

# MNP Consumer Debt Index

Canadians' confidence in personal finances, debt repayment abilities reaches lowest level ever recorded



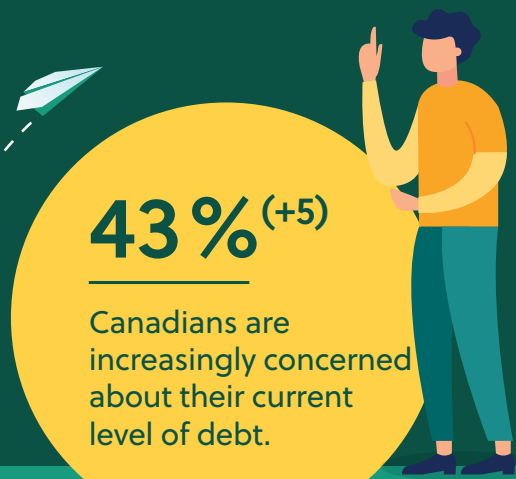
Toll Free 310-DEBT

## Growing uncertainty around debt levels and bill payments



**55%**<sup>(-5)</sup>

Fewer households believe they can cover their bill payments in 2022 without added debt.



**43%**<sup>(+5)</sup>

Canadians are increasingly concerned about their current level of debt.

### Debt regret mounting

**45%**

Nearly half of Canadians regret the amount of debt they've accumulated.

### Insolvency remains a lingering concern

**46%**

Many households remain \$200 or less from financial insolvency each month.

**27%**

More than a quarter of households already cannot cover monthly bills and debt repayments.



## About the MNP Consumer Debt Index

The MNP Consumer Debt Index has dropped by seven points to 88 points, plunging the quarterly benchmark to a record low. Survey results indicate significant concerns around current debt loads, interest rate uncertainty, and the impacts of COVID on Canadians' ability to work consistently. Making matters worse, a growing number of households see no other option but to take on even more debt just to stay afloat in 2022.



Get a free checkup for your debt health at [mnpdebt.ca/debtscale](https://mnpdebt.ca/debtscale)

#MNPcdi [MNPdebt.ca/CDI](https://MNPdebt.ca/CDI)

Licensed Insolvency Trustees \*Source: Ipsos/MNP Survey, January 2022

# 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  
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1  
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 [MNPdebt.ca](http://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	
<b>TOTAL MONTHLY INCOME</b>	<b>( 0.00</b>

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

Monthly Budget Remaining	
Total Monthly Income (1)	0.00
Less: Total Monthly Expenses (2)	0.00
<b>BALANCE</b>	<b>0.00</b>

BALANCE = AMOUNT AVAILABLE FOR UNSECURED DEBT REPAYMENT

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

# 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

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## Budgeting / Personal Finance Apps

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