

## Our biggest concerns are affording groceries and gas

by Mark Pavilons

The latest financial news comes with some noticeable belt-tightening among average Canadians.

It was reported recently that 75% of Canadians can't afford a \$200 increase in monthly expenses.

Further, Canadians' confidence in their personal financial situation and debt repayment abilities is hitting a record-low, according to the latest MNP Consumer Debt Index.

Nearly two years into the pandemic, financial confidence among Canadians has reached a record low, with household debt becoming increasingly worrisome, said Grant Bazian, president of MNP, in a news release.

Canadians' financial optimism typically wanes as the holiday bills become due, but Canadians are feeling even more financially insecure this year likely as a result of the Omicron variant and resulting pandemic fatigue, along with rising inflation and the potential for interest rate increases this year.

The survey found almost half of Canadians (45 per cent) aren't confident they'll be able to pay for basic living expenses this year. When it comes to debt levels, four-in-10 respondents (43 per cent) are worried about how much they currently owe.

In 2022, Canadians' top financial priorities are having a sufficient emergency fund (54%), paying down debt (48%) and saving for retirement (40%).

Canadians' top financial stressors for 2022 include buying groceries (59%), paying for gas & transportation (40%) and paying down their credit card debt (28%).

Almost half (48%) admit they were more financially stressed in 2021 compared to the previous year.

This is beyond sad and troublesome. It's been said that surveys only paint part of the picture, and that respondents tend to be more positive than negative. This means the picture could be even bleaker.

Half of Canadians had to withdraw from savings or investments in 2021 to afford unexpected expenses, and one-third of Canadians would have one month or less of a cushion to fall back on if they or their partner were to lose their primary source of income.

I know the past 18 months have been challenging, difficult, even life-changing for many. I lived through it, too.

I go to the office every day, hoping things will be better. Most days are the same.

Will Doug Ford's announcement about reducing restrictions signal a return to normal? It's slow and steady, and other parts of the globe are also opening up. The fact is, everyone is sick and tired of the pandemic, and just want to get on with things. But desire, and having the financial means to do that are quite different.

In the same survey, 65% of Canadians consider themselves to be financially resilient. Sure, we're all resilient in some ways, but you can't just keep taking water from the well. One day it will run dry.

According to the PolicyMe, the Canadians + Money 2022 Survey, most of us are concerned about the rising cost of living in 2022.

Buying groceries (59%) and paying for gas (48%) are putting the most financial strain on Canadians, while top financial priorities

for 2022 include building a sufficient emergency fund (54%) and paying down debt (48%).

A substantial number of our fellow Canucks want to put money away for retirement and set aside some funds for travel. They also want to pay down debt.

But how can you accomplish any of those if our collective disposable income shrinks, to the point where we just barely afford necessities?

I feel the pinch, too. I provide this information because it's not something you find on the TV news or discussed with neighbours when taking out the trash.

I have always maintained that we need to be more vigilant in our awareness and more compassionate in our responses. We don't know that our neighbours - the same ones who offered to shovel your driveway last week - aren't suffering, or struggle with their own burdens.

We all have them, in varying degrees.

My wife is a teaching assistant for a school board, and unlike teachers, does not get paid for Christmas holidays, March Break, or through the summer. She has a second job. She wants me to get one, too, but can you picture this motley, slightly greying middle-aged man as a store greeter?

To be completely honest, I find it simply astounding sometimes that I am where I am today.

I'm part of what's called the "working poor" who are cash-strapped but asset rich. I own a home (at least most of it) and have a wife and three kids. We're all (for now) healthy and pretty normal. Okay, I'm a goofball, but proud of it.

For all of my life I worked less than lucrative jobs and simply got by. Were it not for our parents, we would not be where we are today. And that's a testament to their hard work and determination.

They came from little and were fortunate to build decent lives. We were never well off, but I never thought of us as average, working-class stiffs. I had what I needed. I got an allowance. I did chores and did my homework. I rode the bus 30 minutes each way to school. When I was 16, I got my licence and had access to my dad's Olds.

I remember in my 20s thinking \$300,000 was a massive amount for a house. I also remember saying to a friend in high school, that one day I may be able to afford a brand new, \$20,000 Porsche! A 911 was roughly \$20 Gs in the 1980s. Today, this model starts at a little over \$120,000.

Back to belt-tightening. I literally went through two belts over the holidays. I guess \$3.99 doesn't get you that fine leather it once did.

Just how do average Canucks scrimp and save?

We have to buy groceries and our kids gotta eat. We have to pay our utilities, car insurance and the price at the pumps. Our taxes are not cheap.

Sure, I'd love to pay down our mortgage, sock away more in our savings account and feed that "rainy day" fund.

We've been through a monsoon and like broke a few umbrellas along the way.

Of course we'll emerge, perk up and boost our spirits. But we still have many cuts and scrapes, some of which will take time to heal.

I don't have an extra oar to lend out, but I'm happy to help my friends and family paddle.