

CPA Canada 2018 Canadian Finance Study

Background document

On behalf of: Chartered Professional Accountants of Canada

November 1, 2018



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA

COMPTABLES
PROFESSIONNELS
AGRÉÉS
CANADA

2018 CPA Canada Canadian Finance Study

Methodology

Nielsen conducted the CPA Canada 2018 Canadian Finance Study via an online questionnaire, from September 27, 2018 to October 3, 2018, with 2,042 randomly selected Canadian adults, aged 18 years and over, who are members of their online panel.

Note not all question data add up to 100 percent due to rounding or may add to higher than 100 where multiple answers were possible.

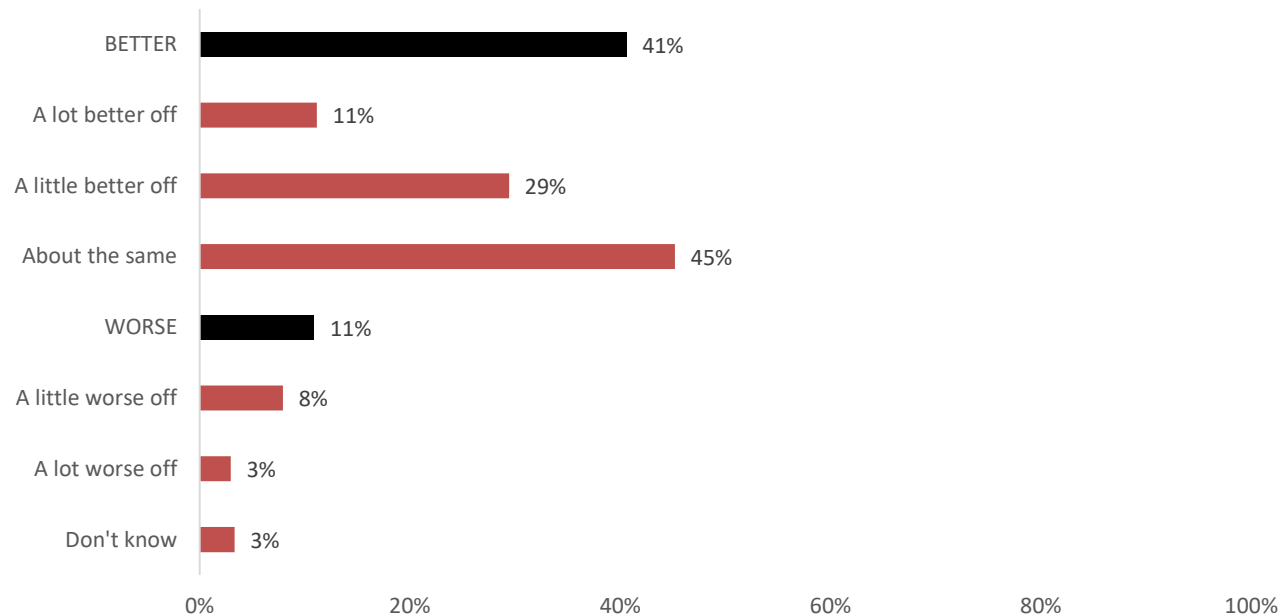
About CPA Canada

Chartered Professional Accountants of Canada (CPA Canada) is one of the largest national accounting organizations in the world, representing more than 210,000 members. Domestically, CPA Canada works cooperatively with the provincial and territorial CPA bodies who are charged with regulating the profession. Globally, it works together with the International Federation of Accountants and the Global Accounting Alliance to build a stronger accounting profession worldwide. CPA Canada, created through the unification of three legacy accounting designations, is a respected voice in the business, government, education and non-profit sectors and champions sustainable economic growth and social development. The unified organization is celebrating five years of serving the profession, advocating for the public interest and supporting the setting of accounting, auditing and assurance standards. CPA Canada develops leading edge thought-leadership, research, guidance and educational programs to ensure its members are equipped to drive success and shape the future. cpacanada.ca

2018 CPA Canada Canadian Finance Study

- Many Canadians (41 per cent) believe that their financial situation will improve over the next year, 45 per cent report their financial situation will be about the same in the next year and 11 per cent think it will get worse.

How Expect Financial Situation To Be in a Year Compared to Today

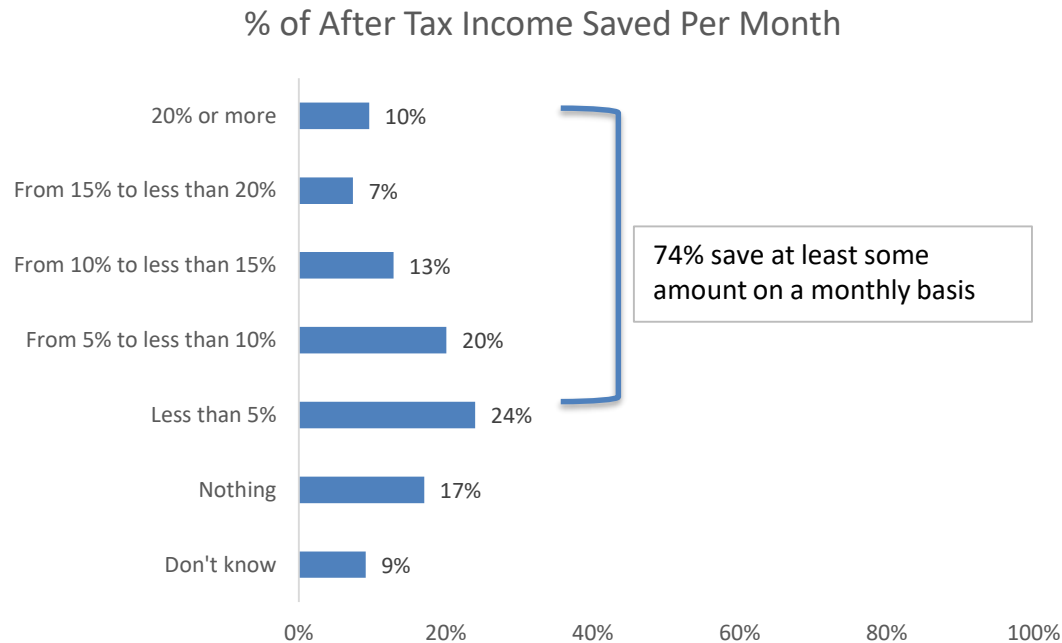


NEW1A: And thinking about your expected future financial prospects from now, would you say you expect to be a lot better off, a little better off, about the same, a little worse off, or a lot worse off in one year compared to now?

Base: All respondents (2,042)

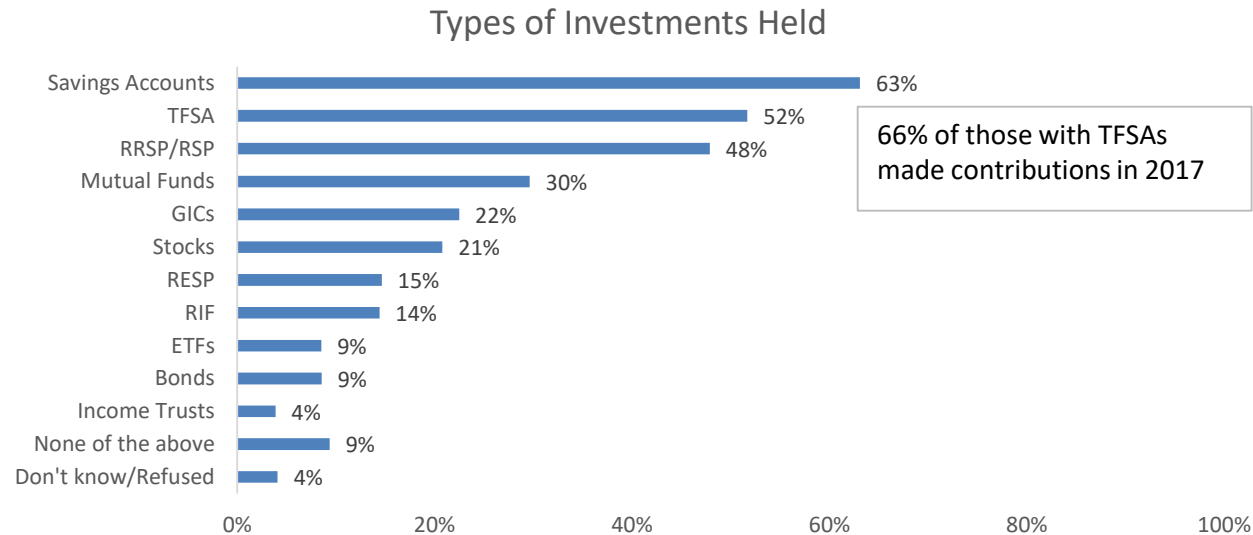
2018 CPA Canada Canadian Finance Study

- Of Canadians surveyed, 74 per cent contribute to their savings on a monthly basis.



2018 CPA Canada Canadian Finance Study

- For investments, the majority of those surveyed (63 per cent) have a savings account and 52 per cent have money in a Tax-Free Savings Account (TFSA). Of the TFSA investors, 66 per cent made contributions in 2017.
- In the case of parents with children under 18, 52 per cent of the respondents have invested money into a Registered Education Savings Plan (RESP).
- Only nine percent of respondents indicated they have no investments or accounts at all.



E9: And which of the following types of investments or accounts, if any, do you currently hold?
 Base: All respondents (2,042)

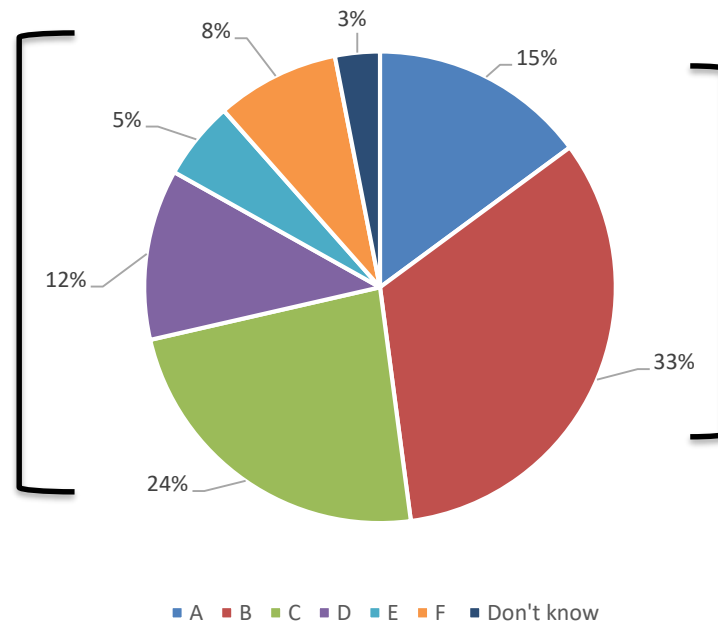
E10: Did you make a contribution to your own or your spouse's RRSP for the 2017 tax year? That would be a contribution made in 2017 or in January or February of 2018
 Base: Respondents with an RRSP (1,019)

E11: Did you make a contribution to your own or your spouse's TFSA in 2017?
 Base: Respondents with a TFSA (1,067)

2018 CPA Canada Canadian Finance Study

- Canadians are split in terms of how they view their overall personal financial skills with 48 per cent giving themselves a grade of B or higher and 49 per cent grading themselves C or lower, with three percent unsure.

Letter Grade For Overall Personal Finance Skills



49% rate their knowledge as "C" or less

48% rate their knowledge as "A" or "B"

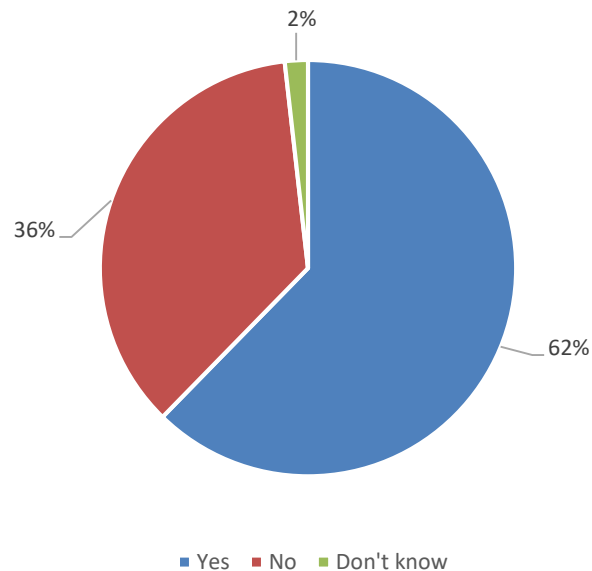
H1: If you were to give yourself a letter grade from A to F where A is "excellent" and F is "needs improvement", what would you give yourself when it comes to your overall skills in the area of personal finance, including saving, managing debt, investing, and budgeting?

Base: All respondents (2,042)

2018 CPA Canada Canadian Finance Study

- Sixty-two per cent have made cutbacks to day-to-day spending in the previous five years

Whether Cut Back on Day-to-Day Spending in Past Five Years



A2A: Which of the following activities have you done in the past five years?

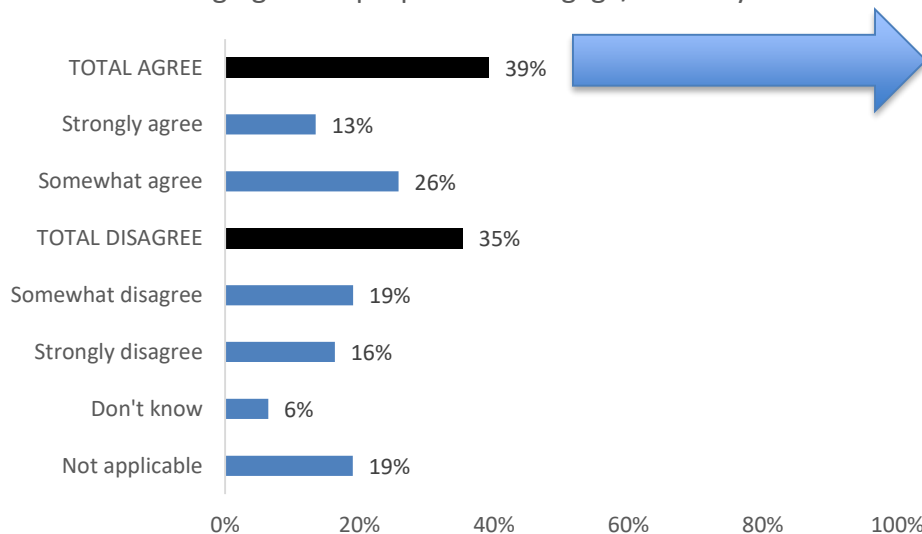
Cut back on day-to-day spending?

Base: All respondents (2,042)

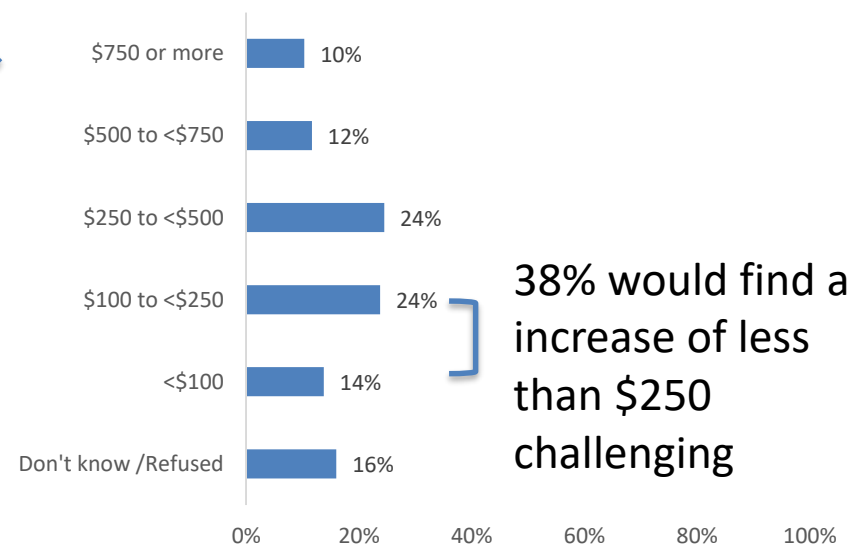
2018 CPA Canada Canadian Finance Study

- Thirty-nine per cent indicate that a significant rise in interest rates would make it challenging to keep up on their mortgage and/or debt payments.
- Of these, more than a third (38%) would struggle with an increase of less than \$250 per month or less in their mortgage or debt payments.

% Agree Significant Rise in Interest Rates Would Make it Challenging to Keep Up With Mortgage/Debt Payments



Amount Increase in Mortgage/Debt Payment That Would Make it Challenging to Pay



38% would find an increase of less than \$250 challenging

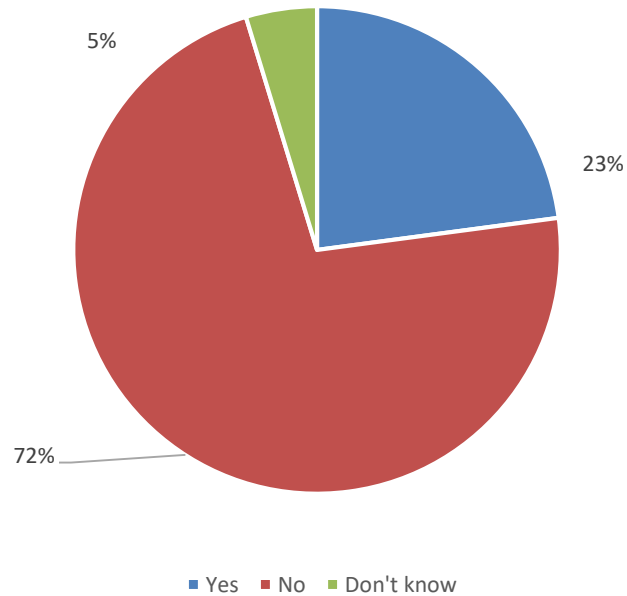
I3R: For each of the following statements, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.. "A significant rise in interest rates would make it challenging to keep up on my mortgage and/or debt payments"
Base: All respondents (2,042)

NEW3: What increase in your overall monthly payment would make it challenging to keep up on your mortgage and/or debt payments?
Base: All respondents agreeing to "A significant rise in interest rates would make it challenging to keep up on my mortgage and/or debt payments" (804)

2018 CPA Canada Canadian Finance Study

- Twenty-three per cent plan to carry over credit card debt to the following month

Whether Plan to Carry a Balance on Credit Card Over Next Month



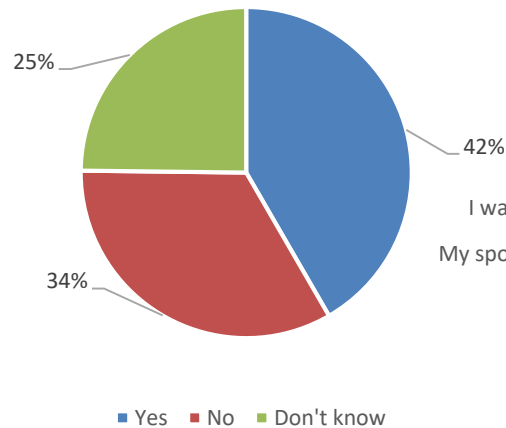
A4B: Do you plan to carry over a balance on a credit card over the next month?

Base: All respondents (2,042)

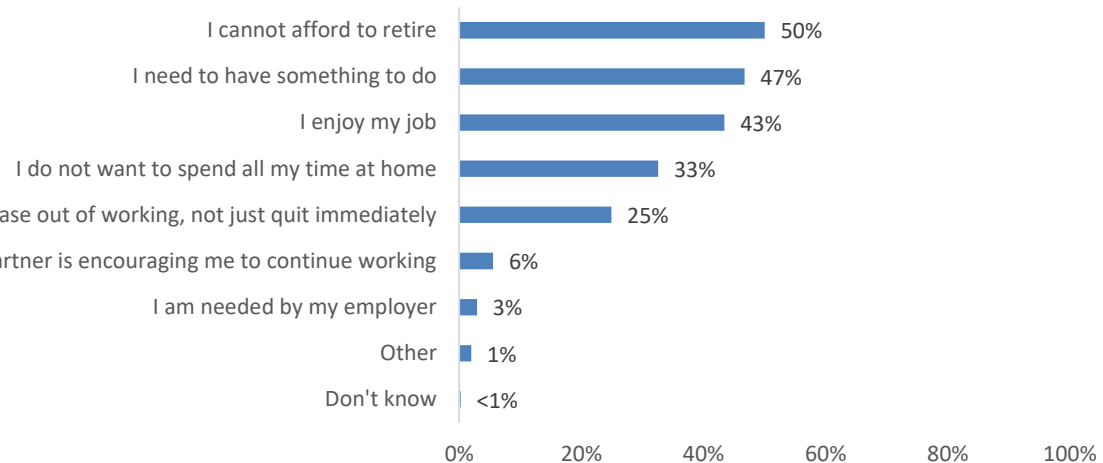
2018 CPA Canada Canadian Finance Study

- Forty-two per cent of respondents who are not already retired plan to work past 65 years of age, with the top reason, being unable to afford to retire, cited by half of those respondents

Whether Plan to Work Past 65



Reasons for Working Past 65

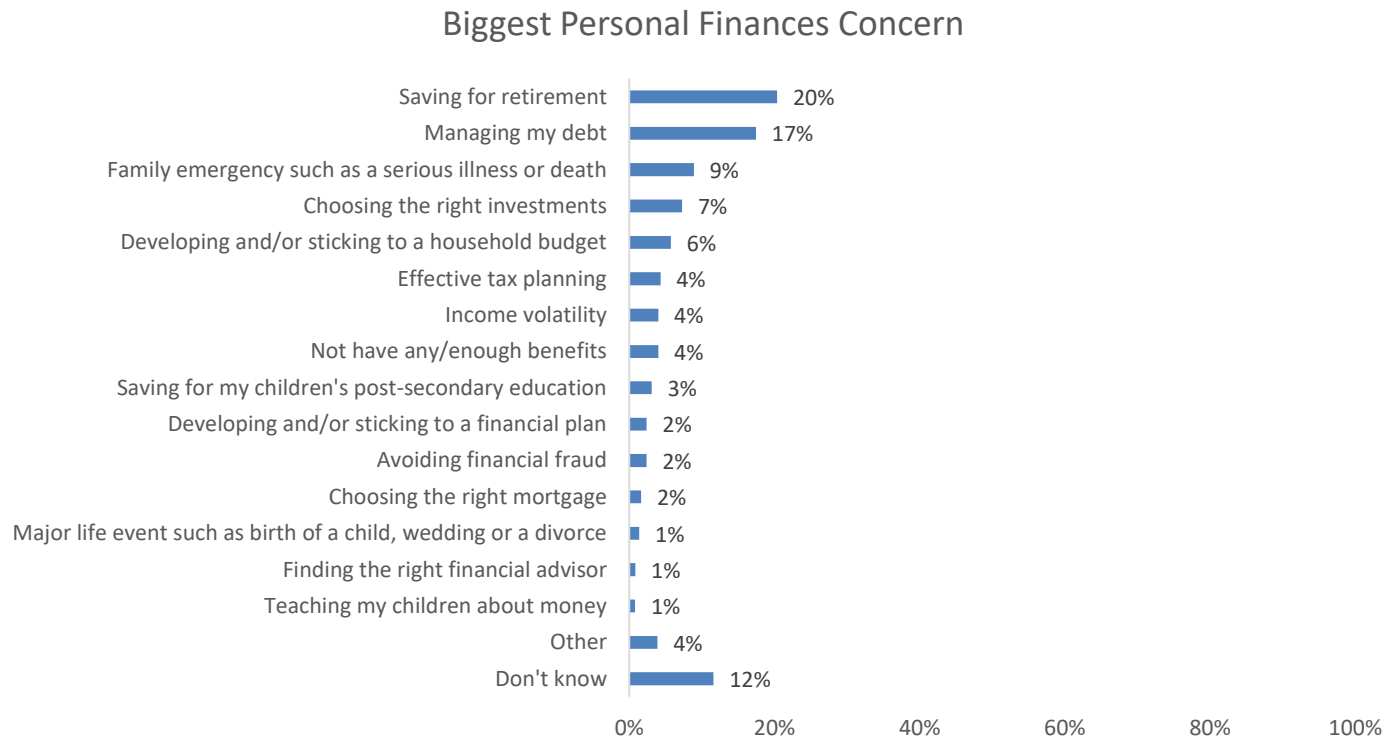


C1AA: According to your current retirement plans, do you plan to work past the age of 65, on at least a part-time basis?
Base: Respondents currently working (1,434)

C1AB: Why are you planning to work past the age of 65, on at least a part-time basis?
Base: Respondents currently working who plan to work past 65 years of age (596)

2018 CPA Canada Canadian Finance Study

- Of the Canadians surveyed, the most substantial personal financial concerns are saving for retirement (20 per cent) or managing debt (17 per cent).



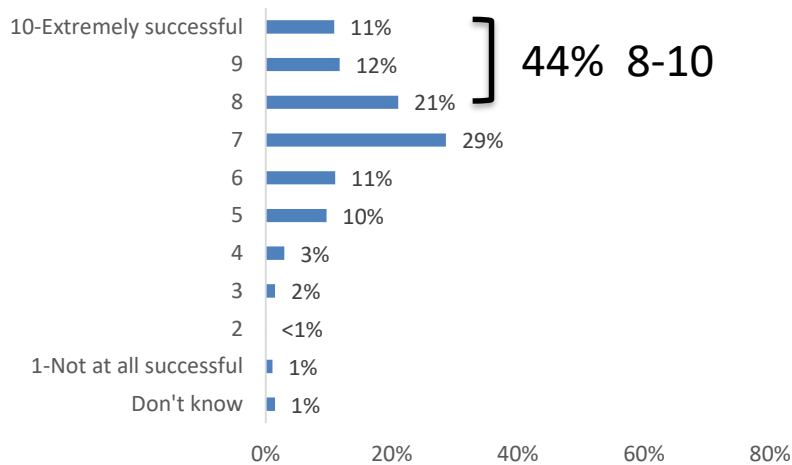
H2: What is your biggest concern about managing your personal finances?

Base: All respondents (2,042)

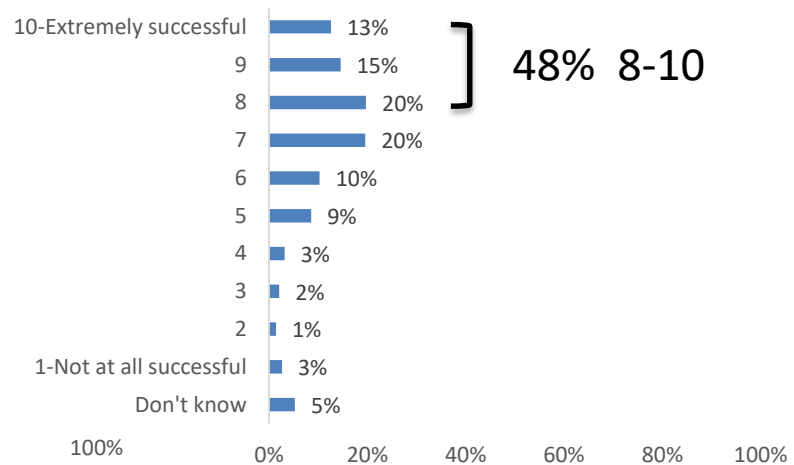
2018 CPA Canada Canadian Finance Study

- Sixty-one per cent of respondents with children say that they have taught them about money in the last five years.
- On a scale of one to ten, 44 per cent of parents of school aged children 5 or older indicated that they were successful in this by scoring themselves at eight or higher, and 48 per cent of participants with adult children gave their child an eight or higher in how successful they are at managing their money.

Success Teaching Children About Money



Adult Child's Success in Managing Money



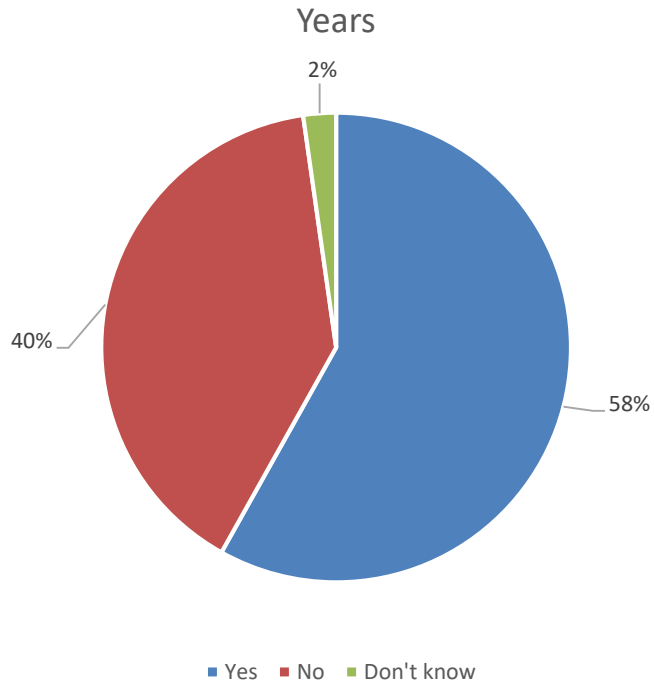
D6: How successful do you feel you have been in teaching your child/children about money?
 Base: Respondents with children 5 years of age and older (687)

SUCCESS: On a scale of 1 to 10 where 10 is extremely successful and 1 is not at all successful, how successful do you feel your adult child/children has been/have been in managing money?
 Base: Respondents with adult children (774)

2018 CPA Canada Canadian Finance Study

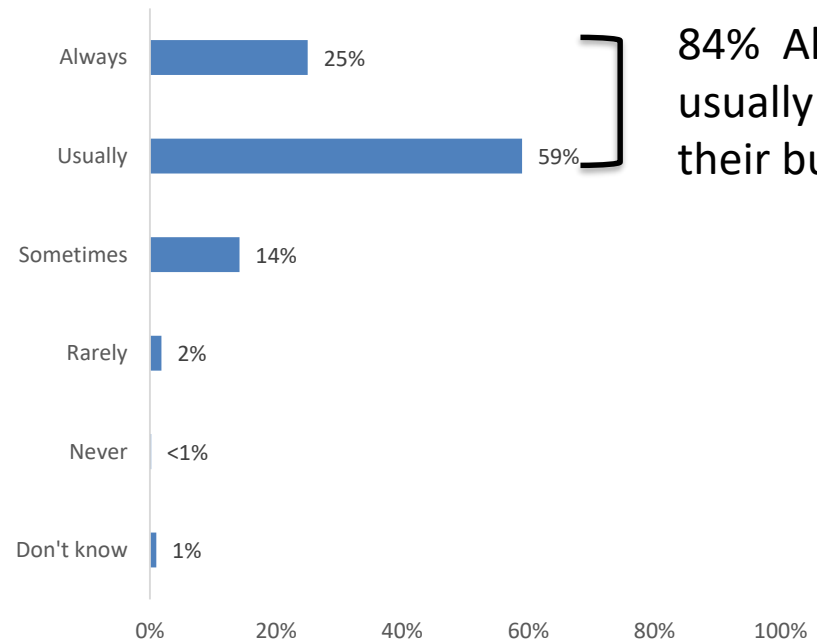
- Of the 58 per cent of participants who set a household budget, 84 per cent of them regularly stick to it.

Whether Developed Household Budget in Past Five Years



A2A: Which of the following activities have you done in the past five years?
Create a budget?
Base: All respondents (2,042)

Frequency of Sticking to Budget



84% Always/
usually stick to
their budget

B3: How well do you stick to your household budget? Would you say...?
Base: All respondents with a household budget (1,161)