# 2021 British Columbia Consumer Debt Study

From high costs of living to the impacts of debt-stress and the COVID-19 pandemic's monetary effects, there are many layers to the financial challenges British Columbians cope with. 2021's BC Consumer Debt Study offers insight into consumer debt problems across the province, inviting and strategies commonly faced when individuals take action to confront overwhelming debt.

The ninth annual study conducted by Licensed Insolvency Trustees Sands & Associates, the 2021 BC Consumer Debt BC residents, and includes detailed survey responses from over 1,700 participants across the province who had made restructure their debt.

View the full report, including highlights of unique personal insights received from study participants at

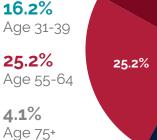
## **Demographics**

Age range when debt relief process started

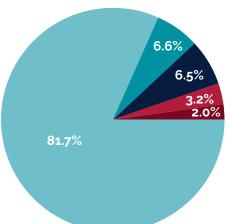
4.9% Age 18-30

36.8% Age 40-54 Age 31-39 25.2% Age 55-64

12.8% Age 65-74



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



#### 81.7%

**4.1**%

12.8%

4.9°

16.2%

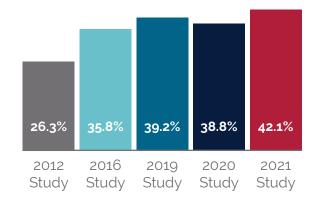
36.8%

Renting 6.6% Homeowner (self or spouse)

parents or other family

Co-op housing 2.0% Other

Proportion of **respondents** aged 55 and over



#### Marital status when debt relief process started

35.3% Married/ common-law relationship



26.6%







Divorced or separated



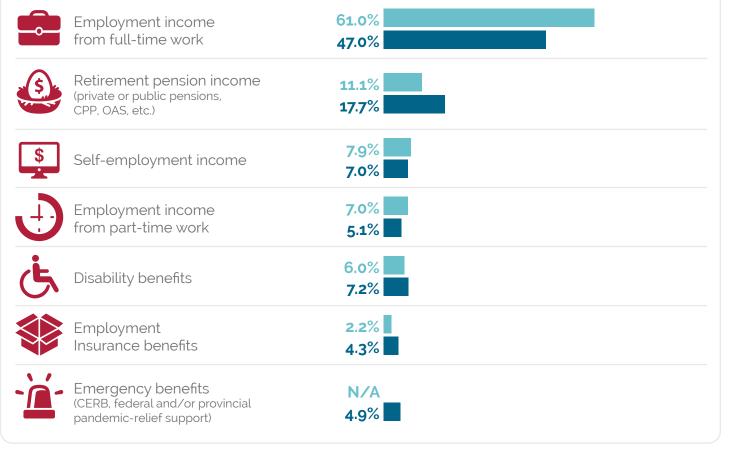
2.2% In a relationship (not living together)





4.8%

Widowed



6.5% Living at home with

3.2%

## **Consumer Debt Analysis**



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

4.6%

28.2% Less than \$10,000 \$10,000-\$24,999

24.5% \$50,000-\$99,999 10.3% \$100,000 or more 32.4% \$25,000-\$49,999

28.2% 24.5% 32.4%

10.3%

1 6



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







0

9.8% Line of credit



4.3% Student loan debt



10.5% Tax debt (personal income tax, GST, etc.)

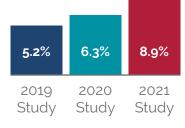


4.4%

Other

Payday or instalment loans





What was the direct **main cause** of your debt? (Top 5 Responses)



28.1% Overextended credit due to general financial mismanagement

"Victim of a scam."

"Lost my wife to cancer ... "



Other Responses Included

"Real estate investment failure."







7.5% Job related issue (unemployment, lay-off, reduction in pay, etc.)

"My son was very ill and my mother as well."

"My ex and I used drugs and were heavily addicted."

"I just returned to work after giving birth when I was in a car accident."

"I lost my life savings gambling then tried to get it back by gambling with my credit cards."

### **Behind the Debt**

Constant worry about debt was reported by over 4 in 5 study participants, and roughly 1 in 6 respondents said the stress of debt resulted in them experiencing thoughts or contemplation of suicide.

18.0%

Using credit for

essential costs

of living income

could not cover



<u>\$</u> 50.6%

21.2%

Using credit to



**68.1**% Overwhelming stress



Accumulating more debt on credit accounts



19.3% Bouncing or missing payments



33.2% Getting collection

minimum payments

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

59.1%

Only making



calls, texts, letters or court notices



2.7% Other

18.9% Being turned down for a



6.1% Having wages garnished or bank account seized

make debt payments

Seeing debt balances

remain almost the same every month, despite making payments



77.2% My mental health suffered as a result



53.1% My physical health suffered as a result



33.4% My relationships suffered as a result



suffered as a result

68.0%

My self-esteem

33.9% I had to put life events on hold (purchasing a home, starting a family, etc.)

25.7%

I felt my family and/or children suffered as a result



13.9% My job suffered as a result

"I made it this far fighting cancer, and COVID-19. If I hadn't filed for bankruptcy when I did, I do not think I would be alive today." Do you feel the stress of debt resulted in you experiencing any of the following?



82.5% Constant worry about debt



69.3% Poor sleep



60.2% Depression



44.3% Anger or irritability



Arguments with spouse or partner about money



None of the above

## **Dealing with Debt**

Only around 5% of individuals said they sought professional debt help right away.

# 77.4% Anxiety



64.0% Feelings of helplessness and/ or hopelessness



Shame



**28.4**% Alienating yourself from family or friends



15.8% Thoughts or contemplation of suicide

"I just felt hopeless and had no motivation to seek help for a long time."

"I had no idea the advice out there, free for the asking."

> "Didn't want to risk losing or having to sell home."

"I had thought there was a steep cost to filing for bankruptcy that had to be paid upfront."

> "I was so embarrassed of what I had done ... "

"I had hoped to get back working much faster after being laid off due to COVID than actually happened."

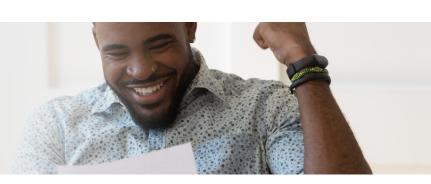
#### What were **the reasons you waited** to seek professional debt help? (Top 6 Responses) I wanted to manage 62.6% my debt on my own I felt ashamed I couldn't handle 51.5% the debts I had incurred I was embarrassed 49.9% to ask for help I was worried about 39.2% being judged I thought there was 33.4% no solution to my situation I didn't know where 29.0% to seek help

#### In attempting to deal with your debt, did you do any of the following? (Top 4 Responses)

Apply to extend credit limits on existing debts	33.5%
Apply for consolidation financing	30.2%
Borrow from family or friends to make debt payments	24.4%
Use payday or instalment loans	23.2%

## **Changes in Financial Outlook**

90% of survey participants said they were satisfied if not extremely satisfied by the outcome of their decision to make a Consumer Proposal or file Bankruptcy to deal with their debt.



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



70.7% I have improved my budgeting and/or savings skills



53.5% I have a better understanding about credit and borrowing



35.1% I've gained financial skills and/or knowledge to pass on to others (children, family, friends, etc.)



59.4% I am more confident in my day-to-day financial management



I am more open in discussing finances and general money matters with others (family, friends, etc.)

5.9% I don't think my experience has changed my attitude or approach

"I discovered that I didn't need credit to live a healthy and fulfilled life and that taking responsibility for financial commitments has a very positive impact on mental health."

"I know the risks and what's at stake more now."

"I have a fresh start and feel confident I will never again fall into the trap of consumer debt or getting behind in filing my taxes."

# KNOWING IS NOT OWING.

BC residents can access full legal debt help services in-person or online from the comfort of home



Book your free non-judgmental debt consultation to connect with a Licensed Insolvency Trustee and get a debt-free plan: www.sands-trustee.com or call 1.800.661.3030