

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

November 14th, 2022

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

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



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

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Financial Resilience Institute



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Financial Resilience Institute is a non-profit organization that strives to help improve financial resilience and well-being for all.



## Impact Goals

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

# Improving Financial Resilience For All

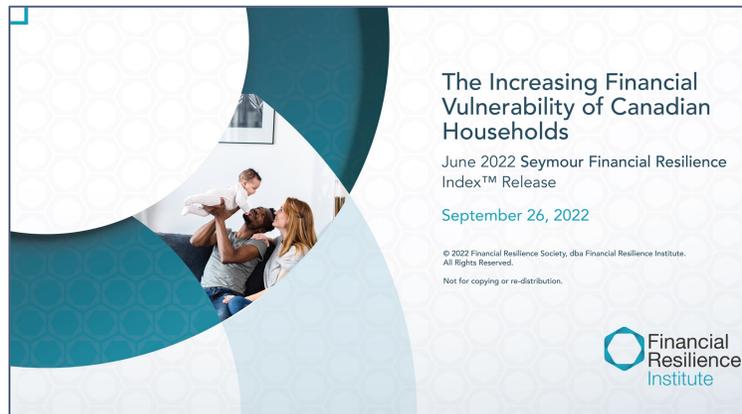
We partner with financial institutions, business leaders and policymakers to develop and implement solutions that improve financial resilience, health and well-being for all.

We're the leading independent authority on financial resilience and financial well-being in Canada

[1] These include households that are most financially vulnerable based on their mean financial resilience score and/or who are challenged from a financial help or 'access' perspective. It also includes key populations facing barriers, households who are using predatory financial services, have specific financial stressors; are underserved by their primary Financial Institutions and/or exhibiting financial behaviours that impact their financial resilience and financial well-being.  
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This report builds on the summary and detailed low-income reports published in November 2021 and national June 2022 Index release published in September 2022

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



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

Seymour Management Consulting Inc. is the social enterprise and leading independent authority on financial health in Canada led by Eloise Duncan, Founder and CEO. Seymour Consulting created the longitudinal Financial Well-Being studies and Seymour Financial Resilience Index TM.

Our organization has now evolved into a registered non-profit organization called Financial Resilience Institute.

## WHAT THE SEYMOUR FINANCIAL RESILIENCE INDEX™ MEASURES

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



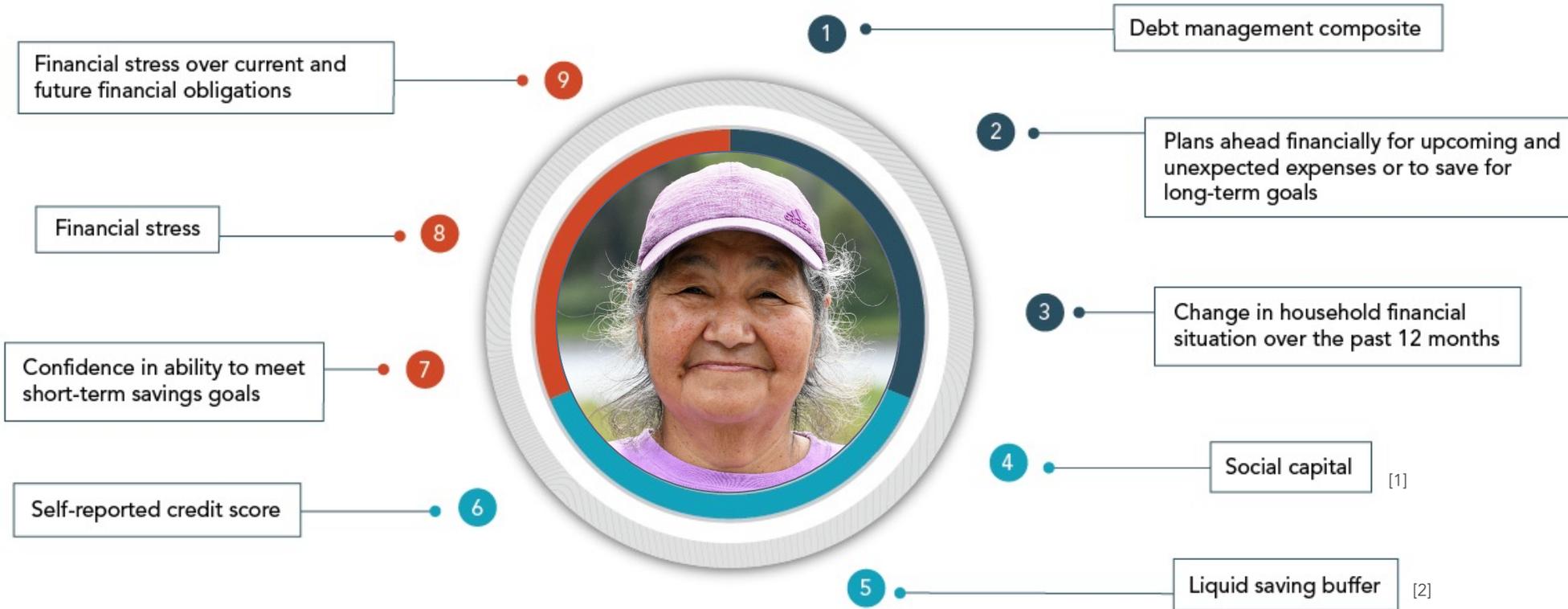
The ability to balance your needs of today with those of tomorrow, as a result of decisions and behaviours that move you forward.



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



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



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

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

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

More details on the Index and development methodology are outlined in the appendices. Example reports are <https://www.finresilienceinstitute.org/research-reports/>

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# Scoring Model: Seymour Financial Resilience Index™



**Extremely Vulnerable**

**Financially Vulnerable**

**Approaching Resilience**

**Financially Resilient**



Financial resilience scores between 0 and 30 represent individuals and households that are most vulnerable and unable to survive financial stressors or shocks. These people report financially resilient outcomes across none of the nine indicators.

Financial resilience scores between 30.01 and 50 represent individuals and households that are financially vulnerable to large financial stressors or shocks yet subsisting under normal conditions. These people report financially resilient outcomes across few of the nine indicators.

Financial resilience scores between 50.01 and 70 represent individuals and households building their financial resilience in the absence of financial shocks. These people report financially resilient outcomes across some of the nine indicators.

Financial resilience scores between 70.01 and 100 represent individuals and households that can endure financial shocks with little effect to their overall financial resilience. These people report financially resilient outcomes across nearly all (or all) of the nine indicators.

0 - 30

30.01 - 50

50.01 - 70

70.01 - 100

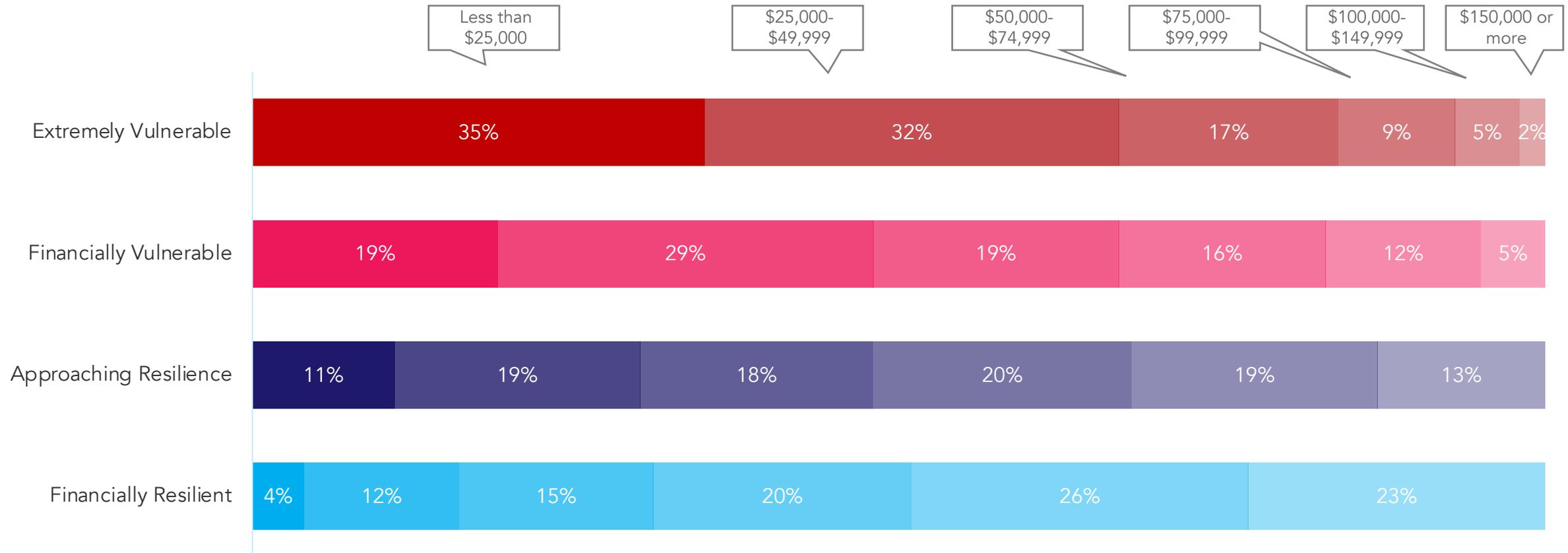
Financial Resilience Score

'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100. Seymour Financial Resilience Index™ is a trademark used under license. © 2022 Financial Resilience Society. All Rights Reserved.

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



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



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

Source: June 2022 Seymour Financial Resilience Index™ Seymour Financial Resilience Index™ is a trademark used under license.

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Definition of low-income households, research objectives  
and sample size for the low-income study



# Definition of households with low incomes

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



[1] Reported household incomes are defined as total household income from all sources last year (in 2021) before taxes and deductions. Sources of income can include wages/ salaries from employer(s), self-employment earnings, government and private pensions, spousal or child support payments received and other sources of income.  
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# Research objectives for the 2022 Low-Income study

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

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

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



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

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

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

The Seymour Financial Resilience Index™ has a pre-pandemic baseline of February 2020 and builds on over six years of longitudinal financial well-being studies data for Canada. There were boost samples of low-income households in 2018, 2021 and 2022.



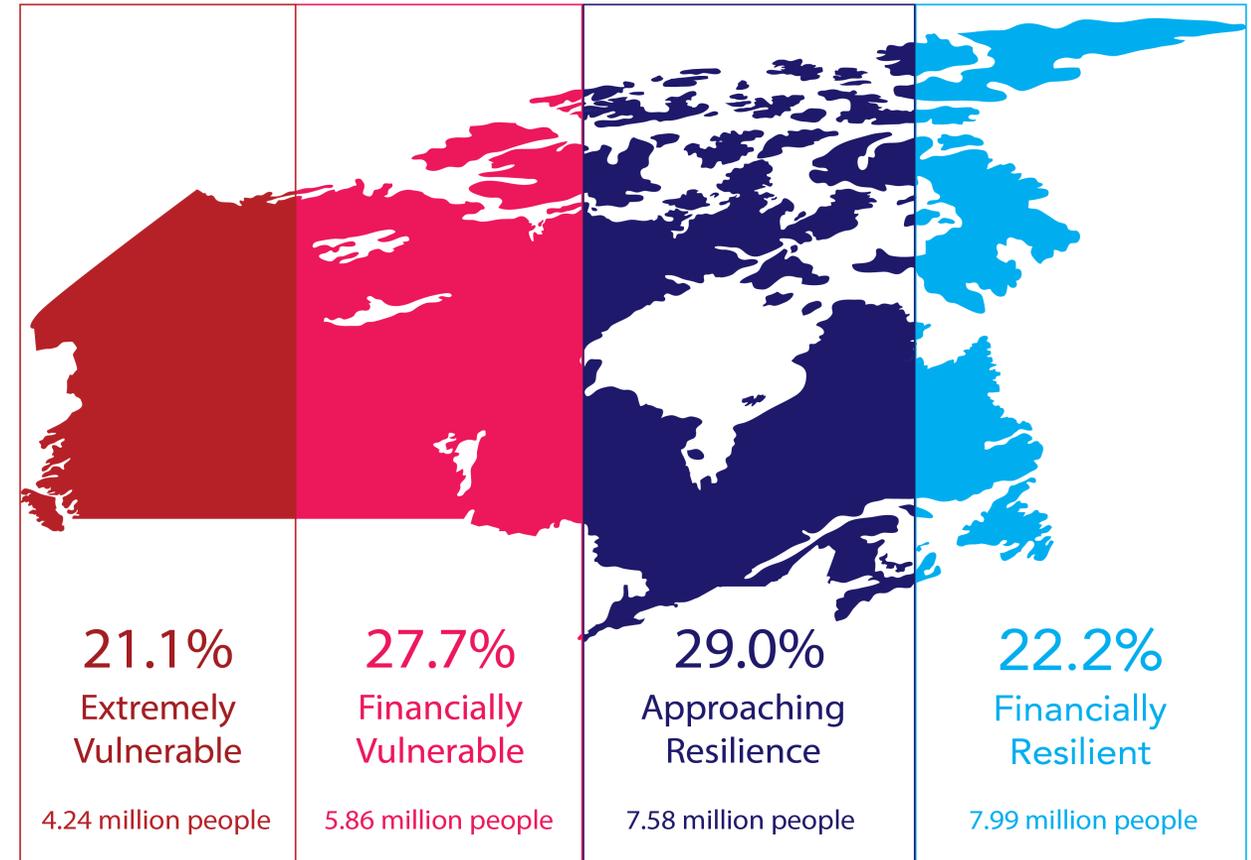
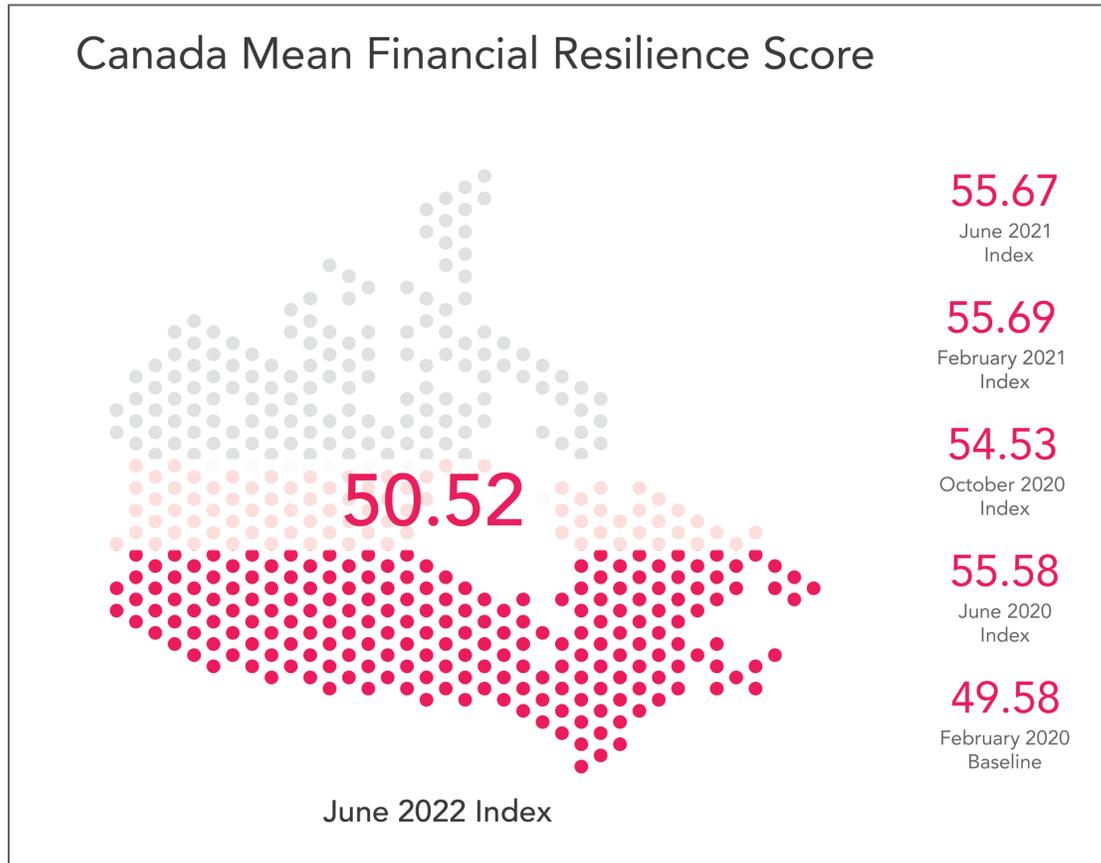


National context and summary highlights on the financial vulnerability of Canadians with lower incomes



# Canada has a national mean financial resilience score of 50.52 as of June 2022

77.8% of the population are not 'Financially Resilient' representing 19.99 million adults.



For national Index reports including the June 2022 Index report visit: <https://www.finresilienceinstitute.org/research-reports/>  
 'Extremely Vulnerable' households have a financial resilience score of 0-30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.  
 Segment sizes are based on a total population of 25.70 million adult Canadians aged 18 to 70 years old as of July 2021 (Statistics Canada)  
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# Summary Insights on the financial vulnerability of Canadians with lower incomes

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

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



[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100. Households from all household income demographics are represented across all four financial resilience segments, as outlined on page 9 of this report.

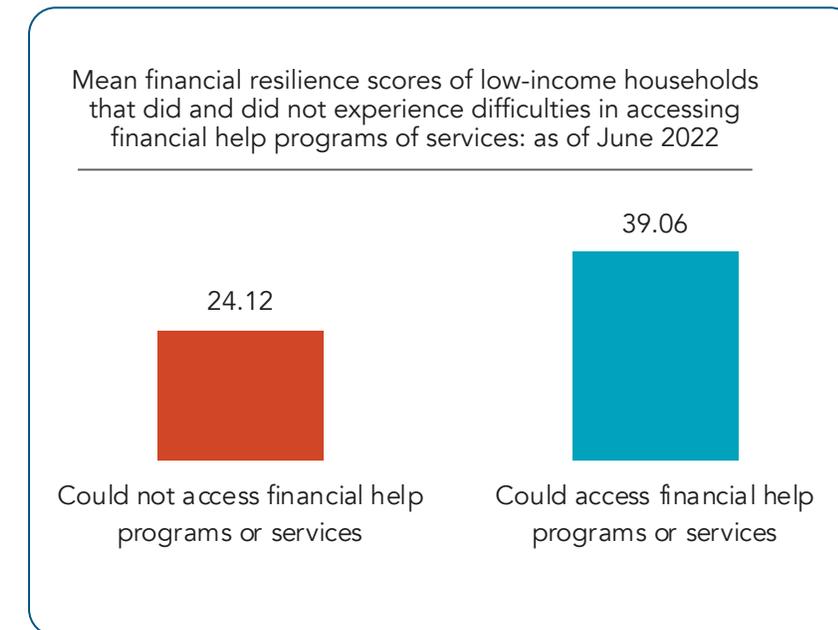
[2] See Summary and Detailed Financial Vulnerability of Low-income reports published in 2021 for financial behavioural data and indicators: <https://www.finresilienceinstitute.org/research-reports/>

[3] See page 38 for more details.

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

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

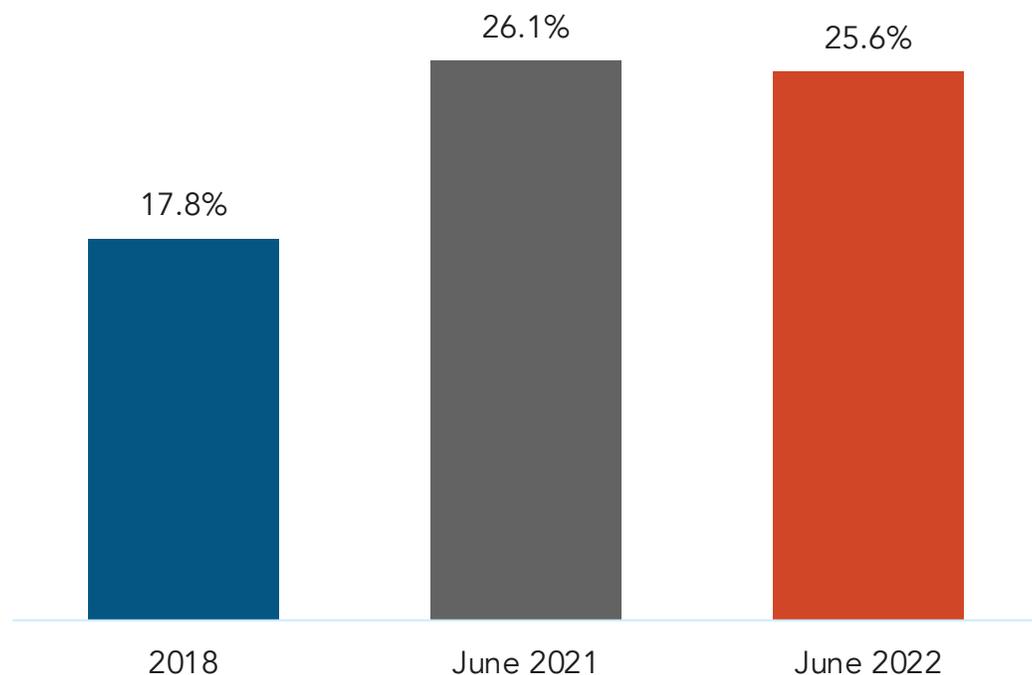
- Many other indicators tracked by the Institute highlight increased challenges for low-income households. For example, in June 2022, 46% of low-income households had a liquid savings buffer of 3 weeks or less (compared to 28% of Canadians overall) and 66% reported having a negative or zero household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



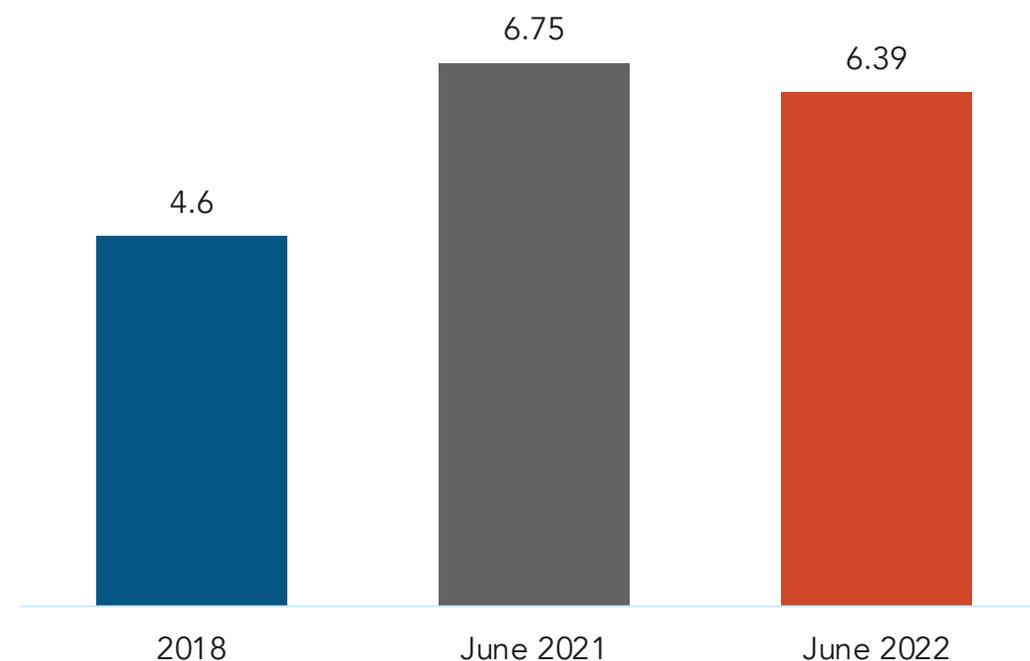
There are an estimated 6.39 million Canadian households with low incomes as of June 2022, representing 25.6% of the adult population [1]

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

Percentage of households that are low-income Canadians



Low-income Canadian adults in millions [1]

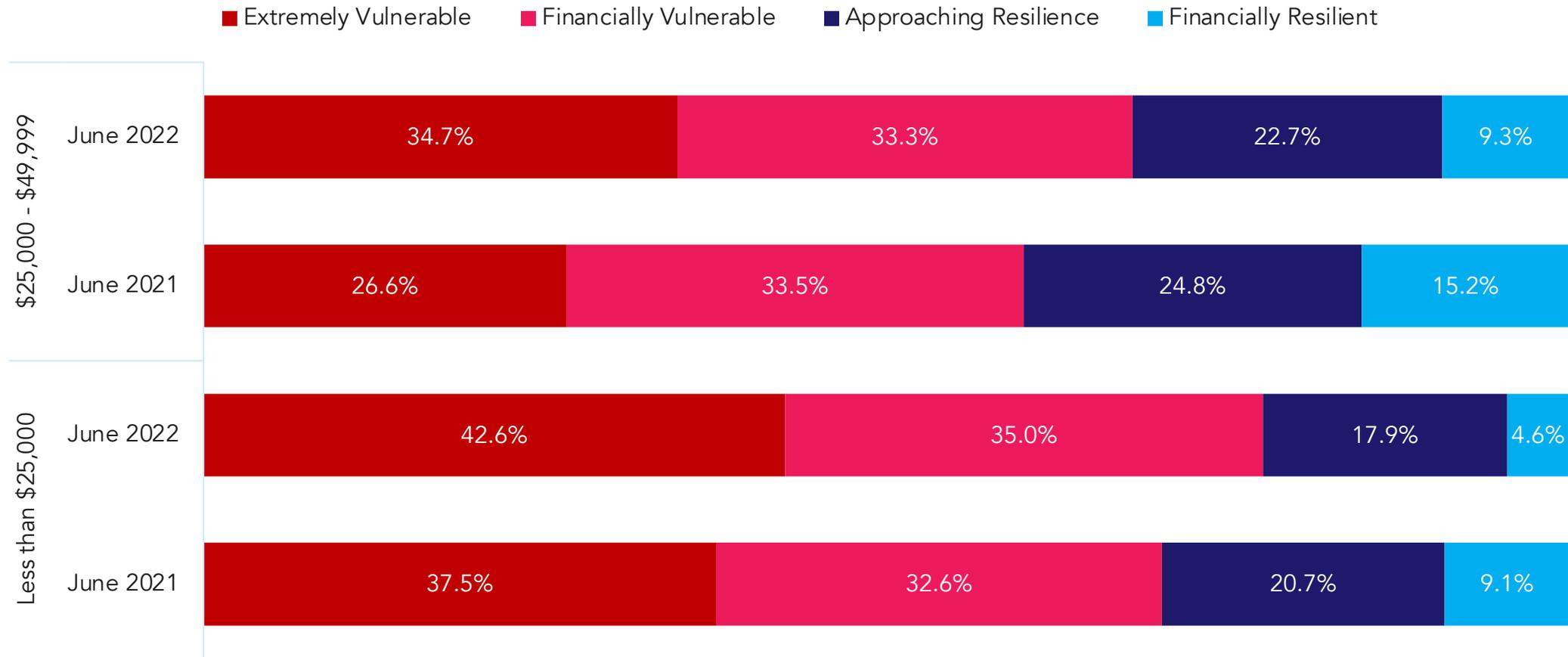


[1] Based on a population of 24.96 million Canadians aged 18 years old to 70 years old (as of July 2021). Source: Statistics Canada  
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# Households with low incomes are represented across all financial resilience segments



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

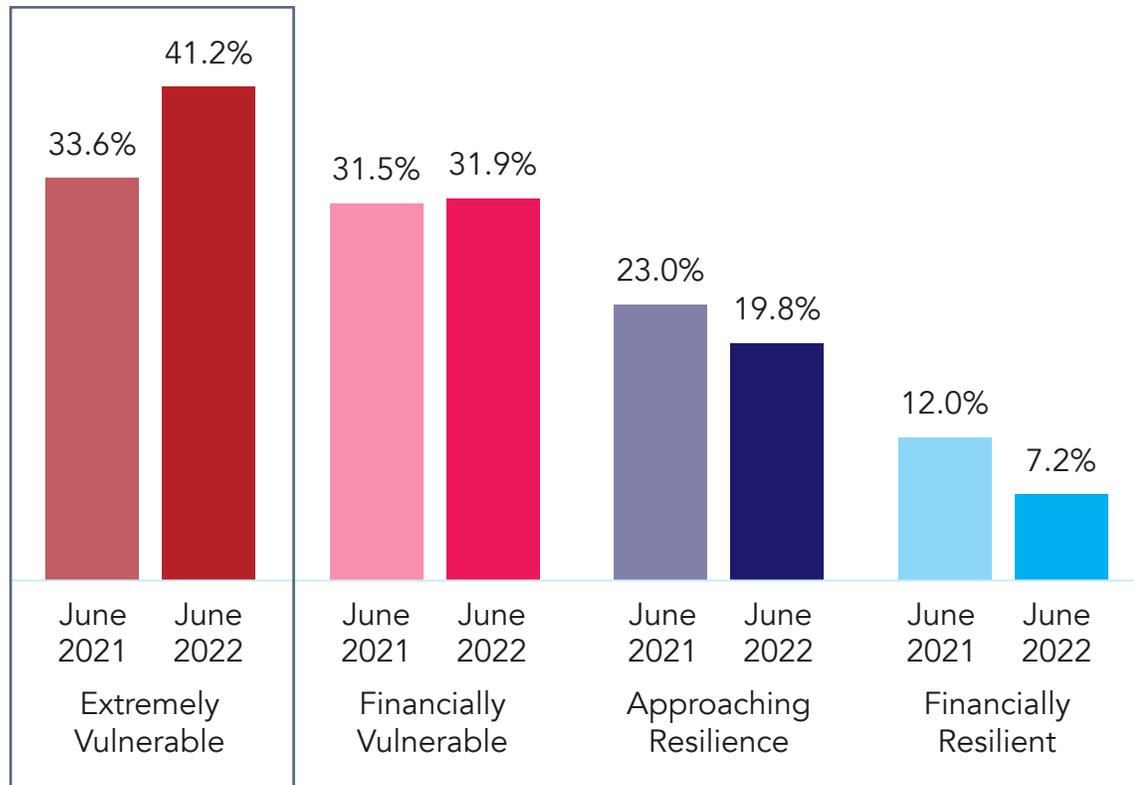


[1] Low-income households are defined as individuals and families with household income under \$25,000 plus households of more than one individual with a household income of under \$50,000 (i.e. excluding single person households with a household income between \$25,000 and \$50,000).  
 Source: Seymour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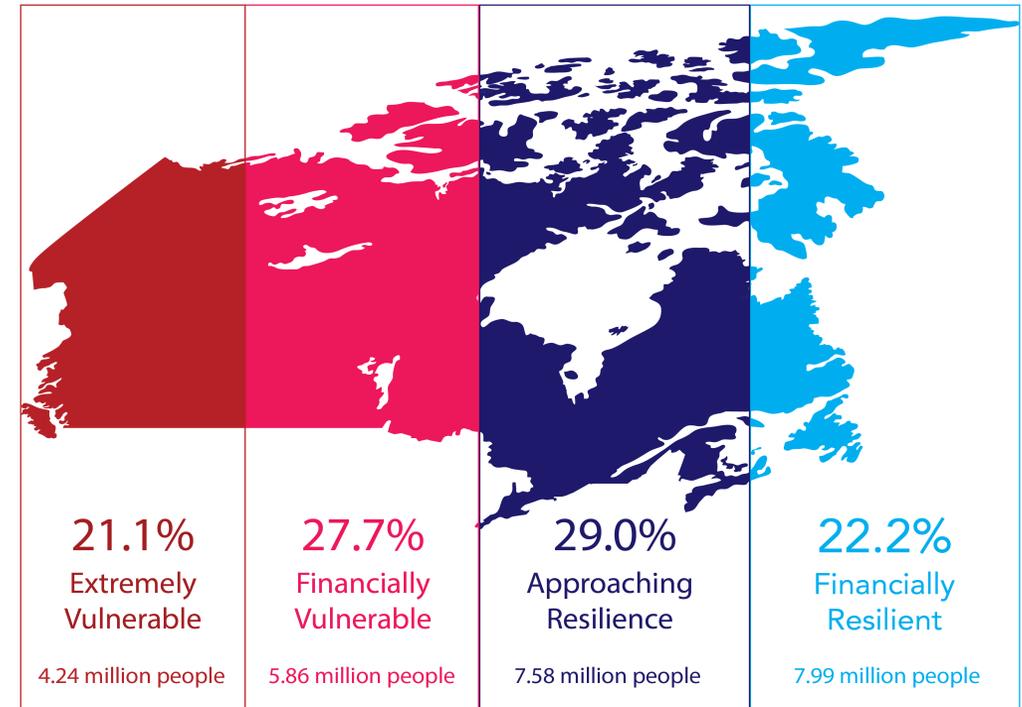
# There has been a significant increase in low-income households that are 'Extremely Vulnerable' compared to a year earlier based on the June 2022 Index

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

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



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



Source: Seymour Financial Resilience Index™. Seymour Financial Resilience Index™ is a trademark used under license.

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

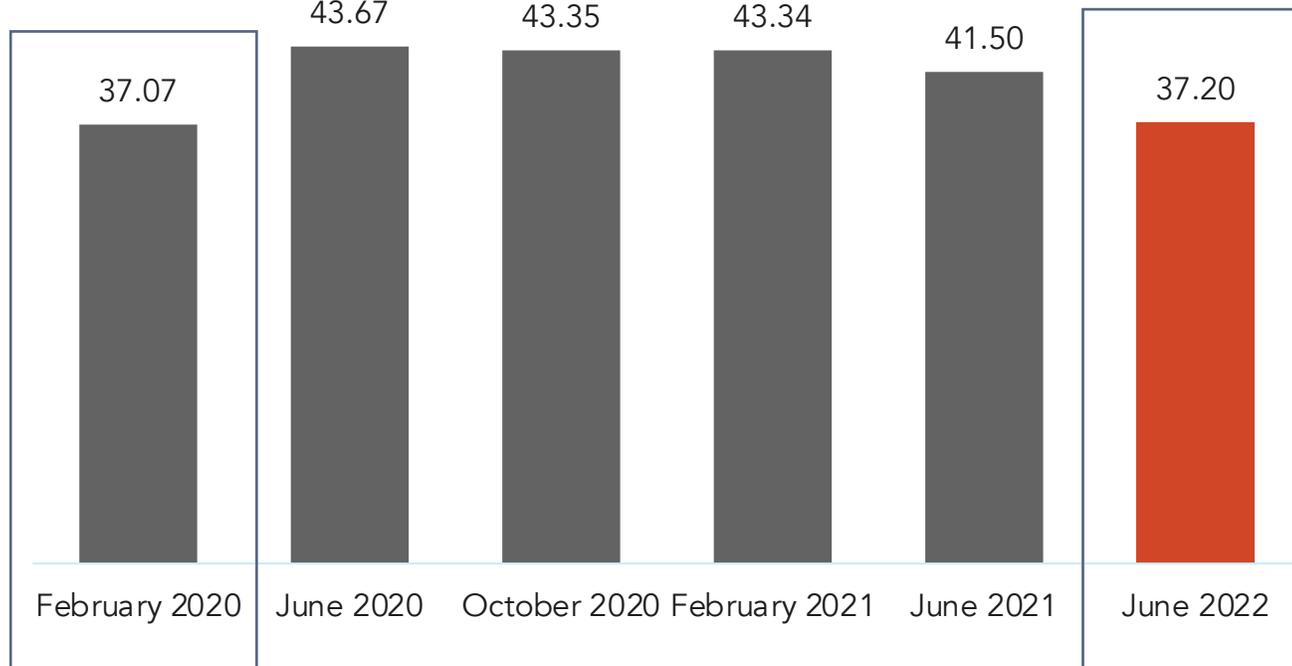
[2] Based on population of 24.96 million Canadians aged 18 years old to 70 years old (as of July 2021). Source: Statistics Canada

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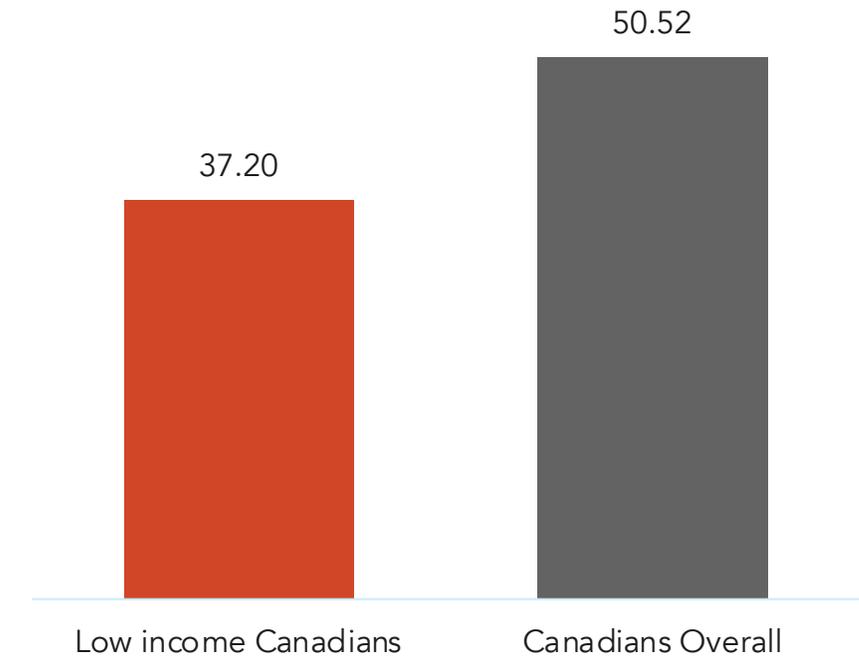
# The mean financial resilience score for Canadians with low incomes has fallen quite significantly from 41.5 in June 2021 to 37.2 in June 2021

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

### Mean financial resilience score of low-income Canadians since 2020



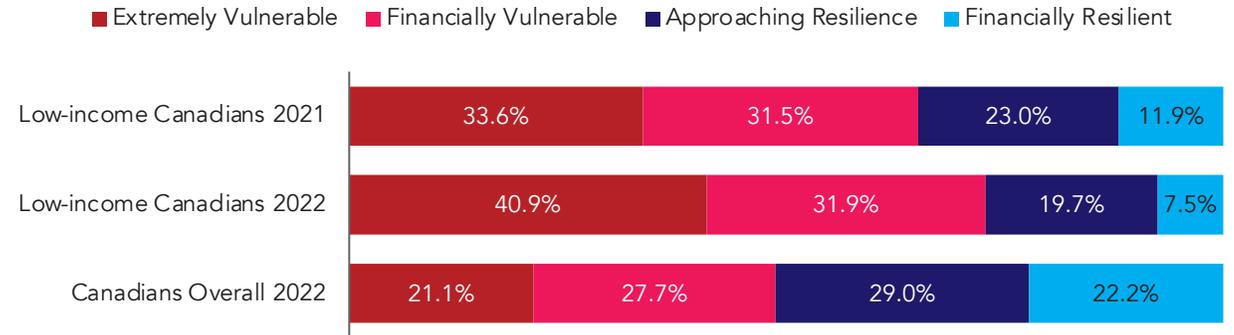
### Low-income Canadians vs. Canadians overall 2022



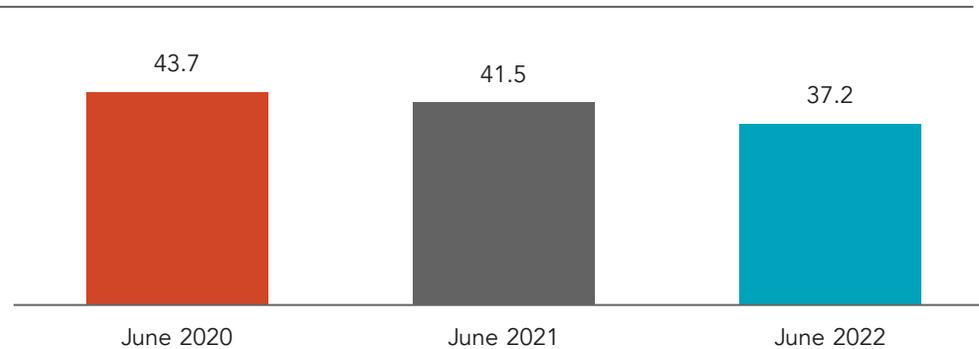
# In June 2022, 66% of low-income Canadians had a negative or zero savings rate and 45% lacked social capital [1]



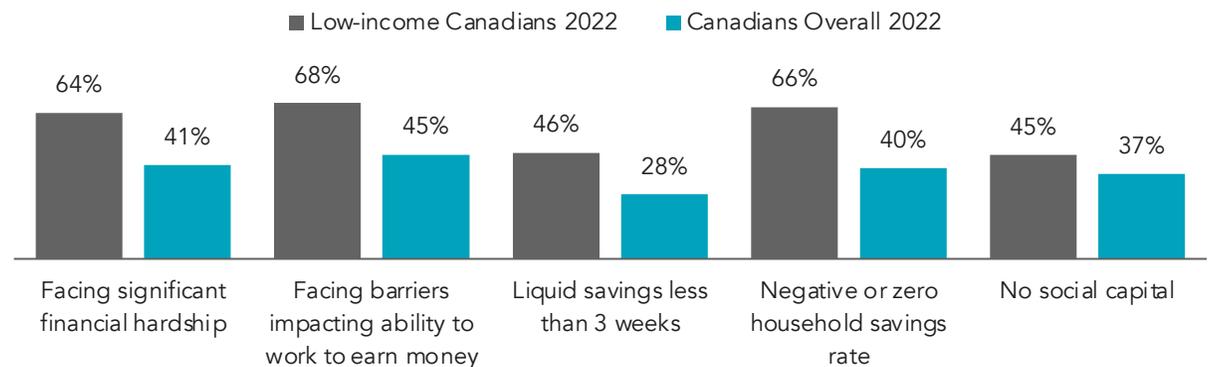
Percentage of households represented in each financial resilience segment as of June 2022 compared to June 2021: with comparison to Canadians overall in June 2022



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



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



[1] Social capital is defined as a close family member or friend the person can turn to (and are willing to turn to) in times of financial hardship. This is a unique indicator of the Institute's Index model. 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100. Source: Seymour Financial Resilience Index™ Seymour Financial Resilience Index™ is a trademark used under license. © 2022 Financial Resilience Society. All Rights Reserved.

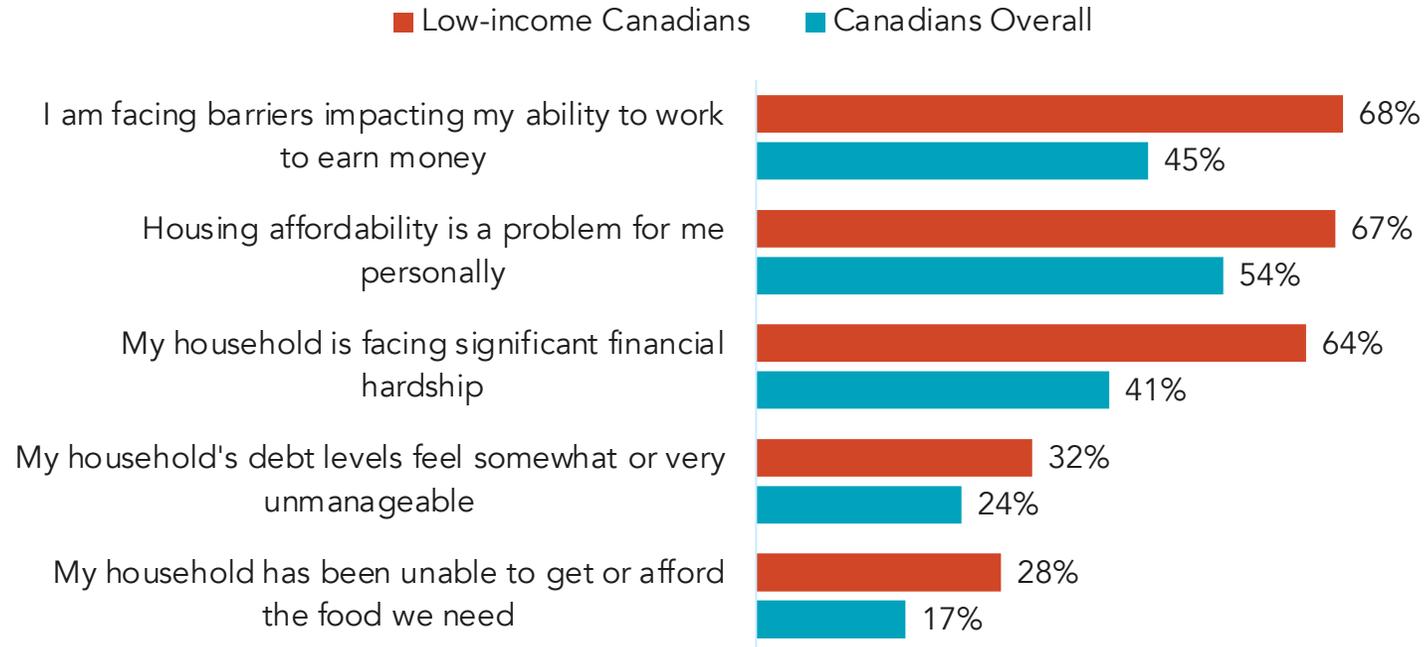


Challenges, barriers and financial hardship for households with lower incomes



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

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



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

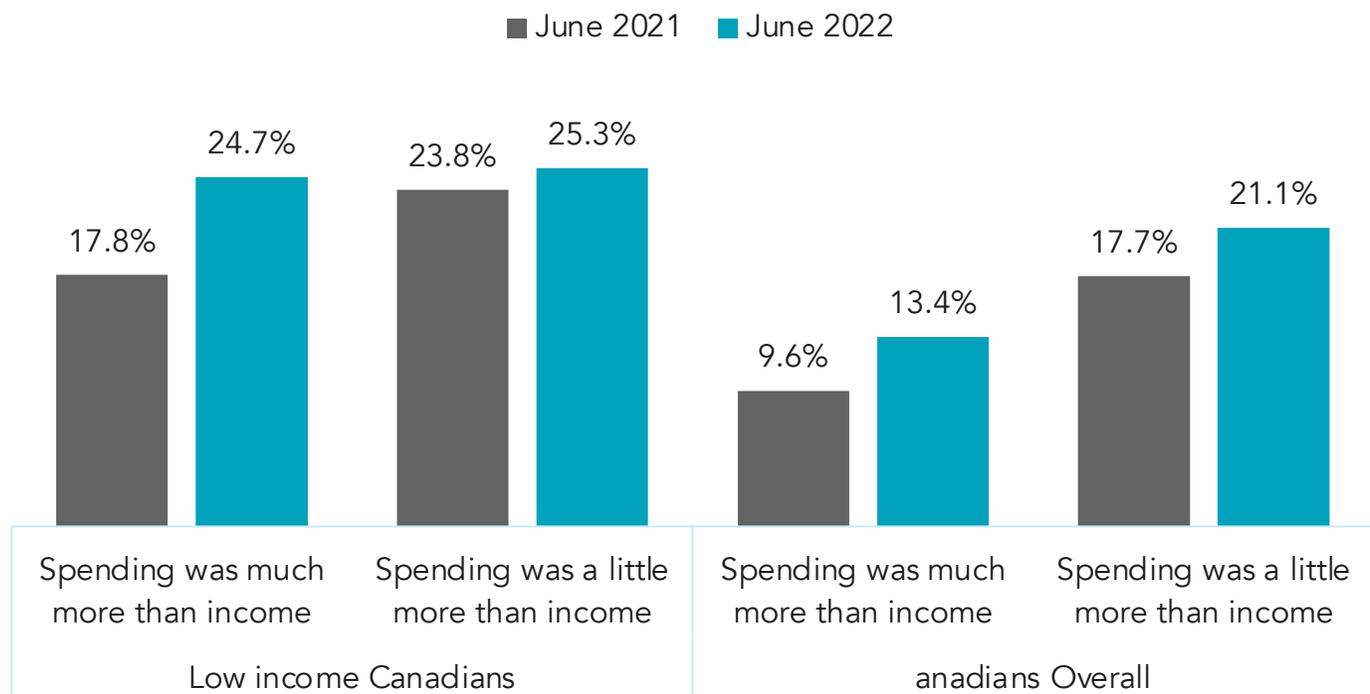
28% of low income households were unable to get or afford the food they needed, representing nearly 1 in 3 households.

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

Source: June 2022 Financial Well-Being study with a boost of lower income Canadians.  
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A quarter of low-income households were spending much more than their income in June 2022, likely as a result of the cost-of-living crisis. This is higher than in June 2021 and for Canadians overall

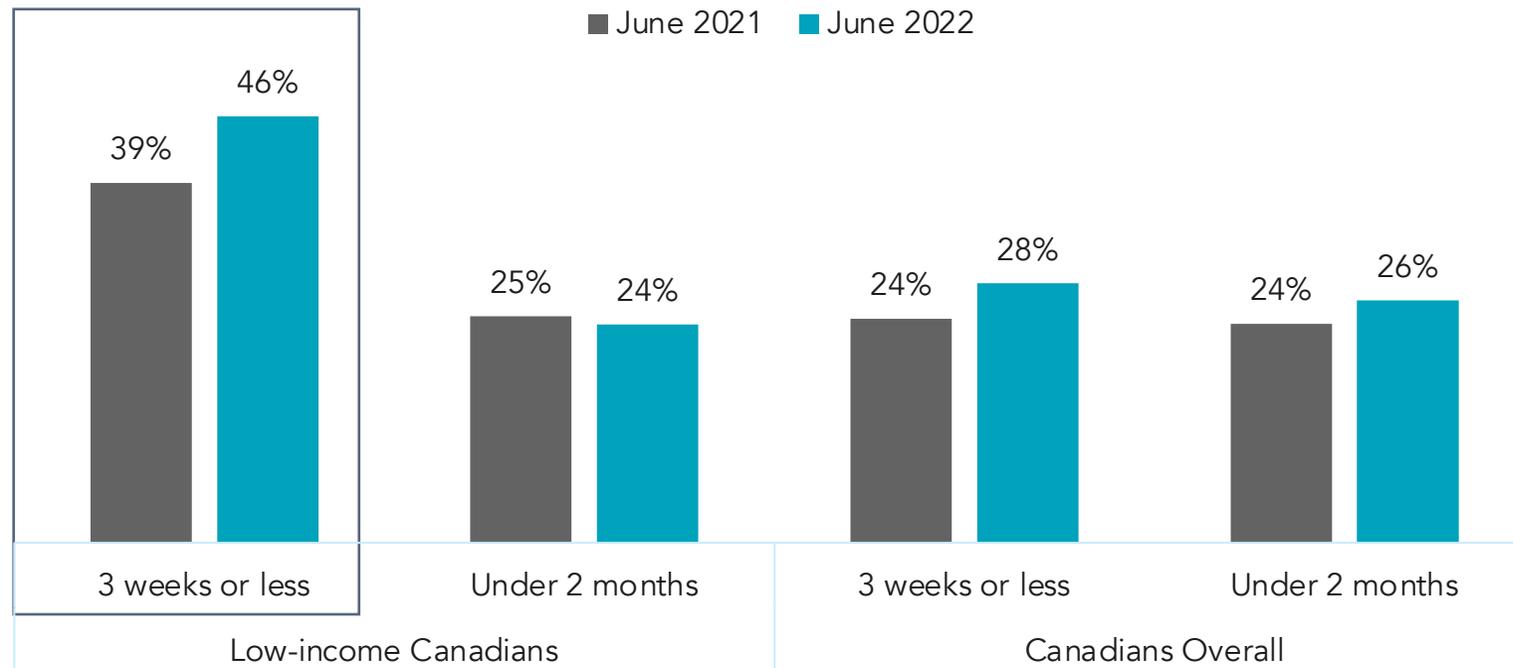
Levels of spending compared to income for low-income households vs. overall Canadians: (June 2021 vs June 2022)



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

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

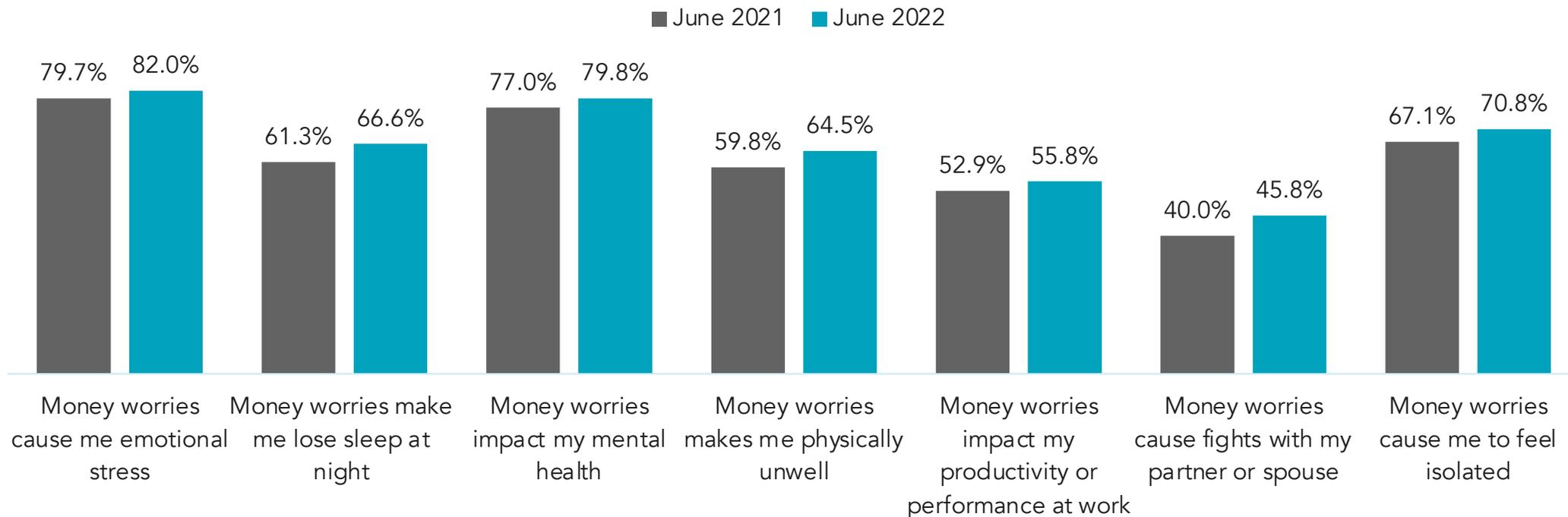
How long low-income households can afford to cover expenses at their current level of spending without borrowing or drawing on retirement savings, compared to Canadians overall (June 2021 vs. June 2022)



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

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

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

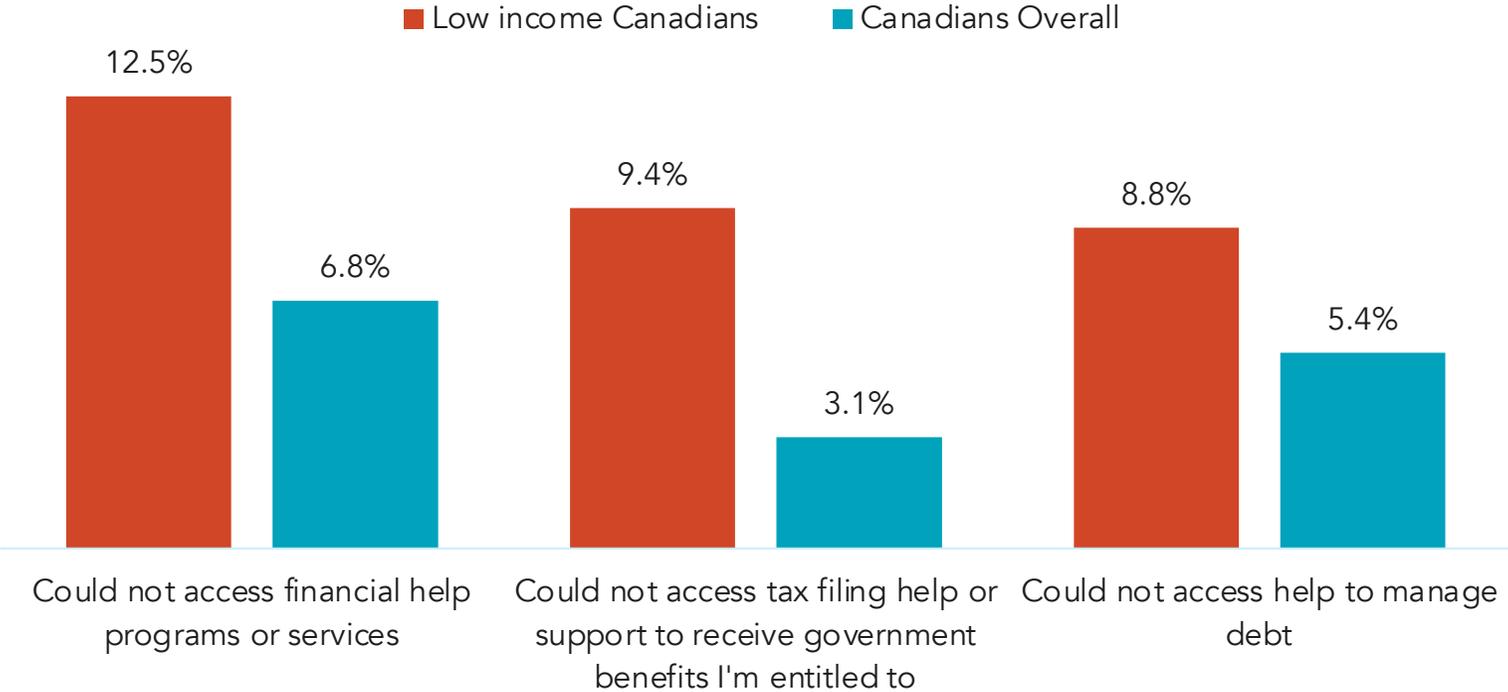


Source: June 2022 Financial Well-Being study with a boost of lower income Canadians.  
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# Over the past 12 months, just under 800,000 low-income households (12.5%) experienced difficulties accessing financial help programs: with this affecting twice as many households as for Canadians overall

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

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

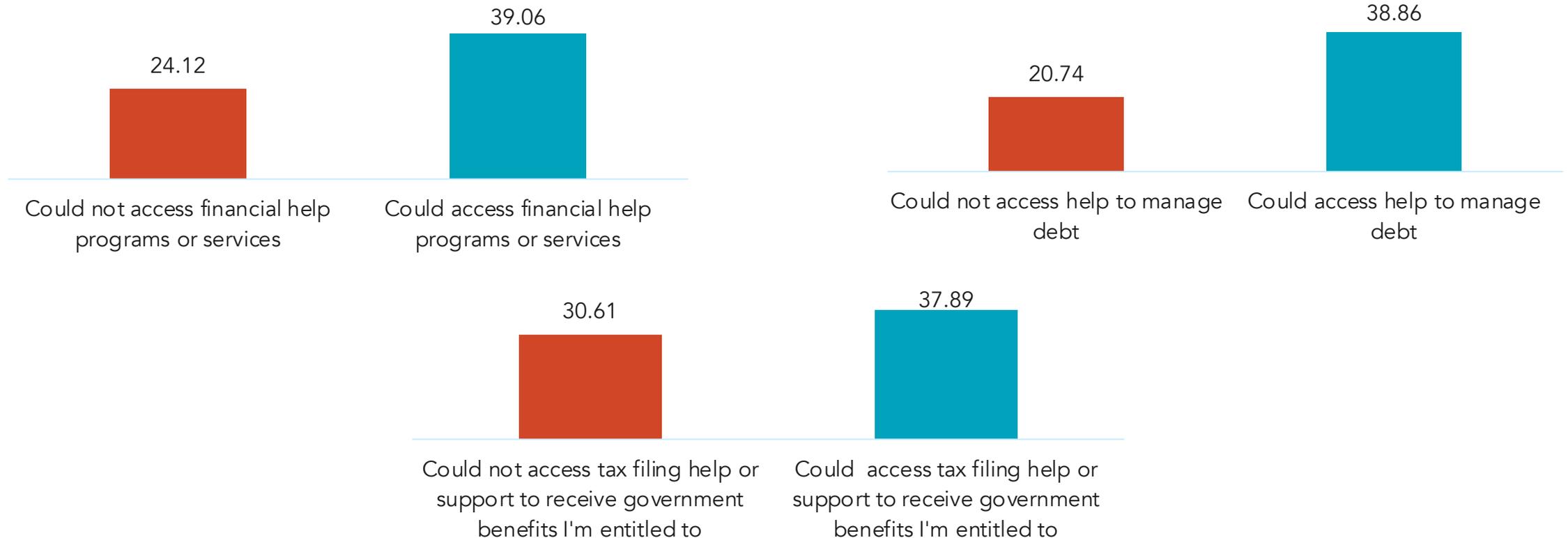


Source: June 2022 Financial Well-Being study with a boost of lower income Canadians.  
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# Index analytics show that low-income Canadians who accessed financial help programs and services, help managing their debt and/or filing their taxes had higher mean financial resilience scores compared to those who did not access this help

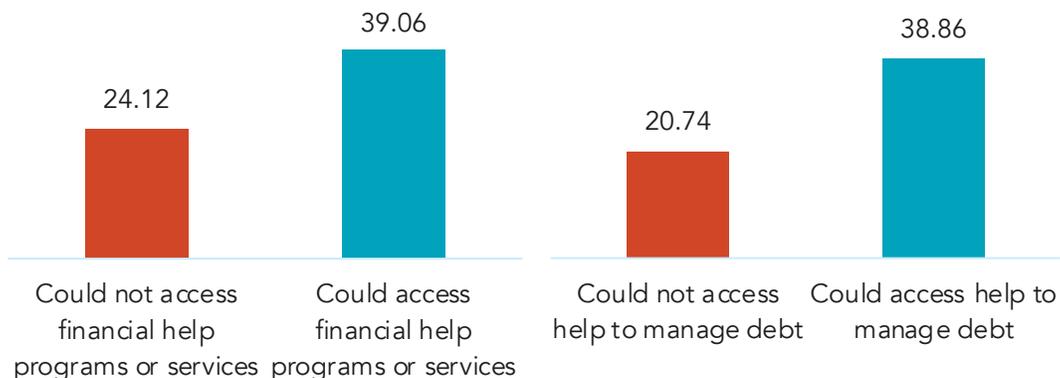
This validates the importance of this financial services support provided by non-profits, financial services providers and the wider ecosystem

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

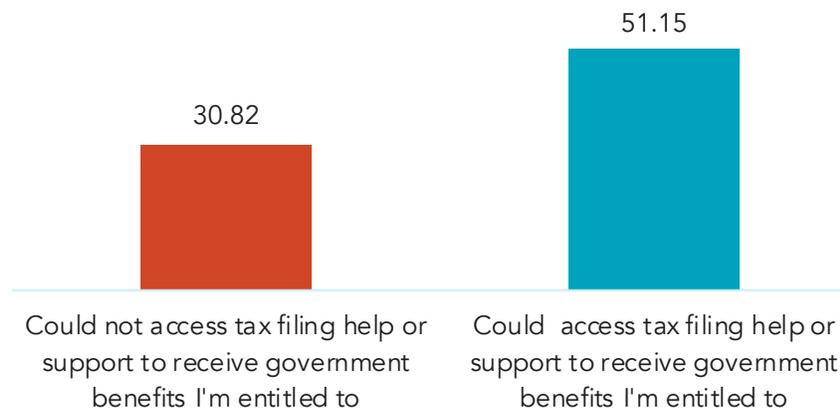
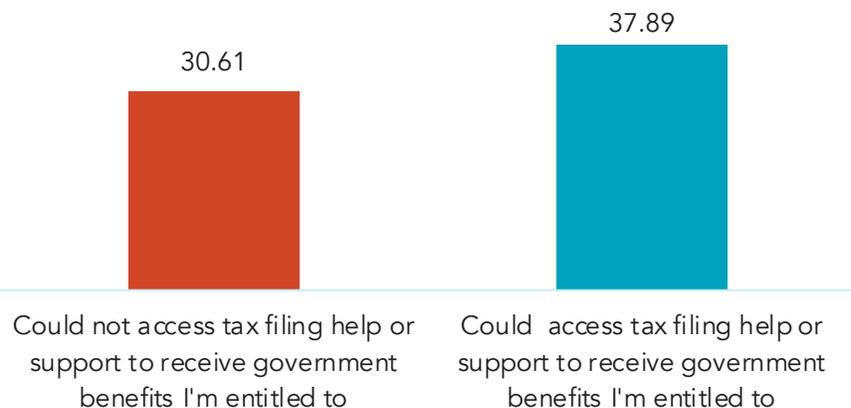
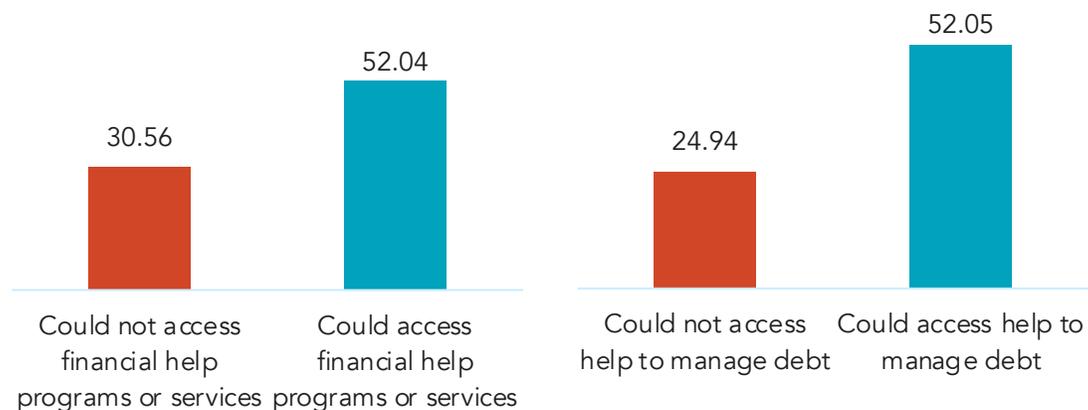


# Canadians generally gain value from a financial resilience perspective from this access to financial help also, based on Index analytics

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



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



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

# Appendices

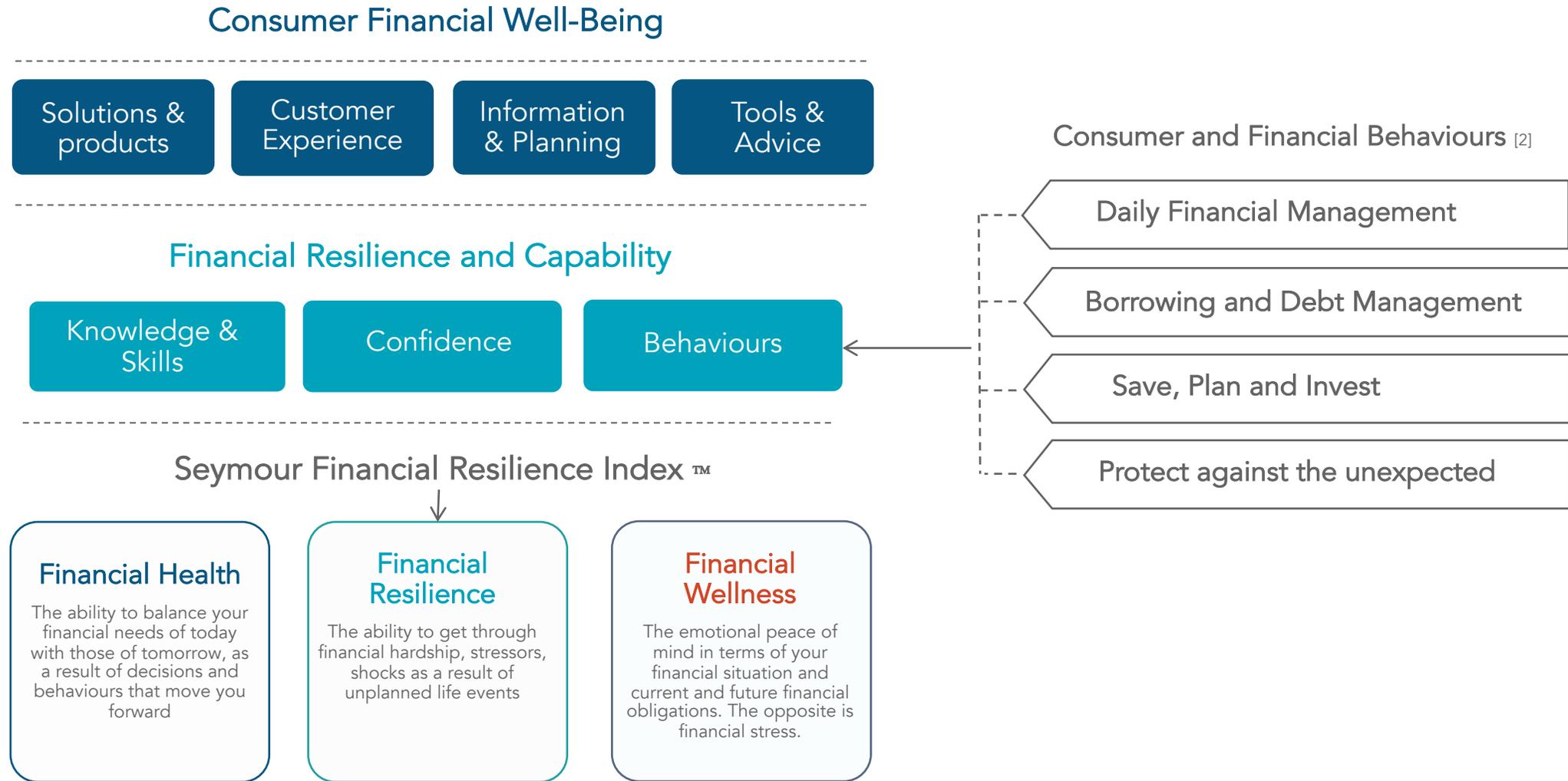
Financial Well-Being Framework, Financial Well-Being studies,  
Low-Income Study Demographics and Additional Information



Financial  
Resilience  
Institute

# Financial Well-Being Framework

Created in 2016 to shape the Financial Well-Being Studies and Seymour Financial Resilience Index™ [1]



[1] The proprietary Financial Well-being Framework was created by Seymour Management Consulting Inc. in 2016, following extensive research and consultation with academics, financial institutions, FCAC and other organizations around the world. Seymour Management Consulting Inc. has since become Financial Resilience Institute.

# Longitudinal Financial Well-Being Studies

Canada's robust national longitudinal study of Canadians' financial health, wellness and resilience and the role Financial Institutions can play to support their customers' financial wellness (2017 to 2022 and beyond).



- Canada's most robust national, independent investigation into consumer financial well-being, and the linkage between financial health and overall personal well-being. The study typically has a sample size of 3000 to 5000 adult Canadians.
- The study measures the extent to which primary FI customers rate their bank, credit union or other organization for helping to improve the financial wellness, plus many reported consumer and financial behaviours, challenges in access to support and more.
- The Financial Well-Being study includes indicators from the Seymour Financial Resilience Index™ and can have customized questions added to it by clients.

Developed based on the Financial Well-Being Framework. The online study has been conducted annually from 2017 to 2018, 3x a year between February 2020 and June 2020 and annually in June 2021 and June 2022. The next studies will be in February 2023 and June 2023.

Online survey with a large representative sample of the population of between c. 3000 and 5000 Canadians by household income, age, province and gender. The June 2022 survey had a boost sample of lower-income Canadians.

Primary or joint financial decision makers, aged 18 to 70 years old.

Recruited through the Angus Reid Forum, Canada's most respected and engaged online panel, all study design and analysis is led by Financial Resilience Institute.

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

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



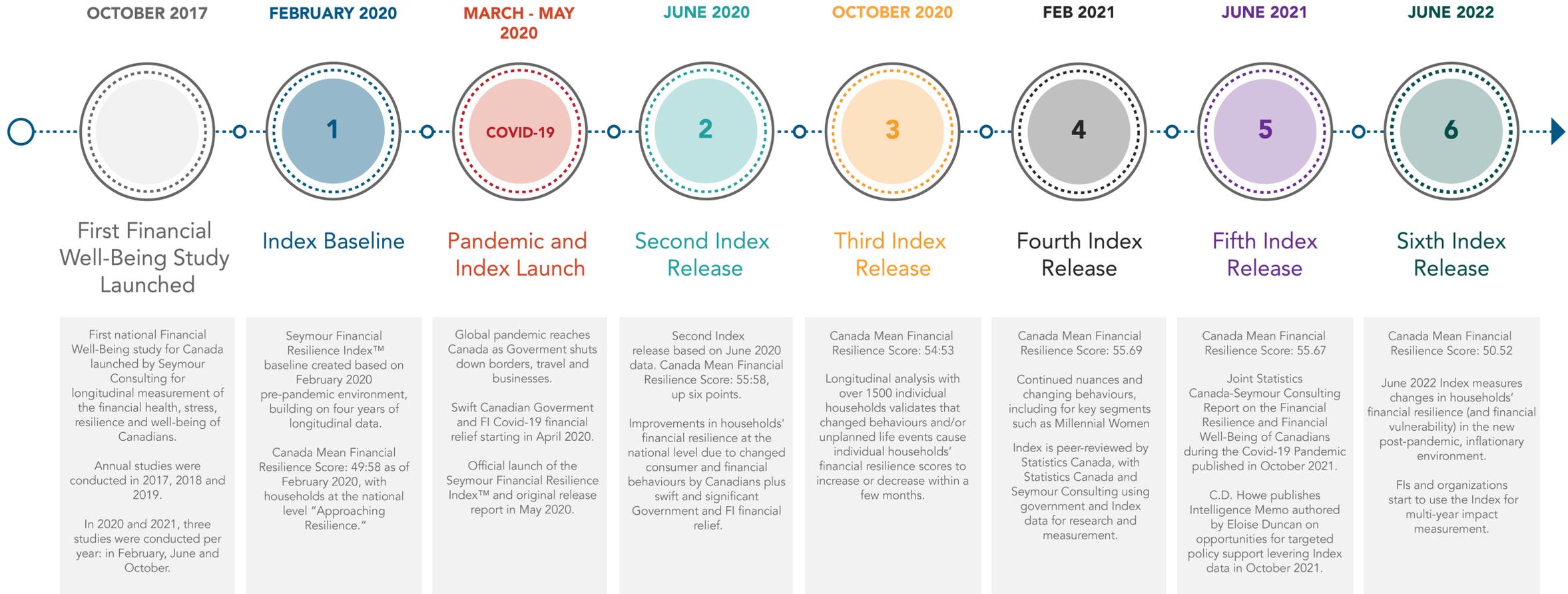
Financial Well-Being Study	Total Sample Size	Survey Respondents scored through the Index [1]	MOE
June 2022 study [2]	5061	4505	1.38%
June 2021 study	5028	4504	1.38%
Feb. 2021 study	3018	2710	1.78%
Oct. 2020 study	3016	2635	1.78%
June 2020 study	4989	4462	1.39%
Feb. 2020 study	1013	919	3.08%
June 2018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

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

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

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# Index Development Roadmap <sup>[1]</sup>



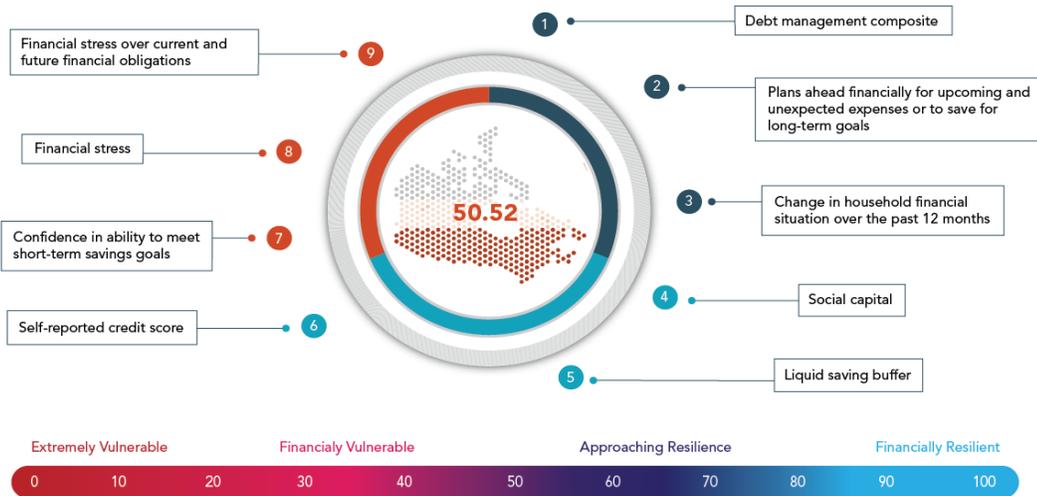
[1] Seymour Financial Resilience Index™ is a trademark used under license. For more details on the Index development methodology: <https://www.finresilienceinstitute.org/why-we-created-the-index/>  
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# The Index and longitudinal Financial Well-Being studies are complementary instruments that bring rich insights and impact measurement for Canada's ecosystem

These enable robust longitudinal research, analytics and impact measurement on the financial resilience, financial health and financial well-being of key populations and our clients' and partners' target customers, employees and communities [1]

1

## Seymour Financial Resilience Index™



2

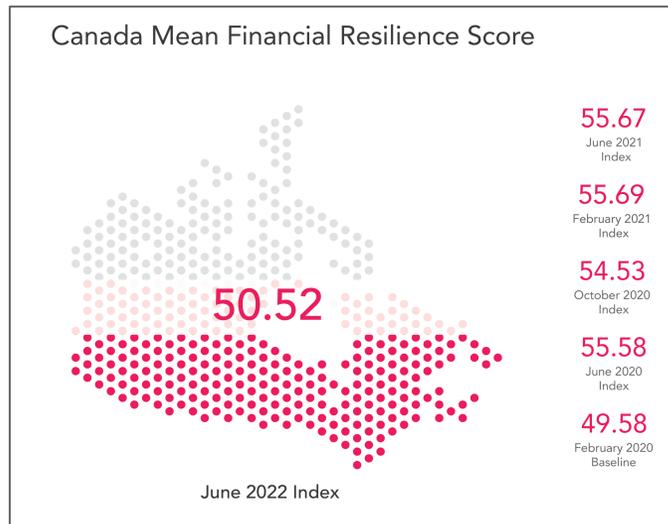
## Longitudinal Financial Well-Being study (2017 to 2022 and beyond)



[1] Bespoke questions can be added to the Financial Well-Being studies to compare against the Index and benchmark data for Institute clients and partners. Seymour Financial Resilience Index™ is a trademark used under license. For more details on the Index development methodology: <https://www.finresilienceinstitute.org/why-we-created-the-index/>  
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# The Canada mean financial resilience score has dropped five points based on the June 2022 Index: with 78% of the population financially vulnerable [1]

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



Source: Seymour Financial Resilience Index™

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

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

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

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

# National June 2022 Index Release Highlights: Continued



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

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

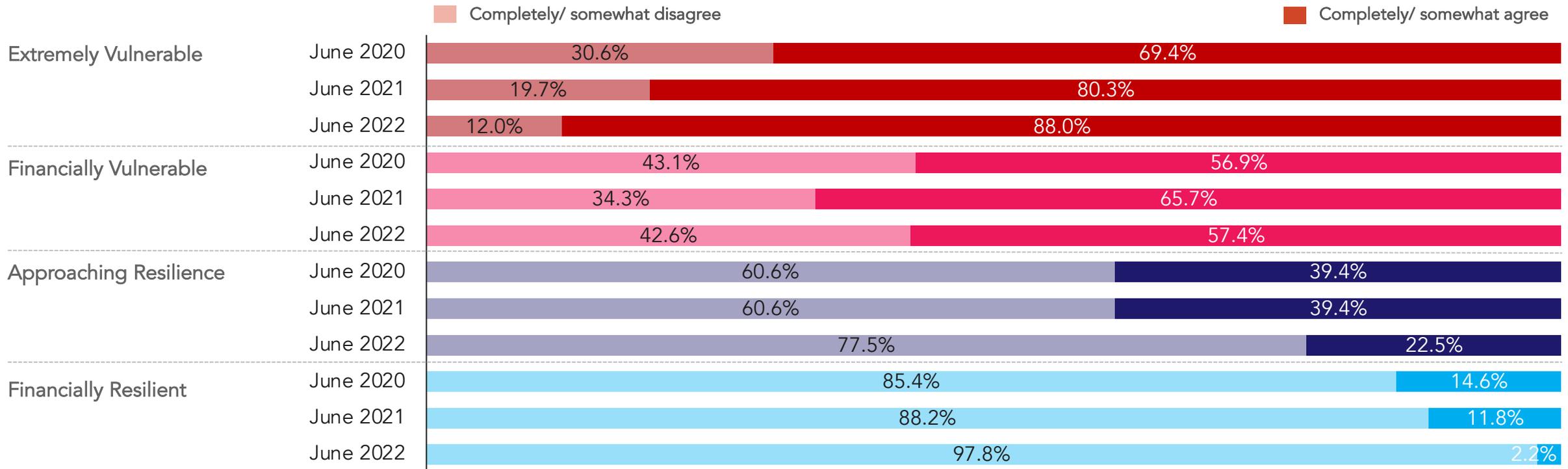
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# The Index shows an increasing percentage of 'Extremely Vulnerable' and 'Financially Vulnerable' Canadians experiencing significant financial hardship as of June 2022



The Index shone a light on inequities exacerbated by the pandemic, with household financial resilience tracked three times a year in 2020 and 2021 by the Institute. In June 2022, the Index highlights this continued challenge, with 88% of 'Extremely Vulnerable' Canadians reporting that they are experiencing significant financial hardship, compared to 80% a year earlier and just 2% of 'Financially Resilient' households in June 2022. This has implications for policymakers and the ecosystem in light of goals to help build a more resilient, equitable and inclusive Canada <sup>[1]</sup>

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



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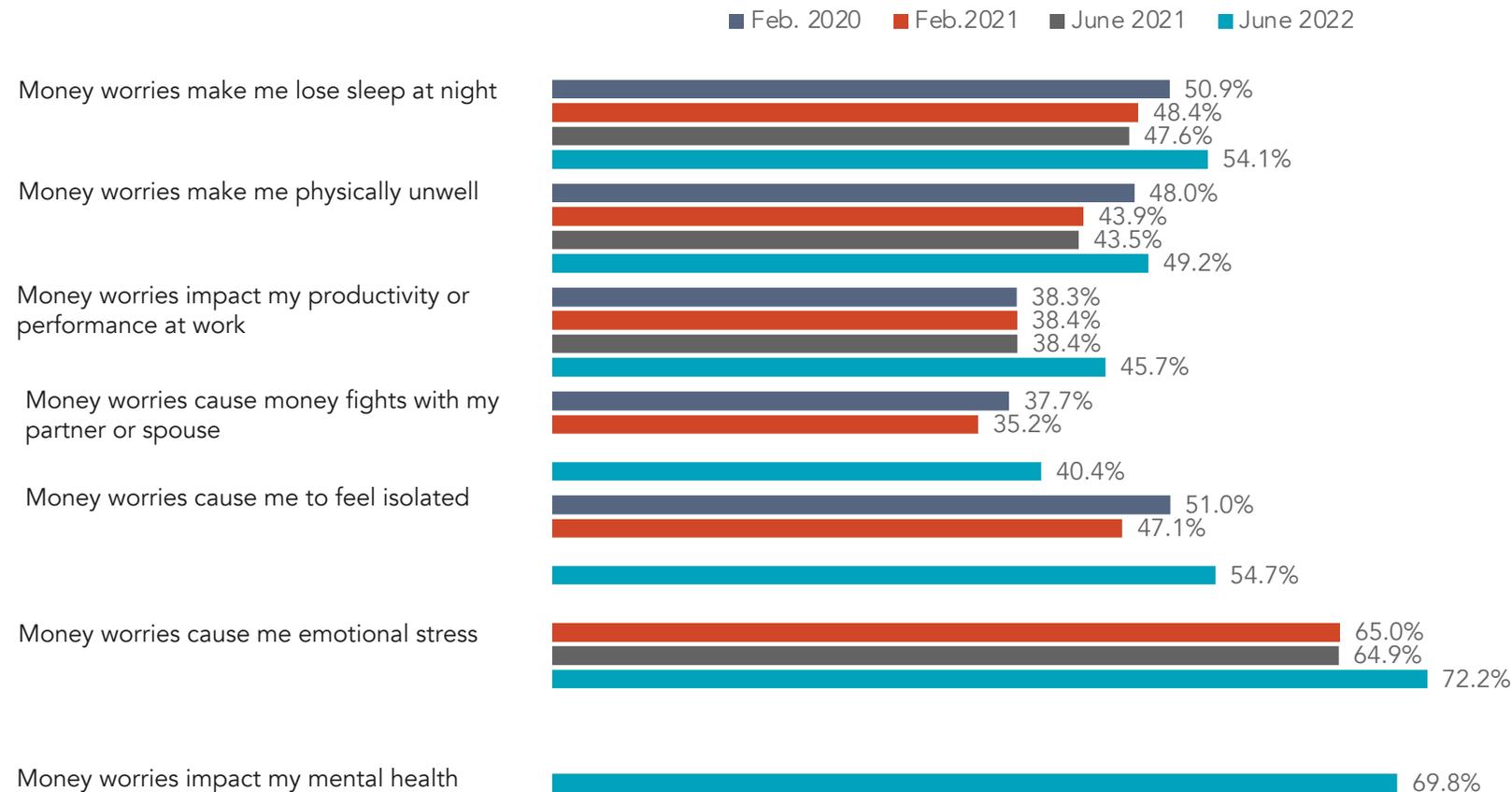
[1] The financial resilience gap has been reported on for several years by our organization, with this measured for women, those who are more financially vulnerable based on their index scores and other populations. 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially 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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# The impacts of financial stress of the physical health and other well-being elements of Canadians has been tracked by our organization since 2017.

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

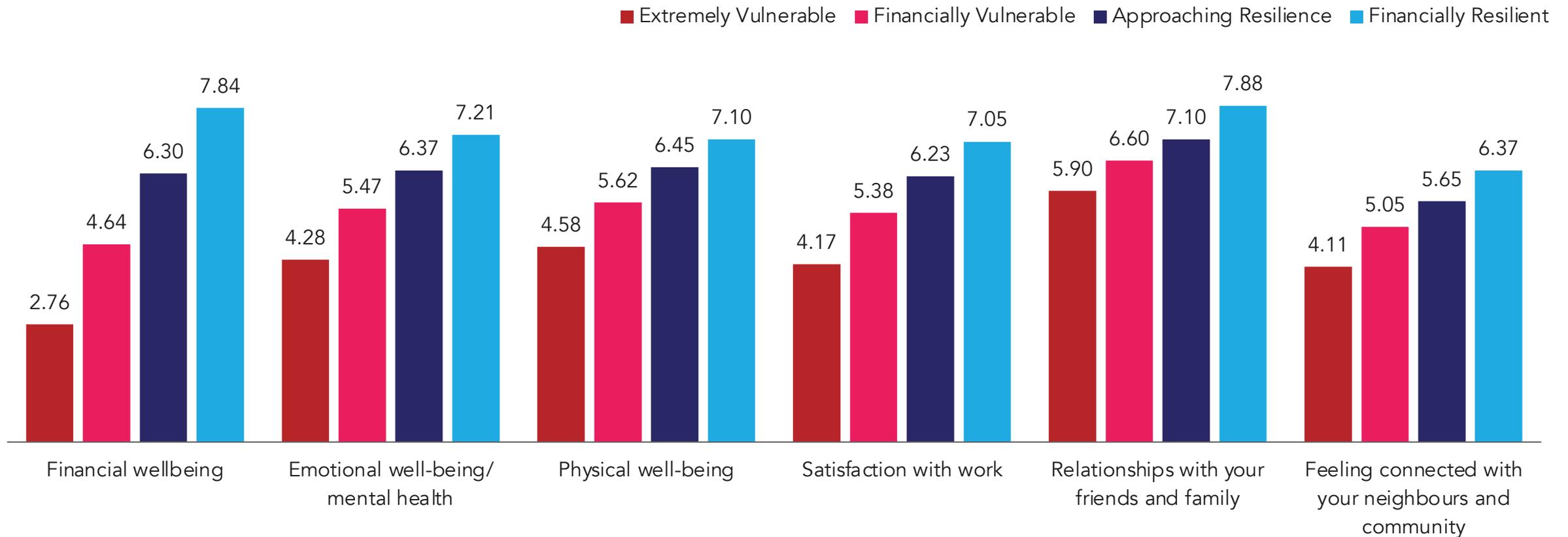
## Financial stress impacts on Canadians February 2020 (pre-pandemic) to June 2022



# Based on Index analytics, Canadians from more financially vulnerable households experience lower levels of well-being across all dimensions in 2022, as in 2021.

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

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

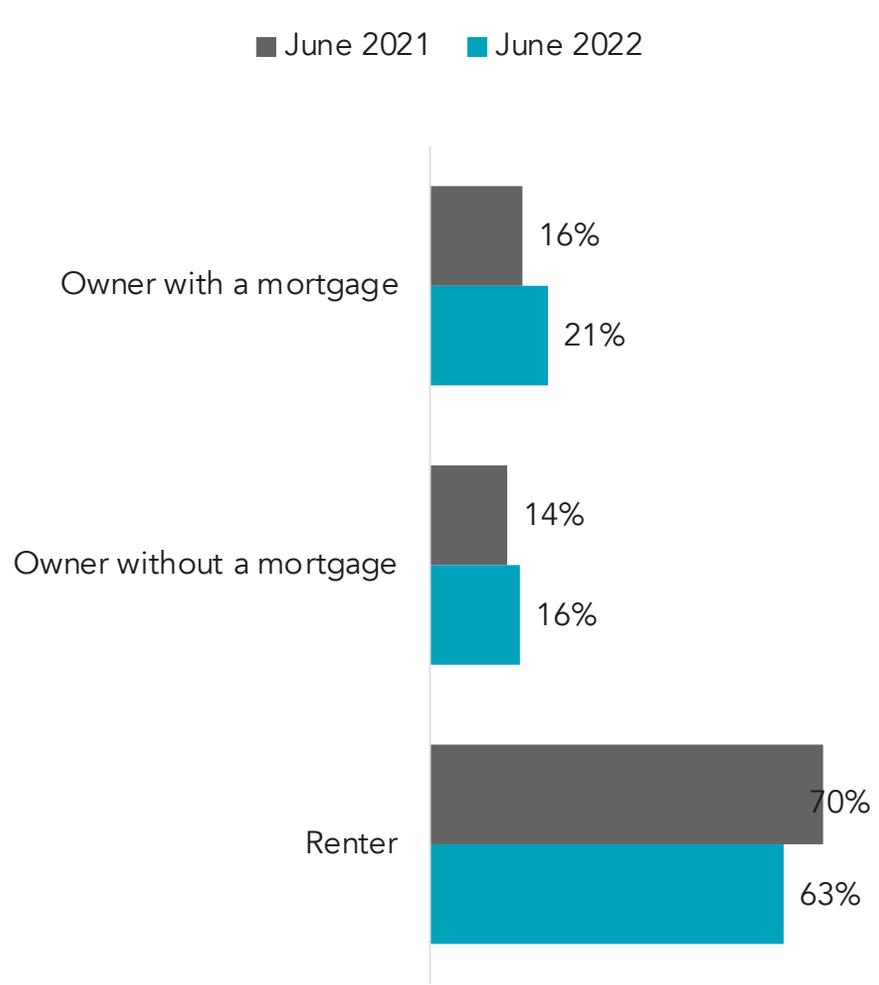
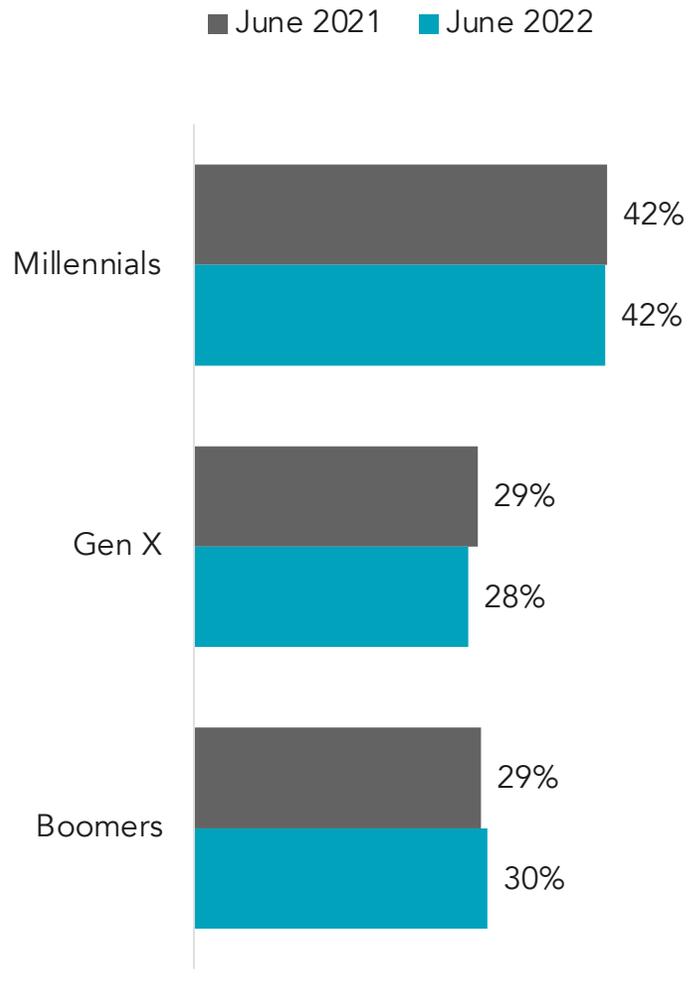
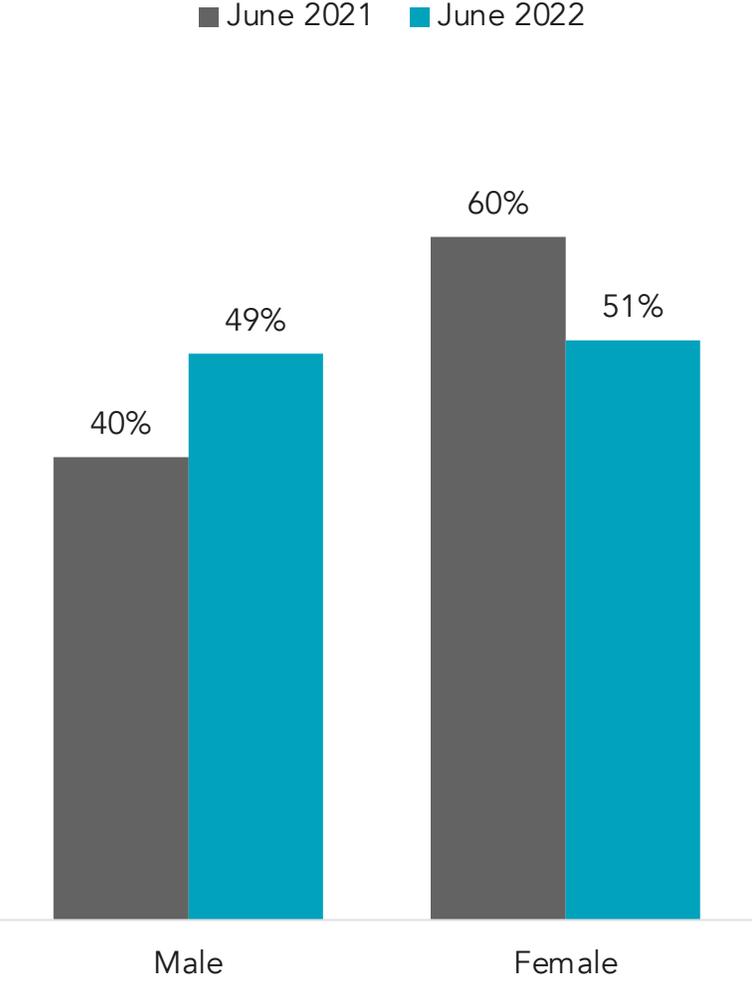


[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

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

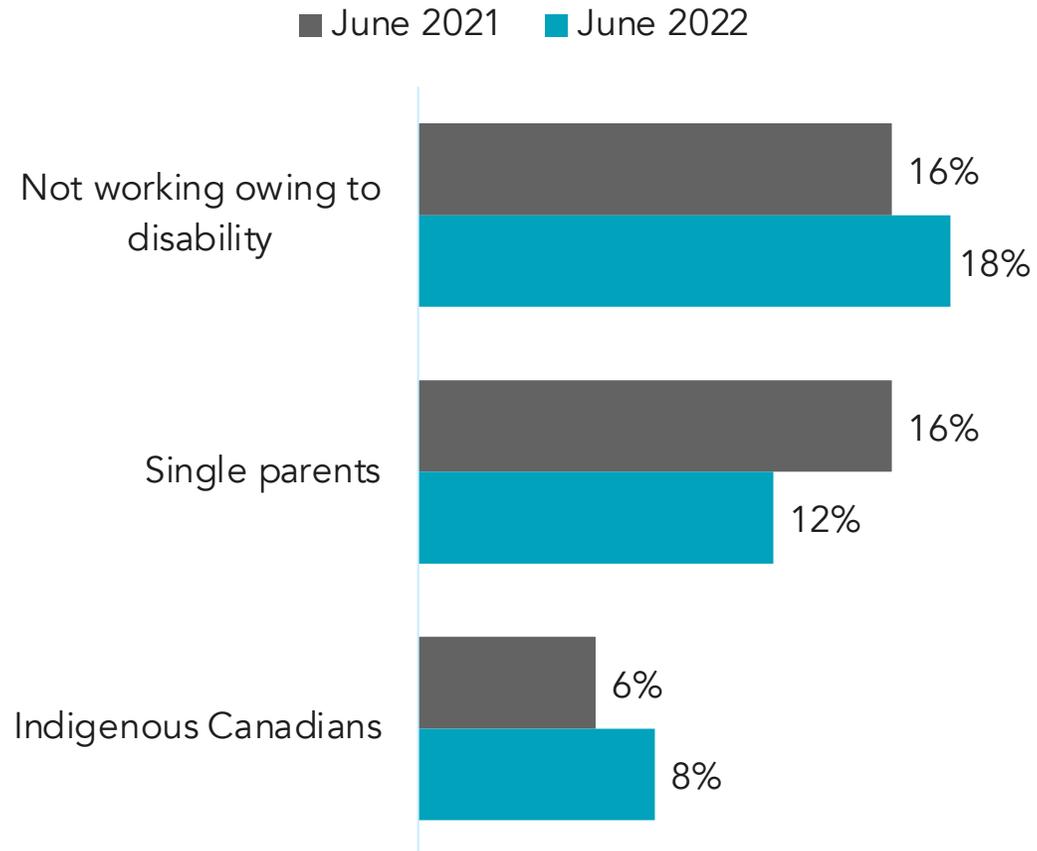
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# Demographics of low-income household survey respondents in 2022 and 2021



Source: June 2022 Financial Well-Being study with a boost of lower income Canadians.  
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# Demographics of low-income household survey respondents in 2022 and 2021



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