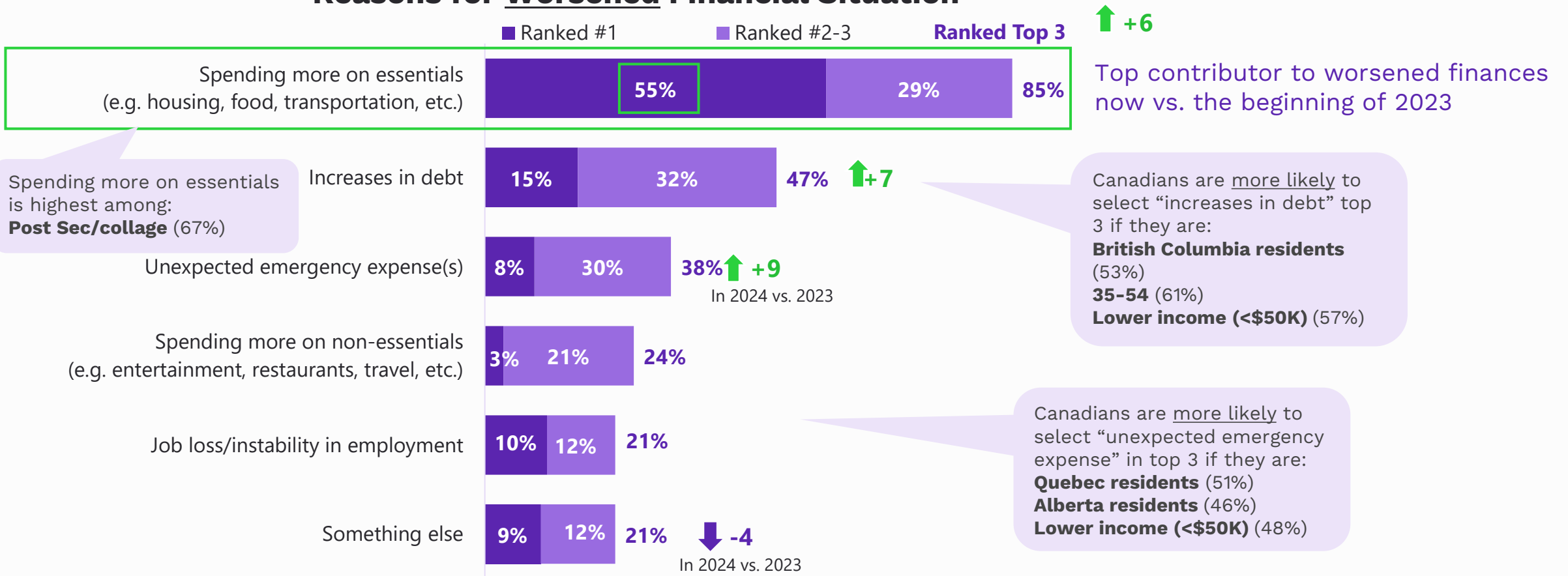
For the third consecutive year more Canadians are anxious and fewer feel confident about their current financial situation.



FOUR-IN-FIVE SAY THAT SPENDING MORE ON ESSENTIALS IS THE TOP CONTRIBUTOR TO THEIR WORSENING FINANCIAL SITUATION

Job loss is much less of a factor compared with the first two years of the pandemic, while spending more on non-essentials has become a much bigger factor over the past year.

Reasons for Worsened Financial Situation

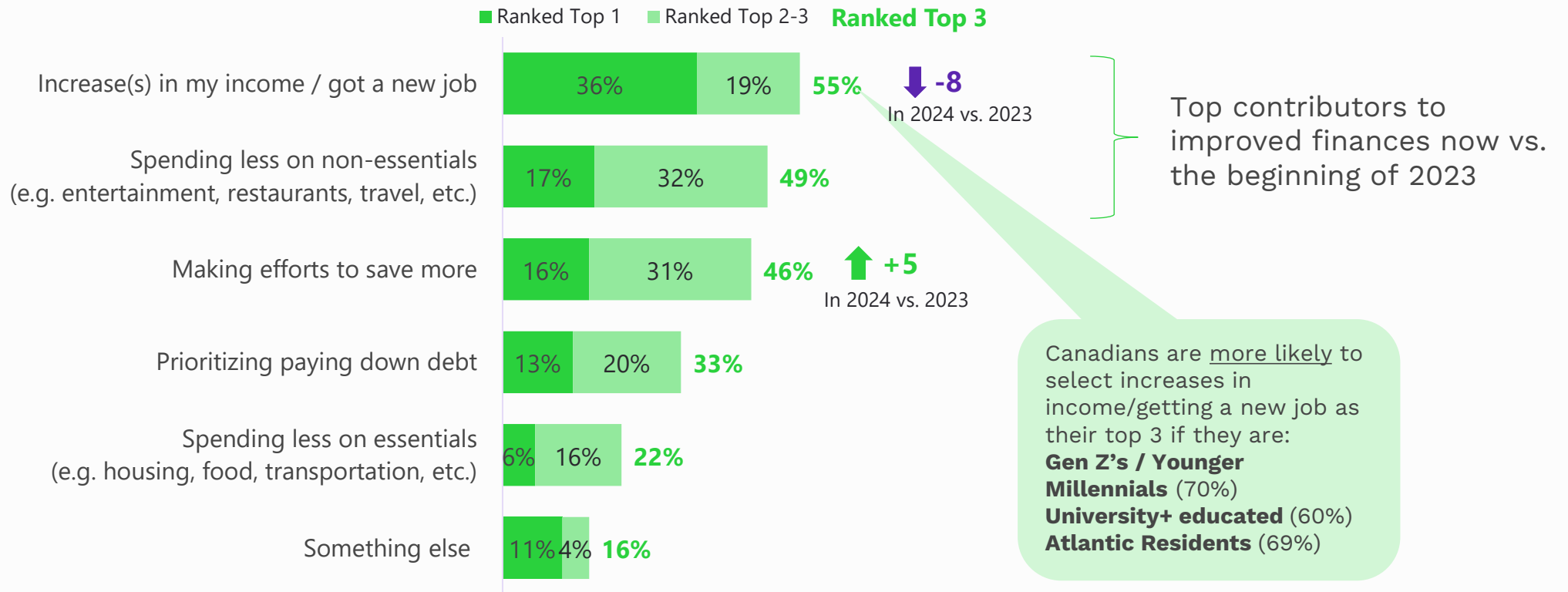


Base: Much/Somewhat worse financial situation (n=485)
 Q4B. What contributed most to your worsened financial situation now vs. the beginning of the last year (Jan 2023)?

TOP REASONS FOR IMPROVED FINANCIAL SITUATION ARE INCREASES IN INCOME AND REDUCED DISCRETIONARY SPENDING

Increases in income has remained the top factor for improved financial situation, with making efforts to save more and spending less on non-essentials increasing in significance over 2023.

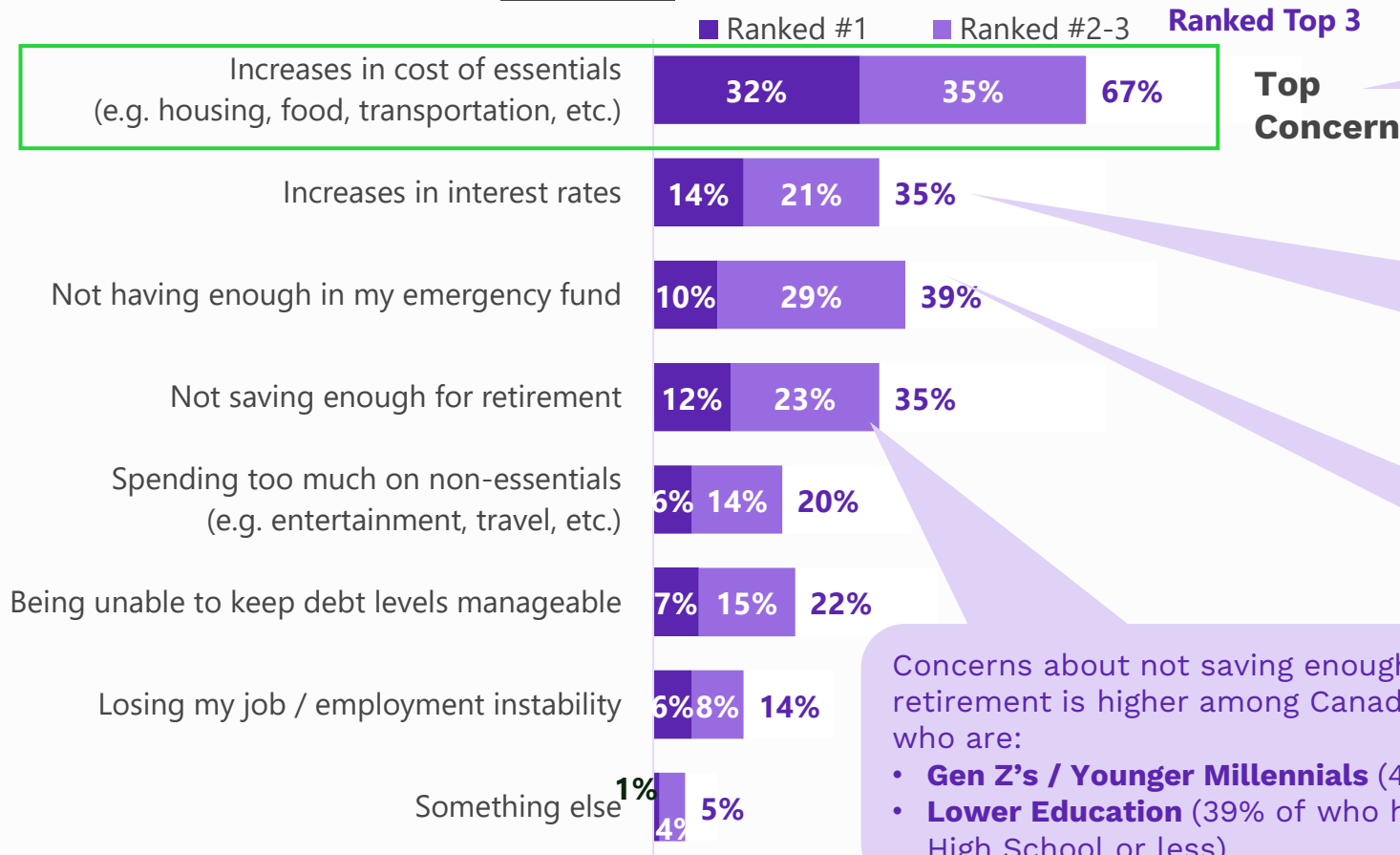
Reasons for Improved Financial Situation



INCREASING COST OF ESSENTIALS REMAINS THE TOP FINANCIAL CONCERN FOR CANADIANS

Concerns about the cost of essentials are highest amongst younger Canadians.

Greatest Current Financial Concerns



Top Concern

Concerns about cost of essentials are higher among Canadians who are:

- **Gen Z's / Younger Millennials** (75%)

Concerns about increasing interest rates is higher among Canadians who are:

- **Higher income** (42% of \$100K+)
- Have **non-mortgage debt \$10,000+** (43%)

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

- **Gen Z's / Younger Millennials** (44%)
- **Lower Education** (39% of who have High School or less)

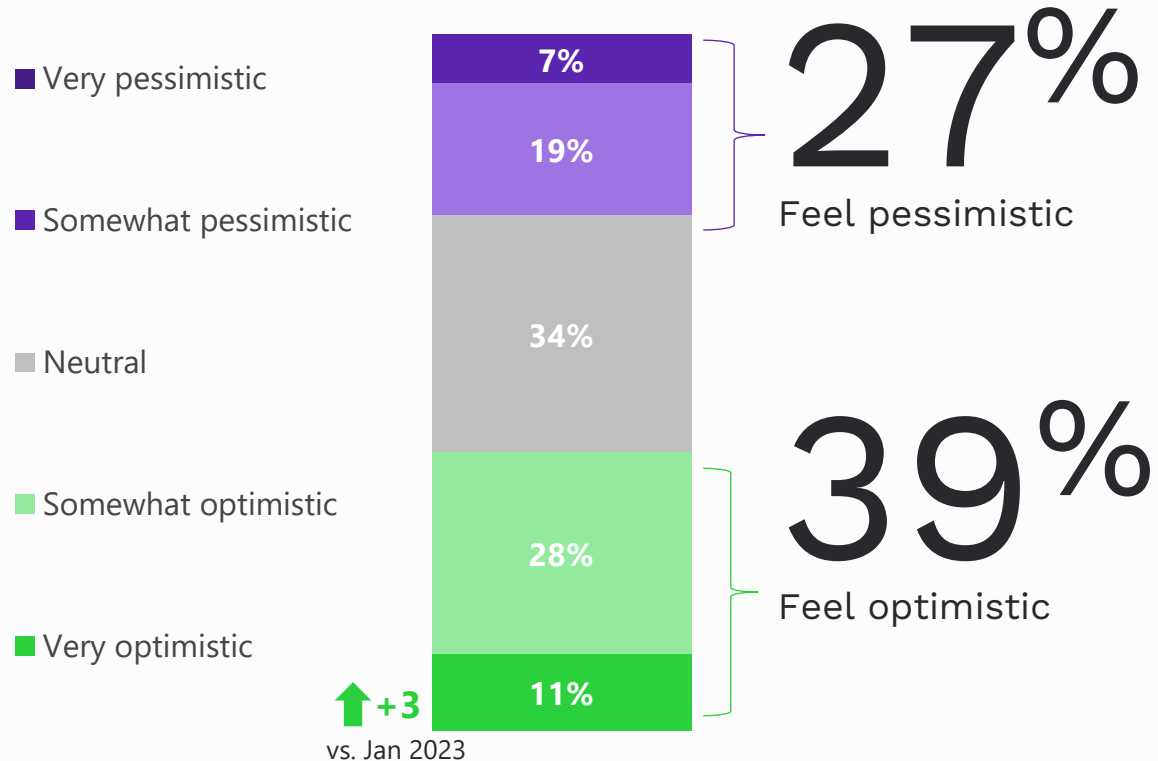
Concerns about not having an emergency fund is higher among Canadians who are:

- **Gen Z's / Younger Millennials** (50%)
- **Female** (42%)
- **Lower income** (46% of <\$50K)

ALMOST THREE-IN-TEN CANADIANS FEEL PESSIMISTIC ABOUT THEIR FINANCIAL SITUATION, WHILE ALMOST FOUR-IN-TEN HAVE SOME DEGREE OF OPTIMISM HEADING INTO 2024

Levels of optimism remain low at 39% after dropping from a high of 49% in 2020

Attitudes About Personal Finances to Start 2024



Canadians are more likely to feel pessimistic to start 2024 if they are:

- **Atlantic** (33%) residents
- **Manitoba** (32%) residents
- **Earn <\$50K** (33%)
- **Female** (30%)

Canadians are more likely to feel optimistic to start 2024 if they are:

- **Higher income** (47% of \$100K+)
- **University +** (47%)
- **Quebec** (46%) residents
- **BC** (43%) residents
- **Male** (43%)
- **Boomers 55+** (42%)



DEBT AND SAVINGS

SECTION SUMMARY:

DEBT AND SAVINGS

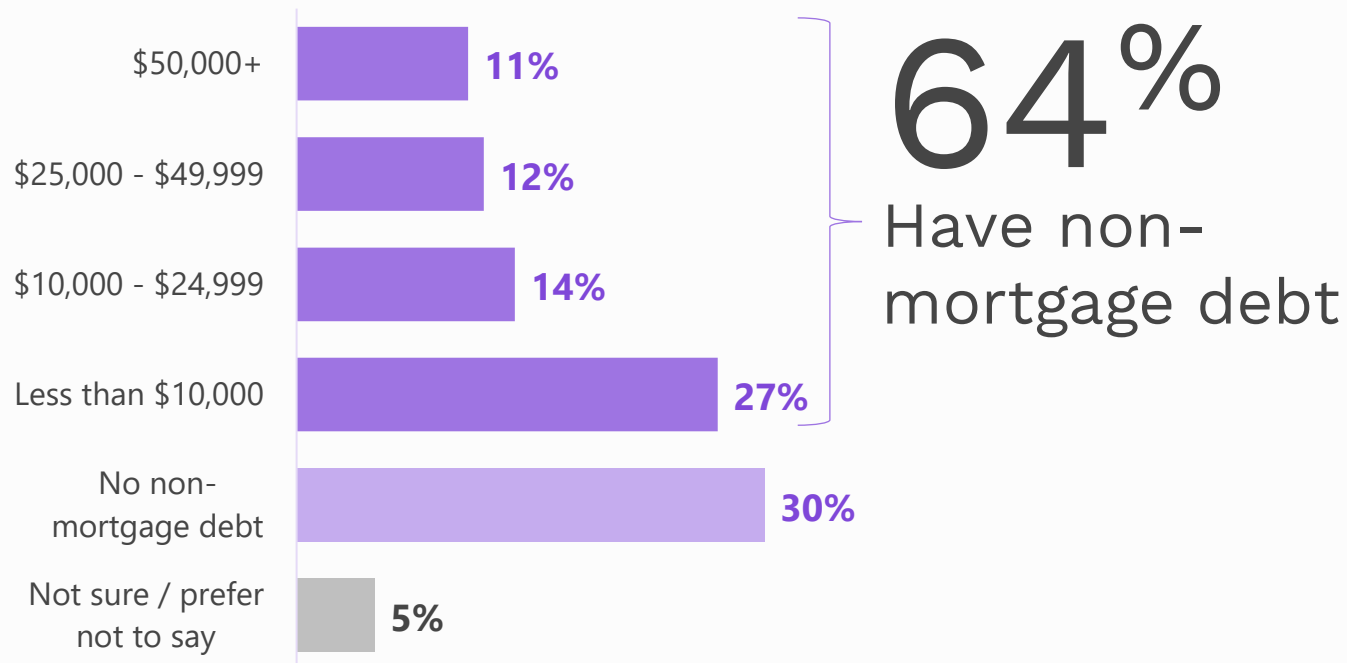
Canadians have been increasingly likely to have turned to sources of financial support over the past year. Changes in the availability of government benefits (e.g. CERB) has meant that more are turning to other sources of support, notably personal savings, credit cards, and banks.

Almost half of Canadians have seen an increase in total debt over the last year, and while the majority of those carrying debt have taken proactive measures to manage this, there are still many who are turning to more loans and as a result, risk falling further into debt.

NON-MORTGAGE DEBT LEVELS HAVE REMAINED ON PAR WITH 2023, WITH MORE THAN SIX-IN-TEN CARRYING DEBT

Gen X / Elder Millennials are the most likely group of Canadians carrying non-mortgage debt.

Amount of Non-Mortgage Debt



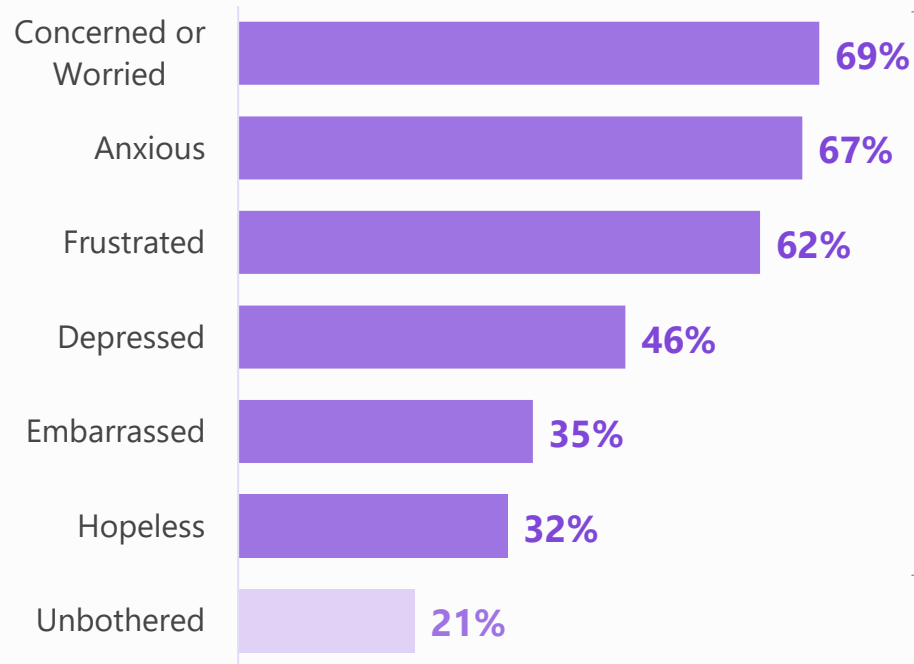
Canadians are more likely to have debts if they are:

- **Saskatchewan** (71%) residents
- **Gen X / Elder Millennials 35-54** (77%)
- **Gen Z / Younger Millennials 18-34** (71%)
- **Income of \$50-100k** (72%)
- **French Canadians** (70%)

TWO THIRDS OF CANADIANS WITH DEBT FEEL ANXIOUS, CONCERNED OR WORRIED, PARTICULARLY GEN Z / YOUNGER MILLENNIALS AND FEMALES

Canadians have higher negative emotions associated with their debt than ever before.

How Canadians Feel About Their Debt Levels



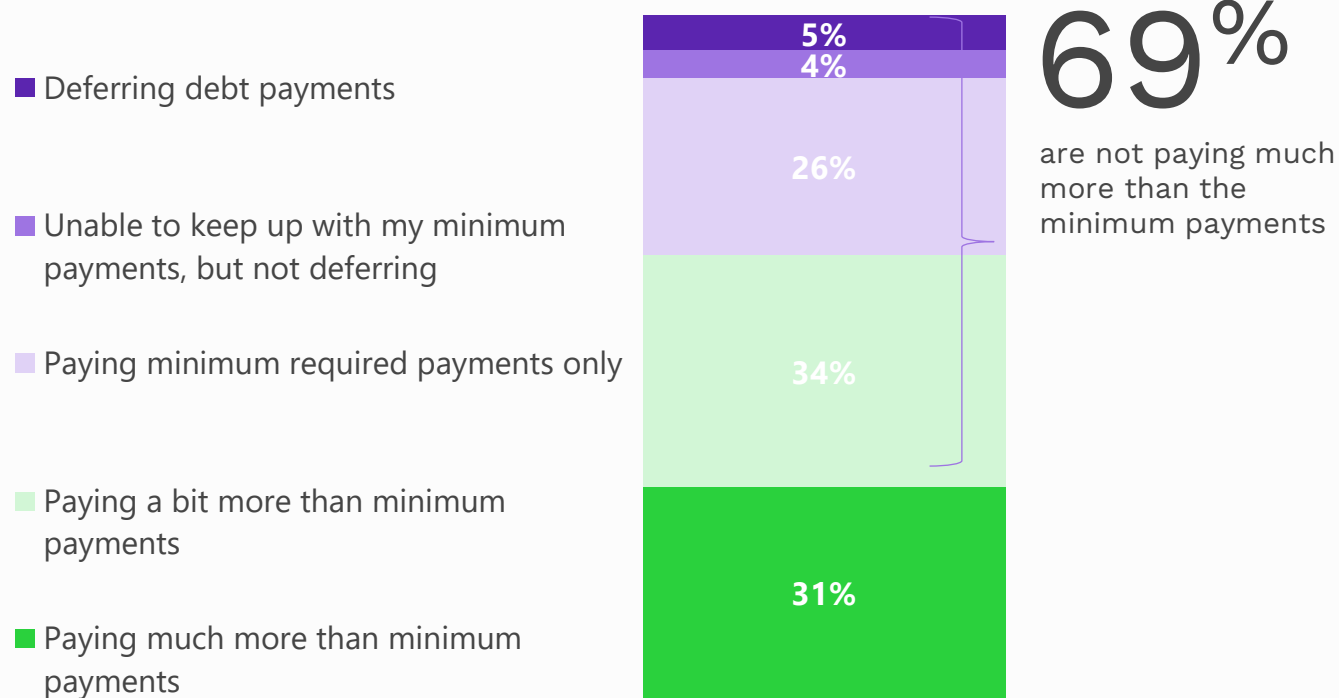
Gen Z / Younger Millennials (<35), **females** and lower income Canadians (<\$50K) are more likely to be experiencing negative emotions as a result of their debt levels

Canadians with annual income of over \$100K are more likely to be **unbothered** by their debt levels (30%)

MORE THAN TWO THIRDS OF CANADIANS WITH NON-MORTGAGE DEBT ARE NOT PAYING MUCH MORE THAN THE MINIMUM REQUIRED

One-in-twenty Canadians with non-mortgage debt are deferring debt payments.

How Canadians are Managing Non-Mortgage Debt



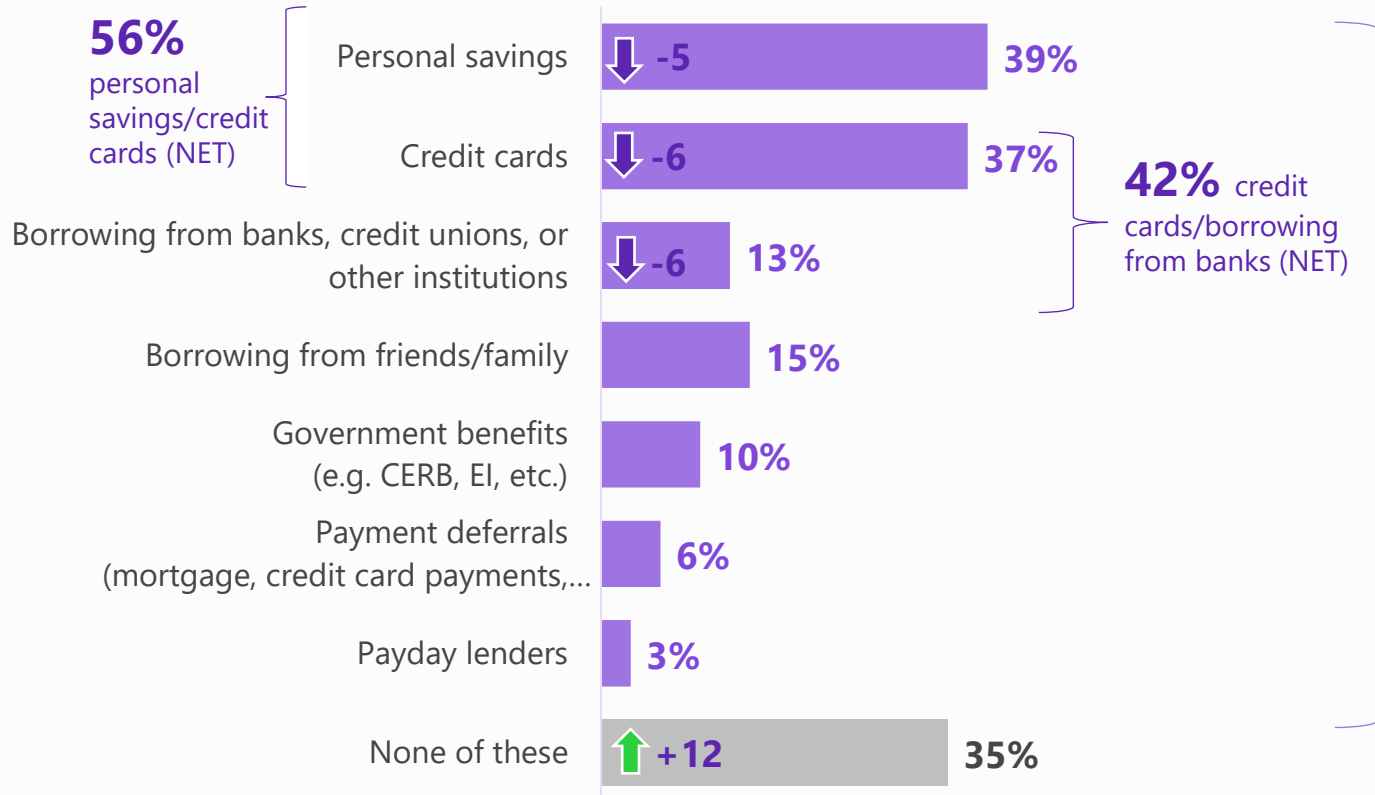
Canadian debt-holders are more likely to be struggling to pay down their debt if they are:

- Gen Z / Younger Millennials <35** (46%)
- Alberta** (42%) residents
- Ontario** (40%) residents
- Earn <\$50K** (43%)
- High school education** (38%)
- Have debt \$10,000+** (45%)
- Anxious** in their current financial situation (46%)

THREE-IN-FIVE CANADIANS WITH DEBT HAVE TURNED TO FINANCIAL SUPPORT OVER THE PAST YEAR

The most common support has been personal savings and credit cards.

Sources of Financial Support Turned To



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

- **Gen Z / Younger Millennials** (47%) or **Gen X / Elder Millennials** (45%)
- **Anxious** (53%) about their finances
- **<\$50k** (45%) income

65%

of those carrying debt have sought financial help in the past year

↓ -12

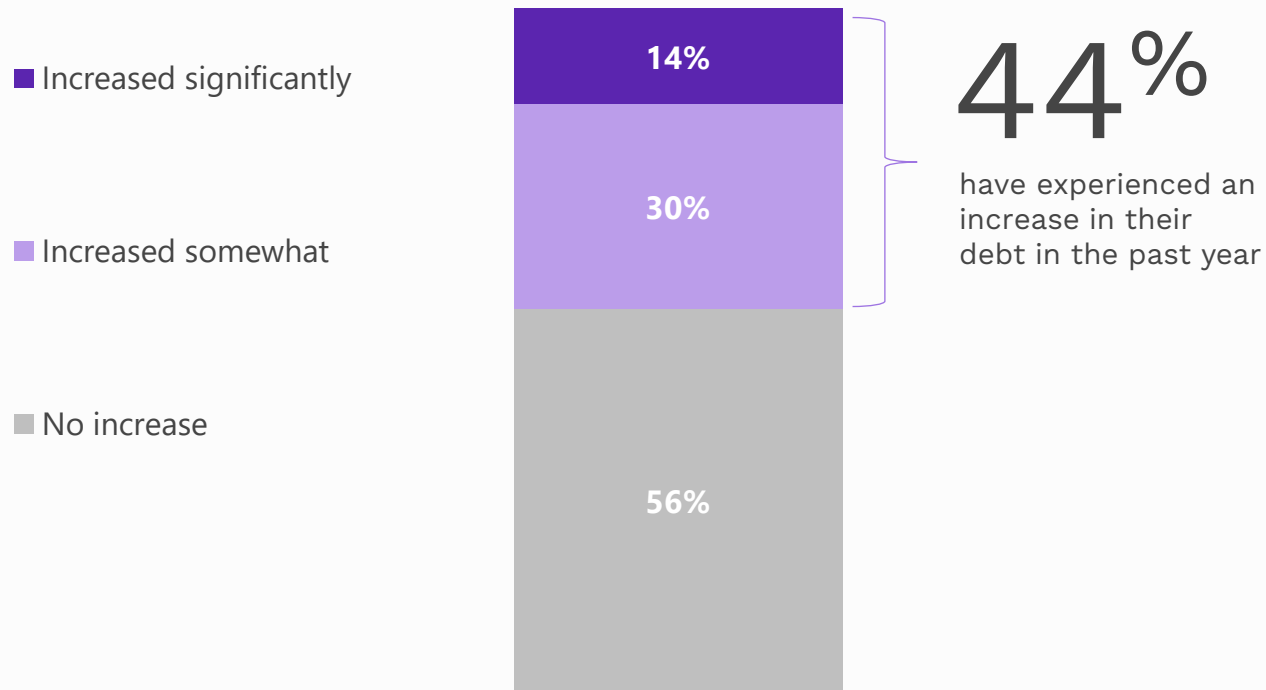
Prairie province residents (41%-45%) have turned to savings at the same rate as the unemployed (42%) to make ends meet.

Canadians with **lower incomes (<\$50K)** are twice as likely to borrow from friends and family as people with **higher incomes (\$50K+)** (26% compared to 13%)

MORE THAN FOUR-IN-TEN CANADIANS HAVE EXPERIENCED AN INCREASE IN DEBT (INCL MORTGAGE DEBT) IN THE PAST YEAR

Canadians under 55 and those who are anxious in their current financial situation have seen higher increases in debt.

Past Year Change in Debt



Canadian debt-holders are more likely to have seen increases in their debt if they are:

Below age 55 (51%)

Experienced employment changes due to COVID-19 (58%)

Have debt \$10,000+ (64%)

Anxious in their current financial situation (69%)

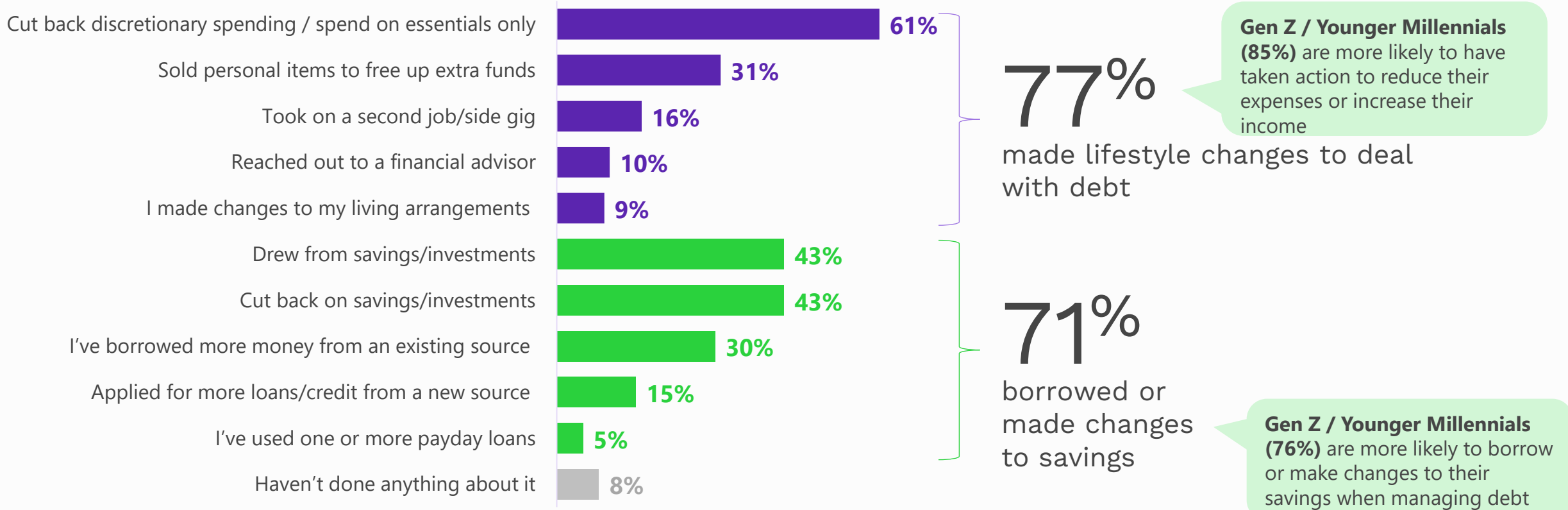
Quebec (47%) residents

<\$50k (51%) income

MANY HAVE MADE LIFESTYLE CHANGES TO MANAGE DEBT, WITH SIX-IN-TEN RELYING ON LOANS OR CHANGES TO THEIR SAVINGS

Prioritizing spending on essentials is the most common lifestyle change to manage a debt increase.

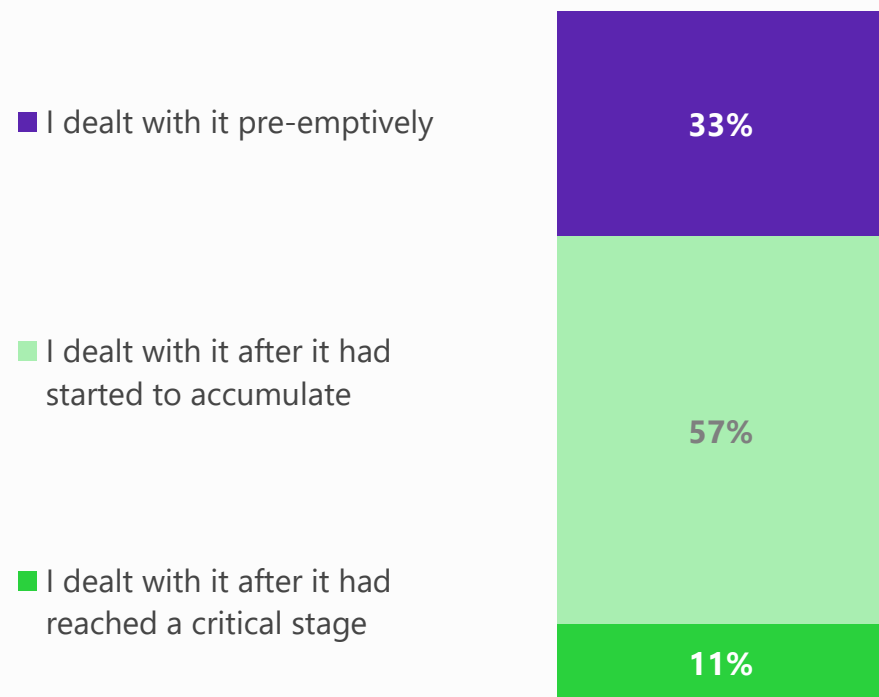
Changes to Manage Debt Increase



A THIRD OF CANADIANS HAVE BEEN MANAGING DEBT PRE-EMPTIVELY, WITH MORE THAN HALF TAKING ACTION AFTER IT STARTED TO ACCUMULATE

One-in-ten Canadians with debt (including mortgage debt) only took action after their debts had reached a critical stage.

How Long Before Taking Action on Debt Increase



Canadians with increased debt in 2023 are more likely to have dealt with it pre-emptively if they are:

- University +** (38%)
- Male** (39%)
- Gen Z / Younger Millennials** (39%)
- Have **No Non-Mortgage Debt** (57%)

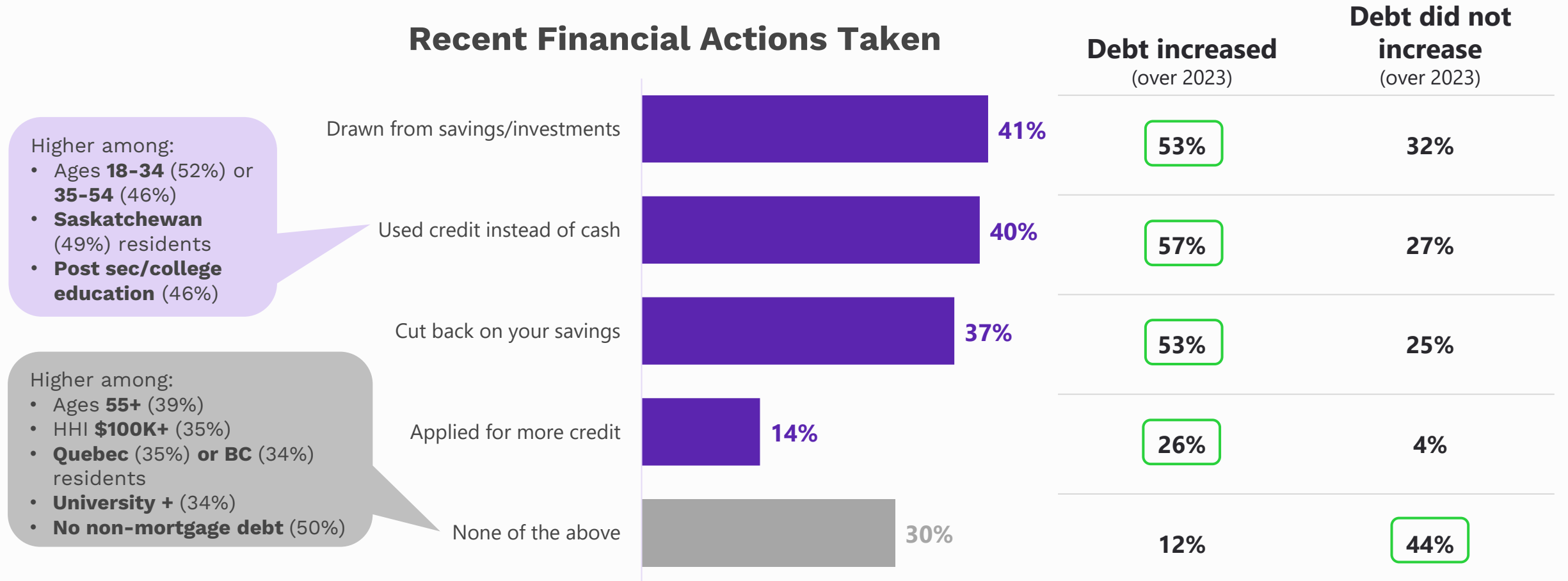
Those who waited until their debt reached a critical stage were more likely to be:

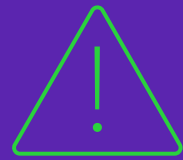
- **Saskatchewan** (14%) residents
- **Ontario** (13%) residents
- Earn **<\$50K** (18%)
- **Female** (12%)

TWO-THIRDS OF CANADIANS HAVE RECENTLY HAD TO LEAN ON CREDIT OR SAVINGS

Those who saw an increase in debt are significantly more likely to have taken financial actions.

Recent Financial Actions Taken





PERCEPTIONS OF FINANCIAL ASSISTANCE

SECTION SUMMARY:

PERCEPTIONS OF FINANCIAL ASSISTANCE

Canadians continue to have predominantly negative associations with reaching out for financial help themselves. Canadians with the highest debt loads feel the worst about reaching out for financial help.

Taking on a second job is either a significant possibility or already a reality for two-out-of-five Canadians. A third of Canadians are also likely to consider late bill payments or selling personal items a significant possibility.

CANADIANS FEEL PREDOMINANTLY NEGATIVE ABOUT REACHING OUT FOR FINANCIAL HELP

In particular, those with higher debt levels are more likely to say reaching out makes them feel irresponsible, inadequate, or out of options.

How Reaching out for Financial Help Would Make You Feel

Non-Mortgage Debt Levels

		No Debt	<\$10,000	\$10,000+
Embarrassed	42% ↑ +4 vs. 2023	37%	43%	44%
Out of options	31% ↓ -5 vs. 2023	27%	31%	35%
Responsible	23%	21%	27%	22%
Failure	23%	18%	25%	27%
Inadequate	22%	18%	23%	24%
Helpless	20%	20%	17%	22%
Irresponsible	20%	15%	18%	25%
Proactive	18%	17%	18%	20%
Prudent	15%	15%	17%	15%
Mature	14%	13%	15%	16%
Lost	12%	10%	12%	14%
Something else	4%	5%	4%	3%

Gen Z / Younger Millennials (18-34) have a more negative view of reaching out for financial help, being more likely to say it would make them feel **embarrassed** (50%), **inadequate** (31%), **out of options** (39%), **helpless** (27%) or like a **failure** (30%).

Older Canadians (55+) are **more likely to view reaching out for financial help in a positive light**, with three-in-ten saying it would make them feel responsible.

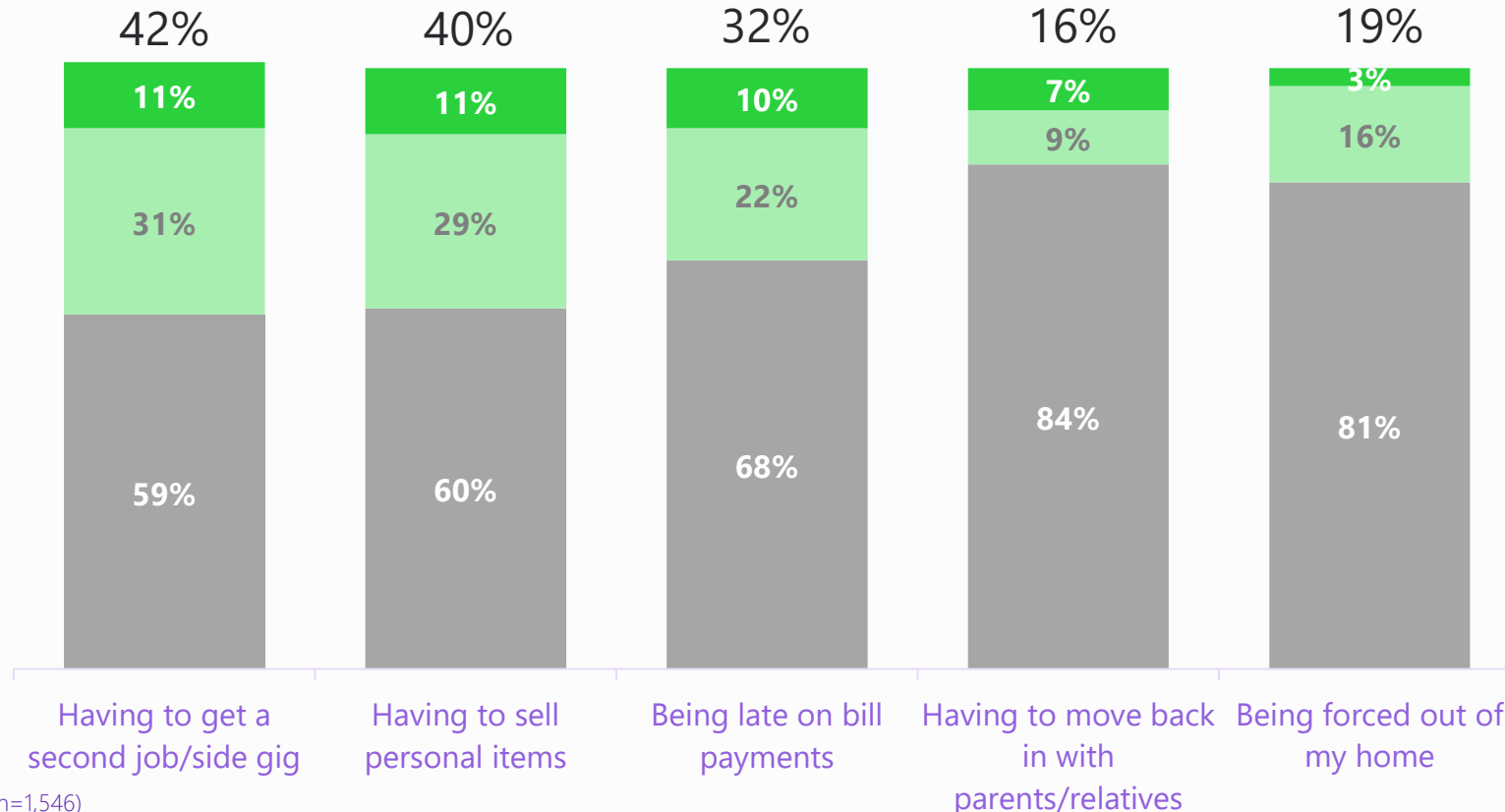
FOUR OUT OF TEN CANADIANS HAVE A SECOND JOB OR BELIEVE IT IS A SIGNIFICANT POSSIBILITY IF INFLATIONARY PRESSURES CONTINUE

Canadians whose debt has increased in the past year are at least twice as likely to be currently experiencing or worrying about the likelihood of these scenarios.

Likely Scenarios if Inflationary Pressures Continue

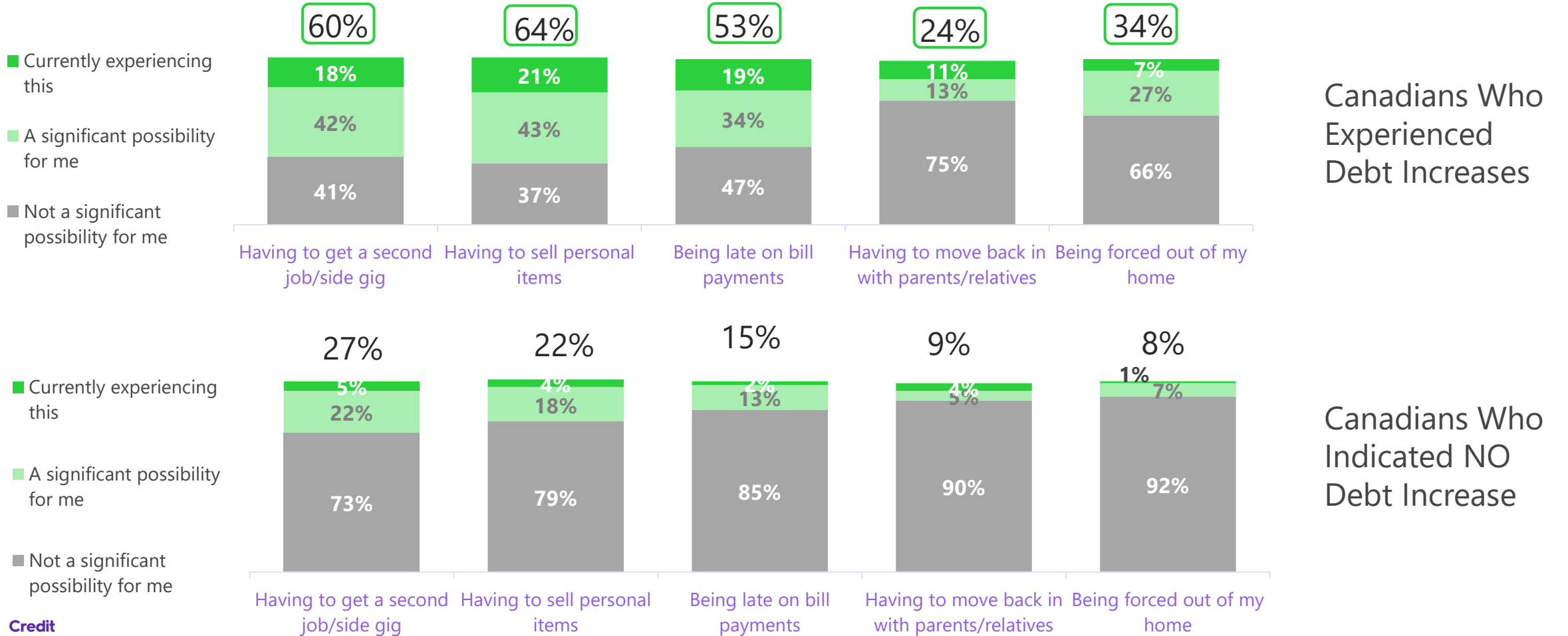
Currently experiencing + significant possibility %

- Currently experiencing this
- A significant possibility for me
- Not a significant possibility for me



CANADIANS WHOSE DEBT HAS INCREASED ARE AT LEAST TWICE AS LIKELY TO BE CURRENTLY EXPERIENCING OR WORRYING ABOUT THE LIKELIHOOD OF THESE SCENARIOS

Likely Scenarios if Inflationary Pressures Continue



Base: Total (n=1546)

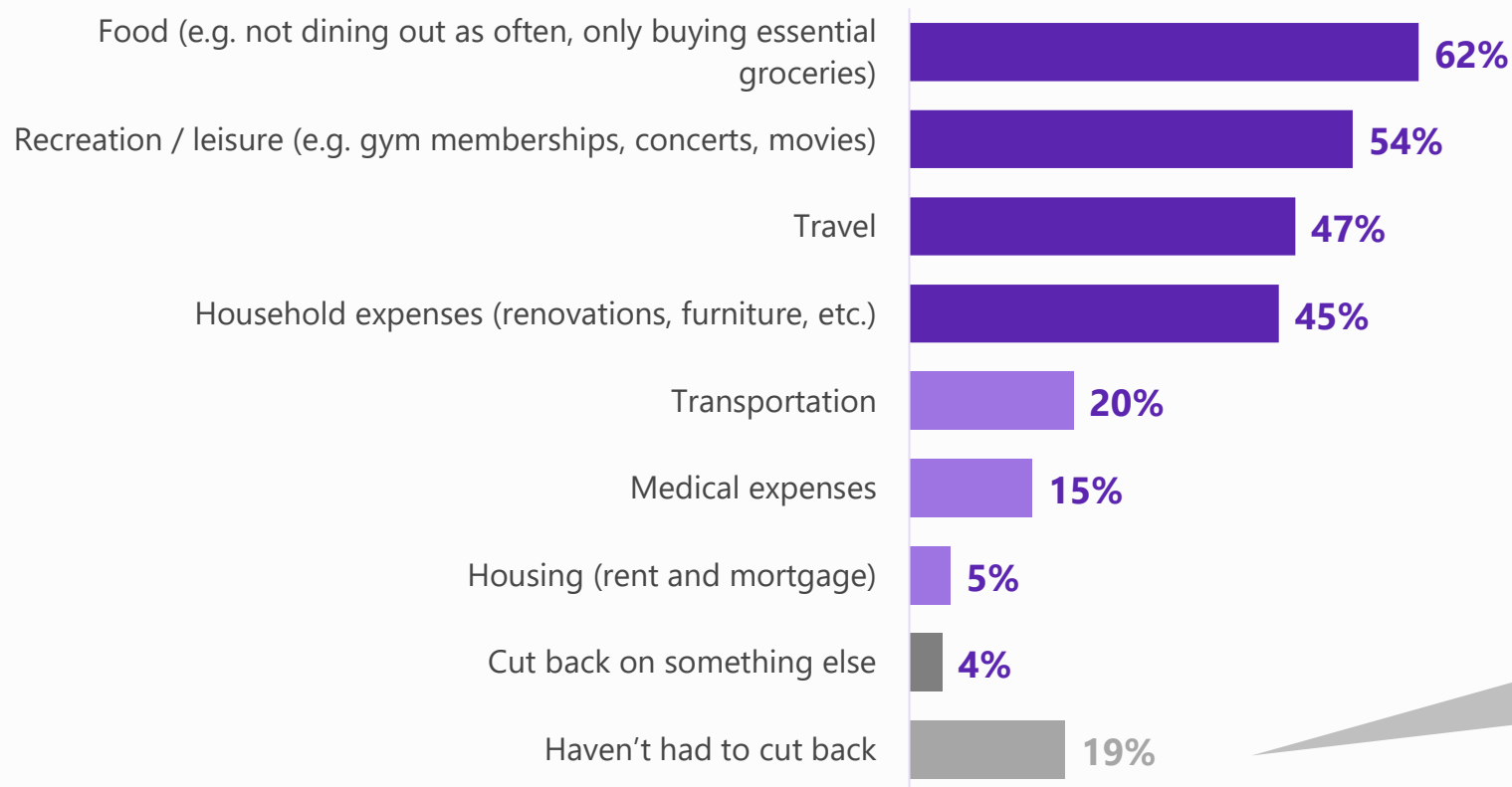
Q29. If the current interest rate hikes and inflationary pressures continue, to what extent do you think the following scenarios are a possibility for you?

Higher than other groups at 95% confidence
Lower than other groups at 95% confidence

THE MAJORITY OF CANADIANS HAVE HAD TO CUT BACK ON EXPENSES, WITH FOOD BEING THE TOP CUTBACK

Recreation, travel, and household expenses are other key areas where Canadians have cut back recently.

Recent Expense Cutbacks



Higher among:

- Ages **18-54** (68%)
- HHI **<\$50K** (69%)
- **Alberta** residents (68%)
- **Saskatchewan** residents (72%)
- **Highschool educated** (67%)

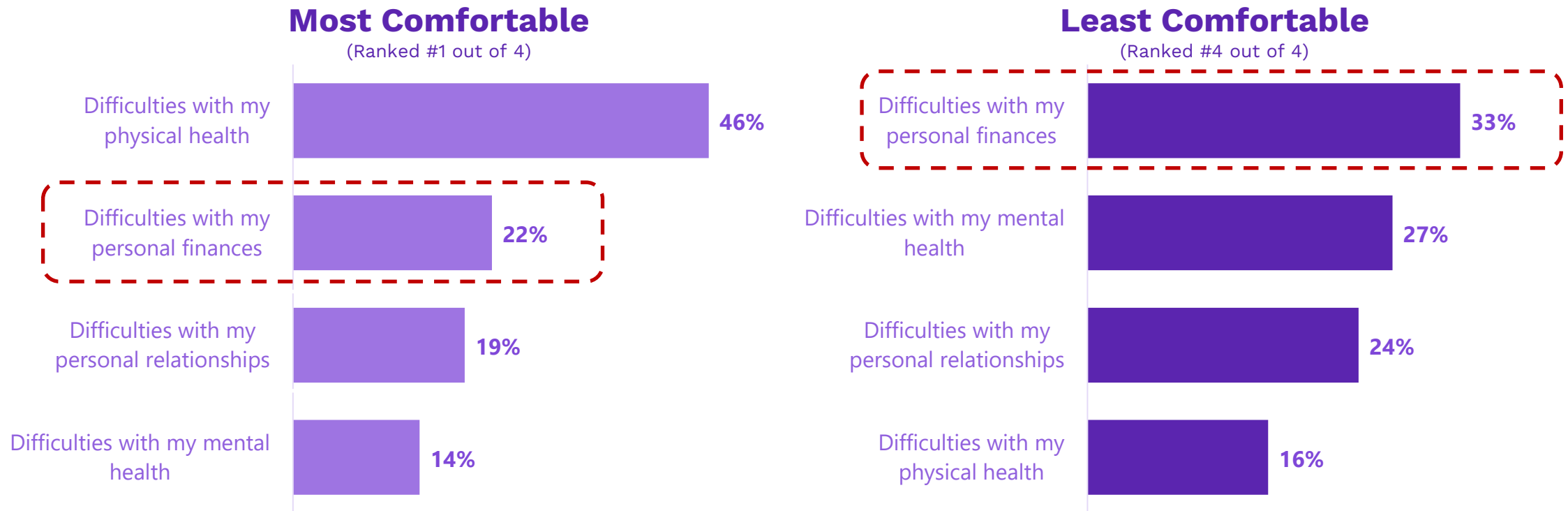
Higher among:

- **Boomers 55+** (28%)
- HHI **\$100K+** (24%)
- **Quebec** residents (23%)
- **University+** (24%)
- **No non-mortgage debt** (33%)
- **Retired** (32%)

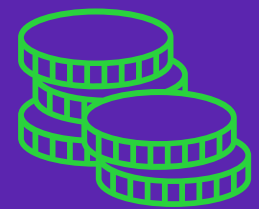
SEVEN-IN-TEN CANADIANS FEEL MORE COMFORTABLE DISCUSSING THEIR PHYSICAL/MENTAL HEALTH OR PERSONAL RELATIONSHIPS THAN FINANCES

One-in-five are most comfortable discussing financial difficulties, rather than discussing health or relationship matters with a friend or family member.

Comfort Levels Discussing Personal Finances



THANK YOU



APPENDIX: SUMMARY OF REGIONAL DIFFERENCES



BC residents are *more likely* to...

- feel confident about their current financial situation
- have experienced a significant increase in debt over the past year
- feel positive, prudent, or responsible when reaching out for financial help
- feel optimistic about their financial situation heading into 2024
- have cut back spending on housing



Albertans are *more likely* to...

- feel anxious about their current financial situation
- be concerned about not having enough money to pay bills
- feel frustrated, anxious, and concerned or worried about their finances
- feel inadequate, lost or like a failure
- have cut back spending on recreation/leisure and travel
- have applied for more credit or drawn from savings / investments to make ends meet
- be concerned about not having enough in their emergency fund or being able to keep debt levels manageable



Saskatchewan residents are *more likely* to...

- feel very confident about their current financial situation
- feel anxious about their finances
- have experienced no increase in debt over the past year
- have dealt with debt after it had reached a critical stage
- feel negative, irresponsible, lost, embarrassed, or out of options when reaching out for financial help
- feel very optimistic about their financial situation heading into 2024
- have cut back spending on food
- use credit instead of cash to make ends meet
- be concerned about not having enough in their emergency fund
- most comfortable discussing difficulties with finances



Manitobans are *more likely* to...

- feel worse about their financial situation in 2024 than 2023
- be concerned about increases in cost of living expenses
- have dealt with debt pre-emptively
- feel pessimistic about their financial situation heading into 2024
- have cut back spending on transportation



Ontarians are *more likely* to...

- feel better about their financial situation in 2024 than 2023
- have cut back spending on medical expenses and housing
- have applied for more credit to make ends meet
- be concerned about losing their jobs

APPENDIX: SUMMARY OF AGE DIFFERENCES

Gen Z / Younger Millennials (18-34)

Are more likely to...

- have non-mortgage debt <\$10,000
- have experienced an increase in debt over the past year
- be unable to keep up with or deferring debt payments
- feel anxious, concerned, embarrassed, depressed, or hopeless about their debt
- feel anxious about their current financial situation
- have concerns about cost of living expenses increasing, economic factors, and generally not having enough money to pay bills affecting their personal finances
- deal with debt pre-emptively
- have cut back on discretionary spending, changed living arrangements, sold personal items, took on a second job, drew from savings, borrowed more money, and cut back on savings/investments, or used payday loans to manage increased expenses
- borrowed from friends or family members
- have experienced an improvement in their financial situation this year (due to increased income, spending less, and saving more)

Are less likely to...

- be paying any more than the minimum debt payment
- discuss personal finances with friend or family member
- have done nothing or reached out to a financial advisor to deal with increased expenses

Gen X / Elder Millennials (34-54)

Are more likely to...

- have experienced an increase in debt over the past year
- have significant levels of non-mortgage debt \$50,000+
- feel frustrated by their debt
- dealt with debt once it had started to accumulate
- have reduced travel expenses
- be concerned about not saving enough for retirement

Are less likely to...

- have dealt with debt pre-emptively
- feel confident about their current financial situation
- feel unbothered by their debt
- feel optimistic about their financial situation heading into 2024
- have drawn from savings or expenses

Boomers (55+)

Are more likely to...

- have no concerns about their personal finances
- have no non-mortgage debt
- feel confident about their current financial
- feel optimistic about their financial situation heading into 2024
- be deferring debt payments
- have experienced a worsened financial situation this year (due to spending more on essentials)
- not have reduced any of their expenses
- discuss personal finances with friend or family member

Are less likely to...

- feel anxious about their current financial situation
- have any non-mortgage debt
- feel hopeless about their debt
- have experienced an increase in debt over the past year
- have cut back on discretionary spending, changed living arrangements, sold personal items, took on a second job, borrowed more money, and cut back on savings/investments to manage increased expenses
- borrow from friends or family members
- cut back on medical expenses