



FINANCIAL CONFIDENCE INDEX

The State of Canadians' Financial Confidence

November, 2023



Methodology



WHAT?

Online survey via
Ipsos' iSay panel



WHO?

2,000 Canadians*



WHEN?

September 26 –
October 2, 2023

*Weighting was applied to the total sample by age, gender, region and education level to ensure that the composition of the final sample is representative of Canada's adult population according to the latest census data from Statistics Canada.

Top Stories



Post-Covid blues: Canada's Financial Confidence back to 2020 level

Canadians' trust in the economy is dwindling, as they navigate the 'rolling recession'.

Sacrifices Ahead: Canadians expect changes in their financial behaviour

The House-Poor Nation? High rates leading to tougher monthly payments and buyer paralysis

Indigenous Canadians less optimistic about things to come

Glass half-full: A fresh outlook among New Canadians

'Holistic' financial advice is linked to brighter long-term perspectives

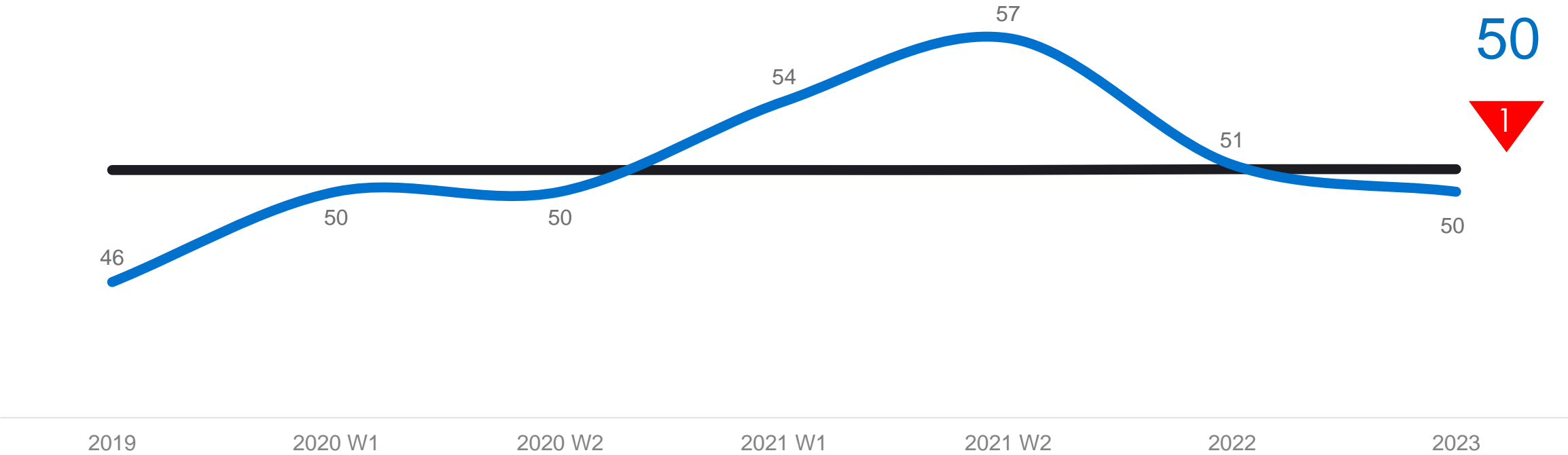
Post-Covid blues: Canada's Financial Confidence back to 2020 level

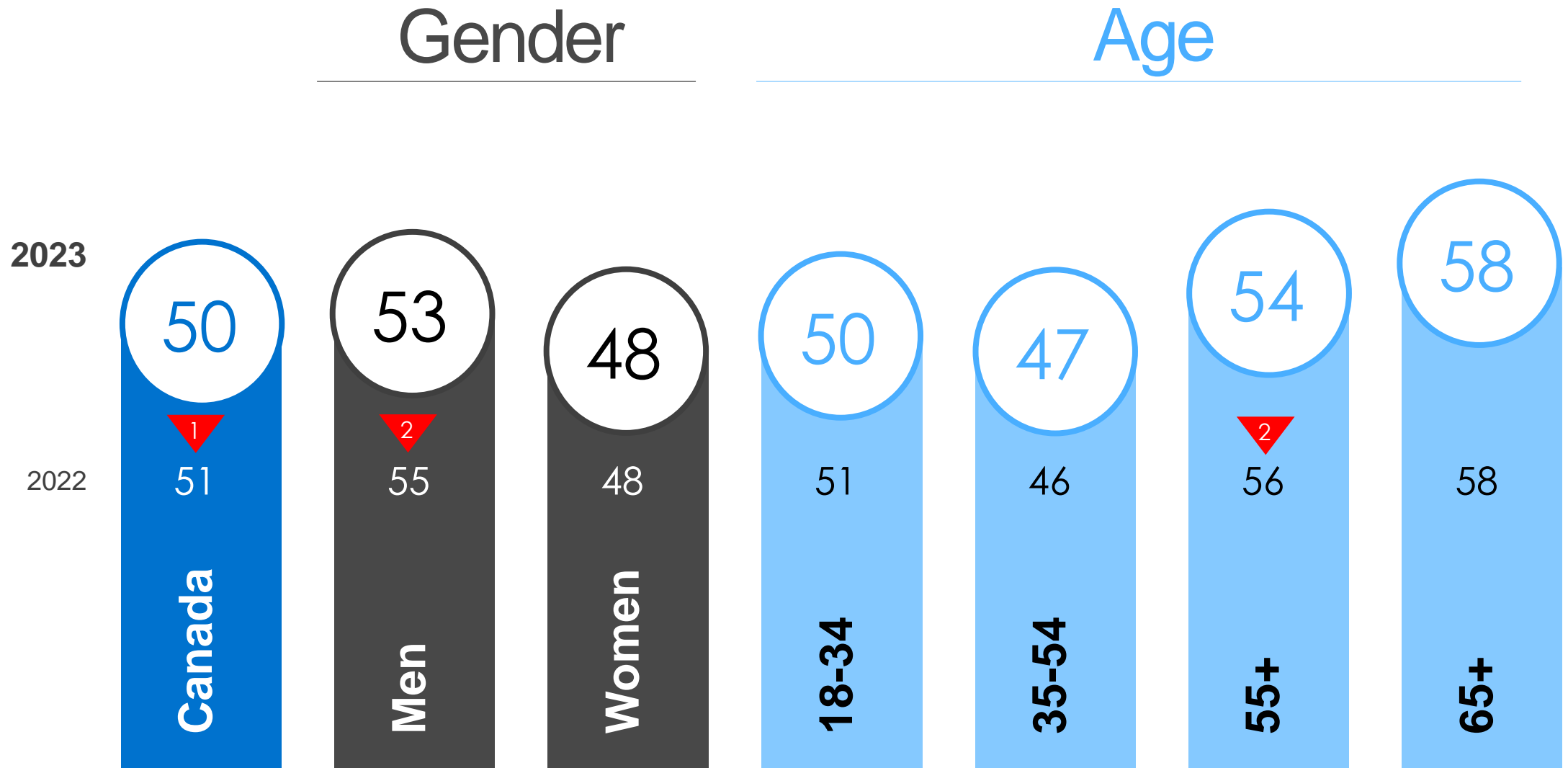


Canadian's Financial Confidence Index - Historical

After an uptick in 2021, the downward trajectory of 2022 continues into 2023

■ Historical Average
■ Financial Confidence Score – Canadian Population





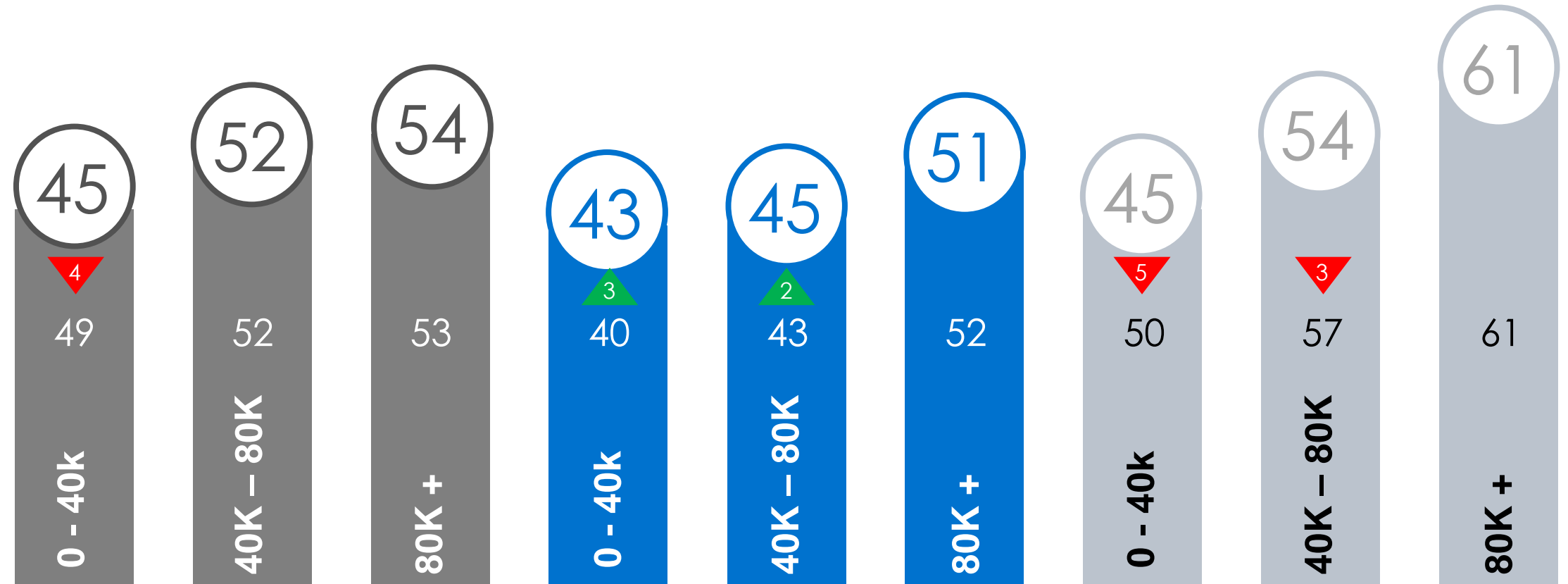
18-34

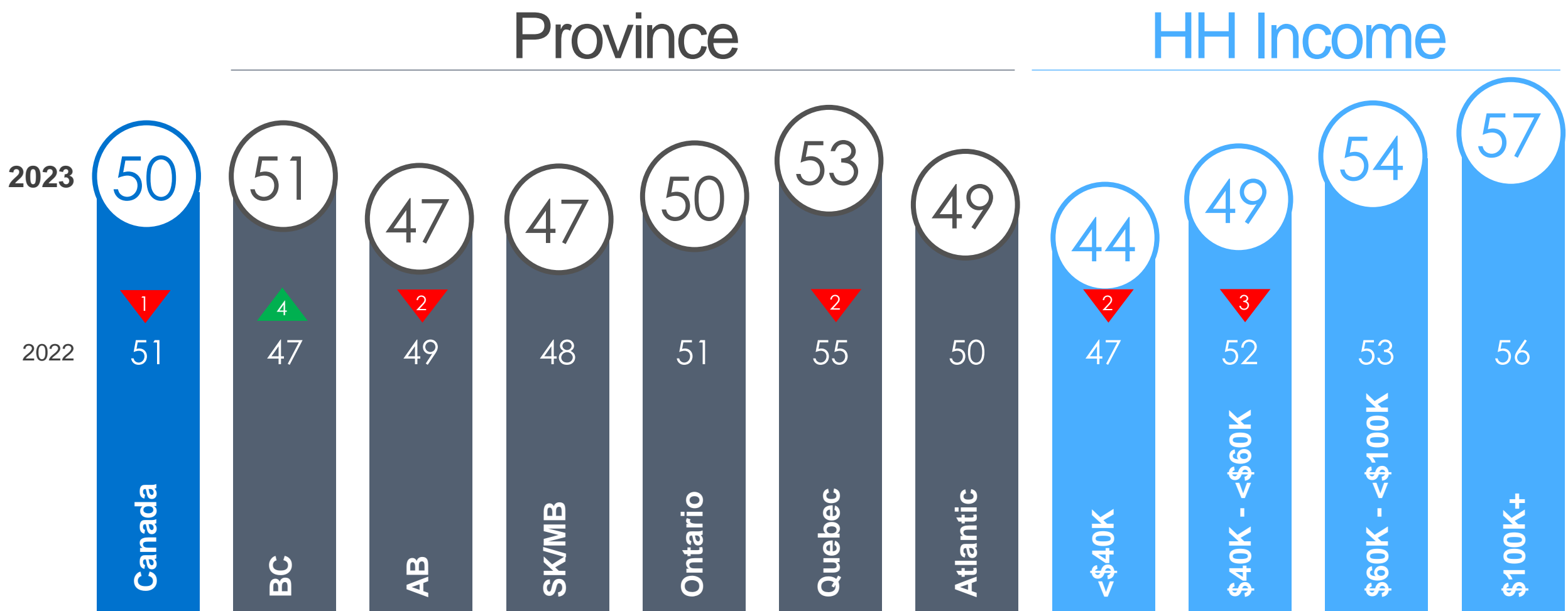
35-54

55+

2023

2022

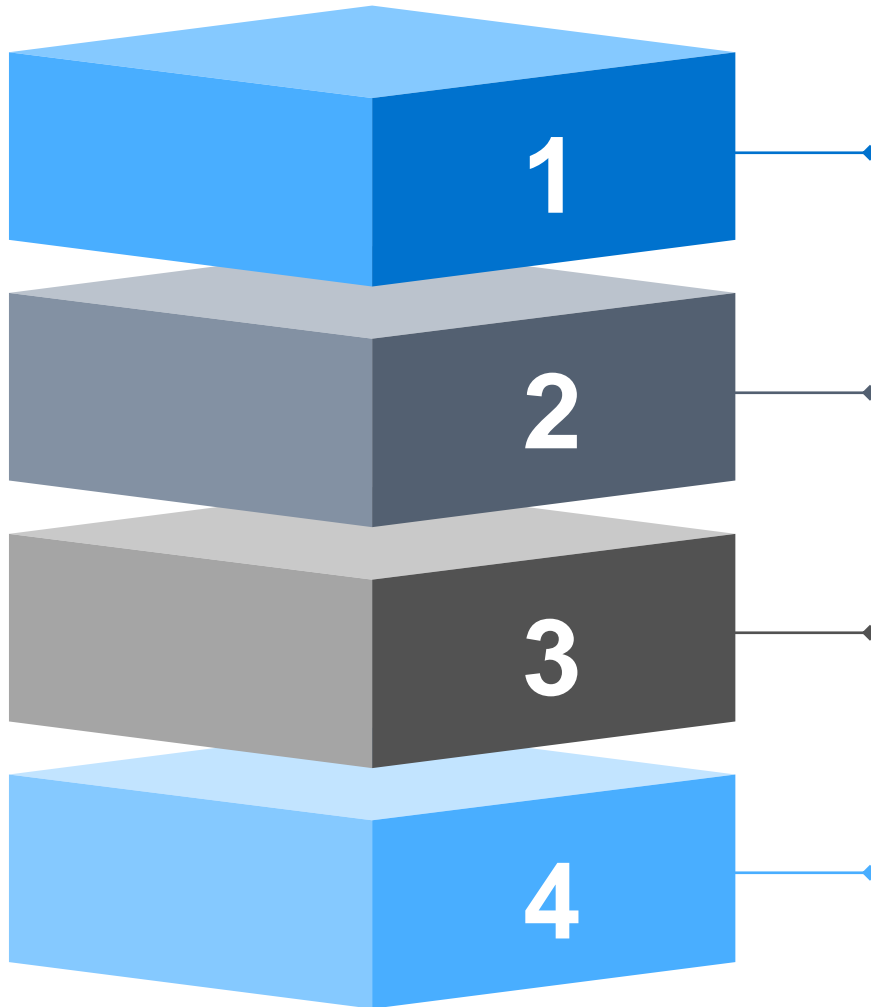




Canadians' trust in the economy is dwindling,
as they navigate the 'rolling recession'.



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

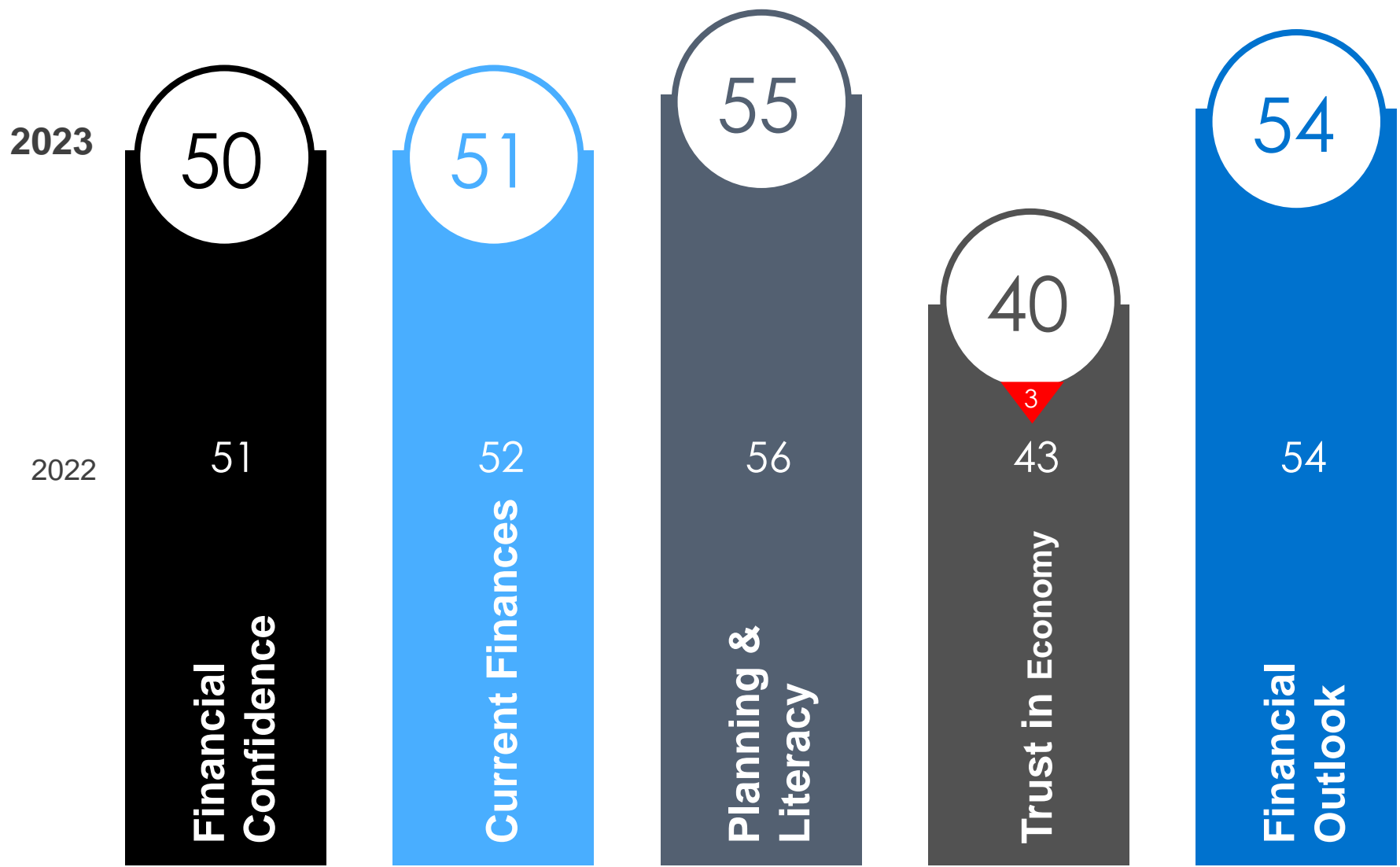
- Economic conditions in your community
- Economic conditions in Canada

CURRENT FINANCES

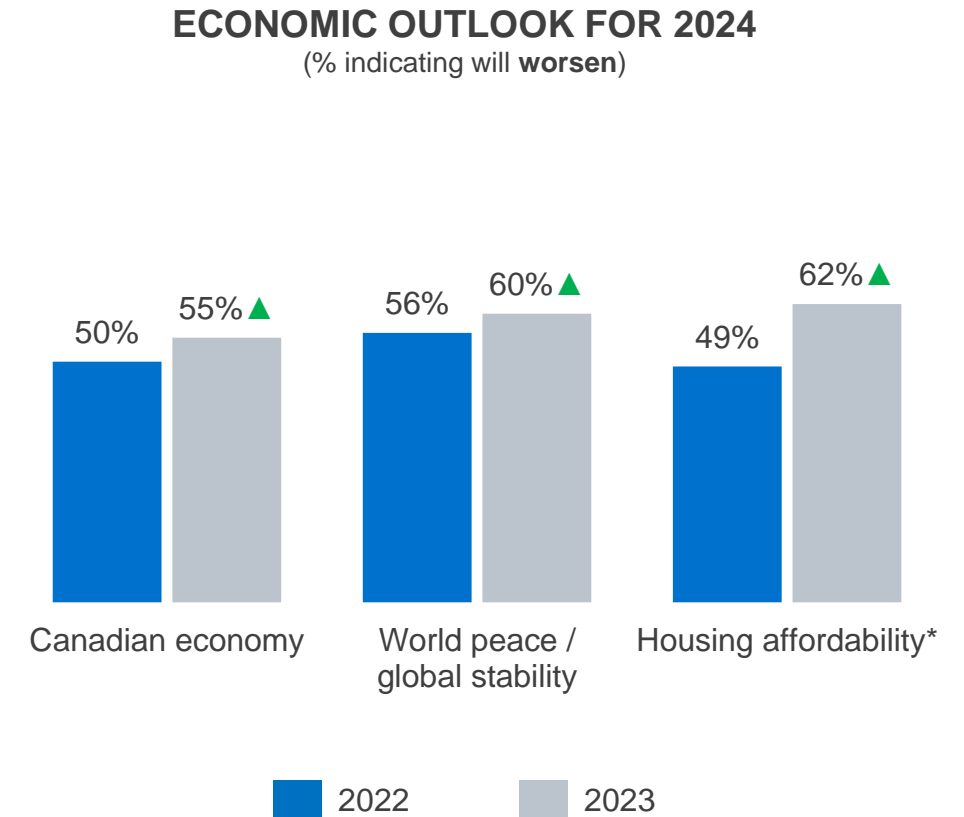
- Need to borrow money to pay for regular living expenses
- More satisfied with my financial situation vs. 6 months ago
- Comfort making a major purchase
- Change in personal income

4 PILLARS OF FINANCIAL CONFIDENCE INDEX

‘Trust in the Economy’
is the weakest pillar in
2023 and the one
Canadians have the
least control over.



Canadians expect
**macroeconomics
conditions** to continue to
worsen in 2024,
especially housing
affordability.

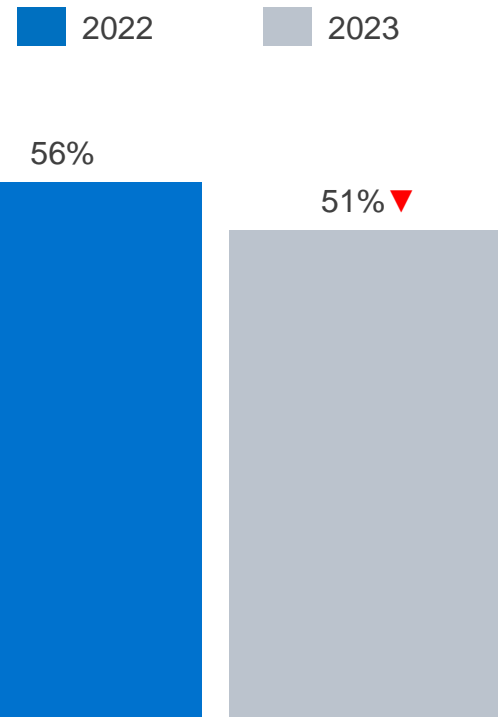


(* Note: Reworded in 2023)

Compared to last year,
Canadians are **less optimistic**
about the upcoming
stabilization of the economy.

I AM OPTIMISTIC THAT THE ECONOMY WILL STABILIZE
WITHIN A COUPLE OF YEARS

% Agree

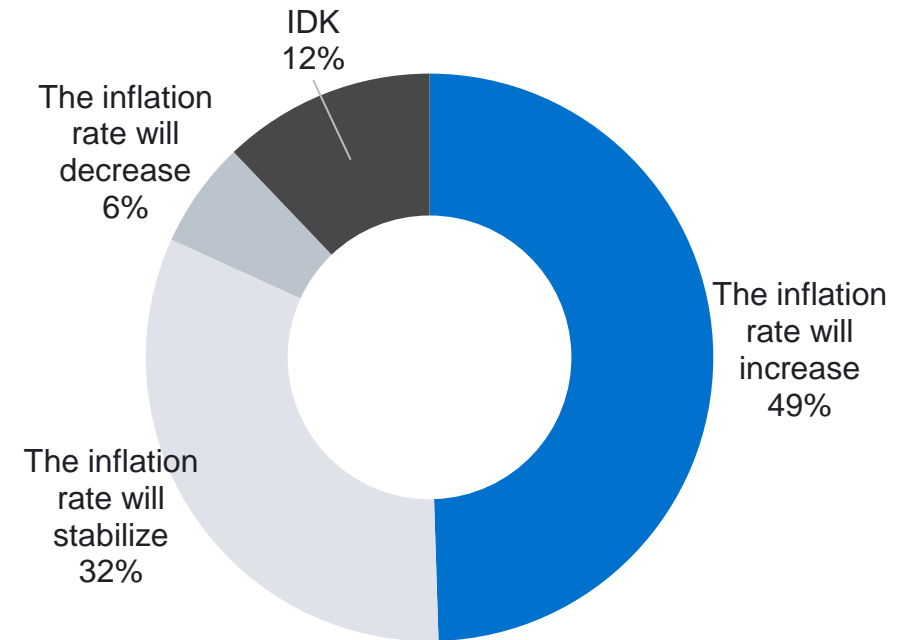


▲ ▼ Statistically significant change between waves

10a. For each of the statements below, please indicate whether you agree or disagree

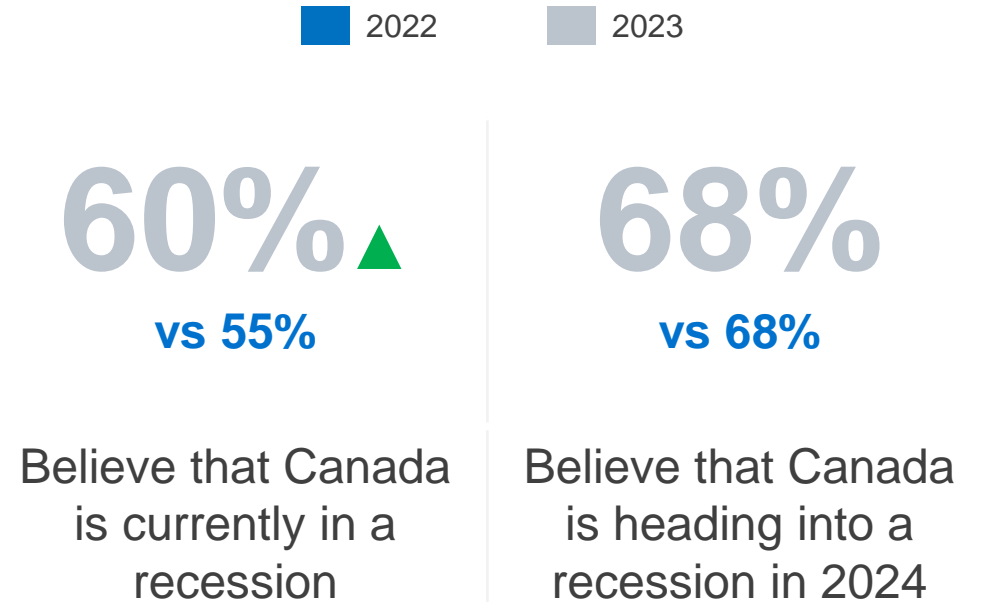
In fact, half of Canadians fear that **inflation will continue to increase in 2024.**

INFLATION OUTLOOK IN 2024



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

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

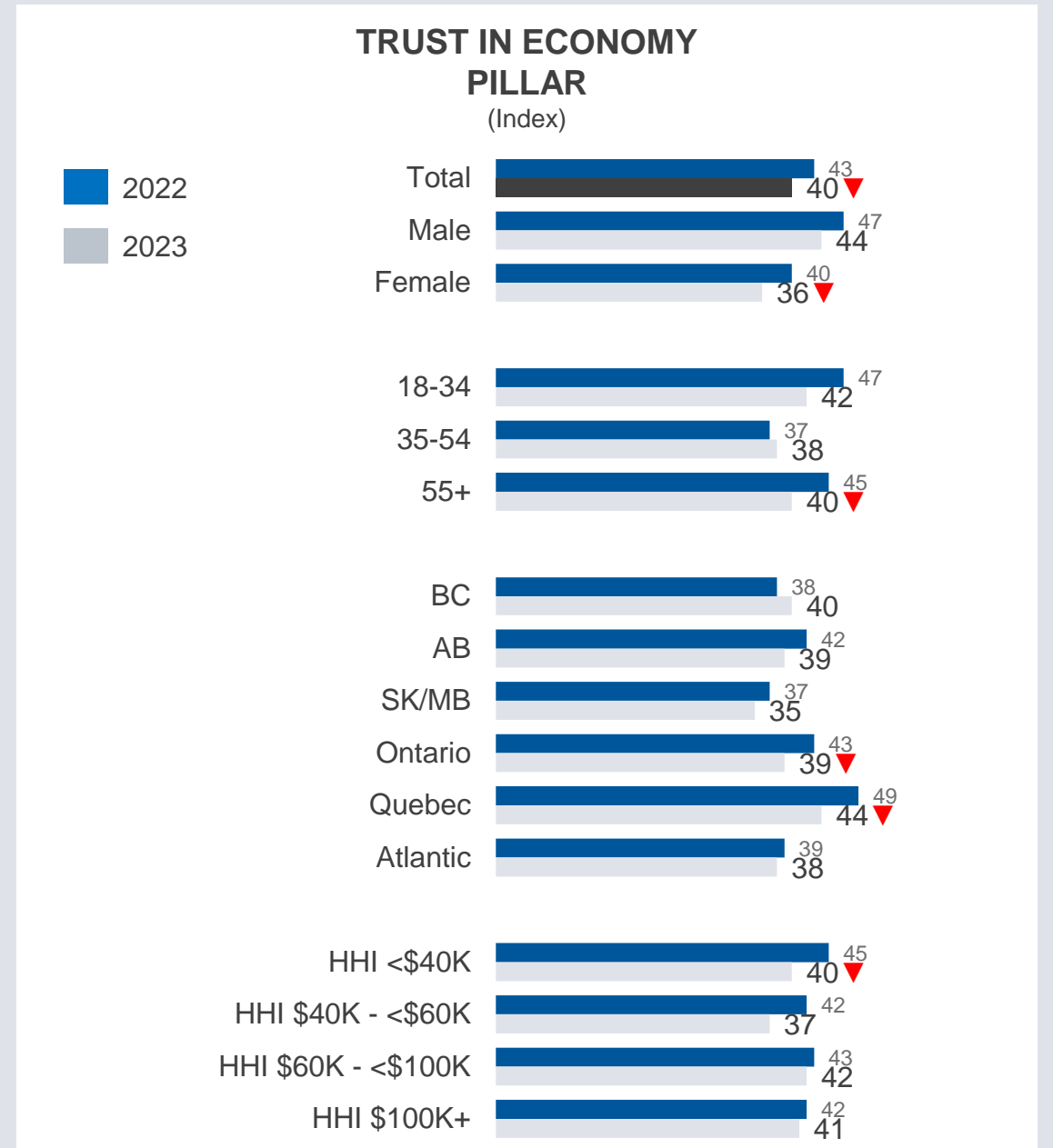


▲ ▼ Statistically significant change between waves

HF21. In your opinion, is Canada currently undergoing a recession?

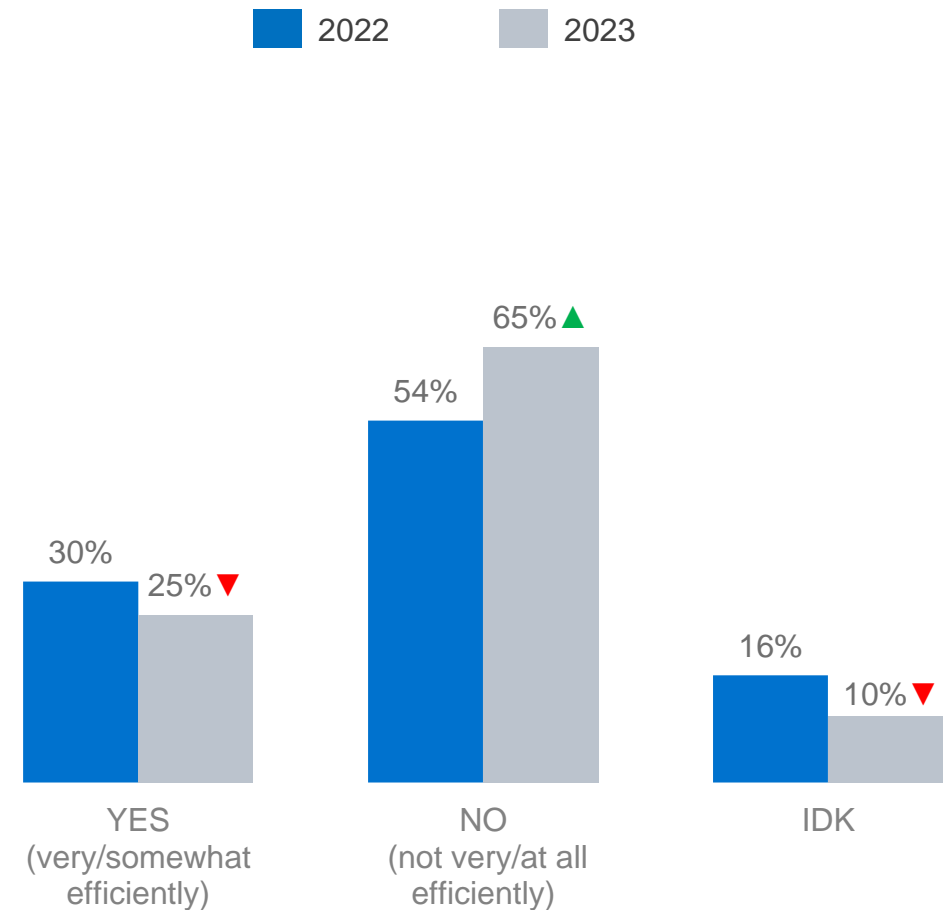
HF22. Over the next 12 months, what would you say are Canada's chances of undergoing an economic recession?

The growing mistrust in the economy is particularly prevalent in Ontario and Quebec, and among females and Canadians 55 and older.



A growing majority of Canadians feel that the **authorities are not responding efficiently** to the current situation.

PERCEPTION OF THE WAY CANADIAN GOV AND BIG FINANCE MANAGING THE INFLATION

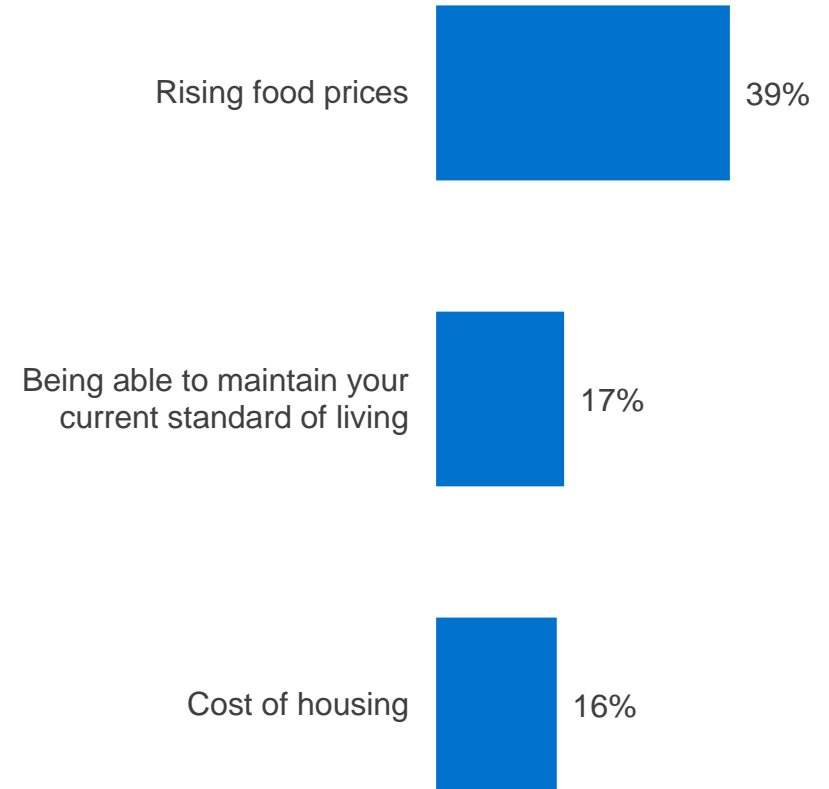


Sacrifices Ahead: **Canadians** expect changes in their **financial behaviour**



Rising food prices is a big concern for over a third of Canadian households.

BIGGEST CONCERNS FOR 2024

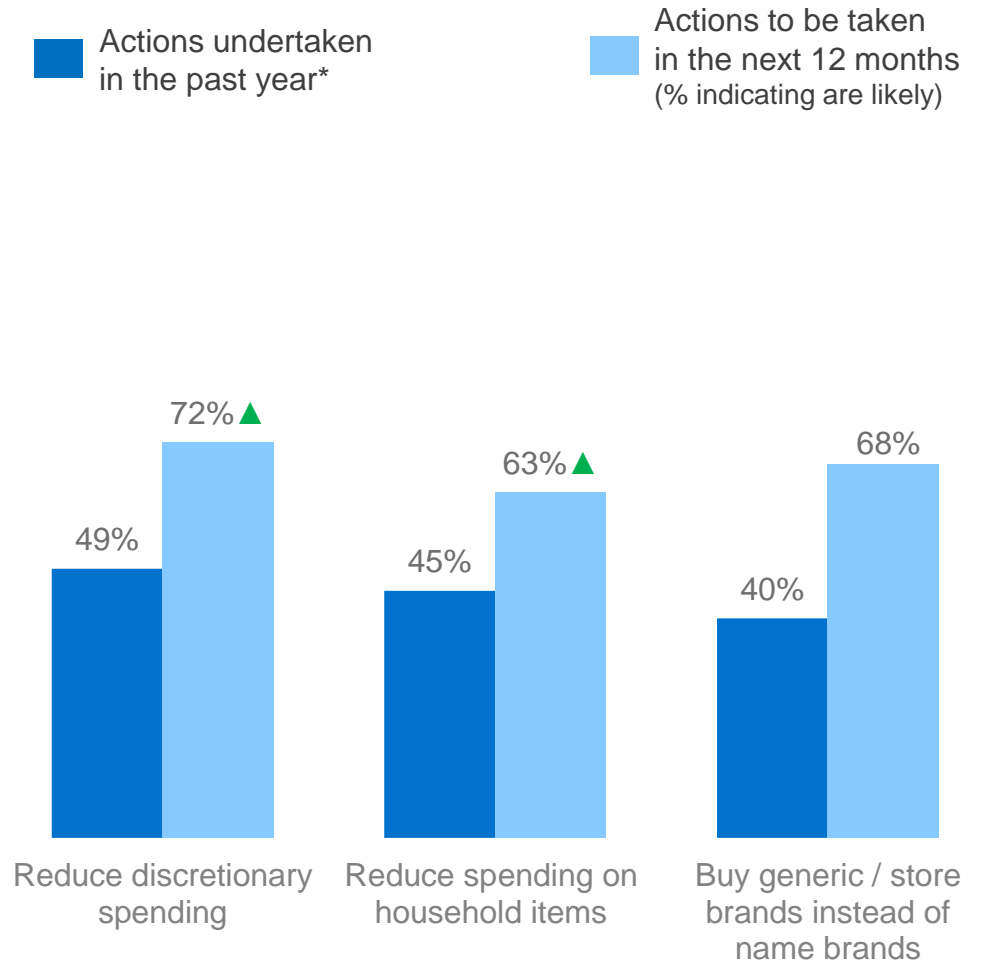


(* Note: Newly added question in 2024)

7B. And what would you say is your biggest concern for 2024, among the following

As a result, most Canadians have **reduced** or **plan on reducing** their daily expenses, including household items and brand names.

ACTIONS IN RESPONSE TO INFLATION



(* Note: Newly added question in 2024)

▲▼ Statistically significant change between waves

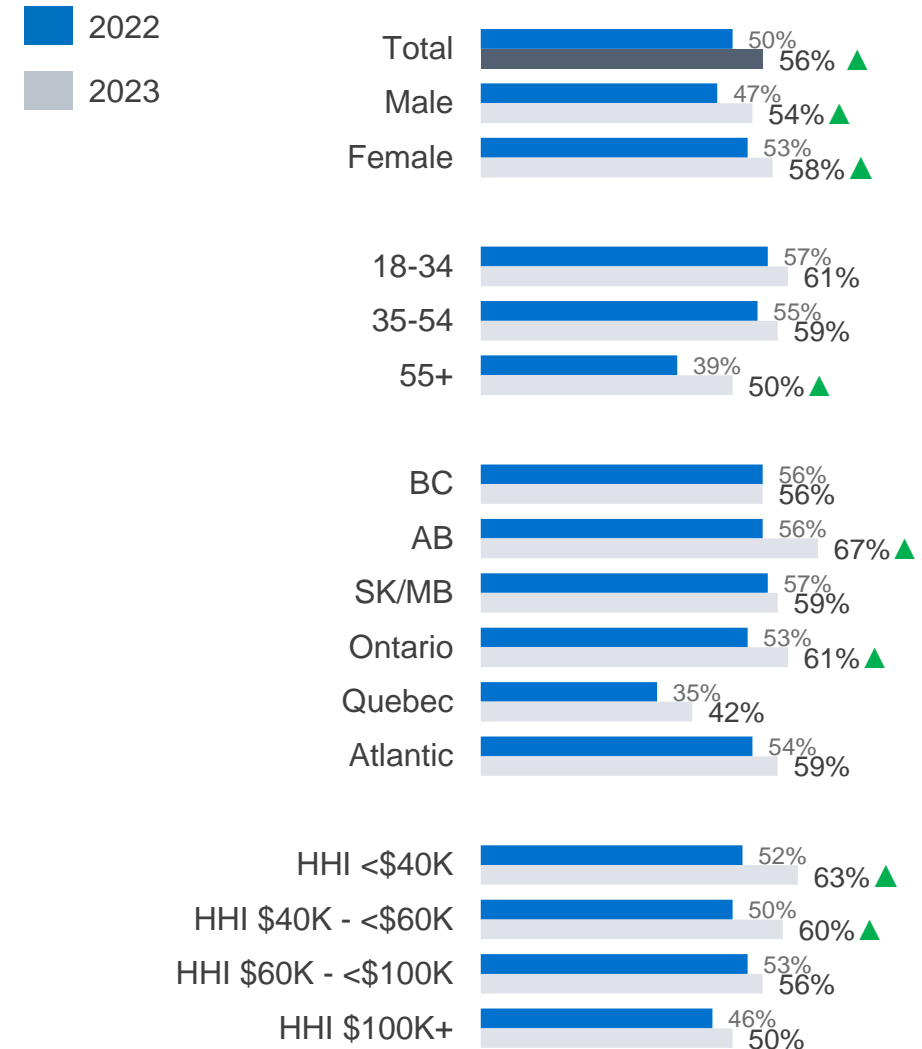
18A. Over the past year, which of the following actions have you done, in response to inflation ?

Q18. Over the next 12 months, how likely are you to do the following actions, in response to inflation ?

Higher cost of living also means **less money for retirement** for most Canadians, especially middle-class households.

ACTIONS TO BE TAKEN IN RESPONSE TO INFLATION

Put less money aside for retirement



▲ ▼ Statistically significant change between waves

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)?

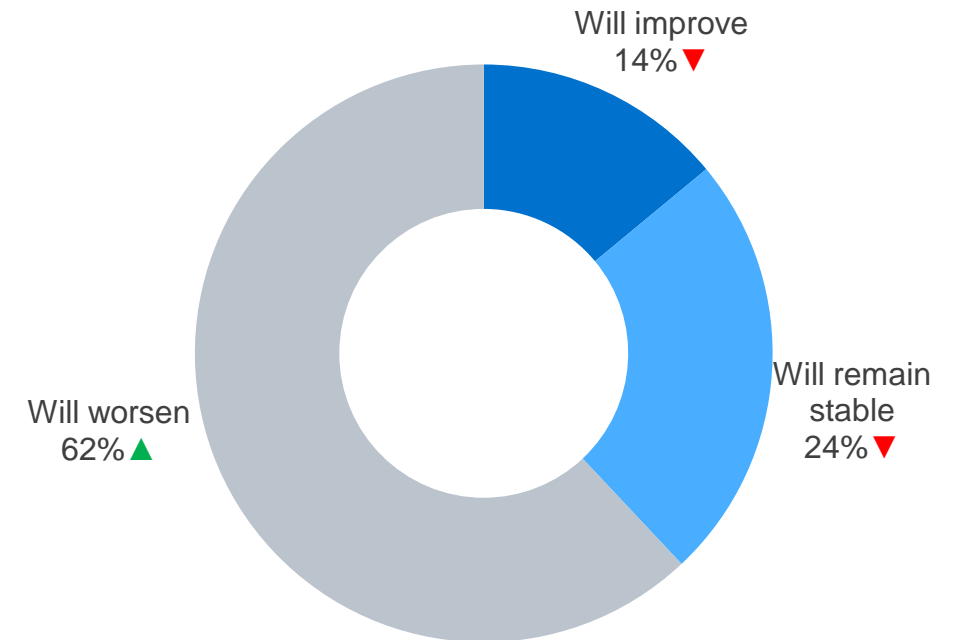
The House-Poor Nation?

High rates leading to **tougher monthly payments** and **buyer paralysis**



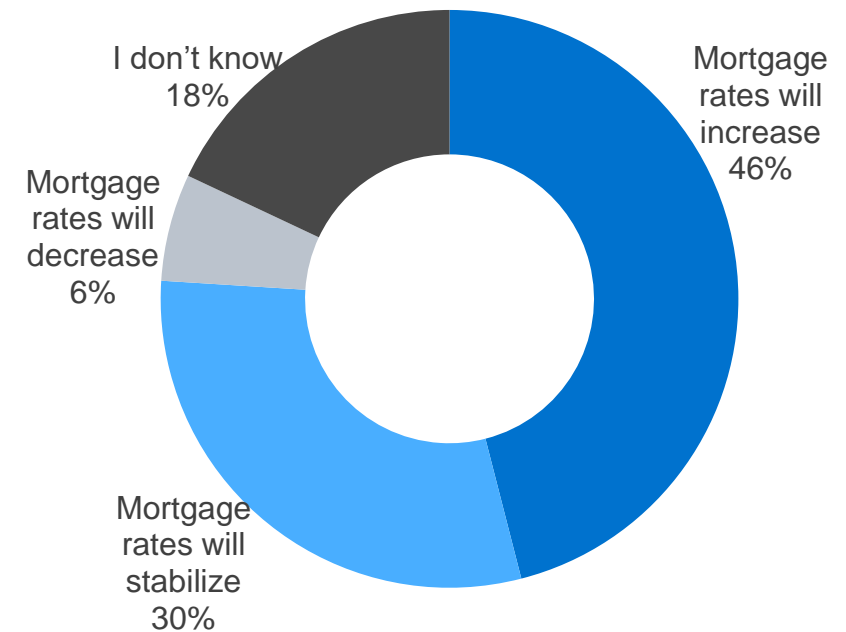
Most Canadians **think**
that **housing**
affordability will worsen
in 2024.

HOUSING AFFORDABILITY



In fact, half of Canadians think mortgage rates will increase in the next year.

PERCEPTION OF MORTGAGE RATES EVOLUTION

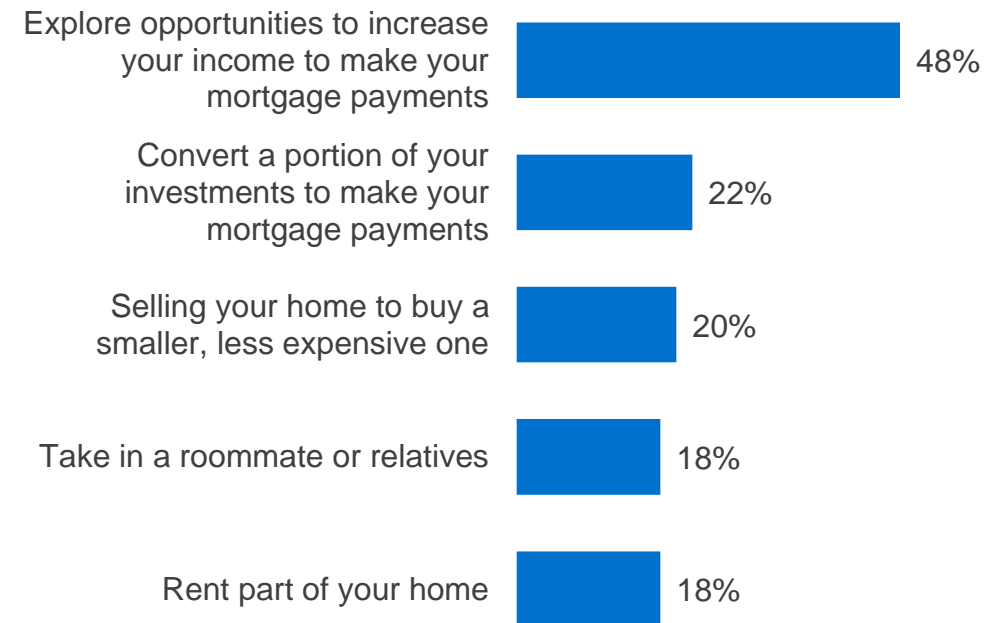


Many Canadians with mortgages are exploring ways to **increase their income**, including renting part of their home.

IMPACT OF INTEREST RATES ON PERSONAL SITUATION

37% Already saw an increase of they monthly mortgage payment

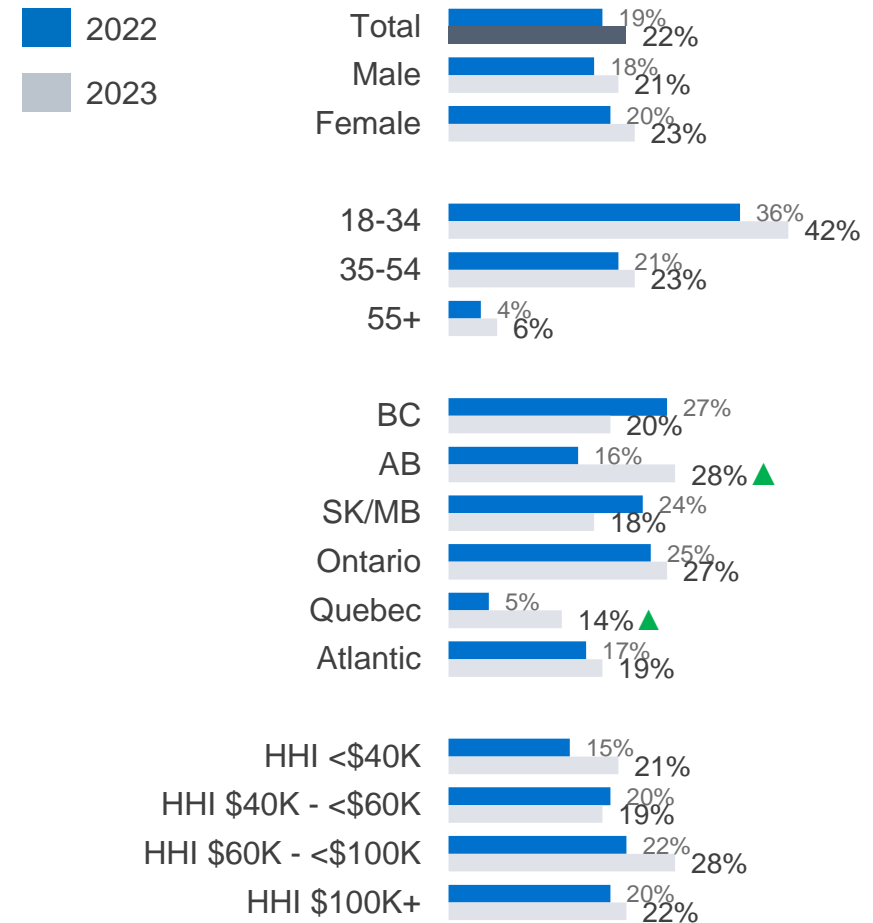
IMPACT OF MORTGAGE RATES ON PERSONAL SITUATION (% indicating are likely)



Home ownership remains
a distant dream for close
to half of Canadians 18-34
years old.

IMPACT OF INTEREST RATES ON PERSONAL SITUATION

Postponing or reducing your ability to purchase a home



▲ ▼ Statistically significant change between waves

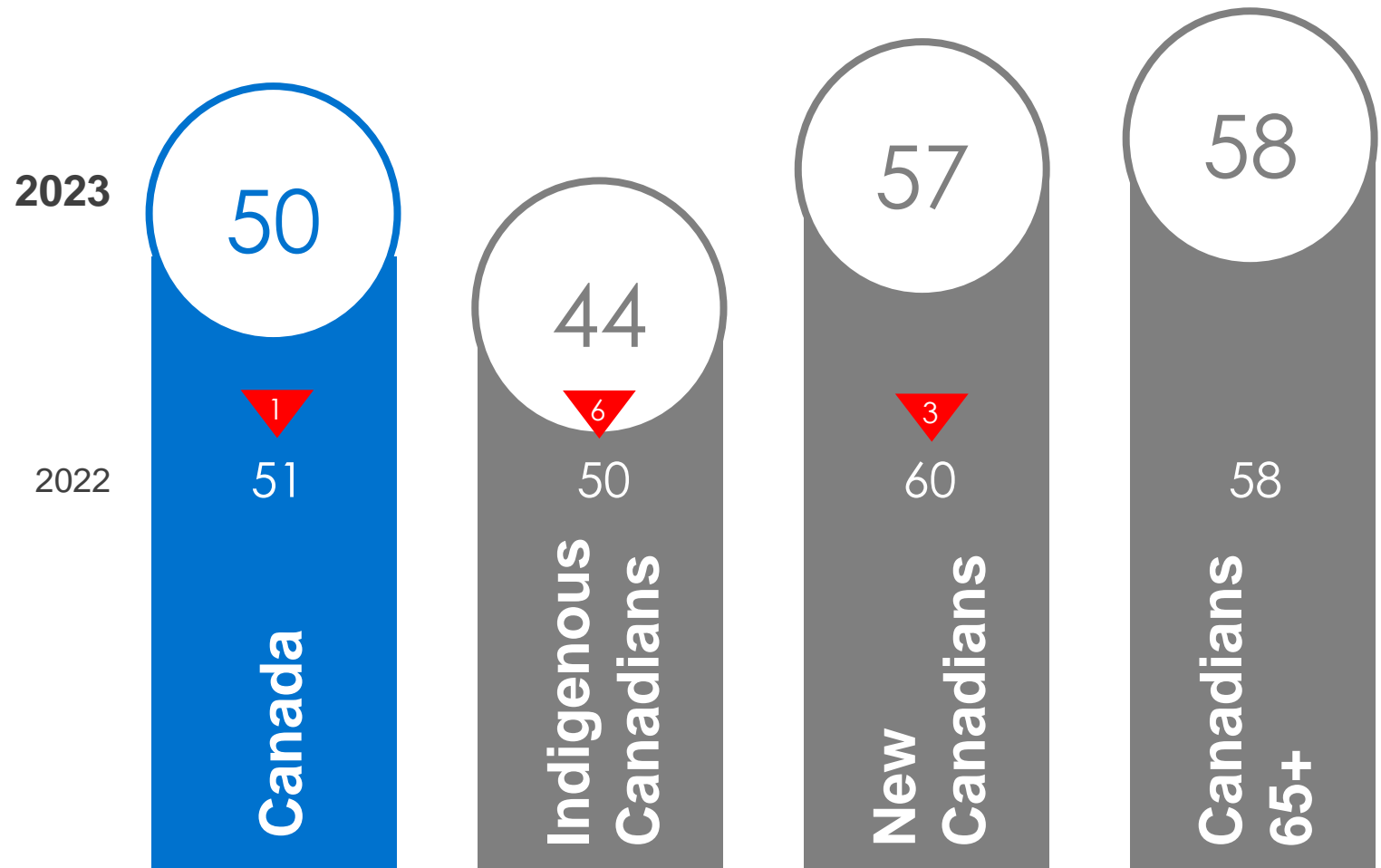
HF26. Has the rise of interest rates resulted in any of the following situations, for you personally?.

Indigenous Canadians less optimistic about things to come



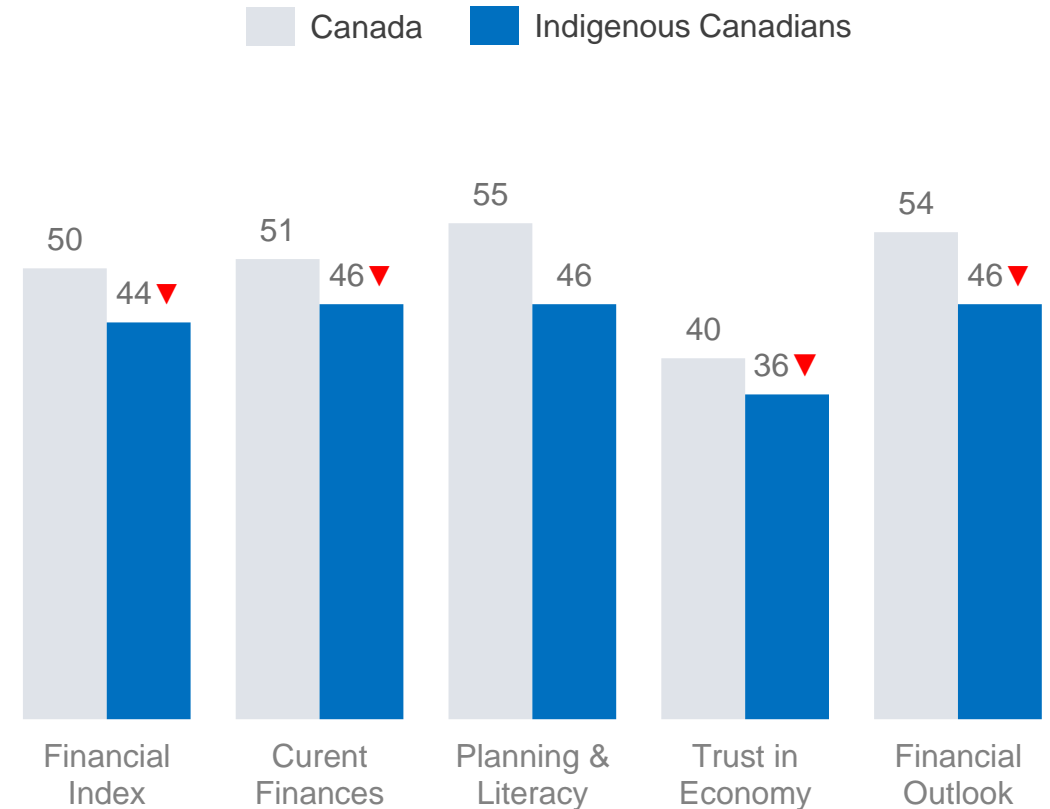
Indigenous Canadians appear to be more affected by economic slowdown and price increases relative to the overall population.

Groups of Interest



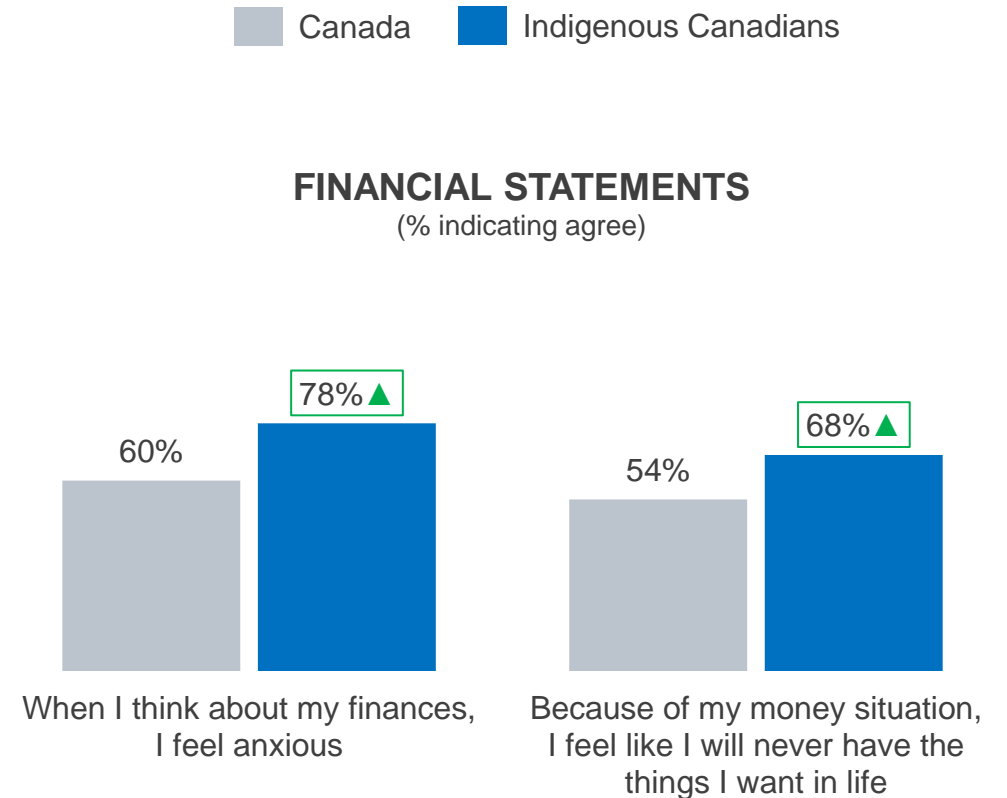
Indigenous Canadians
express **more concern**
this year regarding their
financial situation.

CONFIDENCE INDEX AND THE 4 PILLARS



▲ ▼ Statistically significant change between waves

Indigenous Canadians exhibit **heightened anxiety** regarding their finances.



21%▼
vs 13%

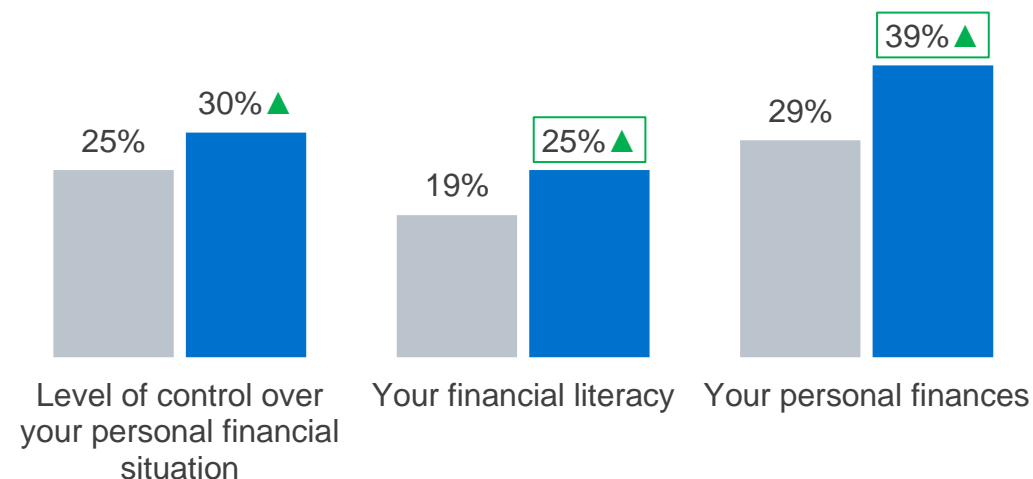
Say their personal income significantly decreased in recent months.

An increasing number of Indigenous Canadians believe that their **personal finances will continue to worsen in 2024.**

ECONOMIC OUTLOOK FOR 2024

(% indicating will worsen)

Canada Indigenous Canadians

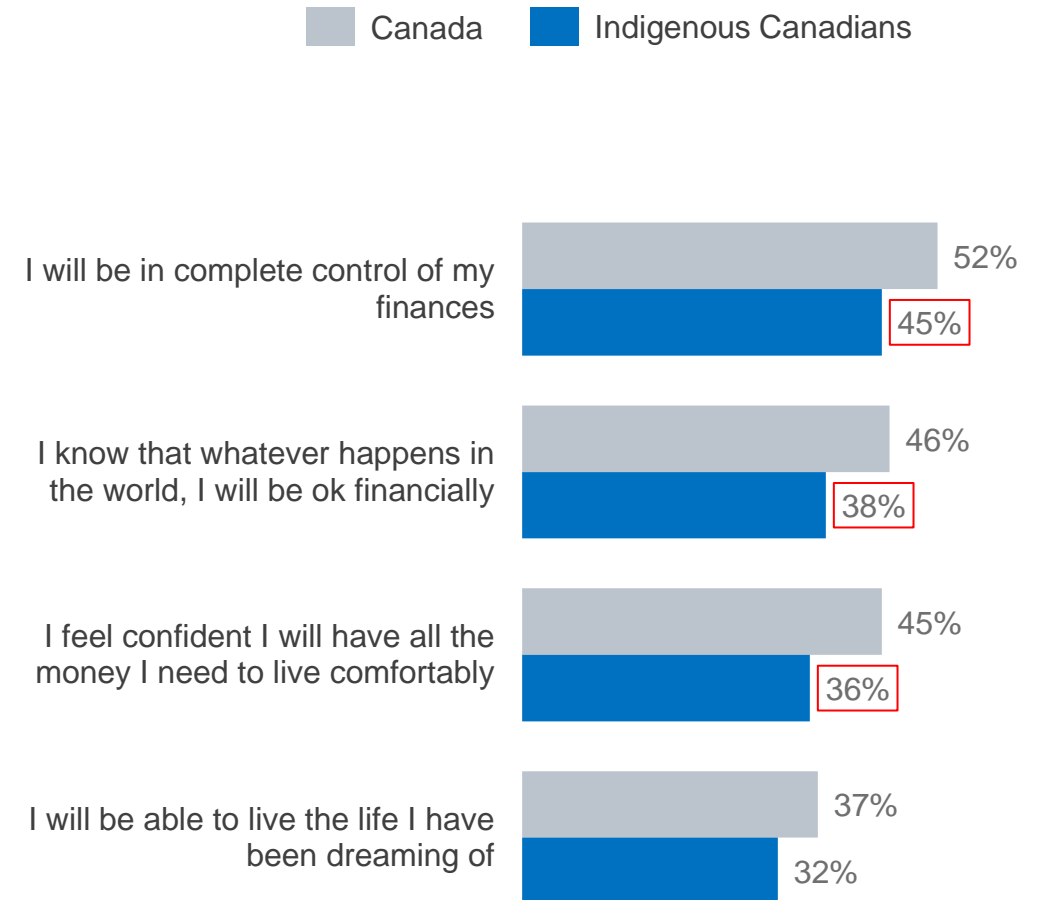


▲▼ Statistically significant change between waves / ◻◻ Statistically significant between groups

7. What is your outlook for 2024 with the regards to the following?

As a result, Indigenous Canadians tend to have a more **negative outlook** on their long-term financial future.

OUTLOOK ON LONG-TERM FINANCIAL FUTURE (% indicating agree)



□ Statistically significant between groups

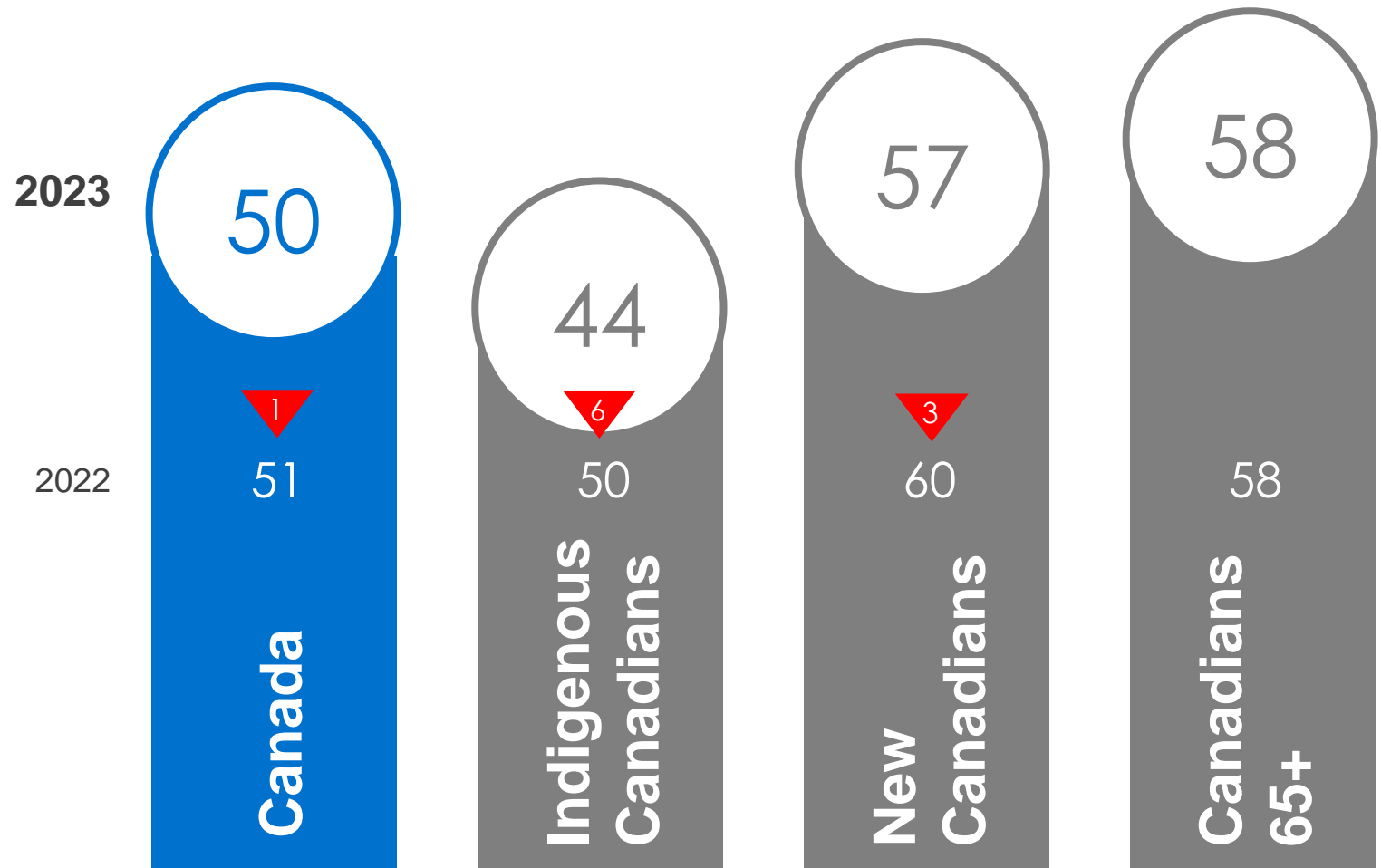
27 Thinking of your long-term financial future, including your retirement, to what extent do you agree or disagree with the following statements?

Glass half-full: A fresh outlook among **New Canadians**



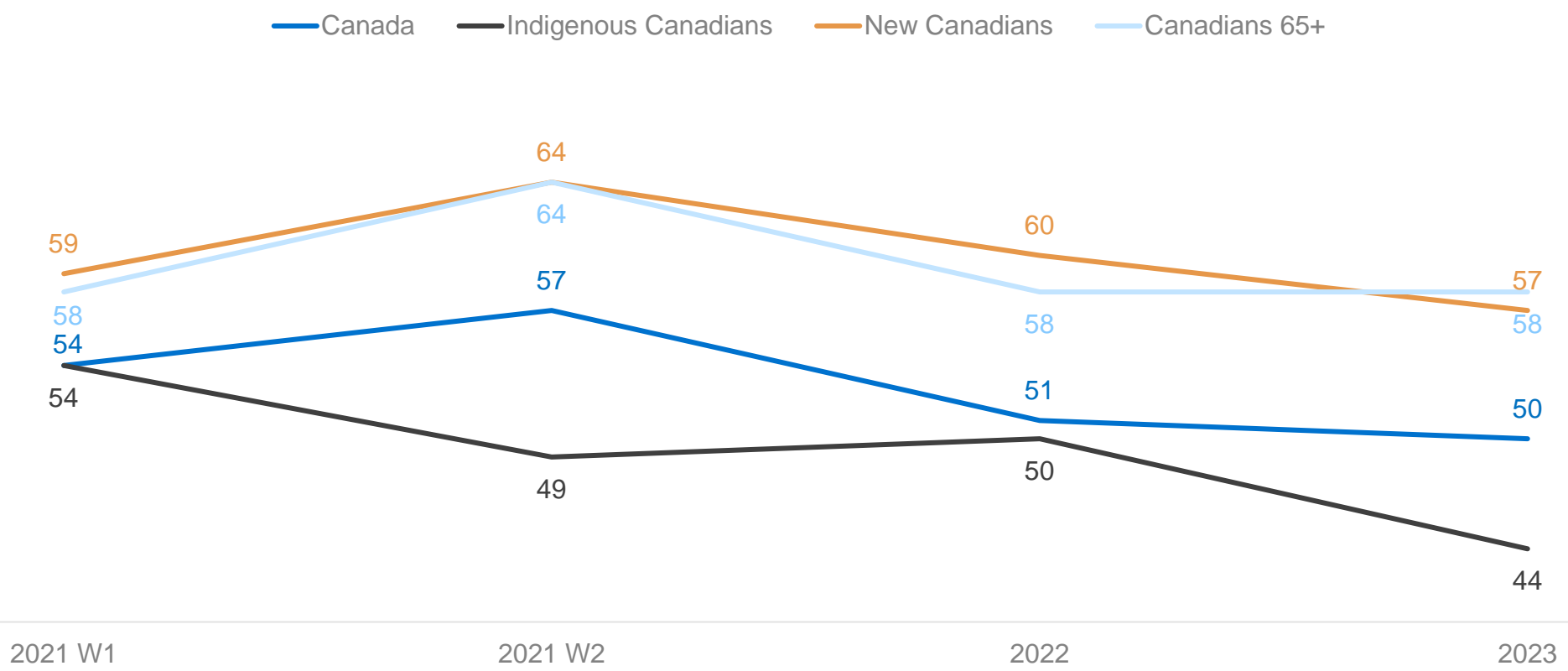
New Canadians tend to have a more positive outlook than other Canadians.

Groups of Interest



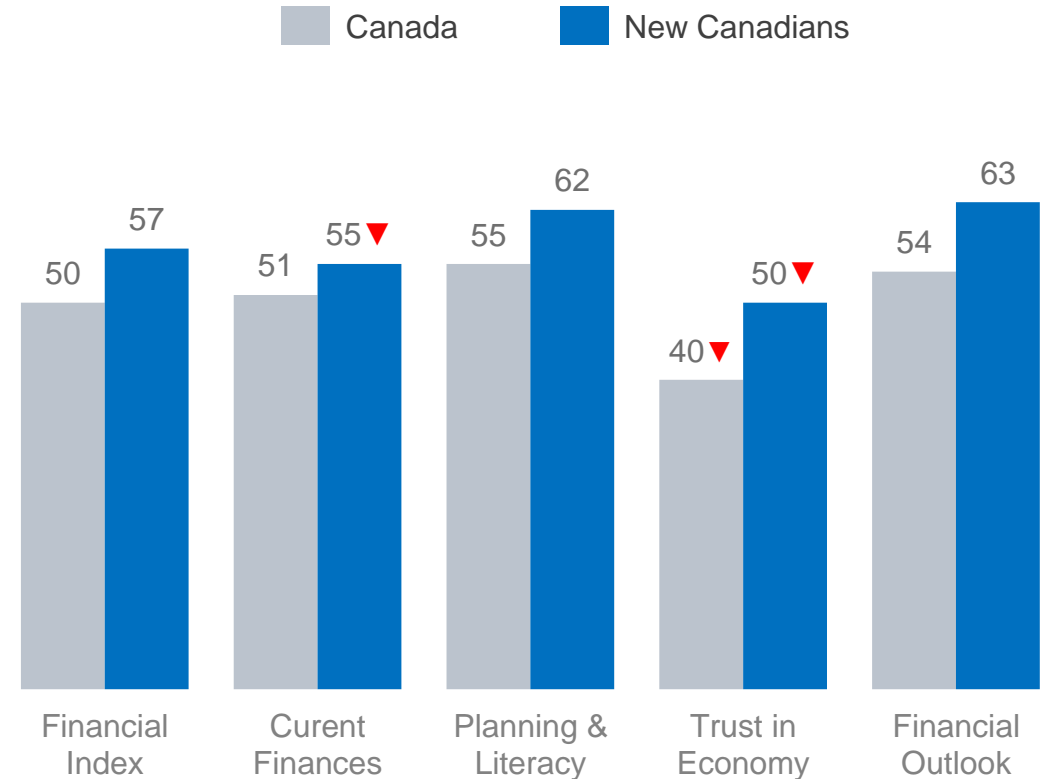
Historical data

Groups of Interest



Compared to the overall population, New Canadians have a **greater confidence** in their financial perspectives.

CONFIDENCE INDEX AND THE 4 PILLARS

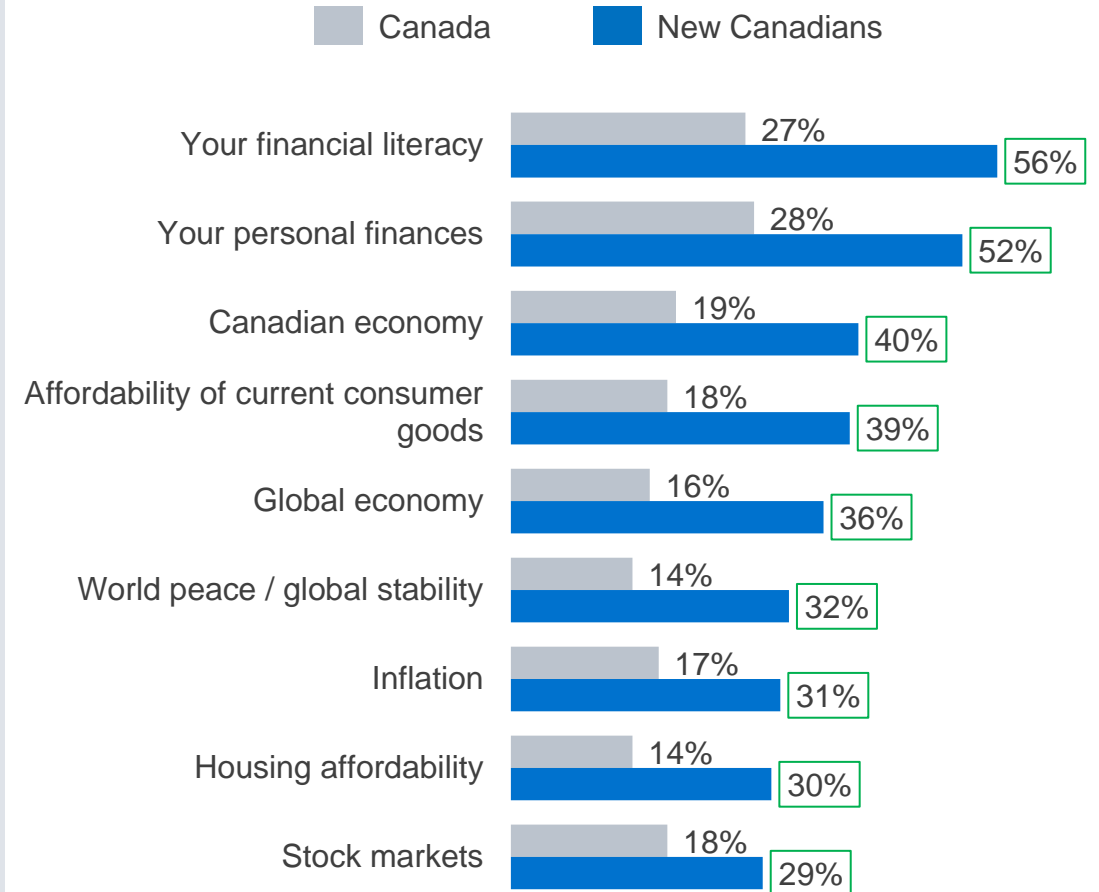


▲ ▼ Statistically significant change between waves

New Canadians are **more optimistic** about the economic outlook for 2024.

ECONOMIC OUTLOOK FOR 2024

(% indicating will improve)

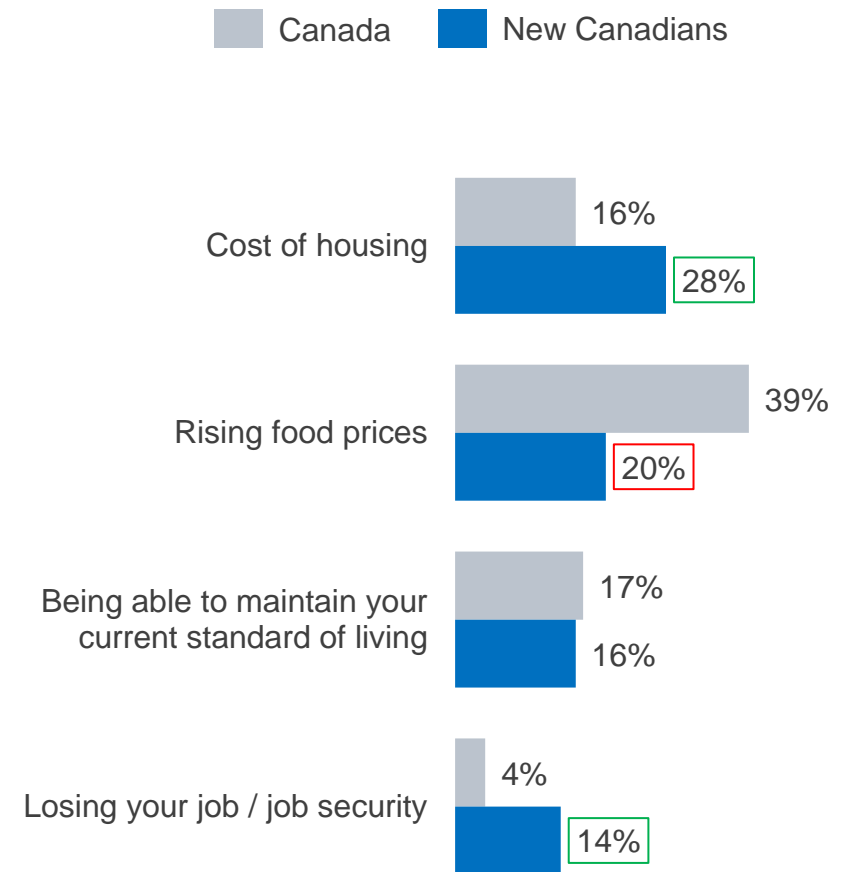


▲ ▼ Statistically significant change between waves / □ □ Statistically significant between groups

7. What is your outlook for 2024 with the regards to the following?

New Canadians biggest concerns for 2024 are cost of housing and job security.

BIGGEST CONCERNS FOR 2024



Statistically significant between groups

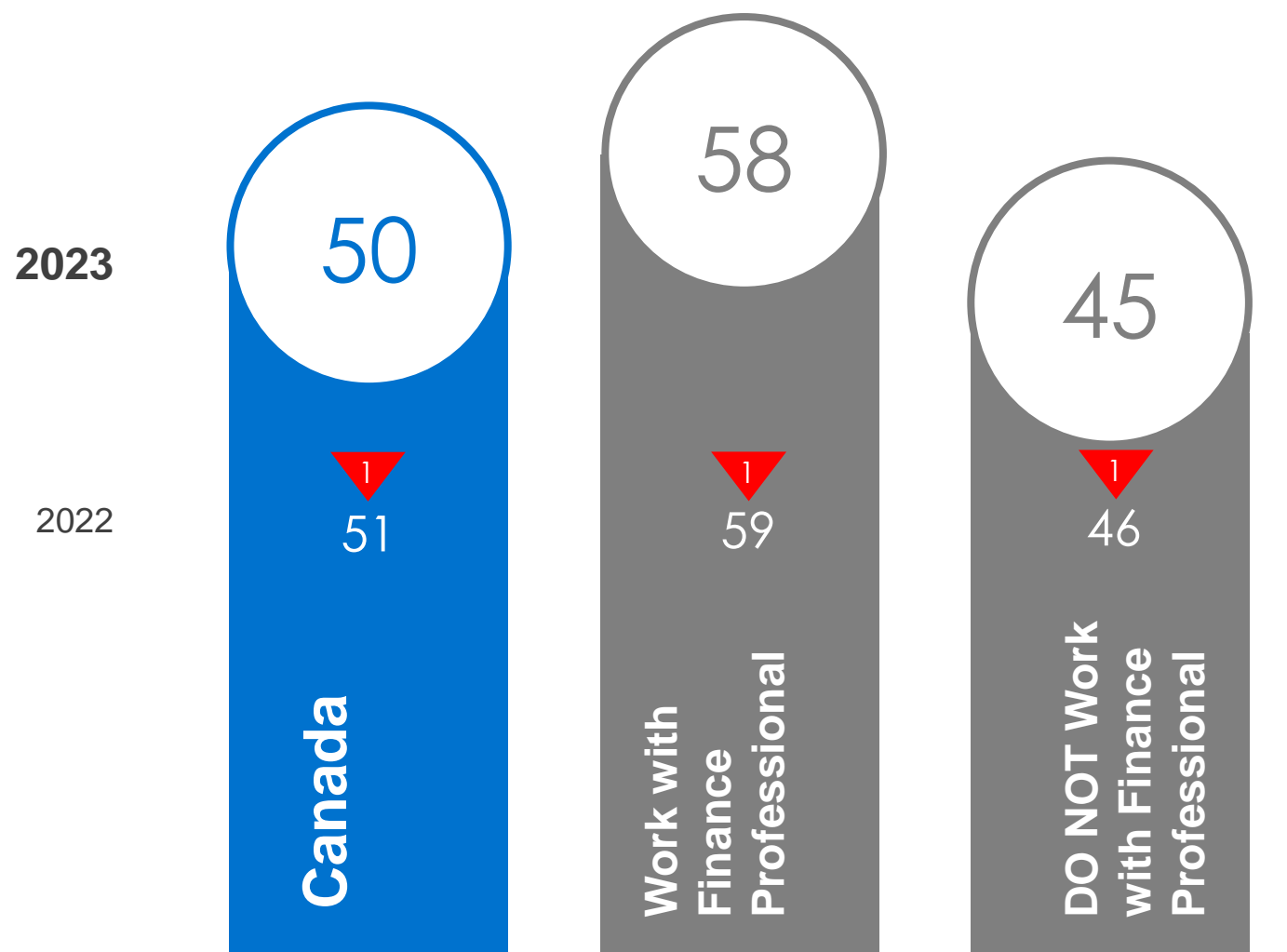
7B. And what would you say is your biggest concern for 2024, among the following?

**‘Holistic’ financial advice is linked to
brighter long-term perspectives**



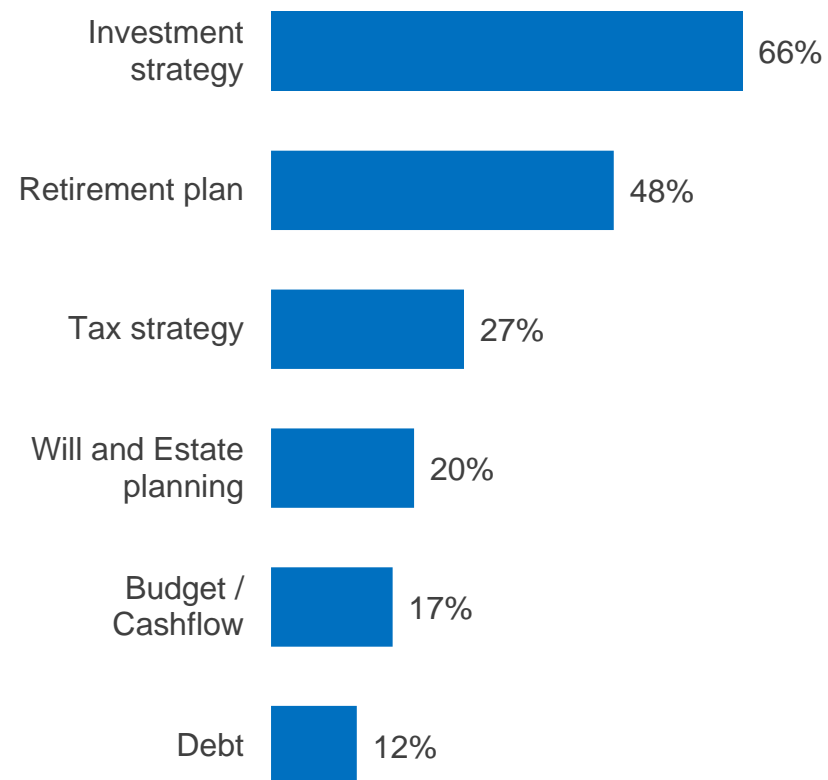
Working with a financial professional is linked to a higher degree of financial confidence.

Exposure to Financial Advice



Investment strategy and **retirement** are the main areas where Canadians seek professional advice.

AREAS OF PROFESSIONAL FINANCIAL ADVICE



10H. Over the years, in which of the following areas did you receive professional financial advice?

Canadians typically receive the financial guidance they were seeking.

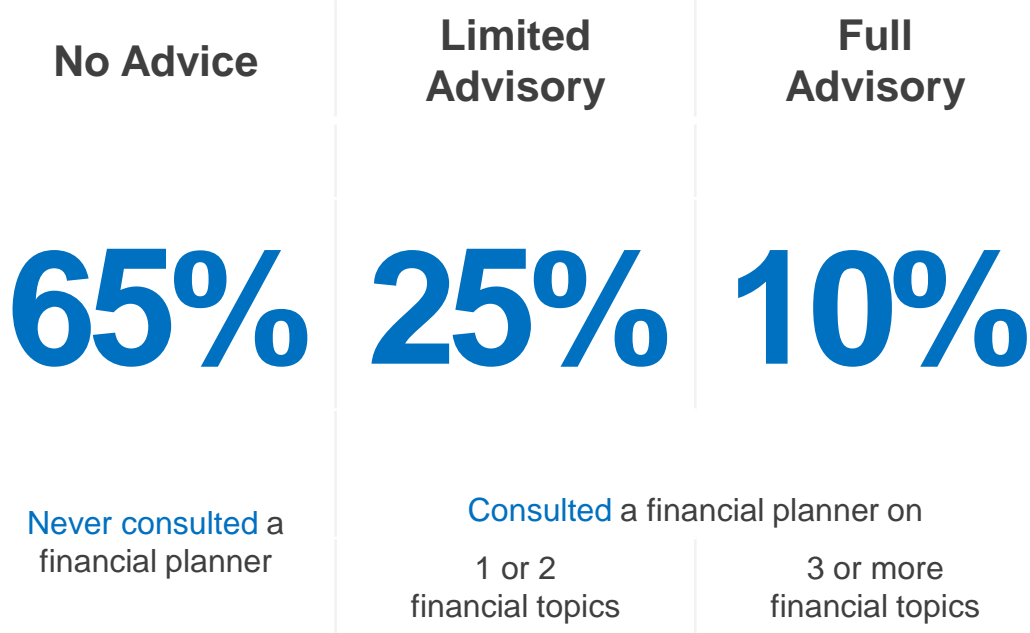
AREAS OF PROFESSIONAL FINANCIAL ADVICE
GET VS. WANT

MOST IMPORTANT NEEDS TO SEEK FINANCIAL ADVISOR/ADVICE		AREAS OF PROFESSIONAL FINANCIAL ADVICE RECEIVED OVER THE YEARS	
Areas	RANK	Areas	Rank
Improving investment returns Started to save & invest Reducing investment risk	1	Investment strategy	1
Needed a retirement plan	2	Retirement plan	2
Maximizing tax benefits	3	Tax strategy	3
Estate planning Reviewing or preparing will	4	Will and Estate planning	4
A sudden change in wealth Increase in household income	5	Budget / Cashflow	5
Debt	N/A	Debt	6

From the 2023 Financial Readiness study : F4. What were the most important needs motivating you to initially seek a financial advisor / financial advice?
10H. Over the years, in which of the following areas did you receive professional financial advice?

About a third of Canadians have sought out professional financial advice.

DEGREE OF FINANCIAL ADVISORY

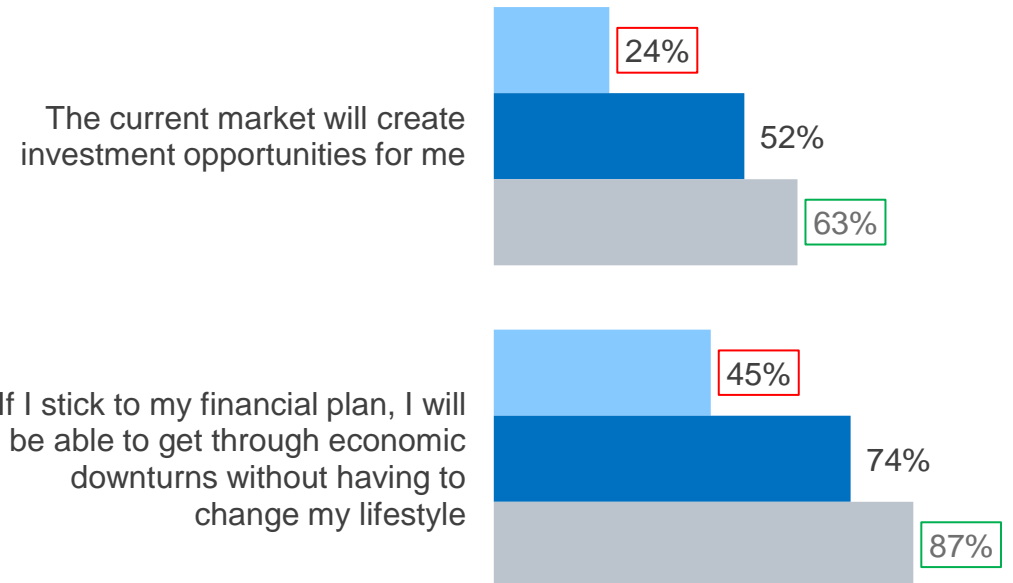


HF10. Have you used/consulted any financial professional(s) to help you with your investments or financial advice?
10H. Over the years, in which of the following areas did you receive professional financial advice?

‘Holistic’ financial advice is linked to a brighter outlook.

% AGREE WITH STATEMENT

No plan Limited Advisory Full Advisory



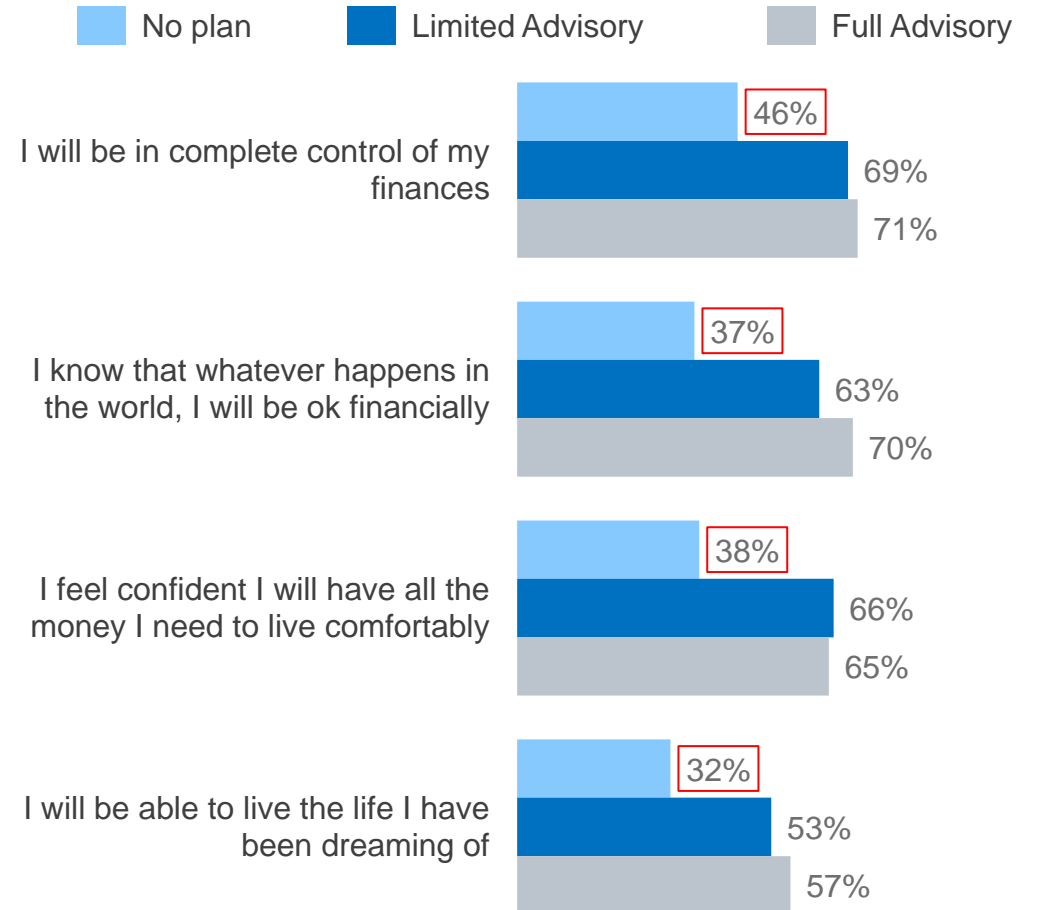
□ Statistically significant between groups

10a. For each of the statements below, please indicate whether you agree or disagree.

Holistic advice is also
linked to better
confidence in the long-
term financial future.

OUTLOOK ON LONG-TERM FINANCIAL FUTURE

(% indicating agree)

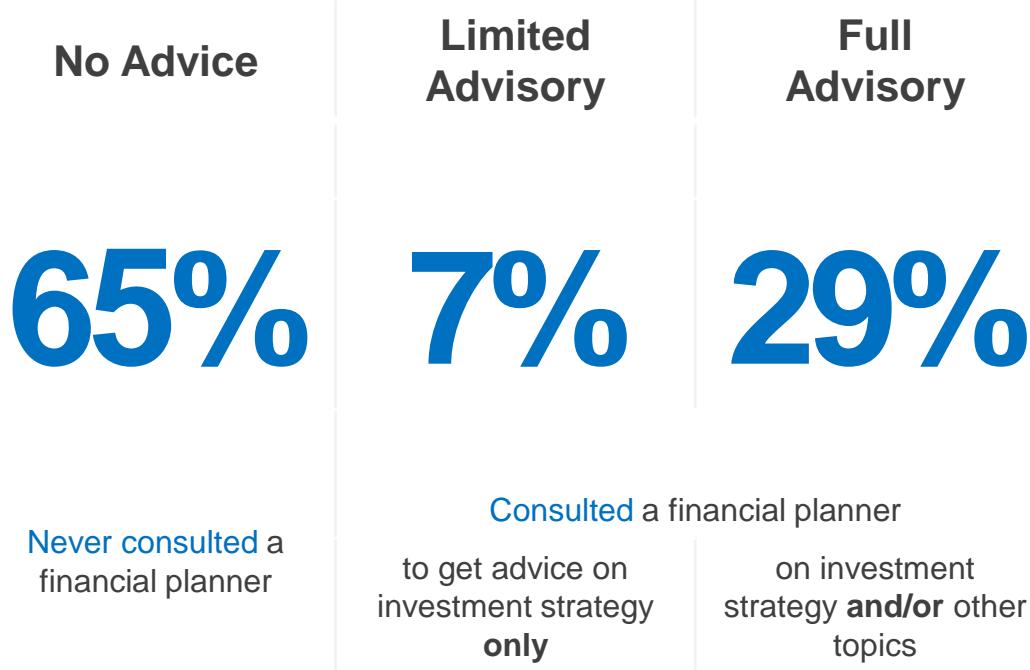


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27 Thinking of your long-term financial future, including your retirement, to what extent do you agree or disagree with the following statements?

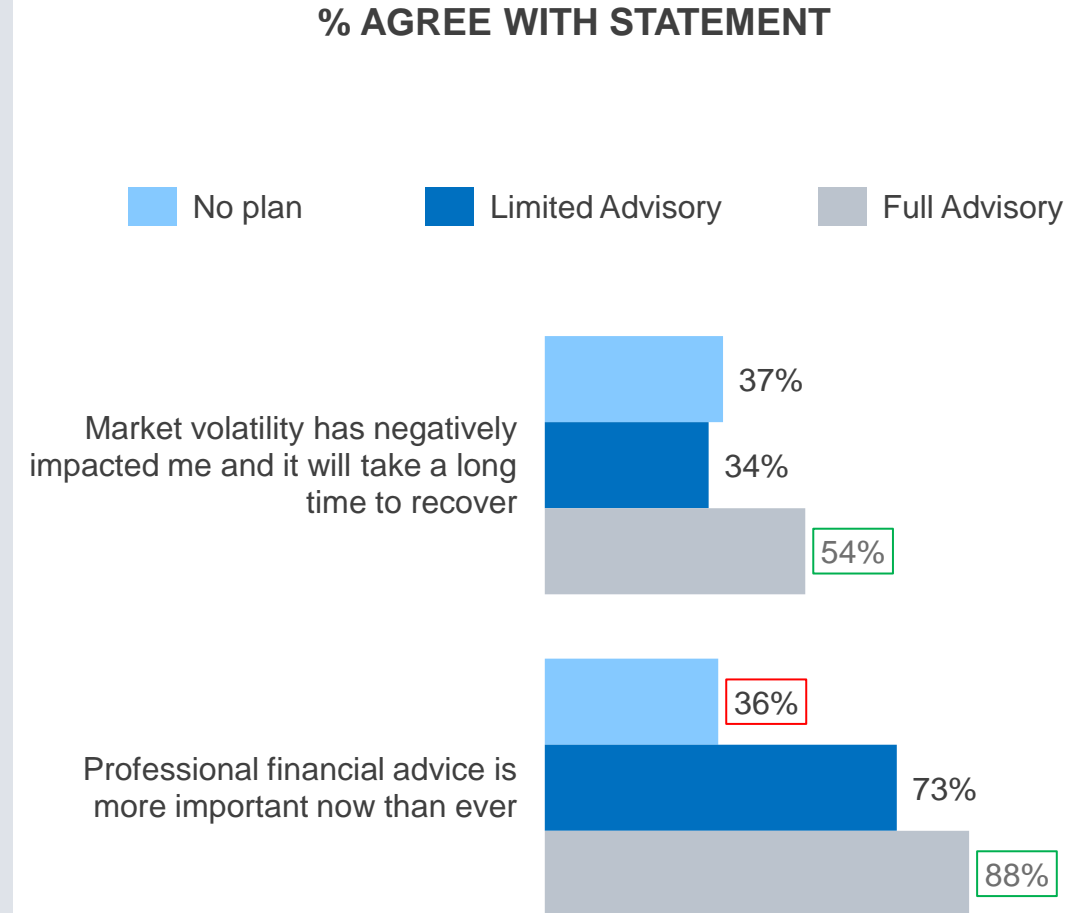
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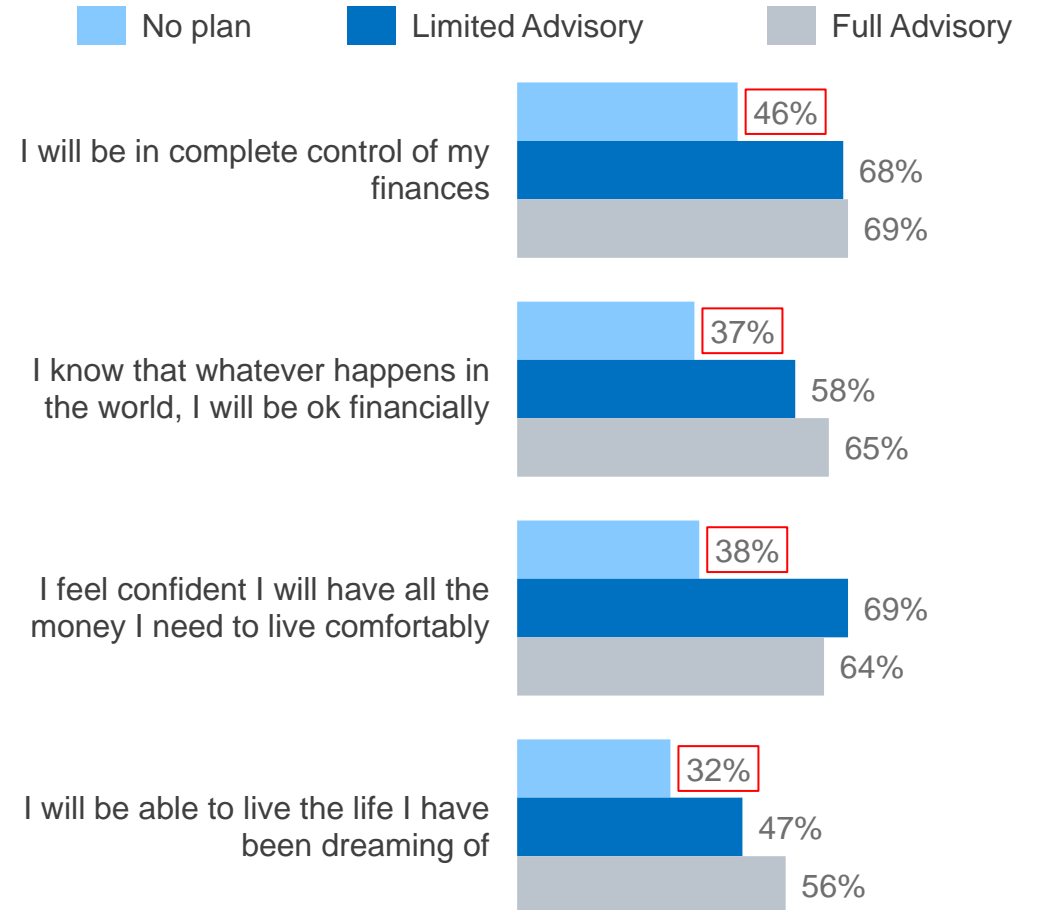
**Most Canadians with a
'Holistic' plan think that
professional advice is
more important than
ever.**



Holistic advice is also
linked to better
confidence in the long-
term financial future.

OUTLOOK ON LONG-TERM FINANCIAL FUTURE

(% indicating agree)



□ □ Statistically significant between groups

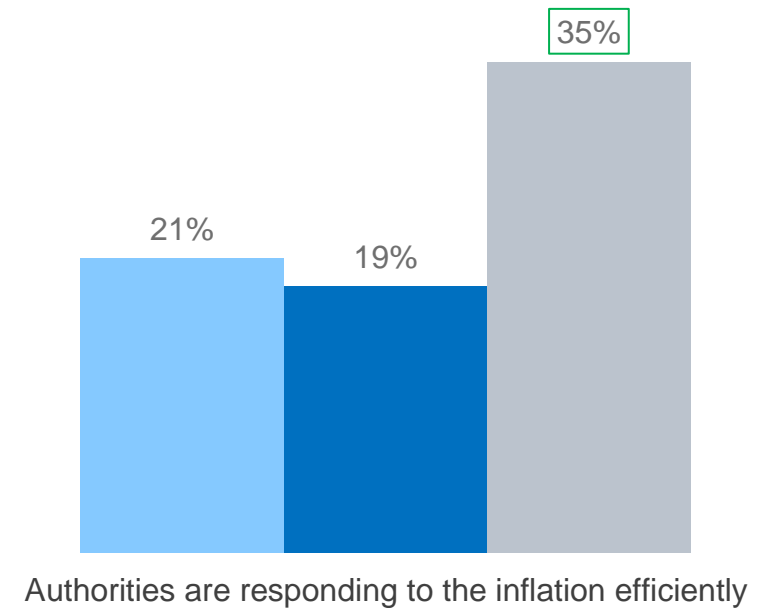
27 Thinking of your long-term financial future, including your retirement, to what extent do you agree or disagree with the following statements?

Canadians with a Holistic plan exhibit a **higher level of confidence** in the authorities' ability to address inflation.

PERCEPTION OF THE WAY CANADIAN GOV AND BIG FINANCE MANAGING THE INFLATION

(% indicating)

■ No plan ■ Limited Advisory ■ Full Advisory



□ Statistically significant between groups

24. Do you feel that the Canadian government and other financial authorities are responding efficiently to rising prices (inflation)?

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GAME CHANGERS

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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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