State of Fair Banking in Canada

Borrower and Lender Perspectives

Prepared for DUCA

February 3, 2021

DUCA impact lab

ANGUS REID GROUP
Questions that matter.

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Methodology

STUDY

In partnership with the Angus Reid Group, DUCA Impact Lab conducted their second State of Fair Banking in Canada study. As a part of the project, Angus Reid conducted two studies in parallel: among those who have debt, and one among those who work for a debt lending institution, to examine how behaviours and perspectives among theses two groups are similar/different. For the 2020 wave, new questions were added to explore the state of fair banking across ethnic groups comparing experiences of White, Black, People of Colour and Indigenous borrowers.

SAMPLE

The **borrower segment** is comprised of a representative randomized sample of 1,006 Canadian adults, who over the past 12 months, have held **personal household debt**. The sample frame was balanced on age, gender and region.
Additionally, the study was conducted among 200 borrowers in each of the following ethnic groups:

- Black, n=200
- Indigenous, n=200
- People of Colour (non-Black), n=200

The **lender segment** is comprised of a representative randomized sample of **250 Canadian adults** who are **employed or have worked in the past two years** at a credit union, bank, financial technology company, lending company, or a private lender.

All respondents are members of the Angus Reid Forum. For comparison purposes only, the sample plan would carry the following margins of error:

NOTE

Throughout the report, ⬇ and ⬆ are used to denote statistically significant increases or decreases from the 2019 wave or across comparison groups at 95% confidence level.

Discrepancies in or between totals are due to rounding.

FIELD DATES

The borrower survey was conducted from September 24, 2020 – October 7, 2020

The lender survey was conducted from September 24, 2020 – October 14, 2020.

	Borrowers	Lenders
Sample Size	1,006	250
Margin of Error	+/-3.1	+/-6.2

ABOUT DUCA IMPACT LAB

We believe banking can be better.

Most banks make decisions on services such as credit in the same way, using more or less the same criteria. For many, this means that if you can check the right boxes, accessing the right banking services and advice is just a matter of contacting your local bank branch.

But what if you aren't able to check the right boxes? Almost everyone has a bank account. However, large numbers of people are excluded from accessing the specialized financial services they need, causing the most vulnerable in our community to pursue high cost and often detrimental solutions outside of the financial mainstream.

Even for those that are granted access, the question of are they getting the right advice and a fair deal is difficult for most people to answer. Many people in Canada have borrowed as much as they possibly can and pay high fees to access their own money. This means bigger and bigger portions of income are channelled towards financial institutions with limited opportunity for banking customers to participate in the profits they enable.

The DUCA Impact Lab is a unique place where we can experiment with meaningful and scalable solutions. It brings together a network of partners who want to contribute to positive social change by solving complex problems. This network includes non-profit partners who are supported by philanthropic financial resources, and innovative organizations in the financial technology (fintech) space who contribute technological expertise. The lab and its partners identify needs and services gaps, formulate experimental solutions and pilot test models.

From the insights generated in the lab, we build resources that will help everyone to access the financial system more effectively. These learnings and tools will be shared with community organizations so they can develop their own financial empowerment interventions, and with banks so they can better deliver on their social purpose.

ABOUT ANGUS REID GROUP

Angus Reid is Canada's most well-known and respected name in opinion polling and market research data. Offering a variety of research solutions to businesses, brands, governments, not-for-profit organizations, and more, the Angus Reid Group team connects technologies and people to derive powerful insights that inform your decisions.

Data is collected through a suite of tools utilizing the latest technologies. Prime among that is the Angus Reid Forum, an opinion community consisting of engaged residents across the country who answer surveys on topical issues that matter to all Canadians.

Leveraging the most innovative technology and the most trusted sample source in Canada, Angus Reid Public Affairs constantly pushes the envelope as a full-service insights consultancy. Our practice specializes in issues management, strategic communications, acquisition/retention/brand strategies and thought leadership among a broad range of subjects.

On any given issue, we engage directly and deeply with the right stakeholders who are most relevant to your initiatives. These engagements allow us to understand the potential of your organization and the levers that will inform and drive your strategies and tactics. On all projects, we work closely and collaboratively with our clients from end to end. Our goal is not to provide you with a set of "survey results". Our goal is to provide you with the insights that propel positive, powerful outcomes for organizations like across many sectors including government; not-for-profit; associations; transportation; education; and energy.

Sample Source: The ANGUS REID FORUM

Questions That Matter

Canada's Most Trusted Panel:

At the heart of Angus Reid Group lives the Angus Reid Forum, comprised of a representative and inclusive group of Canadians from coast to coast. The Angus Reid Forum is Canada's most well-known and trusted online public opinion community consisting of engaged residents providing thoughtful answers to your questions. Intuitive, mobile-first, and built to deliver quantitative and qualitative results, our technology elevates the data collection experience, driving ever more powerful data outcomes.

The Angus Reid Forum is more than a research panel – it's a community. Deeply profiled and engaged respondents provide thoughtful answers to your questions. Our Forum members can be reached wherever they are online via text, email, or social media. We know who they are and they know us – a transparent and engaged relationship founded on trust and respect.

Definition: “Fair Banking”

Pursuing the mission of ‘Building banking that benefits all’ requires a working definition of what that type of banking looks like. It needs to go beyond a set of ‘customer promises’ and needs to articulate a definition of fairness that enables banking consumers to spot fair banking when they see it.

We believe fair banking is any financial product or service that lives up to the following set of principles:

- Pricing is clear, transparent and well understood
- Pricing is representative of the cost of funds, cost of administration and risk, rather than what the market will bear
- It is clear to all parties how any personal data is being used by the lender
- Personal data is only used for purposes agreed to by both the borrower and lender
- The terms and conditions, including penalties and the rights of each party are clearly explained and well understood by both lender and borrower
- Products are only recommended that will bring the borrower closer to their expressed goals
- The borrower is clear on what the institution will do (and not do), with deposits to earn a return
- The assessment of risk is objective, transparent and not prejudicial
- Financial institution recommendations are not biased towards in house product recommendations
- Products empower consumers when they need access to financial services, not just when they don’t

CARRYING THE DEBT LOAD AND ITS IMPACT

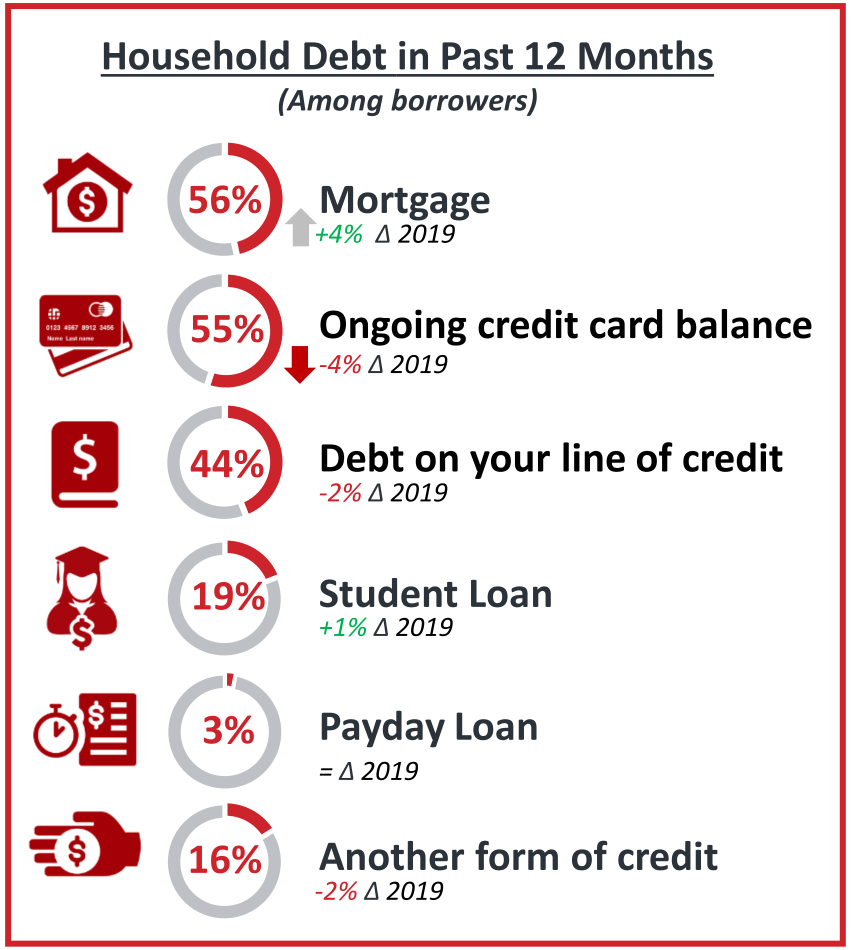
Despite small shifts from 2019, the **composition of debt Canadians are carrying remains largely the same**. Credit card debt remains the most common form of non-mortgage debt, while **payday loans, student loans, and private loans are among the most difficult to shed**.

While borrowers report some decreases in isolation and skipping meals due to debt, there are still marked effects on health as **half of debt holders stressed about their debt are losing sleep** over it.

Payment deferrals help two-in-five get the breathing room they need to catch up on their payments, whereas the rest are left still **needing additional supports to get back on track** with their finances.

Debt-holders carry debt from a variety of sources.

Mortgage, credit cards and lines of credit continue to be the most common forms of debt, with an uptick in mortgages in 2020 and a decline in ongoing credit card balances.



Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
A1. Over the past 12 months, has your household held any personal debt through any of the following:

Significantly higher or lower vs. 2019 at 95% confidence level

Mortgage holders tend to be in better financial health overall.

Mortgage holders are more likely to be wealthier, more educated, older, and have a better ability to manage their personal finances.

56% +4% 2019 **of borrowers have a mortgage**

- **50%** (+2% Δ 2019) — $100k+ HHI *(vs. 9% <$50k)*
- **48%** (-1% Δ 2019) — Gen X *(vs. 28% Millennials, 25% Boomers/Seniors)*
- **76%** (= Δ 2019) — Self reported "Good" personal finances *(vs. 24% poor personal finances)*
- **85%** (+1% Δ 2019) — Good personal financial management *(vs. 15% poor management)*
- **52%** — Have University degree *(vs. 17% with high school, 32% college/tech)*

44% **of borrowers have no mortgage**

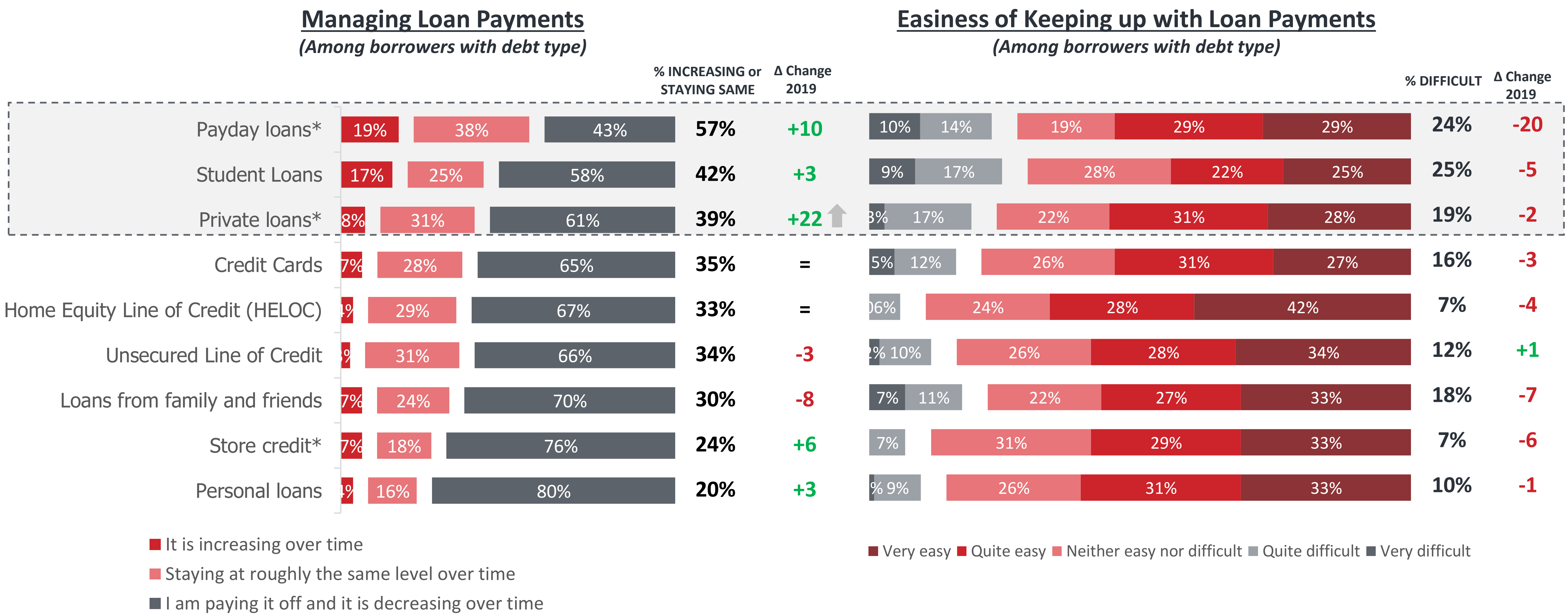
- **33%** (-5% Δ 2019) — <$50k HHI *(vs. 23% $100k)*
- **39%** (= Δ 2019) — Boomers/Seniors *(vs. 33% Millennials, 28% Gen X)*
- **33%** (-3% Δ 2019) — Poor personal finances *(vs. 67% good personal finances)*
- **23%** (-1% Δ 2019) — Poor personal financial management *(vs. 77% good management)*
- **27%** — Have high school diploma *(vs. 42% with Univ degree, 31% college/tech)*

Base: Borrowers (n= 1,006); Have Mortgage (n=567), No Mortgage (n=439)
A1. Over the past 12 months, has your household held any personal debt through any of the following:

No statistically significant differences vs. 2019 at 95% confidence level

Canadians report increased difficulty reigning in private loans amid the COVID-19 pandemic.

More Canadians who have private loans say the amount is increasing or staying the same vs. in 2019.



Base: Borrowers with type of debt: credit card debt (n=676), Unsecured line of credit (n=189), Home equity line of credit (n=207), Personal loans (n=177), Student loans (n=163), Store credit (n=45), Payday loans (n=21), Loans from family and friends (n=89), Private loans (n=36)

***Low base size. Interpret with caution.**

D10. How easy is it to keep up with the following non-mortgage related loan payments?

D11. For each of the following types of deft, would you say

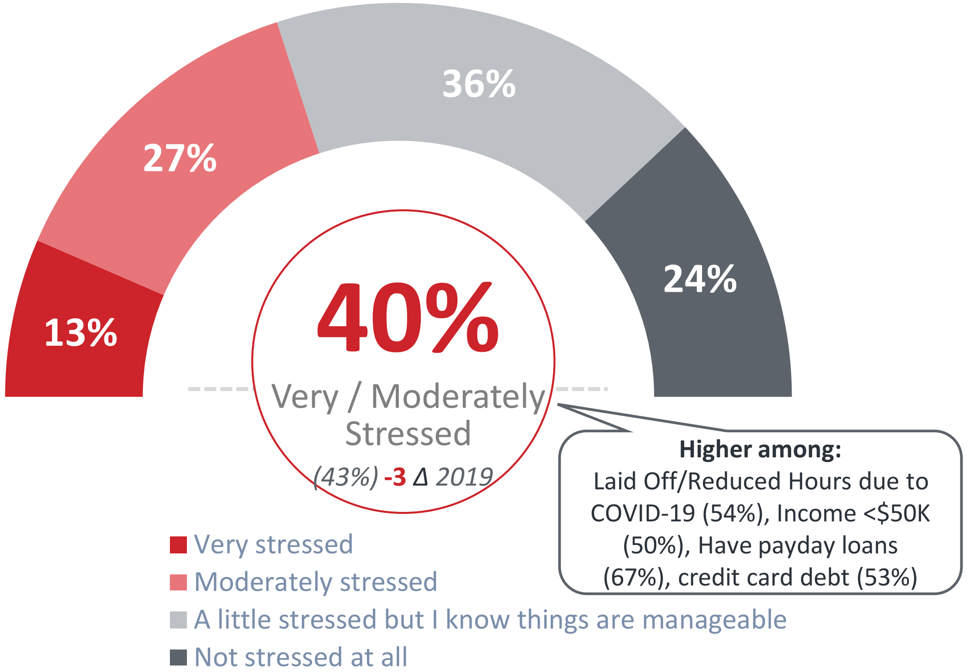
Significantly higher or lower vs. 2019 at 95% confidence level

Stress about personal debt remains prevalent, along with associated unhealthy behaviour.

Two-in-five borrowers (40%) feel stressed about their personal debt (relatively similar to last year). Sleep continues to be the most common aspect of debt-holders routines that is affected, while fewer debt holders report spending time alone or skipping meals than in 2019.

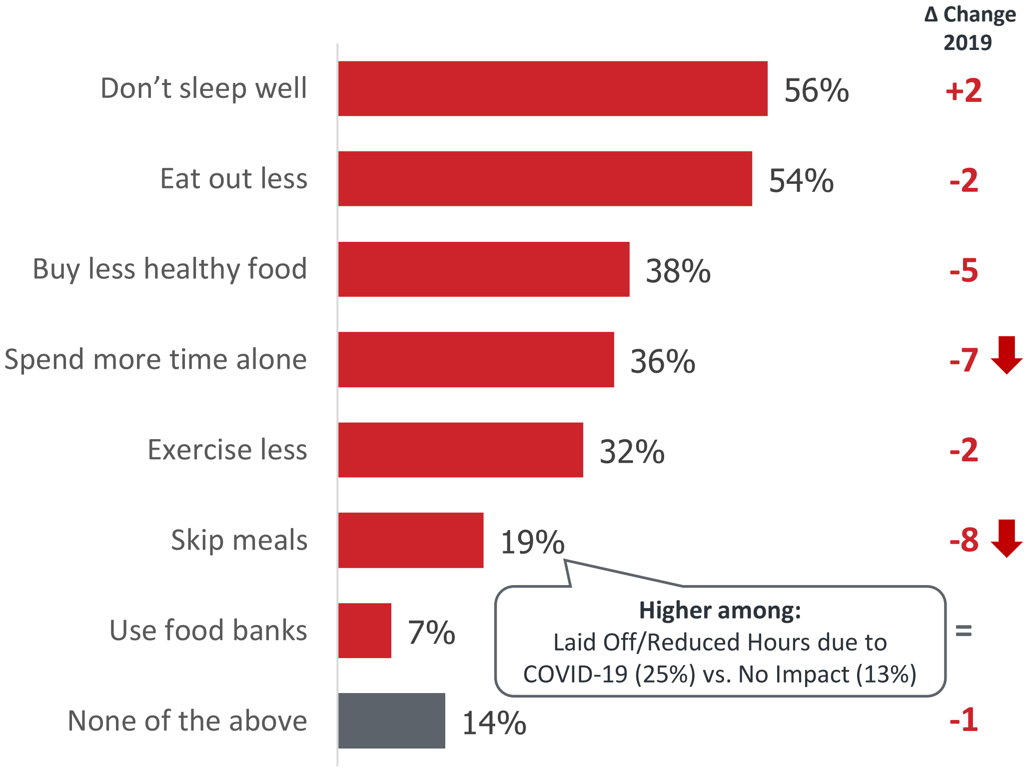
Level of Stress Related to Personal Debt

(Among borrowers)



How Personal Debt Has Impacted Habits

(Among borrowers stressed about personal debt)



Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
E1. When you think about your personal debt do you feel . . .
Base: Borrowers stressed about personal debt (T2B) in E1 - 2020 (n=398), 2019 (n=856)
E4. Do you think your personal debt has impacted your life in any of the following ways?

Significantly higher or lower at 95% vs. 2019

Borrowers feel stagnation with half saying debt impedes their ability to save/build wealth.

Although lower than in 2019, half of borrowers (48%) say personal debt has impacted their opportunity to save and build wealth. This is much higher among those who were laid off as a result of the pandemic. These individuals have felt the impact of debt more than others across most categories.

How Personal Debt Has Impacted Life

(Among borrowers)

	Total	Δ Change 2019	No COVID Impact	Laid off/ reduced hours due to COVID
Your opportunity to save and build wealth	48%	-4 ↓	44%	60%
The quality of your housing situation	17%	-1	12%	26%
Your ability to pay for basic expenses (food, utilities, transportation)	15%	-3 ↓	14%	20%
Your ability to rent or purchase an apartment or house	15%	-2	8%	23%
Your ability to pursue the employment of your choosing	12%	-1	10%	15%
Your ability to pursue advanced education or training	11%	-3 ↓	10%	17%
Your ability to afford childcare	4%	=	3%	7%
Other	3%	-1	2%	4%
None of the above	41%	+3	47%	24%

How Personal Debt Has Impacted Health Care Needs

(Among borrowers)

	Total	Δ Change 2019	No COVID Impact	Laid off/ reduced hours due to COVID
Ability to afford dental care	23%	-3 ↓	13%	34%
Ability to afford counselling	15%	+1	10%	23%
Ability to afford physiotherapy	12%	-2	5%	19%
Ability to afford prescription drugs	10%	-2	3%	17%
Ability to maintain health care treatments	10%	-1	5%	14%
Ability to afford transportation to and from medical appointments	5%	-1	2%	9%
Other	2%	=	1%	2%
None of the above	66%	+2	78%	50%

34% Report some health care impact
-2 *Δ 2019*

Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
E2. Has your personal debt had any impact on the following?
E3. Has your personal debt had any impact on your ability to address any of the following health care needs?

Significantly higher or lower at 95% vs. 2019
Significantly higher or lower at 95% vs. sub-group

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Borrowers have trouble recovering after falling behind on payments. Among the one-in-seven who have fallen behind on debt payments in the last year, over half have not yet caught back up.

Status of Loan and Debt Payments

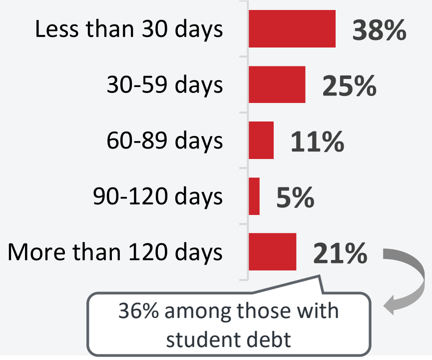
(Among borrowers)

55% of them **are NOT up to date** on payments

16% of borrowers **have fallen behind** on a loan or debt payment in the past year

How Far Behind

(Among borrowers who have fallen behind)



FALLEN BEHIND IS HIGHER AMONG:

26%	<$50k HHI *(vs. 11% $100k)*
24%	Have high school diploma *(vs. 12% with Univ degree)*
20%	Millennials *(vs. 10% Boomers)*
36%	Poor personal finances *(vs. 8% good personal finances)*
43%	Poor personal financial management *(vs. 10% good management)*
55%	Those with payday loans* *(vs. 11% with mortgage and 16% with line of credit)*
23%	Laid-off or reduced hours due to COVID-19 *(vs. 10% no employment impact)*

New questions added in 2020

Base: Borrowers (n=1,006), Have fallen behind (n=161)

***Low base size (n=33). Interpret with caution.**

D3_NEW. Have you fallen behind on a loan and/or debt payment in the past year?

D3a_NEW. Are you now up to date on all loans and/or debt payments?

D4_NEW. How far behind?

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Payment deferrals help 40% borrowers who receive them to catch up with their payments. The rest are likely to need an extension or are unsure.

Payment Deferral
(Among borrowers)

75% of them received it

of borrowers have requested payment deferral in the past year

Will need extension?
(Among borrowers who have received deferral)

Likely	40%
Unlikely	40%
Unsure	19%

WILL NEED EXTENSION IS HIGHER AMONG*:

52% Poor personal finances *(vs. 27% good personal finances)*

56% Poor personal financial management *(vs. 34% good management)*

61% Without mortgage *(vs. 31% with mortgage)*

45% Laid-off or reduced hours due to COVID-19 *(vs. 39% no employment impact)*

New questions added in 2020
Base: Borrowers (n=1,006), Have received loan payment deferral (n=119)
***Low base sizes, Interpret with caution.**
D6_NEW. Have you requested any type of loan payment deferral in the past 12 months?
D7_NEW. What do you think the likelihood is that you will need an extension of the deferral period?

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Credit cards continue to be the most common source of debt for Canadians.

For most credit products, roughly half do not know the exact interest rate (with the exception of student loans and family/friend loans). Awareness of rates on student loans is the lowest.

Personal Debt in Past 12 Months *(Among borrowers)*		Know Exact Interest Rate *(Among holders of credit type)*	Mean Interest Rate Paid* *(Among holders of credit type aware of rates)*
67%	Credit Cards -2% Δ 2019	47%	17.1%
21%	Home Equity Line of Credit +1% Δ 2019	54%	3.8%
19%	Unsecured Line of Credit -3% Δ 2019	42%	6.7%
18%	Personal Loans +1% Δ 2019	50%	7.5%
16%	Student Loans -1% Δ 2019	28%	4.9%
9%	Loans from family & friends -1% Δ 2019	71%	5.2%
4%	Store Credit -1% Δ 2019	51%	17.3%
4%	Private Loans = Δ 2019	53%	13.0%
2%	Payday Loans = Δ 2019	43%	25.6%
11%	Other -2% Δ 2019	46%	5.8%

Home Equity Line of Credit – **Higher among:** $100k+ (27%), Quebec (29%)

Student Loans – **Higher among:** <$50k+ (27%), Millennials (38%)

Store Credit – **Higher among:** <=HS (8%)

Payday Loans – **Higher among:** <=HS (6%)

Know Exact Interest Rate, Credit Cards (47%) – **Higher among:** Men (53%)

Know Exact Interest Rate, Home Equity Line of Credit (54%) – **Higher among:** Millennials (78%) Men (62%)

Know Exact Interest Rate, Student Loans (28%) – **Lowest awareness of all products**

Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042); Among those who hold this type of product – base varies
A2. What type of personal debt do you currently hold, or have held in the past twelve months?
A2a. For each credit product you hold, how well do you know the interest rate you pay/paid in the past twelve months?
Base: Among those who hold this type of product and know exactly or roughly the rate, base varies; *Caution: low base size for Student Loans, Store Credit, Payday loans, Loans from family and friends, Private loans, Other.
A2b. For each product below, please tell us the interest rate you pay.

FINANCIAL CONFIDENCE

Many borrowers may have **misplaced confidence** in their financial well-being. While four-in-five borrowers say they’re good at managing their finances, **nearly half do not have a budget or clear financial goals**.

While lenders report an increased proportion of borrowers who are knowledgeable enough to make informed decisions vs. 2019, **one-third are still seen to lack the necessary knowledge**.

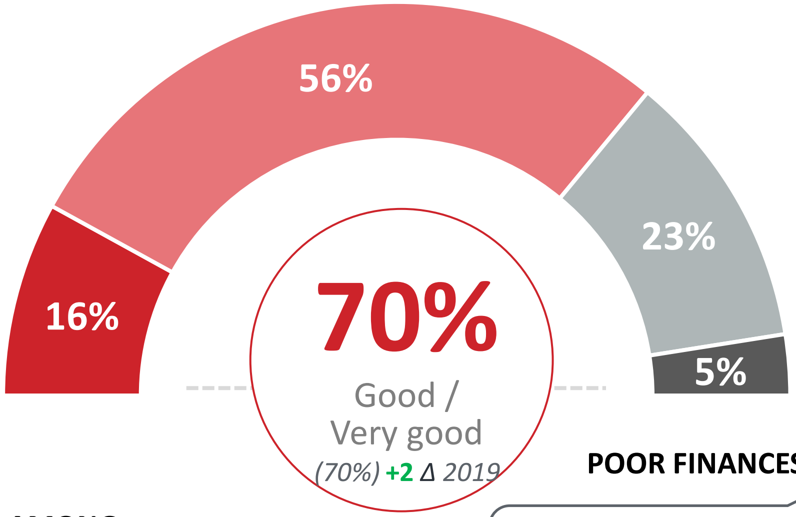
Meanwhile borrowers face real consequences for a lack or knowledge, with half of lenders saying **misunderstanding financial products hurts borrows’ finances**.

Having debt alone does not mean financial distress—most Canadian debt-holders rate their personal finances as good.

No significant changes in borrower confidence in this self assessment since 2019.

Rating Personal Finances

(Among borrowers)



POOR FINANCES AMONG:

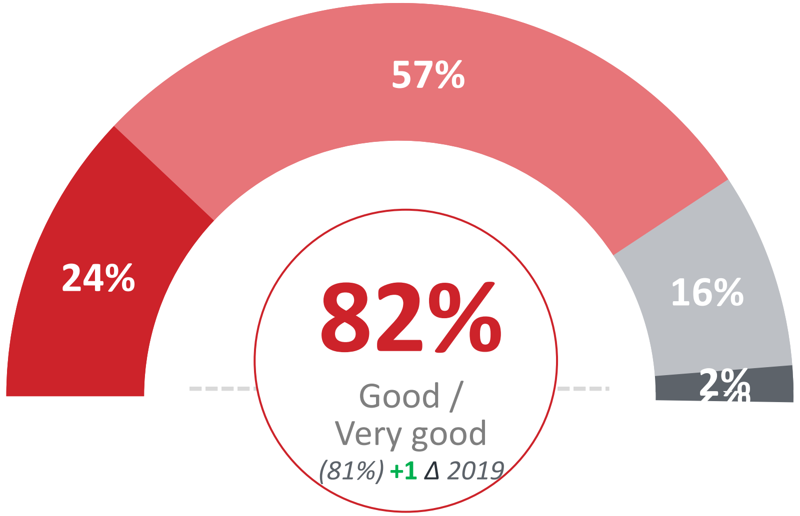
Those w Payday Loans (64%), credit card debt (40%), Laid Off/Reduced Hours due to COVID-19 (36%)

HIGHER AMONG:

$100K+ (83%), University educated (79%), Mortgage only debt (93%), Employment not impacted by COVID (80%)

Rating Abilities in Managing Personal Finances

(Among borrowers)



HIGHER AMONG:

$100K+ (86%), Mortgage only debt (96%), Employment not impacted by COVID (86%)

Very good | Good | Poor | Very poor

Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
B1. How would you rate your own personal finances today?
B2. And how would you rate your own abilities in managing your personal finances?

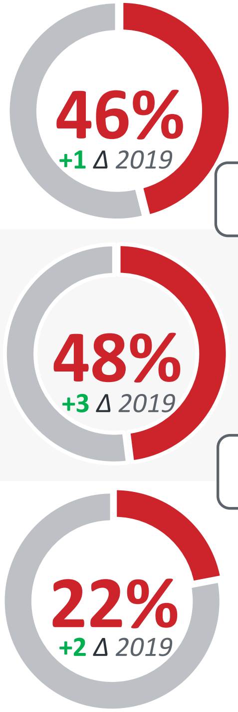
No statistically significant differences vs. 2019 at 95% confidence level

Room to improve with budgeting and financial planning—less than half of Canadian debt holders do not have a budget or financial goals.

It is noteworthy that these proportions are consistent among those who rate their finances as good and those who say they are good at managing their finances. One-in-five (22%) debt-holders lack a budget <u>and</u> any financial goals. No significant changes in budgeting/financial goals from 2019.

Personal Finance Management

(Among borrowers)



46% (+1 *Δ 2019*) **Do not have a budget that they manage**

43% among those who say their finances are very good/good
42% among those who say their ability to manage finances is very good/good

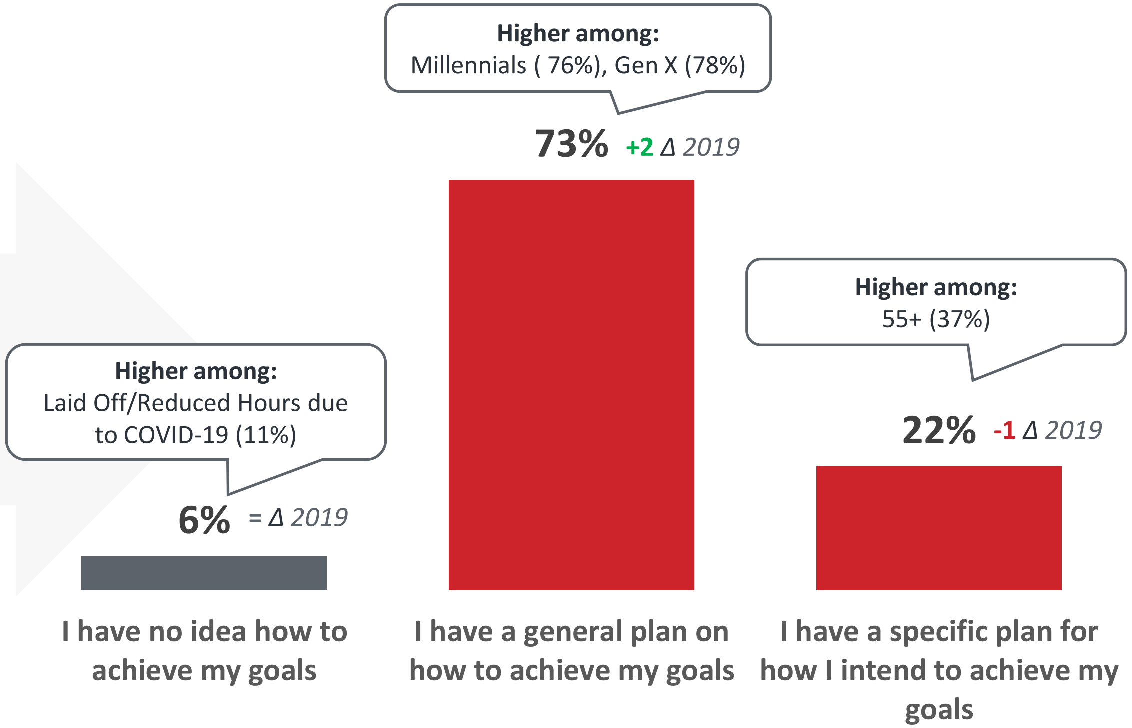
48% (+3 *Δ 2019*) **Do not have a set of financial goals that they'd like to achieve**

46% among those who say their finances are very good/good
45% among those who say their ability to manage finances is very good/good

22% (+2 *Δ 2019*) **have neither a budget or a set of financial goals**

Achieving Financial Goals

(Among borrowers with financial goals)

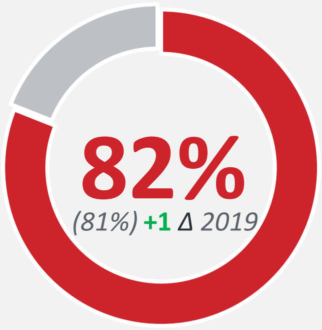


Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
B3. Thinking about your personal finance management do you have any of the following
Base: Borrowers with financial goals – 2020 (n=520), 2019 (n=1,088)
B4. Thinking overall about the financial goals that you'd like to achieve, which of the following best represents you.

No statistically significant differences vs. 2019 at 95% confidence level

Most lenders see borrowers as able to make an informed decision, although room for improvement remains.

Seven in ten lenders (68%) say borrowers understand financial products well enough, up +10pts from 2019, narrowing the gap in borrowers' and lenders' perceptions.

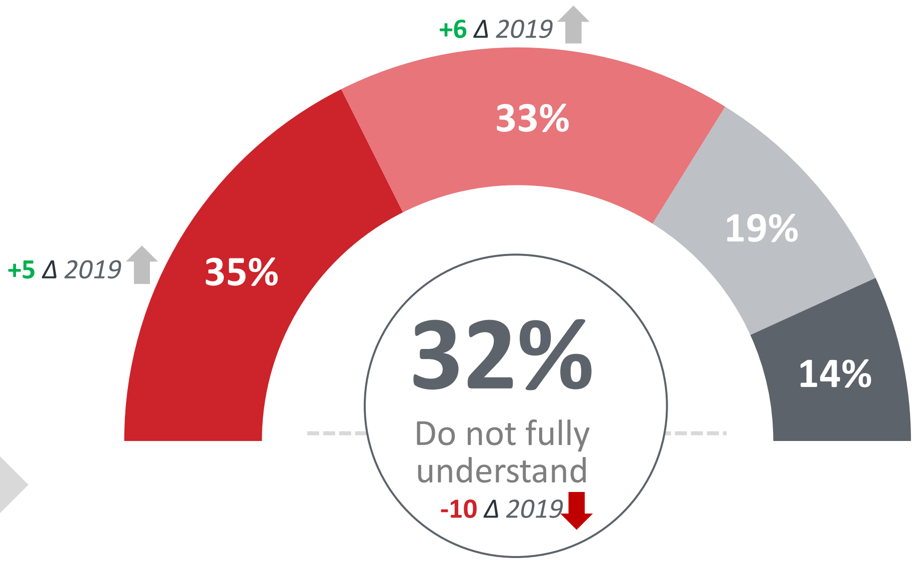


of borrowers rate their ability to manage their personal finances as good or very good

BUT….

Lenders' Average Perception of Borrowers' Understanding

(Among lenders)



- They understand them completely
- They understand them well enough to make an informed decision
- They get the basics, but don't seem to fully understand what they're signing up for
- They seem unclear

Significantly higher or lower at 95% vs. 2019

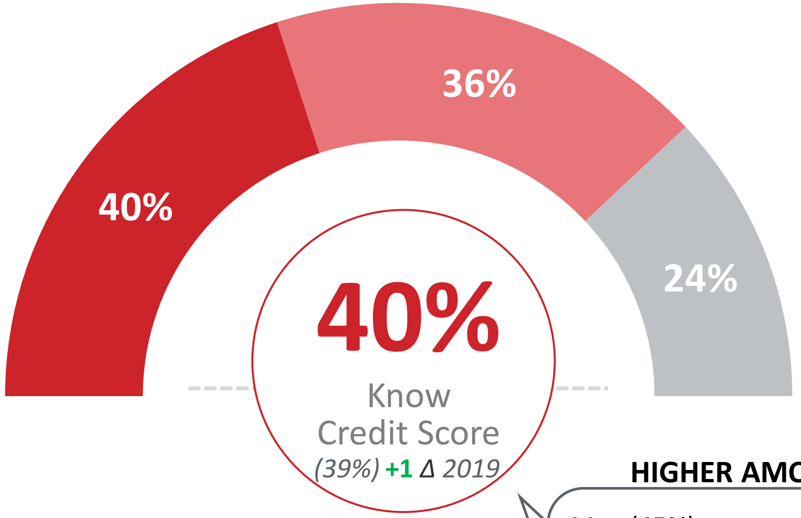
Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
B2. And how would you rate your own abilities in managing your personal finances?
Base: Lenders – 2020 (n=250), 2019 (n=252)
Q12. What proportion of customers fall under the following categories when they buy financial products from your organization? Make sure the total adds to 100%

Fuzzy on the details: Two-in-five with debt continue to be unclear how their credit score gets calculated.

The proportion of Canadians who know their credit score (40%) and know how it gets calculated (42%) is unchanged from 2019.

Knowledge of Credit Score

(Among borrowers)



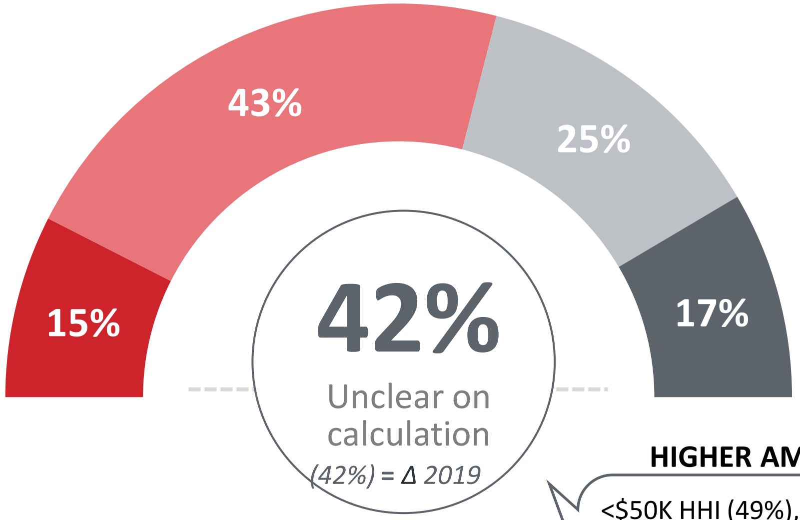
- I know my credit score
- I have some sense but don't know the exact number
- I have no idea at all

HIGHER AMONG:

Men (45%), Good personal finances (43%) vs. Poor finances (33%), Good financial management (42%) vs. Poor management (33%)

Understanding of how Credit Score is Calculated

(Among borrowers)



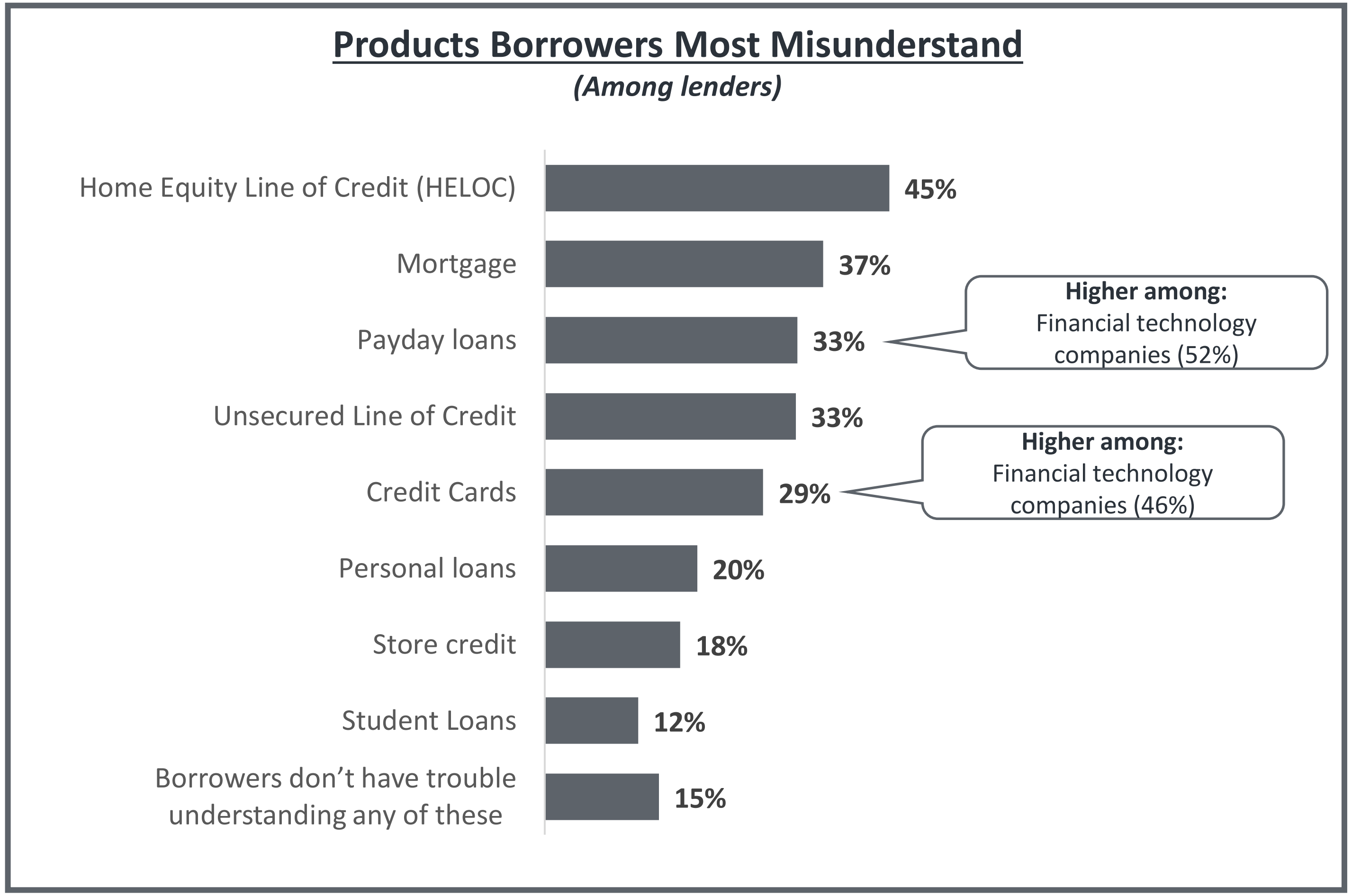
- I understand it fully
- I get the basics, but don't understand everything
- I understand some parts, but am unclear on most of it
- I have no idea

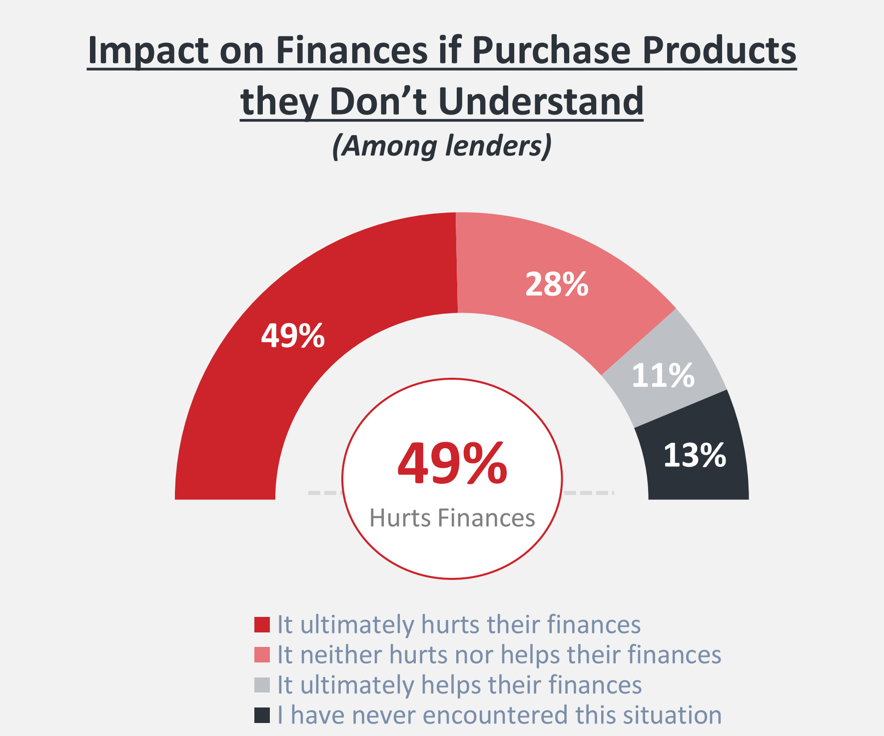
HIGHER AMONG:

<$50K HHI (49%), Millennials (49%), Women (45%), Student Load Debt (51%), Payday loans (55%), Poor personal finances (50%), Poor financial management (54%)

A variety of financial products are thought to be misunderstood, with HELOCs garnering the most confusion, according to lenders.

Borrowers face real consequences for misunderstanding products—half of lenders say it ultimately hurts borrowers' finances.





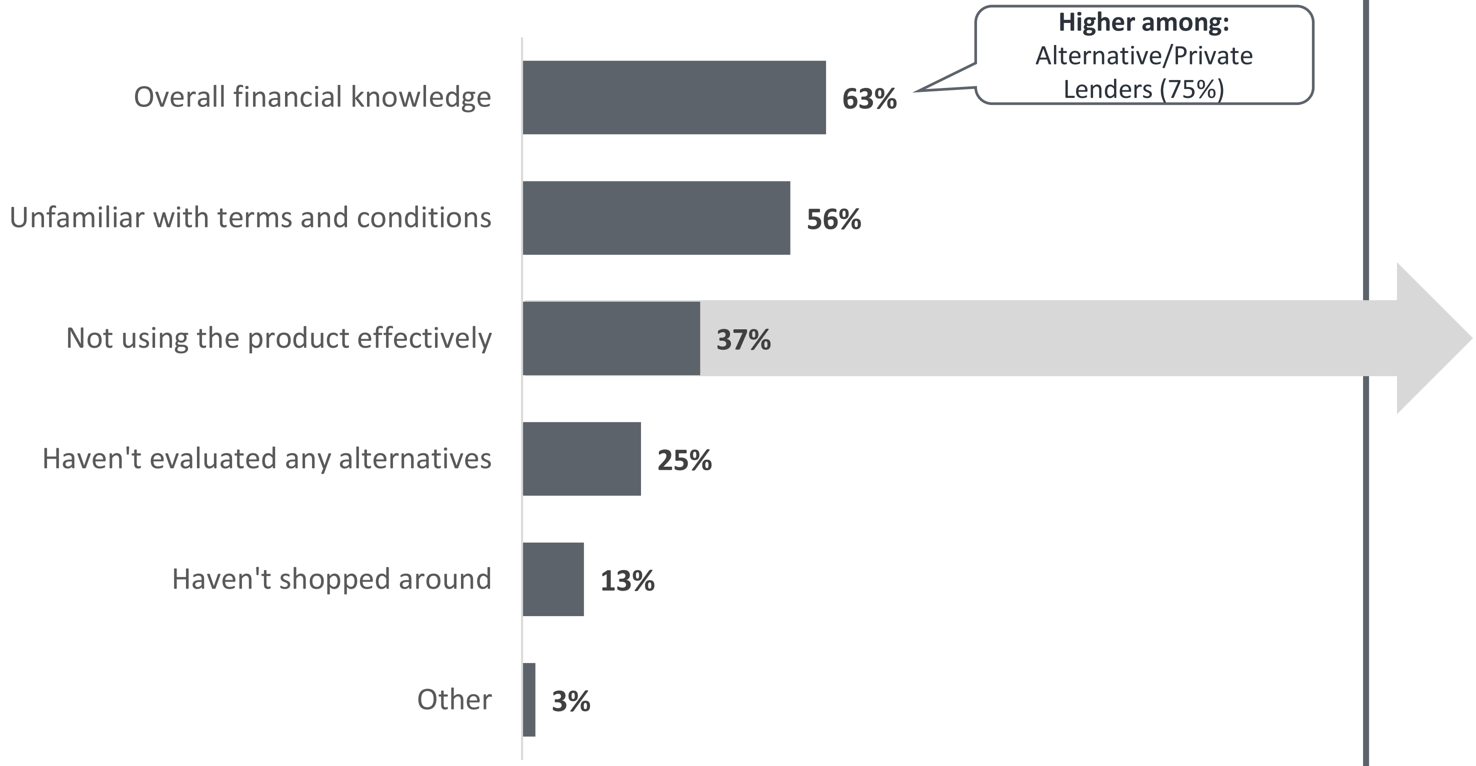
	Hurts Finances
Client facing	50%
Manager	52%
Director/Executive	32%

*New questions added in 2020
Base: Lenders – 2020 (n=250)
Q12a. What products do you think borrowers have the most trouble understanding?
Q12b. If a client purchases a product that they don't understand, what you think their outcome will be?

Lack of overall knowledge is the primary contributing factor to misunderstanding financial products being purchased.

Reasons for Misunderstanding Products being Purchased

(Among lenders)



	Not using Product Effectively
Client facing	38%
Manager	41%
Director/Executive	19%
Credit Union	42%
Bank	39%
Financial Technology Company	34%
Alternative/Private Lenders	18%

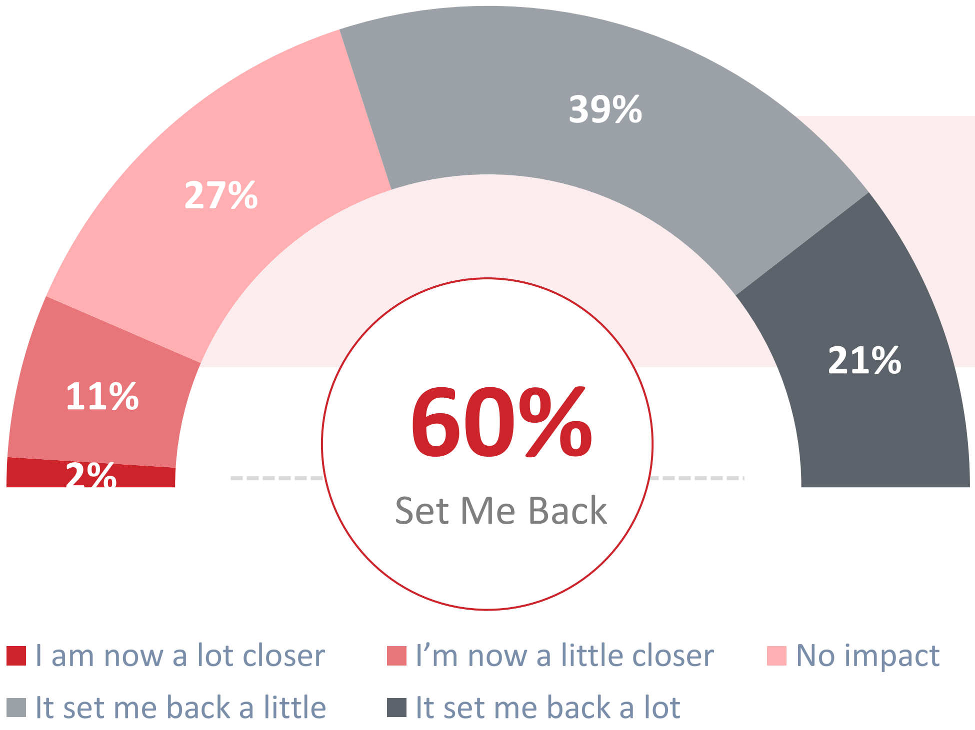
*New questions added in 2020
Base: Lenders – 2020 (n=250)
Q12c. What leads you to think that borrowers don't understand the product they’re purchasing?

COVID-19: The pandemic has forced many borrowers to place their financial goals on hold.

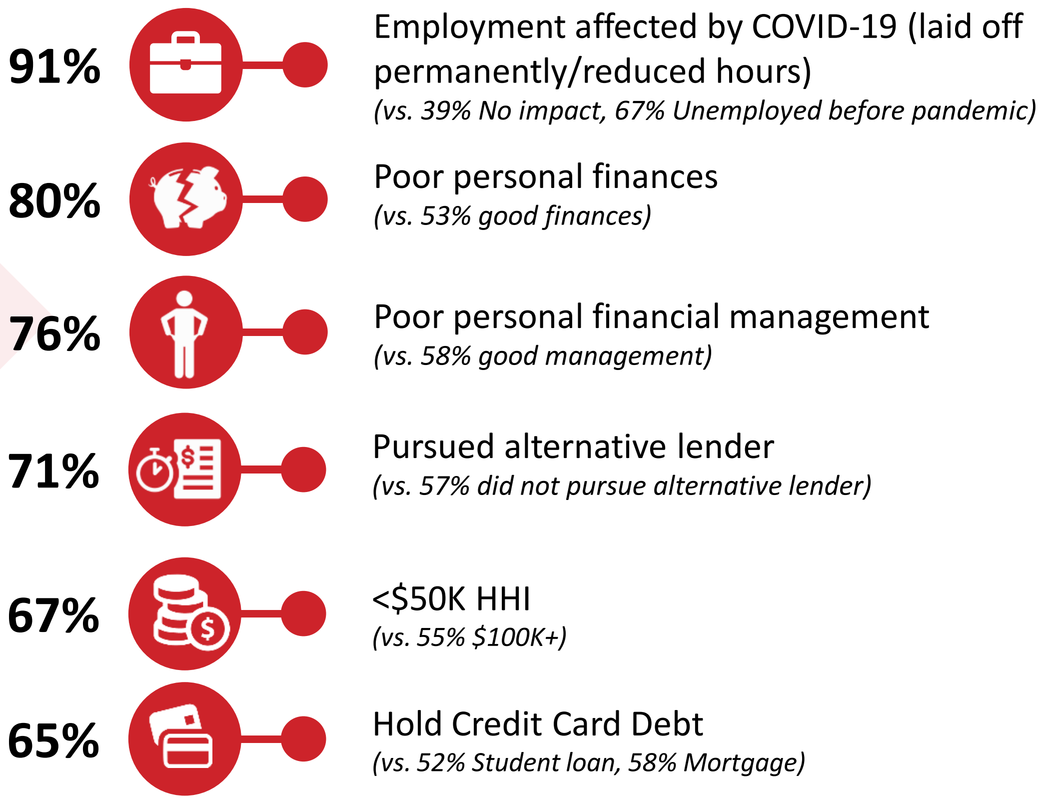
Not surprisingly, those whose employment was affected by the pandemic got hit the hardest.

COVID-19 Impact on Financial Goals

(Among borrowers with Financial Goals)



COVID–19 SET BACK GOALS HIGHER AMONG:



*New questions added in 2020

Base: Borrowers with financial goals – 2020 (n=520)

B5. What impact, if any, did the COVID-19 pandemic have on the status of your financial goals?

THE DIVIDE BETWEEN BORROWERS AND LENDERS

The COVID-19 pandemic seems to have ***decreased*** **interactions with financial reps**, while perceptions about the borrower/lender relationship remain unchanged.

Borrowers continue to **strongly expect financial institutions to prioritize their own products**, even though two-in-five lenders say they offer the correct product, regardless whether it’s “in-house” or from another institution.

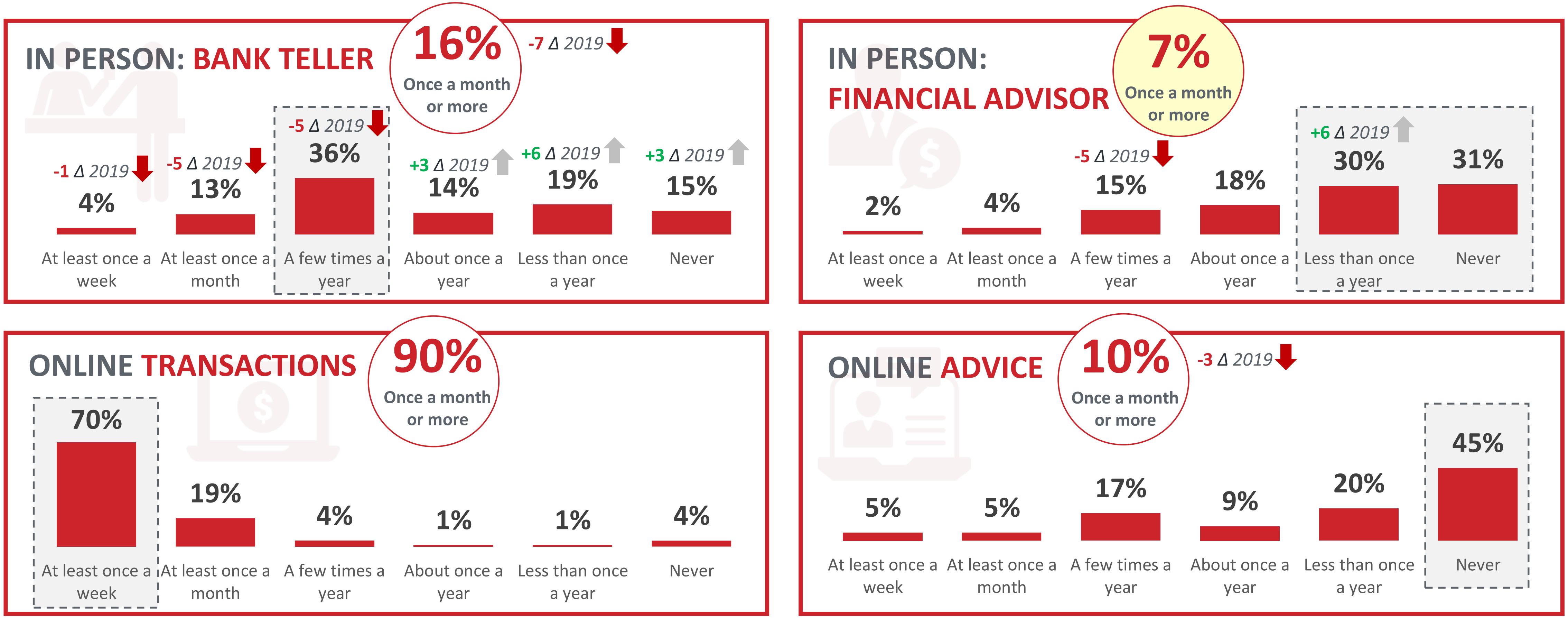
Perceptions may change yet as a larger proportion lenders report having a customer-focused sales culture in 2020 than in 2019.

Hesitant to seek help: Many borrowers seldom consult financial advice; six-in-ten meet a financial advisor less than once a year or never.

Frequency of meeting financial advisors and bank tellers in person has decreased in 2020, likely due to social distancing protocols amidst the pandemic.

Frequency of Dealing with Primary Financial Institution

(Among borrowers)

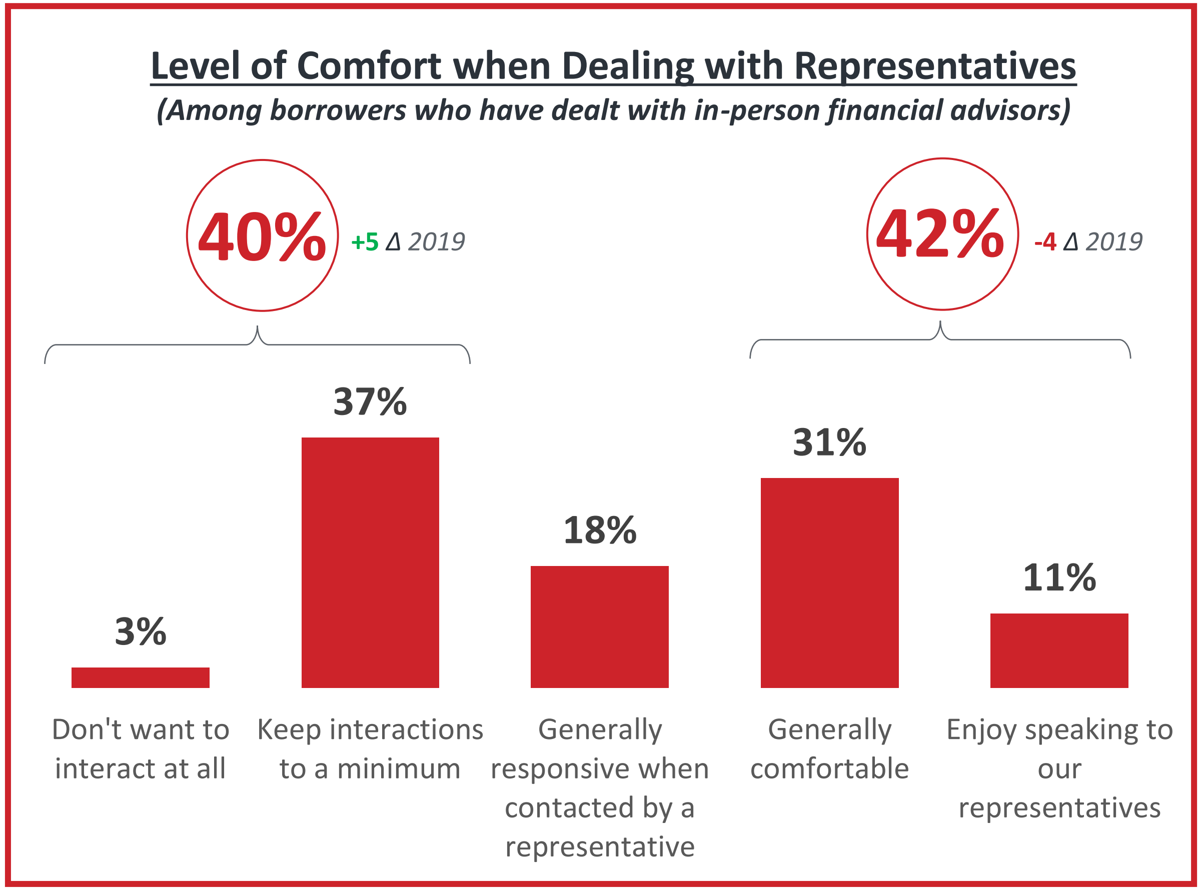


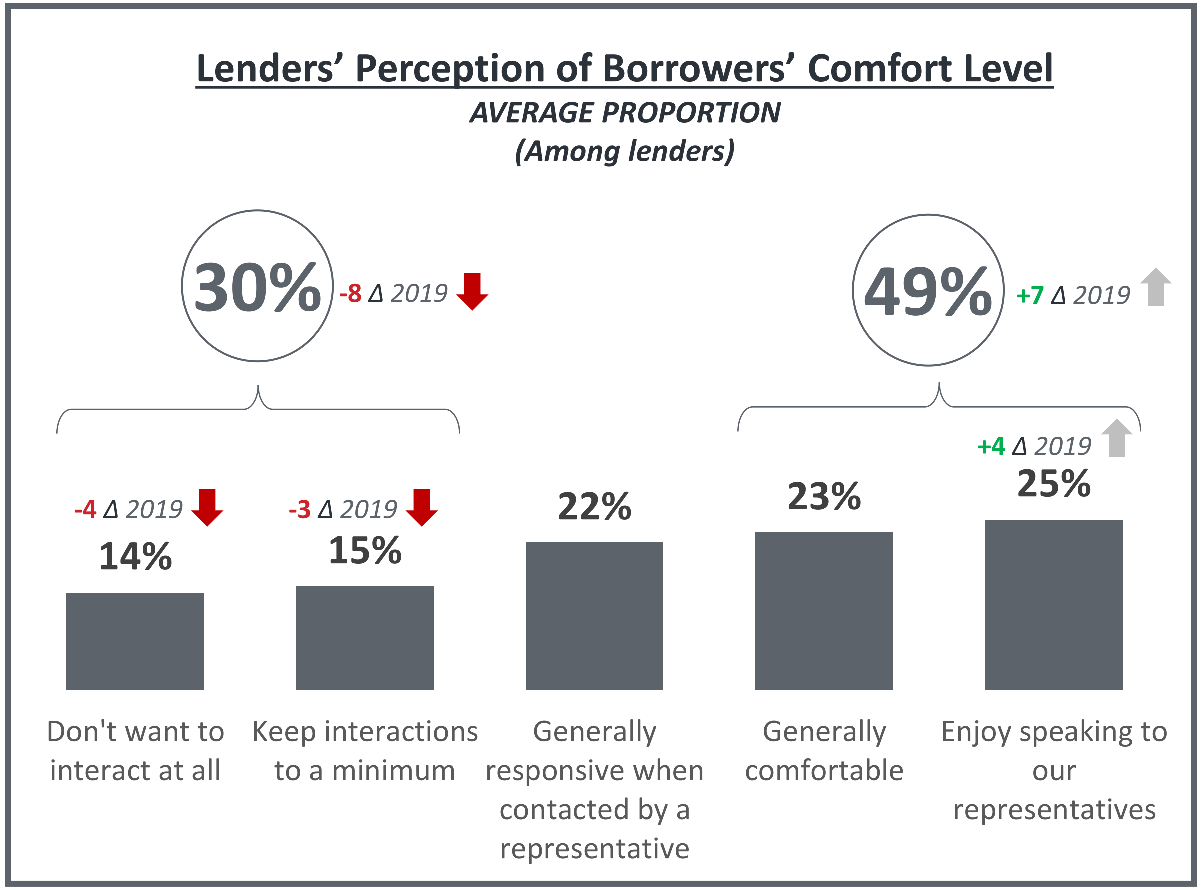
Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
C1. How often do you deal with your primary financial institution via:

Only statistically significant differences vs. 2019 are shown
Significantly higher or lower at 95% vs. 2019

Customers' more likely to keep interactions with representatives to a minimum in 2020, amidst the pandemic.

Meanwhile lenders perceive their customers to be *more* comfortable speaking to representatives than in 2019.





Base: Borrowers who have dealt with in person financial advisor- 2020 (n=698), 2019 (n=1,458)
C2. How would you rate your level of comfort when dealing with your financial institution representatives?
Base: Lenders – 2020 (n=250), 2019 (n=252)
Q8. Generally speaking, what proportions of your customers have the following level of comfort when dealing with your financial institutions? Please make sure the total adds up to 100%

Significantly higher or lower at 95% vs. 2019

Higher income borrowers are more likely to avoid interactions with service reps this year than in 2019.

40%
+5 Δ 2019

of borrowers who have dealt with financial advisors before prefer minimal or no interactions with their financial institution representatives

Δ Change 2019		
+8 ↑	45%	$100k+ HHI *(vs. 41% $50k-<$100k)*
+5	47%	Millennials *(vs. 27% Boomers/Seniors)*
+4	41%	Not Mortgage Only Debt *(vs. 36% mortgage only debt)*
+2	45%	Poor personal finances *(vs. 39% good personal finances)*
+6	53%	Poor personal finance management *(vs. 37% good personal finance management)*
n/a	45%	Laid off/reduced hours due to COVID-19 *(vs. 42% No employment impact)*
=	45%	Pursued financial products with alternative lender instead of primary FI *(vs. 39% not pursued)*

Base: Borrowers who have dealt with in person financial advisor – 2020 (n=698), 2019 (n=1,458)
C2. How would you rate your level of comfort when dealing with your financial institution representatives?

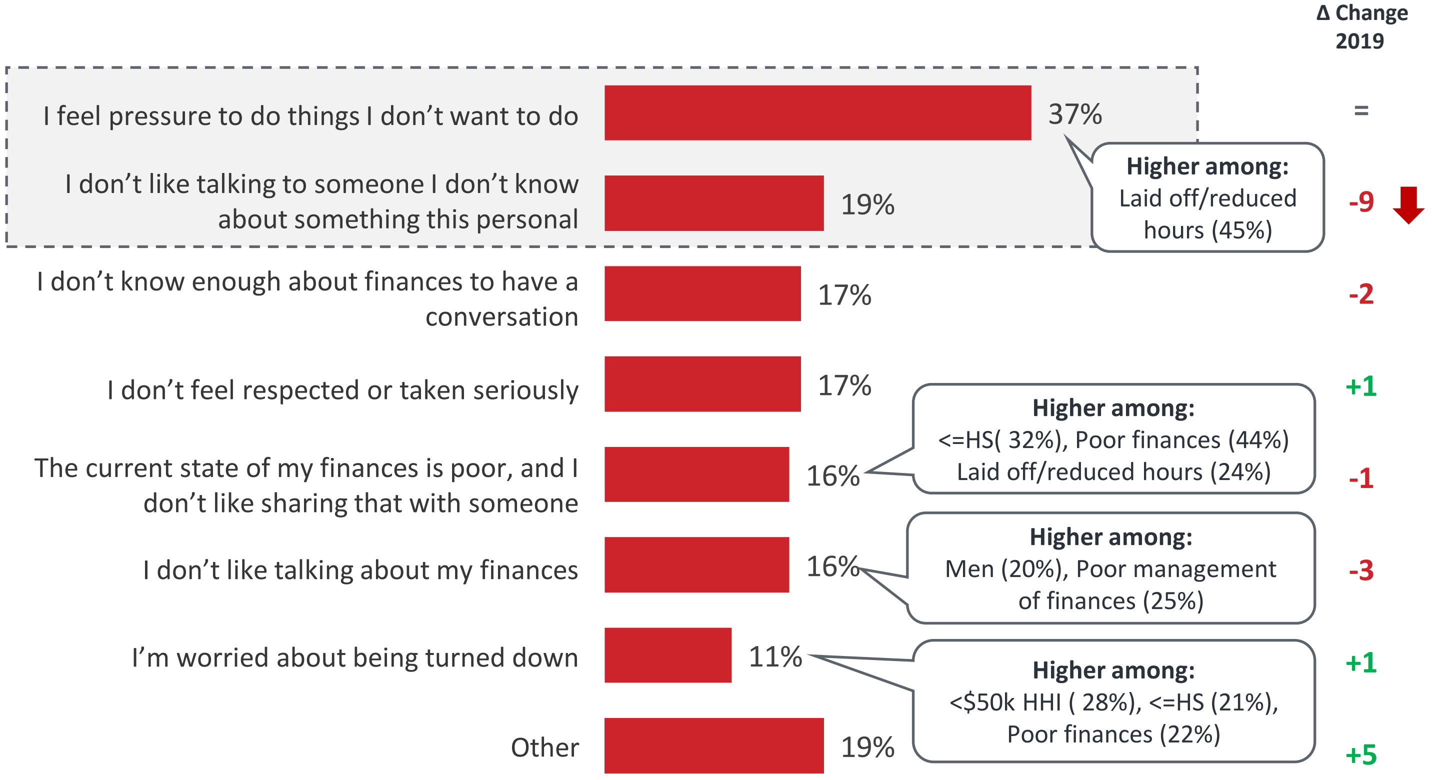
↓↑ Significantly higher or lower at 95% vs. 2019

Afraid of the hard sell: concern over being pressured into products they don't need is the primary reason for discomfort with representatives.

Meanwhile fewer borrowers are concerned about discussing personal financial matters this year than in 2019.

Reason for Discomfort when Dealing with Representatives

(Among borrowers who prefer minimal/no interactions)



Base: Borrowers uncomfortable when dealing with representatives – 2020 (n=280), 2019 (n=497)
C3. What specifically do you find uncomfortable?

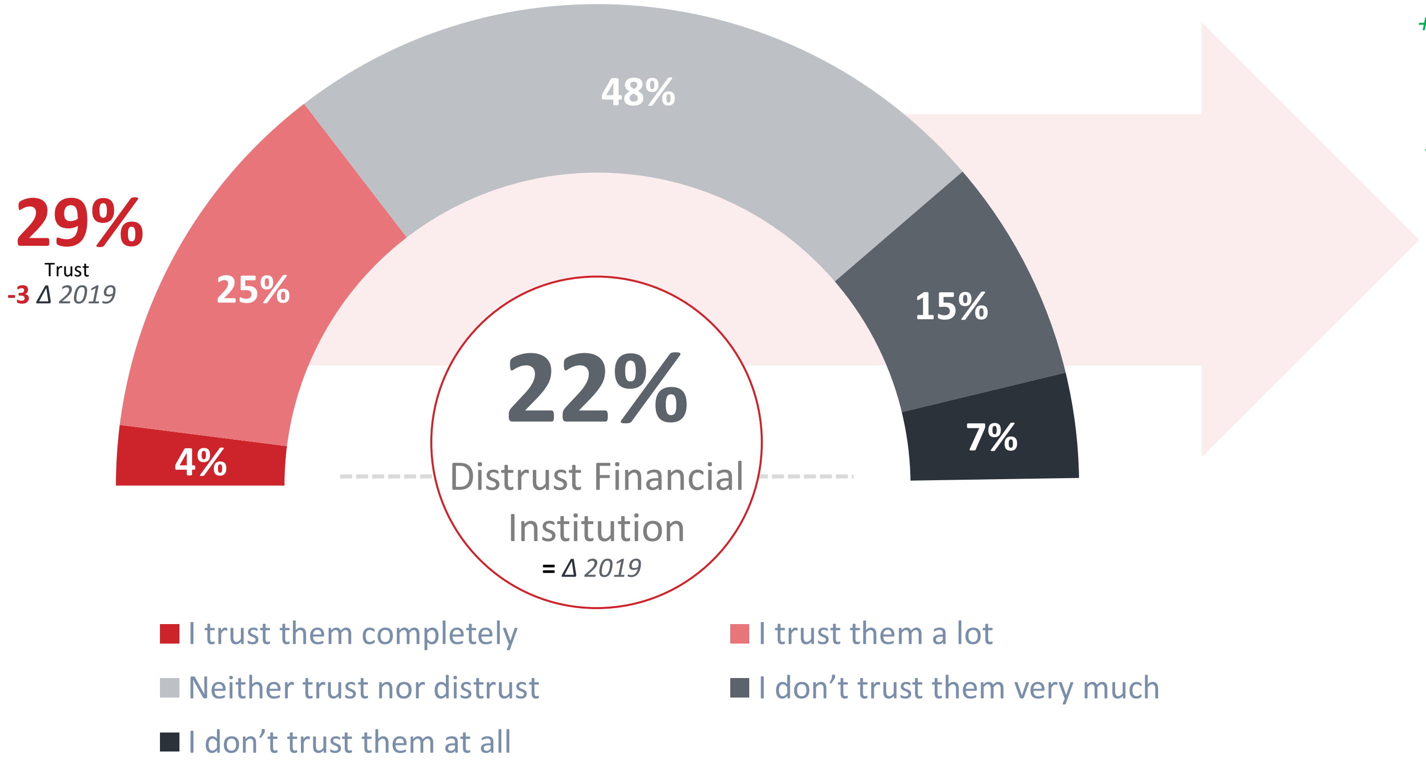
Significantly higher or lower at 95% vs. 2019

Trust gap: Distrust in financial institutions remains stable at one-in-five.

Meanwhile, borrowers are largely indifferent when it comes to trusting financial institutions. Half say they neither trust nor distrust (48%).

Trust in Financial Institution

(Among borrowers)



TRUST HIGHER AMONG:

48% *+8% Δ 2019* — Saskatchewan/Manitoba *(vs. 25% Alberta, 28% BC, 25% Ontario, 31% Quebec)*

41% *+8% Δ 2019* — Atlantic *(vs. 25% Alberta, 25% Ontario)*

37% *-3% Δ 2019* — Boomers/Seniors *(vs. 25% Millennials, 27% Gen X)*

34% *-2% Δ 2019* — Good personal finances *(vs.18% poor personal finances)*

31% *-3% Δ 2019* — Good personal financial management *(vs. 21% poor management)*

32% *-3% Δ 2019* — Have not pursued financial products with alternative lender instead of primary FI *(vs. 21% pursued)*

Base: Borrowers – 2020 (n=1,006), 2019 (n=2,042)
C4. To what extent do you trust your financial institution to provide good advice and prioritize your needs?

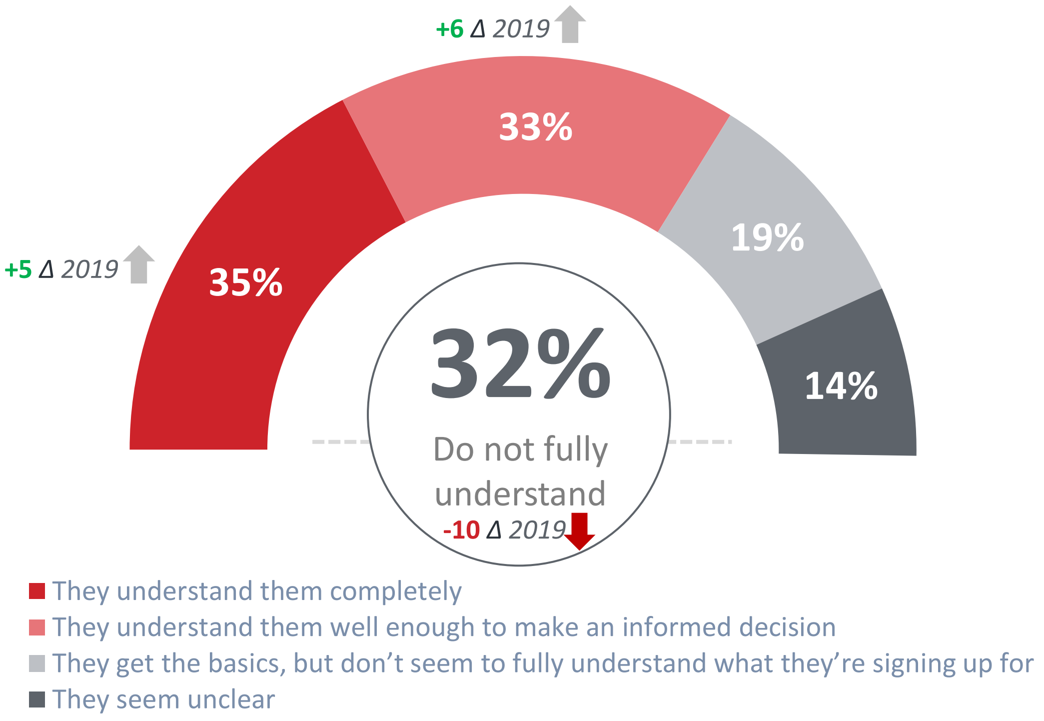
No statistically significant differences vs. 2019 at 95% confidence level

Lenders see greater knowledge in borrowers in 2020, but still room for improvement.

While more lenders say their borrowers know enough to make informed decisions than in 2019, one-third of borrowers are still said to lack this knowledge.

Lenders' Average Perception of Borrowers' Understanding

(Among lenders)



Significantly higher or lower at 95% vs. 2019

Base: Lenders – 2020 (n=250), 2019 (n=252)

Q12. . What proportion of customers fall under the following categories when they buy financial products from your organization? Make sure the total adds to 100%

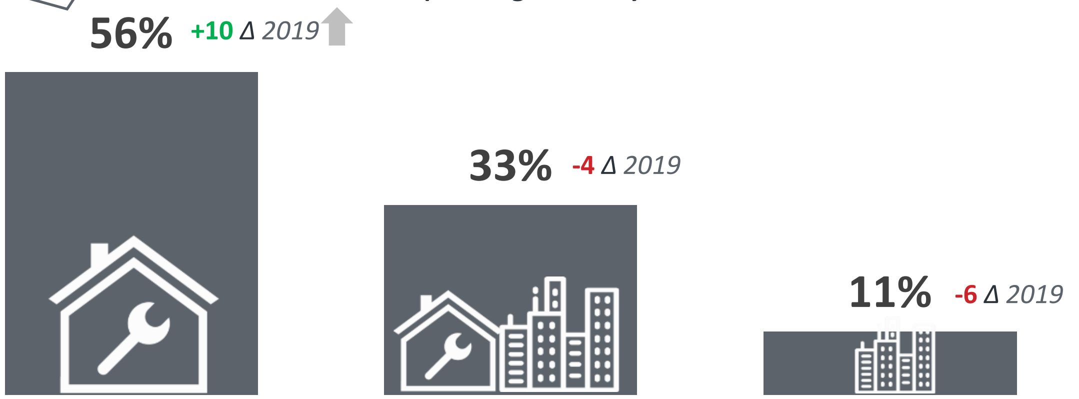
One-stop shop: Lenders increasingly recommending “in-house” products to borrowers, coupled with increased confidence in their own products.

Only providing info about “in-house” products is up this year.

Higher among:
Banks (60%), Credit Unions (57%)

Making Product Recommendations

(Among lenders)



Most of the time, we only provide information about our institution’s **own “in-house” products**

We provide information about products from **multiple institutions** but generally recommend our **own “in-house” products**

We provide information about products from **multiple institutions** and **recommend what’s best** for our client on a case by case basis

According to lenders…

78% +5 Δ 2019

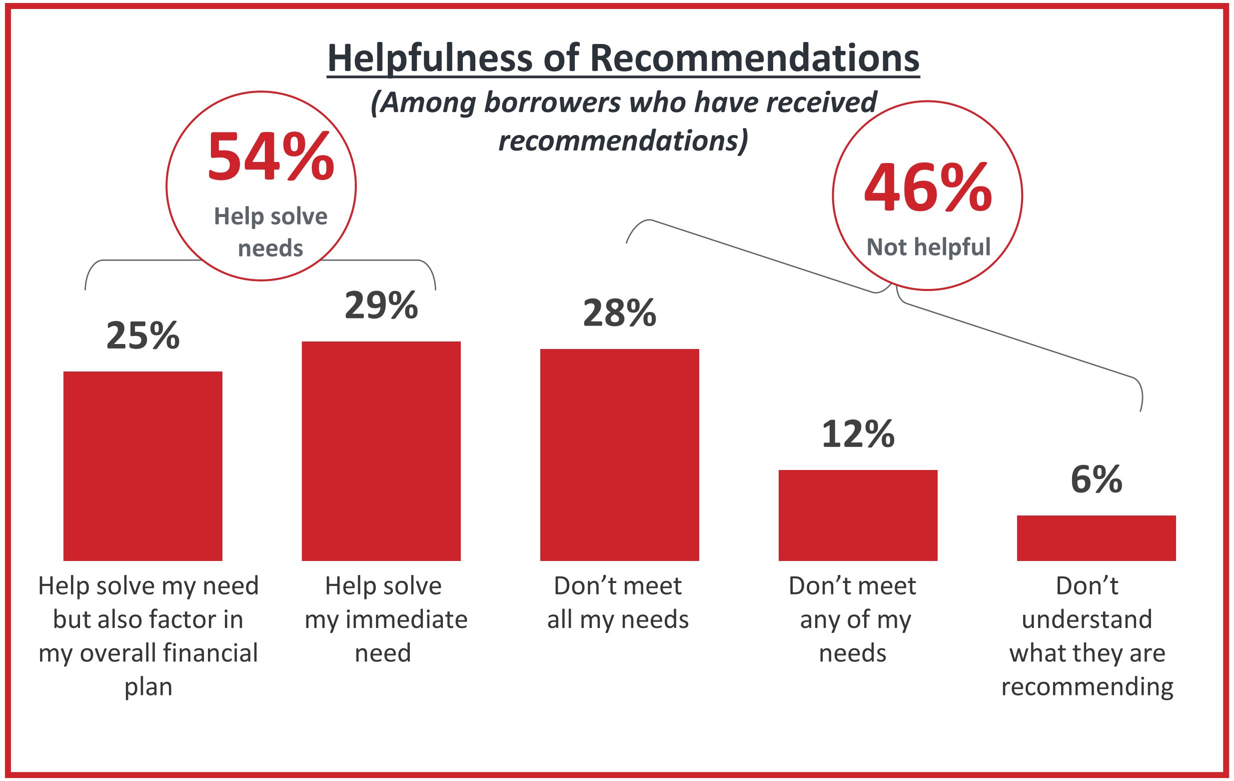
of the time the “best product” to fit a client’s needs comes from your own financial institution

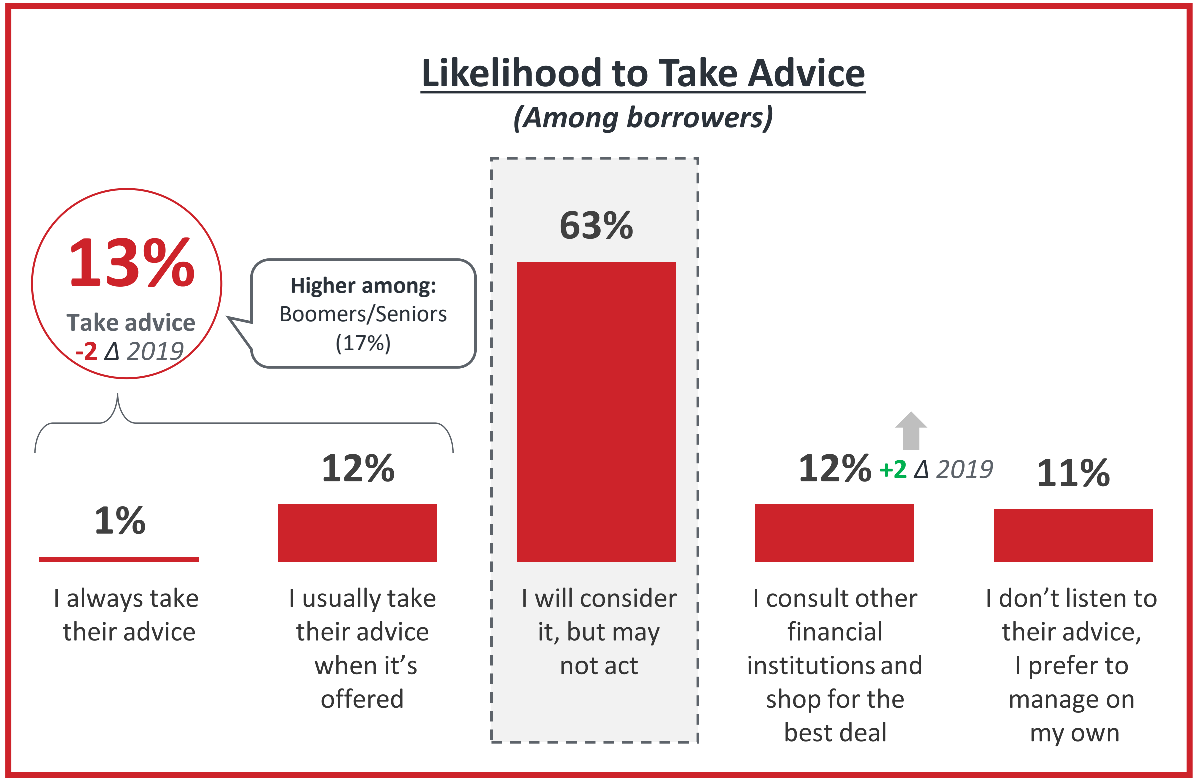
Base: Lenders – 2020 (n=250), 2019 (n=252)
Q6. When making product recommendations to clients, which statement best describes your financial institution’s approach?
Q7a. Generally speaking, what percent of the time does the “best product” to fit a client’s need come from your financial institution ?

Significantly higher or lower at 95% vs. 2019

DIY Finances: Minority of borrowers readily take their financial institution's advice, and it's decreased from 2019.

Most (63%) will consider their advice, but only act on it at their own discretion.



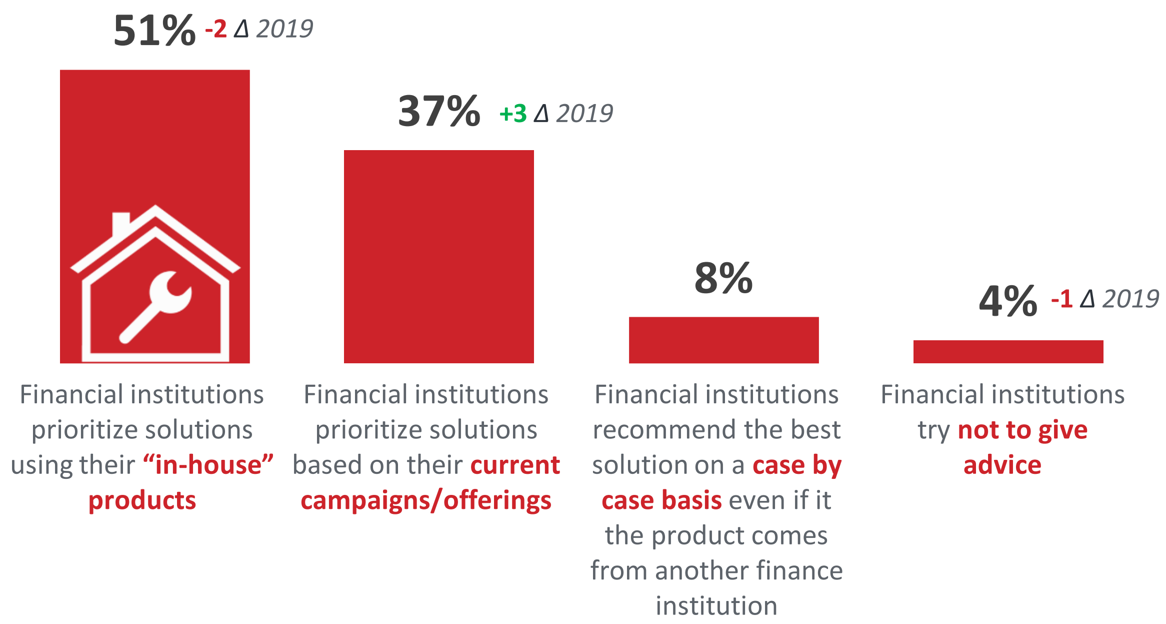


Base: Borrowers – 2020 (n=1,006), 2019 (n=2,042), Base: Borrowers who received recommendations – 2020 (n=758)
C5. Overall, which of the following statements best describes the advice you receive from your financial institution?
C6. When your financial institution recommends a product or service how likely are you to take their advice?

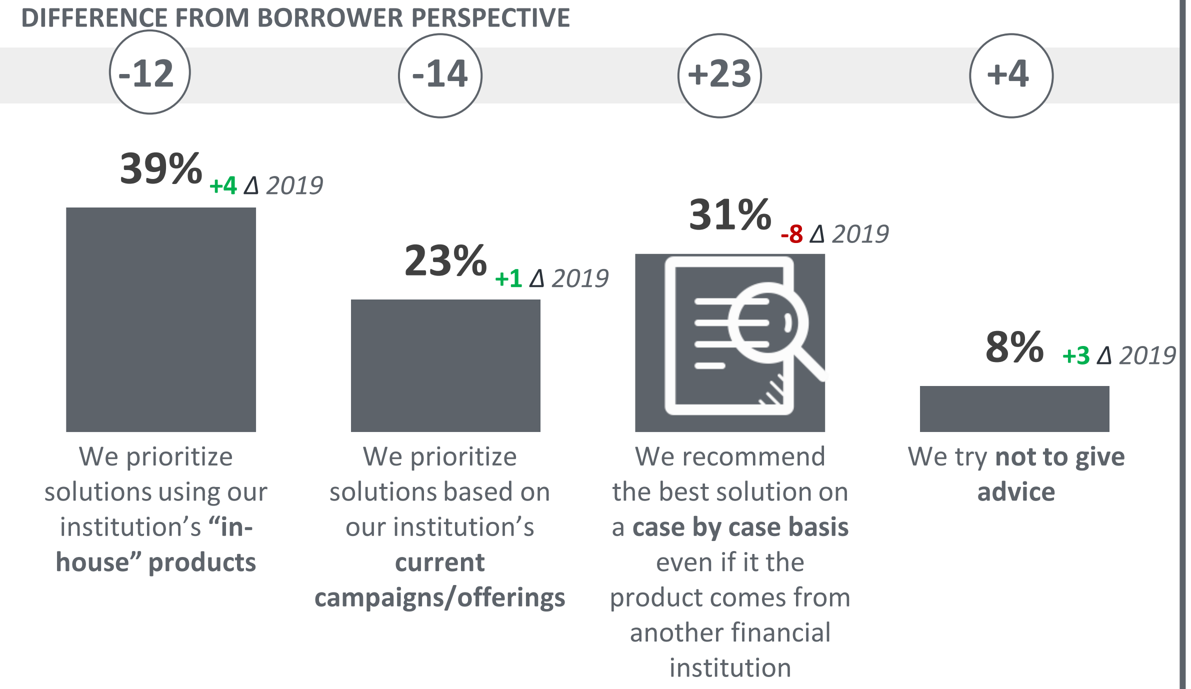
Significantly higher or lower at 95% vs. 2019

Borrower/Lenders Disagreement:
Borrowers continue to believe financial institutions will prioritize their products, while Lenders say they recommend the best solution regardless of financial institution.

Receiving Advice from Financial Institutions
(Among borrowers)



Giving Advice to Customers
(Among lenders)



No statistically significant differences vs. 2019 at 95% confidence level

Base: Borrowers – 2020 (n=1,006), 2019 (n=2,042)
D8. When you receive recommendations from your financial institution, which statements best describes your options?
Base: 2020 (n=250), 2019 (n=252)
Q7. Which statement best describes the advice provided to your customers?

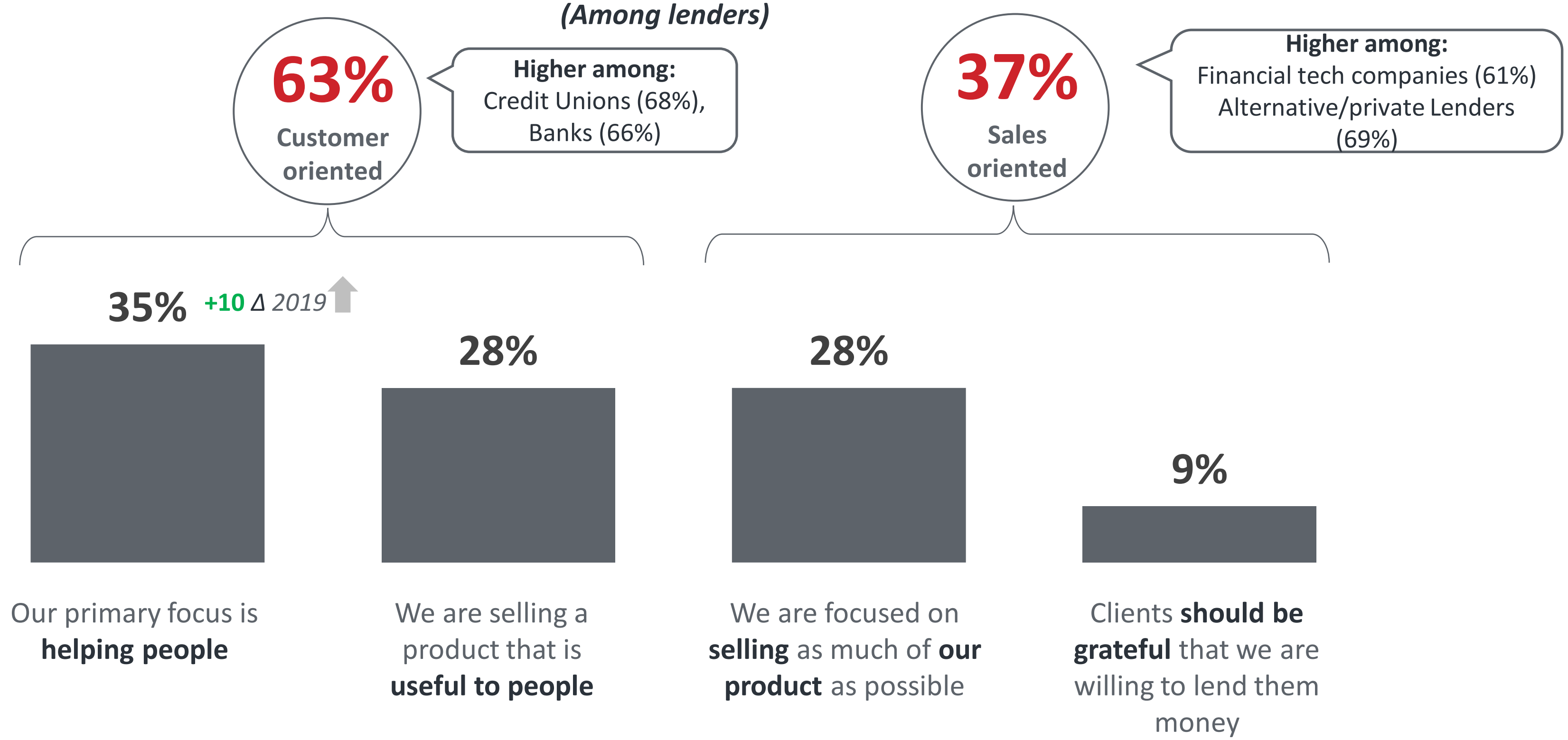
No statistically significant differences vs. 2019 at 95% confidence level

Shift to the Customer: An increasing number of lenders say their focus is customer oriented vs. 2019.

Nearly two-thirds of lenders say their organization's culture is sales focused, breaking the split between customer and sales-oriented cultures reported in 2019.

Sales Culture at Financial Institution

(Among lenders)



	Helping people	Useful products	Sell "our products"	Clients should be grateful
Client facing	41%	30%	17%	12%
Manager	34%	21%	37%	7%
Director/Executive	15%	23%	53%	10%

Base: 2020 (n=250), 2019 (n=252)

Q13. When it comes to lending, which of the following best describes your perception of the sales culture at your institution?

Significantly higher or lower at 95% vs. 2019

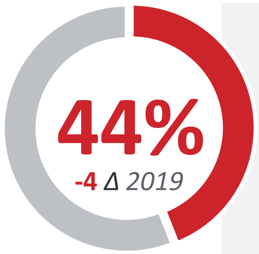
HOW ARE PRODUCTS PRICED?

Between attaining comfort with negotiating and understanding how to get the best prices, there is **room for borrowers to improve the prices they pay** for financial products.

Most borrowers say they are **uncomfortable or don't negotiate rates** on credit products, even though one third of lenders say **customers who negotiate well get better prices**.

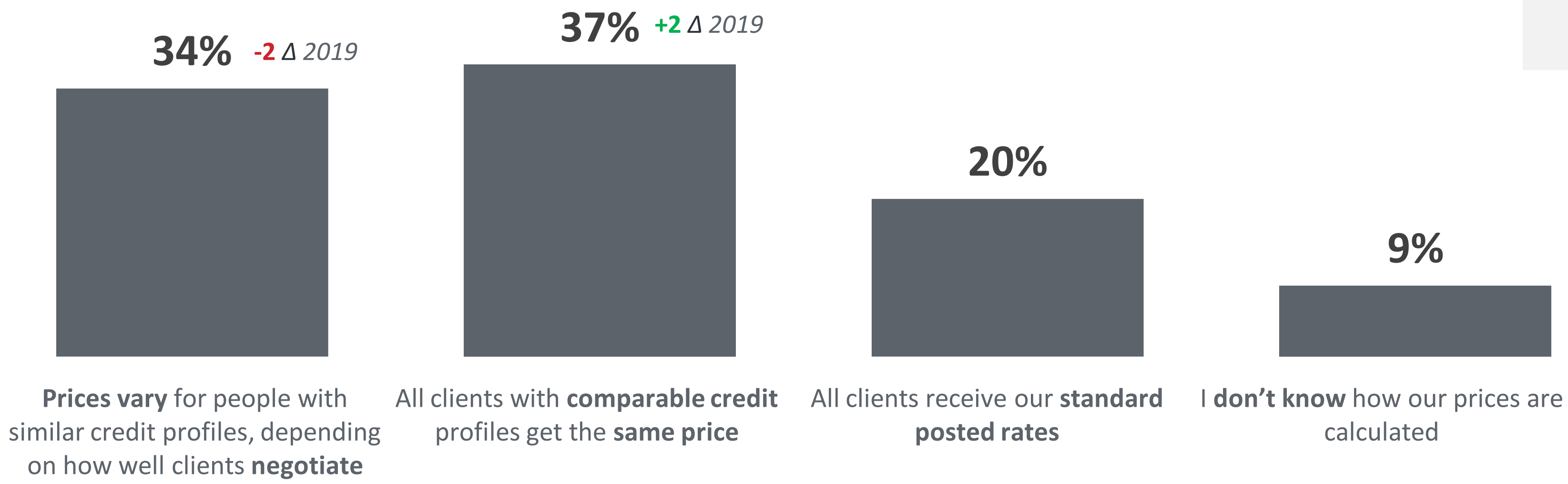
In terms of how to get the best price, **borrowers are split** between whether its best to have all products with one institution or spread across multiple, while **lenders most commonly say having all products at one bank will secure the best prices**.

Negotiating can pay, according to lenders – one-third say customers with similar credit get better prices if they negotiate well.



of lenders say borrowers often ask for more information on how prices are calculated

Product Pricing and Interest Rates
(Among lenders)



Base: 2020 (n=250), 2019 (n=252)
Q14. Which statement would you say is most true about product pricing and interest rates at your financial institutions?
Q15b. Do borrowers often ask for more information on how your financial institution's prices are calculated?

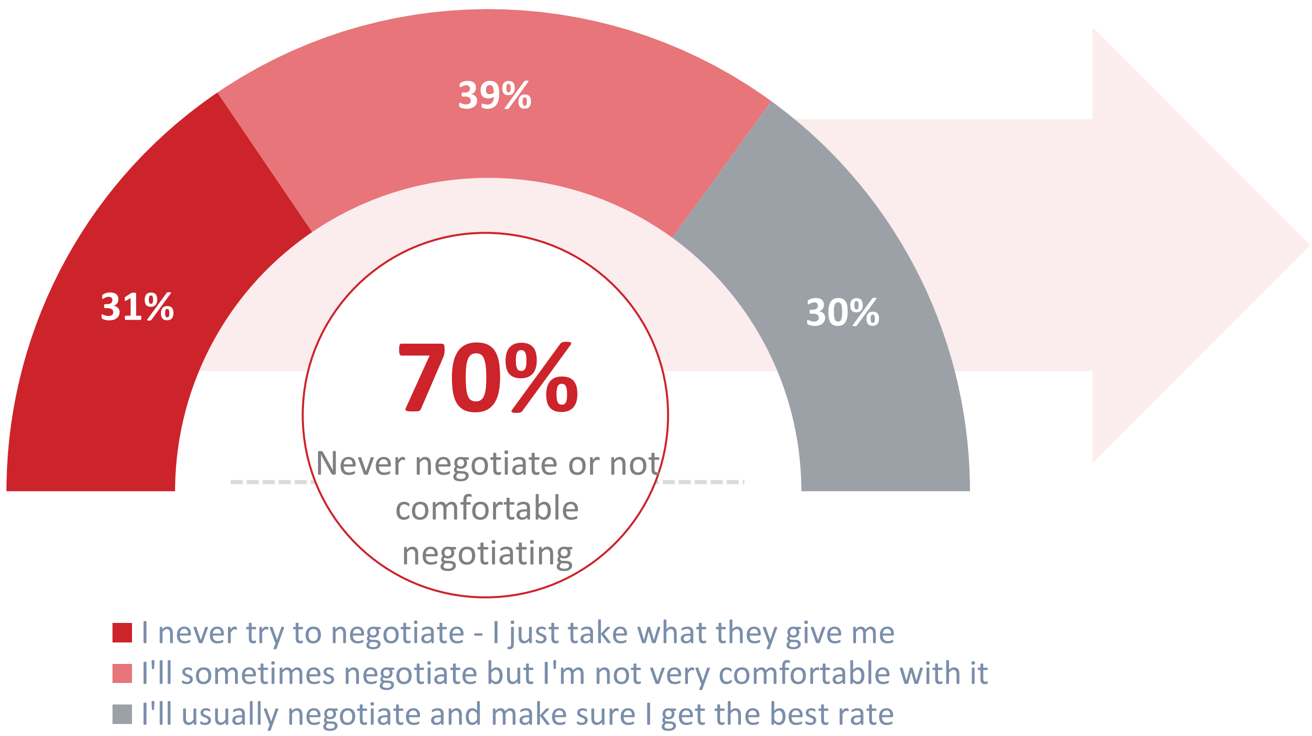
No statistically significant differences vs. 2019 at 95% confidence level

Lack of skill or unwillingness to negotiate may be in the way of getting to a better financial future: those with poor finances are the least likely to negotiate new credit products.

Propensity to negotiate and ability to get the best rate increase with age.
Women (36%) are more likely than men (25%) to take the first offered deal.

Comfort Level when Negotiating Credit Products

(Among borrowers)



NEVER OR NOT COMFORTABLE HIGHER AMONG:

75% <$100K HHI *(vs. 64% $100K+)*

81% Millennials *(vs. 74% Gen X, 56% Boomers)*

78% Women *(vs. 63% Men)*

82% Poor personal finances *(vs. 66% good finances)*

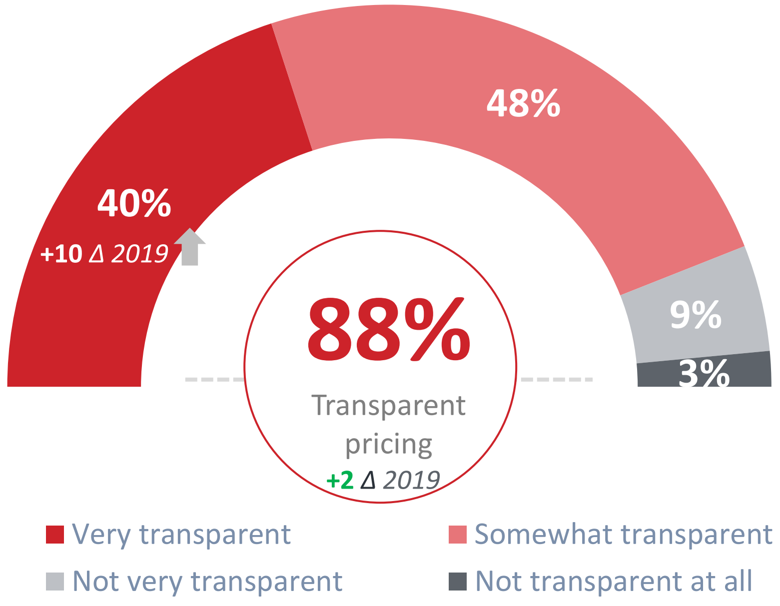
85% Poor personal financial management *(vs. 67% good management)*

77% Without mortgage *(vs. 65% with mortgage)*

*New questions added in 2020
Base: Borrowers – 2020 (n=1,006)
D18. How comfortable are you with negotiating new credit products with your financial institution?

Lenders see increased transparency in their pricing, as the proportion saying their pricing is *very* transparent increased from 2019.

Transparency of Pricing from Consumer Perspective
(Among lenders)



	Client facing	Manager	Director/Executive
Very transparent	42%	39%	37%
Somewhat transparent	47%	46%	60%
Not transparent	11%	15% vs. Director/ Exec.	4%

Base: 2020 (n=250), 2019 (n=252)
Q15. How transparent do you think your institutions pricing is, from a consumer perspective?

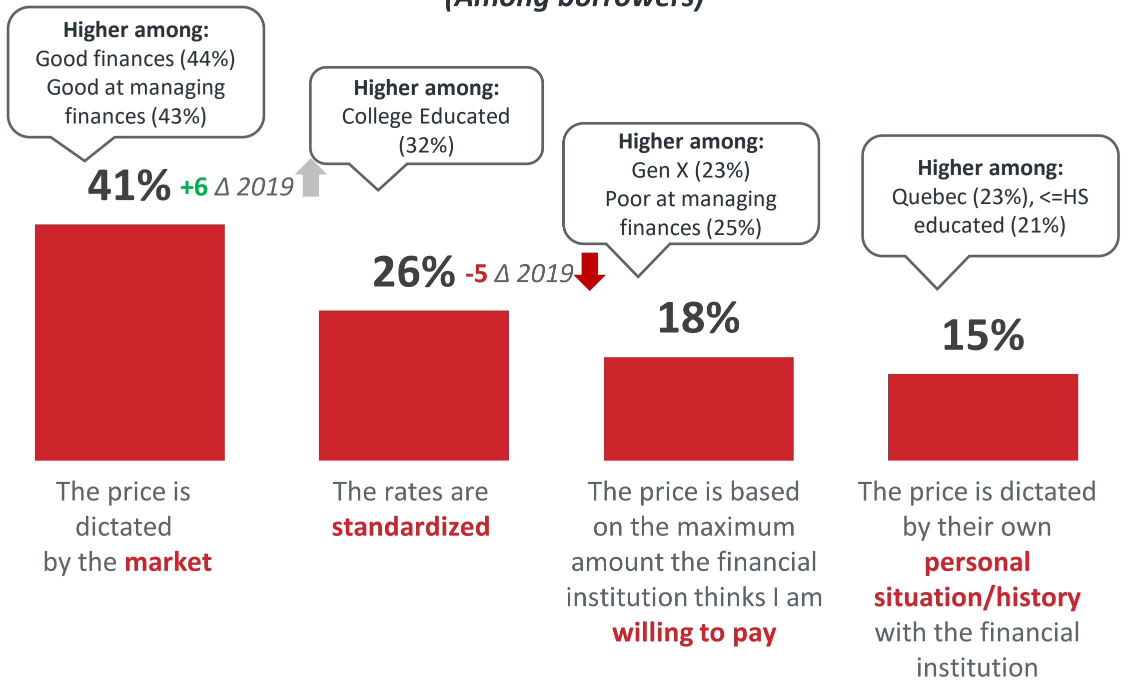
Significantly higher or lower at 95% vs. 2019

Lenders hold false perceptions about what borrowers think dictates price.

Lenders are most likely to say borrowers assume rates are standardized, whereas in reality borrowers are most likely to say rates are dictated by the market.

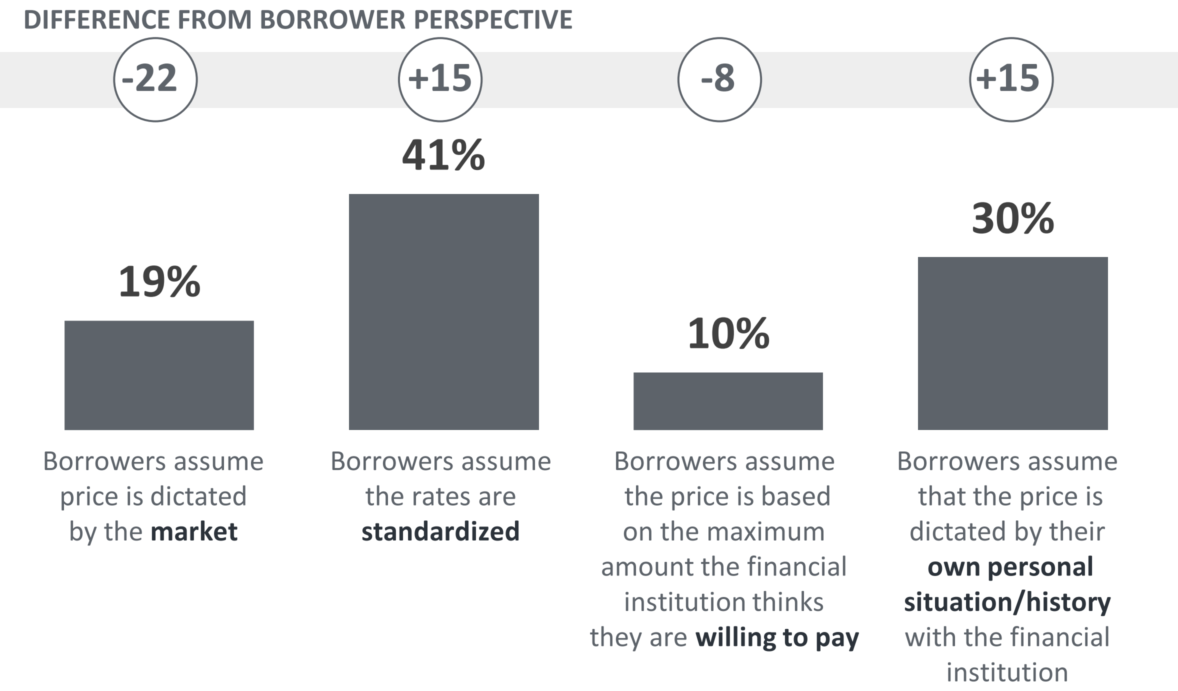
Product Pricing and Interest Rates

(Among borrowers)



Lenders' Perceptions of Product Pricing

(Among lenders)



Base: Borrowers – 2020 (n=1,006), 2019 (n=2,042)
D7. What would you say is most true about product pricing and interest rates at your financial institutions?
Base: Lenders – 2020 (n=250), 2019 (n=252)
Q15a. And again, for a consumer perspective, overall, how do they generally perceive your institution's pricing?

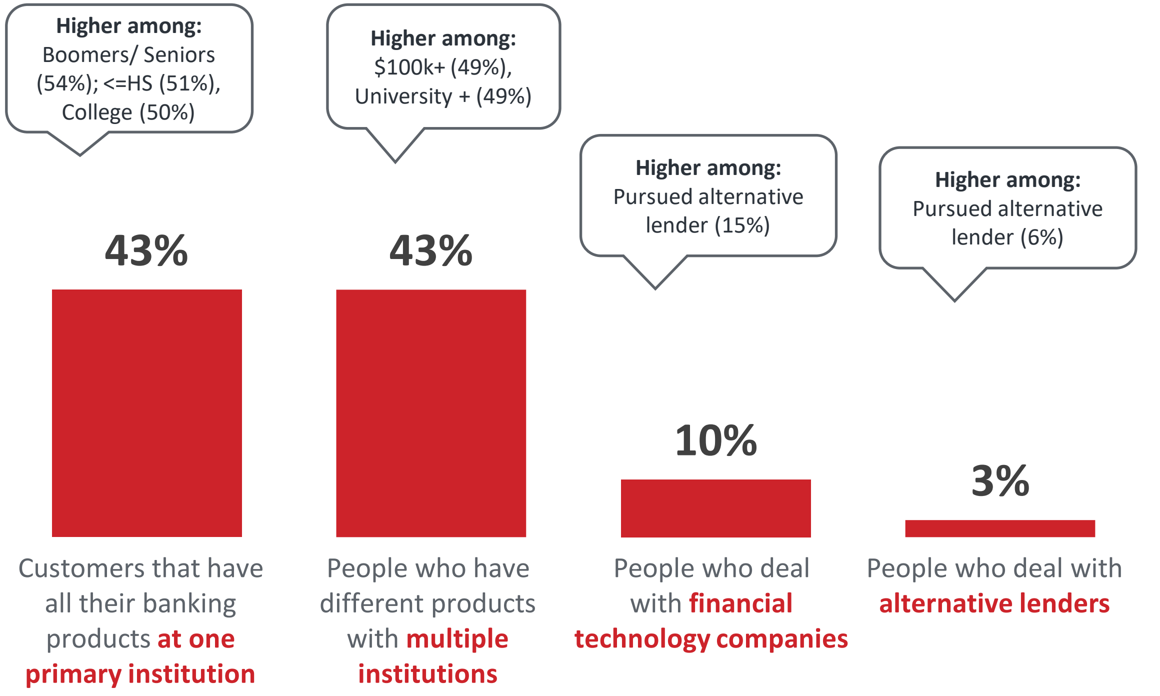
Significantly higher or lower at 95% vs. 2019

Many borrowers' may hold an erroneous assumption that having different products at multiple institutions gets them the "best deal" on banking products.

Having all products at one institution is the most likely way to get the best deal, according to lenders.

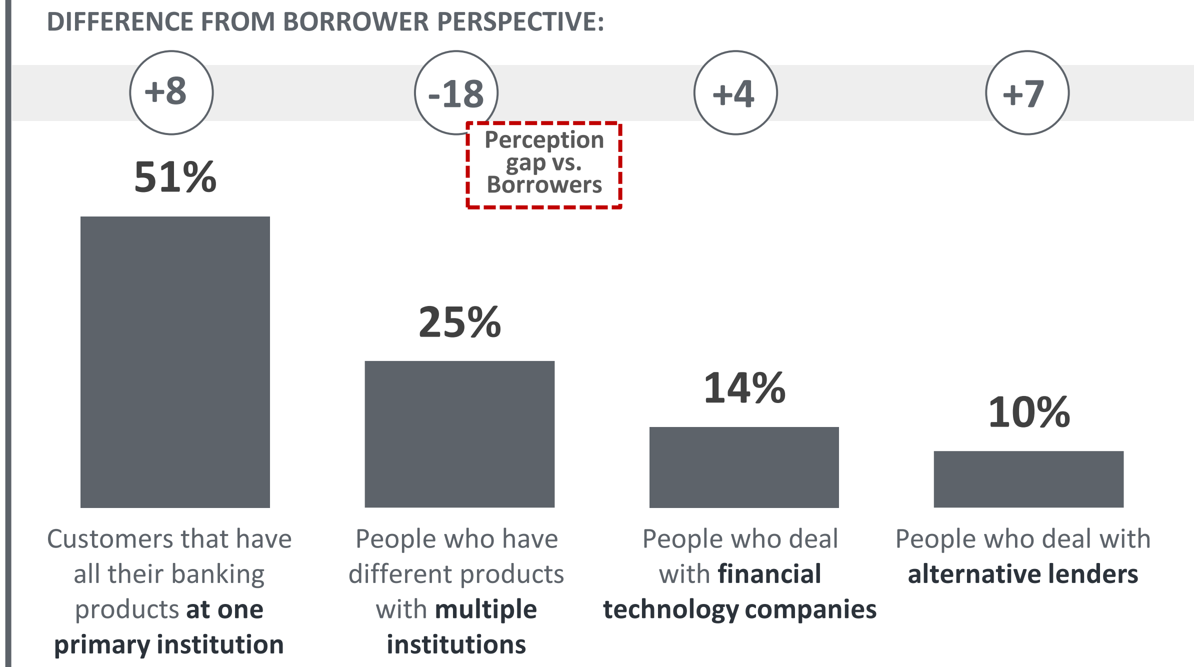
Who gets "Best Deal" on Banking Products

(Among borrowers)



Customers who get "Best Deal" on Banking Products

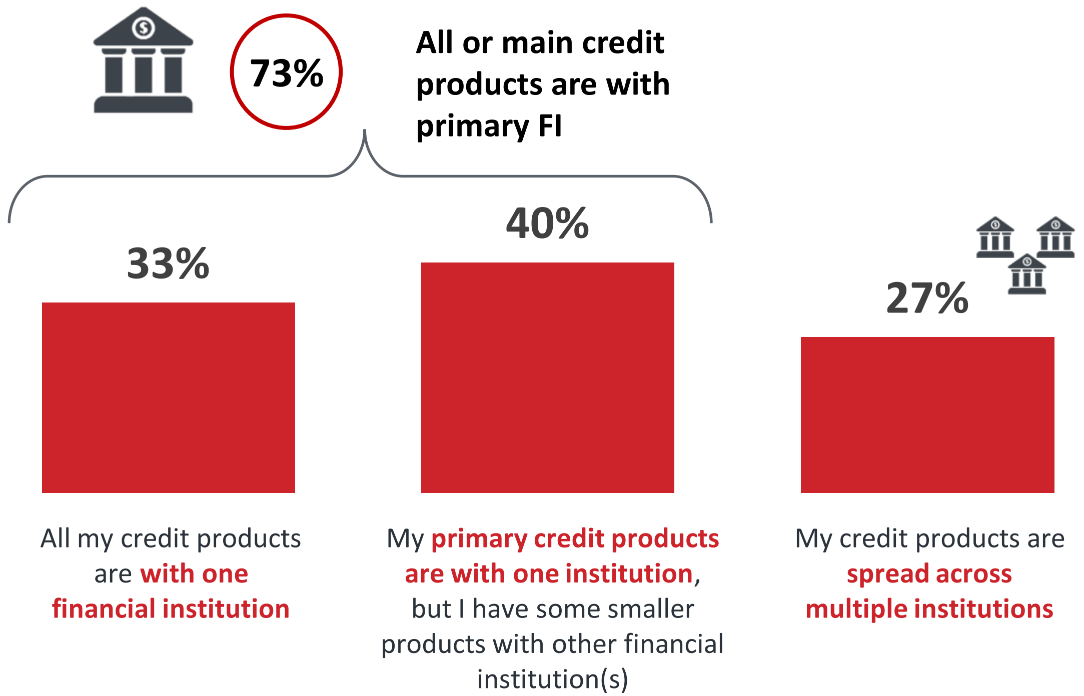
(Among lenders)



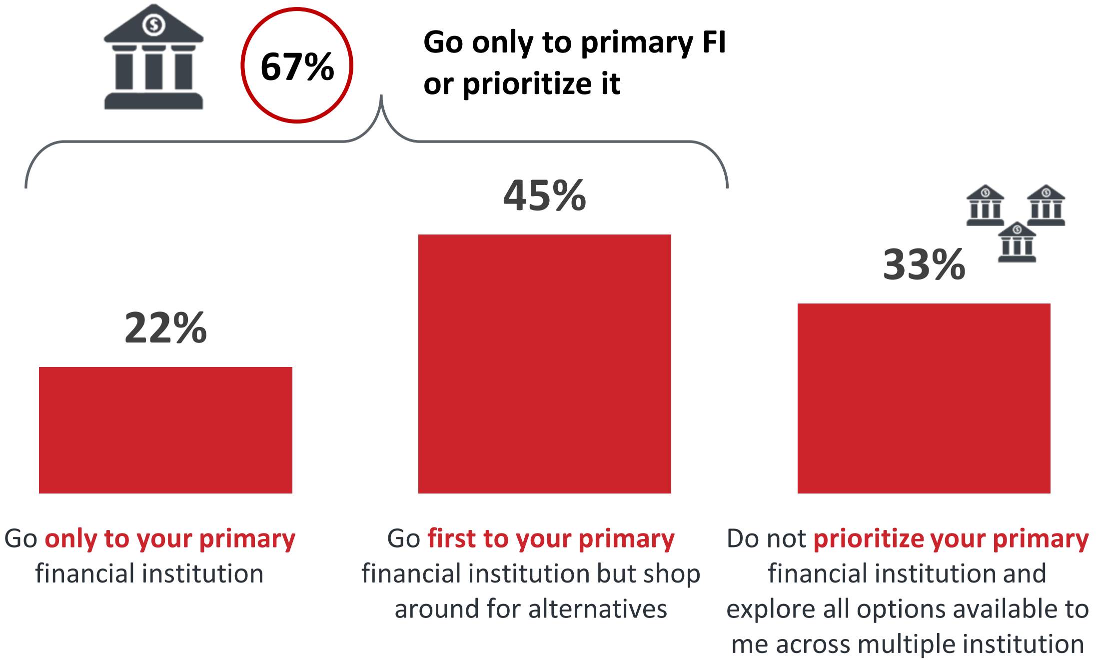
*New questions added in 2020
Base: Borrowers - 2020 (n=1,006)
D19. In your opinion, who gets the best deal on their banking products?
Base: Lenders – 2020 (n=250)
Q16a. In your opinion, what type of customer gets the best deal?

Ties with Primary Financial Institution are important: the majority of borrowers have most or all of their products with one institution and will prioritize their primary financial institution when in need for new credit products.

Single Vs. Multiple Financial Institutions
(Among borrowers)



When Looking for a New Credit Product
(Among borrowers)



*New questions added in 2020
Base: Borrowers - 2020 (n=1,006)
D16. Thinking of your credit products, which of the following options best describes you?
D17. When you are looking for a new credit product, do you…

POOR CREDIT AND ABILITY TO ACCESS TO PRODUCTS / SERVICES

Customers with **low credit undeniably face barriers** to accessing financial products, with only 16% of lenders saying they have a systematic process for accommodating customers with poor credit.

While a customer’s history with an institution is a factor in credit applications, it is taken in part along with their credit score, employment status and other information.

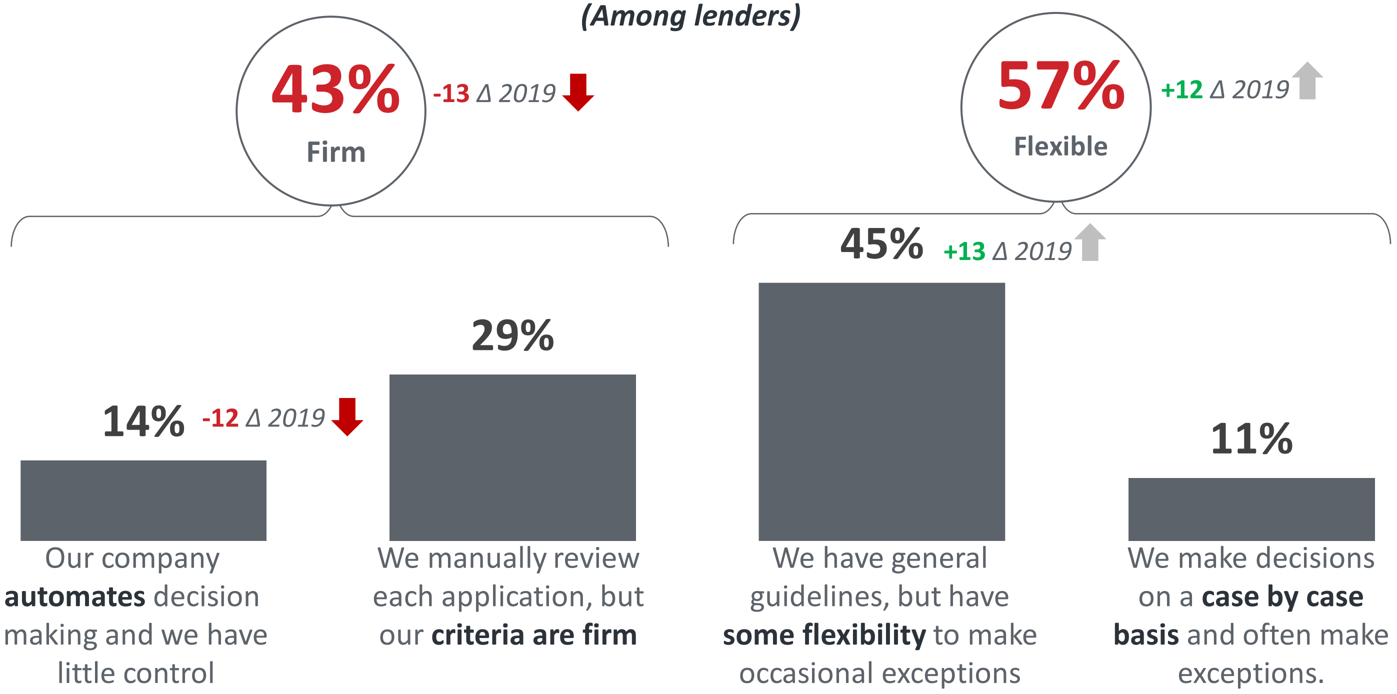
Nevertheless, an **increased proportion of lenders report having flexibility over firmness** in their credit decision process, possibly in consideration for those whose employment was affected by the COVID-19 pandemic.

Lenders slightly more likely to say their financial institution has a flexible, rather than firm, approach making credit decisions

Proportion of lenders saying their FI has a flexible approach (57%) up 12 points from last year

Approach to Making Credit Decisions

(Among lenders)



	Automate	Firm criteria	Some flexibility or Case by Case
Client facing	17%	22%	60% vs. Director/ Exec.
Manager	12%	33%	56%
Director/Executive	10%	51%	39%

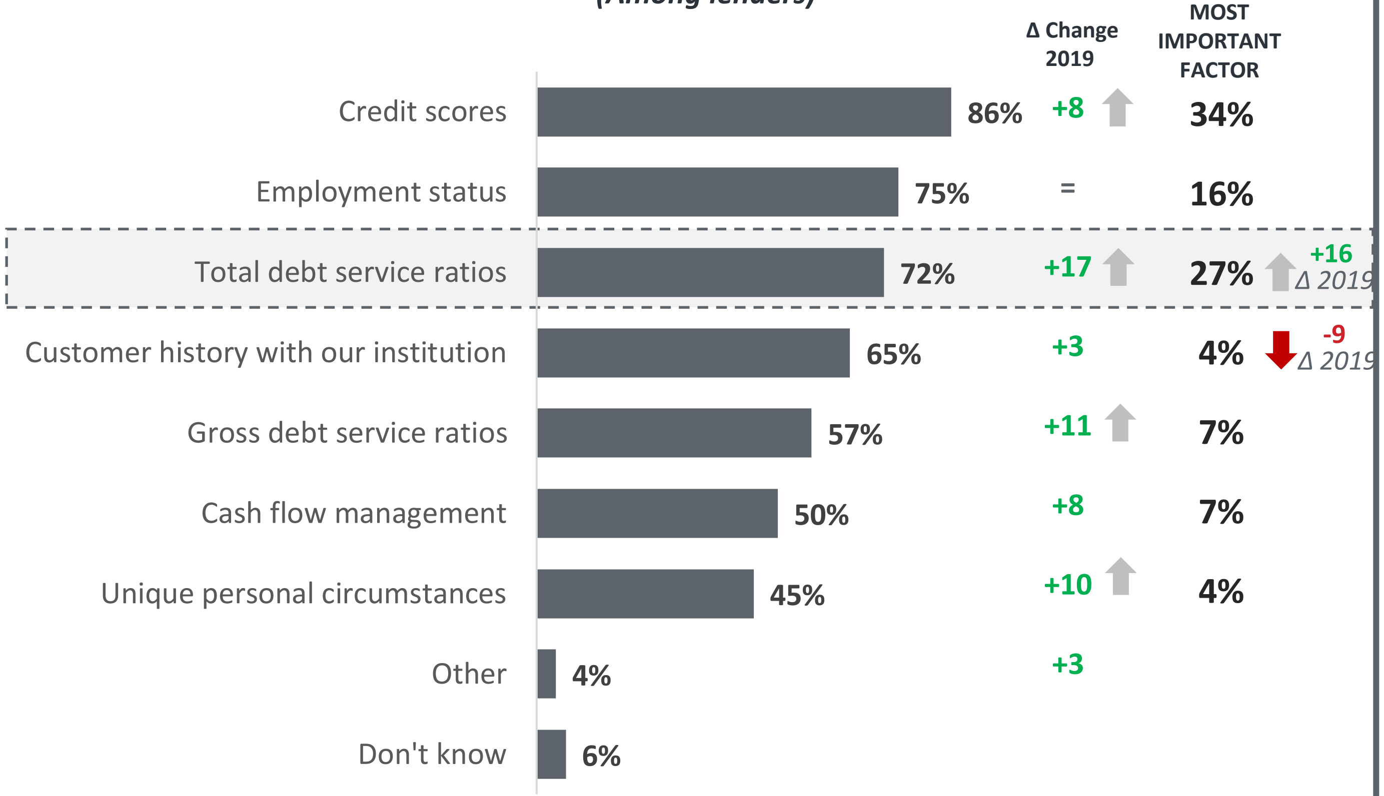
Base: Lenders – 2020 (n=250), 2019 (n=252)
Q4. When giving advice as a financial institution, which of the following best describes your financial institution's approach to making credit decisions?

Significantly higher or lower at 95% vs. 2019

There is no single factor when applying for credit: Lenders consider many factors, with credit scores, debt to service ratios and personal circumstances all having increased in importance from 2019.

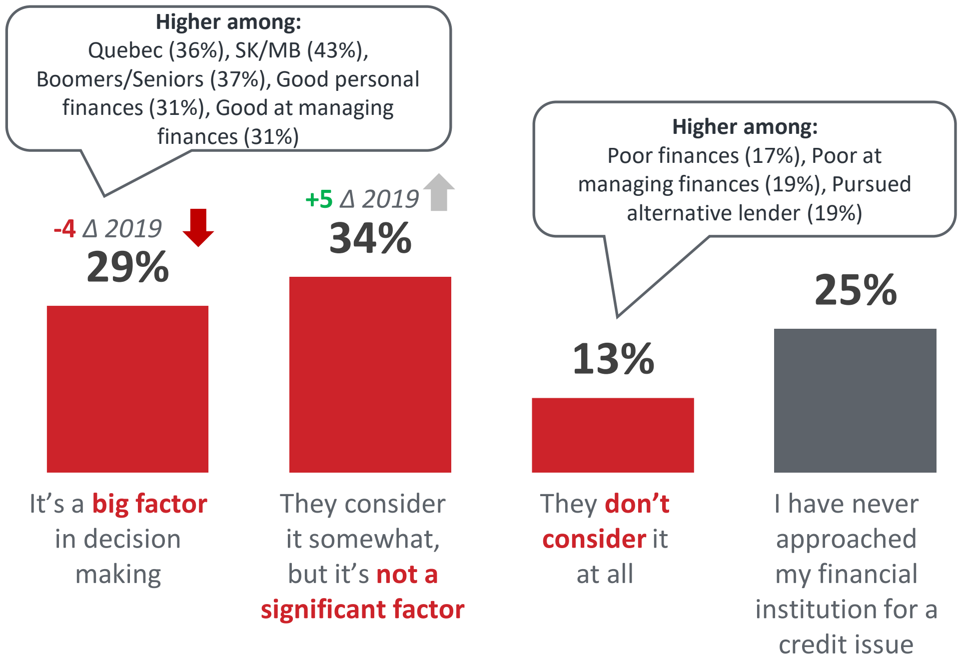
Factors Considered in Credit Application

(Among lenders)



History as a Customer Consideration

(Among borrowers)

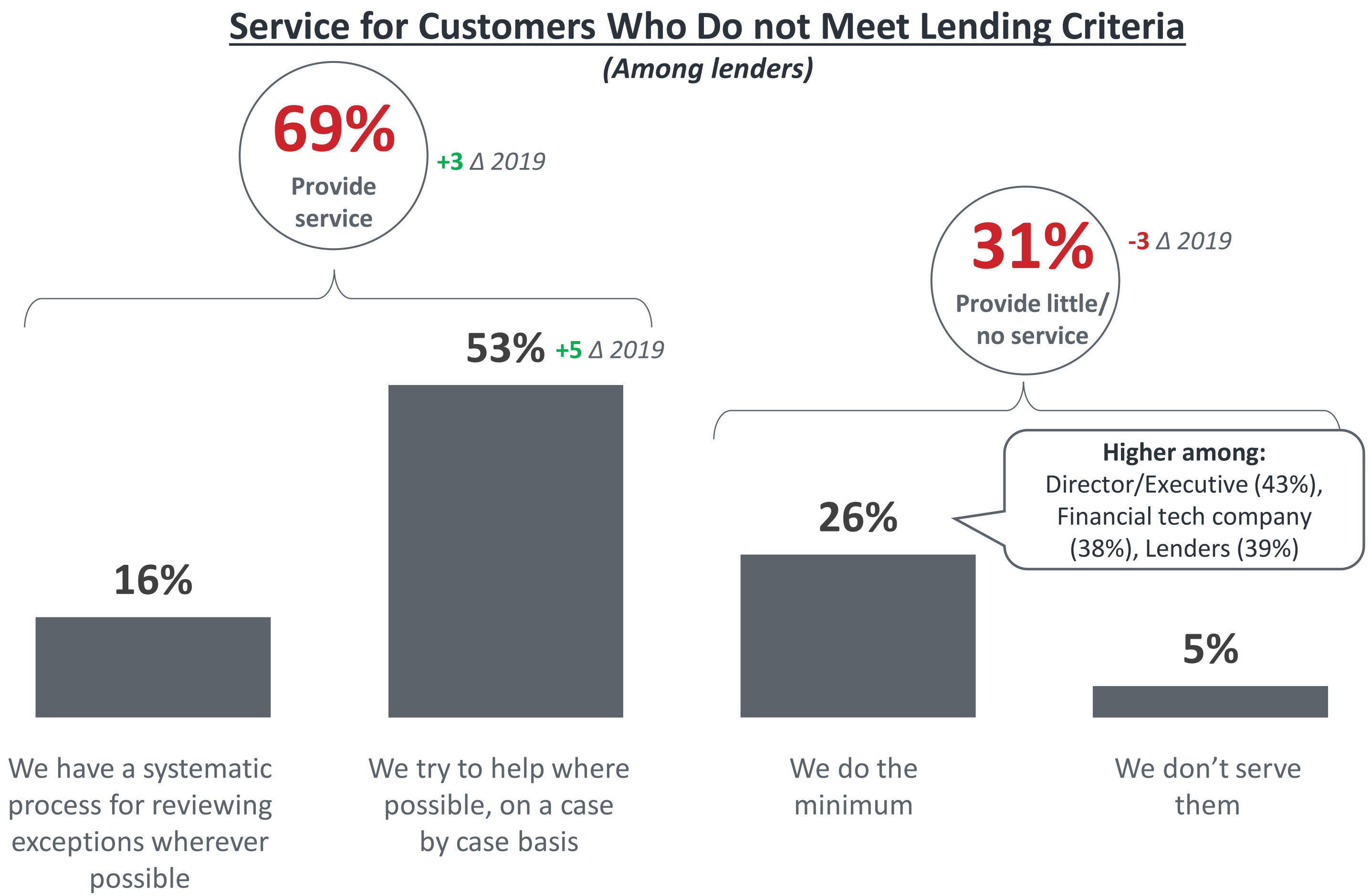


Base: Lenders – 2020 (n=250), 2019 (n=252)
Q5a. What factors does your organization consider in a credit application? Check all that apply.
Q5b. From the list of factors that your company uses to make credit decisions, please rank the most important factors
Base: Borrowers – 2020 (n=1,006), 2019 (n=2,042)
D6. How does your financial institution consider your history as a customer with them when making credit decisions?

Significantly higher or lower at 95% vs. 2019

DUCA impact lab ANGUS REID

Credit rating can be a major barrier: One-third of lenders say those with poor credit receive little or no service, not significantly different from 2019.



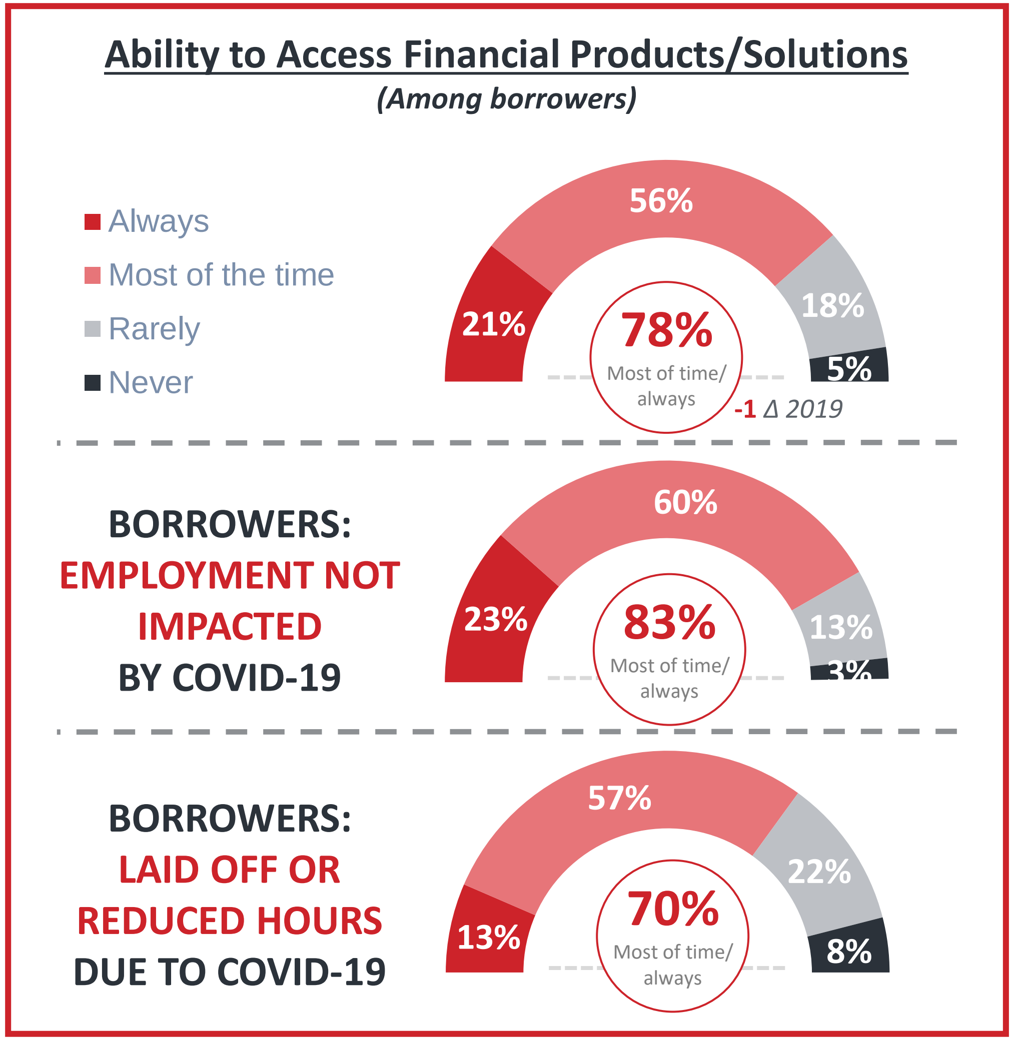
No statistically significant differences vs. 2019 at 95% confidence level

Base: Lenders – 2020 (n=250), 2019 (n=252)

Q10.In your opinion, how well does your institution service people who do not meet your organization's lending criteria? (2019 was: "who have poor credit")

Those hit hardest by pandemic also see restricted access to credit.

Seven-in-ten Canadians who experienced lay off/reduced hours due to COVID-19 say they can access financial products most/all the time vs. over four-in-five whose employment wasn't impacted.



Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042) Borrowers employment not impacted (n=428) Borrowers laid off/reduced hours (n=270)
D5. When a need arises, do you think you are able to access the financial products/solutions you need from your primary financial institution?

No statistically significant differences vs. 2019 at 95% confidence level

Communication breakdown: One-in-five with debt go to an alterative lender to avoid talking to their primary FI, not significantly different from 2019.

Borrowers with poor credit and poor personal finances are much more likely to speak to alternative lenders ahead of their primary financial institution.

20%

-2 Δ 2019

of borrowers have pursued financial products at alternative lenders because they didn't want to speak with their primary financial institution first

HIGHER AMONG:

24% -4 Δ 2019 — <$50k HHI *(vs. 18% $100k+, 21%, $50-100k)*

26% +3 Δ 2019 — Millennials *(vs. 15% Boomers/Seniors)*

26% -4 Δ 2019 — High school education *(vs. 19% University, 19% College)*

22% -2 Δ 2019 — Non-mortgage only debt *(vs. 11% mortgage only debt)*

30% -3 Δ 2019 — Poor personal finances *(vs. 17% good personal finances)*

28% -6 Δ 2019 — Poor personal financial management *(vs. 19% good management)*

30% — Laid-off or reduced hours due to COVID-19 *(vs. 18% no employment impact)*

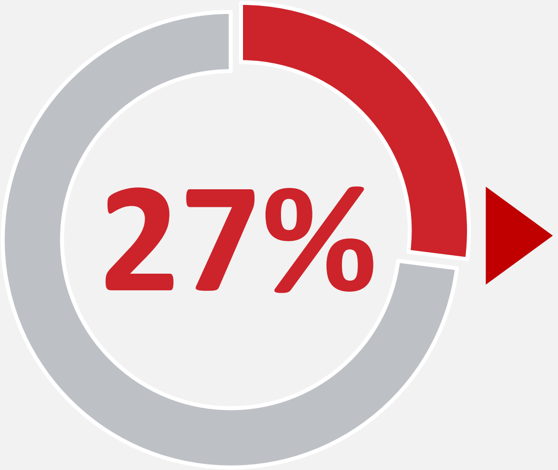
Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)

D9. Have you ever pursued financial products at alternative lenders (like a payday loan, private lender or friends/family) because you didn't want to speak with your primary financial institution first?

No statistically significant differences vs. 2019 at 95% confidence level

Chartered banks account for just over half of applications for credit among borrowers.

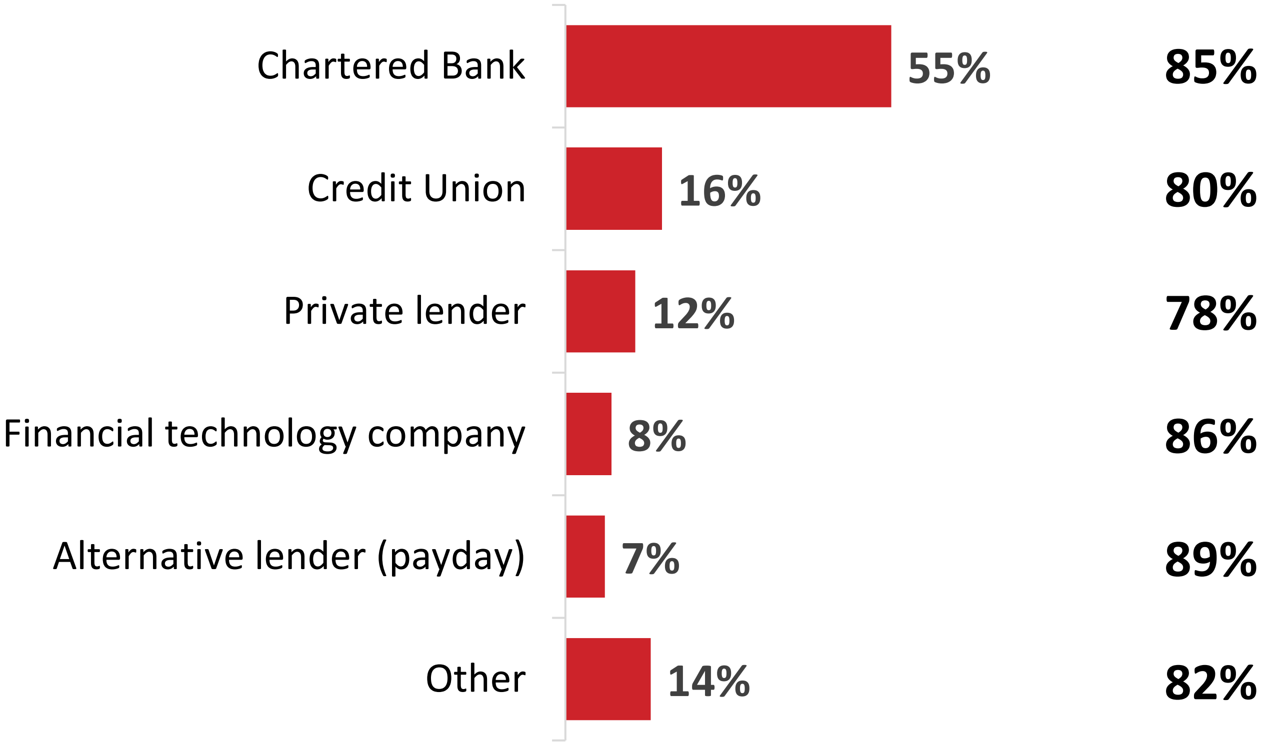
Alternative lenders account for a small share of credit applications, but have the highest approval rate.



of borrowers have applied for a new credit product in the past 12 months

Types of Institutions Applied To
(Among those applied)

% Successful
*(Among those applied to each FI type *)*



35%
of those who applied to private or alternative lenders applied through a financial institution first*

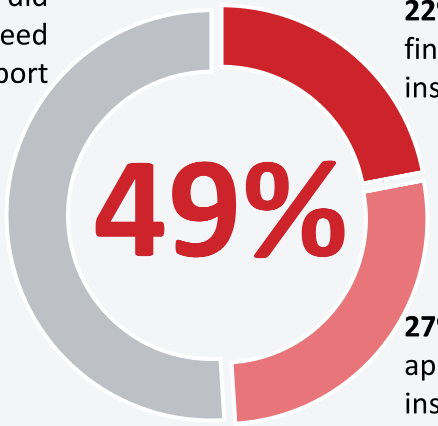
Base: Borrowers (n=1,006), Base: Borrowers who applied for new credit (n=273)
D13. Have you applied for a new credit product through any of the following lenders in the past 12 months?
Base: Borrowers who applied for new credit product at each institution type, Base varies by institution - ***Low base size. Interpret with caution.**
D14. Was your application with each of these lenders successful?
Base: Applied to an alternative lender or private lender (n=48) ***Low base size. Interpret with caution.**
D15.Before seeking for a loan from an alternative or a private lender, had you applied for a credit product through a financial institution (e.g. bank, credit union)?

Many borrowers are reluctant to reach out for help—only about half in need of support approached financial institutions.

Even though most of those who did reach out received the support they were looking for, a lack of confidence that financial institutions can help them is one of the main reasons people *don't* reach out.

Support since COVID-19 started

(Among borrowers)



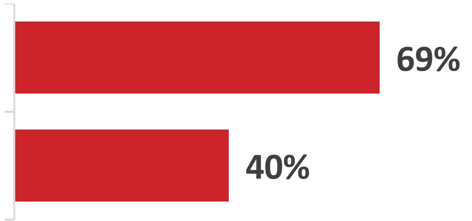
of borrowers **needed support** since the onset of the pandemic

88%

Received support

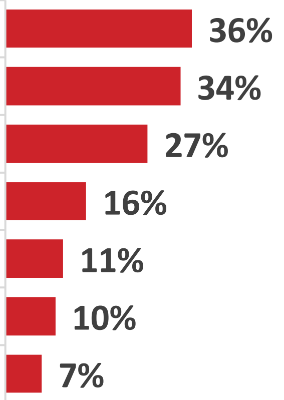
Type of Support Were Seeking

(Among those who approached FI)



Reasons for Not Seeking Support

(Among those who did not approach FI)



*New questions added in 2020

Base: Borrowers – 2020 (n=1,006), Approached FI for Support during pandemic (n=223), Have not approached FI for support (n=783)

B6. Since the onset of the pandemic, have you approached your financial institution for any of the following?

B7. Did you receive the support you were hoping for?

B8. What are the reasons you have not approached your financial institution for support since the onset of the pandemic?

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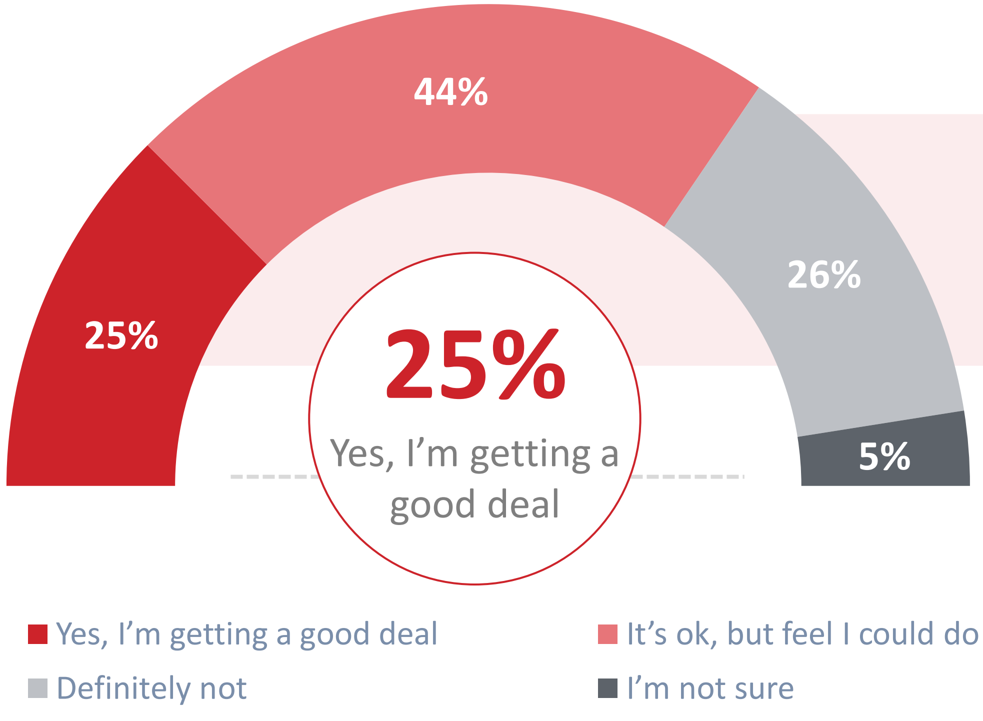
Overall, only one-in-four borrowers believe they are getting a good deal. The rest feel they could do better.

Those with poor finances have greater difficulty getting a good deal on financial products.

Getting a Good Deal
(Among borrowers)



GETTING A GOOD DEAL HIGHER AMONG:

28% Millennials and Boomers
(vs. 20% Gen X)

31% Good personal finances
(vs. 9% poor finances)

29% Good personal financial management
(vs. 7% poor management)

38% Mortgage Only debt
(vs. 23% Not mortgage only debt)

33% Usually negotiate
(vs. 23% Never negotiate, 21% Sometimes)

"Definitely Not" is higher among:
HH income <$100K (30%) vs. $100K+ (20%),
35+ years old (30%) vs. Millennials (18%),
with high school education (34%) vs. Univ+ (22%),
Laid off/reduced hours due to COVID (31%) vs. no impact (21%),
Poor personal finances (44%) vs. good finances (19%),
Poor financial management (40%) vs. good management (23%)
Don't have mortgage (33%) vs. have mortgage (21%)

*New questions added in 2020
Base: Borrowers – 2020 (n=1,006)
A2c. Generally speaking, do you think you're getting a fair deal on the banking products you have?

Demographic Snapshot:

People of Colour & Indigenous Canadians

Looking at borrowers through the lens of ethnicity, **black and indigenous Canadians report poorer finances** with higher amounts of credit card debt, private loans and payday loans than other Canadians.

There is a **mismatch between lenders' perceptions of how non-white customers are treated at financial institutions**, with at least one-in-five borrowers of colour saying they are treated worse.

Meanwhile, **COVID-19 may have disproportionately affected the financial health of black and indigenous Canadians**, as they are more likely to say they've fallen behind on debt payments in the last year. Debt is a key factor in why black and indigenous Canadians are **more stressed, leading to a less healthy lifestyle and have less access to health services.**

Types of Debt

Black and Indigenous Canadians are more likely to have ongoing credit card balances, private loans and payday loans. Black Canadians are less likely to have a mortgage or HELOC.

	White	Black	Indigenous	People of Colour (non-Black)
An ongoing balance on credit card	54%	TOP DEBT 71% ↑	TOP DEBT 65% ↑	48%
Mortgage	TOP DEBT 57%	43% ↓ Lowest use of all groups	52%	TOP DEBT 61%
Debt on your line of credit	45% ↑	43%	50% ↑	38% ↓
Home Equity Line of Credit (HELOC)	21%	11% ↓ Lowest use of all groups	19%	19%
Unsecured Line of Credit	19%	25% ↑	18%	20%
Student loan	18%	23%	18%	22%
Personal loans	16%	16%	25% ↑ Highest use of all groups	11%
Loans from family and friends	9%	13% ↑	7%	10%
Store credit	4%	8%	6%	5%
Private loans	3%	7% ↑	8% ↑	5%
Payday loan	2%	8% ↑	8% ↑	3%
Net High Interest Debt (ongoing balance on credit card or payday loans)	55%	74% ↑	67% ↑	49%
Mortgage is the only debt	15%	8%	9%	24% ↑ Highest of all groups

Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
A1

↓↑ Significantly higher or lower at 95% or 90% vs. other groups

Access to Credit Products

Black Canadians are least likely to report being able to access products from their primary financial institution. It is perhaps for this reason their credit product are more likely to be spread across multiple FIs and have pursued products with alterative lenders.

	White	Black	Indigenous	People of Colour (non-Black)
Reported **Ability to access products** from primary FI: *Most of the time/always*	79% ↑ Highest of all groups	63% ↓ Lowest of all groups	71%	72%
Credit products are…				
All/mostly with primary FI	75% ↑	65%	74% ↑	71%
Spread across multiple FI's	25%	35% ↑	26%	29%
Pursued financial products at alternative lenders instead of primary FI because did not want to speak to primary FI first	20%	36% ↑	32% ↑	24%
In the past 12 months, applied for a new credit product	26% ↓ Lowest of all groups	31%	32%	31%
Among those who applied, *higher per cent through institutions…*	**56%** chartered banks vs. 40% Black, 46% Indigenous	**27%** credit union **30%** payday loans/private lender	**27%** payday loans/private lender	**66%** chartered bank vs. 40% Black, 46% Indigenous

Base: All Respondents (n=1,006), White (n=853), Black (n=224), Indigenous (n=269), People of Colour (n=262)
Base: Applied For New Credit (n=273), White (n=220), Black (n=64), Indigenous (n=87), People of Colour (n=81)
D5./D16./D17./D9./D13.

↓↑ Significantly higher or lower at 95% or 90% vs. other groups

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Budgeting and Financial Management

	White	Black	Indigenous	People of Colour (non-Black)

Black and Indigenous Canadians are less likely to rate their finances as GOOD/VERY GOOD.

	White	Black	Indigenous	People of Colour (non-Black)
State of personal finances *% VERY GOOD/GOOD*	73%	62% ↓	63% ↓	75%

White Canadians have a higher opinion of their ability to manage personal finances than Black or Indigenous Canadians but are less likely than Black Canadians or people of colour to have a BUDGET or GOALS.

	White	Black	Indigenous	People of Colour (non-Black)
Ability to manage personal finances *% VERY GOOD/GOOD*	83% ↑	75% ↓	78% ↓	81%
Have a BUDGET	54%	51%	52%	60% ↑
Have FINANCIAL GOALS	51%	63% ↑	49%	59% ↑
Neither of these (not budget nor goals)	23% ↑	16%	21%	16%

While Black Canadians and other Canadians of colour are more likely to have FINANCIAL GOALS, they are also more likely to say that they HAVE NO IDEA how to achieve them.

(among those who have financial goals)

	White	Black	Indigenous	People of Colour (non-Black)
I **have no idea** how to achieve my goals	6%	11% ↑	5%	10% ↑
I have **a general plan** on how to achieve my goals	71%	75%	76%	73%
I have **a specific plan** for how I intend to achieve my goals	23% ↑	14%	19%	17%

Trust and Comfort Level Dealing with FI's

White Canadians tend to be more comfortable with FI reps, trust their institution and believe that they are getting a fair deal on banking products. They are also more likely to think that having all their products within their primary FI will be rewarded with getting the "best deal" and more likely to report paying lower rates on some of the credit products.

	White	Black	Indigenous	People of Colour (non-Black)
Level of comfort with FI Reps *% I'm generally comfortable*	**32%** ↑ Highest of all groups	**24%**	**25%**	**19%**
Comfort level with negotiating new credit products *% of never negotiate or not comfortable negotiating*	**71%**	**78%** ↑ Highest of all groups	**67%**	**68%**
Level of Trust in FI *% Trust them completely/a lot*	**31%** ↑ vs. Black and People of Colour (non-Black)	**24%**	**28%** ↑ vs. People of Colour (non-Black)	**20%**
Who gets the best deal on their banking products	**45%** Customers who have all products at one primary FI	**42%** People who deal with multiple FIs	**39%** People who deal with multiple FIs	**47%** People who deal with multiple FIs
Getting a "fair deal" on banking products? *% of "getting a good deal"*	**25%** ↑ vs. black and indigenous	**17%**	**20%**	**21%**

Interest rates pay for products ***(among those who know the rate*)***

	White	Black	Indigenous	People of Colour (non-Black)
Home Equity Line of Credit (HELOC)	3.6	5.7 ↑ vs. white	3.8	4.5
Personal loans	7.0	9.9 ↑ vs. white	9.5	12.2
Student Loans	4.7	7.2 ↑ vs. white	5.0	5.4

	White	Black/Indigenous/ People of Colour	% above rates paid by White
HELOC	3.6	4.4 ↑	+ 22%
Personal loans	7.0	10.1 ↑	+ 44%
Student Loans	4.7	5.9 ↑	+26%

Products without statistical significance in rates across groups are not shown.

↓↑ Significantly higher or lower at 95% or 90% vs. other groups

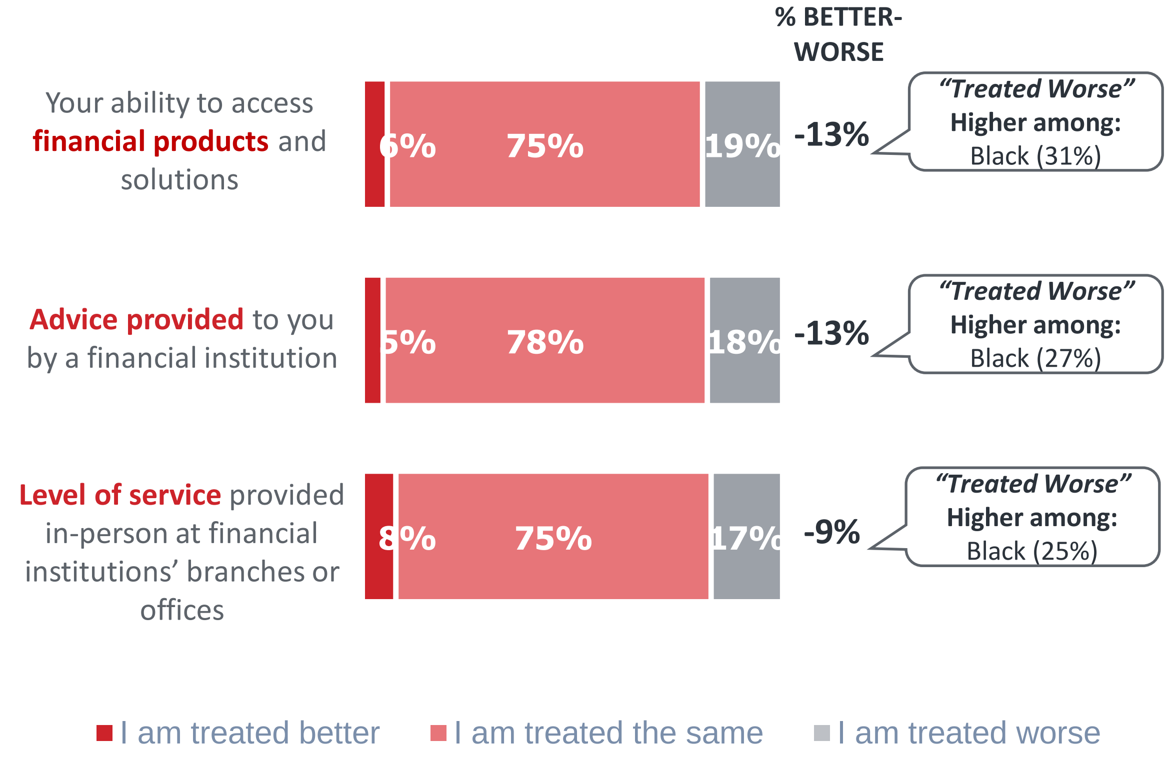
Base: In person financial advisor (n=698), White (n=594), Black (n=154), Indigenous (n=182), People of Colour (n=190)
C2.
Base: All Respondents (n=1,006), White (n=853), Black (n=224), Indigenous (n=269), People of Colour (n=262)
D18./C4./D19./A2c.
A2b. For each product below, please tell us the interest rate you pay. Base: varies by product. ***Caution: low base sizes for some products/subgroups**

Do People of Colour/Indigenous Believe They Are Treated Better or Worse Compared to White Canadians?

Roughly one-in-five Canadians of colour and Indigenous Canadians report they are treated worse than white Canadians across a variety of categories. This is more pronounced among Black Canadians. In turn, lenders are split in their assessment of this issue and are more likely to think people of colour/Indigenous Canadians get better levels of service.

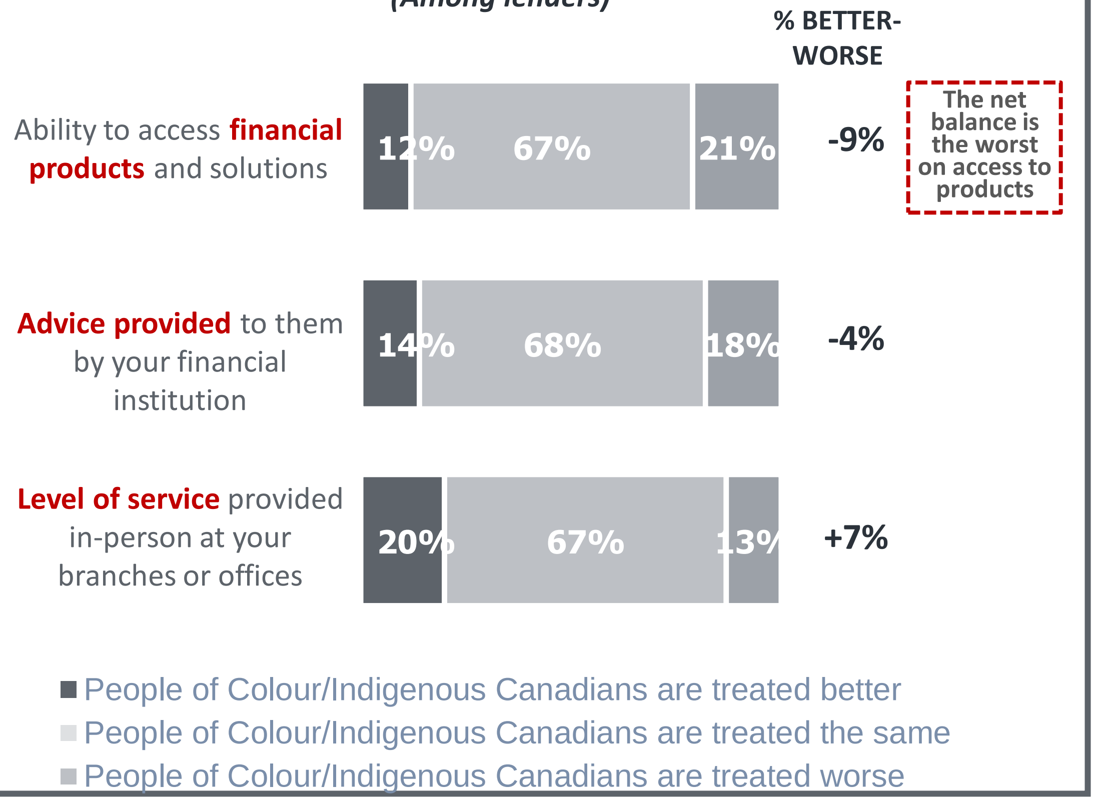
Interactions with Financial Institutions

(Among People of Colour/Indigenous borrowers)



Financial Institution Interactions with People of Colour/Indigenous Borrowers

(Among lenders)



*New questions added in 2020

Base: People of Colour /Indigenous/Black Borrowers - 2020 (n=525)

C7. When it comes to your interactions with financial institutions, do you think you are treated better, worse or the same compared to white/Caucasian clients when it comes to…

Base: Lenders – 2020 (n=250)

Q11. Do you think people of colour or Indigenous Canadians are treated the same or differently compared to white/Caucasian clients when it comes to:

Impact of the Pandemic and Falling Behind on Loans

The COVID-19 pandemic has disproportionately affected Black and Indigenous Canadians. They are more likely to have fallen behind on their debt payments and their financial goals. While people of colour are more likely to have approached their FI during this time, there are still many black Canadian who needed help but were reluctant to do so.

	White/ Non-Minority	Black	Indigenous	People of Colour (non-Black)
Have **fallen behind** on a loan or debt payment in past year	15%	28% ↑ **32%** are more than 90 days behind	26% ↑ **34%** are more than 90 days behind	15%
Still NOT up to date on all loan or debt payments	8%	16% ↑	13% ↑	7%
Have **requested payment deferral** in past 12 months	15%	26% ↑	20% ↑	19%
Have **NOT** approached their FI for support during pandemic…	80% ↑ Did Not	64% Did Not	71% Did Not	70% Did Not
Reasons for NOT approaching FI, *higher mentions vs. other groups* ***(among those who did not approach)***	I did not need any support **68%**	Thought I could manage on my own **23%** Was not sure how they can help **20%** Can't offer support I need **18%** I don't like asking for help **12%** Overall, needed support but did not ask (among those who did not approach FI) **59%**	Was not sure how they can help **12%** I don't like asking for help **9%**	Thought I could manage on my own **20%** Was not sure how they can help **17%** Can't offer support I need **17%**
COVID-19 Impact on Financial Goals: set me back **A LOT**	19%	28% ↑	36% ↑	27% ↑

Base: All Respondents (n=1,006), White (n=853), Black (n=224), Indigenous (n=269), People of Colour (n=262) D3_NEW./D3a_NEW./D6_NEW./B6.
Base: Have not approached FI (n=783), White (n=681), Black (n=150), Indigenous (n=192), People of Colour (n=183) B8.
Base: Have financial goals (n=520) , White (n=435), Black (n=143), Indigenous (n=132), People of Colour (n=154) B5.

⬇⬆ Significantly higher or lower at 95% or 90% vs. other groups

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Effect of debt on quality of life

Dealing with debt results in negative outcomes among Canadians of colour and indigenous respondents to a higher extent than among white Canadians. Impact of debt on ability to pursue education reported by all three non-White groups of borrowers may be one of the factors holding them back from reducing the gap.

	White	Black	Indigenous	People of Colour (non-Black)
Very/moderately ***stressed*** when thinking about personal debt	**38%**	**52%** ↑	**45%** ↑	**44%**
Has your personal debt had any impact on the following?				
Your opportunity to save and build wealth	48%	53%	56% ↑ vs. white	49%
The quality of your housing situation	17%	24% ↑ vs. white	19%	22%
Your ability to pay for basic expenses (food, utilities, transportation)	14%	21% ↑ vs. white	24% ↑ vs. white	17%
Your ability to rent or purchase an apartment or house	14%	28% ↑ vs. white & indigenous	17%	22% ↑ vs. white
Your ability to pursue the employment of your choosing	11%	15%	16% ↑ vs. white	16% ↑ vs. white
Your ability to pursue advanced education or training	10% ↓ Lowest of all groups	19% ↑ vs. white	19% ↑ vs. white	17% ↑ vs. white
Your ability to afford childcare	4%	7%	6%	5%
None of the above	42% ↑ Highest of all groups	27%	31%	33%

Base: All Respondents (n=1,006), White (n=853), Black (n=224), Indigenous (n=269), People of Colour (n=262)
E1./E2.

↓↑ Significantly higher or lower at 95% or 90% vs. other groups

Effect of debt on health and health services

The lack of ability to address health care needs as a result of having personal debt is highest among Indigenous borrowers although all three non-White groups tend to report higher negative impact compared to White borrowers.

	White	Black	Indigenous	People of Colour (non-Black)
Has your personal debt had any impact on your ability to address any of the following health care needs?				
Ability to afford dental care	22%	24%	30% ↑ vs. white & People of Colour (non-black)	20%
Ability to afford counselling	14%	19% ↑ vs. white	20% ↑ vs. white	17%
Ability to afford physiotherapy	11%	16% ↑ vs. white	18% ↑ vs. white	14%
Ability to maintain health care treatments	10%	13%	16% ↑ vs. white	13%
Ability to afford prescription drugs	9%	12%	14% ↑ vs. white	17% ↑ vs. white
Ability to afford transportation to and from medical appointments	4%	7%	8% ↑ vs. white	7%
None of the above	68% ↓ Lowest of all groups	57%	57%	62%
Do you think your personal debt has impacted your life in any of the following ways?				
Buy less healthy food	39%	45% ↑ vs. white	43% ↑ vs. white	32%
Exercise less	32%	42% ↑ vs. white	45% ↑ vs. white	36%
Skip meals	19%	22%	33% ↑ Highest of all groups	21%
Use food banks	6%	14% ↑ vs. white & People of Colour (non-black)	9%	5%

Base: All Respondents (n=1,006), White (n=853), Black (n=224), Indigenous (n=269), People of Colour (n=262)
E1./E2.

↓↑ Significantly higher or lower at 95% or 90% vs. other groups

Thank you

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APPENDIX

Borrower Profile

65% of borrowers only bank with **one type of financial institution**

Primary Financial Institution

	Primary Financial Institution	% PRIMARY AND SECONDARY
Chartered Bank	73%	81%
Credit Union	17%	26%
Financial technology company	3%	7% +2 *Δ 2019*
Private lender	1%	4%
Alternative lender (payday)	1%	2%
Other	5%	9%

Experiences that Impacted Finances in Past 3 Years

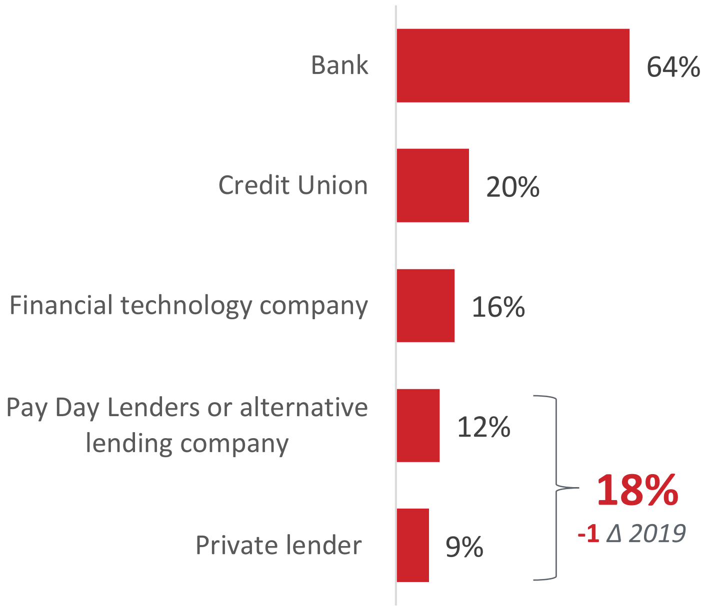
	%	Δ Change 2019
Change in job	25%	+1
Job loss	18%	+5
Medical condition	16%	-3
Applied for a mortgage	15%	+1
Change in career path	14%	-1
Applied for a loan	13%	-2
Had a child	12%	+4
Promotion	10%	+1
Death in immediate family	9%	-1
Retirement	9%	=
Started a business	4%	-1
Divorce	3%	-1
A lawsuit	2%	=
Filed for bankruptcy	1%	-1
None of these	30%	=

Base: Borrowers - 2020 (n=1,006), 2019 (n=2,042)
A3. What type of financial institutions do you primarily bank with?
A4. In addition to your primary financial institution, do you bank with any other types?
F1. Finally, have you experienced any of the following over the last three years (in a way that's impacted your finances)?

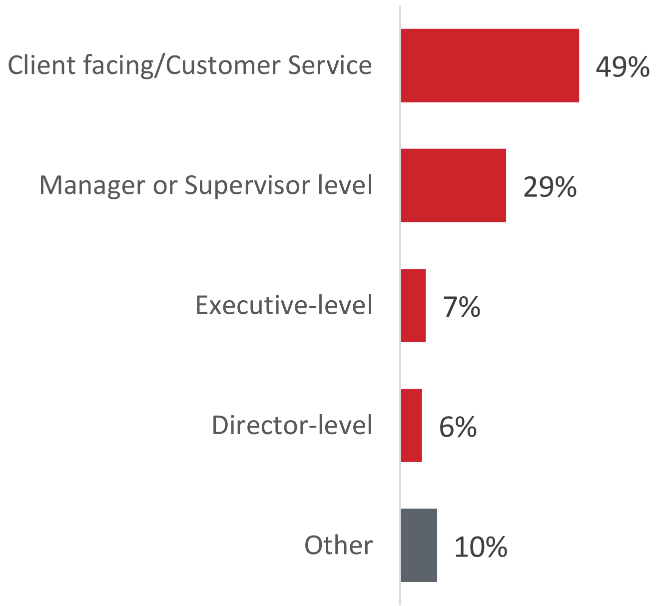
Significantly higher or lower at 95% vs. 2019

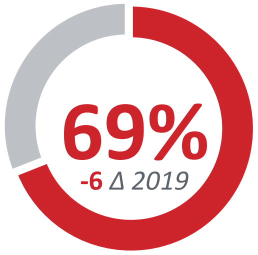
Lender Profile

Type of Organization
(Among lenders)



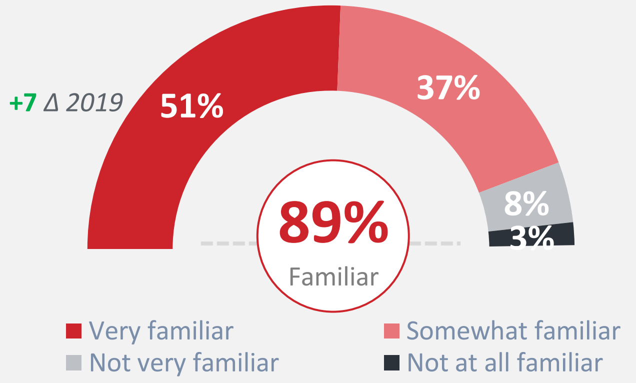
Role within Organization
(Among lenders)





of lenders deal with credit issues in their role

Familiarity with Organization's Handling of Credit Issues
(Among lenders)



Base: Lenders – 2020 (n=250), 2019 (n=252)
A1. Are you employed, or have you worked in the last two years at any of the following:
A2. What was your role with that organization?
A3. Did your role within the organization involve dealing with credit issues (e.g. taking credit applications or making credit decisions)
A4. How familiar are you with the way your organization dealt with credit issues (e.g. taking credit applications or making credit decisions)?

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