National Poll Reveals Canadians Believe Financial Institutions Have A Responsibility To Help Canadians' Improve Their Financial Well-being

– **Credit union group agrees and calls on financial institutions to help educate families and their children for the future** –

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Sixty per cent of Canadians state that their current level of debt does not allow them to save as much as they would like, with 31 per cent of Canadians unable to save any money at all, a recent study by a group of Canadian credit unions has found. The findings of the study have spurred a group of credit unions to call on their industry peers, banks and other financial institutions to do more to help Canadians and their families save and grow their money.

Seeing a need to address the culture of growing debt in Canada, Credit Union Atlantic in Nova Scotia, Innovation in Saskatchewan, and Coast Capital, Prospera and Sunshine Coast in BC came together this year to begin strengthening financial literacy among Canadians, especially among youth.

"In the last 20 years, the personal savings rate in Canada has plummeted while household debt has grown dramatically," explains Marie Mullally, President and Chief Executive Officer, Credit Union Atlantic. "More needs to be done to develop innovative options to help Canadians and their families develop healthy financial habits that will allow them and our economy to thrive. That is why our group of credit unions will be working together to develop new and smarter ways to help Canadians overcome their personal debt and begin to put more money aside for the future."

The credit unions' study looking at the financial behaviors of Canadians, finds that while more than 68 per cent of Canadians believe the income earners in their household exhibit good savings habits, this doesn't necessarily mean that they can find ways to save each month. In fact, half of Canadians are unable to put money into a savings account each month and according to Statistics Canada the average Canadian household owes $1.63 for every dollar in disposable income earned.

Canadian parents recognize that instilling the value of savings at an early age is important with 86 per cent of parents wishing financial institutions would take a more pro-active role in educating youth in Canada about savings and debt. Overall, 73 per cent of Canadians agree financial institutions have a responsibility to help Canadians improve their financial future.

"Giving youth the opportunity to practice saving money is an important start to their financial literacy and the formation of good financial habits early-on," commented Shelley McDade, Chief Executive Officer at Sunshine Coast Credit Union. "With less than half of Canadian parents indicating that they speak with their kids about how to save and budget their money, we are committed to playing a role in providing our communities with resources that can support these conversations."

The poll was carried out by Ispos Reid on behalf of a number of Canadian credit unions and interviewed 1,527 Canadian adults, including 431 parents, from coast to coast from March 19 to 26, 2014. The survey is considered accurate to within +/- 2.9 percentage points had all Canadian adults been polled and within +/- 5.4 percentage points had all Canadian parents been surveyed.

Other Key Findings

Setting Priorities

- Over half (53 per cent) of Canadians say that savings and debt are equal financial priorities for their household, although more Canadians (27 per cent) prioritize reducing debt exclusively to increasing savings (20 per cent).

Financial Habits

- Only four in ten (40 per cent) Canadians set and follow a budget, and only 29 per cent discuss their finances with a financial advisor.

Youth and Savings

- 61 per cent of parents agree that they wish they had been instilled with the importance of savings at a younger age.

- 94 per cent of parents agree that if Canadian youth are taught about savings at an early age it will lead to better financial management practices in the future.

- Only 44 per cent of parents speak with their children about money, finances, budget and savings, with only 16 per cent involving their children in money management decisions. One in five (19 per cent) Canadians do none of these things.

- 67 per cent of parents state their child do not save any money each month.

Role of Financial Institutions

- When it comes to specific things financial institutions can do to help Canadians and their children adopt better financial management habits, providing specific banking products for children that encourage good habits (62 per cent) and providing new and innovative banking products that focus on people, not profits for the bank (59 per cent) rise to the top.

- When it comes to rating which financial institutions are good at currently helping Canadians improve their financial well-being, credit unions edge out banks and other institutions. Canadians rate credit unions (70 per cent) as good at helping them improve their financial well-being, ahead of banks (66 per cent) and other financial institutions (61 per cent).

Additional Quotes

"Our credit unions are deeply concerned about this growing trend in debt and the findings of this study. While the public can take steps to adopt better financial habits, we believe financial institutions have a responsibility to make smart banking easier and more accessible. Our group of credit unions is committed to doing just that, and it starts by putting the human factor back into economics. At credit unions, we treat people like people, not profits."

- Daniel Johnson, Chief Executive Officer, Innovation

"Canadians recognize how vital it is to develop good financial behaviours at an early age, and expect their financial institutions to be doing more to help them inspire their children to save and understand how to manage money wisely. By putting our members' needs at the centre of everything we do, we are committed to developing products and services that bring value to the meaning of credit union membership."

- Tracy Redies, President and Chief Executive Officer, Coast Capital

"We all know that children learn by example, but it's difficult to help your children develop good savings habits when you've got so much debt you can barely make it from one paycheque to the next. As credit unions, we're dedicated to the financial well-being of our members and what's become increasingly clear to us in recent years is that financial institutions need to do more to educate Canadians to help them get out of debt and make smarter financial choices."

- Bruce Howell, President and Chief Executive Officer, Prospera Credit Union

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