



# FINANCIAL CONFIDENCE INDEX

The State of Canadians' Financial Confidence

November 9, 2022



# Methodology



## WHAT?

Online survey via  
Ipsos' iSay panel



## WHO?

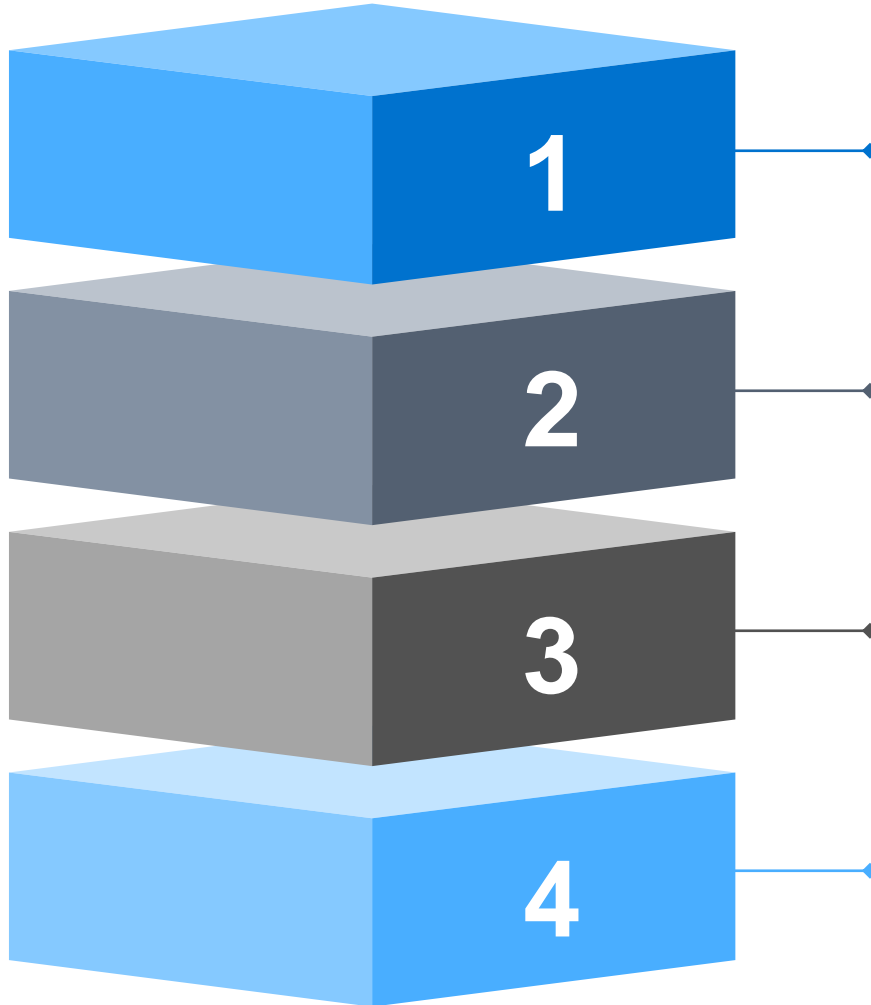
2,600 Canadians\*



## WHEN?

September 13 -  
27, 2022

# 4 PILLARS OF FINANCIAL CONFIDENCE INDEX



## FINANCIAL OUTLOOK

- Confidence in short-term financial situation
- Confidence in longer-term financial situation

## PLANNING & LITERACY

- Enjoying life because of the way I'm managing my money
- Feeling prepared and on track to meet financial goals

## TRUST IN ECONOMY

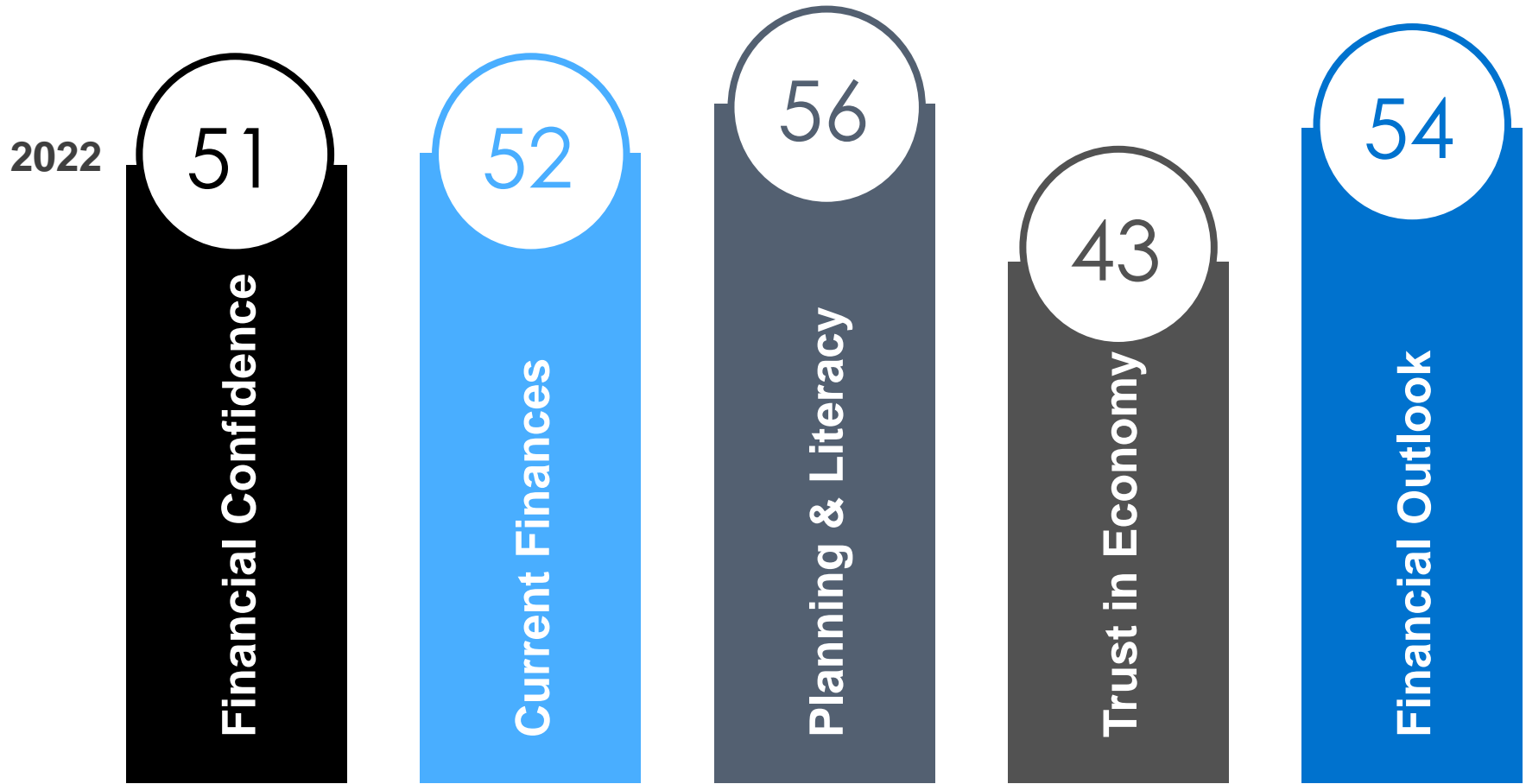
- Economic conditions in your community
- Economic conditions in Canada

## CURRENT FINANCES

- Need to borrow money to pay for regular living expenses
- More satisfied with my financial situation vs. 6 months ago
- Comfort making a major purchase
- Change in personal income

# 4 PILLARS OF FINANCIAL CONFIDENCE INDEX

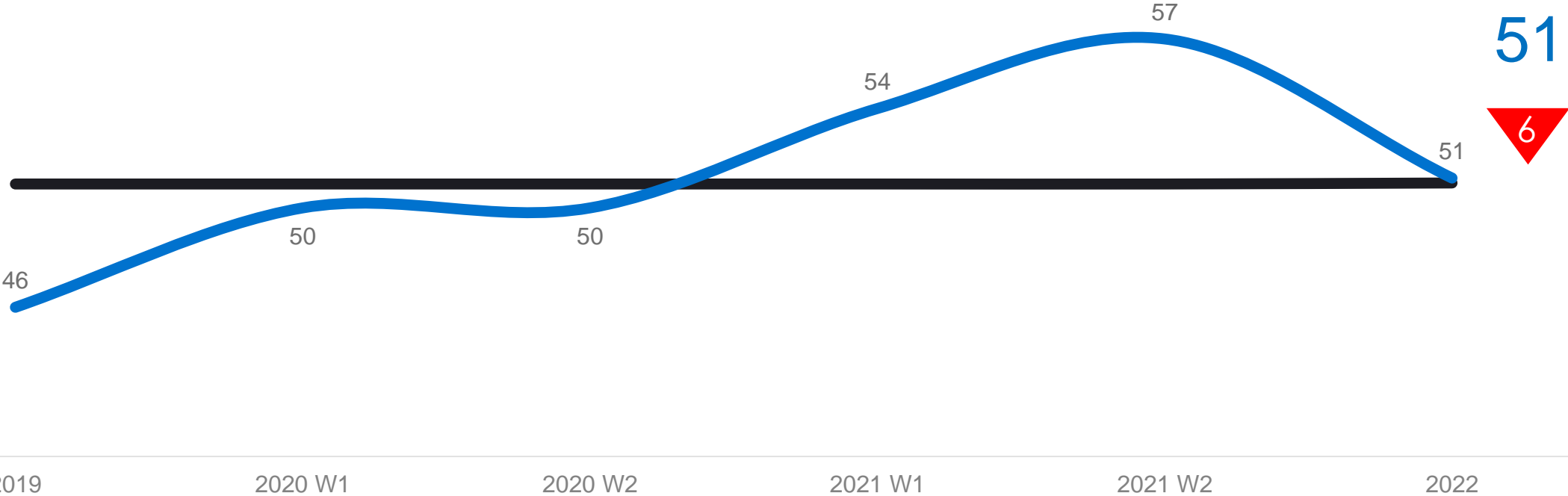
'Trust in the Economy' is the weakest pillar in 2022, as Canadians brace for a recession.

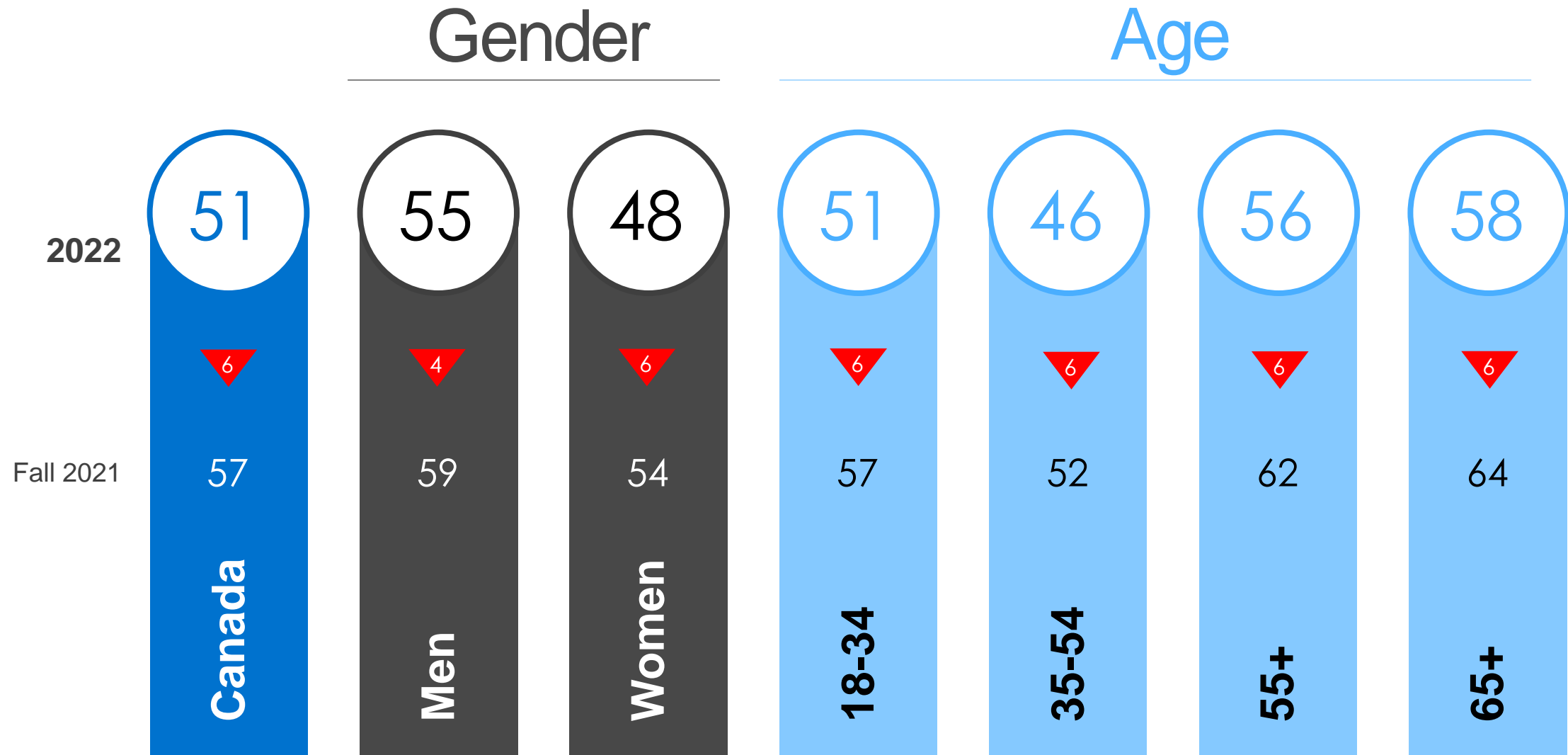


# Canadian's Financial Confidence Index - Historical

Financial confidence moving downwards since the last wave...

- Historical Average
- Financial Confidence Score – Canadian Population

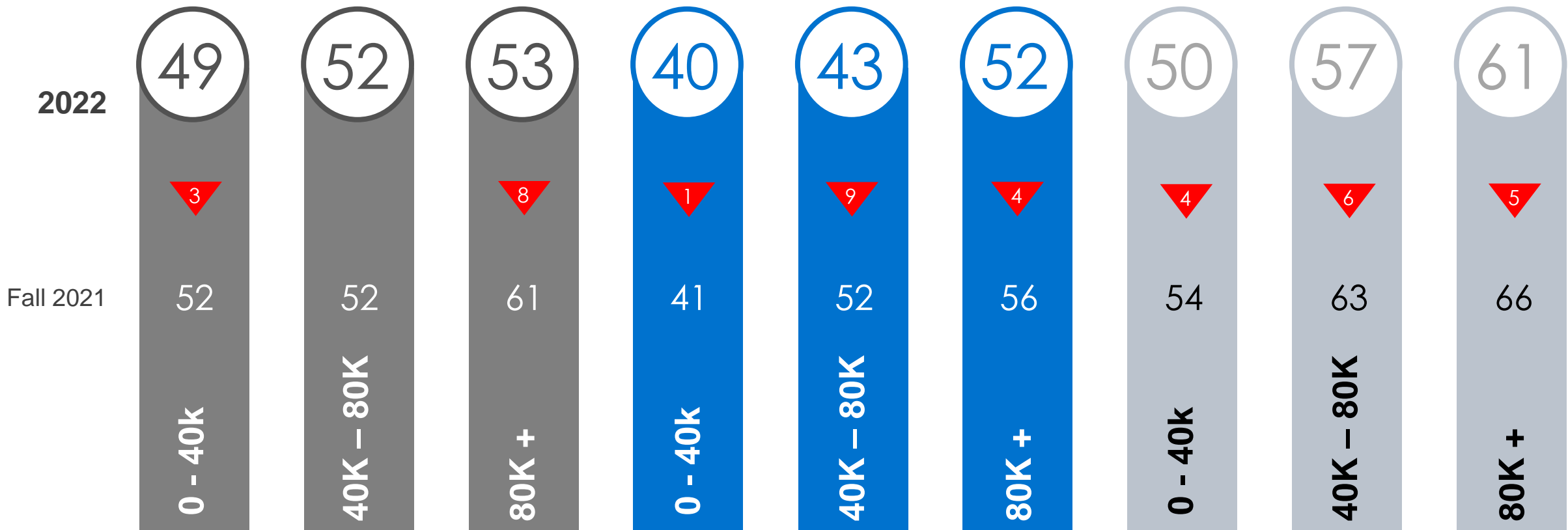


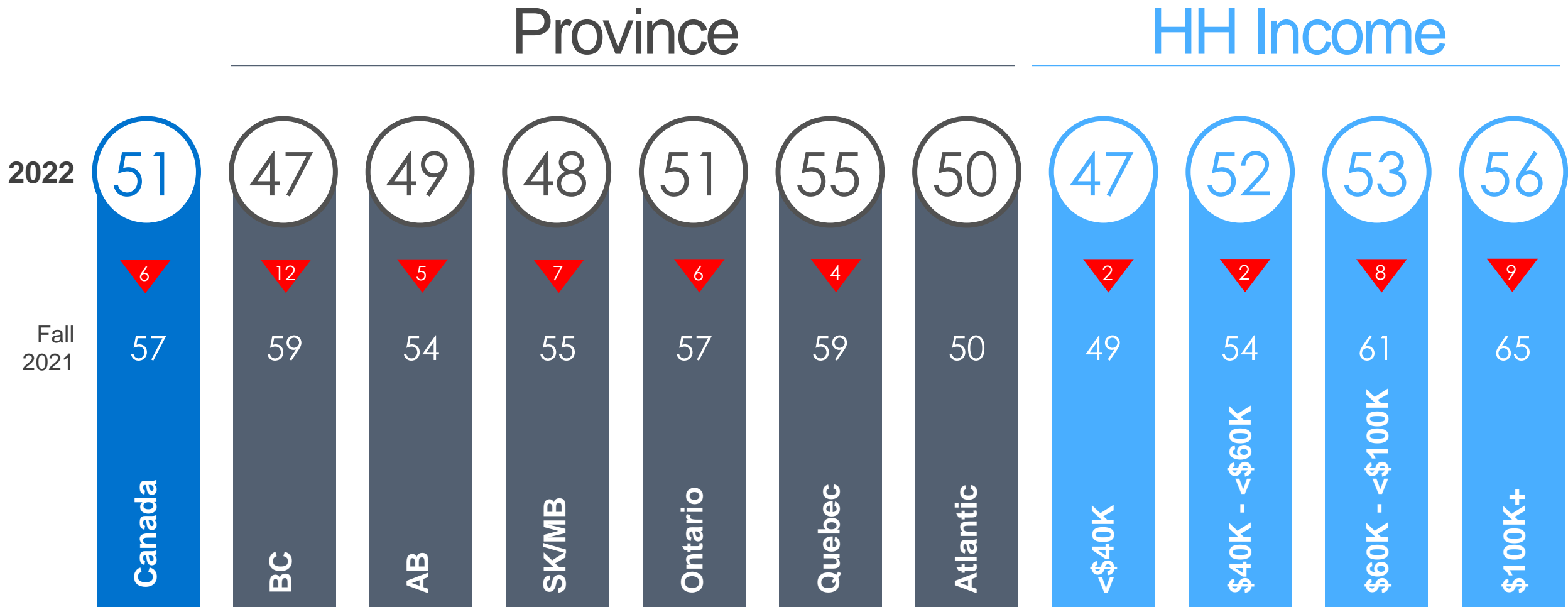


## 18-34

## 35-54

## 55+

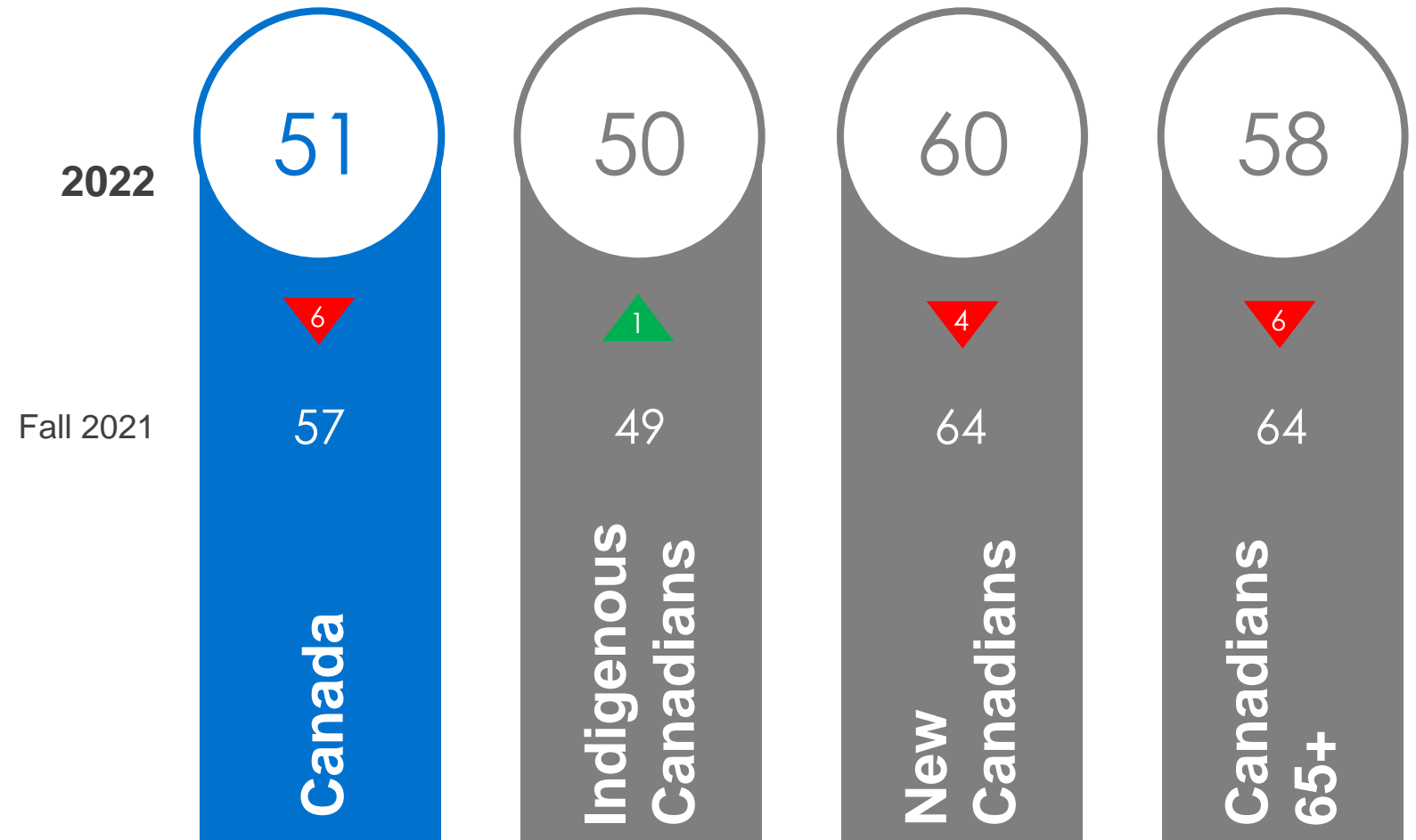






The Financial Confidence of Indigenous and New Canadians has been more resilient relative to the overall population.

## Groups of Interest



# Canadians' economic outlook has taken a hit in 2022

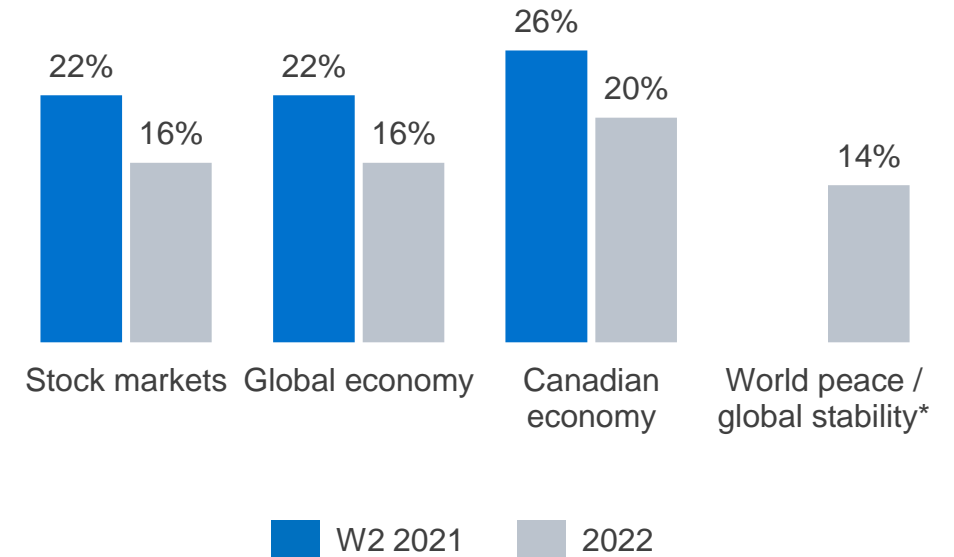


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**A grim outlook:  
An improvement of  
macroeconomic  
conditions in 2023 is  
unlikely, according to  
Canadians.**

### ECONOMIC OUTLOOK FOR 2023

(% indicating will improve)

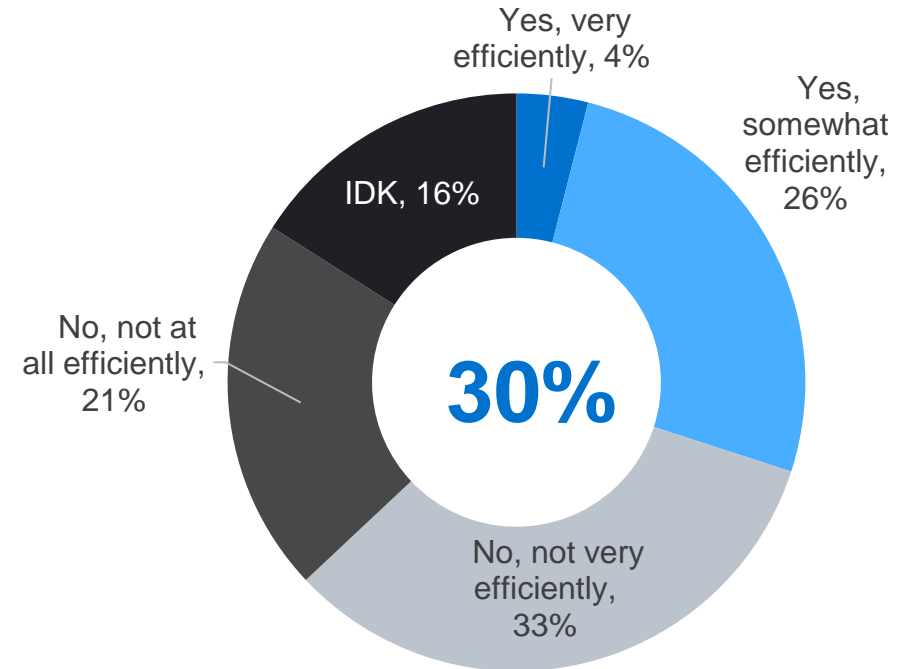


(\* Note: Newly added in 2022)

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Only 1-in-3 Canadians believe that authorities are **responding efficiently to the situation.**

PERCEPTION OF THE WAY CANADIAN GOV AND BIG FINANCE MANAGING THE CURRENT SITUATION



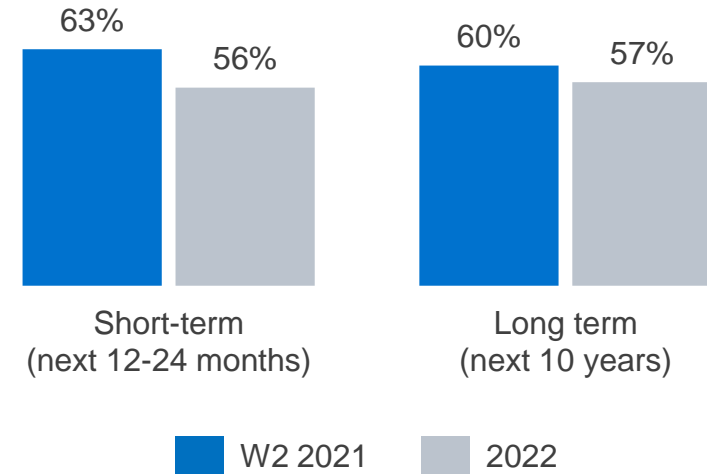
Q24. Do you feel that the Canadian government and other financial authorities are responding efficiently to the current economic situation?

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While confidence in long-term conditions has remained stable, confidence in short term conditions has decreased since a year ago.

## PERSONAL FINANCES OUTLOOK

(% indicating are confident)



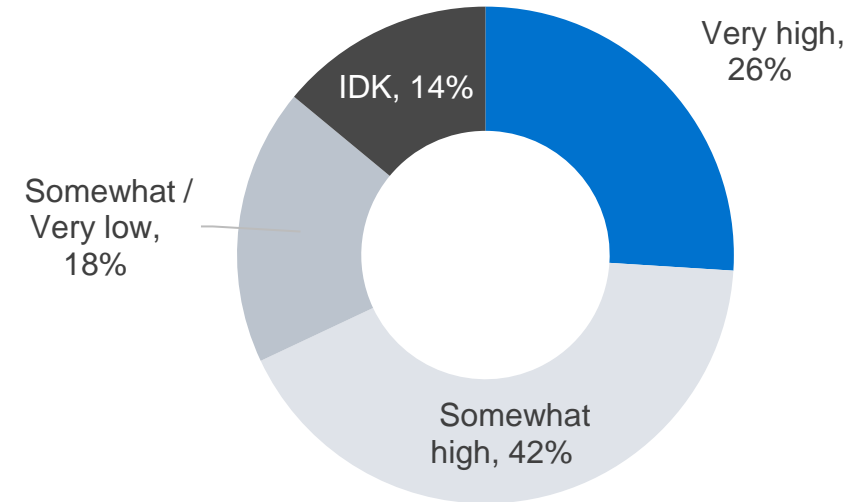
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**Most Canadians believe that the country is currently in a recession.**

**68%**

Believe that Canada is heading into a recession in 2023.

**LIKELIHOOD OF A RECESSION IN 2023, ACCORDING TO CANADIANS**



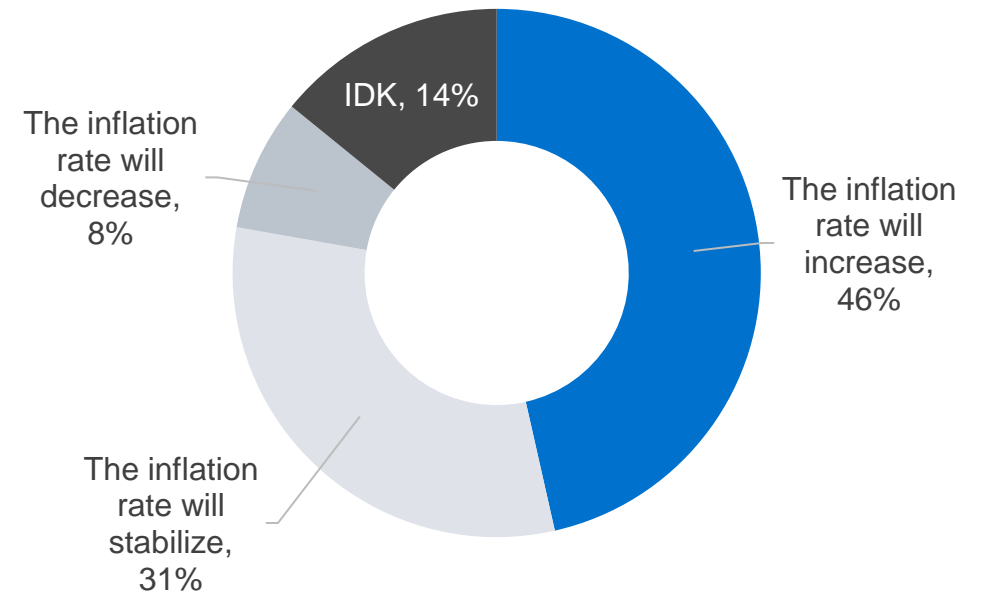
**55%**

Believe that Canada is currently in a recession

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# Many Canadians fear that **inflation** will continue to **increase in 2023**

## INFLATION OUTLOOK IN 2023



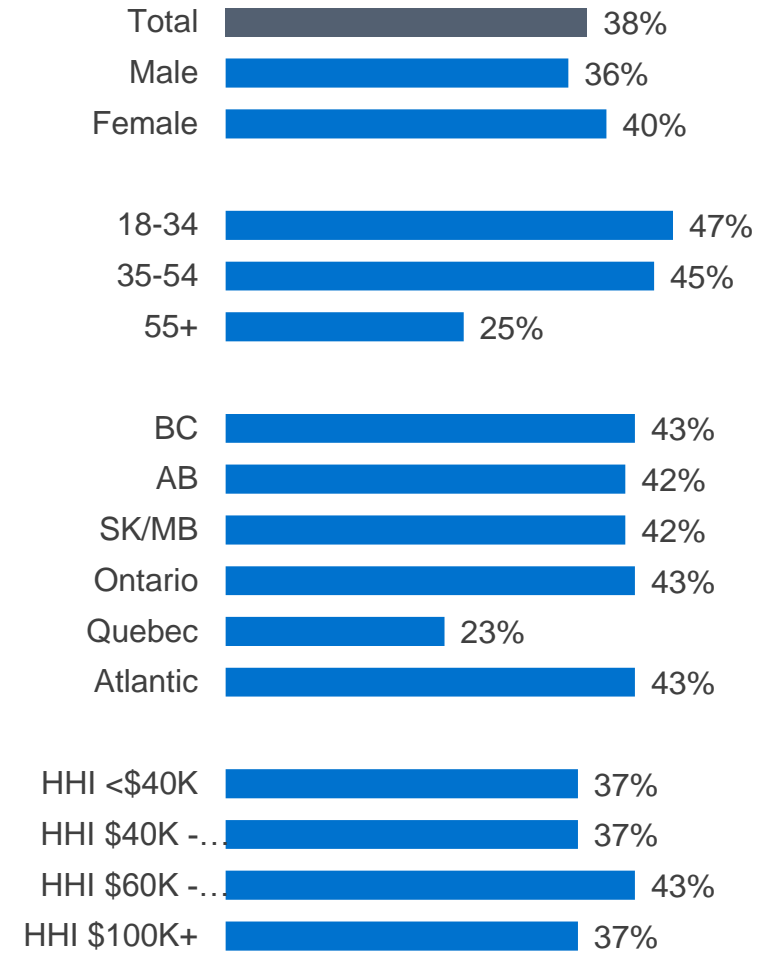
Q17. In your opinion, will the inflation rate in Canada increase, stabilize, or decrease over the next 12 months?

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**Working-age,  
upper-middle  
income Canadians  
are more concerned  
with the impact of a  
recession.**

### IMPACT OF RECESSION ON PERSONAL SITUATION

(% indicating Major or Significant)





# Canadians are changing their behaviour due to their negative economic outlook

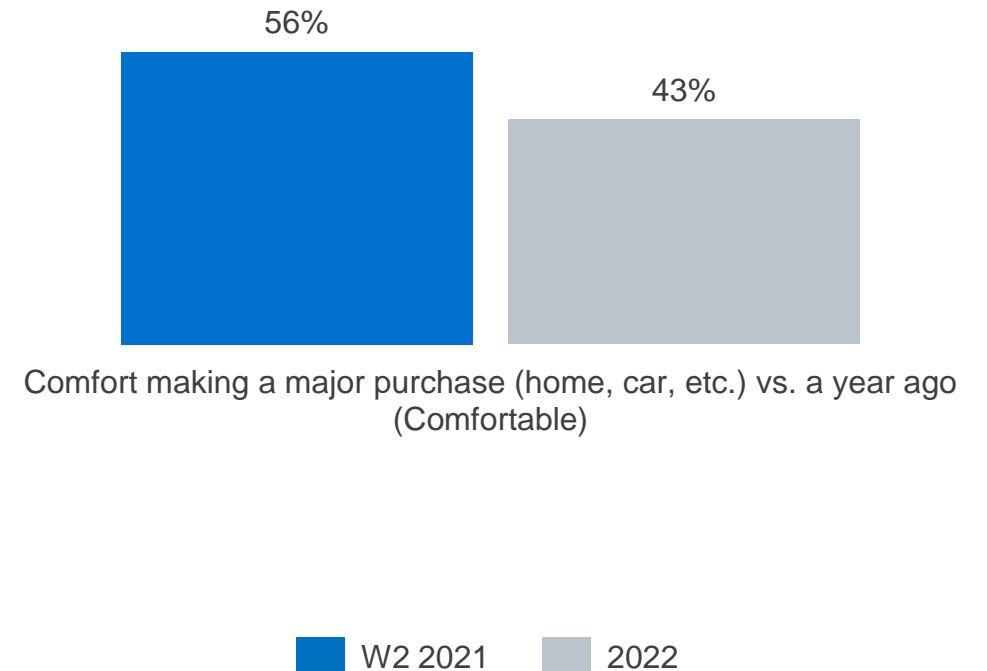


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Canadians feel less comfortable making **major purchases** amid fear of recession.

## PERCEPTION OF CURRENT ECONOMIC AND FINANCIAL CONDITIONS

(% indicating comfortable, good, improved)



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**As a result, most Canadians intend to reduce discretionary spending and put less money aside for retirement.**

## ACTIONS UNDERTAKEN IN RESPONSE TO INFLATION

(% indicating are likely)

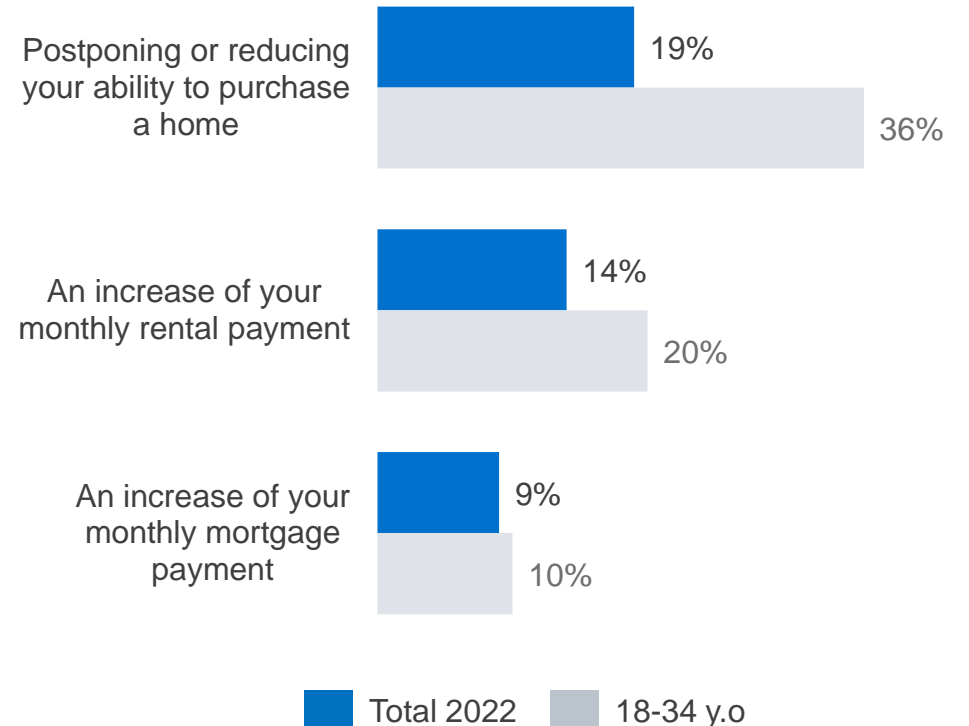


Q18. Over the next 12 months, how likely are you to do the following actions, in response to inflation (i.e. rising cost of goods and services)? Please answer for each.

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**Higher rates are making home ownership dreams harder to reach for 36% of Canadians 18-34 years old.**

### IMPACT OF INTEREST RATES ON PERSONAL SITUATION

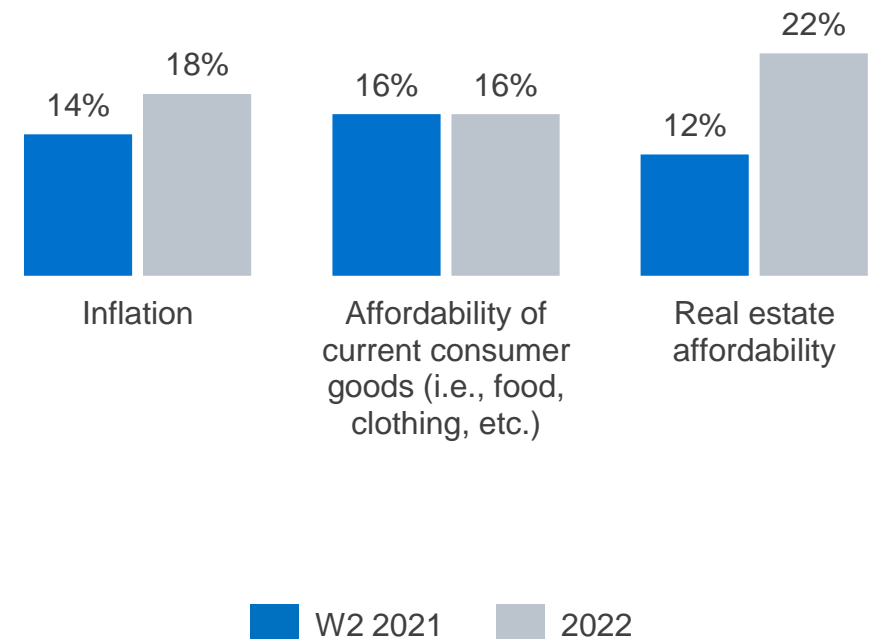


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# Silver lining: More Canadians believe that real estate will become more affordable in 2023

## ECONOMIC OUTLOOK FOR 2023

(% indicating will improve)

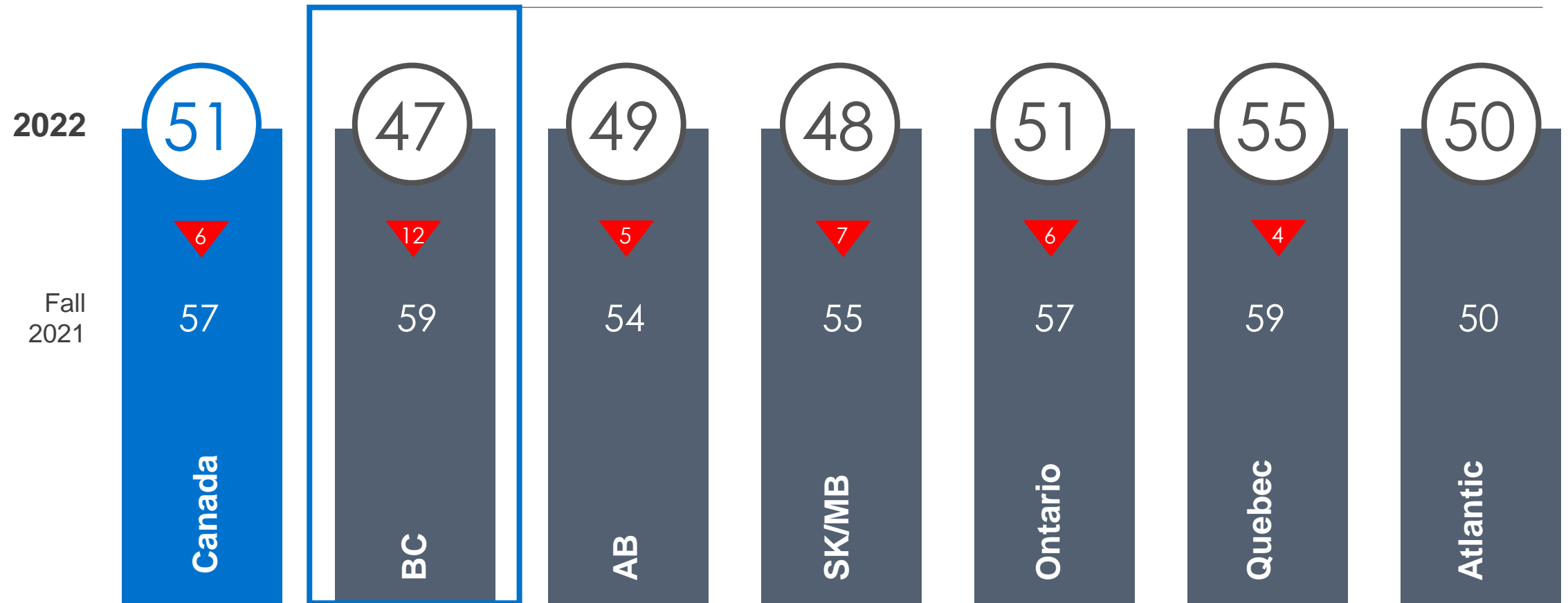


(\* Note: Newly added in 2022)

# **British Columbians** hit harder than other Canadians



## Province

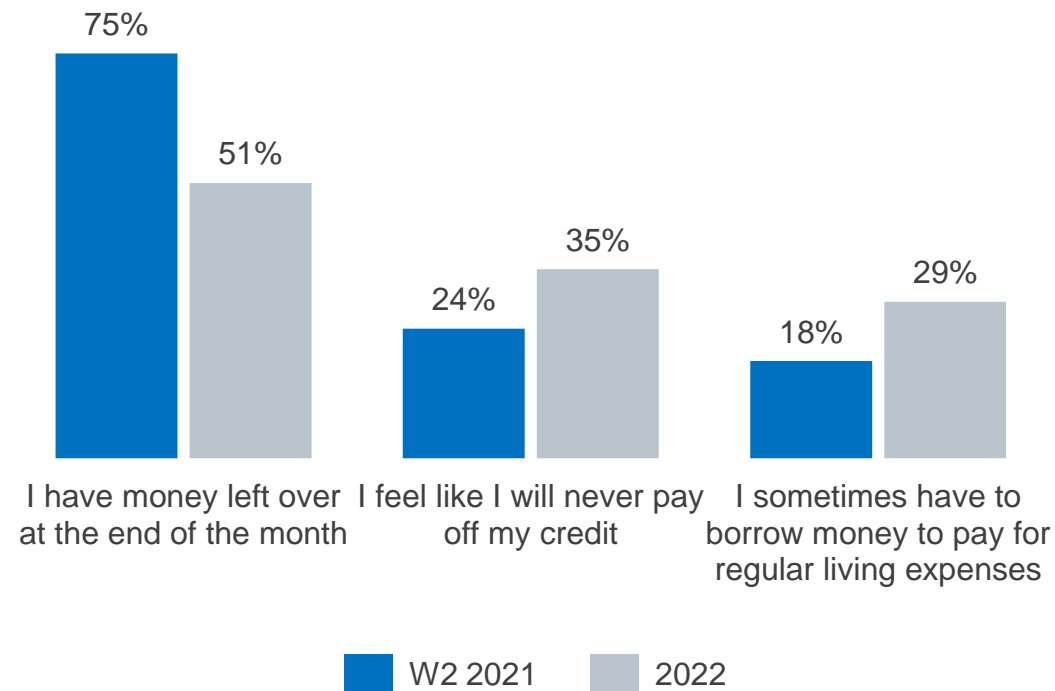


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The has been growing concern among British Columbians of not being able to **make ends meet**, fueled by higher housing costs.

## CHANGES IN BRITISH COLUMBIA

(Level of agreement - % agree)

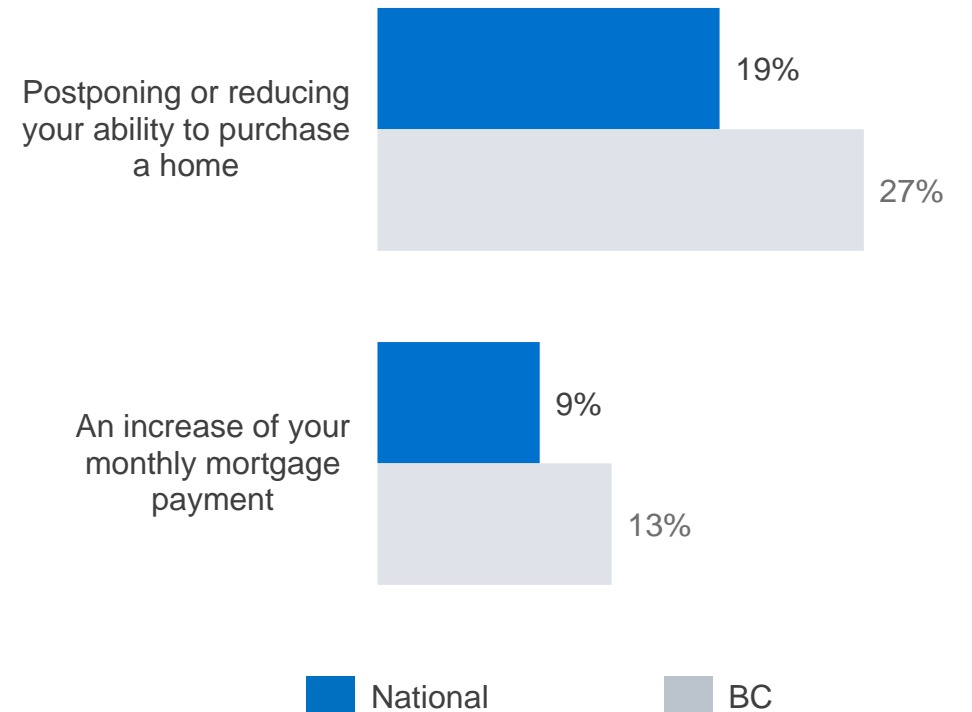




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**British Columbians have been more severely impacted by growing interest rates.**

### IMPACT OF INTEREST RATES ON PERSONAL SITUATION



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Many British Columbians report a decline in their **personal financial situation** compared to 6 months ago, which is taking a toll on their level of **anxiety**.

Compared to six months ago, I am more satisfied with my financial situation

**41%**  **16**points  
agreement

When I think about my finances, I feel anxious

**64%**  **18**points  
agreement

# Professional Advice: A Remedy to **Financial Stress**



Consulting a  
**financial planner**  
is linked to lower  
anxiety

When I think about my finances, I feel  
**anxious**

% Agree

**52%**

Consulted a planner

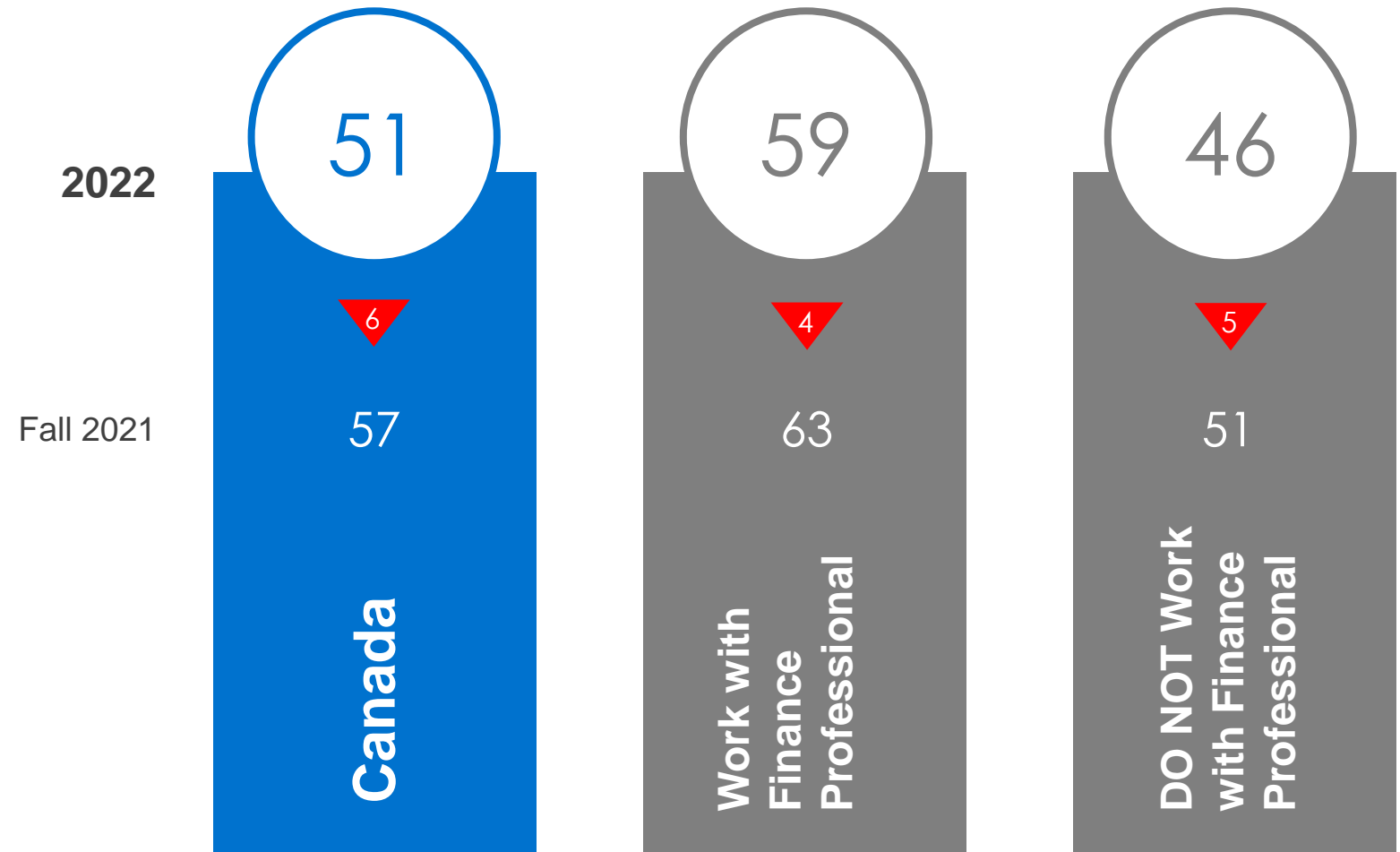
**64%**

Did not consult



Working with a financial professional is linked to a higher degree of financial confidence.

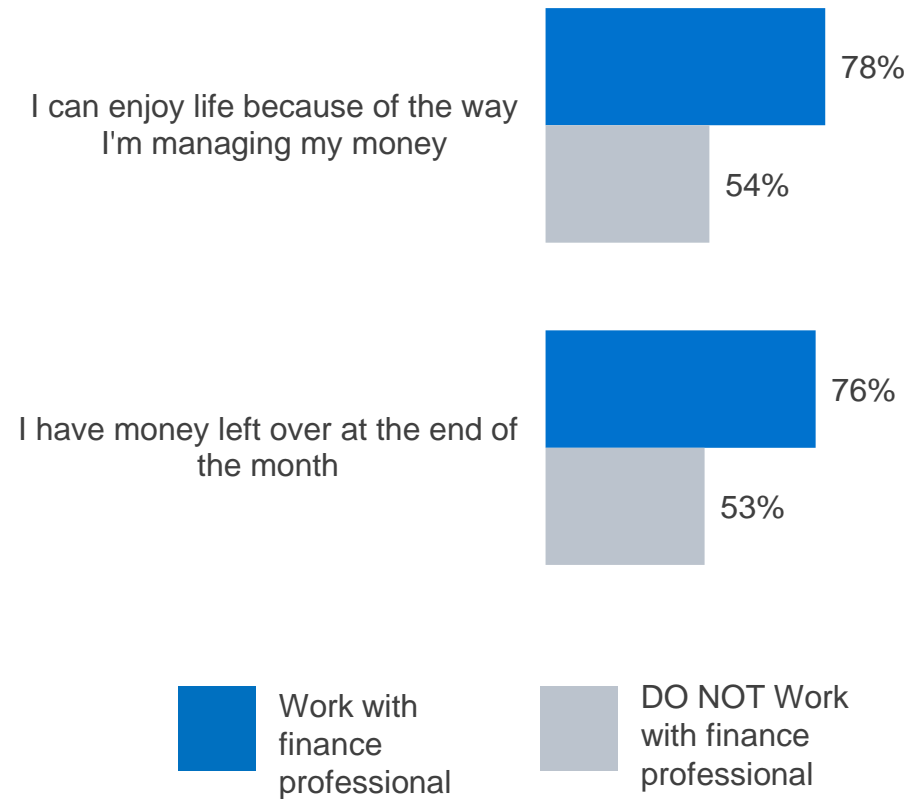
## Use of a Financial Planner



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Canadians who work with a planner also report **better financial wellbeing.**

**% AGREE WITH STATEMENT**



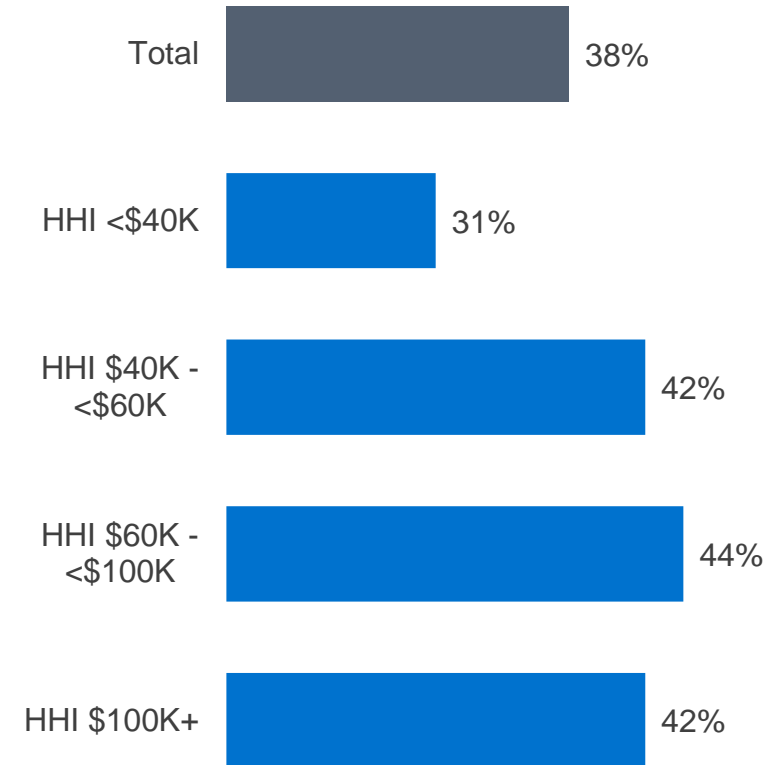
1. To what extent do you agree or disagree with the following statements?

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**Over a third of  
Canadians believe that  
professional financial  
advice is more important  
than ever.**

**PROFESSIONAL FINANCIAL ADVICE IS MORE  
IMPORTANT NOW THAN EVER**

% Agree



1. To what extent do you agree or disagree with the following statements?

## ABOUT IPSOS

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We believe that our work is important. Security, simplicity, speed and substance applies to everything we do.

Through specialisation, we offer our clients a unique depth of knowledge and expertise. Learning from different experiences gives us perspective and inspires us to boldly call things into question, to be creative.

By nurturing a culture of collaboration and curiosity, we attract the highest calibre of people who have the ability and desire to influence and shape the future.

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