

FINANCIAL STRESS INDEX

2023




FP Canada®


*Advancing Professional
Financial Planning*

A Survey By **Leger**


Methodology

 An online survey.

2,004 Canadians.

 Note: a booster sample of targeting a diverse range of ethnicities and cultural backgrounds was engaged to ensure the results of this survey were fully representative of all Canadians.

 Completed between March 29 and April 7, 2023, using Leger's online panel.

 No margin of error can be associated with a non-probability sample (i.e. a web panel in this case).
For comparative purposes, though, a probability sample of 2,004 respondents would have a margin of error of $\pm 2.2\%$, 19 times out of 20.

Leger's online panel

Leger's online panel has approximately 400,000 members nationally and has a retention rate of 90%.

Quality control

Stringent quality assurance measures allow Leger to achieve the high-quality standards set by the company. As a result, its methods of data collection and storage outperform the norms set by WAPOR (The World Association for Public Opinion Research). These measures are applied at every stage of the project: from data collection to processing, through to analysis. We aim to answer our clients' needs with honesty, total confidentiality, and integrity. Also, poll aggregator 338Canada.com gave Leger the highest rating among all polling firms in Canada for the accuracy of its studies. (See <https://338canada.com/pollster-ratings.htm>.)

Key Findings

Individuals who seek assistance from a financial professional, specifically a financial *planner*, are less prone to money-related stress, sleep loss, and financial regrets.

- Although they remain concerned about retirement savings and investments, they are not as stressed over debt and expenses.
- They are inclined to agree that consulting with a financial professional would alleviate financial stress.
- They are also more likely to have also built a financial plan.
- 25% of those dealing with a financial *planner* say financial stress has had no impact on their lives, while 17% of those not working with a financial planner say the same.
- Those with a financial *planner* are more likely to believe they have about the same amount of disposable income as they did last year and less likely to feel pressure to keep up financially friends and/or colleagues.

36% of Canadians engage with a financial professional.

- While just 5% of Canadians work with a financial *planner* such as a CFP® professional or QAFP® professional, 16% work with a financial advisor and 7% work with an investment advisor.
- Those who choose not to work with a financial professional often do so because they feel they can manage their finances themselves, or because they do not see the value in hiring one. Others may feel that financial professionals are always trying to sell them something, or find them untrustworthy, intimidating, and confusing.

Money is a top life stressor, and nearly half of Canadians (48%) have lost sleep over it.

- Saving enough for retirement, bills, saving for a major purchase/expense, and debt top the list of financial stressors.
- Among the steps taken to reduce financial stress, 46% are saving more, 38% are paying down debt, and 36% have an emergency savings fund. Three-in-ten (30%) created a budget, 27% are building a financial plan, and 20% received financial advice from a professional and/understanding their expenses better.

Key Findings

Over half have experienced a negative impact on their life due to financial stress.

- 36% are dealing with anxiety/depression/mental health challenges as a result.
- Rising grocery prices (69%), the cost of inflation (63%), and elevated gas prices (49%) have contributed to Canadians' financial stress.
- Almost half (48%) have less disposable income vs. a year ago; 18% have more.

68% plan on making a significant purchase or tackling a significant expense over the next year.

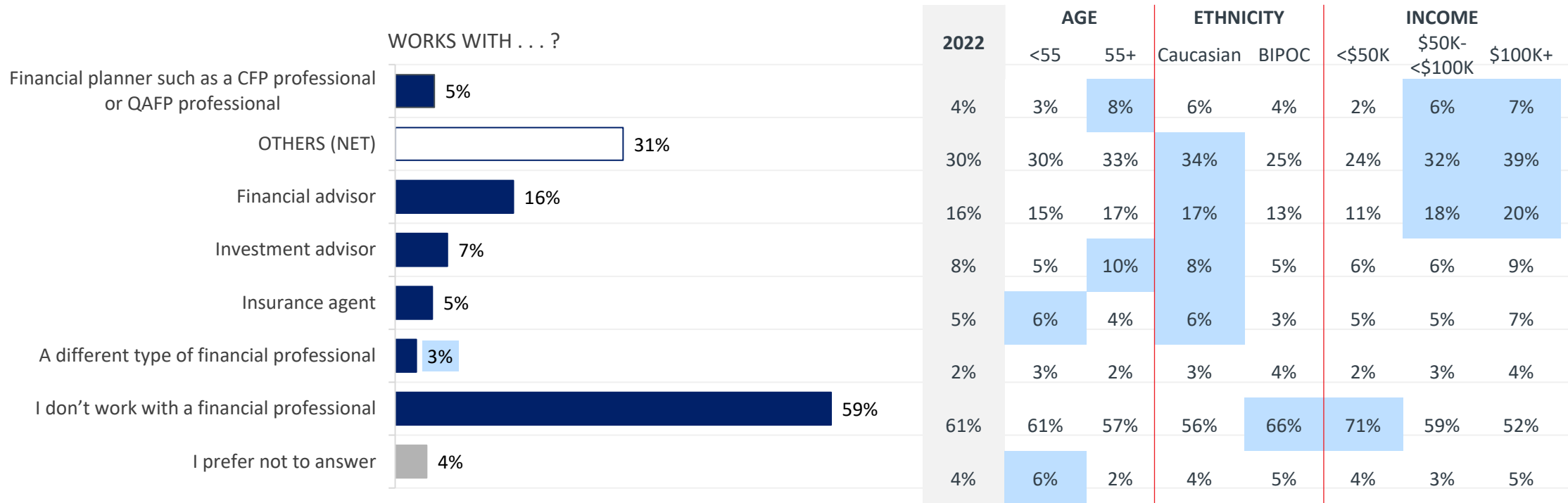
- Two-in-ten plan to pay off outstanding credit card debt and take an extended vacation while one in ten look to donate to charitable causes or purchase a new car.

There are also some regrets associated with managing finances:

- Two-in-ten regret they didn't save more money or start saving earlier and wish they had started investing more/earlier/more wisely.
- Only 3% regret not getting advice from a financial professional.

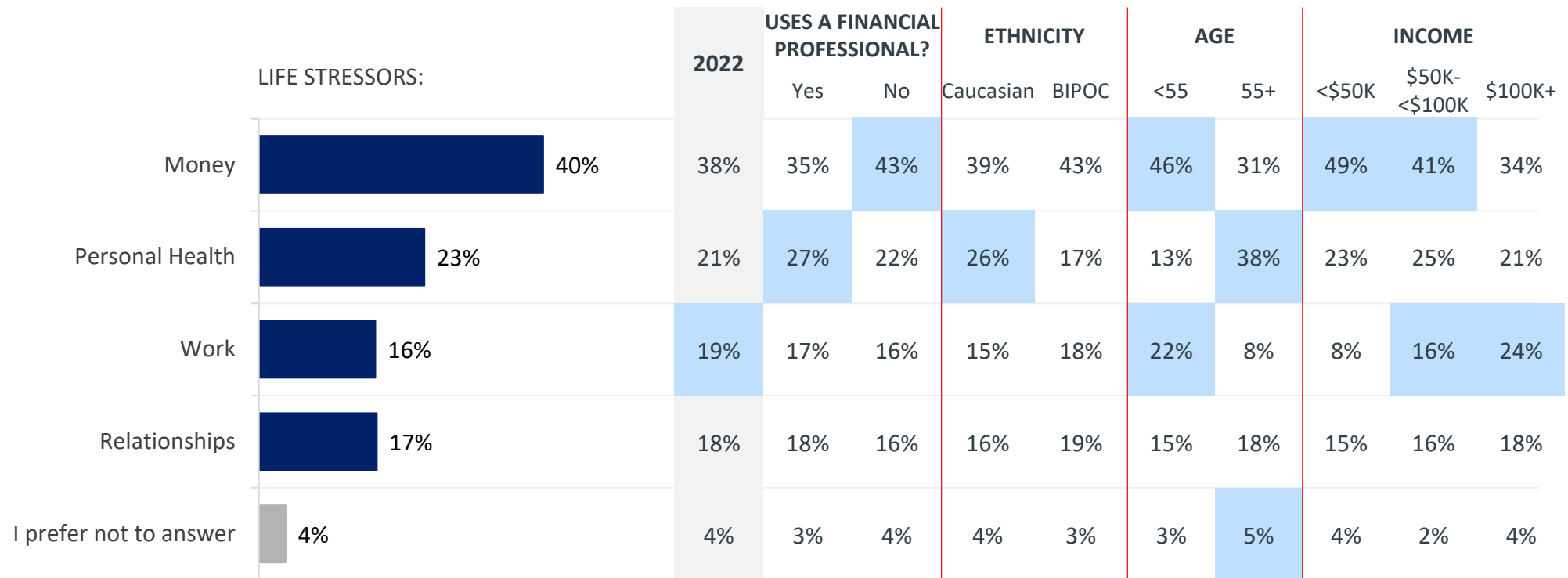
Over one-third of Canadians work with a financial professional, primarily a financial advisor.

While five percent of Canadians work with a financial planner such as a CFP professional or QAFP professional, three times as many work with a financial advisor (16%), and roughly one and half times as many (7%) work with an investment advisor. Those who work with a financial planner are significantly more likely to be aged 55+ (vs. <55) and earning at least \$50K annually (vs. less). As a general trend, higher earners as well as Caucasian Canadians are also more likely to use other financial professionals (vs. those in the rest of Canada).



Two years in a row, money causes the most stress in their life, say Canadians.

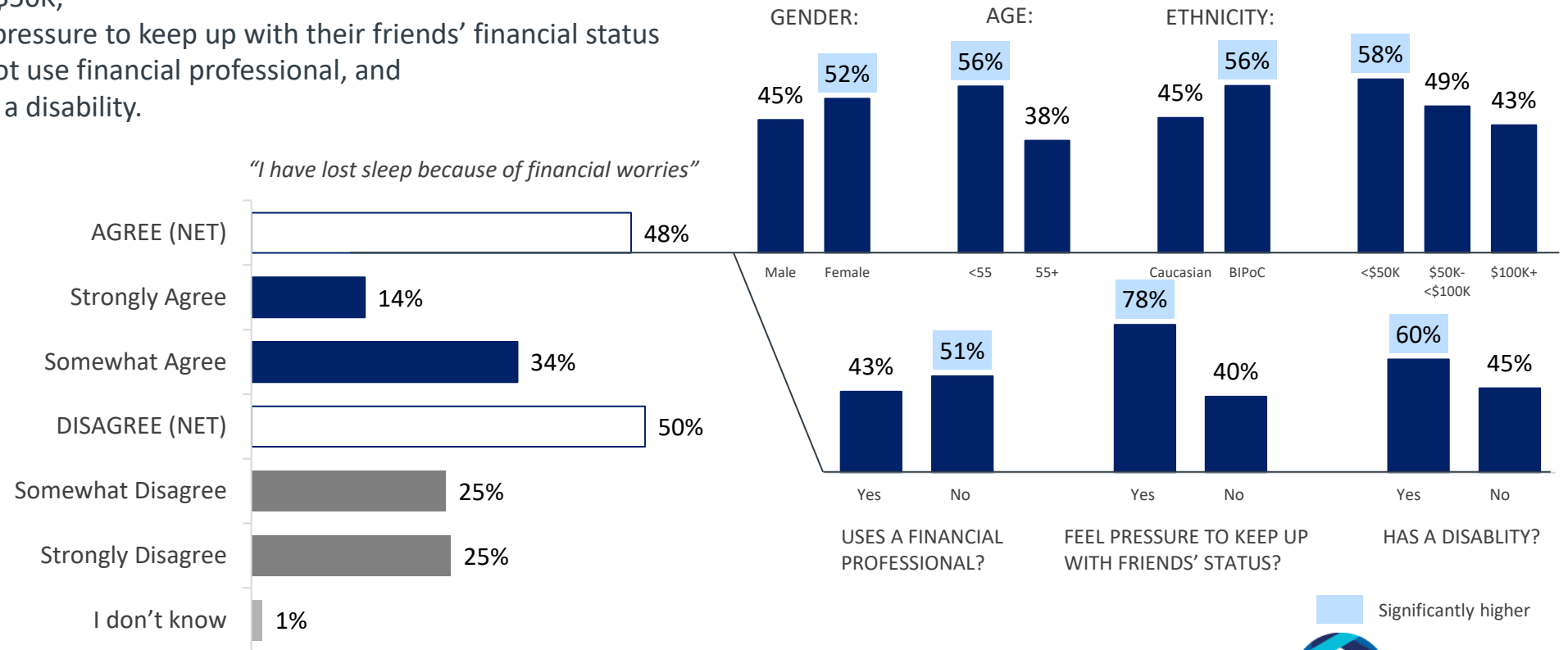
Four-in-ten (40%) say that money is what tends to cause them the most stress in their lives, especially those aged <55, and those earning <\$100K annually. Canadians who do not work with a financial professional are also significantly more likely to say money causes them the most stress. Additionally, females are more likely to say money causes them stress (43%) compared to men (37%), while men are more likely to say their personal health causes them stress (26%) compared to women (21%).



Nearly half of Canadians (48%) have lost sleep due to financial worries.

While half (50%) have not lost sleep over financial worries, nearly half (48%) have, especially:

- women,
- those aged 18-54,
- those earning <\$50K,
- those who feel pressure to keep up with their friends' financial status
- those who do not use financial professional, and
- those who have a disability.



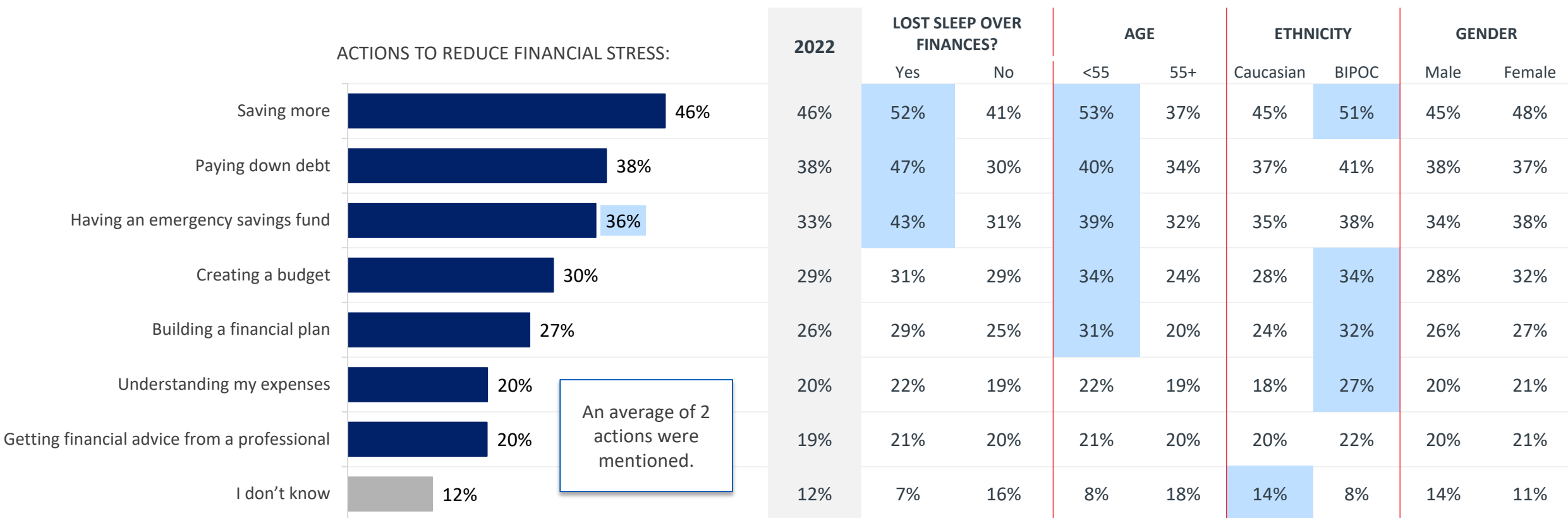
Paying bills, saving for retirement, and saving for a major purchase cause stress for roughly one-third of Canadians.

Additionally, 29% say debt stresses them out, significantly more than in 2022. Job/income stability (22%), lack of control (17%), and investing (16%) are financial stressors for roughly two-in-ten. BIPOC individuals are more likely to mention one or more financial stressors, while retirees are more likely to say finances don't stress them out (41% vs. 9% among employed individuals).

FINANCIAL STRESSORS:	2022	USES A FINANCIAL PLANNER?		LOST SLEEP OVER FINANCES?		AGE		ETHNICITY	
		Yes	No	Yes	No	<55	55+	Caucasian	BIPOC
Bill payments/expenses	31%	23%	36%	54%	17%	42%	26%	34%	39%
Saving enough for retirement	32%	29%	35%	45%	25%	39%	29%	35%	35%
Saving enough for a planned major purchase/expense (i.e., new home, new car etc.)	31%	23%	32%	43%	22%	43%	16%	30%	37%
Debt	26%	13%	31%	46%	13%	37%	19%	28%	32%
Job/income stability	22%	8%	23%	33%	12%	32%	9%	19%	31%
Lack of control	14%	22%	17%	25%	9%	21%	10%	16%	17%
Investing	18%	22%	16%	19%	13%	19%	12%	14%	20%
Finances don't cause me stress	19%	25%	17%	1%	34%	7%	32%	21%	10%
I don't know	3%	1%	2%	1%	4%	2%	3%	2%	3%

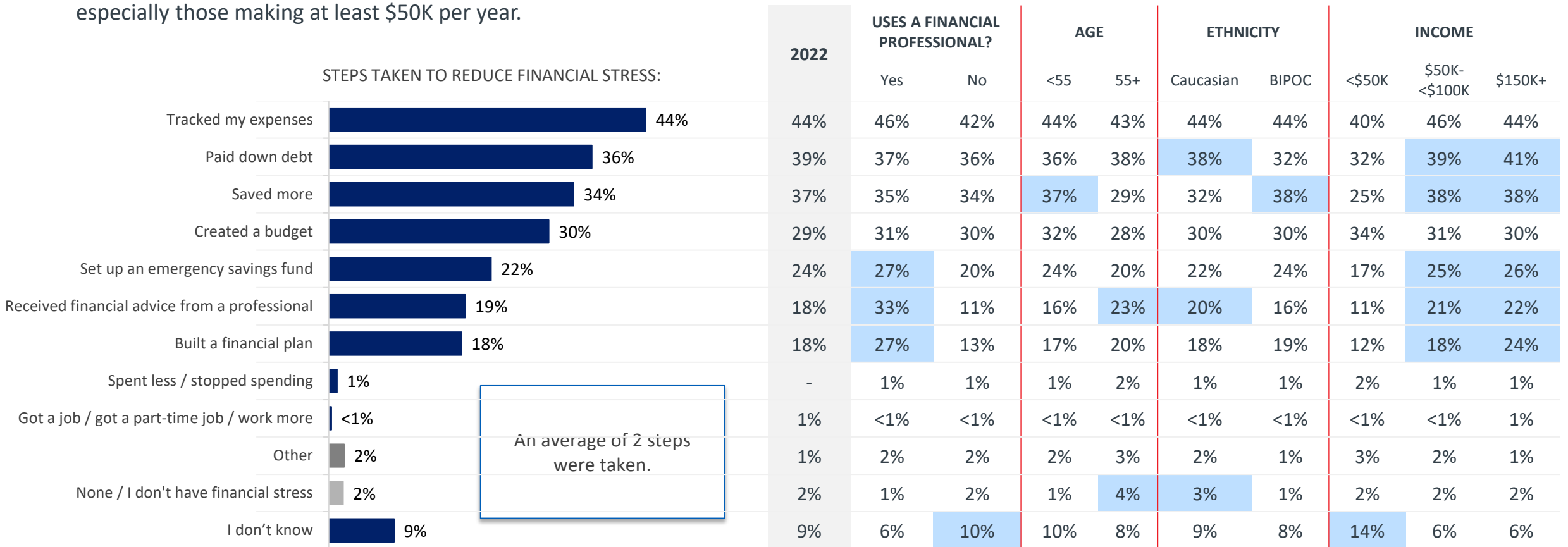
Two-in-ten say getting financial advice from a professional would help to reduce financial stress, but 'saving more' still comes out on top.

Just under half (46%) say saving more would help to reduce financial stress, with slightly fewer saying that paying down debt (38%) might help. Having an emergency savings fund (36%) has become more important since last year.



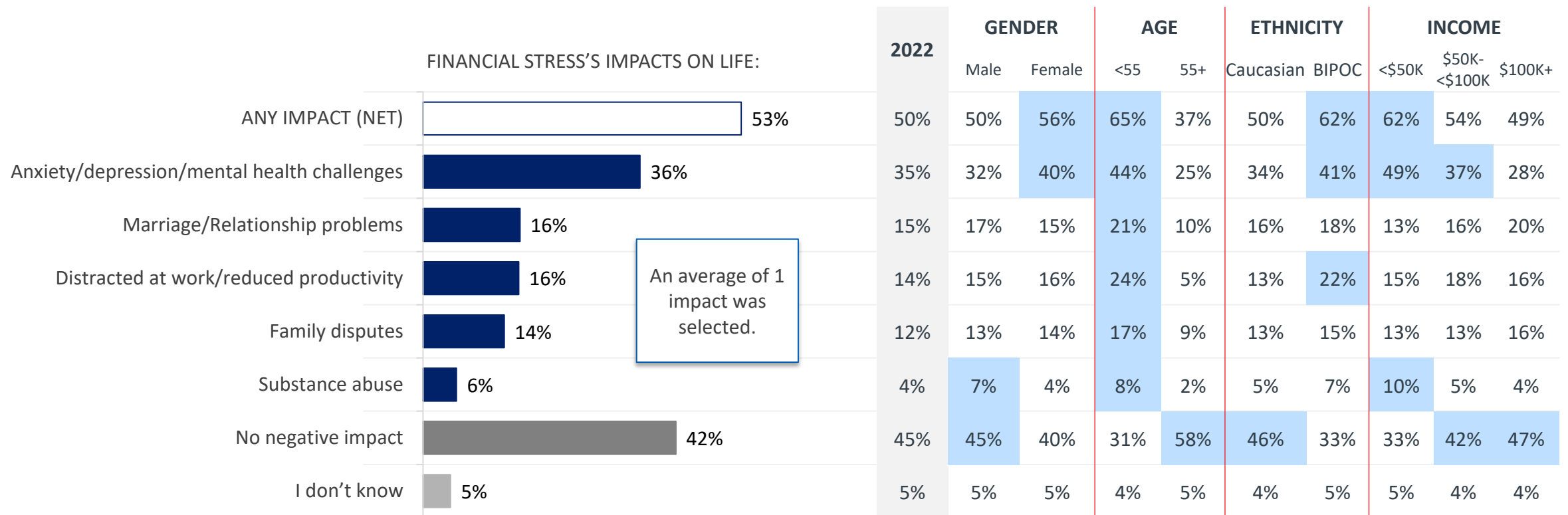
Two-in-ten (19%) received financial advice from a professional.

Among the steps taken to reduce financial stress, 44% tracked their expenses, while many also paid down debt (36%) and saved more (34%), rounding out the top three actions taken. Nineteen percent received financial advice from a professional and eighteen percent built a financial plan, especially those making at least \$50K per year.



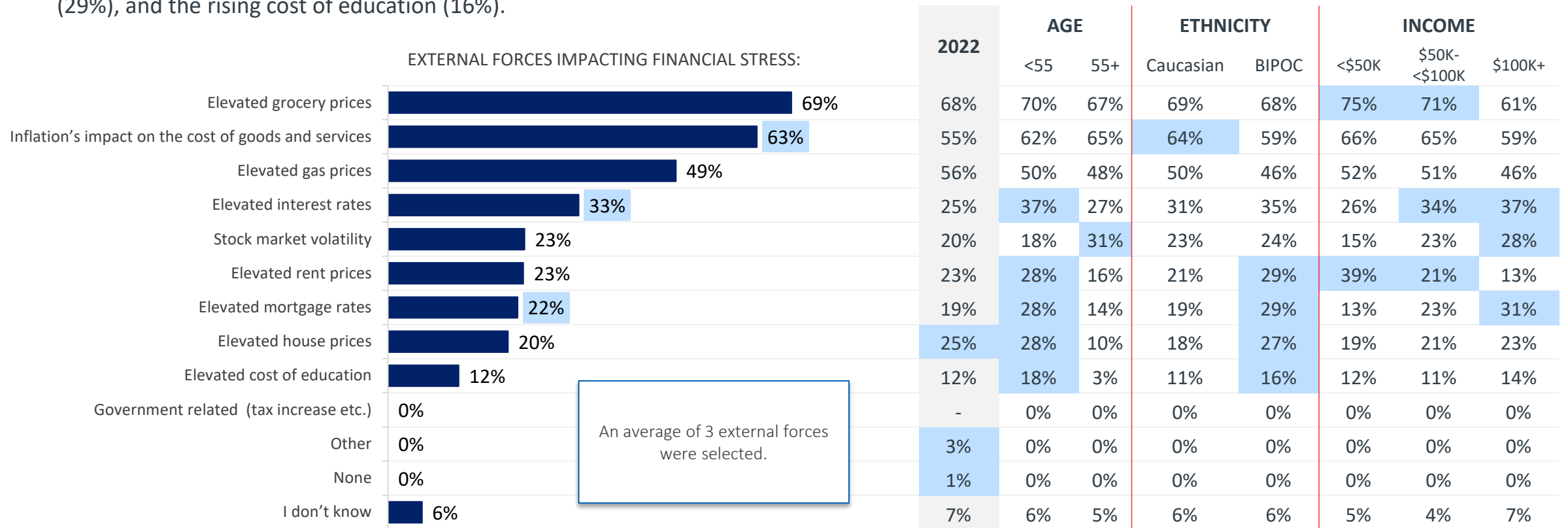
Over half experienced a negative impact on their life due to financial stress, with over one third experiencing a mental health challenge.

Negative impacts, such as anxiety, depression, and mental health challenges (36%); marriage/relationship problems (16%); being distracted at work (16%); family disputes (14%); and even substance abuse (6%) have hit Canadians because of financial stress. Those more greatly affected are women (vs. men), those aged 18-54 (v. 55+), those earning <\$50K annually (vs. \$50K+), and BIPOC individuals (compared to Caucasians).



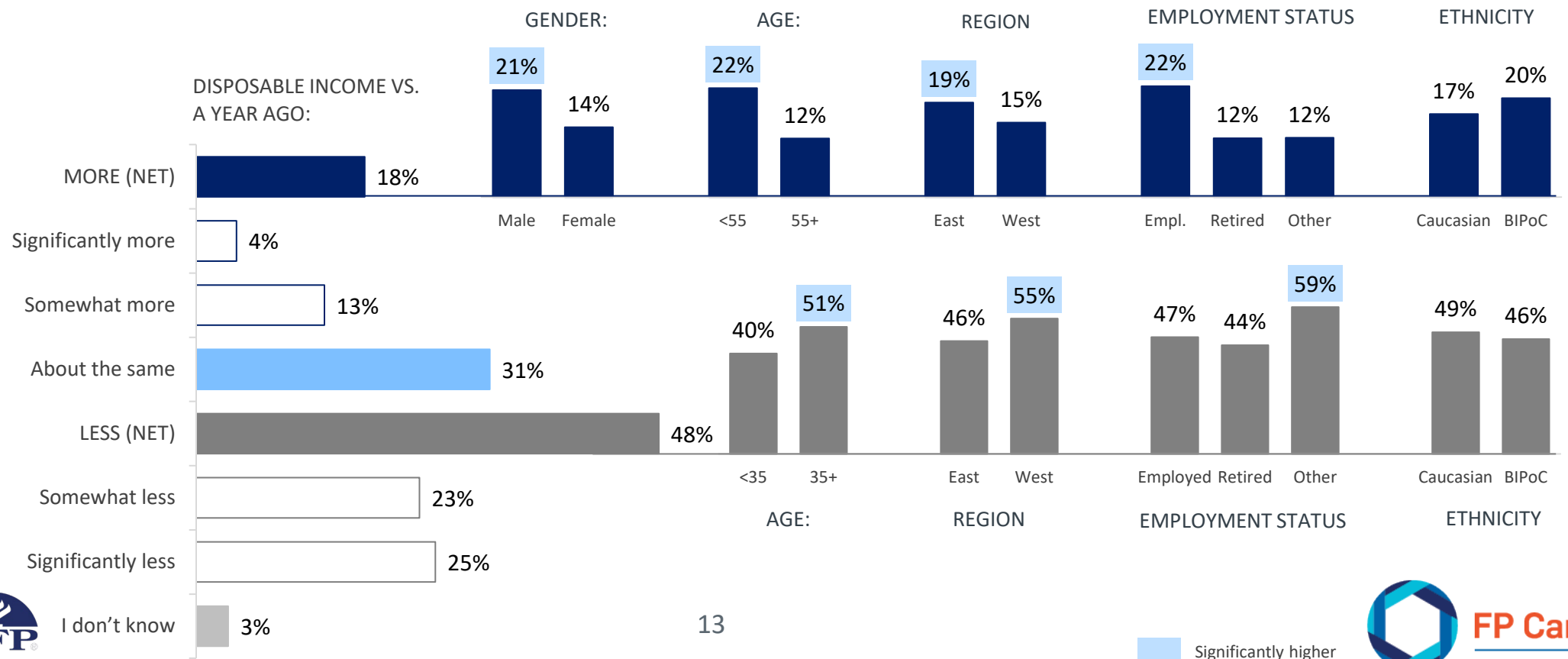
Rising grocery prices, inflation, and rising gas prices are most likely external forces to have a direct impact on financial stress.

Demographically, though, those aged 18-54 (vs. 55+) are more likely to say rising interest rates, rising house prices, rising rent prices, rising mortgage rates, and the cost of education are directly impacting their financial-related stress, while those aged 55+ are significantly more likely to mention stock market volatility. Also, a higher percentage of BIPOC individuals are being directly impacted by rising house prices (27%), rising mortgage rates (29%), and the rising cost of education (16%).



Almost half have less disposable income vs. a year ago; 18% have more.

Those more likely to have more disposable income include men, employed and those aged 18-54. Canadians in the Eastern provinces are also more likely to say that they have more disposable income than a year ago. Those more likely to have less disposable income include those living in western provinces, aged 35+, those with a disability (61% vs. 45%) and those who are not employed or retired. A third (31%) say their disposable income is about the same as a year ago, especially those retired (43% vs. 26% others), aged 55+ (38% vs. 26% aged 18-54). There is no difference in income by ethnicity.



Q9: Do you feel that you have more disposable income this year than you did a year ago? Base: All (n=2004).

68% plan to make at least one big purchase over the next year.

Roughly two in ten expect to pay off outstanding credit card debt or take a significant vacation, while fewer plan to donate to a charity or purchase a new among other things. Compared to 2022, significantly more Canadians are now planning to pay off credit card debt within the next year, while fewer are planning to purchase a new car or a new home. Demographically, males, aged 18-54, those who use a financial professional (71%), those earning \$50K+ annually (73%), those of BIPOC ethnicity (77%), and those who say they have more disposable income now than a year ago (78%) are significantly more likely to say they will be making a significant purchase or expense in the next 12 months.

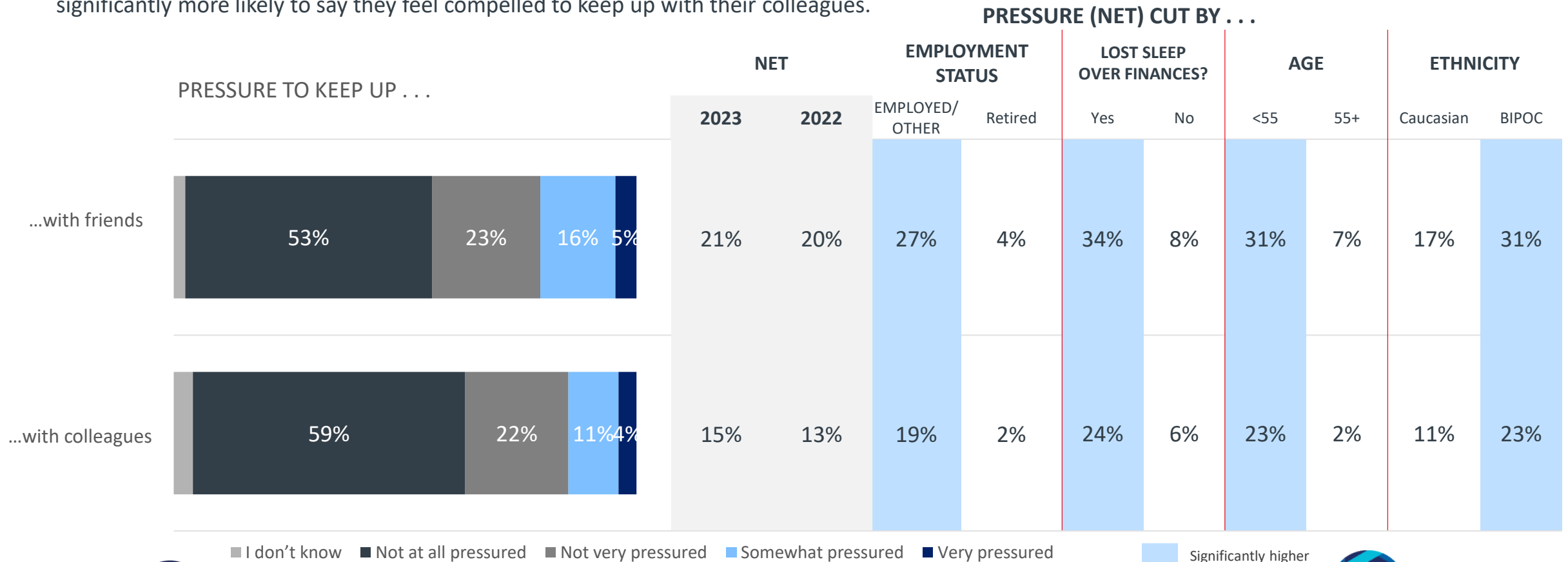
ANY SIGNIFICANT PURCHASES/EXPENSES?	2022	USES A FINANCIAL PROFESSIONAL?		GENDER		AGE		INCOME			ETHNICITY	
		Yes	No	Male	Female	<55	55+	<\$50k	\$50k- <\$100k	\$100k+	Caucasian	BIPOC
		ANY PLANS (NET)	68%	71%	66%	70%	65%	71%	62%	59%	71%	76%
Pay off outstanding credit card debt	17%	17%	23%	19%	21%	25%	15%	20%	22%	23%	20%	23%
Take an extended/significant vacation	19%	22%	15%	18%	17%	17%	19%	13%	17%	23%	17%	18%
Donate to a charitable cause	13%	15%	12%	14%	13%	11%	16%	9%	13%	16%	13%	14%
Purchase a new car	11%	11%	8%	12%	6%	10%	7%	6%	8%	13%	8%	12%
Purchase a previously owned (used) car	8%	8%	9%	8%	8%	10%	6%	8%	9%	8%	7%	11%
Pay a large income tax bill	9%	8%	8%	9%	7%	7%	10%	5%	9%	10%	8%	7%
Move to another city	5%	5%	5%	6%	4%	6%	3%	7%	6%	3%	5%	6%
Send money to family/loved ones overseas	4%	3%	5%	6%	4%	6%	3%	4%	6%	5%	2%	11%
Purchase a new home	6%	4%	4%	4%	5%	6%	1%	2%	5%	6%	3%	7%
Downsize my home	3%	4%	4%	4%	4%	3%	5%	5%	5%	2%	3%	5%
Purchase a first home	4%	3%	4%	4%	3%	5%	1%	4%	3%	4%	2%	7%
<i>All other mentions <4%</i>												
None	3%	3%	4%	4%	4%	2%	6%	6%	3%	2%	4%	2%
I don't know	29%	26%	30%	26%	32%	26%	32%	35%	26%	22%	32%	22%

An average of 1 item was selected.



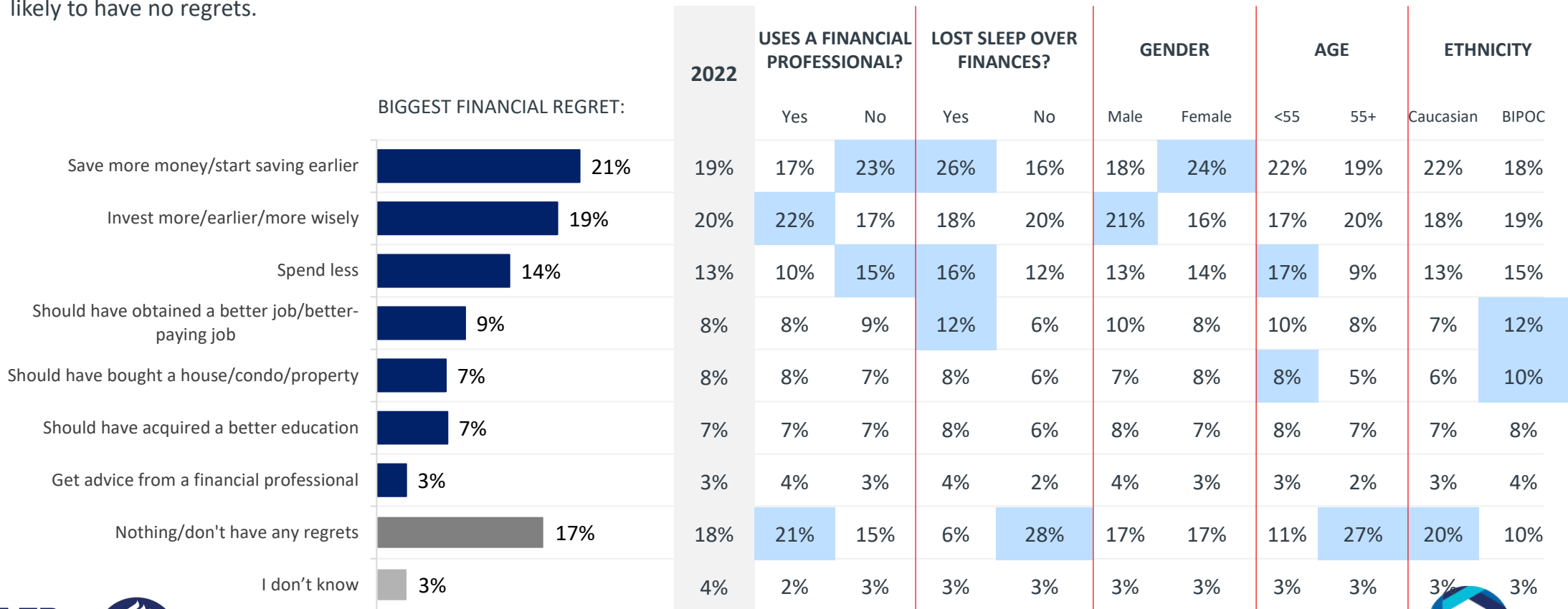
Roughly one in five feel pressured to keep up financially with their friends or colleagues.

Those aged 18-54, of BIPOC ethnic origin, and those who've lost sleep over finances are more likely to feel pressure to keep up with their friends or colleagues. Retired are less likely to feel pressured compared to those employed. Those who feel pressured to keep pace with their friends are also significantly more likely to say they feel compelled to keep up with their colleagues.



Two-in-ten regret not investing or saving more, earlier, and more wisely.

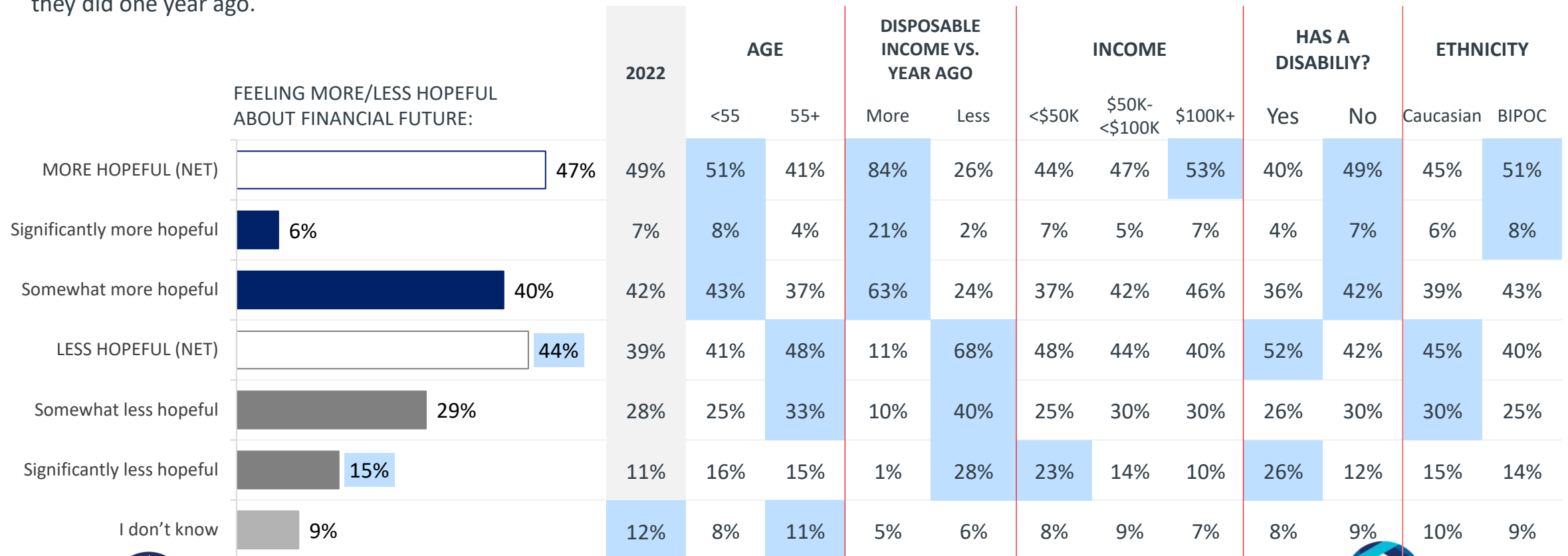
Fewer mention that they wished they'd spent less, obtained a better job, purchased real estate, or acquired a better education, and only three percent say they should have got advice from a financial professional. Those who have lost sleep over finances are more likely to have at least one financial regret. BIPOC Canadians are more likely to regret not obtaining a better job or buying real estate. Those who make use of a financial professional and those aged 55+ are more likely to have no regrets.



Q12: What is your greatest financial regret – that is, if you could go back in time and do things differently, what would that be? Base: All (n=2004).

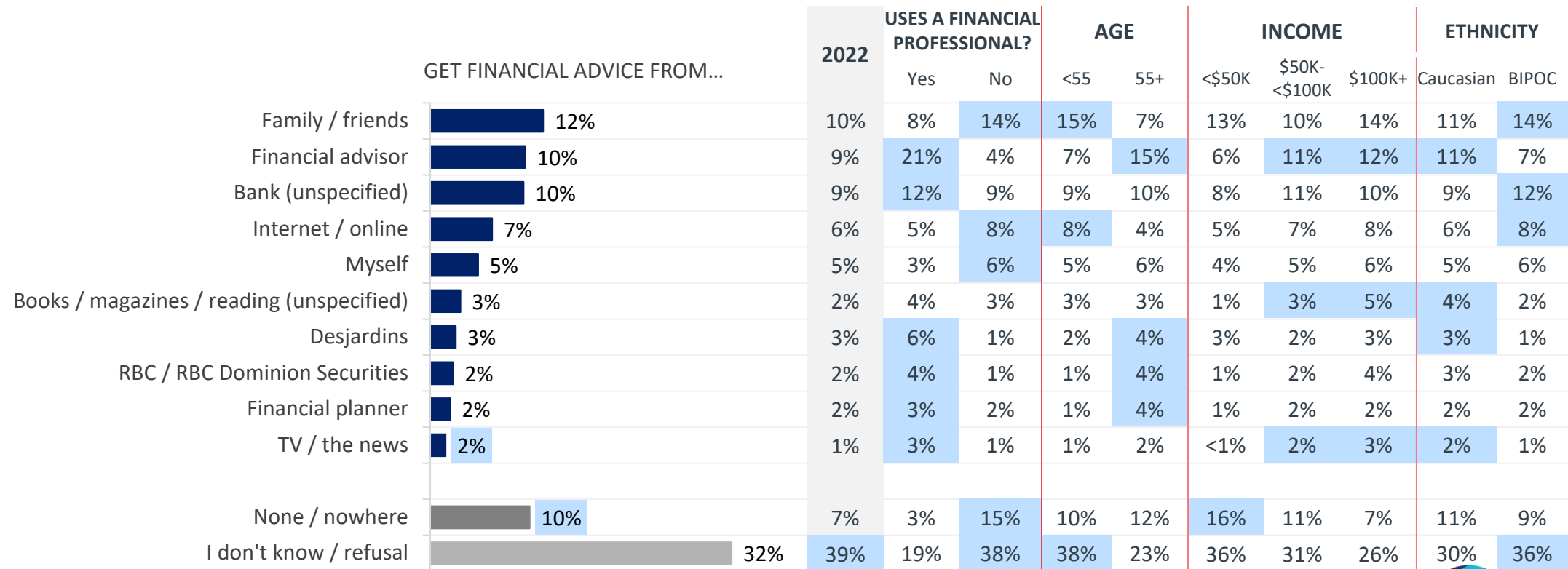
Almost half feel more hopeful about their future – a similar number to last year – but an increased number of Canadians feel less hopeful

Those aged 18-54, and those with HH income over \$100K *also feel more hopeful*. Over two in five (44%) feel less hopeful, with growth of those saying *significantly less hopeful* (15% vs. 11% in 2022). Caucasians, Canadians with less disposable income compared to 2022, those earning less than \$100K per year, and people with a disability are statistically more likely to indicate they are feeling significantly less hopeful about their financial future than they did one year ago.



Canadians tend to lean on family/friends, financial advisor, or bank for financial advice.

One in ten get advice from family/ friend, a financial advisor and/or a bank. Those who aren't using a professional are more likely to decide on their own or not get advice from anywhere. Demographically, BIPOC Canadians and those aged 18-54 tend to ask family/friends or look to the internet or social media, while Caucasians and those 55+ are more likely to go to a financial advisor. Those with medium to high income (\$50K+) are more inclined to use a financial advisor, read books/ magazines or watch TV/ news to seek financial advice compared to those with lower household income (<\$50K).



Financial well-being is 'Feeling like you don't have to worry about money day-to-day' or 'retiring comfortably' for at least two-thirds of Canadians.

No worry about day-to-day money is especially important for women, Caucasians and those with a disability, while those aged 55+ and earning over \$100K tend to define financial well-being as being able to retire comfortably.

MEANING OF ACHIEVING FINANCIAL WELL-BEING:	GENDER		AGE		INCOME			HAS A DISABILITY?		ETHNICITY		
	Male	Female	<55	55+	<\$50K	\$50K- <\$100K	\$100K+	Yes	No	Caucasian	BIPOC	
Feeling like you don't have to worry about money day-to-day	69%	64%	73%	65%	74%	71%	67%	68%	75%	67%	72%	61%
Retiring comfortably	63%	61%	65%	59%	69%	57%	62%	69%	63%	64%	64%	61%
Paying off debt/being debt free	61%	60%	62%	64%	57%	59%	62%	67%	60%	62%	61%	61%
Owning a home/property	42%	40%	43%	45%	36%	41%	40%	47%	40%	42%	39%	48%
Allocating more to savings/investment accounts	36%	34%	38%	43%	27%	31%	36%	44%	37%	36%	34%	41%
Feeling like you can invest more in yourself/others/charitable causes	28%	26%	31%	32%	24%	26%	26%	35%	32%	27%	26%	35%
Purchasing luxury goods/travel experiences comfortably	18%	17%	19%	20%	14%	17%	15%	23%	22%	17%	15%	24%
Other	1%	1%	1%	1%	2%	2%	1%	1%	3%	1%	1%	1%
I don't know	3%	3%	2%	3%	2%	3%	2%	2%	4%	2%	2%	3%

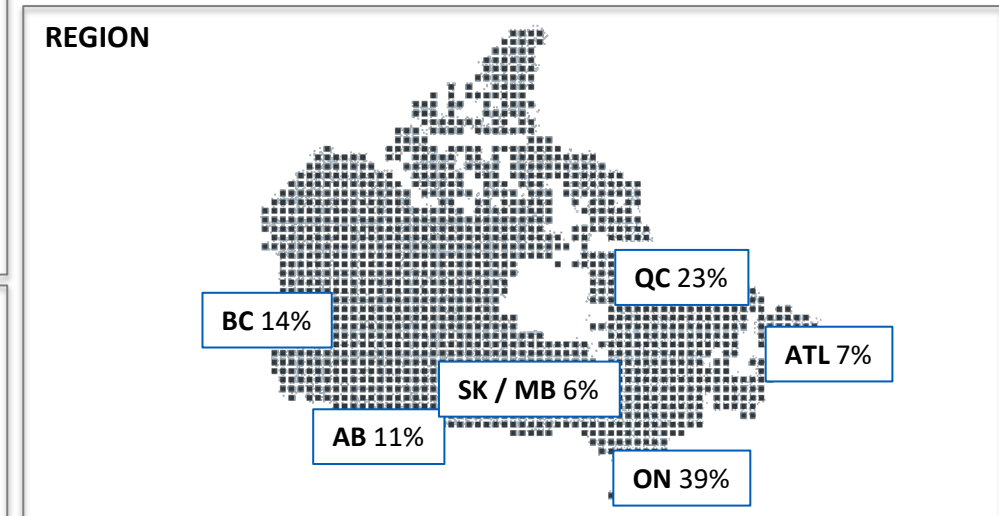
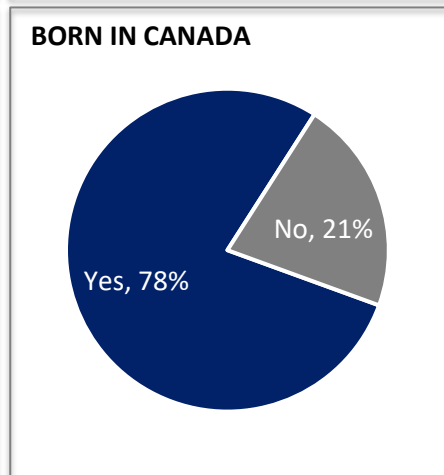
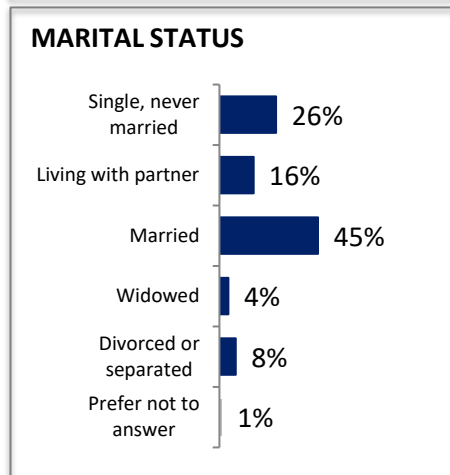
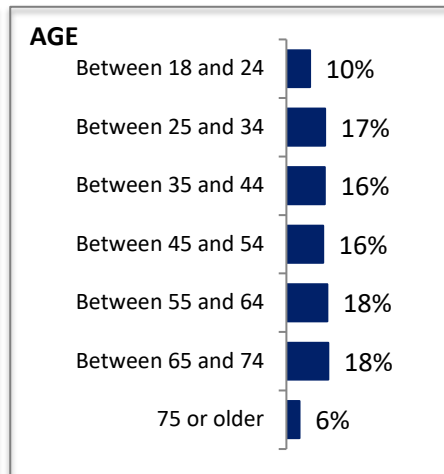
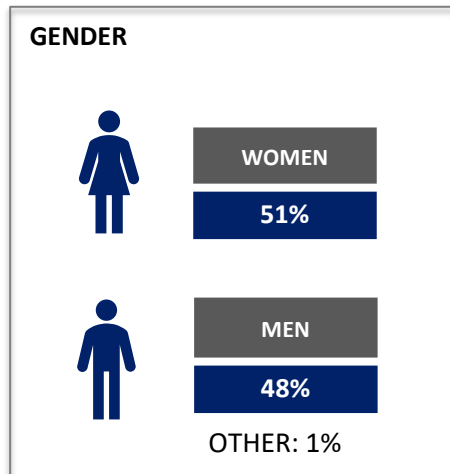
Albeit less than last year, roughly two-in-ten (17%) still say they can manage their own affairs.

This is especially true for those aged 55+ and those who haven't lost sleep over their finances. Younger Canadians (aged 18-54) are more likely to cite reasons such as feeling intimidated by a financial professional, needing too much time or effort and not being able to get around it.

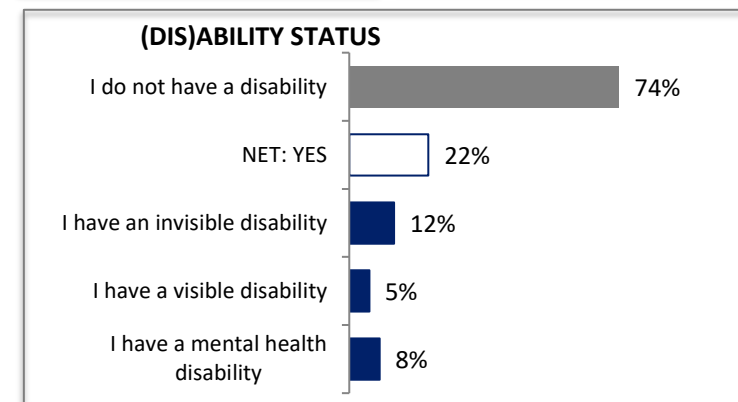
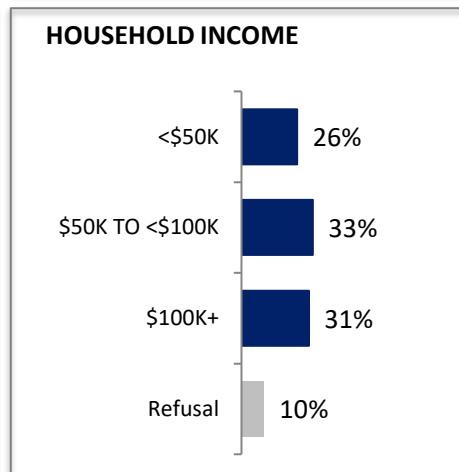
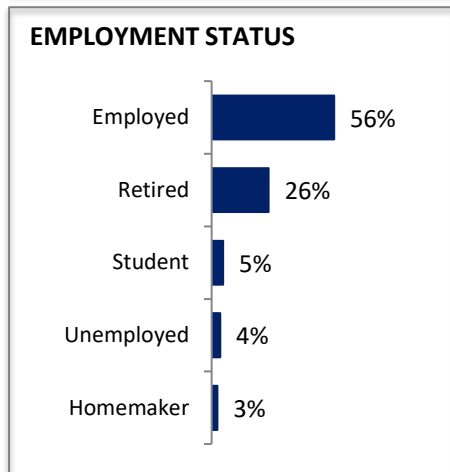
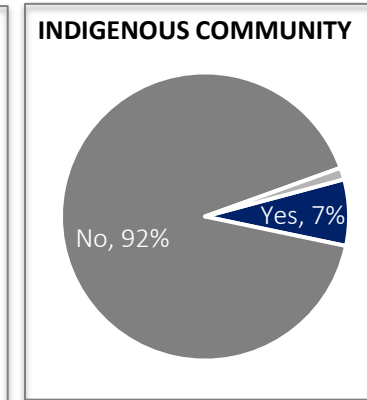
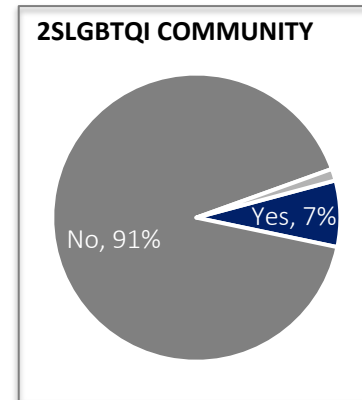
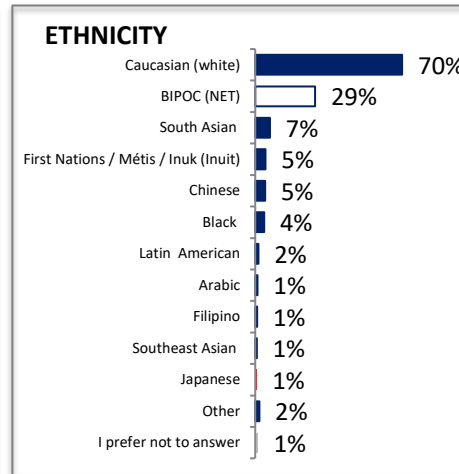
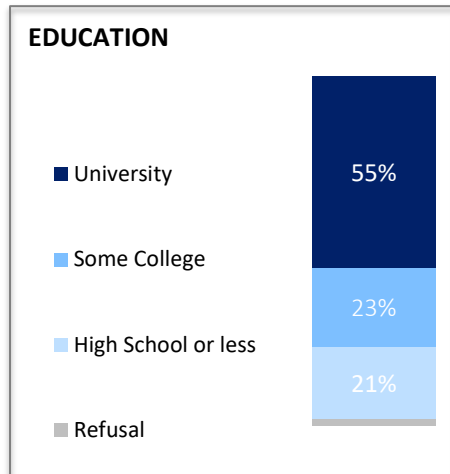
REASONS NOT WORKING WITH A FINANCIAL PROFESSIONAL:	2022	AGE		LOST SLEEP OVER FINANCES?		DISPOSABLE INCOME VS. YEAR AGO		ETHNICITY		
		<55	55+	Yes	No	More	Less	Caucasian	BIPOC	
I can manage my own financial affairs	17%	21%	14%	22%	12%	24%	19%	14%	18%	15%
I don't feel my circumstances justify the need	13%	12%	12%	14%	12%	13%	12%	14%	13%	12%
Every time I talk to a financial professional, they try to sell me something	9%	8%	10%	8%	9%	9%	10%	10%	9%	9%
It was/is too expensive	9%	10%	9%	8%	11%	6%	4%	13%	8%	10%
I don't feel it's the right time in my life	6%	5%	6%	5%	4%	7%	8%	5%	5%	7%
I find dealing with financial professionals very intimidating	6%	4%	7%	3%	8%	3%	7%	5%	5%	6%
I'm uncertain of the value of advice from a financial professional	5%	6%	6%	4%	5%	5%	6%	5%	5%	5%
I don't trust financial professionals	5%	6%	4%	6%	4%	6%	3%	4%	5%	4%
I meant to but didn't get around to it	4%	2%	6%	3%	5%	4%	10%	3%	4%	5%
I don't know where to find the right financial professional	4%	5%	6%	2%	6%	3%	6%	5%	4%	6%
It's too much time and/or effort	3%	2%	4%	1%	3%	2%	2%	2%	2%	4%
<i>All other mentions <3%</i>										
I don't know	10%	13%	9%	10%	10%	9%	4%	10%	10%	9%



RESPONDENT PROFILE n=2004



RESPONDENT PROFILE n=2004



Leger

We know Canadians



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