

# Leger

*We know Canadians*



COVID-19 Impact on Household Finances

BC, AB, ON

# METHODOLOGY

## Study Population

- Adults aged 18 and older
- 750 respondents randomly selected from Leger's online panel of more than 400,000 Canadians
- Sample evenly split by British Columbia, Alberta, and Ontario

## Data Collection

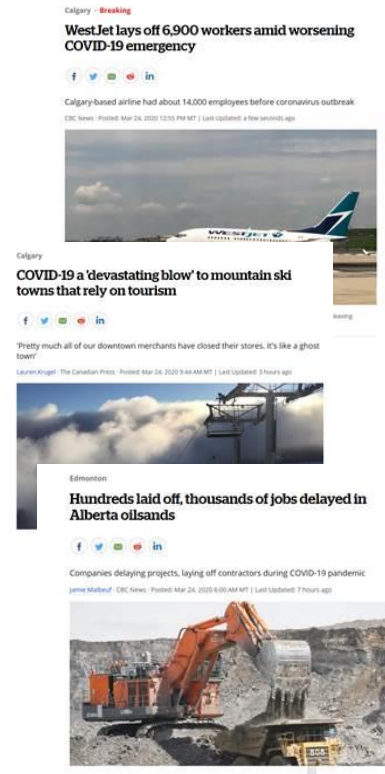
- Surveys were conducted March 23, 2020.
- This web survey was conducted using computer-assisted Web interviewing (CAWI) technology.
- Quotas were used to ensure representation by age and gender based on 2016 Census data

## Statistical Analysis

- Using data from the 2016 Census, results are weighted according to age, gender, and region in order to ensure a representative sample of the population.
- Panel surveys are based on a non-probability sample therefore a margin of error is not applied. For comparative purposes, a probability sample of 750 respondents would yield a margin of error of  $\pm 3.6\%$ , 19 times out of 20. For each sub-group of 250, the margin of error would be  $\pm 6.2\%$ , 19 times out of 20.

# Key Insights Summary

- Almost half of households in Ontario, Alberta and British Columbia have experienced income reduction as a result of COVID-19. Hardest hit are those aged 18 to 34.
- In Alberta, Calgary is the hardest hit compared with the rest of the province. In Ontario, the southwest of the province and the GTA are bearing the brunt of income reductions, while in British Columbia areas outside of Greater Vancouver have a higher percentage of those whose income has been impacted.
- For those who experience financial trouble, 39% indicated they will rely on government assistance, while 23% do not know what they will do.
- Not all sectors are impacted to the same degree. Hardest hit are those providing personal specialized services, such as taxi drivers, hairdressers, cooks, etc. where 80% have experienced income reduction. Students and semi-skilled workers are also among those hardest hit (74%). Those in the science and technology sector, and those who are retired or on government assistance are least impacted.
- One in five households are behind in payments. Among those who are behind in payments, almost half are worried about falling further behind. For those who are currently not falling behind in their payments almost half are worried this is yet to come.
- For those who are behind on payments, almost two-thirds are behind on credit card payments.
- Households that earn under \$60,000 per year are more likely to fall behind on mortgage payments than those who make above \$60,000 (43% vs 25%).



# AGGREGATE RESULTS

## HOUSEHOLDS EXPERIENCING INCOME REDUCTION



Q1. Have you experienced an income reduction in your household as a result of the COVID-19 pandemic?  
Base n=752

## HOUSEHOLDS BEHIND ON PAYMENTS



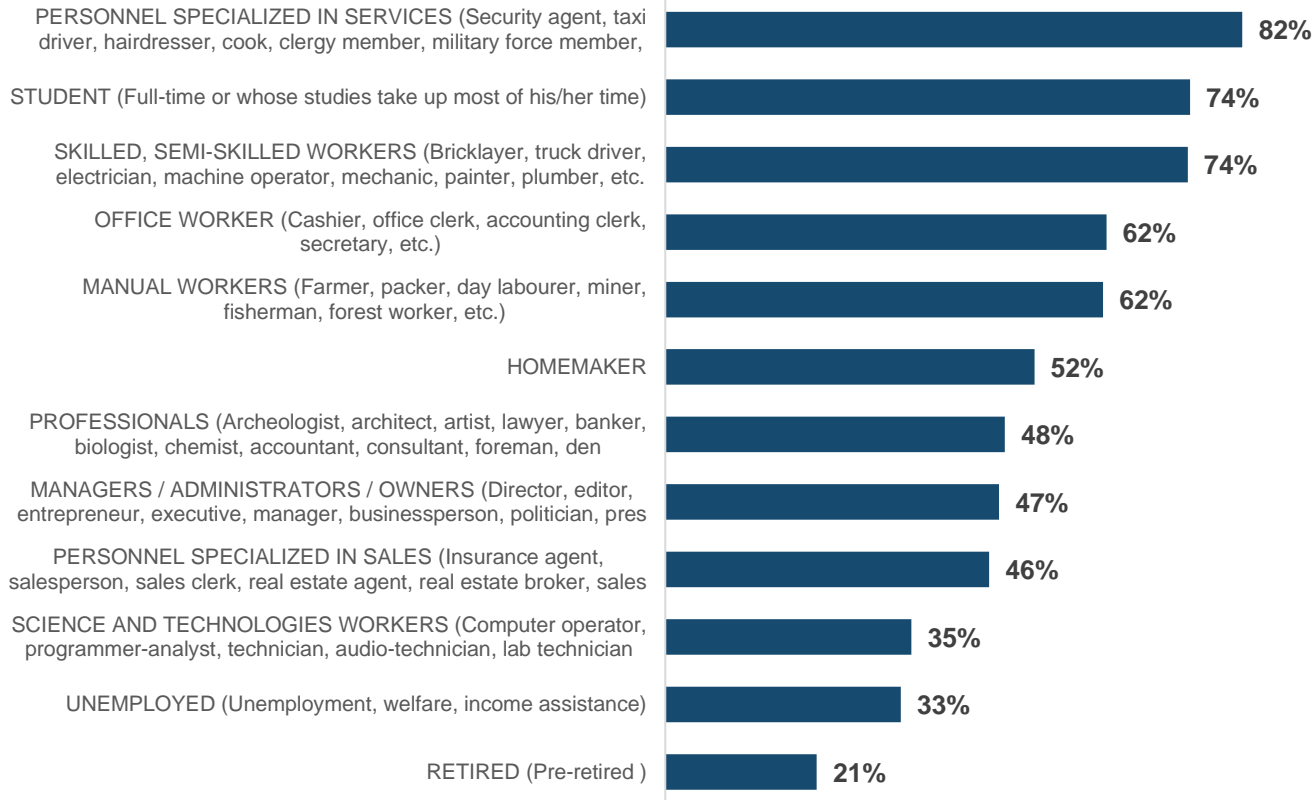
Q2. Is your household currently behind on payments? Base n=752

Overall, those who are 18 to 34 (65%) are significantly more likely to experience income reduction than those who are 35 to 54 (49%) and 55+ (38%).

18-34 (30%) are also more likely to indicate they are behind on payments versus 35-54 (21%) and 55+ (11%).

Renters (29%) are more likely than homeowners (15%) to be behind on payments. Same is true for those having children under the age of 18 at home (29%) compared to those without (16%) children.

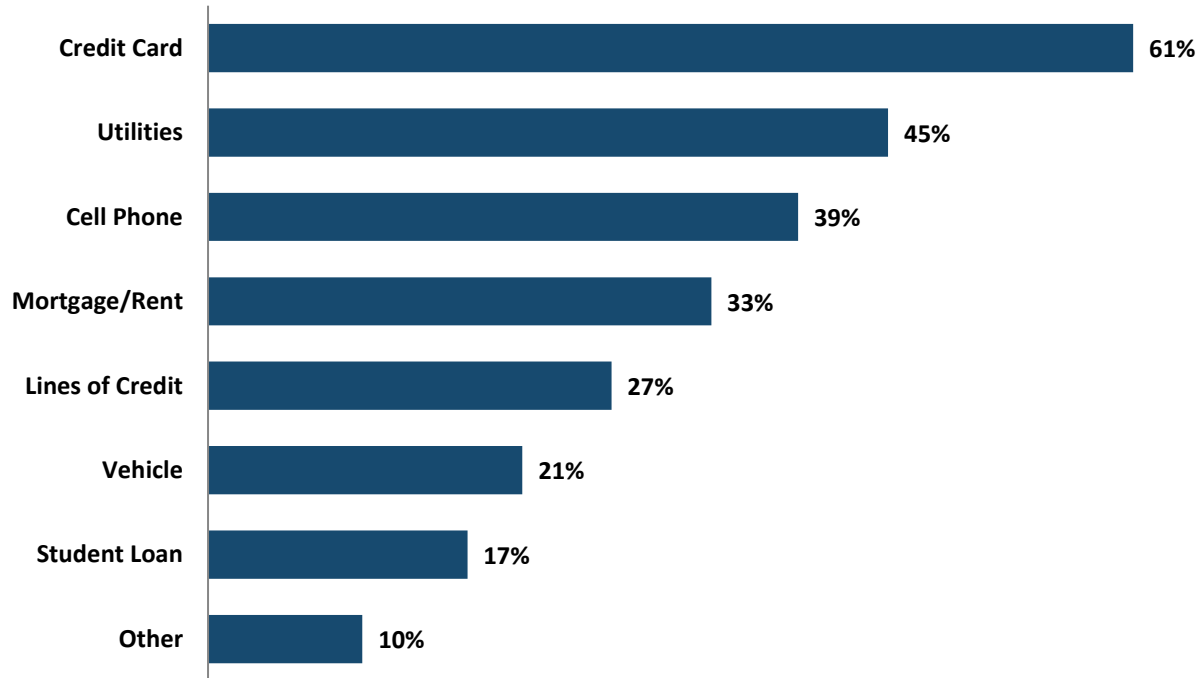
# Experienced Income Reduction by Occupation



Some sectors are harder hit than others. Over 80% of personal specialized services, such as taxi drivers, hairdressers, cooks, etc. have seen income reductions. Students and semi-skilled workers are also among the hardest hit (74%).

Those in the science and technology sector, and those who are retired or on government assistance are least likely to have experienced an income reduction.

# PAYMENTS HOUSEHOLDS ARE BEHIND ON



In terms of age, only 18 to 34 year-olds showed any significant difference in terms of where payments are falling behind, and this was specific to student loans (34% for 18 to 34 year-olds vs 5% for 35+).

Additionally, households that make under \$60,000 per year are more likely to fall behind on mortgage payments than those that make above \$60,000 (43% vs 25%).

## WORRIED ABOUT FALLING FURTHER BEHIND



Q4A. Are you worried about falling **further** behind on your payments in the wake of this COVID-19 Pandemic  
Base n=159 (those currently behind)

## WORRIED ABOUT FALLING BEHIND



Q4B. Are you worried about falling behind on your payments in the wake of this COVID-19 pandemic?  
Base n=593 (those who are not yet behind)

For those who have already fallen behind on their payments, 100% of renters are worried that they will fall even further behind, compared to 88% of home owners.

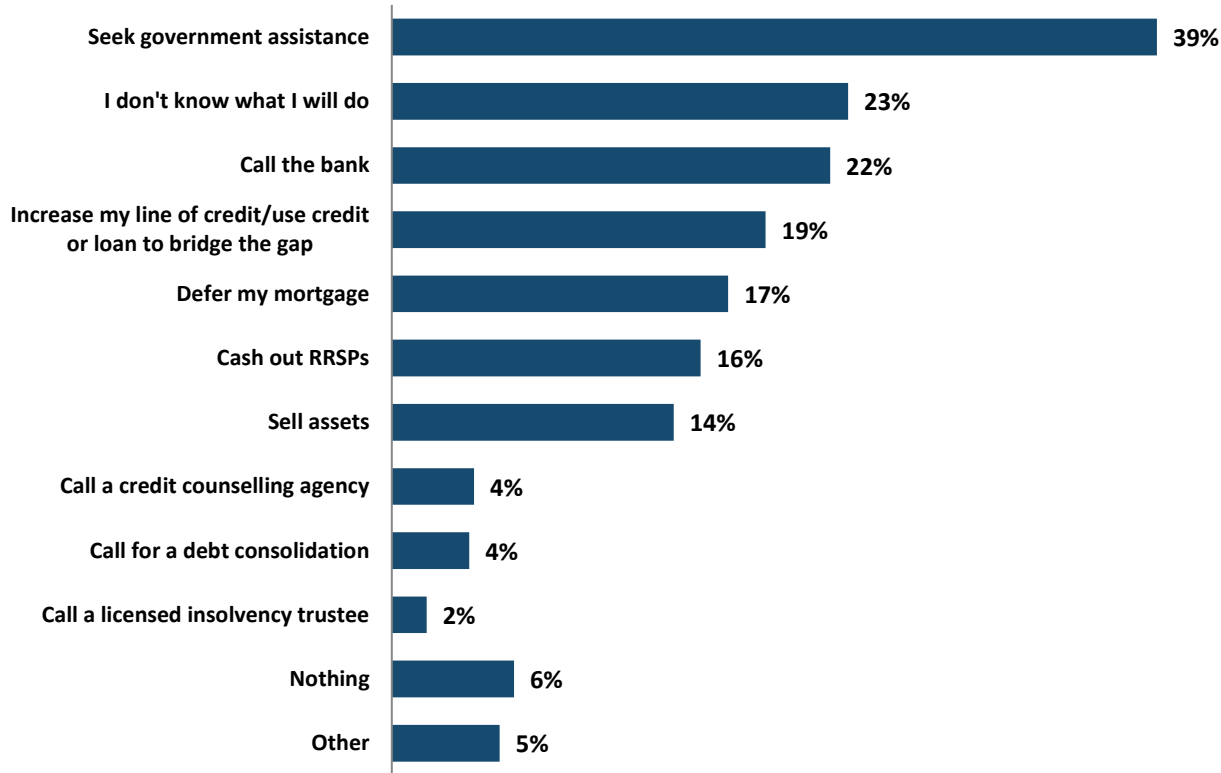
For those who have not yet fallen behind, 18-34 (64%) and 35-54 (56%) year-olds are more likely to worry about falling behind at some point than those aged 55+ (34%). This may relate to job security.

Individuals with children under 18 are more likely to worry about falling behind than those without (59% vs 46%).

Lastly, individuals who are retired (27%) are less likely to worry about falling behind on payments than those who are currently employed (57%). This may relate to retired respondents being on a fixed income.



# PLANS TO GET OUT OF FINANCIAL TROUBLE



Seeking government assistance was the number one plan for respondents if they were to get into financial trouble.

However, 23% also selected that they did not know what they were going to do, which is cause for concern.

Q1. If you do get into financial trouble, what will you do?

Base n=752

## PLANS TO GET OUT OF FINANCIAL TROUBLE BY AGE

Significantly  
different

Column %	18-34	35-54	55-64	65-74	75 or older
Seek government assistance	48%	42%	32%	24%	33%
I don't know what I will do	29%	27%	17%	17%	10%
Call the bank	23%	27%	15%	13%	27%
Increase my line of credit/use credit or loan to bridge the gap	14%	26%	15%	22%	13%
Defer my mortgage	15%	24%	16%	3%	19%
Cash out RRSPs	11%	14%	27%	25%	5%
Sell assets	9%	16%	18%	15%	15%
Call a credit counselling agency	6%	4%	2%	5%	0%
Call for a debt consolidation	9%	2%	3%	1%	0%
Call a licensed insolvency trustee	3%	1%	3%	0%	0%
Nothing	2%	2%	7%	11%	30%
Other	5%	2%	11%	10%	5%
Column n	256	249	103	101	43

## PLANS TO GET OUT OF FINANCIAL TROUBLE BY CHILDREN UNDER 18

Significantly  
different

Column %	Yes (There are children under 18 living in my household)	No (There are no children under 18 living in my household)
Seek government assistance	42%	38%
I don't know what I will do	28%	21%
Call the bank	27%	21%
Increase my line of credit/use credit or loan to bridge the gap	23%	18%
Defer my mortgage	31%	13%
Cash out RRSPs	15%	16%
Sell assets	15%	14%
Call a credit counselling agency	7%	3%
Call for a debt consolidation	6%	3%
Call a licensed insolvency trustee	3%	1%
Nothing	2%	8%
Other	3%	6%
Column n	202	539

## PLANS TO GET OUT OF FINANCIAL TROUBLE BY INCOME

Significantly  
different

Column %	Under \$60,000	\$60,000 to \$99,000	\$100,000+
Seek government assistance	37%	49%	34%
I don't know what I will do	28%	15%	16%
Call the bank	17%	31%	23%
Increase my line of credit/use credit or loan to bridge the gap	9%	23%	34%
Defer my mortgage	7%	27%	25%
Cash out RRSPs	14%	15%	21%
Sell assets	8%	18%	22%
Call a credit counselling agency	3%	7%	3%
Call for a debt consolidation	3%	5%	4%
Call a licensed insolvency trustee	1%	2%	2%
Nothing	10%	3%	4%
Other	4%	5%	9%
Column n	282	206	185

## PLANS TO GET OUT OF FINANCIAL TROUBLE BY RENT OR OWN

Significantly  
different

Column %	Own	Rent
Seek government assistance	35%	47%
I don't know what I will do	18%	30%
Call the bank	24%	20%
Increase my line of credit/use credit or loan to bridge the gap	21%	15%
Defer my mortgage	24%	4%
Cash out RRSPs	20%	8%
Sell assets	19%	7%
Call a credit counselling agency	4%	3%
Call for a debt consolidation	3%	5%
Call a licensed insolvency trustee	1%	2%
Nothing	9%	2%
Other	6%	5%
Column n	464	265

## PLANS TO GET OUT OF FINANCIAL TROUBLE BY RENT OR OWN

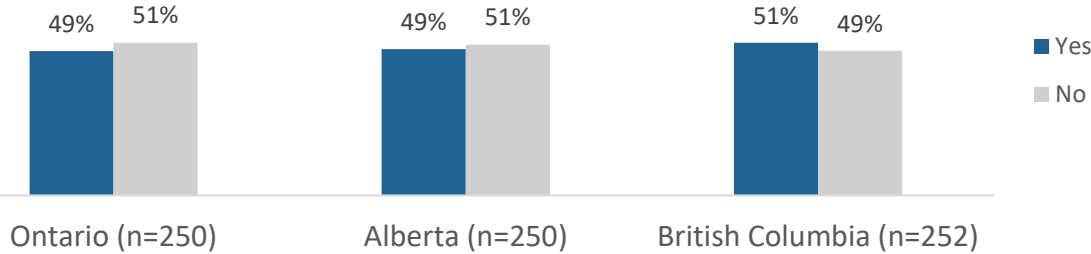
Significantly  
different

Column %	Single*	Married or Common Law
Seek government assistance	41%	38%
I don't know what I will do	27%	19%
Call the bank	21%	24%
Increase my line of credit/use credit or loan to bridge the gap	14%	23%
Defer my mortgage	11%	22%
Cash out RRSPs	12%	19%
Sell assets	10%	18%
Call a credit counselling agency	4%	5%
Call for a debt consolidation	4%	4%
Call a licensed insolvency trustee	3%	1%
Nothing	6%	6%
Other	6%	5%
Column n	321	425

\*Note. Single also includes divorced, widowed, and separated.

## RESULTS BY PROVINCE

# HOUSEHOLDS EXPERIENCING INCOME REDUCTION



Q1. Have you experienced an income reduction in your household as a result of the COVID-19 pandemic?  
Base n=752

When looking at income reduction by regions within Alberta large cities are hardest hit, whereas in British Columbia, Metro Vancouver has experienced less income reduction (on a per capita basis) than other regions. In Ontario, the southwest and GTA is experiencing the greatest per capita income reductions.

## Alberta:

- Calgary, 59% yes
- Edmonton, 49% yes
- Other regions, 31%, yes

## British Columbia

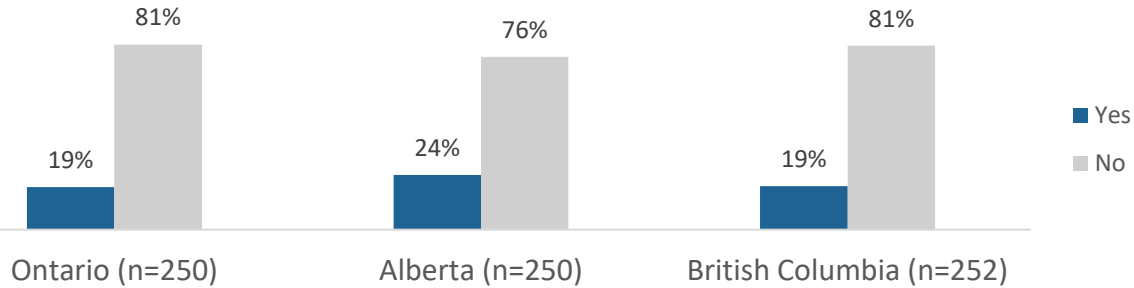
- Metro Vancouver, 47% yes
- Other regions, 58%

## Ontario:

- Southwest Ontario, 64% yes
- GTA, 52% yes
- Southeast, 43% yes
- Southern, 31% yes
- Northern, 28% yes



## HOUSEHOLDS BEHIND ON PAYMENTS



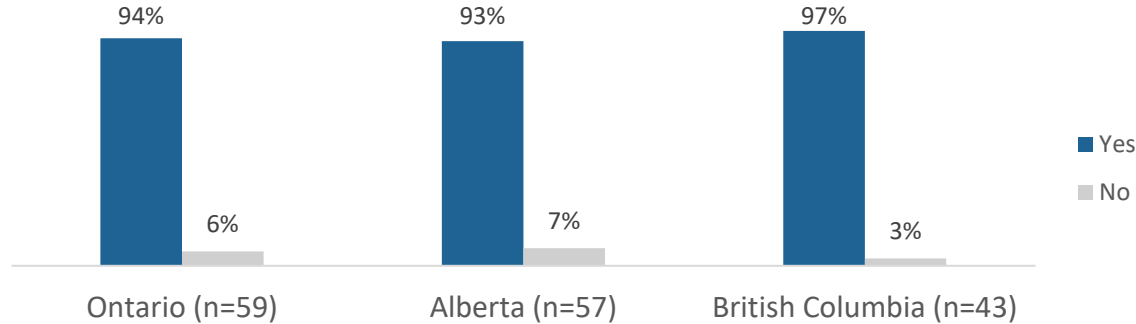
Q2. Is your household currently behind on payments? Base n=752

# PAYMENTS HOUSEHOLDS ARE BEHIND ON

Column %	Total	Ontario	Alberta	British Columbia
<i>Base Size</i>	159	59	57	43
Credit Card	61%	61%	64%	60%
Utilities	45%	45%	42%	46%
Cell Phone	39%	40%	40%	37%
Mortgage/Rent	33%	31%	32%	41%
Lines of Credit	27%	27%	25%	26%
Vehicle	21%	23%	18%	17%
Student Loan	17%	19%	15%	14%
Other	10%	11%	10%	8%

There are no significant differences between provinces on the type of payments that households are behind on.

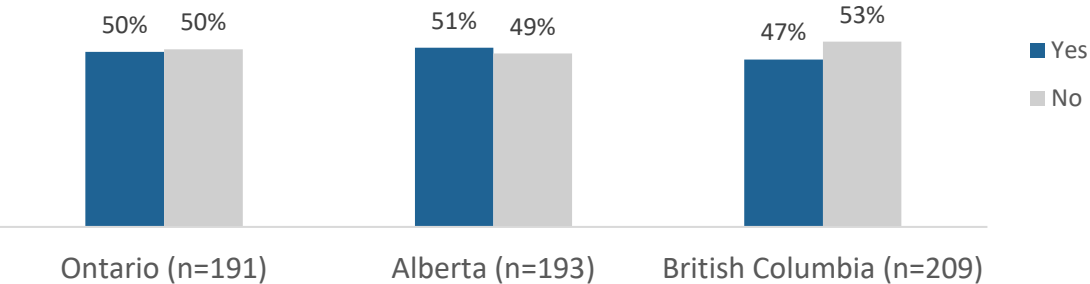
## WORRIED ABOUT FALLING FURTHER BEHIND



Q4A. Are you worried about falling **further** behind on your payments in the wake of this COVID-19 Pandemic.  
Base n=159 (those currently behind)

Minor differences exist related to the degree of worry between residents in the three provinces.

## WORRIED ABOUT FALLING BEHIND



Q4B. Are you worried about falling behind on your payments in the wake of this COVID-19 pandemic?  
Base n=593 (those who are not yet behind)

# PLANS TO GET OUT OF FINANCIAL TROUBLE

Column %	Total	Ontario	Alberta	British Columbia
Base Size	752	250	250	252
Seek government assistance	39%	40%	42%	34%
I don't know what I will do	23%	23%	23%	25%
Call the bank	22%	22%	24%	23%
Increase my line of credit/use credit or loan to bridge the gap	19%	19%	16%	21%
Defer my mortgage	17%	16%	22%	15%
Cash out RRSPs	16%	14%	19%	16%
Sell assets	14%	15%	16%	12%
Call a credit counselling agency	4%	5%	4%	3%
Call for a debt consolidation	4%	3%	4%	5%
Call a licensed insolvency trustee	2%	2%	1%	2%
Nothing	6%	7%	4%	6%
Other	5%	5%	3%	8%

Although not significant, there are some differences when looking at what individuals will do to get out of financial trouble. British Columbians (34%) are less likely to seek government assistance than Albertans (42%) and Ontarians (40%).

Q1. If you do get into financial trouble, what will you do?

Base n=752

Research Conducted in  
partnership with:

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