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CFEE CANADIAN FOUNDATION FOR ECONOMIC EDUCATION
FONDATION CANADIENNE D'ÉDUCATION ÉCONOMIQUE

Canadian National Survey on Economic and Financial Capability

November 2008



Methodology

Methodology


- ◆ *The Strategic Counsel* is pleased to present the following research report to The Canadian Foundation for Economic Education.
- ◆ This report is based on a 20 minute telephone interview conducted among Canadian residents between August 19 and August 26, 2008.
- ◆ The survey was conducted among a sample of 1000 respondents. The margin of error for a sample of 1000 is +3.1%, 19 times out of 20.
- ◆ The survey was conducted among a sample that is proportionate to the Canadian population with respect to region and weighted to reflect Statistics Canada 2006 Census data.
- ◆ Please note that throughout this report, data columns may not sum to exactly 100% due to normal rounding issues or the allowance for multiple mention responses.

Objectives and Analytical Approach

- ◆ The intent of this survey was to measure Canadians' level of both confidence and knowledge with regard to economic matters of a personal financial nature and regarding more broad economic matters.

- ◆ To this end the survey asked questions dealing with:
 - Canadians' sense of confidence, using a 5 point scale, in dealing with personal financial matters and broader economic issues; and
 - Canadians' level of knowledge, through a series of questions that posed real life situations for which there were correct and incorrect answers.

- ◆ Based on the responses to these different groups of questions, a series of indices have been created and an analysis by key demographic groups undertaken.



Summary of Key Findings

Summary of Key Findings

- ◆ Overwhelmingly, Canadians place a high premium on economic and financial education.
 - Almost all (89%) support economic and financial education as a compulsory part of public schooling,
 - Virtually all (97%) say that it is important for individual citizens to have a good background in economic and financial knowledge.

- ◆ However, Canadians do not appear to be particularly satisfied with the formal avenues of education
 - The plurality of respondents (31%) reported that the quality of career guidance provided to students regarding future career paths and post-secondary education is “Fair.”
 - Moreover, Canadians are more likely to rely on informal channels, such as books, newspapers, spouses, and friends, as sources of economic and financial information, rather than high school .
 - Young Canadians, in particular, are likely to rely on the Internet to obtain financial and economic knowledge (57%).

Summary of Key Findings

- ◆ Confidence in dealing with economic and financial matters is fairly high, but is not matched in the survey by the level of knowledge displayed, which is very mixed.
 - Overall, most Canadians feel at least somewhat confident in dealing with economic and financial matters.
 - Confidence questions were asked using a five point scale which yielded an average of 3.6 points per question on each 5 point scale. This is one point above the mid point and suggests that Canadians on average feel somewhat confident in dealing with economic and financial matters
 - However, using an index to calculate combined confidence scores across all confidence questions showed that confidence scores were higher for those questions dealing with personal financial matters than the more abstract economic issues.
 - Overall, across both forced choice and open-ended knowledge questions, most Canadians display only limited knowledge and especially about broad economic issues.
 - A total of 13 closed-ended economic and financial knowledge questions were put to Canadians, and with on average of just over eight being answered correctly. Based on their responses, one-in-ten (11%) can be considered very knowledgeable; answering 11 of the 13 questions correctly. A further third (34%) could be considered somewhat knowledgeable; answering 9 or 10 questions correctly. Just over a quarter (28%) had 7 or 8 correct answers and should be seen as struggling, while one-in-five (19%) answered fewer than half (6 questions) correctly and should be seen as having limited knowledge of economic and personal financial matters.
 - Of the 13 closed ended knowledge questions put to Canadians, 9 dealt with broad economic questions and 4 with personal financial issues and these confirm the findings from the economic confidence index, namely that Canadians are more comfortable dealing with personal financial issues than broad and more abstract economic ones.
 - Responses to open ended questions dealing with economic and financial issues provided Canadians with a good deal more difficulty. The average number of correct answers was two out of nine, and only 7% of the public answered more than four questions correctly, while a third only answered one correctly. While admittedly these were more difficult questions, the low number of correct scores does highlight a deficiency in most Canadians economic and financial knowledge.

Summary of key findings

- ◆ Education appears to be the principal driver of economic and financial literacy.
 - The research clearly demonstrates that those who attain higher education levels tend to report greater degrees of both confidence and knowledge with respect to economic and financial matters.
 - Household income appears to be associated with economic and financial literacy. Canadians with higher levels of income are more likely than those with lower incomes, to be confident and knowledgeable about economic and financial matters. However, this should not be overstated because income is, at least in part, a function of education.
 - Overall, men are more likely than women to demonstrate high levels of confidence and knowledge in the economic and financial domains. This may be a factor a men's continuing higher levels of labour force participation and higher education levels (although on this latter issue the education level of women among younger cohorts is now as high as men's).
 - A regional bias, possibly rooted in educational disparity, is also evident. British Columbians are easily the most likely to be knowledgeable, particularly regarding Financial matters where they outpace Ontarians by 10% on the Overall Financial Knowledge Index. As *Statistics Canada* notes, outside of the Yukon, British Columbia is home to the largest proportion of individuals who have completed High School.
 - Age also appears to have an impact. Canadians aged 18-34 are the most likely to report low levels of financial confidence (15%). However, financial confidence rises with age.
 - Younger Canadians are also the most likely to report lower economic confidence scores (17%) and are the least likely to score high marks on the Economic Confidence Index (26% vs. 43% for age 55-64).


Summary of key findings

◆ Opportunities for Change:

- Given the current economic and financial environment the issue of economic and financial literacy is highly relevant.
- While Canadians clearly have some knowledge and especially regarding personal financial matters, the lower level of both economic and financial literacy among those with lower levels of education highlight the need for this type of education. This is especially important, given that for a significant minority of today's youth, public school may be the highest level of education that they will attain.
- Further, even among those with a post secondary education, the extent of knowledge about broad economic matters is not especially strong and should be enhanced in order for more citizens to take part in, or at least be informed on, the continuing debate regarding key policy issues around economics, globalization and sustainability and in which these factors will play an increasingly important role in shaping the society in which we all live.
- Moreover, Canadians appear to recognize that economic education is a crucial asset in a difficult economy and an unstable job-market and are likely to be highly supportive of such initiatives. .



Detailed Findings



Economic and
Financial Education

The public education system is at present not seen as a major source of economic or financial information

- ◆ Respondents are ambivalent about the financial and economic curriculum provided to them by the Canadian education system.
 - Most respondents (31%) reported that the quality of career guidance provided to students regarding future career paths and post-secondary education is “fair”: while a further fifth (21%) rate the quality as good. Few (3%) believe it is “excellent”.
 - Rather than relying on formal instruction, Canadians appear to draw economic and financial information from informal channels: the primary sources of knowledge are books, magazines and newspapers (79%), the workplace (67%) and friends/family (63%).
 - The Internet is a primary source of knowledge amongst young Canadians (57%).
 - Canadians are much less likely to report receiving economic and financial knowledge from College/University (46%) and High School (37%). In fact, high school is cited least frequently of the 9 sources tested. However, clearly these channel do provide information for some. In particular, among those with university experience two thirds (65%) report this as a source of knowledge.
 - While women are more likely than men to report receiving such knowledge from College/University (75% vs. 47%), but are no more likely to cite high school, they also have a greater tendency to report receiving their knowledge through the informal channels of Spouse/Partner (49% vs. 36%) and Friends/Family (68% vs. 58%).

Belief in the need for economic and financial education is high

- ◆ There is little doubt that Canadians believe that having economic and financial knowledge and skills is important and there appears to be an appetite for a more robust economic and financial curriculum within the public school system.
 - In all, 97% of the public believe having a good background in economic and financial knowledge is important, and 64% believe it is very important. Virtually all key demographic groups believe this type of knowledge is very important.
 - Consistent with this view, almost all (89%) Canadians say they support economic and financial education as a compulsory part of public schooling, and half (48%) strongly support this approach.
 - This support is strongest among the most educated, while only 39% of those with a high school education or less (despite a strong belief among this group in the importance of economic and financial knowledge) support this type of approach. Possibly, those with lower levels of education simply are less comfortable with learning through the public school system.

How would you rate the quality of career guidance that is provided to students today?

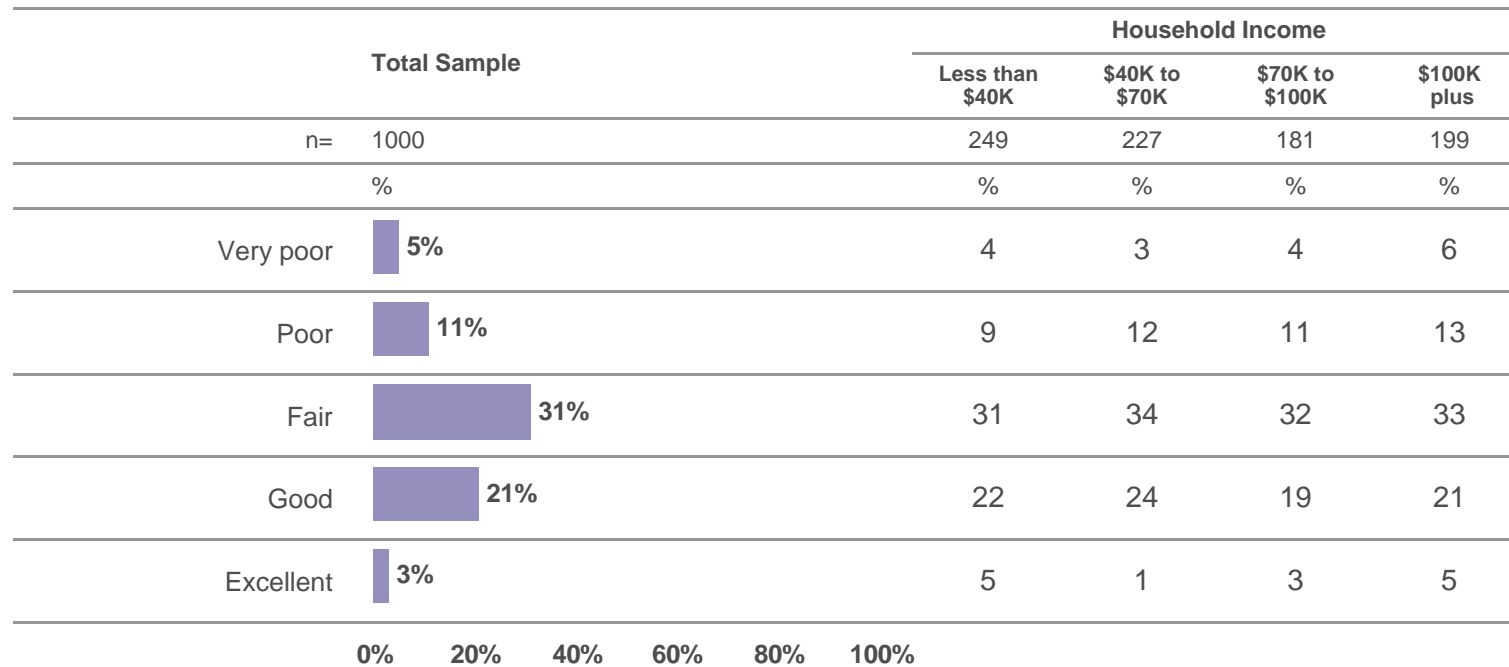
	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Very poor	5%	4	6	4	6	5	5
Poor	11%	4	6	13	10	12	9
Fair	31%	13	10	30	34	31	23
Good	21%	30	31	22	23	20	18
Excellent	3%	22	20	3	2	3	7

0% 20% 40% 60% 80% 100%

Q.1. First, how would you rate the quality of career guidance and information that is provided to students today to help them to make good choices about their post-secondary education and their possible future careers? Would you say it is ...

Base: Total sample






How would you rate the quality of career guidance that is provided to students today?



Q.1. First, how would you rate the quality of career guidance and information that is provided to students today to help them to make good choices about their post-secondary education and their possible future careers? Would you say it is ...

Base: Total sample






How important is it for individual citizens to have a good background in economic and financial knowledge and skills?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
TOTAL Important	 97%	96	98	96	97	98	97
Very important	 64%	62	66	64	64	64	63
Somewhat important	 33%	35	32	32	33	35	34
Not too important	 3%	3	2	3	3	2	3
Not at all important	<1	-	<1	<1	-	-	-
TOTAL Not important	 3%	3	2	3	3	2	2
DK/NA/Ref	<1	<1	-	<1	-	<1	<1

0% 20% 40% 60% 80% 100%

Q.3. How important do you think it is for individual citizens to have a good background in economic and financial knowledge and skills? Is it...
Base: Total sample








How important is it for individual citizens to have a good background in economic and financial knowledge and skills?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	249	227	181	199
%		%	%	%	%
TOTAL Important	 97%	97	99	97	96
Very important	 64%	63	59	65	67
Somewhat important	 33%	33	40	32	30
Not too important	 3%	3	1	4	4
Not at all important	<1	<1	-	-	-
TOTAL Not important	 3%	3	1	4	4
DK/NA/Ref	<1	<1	-	-	-

0% 20% 40% 60% 80% 100%

Q.3. How important do you think it is for individual citizens to have a good background in economic and financial knowledge and skills? Is it...
Base: Total sample

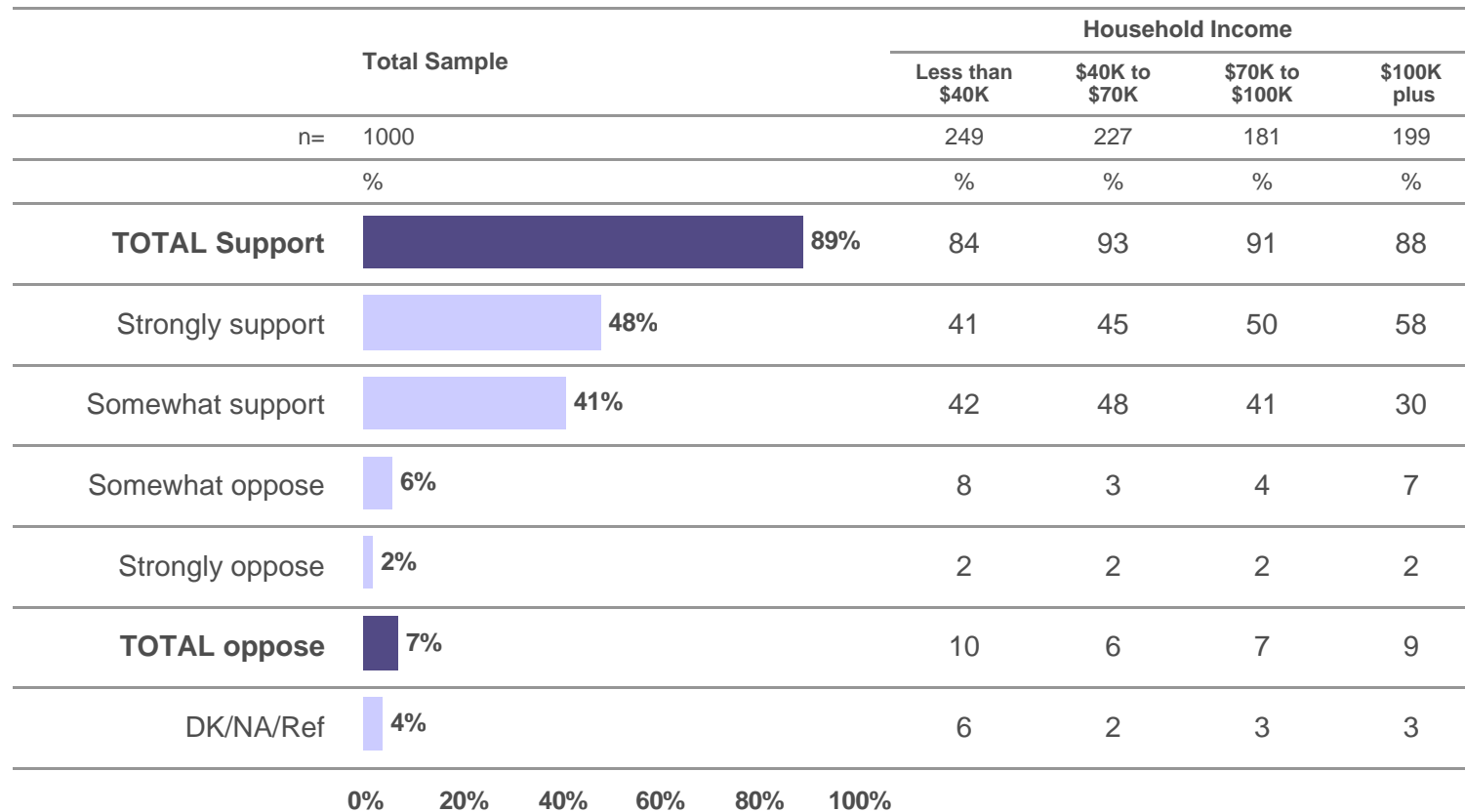
To what extent would you support or oppose economic and financial education as a compulsory part of public schooling?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
TOTAL Support	 89%	86	91	85	92	90	90
Strongly support	 48%	46	49	39	53	53	55
Somewhat support	 41%	40	41	46	39	37	35
Somewhat oppose	 6%	7	4	6	4	6	7
Strongly oppose	 2%	2	2	3	2	2	1
TOTAL oppose	 7%	9	6	9	5	7	8
DK/NA/Ref	 4%	5	3	6	3	3	2

0% 20% 40% 60% 80% 100%

Q.2. Thinking about economic and financial education, to what extent would you support or oppose it as a compulsory part of public schooling? Would you say you would...
Base: Total sample

To what extent would you support or oppose economic and financial education as a compulsory part of public schooling?




Q.2. Thinking about economic and financial education, to what extent would you support or oppose it as a compulsory part of public schooling? Would you say you would...
Base: Total sample

What are the sources of your economic and financial knowledge?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Reading from books, magazines, or newspapers	79	81	76	74	80	84	81
Your Workplace or Work experience	67	71	63	65	70	68	66
Friends or family members	63	58	68	64	63	64	60
Television programs	55	55	56	63	53	52	47
Your Parent(s)/Guardian(s)	50	49	52	52	53	49	43
College or university	46	47	75	21	53	64	66
Your spouse or partner	43	36	49	46	49	44	36
Reading on websites	40	44	35	29	41	53	43
High school	37	38	36	47	36	28	27
Other	19	17	20	18	16	22	23
Haven't really received any economic or financial knowledge	<1	-	<1	-	-	-	-

Q.44. Thinking about your economic and financial knowledge and/or skills, I would like you to tell me which of the following sources you think they came from? Did your knowledge and skills come from ...

Base:



Economic and
Financial Confidence

Economic and financial confidence is strongly linked to education

- ◆ Overall, most Canadians feel at least somewhat confident in dealing with economic and financial matters. This is evident from their responses to 15 questions that asked how confident that were in dealing with specific economic and financial matters. However, there is generally a greater sense of confidence when dealing with personal financial issues than broader and more abstract economic matters.
 - The questions were asked using a five point confidence scale (where five means very confident and one means not at all confident) and when responses from all 15 questions are combined yield a maximum confidence score of 75 points and a minimum of 15 points.
 - The overall mean score, based on a maximum of 75 points, is 54 points which yields an average of 3.6 points per question on each 5 point scale. This is one point above the mid point and suggests that Canadians on average feel somewhat confident in dealing with economic and financial matters.
 - In reviewing the scores, a fifth (22%) of Canadians had a score of 65 points or more (4.3 points per question) and should be considered very confident, close to half (46%) had scores of between 50 and 64 points (3.3 to 4.3 points per question) and are somewhat confident, and a third (33%) scored below 3.3 points and should be considered as lacking confidence in dealing with economic and financial matters.
 - Demographically, higher levels of education followed by higher household income are the most strongly associated with higher levels of overall confidence; age is also a factor, but to a lesser extent. Only 16% of 18 to 34 year olds received a score of 65 points or more, compared with those 55 years of age and over where 26% had a score of 65 and over.
 - Gender also appears as somewhat of a factor. Fewer women than men achieve high confidence scores (17% versus 26%, respectively, had 65 points or higher). However, the means scores for men and women are fairly similar, suggesting that aside from differences in high level scores, differences in confidence scores by gender are not great.

Economic confidence

◆ Economic Confidence:

- Of the 15 economic and financial confidence questions, four dealt with broad economic matters and 11 with personal financial issues. When just economic confidence matters are analysed (the scores range from 20 to 4) the mean score is 13 points, which is relatively low suggesting that Canadians struggled with the more abstract economic questions. The main points from the analysis are as follows:
 - There is a gender gap in economic confidence with men tending to score higher than women (40% vs. 31%, scoring 12 or more points on the 20 point scale).
 - Income and education appear to have a significant impact on economic confidence. Higher income and education levels are associated with greater levels of economic confidence.
 - Middle aged Canadians (45-64 years), are the most likely to report the highest scores (43% had a score of 15 or more), while those under 34 years report the lowest scores (26% with scores of 15 or higher)
 - By far, those living in the Atlantic Provinces are the least likely to report the highest economic confidence scores (22% report scores of 15 or more) and the most likely to report the lowest such scores (26%).

Financial confidence

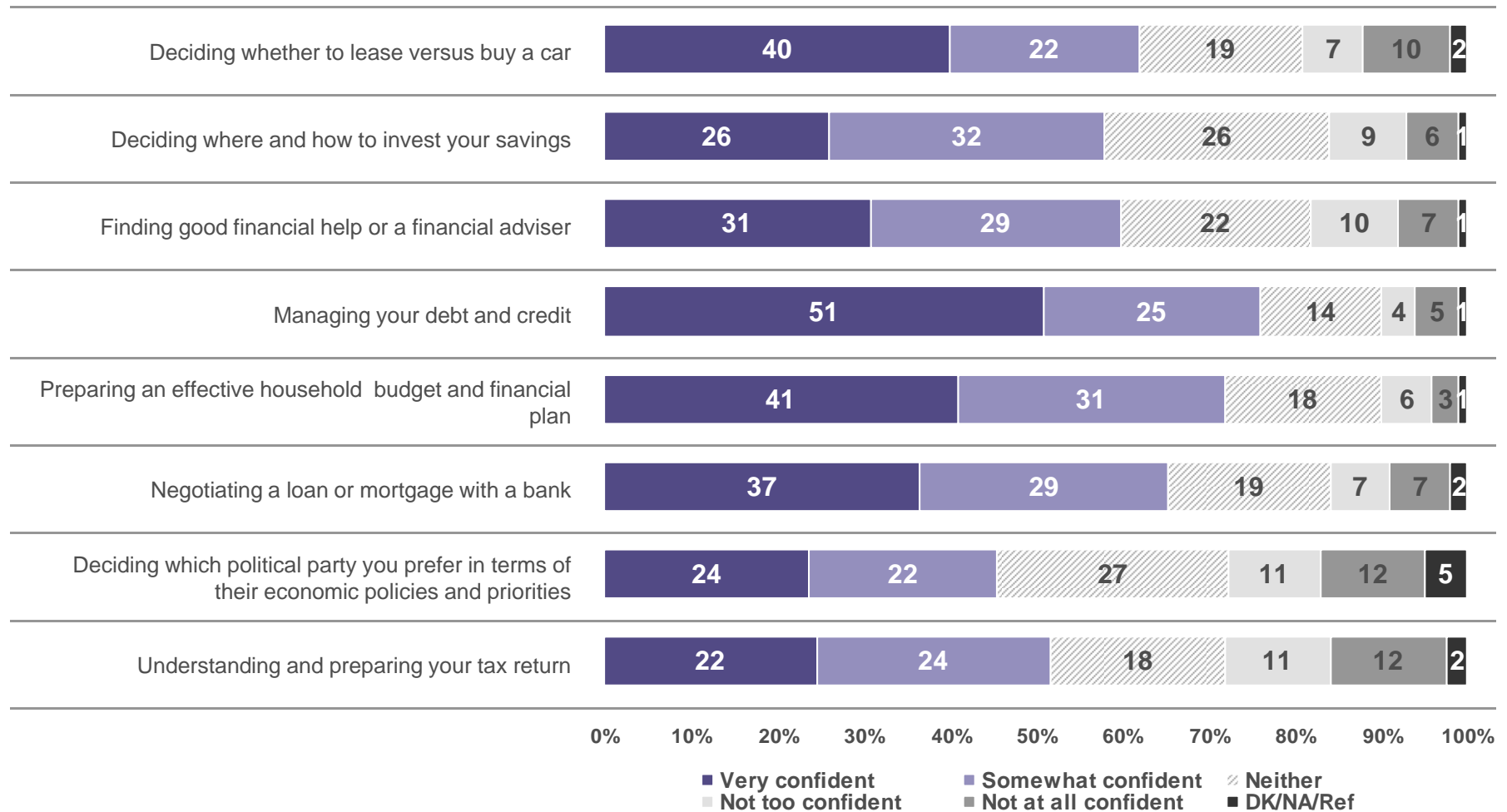
◆ Financial Confidence:

- When the 11 questions dealing with issues relating to financial confidence are separated, (scores range from 55 to 11) the mean score is 41 points. When this is standardized against the mean for the economic confidence indicator this translates into a score of 14 points and is slightly higher than the mean economic confidence score of 13 points, This suggests that there is slightly more overall confidence in dealing with personal financial matters than with broader and more abstract economic issues. The main analytical points are as follows:
 - Education and income levels again show the greatest differentiation in scores; while 72% of post graduates had a score of 40 or more, only 53% of those with a high school or less education had this type of score.
 - While the gender gap for economic knowledge was quite wide, it is far less for personal financial matters (64% of men and 57% of women had scores of 40 or more; a gap of 7%). When standardized for comparison with the economic knowledge gap of 11%, the standardized financial knowledge gap between men and women is just 3% . . .
 - While there is no clear association between age and financial confidence, those most likely to score the highest on the financial confidence scale are aged 55 years and over (64% had scores of 40 or more points). .

Confidence with specific issues

- ◆ Levels of Confidence with respect to particular challenges:
 - Canadians appear to be most confident managing short-term day-to-day financial activities. Confidence shines through on managing their debt and credit (76% say they feel very or somewhat confident), preparing a household budget (72%), saving for retirement (69%), being able to achieve economic and financial goals (68%) understanding how interest is calculated on a loan (66%) and negotiating a loan or mortgage (66%).
 - Canadians are slightly less confident with long-term decision-making. They are somewhat confident about leasing or buying a car (62%), saving for children's education (61%), finding good financial help and advice (60%), understanding financial information that is presented to them (57%) and deciding where and how to invest (58%).
 - Canadians are least confident dealing with more arcane issues of planning and priorities. Areas of least confidence are deciding their preference for political parties in terms of economic policies and priorities (46%), understanding and preparing a tax return (46%), determining whether interest rates are likely to rise or fall in the future (40%) and starting a business (37%).

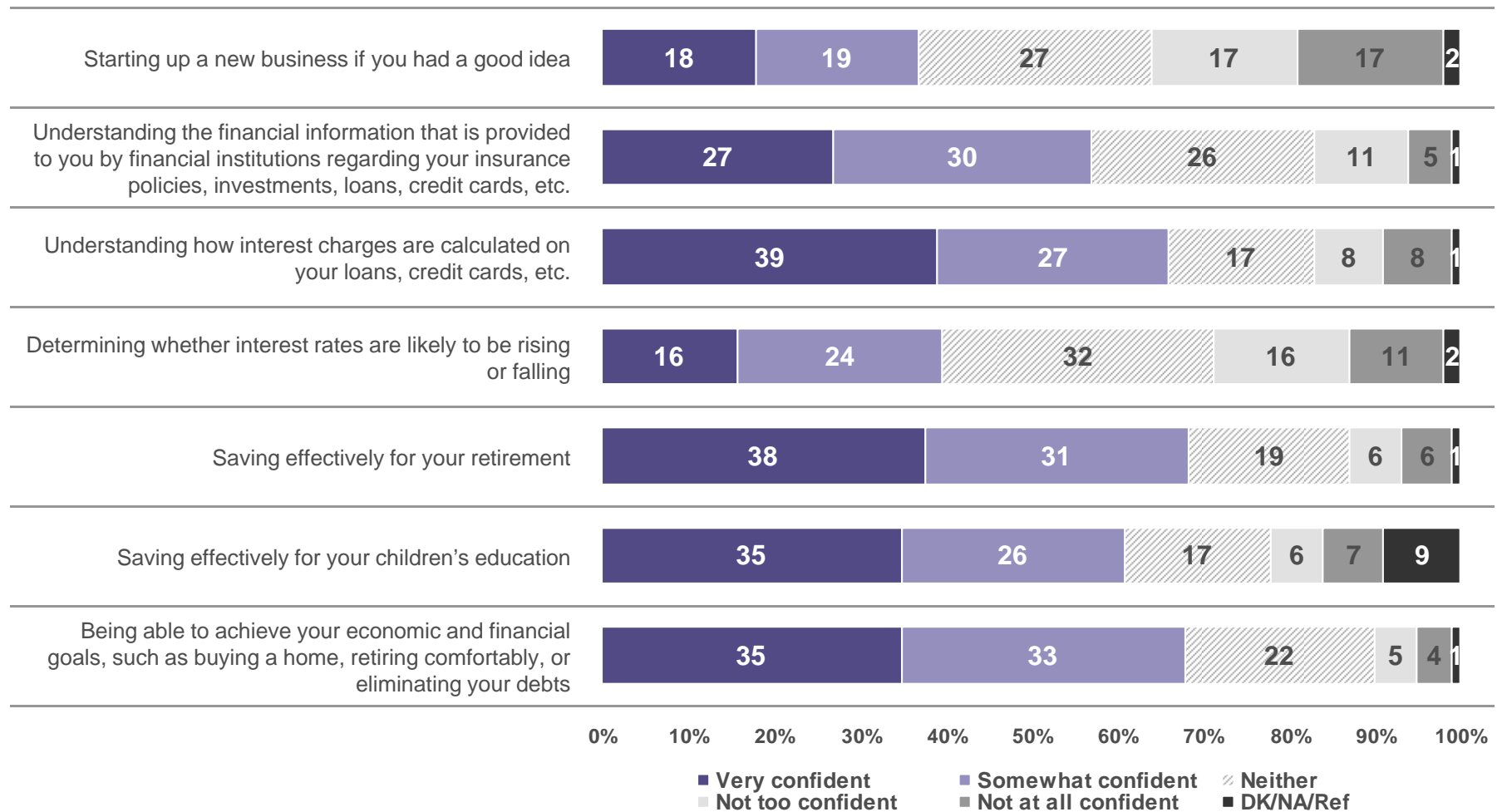
How confident would you likely be, when faced with each of the following economic and financial decisions and challenges...



Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Base:

How confident would you likely be, when faced with each of the following economic and financial decisions and challenges...



Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Base: Total sample

Overall Confidence Index

<u>Minimum Score is 15 – Maximum is 75</u>	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Less than 45	20	19	20	28	15	17	10
45-49	13	10	15	14	14	11	9
50-54	15	13	17	13	20	14	13
55-64	31	33	30	27	32	34	39
65 plus	22	26	17	18	19	25	29
MEAN SCORE	54	55	53	52	54	56	58

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

- Q.4 Deciding whether to lease versus buy a car
- Q.5 Deciding where and how to invest your savings
- Q.6 Finding good financial help or a financial adviser
- Q.7 Managing your debt and credit
- Q.8 Preparing an effective household budget and financial plan
- Q.9 Negotiating a loan or a mortgage with a bank
- Q.10 Deciding which political party you prefer in terms of their economic policies and priorities
- Q.11 Understanding and preparing your tax return
- Q.12 Starting up a new business if you had a good idea
- Q.13 Understanding the financial information that is provided to you by financial institutions regarding your insurance policies, investments, loans, credit cards, etc.
- Q.14 Understanding how interest charges are calculated on your loans, credit cards, etc.
- Q.15 Determining whether interest rates are likely to be rising or falling
- Q.16 Saving effectively for your retirement
- Q.17 Saving effectively for your children's education
- Q.18 Being able to achieve your economic and financial goals, such as buying a home, retiring comfortably, or eliminating your debts

Base: Total sample

Overall Confidence Index

<u>Minimum Score is 15 – Maximum is 75</u>	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
Less than 45	20	28	24	16	12
45-49	13	11	15	12	11
50-54	15	14	12	17	15
55-64	31	31	30	35	33
65 plus	22	17	15	23	31
MEAN SCORE	54	52	52	55	58

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

- Q.4 Deciding whether to lease versus buy a car
 - Q.5 Deciding where and how to invest your savings
 - Q.6 Finding good financial help or a financial adviser
 - Q.7 Managing your debt and credit
 - Q.8 Preparing an effective household budget and financial plan
 - Q.9 Negotiating a loan or a mortgage with a bank
 - Q.10 Deciding which political party you prefer in terms of their economic policies and priorities
 - Q.11 Understanding and preparing your tax return
 - Q.12 Starting up a new business if you had a good idea
 - Q.13 Understanding the financial information that is provided to you by financial institutions regarding your insurance policies, investments, loans, credit cards, etc.
 - Q.14 Understanding how interest charges are calculated on your loans, credit cards, etc.
 - Q.15 Determining whether interest rates are likely to be rising or falling
 - Q.16 Saving effectively for your retirement
 - Q.17 Saving effectively for your children's education
 - Q.18 Being able to achieve your economic and financial goals, such as buying a home, retiring comfortably, or eliminating your debts
- Base: Total sample

Economic Confidence Index

<u>Minimum Score is 4 – Maximum is 20</u>	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Less than 10	14	13	16	20	10	14	7
10 to 14	50	48	53	50	56	47	47
15 to 20	35	40	31	30	34	39	46
MEAN SCORE	13	14	13	13	13	14	14

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Q.10 Deciding which political party you prefer in terms of their economic policies and priorities

Q.12 Starting up a new business if you had a good idea

Q.15 Determining whether interest rates are likely to be rising or falling

Q.18 Being able to achieve your economic and financial goals, such as buying a home, retiring comfortably, or eliminating your debts

Base: Total sample

Economic Confidence Index

<u>Minimum Score is 4 – Maximum is 20</u>	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	249	227	181	199
	%	%	%	%	%
Less than 10	14	18	19	12	11
10 to 14	50	50	50	54	44
15 to 20	35	32	31	34	45
MEAN SCORE	13	13	13	13	14

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Q.10 Deciding which political party you prefer in terms of their economic policies and priorities

Q.12 Starting up a new business if you had a good idea

Q.15 Determining whether interest rates are likely to be rising or falling

Q.18 Being able to achieve your economic and financial goals, such as buying a home, retiring comfortably, or eliminating your debts

Base: Total sample

Economic Confidence Index

Minimum Score is 4 – Maximum is 20	Total Sample	Age					Employment Status			
		18-34	35-44	45-54	55-64	65+	Employed	Self Employed	Retired	Other
n=	1000	184	184	227	206	163	482	118	240	147
	%	%	%	%	%	%	%	%	%	%
Less than 10	14	17	12	14	13	14	16	8	12	16
10 to 14	50	57	54	45	45	49	53	40	47	57
15 to 20	35	26	33	41	43	37	32	52	41	28
MEAN SCORE	13	13	13	13	14	14	13	14	14	13

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Q.10 Deciding which political party you prefer in terms of their economic policies and priorities

Q.12 Starting up a new business if you had a good idea

Q.15 Determining whether interest rates are likely to be rising or falling

Q.18 Being able to achieve your economic and financial goals, such as buying a home, retiring comfortably, or eliminating your debts

Base: Total sample

Economic Confidence Index

Minimum Score is 4 – Maximum is 20	Total Sample	Region				
		Atlantic	Quebec	Ontario	Prairies	BC
n=	1000	74	243	383	167	133
	%	%	%	%	%	%
Less than 10	14	22	12	15	13	14
10 to 14	50	52	53	50	47	50
15 to 20	35	26	35	35	40	36
MEAN SCORE	13	12	13	13	13	13

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Q.10 Deciding which political party you prefer in terms of their economic policies and priorities

Q.12 Starting up a new business if you had a good idea

Q.15 Determining whether interest rates are likely to be rising or falling

Q.18 Being able to achieve your economic and financial goals, such as buying a home, retiring comfortably, or eliminating your debts

Base: Total sample

Financial Confidence Index

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
<u>Minimum Score is 11 – Maximum is 55</u>							
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
29 or less	11	11	12	17	10	9	8
30 to 39	28	25	31	30	30	26	20
40 to 49	42	42	42	37	45	45	42
50 Plus	19	22	15	16	15	21	30
MEAN SCORE	41	42	40	39	41	42	44

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Q.4 Deciding whether to lease versus buy a car

Q.5 Deciding where and how to invest your savings

Q.6 Finding good financial help or a financial adviser

Q.7 Managing your debt and credit

Q.8 Preparing an effective household budget and financial plan

Q.9 Negotiating a loan or a mortgage with a bank

Q.11 Understanding and preparing your tax return

Q.13 Understanding the financial information that is provided to you by financial institutions regarding your insurance policies, investments, loans, credit cards, etc.

Q.14 Understanding how interest charges are calculated on your loans, credit cards, etc.

Q.16 Saving effectively for your retirement

Q.17 Saving effectively for your children's education

Base: Total sample

Financial Confidence Index

<u>Minimum Score is 11 – Maximum is 55</u>	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	249	227	181	199
	%	%	%	%	%
29 or less	11	18	13	9	9
30 to 39	28	28	33	29	20
40 to 49	42	39	43	44	44
50 Plus	19	15	11	18	29
MEAN SCORE	41	39	39	42	44

- Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...
- Q.4 Deciding whether to lease versus buy a car
 - Q.5 Deciding where and how to invest your savings
 - Q.6 Finding good financial help or a financial adviser
 - Q.7 Managing your debt and credit
 - Q.8 Preparing an effective household budget and financial plan
 - Q.9 Negotiating a loan or a mortgage with a bank
 - Q.11 Understanding and preparing your tax return
 - Q.13 Understanding the financial information that is provided to you by financial institutions regarding your insurance policies, investments, loans, credit cards, etc.
 - Q.14 Understanding how interest charges are calculated on your loans, credit cards, etc.
 - Q.16 Saving effectively for your retirement
 - Q.17 Saving effectively for your children's education
- Base: Total sample

Financial Confidence Index

<u>Minimum Score is 11 – Maximum is 55</u>	Total Sample	Age					Employment Status			
		18-34	35-44	45-54	55-64	65+	Employed	Self Employed	Retired	Other
n=	1000	184	184	227	206	163	482	118	240	147
	%	%	%	%	%	%	%	%	%	%
29 or less	11	15	9	12	10	12	11	6	11	18
30 to 39	28	33	30	25	24	25	31	21	22	33
40 to 49	42	40	46	44	40	40	42	52	42	34
50 Plus	19	13	15	19	25	23	16	21	25	15
MEAN SCORE	41	39	41	41	42	42	41	43	42	39

Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...

Q.4 Deciding whether to lease versus buy a car

Q.5 Deciding where and how to invest your savings

Q.6 Finding good financial help or a financial adviser

Q.7 Managing your debt and credit

Q.8 Preparing an effective household budget and financial plan

Q.9 Negotiating a loan or a mortgage with a bank

Q.11 Understanding and preparing your tax return

Q.13 Understanding the financial information that is provided to you by financial institutions regarding your insurance policies, investments, loans, credit cards, etc.

Q.14 Understanding how interest charges are calculated on your loans, credit cards, etc.

Q.16 Saving effectively for your retirement


Q.17 Saving effectively for your children's education

Base: Total sample

Financial Confidence Index

Minimum Score is 11 – Maximum is 55	Total Sample	Region				
		Atlantic	Quebec	Ontario	Prairies	BC
n=	1000	74	243	383	167	133
	%	%	%	%	%	%
29 or less	11	15	10	11	13	13
30 to 39	28	30	31	28	23	29
40 to 49	42	43	40	43	44	39
50 Plus	19	12	18	19	21	20
MEAN SCORE	41	39	41	41	42	41

- Q.4-18. Now I would like you to tell me how confident you are, or would likely be, when faced with each of the following economic and financial decisions and challenges. You can give me a number on a scale of one to five, where one means not (at all) confident and five means very confident. The first is ...
- Q.4 Deciding whether to lease versus buy a car
 - Q.5 Deciding where and how to invest your savings
 - Q.6 Finding good financial help or a financial adviser
 - Q.7 Managing your debt and credit
 - Q.8 Preparing an effective household budget and financial plan
 - Q.9 Negotiating a loan or a mortgage with a bank
 - Q.11 Understanding and preparing your tax return
 - Q.13 Understanding the financial information that is provided to you by financial institutions regarding your insurance policies, investments, loans, credit cards, etc.
 - Q.14 Understanding how interest charges are calculated on your loans, credit cards, etc.
 - Q.16 Saving effectively for your retirement
 - Q.17 Saving effectively for your children's education
- Base: Total sample



Economic and
Financial
Knowledge

Overall level of economic and financial knowledge is moderate

- ◆ A total of 13 closed-ended economic and financial knowledge questions were put to Canadians, and with on average of just over eight being answered correctly. Based on their responses, one-in-ten (11%) can be considered very knowledgeable; answering 11 of the 13 questions correctly. A further third (34%) could be considered somewhat knowledgeable; answering 9 or 10 questions correctly. Just over a quarter (28%) had 7 or 8 correct answers and should be seen as struggling, while one-in-five (19%) answered fewer than half (6 questions) correctly and should be seen as having limited knowledge of economic and personal financial matters.
 - Once again the most significant gaps are along education and household income lines. Those with a university or higher education are easily the most knowledgeable with 70% answering nine or more of the 13 questions correctly compared with 39% answering this many correctly among those with a high school or less education.
 - In terms of income, those from higher income households (\$100,000 or more annual income) are easily the most likely to answer nine or more questions correctly (75%). However, as noted earlier income and education are highly correlated.
 - Age is also a factor associated with differing knowledge levels. Both younger and older Canadians appear to be the least knowledgeable.
 - Regional differences in levels of knowledge are also apparent. B.C. (66%, with a score of nine or more) and Ontario (57%, nine or more) appear to be the most knowledgeable regions. However, these regions also tend to have the populations with the highest education levels.
 - While there is a gender gap, and with men appearing to be more knowledgeable than women; the gap is far narrower than for education and income groups. Among men, 61% answered nine or more questions correctly compared with 47% among women.

Economic knowledge is a struggle for many Canadians

- ◆ Economic knowledge - of the 13 closed ended knowledge questions put to Canadians, 9 dealt with broad economic questions and these confirm the findings from the economic confidence index, namely that Canadians are more comfortable dealing with personal financial issues than broad and more abstract economic ones.
 - Across the nine questions, the mean score per respondent was 5.4 correct answers, which means that close to half of responses were incorrect. In fact, only 10% of Canadians got all or nearly all (eight or nine) of the economic questions correct.
 - As in the case of the overall knowledge index, household income and education are strongly correlated with economic knowledge. For example, 71% of those with a post graduate education got six or more questions correct compared with 38% among those with a high school education or less.
 - Regionally, B.C. residents display the highest level of economic knowledge and Atlantic and Quebec residents the lowest levels.
 - In terms of gender, men appear more knowledgeable than women on economic issues (59% of men compared with 44% of women got six or more questions correct).

Financial knowledge is an area of greater comfort

- ◆ Financial Knowledge - Canadians appear to be far more knowledgeable when the issue of personal financial knowledge is considered. Of the four questions asked dealing with this issue, 40% of Canadians answered all of them correctly. The mean number answered correctly was 3.1.
 - Once again, those with higher levels of education and household income demonstrated higher levels of knowledge, although the gap between various education and income groups is narrower than for economic knowledge, which suggests that those with lower levels of education have greater personal financial than economic knowledge.
 - Individuals over the age of 65 tended to score significantly lower than other age demographics, only a quarter (27%) of seniors answered all four financial questions correctly.
 - British Columbians were again by far the most likely to demonstrate the most financial knowledge (51%).
 - Compared with the large gender differences noted on economic knowledge questions, differences between men and women on financial questions are far narrower, (44% of men and 36% of women answered all four questions correctly).

Responses to specific knowledge questions

◆ Economic knowledge:

- The majority of questions were answered correctly by half or more of Canadians. Those answered correctly by large numbers of the public tended to be those that Canadians may have some experience with in everyday life and included:
 - The definition of an import (90%)
 - Impact of an increase in the value of the Canadian dollar on exports (77%)
 - Impact of demand on the price of a product (70%)
 - Free trade and duty on consumers' purchases abroad (62%)
 - Impact of interest rate increases on spending (60%)
- Other questions posed were more difficult for the public, and were more abstract, and included:
 - The relationship between time spent on a job and productivity (55%)
 - Factors behind the money supply (51%)
 - Impact of interest rates on inflation (38%)
 - Definition of real wages (35%)

Responses to specific knowledge questions

◆ Financial knowledge:

- Or each of the four personal financial knowledge questions, all of which dealt with loans close to two thirds or more of the public gave correct answers. The high number of correct answers is likely a reflection that most households have experience in this area, questions included:
 - Impact of taking longer to pay a mortgage on total cost of loan (88%)
 - Impact of late payments on credit rating (80%)
 - Impact of various mortgage payment options on total cost of loan (70%)
 - Impact of long term geographical stability on credit rating (64%)

Combined knowledge index

Minimum Score is 0 Maximum is 13	Total Sample	Gender		Education			Region					
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate	Atlantic	Quebec	Ontario	Parries	British Columbia
n=	1000	497	503	357	239	281	110	74	243	383	167	133
	%	%	%	%	%	%	%	%	%	%	%	%
0-6	19	14	23	28	19	11	7	17	23	19	18	13
7-8	28	25	3	34	30	19	24	37	31	24	32	22
9-10	34	35	34	29	31	44	35	31	32	36	31	37
11+	19	26	13	10	20	26	34	15	13	21	19	29
MEAN SCORE	8.4	8.9	8.0	7.7	8.4	9.1	9.4	8.4	8.0	8.5	8.5	9.0

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Base: Total sample

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Combined knowledge index

Minimum Score is 0 – Maximum is 13	Total Sample	Household Income				Age				
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus	18-34	35-44	45-54	55-64	65+
n=	1000	357	239	281	110	184	184	227	206	163
	%	%	%	%	%	%	%	%	%	%
0-6	19	34	16	12	8	21	13	16	13	27
7-8	28	33	30	30	18	29	26	25	30	30
9-10	34	27	37	33	44	32	36	36	40	30
11+	19	7	17	25	31	18	26	23	18	12
MEAN SCORE	8.4	7.3	8.5	8.9	9.4	8.3	8.9	8.7	8.6	7.8

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Base: Total sample

STRICTLY PRIVILEGED AND CONFIDENTIAL

Overall Economic Index

<u>Minimum Score 0 – Maximum 9</u>	Total Sample	Household Income				Education			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus	High School or less	CGEP/ College	University	Post-Grad.
n=	1000	249	227	181	199	358	238	278	112
	%	%	%	%	%	%	%	%	%
0-3	16	27	15	11	6	22	17	8	8
4-5	34	39	36	35	28	40	37	31	21
6-7	40	30	42	39	51	32	36	49	47
8-9	10	4	8	15	15	6	10	12	24
MEAN SCORE	5.4	4.6	5.3	5.7	6.1	4.8	5.4	5.8	6.2

- Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...
- Q.25 Thinking about the rate of inflation (that is, the rate at which the cost of living increases or decreases), would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or would they have no impact?
- Q.26 Thinking about the market for cars, if the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars most likely increase, decrease or would there be no change in the price?
- Q.27 If you gave a person working in a factory more time to complete a task would this increase, decrease, or leave unchanged their overall productivity?
- Q.28 Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or would it have no impact?
- Q.29 When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?
- Q.32-33 Now I'd like to ask you a few questions that simply require a yes or no answer. If you don't know the answer, just say I don't know? The first is ...
- Q.32 When an economist talks about a person's real wages, is this referring to wages after taxes?
- Q.33 Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?
- Q.35-38 Now for this next series of questions, I would like you to choose ONE of two or three possible responses. Again if you don't know just say I don't know. The first is ...
- Q. 35 Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?
- Q. 37 Is an import something we buy from another country OR one we sell to another country?

Overall Economic Index

<u>Minimum Score is 0 – Maximum is 9</u>	Total Sample	Employment Status				Age				
		Employed	Self Employed	Retired	Other	18-34	35-44	45-54	55-64	65+
n=	1000	482	118	240	147	184	184	227	206	163
	%	%	%	%	%	%	%	%	%	%
0-3	16	13	11	18	21	20	11	12	11	21
4-5	34	33	30	36	40	34	33	35	38	33
6-7	40	42	46	39	31	34	44	41	43	40
8-9	10	12	13	7	9	12	12	12	8	6
MEAN SCORE	5.4	5.6	5.7	5.2	4.9	5.2	5.7	5.5	5.4	5.1

- Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...
- Q.25 Thinking about the rate of inflation (that is, the rate at which the cost of living increases or decreases), would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or would they have no impact?
- Q.26 Thinking about the market for cars, if the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars most likely increase, decrease or would there be no change in the price?
- Q.27 If you gave a person working in a factory more time to complete a task would this increase, decrease, or leave unchanged their overall productivity?
- Q.28 Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or would it have no impact?
- Q.29 When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?
- Q.32-33 Now I'd like to ask you a few questions that simply require a yes or no answer. If you don't know the answer, just say I don't know? The first is ...
- Q.32 When an economist talks about a person's real wages, is this referring to wages after taxes?
- Q.33 Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?
- Q.35-38 Now for this next series of questions, I would like you to choose ONE of two or three possible responses. Again if you don't know just say I don't know. The first is ...
- Q. 35 Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?
- Q. 37 Is an import something we buy from another country OR one we sell to another country?

Overall Economic Index

<u>Minimum Score is 0 – Maximum is 9</u>	Total Sample	Gender		Region				
		Male	Female	Atlantic	Quebec	Ontario	Prairies	BC
		%	%	%	%	%	%	%
n=	1000	497	503	74	243	383	167	133
0-3	16	10	21	12	19	17	14	11
4-5	34	32	37	41	37	32	37	29
6-7	40	44	36	38	37	39	41	47
8-9	10	15	6	9	7	12	9	13
MEAN SCORE	5.4	5.8	5.0	5.3	5.1	5.4	5.5	5.8

- Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...
- Q.25 Thinking about the rate of inflation (that is, the rate at which the cost of living increases or decreases), would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or would they have no impact?
- Q.26 Thinking about the market for cars, if the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars most likely increase, decrease or would there be no change in the price?
- Q.27 If you gave a person working in a factory more time to complete a task would this increase, decrease, or leave unchanged their overall productivity?
- Q.28 Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or would it have no impact?
- Q.29 When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?
- Q.32-33 Now I'd like to ask you a few questions that simply require a yes or no answer. If you don't know the answer, just say I don't know? The first is ...
- Q.32 When an economist talks about a person's real wages, is this referring to wages after taxes?
- Q.33 Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?
- Q.35-38 Now for this next series of questions, I would like you to choose ONE of two or three possible responses. Again if you don't know just say I don't know. The first is ...
- Q. 35 Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?
- Q. 37 Is an import something we buy from another country OR one we sell to another country?

Base: Total sample
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Overall Financial Index

<u>Minimum Score 0 – Maximum 4</u>	Total Sample	Household Income				Education			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus	High School or less	CGEP/ College	University	Post-Grad.
n=	1000	249	227	181	199	358	238	278	112
	%	%	%	%	%	%	%	%	%
0-1	6	13	5	4	1	9	7	4	2
2	18	26	14	17	13	23	17	12	22
3	36	36	38	36	34	40	37	34	27
4	40	26	44	43	53	29	39	50	50
MEAN SCORE	3.1	2.7	3.2	3.2	3.4	2.9	3.1	3.3	3.2

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Q.30 Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan

Q.31 Would living longer at the same address likely help, hurt or have no impact on your credit rating?

Q.35-38 Now for this next series of questions, I would like you to choose ONE of two or three possible responses. Again if you don't know just say I don't know. The first is ...

Q. 36 Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?

Q. 38 When buying a home, which of the following would likely increase the total cost you will pay for a home = making a larger down-payment, paying off the mortgage over a longer period of time, OR making more frequent payments?

Base: Total sample

STRICTLY PRIVILEGED AND CONFIDENTIAL

Overall Financial Index

<u>Minimum Score is 0 – Maximum is 4</u>	Total Sample	Employment Status				Age				
		Employed	Self Employed	Retired	Other	18-34	35-44	45-54	55-64	65+
	n= 1000	498	108	227	155	279	172	190	149	176
	%	%	%	%	%	%	%	%	%	%
0-1	6	3	3	11	9	5	4	5	4	14
2	18	15	21	22	21	18	16	17	15	24
3	36	36	35	32	42	40	34	33	36	35
4	40	45	41	36	28	37	46	45	45	27
MEAN SCORE	3.1	3.2	3.1	2.9	2.8	3.1	3.2	3.2	3.2	2.7

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Q.30 Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan

Q.31 Would living longer at the same address likely help, hurt or have no impact on your credit rating?

Q.35-38 Now for this next series of questions, I would like you to choose ONE of two or three possible responses. Again if you don't know just say I don't know. The first is ...

Q. 36 Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?

Q. 38 When buying a home, which of the following would likely increase the total cost you will pay for a home = making a larger down-payment, paying off the mortgage over a longer period of time, OR making more frequent payments?

Base: Total sample

STRICTLY PRIVILEGED AND CONFIDENTIAL

Overall Financial Index

<u>Minimum Score is 0 – Maximum is 4</u>	Total Sample	Gender		Region				
		Male	Female	Atlantic	Quebec	Ontario	Prairies	BC
		n=	1000	497	503	74	243	383
	%	%	%	%	%	%	%	%
0-1	6	6	7	4	8	7	3	4
2	18	16	21	18	27	16	16	14
3	36	35	37	40	33	36	43	31
4	40	44	36	38	33	41	37	51
MEAN SCORE	3.1	3.1	3.1	3.1	2.9	3.1	3.1	3.3

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Q.30 Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan

Q.31 Would living longer at the same address likely help, hurt or have no impact on your credit rating?

Q.35-38 Now for this next series of questions, I would like you to choose ONE of two or three possible responses. Again if you don't know just say I don't know. The first is ...

Q. 36 Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?

Q. 38 When buying a home, which of the following would likely increase the total cost you will pay for a home = making a larger down-payment, paying off the mortgage over a longer period of time, OR making more frequent payments?

Base: Total sample

STRICTLY PRIVILEGED AND CONFIDENTIAL



Open-Ended
Knowledge Questions

Open-ended knowledge questions were far more challenging

- ◆ In order to explore in more depth Canadians' knowledge of economic and financial matters, a series of 11 questions were asked for which no categories were provided and in which the respondent had to provide the answer on an unaided basis. One reason for doing this was to overcome the difficulty of any categorical (or multiple choice) question and that is that some participants will guess and depending upon the number of categories will have a predetermined chance of getting the right answer.
 - Of the 11 open ended questions used, nine were suitable for including in an index, two were more questions of judgment or situation And will be analysed in the later part of this section of the report.
 - When responses to the nine questions are combined into an index, then it is clear that these provided Canadians with a good deal more difficulty. The average number of correct answers was two out of nine, and only 7% of the public answered more than four questions correctly, while a third only answered one correctly. While admittedly these were more difficult questions, the low number of correct scores does highlight a deficiency in most Canadians economic and financial knowledge.
 - Consistent with findings from the other indices, education and household income again show significant variation in response. However, differences are not as great as for the other indices questions, and in large part because of the low scores across all demographic groups. Even among those reporting a post graduate education, only 15% were able to answer 4 or more questions correctly, compared with 5% among those with high school or less or a college/CEGEP level education.
 - Gender and age differences are also apparent and follow the pattern of the other indices (men being somewhat more knowledgeable than women and older and younger Canadians having less knowledge than those between ages 35 and 64 years.
 - Unlike responses to the other index questions, regional variations are minimal. .

Responses to Specific open-ended personal financial knowledge questions

- ◆ Given the low number of correct answers, it is not surprising to find that for many questions very few were able to answer correctly.
 - However, there was one question that a large number of Canadians were able to answer correctly, and this dealt with a personal financial issue; specifically a question dealing with how much interest in a year they would have to pay on \$1,000 at 8% interest; in all 61% answered correctly.
 - Canadians were also somewhat likely to know the average rate of interest charged on unpaid credit card balances (45%), however, given the prevalence of credit cards, it is perhaps surprising that over half the adult population did not know the answer. Perhaps, not as surprising was the relatively small number (24%) who were able to correctly identify that the highest rate of interest that can legally be charged is over 30%. More surprising, though, was that so few (22%) Canadians were able to identify their home or real estate as the single greatest source of wealth for most families; as many cited employment (23%) or income (20%).
 - Canadians were also somewhat likely to be correct about the amount of income a family of four needs to cover basic necessities (48%) (namely up to \$60,000 a year). However, on the question of the total cost of a university students' education away from home for a year, while the correct answer is under \$20,000, over half (53%) estimated above this amount, 14% did not know and a third were in the ballpark. Of interest, and not surprising, on this question was that the university educated were most likely to be in the ballpark, 42% gave a figure under \$20,000.
 - Not unexpectedly, those 55 year of age and over were the most likely to be in the ballpark in correctly indicating the maximum amount paid by the Canada Pension Plan to retirees, but even here a third of seniors indicated that they did not know. Among those under 55 years of age, half or more either did not answer the question or were considerably outside of the ballpark in their estimates.
 - Finally, in terms of personal financial type issues, very few (13%) Canadians were aware that none of an investors mutual fund investments are insured against loss, in fact 63% reported that they did not know how much was insured or gave no answer to this question.

Responses to Specific open-ended economic knowledge questions

- ◆ In terms of broad questions of economic knowledge, most Canadians were able to name two large Canadian owned firms, although 19% were unable to name firms and another 8% gave the names of non Canadian, and largely American owned, firms. No one firm was dominant in Canadians' minds, but Bombardier (17% and 42% in Quebec) and Bell (12% and 17% in Quebec) were the most frequently named.
- ◆ Of all the open ended questions asked, the most difficult to answer correctly was the size of the national debt. Only 6% were able to correctly place it between \$250 and \$499 billion. In fact, half (49%) did not try to give an answer
- ◆ As expected, for most questions education, income and gender appear to have a significant impact on responses. However, for some questions almost all groups were unsure of the answer. In particular, questions regarding the maximum CPP amount that a person will be paid annually, the national debt, and to a lesser extent the percentage of a mutual fund investment that is insured against loss (only those with a post graduate education (26%) came close. This suggests that economic literacy in a complete sense is not widespread across even the most educated parts of the population.
- ◆ Finally, and unsurprisingly income does affect considerably Canadians' beliefs regarding the amount of total lifetime savings that must be accumulated in order to ensure a comfortable retirement lifestyle. Among those with household incomes of under \$70,000, 44% indicated that they would need \$500,000 or less compared with only 24% saying this among those in households with incomes of \$70,000 or more.

Open-Ended Economic and Financial Index

<u>Minimum Score is 0</u> <u>Maximum is 9</u>	Total Sample	Gender		Education			Region					
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate	Atlantic	Quebec	Ontario	Parries	British Columbia
n=	999	500	500	358	238	278	112	74	243	383	167	133
	%	%	%	%	%	%	%	%	%	%	%	%
0-1	33	29	38	41	32	26	25	31	28	33	36	40
2	43	40	46	40	47	44	41	43	47	43	41	38
3	16	19	14	14	16	20	19	15	21	16	16	13
4+	7	12	2	5	5	9	15	11	4	8	7	9
MEAN SCORE	2.0	2.2	1.8	1.8	1.9	2.1	2.3	2.1	2.0	2.0	1.9	1.9

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Base: Total sample

STRICTLY PRIVILEGED AND CONFIDENTIAL

Open-Ended Economic and Financial Index

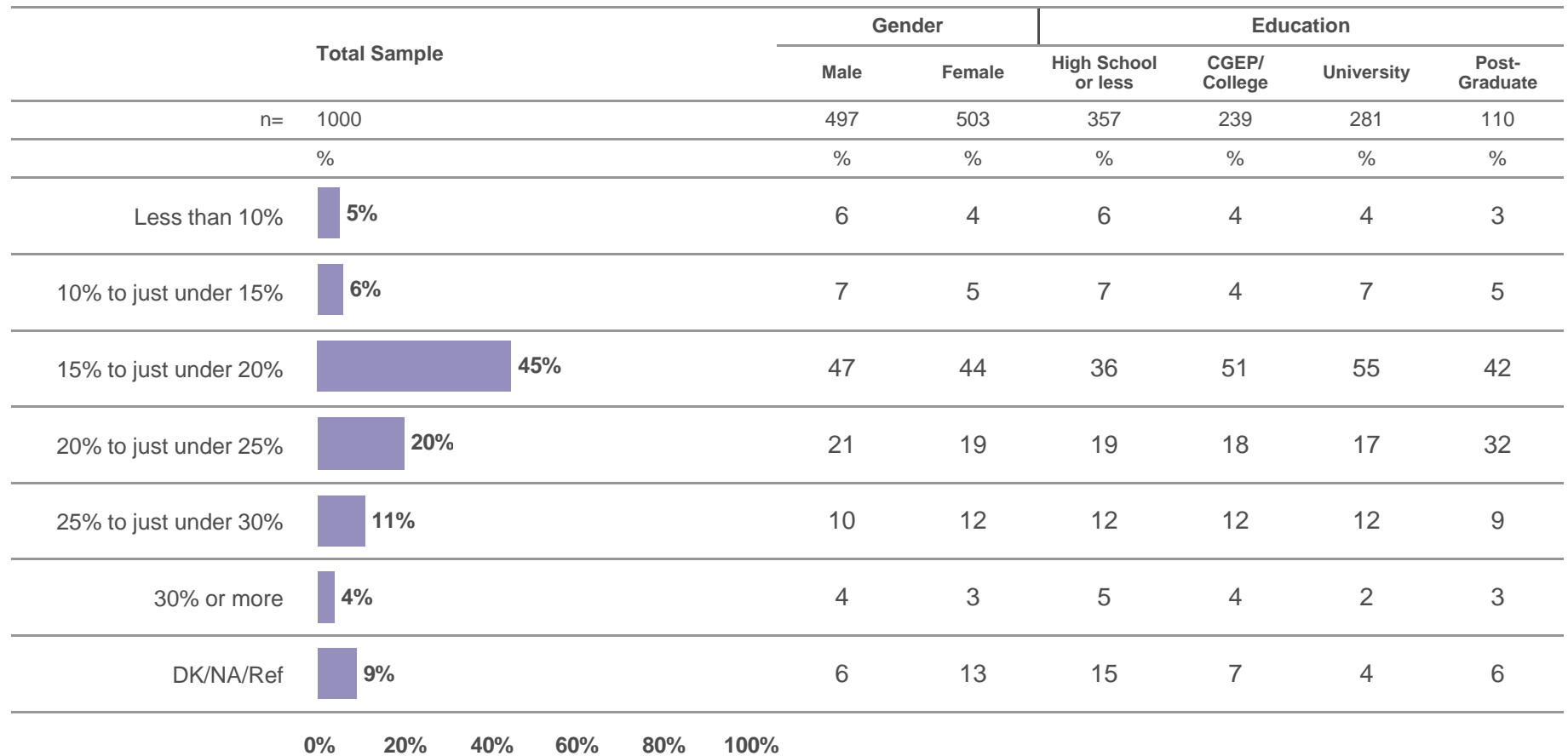
<u>Minimum Score is 0 – Maximum is 9</u>	Total Sample	Household Income				Age				
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus	18-34	35-44	45-54	55-64	65+
n=	999	244	228	178	203	184	184	227	206	163
	%	%	%	%	%	%	%	%	%	%
0-1	33	43	35	28	25	34	30	33	30	39
2	43	41	46	46	37	53	46	39	41	39
3	16	14	13	16	26	9	17	21	18	16
4+	7	2	6	10	12	4	6	7	11	7
MEAN SCORE	2.0	1.8	1.9	2.1	2.6	1.8	2.0	2.0	2.1	1.9

Q.25-31 These next few questions are about your financial and economic views. If you are unsure of your answer, just say don't know. The first is...

Base: Total sample

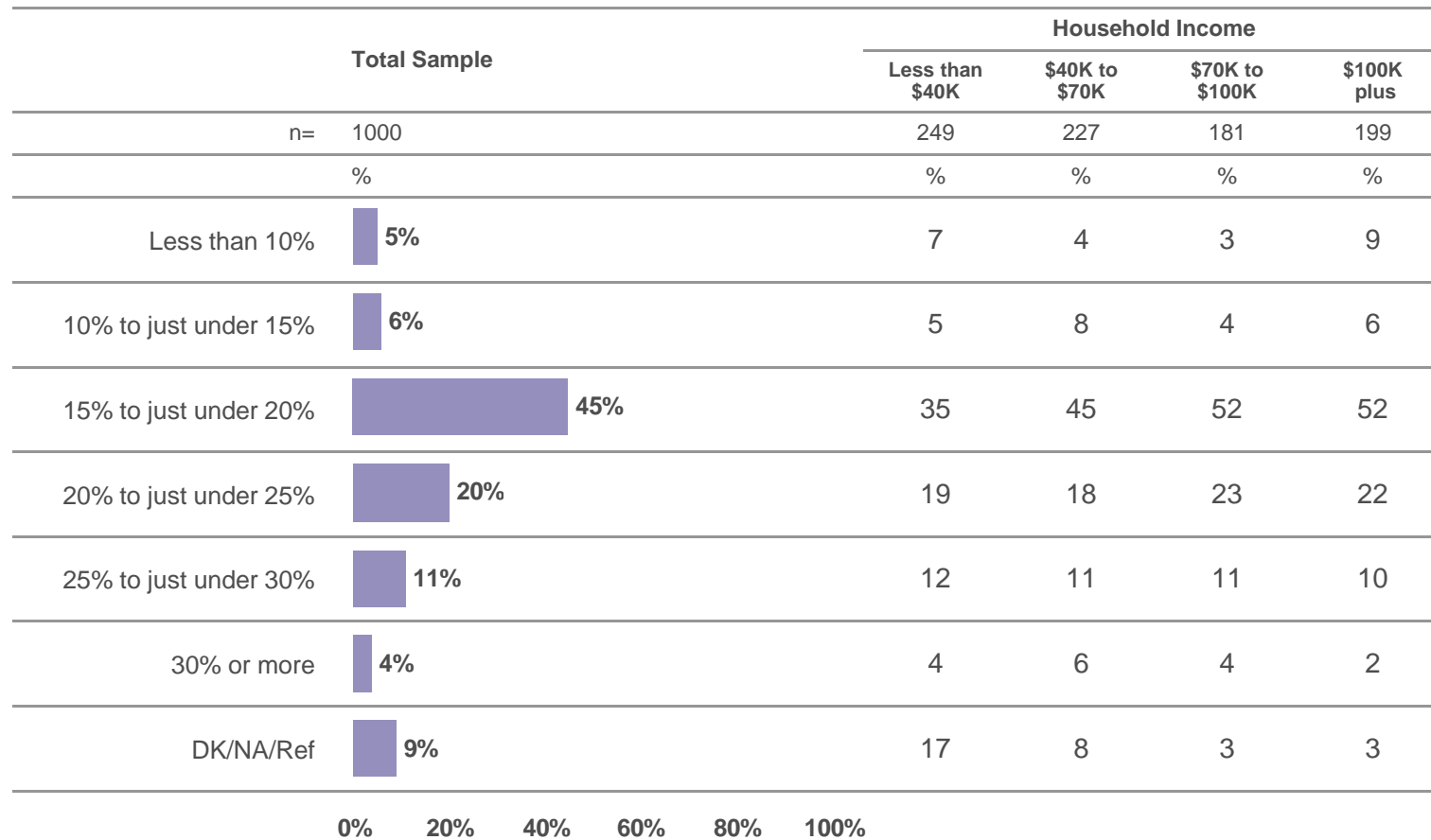
STRICTLY PRIVILEGED AND CONFIDENTIAL

What is the average rate of interest charged on unpaid credit card balances?



Q.19. What do you think is the average rate of interest charged on unpaid credit card balances?
Base: Total sample

What is the average rate of interest charged on unpaid credit card balances?



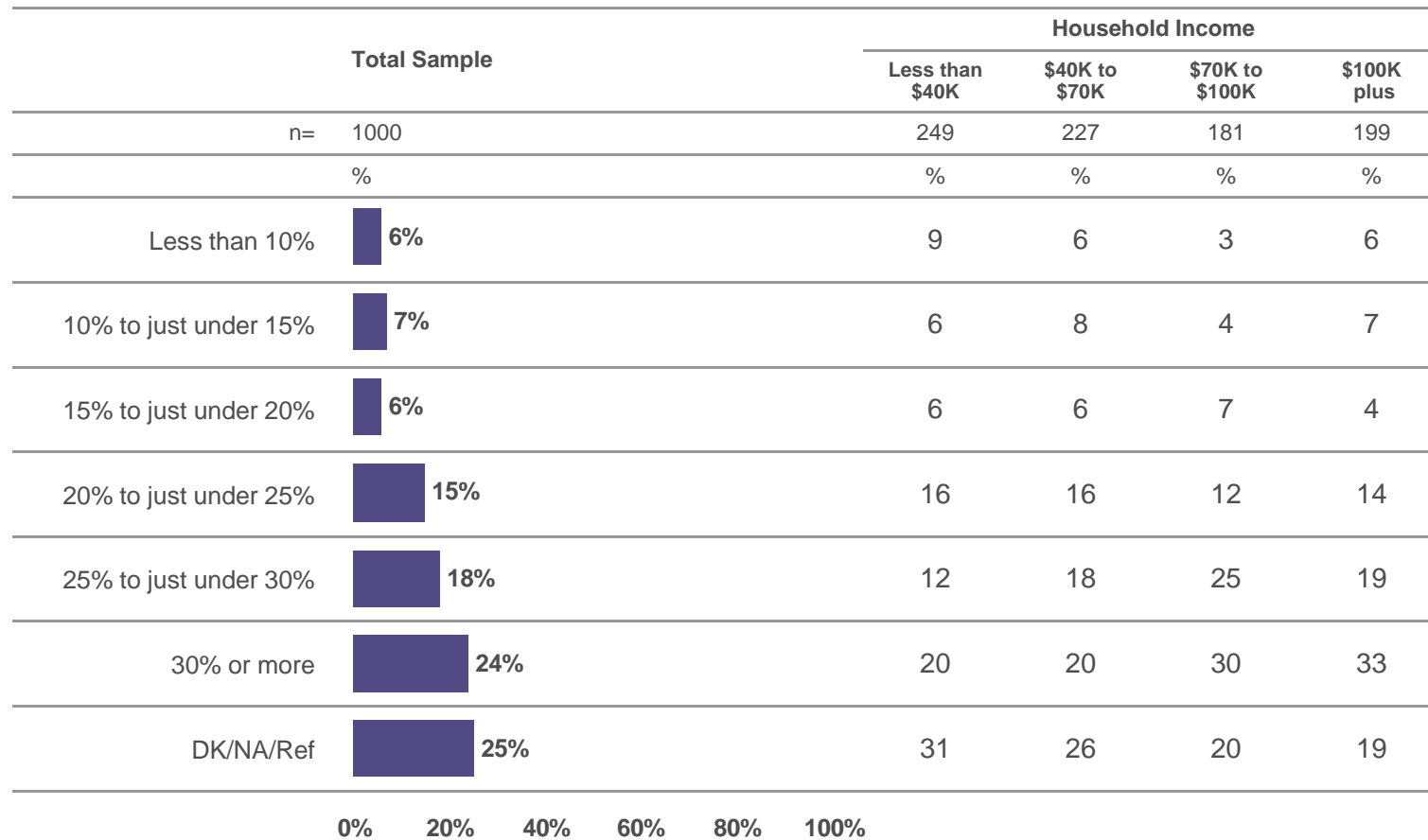
Q.19. What do you think is the average rate of interest charged on unpaid credit card balances?
Base: Total sample

What is the highest rate of interest that a lender can legally charge?








Q.20. What do you think is the highest rate of interest that a lender can charge to a borrower before it becomes illegal, that is, too high?
Base: Total sample

What is the highest rate of interest that a lender can legally charge?



Q.20. What do you think is the highest rate of interest that a lender can charge to a borrower before it becomes illegal, that is, too high?
Base: Total sample

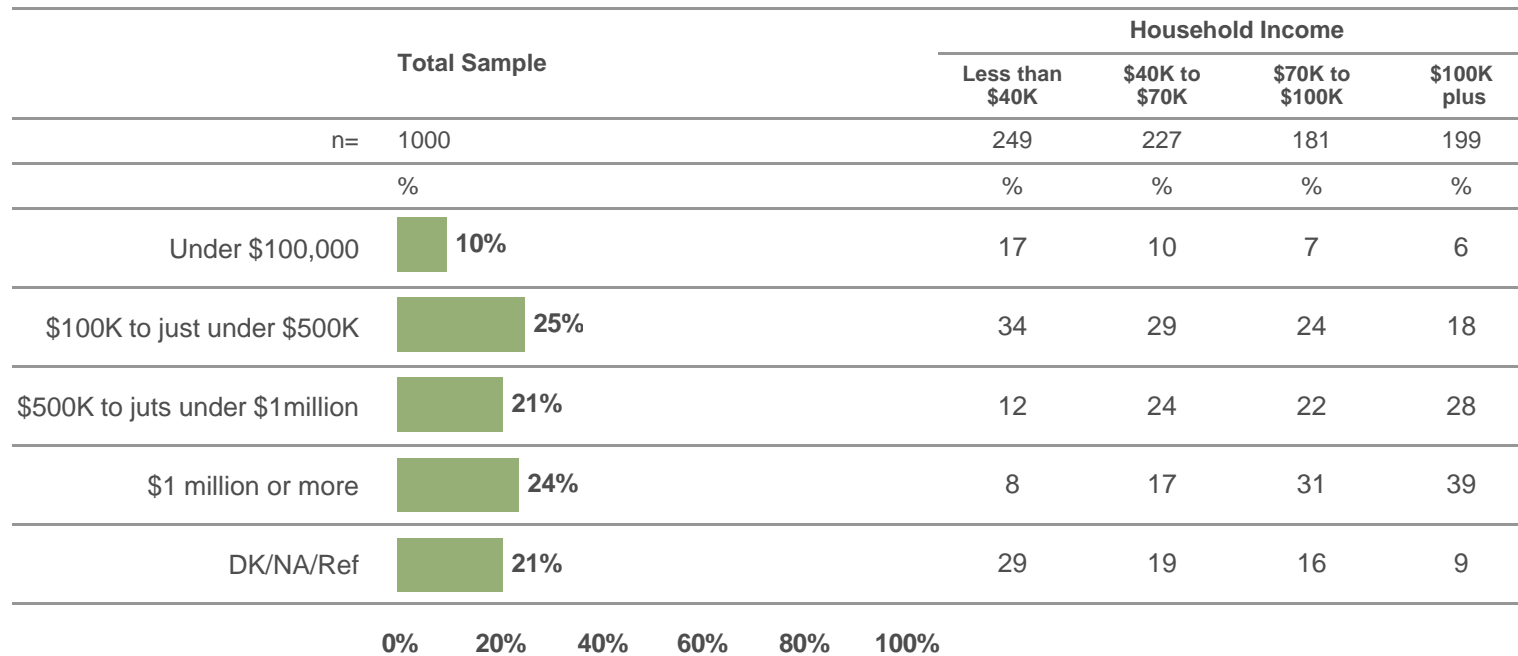
How much do need in order to retire and live comfortably?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Under \$100,000	 10%	9	11	15	10	6	6
\$100K to just under \$500K	 25%	23	27	27	28	22	18
\$500K to juts under \$1million	 21%	21	20	16	23	25	19
\$1 million or more	 24%	29	19	15	23	29	43
DK/NA/Ref	 21%	18	23	27	15	19	14

0% 20% 40% 60% 80% 100%

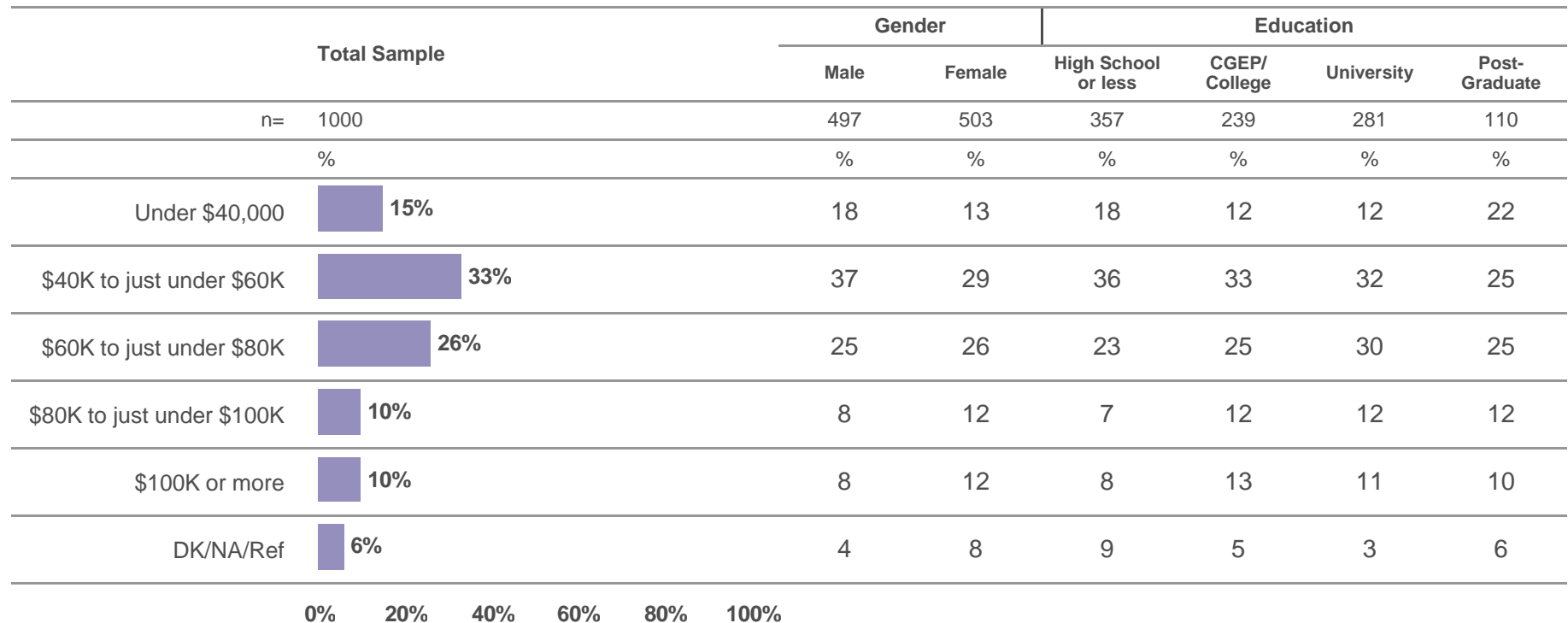
Q.21. How much do you believe you will need to accumulate in total lifetime savings to be able to retire and live comfortably?
Base: Total sample

How much do need in order to retire and live comfortably?



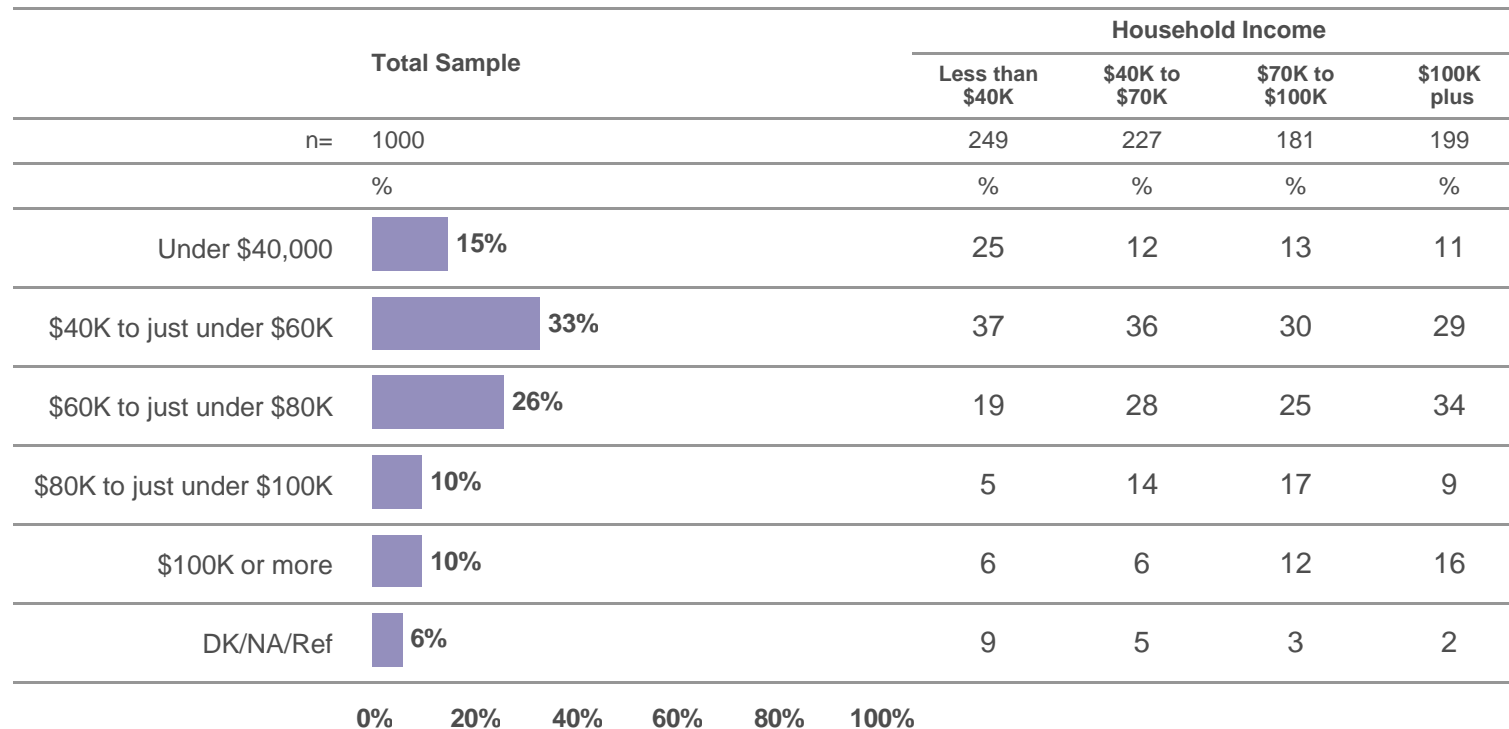
Q.21. How much do you believe you will need to accumulate in total lifetime savings to be able to retire and live comfortably?
Base: Total sample

What yearly income does a family of four in Canada needs to earn to cover the cost of basic necessities?








Q.22. What yearly income do you believe a family of four in Canada needs to earn to cover the cost of basic necessities – that is, food, clothing, and shelter?
Base: Total sample

What yearly income does a family of four in Canada needs to earn to cover the cost of basic necessities?



Q.22. What yearly income do you believe a family of four in Canada needs to earn to cover the cost of basic necessities – that is, food, clothing, and shelter?
Base: Total sample






If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?

Total Sample	Gender		Education			
	Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n= 1000	497	503	357	239	281	110
%	%	%	%	%	%	%
\$8  1%	1	1	4	1	1	2
\$80  61%	69	53	55	57	68	74
\$800  9%	8	9	10	8	6	8
\$8000  1%	1	1	1	1	2	-
DK/NA/Ref  16%	10	21	22	18	11	5

0% 20% 40% 60% 80% 100%

Q.23. If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?
Base: Total sample

If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	249	227	181	199
%		%	%	%	%
\$8	 1%	1	<1	-	2
\$80	 61%	49	60	64	72
\$800	 9%	9	10	9	7
\$8000	 1%	1	<1	1	2
DK/NA/Ref	 16%	24	17	12	7

0% 20% 40% 60% 80% 100%

Q.23. If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?
Base: Total sample

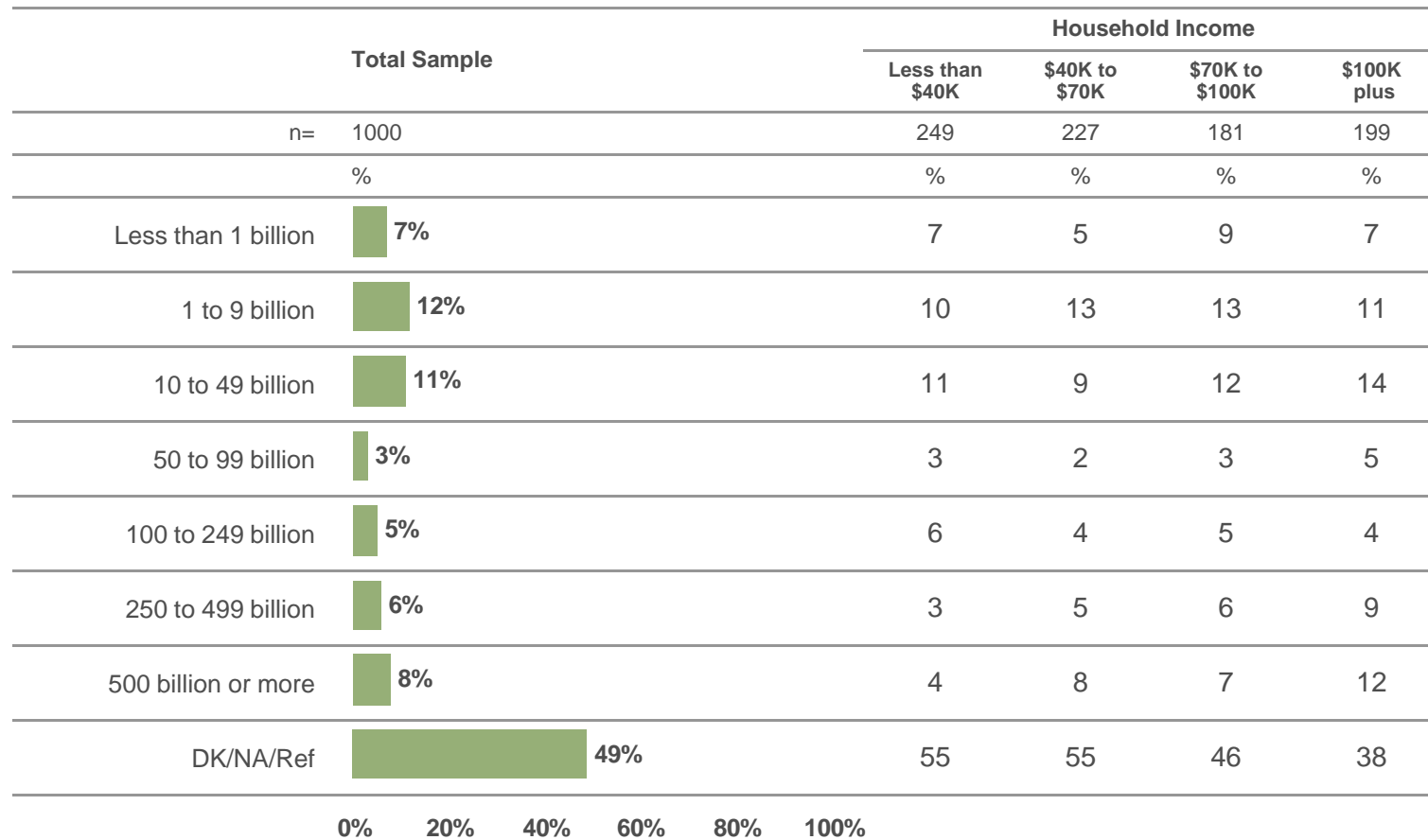
What is Canada's total federal, national debt?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Less than 1 billion	7%	7	7	7	10	8	4
1 to 9 billion	12%	7	16	9	11	15	9
10 to 49 billion	11%	13	9	8	14	10	13
50 to 99 billion	3%	4	2	2	3	5	2
100 to 249 billion	5%	6	3	5	5	4	7
250 to 499 billion	6%	10	1	4	5	7	12
500 billion or more	8%	14	2	6	6	11	11
DK/NA/Ref	49%	40	59	60	47	41	42

0% 20% 40% 60% 80% 100%









Q.24. What is Canada's total federal, national debt – that is, what dollar amount do we, as a country, owe to lenders?
Base: Total sample

What is Canada's total federal, national debt?



Q.24. What is Canada's total federal, national debt – that is, what dollar amount do we, as a country, owe to lenders?
Base: Total sample

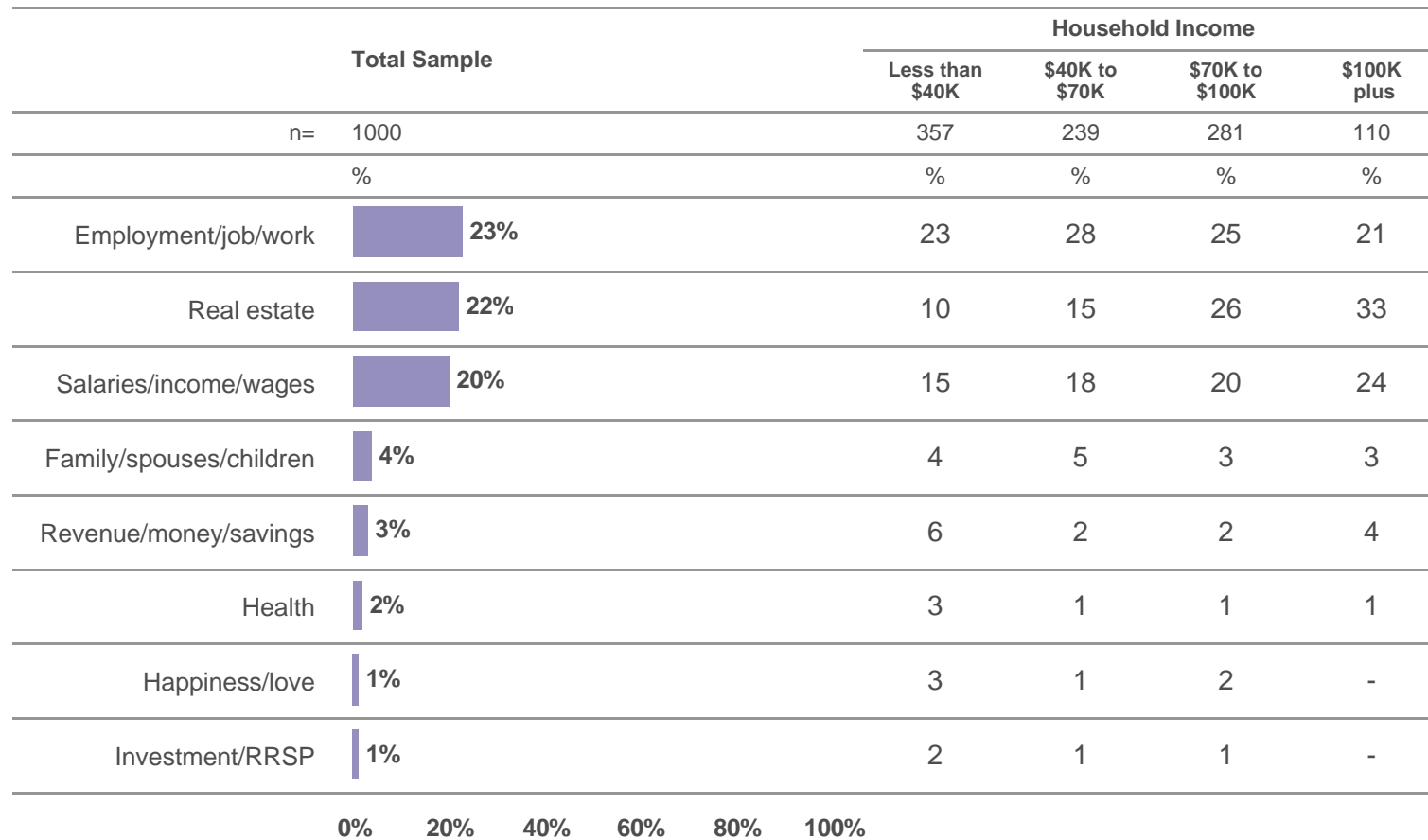
What is the greatest single source of wealth for most households?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Employment/job/work	 23%	22	24	23	30	20	18
Real estate	 22%	26	17	14	20	29	32
Salaries/income/wages	 20%	20	19	13	19	24	32
Family/spouses/children	 4%	5	3	4	3	5	1
Revenue/money/savings	 3%	3	3	5	2	3	1
Health	 2%	1	2	2	1	1	-
Happiness/love	 1%	1	2	2	-	3	1
Investment/RRSP	 1%	<1	1	1	-	1	1

0% 20% 40% 60% 80% 100%







Q.39. What is the greatest single source of wealth for most households?
Base: Total sample

What is the greatest single source of wealth for most households?



Q.39. What is the greatest single source of wealth for most households?
Base: Total sample

What do you think is the average total cost to pay for a year of a child's college or university education today if the student does not live at home?

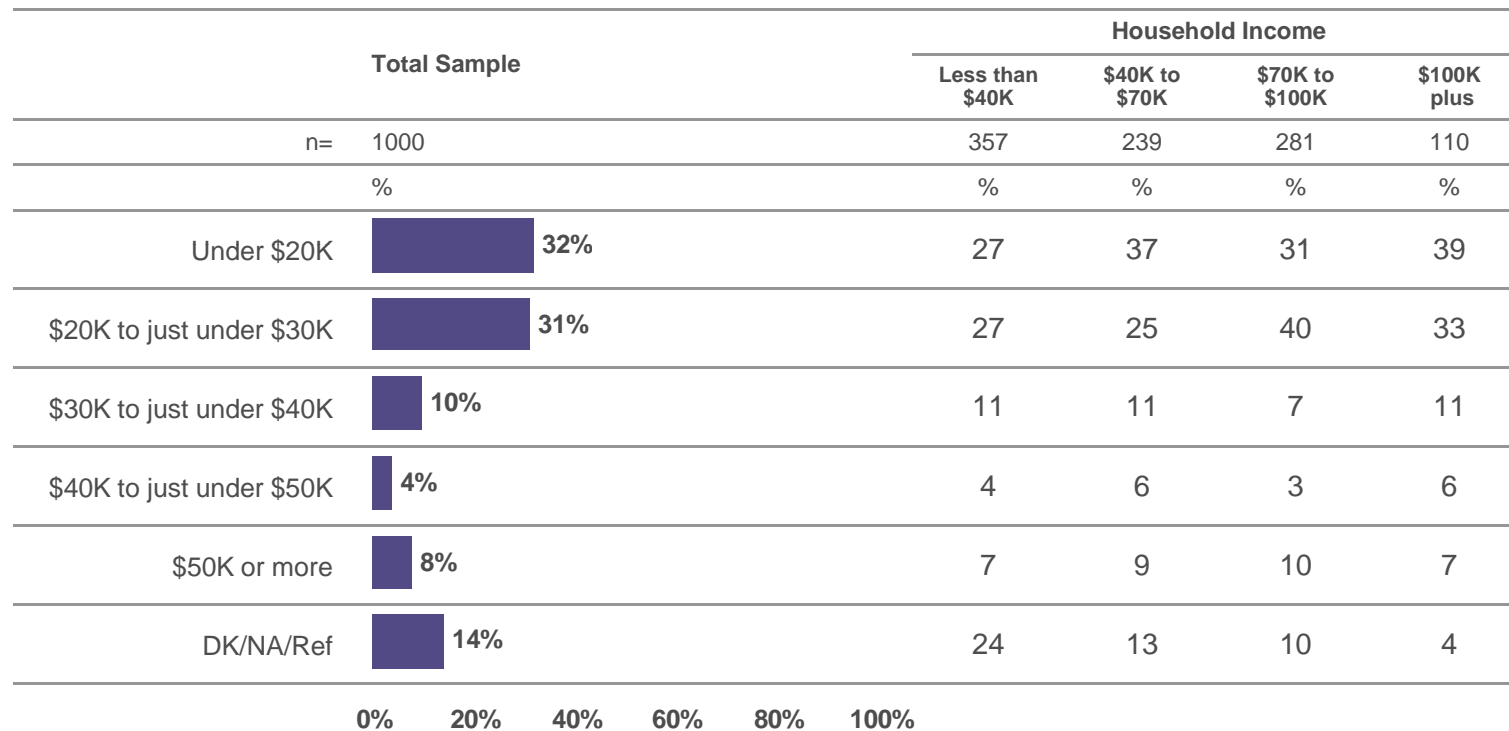
	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Under \$20K	 32%	35	30	26	27	42	41
\$20K to just under \$30K	 31%	31	32	28	38	29	35
\$30K to just under \$40K	 10%	10	9	12	9	9	8
\$40K to just under \$50K	 4%	4	5	4	5	5	2
\$50K or more	 8%	8	9	6	11	9	7
DK/NA/Ref	 14%	13	15	25	10	5	7

0% 20% 40% 60% 80% 100%

Q.40. What do you think is the average total cost to pay for a year of a child's college or university education today if the student does not live at home – that is, all costs including tuition, fees, books, rent, food, clothing, etc.?

Base: Total sample






What do you think is the average total cost to pay for a year of a child's college or university education today if the student does not live at home?



Q.40. What do you think is the average total cost to pay for a year of a child's college or university education today if the student does not live at home – that is, all costs including tuition, fees, books, rent, food, clothing, etc.?

Base: Total sample

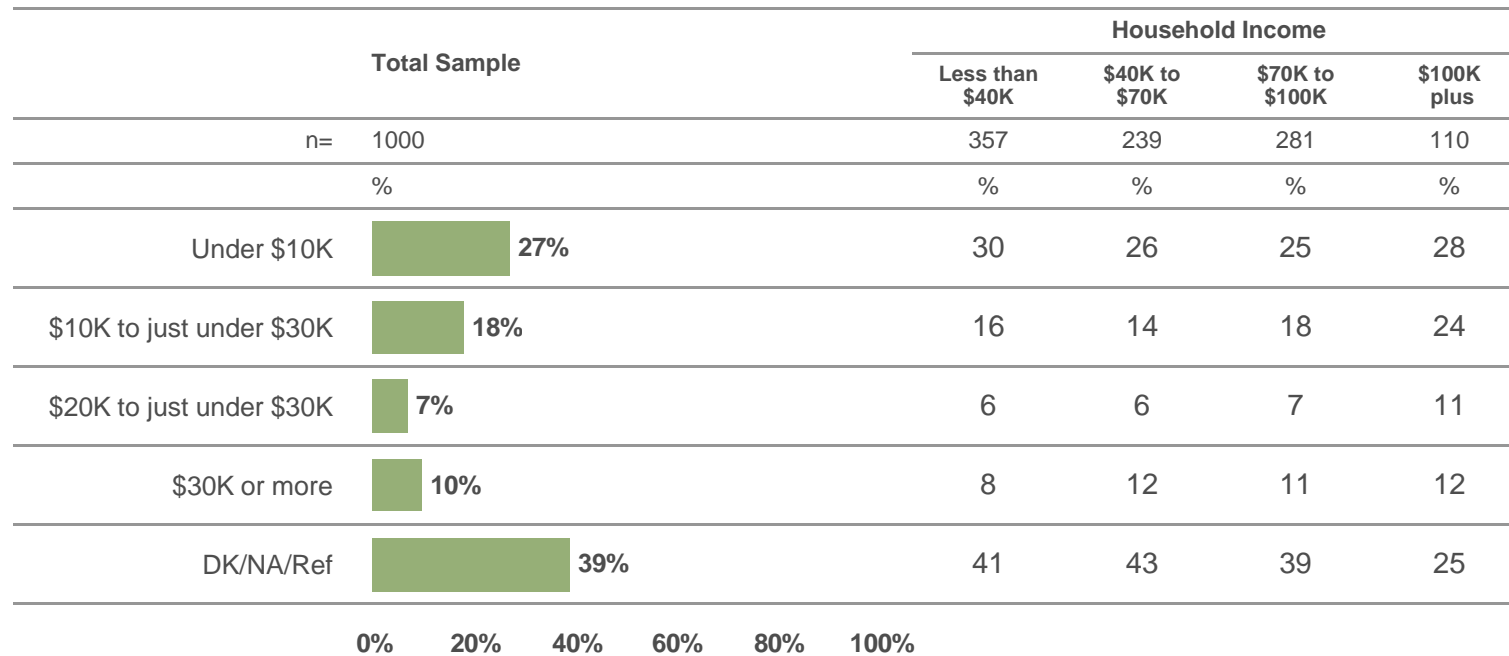
What is the maximum amount that a person will be paid by the Canada Pension Plan (CPP) annually when he or she retires?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Under \$10K	 27%	28	25	29	26	25	27
\$10K to just under \$30K	 18%	19	16	18	20	16	16
\$20K to just under \$30K	 7%	8	6	6	7	9	6
\$30K or more	 10%	9	12	8	11	12	15
DK/NA/Ref	 39%	36	41	40	36	38	37

0% 20% 40% 60% 80% 100%










Q.41. What do you think is the maximum amount that a person will be paid by the Canada Pension Plan (CPP) annually when he or she retires?
Base: Total sample

What is the maximum amount that a person will be paid by the Canada Pension Plan (CPP) annually when he or she retires?



Q.41. What do you think is the maximum amount that a person will be paid by the Canada Pension Plan (CPP) annually when he or she retires?
Base: Total sample













Can you name two large Canadian-owned companies?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Bombardier	 17%	22	13	14	13	25	20
Bell	 12%	12	12	13	11	12	13
Canadian tire	 8%	8	8	7	12	6	9
Petro Canada	 8%	8	8	6	9	7	11
Royal Bank of Canada	 5%	7	3	2	4	6	11
Maple Leaf Foods	 4%	4	4	4	4	4	5
Air Canada	 4%	4	4	2	5	3	8
Rogers	 4%	5	3	3	4	6	1
The Hudson Bay Company	 3%	2	4	4	3	3	5
Hydro Quebec	 3%	3	4	3	3	4	1
McCain	 3%	4	2	3	1	5	5
Tim Hortons	 3%	1	4	3	4	2	2

0% 20% 40% 60% 80% 100%

Q.42. Can you name two large Canadian-owned companies?
Base: Total sample







Can you name two large Canadian-owned companies?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
Bombardier	 17%	14	16	20	24
Bell	 12%	14	12	15	8
Canadian tire	 8%	8	5	5	12
Petro Canada	 8%	6	9	6	10
Royal Bank of Canada	 5%	1	2	9	7
Maple Leaf Foods	 4%	3	2	3	7
Air Canada	 4%	4	4	5	5
Rogers	 4%	4	5	2	4
The Hudson Bay Company	 3%	4	4	<1	3
Hydro Quebec	 3%	4	4	4	2
McCain	 3%	2	3	3	5
Tim Hortons	 3%	4	2	3	3

0% 20% 40% 60% 80% 100%

Q.42. Can you name two large Canadian-owned companies?
Base: Total sample

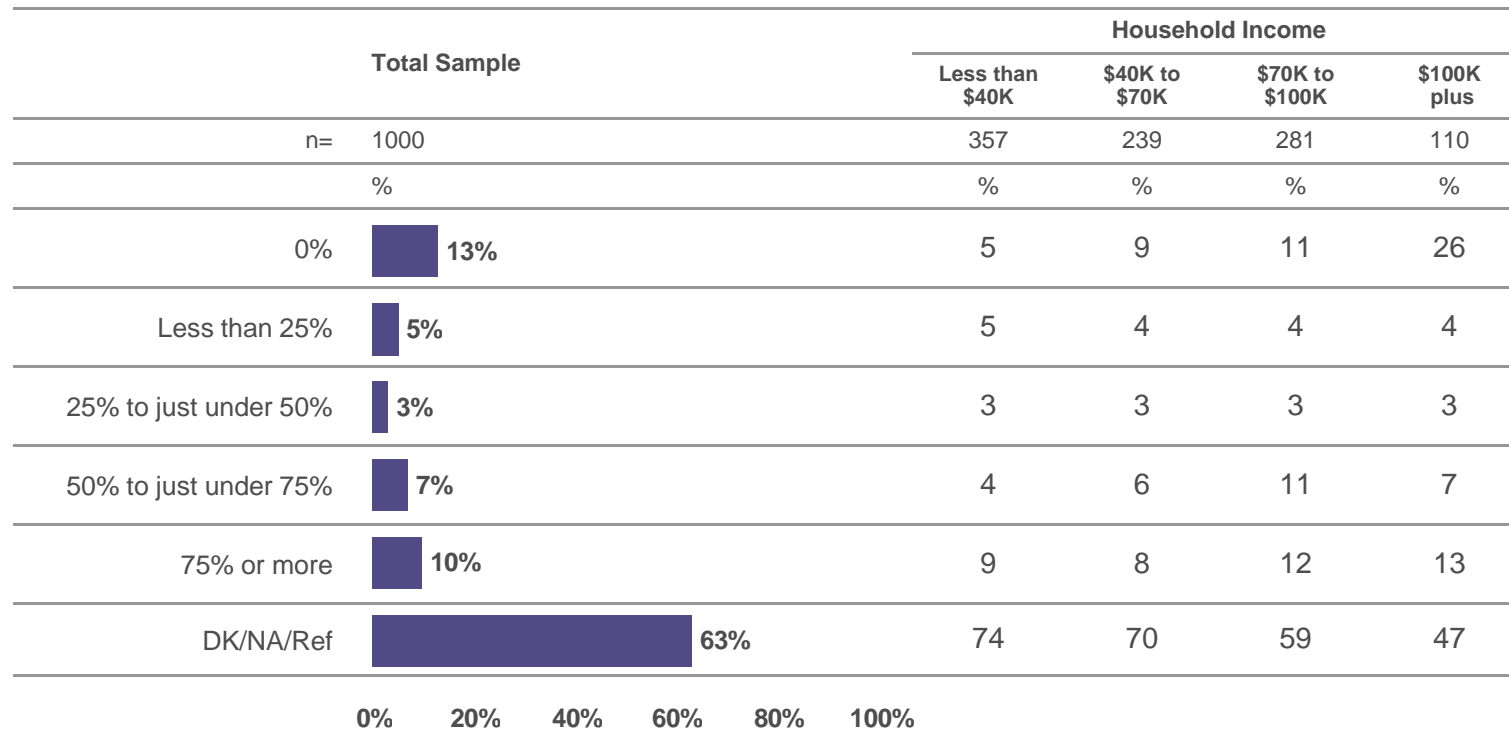
What percentage of an investor's mutual fund investments at a financial institution is insured against loss?

Total Sample	Gender		Education			
	Male	Female	High School or less	CGEP/College	University	Post-Graduate
n= 1000	497	503	357	239	281	110
%	%	%	%	%	%	%
0%  13%	17	9	9	11	18	22
Less than 25%  5%	5	4	6	6	3	3
25% to just under 50%  3%	2	3	2	4	2	5
50% to just under 75%  7%	7	6	6	5	7	9
75% or more  10%	11	9	10	9	10	11
DK/NA/Ref  63%	58	69	68	64	61	50

0% 20% 40% 60% 80% 100%

Q.43. What percentage of an investor's mutual fund investments at a financial institution is insured against loss?
Base: Total sample

What percentage of an investor's mutual fund investments at a financial institution is insured against loss?






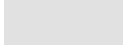
Q.43. What percentage of an investor's mutual fund investments at a financial institution is insured against loss?
Base: Total sample



Appendix A

Questions making up the
economic knowledge index

Would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or have no impact?

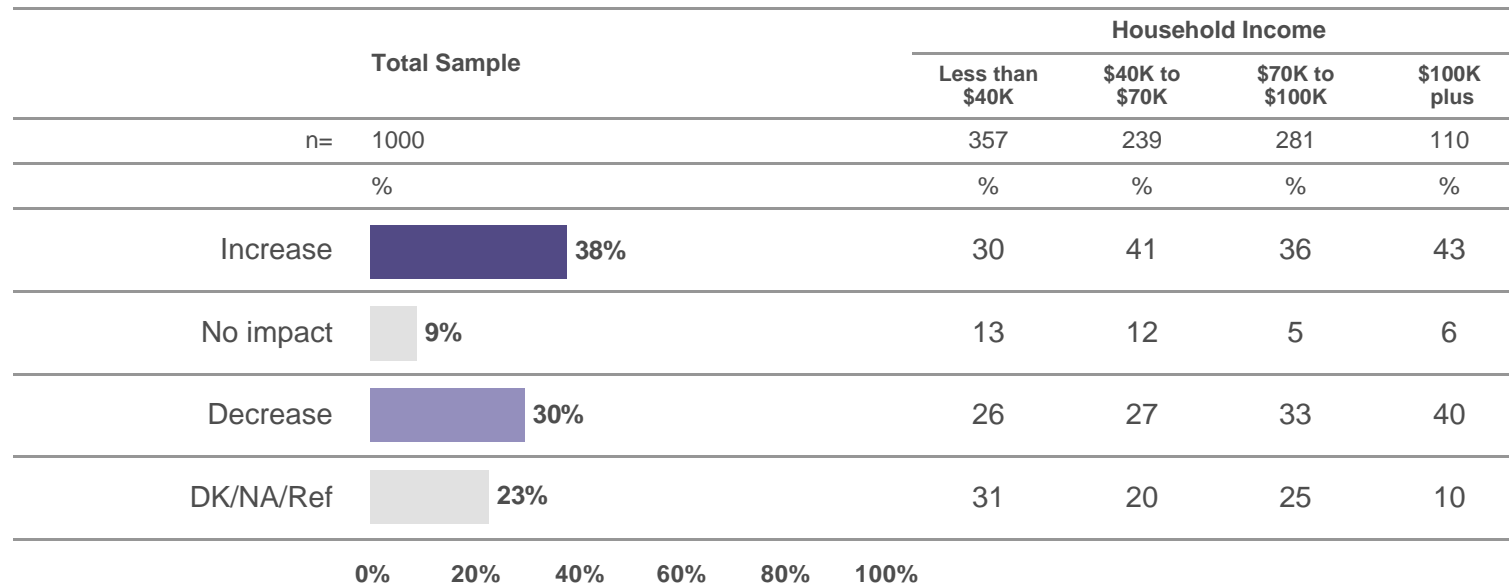
	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Increase	 38%	42	33	32	38	39	52
No impact	 9%	10	8	13	9	7	4
Decrease	 30%	32	28	29	29	35	25
DK/NA/Ref	 23%	16	30	26	24	19	19

0% 20% 40% 60% 80% 100%

Q.25. Thinking about the rate of inflation (that is, the rate at which the cost of living increases or decreases), would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or would they have no impact?

Base: Total sample





Would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or have no impact?



Q.25. Thinking about the rate of inflation (that is, the rate at which the cost of living increases or decreases), would lower interest rates be more likely to lead to an increase in the rate of inflation over time, a decrease or would they have no impact?

Base: Total sample

If the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars likely increase, decrease, or would not change

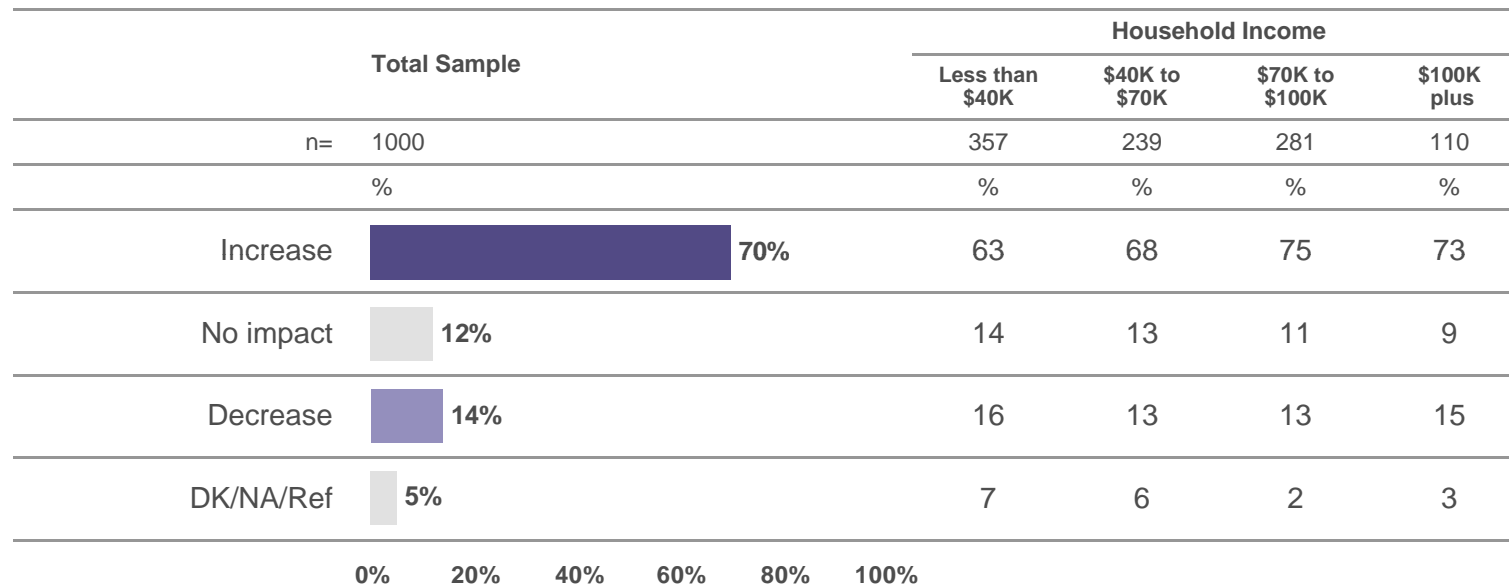
	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Increase	 70%	73	67	65	68	76	76
No impact	 12%	11	12	13	13	8	8
Decrease	 14%	13	14	17	12	12	11
DK/NA/Ref	 5%	4	7	5	7	4	5

0% 20% 40% 60% 80% 100%

Q.26. Thinking about the market for small cars, if the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars most likely increase, decrease, or would there be no change in the price?

Base: Total sample

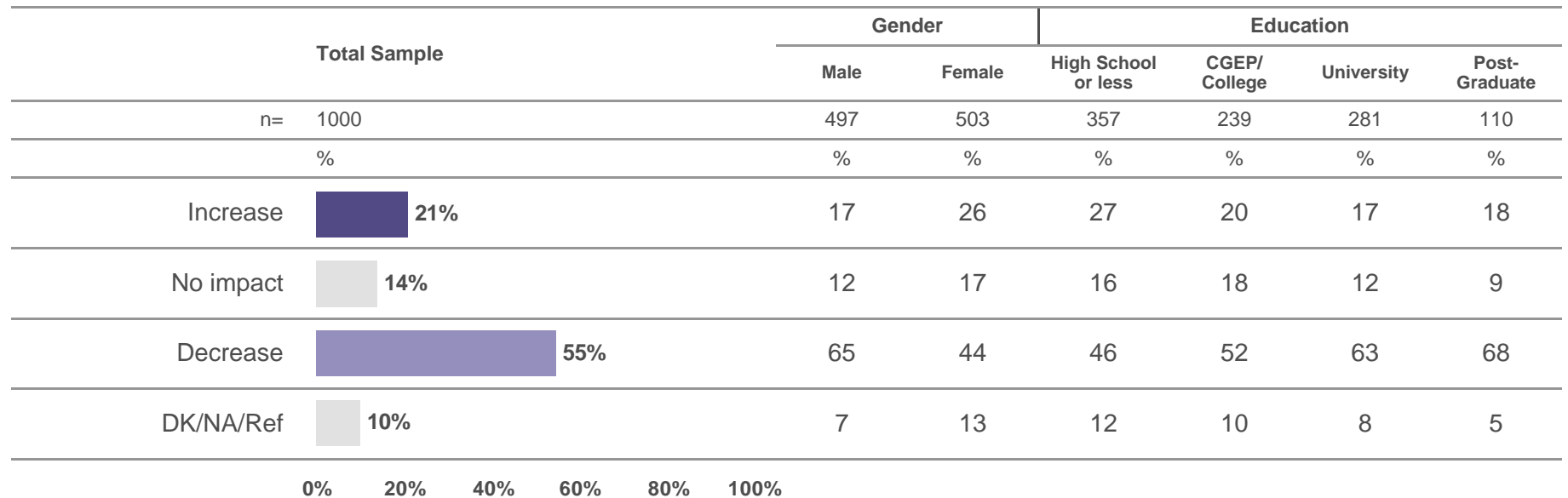
If the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars likely increase, decrease, or would not change



Q.26. Thinking about the market for small cars, if the demand for small cars rose and the number of small cars produced for sale stayed the same, would the price of small cars most likely increase, decrease, or would there be no change in the price?





Base: Total sample

If you gave a person working in a factory more time to complete a task would this increase their overall productivity?



Q.27. If you gave a person working in a factory more time to complete a task would this increase, decrease, or leave unchanged their overall productivity?
Base: Total sample





If you gave a person working in a factory more time to complete a task would this increase their overall productivity?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
Increase	 21%	29	21	20	14
No impact	 14%	18	17	11	14
Decrease	 55%	40	55	57	70
DK/NA/Ref	 10%	13	7	12	2

0% 20% 40% 60% 80% 100%

Q.27. If you gave a person working in a factory more time to complete a task would this increase, decrease, or leave unchanged their overall productivity?
Base: Total sample

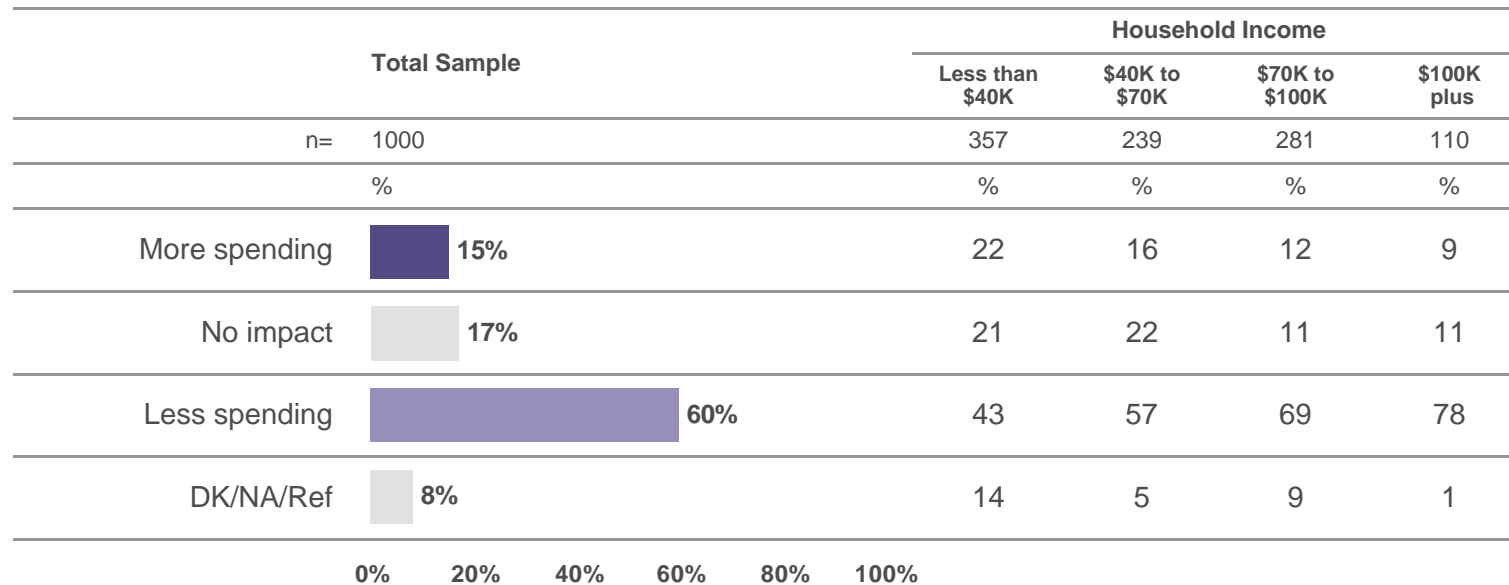
Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or have no impact?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
More spending	 15%	12	18	18	16	13	6
No impact	 17%	12	21	20	20	12	9
Less spending	 60%	70	50	51	54	72	79
DK/NA/Ref	 8%	6	11	11	10	3	6

0% 20% 40% 60% 80% 100%





Q.28. Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or would it have no impact?
Base: Total sample

Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or have no impact?



Q.28. Would an increase in interest rates from 4% to 6% likely lead to more spending in the economy, less spending or would it have no impact?
Base: Total sample

When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?





	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
More expensive	 77%	85	69	68	75	88	85
No impact	 7%	5	9	11	7	4	2
Less expensive	 9%	7	11	12	10	4	9
DK/NA/Ref	 7%	3	11	9	8	5	5

0% 20% 40% 60% 80% 100%

Q.29. When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?

Base: Total sample

When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?

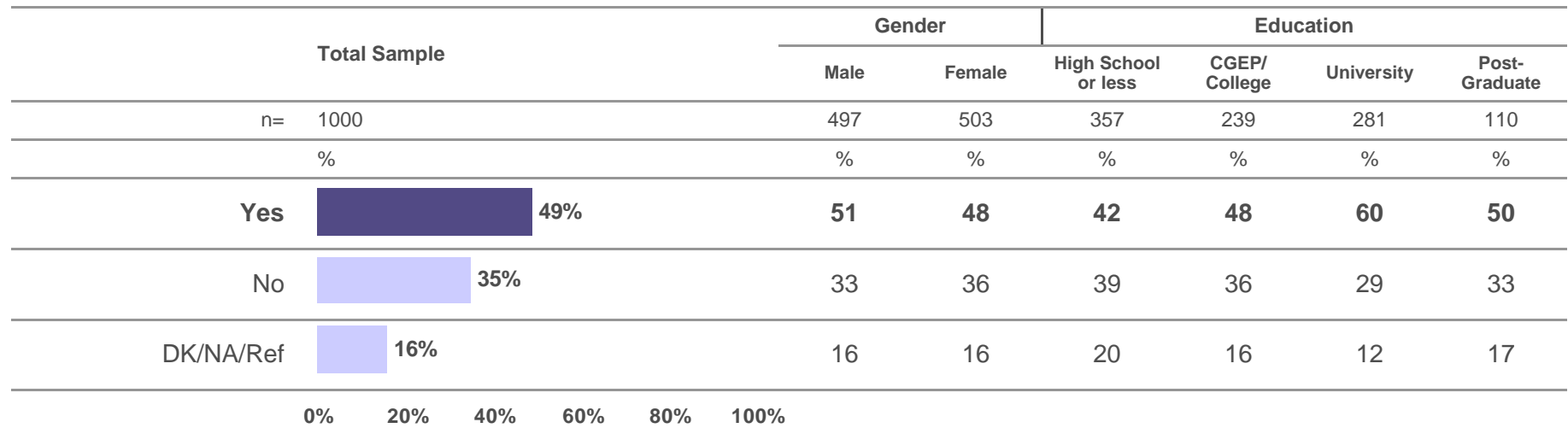
	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
More expensive	 77%	63	78	80	89
No impact	 7%	14	6	4	4
Less expensive	 9%	12	8	9	6
DK/NA/Ref	 7%	11	9	7	1

0% 20% 40% 60% 80% 100%

Q.29. When the value of the Canadian dollar rises in relation to the U.S. dollar, does this mean that our exports become more expensive in the United States, less expensive, or does it have no impact?

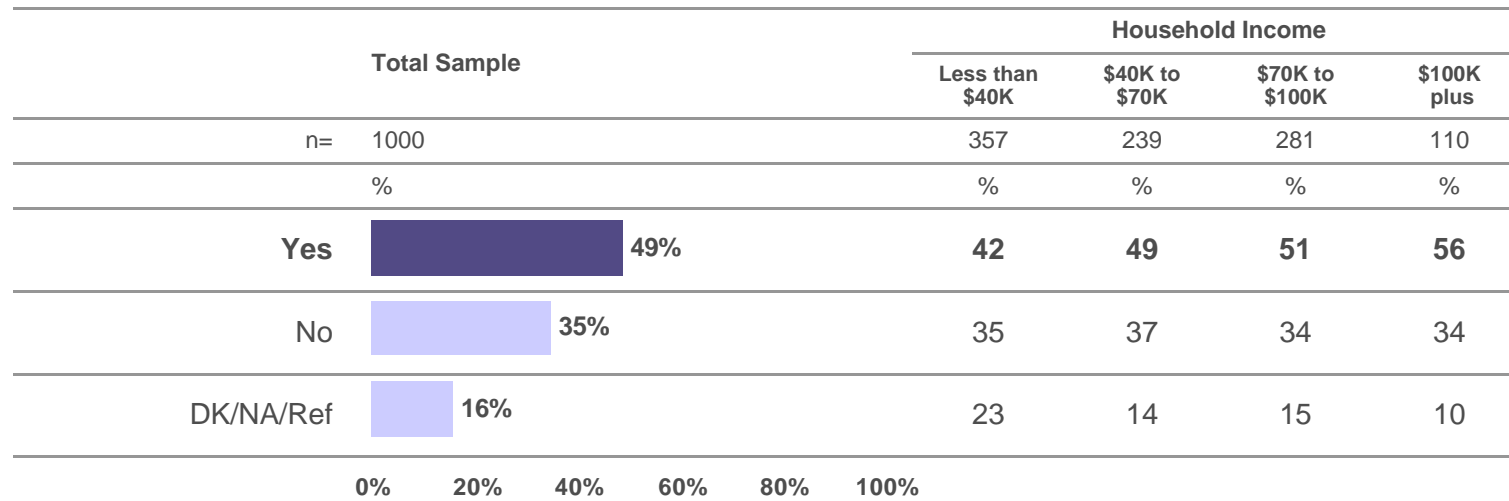
Base: Total sample

When an economist talks about a person's real wages, is this referring to wages after taxes?






Q.32. When an economist talks about a person's real wages, is this referring to wages after taxes?
Base: Total sample

When an economist talks about a person's real wages, is this referring to wages after taxes?



Q.32. When an economist talks about a person's real wages, is this referring to wages after taxes?
Base: Total sample

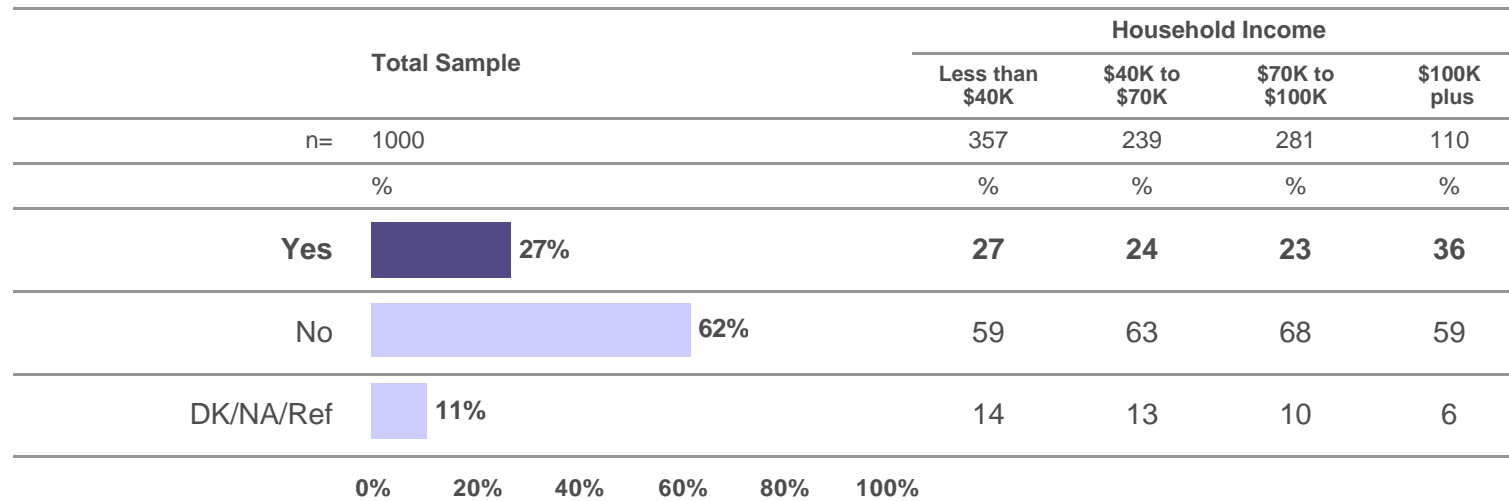
Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?

Total Sample	Gender		Education			
	Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n= 1000	497	503	357	239	281	110
%	%	%	%	%	%	%
Yes  27%	33	21	27	21	29	35
No  62%	59	65	59	65	64	58
DK/NA/Ref  11%	8	14	14	14	7	7

0% 20% 40% 60% 80% 100%





Q.33. Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?
Base: Total sample

Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?



Q.33. Does free trade mean that consumers can buy products in another country and not have to pay duty to bring them home?
Base: Total sample

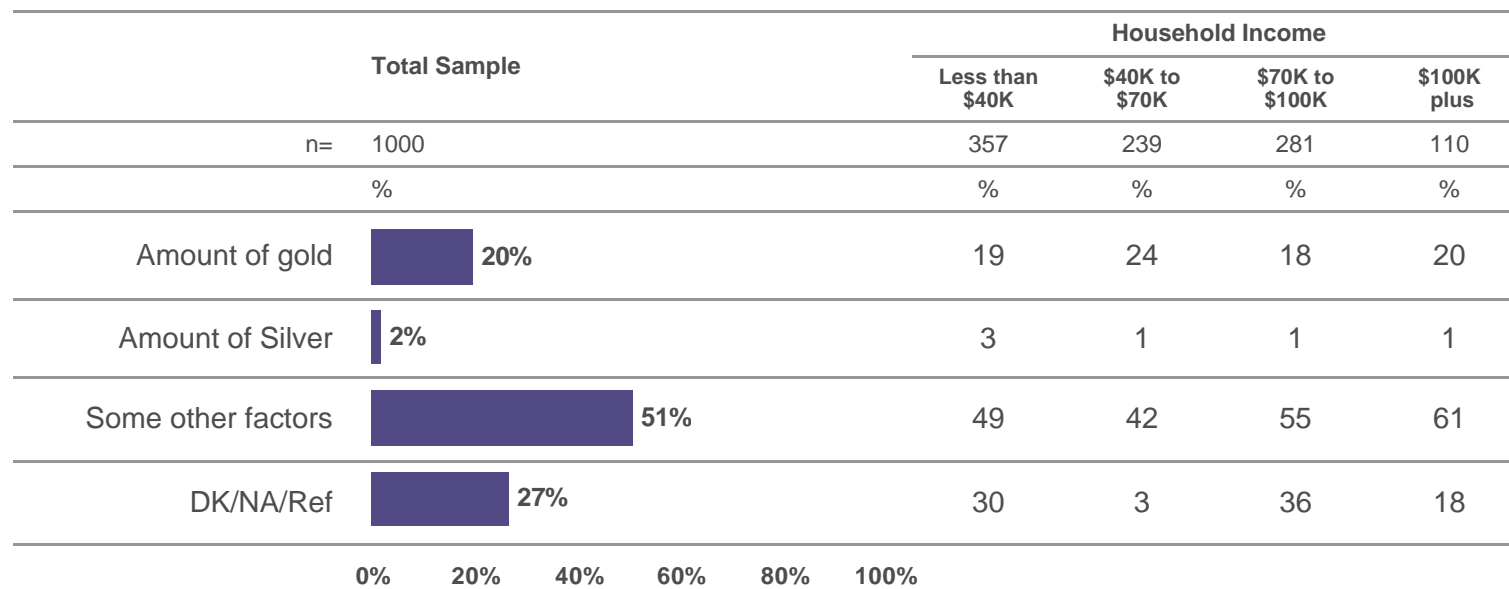
Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Amount of gold	 20%	24	17	23	20	17	17
Amount of Silver	 2%	2	1	3	1	1	-
Some other factors	 51%	55	47	40	54	57	70
DK/NA/Ref	 27%	19	35	34	25	26	13

0% 20% 40% 60% 80% 100%




Q.35. Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?
Base: Total sample

Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?



Q.35. Does the amount of money printed and put into circulation in Canada depend on the amount of gold we have, the amount of silver, or some other factors?
Base: Total sample




Is an import something we buy from another country OR one we sell to another country?

Total Sample	Gender		Education			
	Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n= 1000	497	503	357	239	281	110
%	%	%	%	%	%	%
Buy 	93	89	83	95	95	97
Sell 	6	7	12	3	4	-
DK/NA/Ref 	2	4	5	3	2	3

0% 20% 40% 60% 80% 100%

Q.37. Is an import something we buy from another country OR one we sell to another country?
Base: Total sample

Is an import something we buy from another country OR one we sell to another country?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
%		%	%	%	%
Buy	 91%	82	92	97	97
Sell	 6%	11	6	2	2
DK/NA/Ref	 3%	7	3	2	1

0% 20% 40% 60% 80% 100%





Q.37. Is an import something we buy from another country OR one we sell to another country?
Base: Total sample



Appendix B

Questions making up the
financial knowledge index





Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Increase	 88%	90	87	82	89	93	94
No impact	 3%	3	3	5	2	1	-
Decrease	 2%	2	2	1	4	2	3
DK/NA/Ref	 7%	5	8	11	5	4	3

0% 20% 40% 60% 80% 100%

Q.30. Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan?
Base: Total sample


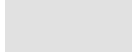


Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
Increase	 88%	79	91	93	96
No impact	 3%	5	2	2	-
Decrease	 2%	2	2	2	2
DK/NA/Ref	 7%	14	5	4	2

0% 20% 40% 60% 80% 100%

Q.30. Would choosing a longer time to pay back a bank loan increase, decrease or have no impact on the total cost of that loan?
Base: Total sample

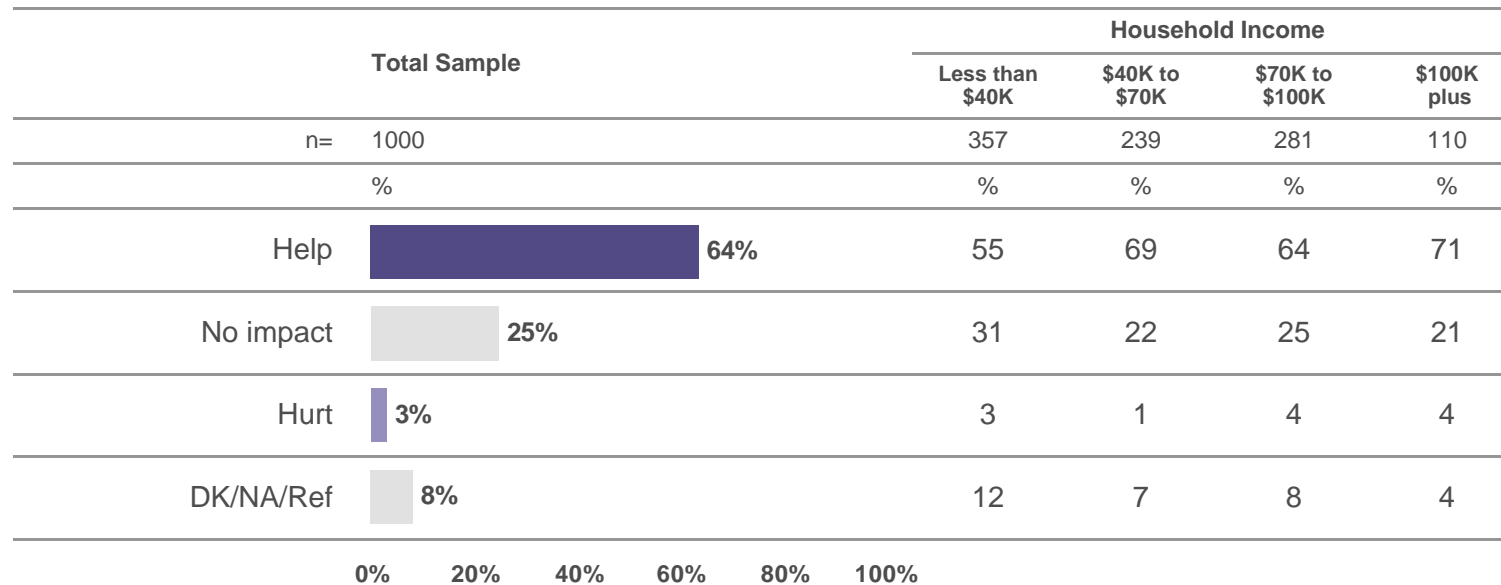
Would living longer at the same address likely help, hurt or have no impact on your credit rating?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
%		%	%	%	%	%	%
Help	 64%	65	63	61	61	68	67
No impact	 25%	25	26	27	28	23	20
Hurt	 3%	2	3	2	3	4	3
DK/NA/Ref	 8%	8	9	10	8	5	11

0% 20% 40% 60% 80% 100%




Q.31. Would living longer at the same address likely help, hurt or have no impact on your credit rating?
Base: Total sample

Would living longer at the same address likely help, hurt or have no impact on your credit rating?



Q.31. Would living longer at the same address likely help, hurt or have no impact on your credit rating?
Base: Total sample

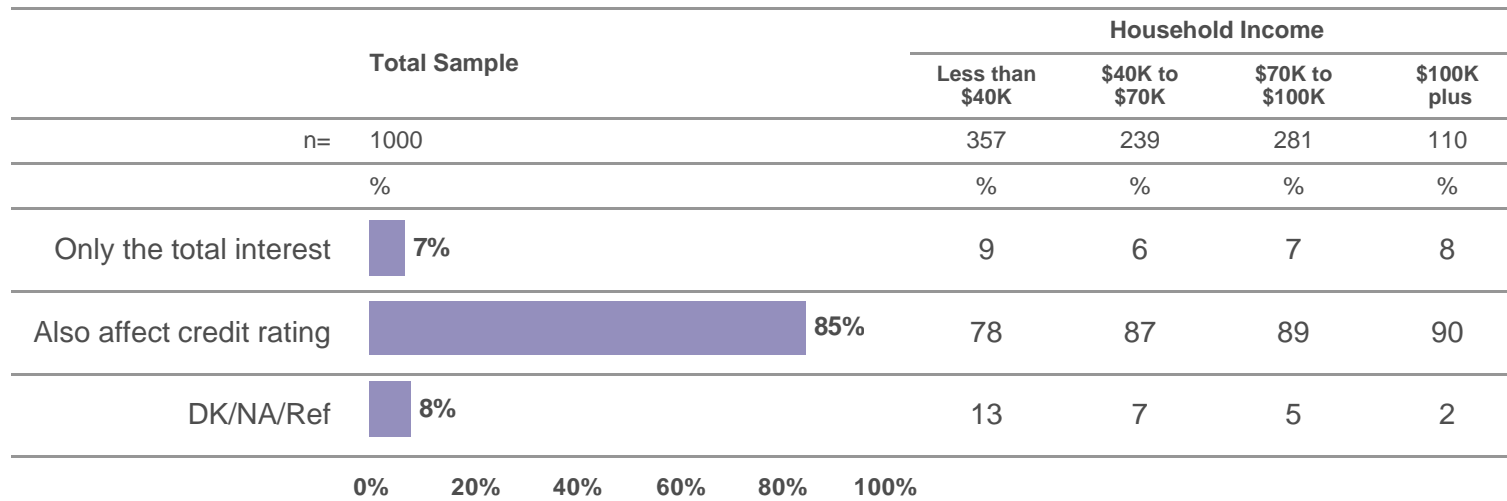
Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Only the total interest	 7%	7	7	7	6	8	7
Also affect credit rating	 85%	86	84	83	86	86	87
DK/NA/Ref	 8%	6	9	9	8	7	5

0% 20% 40% 60% 80% 100%





Q.36. Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?
Base: Total sample

Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?



Q.36. Does making late payments on a bank loan affect only the total interest that you will pay OR can it also affect your credit rating?
Base: Total sample

Which would likely increase the total cost you will pay for a home – making a larger downpayment, paying off the mortgage over a longer period of time, OR making more frequent payments?

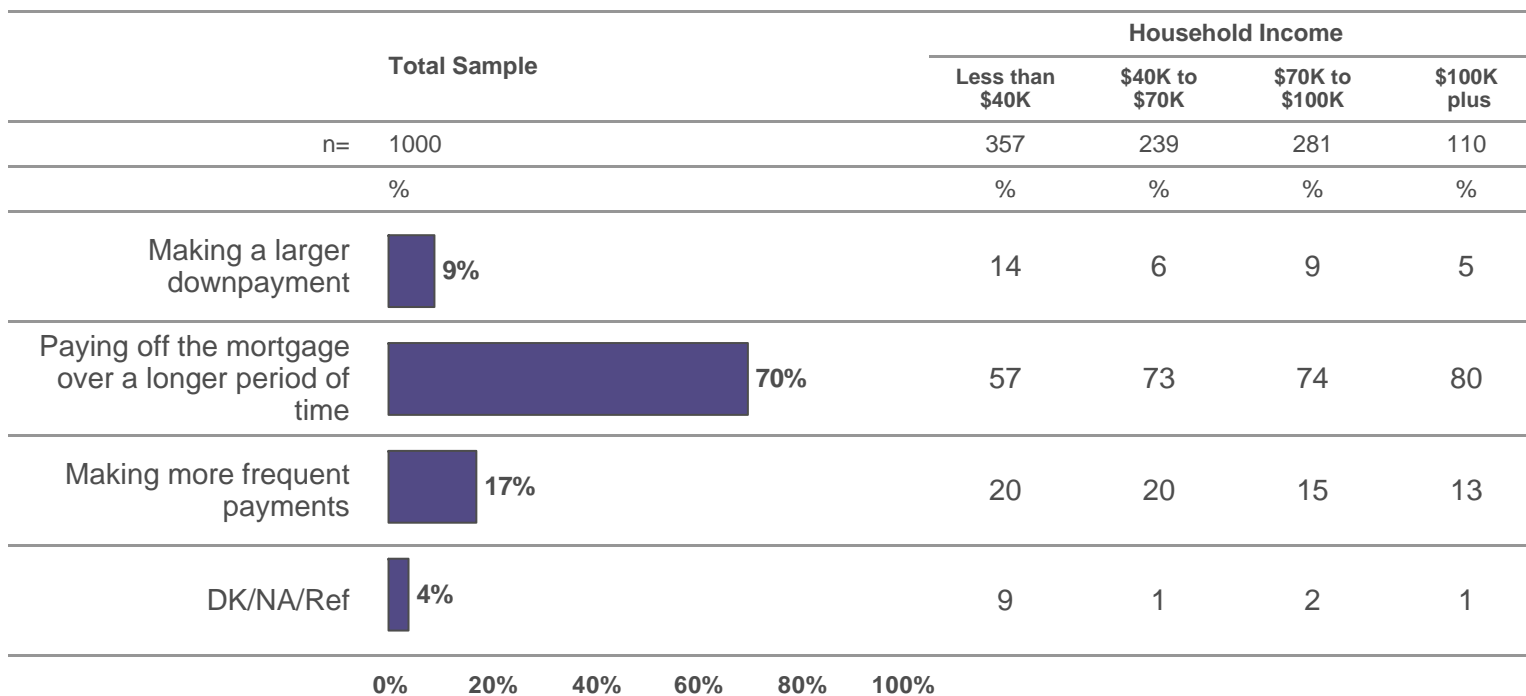
	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Making a larger downpayment	 9%	8	10	13	9	4	6
Paying off the mortgage over a longer period of time	 70%	74	66	59	70	81	76
Making more frequent payments	 17%	16	19	23	16	11	16
DK/NA/Ref	 4%	2	6	5	5	3	2

0% 20% 40% 60% 80% 100%

Q.38. When buying a home, which of the following would likely increase the total cost you will pay for a home – making a larger downpayment, paying off the mortgage over a longer period of time, OR making more frequent payments?

Base: Total sample

Which would likely increase the total cost you will pay for a home – making a larger downpayment, paying off the mortgage over a longer period of time, OR making more frequent payments?



Q.38. When buying a home, which of the following would likely increase the total cost you will pay for a home – making a larger downpayment, paying off the mortgage over a longer period of time, OR making more frequent payments?






Base: Total sample



Appendix C

Questions making up the
Open-Ended index






If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?

Total Sample	Gender		Education			
	Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n= 1000	497	503	357	239	281	110
%	%	%	%	%	%	%
\$8  1%	1	1	4	1	1	2
\$80  61%	69	53	55	57	68	74
\$800  9%	8	9	10	8	6	8
\$8000  1%	1	1	1	1	2	-
DK/NA/Ref  16%	10	21	22	18	11	5

0% 20% 40% 60% 80% 100%

Q.23. If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?
Base: Total sample

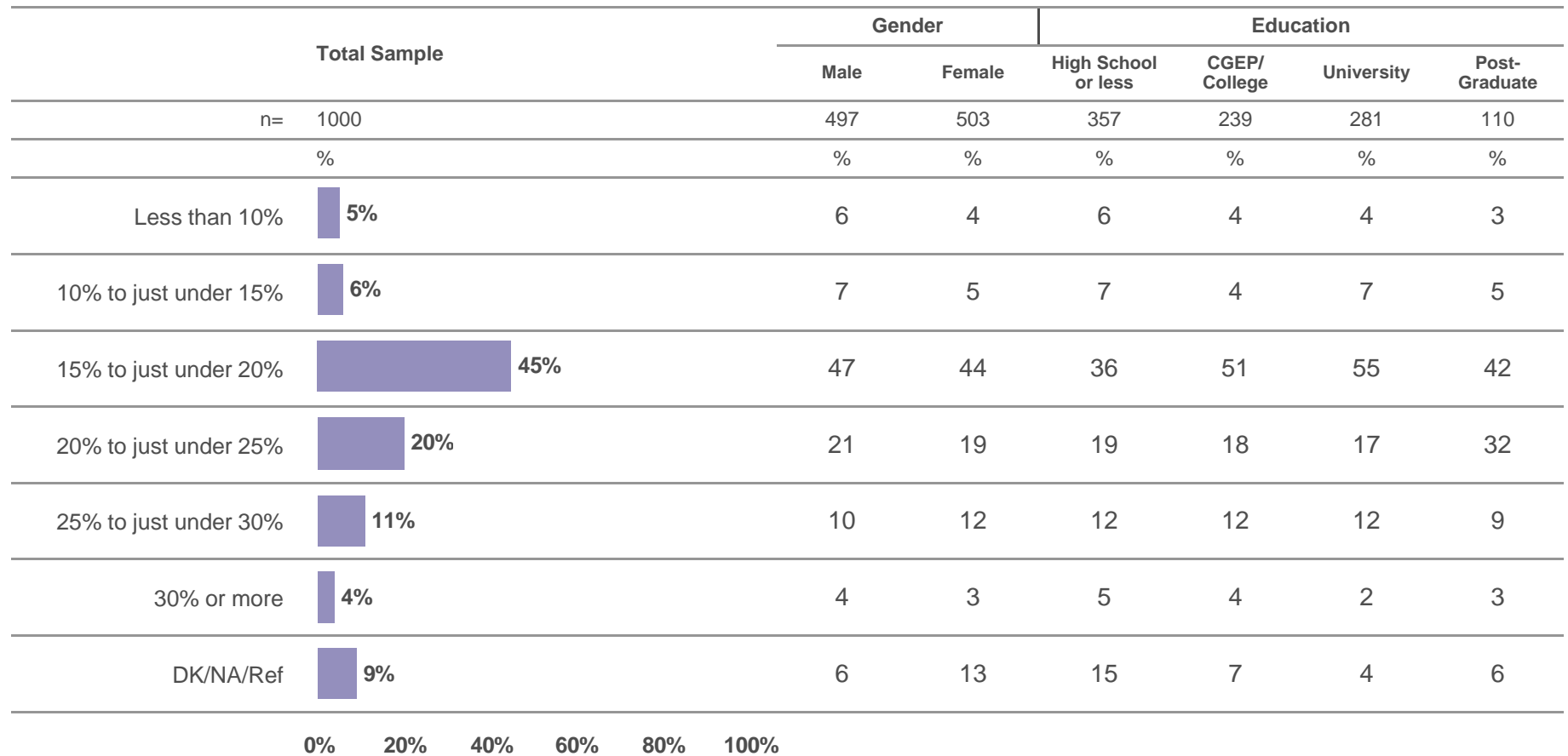
If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	249	227	181	199
	%	%	%	%	%
\$8	 1%	1	<1	-	2
\$80	 61%	49	60	64	72
\$800	 9%	9	10	9	7
\$8000	 1%	1	<1	1	2
DK/NA/Ref	 16%	24	17	12	7

0% 20% 40% 60% 80% 100%

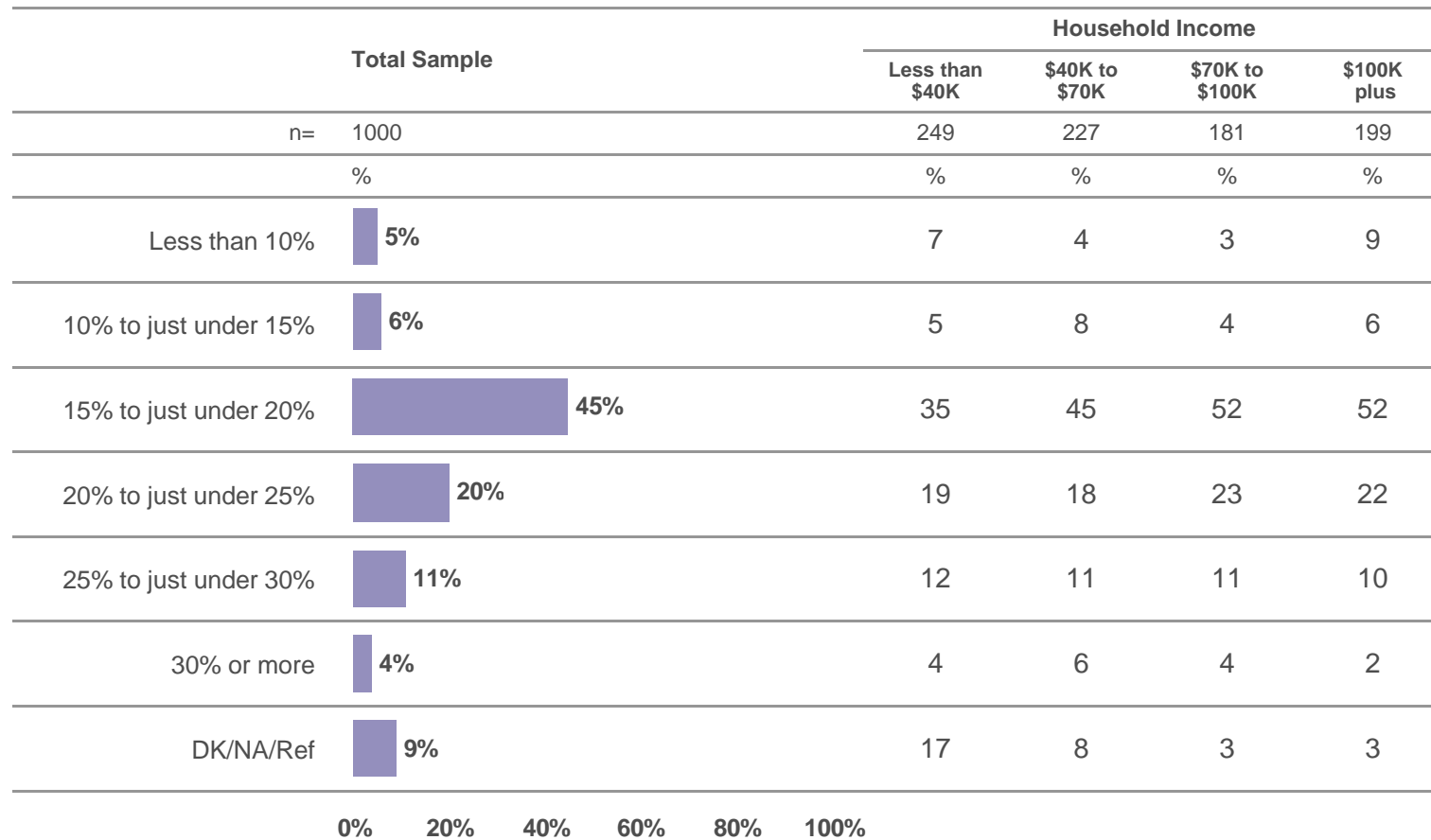
Q.23. If you borrow \$1,000 for a year and you have to pay interest of 8%, how much interest will you pay in that year?
Base: Total sample

What is the average rate of interest charged on unpaid credit card balances?



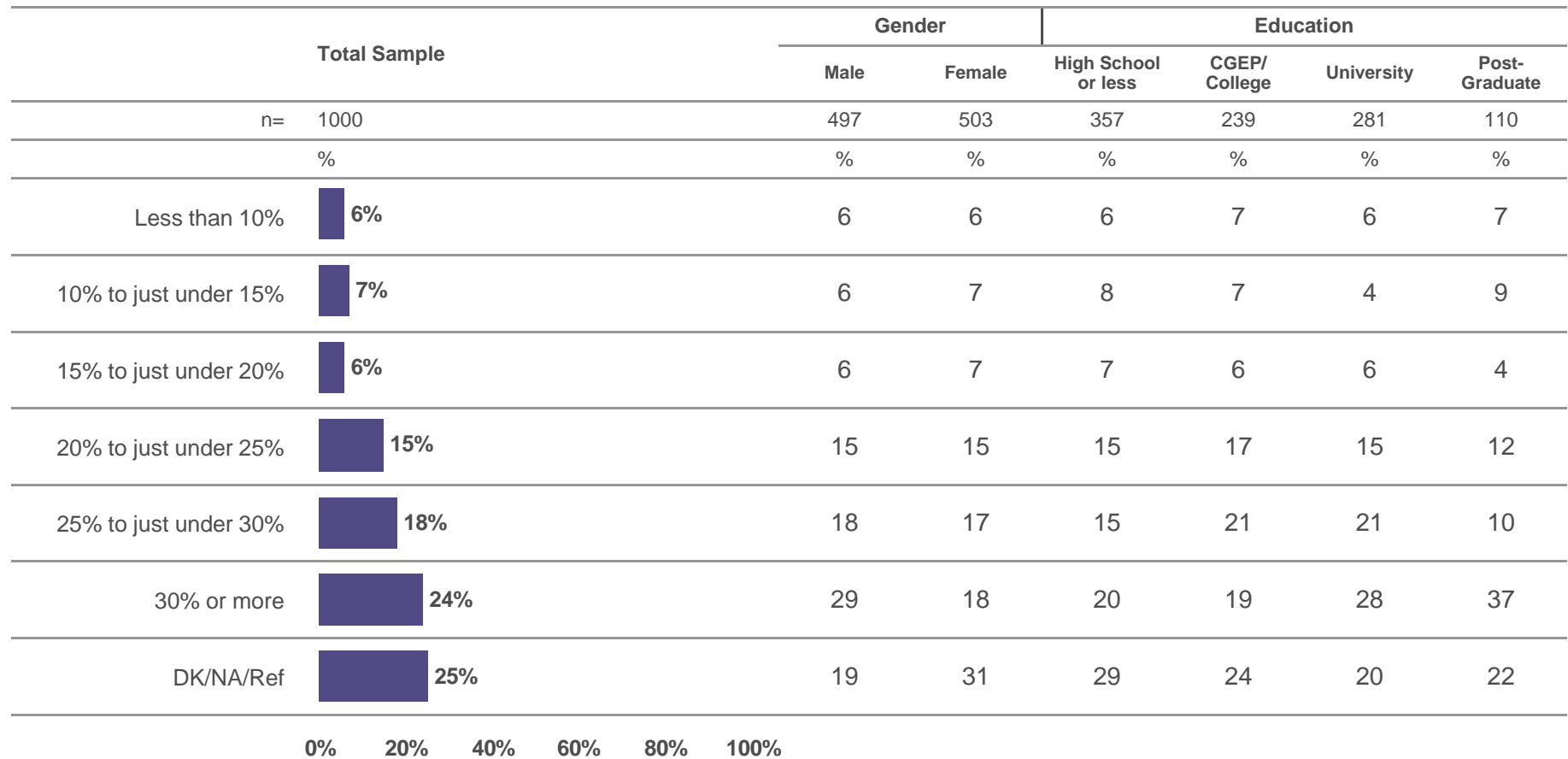
Q.19. What do you think is the average rate of interest charged on unpaid credit card balances?
Base: Total sample

What is the average rate of interest charged on unpaid credit card balances?



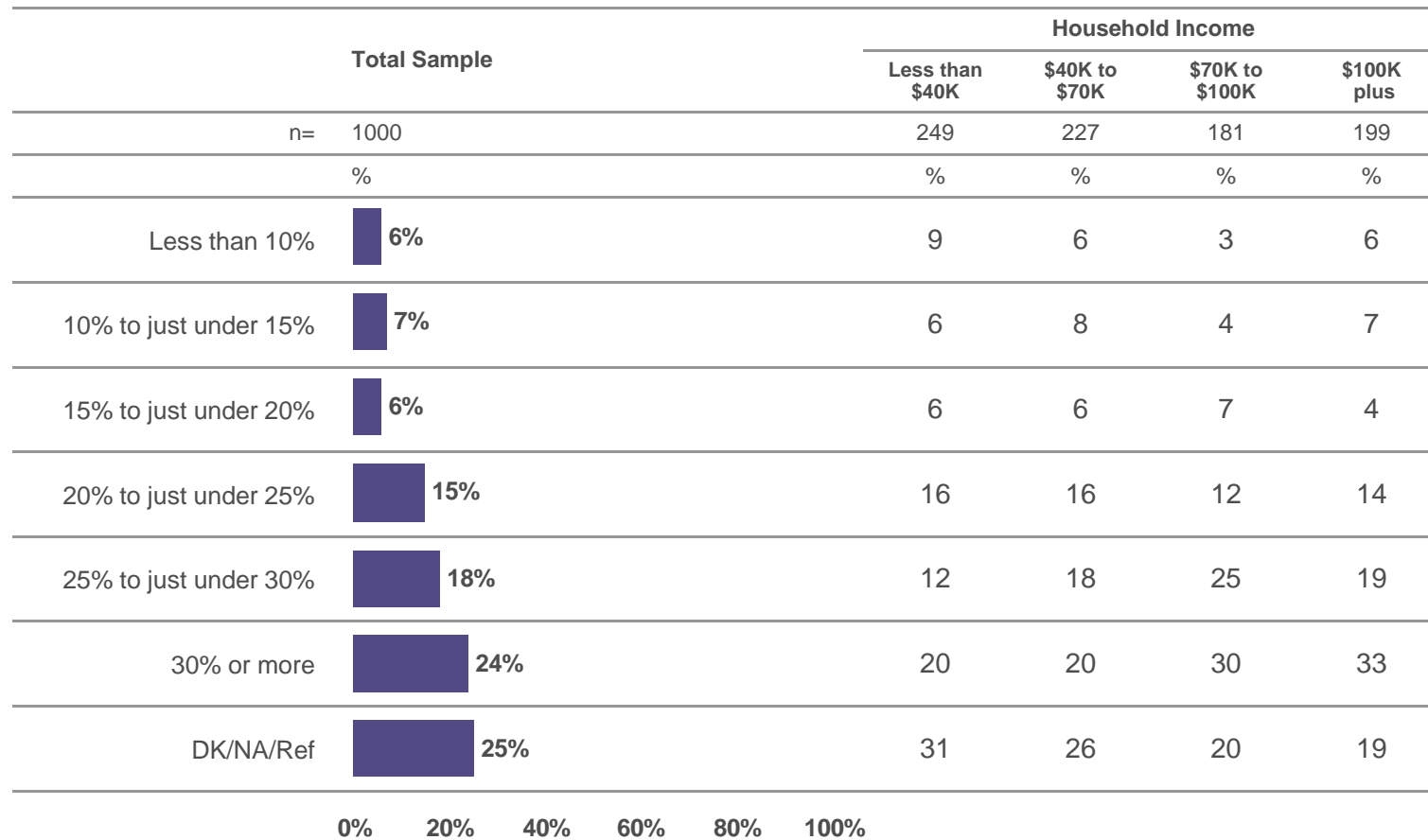
Q.19. What do you think is the average rate of interest charged on unpaid credit card balances?
Base: Total sample

What is the highest rate of interest that a lender can legally charge?











Q.20. What do you think is the highest rate of interest that a lender can charge to a borrower before it becomes illegal, that is, too high?
Base: Total sample

What is the highest rate of interest that a lender can legally charge?



Q.20. What do you think is the highest rate of interest that a lender can charge to a borrower before it becomes illegal, that is, too high?
Base: Total sample

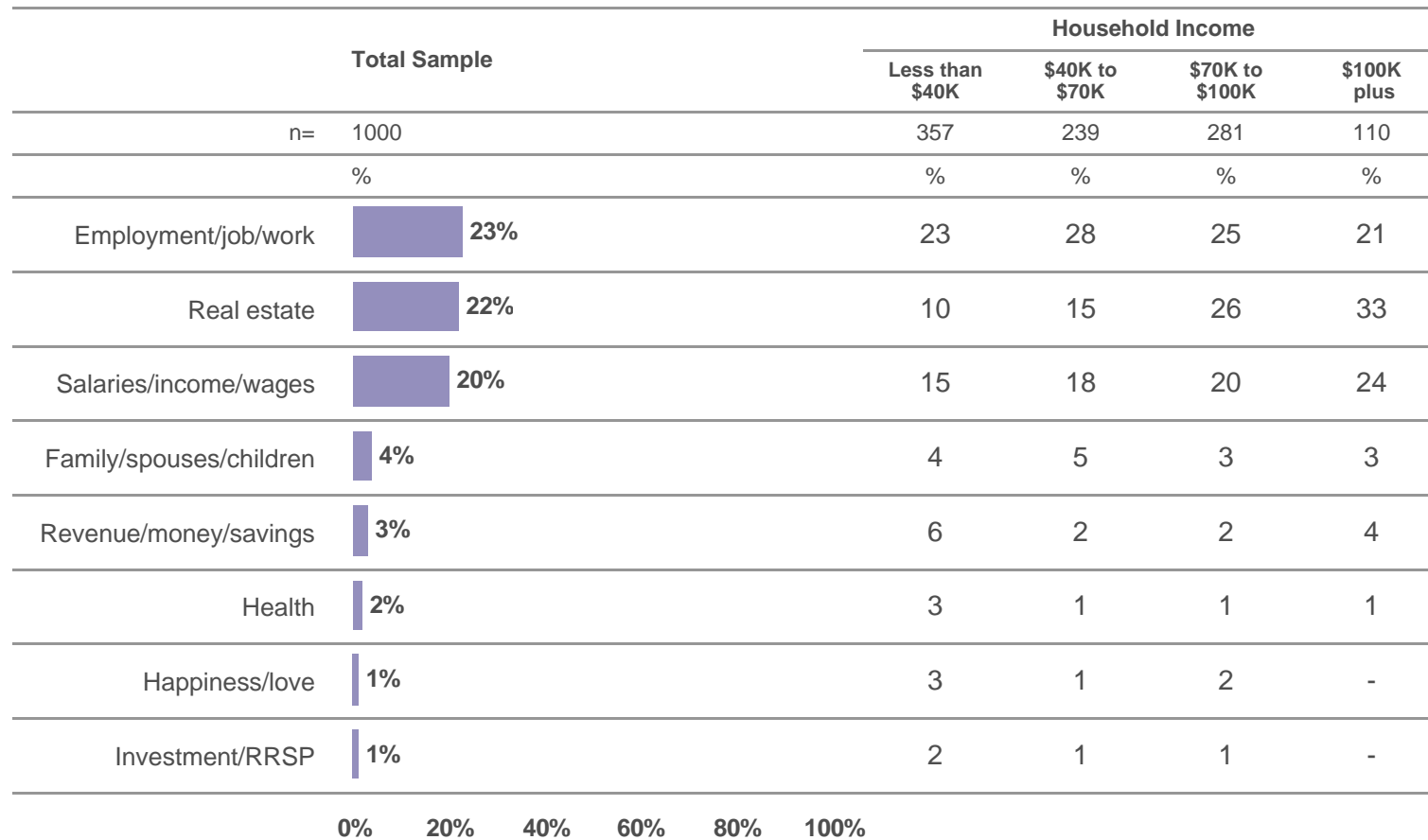
What is the greatest single source of wealth for most households?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Employment/job/work	 23%	22	24	23	30	20	18
Real estate	 22%	26	17	14	20	29	32
Salaries/income/wages	 20%	20	19	13	19	24	32
Family/spouses/children	 4%	5	3	4	3	5	1
Revenue/money/savings	 3%	3	3	5	2	3	1
Health	 2%	1	2	2	1	1	-
Happiness/love	 1%	1	2	2	-	3	1
Investment/RRSP	 1%	<1	1	1	-	1	1

0% 20% 40% 60% 80% 100%

Q.39. What is the greatest single source of wealth for most households?
Base: Total sample

What is the greatest single source of wealth for most households?



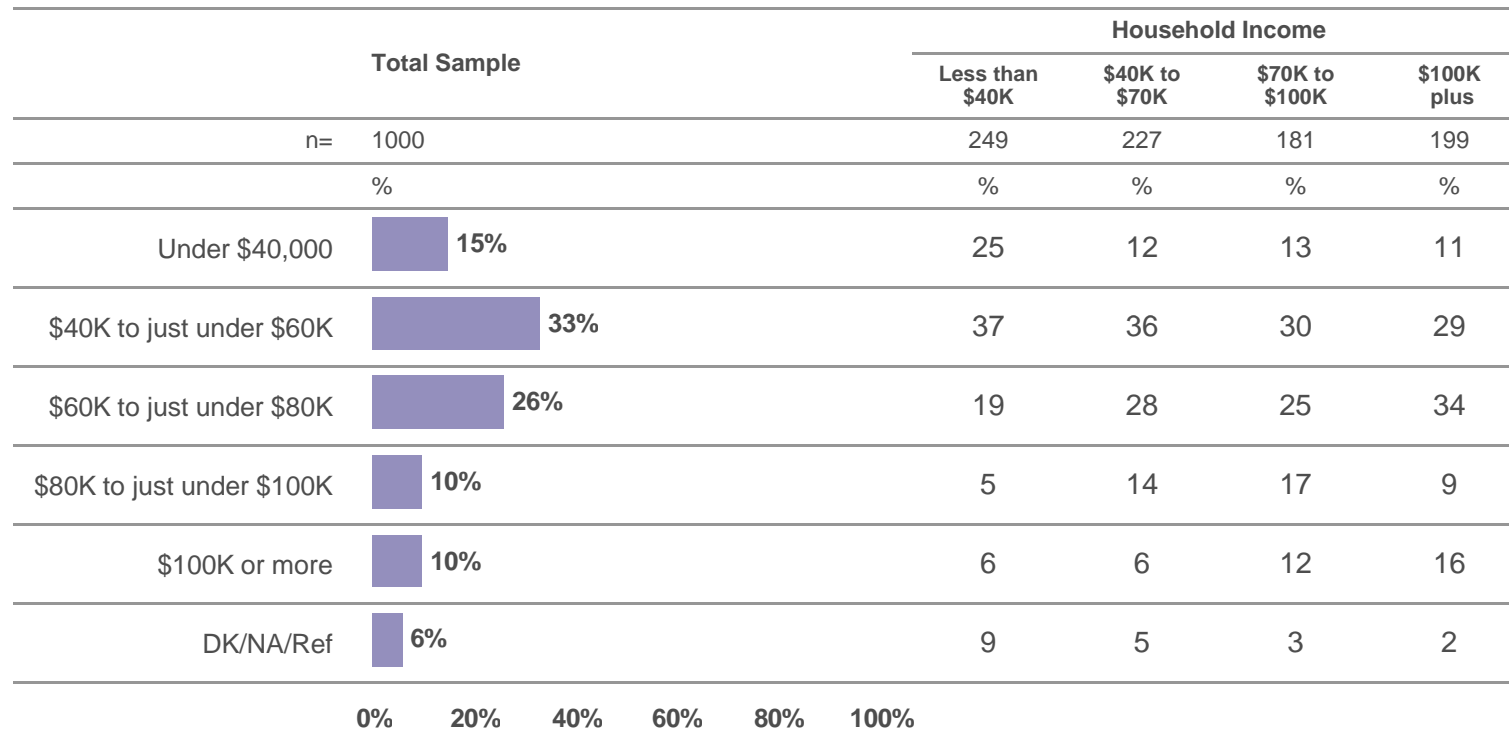
Q.39. What is the greatest single source of wealth for most households?
Base: Total sample

What yearly income do you believe a family of four in Canada needs to earn to cover the cost of basic necessities?






Q.22. What yearly income do you believe a family of four in Canada needs to earn to cover the cost of basic necessities – that is, food, clothing, and shelter?
Base: Total sample

What yearly income do you believe a family of four in Canada needs to earn to cover the cost of basic necessities?



Q.22. What yearly income do you believe a family of four in Canada needs to earn to cover the cost of basic necessities – that is, food, clothing, and shelter?
Base: Total sample

What is the average total cost to pay for a year of college or university education if the student does not live at home?







	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Under \$20K	 32%	35	30	26	27	42	41
\$20K to just under \$30K	 31%	31	32	28	38	29	35
\$30K to just under \$40K	 10%	10	9	12	9	9	8
\$40K to just under \$50K	 4%	4	5	4	5	5	2
\$50K or more	 8%	8	9	6	11	9	7
DK/NA/Ref	 14%	13	15	25	10	5	7

0% 20% 40% 60% 80% 100%

Q.40. What do you think is the average total cost to pay for a year of a child's college or university education today if the student does not live at home – that is, all costs including tuition, fees, books, rent, food, clothing, etc.?

Base: Total sample

What is the average total cost to pay for a year of college or university education if the student does not live at home?






	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
Under \$20K	 32%	27	37	31	39
\$20K to just under \$30K	 31%	27	25	40	33
\$30K to just under \$40K	 10%	11	11	7	11
\$40K to just under \$50K	 4%	4	6	3	6
\$50K or more	 8%	7	9	10	7
DK/NA/Ref	 14%	24	13	10	4

0% 20% 40% 60% 80% 100%

Q.40. What do you think is the average total cost to pay for a year of a child's college or university education today if the student does not live at home – that is, all costs including tuition, fees, books, rent, food, clothing, etc.?

Base: Total sample

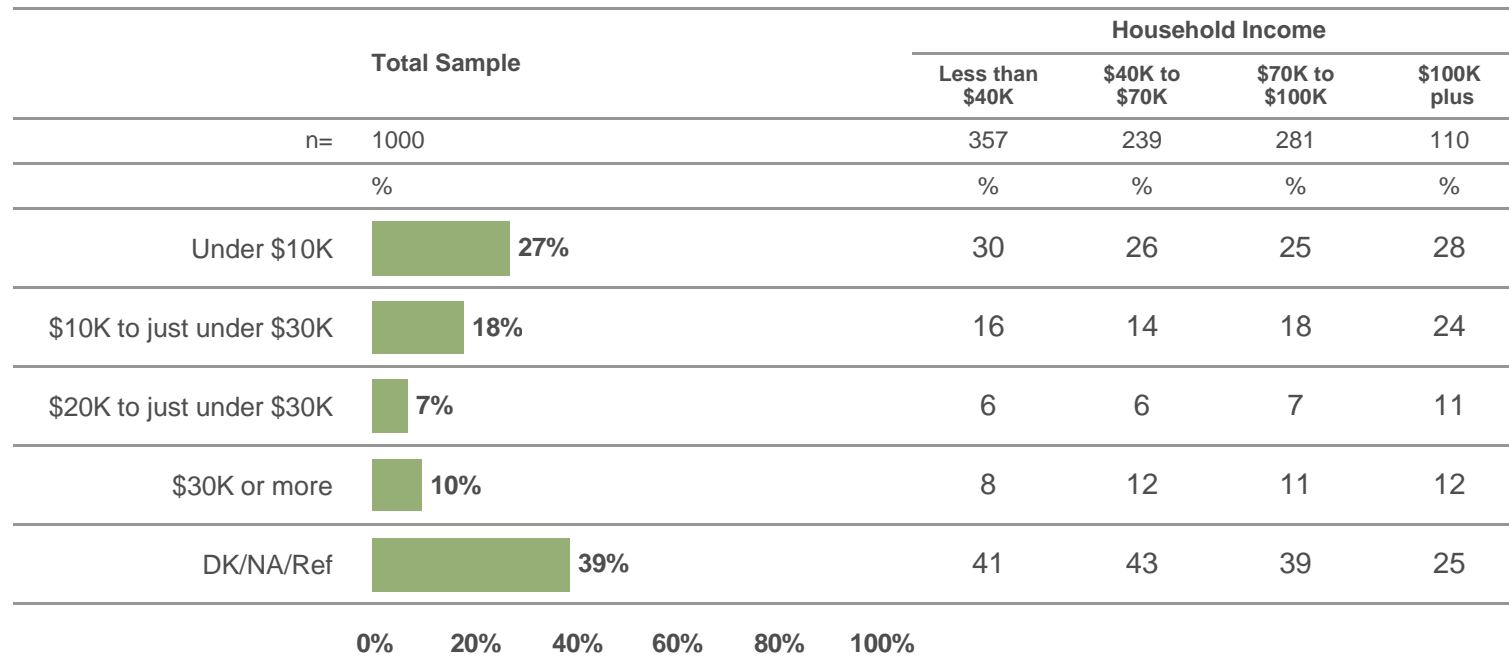
What is the maximum amount that a person will be paid by the Canada Pension Plan annually when they retire?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Under \$10K	 27%	28	25	29	26	25	27
\$10K to just under \$30K	 18%	19	16	18	20	16	16
\$20K to just under \$30K	 7%	8	6	6	7	9	6
\$30K or more	 10%	9	12	8	11	12	15
DK/NA/Ref	 39%	36	41	40	36	38	37

0% 20% 40% 60% 80% 100%







Q.41. What do you think is the maximum amount that a person will be paid by the Canada Pension Plan (CPP) annually when he or she retires?
Base: Total sample

What is the maximum amount that a person will be paid by the Canada Pension Plan annually when they retire?



Q.41. What do you think is the maximum amount that a person will be paid by the Canada Pension Plan (CPP) annually when he or she retires?
Base: Total sample

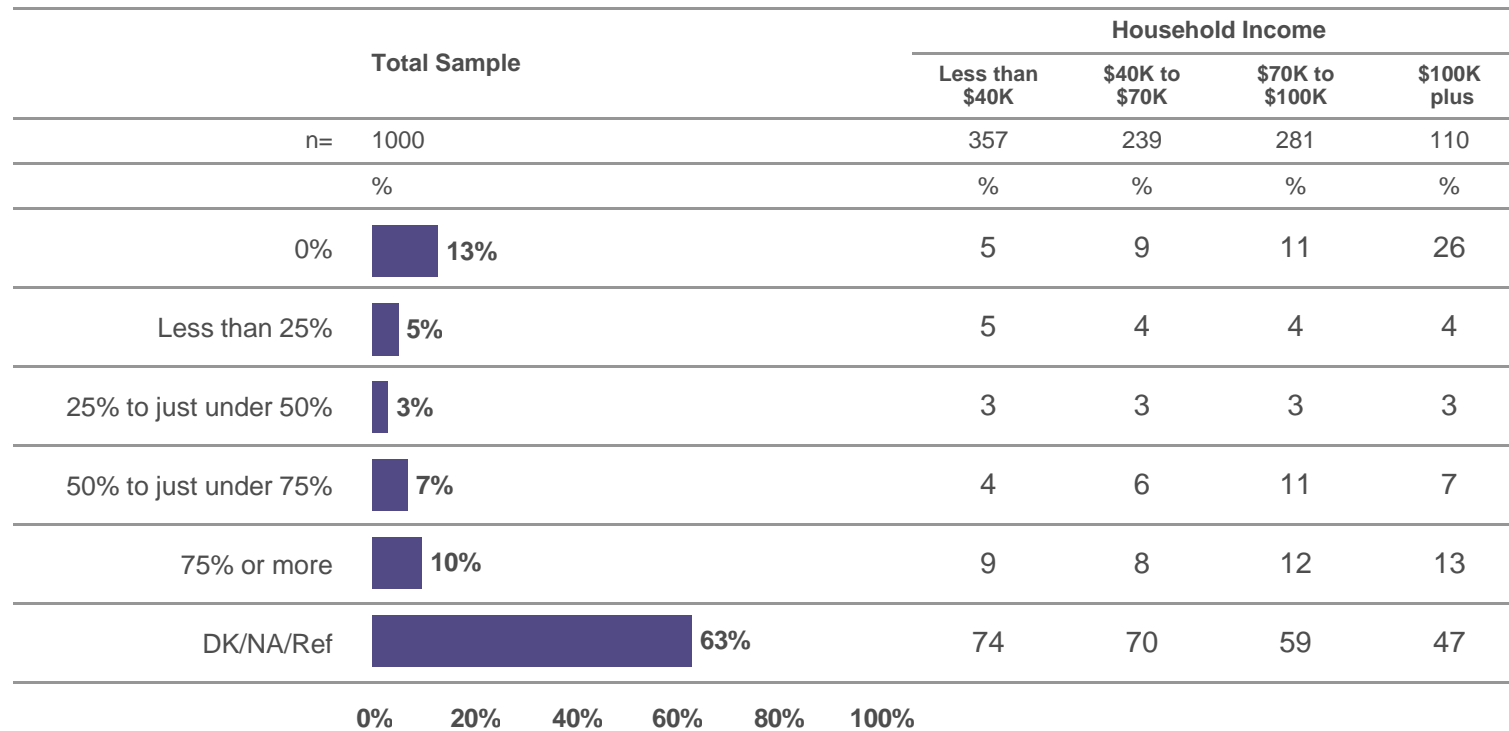
What percentage of an investor's mutual fund investments at a financial institution is insured against loss?

Total Sample	Gender		Education			
	Male	Female	High School or less	CGEP/College	University	Post-Graduate
n= 1000	497	503	357	239	281	110
%	%	%	%	%	%	%
0%  13%	17	9	9	11	18	22
Less than 25%  5%	5	4	6	6	3	3
25% to just under 50%  3%	2	3	2	4	2	5
50% to just under 75%  7%	7	6	6	5	7	9
75% or more  10%	11	9	10	9	10	11
DK/NA/Ref  63%	58	69	68	64	61	50

0% 20% 40% 60% 80% 100%








Q.43. What percentage of an investor's mutual fund investments at a financial institution is insured against loss?
Base: Total sample

What percentage of an investor's mutual fund investments at a financial institution is insured against loss?



Q.43. What percentage of an investor's mutual fund investments at a financial institution is insured against loss?
Base: Total sample













Can you name two large Canadian-owned companies?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Bombardier	 17%	22	13	14	13	25	20
Bell	 12%	12	12	13	11	12	13
Canadian tire	 8%	8	8	7	12	6	9
Petro Canada	 8%	8	8	6	9	7	11
Royal Bank of Canada	 5%	7	3	2	4	6	11
Maple Leaf Foods	 4%	4	4	4	4	4	5
Air Canada	 4%	4	4	2	5	3	8
Rogers	 4%	5	3	3	4	6	1
The Hudson Bay Company	 3%	2	4	4	3	3	5
Hydro Quebec	 3%	3	4	3	3	4	1
McCain	 3%	4	2	3	1	5	5
Tim Hortons	 3%	1	4	3	4	2	2

0% 20% 40% 60% 80% 100%

Q.42. Can you name two large Canadian-owned companies?
Base: Total sample

Can you name two large Canadian-owned companies?

	Total Sample	Household Income			
		Less than \$40K	\$40K to \$70K	\$70K to \$100K	\$100K plus
n=	1000	357	239	281	110
	%	%	%	%	%
Bombardier	 17%	14	16	20	24
Bell	 12%	14	12	15	8
Canadian tire	 8%	8	5	5	12
Petro Canada	 8%	6	9	6	10
Royal Bank of Canada	 5%	1	2	9	7
Maple Leaf Foods	 4%	3	2	3	7
Air Canada	 4%	4	4	5	5
Rogers	 4%	4	5	2	4
The Hudson Bay Company	 3%	4	4	<1	3
Hydro Quebec	 3%	4	4	4	2
McCain	 3%	2	3	3	5
Tim Hortons	 3%	4	2	3	3

0% 20% 40% 60% 80% 100%

Q.42. Can you name two large Canadian-owned companies?
Base: Total sample

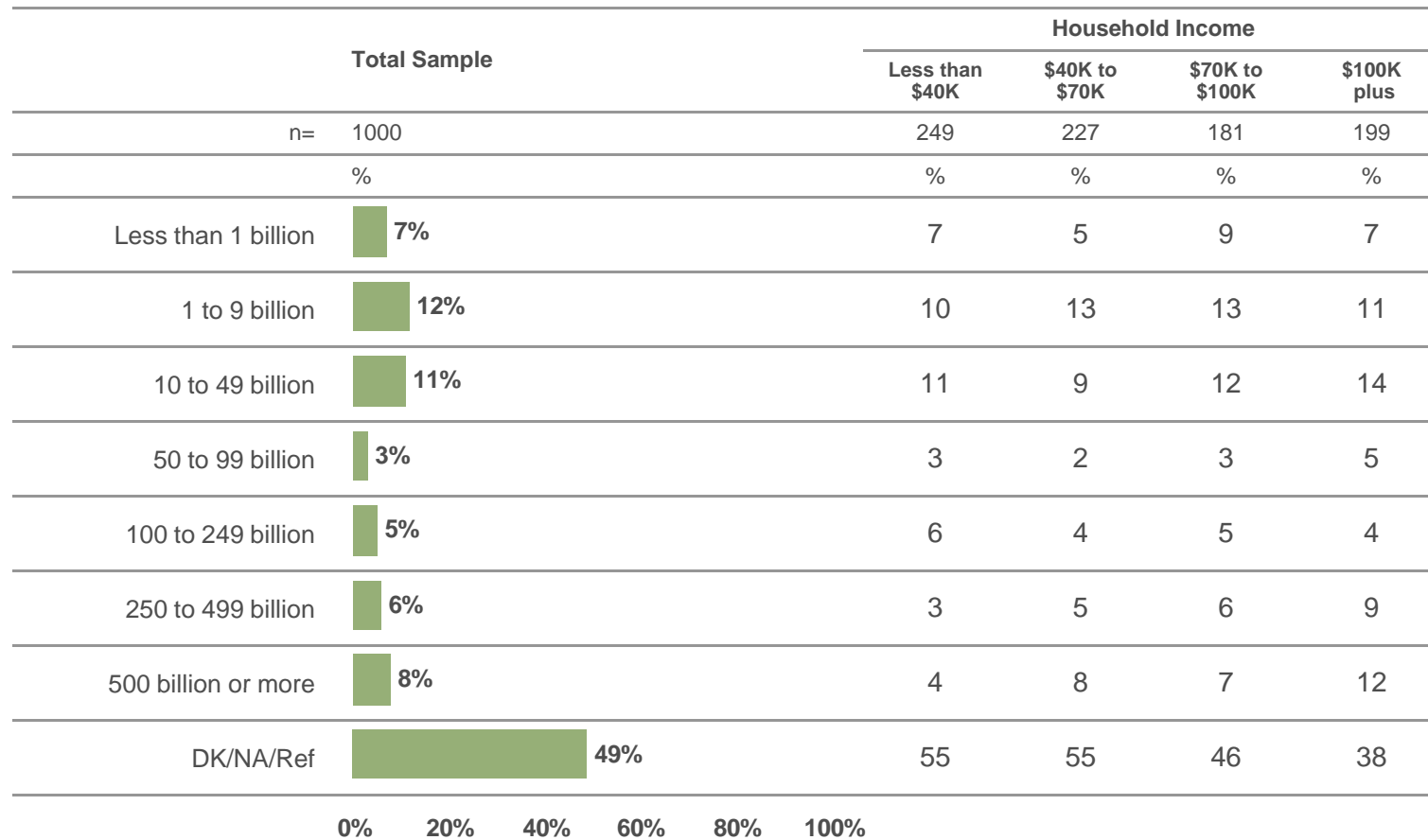
What is Canada's total federal, national debt?

	Total Sample	Gender		Education			
		Male	Female	High School or less	CGEP/ College	University	Post-Graduate
n=	1000	497	503	357	239	281	110
	%	%	%	%	%	%	%
Less than 1 billion	7%	7	7	7	10	8	4
1 to 9 billion	12%	7	16	9	11	15	9
10 to 49 billion	11%	13	9	8	14	10	13
50 to 99 billion	3%	4	2	2	3	5	2
100 to 249 billion	5%	6	3	5	5	4	7
250 to 499 billion	6%	10	1	4	5	7	12
500 billion or more	8%	14	2	6	6	11	11
DK/NA/Ref	49%	40	59	60	47	41	42

0% 20% 40% 60% 80% 100%

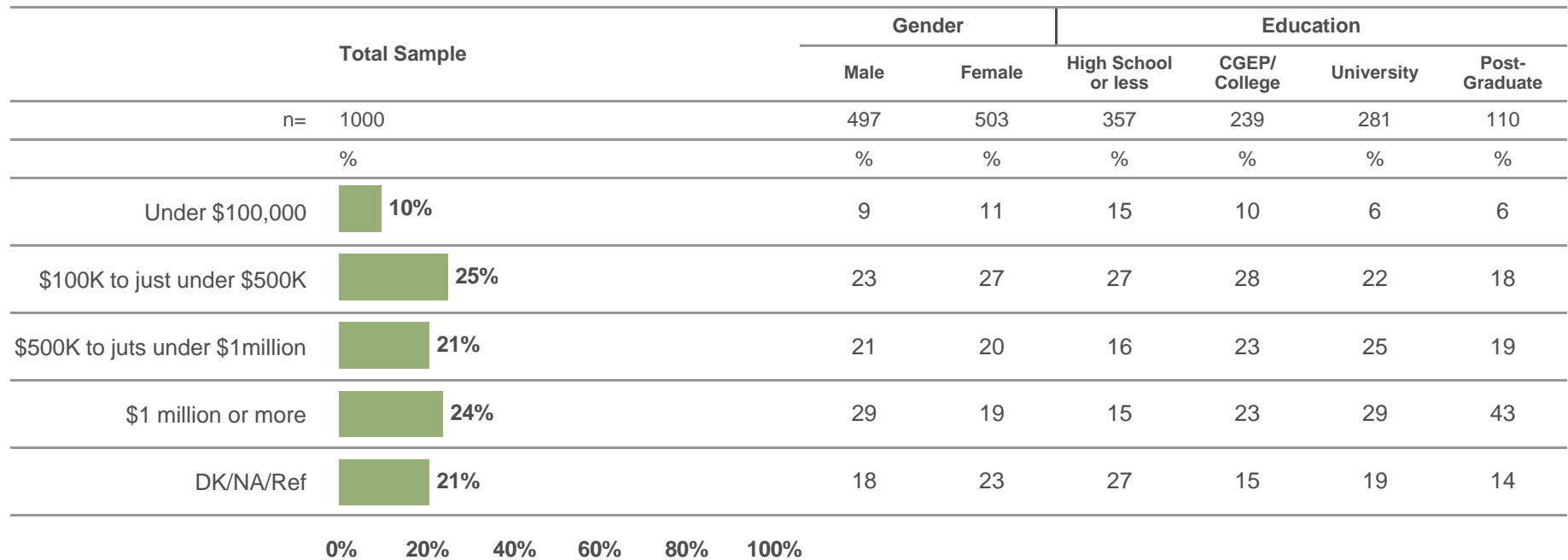
Q.24. What is Canada's total federal, national debt – that is, what dollar amount do we, as a country, owe to lenders?
Base: Total sample

What is Canada's total federal, national debt?



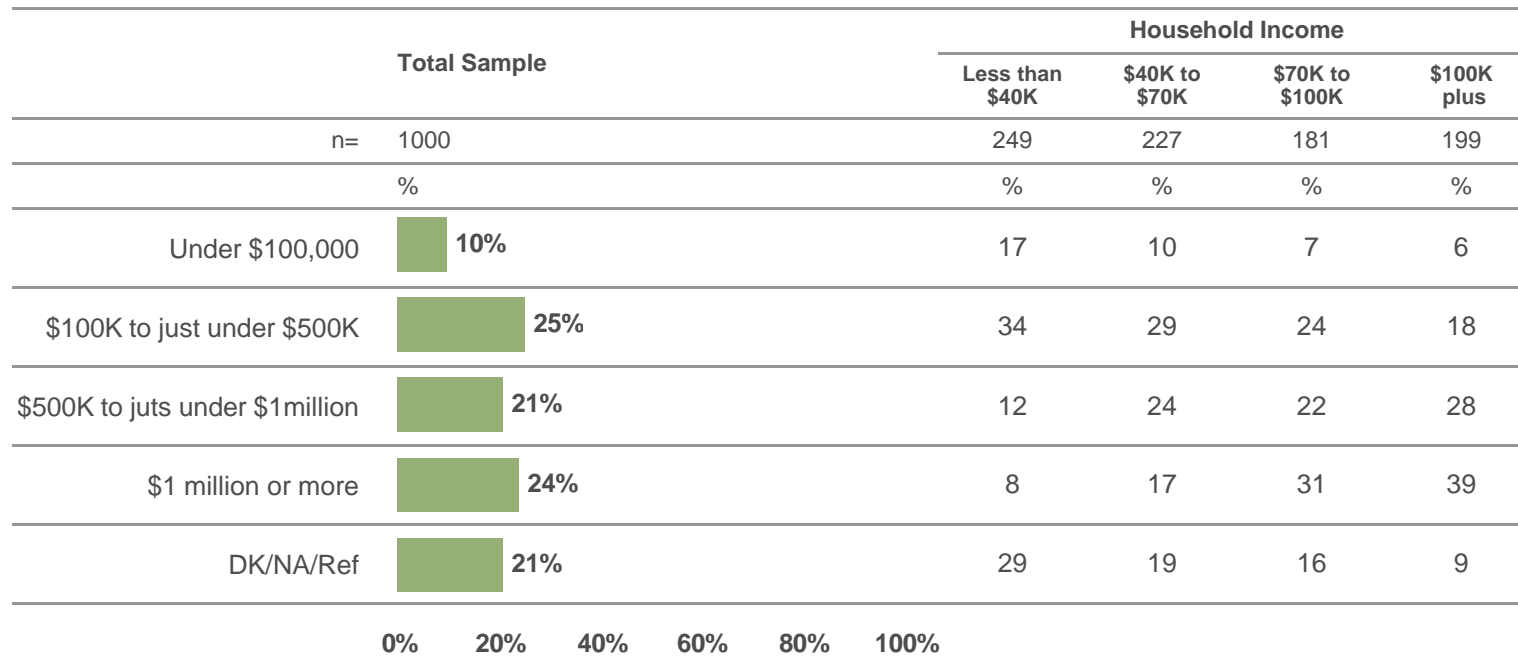
Q.24. What is Canada's total federal, national debt – that is, what dollar amount do we, as a country, owe to lenders?
Base: Total sample

How much do you need in order to retire and live comfortably?



Q.21. How much do you believe you will need to accumulate in total lifetime savings to be able to retire and live comfortably?
Base: Total sample

How much do you need in order to retire and live comfortably?



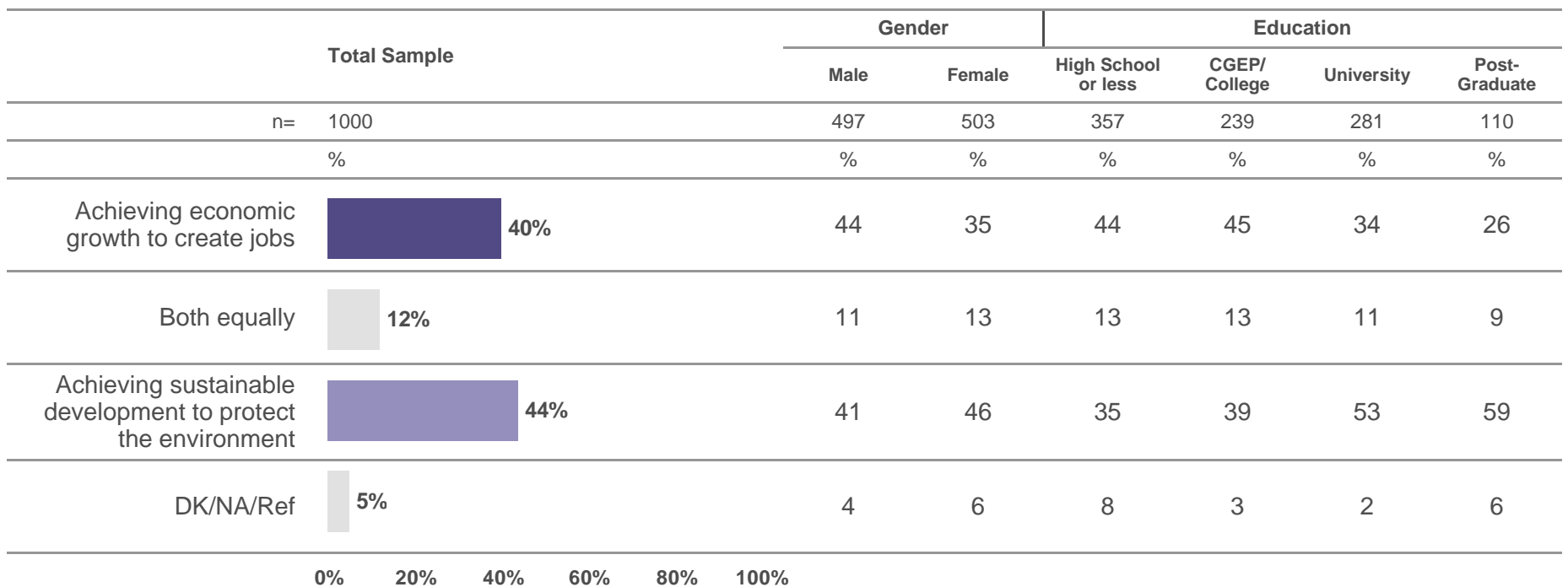
Q.21. How much do you believe you will need to accumulate in total lifetime savings to be able to retire and live comfortably?
Base: Total sample



Appendix D

Growth or Sustainable
Development

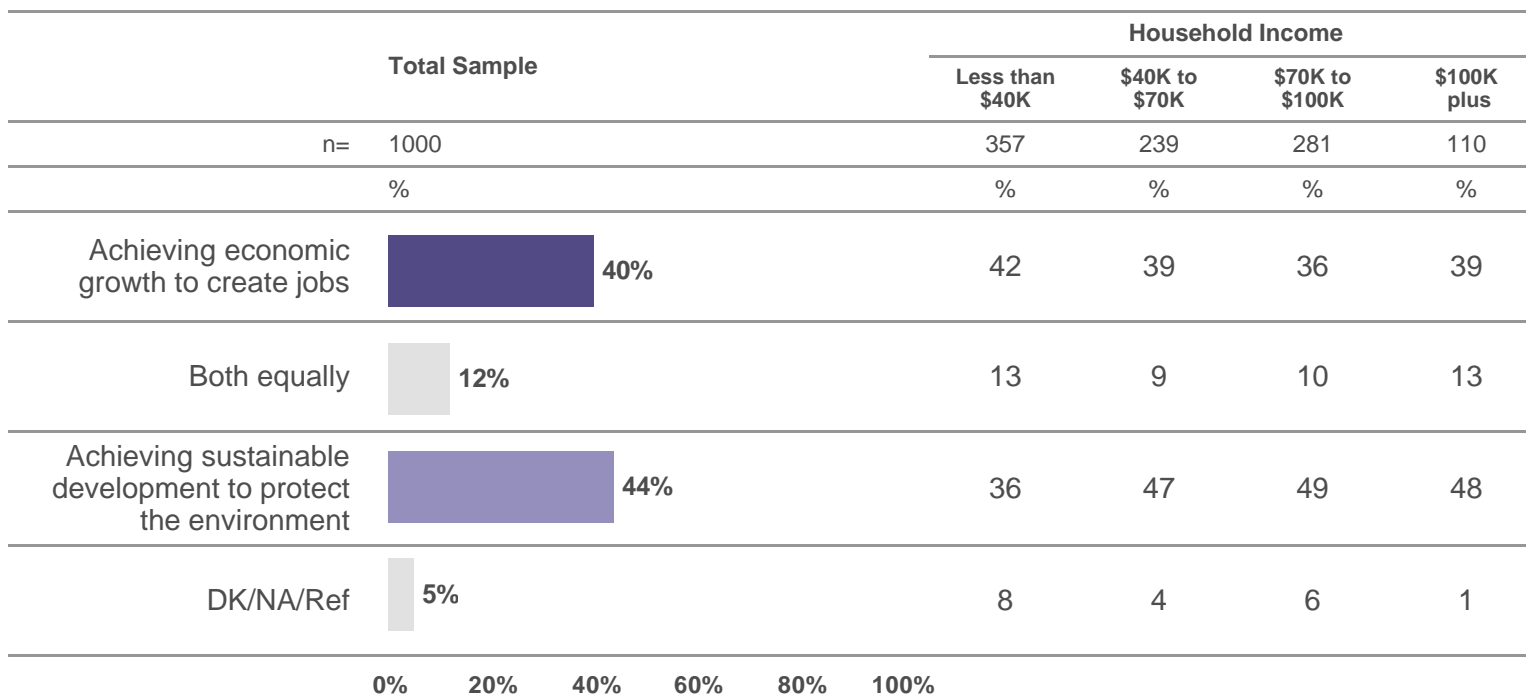
Which is a more important goal for Canada – achieving economic growth to create jobs OR achieving sustainable development to protect the environment?



Q.34. Which would you choose as the more important goal for Canada at this time – achieving economic growth to create jobs OR achieving sustainable development to protect the environment or (VOLUNTEERED) both equally?

Base: Total sample

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