

Genworth Financial Canada— Financial Fitness Index Results

A PRESENTATION OF QUANTITATIVE RESEARCH FINDINGS

July 2010

Background and Methodology

Methodology

- A total of 2,001 interviews were completed via the Environics Research Group national telephone omnibus. A sample of this size produces results that can be considered accurate to within +/-2.2 percentage points, 19 times out of 20. The margin of error for subgroups will be larger.
- Interviewing was completed between March 4-10, 2010.



FINDINGS

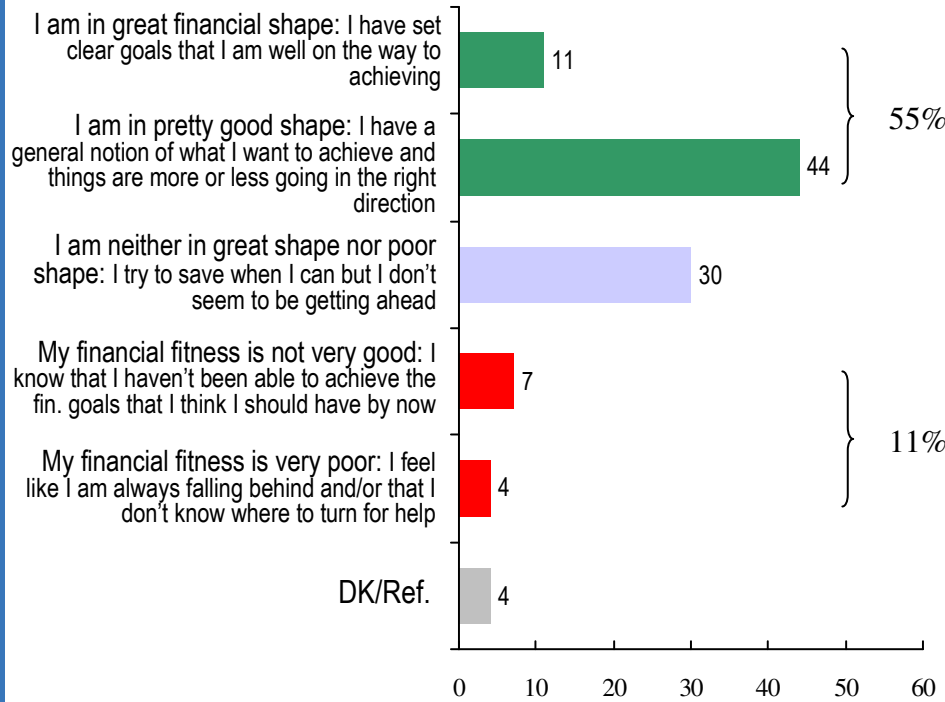




Financial Fitness

Base: Total Respondents (n=2,001)

Which of the following best describes your financial fitness?



	Total	FT B/I	Need MI	Good Fin. Fit.	Neutral Fin. Fit.	Poor Fin. Fit.
n=	2001	221	184	1107	599	206
Great financial shape:	11	14	8	20		
Petty good shape	44	46	42	80		
Neither great/poor shape	30	32	38↑		100	
Not very good	7	5	7			66
Very poor	4	3	5			34
DK/NA	4	0	0			

Findings:

- More than half of Canadians (55%) feel they are either in great financial shape (11%) or pretty good shape (44%). Three-in-ten (30%) are in neither good nor bad shape, and 11 percent describe themselves as being in very poor (4%) or not very good shape (7%).

Key Differences:

- Those more likely to say they are in great/pretty good shape include:
 - Men more than women (60% vs. 51%)
 - University grads (69%)
 - Those with incomes of \$75-\$99k (71%) or \$100k+ (84%)
 - Those who own their home without a mortgage (65%)
- Those more likely to describe themselves as being in neither good nor poor shape include:
 - Women (33%)
 - Those in Quebec (37%)
- Those more likely to describe themselves as being in poor shape include:
 - Those in Atlantic Canada (13%)
 - Those with incomes of less than \$25k (27%) or \$25-\$49k (14%)
 - Renters (17%)

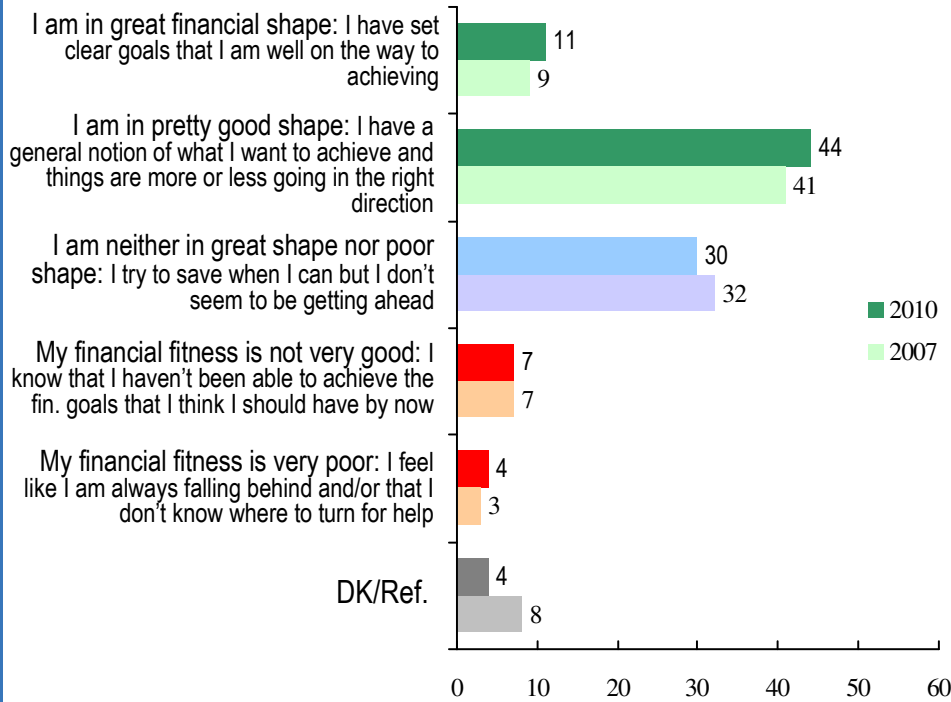
↑↓ : Significantly higher / lower at the 95% confidence level



Financial Fitness

Base: Total Respondents (n=2,001)

Which of the following best describes your financial fitness?



Findings:

- Compared to a similar question asked in 2007, slightly more now describe themselves as being in good shape (55% vs. 50%).
- Fewer are now unsure of their financial fitness.

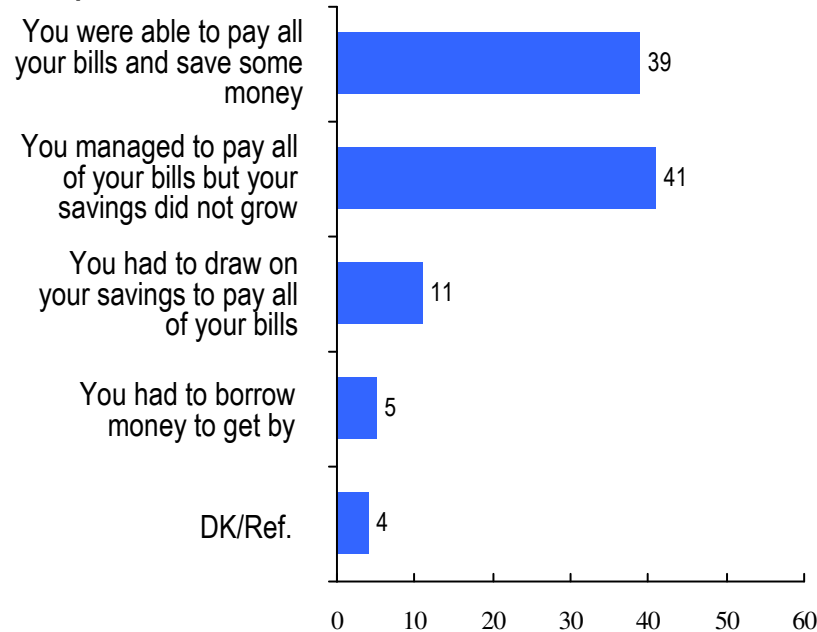
↑↓ : Significantly higher / lower at the 95% confidence level



Financial Achievement

Base: Total Respondents (n=2,001)

Thinking of your financial situation over the past year, which of the following most accurately reflects your situation?



	Total	FT B/I	Need MI	Good Fin. Fit.	Neutral Fin. Fit.	Poor Fin. Fit.
n=	2001	221	184	1107	599	206
You were able to pay all your bills and save some money	39	45	34	61↑	13↓	6↓
You managed to pay all of your bills but your savings did no	41	42	50	33↓	62↑	29↓
You had to draw on your savings to pay all of your bills	11	7	9	4↓	18↑	33↑
You had to borrow money to get by	5	4	6	1	5	31↑
DK/NA	4	2	2	1	2	0

↑/↓ : Significantly higher / lower at the 95% confidence level

Findings:

- Four-in-ten (39%) of Canadians say that in the past year they were able to pay their bills and save some money. A further 41 percent were able to pay their bills but not save.
- 11 percent had to draw on savings to get by, while 5 percent had to borrow money to get by.

Key Differences:

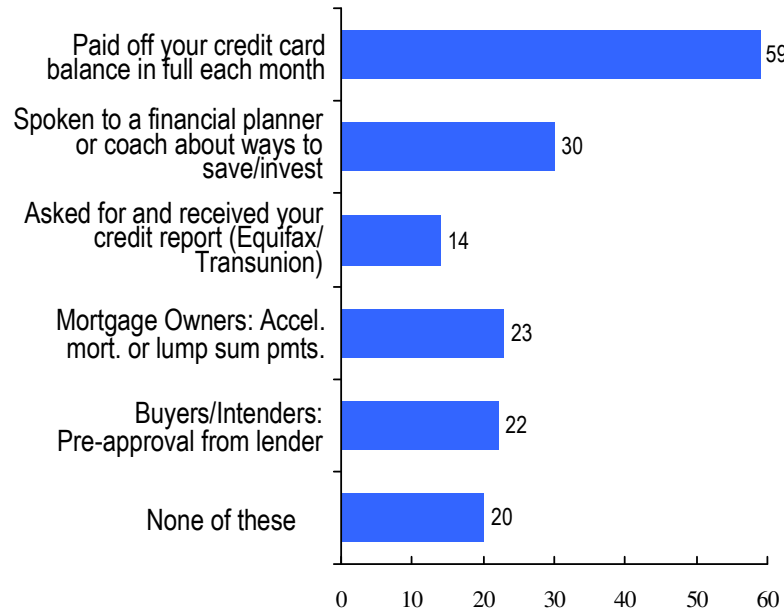
- Those more likely to have paid their bills and saved include:
 - Those in Man/Sask (45%) and Alberta (45%) more likely than those in Ontario (36%)
 - University grads (50%)
 - Those with incomes \$75-\$99k (49%) and \$100k+ (65%)
 - Those who own their homes without a mortgage (47%)
- Those more likely to have paid their bills but not grow their savings include Quebec (46%).
- Those more likely to say they drew down their savings include those in B.C. (14%)
- Those more likely to have to borrow to get by include those with public school education (12%), those with incomes below \$25k (14%), and renters (10%)



Financial Planning

Base: Total Respondents (n=2,001)

Which of the following have you done in the past 12 months?



	Total	FT B/I	Need MI	Good Fin. Fit.	Neutral Fin. Fit.	Poor Fin. Fit.
Paid off your credit card balance in full each month	59	61	50	72↑	52	27↓
Spoken to a financial planner or coach about ways to save/invest	30	37↑	36↑	34	28	24
Asked for/received your credit report (from Equifax or Transunion)	14	23↑	15	14	14	15
Mort. Owners: Arranged for accel. mortgage or lump sum pmt.	23	22	19	29↑	18	7↓
Buyer/Intend: Pre-approval from lender	22	23	25	27	16	10↓
None of these	20	9	14	11	22	47↑

↑↓ : Significantly higher / lower at the 95% confidence level

Findings:

- Six-in-ten (59%) of Canadians say they pay their credit card balance off each month. 30 percent have spoken to a financial planner or coach about ways to save/invest, while 14 percent have received their credit report.
- Among mortgage owners, a quarter (23%) have either made a lump-sum payment or accelerated their mortgage payments.
- Just 22 percent of recent buyers/intenders say they were preapproved in the past year.

Key Differences:

- Those more likely to pay off their credit card balance include those aged 60+ (67%), those with incomes over \$100k (75%), and those who own their homes with no mortgage (74%).
- Those more likely to have spoken to a financial planner include those in Man./Sask. (37%) or Alberta (39%).
- Those more likely to have requested their credit report include more men than women (16% vs. 11%), and those aged 18-29 (19%).
- Mortgage holders more likely to have accelerated or made a lump-sum payment include those with incomes \$75-\$99k (32%) or \$100k+ (30%), and women more than men (26% vs. 21%).
- Buyers and intenders more likely to have been pre-approved include women more than men (25% vs. 19%), and those with incomes \$75-\$99k (30%) or \$100k+ (32%).



Conclusions

Conclusions

- Results from this research show that there is a very strong correlation between home ownership and Financial Fitness. Those whose Financial Fitness is poor are much more likely to be renters, whereas those whose Fitness is good are much more likely to own, and to own without a mortgage.
- Despite the recession, most Canadians describe their Financial Fitness as being good or very good – only 11 percent feel it is poor or very poor. Moreover, the index has changed little since 2007. First Time Buyers/Intenders are just slightly ahead of the national average on this index.
- Those in poor financial shape are more likely to be struggling to pay their bills or are forced to borrow to get by.
- More describe themselves as being in neutral shape – neither good nor bad. Recent buyers/intenders using mortgage insurance are not in poor financial shape.
- Only a quarter of mortgage owners took advantage of opportunities to accelerate their mortgage payments or make a lump-sum payment.
- Only a quarter of first time buyers/intenders seek pre-approval from lenders.
- First time buyers/intenders as well as those needing mortgage insurance are more likely to have spoken to a financial planner/coach in the past 12 months.



**For further inquiries about the Financial
Fitness survey results please contact:**

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