



PRESS RELEASE

Canadians Trapped in Pre-Spent Paycheque Cycle Amid Lifestyle Shrinkflation

61% of Canadians Say at Least Half of Their Income is Already Spent Before It Arrives

Toronto, ON, July 13, 2026 — The latest MNP Consumer Debt Index, conducted quarterly by Ipsos, indicates a modest uptick in Canadians' financial confidence rising to 91 (+4 pts), reflecting slight improvement despite ongoing economic uncertainty and persistent cost pressures. Canadians continue to navigate an endurance economy, where households are focused on getting through sustained financial pressures rather than experiencing meaningful growth. Three in five (61%) Canadians say at least half of their income is already committed to bills, debt payments, and regular expenses before it arrives, while one-third (32%) say most of their paycheque is already spoken for, and 16% say all of it is spoken for or expenses exceed that upcoming income payment.

Rising Insolvency Risk as Month-End Finances Decline

Nearly half of Canadians (46%) report they are on the brink of insolvency—within \$200 or less of not being able to meet their monthly financial obligations—up 3 points from last quarter, underscoring an increasingly uneven financial landscape across the country. Nearly three in ten (28%, -1) say they already don't earn enough to cover their bills and debt payments.

Higher Costs Drive 'Lifestyle Shrinkflation'

Canadians are most likely to say they are cutting back on travel and experiences due to financial pressures or global uncertainty (57%), including 42% who are cutting back on travel or vacation plans, 40% who are cutting back on concerts, festivals, sports, movies or other events, and 35% on weekend or day trips. More than half of Canadians (56%) are limiting their dining and socialization activities (56%), with 48% cutting back on restaurants, patios, takeout or coffee shops. Canadians (28%) are also cutting back on gifts, weddings, birthdays or other celebrations, and some are even cutting back on hosting family or friends (21%). Nearly four in ten (37%) say pressures are impacting their financial progress, and 35% are cutting back on family and personal enrichment, such as personal care, clothing, and children's activities. Meanwhile, one in ten (9%) Canadians are turning to credit or borrowed funds to maintain plans and activities, while 23% are cancelling plans/activities or avoiding making them altogether due to cost.

Interest Rate Concerns Persist Despite Signs of Gradual Adaptation

Canadians' capacity to absorb further interest rate increases remains constrained, even as the Bank of Canada continues to hold its key rate at 2.25%. Similar proportions feel better (24%) or worse (22%) about handling a one-percentage-point rate increase. However, when framed as an additional \$130 in monthly interest payments, affordability weakens notably—just 21% say they could manage



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the added cost, while 35% say they could not. Elevated borrowing costs continue to weigh on households, with three in five (62%, +1) saying they desperately need rates to come down, and 53% expressing concern about financial trouble if rates rise further.

About the Study

These are some of the findings of an Ipsos poll conducted between June 11 to 16, 2026, 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 ± 2.7 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.

For more information on this news release, please contact:

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About Ipsos

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"Game Changers" – our tagline – summarizes our ambition to help our 5,000 clients navigate with confidence our rapidly changing world.

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