The Financial Wellbeing Index™ report

Canada | Summer 2021

LifeWorks

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Summer 2021 highlights

Key Insight: One-third of Canadians spend their entire paycheque or more in a typical pay period.

The financial wellbeing of Canadians continues to improve but remains below the pre-2020 benchmark

- Overall scores have improved or remain unchanged across all areas of financial wellbeing.
- All provinces except for British Columbia are below benchmark; Alberta has experienced the only decline in Summer 2021 compared to the prior period.
- For the third consecutive period, full-time post-secondary students have the lowest financial wellbeing score (-11.5).

Financial wellbeing scores are strongly associated with productivity

- The financial situation of younger people, parents, lower income earners, men, managers, and people working for small employers has a greater impact on their productivity than those in other groups.
- Lower financial wellbeing scores correspond to lower productivity and higher financial wellbeing scores correspond to higher productivity.
- The lowest productivity is seen among 4% of people with mental health scores below -40. This group also has the greatest number of unwell days per year (114 days).

More than half of employed Canadians either have no emergency savings or limited savings that would cover less than two months of essential expenses

- 28% of Canadians have no emergency savings and a further 25% have savings that would cover less than two months of essential expenses.
- Individuals without emergency savings are less productive by seven days annually compared to those with emergency savings.
- Respondents feeling stressed over their finances are less productive by 14 days compared to those not stressed over their finances.

74% of Canadians would leave a job that they are happy with for a salary increase

53% of Canadians either have no emergency savings or limited savings

34% of Canadians spend all or more than their pay in a typical pay period

One in three Canadians spend their entire paycheque or more in a typical pay period

- Individuals spending more than their pay are less productive by 11 days compared to those spending less than their pay.
- Parents are twice as likely as non-parents to spend more than their income.

One-quarter of Canadians do not believe they could come up with $2,000 for an unexpected need

- Those reporting that it would be impossible for them to come up with $2,000 for an unexpected need are less productive by 18 days than those who can.

Those with lower financial wellbeing are more likely to leave a job that they are happy with for a salary increase

- More than one-fifth of Canadians would leave a job that they are happy with for a salary increase of 10% or less, and this group has among the lowest financial wellbeing, knowledge, perception, and behaviour scores.
- 74% would leave a job that they are happy with for an increase in salary.
- The 26% of Canadians who would not leave a job that they are happy with for more money have the highest financial wellbeing scores across all categories.

Canadians working for organizations with 51-100 employees have lower financial wellbeing and lower productivity scores compared to other employer groups

- Since the launch of the FWI, people working for organizations with 51-100 employees have had poorer financial wellbeing, by a large margin, than larger and smaller employer groups.

Managers, parents, women, and younger people have lower financial wellbeing than their cohorts

- Financial counselling, tuition support, emergency relief and loan assistance are more valued by managers and parents than by non-managers and non-parents.

Retirement savings programs are the most frequently offered programs by employers and the most valued among employees

- One in four Canadians report that retirement savings is their current financial priority.
- One in five Canadians indicate that their employer's financial wellbeing program has helped them prepare for retirement.

26%

of Canadians could not come up with $2,000 for an unexpected need

26%

of Canadians would not leave a job they are happy with for more money

and this group has the highest financial wellbeing

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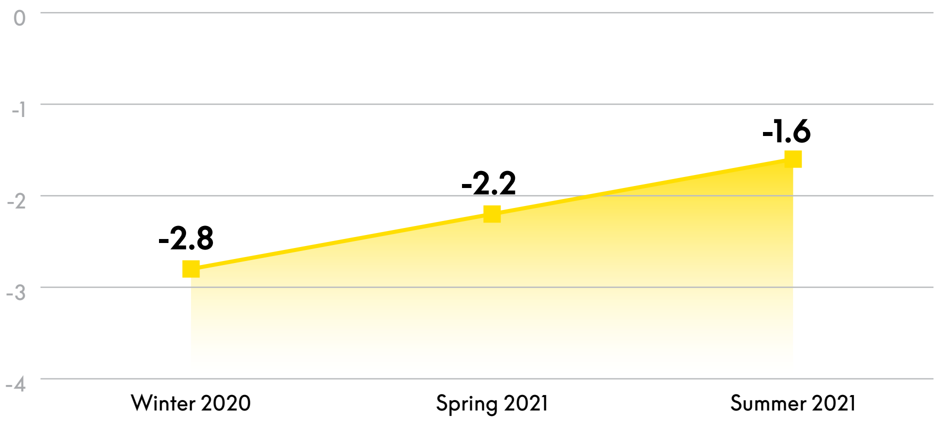
The Financial Wellbeing Index™

The Financial Wellbeing Index™ (FWI) is a measure of deviation from the benchmark[1] of the financial wellbeing of the population. **The overall Financial Wellbeing Index™ for Summer 2021 is -1.6 points.** This Index represents the deviation below the pre-2020 benchmark. A negative score indicates poorer financial wellbeing relative to the benchmark, and a positive score indicates better financial wellbeing. The financial wellbeing of Canadians has shown improvement since January 2021.



FWI
Current Period
Summer 2021

-1.6

Spring 2021

-2.2

1 The benchmark reflects data collected in 2017, 2018 and 2019.

Demographics

- Since the launch of the FWI, women have had significantly lower financial wellbeing scores than men. In Summer 2021, the financial wellbeing score of women is -3.5 compared to 0.3 for men.
- Financial wellbeing scores are better the older the age cohort; the least favourable financial score is among 20–29-year-olds (-11.6) while the most favourable score is among 70–79-year-olds (8.1).
- Household income is strongly correlated with financial wellbeing; households reporting an annual income of up to $30,000 have the lowest financial wellbeing score (-13.3), more than ten-points below the national score.
- Differences in financial wellbeing scores between those with and without children have been seen since the launch of the Index. In Summer 2021, those with at least one child have a lower score (-5.7) than those without children (0.1).

Employment

- Individuals reporting fewer hours compared to the prior month have the lowest financial wellbeing score (-12.6), followed by those reporting reduced salary (-12.5).
- Managers have a lower financial wellbeing score (-2.4) than non-managers (-0.9).
- Individuals working for organizations with more than 10,000 employees have the most favourable financial wellbeing score (2.9) while those working for organizations with 51-100 employees have the lowest financial wellbeing score (-6.5).

Managers have a lower financial wellbeing score (-2.4) than non-managers (-0.9)

Financial Wellbeing Index™

Employment status	Summer 2021	Spring 2021
Employed (no change in hours/salary)	0.2	-0.2
Employed (fewer hours compared to last month)	-12.6	-11.1
Employed (reduced salary compared to last month)	-12.5	-11.1
Not currently employed	-3.6	-10.1

Age group	Summer 2021	Spring 2021
Age 20-29	-11.6	-11.0
Age 30-39	-5.9	-6.6
Age 40-49	-4.3	-3.4
Age 50-59	1.4	1.0
Age 60-69	5.9	3.5
Age 70-79	8.1	7.1

Number of children	Summer 2021	Spring 2021
No children in household	0.1	-0.8
1 child	-5.7	-5.4
2 children	-5.3	-6.1
3 children or more	-5.8	-4.2

Province	Summer 2021	Spring 2021
Alberta	-4.7	-3.6
British Columbia	0.3	-1.9
Manitoba	-2.3	-3.6
Newfoundland and Labrador	-1.2	-2.1
The Maritimes	-3.2	-6.4
Quebec	-1.4	-1.4
Ontario	-1.0	-1.0
Saskatchewan	-1.9	-4.9

Gender	Summer 2021	Spring 2021
Men	0.3	-0.7
Women	-3.5	-3.6

Household income	Summer 2021	Spring 2021
<$30K/annum	-13.3	-12.6
$30K to <$60K/annum	-8.6	-9.0
$60K to <$100K	-1.9	-3.0
$100K to <$150K	2.2	2.2
$150K or more	8.9	8.3

Employer size	Summer 2021	Spring 2021
Self-employed/ sole proprietor	-0.2	0.3
2-50 employees	-1.9	-2.9
51-100 employees	-6.5	-7.0
101-500 employees	-2.9	-3.0
501-1,000 employees	-2.5	-4.3
1,001-5,000 employees	-0.5	-0.2
5,001-10,000 employees	-0.7	-1.1
More than 10,000 employees	2.9	2.3

Manager	Summer 2021	Spring 2021
Manager	-2.4	-2.1
Non-manager	-0.9	-1.7

Numbers highlighted in orange are the most negative scores in the group.

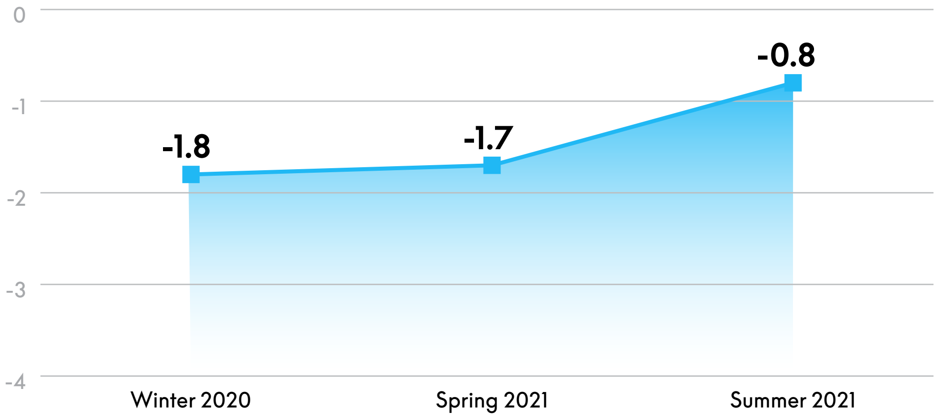
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Financial knowledge

The financial knowledge sub-scale is a measure of deviation from the benchmark[2] of the overall self-reported financial knowledge and literacy of the population. **The financial knowledge sub-score for Summer 2021 is -0.8 points.** This score represents a nearly one-point improvement over the prior period.

- Women have a considerably lower financial knowledge score (-4.1) than men (2.5).
- Financial knowledge scores are better the older the age cohort; there is a fifteen-point difference between the least favourable financial knowledge score, among 20–29-year-olds (-7.8), and the most favourable knowledge score, among people 70 and older (7.4).



- Households reporting an annual income of up to $30,000 have the lowest financial knowledge score (-7.4), compared to households with annual income of $150,000 or more (6.7).
- Managers have a better financial knowledge score (3.9) than non-managers (-3.2).
- Sole proprietors/self-employed individuals have the most favourable financial knowledge score (3.6).

Financial knowledge Current Period Summer 2021

-0.8

Spring 2021

-1.7

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2
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2 The benchmark reflects data collected in 2017, 2018 and 2019.

Financial knowledge

Employment status	Summer 2021	Spring 2021
Employed (no change in hours/salary)	0.0	-0.7
Employed (fewer hours compared to last month)	-5.3	-7.3
Employed (reduced salary compared to last month)	0.1	-2.2
Not currently employed	-5.4	-5.3

Age group	Summer 2021	Spring 2021
Age 20-29	-7.8	-9.3
Age 30-39	-1.2	-4.1
Age 40-49	-1.5	-0.9
Age 50-59	0.0	-0.6
Age 60-69	1.9	1.2
Age 70-79	7.4	8.8

Number of children	Summer 2021	Spring 2021
No children in household	-1.3	-2.2
1 child	0.6	0.1
2 children	-0.4	-1.1
3 children or more	2.8	-1.9

Province	Summer 2021	Spring 2021
Alberta	-2.7	-1.9
British Columbia	-2.4	-3.4
Manitoba	-5.1	-3.7
Newfoundland and Labrador	2.3	0.2
The Maritimes	-2.4	-5.0
Quebec	0.1	-0.7
Ontario	1.2	-1.2
Saskatchewan	-0.7	-1.9

Gender	Summer 2021	Spring 2021
Men	2.5	1.5
Women	-4.1	-5.1

Household income	Summer 2021	Spring 2021
<$30K/annum	-7.4	-7.2
$30K to <$60K/annum	-7.0	-7.2
$60K to <$100K	-0.4	-2.1
$100K to <$150K	3.0	1.2
$150K or more	6.7	5.7

Employer size	Summer 2021	Spring 2021
Self-employed/ sole proprietor	3.6	2.8
2-50 employees	-1.0	-1.8
51-100 employees	-2.2	-4.3
101-500 employees	0.7	-2.2
501-1,000 employees	-1.3	-1.7
1,001-5,000 employees	-1.3	-3.3
5,001-10,000 employees	-4.3	-1.9
More than 10,000 employees	0.6	0.3

Manager	Summer 2021	Spring 2021
Manager	3.9	2.9
Non-manager	-3.2	-3.9

Numbers highlighted in orange are the most negative scores in the group.

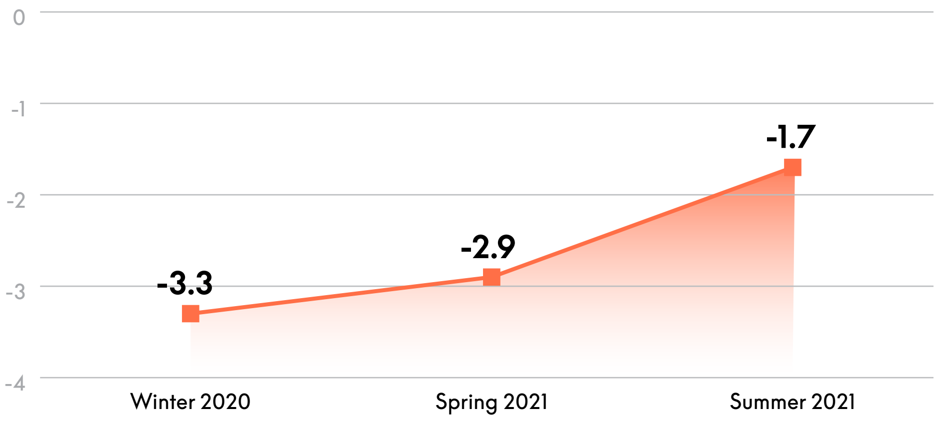
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Financial behaviour

The financial behaviour sub-scale measures the deviation from the benchmark[3] of financial behaviours such as the existence of emergency savings, approach to credit and bill payments, savings behaviours, and overall debt load. **The financial behaviour sub-score for Summer 2021 is -1.7 points.** This score represents a 1.2-point improvement over the prior period.

- Women have a lower financial behaviour score (-2.8) than men (-0.6).
- Financial behaviour scores are better the older the age cohort; there is a seventeen-point difference between the least favourable financial knowledge score, among 20–29-year-olds (-11.2), and the most favourable knowledge score, among 60–69-year-olds (5.9).



- Households reporting an annual income of up to $30,000 have the lowest financial behaviour score (-13.8), twenty-two points lower than households with an annual income of $150,000 or more (8.4).
- Non-managers have a significantly better financial behaviour score (-0.9) than managers (-2.7).
- Respondents working for organizations with more than 10,000 employees have the most favourable financial behaviour score (3.3) while those working for organizations with 51-100 employees have the least financial behaviour score.

Financial behaviour Current Period Summer 2021

-1.7

Spring 2021

-2.9

3 The benchmark reflects data collected in 2019.

Financial behaviour

Employment status	Summer 2021	Spring 2021
Employed (no change in hours/salary)	0.0	-1.0
Employed (fewer hours compared to last month)	-12.9	-10.8
Employed (reduced salary compared to last month)	-12.6	-11.2
Not currently employed	-3.3	-12.4

Age group	Summer 2021	Spring 2021
Age 20-29	-11.2	-11.9
Age 30-39	-5.6	-6.6
Age 40-49	-5.1	-4.6
Age 50-59	1.6	0.5
Age 60-69	5.9	3.1
Age 70-79	4.8	0.5

Number of children	Summer 2021	Spring 2021
No children in household	0.3	-1.3
1 child	-6.9	-6.9
2 children	-5.4	-7.5
3 children or more	-8.2	-4.9

Province	Summer 2021	Spring 2021
Alberta	-3.4	-4.2
British Columbia	1.8	-1.0
Manitoba	-0.8	-3.7
Newfoundland and Labrador	-5.5	-6.6
The Maritimes	-5.5	-9.5
Quebec	-1.4	-1.4
Ontario	-2.7	-3.1
Saskatchewan	-0.4	-6.8

Gender	Summer 2021	Spring 2021
Men	-0.6	-2.1
Women	-2.8	-3.7

Household income	Summer 2021	Spring 2021
<$30K/annum	-13.8	-14.2
$30K to <$60K/annum	-8.3	-10.4
$60K to <$100K	-2.4	-3.9
$100K to <$150K	2.2	2.0
$150K or more	8.4	8.2

Employer size	Summer 2021	Spring 2021
Self-employed/ sole proprietor	-1.4	-1.8
2-50 employees	-2.2	-3.7
51-100 employees	-7.2	-8.0
101-500 employees	-3.2	-3.8
501-1,000 employees	-2.5	-5.1
1,001-5,000 employees	-0.6	-0.5
5,001-10,000 employees	-0.2	-1.6
More than 10,000 employees	3.3	2.3

Manager	Summer 2021	Spring 2021
Manager	-2.7	-2.7
Non-manager	-0.9	-2.5

Numbers highlighted in orange are the most negative scores in the group.

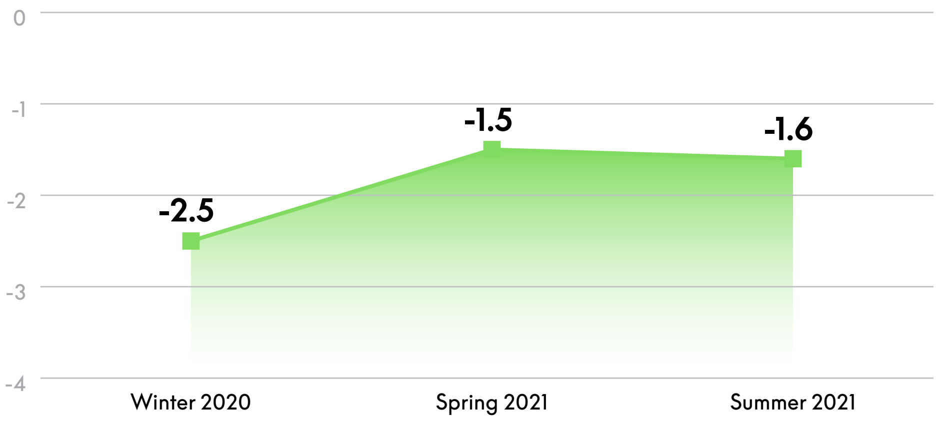
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Financial perception

The financial perception sub-scale measures the deviation from the benchmark[4] of an individual's perceived financial situation, stress caused by finances, and a comparison to peers who earn the same income. **The financial perception sub-score for Summer 2021 is -1.6 points.** This score represents a modest decline compared to the prior period.

- Women have a significantly lower financial perception score (-3.9) than men (0.7).
- Financial knowledge scores are better the older the age cohort; there is more than a 24-point difference between the financial perception score of 20–29-year-olds (-12.9) and 70–79-year-olds (11.5).



- Respondents with children (-6.2) have a lower financial perception score than those without children (0.3).
- Households reporting an annual income of up to $30,000 have the lowest financial perception score (-14.2) compared to households with an annual income of $150,000 or more (10.0).
- Managers have a lower financial perception score (-3.5) than non-managers (-0.3).
- Respondents working for organizations with more than 10,000 employees have the most favourable financial perception score (3.1) while those working for organizations with 51-100 employees have the least favourable financial perception score (-7.0).

Financial perception Current Period Summer 2021

-1.6

Spring 2021

-1.5

4 The benchmark reflects data collected in 2019.

Financial perception

Employment status	Summer 2021	Spring 2021
Employed (no change in hours/salary)	0.4	0.8
Employed (fewer hours compared to last month)	-14.2	-12.2
Employed (reduced salary compared to last month)	-15.4	-13.3
Not currently employed	-3.4	-9.0

Age group	Summer 2021	Spring 2021
Age 20-29	-12.9	-10.6
Age 30-39	-7.3	-7.2
Age 40-49	-4.3	-2.7
Age 50-59	1.6	1.9
Age 60-69	6.8	4.6
Age 70-79	11.5	13.2

Number of children	Summer 2021	Spring 2021
No children in household	0.3	0.1
1 child	-6.2	-5.4
2 children	-6.3	-6.0
3 children or more	-5.5	-4.1

Province	Summer 2021	Spring 2021
Alberta	-6.6	-3.4
British Columbia	-0.5	-2.4
Manitoba	-3.2	-3.5
Newfoundland and Labrador	2.2	1.7
The Maritimes	-1.0	-3.7
Quebec	-0.8	-0.8
Ontario	-0.6	0.3
Saskatchewan	-3.8	-3.8

Gender	Summer 2021	Spring 2021
Men	0.7	0.1
Women	-3.9	-3.2

Household income	Summer 2021	Spring 2021
<$30K/annum	-14.2	-12.3
$30K to <$60K/annum	-9.2	-8.2
$60K to <$100K	-1.9	-2.4
$100K to <$150K	2.1	2.8
$150K or more	10.0	9.2

Employer size	Summer 2021	Spring 2021
Self-employed/ sole proprietor	0.2	1.7
2-50 employees	-2.0	-2.3
51-100 employees	-7.0	-6.6
101-500 employees	-3.5	-2.3
501-1,000 employees	-2.9	-4.1
1,001-5,000 employees	-0.2	1.0
5,001-10,000 employees	-0.2	-0.5
More than 10,000 employees	3.1	2.8

Manager	Summer 2021	Spring 2021
Manager	-3.5	-2.7
Non-manager	-0.3	-0.3

Numbers highlighted in orange are the most negative scores in the group.

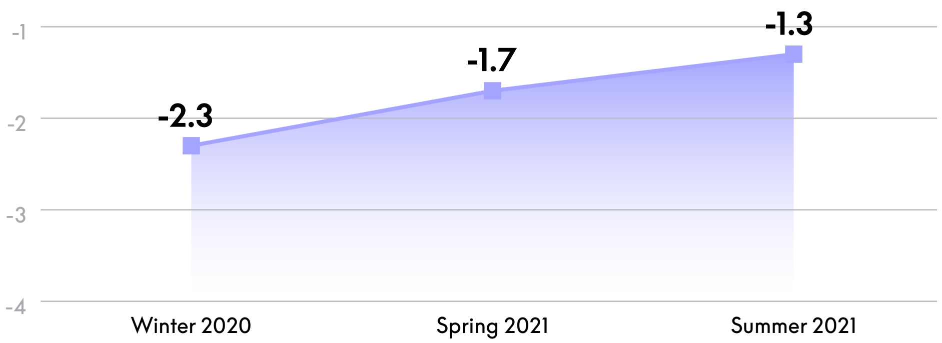
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Productivity impact

The productivity impact score measures the extent to which one's financial situation impacts work productivity. **For Summer 2021, the score is -1.3 points, which is an improvement.** This improvement reflects a less negative impact on work productivity as a result of the group's financial situation.

- Men experience a slightly greater negative impact on their productivity (-1.3) than women (-1.2) as a result of financial wellbeing issues.
- Other groups that are more vulnerable to productivity reductions as a result of their financial situation include the younger demographic; 20–29-year-olds have the least favourable score (-17.5), and this score improves considerably with age.
- Households reporting an annual income of up to $30,000 have the lowest productivity score (-14.4).



- The productivity score for those with at least one child (-8.6) is nearly ten-points below those without children (2.0).
- Individuals reporting reduced salaries compared to the prior month have the lowest productivity score (-21.9), followed by those reporting fewer hours (-15.8), and those not currently employed (-8.3).
- The financial situation of managers has a greater impact on productivity on managers (-7.1) than non-managers (2.3).
- Individuals working for organizations with more than 10,000 employees have the most favourable productivity score (6.6) while those working for organizations with 51-100 have the least favourable productivity score (-10.7).

Productivity Impact Current Period Summer 2021

-1.3

Spring 2021

-1.7

Productivity impact

Employment status	Summer 2021	Spring 2021
Employed (no change in hours/salary)	1.2	1.7
Employed (fewer hours compared to last month)	-15.8	-16.1
Employed (reduced salary compared to last month)	-21.9	-23.2
Not currently employed	-8.3	-22.5

Age group	Summer 2021	Spring 2021
Age 20-29	-17.5	-16.9
Age 30-39	-9.9	-11.5
Age 40-49	-3.6	-1.9
Age 50-59	3.5	4.8
Age 60-69	10.6	6.6
Age 70-79	10.9	12.1

Number of children	Summer 2021	Spring 2021
No children in household	2.0	1.2
1 child	-9.9	-9.5
2 children	-7.5	-8.1
3 children or more	-4.3	-4.4

Province	Summer 2021	Spring 2021
Alberta	-2.2	-3.0
British Columbia	0.7	-1.8
Manitoba	-3.6	-5.0
Newfoundland and Labrador	-0.3	5.4
The Maritimes	2.6	2.2
Quebec	-1.9	-2.3
Ontario	-1.4	-0.3
Saskatchewan	-0.2	-1.7

Gender	Summer 2021	Spring 2021
Men	-1.3	-1.8
Women	-1.2	-1.6

Household income	Summer 2021	Spring 2021
<$30K/annum	-14.4	-14.1
$30K to <$60K/annum	-5.6	-6.5
$60K to <$100K	-2.3	-3.8
$100K to <$150K	1.0	1.9
$150K or more	8.1	9.3

Employer size	Summer 2021	Spring 2021
Self-employed/ sole proprietor	-0.2	-3.0
2-50 employees	-0.4	-1.3
51-100 employees	-10.7	-10.7
101-500 employees	-7.9	-3.7
501-1,000 employees	-4.3	-5.8
1,001-5,000 employees	1.9	2.4
5,001-10,000 employees	3.9	4.1
More than 10,000 employees	6.6	5.7

Manager	Summer 2021	Spring 2021
Manager	-7.1	-5.8
Non-manager	2.3	1.4

Numbers highlighted in orange are the most negative scores in the group.

Numbers highlighted in green are the least negative scores in the group.

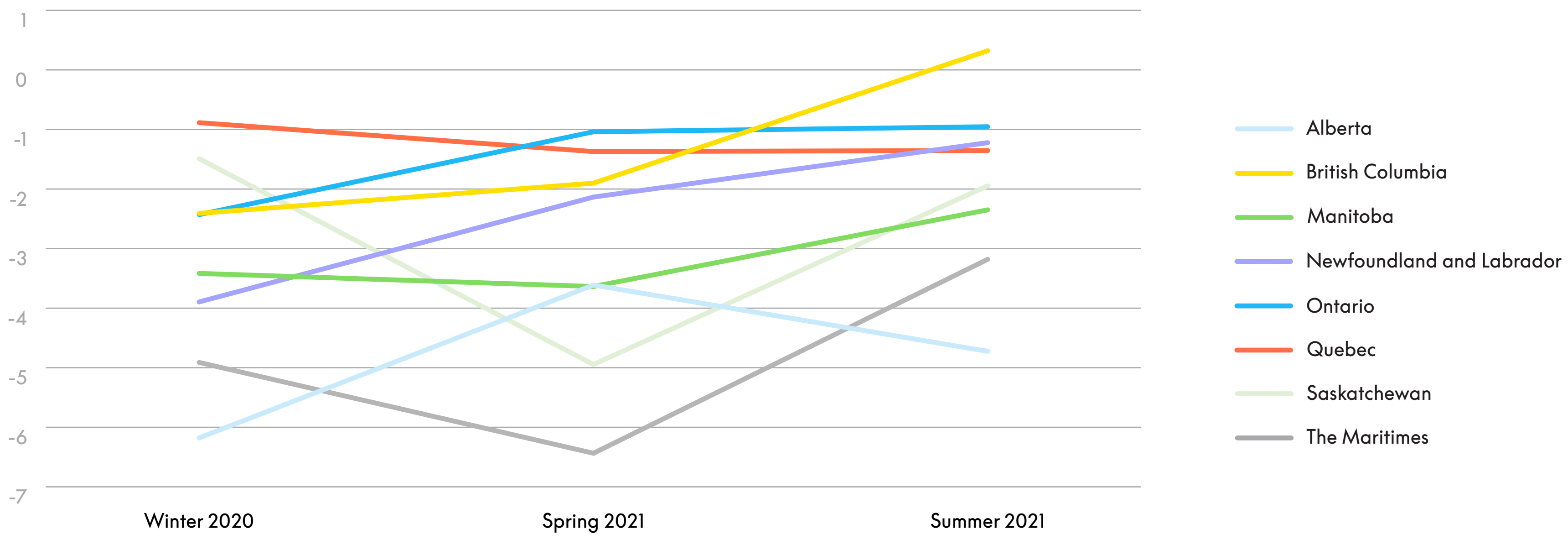
Available upon request:
Specific cross-correlational and custom analyses

Financial Wellbeing Index™ (provincial)

While all Canadian provinces except for British Columbia continue to perform below the benchmark, Alberta is the only province with a decrease in financial wellbeing compared to the prior period.

The most favourable FWI scores are seen in British Columbia (0.3), followed by Ontario (-1.0), Newfoundland and Labrador (-1.2), and Quebec (-1.4).

Alberta has the lowest financial wellbeing score (-4.7), followed by the Maritimes (-3.2), Manitoba (-2.3), and Saskatchewan (-1.9).



Financial Wellbeing Index™ (industry)

The most favourable financial wellbeing scores in Summer 2021 are seen among individuals employed in Mining and Oil and Gas Extraction (2.9), Professional, Scientific and Technical Services (2.7), and Public Administration (2.4).

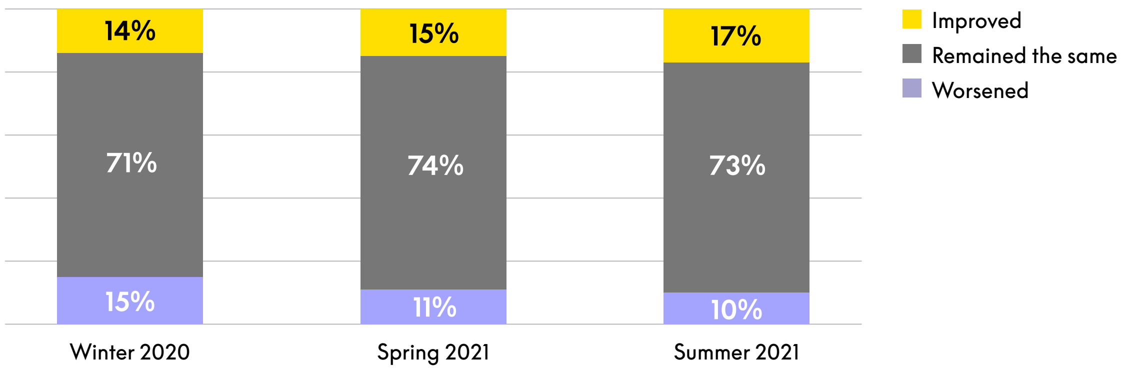
For the third consecutive period, full-time post-secondary students (-11.5) have the lowest financial wellbeing score, followed by individuals working in Arts, Entertainment and Recreation (-7.4), and Accommodation and Food Services (-7.3).

Industry	Summer 2021	Spring 2021	Change
Information and Cultural Industries	-3.6	-8.5	4.9
Transportation and Warehousing	-0.1	-3.5	3.4
Other services (except Public Administration)	0.2	-2.6	2.8
Management of Companies and Enterprises	-0.6	-3.3	2.7
Full-time student	-11.5	-13.7	2.2
Educational Services	-0.7	-2.4	1.7
Other	-3.5	-4.4	0.9
Wholesale Trade	-2.6	-3.2	0.6
Health Care and Social Assistance	-3.3	-3.8	0.5
Retail Trade	-4.1	-4.5	0.4
Construction	-2.0	-2.0	0.0
Manufacturing	-0.2	0.1	-0.3
Utilities	-5.5	-5.2	-0.4
Accommodation and Food Services	-7.3	-6.8	-0.5
Public Administration	2.4	3.0	-0.6
Finance and Insurance	0.8	1.8	-1.0
Real Estate, Rental and Leasing	-3.6	-2.1	-1.5
Professional, Scientific and Technical Services	2.7	4.4	-1.7
Mining and Oil and Gas Extraction	2.9	4.6	-1.7
Arts, Entertainment and Recreation	-7.4	-4.8	-2.6
Automotive Industry	-2.3	1.0	-3.3
Agriculture, Forestry, Fishing and Hunting	-4.8	2.2	-7.0

Change in Financial Situation

Financial change tracks an individual's reported financial changes compared to the prior period. The percentages of those experiencing a worsened financial position, the same financial position, and an improved financial position compared to the previous period, are shown in the graph.

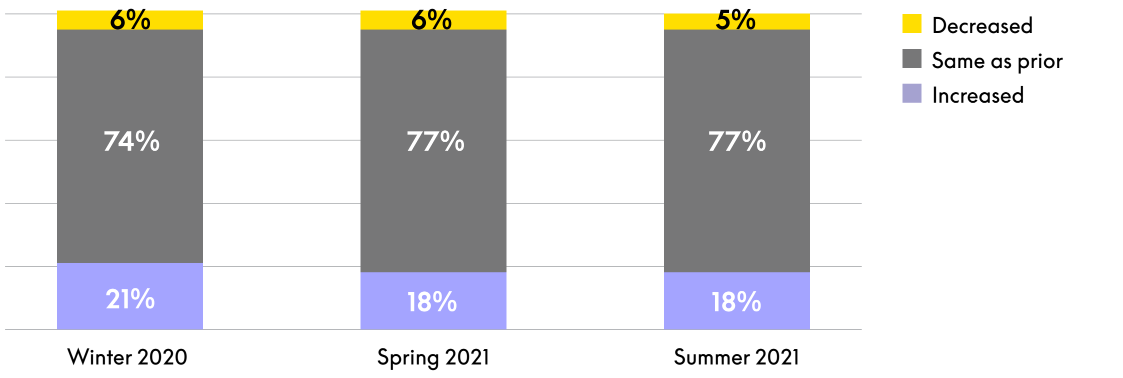
In Spring 2021, 11 per cent of respondents reported a worsened financial situation. While those reporting a worsened financial situation decreased to 10 per cent in Summer 2021, 73 per cent of respondents report no change to their financial situation and 17 per cent report an improvement in their financial position .



Change in Financial Concern

Financial concern tracks an individual's reported change in financial concerns compared to the prior period. The percentages of those experiencing increased financial concern, the same level of concern, and decreased financial concern compared to the previous period are shown in the graph.

In Spring 2021, 18 per cent of respondents reported increased financial concern. The proportions remain nearly unchanged in Summer 2021, signaling that Canadians' concern for their finances has seen no improvement since the prior period .



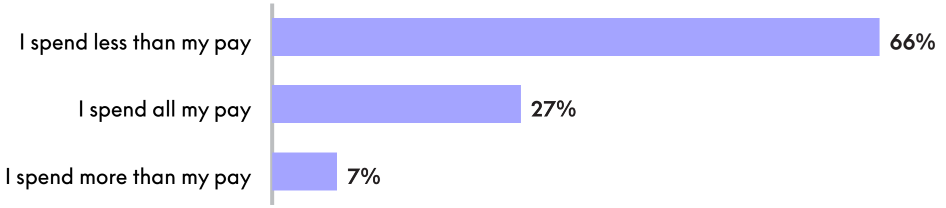
Spotlight

Spending threshold

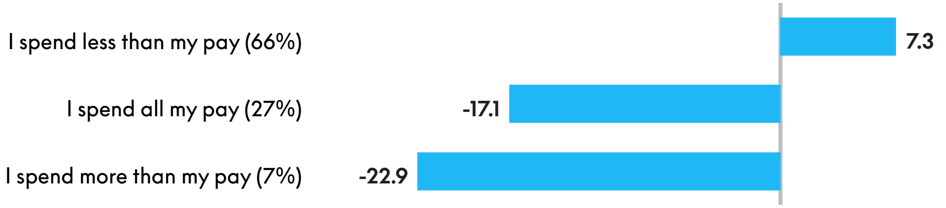
Canadians were asked about their spending within a typical pay period.

- More than one-third (34 per cent) spend all their pay or more than their pay in a typical pay period and these groups have financial wellbeing scores significantly below the Canadian average.
- Sixty-six per cent of people spend less than their pay and this group has the most favourable financial wellbeing score (7.3).
- Employed people working fewer hours are twice as likely to spend more than their pay than those employed with no change to salary or hours.
- Parents are twice as likely as non-parents to spend more than their income.
- Individuals spending more than their pay lose 11 days of productivity compared to those spending less than their pay.

Spending in a typical pay period



FWI score by spending in a typical pay period

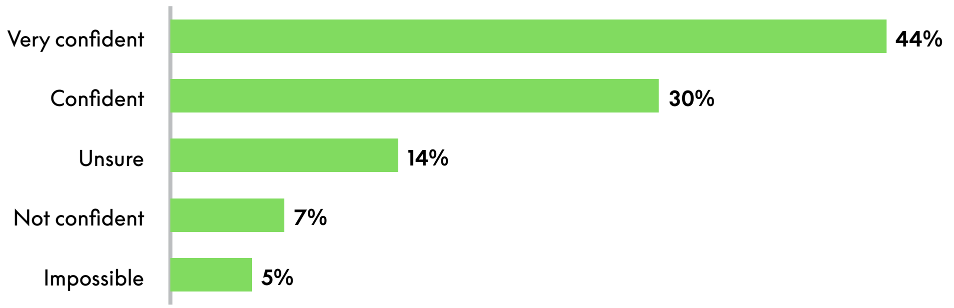


Resiliency savings

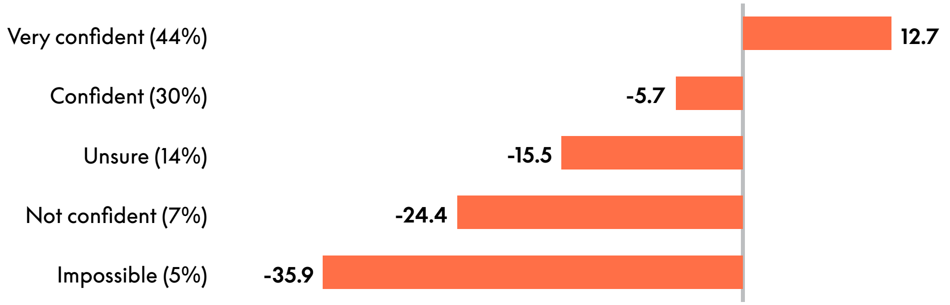
Canadians were asked whether they could come up with $2,000 for an unexpected need.

- More than one-quarter (26 per cent) of Canadians are not confident or unsure that they could come up with $2,000 for an unexpected need and this group has financial wellbeing scores significantly lower than the national average.
- Employed people with no change to salary or hours are two-and-a-half times more likely to report being able to raise $2,000 for an unexpected need than those with reduced salary or hours.
- Those reporting that it would be impossible for them to come up with $2,000 for an unexpected need are less productive by 18 days than those who were very confident.

Confidence coming up with $2,000 for an unexpected need



FWI score by confidence coming up with $2,000 for an unexpected need

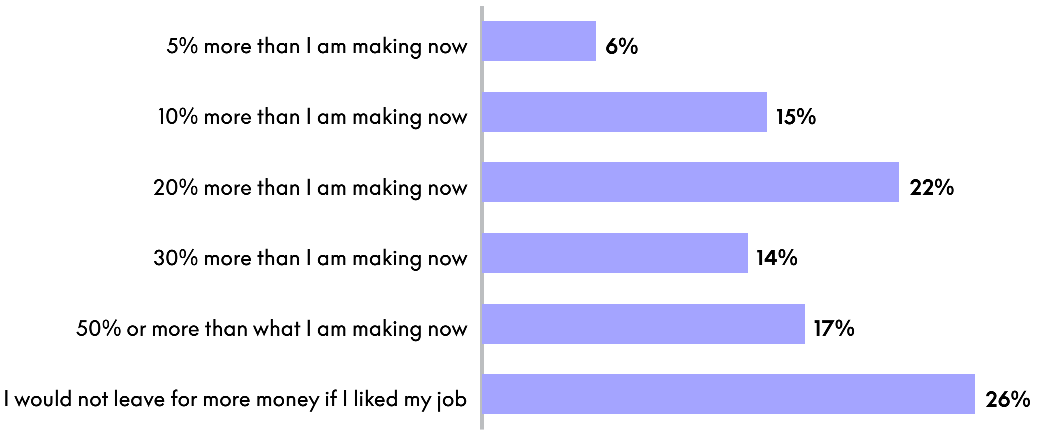


Job satisfaction and salary increase

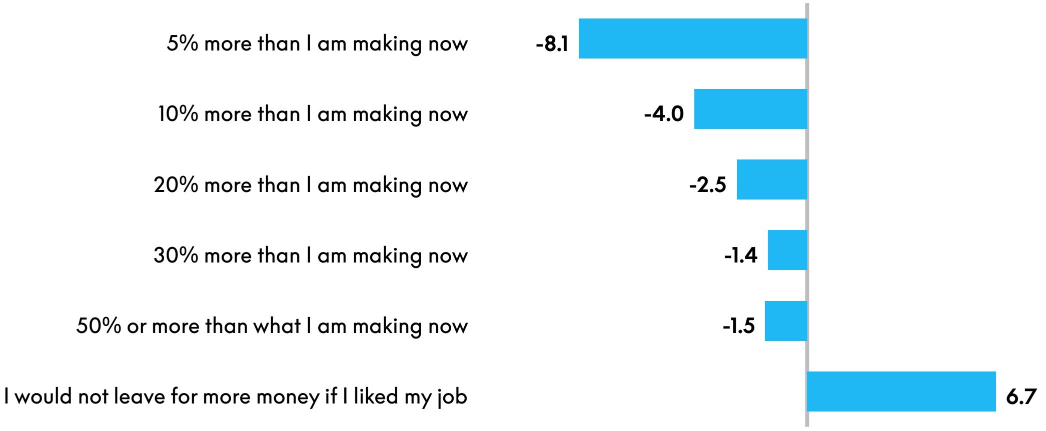
Canadians were asked whether they would leave a job that they are happy with for a salary increase.

- Nearly three-quarters of Canadians (74 per cent) would leave a job that they are happy with for an increase in salary.
- Twenty-six per cent would not leave a job that they are happy with for more money and this group has the most favourable financial wellbeing score (6.7), more than eight points higher than the overall score (-1.6).
- Six per cent of respondents would leave a job that they are happy with for a five per cent salary increase. This group has the worst financial wellbeing score (-8.1), as well as the worst financial behaviour, knowledge, perception, and productivity scores.
- This finding suggests that those who would leave their job for a minimal salary increase lack the understanding or incorrectly perceive the impact that a modest increase would have on their overall financial wellbeing.

Would you leave a job that you are happy with for a salary increase?



FWI score by I would leave a job that I am happy with for a salary increase



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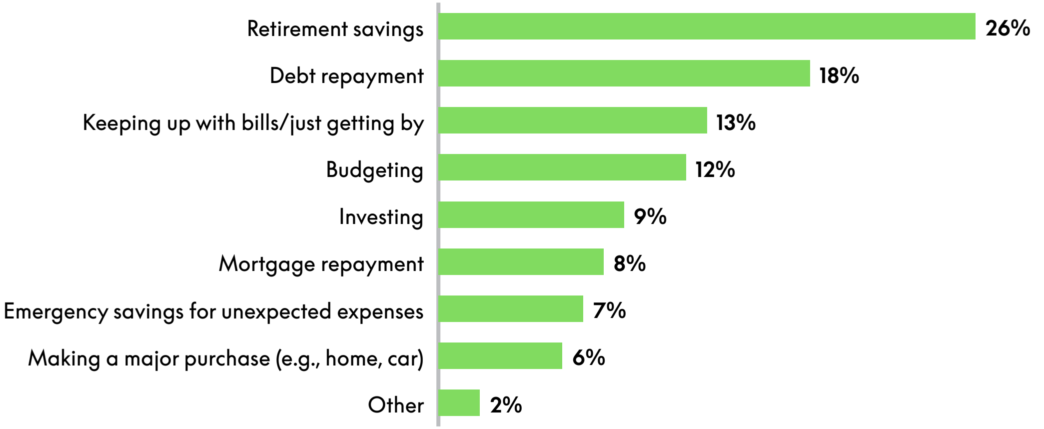
Financial priority

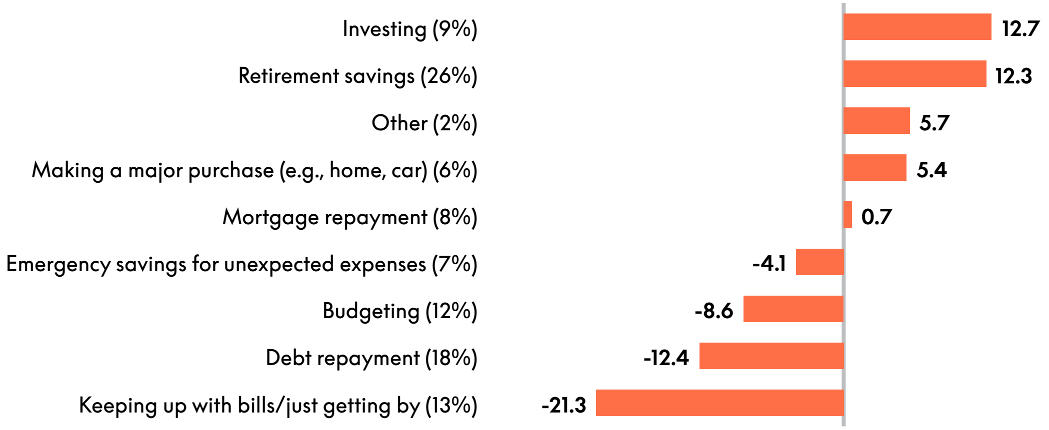
Canadians were asked about their current financial priority.

- More than one-quarter (26 per cent) report that retirement savings is their current financial priority, and this group has the second highest financial wellbeing score (12.3) after nine per cent who report investing as their current financial priority (12.7).
- The worst financial wellbeing score (-21.3) is observed among 13 per cent reporting that keeping up with the bills/just getting by is their current financial priority.
- Respondents over the age of 50 are more likely (37 per cent) to report retirement savings as their financial priority compared to respondents under the age of 40 (8 per cent).
- Parents are 80 per cent more likely than non-parents to report budgeting as their financial priority.
- Managers are 60 per cent more likely than non-managers to report budgeting as their financial priority.

Current financial priority



FWI score by current financial priority

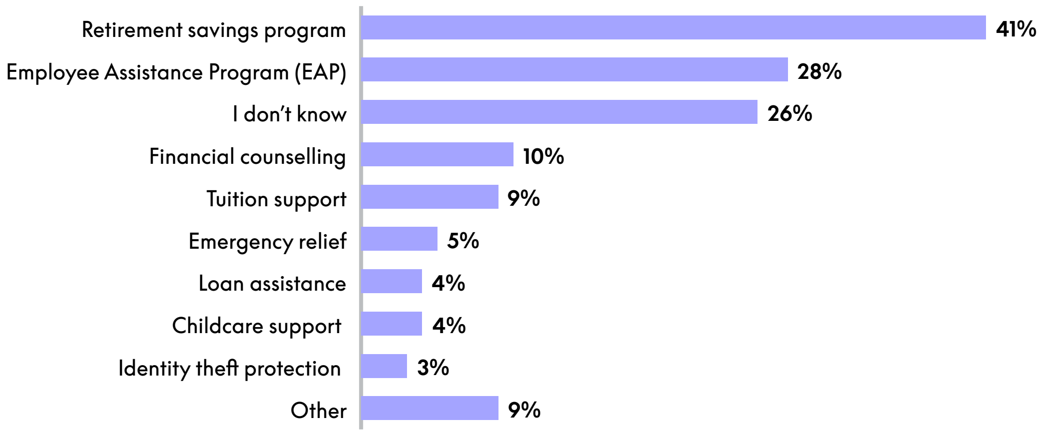


Employer funded financial wellbeing programs

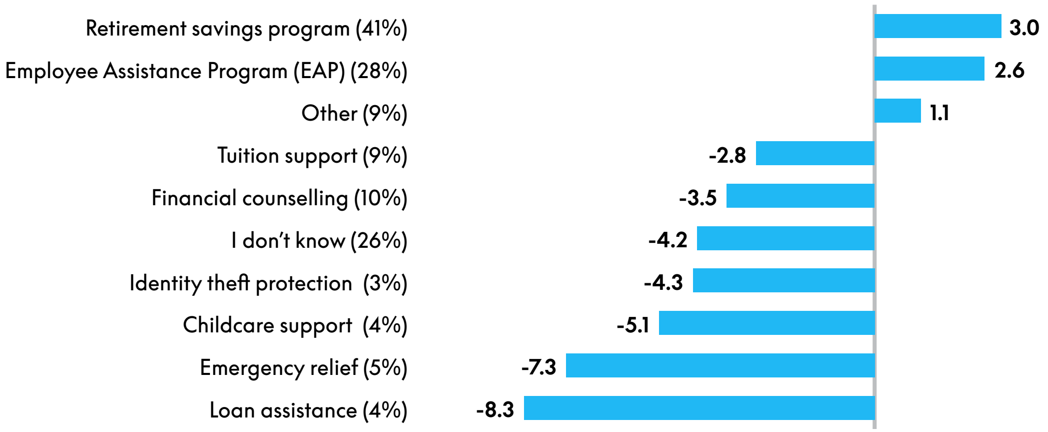
Respondents were asked about financial wellbeing programs offered by their employer.

- Retirement savings program is the most reported program offered by employers and the group of 41 per cent of people who reported this has the most favourable financial wellbeing score (3.0).
- The lowest financial wellbeing score (-8.3) is seen among four per cent of people who indicated that loan assistance is offered by their employer.

Financial wellbeing programs offered by my employer



FWI score by financial wellbeing programs offered by my employer



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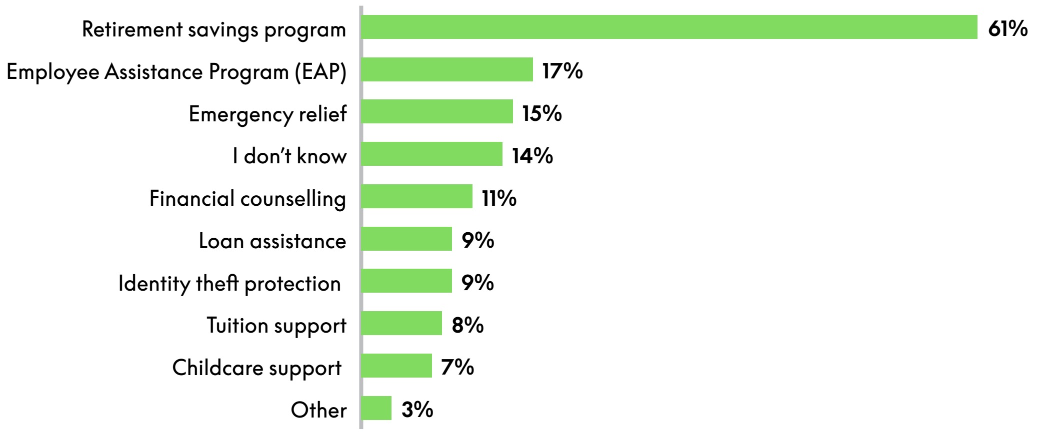
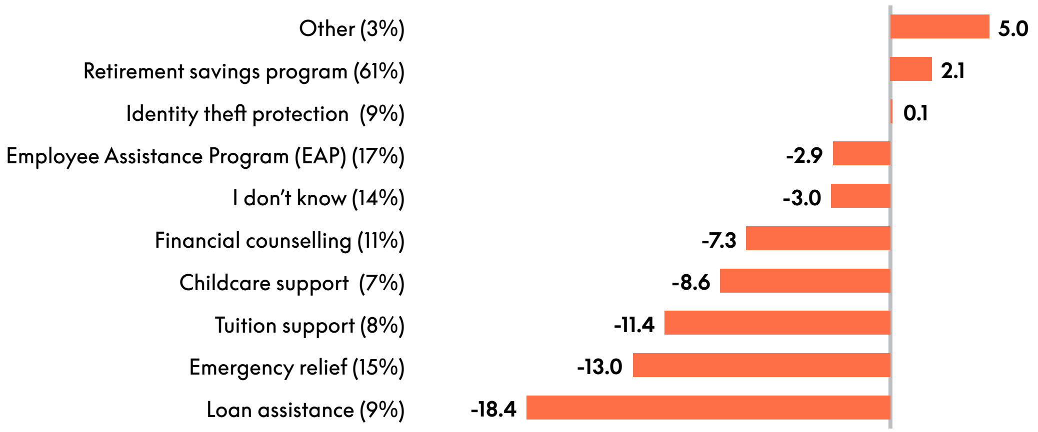
Respondents were asked which of the employer-funded financial wellbeing programs are most valuable.

- Sixty-one per cent report that the retirement savings program offered by their employer is the most valuable.
- Parents are twice as likely as non-parents to report tuition support as the most valuable financial service offered to them by their employer.
- Managers are twice as likely as non-managers to report financial counselling as the most valuable financial service offered to them by their employer.

Most valuable financial wellbeing programs offered by my employer



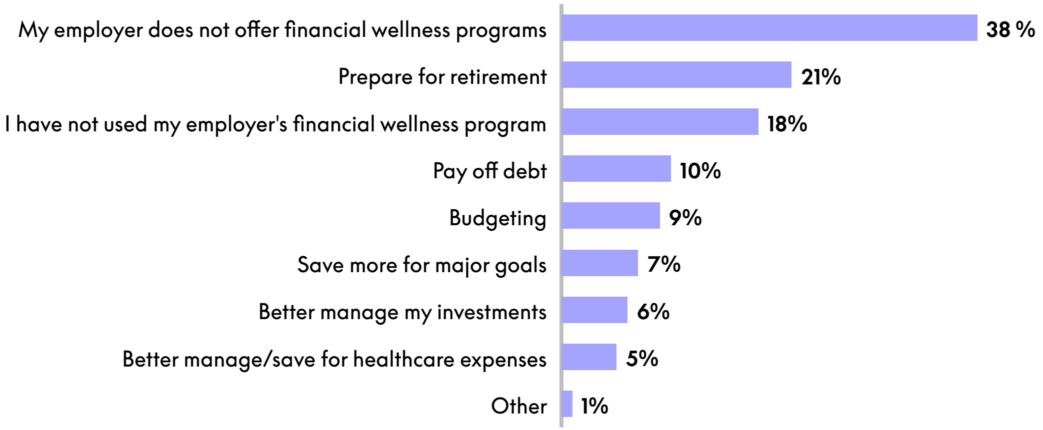
FWI score by financial wellbeing programs offered by my employer



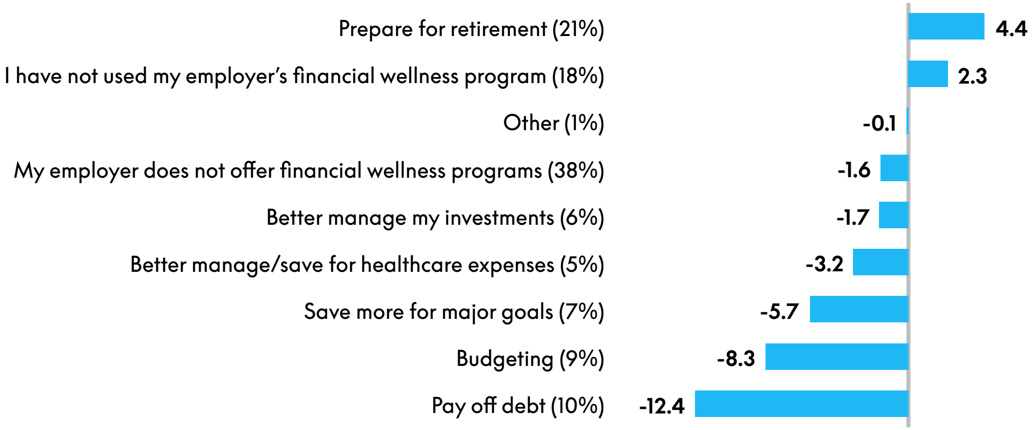
Respondents were asked how their employer-funded financial wellbeing program has helped them.

- Twenty-one per cent of respondents report that their employer-funded financial wellbeing program has helped them prepare for retirement. This group has the most favourable financial wellbeing score (4.4).
- More than one-third (38 per cent) of respondents do not have a financial wellbeing program offered by their employer.
- The lowest financial wellbeing score (-12.4) is seen among 10 per cent of respondents indicating that their employer's financial wellbeing program has helped them pay off debt.
- Parents are twice as likely as non-parents to report that their employer's financial wellbeing program has helped them pay off debt.
- Managers are three times more likely than non-managers to report that their employer's financial wellbeing program has helped them save more for major goals.

Benefits of employer-funded financial wellbeing program



FWI score by benefits of employer-funded financial wellbeing program



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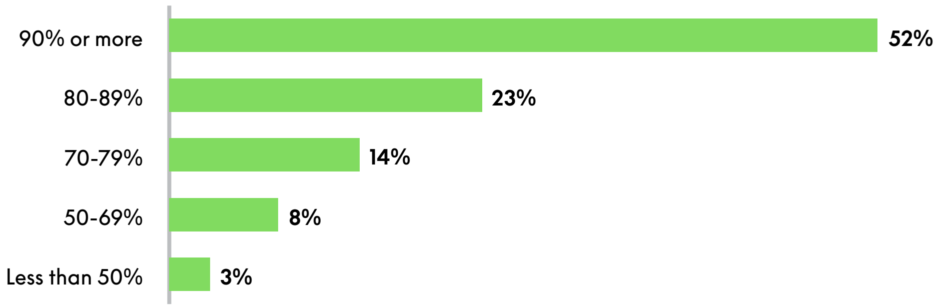
Productivity

Discretionary effort

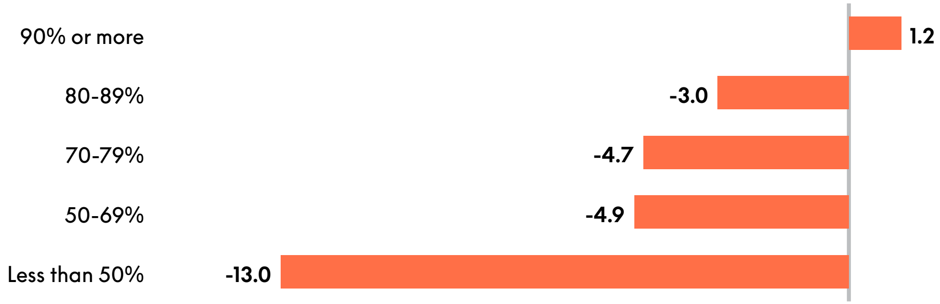
In August 2021, Canadians were asked how much energy they give to their work on a typical day. Among Canadian respondents, the average energy given to their work is 85 per cent compared to the pre-2020 benchmark of 89 per cent.

- More than half (52 per cent) of Canadians report giving 90 per cent or more of their energy to their work and this group has the most favourable financial wellbeing score (1.2).
- Three per cent report putting in less than 50 per cent of their energy into work and this group has the least favourable financial wellbeing score (-13.0).

Energy given to work on a typical day



FWI score by energy given to work on a typical day



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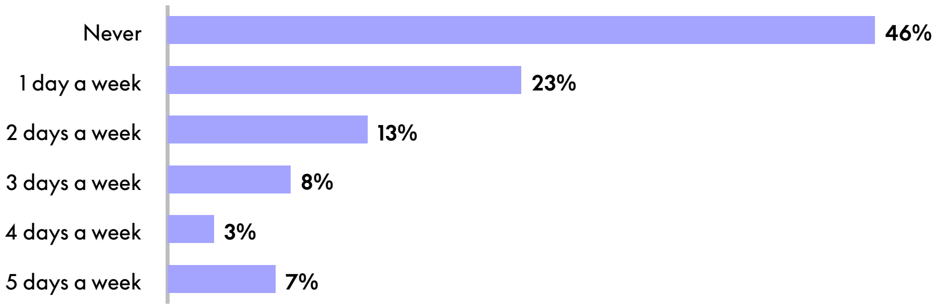
Presenteeism

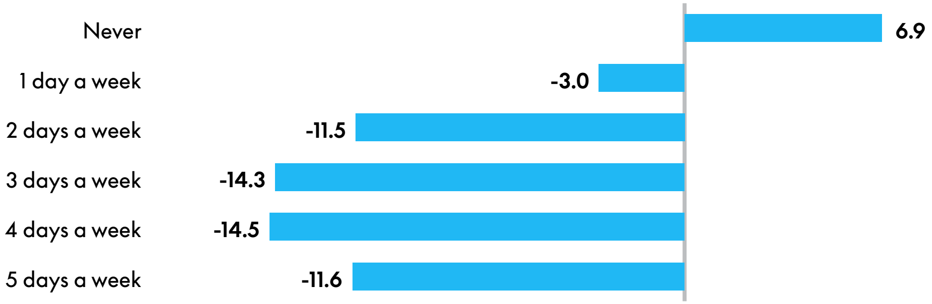
Presenteeism refers to productivity loss when someone is working while unwell[5]. Respondents were asked how often they worked when feeling unwell, physically, or psychologically, in a typical week.

- More than half (54 per cent) report doing their job when feeling unwell at least 1 day per week. The financial wellbeing scores among this group are significantly below those who report never working when feeling unwell.
- The most favourable financial wellbeing score, at nearly seven points above the pre-2020 benchmark (6.9), is seen among 46 per cent of people reporting that they never work when feeling unwell.

Number of days working when feeling unwell



FWI score by number of days working when feeling unwell



5 Schultz, Chen, and Edington, The cost and impact of health conditions on presenteeism to employers: a review of the literature, Pharmacoeconomics. 2009; 27(5): 365-78. doi: 10.2165/00019053-200927050-00002.

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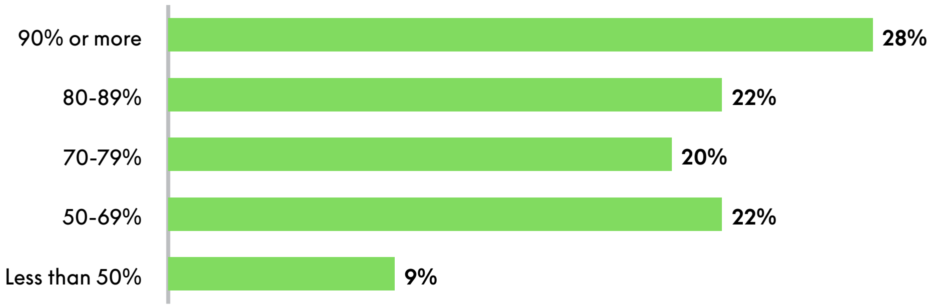
Work effort when feeling unwell

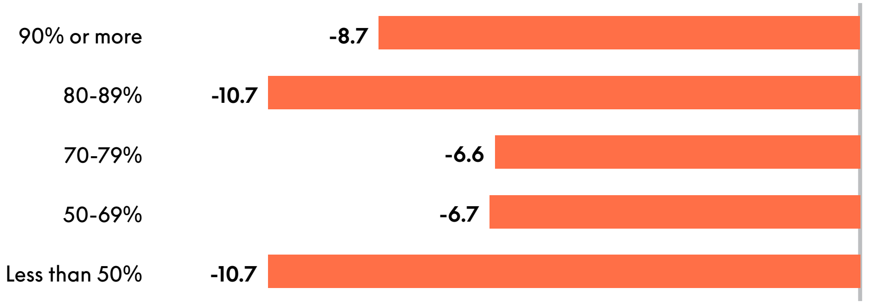
Respondents who reported working when feeling unwell, physically, or psychologically, at least one day per week were asked how much energy they give to their work.

- Among this group, the average amount of energy put into work each day while feeling unwell is 74 per cent, 11 per cent less than when they feel well.
- While more than one-quarter (28 per cent) report giving 90 or more per cent of their energy into work while being unwell, this group has a distinctly lower financial wellbeing score (-8.7) compared to the national average (-1.6).

Energy given to work when feeling unwell



FWI score by energy given to work when feeling unwell



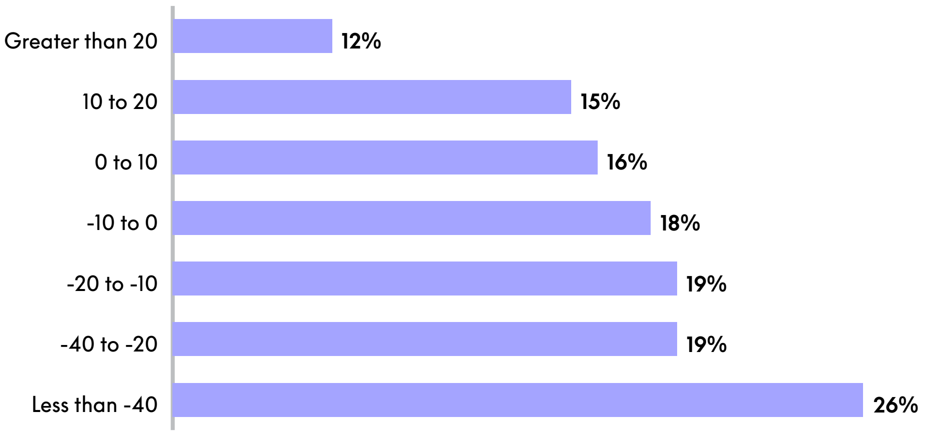
Productivity loss

Productivity, as it is defined here, is impacted by three main elements: absenteeism, discretionary effort, and presenteeism.

While absenteeism contributes to a loss in productivity, benchmark data indicates that this is a small proportion of the overall loss. The greater impacts to productivity loss are from discretionary effort and presenteeism. The following section estimates[6] the productivity loss using the discretionary effort and presenteeism data collected in August 2021.

- Financial wellbeing scores are strongly associated with productivity. Lower financial wellbeing scores correspond to greater productivity loss and higher financial wellbeing scores correspond to less productivity loss.
- Four per cent of respondents have a financial wellbeing score of -40 or lower. The productivity of this group is 14 per cent lower, corresponding to 32 days of lost productivity compared to 18 per cent of respondents with a financial wellbeing score of 20 or more.
- Individuals without an emergency fund are less productive by seven days compared to those with an emergency fund.
- Respondents feeling stressed over their finances are less productive by 14 days compared to those not stressed over their finances.
- Those who report being in a poor financial position are less productive by 16 days compared to those reporting they are in a good financial position.

Average productivity loss by FWI score



6 The premise of this estimate assumes an average of 240 workdays per year.

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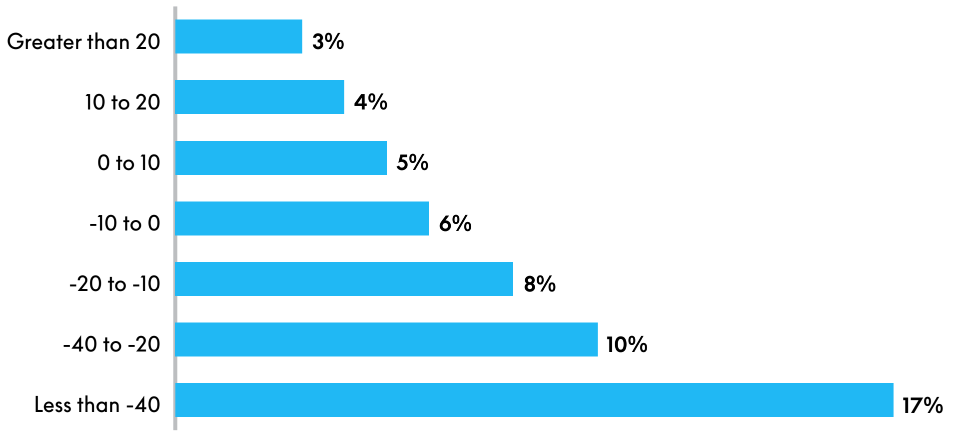
Losses due to presenteeism

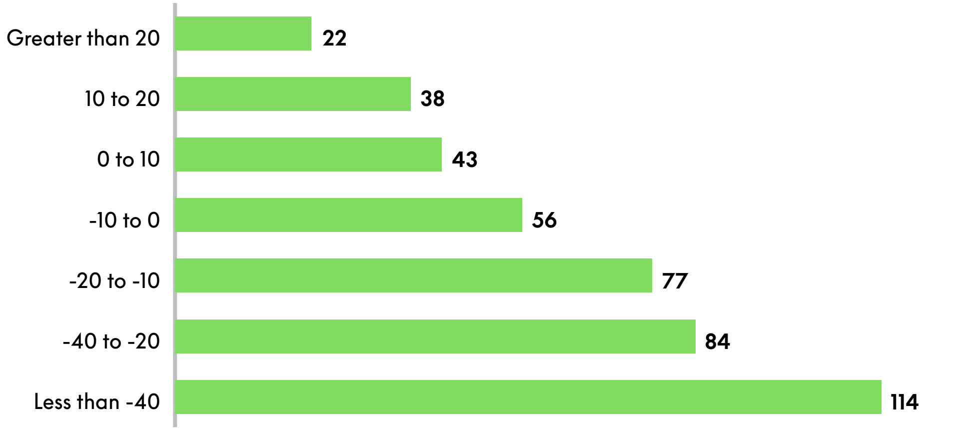
Nearly 20 per cent of respondents have financial wellbeing scores below -20. Among this group, presenteeism has a greater contribution to productivity loss than discretionary effort.

- Presenteeism-related productivity losses account for one per cent of those with the highest financial wellbeing scores, corresponding to an average of 22 unwell days per year.
- The highest productivity losses are seen among 4 per cent with financial wellbeing scores below -40. This group also has the greatest number of unwell days per year (114 days).

Average productivity loss due to presenteeism by FWI score



Average days unwell by FWI score



Overview of the Financial Health Index™

The financial wellbeing of a population is essential to overall wellbeing and work productivity. The Financial Wellbeing Index™ provides a measure of the current financial health status of employed adults in Canada, compared to the benchmark data collected in 2019. Financial wellbeing is defined by the knowledge, behaviours, and perceptions of individuals relative to their personal financial situation. It includes a measure of financial risk but is much broader. Higher income does not guarantee financial wellbeing, neither does lower income preclude it.

The Financial Wellbeing Index™ report has five parts:

1. The overall Financial Wellbeing Index™ (FWI), which is a measure of deviation from the pre-2020 benchmark of financial wellbeing.
2. Knowledge, Behaviour, and Perception sub-scales, which inform specific areas of financial wellbeing.
3. The impact of finances on productivity, which is included to understand the effects of personal finances on the workplace.
4. Change in Financial Situation and Change in Financial Concern, which measure changes when compared to the prior period.
5. A spotlight section that reflects the specific impact of current issues.

Methodology

The data for this report was collected through an online survey of 3,000 working Canadians. Participants were selected to be representative of the age, gender, industry, and geographic distribution in Canada. The respondents were asked to consider the prior three months when answering each question. The Financial Wellbeing Index™ has been published quarterly sine January 2021. The data for the current report was collected between July 30th and August 5, 2021.

Calculations

To create the Financial Wellbeing Index™, a scoring system is used to turn the individual responses to each question into a point value. Higher point values are associated with better financial wellbeing and lower financial risk. Each individual's scores are added and then divided by the total number of possible points to get a score out of 100. The raw score is the mathematical mean of the individual scores.

To demonstrate deviation from the historical benchmark, the current quarter's scores are then compared to the benchmark and the prior quarter. The benchmark is comprised of data from 2019. **The deviation relative to the benchmark is the Financial Wellbeing Index™. A score of zero in the Financial Wellbeing Index™ reflects no deviation, positive scores reflect improvement, and negative scores reflect decline.**

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