

PRIMERICA AND CHANGE RESEARCH RELEASE CANADA FINANCIAL SECURITY MONITOR NOVEMBER 2022



A POLL OF CANADIANS' FINANCIAL MOOD

Primerica Canada's Financial Security Monitor finds that while nearly two-thirds (63%) of Canadians rate their finances positively, there is growing concern over the high rate of inflation and the possibility of an economic downturn.

Overall, the majority (54%) rate their ability to save for the future positively. However, about half (54%) say their financial situation is worsening and two-thirds (65%) believe they will be worse off financially next year. Those who work with a financial professional are more positive while those without are more pessimistic – a trend that held for much of the survey. The same divide was found between high- and low-income households.



How are families doing financially?

- **Shifts in spending largely based on income level.** Over the past year, around a third of Canadians report spending less (36%), adding to savings (32%) and spending more (30%). Those with lower incomes report spending less money, while those with higher incomes report spending more.

Canadians changing financial behavior:



36%
spent less



32%
added to savings



30%
spent more

- **Dipping into savings vs. increasing credit card use.** Those with incomes in the \$40,000 to \$60,000 range are the most likely to report spending personal or retirement savings, with those in the \$60,000 to \$120,000 range are most likely to report increased use of credit cards and taking out a loan.
- **High confidence in paying down debt, budgeting.** A majority of Canadians in all income groups are confident in their ability to pay down credit card debt (83%), build good credit (81%), create and follow a financial budget (74%) and save for the future (72%).

Canadians are confident in their ability to :



83%
pay down
credit card debt



81%
build good credit



74%
follow a
financial budget



72%
save for
the future



ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **Lower income households are less confident.** Overall, about two-thirds (67%) of Canadians feel confident about setting up a Registered Retirement Savings Plan (RRSP) or Tax Free Savings Account (TFSA). However, those with lower levels of income are less confident in this area as well as completing basic financial management skills.
- **Higher income families more likely to have greater access to financial advice.** More than half (54%) of Canadians who make more than \$80,000 a year use a financial professional for advice, while less than two-fifths (36%) of those making less use one. In addition to being more likely to meet with a financial professional, higher earners are also more likely to report adding to savings and investment accounts.
- **Most comfortable using online tools for basic financial management.** Two-thirds (66%) are comfortable setting and tracking financial goals. Half (51%) are comfortable determining how much to save for retirement, and a similar percent (55%) for understanding government programs. Those who use a financial professional were more confident in their ability to use online tools to guide financial decisions.



WHERE ARE FAMILIES TURNING FOR FINANCIAL GUIDANCE?

- **Online resources not a suitable replacement for in-person guidance.** Most Canadians (52%) are not comfortable making financial investments in stocks, bonds or mutual funds online without working with a financial professional. In addition, a significant percentage say they're not comfortable securing a mortgage (39%) or buying life insurance (37%) under these circumstances.
- **Canadians value financial professionals when it comes to big decisions.** When making a major financial move, nearly half (49%) would choose to talk with a licensed financial professional while nearly two-fifths (39%) would do their own research. Just 1% would use a robo-advisor.

Where Canadians turn for financial advice:



49%

would talk with a financial professional



39%

would do their own research



1%

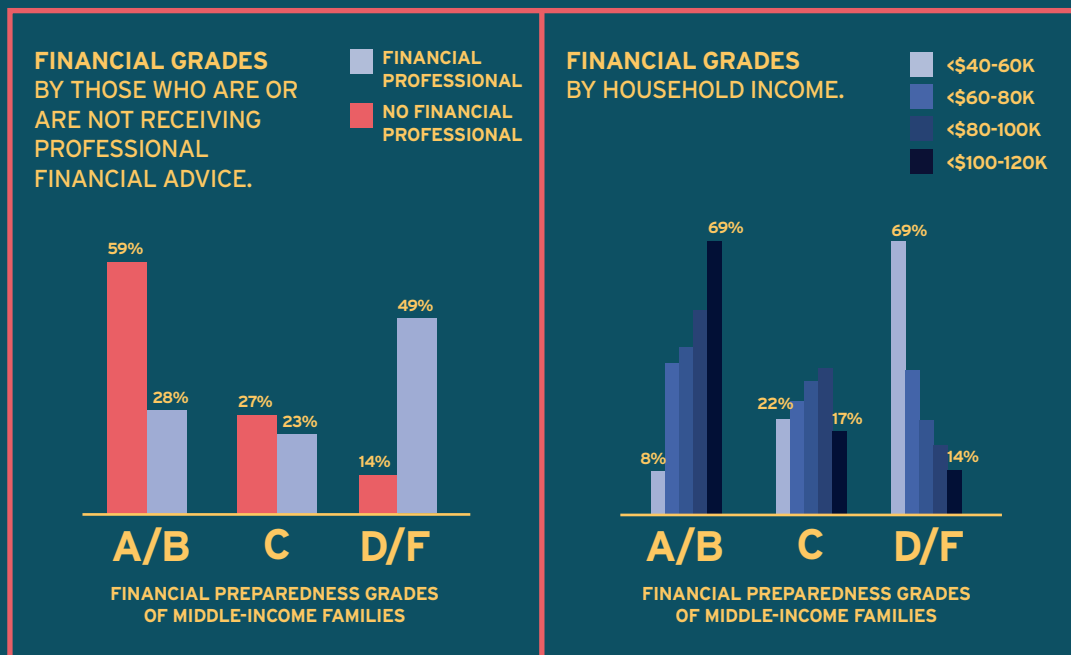
would use robo-advisor



SCORECARD SHOWS THE VALUE OF PROFESSIONAL FINANCIAL ADVICE

Primerica's Monitor graded study participants based on whether they engage in five financial preparedness fundamentals, including saving for their future and protecting what they have through life insurance. The average grade was between B and C. The scorecard found that 59% of those who met with a financial professional earned a B or better, compared to just 28% of those who did not.

FINANCIAL SECURITY SCORECARD RESPONSES



* PERCENTAGES ROUNDED TO NEAREST WHOLE NUMBER.



ABOUT PRIMERICA'S FINANCIAL SECURITY MONITOR

Using Dynamic Online Sampling, Change Research polled 1,105 adults nationwide in Canada, from October 11-13, 2022. Post-stratification weights were made on gender, age and province/territory region to reflect the population of these adults based on the 2016 Canadian Census. Polling was done in both English and French. The margin of error is 3.2 percentage points.