

# Attitudes towards Debt: Incl Impact of COVID-19 - Canada - October 2020

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

- The impact of COVID-19 on consumer attitudes towards debt.
- Consumer attitudes and behaviour related to consumer debt (credit cards, mortgages, loans and lines of credit). It explores product ownership, amount of debt held, debt payment behaviours, attitudes towards personal finances, impact of COVID-19 on debt and attitudes towards debt. It also examines the attitudes and psychological reactions to having debt as well as some quantitative indicators such as the amount of debt held.

Fuelled by a prolonged low interest rate environment, Canadians now hold \$2.3 trillion of household debt. The economic fallout of the COVID-19 pandemic is likely to result in more households having difficulty in meeting their debt obligations. The massive wave of support programs rolled out by governments across the country seem to have provided much-needed financial relief to many Canadians, while lenders have also extended a hand through relief measures. In March, the Bank of Canada reduced the policy interest rate by 150 basis points to help ease borrowing costs.

Going forward, some vulnerable households are likely to fall behind on their loan payments if incomes do not recover by the time payment deferrals end. Given the uncertain nature of the economic recovery, it will take some time for employment, household income and confidence to return close to the pre-pandemic path. The housing market may also face challenges going forward. For example, immigration was playing a key role in boosting housing demand before the pandemic. This source of demand could take some time to be restored as backlogs are cleared and travel restrictions are gradually eased across the world.



“Government support programs and, to a lesser extent, financial relief measures offered by lenders have provided a much-needed financial lifeline to Canadians requiring support due to the economic shock effects of the pandemic.”  
– Sanjay Sharma, Senior Financial Services Analyst

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### OVERVIEW

- What you need to know
- Key issues covered in this Report

### EXECUTIVE SUMMARY

- Top takeaways
- Market overview
- Impact of COVID-19 on debt attitudes  
Figure 1: Short, medium and longer-term impact of COVID-19 on attitudes towards debt, October 2020
- Opportunities and Challenges
- Household debt is a challenge for vulnerable households
- Debt has the least impact on over-55s
- Debt has a significantly greater impact on younger Canadians
- COVID-19 has worsened the financial situation of almost half of borrowers
- Around three in four 18-34s believe apps can help manage finances better
- COVID-19 has helped shift some focus to mental health and debt
- COVID-19 spurs BNPL
- Around three in five parents with young children have unsecured debt
- Next normal for lenders

### THE MARKET – KEY TAKEAWAYS

- Economic impact of COVID-19
- CMHC tightens lending standards for home buyers
- New benefits as CERB ends
- Mortgage deferrals also help contain delinquencies
- Credit scoring gets an upgrade

### MARKET FACTORS

- Impact of COVID-19 on debt attitudes  
Figure 2: Short, medium and longer-term impact of COVID-19 on attitudes towards debt, October 2020
- Economic impact of COVID-19
- Temporary spike in household savings rate
- CMHC tightens lending standards for home buyers
- New benefits as CERB ends
- Mortgage deferrals also help contain delinquencies

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

**MARKET OPPORTUNITIES**

- **COVID-19 mortgage and loan relief measures**  
Figure 3: Cumulative number of deferrals approved, as of September 4, 2020

- **Credit scoring gets an upgrade**
- **Quebec considers making credit reports free**
- **Fintech challengers**
- **Brim Financial**

Figure 4: Brim Financial Instagram post, April 2020

- **Other challengers**

**COMPANIES AND BRANDS – KEY TAKEAWAYS**

- **BNPL takes off**
- **Mogo launches prepaid Visa with automatic carbon offsets**
- **A 'Boost' to help get ahead of your bills**
- **COVID-19 impact on marketing campaigns**

**COMPETITIVE STRATEGIES**

- **Buy now, pay later**
- **COVID-19 spurs BNPL**
- **Afterpay comes to Canada**
- **Sezzle enters the Canadian market**
- **Klarna becomes Europe’s biggest fintech unicorn**
- **Visa Installments pilots in the US**
- **Apple introduces instalment pay plans (US)**
- **Splitit partners with MasterCard to expand BNPL**
- **Citi introduces buy now, pay later for Amazon purchases in the US**
- **Buy now, pay later advertisers bet on Instagram**

Figure 5: Afterpay: Sarah Hyland Instagram post, February 2020

- **Debt management apps can help some borrowers**
- **Splitwise**
- **epost**
- **Debt Manager**
- **Canadian Mortgage app**
- **Debt planner pay-off**
- **PocketGuard**
- **Wellspend helps users “Tinder” their spending**  
Figure 6: Wellspend | Reflection | Basic, June 2019
- **Mogo launches prepaid Visa with automatic carbon offsets**
- **A 'Boost' to help get ahead of your bills**

**What's included**

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

**Did you know?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

**Buy this report now**

|          |                      |
|----------|----------------------|
| Visit    | store.mintel.com     |
| EMEA     | +44 (0) 20 7606 4533 |
| Brazil   | 0800 095 9094        |
| Americas | +1 (312) 943 5250    |
| China    | +86 (21) 6032 7300   |
| APAC     | +61 (0) 2 8284 8100  |

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### MARKETING CAMPAIGNS

- **HomeEquity shows what to love about staying home**  
Figure 7: Home is Everything – Live in the Home You Love, April 2020
- **HomeEquity Bank's new campaign to fight fraud**  
Figure 8: Catch the scam: the grandparent scam, August 2020
- **Borrowell reaches out to customers to help them with financial stress**  
Figure 9: Borrowell email campaign on managing financial stress, April 2020
- **COVID-19 impact on marketing campaigns**

### THE CONSUMER – KEY TAKEAWAYS

- **Around half of Canadians have secured and unsecured debt**
- **Around half of borrowers are comfortable with their debt levels**
- **COVID-19 has worsened the financial situation of almost half of borrowers**
- **Debt has a significantly greater impact on younger Canadians**

### DEBT OWNERSHIP

- **Nearly half owe less than \$50,000**  
Figure 10: Amount of debt held, July 2020
- **Around half of Canadians have secured debt**  
Figure 11: Secured debt ownership, July 2020
- **Ownership is higher among 35-54s**  
Figure 12: Secured debt ownership (select), by age, July 2020
- **Credit card is the most common type of unsecured debt**  
Figure 13: Unsecured debt ownership, July 2020
- **Ownership declines with age, while increasing among financially vulnerable**
- **Growing student debt is a concern**  
Figure 14: Unsecured debt ownership (select), by age, July 2020  
Figure 15: Unsecured debt ownership (select), by current financial situation, July 2020
- **Some types of unsecured debt can be dangerous**
- **Around three in five parents with young children have unsecured debt**  
Figure 16: Moka Instagram post, July 2020

### What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

|          |                      |
|----------|----------------------|
| Visit    | store.mintel.com     |
| EMEA     | +44 (0) 20 7606 4533 |
| Brazil   | 0800 095 9094        |
| Americas | +1 (312) 943 5250    |
| China    | +86 (21) 6032 7300   |
| APAC     | +61 (0) 2 8284 8100  |

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### DEBT MANAGEMENT

- **Around half of borrowers are comfortable with their debt levels**

Figure 17: Debt management, July 2020

- **Current financial situation has a major influence on debt management**

Figure 18: Debt management (select), by current financial situation, July 2020

- **Men are more confident and comfortable with debt**

Figure 19: Debt management (select), by gender, July 2020

- **A third have recently cut spending to pay down debt**

Figure 20: Debt payment behaviours, July 2020

- **Debt has the least impact on over-55s**

Figure 21: Debt payment behaviours, 18-54s vs over-55s, July 2020

### MANAGING FINANCES

- **COVID-19 has worsened the financial situation of many**

Figure 22: Managing finances, July 2020

- **Around three in four 18-34s believe apps can help manage finances better**

Figure 23: Managing finances, by age, July 2020

- **Is impulsive spending a factor in worsening financial health?**

Figure 24: Managing finances (select), by current financial situation, July 2020

- **Around one in five men have borrowed to invest in the stock market**

Figure 25: Managing finances (select), by gender, July 2020

### DEBT ATTITUDES

- **A third have more debt due to the pandemic**

Figure 26: Debt attitudes, July 2020

- **Debt has a significantly greater impact on younger Canadians**

Figure 27: Debt attitudes (select), 18-44s vs over-45s, July 2020

- **COVID-19 has helped shift some focus to mental health and debt**

- **Gender differences emerge**

Figure 28: Debt attitudes (select) – over-55s, by gender, July 2020

- **Younger consumers and ethnic minorities have more debt as a result of COVID-19**

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 29: Impact of COVID-19 on debt, by age, July 2020

Figure 30: Impact of COVID-19 on debt, by ethnicity and race, July 2020

- Weaker financial situation increases vulnerability**

Figure 31: Debt attitudes (select), by current financial situation, July 2020

#### APPENDIX – DATA SOURCES AND ABBREVIATIONS

- **Data sources**
- **Consumer survey data**
- **Abbreviations and terms**

#### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

#### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

#### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.