



## PRESS RELEASE

### Three in 10 (29%) Canadians Already Insolvent; Cannot Pay All Their Monthly Bills

In Face of Economic Uncertainty, MNP Debt Index Matches Lowest Level Recorded

**Toronto, ON, January 20, 2020 —** After indulging during the holiday season, many Canadians may find themselves tightening their belts for more reasons than one. A recent poll by Ipsos carried out on behalf of MNP LTD has found that three in ten (29%, unchanged) Canadians are already insolvent, meaning that they cannot meet all their monthly financial obligations. This proportion rises to 50% (+2) when also including those who are \$200 or less away from being insolvent at month-end.

#### *Confidence in Economic Outlook Slips; Debt Index Down 5 Points*

Although some Canadians may have a little bit more financial breathing room since last wave, jitters around the economic outlook for the new year has translated into weaker confidence in their finances and ability to cope with the unexpected. The current wave is now tied with the March 2018 wave for the lowest debt index readings since its inception in June 2017 (96 points, -5).

Normally optimistic, one area where Canadians have become less confident is how they are doing in comparison to both the past and future. For example, the proportion of Canadians who believe that their current debt situation is better than it was in the past has fallen since last wave. When asked to look back to one year ago, just under a quarter (23%, -4) perceive their current debt situation to be better now than it was back then. Net confidence is down 6 points to 8 percentage points. Looking back to five years ago, roughly a third (32%, -3) say their debt situation has improved, with net confidence along this timeframe also down 6 points to stand at 10 percentage points.

Looking ahead to the future, some Canadians see grey skies on the horizon for themselves and their families. Less than 4 in 10 (36%, -3) expect their debt situation to improve one year from now. Net confidence in their financial future a year down the road stands at 25 percentage points (-5). Comparing their current situation to five years in the future, 46% (-4) expect their debt situation to improve, with net confidence on this measure at 36 percentage points (-6).





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### *Frayed at the Edges and Coping with the Unexpected*

There is no doubt that questions of debt continue to weigh heavily on the minds of many Canadians; these concerns are not easily dispelled and speak to the proportion of households living in or on the brink of financial insecurity. For example, only half of Canadians (51%, -2) agree that they'll be able to cover their family and living expenses without going into further debt. Compared with last wave, Canadians are feeling less certain about their financial situation overall. Other areas of their lives where confidence has weakened include:

	% Agree	Change v. Sept 2019
I will be able to cover all living and family expenses in the next 12 months without going into further debt	51%	-2
I am confident I won't have any debt in retirement	47%	-1
I am concerned about the impact of rising interest rates on my financial situation	45%	-2
I regret the amount of debt that I've taken on in my life	39%	-2
I am concerned about my current level of debt	36%	-3
I am worried that me or someone in my household could lose their job	27%	-2

In addition, as if Canadians didn't have enough to worry about in terms their current debt, they are also uneasy when it comes to being prepared for the unexpected. They are the least confident in their ability to pay for either their own or someone else's education, both in absolute and net terms. Only a quarter (24%) are confident they could handle paying for schooling without increasing their debt load, and a significantly higher proportion are not confident they could do so (net score of -11 percentage points, +1). Other unexpected surprises that life could have in store include:

	% Confident in Ability to Cope	Net Confidence
A change in your relationship status (i.e. divorce, separation)	33%	+8
Unexpected auto repairs or purchase	29%	+4
Having an illness and being unable to work for three months	27%	-3
Loss of employment/change in wage or seasonal work	27%	-4
The death of an immediate family member	26%	-3
Paying for your own or someone else's education	24%	-11



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### About the Study

These are some of the findings of an Ipsos poll conducted between December 4 and 9, 2019, on behalf of MNP LTD. For this survey, a sample of 2,000 Canadians aged 18 years and over 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  $\pm 2.5$  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. For more information about the MNP Consumer Debt Index, please visit [mnpdebt.ca/CDI](http://mnpdebt.ca/CDI).

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### About Ipsos

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