

# PUBLIC PERSPECTIVES

---



## CANADIANS AND FINANCIAL LITERACY

October 2016



# GENERAL THEMES FROM THE DATA ARE...

---

*“Financial literacy”* means having the knowledge, skills and confidence to make responsible financial decisions.”\*

Governments and business have promoted for some time now that financial literacy is a challenge for many Canadians. Indeed, in recognition of this, the Financial Consumer Agency of Canada has proclaimed November as Financial Literacy Month (FLM).

In advance of FLM, Ipsos Public Affairs decided to establish a new benchmark measure of financial literacy among Canadians (n=2500). Our hope is that this information will contribute to understanding the challenges of enhancing financial literacy among the public.

Financial Literacy is a challenge for a majority of Canadians

Ipsos Public Affairs’ Financial Literacy Index shows that financial literacy is a challenge for a majority of Canadians. Only four-in-ten can be classified as having higher levels of financial literacy.

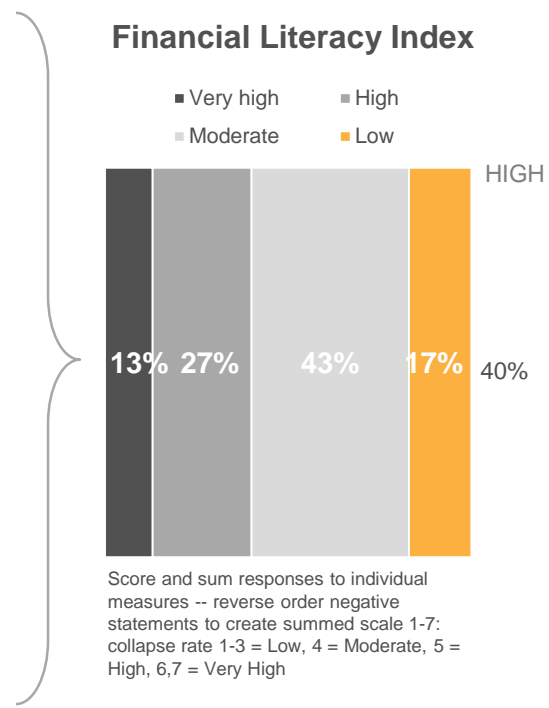
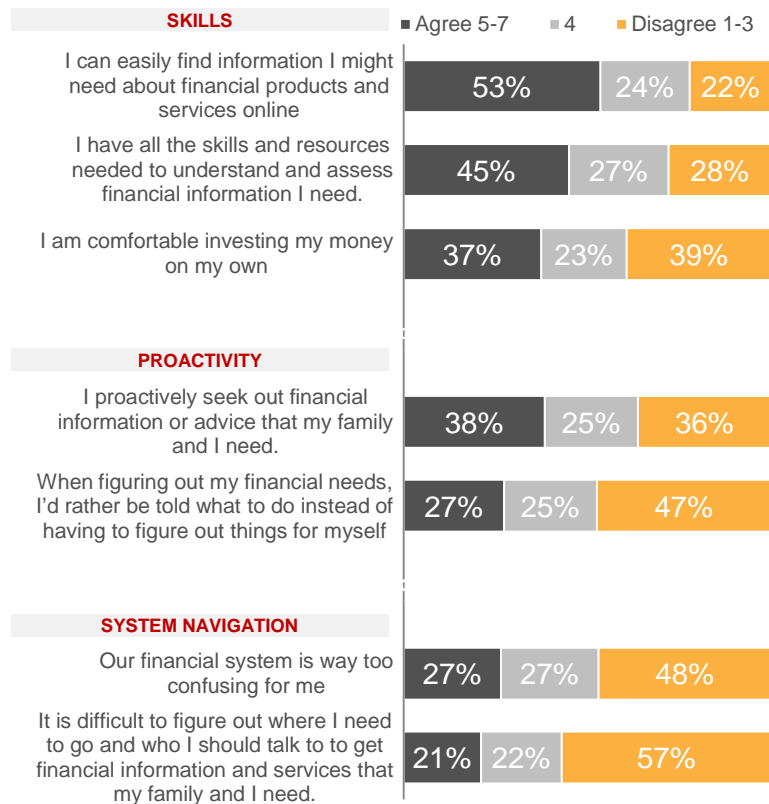
Interestingly, while expected demographic differences emerge (e.g. financial literacy higher among better educated, higher income, older), levels of high financial literacy rarely include a majority of any sub-group.

\*Financial Consumer Agency of Canada,  
<http://www.fcac-acfc.gc.ca/Eng/resources/educationalPrograms/forEducators/Pages/ForEduca-Pourlesd.aspx>

# ONLY FOUR-IN-TEN CANADIANS CAN BE CLASSIFIED AS HAVING HIGHER LEVELS OF FINANCIAL LITERACY

The finding that only a minority of Canadians (40%) have higher levels of financial literacy supports the assumption that this is a significant challenge for many Canadians.

Interestingly, Canadians appear to have more challenges on the Skills and Proactivity components of financial literacy, and fewer issues with System Navigation.

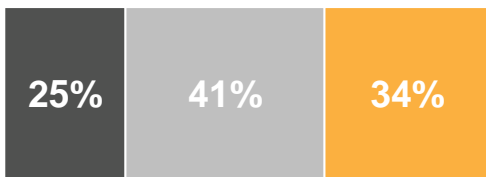


# LOWER LEVEL OF FINANCIAL LITERACY IS REFLECTED IN PROBLEMATIC PARTICIPATION IN KEY FINANCIAL BEHAVIOURS

## Index of Diligent Personal Financial Behaviours

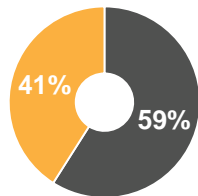
Only one-quarter of Canadians can be classified as having a high level of diligent behaviour in their personal finances

■ High ■ Moderate ■ Low

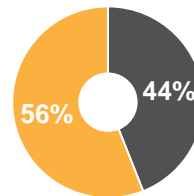


Sum responses for each said yes except regularly fall behind; creates summed scale 0-6 – collapse 0-2 = Low, 3-4 = Moderate, 5-6 = High

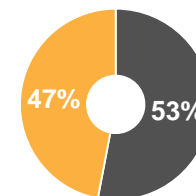
■ YES ■ NO



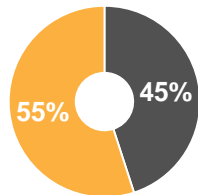
I regularly pay off any credit cards each month when the balance comes due



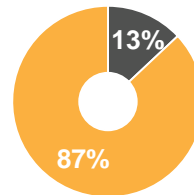
I regularly put money into a personal savings account



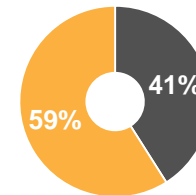
I have a budget that I try to follow for my own personal or household spending



I have a retirement plan, and save money specifically for retirement



I regularly fall behind on monthly expenses

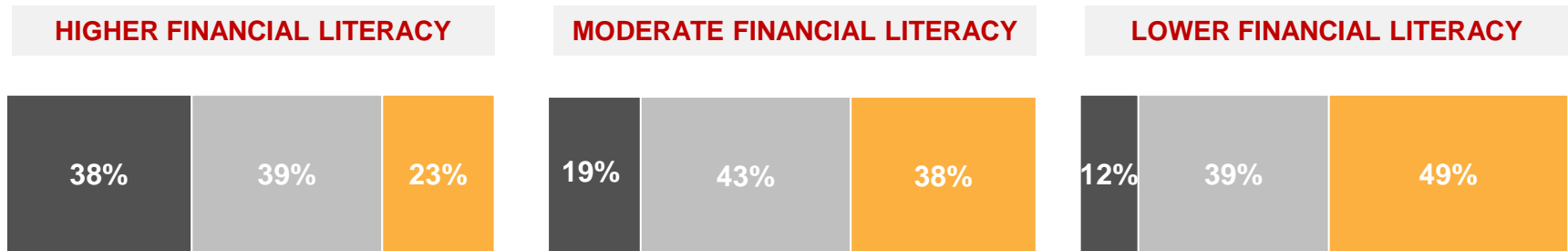


I have a will or power of attorney

# FINANCIAL LITERACY AND EXHIBITION OF DILIGENT BEHAVIOURS IN PERSONAL FINANCES ARE HIGHLY RELATED

■ HIGH ■ MODERATE ■ LOW

## INDEX OF DILIGENT PERSONAL FINANCIAL BEHAVIOURS BY FINANCIAL LITERACY

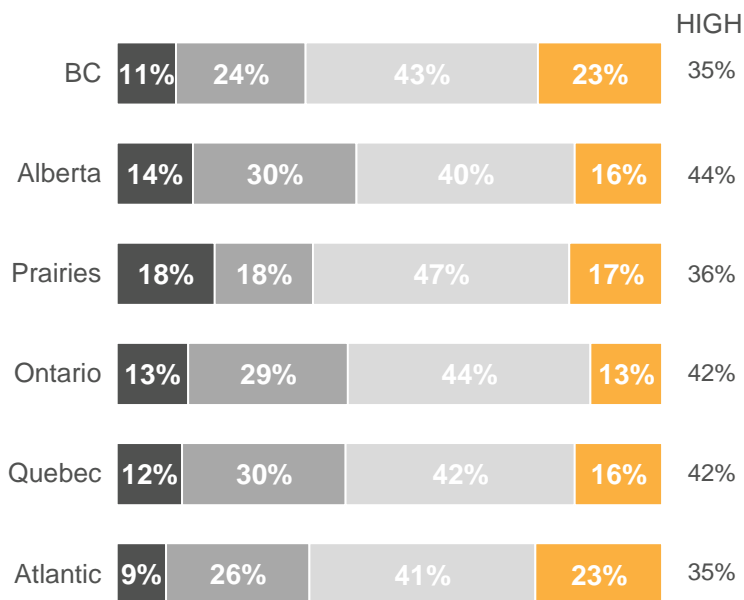


# BC, PRAIRIES AND ATLANTIC RESIDENTS SCORE SOMEWHAT LOWER ON FINANCIAL LITERACY

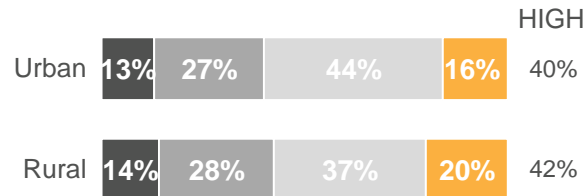
VERY HIGH
  HIGH
  MODERATE
  LOW

## FINANCIAL LITERACY INDEX

### REGION



### URBAN/RURAL

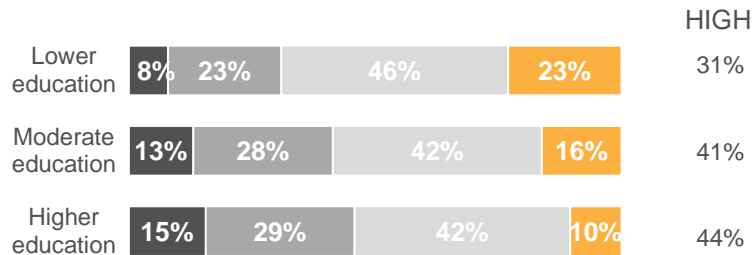


# HIGHER EDUCATION & INCOME GROUPS, MEN AND OLDER CANADIANS MORE LIKELY TO HAVE HIGH FINANCIAL LITERACY, BUT STILL A MINORITY

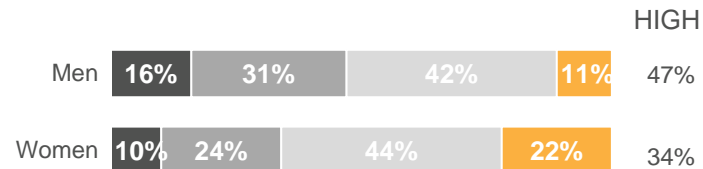
■ VERY HIGH ■ HIGH ■ MODERATE ■ LOW

## FINANCIAL LITERACY INDEX

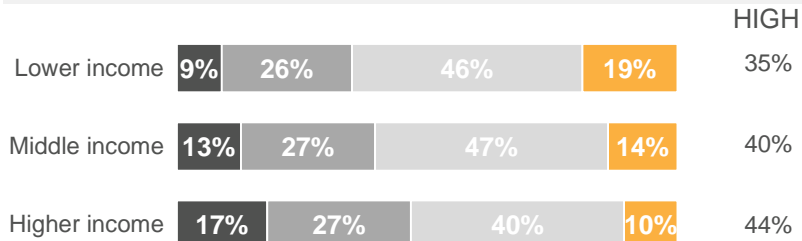
### EDUCATION



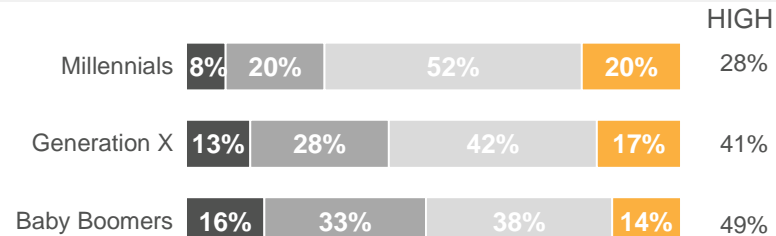
### SEX



### HOUSEHOLD INCOME



### AGE

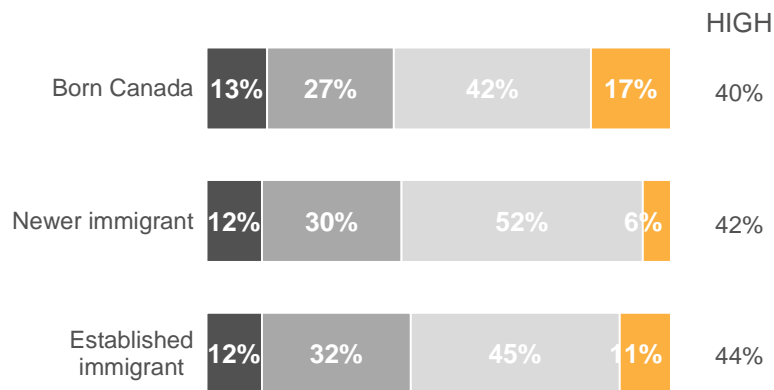


# BORN ELSEWHERE (IMMIGRANT) AND RETIRED CANADIANS MORE LIKELY TO HAVE HIGH FINANCIAL LITERACY, ALTHOUGH STILL MOSTLY A MINORITY.

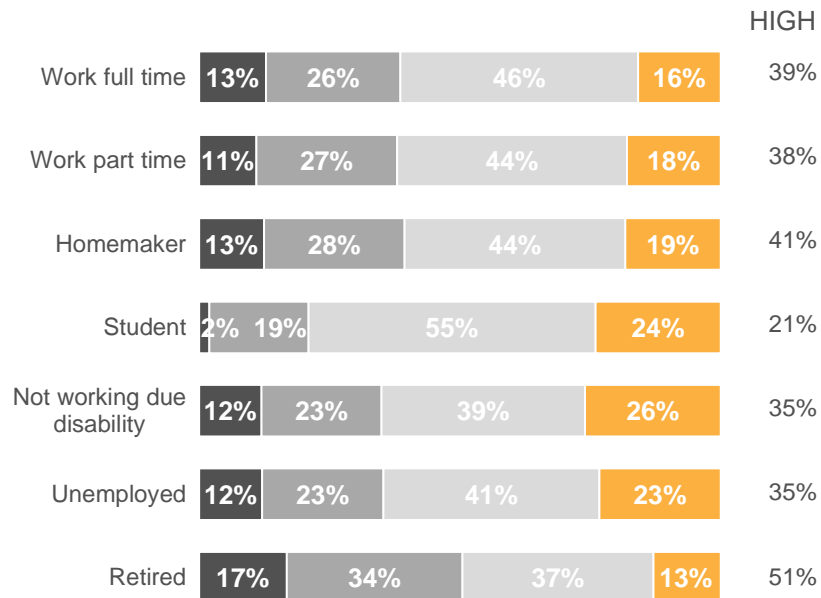
■ VERY HIGH ■ HIGH ■ MODERATE ■ LOW

## FINANCIAL LITERACY INDEX

### COUNTRY BORN



### EMPLOYMENT STATUS



# METHODOLOGY

---

Data for this Public Perspectives were generated through an online survey of 2,500 Canadians from Ipsos' online panel, 18 years of age and older. Fieldwork was conducted in April 2016. Weighting was employed to balance demographics and ensure that the sample's composition reflected 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 +/- 2.2 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.

# CONTACTS

---

For a full list of **Public Perspectives** reports, please [Click Here](#)

© 2016 Ipsos Reid. All rights reserved. Contains Ipsos' confidential, trade secret and proprietary information.

The contents of this document constitute the sole and exclusive property of Ipsos Reid ("Ipsos") and may not be used in any manner without the prior written consent of Ipsos. Ipsos retains all right, title and interest in or to any of Ipsos' trademarks, technologies, norms, models, proprietary methodologies and analyses, including, without limitation, algorithms, techniques, databases, computer programs and software, used, created or developed by Ipsos in connection with Ipsos' preparation of this proposal. No license under any copyright is hereby granted or implied.

The contents of this document are confidential, proprietary and are strictly for the review and consideration of the addressee and its officers, directors and employees solely for the purpose of information. No other use is permitted, and the contents of this document (in whole or part) may not be disclosed to any third party, in any manner whatsoever, without the prior written consent of Ipsos.



**Mike Colledge**  
President, Canadian Public Affairs

✉ [mike.colledge@ipsos.com](mailto:mike.colledge@ipsos.com)

📞 613.688.8971

@MikeDColledge



**Chris Martyn**  
Chief Research Officer, Ipsos Public Affairs

✉ [chris.martyn@ipsos.com](mailto:chris.martyn@ipsos.com)

📞 416.324.2010

@chris\_martyn