

The Financial Vulnerability of Low-Income Canadians: A Rising Tide

November 14th, 2022

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Financial Vulnerability of Low-Income Canadians: A Rising Tide

This report is about the financial resilience and financial well-being of Canadians with low incomes based on the Seymour Financial Resilience Index ®



This report was created by **Financial Resilience Institute**
and commissioned by our partner **Prosper Canada**

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Financial Resilience Institute



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Financial Resilience Institute is a non-profit organization and the leading independent authority on financial well-being in Canada



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**.

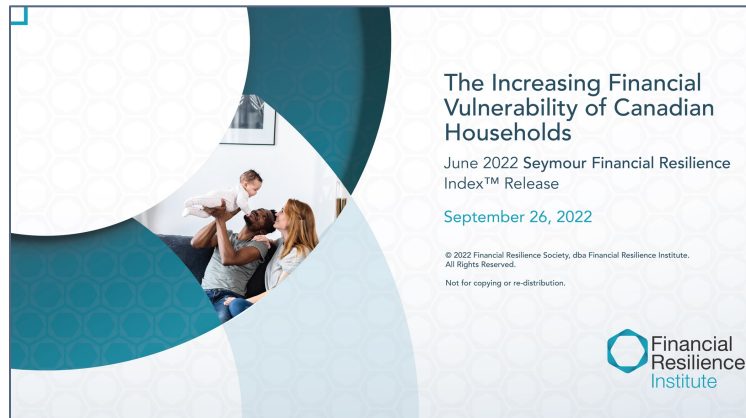
Impact Goals

- 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 leveraging 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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This report builds on the summary and detailed low-income reports published in November 2021 and June 2022 Index release published in September 2022

This report provides a call to action for more targeted support from policymakers, financial institutions and community non profit organizations for low-income households and Canadian households who are more financially vulnerable. This is particularly important given inequities, systemic barriers and challenges many of these households face, along with difficulties in accessing financial help.



These reports are available at <http://finresilienceinstitute.org>

Seymour Management Consulting Inc. is the social enterprise founded by Eloise Duncan, CEO and Founder. Seymour Consulting created the longitudinal Financial Well-Being studies and Seymour Financial Resilience Index®. Our organization has now evolved into a registered non-profit organization called Financial Resilience Institute.

WHAT THE SEYMOUR FINANCIAL RESILIENCE INDEX ® MEASURES

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



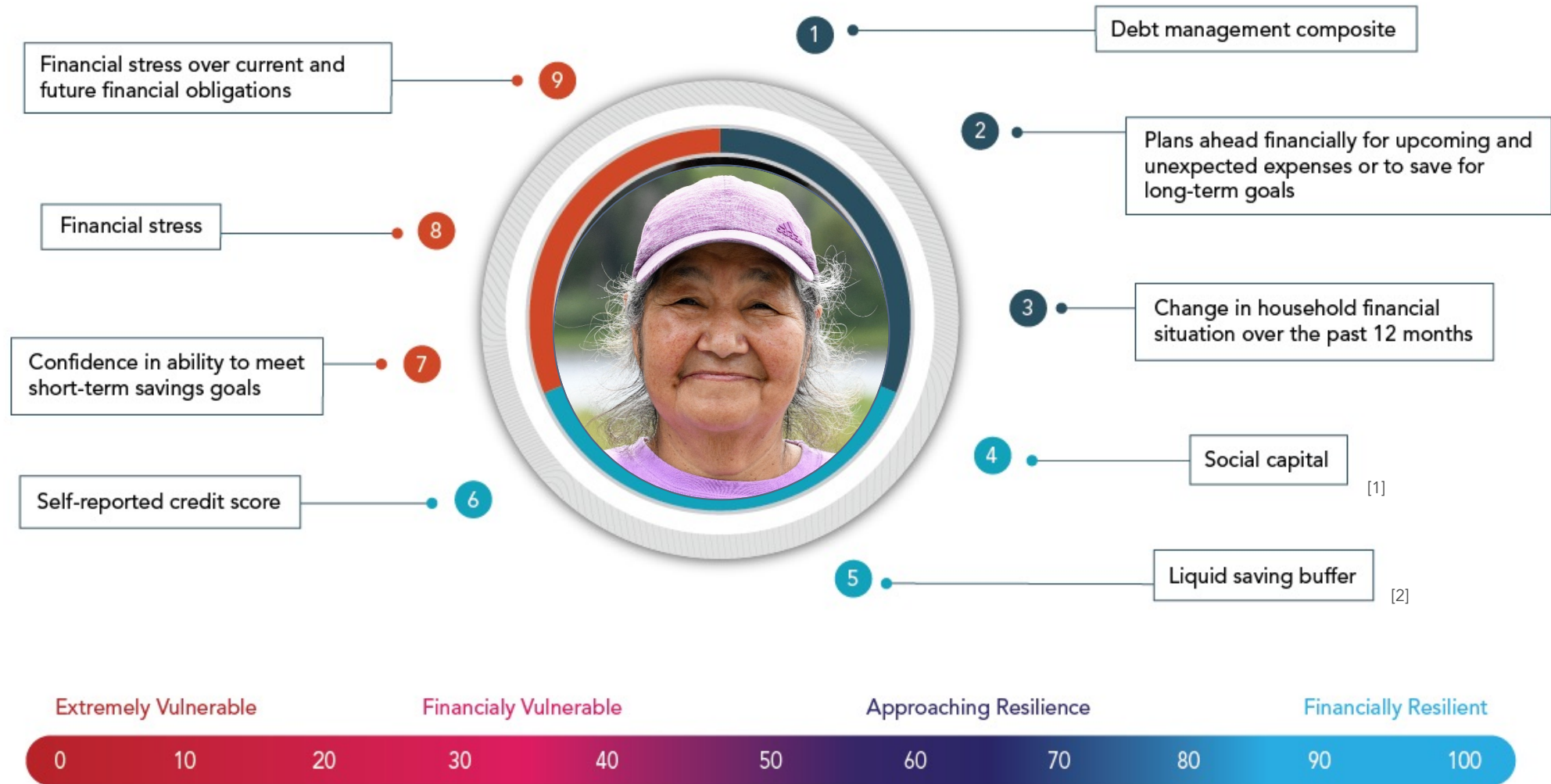
The ability to balance your needs of today with those of tomorrow, as a result of decisions and behaviours that move you forward.



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

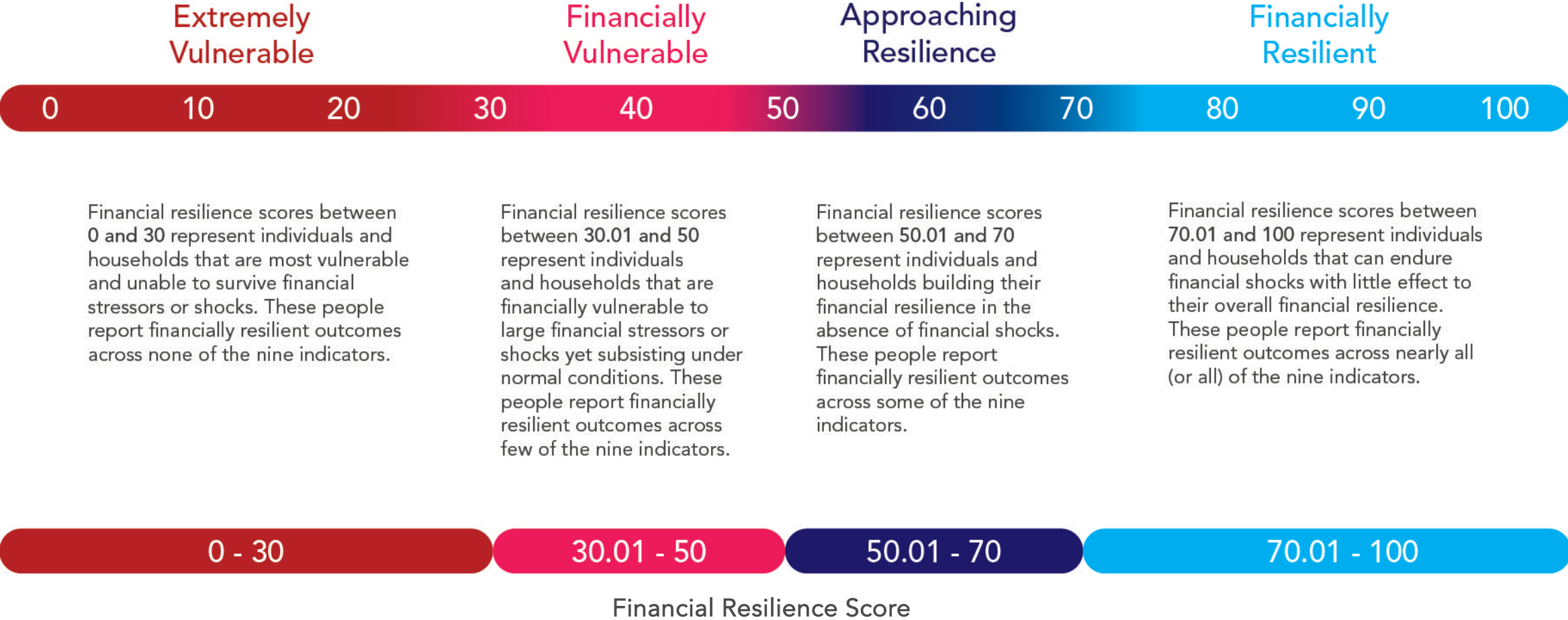


Financial wellness speaks to one's emotional peace of mind in terms of your financial situation and current and future financial obligations. The opposite is financial stress, with financial and debt stress indicators measured.



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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.
[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 reports are <https://www.finresilienceinstitute.org/research-reports/>
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Scoring Model

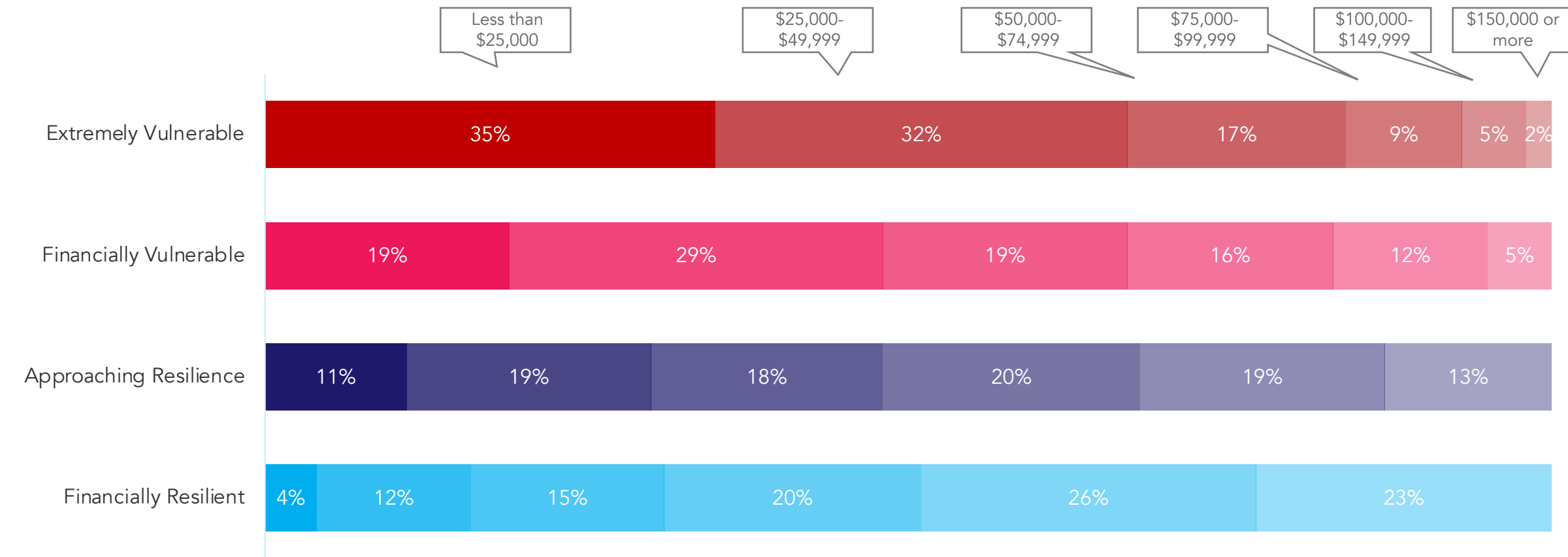


'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100. Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society. © 2022 Financial Resilience Society dba Financial Resilience Institute. All rights reserved.

Households across all household income demographics are represented across all financial resilience segments



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.
Source: June 2022 Seymour Financial Resilience Index ®
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Definition of low-income households, research objectives
and sample size for the low-income study



Definition of households with low incomes

All households with a household income under \$25,000 plus households of more than one individual with a household income of under \$50,000 (i.e. excluding single person households with a household income between \$25,000 and \$50,000) ^[1]



[1] Reported household incomes are defined as total household income from all sources last year (in 2021) before taxes and deductions. Sources of income can include wages/ salaries from employer(s), self-employment earnings, government and private pensions, spousal or child support payments received and other sources of income. The contents herein are copyright © Financial Resilience Society and used by Prosper Canada under license. All rights reserved. Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society. © 2022 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

Research objectives for the 2022 Low-Income Canadians study

To highlight data and insights related to the financial resilience, vulnerability and financial well-being of low-income Canadians based on the Seymour Financial Resilience Index™ and June 2022 national Financial Well-Being study (with a boost of low-income households).

This report builds on and updates analytics for low-income Canadians released in November 2021 and includes data and insights on:

- The number and percentage of Canadians in low-income households at the national level in June 2022, compared to June 2021 and July 2018.
- The mean financial resilience score of low-income households based on the June 2022 Index compared to the June 2021 Index and benchmark comparisons for Canadians overall.
- Data insights for June 2022 on the proportion of low-income Canadians that completely or somewhat agree that:
 - They are facing systemic barriers impacting their ability to earn money.
 - They have a liquid savings buffer of 3 weeks or less.
 - Their household has been unable to buy or get the food they need.
 - Their household is facing significant financial hardship.
 - Their levels of debt are unmanageable.
 - Housing affordability is a problem for them personally.
- Challenges of low-income households in accessing financial help:
 - Could not access financial help programs or services (e.g. provided by non-profit organizations supporting people facing barriers or hardship)
 - Could not access tax filing help or support to receive government benefits I'm entitled to.
 - Could not access help to manage debt.



Robust sample size for the national Financial Well-Being studies with a boost sample of low-income households in 2022, 2021 and 2018

The Margin of Error (MOE) on the June 2022 study with a sample of 5061 respondents is 1.4% and the MOE on the low-income sample of 1516 survey respondents is 2.5%.

Sample sizes	Total sample	Low-income Canadians
June 2022 study	5061	1516
June 2021 study	5028	1391
June 2018 study	5067	904

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. There were boost samples of low-income households in 2018, 2021 and 2022.



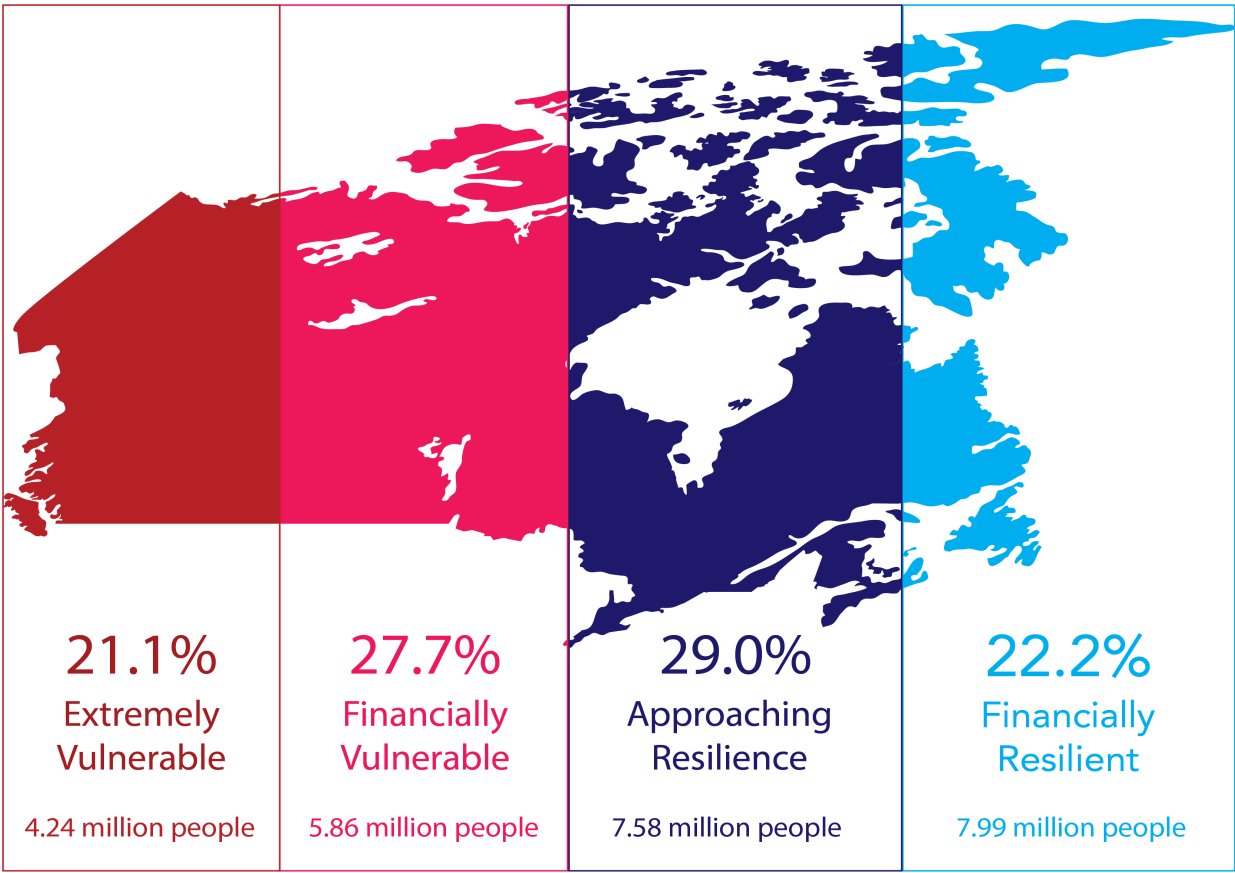
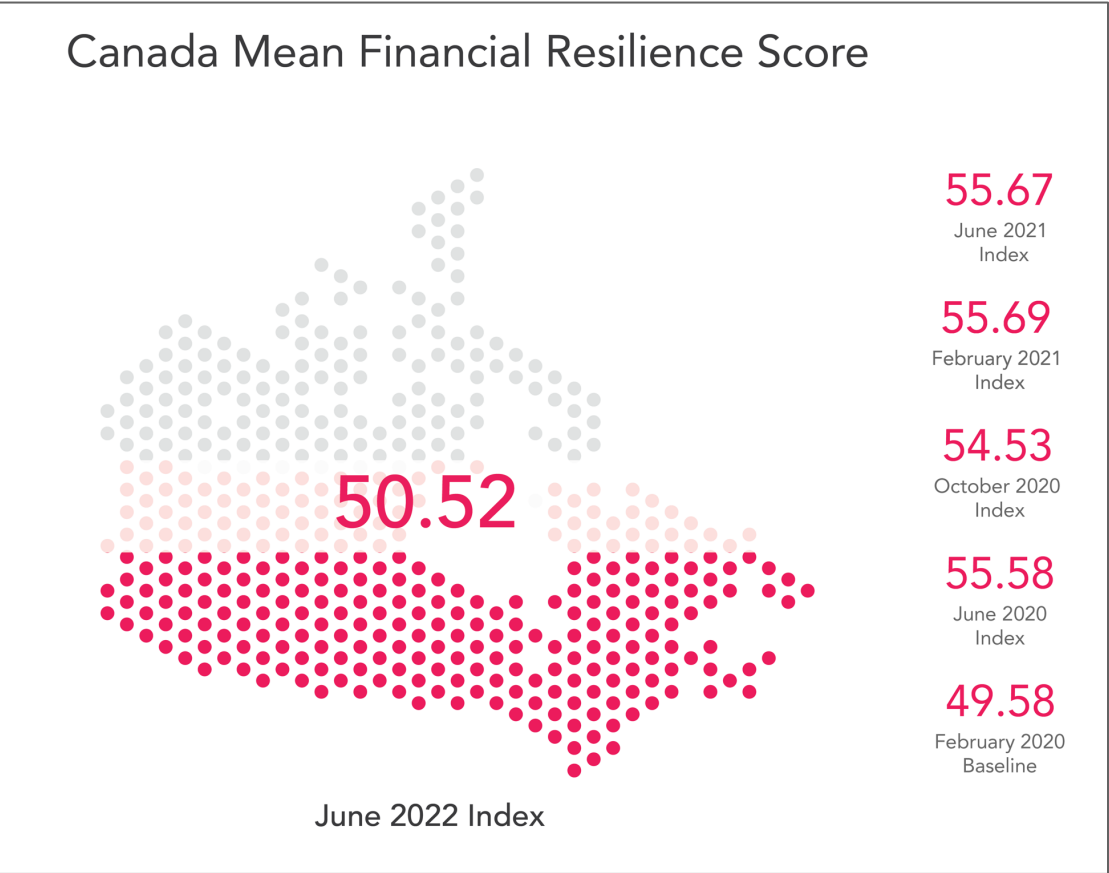
A photograph of an older woman wearing a red headscarf and a light blue striped shirt, and a young girl with long brown hair wearing a blue and white striped shirt. They are sitting together, looking at a tablet held by the woman. The woman is smiling and has her hand on the girl's shoulder. They are in front of a large window with white frames, looking out at green foliage. A semi-transparent white box with dark blue text is overlaid on the image.

National context and summary highlights on the financial vulnerability of Canadians with low incomes



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 million adults.



Source: June 2022 Seymour Financial Resilience Index ® Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society.
For national Index reports including the June 2022 Index report visit: <https://www.finresilienceinstitute.org/research-reports/>
'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.
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)
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Summary Insights on the financial vulnerability of Canadians with lower incomes

In June 2022, 73% of low-income Canadians were 'Extremely Vulnerable' or 'Financially Vulnerable' compared to 65% in June 2021. 64% were experiencing significant financial hardship and 28% were unable to get or afford the food they needed [1]

- Many low-income families are now less financially resilient than they were a year ago when receiving Covid-19 government financial relief [2]. The cost-of-living crisis, inflationary environment, rising interest rates and other challenges have taken a toll on many low-income households and those who are more financially vulnerable. 65% of low-income households also faced barriers impacting the ability to earn money (compared to 45% of Canadians generally) and 45% lacked social capital they could turn to for financial help or support in times of financial hardship in June 2022.
- The mean financial resilience score of low-income Canadians was 37.2 in June 2022. This represents a significant decrease from their mean financial resilience score of 41.5 in June 2021 [2]. This result is similar to the mean financial resilience score 37.07 based on the February 2020 pre-pandemic Index baseline, highlighting that many of the financial resilience gains for these households have been reduced.
- As outlined in our national 2020 and 2021 Index reports, the pandemic has exacerbated inequities and caused increased financial hardship for more vulnerable households, with many of these including low-income families. The current cost-of-living crisis and inflationary environment, like the pandemic, is also taking a greater toll on households that are more financially vulnerable as they struggle to pay for essential expenses. As a result, 88% of 'Extremely Vulnerable' and 57% of 'Financially Vulnerable' households reported significant financial hardship in June 2022, with many lower income households represented within these two Index segments [3].



[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. Households from all household income demographics are represented across all four financial resilience segments, as outlined on page 9 of this report.

[2] See Summary and Detailed Financial Vulnerability of Low-income reports published in 2021 for financial behavioural data and indicators: <https://www.finresilienceinstitute.org/research-reports/>

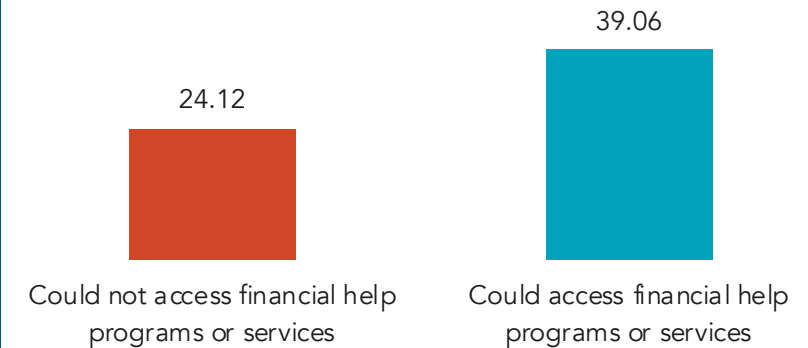
[3] See page 38 for more details.

Summary Insights on the financial vulnerability of Canadians with lower incomes continued

In June 2022, more low-income households experienced challenges in accessing financial help compared to Canadians overall. For those who reported gaining access to these financial help services, their financial resilience score was higher.

- Many other indicators tracked by the Institute highlight increased challenges for low-income households. For example, in June 2022, 46% of low-income households had a liquid savings buffer of 3 weeks or less (compared to 28% of Canadians overall) and 66% reported having a negative or zero household saving rate compared to 40% of Canadians overall.
- Despite this, 12.5% (almost 800,000) of lower-income households experienced difficulties in accessing financial help programs or services, compared to 7% of households overall. A further 9% of households with lower incomes could not access help file taxes and obtain benefits they were eligible for, while 9% could not access help in managing their debt.
- For households that did receive financial help, they had higher mean financial resilience scores compared to those who did not. For example, the mean financial resilience score of low-income households that gained access to financial help programs or services in June 2022 was 39.06, compared to a score of 24.12 for who could not access this help.
- This validates the importance of the financial services support provided by non-profits, financial services providers and the wider ecosystem.

Mean financial resilience scores of low-income households that did and did not experience difficulties in accessing financial help programs or services: as of June 2022

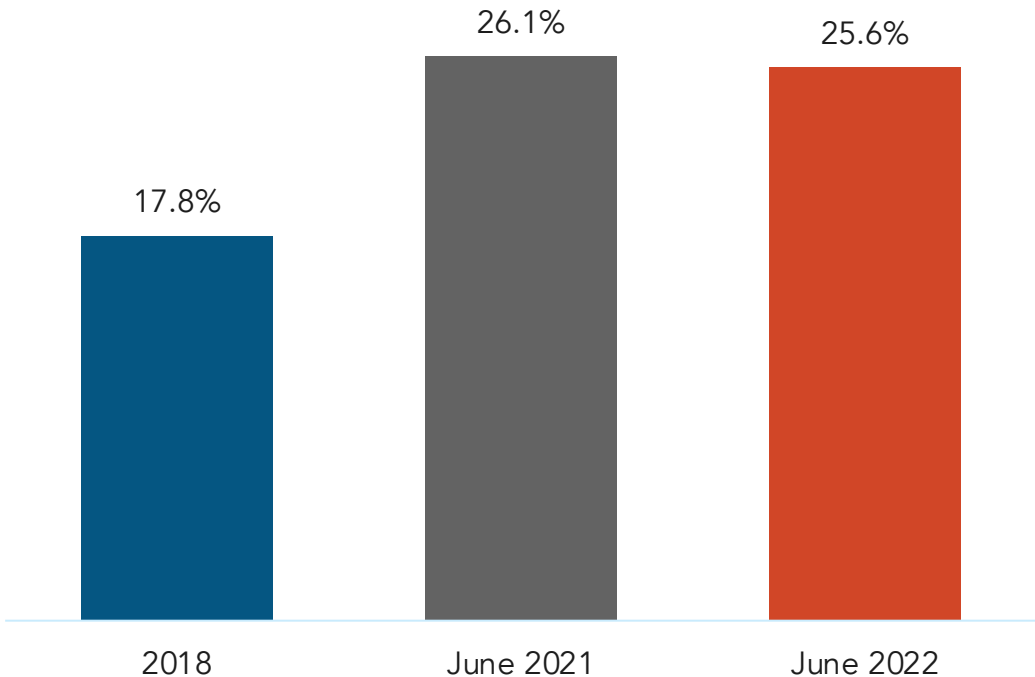


There are an estimated 6.39 million Canadian households with low incomes as of June 2022, representing 25.6% of the adult population [1]

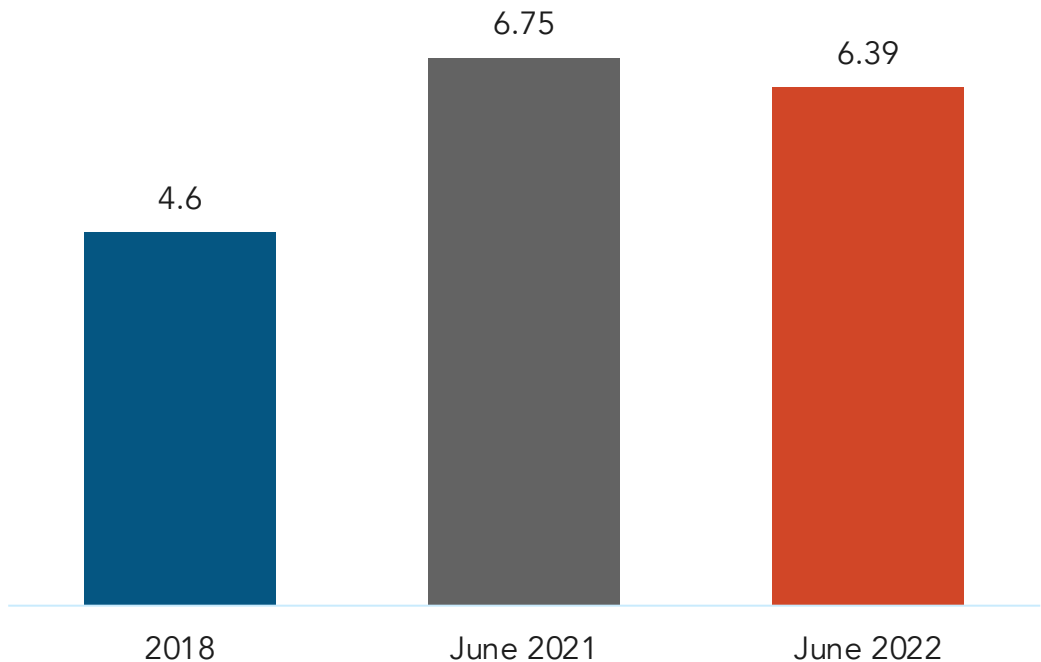


This is a slight decrease from the 6.75 million in June of 2021.

Percentage of households that are low-income Canadians



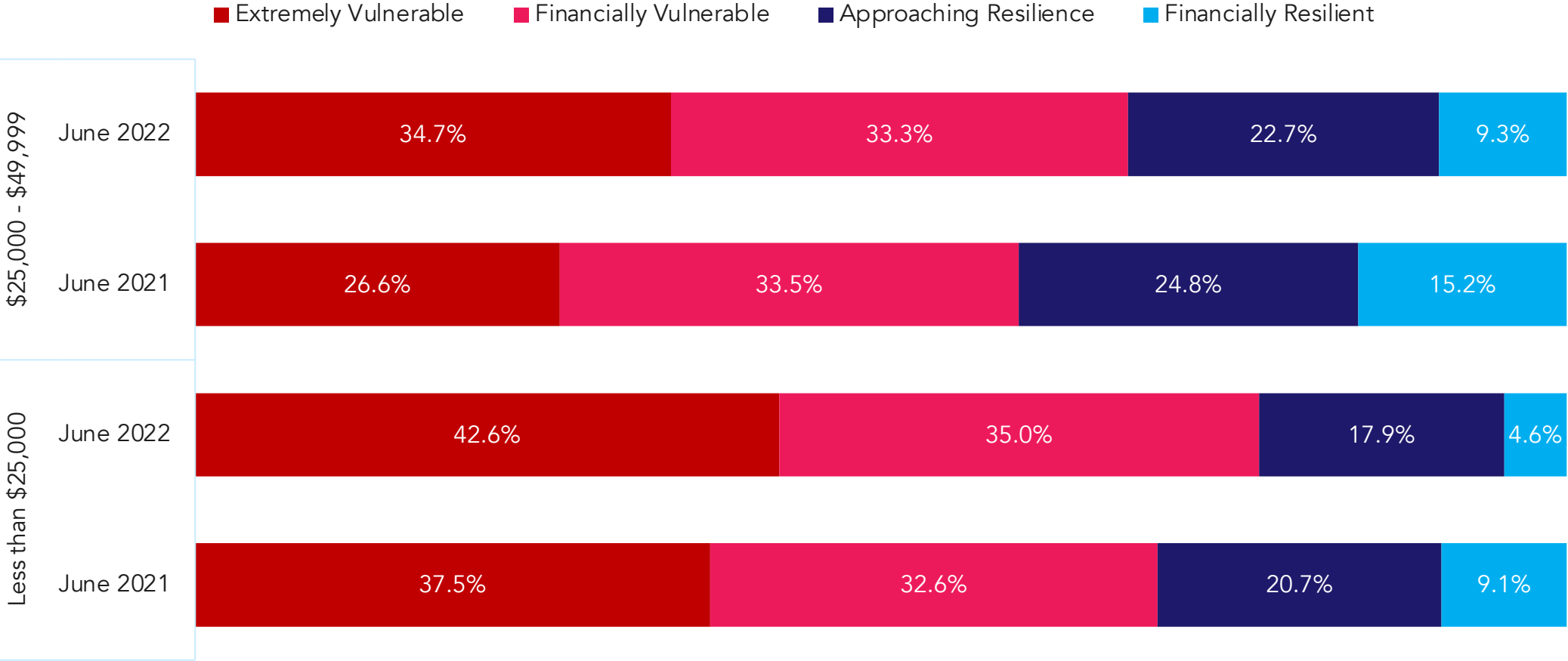
Low-income Canadian adults in millions [1]



Source: June 2022 Financial Well-Being study conducted by Financial Resilience Institute
[1] Based on a population of 24.96 million Canadians aged 18 years old to 70 years old as of July 2021 (Statistics Canada)
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Households with low incomes are represented across all financial resilience segments

As of June 2022, 43% of households with a household income under \$25,000 are 'Extremely Vulnerable' and another 35% are 'Financially Vulnerable', representing 73% of low-income households compared to 65% in 2021 based on the Seymour Financial Resilience Index TM. 9% of low-income households with a household income between \$25,000 and \$49,999 are 'Financially Resilient' compared to 15% a year earlier ^[1]



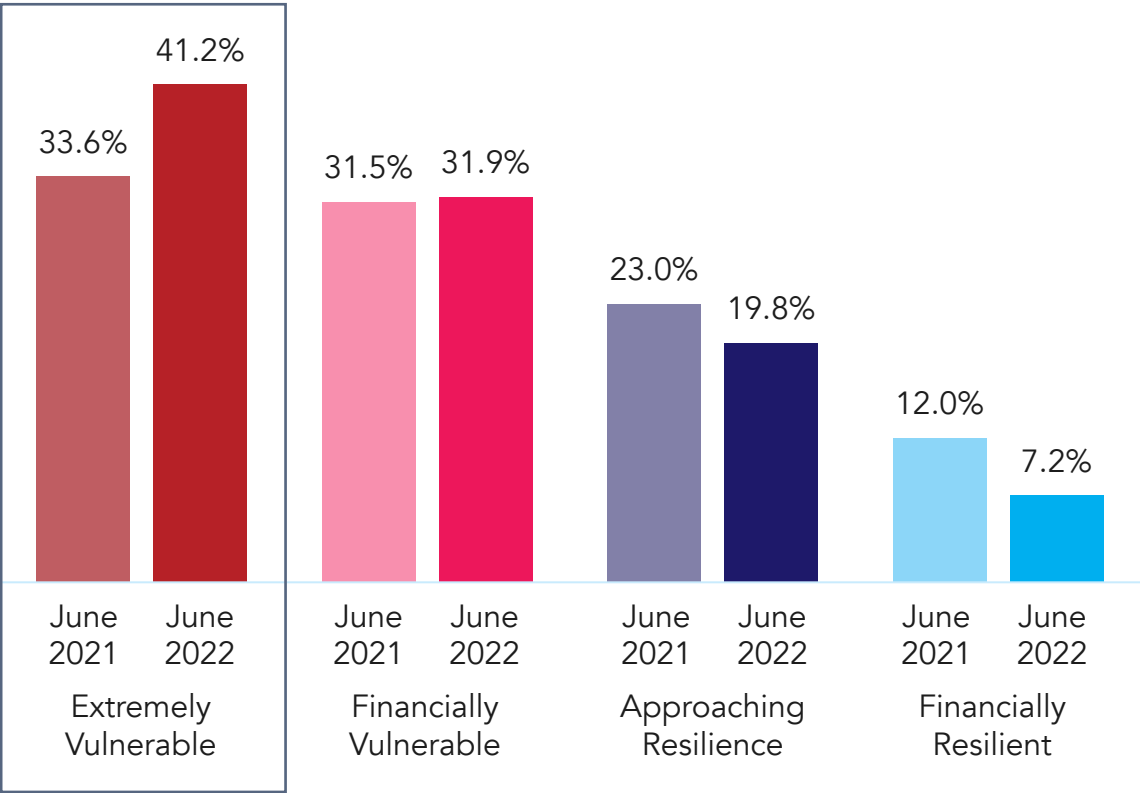
[1] Low-income households are defined as individuals and families with household income under \$25,000 plus households of more than one individual with a household income of under \$50,000 (i.e. excluding single person households with a household income between \$25,000 and \$50,000).
Source: Seymour Financial Resilience Index [®] and June 2022 Financial Well-Being study
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There has been a significant increase in low-income households that are ‘Extremely Vulnerable’ compared to a year earlier based on the June 2022 Index

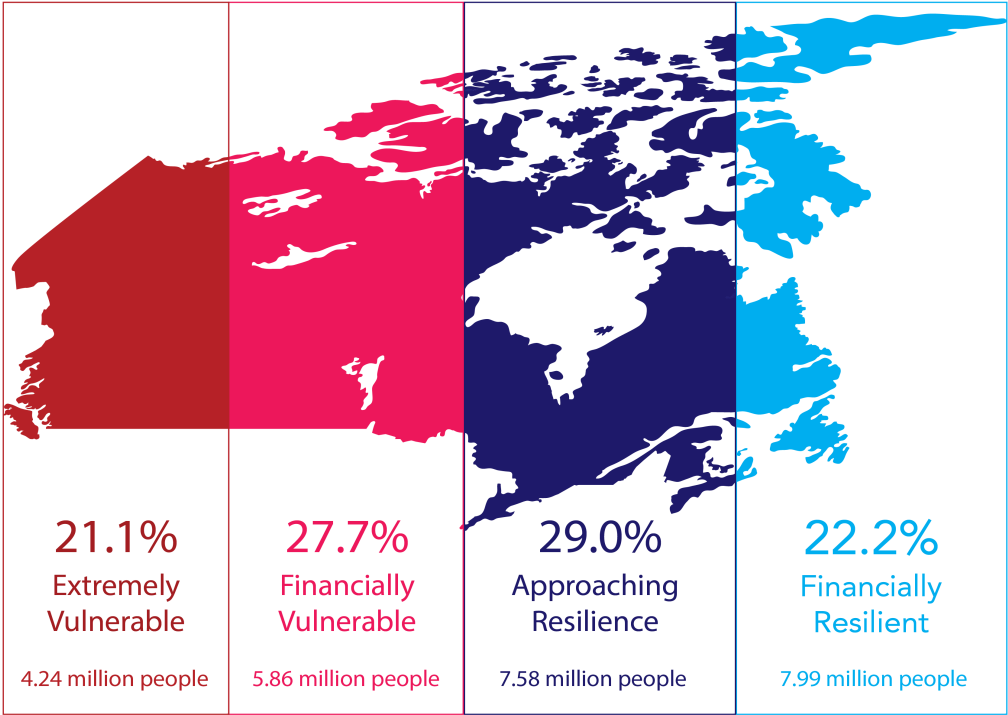


4.67 million low-income adults are ‘Extremely Vulnerable’ or ‘Financially Vulnerable’ based on the Seymour Financial Resilience Index ® with a significant increase in Extremely Vulnerable’ households from 34% in June 2021 to 41% in June 2022 ^[1].

Distribution of low-income households across the four financial resilience segments:
June 2021 and June 2022



Distribution of Canadian households across the four financial resilience segments:
June 2021 and June 2022 ^[2]



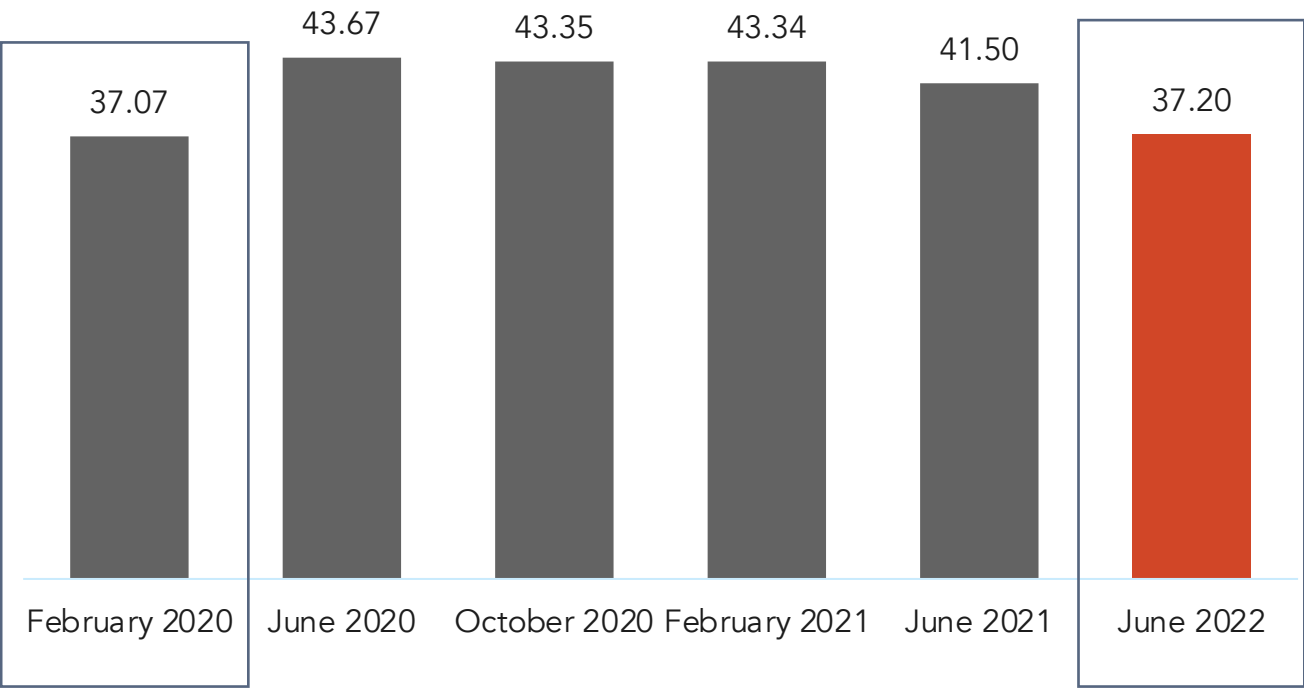
Source: June 2022 Seymour Financial Resilience Index ® Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society.
[1] ‘Extremely Vulnerable’ have a financial resilience score of 0-30, ‘Financially Vulnerable’ 30.01 to 50, ‘Approaching Resilience’ 50.01 to 70 and ‘Financially Resilient’ 70.01 to 100.
[2] Based on population of 25.70 million Canadians aged 18 years old to 70 years old (as of July 2021). Source: Statistics Canada
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The mean financial resilience score for Canadians with low incomes has fallen quite significantly from 41.5 in June 2021 to 37.2 in June 2022

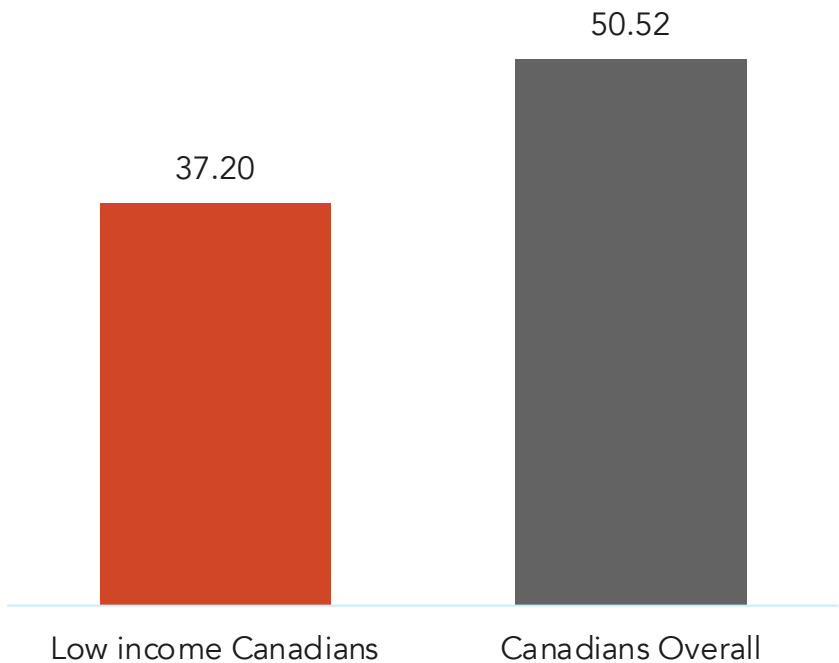


The mean financial resilience score of low-income households is 37.20 as of June 2022, with this similar to their mean financial resilience score of 37.07 in February 2020 (based on the pre-pandemic Index baseline).

Mean financial resilience score of low-income Canadians since 2020



Low-income Canadians vs. Canadians overall 2022

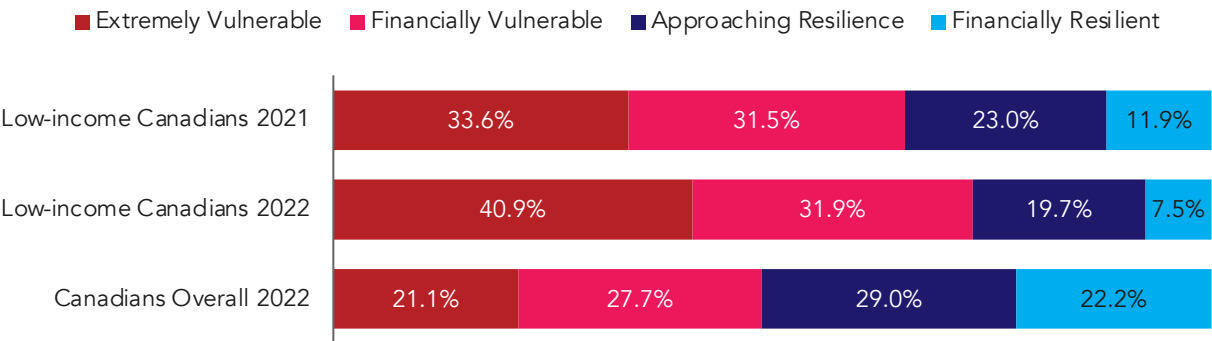


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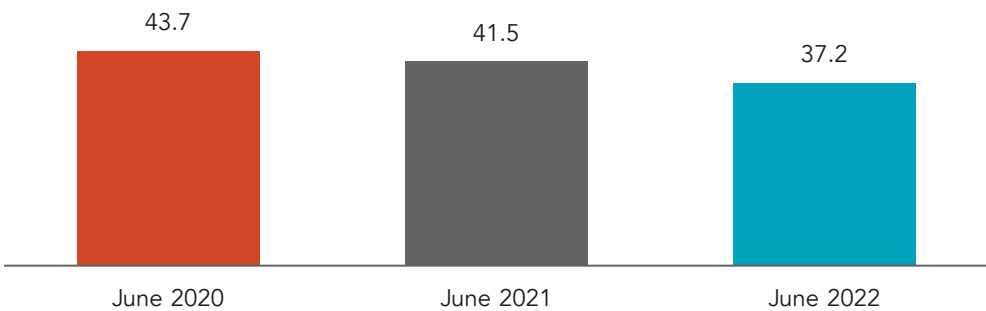
In June 2022, 66% of low-income Canadians had a negative or zero savings rate and 45% lacked social capital [1]



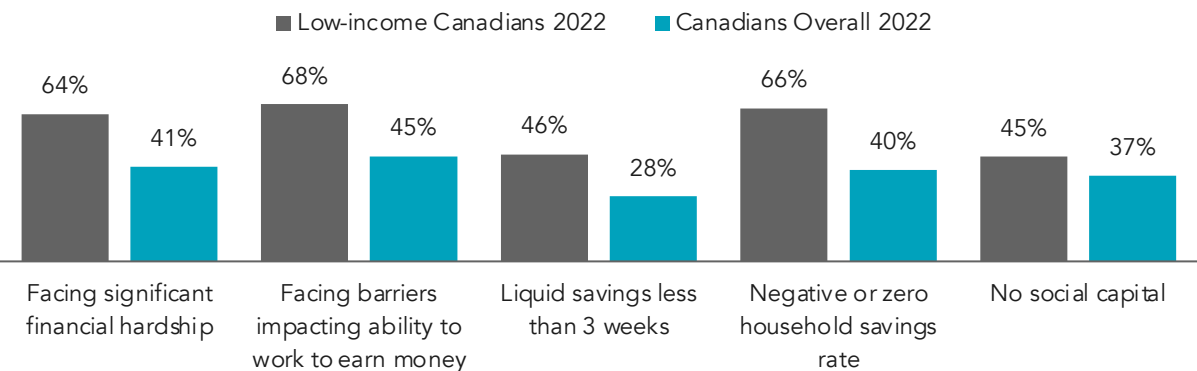
Percentage of households represented in each financial resilience segment as of June 2022 compared to June 2021: with comparison to Canadians overall in June 2022



Mean financial resilience score of low-income Canadians [1]



Percentage of households facing different challenges as of June 2022 compared to Canadians overall



[1] Social capital is defined as a close family member or friend the person can turn to (and are willing to turn to) in times of financial hardship. This is a unique indicator of the Institute's Index model. '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 ® and June 2022 Financial Well-Being study. The contents herein are copyright © Financial Resilience Society and used by Prosper Canada under license. All rights reserved. Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society. © 2022 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

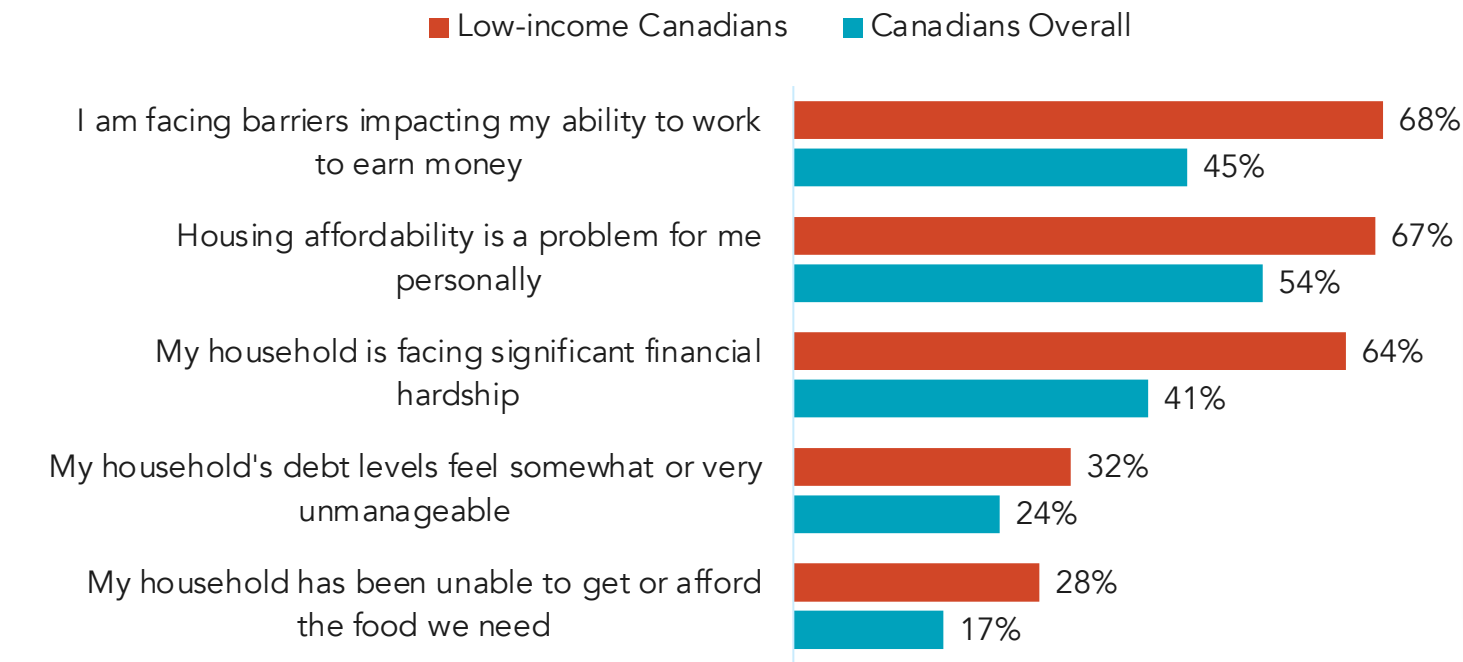
A close-up photograph of a man with a shaved head and a young girl with curly hair. The man is holding the girl, and they are both looking off to the side. The background is a blurred green, suggesting an outdoor setting with trees. A semi-transparent white banner with rounded ends is positioned across the middle of the image, containing the text "Challenges, barriers and financial hardship for households with low incomes".

Challenges, barriers and financial hardship for households with low incomes



In June 2022, 68% of households with low incomes faced barriers impacting their ability to earn money, while 64% faced significant financial hardship

Percentage of low-income households vs. Canadians overall that agree or completely agree that:



67% of low-income households agreed that housing affordability was a problem for them personally.

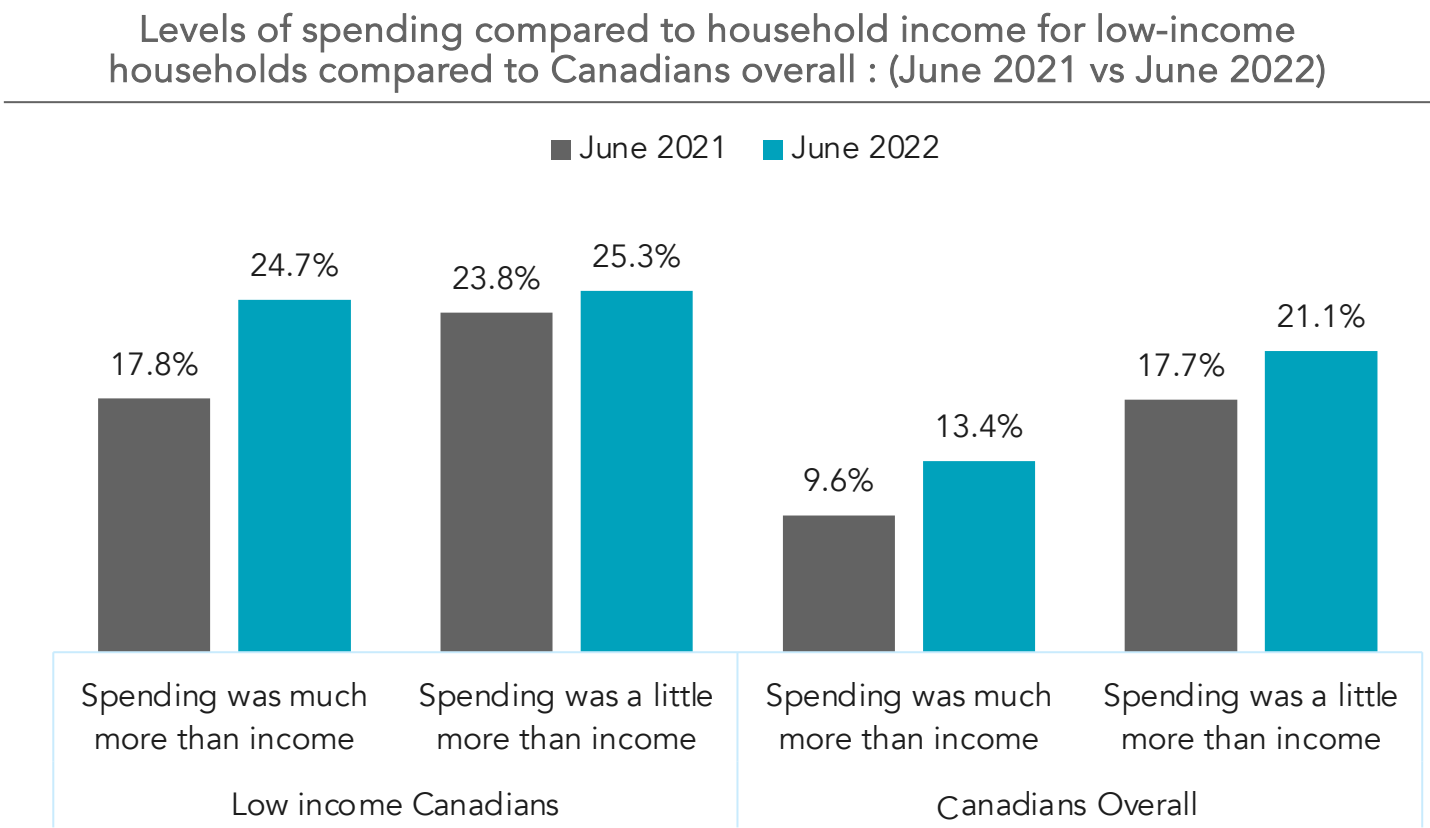
28% of low-income households were unable to get or afford the food they needed, representing nearly 1 in 3 households.

32% of low-households reported that they debt levels felt somewhat or very unmanageable.

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A quarter of low-income households were spending much more than their income in June 2022, likely as a result of the cost-of-living crisis.

This is higher than in June 2021 and for Canadians overall

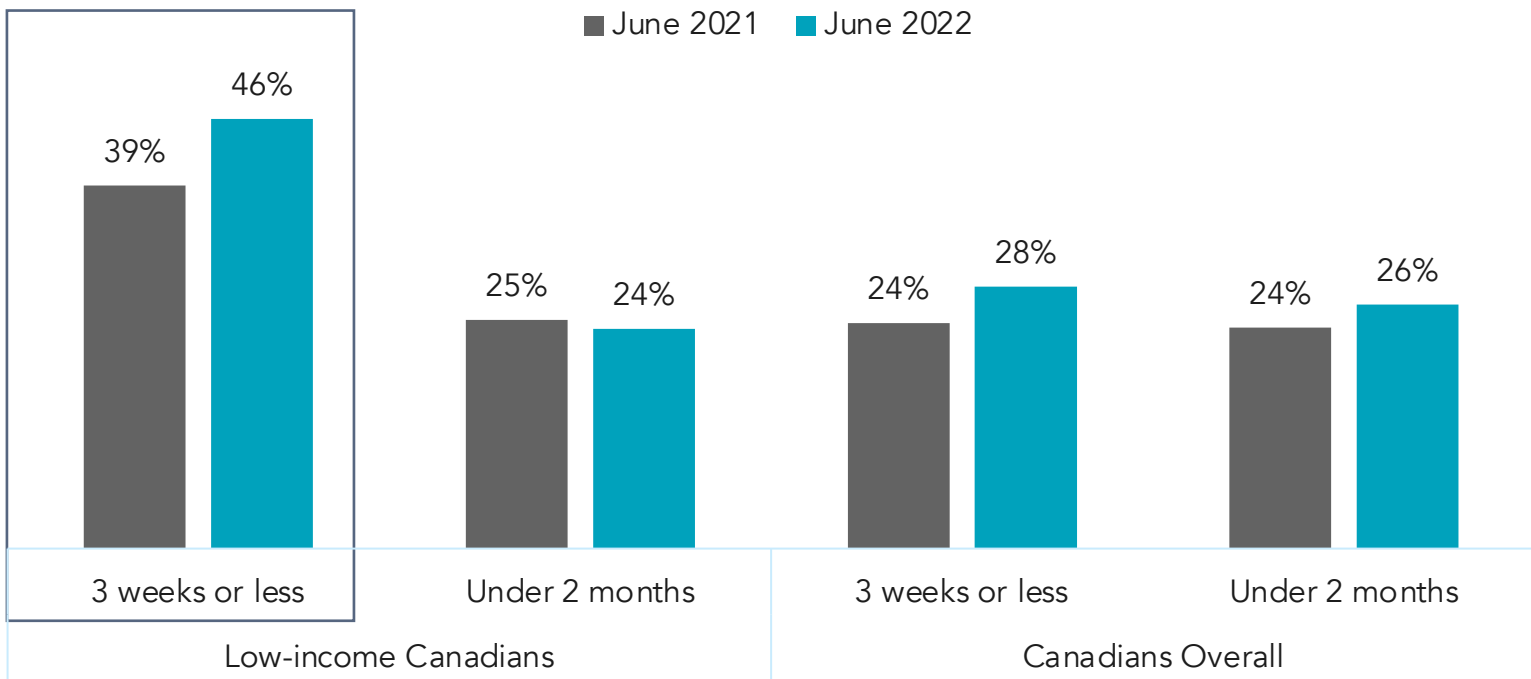


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Almost half of households with low incomes (46% or 3 million households) had a liquid savings buffer of 3 weeks or less in June 2022

This represents an increase from 2021 and is significantly higher than for Canadians overall.

How long low-income households can afford to cover expenses at their current level of spending without borrowing or drawing on retirement savings, compared to Canadians overall (June 2021 vs. June 2022)

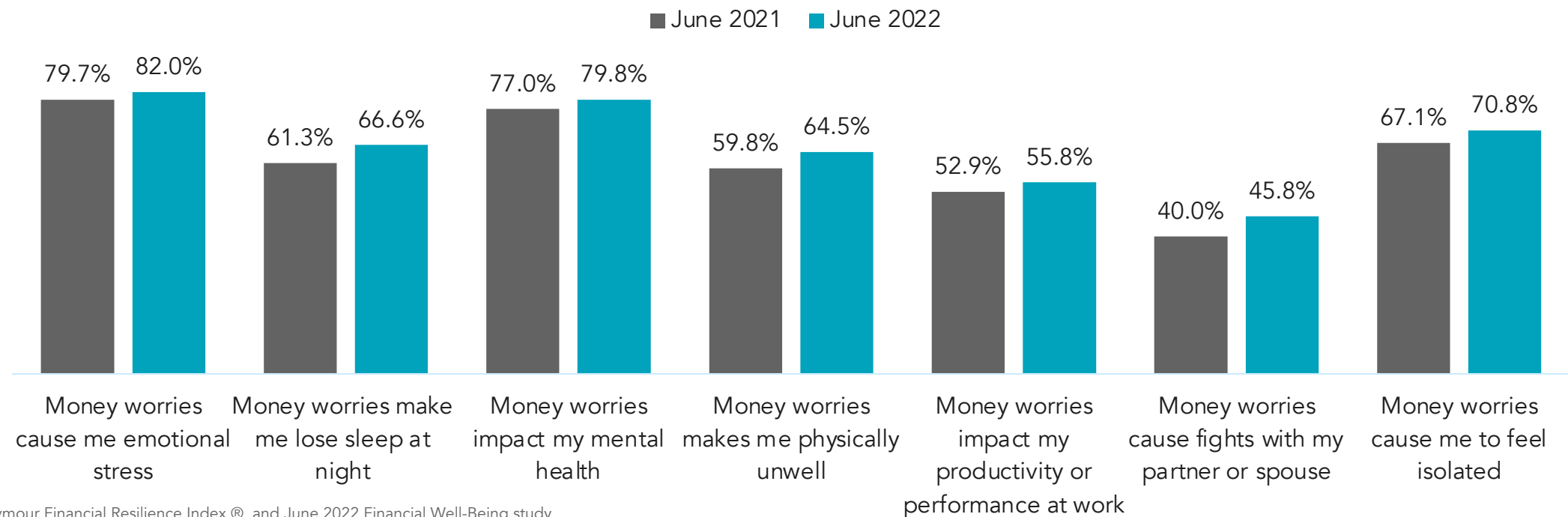


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Money worries or financial stress for low-income households have generally increased in June 2022 compared to last year

Money worries are negatively impacting the mental health of 79% of low-income individuals and the physical health of 64.5%. Money worries are also causing feelings of isolation for 71% of low-income individuals and negatively impacting the productivity or performance at work of 56%. The negative impact of financial stress for low-income individuals has worsened across all indicators compared to a year ago.

Financial stress impacts on different well-being elements for Canadians with low incomes:
June 2022 compared to June 2021



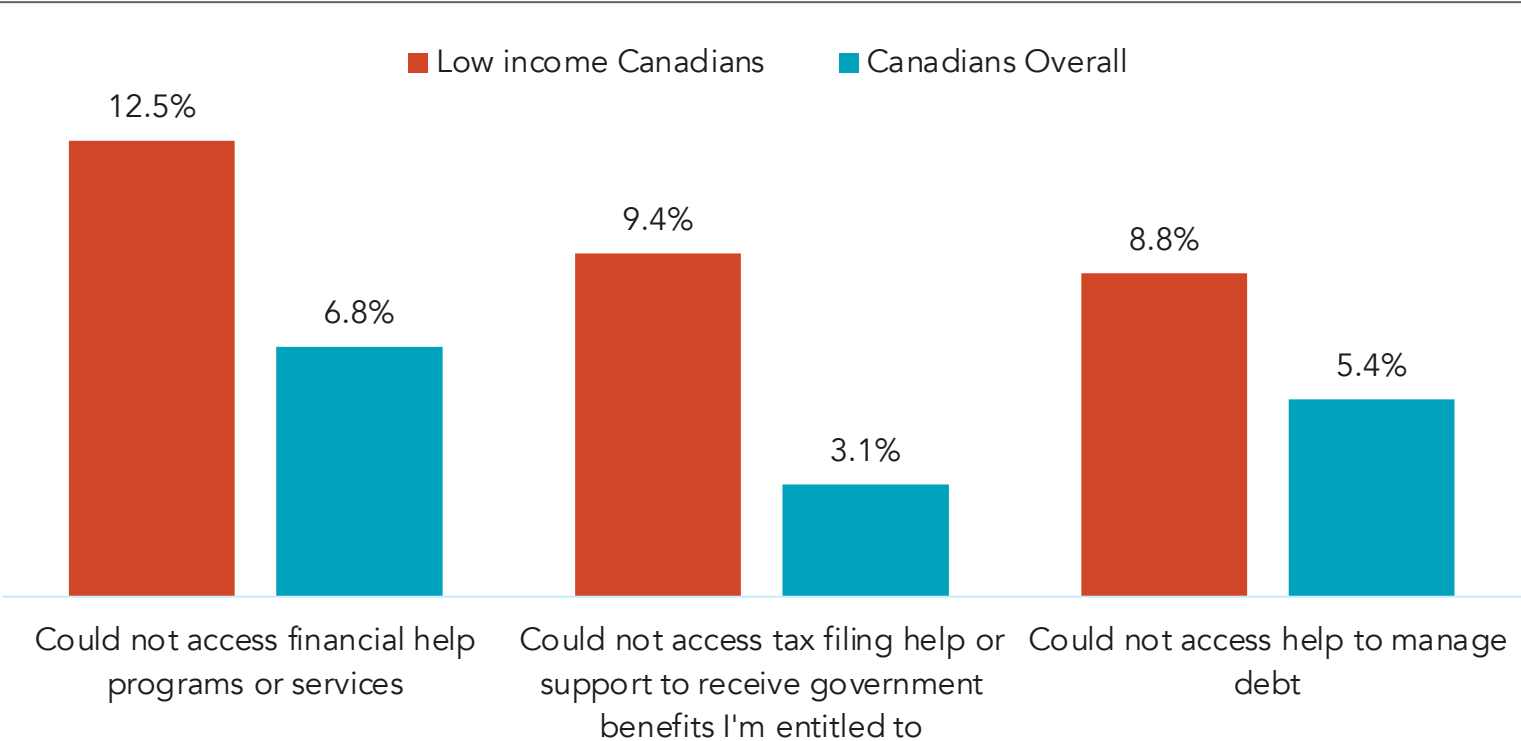
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Over the past 12 months, just under 800,000 low-income households (12.5%) experienced difficulties accessing financial help programs: with this affecting twice as many households as for Canadians overall

9.4% of households with low incomes experienced challenges in accessing tax filing help, and another 8.8% experienced challenges in help to manage their debt. These numbers are much higher than for Canadians overall.



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

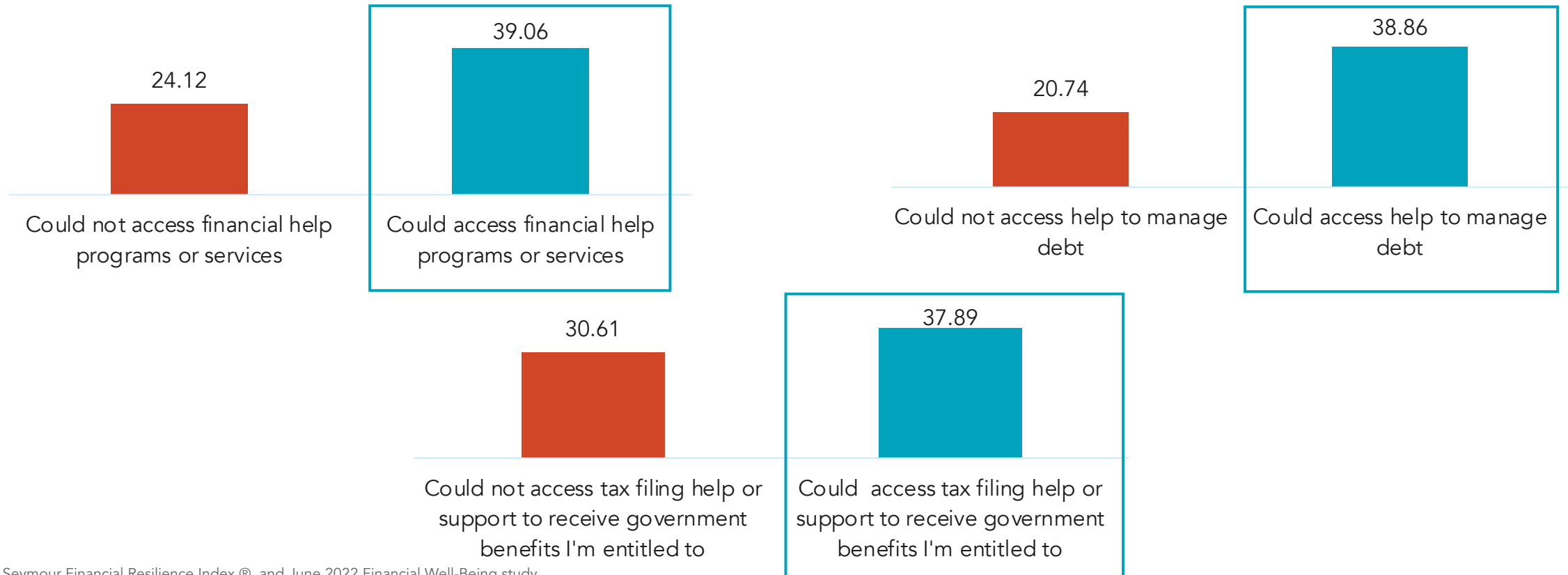


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Index analytics show that low-income Canadians who accessed financial help programs and services, help in managing their debt and/or filing their taxes had higher financial resilience compared to those who did not access this help.\

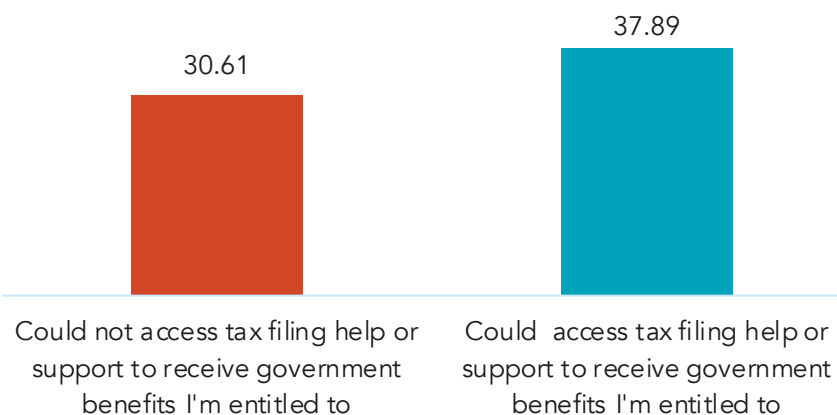
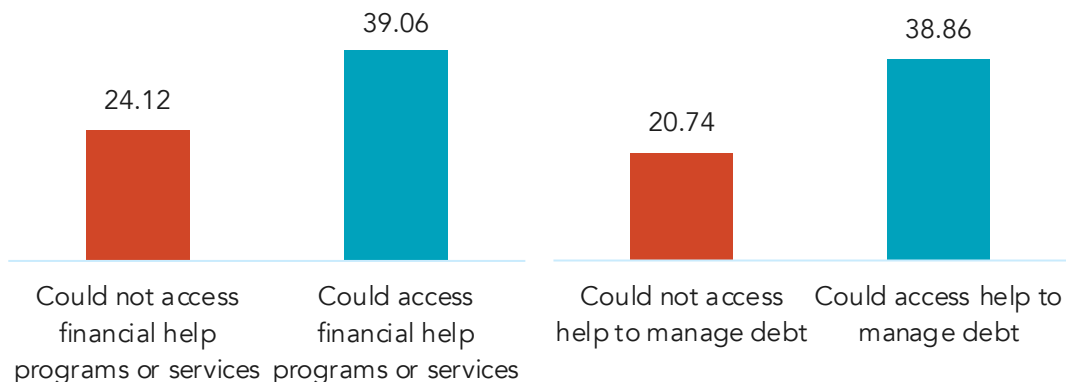
This validates the importance of this financial services support provided by non-profits, financial services providers and the wider ecosystem

Mean financial resilience scores of low-income households that did and did not experience difficulties in accessing the following financial help in the past 12 months as of June 2022

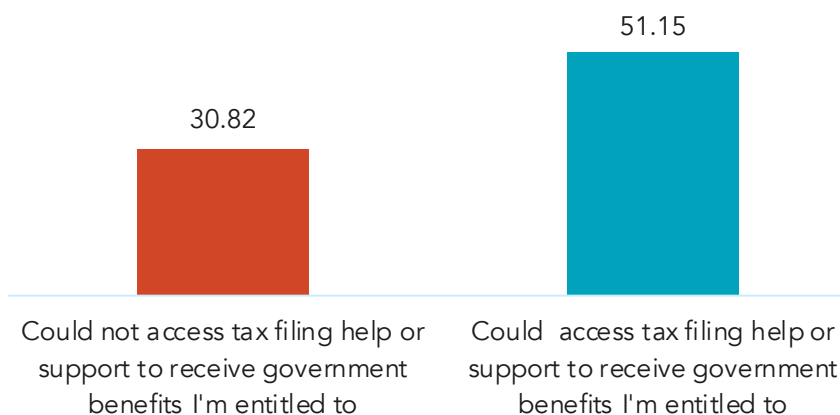
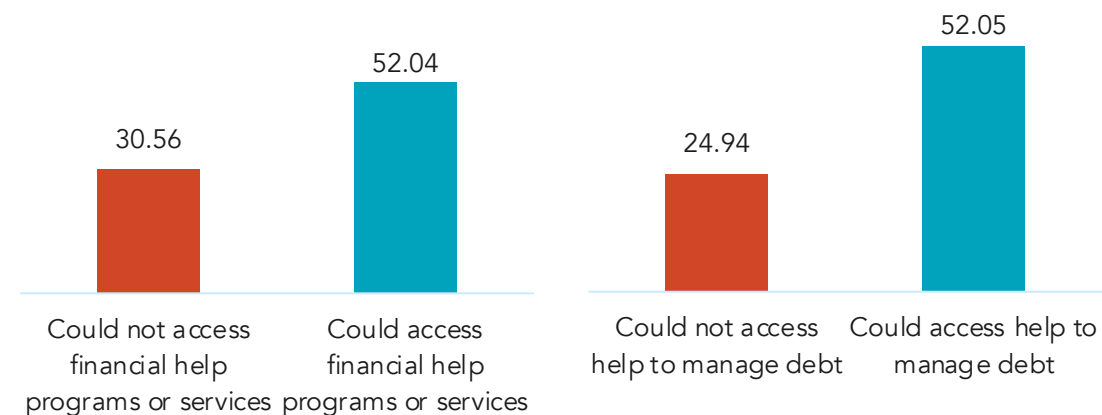


Canadians generally gain value from a financial resilience perspective from this access to financial help also, based on Index analytics

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



Mean financial resilience scores of Canadians overall who did and did not experience difficulties in accessing the following financial help (June 2021)

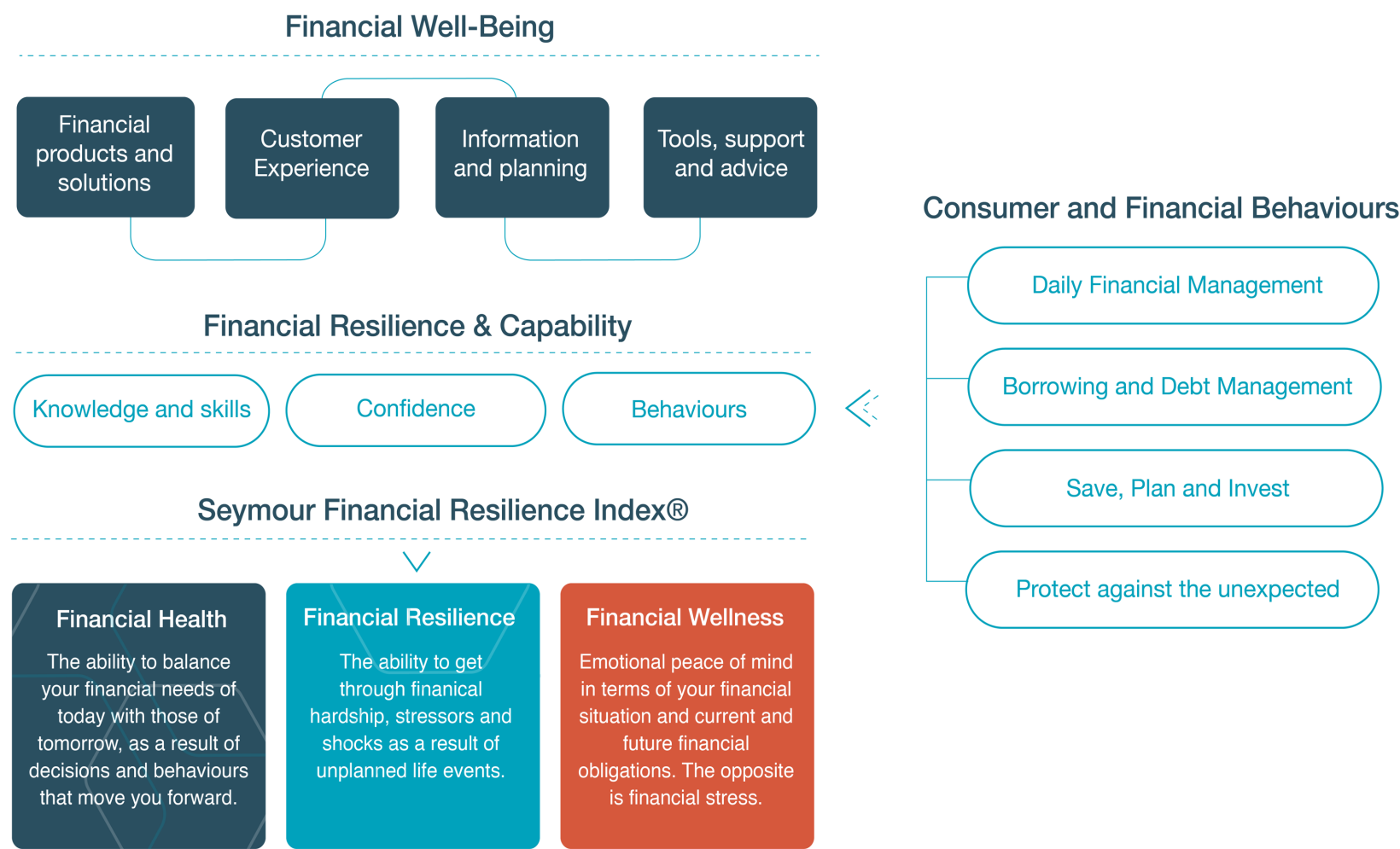


Appendices

Financial Well-Being Framework, Financial Well-Being studies,
Low-Income Study Demographics and Additional Information



Financial
Resilience
Institute



Financial Well-Being Definition

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.^[1]

[1] The definition for 'Financial Well-Being' was developed by CFPB (Consumer Financial Protection Bureau) in the US and was adopted by Financial Resilience Institute for this framework. The proprietary Financial Well-Being Framework was developed by Seymour Consulting (now Financial Resilience Institute) with this peer-reviewed by many organizations and academics around the world. The contents herein are copyright © Financial Resilience Society and used by Prosper Canada under license. All Rights Reserved. Seymour Financial Resilience Index ® is a registered trademark used under license by Financial Resilience Society. © 2024 Financial Resilience Society dba Financial Resilience Institute.

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.



- 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
- Online 15 to 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.
- In 2023 and beyond, the Financial Well-Being study is being conducted in February, June and October of each year.
- 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.

Sample sizes for the longitudinal 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]	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.

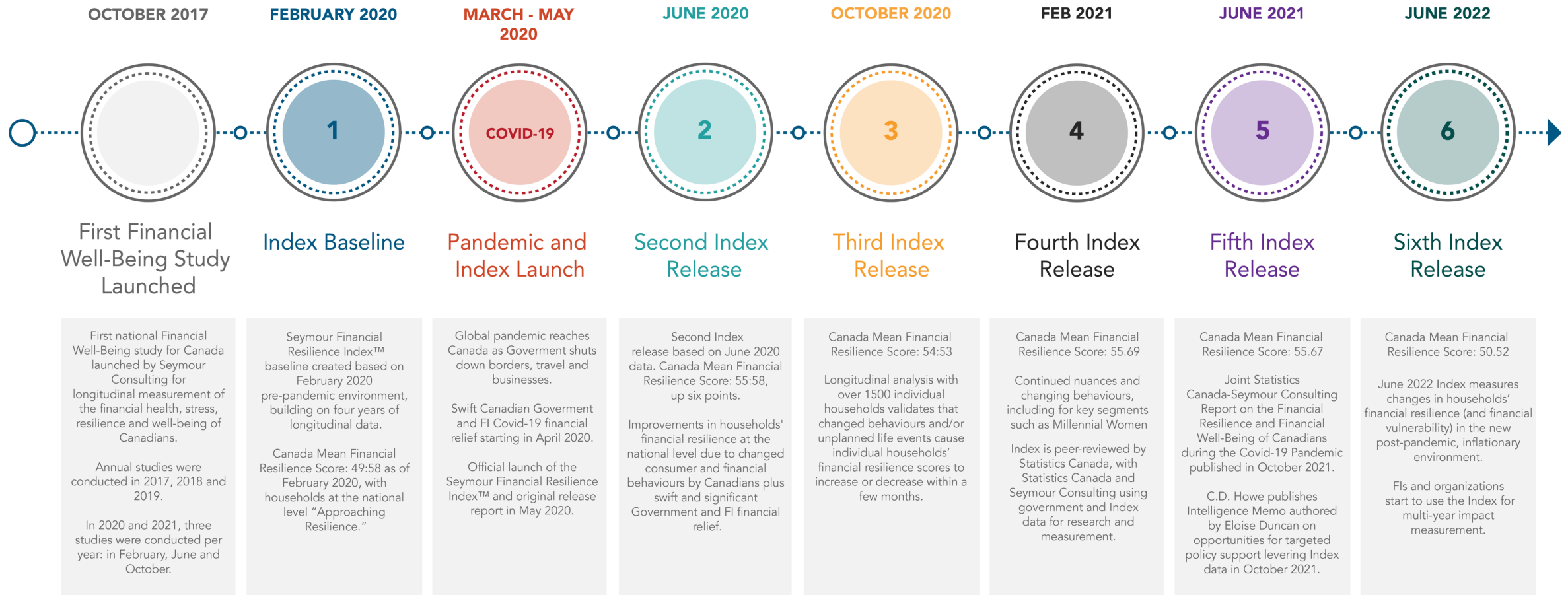
[2] The Financial Well-Being studies data is based on online survey data with survey respondent recruitment through the Angus Reid Forum, Canada's most engaged and respected online panel. There is a representative sample of the population by household income, age, province and gender. The sample includes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

Source: Seymour Financial Resilience Index® and June 2022 Financial Well-Being study

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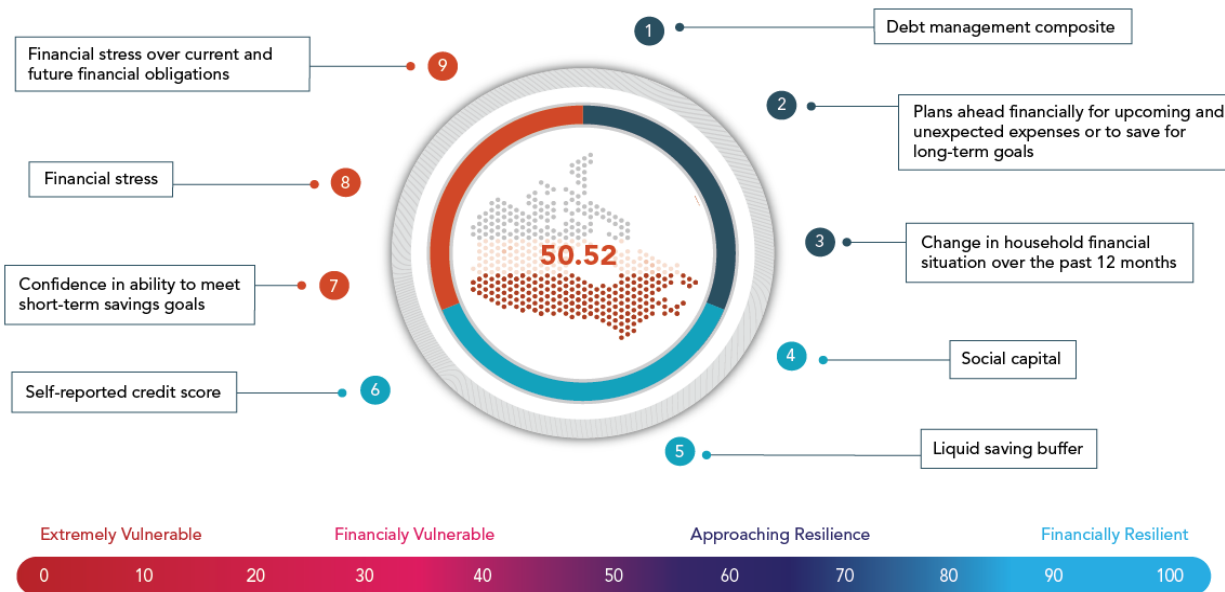
Index Development Roadmap ^[1]



[1] Seymour Financial Resilience Index ® is a registered trademark used under license. For more details on the Index development methodology: <https://www.finresilienceinstitute.org/why-we-created-the-index/>

The Index and longitudinal Financial Well-Being studies are complementary instruments

1 Seymour Financial Resilience Index ®

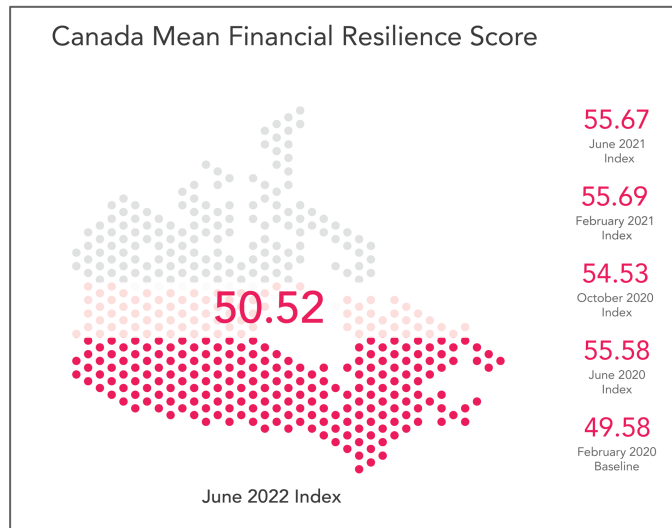


2 Financial Well-Being study (2017 to 2023 and beyond)



The Canada mean financial resilience score has dropped five points based on the June 2022 Index: with 78% of the population financially vulnerable [1]

The June 2022 Index release report is a call to action for Financial Institutions, policymakers and the ecosystem to do more to help reduce Canadians' financial vulnerability: particularly for those who are more financially vulnerable or underserved [1]



Source: Seymour Financial Resilience Index™

- Financial vulnerability and financial stress have been a mainstream issue in Canada since we started tracking this in 2017 through the Financial Well-Being study. This is we created the Seymour Financial Resilience Index® ('The Index') to enable organizations and policymakers to understand, track and help measurably improve the financial resilience, health and well-being of their customers, employees and communities over time.
- The Canada mean financial resilience score increased from 49.58 in February 2020 (pre-pandemic) to 55.67 in June 2021 with insights published in a joint report with Statistics Canada in September 2021[2]
- Between 2021 and June 2022, the Canada mean financial resilience score has fallen five points from 55.67 to 50.52 [3]. This means at the national level, Canadians are 'Approaching Resilience' but are much closer to being 'Financially Vulnerable' compared to a year earlier.
- 78% of households are financially vulnerable as of June 2022 (and have a mean financial resilience score below 70.01). Quebec has the highest mean financial resilience score at the provincial level.
- Index data signals increased challenges and financial vulnerability for households and key populations, especially in context of the inflationary environment, rising interest rates and macro environment.
- This is evident despite people working hard to manage their spending, navigate complex financial trade-off decisions, save, plan and invest, put in place protection and pay down debt, in order to get through financial hardship stressors and shocks as a result of unplanned life events.

[1] Source: Seymour Financial Resilience Index®. This is a summary from the wider national June 2022 Index report published on September 26, 2022. This is available at <https://www.finresilienceinstitute.org/research-reports/>. 'Financially Vulnerable' include households with a financial resilience score of under 70.01. These are represented by 'Extremely Vulnerable', 'Financially Vulnerable' and 'Approaching Resilience' segments.

[2] See report on the 'Financial Resilience and Financial Well-Being of Canadians during the Covid-19 pandemic', jointly published by Seymour Management Consulting Inc. and Statistics Canada in September 2021. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021008-eng.htm>

[3] The longitudinal Financial Well-Being study is an online survey with a sample size of 5061 adult Canadians aged 18 to 70 years old from a representative sample of the population by age, province, gender and household income in June 2022 study. See slide 33 for survey samples for all other studies. Survey respondent are recruited from the Angus Reid Forum, with all survey design and analytics conducted by the Financial Resilience Institute. The Index has been peer-reviewed by Statistics Canada, C.D. Howe Institute, UN-PRB, leading Financial Institutions and non-profit organizations. For more information on the Index: <https://www.finresilienceinstitute.org/about-the-seymour-financial-financial-resilience-index/>. The contents herein are copyright © Financial Resilience Society and used by Prosper Canada under license. All rights reserved. Seymour Financial Resilience Index® is a registered trademark used under license by the Financial Resilience Society. © 2022 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

June 2022 Index Release Highlights: Continued



- During the pandemic, the Government provided swift and significant Covid-19 financial relief to many households. At this time, the Index showed how many Canadians worked hard to reduced their spending and adjust their financial behaviours to manage financially. This positively impacted the increase in the mean financial resilience score between 2020 and 2021 and the reduction in 'Extremely Vulnerable' households over the same period [1].
- Since 2021, with the current challenging macroeconomic environment, inflationary environment and phasing out of Covid-19 government benefits, the Index signals that most of gains during the pandemic have reduced or wiped out for many households, despite many of them still working hard from a financial behavioural perspective to reduce their financial vulnerability.
- The Index continues to highlight increased financial vulnerability, inequities and challenges in particularly for households who are 'Extremely Vulnerable' or 'Financially Vulnerable'. The pandemic, and now inflationary environment, has hit these households harder, and we see increased challenges from a financial stress, barrier and access to financial help perspective from their Financial Institutions. This in turn is having a significant impact on the physical, mental and overall well-being of individuals and families, also measured through the Index.
- In June 2022 there has been a significant increase in 'Extremely Vulnerable' households, with this increasing from 16.5% in June 2021 to 21.1% in June 2022 [1].
- There are many nuances in financial stressors, consumer and financial behaviours and challenges in terms of access to financial help and support across the four financial resilience segments and for different underserved and/or more vulnerable populations.
- There are significant opportunities for Financial Institutions to support the financial resilience and financial wellness of their customers, including those who are more financially vulnerable [2].

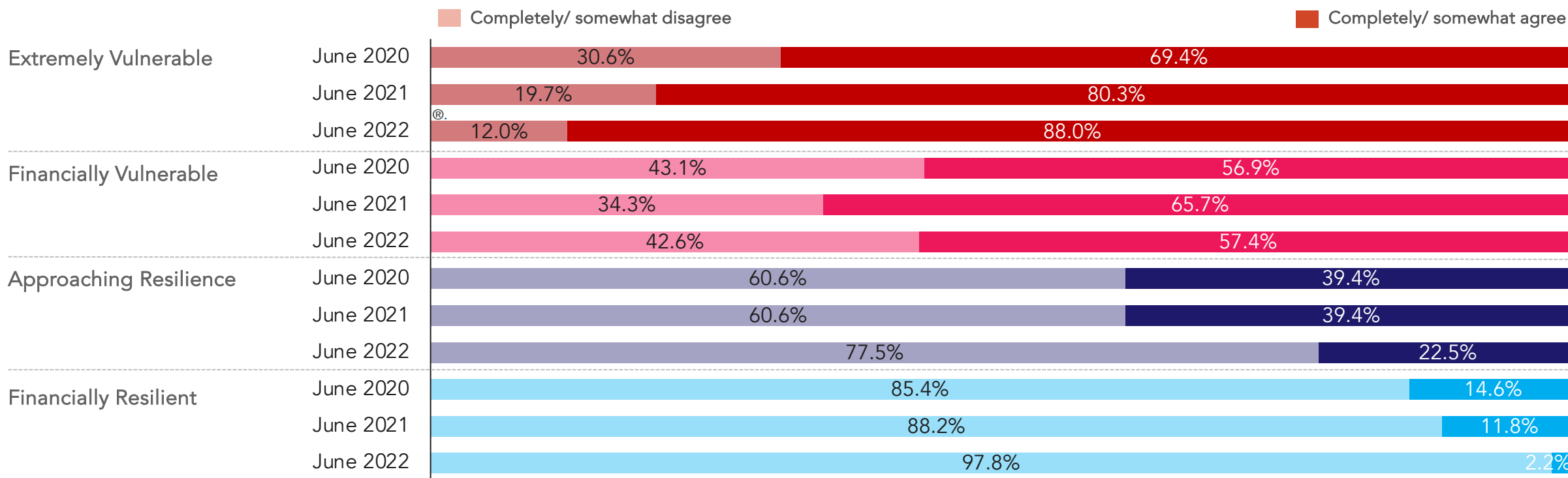
[1] Source: Seymour Financial Resilience Index ®. This is a summary from the wider national June 2022 Index report published on September 26, 2022. This is available at <https://www.finresilienceinstitute.org/research-reports/>. 'Financially Vulnerable' include households with a financial resilience score of under 70.01. These are represented by 'Extremely Vulnerable', 'Financially Vulnerable' and 'Approaching Resilience' segments. The contents herein are copyright © Financial Resilience Society and used by Prosper Canada under license. All rights reserved. Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society. © 2022 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

The Index shows an increasing percentage of 'Extremely Vulnerable' and 'Financially Vulnerable' Canadians experiencing significant financial hardship



The Index shone a light on inequities exacerbated by the pandemic, with 88% of 'Extremely Vulnerable' Canadians reporting that they are experiencing significant financial hardship, compared to 80% a year earlier and just 2% of 'Financially Resilient' households in June 2022. This has implications for policymakers and the ecosystem in light of their goals to help build a more resilient, equitable and inclusive Canada [1]

Proportion of households that agree that the pandemic has caused their household significant financial hardship (June 2020 vs June 2021 vs June 2022)

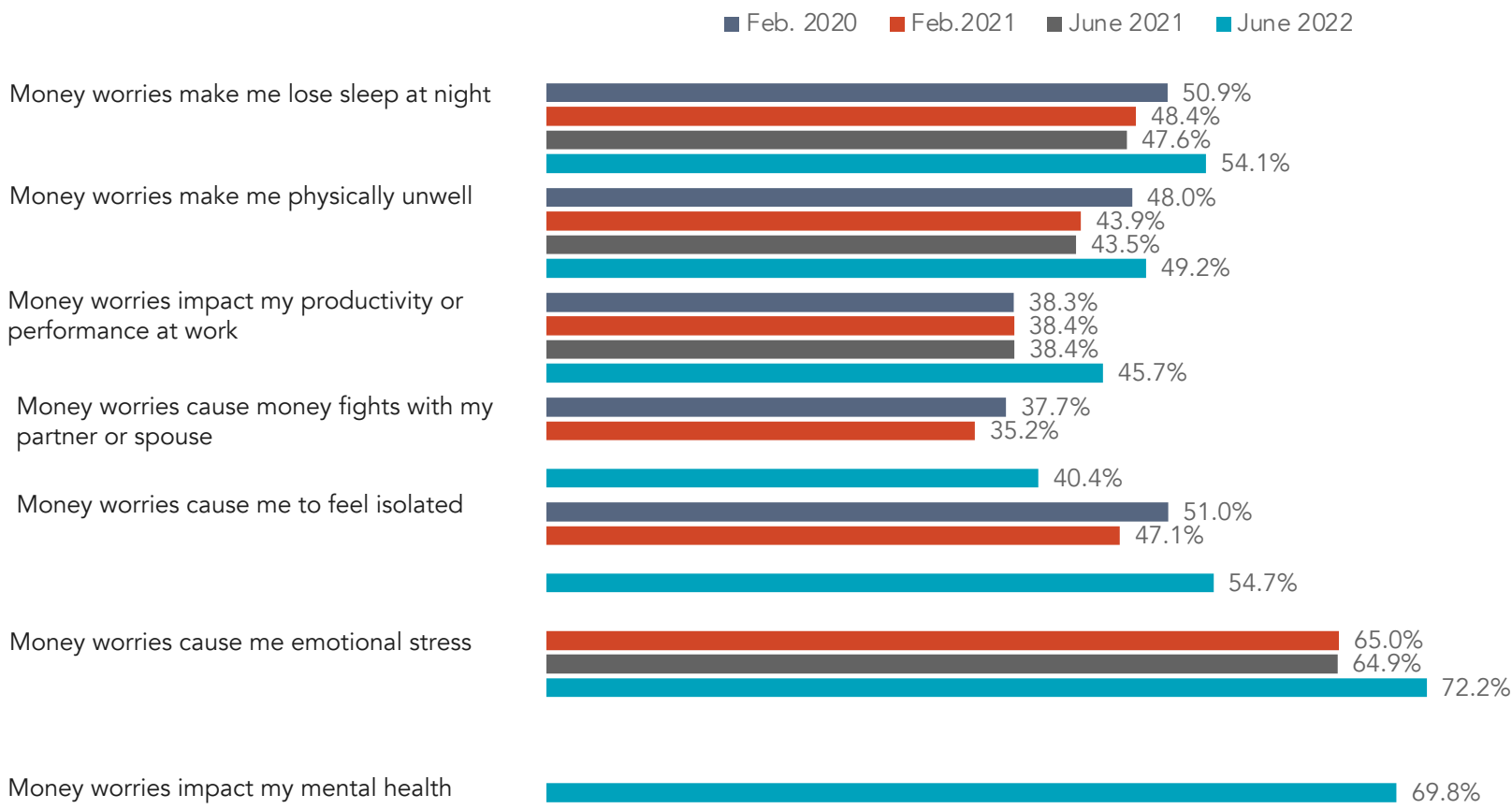


[1] Source: Seymour Financial Resilience Index ®. This is a summary from the wider national June 2022 Index report published on September 26, 2022. This is available at <https://www.finresilienceinstitute.org/research-reports/>. 'Financially Vulnerable' include households with a financial resilience score of under 70.01. These are represented by 'Extremely Vulnerable', 'Financially Vulnerable' and 'Approaching Resilience' segments. The contents herein are copyright © Financial Resilience Society and used by Prosper Canada under license. All rights reserved. Seymour Financial Resilience Index ® is a registered trademark used under license by the Financial Resilience Society. © 2022 Financial Resilience Society DBA Financial Resilience Institute. All Rights Reserved.

The impacts of financial stress of the physical health and other well-being elements of Canadians has been tracked by our organization since 2017

As of June 2022, financial stress negatively impacts the physical health of 50% of Canadians and the mental health of 70% of them: with greater challenges evidenced in 2022 compared to a year earlier.

Financial stress impacts on Canadians February 2020 (pre-pandemic) to June 2022

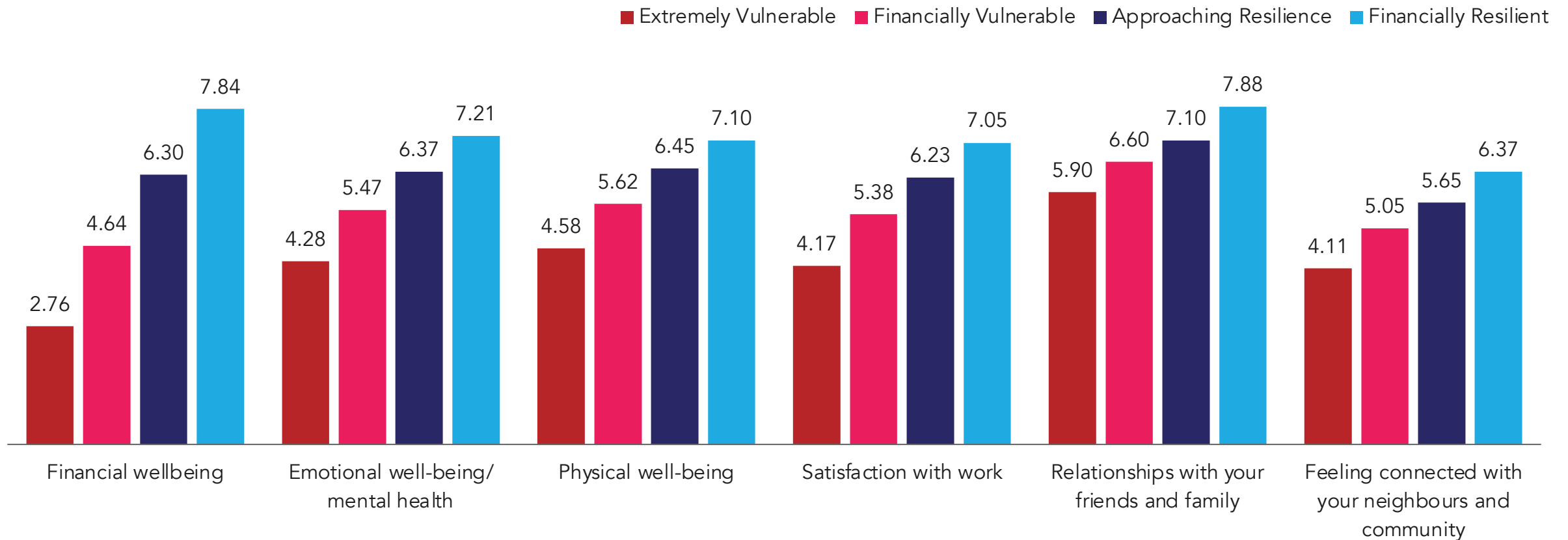


Source: Seymour Financial Resilience Index ® and June 2022 Financial Well-Being study
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Canadians from more financially vulnerable households experience lower levels of well-being across all dimensions in 2022, as in 2021

This has relevance for policymakers, employers focused on their employees' engagement and productivity and all those with a stake in the financial and overall well-being and resilience of individuals, families and communities that are more vulnerable [1].

Analytics on well-being dimensions for Canadians across the four financial resilience segments: based on the June 2022 Index

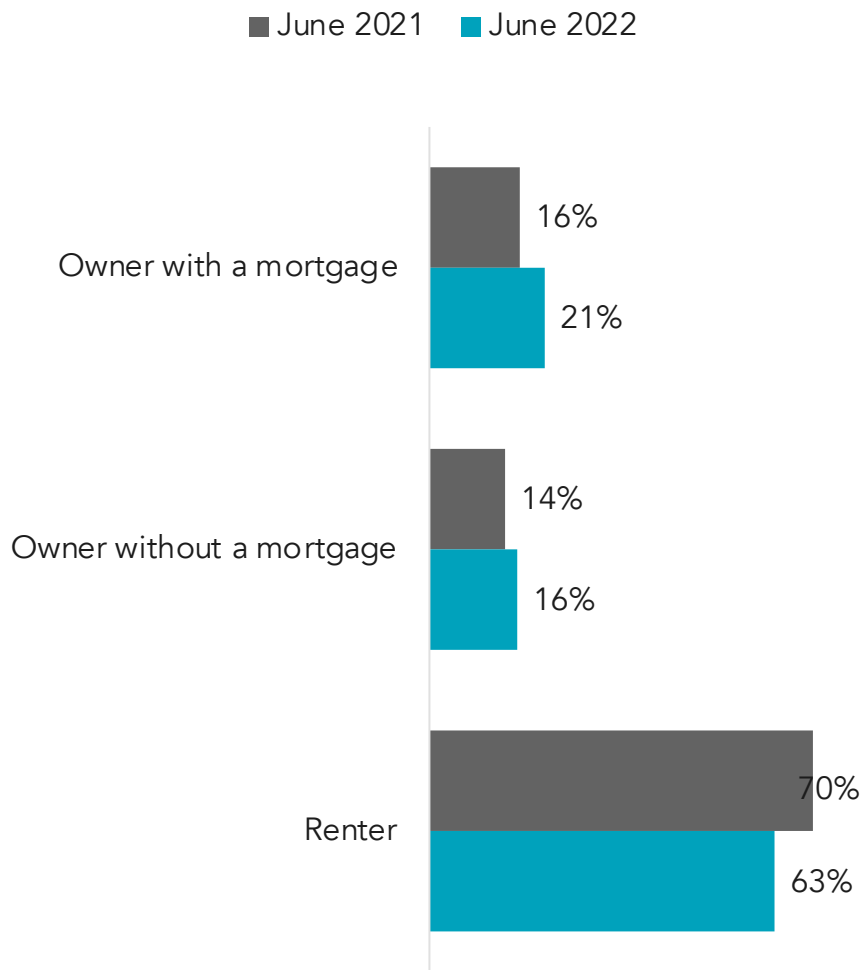
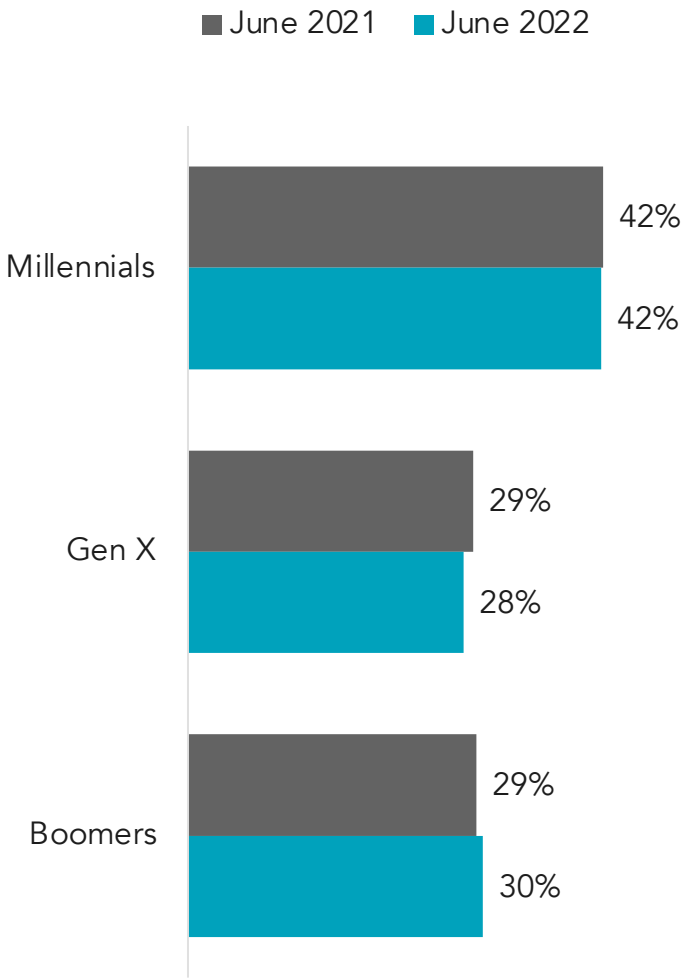
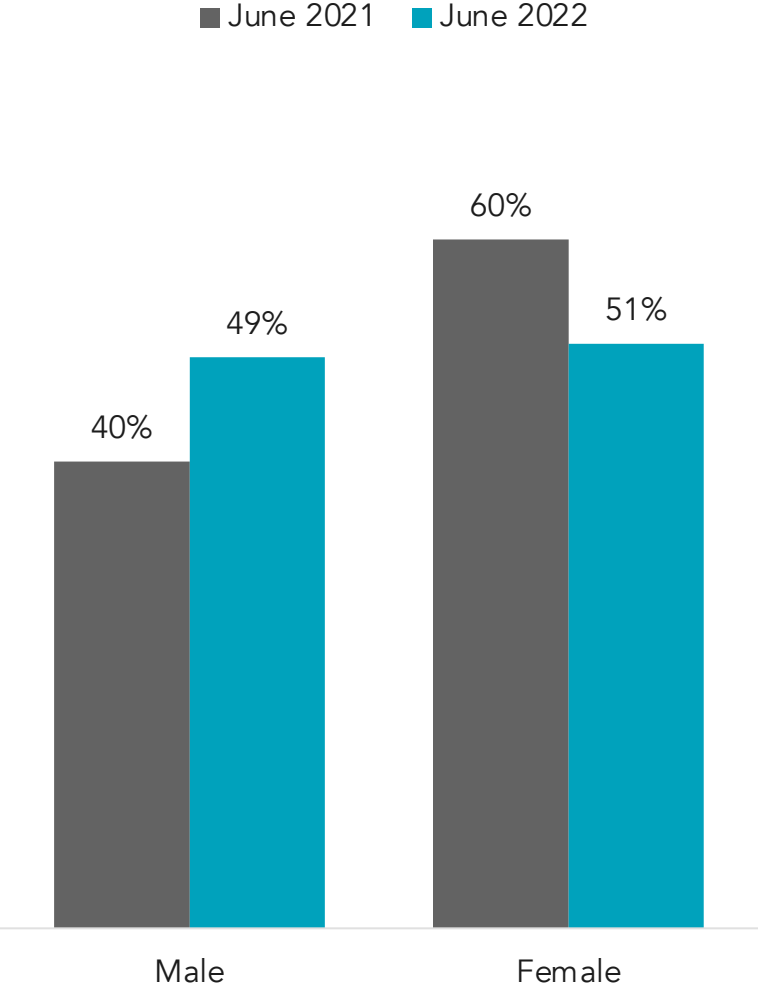


[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

[1] Source: Seymour Financial Resilience Index ®. This is a summary from the wider national June 2022 Index report published on September 26, 2022. This is available at <https://www.finresilienceinstitute.org/research-reports/>. 'Financially Vulnerable' include households with a financial resilience score of under 70.01. These are represented by 'Extremely Vulnerable', 'Financially Vulnerable' and 'Approaching Resilience' segments.

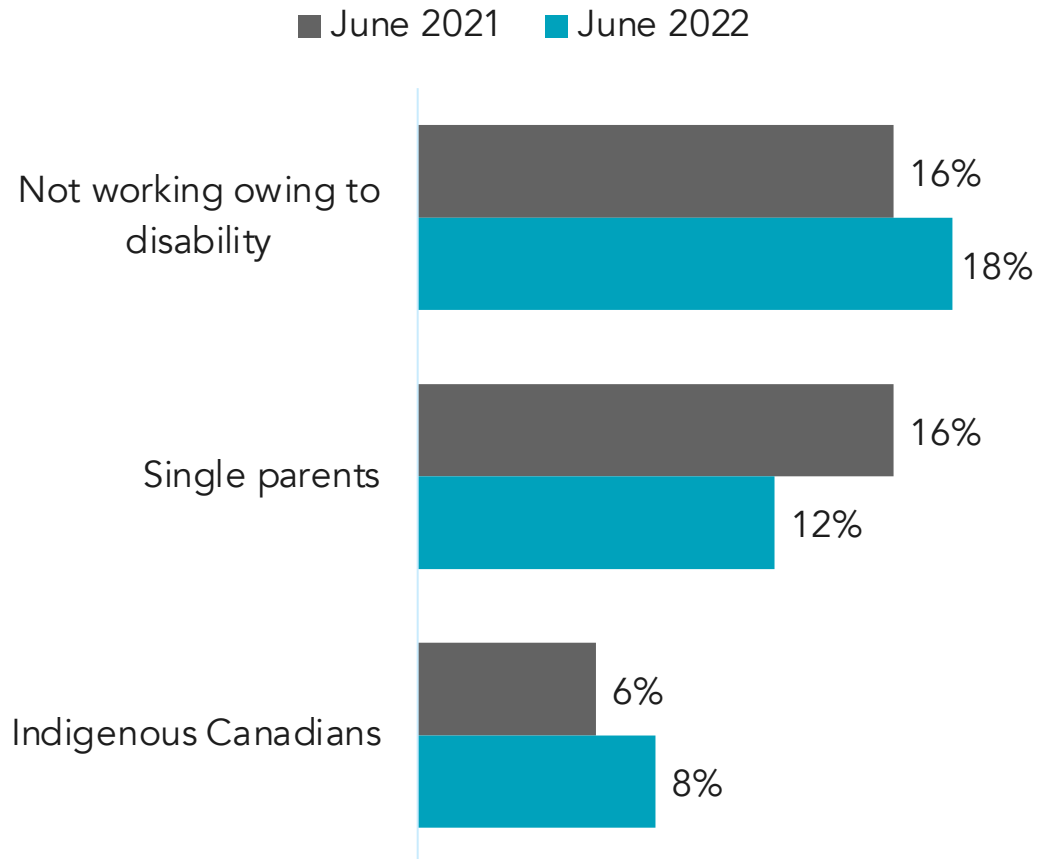
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Demographics of low-income household survey respondents in 2022 and 2021



Source: Seymour Financial Resilience Index ® and June 2022 Financial Well-Being study
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Demographics of low-income household survey respondents in 2022 and 2021



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



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 leveraging 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.

Vancity

 **co-operators**

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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