



# Press Release

## Many Canadians in Financial Turmoil, Proportion who are \$200 or Less Away from Financial Insolvency Has Risen from 40% to 46%

### Concern Over Rising Interest Rates Deepen; More Worried About Ability to Repay Debts, and Moving Towards Bankruptcy

**Toronto, Ontario, January 21, 2019** — Many Canadians are in financial turmoil, as the proportion of Canadians who are \$200 or less away from financial insolvency at month-end has now risen a significant 6 points over the last 3 months, from 40% to 46%. In fact, 31% of Canadians indicate that they have nothing left at month-end, increasing 7 points since September. Once Canadians have paid their bills, on average, they are left with a total of \$641, a \$121 decrease since last quarter.

Demographically, more Canadians across the country, with the expectation of Atlantic Canadians, have seen an increase in the proportion of residents that are within \$200 or less of financial insolvency. In particular, residents of Saskatchewan and Manitoba (56%; +14pts) are the most likely to be financially insolvent, followed by Alberta (48%; +8pts), Ontario (46%; +5pts), Quebec (46%; +5pts), Atlantic Canada (45%; -4pts), and British Columbia (41%; +6pts).

### Concern Over Rising Interest Rates Deepen Among Canadians

Though the Bank of Canada took to the side lines at the beginning of December, and decided not to hike interest rates further, the unpredictability of interest rate increases continues to bring about unease. Concern over rising interest rates continues to deepen, as significantly more Canadians are worried about their ability to repay debts (57%; +5pts), believe they could be in financial trouble (50%; +5pts) if rates continue to rise, or even move towards bankruptcy (39%; +5pts) if the rate climbs. On trend, a majority (51%) now say they are already feeling the effects of the interest rate increase, up a significant 5 points since last wave. As well, in the next 12 months, nearly half (45%) of Canadians *do not* believe they will be able to cover all living and family expenses without going into further debt.

Generationally, it is older Canadians who say they have a solid understanding of how interest rate increases impact their financial situation (82% Boomers vs. 77% Gen X'ers and 71% Millennials). On balance, it is younger Canadians aged 18-34 that express the most concern with rising interest rates, reporting higher concern towards ability to repay debts (70% vs. 58% Gen X'ers and 46% Boomers), fear of going into financial trouble (64% vs. 52% Gen X'ers and 38% Boomers), and moving towards bankruptcy (54% vs. 41% Gen X'ers and 27% Boomers). With that said, it is unsurprising that it is also the younger generation that are already beginning to feel the effects of interest rate increases (63% vs. 52% Gen X'ers and 42% Boomers).

Regionally, Albertans express the most concern towards rising interest rates, as they are most likely to be concerned about their ability to repay debts, go into financial trouble, or move towards bankruptcy if interest rates continue to increase. However, along with Atlantic Canada, Albertans are also the most likely to say they will be more careful with how they spend their money with the potential of an interest rate hike. On trend, Albertans (54%) are also the most likely to say they don't believe they will be able to cover all living

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expenses in the next 12 months without going into further debt, followed by Saskatchewan and Manitoba (47%), Quebec (46%), Atlantic Canada (44%), Ontario (43%), and British Columbia (39%).

	%Agree	REGION					
		BC	AB	SK/MB	Ontario	Quebec	Atlantic
With interest rates rising, I will be more careful with how I spend my money.	79%	79%	84%	73%	80%	75%	84%
I have a solid understanding of how interest rate increases impact my financial situation	77%	73%	77%	73%	78%	79%	78%
As interest rates rise, I'm more concerned about my ability to repay my debts than I used to be	57%	58%	63%	51%	59%	52%	57%
I'm already beginning to feel the effects of interest rate increases	51%	51%	64%	51%	55%	40%	50%
If interest rates go up much more, I'm afraid that I will be in financial trouble	50%	50%	57%	50%	51%	45%	48%
I am concerned that rising interest rates could move me towards bankruptcy	39%	33%	48%	35%	44%	33%	33%

## About the Study

These are some of the findings of an Ipsos poll conducted between December 7 and December 12, on behalf of MNP LTD. For this survey, a sample of 2,154 was interviewed. 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 ±2.4 percentage points, 19 times out of 20, had all Canadian 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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## About Ipsos

Ipsos is an independent market research company controlled and managed by research professionals. Founded in France in 1975, Ipsos has grown into a worldwide research group with a strong presence in all key markets. Ipsos ranks fourth in the global research industry.

With offices in 89 countries, Ipsos delivers insightful expertise across five research specializations: brand, advertising and media; customer loyalty; marketing; public affairs research; and survey management.

Ipsos researchers assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media and they measure public opinion around the globe.

Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,780.5 million in 2017.

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