



Press Release

Nearly Half (44%) of Canadians are Left with \$200 or Less After Paying their Monthly Bills and Debt

Six in Ten (60%) Rate Their Personal Debt Situation as Less Than Good

Toronto, Ontario, July 10, 2017 — Nearly half (44%) of Canadians are \$200 or less away from financial insolvency each month after paying their bills and debt obligations, a new Ipsos survey for MNP Debt has found. This is down 8 points from March (52%) 2017, and down 12 points from September 2016, when 56% of Canadians were facing the same challenge. The current 44% who are \$200 or less away from financial insolvency includes those who are left with \$1-\$200 (17%), and the more than one in four (27%) who are left with nothing and already consider themselves insolvent at the end of the month.

Women (48%, -7 pts) are significantly more likely than men (39%, -8 pts) to be within \$200 of insolvency at month-end. Important differences are also seen by age, with Gen X Canadians (48%, -3 pts) most likely to fall within this financial bracket, compared to 43% of Millennials (-13 pts) and 40% of Baby Boomers (-7 pts).

Half (50%) of Canadians say they're within \$300 of financial insolvency at the end of a typical month.

When viewed by region, Ontarians (48%, -8 pts) are most likely to be within \$200 of insolvency, followed by Quebecers (45%, -5 pts), Atlantic Canadians (43%, -11 pts), residents of Saskatchewan and Manitoba (41%, -11 pts), Albertans (38%, -7 pts), and British Columbians (36%, -3 pts).

Asked to rate their personal debt situation on a scale of 1 (terrible) to 10 (excellent), Canadians give themselves an average rating of 6.5. Four in ten (40%) think their debt situation is fairly good, rating it an 8, 9 or 10 out of 10, while more than one in ten (15%) are less pleased with their current level of personal debt, rating it a 1, 2 or 3 out of 10. When factoring in the 45% whose self-ratings cluster around the middle of the scale (4-7 out of 10), this means that fully six in ten Canadians (60%) judge their personal debt situation to be less than good.

Gen X'ers (19%) are the most likely to give their debt a bad rating (vs. 14% of Millennials and 11% of Boomers). Atlantic Canadians (22%) are the most likely to say their personal debt situation is bad, followed by residents of Saskatchewan and Manitoba (17%), Alberta (16%), British Columbia (15%), Ontario (14%), and Quebec (13%).

Interest Rate Hikes a Concern for Many

This state of affairs is further borne out by the vulnerability of many Canadians to unexpected fluctuations in the financial system. For instance, fewer than three in ten (28%) say their ability to absorb an interest rate increase of 1 percentage point has got 'better' (8-10/10). Quebecers are the most likely to hold this opinion (32%), followed by residents of Ontario (29%), BC (28%), the Prairies (26%), Alberta (22%), and Atlantic Canada (20%).

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More than half (54%) rate their ability to absorb a 1% hike between 4 and 7 out of 10, while nearly two in ten (18%) rate it as worse (1-3/10). All told, seven in ten (72%) rate their ability to cope with a 1% interest rate increase as less than optimal. Women (24%) are twice as likely as men (12%) to say their ability to absorb such a rate hike has worsened, while Millennials (21%) and Gen X Canadians (21%) are more likely to report a worsening in their ability to cope than Baby Boomers (14%). At the regional level, it's Atlantic Canadians (29%) who are most likely to feel worse-off in this area, followed by residents of Alberta (23%), Quebec (18%), British Columbia (17%), Ontario (16%), and SK/MB (11%).

Meanwhile, just one in four Canadians (23%) rate their current ability to absorb an additional \$130 in interest payments on debt as being better than it was in the past, leaving 77% who say their ability to do so is less than optimal. This includes half (49%) who give more middling scores of 4-7 out of 10, and nearly three in ten (28%) who say it's gotten worse. Again, women (34%) are more pessimistic than men (22%) about their ability to absorb an extra \$130 in interest on their debts, while Gen X'ers (33%) are more likely than Boomers (27%) or Millennials (24%) to say their ability has worsened. Residents of the Atlantic provinces (35%) are again the most likely of any region to say their ability to absorb the extra interest on debt payments has grown worse, followed by residents of British Columbia (30%), Alberta (29%), Quebec (28%), Saskatchewan and Manitoba (26%), and Ontario (26%).

With this in mind, it's little surprise that more than four in ten (45%) Canadians and nearly half (48%) of homeowners agree they're concerned about the impact of rising interest rates on their financial situation, rating it a 6-10 out of 10, where 10 is 'strongly agree' (55% disagree). Albertans (61%) are more likely to agree, followed by residents of Atlantic Canada (50%), Quebec (47%), Saskatchewan and Manitoba (45%), BC (43%), and Ontario (41%).

Housing Bubble Not Likely to Burst

While two in three Canadians (67%) agree (17% strongly/50% somewhat) that we are in a housing bubble, most think it isn't about to burst any time soon. A majority – nearly six in ten (57%) – disagree (17% strongly/39% somewhat) that housing prices will decline in the next year, leaving 43% who expect the bubble to burst.

Meanwhile, half of Canadians (51%) agree (13% strongly/38% somewhat) they're concerned about the potential impact of housing price decreases on homeowners, while 49% disagree. Home owners (54%) are more likely than non-owners (47%) to share this concern. Millennials (59%) are the most likely to agree, compared to Gen X'ers (48%) and Boomers (48%). Regionally, Saskatchewan and Manitoba residents (60%) agree most with this concern, followed by residents of Alberta (59%), Atlantic Canada (52%), BC (50%), Quebec (50%), and Ontario (49%).

Though a majority (69%) of home owners themselves disagree (31% strongly/39% somewhat) that they'll be in financial trouble if their home loses value, this still leaves three in ten (31%) home owners who agree (8% strongly/22% somewhat) that they will face financial difficulties if the value of their home goes down. This is particularly likely to impact home owners in Alberta: four in ten (39%) agree, as do more than one in three residents of Atlantic Canada (36%) and Quebec (34%), three in ten residents of BC (30%) and Saskatchewan and Manitoba (29%), and one in four Ontarians (25%).

Even if their home value doesn't decline, finances are already tight for many - more than one in four (27%) Canadians with a mortgage agree (6% strongly/21% somewhat) that they are 'in over their head' with their current mortgage payments. This includes more than one in three Quebecers (35%), followed by residents of BC (32%), Alberta (31%), Atlantic Canada (25%), Saskatchewan and Manitoba (23%), and Ontario (21%).

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These are some of the findings of an Ipsos poll conducted between June 19 and June 21, 2017, on behalf of MNP Debt. For this survey, a sample of 2,002 Canadians aged 18+ 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 ± 2.5 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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