



FACTUM

Pandemic Within A Pandemic: COVID-19 & the Exacerbation of a Mental Health Pandemic in Canada

More than three-quarters (78%) of Canadians say their mental health has been impacted by COVID-19

Toronto, Ontario, November 25, 2020 — A new Ipsos poll conducted on behalf of Manulife Bank reveals that we may be dealing with another pandemic, within the coronavirus pandemic. After months of quarantine, many Canadians are now experiencing mental health issues. Indeed, more than three-quarters (78%) say their mental health has been impacted by COVID-19. And compared to the pre-COVID days, more indebted Canadians now report that their debt-load makes them feel stressed (53%; +5 pts vs. Fall 2018) or keeps them up at night (35%; +7 pts).

Being laid-off and/or unable to pay bills can have a devastating effect on overall mental health. Unfortunately, a considerable proportion of Canadians now find themselves in such situations with as many as one in six (17%) reporting that they were laid-off due to COVID-19, with equally as many (16%) claiming they would have been laid-off had it not been for the CEWS. One in four (25%) are now struggling to keep up with their bills, due to COVID-19.

Canadians allocate nearly half of their after-tax income to cover the cost of basic necessities such as food or housing, on average, a figure which suggests that many could be stretched financially, and this may also be contributing to the increased mental health concerns amid the pandemic.

The mental health situation is being exacerbated by concerns about the affordability of home ownership, as over one-third (36%) of Canadians who are not currently homeowners say they worry a lot about saving up for a house. House prices have increased considerably during COVID-19, and this finding lends credence to the idea that many are being priced out or are on the verge of being priced out of the housing market. Additionally, more than one quarter claim to worry a lot about supporting their children for the full duration of their post-secondary education (28%) or saving for retirement (28%).

COVID-19 was a financial sucker punch for many, as one-third (35%) admit they were financially unprepared for the pandemic when it hit. At three quarters (74%), most Canadians have been impacted financially by the impact, strong majorities (69%) of which claim that the overall impact has been negative, of which nearly half think it will take them over a year to recover (42%) or don't think their finances will ever return to the level they were, prior to the pandemic (4%).



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The COVID-19 Recession: A K-Shaped Recovery

The results of this survey offer some support for the K-shaped recovery narrative as there have been great disparities in terms of how the pandemic has impacted Canadians – some have flourished, while others have been devastated. For starters, Canadians are saving more, on average (16%; +2 pts vs. Fall 2019) compared to a year ago and yet a statistically higher proportion have also been saving zero percent (24%; +5 pts) of their after-tax income during this same period.

More concerning, however, is the fact that within the indebted population there has been a significant increase in the proportion who cite everyday living (24%; +5 pts vs. Fall 2018) as the cause of their debt with parallel decreases in the share who say investments (18%; -4 pts) or large purchases (32%; -13 pts) were the cause. This suggests that more Canadians who are in debt are struggling to make ends meet, even if less Canadians are now in debt overall (27% no debt; +6 pts vs. Fall 2019; +4 pts vs. Fall 2018).

About the Study

These are some of the findings of an Ipsos poll conducted between October 2nd and 6th, 2020 on behalf of Manulife Bank. For this survey, a sample of 2,001 Canadians between the ages of 20 and 69, earning \$40k+ were 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 ± 2.5 percentage points, 19 times out of 20, had all Canadians between the ages of 20 and 69, earning \$40k+ 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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