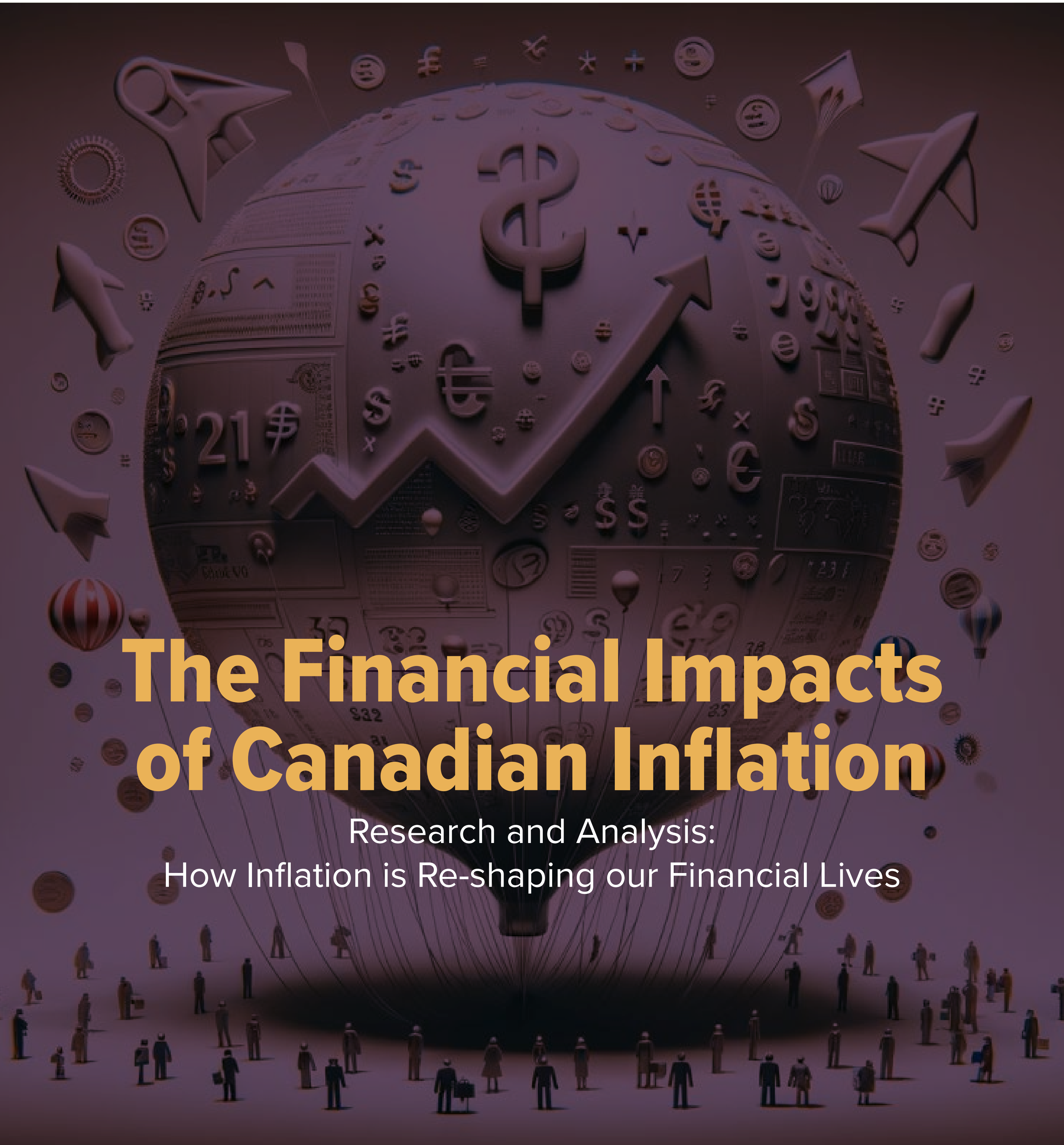

The Financial Impacts of Canadian Inflation

Research and Analysis:
How Inflation is Re-shaping our Financial Lives

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Inflation in Canada: The Impact on Our Financial Future

Our 2024 Inflation Survey Highlights the Sweeping Impact of Canada's Rising Inflation on Our Financial Future

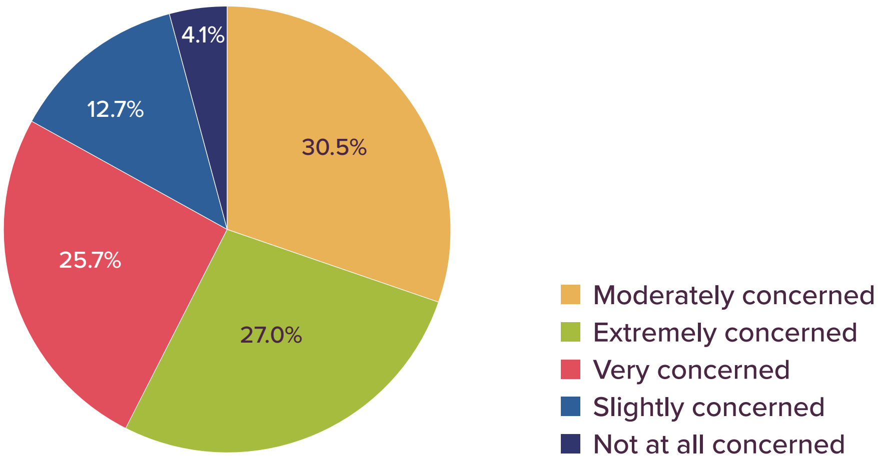
Years of the rapidly rising cost of goods has made inflation a top concern for many Canadians. Faced with less spending power than in years past, it inevitably forces change in virtually all aspects of our spending, lifestyle, and future. We set out to explore this in late 2023, launching a survey that received over 1,200 responses from Canadian adults. Our team analyzed the findings, and layered on additional facts and details, eventually building a hub of content that tackles the many dimensions of change imposed by Canadian inflation.

When considering this assignment, we asked 'Does the world really need more noise around inflation?' After all, inflation is in the news every SINGLE day. Each time new monthly numbers are released from Statistics Canada, we get news reports of which categories are up or down. Yet we felt there was an important perspective missing in all of the news: the big picture. We're facing a monumental shift in spending power that will

impact virtually every aspect of our financial lives for decades to come. That's worth some effort and some ink.

But don't take our word for it. In our 2024 inflation survey we asked Canadians for their opinion on the impact of inflation on their future financial security. Of over 1,200 respondents, more than half were "very concerned" (25.7%) or "extremely concerned" (27.0%).

Read on to understand, in factual detail, the various ways inflation is impacting the lives of Canadians



Are you concerned that inflation will impact your future finance security?

January 2024

- 1,247 respondents

1

Spending and Budgeting

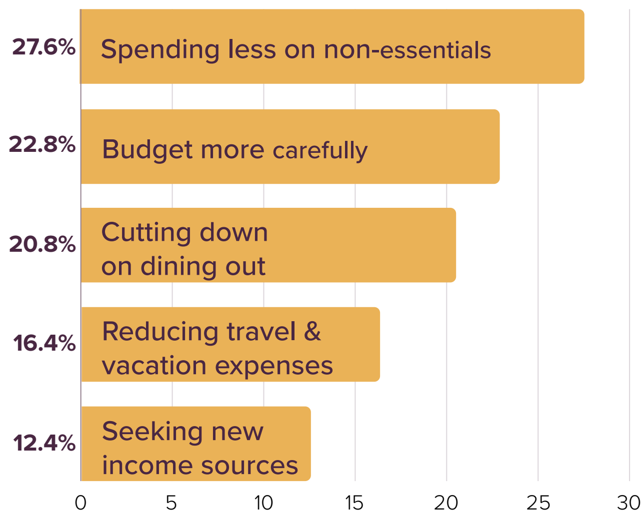
The most immediate and evident impact of inflation in Canada is the shift in how we budget, spend, and save. While grocery store prices dominate the news, inflation is actually higher in other categories like gasoline and energy. Our first section explores the shift in spending power that Canadians face, and how Canadians are coping by adapting their spending patterns.

Spending: Canadians Focus on Essentials

Canadians Cut Back on Spending: 27.6% are Spending Less on Non-essential Items

In what ways has inflation impacted your daily life and spending habits?

January, 2024 - 1,247 respondents



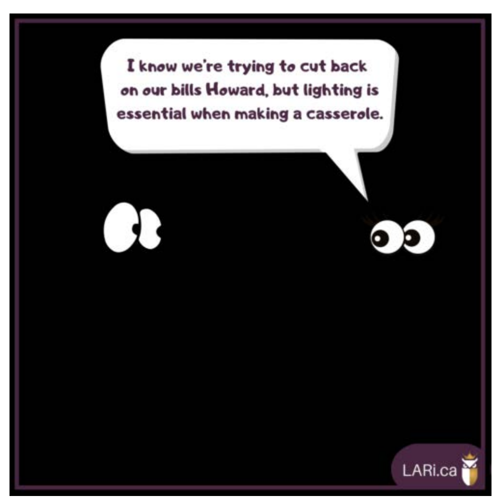
The LARi Insight 2024 inflation survey highlights the ways some Canadians are managing their spending habits to cope with rising inflation. Among over 1,200 survey respondents, 27.6% indicated they are spending less on non-essential items. This is reflected in RBC's consumer spending tracker, which observed that October 2023 marked the largest monthly decline in discretionary services sector spending in six months. Our survey respondents shared a wide variety of ways they are cutting back on spending, including: food volume and quality, medication, alcohol, Christmas lights, dentist visits, kids' extra-curricular activities, heating, health supplements, and hair dye.

Consumer spending data can be misleading. Because of inflation, we're spending more to acquire items that cost less in the past. So while the overall consumer spending numbers show year-over-year growth, many consumers will have little to show for it.

22.8% of Canadians are Budgeting More Carefully

With inflation driving prices up in virtually all cost categories (Canada's inflation levels have increased 16.3% between May 2020 and December 2023), it's no surprise that managing a tight budget and controlling debt are top priorities for Canadians.

Most of our money goes to Shelter (31.4%), food (15.4%) and transportation (15.0%) according to a 2021 survey by Statistics Canada. The average family spends $67,126 on goods and services. This



amount varies as low as 57,582 in New Brunswick and as high as $75,028 in BC.

Canadians are Cutting Back on Dining Out and Travelling

20.8% of survey respondents indicated they are cutting down on dining out, while 16.4% indicated they are reducing travel and vacation expenses. The recent report from RBC's consumer spending tracker noted that "Canadians swapped vacations and dinners out for gasoline and clothing purchases in October... restaurant purchase volumes continued to fall alongside spending on hotels."

12.4% of Canadians are Seeking Additional Income Sources

While many Canadians are finding ways to stretch their dollars further, 12.4% are looking to increase their monthly income through new opportunities.

Canadians Split on Approach to Debt Repayments

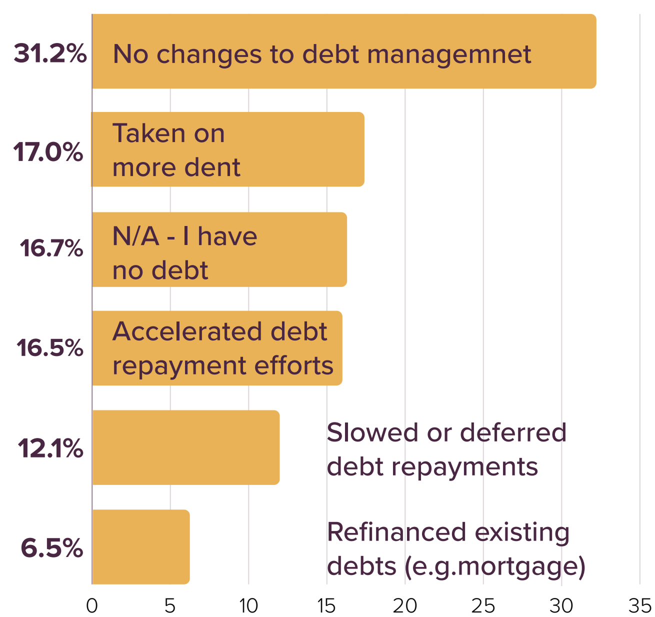
Our inflation survey asked, "In response to inflation, how have you altered your approach to debt management and borrowing?" While 31.2% reported no changes to debt management, more respondents indicated they had accelerated debt repayment efforts (16.5%) than those who have slowed down or deferred debt repayments (12.1%). It's clear that debt is an increasing concern for Canadians, and we've written in detail on Canadians' focus on debt reduction.

17.0% of survey respondents told us they have taken on more debt, while 6.5% have refinanced their debt as a result of inflation. Rounding out all responses, 16.7% of respondents chose "Not applicable / I do not have any debt".

> **"I'm making additional payments to mortgage principal to cut the future impact of interest rates."**
>
> —
>
> *Debra, Port Coquitlam, BC*

Resources to Help with Budgeting and Debt Reduction

The best approach to creating a family budget that works is to have a detailed budget plan and stick to it. The LARi Insight mortgage calculator and simple loan calculator help you get a firm grasp of your debt obligations, and our tips for debt reduction can help you get back to a healthy financial balance. To assess your salary growth relative to Canada's inflation, try our wage inflation calculator, and our CAD inflation calculator let's you track your spending power relative to Canada's inflation. Finally, consider establishing an emergency fund to address any unforeseen setbacks. Our emergency fund calculator can help you set a goal and a plan.

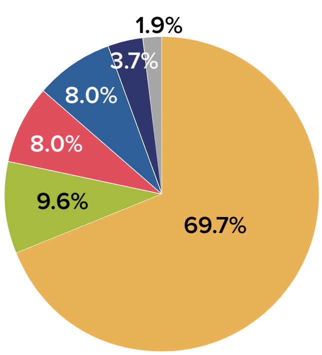


In reponse to inflation, how have you altered your approach to debt management and borrowing

January 2024

- 1,247 respondents

Canadians Stung by Rising Food Prices



In which area have you noticed the most significant increase due to inflation?

January, 2024
- 1,247 respondents

- Groceries
- Utilities (gas, electricity, water)
- Transportation
- Childcare or Eductaion
- Entertainment or Leisure
- Clothing & Personal Items

New Survey Shows Nearly 70% of Canadians Feel Inflation Most in Grocery Aisles

Sticker shock as we browse the aisles. Anxiety as we fill our carts. Canadians told us that by far the spending area they most feel the impact of rising inflation is with food. Over the past year we've seen a 5% increase in food prices (including groceries, dining in, and takeout, etc.), but focusing on 1-year alone ignores the cumulative impact we've seen on food prices since the pandemic. From May 2020 to December 2023 food prices are up a staggering 21% in Canada.

A recent poll by LARi Insight confirms that food prices are top of mind for Canadians. Nearly 70% (69.7%) of over 1,200 respondents indicated that "Groceries" are the area where they most feel the impact of inflation. A distant second was utility prices (9.6%), gas and transportation (8.0%), childcare or education (8.0%), entertainment and leisure (3.7%), healthcare costs (2.8%), and clothing and personal items (1.9%).

Among these categories, gas has actually increased the most if we look back to the start of the pandemic (up 59.1% from May 2020 to December 2023), but recent dips in gas prices may have reduced the immediate pain for Canadian consumers. We're spending far more at the pump and in our grocery carts than just over three years ago.

Here, based on data from Statistics Canada, are the 1-year changes in inflation across common Canadian spending categories, as well as the change since the early days of the pandemic (May, 2000) to December 2023.

Inflation Increases by Spending Category	One-year ending Dec. 2023	Since Pandemic (May 2000 to Dec. 2023)
Gasoline	1.4%	59.1%
Energy	0.4%-	43.8%
Transportation	3.2%	21.3%
Food	5.0%	21.0%
Health & Personal Care	3.7%	14.3%
Recreation, Education, and Reading	1.7%	7.2%
Clothing & Footwear	0.9%	4.6%

Canadian Food Prices Up 21% Since Pandemic

Let's dive into a typical shopping cart and explore what those price increases mean in terms of actual food items. The table below shows the increase in price for common food items from October 2022 to October 2023, and from the early days of the pandemic (May, 2000) to October 2023. We simply selected a basket of common items here (no cherry-picking!) to show the wide range of inflation impacts on different grocery items. In a few rare cases, prices are actually cheaper than before, but some – like vegetable oil, have increased a whopping 94.2% since the pandemic started.

Inflation Increases by Food Item	One-year ending Nov. 2023	Since Pandemic (May 2000 to Nov. 2023)
Milk, 2L	3.2%	15.9%
White Bread, 675 grams	3.0%-	21.3%
White Rice, 2 KG	2.2%	14.2%
Butter, 454 grams	4.1%-	34.0%
Ground Beef, 1 KG	7.3%	0.6%-
Chicken Breasts, 1 KG	1.5%	27.7%
Apples, 1 KG	14.8%-	7.3%
Potatoes, 1 KG	6.4%	13.2%
Tomatoes, 1 KG	26.0%-	8.6%
Vegetable Oil, 3L	9.3%-	81.6%

Note that this is a static snapshot of inflation values, which will not be updated monthly. For the latest updates on food prices, visit our Canada Food Price Inflation Calculator.

Let's put this in more practical terms of reference, like the type of meal you might put on your family's plates for a Saturday lunch. Most everyone loves a good chicken club sandwich, especially with grilled chicken breast, the obligatory bacon, lettuce, tomato, and a good smothering of mayo. Let's imagine we're back in May 2000 and you've loaded up your shopping cart with all the items for your club sandwiches. The cost of all the ingredients plus any leftover items would have been, on average, $31.10 according to the Monthly Average Retail Prices from Statistics Canada. Comparing that to the most recent data available (Nov., 2023), today that grocery bill would set you back $39.10, a 25.7% increase, meaning each of four sandwiches would cost $9.77, minus the value of any leftover ingredients (we love mayo, but you likely wouldn't use the full jar on four sandwiches).

What's Causing Food Price Inflation in Canada?

The problem would certainly be simpler if we had one convenient cause to blame. There are plenty of fingers being pointed but the reality is that, in an interconnected global economy, there's rarely one single factor or cause for inflation and rising costs. The most commonly cited drivers for food cost inflation in Canada are:

- **Supply chain disruptions**: Caused initially by pandemic-related constraints, many factories shut down, causing limited supply for vital manufacturing capabilities and components. Freight routes got clogged, leading to limited supply.

- **Unfavourable growing conditions**: The recent wildfires, and a severe drought in 2021 impacted farming yields. This summary from StatsCan goes into more detail on the topic.
- **Higher energy and production costs**: As noted earlier, gas prices have risen 66.5% since May 2020. Energy prices have surged as well. Energy and gas prices have a significant impact on grocery stores, increasing the cost of their energy-intensive facilities (e.g. freezers require a lot of energy) as well as the cost of transporting food items.
- **A declining Canadian dollar**: Canada imports billions of dollars worth of food from the U.S., and the value of our dollar has fallen in recent years. The Canadian dollar was worth 76 cents USD on Dec. 27, a decline of 8.4% from June 2021 when it traded at 83 cents U.S. A declining Canadian dollar makes our food imports more expensive for consumers.
- **Grocery store pricing policies**: Many Canadians blame rising food prices on grocers based on what they consider price gouging by Canada's large grocery chains. We'll take a closer look at this in the next section.
- **The War in Ukraine**: Often referred to as the "breadbasket of Europe", the conflict in the Ukraine has limited farming production. According to a CTV article, in 2022 the amount of land planted with grain fell to 11.6 million hectares (28.6 million acres) from 16 million hectares (about 40 million acres) in 2021.

Are Food Price Increases a Global Problem?

If these underlying causes of Canada's rising food prices factors are global in nature, we should see similar inflation in other countries across the globe. Looking to Organisation for Economic Co-operation and Development (OECD) data, we can get a measure of food inflation by nation for some recent years, as shown in the table below. It shows a widespread problem of food price increases across a variety of countries, with Canada's price growth somewhere near the middle of the pack. Another data reference, a report on global food prices published by e-commerce platform UBuy, found that Canada's food inflation was among the lowest of those measured in the global study.

Food, Annual Growth Rate (%)	2021	2022
Canada	2.20	9.76
France	0.61	7.28
Germany	3.09	12.56
Italy	0.58	9.14
United Kingdom	0.30	10.90
United States	3.47	11.44

Are the Grocery Stores to Blame for Rising Food Prices?

As mentioned earlier, many Canadians are aiming their frustration at Canada's largest grocery chains, accusing them of profiteering during times of economic duress. Is it fair and accurate? Well, naturally, the CEO's say no – and that the profits are coming from other areas such as cosmetics and financial services. Industry associations point out the razor-thin margins on grocery store products. But despite these rebuttals, corporate earnings reports sometimes tell more truth than the talking points shared with the media.

A December 2023 report by The Future of Work highlighted this fact: "Industry-wide, food retail profits have more than doubled from levels typical before COVID. Food retailers earned net income of almost $6 billion in 2022, compared to $2.4 billion in 2019." Many Canadians have shifted their food shopping habits, purchasing from Costco or Walmart rather than traditional grocers, helping drive a surge in stock prices.

The Federal Government has waded into the fray, announcing last month that it would demand grocery-store executives restore price stability as part of a suite of measures aimed at making life more affordable. On the table is a Grocer Code of Conduct that would add measures to ensure fair pricing in grocery aisles. The draft Code of Conduct is available online. Canada's biggest grocers, Loblaw Cos., Metro Inc., Empire Co., Walmart Inc. and Costco Wholesale Corp., have been asked to sign. Some grocers have expressed concern, and as of writing the Code of Conduct has not been signed and formalized.

Adding to the PR headaches for grocers are infighting with lawsuits and accusations of cost fixing, a rising chorus of consumer voices complaining of "shrinkflation", and reports of food manufacturers swapping in low-quality products.

How are Canadians coping with the changes?

At LARi Insight, we always welcome open-ended comments from our market research panel. In addition to completing our survey responses, they told us the following:

- **Financial challenges can inspire new habits, sometimes positive ones: Anne H. from Scarborough, Ontario told us: "***I'm trying to decrease waste, especially around food. I only buy what I will use fully. I'm also growing more food myself and preserving more food items."*
- **Some consumers are downgrading food quality due to necessity: Liz M. from Frederickton, NB told us:** *"I eat less healthy items a couple of times a week. They aren't good for me, but they're less costly."*
- **Many Canadians are eating out less:** *"I had already cut down on eating out the year before. Now I almost never eat out or get takeout,"* **said Doug F. from PEI**

What are the impacts of food prices on Canadians?

There is an obvious impact of rising food prices in terms of Canadians' budget and disposable income. Some feel they have been pushed to the brink of poverty. Food bank usage is at an all-time high, suggesting that the ability of our charitable safety nets to provide for those in need may be tested like never before. There are ripples of change caused by economic activity in one area that will inevitably spread to others. For example:

- **Poorer diet and nutrition arising from buying the cheapest food can impact our health and the**

shared cost of healthcare

- **Consumer spending in non-food categories will diminish because, as one survey respondent put it, "there's more month at the end of the money."**
- **Hunger may become a more prominent social issue in Canada, requiring additional programs and support**

Where do we go from here?

Rising food prices in Canada are expected to diminish in the coming year, but no one is expecting grocery retailers to ratchet back prices to anywhere near pre-pandemic levels. We asked Canadians what they expect in the coming year: 31% expect a slight increase in inflation, and 20.5% expect a significant increase. Roughly a quarter (24.0%) expect "about the same", and 20.1% expect some degree of decline in inflation. Some industry experts say we should expect a 2.5 – 4.5% increase in food prices in the coming year.

We may see action from the effort to align Canada's major grocers around a shared Grocer Code of Conduct that introduces some controls on food inflation. But for now the prevailing advice is hang on, hope, and cope.

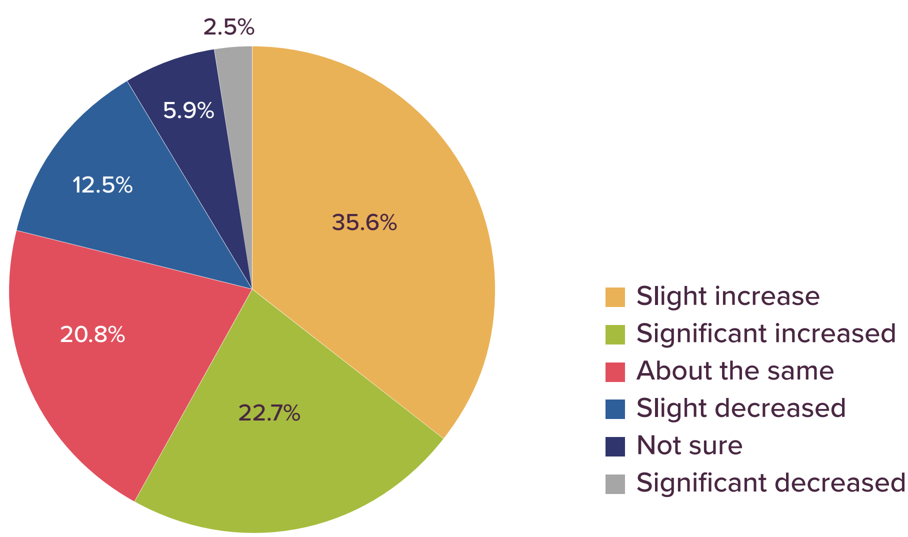
Explore The Rising Cost of Common Groceries with Our Canada Food Price Inflation Calculator

With complex topics like inflation, sometimes it's best to see it for yourself. That's why we created the LARi Insight Food Price Inflation Calculator. With one click you can compare the impact of inflation on a variety of common grocery items such as milk, bacon, and potatoes. It brings new perspective to the growing cost of filling our shopping carts.

At LARi Insight, we aim to help equip Canadians with tools, data, and information to take control of your financial future. Our budget calculator is one tool that can help you manage your monthly spending and, hopefully, store away some extra emergency funds for any unexpected surprises of the future.

What are your expectations regarding inflation for the next year?

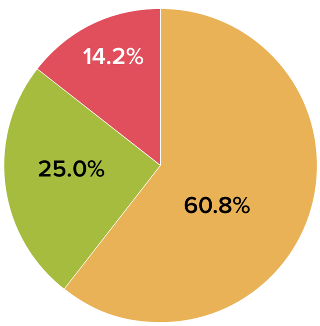
January 2024
- 1,247 respondents



2 Employment and Income

While inflation can't be attributed to any large swings in employment levels in Canada, it's causing significant unease from some wage earners and many with fixed incomes. Many Canadians told us they worry their income is shrinking in comparison with our rates of inflation.

Canadian Inflation: The Toll on Employment and Salaries



Has inflation impacted your income or employment status?

January, 2024
- 1,247 respondents

- No
- Not sure
- Yes

94.8% of Canadians have some level of concern about their salary keeping pace with inflation

We recently explored the impact of inflation in Canada on employment and salary growth through our Canadian market research panel. The majority of survey responses (60.8%) indicated they had experienced no change in employment due to Canada's surging inflation. Of more than 1,200 respondents, 14.2% indicated their income or employment status had been affected by rising inflation, and 25% said they weren't sure.

Among the 14.2% who indicated their income or employment status had been affected, job loss was a common criteria. A common comment among the "not sure" group was that, while they are still employed, they feel their salary has not kept pace with the rising cost of living due to inflation.

"I was barely getting by before, but with the price of everything rising so much, I've had to get a second job just to keep up." *– Sue L. from Ottawa, Ont.*

The Hidden Impact of Inflation on Canada's Labour Market

It's very difficult to directly link the impact of inflation to Canada's labour market. Statistics Canada employment data shows a fairly flat line in recent months, nothing near the huge dip caused by the pandemic. There's no big decline in jobs to point to in recent history, however, there is growing anxiety among working Canadians that the money they earn has less purchasing power as Canadian prices rise due to inflation.

The impacts of inflation are subtle, but noticeable in the comments shared by our survey respondents. Some are facing shortened working hours due to less in-store shoppers, others have taken on 2nd or 3rd jobs, and some have been forced to come out of retirement. Here's a sample of some voices we heard from:

- *"I cannot buy as much with the money I earn and it costs me more to drive to work. It's crazy how much things are costing, especially groceries. Some products are double what they were last year."* **Note: for more on this topic, visit our deep-dive on food price inflation.**
- *"I find my income just doesn't leave much for anything but bills. There are cuts at work so my contract is ending 4 months early."*
- *"I'm retired and I had to go back to work."* **Note: We have additional analysis on inflation's impact on Canadians' long-term goals such as retirement.**

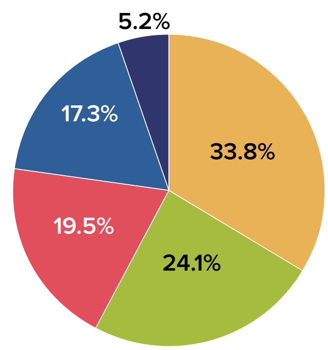
Canada's Employment Rate
Source: Statistics Canada, Labour Force Survey (LFS), Dec. 2023

Inflation Results in Less Spending Power From Our Paycheques

Putting aside the simplistic Yes/No dichotomy of impacts to employment from inflation, a more meaningful observation arises when we look at Canadians' views on whether their income is sufficient to meet their needs. The LARi Insight inflation survey asked "Do you feel your current income is keeping pace with the rate of inflation?" Just 5.2% of over 1,200 respondents chose "My income is completely sufficient". To put that in perspective, the other 94.8% have some level of concern over their ability to meet their financial needs. Among all responses, 33.8% indicated their income is "somewhat sufficient"; 24.1% indicated their income is "barely sufficient"; 19.5% indicated their income is "mostly sufficient"; and 17.3% said "not sufficient at all."

We asked survey respondents to indicate their household income level as part of the survey. A natural expectation is that the less household income, the more worried one would be about rising inflation. This finding held up, with over 2/3rds of lower-income households indicating their income is "barely sufficient" or "not sufficient at all". However, an interesting finding is that most income brackets, including over $150,000 per year, had at least 20% of people who find their income "barely sufficient" or "not sufficient at all."

It's not entirely surprising. Many Canadians tend to spend in proportion to their income levels, and household debt has become an increasing concern as the cost of living has gone up. In the most recent quarter, Canadians owed $1.82 in credit market debt for every dollar of household disposable income in the third quarter, and housing debt continues to inch up due to rising mortgage interest rates.



Do you feel your current income is keeping pace with Canada›s rate of inflation?

January, 2024
- 1,247 respondents

- Somewhat
- Barely
- Mostly
- Not at all
- Completely

Compare your Salary Growth with Canada's Inflation Rates

We developed the LARi Insight Salary vs Inflation Calculator to allow Canadians to model the impact of rising inflation on their purchasing power. It allows you to plot your salary growth while assessing the change in value of our dollars based on CPI data.

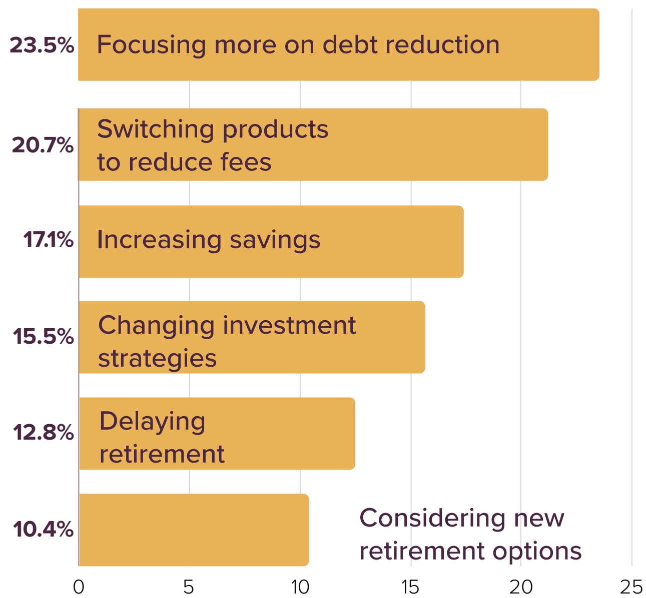
Our Canadian inflation calculator shows the impact of rising inflation on a fixed dollar amount. Additional posts explore the topics of food price inflation, and the impact of inflation on Canadians' emergency fund savings.

3 Financial Goals and Products

Financial goals, and the products we use to achieve them, are certainly not immune to inflation. For many Canadians, rising inflation has forced them to reshape their view of what the future holds for them. Our survey results also highlight how Canadians are modifying their investment strategy and insurance coverage due to inflation.

Canadians' Retirement Plans Changing Due to Inflation

12.8% of Canadians Say They Will Delay Retirement Due to Rising Inflation



How has inflation affected your long-term financiel plan (e.g. retirement, saving for education)

January, 2024

- 1,247 respondents

The elusive dream of a comfortable retirement is slipping away from some Canadians due to the rising cost of living brought on by inflation. Our recent survey asked over 1,200 Canadians how their long-term financial plans have been impacted by inflation. 12.8% indicated they are "Delaying retirement", while 10.4% of respondents selected "Considering alternative retirement plans" . Faced with unpredicted cost of living increases (Canada's inflation has increased 20.5% from May 2000 to December 2023), this group faces the inevitable task of resetting their future based on their income, and retirement plans are being revised.

"I'm already retired and trying to make our small pensions go further by cutting back on food portions and doing less travel."

—

Gayle, Toronto, Ont

Retirement can mean different things to people based on the definition one uses. Let's start with the current picture of retirement as defined by Statistics Canada. As of June 2023, the percentage of Canadians that were completely or partially retired was:

- **21.8% of Canadians aged 55 to 59**
- **44.9% of Canadians aged 60 to 64**
- **80.5% of Canadians aged 65 to 69**
- **90% of Canadians aged 70 or higher**

A 2021 Canadian Income Survey found that seniors (which includes the majority of retirees) earned a family income of $69,900, slightly higher than the national average family income of $68,400. The recent double-digit inflation growth of recent years has put a dent in the purchasing power of that income. Using the LARi Insight Canadian inflation calculator, you would need $77,040.58 to purchase the same amount of goods that $69,900 would have bought just a few years ago.

Canadians Make Sacrifices and Compromises on Retirement Plans

How do Canadians cope with diminished spending power? Many shared anecdotes of the trade-offs and compromises they are faced with. For some it was a single decision, such as not buying a larger home, or foregoing an opportunity to buy into the family cottage. Some told us they had to pause retirement and go back to work. There were many stories of simply cutting back in several areas – groceries and travel were most often mentioned. We've written in detail on the sharp rise of Canadian food prices.

Among the other options in our survey question on the impact of inflation on long-term financial plans, the most selected were Focusing more on debt reduction (23.5%), Switching products to reduce fees (20.7%), Increasing savings (17.1%) and Changing investment strategies (15.5%).

I was planning on collecting my pension and working part-time, but surprise, my husband lost his job. I think we could have stayed somewhat on track with our original plan, but then gas, heating, groceries etc. all skyrocketed, so I'm working more hours than I wanted to at 58.

– Lisa, Vernon, BC.

Rising Mortgage Rates Impact Canadians Financial Plans

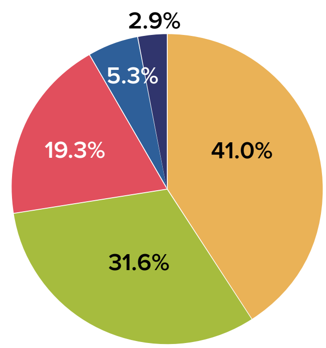
Mortgages account for ¾ of Canada's household debt. Canada's prime rate has increased from 2.45% in March 2022 to 7.2% today. Mortgage lending rates are currently in the 5-8% range. The average mortgage for a new home in Canada is $364,000 according to Statista. Using the LARi Insight mortgage calculator shows the impact of interest rate increases. Monthly payments for a 20-year mortgage have increased roughly 46% in recent years, from $1,928.85 to $2,822.09. Over the lifetime of the mortgage, that's an additional $214,377.98 in interest.

Looking back to the household income averages of 2021, the Canadian average income of $68,400 would be far more impacted by mortgage interest than in years past. Over 3.5 years' worth of income would be consumed by the growth in mortgage interest. Enough to cause someone to reset their retirement plan? Highly likely.

Canadians Are Highly Concerned About Canada's Inflation

Given the impact that inflation is having on the long-term financial goals of Canadians, it's no surprise that they told us inflation is a high concern. Our survey asked "How concerned are you about the current rate of inflation in Canada?". 72.6% told us they are "somewhat" (31.6%) or "extremely" (41.0%) concerned. An additional 19.3% chose "moderately concerned". 5.3% chose "not very concerned" and 2.9% chose "not at all concerned".

This concern takes many forms: Concern over rising food prices, the ability to sustain a salary that keeps up with inflation, and the creeping impact of accumulating debt. Sadly, inevitably, it also creeps into our long-term financial plans and retirement dreams, and the future looks a little less rosy. While our recently inflated prices likely won't ratchet back any time soon, there are steps you can take to carefully get the most from your income. Our budget planner helps you set a family budget, our tips for debt management can help you even out your balance sheet, and we've also created calculators for investing, mortgages, and loans to help with your planning.



How concerned are you about inflation in Canada?

January, 2024
- 1,247 respondents

- Extremely concerned
- Somewhat concerned
- Moderately concerned
- Not very concerned
- Not at all concerned

Canada's Inflation Drives Changes in Investment Strategy

Over 25% of Canadians Are Focusing on Low-Risk Investments Due to Inflation

How hve you adjusted your saving or investment strategies in response to inflation?

January, 2024

- 1,247 respondents

LARi Insight's inflation survey revealed a number of ways that Canadians are adjusting their savings or investment strategies in response to inflation. One key theme is a movement to reduce risk in investment portfolios. Of more than 1,200 survey respondents, 24.5% indicated they are "focusing on low-risk investments", while 15.2% indicated they are "diversifying investments to mitigate risk". Between May 2020 and December 2023, Canada has seen inflation growth of 16.3%. The financial volatility has been compounded by stock market swings (the S&P 500 bounced back in 2023 after the worst losses of the decade in 2022). The dramatic fall of cryptocurrency dominated last year's financial headlines, and we've previously written about the dramatic fall of NFT values. We've been through a lot – and it's not surprising there's a flight to lower-risk investments.

Our survey also looked at Canadians' confidence in financial products and investments. In times of market volatility and uncertainty, the reputation of the entire financial industry and the products they sell can take a hit in consumer confidence – more on that below.

The focus on reduced portfolio risk should not be interpreted purely as a "flight to safety". Interest rates have surged to the highest levels we've seen in more than 20 years. And it happened fast, from 2.45% in March 2022 to 7.20% today. Fixed-income investments are much more compelling than in recent years.

"We're taking advantage of the higher interest rates of GICs"

– Tom, Calgary, AB.

20.8% of Canadians are Looking for Investment Opportunities

Among our survey respondents, 20.8% are reconsidering their investments to find new opportunities. With interest rates rising, some Canadians are drawn to both the reduced risk (as compared to equity investing) AND the improving returns of fixed-income mutual funds, bonds, or GICs. Investment experts from Vanguard predict that a balanced portfolio of 60% equities and 40% fixed income should deliver 6-7% returns in 2024.

24.5% of Canadians are Increasing Contributions to Savings

Sideline money, funds held in money market investments, have been growing rapidly since the pandemic, continually reaching new highs. How much? About $6 Trillion. While inflation has soared and interest rates have climbed, many Canadians have been able to squirrel away some cash. And those money market rates look better than ever.

> **"We're planning for future mortgage rate increases. So we're holding more money in cash in the short term due to high-interest savings account rates"**
>
> *– Paul, Pickering, Ont.*

Many Canadians are Focused on Debt Reduction and Paying Down Debt

While our survey question focused on changes to savings or investment strategies due to inflation, the responses touched on other themes covered in our inflation survey. One of those is an increasing focus on debt reduction – this was the highest selected priority when Canadians were asked about inflation's impact on their long-term financial plans. Many respondents told us that inflation has resulted in increasing household debt and, as a result, they struggle to find any extra funds to save or invest. Others are tackling debt head-on, focusing on paying off loans rather than investing for future growth.

> **"I have a good interest rate until February 2026 for my mortgage, so I'm spending less eating out and on household products, and I'm putting extra payments on my mortgage."**
>
> *– Colton, Mississauga, Ont.*

15.1% of Canadians are Adjusting Their Investment Time Horizon

Growing inflation often can have an impact on long-term financial plans, as Canadians are forced to divert savings for current expenses. With rising household expenses, especially the increases in mortgage interest that many Canadians face, the prospect of retirement must be extended further into their future.

Confidence in financial products and investments

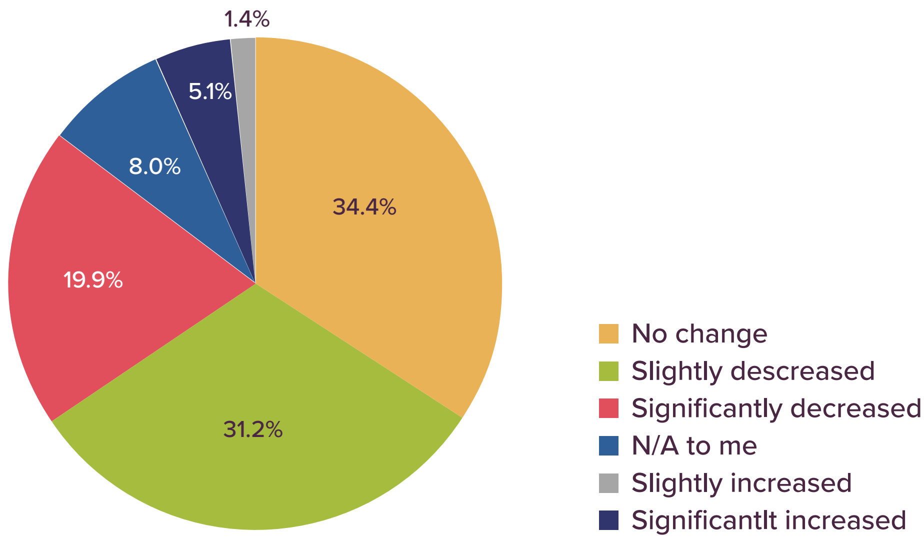
Another of the LARi Insight inflation survey questions asked, "How has inflation affected your confidence in financial products and investments?" It has been a rocky economic environment. Less than a year ago, we witnessed the collapse of Silicon Valley Bank (SVB), Signature Bank, and First Republic Bank. We've seen darling Canadian tech stocks like Shopify lose billions in value, and outright criminal activity from Canadian investment firms like Bridging Finance Inc. How is the Canadian faith in financial institutions (and products) holding up?

More than half, 51.1%, indicated that our period of rising inflation has "significantly decreased" (19.9%) or "slightly decreased" (31.2%) their confidence in financial products and investments. Nearly one-third (34.4%) reported no change in confidence. Just 5.1% indicated that their confidence in financial products had slightly increased, while only 1.4% chose "significantly increased my confidence." Canada is fortunate to have strong banking controls, and CDIC protection, which has held the industry in good stead through some heavy headwinds in recent years.

> **"I've had to reduce my contribution to my savings plan for my future/ retirement"**
>
> *–*
>
> *Ingrid, Holland, MB.*

How has inflation affected your confidence in financial products and investments?

January 2024 - 1,247 respondents

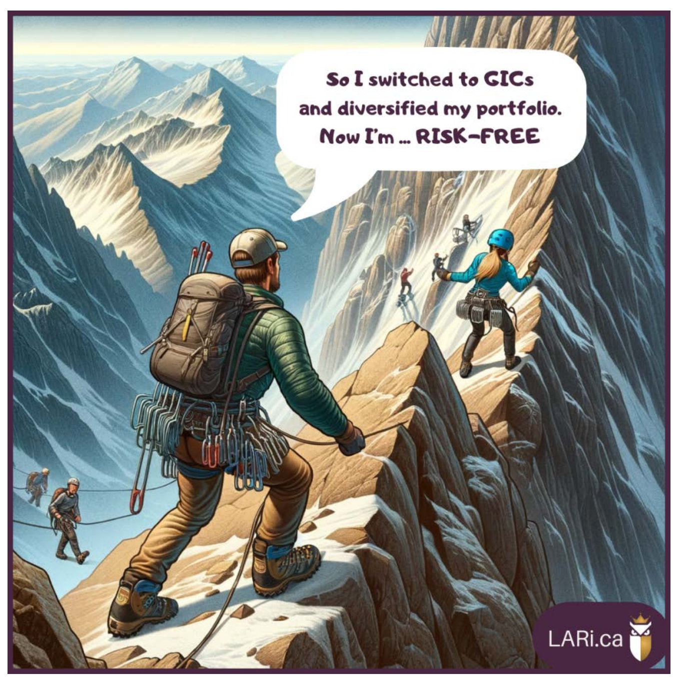


How Low-Risk Investments can impact long-term growth

Let's turn to the practical implications for the 24.6% of Canadians who indicated they are focusing on low-risk investments due to inflation. The average return of the S&P 500 over 30 years is close to 10%. GIC rates are hovering somewhere between 4-6% depending on the provider and term. Our investment calculator shows that over 10 years the investment in stocks would increase to $27,070, while the GIC investment would deliver $16,470, a difference of $10,600. Of course, as the professionals warn in every disclaimer, past performance is not indicative of future returns. Sometimes a safe bet is the best choice – that's for you to decide.

Learn More About Your Investment Strategy and Options

Our investing pillar contains a wealth of information to help you make the right investment choices, including our RRSP Guide, RESP Guide, TFSA basics. Get hands-on with our calculators to explore investing in an RRSP, RESP, or calculating your 2023 RRSP Contribution Room.



Inflation Impacts Insurance Coverage for Canadians

28.9% of Canadians Have Modified Their Insurance Coverage Due to Inflation

For some Canadians, it seems every time we adapt our viewpoint to adjust for rapidly rising inflation, it hits us with another surprise. The next one coming for you might be the pricing of your renewal package on your insurance policy. According to CanadianUnderwriter.ca, as of Q3 2023, personal auto premiums in Canada increased 7.5% year-over-year, and home insurance premiums increased 7.5% on average year-over-year.

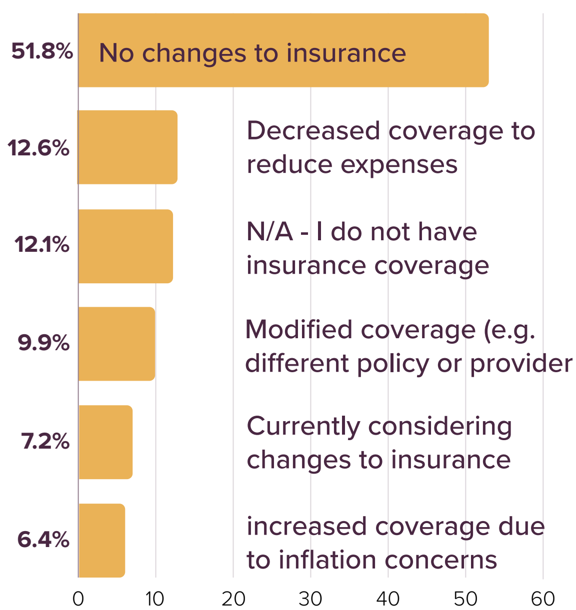
With inflation in Canada rising 16.3% between May 2020 and December 2023, there are few logical reasons to expect insurance rates to remain the same. Insurers earn profits on the margin between premiums paid and the cost of the claims they receive. Automobile values, the cost of replacement parts, and home building/repair costs all factor into their underwriting equations, and each of these costs has soared in price.

Add in rising auto theft – Ontario and Quebec saw a 48% increase in vehicle theft in 2022, and 2023 data looks no better – as well as a record year for catastrophic weather events, and rising premiums seem inevitable.

Have you adjusted your insurance coverage (life, health, or property) due to inflation?

January, 2024

- 1,247 respondents



Canadians are Tackling Monthly Bills in Every Form, Including Insurance

The LARi Insight inflation survey highlighted some key consumer trends arising from Canada's inflation growth. Many Canadians are increasing their focus on debt management and/or reducing their emergency fund contributions. As we zoom in on insurance, it's clear that some Canadians are taking steps to reduce costs here as well. Of more than 1,200 survey respondents, 12.6% had decreased their insurance coverage to reduce expenses.

It's still uncertain how pervasive this trend will become. The majority of Canadians (64% according to survey by ratehub.ca) simply let their car insurance policy auto-renew. As a once-a-year review window, insurance inflation is less noticeable than other consumer spending areas that have Canadians on high alert, such as rising food prices.

And while our survey indicates that 27.6% of Canadians are spending less on non-essential items, and 22.8% are budgeting more carefully, will their budget vigilance be motivating enough for them to shop around at renewal time?

9.9% of Canadians Have Changed Their Insurance Coverage or Providers Due to Inflation

Let's face it, switching providers – be it a cell phone plan, bank account, or insurance policy – can be a client service headache most people would rather avoid. Not surprisingly, 51.8% of our survey respondents indicated there was no change to their insurance due to inflation. But 9.9% of our respondents felt sufficiently motivated to wade in and either change their policy or provider as a result of rising inflation. The reward for some diligence and shopping around can be significant – there are wide variations in the insurance quotes available from Canadian providers.

6.4% of Canadians Have Increased Insurance Coverage Due to Inflation, While 12.6% Have Decreased Coverage to Reduce Expenses

Our survey did not go into the specific insurance types (auto, home, life, etc.), so our observations in this area are limited to generalities. Rising inflation, and an increasing cost of living, limits the replacement spending power that all types of insurance essentially provide. For example:

- Rising costs of vehicle replacement and damage repair may surpass the coverage levels that were sufficient a few years ago.
- Similarly, home repairs (e.g. storm-related damage) will come with a costlier price tag
- Life insurance, calculated to provide a certain quality of lifestyle for beneficiaries, won't go as far due to rising inflation costs

For life insurance in particular, normally the recommendation is to revisit your insurance coverage when significant life changes occur (a new baby, divorce, retirement, etc.), but our recent years of uncharacteristic inflation increases may be a significant enough change to warrant a review.

7.2% of Canadians are Considering Changes to Their Insurance Coverage Due to Inflation

Based on this statistic, and the others illustrated above, we expect that insurance renewal packages will be more carefully inspected in 2024 than in previous years. Many Canadians have told us they are concerned about their financial future, and their ability to earn a salary that is sufficient to keep up with rising inflation.

Rounding our our survey results, 12.1% of our survey respondents chose "Not Applicable / I do not have insurance".

Build A Financial Plan That Beats Inflation

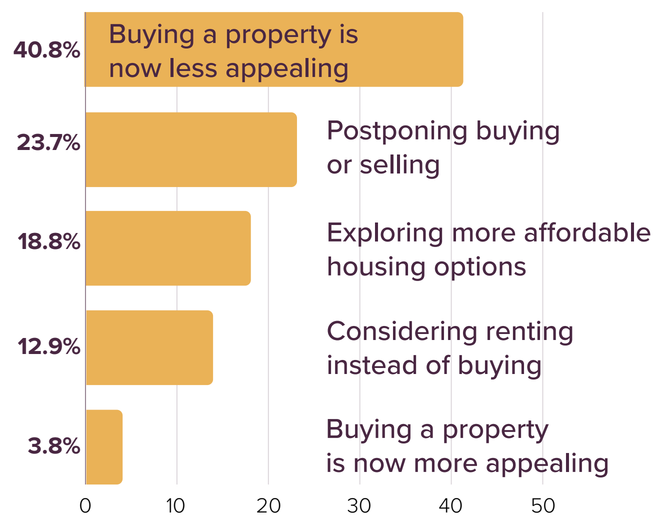
Beyond our research and information, at LARi Insight we aim to equip Canadians with information, advice and tools to help plan a better financial future. Get ahead of any insurance renewal decisions by mapping your budget using our budget calculator, assessing your life insurance needs, and comparing your salary growth to Canada's rate of inflation.

4 Housing and Real Estate

With the rapid rise of interest rates to combat inflation, housing and real estate decisions have far greater financial impact than years ago. Our analysis highlights a collective pause among Canadians, driven largely by the swift incline of mortgage rates.

Housing: Inflation Stalls Canadian Buyers

40.8% of Canadians say buying a property is less appealing due to inflation, while 23.7% are postponing buying or selling a property



How has inflation impacted your perspective or decisions related to housing and real estate?

January, 2024

- 1,247 respondents

Rapidly rising inflation in Canada has led to dramatic increases in interest rates. The prime lending rate has surged from 2.45% in March, 2022, to 7.20% today, the highest levels we've seen in more than 20 years. Low-interest rate mortgages are a thing of the past, and that has dampened enthusiasm among potential homebuyers in Canada.

In the LARi Insight inflation survey of over 1,200 Canadians, 40.8% indicated that buying a property is now less appealing. Since May, 2023, Canada's housing market has steadily dropped in terms of both volume and average sale value reported by CREA. In May, the average sold price of homes was $729,044, with a volume of 54,241 transactions. By November, those values had dropped to an average sold price of $646,134, with a volume of 35,013 transactions.

> **"Renewing my mortgage was expensive. I had a fixed rate of a little over %2 and I had to renew at almost %6. I took a fixed rate over a shorter period in hopes that the rate will be lower when I renew in 2 years."**
>
> *– Daniel, Belleville, Ont.*

The drop in home sale values isn't enough to offset the increased borrowing costs that Canadians face due to the interest rate increases designed to combat inflation. Five-year fixed mortgages are currently hovering between 5-6%. If we use the average home price in Canada, less a downpayment of roughly $40,000, the difference between the 2.5% mortgage rates of years past and current rates is daunting. Using the LARi Insight mortgage calculator, a 5.5% mortgage would result in added interest of **$48,831** over the five-year term of the mortgage, an additional **$9,766** per year. It's no wonder so many Canadians say they are putting their homebuying ambitions on hold.

18.8% of Canadians are Exploring More Affordable Housing Options Due to Inflation

CPI data from Statistics Canada illustrates the severity of the housing inflation we've seen since the pandemic. The cost of owned accommodation, which includes mortgage interest costs, property taxes, homeowners' insurance premiums, maintenance and repairs, has risen over 22% since May 2020 based on CPI data. Whether you own your home or rent, the cost of keeping a roof over our heads has gone up dramatically since the early days of the pandemic.

For most mortgage owners, the pain is yet to come. According to the CMHC, about 2.2 million mortgages will be up for renewal in 2024 and 2025, 45% of all mortgages in Canada. Most of the homeowners will be ending mortgages that had record-low interest rates.

As mortgage interest takes a bigger bite out of disposable income, some Canadians will face tough choices on downsizing or selling their homes, possibly into a buyer's market if housing prices continue to fall. Inflation has hit our economic landscape hard, and we've previously explored the impacts to Canadians in terms of long-term savings goals and retirement, insurance coverage, jobs and salary, and investment strategy.

"I am afraid of how much my mortgage will rise in July, 2024. If it is too much and I cannot afford it, what will I do? Since rents have also increased, I cannot sell the house and rent."

– Linda, Edmonton, AB

12.9% of Canadians are Considering Renting Instead of Buying

Unfortunately, there's little shelter from rising housing inflation, as rental rates have surged across Canada. The cost of rented accommodation increased 18.5% from May 2020 to December 2023. According to Rentals.ca, the Asking rents for all residential property types in Canada averaged $2,174 in November, holding close to the record high in October ($2,178).

Surging rental rates have unfortunately brought out the worst in some landlords, leading to a spike in 'renovictions' in which landlords evict tenants under the guise of renovating the unit, only to rent it to new tenants at a higher rate. A 2022 report from Ontario's Advocacy Centre for Tenants (ACTO) highlighted a 294% increase in landlord applications to evict tenants for renovations or conversions since 2015-16

"[Housing inflation] has resulted in being locked into a rental property and the constant fear of renovictions. Should we leave for whatever reason, there would be no housing available which we could afford." *– Shira, Brampton, Ont.*

Just 3.8% of Canadians Indicated that Buying a Property is Now More Appealing

Undaunted by rising interest rates, or perhaps motivated by the rising cost of renting, 3.8% of our survey respondents told us they see improved opportunities in the real estate market.

"We had planned to buy a house but could not afford it. We opted for a condo, though we have two young kids and I wish we could have been able to afford a house. Renting was insanely expensive!" *- Melannie, Toronto, Ont.*

Manage Housing Inflation Costs Through a Proactive Plan

While surging rents and higher mortgage rates can put a real dent in your monthly budget, some careful planning and good financial habits can help you stretch your dollars further. To start, we recommend planning in advance for your mortgage renewal, using sample data in our Canadian mortgage calculator. Next, set a family budget, using our Canadian budget calculator to map your income and expenses. Worried about unforeseen financial setbacks? An emergency fund can help you be ready for anything, and our emergency fund calculator can help you set achievable savings goals. And finally, if growing debt has you down, we hope our tips for debt management will help.

5 Debt and Emergency Savings

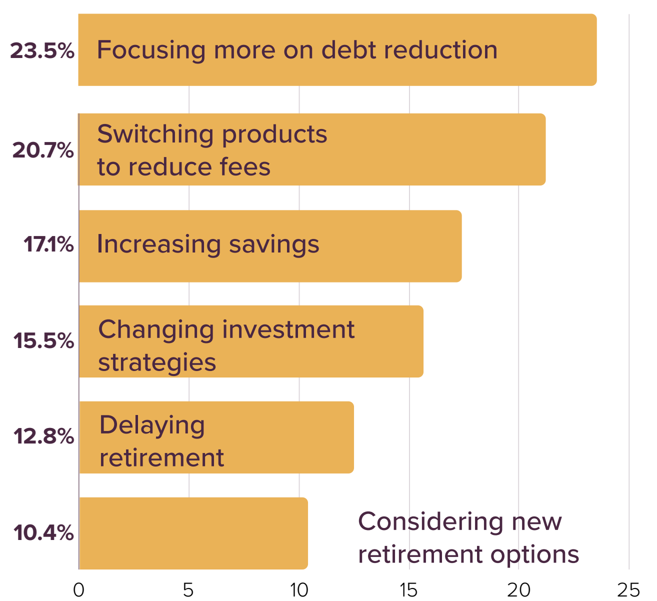
With years of rapidly rising inflation, it’s little surprise that debt has become an increasing factor in many Canadians’ lives. Debt reduction is a growing concern, and many households have been forced to draw from emergency savings.

Inflation Has Canadians Focused on Debt Reduction

Debt Reduction is a Top Priority as Canadians Adapt to High Inflation

We all want the peace of mind that comes with watching our savings grow, whether it's funds for retirement, saving for a dream home or cottage, or funding an education. Canada's rising inflation has made it harder to accumulate savings. A recent survey by LARi Insight explored how inflation is impacting Canadians' financial plans and goals.

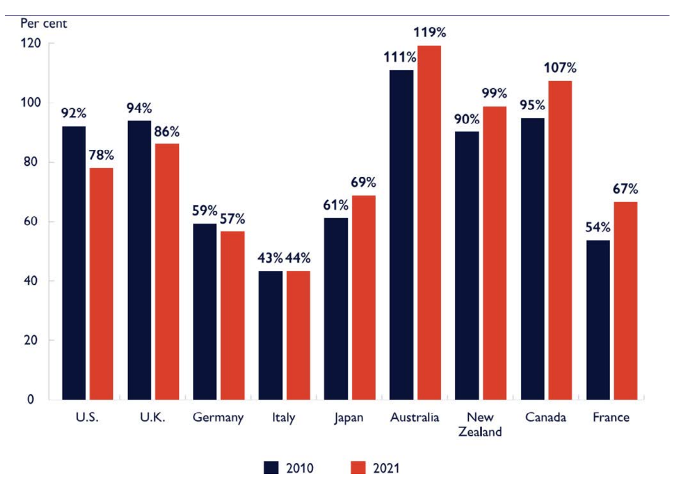
Focusing on Debt Reduction is a Priority for 23.5% of Canadians



How has inflation affected your long-term financial plans (e.g. retirement, saving for edication)?

January, 2024

- 1,247 respondents



Asked "How has inflation affected your long-term financial plans, such as retirement or saving for education?", the most common answer was "focusing on debt reduction", selected by 23.5% of over 1,200 respondents. The remaining survey options included: Switching products to reduce fees (20.7%); Increasing savings (17.1%); Changing investment strategies (15.5%); Delaying retirement (12.8%); and Considering alternative retirement plans (10.4%).

In the tug of war between savings and debt, interest charges can erode the ability to store up funds for financial goals such as retirement. While it might be a stretch to say that Canadians love debt, we've certainly accumulated a lot of it. A May, 2023 report from the CMHC pointed out that Canada's levels of household debt are highest among the G7 nations.

Deputy Chief Economist Aled ab Iorwerth was quoted saying "Canada's very high levels of household debt makes the economy vulnerable to any global economic crisis." The report also noted that Canada's level of household debt is equal to 107% of Canada's GDP, a concerning threshold our country crossed in the post-pandemic era.

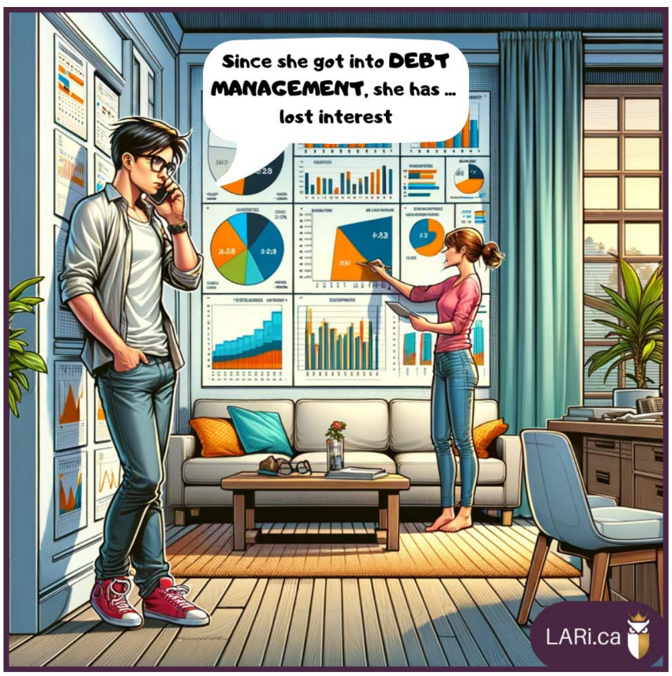
By far the biggest debt factor for most Canadians is the mortgage on their home – it accounts for ¾ of Canada's household debt. Canada's prime rate has increased from 2.45% in March 2022 to 7.2% today. Lending rates from mortgage companies are currently in the 5-8% range. The average mortgage for a new home in Canada is $364,000 according to Statista. Using the LARi Insight mortgage calculator shows the impact of interest rate increases. Monthly payments for a 20-year mortgage have increased roughly 46% in recent years, from $1,928.85 to $2,822.09. Over the lifetime of the mortgage, that's an additional $214,377.98 in interest. That's a big hit for any budget, and likely the most significant reason that debt reduction is the top choice in our survey.

"Things are nightmarish. My mortgage has nearly doubled but I'm paying next to nothing on principle."

– Virginia, Toronto, Ont

Canadian Credit Card Debt Setting New Records

Turning to another of our favourite forms of credit, credit cards, the picture is no rosier. Money owed on credit cards climbed to a new high of $113.4 billion in the third quarter of 2023, up 16 per cent from last year, according to Equifax Canada. The average credit card balance climbed to $4,119 in the quarter, compared to $3,727 last year, higher than balances before the pandemic. And there's no sign that credit card debt is slowing; in fact, six million new credit cards were issued in the year ending Q3 2023.



"The increase in credit card debt is being driven by several factors, including the rising cost of living, higher interest rates and the economic slowdown," Rebbecca Oakes, a vice president at Equifax Canada, said. "These factors are putting a strain on household budgets, making it difficult for many Canadians to make ends meet."

Payday Loans Used by Over Two Million Canadians Each Year

Payday loans, likely the most costly form of short-term financing, are typically used by those struggling to balance their budget on a month-to-month basis. You might assume this is low income earners, but a survey by Canada's Financial Consumer Protection Agency found that 20% of respondents reported household incomes exceeding $80,000, with 7% over $120,000.

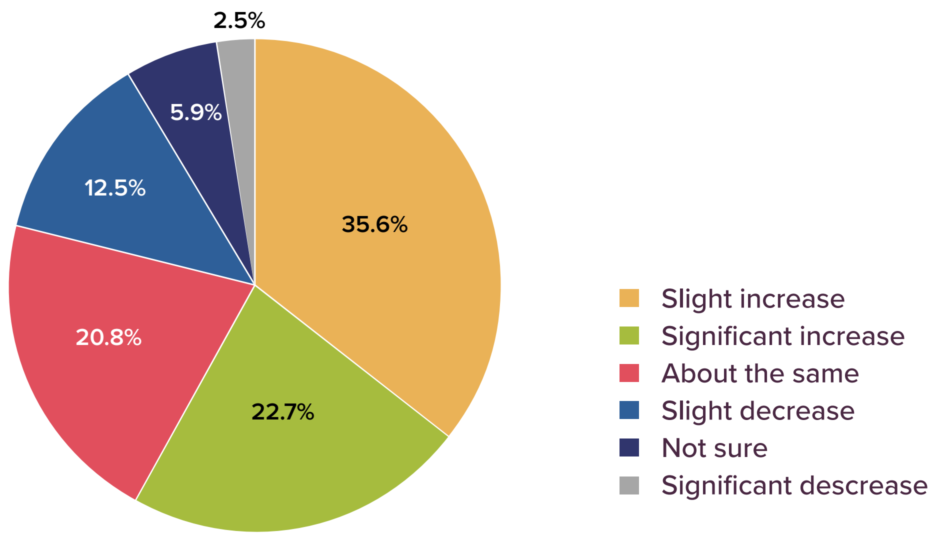
At this time, it's difficult to assess the impact of inflation on Canadians' use of payday loans. Government regulations have been introduced in some provinces in recent years that limit the profitability of these businesses, and many have closed. The Financial Consumer Agency has created an overview of payday loans, and the dangerous cycle of debt they can create.

Canadians Expect a Rough Road Ahead for Financial Matters

LARi Insight's Inflation Survey indicates that the majority of Canadians expect inflation to increase in the coming year, with 35.6% believing inflation will increase slightly, and 22.7% indicating inflation will rise significantly. When asked "Has inflation affected your confidence in the Canadian economy?", 62% indicated "yes", compared to 19.9% who chose "no". The remaining 18% chose "unsure". The last three years have given Canadians a turbulent economic ride, and our optimism for the future is showing signs of that strain.

What are your expectations regarding inflation for the next year?

January, 2024 - 1,247 respondents



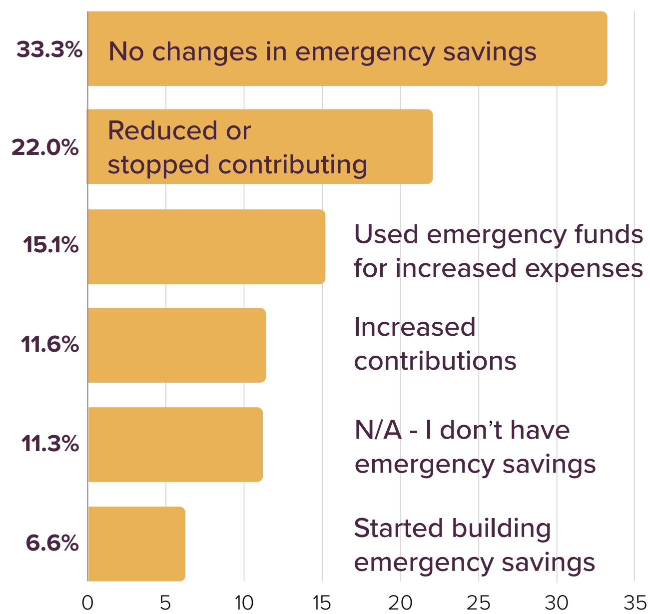
Make Debt Reduction a Top Priority

If, like 23.5% of our survey respondents, you're focusing on reducing debt as part of your financial plan and goals, there is help. Our debt reduction tips provides guidance and resources. Use our calculators to plan a budget, build an emergency fund, or explore the costs of a loan.

Canadians Use Emergency Savings to Cope with Inflation

Inflation Imposes Setbacks on Canadians' Ability to Save Emergency Funds

New survey data from LARi Insight reveals that a significant portion of Canadians are dipping into their emergency funds in order to cope with Canada's rising inflation. While there's no precise emergency fund definition, an emergency savings fund is an unallocated set of funds dedicated to unforeseen emergencies. It might be a defined component of a financial plan created with a financial advisor, or it might simply be a bundle of savings that normally goes unspent from month to month. The importance of an emergency fund is that it allows Canadian families to cope with the unexpected. Emergency funds are typically held in a savings vehicle that can be withdrawn without penalties, such as a TFSA or high-interest savings account, but it could also be fistfuls of dollars stuffed in a mattress.



How has inflation affected your approach to emergency savings?

January 2024 - 1,247 respondents

22% of Canadians Have Reduced or Stopped Emergency Fund Contributions

With Canadian inflation rising 16.3% between the early days of the pandemic (May 2020) to December 2023 according to Statistics Canada, inflation is putting many emergency fund reserves to the test. Over 1/5th (22%) of Canadians told us they have reduced or stopped contributions to their emergency fund. As such, they are no longer increasing their flexibility to adapt to adverse financial changes. Furthermore, that emergency fund has diminished purchasing power due to inflation. Using the LARi Insight Inflation

Calculator, a $10,000 emergency fund established in 2020 would need to be $11,534 to have equivalent spending power today. For someone who held their emergency fund in cash, that's $1,521 in spending power lost to inflation. And while your emergency funds can be invested in mutual funds or fixed-income investments, it hasn't been easy to find safe, liquid investments that match or exceed inflation. There is no hard-and-fast rule for how much emergency funds you should keep, but your emergency fund amount will suffer without contributions to keep it in line with inflation.

15.1% of Canadians are Dipping Into Their Emergency Savings To Make Ends Meet

The next group of survey respondents told us they have "utilized emergency savings to cover increased expenses". This group represented 15.1% of our survey of over 1,200 Canadians. This statistic reveals how dire the impacts of inflation are for a significant portion of Canadians. In order to manage the rising cost of living due to inflation these Canadians are dipping into their emergency savings funds to balance their budget. Dwindling emergency savings reduces their ability to weather any severe financial setbacks such as loss of a job, health issues, or divorce.

11.6% of Canadians Have Increased Emergency Fund Contributions, while 6.6% Have Started Building an Emergency Fund Due to Inflation

In spite of rising inflation, some Canadians are managing to accumulate more emergency savings. In our survey, 11.6% indicated they have "increased contributions to emergency savings". Another positive: 6.6% indicated they have "started building emergency savings". Building an emergency fund is a great way to reduce the mental strain of managing your finances. Knowing that cash cushion is there in times of need is good for your mental health. We've written 10 Ways to Build an Emergency Fund, and created our Emergency Fund Calculator to help you with your planning.

One-third (33.3%) of respondents indicated no change to their emergency savings. Rounding out the last of our survey responses, 11.3% of respondents told us the question was not applicable to them, choosing the "Not applicable / I do not have an emergency fund." Among this group we found many of our most financially strained Canadians, those that feel that getting by financially month-to-month is a constant struggle. While there's unfortunately no quick-and-easy fix to money troubles, we have created resources such as our family budget calculator to assist in planning efforts. Working with a financial advisor can also help with debt management and strategies for addressing and reducing debt.

To further explore the impacts of inflation, try our historical Canadian inflation calculator. To compare the growth of your salary against Canada's inflation rates, use our Salary vs Inflation Calculator.

6

Calculators and Tools

LARi.ca is more than a mirror that highlights trends and insights on the financial lives of Canadians. We aim to equip Canadians with advice and tools to help them take charge of their financial future. Here are some of the resources we've built, with several more in development.

Calculators and Tools

Inflation Calculator: https://lari.ca/canadian-inflation-calculator/
Compare the impact of Canadian inflation on any dollar amount for any year going back to 1970.

Food Price Inflation Calculator: https://lari.ca/food-price-inflation-calculator/
Explore how the price of a basket of common groceries changes by year due to inflation.

Salary vs. Inflation Calculator: https://lari.ca/salary-vs-inflation-calculator/
Compare your average annual salary growth over a range of years see how it compares to rising inflation in Canada.

Budget Calculator: https://lari.ca/budget-calculator/
Define a monthly budget that helps you meet your savings goals.

Mortgage Calculator: https://lari.ca/mortgage-calculator/
Explore how rising mortgage rates can impact your mortgage payments.

Simple Loan Calculator: https://lari.ca/simple-loan-calculator/
Calculate the cost of borrowing using current interest rates.

RESP Calculator: https://lari.ca/resp-calculator/
Assess how your education savings can grow with the benefit of the Canada Education Savings Grant (CESG).

RRSP Investment Calculator: https://lari.ca/rrsp-investment-calculator/
Explore the benefits of tax-deferred investing and see how your retirement savings can accumulate over time.

Life Insurance Calculator: https://lari.ca/life-insurance-calculator/
Determine how much life insurance is appropriate for your situation.

Emergency Fund Calculator: https://lari.ca/emergency-fund-calculator/
Define a budget and goals to grow your emergency savings.

2023 RRSP Contribution Calculator: https://lari.ca/2023-rrsp-contribution-calculator/
Calculate your RRSP contribution room for the 2023 tax year.

About LARi Insight Inc.

Incorporated in March, 2021, LARi brings a new approach to one of Canada's oldest industries: financial services.

Exclusively focused on the financial services industry in Canada, our specialty is fact-based storytelling delivered through multi-format content assets that tell a provocative story. We service Canadian financial services clients by providing proprietary market research, content strategy, and content marketing delivery. To explore our original research, analysis, tools and content, visit www.lari.ca.