



PRESS RELEASE

Half (45%) of Canadians Feel Less Financially Secure Due to COVID-19

Younger Canadians More Likely to Be Affected; 3 in 10 (29%) Under 35s Have Had to Dip into Savings to Weather Pandemic

Toronto, ON, September 8, 2020 — After a turbulent spring and summer, some Canadians are slowly returning to school and the office in search of some sort of normalcy to return to their lives. The COVID-19 pandemic has caused many parts of the world to come to standstill for months at a time, the economic costs of which will most likely continue well into the near- to medium-term. A recent Ipsos survey carried out on behalf of Sun Life Financial has found that many Canadians have the status of their pocketbooks on their mind as they start to resume some of their old habits; almost half (45%) say that they feel less financially secure now than when COVID-19 began, which most certainly has implications for the mental health of millions in Canada. Furthermore, younger Canadians are more likely to bear the financial brunt of the pandemic, as they are the age group least likely to have stable employment and a financial cushion saved up for emergency situations.

Toll on Financial and Mental Health

While the COVID-19 pandemic certainly has taken its toll on Canadians' physical health, it has also greatly impacted their financial health. No doubt as a result of widespread layoffs and closures, almost half (45%) of Canadians say that they feel less financially secure now than when COVID-19 began. Another half (47%) say they see no change in how financially secure they felt since the COVID-19 pandemic began, though this group could very well include those who were already struggling financially pre-pandemic and are still having problems today. In addition, a small proportion of Canadians (8%) are lucky; they say that they feel more financially secure now than at the beginning of the pandemic.

The link between financial problems and poor mental health is clear – worries about how to make mortgage payments, pay credit card bills, or afford basics for the family can lead to anxiety, insomnia, and/or depression. With so many Canadians having their work situation disrupted over the past few months, it is understandable that many report being in a poorer mental state due to concerns about their personal finances. In fact, of those Canadians who say that their mental health has been impacted by COVID-19, over 4 in 10 (44%) identify financial stress as a main factor. Financial stress is arguably the worry most associated with poorer mental health not directly related to the pandemic, such as social isolation (56%), fear of contracting COVID-19 (55%), and concern for loved ones (54%).





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Younger Canadians More Likely to Be Negatively Affected

The pandemic has certainly made Canadians more concerned about the physical health of older people, who are more at risk of having serious complications from COVID-19. However, one less talked about side effect of the is how the pandemic is affecting the financial and mental health of younger Canadians. On the one hand, it is true that if any age group is doing better financially during the pandemic, it is more likely to be among younger Canadians, as some have been able to move back home with their parents. In fact, 15% of those aged 18-34 say their financial situation has improved during the pandemic (compared to 9% among 35-54 and 2% among 55+) The fact remains that half (49%) of those aged 18-34 report feeling less financially secure than when the pandemic began.

However, being able to move back in with parents is only part of the picture. Younger Canadians are also more likely to work in sectors disproportionately affected by the pandemic, such as the service and hospitality industry. They are more likely to be working in precarious part-time positions while balancing working and studying. Even for those in full-time jobs, the fact that they are just starting out in their careers makes them an easy target if layoffs must be made.

As a result, over half (55%) of Canadians in this age group report having made changes to their financial goals and plans due to the pandemic, compared to 41% among 35-54-year-olds and 31% among those aged 55+. Furthermore, three in ten (29%) Canadians aged 18-34 years have reported having to do into their savings to cope with the pandemic, compared to 20% among those aged 35-54, and 11% among 55+ year-olds.

Getting Advice on Finances

Another finding of the survey has to do with getting help to manage the negative effects of financial stress. More specifically, those who use a financial advisor to help manage their investible assets are less likely to report financial health concerns as a factor that negatively affects their mental health (35% of those who have had their mental health affected and use a financial advisor cite financial concerns as a reason, compared to 47% among those who have had their mental health affected and say they manage their finances themselves).

It should also be noted that using a financial advisor is not something limited to wealthy individuals; Canadians of all income groups report using a financial advisor to similar degrees, with no statistically significant difference between levels of household income. One silver lining during this difficult time is that it seems that some Canadians are now getting the help they need when it comes to managing their personal financial situation. While over a third (36%) of Canadians say they were already using a financial advisor before the COVID-19 pandemic began, an additional 6% say they began using an advisor during the pandemic.





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About the Study

These are some of the findings of an Ipsos poll conducted between July 24-27, 2020, on behalf of Sun Life Financial Inc. For this survey, a sample of 1,001 Canadians aged 18 years and over was interviewed on the Ipsos I-Say online panel. 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 ± 3.5 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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