2023
British Columbia Consumer Debt Study

The BC Consumer Debt Study series is the only one of its kind, surveying thousands of people across BC over more than a decade, seeking to better understand consumer debt problems and how individuals can move forward.

The 2023 BC Consumer Debt Study is the eleventh annual study in this series conducted by Sands & Associates Licensed Insolvency Trustees. Over 1,700 people who used a legal debt relief process in BC took part in this year's study.

To read the full report, including featured highlights of unique personal insights shared by study participants, visit www.sands-trustee.com/debtstudy

Demographics

Age range when debt relief process started

5.7% Age 18-30	15.3% Age 31-39
36.6% Age 40-54	23.8% Age 55-64
14.8% Age 65-74	3.9% Age 75+

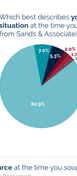
Proportion of **respondents aged 55 and over**

2012 Study	2016 Study	2020 Study	2023 Study
26.3%	35.8%	38.8%	40.5%

Marital status when debt relief process started

- 35.6% Single
- 33.4% Married/common-law relationship
- 14.4% Divorced or separated
- 4.8% Widowed
- 1.8% In a relationship (not living together)

Which best describes **your housing situation** at the time you sought help from Sands & Associates?



- 82.9% Renting
- 7.9% Homeowner (self or spouse)
- 5.3% Living at home with parents or other family
- 2.6% Living in an RV (or similar)
- 1.7% Co-op housing
- 1.1% Other

What was your **primary income source** at the time you sought help from Sands & Associates? (Top 5 Responses)

- Employment income from full-time work — 56.4%
- Retirement pension income (private or public pensions, CPP, OAS, etc.) — 15.2%
- Disability benefits — 7.9%
- Employment income from part-time work — 6.4%
- Self-employment income — 6.4%

Consumer Debt Analysis

79.5% Filed a bankruptcy
20.5% Used a DMP

What did you file with Sands & Associates?
As illustrated by respondents of the BC Consumer Debt Study over time, the proportion of Consumer Proposal filings in BC has increased significantly.

19.2% Filed a bankruptcy
80.8% Filed a Consumer Proposal

2022 Study — 2023 Study

How much debt did you have when you started your debt relief process with Sands & Associates? (Excluding your vehicle loan and/or mortgage)

Legend

- Less than $10,000
- $10,000-$24,999
- $25,000-$49,999
- $50,000-$99,999
- $100,000 or more

2023 (Study results)
2012 (Study results)

How would you best **describe your credit rating** at the time you started your Consumer Proposal or Personal Bankruptcy?

- 16.8% Good (Scores generally 670-739)
- 24.2% Fair (Scores generally 560-669)
- 31.2% Very Poor (Scores generally 300-559)
- 14.2% I don't know

5x more likely than any other source

What was the **main "type" of debt** you had? (Excluding your vehicle loan and/or mortgage)

- 57.7% Credit card debt
- 12.1% Payday or instalment loans
- 10.8% Tax debt (personal, income tax, GST, etc.)
- 8.4% Line of credit
- 6.3% Bank loan (consolidation, personal, business, etc.)
- 4.0% Student loan debt
- 2.7% Other

Payday or instalment loans indicated as the main "type" of debt held by BC Consumer Debt Study respondents

2019 Study — 2020 Study — 2021 Study — 2022 Study — 2023 Study

What was the direct **main cause** of your debt? (Top 6 Responses)

- 27.2% Overextended credit due to general financial mismanagement
- 24.5% Using credit for essential costs of living income could not cover
- 10.9% Illness, injury or health-related problems
- 6.9% Marital or relationship breakdown
- 5.3% Job related issue (unemployment, lay-off, reduction in pay, etc.)
- 5.3% Pandemic-related job loss or reduction in work hours

Behind the Debt

Close to a in 5 people surveyed said their mental health suffered by being in debt, and almost 1 in 6 people said they experienced suicidal ideation because of their debt-stress.

How did you know your **debts were becoming a problem?**

- 71.0% Overwhelming stress
- 59.5% Only making minimum payments
- 54.8% Seeing debt balances remain almost the same every month, despite making payments
- 37.1% Accumulating more debt on credit accounts
- 30.1% Getting collection calls, texts, letters or court notices
- 22.4% Bouncing or missing payments
- 18.9% being turned down for a bank consolidation loan
- 17.3% Using credit to make debt payments
- 4.8% Having wages garnished or bank account seized
- 2.0% Other

How would you say **being in debt affected you?**

- 79.3% My mental health suffered as a result
- 60.5% My self-esteem suffered as a result
- 48.7% My physical health suffered as a result
- 29.9% My relationships suffered as a result
- 28.7% I had to put life events on hold (purchasing a home, starting a family, etc.)
- 26.9% I felt my family and/or children suffered as a result
- 12.1% My job suffered as a result
- 8.2% My well-being was unaffected by being in debt

"I was always stressed. No money to do anything once I paid my bills. Not able to do anything besides work to pay bills."

Do you feel **the stress of debt** resulted in you experiencing any of the following?

- 83.3% Constant worry about debt
- 76.9% Anxiety
- 71.5% Poor sleep
- 66.3% Feelings of helplessness and/or hopelessness
- 60.7% Depression
- 57.5% Shame
- 42.1% Anger or irritability
- 28.9% Alienating yourself from family or friends
- 25.5% Arguments with spouse or partner about money
- 18.3% Thoughts or contemplation of suicide
- 1.9% None of the above

Dealing with Debt

Fewer than 4% of people sought help right away from a debt help professional.

"Feeling like I had done something incredibly stupid brought about feelings of shame that made me want to hide it more."

"I was scared of bankruptcy and had no idea about consumer proposals..."

"I was so concerned about ruining my credit score in hopes to buy a house one day. I so wish I didn't wait so long."

"I thought I would get a better-paying job that would enable me to pay off my debts. Came to the realization that wasn't going to happen as fast as I needed it to."

What were **the reasons you waited to seek professional debt help?** (Top 5 Responses)

- I wanted to manage my debt on my own — 64.3%
- I felt ashamed I couldn't handle the debts I had incurred — 55.7%
- I was embarrassed to ask for help — 51.4%
- I was worried about being judged — 42.6%
- I thought there was no solution to my situation — 33.5%

In attempting to deal with your debt, **did you do any of the following?** (Top 5 Responses)

- Apply to extend credit limits on existing debts — 35.7%
- Borrow from family or friends to make debt payments — 34.6%
- Apply for consolidation financing — 25.7%
- Use payday or instalment loans — 24.8%
- Use assets to pay down debt (ie. cashing in RRSPs or investments, getting a home equity loan, etc.) — 12.4%

Changes in Financial Outlook

Over 90% of individuals surveyed said they were satisfied, if not extremely satisfied, by their choice of filing a Consumer Proposal or Personal Bankruptcy to deal with their debts.

In what ways do you feel your experience receiving professional debt help has impacted your **attitude or approach to money matters?**

- 68.9% I have improved my budgeting and/or savings skills
- 69.2% I am more confident in my day-to-day financial management
- 54.4% I have a better understanding about credit and borrowing
- 39.2% I am more open in discussing finances and general money matters with others (family, friends, etc.)
- 31.3% I've gained financial skills and/or knowledge to pass on to others (children, family, friends, etc.)
- 4.9% Don't think my experience has changed my attitude or approach

Do you feel filing your **Consumer Proposal or Personal Bankruptcy impacted your financial situation** in relation to recent inflation increases?

- Filing has helped me manage my day-to-day finances even though rising costs are noticeable — 86.7%
- Filing has negatively impacted how I manage my day-to-day finances and rising costs — 6.3%
- Other — 3.9%
- I'm not being significantly impacted by rising costs — 3.1%

KNOWING IS NOT OWING.

Sands & Associates is an award-winning firm of Licensed Insolvency Trustees focused on helping BC residents become debt-free for over 30 years. Our full suite of Consumer Proposal, bankruptcy, and debt help services are available online and in-person at local offices across the province.

Connect with debt experts who care and get a debt-free plan that's right for you. Book your free, non-judgmental debt consultation today: www.sands-trustee.com or call 1 800 661 3030.

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