Financial Resilience Institute

The Impact of Extreme Weather Events on Financial Vulnerability for Households and Small and Medium Enterprises (SMEs) in Canada

Intelligence Report

September 2026

Authors: Katie Sutter, Eloise Duncan and Kujtim Koci
Financial Resilience Institute



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We're a Canadian Purpose-Led Non-Profit dedicated to building a more financially resilient Canada and World

We're working to help improve the financial health and resilience of people, families, small businesses and purpose-led organizations, while building a more purposeful, resilient and inclusive economy and communities.





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 people, organizations and communities to thrive and prosper.

For more information about Financial Resilience Institute and our work: https://www.finresilienceinstitute.org/
Read more about our impact work, at https://www.finresilienceinstitute.org/our-impact /
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Context and about the Intelligence Report

Report Authors: Katie Sutter, Eloise Duncan and Kujtim Koci

Extreme weather events have become the norm in Canada and globally, causing risks and impacting the resilience of households, small and medium enterprises (SMEs) and communities. While extreme weather events have always existed, climate change, driven by fossil fuel production and use, is increasing the likelihood and severity of many weather-related events.

July 2026 was recorded to be the warmest July on record for North America, Africa and Asia, according to the National Centers for Environmental Information (NOAA) [1]. The consequential extreme heat, drought, heavy rainfall and flooding exacerbated by the changing climate have wreaked havoc on communities around the world in 2026. While the physical and environmental risks and damages have long been investigated, the impact of such climate events on financial vulnerability cannot be forgotten. In the European Union, wildfires alone are estimated to cost approximately "EUR 2.5 billion every year in damages to infrastructure, loss of tourism revenue and disruption of economic activity"[2].

In Canada, the story is just as stark. The 2025 wildfire season was the second worst to date, with over 8.3 million hectares burned and fires impacting communities nationwide [3]. With the 2026 season still progressing, there are currently 615 wildfires across the country as of August 26, 2026, with the effects still being felt by many households [4]. Flooding is estimated to cost nearly $800 million in insured losses annually, with it estimated that "for every dollar in insured losses from flooding, there are two dollars in uninsured damage that are borne directly by households and taxpayers" [5]. The full effects of extreme weather events on household financial vulnerability are complex and can result in different outcomes in every household. Losing homes, not having appropriate insurance coverage or costly insurance premiums to protect your home, loss of livelihoods and financial burdens related to healthcare costs are real challenges individuals are facing every day.

It is not only individuals, families and communities that are negatively impacted from a household financial resilience perspective, as measured by the Financial Resilience Institute through our Financial Health and Resilience Index. Businesses are being impacted daily, especially those in the agricultural sector that rely on weather patterns for healthy crops. The loss of product is not always from the extreme weather event itself but from the knock-on effects. For example, currently in British Columbia, 269 registered agricultural premises have been affected by wildfire activity [6]. While not all crops may have been lost in the fires, farmers are unable to tend to their crops, leading to loss. The B.C. Agriculture Minister, Lana Popham, has called the situation "urgent for fruit and wine producers". Globally, "80% of the global population most at risk from crop failures and hunger from climate change are in Sub-Saharan Africa, South Asia and Southeast Asia, where farming families are disproportionately poor and vulnerable". In Africa alone, an estimated 43 million people could fall below the poverty line by 2030 as a result of falling crop yields [7].

[1] Source: NOAA, Assessing the Global Temperature and Precipitation in July 2026, August 11, 2026. https://www.ncei.noaa.gov/news/global-climate-202607
[2] Source: UNECE, Wildfires highlight urgent need for prevention, resilience and climate action, July 30, 2026. https://unece.org/media/Sustainable-Development/press/415559
[3] Source: Canadian Climate Institute, FACT SHEET: Climate change and wildfires, July 10, 2026. https://climateinstitute.ca/news/fact-sheet-wildfires/
[4] Source: Government of Canada, National Wildfire Summary, August 26, 2026. https://cwfis.cfs.nrcan.gc.ca/en/summary
[5] Source: Canadian Climate Institute, FACT SHEET: Climate change and flooding, July 10, 2026. https://climateinstitute.ca/news/fact-sheet-climate-change-and-flooding/
[6] Source: Business Examiner, Julie Bergeron, Okanagan farmers brace for severe crop losses as Bald Range wildfire forces evacuation, August 13, 2026. https://businessexaminer.ca/bc-news/item/okanagan-farmers-brace-for-severe-crop-losses-as-bald-range/
[7] Source: World Bank Group, What you need to know about food security and climate change, October 17, 2022. https://www.worldbank.org/en/news/feature/2022/10/17/what-you-need-to-know-about-food-security-and-climate-change

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Context and About the Intelligence Report

Financial Resilience Institute remains highly committed to furthering the understanding of climate change, including the increasing frequency and severity of extreme weather events and their impact on household financial vulnerability. This work leverages our world-leading Financial Health and Resilience Index and longitudinal Financial Well-Being Studies (2017–2026). As we continue to work to mitigate the effects of climate change, we must also prepare to ensure that such events do not continue to fuel financial vulnerability. Fostering financial resilience in the face of climate change is one of our impact focus priorities as we work towards our Purpose of 'Building Financial Resilience and Well-Being Together.'

This Intelligence Report follows our *July 2023 Climate Change Intelligence Memo* and the collaborative op-ed, *"Climate-Driven Financial Vulnerability Is a Vicious Cycle. How Do We Reverse It?"* published by The Future Economy, Co-operators and Financial Resilience Institute.

It supplements the leading longitudinal research and Index analytics conducted by our non-profit to support evidence-based policy and innovation that foster financial and overall resilience in our communities. It also builds on research and analytics conducted for leading clients and partners, including Vancity and Co-operators, where we have leveraged our Index to measure the impact of extreme weather events on the financial resilience and financial vulnerability of their clients and communities [1].

The Institute has also recently developed a robust Business Financial Health and Resilience Index. In the future, we will publish data and insights on the business financial health and resilience outcomes of Small and Medium Enterprises (SMEs) that report that extreme weather events have negatively affected their businesses' financial situations.

Who this Report is for

This report is relevant to federal, provincial and municipal policymakers; purpose-driven financial institutions and insurers; climate change and financial health leaders and innovators; and others seeking to understand how extreme weather events affect the financial resilience and vulnerability of households, small and medium-sized enterprises (SMEs) and communities.

While the study and data are Canadian, the findings offer valuable insights for other countries and highlight opportunities to measure the impacts of extreme weather on household and SME financial resilience, building on other important research and measurement initiatives already underway.

[1] The Financial Resilience Institute has been investigating the impact of extreme weather events on Canadians since 2021. Data and evidence of the impact of extreme weather events on Vancity members, British Columbians and Canadians, cited on page 11 of their 2022 Climate Report: https://cdn.vancity.com/v1/media/edge/images/vancouverci5821-vancity9f0e-prod943f-e9a1/media/Project/public-sites/www/About/Credit-union/Annual-report/2022ClimateReport.pdf?rev=027c721e89d44fbaa09066da0a0ca950

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The peer-reviewed Financial Health and Resilience Index tracks household health and financial resilience in Canada with application across many countries [1,2]

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What the Index measures

Financial resilience: 'i.e. *a household's ability to get through financial hardship, stressors and shocks as a result of unplanned life events'* with this measured across nine behavioural, resilience and sentiment indicators, at the national, provincial and individual household levels [1,2,3].



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



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



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

Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model Seymour Financial Resilience Index ®

[1] The Financial Health and Resilience Index Model measures *financial resilience, i.e. one's ability to get through financial hardship, stressors and shocks as a result of unplanned life events, across* nine behavioural, sentiment and resilience indicators at the national, provincial and individual household levels for Canadians and the customers, employees or stakeholders of our client and partner organizations working with our non-profit Institute. The proprietary Index was developed by Seymour Consulting, now Financial Resilience Institute, over more than five years based on an iterative process to regressing and evaluating over 35 potential indicators against self-reported "financial resilience" or "financial stress" measures, using the multiple linear regression technique. In the end, 9 variables were determined to account for 66 percent of the variance in the financial resilience construct as of February 2026 and October 2025, with a consistently strong model. The regression model's indicators (independent variables) are significant at a 95% confidence interval, with p-values less than 0.05. Index development and methodology details are at https://www.finresilienceinstitute.org/why-we-created-the-index/. The Index is being harnessed as a community asset for good.

[2] The Index is the first of its kind in the world, has a pre-pandemic baseline of February 2020 and builds on over 10 years of robust data from the Financial Well-Being Studies instrument conducted three times a year with over 5000 adult Canadians, from a representative sample of the population. The Index, combined with the Financial Well-Being Studies Instrument, shines a light on the financial health and resilience and financial wellness of households and key populations, and on many other aspects in line with our indicators and Financial Well-Being Framework.

[3] The Financial Resilience Index has been peer-reviewed and used by many leading organizations including but not limited to: Statistics Canada, C.D. Howe Institute, Vancity, Standard Chartered Bank, Co-operators, Coast Capital Savings, Haver Analytics, C.D. Howe Institute, Royal Bank of Canada, FP Canada, Prosper Canada and others. It has also been shared with and recognized by organisations including UNEP-FI/ UN-PRB, IMF, World Bank, CGAP, UNSGSA, Bank of International Settlements (BIS), OECD, Financial Authorities and others.

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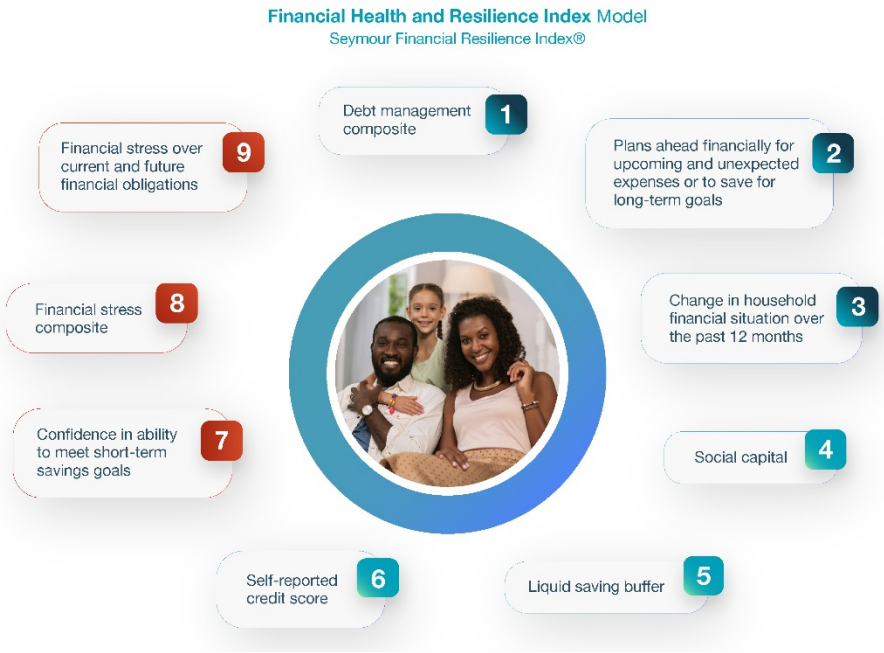
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This reports draws on evidence from the Financial Health and Resilience Index, Financial Well-Being Studies and Canada Business Financial Health and Resilience Study

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1 Financial Health and Resilience Index Model and Financial Well-Being Studies (2017 to 2026)

Seymour Financial Resilience Index ®





2 Canada Business Financial Health and Resilience Study (December 2025)



Source: Financial Resilience Institute, Financial Resilience Health and Resilience Index Model, Seymour Financial Resilience Index ®
[1] The dependent variable within the Index is 'confidence in one's ability to get through financial hardship, stressors and shocks as a result of unplanned life events', with Index indicators based on survey-based data.
[2] '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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Financial Health and Resilience Index Model Indicators

Financial Health and Resilience Index Model

The Index measures and tracks household financial resilience, i.e. *a household's ability to get through financial hardship, stressors and shocks as a results of unplanned life events*

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

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

7
Confidence in ability to meet short-term savings goals

8
Financial stress composite

9
Financial stress over current and future financial obligations



Source: Financial Resilience Institute, Financial Resilience Health and Resilience Index Model, Seymour Financial Resilience Index ®
[1] The dependent variable within the Index is 'confidence in one's ability to get through financial hardship, stressors and shocks as a result of unplanned life events' with Index indicators based on survey-based data.
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1 Executive Summary and Key Insights



Key Findings: The Impact of Extreme Weather on Household Financial Vulnerability

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Leveraging the Financial Health and Resilience Index, Financial Well-Being Studies and SME Canada Business Financial Health and Resilience Study.

1 in 5 Canadians (20%) report being impacted by extreme weather events over the past 12-24 months as of February 2026, with 33% of these impacted households reporting that it has negatively impacted their financial situation.

Extreme weather events are having an increased impact on the financial vulnerability outcomes of Canadian households compared to two years ago, based on the Institute's peer-reviewed Financial Health and Resilience Index and trended Financial Well-Being Studies data

As of February 2026, households negatively impacted by extreme weather events over the past 12-24 months have a mean financial resilience score of 49.3, placing them in the 'Financially Vulnerable' segment. In comparison, households not impacted by extreme weather events over the same period have a mean score of 54.5 and are 'Approaching Resilience.' The delta, or gap, between these two groups has widened from 2.9 Index points in February 2024 to 5.2 Index points in February 2026. This growing delta highlights increased financial vulnerability among households negatively impacted by extreme weather events over this two-year period. For policymakers and others, this is a call to action to further investigate this relationship and introduce policies and supports to help ensure that extreme weather events do not further exacerbate existing financial vulnerabilities.

Households across all financial resilience segments have been negatively impacted by extreme weather events, but in particular more financially vulnerable households.

As of February 2026, households reporting that they have been negatively impacted by extreme weather events span all financial resilience segments: 24% of 'Extremely Vulnerable' households, 24% of 'Financially Vulnerable' households, 21% of households 'Approaching Resilience' and 14% of 'Financially Resilient' households.
However, the financial impacts are not equal. Among households reporting a negative impact from extreme weather events, 54% of 'Extremely Vulnerable' households completely agree that these events negatively affected their household's financial situation, compared with 34% of 'Financially Resilient' households.
While extreme weather events affect households across all financial resilience segments, the Institute's Index and data suggest that more financially vulnerable households experience greater financial impacts and may require more targeted and proactive support from policymakers and others, as appropriate.

Impacts vary across Canada, with some provinces more challenged from a household financial vulnerability perspective compared to others.
Across Canada, households in the Atlantic region have the highest proportion of households reporting that they have been impacted by extreme weather events in the past 12-24 months at 39% as of February 2026. Ontario and British Columbia show the same proportion of households reporting this at 21%. The effects of extreme weather events are not equally distributed, with some provinces and territories at higher risk than others. As well, adaptation and preparation vary across Canada and across households, with different levels of government implementing varying strategies and some populations experiencing barriers to preparing.

Source: Financial Resilience Institute, February 2026 Financial Resilience Health and Resilience Index Model, Seymour Financial Resilience Index ®
[1] The Financial Well-Being Studies have tracked the proportion of households negatively impacted by extreme weather events, including extreme heat, fires and floods, over the past 12-24 months since 2021. The Institute has also tracked the proportion of households that report that being impacted by extreme weather events over this period has negatively impacted their financial situation, and the mean financial resilience score of households reporting they have been impacted and not impacted by extreme weather events.
[2] '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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[3] Extreme weather events are defined in the Financial Well-Being Study as, for example, extreme heat, fires or floods, with survey respondents asked if their household has been impacted by extreme weather events over the past 12-24 months.
[4] The February 2026 Financial Well-Being Study has a sample size of 5429 adult households from a representative sample of the population by household income, age, province and gender. Sample sizes for the Studies are on page 39.
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Key Insights of Extreme Weather Events on Households and Small and Medium Enterprises (SMEs)

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Greater accessibility to education or help in understanding the impacts of extreme weather events can help support improved financial resilience outcomes

As of February 2026, there is a 14.6 Index point delta between the mean financial health and resilience score of households that could access help in understanding how storms, floods or fires could impact their household compared to those that could not access this help. This data signals an avenue for stakeholders to better support Canadians in this way, which in turn could help support improved financial resilience outcomes.

Many households report they feel vulnerable to potential risks from extreme weather events as of February 2026

33% of households report that they feel vulnerable to potential risks facing their household (such as damage to home or buildings), and 66% of households somewhat or completely agree that, with extreme weather events worsening, they worry that there are increased risks to their financial resilience as of February 2026. Similarly, 64% report that insurance companies can do more to help their customers to reduce their stress around the potential impacts of extreme weather events for them and their families as of February 2026. This data signals an opportunity for insurance providers and others to support households in understanding risks and how insurance protection can support them, as well as any gaps they currently may have that they could address to lower their stress around potential risks.

A majority of Canadians believe their municipal and provincial governments can do more to help communities prepare

85% of households nationally completely or somewhat agree that their municipality should do more to help their community to prepare for extreme weather events as of February 2026. Similarly, 88% of households somewhat or completely agree that their provincial government can do more to help communities in their province to prepare for extreme weather events. While many municipalities and provincial governments have begun aiding in their community's preparedness, this data supports a call to action from Canadians to take further action to support communities in this way.

Small and Medium Sized Enterprises (SMEs) need further support to protect against extreme weather events, with a significant portion of those negatively impacted not having sufficient insurance coverage

14% of SMEs in Canada report that extreme weather events have negatively impacted their business' financial situation over the past 12-24 months as of December 2025. Of the SMEs that report this, 35% completely or somewhat agree that they do not have sufficient business insurance to protect against the unexpected. This data indicates that further support is needed, including insurance coverage, to help SMEs to ensure that extreme weather events do not directly impact their financial resilience. The findings also highlight opportunities for more proactive risk assessment, business continuity planning and tailored advice to help SMEs prepare for extreme weather events. Addressing insurance gaps before an event occurs may also strengthen SMEs' ability to recover, maintain operations and protect jobs and local economies.

Source: Financial Resilience Institute, February 2026 Financial Resilience Health and Resilience Index Model, Seymour Financial Resilience Index ®.
Source: Financial Resilience Institute, Canada Small Business Financial Health and Resilience Study (December 2025).
[1] The Financial Well-Being Studies have tracked the proportion of households negatively impacted by extreme weather events, including extreme heat, fires and floods, over the past 12-24 months since 2021. The Institute has also tracked the proportion of households that report that being impacted by extreme weather events over this period has negatively impacted their financial situation; and the mean financial resilience score of households reporting they have been impacted and not impacted by extreme weather events.
[2] '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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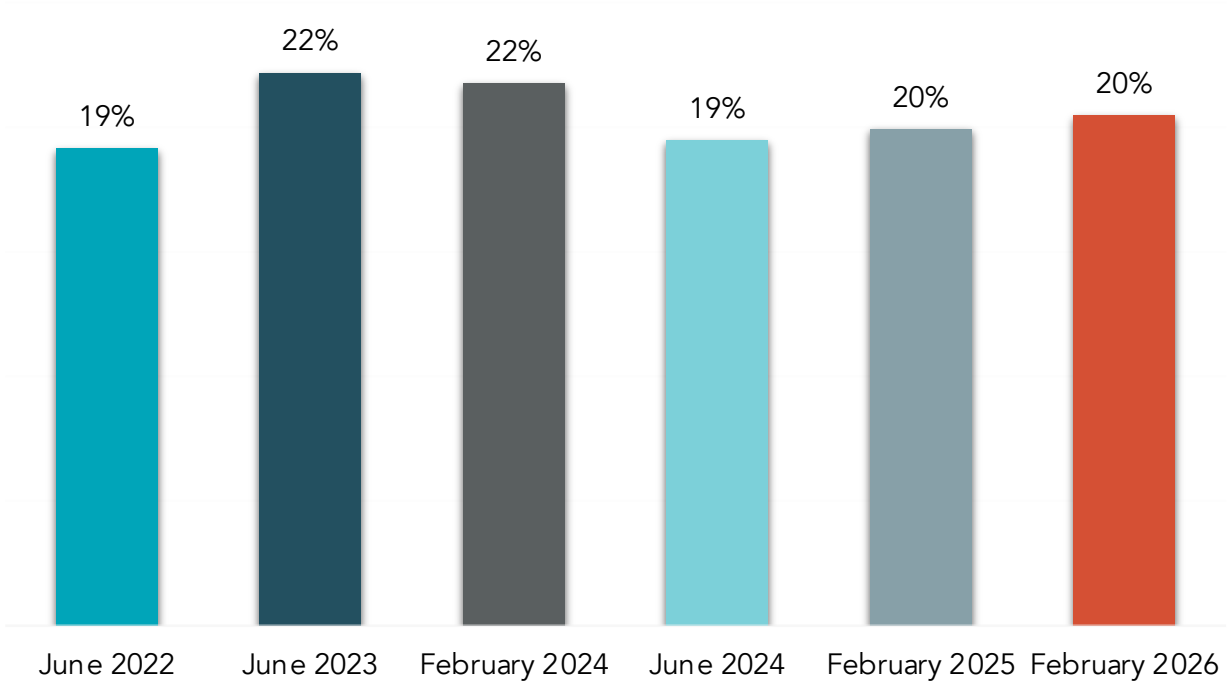
Households impacted by **extreme weather events** and their **increased financial vulnerability**



One in five Canadian households (20%) report being impacted by extreme weather events over the past 12 months, as of February 2026

With this a stable trend and the Institute tracking this and the impact on household financial vulnerability leveraging our Financial Health and Resilience Index for several years.

Proportion of Households that report they have been impacted by extreme weather events over the past 12-24 months (June 2022 to February 2026) [1]





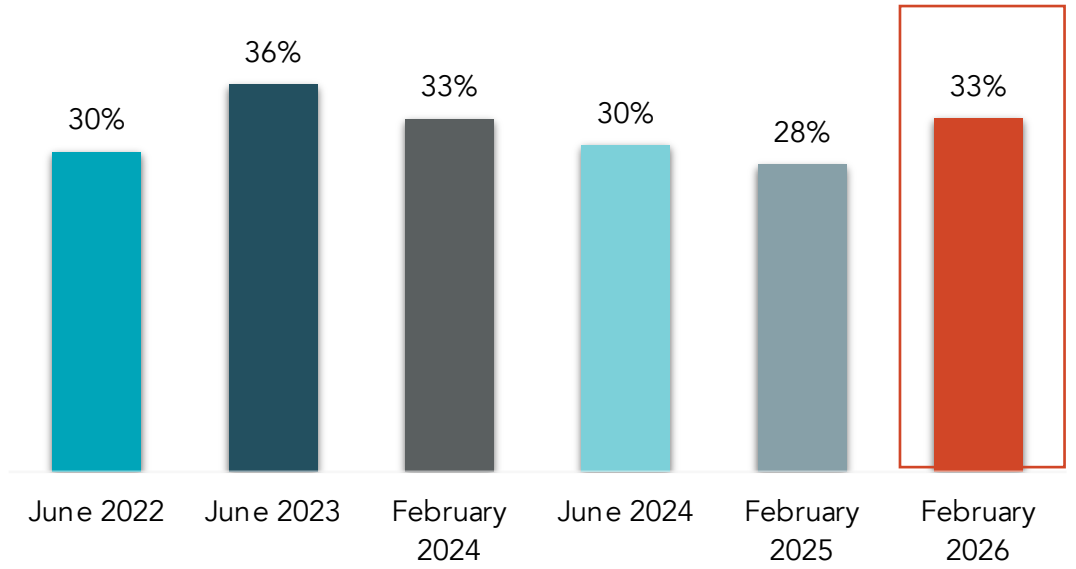
Source: Financial Resilience Institute, June 2022 to February 2026 Financial Well-Being Studies.
[1] Impacted by extreme weather events such as extreme heat, floods or fires in the past 12-24 months.
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A third of these same households affected report that being affected by extreme weather events has negatively impacted their financial situation as of February 2026

The proportion of household that have been negatively impacted by extreme weather events that completely agree that this has negatively impacted their household's financial situation as of February 2026 is 33%, 5 percentage points higher than as of February 2025.



Proportion of Households that have been negatively impacted by extreme weather events that completely agree this has negatively impacted their household's financial situation (June 2022 to February 2026)



Source: Financial Resilience Institute, June 2022 to February 2026 Financial Well-Being Studies.
[1] Impacted by extreme weather events such as extreme heat, floods or fires in the past 12-24 months.
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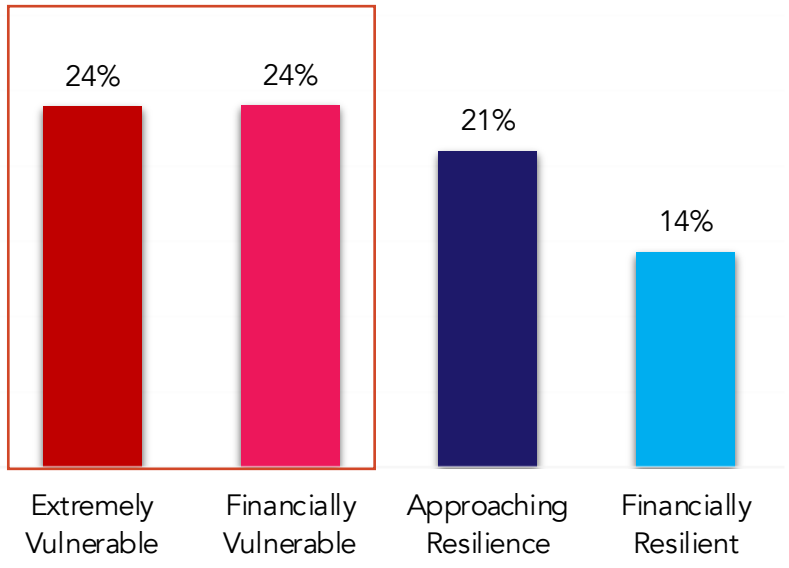
Households across all financial resilience segments have been negatively impacted by extreme weather events, but in particular more financially vulnerable households

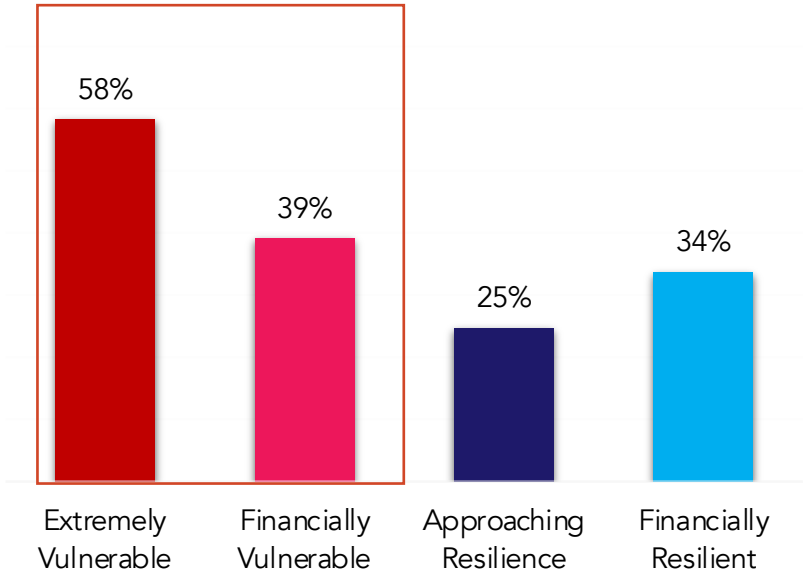
With those that were more financially vulnerable already more likely to have been impacted, with knock on impacts on their overall resilience.

Proportion of Households by financial resilience segment that report they have been negatively impacted by extreme weather events of February 2026 by financial resilience segment

Proportion of Households by financial resilience segment that report they have been negatively impacted by extreme weather events that completely agree this has negatively impacted their household's financial situation (February 2026)

Based on the Financial Health and Resilience Index Model, Seymour Financial Resilience Index ®



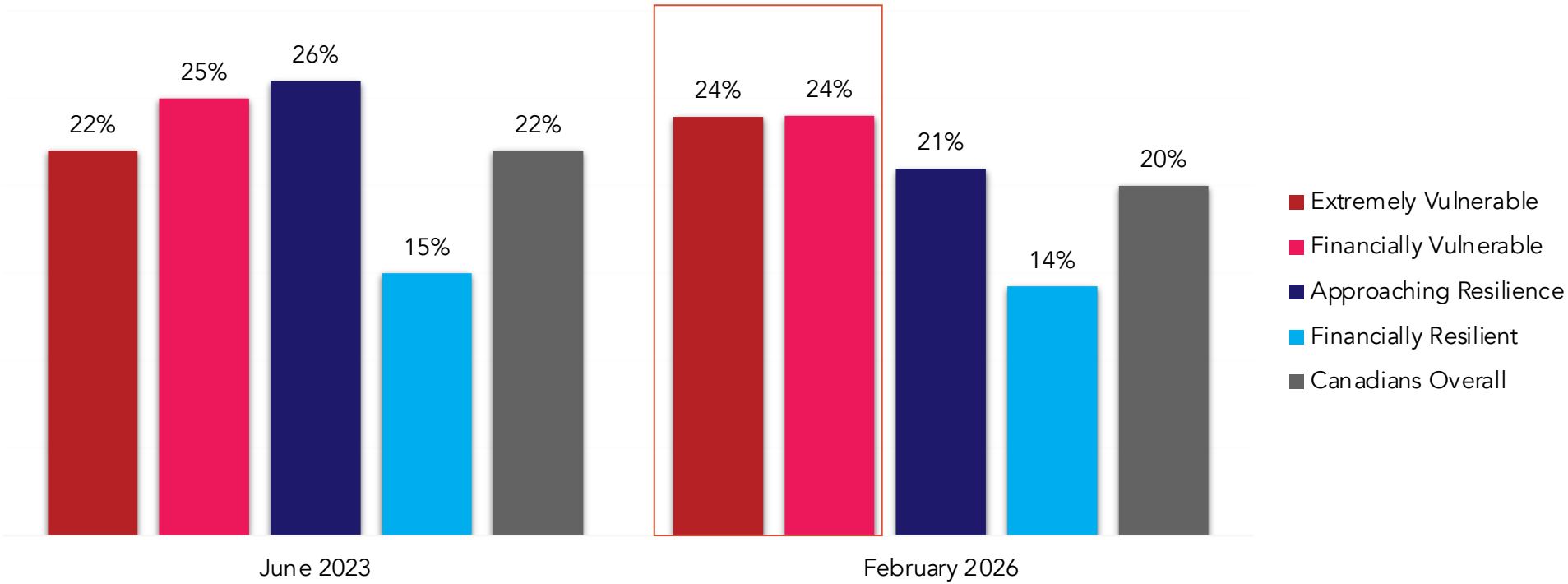


Source: February 2023 to February 2026 Financial Health and Resilience Index Model and Financial Well-Being Studies, Seymour Financial Resilience Index ®
'Extremely Vulnerable' households have a financial health and resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70; and 'Financially Resilient' a score of 70.01 to 100.
See Climate Change Intelligence Memo and video: https://www.finresilienceinstitute.org/climate-change-intelligence-memo/
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As of February 2026, 24% of ‘Extremely Vulnerable’ households and ‘Financially Vulnerable’ households respectively report that they have been impacted by extreme weather events over the past 12-24 months, with this similar to a year ago

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Proportion of households that completely or somewhat agree that they have been impacted by extreme weather events over the past 12-24 months by financial resilience segment and Canadians Overall (June 2023 and February 2026)

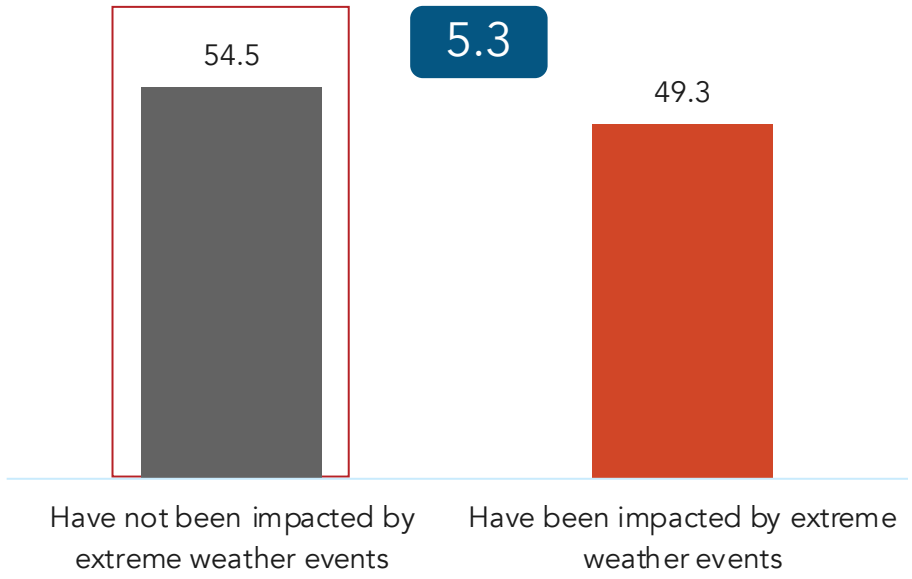


Source: Financial Resilience Institute, June 2023 and February 2026 Financial Resilience Index Model and Financial Well-Being Studies.
‘Extremely Vulnerable’ households have a financial resilience score of 0 to 30; ‘Financially Vulnerable’ a score of 30.01 to 50; ‘Approaching Resilience’ a score of 50.01 to 70, and ‘Financially Resilient’ a score of 70.01 to 100.
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Households that have been impacted by extreme weather events over the past 12-24 months have a mean financial resilience score that is 5.3 Index points lower compared to those not impacted as of February 2026

With households negatively impacted by extreme weather events more financially vulnerable overall compared to those not impacted, as in previous years. Their mean financial resilience score is also 4 Index points lower compared to Canadians overall [1].

Mean Financial Health and Resilience Scores of households that report they have been negatively impacted by extreme weather events over the past 12-24 months compared to those not impacted (February 2026)



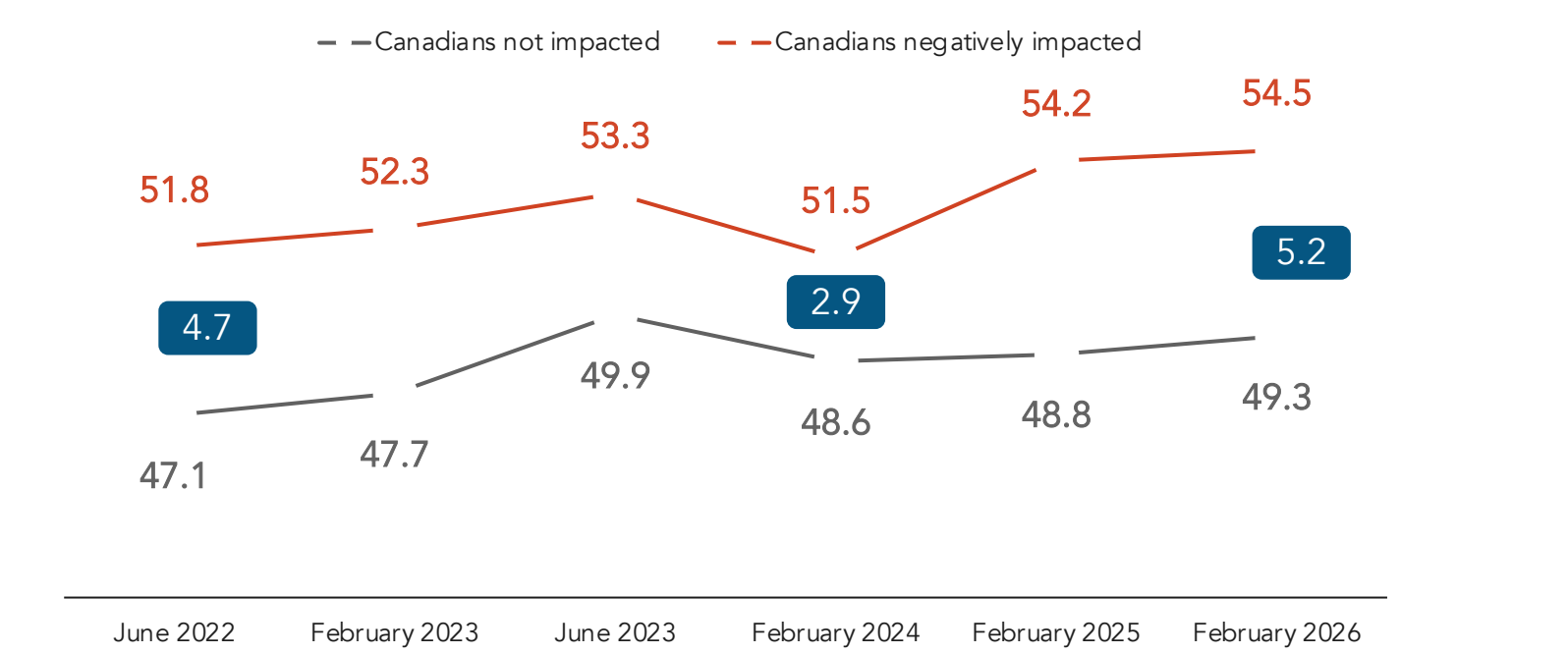


Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model and Financial Well-Being Study, Seymour Financial Resilience Index ®
See July 2023 Climate Change Intelligence Memo : https://www.finresilienceinstitute.org/climate-change-intelligence-memo/
[1] See slides 14 and 15 for additional data and analytics.
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The financial resilience gap between households impacted and not impacted by extreme weather has widened since 2024

The Mean Financial Health and Resilience Score of households negatively impacted by extreme weather events is 49.3 as of February 2026, compared to a score of 54.5 for those not impacted. The difference between the Mean Financial Health and Resilience Score of households that have been negatively impacted by extreme weather events compared to those not impacted, or the delta, has also increased from 3.9 Index points in February 2024 to 5.2 Index points in February 2026.

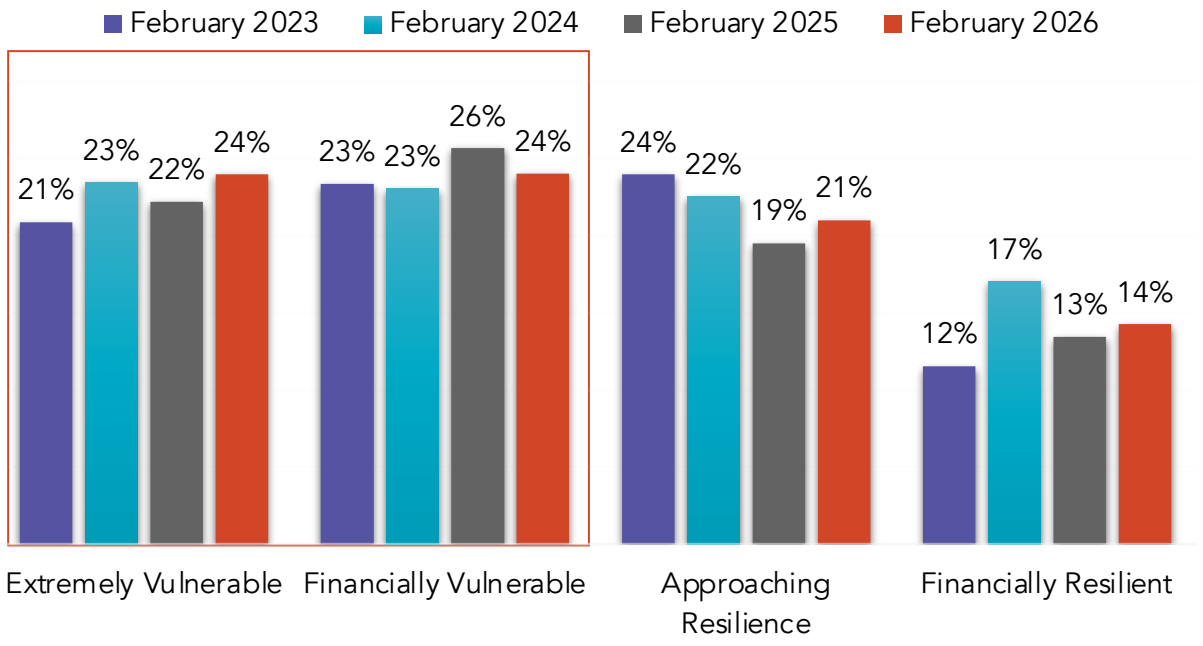
Mean Financial Resilience Health and Resilience Scores of households negatively impacted by extreme weather events compared to those not impacted (June 2022 to February 2026)



Source: Financial Resilience Institute, June 2022 to February 2026 Financial Resilience Index Model and Financial Well-Being Studies.
[1] Financial Resilience Institute's Intelligence Memo published in July 2023 and other reports: https://www.finresilienceinstitute.org/climate-change-intelligence-memo/
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More financially vulnerable households are more likely to be negatively impacted by extreme weather events over the past three years compared to more financially resilient households, concerningly

Proportion of Canadian households by financial resilience segment that have been impacted by extreme weather events over the past 12-24 months (February 2023 to February 2026)





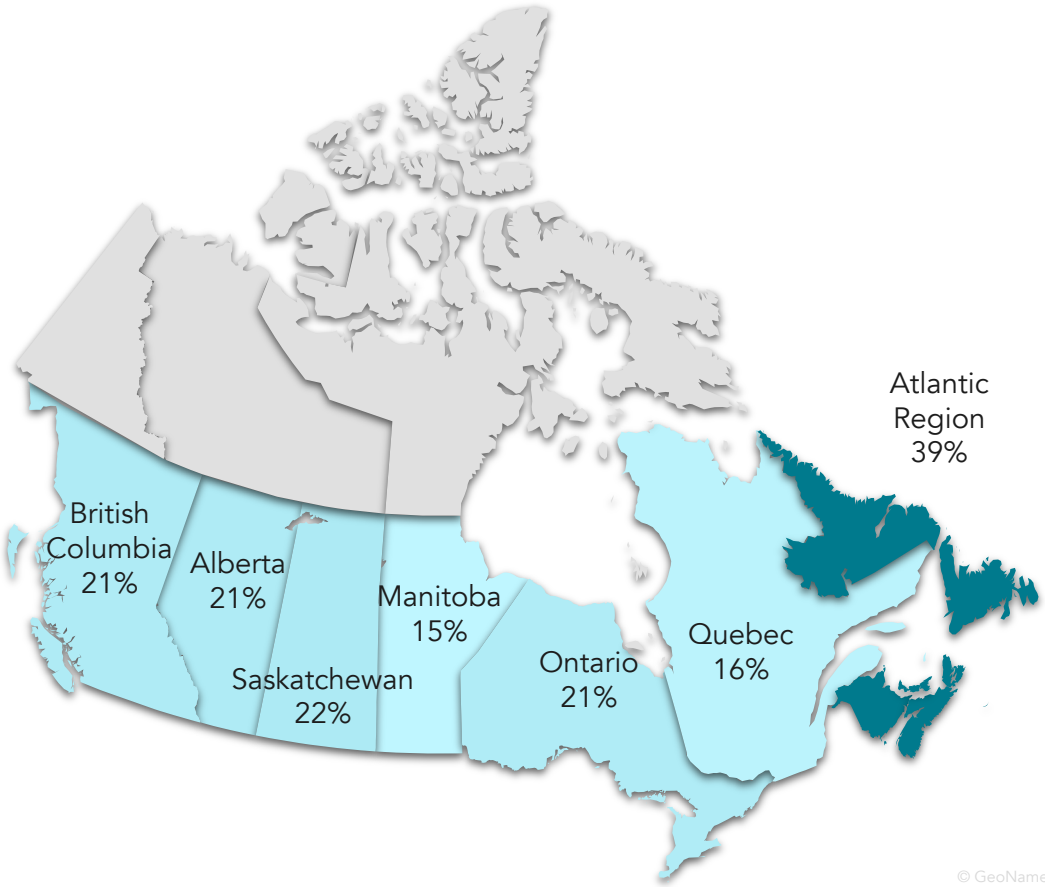
Source: Financial Resilience Institute, February 2023 to February 2026 Financial Health and Resilience Index Model and Financial Well-Being Studies, Seymour Financial Resilience Index ®
'Extremely Vulnerable' households have a financial health and resilience score of 0 to 30; 'Financially Vulnerable' 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.
See Climate Change Intelligence Memo and video: https://www.finresilienceinstitute.org/climate-change-intelligence-memo/

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Some provinces are more affected by extreme weather events than others

39% of Households in the Atlantic region report that they have been impacted by extreme heat, floods or fires over the past 12-24 months as of February 2026.

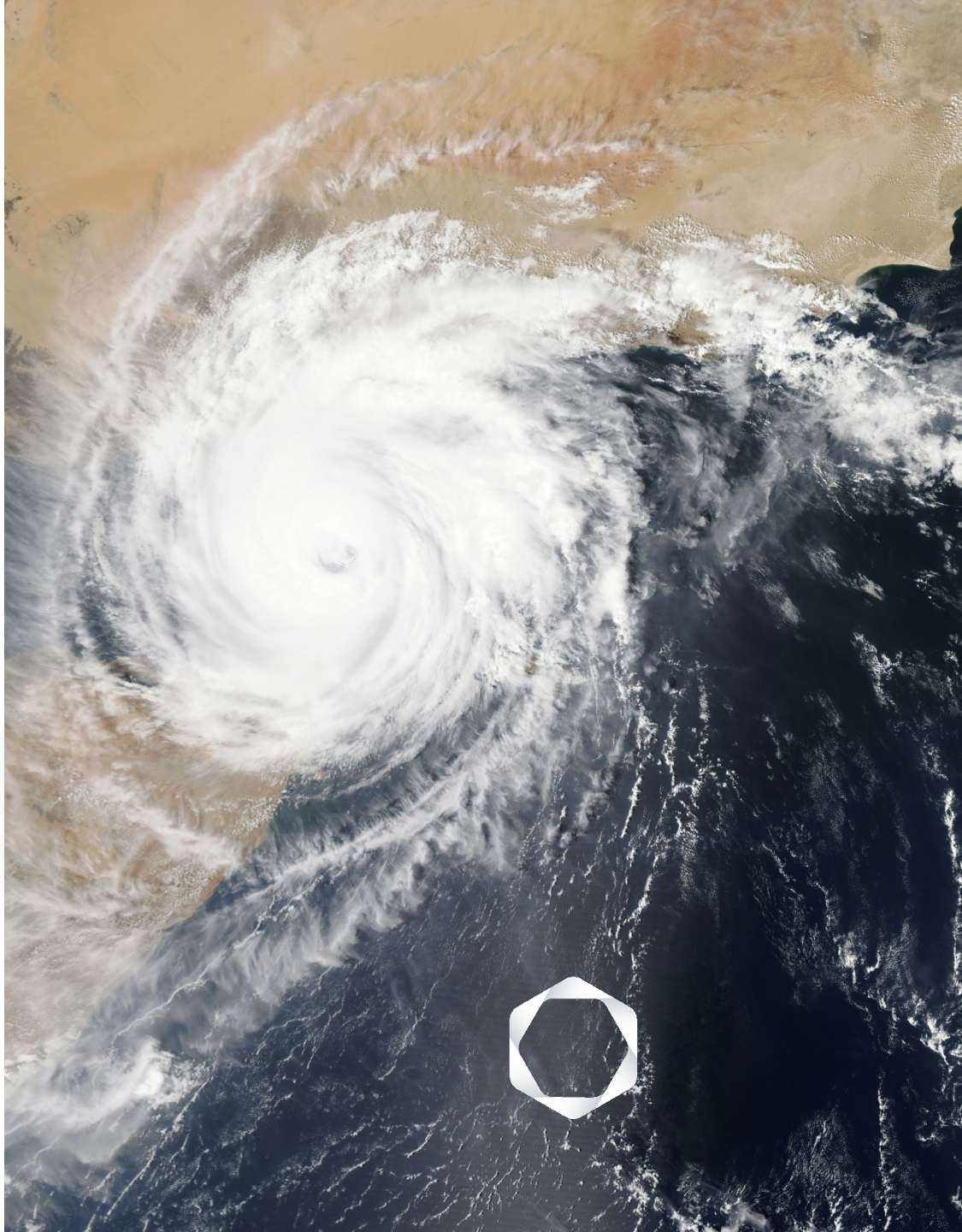
Proportion of Households by Province that report they have been impacted by extreme weather events over the past 12-24 months (February 2026)





Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model and Financial Well-Being Study
Atlantic region includes New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island.
Samples sizes: Alberta 743, British Columbia 827, Manitoba 212, Ontario 1913, Quebec 1005, Saskatchewan 203 and Atlantic Region 362.
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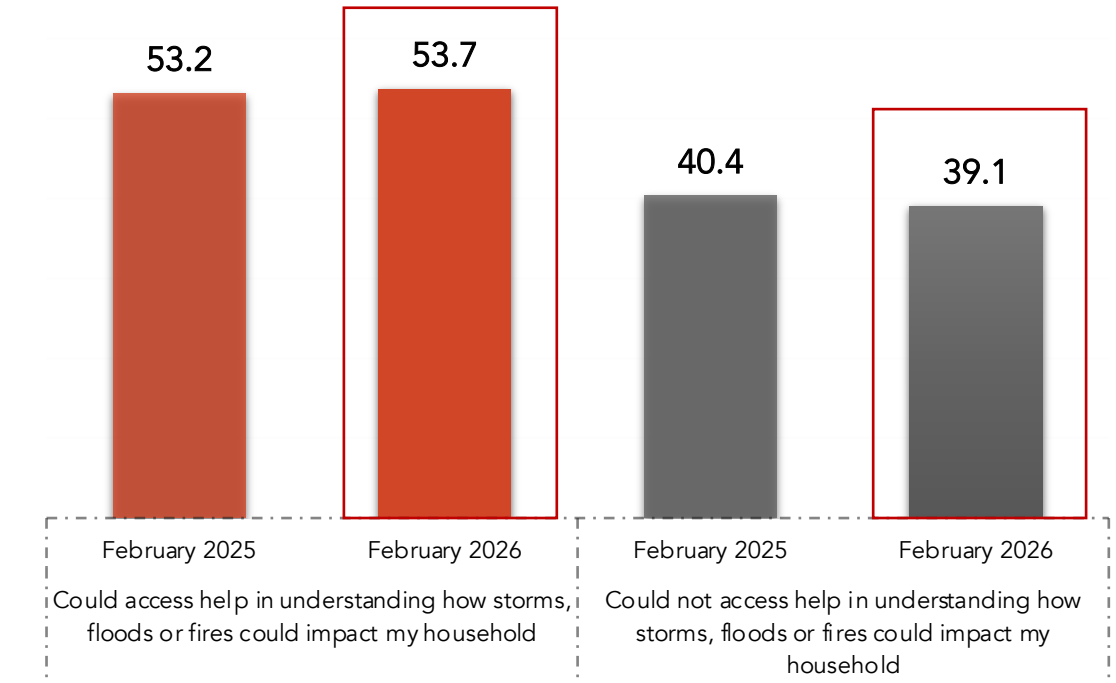
3 Sentiments around Extreme Weather, Financial Resilience, Protection and Preparedness



Households that report they were able to access help in understanding how extreme weather events could impact their household have improved financial resilience outcomes compared to those not able to get this help

As of February 2026, there is a 14.6 Index point gap (or delta) between the Mean Financial Health and Resilience Score of households that could access help in understanding how storms, floods or fires could impact their household compared to those that could not access this help. This signals that greater accessibility to education or help in understanding the impacts of extreme weather events can help support improved financial resilience outcomes.

Mean Financial Health and Resilience Scores of households that could and could not access help in understanding how storms, floods, or fires could impact their household (February 2026 and February 2025)





Source: Financial Resilience Institute, February 2023 to February 2026 Financial Health and Resilience Index Model and Financial Well-Being Studies, Seymour Financial Resilience Index ®
'Extremely Vulnerable' households have a financial health and 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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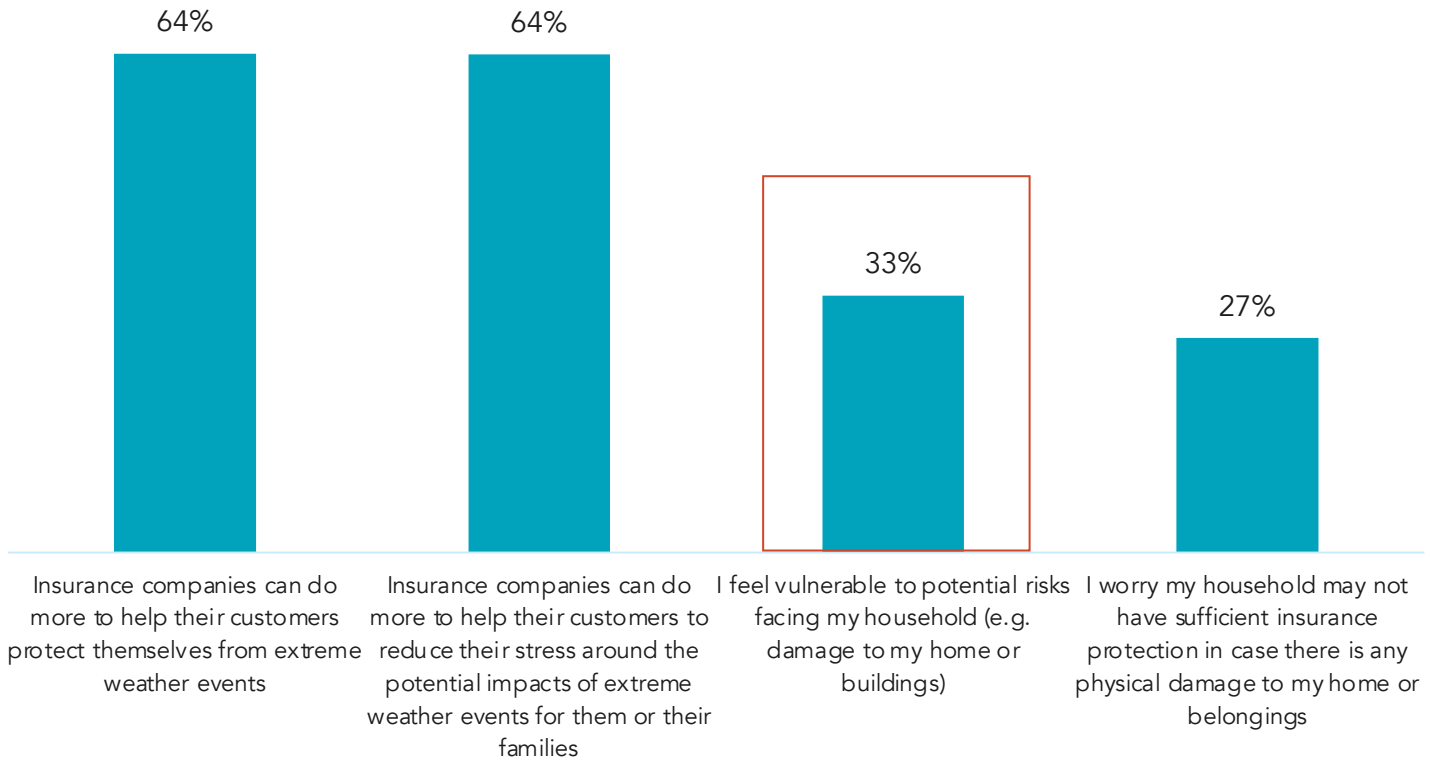
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Extreme weather is exposing a household financial resilience and protection gap

As of February 2026, one in three Canadian households felt vulnerable to extreme weather risks, while 27% worried they might not have sufficient insurance, highlighting an opportunity for the insurance sector and others to strengthen and overall financial resilience.



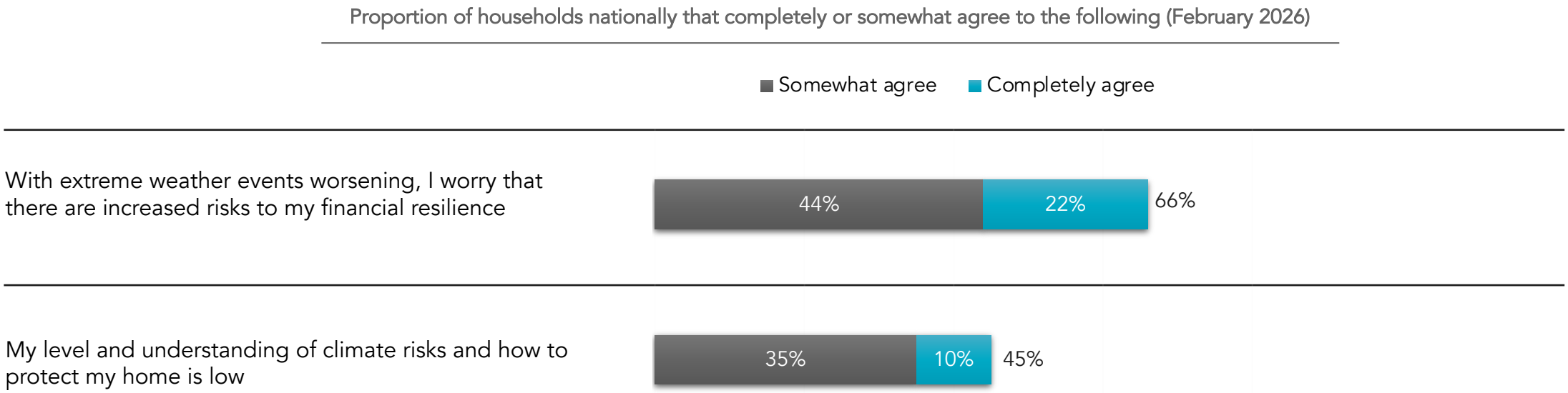
Proportion of Households that report the following regarding extreme weather events, insurance companies and concerns over having sufficient protection (February 2026)



Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model and Financial Well-Being Study, Seymour Financial Resilience Index ®
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About 7 in 10 Canadians households report that, with extreme weather events worsening, they worry there are increased risks to their financial resilience

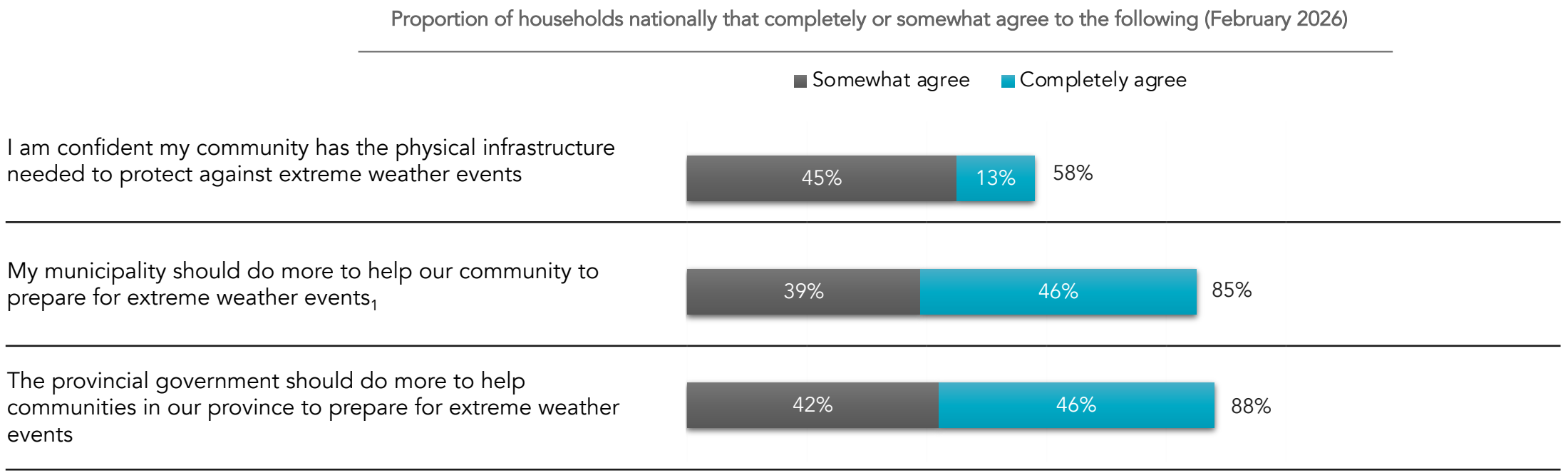
The Institute's data highlights that the concept of one's financial resilience is highly relevant for the majority of households. This data indicates that, with extreme weather events worsening, the concept of financial resilience is top of mind, with potentially increased risks. Half of households nationally are more challenged in understanding how to protect their home, with opportunities for support in this regard.



Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model and Financial Well-Being Study, Seymour Financial Resilience Index ®
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The majority of Canadian households' report believe their municipality and/or provincial government should do more to help their community to prepare for extreme weather events

The Institute recognizes the realities and challenges of municipalities in investing in preparation or other investments for their communities in the face of extreme weather events.



Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model and Financial Well-Being Study, Seymour Financial Resilience Index ®
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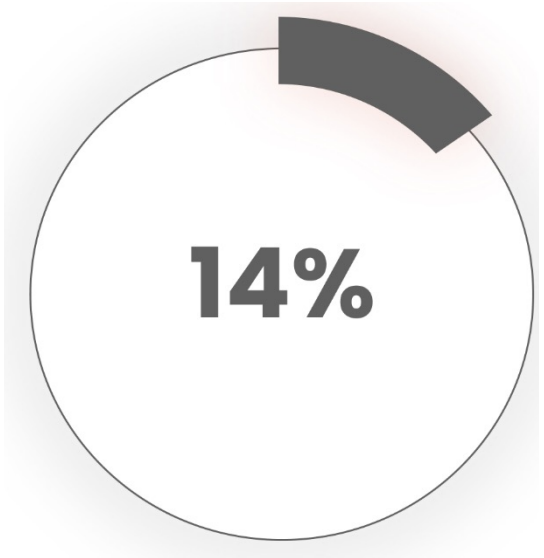
4 The Impact of Extreme Weather Events on Small and Medium Enterprises (SMEs)



14% of SMEs in Canada report that extreme weather events have negatively impacted their business' financial situation over the past 12-24 months as of December 2025

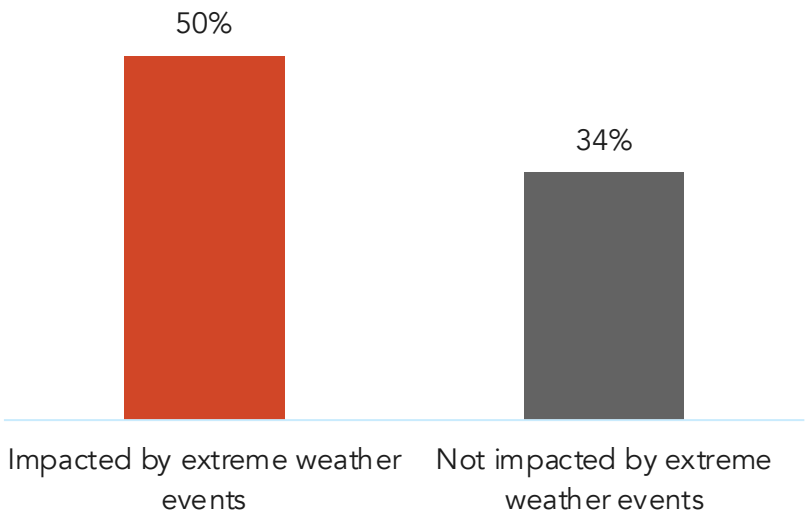
50% of those same businesses impacted report that they have high levels of financial stress over their ongoing and future business financial obligations, compared to 34% for SMEs not impacted. Financial Institutions, insurance companies and others have a role to play in helping SMEs' clients to mitigate and manage business risks and challenges as a result of extreme weather and other disruptions, while helping them to maintain or improve their business' financial and overall resilience.

Proportion of SMEs that report that extreme weather events have negatively impacted their businesses' financial situation over the past 12-24 months (December 2025)





Proportion of SMES negatively impacted by extreme weather events that have high levels of stress over their ongoing and future business financial obligations compared to those not impacted (December 2025)



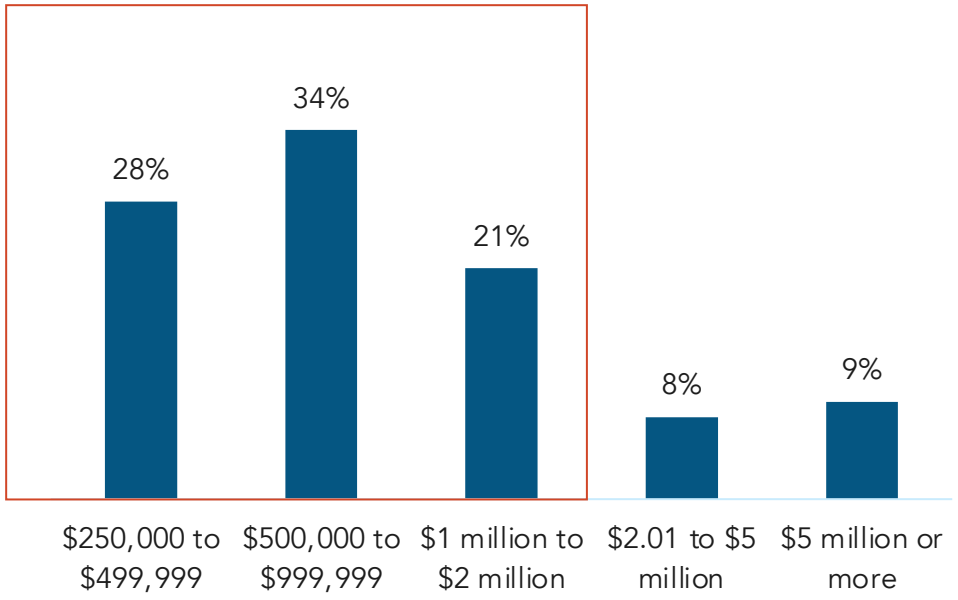
Source: Financial Resilience Institute, Canada SME Business Financial Health and Resilience Study with sample size of 600 SMEs (December 2025). The Canada SME Business Financial Health and Resilience Report is available at: https://www.finresilienceinstitute.org/canada-business-financial-health-and-resilience-report/

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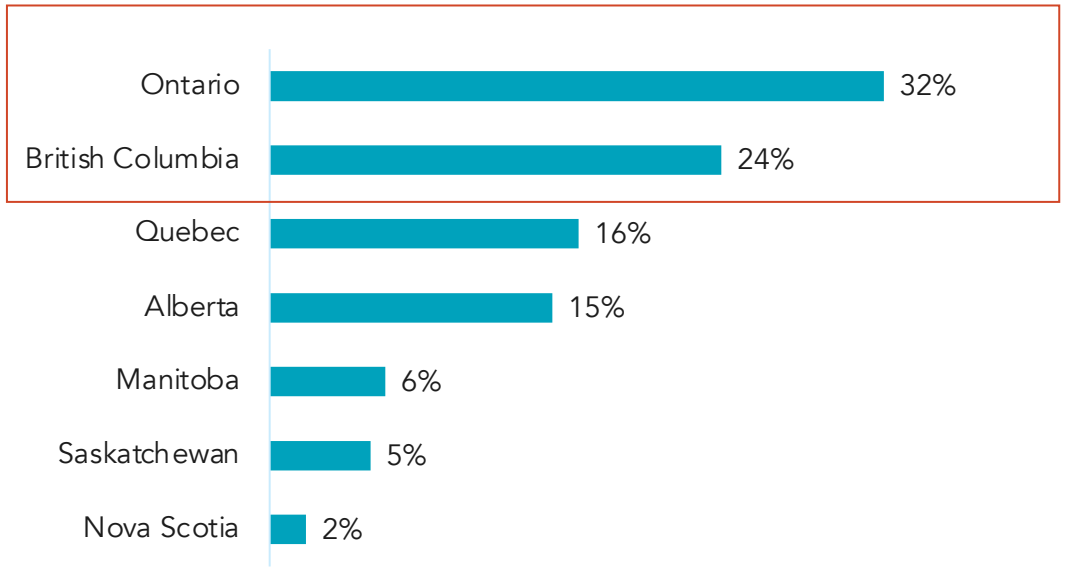
Which Small and Medium Enterprises are Bearing the Impact of Extreme Weather Events on their Businesses' Financial Situation?

December 2025 data shows that 62% of affected SMEs reported annual revenues between $250,000 and $999,999. Nearly a third were based in Ontario (32%), followed by British Columbia (24%) and Quebec (16%). These data can help target climate resilience support, financing and insurance solutions to help better target climate-resilience support for SMEs and their communities.

Distribution of Small and Medium Enterprises (SMES) financially impacted by extreme weather events over the past 12-24 months by annual revenues (December 2025)



Small and Medium Enterprises (SMES) financially impacted by extreme weather events over the past 12-24 months by province (December 2025)



Source: Financial Resilience Institute, Canada SME Business Financial Health and Resilience Study (December 2025).
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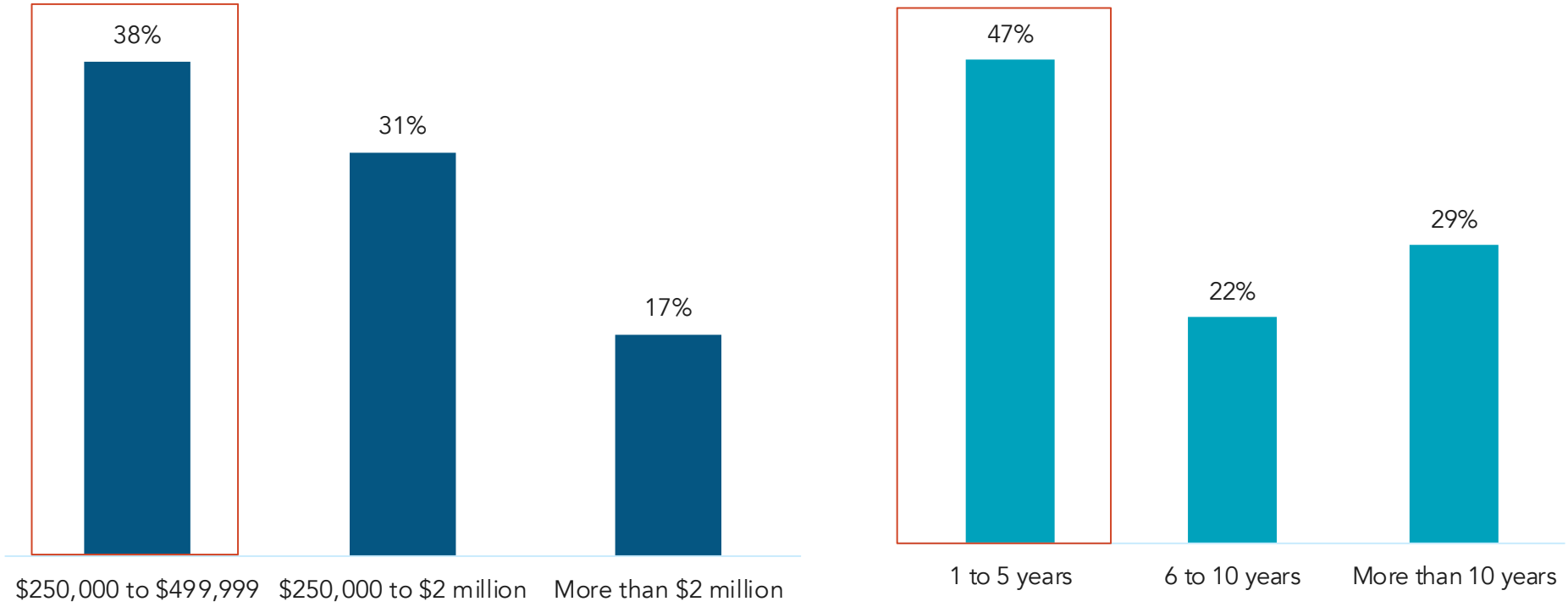
The SME Protection Gap presents a Business Financial Resilience Opportunity

Nearly one in three SMEs overall (31%) are not confident they have sufficient business insurance to protect against the unexpected. Confidence is lower among smaller and less established businesses, with implications for the potential for more targeted education and support for these businesses as appropriate by policymakers, financial institutions and others [1,2].

Proportion of SMEs overall. by revenue size and tenur that are not confident the business has sufficient insurance coverage to protect against the unexpected overall (December 2025)

31%

Of SMEs overall are not confident they have sufficient business insurance

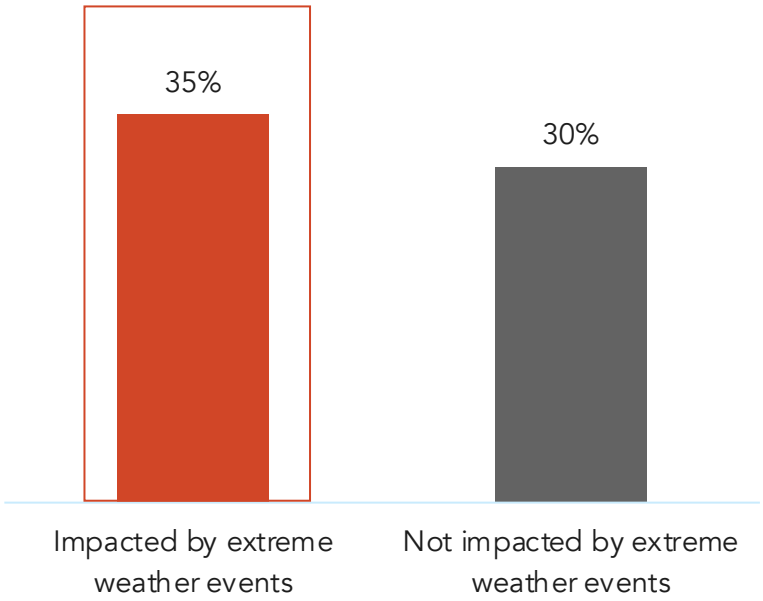


Source: Financial Resilience Institute, Canada SME Business Financial Health and Resilience Study (December 2025).
[1] Business survey respondents are asked the extent to which they agree or disagree to the statement: 'I am confident my business has sufficient insurance coverage to protect against the unexpected' [on a scale of 1 to 10, where 1 is totally disagree to 10 is totally agree] Those that 'completely or somewhat agree' provide a rating of 7 or more out of 10 for this question.
[2] The actual proportion of SMEs that may not have sufficient insurance protection and/or understand potential risks impacting their business in the face of climate change is expected to be higher than reported, given that many SMEs may be unaware of risks related to climate change for their business.
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Extreme weather exposes uncertainties regarding commercial insurance coverage and potential protection gaps, with opportunities to help SMEs foster their resilience

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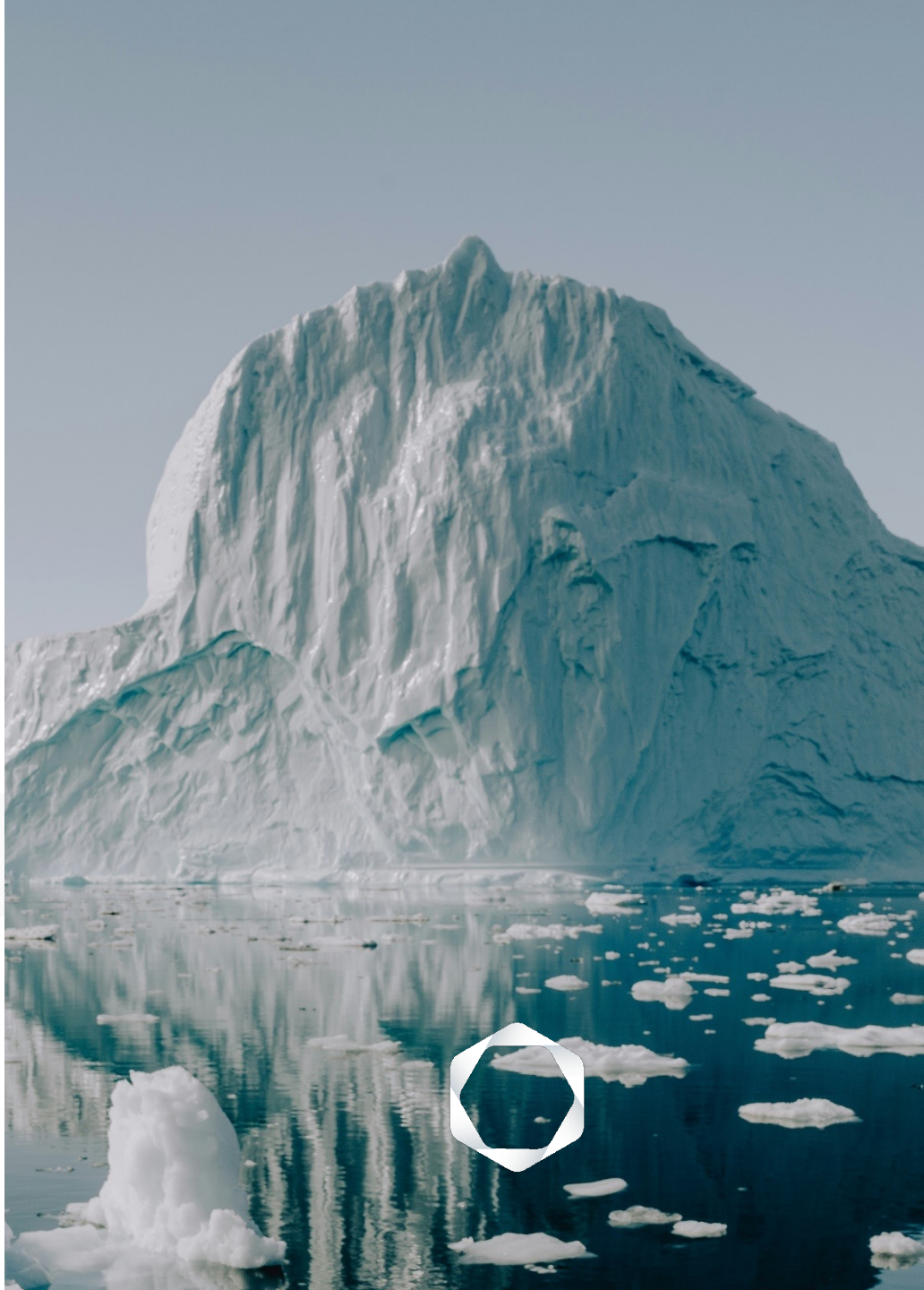
Proportion of SMEs financially impacted by extreme weather events over the past 12-24 months that are not confident their business has sufficient insurance coverage compared to SMEs not impacted (December 2025)



- A slightly greater proportion of SMEs (35%) that report having been financially impacted by extreme weather events over the past 12-24 months are not confident their business has sufficient insurance coverage to protect against the unexpected. This compares to 30% for SMEs that were not impacted by extreme weather events [1,2].
- Helping SMEs to protect against the unexpected and harness relevant insurance, risk management and resilience advice and solutions to build their financial and overall resilience, also in the face of the growing climate change challenges, is a significant and important opportunity.
- There is an opportunity for financial institutions and insurers to provide more coordinated, needs-based advice that considers the interconnected financial resilience of an SME and the financial resilience of the business owner from a business and personal perspective.
- While some Canadian providers offer both personal and commercial solutions, and a smaller number explicitly promote integrated business-owner planning, these needs are often supported through separate products, advisors or business lines.
- With appropriate client consent, professional expertise and safeguards, a more holistic approach could help identify protection gaps, manage interdependent risks and strengthen business continuity, household financial security and succession preparedness throughout the business lifecycle.

Source: Financial Resilience Institute, Canada SME Business Financial Health and Resilience Study (December 2025).
[1] Extreme weather events are defined as extreme heat, fires and floods, with Financial Resilience Institute tracking the impact of extreme weather events on household financial resilience on households from a personal perspective for several years, as well as for SMEs in India, Canada and other countries starting in 2025.
[1] Business survey respondents are asked the extent to which they agree or disagree to the statement: 'I am confident my business has sufficient insurance coverage to protect against the unexpected' [on a scale of 1 to 10, where 1 is totally disagree to 10 is totally agree] Those that 'completely or somewhat agree' provide a rating of 7 or more out of 10 for this question.
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5 Emerging High-Level Implications for Policymakers and Others



Key Implications and Opportunities for Policymakers and Others

1 Canada's National Adaptation Strategy is holistic in nature, but can go further in addressing the financial resilience impacts of climate change, particularly for more vulnerable households

As of February 2026, 1 in 5 Canadians have been impacted by extreme weather events over the past 12-24 months, with 33% of those impacted reporting this has negatively impacted their household's financial situation. This is 5 percentage points higher than in February 2025. As extreme weather events continue to increase in likelihood and severity, Canada's National Adaptation Strategy needs to more explicitly recognize the connection between extreme weather events and household financial vulnerability and strengthen targeted support for households most at risk or most financially vulnerable.

The strategy recognizes that climate change can affect a household in a multitude of ways and be a 'financial vulnerability multiplier', including incomes, employment, ability to save, insurance costs and housing and that marginalized and underserved populations often have fewer resources to prepare for and recover from climate-related events [1]. It also takes a holistic approach to adaptation, connecting disaster resilience with health and well-being, infrastructure, housing, livelihoods and the economy. However, household financial health resilience is not explicitly identified or measured as an outcome in Canada's current National Adaptation Strategy. Other countries may also want to consider the opportunity to infuse a household or SME financial health and resilience lens, measurement and understanding into their own adaptation or related strategies.

The Institute's Financial Health and Resilience Index data highlights that financially vulnerable households have a higher likelihood of having their financial situation negatively impacted by extreme weather events. These households may also face barriers to protection and preparing to mitigate risks due to a variety of factors, including rising home insurance premiums which have risen faster than inflation in recent years, driven by the increasing cost of rebuilding and the growing frequency and severity of such weather events [2]. For households already challenged in this regard, rising insurance premiums can make it more difficult for some households to afford or access adequate insurance protection, potentially increasing some households' exposure to uninsured losses and increased financial vulnerability.

Source: Financial Resilience Institute, February 2026 Financial Resilience Health and Resilience Index Model, Seymour Financial Resilience Index ®
[1] Additional examples of how climate change can be a 'financial vulnerability multiplier' include: Income and employment disruption; asset loss and increased essential costs; savings depletion and increased debt; insurance and housing vulnerability; health and human-capital impacts; revenue loss for businesses combined with higher costs; working-capital and credit pressures; supply-chain and infrastructure disruption; erosion of community capital.
[2] Source: Insurance Bureau of Canada, New Statistics Canada report confirms extreme weather reshaping Canada's home insurance market, June 17, 2026. https://www.ibc.ca/news-insights/news/new-statistics-canada-report-confirms-extreme-weather-reshaping-canada-s-home-insurance-market
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Key Implications and Opportunities for Policymakers and Others

Through evidence-informed policies, information, financial supports and other enabling measures, governments, municipalities, insurers and other stakeholders can help households, SMEs and communities manage climate-related risks and protect their financial health and resilience following extreme weather events. The Government of Canada has introduced numerous plans, policies and programs to strengthen climate adaptation and disaster resilience. Explicitly recognizing household and SME financial resilience as an essential outcome of these efforts would further strengthen the resilience of households, businesses and communities.

Policymakers and other stakeholders can also measure both household and business financial health and resilience and the extent to which specific policies, programs and investments help maintain or improve these outcomes over time.

Canada, like other countries, has an opportunity to better align its national strategies and policies, recognizing the interconnected impacts of extreme weather events. These include the National Adaptation Strategy (launched in 2023, with 2030 objectives and 2050 goals); National Financial Literacy Strategy (2021–2026); Emergency Management Strategy for Canada (2019–2030); Poverty Reduction Strategy (launched in 2018, with a legislated 2030 target); and the national flood insurance program under development since 2022.

An integrated approach would consider whether households have the knowledge, financial capacity, protection and support to prepare for and recover from climate-related shocks without prolonged financial hardship, while helping households to maintain their financial resilience, or improve it over time. Combining quantitative analysis with qualitative research, with a particular focus on more financially vulnerable households and communities affected by events such as recent wildfires and floods in Canada, can help identify where targeted support may be needed by policymakers and others to strengthen household and broader community resilience.

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Key Implications and Opportunities for Policymakers and Others

2 Build awareness of how extreme weather events can affect a household's financial vulnerability, and how to access help when needed

Beyond property damage, households may face a variety of financial costs associated with enduring such an event. This could include evacuation and temporary accommodation costs, lost income, insurance deductibles, uninsured losses and unexpected health-related expenses. Households need to not only understand the hazards they face, but also the potential financial consequences and where to turn for help [1]. However, awareness must be paired with affordable and accessible supports so all households, even the most vulnerable, have the capacity to act.

As of February 2026, the Institute's Financial Health and Resilience Index data show that households able to access help in understanding how storms, floods or fires could affect them had a Mean Financial Health And Resilience Score of 53.7, compared with 39.1 among households unable to access this help. This 14.6-point Index difference indicates an association between access to help and financial resilience, without establishing causation. All levels of government, insurers and community partners have an important role in helping households understand how climate change may affect their homes and finances and what they can do to prepare. For example, the Intact Centre on Climate Adaptation offers a free Home Flood Protection Check-Up that helps households assess their risk and identify practical, cost-effective improvements, while FireSmart Canada provides home assessments and guidance to reduce wildfire risk. Insurers can complement these resources with clear information about coverage gaps, deductibles, emergency living expenses and available incentives for risk-reduction measures. Accessible, relevant and timely information, tailored to people's location, financial capacity and level of risk, can help households translate awareness into action, make informed insurance and financial decisions, and recover with less risk of prolonged financial hardship.

Federal and provincial governments, municipalities and other organizations can strengthen public awareness of the physical and financial risks associated with extreme weather events. Information could relate to, for example, local risks; potential direct and indirect costs; insurance coverage and protection gaps; steps to prepare; or government, insurance, financial, legal, housing, community and other supports available before and after an event. Households and businesses may also need awareness and support to understand what responsibilities they need to tend to themselves versus what is covered or supported by governments and others. To provide more equitable access to this information where feasible, organizations could consider differing needs, literacy levels and barriers that may affect the ability of households, businesses or communities to prepare, recover and mitigate future risks. Awareness and engagement campaigns and initiatives could also include impact measurement to assess whether the information is reaching intended audiences, meeting their needs and contributing to meaningful outcomes.

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Key Implications and Opportunities for Policymakers and Others

3 Citizens believe Municipalities and Provinces can do more to help communities prepare for extreme weather events

A strong majority of Canadian citizens report they somewhat or completely agree that municipalities and provincial governments should do more to help their communities to prepare for extreme weather events (85% versus 88%). This broad consensus points to significant public expectations and support for greater leadership and preparedness in this area.

Many municipalities and provincial governments are already supporting their communities in this way, with different strategies and initiatives of varying levels across the nation. These include public education and emergency alerts, cooling centers, flood mapping, wildfire preparedness programs, infrastructure improvements, financial incentives for household-level mitigation measures and more. However, the availability and scope of these supports can vary considerably across jurisdictions and with varying risk levels, creating opportunities for more consistent, coordinated and strategic action.

Municipal and provincial governments should assess whether existing initiatives are reaching and benefiting all populations in their communities, including those who are more vulnerable and those facing increased barriers. This could identify gaps in awareness, access to assistance and a household's ability to afford or implement recommended preparedness measures.

Similarly, they should evaluate whether these initiatives are improving household outcomes. This could include measuring the understanding of the risks they face, whether they know where to access the help being offered, if they have taken appropriate preparedness actions and whether they are better positioned to withstand and recover from an extreme weather event. By doing so, gaps may also be identified, such as barriers households are experiencing when it comes to preparedness.

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Key Implications and Opportunities for Policymakers and Others

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4 SMEs need greater support to prepare for, withstand and recover from the financial impacts of extreme weather events, with this impacting their business financial health and resilience

14% of SMEs in Canada report that extreme weather events have negatively impacted their business' financial situation over the past 12-24 months as of December 2025; these events represent a significant and growing business risk.

As these businesses, especially those with the most potential to be negatively impacted due to geographic location, business size or other factors, look to prepare and balance risks, they need further support in understanding the risks and how to prepare in cost-effective ways that will not negatively impact their business further. Governments, financial institutions, insurers and other organizations have opportunities to help SMEs better understand, prepare for and manage these risks. For these businesses, this is not just about the impacts on their business financial health and resilience but overall business continuity. Many SMEs are already facing compounding financial and organizational challenges, including current economic shocks due to tariffs and knock-on effects from extreme weather events such as global supply chain disruptions. As these events continue to become more likely and disruptive, businesses must adapt to ensure longevity while balancing risk mitigation in all areas of business.

Support could include tailored risk assessments and preparedness resources, business continuity planning, information about available government programs, access to financing or emergency funds that can help businesses withstand disruptions and recover more quickly and how to leverage social capital to aid in recovery. Insurance represents a particularly important area for action, with 35% of SMEs that have been negatively impacted by extreme weather events reporting that they do not have sufficient insurance protection for their business.

Insurers, financial institutions and other organizations can help SMEs to better understand the risks they may face, assess whether their existing coverage is appropriate and/or identify potential protection gaps before an extreme weather event occurs. It will also be important to explore barriers that may prevent SMEs from securing sufficient business insurance and related resilience solutions, potentially as a result of affordability, awareness, accessibility, working capital or financing pressures, supply chain and infrastructure disruption or other challenges.

Source: Financial Resilience Institute, Canada SME Business Financial Health and Resilience Study (December 2025).
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Key Implications and Opportunities for Policymakers and Others

Organizations providing these supports should assess whether they are reaching and benefiting SMEs with different needs, levels of financial resilience and exposure to extreme weather risks. They should also track whether their initiatives are improving business financial resilience outcomes and generating broader business or social impact benefits. This can help identify gaps in support and inform more targeted approaches, particularly for SMEs that may be more vulnerable to extreme weather events and other financial stressors and shocks.

Turning Evidence into Action

By using evidence to guide targeted interventions and innovation, organizations can help people and businesses maintain and strengthen their financial and overall resilience. This matters as extreme weather events increase, and households and businesses face continued uncertainty and risk. Cross-sector collaboration, continuous learning and impact measurement are key to developing resilience-building policies and solutions that make a meaningful difference. When people and businesses are better able to prepare for, withstand and recover from shocks, communities become more resilient too. Strengthening these connections offers a significant opportunity to build broader economic and community resilience while delivering positive business, customer and social impact outcomes.



Source: Financial Resilience Institute, Canada Small Business Financial Health and Resilience Study (December 2025).
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Appendices

Supporting Information, including on the Financial Health and Resilience Index & SME Business Financial Health and Resilience Framework and Study

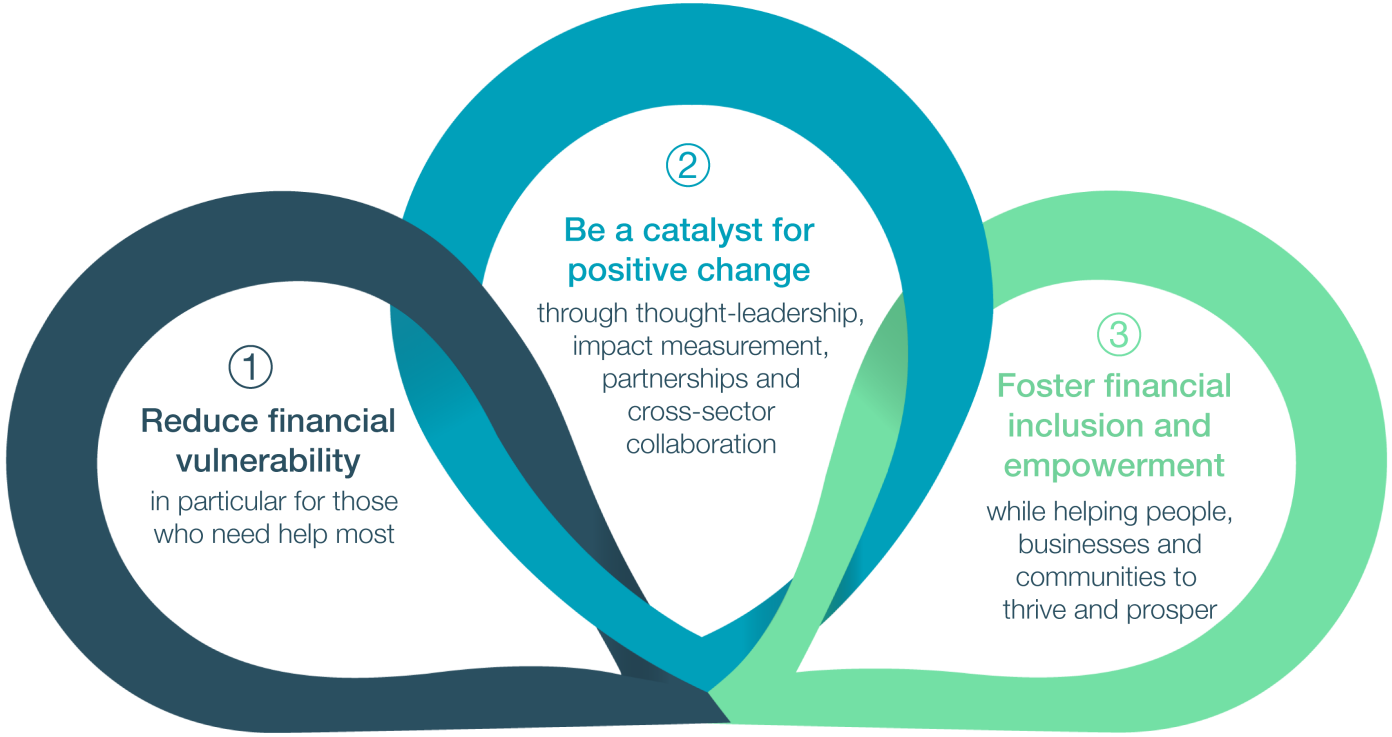


The Institute is a non-profit organization and a leading independent authority on financial well-being in Canada and globally

Financial Resilience Institute

Improving Financial Resilience and Well-Being For All

We partner with financial services leaders, policymakers, innovators and employers to design and implement solutions that improve financial resilience, health and well-being for all – especially the most vulnerable among us.



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 and impact measurement, and cross-sector collaboration spark solutions in programs and practice. We're working to help people, businesses and communities to thrive and prosper.

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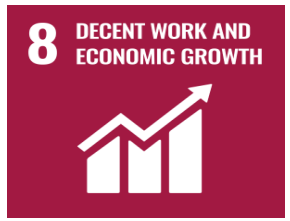
Financial resilience in the face of climate change is one of our impact focus priorities with alignment to Sustainable Development Goals and climate change affecting the resilience, food insecurity and challenges for many countries

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Financial Health and Resilience for All



Employee Financial Wellness and Financial Well-Being



Non-Profit Financial Health and Resilience



Business Financial Health and Resilience for SMEs and Women-Led SMEs



Financial Resilience in the Face of Climate Change











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A Growing Area of International Research and Discussion

Financial Resilience Institute acknowledges the growing discussions and research around financial health and resilience and their relation to climate change internationally. While the data used to create this Report has focused on the Canadian experience for households and SMEs, many of the implications, insights and takeaways may be applicable to other countries' populations. Our 2025 India SME Business Financial Health and Resilience Study showcased similar findings around the impact of extreme weather events for SMEs in India.

For organizations that want to learn more and expand their knowledge in this area, we have compiled additional research and resources below to support further understanding. Financial Resilience Institute is committed to bringing these findings to the forefront of discussions and utilizing our instruments with clients, including the Individual Financial Health and Resilience Index and the Business Financial Health and Resilience Index, to further understand the impacts, innovate and create solutions to enable financial health and resilience among populations globally to protect against the financial impacts of climate change.

Built to Adapt: Inclusive Financial Institutions in a Changing Climate
Authored by Peter Zetterli, Peter Gross, Michel Hanouch and Sabaa Notta, CGAP, April 2026.

Thirsty Business, A Global Analysis of Extreme Weather Shocks on Firms
Authored by Roberta Gatti, Asif M. Islam, Casey Maue and Esha Zaveri, World Bank Group, September 2024.

After the Storm: How Emergency Liquidity Helps Small Businesses Following Natural Disasters
Authored by Benjamin Collier, Sabrina Howell and Lea Rendell, National Bureau of Economic Research, April 2024.

Resilient MSMEs, Resilient Economies: Climate-Smart Financial Services for Micro, Small and Medium Enterprises in V20 Economies
UNEP FI, July 2026.

Desjardins Insurance survey: Awareness of climate risks climbs, but many Canadians have yet to adapt
Desjardins, May 2026.

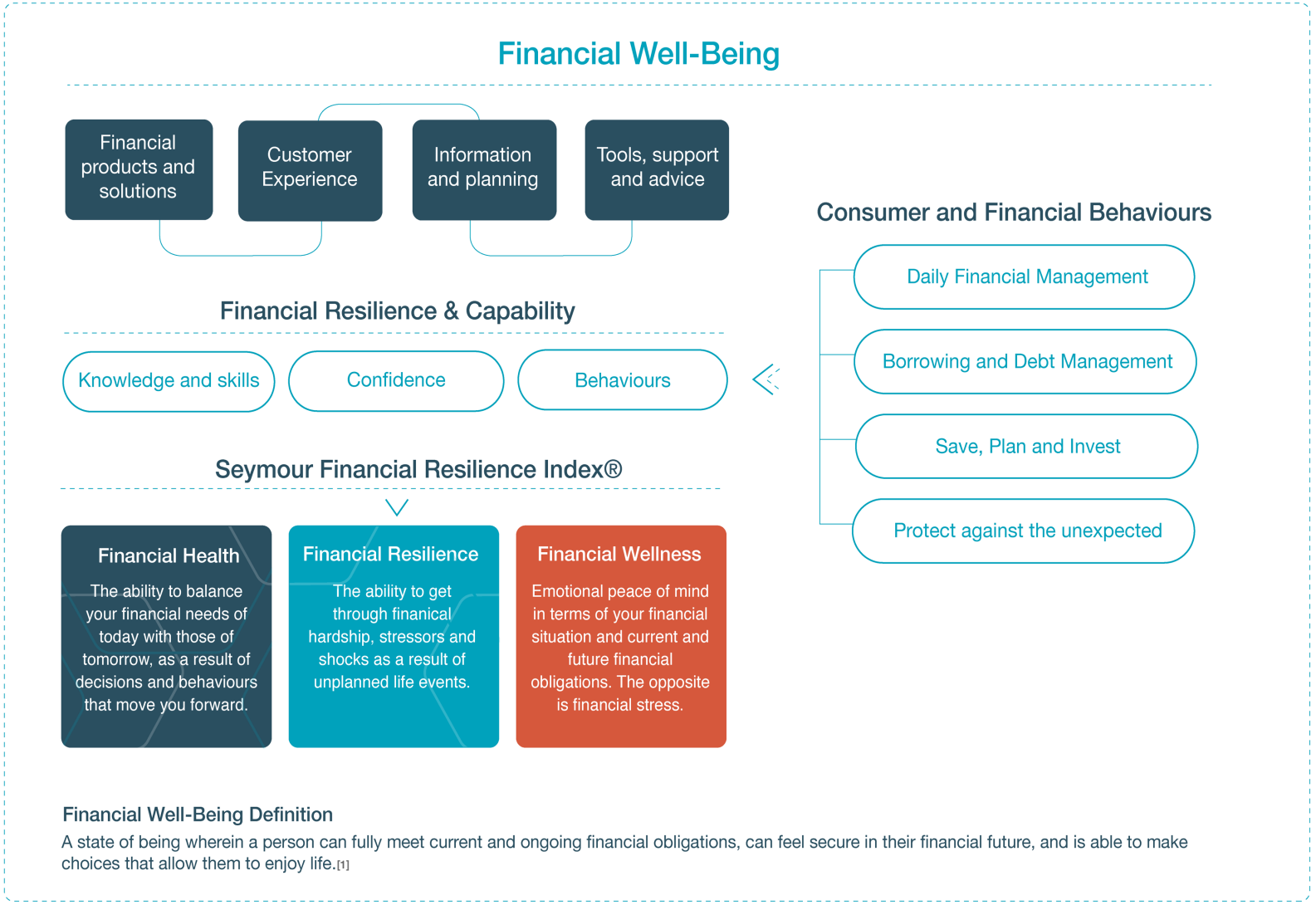
Just Transition Finance: Case Studies from Banking and Insurance
UNEP FI, April 2026.

Adaptation Finance Taxonomy Playbook
UNEP FI, June 2026.

Scaling Inclusive Insurance Through Government Systems: Lessons from the World Food Programme
Authored by Anaar Kara and Sarah Rotman Parker, CGAP, April 2026.

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Personal Financial Well-Being Framework



Source: Financial Resilience Institute, Financial Well-Being Framework.
[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 Eloise Duncan of Seymour Consulting (now Financial Resilience Institute) in 2016 over 1.5 years in 2013 to 2015 with this informed by leading financial health, financial capability, financial well-being frameworks and/or and other research studies from around the world. peer-reviewed by many organizations and academics around the world. It shaped the development of the Financial Well-Being Studies and other instruments created by our organization.
The framework is published on our website: https://www.finresilienceinstitute.org/definitions-and-frameworks.

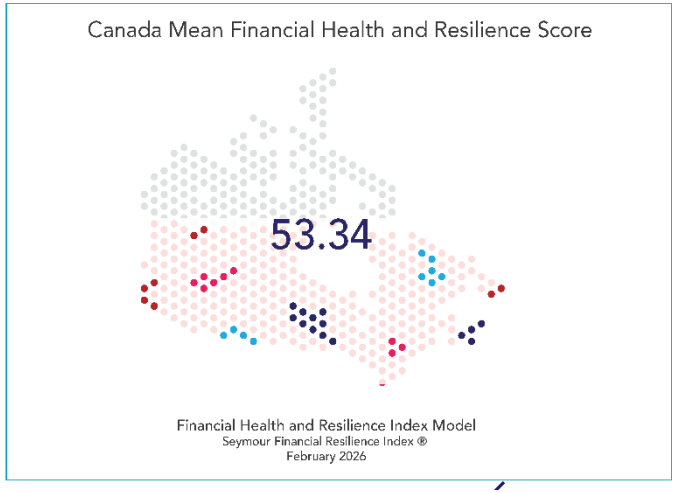
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The Index tracks household financial health and resilience at multiple levels

Including for key segments of the population such as households impacted by extreme weather events.

The Financial Health and Resilience Index is being levered by non-profit Financial Resilience Institute as a community asset for good. It provides provide robust longitudinal measurement of household financial resilience outcomes and support evidence-based decision-making and policy.

The Index has application across many countries and is complemented by the Financial Well-Being Studies instrument.



Provincial



Segment



Organization



Individual



Source: Financial Resilience Institute, Financial Health and Resilience Index Model and Financial Well-Being Studies.
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Financial Health and Resilience Index Model Development Methodology

Seymour Financial Resilience Index ®

The Index is a consistently strong model that has been validated over several years. The nine indicators account for 66 percent in the variance in the household financial resilience construct as of February 2026. All indicators are significant at a 95% confidence interval, with p-values less than 0.05.

- The Financial Health and Resilience Index Model, Seymour Financial Resilience Index ® is a proprietary regression model developed based on an iterative process to regressing and evaluating over 35 potential indicators against self-reported 'financial health' 'financial resilience' and 'financial stress' measures, using the multiple linear regression technique. [1,2].
- In the end, nine variables were determined to account for 66 percent of the variance in the financial health and resilience construct as of February 2026. They accounted for 66 percent of the variable in the financial resilience October 2025; 65 per cent as of June 2025; 66 per cent as of February 2025 and 67 per cent of the variance in the financial resilience construct as of October 2024 and 64 percent of the variance in the financial resilience construct as of February 2021 [3].
- The regression model indicators (independent variables) are significant at a 95% confidence interval, with p-values less than 0.05.
- The model builds on over ten years of longitudinal national Financial Well-Being Studies data. The Index has been validated against all years of Financial Well-being studies data between 2017 and 2026 and through studies and analytics for FI clients, government and partners. This has revealed consistency in results, represented by a strong R-squared and similar weights of the independent variables as predictors of household financial health and resilience.
- Weightings for the model are dynamic, unequal and based on their overall contribution to the dependent variable in the model.

Source: Financial Resilience Institute, Financial Health and Resilience Index Model, Seymour Financial Resilience Index ®

[1] The Financial Resilience Index Model has been peer-reviewed by Statistics Canada, UN-PRB, C.D. Howe Institute. Haver Analytics and leading Financial Institutions and other organizations using it. It was developed building on over ten years of national Financial Well-Being studies data, with a pre-pandemic baseline of February 2020. The Index is complemented with the Financial Well-Being Studies instrument, with longitudinal research and analytics being conducted with around 1500 of the same households (from the total sample of 5000 households) over time. The Index is being used by financial institutions and other organizations to measure and track the financial resilience and financial well-being of their customers and stakeholders over time and other aspects such as the extent to which their customers rate them for helping to improve their financial wellness; financial inclusion challenges, financial stressors, financial behaviours and more.

Financial health, stress and vulnerability data are available dating back to 2017 with Mean Financial Resilience Score Data based on the Index available from 2020. The Index is complemented with financial health, stress and vulnerability data available by household income and for key populations dating back to 2017 based on the national Financial Well-Being studies dataset.

[2] The sample size for the February 2026 Financial Well-Being Study is 5429 survey respondents with 4655 scored through the Index (MOE: 1.33%, Confidence Interval 95%).

[3] The nine indicators accounted for 65 per cent of the variance in the financial resilience construct as of June and February 2024; 60 per cent as of October 2023; 63 percent in June 2023; 62 percent as of February 2023 and June 2022.

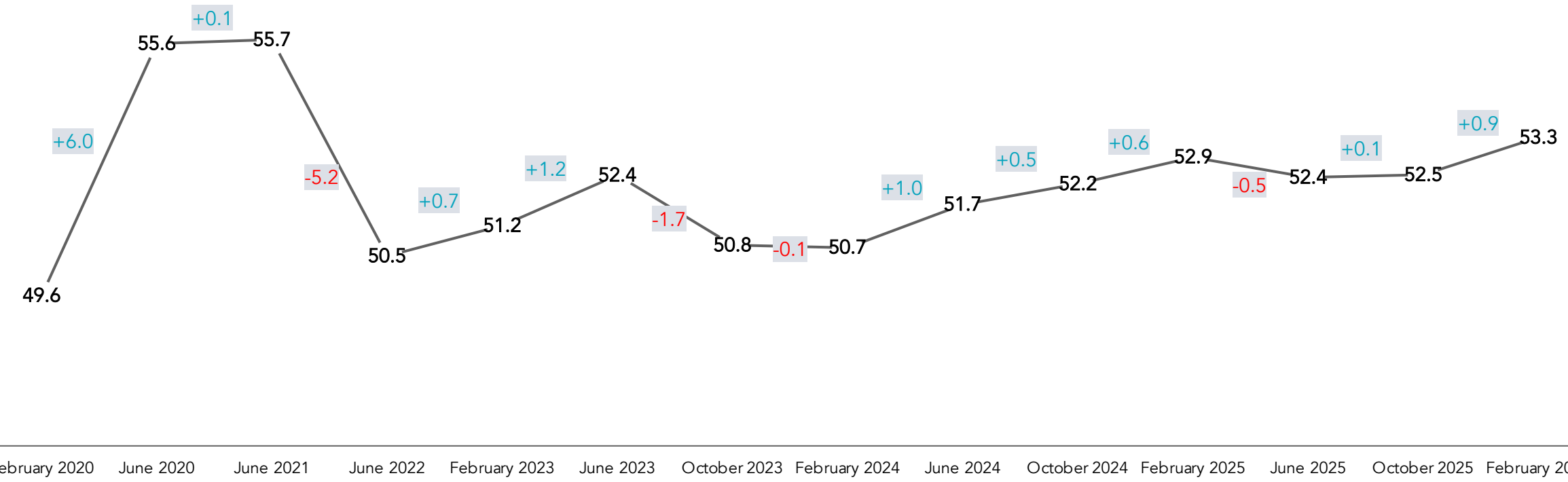
More information on the Index is available in the at: https://www.finresilienceinstitute.org/why-we-created-the-index/

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The Financial Health and Resilience Index has showed significant stability at the national level, with February 2026 the sixteenth Index release

The Canada Mean Financial Health and Resilience Score is 0.47 Index points higher compared to a year ago; 2.77 Index points lower compared to June 2021, and 3.8 Index points higher compared to the pre-pandemic baseline of February 2020 [1,2]

Canada Mean Financial Resilience Health and Resilience Score based on the peer-reviewed Financial Health and Resilience Index
Seymour Financial Resilience Index ® (February 2020 to February 2026)



Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model.
[1] The sample size for the February 2026 Financial Well-Being Study is 5429 survey respondents with 4655 scored through the Index (MOE: 1.33%, Confidence Interval 95%)
Data is weighted to be representative of Canadian population based on household income, gender, age and province.
[2] Data collection for the February 2026 Financial Well-Being Study was from February 9th to February 24, 2026, with the Middle East War officially starting February 28, 2026.
The Institute prides itself on providing highly timely Index data analytics and reporting, with the February Index release report provided nine weeks after data collection.
'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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Robust sample sizes for the national Financial Well-Being Studies (2017 to 2026) complementing the Institute's Financial Health and Resilience Index model

Financial Well-Being Study	Total Sample Size	Survey Respondents scored through the Index [1]	Margin of Error (MOE)
February 2026 study	5429	4655	1.33%
October 2025 study	5814	5074	1.30%
June 2025 study	5354	4640	1.34%
February 2025 study	6179	5394	1.33%
October 2024 study	2525	2234	2.07%
June 2024 study	6218	5433	1.24%
February 2024 study	6223	5449	1.24%
October 2023 study	5006	4462	1.20%
June 2023 study	5736	5038	1.09%
February 2023 study	5010	4304	1.20%
June 2022 study	5061	4505	1.19%
June 2021 study	5028	4504	1.20%
February 2021 study	3018	2710	1.64%
October 2020 study	3016	2635	1.64%
June 2020 study	4989	4462	1.20%
February 2020 study	1013	919	3.00%
June 2018 study	5067	N/A	1.19%
June 2017 study	5218	N/A	1.17%

Canada's most robust, independent, longitudinal study on Canadians' financial health, financial resilience and financial well-being and the role Financial Institutions can play to support their customers' financial wellness.

The study instrument complements the Institute's Financial Health and Resilience Index model, which is the first Index model of its kind in the world. This is being levered as a community asset for good to shine a light on the financial health, resilience and well-being of Canadians, financial inclusion challenges and opportunities for more targeted support by Financial Institutions, Policymakers and others [1,2]



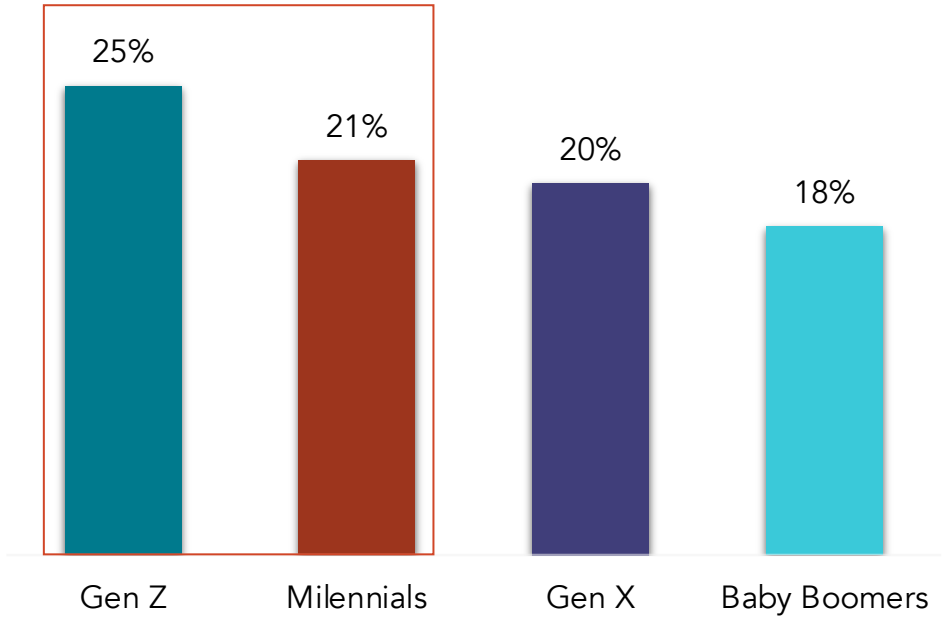
[1] The Financial Health and Resilience Index Model, Seymour Financial Resilience Index ® has a pre-pandemic baseline of February 2020 and builds on just under 10 years of longitudinal Financial Well-Being Studies data for Canada.
[2] The Financial Well-Being Studies, conducted by Financial Resilience Institute, are a 15–18-minute online survey with survey respondents recruited through the Angus Reid Forum, Canada's most engaged and respected online panel. All survey design and analysis are conducted by Financial Resilience Institute. The study has a representative sample of the population by household income, age, province and gender and is conducted three times a year.
[3] The Institute's Detailed and Summary Impact Report is available at: https://www.finresilienceinstitute.org/our-impact/

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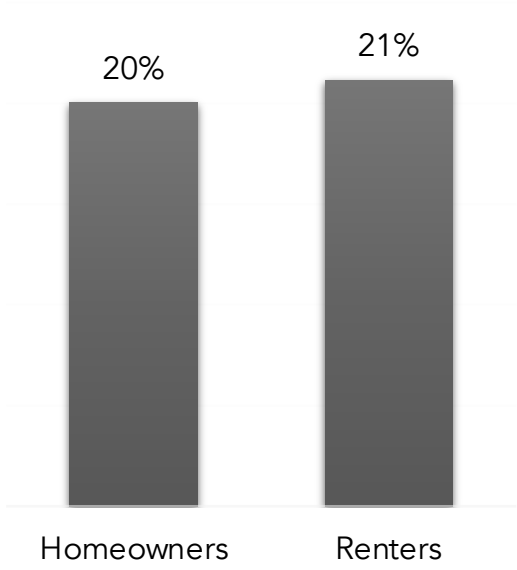
Gen Z and Millennial Canadians are more likely to report that they have been personally impacted by extreme weather events over the past 12-24 months, with renters and homeowners equally affected in Canada.

Financial Resilience Institute

Proportion of Households by life stage that report they have been impacted by extreme weather events over the past 12-24 months as of February 2026



Proportion of Canadians homeowners and renters that report they have been impacted by extreme weather over the past 12-24 months as of February 2026



Source: Financial Resilience Institute, February 2026 Financial Health and Resilience Index Model and Financial Well-Being Study, Seymour Financial Resilience Index ®
See Climate Change Intelligence Memo and video: https://www.finresilienceinstitute.org/climate-change-intelligence-memo/
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Definitions and what the SME Business Financial Health and Resilience Index measures

The Index measures the '*ability of a small and medium enterprise (SME) to* '***withstand financial challenges, stressors or shocks from unplanned business events, while progressing toward its business and financial goals***' [1,2]

The Index measures business financial health and resilience across eight behavioural, resilience and (financial stress) sentiment indicators [3]

Business Financial Health

Financial management practices, decisions and behaviours that help the business balance its financial needs and obligations of today with those of tomorrow, while consistently generating net profits.

Business Financial Resilience

The ability of a business or organization to endure unforeseen business challenges, economic downturns or disruptive events, while creating capacity to pursue opportunities and achieve business goals.

Business Owner Financial Wellness

A business owner's emotional peace of mind in terms of how they are managing their business finances over the short, medium and longer term. The opposite is financial stress.

Source: Financial Resilience Institute, Business Financial Health and Resilience Index Model, Seymour Financial Resilience Index ®

[1] The Index builds on the Institute' proprietary Business Financial Health and Resilience Framework was published in November 2025 at: https://www.finresilienceinstitute.org/definitions-and-frameworks/
It also builds on the Institute's India and SME Business FinanciaL health and Resilience Studies and dedicated small business financial health and resilience practice with some alignment to the Personal Financial Well-Being Framework and Financial Health and Resilience Index for households.

[2] For definitions of MSMEs, SMEs and Women-Owned or Women-Led SMEs, see the appendices. Women-Owned or Women-Led SMEs are defined as businesses where a women owns a majority stake in the business of greater than 51%, with this informed by the OECD and WE-Finance Code Guidance definitions.

[3] Financial challenges or financial difficulties as a result of unforseen (or unplanned) business events, such as reduced demand for its products or services or other financial stressors or shocks – such as an economic downturn.

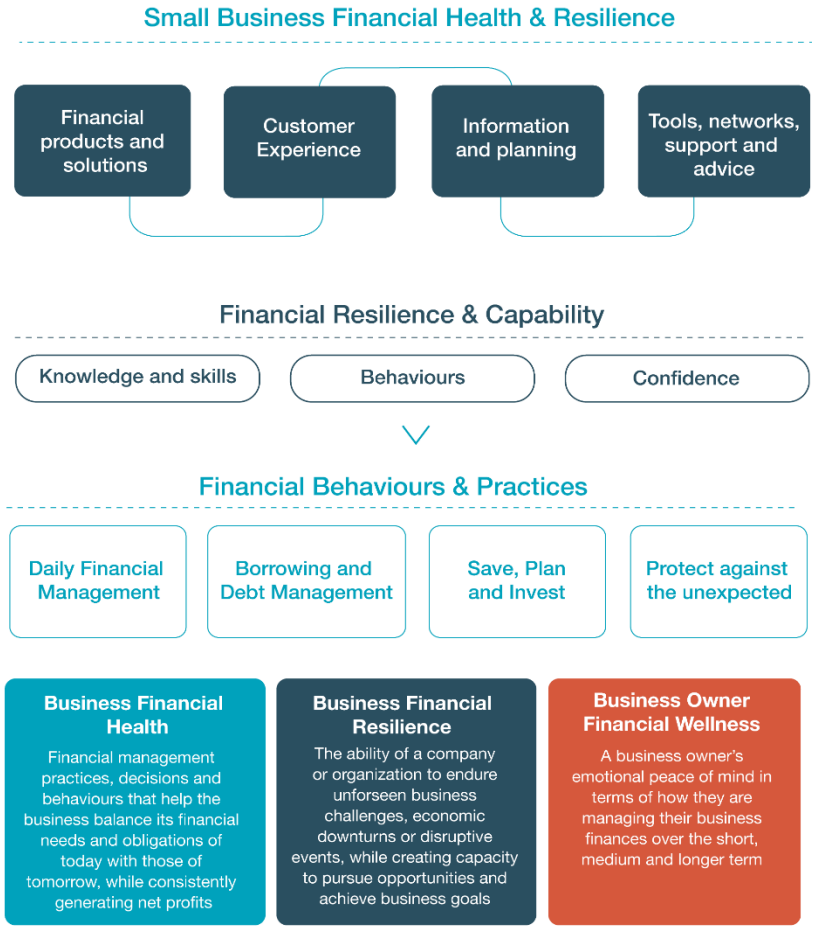
[4] The financial wellness or financial stress component is for either the Business Owner, CEO and/or the Chief Financial Officer that is responding to the Business Financial Health and Resilience Study, as a primary or joint financial decision maker for the business. The opposite of financial wellness is financial stress, with one financial stress and one financial wellness indicator included with the Index model.

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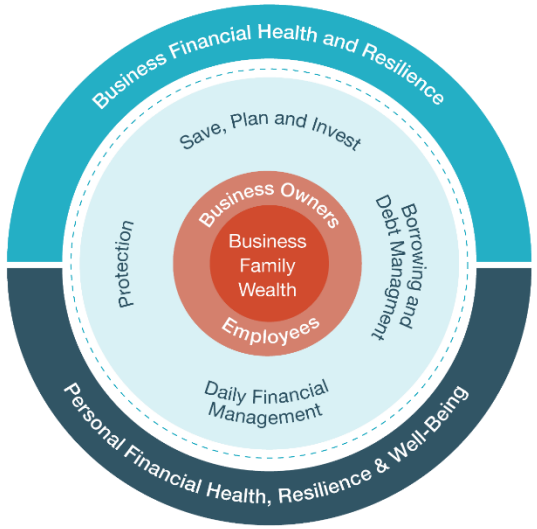
Business Financial Health and Resilience Framework

The proprietary **Small Business Financial Health and Resilience Framework** provides a framework for analysis of the financial health and resilience of Small and Medium Sized Enterprises (SMEs) and the relationship with the respective business owner's personal financial health, financial resilience and financial wellness.

The framework focuses on business financial practices and behaviours across the spectrum of daily financial management, cashflow management, saving, planning, and investing (including succession planning), borrowing, debt management, and protection. It brings a holistic lens and set of indicators related to business financial health, financial resilience and business owner financial wellness. It brings a holistic lens on the business and personal financial health and resilience of a SME business; the business owner, their family and employees as appropriate.



Holistic lens: Business and Personal Financial Health and Resilience



Source: Financial Resilience Institute, Business Financial Health and Resilience Framework
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[1] 'Business Financial Health and Resilience Framework' provides a framework for analysis of the financial health and resilience of Small and Medium Sized Enterprises (SMEs) and the relationship with the respective business owner's personal financial health, financial resilience, and financial wellness. The framework focuses on business financial practices and behaviours across the spectrum of daily financial management, cashflow management, saving, planning, and investing (including succession planning) borrowing, debt management, and protection. It is published on the Institute's website at: https://www.finresilienceinstitute.org/definitions-and-frameworks/. It as developed over ten years by Eloise Duncan, CEO and Founder, Financial Resilience Institute in 2021, and has has been informed by quantitative Business Financial Health Studies and research from the US, Canada, India and other countries; qualitative consultations with Business Banking experts and SME bank customers in Canada [1,2]. The framework also builds on the Personal Financial Well-Being Framework developed in 2016.
[2] 'Personal Financial Well-Being Framework' refers to a proprietary framework developed by Seymour Management Consulting Inc., used under license by Financial Resilience Society, with this outlined on page 107. The framework provides a holistic view of the complex construct of an individual's financial well-being. It includes definitions, indicators, and connections between the inter-related constructs of financial health, financial resilience, financial wellness, and financial capability which together impact an individual's financial well-being. The framework has a focus on individual consumer and financial behaviours that impact individuals' financial well-being across the spectrum of daily financial management, saving, planning, and investing, debt and credit management and protection. The framework is published on the Institute's website at: https://www.finresilienceinstitute.org/definitions-and-frameworks/
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About the Institute's Canadian SMEs 2026 Business Financial Health and Resilience Study

The Institute's Canadian SME Business Financial Health and Resilience Study is a market-leading study conducted with 600 Small and Medium Enterprises (SMEs) by Financial Resilience Institute [1].

The Study builds on the Institute's Small Business Financial Health and Resilience Framework published in 2025, previous work in the small business space and India SMEs 2025 Business Financial Health and Resilience Study and Report published in 2025.

The online study, designed by Financial Resilience Institute, was conducted in Canada between December 9th and December 18th, 2025, with a robust sample size of 600 SMEs.

- All SMEs have annual revenues between Canadian $250,000 and $5MM+.
- All are primary or joint financial decision makers of their small and medium-sized business (SME) operating in Canada.
- Survey data is weighted to represent the Canadian SME market based on the proportion of SMEs by FTE and province, with a good diversity of sectors represented [2].
- Startups that have been in business for less than one year are excluded.
- 23% of survey respondents are Women-Owned/ Women-Led SMEs [3].



SMEs play a pivotal role in economic growth, prosperity and in driving the transition towards sustainability.

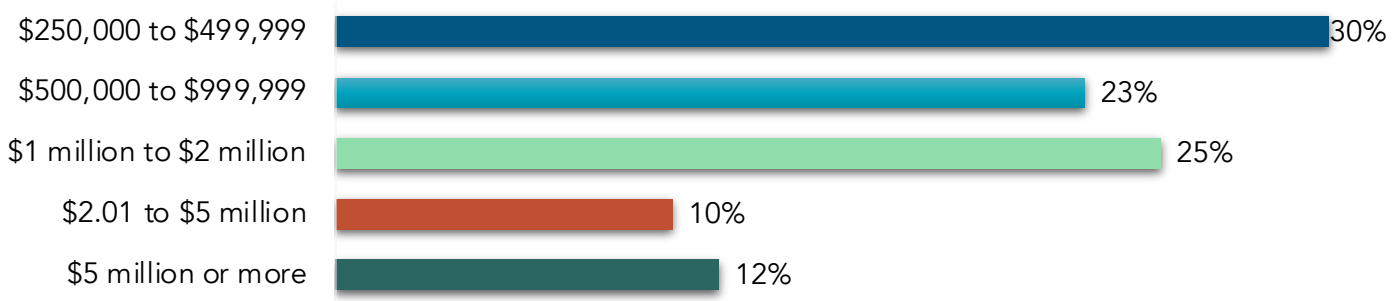
By intentionally leveraging their assets, Financial Institutions, Organizations serving small business and commercial clients, Policymakers, Financial Health Innovators and others can together help unlock social finance and sustainable finance opportunities for SMEs and catalyze positive change in Canada and globally.

Source: Financial Resilience Institute, December 2025 Small Business Financial Health and Resilience Study.
[1] Further information on firmographics of SME survey respondents in terms of annual revenues, number of employees, industries and more are in the Appendices on pages
[2] The Canada SME Survey data is weighted to represent the SME market, based on the total number of SMEs with different ranges of Full Time Equivalent (FTE) Employees and based on SMEs by province (Statistics Canada, Key Small Business Statistics 2024.) https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2024)
[3] Women-Owned or Women-Led SMEs are defined as businesses where a woman owns a majority stake in the business of greater than 51%.
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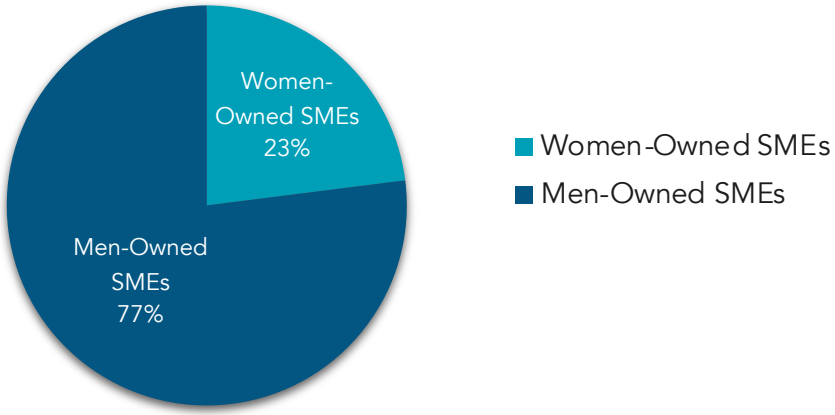
Canada SMEs 2026: Business Financial Health and Resilience Study, Survey Respondent Firmographics

With more information on firmographics in the appendices and survey data weighted to reflect the Canada SME market based on number of Full-Time Employees and SMEs by province [1,2]

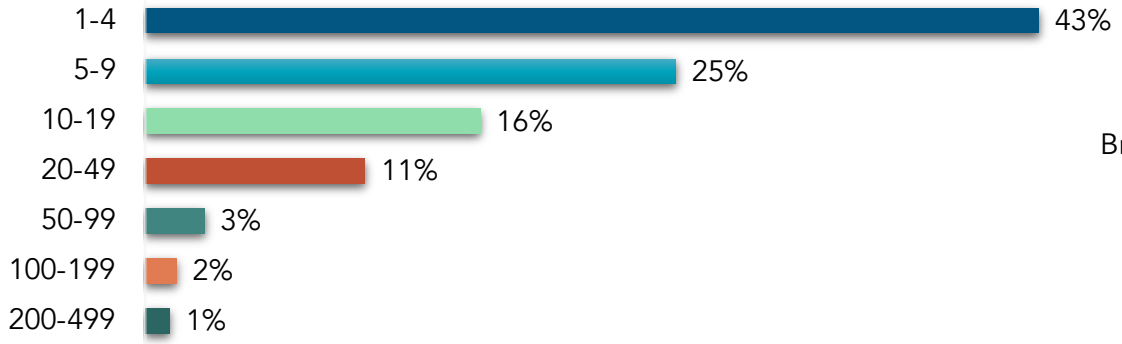
Annual Revenues in 2024 or at Fiscal Year End [3]



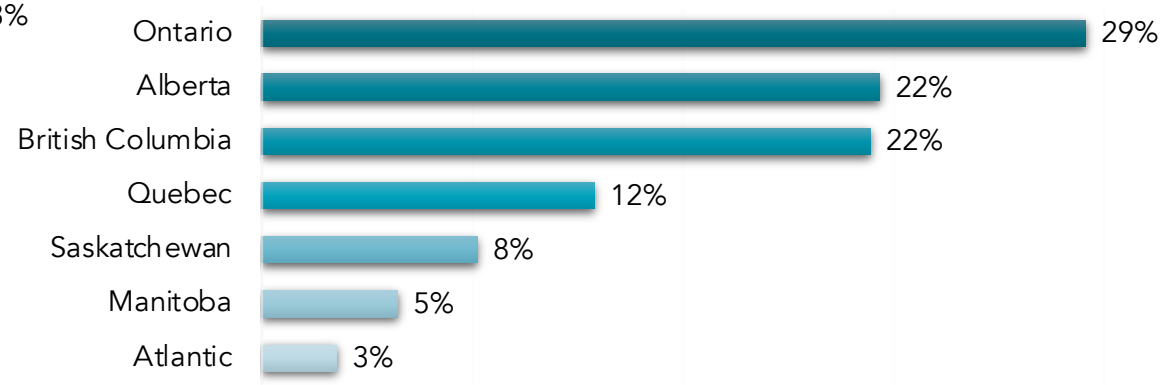
Women-Owned and Men-Owned SMEs [1]



Number of Employees [2]



SMEs by Province [2]

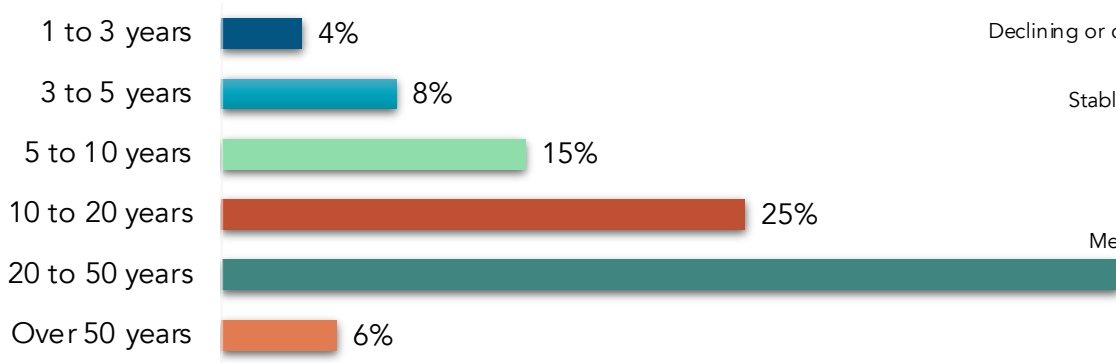


Source: Financial Resilience Institute, December 2025 Small Business Financial Health and Resilience Study.
[1] 68% of survey respondents are primary SME financial decision makers, and 32% are joint financial decision makers (with financial decisions made jointly with business partners)
[2] The Canada SME Survey data is weighted by # of FTE and by province to reflect the SME Canada Market based on data from Statistics Canada data September 2024 (Key Small Business Statistics 2024. https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2024)
[3] Annual revenues are as of 2024 or at the businesses' last fiscal year end
[4] Women-Owned or Women-Led SMEs are defined as businesses where a woman owns a majority stake in the business of greater than 51%.
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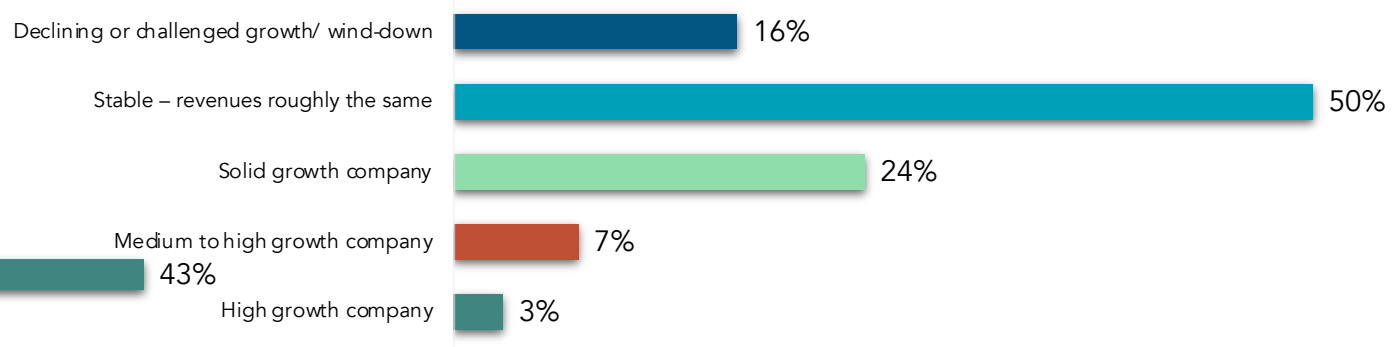
Canada SMEs 2026: Business Financial Health and Resilience Study

SME Survey Respondent Firmographics Continued

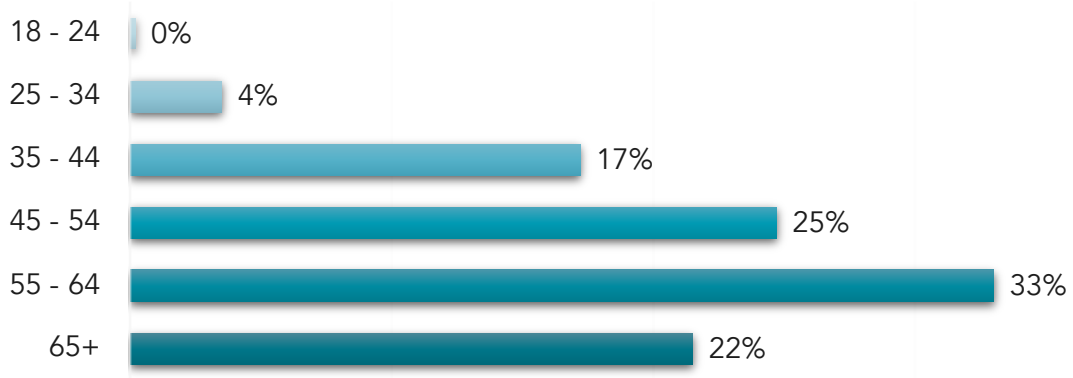
Years in Business



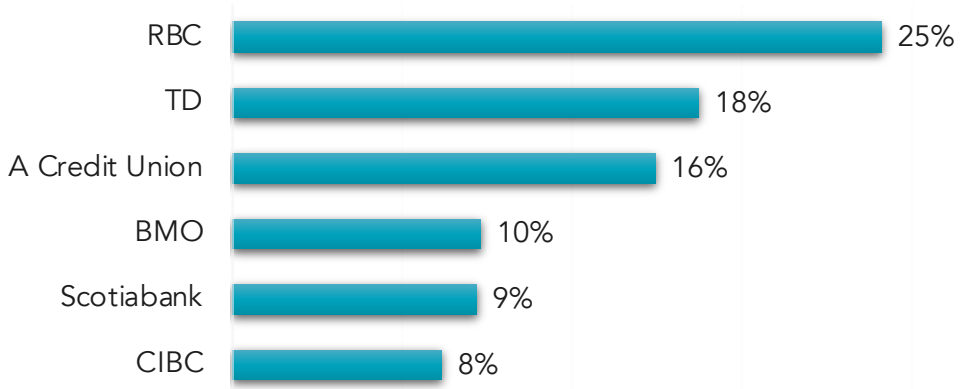
Annual Revenue Growth in 2024 or at Fiscal Year End [1]



Age of Business Owners



Proportion of SME survey respondents that report the following to be their primary SME FI



[1] Declining or challenged growth/ wind-down (annual sales decreasing 10% or more year over year), Stable – revenues roughly the same (with growth not necessarily being a goal), Solid growth company (10-24% annual sales growth year over year), Medium to high growth company (with annual sales growth 25-49% year over year), High growth company (with annual sales growing 50% or more year over year)

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Source: Financial Resilience Institute, December 2025 Small Business Financial Health and Resilience Study.

Financial Resilience Institute

Contact us for questions, feedback or to explore collaboration opportunities

Recognition and thanks to our funder The Co-operators for supporting us in publishing this report

For more information

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