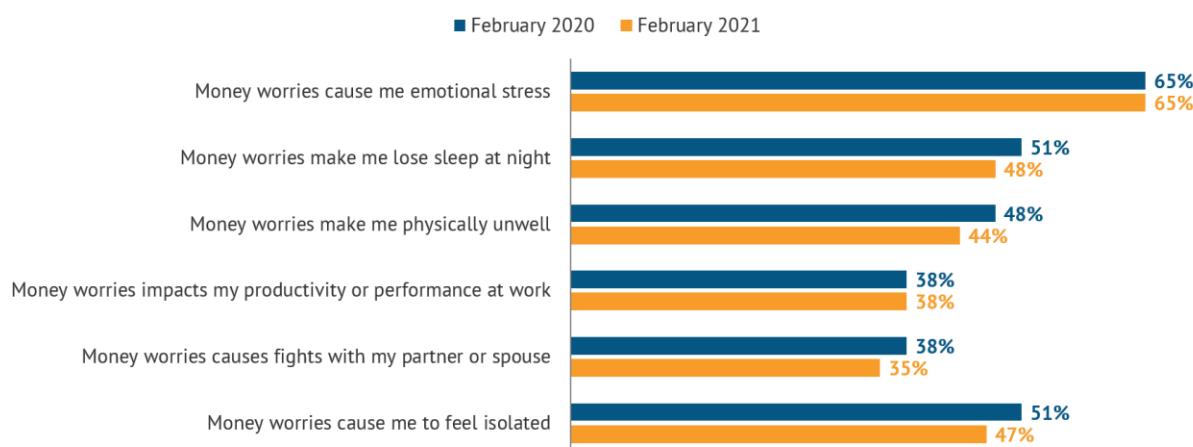


## The impacts of money worries and financial stress on different dimensions of Canadians' well-being

February 2021 compared to February 2020 (pre-pandemic)



Source: February 2021 and February 2020 Financial Well-Being Studies, with a sample size of 3018 Canadian (2021 study) and 1016 Canadians (February 2020 study) aged 18-70 based on a representative of the population by province, gender, age and household income. © 2021 Seymour Management Consulting Inc. All Rights Reserved.

In May 2020, Seymour Consulting launched the Seymour Financial Resilience Index™ [ii] building on four years' of data and analysis from the Financial Well-Being studies. Through the Index and Financial Well-Being studies data combined, the Seymour Consulting is able to provide data on the impacts of financial stress on Canadians overall, key demographics and the four financially vulnerable segments created through the Index. Data is also available on dimensions of Canadians' overall personal health and well-being, with some high-level insights provided in this brief.

The Index measures *a consumers' ability to get through financial hardship, stressors and shocks as a result of unplanned life events*, with measurement of consumer financial resilience the national, provincial, segment and individual household levels. The Index highlights that the financial resilience of Canadians at the national level has improved as the pandemic has drawn on, in part thanks to swift and significant financial support from Government and Financial Institutions as well as to changing consumer and financial behaviours, with many people taking steps to stabilize or improve their financial resilience during the course of the pandemic.

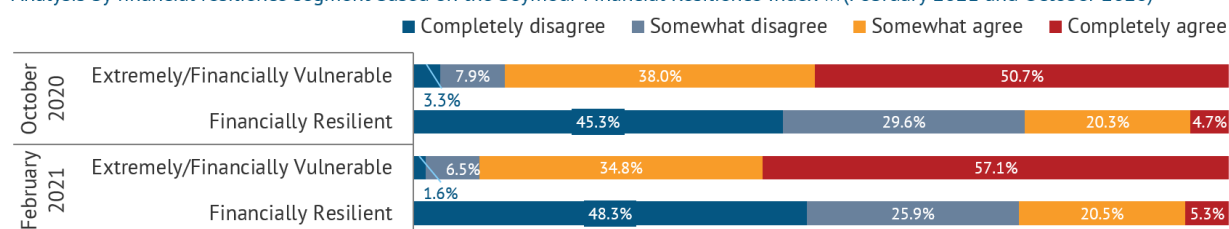
The Index is calculated using nine indicators, including measures of financial stress over current and future financial obligations; peoples' liquid savings buffer; financial behaviours; a self-reported credit score and the availability of social capital (i.e. a close person who could provide financial support in times of hardship)<sup>i</sup>. Using the index, the baseline mean financial resilience score for Canada at the national level in February 2020, just before the major onset of the pandemic in Canada, was 49.58 on a scale of 0 to 100 - revealing that pre-pandemic Canadian households were, at the national level 'Financially Vulnerable' to financial hardship, stressors or shocks. As of June 2020 however, the mean financial resilience index score at the national level was 55.58; 54.53 in October 2020 and higher at 55.69 in February 2021, signalling improved financial resilience for individuals and families – although many households are currently being temporarily 'cushioned' by financial relief.

Furthermore, households which were identified as falling into the 'Extremely Vulnerable' segment have been shown to be taking steps to adjust to their situation and bridge through, with 80.7% significantly reducing non-essential expenses, 66.2% drawing down their savings and 43.6% increasing their borrowing to meet everyday expenses as of October 2020.

The Index tells the clear story that more financially vulnerable households are being more negatively impacted by the pandemic causing financial hardship compared to 'Financially Resilient' Canadians. They also report that financial stress negatively impacts different dimensions of their well-being more than Canadians at the national level and 'Financially Resilient' households, which make up 30.5% of the population as of February 2021.

#### "Money worries cause me financial stress"

Analysis by financial resilience segment based on the Seymour Financial Resilience Index™ (February 2021 and October 2020)



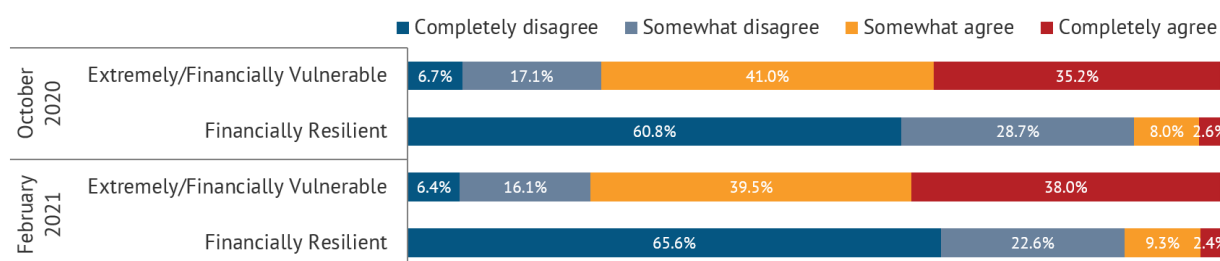
Source: Seymour Financial Resilience Index™ and February 2021 October 2021 Financial Well-Being studies.  
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In February 2021, 57% of 'Extremely Vulnerable' and 'Financially Vulnerable' households combined (representing 11.08 million Canadians) completely agree that money worries causes them emotional stress, with another 35% agreeing that it causes them emotional stress, for a total of 94%. This compares to 26% of 'Financially Resilient' households completely or somewhat agreeing that financial stress cause them emotional stress. Emotional well-being impacts have worsened for 'Extremely Vulnerable' and 'Financially Vulnerable' households combined in February 2021 compared to four months prior based on the October 2020 Seymour Financial Resilience Index™, as outlined below. Similar impacts in terms of financial stress causing many Canadians to lose sleep at night, in particular for more financially vulnerable households.

#### "Money worries make me lose sleep at night"

Analysis by financial resilience segment based on the Seymour Financial Resilience Index™ (February 2021 and October 2020)



Source: Seymour Financial Resilience Index™ and February 2021 October 2021 Financial Well-Being studies

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