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British Columbians are Bad at Managing Debt

British Columbians remain particularly vulnerable to debt thanks to a lack of both awareness and debt settlement options.

On Monday, the Sands and Associates released their [third annual B.C. Consumer Debt Study](#), and this year, they found that overextension of credit and financial mismanagement was the number-one cause of financial distress.

Interestingly enough, 57 per cent of study participants felt they had a good or excellent grasp of financial skills and concepts, however; only three per cent correctly answered a series of questions pertaining to debt and debt solutions.

Of the three per cent who did answer correctly, they seemed to have learned from their past mistakes, as all had previously filed for personal bankruptcy or consumer proposal.

Moreover, nearly 65 per cent of respondents analyzed for the study said making only the minimum payments on their debt indicated to them that debt was becoming a problem.



Albeit a provincial problem, the study found a significant amount of debt accumulation to be derived throughout Vancouver and the Fraser Valley.

"The high cost of living in BC's lower mainland combined with attempting to service debt at unmanageable levels often leaves people reaching out for solutions in the wrong ways. The need for consumers to become better educated when it comes to debt management tools and identifying warning signs that could reduce their personal distress and financial difficulties is very real. Too many British Columbians are driving blind when it comes to debt," said Blair Martin, Vice-President of Sands and Associates.

Martin warns that consumers should take a closer look at their finances. If debt payments are higher than roughly ten per cent of a monthly take-home pay, consumers should investigate whether professional debt assistance is necessary, said Martin.

The study looks at factors causing financial difficulties, strategies used to resolve debt, and knowledge of consumers. Sands and Associates is B.C.'s largest firm of licensed credit counsellors.