

A photograph of a man carrying a young girl on his shoulders. The girl has her arms outstretched and is wearing a white t-shirt and blue patterned pants. The man is wearing a white t-shirt. They are outdoors in a sunlit area with trees in the background. The scene is bright and warm, suggesting a sunny day.

# Seymour Financial Resilience Index™

Emerging insights on the financial resilience of Canadians in the era of Covid-19: aiming for more equitable and targeted support.

September 2020

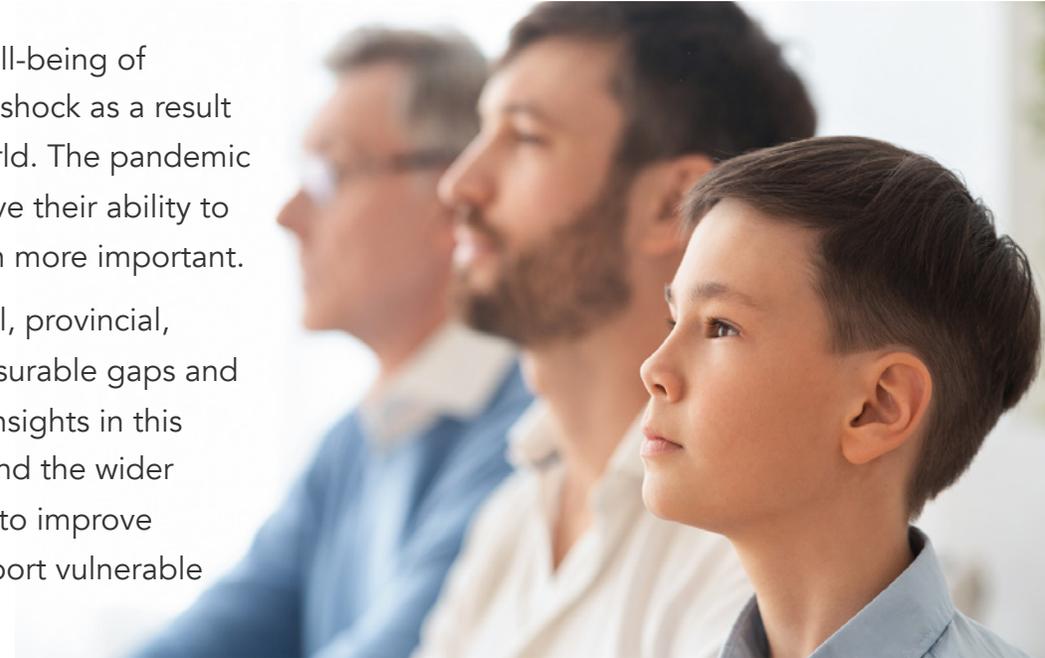
Created by Eloise Duncan, CEO and Founder, Seymour Management Consulting Inc. and the Seymour Consulting Team

# CANADA IS STRIVING TO BECOME A MORE EQUITABLE AND INCLUSIVE COUNTRY, BUILDING TOWARDS A RESILIENT FUTURE.

The financial health and resilience of Canadians contributes to the overall health, resilience and well-being of individuals, families, small businesses, communities and our economy. The financial and economic shock as a result of the Covid-19 pandemic has caused significant impact for Canadians and people around the world. The pandemic and our changing world underscores how measuring, understanding and helping people to improve their ability to weather financial hardship, stressors and shocks as a result of unplanned life events has never been more important.

The Seymour Financial Resilience Index™ measures consumers' financial resilience at the national, provincial, segment and individual household level. The Index and our benchmark data shines a light on measurable gaps and opportunities related to the financial health, resilience and well-being of Canadians. Some of the insights in this report validate the need for more targeted support by Government, Financial Institutions (FIs) and the wider ecosystem to support the financial resilience of Canadians and those most in need - while helping to improve financial inclusion (and overall inclusion), build financial and overall resilience; and help better support vulnerable and under-served populations.

This includes for women, for Canadians impacted by job losses and/or reduced work as a result of the pandemic, for small business owners who may be struggling to make it through financially; and for those who are more financially vulnerable or facing financial hardship. In this way, people can build resilience over time, and weather future financial shocks.



### The financial resilience of households is challenged and dividing Canadians. Improving the financial health and resilience of households, businesses and communities is vital, so that people can weather financial stressors and shocks.

This report provides some emerging insights on impacts of the Covid-19 pandemic on the financial lives of Canadians and the four financial resilience segments created through the Seymour Financial Resilience Index™, between February and June 2020. The report also highlights the financial resilience gender gap for women. This report is relevant for policymakers, financial institutions, innovators, and all those with a stake in the financial lives of Canadians and the resilience of our communities.

The Index and Covid-19 pandemic analysis validates that the financial resilience of Canadians varies significantly at the national, provincial, segment and individual household levels, building on our Index Release Report and June Index Report (dated July 22, 2020). Canadians have been impacted very differently by the global Covid-19 pandemic affecting our country since March, not surprisingly. While some Canadians have not been impacted by the pandemic financially (or have actually experienced their financial resilience to be improved between March and June - as a result of reduced spending, Covid-19 Government financial support and other factors, other Canadians, including those who are most vulnerable, are facing significant financial stress and hardship. In our opinion, we are now in an incredible 'watershed moment', where there are tremendous opportunities for Government, Financial Institutions, Businesses, Non-Profit Organizations and community leaders to individually (and together) identify new opportunities, policies and strategies to help build Canadians' financial health and resilience. This is central to the overall resilience of Canadian citizens, customers, employees, small businesses and communities, and to sustained economic growth and recovery.

Targeted, proactive support can be provided aligns with our Canadian values, builds financial inclusion, equity, and ultimately helps to support and 'nudge' Canadians to measurably maintain and/or improve their financial resilience now and into the future. This will mean putting people, their experience and financial resilience at the center while shifting away from "one-size-fits-all" thinking. For committed innovators, this can also mean re-inventing traditional risk models and traditional ways of serving customers, employees and people, while re-inventing financial products, services, programs, tools and solutions to help empower Canadians to better navigate their financial decisions and build their financial security and resilience. Cross-sector collaboration and an openness to doing things differently will create new avenues for innovation, while helping those who are most in need and building equity, resilience and inclusion.

## Executive Summary Continued

While there is clearly significant uncertainty in our current environment, changing consumer and financial behaviours by Canadians since the pandemic (highlighted through the Index) and bold leadership across the financial ecosystem (and our communities) highlight the power and potential for measurable behavioural change, improved financial resilience, targeted investments and impact.

For example, in our opinion, reduced (or ceased) Covid-19 government financial support may well be required for 'Financially Resilient' Canadians going forward: to better target policies and investments for those most in need. These include for Canadians impacted by job losses, reduced work and/or other barriers causing financial vulnerability and hardship.

In our opinion, there is tremendous opportunity for Financial Institutions and Government to help 'nudge' more 'Approaching Resilience' households into becoming 'Financially Resilient', while providing more targeted outreach and help to the 33% of most vulnerable Canadians (with household income under \$25k) who have concerningly not been able to access Covid-19 government support or support from help organizations, for different reasons.

An increased focus on cross-sector collaboration by our ecosystem, and on creating scalable solutions and targeted strategies needs to be a priority for Government, FIs and the wider ecosystem.

Working to reduce the financial health (and financial resilience) gender gap also needs to be a key priority to build gender and financial equality in Canada. This builds on on 2018 Statistics Canada data that Canadian women are currently paid 87 cents for every dollar earned by men, our reports over the years on the financial health gender gap in Canada, and Seymour Financial Resilience Index™ data included in this report.



## Background Context

- The federal Government and financial ecosystem have provided significant Covid-19 financial relief to Canadians across the country facing financial hardship and vulnerability as a result of the impacts of the Covid-19 pandemic affecting the economy. The Prime Minister wants Canada to emerge more equitable and inclusive coming out of the pandemic, with the financial resilience and overall well-being of Canadians a key priority for social, financial and monetary policy. As questions arise around how long government financial support will and can be provided to Canadians, and what the on-going impacts of the pandemic will be on Canadians in terms of job losses, reduced hours and financial hardship and vulnerability, the Seymour Financial Resilience Index™ for Canada (launched in May 2020) can help shine a light on the financial resilience of Canadians, and where more targeted support may be required – by Government, Financial Institutions (FIs) non-profit help organizations and other organizations across the ecosystem, with a stake in the financial lives of Canadians.
- Seymour Management Consulting Inc. is a strategic management consulting firm based in Vancouver, B.C. We are the leading independent authority on financial health in Canada. Our national Financial Health Index studies for Canada, first launched in 2017, provide longitudinal data insights on the financial health, resilience and stress/wellness of Canadians across the country. The Seymour Financial Resilience Index™ for Canada provides a measurement and segmentation model for Canadians based on their financial resilience, with trended data, far before the Covid-19 pandemic affected Canada. The Index highlights that there are real disparities and differences in the financial resilience of Canadians, with 72.3% of Canadians are not being financially resilient, even after Government Covid-19 financial support. Please see our June Index Report (July 22, 2020) and Index Release report (Updated July 2020) for more details <http://financialhealthindex.org/>
- The June 2020 Financial Health Index [FHI] study has a sample size of 4989 adult Canadians across all provinces including Quebec, with data to be representative of the Canadian population by age, gender, province and household income. In addition to many of our typical Index and annual FHI study questions, the June 2020 study included additional questions related to the impact of the Covid-19 pandemic on households, including as it relates to impacts of job losses, reductions in household income since the start of the year as a result of the pandemic, negative impacts on peoples' financial health, changes in consumer and financial behaviours, whether households accessed Government Covid-19 financial relief and Financial Institution programs, lent (or borrowed) money from close family or friends to get through financial hardship; reduced or changed their borrowing and reliance and on credit and more.
- This report provides some insights on how the Covid-19 pandemic has affected the financial health and resilience of Canadians overall, and the four financial resilience segments created through the Seymour Financial Resilience Index™ namely:
  - Extremely Vulnerable households with an index score of 0 – 30 – representing 3.61 million adult Canadians (aged 18 to 70 years old).
  - Financially Vulnerable households with an index score of 30.01– 50 representing 5.99 million adult Canadians.
  - Approaching Resilience households with an index score of 50.01– 70 representing 9.06 million adult Canadians.
  - Financially Resilient households – with an index score of 70.01 – 100 representing 7.15 million adult Canadians.

# The Seymour Financial Resilience Index™



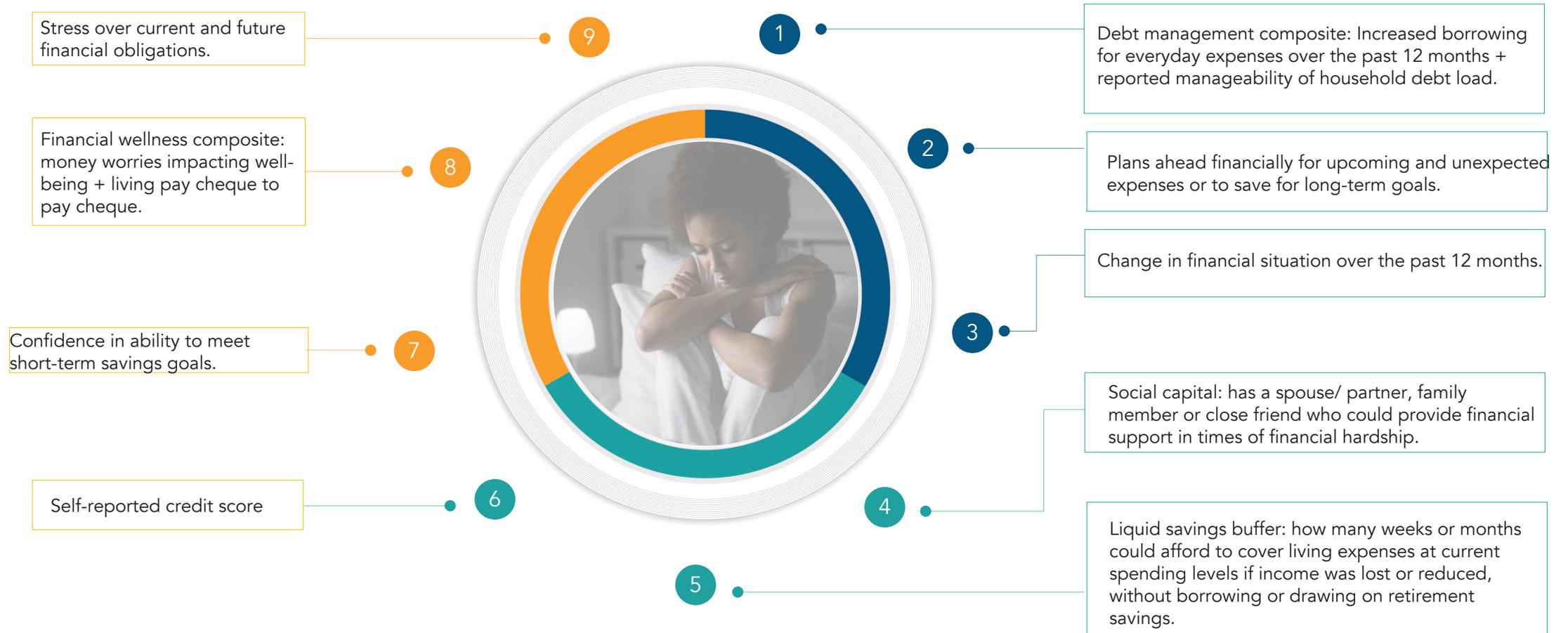
## WHAT THE INDEX MEASURES

Financial resilience: i.e. a household's ability to get through financial hardship, stressors and shocks as a result of unplanned life events. The Index measures and tracks this for Canadian households across nine behavioural, sentiment and resilience indicators: at the individual household, segment, provincial and national levels.



# Seymour Financial Resilience Index™ Indicators

The Index and model has nine behavioral, sentiment and resilience indicators: with the key dependent variable being *“Confidence in a household’s ability to a household’s ability to get through financial hardship, stressors and shocks as a result of unplanned life events”*



# Index scoring model and financial resilience 'zones' and segments



Financial resilience scores between 0 and 30 represent individuals and households that are most vulnerable and unable to survive financial stressors or shocks. These people report financially resilient outcomes across none of the nine indicators.

Financial resilience scores between 30.01 and 50 represent individuals and households that are financially vulnerable to large financial stressors or shocks yet subsisting under normal conditions. These people report financially resilient outcomes across few of the nine indicators.

Financial resilience scores between 50.01 and 70 represent individuals and households building their financial resilience in the absence of financial shocks. These people report financially resilient outcomes across some of the nine indicators.

Financial resilience scores between 70.01 and 100 represent individuals and households that can endure financial shocks with little effect to their overall financial resilience. These people report financially resilient outcomes across nearly all (or all) of the nine indicators.



3.61 million



5.99 million



9.06 million



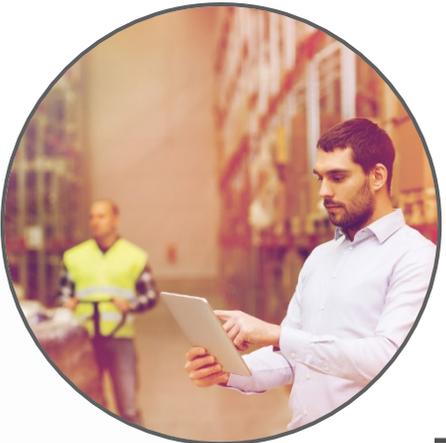
7.15 million

1] Based on a population of 25.81 million Canadians aged 18 years old to 70 years old (July 2019) Source: Statistics Canada.  
Source: Seymour Financial Resilience Index™ © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Connecting individual financial health and resilience to family financial well-being, small business financial health and resilience and a financially healthy thriving communities.



Individual financial health, resilience and well-being



Small business financial health resilience and growth



Family well-being and resilience



Financially healthy, thriving communities and economy

The Federal Government has a goal to ensure Canada's economic recovery is equitable, inclusive and green. The Index identifies opportunities to build financial equity, inclusion and resilience: particularly for more financially vulnerable populations, while tracking impact over time.

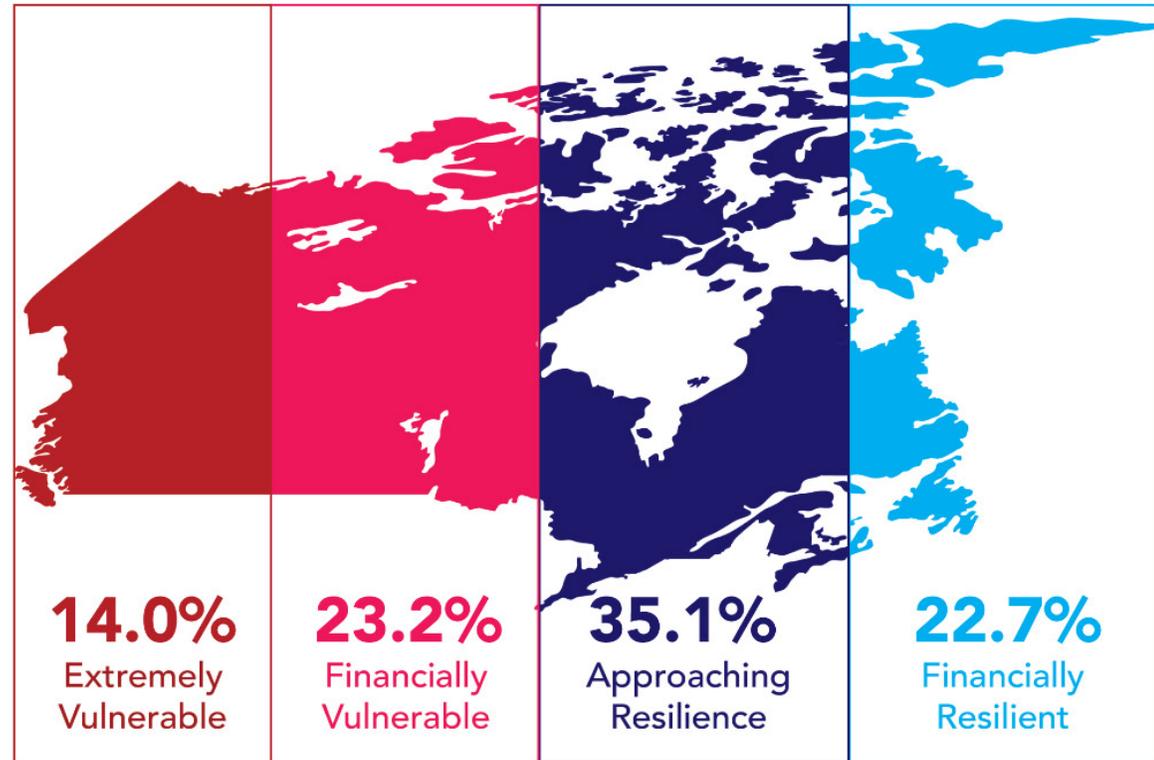
**Justin Trudeau**  • Following  
Prime Minister of Canada | Premier ministre du Canada  
2d • 

Canada's economic recovery needs to be equitable, inclusive, and green - and right now, we have an opportunity to build a more resilient future, and create good jobs and a sustainable economy. That's what I spoke about with TransLink, Vancity, Clean Energy Canada, and others today.

//

La relance économique du Canada doit être équitable, inclusive et verte. Nous avons l'occasion de bâtir un avenir plus résilient et de créer de bons emplois et une économie durable. Voilà ce dont j'ai parlé avec TransLink, Vancity, Clean Energy Canada et d'autres, aujourd'hui.

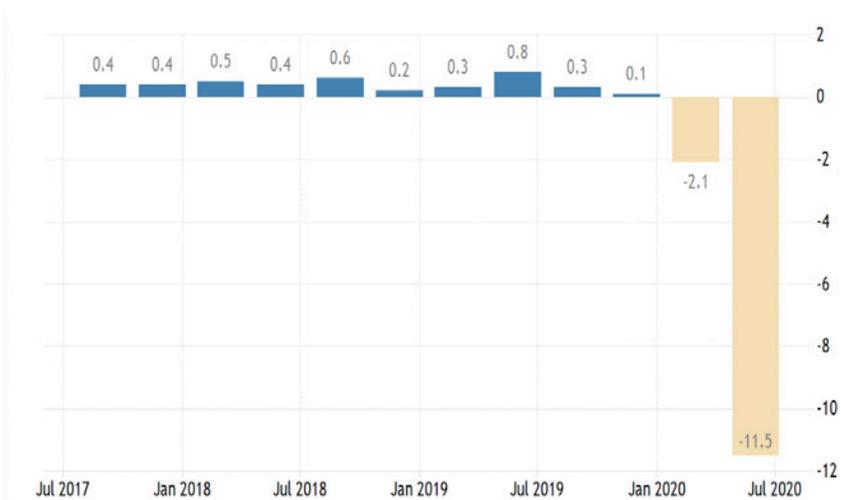
[See translation](#)



Source: Seymour Financial Resilience Index™ © 2020 Seymour Management Consulting Inc. All Rights Reserved.

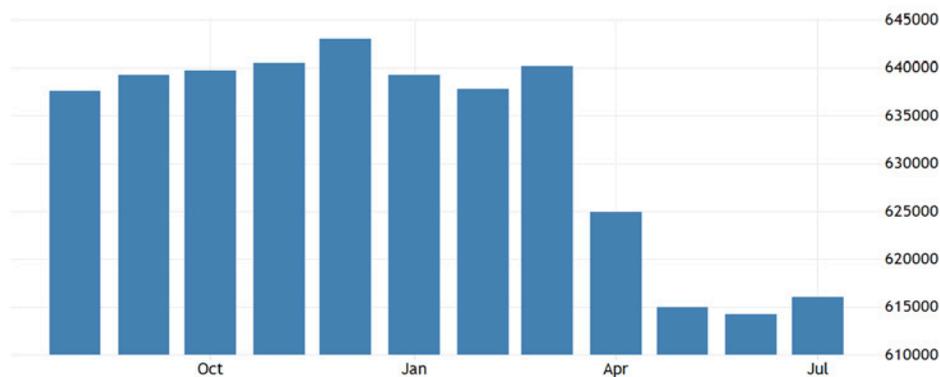
# Economic Context: key indicators

**GDP Growth: the economy shrank 11.5% for the quarter ending June 2020, with the current unemployment rate at 10.2% as of August 2020.**



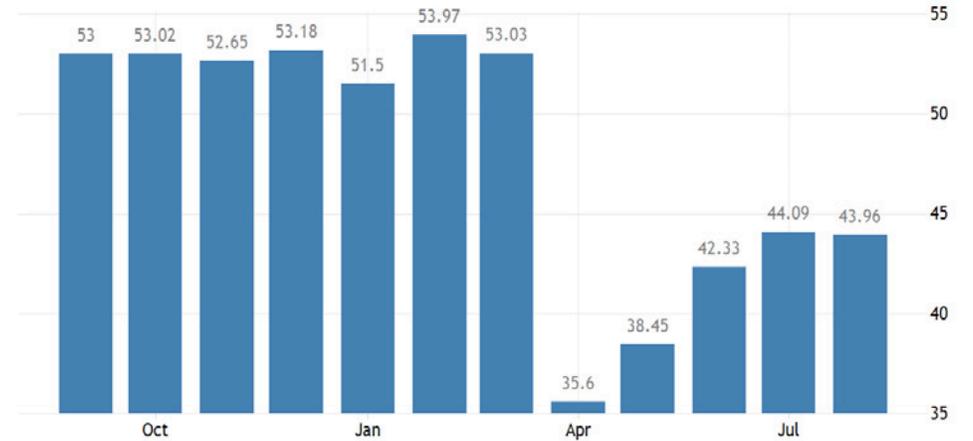
SOURCE: TRADINGECONOMICS.COM | STATISTICS CANADA

**Consumer credit in Canada dropped between March and June: to \$C 631241 million in June 2020.**



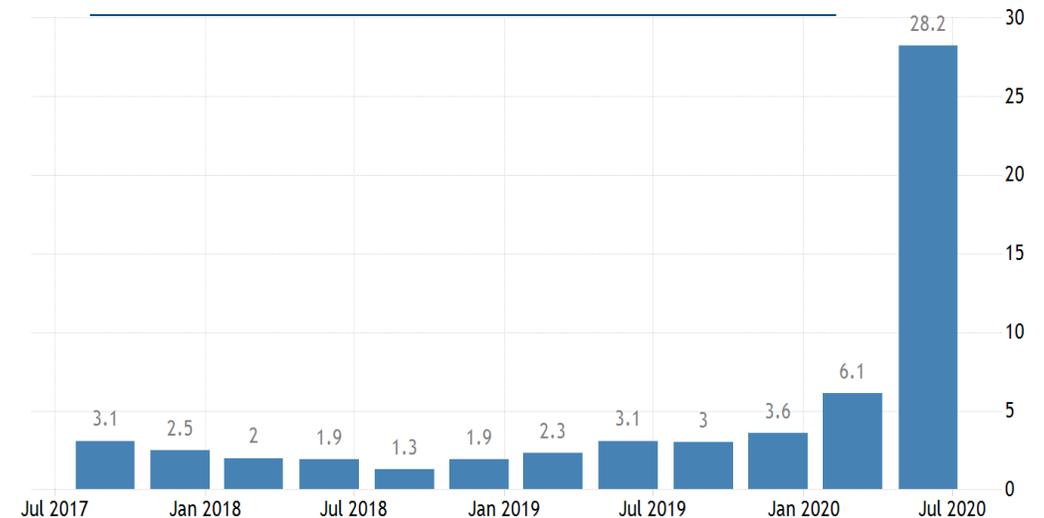
SOURCE: TRADINGECONOMICS.COM | STATISTICS CANADA

**Consumer Confidence Index for Canada rose in June 2020 to 42.3 from a low of 35.6 in April 2020.**



SOURCE: TRADINGECONOMICS.COM | IPSOS

**The household saving rate in Canada increased significantly to 28.2% in Q2 2020, from 6.10% in Q1 2020.**



SOURCE: TRADINGECONOMICS.COM | STATISTICS CANADA

Sources: Statistics Canada, IPSOS Reid and data on Trading Economics  
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The Index showed a positive (yet perhaps temporary) boost to the national mean financial resilience score for Canadians in June, as highlighted in the June 2020 Index Report.

## Canada Mean Financial Resilience Score <sup>[1]</sup>



[1] Data as of June 2020  
Seymour Financial Resilience Index™  
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- The financial resilience of Canadians at the national level has been temporarily boosted by significant Government Covid-19 financial relief and financial relief from Financial Institutions for customers facing financial hardship. The June Index release highlighted an increase in the national mean financial resilience score from 49.58 in February (before the pandemic affected Canada and Covid-19 relief was provided) to 55.58 in June 2020.
- The Index and June Financial Health Index study data show many changes in consumer and financial behaviours of Canadians since the global health pandemic impacted households, communities, businesses and the economy: at the national level and across the four financial resilience segments.
- We see reduced levels of spending, reduced usage of credit increased savings rates, leverage of and/or provision of social capital to access financial help in times of hardship; and many other behaviours, including related to debt and credit management. Key to note is that some of the impacts of these behaviours and Government and FI financial support is that households' liquid savings buffers have increased for many, and stress over current and future financial obligations has reduced since February 2020.

[1] The Mean Canada Financial Resilience score based on the June Index is 55.58, up from 49.58 from the February Index baseline (pre Covid-19 affecting Canada).

The national score for Canada includes the province of Quebec. Excluding Quebec, the Canada mean financial resilience score for Canada in June 2020 is 54.68.

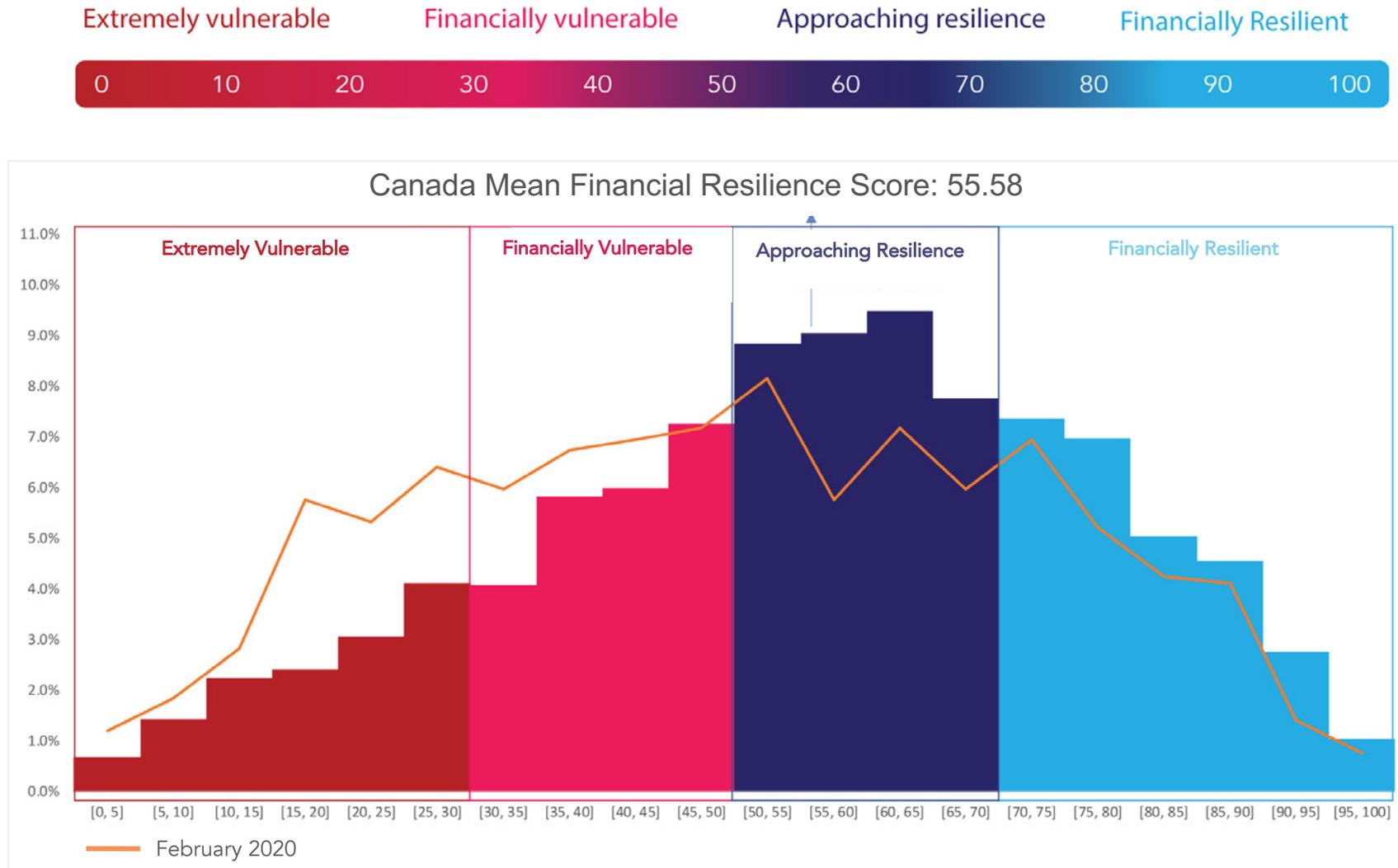
As of June 2020 (and for all future Index releases) households' financial resilience is tracked at the national level (including Quebec) plus provincial, segment and individual household levels.

The Seymour Financial Resilience Index™ is a regression model with nine indicators, building on four years of longitudinal data from the independent, longitudinal national Financial Health Index studies.

The June 2020 Financial Health Index [FHI] study has a sample size of 4,989 Canadians aged 18-70. MOE of +/- 1.4% and 95% confidence interval across all provinces. Data is weighted to be representative of Canadian population based on household income, gender, age and province, and respondents recruited through the Angus Reid Forum.

Source: Seymour Financial Resilience Index™. © 2020 Seymour Management Consulting Inc. All Rights Reserved.

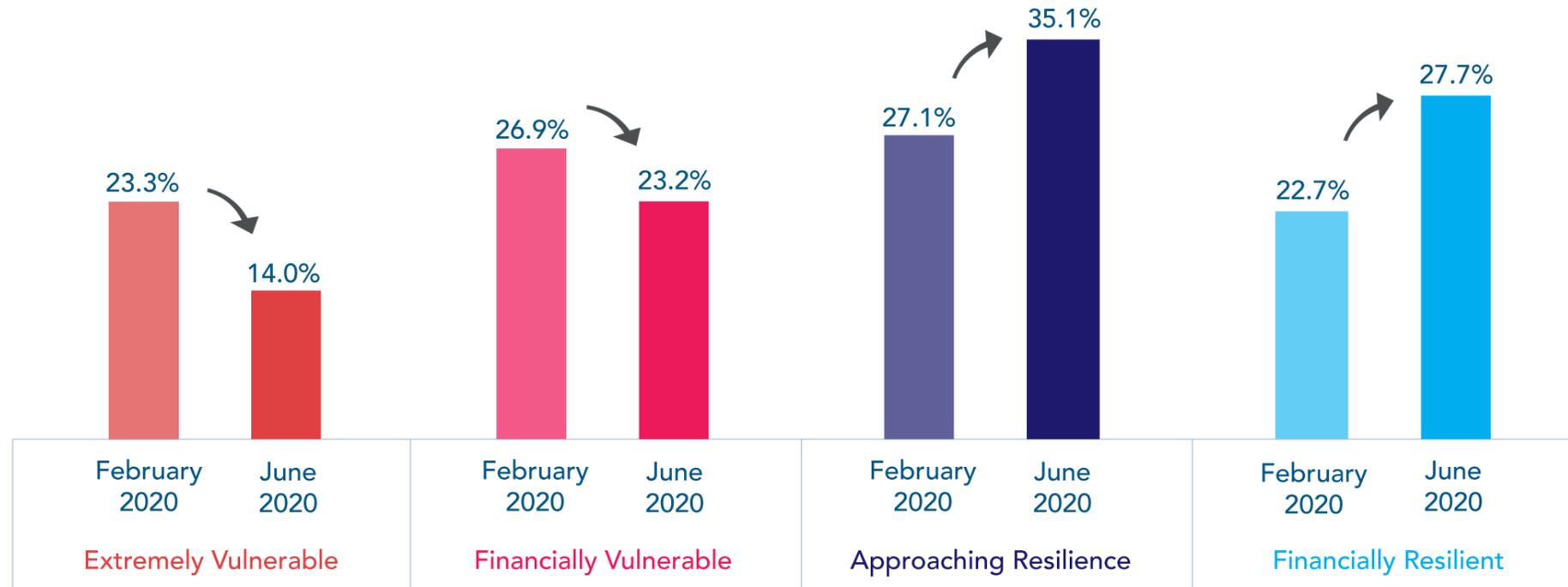
# Changes in the Index Distribution For the June 2020 Index versus the February 2020 Index



As of June 2020 (and for all future Index releases) financial resilience is measured at the national level (including Quebec), provincial, segment and individual household levels. The June 2020 Financial Health Index [FHI] study has a sample size of 4989 Canadians across all provinces including Quebec. Source: Seymour Financial Resilience Index™ © 2020 Seymour Management Consulting Inc. All Rights Reserved.

# The Index highlights movement of some Canadians from less to more financially resilient segments, thanks in large part to significant Government Covid-19 financial relief and Financial Institution [FI] financial relief programs.

**Movement within and between the financial resilience segments is evident between February and June:** with the Index highlighting a decline between February and June in the number of 'Extremely Vulnerable' and 'Financially Vulnerable' households, and more Canadians moving into 'Approaching Resilience' and 'Financially Resilient' segments. Based on our analysis, this is partly thanks to Government Covid-19 and FI financial relief, as well as reduced spending and changed consumer and financial behaviours as a result of the economic shutdown and many changes facing Canadians, businesses and society. More changes are expected based on the October 2020 Index.



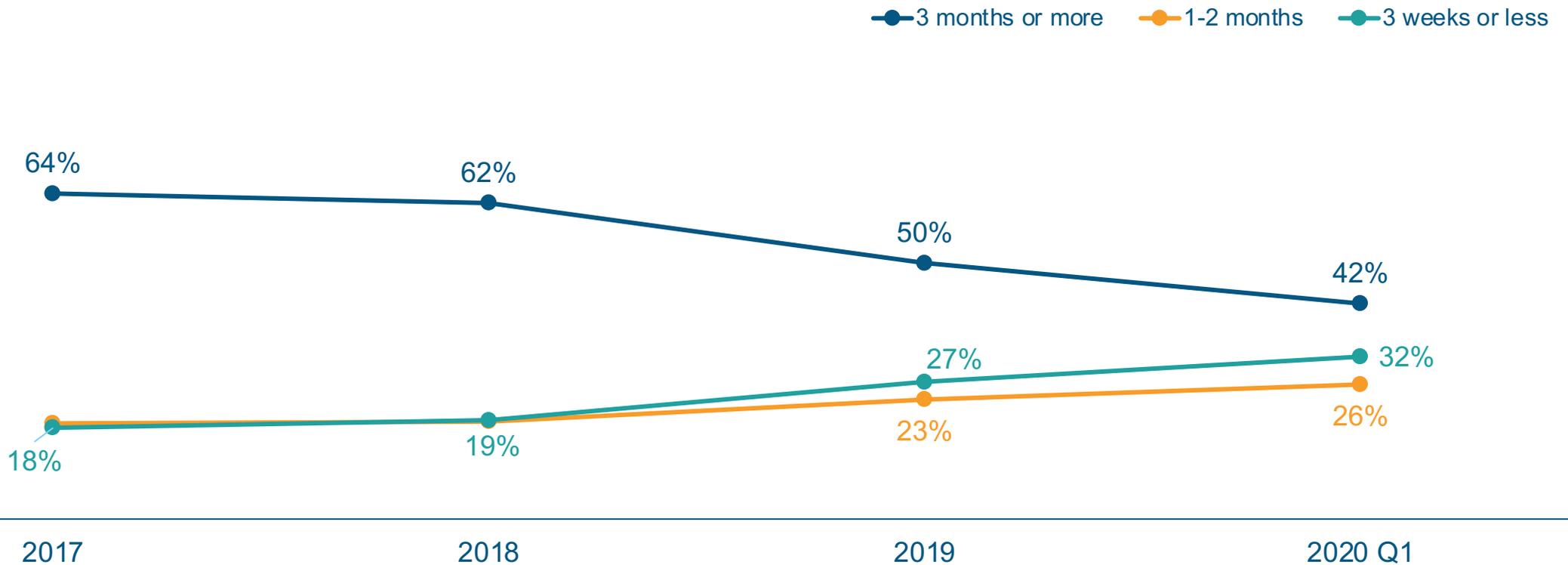
[1] The June Index highlights the change in the % of Canadians in each financial resilience segment, compared to the Index baseline in February 2020. Quebec was not included in the February 2020 FHI study sample. Based on the population of 25.81 million Canadians aged 18-70 years old (July 2019). Source: Statistics Canada. Quebec population is included in the Seymour Financial Resilience Index TM as of June 2020 for all Index releases, with data available including and excluding Quebec. Source: Seymour Financial Resilience Index TM. © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Covid-19 pandemic impacts on the financial  
resilience of Canadians and emerging insights and  
opportunities



In our March (Pre-Covid-19) Financial Health report, we recommended the importance of swift, relevant support in response to Covid-19 by Government and FIs, given Canadians' financial vulnerabilities and minimal liquid savings buffers, along with other long-term trends highlighting financial stress as a mainstream issue.

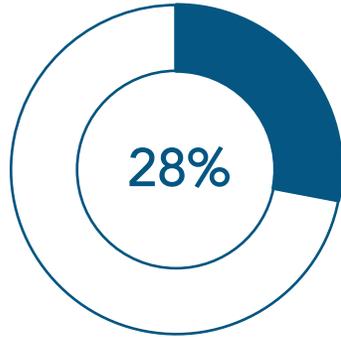
How long the consumer or their household could afford to cover expenses at their current level of spending, without borrowing or drawing on retirement savings.



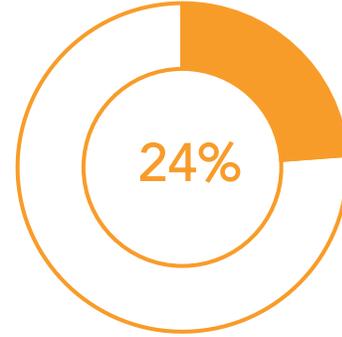
Source: 2020, 2019, 2018 and 2017 Financial Health Index Studies. © Seymour Management Consulting Inc. All Rights Reserved.

# Many Canadians who have suffered from reduced or lost work as a result of the pandemic have been cushioned by Government and FI Covid-19 financial relief: data as of June 2020.

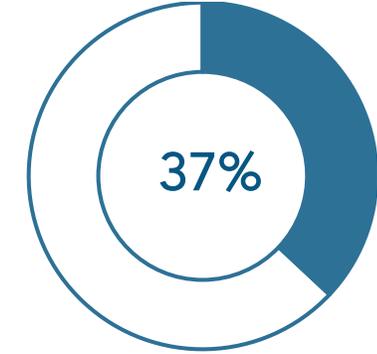
Somebody in the household has lost their job as a result of the economic shock of Covid-19



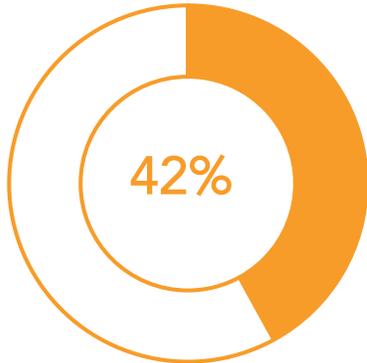
Canadians reporting their household monthly income has been reduced by more than 25% as a result of Covid-19



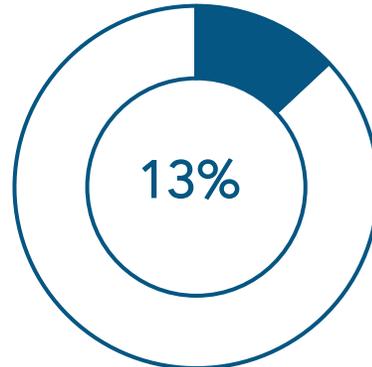
Canadians reporting their household has received Government financial relief since the pandemic started (1)



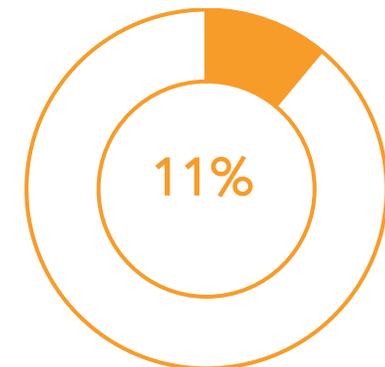
Canadians who somewhat or completely agree the pandemic has caused their household significant financial hardship



Homeowners with a mortgage who report having taken FIs up on a "skip a mortgage payment" offer



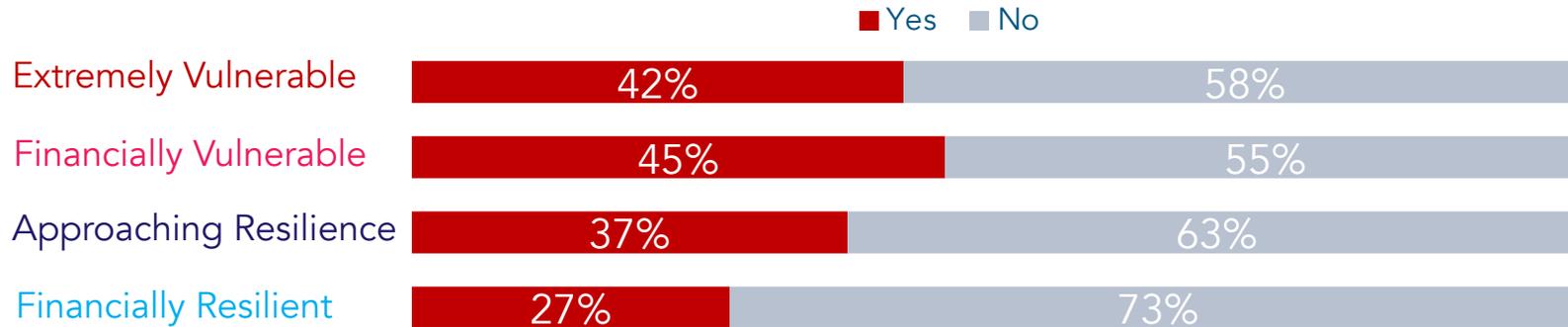
Canadians who report having taken up programs from their FIs for 'skip a loan' or credit card repayment



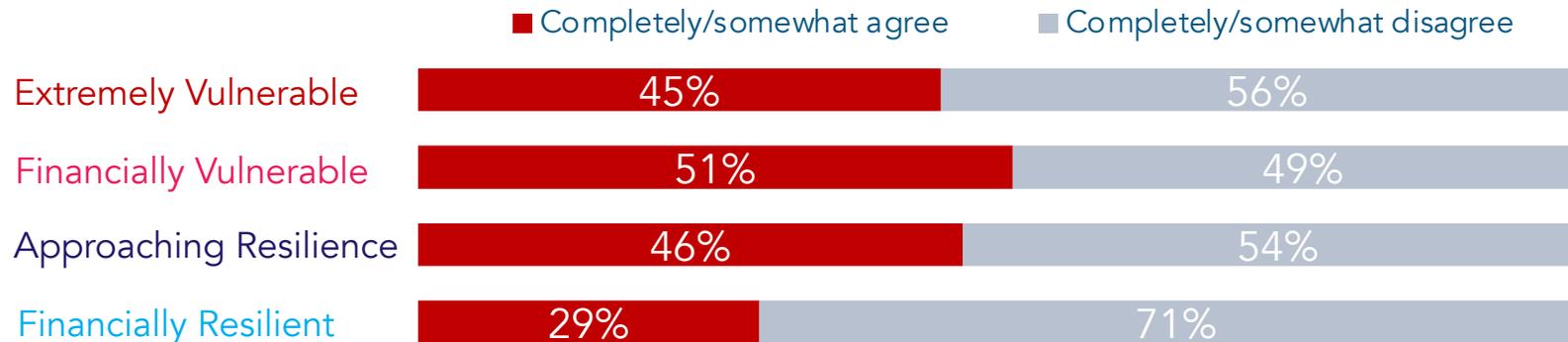
[1] Government benefits include CERB, CEWS, Indigenous Community Support Fund and/or provincial employment relief or other financial relief. Source: Seymour Financial Resilience Index TM © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Covid-19 Government financial relief has helped many Canadians, across all financial resilience segments, to bridge through financially. This has particularly been the case for less financially resilient households.

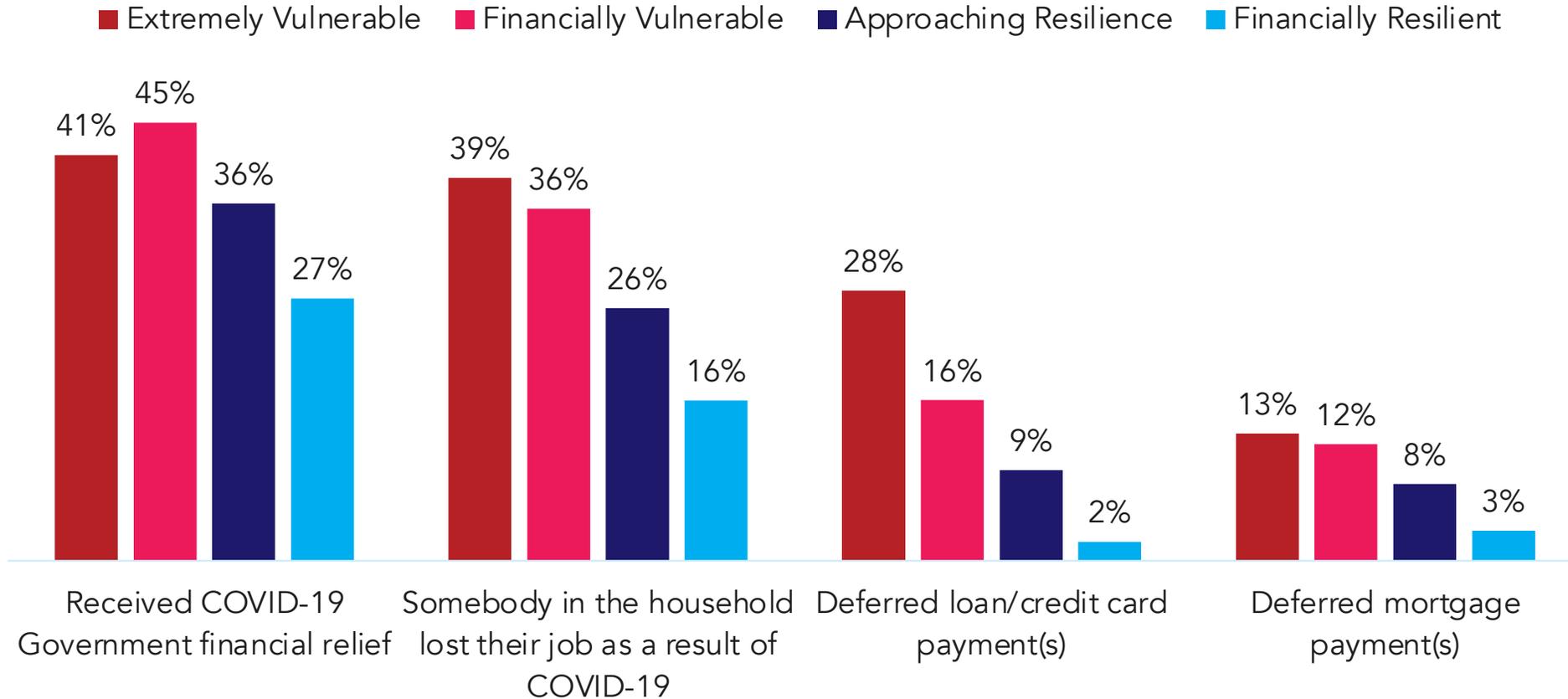
Has your household received Covid-19 Government financial relief (e.g. EI, CERB, CEWS, Indigenous Community Support Fund or provincial employment relief) since the pandemic started?



Financial support from the Government has helped my household get through financially.



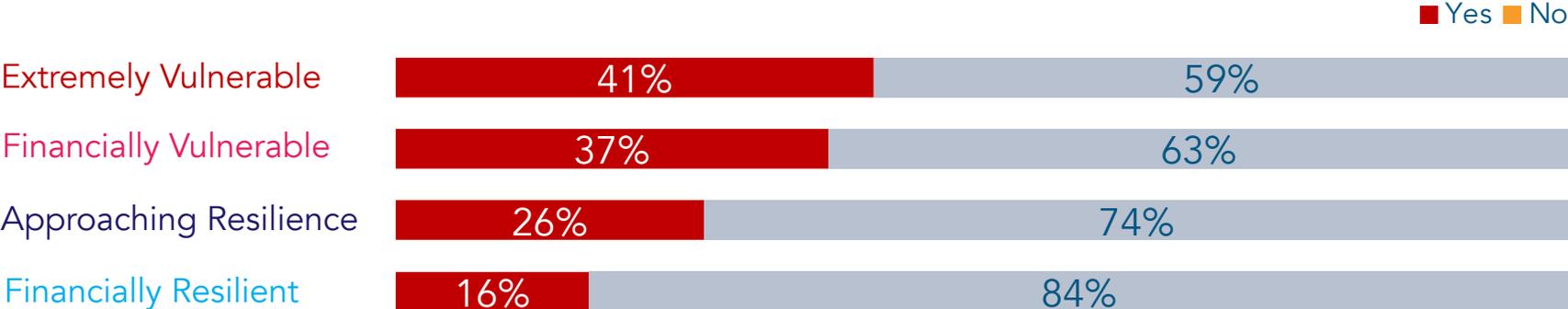
The Index highlights opportunities for more targeted support by Government, Financial Institutions and the ecosystem. For example as of June, 27% of 'Financially Resilient' households reported having received government Covid-19 financial support. Our feeling is that some of this support could have been better directed towards less financially resilient households.



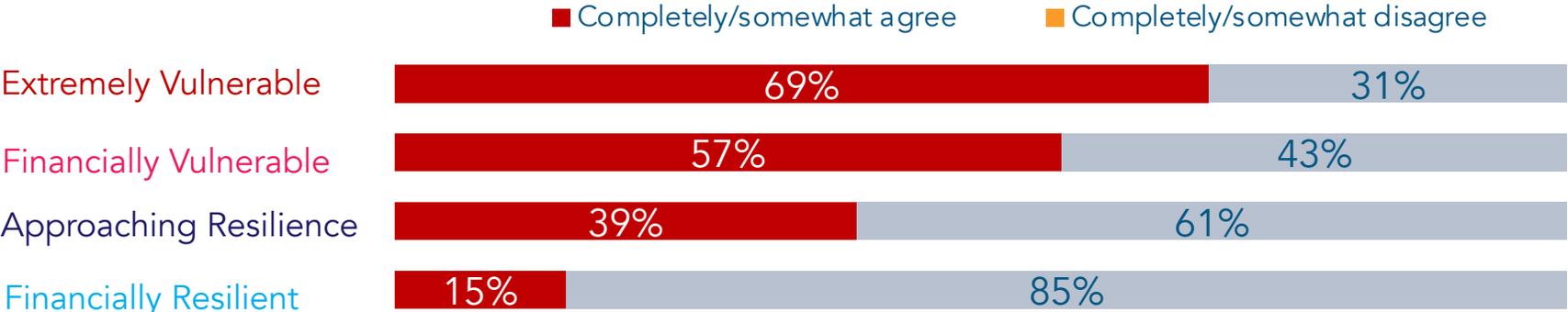
[1] Government Covid-19 financial relief includes EI, CERB, CEWS, Indigenous Community Support Fund or provincial employment relief) since the pandemic started.  
 Source: Seymour Financial Resilience Index TM and June 2020 Financial Health Index Study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Households in more financially vulnerable segments have unfortunately experienced more financial hardship and job losses as a result of the pandemic, based on the June Index.

Has anyone in your household lost their job as a result of the economic shock from Covid-19?



The pandemic has caused my household significant financial hardship.

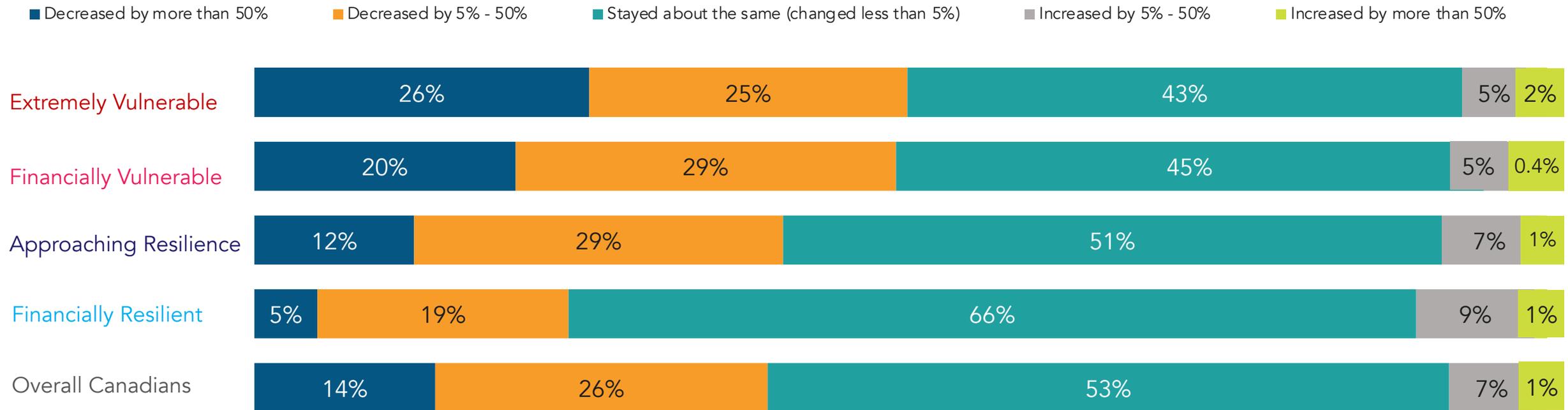


Source: Seymour Financial Resilience Index TM and June 2020 Financial Health Index Study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

# The economic impact of the pandemic is being more acutely felt by those least equipped to financially withstand it – with many more financially vulnerable households seeing a decrease in their household income.

At the national level, 54% of households have experienced little change in their household income compared to the start of 2020 since the pandemic started, before receiving Government Covid-19 financial relief. 40% have experienced a decrease in household income. Concerningly, 26% of 'Extremely Vulnerable' households and 20% of 'Financially Vulnerable' households report their household income as being reduced by more than half since the start of 2020, before receiving Government Covid-19 financial relief.

Proportion of households that have experienced a decrease or increase in their household income compared to the start of 2020, before receiving Government Covid-19 financial relief (if applicable).

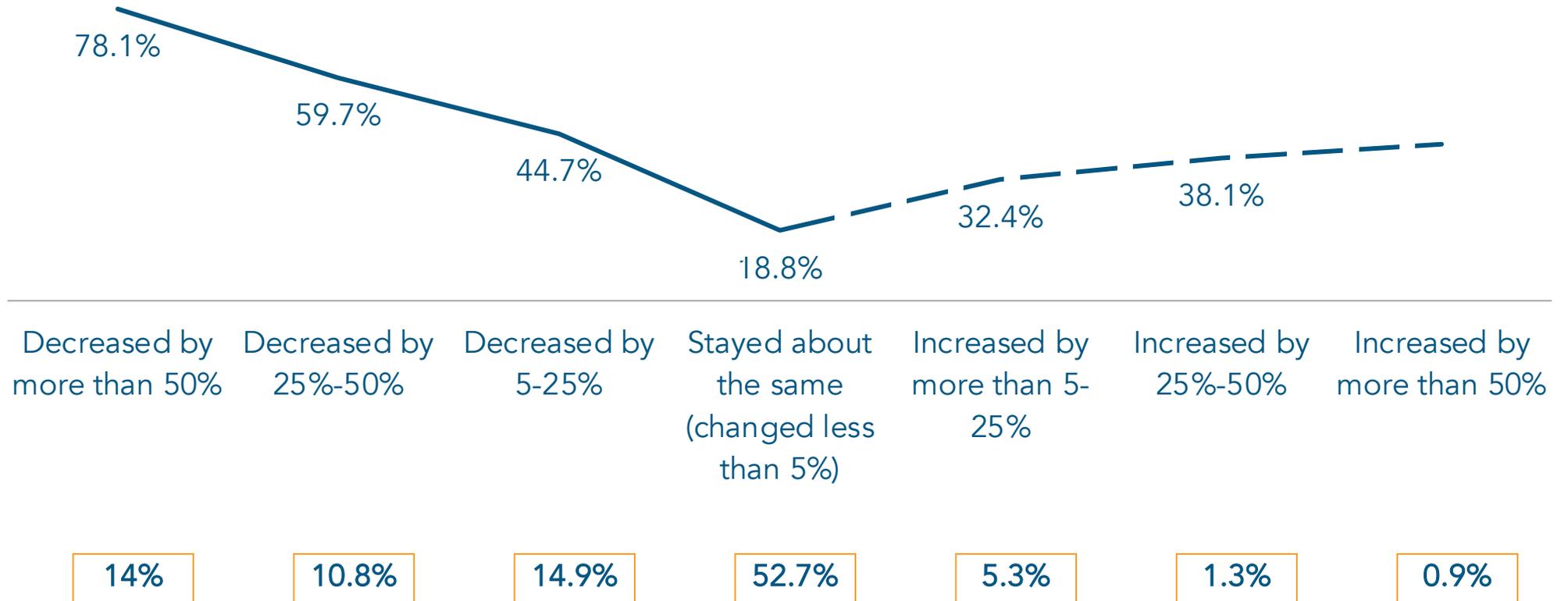


Source: Seymour Financial Resilience Index TM and June 2020 Financial Health Index Study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

About half of the population have had their household income stay the same since the start of the year.

Proportion of households that have received Covid-19 Government financial relief as of June 2020: based on their % of household income decline or increase since March compared to the start of 2020 - before receiving government financial relief (if applicable).

% of Canadian households that report having received Covid-19 Government financial relief (as of June 2020)

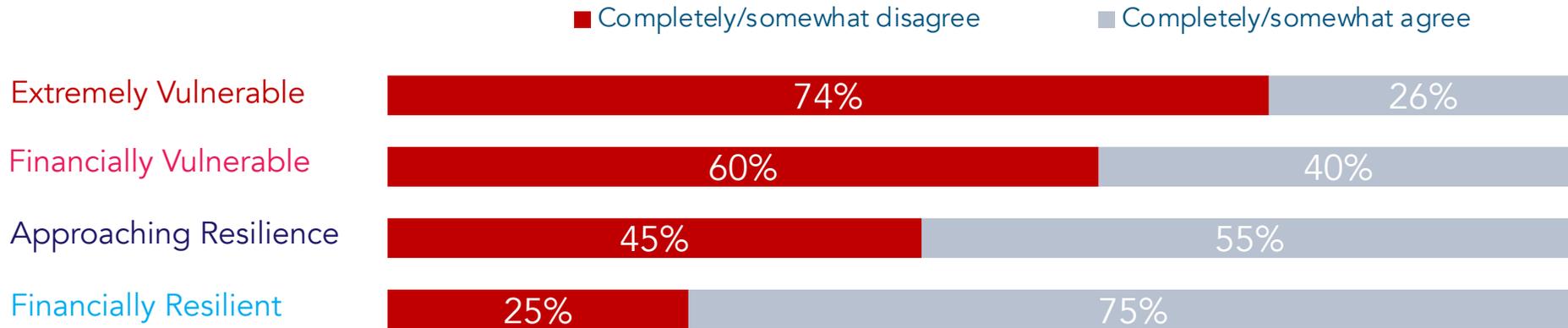


% households experiencing household income change (national level)

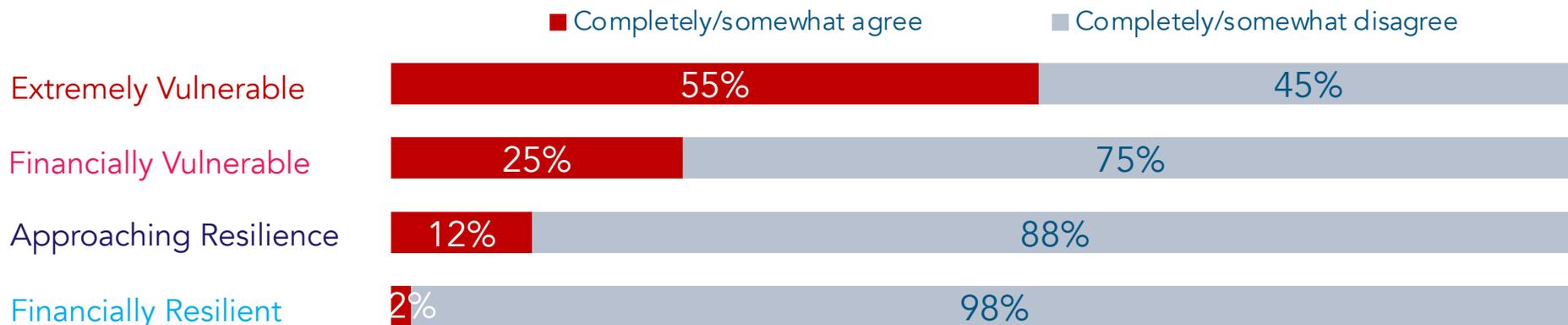
Source: Seymour Financial Resilience Index TM and June Financial Health Index Study. © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Only 25% of 'Financially Resilient' households report that the pandemic has negatively impacted their financial wellness in any way. Not surprisingly, more financially vulnerable segments have found it more difficult, including to meet their essential expenses, build an emergency fund, save and manage their debt.

My household's financial wellness has not been impacted by the pandemic at all.



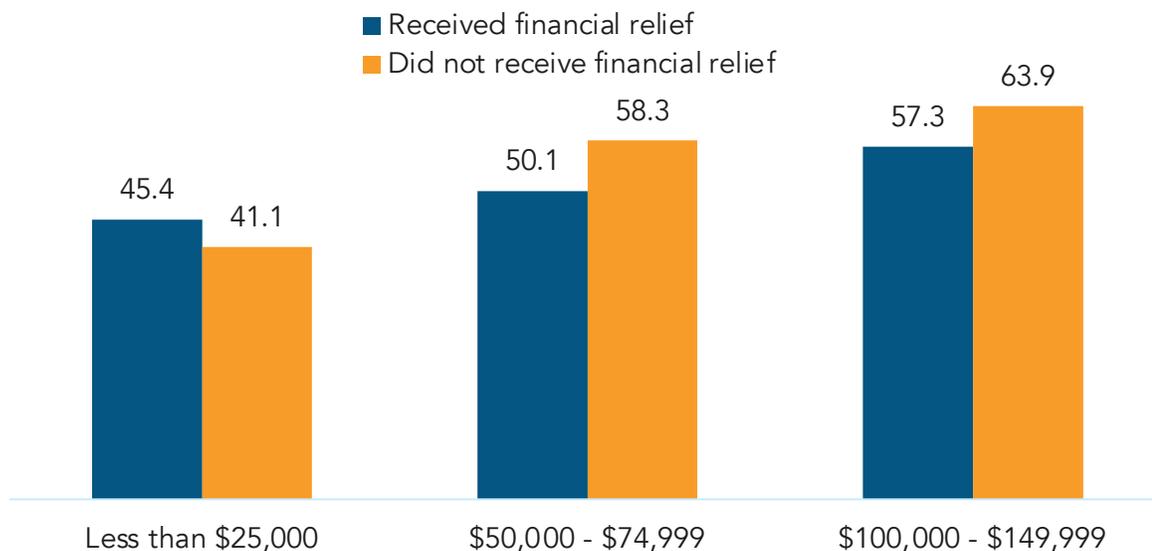
My household is unable to meet our essential expenses (e.g. shelter, food, utilities and transport).



Source: Seymour Financial Resilience Index TM and June 2020 Financial Health Index Study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

# The need to think strategically about financial and social support, as pandemic impacts unfold.

Mean financial resilience score across sample Canadian households by household income demographic: including for people who did and did not access Government Covid-19 financial relief (as of June 2020)



Analysis highlights that the mean financial resilience score of Canadians who had accessed Government Covid-19 financial relief as of June 2020 had lower financial resilience scores than their counterparts who did not access support, for all but one demographic group (those with HH income under \$25k).

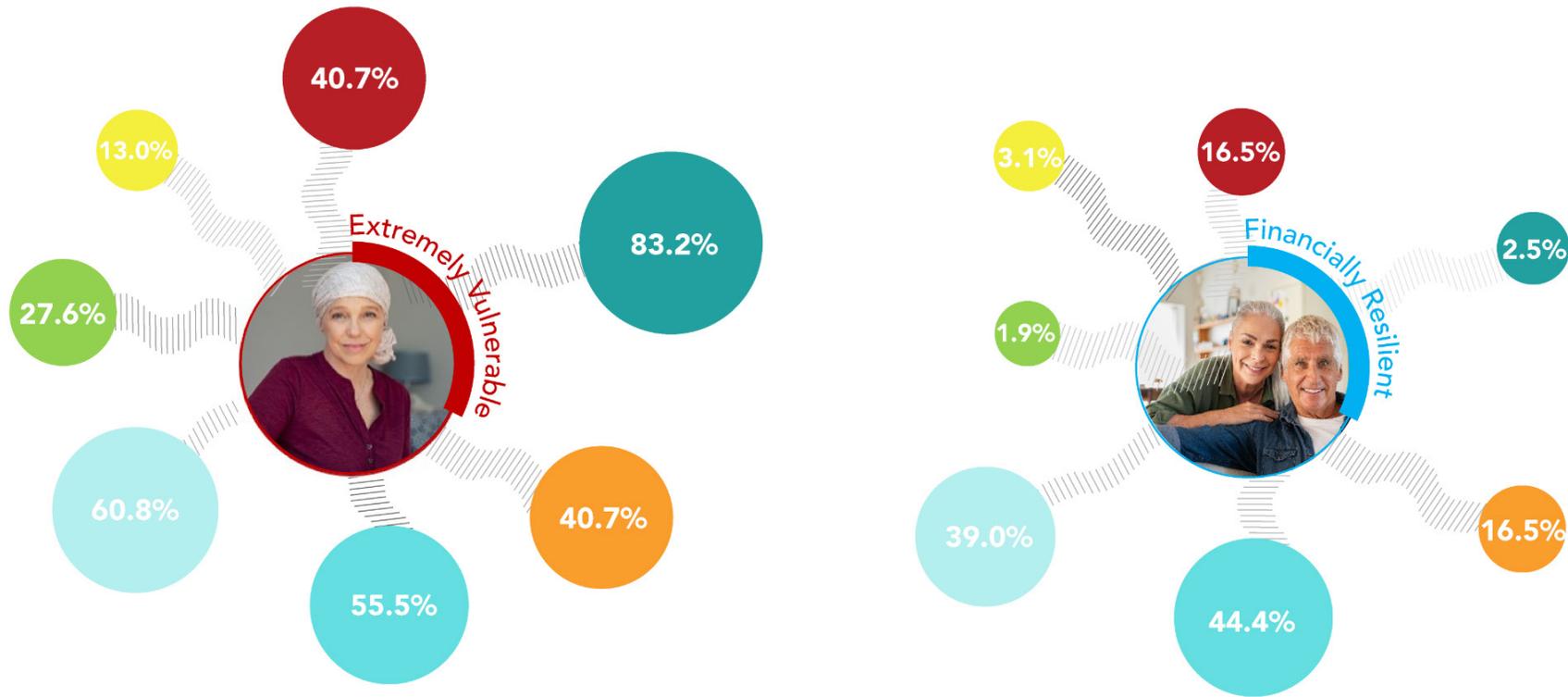
There are significant differences in the financial resilience scores of Canadians at the national, provincial, segment and individual household levels. For example, more homeowners, Baby-Boomers, retired Canadians and people with full time jobs can be more highly represented in 'Financially Resilient' households. Mean financial resilience scores can be lower for Canadians who are unemployed or under-employed, part-time workers; single parents; renters or for people with their primary residence in more challenged provinces (such as Alberta). Canadians able to work owing to a disability have the lowest financial resilience scores of any group.

As the economy opens up in phases and progresses towards a slow economic recovery, more targeted support, strategies and policies will be important for the federal and provincial Government, FIs and the wider ecosystem to help Canadian households and particularly more vulnerable populations, so that people they can to build their financial security and resilience, navigate decisions, access relevant financial help programs and solutions, and get through times of hardship. How long the Government provides CERB and Covid-19 financial relief to Canadians and key segments is a question many leaders are asking.

In our opinion, Index insights can provide a new lens and/or additional data to support social, financial, monetary and fiscal policies or programs as appropriate, and help guide where adjustments and innovation may be needed to support specific household groups, target populations and communities. Benchmark data can also provide longitudinal tracking, analysis strategy and policy over time over the medium to longer-term.

# Comparisons between 'Financially Resilient' and 'Extremely Vulnerable' Resilience Segments.

With nearly 41% of 'Extremely Vulnerable' Canadians experiencing job loss in their household as a result of the pandemic, many more of them have needed to defer loan, mortgage and other payments to make it through as of June – despite having changed many of their consumer and financial behaviours to make ends meet.



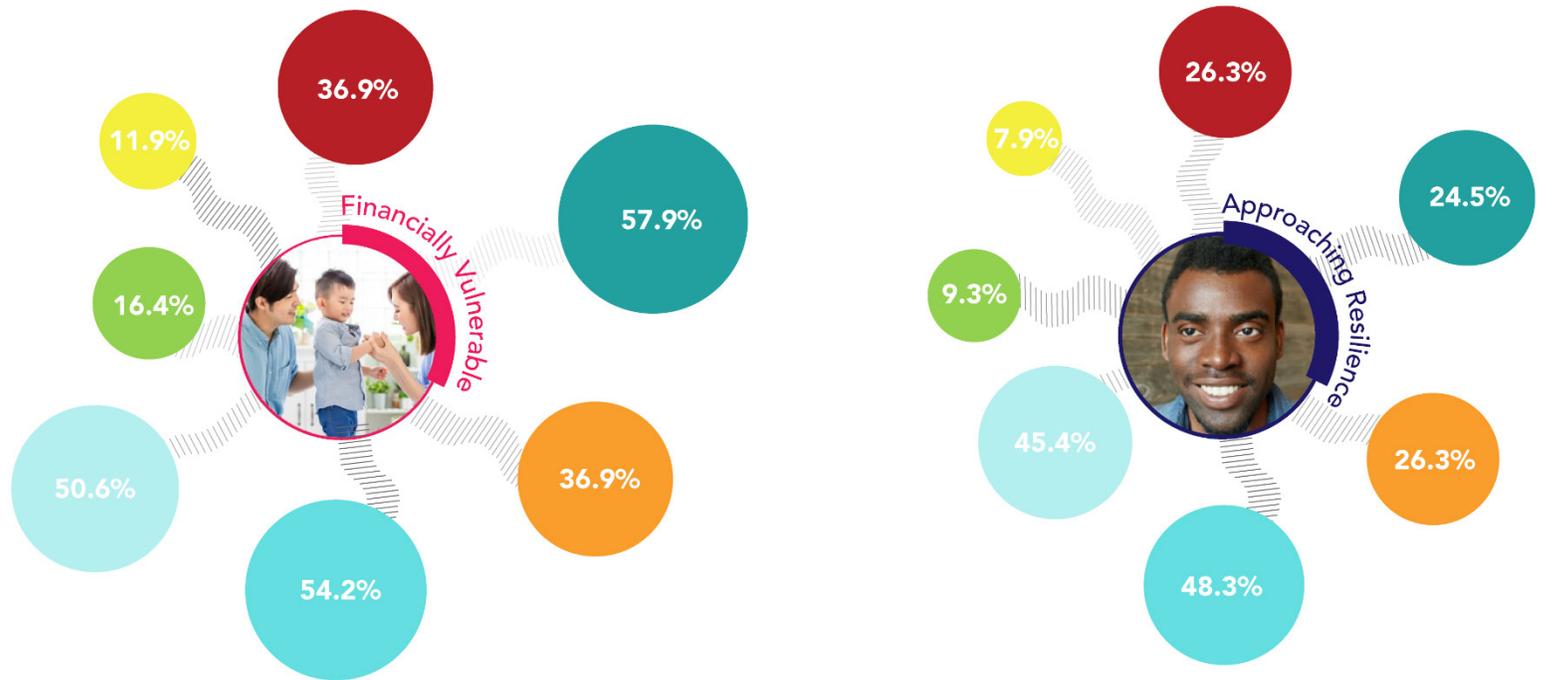
% households that:

- Have experienced job loss in their household due to COVID-19
- Feel that their household debt is unmanageable
- Lower Income household (Under \$50K)
- Women
- Single Income household
- Deferred a loan payment
- Deferred a mortgage payment

[1] Numbers are independent of each other (i.e. households can represent women renters from a lower income household, that also has a family member who has lost their job due to Covid-19).  
 Source: Seymour Financial Resilience Index TM and June 2020 Financial Health Index Study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

# Government, FIs and other organizations have an opportunity to provide more targeted, relevant support for 'Financially Vulnerable' and 'Approaching Resilience' households (that may receive less attention traditionally).

58% of Canadians are 'Financially Vulnerable' or 'Approaching Resilience'. Many of these households include more vulnerable Canadians from lower income households; the unemployed/ under-employed; people working part time; renters and those struggling with debt. Of course, many 'mainstream' Canadians from all household income demographic groups are also represented within these financial resilience segments.



% households that:   
● Have experienced job loss in their household due to COVID-19   
● Feel that their household debt is unmanageable   
● Lower Income household (Under \$50K)   
● Women   
● Single Income household   
● Deferred a loan payment   
● Deferred a mortgage payment

[1] Numbers are independent of each other (i.e. households can represent women renters from a lower income household, that also has a family member who has lost their job due to Covid-19). Source: Seymour Financial Resilience Index™ © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Canada's Financial Resilience Gender Gap and impacts of the pandemic on women: as of June 2020



# The financial resilience gender gap in Canada is real.

The financial health gender gap has been reported for a number of years in Canada including by Seymour Consulting through our many FHI studies. We are now also reporting that there is a financial resilience gender gap based on analysis of our Index, with the mean financial resilience score for women at the national level 53.77 versus 57.47 in June 2020 – lower than the mean financial resilience score for Canadians and significantly lower than the mean financial resilience score for men.

Mean financial resilience score of women: Seymour Financial Resilience Index™

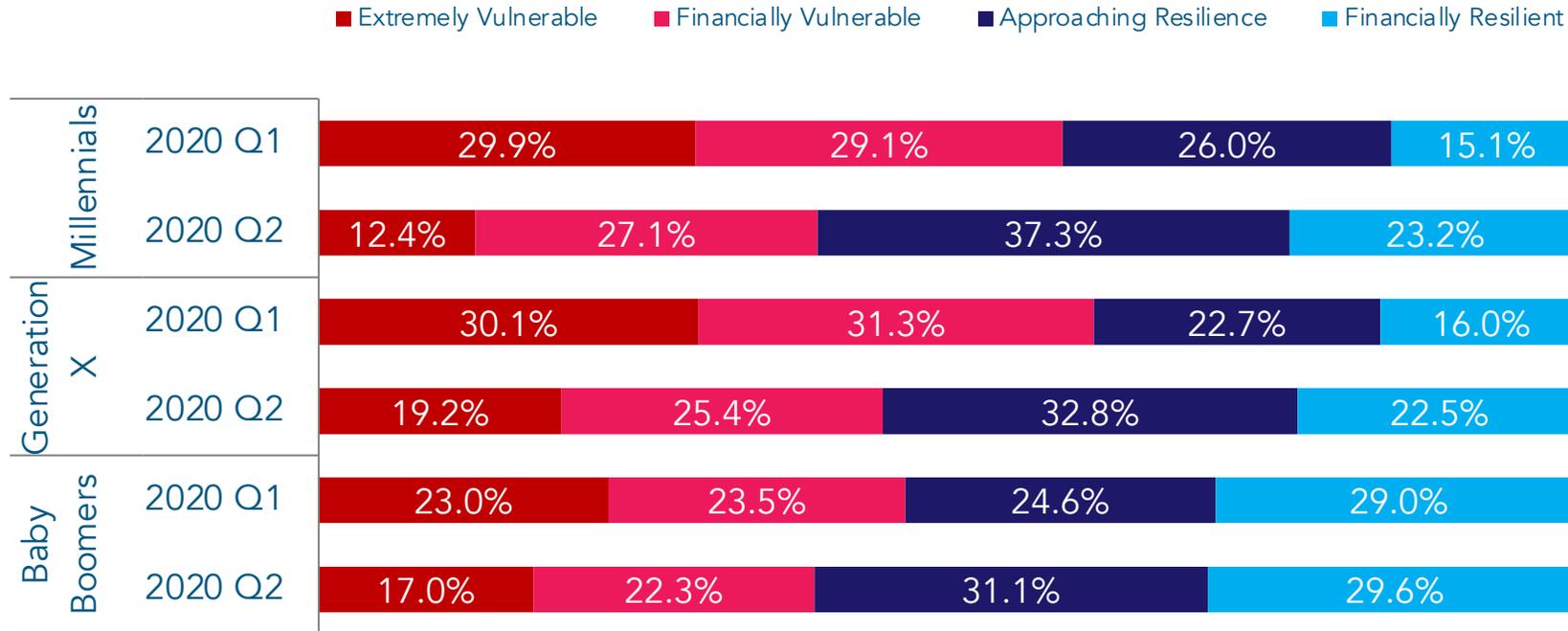


It is positive that the mean financial resilience score for women increasing from 46.66 to 53.77 based on the Index between February and June 2020, in part due to reduced stress over current and future financial obligations by women (with stress levels typically much higher as reported in the FHI studies since 2017) and improved liquid savings buffers thanks to Government Covid-19 financial support and FI financial support plus changed consumer and financial behaviours by women (including related to usage of credit and borrowing for essential expenses). That said, the financial resilience gender gap is still a challenge for women overall and key segments (see next slide).

In our opinion, Government and Financial Institutions seeking to build financial equity and inclusion and gender equality and inclusion, including for women customers and employees, need to work to measurably improve the financial resilience (as well as health) gender gap. This includes to support mothers, female entrepreneurs, new immigrants, first nations women, and many others facing barriers. It is also important to note that many women are being affected by job losses as a result of the pandemic (working in sectors such as retail which are highly affected) and many are also impacted in terms of reduced working hours and/or needing to bear the brunt of childcare and/or caring for family – both now and as the pandemic impacts affect households. Proactive strategies to support them are needed.

# How the Covid-19 pandemic has affected women overall and financial resilience segments

## Changes in the financial resilience of women: across life stage and between February and June 2020



Percentage of women that have received Government Covid-19 financial relief as of June 2020

### Generation X



42.8%

### Baby Boomers



27.7%

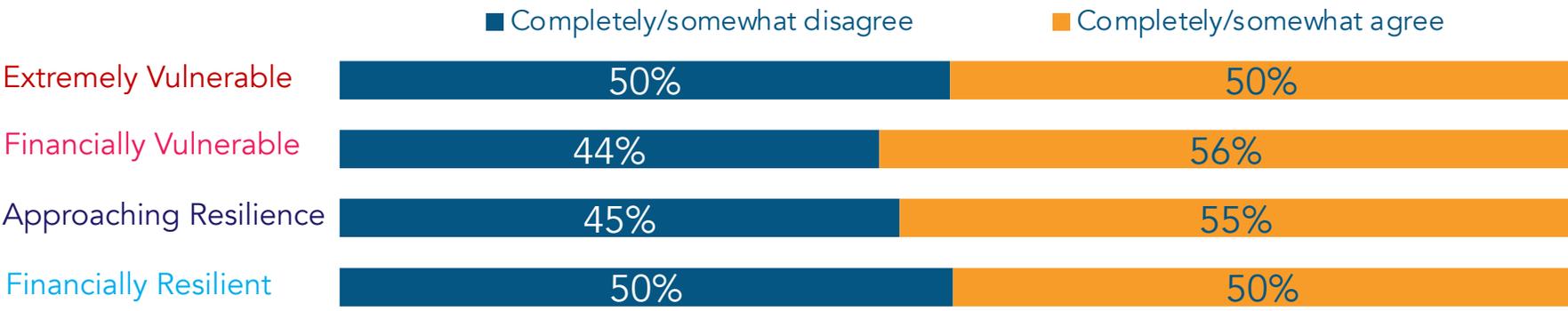
Millennial women have had the biggest improvement in terms of index segments, with only 12.4% of them extremely vulnerable compared to 29.9% in 2020 Q1. Following Millennials, Generation X women also experienced significant improvements in terms of their financial resilience index scores. The improvement in index scores for Millennial and Generation X women is closely correlated with the Covid-19 government financial relief, as these women are most likely to have received financial relief.

More Canadians are more aware of the importance of establishing or improving their financial resilience, as a result of the financial shock of the pandemic. Around 50% of people now also have new or higher expectations around how their Financial Institution (FI) could 'have their back'.

My household is more aware of the importance of establishing or improving financial resilience.



I have new and/or higher expectations around how my Financial Institution could 'have my back'.



Source: Seymour Financial Resilience Index TM and June 2020 Financial Health Index Study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

## Concluding Thoughts

There is clearly uncertainty around when a Covid-19 vaccine will be found, how long the pandemic will impact our world and country. We don't yet know and what economic, social and financial impacts will look like for Canadians and people around the world, given the level of change. We're currently entering a period in Canada when the outlook for future employment changes will be marked by considerable uncertainty, including around which sectors and households will be most affected. The good news is that as of August 2020, Canada had recouped nearly two-thirds of the jobs lost since the pandemic struck, with the initial hit of 3 million jobs lost over March and April replaced by 1.9 million jobs since that period. However that still leaves 1.1 million Canadians who are out of work, and some of the temporary lay offs we see currently may become permanent. There are also significant challenges for small businesses as the backbone of our economy; for women bearing the brunt of care-giving and for more vulnerable Canadians; for including lower-income households and those facing unplanned life events such as divorce, death, disability or small business challenges.

In recognition that generous Canadian Covid-19 financial relief programs from Government and FIs can not last forever and may need to be reduced or ceased over time as in other countries, more targeted support for Canadians and their financial health and resilience is critical. This needs to combine with creative thinking, phased data-informed strategies and policies and test-and-learn approaches - to help to maximize positive impact. Financial Institutions clearly have a critical role to play, to help improve the financial health and resilience of their customers, employees and communities - while bringing their scale, capital and assets to support people and communities in powerful ways. Government, non-profits and social enterprises also have an important role to play. Together, there is significant potential to help Canadians build their financial and overall resilience, and weather future financial shocks.

For comments, feedback or feedback on this report, please contact [eloise@seymourconsulting.ca](mailto:eloise@seymourconsulting.ca)

# About Us

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Seymour Management Consulting Inc. is a strategic management consulting firm based in Vancouver, B.C.

We are the leading independent authority on financial health in Canada.

We were the first to measure financial health in Canada through the Financial Health Index studies, developed in line with our framework and building on decades of financial services and strategy experience in Canada and other markets. Through our team of experts and partners and applying the Seymour Financial Resilience Index TM, we deliver services for impact through research, measurement, strategic consulting and collaborative innovation.

## VISION

Our vision is for financially healthy, resilient Canadians. We recognize the connection between financial health and resilience and the overall resilience and well-being of individuals, families, businesses, communities, and our economy.

## MISSION

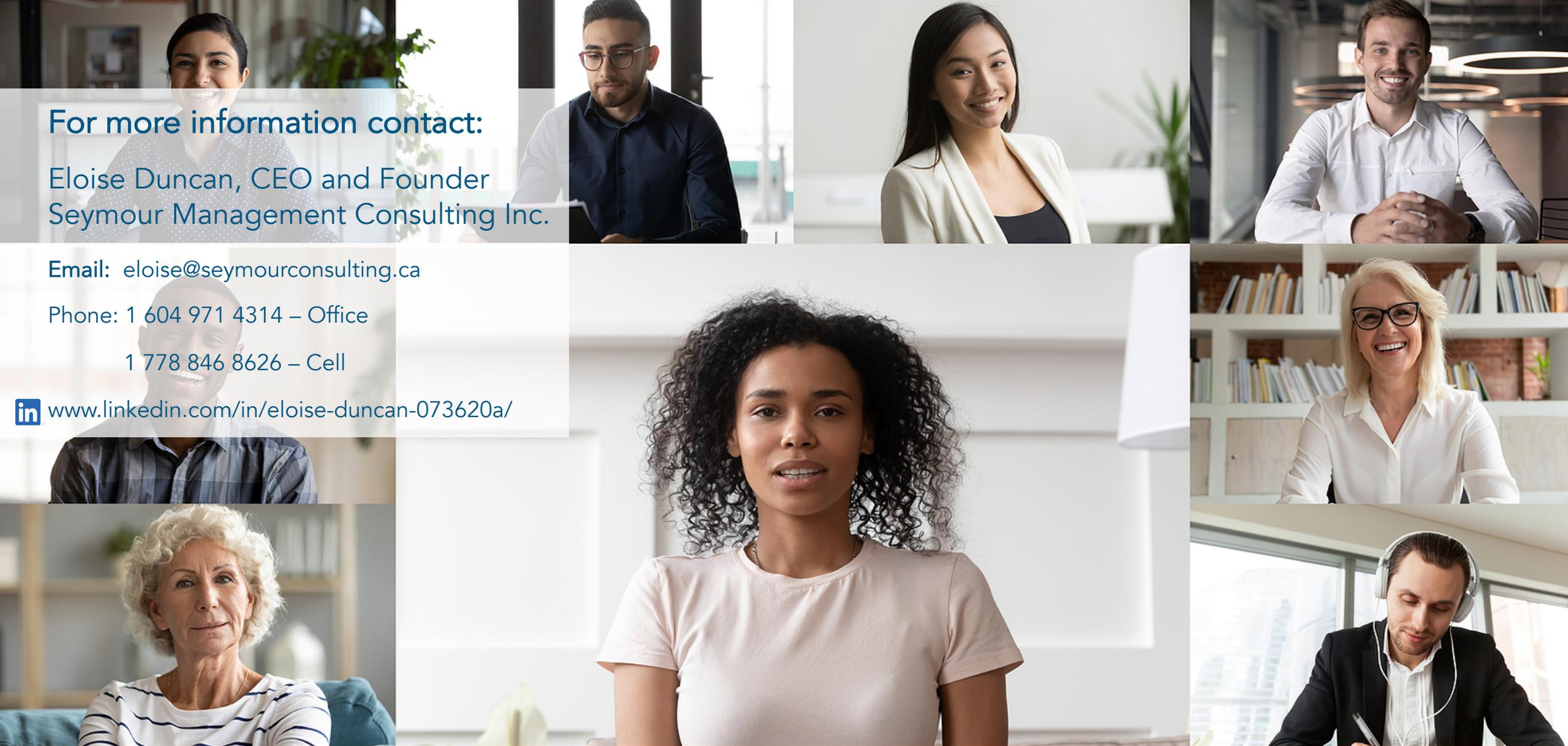
Our mission is to measurably improve the financial health, resilience and well-being of individuals, families and communities, by collaborating with committed financial innovators, partners and institutions to better support the financial health of their customers, employees and stakeholders at scale.

## SERVICES

Research measurement & decisioning

Advisory services & consulting

Collaborative innovation



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