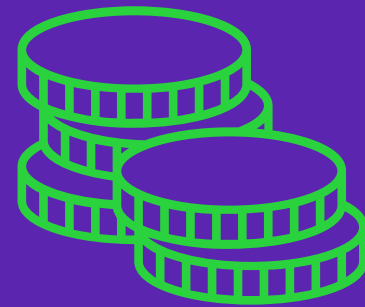


# 2025 CONSUMER DEBT REPORT

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=1,200 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 10, 2025

## 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 2025 are noted with   at 95% confidence.



# STATE OF CANADIANS' PERSONAL FINANCES

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## SECTION SUMMARY:

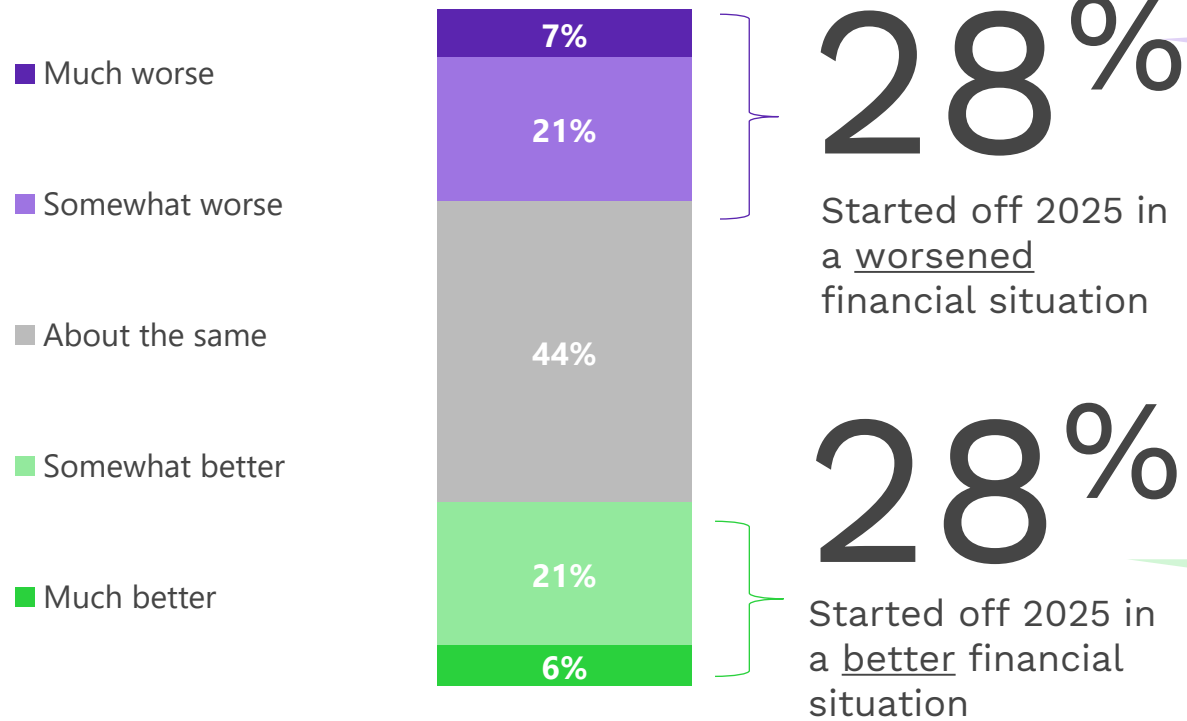
# STATE OF CANADIANS' PERSONAL FINANCES

Amidst economic uncertainty to start 2025, Canadians are just as likely to feel worse off now than better. While levels of confidence and anxiety about personal finances are similar to one year ago, the specific circumstances for Canadians have notably changed:

- Canadians struggle more now because of economic uncertainty, similar to 2020/2021 when the pandemic was unfolding, than in recent years where it had more to do with **increased costs** associated with **rising interest rates and inflation**.
- While spending more on essentials remains a top concern for Canadians, a resurgence in job instability over the past 12 months has become an even bigger reason for Canadians' worsening financial situation, with one in three ranking it as a top contributing factor.

# OVER A QUARTER OF CANADIANS ARE WORSE OFF FINANCIALLY TO START 2025

Over half of those who are anxious about their financial situation this year are facing a worsened financial situation



Canadians are more likely to face a worsened financial situation this year if:

- **Aged 35-54** (33%)
- **Residents of Alberta** (37%)
- **Lower income** (35%)
- **Anxious** about financial situation (57%)

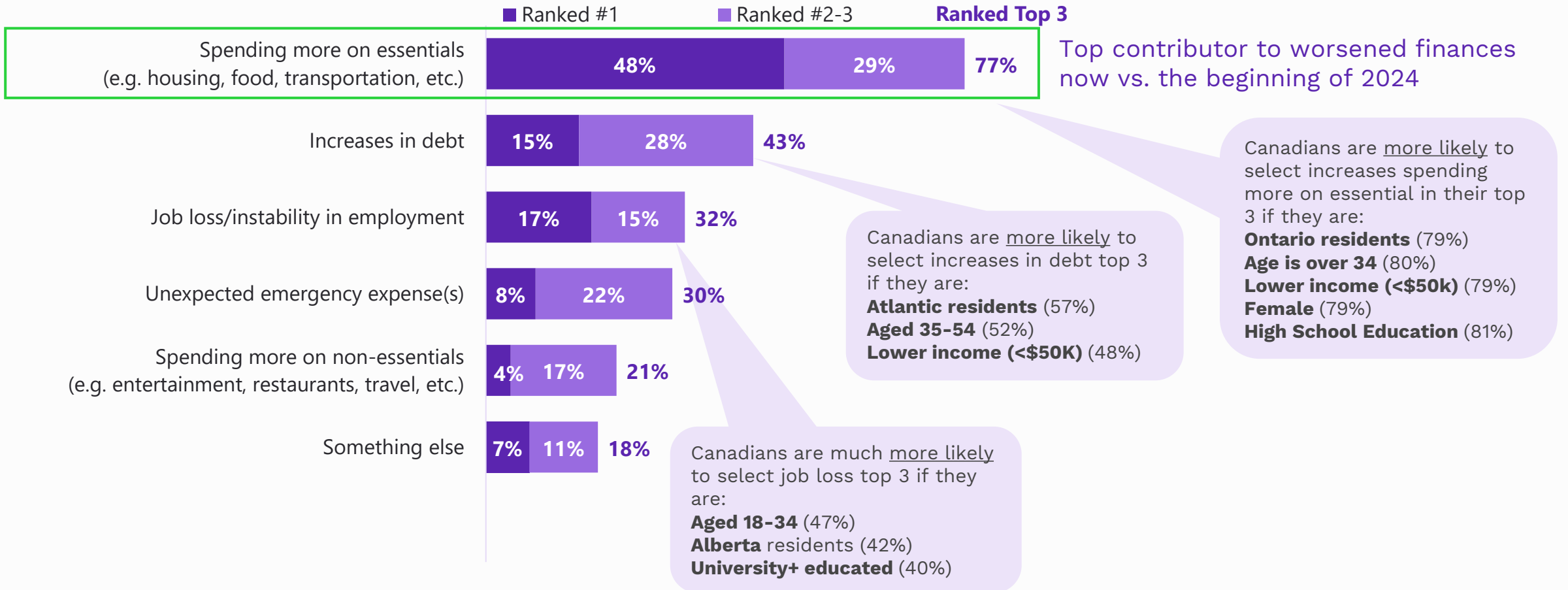
Canadians are more likely to face a better financial situation this year if:

- **Under Age 35** (38%)
- **University +** Education level (35%)
- **Higher income** (35% of \$100K+)

# THREE QUARTERS SAY THAT SPENDING MORE ON ESSENTIALS REMAINS THE TOP CONTRIBUTOR TO THEIR WORSENING FINANCIAL SITUATION

Job loss is much less of a factor now when compared with the first two years of the pandemic, however it is disproportionately affecting younger, well-educated Canadians.

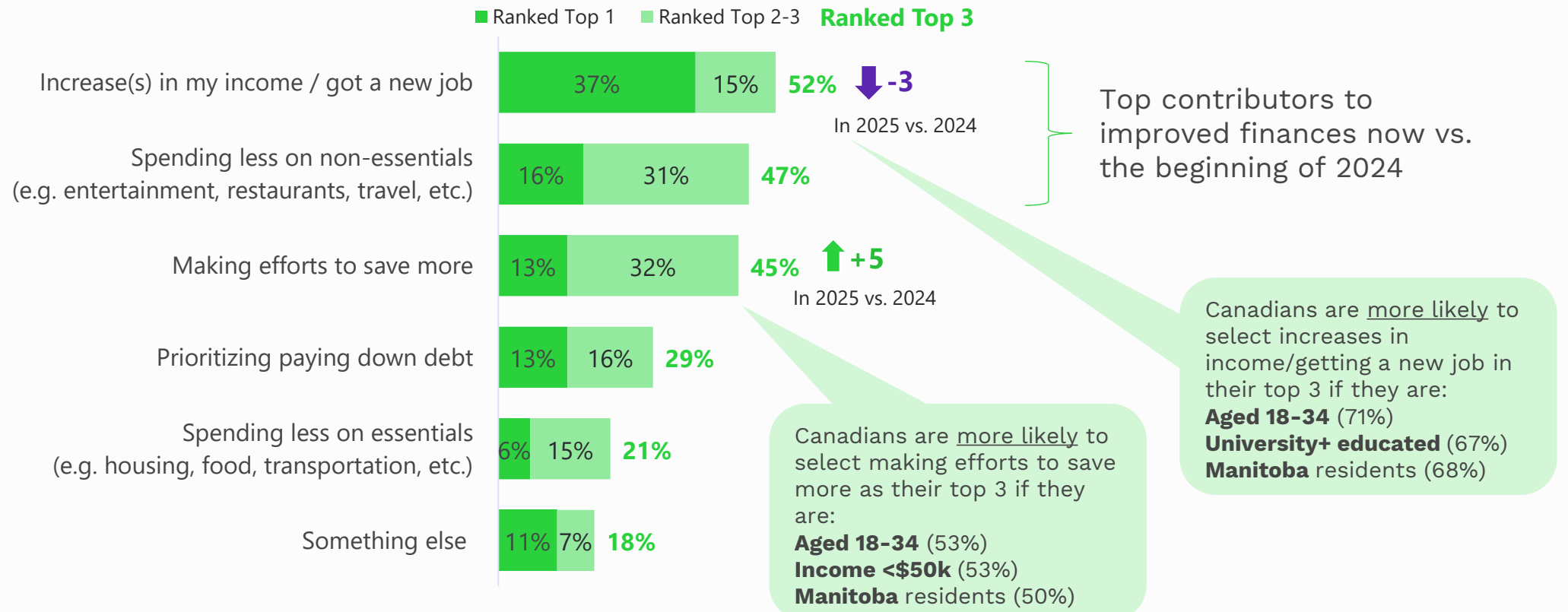
## Reasons for Worsened Financial Situation



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

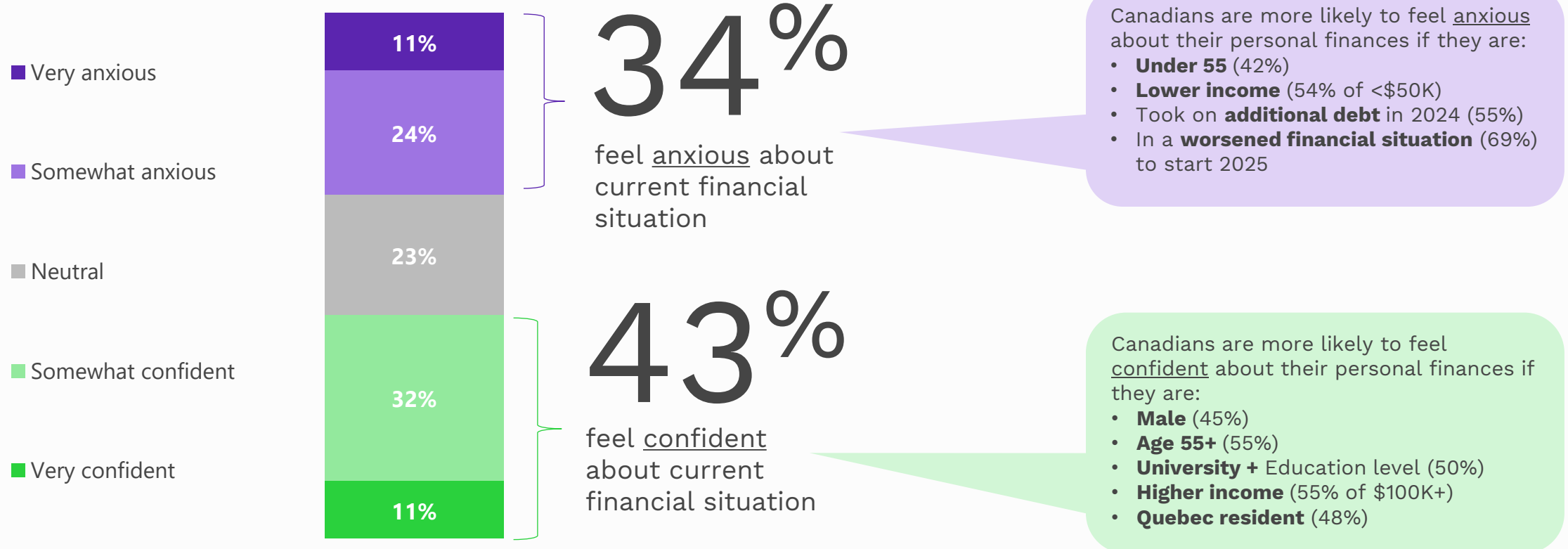
Making efforts to save more have been a much bigger factor for improved financial situation over the past year with younger, lower-income Canadians leading the charge.

## Reasons for Improved Financial Situation



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

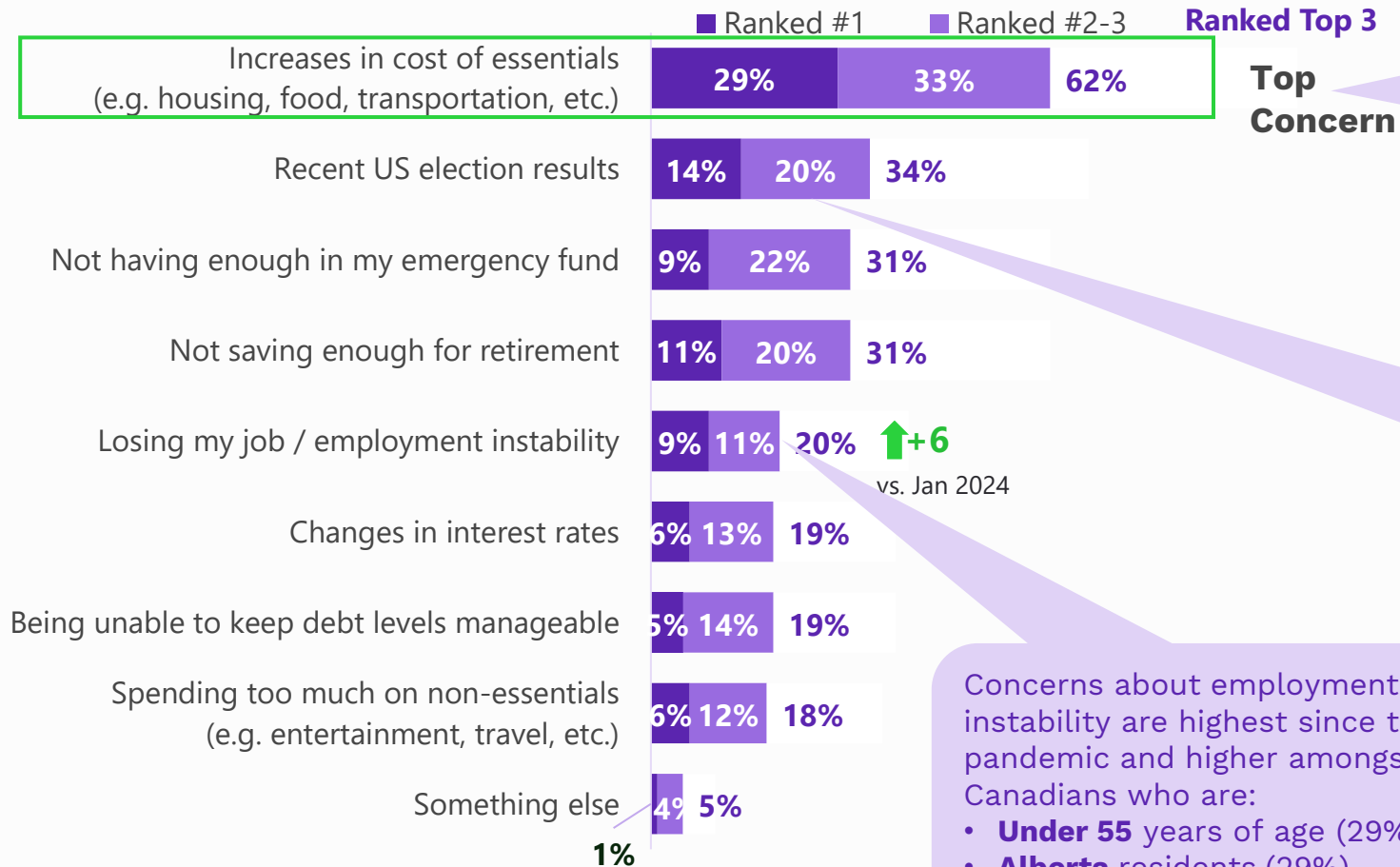
For the 4<sup>th</sup> consecutive year, a third of Canadians feel anxious about their current financial situation heading into 2025.





# INCREASING COST OF ESSENTIALS REMAINS THE TOP FINANCIAL CONCERN FOR CANADIANS

Concerns about the cost of essentials are highest amongst lower income Canadians  
**Greatest Current Financial Concerns**



**Top Concern**

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

- **Making <\$50k** annually (71%)
- Residents of Saskatchewan (72%), Alberta (70%), or Manitoba (69%).

Concerns about recent US election results are higher amongst Canadians who are:

- **55+** years old (40%)
- **Higher income** (38% of \$100k+)
- **Ontario** residents (37%)

Concerns about employment instability are highest since the pandemic and higher amongst Canadians who are:

- **Under 55** years of age (29%)
- **Alberta** residents (29%)



# DEBT AND SAVINGS

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## SECTION SUMMARY:

# DEBT AND SAVINGS

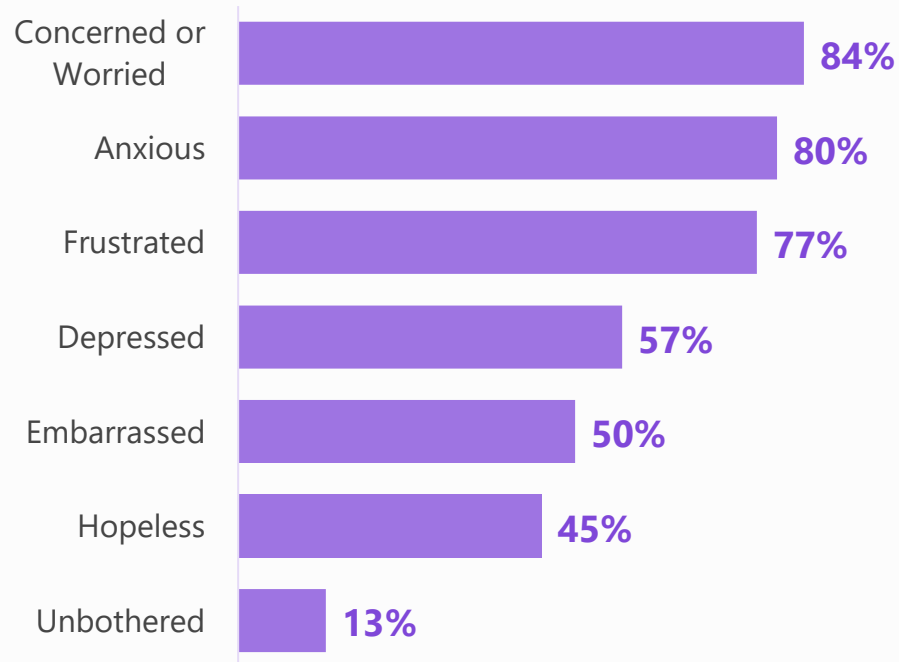
Canadians have been increasingly likely to have turned to sources of financial support over the last year. Half of those with increased debt to start 2025 have drawn from savings or investments, used credit instead of cash for purchases, and reduced the amount they are contributing to their savings and investments.

More than a third of Canadians have seen an increase in total debt over the last year, and while almost half of those carrying debt have taken proactive measures to manage this, there are still many who are falling further into debt with one-in-four only dealing with their debt either once it had reached a critical stage or haven't done anything about it yet.

# OVER HALF OF CANADIANS WITH INCREASED DEBT FEEL CONCERNED, ANXIOUS, OR FRUSTRATED, PARTICULARLY CANADIANS IN AB AND SK

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

## How Canadians Feel About Their Debt Levels



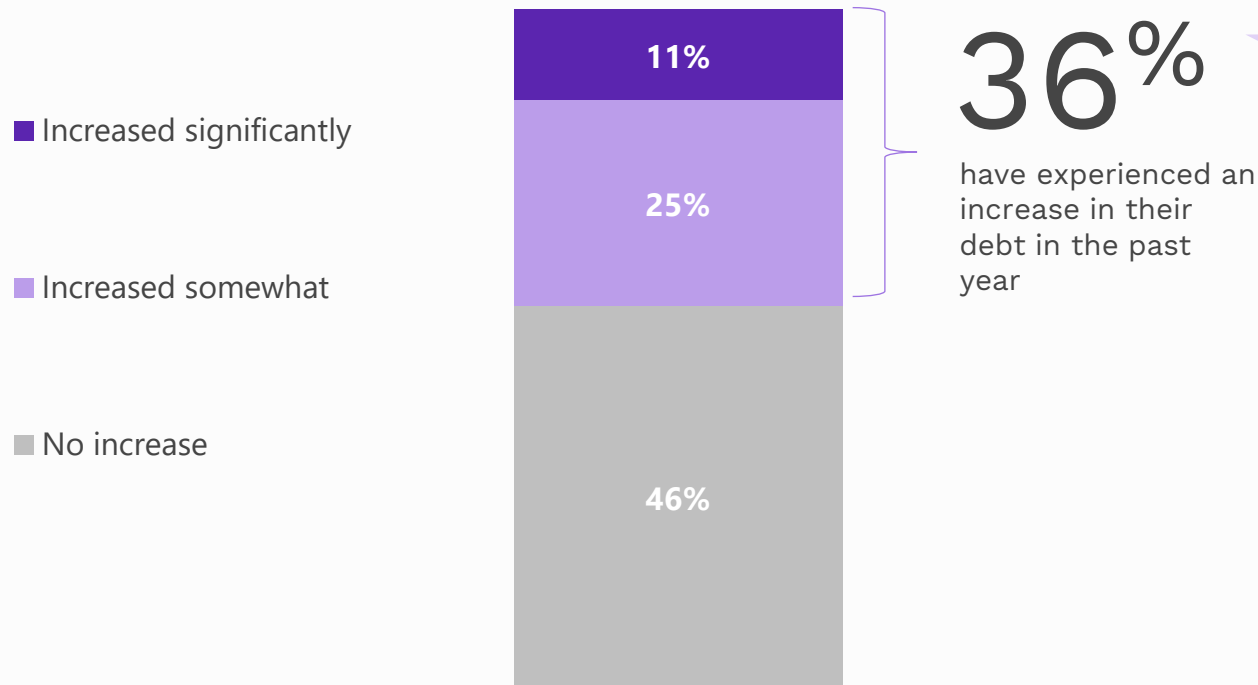
**Canadians aged 35-54**, living in Alberta or Saskatchewan, or who have lower income (<\$50K) are more likely to be experiencing negative emotions as a result of their debt levels

**Older Canadians (55+)** are more likely to be **unbothered** by their debt levels (37%)

# MORE THAN A THIRD OF CANADIANS HAVE EXPERIENCED AN INCREASE IN DEBT IN THE PAST YEAR

Canadians who had achieved a high school level of education or less were most likely to have seen an increase in debt this past year (43%).

## Past Year Change in Debt



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

**Alberta** (40%)

**Saskatchewan** (40%)

**Manitoba** (41%)

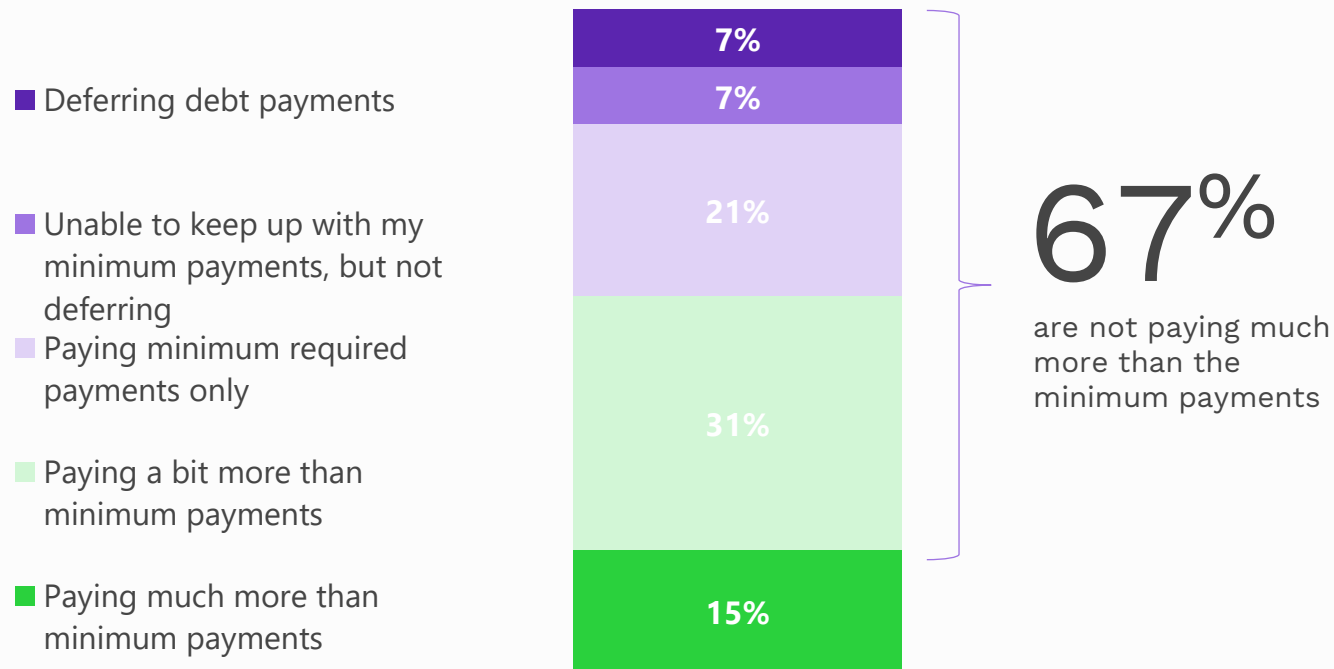
**Atlantic Canada** (44%)

Or have a **low income** (<\$50k) (41%), completed only a **high school** level of education (43%)

# TWO THIRDS OF CANADIANS WITH INCREASED DEBT ARE NOT PAYING MUCH MORE THAN THE MINIMUM REQUIRED

One third of Canadians with increased debt are paying the minimum or less on their outstanding balances.

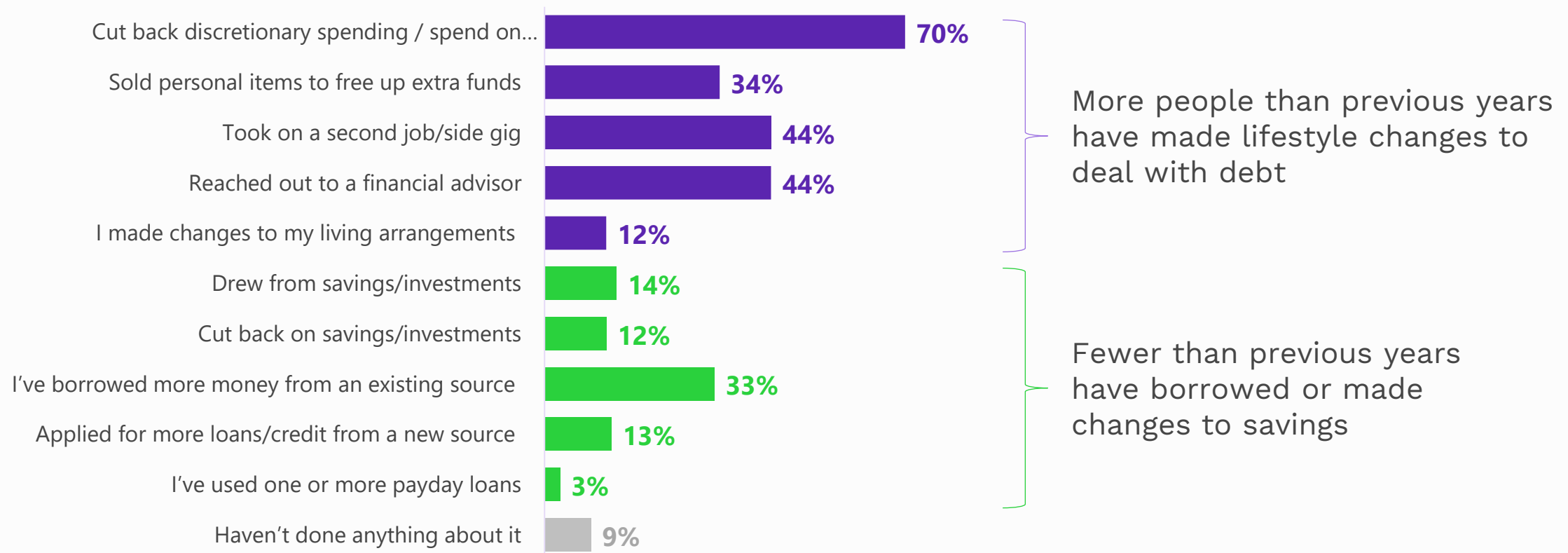
## How Canadians are Dealing with Increased Debt



# MANY HAVE MADE LIFESTYLE CHANGES TO MANAGE INCREASED DEBT, TWO THIRDS ARE SPENDING ON ESSENTIALS ONLY

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

## Changes to Manage Debt Increase

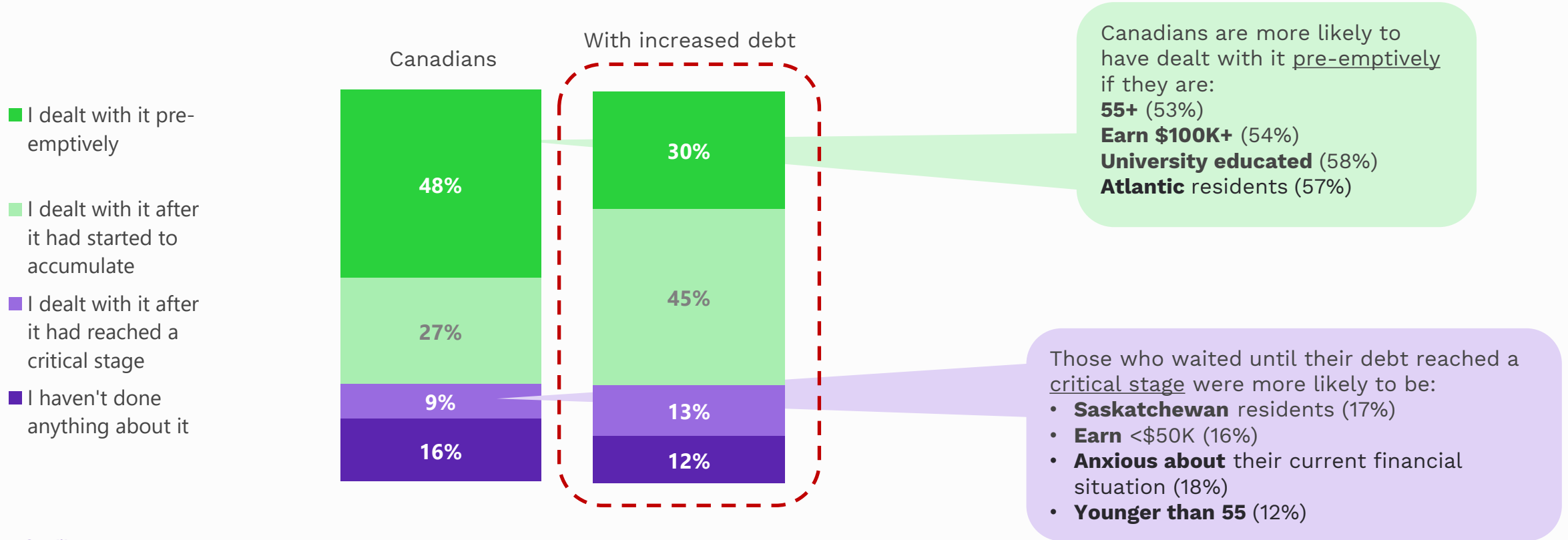


Base: Total debt increased significantly or somewhat in the past year (n=433)  
Q27. Which of the following, if anything, have you done to manage this increase in debt?

# NEARLY HALF OF CANADIANS HAVE BEEN MANAGING DEBT PRE-EMPTIVELY, AND A QUARTER TOOK ACTION AFTER IT STARTED TO ACCUMULATE

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

## How Long Before Taking Action on Debt Increase





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

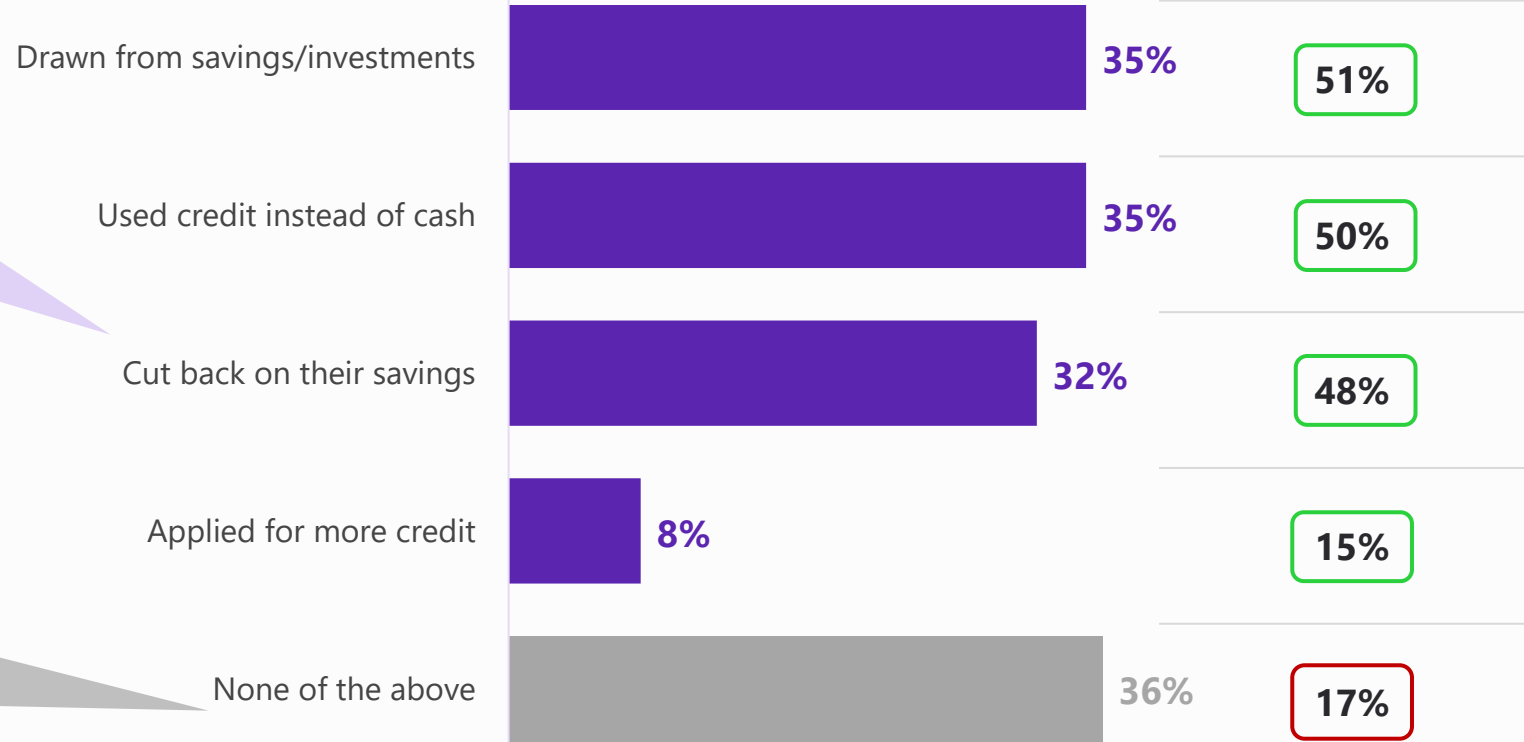
Those who saw an increase in debt are significantly more likely to have taken financial actions

## Recent Financial Actions Taken

Debt increased  
(over 2024)

- Higher among:
- Ages **18-34** (40%)
  - **Anxious** about their financial situation (52%)
  - **Alberta** residents (39%)

- Higher among:
- Ages **55+** (42%)
  - Household Income **\$100K+** (38%)
  - **Quebec** residents (49%)





# PERCEPTIONS OF FINANCIAL ASSISTANCE

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## SECTION SUMMARY:

# PERCEPTIONS OF FINANCIAL ASSISTANCE

Canadians who need financial help and guidance the most are least likely to reach out to resolve their situation held back by both fear and negative associations with needing help. Canadians continue to have predominantly negative associations with reaching out for financial help themselves.

Canadians with increased debt this past year fear talking about their debt second only to swimming with sharks! **Financial challenges** are both the **most uncomfortable** topic to discuss with friends and family and the one Canadians spend the **most time** concerned about.

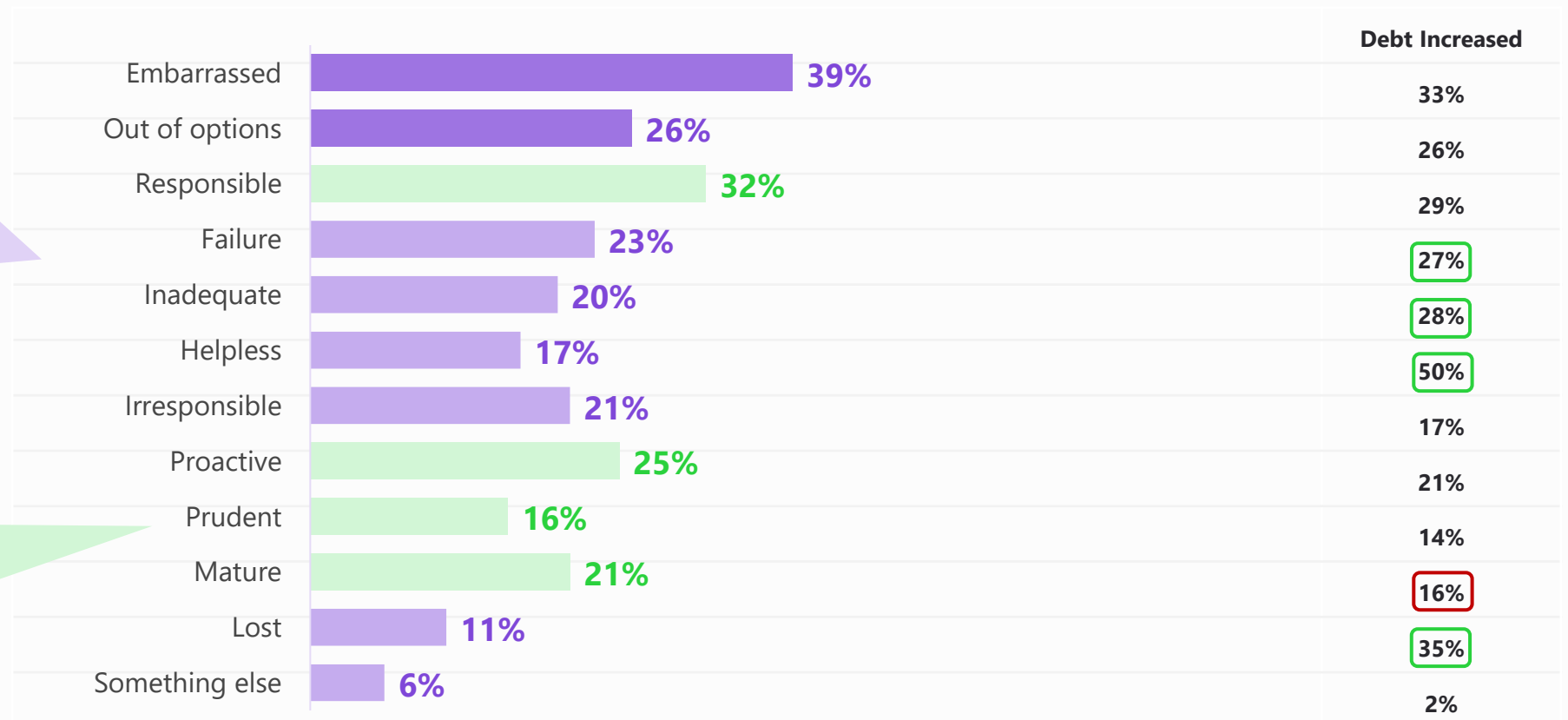
# CANADIANS FEEL PREDOMINANTLY NEGATIVE ABOUT REACHING OUT FOR FINANCIAL HELP

Those with increased debt are more likely to say reaching out for financial help makes them feel helpless, lost, or embarrassed.

## How Reaching out for Financial Help Would Make You Feel

**Younger Canadians (18-34)** have a more negative view of reaching out for financial help (68%), being more likely to say it would make them feel **irresponsible** (28%), **out of options** (36%), **helpless** (22%) or **embarrassed** (44%).

**Older Canadians (55+)** are **more likely to see reaching out for financial help in a positive light** (56%), with two-in-ten saying it would make them feel **prudent** (19% vs. 13% of those under 35).



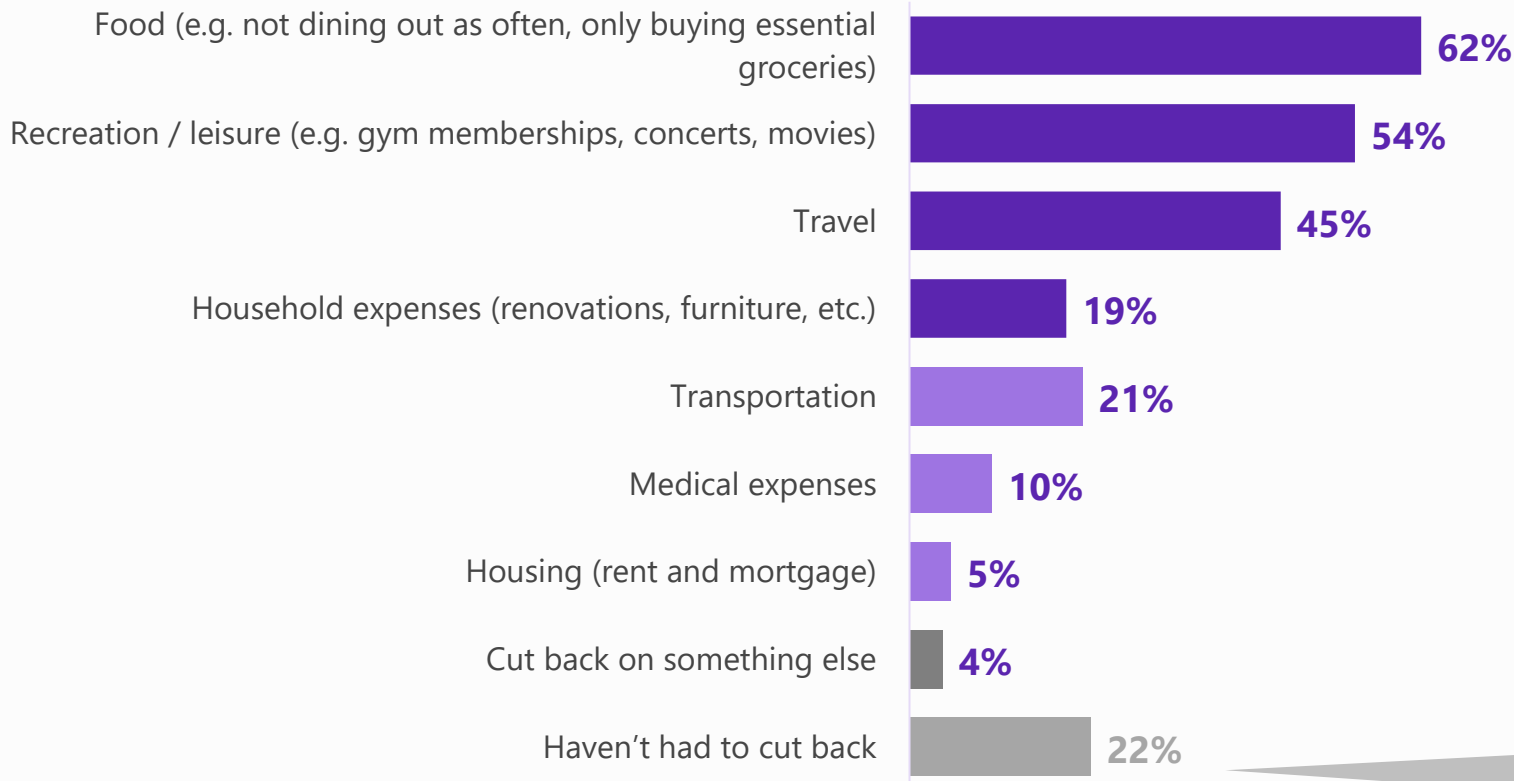
Base: Total (n=1,204)  
Q10B. How would it make you feel to reach out for financial help?

Higher than other groups at 95% confidence (green box)  
Lower than other groups at 95% confidence (red box)

# THREE OUT OF FOUR 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 **35-54** (70%)
- Household Income **<\$50K** (72%)
- **Alberta** residents (71%)

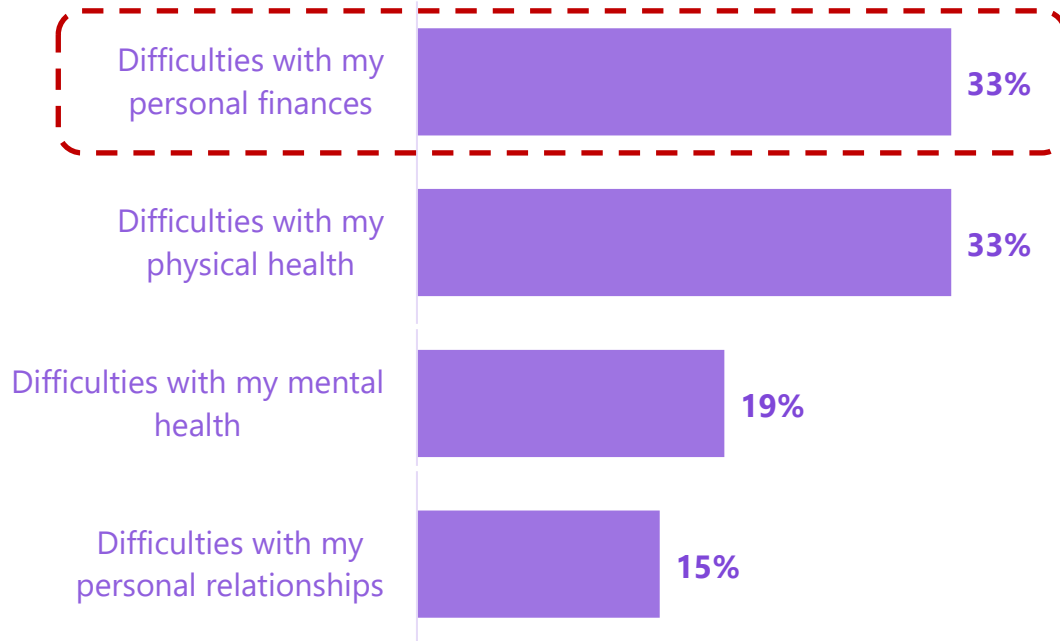
Higher among:

- Ages **55+** (29%)
- Household Income **\$100K+** (25%)
- **Manitoba** residents (33%)

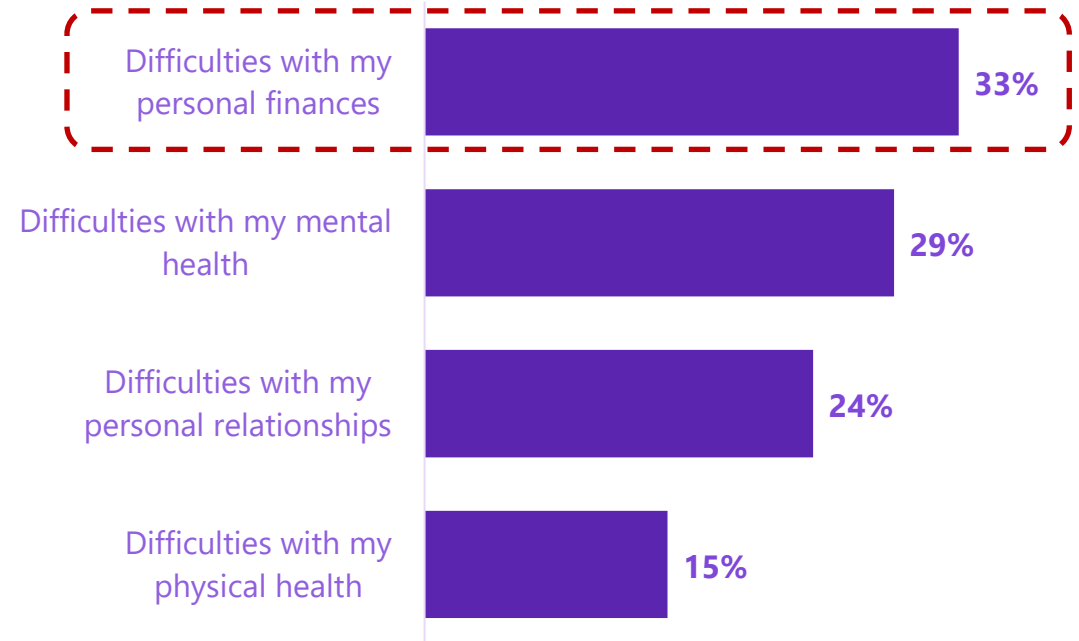
# ONE THIRD OF CANADIANS ARE THE LEAST COMFORTABLE DISCUSSING DIFFICULTIES WITH THEIR PERSONAL FINANCES YET SPEND THE MOST TIME CONCERNED ABOUT THEM

Canadians spend the most time concerned about personal finances and physical health. Difficulties with personal finances is the least comfortable to discuss, while physical health is the most comfortable.

## Time Spent Concerned Most Time Spent Concerned



## Comfort Level Least Comfortable

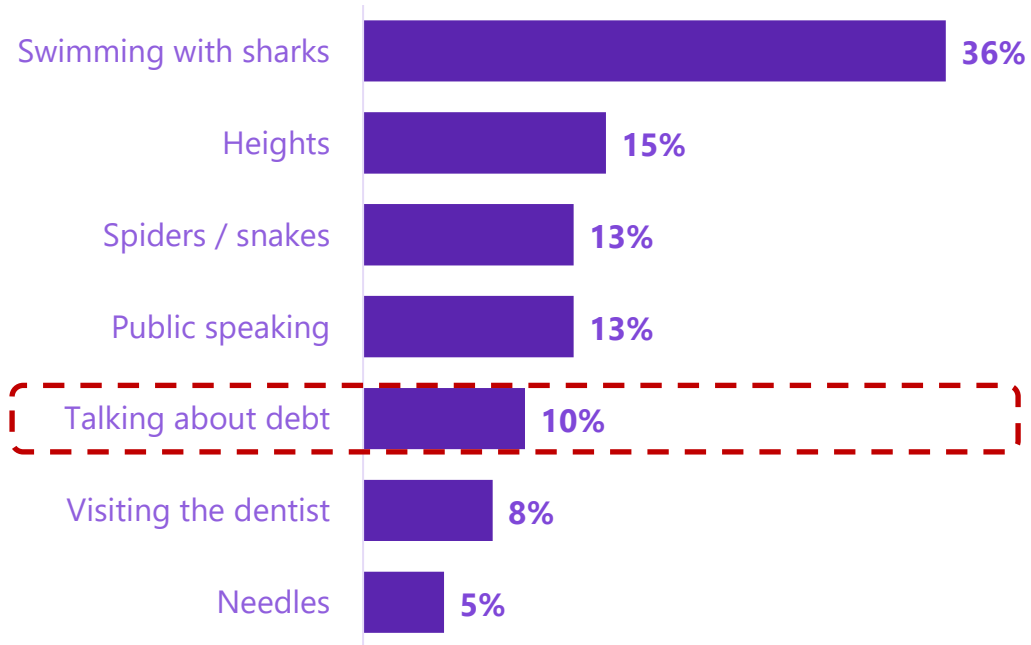


# CANADIANS EXPERIENCING AN INCREASE IN DEBT OVER THE PAST YEAR FEAR TALKING ABOUT THEIR DEBT MORE THAN HEIGHTS, PUBLIC SPEAKING, SNAKES OR SPIDERS

Canadians with an increase in debt this past year fear talking about it second only to swimming with sharks which is 8% higher than Canadians generally.

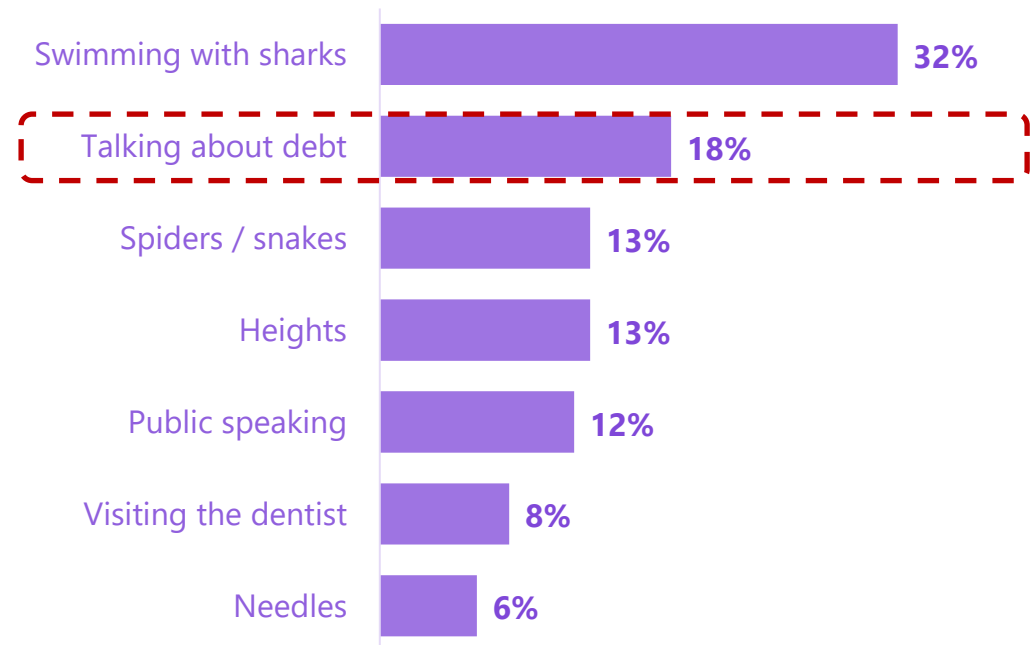
## Canadians - Generally

### Top Fears

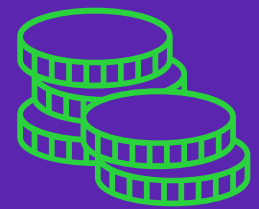


## Canadians with Increased Debt

### Top Fears



**THANK YOU**





# APPENDIX: SUMMARY OF REGIONAL DIFFERENCES



## BC B.C. residents are *more likely* to...

- Have an improved financial situation as a result of either paying down debt or spending less on essentials
- Have experienced no increase in debt over the past year
- Have dealt with debt preemptively
- Have recently cut back on housing and medical expenses
- Be concerned about changes in interest rates and not saving enough for retirement
- Be uncomfortable discussing difficulties with personal finances
- Have taken out payday loans to deal with debt



## Alberta Albertans are *more likely* to...

- Have a financial situation that is worse than last year
- Have experienced job loss as the primary contributor to their worsened financial situation
- Have an improved financial situation due to making efforts to save more
- Be concerned about cost of living expenses increasing, debt levels increasing, or losing their job / source of income
- Be embarrassed about the amount of debt they have
- Manage increases in debt by reducing contributions to savings or drawing from investments



## Saskatchewan Saskatchewan residents are *more likely* to...

- Cite increases in debt as the primary contributor if their financial situation is worse in 2025
- Be concerned about not having enough money to pay their bills
- Have had a decrease in debt during the past year
- Be falling behind on their debt payments
- Be anxious, concerned or worried about the amount of debt they have
- Have dealt with debt after it had reached a critical stage
- Be concerned with not being able to keep debt levels manageable
- Be uncomfortable with the amount of debt they have



## Manitoba Manitobans are *more likely* to...

- Have an improved financial situation due to increases in income or a new job
- Cite emergency expenses or spending more on non-essentials as the primary contributor if their financial situation is worse in 2025
- Have had an increase in debt during the past year
- Feel unbothered by the amount of debt they have
- Have sold personal items to manage increases in debt
- Feel negatively about reaching out for help with debt
- Be most uncomfortable discussing challenges with personal finances
- Screamed or cried about debt



## Ontario Ontarians are *more likely* to...

- Cite spending more on essentials if their financial situation is worse to start 2025
- Be concerned about economic factors outside of their control
- Not have taken any action to manage increases in debt
- Have dealt with debt preemptively
- Be concerned about the recent US election results
- Be comfortable speaking with a non-profit credit counselling agency