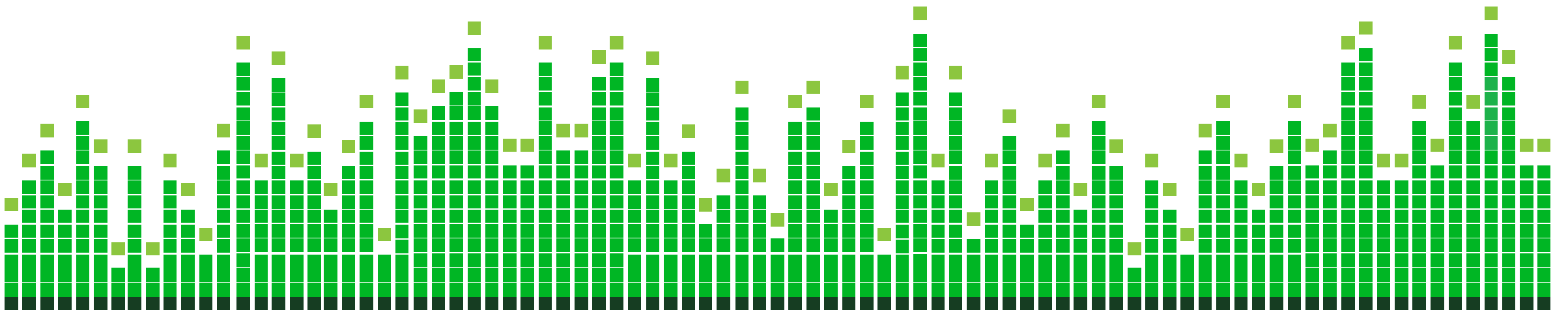


Income Volatility

Rina DeGrazia - Vice President, Financial Education
TD Bank

05.08.2018

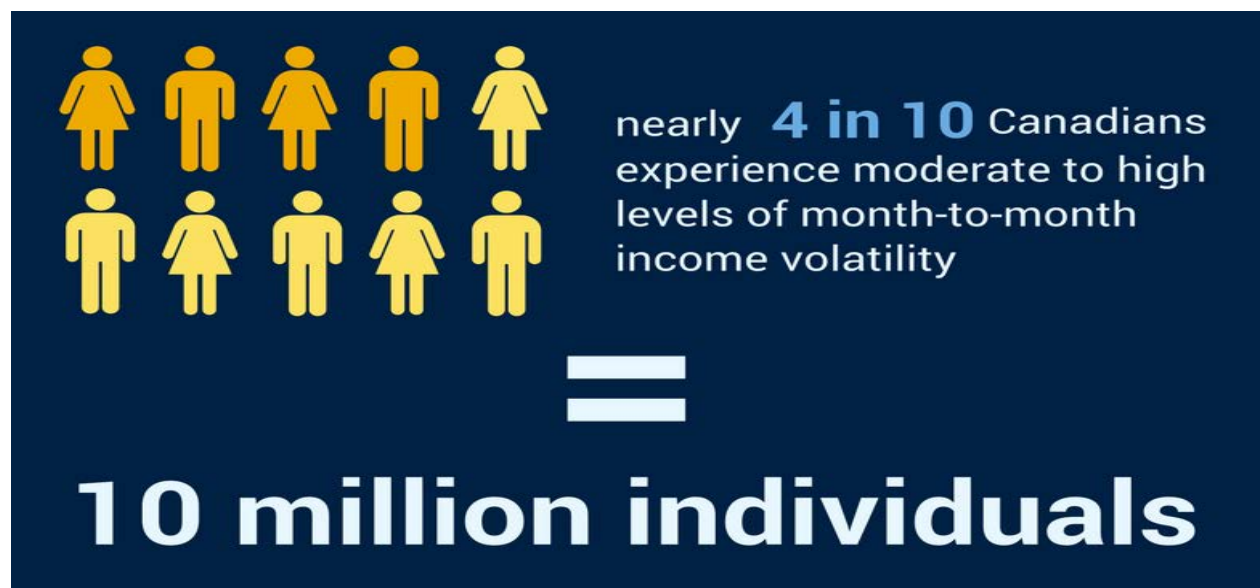


Income volatility is an important issue for Canadians



In 2017, TD commissioned a national public opinion survey* of Canadians to assess:

- Extent of income volatility
- Its causes
- Its impact on Canadians' financial lives



5 million (18%) Canadians report experiencing **high to very high** income volatility

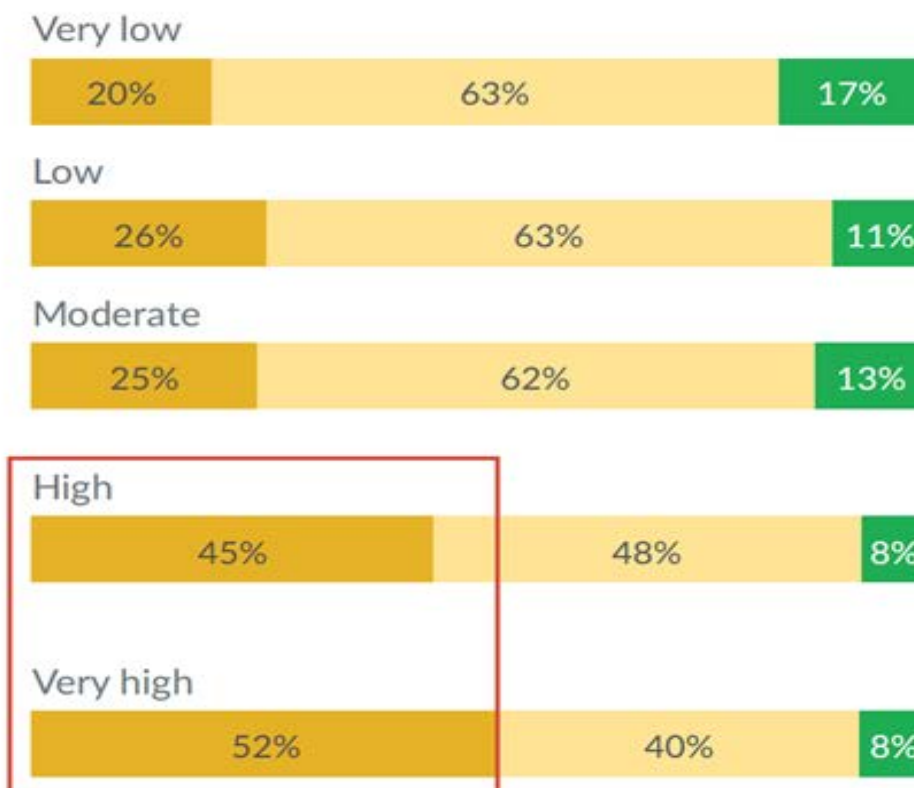
*National representative sample of Canadians 18+ years. N=3,000, plus over sample to produce N=500 for below LICO.

Canadians experiencing higher income volatility are much more likely to believe that they are falling behind



Self-perception of current financial situation

Falling behind Doing OK
Getting ahead



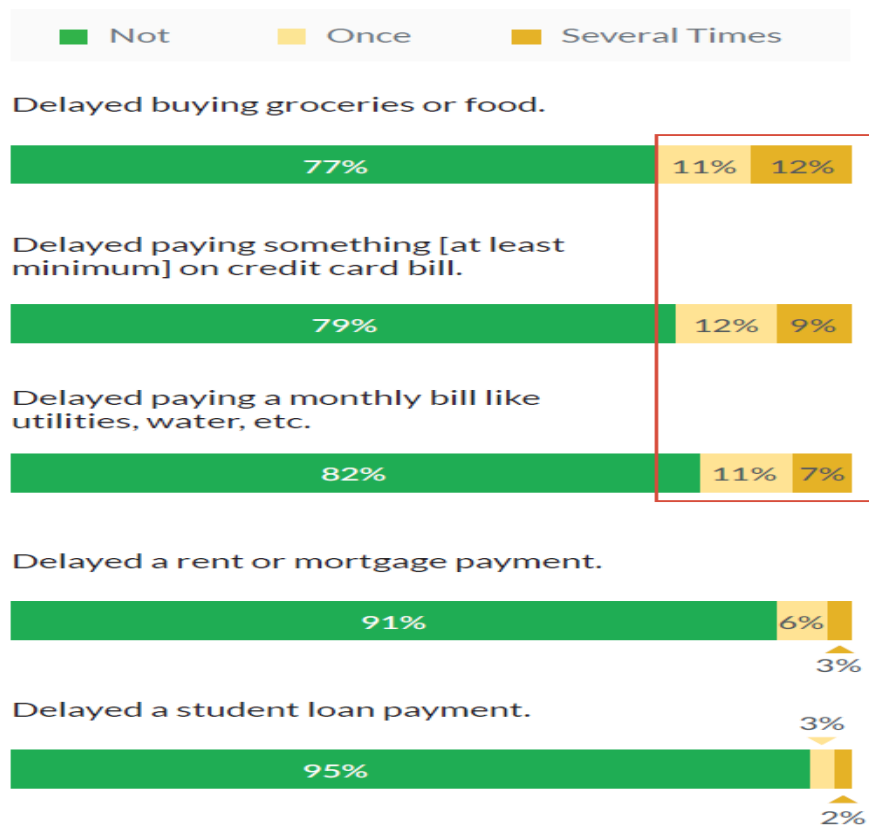
Source: *Pervasive and Profound*, TD Bank Group, 2017.

Income volatility appears to negatively impact people's ability to make ends meet



IN THE PAST 12 MONTHS, HAVE YOU EVER DONE THE FOLLOWING?:

BECAUSE YOU DID NOT THINK YOU HAD ENOUGH MONEY TO COVER IT, YOU...



INCOME VOLATILITY

(% who delayed)

	VERY LOW	LOW	MODERATE	HIGH	VERY HIGH
Delayed buying groceries or food.	16%	22%	26%	38%	39%
Delayed paying something [at least minimum] on credit card bill.	14%	23%	24%	31%	38%
Delayed paying a monthly bill like utilities, water, etc.	11%	18%	22%	27%	34%
Delayed a rent or mortgage payment.	5%	9%	11%	18%	23%
Delayed a student loan payment.	1%	6%	8%	11%	13%

▶ Statistically significant difference

38/39% of Canadians with high/very high income volatility have had to delay buying food or groceries because they could not afford it.

Low income Canadians are at greater risk of income volatility and experience the most negative impact



SELECT MEASURES BY EXPERIENCE INCOME VOLATILITY WITHIN INCOME

	LICO CANADIANS	NON-LICO, BUT LOWER INCOME CANADIANS	MIDDLE-INCOME CANADIANS	HIGHER INCOME CANADIANS
	(experience very high, high or moderate Income Volatility)			
Overall Financial Health Index (high/very high)	17%	36%	45%	65%
Feel like falling behind	51%	37%	37%	26%
A lot of stress re finances	45%	39%	35%	19%
Confident will achieve future financial goals	40%	53%	60%	77%
Delayed buying groceries	49%	39%	35%	13%
Delayed paying utilities	41%	32%	28%	12%

 Statistically significant difference

LICO = LICO

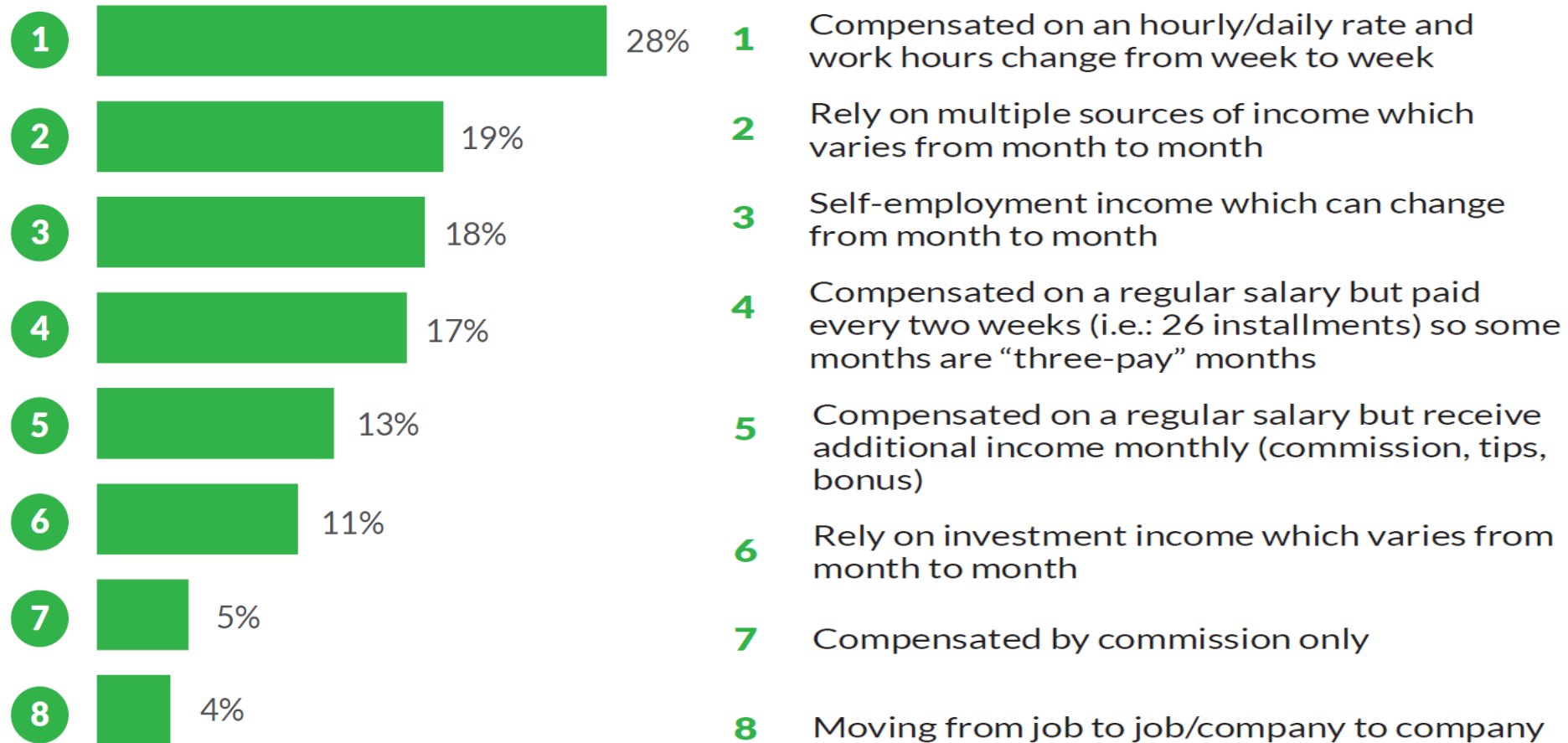
Non-LICO but lower income = household income less \$50,000 per year

Middle-income = \$50,000-\$99,999 per year

Higher Income = \$100,000+ per year

Source: *Pervasive and Profound*, TD Bank Group, 2017.

Income volatility has multiple causes but irregular work is the most frequent



Our Role: Colleague, Customers, Communities

