

Already Challenged Before Covid-19:

Q1 2020 Report

Challenged financial health and resilience of Canadians means swift, targeted support is critical

March 22, 2020

Created by Seymour Management Consulting Inc. based on the national Financial Well-Being Studies (2017-2020)

About Us

Seymour Management Consulting Inc. is a Canadian financial services consulting firm founded in 2009.

We are the leading independent authority on financial health in Canada and members of the C.D Howe Institute.

Through our team of experts and partners, and by applying the Seymour Financial Resilience Index ™, we deliver measurement, research and analytics, strategic consulting and collaborative innovation.

Core Purpose

Our core purpose is to help measurably improve Canadians' financial resilience and well-being, by collaborating with Financial Institutions, Government and committed institutions to better support the financial resilience of their customers, employees and target populations at scale.

Vision

Our vision is for financially healthy, resilient Canadians.

We recognize the connection between the financial health and resilience of households and the overall resilience and well-being of individuals, families, businesses and our economy.

Services

Measurement, research and analytics

Advisory services & consulting

Collaborative innovation

Why we're launching this whitepaper

In response to Covid-19

This whitepaper is being shared with urgency to help support informed and relevant policy-making at a time when the Federal Government, Bank of Canada, and Financial Institutions address the financial hardship that Canadians will face as a result of Covid-19. It is based on the latest findings from our national independent Financial Health Index (FHI) study, last launched in February 2020—right before Covid-19 hit, building on over 4 years of FHI data and work from our studies and practice launched in 2017.

We identified back in 2017 that financial health is paramount, and that financial stress was a serious mainstream issue for Canada long before Coronavirus hit. Many Canadians were, and are, highly vulnerable to financial stressors or shocks as a result of unplanned life events – let alone the big economic shock like the Coronavirus pandemic. Concerns like job loss, economic and market downturns, financial obligations, and overall health and financial health concerns are keeping Canadians up at night. We need new measures of success and financial support—now more than ever.

The independent, longitudinal, national Financial Well-Being study was first launched in 2017 to shine a light on the financial health and resilience of Canadians. We wanted to bring attention to this widespread issue to help spark the ecosystem, Financial Institutions, Government, and other agencies to do more. While consumers are in charge of their financial health decisions and journeys, they face uncontrollable factors and economic and financial 'shocks' —such as Covid-19, that can knock people sideways. Financial literacy and financial products go out the door in the face of such challenges.

Why we're launching this whitepaper

In response to Covid-19

Our team continues to work with passion and dedication, alongside committed financial health innovators and partners, to help improve the financial health and resilience of Canadians. We do this through financial health research and analysis, strategic consulting, product innovation, service and program development, and collaborative efforts.

The financial resilience and well-being of Canadians is more important than ever, as together we work to get through the massive financial stressor and shock of Covid-19 and other challenges facing our world. Now is the time to shine a light on the financial health and resilience of Canadians, small business owners and those most vulnerable in times of hardship – both in Canada and around the world.

Please reach out with your questions, for more information or to let us know how we can help support your Covid-19 response strategies or financial health work for Canadians. Together, we can work to help people in times of financial hardship, and to help create positive impact for people, businesses, our economy and communities.

Eloise Duncan

CEO and Founder, Seymour Management Consulting Inc.



Defining financial health, resilience and wellness within the overall construct of financial well-being.



Financial Health

Financial health is about your ability to balance your financial needs for today with those of tomorrow as a result of decisions and behaviours that move you forward.

Financial Resilience

Financial resilience speaks to your ability to weather unforeseen life events, financial stressors or 'shocks' such as an economic downturn or Covid-19.

Financial Wellness

Financial wellness speaks to your emotional peace of mind in terms of your financial situation and current and financial future obligations. The opposite is financial stress.



**The financial health and resilience of Canadians:
Q1 2020 update before Covid-19**

Background and Context

- The national Financial Well-Being study is a national independent study on the financial health, resilience and well-being of Canadians, conducted annually, across all provinces excluding Quebec. The study is an online study, leveraging the Angus Reid Forum panel.
- In February 2020, Seymour Consulting conducted an extra dip of the study with 1000 adult Canadians, prior to the Coronavirus hitting our country. This “extra” dip was made primarily to support analysis and modelling for the Seymour Financial Health and Resilience Index, currently in development.
- Building on four-years worth of financial health and trending data and analysis, some of which has been shared through our many white papers, this white paper shines a light on some of the financial hardship and well-being challenges of Canadians overall, and key segments – even before things got challenging with Covid-19.
- Q1 2020 Results are 1000 adult Canadians (aged 18+) with a margin of error of $\pm 3.1\%$ (compared to 1.8% in the 2019 study).
- The June/ July annual 2020 Financial Well-Being study will be conducted with 5000 Canadians, including in Quebec, and will provide benchmarks pre-and during/ post-the Covid-19 crisis.
- Please contact us for more information on our other whitepapers, services or impact at www.financialhealthindex.org



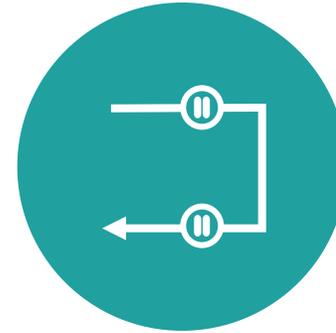
Financial Well-Being studies and analysis bring visibility to controllable and less controllable factors impacting financial well-being.



Financial knowledge, skills, experience and confidence (capabilities)



Planning ahead: for the unexpected and to achieve my life and financial goals



Consumer & financial behaviours: spend, save, borrow, plan, protect, invest



Planned and unplanned life events, economic and financial stressors and shocks



Economic resources and support



Income variability or volatility + financial stress caused by the cost of living etc.



Social capital from family/ friends able to provide financial advice or support



Financial Institution, Government and Employer support & access to relevant info, tools, solutions and help.

Financial stress and vulnerability was a mainstream issue before the Coronavirus hit Canada

February 2020 Financial Well-Being study Highlights

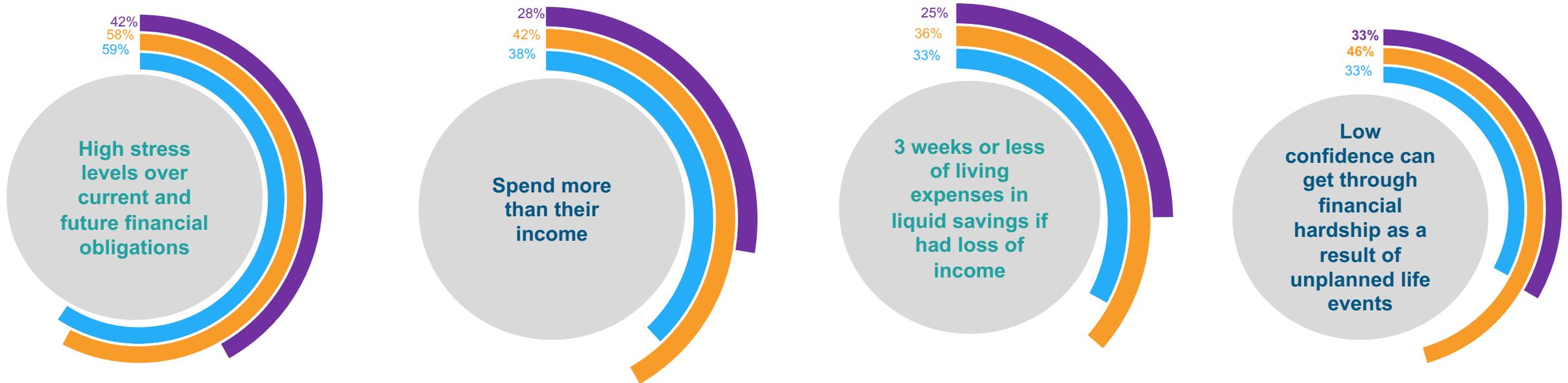


Source: February 2020 Financial Well-Being study.

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Financial hardship and struggles for Canadians: with many more financial health, wellness/ stress and resilience measures baked into the FHI studies.

Baby boomers
Gen X
Millennials

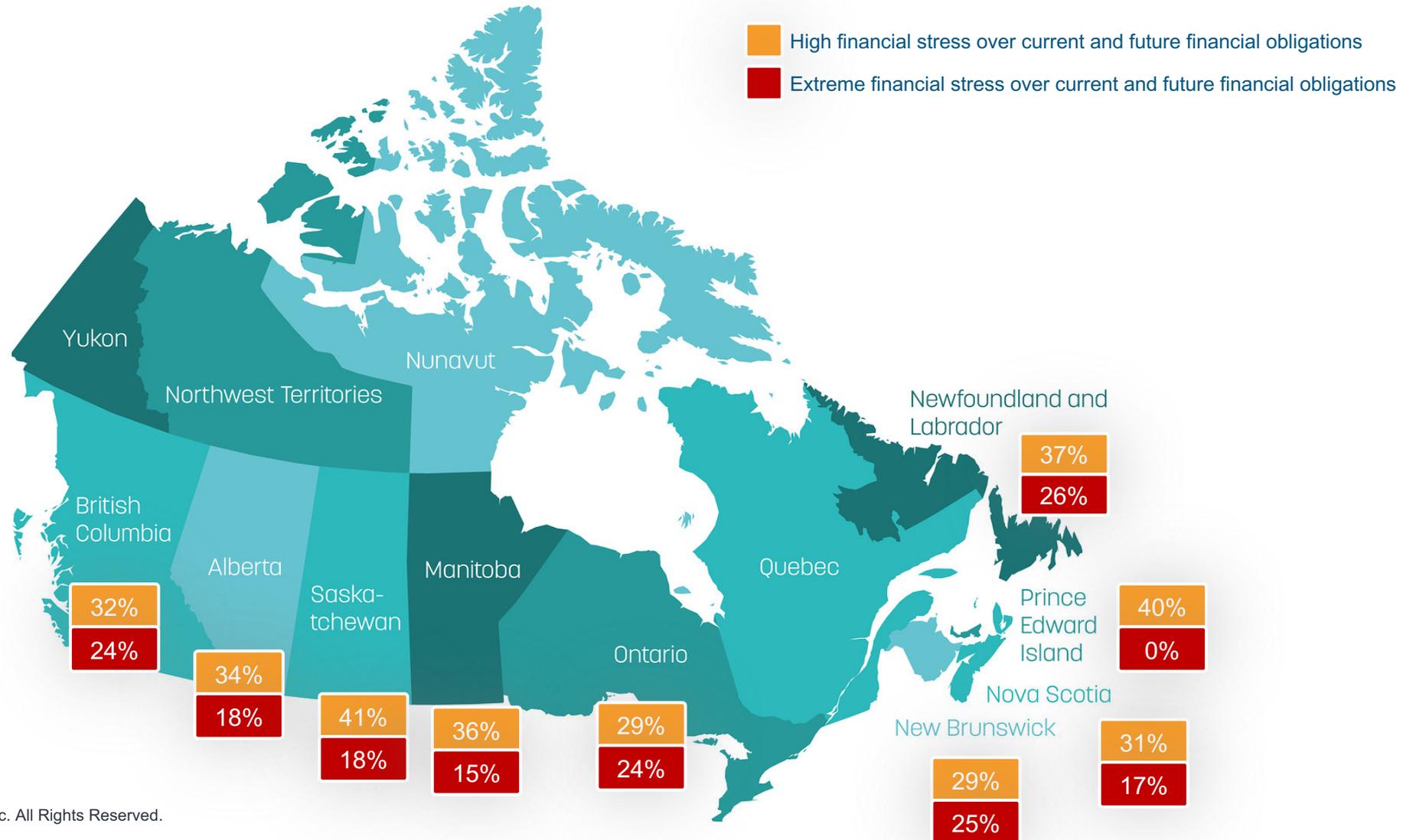


Source: Q1 2020 Financial Well-Being study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Multiple one-on-one interviews with Canadians across Canada shine a light on their financial health needs, pain points, challenges and opportunities – including from a support perspective from Financial Institutions, Employers and other organizations. Peoples’ blind spots and other challenges can also impact people in terms of one or more of the financial health

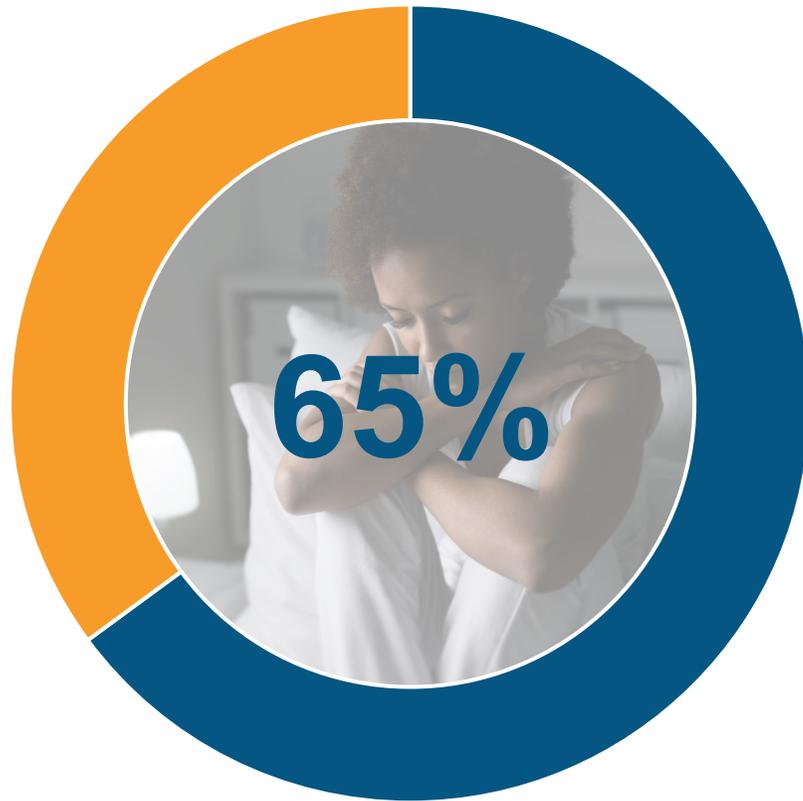
Financial stress over current and future financial obligations

For all provinces excluding Quebec: February 2020.

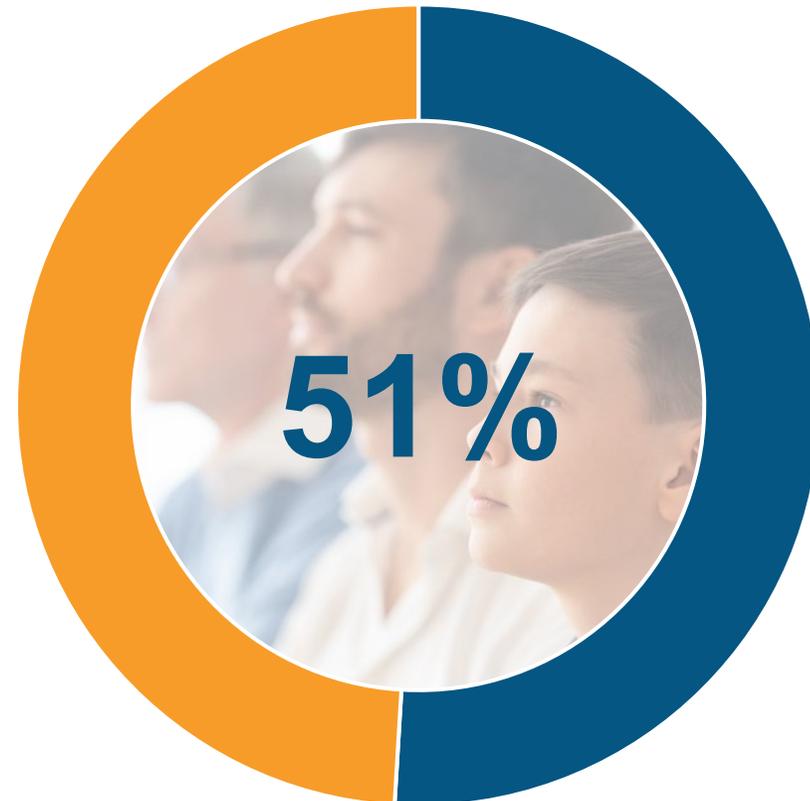


Financial stress continues to be a mainstream problem for Canadians: even before the Coronavirus global shock hit our world and country.

Agree that money worries cause
them emotional stress



Agree that money worries make
them lose sleep at night



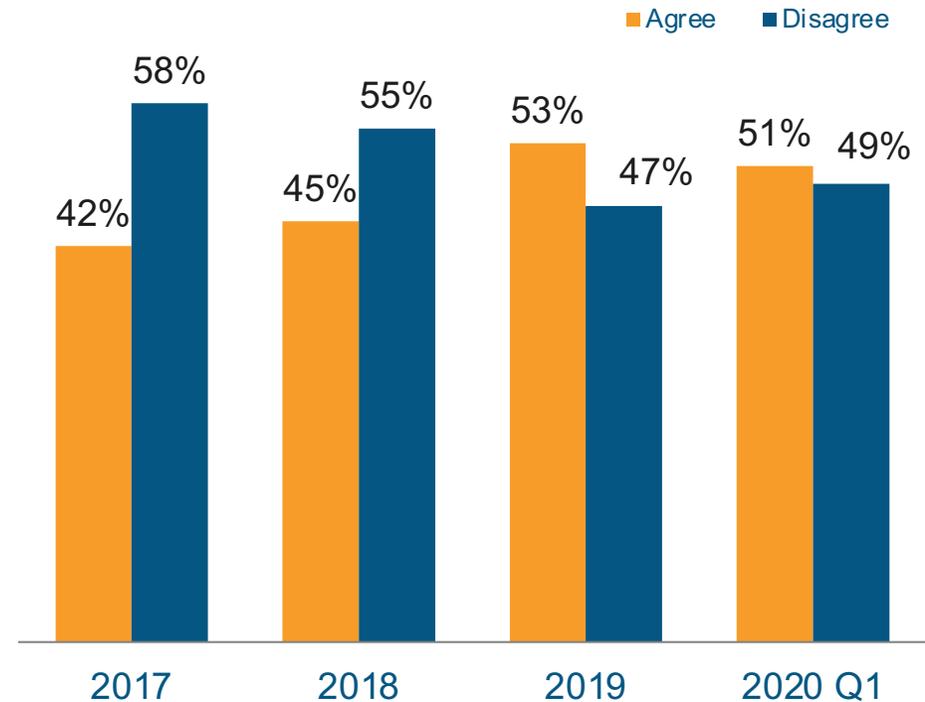
Financial stress continues to impact overall personal well-being, physical and emotional health, relationships, productivity at work and feelings of isolation. Four-year trends tell a concerning story.



Financial well-being impacting overall personal well-being



Money worries make me lose sleep at night



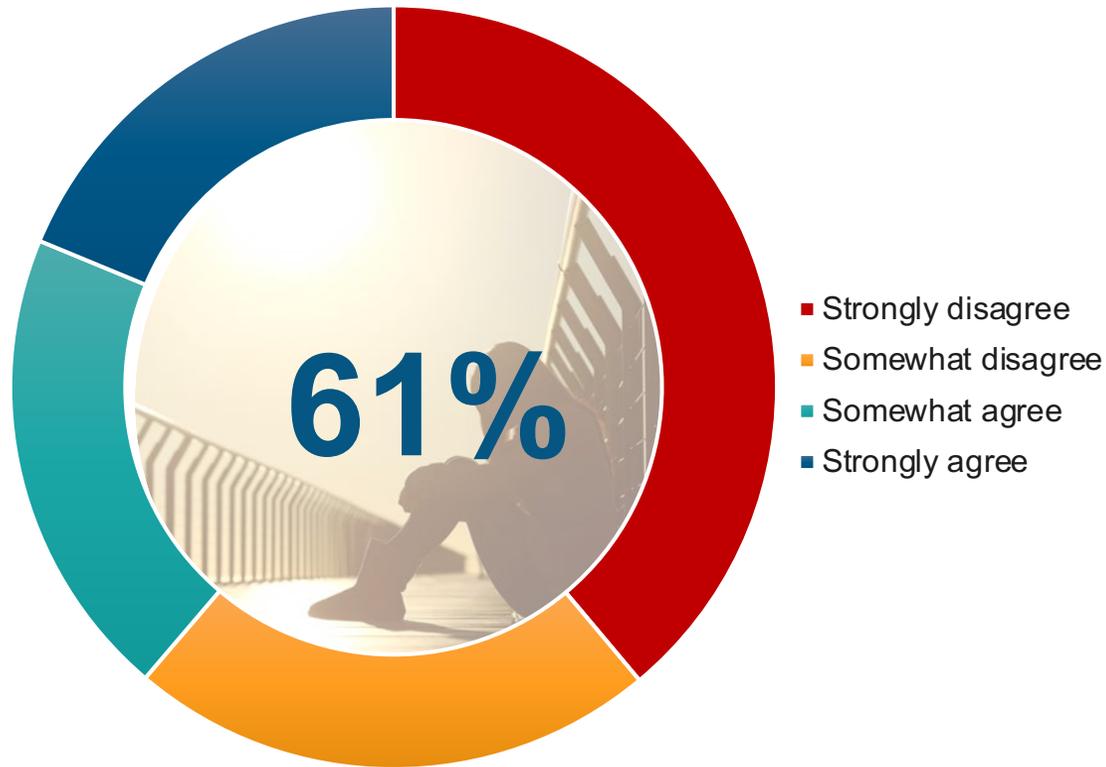
Source: 2020, 2019, 2018 and 2017 Financial Well-Being studies. Sample size for 2017 and 2018 = 5000 Canadians; 2019 = 3010 Canadians; Q1 2020 study = 1000 Canadians, © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Money worries, financial stress and debt stress for many continue to impact Canadians' overall personal well-being in 2020.

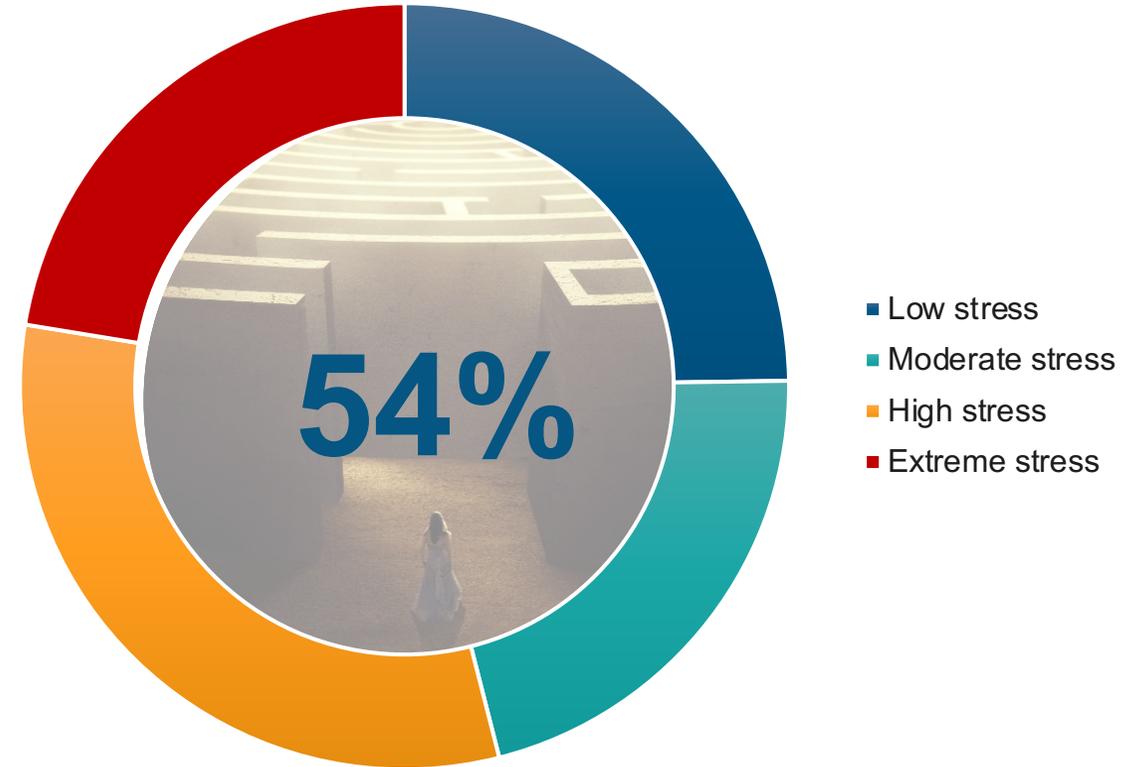


Before the Coronavirus shock, more than than one in two Canadians were unsatisfied and/or stressed about their financial situation in early 2020.

Six out of 10 Canadians (61%) do not feel that their household's financial situation in their household has improved in the past year



54% of Canadians feel they are considerably stressed over their financial situation



Some of the financial health pain points faced by Canadians: also based on qualitative research and interviews across the country.

Financial stress and impact on my personal well-being
Money worries is making me losing sleep at night and is causing me to isolate myself.

Stress over current and future financial obligations
Or stress I'm not growing my savings and wealth as fast as I need to before retirement.

Lack of confidence:
I'm not good at numbers, am dis-interested in finances (while committed to my financial wellness) and don't know where or who to turn to for help.



Spending and Financial Management:
due to the higher cost of living I'm having to spend more or less than my income and have little left over to save.

Financial hardship
Loss of employment and the financial stressor and shock of Covid-19 has negatively impacted my my family's financial wellness, and overall well-being.

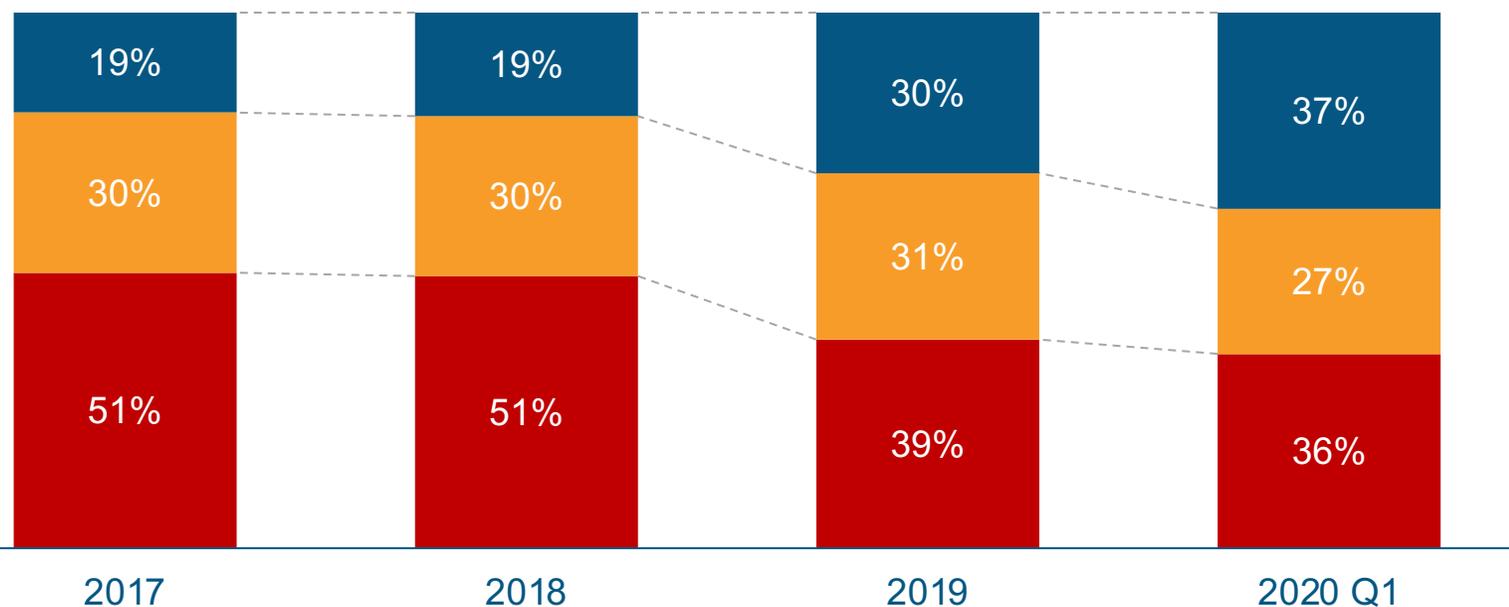
Minimal liquid savings buffer and/or high reliance on credit for daily expenses.

Social Capital: do I have a spouse or close family member I can rely on for financial advice or support?
Yes, but I wouldn't turn to them. Money's private.

More Canadians have been tightening their household spending relative to household income in 2020 versus 2017, a good news story as it relates to more disciplined consumer and financial management.

Over the past 12 months, relative to household's income, description of household's total spending over the same period

- Spending was a little/much more than income
- Spending was about equal to income
- Spending was a little/much less than income

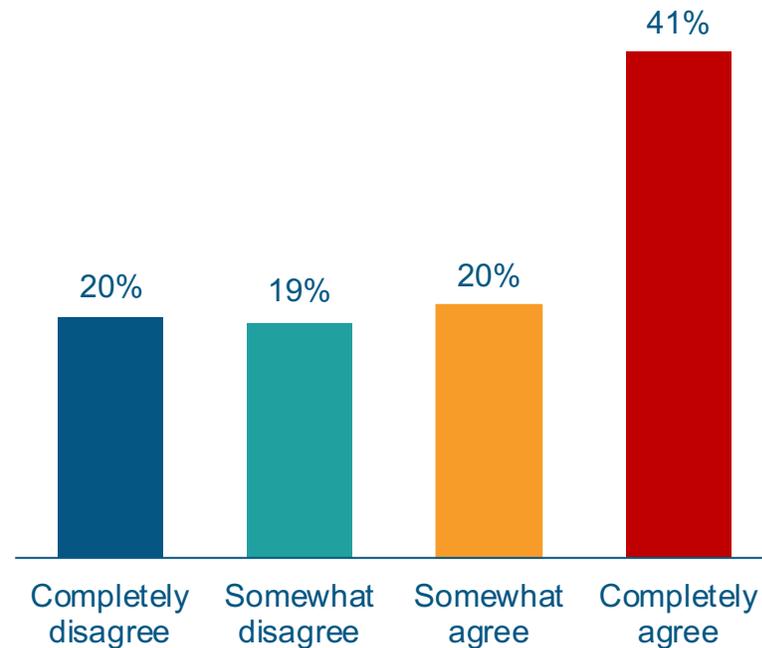


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FHI studies measure consumer and financial health behaviours, plus factors impacting financial wellness: such as housing affordability; financial and debt stressors and other factors causing vulnerability or hardship. Financial health behaviours relate to spending, saving, planning, investing and protection, as well as other aspects.

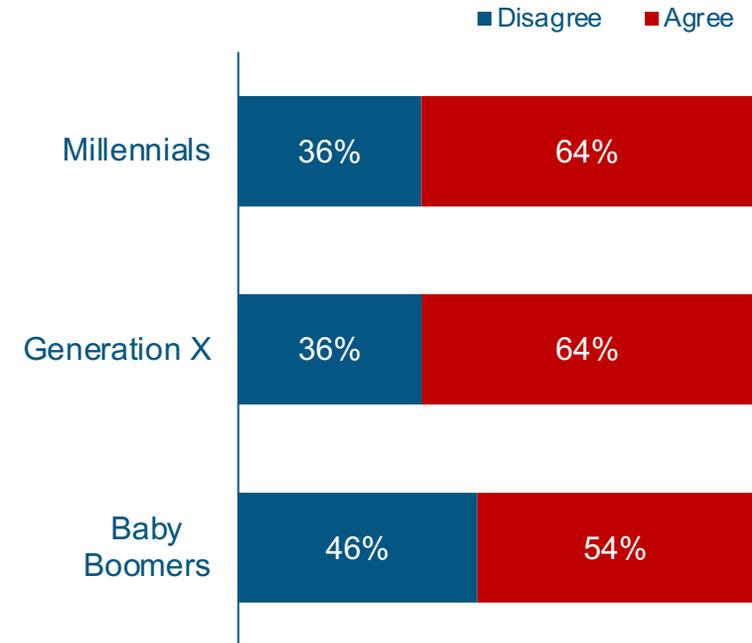
However, as other studies highlight, many Canadians are finding it hard to make ends meet. The latest FHI study validates this story once again.

Living paycheck to paycheck



Source: Q1 2020 Financial Well-Being study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

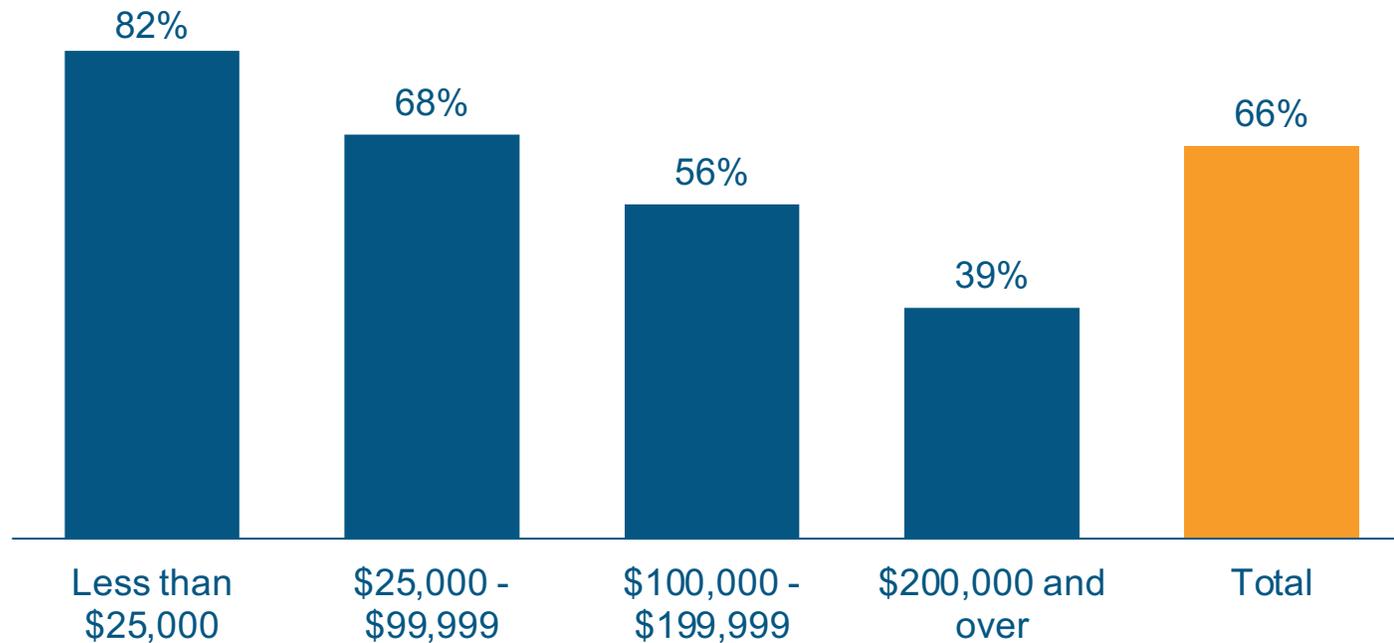
Living paycheck to paycheck: by Life Stage



The Q1 2020 FHI study validates once again how many Canadians are living pay cheque to pay cheque and find it hard to make ends meet due to housing affordability, the increased cost of living and stagnant wage growth (or other factors). In our latest stud, before the shock of Covid-19, 41% of Canadians with household income over \$100k lived pay cheque to pay cheque. This highlights the urgency for swift support by Government, FIs and other organizations in response to the crisis.

Financial stress negatively impacting personal well-being remained a real challenge – and this was pre-Covid 19 affecting our country.

Percentage agree that “Money worries cause me emotional stress”
By Household Income

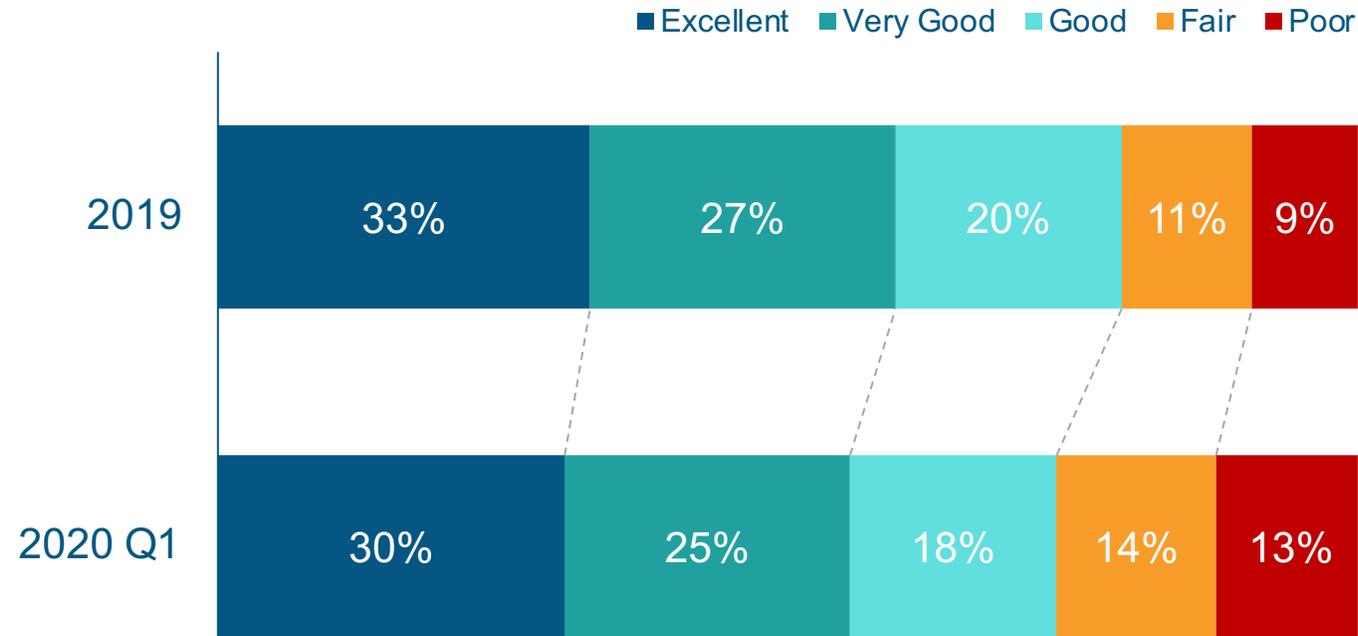


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Financial stress spans household demographics and provinces, as identified in the first 2017 study and longitudinal tracking since. Even 39% of households from the highest income cohort experience stress because of money worries. Please refer to our 2019 and 3-Year Trends white paper for more details on trends and segment insights from 2017 to 2020.

Canadians' financial resilience is challenged, even for those with good to excellent credit scores. The proportion of Canadians reporting good to excellent credit scores has also declined since 2019.

How would you rate your credit score?



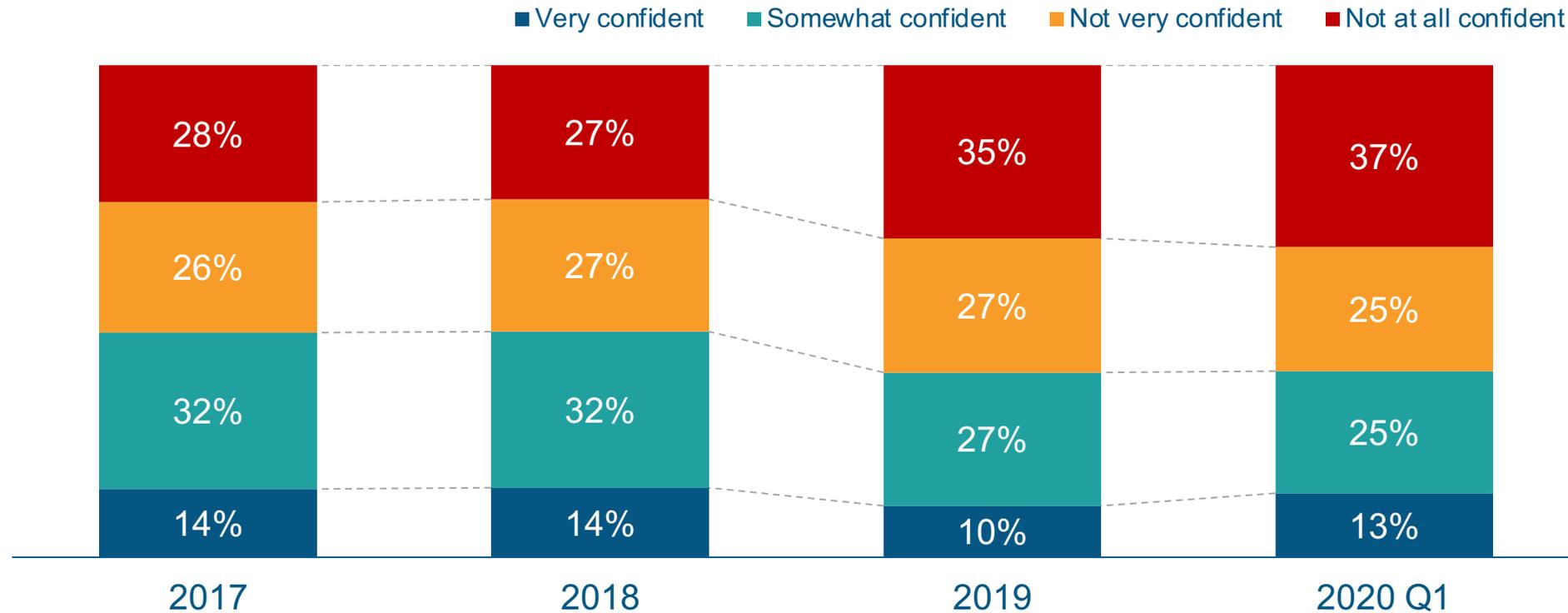
Source: 2020 and 2019 Financial Well-Being studies.

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In Q1 2020 55% of Canadians rated their credit score as good or excellent; down 5% from 2019. Yet 62% of Canadians, including many with good credit scores and from higher household income brackets - reported they were not confident they could get through times of financial hardship. Our detailed analysis by segment and credit score based on FHI trending data underscores concerning vulnerabilities and a lack of resilience. This was before Covid-19 hit: impacting part time & contract workers; low income Canadians, those with income volatility; Gen-X parents, the self-employed and investors who have lost wealth through the unprecedented global markets' decline.

Many Canadians had low confidence in their ability to get through financial hardship, with concerning 4-year trends related to hardship.

Confidence in ability to get through through periods of financial hardship resulting from unplanned events, financial stressors and shocks.

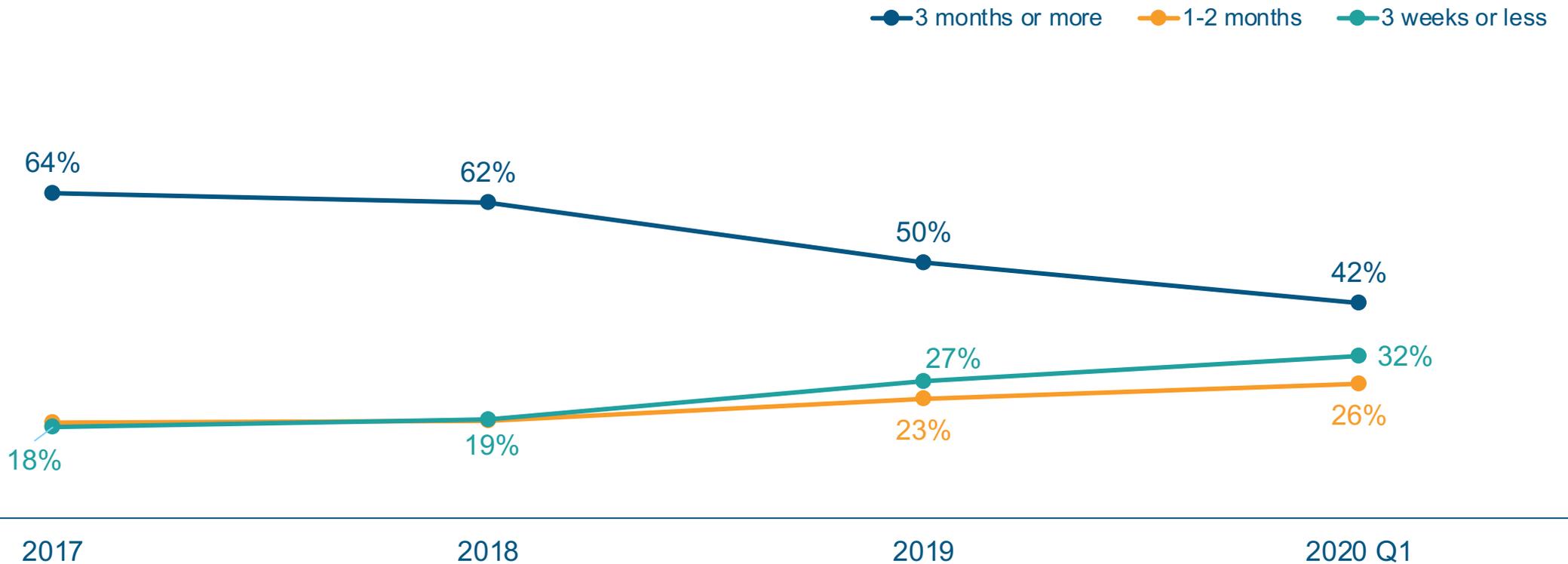


Source: 2020, 2019, 2018 and 2017 Financial Well-Being studies. © 2020 Seymour Management Consulting Inc. All Rights Reserved.

The proportion of Canadians who are not at all confident they can get through financial hardship as a result of unplanned life events, financial stressors and shocks increased by 32% between 2017 and Q1 2020. This includes for Canadians from higher income household brackets and provinces or cities where the cost of living is higher (such as Toronto and Vancouver). Women, renters, those struggling with debt, and low-income households continue to be particularly challenged.

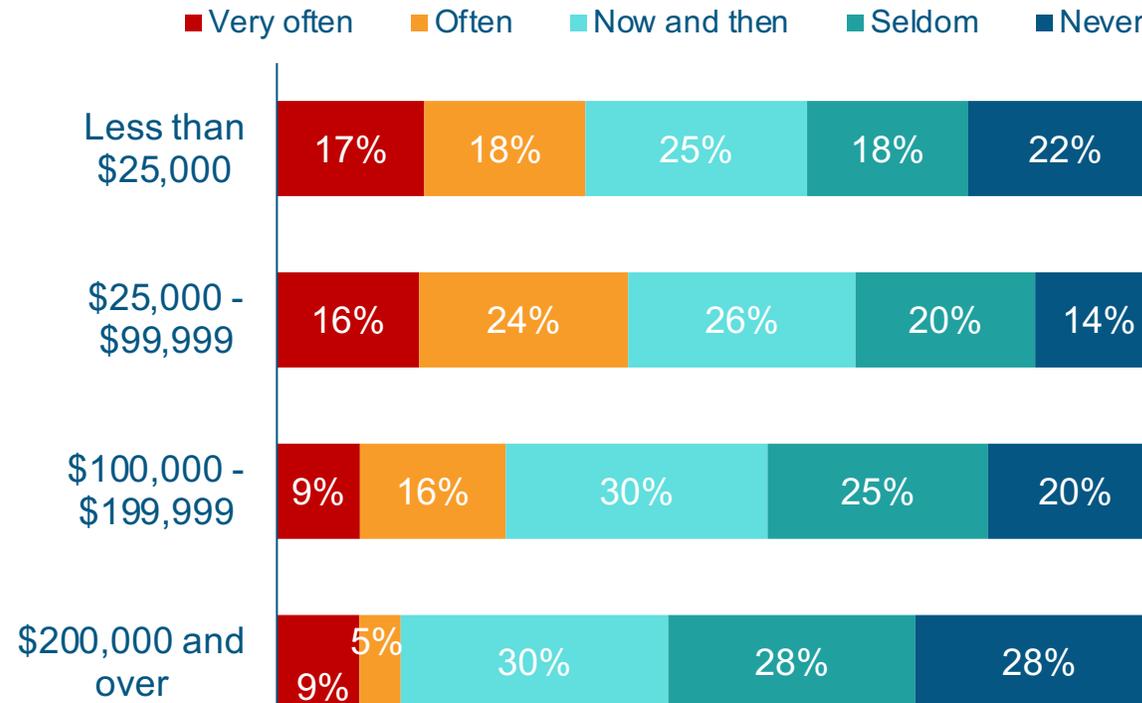
The importance of swift, relevant support in response to Covid-19 - given Canadians' financial challenges and small liquid savings buffers.

If experienced a loss of income, how long the household could afford to cover expenses at their current level of spending, without borrowing or drawing on retirement savings



Canadians' continued (and increasing) reliance on credit for everyday expenses: including to bridge the gap in times of financial hardship.

Extent to which Canadians rely on a credit card, line of credit or a temporary loan to bridge the gap if they are short on funds or facing financial hardship: by household income (Q1 2020)



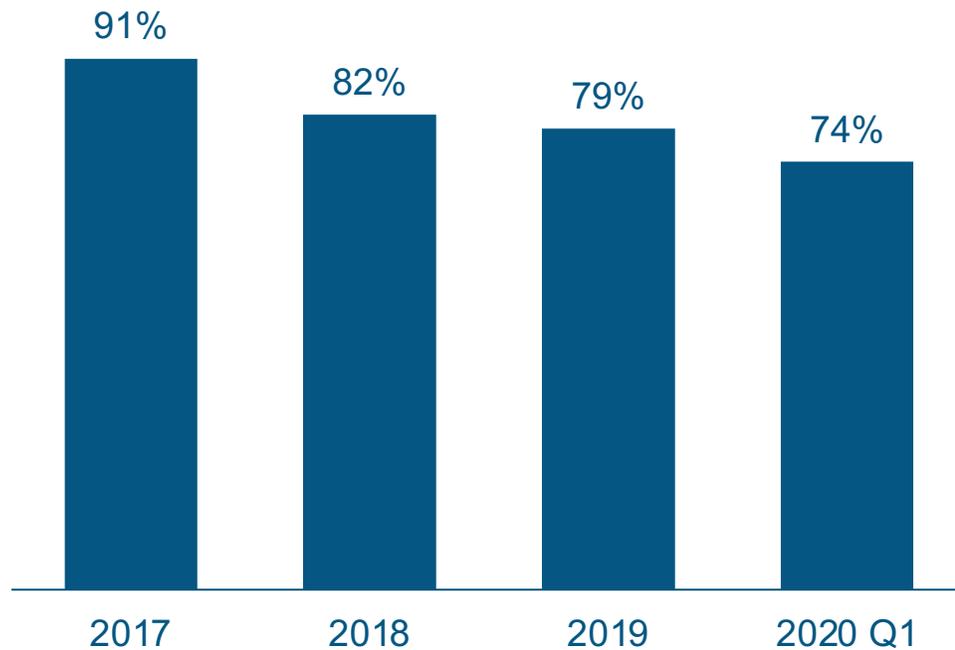
Source: Q1 2020 Financial Well-Being study.

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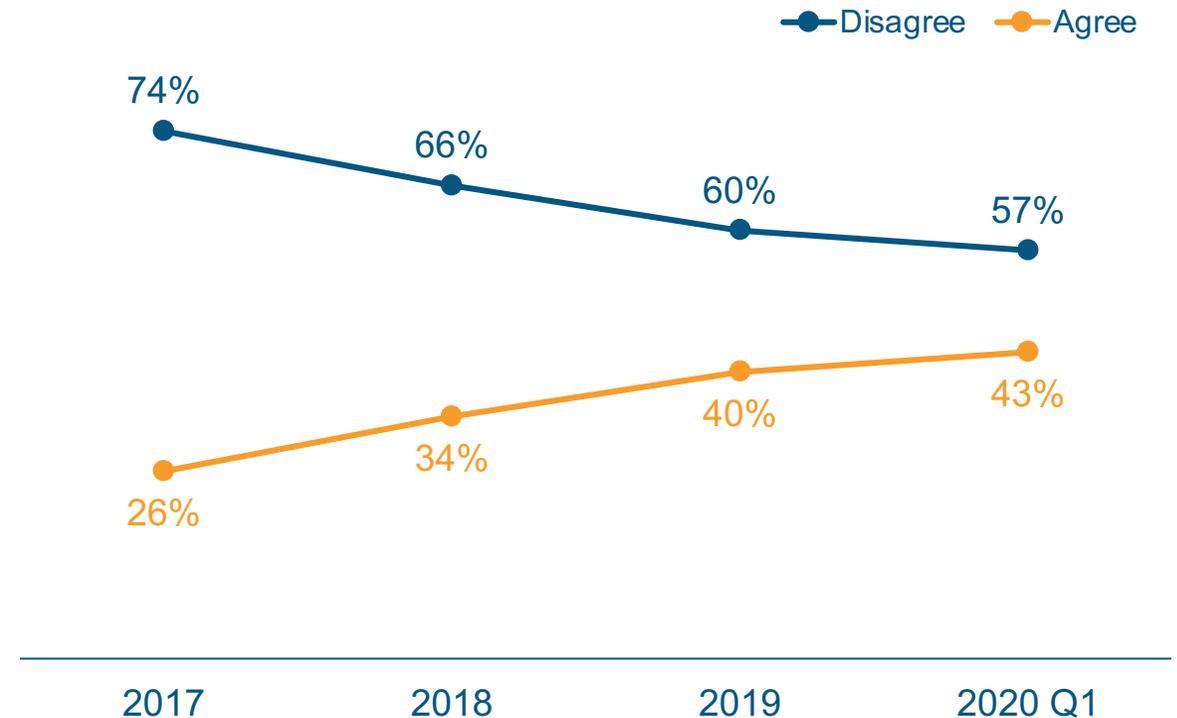
Canada continues to be the top G20 country for consumer household debt, and Canadians' increasing reliance on credit for everyday expenses is based on four years of FHI data and different indicators. Different segments are more challenged from a debt and debt—manageability perspective than others. Flexible solutions and support for borrowers will be important as a result of the extensive challenges facing many as a result of lost or reduced work with Covid-19.

Most Canadians rate their credit score as good, very good or excellent” yet financial resilience indicators and behaviours reflect lower financial resilience (and more concerning signs of hardship) underneath.

% of Canadians who report their credit score as excellent, very good or good



% who agree they have increased borrowing to help pay for things in the past year



Source: 2020, 2019, 2018 and 2017 Financial Well-Being studies. Sample size for 2017 and 2018 = 5000 Canadians; 2019 = 3010 Canadians; Q1 2020 study = 1000 Canadians
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Three out of every four Canadians (74%) self-reported their credit score to be good, very good or excellent in Q1 202 – 18% less than in percentage points lower than in 2017. Despite rating their credit score positively, consumers and borrowers are increasing their use of credit to pay for ‘table stake’ living expenses, as outlined in our 2019 and 3-year trend analysis.

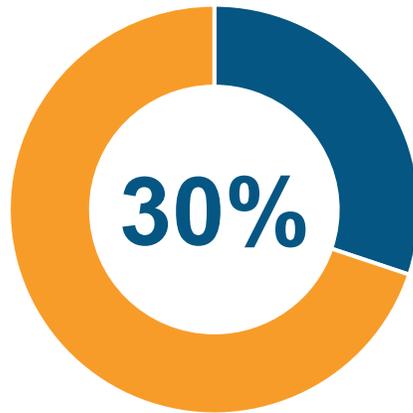
Social capital is another important factor impacting Canadians' financial resilience.



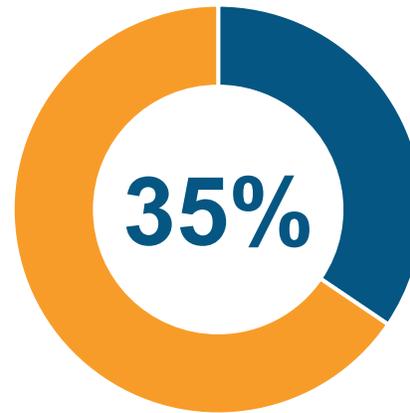
Social capital: Whether Canadians have a spouse/ partner, family or close friend who could provide them with financial support in times of financial stress or hardship, who they would also be prepared to turn to.

35% of people have no one to help them in times of financial hardship. An equal amount have social capital but are unwilling to ask for help. Many also don't know who to turn to for financial guidance or advice.

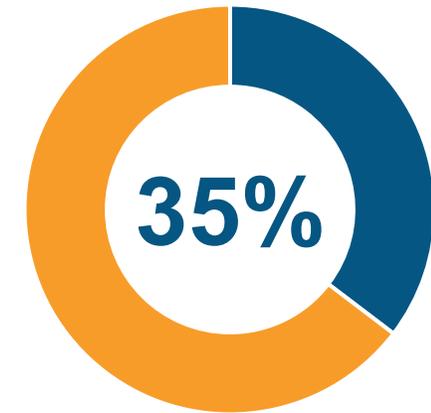
Yes: have someone and would turn to them for financial support



“Yes, but”: have someone but would not ask them for financial support.



No: don't have anyone like this, I can only rely on myself.



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Combined with FHI data around the high proportion of Canadians who also feel underserved and/or under-supported by their FI in terms of their financial wellness, there is a real need for both Government, FIs and other organizations to provide enhanced support, particularly for one-person households, single parents and the most vulnerable. Social capital is a real problem for many, and is now combined with increased feelings of isolation, anxiety and hardship as a result of the global climate and changing nature of work.

The financial health and resilience of Canadians varies by life stage.

Insights based on sample FHI health, wellness/ stress and resilience data & indicators.



| Example financial health and resilience indicators | Millenials | Gen X | Baby Boomers |
|---|------------|------------|--------------|
| Low confidence in ability to get through periods of financial hardship as a result of unplanned life events | 33% | 46% | 34% |
| Financial stress over current and future financial obligations (high to extreme) | 60% | 58% | 42% |
| Liquid savings buffer of less than 3 weeks of living expenses | 33% | 37% | 25% |
| Social capital: no one to rely on for financial support or advice in times of financial hardship | 22% | 39% | 50% |

Source: Q1 2020 Financial Well-Being study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Canadians' financial health, resilience and levels of hardship varies by life-segment, household income level, province (based on cost-of-living and economic factors) and according to consumers' consumer and financial behaviours. This highlights that more segment-tailored financial support, policies and financial wellness/ hardship responses by Government (from a policy perspective) and FIs (from a customer support perspective) is needed.

The financial health and resilience of Canadians varies by segment.

Including as a result of demographics, consumer and financial behaviours and social capital.

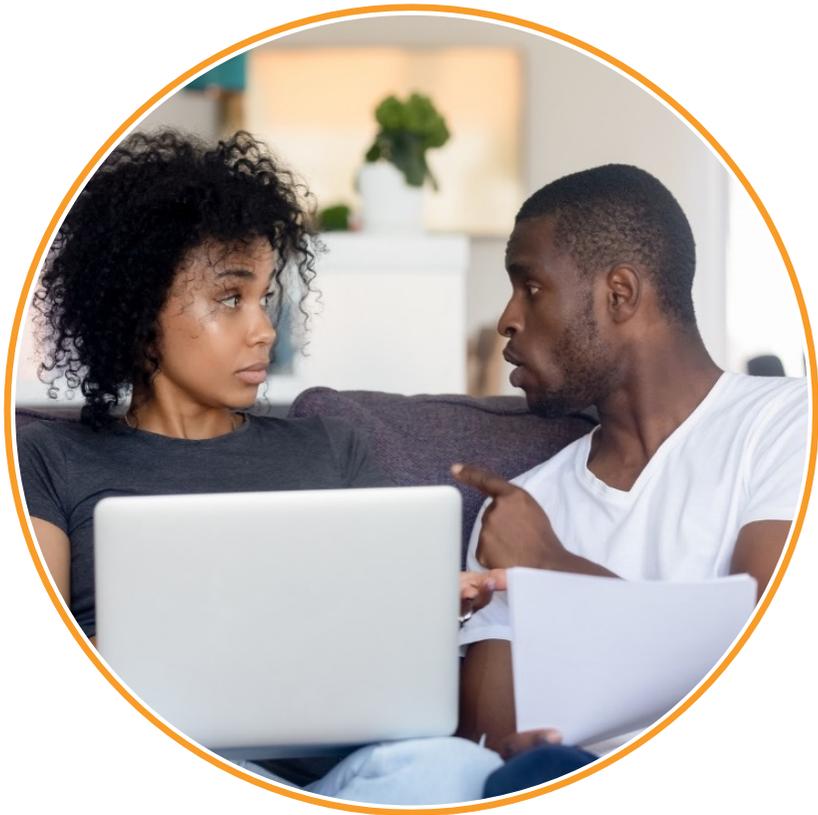


| Example financial health and resilience indicators | Low Income (HH income <\$25k) | Renters | Business Owners & Self Employed |
|---|-------------------------------|---------|---------------------------------|
| Low confidence in ability to get through periods of financial hardship as a result of unplanned life events | 57% | 51% | 24% |
| Financial stress over current and future financial obligations (high to extreme) | 72% | 66% | 37% |
| Medium or high household income volatility | 39% | 46% | 59% |
| Debt levels feel somewhat or very un-manageable | 54% | 32% | 32% |
| Actively save, even if it's a small amount | 34% | 39% | 53% |

Source: Q1 2020 Financial Well-Being study © 2020 Seymour Management Consulting Inc. All Rights Reserved.

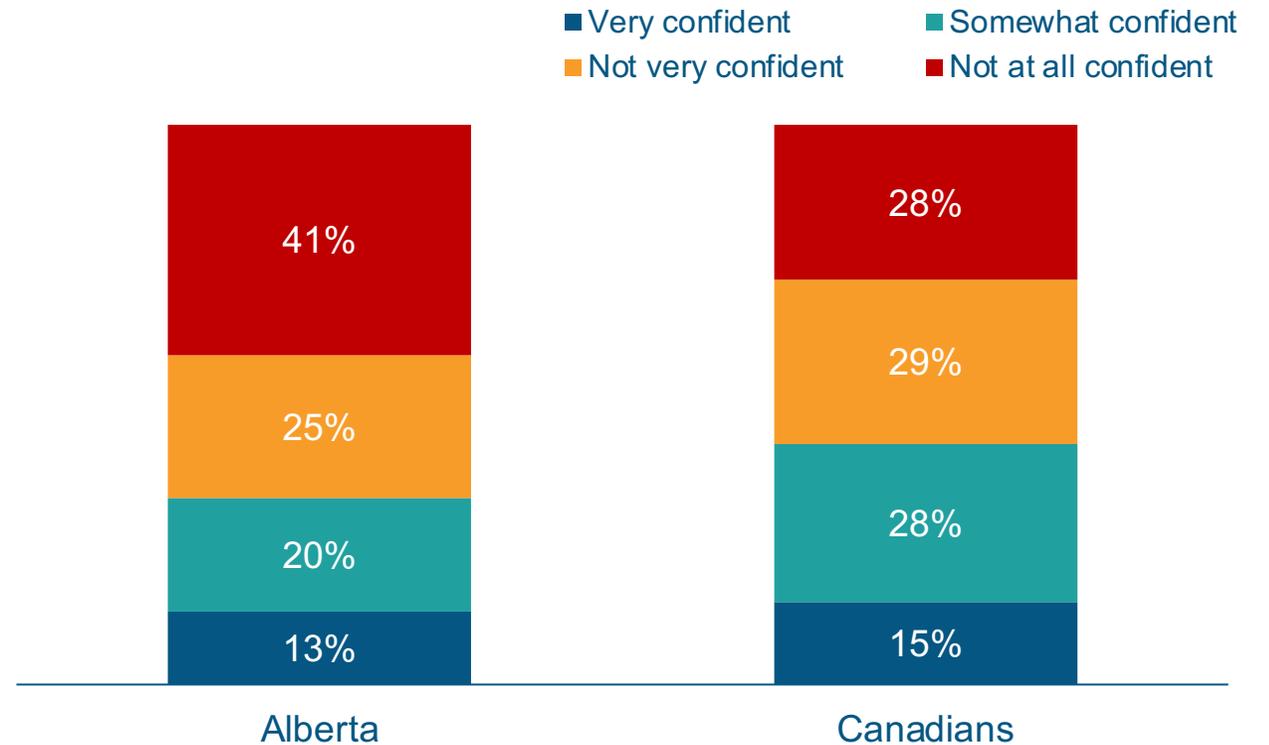
Canadians that are most vulnerable (and often underserved by their FI) include individuals and households that span multiple categories: such as a female single-mother renter and business owners. This highlights how a “one-size-fits all” financial support package may be ineffective or insufficient. In addition, case-by-case support and flexibility provided by FIs may be

Albertans' financial stress and confidence they can through periods of financial hardship is not surprisingly lower than for Canadians nationally. Differences for energy versus non-energy provinces exist.



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Overall, how confident are you that you can get through periods of financial hardship resulting from unplanned events?



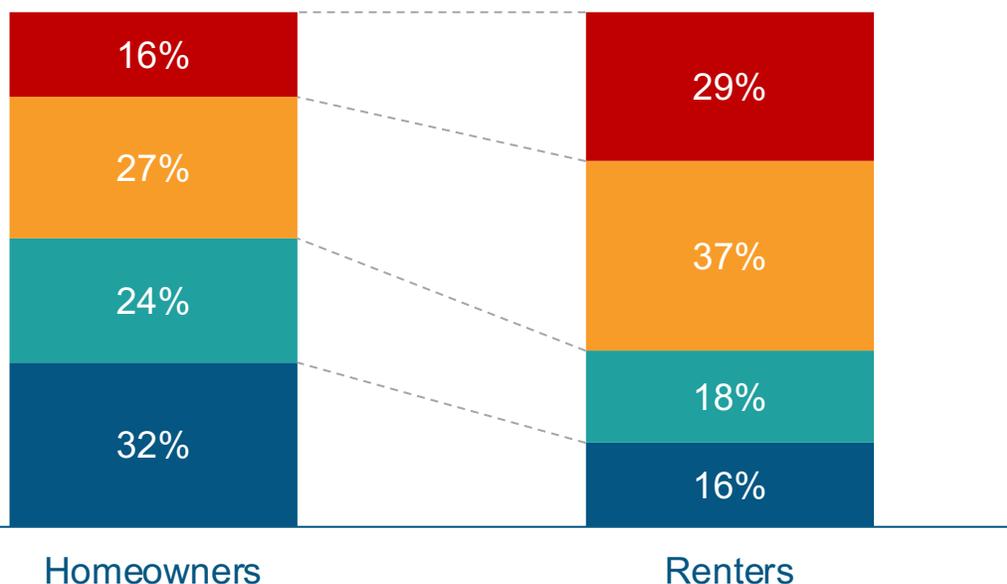
Source: Q1 2020 Financial Well-Being study.

41% of Albertans reported feeling not at all or not very confident they could can get through periods of financial hardship resulting from unplanned events, compared to 28% Canadians overall. Given the drop in the price of oil and other economic factors impacting Alberta, this is not surprising.

Homeowners versus renters' stress over current and financial obligations, and their debt levels. This highlights the need for enhanced support for renters across the country, following Covid-19.

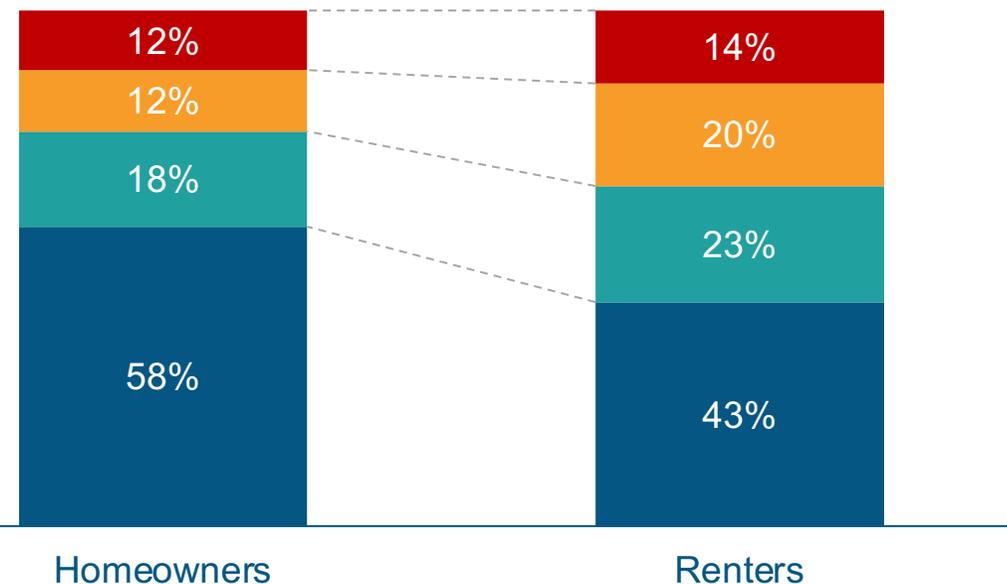
Overall, how would you rate your level of stress over your ongoing and future financial obligations? (From 1 "not at all stressed" to 10 "extremely stressed")

■ Low stress ■ Moderate stress
■ High stress ■ Extreme stress



My household's debt levels feels somewhat or very unmanageable

■ Completely disagree ■ Somewhat disagree
■ Somewhat agree ■ Completely agree

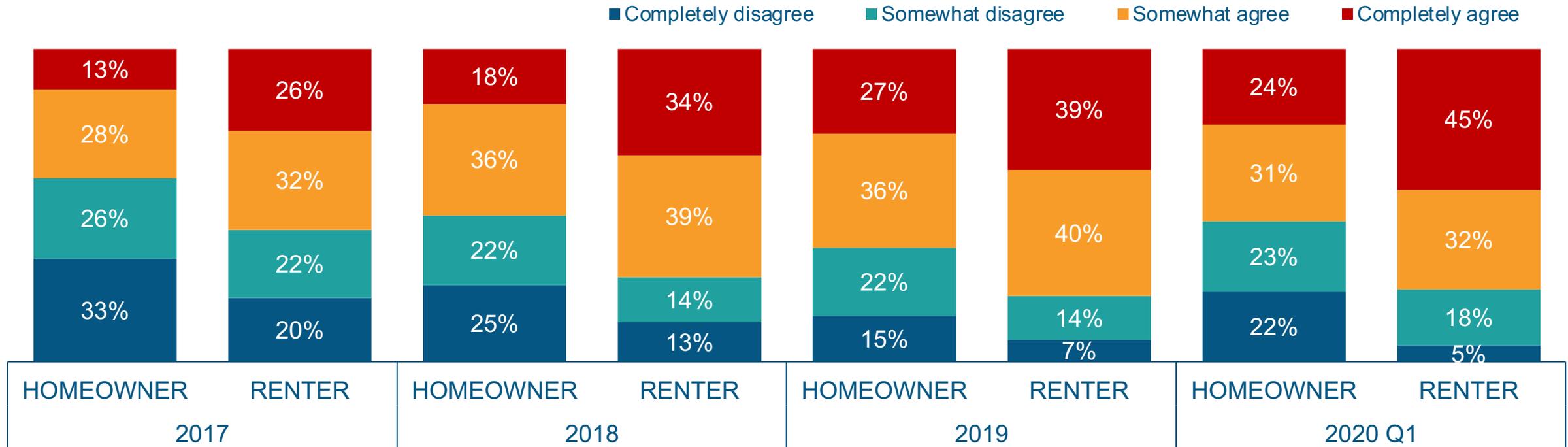


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Housing affordability continues to be a problem for Canadians. Two out of every three renters in Canada (66%) felt high or extreme stress over their ongoing and future financial obligations, in Q1 2020 compared to 44% of homeowners. Just over a third of renters also agree that their debt levels feel somewhat or very un-manageable, compared to 24% of homeowners. While many homeowners will now be worrying about making their mortgage payments, paying the rent is a worry for many.

Renters are more financially stressed and challenged and need swift, targeted support: four-year trends from the Financial Health Index.

Money worries cause me emotional stress



Source: 2019, 2018 and 2017 Financial Well-Being studies

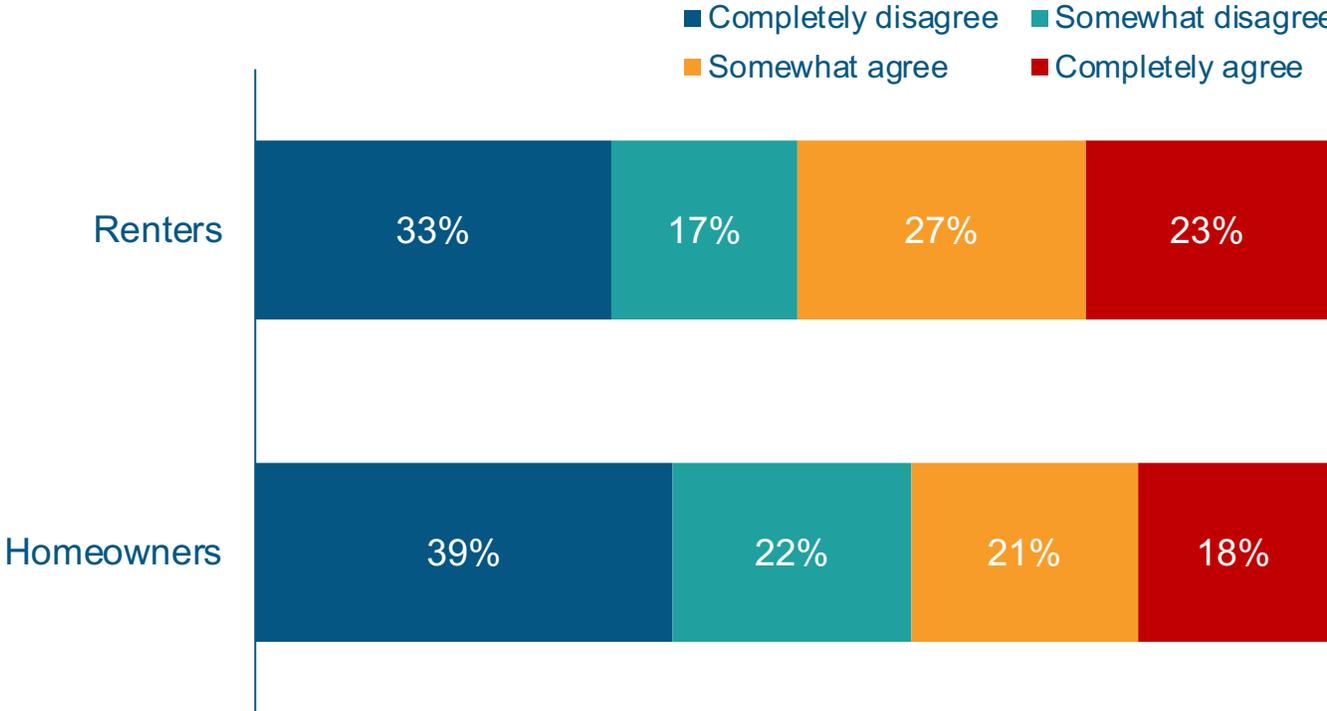
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In 2020 Q1, 77% of renters also feel emotional stress due to money worries, compared to 55% of homeowners. Although stress levels are lower for homeowners, over the 4-year period the FHI studies highlight a 34% increase in homeowners reporting emotional stress over money. Access our 2019 Renter versus Homeowner financial health white paper for more details.

More renters have also had to increase their borrowing to pay for everyday expenses in the past year in February 2020 pre-Coronavirus



Increased my borrowing to help pay for things

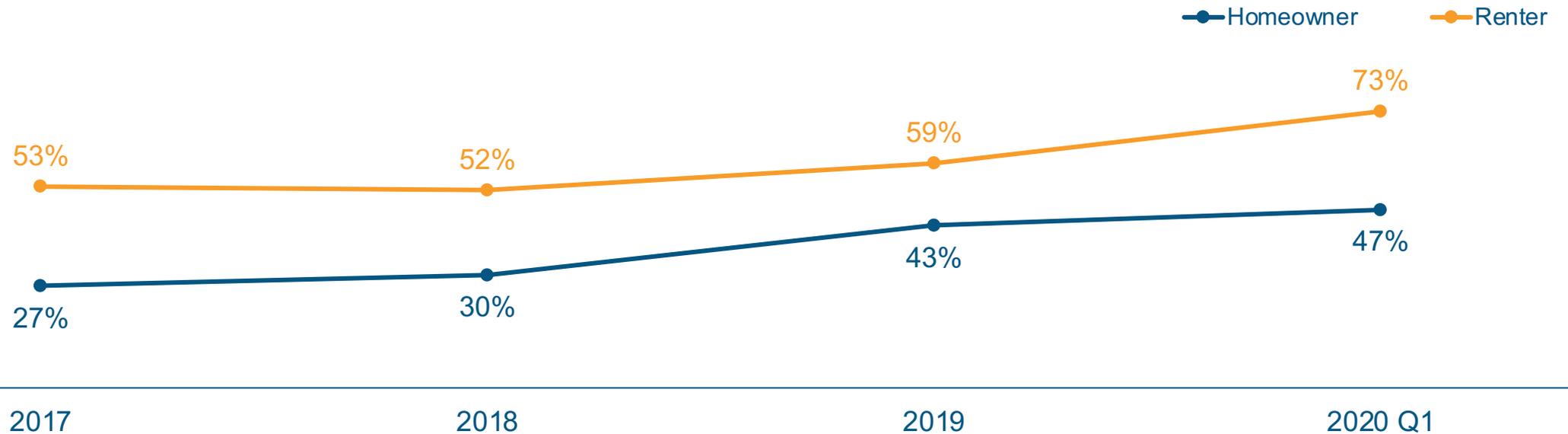


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Source: Q1 2020 Financial Well-Being study.

73% of renters had a liquid savings buffer of less than 2 months in February 2020, versus 57% of Canadians nationally. Homeowners' liquid savings buffers have also been declining however since 2017.

At your current level of spending, how long could you and your household afford to cover expenses, if you had to live only off the money you have readily available, without withdrawing money from retirement accounts or borrowing?

% of households with a 1 week to 2 months liquid savings buffer



Source: 2019, 2018 and 2017 Financial Well-Being studies © 2020 Seymour Management Consulting Inc. All Rights Reserved.

Canadian renters are considerably more likely to have a smaller liquid savings buffer of under 2 months at their current spending levels versus homeowners. While this is not surprising, analysis of Financial Well-Being study data over 3 years highlights a concerning trend of reduced financial resilience for homeowners also - with 59% more of them having a liquid savings buffer of under 2 months in 2019 compared to 2017.

The FHI study has been tracking Financial Institutions' support of their customers' financial wellness since 2017. The latest Q1 FHI study highlights once again that one in 2 Canadians feel their FI could do more.

Just under half of Canadians, representing over 15 million adults - rate their primary FI (1) "poorly" (1- 6 out of 10) for helping to improve their financial wellness. Now is the time for Financial Institutions and the wider ecosystem to 'step up' to help people in times of financial hardship.

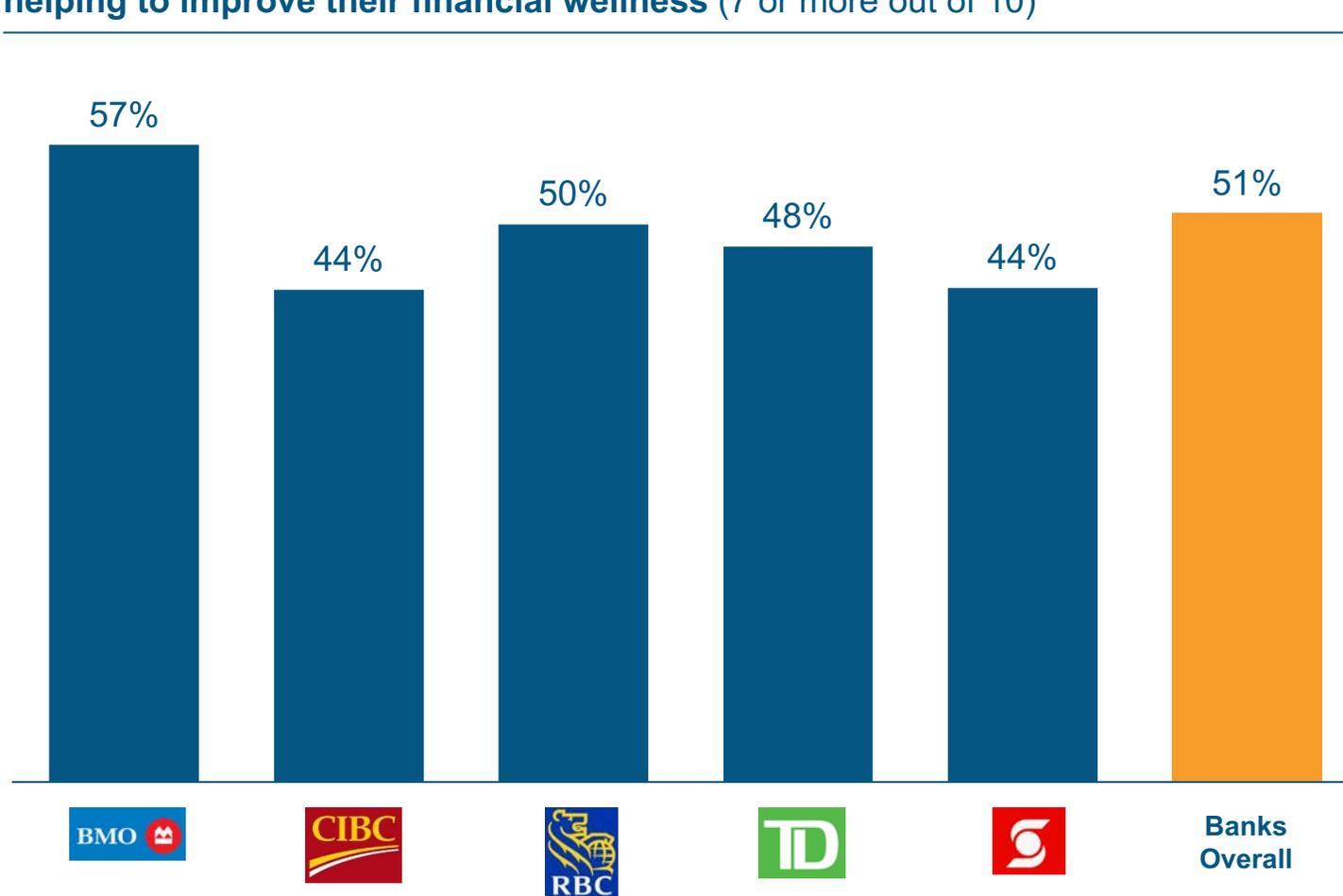
49% of Canadians overall rated their primary FI poorly in terms of helping them to improve their financial wellness in Q1 2020 Versus 53% in 2019.



37% of Credit Union members rate their primary FI poorly in terms of helping them to improve their financial wellness in Q1 2020, similar to 37% in 2019.

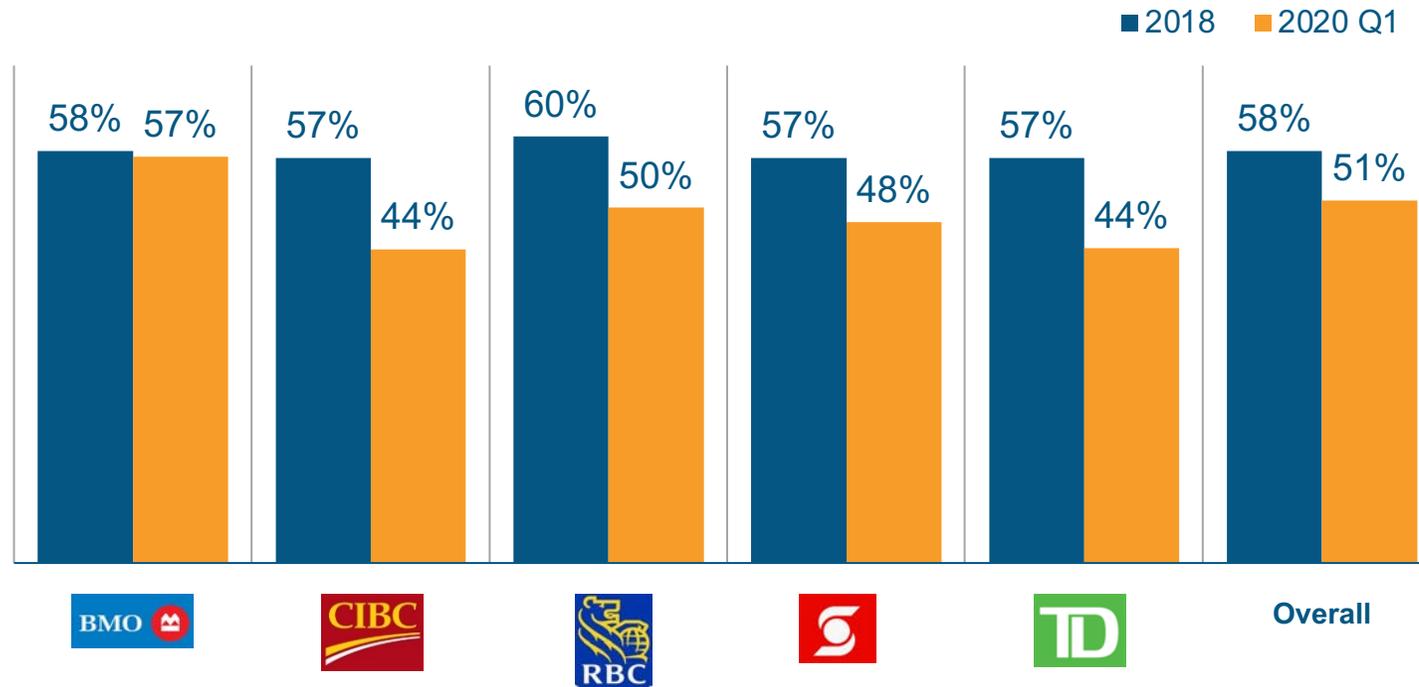
The performance of the big 5 Canadian banks overall in terms of helping to improve their primary customers' financial wellness in Q1 2020: a snapshot benchmark before FIs have been working on their Covid-19 response strategies.

% of primary customers who rate their primary FI as “good” or “excellent” in helping to improve their financial wellness (7 or more out of 10)



More primary bank customers report feeling less well supported by their bank in 2020 versus 2018. That said, there has been some good financial health product and service innovation in Canada and globally.

% of primary customers who rate their primary FI as “good” or “excellent” in helping to improve their financial wellness (7 or more out of 10)



Source: 2020 and 2018 Financial Well-Being studies. All rights reserved. © Seymour Management Consulting Inc. All Rights Reserved.

It will be fascinating to see how the perceived financial wellness support performance of Canada's FIs including banks and credit unions is rated by Canadian customers and citizen in the next upcoming June/ July 2020 FHI study: following Covid-10 bank and credit union responses and support for their customers. More accountability is needed for moving the dial on consumers' financial wellness and delivery on an enhanced experience – with less “sales focused” product sales and more customize solutions, based on consumers' best interests. FHI benchmarking and analysis is available for KPIs and leadership.



Appendices: our work, FHI framework, studies and impact

About Us

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 Well-Being 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

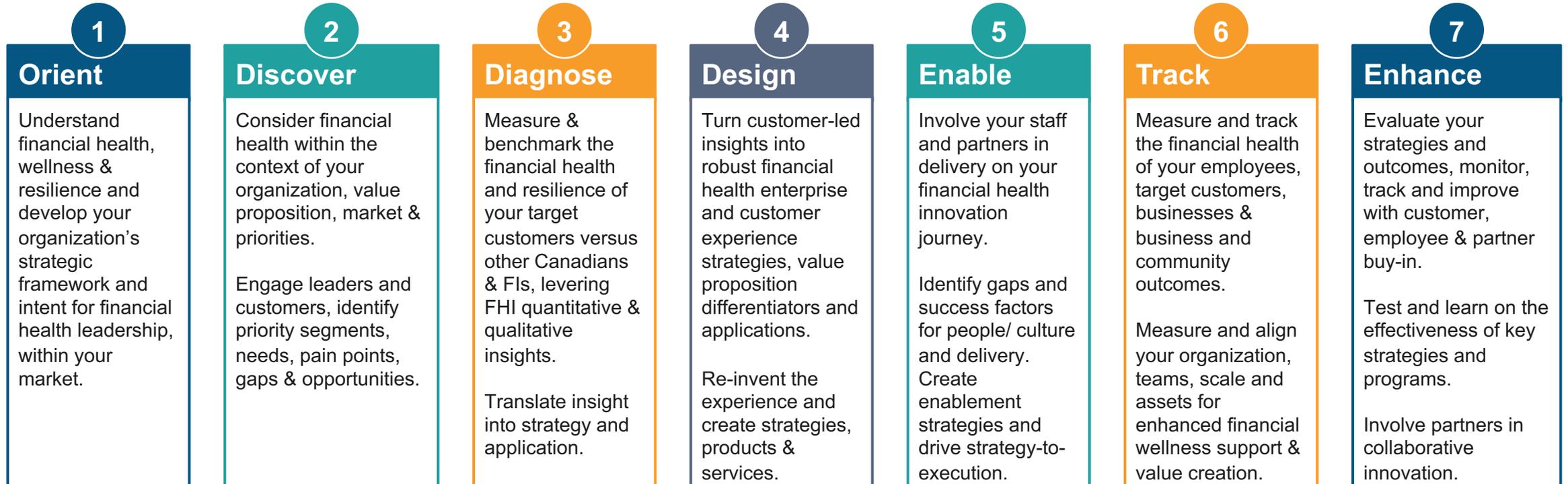
Research measurement & decisioning

Advisory services & consulting

Collaborative innovation

We help committed organizations in their in financial health strategy re-invention, development, execution and measurement of success.

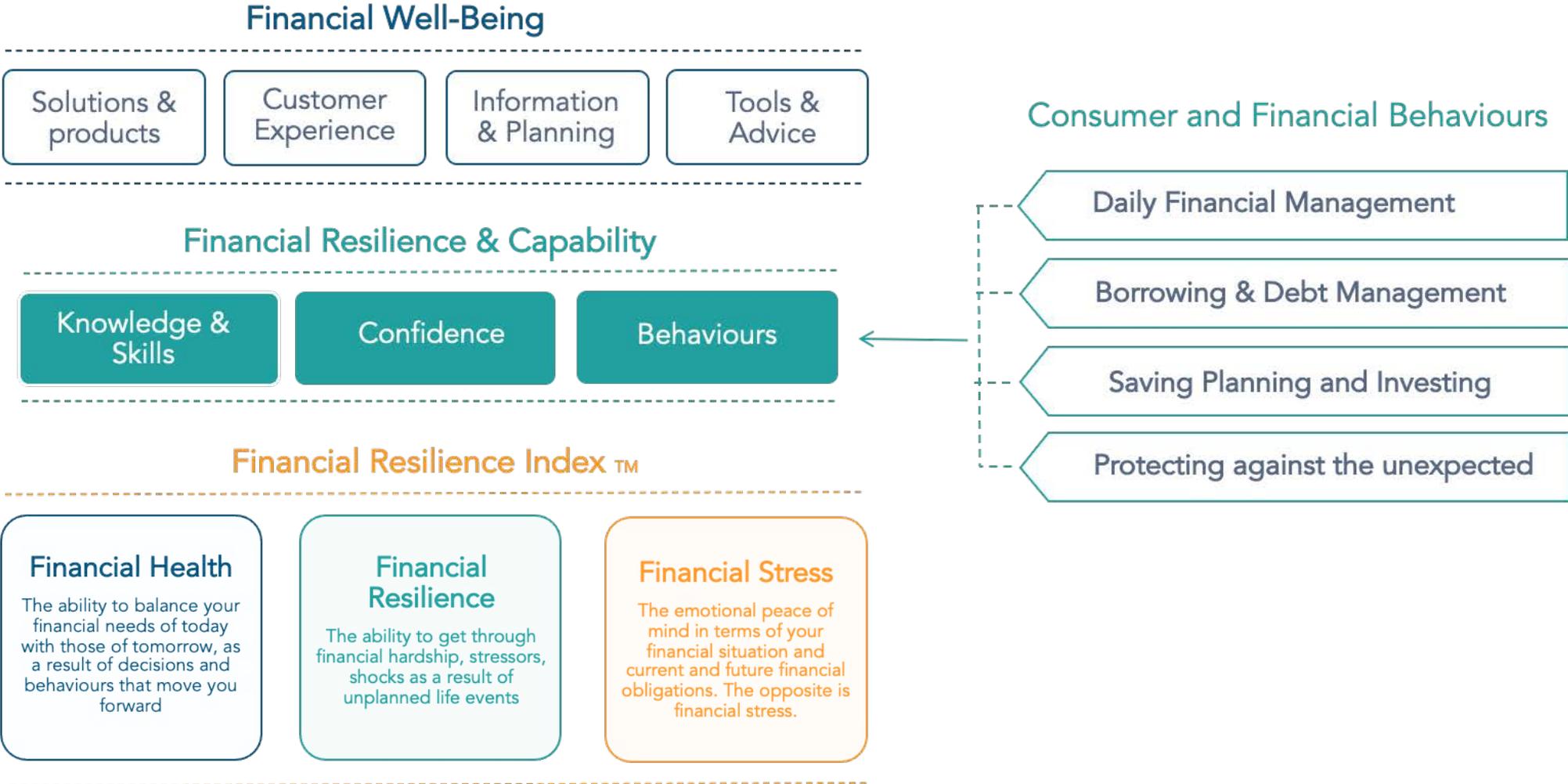
Innovation & Application Roadmap: customized to every project, leveraging proven methodologies.



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The Index was created in line with our Framework

Created in 2016 to shape the Financial Well-Being studies, indicators and Seymour Financial Resilience Index™



Financial health measurement, innovation and impact is an on-going journey for Financial Institutions and policy makers.

Financial Health Index



Financial support, solutions and advice



The FHI study measures consumers' financial wellness/ stress sentiments and their financial health behaviours. We also measure financial resilience behaviours and enabler, and the extent to which consumers' primary FI helps to improve their financial wellness.

Financial support, solutions and advice" refers to financial solutions, money and payments services, access to credit, tools, apps, packages or support that consumers either seek out themselves, and/or receive from a trusted primary or secondary Financial Institution (FI) or alternative provider (or both). These may include insurance companies, fintechs, wealth providers, financial planners and other organizations.

Our framework also recognizes that financial support and advice can also come from others: e.g. close family and friends, peers, employers, non-profit organizations, credit and financial counsellors, government organizations and more.

From the FI and customer experience perspective, we are working to understand and measure the extent to which FIs (and other providers) help support and improve the financial health and wellness of their customers at an aggregate and individual level: enterprise-wide as well as through advisors and key touch-points.

We are also looking at the disconnects between consumers' goals and behaviours impacting their financial wellness, and gaps and opportunities in terms of their experience in dealing with FIs and other providers through the financial wellness lens.

The independent, longitudinal Financial Well-Being studies for Canada (2017 to 2020)

- The Financial Well-Being study is Canada's first and most robust independent, longitudinal study with tracking benchmarks on Canadians' financial health, resilience and well-being. Our studies build on the "best of the best" financial health, capability and resilience studies around the globe, with indicator questions honed over several years. Please see appendices for more information. The sample size for the 2017 and 2018 online studies was 5000 Canadians; 3010 Canadians for 2019 and 1000 Canadians for the extra Q1 2020 dip, conducted in early February 2020, right before Covid-19 affected our country.
- Independent FHI data insights and tracking can complement and built on other research, customer, transactional and banking data gathered and analyzed by our clients and partners. Quantitative research is also combined with deep qualitative research with Canadian consumers around their financial health and stressors, including from an individual, household and family perspective, across generations, and for small business, to help measure their business financial health, and personal financial wellness.
- Seymour will be launching the Seymour Financial Resilience Index (currently in development). This will support measurement and scoring of consumers' financial health and resilience based on 4-years of FHI data and regression analysis. This index, and other indices be levered and combined with actual behavioural, transactional and consumer data and models (for example of FIs) will support financial health and resilience measurement at the aggregate, segment and consumer level.

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2017 to 2020

5000 primary or joint financial makers across all provinces excluding Quebec (3010 for 2019 and 1000 for Q1 2020)

Respondents range from 18 to 70yrs old

Recruited through the Angus Reid Forum, data is weighted to be representative of the Canadian population by province, gender, age and household income.

Canadians' financial health & well-being in 2019: Based on the 2019 FHI Study and analysis



5 Canadians have **increased financial stress** negatively impacting their overall personal well-being on multiple levels (emotional, physical health, relationships).

4 Many Canadians have **high to moderate debt stress** and other challenged consumer and financial behaviours with negative effects.

3 Canadians have **lower confidence levels they can get through times of financial hardship** as a result of unplanned life events.

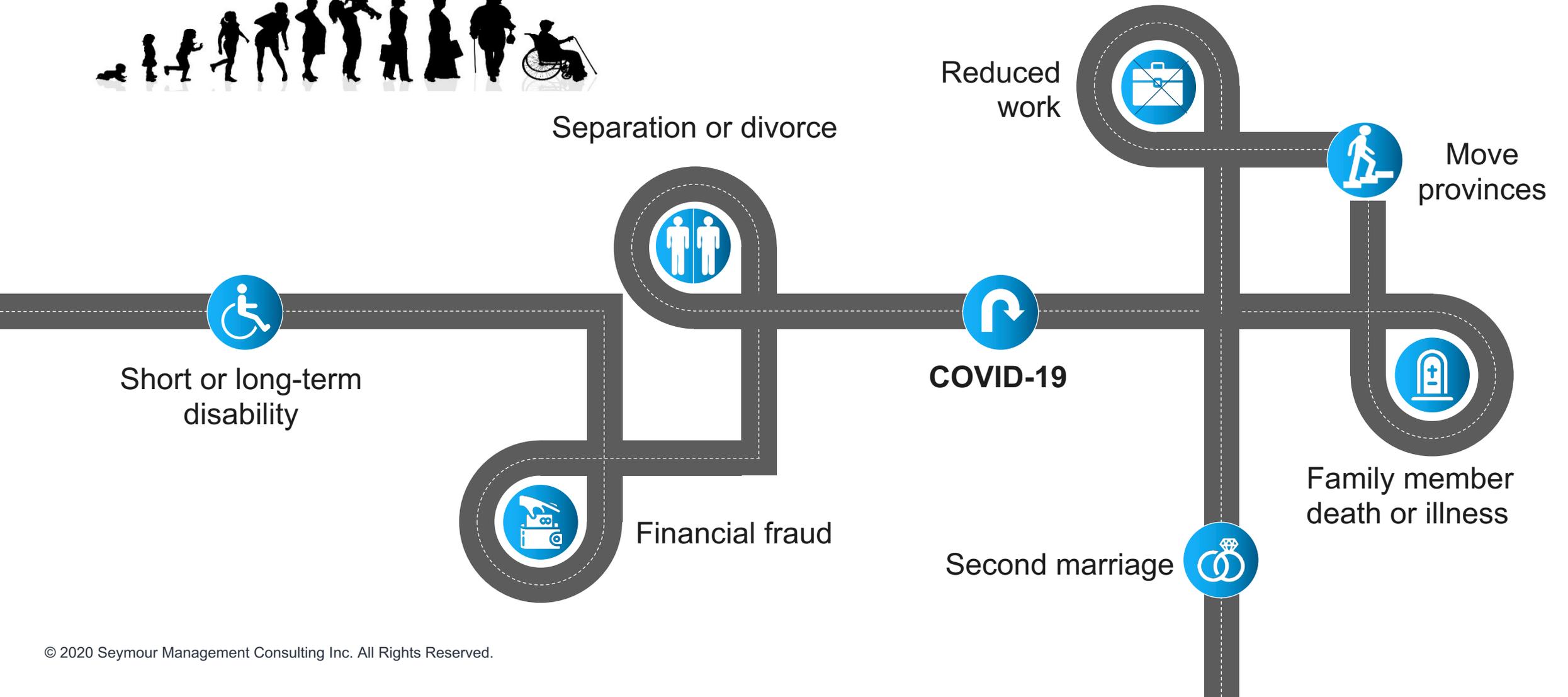
1 Canadians have **increased their borrowing** for everyday expenses.

2 Canadians are **not actively saving** and/or are not saving enough.

This can be a result of them **spending more than their monthly household income**, due to affordability and other issues.

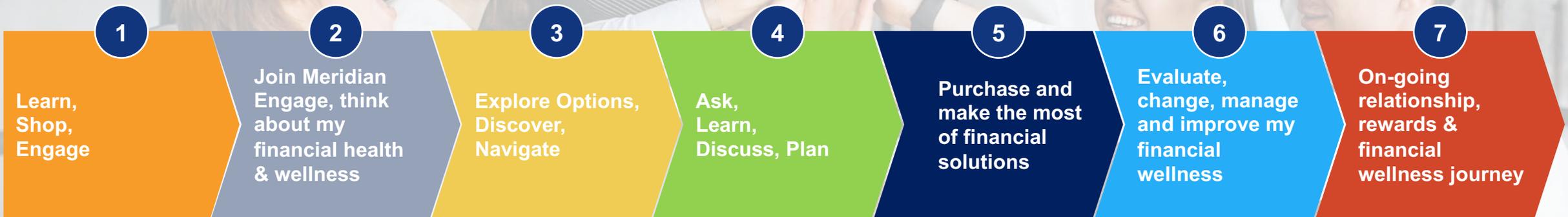
Many Canadians are challenged in their access to meaningful financial support, solutions and advice: including from their primary FI and other financial services providers.

Financial health and wellness education/ engagement, products, services,  Seymour CONSULTING support and help through planned and unplanned life events.



Financial Institutions and other organizations need to support their customers' financial well-being based on their goals, needs, pain points and financial health challenges: including through key touch-points and with meaningful interventions and help.

CUSTOMER BANKING EXPERIENCE JOURNEY - EXAMPLE





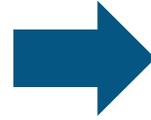
There is also an urgent need for the Government and FIs to provide meaningful, speedy support to small businesses and self-employed Canadians in response to the Covid-19 Crisis and over the longer term. Developing small business financial health strategies is critical given how underserved many SMEs are by FIs, and how they represent the engine of our economy. They also need to be supported from the personal perspective.

People see the connection between their financial health and positive outcomes for their lives, families and communities.

Financial wellbeing connects to family, small business and community well-being.



**Individual Financial Health,
Wellness & Resilience**



**Family Financial
Well-being**



**Financially healthy, thriving
communities**



Seymour CONSULTING

Eloise Duncan, CEO and Founder, Seymour Management Consulting Inc.

Email: eloise@seymourconsulting.ca

Phone: 1 604 971 4314

1 778 846 8626

LinkedIn: www.linkedin.com/in/eloise-duncan-073620a/

Twitter: [@canada_sfri](https://twitter.com/canada_sfri)

<http://financialhealthindex.org>

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