The Financial Wellbeing Index™ report

Canada | January 2021

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Overview of the Financial Wellbeing 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™ (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. Financial Change and Financial Concern Change, which measure changes when compared to the prior period.
5. A spotlight section that reflects the specific impact of current issues.

January highlights

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 January is -2.8 points.** This Index represents the deviation from the pre-2020 benchmark. A negative score indicates poorer financial wellbeing relative to the benchmark, and a positive score indicates better financial wellbeing. This is in spite of the fact that since the pandemic, Canadians have been saving more. It is unclear whether all of this is intentional. Given limitations on travel, restaurant dining and entertainment venues, the savings may be circumstantial and, as such, very fragile. As well, the other aspects of financial wellbeing have declined.

As a result of the COVID-19 pandemic fourteen per cent of working Canadians are educating themselves more on financial matters and eleven per cent are doing financial contingency planning; while these percentages are not overwhelming, it signals that finances are more top-of-mind than ever before and people are taking more action than in the past.

Despite boons for some, since the pandemic began, **almost twice as many individuals (27 per cent) indicate that they are doing worse in terms of their financial situation, compared to 15 per cent who indicate that they are doing better.** Further, twenty-one per cent of individuals report increased financial concern when compared to the prior three months.

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

Financial wellbeing scores indicate that all Canadian provinces are performing below the historical benchmark. Quebec and Saskatchewan are doing the best with scores of -0.9 and -1.5 points, respectively. British Columbia and Ontario both score 2.4 points below the benchmark, followed by Manitoba (-3.4), Newfoundland and Labrador (-3.9), and The Maritimes (-4.9). **Alberta has the lowest financial wellbeing score (-6.2) in Canada.**

More than one in five (22 per cent) indicate that their financial situation is currently impacting their work productivity. Younger people are struggling more, and their work productivity is more likely to be negatively impacted. Individuals under the age of 50 are more than twice as likely to report that their financial situation has negatively impacted their work productivity (29 per cent) than those over the age of 50 (13 per cent). **Individuals with children are nearly twice as likely to report that their financial situation has negatively impacted their work productivity** (32 per cent) when compared with those without children (17 per cent).

More than one in five indicate that their financial situation is currently impacting their work productivity. Younger people are struggling more, and their work productivity is more likely to be negatively impacted.

Nearly one in ten (9 per cent) of respondents with steady full-time employment supplement their income by working in the gig economy; the mental health of that group is lower than either those with full-time jobs who do not participate in the gig economy (this group has the best mental health) **and those who are exclusively gig workers.** Among those who are currently working, **thirty per cent of individuals under the age of 40 are participating in the gig economy**; conversely, eighteen per cent of people over the age of 40 are doing the same.

More people believe that their work situation will improve after the pandemic (19 per cent) than those who think it will worsen (14 per cent). Nonetheless, slightly more **(21 per cent) believe that their financial situation will worsen,** while 20 per cent think it will improve.

Managers have lower financial wellbeing (-3.2) when compared to non-managers (-2.4). This is largely driven by a more negative perception of their financial situation. The financial perception score of managers is (-4.1) whereas the score for non-managers is -1.6. The financial knowledge of managers is, however, better (3.1) than non-managers (-4.4).

Individuals reporting reduced salaries when compared to the prior month have the lowest financial wellbeing score (-18.0), followed by those who report fewer hours when compared to the prior month (-10.6). These scores are much lower than those currently not employed (-4.6).[2] This is driven almost entirely by markedly **lower financial perception and financial behaviour scores of those with reduced salary or hours compared to those who are either not employed or are fully employed.** The financial knowledge of the groups is similar.

Full-time students are beset with difficulties. According to the Mental Health Index™ , for the last ten months, full-time students have had the lowest mental health score. Students also have the lowest financial wellbeing score (-15.4). They are also most likely to indicate that their financial situation has worsened over the prior three months.

While parents have the highest financial knowledge score, they have lower scores across all other areas of financial wellbeing when compared to people without children.

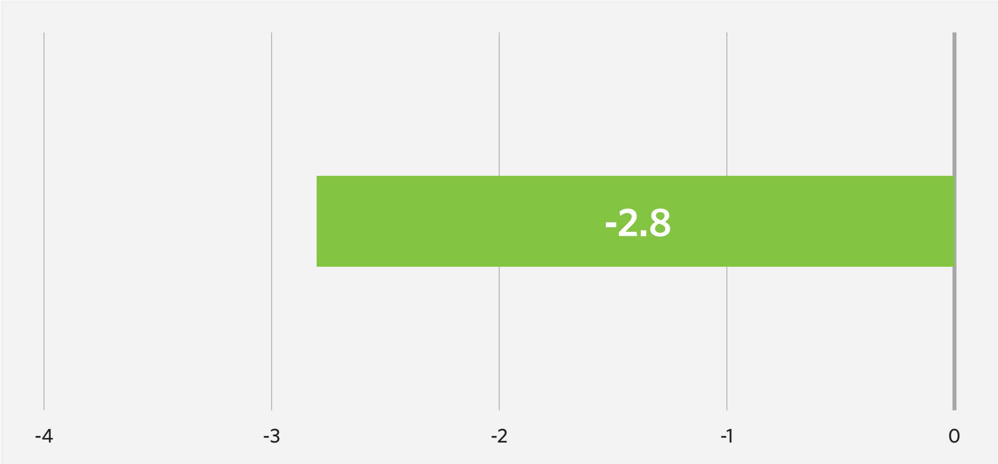
2 Those currently not employed are those who were employed within the past six months but are not currently. Those who have been unemployed for more than six months are not polled.

The Financial Wellbeing Index™

Current month January:	-2.8

The Financial Wellbeing Index™ (FWI) is a measure of deviation from the benchmark[3] of the financial wellbeing of the population. **The overall Financial Wellbeing Index™ for January is -2.8 points.** This Index represents the deviation from 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 Index™



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

Demographics

- Females have notably lower financial wellbeing scores (-5.1) than males (-0.6).
- Financial wellbeing scores improve with age; the least favourable financial scores are observed among individuals ages 20-29 (-10.5) while the most favourable score is among those ages 60-69.
- Household income is strongly correlated with financial wellbeing; households reporting an annual income of up to $30,000 have the lowest financial wellbeing score (-13.4), more than ten points lower than the overall average.
- The difference in the financial wellbeing score of those with and without children is significant; a lower score is observed among those with at least one child (-7.0) when compared to those without children (-1.2).

Employment

- Individuals reporting reduced salaries when compared to the prior month have the lowest financial wellbeing score (-18.0), followed by those who report fewer hours when compared to the prior month (-10.6). These scores are much lower than those currently not employed (-4.6).[4]
- Managers have slightly lower financial wellbeing (-3.2) when compared to non-managers (-2.4).
- Twenty-one per cent of respondents participate in the gig economy; the financial wellbeing score of individuals that use income from "gigs" to supplement their steady job is lowest (-10.2).
- Individuals working for organizations with more than 10,000 employees have the most favourable financial wellbeing score (-0.3), nearly equal to the pre-2020 benchmark.

4 Those currently not employed are those who were employed within the past six months but are not currently. Those who have been unemployed for more than six months are not polled.

The Financial Wellbeing Index™

Employment status	January
Employed (no change in hours/salary)	-0.5
Employed (fewer hours compared to last month)	-10.6
Employed (reduced salary compared to last month)	-18.0
Not currently employed	-4.6

Age group	January
Age 20-29	-10.5
Age 30-39	-6.9
Age 40-49	-4.4
Age 50-59	-0.1
Age 60-69	3.6
Age 70-79	3.5

Number of children	January
No children in household	-1.2
1 child	-7.0
2 children	-6.1
3 children or more	-4.6

Province	January
Alberta	-6.2
British Columbia	-2.4
Manitoba	-3.4
The Maritimes	-4.9
Newfoundland and Labrador	-3.9
Ontario	-2.4
Quebec	-0.9
Saskatchewan	-1.5

Gender	January
Male	-0.6
Female	-5.1

Income	January
Household income <$30K/annum	-13.4
$30K to <$60K/annum	-9.4
$60K to <$100K	-3.7
$100K to <$150K	1.3
$150K or more	7.7

Employer size	January
Self-employed/sole proprietor	-1.0
2-50 employees	-3.4
51-100 employees	-7.2
101-500 employees	-4.4
501-1,000 employees	-2.1
1,001-5,000 employees	-1.1
5,001-10,000 employees	-1.6
More than 10,000 employees	-0.3

Manager	January
Manager	-3.2
Non-manager	-2.4

Gig economy	January
No	-1.3
Yes, I use it to supplement income from my steady job.	-10.2
Yes, I work full-time hours as a freelancer.	-6.6
Yes, I work part-time hours as a freelancer.	-2.7
Yes, I work multiple part-time gigs.	-7.7

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

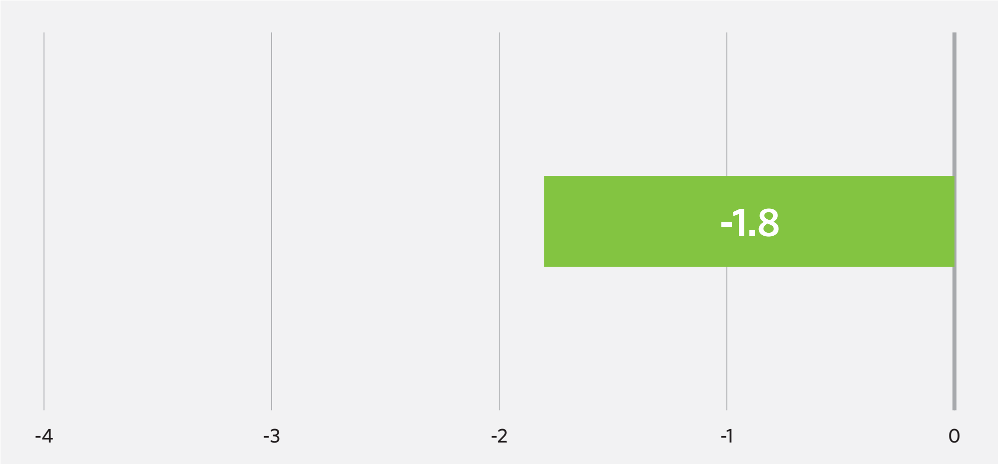
Financial knowledge

Current month January:	-1.8

The financial knowledge sub-scale is a measure of deviation from the benchmark[5] of self-reported financial knowledge and literacy of the population. **The financial knowledge sub-score for January 2021 is -1.8 points.**

- Females have lower financial knowledge scores (-5.6) than males (1.9).
- Financial knowledge scores improve with age; there is a fifteen-point difference between the least favourable financial knowledge score, among individuals ages 20-29 (-7.5), and the most favourable knowledge score, among those over age 70 (7.6).
- Households reporting an annual income of up to $30,000 have the lowest financial knowledge score (-9.0), when compared to households with annual income of $150,000 or more (5.4).
- Managers have better financial knowledge (3.1) when compared to non-managers (-4.4).

Financial knowledge



- Individuals that work multiple part-time gigs have the lowest financial knowledge score (-4.2), more than double the national average.
- Sole proprietors/self-employed individuals have the most favourable financial knowledge score (2.9).

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

Financial knowledge

Employment status	January
Employed (no change in hours/salary)	-1.3
Employed (fewer hours compared to last month)	-3.0
Employed (reduced salary compared to last month)	-3.9
Not currently employed	-4.5

Age group	January
Age 20-29	-7.5
Age 30-39	-3.8
Age 40-49	-2.7
Age 50-59	-0.8
Age 60-69	2.4
Age 70-79	7.6

Number of children	January
No children in household	-2.3
1 child	-0.2
2 children	-0.8
3 children or more	-3.6

Province	January
Alberta	-2.1
British Columbia	-2.7
Manitoba	-0.9
The Maritimes	-4.1
Newfoundland and Labrador	-2.2
Ontario	-1.3
Quebec	-1.5
Saskatchewan	-1.0

Gender	January
Male	1.9
Female	-5.6

Income	January
Household income <$30K/annum	-9.0
$30K to <$60K/annum	-6.2
$60K to <$100K	-2.7
$100K to <$150K	1.7
$150K or more	5.4

Employer size	January
Self-employed/sole proprietor	2.9
2-50 employees	-2.6
51-100 employees	-3.8
101-500 employees	-2.3
501-1,000 employees	-0.6
1,001-5,000 employees	-2.0
5,001-10,000 employees	-1.7
More than 10,000 employees	-1.7

Manager	January
Manager	3.1
Non-manager	-4.4

Gig economy	January
No	-2.7
Yes, I use it to supplement income from my steady job.	2.9
Yes, I work full-time hours as a freelancer.	2.3
Yes, I work part-time hours as a freelancer.	3.5
Yes, I work multiple part-time gigs.	-4.2

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

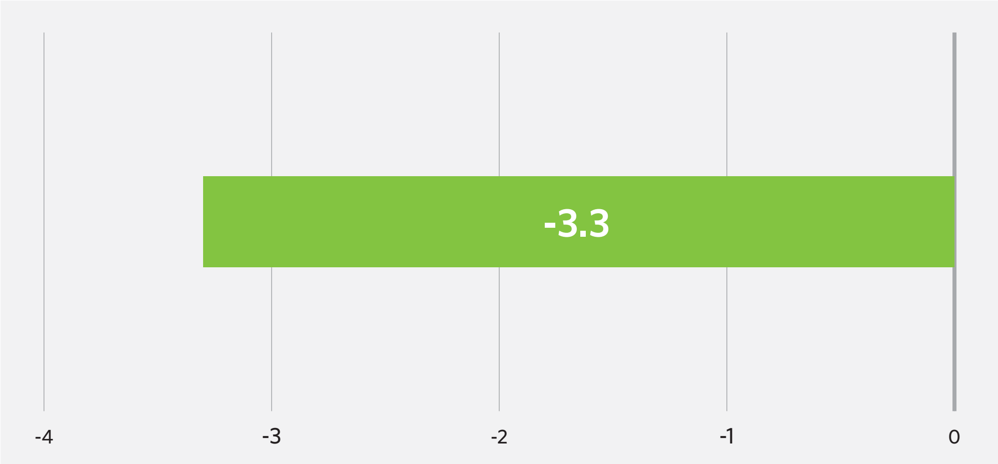
Financial behaviour

Current month January:	-3.3

The financial behaviour sub-scale measures the deviation from the benchmark[6] of financial behaviours such as the existence of an emergency savings fund, approach to credit and bill payments, savings behaviours, and overall debt load. **The financial behaviour sub-score for January 2021 is -3.3 points.**

- Females have poorer financial behaviour scores (-4.7) than males (-1.9).
- Financial behaviour scores improve with age; there is a thirteen-point difference between the least favourable financial knowledge score, among individuals ages 20-29 (-10.4), and the most favourable knowledge score, among those ages 60-69 (2.7).
- Households reporting an annual income of up to $30,000 have the lowest financial behaviour score (-15.2), twenty-three points lower than households with an annual income of $150,000 or more (8.0).
- Managers have poorer financial behaviour scores (-3.9) when compared to non-managers (-2.7).

Financial behaviour



- Individuals that do not participate in the gig economy have the most favourable financial behaviour score (-1.8), whereas individuals that work "gigs" to supplement income from their steady job have the lowest financial behaviour score (-10.2).
- Respondents working in organizations with more than 10,000 employees have the most favourable financial behaviour score (-0.4).

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

Financial behaviour

Employment status	January
Employed (no change in hours/salary)	-1.0
Employed (fewer hours compared to last month)	-10.2
Employed (reduced salary compared to last month)	-19.7
Not currently employed	-6.7

Age group	January
Age 20-29	-10.4
Age 30-39	-6.6
Age 40-49	-5.1
Age 50-59	-0.8
Age 60-69	2.7
Age 70-79	-0.2

Number of children	January
No children in household	-1.4
1 child	-8.4
2 children	-6.9
3 children or more	-6.3

Province	January
Alberta	-5.2
British Columbia	-1.0
Manitoba	-4.0
The Maritimes	-8.0
Newfoundland and Labrador	-8.7
Ontario	-2.7
Quebec	-3.2
Saskatchewan	-0.8

Gender	January
Male	-1.9
Female	-4.7

Income	January
Household income <$30K/annum	-15.2
$30K to <$60K/annum	-10.4
$60K to <$100K	-4.8
$100K to <$150K	1.7
$150K or more	8.0

Employer size	January
Self-employed/sole proprietor	-2.7
2-50 employees	-4.1
51-100 employees	-7.9
101-500 employees	-5.0
501-1,000 employees	-2.3
1,001-5,000 employees	-0.8
5,001-10,000 employees	-1.5
More than 10,000 employees	-0.4

Manager	January
Manager	-3.9
Non-manager	-2.7

Gig economy	January
No	-1.8
Yes, I use it to supplement income from my steady job.	-10.2
Yes, I work full-time hours as a freelancer.	-7.5
Yes, I work part-time hours as a freelancer.	-3.7
Yes, I work multiple part-time gigs.	-7.2

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Available upon request:
Specific cross-correlational and custom analyses

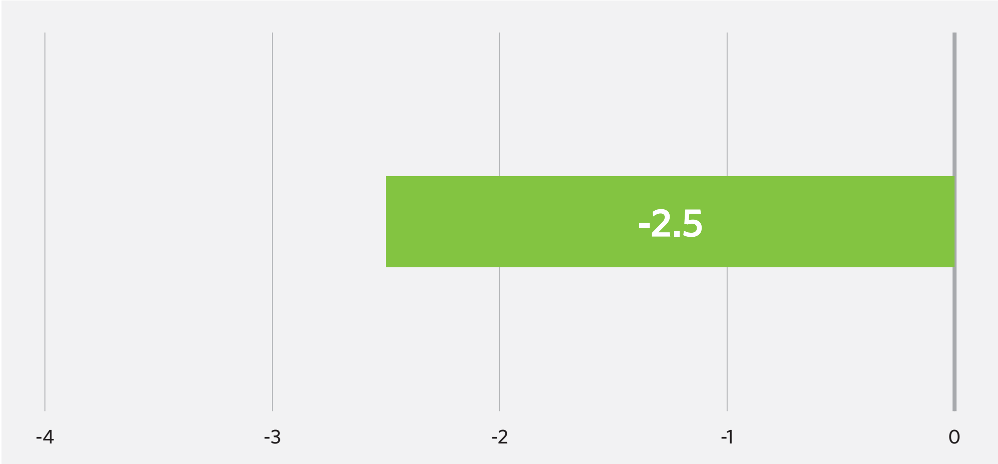
Financial perception

Current month January:	-2.5

The financial perception sub-scale measures the deviation from the benchmark[7] of an individual's perceived financial situation, stress caused by finances, and comparison to peers who earn the same income. **The financial perception sub-score for January 2021 is -2.5 points.**

- Females have a lower financial perception score (-5.3) than males (0.2).
- Younger respondents have less favourable financial perception than older respondents; over 17-points between the financial perception score of individuals ages 20-29 (-11.3) and those ages 70-79 (6.1).
- Respondents with children (-7.2) have lower financial perception scores than individuals without children (-0.7).
- Households reporting an annual income of up to $30,000 have the lowest financial perception score (-12.8), when compared to households with annual income of $150,000 or more (8.1).
- Managers have a lower financial perception score (-4.1) when compared to non-managers (-1.6).

Financial perception



- Individuals that work "gigs" to supplement their income from steady jobs have the lowest financial perception score (-13.4), thirteen points lower than those who do not participate in the gig economy and well below the national average.
- Respondents who report working for organizations with more than 10,000 employees have the most favourable financial perception score (0.1).

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

Financial perception

Employment status	January
Employed (no change in hours/salary)	0.1
Employed (fewer hours compared to last month)	-12.8
Employed (reduced salary compared to last month)	-19.8
Not currently employed	-2.4

Age group	January
Age 20-29	-11.3
Age 30-39	-8.0
Age 40-49	-4.2
Age 50-59	0.7
Age 60-69	4.8
Age 70-79	6.1

Number of children	January
No children in household	-0.7
1 child	-7.2
2 children	-6.5
3 children or more	-3.2

Province	January
Alberta	-8.2
British Columbia	-3.7
Manitoba	-3.5
The Maritimes	-2.0
Newfoundland and Labrador	0.5
Ontario	-2.4
Quebec	1.6
Saskatchewan	-2.3

Gender	January
Male	0.2
Female	-5.3

Income	January
Household income <$30K/annum	-12.8
$30K to <$60K/annum	-9.3
$60K to <$100K	-2.9
$100K to <$150K	0.7
$150K or more	8.1

Employer size	January
Self-employed/sole proprietor	-0.3
2-50 employees	-2.8
51-100 employees	-7.3
101-500 employees	-4.2
501-1,000 employees	-2.2
1,001-5,000 employees	-1.1
5,001-10,000 employees	-1.8
More than 10,000 employees	0.1

Manager	January
Manager	-4.1
Non-manager	-1.6

Gig economy	January
No	-0.4
Yes, I use it to supplement income from my steady job.	-13.4
Yes, I work full-time hours as a freelancer.	-8.0
Yes, I work part-time hours as a freelancer.	-3.2
Yes, I work multiple part-time gigs.	-9.1

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

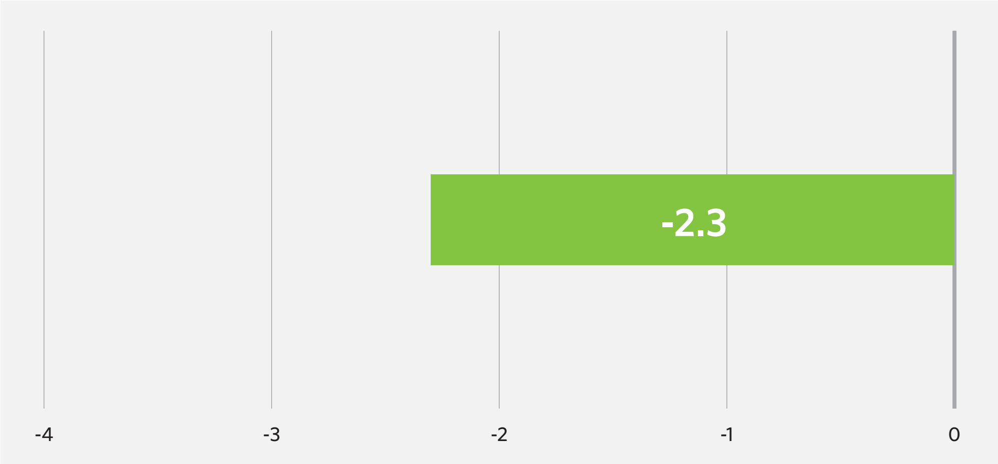
Impact of finances on productivity

Current month January:	-2.3

The impact of finances on productivity measures the deviation from the benchmark[8] of the effect of financial wellbeing on workplace productivity. **The productivity score measures the impact on productivity when there is financial strain. For January 2021, the score is -2.3 points.**

- Females experience a greater negative impact on their productivity related to finances (-2.9) than males (-1.7).
- The impact of finances on workplace productivity is greater the younger the demographic; individuals ages 20-29 have the least favourable score (-16.8) and this score improves with age.
- Household income is linked to productivity impact due to finances; households reporting an annual income of up to $30,000 have the lowest productivity score (-14.0), 21 points below those earning $150,000 and significantly below the overall average (-2.3).
- Productivity is more adversely affected by those with children; the score for those with one child (-11.0) is nearly twelve points below those without children (0.8).
- Individuals reporting reduced salaries when compared to the prior month have the lowest productivity score (-29.3), followed by those who report fewer hours when compared to the prior month (-16.0), and those not currently employed (-13.0).
- Managers have lower productivity when there has been financial strain (-8.1), when compared to non-managers (1.5).
- Individuals that work "gigs" to supplement their income from steady jobs have the lowest productivity score (-22.5), nearly twenty-five points lower than those who do not participate in the gig economy and significantly below the national average.
- Individuals working for organizations with more than 10,000 employees have the most favourable productivity score (4.4).

Impact of finances on productivity



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

Impact of finances on productivity

Employment status	January
Employed (no change in hours/salary)	1.8
Employed (fewer hours compared to last month)	-16.0
Employed (reduced salary compared to last month)	-29.3
Not currently employed	-13.0

Age group	January
Age 20-29	-16.8
Age 30-39	-10.5
Age 40-49	-2.9
Age 50-59	2.6
Age 60-69	7.3
Age 70-79	9.3

Number of children	January
No children in household	0.8
1 child	-11.0
2 children	-8.8
3 children or more	0.7

Province	January
Alberta	-6.5
British Columbia	-2.7
Manitoba	-3.8
The Maritimes	2.7
Newfoundland and Labrador	8.0
Ontario	-3.2
Quebec	0.2
Saskatchewan	0.1

Gender	January
Male	-1.7
Female	-2.9

Income	January
Household income <$30K/annum	-14.0
$30K to <$60K/annum	-6.5
$60K to <$100K	-3.8
$100K to <$150K	0.5
$150K or more	7.0

Employer size	January
Self-employed/sole proprietor	-1.6
2-50 employees	-1.6
51-100 employees	-12.0
101-500 employees	-7.1
501-1,000 employees	-4.8
1,001-5,000 employees	2.1
5,001-10,000 employees	1.6
More than 10,000 employees	4.4

Manager	January
Manager	-8.1
Non-manager	1.5

Gig economy	January
No	2.1
Yes, I use it to supplement income from my steady job.	-22.5
Yes, I work full-time hours as a freelancer.	-15.4
Yes, I work part-time hours as a freelancer.	-9.8
Yes, I work multiple part-time gigs.	-10.0

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

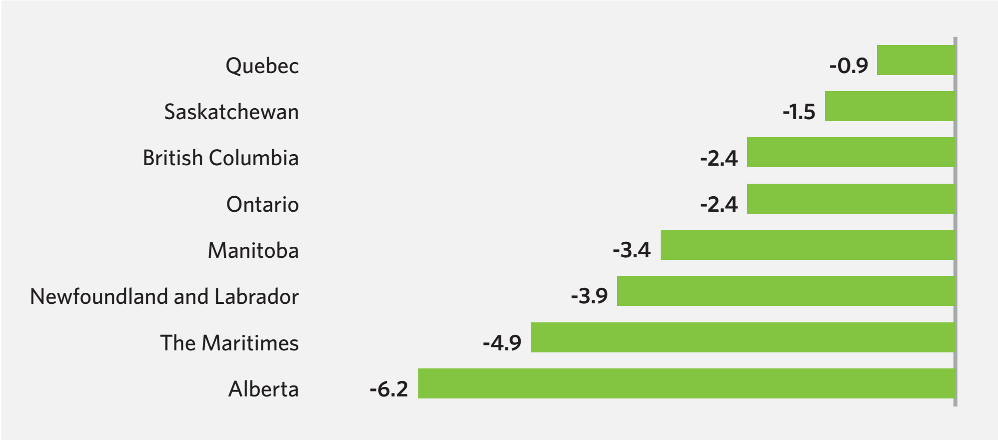
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

The Financial Wellbeing Index™ (provincial)

Financial wellbeing scores for January indicate that all Canadian provinces perform below the historical benchmark. Quebec and Saskatchewan perform best with scores of -0.9 and -1.5 points, respectively. British Columbia and Ontario both score 2.4 points below the benchmark, followed by Newfoundland and Labrador (-3.9), and The Maritimes (-4.9). Alberta has the lowest financial wellbeing score (-6.2) in Canada.

Canada provincial Financial Wellbeing Index™



The Financial Wellbeing Index™ (industry)

The highest financial wellbeing scores in January are observed among individuals employed in Professional, Scientific and Technical Services (3.5), Public Administration (0.8), and Finance and Insurance (0.7).

Full-time students have the lowest financial wellbeing score (-15.4), followed by individuals employed in Information and Cultural Industries (-9.9), and Accommodation and Food Services (-8.2).

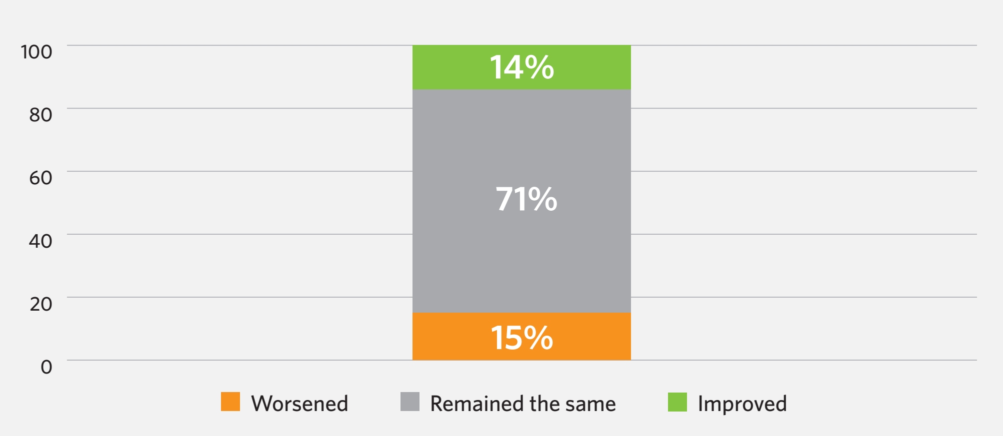
Industry	January
Professional, Scientific and Technical Services	3.5
Public Administration	0.8
Finance and Insurance	0.7
Mining and Oil and Gas Extraction	-0.3
Agriculture, Forestry, Fishing and Hunting	-0.6
Utilities	-0.9
Real Estate, Rental and Leasing	-0.9
Wholesale Trade	-2.0
Other services (except Public Administration)	-2.1
Educational Services	-2.3
Manufacturing	-2.4
Arts, Entertainment and Recreation	-2.5
Construction	-3.3
Health Care and Social Assistance	-3.8
Transportation and Warehousing	-3.9
Management of Companies and Enterprises	-4.3
Other	-4.9
Automotive Industry	-4.9
Retail Trade	-7.6
Accommodation and Food Services	-8.2
Information and Cultural Industries	-9.9
Full-time student	-15.4

Change in Financial Situation (percentages)

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

In January, fifteen per cent of the respondents report a worse financial position than the prior three months. Seventy-one per cent of respondents report that they are in the same financial position as the prior three months, and fourteen per cent report an improvement in their financial position.

Financial change - percentages

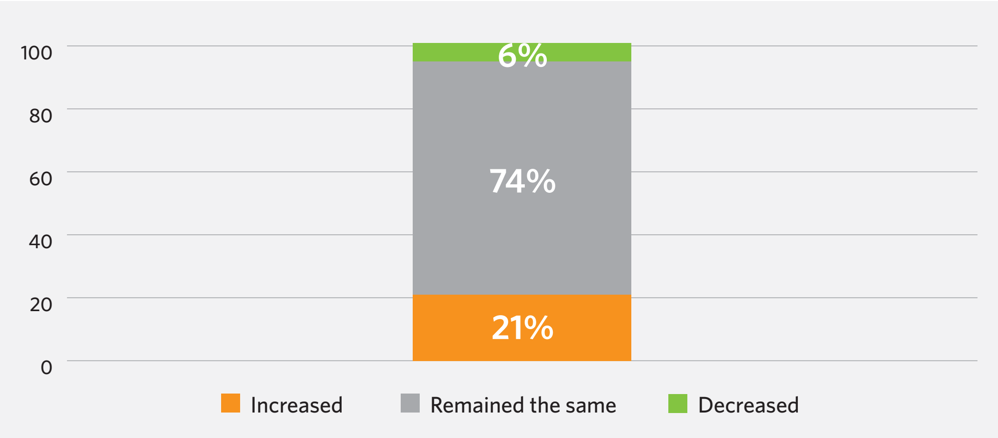


Change in Financial Concern (percentages)

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

In January, twenty-one per cent of the respondents report an increase in financial concern than the prior three months. Seventy-four per cent of respondents report that they have the same level of financial concern as the prior three months, and six per cent report a decrease in their financial concern.

Financial concern - percentages



Spotlight

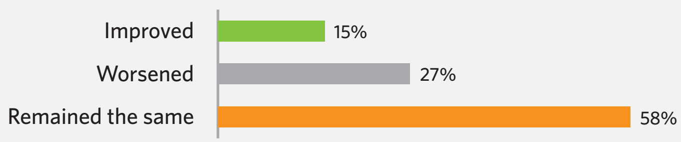
Effects of the COVID-19 pandemic on financial wellbeing

The pandemic effect on personal finances

In approximately one year since the announcement of the first case of COVID-19 in Canada, economic concerns arising because of the COVID-19 pandemic, remain top of mind for individuals, families, and business owners. Income reduction, caused by temporary or permanent job changes and job loss, investments and retirement, debt, and business risk are concerns that continue to resonate across the country.

Respondents were asked how the pandemic has affected their personal financial situation.

COVID-19 pandemic effect on personal financial situation

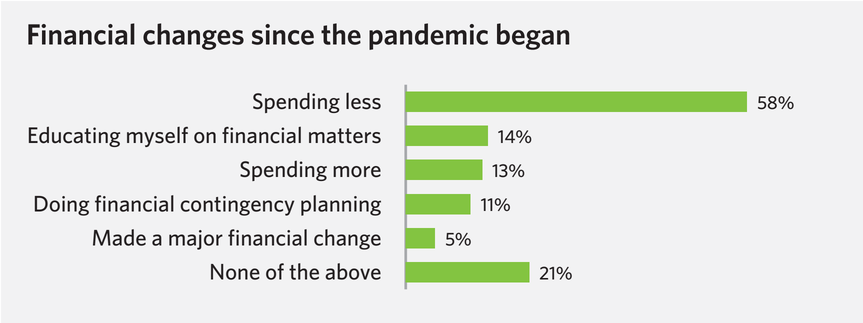


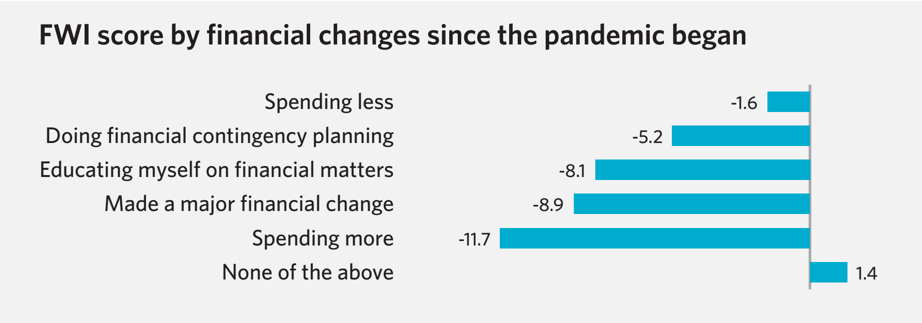
FWI score by COVID-19 pandemic effect on personal financial situation

- Twenty-seven per cent of respondents report that the pandemic has worsened their personal financial situation and this group has the least favourable financial wellbeing score (-15.5), and is significantly below the overall average.
- Respondents from households reporting an income of less than $60K are significantly more likely to report a worsened financial situation (34 per cent) when compared to households reporting earnings of $100K or more (20 per cent).

Financial changes since the pandemic

Respondents were asked about financial changes they have made since the beginning of the COVID-19 pandemic.



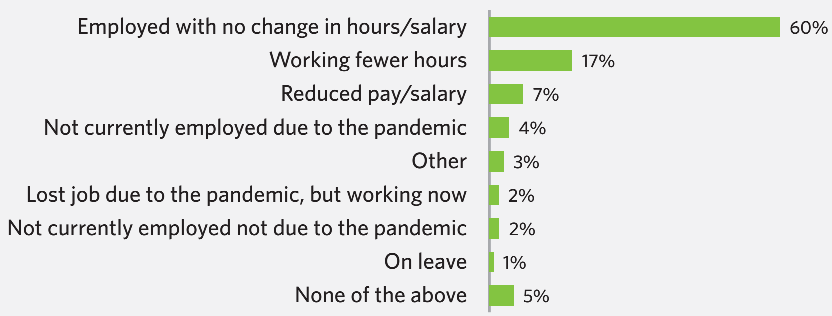


- More than half of individuals (58 per cent) report spending less, and this group has a more favourable financial wellbeing score (-1.6) when compared to the national average.
- The least favourable financial wellbeing score is among the thirteen per cent of individuals who report spending more since the beginning of the pandemic (-11.7).
- As a result of the pandemic, fourteen per cent of individuals are educating themselves more on financial matters and eleven per cent are doing financial contingency planning; while not an overwhelming amount, it signals finances are more top of mind than ever before.

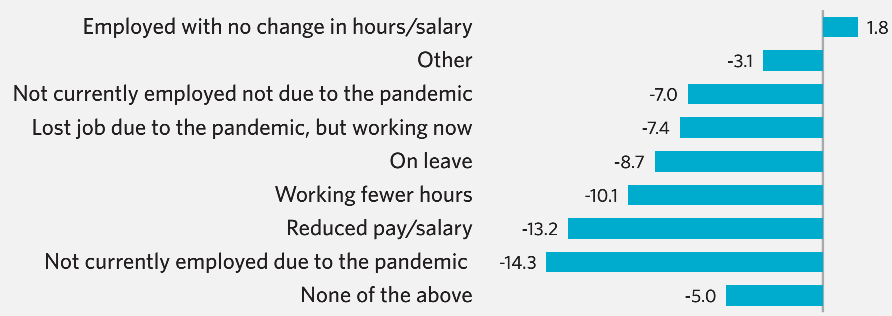
Employment during the pandemic

Respondents were asked about their employment status during the COVID-19 pandemic.

Employment situation during the pandemic



FWI score by employment situation during the pandemic

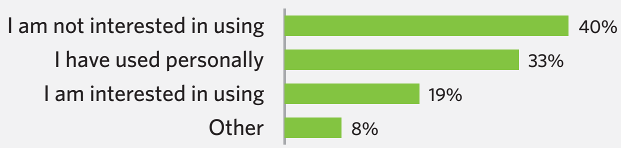


- Twenty-nine per cent of individuals report some impact on their employment during the pandemic; most notably, seventeen per cent report working fewer hours, and 7 per cent report reduced pay/salary.
- The least favourable financial wellbeing scores are found among respondents not currently employed due to the pandemic (-14.3), followed by those with reduced pay or salary (-13.2), and those with fewer working hours (-10.1).

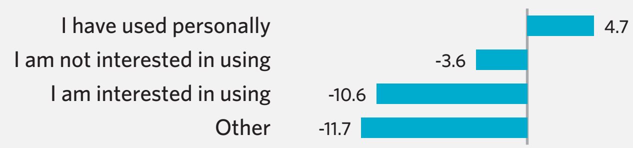
Financial support services

Access to financial resources such as tools, services, and programs, as well as their willingness to use then, can shape an individual's financial wellbeing. Respondents were asked about their use of financial resources across a range of categories, including financial planning, budgeting, credit counselling/debt consolidation, tax planning, and discount programs.

Use of a financial planner



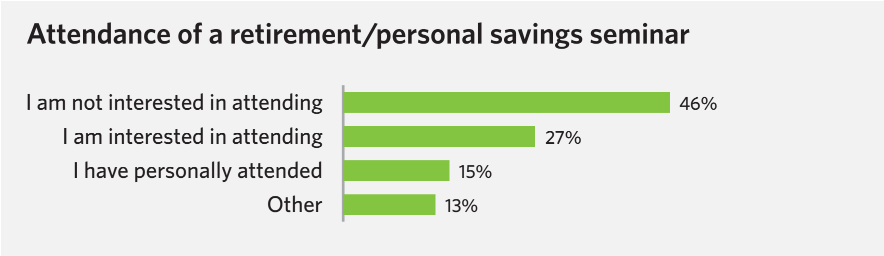
FWI score by use of a financial planner

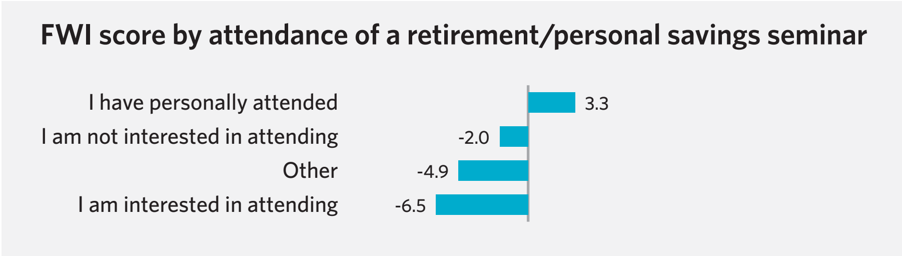


Financial planning

- Forty percent indicate that they are not interested in using a financial planner.
- Thirty-three per cent of respondents report to having used a financial planner.
- Nineteen per cent of respondents are interested in using a financial planner and this group's financial wellbeing score is nearly ten points below benchmark.
- Individuals ages 50 and over were nearly twice as likely to use a financial planner when compared to those under the age of 50.

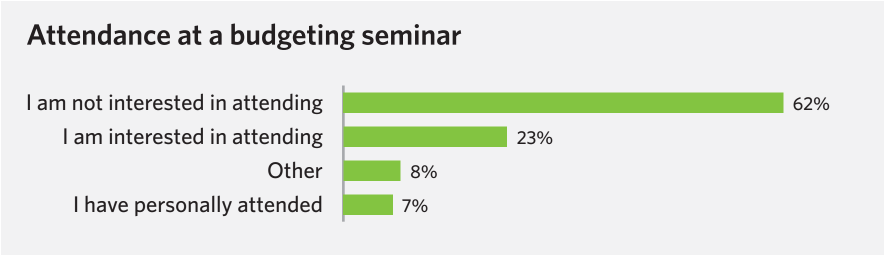
Retirement/personal savings planning seminars

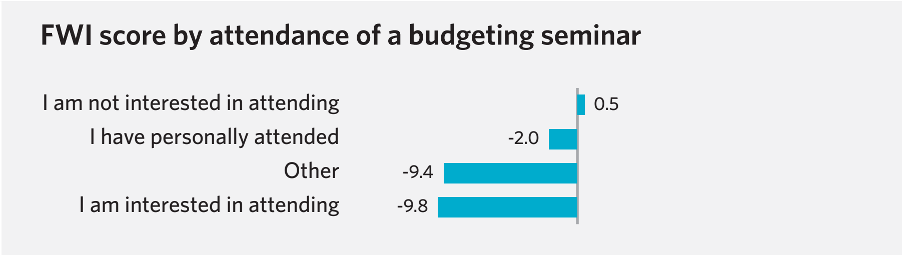




- Over one-quarter (27 per cent) of respondents are interested in attending a retirement/savings planning seminar.
- Respondents who have attended a retirement/savings planning seminar have the highest financial wellbeing score (3.3) and those who have not, yet are interested in attending a seminar, have the lowest financial wellbeing score (-6.5).

Budgeting seminars

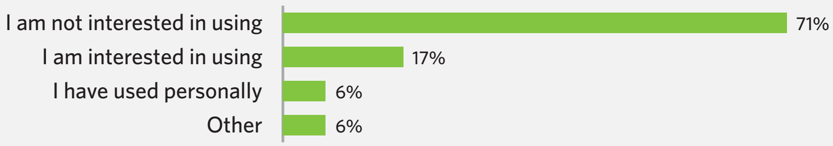




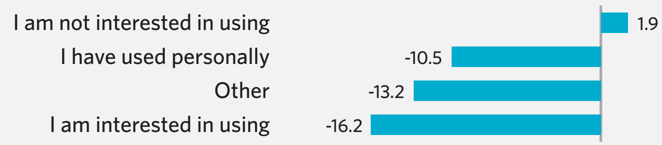
- Twenty-three per cent of individuals are interested in attending a budgeting seminar.
- A more favourable financial wellbeing score is observed among individuals that have attended a budgeting seminar (-2.0).
- Individuals aged 40 and over are more likely not to be interested in a budgeting seminar (69 per cent) when compared with those under the age of 40 (45 per cent).

Credit counselling/debt consolidation

Use of credit counselling/debt consolidation



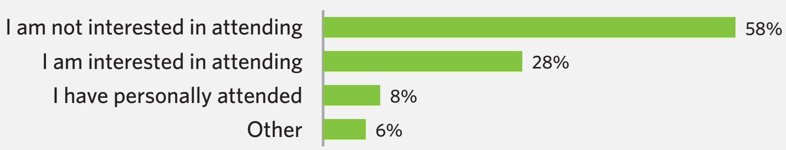
FWI score by use of credit counselling/debt consolidation



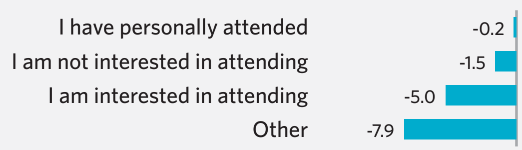
- Seventeen per cent of respondents are interested in using credit counselling or debt consolidation services and this group has the least favourable financial wellbeing score (-16.2).
- Twelve per cent of respondents report using a credit counselling or debt consolidation service and six per cent of this group have used this service through their employer.

Tax planning seminars

Attendance of a tax planning seminar



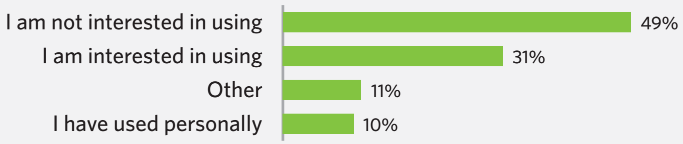
FWI score by attendance of a tax planning seminar



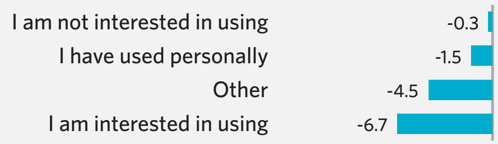
- Twenty-eight per cent of individuals are interested in attending a tax planning seminar; only fourteen per cent of individuals have attended a tax planning seminar.
- The most favourable financial wellbeing score is among the eight per cent of individuals that have attended a tax planning seminar.

Discount programs

Use of a discount program through employer, private group, club, or alumni association



FWI score by use of a discount program through employer, private group, club, or alumni association

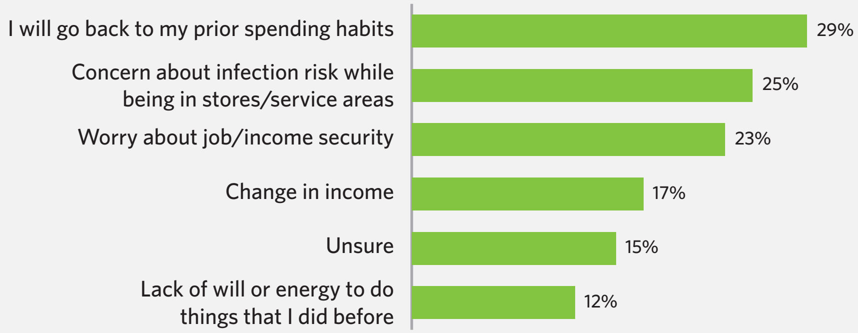


- Thirty-one per cent of respondents are interested in using a discount program through their employer, private group, or alumni association; this group has the least favourable financial wellbeing score (-6.7).
- Twenty-one per cent report using a discount program; eleven per cent of this group have used the program through their employer.

Spending habits

The June 2020 Mental Health Index indicated that less than one-quarter (19 per cent) of respondents are likely to return to their previous spending habits post-pandemic. Over six months later, twenty-nine per cent of individuals report that they will go back to prior spending habits.

Reasons individuals will not return to prior spending habits once stores and business re-open



FWI score by reasons individuals will not return to prior spending habits once stores and businesses re-open

- Among those who will not return to their prior spending habits, the most commonly reported reasons are fear over infection risk (25 per cent) and worry about job/income security (23 per cent).
- Individuals reporting a change in income have the lowest financial wellbeing score (-14.7), followed by those worried about job/income security (-13.1), and those with lack of energy to do things that they did prior to the pandemic (-9.1).
- Individuals reporting that they would return to their prior spending habits have the highest average financial wellbeing score (7.9).
- Individuals working for organizations with fewer than 1,000 employees are nearly twice as likely to report not returning to previous spending habits because their income had changed when compared with those working for organizations with more than 1,000 employees. This data aligns with the finding that individuals working for organizations with more than 1,000 employees generally have more favourable financial wellbeing scores when compared with those working for companies with fewer than 1,000 employees.

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™ is published quarterly, starting in January 2021. The data for the current report was collected between December 14 to December 23, 2020.

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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