

The Financial Wellbeing Index™ report

Canada | Winter 2022



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Winter 2022 highlights

 Two-thirds of Canadians do not know, or are unsure, how much retirement savings they will need

The financial wellbeing of Canadians declined modestly in Winter 2022 and remains more than two points below the pre-pandemic benchmark.

- Financial knowledge and perception sub-scores declined, while the productivity impact sub-score is unchanged from the prior period and financial behaviour improved modestly.
- Saskatchewan is the only province with a financial wellbeing score above benchmark (0.6). Despite an improvement of 1.5 points over the prior period, the Maritimes has the lowest score (-5.2).
- More Canadians reported a worsening financial situation in Winter 2022 compared to the previous period.
- For the fifth consecutive period, full-time post-secondary students have the lowest financial wellbeing score (-13.5) by a significant margin.

Financial knowledge is lacking in key areas including savings, mortgages, and debt.

- 52% of Canadians do not know what a mortgage term is and a further 16% are unsure.
- 43% are unsure of the annual TFSA limit and a further 12% are incorrect in their response.
- Aside from credit card balance, Canadians are unclear on what constitutes bad debt.

Nearly one-third of Canadians expect their employer pension plan to be their primary source of retirement income.

- 29% will rely on personal retirement savings for their primary source of income in retirement.
- 15% expect their primary source of retirement income to come from government plan(s).
- The lowest financial wellbeing scores, at more than 10 points below the national average, are among those who don't know where their income in retirement will come from or say that they will worry about it when they get to retirement.

66%

do not know, or are unsure, how much retirement income they will need

Women are less likely

to know how much pre-retirement income they will need

55%

do not have a will

30%

are relying on their workplace pension plan as their primary source of retirement income

Two-thirds of Canadians do not know, or are unsure, how much retirement savings they will need to maintain their desired standard of living.

- 23% do not know how much savings they will need and a further 44% are unsure.
- 34% do not know what percentage of their pre-retirement income they will need to live comfortably in retirement.
- 24% believe that they will need less than 50% of their pre-retirement income to live comfortably in retirement.
- Women are less likely to know how much of their pre-retirement income they will need to live comfortably in retirement.

An employer-funded guaranteed monthly pension is most valued by Canadians.

- 53% of Canadians would most value an employer plan with a guaranteed monthly pension.

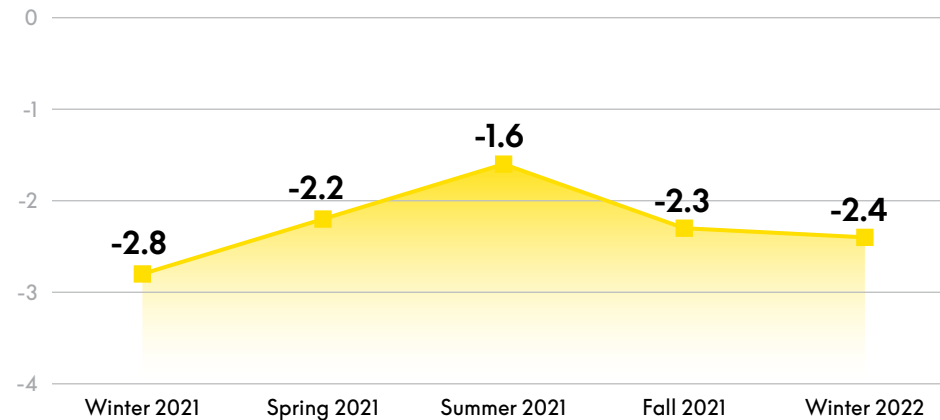
- 34% would most value a retirement savings program with a contribution from their employer.
- Fewer than 5% of Canadians perceive company stock discount, hardship/emergency fund, tuition support, or retention bonus to be the most valuable aspect of an employer plan.

More than half of Canadians do not have a will.

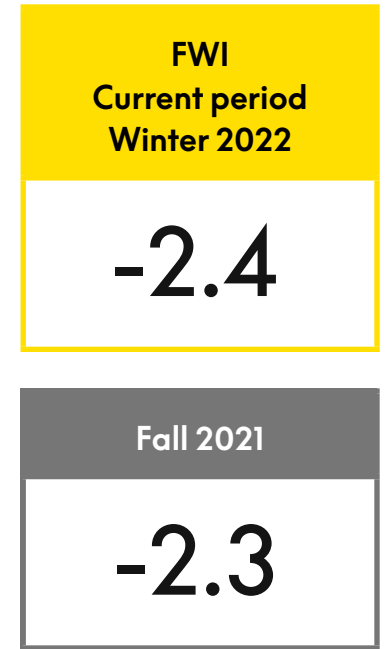
- 45% have a will and this group has a financial wellbeing score more than seven points above the national average.
- 38% of Canadians between 40-49 years of age have a will compared to 70% of those older than 60.
- 32% of Canadians with an annual household income less than \$30,000 have a will compared to 62% of those with an annual household income greater than \$150,000.

The Financial Wellbeing Index™

The Financial Wellbeing Index™ (FWI) is a measure of deviation from the benchmark¹ of the financial wellbeing of the population. **The overall Financial Wellbeing Index™ for Winter 2022 is -2.4 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 score for Canadians is nearly unchanged from the prior period at more than two points below the pre-2020 benchmark.



¹ The benchmark reflects data collected in 2019.



Demographics

- Since the launch of the FWI, women have had significantly lower financial wellbeing scores than men. In Winter 2022, the financial wellbeing score of women is -4.4 compared to -0.4 for men.
- In each of the prior periods, financial wellbeing scores improved with age. In the current period, Canadians between 20-29 years of age have the least favourable financial wellbeing score (-10.9) while the most favourable wellbeing score is among those 70-79 years of age (8.7).
- Household income is strongly correlated with financial wellbeing; households reporting an annual income of up to \$30,000 have the lowest financial wellbeing score (-15.0), nearly 13 points lower than the national average (-2.4).
- Differences in financial wellbeing scores between those with and without children have been seen since the launch of the Index. In Winter 2022, those with at least one child have a lower score (-7.0) than those without children (-0.5).

Employment

- Individuals working fewer hours compared to the prior month have the lowest financial wellbeing score (-13.9), followed by those reporting reduced salary (-12.0).
- Managers have a slightly lower financial wellbeing score (-2.9) than non-managers (-2.1).
- Organizations with 1,001-5,000 employees have the most favourable financial wellbeing score (1.6), while those working for employers with 51-100 employees have the lowest financial wellbeing score (-7.1).



Financial Wellbeing Index™

Employment status	Winter 2022	Fall 2021
Employed (no change in hours/salary)	-1.1	-0.7
Employed (fewer hours compared to last month)	-13.9	-14.0
Employed (reduced salary compared to last month)	-12.0	-16.1
Not currently employed	-5.1	-5.1

Age group	Winter 2022	Fall 2021
Age 20-29	-10.9	-12.6
Age 30-39	-8.5	-7.1
Age 40-49	-4.1	-4.4
Age 50-59	-0.8	0.0
Age 60-69	5.2	4.8
Age 70-79	8.7	9.8

Number of children	Winter 2022	Fall 2021
No children in household	-0.5	-0.4
1 child	-7.7	-6.2
2 children	-6.0	-6.2
3 children or more	-7.3	-9.9

Province	Winter 2022	Fall 2021
Alberta	-4.5	-3.4
British Columbia	-1.9	-2.1
Manitoba	-0.5	-0.1
Newfoundland and Labrador	-3.4	-4.1
The Maritimes	-5.2	-6.7
Ontario	-2.2	-1.8
Quebec	-1.2	-1.4
Saskatchewan	0.6	-0.3

Gender	Winter 2022	Fall 2021
Men	-0.4	-0.6
Women	-4.4	-4.1

Household income	Winter 2022	Fall 2021
<\$30K/annum	-15.0	-13.4
\$30K to <\$60K/annum	-8.6	-8.4
\$60K to <\$100K	-2.6	-3.1
\$100K to <\$150K	0.4	0.9
\$150K or more	8.0	8.5

Employer size	Winter 2022	Fall 2021
Self-employed/sole proprietor	0.9	1.6
2-50 employees	-4.0	-4.5
51-100 employees	-7.1	-7.6
101-500 employees	-3.2	-3.5
501-1,000 employees	-6.1	-2.7
1,001-5,000 employees	1.6	1.1
5,001-10,000 employees	-2.1	-0.1
More than 10,000 employees	0.7	-0.6

Manager	Winter 2022	Fall 2021
Manager	-2.9	-2.5
Non-manager	-2.1	-2.1

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

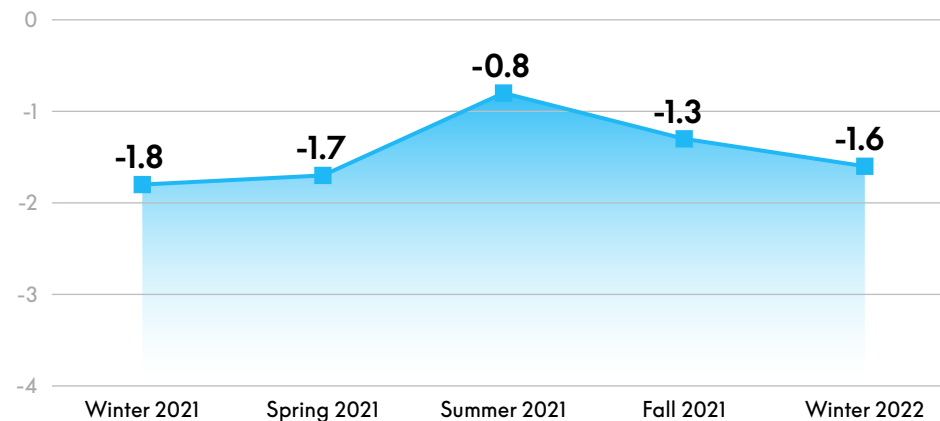
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Financial knowledge

The financial knowledge sub-scale is a measure of deviation from the benchmark² of the overall self-reported financial knowledge and literacy of the population. **The financial knowledge sub-score for Winter 2022 is -1.6 points.** This score represents a 0.3-point decline from the prior period.

- Women have a considerably lower financial knowledge score (-5.7) than men (2.3).
- Financial knowledge scores are better the older the age group; there is a nine-point difference between the least favourable financial knowledge score, among those 20–29 years of age (-5.1), and the most favourable knowledge score, among people ages 70–79 (4.3).



² The benchmark reflects data collected in 2019.

- Households reporting an annual income of up to \$30,000 have the lowest financial knowledge score (-7.3), compared to households with annual income of \$150,000 or more (6.1).
- Managers have a significantly better financial knowledge score (3.2) than non-managers (-4.2).
- Sole proprietors/self-employed individuals have the most favourable financial knowledge score (1.9).

Financial knowledge Current period Winter 2022
-1.6
Fall 2021
-1.3

Financial knowledge

Employment status	Winter 2022	Fall 2021
Employed (no change in hours/salary)	-1.2	-0.9
Employed (fewer hours compared to last month)	-4.7	-3.7
Employed (reduced salary compared to last month)	-3.2	-4.9
Not currently employed	-5.2	-3.9

Age group	Winter 2022	Fall 2021
Age 20-29	-5.1	-7.5
Age 30-39	-6.9	-3.8
Age 40-49	-1.5	-2.5
Age 50-59	-0.3	-0.4
Age 60-69	2.2	3.2
Age 70-79	4.3	5.1

Number of children	Winter 2022	Fall 2021
No children in household	-1.4	-1.2
1 child	-1.8	-1.8
2 children	-2.5	-1.7
3 children or more	-2.9	0.6

Province	Winter 2022	Fall 2021
Alberta	-2.7	-0.1
British Columbia	-3.0	-3.2
Manitoba	-0.9	-1.4
Newfoundland	-3.9	-1.1
The Maritimes	-3.5	-6.1
Ontario	-1.2	-0.8
Quebec	-0.3	0.8
Saskatchewan	0.4	-2.0

Gender	Winter 2022	Fall 2021
Men	2.3	1.8
Women	-5.7	-4.6

Household income	Winter 2022	Fall 2021
<\$30K/annum	-7.3	-8.3
\$30K to <\$60K/annum	-4.8	-5.5
\$60K to <\$100K	-3.2	-2.0
\$100K to <\$150K	1.3	1.9
\$150K or more	6.1	6.0

Employer size	Winter 2022	Fall 2021
Self-employed/sole proprietor	1.9	5.5
2-50 employees	-2.2	-2.1
51-100 employees	-3.6	-3.7
101-500 employees	-3.0	-3.0
501-1,000 employees	-2.0	-1.9
1,001-5,000 employees	0.8	0.4
5,001-10,000 employees	-2.8	-0.9
More than 10,000 employees	-1.3	-1.7

Manager	Winter 2022	Fall 2021
Manager	3.2	3.7
Non-manager	-4.2	-4.0

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

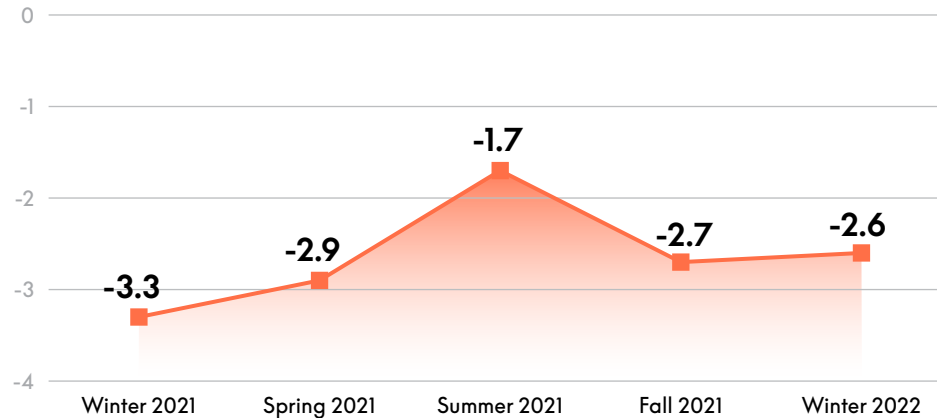
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Financial behaviour

The financial behaviour sub-scale measures the deviation from the benchmark³ 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 Winter 2022 is -2.6 points.** The current score is nearly unchanged from the prior period.

- Women have a lower financial behaviour score (-3.5) than men (-1.6).
- Financial behaviour scores are better the older the age group; there is a 16-point difference between the least favourable financial knowledge score, among those 20–29 years of age (-10.4), and the most favourable knowledge score, among those ages 70–79 (6.0).



³ The benchmark reflects data collected in 2019.

- Households reporting an annual income of up to \$30,000 have the lowest financial behaviour score (-17.4), 25 points lower than households with an annual income of \$150,000 or more (7.7).
- Non-managers have a better financial behaviour score (-1.9) than managers (-3.7).
- Respondents working in organizations with 1,001 to 5,000 employees have the most favourable financial behaviour score (1.6).



Financial behaviour

Employment status	Winter 2022	Fall 2021
Employed (no change in hours/salary)	-1.3	-1.1
Employed (fewer hours compared to last month)	-12.7	-14.2
Employed (reduced salary compared to last month)	-13.0	-14.7
Not currently employed	-6.0	-6.6

Age group	Winter 2022	Fall 2021
Age 20-29	-10.4	-12.8
Age 30-39	-8.4	-7.1
Age 40-49	-4.5	-5.3
Age 50-59	-1.0	0.1
Age 60-69	5.1	4.2
Age 70-79	6.0	7.4

Number of children	Winter 2022	Fall 2021
No children in household	-0.3	-0.6
1 child	-8.9	-7.5
2 children	-6.0	-6.3
3 children or more	-9.0	-10.5

Province	Winter 2022	Fall 2021
Alberta	-4.2	-2.7
British Columbia	-0.4	-1.4
Manitoba	-0.3	-1.1
Newfoundland	-5.1	-8.2
The Maritimes	-6.0	-8.8
Ontario	-2.5	-1.8
Quebec	-2.5	-3.6
Saskatchewan	-0.7	-0.5

Gender	Winter 2022	Fall 2021
Men	-1.6	-1.7
Women	-3.5	-3.7

Household income	Winter 2022	Fall 2021
<\$30K/annum	-17.4	-15.3
\$30K to <\$60K/annum	-9.0	-9.2
\$60K to <\$100K	-2.7	-4.0
\$100K to <\$150K	0.6	1.1
\$150K or more	7.7	8.7

Employer size	Winter 2022	Fall 2021
Self-employed/sole proprietor	0.8	-0.4
2-50 employees	-4.4	-5.3
51-100 employees	-8.8	-9.9
101-500 employees	-3.4	-3.7
501-1,000 employees	-5.7	-1.4
1,001-5,000 employees	1.6	1.2
5,001-10,000 employees	-1.5	1.1
More than 10,000 employees	1.1	-0.4

Manager	Winter 2022	Fall 2021
Manager	-3.7	-3.3
Non-manager	-1.9	-2.2

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

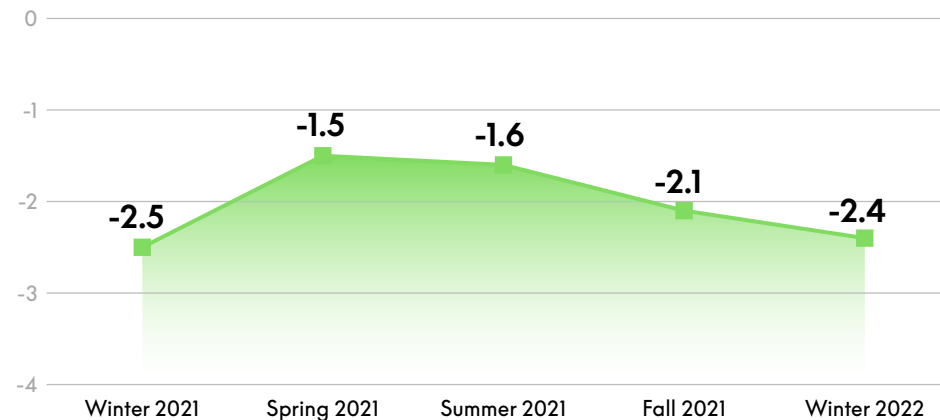
Financial perception

The financial perception sub-scale measures the deviation from the benchmark⁴ 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 Winter 2022 is -2.4 points.

This score represents a slow yet clear decline since Spring 2021.

- Women have a significantly lower financial perception score (-5.0) than men (0.1).
- Financial perception scores are better the older the age group; there is a 25-point difference between the financial perception score of those 20–29 years of age (-12.9) and those ages 70–79 (12.5).



⁴ The benchmark reflects data collected in 2019.

- Parents have a notably lower financial perception score (-7.4) than those without children (-0.3).
- Households reporting an annual income of up to \$30,000 have the lowest financial perception score (-14.5) compared to households with an annual income of \$150,000 or more (8.8).
- Managers have a lower financial perception score (-3.6) than non-managers (-1.7).
- Respondents working in organizations with 1,001 to 5,000 employees have the most favourable financial perception score (1.7).

Financial perception Current period Winter 2022
-2.4
Fall 2021
-2.1

Financial perception

Employment status	Winter 2022	Fall 2021
Employed (no change in hours/salary)	-0.8	-0.3
Employed (fewer hours compared to last month)	-17.3	-16.3
Employed (reduced salary compared to last month)	-13.3	-20.2
Not currently employed	-4.1	-3.8

Age group	Winter 2022	Fall 2021
Age 20-29	-12.9	-13.7
Age 30-39	-9.1	-7.9
Age 40-49	-4.4	-4.0
Age 50-59	-0.7	0.0
Age 60-69	6.0	5.8
Age 70-79	12.5	13.4

Number of children	Winter 2022	Fall 2021
No children in household	-0.3	0.0
1 child	-7.8	-6.0
2 children	-6.9	-7.3
3 children or more	-6.7	-11.8

Province	Winter 2022	Fall 2021
Alberta	-5.2	-4.8
British Columbia	-3.2	-2.6
Manitoba	-0.5	1.2
Newfoundland	-1.6	-0.7
The Maritimes	-4.8	-4.8
Ontario	-2.2	-2.0
Quebec	-0.1	0.3
Saskatchewan	2.0	0.4

Gender	Winter 2022	Fall 2021
Men	0.1	0.0
Women	-5.0	-4.4

Household income	Winter 2022	Fall 2021
<\$30K/annum	-14.5	-12.7
\$30K to <\$60K/annum	-9.2	-8.4
\$60K to <\$100K	-2.4	-2.6
\$100K to <\$150K	0.0	0.4
\$150K or more	8.8	9.0

Employer size	Winter 2022	Fall 2021
Self-employed/sole proprietor	0.7	2.7
2-50 employees	-4.1	-4.4
51-100 employees	-6.3	-6.3
101-500 employees	-3.1	-3.4
501-1,000 employees	-7.5	-4.1
1,001-5,000 employees	1.7	1.2
5,001-10,000 employees	-2.6	-1.0
More than 10,000 employees	0.8	-0.6

Manager	Winter 2022	Fall 2021
Manager	-3.6	-3.3
Non-manager	-1.7	-1.4

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

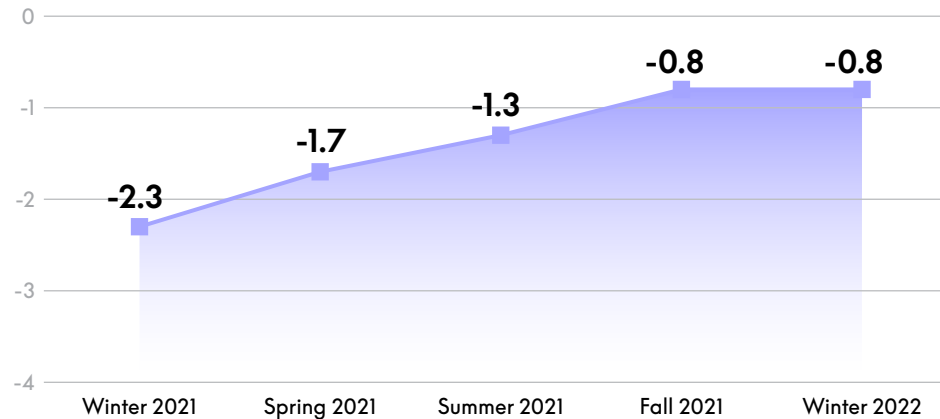
Numbers highlighted in green are the least negative scores in the group.

Available upon request:
Specific cross-correlational and custom analyses

Productivity impact

The productivity impact score measures the extent to which one's financial situation impacts work productivity. **For Winter 2022, the score is -0.8 points.** In Winter 2022, the productivity impact is unchanged from the prior period.

- Women experience a slightly greater negative impact on their productivity (-1.0) than men (-0.7), because of their financial wellbeing.
- The younger demographic is more vulnerable to productivity reductions because of their financial situation; those 20-29 years of age have the least favourable score (-16.0), and this score improves considerably with age.



- Households reporting an annual income of up to \$30,000 have the lowest productivity score (-12.8), 21 points below those earning \$150,000 (8.2) and significantly below the overall average (-0.8).
- The productivity score for those with at least one child (-10.2) is 10 points lower than those without children (2.4).
- The financial situation of managers has a greater impact on productivity (-5.9) than non-managers (2.2).
- Individuals working for organizations with 1,001-5,000 employees have the most favourable productivity score (5.9), while those working for organizations with 51-100 employees have the least favourable productivity score (-8.9).

Productivity impact
Current period
Winter 2022

-0.8

Fall 2021

-0.8

Productivity impact

Employment status	Winter 2022	Fall 2021
Employed (no change in hours/salary)	1.9	1.9
Employed (fewer hours compared to last month)	-21.3	-19.1
Employed (reduced salary compared to last month)	-28.9	-29.6
Not currently employed	-14.3	-10.9

Age group	Winter 2022	Fall 2021
Age 20-29	-16.0	-17.2
Age 30-39	-11.2	-11.0
Age 40-49	-1.3	-2.9
Age 50-59	3.2	5.1
Age 60-69	8.0	8.9
Age 70-79	15.0	11.8

Number of children	Winter 2022	Fall 2021
No children in household	2.4	2.0
1 child	-10.2	-6.9
2 children	-5.7	-7.2
3 children or more	-4.8	-5.0

Province	Winter 2022	Fall 2021
Alberta	-0.6	0.3
British Columbia	-1.9	0.0
Manitoba	2.8	3.5
Newfoundland	5.7	1.4
The Maritimes	-0.2	-0.4
Ontario	-2.1	-1.6
Quebec	0.1	-2.3
Saskatchewan	7.6	3.7

Gender	Winter 2022	Fall 2021
Men	-0.7	0.0
Women	-1.0	-1.5

Household income	Winter 2022	Fall 2021
<\$30K/annum	-12.8	-10.8
\$30K to <\$60K/annum	-6.6	-5.8
\$60K to <\$100K	-0.8	-1.7
\$100K to <\$150K	1.3	2.7
\$150K or more	8.2	7.2

Employer size	Winter 2022	Fall 2021
Self-employed/sole proprietor	-0.4	-0.1
2-50 employees	-1.8	-0.1
51-100 employees	-8.9	-8.4
101-500 employees	-4.0	-4.0
501-1,000 employees	-4.0	-5.3
1,001-5,000 employees	5.9	3.2
5,001-10,000 employees	-1.2	2.3
More than 10,000 employees	5.7	3.8

Manager	Winter 2022	Fall 2021
Manager	-5.9	-5.0
Non-manager	2.2	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.

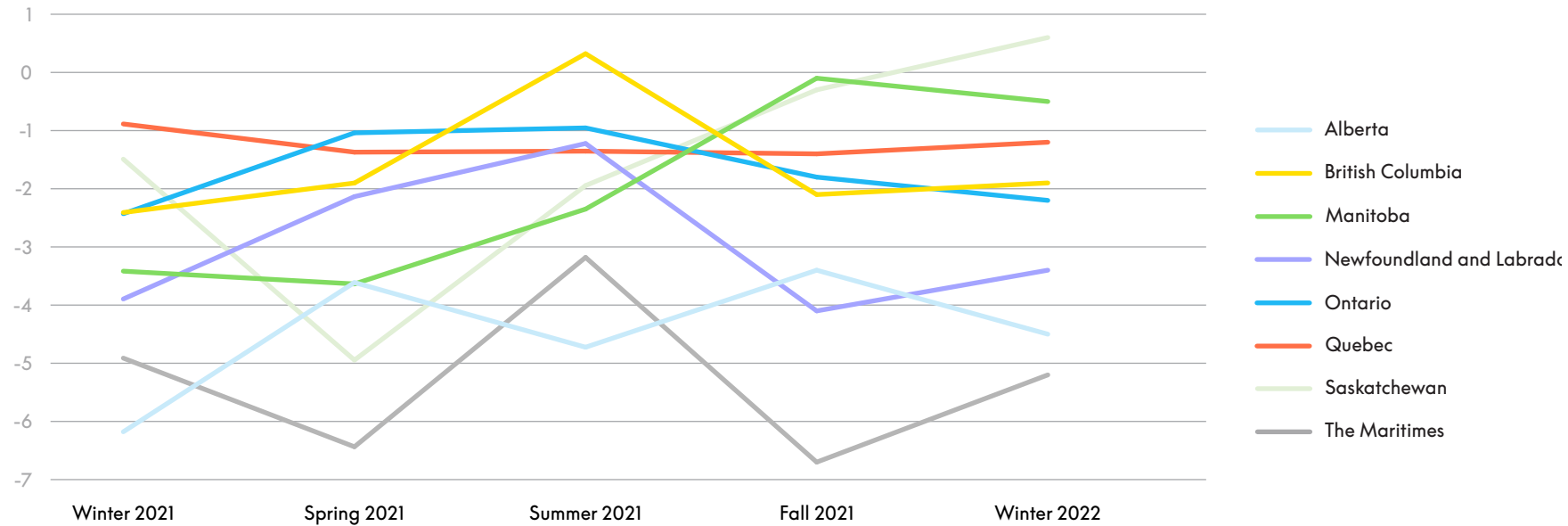
Available upon request:
Specific cross-correlational and custom analyses

Financial Wellbeing Index™ (provincial)

All Canadian provinces apart from Saskatchewan are performing below the financial wellbeing benchmark.

Financial wellbeing scores have improved in Saskatchewan (0.6), Quebec (-1.2), British Columbia (-1.9), Newfoundland and Labrador (-3.4), and the Maritimes (-5.2).

Despite an improvement of 1.5 points over the prior period, The Maritimes has the lowest financial wellbeing score (-5.2).



Financial Wellbeing Index™ (industry)

The most favourable financial wellbeing scores in Winter 2022 are among individuals employed in the Management of Companies and Enterprises (5.2), Professional, Scientific and Technical Services (2.8), and Mining and Oil and Gas Extraction (2.3).

For the fifth consecutive period, full-time post-secondary students have the lowest financial wellbeing score (-13.5), followed by individuals working in Accommodation and Food Services (-8.0), and Construction (-5.8).

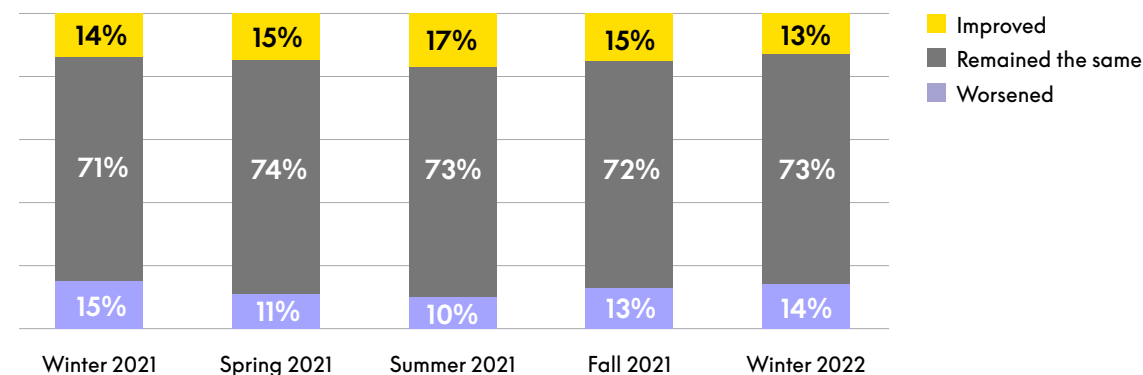
Changes from the prior period are shown in the table.

Industry	Winter 2022	Fall 2021	Change
Management of Companies and Enterprises	5.2	-2.2	7.4
Other services (except Public Administration)	1.8	-1.9	3.7
Information and Cultural Industries	-5.5	-8.6	3.1
Automotive Industry	-2.1	-4.6	2.5
Agriculture, Forestry, Fishing and Hunting	-0.7	-3.0	2.3
Educational Services	1.3	0.1	1.2
Real Estate, Rental and Leasing	-3.8	-4.6	0.8
Other	-5.5	-6.3	0.8
Finance and Insurance	0.9	0.2	0.7
Health Care and Social Assistance	-3.8	-4.4	0.7
Arts, Entertainment and Recreation	-3.8	-4.3	0.6
Mining and Oil and Gas Extraction	2.3	1.9	0.4
Full-time student	-13.5	-13.8	0.3
Retail Trade	-4.8	-4.6	-0.2
Public Administration	1.4	1.7	-0.3
Construction	-5.8	-5.4	-0.3
Manufacturing	-1.9	-1.1	-0.8
Professional, Scientific and Technical Services	2.8	3.7	-0.9
Utilities	-5.1	-4.1	-1.0
Accommodation and Food Services	-8.0	-6.5	-1.4
Transportation and Warehousing	-3.5	-1.2	-2.3
Wholesale Trade	-5.5	-1.9	-3.7

Change in financial situation

Financial situation tracks an individual's reported changes to their financial situation 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.

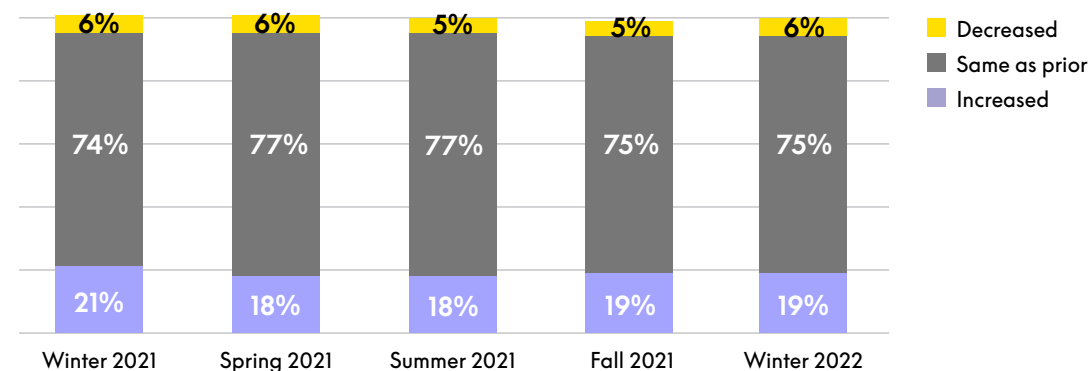
In Fall 2021, 13 per cent of respondents reported a worsened financial situation. While those reporting a worsened financial situation increased to 14 per cent in Winter 2022, 73 per cent of respondents report no change to their financial situation and 13 per cent report an improvement in their financial 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 financial concern, and decreased financial concern compared to the previous period, are shown in the graph.

Those reporting a worsened financial situation (19 per cent), no change to their financial situation (75 per cent), and an improved financial situation (6 per cent) remain unchanged from the prior period.



Spotlight

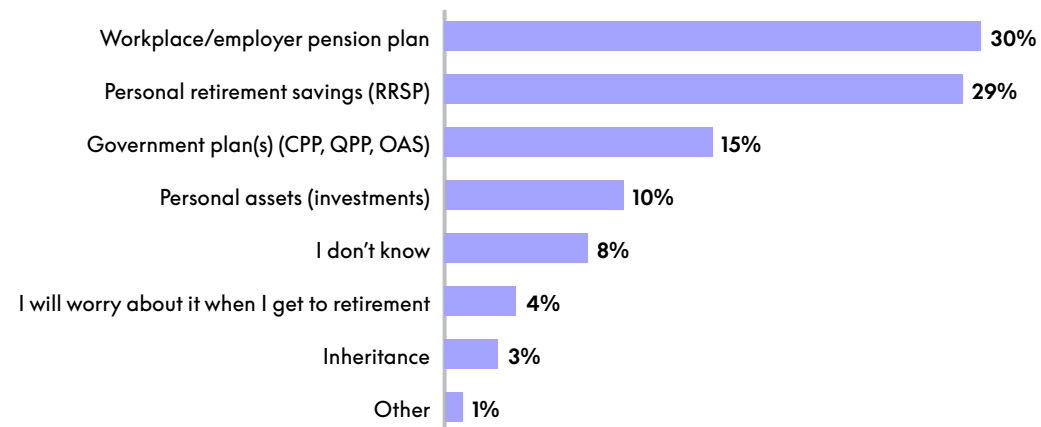
Retirement

Source of retirement income

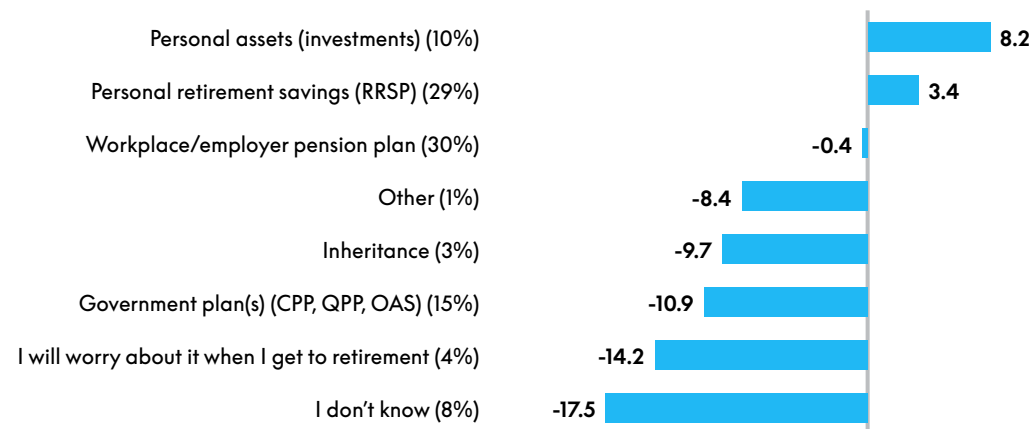
Canadians were asked where they think most of their retirement income will come from.

- Nearly one-third (30 per cent) think that their workplace/employer pension plan will be the primary source of their retirement income, followed by 29 per cent who think that personal retirement savings will be their primary source, and 15 per cent who think that most of their retirement income will come from government plan(s).
- The highest financial wellbeing score (8.2) is among 10 per cent who think that most of their retirement income will come from personal investments.
- Individuals 60 years of age and older are nearly twice as likely than those under 40 to think that government plans will be their primary source of retirement income.

Primary source of retirement income



FWI score by primary source of retirement income

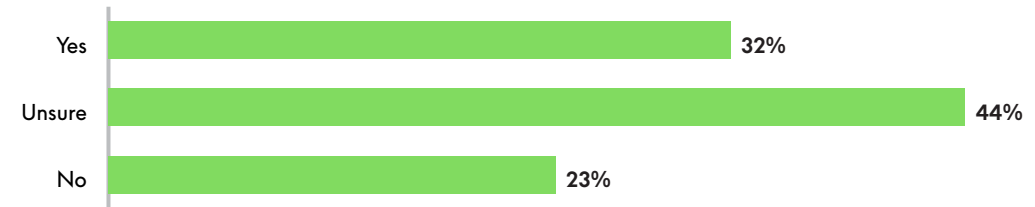


Retirement savings

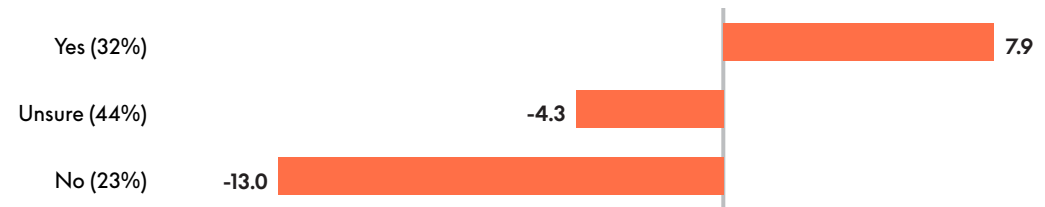
Canadians were asked whether they know how much retirement savings they will need to maintain their desired standard of living.

- Nearly one-quarter do not know how much retirement savings they need to maintain their desired standard of living and a further 44 per cent are unsure.
- Nearly one-third (32 per cent) know how much retirement savings they need to maintain their desired standard of living and this group has the most favourable financial wellbeing score (7.9), more than 10 points above the national average (-2.4).
- The lowest financial wellbeing score (-13.0), at more than 10 points below the national average, is among 23 per cent of those who do not know how much retirement savings they will need.
- Managers are 40 per cent more likely than non-managers to know how much retirement savings they need.
- Individuals with emergency savings are twice as likely as individuals without emergency savings to know how much retirement savings they will need to maintain their desired standard of living.

I know how much retirement savings I will need to maintain my desired standard of living



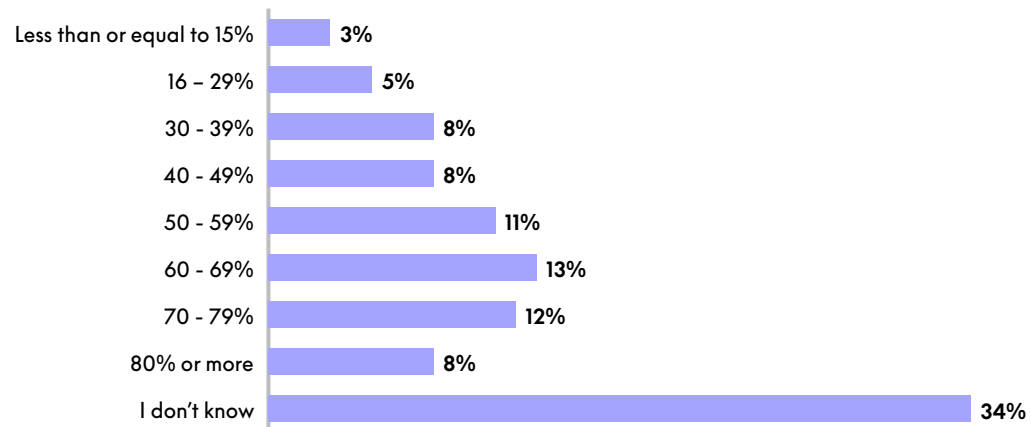
FWI score by I know how much retirement savings I will need to maintain my desired standard of living



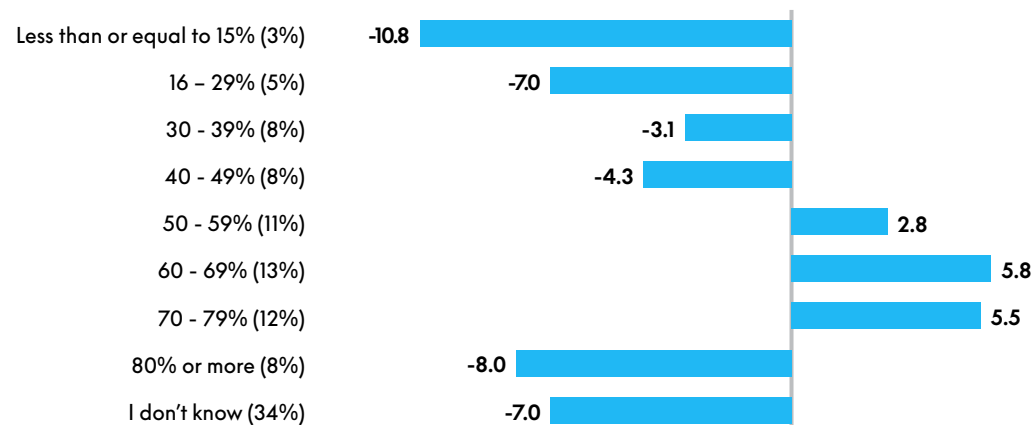
Canadians were asked what percentage of their pre-retirement income they will need to live comfortably in retirement. Conventional financial advice suggests that the average Canadian will require 70 to 80 per cent of their pre-retirement income to maintain their standard of living.

- One in five (20 per cent) know that they need 70 per cent of their pre-retirement income to live comfortably in retirement.
- More than one-third (34 per cent) do not know what percentage of their retirement income they will need to live comfortably in retirement.
- Nearly one-quarter (24 per cent) selected less than 50% of their pre-retirement income to live comfortably in retirement, and this group has lower financial wellbeing scores than the national average.
- Women are 50 per cent more likely than men to indicate that they do not know how much of their pre-retirement income is needed to live comfortably in retirement.

Percentage of pre-retirement income needed to live comfortably in retirement



FWI score by percentage of pre-retirement income needed to live comfortably in retirement

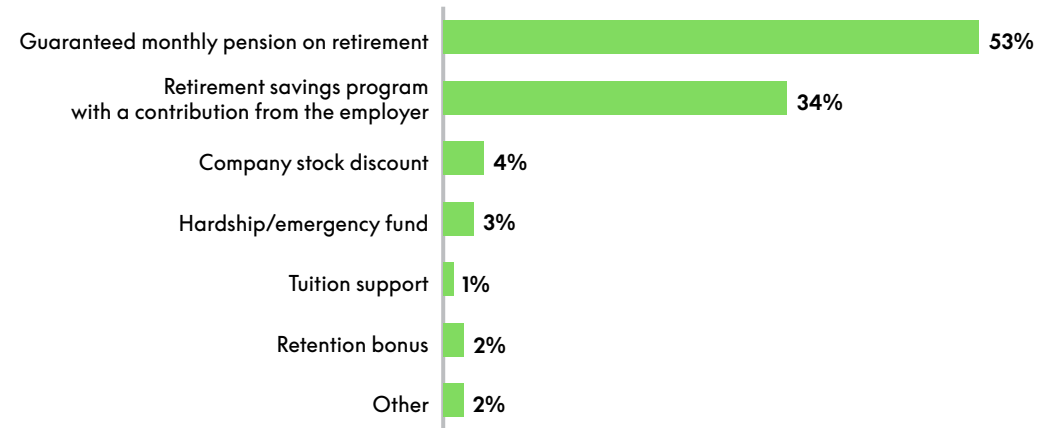


Employer plans

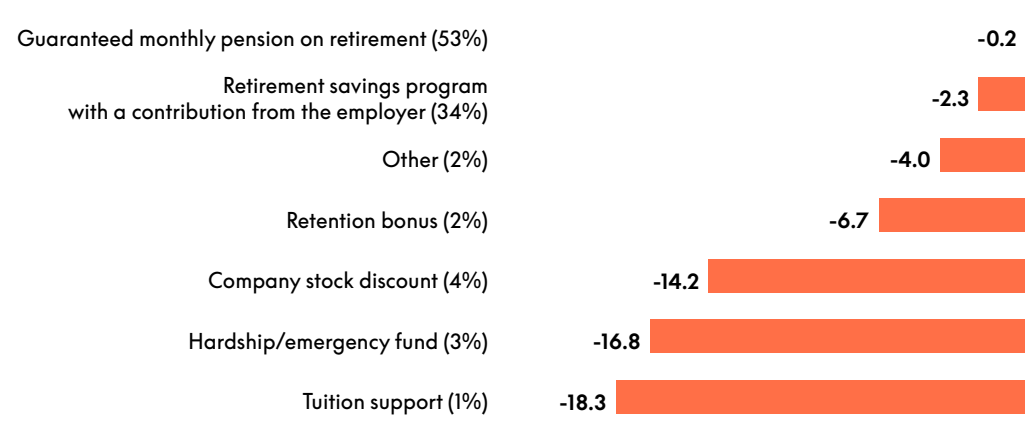
Canadians were asked which element of an employer plan they would value the most.

- More than half (53 per cent) would most value a guaranteed monthly pension on retirement, followed by 34 per cent who would most value a retirement savings program with a contribution from their employer.
- The lowest financial wellbeing score (-18.3) is among one per cent who selected tuition support as the most valued element of an employer plan.
- Individuals ages 50 and above are 50 per cent more likely than those under 40 to value a guaranteed monthly pension on retirement the most.

Most valuable element of employer plan



FWI score by most valuable element of employer plan



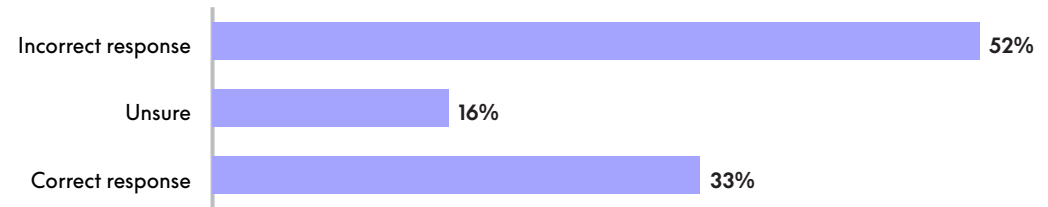
Financial knowledge

Mortgage term

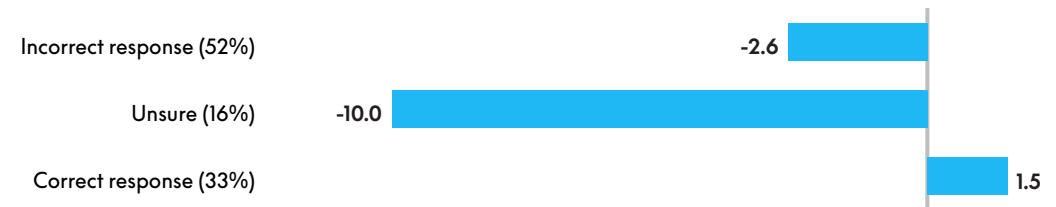
Canadians were asked whether the phrase, 'mortgage term', refers to the length of time it will take to pay off a mortgage. The correct definition of mortgage term is the length of time the borrower commits to the mortgage rate, lender, and terms of the mortgage. The amortization period is the amount of time that it will take to pay off a mortgage.

- More than half (52 per cent) incorrectly defined 'mortgage term'. A further 16 per cent are unsure.
- One-third (33 per cent) understand the statement to be false and this group has the most favourable financial wellbeing score (1.5).
- Individuals 50 years of age and above are 50 per cent more likely than those under 40 years of age to have understood the definition to be incorrect.

Mortgage term refers to the length of time to pay off a mortgage



FWI score by mortgage term refers to the length of time to pay off a mortgage

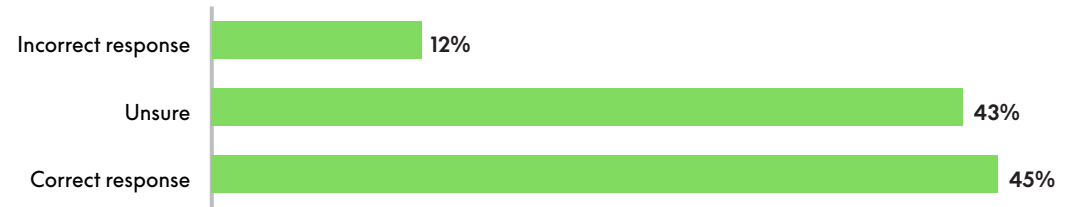


Tax Free Savings Account

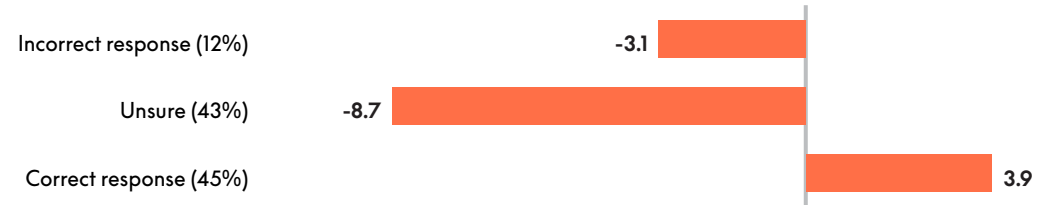
Canadians were asked whether the annual limit for Tax-Free Savings Account (TFSA) is \$16,000 per year. The current TFSA limit is \$6,000 per year.

- More than two in five (43 per cent) are unsure and a further 12 per cent incorrectly believe that the TFSA limit is \$16,000 per year.
- Nearly half (45 per cent) know the question to be false and this group has the most favorable financial wellbeing (3.9).
- Individuals with an annual income greater than \$100,000 are nearly twice as likely as individuals with an annual income less than \$60,000 to know the question to be false.

The annual TFSA limit is \$16,000 per year



FWI score by the annual TFSA limit is \$16,000 per year

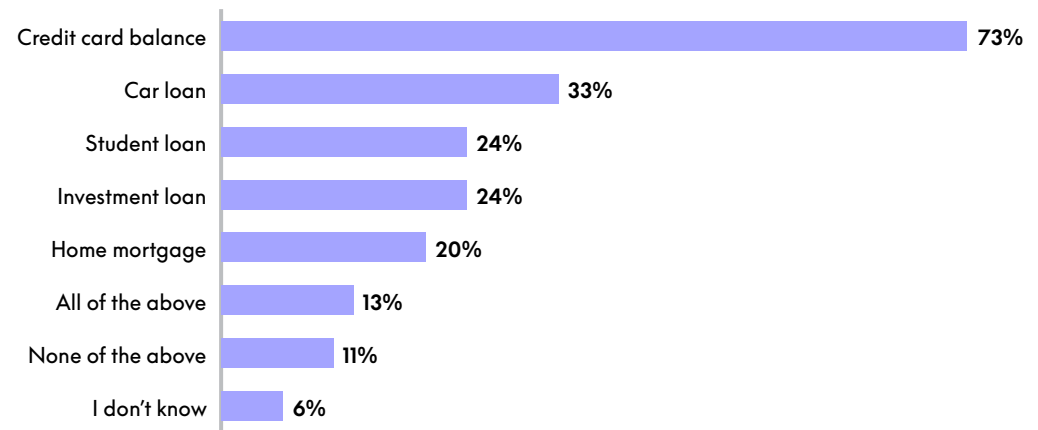


Debt

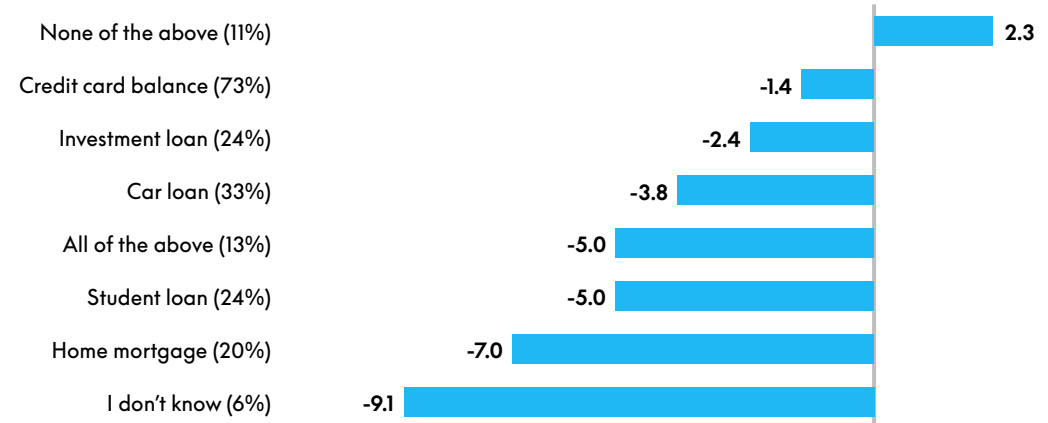
Canadians were asked what they would consider bad debt. Conventional understanding is that debt associated with items that depreciate (e.g., car loan, credit card debt) is bad debt whereas good debt is associated with appreciation (e.g., mortgage, investments).

- Nearly three-quarters (73 per cent) consider credit card balance bad debt, 33 per cent consider a car loan bad debt, 24 per cent consider a student loan bad debt, and 24 per cent consider investment loan bad debt.
- One in five (20 per cent) consider home mortgage bad debt, and this group has the second lowest financial wellbeing score (-7.0), behind those who were unable to categorize bad debt.

Debts selected as “bad debt”



FWI score by selection of “bad debt”

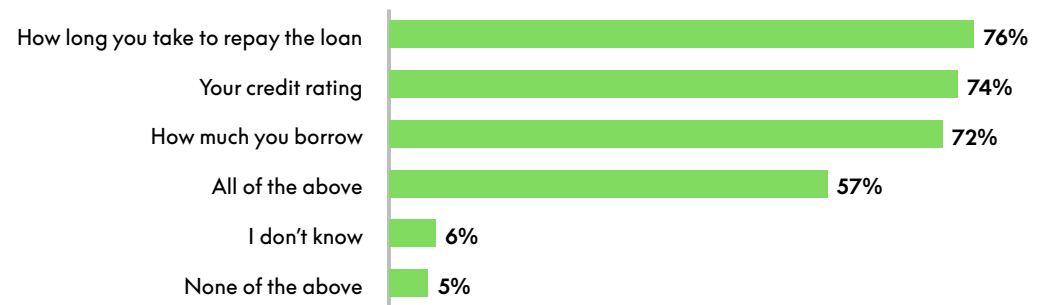


Interest paid on a loan

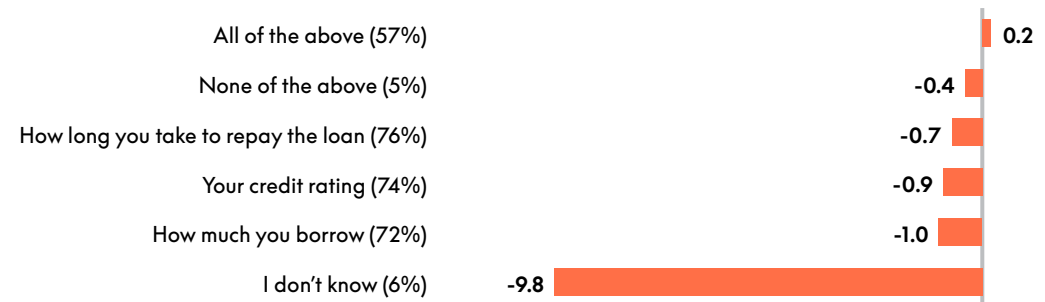
Canadians were asked about the factors that affect the amount of interest paid on a loan.

- Nearly three in five (57 per cent) know that the time to repay the loan, the borrower's credit rating, and the amount borrowed affect the amount of interest paid on a loan.
- The least favourable financial wellbeing score (-9.8), at nearly ten points below the benchmark, is among six per cent of Canadians who do not know what affects the amount of interest paid on a loan.

Factors affecting the amount of interest paid on a loan



FWI score by the factors affecting how much interest is paid on a loan



Wills

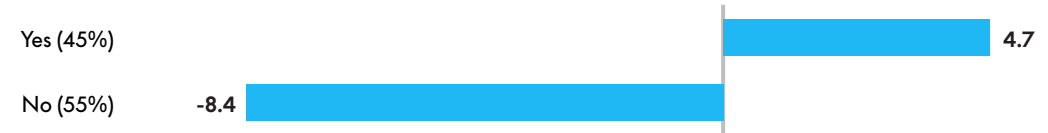
Canadians were asked whether they have a will.

- More than half (55 per cent) do not have a will, and this group has a financial wellbeing score (-8.4) six points below the national average (-2.4).
- Forty-five per cent have a will and this group has a financial wellbeing score (4.7) more than seven points above the national average (-2.4).
- Individuals with emergency savings are nearly twice as likely as those without emergency savings to have a will.
- Fewer than half (43 per cent) of parents have a will compared to 47 per cent of non-parents.

Do you have a will?



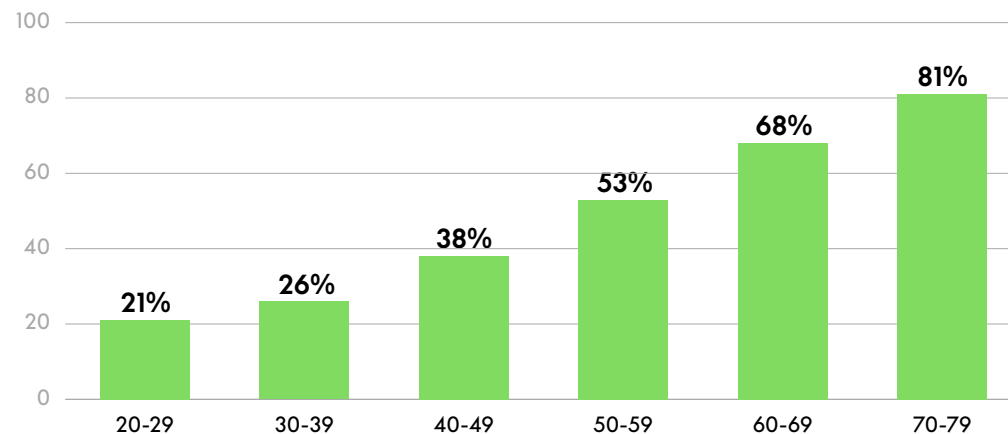
FWI score by do you have a will?



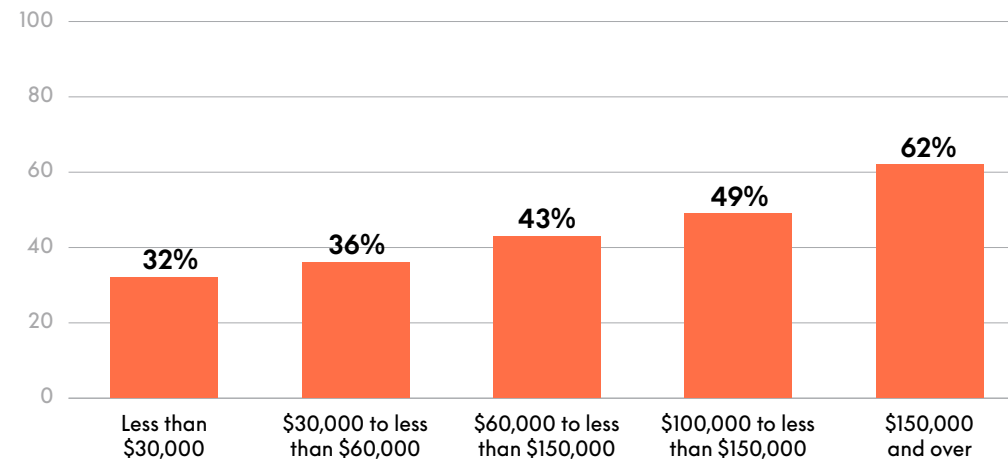
Slightly more than one-quarter (26%) of Canadians 30-39 years of age have a will compared to 70 per cent of those older than 60.

Fewer than one-third (32 per cent) of Canadians with an annual household income less than \$30,000 have a will compared to 62 per cent of those with an annual household income greater than \$150,000.

Percentage of Canadians with a will by age



Percentage of Canadians with a will by household income



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 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 since January 2021. The data for the current report was collected between March 3rd to 20th, 2022.

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.**



About LifeWorks

LifeWorks is a world leader in providing digital and in-person solutions that support the total wellbeing of individuals. We deliver a personalized continuum of care that helps our clients improve the lives of their people and by doing so, improve their business.

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