Financial Inclusion and Access to Financial Help Challenges for more Financially Vulnerable or Underserved Populations

Based on the Seymour Financial Resilience Index ™

January 2023

Financial Resilience Institute

At the non-profit Financial Resilience Institute, we believe in the power of evidence to build resilience, improve lives and strengthen communities. Financial services innovation, public policy and programs work best when rooted in data and facts. Our research, impact measurement, and cross-sector collaboration spark solutions in programs and practice. We're working to help expand opportunities for people and improve financial resilience for all.

Table of Contents

Financial Resilience Institute

This report is complemented with the 'The financial vulnerability and challenges of key populations in Canada' report, published in January 2023 [1]

[1] A free Ecosystem report complements this report, with a much more detailed Full Subscriber Report available for Institute Subscribers. Please contact us for more information at info@finresilienceinstitute.org

1

About Financial Resilience Institute, the Seymour Financial Resilience Index ™ and national findings based on the June 2022 Index

Financial Resilience Institute is a non-profit organization and the leading independent authority on financial resilience and financial well-being in Canada. We strive to help improve financial resilience and well-being for all.

Financial Resilience Institute

Impact Goals

1. **Reduce financial vulnerability** in particular for those who need help most or are underserved [1]
2. **Be a catalyst for positive change** through knowledge mobilization, solutions that create value and cross-sector collaboration.
3. **Foster financial inclusion and empowerment** while helping to build a resilient, equitable and inclusive Canada.

Improving Financial Resilience For All

We partner with financial institutions, business leaders and policymakers to develop and implement solutions that improve financial resilience, health and well-being for all.

[1] These include households that are most financially vulnerable based on their mean financial resilience score and/or who are challenged from a financial help or 'access' perspective. It also includes key populations facing barriers, households who are using predatory financial services, have specific financial stressors; are underserved by their primary Financial Institutions and/or exhibiting financial behaviours that impact their financial resilience and financial well-being.

The Institute measures and tracks many financial stressors, financial inclusion and 'access to financial help' challenges, sentiments and reported behaviours for Canadians overall and more financially vulnerable and/or underserved populations.

Financial Resilience Institute

Measurement and tracking date back to 2017 with a representative sample of the population by household income, age, gender and province. For example, based on the June 2022 Index:

36% of households with a disability and 25% of low-income Canadians havee used a food bank in the last 12 months as of June 2022

This compares to 11% of Canadians using a food bank overall with 17% of Canadians unable to get or afford the food they need as of June 2022

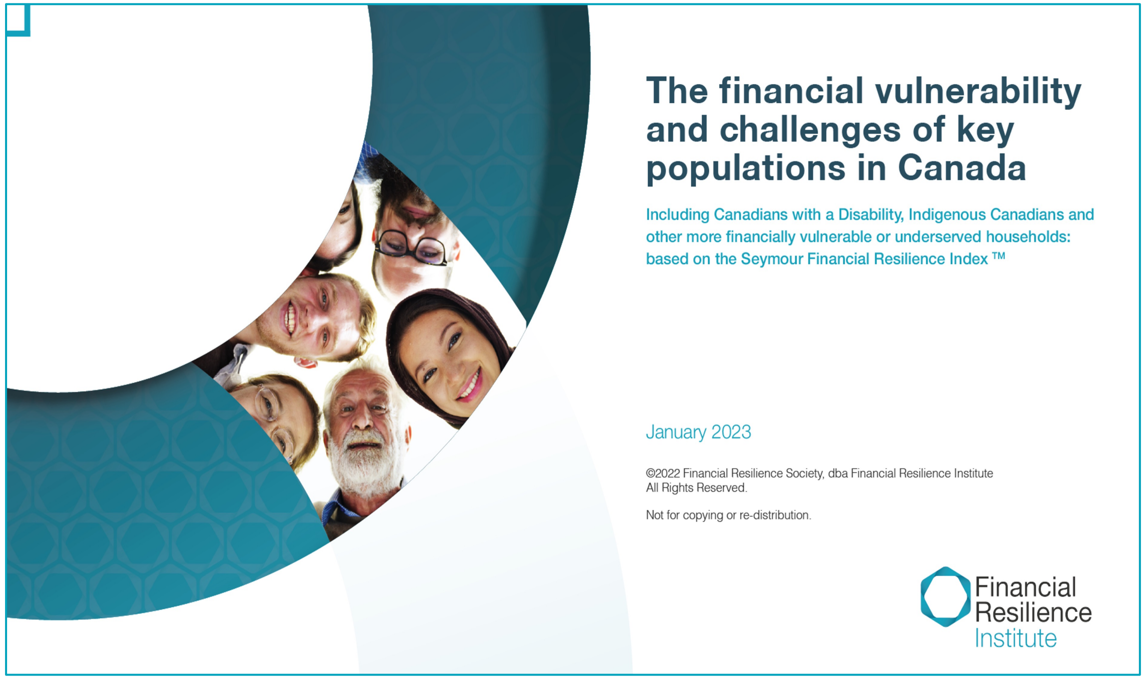
68% of single parents report that rising interest rates is a problem for them personally, with financial stress negatively impacting the physical health of 66% of these households

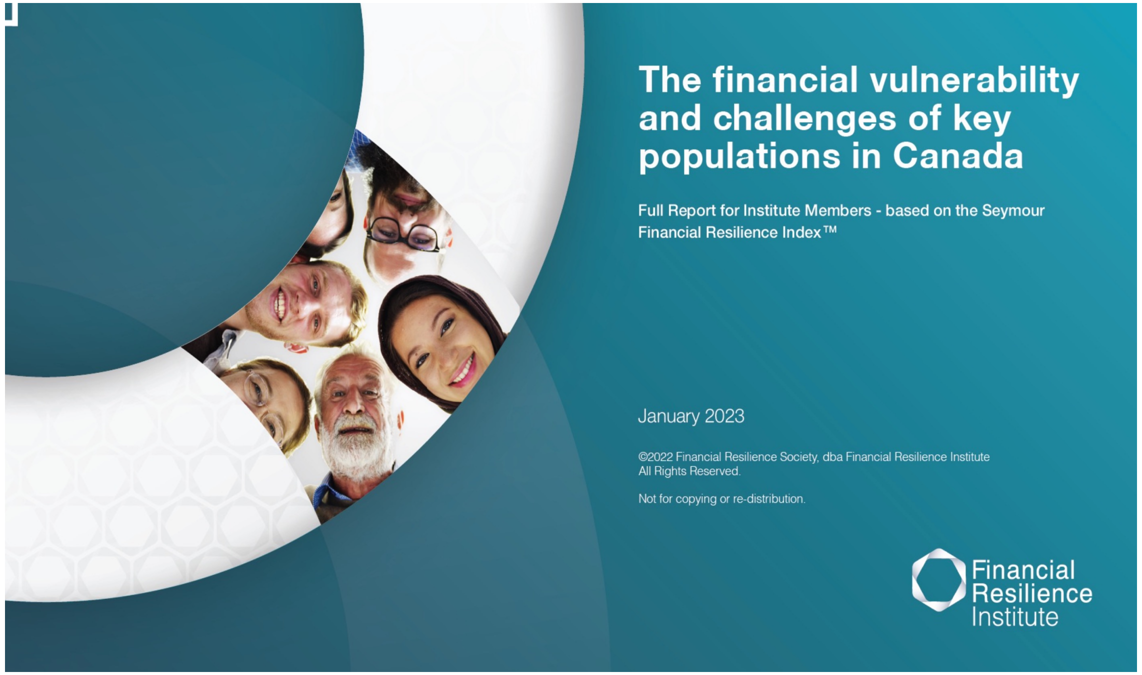
13% of Indigenous Canadians have taken out a payday loan and 27% an installment loan in the last 12 months as of June 2022, with challenges evident across a many debt and financial stress indicators.

'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

This report is complemented with the free 'Financial Vulnerability and Challenges of Key Populations in Canada' report and the Full Subscribers Report.





Additional data and analytics on the financial vulnerability of specific populations including Racialized Canadians and those with self-reported poor credit scores is also available in the Full Report for Institute Subscribers.

Definitions of financial financial health, financial resilience and financial wellness within the over-arching construct of Financial Well-Being [1]

Financial Resilience Institute

Financial Well-Being

A state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life [2]

Financial Health

Financial health is about your ability to **balance your financial needs for today with those of tomorrow as a result of decisions and behaviours** that move you forward.

Measured through many financial health and behavioural indicators in the longitudinal Financial Well-Being study (2017-2022)

Financial Resilience

Financial resilience is about your **ability to get through financial hardship, stressors or shocks as a result of unplanned life events.**

Measured at the national, provincial, segment and individual household level based on behavioural, resilience and sentiment indicators through the Seymour Financial Resilience Index TM

Financial Wellness

Financial wellness is about your **emotional peace of mind in terms of your financial situation and current and financial future obligations.** The opposite is financial stress.

Measured through many financial stress, debt stress and financial wellness indicators in the longitudinal Financial Well-Being study (2017-2022)

[1] The Financial Well-Being Framework developed by Seymour Consulting in 2016 (now the Financial Resilience Institute) in summarized in the appendices.
[2] Definitions of financial health, financial resilience and financial wellness Financial Well-Being definitions were created by Seymour Consulting as the leading independent authority on financial health in Canada (2016-2022). The definition for 'Financial Well-Being' above was developed by CFPB (Consumer Financial Protection Bureau in the US) and aligns with other definitions of financial well-being analyzed by the Institute over several years.

Financial Well-Being Framework, developed in 2016.

Consumer Financial Well-Being

- Solutions & products
- Customer Experience
- Information & Planning
- Tools & Advice

Financial Resilience and Capability

- Knowledge & Skills
- Confidence
- Behaviours

Consumer and Financial Behaviours

- Daily Financial Management
- Borrowing and Debt Management
- Save, Plan and Invest
- Protect against the unexpected

Seymour Financial Resilience Index ™

Financial Health

The ability to balance your financial needs of today with those of tomorrow, as a result of decisions and behaviours that move you forward

Financial Resilience

The ability to get through financial hardship, stressors, shocks as a result of unplanned life events

Financial Wellness

The emotional peace of mind in terms of your financial situation and current and future financial obligations. The opposite is financial stress.

The Institute's Financial Resilience Index has captured major changes in households' financial vulnerability through the pandemic and has a pre-pandemic baseline.

Financial Resilience Institute

WHAT THE SEYMOUR FINANCIAL RESILIENCE INDEX TM MEASURES

Financial resilience: i.e. a ***household's ability to get through financial hardship, stressors and shocks as a result of unplanned life events.***

The Index measures and tracks household financial resilience across nine behavioural, sentiment and resilience indicators.

Measurement and tracking conducted at the **national, provincial, segment and individual household levels in Canada, with application to other countries.**

The ability to balance your needs of today with those of tomorrow, as a result of decisions and behaviours that move you forward.

The ability to get through financial stressors, shocks and financial hardship as a result of unplanned life events.

Emotional peace of mind in terms of our financial situation, and current and future financial obligations. The opposite is financial stress.

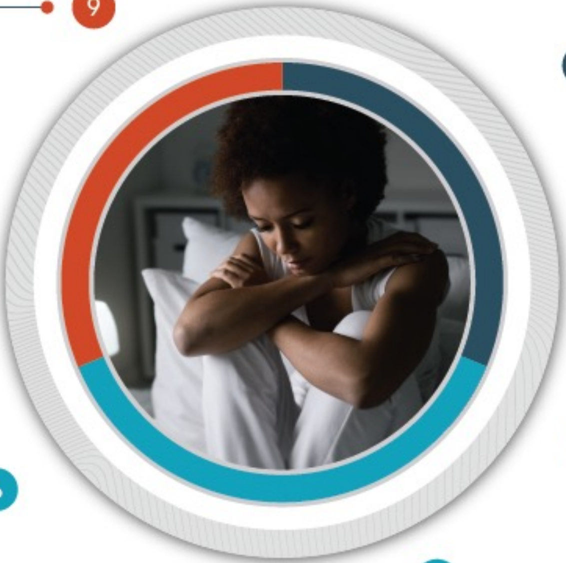
Peer-reviewed by Statistics Canada, the C.D. Howe Institute, UN-PRB and FIs the Index has a pre-pandemic baseline of February 2020.
It builds on over six years of longitudinal Financial Well-Being studies data for Canada with applicability to other countries [1]

[1] The Index was developed by Seymour Consulting over more than five years based on an iterative process to regressing and evaluating over 35 potential indicators against self-reported "financial resilience" or "financial stress" measures, using the multiple linear regression technique. In the end, nine variables were determined to account for 62 percent of the variance in the financial resilience construct as of June 2022 and 64 per cent of the variance in the financial resilience construct as of February 2021. The regression model's indicators (independent variables) are significant at a 95% confidence interval, with p-values less than 0.05. Index development and methodology details are at https://www.finresilienceinstitute.org/why-we-created-the-index/. Seymour Financial Resilience Index ™ is a trademark used under license with the Index now being licensed to the Institute for $1.

Indicators and Scoring Model

Households are scored from 0 to 100 for their financial resilience

Financial Resilience Institute



1. Debt management composite
2. Plans ahead financially for upcoming and unexpected expenses or to save for long-term goals
3. Change in household financial situation over the past 12 months
4. Social capital [1]
5. Liquid saving buffer [2]
6. Self-reported credit score
7. Confidence in ability to meet short-term savings goals
8. Financial stress
9. Financial stress over current and future financial obligations

Extremely Vulnerable	Financialy Vulnerable	Approaching Resilience	Financially Resilient

0 10 20 30 40 50 60 70 80 90 100

'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

[1] Social capital: has a spouse, partner, family member or close friend who could provide financial support in times of financial hardship that they are willing to turn to for help.

[2] Liquid savings buffer: how many weeks or months could afford to cover living expenses at current spending levels if income was lost or reduced, without borrowing or drawing on retirement savings.

More details on the Index and development methodology are outlined in the appendices. Example Seymour Financial Resilience Index TM reports are available on the Institute's website.

Index Development Roadmap [1]

Financial Resilience Institute

OCTOBER 2017
First Financial Well-Being Study Launched

First national Financial Well-Being study for Canada launched by Seymour Consulting for longitudinal measurement of the financial health, stress, resilience and well-being of Canadians.

Annual studies were conducted in 2017, 2018 and 2019.

In 2020 and 2021, three studies were conducted per year: in February, June and October.

FEBRUARY 2020
1

Index Baseline

Seymour Financial Resilience Index™ baseline created based on February 2020 pre-pandemic environment, building on four years of longitudinal data.

Canada Mean Financial Resilience Score: 49:58 as of February 2020, with households at the national level "Approaching Resilience."

MARCH - MAY 2020
COVID-19

Pandemic and Index Launch

Global pandemic reaches Canada as Goverment shuts down borders, travel and businesses.

Swift Canadian Goverment and FI Covid-19 financial relief starting in April 2020.

Official launch of the Seymour Financial Resilience Index™ and original release report in May 2020.

JUNE 2020
2

Second Index Release

Second Index release based on June 2020 data. Canada Mean Financial Resilience Score: 55:58, up six points.

Improvements in households' financial resilience at the national level due to changed consumer and financial behaviours by Canadians plus swift and significant Government and FI financial relief.

OCTOBER 2020
3

Third Index Release

Canada Mean Financial Resilience Score: 54:53

Longitudinal analysis with over 1500 individual households validates that changed behaviours and/or unplanned life events cause individual households' financial resilience scores to increase or decrease within a few months.

FEB 2021
4

Fourth Index Release

Canada Mean Financial Resilience Score: 55.69

Continued nuances and changing behaviours, including for key segments such as Millennial Women

Index is peer-reviewed by Statistics Canada, with Statistics Canada and Seymour Consulting using government and Index data for research and measurement.

JUNE 2021
5

Fifth Index Release

Canada Mean Financial Resilience Score: 55.67

Joint Statistics Canada-Seymour Consulting Report on the Financial Resilience and Financial Well-Being of Canadians during the Covid-19 Pandemic published in October 2021.

C.D. Howe publishes Intelligence Memo authored by Eloise Duncan on opportunities for targeted policy support levering Index data in October 2021.

JUNE 2022
6

Sixth Index Release

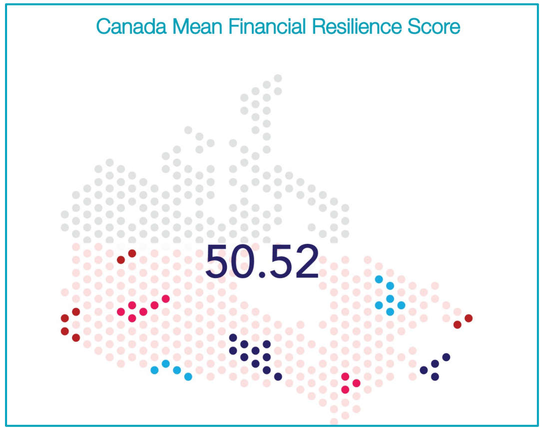
Canada Mean Financial Resilience Score: 50.52

June 2022 Index measures changes in households' financial resilience (and financial vulnerability) in the new post-pandemic, inflationary environment.

FIs and organizations start to use the Index for multi-year impact measurement.

[1] Seymour Financial Resilience Index ™ is a trademark used under license. For more details on the Index development methodology: https://www.finresilienceinstitute.org/why-we-created-the-index/

About the Institute's Financial Resilience Index: Measuring household financial resilience at the national, provincial, segment and individual household level.



The Index measures and tracks household financial resilience across nine behavioural, sentiment and resilience indicators. Household financial resilience measurement and tracking is conducted at the national, provincial, segment and individual household levels, at least twice a year (and more often based on the needs of Financial Resilience Institute clients, partners and members)

Peer-reviewed by Statistics Canada, C.D. Howe Institute and many leading organizations, the Index has a pre-pandemic baseline of February 2020 and builds over six years of longitudinal Financial Well-Being studies data. It has many applications and provides financial resilience and financial well-being measurement for customers and communities of tier one banks and other organizations.

The Financial Well-Being study is a complementary instrument to the Index, which is being levered as a community asset for good to help create a more resilient, equitable and inclusive Canada.

Provincial	Segment	Organization	Individual
			

Canada has a national mean financial resilience score of 50.52 as of June 2022.

77.8% of the population are not 'Financially Resilient' representing 19.99 MM households.

Financial Resilience Institute

Canada Mean Financial Resilience Score

June 2022 Index

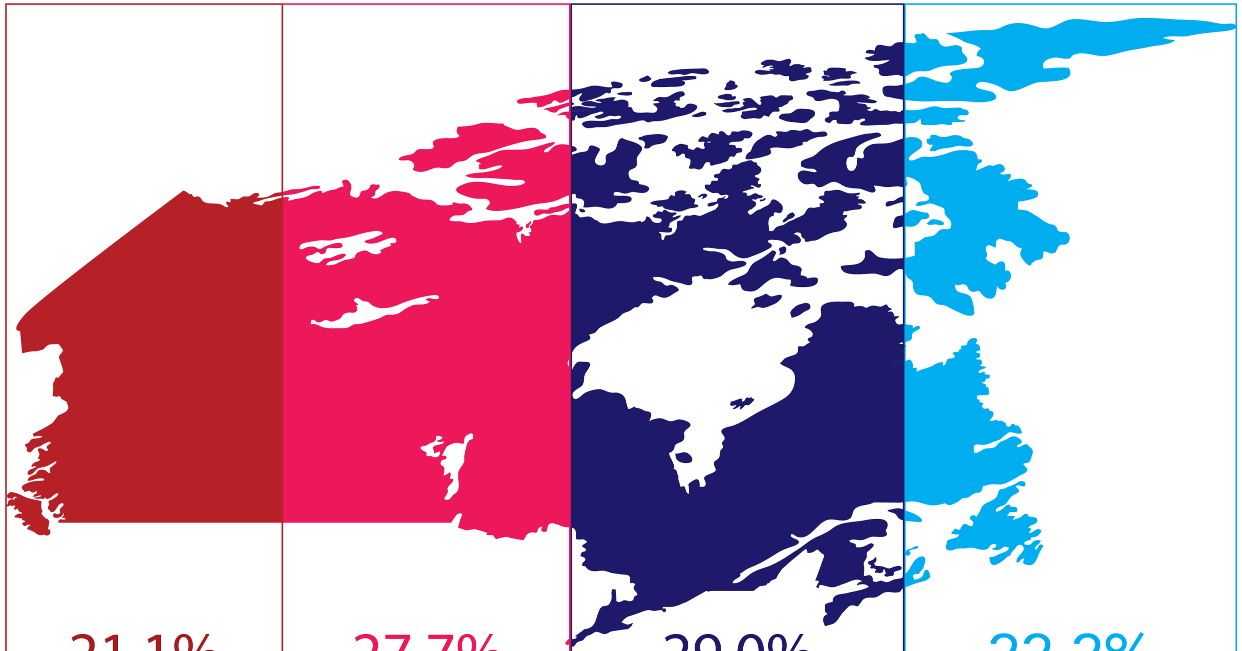
55.67
June 2021 Index

55.69
February 2021 Index

54.53
October 2020 Index

55.58
June 2020 Index

49.58
February 2020 Baseline

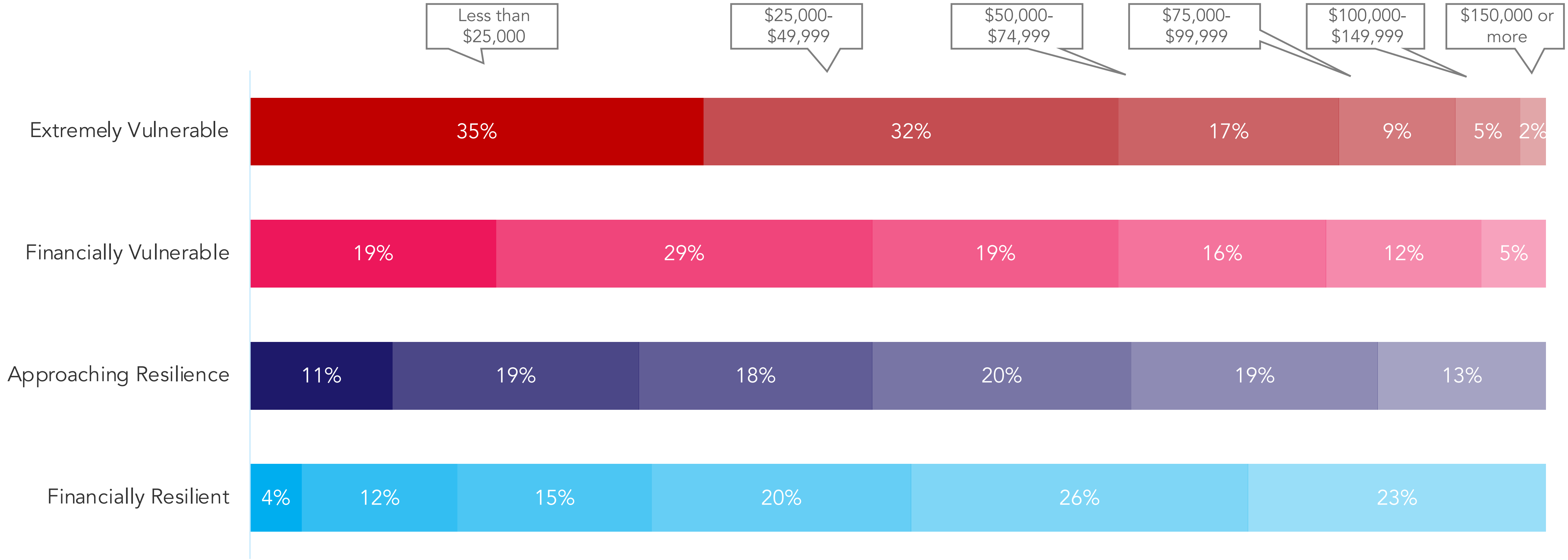


21.1% Extremely Vulnerable	27.7% Financially Vulnerable	29.0% Approaching Resilience	22.2% Financially Resilient
4.24 million people	5.86 million people	7.58 million people	7.99 million people

Segment sizes are based on a total population of 25.70 million adult Canadians aged 18 to 70 years old as of July 2021 (Statistics Canada) Please see September 2022 report for more data and insights on the financial vulnerability of Canadians.
'Extremely Vulnerable' households have a financial resilience score of 0-30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50..01 to 70, and 'Financially Resilient' a score of 70.01 to 100.
Source: Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license.

Households from all income demographics are represented across all four Index segments. In other words, you can have a higher household income but not be 'Financially Resilient'.

For example, 14% of households with a household income between $75,000 and $149,999 are 'Extremely Vulnerable'; 28% are 'Financially Vulnerable'; 39% are 'Approaching Resilience' and 46% are 'Financially Resilient' [1]



[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

Source: June 2022 Seymour Financial Resilience Index ™

Over the past year, Indigenous Canadians, those experiencing high income volatility, those taking care of others and Single Parents have experienced the most significant declines in their household financial resilience.

Financial Resilience Institute

Mean financial resilience score for populations	June 2021	June 2022	Mean score change June 2021 to June 2022
Canadians with a disability	32.38	29.79	-2.59
Low-income Canadians	43.40	39.60	-3.80
Extremely vulnerable Canadians	18.70	18.71	+0.01
Single parents	43.15	38.12	-5.03
Indigenous Canadians	49.15	42.01	-7.14
Renters	46.46	44.44	-2.02
Canadians with high income volatility	46.36	41.04	-5.32
Canadians with unmanageable debt levels	37.17	33.19	-3.98
Canadians taking care of the household/elders	54.54	49.31	-5.23
Canadians set back financially due to an unexpected life event	42.41	40.72	-1.69
Canadians with fair/poor credit score	31.81	28.09	-3.72

'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

3

Executive Summary and Key Insights

Executive Summary

Household financial resilience for Canadians is measured at the national, provincial, segment and individual household level through the Seymour Financial Resilience Financial Resilience Institute Index TM. Financial Resilience Institute measures many financial stressors and financial access challenges for Canadians and those who are more financially vulnerable based on the Index. These relate to access to financial products, services and help, financial education and information, access to affordable credit, insurance to improve one's financial security and more. The Institute is also measuring the extent to which households, and those who are more financially vulnerable, rate their primary Financial Institution for helping to improve their financial wellness over the past 12 months, along with other gaps related to service delivery, advice provision and more. This report provides a few sample insights on access challenges, as well as usage of predatory payday loans and expensive installment loans by Canadians and key populations, such as Indigenous Canadians and others.

June 2022 Index highlights that many of Canadians most financially vulnerable populations are also the most challenged in terms of access to financial help and programs and different kinds of 'help'.

Less financially vulnerable (based on their financial resilience score) also rated their primary Financial Institution as 'good to excellent' (7 or more out of 10) for helping to improve their financial wellness over the past year, with this a consistent story shown through the Institute's independent financial wellness delivery tracking since its inception.

This data combines with compelling attitudinal and reported behavioural data showing that the majority of Canadians want to better understand their improvement and how they can improve it. Many are also working hard from a consumer and financial behavioural perspective to maintain or improve their financial resilience, including in challenging times, and/or through financial stressors or shocks as a result of unplanned life events. The message is clear: Financial Institutions can innovate do more to help improve financial inclusion and support the financial resilience of their customers. There are also opportunities to design enhanced financial literacy and financial health and resilience programs, products and services and different types of help and advice for Canadians and those who are more financially vulnerable. Policymakers, community-based organizations, Employers and other business leaders and organizations have a role to play. Specific populations, such as Indigenous Canadians and others, need and deserve improved access to fair and trustworthy financial help, clear communications, affordable credit and more.

Usage of predatory payday loans and installment loans, tracked by the Institute, is concerning and higher for more financially vulnerable households, as evidenced by the Index. As the Institute continues to track access and reported behavioural indicators, along with key financial stressors and challenges facing Canadians, there is an opportunity to uncover ways to help close access gaps for those who need help most. In the way, organizations can together help design programs, services, policies and solutions to help improve financial resilience and financial well-being for all.

[1] See report on the Financial vulnerability of Low-Income Canadians: A Rising Tide published in November 2022 and other Index reports at https://www.finresilienceinstitute.org/research-reports/

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Executive Summary continued: with many opportunities to help support financial inclusion, financial empowerment and ultimately, help improve financial resilience for all.

Financial Resilience Institute

Accessing relevant financial education and help programs (communicated through plain language, simple communications) and relevant financial programs can have a positive impact. For example, low-income Canadians that were able to access tax filing help or support to receive government benefits they are entitled to, or help in managing their debt, had significantly higher mean financial resilience scores compared to those who did not access this support in June, as outlined in the Institute's November 2022 report commissioned by our partner Prosper Canada [1].

Continued national longitudinal research and analytics will be progressed by the Institute on the important aspect of access to different financial help on the financial resilience of households and key populations in the future, in collaboration with partners. Utilizing the Institute's Financial Resilience Index model and independent data, this can help shine a light on gaps, needs and potential opportunities to support and empower Canadians and those who are more financially vulnerable to improve their financial resilience and overall well-being. Gap and opportunity analysis can be conducted at the national and provincial level, and for specific target segments and populations. The Institute will continue to provide research and analytics on this important topic to support the ecosystem and its important financial empowerment work and is excited to progress cross-sector collaboration and spark innovation [2].

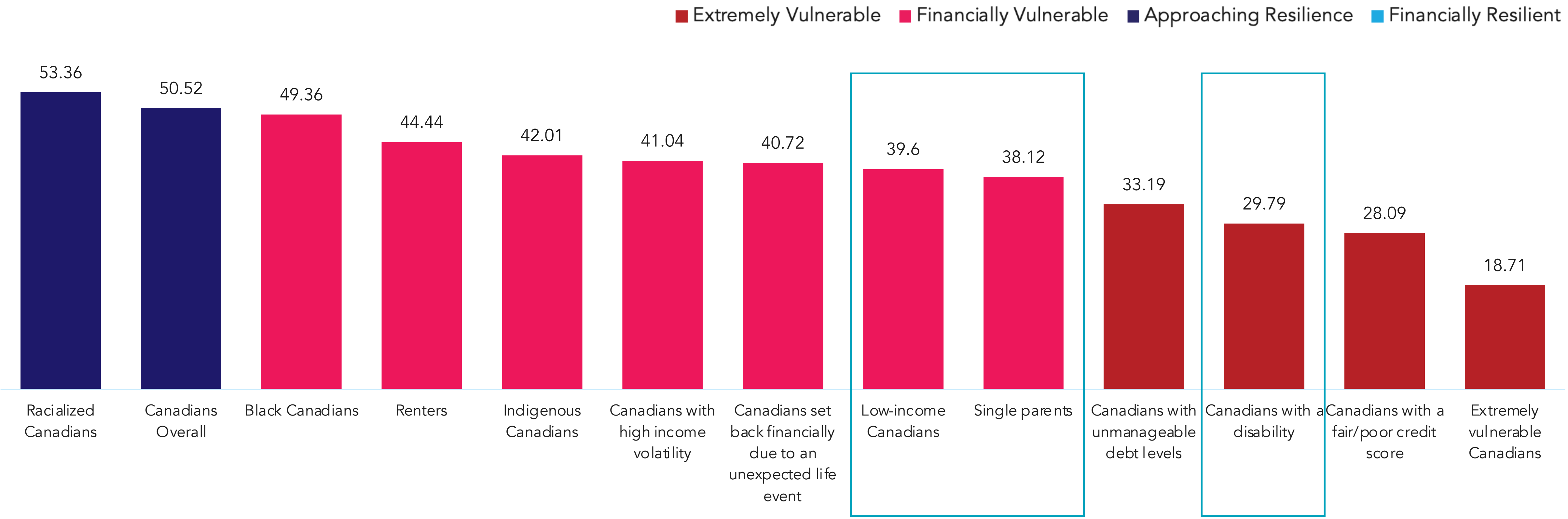
Qualitative research and cross-sector collaborative program innovation, combined with longitudinal quantitative research analytics, can also provide deeper insights understanding the unique challenges, barriers and needs of underserved populations -- while including the voices and perspectives of the underserved consumers themselves as part of the design process. This will help support a more accessible, inclusive and supportive financial ecosystem for all Canadians, in line with the national Financial Literacy Strategy and Federal Government goals to help build a more resilient, inclusive and equitable Canada. It is known that certain populations are more challenged in terms of financial literacy as evidenced through our data with specific populations, such as Indigenous Canadians, outlined in this report. More vulnerable households can also be more challenged in terms of the capacity, skills, digital access and/or digital literacy to navigate Canada's complex financial services marketplace, and/or overwhelmed by the complexity of financial products or where to start in finding help. Building financial empowerment programs and enablers to meet the diverse needs of these communities - meeting them where they are at and serving them in relevant ways – can help households to maintain or improve their financial resilience. At the same time, it must be recognized that some of these populations face wider systemic barriers and need to be supported by governments and other organizations in wider ways beyond financial services or financial empowerment programs. Systems change work also requires collaboration, testing-and-learning and a long-term focus.

[1] See Report 'The financial vulnerability of Canadians, a Rising Tide' (November 2022) with a sample size of 1516 low-income Canadians in June 2022 and 1391 Canadians with low incomes in June 2021 study.

[2] The Institute's Financial Resilience Index was developed to help support impact measurement for certain populations such as low-income Canadians and others. Index data and analytics and be used to help bring quantitative measurement around the potential value of certain enablers, programs or interventions pre-and-post these being provided these to certain households, and importantly, the impact on their financial resilience, as well as their and financial wellness. This can be achieved by levering individual household financial resilience measurement and via customized research, pilots and testing and learning programs. This work is important to help support outcomes-based research and impact measurement (i.e. improved household financial resilience) at the individual, segment, provincial and national level, building on more traditional activity-based or financial literacy impact measurement as appropriate. We will also continue to measure and track many financial stressors and reported consumer and financial behaviours. The Institute will also continue to measure the proportion of households that are using more predatory financial services such as payday loans overall, by province and for more financially vulnerable populations. We will also measure the financial stress and financial resilience impacts of the households that use these products and/or are more challenged in accessing help compared to those who are less challenged.

Comparison of key populations that are more financially vulnerable as of June 2022

'Extremely Vulnerable' households, those with a self-reported fair or poor credit score, and Canadians with a disability are the most financially vulnerable. Canadians with unmanageable debt levels, single parents and low-income Canadians are also financially vulnerable.



'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

[1] Racialized Canadians (and other population samples) include people from all household income demographics, with this segments' mean financial resilience score higher than for Canadians nationally --perhaps as a result of more financially resilient populations (including new immigrant professionals earning higher incomes) being included. A boost sample of Racialized and Black Canadians would enable deeper-dive analytics and created nuanced insights or the ecosystem.

Source: June 2022 Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Key Insights

This report shines a light on just some of the financial inclusion and 'access to financial help' challenges for some of Canada's most financially vulnerable and/or underserved populations. It provides data to highlight opportunities for Financial Institutions, Policymakers and the financial empowerment sector to continue to work to help improve the financial inclusion and financial resilience of Canadians overall and in particular those who need help most. Households that are able to access different types of financial help have higher levels of financial resilience, and unique and unmet needs.

- Access to financial help, support and advice is more of a challenge for more financially vulnerable households, as evidenced through the Institute's Index data analytics
- While 9% of Canadians overall reported they were unable to access the financial support or advice they needed over the past 12 months, more households (for example 18% of those struggling with their debt, or 17% of those not working owing to a disability) were challenged in terms of financial support or advice in the past 12 months.
- 21% of 'Extremely Vulnerable' Canadians reported they could not get the financial support or advice they needed, compared to 1.4% of 'Financially Resilient' households.
- Less financially vulnerable populations rated their primary Financial Institution (FI) highly for helping to improve their financial wellness over the past year compared to Canadians overall and those who are more financially resilient. For example, 84% of 'Extremely Vulnerable' Canadians rated their primary FI as 'poor to fair' for helping to improve their financial wellness, as of June 2022, with this the case for 72% of Indigenous Canadians and 73% of single parents compared to 67% for Canadians overall.
- 12% of 'Extremely Vulnerable' households reported they could not get the financial information or education they needed over the past 12 months, compared to 1% of 'Financially Resilient'. Millennials are more likely to have more challenged access to financial support, advice or help compared to their Gen X and Baby Boomer counterparts.

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Key Insights Continued

- Challenges in access to help in managing debt and other financial help and support aspects are evident through the Institute's financial stress, sentiment and behavioural data, with challenges in accessing relevant products, services and help a topic that we have been measuring for Canadians since 2017.
- Canadians not working owing to a disability and Indigenous Canadians are just a couple of the populations included in this report in terms of their access and financial inclusion challenges. Indigenous Canadians need more help, for example in terms of relevant financial literacy programs and support, and in terms of being able to access insurance (and relevant insurance solutions) to meet their needs and help improve their financial security. Low-income Canadians, those experiencing high income volatility and other households are also facing access to financial help challenges, and financial services, literacy and programs to meet their unique and diverse needs.
- Many of the access challenges of other populations, such as renters, people struggling with their debt, seniors, new immigrants and those who have not taken steps to improve their financial literacy are being tracked by the Institute.
- Access to affordable credit is certainly a challenge, with 42% of Canadians having disagreed their household has sufficient access to affordable credit, with this the case for 69% of Canadians with a disability. As a result, more of these populations are having to resort to predatory payday loans and installment loans, as highlighted in this report.
- Many Canadians have quite high levels of financial literacy based on Institute data, but pain points and challenges exist for certain populations (such as Indigenous Canadians or some new immigrants). Many Canadians have have taken steps to improve their financial literacy ,with financial education one important enabler to help people to improve their skills, confidence, knowledge and capacity to make informed decisions, access relevant products, programs and resources, and ultimately, adjust their behaviours to through financial hardship, stressors and shocks.

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Canadians that have access to different financial help programs have significantly higher financial resilience scores. The Institute will research and measure more access-to-financial help gaps and challenges in 2023.

- The Institute's Index model and analytics validate that Canadians overall, and those who are more financially vulnerable across many different groups, report being able to access different types of financial help and support have higher household financial resilience, as measured through their mean financial resilience score. For example, Racialized Canadians that were able to access the financial support or advice they needed had a mean financial resilience score of 55.79 compared to 38.77 for households that could not access this support as of June 2022.
- These households can also have other improved financial wellness outcomes measured through multiple financial stress indicators measured by the Institute, with this in turn impacting overall well-being [2. Financial Resilience Institute has been financial well-being and other well-being dimensions since 2017, with households with lower household financial resilience having lower levels of financial well-being, physical well-being and all other well-being dimensions compared to more financially resilient households [1]
- While the Institute has not proven a causal relationship between improved access to some of these financial help programs and improved financial resilience to date, households that do access the support have significantly higher financial resilience scores. There does appear to be an association between access to different types of help (for different populations) and improved financial resilience and financial wellness/ reduced financial stress outcomes. Financial behavioural indicators and financial stress related indicators that can be higher for households accessing different types of financial help include one's level of financial stress over current and future financial obligations, or one's ability to meet their short term savings goals; planning ahead financially for upcoming or unexpected expenses or to save for long term goals or the debt management composite.
- In our opinion, accessing relevant, simple, fair and timely financial help or can advice can help Canadians, including those who are more vulnerable and/or facing systemic barriers, by enabling them to make more informed financial decisions and find appropriate help, products, resources and tools to improve their their financial resilience. It will be valuable to prove this utilizing our Index data going forward. We believe accessing financial help can support people in adjust their consumer or financial behaviours, by for example actively saving even a small amount regularly, which has a positive impact on financial well-being, as measured through the national Financial Well-Being studies.

[1] See slide 53 of the appendices with this data analytics based on the June 2022 Index. This same analytics based on the June 2021 Index was published by Statistics Canada and Seymour Consulting (now Financial Resilience Institute) and has implications for policymakers with a focus on the financial well-being and overall well-being of Canadians. https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021008-eng.htm

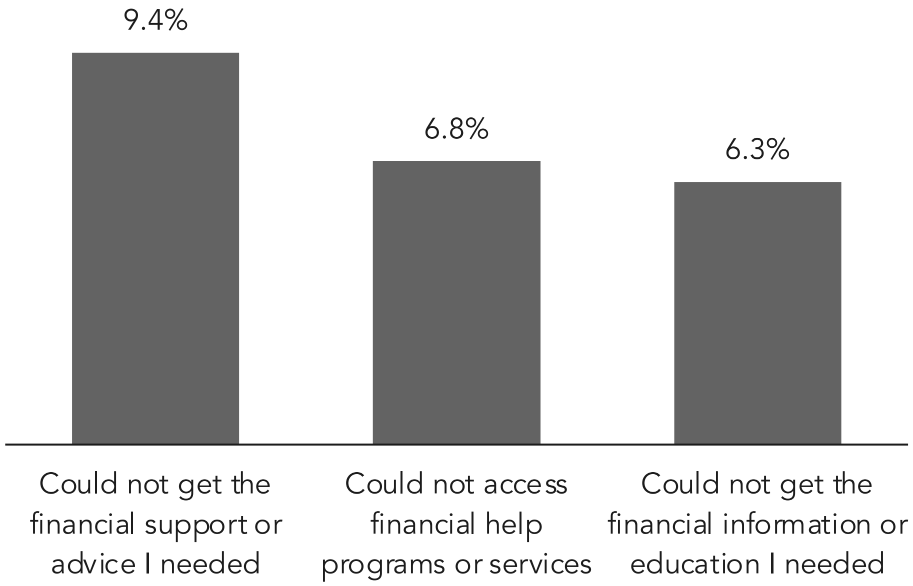
3

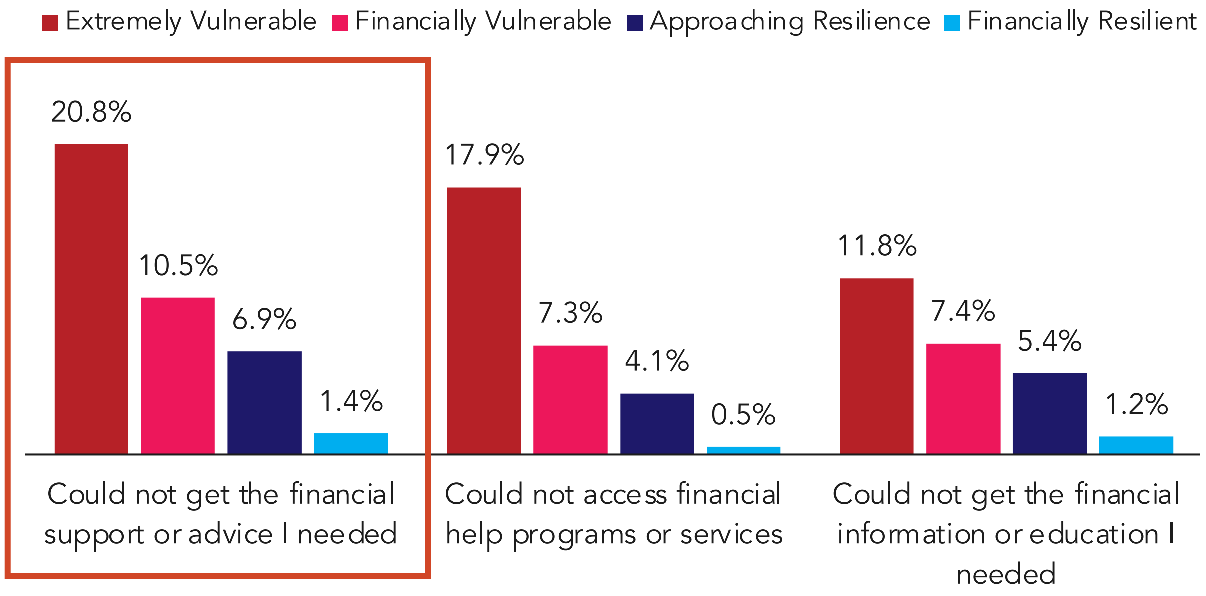
Financial inclusion and ‘access to financial help’ challenges for Canadians overall and sample vulnerable populations

We're tracking many financial inclusion and access to financial help challenges for Canadians, and those who are more financially vulnerable, with gaps here also

While 9% of Canadians overall report they could not access the financial support or advice they needed over the past 12 months, this was the case for 18% of 'Extremely Vulnerable' households, compared to just 1% of 'Financially Resilient' households.

Proportion of households that report the following challenges in the past 12 months: June 2022





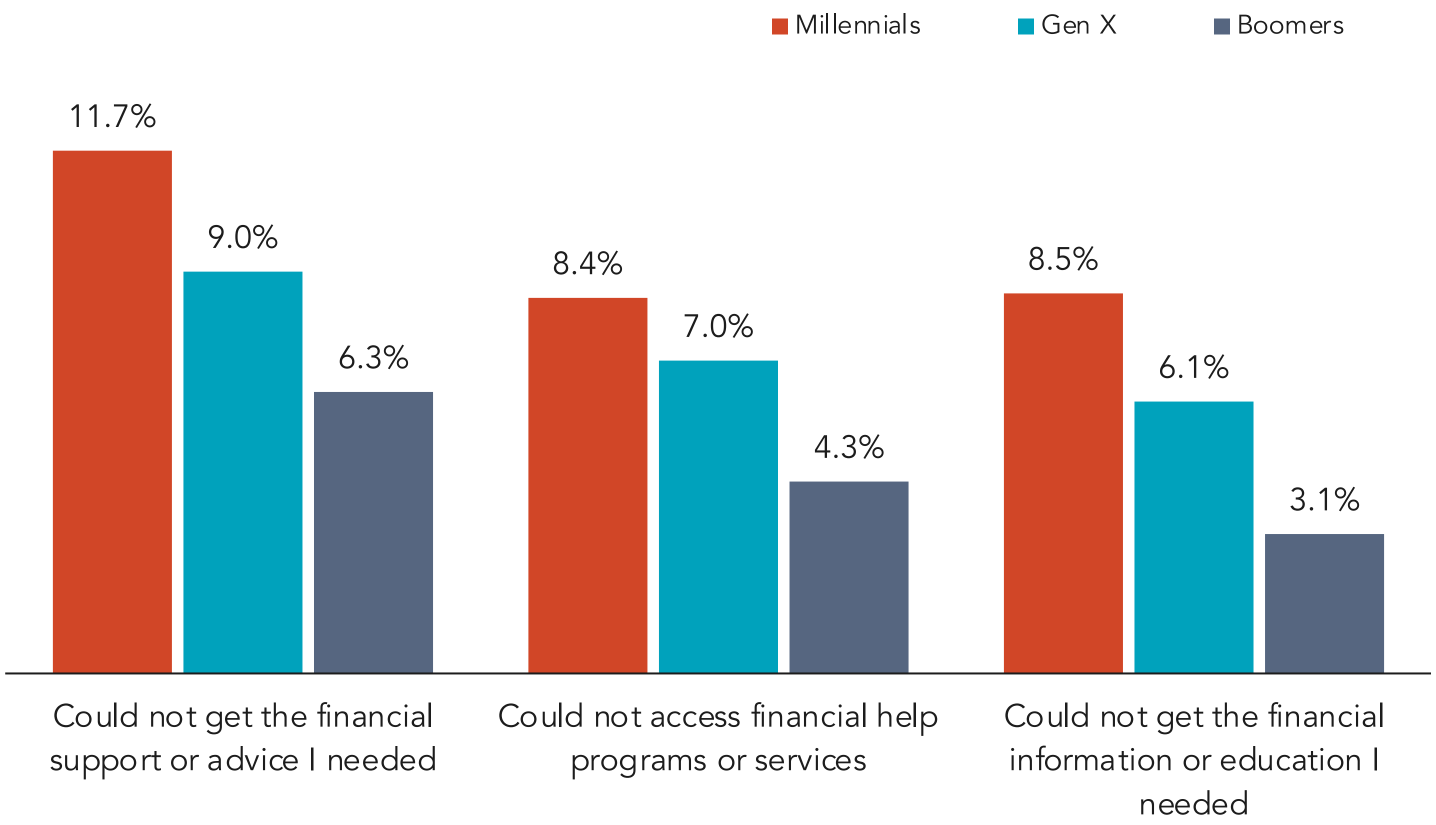
'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

Source: June 2022 Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license.

Millennials are more likely to be challenged in terms of feeling they have access to adequate financial support or advice, financial help programs or financial information and education compared to Boomers and Gen X counterparts.

Financial Resilience Institute

Proportion of households that report the following challenges in the past 12 months: June 2022



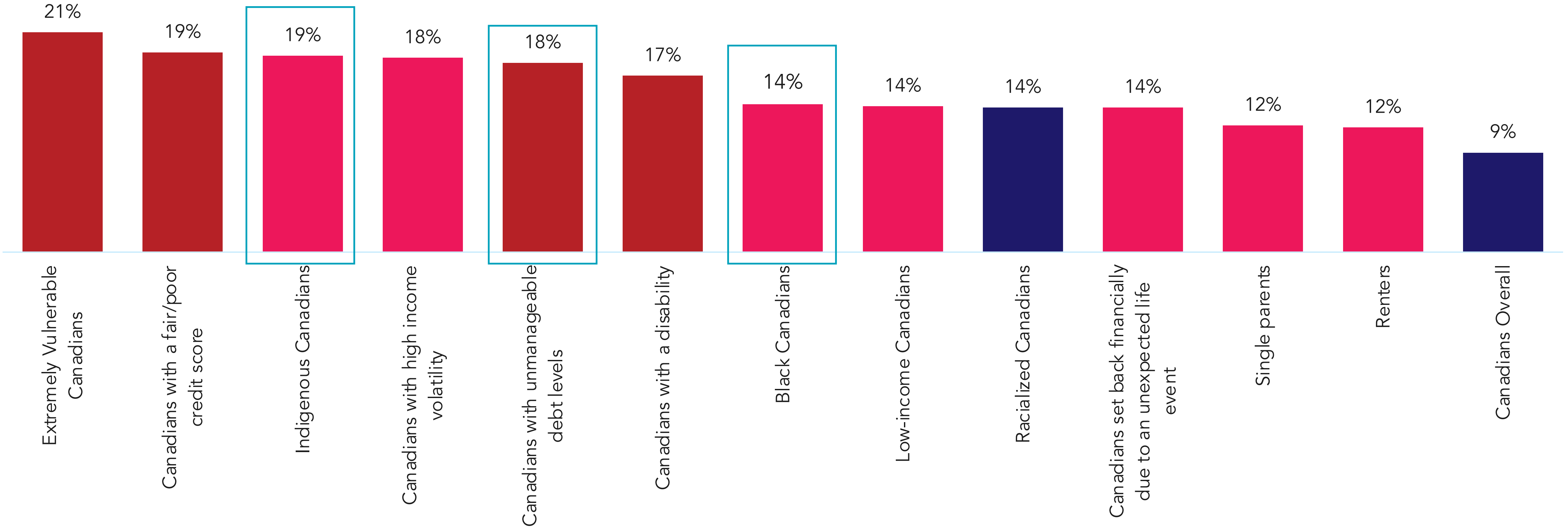
Source: June 2022 Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license.

Many of the most financially vulnerable populations are experiencing challenges in accessing the support or advice they need.

Financial Resilience Institute

For example, 19% of Indigenous Canadians, 18% of Canadians struggling with their debt manageability and 15% of Black Canadians reported they were unable to get the financial support or advice they needed as of June 2022

Percentage of households from key populations that were unable to get the financial support or advice they needed over the past 12 months as of June 2022



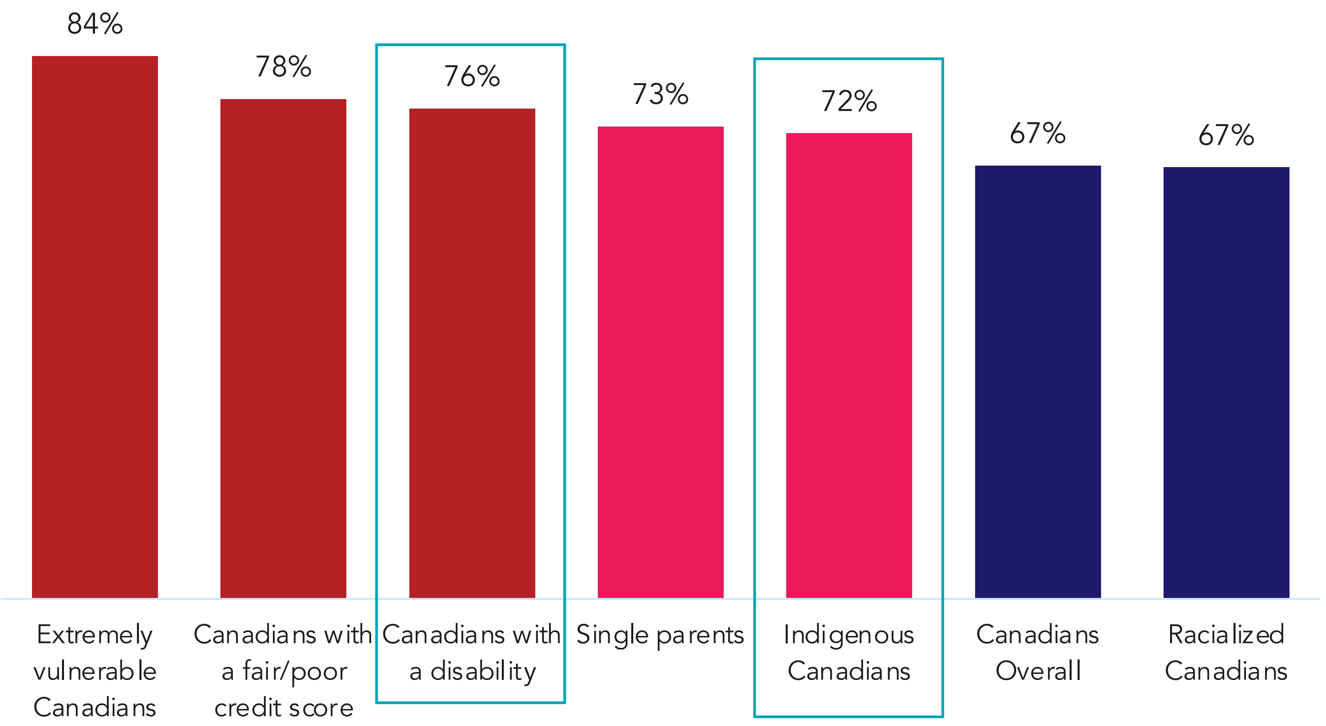
'[1] Racialized Canadians (and other population samples) include people from all household income demographics, with this segments' mean financial resilience score higher than for Canadians nationally, perhaps as a result of more financially resilient populations (including new immigrant professionals earning higher incomes) being included. A boost sample of Racialized and Black Canadians would enable deeper-dive analytics and created nuanced insights or the ecosystem.
'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.
Source: June 2022 Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

More financially vulnerable households are less likely to rate their primary Financial Institution (FI) highly for helping to improve their financial wellness over the past year.

Financial Resilience Institute

This highlights opportunities for Financial Institutions and other organizations to continue to work to help better support the unique needs and challenges of these populations, through relevant programs, services, information and delivery support.

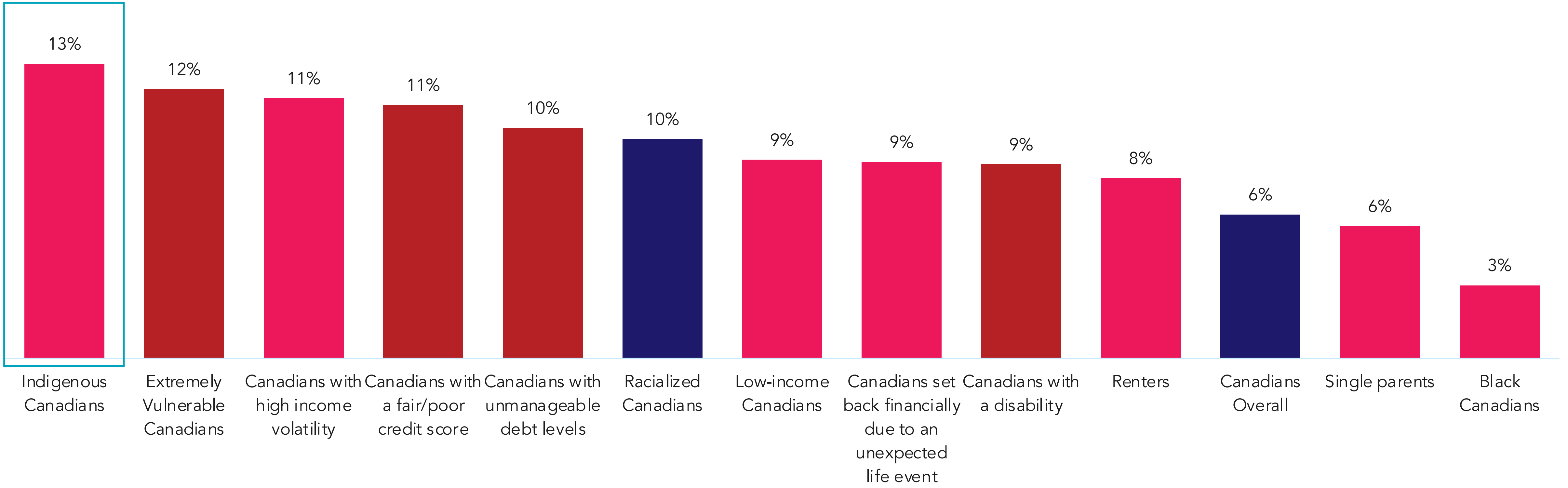
Percentage of households that rate their primary Financial Institution (FI) 'poor to fair' for helping to improve their financial wellness over the past year as of June 2022



Source: Financial Well-Being Study with independent tracking on financial wellness delivery support for households, FIs and organizations using the Index tracked by Financial Resilience Institute.

13% of Indigenous Canadians were also not able to get financial information or education they needed as of June 2022, with other more vulnerable populations such as those struggling with income volatility or debt similarly challenged.

Percentage of households from key populations that were unable to get the the financial information or education they needed over the past 12 months as of June 2022



'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

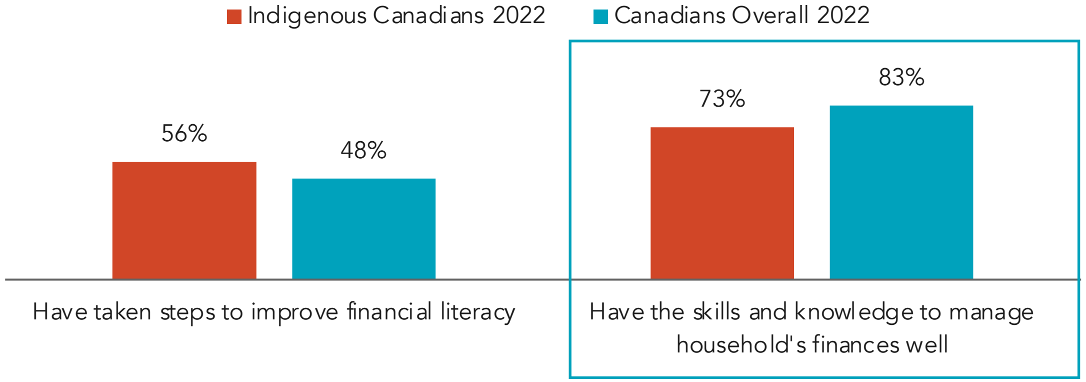
[1] Racialized Canadians (and other population samples) include people from all household income demographics, with this segments' mean financial resilience score higher than for Canadians nationally --perhaps as a result of more financially resilient populations (including new immigrant professionals earning higher incomes) being included. A boost sample of Racialized and Black Canadians would enable deeper-dive analytics and created nuanced insights or the ecosystem.

Source: June 2022 Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

56% of Indigenous Canadians report they have taken steps to improve their financial literacy in the past 12 months, but 27% also report they do not have the financial literacy to manage their household finances well

This is higher than for Canadians overall and highlights the potential value of relevant financial literacy and financial resilience programs based on the unique needs of Indigenous Canadians.

Percentage of Indigenous households that report they have the skills and knowledge to manage their households' finances well and have taken steps to improve their financial literacy (June 2022)



[1]Indigenous Canadians self-identify as First Nations, Metis or Inuk (Intuit). Sample sizes for respondents with Indigenous Canadians are 222 for June 2021 and 256 for June 2022.

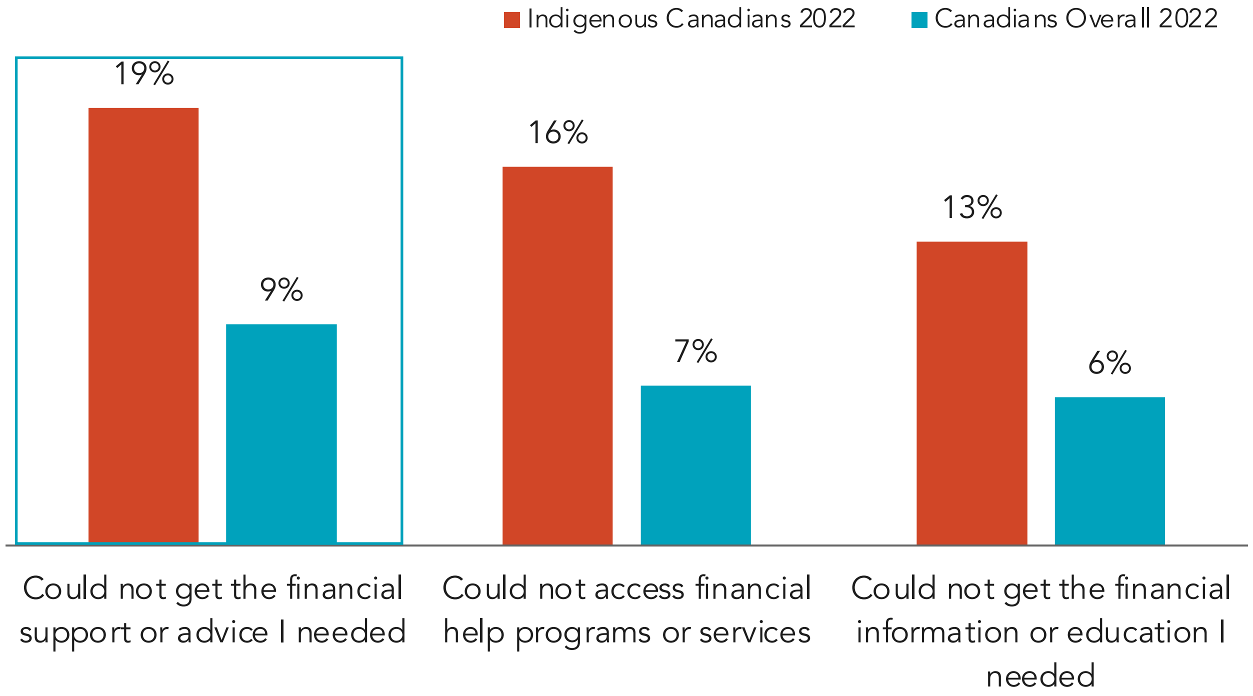
Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Indigenous Canadians are also more challenged in accessing relevant financial support or advice or financial help programs

Financial Resilience Institute

19% were unable to get the financial support of advice they needed and 16% the financial help programs or services they needed over the past year as of June 2022.

Percentage of Indigenous Canadians that had challenged access to financial support or advice, financial help programs and/or financial information or education (June 2022)

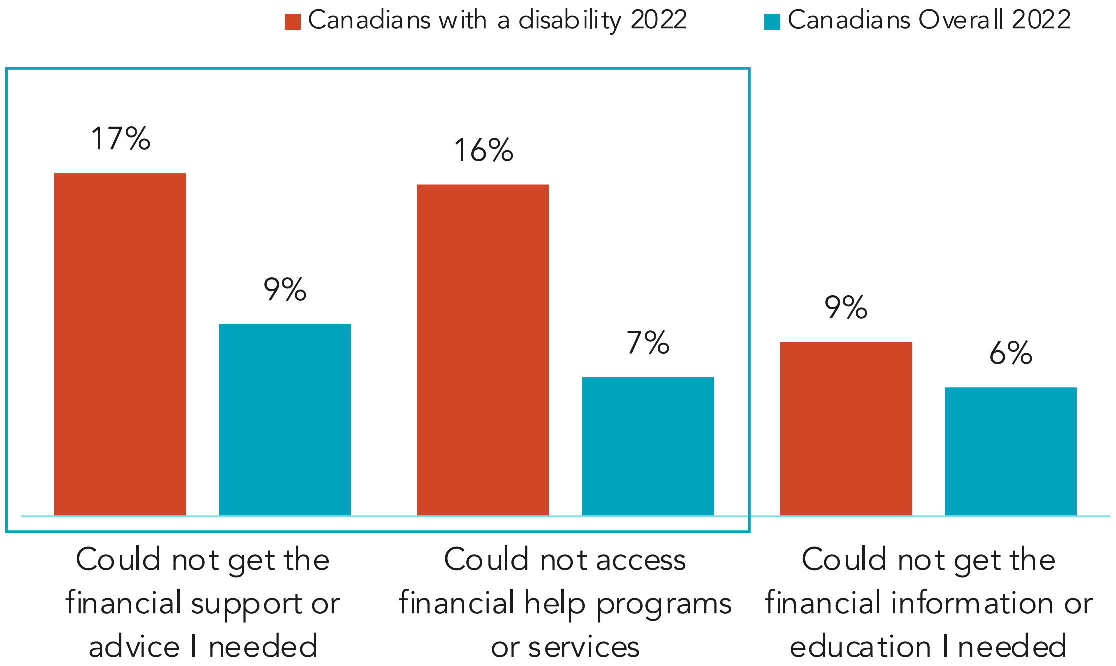


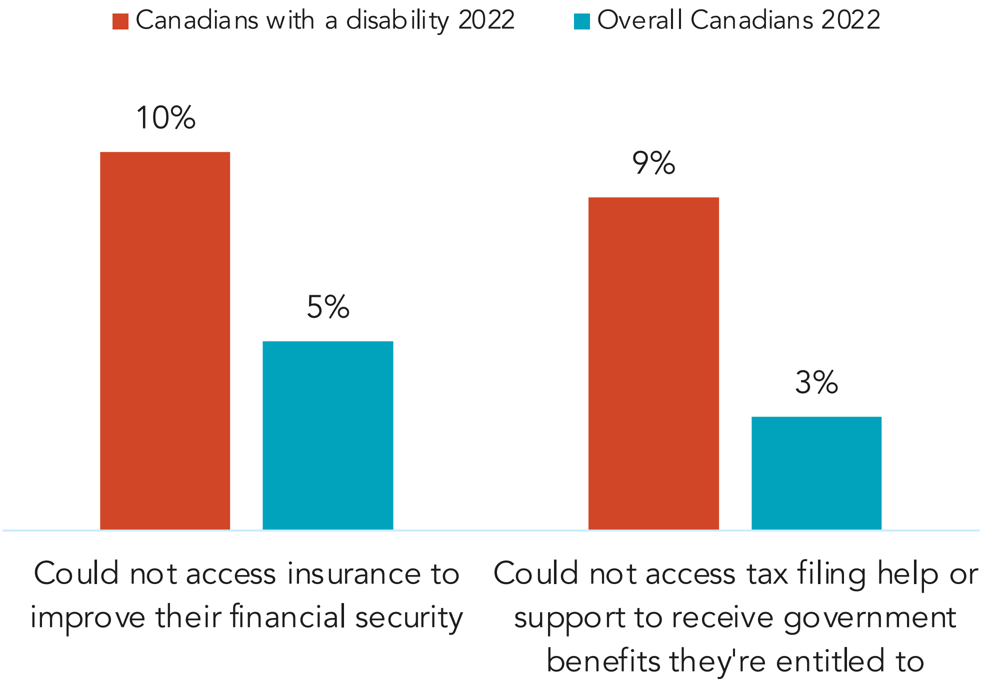
[1] Indigenous Canadians self-identify as First Nations, Metis or Inuk (Intuit). Sample sizes for respondents with Indigenous Canadians are 222 for June 2021 and 256 for June 2022.

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

16% of Canadians not working owing to a disability could not access the financial help programs or services they needed in the past year, with 10% challenged in terms of access to insurance to improve their financial security.

Percentage of households with a disability that are challenged in terms of financial support or advice, financial help programs or financial information or education and more (June 2022)

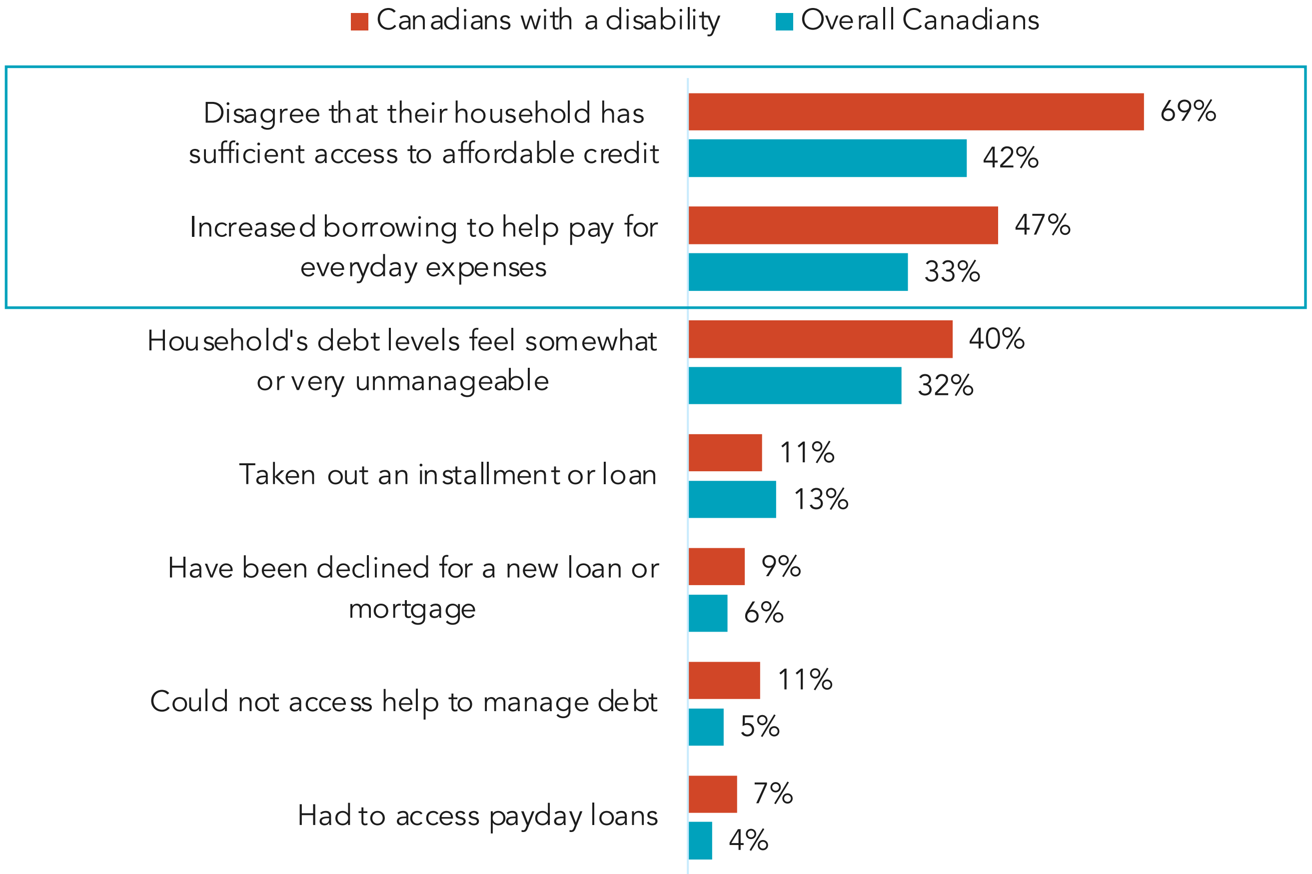




'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.
[1] Sample sizes for respondents not working owing to a disability are 256 for June 2020, 323 for June 2021 and 339 for June 2022.
[2] For Canadians with a disability with household incomes under $50,000.
Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

69% of Canadians with a disability have been challenged in terms of having sufficient access to affordable credit in the past 12 months

While 47% have increased their borrowing to help pay for everyday expenses, 11% have not been able to access help to manage their debt and 7% have taken up predatory payday loans and 11% installment loans.



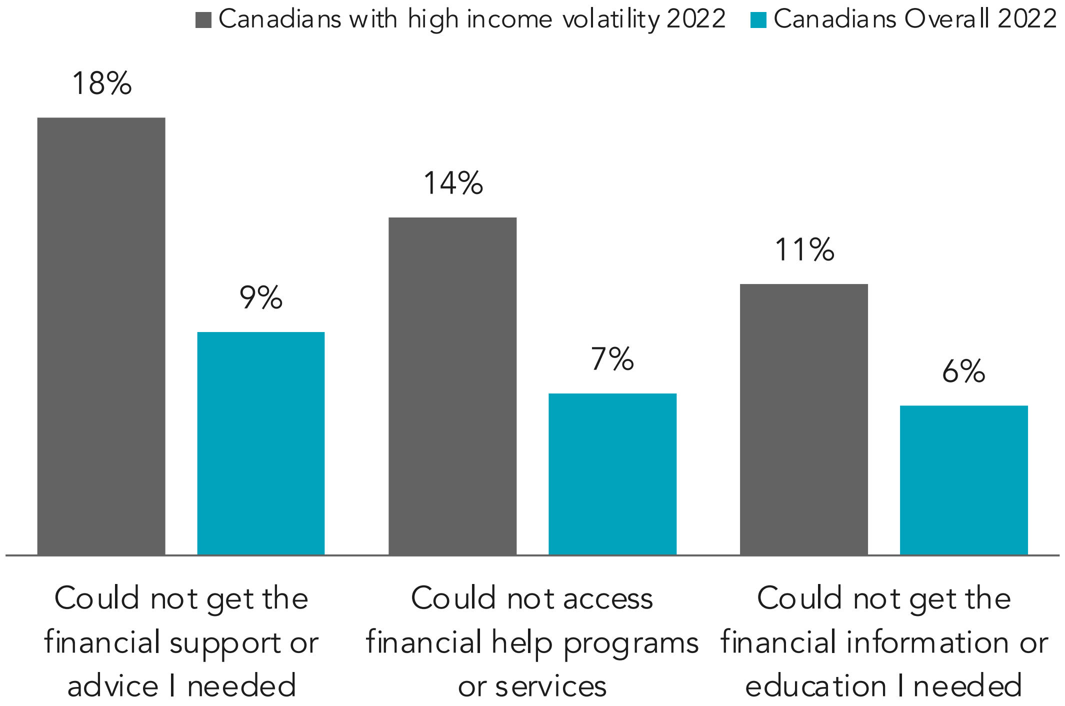
'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

[1] Sample sizes for respondents with a disability are 256 for June 2020, 323 for June 2021 and 339 for June 2022.

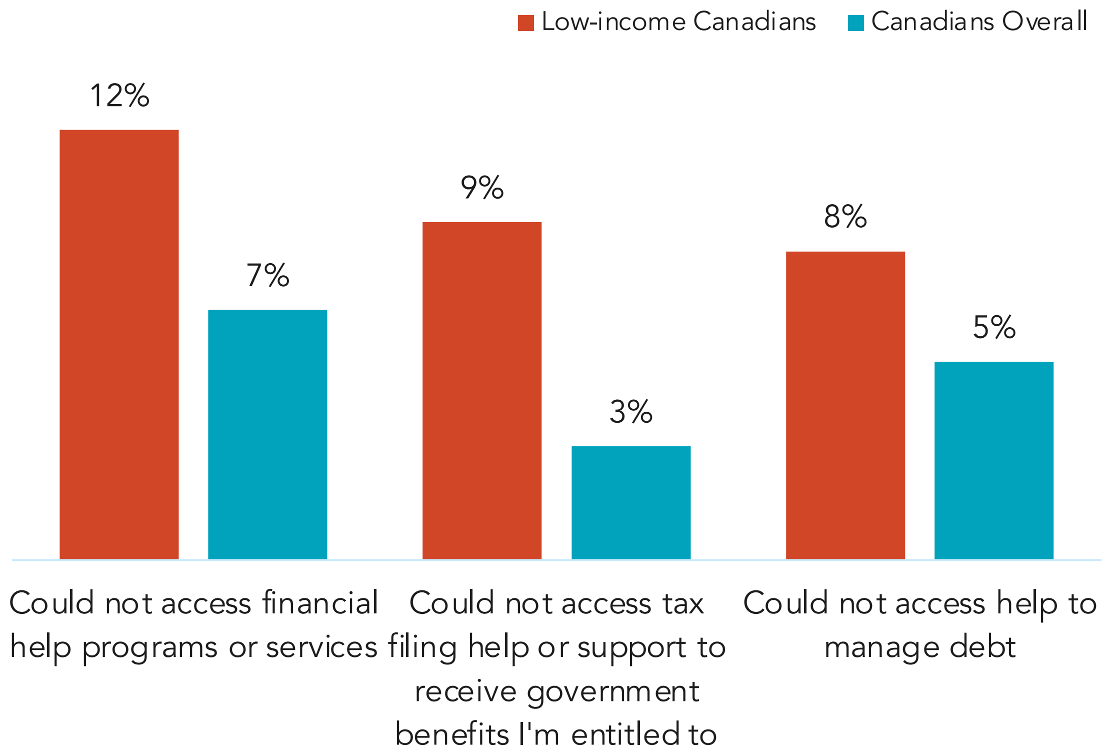
Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Twice the proportion of Canadians experiencing high income volatility (19%) were unable to get the financial support or advice they needed in the past year, with access to financial help programs also more prevalent for low-income Canadians.

Percentage of households not able to get financial help or support



Percentage of low-income households



Source: Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license.

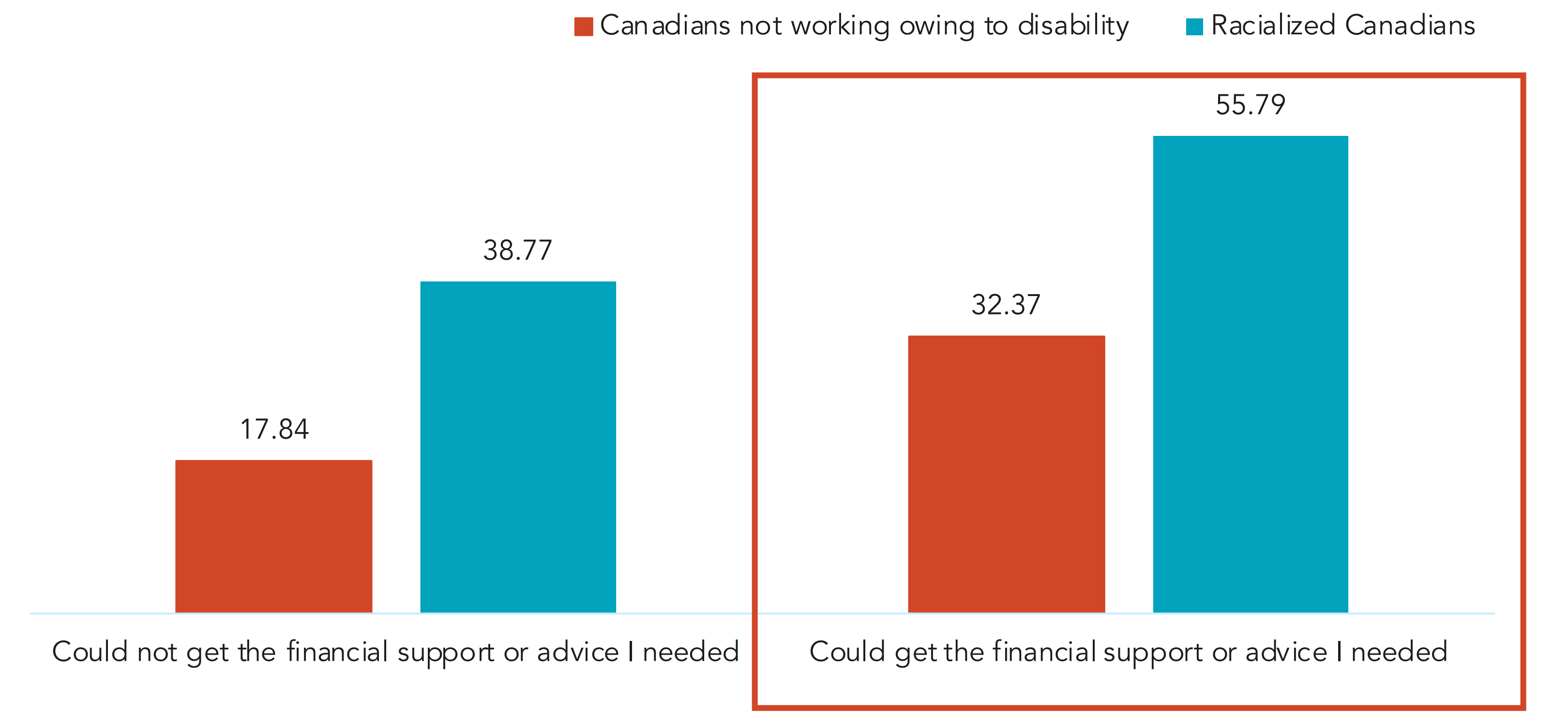
4

Index data highlights that individuals and households that access different financial help programs and support have higher levels of financial resilience

Individuals and households have not had challenges in accessing different types of financial help over the past 12 months had significantly higher levels of financial resilience for Canadians overall and key populations

While data published in this report does not prove a causal relationship between access to different types of financial help or support and improved household financial resilience, the Institute will conduct more analytics on this in 2023 and beyond. Index analytics do point to improved financial inclusion (or access to different types of financial information, tools and help) as being an enabler of individuals and households so they can adjust their financial behaviours. This in turn can improve their financial resilience. Accessing relevant product, tools, resources and supports can also reduce households' levels of financial stress over current and future financial obligations and other indicators, impacting their household financial resilience.

Mean financial resilience score of racialized Canadians and those with disability that were and were not able to access the financial support or advice they needed in the past year: based on the June 2022 Seymour Financial Resilience Index TM

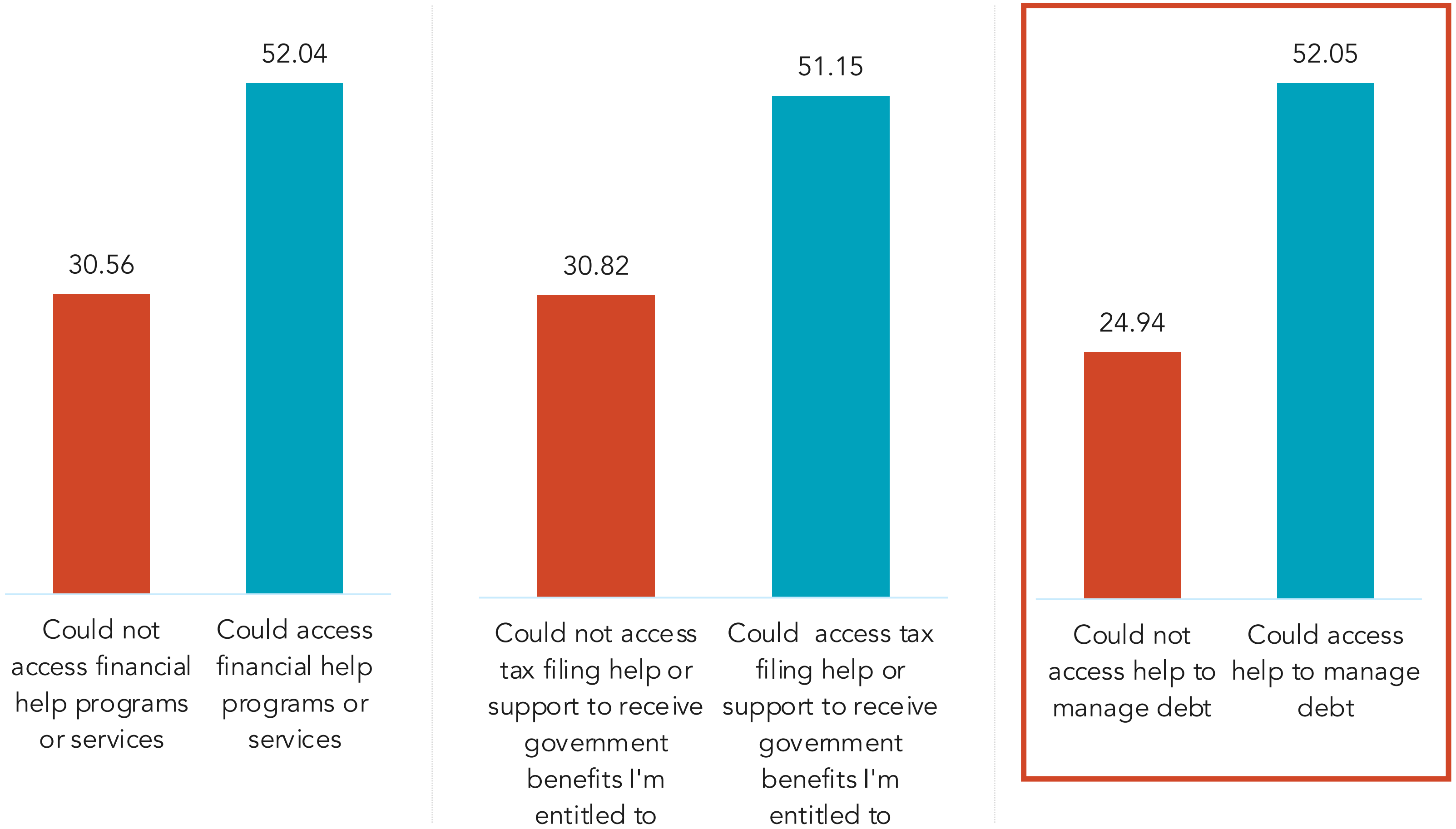


Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index TM is a trademark used under license.
For more information on Financial Resilience Institute, the Index and longitudinal Financial Well-Being studies visit: https://www.finresilienceinstitute.org/

For example, individuals and households that were able to access help in managing their debt have mean financial resilience score of 52.05 based on the June 2022 Index, compared to a mean score of 29.94 for those who could not access this help.

Financial Resilience Institute

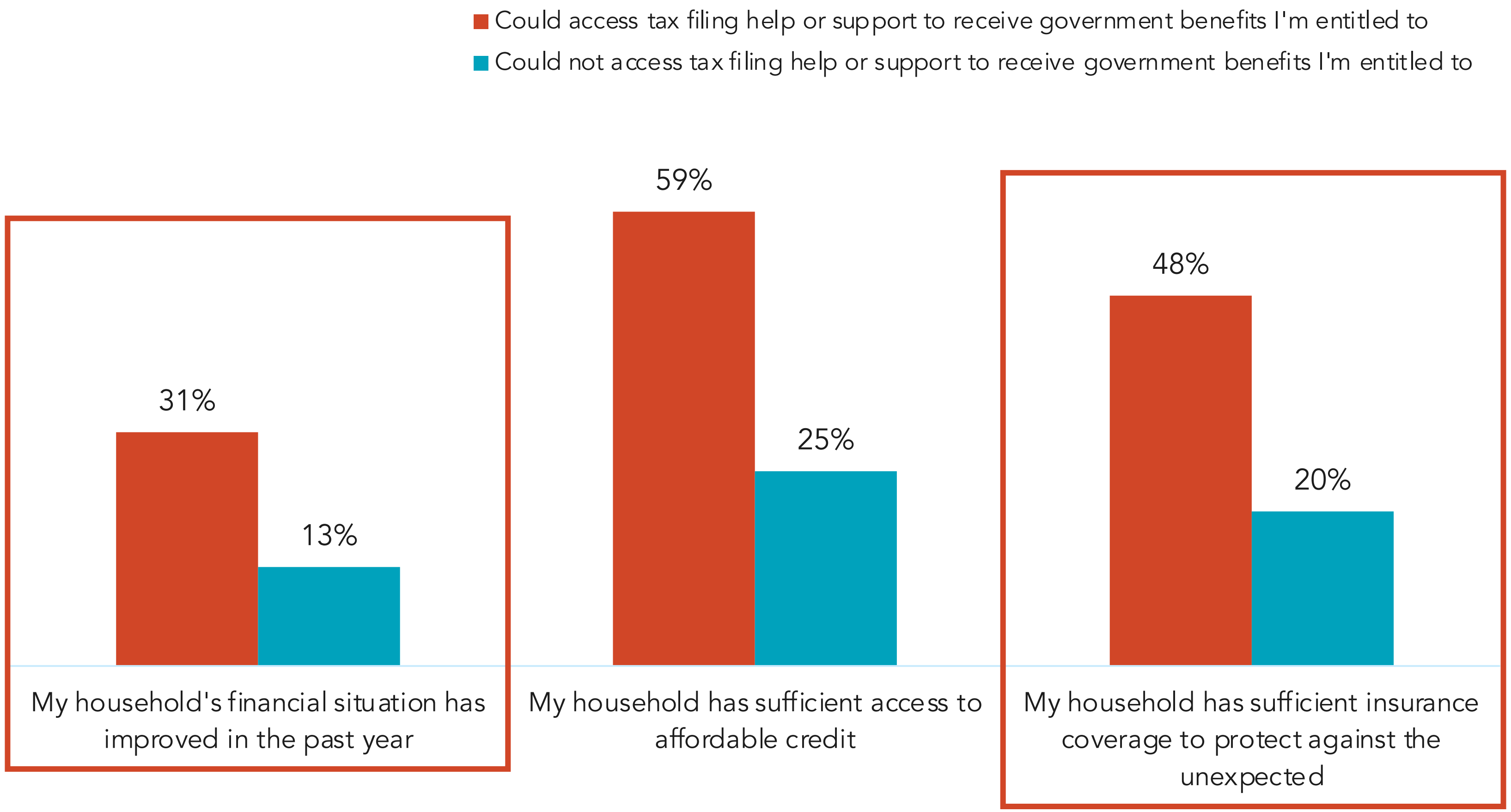
Mean financial resilience score of Canadians who did and did not experience difficulties in accessing the following financial help (June 2022)



Source: Financial Resilience Index ™ and June 2022 Financial Well-Being study with a boost of lower income Canadians.
Seymour Financial Resilience Index ™ is a trademark used under license.

Canadians with access to financial help such as tax filing help or support in accessing government benefits are more likely to have improved financial situations and to not be lacking in access to affordable credit or insurance.

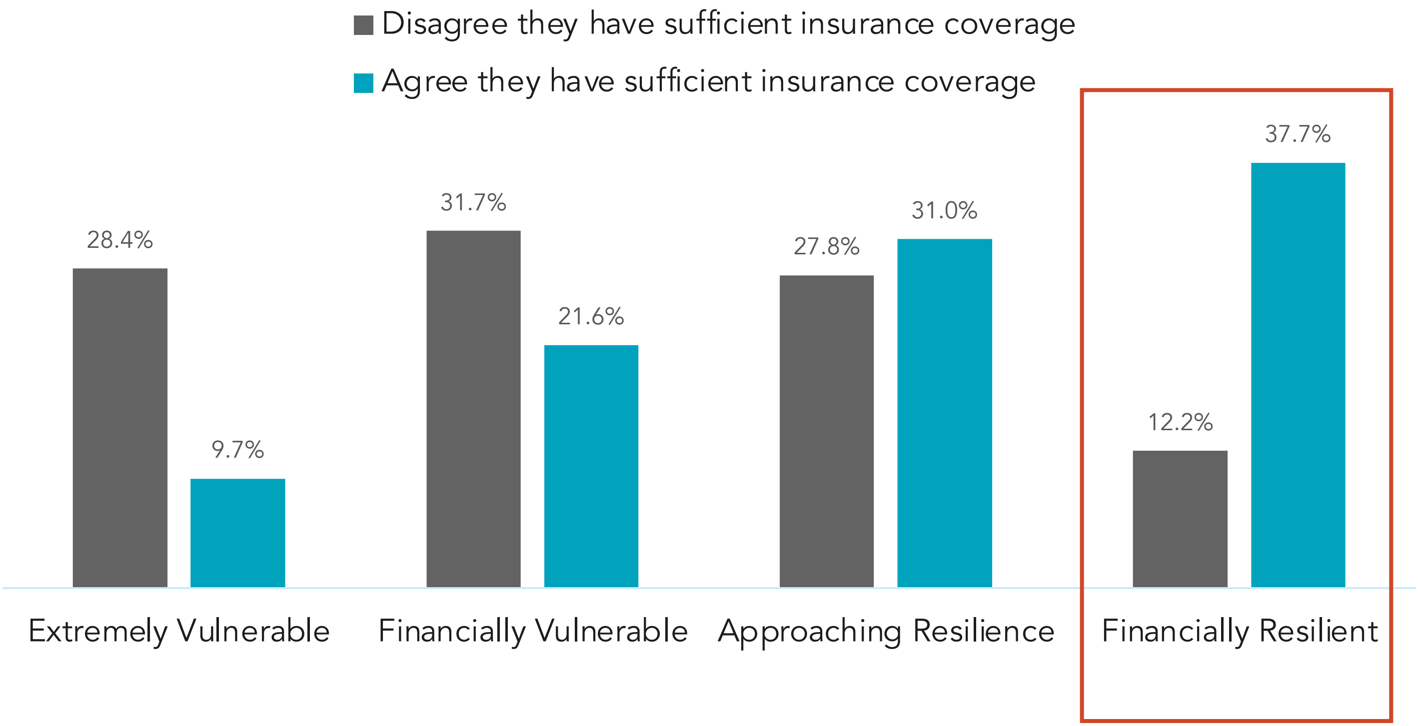
Differences in household financial situation and challenged access to affordable credit and sufficient insurance coverage for Canadians who could and could not access tax filing help or support to receive government benefits (June 2022)



The more financially resilient a household, the more likely they are to report they have sufficient insurance coverage to protect against the unexpected.

There are significant differences in the financial security of households from an insurance/ protection standpoint, with 38% of 'Financially Resilient' households reporting they have sufficient insurance coverage compared to 10% of 'Extremely Vulnerable' households. Overall, data suggests significant potential to support Canadians in this regard.

Percentage of households reporting their household has sufficient insurance coverage to protect against the unexpected

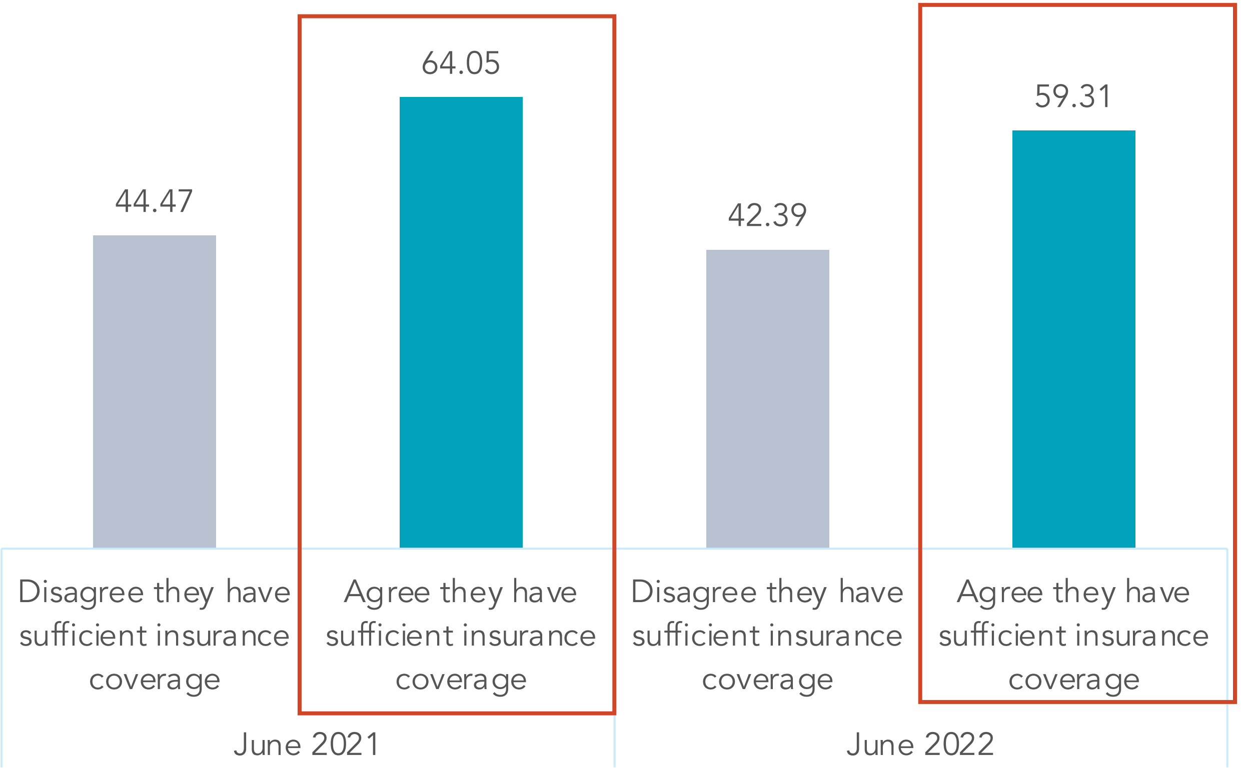


'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.
Source: Financial Resilience Index ™ and June 2022 Financial Well-Being study with a boost of lower income Canadians.
Seymour Financial Resilience Index ™ is a trademark used under license.

The mean financial resilience score of households reporting that their household has sufficient insurance to protect against the unexpected is significantly higher compared to those who do not based on the June 2022 and June 2021 Index.

Financial Resilience Institute

Mean financial resilience score of households that report that their household has sufficient insurance coverage to protect against the unexpected compared to those who do not in 2021 and 2022: based on the Seymour Financial Resilience Index TM

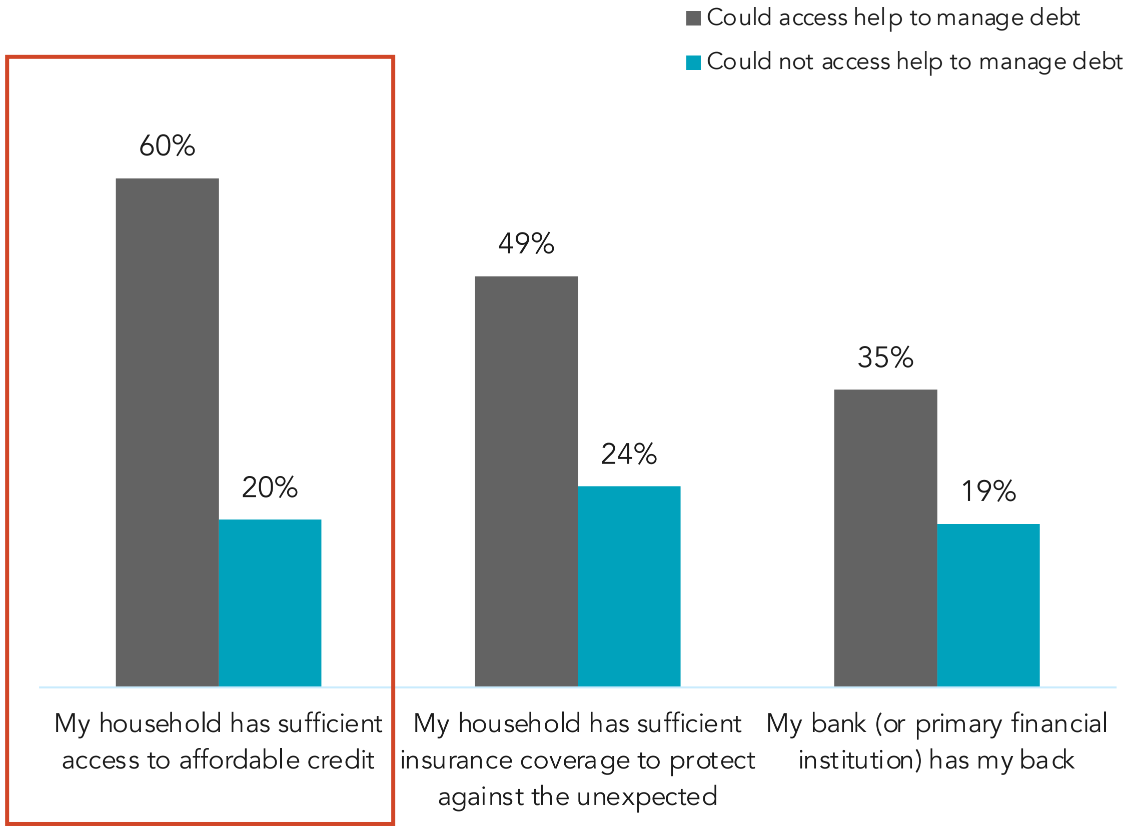


Source: Financial Resilience Index TM and June 2022 Financial Well-Being study with a boost of lower income Canadians.
Seymour Financial Resilience Index TM is a trademark used under license.

Households that could access help in managing their debt are much more likely to agree that their household has sufficient access to affordable credit.

They are also more likely to have sufficient insurance coverage to protect against the unexpected and to rate their bank or primary Financial Institution highly for 'having their back.'

Analytics on households that could and could not access financial help programs or services in the past 12 months (June 2022)

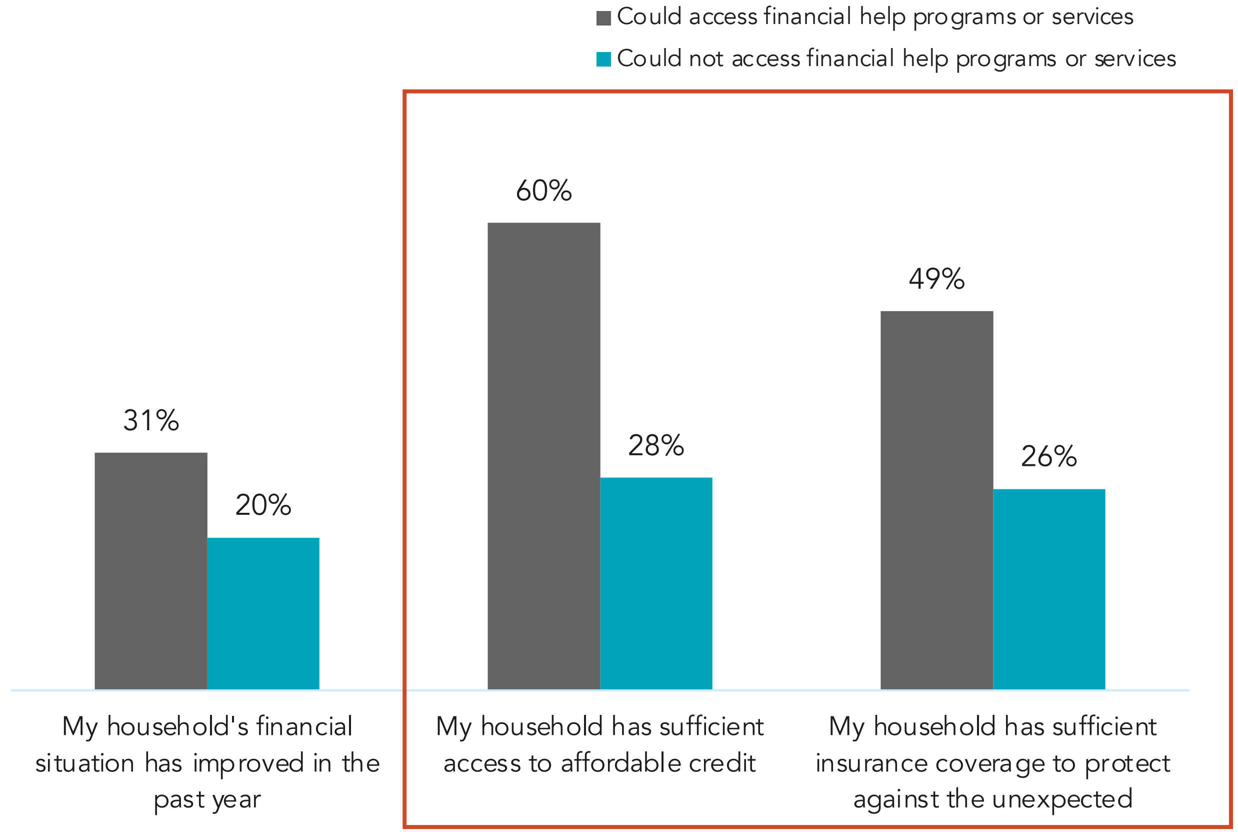


Source: Financial Resilience Index ™ and June 2022 Financial Well-Being study with a boost of lower income Canadians.
Seymour Financial Resilience Index ™ is a trademark used under license.

Households that could access financial help programs in the past 12 months are more likely to report that their household has sufficient access to credit and/or sufficient insurance coverage to protect them against the unexpected.

They are also more likely to report that their household situation has improved in the past year.

Analytics on households that could and could not access financial help programs or services in the past 12 months (June 2022)

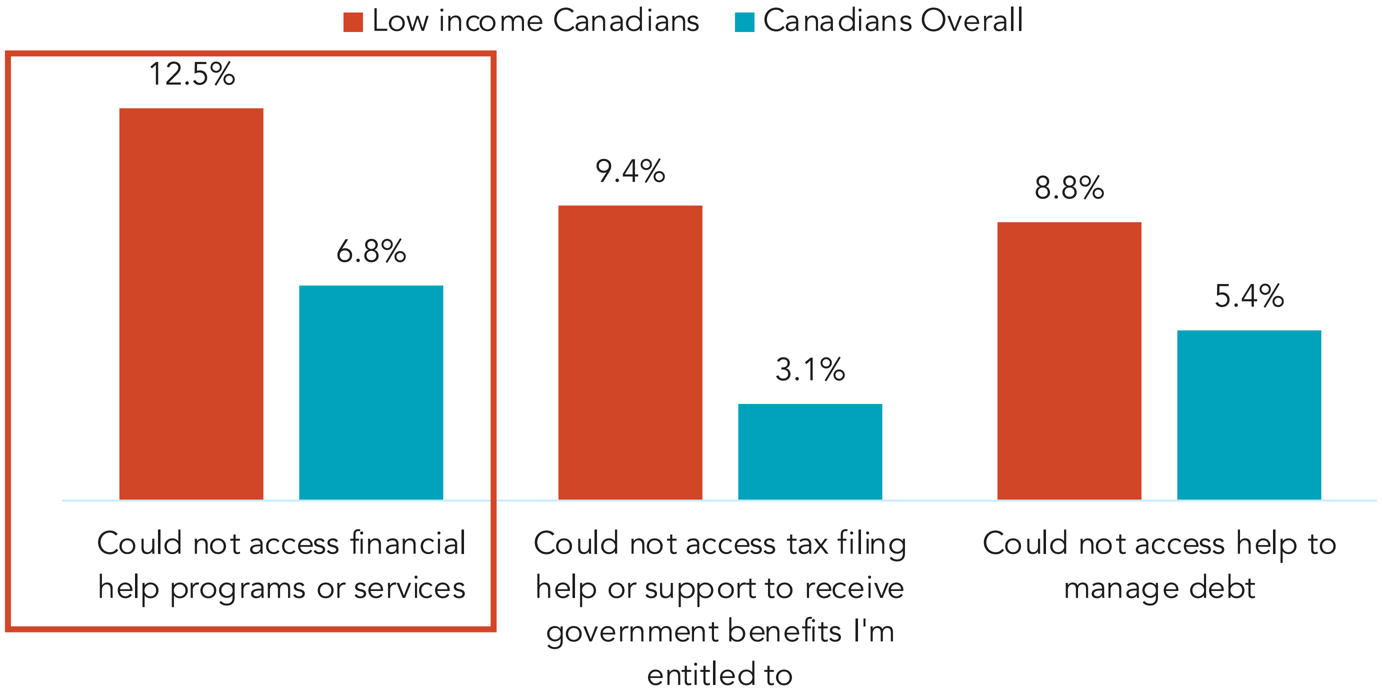


Source: Financial Resilience Index ™ and June 2022 Financial Well-Being study with a boost of lower income Canadians.
Seymour Financial Resilience Index ™ is a trademark used under license.

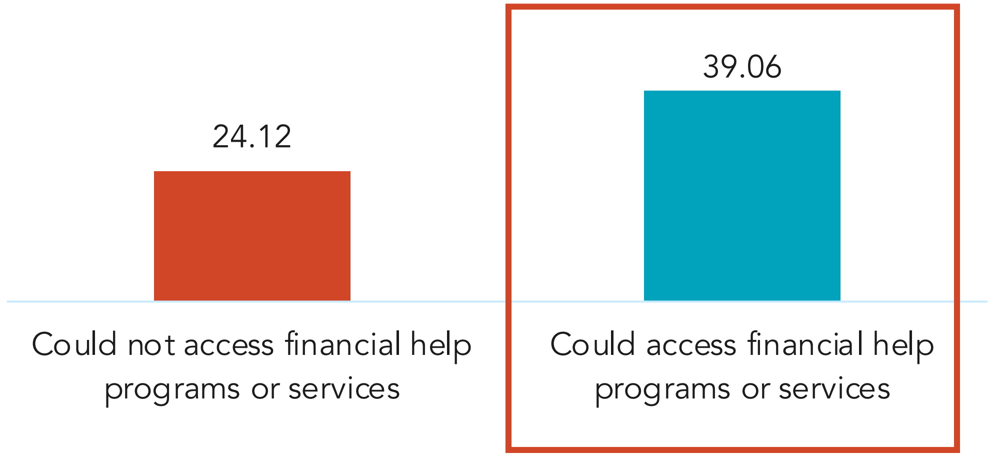
Over the past 12 months, just under 800,000 low-income households (12.5%) experienced difficulties in accessing financial help programs or services. Low-income individuals or households who could access this help had significantly higher mean financial resilience scores (39.06) compared to low-income households who were not able to access this help.

Financial Resilience Institute

Percentage of low-income households vs. Canadians overall that agreed or completely agreed that they experienced difficulties in the past 12 months in accessing financial help:



Mean financial resilience scores of low-income households (June 2022)

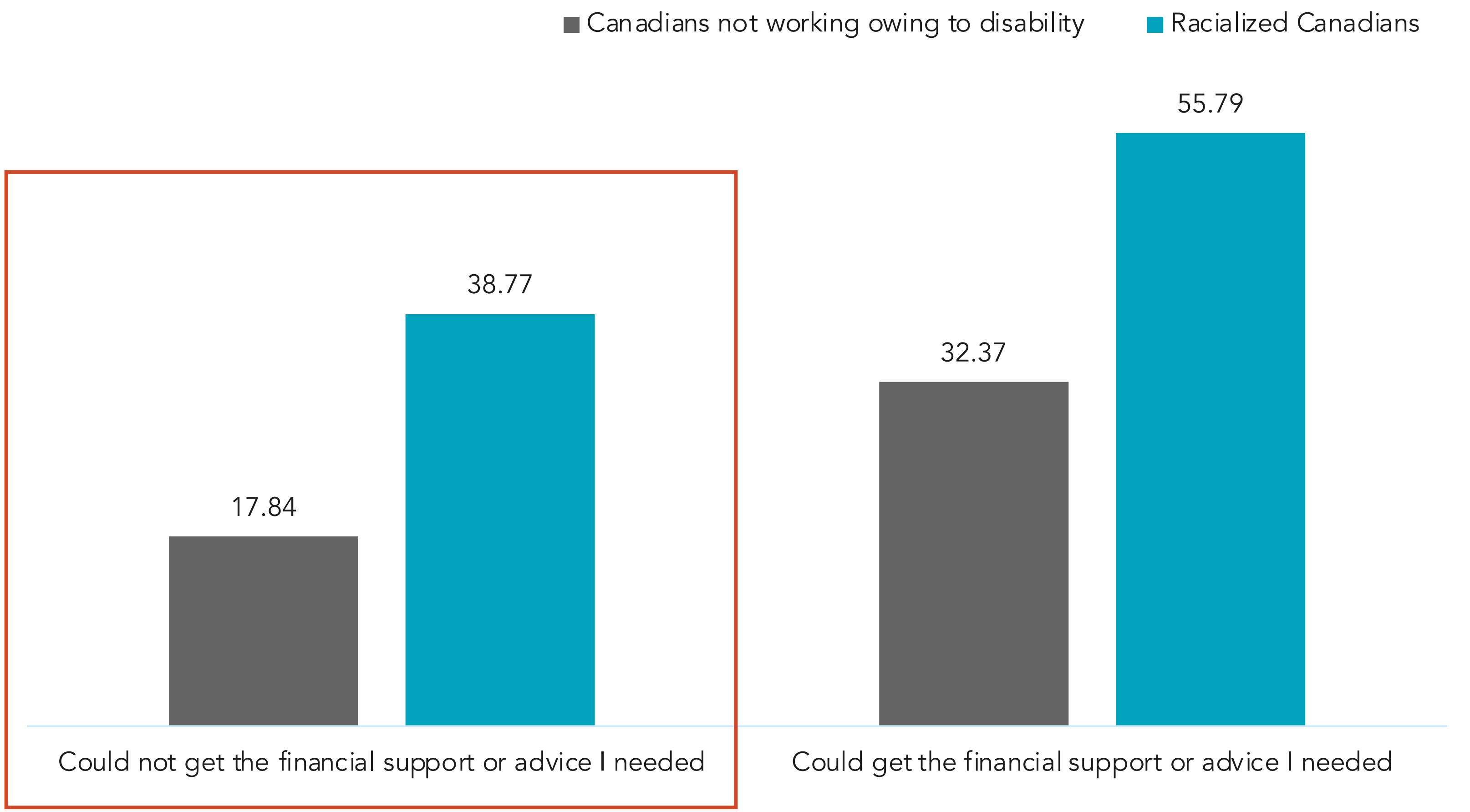


Based on a sample size of low-income Canadians is 1516 households in June 2022, with a boost sample of low-income Canadians conducted in 2019, 2021 and 2022 for the Financial Well-Being study. Please see 2022 report on the Financial Vulnerability of Low-Income Canadians: a Rising Tide' for more information, available on the research page of the Institute's website.
Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

Canadians with a Disability and Racialized Canadians who were able to access financial support or advice they needed have significantly higher financial resilience scores compared to those who were not able to access this support.

Financial Resilience Institute

Mean financial resilience score of racialized Canadians and those with disability that were and were not able to access the financial support or advice they needed in the past year: based on the June 2022 Seymour Financial Resilience Index TM



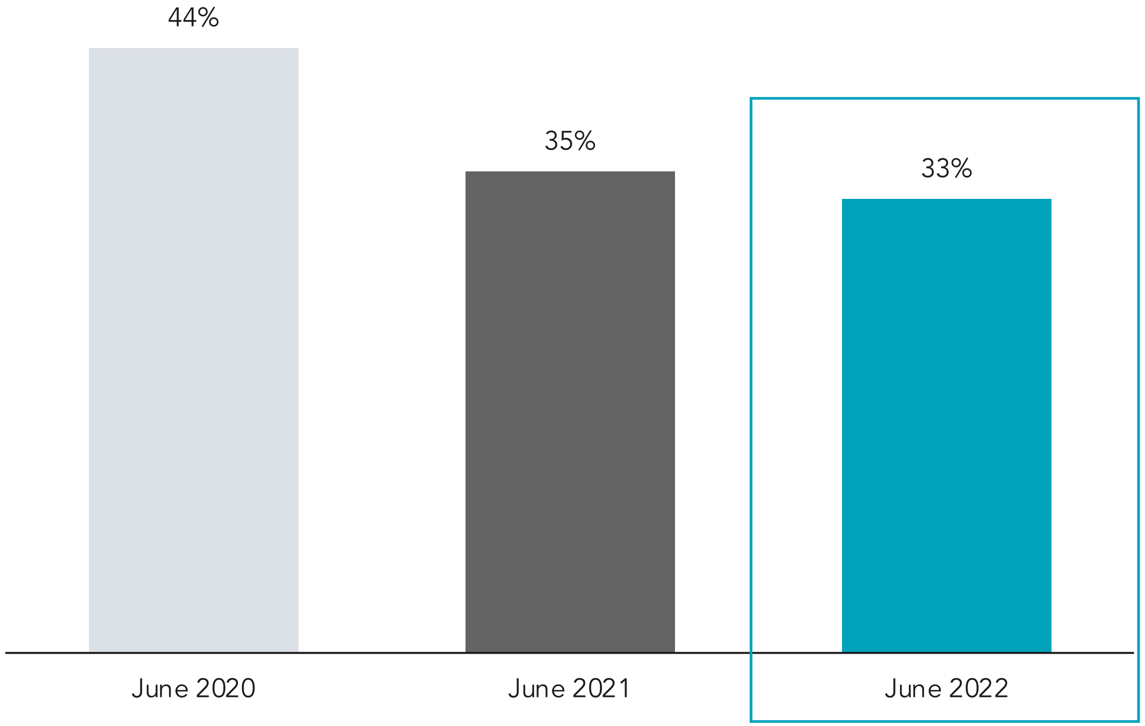
Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index TM is a trademark used under license.
For more information on Financial Resilience Institute, the Index and longitudinal Financial Well-Being studies visit: https://www.finresilienceinstitute.org/

5

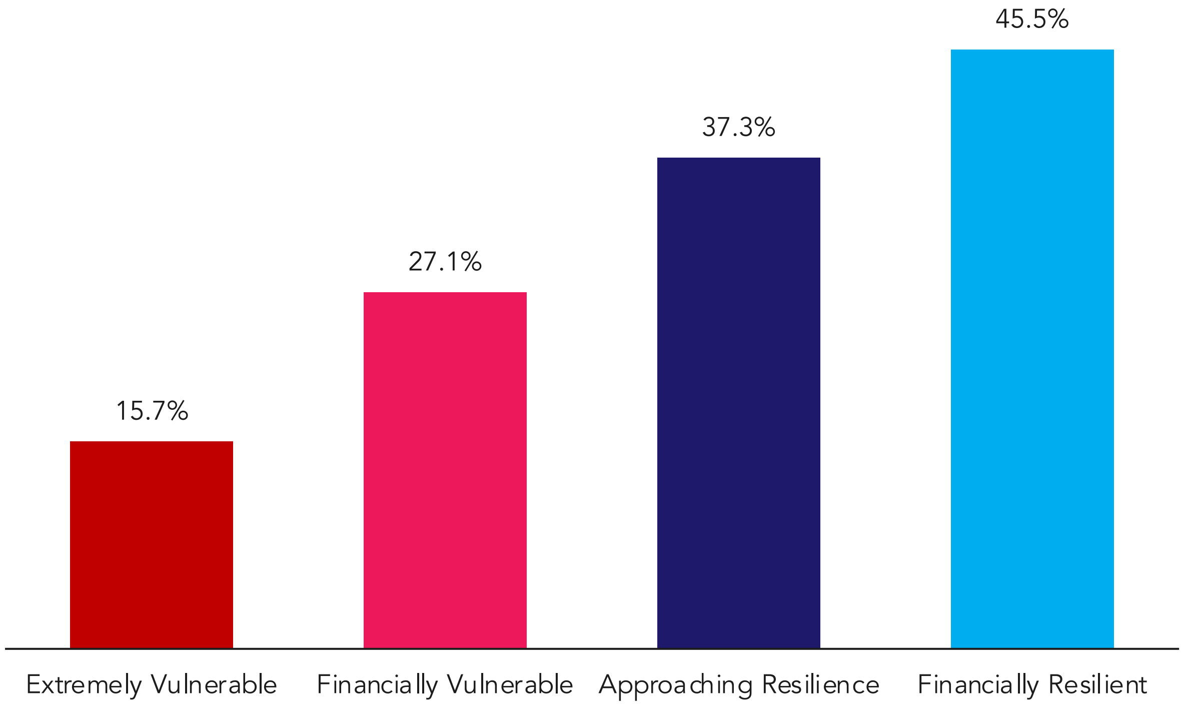
The extent to which Canadians and more financially vulnerable households rate their primary Financial Institution for helping to improve their financial wellness over the past 12 months

33% of households rate their primary FI as 'good to excellent' for helping to improve their financial wellness in the past 12 months as of June 2022, with opportunities and gaps for Financial Institutions and the ecosystem in supporting Canadians [1]

Percentage of Canadians who rate their primary bank Financial Institution [FI] as 'Good' or 'Excellent' in helping to improve their financial wellness: 2020, 2021 and 2022 [1]



Percentage of Canadians who rate their primary bank Financial Institution [FI] as 'Good' or 'Excellent' in helping to improve their financial wellness by financial resilience segment as of June 2022

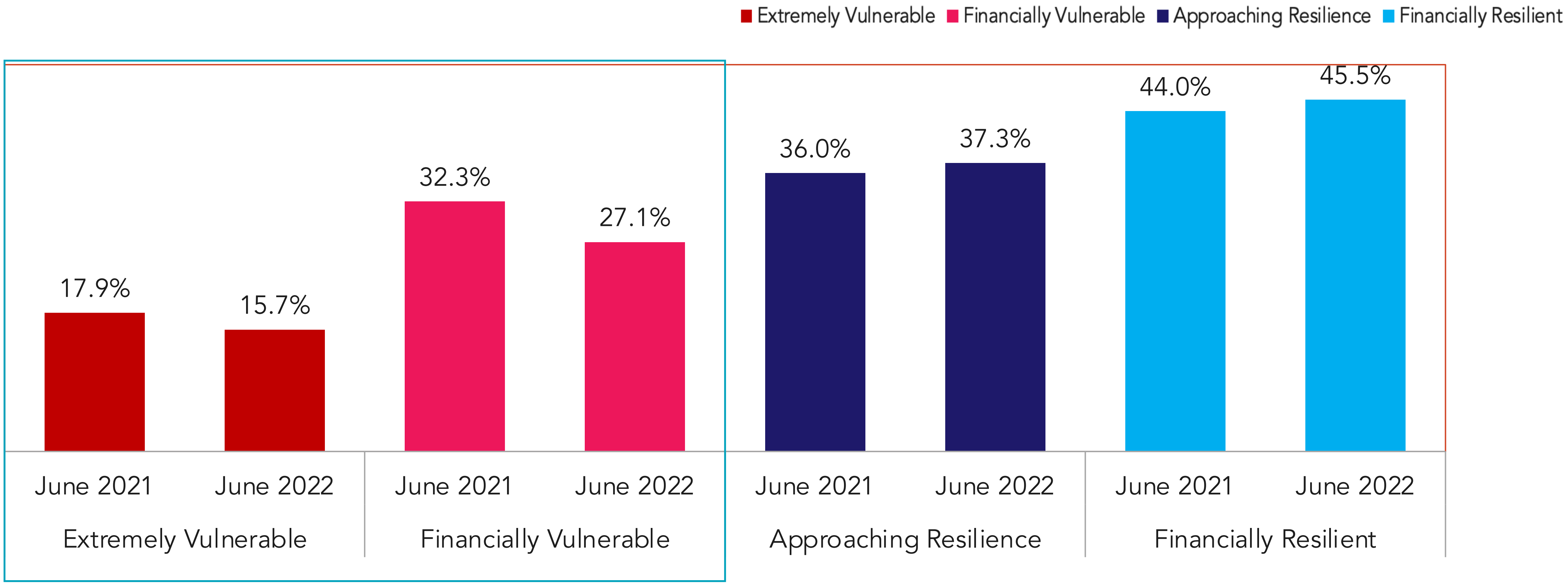


[1] Additional data analytics are provided in the Members Report, along with business benefits of financial wellness investments and innovation based on the Institute's independent tracking.
The Financial Well-being studies include respondents who bank primarily with a bank, a credit union and an alternative Financial services company (such as Presidents Choice Financial or Tangerine.)
Source: June 2022 Financial Well-Being study and Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license.

16% of ‘Extremely Vulnerable’ and 27% of ‘Financially Vulnerable’ households rate their primary Financial Institution highly for helping to improve their financial wellness over the past year: a reduction compared to June 2021.

This highlights opportunities for Financial Institutions (FIs) overall to do more to support the financial wellness of customers and communities overall and that are more financially vulnerable

Proportion of households by financial resilience segment that rate their primary FI as ‘Good or Excellent’ for helping to improve their financial wellness over the past 12 months (June 2022)



‘Extremely Vulnerable’ households have a financial resilience score of 0 to 30; ‘Financially Vulnerable’ a score of 30.01 to 50; ‘Approaching Resilience’ a score of 50.01 to 70, and ‘Financially Resilient’ a score of 70.01 to 100.
Source: Seymour Financial Resilience Index TM. Seymour Financial Resilience Index TM is a trademark used under license.

5

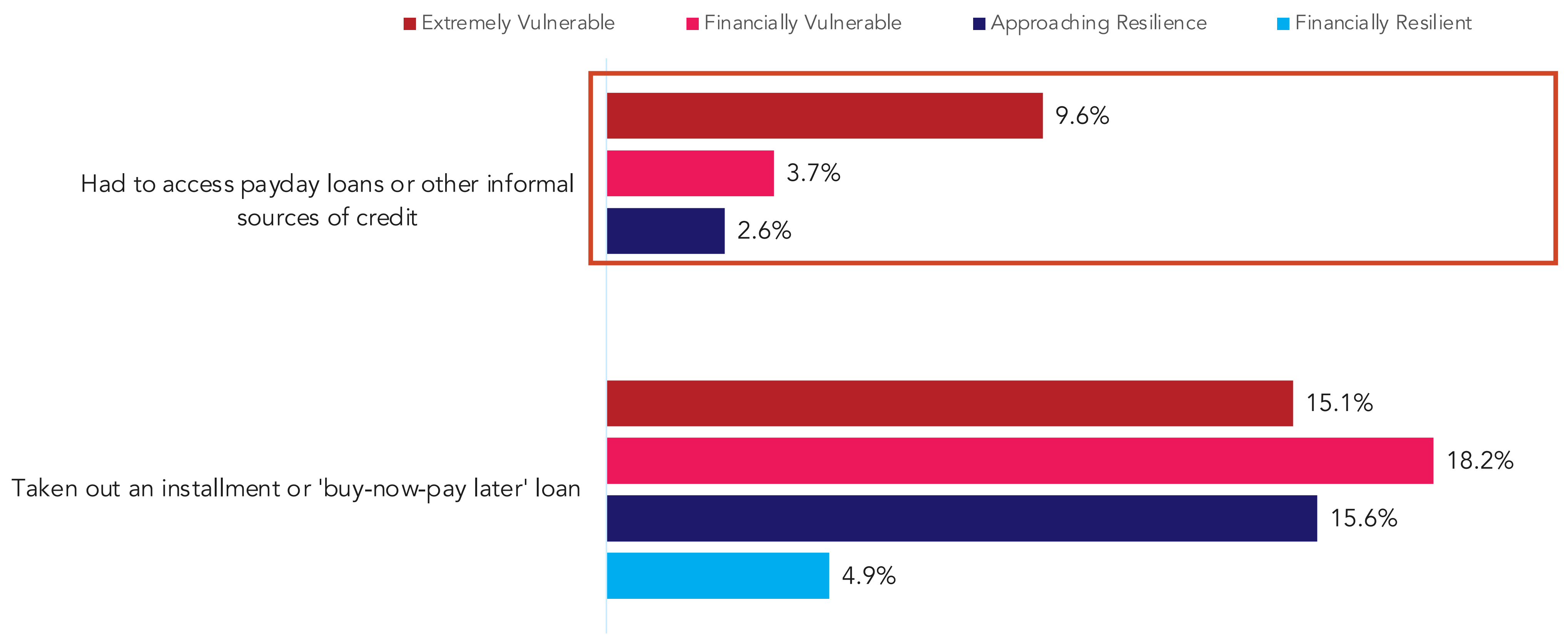
Usage of predatory financial services such as payday loans and installment loans, emerging Takeaways and Call to Action

More financially vulnerable households are having to resort to predatory financial services such as payday loans or installment loans

Financial Resilience Institute

While 4% of households in Canada have taken out a payday loan or other informal sources of credit and 13% an installment loan as of June 2022, take up rates are much higher for 'Extremely Vulnerable' and 'Financially Vulnerable' Canadians

Proportion of households by financial resilience segment that have had to access payday loans or other sources or credit or taken out installment loans over the past 12 months: as of June 2022



Source: June 2022 Financial Well-Being study and Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

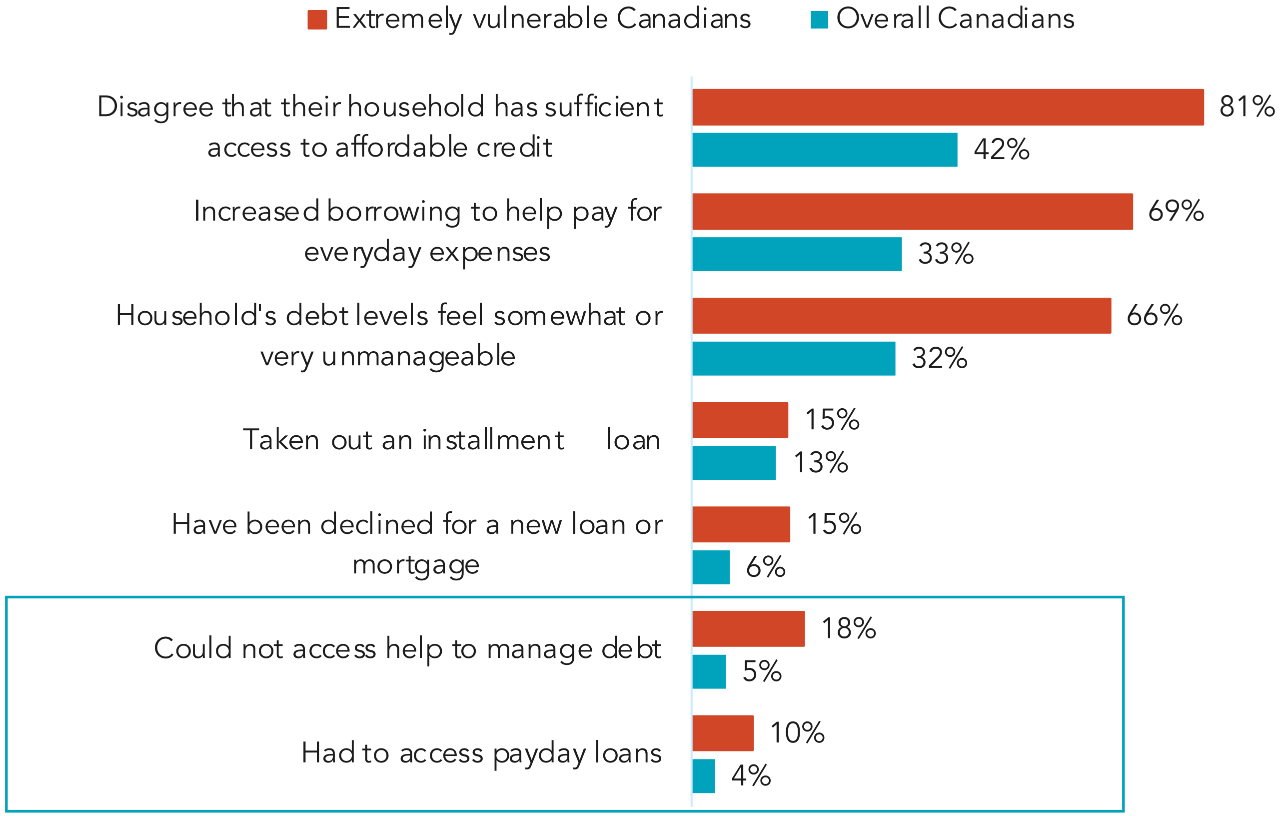
'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

10% of 'Extremely Vulnerable' Canadians took out a payday loan and 15% an installment loan in the past 12 months as of June 2022.

18% of these households reported they could not access help in managing debt and 15% were declined for new loans or mortgages.

Financial Resilience Institute

Proportion of 'Extremely Vulnerable' households that have taken out payday or installment loans and/or could not access help to manage their debt as of June 2022 compared to Canadians generally



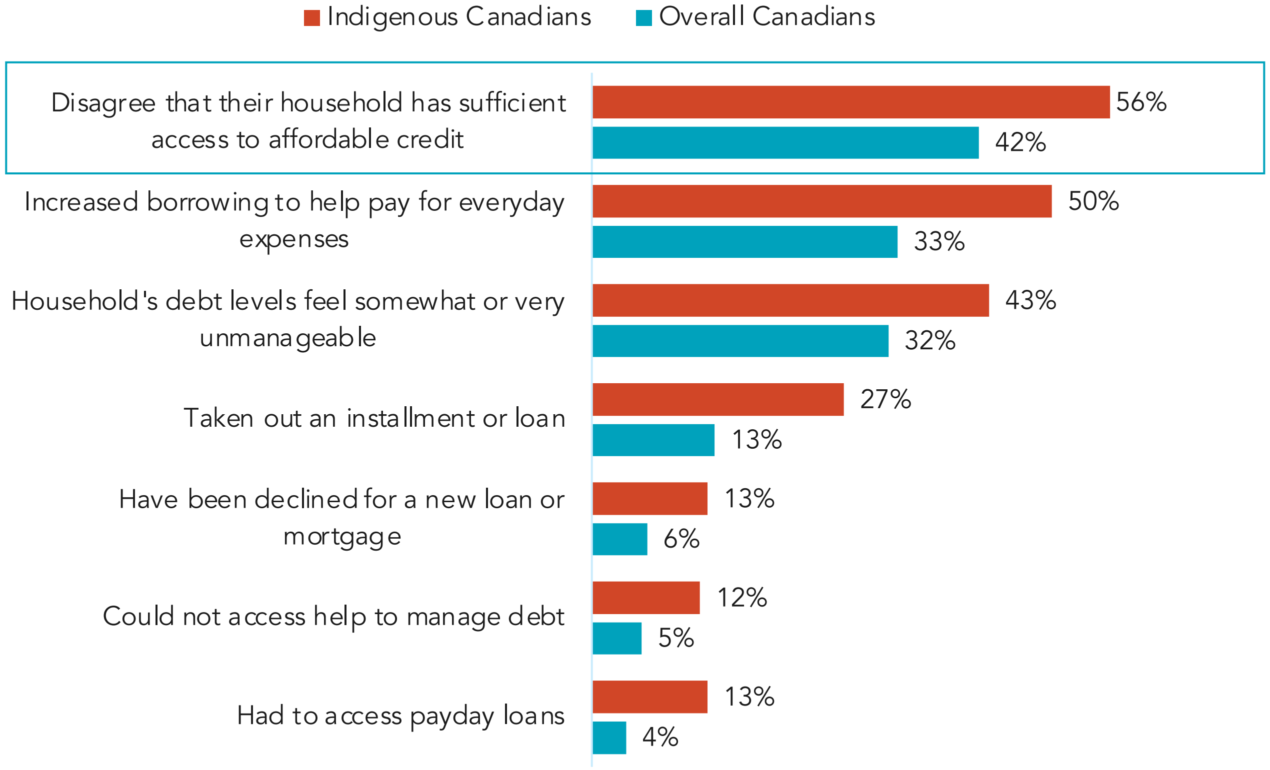
[1] Low-income Canadians are defined as i.e.individuals and families with household income under $25,000 plus households with more than one individual with a household income of under $50,000 (i.e. excluding single person households with a household income of <$50,000). The June 2022, June 2021 and June 2018 Financial Well-Being studies have a boost sample of low-income Canadians with a total sample size of 1516 Canadians with low incomes for the June 2022 study. Sample sizes for respondents with a Extremely Vulnerable Canadians are 624 for June 2020, 759 for June 2021 and 949 for June 2022.

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

56% of Indigenous Canadians report they lack sufficient access to affordable credit and 12% could not access help to manage their debt.

Many more Indigenous Canadians also report having taken out payday loans and/or installment loans in the past twelve months compared to Canadians generally.

Proportion of Indigenous Canadian households that have taken out payday or installment loans and/or could not access help to manage their debt as of June 2022 compared to Canadians generally



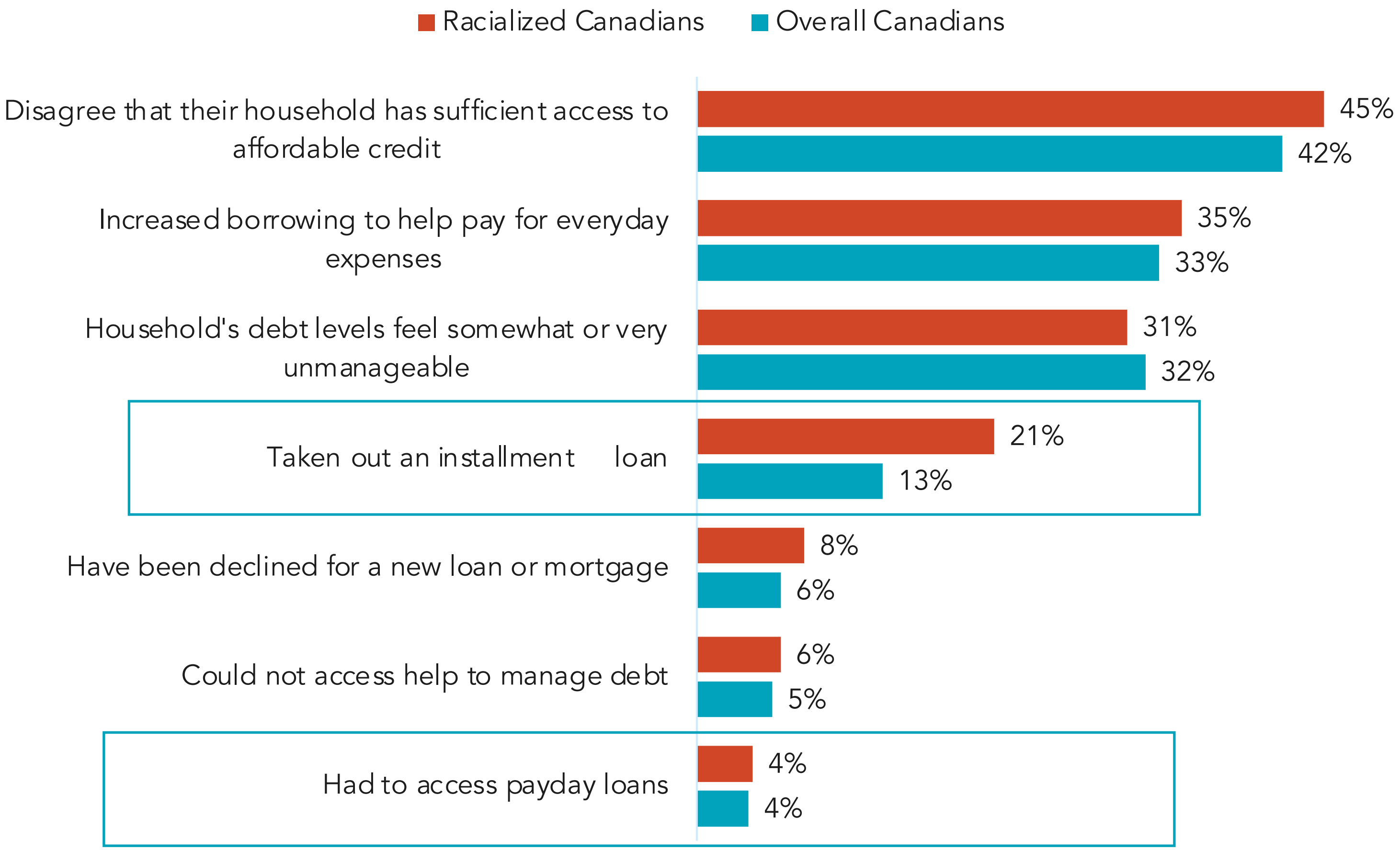
[1]Indigenous Canadians self-identify as First Nations, Metis or Inuk (Intuit). Sample sizes for respondents with Indigenous Canadians are 222 for June 2021 and 256 for June 2022.

Source: Seymour Financial Resilience Index ™ Seymour Financial Resilience Index ™ is a trademark used under license.

21% of Racialized Canadians have taken out an installment loan over the past 12 months compared to 13% of Canadians at the national level.

Financial Resilience Institute

Proportion of Racialized Canadian households that have taken out payday or installment loans and/or could not access help to manage their debt as of June 2022 compared to Canadians generally



Source: June 2022 Financial Well-Being study with a sample size of 5061 adult Canadians and 4505 Canadians scored through the Seymour Financial Resilience Index. Representative sample of the population by household income, age, gender and province.
[1] Racialized Canadians do not self identify as Caucasian. They self identify as one or more of the following: South Asian, Chinese, Black, Filipino, Arab, Latin American, Southeast Asian, West Asian, Korean, Japanese or 'other.'
Based on a sample size of 4505 Canadians overall scored via the June 2022 Seymour Financial Resilience Index TM, 700 Racialized Canadians and 84 Black Canadians (with results for Black Canadians indicative only). The Institute will be able to report with more confidence on the financial vulnerability/ financial resilience of Black Canadians with a boosted sample size subject to funding.

Summary Takeaways and Emerging Opportunities

1 Financial vulnerability (and financial stress) is a mainstream and growing issue for Canadians overall, not just more vulnerable or underserved populations. An increased focus on consumers' financial resilience is important.

4 Financial resilience mobility is proven. The majority of Canadian households want to better understand their financial resilience and how they can improve it, and their behaviour change counts.

However, some households are facing systemic barriers. Financial inclusion is a challenge along with gaps in financial support and help.

2 The Institute's Index highlights the 'financial resilience gap' and opportunities to help improve financial inclusion and financial resilience for all. Longitudinal research and impact measurement can help guide targeted investments and policies by FIs, policymakers and organizations.

5 To improve financial empowerment and ultimately financial resilience, relevant programs and support are important. Canadians overall - and more vulnerable populations accessing different types of financial help - have significantly higher levels of financial resilience. This in turn impacts their well-being.

3 Intersectional analysis confirm nuanced financial vulnerability differences for certain households. Quantitative and qualitative data insights can help uncover the unique needs, pain points and behaviours of specific populations, and how specific offerings or interventions can potentially impact financial resilience outcomes.

6 FIs, Policymakers, NPOs and others all have an important role to play in financial health and resilience leadership. Data-driven, evidence-based decisions, customer-led design; cross-sector collaboration and testing-and-learning are important.

Call to Action

- ✓ Download and share on our two latest reports: https://www.finresilienceinstitute.org/research-reports/
- ✓ Contact us for questions, to learn about Institute subscriber benefits or opportunities to collaborate for impact
- ✓ Continue your important work and partnerships to help build a more equitable, inclusive and resilient Canada

Appendices

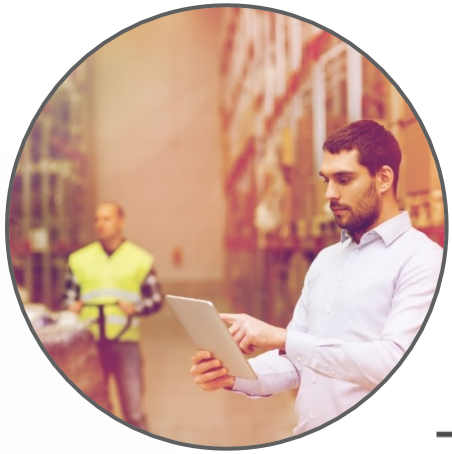
78% of Canadians (19.99 million people) are not *Financially Resilient* with financial vulnerability a mainstream issue in Canada

Financial Institutions (FIs) Policymakers, NPOs, Employers and many other organizations all have an important role to play

Connecting individual financial health and resilience to family financial well-being, small business financial health and thriving communities.

Financial Resilience Institute

Individual financial resilience, health and well-being



Small business financial health resilience and growth

Family well-being

Financially thriving communities and economy

See 'Why Financial Well-Being Matters' insights at https://www.finresilienceinstitute.org/why-financial-health/

The national Financial Well-Being Study (2017 to 2023 onwards)
A complementary instrument to the Seymour Financial Resilience Index ™

Financial Resilience Institute

Canada's robust national study of Canadians' financial health, wellness and resilience and the role Financial Institutions can play to support their customers' financial wellness: with longitudinal tracking.

Canada's most robust national, independent investigation into consumer financial well-being, and the linkage between financial health and overall personal well-being. The study typically has a sample size of 5000 adult Canadians from a representative sample of the population by household income, age, gender and province.

Online 15-minute study was conducted annually from 2017 to 2019, 3 times a year in 2020 and annually in June 2021 and June 2022.

Next studies will be in February 2023 and June 2023, with the ability for Index measurement at other times and customized questions.

Boost samples for specific populations (e.g. low-income Canadians) have been conducted to support deep-dive, customized Index analytics.

Online survey respondents are primary or joint financial decision makers, aged 18 to 70 years old.

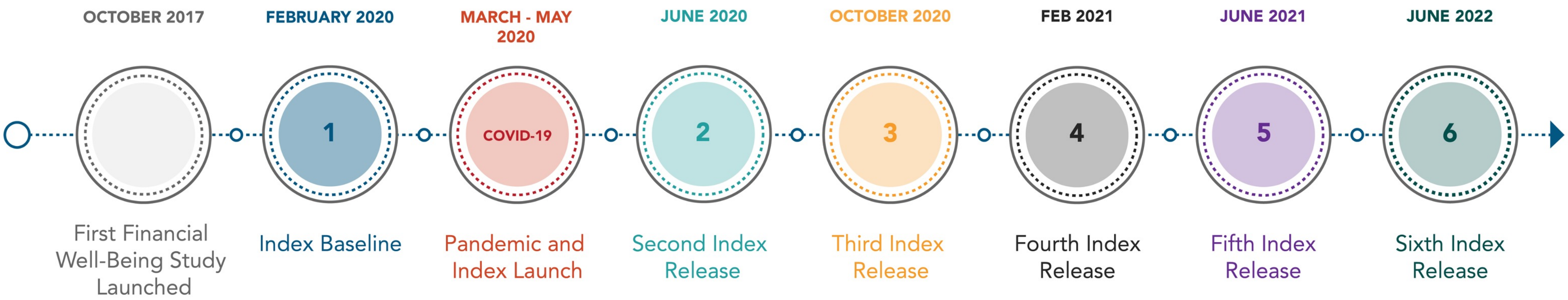
Survey respondents are rrecruited through the Angus Reid Forum, Canada's most respected and engaged online panel, with all study design and analytics conducted by Financial Resilience Institute.

The Financial Well-Being study is a complementary instrument to the Seymour Financial Resilience Index ™

Index Development Methodology Summary

Financial Resilience Institute

- **Proprietary regression model developed over 5 years** based on an iterative process to regressing and evaluating over 35 potential indicators of self-reported 'financial resilience' or 'financial stress' measures, using the multiple linear regression technique.
- In the end, 9 variables were determined to account for 62 per cent of the variance in the financial resilience construct as of June 2022 and 64 per cent of the variance in the financial resilience construct in Feb 2021 [1]
- Regression model indicators as independent variable are significant at a 95% confidence interval, with p-values <0.05.
- **Weightings the model indicators are not equal.**
- Index baseline created in February 2020.
- Five stages of Index development and validation:
  1. Identification of potential indicators
  2. Data collection for Index development
  3. Regression model development with different combinations of potential indicators
  4. Indicator selection and
  5. Model validation
- 7 Index releases over one of the most challenging times economically for all households with the next two Index releases based on February 2023 and June 2023 data.



[1] The regression model has been validated against all years of Financial Well-Being studies data between 2017 and 2022. This has revealed consistency in results, represented by a strong R-squared as well as similar weights of the independent variable as predictors of financial resilience. More details on the Index model and development methodology are available at: https://www.finresilienceinstitute.org/why-we-created-the-index/

Sample sizes for the Financial Well-Being Studies (2017- 2022)

Canada's longitudinal study on Canadians' financial well-being, complementing the Seymour Financial Resilience Index TM

Financial Resilience Institute

Financial Well-Being Study	Total Sample Size	Survey Respondents scored through the Index [1]	Margin of Error (MOE)
June 2022 study [2]	5061	4505	1.38%
June 2021 study	5028	4504	1.38%
Feb. 2021 study	3018	2710	1.78%
Oct. 2020 study	3016	2635	1.78%
June 2020 study	4989	4462	1.39%
Feb. 2020 study	1013	919	3.08%
June 2018 study	5067	N/A	1.38%
June 2017 study	5218	N/A	1.36%

[1] The Seymour Financial Resilience Index TM has a pre-pandemic baseline of February 2020 and builds on over six years of longitudinal financial well-being studies data for Canada.
[2] The Financial Well-Being studies data is based on online survey data with survey respondent recruitment through the Angus Reid Forum, Canada's most engaged and respected online panel. There is a representative sample of the population by household income, age, province and gender. The sample incudes 1148 respondents from Quebec.

Sample sizes of survey respondents for the Financial Well-Being study overall and scored through the Seymour Financial Resilience Index TM (June 2022)

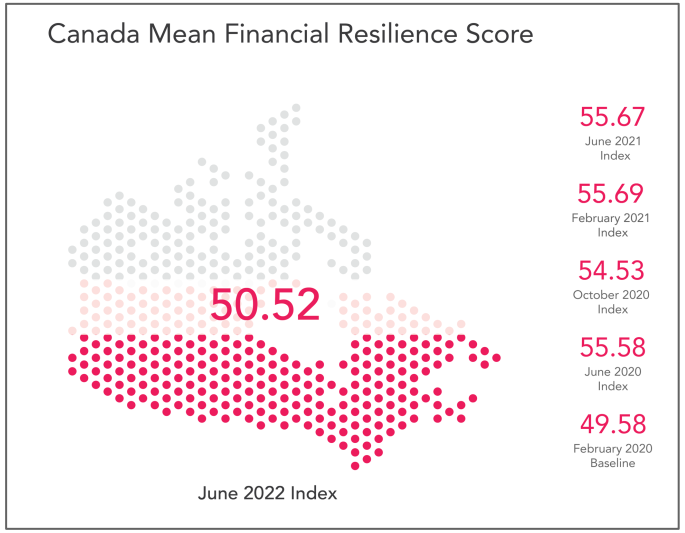
Financial Resilience Institute

Household Population	Sample size	Sample scored via the Index [3]	Margin of Error
Canadians set back financially due to an unexpected life event	2578	2324	1.9%
Renters	1886	1663	2.3%
Canadians with low incomes	1356	1184	2.7%
Canadians with unmanageable debt levels	1204	1107	2.8%
Canadians with a self-reported fair or poor credit score	1141	1033	2.9%
'Extremely Vulnerable' Canadians [1]	949	949	3.2%
Canadians with experiencing significant income volatility	842	754	3.4%
Racialized Canadians	598	517	4.0%
Canadians not working owing to a disability	339	282	5.3%
Single parents	297	273	5.7%
Indigenous Canadians	256	233	6.1%
Black Canadians [2]	91	84	10.3%

[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30.
[2] Very small sample size for Black Canadians in the June 2022 sample of Racialized Canadians.
[3] Self-reported credit score is one of the Index indicators. A small proportion of households not responding to this indicator question are not scored via the Seymour Financial Resilience Index TM.

Summary highlights: Canada mean financial resilience score has dropped five points based on the June 2022 Index: with 78% of the population financially vulnerable [1]

This report is a call to action for Financial Institutions, policymakers and the ecosystem to do more to help reduce Canadians' financial vulnerability: particularly for those who are more financially vulnerable or underserved [1]



Source: Seymour Financial Resilience Index ™

- Financial vulnerability and financial stress have been a mainstream issue in Canada since we started tracking this in 2017 through the Financial Well-Being study. This is we created the Seymour Financial Resilience Index ™ ('The Index') to enable organizations and policymakers to understand, track and help measurably improve the financial resilience, health and well-being of their customers, employees and communities over time.
- The Canada mean financial resilience score increased from 49.58 in February 2020 (pre-pandemic) to 55.67 in June 2021 with insights published in a joint report with Statistics Canada in September 2021[2]
- Between 2021 and June 2022, the Canada mean financial resilience score has fallen five points from 55.67 to 50.52 [3]. This means at the national level, Canadians are 'Approaching Resilience' but are much closer to being 'Financially Vulnerable' compared to a year earlier.
- 78% of households are financially vulnerable as of June 2022 (and have a mean financial resilience score below 70.01). Quebec has the highest mean financial resilience score at the provincial level.
- Index data signals increased challenges and financial vulnerability for households and key populations, especially in context of the inflationary environment, rising interest rates and macro environment.
- This is evident despite people working hard to manage their spending, navigate complex financial trade-off decisions, save, plan and invest, put in place protection and pay down debt, in order to get through financial hardship stressors and shocks as a result of unplanned life events.

[1] Source: Seymour Financial Resilience Index TM. This is a summary from the wider national June 2022 Index report published on September 26, 2022. This is available at https://www.finresilienceinstitute.org/research-reports/. 'Financially Vulnerable' include households with a financial resilience score of under 70.01. These are represented by 'Extremely Vulnerable', 'Financially Vulnerable' and 'Approaching Resilience' segments.

[2] See report on the 'Financial Resilience and Financial Well-Being of Canadians during the Covid-19 pandemic', jointly published by Seymour Management Consulting Inc. and Statistics Canada in September 2021. https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021008-eng.htm

[3] The longitudinal Financial Well-Being study is an online survey with a sample size of 5061 adult Canadians aged 18 to 70 years old from a representative sample of the population by age, province, gender and household income in June 2022 study. See slide 33 for survey samples for all other studies. Survey respondent are recruited from the Angus Reid Forum, with all survey design and analytics conducted by the Financial Resilience Institute The Index has been peer-reviewed by Statistics Canada, C.D. Howe Institute, UN-PRB, leading Financial Institutions and non-profit organizations. For more information on the Index: https://www.finresilienceinstitute.org/about-the-seymour-financial-financial-resilience-index/

Summary highlights from the June 2022 Index Release Continued

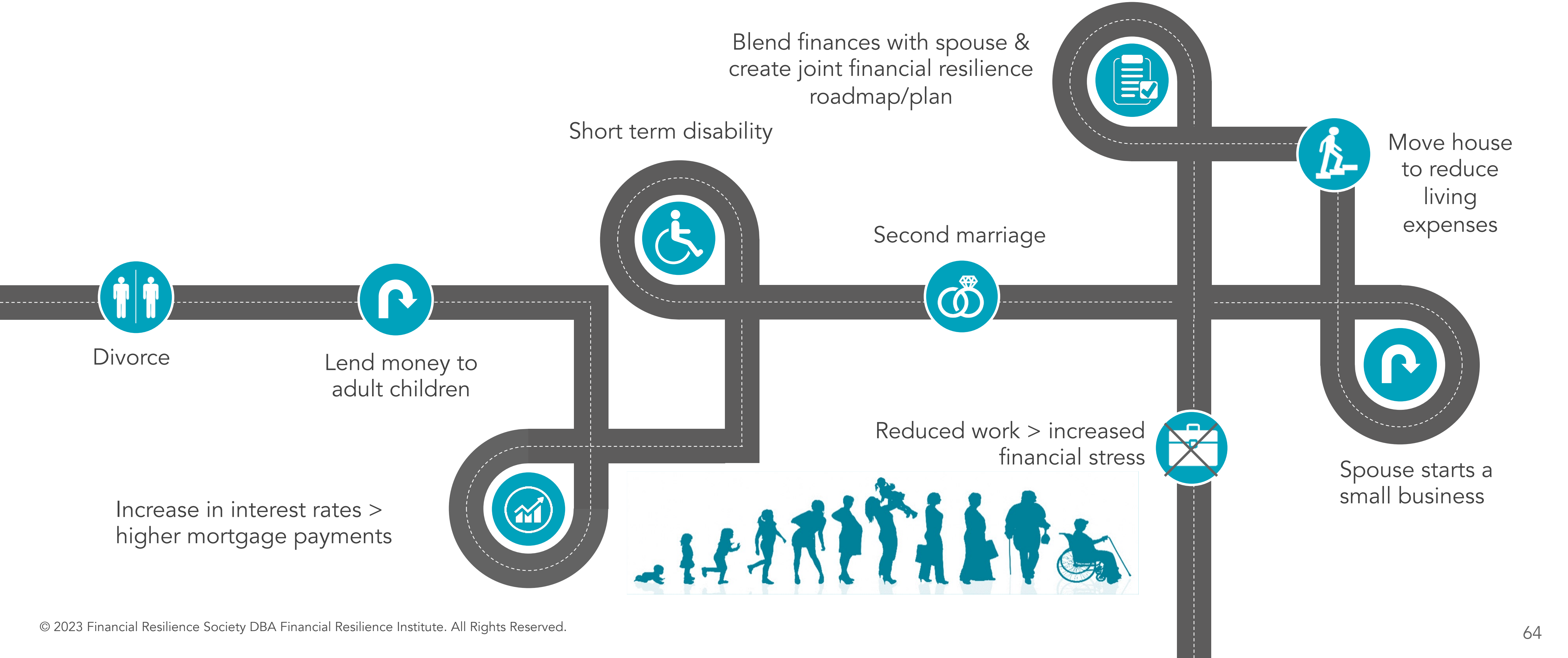
- During the pandemic, the Government provided swift and significant Covid-19 financial relief to many households. At this time, the Index showed how many Canadians worked hard to reduced their spending and adjust their financial behaviours to manage financially. This positively impacted the increase in the mean financial resilience score between 2020 and 2021 and the reduction in 'Extremely Vulnerable' households over the same period [1].
- Since 2021, with the current challenging macroeconomic environment, inflationary environment and phasing out of Covid-19 government benefits, the Index signals that most of gains during the pandemic have reduced or wiped out for many households, despite many of them still working hard from a financial behavioural perspective to reduce their financial vulnerability.
- The Index continues to highlight increased financial vulnerability, inequities and challenges in particularly for households who are 'Extremely Vulnerable' or 'Financially Vulnerable'. The pandemic, and now inflationary environment, has hit these households harder, and we see increased challenges from a financial stress, barrier and access to financial help perspective from their Financial Institutions. This in turn is having a significant impact on the physical, mental and overall well-being of individuals and families, also measured through the Index.
- In June 2022 there has been a significant increase in 'Extremely Vulnerable' households, with this increasing from 16.5% in June 2021 to 21.1% in June 2022 [1].
- There are many nuances in financial stressors, consumer and financial behaviours and challenges in terms of access to financial help and support across the four financial resilience segments and for different underserved and/or more vulnerable populations.
- There are significant opportunities for Financial Institutions to support the financial resilience and financial wellness of their customers, including those who are more financially vulnerable [2].

[1] Source: Seymour Financial Resilience Index TM. This is a summary from the wider national June 2022 Index report published on September 26, 2022. This is available at https://www.finresilienceinstitute.org/research-reports/. 'Financially Vulnerable' include households with a financial resilience score of under 70.01. These are represented by 'Extremely Vulnerable', 'Financially Vulnerable' and 'Approaching Resilience' segments.
Seymour Financial Resilience Index ™ is a trademark used under license. For more details on the Index development methodology: https://www.finresilienceinstitute.org/why-we-created-the-index/

Many Canadians are negatively impacted by unplanned life events, stressors and shocks, such as job loss, divorce, disability or death of a spouse, with can cause increased financial vulnerability

Financial Resilience Institute

Just as some life events, such as marriage or moving house to reduce living expenses, can improve ones' financial resilience.

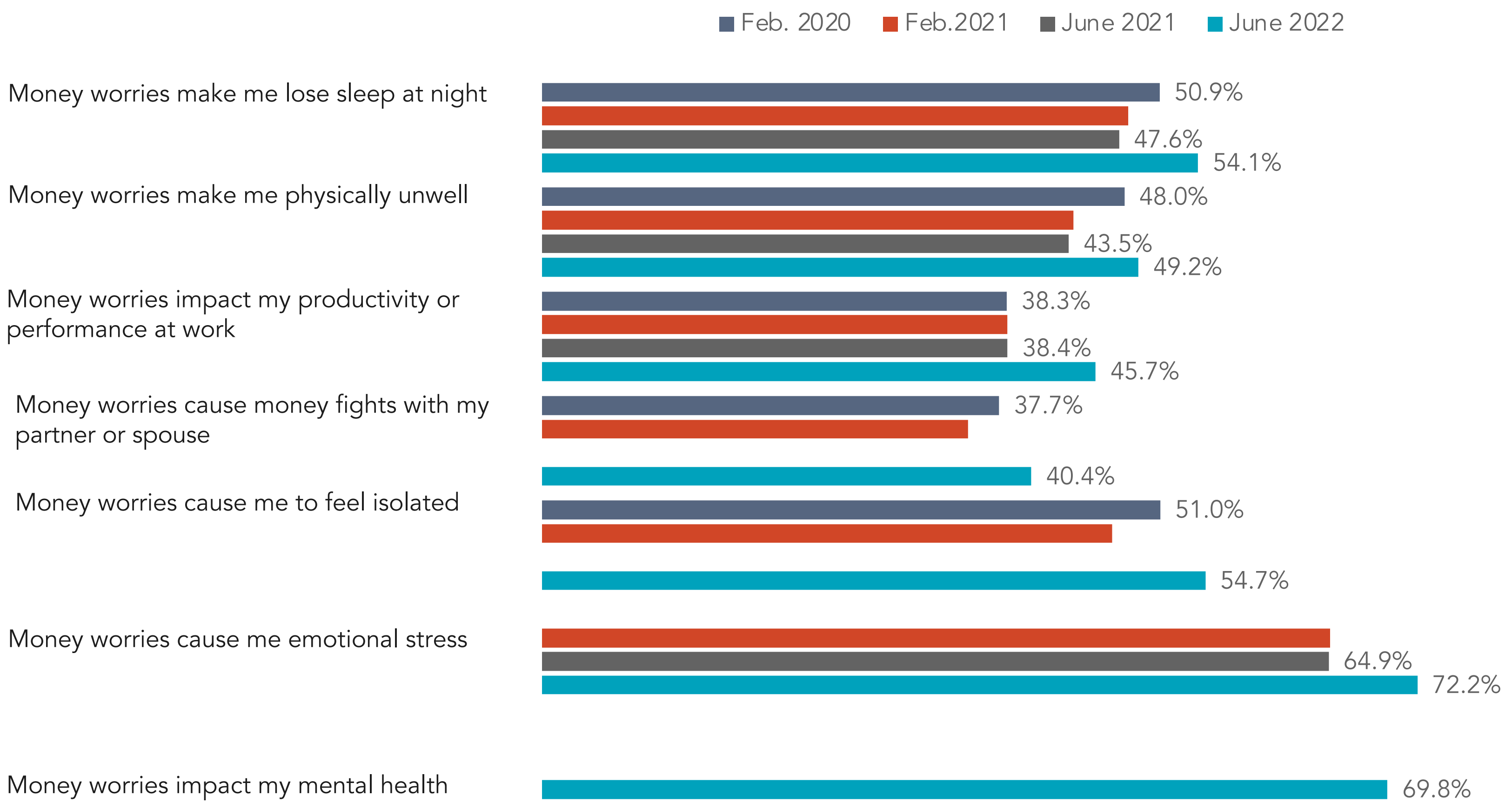


The impacts of financial stress of the physical health and other well-being elements of Canadians has been tracked by our organization since 2017, with many more financially vulnerable households having higher levels of financial stress.

Financial Resilience Institute

As of June 2022, financial stress negatively impacts the physical health of 50% of Canadians and the mental health of 70% of them: with greater challenges evidenced in 2022 compared to a year earlier.

Financial stress impacts on Canadians February 2020 (pre-pandemic) to June 2022



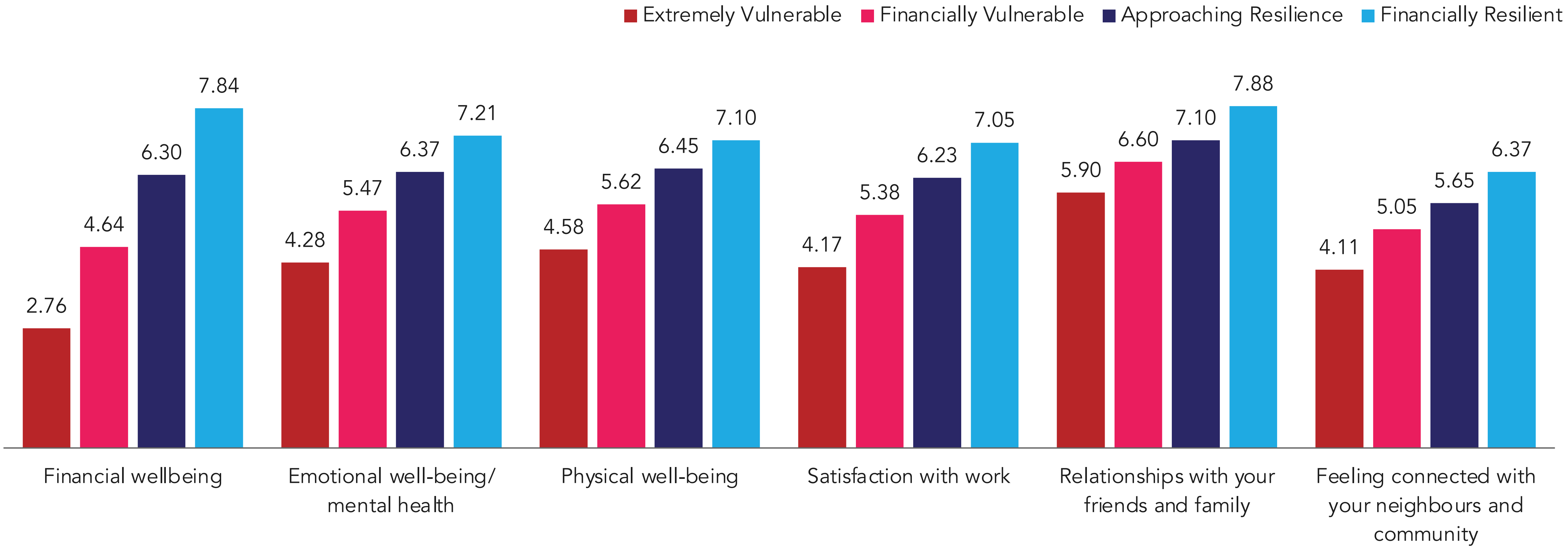
Source: Longitudinal Financial Well-Being studies data with the impact of financial stress on different well-being dimensions measured since 2017.

Canadians from more financially vulnerable households experience lower levels of well-being across all dimensions based on the Index in 2022 as in 2021.

Financial Resilience Institute

This has relevance for policymakers, employers focused on their employees' engagement and productivity and all those with a stake in the financial and overall well-being and resilience of individuals, families and communities that are more vulnerable [1].

Analytics on well-being dimensions for Canadians across the four financial resilience segments: based on the June 2022 Index



[1] 'Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

Source: June 2022 Financial Well-Being study and Seymour Financial Resilience Index ™

Seymour Financial Resilience Index ™ is a trademark used under license.

Financial Resilience Institute Programs and Services

Financial Resilience Institute

As the leading independent authority on financial health in Canada, we're working with purpose-led organizations to target, measure and accelerate their community impact, while achieving their business, ESG and customer goals.

Improving Financial Resilience For All

We partner with financial institutions, business leaders and policymakers to develop and implement solutions that improve financial resilience, health and well-being for all.

Financial Resilience Research, Measurement and Analytics

Levering the Index and FWB studies, delivering bespoke analytics and solutions

Financial Resilience Strategic Consulting

Helping financial institutions to achieve their ESG goals while driving positive impact

Custom Research, Impact Projects and Solutions

Including analytics and reports conducted for or with specific partners or funders in line with our mission and impact goals

[1] These include customized index analytics against the Seymour Financial Resilience Index TM on clients' customers with benchmark data & impact measurement.
[2] We lead large-scale enterprise financial wellness strategy consulting projects for organizations, and work with senior executives, boards and leaders to develop and help execute strategies over time.
[3] These include,deep dive analytics and reports for specific populations (e.g. new immigrants) or solutions for FIs such as proprietary Financial Health Index models and/or new products and services (e.g. Fair and Fast Loan).

Clients and Partners we have worked with include:

Financial Resilience Institute

- Vancity
- co-operators
- Statistics Canada
- FP Canada® — Advancing Professional Financial Planning
- Institut C.D. Howe Institute
- conexus Credit Union
- servus credit union
- central 1
- Meridian™
- Prosper Canada
- Libro Credit Union
- CCUA — Canadian Credit Union Association
- Coastal Community
- alterna savings
- Prospera Credit Union
- 4Pillars® — Canada's Debt Relief Specialists
- DUCA — bank on more
- Interior Savings
- Affinity Credit Union

For questions on this report contact:

info@finresilienceinstitute.org

1 778 846 8626

www.finresilienceinstitute.org

Financial Resilience Institute