



Press Release

Half of Canadians (52%) Are \$200 or Less Away from Financial Insolvency at the End of the Month

Nearly Half (48%) Are Concerned About their Current Debt Load

Toronto, Ontario, May 8, 2017 — Half (52%) of Canadians are just \$200 or less away from financial insolvency at the end of the month, a new Ipsos survey for MNP Debt has found. This marks a slight 4-point improvement from September 2016, but has worsened by 6 points since February 2016. One in ten Canadians (10%) are left with just \$100 or less at the end of the month (down 3 points from September), while three in ten (31%) say they're left with nothing (down 2 points), placing them at the brink of financial insolvency.

Concern and Regret About Debts

Nearly half (48%) of Canadians agree they're concerned (17% strongly / 31% somewhat) about how much debt they currently have, down 4 points from September 2016. The survey find that those who aren't confident about their understanding of financial concepts (like credit scores, the impact of interest rates on debt payments, bankruptcy or insolvency) are significantly more likely to be concerned about their current debt (61%) than those who with a more confident understanding of finances (42%).

At the same time, half (49%) agree (22% strongly / 27% somewhat) they regret how much debt they've taken on in their life (down 1 point), while nearly four in ten (37%) regret the debt they've taken on in the past year alone (13% agree strongly / 24% somewhat). Those with a less confident grasp of financial matters are particularly likely to regret the debts they've accrued over the past year (46%) compared to those who have a stronger understanding (35%).

While some Canadians have sought outside assistance, most have not: one in three (36%) agree (13% strongly/23% somewhat) they've sought professional help for their debt situation (down 1 point), leaving nearly two in three (64%) who have not (37% strongly/27% somewhat). A majority of Canadians (58%) agree (25% strongly / 33% somewhat) that when it comes to their personal debts, they'd go back and do things differently if they could. Canadians who aren't particularly confident about their financial knowledge (67%) are more likely to want to go back and do things differently, compared to those more at ease with understanding financial concepts (54%).

Room to Improve on Financial Planning

One in four Canadians (24%) have managed to reduce their debt over the past year (7% significantly / 18% decreased). Canadians with a confident understanding of finances (30%) are significantly more likely to have reduced their debt load over the past twelve months, compared to those who aren't as confident about finances (12%). Yet while some Canadians have actively improved their financial situation lately, many are not very confident about their ability to do so.

With many Canadians living in financial stress each month, it's little surprise to see that only a minority express full confidence in their financial planning abilities. For example:

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- Only 45% are ‘very confident’ in their ability to pay down debt, leaving 55% who are less than very confident;
- Only 40% are very confident in their ability to set and follow a budget (60% are not very confident);
- 39% are very confident in their understanding of the impact of interest rates on debt payments (61% are not);
- 34% are very confident about their ability to create a rainy-day or emergency fund (66% are not);
- 30% are very confident about their understanding of credit scores, and what their own score is (70% are not); and
- 29% are very confident about their understanding of the concepts of bankruptcy and insolvency (71% are not).

Key Regional Differences

Albertans (49%) and **Atlantic Canadians** (52%) are by far the most likely to have sought professional help for their debt situation: nearly half have done so, compared to 38% of those living in Ontario, 37% of those in Quebec, 20% of Prairie residents, and just 16% of British Columbians.

Residents of **Ontario** are more likely to be close to financial insolvency at the end of the month: more than half (56%) say they’re left with \$200 or less after-tax income once all their monthly bills and expenses are paid, including 35% who have nothing left over. This compares to 54% of those in Atlantic Canada (-5 pts), 52% of those in Saskatchewan and Manitoba (-7 pts), 50% of those in Quebec (-5 pts), 45% of those in Alberta (-13 pts), and 39% of those in BC (-8 pts) with \$200 or less at the end of the month. Across all provinces, at least one in four residents say they have no financial wiggle room whatsoever:

- Ontario: 35% have none of their after-tax income left at the end of the month;
- Saskatchewan and Manitoba: 34% have nothing left;
- Quebec: 33%;
- Alberta: 26%;
- Atlantic provinces: 25%; and
- British Columbia: 24%.

Interestingly, **Quebecers** are significantly more likely than residents of every other province to be confident about their ability to pay down debt (89%) or create a rainy-day fund (82%), and in their understanding of financial concepts like credit scores (80%) and bankruptcy (77%).

These are some of the findings of an Ipsos poll conducted between March 27 and March 30, 2017, on behalf of MNP Debt. For this survey, a sample of 1,500 Canadians from Ipsos' online panel was interviewed online. 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 +/- 2.9 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.

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For full tabular results, please visit our website at www.ipsos-na.com.
News Releases are available at: <http://www.ipsos-na.com/news-polls/>

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