Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Managing Money and Planning for the Future: Key Findings from the 2014 Canadian Financial Capability Survey

FCAC Research and Policy

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Ce document est aussi disponible en français sous le titre Gérer son argent et planifier pour l'avenir : principales constatations de l'Enquête canadienne sur les capacités financières de 2014.

Executive Summary

The Financial Consumer Agency of Canada (FCAC) is an independent federal body working to protect and inform consumers of financial products and services. Its mandate includes monitoring and evaluating trends and emerging issues that may have an impact on consumers of financial products and services. In 2014, FCAC sponsored the Canadian Financial Capability Survey (the CFCS 2014), a national survey of consumers that was conducted by Statistics Canada, to shed light on Canadians' self-reported knowledge, abilities and behaviours related to a range of financial issues. The survey results provide a benchmark of how Canadians are doing on a number of indicators of financial well-being.

This report presents the results of the CFCS 2014 on two areas of focus: managing money and debt wisely; and planning and saving for the future. The report also describes results by sociodemographic groups—Aboriginal peoples living off reserve, newcomers to Canada and low-income earners—as well as by age group, educational attainment, household income, and relationship status.

The report points to different types of knowledge, skills and behaviour that contribute to the financial literacy of Canadians, for example:

- Knowing how to track expenses and budget effectively are essential skills that enable people to live within their means and to feel in control of their financial lives.
- A personal budget is an important tool to reach financial goals, enabling people to be better able to adapt to changing conditions and absorb periods of financial stress.
- Checking bank account balances regularly helps people maintain spending vigilance and can assist in financial planning.
- Planning for the financial future is essential to achieving such financial goals as planning for children's education and planning financially for retirement.

Canadians' financial capability—clear strengths and areas for future focus

Some key findings point to areas of strength in Canadians' financial literacy, as well as to a number of issues that could be addressed to improve the financial well-being of many Canadians. Based on self-reported findings of what Canadians say about their financial knowledge, skills and behaviour:

- Over two thirds of Canadians are keeping up with bills and payments.
- Almost one half of Canadians have a budget—and the vast majority of those with a budget always or almost always stay within their budget.
- Two thirds of Canadians check their account balances frequently (weekly or daily).
- Mortgages, credit cards and lines of credit are the most common types of debt held by Canadians.

- Almost three quarters of Canadian parents are saving for their children's education.
- Two thirds of Canadians (not yet retired) are preparing themselves financially for retirement. Almost the same proportion say they don't know how much they should save.
- Canada's Aboriginal population living off reserve, low-income earners and newcomers are under higher financial stress.

Some key starting points for future action and investigation

The CFCS 2014 findings included in this report provide a rich source of data and information. They point to a number of broad messages with policy and program implications for financial literacy education and far beyond, in a range of social and economic realms. These provide a starting point for both action and further investigation:

- Too few Canadians have a budget.
- Higher income earners have the highest debt levels—and don't struggle to pay bills.
- Canadians are not doing enough to secure their retirement—with low-income earners and Aboriginal peoples living off reserve at particular risk.
- Completing post-secondary education goes hand-in-hand with better financial management and well-being.

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Introduction

About this report

This report, *Managing Money and Planning for the Future*, presents descriptive results collected through the Canadian Financial Capability Survey (CFCS) 2014. A national survey sponsored by the Financial Consumer Agency of Canada (FCAC) and conducted by Statistics Canada, the CFCS 2014 was designed to shed light on Canadians' knowledge, abilities and behaviours concerning financial affairs. The results serve the dual purpose of providing a benchmark of how Canadians are doing on indicators of financial well-being, and they will also inform ongoing efforts aimed at raising the financial literacy levels of Canadians.

Methodology highlights

The CFCS 2014 was designed as a nationally representative, cross-sectional survey to collect information related to day-to-day money management and budgeting as well as long-term financial planning among adults (aged 18 and older) living in Canada. The CFCS was originally conducted in 2009 and again in 2014.

Descriptive analyses were conducted on indicators of financial well-being that are related to two areas of focus: managing money and debt wisely; and planning and saving for the future. Results are reported in aggregate and disaggregate formats to reflect findings by sociodemographic groups. Specifically, findings are reported for Aboriginal Canadians living off reserve, newcomers to Canada,[1] and low-income earners. Data have also been analyzed by age group, educational attainment, household income, and relationship status. More detailed information about the methodology is included in Appendix A and Appendix B to this report. Key findings by province and/or region of Canada, where appropriate, are included in Appendix C.[2]

[1] For the majority of analyses in this report, "newcomers" are defined as individuals who immigrated to Canada in 2000 or later. For certain variables, however, newcomers include all individuals who have immigrated to Canada during their lifetime as opposed to during a specific time period. Throughout the report, a note indicates when the latter definition is applied. More information is available in Appendix B to this report.

[2] Findings for the Atlantic Provinces (Prince Edward Island, New Brunswick, Nova Scotia, and Newfoundland and Labrador) are grouped together due to their small sample sizes and similar economic conditions. Findings for Manitoba, Saskatchewan and Alberta are grouped together for the same reasons.

About the Canadian Financial Capability Survey 2009

Context

The Canadian Financial Capability Survey (CFCS) was first administered in 2009 by Statistics Canada and was jointly sponsored by Employment and Social Development Canada (formerly Human Resources and Skills Development Canada), the Department of Finance Canada and the Financial Consumer Agency of Canada. The CFCS was designed to provide a portrait of Canadians' knowledge, abilities and behaviours concerning personal financial management. In 2014, the survey was re-administered following the same format, questions and methodology in order to ensure comparability with the 2009 data. The current report, *Managing Money and Planning for the Future,* makes reference to the CFCS 2009 results, where appropriate.

I Managing Money and Debts

Knowing how to track expenses and budget effectively are essential skills that enable people to live within their means and to feel in control of their financial lives. Money management can be considered as two core components or abilities: the ability to make ends meet and the ability to keep track of money (McKay, 2011).

This section of the report provides a description of data from the Canadian Financial Capability Survey (CFCS) 2014 on several topics related to these two components—namely, keeping up with bills and payments; budgeting; checking account balances; and debts.

Keeping up with bills and payments

In general, Canadians rate themselves well on the CFCS 2014 indicators on managing money. More specifically, 81% believe their ability to make ends meet is very good or good, while 72% believe their ability to keep track of money is very good or good. Close to a third of the Canadian population report that they struggle (29%) or do not keep up (2%) with bills and payments (Figure 1). The Aboriginal population living off reserve stands out as less likely to keep up with bills and payments, with half reporting that they either struggle to keep up with bills (46%) or are not keeping up (4%) (Figure 1). Among Aboriginal Canadians living off reserve, a relatively large proportion (20%) has also been behind in one or more payments in the last year (Figure 2).

Figure 1: Keeping up with bills and payments—Population group

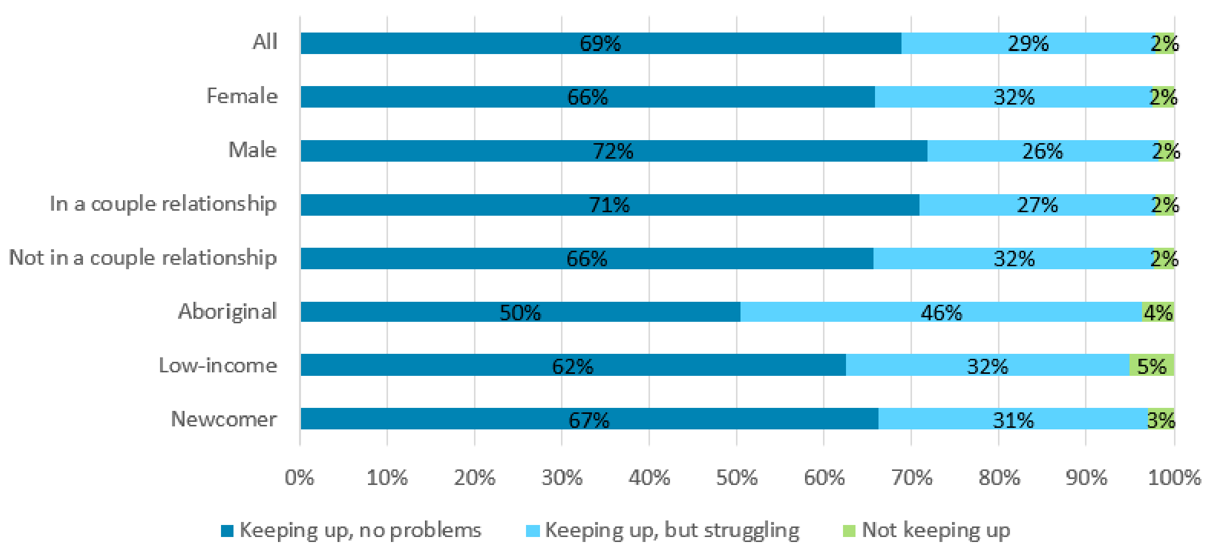
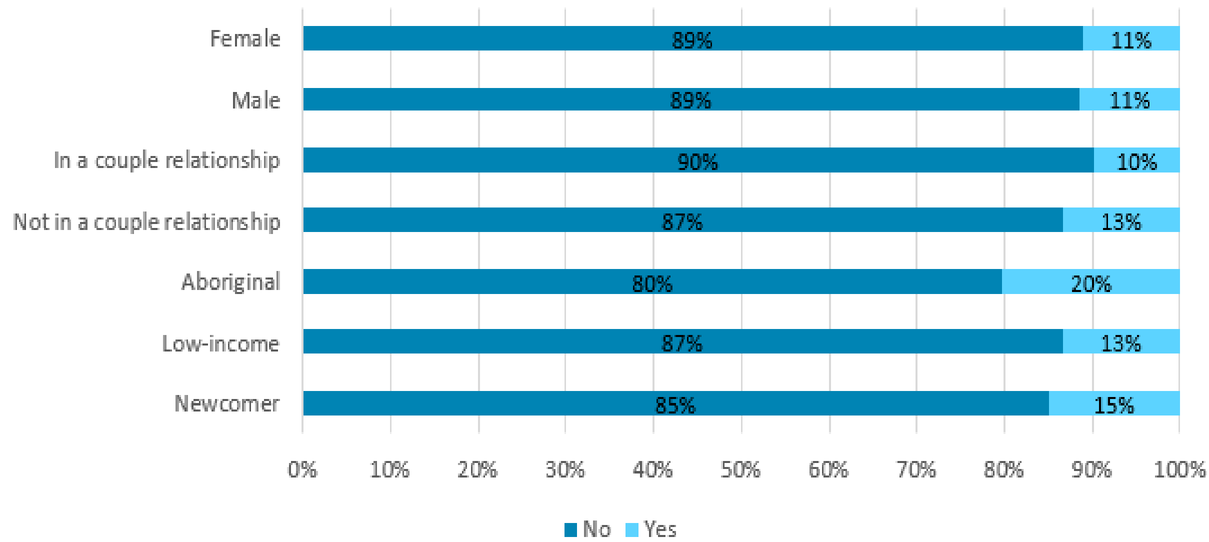
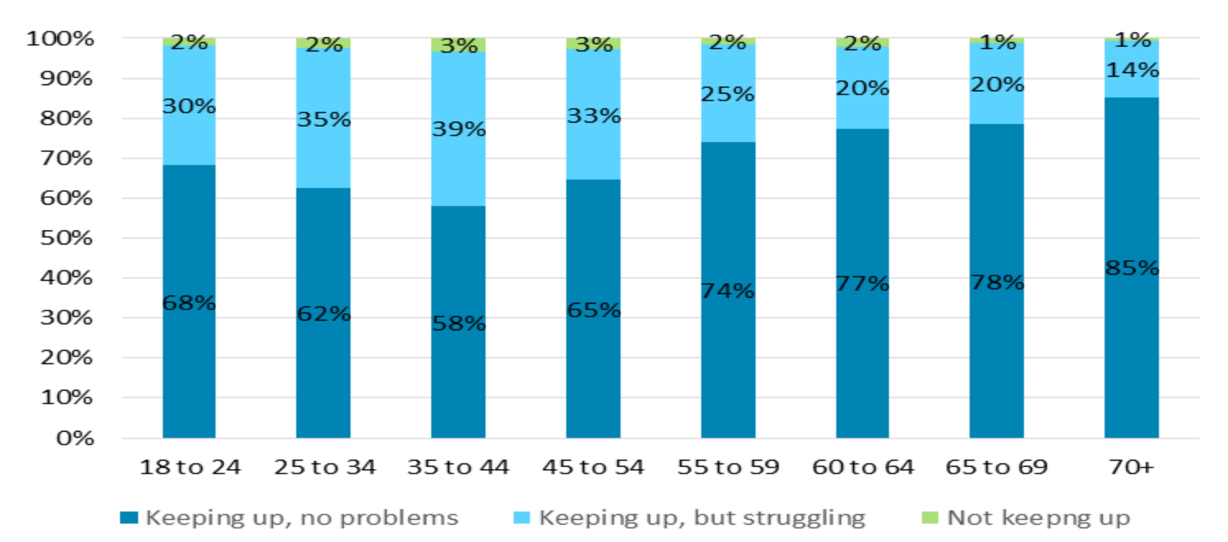


Figure 2: Behind in one or more payments (bills, housing, loans)—Population group



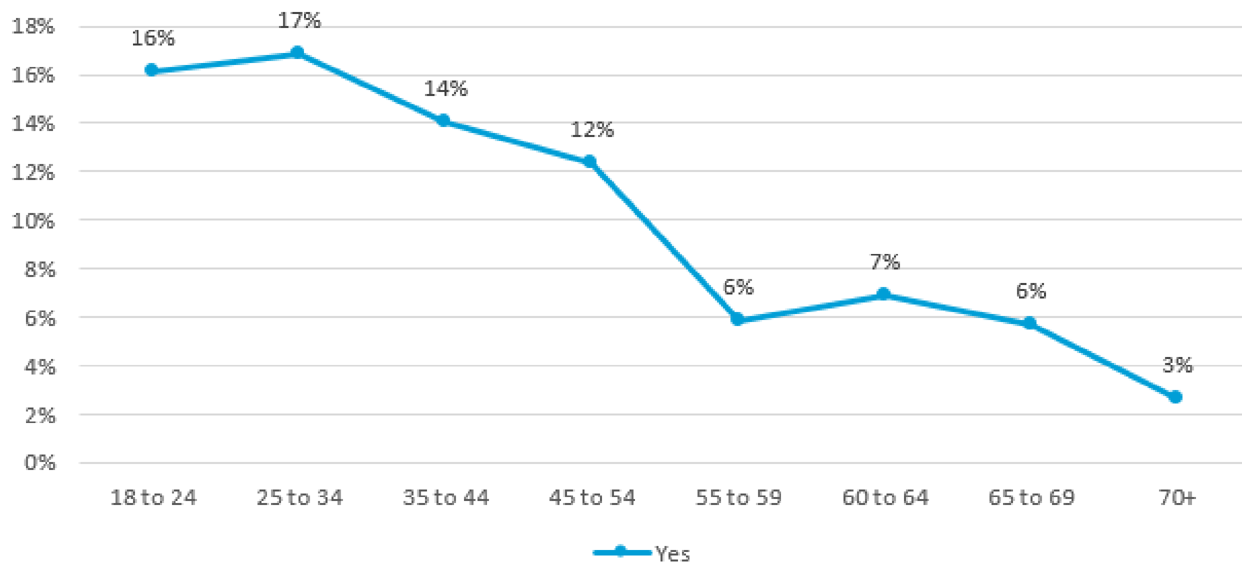
Among Canadians aged 35 to 44 years, 42% either struggle to meet their financial commitments (39%) or do not keep up (3%)—a higher level than for any other age group (Figure 3).

Figure 3: Keeping up with bills and payments—Age group



There is a negative relationship between age and paying bills on time, with those in younger age groups more likely to have been behind in their payments in the last year than those in older age groups (Figure 4).

Figure 4: Behind in one or more payments (bills, housing, loans)—Age group



Survey data show that those with lower educational attainment are more likely to report having trouble keeping up with bills and payments—although those with some post-secondary education are more likely than those with any other level of education to say they are behind in one or more payments (Figure 5).

Figure 5: Behind in one or more payments (bills, housing, loans)—Education level

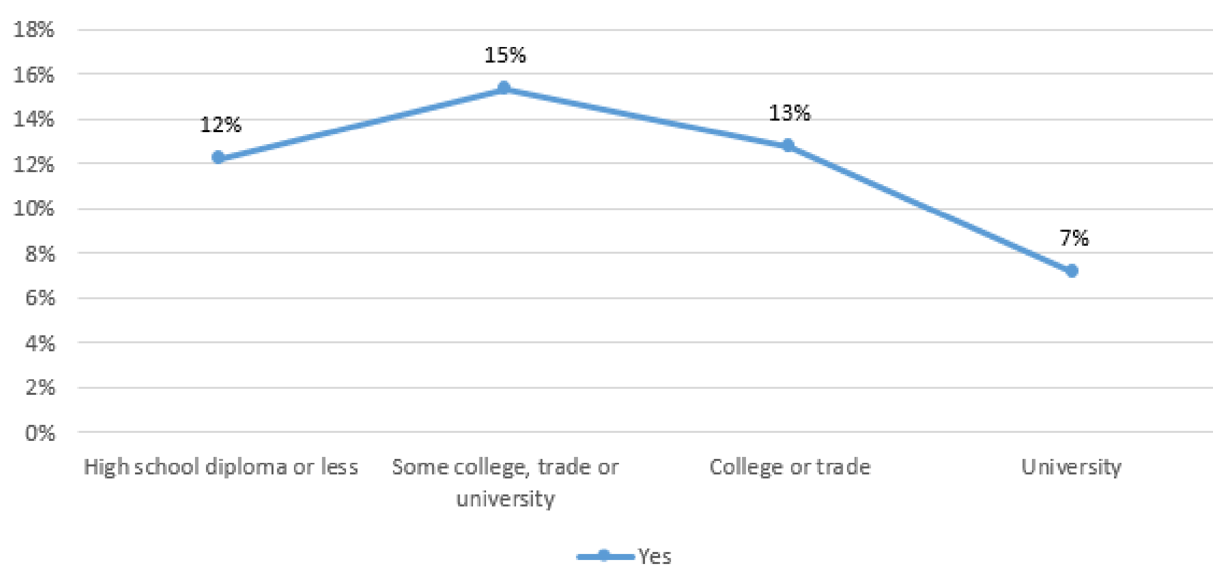


Figure 6: Keeping up with bills and payments—Income quintile

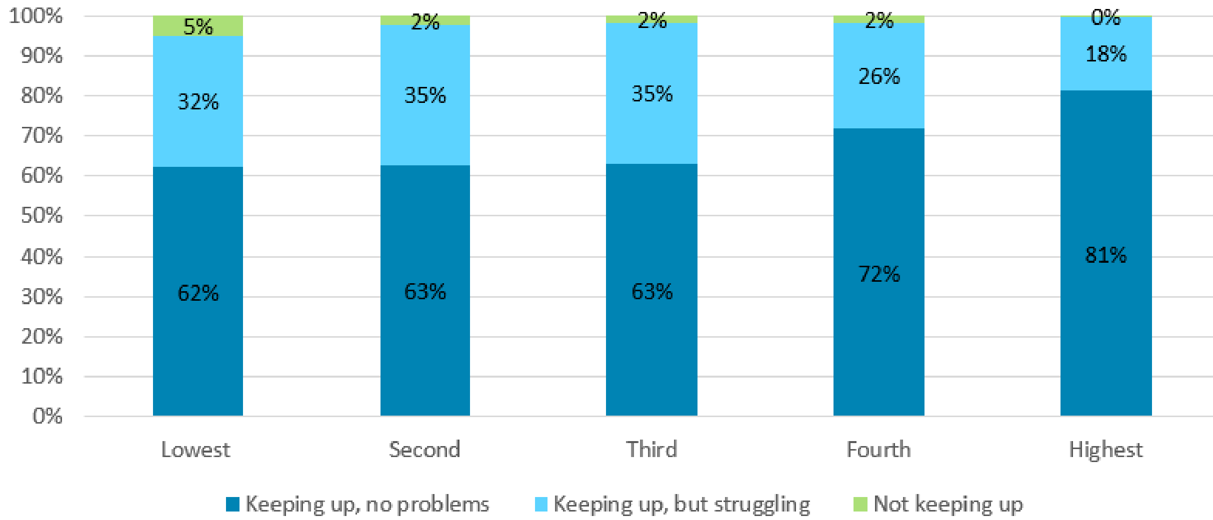
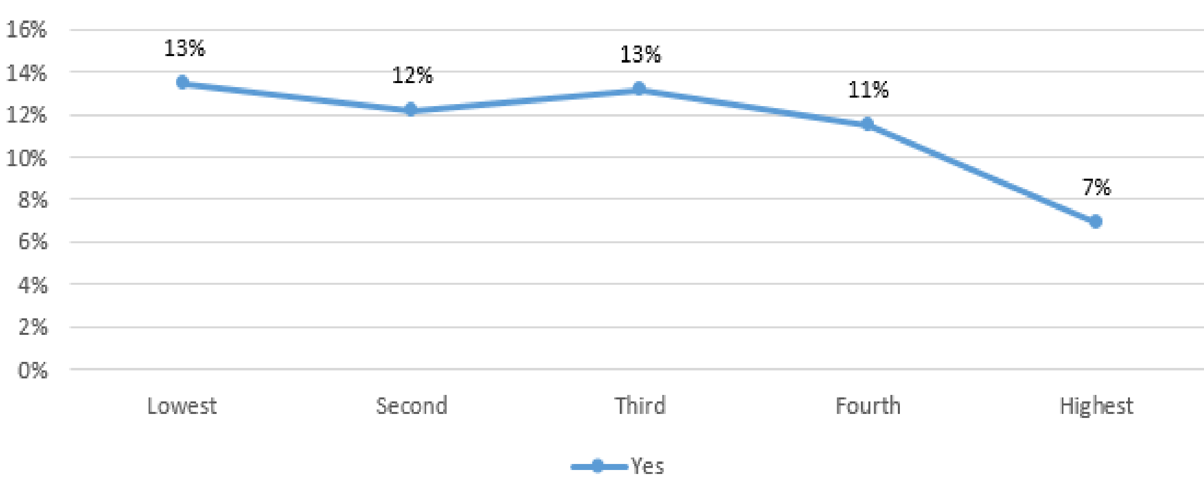


Figure 7: Behind in one or more payments (bills, housing, loans)—Income quintile



The data also highlight a relationship between income and keeping up with paying bills. The proportion of those keeping up with bill payments with no problems is lower across the four lower income quintiles, and highest in the highest quintile (Figure 6). Canadians in the lowest income quintile are more likely to report being behind in one or more bill payments (13%) than those in the highest income quintile (7%) (Figure 7).

Discussion

The above analysis shows that three demographic groups struggle the most to make ends meet: Canadians aged 35 to 44 years; Canadians with lower levels of academic achievement; and Aboriginal Canadians living off reserve.

Canadians aged 35 to 44 years struggle the most to make ends meet—a finding which is unchanged from 2009. This finding is likely reflecting the considerable financial demands on many in this age group. For example, as described in the literature, 60% of debt in Canada is held by those under 45 years of age, with particular concentration among younger homeowners and young families (Chawla & Uppal, 2012).

In 2009, those who had completed *some* post-secondary education were also struggling more than others to make ends meet (Arrowsmith & Pignal, 2010). There are reasons why Canadians with *some* post-secondary education may be struggling to make ends meet. For one, this group consists of many young people (44% are between 18 and 24 years of age), suggesting that many are students who are in the process of completing school—a group who are typically under considerable short-term financial stress. This group is also made up of former students who have only completed *some* college or university. These former students may be struggling with accrued debt from their time spent in school, while not experiencing the labour market returns associated with completing post-secondary education (Luong, 2010). It is this latter group that is at greatest risk of continuing to struggle to keep up with bills and payments.

Strikingly, half of Aboriginal Canadians living off reserve struggle with or are not able to meet their financial commitments. This likely reflects a combination of the two previous findings (related to age and education) compounded by social and environmental factors specific to Aboriginal Canadians. For example, the unemployment rate for Aboriginal Canadians is markedly higher than for other demographic groups and the Aboriginal population is younger and has lower levels of academic achievement than the general Canadian population (Collin, 2011). As Collin points out, a number of cultural (e.g., language, non-cash economies) and structural barriers (e.g., remoteness, lack of access to financial services) to financial inclusion and financial literacy are unique to Aboriginal peoples.

Budgeting

There may be no better tool to reach financial goals than a personal budget. Fernbach, Kan and Lynch (2015) found that those who budgeted were better able to adapt to changing conditions and absorb periods of financial stress than those who did not budget: "Budgeters respond to constraint with more priority planning than non-budgeters, and they report fewer dysfunctional behaviors like overspending and impulsive shopping" (Fernbach, Kan, & Lynch, 2015).

Overall, survey results show that close to one half (46%) of Canadians have a budget (Figure 8a), with most budget holders (93%) saying that they always or usually stay within their budget (Figure 8b). Those least likely to have a budget include Aboriginal Canadians living off reserve (35%), low-income earners (40%), those not in a couple relationship[3] (40%), and men (42%). Similar to the Canadian population overall, the vast majority (91% to 95%) of people in these groups who have a budget indicate that they always or usually stay within it (Figure 8b).

Figure 8a: Do you have a budget—Population group

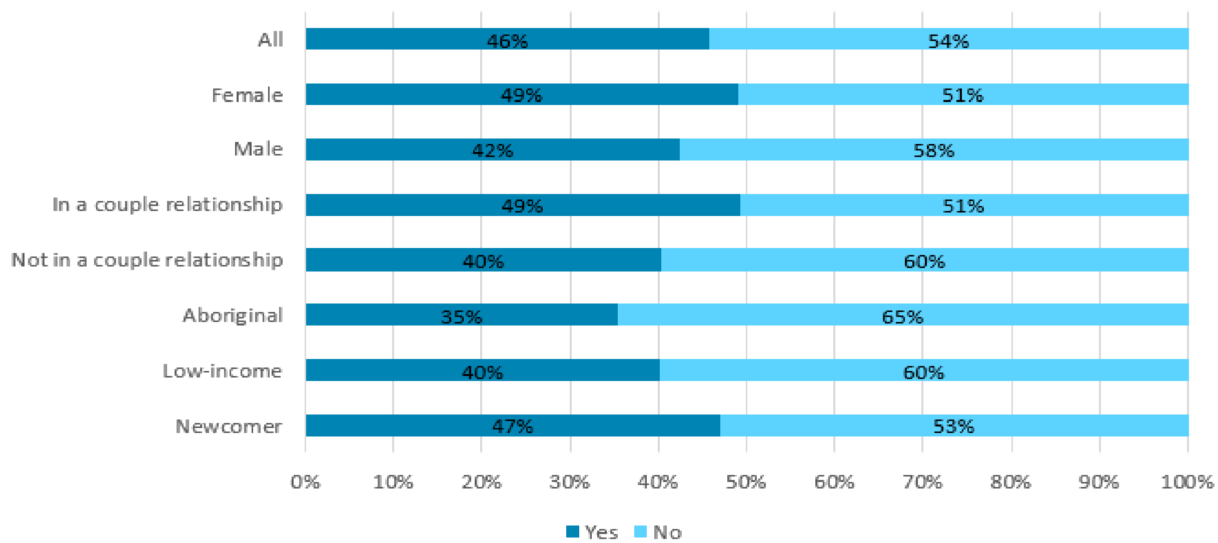


Figure 8b: Do you stay within your budget—Population group

	All	*Female*	*Male*	*In a relationship*	*Not in a relationship*	*Aboriginal*	*Low-income*	*Newcomer*
Always or usually	93%	93%	92%	93%	92%	95%	93%	91%
Rarely or never	7%	7%	8%	7%	8%	5%	7%	9%

[3] Defined as individuals who are single, widowed, separated, or divorced.

Figure 9a: Do you have a budget—Age group

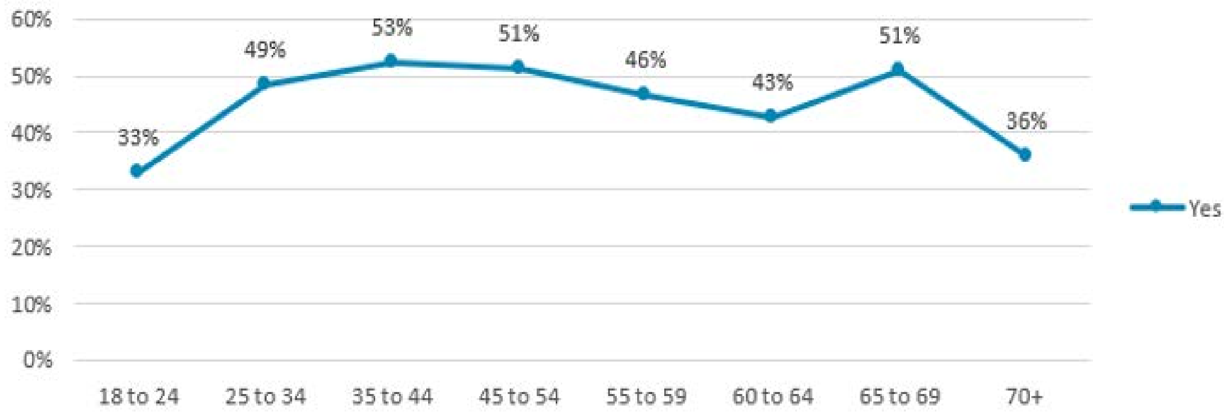
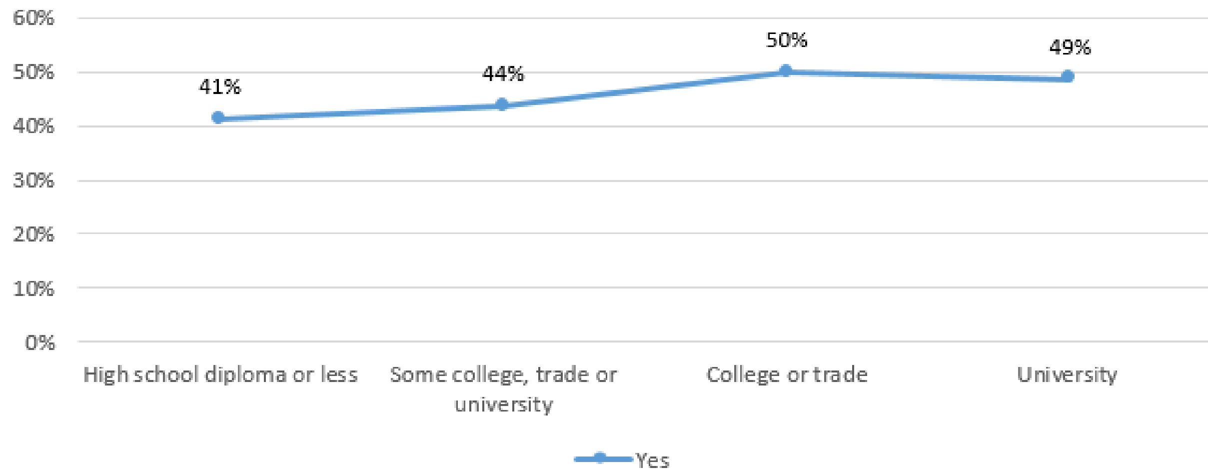


Figure 9b: Do you stay within your budget—Age group

	18 to 24	*25 to 34*	*35 to 44*	*45 to 54*	*55 to 59*	*60 to 64*	*65 to 69*	*70+*
Always or usually	91%	89%	90%	95%	91%	95%	97%	97%
Rarely or never	9%	11%	10%	5%	9%	5%	3%	3%

Canadians in the youngest (18 to 24 years) and oldest (70+ years) age groups are less likely than those in between age 25 and 69 years to say they have a budget (Figure 9a). While the vast majority of Canadians with a budget, regardless of age, say they stay within their budget, those aged 25 to 34 are more likely than those in the oldest age groups to report not sticking to their budget (Figure 9b). Older Canadians, aged 60 years or older, are the most likely (95% or more) to say they always or usually adhere to their budget.

Figure 10a: Do you have a budget—Education level

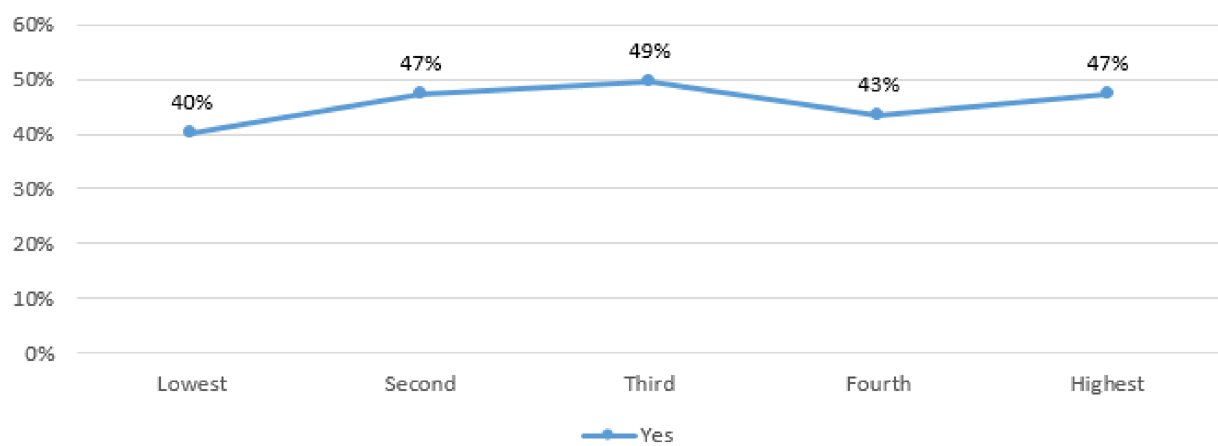


Canadians with higher levels of education (50% of those with college or a trade, 49% of those with university) are more likely to have a budget than those with a high school diploma or less (41%) (Figure 10a). The vast majority of those who have a budget adhere to it (92% to 93%), regardless of their education level (Figure 10b).

Figure 10b: Do you stay within your budget—Education level

	High school diploma or less	*Some college, trade or university*	*College or trade*	*University*
Always or usually	93%	92%	92%	93%
Rarely or never	7%	8%	8%	7%

Figure 11a: Do you have a budget—Income quintile



Canadians in the third income quintile are the most likely (49%) to have a budget, while those in the bottom income quintile are the least likely (40%) to do so (Figure 11a).

Figure 11b: Do you stay within your budget—Income quintile

	Lowest	*Second*	*Third*	*Fourth*	*Highest*
Always or usually	93%	93%	91%	91%	95%
Rarely or never	7%	7%	9%	9%	5%

The data suggest that income quintile is not an important factor in the likelihood that a person will stay within budget (Figure 11b)—at every income level, more than 90% of Canadians who budget report that they stay within budget.

Budgeting . . .

Discussion

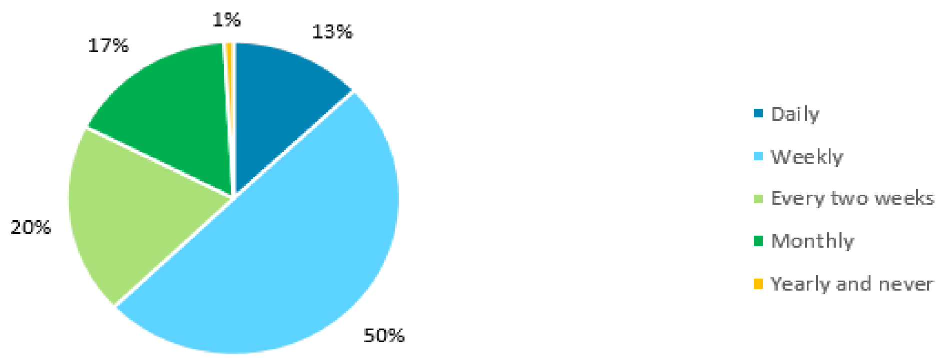
The analysis of budgeting data shows a clear pattern. Among Canadians with a budget, the vast majority stick to them—a pattern that holds across the demographic groups investigated. Having a budget helps consumers to behave in a more deliberate and organized manner, particularly when resources are constrained, and allows consumers to prioritize and achieve the most important financial goals (Fernbach, Kan, & Lynch, 2015).

Both the literature and the CFCS 2014 point to budgeting as a critical part of every Canadian's financial toolkit. At the same time, the data also show that less than half (46%) of all Canadians budget. It is worth noting that this represents a decrease from 2009, when 51% of Canadians reported having a budget (Arrowsmith & Pignal, 2010). There is clearly an opportunity to improve consumer financial outcomes through the promotion of budgeting practices. Financial education efforts on this front may be most effective when targeting specific groups. For example, people identifying as Aboriginal living off reserve (35%) are the least likely to say they have a budget, followed by low-income earners (40%). Similarly, those not in a couple relationship (40%) and males (42%) are less likely to report that they budget and could also likely benefit from targeted education.

Checking account balances

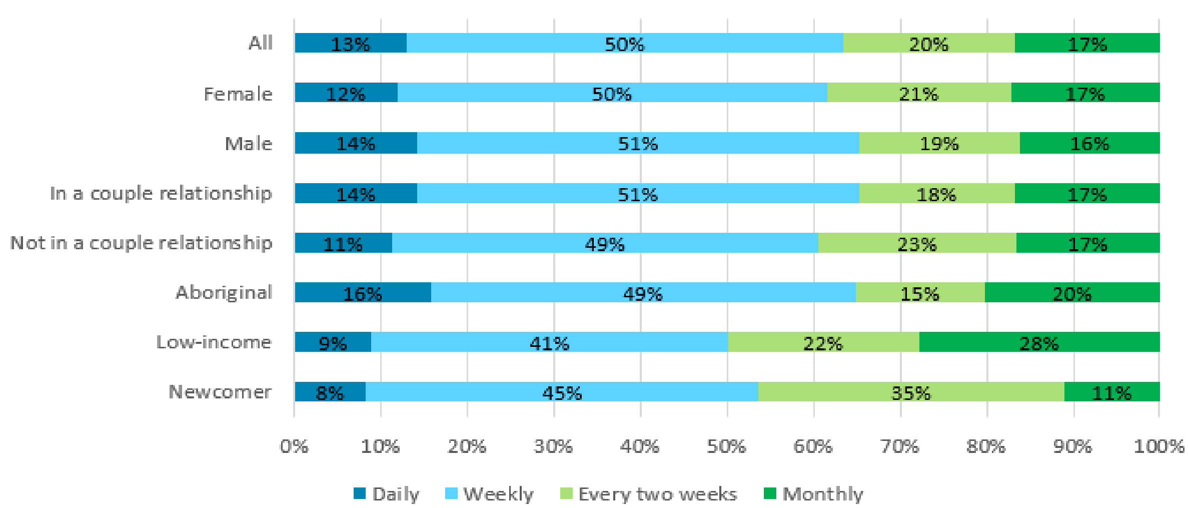
Checking bank account balances regularly helps people maintain spending vigilance, can assist in financial planning and can assist in flagging unauthorized or erroneous transactions. One half (50%) of Canadians check their accounts weekly, while 20% do so bi-weekly and 17% check monthly (Figure 12).

Figure 12: How often do you check your account balance—Canadian population



A majority (60% to 65%) of those in certain demographic groups (female; male; Aboriginal peoples living off reserve; and those in, and those not in, a couple relationship) report checking their balance weekly or daily (Figure 13), while a smaller proportion of low-income earners (50%) and newcomers (53%) say they check that often.

Figure 13: How often do you check your account balance[4]—Population group



[4] For the newcomer population, responses to this question of "yearly" and "never" are clustered with responses of "monthly." In other words, "monthly" for newcomers should read "monthly, yearly and never."

Older Canadians report checking their balance less frequently than younger Canadians (Figure 14). For example, 70% of those aged 18 to 24 years check their balances at least weekly, compared to 34% of those aged 70 years or older.

Figure 14: How often do you check your account balance—Age group

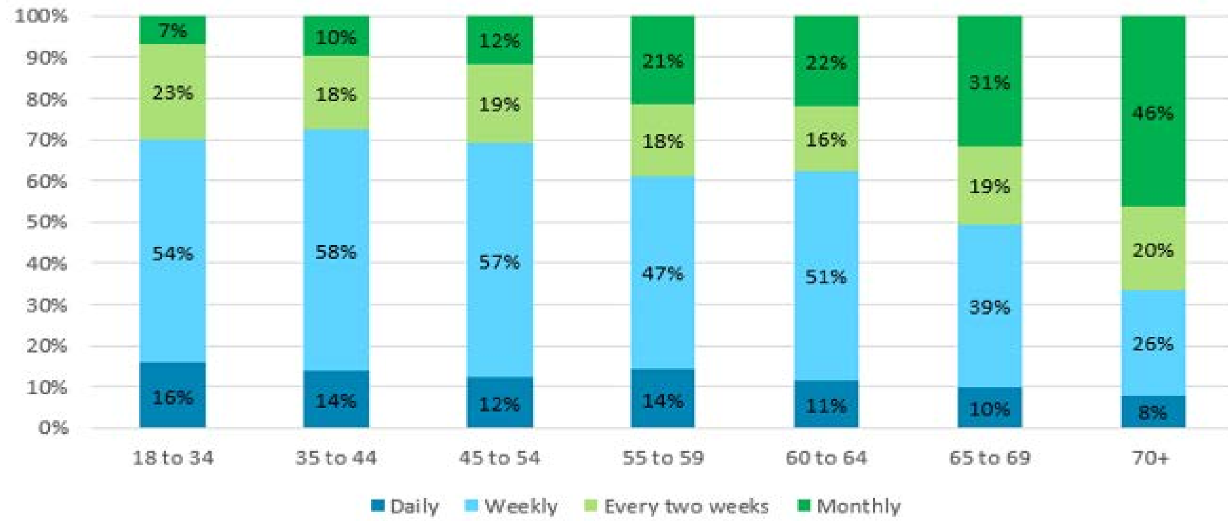
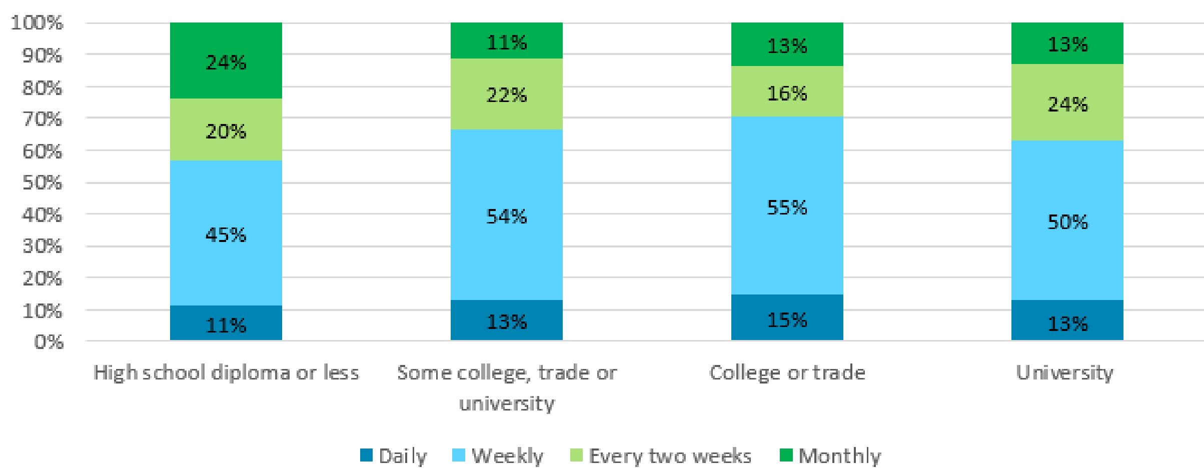
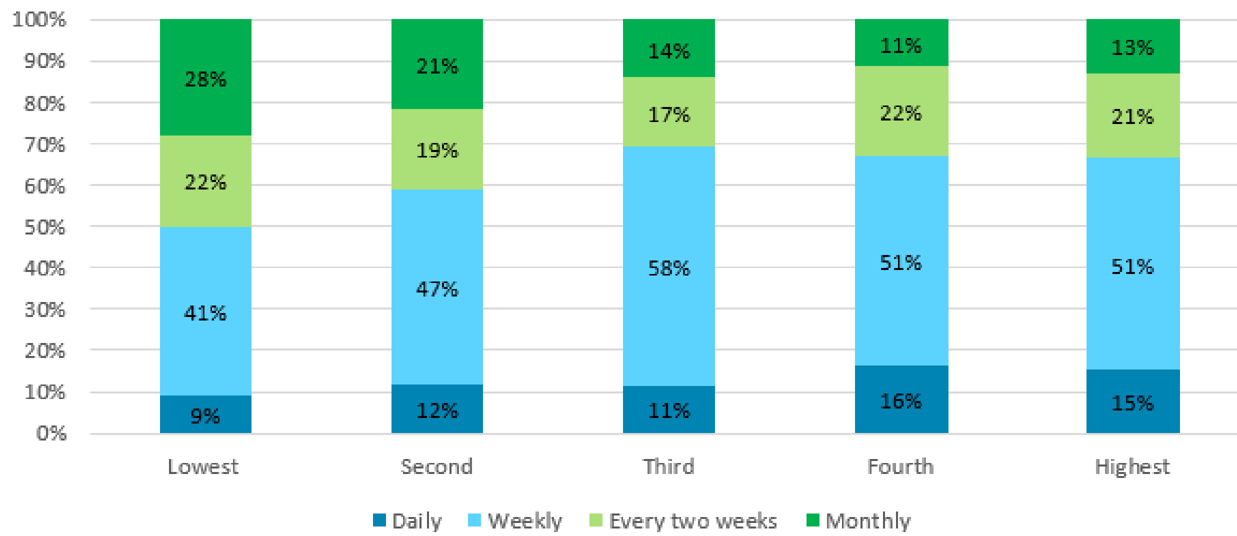


Figure 15: How often do you check your account balance—Education level



Those with less education (high school completion or less) are less likely to check their account balance frequently (56% say they check daily or weekly) than those with some post-secondary or more education (63% to 70%) (Figure 15).

Figure 16: How often do you check your account balance—Income quintile



In general, those in the higher income quintiles check their accounts more frequently than do those in the lower quintiles (Figure 16).

Checking account balances . . .

Discussion

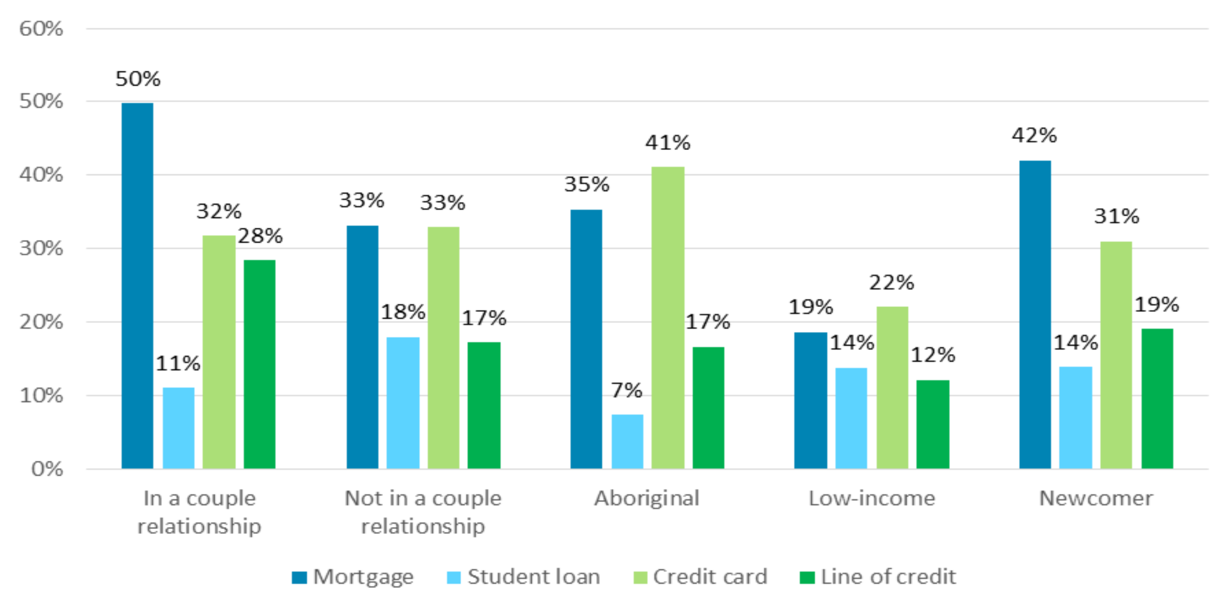
As was found in 2009 (Arrowsmith & Pignal, 2010), Canada's low-income earners do not check their bank account balances as frequently as those with higher incomes. This may be due to a form of "financial avoidance," which has been previously observed for low-income and financially stressed people (Shapiro & Burchell, 2012). The Shapiro and Burchell study found that the psychological stress of personal finance can inhibit an individual's ability to take action when needed. This passiveness about personal finance can be detrimental to financial health. Focusing efforts on encouraging low-income earners to check their account balances on a regular, weekly basis may address this issue and be beneficial to this group.

Seniors also do not check their bank account balances as frequently as those in other age groups. This may reflect the fact that the vast majority of seniors are keeping up with bills and payments, as reported earlier in this report. However, encouraging seniors to check their accounts more frequently as a means of identifying incorrect or fraudulent transactions should remain an important component of financial education aimed at that target audience.

Debts

The CFCS 2014 asked respondents to identify the types of debts that they, or members of their family, currently held. Overall, survey results show that mortgages, credit cards and lines of credit are the most common forms of debt for Canadians. Credit card debt is the most common form of debt among Aboriginal Canadians living off reserve (41%), those not in a couple relationship (33%) and low-income earners (22%) (Figure 17).

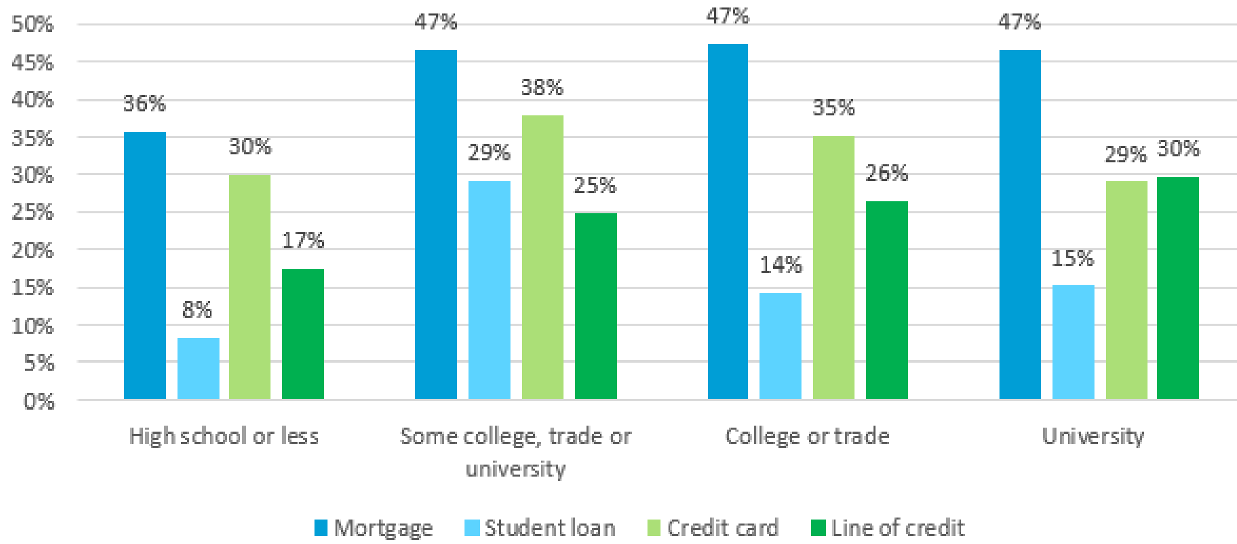
Figure 17: What types of debt do you have—Population group, multiple responses allowed[5]



Survey data also point to the prevalence of mortgage debt across all education groups, followed by credit card debt and outstanding lines of credit (Figure 18). Those with incomplete post-secondary education are much more likely (29%) to have student loan debt compared to those with any other level of education. This suggests those with student debt are still in school and will pay down these loans in the future, or they have incurred debt without completing their education. This same group is as likely to have mortgage debt (47%) as those with a higher level of education and more likely to have credit card debt (38%) than those with any other level of education.

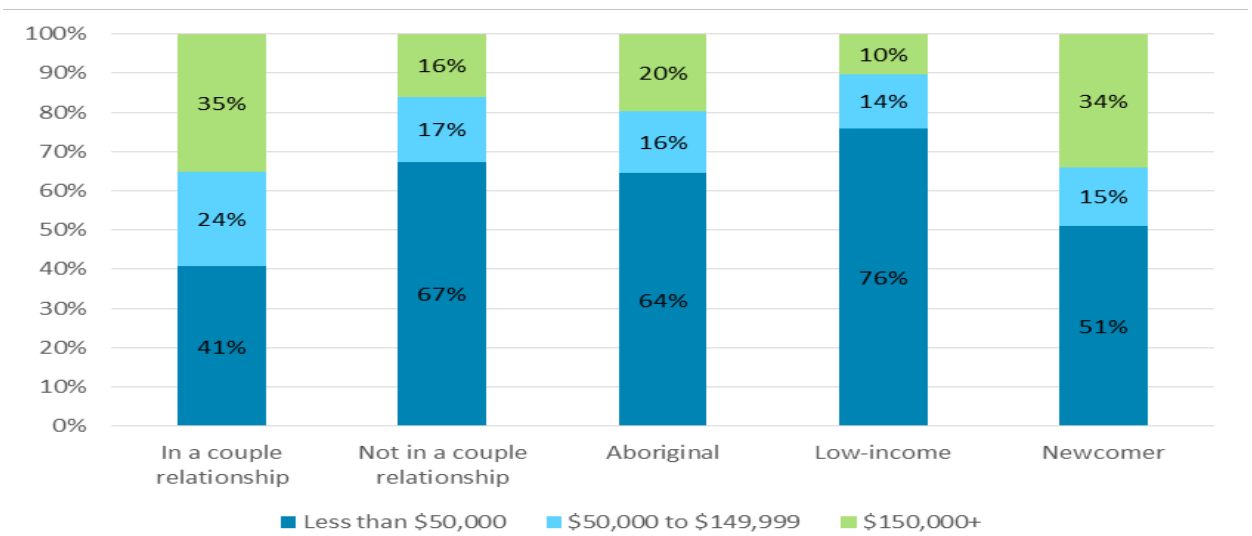
[5] For the analysis of this variable, "newcomer" includes all individuals who have immigrated to Canada during their lifetime as opposed to during a specific time period. More information is available in Appendix B to this report.

Figure 18: What types of debt do you have—Education level, multiple responses allowed



A majority in each population group reports debt valued at less than $50,000 (Figure 19). Those in a couple relationship (35%) and newcomers to Canada[6] (29%) are more likely to report having debt of $150,000 than other population groups studied.

Figure 19: How much debt do you have—Population group



The CFCS 2014 survey data show that Canadians with higher incomes are more likely to have mortgage debt and line of credit debt compared to those with a lower income (Figure 20).

[6] For the analysis of this variable, "newcomer" includes all individuals who have immigrated to Canada during their lifetime as opposed to during a specific time period. More information is available in Appendix B to this report.

Similarly, Canadians in the highest income quintile are more likely (45%) than those in lower quintile (10%) to have debt totalling $150,000 or more (Figure 21).

Figure 20: What types of debt do you have—Income quintile, multiple responses allowed

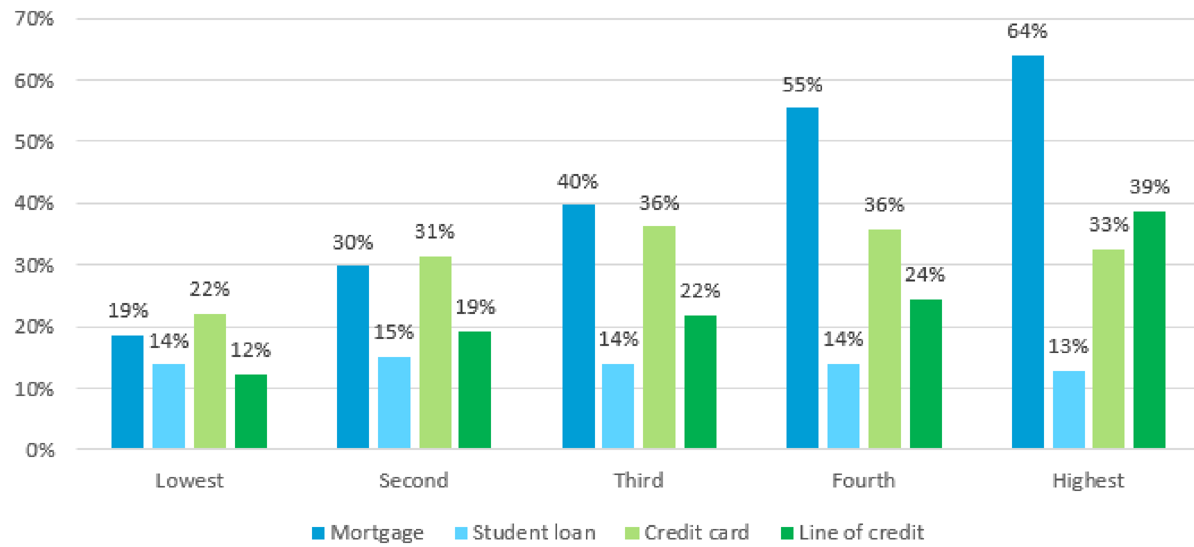
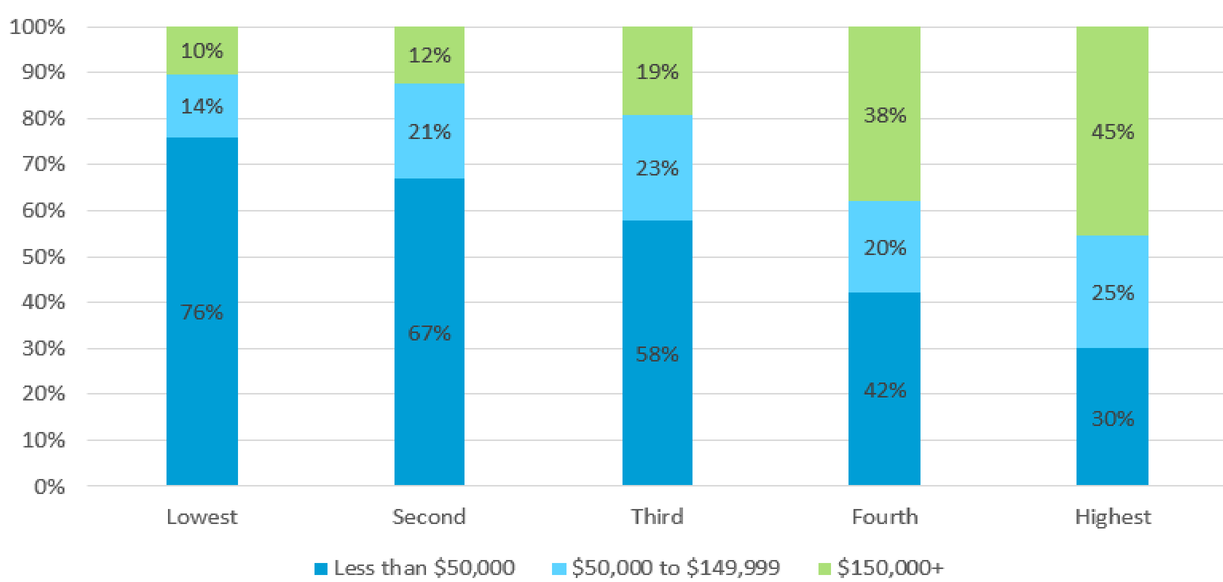


Figure 21: How much debt do you have—Income quintile



Debts . . .

Discussion

Debt management is integral to personal financial well-being. When used properly, debt can enhance one's standard of living, academic achievement and future career prospects. However, consumer debt, such as high-interest debt, can increase financial stress and impact all facets of life. For instance, financial stress as a result of mounting student debt has a significant impact on a student's risk of non-completion (Dynarski & Scott-Clayton, 2013).

Those in a couple relationship make up the demographic group with the highest proportion carrying over $150,000 in debts. This same group is more likely than others to have mortgage debt and line of credit debt (possibly for home improvement), which suggests that they invest in wealth-building assets such as homes. Survey data also point to the prevalence of mortgage debt across all education groups, followed by credit card debt and outstanding lines of credit.

Financial consumer education should continue to emphasize the risks of carrying excessive debts. In particular, education might focus on limiting exposure to consumer debts while also encouraging Canadians to pay off what they owe as quickly as possible.

II Planning for the Future

Planning for the financial future involves a number of activities, such as retirement planning, saving for major expenses and creating an emergency fund, among others. Financial planning is essential to ensuring that financial goals can be met.

This section provides a description of the data from the Canadian Financial Capability Survey (CFCS) 2014 that focus on planning for a child's education and planning financially for retirement.

Saving for children's education

The CFCS 2014 asked respondents who are financially responsible for one or more children under 18 years of age (living either with them or with someone else) if they were currently saving, or had already saved, to support the cost of their children's post-secondary education—as well as how they were saving.

Overall, almost three quarters (71%) of Canadians with dependents under age 18 years of age report saving for their children's post-secondary education (Figure 22). Those not in a relationship (51%), Aboriginal peoples living off reserve (50%), and low-income earners (49%) save in proportions below the Canadian average. Use of Registered Education Savings Plans (RESPs)[7] is high, with close to three quarters (72%) of Canadian parents who are saving for their children's post-secondary education saying it is one mechanism they use (Figure 23). About one half (48%) of low-income earners who are saving for their children's post-secondary say they make use of RESPs.

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[7] RESPs provide a considerable advantage to savers through the Canada Education Savings Grant. This government grant pays a basic amount of 20% of annual contributions for an annual maximum of $500 and a lifetime limit of $7,200. Additional grants under the Canada Education Savings Grant program and Canada Learning Bond funds are also made available to eligible savers based on level of income.

Figure 22: Are you saving for your children's education—Population group, among parents (of children < 18 years)

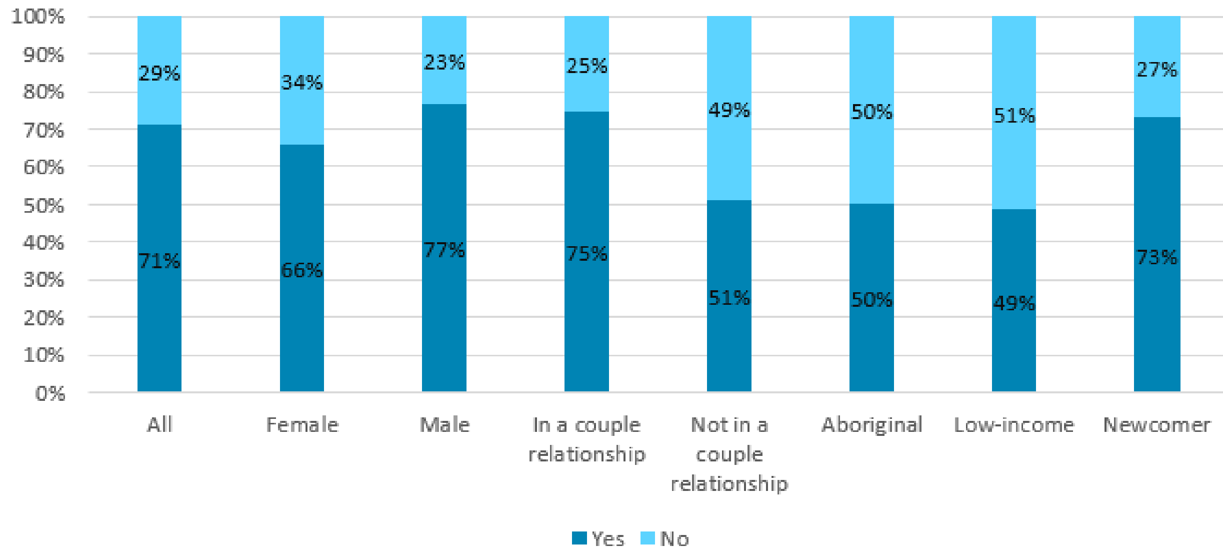
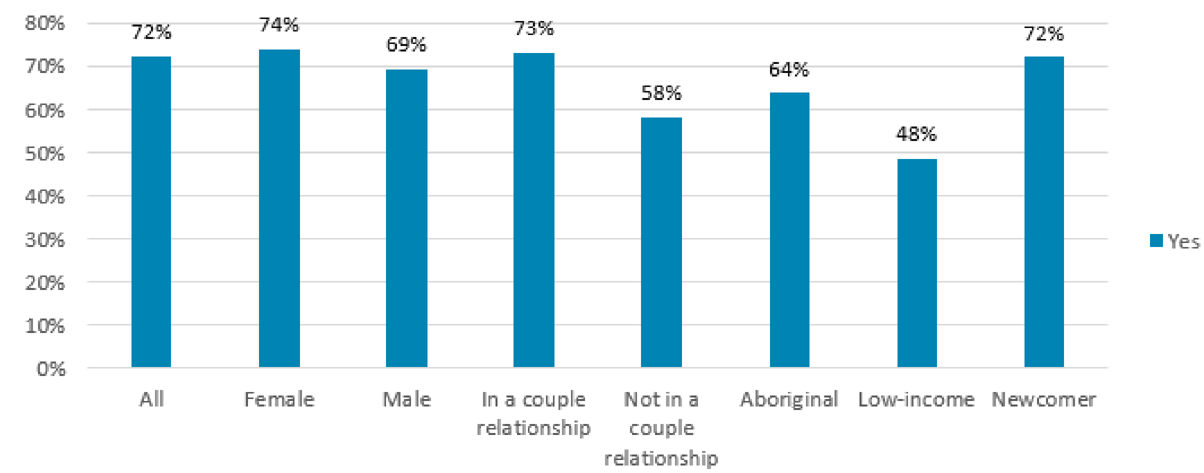


Figure 23: Saving using RESPs—Population group, among parents (of children < 18 years) saving for post-secondary education



There is a positive relationship between education level and saving for a child's post-secondary education (Figure 24), with parents with higher academic attainment being more likely to save for their child's education than those with less education. This may be indicative of more value being placed in post-secondary education among post-secondary graduates. Similarly, use of RESPs as a saving mechanism increases with educational attainment (Figure 25).

Figure 24: Are you saving for your children's education—Education level, among parents (of children < 18 years)

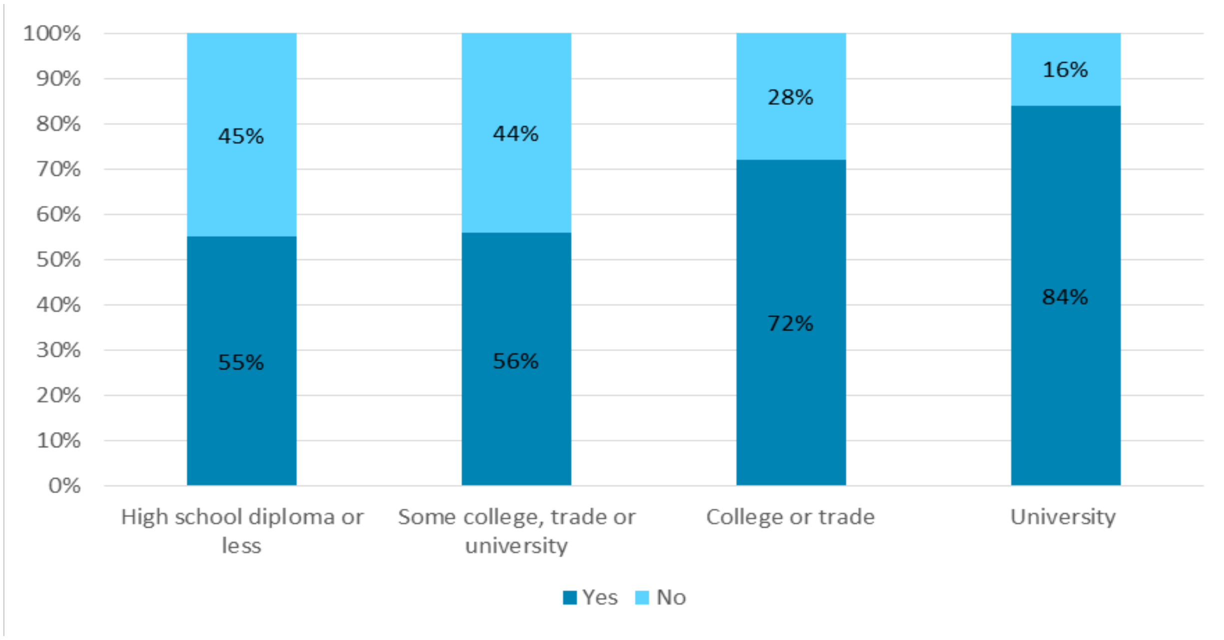
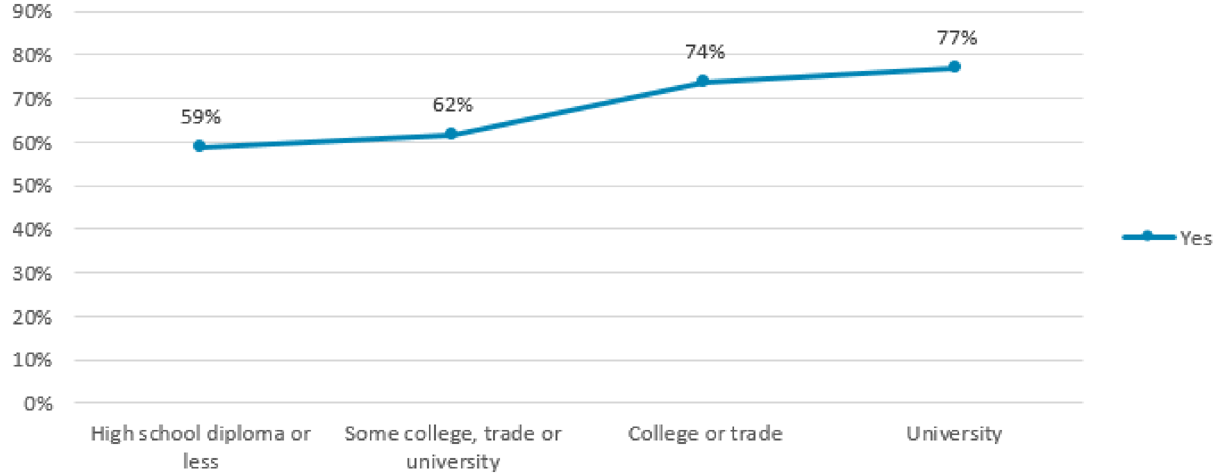


Figure 25: Saving using RESPs—Education level, among parents (of children < 18 years) saving for post-secondary education



There is also a positive relationship between income level and both saving for children's education (Figure 26) and specific use of RESPs as a saving vehicle (Figure 27). Those in the highest income quintile are much more likely (84%) to save for this goal and to do so through RESPs (76%) than those in the lowest quintile (49% save, 48% use RESPs).

Figure 26: Are you saving for your children's education—Income quintile, among parents (of children < 18 years)

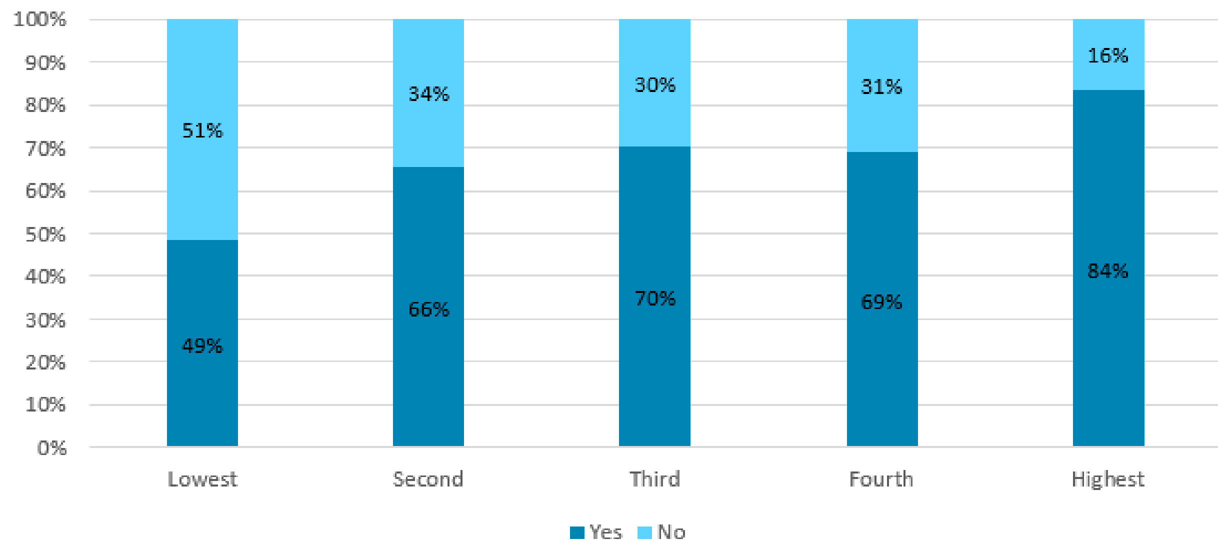
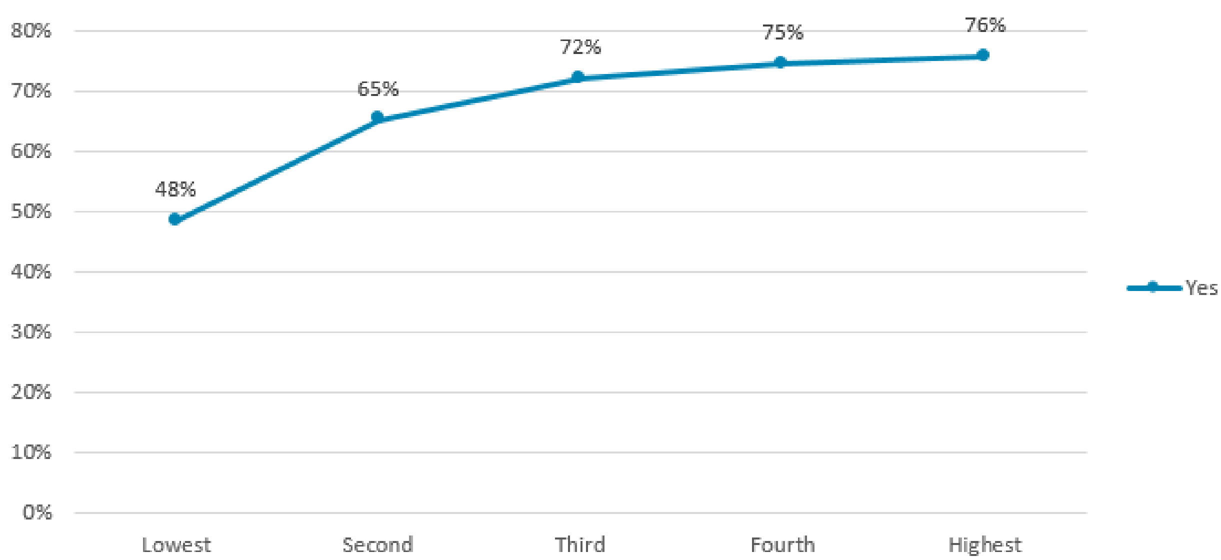


Figure 27: Saving using RESPs—Income quintile, among parents (of children < 18 years) saving for post-secondary education



Saving for children's education . . .

Discussion

Almost three quarters of Canadian parents with children under the age of 18 are saving for post-secondary education—at the same time, certain demographic groups are trailing behind in saving for their child's education.

Only about one half of Aboriginal Canadians living off reserve, low-income earners, and Canadians not in a couple relationship are saving for their children's education. Analysis of the 2009 CFCS data indicate that lower income earners struggle with competing saving priorities (e.g., for children's education versus for their own retirement), which leads people to choose one or the other (Guilmette, 2011). It is interesting to note that newcomers to Canada are the group most likely to save for their children's education. This finding is consistent with the literature, which indicates that newcomers tend to save more for post-secondary education due to high educational aspirations for their children (Sweet, Anisef, & Walters, 2008).

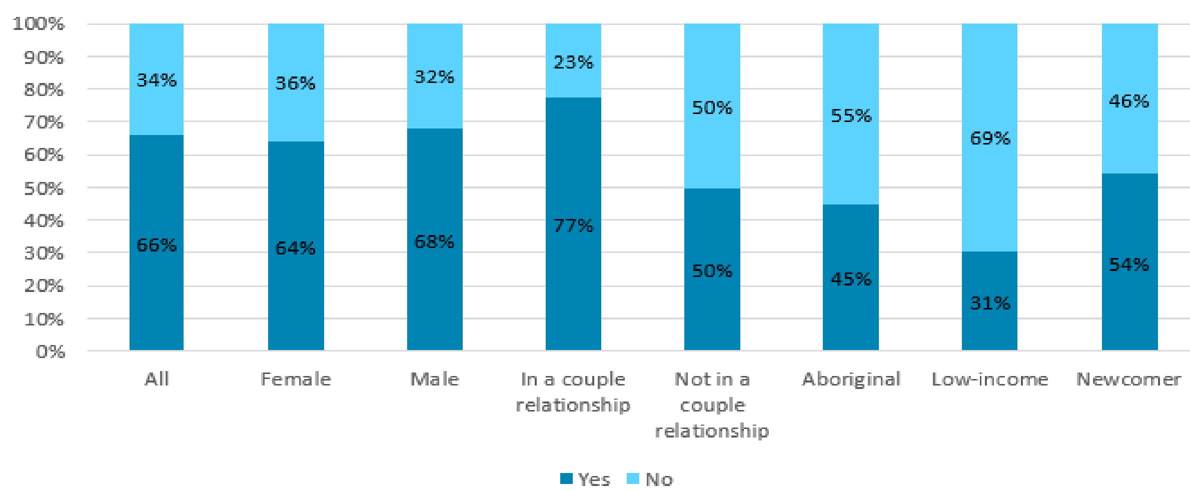
As was the case in 2009 (Arrowsmith & Pignal, 2010), Canadians with lower educational attainment are less likely to save for a child's education and less likely to take advantage of the RESP program. This is also consistent with Canadian literature that identifies parental educational attainment as an important factor in determining children's post-secondary participation (Berger, 2009). Those with low income also seem to struggle to save for their children's education. One explanation is that Canadians with low income who are not saving via RESPs may be unaware of additional income-based grants and additional benefits available to RESP holders, as this information often comes hand-in-hand with RESP-related information.

Financially preparing for retirement

Financial preparation for retirement has become increasingly important in view of the ongoing changes in the current retirement landscape. With the growing shift toward defined-contribution and self-directed retirement plans, working Canadians have increased responsibility for managing their retirement (Lusardi & Mitchell, 2014). The literature indicates that Canadians may not be planning or saving enough for a number of reasons, including insufficient disposable income, a lack of understanding about different financial instruments and not having accurate information about how much they need to save for retirement (Boisclair, Lusardi, & Michaud, 2014).

The CFCS 2014 asked respondents who *were not retired* whether or not they were "financially preparing for their retirement either on their own or through an employer pension plan." Overall, 66% of Canadians say they are doing so (Figure 28). Those in a couple relationship are the most likely (77%) to report financially preparing for retirement—Aboriginal Canadians living off reserve (45%) and low-income earners (31%) are the least likely to save for retirement years, putting them at particular future financial risk.[8] Considering both reported confidence in adequacy of retirement savings and actions taken to save, the data show that while 71% of Canadians say they are very or fairly confident that they will have the income they need in retirement (Figure 29), a smaller proportion (66%) say they are actually making these preparations (Figure 28).

Figure 28: Are you financially preparing for your retirement—Population group, among non-retirees



[8] Some lower income households may be less likely to save through vehicles such as Registered Retirement Savings Plans (RRSPs) for one or more of the following reasons: public pensions alone provide significant earnings replacement rates for lower income earners; RRSP withdrawals may reduce income-tested benefits and credits (such as Guaranteed Income Supplement benefits) in retirement; and lower income households may be consumption-constrained (i.e., may have little or no income available for saving).

Figure 29: Confidence that retirement income will be sufficient to maintain desired standard of living in retirement—Canadian population, among non-retirees

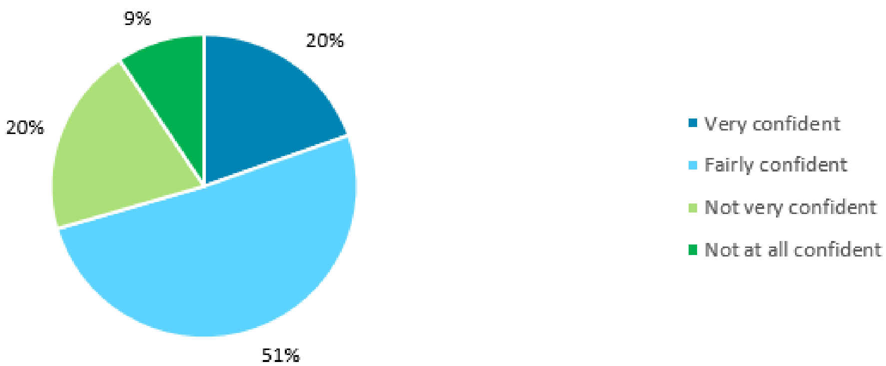
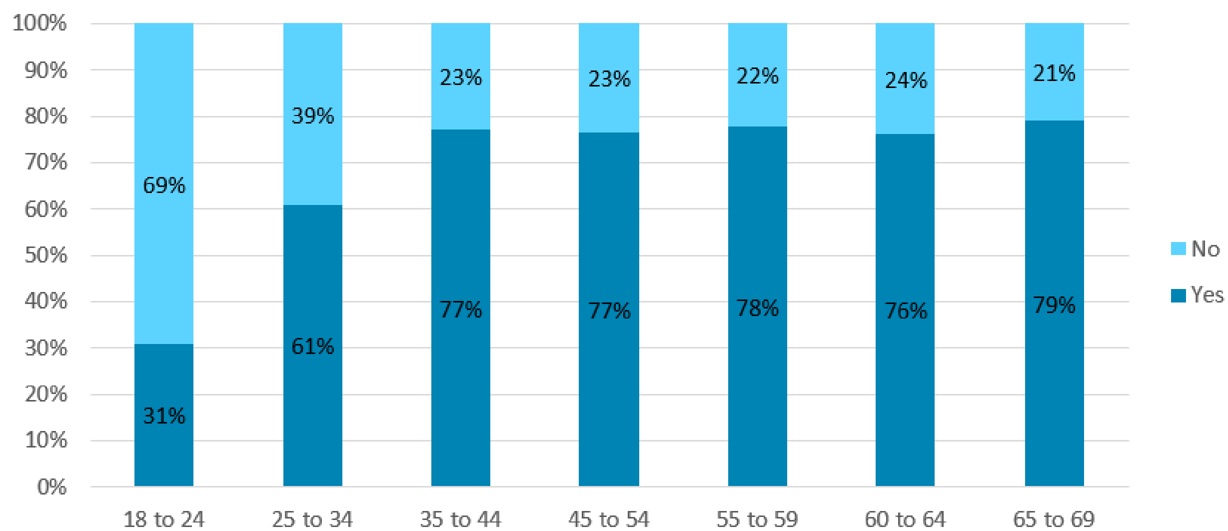
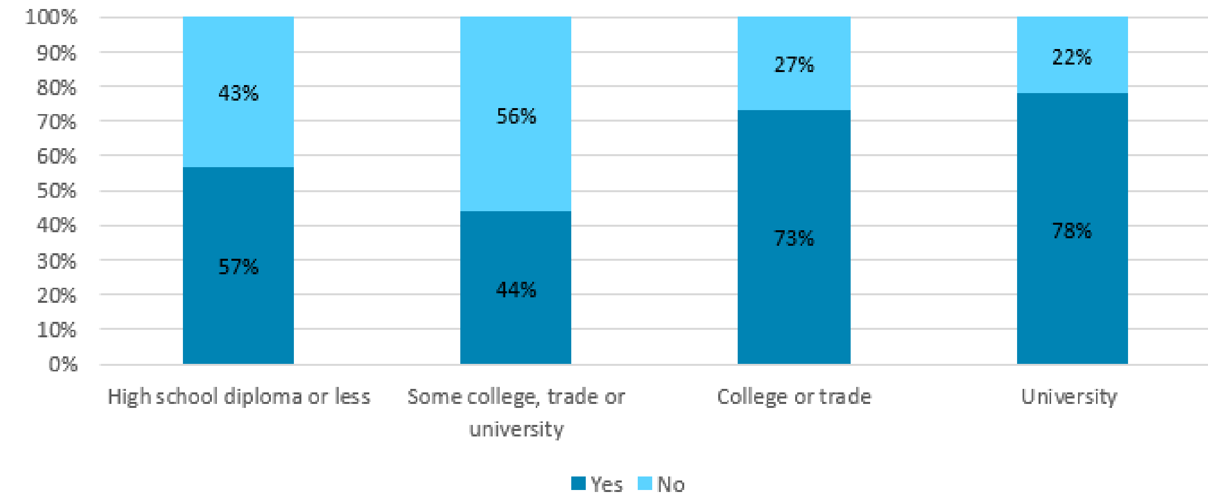


Figure 30: Are you financially preparing for your retirement—Age group, among non-retirees



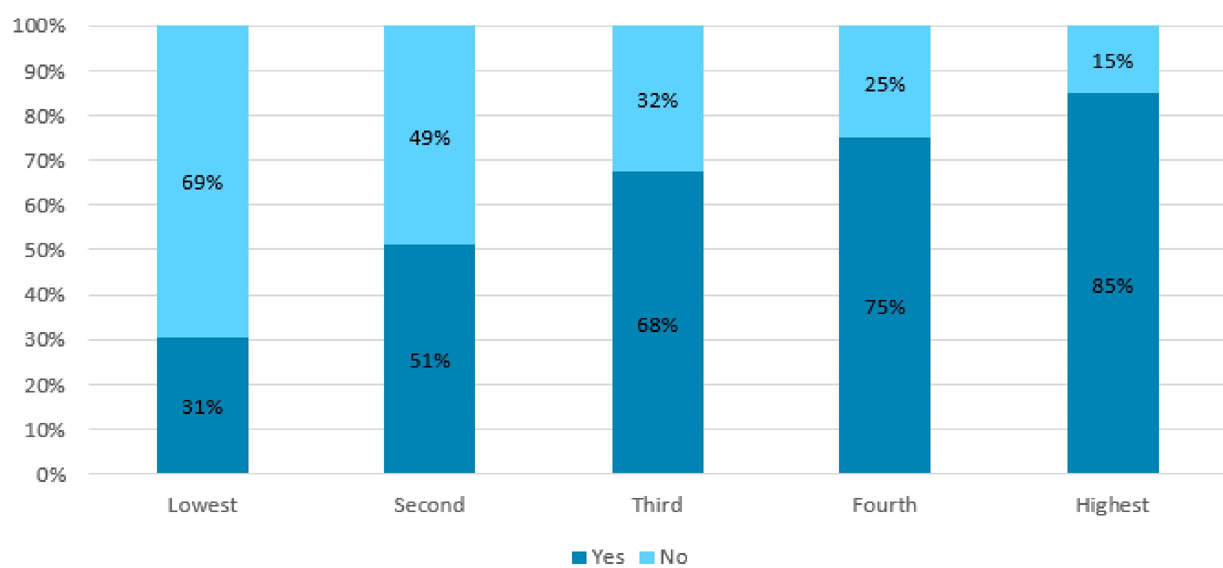
Exploring the relationship by age group (Figure 30), the data show that those non-retirees aged 65 to 69 years are more likely to say they are preparing (79%) than those aged 18 to 24 years (31%). The relationship between age and preparing for retirement is relatively constant, with similar proportions (76% to 79%) saving for retirement in each of the age groups between the ages of 35 and 69.

Figure 31: Are you financially preparing for your retirement—Education level, among non-retirees



Canadians who have completed post-secondary education are more likely to report saving for retirement than those with lower levels of education (Figure 31). Those with some college, trade or university are the least likely to be saving for retirement (44%). Of particular relevance is the large disparity in financial preparation for retirement between income quintiles—85% of those in the highest income quintile say they are planning for retirement while only 31% in the lowest quintile report such preparation (Figure 32). This is consistent with the trend that Canadians with lower income experience difficulty saving—whether for retirement or for such things as their children's education.

Figure 32: Are you financially preparing for your retirement—Income quintile, among non-retirees



Planning financially for retirement . . .

Discussion

Overall, one third of Canadian non-retirees are not planning financially for retirement. However, more than three-quarters of non-retirees between the ages of 35 and 69 are saving, which is similar to the proportions observed in 2009. Aboriginal Canadians living off reserve, low-income earners, people not in a couple relationship and newcomers to Canada are less likely than others to be saving for retirement.

Those with a higher level of education and those with a higher income are more likely to be planning for retirement. Those who complete high school are more likely than those with some (but not completed) post-secondary education to plan for retirement. Survey data show that this demographic group is also struggling the most when it comes to paying bills on time, further contributing to the possibility that that they are struggling overall.

How much to save for retirement

The CFCS 2014 asked Canadians who are not yet retired if they know how much money they need to save in order to maintain their desired standard of living when they are retired.

A strikingly high proportion of Canadians who are not yet retired say they don't know how much they need to save for retirement—60% of the Canadian population (Figure 33). The proportion is highest among low-income earners (69%), those not in a couple relationship (67%), women (66%), Aboriginal peoples living off reserve (65%), and newcomers (62%). Of particular concern is that, among those approaching retirement age, less than one half (45% of 55- to 59-year-olds and 43% of 60- to 64-year-olds) say they know how much they need to save (Figure 34). The findings point to the need for education efforts on this front to target the entire Canadian population.

Figure 33: Do you know how much you need to save for your retirement—Population group, among non-retirees

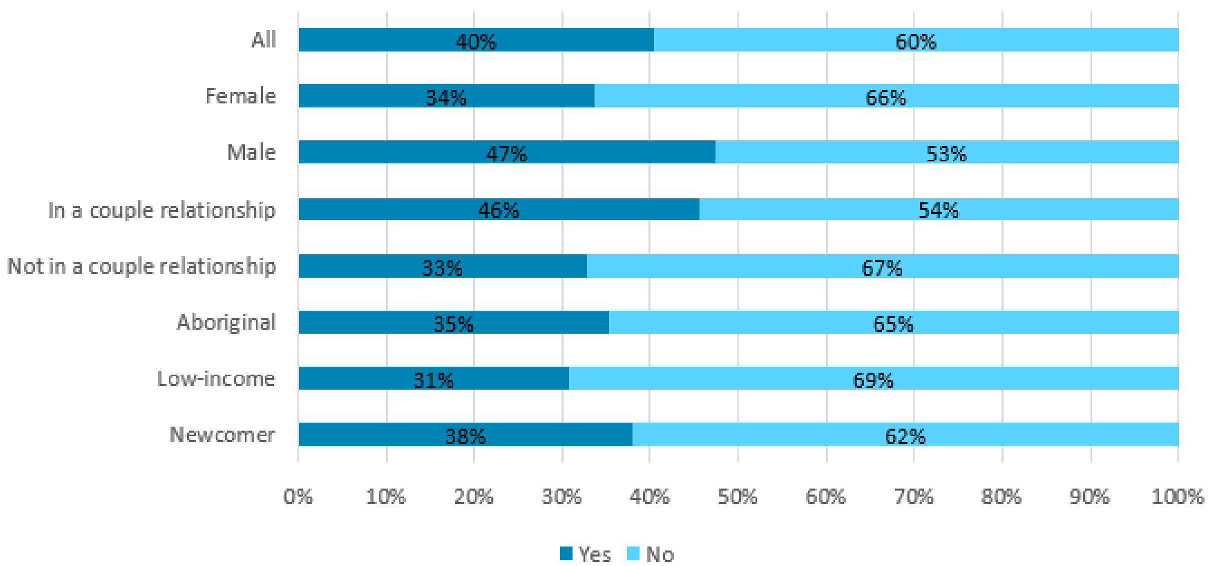


Figure 34: Do you know how much you need to save for your retirement—Age group, among non-retirees

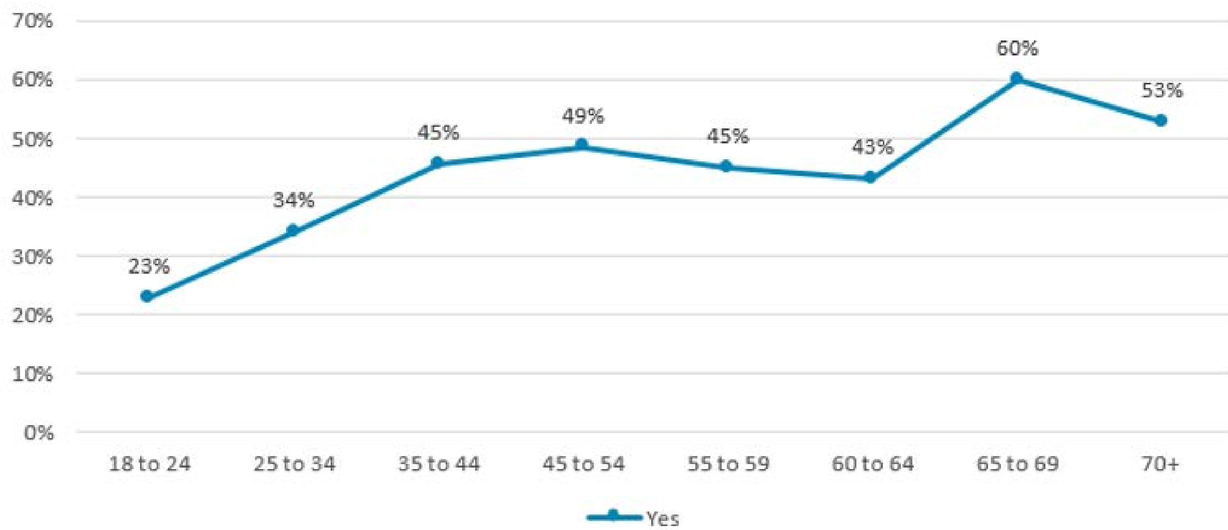
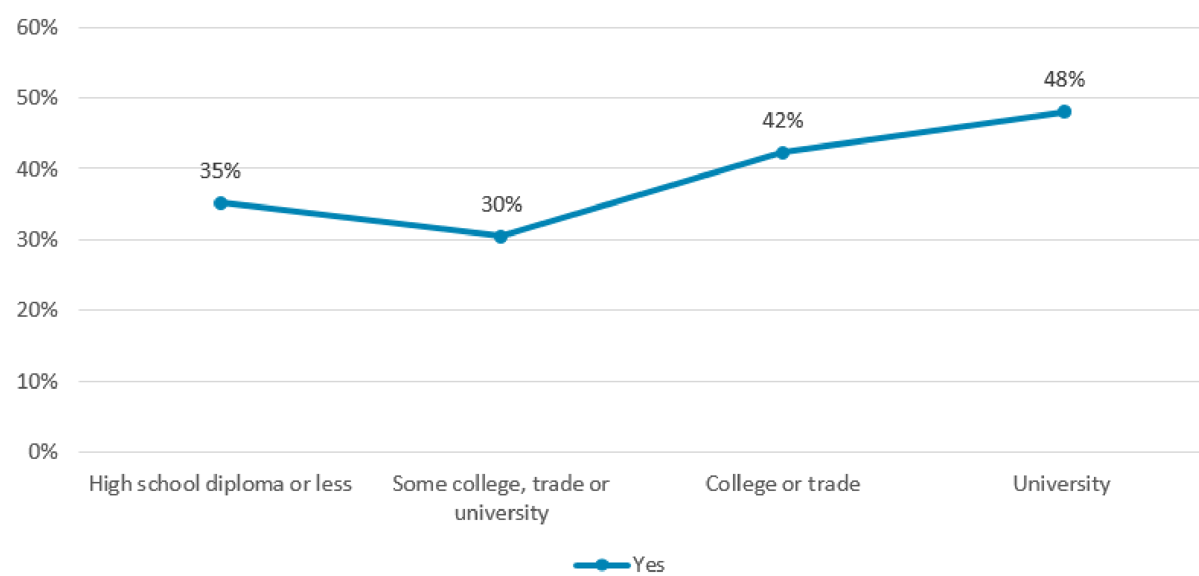
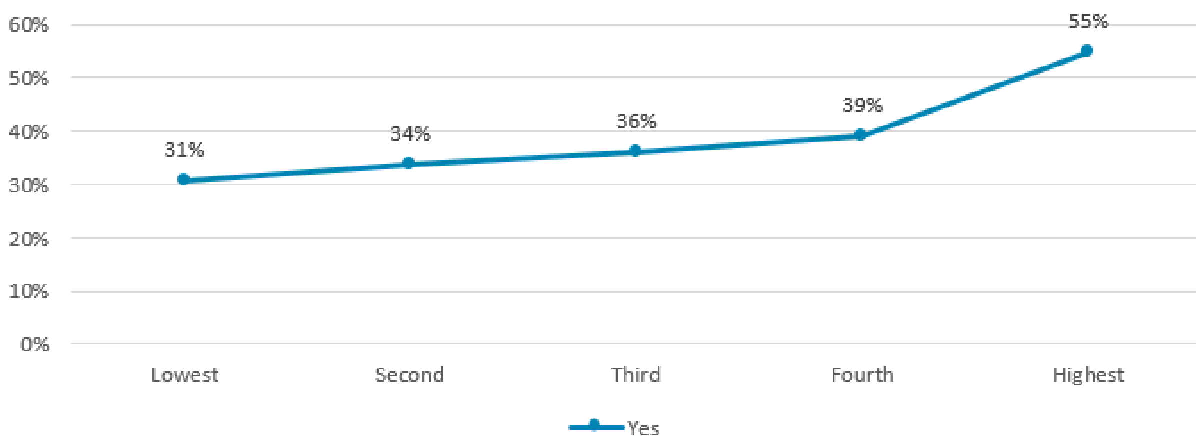


Figure 35: Do you know how much you need to save for your retirement—Education level, among non-retirees



Canadians with some (but not completed) college, trade or university are least likely to know how much to save (Figure 35). One half of Canadians (48%) with the highest level of educational attainment say they know how much they need to save. As income increases, so does reported knowledge of how much Canadians need to save for retirement (Figure 36)—from less than one third (31%) in the lowest income quintile, to more than one half of Canadians (55%) in the highest quintile.

Figure 36: Do you know how much you need to save for your retirement—Income quintile, among non-retirees



How much to save for retirement . . .

Discussion

While many factors may contribute to how much a person needs to save to maintain their desired standard of living in retirement, it is clear that the majority of Canadians do not know how much they should be saving. Only those in the highest income quintile and those aged 65 years and older report knowing how much they should be saving in proportions greater than 50%. This is concerning, as knowing how much to save is integral to setting accurate, realistic financial goals. Without knowing how much to save, Canadians may find themselves falling short in their later years, which may lead to an unwanted change of lifestyle and financial stress.

Data related to age and retirement savings are particularly concerning. Only 43% of 60- to 64-year-olds know how much they need to save for retirement. By this age, it may be too late to adjust savings to maintain lifestyle. The data also suggest that higher incomes tend to go hand-in-hand with increased financial knowledge and ability to plan. However, even in the highest income quintile, an alarmingly high proportion of Canadians are unaware of how much they need to save.

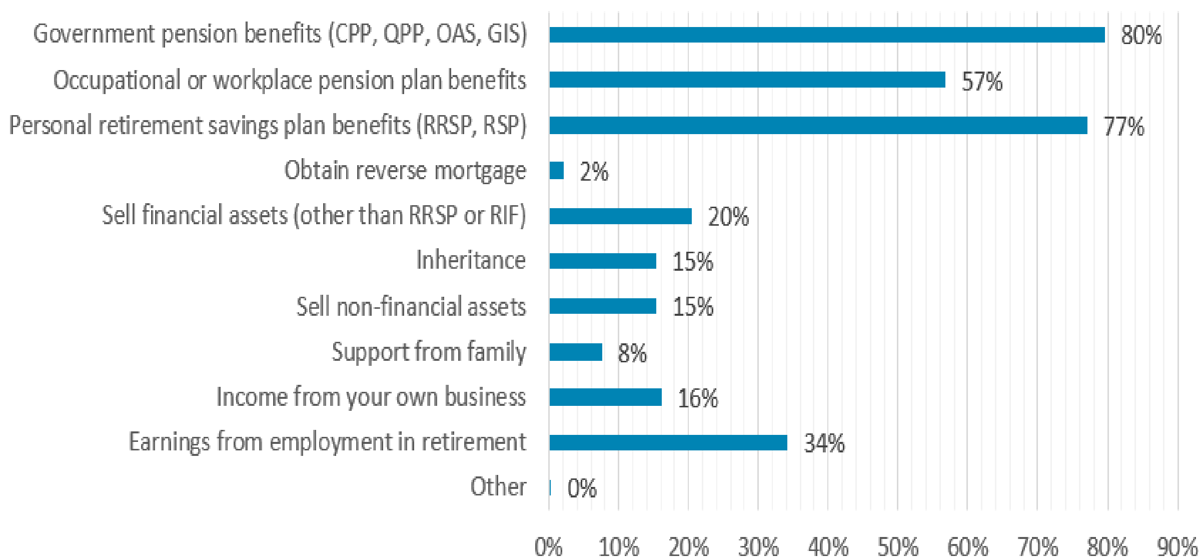
Survey data show that all Canadians would benefit from having a clearer understanding of how much they need to save for retirement. As is the case with findings related to budgeting, a long-term financial goal is likely to help consumers to prioritize under conditions of financial constraint throughout different life stages (Fernbach, Kan, & Lynch, 2015).

How Canadians are saving for retirement

The CFCS 2014 asked Canadians who are not yet retired to list ways in which they are financially preparing for their retirement, as well as their primary source of retirement income.

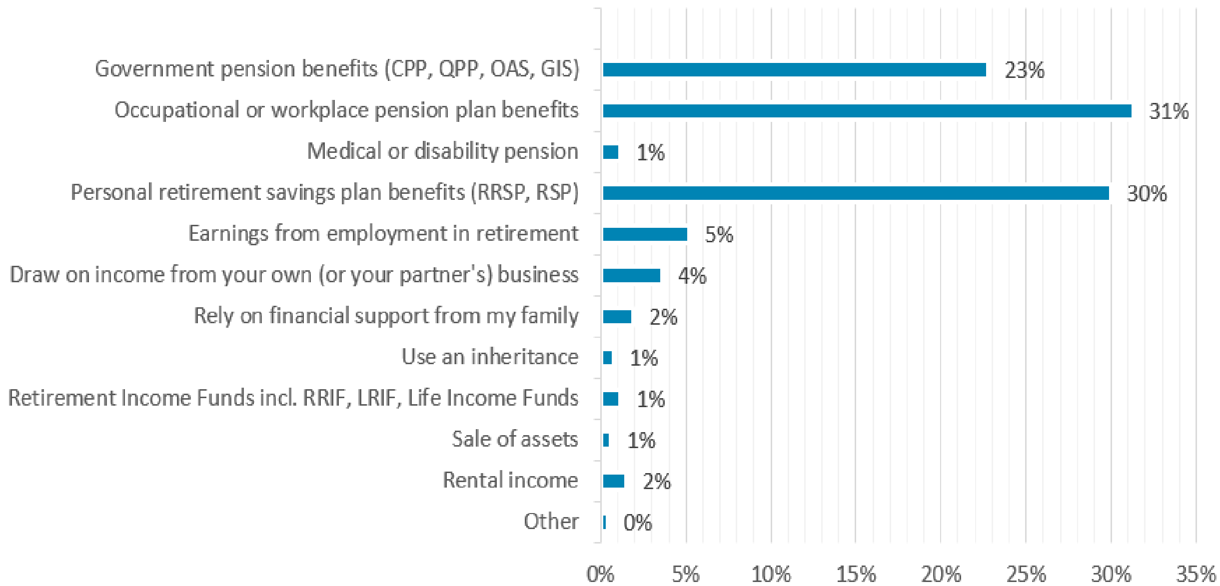
Survey results show that for Canadians, government pension benefits (80%) and personal retirement savings (77%) are the most commonly used methods of saving for retirement, followed by occupational and workplace pensions (57%) (Figure 37). Of note and possible concern, one third (34%) of Canadians include ongoing employment earnings in their retirement income plan. While some in this group may simply wish to continue working, it is likely that others will need to work to cover shortfalls in their retirement income.

Figure 37: Which of the following are included in your retirement plan—Canadian population, among non-retirees, multiple responses allowed



Canadians are most likely to believe that their main source of income in retirement will be workplace pensions (31%), personal retirement savings (30%), and government pension benefits (23%) (Figure 38). However, 5% indicate that employment income will be their main source of income in retirement—suggesting that for this group, other retirement sources, such as savings and pensions, may be considered to be inadequate.

Figure 38: What do you think your main source of income will be in retirement—Canadian population, among non-retirees



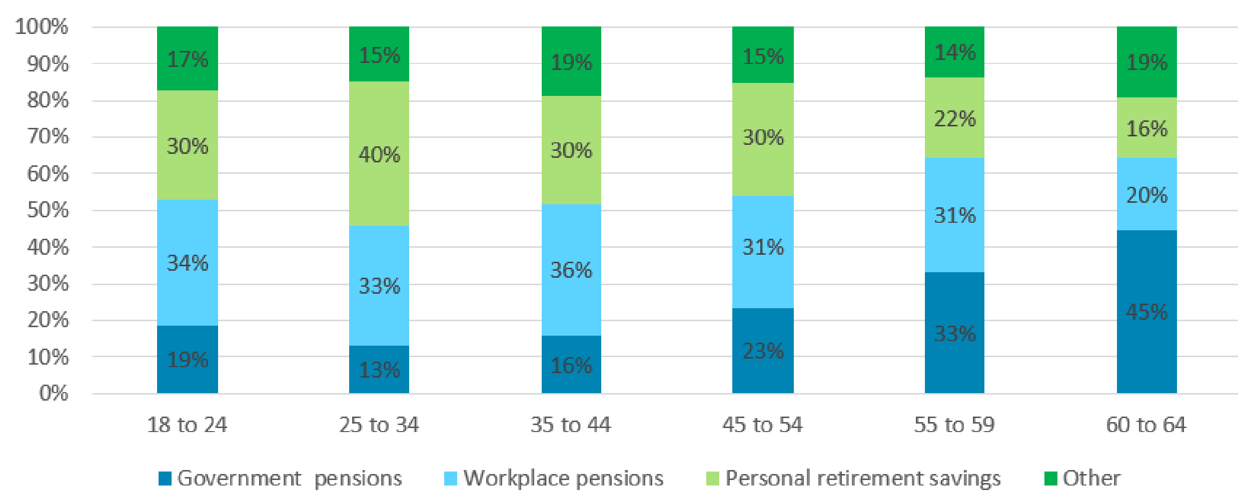
Canadians across all population groups identify the main source of retirement income in a similar pattern (Figure 39). Low-income earners say that they intend to rely more heavily (43%) than others on government pension benefits and this same group is less likely (31%) than others to say they are financially preparing for retirement (Figure 28). There may be a number of reasons behind this planned reliance on government benefits, including that Canada's public retirement system allows some lower income earners to maintain a pre-retirement standard of living (Mintz, 2009).

Aboriginal Canadians living off reserve (33%) are more likely than other groups to say they will rely mainly on workplace pensions, which suggests a high level of employment in jobs that offer pension schemes (Figure 39). One third (33%) of newcomers to Canada say they plan to rely mainly on personal retirement savings. However, almost two thirds (62%) of newcomers say they don't know how much they need to save for retirement (Figure 33).

Figure 39: What do you think your main source of income will be during your retirement—Population group, among non-retirees

Survey results show that the proportion of people who believe that government pensions will be their main source of income increases with age, while the proportion saying that workplace pensions and personal retirement savings will be their main source of income decreases with age (Figure 40).

Figure 40: What do you think your main source of income will be during your retirement—Age group, among non-retirees



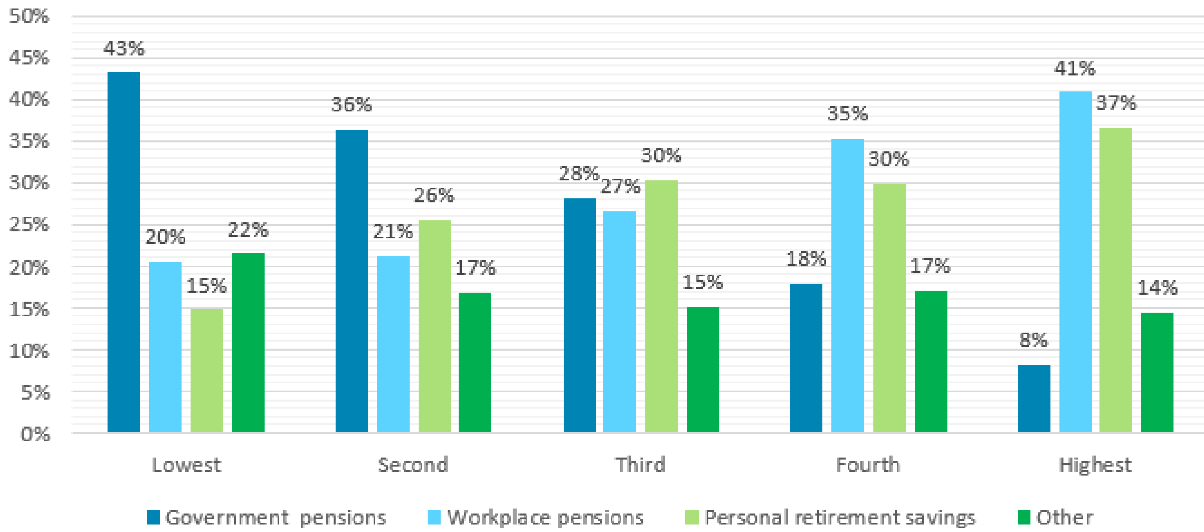
Canadians with high school education or less are more likely (35%) than those with more education to believe that government pensions will be their main source of retirement income (Figure 41). Perhaps not surprisingly, as education level increases, so too does the proportion of

Canadians who believe workplace pensions or personal retirement savings will be their main source of retirement income.

Figure 41: What do you think your main source of income will be during your retirement—Education level, among non-retirees

Looking at sources of planned retirement income by income quintile (Figure 42), survey data show that at each higher income quintile, Canadians are less likely than those in the previous quintile to identify government pensions as their main source of retirement income. At the highest quintile, only 8% see this as their main source of retirement income (compared to 43% at the lowest quintile). Workplace pensions and personal retirement savings are increasingly likely to be named as the main source of retirement income as income level increases, with those in the highest income quintile saying that workplace pensions (41%) and personal retirement savings (37%) will be their main source of retirement income.

Figure 42: What do you think your main source of income will be during retirement—Income quintile, among non-retirees



How Canadians are saving for retirement . . .

Discussion

As in 2009, a majority of Canadians plan to rely on government benefits, personal savings and workplace pensions as part of their retirement income. One third of Canadians plan to continue generating income via employment during retirement as part of their retirement plan, with 5% of this group expecting employment income to be their main source of retirement income. While this is a small portion of the population, it is significant because it suggests that some Canadians are not saving and must remain in the labour force to make ends meet during their senior years.

Low-income earners are unique amongst the demographic groups examined, with this group more likely than others to identify government benefits as a significant source of retirement income. Canadians with higher education levels and higher income are less likely to plan to rely on government benefits and more likely to rely on personal retirement savings and workplace pensions.

III Conclusion

This report describes key results of the 2014 Canadian Financial Capability Survey (CFCS). It provides a benchmark of how Canadians are doing with respect to a number of indicators of financial well-being—information that will strengthen work on the focus areas for financial literacy.

Too few Canadians have a budget.

It is clear from the CFCS 2014 findings that too few Canadians are creating a budget. It is troubling that the proportion of the population who budget has decreased since 2009. A more encouraging finding is that the vast majority of those who do create a budget stay within their budget nearly all of the time. This pattern holds across all groups studied, which suggests that if more Canadians began budgeting, there would be an overall increase in the proportion of the population living within their means.

Canada's Aboriginal population and low-income earners are under higher financial stress.

Findings on total debt and types of debt, when considered together with ability to pay bills, tell us that Aboriginal peoples living off reserve and low-income earners are under higher financial stress than other demographic groups studied. Accumulated debt levels may be inhibiting the ability of people in these demographic groups to pay their bills on time. This can have a cyclical impact which can negatively affect the ability to become financially stable.

Higher income earners have the highest debt levels—and don't struggle to pay bills.

This study indicates that higher incomes result in higher debt loads for many individuals. Even though high-income earners carry more debt, they are not struggling to keep up with their bills. Further analysis suggests that the types of debt these individuals have are wealth-building debts such as mortgages, as compared to consumer debt such as credit cards. Credit cards and other forms of consumer debt with little wealth building capacity are very common among all groups studied. Financial consumer education should continue to emphasize the risks of carrying excessive debts.

Canadians are not doing enough to secure their retirement

Canadians start saving for retirement later in life, likely because in their younger years they are focused on debt related to school, mortgages and credit cards. Of particular concern is that a relatively small proportion of Canadians know how much they need to save for retirement—a factor that reduces their capacity to plan effectively for retirement. Education efforts must encourage Canadians to inform themselves and put in place a plan to fulfill their financial goals.

A plan includes setting up a budget, which is a highly effective way for Canadians to manage their debt and save for the future.

As found in 2009, low-income earners, Aboriginal peoples living off reserve and newcomers to Canada are especially at risk of financial hardship in retirement as they are less likely to be aware of how much they need to save for retirement and least likely to be saving for those years. Encouraging these demographic groups to adopt a budget and set retirement planning as a goal is a clear financial education priority.

Completing post-secondary education goes hand-in-hand with better financial management and well-being.

Academic achievement has a visible effect on an individual's performance in every category addressed in the CFCS 2014. In general, higher academic achievement is linked to more favourable self-reporting on most aspects of financial management and well-being. Interestingly, those with some college, trade or university consistently report less favourable financial characteristics (such as student debt, and lower likelihood of saving for their children's education or their own retirement). For many in this group, this likely reflects their status as a current student. However, studies indicate that former students in this group do not benefit from income associated with higher academic completion and so may be struggling to pay off education-related and other debts. In turn, this may inhibit their ability to address other aspects of financial planning such as saving for retirement or a child's education. More attention could be focused on education for this population of former students who have not completed their post-secondary education.

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Appendix A: About the Canadian Financial Capability Survey 2014

The following information about the 2014 Canadian Financial Capability Survey has been excerpted from the Statistics Canada website.[9]

Description

The Canadian Financial Capability Survey (CFCS) 2014 sheds light on Canadians' knowledge, abilities and behaviour concerning financial decision-making. In other words, how Canadians understand their financial situation, the financial services available to them and their plans for the future. The survey is designed to collect information surrounding respondents' approaches to day-to-day money management and budgeting, longer term money management and general financial planning.

Target population

The target population for the CFCS is all persons 18 years of age and over living in Canada. Full-time residents of institutions and residents of the Yukon, Northwest Territories and Nunavut are not included in this survey. Telephone numbers that might correspond to these areas have been excluded from the sample.

Instrument design

In the case of the Canadian Financial Capability Survey, it was proposed from its conception in 2009 that it be collected by telephone interview; an approach that reflected previous successes in other countries with similar subject matter. A first round of cognitive testing, including one-on-one interviews and focus group discussions, across Canada in spring 2007 confirmed that this was indeed the best way to proceed.

With the addition of Finance Canada and the Bank of Canada as active partners, the content was modified to reflect each of the partners data needs. This led to a second round of cognitive testing in only a few selected cities in the spring of 2008. The computer-assisted telephone interviewing (CATI) application was developed and tested during the summer and fall months in 2008.

In an attempt to maintain comparability, the 2014 Canadian Financial Capability Survey has kept the 2009 CFCS's content intact, making only very slight updates where necessary. The 2014 application was then re-developed and tested in the early months of 2014.

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[9] This information was accessed on June 30, 2015, from the Statistics Canada website: http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=5159

Sampling

This is a sample survey with a cross-sectional design.

This sample survey is based on the current Labour Force Survey (LFS, record number 3701) cross-sectional design, a very complex design of a probability sample that is based on a stratified multi-stage design. Each province is divided into large geographic stratum. The first stage of sampling consists of selecting smaller geographic areas, called clusters, from within each stratum. The second stage of sampling consists of selecting dwellings from within each selected cluster. The LFS covers the civilian, non-institutionalized population 15 years of age and over.

The LFS uses a rotating panel sample design so that selected dwellings remain in the LFS sample for six consecutive months. Each month about 1/6th of the LFS sampled dwellings are in their first month of the survey, 1/6th are in their second month of the survey, and so on. One feature of the LFS sample design is that each of the six rotation groups can be used as a representative sample by itself. To ensure people from all parts of the 10 provinces were represented in the CFCS sample, we took two rotation groups and selected a systematic sample from this based on a power allocation (a balance between a proportional and equal allocation of the provinces) to ensure estimates at the national level are releasable.

Data sources

Data collection for this reference period: 2014-05-12 to 2014-06-21

Responding to this survey is voluntary.

Data are collected directly from survey respondents.

Proxy interviews are not permitted.

Data are collected using computer-assisted telephone interviewing (CATI). A front-end module contains a set of standard response codes for dealing with all possible call outcomes, as well as the associated scripts to be read by the interviewers. A standard approach set up for introducing the agency, the name and purpose of the survey, the survey sponsors, how the survey results will be used, and the duration of the interview is used.

The CATI application ensures that only valid question responses are entered and that all the correct flows are followed. Edits are built into the application to check the consistency of responses, identify and correct outliers, and to control who gets asked specific questions. This means that the data are already quite “clean” at the end of the collection process.

Appendix B: Description of Key Variables

Figure B1: Demographic groups

In a couple relationship	**GGMARSTAT**	Individuals who are married or are living common law
Not in a couple relationship	GGMARSTAT	Individuals who are single, widowed, separated, or divorced
Aboriginal	DM_Q06	Individuals who identified as an Aboriginal person
Low-income	HINCQUIN	Individuals whose household income was below $32,000 a year
Newcomer	DM_Q05	Individuals who immigrated to Canada in 2000 or later
Immigrant	DM_Q04	Individuals who immigrated to Canada at any year

The variable GGMARSTAT from the Canadian Financial Capability Survey (CFCS) 2014 is used to determine the marital status of respondents. Those who identified themselves as married or living in a common-law relationship were designated as “In a relationship” while respondents who were widowed, separated, divorced or single were considered to be “Not in a relationship.”

The variable DM_Q06 gives details about a respondent’s Aboriginal status. Those who identified themselves as having status were designated as “Aboriginal” while those who did not were not given any classification.

The term “low-income” is a very specific metric from Statistics Canada which requires researchers to know the proportion of income spent on basic necessities (food, shelter, clothing, etc.). Since our analysis did not have access to this information from the CFCS, our definition of “low-income” is likely to have a different threshold than others. Using the variable HINCQUIN which measures household income by income quintile, we defined “low-income” as household within the lowest income quintile (an income between $0 and $32,000 per year).

The original CFCS survey which was available at the Data Research Centre in Ottawa used DM_Q05 to ask respondents what year they first immigrated to Canada. Those who arrived in the year 2000 or later were selected to be in our “newcomer” category. After the public release of CFCS data as a Public Use Microdata File, this question could no longer be accessed. As a result, future analysis relied on DM_Q04 which asked respondents if they had ever been landed immigrants (without specifying the year of arrival). Those who answered that they had indeed immigrated to Canada at some unspecified time were classified under the “immigrant” variable.

Figure B2: Region descriptions

Atlantic	**GREGION**	Individuals living in Atlantic provinces: New Brunswick; Nova Scotia; Newfoundland and Labrador; or Prince Edward Island
Quebec	GREGION	Individuals living in Quebec
Ontario	GREGION	Individuals living in Ontario
Manitoba, Saskatchewan and Alberta	GREGION	Individuals living in Manitoba or Saskatchewan or Alberta
British Columbia	GREGION	Individuals living in British Columbia

The variable GREGION asks respondents about which part of the country their primary residence is in. Five different grouped regions were specified: (1) Atlantic; (2) Quebec; (3) Ontario; (4) Manitoba, Saskatchewan and Alberta; and (5) British Columbia. These groupings were left unaltered during the analysis conducted within this project. The Atlantic Provinces were grouped together due to the small sample size of each individual province. The grouping of Manitoba, Saskatchewan and Alberta was also done due to small sample sizes.

Figure B3: Education level descriptions[10]

High school diploma or less	**DM_G08**	Individuals who either did receive their high school diploma equivalent or did not
Some college, trade or university	DM_G08	Individuals with some college, trade, vocational or technical school, CEGEP, or university without a certificate, diploma or degree
College or trade	DM_G08	Individuals with college, trade, vocational or technical school, CEGEP, certificate or diploma
University	DM_G08	Individuals with a university undergraduate degree as well as those with graduate degrees and professional degrees

The variable DM_G08 asks respondents about the highest level of schooling they attained. Five different levels of education were specified: (1) high school or less; (2) some college or university but without a degree; (3) completed college, trade or vocational school; (4) completed undergraduate university

[10] This reports on the highest level of education attained by the individual. It excludes individuals from categories that preclude their highest level—for example, those with a university degree are excluded from "high school diploma or less."

degree; and (5) attained a university graduate degree or a professional degree. Due to concerns about small sample sizes, our analysis grouped the latter two categories into a single one which included university graduates with any type of degree.

Figure B4: Income quintile descriptions

Lowest	**HINCQUIN**	Individuals whose household income was below $32,000 a year
Second	HINCQUIN	Individuals whose household income was between $32,001 and $54,999 a year
Third	HINCQUIN	Individuals whose household income was between $55,000 and $79,999 a year
Fourth	HINCQUIN	Individuals whose household income was between $80,000 and $119,999 a year
Highest	HINCQUIN	Individuals whose household income was over $120,000 a year

The variable HINCQUIN was used to describe respondents according to their household income level by quintile. As seen in Figure B4 above, five income levels were given. This grouping was left untouched when conducting an analysis of household income.

Figure B5: Managing money and debt questions

Keeping track of money	**SA_Q02**	Self-assessment of how well the respondent keeps track of money
Making ends meet	SA_Q03	Self-assessment of how well the respondent makes ends meet
Keeping up with bills and payments	OE_Q17	Does the respondent regularly keep up with bills and financial commitments?
Behind in one or more bills	LATEPMTP	Has the respondent been behind in one or more bills for two consecutive months over the last 12 months?
Household budget	OE_Q11	Does the respondent have a household budget?
Staying within a budget	OE_Q12	How often does individual stay within budget?
Checking account balances	OE_05	How often does respondent check account balance?
Type of debt	AD_Q11A – AD_Q11H	What type of debt or liabilities does the respondent currently have?
How much debt	AD_G12	What is the estimated total value of debt and liabilities?

As part of the subjective assessment section, respondents are asked: How would you rate yourself on each of the following areas of financial management: . . . keeping track of money? (SA_Q02); . . . making ends meet? (SA_Q03).

Question OE_Q17 asks respondents if they regularly keep up with bills and financial commitments. Four different options are given: (1) keeping up with all bills and commitments with no problems; (2) keeping up with bills and commitments but sometimes struggling; (3) having real financial problems; and (4) don't have any bills or credit commitments. Only the first three options were examined in our analysis.

Question LATEPMTP asks respondents if they have been behind in any bill payments for two consecutive months over the past year. Three options are given: (1) behind in none; (2) behind in one; and (3) behind in two or more. Our analysis recoded this question into a binary "yes'' or "no" format. Those who were behind in no bills over the last year were in one group, while those behind in one bill were grouped together with those who were behind in two or more.

Question OE_Q11 asks respondents if they have a household budget. Two options are given: (1) yes; and (2) no. This variable was left unchanged in our analysis. OE_Q12 is a follow-up question which asks those respondents who indicated they had a budget how often they stayed within it. Four options are given: (1) always; (2) usually; (3) rarely; and (4) never. Our analysis recoded this question into a binary format—those who indicated that they "always or usually" stayed within their budget, and those who "rarely or never" stayed in their budget.

Question OE_05 asks respondents how often they check their account balance or balances. There are five options to choose from: (1) daily; (2) weekly; (3) every two weeks; (4) monthly; and (5) yearly. Due to small sample size for the fifth category of checking account balances "yearly," only the first four options were detailed in our analysis.

Questions AD_Q11A to AD_Q11H outline the different kinds of debt which a respondent, or anyone in their family, currently has. We selected only four of these types of debts for our analysis. These include: (1) mortgage debt (AD_Q11A); (2) student loan debt (AD_Q11B); (3) outstanding credit card balances (AD_Q11E); and (4) outstanding balances on lines of credit (AD_Q11F).

Question AD_G12 asks respondents to estimate the current value of their debt and liabilities. Six options are given: (1) under $50,000; (2) between $50,000 and $99,999; (3) between $100,000 and $149,000; (4) between $150,000 and $199,999; (5) between $200,000 and $249,999; and (6) $250,000 and more. Our analysis grouped these amounts together into three potential options: (1) debts less than $50,000; (2) debts between $50,000 and $149,999; and (3) debts of $150,000 and above.

Figure B6: Planning for the future questions

Saving for children's education	**EF_Q02**	**Has the respondent saved to support the cost of their children's post-secondary education?**
Using a Registered Education Savings Plan (RESP)	EF_Q04A	Is the respondent saving using an RESP?

Confident that retirement income will be sufficient	RP_Q08	How confident is the respondent that household income at the time of retirement will be sufficient for a desired standard of living?
Financially planning for retirement	RP_Q01	Is the respondent planning for retirement either on their own or through an employee pension plan?
Know how much is needed to save for retirement	RP_Q09	Does respondent have a good idea of how much money is needed to maintain a desired standard of living in retirement?
Retirement plan	RP_Q02	What sources of income are included in the respondent's retirement plan?
Main source of retirement income	RP_Q07	What will be the primary source of income in retirement?

Question EF_Q02 asks respondents with children less than 18 years of age if they have saved or are currently saving to support the cost of their children's post-secondary education. Two potential responses are given: (1) yes; and (2) no. Question EF_Q04A is a follow-up and asks respondents if they had made use of a Registered Education Savings Plan (RESP). Again, two options are given: (1) yes; and (2) no. Neither of these variables were altered for our analysis.

Question RP_Q08 asks respondents if they are confident that their retirement income will be sufficient to maintain a desired standard of living in retirement. Four options are given: (1) very confident; (2) fairly confident; (3) not very confident; and (4) not at all confident. This variable was unchanged during our analysis.

Question RP_Q01 asks respondents if they are planning for retirement either on their own or through an employee pension plan. Two potential answers can be given: (1) yes; and (2) no. This variable was unchanged during our analysis.

Question RP_Q09 asks respondents if they have a good idea of how much money will be needed to maintain a desired standard of living in retirement. Two potential answers can be given: (1) yes; and (2) no. Once again, this variable was unchanged during our analysis.

Question RP_Q02 asks respondents to name all the sources of revenue they include in their financial plan for retirement. Our analysis grouped all eleven potential income sources into four of the most prevalent sources: (1) government pensions; (2) workplace pensions; (3) personal retirement savings; and (4) all other sources (such as medical or disability pensions, sales of assets, etc.). Question RP_Q07 was used as a follow-up and asks respondents what their expected primary source of income will be in retirement. Of the twelve potential sources of income, our analysis once again grouped these into four: (1) government pensions; (2) workplace pensions; (3) personal retirement savings; and (4) all other sources.

Appendix C: Additional Findings—Regional Perspectives

Keeping up with bills

Figure C1: Keeping up with bills and payments—Region

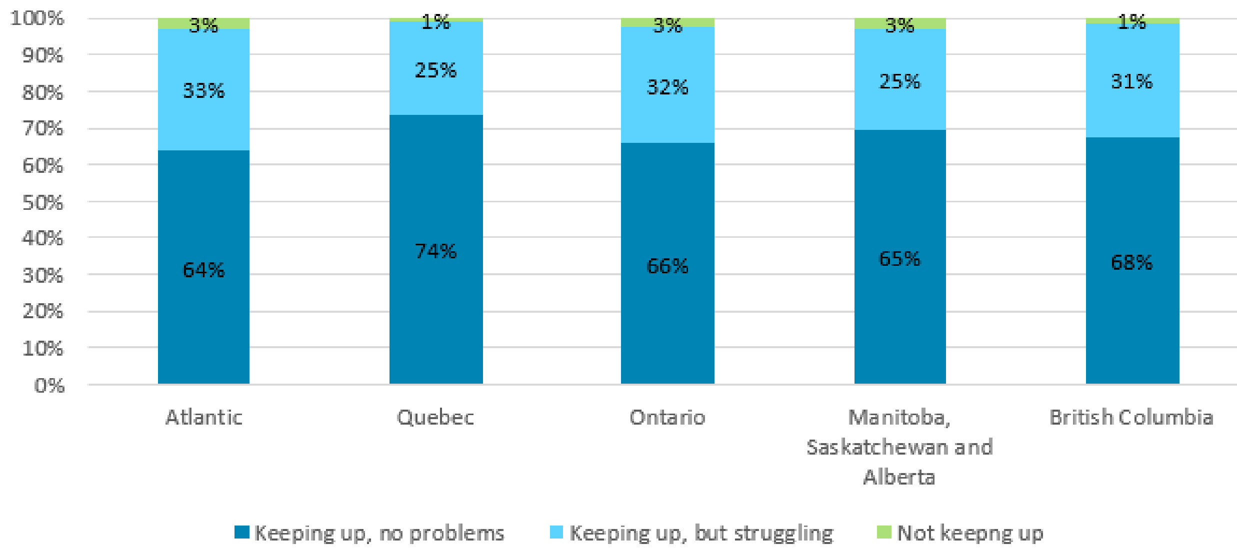

Figure C2: Behind in one or more payments (bills, housing, loans)—Region

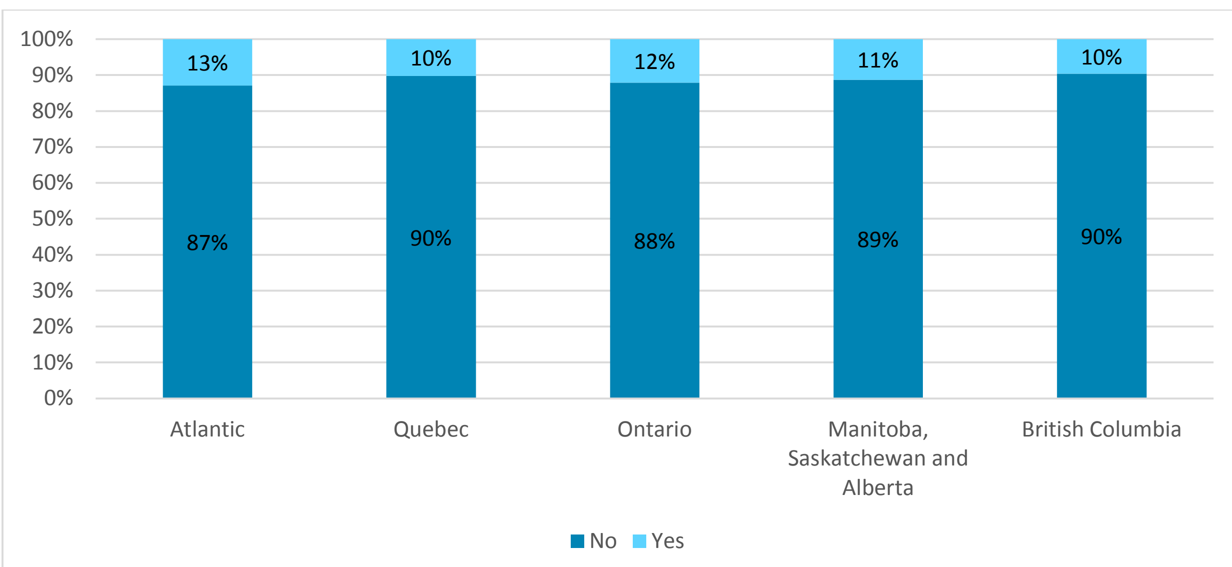

Figure C3: What type of debt do you have—Region

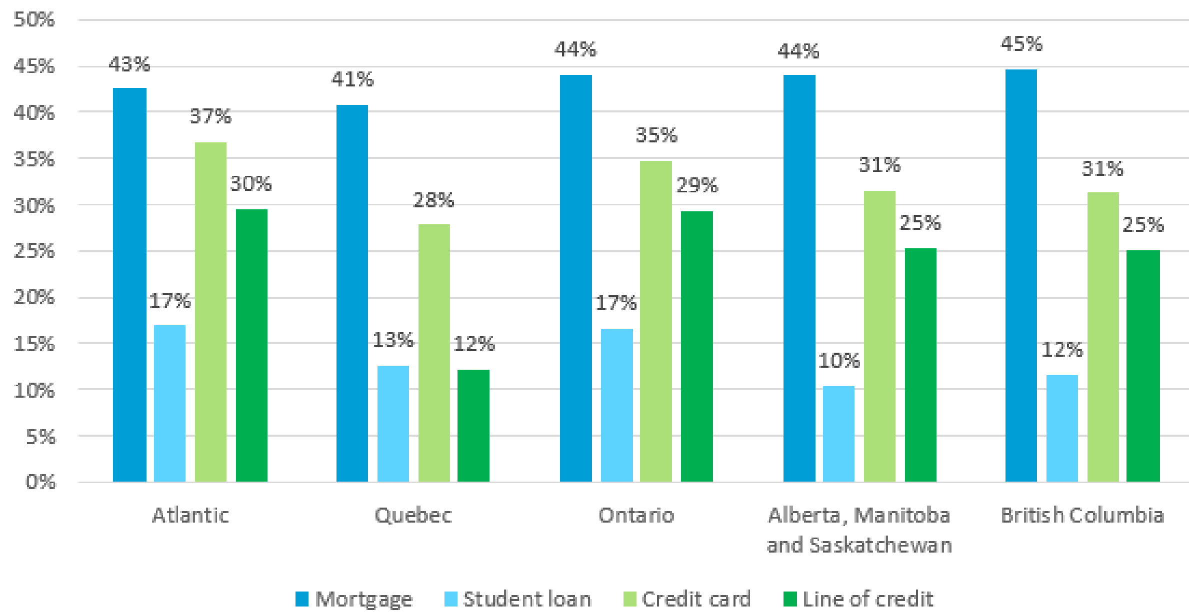

Figure C4: How much debt do you have—Region

Figure C5a: Do you have a budget—Region

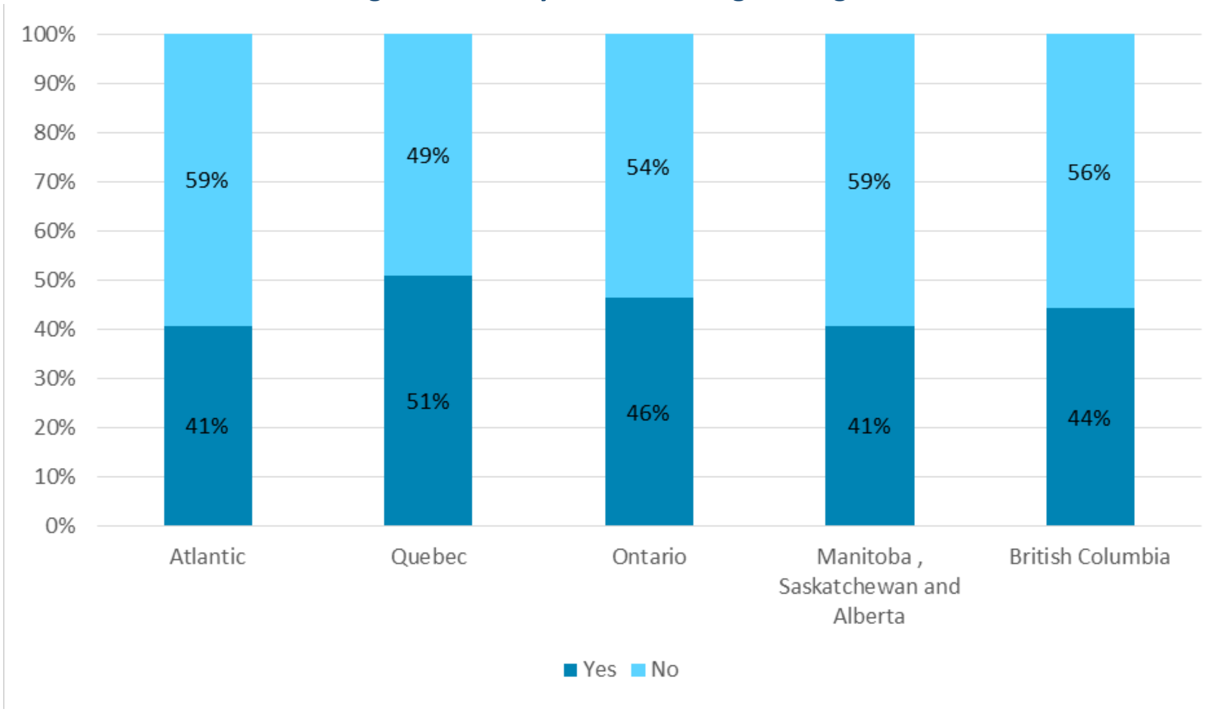

Figure C5b: Do you stay within your budget—Region

	Atlantic	*Quebec*	*Ontario*	*Manitoba, Saskatchewan and Alberta*	*British Columbia*
Always or usually	91%	96%	91%	92%	92%
Rarely or never	9%	4%	9%	8%	8%

Figure C6: How often do you check your account balance—Region

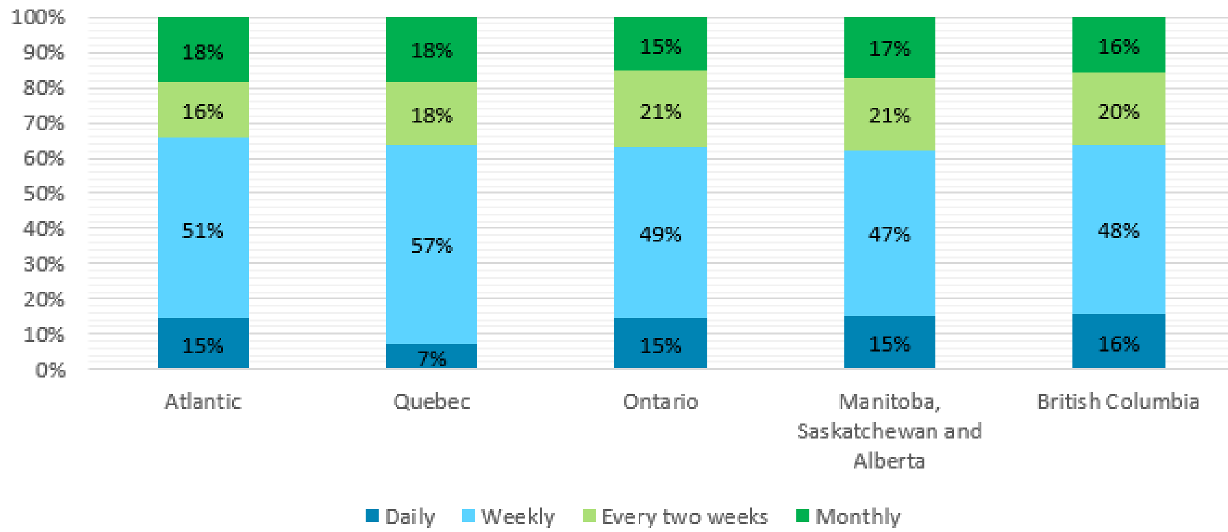

Figure C7: Are you financially preparing for your retirement—Region, among non-retirees

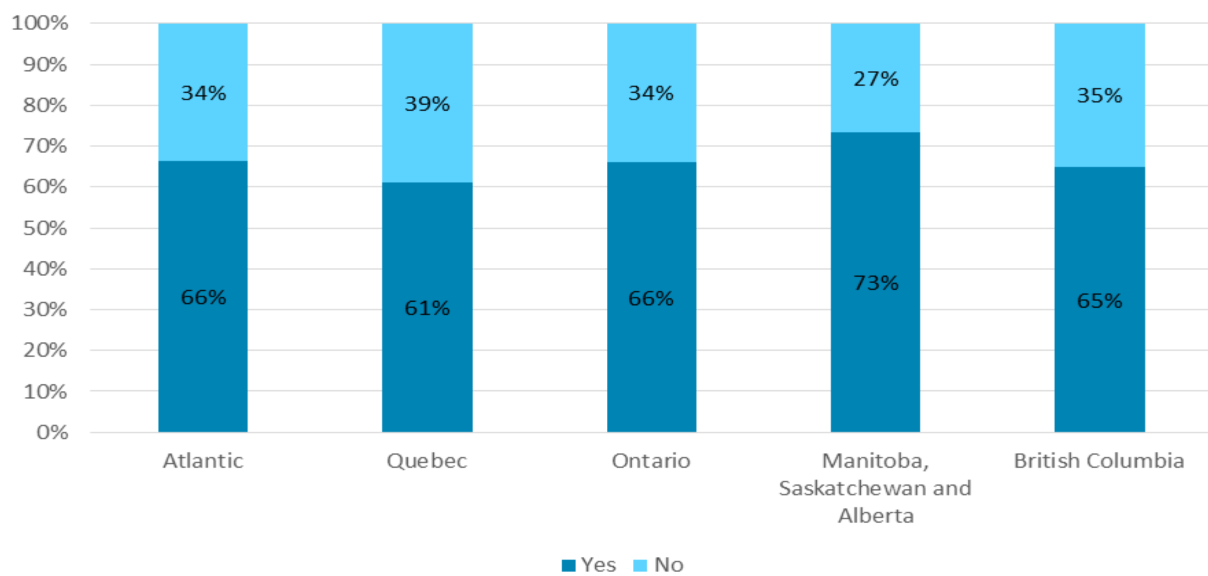

Figure C8: Do you know how much you need to save for your retirement—Region, among non-retirees

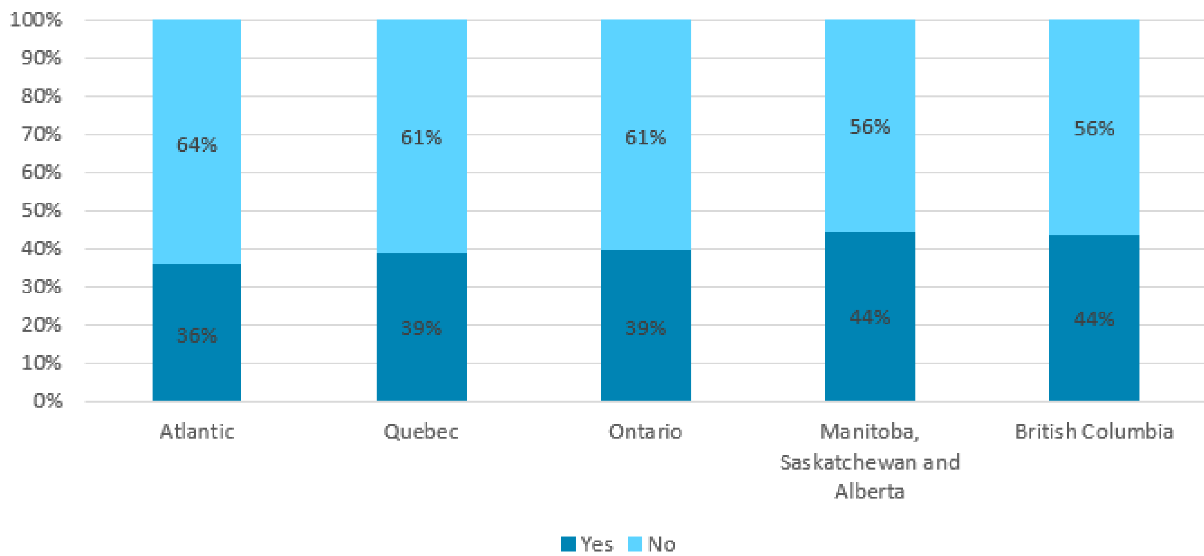

Figure C9: Saving for your children's education—Region

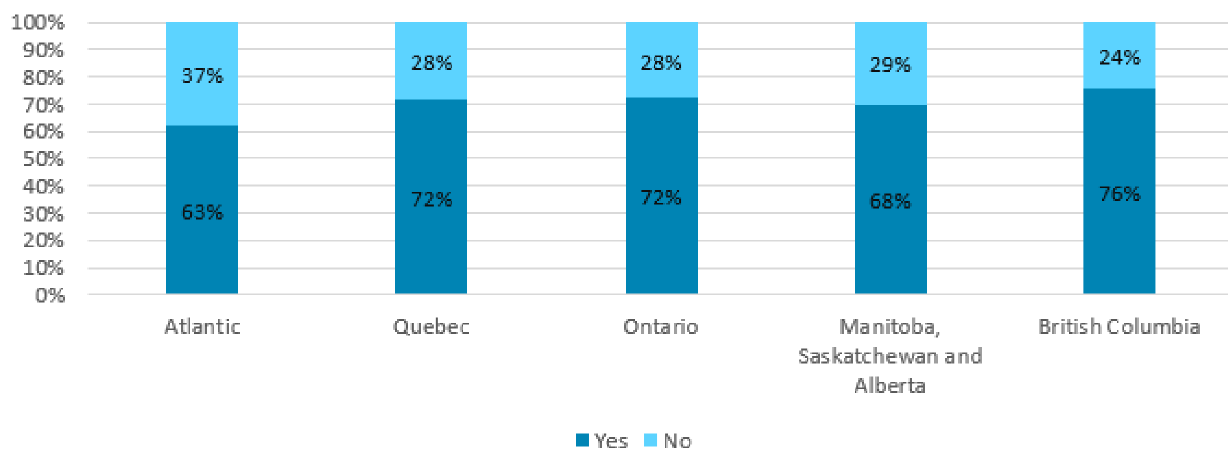

Figure C10: Saving using RESPs—Region

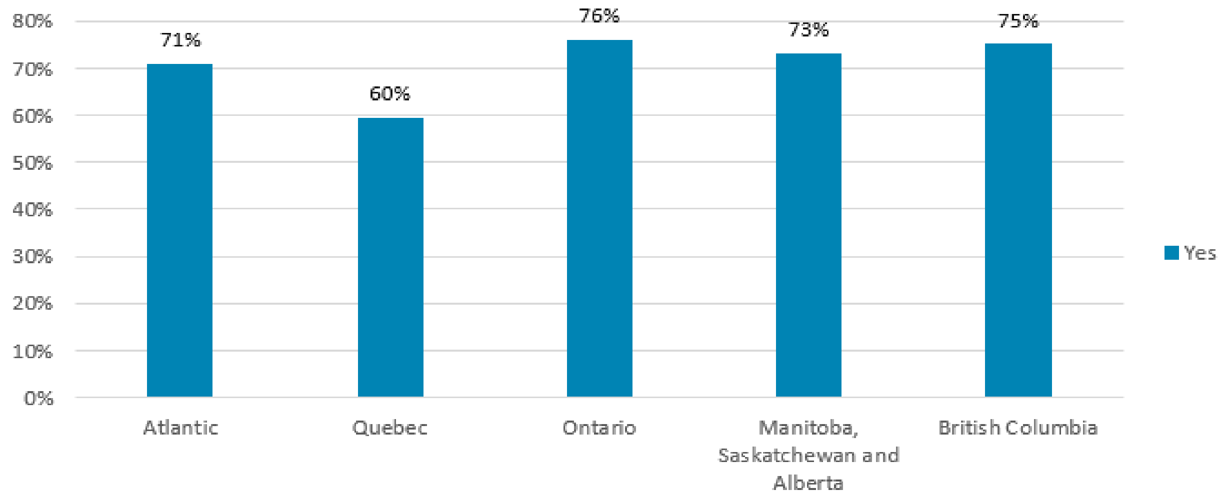

Figure C11: What do you think your main source of income will be during your retirement—Region, among non-retirees