

Financial Inclusion and Access to Financial Help Challenges for more Financially Vulnerable or Underserved Populations

Based on the Seymour Financial Resilience Index™



January 2023

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At the non-profit Financial Resilience Institute, we believe in the power of evidence to build resilience, improve lives and strengthen communities. Financial services innovation, public policy and programs work best when rooted in data and facts. Our research, impact measurement, and cross-sector collaboration spark solutions in programs and practice. We're working to help expand opportunities for people and improve financial resilience for all.



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This report is complemented with the 'The financial vulnerability and challenges of key populations in Canada' report, published in January 2023 [1]

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[1] Many more financial inclusion and access to financial help indicators and insights are available for Canadians and more financially vulnerable populations. For more information contact: info@finresilienceinstitute.org
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About Financial Resilience Institute, the Seymour Financial Resilience Index™ and national findings based on the June 2022 Index



Financial Resilience Institute is a non-profit organization and the leading independent authority on financial resilience and financial well-being in Canada. We strive to help improve financial resilience and well-being for all.



Impact Goals

1. **Reduce financial vulnerability** in particular for those who need help most or are underserved ^[1]
2. **Be a catalyst for positive change** through knowledge mobilization, solutions that create value and cross-sector collaboration.
3. **Foster financial inclusion and empowerment** while helping to build a resilient, equitable and inclusive Canada.

Improving Financial Resilience For All

We partner with financial institutions, business leaders and policymakers to develop and implement solutions that improve financial resilience, health and well-being for all.

[1] These include households that are most financially vulnerable based on their mean financial resilience score and/or who are challenged from a financial help or 'access' perspective. It also includes key populations facing barriers, households who are using predatory financial services, have specific financial stressors; are underserved by their primary Financial Institutions and/or exhibiting financial behaviours that impact their financial resilience and financial well-being.
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The Institute measures and tracks many financial stressors, financial inclusion and 'access to financial help' challenges, sentiments and reported behaviours for Canadians overall and more financially vulnerable and/or underserved populations.

Measurement and tracking date back to 2017 with a representative sample of the population by household income, age, gender and province. For example, based on the June 2022 Index:

36% of households with a disability and 25% of low-income Canadians have used a food bank in the last 12 months as of June 2022



This compares to 11% of Canadians using a food bank overall with 17% of Canadians unable to get or afford the food they need as of June 2022

68% of single parents report that rising interest rates is a problem for them personally, with financial stress negatively impacting the physical health of 66% of these households



13% of Indigenous Canadians have taken out a payday loan and 27% an installment loan in the last 12 months as of June 2022, with challenges evident across a many debt and financial stress indicators.

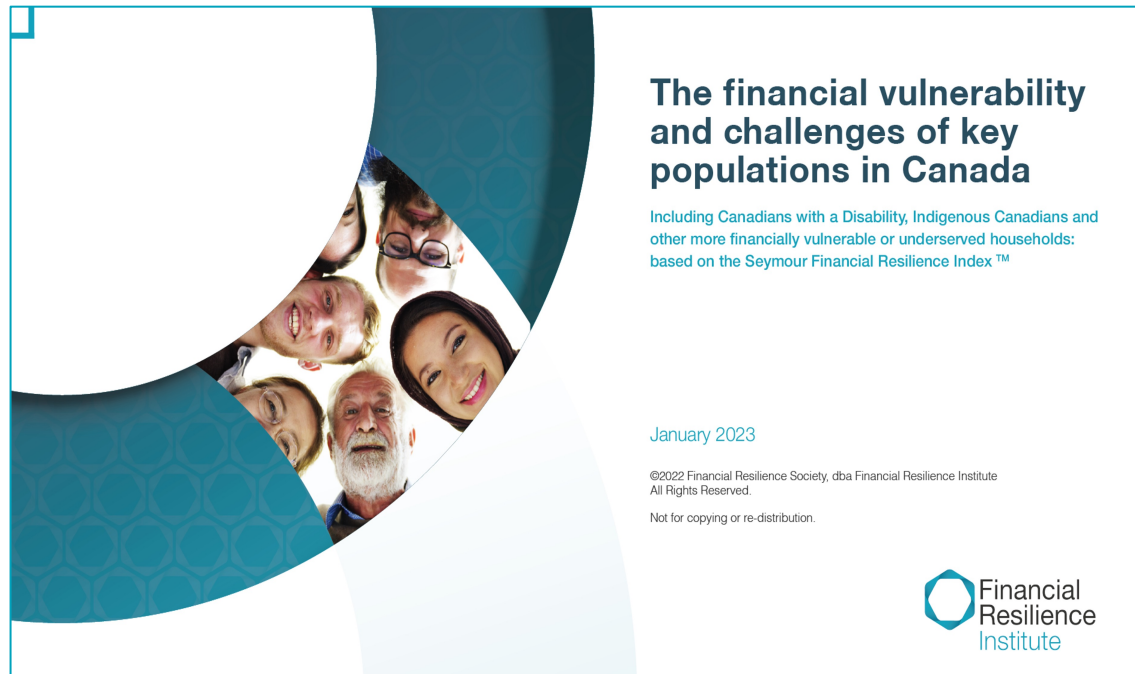


'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

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This report is complemented with the free 'Financial Vulnerability and Challenges of Key Populations in Canada' report and the Full Subscribers Report.



Additional data and analytics on the financial vulnerability of specific populations including Racialized Canadians and those with self-reported poor credit scores is also available in the Full Report for Institute Subscribers.

Definitions of financial health, financial resilience and financial wellness within the over-arching construct of Financial Well-Being [1]

Financial Well-Being

A state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life [2]

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.

Measured through many financial health and behavioural indicators in the longitudinal Financial Well-Being study (2017-2023)

Financial Resilience

Financial resilience is about your ability to get through financial hardship, stressors or shocks as a result of unplanned life events.

Measured at the national, provincial, segment and individual household level based on behavioural, resilience and sentiment indicators through the Seymour Financial Resilience Index™

Financial Wellness

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

Measured through many financial stress, debt stress and financial wellness indicators in the longitudinal Financial Well-Being study.

[1] The Financial Well-Being Framework developed by Seymour Consulting in 2016 (now the Financial Resilience Institute) is summarized in the appendices.

[2] Definitions of financial health, financial resilience and financial wellness Financial Well-Being definitions were created by Seymour Consulting as the leading independent authority on financial health in Canada (2016-2022). The definition for 'Financial Well-Being' above was developed by CFPB (Consumer Financial Protection Bureau in the US) and aligns with other definitions of financial well-being analyzed by the Institute over several years.

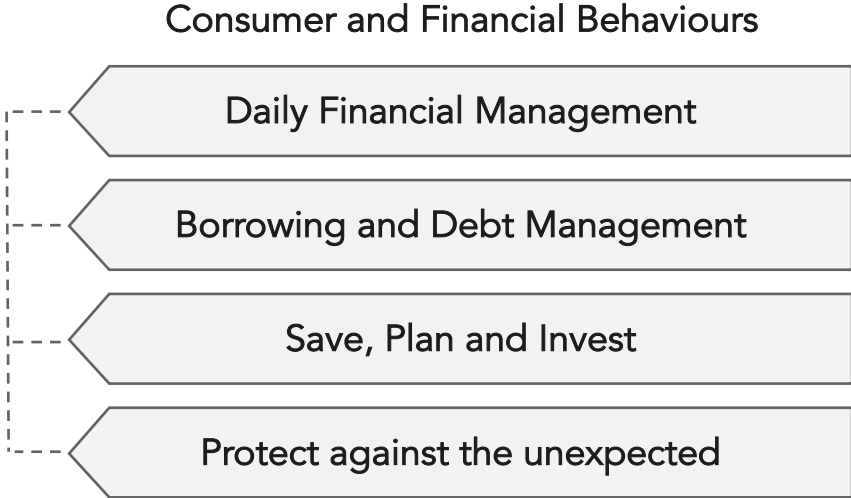
Financial Well-Being Framework, developed in 2016.



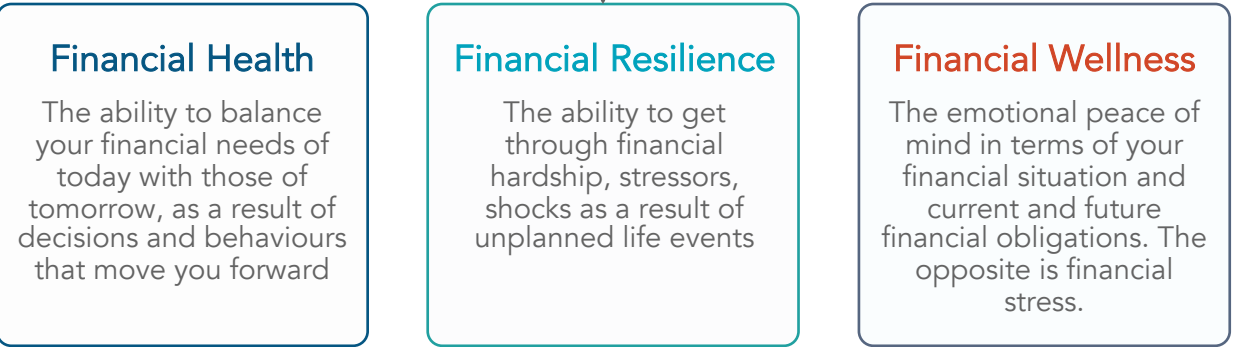
Consumer Financial Well-Being



Financial Resilience and Capability



Seymour Financial Resilience Index™



The Institute's Financial Resilience Index has captured major changes in households' financial vulnerability through the pandemic and has a pre-pandemic baseline.

WHAT THE SEYMOUR FINANCIAL RESILIENCE 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 household financial resilience across nine behavioural, sentiment and resilience indicators.

Measurement and tracking conducted at the national, provincial, segment and individual household levels in Canada, with application to other countries.



The ability to balance your needs of today with those of tomorrow, as a result of decisions and behaviours that move you forward.



The ability to get through financial stressors, shocks and financial hardship as a result of unplanned life events.



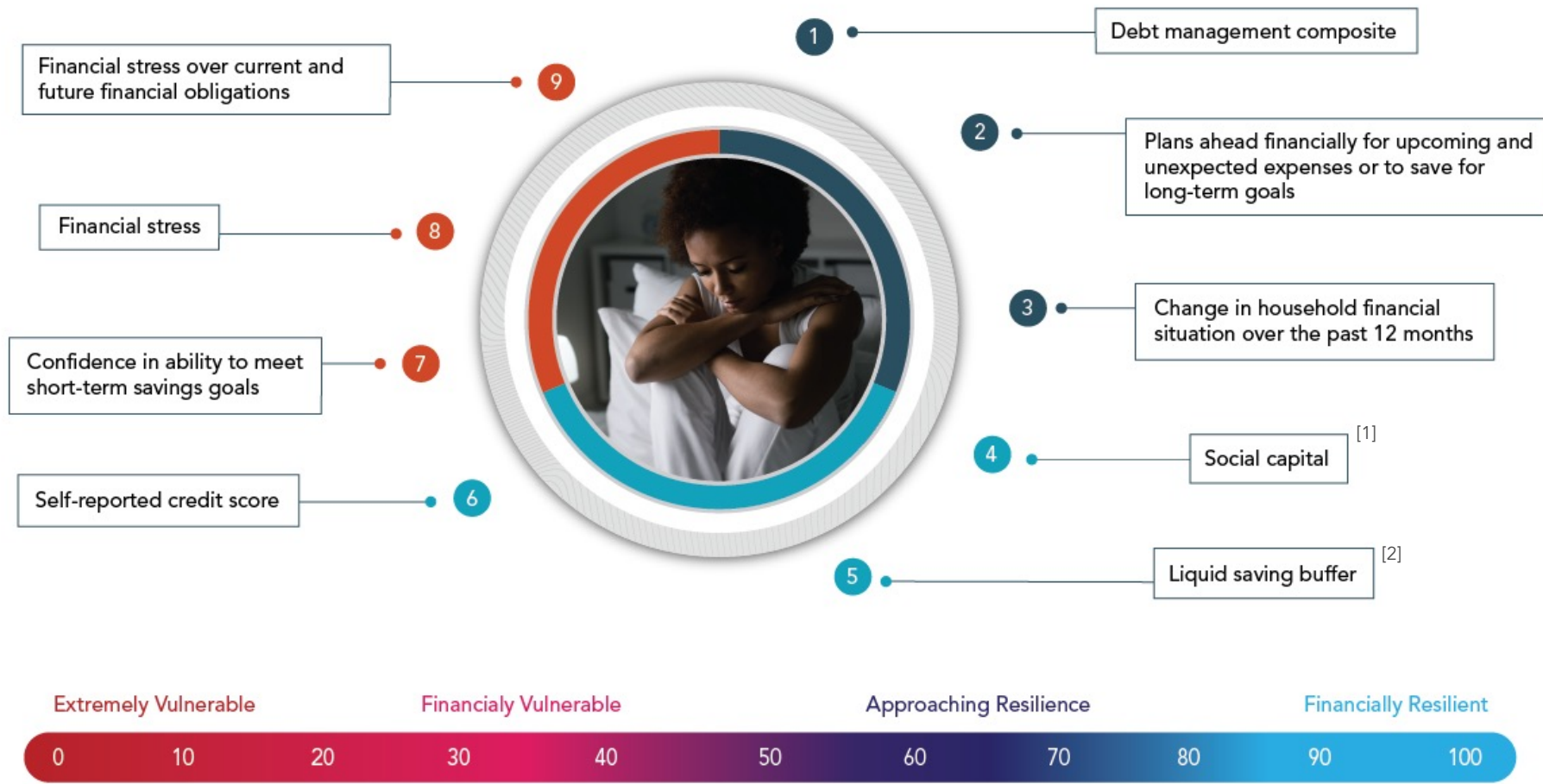
Emotional peace of mind in terms of our financial situation, and current and future financial obligations. The opposite is financial stress.

Peer-reviewed by Statistics Canada, the C.D. Howe Institute, UN-PRB and FIs the Index has a pre-pandemic baseline of February 2020. It builds on over six years of longitudinal Financial Well-Being studies data for Canada with applicability to other countries [1]

[1] The Index was developed by Seymour Consulting over more than five years based on an iterative process to regress and evaluating over 35 potential indicators against self-reported "financial resilience" or "financial stress" measures, using the multiple linear regression technique. In the end, nine variables were determined to account for 62 percent of the variance in the financial resilience construct as of June 2022 and 64 per cent of the variance in the financial resilience construct as of February 2021. The regression model's indicators (independent variables) are significant at a 95% confidence interval, with p-values less than 0.05. Index development and methodology details are at <https://www.finresilienceinstitute.org/why-we-created-the-index/>. Seymour Financial Resilience Index™ is a trademark used under license with the Index now being licensed to the Institute for \$1.

Indicators and Scoring Model

Households are scored from 0 to 100 for their financial resilience



‘Extremely Vulnerable’ households have a financial resilience score of 0 to 30; ‘Financially Vulnerable’ a score of 30.01 to 50; ‘Approaching Resilience’ a score of 50.01 to 70, and ‘Financially Resilient’ a score of 70.01 to 100.

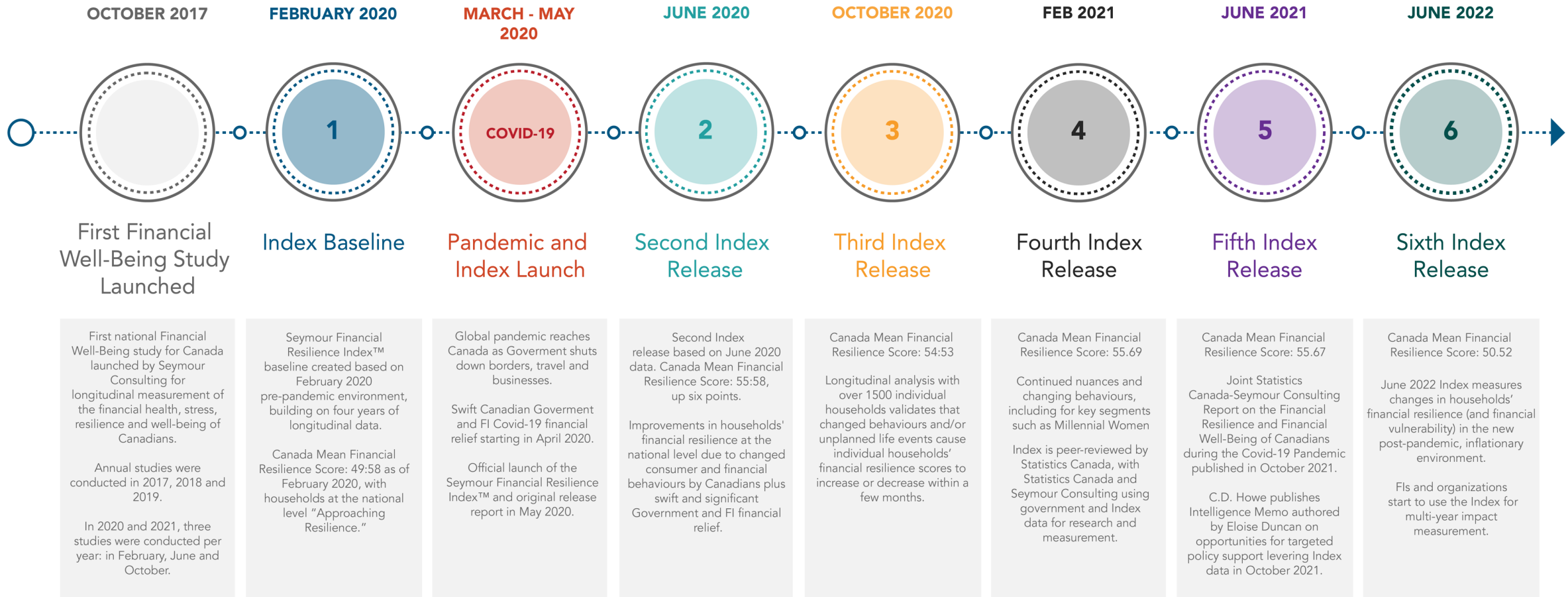
[1] Social capital: has a spouse, partner, family member or close friend who could provide financial support in times of financial hardship that they are willing to turn to for help.

[2] Liquid savings buffer: how many weeks or months could afford to cover living expenses at current spending levels if income was lost or reduced, without borrowing or drawing on retirement savings.

More details on the Index and development methodology are outlined in the appendices. Example Seymour Financial Resilience Index TM reports are available on the Institute’s website.

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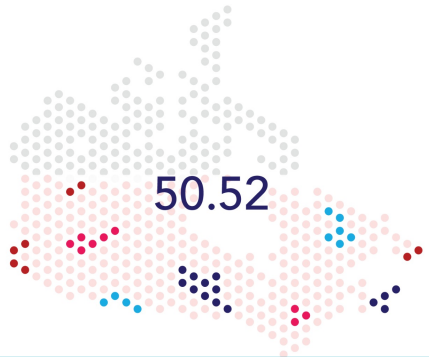
Index Development Roadmap ^[1]



[1] Seymour Financial Resilience Index™ is a trademark used under license. For more details on the Index development methodology: <https://www.finresilienceinstitute.org/why-we-created-the-index/>
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About the Institute's Financial Resilience Index: Measuring household financial resilience at the national, provincial, segment and individual household level.

Canada Mean Financial Resilience Score



The Index measures and tracks household financial resilience across nine behavioural, sentiment and resilience indicators. Household financial resilience measurement and tracking is conducted at the national, provincial, segment and individual household levels, at least twice a year (and more often based on the needs of Financial Resilience Institute clients, partners and members)

Peer-reviewed by Statistics Canada, C.D. Howe Institute and many leading organizations, the Index has a pre-pandemic baseline of February 2020 and builds over six years of longitudinal Financial Well-Being studies data. It has many applications and provides financial resilience and financial well-being measurement for customers and communities of tier one banks and other organizations.

The Financial Well-Being study is a complementary instrument to the Index, which is being levered as a community asset for good to help create a more resilient, equitable and inclusive Canada.

Provincial



Segment



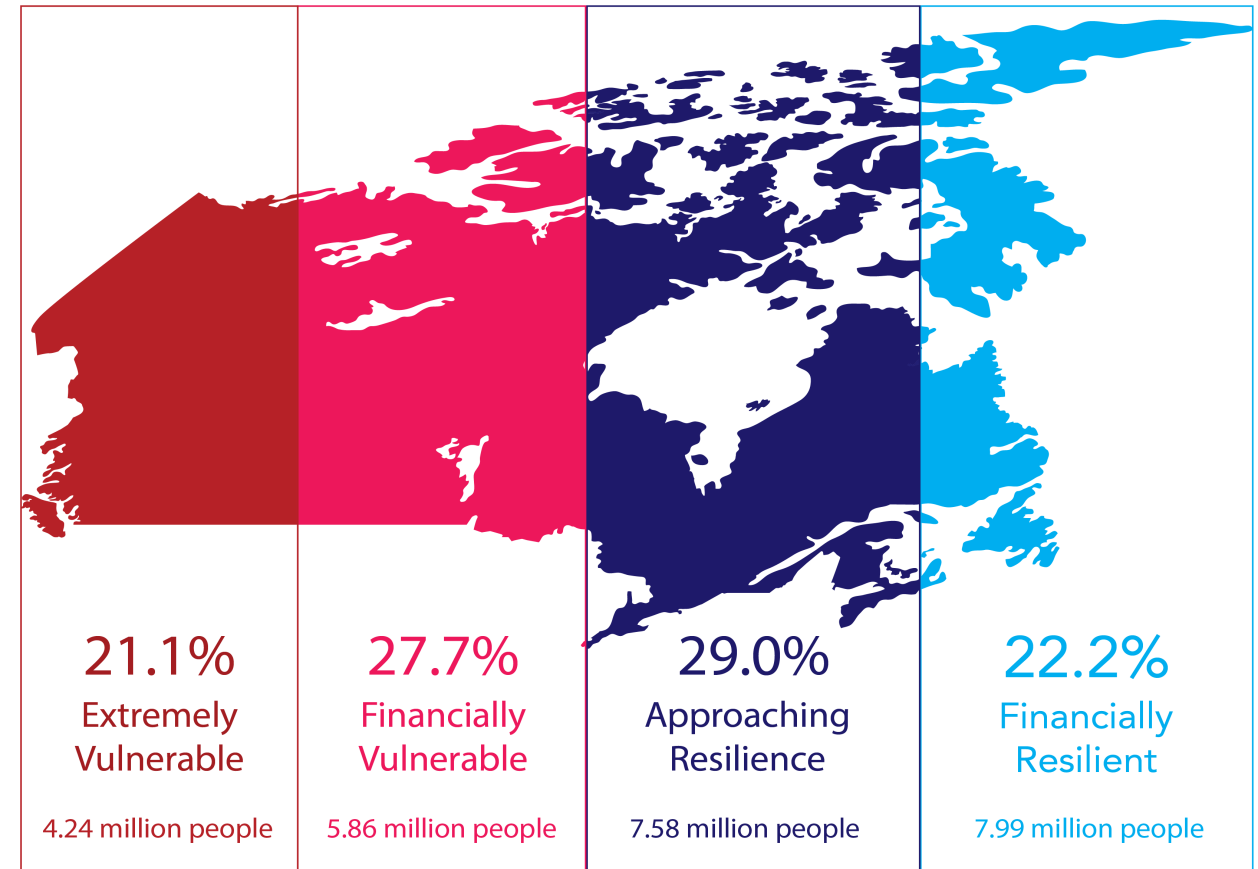
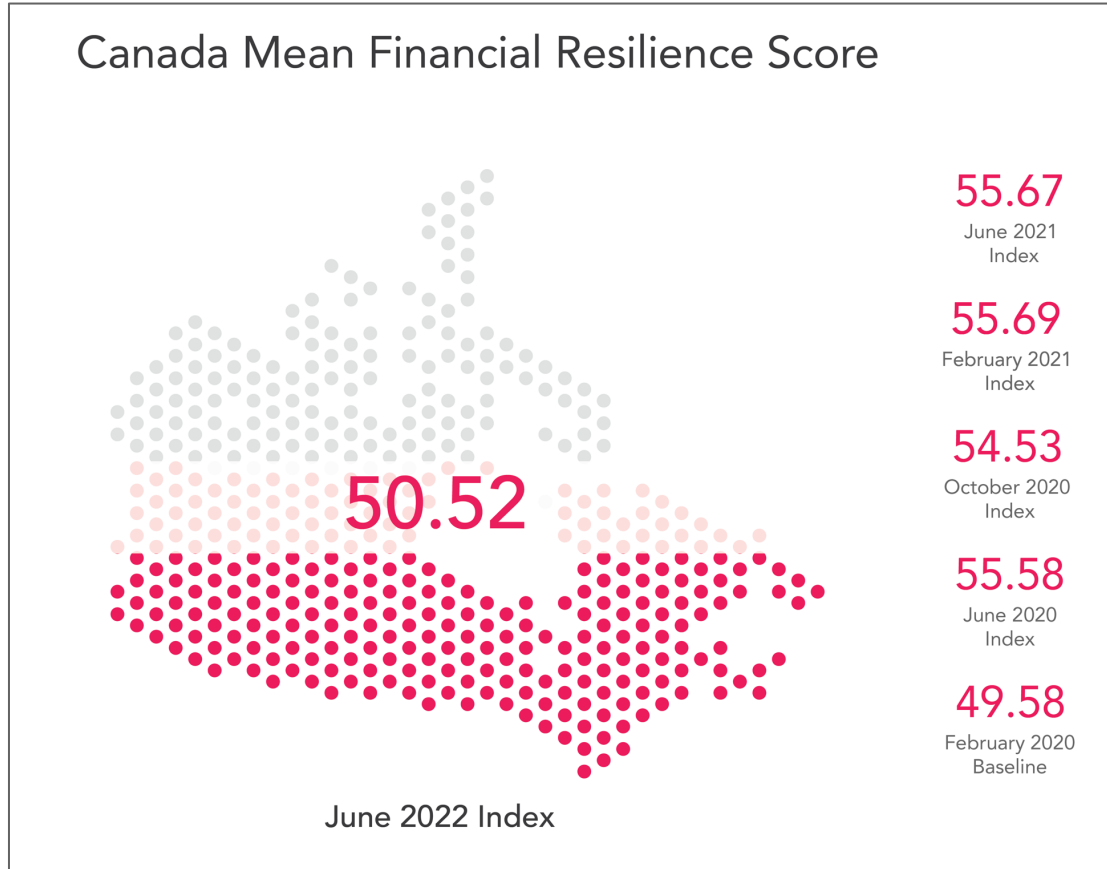
Organization



Individual



Canada has a national mean financial resilience score of 50.52 as of June 2022. 77.8% of the population are not 'Financially Resilient' representing 19.99 MM households.



Segment sizes are based on a total population of 25.70 million adult Canadians aged 18 to 70 years old as of July 2021 (Statistics Canada) Please see September 2022 report for more data and insights on the financial vulnerability of Canadians.

'Extremely Vulnerable' households have a financial resilience score of 0-30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

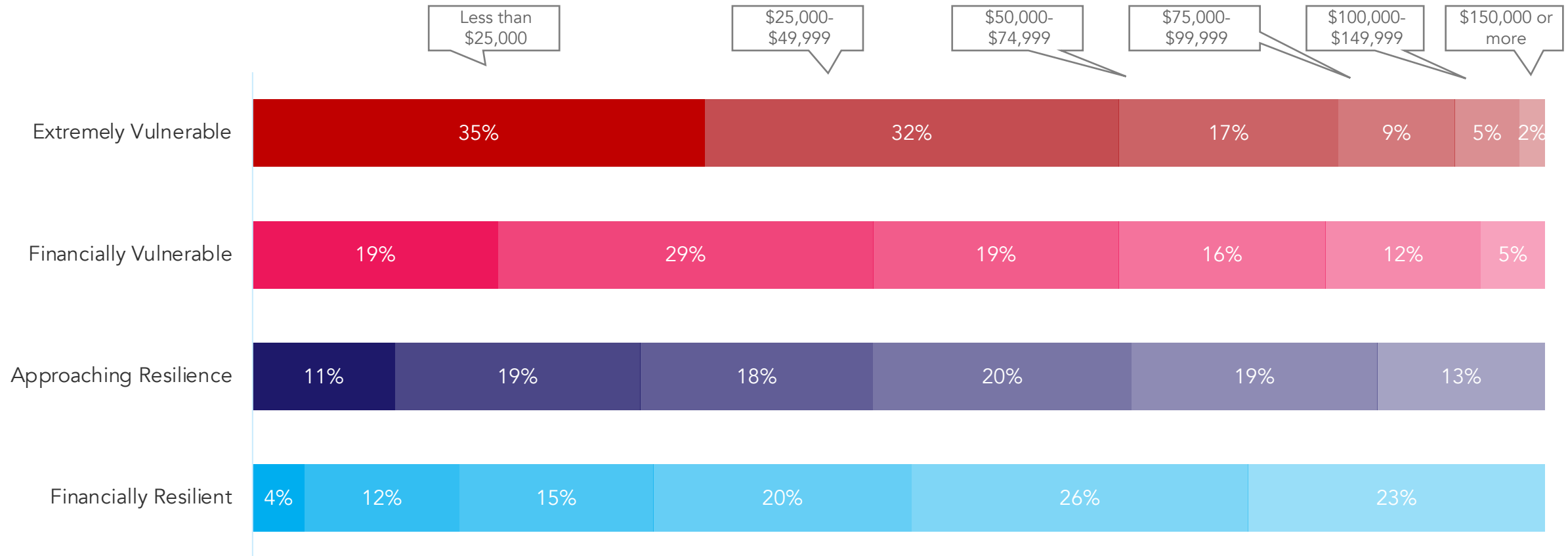
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Households from all income demographics are represented across all four Index segments. In other words, you can have a higher household income but not be 'Financially Resilient'.



For example, 14% of households with a household income between \$75,000 and \$149,999 are 'Extremely Vulnerable'; 28% are 'Financially Vulnerable'; 39% are 'Approaching Resilience' and 46% are 'Financially Resilient' [1]



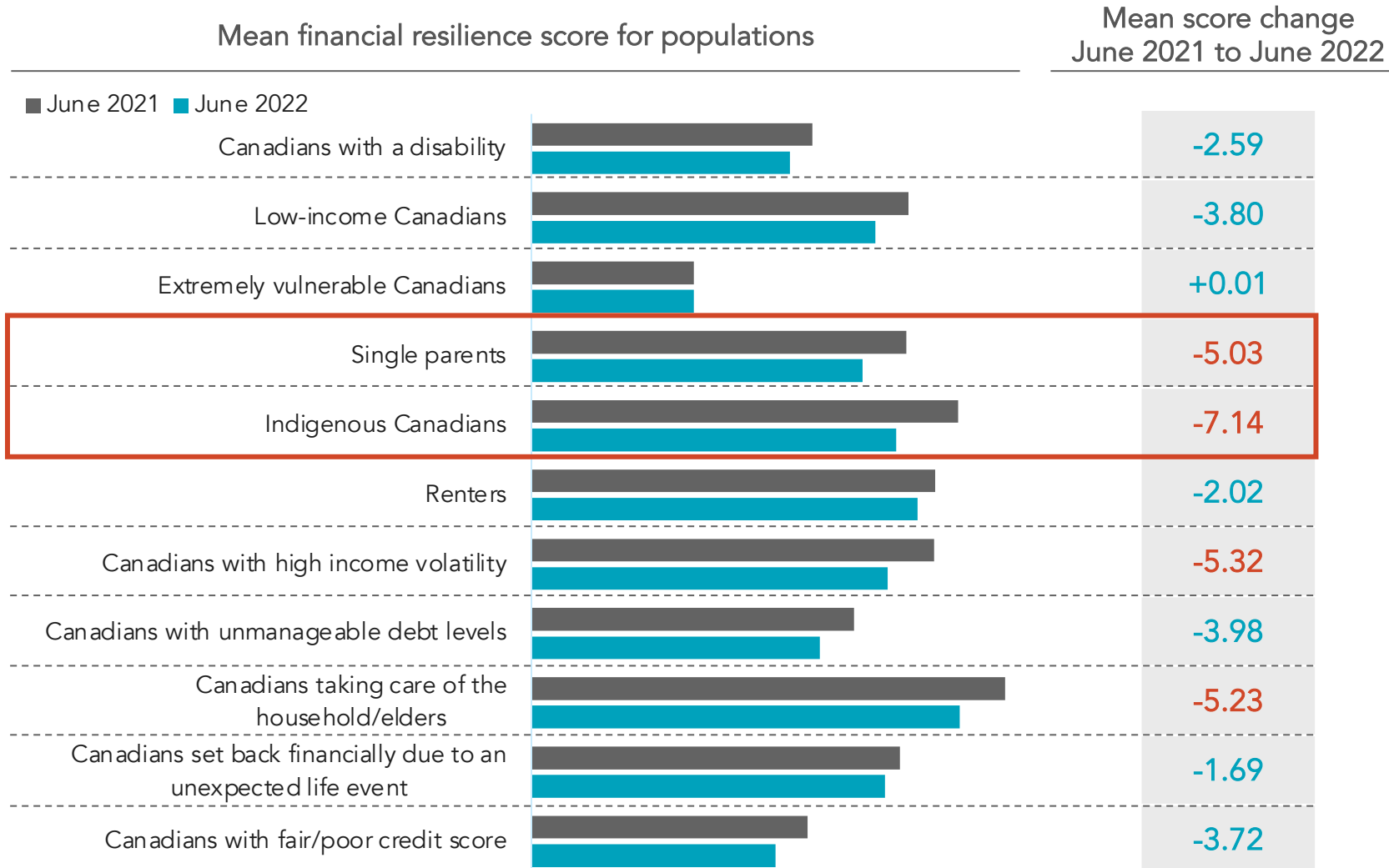
[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

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Over the past year, Indigenous Canadians, those experiencing high income volatility, those taking care of others and Single Parents have experienced the most significant declines in their household financial resilience



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Executive Summary and Key Insights



Household financial resilience for Canadians is measured at the national, provincial, segment and individual household level through the Seymour Financial Resilience Financial Resilience Institute Index™. Financial Resilience Institute measures many financial stressors and financial access challenges for Canadians and those who are more financially vulnerable based on the Index. These relate to access to financial products, services and help, financial education and information, access to affordable credit, insurance to improve one's financial security and more. The Institute is also measuring the extent to which households, and those who are more financially vulnerable, rate their primary Financial Institution for helping to improve their financial wellness over the past 12 months, along with other gaps related to service delivery, advice provision and more. This report provides a few sample insights on access challenges, as well as usage of predatory payday loans and expensive installment loans by Canadians and key populations, such as Indigenous Canadians and others.

June 2022 Index highlights that many of Canadians most financially vulnerable populations are also the most challenged in terms of access to financial help and programs and different kinds of 'help'.

Less financially vulnerable (based on their financial resilience score) also rated their primary Financial Institution as 'good to excellent' (7 or more out of 10) for helping to improve their financial wellness over the past year, with this a consistent story shown through the Institute's independent financial wellness delivery tracking since its inception.

This data combines with compelling attitudinal and reported behavioural data showing that the majority of Canadians want to better understand their improvement and how they can improve it. Many are also working hard from a consumer and financial behavioural perspective to maintain or improve their financial resilience, including in challenging times, and/or through financial stressors or shocks as a result of unplanned life events. The message is clear: Financial Institutions can innovate do more to help improve financial inclusion and support the financial resilience of their customers. There are also opportunities to design enhanced financial literacy and financial health and resilience programs, products and services and different types of help and advice for Canadians and those who are more financially vulnerable. Policymakers, community-based organizations, Employers and other business leaders and organizations have a role to play. Specific populations, such as Indigenous Canadians and others, need and deserve improved access to fair and trustworthy financial help, clear communications, affordable credit and more.

Usage of predatory payday loans and installment loans, tracked by the Institute, is concerning and higher for more financially vulnerable households, as evidenced by the Index. As the Institute continues to track access and reported behavioural indicators, along with key financial stressors and challenges facing Canadians, there is an opportunity to uncover ways to help close access gaps for those who need help most. In the way, organizations can together help design programs, services, policies and solutions to help improve financial resilience and financial well-being for all.

[1] See report on the Financial vulnerability of Low-Income Canadians: A Rising Tide published in November 2022 and other Index reports at <https://www.finresilienceinstitute.org/research-reports/>

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Executive Summary continued: with many opportunities to help support financial inclusion, financial empowerment and ultimately, help improve financial resilience for all.



Accessing relevant financial education and help programs (communicated through plain language, simple communications) and relevant financial programs can have a positive impact. For example, low-income Canadians that were able to access tax filing help or support to receive government benefits they are entitled to, or help in managing their debt, had significantly higher mean financial resilience scores compared to those who did not access this support in June, as outlined in the Institute's November 2022 report commissioned by our partner Prosper Canada [1].

Continued national longitudinal research and analytics will be progressed by the Institute on the important aspect of access to different financial help on the financial resilience of households and key populations in the future, in collaboration with partners. Utilizing the Institute's Financial Resilience Index model and independent data, this can help shine a light on gaps, needs and potential opportunities to support and empower Canadians and those who are more financially vulnerable to improve their financial resilience and overall well-being. Gap and opportunity analysis can be conducted at the national and provincial level, and for specific target segments and populations. The Institute will continue to provide research and analytics on this important topic to support the ecosystem and its important financial empowerment work and is excited to progress cross-sector collaboration and spark innovation [2].

Qualitative research and cross-sector collaborative program innovation, combined with longitudinal quantitative research analytics, can also provide deeper insights understanding the unique challenges, barriers and needs of underserved populations -- while including the voices and perspectives of the underserved consumers themselves as part of the design process. This will help support a more accessible, inclusive and supportive financial ecosystem for all Canadians, in line with the national Financial Literacy Strategy and Federal Government goals to help build a more resilient, inclusive and equitable Canada. It is known that certain populations are more challenged in terms of financial literacy as evidenced through our data with specific populations, such as Indigenous Canadians, outlined in this report. More vulnerable households can also be more challenged in terms of the capacity, skills, digital access and/or digital literacy to navigate Canada's complex financial services marketplace, and/or overwhelmed by the complexity of financial products or where to start in finding help. Building financial empowerment programs and enablers to meet the diverse needs of these communities - meeting them where they are at and serving them in relevant ways – can help households to maintain or improve their financial resilience. At the same time, it must be recognized that some of these populations face wider systemic barriers and need to be supported by governments and other organizations in wider ways beyond financial services or financial empowerment programs. Systems change work also requires collaboration, testing-and-learning and a long-term focus.

[1] See Report 'The financial vulnerability of Canadians, a Rising Tide' (November 2022) with a sample size of 1516 low-income Canadians in June 2022 and 1391 Canadians with low incomes in June 2021 study.

[2] The Institute's Financial Resilience Index was developed to help support impact measurement for certain populations such as low-income Canadians and others. Index data and analytics are used to help bring quantitative measurement around the potential value of certain enablers, programs or interventions pre-and-post these being provided to certain households, and importantly, the impact on their financial resilience, as well as their financial wellness. This can be achieved by leveraging individual household financial resilience measurement and via customized research, pilots and testing and learning programs. This work is important to help support outcomes-based research and impact measurement (i.e. improved household financial resilience) at the individual, segment, provincial and national level, building on more traditional activity-based or financial literacy impact measurement as appropriate. We will also continue to measure and track many financial stressors and reported consumer and financial behaviours. The Institute will also continue to measure the proportion of households that are using more predatory financial services such as payday loans overall, by province and for more financially vulnerable populations. We will also measure the financial stress and financial resilience impacts of the households that use these products and/or are more challenged in accessing help compared to those who are less challenged.

Sample Insights

This report shines a light on just some of the financial inclusion and 'access to financial help' challenges for some of Canada's most financially vulnerable and/or underserved populations. It provides data to highlight opportunities for Financial Institutions, Policymakers and the financial empowerment sector to continue to work to help improve the financial inclusion and financial resilience of Canadians overall and in particular those who need help most. Households that are able to access different types of financial help have higher levels of financial resilience, and unique and unmet needs.

- Access to financial help, support and advice is more of a challenge for more financially vulnerable households, as evidenced through the Institute's Index data analytics
- While 9% of Canadians overall reported they were unable to access the financial support or advice they needed over the past 12 months, more households (for example 18% of those struggling with their debt, or 17% of those not working owing to a disability) were challenged in terms of financial support or advice in the past 12 months.
- 21% of 'Extremely Vulnerable' Canadians reported they could not get the financial support or advice they needed, compared to 1.4% of 'Financially Resilient' households.
- Less financially vulnerable populations rated their primary Financial Institution (FI) highly for helping to improve their financial wellness over the past year compared to Canadians overall and those who are more financially resilient.
- 12% of 'Extremely Vulnerable' households reported they could not get the financial information or education they needed over the past 12 months, compared to 1% of 'Financially Resilient'.
- Millennials are more likely to have more challenged access to financial support, advice or help compared to their Gen X and Baby Boomer counterparts.



Sample Insights Continued



- Challenges in access to help in managing debt and other financial help and support aspects are evident through the Institute's financial stress, sentiment and behavioural data, with challenges in accessing relevant products, services and help a topic that we have been measuring for Canadians since 2017.
- Canadians not working owing to a disability and Indigenous Canadians are just a couple of the populations included in this report in terms of their access and financial inclusion challenges. Indigenous Canadians need more help, for example in terms of relevant financial literacy programs and support, and in terms of being able to access insurance (and relevant insurance solutions) to meet their needs and help improve their financial security. Low-income Canadians, those experiencing high income volatility and other households are also facing access to financial help challenges, and financial services, literacy and programs to meet their unique and diverse needs.
- Many of the access challenges of other populations, such as renters, people struggling with their debt, seniors, new immigrants and those who have not taken steps to improve their financial literacy are being tracked by the Institute.
- (Many Canadians have quite high levels of financial literacy based on Institute data, but pain points and challenges exist for certain populations (such as Indigenous Canadians or some new immigrants). Many Canadians have taken steps to improve their financial literacy, with financial education one important enabler to help people to improve their skills, confidence, knowledge and capacity to make informed decisions, access relevant products, programs and resources, and ultimately, adjust their behaviours to through financial hardship, stressors and shocks.

Canadians that have access to different financial help programs have significantly higher financial resilience scores. The Institute will research and measure more access-to-financial help gaps and challenges in 2023.

- The Institute's Index model and analytics validate that Canadians overall, and those who are more financially vulnerable across many different groups, report being able to access different types of financial help and support have higher household financial resilience, as measured through their mean financial resilience score. For example, Racialized Canadians that were able to access the financial support or advice they needed had a mean financial resilience score of 55.79 compared to 38.77 for households that could not access this support as of June 2022.
- These households can also have other improved financial wellness outcomes measured through multiple financial stress indicators measured by the Institute, with this in turn impacting overall well-being [2]. Financial Resilience Institute has been financial well-being and other well-being dimensions since 2017, with households with lower household financial resilience having lower levels of financial well-being, physical well-being and all other well-being dimensions compared to more financially resilient households [1]
- While the Institute has not proven a causal relationship between improved access to some of these financial help programs and improved financial resilience to date, households that do access the support have significantly higher financial resilience scores. There does appear to be an association between access to different types of help (for different populations) and improved financial resilience and financial wellness/ reduced financial stress outcomes. Financial behavioural indicators and financial stress related indicators that can be higher for households accessing different types of financial help include one's level of financial stress over current and future financial obligations, or one's ability to meet their short term savings goals; planning ahead financially for upcoming or unexpected expenses or to save for long term goals or the debt management composite.
- In our opinion, accessing relevant, simple, fair and timely financial help or can advice can help Canadians, including those who are more vulnerable and/or facing systemic barriers, by enabling them to make more informed financial decisions and find appropriate help, products, resources and tools to improve their their financial resilience. It will be valuable to prove this utilizing our Index data going forward. We believe accessing financial help can support people in adjust their consumer or financial behaviours, by for example actively saving even a small amount regularly, which has a positive impact on financial well-being, as measured through the national Financial Well-Being studies.

[1] See slide 53 of the appendices with this data analytics based on the June 2022 Index. This same analytics based on the June 2021 Index was published by Statistics Canada and Seymour Consulting (now Financial Resilience Institute) and has implications for policymakers with a focus on the financial well-being and overall well-being of Canadians. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021008-eng.htm>



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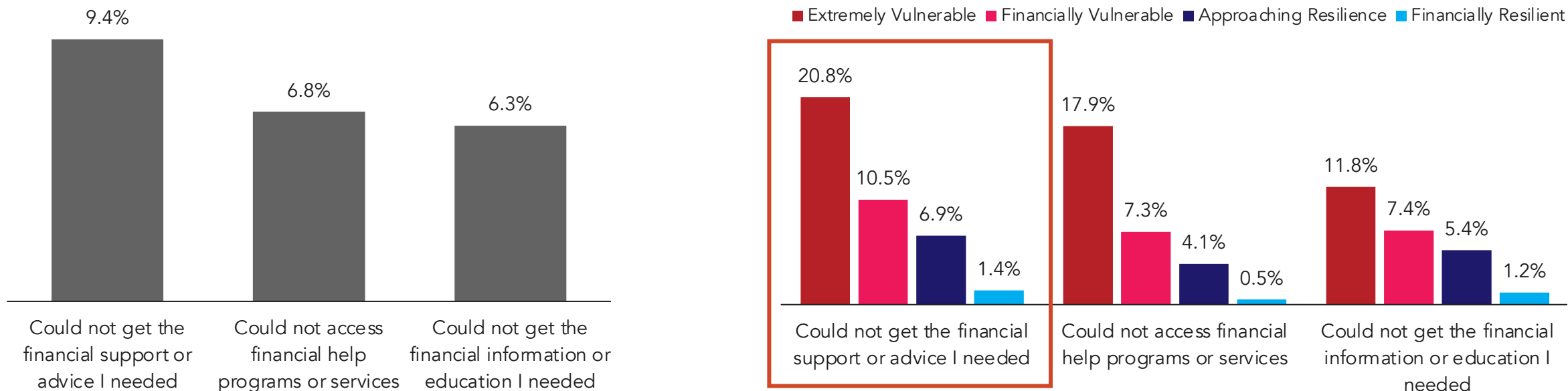
Financial inclusion and 'access to financial help' challenges for Canadians overall and for sample vulnerable populations



We're tracking many financial inclusion and access to financial help challenges for Canadians, and those who are more financially vulnerable

While 9% of Canadians overall report they could not access the financial support or advice they needed over the past 12 months, this was the case for 18% of 'Extremely Vulnerable' households, compared to just 1% of 'Financially Resilient' households.

Proportion of households that report the following challenges in the past 12 months: June 2022



'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

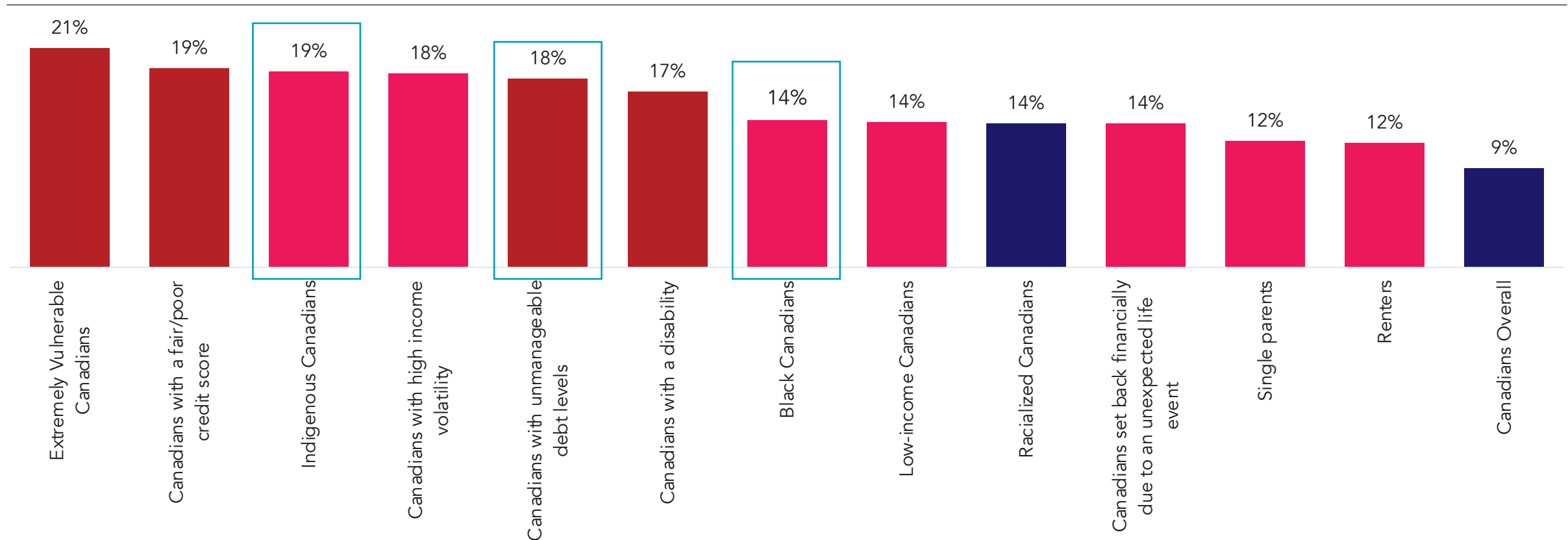
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Many of the most financially vulnerable populations are experiencing challenges in accessing the support or advice they need.

For example, 19% of Indigenous Canadians, 18% of Canadians struggling with their debt manageability and 15% of Black Canadians reported they were unable to get the financial support or advice they needed as of June 2022

Percentage of households from key populations that were unable to get the financial support or advice they needed over the past 12 months as of June 2022



[1] Racialized Canadians (and other population samples) include people from all household income demographics, with this segments' mean financial resilience score higher than for Canadians nationally, perhaps as a result of more financially resilient populations (including new immigrant professionals earning higher incomes) being included. A boost sample of Racialized and Black Canadians would enable deeper-dive analytics and created nuanced insights or the ecosystem.

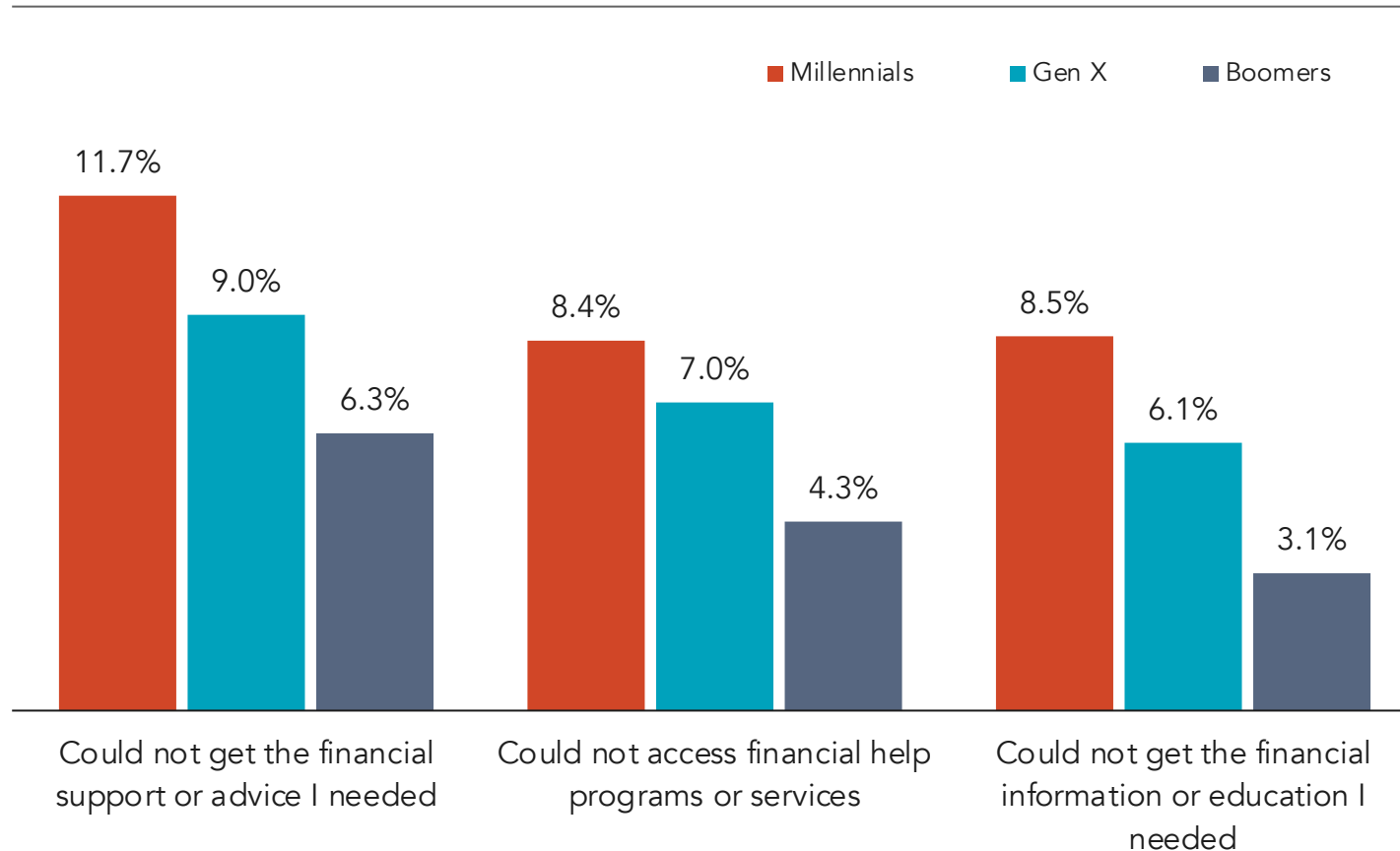
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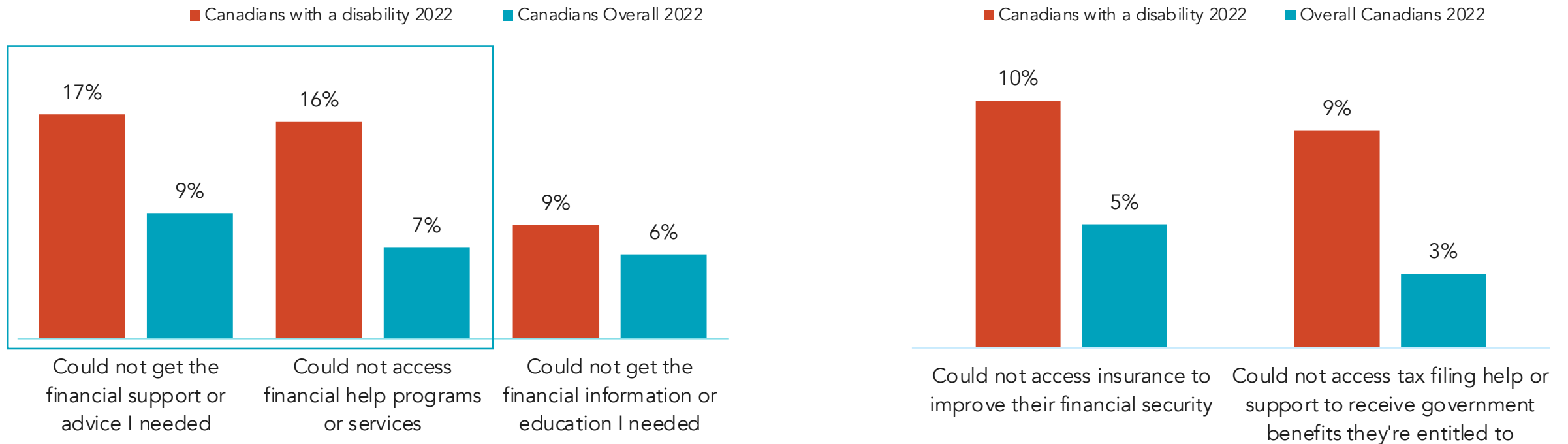
Millennials are more likely to be challenged in terms of feeling they have access to adequate financial support or advice, financial help programs or financial information and education compared to Boomers and Gen X counterparts.

Proportion of households that report the following challenges in the past 12 months: June 2022



16% of Canadians not working owing to a disability could not access the financial help programs or services they needed in the past year, with 10% challenged in terms of access to insurance to improve their financial security.

Percentage of households with a disability that are challenged in terms of financial support or advice, financial help programs or financial information or education and more (June 2022)



'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

[1] Sample sizes for respondents not working owing to a disability are 256 for June 2020, 323 for June 2021 and 339 for June 2022.

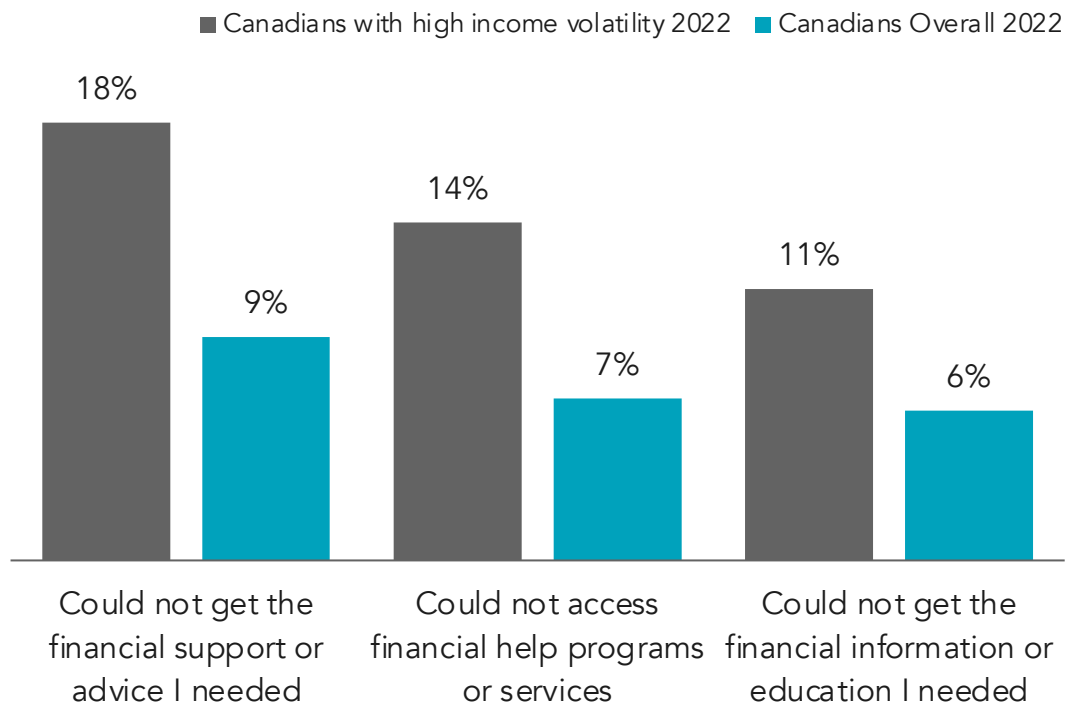
[2] For Canadians with a disability with household incomes under \$50,000.

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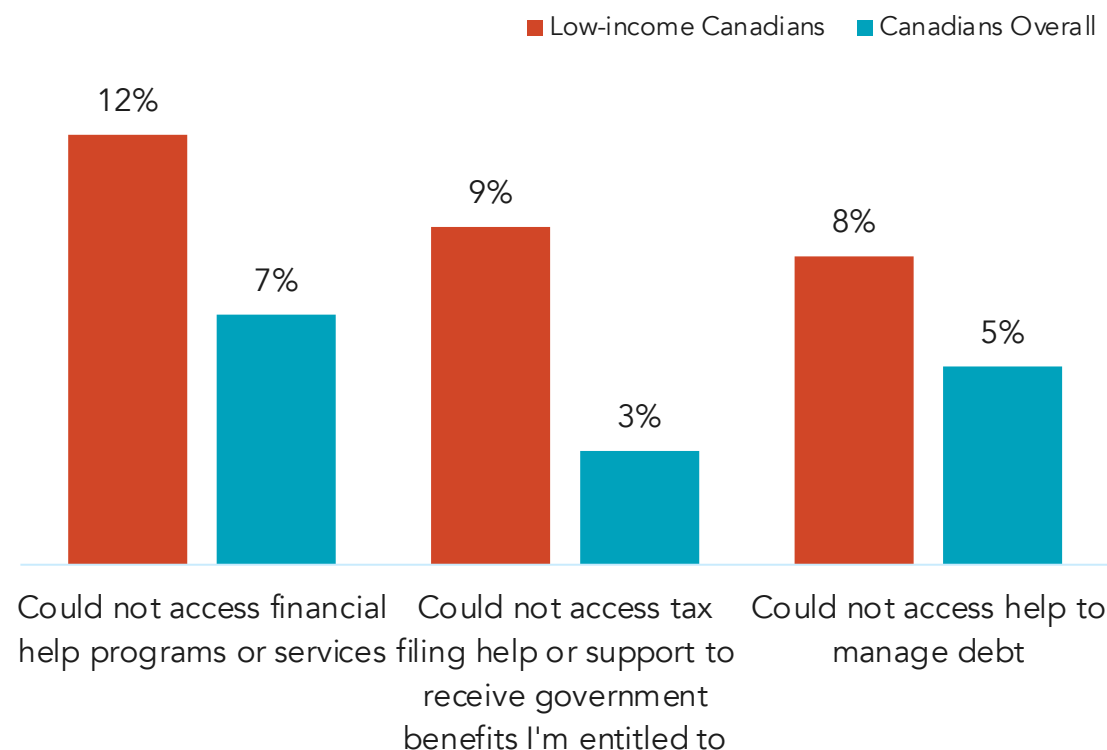
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Twice the proportion of Canadians experiencing high income volatility (19%) were unable to get the financial support or advice they needed in the past year, with access to financial help programs also more prevalent for low-income Canadians.

Percentage of households not able to get financial help or support



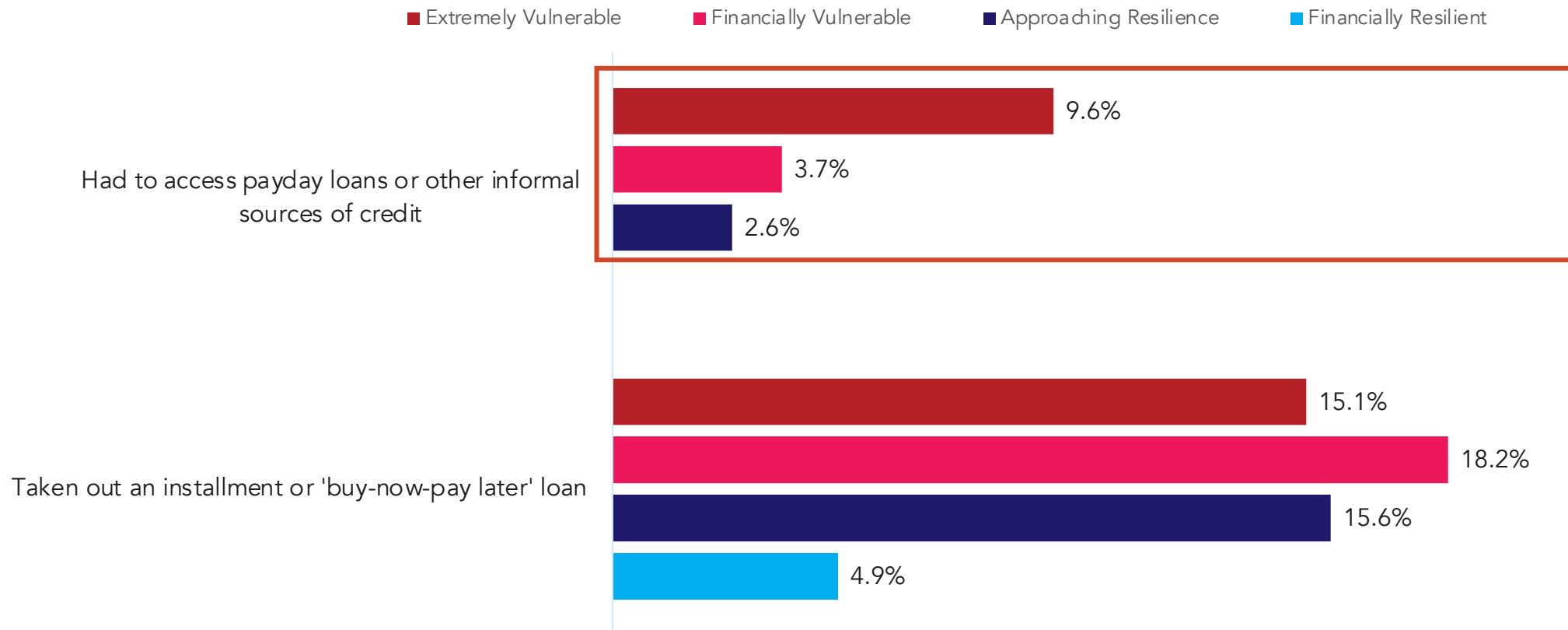
Percentage of low-income households



More financially vulnerable households are having to resort to predatory financial services such as payday loans or installment loans

While 4% of households in Canada have taken out a payday loan or other informal sources of credit and 13% an installment loan as of June 2022, take up rates are much higher for 'Extremely Vulnerable' and 'Financially Vulnerable' Canadians

Proportion of households by financial resilience segment that have had to access payday loans or other sources of credit or taken out installment loans over the past 12 months: as of June 2022



Source: June 2022 Financial Well-Being study and Seymour Financial Resilience Index™ Seymour Financial Resilience Index™ is a trademark used under license.

'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

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A man with short brown hair and glasses, wearing a blue blazer, is leaning over a desk. A woman with short dark hair and glasses, wearing a yellow sweater, is sitting at the desk looking at a laptop screen. They are in a modern office with bookshelves in the background.

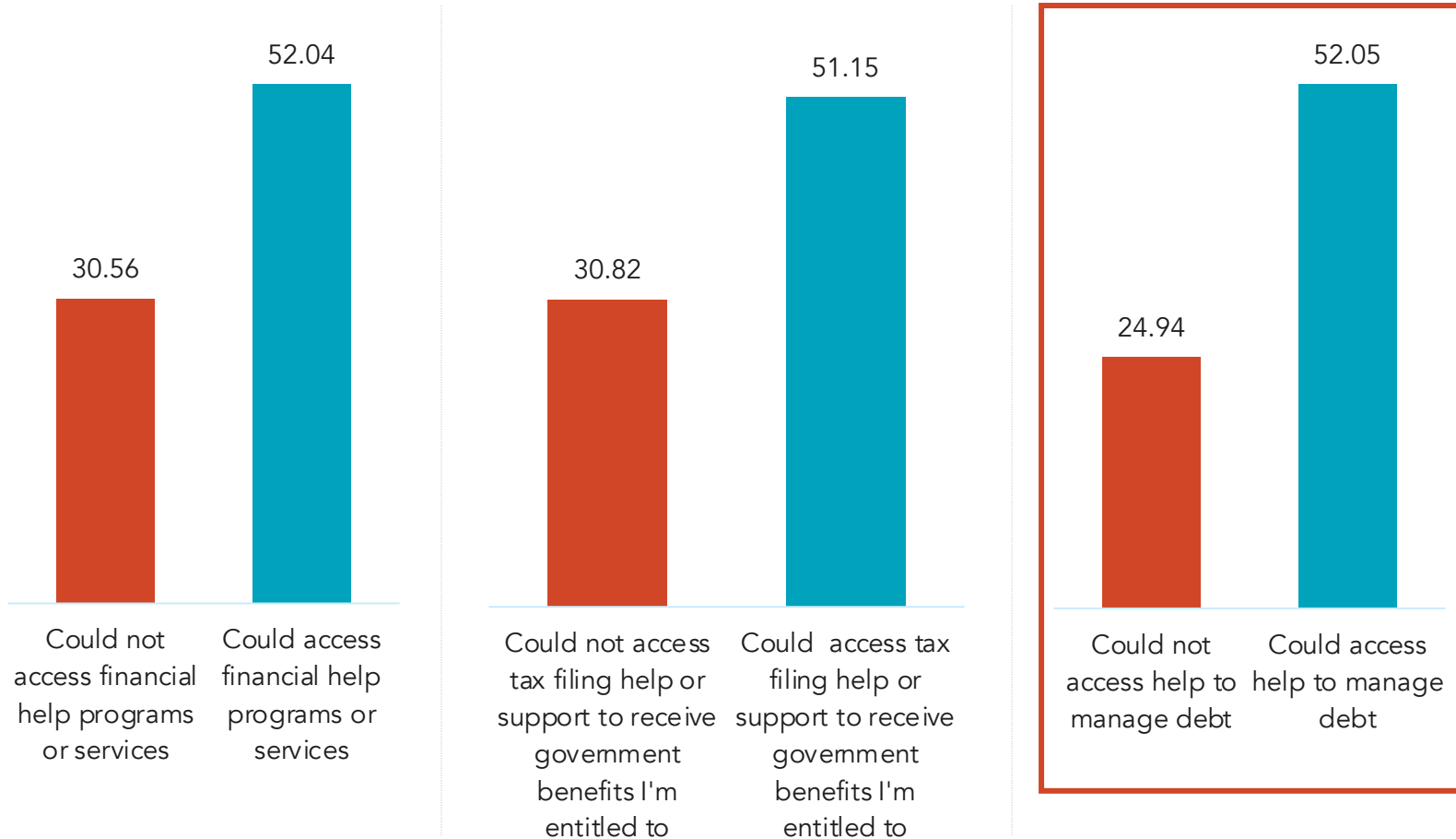
4

Sample Index data highlights that individuals and households that access different financial help programs and support have higher levels of financial resilience



Households that were able to access help in managing their debt have mean financial resilience score of 52.05 based on the June 2022 Index, compared to a mean score of 29.94 for those who could not access this help.

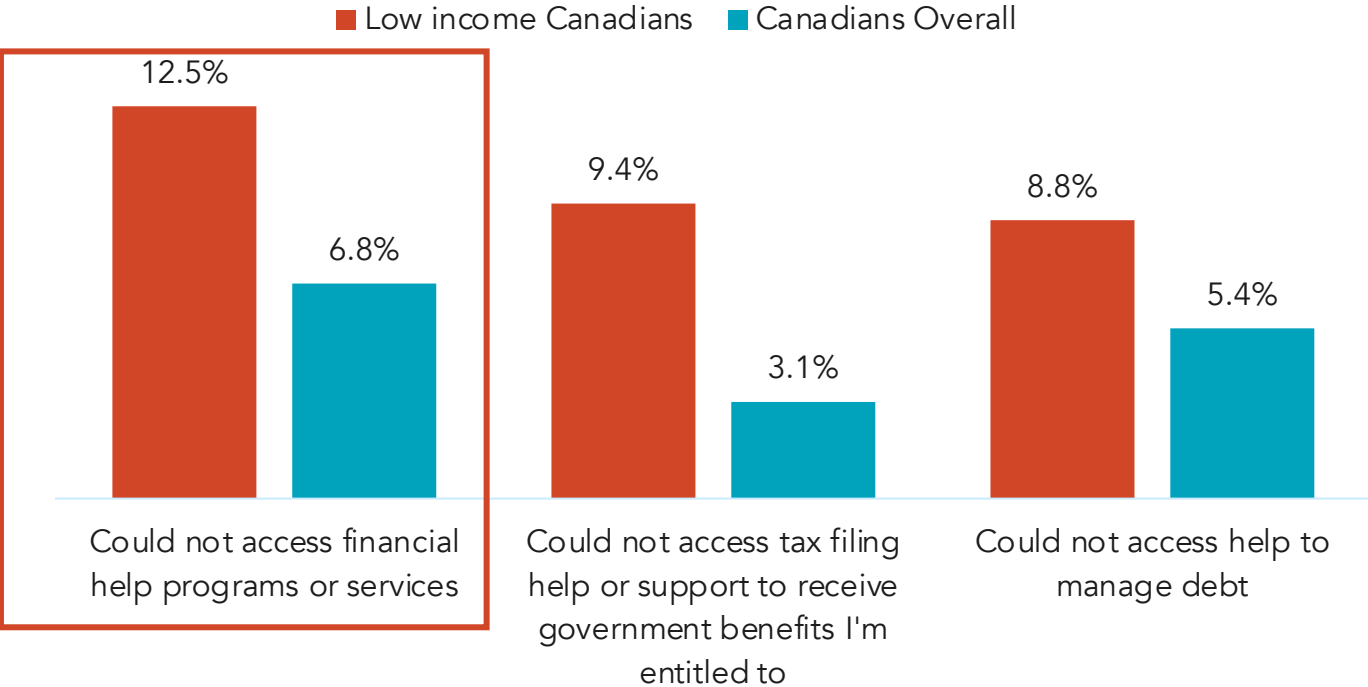
Mean financial resilience score of Canadians who did and did not experience difficulties in accessing the following financial help (June 2022)



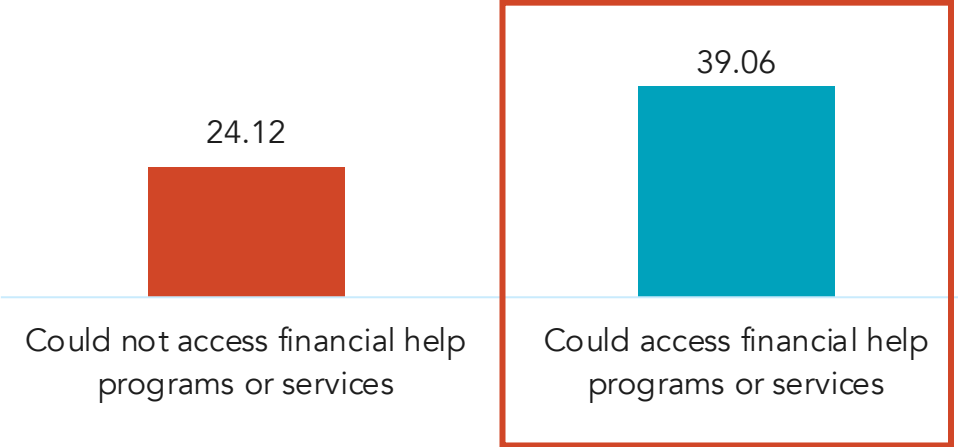
Source: Financial Resilience Index™ and June 2022 Financial Well-Being study with a boost of lower income Canadians. Seymour Financial Resilience Index™ is a trademark used under license. © 2023 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

Over the past 12 months, just under 800,000 low-income households (12.5%) experienced difficulties in accessing financial help programs or services. Low-income individuals or households who could access this help had significantly higher mean financial resilience scores (39.06) compared to low-income households who were not able to access this help.

Percentage of low-income households vs. Canadians overall that agreed or completely agreed that they experienced difficulties in the past 12 months in accessing financial help:



Mean financial resilience scores of low-income households (June 2022)

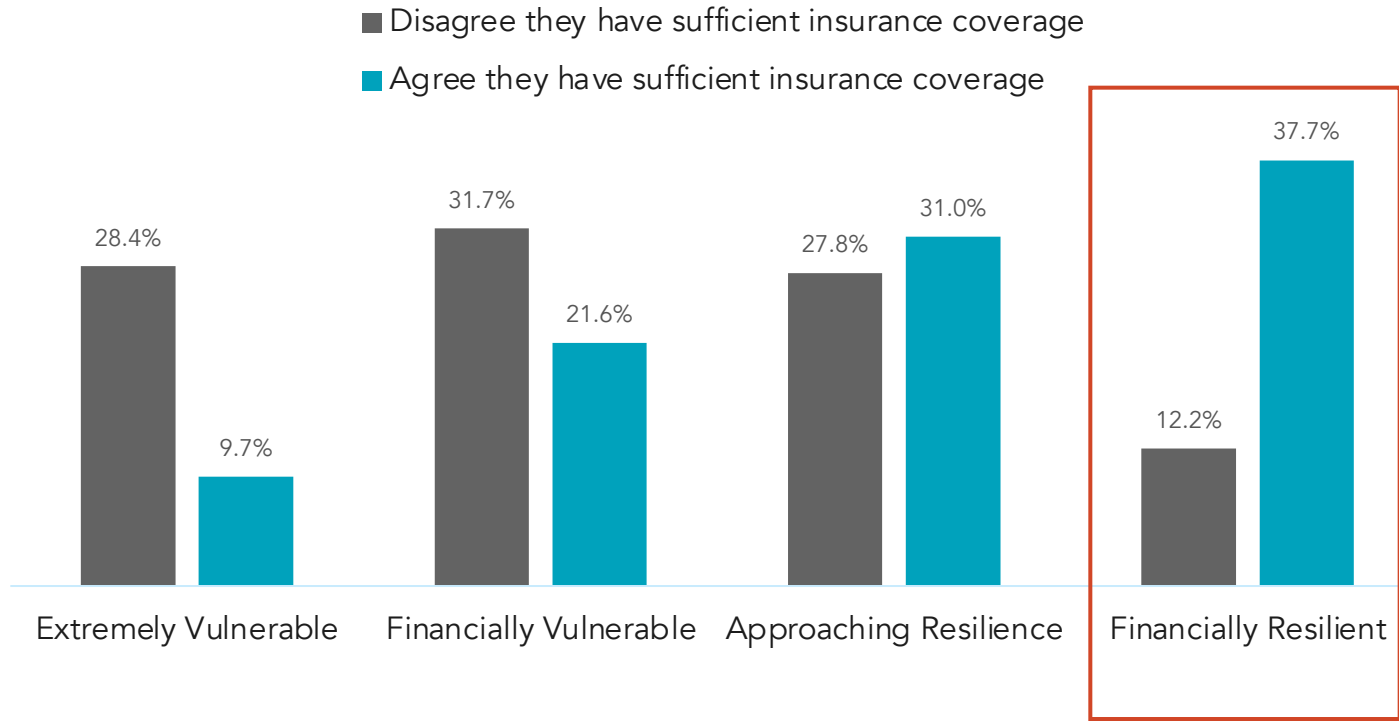


Based on a sample size of low-income Canadians is 1516 households in June 2022, with a boost sample of low-income Canadians conducted in 2019, 2021 and 2022 for the Financial Well-Being study. Please see 2022 report on the Financial Vulnerability of Low-Income Canadians: a Rising Tide' for more information, available on the research page of the Institute's website.
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The more financially resilient a household, the more likely they are to report they have sufficient insurance coverage to protect against the unexpected.

There are significant differences in the financial security of households from an insurance/ protection standpoint, with 38% of 'Financially Resilient' households reporting they have sufficient insurance coverage compared to 10% of 'Extremely Vulnerable' households. Overall, data suggests significant potential to support Canadians in this regard.

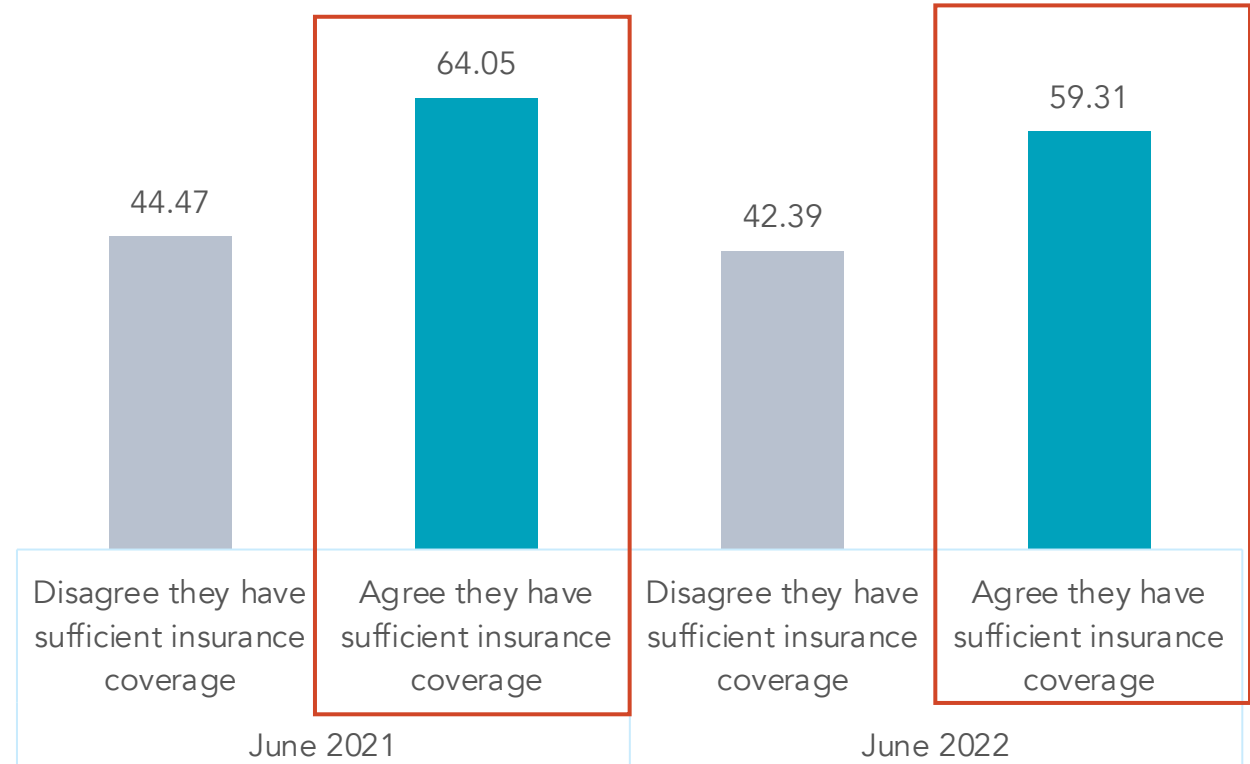
Percentage of households reporting their household has sufficient insurance coverage to protect against the unexpected



'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.
Source: Financial Resilience Index™ and June 2022 Financial Well-Being study with a boost of lower income Canadians.
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The mean financial resilience score of households reporting that their household has sufficient insurance to protect against the unexpected is significantly higher compared to those who do not based on the June 2022 and June 2021 Index.

Mean financial resilience score of households that report that their household has sufficient insurance coverage to protect against the unexpected compared to those who do not in 2021 and 2022: based on the Seymour Financial Resilience Index™



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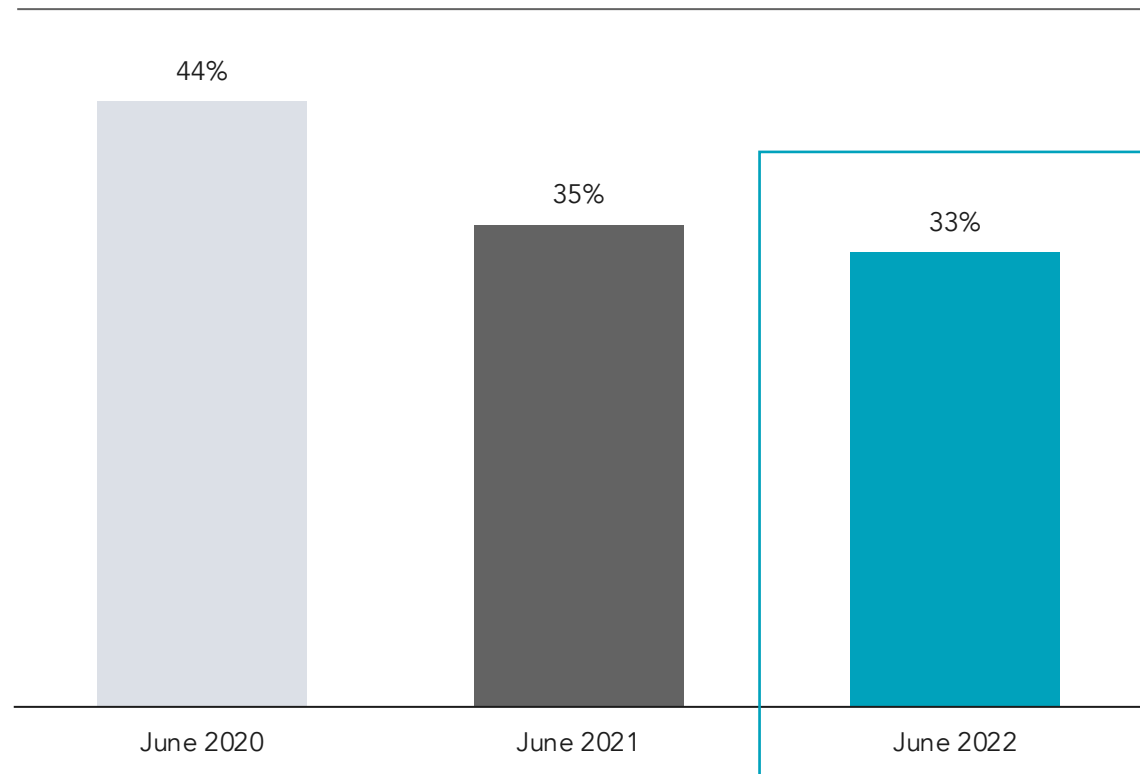
5

The extent to which Canadians and more financially vulnerable households rate their primary Financial Institution for helping to improve their financial wellness over the past 12 months

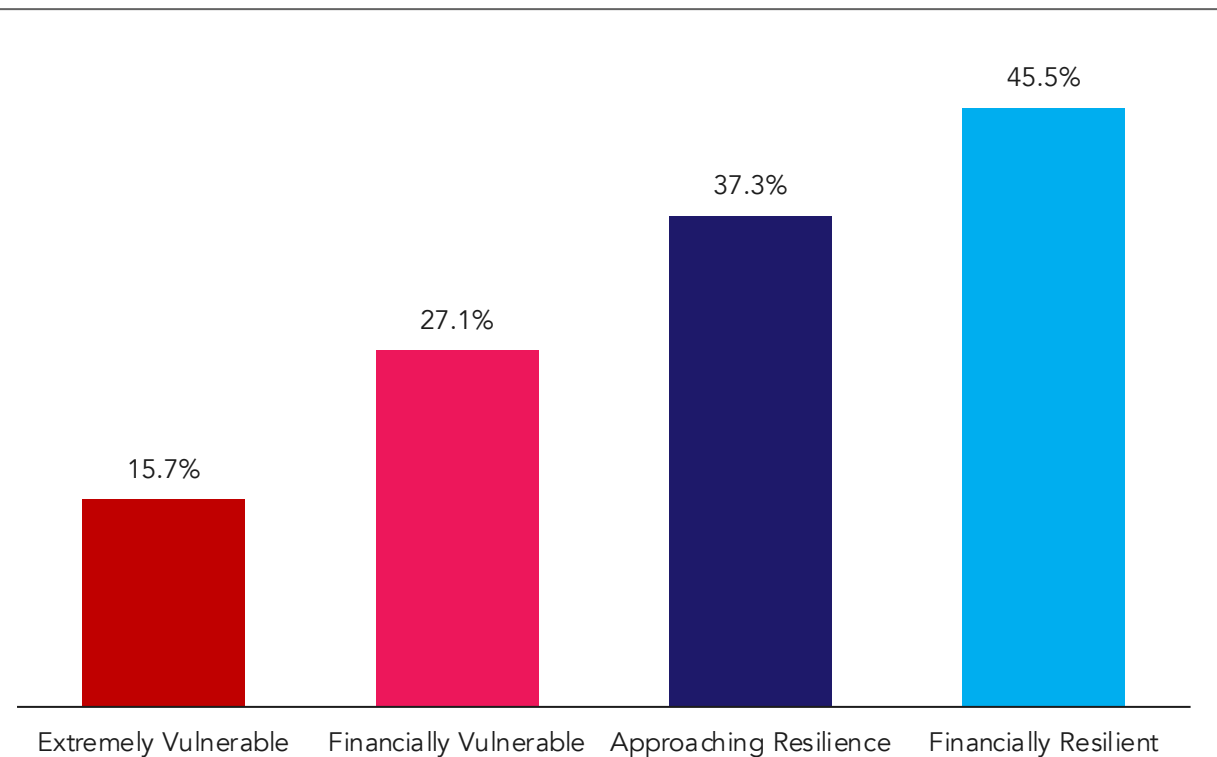


33% of households rate their primary FI as 'good to excellent' for helping to improve their financial wellness in the past 12 months as of June 2022, with opportunities and gaps for Financial Institutions and the ecosystem in supporting Canadians [1]

Percentage of Canadians who rate their primary bank Financial Institution [FI] as 'Good' or 'Excellent' in helping to improve their financial wellness: 2020, 2021 and 2022 [1]



Percentage of Canadians who rate their primary bank Financial Institution [FI] as 'Good' or 'Excellent' in helping to improve their financial wellness by financial resilience segment as of June 2022



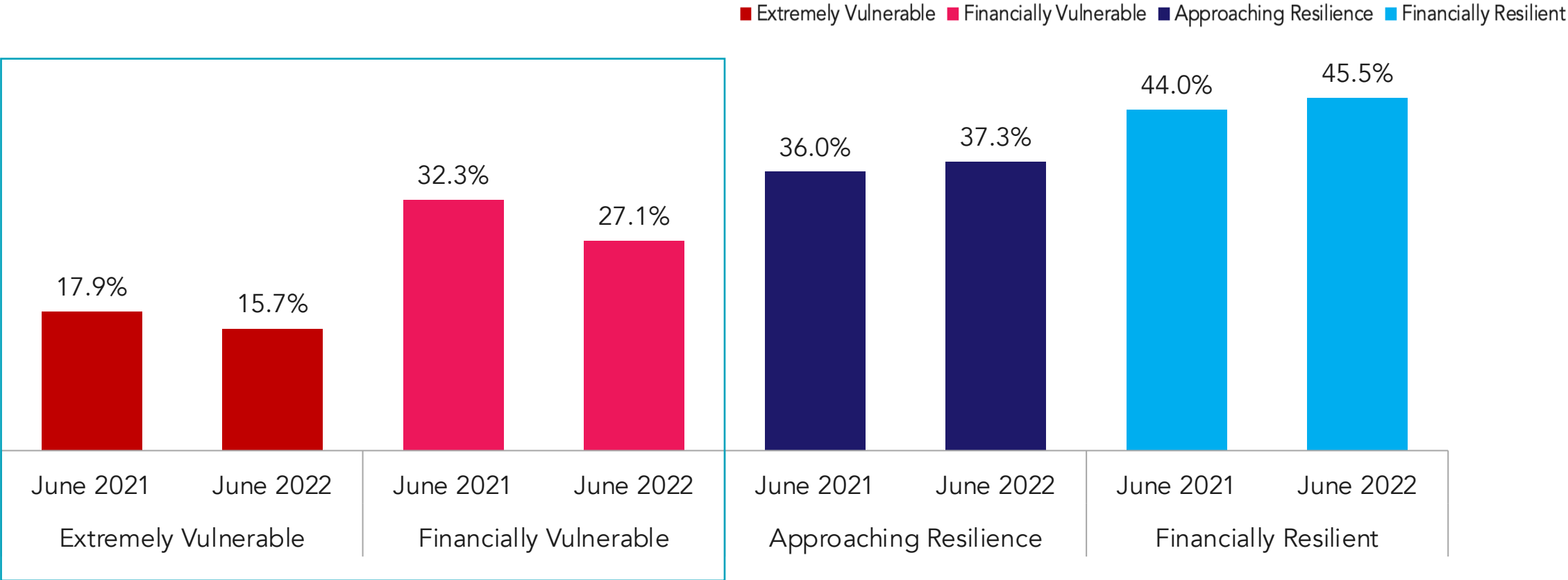
[1] Additional data analytics are provided in the Members Report, along with business benefits of financial wellness investments and innovation based on the Institute's independent tracking. The Financial Well-being studies include respondents who bank primarily with a bank, a credit union and an alternative Financial services company (such as Presidents Choice Financial or Tangerine.) Source: June 2022 Financial Well-Being study and Seymour Financial Resilience Index™. Seymour Financial Resilience Index™ is a trademark used under license. © 2023 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

16% of 'Extremely Vulnerable' and 27% of 'Financially Vulnerable' households rate their primary Financial Institution highly for helping to improve their financial wellness over the past year: a reduction compared to June 2021.



This highlights opportunities for Financial Institutions (FIs) overall to do more to support the financial wellness of customers and communities overall and that are more financially vulnerable

Proportion of households by financial resilience segment that rate their primary FI as 'Good or Excellent' for helping to improve their financial wellness over the past 12 months (June 2022)



'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100. Source: Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license. © 2023 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.



5

Summary Takeaways



Summary Takeaways and Emerging Opportunities



1

Financial vulnerability (and financial stress) is a mainstream and growing issue for Canadians overall, not just more vulnerable or underserved populations. An increased focus on consumers' financial resilience is important.

4

Financial resilience mobility is proven. The majority of Canadian households want to better understand their financial resilience and how they can improve it, and their behaviour change counts.

However, some households are facing systemic barriers. Financial inclusion is a challenge along with gaps in financial support and help.



2

The Institute's Index highlights the 'financial resilience gap' and opportunities to help improve financial inclusion and financial resilience for all. Longitudinal research and impact measurement can help guide targeted investments and policies by FIs, policymakers and organizations.

5

To improve financial empowerment and ultimately financial resilience, relevant programs and support are important. Canadians overall - and more vulnerable populations accessing different types of financial help - have significantly higher levels of financial resilience. This in turn impacts their well-being.



3

Intersectional analysis confirm nuanced financial vulnerability differences for certain households. Quantitative and qualitative data insights can help uncover the unique needs, pain points and behaviours of specific populations, and how specific offerings or interventions can potentially impact financial resilience outcomes.

6

FIs, Policymakers, NPOs and others all have an important role to play in financial health and resilience leadership. Data-driven, evidence-based decisions, customer-led design; cross-sector collaboration and testing-and-learning are important.

Appendices



78% of Canadians (19.99 million people) are not *Financially Resilient* with financial vulnerability a mainstream issue in Canada



Financial Institutions (FIs) Policymakers, NPOs, Employers and many other organizations all have an important role to play

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



The national Financial Well-Being Study (2017 to 2023 onwards) A complementary instrument to the Seymour Financial Resilience Index™



Canada's robust national study of Canadians' financial health, wellness and resilience and the role Financial Institutions can play to support their customers' financial wellness: with longitudinal tracking.



Canada's most robust national, independent investigation into consumer financial well-being, and the linkage between financial health and overall personal well-being. The study typically has a sample size of 5000 adult Canadians from a representative sample of the population by household income, age, gender and province.

Online 15-minute study was conducted annually from 2017 to 2019, 3 times a year in 2020 and annually in June 2021 and June 2022.

Next studies will be in February 2023 and June 2023, with the ability for Index measurement at other times and customized questions.

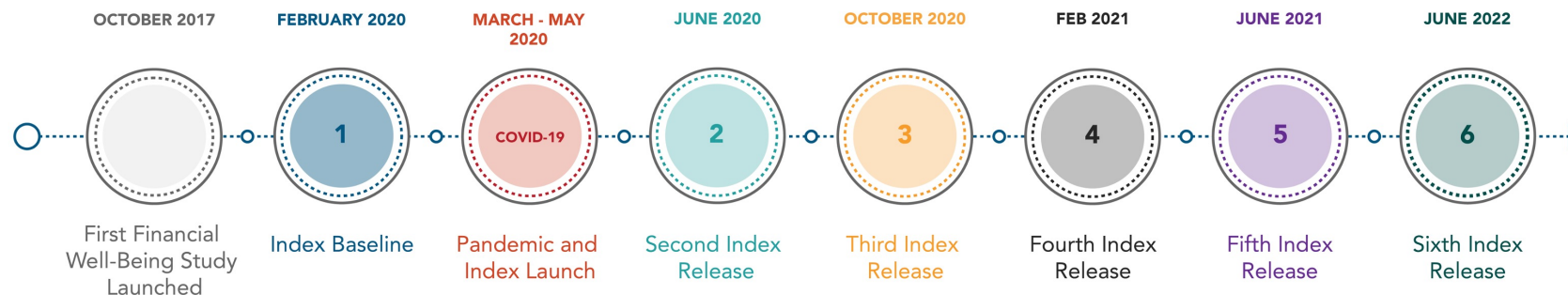
Boost samples for specific populations (e.g. low-income Canadians) have been conducted to support deep-dive, customized Index analytics.

Online survey respondents are primary or joint financial decision makers, aged 18 to 70 years old.

Survey respondents are recruited through the Angus Reid Forum, Canada's most respected and engaged online panel, with all study design and analytics conducted by Financial Resilience Institute.

The Financial Well-Being study is a complementary instrument to the Seymour Financial Resilience Index™

- Developed over 5 years based on an iterative process to regress and evaluating over 35 potential indicators against self-reported “financial resilience” or “financial stress” measures, using the multiple linear regression technique.
 - In the end, 9 variables were determined to account for 62 percent of the variance in the financial resilience construct as of February 2023 and June 2022 and 64 per cent of the variance in the financial resilience construct as of February 2021.
 - The regression model’s indicators (independent variables) are significant at a 95% confidence interval, with p-values less than 0.05.
 - The model has been validated against all years of Financial Well-being studies data between 2017 and 2023. This has revealed consistency in results, represented by a strong R-squared as well and similar weights of the independent variables as predictors of financial resilience.
 - Weightings for the model are based on their overall contribution to the dependent variable in the model and are not equal.
- Five stages of Index development and validation:
 1. Identification of potential indicators
 2. Data collection for Index development
 3. Regression model development with different combinations of potential indicators
 4. Indicator selection and
 5. Model validation.
 - Based on 2017 and 2018 data, six of the nine index model independent variables were available, and in the 2019 data, seven of the independent variables were available. All nine variables are available based on the February 2020 Index baseline data. In July 2022, one of the two variables within the debt composite indicator was replaced.



Sample sizes for the Financial Well-Being Studies (2017- 2022)

Canada's longitudinal study on Canadians' financial well-being, complementing the Seymour Financial Resilience Index™



| Financial Well-Being Study | Total Sample Size | Survey Respondents scored through the Index [1] | Margin of Error (MOE) |
|----------------------------|-------------------|---|-----------------------|
| June 2022 study [2] | 5061 | 4505 | 1.38% |
| June 2021 study | 5028 | 4504 | 1.38% |
| Feb. 2021 study | 3018 | 2710 | 1.78% |
| Oct. 2020 study | 3016 | 2635 | 1.78% |
| June 2020 study | 4989 | 4462 | 1.39% |
| Feb. 2020 study | 1013 | 919 | 3.08% |
| June 2018 study | 5067 | N/A | 1.38% |
| June 2017 study | 5218 | N/A | 1.36% |

[1] The Seymour Financial Resilience Index™ has a pre-pandemic baseline of February 2020 and builds on over six years of longitudinal financial well-being studies data for Canada.

[2] The Financial Well-Being studies data is based on online survey data with survey respondent recruitment through the Angus Reid Forum, Canada's most engaged and respected online panel. There is a representative sample of the population by household income, age, province and gender. The sample includes 1148 respondents from Quebec.

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As the leading independent authority on financial health in Canada, we work with purpose-led organizations so that they can measure, target and accelerate their impact, while achieving their business and ESG goals.

Financial Resilience Research,
Measurement and Analytics ^[1]

Strategic Consulting and
Advisory ^[2]

Custom Research, Impact
Projects and Solutions ^[3]



[1] These include customized index analytics against the Seymour Financial Resilience Index TM on clients' customers with benchmark data & impact measurement.

[2] We lead large-scale enterprise financial wellness strategy consulting projects for organizations, and work with senior executives, boards and leaders to develop and help execute strategies over time.

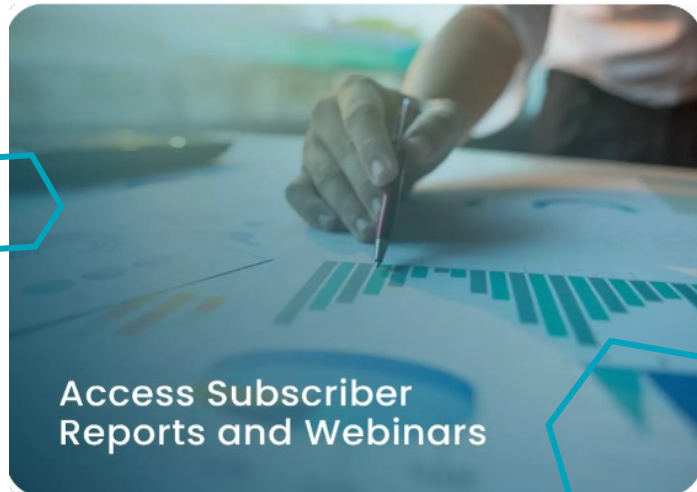
[3] These include deep dive analytics and reports for specific populations (e.g. new immigrants) or solutions for FIs such as proprietary Financial Health Index models and/or new products and services (e.g. Fair and Fast Loan).

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