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PROFESSIONAL
ACCOUNTANTS
CANADA

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CANADA

The Debt Dilemma 2023

Background Document
August 29 2023

Methodology



SUMMARY

These are findings of an Ipsos survey conducted on behalf of the Chartered Professional Accountants of Canada.



METHOD AND TIMING

The online survey was hosted by Ipsos. Fieldwork was conducted between June 16 and 23, 2023.



SAMPLE

A total of n=2,000 Canadians aged 18+ participated in the survey which was fielded via the Ipsos' online omnibus.

The combined data has been weighted by age, gender, education and region to ensure the sample composition reflects the Canadian population.

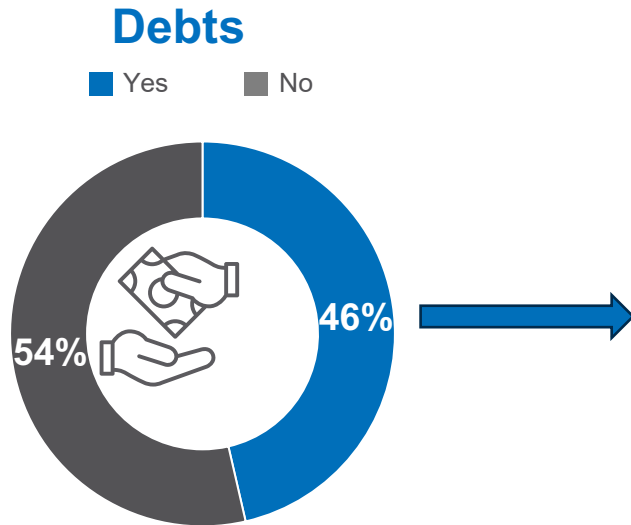


PRECISION AND ACCURACY

The precision of Ipsos online surveys is calculated via a credibility interval. In this case, the sample is considered accurate to within +/- 2.5 percentage points had all Canadians aged 18+ been surveyed.

Note: where totals do not add to 100% it is either due to rounding or respondents were permitted to offer more than one response.

Debt is a Pain Point for Some Canadians



46 per cent of Canadians currently have consumer debt:

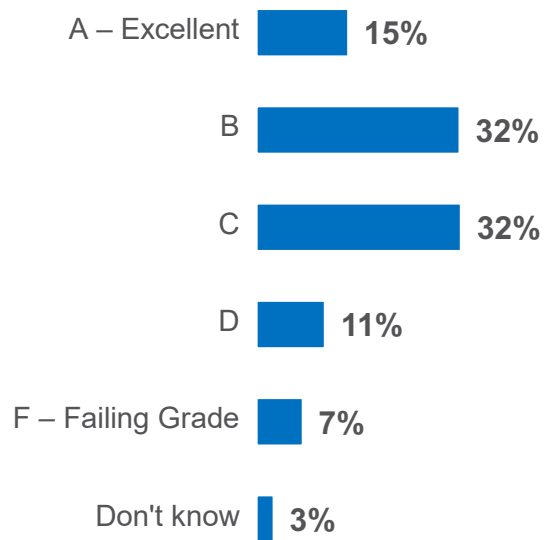
- One third (33 per cent) of Canadians with non-mortgage debt are not confident they understand the impact of fluctuating interest rates on it
- 57 per cent of Canadians with non-mortgage debt have carried over a balance on a credit card in the past two years
- 48 per cent of Canadians with non-mortgage debt find paying off their debts stressful
- 37 per cent of Canadians with non-mortgage debt have borrowed to cover day to day expenses in the past two years

Base: All respondents (n=2,000)

DEBT. [show if MORTGAGE=yes: Aside from your mortgage, do you have any other debts?] [show all other respondents: Do you have any debts?]

Two-Thirds (65%) Rate Themselves Average (B-C), In Terms Of Their Personal Financial Skills; Just Fifteen Percent (15%) Feel Excellent About It

Self-Assessed Personal Financial Skills



47 per cent give themselves a rating of “A” or “B” on their personal financial skills

- Of this group:
 - 27 per cent admit to buying things they cannot afford
 - 51 per cent say they worry about money

Base: All respondents (n=2000)

H1. If you were to give yourself a letter grade from A to F where A is “excellent” and F is a “failing grade”, what would you give yourself when it comes to your overall skills in the area of personal finance, including saving, managing debt, investing and budgeting?

Canadians Feel More in Tune with Their Credit Rating

Confidence in Sticking to a Budget



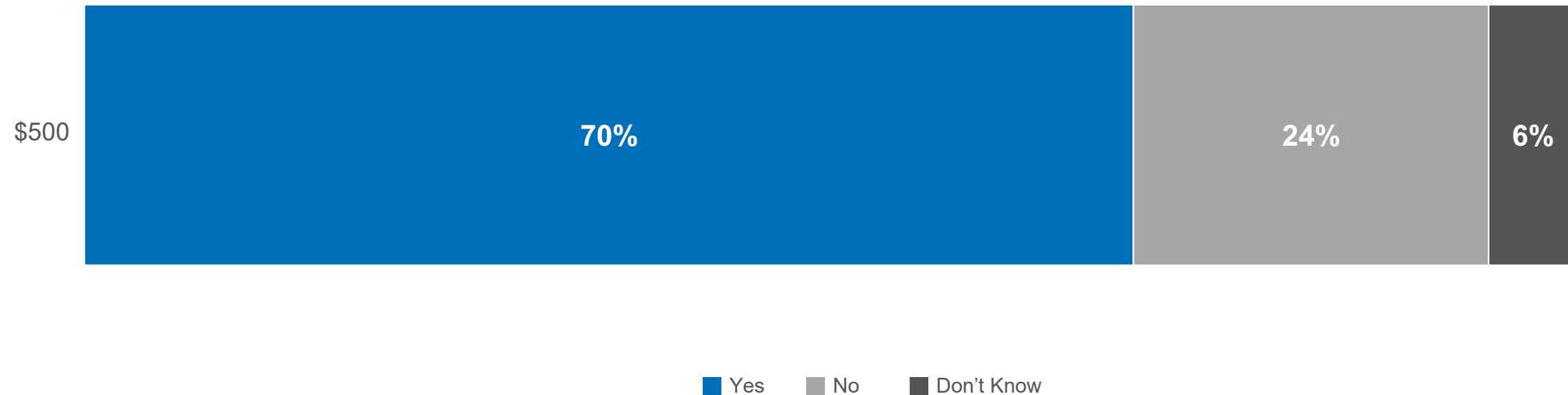
- 78 per cent of Canadians are very or somewhat confident in their ability to stick to a budget.
- Of this group, 27 per cent do not actually follow a budget.

■ Very Confident ■ Somewhat Confident ■ Not Very Confident ■ Not At All Confident

Base: All respondents (n=2000)
CONF1. For each of the following statements please indicate if you are very confident, somewhat confident, not very confident or not at all confident that you have the knowledge and skills needed to do each of the following.

Emergency Financial Requirements

Whether Could Come Up With \$500 In An Emergency Without Borrowing or Selling Anything



Base: All respondents (n=2000)

E16. If you had an emergency and needed to come up with \$500 cash tomorrow, would you be able to do so without borrowing or selling anything?

Detailed Data

Canadians With Non-Mortgage Debt

	%	Number
Yes	46%	946
No	54%	1,054

Base: all respondents (n=2,000)

DEBT: Working for those with mortgages "Aside from your mortgage, do you have other debts?", Question wording for those without mortgages "Do you have any debts?"

Consumer Debt Data – Among Those With Consumer Debt

Stressful Things About Managing Money

	%	Number (Unweighted)
Saving money	56%	542
Paying off my debts/Paying off partner`s debts	48%	462
Making sure I can afford the necessities	42%	408
Saving/planning for retirement	33%	330
Remembering to pay all of my bills on time	23%	212
Investing	18%	179
Home ownership	13%	128
Being able to afford programs for my kids	9%	95
Keeping up with peers	8%	71
Helping to support aging parents	8%	68
Costs of having a baby	6%	55
Continuing to support an adult child	5%	49
Affordable childcare	4%	38
Not applicable – I am not stressed about managing my money	11%	100
Other (Specify)	1%	13
Don`t know	<1%	1

Base: Respondents with consumer debt (n=946)

B6. What do you find stressful about managing money? Select all that apply.

Consumer Debt Data – Among Those With Consumer Debt

% Confident They Understand Impact of Interest Rate Changes on Debt

	%	Number (Unweighted)
Very/somewhat confident	68%	638
Very confident	21%	190
Somewhat confident	47%	448
Not very/not at all confident	33%	308
Not very confident	28%	257
Not at all confident	5%	51

% Who Have Borrowed Money for Day-to-Day Expenses - Past Two Years -

	%	Number (Unweighted)
Yes (Combined)	37%	334
Yes – though have since paid it all back	12%	105
Yes – and currently still owe money on it	25%	229
No	62%	600
Don't Know	1%	12

% Who Have Carried Over a Balance On a Credit Card - Past Two Years -

	%	Number (Unweighted)
Yes (Combined)	57%	545
Yes – though have since paid it all back	13%	122
Yes – and currently still owe money on it	44%	423
No	41%	389
Don't Know	2%	12

Base for all questions: Respondents with consumer debt (n=946)

Left: CONF1. For each of the following statements please indicate if you are very confident, somewhat confident, not very confident or not at all confident that you have the skills needed to do each of the following

Understand the impact of rising or falling interest rates on your debt.

Middle: A3. For each of the following which have you done in the past two years: Carried over a balance on a credit card.

Right: A3. For each of the following which have you done in the past two years: Borrowed money to pay for day-to-day expenses.

Grading Financial Skills

Personal Finance Grade

	%	Number (Unweighted)
A/B	47%	930
A	15%	282
B	32%	648
C	32%	657
D/F	18%	363
D	11%	216
F	7%	147
Don't know	3%	50

		Personal Finance Grade		
		A OR B	WORSE	DK
I sometimes purchase things that I really can't afford :	AGREE	27%	56%	35%
	Strongly agree	6%	12%	8%
	Somewhat agree	21%	44%	27%
	DISAGREE	73%	44%	65%
	Somewhat disagree	38%	32%	45%
	Strongly disagree	35%	12%	20%

		Personal Finance Grade		
		A OR B	WORSE	DK
I worry about money :	AGREE	51%	82%	60%
	Strongly agree	14%	38%	27%
	Somewhat agree	37%	43%	33%
	DISAGREE	49%	19%	40%
	Somewhat disagree	32%	17%	31%
	Strongly disagree	17%	2%	9%

Base: all respondents (n=2,000)

Left side: H1. If you were to give yourself a letter grade from A to F where A is 'excellent' and F is a "failing grade", what would you give yourself in the areas of personal finance, including saving, managing debt, investing and budgeting?

Right side top: I3. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree "I sometimes purchase things that I really can't afford"

Right side bottom: I3. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree "I worry about money"

Budgeting

Confidence in Sticking to a Household Budget

	%	Number (Unweighted)
Very/somewhat confident	78%	1561
Very confident	28%	564
Somewhat confident	50%	997
Not very/not at all confident	22%	439
Not very confident	19%	379
Not at all confident	3%	60

		Confidence Sticking to a Household Budget	
		VERY/SOMEWHAT	NOT VERY/NOT AT ALL
Follow a household budget :	Yes	71%	36%
	No	27%	60%
	Don't know	2%	3%

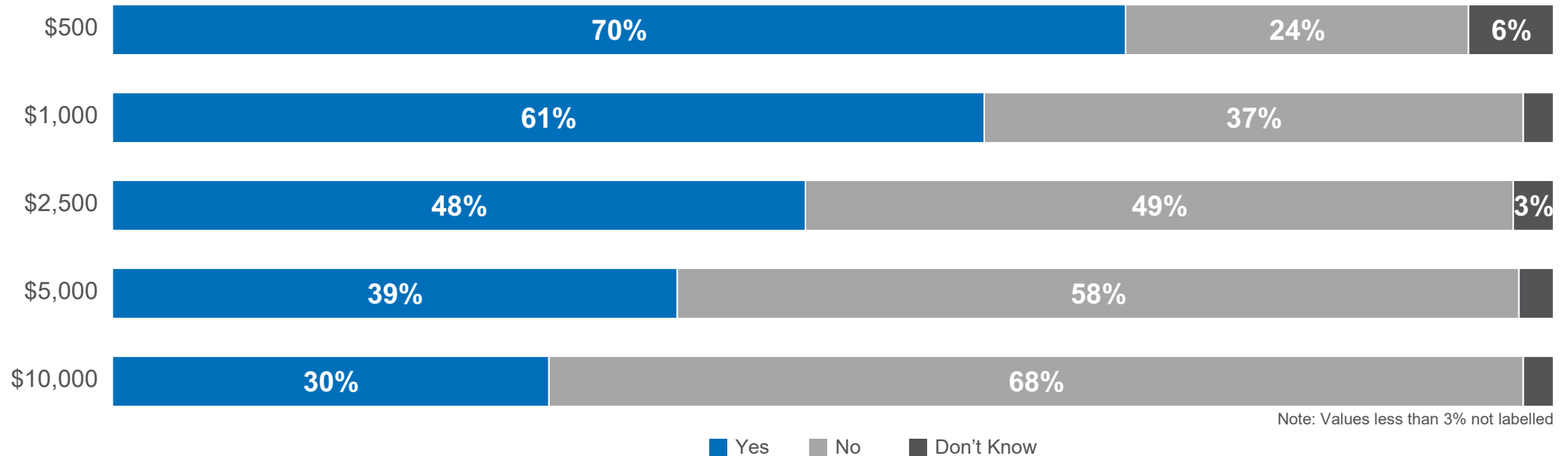
Base: all respondents (n=2,000)

Left side: CONF1. For each of the following statements please indicate if you are very confident, somewhat confident, not very confident or not at all confident that you have the knowledge and skills needed to do each of the following. - Stick to a household budget

Right side: comparison of whether respondents follow a household budget by how confident they are in sticking to a household budget.

How Much Money Canadians Could Come Up With In A Pinch

Liquid Capital Available



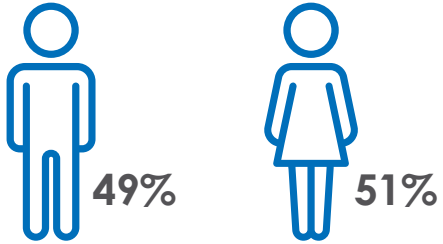
Base: All respondents (n=2000);

E16. If you had an emergency and needed to come up with ... cash tomorrow, would you be able to do so without borrowing or selling anything?

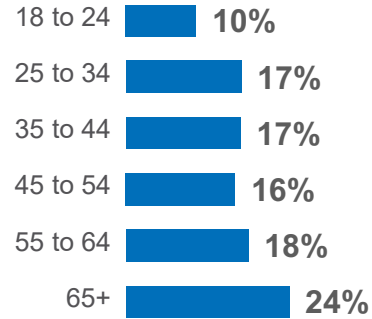
Demographics

Demographics

Gender

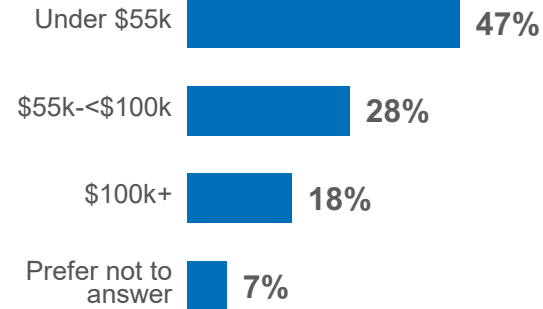


Age

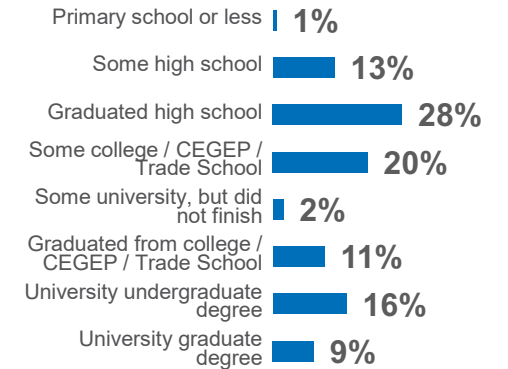


Mean **49.0** years

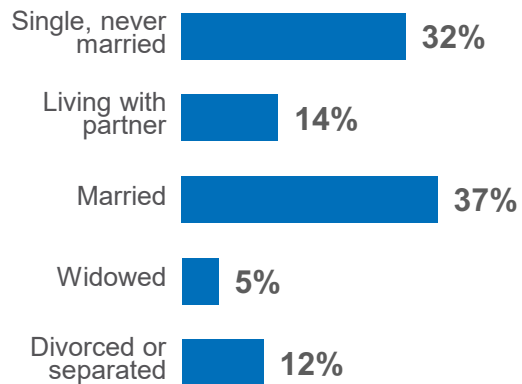
Income



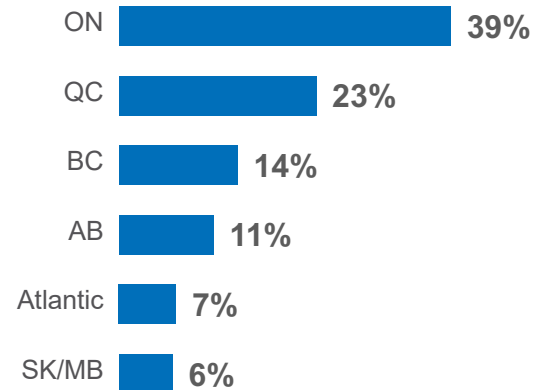
Education



Marital Status



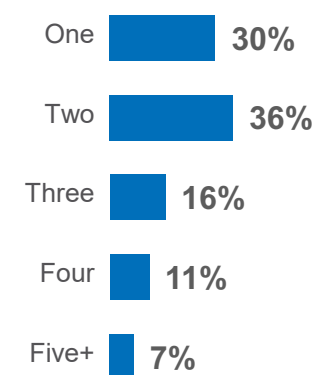
Region



Children In HH

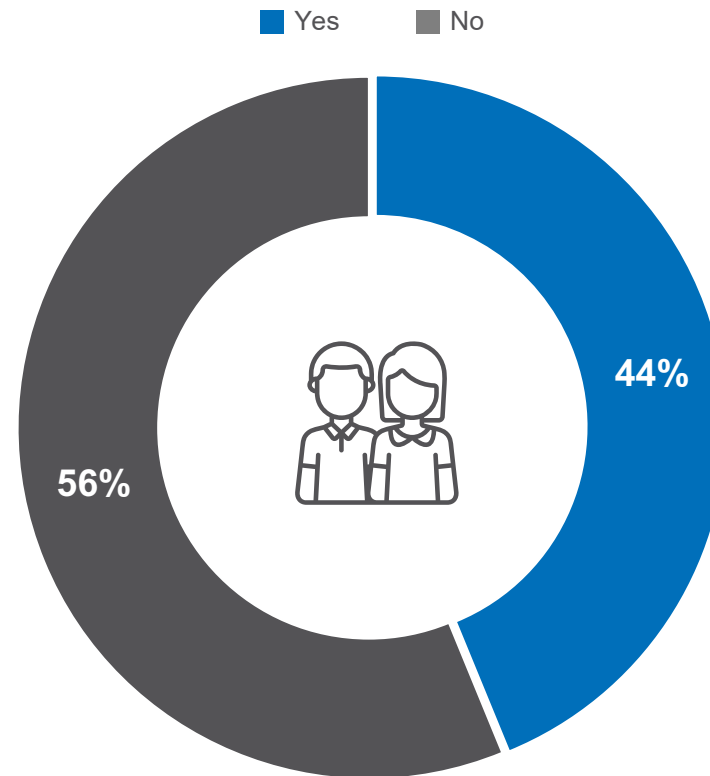
23% Have children under 18 in the household

Household Size



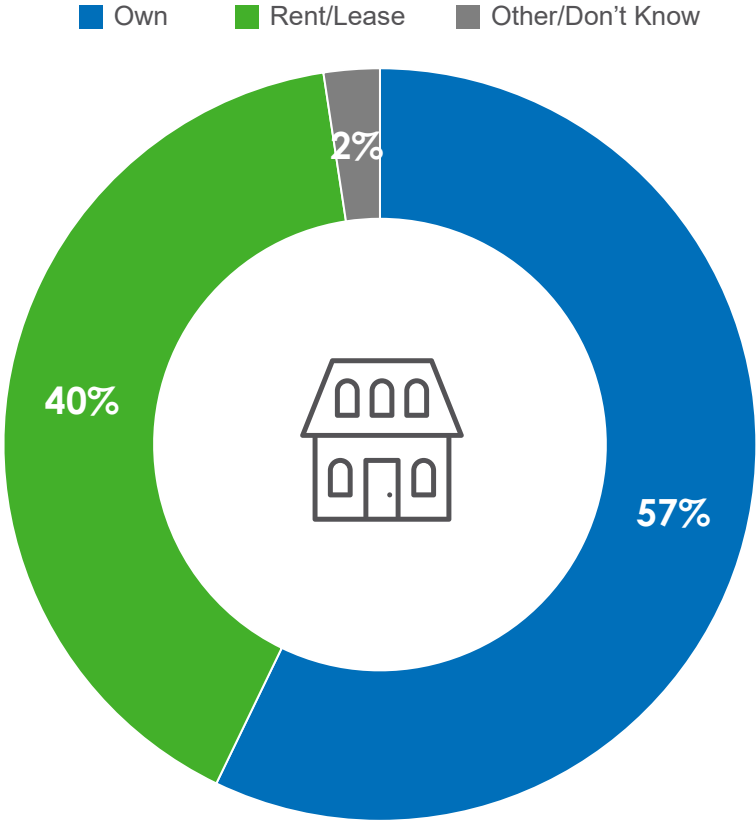
Base: All respondent (n=2000)

Adult Children



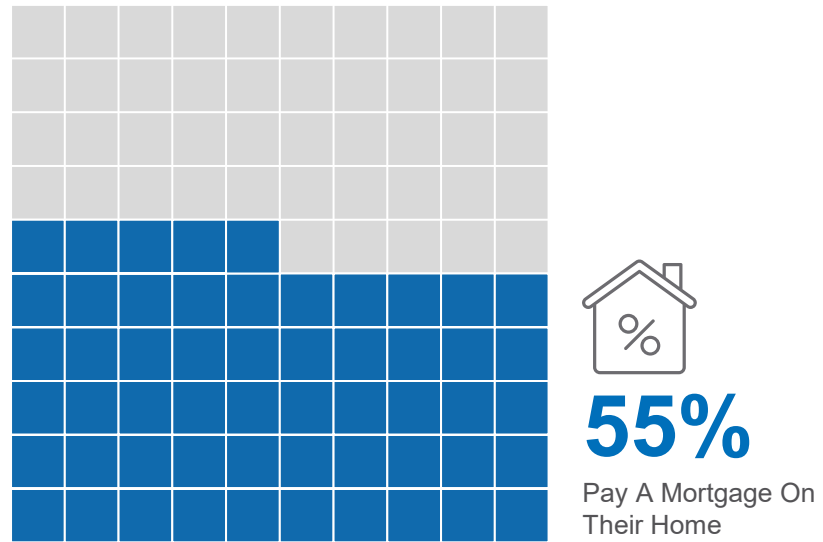
Base: All respondents aged 33+ (n=1673)
A1. Do you have any adult children who are 18 years of age or older?

Primary Residence



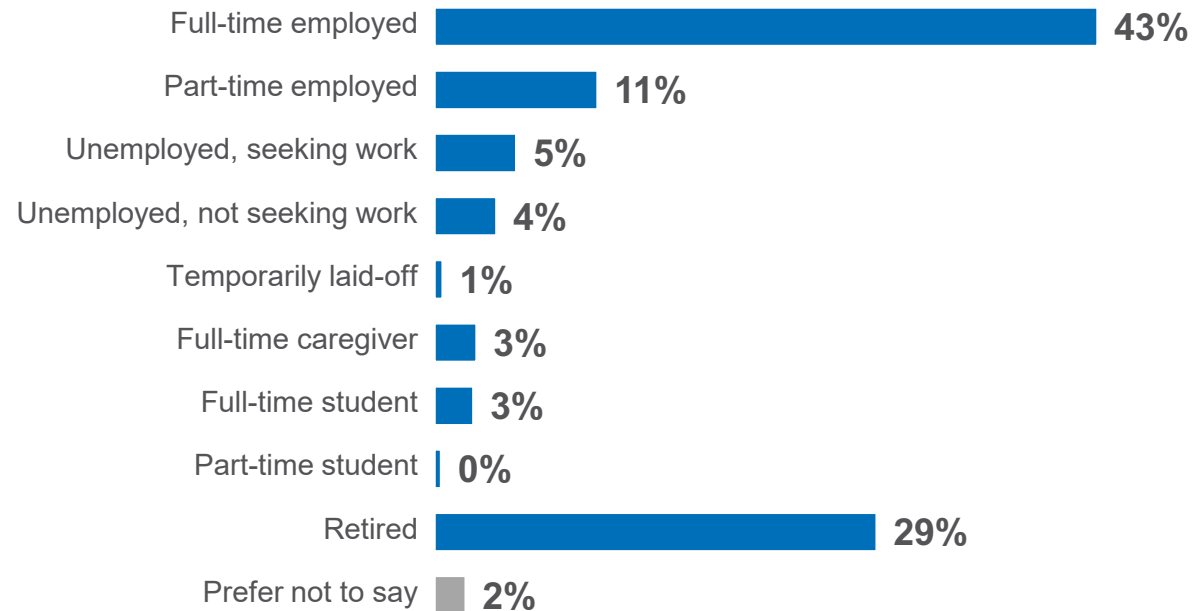
Base: All respondents (n=2000)
OWN. Do you currently own or rent your primary residence?

Mortgage



Base: Own primary residence (n=1154)
MORTGAGE. And do you pay a mortgage on your home?

Employment Status



Base: All respondents (n=2000)

JOB. Which of the following best describes your current employment status?