



SANDS
& ASSOCIATES

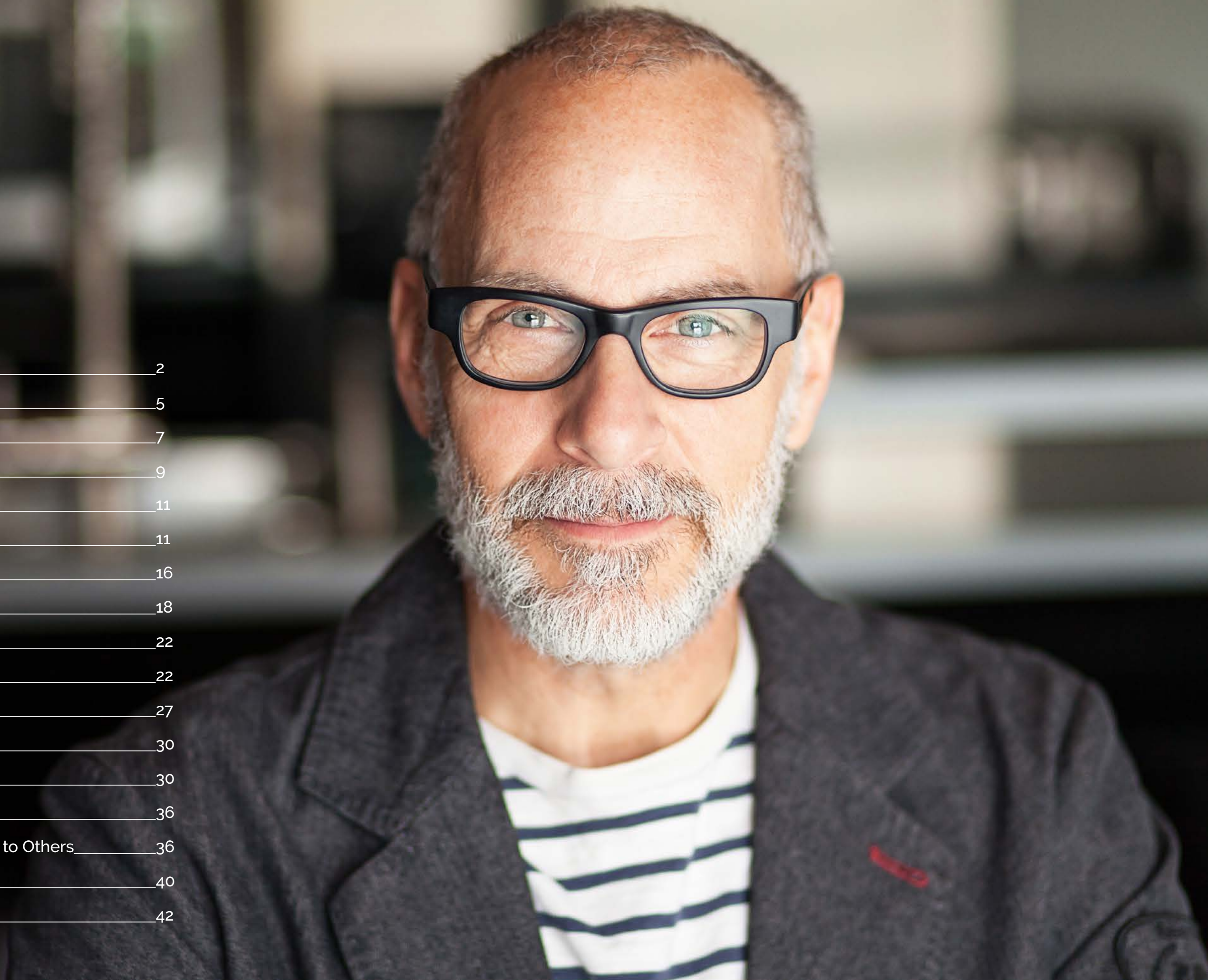


2019

**British Columbia
Consumer Debt Study
Report on Findings**

CONTENTS

| | |
|---|----|
| Introduction | 2 |
| Demographics | 5 |
| Housing | 7 |
| Income | 9 |
| Consumer Debt Analysis | 11 |
| Amounts and Types of Debt | 11 |
| Credit Rating | 16 |
| Causes of Debt | 18 |
| Behind the Debt | 22 |
| Signs of Debt Problems | 22 |
| Impacts of Debt | 27 |
| Dealing with Debt | 30 |
| Delaying Help | 30 |
| Personal Perspectives | 36 |
| Sentiments on Filing and Advice to Others | 36 |
| Conclusion | 40 |
| Locations | 42 |





INTRODUCTION

"Don't wait to seek advice, **the sooner you get the debt under control the better you'll feel.** It's not something to feel ashamed of and there is a light at the end of the long tunnel."

Think you know who gets into trouble with debt in Canada? Would it surprise you to know that more than 70% of BC residents seeking help with their debts from a Licensed Insolvency Trustee are either employed or self-employed? The fact is most individuals who are seeking debt help are doing the best they can just to make ends meet in an environment where the cost of living seems to have outstripped many peoples' earnings.

As Canadian credit balances hit significant milestone highs¹ and the country continues to be warned about consumer debt levels, an increasing amount of public attention is being devoted to the topic of consumer debt – and what to do about it. For thousands of British Columbian consumers, 2019 already saw their personal finances reach a breaking point.

The 12-month period ending November 30, 2019 saw approximately 7,000 consumers in BC taking steps to consolidate their debts by filing Consumer Proposals, and another 4,100 seeking financial relief by claiming Personal Bankruptcy.²

With the 2019 BC Consumer Debt Study, the seventh annual study conducted by Sands & Associates, we aim to peel back layers and dig deeper into the events and circumstances that contribute to and cause debt problems for consumers, as well as to highlight the ultimate impacts of being in debt on an individual's well being.

¹ Households Debt to Income in Canada averaged 127.13% from 1990 until 2019, reaching an all time high of 174.05% in the second quarter of 2019 and a record low of 83.56% in the first quarter of 1990. Source: [Canada Households Credit Market Debt to Disposable Income](#)

² Source: [Government of Canada](#)



"You will never get out of debt if you keep doing what got you into debt. **There is no shame in getting help.**"

The only annual study of its kind, focused exclusively on BC residents, Sands & Associates received detailed survey responses from over 1,300 consumers in the province who faced financial challenges and ultimately took action using legislated debt solutions, representing approximately 12% of the total number of consumers who formally restructured their debts in BC last year.

"Would have definitely spoken to someone sooner if I had to do it over. **Wasted so many years paying interest non-stop** while accumulating more and more debt. 'Til that's all I could pay. Waited to hit rock bottom before I saw my Sands associate. Wasted part of my life and lost so much on the way."

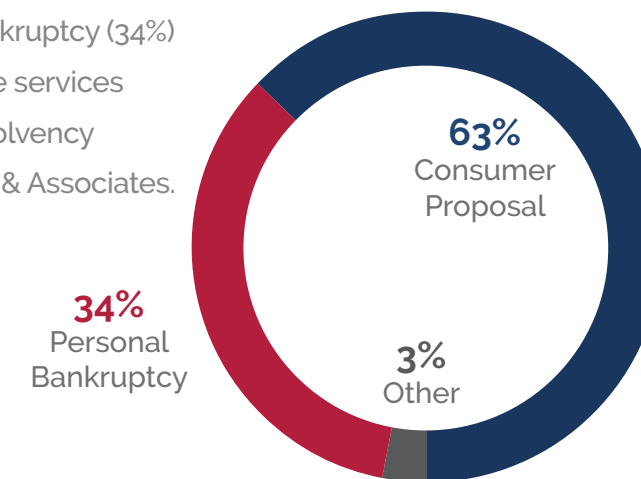
Senior Vice-President of Sands & Associates, Licensed Insolvency Trustee Blair Mantin explains:

"Not only is it our intention to **highlight the struggles** that dealing with overwhelming debt can bring into everyday life, we also hope that these findings may help consumers in similar situations **relate and seek assistance early on**, as well as offer a fresh perspective to others who may not understand just how quickly money troubles can start, or the conflicted and intense feelings that overwhelming debts can place on someone – your family, friends, co-workers...or even yourself."

Sands & Associates is BC's largest firm of Licensed Insolvency Trustees focused exclusively on assisting consumers and small businesses solve their financial problems.

WHO DID WE SURVEY?

Participants in the 2019 BC Consumer Debt Study had restructured their debts using federally-legislated debt solutions – primarily by either filing a Consumer Proposal (63%) or Personal Bankruptcy (34%) by engaging the services of Licensed Insolvency Trustees Sands & Associates.








The respondents' gender leaned more-so female, with women making up 56.3% of respondents. Reported marital status at the time of seeking professional debt relief also varied, with the highest proportion of respondents (36.9%) indicating they were married or in a common-law relationship – this was closely followed by respondents who noted their marital status as single (34.1%).

A full summary of Sands & Associates' services and locations can be found at: www.sands-trustee.com

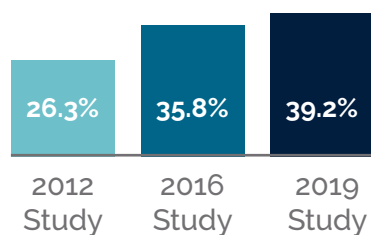
DEMOGRAPHICS

MARITAL STATUS AT ONSET OF DEBT RELIEF PROCESS

-  **36.9%** Married/common-law relationship
-  **34.1%** Single
-  **23.4%** Divorced or separated
-  **4.0%** Widowed
-  **1.6%** In a relationship (not living together):

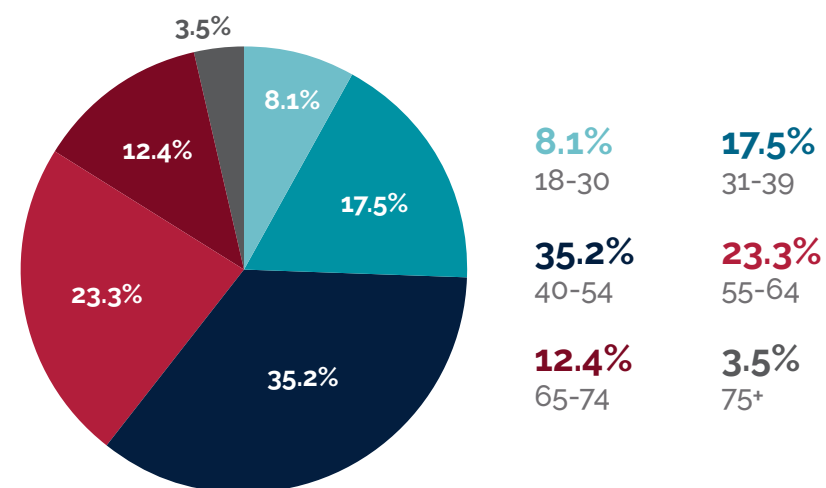


PROPORTION OF BC CONSUMER DEBT STUDY RESPONDENTS AGED 55 AND OVER



The age of participants at the time they started their debt relief process varied, with the largest proportion (35.2%) falling into the age range of 40 to 54 years old. We note that nearly 40% of respondents were aged 55 years or older, indicating that debt is an increasing concern for individuals approaching the end of their working life, or already in retirement. The left-hand graphic indicates how this proportion has increased in recent years:

AGE RANGE AT ONSET OF DEBT RELIEF PROCESS



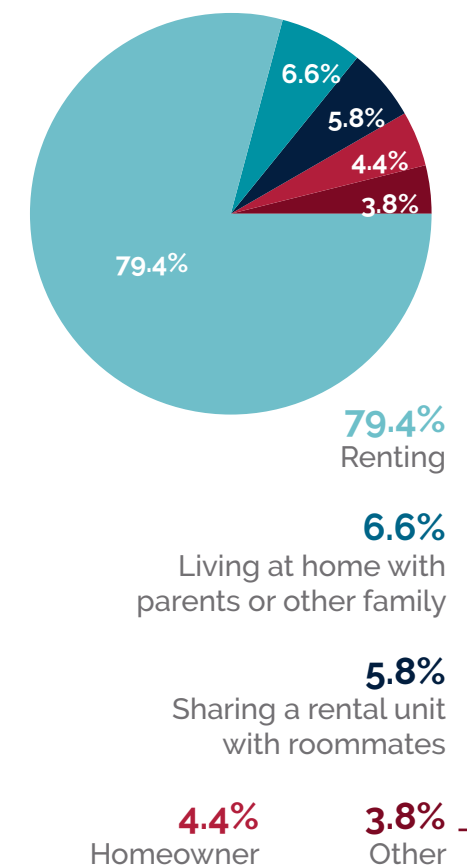
With the province's rental and housing affordability crisis a continued area of concern among BC residents and officials alike, it is striking to note how few respondents indicated they were homeowners at the time they sought professional debt help. A mere 4.4% of respondents described their housing situation as "homeowner" at the time they sought debt help.

For the vast majority of individuals dealing with their debts who are not homeowners, the combination of historically low vacancy rates and rapidly increasing rental prices have created a crisis for many individuals and families struggling to maintain residence in BC's lower mainland. Recent research indicates that Vancouver's rental vacancy rate hovers around 1% which is significantly below the typical 3% benchmark indicating a 'balanced' rental market. The impact of this is continued inflation in rental costs, which amounted to 6.3% on average in Vancouver in 2018, 40% higher than the next highest rental cost increase in other markets across Canada (Toronto – 4.5%).³

³ Source: [RBC Economics](#)

HOUSING

WHICH BEST DESCRIBES YOUR HOUSING SITUATION AT THE TIME YOU SOUGHT HELP FROM SANDS & ASSOCIATES?



"OTHER" RESPONSES INCLUDED

- "Full time **RV living**."
- "Staying with **friends**."
- "**Recovery house**."



COMMENTARY ON INSOLVENCY AND HOUSING IN BC

Intuitively, our finding that nearly 96% of individuals filing insolvency proceedings do not own real estate is in accord with the significant appreciation in BC real estate prices over the past decade-plus, which has allowed many home owners to access equity in their property to pay off any accumulated debt over time, often by using a home equity line of credit ("HELOC"). Many HELOC's require only interest to be paid, and this interest is often significantly lower than a typical credit card payment which requires a combination of principal and interest repaid each month. However, it is important to note that this ability to access equity in a property is not infinite.

Further concerning is the fact that a number of consumers who have seen their homes appreciate in value will not receive the full value of this increase, as any HELOC debts must be cleared prior to the owner receiving funds upon eventual sale of the home. As real estate values begin leveling off, or even declining, there may be a number of consumers unable to access HELOC financing to deal with consumer debt accumulations, which could lead to a later increase in the proportion of individuals filing for Bankruptcy or making a Consumer Proposal while they are homeowners.

The pace of wage growth, particularly in relation to cost of living was another issue relevant to BC consumers that was examined during this year's debt study. Although the majority of respondents indicated their primary income source was derived from full-time work (54.3%) or self-employment (8.2%) at the time they sought assistance, it is evident that these earnings were ultimately insufficient to effectively service debt-loads. We note that the sum total of individuals working full-time, working part-time, or being self-employed comprised more than 70% of the total survey respondents, indicating that hard work alone is often insufficient to deal with a consumer debt problem.

Survey responses also highlight a sad reality that many pensioners may be ill-equipped financially to deal with the costs of retirement, with 14.7% of respondents indicating their primary income source was retirement pension income.

INCOME

"Education in financial management is a lifelong tool. **Admitting that you are not doing well is ok.** Seeking help will improve your mental wellbeing. I wish I had started sooner."

"The sooner you get help the faster you can **stand on your feet again.**"



THE 2.3% OF
"OTHER" RESPONSES
INCLUDED

"Spousal support."

"Stay at home
mother, living on
shared spouse's
income."

"Medical leave
insurance."

WHAT WAS YOUR PRIMARY INCOME
SOURCE AT THE TIME YOU SOUGHT HELP
FROM SANDS & ASSOCIATES?

54.3%
Employment income
from full-time work

14.7%
Retirement pension
income (private or
public pensions,
CPP, OAS, etc.):

9.2%
Employment income
from part-time work

8.2%
Self-employment
income

3.3%
Disability
benefits

3.1%
I had no income

2.4%
Employment
Insurance benefits

2.3%
Social Assistance
benefits

2.3%
Other

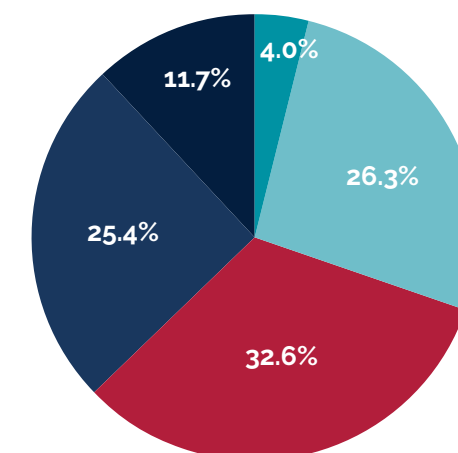
0.2%
Student with
parental support

AMOUNTS AND TYPES OF DEBT

Consistent with past study findings, the highest proportion of BC residents indicated they were carrying between \$25,000 and \$49,999 worth of debt (excluding vehicle loans and/or mortgages) at the time they started their debt relief process with Sands & Associates.

The 2019 BC Consumer Debt Study finds that the types of debt that are arguably the most common may also have tendency to become the most problematic, with credit card debt being overwhelmingly cited as the main type of debt that 55.7% of respondents had, with lines of credit at 12.6% and tax debt at 11.6%.

HOW MUCH DEBT DID YOU HAVE WHEN YOU STARTED
YOUR DEBT RELIEF PROCESS WITH SANDS & ASSOCIATES?
(Excluding your vehicle loan and/or mortgage)



4.0%
Less than \$10,000

26.3%
\$10,000-\$24,999

32.6%
\$25,000-\$49,999

25.4%
\$50,000-\$99,999

11.7%
\$100,000 or more

CONSUMER
DEBT
ANALYSIS

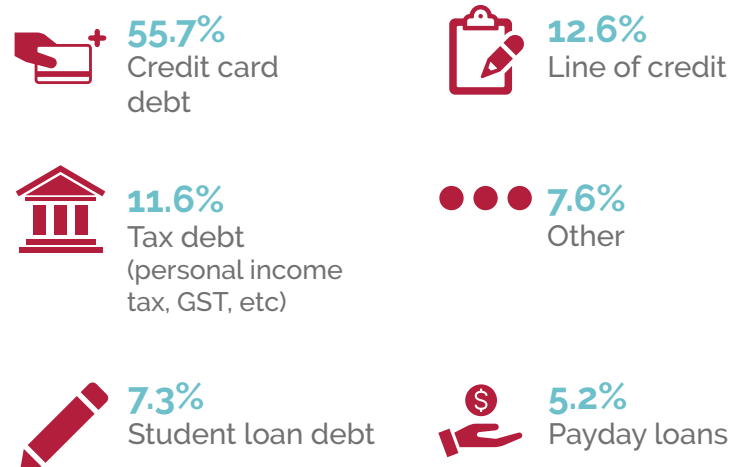


AMONG THE 7.6% OF RESPONDENTS WHO ANSWERED "OTHER", THERE WERE A WIDE RANGE OF TYPES OF DEBT REPORTED

- "Foreclosure."
- "Investment debt."
- "ICBC debt."
- "Instalment loans."
- "Business debt that I had a personal guarantee on."

WHAT WAS THE MAIN "TYPE" OF DEBT YOU HAD?

(Excluding your vehicle loan and/or mortgage)



GENERATION COMPARISONS TO NOTE

Youth Generations had the highest proportion of respondents (14.9%) who indicated student loan debts were their main type of debt, perhaps unsurprising given the age range of those generations.

Sandwich Generations noted the largest proportion of respondents (13.3%) who had been carrying debts of \$100,000 or more at the time of starting their debt relief process.

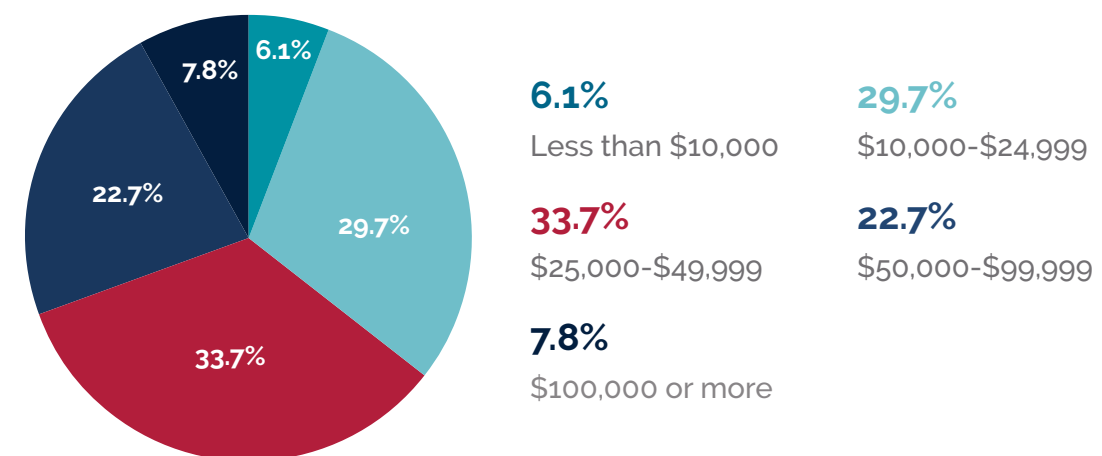
Credit card debt was reported as the main type of debt carried by 66.8% of Retirement Generations, the largest proportion across each generation group.

YOUTH GENERATIONS

Millennial & Post-Millennial (Individuals Aged 18-39)

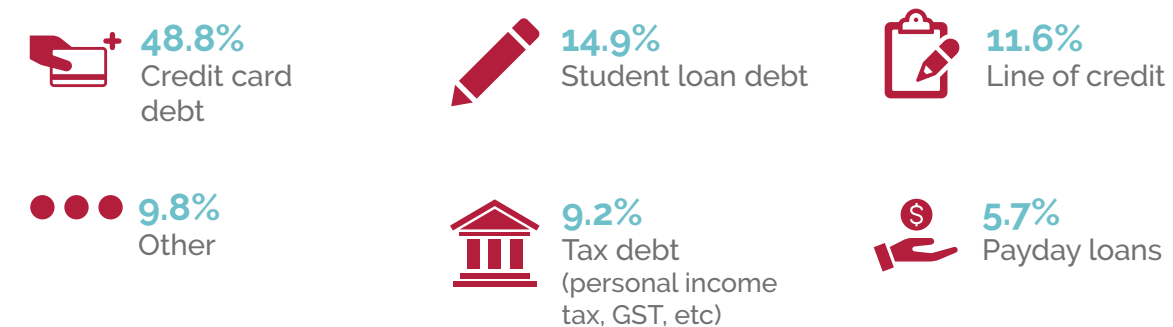
HOW MUCH DEBT DID YOU HAVE WHEN YOU STARTED YOUR DEBT RELIEF PROCESS WITH SANDS & ASSOCIATES?

(Excluding your vehicle loan and/or mortgage)



WHAT WAS THE MAIN "TYPE" OF DEBT YOU HAD?

(Excluding your vehicle loan and/or mortgage)



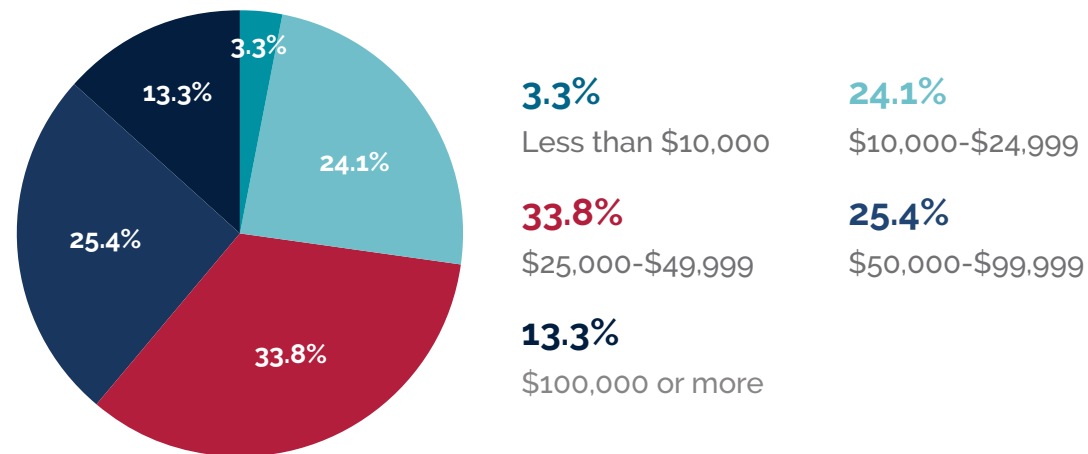


SANDWICH GENERATIONS

Generation X & Younger Baby Boomers (Individuals Aged 40-64)

How much debt did you have when you started your debt relief process with Sands & Associates?

(Excluding your vehicle loan and/or mortgage)

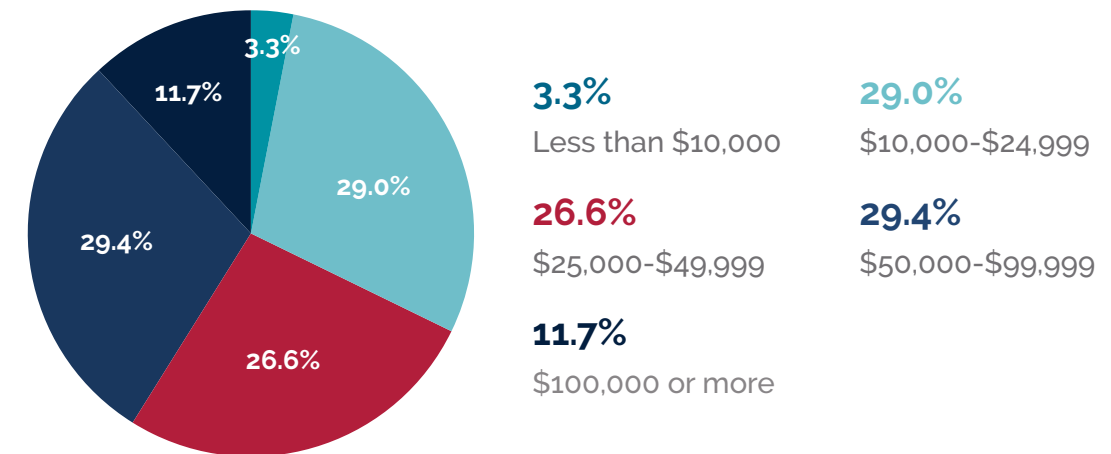


RETIREMENT GENERATIONS

Older Baby Boomers & Silent Generation (Individuals Aged 65+)

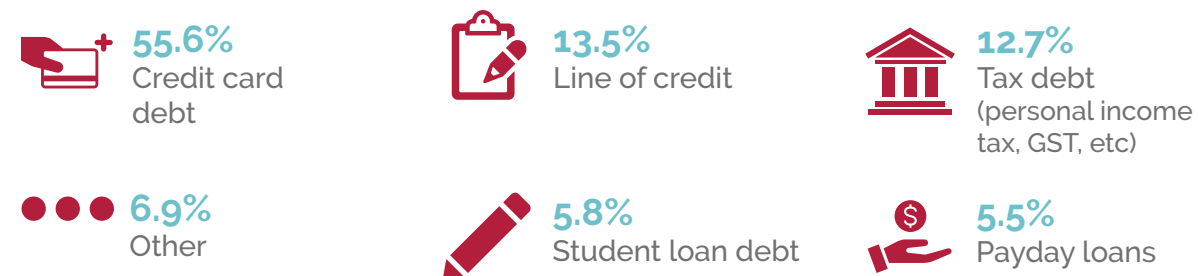
How much debt did you have when you started your debt relief process with Sands & Associates?

(Excluding your vehicle loan and/or mortgage)



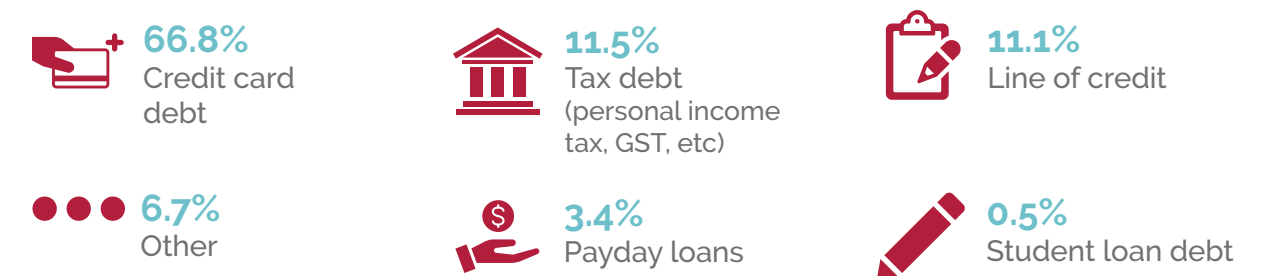
WHAT WAS THE MAIN "TYPE" OF DEBT YOU HAD?

(Excluding your vehicle loan and/or mortgage)



WHAT WAS THE MAIN "TYPE" OF DEBT YOU HAD?

(Excluding your vehicle loan and/or mortgage)





CREDIT RATING

Although consumers may often consider their credit rating to be a metric of financial health, many debt help professionals have cautioned this as being an inaccurate and somewhat dangerous measure to rely on because a number of behaviours that can enhance a person's credit rating are often at odds with good financial management.

For example, an individual carrying a balance on a credit card could see their credit rating improve if they simply obtain another credit card and transfer half of the balance to the new card. If \$800 was owed on a card with a \$1,000 limit, then a metric known as 'credit utilization' would be calculated as 80%, which is considered negative from a credit rating point of view. By simply splitting this debt across two identical cards (i.e. \$400 debt with \$1,000 limit on each) the credit utilization metric has been cut in half to 40%, which is significantly better. In reality the individual is no better off and may be at increased risk as they now have further credit resources to draw on and can potentially increase their overall debt load.

It's important to note that credit ratings were originally designed as a measure of bank profitability and have no real bearing on consumers' financial health. An individual owning significant assets, having no need to ever borrow money from the bank would have a significantly worse / non-existent credit rating than an individual owing more than their annual salary on credit cards, but having those cards all paid up to date each month and keeping balances below 50%. It is our goal that this study will continue to shed light on why credit ratings are a poor measure of financial health.

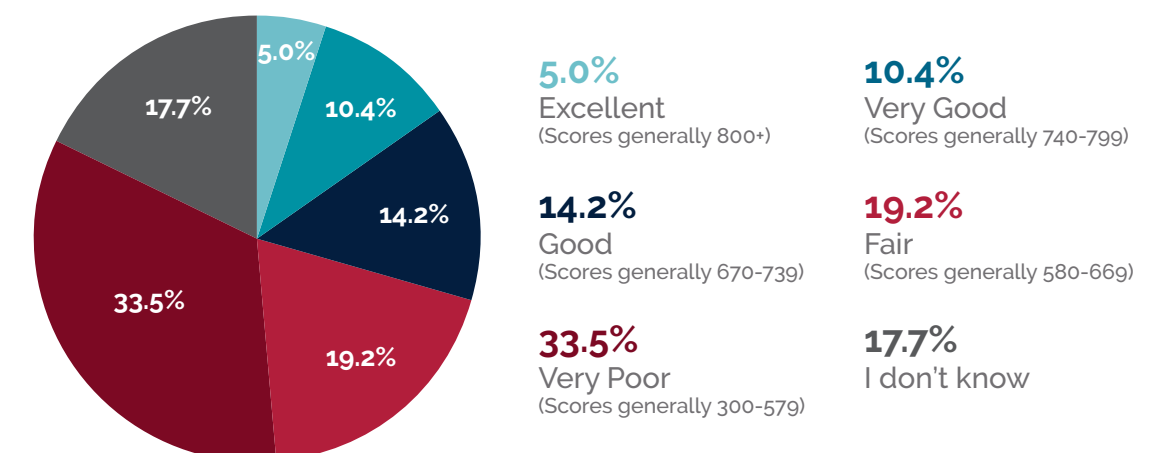
The 2019 BC Consumer Debt Study results illustrate how having a good-to-excellent credit rating does not inoculate one against having to restructure their debts. Indeed, when asked to describe their credit rating at the time of starting their debt relief process, nearly 30% of respondents indicated their score could be described as ranging between "good" and "excellent". Far less than half (33.5%) of overall survey participants described their credit rating as "very poor".

It is extremely common as Licensed Insolvency Trustees to assist clients who have 'perfect' credit ratings and have never missed a payment, yet who become aware that they will never be able to pay their debts off at their current pace of monthly minimum payments.

"Everything is going to be okay because **there are good people out there trying to help others in need** and have solutions to your money situation."

"Admit you have a problem but **believe it is not unsolvable** - get professional help!"

HOW WOULD YOU BEST DESCRIBE YOUR CREDIT RATING AT THE TIME YOU STARTED YOUR CONSUMER PROPOSAL OR PERSONAL BANKRUPTCY?





CAUSES OF DEBT

Survey participants reported a range of main causes of debt, with the top primary cause of debt being: overextension of credit, financial mismanagement, which was cited by nearly twice as many consumers as the next most-frequently selected response. Following this main cause of overextension of credit, survey respondents highlighted three other main causes, including: i) job related; ii) illness, injury or health-related problems; and iii) marital or relationship breakdown. These findings reflect similarly to past BC Consumer Debt Studies and indicate that a significant proportion of survey respondents view their problems as somewhat self-generated and a result of acquiring too much credit and not managing it well.

It is interesting to note that several of the main causes of debt reported could be construed as factors outside the general control of consumers – for example, few people expect to be faced with illness or a relationship breakdown.

AMONG THE 8.1% OF RESPONDENTS WHO ANSWERED “OTHER”, THERE WERE A **WIDE RANGE OF FACTORS** THAT LED TO DEBT

“When I was injured I was forced to basically use my credit cards then upon my return to work my **wage was less than expected** so I ended up in a vicious cycle.”

“Household income was reduced by approx. 60% upon **death of spouse.**”

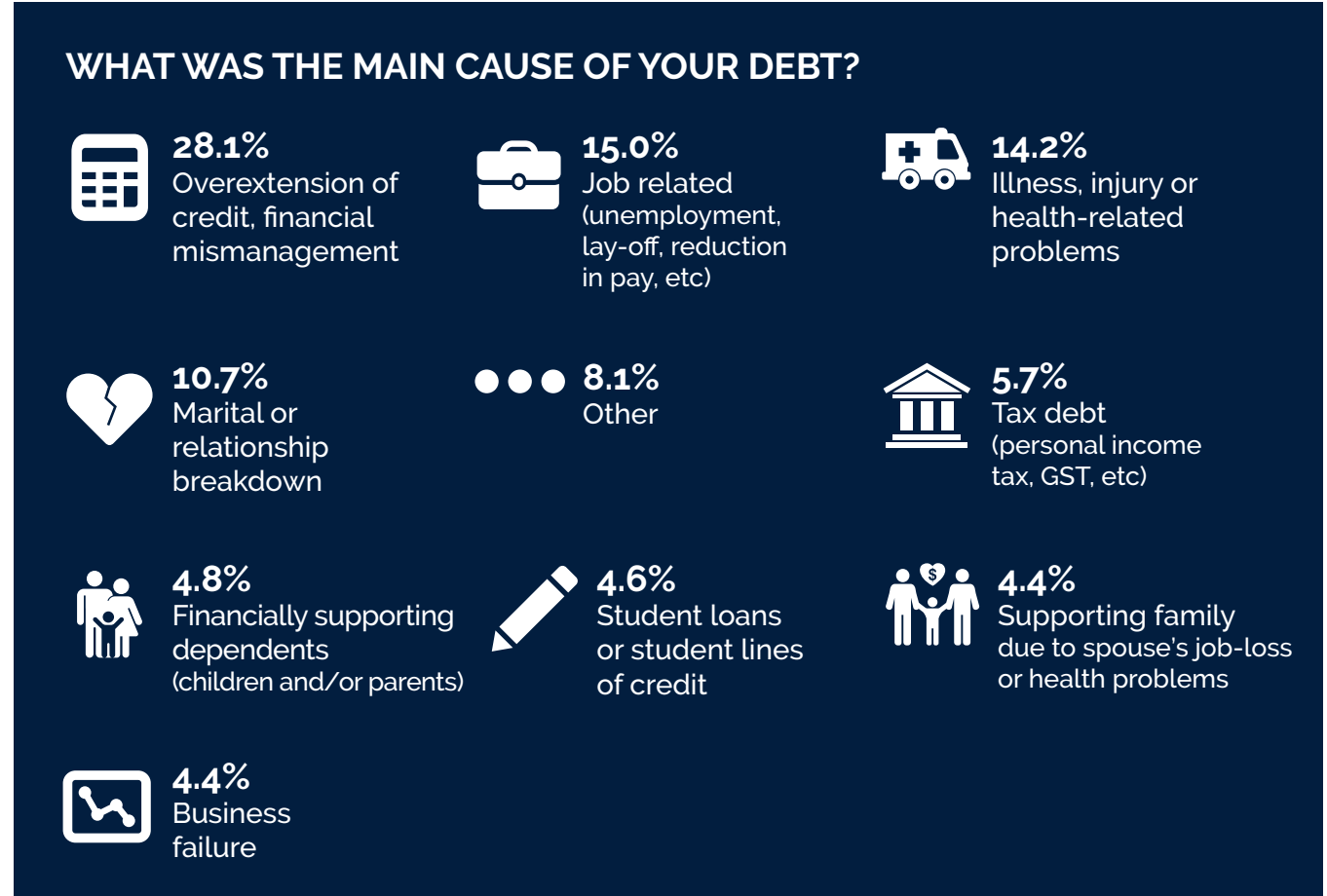
“**Was fired for being ill** and everything crumbled from there.”

“I lost all the money I had **in a scam** then could not pay the credit cards.”

“**Ex spouse used a credit card on his own merit** then didn't inform me when he wasn't making payments on it.”

“**Lawyer fees** for custody.”

“My debt started with my husband losing steady income twice and eventually me losing my job and going **6 months between waiting for my new job to start.**”





GENERATION COMPARISONS TO NOTE

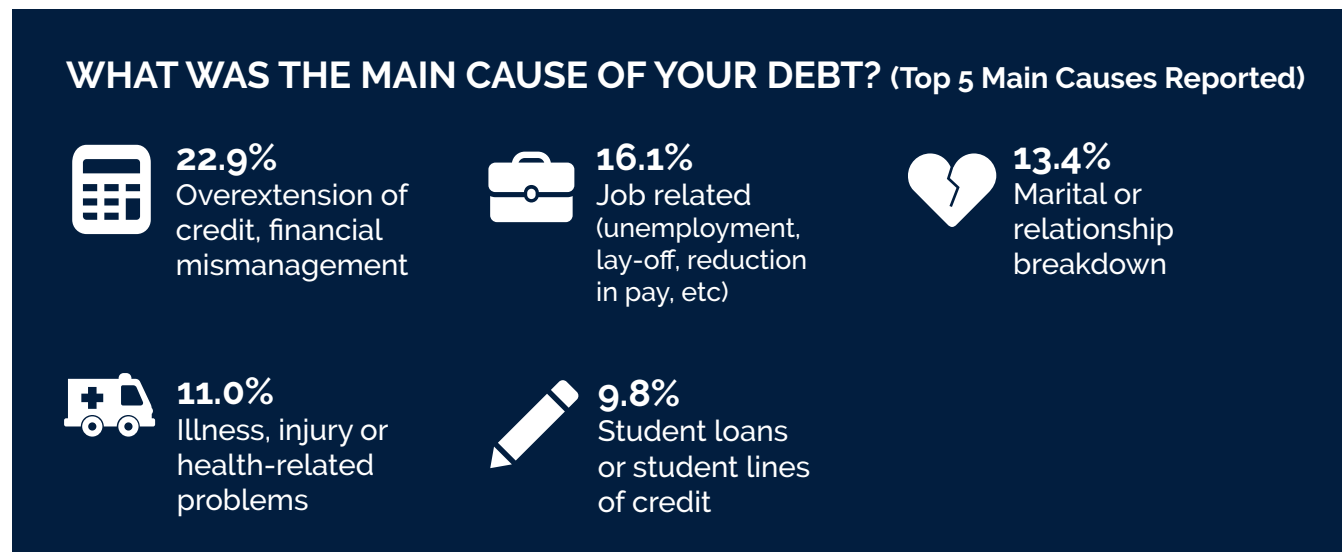
While overextension of credit or financial mismanagement was noted as being the main cause of debt for roughly one quarter or less amongst Youth and Sandwich Generations, nearly half (49.5%) of Retirement Generations participants cited this as the main cause of their debts. Tax debt and business failure also had the highest proportions reported as causes of debt among Retirement Generations, at 7.2% and 6.7% respectively.

Youth Generations had the highest proportion of respondents citing marital or relationship breakdowns as their main cause of debt (13.4%), while Retirement Generations had the lowest at 2.4%. Youth Generations also had the largest proportion of participants who noted job related causes of debt (16.1%).

Illness, injury or health-related problems had the highest proportion of respondents for Sandwich Generations (16.4%), as well as debts caused due to financially supporting depends at 5.7%.

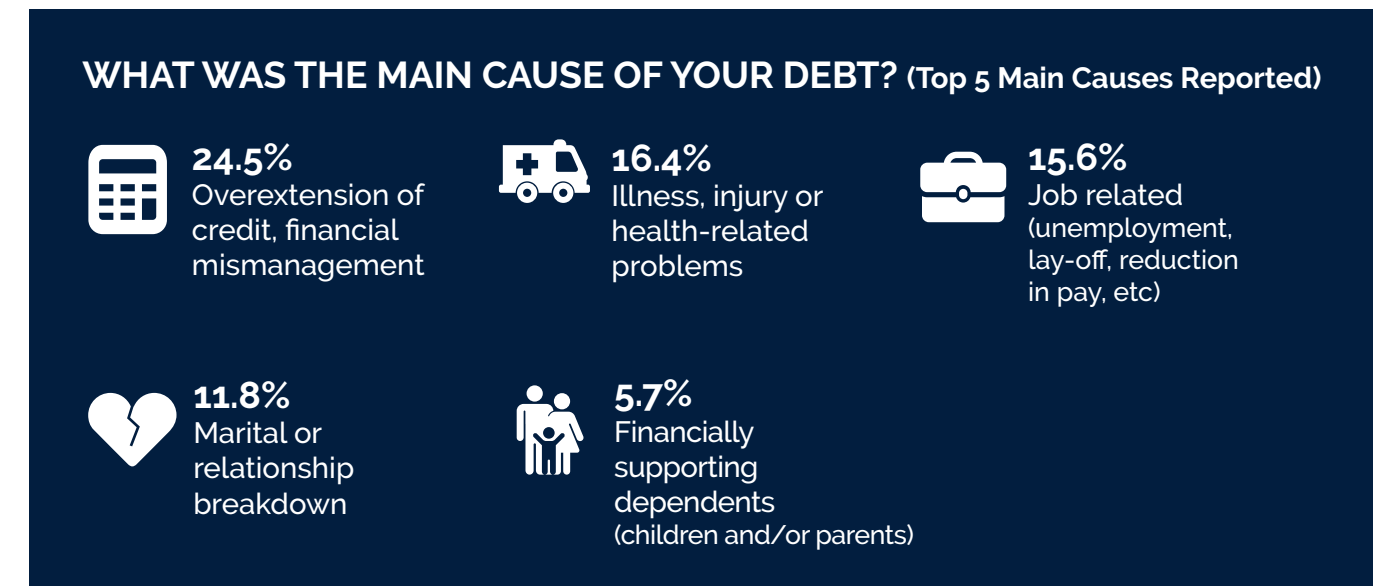
YOUTH GENERATIONS

Millennial & Post-Millennial (Individuals Aged 18-39)



SANDWICH GENERATIONS

Generation X & Younger Baby Boomers (Individuals Aged 40-64)



RETIREMENT GENERATIONS

Older Baby Boomers & Silent Generation (Individuals Aged 65+)





BEHIND THE DEBT

Moving beyond the figures, annual BC Consumer Debt Studies undertaken by Sands & Associates aim to uncover the realities that people face being in debt as well as the challenges and opportunities experienced in taking steps to become debt-free.

SIGNS OF DEBT PROBLEMS

Although the vast majority of study participants did report experiencing what could be considered “transactional” indicators that their debts were becoming problematic such as only making minimum payments (as reported by 59.4%), the top-most reported sign that debts were becoming a problem was less traditionally tangible - overwhelming stress, which was cited by a large majority (67.4%) of participants.

From our 30-year history as a firm of Licensed Insolvency Trustees, the impact of debt stress is very real and observable for most clients that we meet. It is exceptionally rare for us to find that this stress is misplaced – quite often there are significant underlying financial issues that are causing the individual to feel stress. Put simply, **“If you think you have a debt problem, you probably do.”**

This year’s BC Consumer Debt Study also uncovered some key warning signs that may often be overlooked by the average consumer, but were cited by significant portions of study respondents prior to seeking debt help. Firstly, and perhaps most emotionally impactful, nearly one-third of respondents (32.3%) reported borrowing from friends or family to make a debt payment. Accessing family resources to make debt payments is often done as a last resort as it requires an individual to discuss their debt problems with close family members which can entail emotional stress in addition to existing financial stress.

Notably, nearly one quarter of respondents reported that they used payday loans to make ends meet. Our experience is that many clients find payday loans to be the kickstart of borrowing cycle as the costs and fees on even a short-term loan are often so high that subsequent loans are continually required to repay earlier loans. It is not uncommon for debt help professionals to meet with clients who have more than 10 payday loans outstanding at the time of their debt restructuring.

“Don’t wait. You may have tried for many months or more to remedy the situation but unless you have 3 jobs or win the lottery **it will not magically change.** Before it becomes more than just a debt problem and starts to bring you to your knees go ask for help, seek out a way to alleviate all the pressures placed upon you...”



HOW DID YOU KNOW YOUR DEBTS WERE BECOMING A PROBLEM?

(Choose all that apply)



DID YOU EXPERIENCE ANY OF THE FOLLOWING WHILE DEALING WITH YOUR DEBTS ON YOUR OWN? (Choose all that apply)



"OTHER" RESPONSES INCLUDED

"**Withdrawing RRSPs** yearly to pay off credit cards."

"I could only pay my debts. I **could not afford groceries** or anything else. I could only pay my payments and rent."

"...used the **Government of Canada's website calculator** to see how long it would take me to pay down my debt the way I was currently doing it – it would have been 30+ years (assuming I didn't collect any more debt) that was eye opening."

"**Applying for a line of credit increase** (line of credit was already maxed out) and was hoping to consolidate my debt to attempt to start paying it off, **but it got denied.**"

"Getting more in debt paying **minimum payments.**"

"Despite making large payments and never failing to make more than the minimum payment to credit cards **the interest rates were so high I couldn't make much headway on the balances.**"

"When my **interest rate went from 3% to 28%** on some of my loans. When that happened I knew I would never get out of it."

GENERATION COMPARISONS TO NOTE

The severity of warning signs Youth Generations experienced were striking – this was the generation with the highest proportion of respondents to indicate they knew their debts were becoming a problem due to overwhelming stress (74.4%), accumulating more debt (56.2%), collection calls or letters (54.8%), bouncing cheques or missing payments (30.4%). Youth Generations had a proportion of respondents noting wage garnishment more than one to two times higher than other generations, at 12.2%.

HOW DID YOU KNOW YOUR DEBTS WERE BECOMING A PROBLEM?

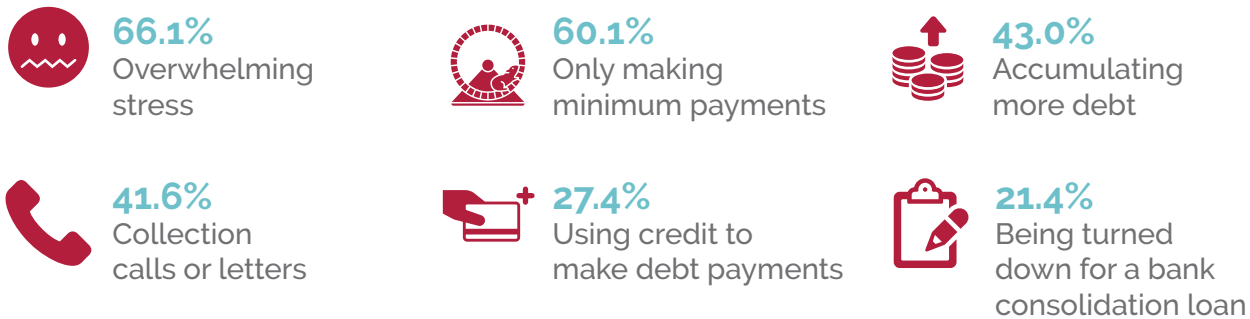
(Choose all that apply)

TOP 6 BY GENERATIONS

YOUTH GENERATIONS Millennial & Post-Millennial (Individuals Aged 18-39)



SANDWICH GENERATIONS Generation X & Younger Baby Boomers (Individuals Aged 40-64)



RETIREMENT GENERATIONS Older Baby Boomers & Silent Generation (Individuals Aged 65+)



IMPACTS OF DEBT

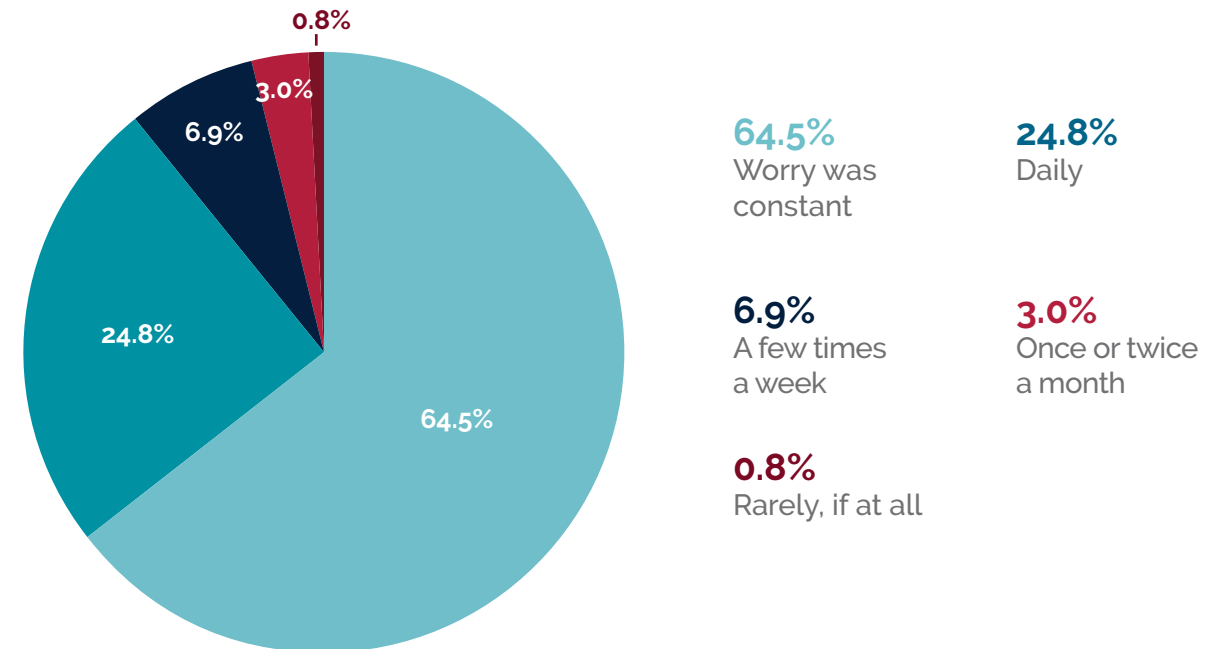
Although the findings reflect a dire reality, with so many respondents citing overwhelming stress as an indicator that their debts had become a problem, the often-devastating effects that debts reportedly had on study participants, emotionally, physically and psychologically is perhaps unsurprising.

We note that 64.5% of consumers stated that they experienced a constant worry about their debts or general finances, alongside a host of other debt-stress impacts such as anxiety or depression, feelings of reduced self-esteem and health challenges, and even thoughts of suicide.

Furthermore, approximately three-quarters of survey respondents indicated that they experienced poor sleep, anxiety or depression, and feelings of helplessness or hopelessness due to the stress of being in debt.

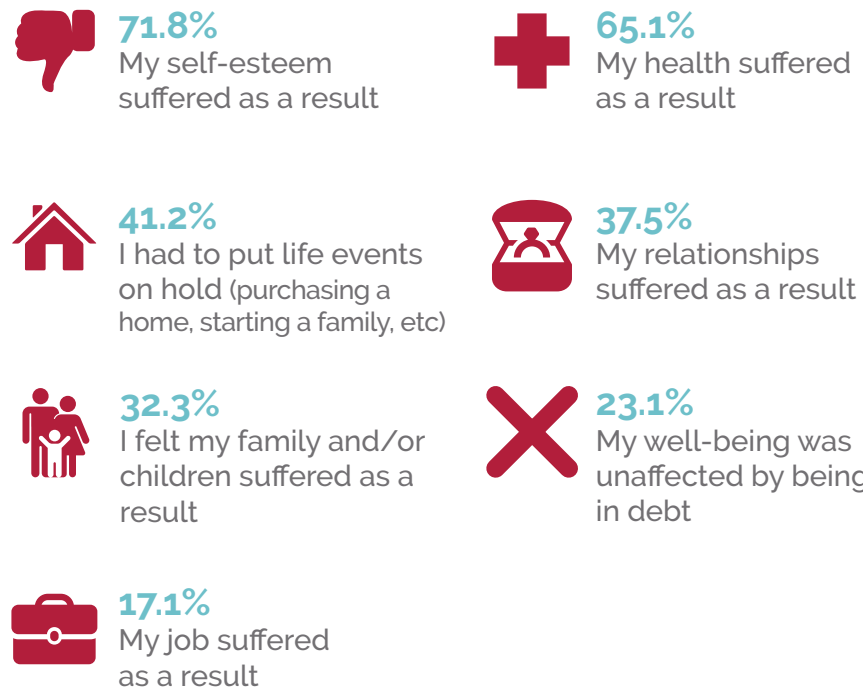
Underscoring the gravity of the situation at hand is the finding that nearly 1 in 5 respondents said the stress of their debt resulted in them experiencing thoughts of suicide. Unfortunately, this metric has been relatively consistent over previous debt studies.

HOW OFTEN DID YOU FIND YOURSELF WORRYING ABOUT YOUR DEBTS OR GENERAL FINANCES?



"I **contemplated suicide** thinking my family would be better off without my burden."

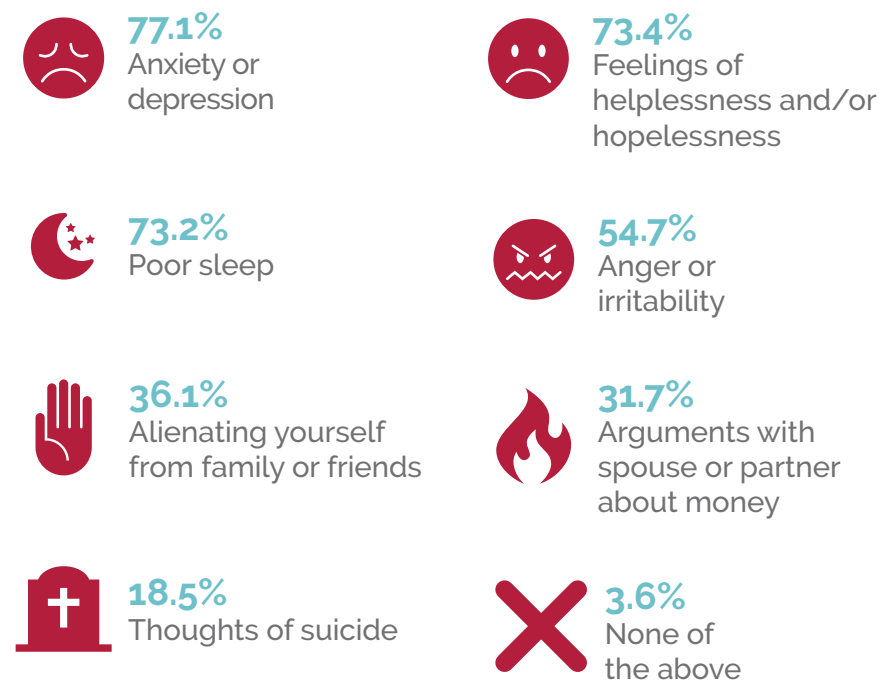
HOW WOULD YOU SAY BEING IN DEBT AFFECTED YOU? (Choose all that apply)



"I found myself forced to be extremely **isolated and alone**..."

DO YOU FEEL THE STRESS OF DEBT RESULTED IN YOU EXPERIENCING ANY OF THE FOLLOWING? (Choose all that apply)

"It made me constantly **doubt my self-worth** and generated a great deal of shame."



"...I thought about it every day, every second of the day. It took a huge toll on my life. I could say that **I probably aged 10 years.**"

"I feel like I **missed out** on half my life."

"It made me feel absolutely horrible and I **really let myself down.** Very defeating."

"...I had **no hope** for my life anymore and no reason to live."

"I was very **ashamed of myself** for letting my debt get out of hand."

"...spent a lot of nights not sleeping and I also thought of committing suicide. I also felt I could not turn to anyone and talk to anyone about what was happening. **I felt I had to pretend all was fine.**"



DEALING WITH DEBT

"I really believed in my heart that I would succeed and be able to pay everyone off.

Also it was a matter of pride, if people trusted me, then it was my job to do everything I could to repay them. Also I was in denial about how bad it was. I would not even look at the total that I owed."

In addition to highlighting the impacts that being in debt had on consumers, the 2019 BC Consumer Debt Study also revealed insights as to barriers that caused participants to delay seeking help with their debts once they knew that they had a problem.

DELAYING HELP

The most common reasons for waiting to seek professional debt help was that consumers were trying to manage on their own (70.0%), as well as feeling ashamed of being unable to handle debts incurred (49.7%) and worried about being judged or feeling embarrassed (44.1%).

While these findings are insightful, they are also deeply troubling and appear to indicate the continued need for better – and more empathetic – financial literacy education and conversation around debt management, professional support available, and the realities of struggling with debts.

Of major concern, and perhaps a contributor to the mental and physical impacts of being in debt outlined previously, is the fact that many individuals seem to suffer alone, and in silence for at least a period of time. While most individuals did eventually speak to someone about their financial concerns (76.5%), we note that:

- Nearly two thirds of survey respondents did not talk to their spouse about their debt problems (63.8%)
- More than 60% of respondents did not discuss their debt problems with family
- Nearly 70% of respondents did not discuss their debt problems with friends

If we accept the fact that 'debt stress is real stress' the above statistics are striking in that they illustrate that many individuals are facing the burden of debt alone, without reaching out to family and personal relationships that are often critical to helping an individual get through a life crisis.

"Take care of this problem early. **The longer you extend the inevitable, the longer you're making it till its resolved.**

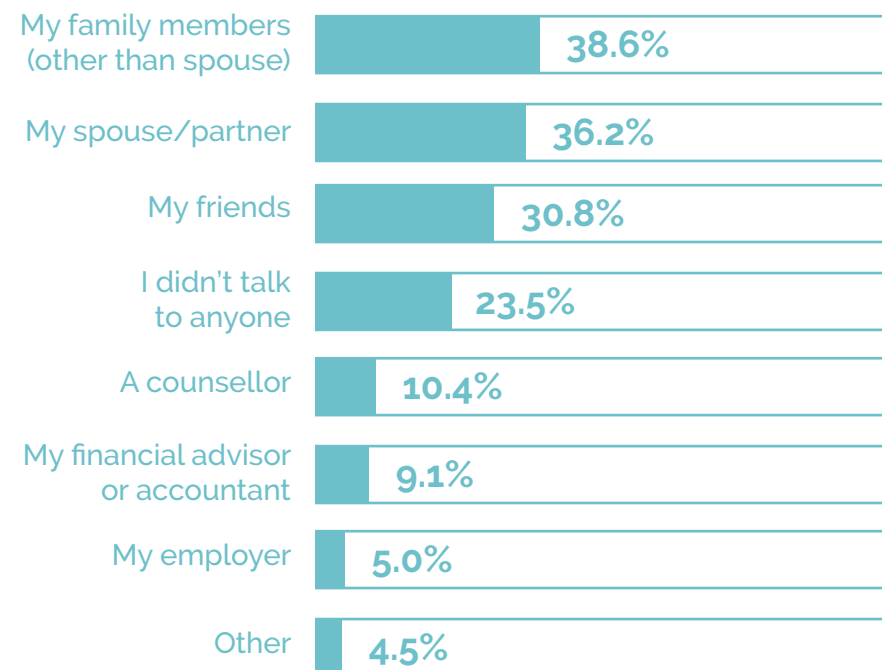
If your cards are racked, you're barely making minimums and your income isn't increasing... it's time right then and there."



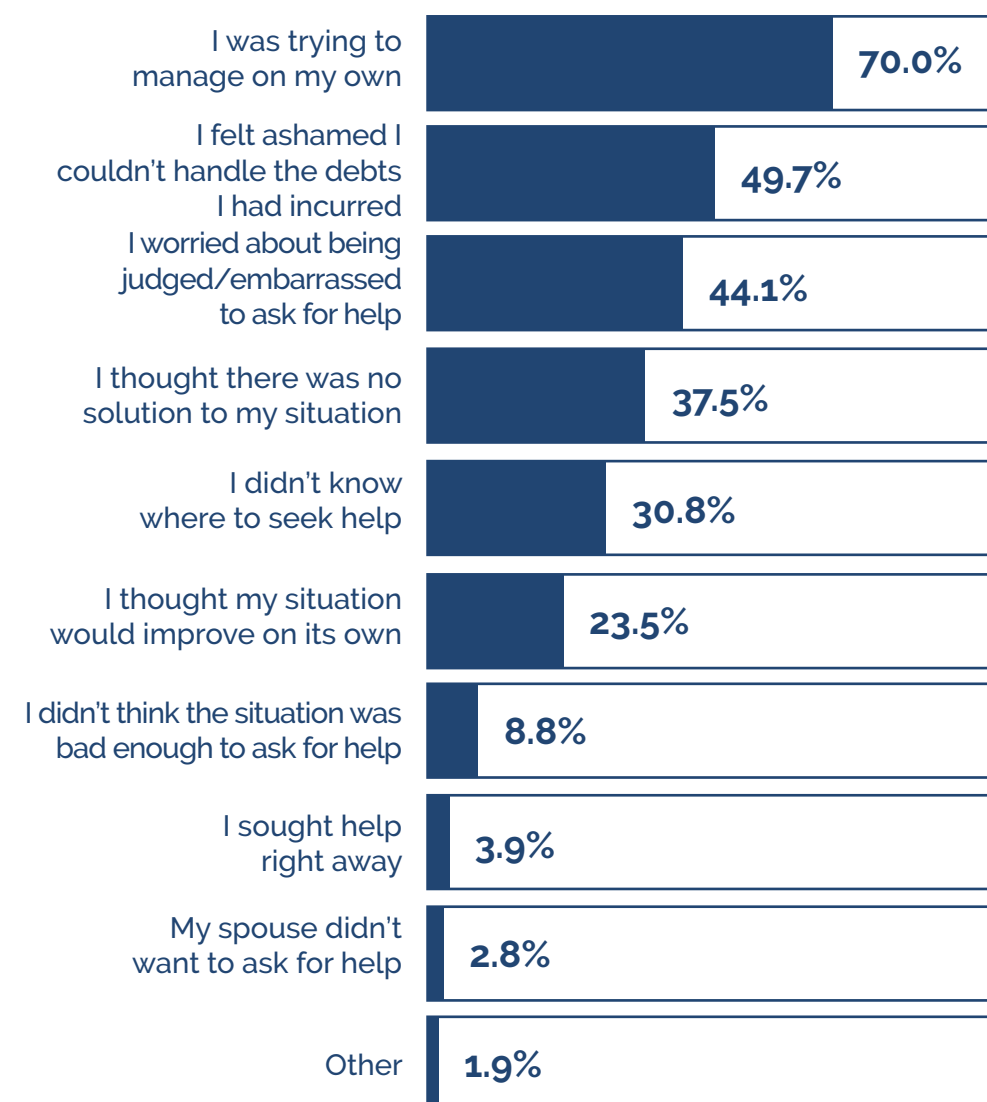
"OTHER", PEOPLE RESPONDENTS TALKED TO

- "People of the internet on anonymous forums (e.g. Reddit)."
- "Pastor of our church."
- "Legal advocate with Community Services."
- "Family physician."
- "Tried talking to the bank...unwilling to help."

BESIDES SANDS & ASSOCIATES, WHO DID YOU TALK TO ABOUT YOUR MONEY/FINANCIAL CONCERNS? (Choose all that apply)



WHAT WERE THE REASONS YOU WAITED TO SEEK PROFESSIONAL DEBT HELP? (Choose all that apply)



"OTHER" REASONS FOR WAITING

— "My entire life I took pride in always paying everything off immediately – **it was just so humiliating** to have to ask for help."

— "I'd **planned on killing myself.**"

— "I **never knew what "bankruptcy" was.** I had heard the term but had no idea what it entailed..."

— "I **thought I could solve the problem** if I could consolidate debt."



GENERATION COMPARISONS TO NOTE

It is interesting to note that the proportion of respondents who said they delayed seeking professional help for their debt problem because they were trying to manage on their own increased with each generations' age group. Although Youth Generations had the highest proportion of respondents who thought there was no solution to their situation (49.5%), didn't know where to seek help (43.5%) and didn't think the situation was bad enough to ask for help (13.4%) – they had the lowest proportion (65.0%) of respondents delaying help because they were trying to manage on their own compared with Sandwich Generations (70.9%) and Retirement Generations (75.1%)

This would appear to be another factor for consideration in the need for increased consumer education and support of debt solutions and resources.

WHAT WERE THE REASONS YOU WAITED TO SEEK PROFESSIONAL DEBT HELP?

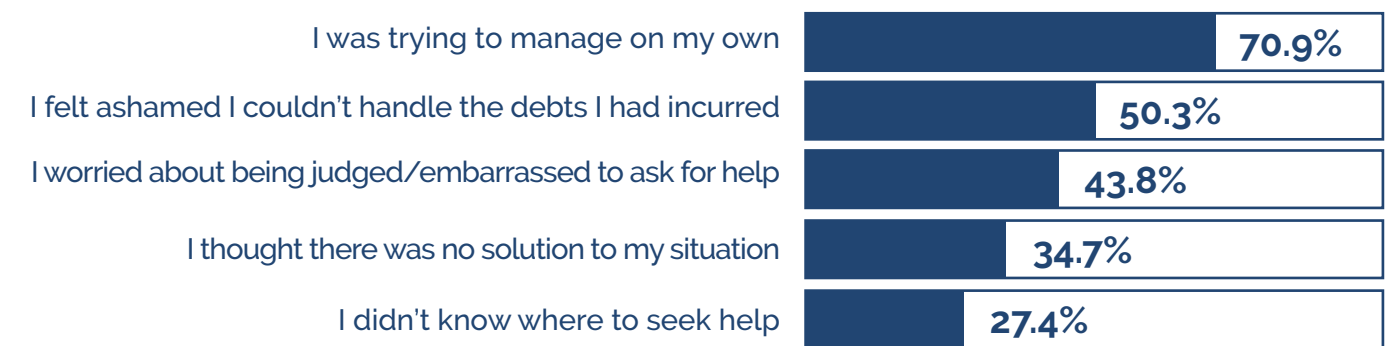
(Choose all that apply)

TOP 5 BY GENERATIONS

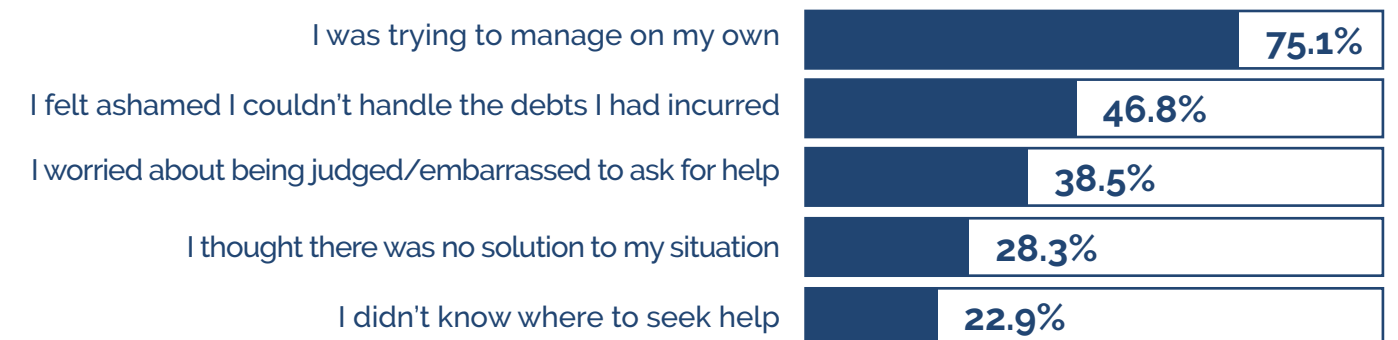
YOUTH GENERATIONS Millennial & Post-Millennial (Individuals Aged 18-39)



SANDWICH GENERATIONS Generation X & Younger Baby Boomers (Individuals Aged 40-64)



RETIREMENT GENERATIONS Older Baby Boomers & Silent Generation (Individuals Aged 65+)





PERSONAL PERSPECTIVES

“Don’t wait. Seek help right away, even if it’s just to ask questions and discuss your options. Feel confident that you are dealing with licensed professionals who will help make the process as hassle-free as possible.”

“Try to budget first. **If budgeting doesn’t work and you don’t catch up within 6 months you’ve gone too far** seek help as soon as possible.”

Given the severe emotional and psychological impacts that being in debt can have, it was important to not focus the 2019 BC Consumer Debt Study solely on the facts and figures of indebted consumers, but also to include an emphasis on the personal perspectives of survey respondents who chose to share their views and insights.

SENTIMENTS ON FILING AND ADVICE TO OTHERS

The overwhelming majority of survey respondents indicated feeling positive about their choice to file a Consumer Proposal or Bankruptcy to deal with their debts, with 72.9% indicating they were extremely satisfied and would recommend the option to others, and a further 19.3% feeling somewhat satisfied and mostly happy with the outcome of their decision.

With past studies reflecting similarly in that consumers had delayed seeking debt help due to feelings of embarrassment, fear of being judged, or not knowing there was a solution or where to seek it, the 2019 BC Consumer Debt Study asked participants what advice they would offer to someone trying to deal with their debts, giving them an opportunity to potentially reach others and offer words of encouragement or reassurance, paying it forward with their own knowledge and experience.

Many of the heartfelt responses reflected consistent themes, with recurring advice to seek professional help as soon as possible, and to not let the stigma of debt stop you from doing so.

INQUIRE **AVOID** DON'T USE DEBT TO SOLVE DEBT **SEEK** **STAND ON YOUR**
STRESS ADVICE **FEET AGAIN**
BEST POSSIBLE OUTCOME **ASK**
DON'T BORROW FROM FRIENDS
GET HELP ACCOUNTABILITY **LE**
BE HONEST **BUDGET** **ANCE**
LEARN FROM YOUR MISTAKES **GO NOW**
DON'T WAIT DISCUSS YOUR OPTIONS **GUIDANCE**
BE ABLE TO SLEEP
SECONDREACH OUT
CHANCE **FINANCIAL RELIEF**
IT CAN HAPPEN TO ANYONE
YOU ARE NOT ACCEPT IT DON'T BE AFRAID
GET PROFESSIONAL HELP
OK **ALONE WASTED YEARS**
IT IS NOT UNSOLVABLE **EDUCATE YOURSELF**
SHARE **STRESS** MY LIFE



"Don't let the stress make you feel unhealthy, seek financial help from those equipped to help."

"Get help right away, don't borrow from family to pay credit cards."

"Stay away from payday loans. They are a vicious circle that are impossible to escape."

"Be careful with assumptions."

"Don't be afraid to ask for help even if you don't think you need it..."

"Educate yourself on healthy finances for the future."

IF YOU COULD OFFER ADVICE TO SOMEONE TRYING TO DEAL WITH THEIR DEBTS OR FACING A SIMILAR SITUATION, WHAT WOULD IT BE?

(Highlight of responses received)

"At the very least **inquire about your options** as early as you can. Swallow your pride and talk to someone who you can be completely honest with; it will help you be honest with yourself."

"Don't try to do it alone. Seek the help you need. You will find that the people don't judge they just **want the best outcome for you & your family.**"

"To reach out to those who can help with some guidance and support. Don't be embarrassed because **debt can happen to anyone.** It's best to get a handle on things and take the help to avoid stress."

"It is the best thing that I could have done, and it will also be the best thing you can do as well... Pretty much **instantly my stresses went away** and I was truly happy for the first time in many years. Just make the call, they will not judge you, only help you understand that everything is going to be okay."

"Do it! It is worth being able to sleep and not thinking about how MY debt was affecting my life. This was **a huge burden taken off my shoulders.** I understand the effects on credit ratings-which is a short-term issue and small price compared to being able to restart my life. It is a second chance!"

"Recognize that **you are not a failure when things out of your control cause financial difficulties.** Take accountability for your bad choices and learn from your mistakes. Get help before the feelings of hopelessness set in."

"Get help as soon as you even think there might be a problem. Don't wait. We all go through it at some time."

"Weigh the option of swallowing your pride and living with the effects of the stress or get help. I tried for more than 10 years to get a handle on it..."

"Don't lose hope; **you are not alone.** There is nothing to be ashamed of. Talk about it. There is help if you need it. You just need to seek it. Above all learn from the experience and help or guide someone with the knowledge you have gained and share it with someone who may be experiencing a similar situation."

"**Go NOW, don't wait!** I would tell them that insolvency is not just for big huge debt loads and that if you go sooner you will be free from the burden of debt sooner as well. There is so much shame and embarrassment around debt that I kept digging the hole deeper trying to pay it off myself and the creditors kept winning with all of their penalties and interest, and new creditors were also winning when I was taking out more credit to try and pay off the old credit."

"Once you discover such help is available, seek it, ask for it and accept it. **Suicide doesn't need to be the answer!**"

"To face things head on and accept the situation. The debt is not going anywhere and the sooner you tackle it the better, **whatever solution suits you.**"



CONCLUSION

With debt and money problems continuing to prevail as one of the last great social taboos, it is clear that financial challenges are a common issue for consumers across all demographics – and something that needs to be brought much further into the light.

It is our hope that the deeply personal insights the 2019 BC Consumer Debt Study has revealed will prompt further consumer awareness, education around financial literacy, and much-needed conversations about the commonalities and true face of debt problems, which know no bounds.

As Licensed Insolvency Trustees it is our great privilege to be able to assist consumers every day in solving their financial crises and offering a financial fresh start.

We recognize that the situations that cause clients to seek our help often leave them vulnerable and we feel strongly that an empathetic and supportive approach is needed, beyond the numbers, to better benefit and serve each and every member of our community.

LOCATIONS

LOWER MAINLAND

ABBOTSFORD

Suite 300 - 31935 South Fraser Way
Abbotsford, BC V2T 1V5
Phone: 604-864-5799

BURNABY

Metrotower II
Suite 2600 - 4720 Kingsway
Burnaby, BC V5H 4N2
Phone: 604-451-5799

CHILLIWACK

Suite 211 - 45480 Luckakuck Way
Chilliwack, BC V2R 2X5
Phone: 604-824-5794

LANGLEY

Suite 205 - 20651 56th Avenue
Langley, BC V3A 3Y9
Phone: 604-539-0200

MAPLE RIDGE

Suite 300 -
22420 Dewdney Trunk Road
Maple Ridge, BC V2X 3J5
Phone: 604-463-9599

NEW WESTMINSTER

Suite 200 - 500 Sixth Avenue
New Westminister, BC V3L 1V3
Phone: 778-735-0585

RICHMOND

Suite 926 - 6081 No. 3 Road
Richmond, BC V6Y 2B2
Phone: 604-303-8732

SURREY

Suite 203 - 10366 136A Street
Surrey, BC V3T 5R3
Phone: 604-583-5499

TRI-CITIES

Shaughnessy Square
Suite 205 - 2099 Lougheed Highway
Port Coquitlam, BC V3B 1A8
Phone: 604-945-5799

VANCOUVER

Suite 1370 - 1100 Melville Street
Vancouver, BC V6E 4A6
Phone: 604-684-3030

WHITE ROCK

Suite 202 - 15388 24 Avenue
South Surrey, BC V4A 2J2
Phone: 604-684-3030

VANCOUVER ISLAND

COLWOOD

Suite 132 - 328 Wale Road
Colwood, BC V9B 0J8
Phone: 778-357-3328

NANAIMO

Suite 102 - 155 Skinner Street
Nanaimo, BC V9R 5E8
Phone: 778-841-3328

VICTORIA

The Atrium Building
Suite 301 - 1321 Blanshard Street
Victoria, BC V8W 0B6
Phone: 778-746-3328

INTERIOR

KAMLOOPS

500 Victoria Street
Kamloops, BC V2C 2B2
Phone: 250-434-5988

PENTICTON

129 Nanaimo Avenue W.
Penticton, BC V2A 1N2
Phone: 778-738-3328

VERNON

Suite 204 - 3002 32nd Avenue
Vernon, BC V1T 2L7
Phone: 778-738-3328

KELOWNA

Suite 1100 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5
Phone: 778-738-3328



SANDS
& ASSOCIATES

Licensed Insolvency Trustees

www.sands-trustee.com