

# 75 % OF CANADIANS HAVE LESS THAN THREE MONTHS WORTH OF SAVINGS IN THE BANK



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## **75 % OF CANADIANS HAVE LESS THAN THREE MONTHS WORTH OF SAVINGS IN THE BANK**

**TORONTO, ON** – According to a recent study conducted by Ipsos-Reid on behalf of the Bank of Nova Scotia, 75% of Canadians have less than three months worth of savings in the bank. This consumer savings poll, designed to understand Canadians' attitudes and behaviour toward savings, also shows that while 68% of Canadians feel much better when they are saving for a 'rainy day', 42% admit to having no 'rainy day' money.

Fully 73% of respondents feel that saving \$5 more a day would make little (52%) or no (21%) difference to their financial well-being; yet seven in ten (69%) Canadians say they would be most likely to "make small changes to their spending habits and save more money" to save more money than they do now.

Currently, only one in five Canadians (19 %) pay themselves first by automatically putting savings away regularly, however 47% say that none of their household's after-tax income is automatically transferred into a savings plan or account.

Less than half (44%) of Canadians "feel in control of their financial affairs", three in ten (28%) say they "accomplish the financial goals they set for themselves", and 16% say they "always stick to their budget which includes savings".



*These are some of the findings of an Ipsos-Reid poll conducted on behalf of the Bank of Nova Scotia between September 23rd and September 27<sup>th</sup>, 2004. The poll is based on a randomly selected sample of 2,525 adult Canadians from the Ipsos-Reid Online Panel. With a sample of this size, the results are considered accurate to within  $\pm 2.0$  percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.*

Three-quarters (75%) of Canadians have less than three months worth of savings in the bank—33% have an amount between one and three months; while 42 % admit to having no ‘rainy day’ money. The remaining 25% have an amount equal to three months or more of their household’s expenses.

- Across the regions, 55 % of those living in Saskatchewan, 54% of Atlantic Canadians, 44% of residents of Alberta, 41% of residents of British Columbia, 40% of residents of Quebec, 40% of residents of Manitoba, and 39% of residents of Ontario report having no ‘rainy day’ money.

Fully 73% of respondents feel that saving \$5 more a day would make little (52 %) or no (21 %) difference to their financial well-being. Just 27% say their financial well-being would be greatly improved.

- Residents of Atlantic Canada (36%) are most likely to say report saving \$5 more a day would greatly improve their financial well-being, followed by those living in Saskatchewan (31%), British Columbia (30%), Manitoba (29%), Alberta (27%), Ontario (26%), and residents of Quebec (24%).



Seven in ten (69%) Canadians say they would be most likely to “make small changes to their spending habits and save more money” to save more money than they do now. Two in ten (19%) would make large changes, while 12% say they would do nothing different.

- Residents of Saskatchewan (80%) are most likely to say they would be most likely to “make small changes to their spending habits and save more money” to save more money than they do now, followed by those living in British Columbia (74%), Atlantic Canada (34%), Ontario (69%), Alberta (68%), Manitoba (67%), and residents of Quebec (66%).

Half (47 %) of Canadians say that none of their household’s after-tax income is automatically transferred into a savings plan or account. On the other hand, 35% say between 1 and 10% and 19% say 10% or more.

- Residents of Atlantic Canada (61%) are most likely to say that none of their household’s after-tax income is automatically transferred into a savings plan or account, followed by those living in Saskatchewan (50%), British Columbia (48%), Ontario (46%), Manitoba (44%), Quebec (43%), and residents of Alberta (42%).

Using a seven-point scale where 7 means “strongly agree” and 1 means “strongly disagree”, respondents were asked whether or not they agree with a number of statements:

- When asked whether or not they “feel much better when they are saving for a ‘rainy day’,” 68 % of Canadians respond with a 5, 6, or 7 indicating that they do (or 48% respond “6” or “7”).
- Only one in five Canadians (19 %) “pay themselves first by automatically putting savings away regularly” (6, or 7 on the seven-point scale).



- Less than half (44%) of Canadians “feel in control of their financial affairs” (6, or 7 on the seven-point scale).
- Three in ten (28%) say they “accomplish the financial goals they set for themselves” (6, or 7 on the seven-point scale).
- One in seven (16%) say they “always stick to their budget which includes savings” (6, or 7 on the seven-point scale).

And the regional highlights for these statements:

% respondents who selected 6 or 7 on a 7 point scale where 7 means 'strongly agree' and 1 means 'strongly disagree'

	Total	Atlantic	Quebec	Ontario	Manitoba	Sask	Alberta	BC
I feel I am in control of my financial affairs	44%	40%	50%	43%	48%	46%	42%	40%
I accomplish the financial goals I set for myself	28%	23%	37%	26%	31%	28%	26%	26%
I always stick to my household budget which includes savings	16%	9%	23%	15%	12%	9%	13%	12%
I pay myself first by automatically putting savings away regularly	19%	12%	18%	19%	24%	21%	22%	23%
No 'rainy day money'	42%	54%	40%	39%	40%	55%	44%	41%
To save money I would most likely make small changes to my spending habits	69%	74%	66%	69%	67%	80%	68%	74%
By saving \$5 more a day, my financial well-being would be greatly improved	27%	36%	24%	26%	29%	31%	27%	30%



**Ipsos Reid**

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