



FACTUM

The Consumer Debt Burden: Around Half (48%) of Canadians with Non-Mortgage Related Debt Find Paying Off Their Debts Stressful

There Is a Disconnect in Terms of Perceived Knowledge and Actions as It Relates to Financial Management

Toronto, Ontario, August 31, 2023 — A new Ipsos poll conducted on behalf of the Chartered Professional Accountants of Canada (CPA) reveals that almost half (46%) of Canadians are carrying at least some form of non-mortgage related debt. What's more, many of those who are in debt are burdened by it – around half (48%) of those carrying non-mortgage related debts admit that trying to pay off their debts is stressful.

Nearly three-fifths (57%) of those that have non-mortgage related debts indicate that they have carried over a balance on a credit card at some point in the past two years while almost two-fifths (37%) have had to borrow to cover day-to-day expenses, during the same period. As many as one-third (33%) of those that have non-mortgage related debt say they aren't confident they have sufficient knowledge and skills, as it relates to understanding the impact of fluctuating interest rates on their debt.

The aforementioned figures indicate that many Canadians are carrying debt outside of their mortgage, and sizeable proportions are struggling to manage the situation. Perhaps most concerning, as many as one in four (24%) feel like they would not be able to come up with \$500 in cash tomorrow without borrowing or selling anything, a figure which suggests that many are on thin ice financially and might be unable to respond to an unexpected financial challenge without having to go (in many cases further) into debt.

A Disconnect Between Knowledge and Actions

The survey offers evidence of an apparent disconnect between perceived knowledge and actions as it relates to financial management. Around half (47%) of Canadians think they have strong personal financial skills (assigning themselves a letter grade of A or B) but half (51%) within this group is worrying about money and over one in four (27%) are sometimes buying things they can't afford. Additionally, most (77%) feel confident they would know how to develop a household yet more than one-quarter (27%) within this group admit to not actually sticking to a household budget, themselves.

About the Study

These are the findings of an Ipsos survey conducted on behalf of the Chartered Professional Accountants of Canada. Fieldwork was conducted between June 16 and 23, 2023. A total of n=2,000 Canadians aged 18+ participated in the survey which was fielded via the Ipsos' online panels. The combined data has been weighted by age, gender, education and region to ensure the sample composition reflects the Canadian population. The precision of Ipsos online surveys is calculated via a credibility interval. In this case, the sample is considered accurate to within +/- 2.5 percentage points had all Canadians aged 18+ been surveyed.



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For more information on this Factum, please contact:

Sean Simpson
Senior Vice President, Ipsos Public Affairs
+1 416 324 2002
Sean.Simpson@ipsos.com

James Cottrill
Senior Account Manager, Ipsos Public Affairs
+1 416 324 2900
James.Cottrill@ipsos.com

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