Financial resilience and financial wellness gender gap report

Insights on the financial resilience and financial wellness of women in Canada and emerging opportunities

November 2023

As a non-profit organization and the leading independent authority on financial well-being in Canada, we're dedicated to improving the financial resilience, health and well-being of all Canadians and global citizens

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.**

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.

Impact Goals

1. **Reduce financial vulnerability** in Canada, in particular for those who need help most or are underserved [1]

2. **Be a catalyst for positive change** through thought-leadership, partnerships and cross-sector collaboration.

3. **Foster financial inclusion and empowerment** while helping to build a resilient, equitable and inclusive Canada.

[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.
The Institute is levering the Seymour Financial Resilience Index ® as a community asset for good with the Index being used to shine a light on the financial vulnerability, financial stress and financial well-being of Canadians including in particular those who are more financially vulnerable and/or underserved by Financial Institutions, Policymakers and other organizations with a stake in the financial lives of Canadians.

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Authors: Eloise Duncan, Gaurangi Gyanesh Singh, Alexandria DelCorro and Kujtim Koci

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

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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 (2017-2023)

[1] The Financial Well-Being Framework developed by Seymour Consulting in 2016 (now the Financial Resilience Institute) is outlined on slide 3.
Definitions of financial health, financial resilience and financial wellness Financial Well-Being definitions were created by Seymour Consulting, now Financial Resilience Institute, as the leading independent authority on financial health in Canada.
[2] 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.

Seymour Financial Resilience Index ® indicators and scoring model

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The Index is the first of its kind in the world [1]. It is based on the nuances of the Canadian consumer and ecosystem. Household financial resilience is tracked at the national, provincial, segment and individual household levels for Canadians, tier-one bank customers and the customers of any organization adopting it, with measurement and tracking every four months.

The Index has been peer-reviewed by Statistics Canada, C.D. Howe Institute, UN-PRB, Haver Analytics, Vancity, Co-operators and many other organizations using it.

It has a pre-pandemic baseline of February 2020, and builds on 8+ years of robust national financial health, stress and financial well-being data.

FINANCIAL HEALTH

1
Debt management composite.

2
Plans ahead financially for upcoming and unexpected expenses or to save for long-term goals.

3
Change in household financial situation over the past 12 months.

FINANCIAL RESILIENCE

4
Social capital: close person(s) who could provide financial support in times of financial hardship.

5
Liquid savings buffer.

6
Self-reported credit score.

FINANCIAL STRESS

7
Confidence in ability to meet short-term savings goals.

8
Financial stress composite.

9
Financial stress over current and future financial obligations.

Extremely Vulnerable | Financially Vulnerable | Approaching Resilience | Financially Resilient

0 10 20 30 40 50 60 70 80 90 100

'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] The Index is called the Seymour Financial Resilience Index ®. The original Index release report and Index development methodology are available at https://www.finresilienceinstitute.org/about-the-seymour-financial-financial-resilience-index/
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Disclosure

Financial Resilience Institute is working to help improve financial resilience for all Canadians and global citizens, including those who are more financially vulnerable and/or underserved. This insights report builds on many other reports published by our non-profit organization, and focuses on insights on the financial resilience, health and well-being of women in Canada, based on analytics of the Seymour Financial Resilience Index and complementary Financial Well-Being studies instruments.

Populations that are more financially vulnerable can include but not be limited to: women, racialized Canadians, people with disabilities, low-income households and other populations. Measuring, tracking and understanding barriers impacting Canadians, women and more vulnerable populations can help to inform policy, innovation and impact work to reduce inequalities and help build a resilient, equitable Canada through the recovery and beyond.

Financial Resilience Institute recognizes that this report discusses gender in binary terms – as male and female – and does not examine and compare the financial resilience, health or well-being of people with other identities and expressions, such as trans+, gender variant and two-spirit, who represent about 1 in 200 people [1]. Statisticians, researchers and analysts should consider that primary data collection and reporting related to financial health can reach beyond gender binary terms and responses.

[1] Based on a sample size of 5736 Canadian adults aged 18 to 70 years ago from a representative sample of the population by age, province gender and household income. The sample comprises 2839 women and 2771 men, of which 5038 were scored through the Seymour Financial Resilience Index ® for the June 2023 Financial Well-Being study.
49.5% of survey respondents self-identified as female/woman/feminine and 48.3% identified as male/man/masculine. 1.4% reported identifying as genderqueer/genderfluid/non-binary and 0.2% as Two-Spirit.
0.1% reported that their gender identity was not listed and 1.0% of survey respondents reported they preferred not to answer. Please see appendices slide 40 for more information.

Executive Summary

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The Financial Resilience and Financial Wellness Gap persists but has narrowed in Canada with more women empowering themselves to maintain or improve their financial resilience, despite a challenging macro-economic environment.

- Based on the the Institute's Financial Resilience Index model and trended data, women continue to have lower financial resilience, and higher levels of financial stress compared to men. Women have a mean financial resilience score of 51.2 as of June 2023 compared to men at 54.0, with the financial resilience 'gap' 5% as of June 2023 [1]. At the national level women score lower across eight of the nine Index indicators compared to men as of June 2023 [1].

- The percentage gap in the mean financial resilience scores of men and women has decreased from 12% in February 2020 (pre-pandemic) to 5% in June 2023. The narrowing of this gap is a function of more women adjusting their consumer and financial behaviours to maintain or improve their financial resilience [2]. Many women have also sought out help or advice from financial advisors, financial institutions and other organisations for support. Swift and significant COVID-19 financial relief during the pandemic also supported the financial resilience of many women (and Canadians overall) as outlined in our previous reports.

- In June 2023, there has been a decrease in both men and women represented in 'Extremely Vulnerable' and 'Financially Vulnerable' segments as compared to a year earlier. However, more women are represented in more financially vulnerable segments compared to men based on the Seymour Financial Resilience Index ® with 77.5% of women 'Extremely Vulnerable' or 'Financially Vulnerable' as of June 2023, compared to 74.5% of men [3].

- There are nuances in terms of the financial resilience, health and well-being of women and key populations. Baby Boomer women have made the greatest strides in improving their financial resilience over the past year. Dis-aggregated trended data insights and an intersectional lens can help guide evidence-based policies, programs, new products services and interventions by Policymakers, Financial Institutions, Employers and others. In this way, women can continue to supported and empowered to build their financial resilience, health and well-being. Women (and men) who are more financially vulnerable, underserved and/or facing systemic barriers also require targeted support and access to the relevant help and support they need.

[1] The only indicator that women score higher than men on, is the 'social capital' indicator. This is defined as as a close family member or friend who a person could turn to, that they would be prepared to turn to, for financial support or advice in times of financial hardship.
[2] The financial resilience gender gap has been reported on ever since the Seymour Financial Resilience Index as launched in 2020. This is the percentage gap between the mean financial resilience score of women compared to men
[3] '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 ®

Context

- Policymakers and other organizations have an important role to play in building an inclusive, equitable and resilient Canada, as in other countries around the world. Our world has weathered shocks, resulting in concurrent crises. Just as hopes of post-pandemic recovery were on the horizon, wars in Ukraine, Israel and other parts of the world have introduced a fresh layer of human suffering and global socio-economic ramifications. These crises have exacerbated long-standing systemic barriers that prevent women and girls from realizing their full potential [1] .
- Amid these circumstances, women bore the biggest brunt of the pandemic (globally and in Canada) taking on the role as primary caregivers. Oftentimes the key financial decision makers at home, women have higher levels of financial stress compared to their male counterparts and are more challenged in terms of their financial resilience. [2]
- The gender gap persists, stemming from structural inequities that have deep historical roots. Based on the World Bank's Women, Business, and the Law 2022 Report, around 2.4 billion women of working age are not afforded equal economic opportunity and 178 countries maintain legal barriers that prevent their full economic participation. [3]
- The purpose of this report is to offer key insights into the persisting financial resilience, financial health and financial wellness gender gap in Canada, building upon research led by our non-profit organization since 2017. This insights report provides a snapshot of key insights and up-to-date disaggregated data. It is designed to complement other data and deeper studies related to women, underserved and more financially vulnerable populations plus women in the economy.
- We believe it critical to measure and track the financial resilience, health and wellness of women on an on-going basis, with this work being led by Financial Resilience Institute through our Index and Financial Well-Being studies. It is also critical to develop policies, programs and interventions to help more women to improve their financial and overall resilience. We look forward to partnering with financial institutions, business leaders and policymakers to improve financial resilience, health and well-being for all, including more financially vulnerable and underserved populations.

Financial Resilience Institute

The Financial Resilience Institute strives to help improve financial resilience and wellbeing for all Canadians and global citizens, in particular for those who are more financially vulnerable or underserved by financial institutions, policymakers or other organizations. This is important as policymakers strive to build a more equitable, inclusive and resilient Canada, and support women in the economy.

[1] These crises add to long-standing barriers that prevent women and girls from realizing their full potential. Because of restrictions in laws, asset ownership, labor markets, or access to education, health, and financial services – women still do not fully participate in the global economy. And without gender-inclusive growth, we simply cannot achieve long-term economic resilience. In fact, IMF research shows that closing gender gaps can stimulate growth, strengthen macroeconomic and financial stability, and reduce income inequality. Excerpt from the International Monetary Fund's, 'Gender Balance in the Financial Sector'.
[2] Gender Balance in the Financial Sector, International Monetary Fund (2022)
[3] Women, Business and the Law 2022 Report, World Bank Group (2022)

Canada has one of the worst gender pay gaps in the world based on OECD's Gender Wage Gap Report (2023)

The Organization for Economic Co-operation and Development (OECD) defines the gender wage gap as "the difference between median earnings of men and women relative to median earnings of men". After Korea and five other countries at 17%, the Canadian gender wage gap is well above the OECD average with the seventh largest gap and has been remaining stubbornly persistent according to the OECD. This report highlights that gaps stem from longstanding structural inequalities, such as an unequal division of paid and unpaid work, women having the same skills but different jobs and responsibilities than men within firms, and occupational sectoral segregation with an undervaluation of traditionally female-dominated jobs. [1]

Difference between median earnings of men and women relative to median earnings of men, full-time earners

Percentages based on 2021 or latest data available

[1] Difference between median earnings of men and women relative to median earnings of men, full-time earners percentages, 2021 or latest data available. Data refer to 2021, or except for Belgium, Chile, Denmark, Finland, Germany, Greece, Hungary, Italy, Poland, Portugal, and Switzerland refer to 2020; for Ireland and Israel to 2019; and for Iceland, Slovenia and Türkiye to 2018. Source: OECD Gender wage gap indicator, available at https://data.oecd.org/earnwage/gender-wage-gap.htm. – [Figure 16.1].

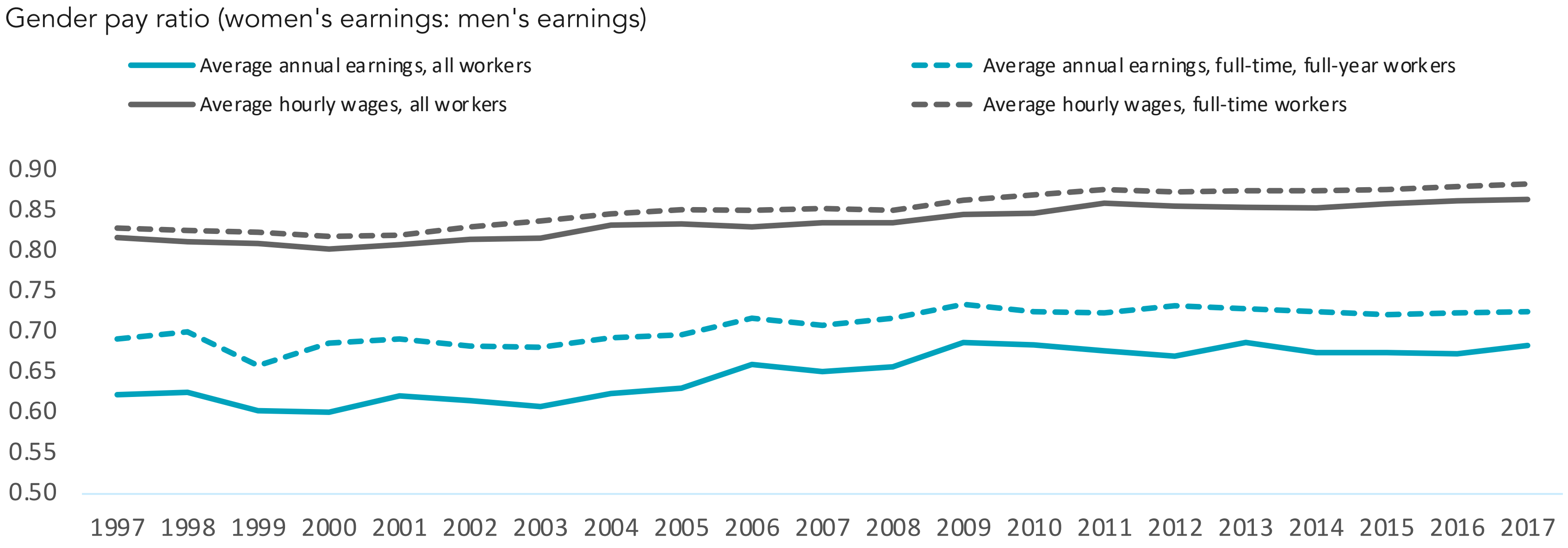
[2] Women across Canada typically earn less, have fewer career opportunities, and occupy more jobs at the lower end of the pay scale then men as well as because they are also more likely than men to find themselves living on a low income, especially in their senior years. Possible explanations encompass ongoing gender wage disparities, unequal entry to well-remunerated positions, societal norms influencing women's financial self-assessment, and the added impact of caregiving responsibilities, which predominately affect women.

Gender Pay Gap in Canada is a challenge, but has narrowed between 2007 and 2022

Financial Resilience Institute

- According to Statistics Canada (2022), as of 2021, the gender pay gap for full-time and part-time employees is 0.89, which means women make 89 cents of every dollar men make. The gender pay gap for full-time employees is 0.90, which means women make 90 cents of every dollar men make. Nearly two-thirds of the gender wage gap in 2021 was unexplained by standard controls for human capital, job attributes, occupation and industry, and demographics. This is consistent with studies of the gender wage gap in countries such as the United States and United Kingdom. [1]

Gender pay ratio calculated from average annual earnings and hourly wages of employed women and men aged 15/16 years and older, Canada, 1997 to 2017



- However, recent data from Statistics Canada highlights that though the wage gap has remained sizeable, it has reduced between 2007 and 2022. Pay gaps also exist among visible minority groups. In 2021, Filipino employees aged 25 to 54 earned $0.74 for every dollar earned by an employee who was not Indigenous nor a visible minority—a pay gap of 25.9%. The pay gap between core-aged Black employees and non-visible minority employees was 16.1%. In contrast, Chinese employees aged 25 to 54 ($33.83) earned about the same per hour as non-visible minority employees ($33.44) [3] Women represented in these minority groups could be disproportionately affected by this pay gap.

[1] Statistics Canada, "Measuring and Analyzing the Gender Pay Gap: A Conceptual and Methodological Overview" https://www150.statcan.gc.ca/n1/pub/45-20-0002/452000022019001-eng.htm,
[2] Source: 'Intersectional perspective on the Canadian gender wage gap', Statistics Canada, available at https://www150.statcan.gc.ca/n1/pub/45-20-0002/452000022023002-eng.htm
[3] Statistics Canada, "Quality of Employment in Canada: Pay gap, 1998 to 2021" https://www150.statcan.gc.ca/n1/pub/14-28-0001/2020001/article/00003-eng.htm

Key Insights

Women continue to face barriers, linked to the gender pay gap, caregiving responsibilities and other barriers

- At the national level, the Index highlights that Canadian women continue to face more financial resilience challenges compared to men. Several key factors contribute to disparities. Example challenges faced by women include but are not limited to the following:

- Canada has persistently reflected one of the worst gender wage gaps in the world based on a report by the Organization for Economic Co-operation and Development (OECD). Out of the countries measured, it stands at the seventh-from-last position in terms of the difference between the median earnings of men and women [1]. However, recent data from Statistics Canada highlights that though the wage gap has remained sizeable, it has reduced between 2007 and 2022 is a good news story. This, in addition to women fostering healthy financial behaviours, Employers and Policymakers putting focus on equity and other factors are expected to have have contributed to the narrowing of the financial resilience gender gap in recent years [2].

- 57.1% of women report facing barriers impacting their ability to earn money as of June 2023, with this increased by 4% from 47.0% in June 2022. Despite this, the proportion of women reporting that their spending was a little or much more than their household income is 36.8%, only slightly higher than 34.6% for men.

- Women continue to shoulder a disproportionate burden of unpaid care work, including childcare and eldercare responsibilities. The provision of more affordable childcare for Canadian families provided by Government is helping women's full participation in the workforce and is helping to improve the financial resilience of families [3].

- Overall, women experience higher levels of financial stress over current and future financial obligations and across a number of financial stress indicators measured by the Institute. For example, as of June 2023, 71% of women report they are stressed about not having sufficient savings for retirement compared to 65% of men. 23% of women report having high levels of financial well-being as of June 2023 compared to 26.4% of men. 51% of women also report that money worries makes them physically unwell, compared to 47% of men as of June 2023, with this increased compared to a year earlier. More women than men also report that financial stress makes them lose sleep at night.

[1] Difference between median earnings of men and women relative to median earnings of men, full-time earners percentages, 2021 or latest data available. Data refer to 2021, or except for Belgium, Chile, Denmark, Finland, Germany, Greece, Hungary, Italy, Poland, Portugal, and Switzerland refer to 2020; for Ireland and Israel to 2019; and for Iceland, Slovenia and Türkiye to 2018. Source: OECD Gender wage gap indicator, available at https://data.oecd.org/earnwage/gender-wage-gap.htm. – [Figure 16.1].
[2] Source: 'Intersectional perspective on the Canadian gender wage gap', Statistics Canada, available at https://www150.statcan.gc.ca/n1/pub/45-20-0002/452000022023002-eng.htm
[3] The Government of Canada is taking steps to make childcare more affordable for families, with an average 50% reduction in childcare fees by the end of 2022 and a target to bring fees down to $10/day on average by 2026. More information about the results achieved through this program can be found at https://www.canada.ca/en/employment-social-development/campaigns/child-care.html

Source: Seymour Financial Resilience Index ®

Key Insights: Other Systemic Barriers impacting Women's Financial Resilience

Financial Resilience Institute

- An intersectional lens validates that there are many nuances in women's' financial resilience based on the barriers they face, their behaviours and socio-demographic factors. The financial vulnerability and financial inclusion challenges of key populations has been reported in on depth by the Institute. It is important to note that many women (like men) can be negatively impacted by unplanned life events such as divorce, disability or death of a spouse in addition to facing other systemic barriers.

- 3% of women report they have been impacted by reduced work or financial hardship as a result of their period/ menstruation in the past 12 months, as reported in our June 2020 Index report.

- Single mothers are suffering more compared to other subgroups of women, with nearly double the proportion of single mothers (87%) experiencing emotional stress due to money worries compared to women overall (44%). Their emotional stress has been found to be exacerbated in June 2023 compared to February 2023, with worse effects found on their physical well-being.

- The mean financial resilience score of single mothers has decreased, and the proportion of single mothers experiencing significant financial hardship has risen from February 2023 to June 2023. However, the opposite trend has been observed among low-income single mothers, who have experienced an improvement in both parameters during this period.

- When it comes to generational differences among women, as of June 2023, Baby Boomer women have a higher mean financial resilience score compared to Millennial and Gen X women. Baby Boomer women have a mean score of 56.6 in June 2023, up by roughly points from 48.8 in June 2022. They have shown visible improvements through changed consumer and financial behaviors based on the Seymour Financial Resilience Index ®.

- While Millennial women consistently had the highest mean financial resilience score out of the three life stages up until June 2022, and continue to maintain their mean financial resilience score since June 2022, their mean score (51.3) has now fallen below that of Baby Boomer women (56.6) [1]. However, millennial women continue to be more financially resilient compared to Gen X women, who have a mean financial resilience score of 47.0.

- More women across all three life stages (Millennial, Gen X and Baby Boomer) have sought out advice from a financial advisor or approached their primary financial institution for support or advice in June 2023 compared to previous years. This positive shift may have contributed to Baby Boomer and Gen X women increasing their financial resilience score, and Millennial women maintaining it.

Source: Seymour Financial Resilience Index ®

[1] The two-point increase in womens' mean financial resilience score between October 2020 and February 2021 was driven primarily by millennial women, who, thanks to being very proactive at adjusting their financial behaviours through the pandemic, saw an increase in their mean financial resilience score from 51.5 in October 2020 to 55.2 in February 2021. See February 2021 Index report page 6 at: https://www.finresilienceinstitute.org/wp-content/uploads/2023/10/Feb-2021-Index-Release-Summary-Final_May25-1.pdf

Key Insights: Women are working hard to foster healthy financial behaviours

- It is important to note that women frequently experience career interruptions due to maternity leave or caregiving responsibilities. These breaks can hinder career advancement and pension contributions, leading to a reduced financial safety net in later years. For example, women face a retirement savings gap, with lower retirement savings compared to men. The Canadian Pension Plan (CPP) and private pension plans also provide reduced benefits for women due to their lower incomes and career interruptions.

- According to Statistics Canada research on women's contribution to the economy beyond GDP, over the 2015 to 2018 period, women accounted for 60.1% of the total hours of unpaid housework [1] . For many women, the "second-shift" is adding hours – and more stress to their workday [2].

- Women's financial resilience (as with men) is clearly impacted by their consumer and financial behaviors. Women (like men) can foster health financial behaviours (such as planning ahead financially for upcoming or unexpected expenses or to save for long-term goals). At the national level, women track slightly behind their male counterparts across a number of indicators, with this impacting their financial resilience. For example:

  - More male credit card holders report paying their credit card balances in full compared to women as of February 2023, with more male credit cardholders 'Financially Resilient' (26% men compared to 21% women).
  - A higher proportion of men have reduced or consolidated their debt and/or increased their registered or non-registered investments in June 2023 compared to women.
  - 53% of women have drawn down on their savings in June 2023, a substantial increase from 30% in June 2020. With more women challenged in terms of their household savings rates, 26.5% of women have a liquid savings buffer of 3 weeks or less as of June 2023, compared to 21.4% of men.
  - Similar to June 2022, very slightly fewer women compared to men, have taken measures to build their financial literacy, with this being the case for 48% of women compared to 50% of men. 33% of women report having consulted with a financial advisor or financial planner in the past twelve months, compared to 35% of men. Additionally, 82% of women report they have the financial skills and knowledge to manage their household finances effectively, with this slightly higher for 85% of men.

[1] Statistics Canada, Measuring the value of women's contribution to the Canadian economy: New insights based on recent work,", February 22, 2023 https://www150.statcan.gc.ca/n1/pub/36-28-0001/2023002/article/00001-eng.htm
[2] Statistics Canada, "Women in Canada: A Gender-based Statistical Report, Women and Paid Work," March 8, 2017 www.statcan.gc.ca/pub/89-503-x/2015001/article/14694-eng.htm
Source: Seymour Financial Resilience Index ®

Key Insights: womens’ steps to improve their financial literacy and foster healthy financial behaviours has helped them maintain or improve their financial resilience

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- Overall, women have been working hard to maintain or improve their financial resilience despite the high cost of living and inflationary environment. Index data shows that women overall have, for example:
    - Reduced their non-essential expenses: 71% women have significantly reduced their non-essential expenses as of June 2023, which is 7% greater than the proportion of women who did so in June 2020 and June 2022. In fact, this proportion is also 2% greater than the percentage of men who report having significantly reduced their non-essential expenses.
    - Found side hustles to earn additional income: 37% of women have taken on side hustles to earn additional income, with this the case for 38% of men. The pandemic's impact on employment led to a surge in small business start-ups, with women being a significant contributor to this trend.
    - Managed or reduced their debt: : The proportion of women who have reduced or consolidated their debt has increased from 23% in June 2022 to 26% in June 2023.
    - Progressed financial planning or sought out help from a financial advisor or planner: Women are increasingly focused on financial planning as well as improving their financial resilience more generally. 33% of women have met with a financial advisor or planner as of June 2023. 49% have created or adjusted a financial budget or plan in the past 12 months, which is 4% higher than the 45% of women who did so in June 2022.
    - Taken steps to improve their financial literacy: Women are increasingly recognizing the importance of financial literacy, with 48% of women having taken steps to improve their financial literacy as of June 2023, a slight increase from 47% in June 2022. This is the case for 36.5% of Baby Boomer women, 41.6% of Gen X women, 54.3% of Millennial women, and interestingly, for 63.7% of Gen Z women, significantly higher than for the other three life stages.
    - Built up emergency savings: with 27% of women reporting have built up an emergency savings fund as of June 2023.

Source: Seymour Financial Resilience Index ®
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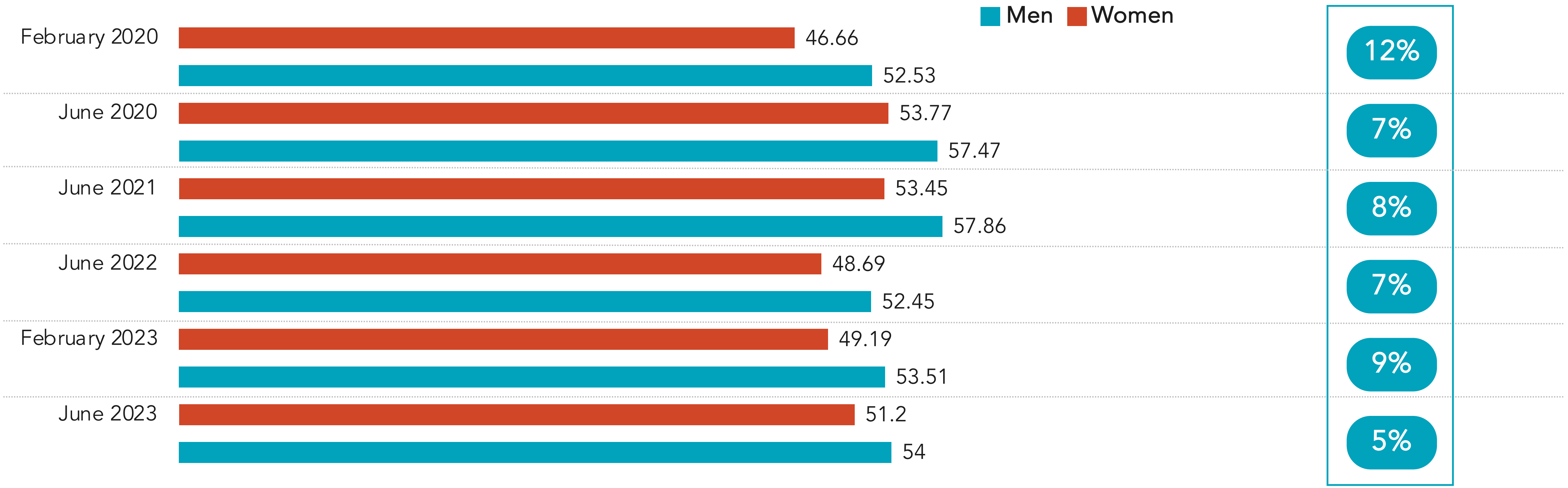
Sample data on women's **financial resilience**, financial wellness and reported financial behaviours

The financial resilience gender gap between men and women persists, but has narrowed between February 2020 (pre-pandemic) and June 2023

The mean financial resilience score of women is 51.2 compared to 54.0 for men as of June 2023, which is 3 points lower than men. While still a problem, this gap has narrowed since before the pandemic (in February 2020) from 12% to 5%.
A large part of this improvement is due to women adjusting their consumer and financial behaviours to maintain or improve their financial resilience, plus access support from their Financial Institutions and other organizations for help.

Mean financial resilience score of women compared to men

Financial resilience gender 'gap' [1]



Source: Seymour Financial Resilience Index ®
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As of June 2023, women score lower than men across eight of the nine Index indicators, with social capital where they score more favourably compared to men [1]

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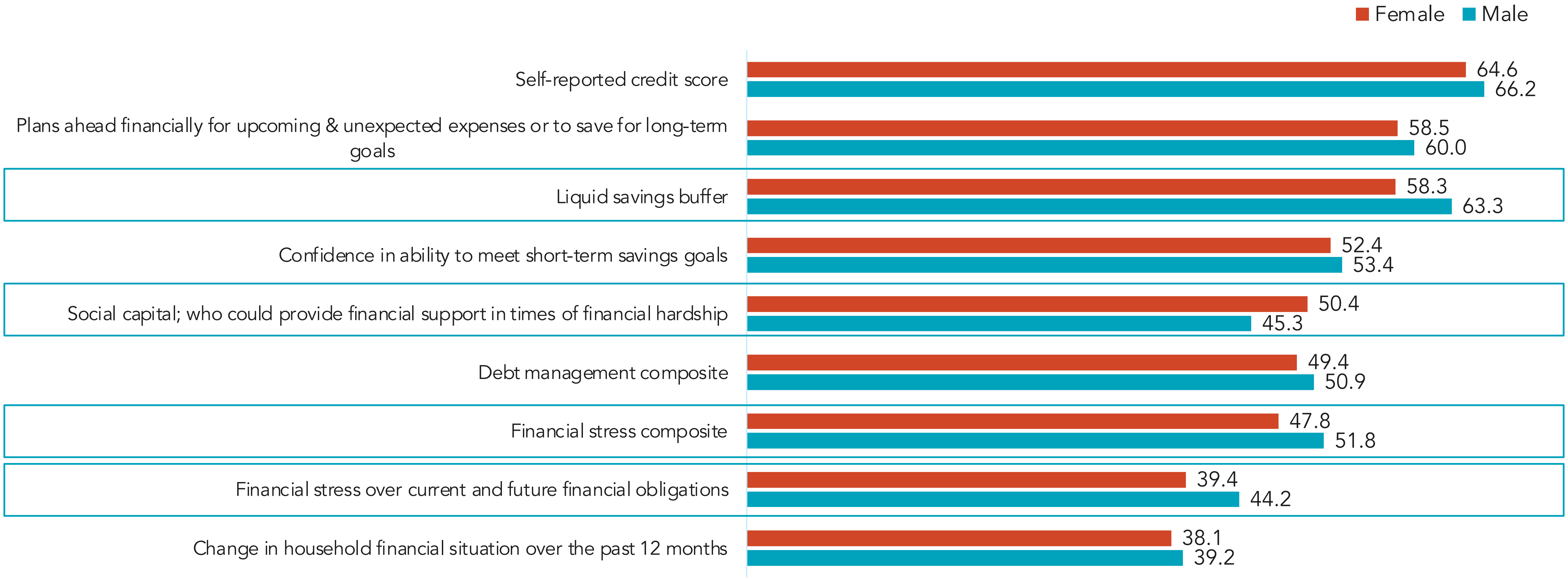
Comparison of women versus men across the nine Index indicators at the national level – as of June 2023



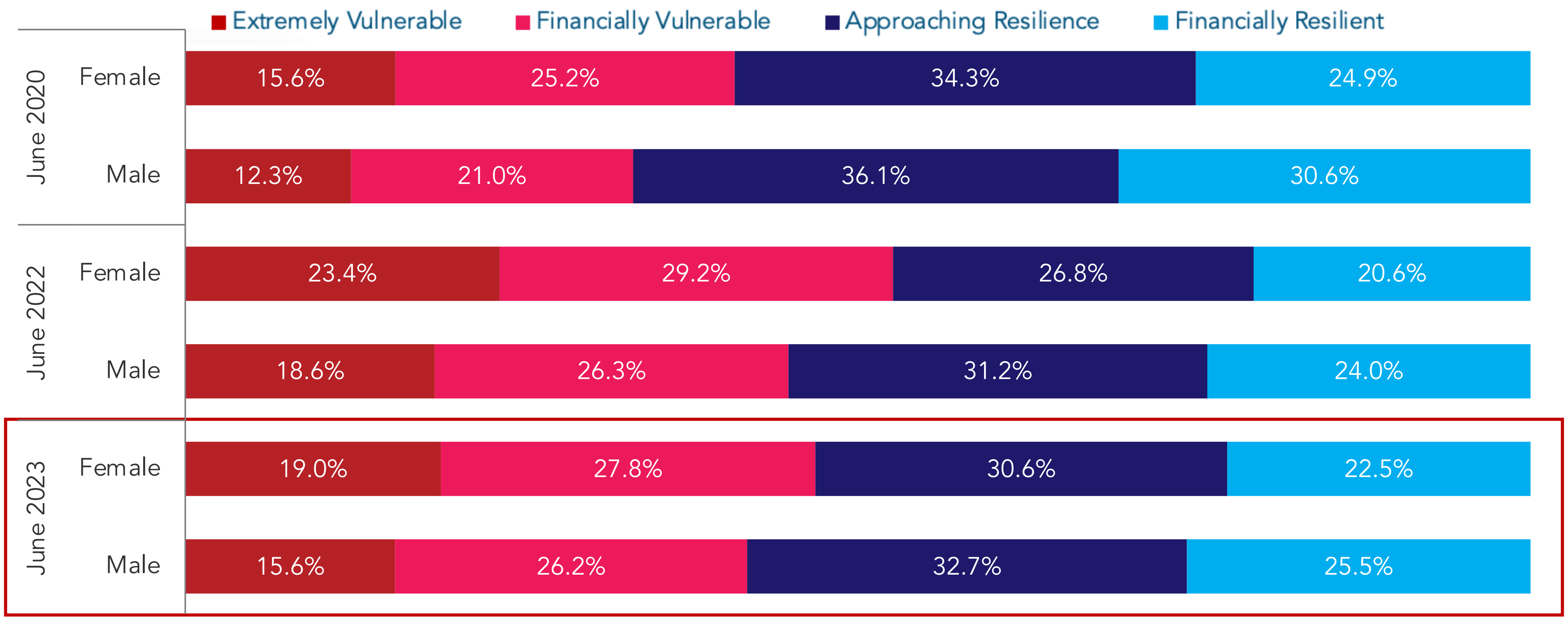
Source: June 2023 Seymour Financial Resilience Index ®

[1] Social capital is defined as a close family member or friend who a person could turn to, that they would be prepared to turn to, for financial support or advice in times of financial hardship. This is a unique and important Index indicator.

More women continue to be more highly represented in more financially vulnerable segments compared to men, based on the Seymour Financial Resilience Index ®

In June 2023, 46.8% of women were found to be in the 'Extremely Vulnerable' or 'Financially Vulnerable' Index categories compared to 41.8% of men.

Changes in financial resilience segment distribution for women compared to men – June 2023 compared to June 2022 and June 2020



Source: Seymour Financial Resilience Index ®
'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.

However, the proportion of women that are 'Extremely Vulnerable' or 'Financially Vulnerable' has reduced compared to the February 2023 Index

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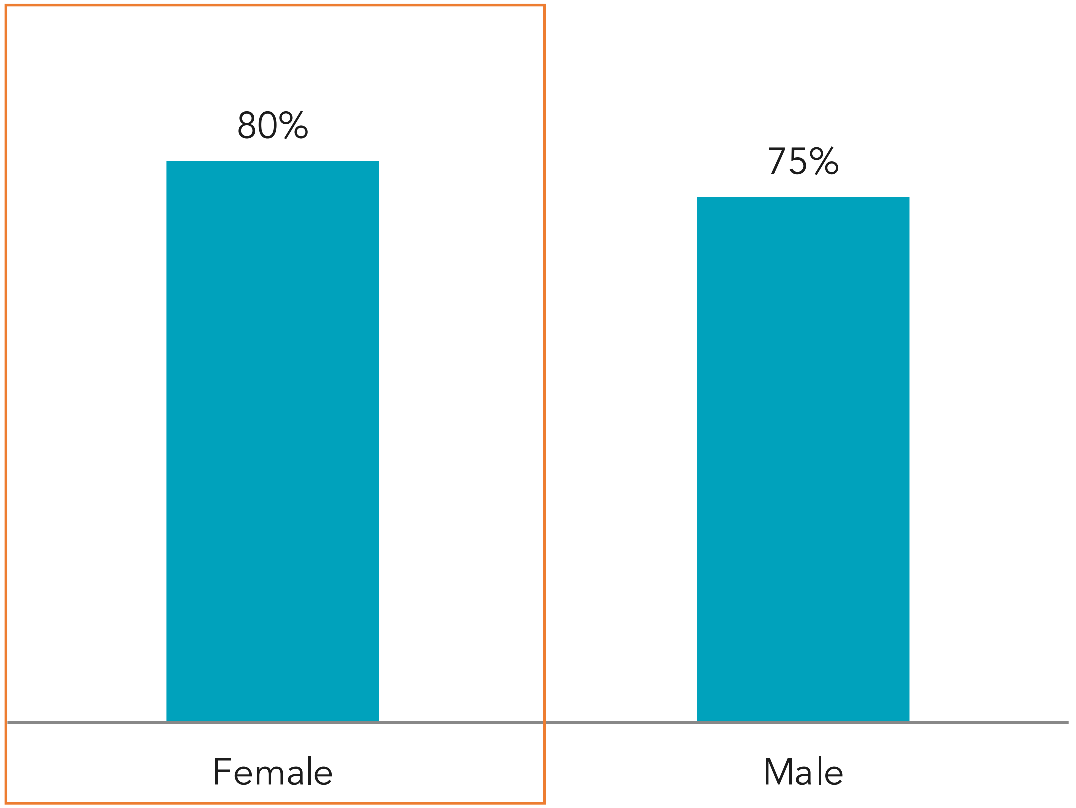
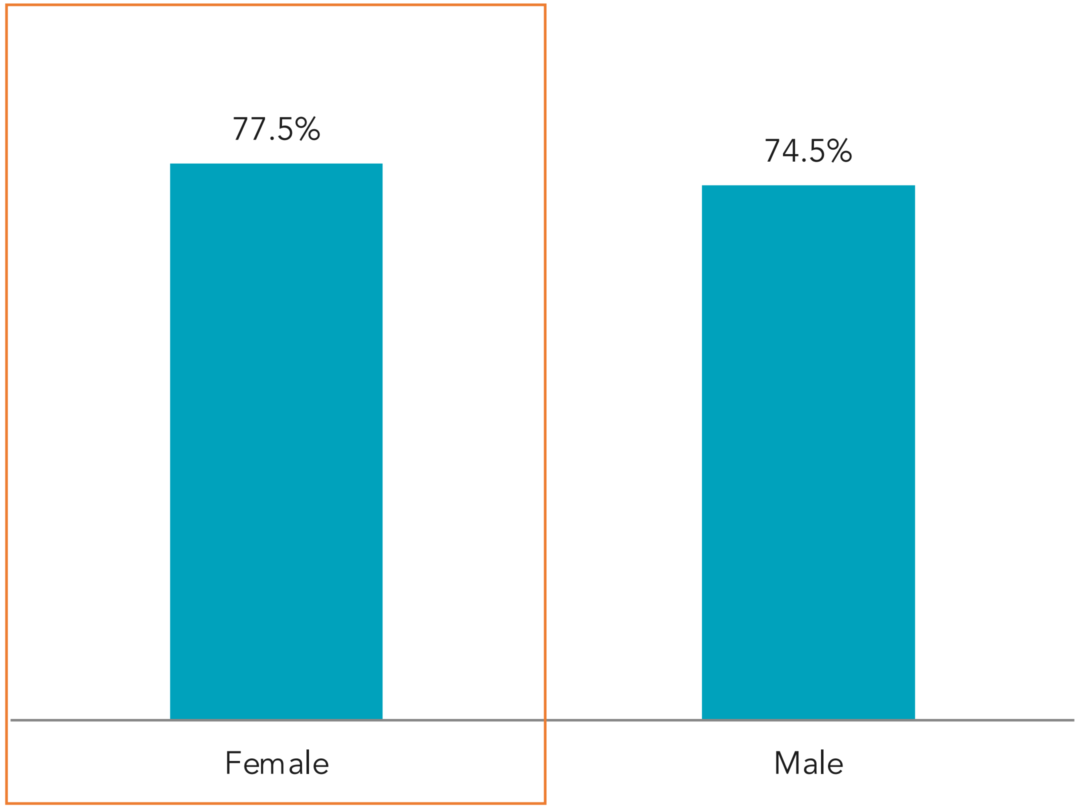
The percentage of women that are not 'Financially Resilient' has decreased from 80% in February 2023 to 77.5% in June 2023.

Percentage of men and women that are not 'Financially Resilient' as of February 2023



Percentage of men and women that are not 'Financially Resilient' as of June 2023



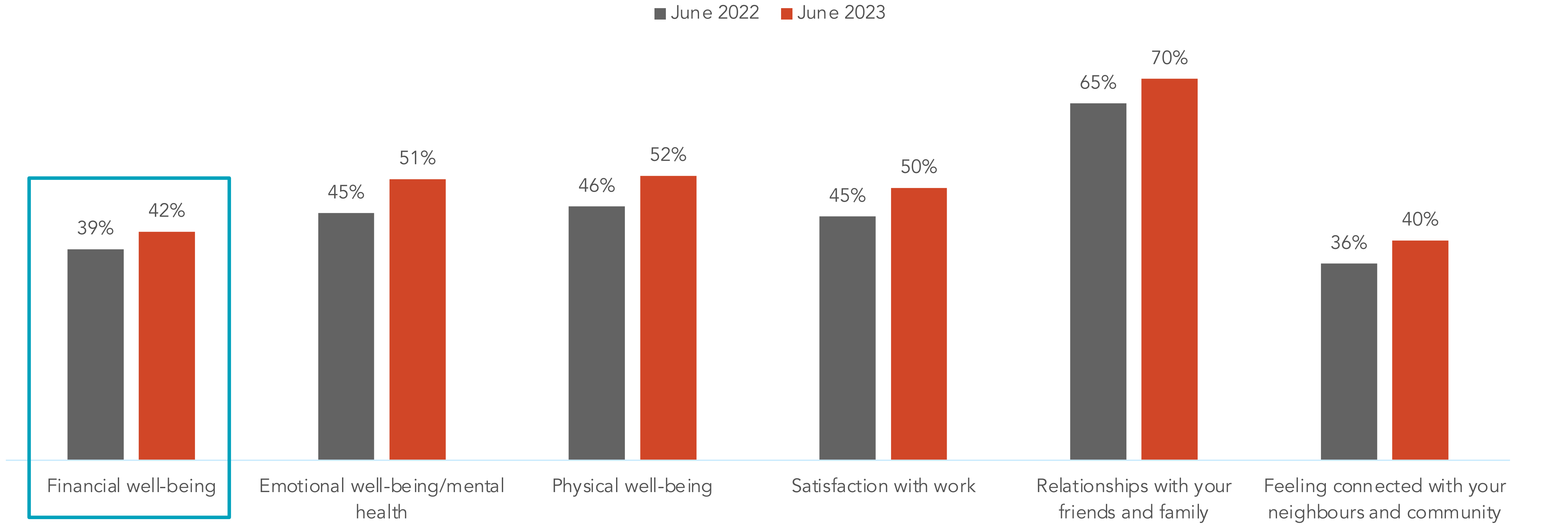
Source: Seymour Financial Resilience Index ®

At the national level as highlighted in the June 2023 Index report, 42% of Canadians rate their level of financial well-being to be 'good to excellent' as of June 2023

Financial Resilience Institute

Financial well-being is the the second lowest well-being dimension after isolation or feeling connected with neighbours and community, with this tracked by our organization since 2017.

Proportion of households that report having 'good to excellent' levels of financial well-being, emotional well-being/mental health; physical well-being and other well-being dimensions - June 2023 compared to June 2022 [1]

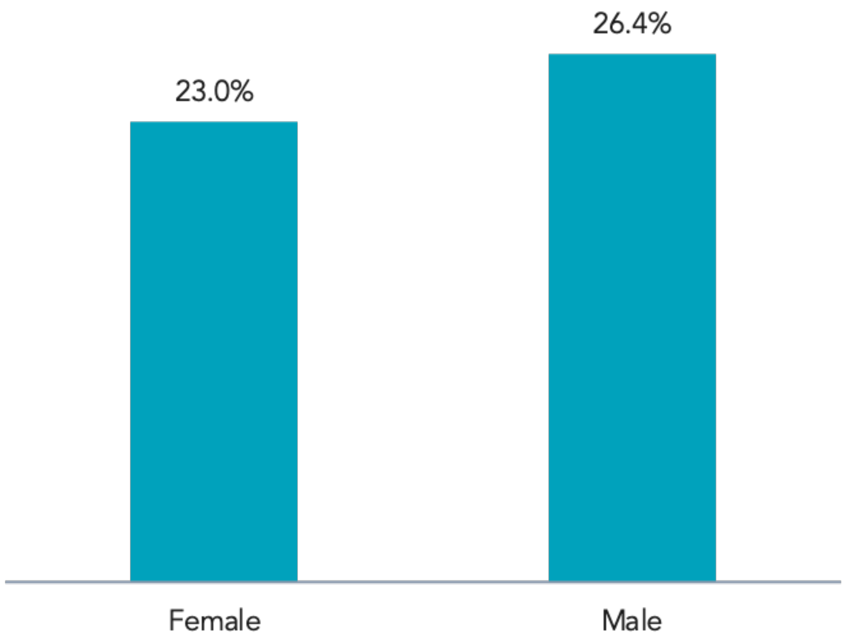


Source: Seymour Financial Resilience Index ®

[1] 'Good to excellent' levels of well-being include a rating of 7 or more out of 10 on a rating scale where people are asked, for example "What would you rate your level of financial well-being on a scale of 1 to 10 where 1 is poor and 10 is excellent?" In line with the Financial Well-Being Framework, financial well-being and different indicators of it have been measured by our organization since 2017.

Compared to their male counterparts, slightly less women report 'excellent' levels of financial well-being as of June 2023.

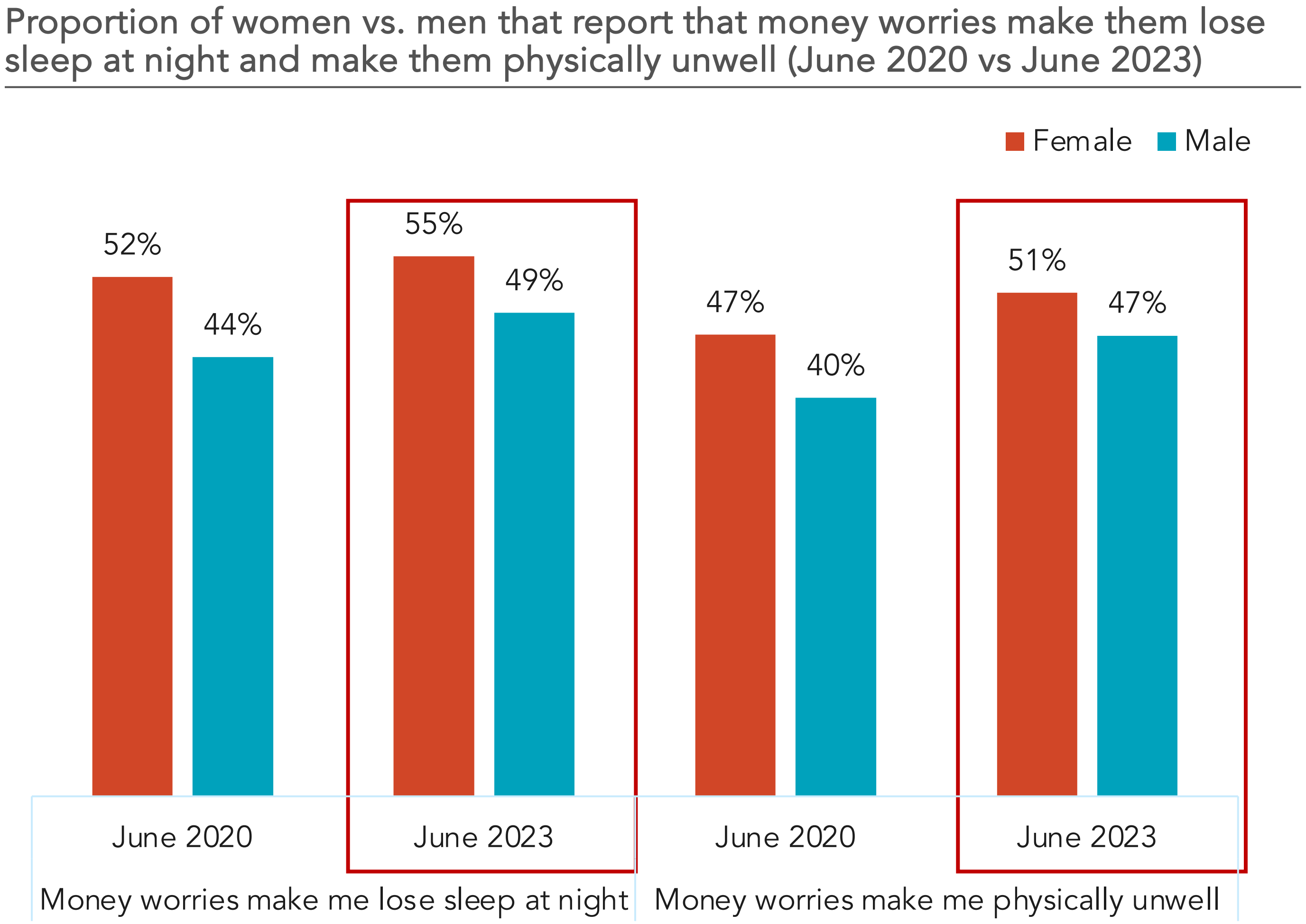
Proportion of women compared to men rating their financial well-being as 'excellent' (8-10) as of June 2023:



Source: Seymour Financial Resilience Index ®

Financial stress levels also continued to be higher for women, with more of them reporting that money worries negatively affects their physical health and or make them lose sleep at night.

Financial Resilience Institute



•Source: June 2023 Seymour Financial Resilience Index ® and Financial Well-Being study.
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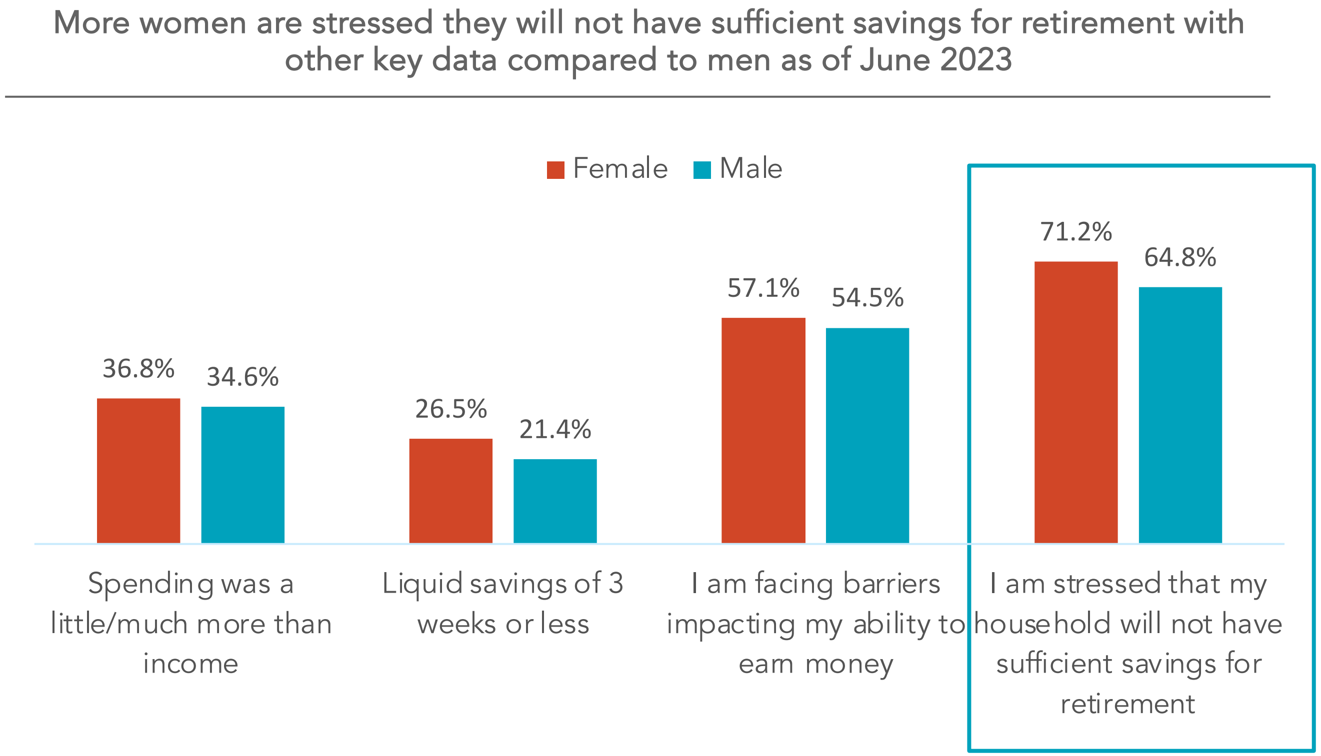
71% of women report that they are stressed that their household will not have sufficient savings for retirement compared to 65% of men - with planning, saving and investing for retirement an area where many women (and men) need to focus.

Financial Resilience Institute

Women face more barriers in building wealth and their financial resilience and many live longer than males also. [1] Planning ahead, saving and investing financially is very important for women and men, with positive financial resilience and financial wellness outcomes published in the 'Financial Planning: a Pathway to Improved Financial Resilience Report' [2]



[1] In 2021 the life expectancy at birth for women in Canada was about 84.67 years, compared to a life expectancy for men o about 80.62 years on average (Source: Statista)

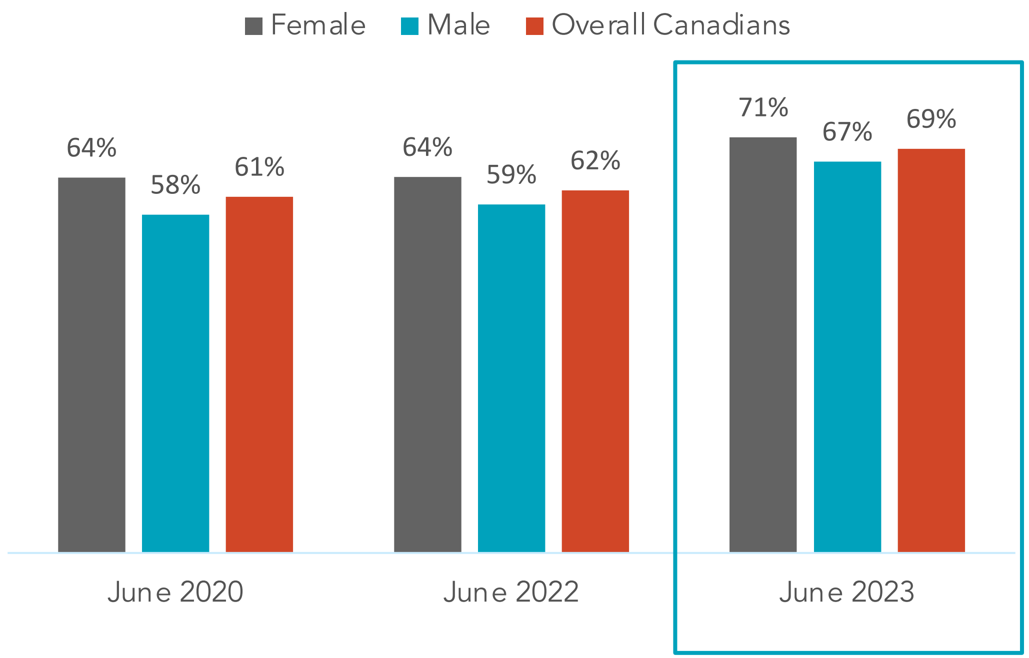
[2] The improved financial resilience and financial well-being outcomes of women (and men) working with a financial planner and/or planning ahead financially for upcoming and unexpected expenses or to save for long-term goals is outlined in the July 2023 'Financial Planning: A Pathway to Improved Financial Resilience' report: https://www.finresilienceinstitute.org/financial-planning-report/

Source: June 2023 Seymour Financial Resilience Index ® and Financial Well-Being study.

Fostering healthy financial behaviours has a measurable impact on financial resilience, with women doing well in this regard at the national level.

71% of women have significantly reduced their non-essential expenses as of June 2023 for example, which is significantly higher than previous years.

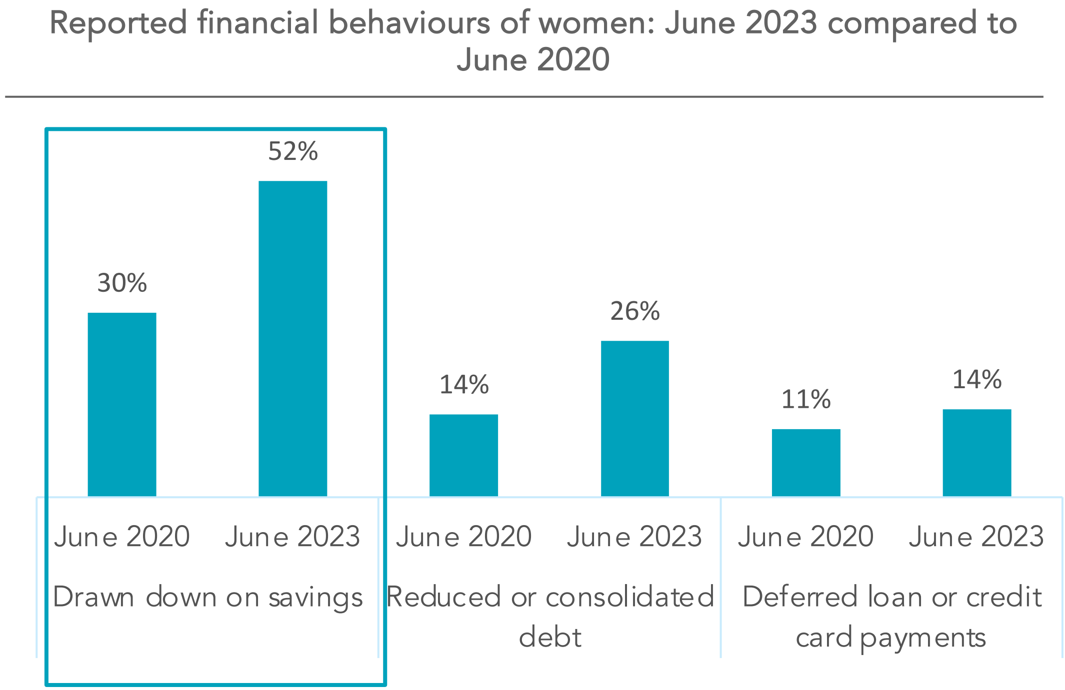
Proportion of men compared to women who have significantly reduced their non-essential expenses: June 2023 compared to June 2022 and June 2020



Source: June Seymour Financial Resilience Index ®

Yet with the high cost of living and other challenges, 52% of women report having drawn down on their savings in the past 12 months as of June 2023, up from 30% of women in June 2020.

At the same time, at 26% (or nearly twice as many women) report having reduced or consolidated their debt in June 2023, with this the case for only 14% of women in June 2020 [1].

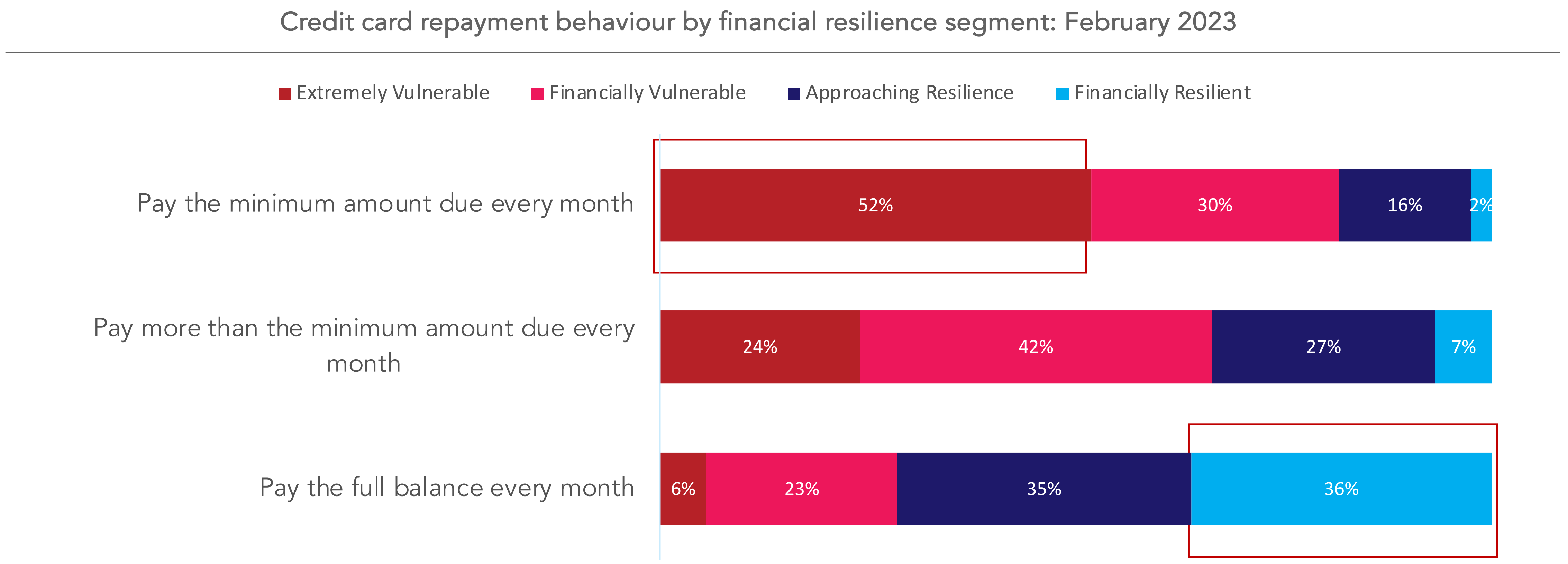


Source: June Seymour Financial Resilience Index ®
[1] Data on the affordability and other challenges facing Canadian men and women are published in the June 2023 Index report https://www.finresilienceinstitute.org/index-releases-and-reports/

Index analytics shows there is a positive association between healthy credit card repayment behaviour and improved financial resilience for women and men.

Financial Resilience Institute

52% of Canadian cardholders paying the minimum amount of their credit card every month are 'Extremely Vulnerable' – more than twice that for cardholders paying more than the minimum balance every month (24%) and significantly more than those paying their full balance every month (6%). 36% of cardholders paying their balance in full are 'Financially Resilient'.



Source: February 2023 Seymour Financial Resilience Index ®
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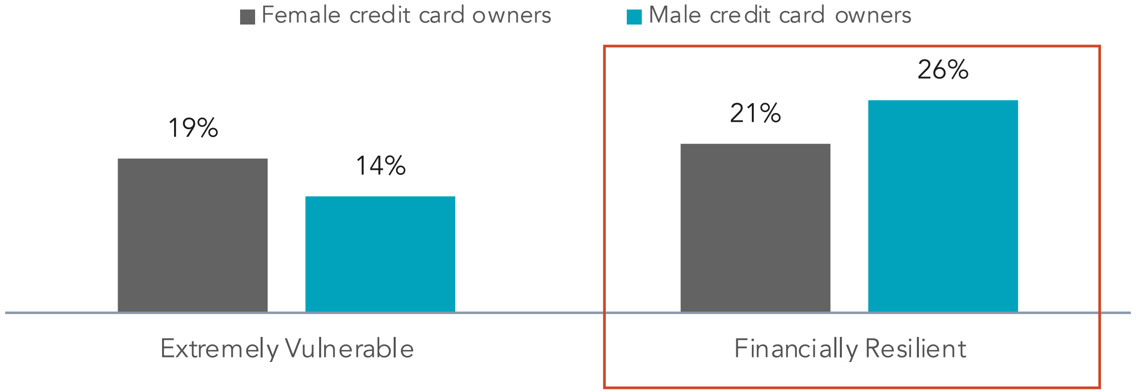
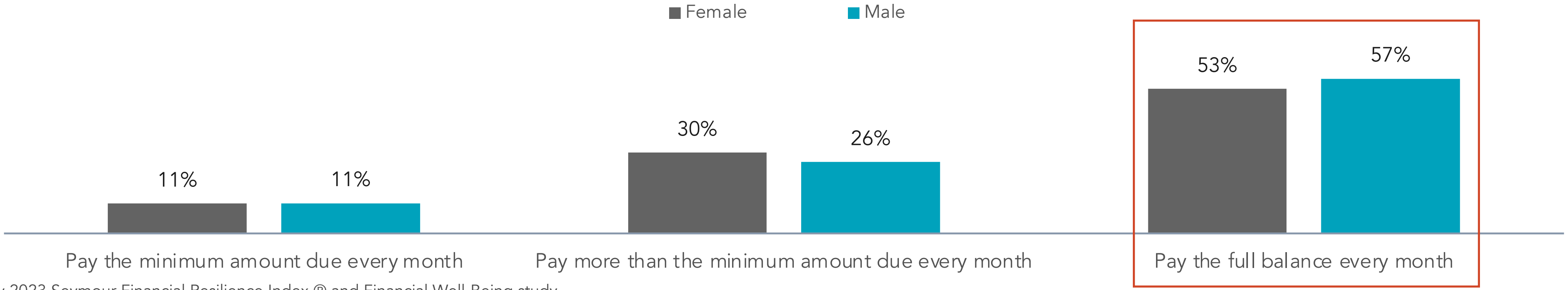
'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

This is one indicator where women are not as strong as their male counterparts however, with less women paying off their credit card balances in full compared to men and 21% 'Financially Resilient' compared to 26% of male cardholders as of February 2023.

Proportion of male and female cardholders that are 'Financially Resilient' and 'Extremely Vulnerable' (February 2023)



Reported credit card repayment behaviour for men versus women (February 2023)



Source: February 2023 Seymour Financial Resilience Index ® and Financial Well-Being study.
'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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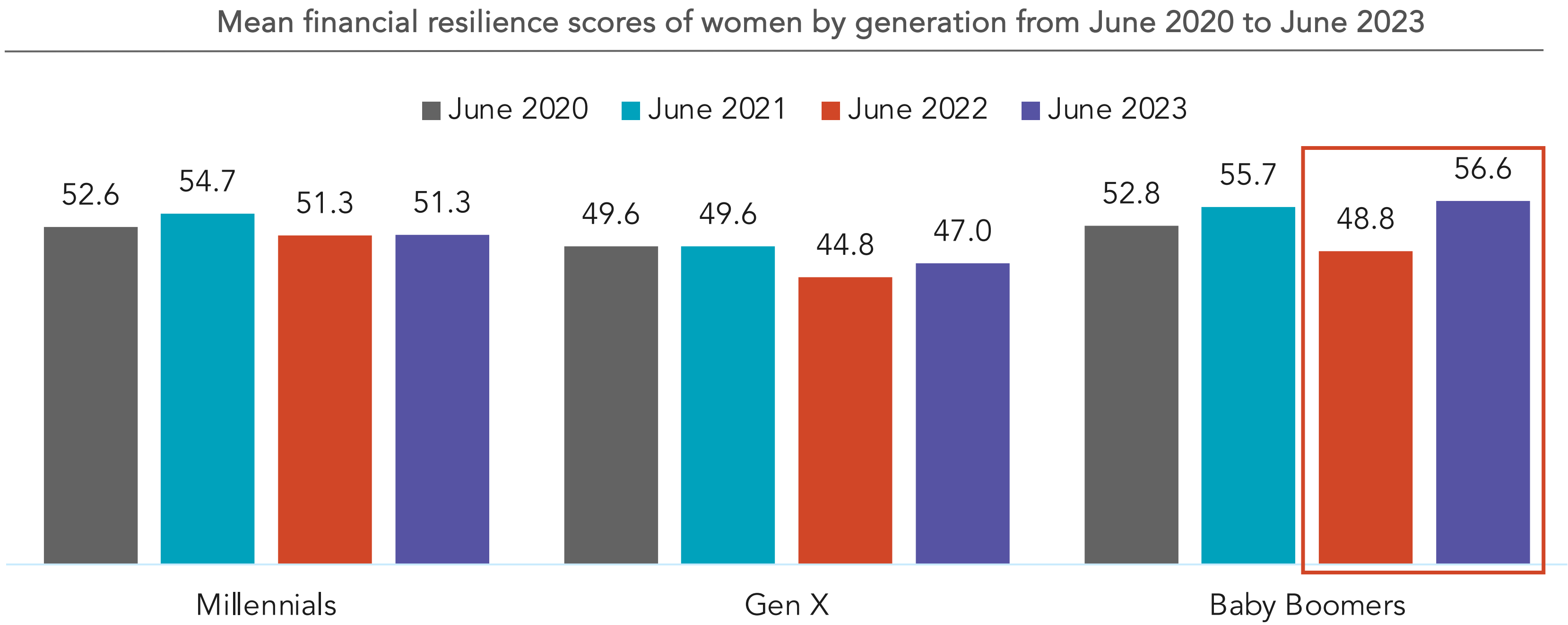
Insights based on **life stage, an intersectional lens** and Emerging Opportunities

Baby Boomer women have overtaken Millennial and Gen X women in terms of their financial resilience, with significant strides made in the past year

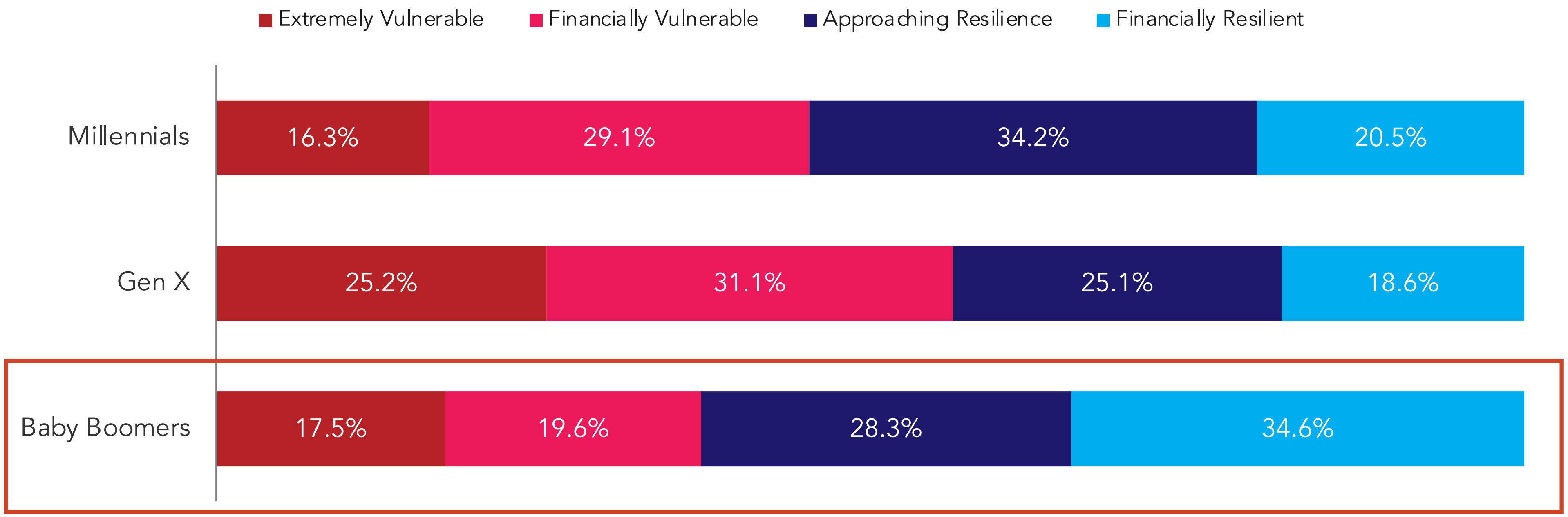
Baby Boomer Women's financial resilience score has improved significantly to 56.6 as of June 2023 compared to 48.8 a year earlier. Gen X women have also improved their financial resilience, with Millennials maintaining theirs. Millennial women continue to be more financially resilient overall compared to Gen X women.



Source: Seymour Financial Resilience Index ®
[1] Based on a sample size of 5736 Canadian adults, comprising 2839 women and 2771 men, of which 5038 were scored through the Seymour Financial Resilience Index ® for the June 2023 Financial Well-Being study.

Just under 35% of Baby Boomer Women are 'Financially Resilient' as of June 2023, nearly double that of Gen X women.

Proportion of Millennial, Gen X and Baby Boomer women represented across the four financial resilience segments: as of June 2023

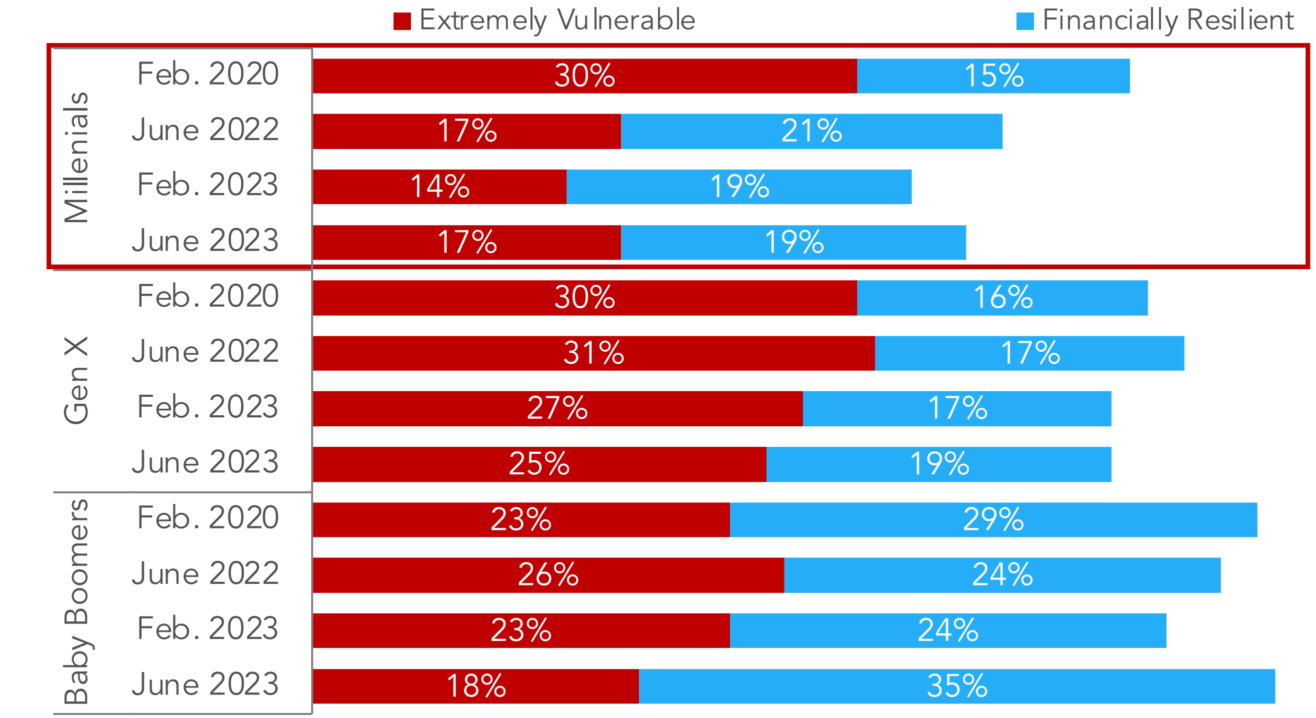


Source: Seymour Financial Resilience Index ®
[1] Based on a sample size of 5736 Canadian adults, comprising 2839 women and 2771 men, of which 5038 were scored through the Seymour Financial Resilience Index ® for the June 2023 Financial Well-Being study.

The proportion of 'Extremely Vulnerable' millennial women in June 2023 has seen a significant decrease compared to before the pandemic in February 2020

While in February 2020, 30% of millennial women belonged to the 'Extremely Vulnerable' category, this number has decreased to 17% in June 2023. The proportion of 'Financially Resilient' millennial women has also increased from 15% to 19% between February 2020 and June 2023.

Proportion of women of different life stage segments: June 2023, February 2023, June 2022 and February 2020 [1]



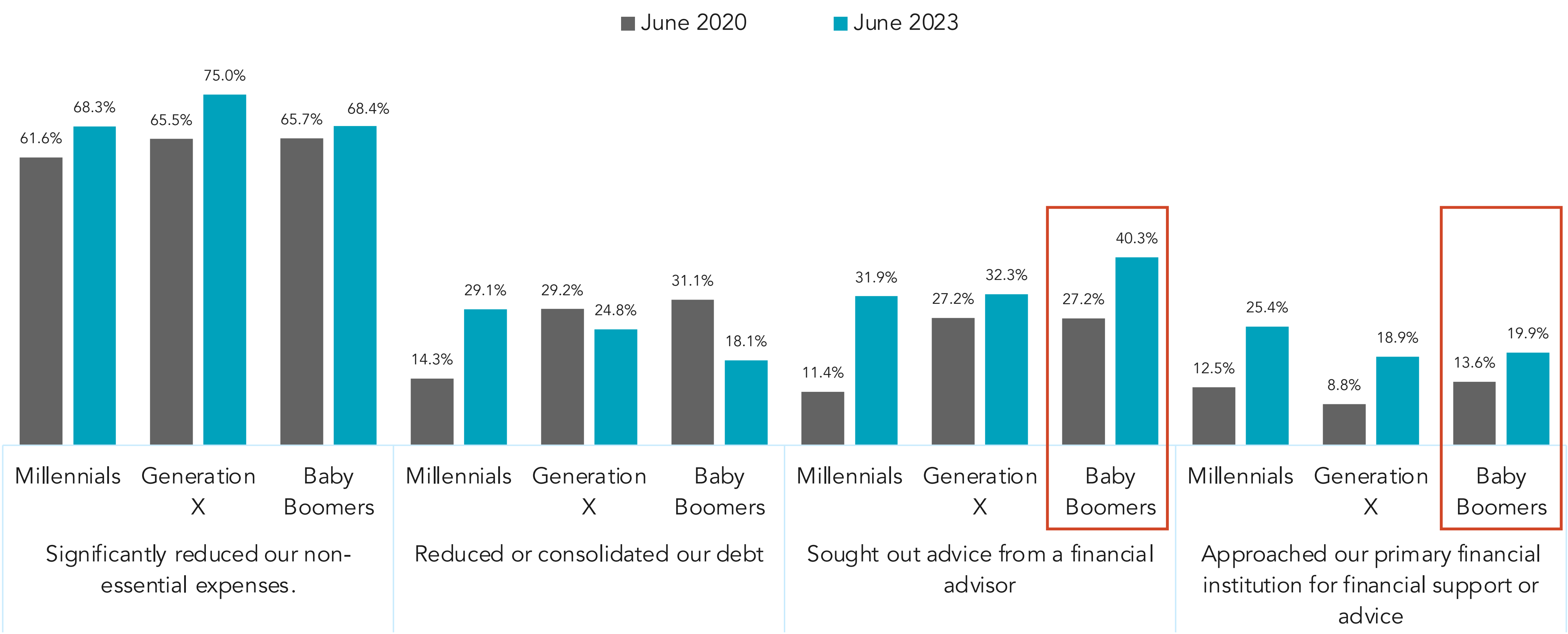
Source: Seymour Financial Resilience Index ®

[1] Based on a sample size of 5736 Canadian adults of which 5038 were scored through the Seymour Financial Resilience Index ® for the June 2023 Financial Well-Being study.

As of June 2023, women across all life stage segments have fostered healthy financial behaviors, including significantly reducing their non-essential expenses and seeking out advice from financial advisors

Financial Resilience Institute

In particular, significantly more Baby Boomer women have sought out advice from a financial advisor, up from 27.2% in June 2020 to 40.3% in June 2023. They have also made significant strides in approaching their primary financial institution for financial support or advice, with 19.9% Baby Boomer women having done so in June 2023, compared to 13.6% in June 2020.



Source: Seymour Financial Resilience Index ®

[1] Based on a sample size of 5736 Canadian adults of which 5038 were scored through the Seymour Financial Resilience Index ® for the June 2023 Financial Well-Being study.

The importance of taking an intersectional lens: knowing that some women segments are facing more barriers and challenges than others

Women are a diverse group with various backgrounds, experiences, and needs. When examining the financial resilience health and financial well-being of women, it is important to adopt an intersectional lens.

- Intersectionality recognizes that women's financial situations are shaped by multiple factors, including race, ethnicity, age, sexual orientation, disability, and more.

- Different women confront distinct economic challenges that shape their financial well-being. Some women may face more financial stressors and systemic barriers than others due to unplanned life events like divorce, caregiving responsibilities for elderly family members, or disabilities.

- Different groups of women also display varied levels of financial literacy and differences in financial behaviours including saving habits/abilities, dealing with debt etc.

- Policymakers must incorporate an intersectional perspective when crafting financial policies. Putting all women in the same category is not wise, and one-size-fits-all solutions often fall short in addressing the nuanced needs of all women.

- Intersectional analysis sheds light on disparities that might otherwise remain hidden. Recognizing these disparities is essential for addressing financial inequality effectively, since targeted strategies can then be designed to support various subgroups of women.

In summary, adopting an intersectional lens is not only essential for comprehending the financial resilience and health of women, but also for crafting equitable policies that benefit all.

The importance of an intersectional lens for Policymakers and other organizations

The mean financial resilience score of female single parents that are low income has improved between June 2022 and February 2023 for example, while female single parents that are not low income has seen a decreased in their financial resilience score over the same period.

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Female single parents	June 2022	Feb 2023
Mean financial resilience score	38.2	37.12
% ‘Extremely Vulnerable’	40%	40%
% experiencing significant financial hardship	59%	64%

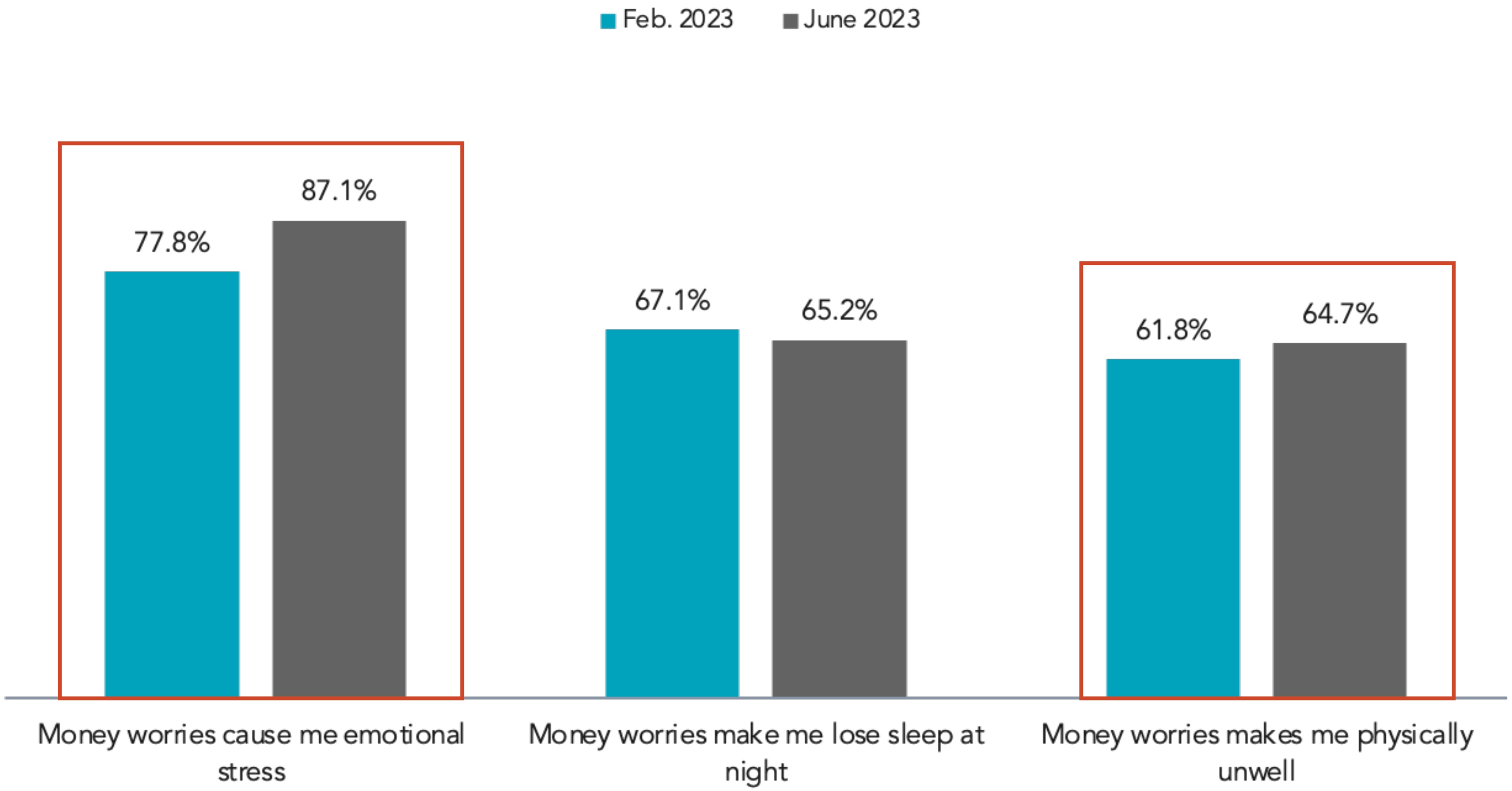
Low-income female single parents	June 2022	Feb 2023
Mean financial resilience score	30.28	35.82
% ‘Extremely Vulnerable’	54%	40%
% experiencing significant financial hardship	73%	69%

‘Extremely Vulnerable’ households have a financial resilience score of 0 to 30.
Sample size of 1417 low-income Canadians overall scored via the Index for June 2022 with 116 female single parents with low incomes based on the June 2022 Index and 145 female single parents with low incomes based on the June 2020 index.

Another intersectional lens on the increased financial stress and negative health impacts for Single Mothers, with increased challenges for them as highlighted below

Nearly double the proportion of single mothers at 87% are experiencing emotional stress as a result of money worries compared to women overall at 44% (See Slide 7).

Single parent mothers' financial stress impacts on their physical and emotional health and wellness: June 2023 compared to February 2023



- Single mothers' emotional stress has only become exacerbated from June 2023 compared to February 2023. Negative implications have also worsened in terms of the effect of money worries on single mothers' physical well-being.
- Data compiled by Statistics Canada also show that Canadian women are more likely than men to work part-time [1], with a major reason being caring for children.
- These are a sample of examples of the challenges and barriers that single parent women (and men) face, contributing to the perpetuating inequalities and negative effect on their overall well-being.

Source: Seymour Financial Resilience Index ®
[1] Source: 'The gender wage gap in Canada: 1998 to 2018', Statistics Canada at https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm

Emerging Considerations and Opportunities

This insights report validates the persisting financial resilience and financial wellness gender gap in Canada. While this financial resilience gender gap has narrowed since before the pandemic, many challenges remain for women. There are significant opportunities for Policymakers, Employers, Financial Institutions and other organizations to continue to develop policies, programs and solutions to help empower (and financially empower) women; women in the economy and those who are facing financial vulnerabilities and/or systemic barriers. While this report focuses on women's financial resilience and financial well-being specifically, the Institute recognizes that many populations face financial vulnerabilities and challenges. Evidence-based interventions, cross-sector collaboration and targeted policies, programs and practices can be invested in. At the same time, we recognize that this is a shared responsibility, since women are ultimately in charge of their financial lives and financial resilience journeys, with Policymakers, Financial Institutions, Employers and others having an important support role to play.

The gender pay gap in Canada is a challenge, with opportunities for policymakers, financial institutions, employers, and others to advocate and work to close this gap, while helping to empower more women to build their financial health, resilience and well-being. Barriers that impact women and women in the economy need to be addressed, while meeting the needs of specific populations and promoting gender diversity, equity and inclusion. A few high-level emerging opportunities are provided in the following pages, with this a start-point for potential solutions that could make a difference - and be co-created with women and those facing barriers themselves. This builds on excellent work and programs already being invested in by our ecosystem, with impact measurement important to guide and inform decision-making.

Emerging Considerations and Opportunities

Financial Resilience Institute

Policymakers:

Government policies play a pivotal role in shaping economic opportunities for women. Policies that promote equal pay for equal work, support women in the economy and provide affordable childcare options can empower women to participate more fully in the workforce.

Targeted government policies and programs can provide targeted support for women facing specific barriers and financial hardship, including for low-income women households and those who are more financially vulnerable.

This builds on programs already in play and being invested in by federal and provincial governments as Policymakers seek to help build a resilient, equitable and inclusive Canada.

Financial Institutions:

Financial institutions can continue recognize the unique financial challenges that women face, such as longer life expectancies, pay gaps and challenges related to building wealth, building financial resilience and accessing relevant timely financial products, services and support. Meeting the unmet and specific needs of women through relevant financial products, services, help and advice, combined with saving planning and investing options are key.

Fostering financial inclusion, financial empowerment and providing women and women entrepreneurs with the ability to access capital and build wealth and their financial resilience is essential for their futures. Financial institutions and the wider ecosystem can provide women (and men) with digital tools and enablers to help them build their financial literacy, adjust their consumer and financial behaviours and build their financial resilience.

Helping mothers (and parents) to talk about money and encourage healthy financial behaviours in their children can make a difference for families, including our future generations of women. Many women are underserved by the traditional financial services model in terms of gaining help with saving, planning and investing, and empathetic support and flexible and affordable financial services can help women to foster their financial resilience and financial well-being.

As Employers and catalysts for positive change, Financial Institutions can promote female leaders and diversity, equity and inclusion within financial institutions, and involve their female customers and employees in co-creating financial products, processes and solutions that help address specific pain points and challenges.

Emerging Opportunities

Women are certainly leading the way to maintain and improve their financial resilience and financial well-being, with this more important than ever given the intersection with the overall health and well-being of Canadians. Cross-sector partnerships and collaboration are critical as together leaders and organizations strive to support women, women in the economy, future generations and thriving communities

Employers

Organizations that foster value diversity, equity and inclusion and offer equitable opportunities for career advancement and equal pay can help women and women leaders to overcome challenges and thrive. Employers can provide financial wellness programs for women (and men) employees and have a key role to play.

Flexible work arrangements, mentorship programs, and equal compensation contribute to women's financial well-being, along with access to financial wellness and Employee Assistance Programs that can help women to thrive in the organizations.

By investing in female talent and leadership, businesses can benefit from diverse perspectives and improved decision-making. Empathetic approaches to supporting women facing barriers or challenges in the workplace, including linked to care-giving, menopause or other barriers - need to be examined and promoted, as part of a wider focus on diversity, equity and inclusion.

Other organizations:

There are many Non-Profit Organizations as well as government agencies like the Financial Consumer Agency of Canada (FCAC) [1], that have an important role to play in improving the financial health, resilience and well-being of women and girls.

This support can be provided through, for example, financial literacy supports, promoting entrepreneurship and supporting female entrepreneurs; creating mentorship networks, and empowering women to build their financial resilience from a behavioural perspective and of course, through services that help women (and men) facing financial hardship.

Non-profit organizations and other financial empowerment organizations continue to have a critical role to play in supporting women and those facing barriers or challenges, with many of these organizations led by women themselves.

[1] As outlined by Dr Supriya Syal, Deputy Commissioner of Research, Policy and Education at FCAC in the Financial Literacy Presentation on November 1, 2023, pilot research around with girls around their confidence in their maths skills particularly from a young age, can help girls to build their confidence in their knowledge and capabilities regarding money.

Appendices

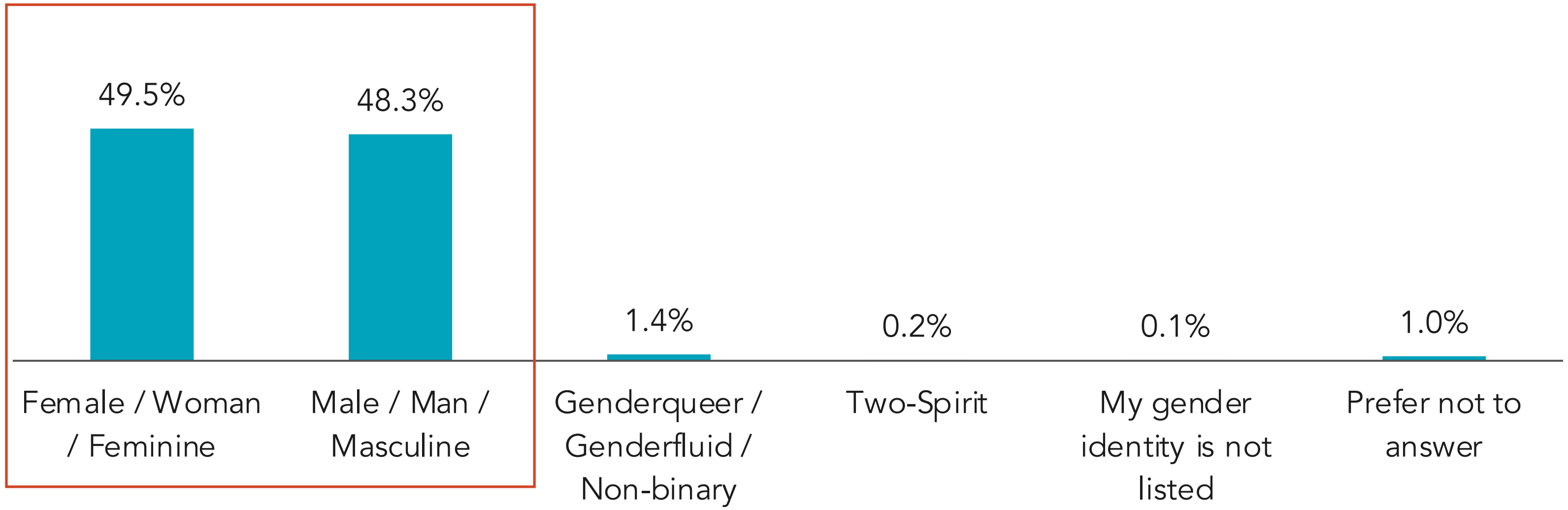
Demographics and gender identification of survey respondents and additional information

Gender Identification of Survey Respondents

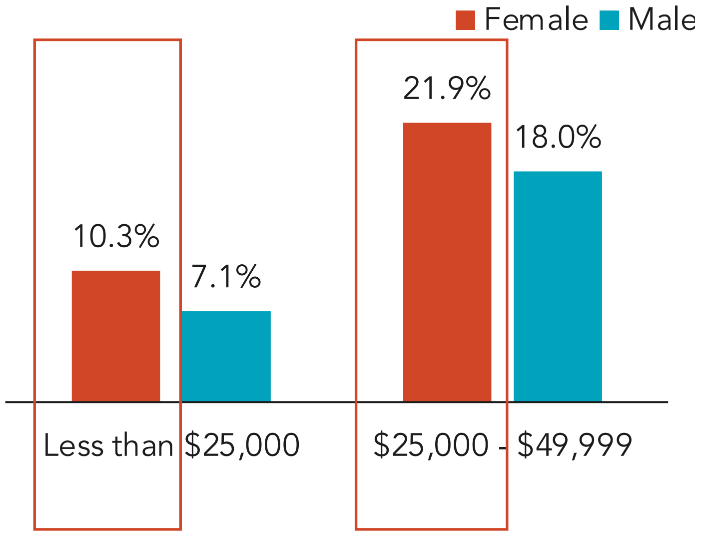
Gender identity is each person's internal and individual experience of gender. It is a person's sense of being a woman, a man, both, neither or anywhere along the spectrum. A person's gender identity may be the same as or different from their birth-assigned sex.

Financial Resilience Institute encourages survey respondents to self-report their gender in the Financial Well-Being study based on the following responses below, with the majority of respondents (49.5%) self-identifying as female/woman/ feminine.

Gender Identity of Survey Respondents in the June 2023 Financial Well-Being study



Annual Household Income



As of June 2023, more women than men fall in lower income demographics, with 10.3% of women reporting having an annual household income of under $25,000 compared to 7.1% of men as of June 2023. Similarly, 21.9% women report having an annual household income between $25,000 and $49,999, with this the case for 18.0% of men.

[1] Based on a sample size of 5736 Canadian adults, comprising 2839 women and 2771 men, of which 5038 were scored through the Seymour Financial Resilience Index ® for the June 2023 Financial Well-Being study.

Spotlight on Millennial women in the February 2021 Index Report

Financial Resilience Institute

The February 2021 Index provided data on the improved financial resilience of women, and in particular female millennials.

- Millennial women improved their financial resilience significantly during the pandemic primarily by changing their consumer and financial behaviours based on the Seymour Financial Resilience Index ®.

- In February 2021, fewer millennial women reported spending more than their income (29.1% compared to 33% in October 2020). This was reflected by less millennial women reporting they are living pay-check to pay-check (55.3% in February 2021 compared to 59.7% in October 2020). Similarly, seven out of ten millennial women report having significantly reduced their non-essential expenses in February 2021.

- 28.4% reported that they reduced or consolidated their debt, up ten points in February 2021 compared to October 2020. Many millennial women also set up or built an emergency savings fund, up from 23.2% in October 2020 to 34.6% in February 2021.

- These behavioural changes as more female millennials take charge of their financial health have led to a significant improvement in their confidence in their ability to meet short-term savings goals, one of the nine Index indicators. This in turn has driving up millennial women's' mean financial resilience score at the national level, with resultant impacts on their financial well-being and overall well-being.

Financial Well-Being studies (2017 to 2023)

Canada's robust national study of Canadians' financial health, wellness and resilience and the role Credit Unions can play to help improve their members' financial wellness: with longitudinal tracking.

Financial Resilience Institute

- The Financial Well-Being recruited are Canada's only and most robust national, independent investigation into consumer financial resilience/ financial vulnerability, financial stress/ financial wellness, financial well-being well-being and the linkage between financial health and overall personal well-being.
- Most studies have a sample size of 5000 adult Canadians from a representative sample of the population by household income, age, gender and province [1]
- Online 15-18 minute study conducted annually in June 2017, 2018 and 2019, then three times a year pre-and post-pandemic (February 2020, June 2020, October 2020); annually in June 2021 and June 2022 and three times a year starting in February 2023.
- In 2023 and beyond, the Index will be February, June and October 2023 (and future years) and more often as required based on the needs of our clients and funders.
- Boost samples of specific populations conducted with the ability for benchmarking and customer analytics for any organization using the Index.

Primary or joint financial decision makers, aged 18 to 70 years from a representative sample of the population by province, age, gender and household income.

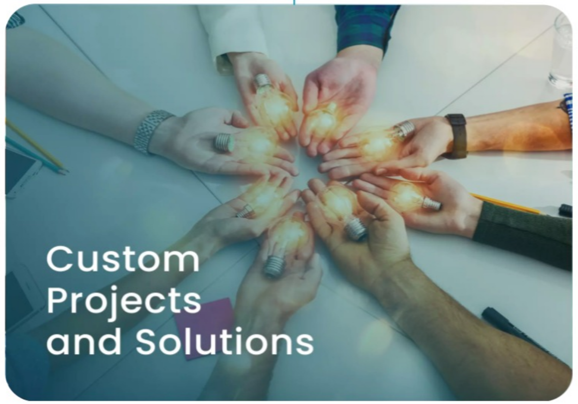
5000 survey respondents recruited through the Angus Reid Forum, Canada's most respected and engaged online panel, with all study design, analysis, Index reporting and end-to-end deliverables led by Financial Resilience Institute.

Highly robust Index and longitudinal dataset, with Quebec data included as of June 2020.

Financial Resilience Institute Services and Impact

With oversight from our Board of Directors and Advisory Council, our organization provides three core services and customized offerings for financial institutions, policymakers and financial health innovators.

Three key services:



Thanks to our funders Vancity and Co-operators for supporting our work and this ecosystem report.

For questions or feedback on this report

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