

MNP Consumer Debt Index

Index reaches lowest point ever as pandemic drives down financial confidence and increases debt concerns among Canadians



Toll Free 310-DEBT

Living expenses and growing debt

43%⁺⁴

Four in 10 Canadians do not believe they can cover living expenses this year without going further into debt. The same proportion are already concerned about their current level of debt.

28%

Nearly three in 10 Canadians have taken on more debt as a direct result of the pandemic.



15% Credit cards



8% Lines of credit



10% Borrowing from friends or family



3% Bank loan



3% Payday loan

Backup plans are shrinking

Fewer Canadians believe they can cope with unexpected expenses without taking on more debt.

29%⁽⁻³⁾

25%⁽⁻⁴⁾

Loss of employment or change in wage / seasonal work

23%⁽⁻⁵⁾

Death of an immediate family member

29%⁽⁻³⁾

Change in relationship status (i.e. divorce)

Low interest rates shifting perspectives and behaviours

61%

Nearly two-thirds feel now is a good time to buy things they otherwise could not afford.

47%

Almost half say they're more relaxed about carrying debt than usual.

22%⁻¹²

Fewer Canadians are losing sleep over pandemic-related economic concerns since June.

47%⁺¹

Close to half of Canadians say they could end up in financial trouble if interest rates change course.



Get a free checkup for your debt health at mnpdebt.ca/debtscale

#MNPcdi MNPdebt.ca/CDI

Licensed Insolvency Trustees *Source: Ipsos/MNP Survey, January 2021

8 TIPS TO FINANCIAL WELLNESS



LIFE-CHANGING DEBT SOLUTIONS
Get out of debt once and for all

1 Balance Your Budget

- ✓ Plan what portion of your income will be allocated to current expenses, debt repayment and savings. Include monthly, annual and irregular expenses in your budget and plan ahead to ensure you have sufficient cash available to meet both present and future obligations as they arise. If you have irregular income, plan your budget using the lowest income you reasonably expect.

2 Make It A Family Affair

- ✓ Everyone in your family will impact your ability to achieve your financial goals and should be part of the process of creating them. Each member should be accountable to the family for their role in achieving the goals set. Including children provides them with the opportunity to learn essential life skills.

3 Track Your Progress Regularly

- ✓ Make it a routine (monthly, quarterly or at most annually) to track your progress toward your financial goals. Celebrate your successes and work together to identify areas for improvement if you have not achieved your goals.

4 Budgets Evolve

- ✓ Plan to adjust your budget periodically based on changes, including (but not limited to): timing of expenses; achievement of goals and setting of new ones; unexpected expenses or variances from past budget; change in income of the family unit.

5 Prioritize Paying Off Debt

- ✓ Meet the minimum required payments on all debt; then use all remaining funds allocated for debt repayment to the highest interest rate debt first until it is paid off. Then move on to the next highest interest rate debt. Pay off your credit card balance in full each month. Avoid taking on new debt if you are struggling to pay current debt.

6 Build An Emergency Fund

- ✓ The amount you should save for an emergency fund will vary from one family unit to the next based on age, availability of alternate employment, income of other family members, etc. Generally, aim for a fund equal to 6 months worth of family expenses and minimum debt payment obligations. Keep funds in a safe, liquid investment. Avoid relying on credit to be your emergency fund.

7 Understand The Risk You Take

- ✓ All debt involves risk and comes at a cost, being the interest payable. Read the contract carefully to understand your obligations, the total cost of borrowing, as well as the creditors rights in the event you can no longer pay. Should you choose to borrow jointly, co-sign, or guarantee debt of another person, be prepared to pay that debt in full in the event the co-borrower refuses or is unable to.

8 If You Are Struggling with Debt, Contact a Licensed Insolvency Trustee

- ✓ Licensed Insolvency Trustee's ("LIT's") are federally regulated and first consultations are typically free with no commitment. LIT's are the only professionals authorized to administer bankruptcies or consumer proposals, which can provide a legal discharge from your debts. LIT's are obligated to identify and discuss with you all options available to resolve your financial difficulties, as well as the merits and consequences of each option as it applies to your unique circumstances.



LICENSED INSOLVENCY TRUSTEES
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1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

Monthly Net Income (Take Home)	Amount
Wages / Salary/Net Business income	
Wages / Salary (spouse)	
Child Tax Credit	
Child / Spousal Support	
EI/Social Assistance/Aish	
Other Regular Monthly Income	
TOTAL MONTHLY INCOME	(0.00

Annual/Irregular Expenses	Amount
Automotive	
Repairs & Maintenance	
License & registration	
Clothing	
House Maintenance or Renovations	
Education	
Tuition, books, supplies, etc.	
Memberships, annual dues	
Other	
Medical Expenses	
Dental, optical, orthotics, etc.	
Chiropractor, massages, etc.	
Sports and Recreation (annual)	
Hockey, soccer, skiing, golf, etc.	
Music, dance, etc..	
Travel costs	
Gifts	
Christmas	
Birthdays	
Other	
Vacations and travel	
Vacations	
Other	
TOTAL ANNUAL EXPENSES	0.00
DIVIDE BY 12 = MONTHLY ALLOCATION FOR ANNUAL EXP (4)	0.00
TOTAL MONTHLY EXPENSES	
Monthly Expenses (3)	0.00
Annual Expenses Divided by 12 (4)	0.00
TOTAL MONTHLY EXPENSES (2)	0.00

Monthly Budget Remaining	
Total Monthly Income (1)	0.00
Less: Total Monthly Expenses (2)	0.00
BALANCE	0.00

BALANCE = AMOUNT AVAILABLE FOR UNSECURED DEBT REPAYMENT

Monthly Expenses	Amount
Housing	
Mortgage/Rent	
Second Mortgage	
House Insurance	
Contents/Tenant Insurance	
Property Taxes	
Condo Fees	
Utilities	
Power	
Water/Sewer/Garbage	
Natural Gas/Heat	
Internet/Cable TV	
Telephone (land line)	
Telephone (cellular)	
Food	
Groceries	
Pets	
Transportation	
Vehicle Insurance	
Gasoline	
Parking	
Transit	
Vehicle Lease/Loan	
Household Incidentals	
Yard Maintenance	
Newspapers/Magazines	
Alarm	
Personal Expenses	
Grooming & toiletries	
Coffee / Tea	
Lunches Out	
Laundry/Drycleaning	
Alcohol	
Smoking	
Other	
Medical Expenses	
Prescriptions	
Vitamins	
Chiro/etc	
Recreation - monthly	
Gym Membership	
Movies / Video Games	
Sporting Events	
Other	
Life Insurance	
Secured loan payments	
(EG: RV, Furniture)	
Savings, Contributions, Donations	
Savings/RRSPs	
RESP's	
Emergency Fund	
Child Care/Support	
Child or spousal support	
Child care/babysitting	
Allowances	
TOTAL MONTHLY EXPENSES	(0

Additional Tools and Resources

LIFE-CHANGING DEBT SOLUTIONS

Get out of debt once and for all

- **MNP Debt**
<https://mnpdebt.ca/en>
- **Financial Consumer Agency of Canada**
<https://www.canada.ca/en/financial-consumer-agency.html>
- **Budget planner – from above website**
<https://itools-ioutils.fcac-acfc.gc.ca/BP-PB/budget-planner>
- **CPA Canada Financial Literacy**
<https://www.cpacanada.ca/en/the-cpa-profession/financial-literacy>
- **Office of the Superintendent of Bankruptcy**
<https://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/home>
- **Credit Counselling Society**
<https://www.nomoredebts.org/>

Licensed Insolvency Trustees



MNPdebt.ca

Additional Tools and Resources

LIFE-CHANGING DEBT SOLUTIONS

Get out of debt once and for all

Budgeting / Personal Finance Apps

- Mint
- You Need a Budget (YNAB)
- Every Dollar
- PocketGuard
- Wally
- Goodbudget