

# The Changing Financial State of Canadians



**Evan Wood**

Executive Vice President & Practice Leader (FIN)

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Senior Vice President, Research & Development

**Lynne Wolfson**

Research Lead, Financial Data Products



# Housekeeping

- Listen-only mode for attendees
- Use Q&A feature to submit your questions
- Questions will be visible to all attendees, but there is an option to submit anonymously
- Presentation recording will be available on our website at [environicsanalytics.com/resources/webinars](https://environicsanalytics.com/resources/webinars)

# Today's Presenters



**Evan Wood**

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Practice Leader (FIN)



**Lynne Wolfson**

Research Lead, Financial Data  
Products



**Peter Miron**

Senior Vice President, Research  
& Development

# Webinar Agenda

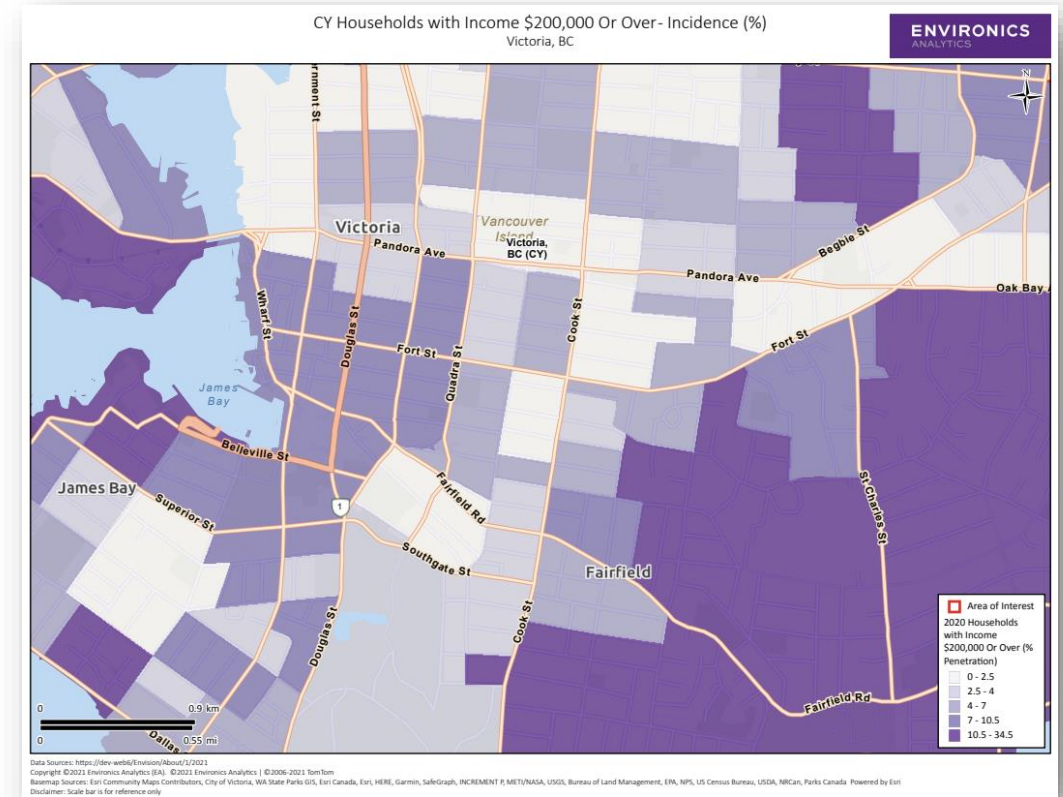
- Model Update
- The Financial State of the Nation
- Using WealthScapes and WealthTrends to identify your opportunities



# WealthScapes 2021

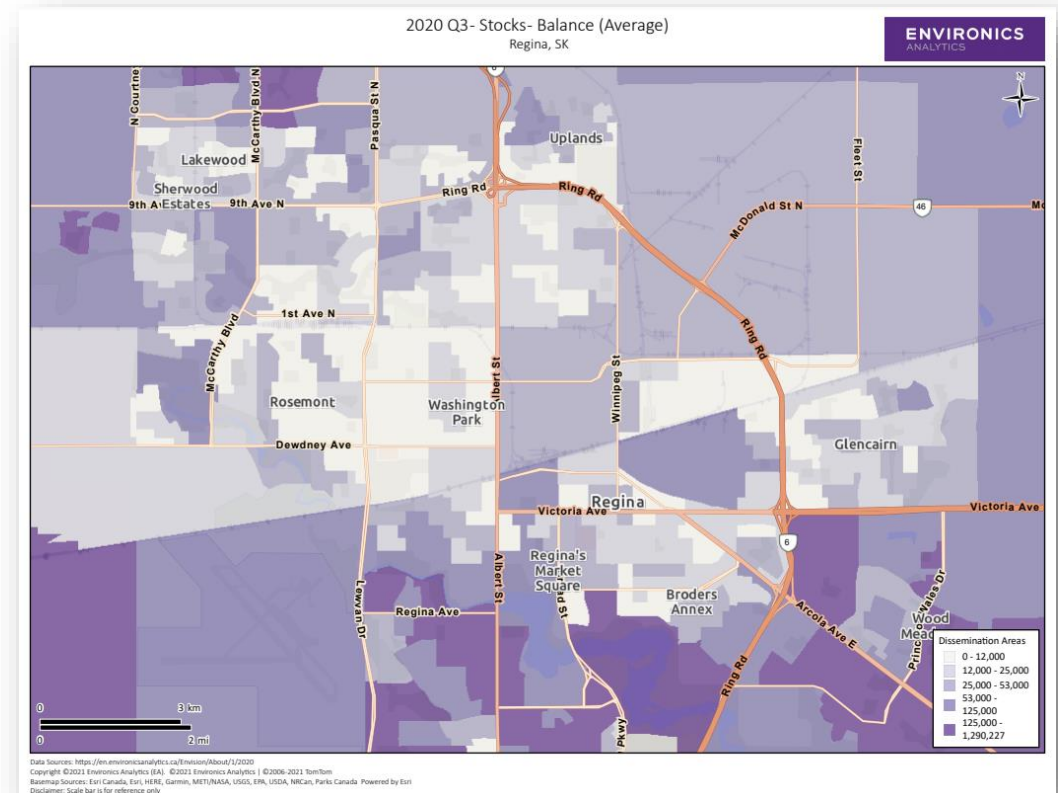
# An Introduction to WealthScapes

- WealthScapes is the most comprehensive database available on the assets, liabilities and income levels of Canadians
- Completely rebuilt for 2021 using a new methodology that allows for easier integration for new data sources, increases stability in our micro estimates, and improves the alignment of the product across geography
- Built using sophisticated modelling techniques and controlled with data from authoritative sources such as the Bank of Canada, Canada Revenue Agency, and Statistics Canada
- Features 216 key financial and investment variables to help financial institutions, charitable organizations and large retailers better understand the financial and investment behaviour of their customers

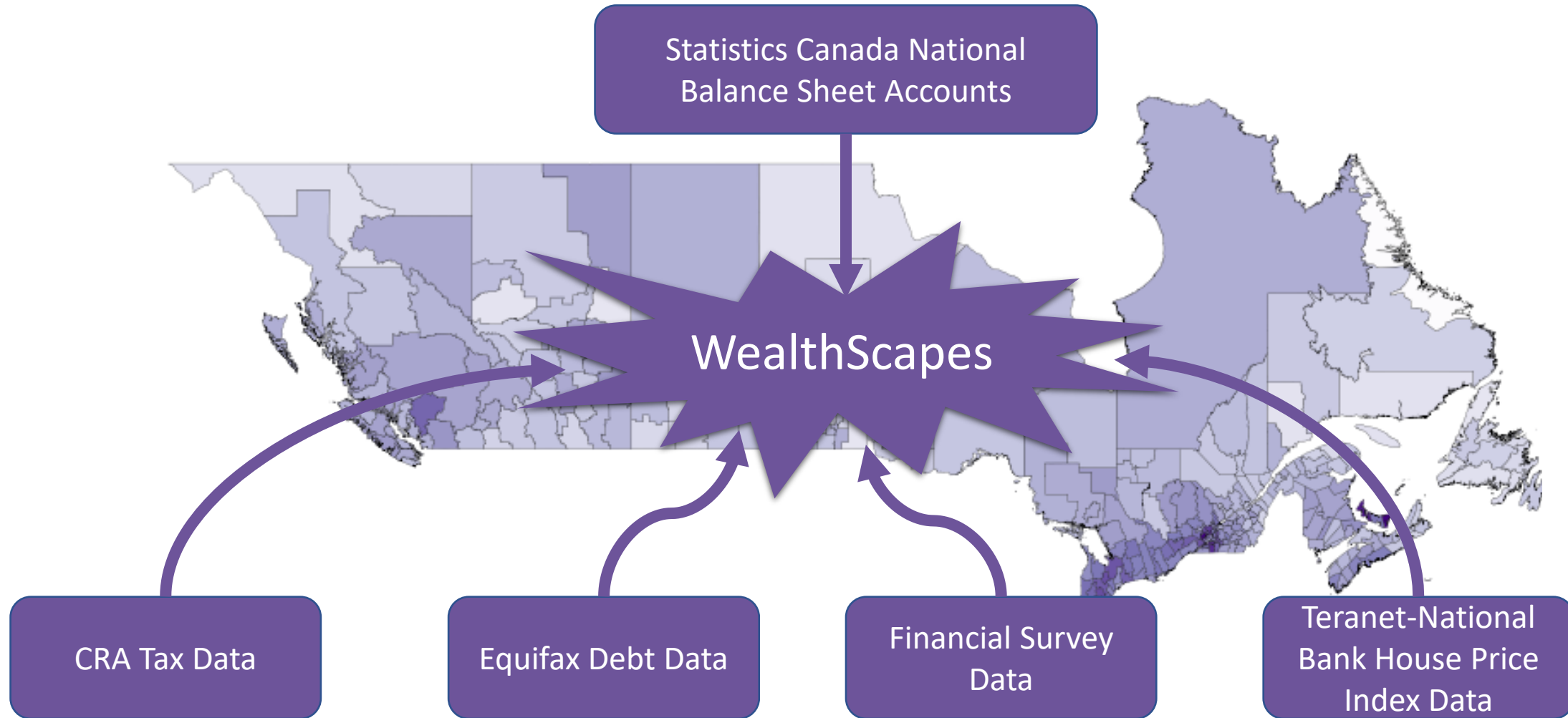


# Plus WealthTrends

- WealthTrends is a set of 33 variables updated quarterly to allow users a more regular economic and financial status update throughout the year for Canadian dissemination areas.
- Quarterly estimates are modelled using key inputs and control totals from Equifax, Teranet, Canadian Financial Monitor, Bank of Canada, Labour Force Survey, National Economic Accounts, and DemoStats.
- Using this more recent information, WealthTrends can be used by financial institutions, retailers, and governments to adjust strategies to reflect the most recent economic conditions.

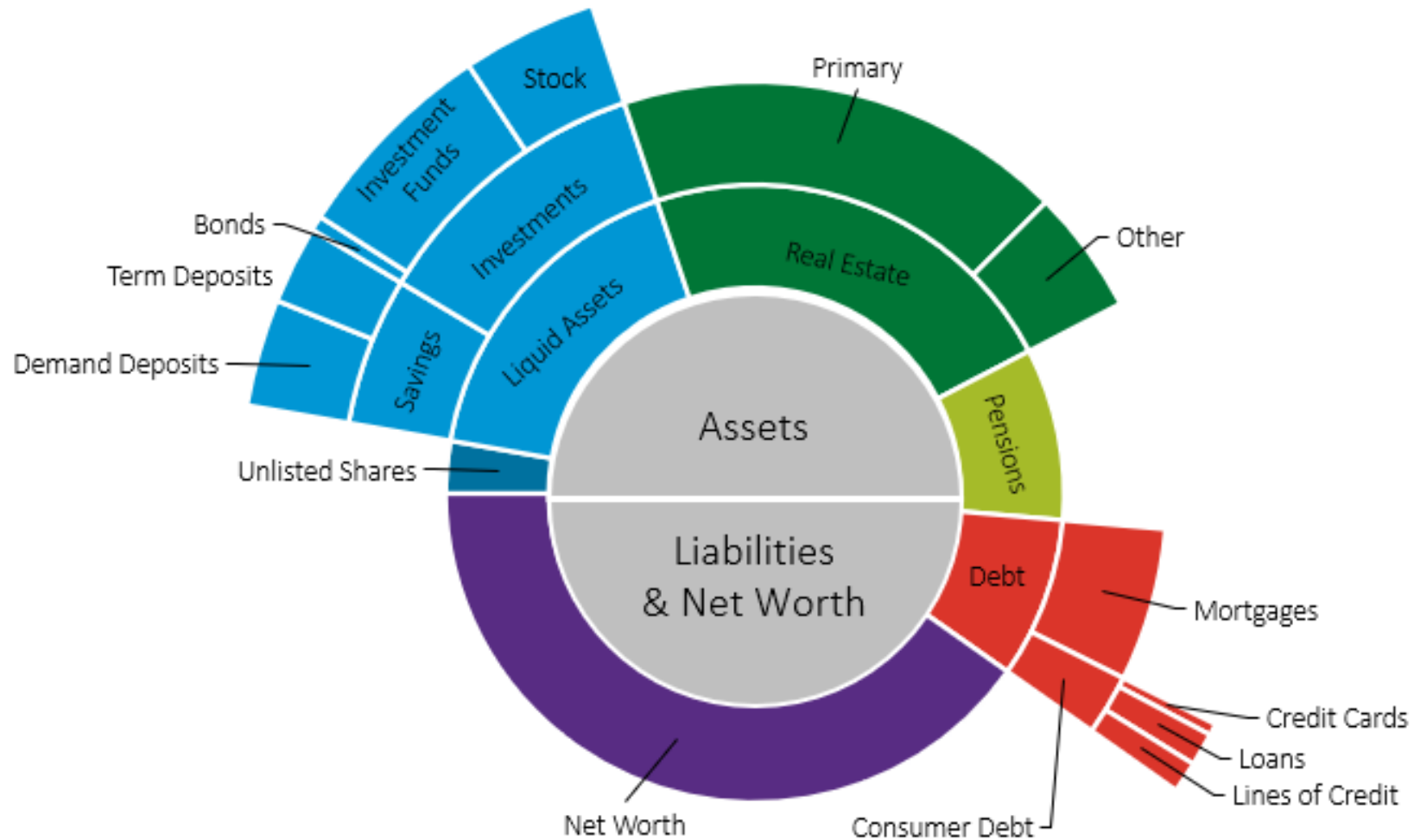


# Macro Meets Micro

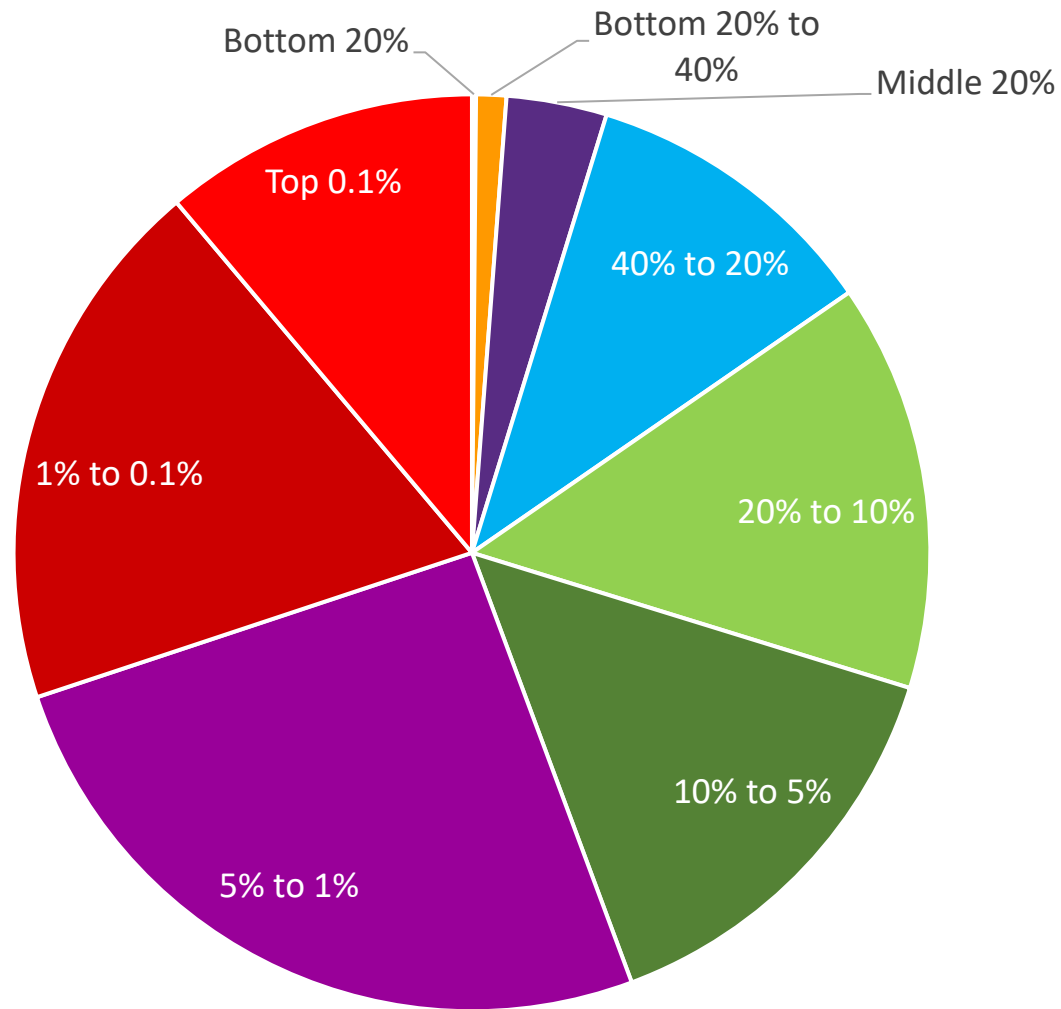


# Six Dimensions of Household Wealth

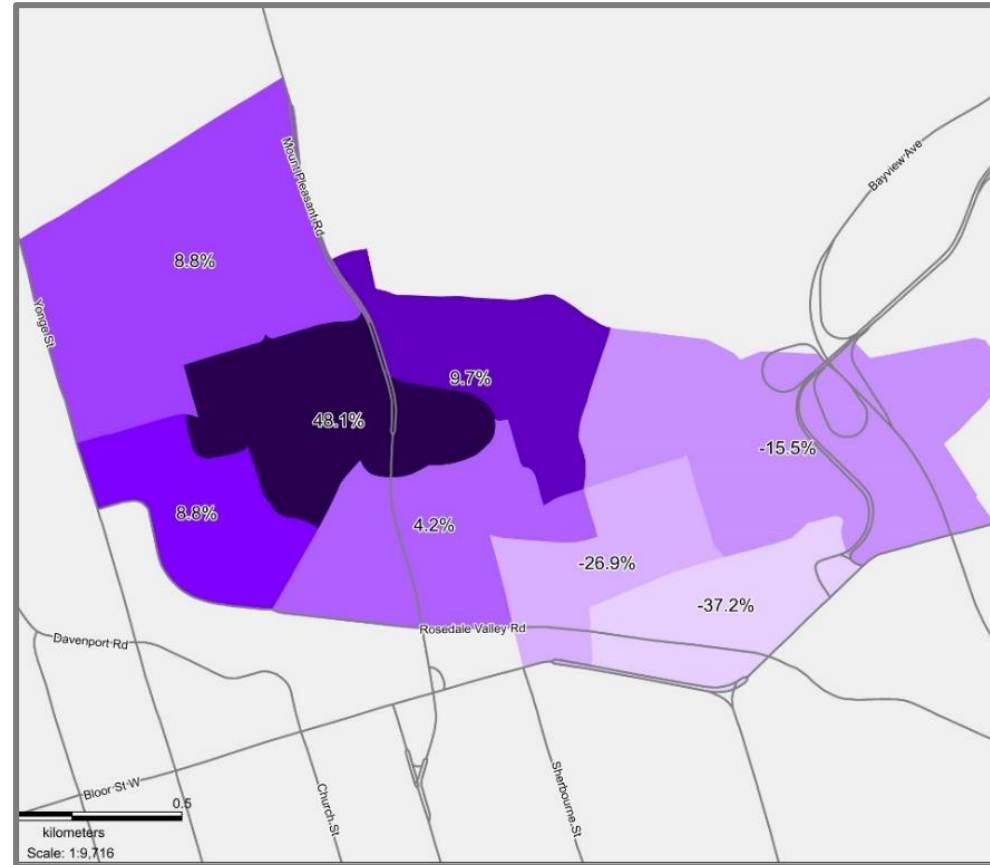
Canadian Household Assets, Debts and Net Worth



# Distribution of Financial Assets



# New Data to Improve Small Area Financial Assets



# COVID-19 and the Surprising Impact to Canadian Household Wealth

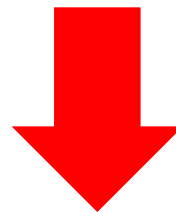
# Fixed Income Drives Financial Markets

TSX



5.6%

5y Gov. Canada Yield



1.25%

Real Estate



9.4%

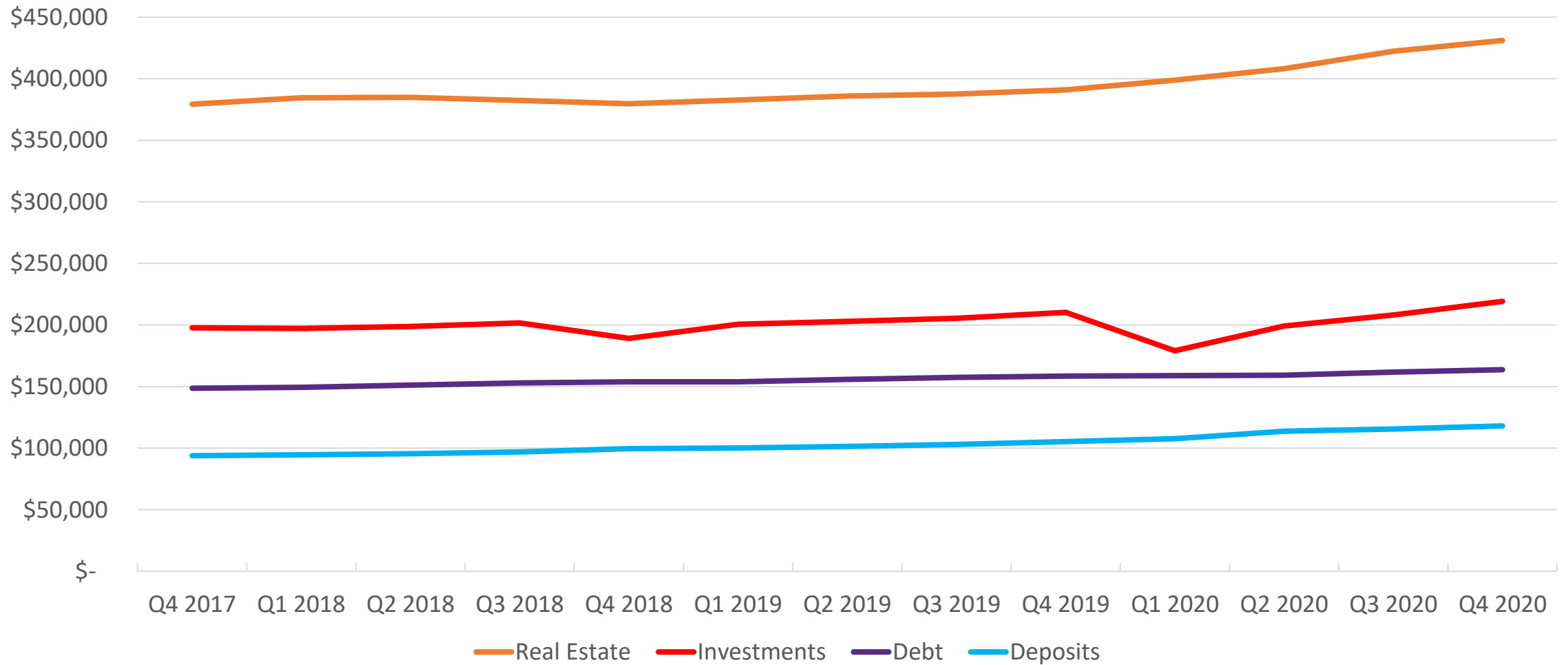
Bonds



8.7%

# Macro-Economic Climate

## Trends in Average Household Wealth



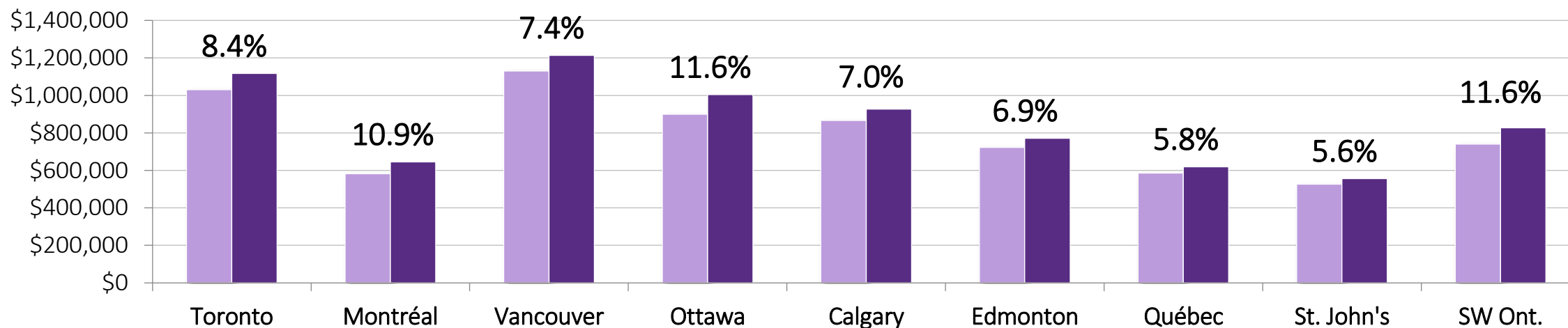
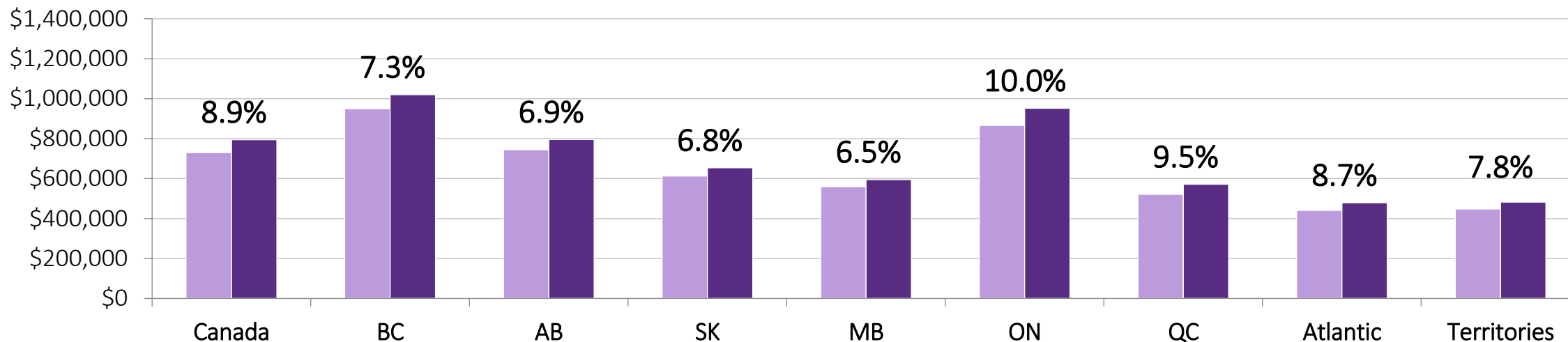
# Average Canadian Household Balance Sheet

Canadian Average Value and Growth Rates per Household

	2020	Growth		2020	Growth
Liquid Assets	\$312,333	▲ 8.3%	Consumer Debts	\$52,894	▼ -2.2%
Savings	\$118,228	▲ 12.3%	Credit Cards	\$7,180	▼ -14.0%
Demand Deposits	\$71,251	▲ 18.2%	Lines of Credit	\$21,279	▼ -3.6%
Term Deposits	\$46,977	▲ 4.3%	HELOC	\$17,376	▲ 0.8%
Investments	\$194,105	▲ 6.0%	Other secured LOC	\$1,269	▼ -12.7%
Bonds	\$9,908	▲ 5.7%	Unsecured Lines of Credit	\$2,634	▼ -22.0%
Investment Funds	\$137,765	▲ 7.6%	Loans	\$24,435	▲ 3.1%
Segregated Funds	\$24,708	▲ 3.1%	Mortgage Debt	\$111,048	▲ 6.3%
Mutual Funds	\$113,057	▲ 8.6%			
Stock	\$46,432	▲ 1.7%	Net Worth	\$794,713	▲ 8.9%
Real Estate	\$431,102	▲ 10.3%			
Primary Real Estate	\$337,745	▲ 10.3%			
Other Real Estate	\$93,357	▲ 10.3%			
Unlisted Shares	\$45,479	▼ -2.3%			
Employer Pension Plans	\$169,741	▲ 4.5%			

# Net Worth Increases Across Canada

## Net Worth per Household

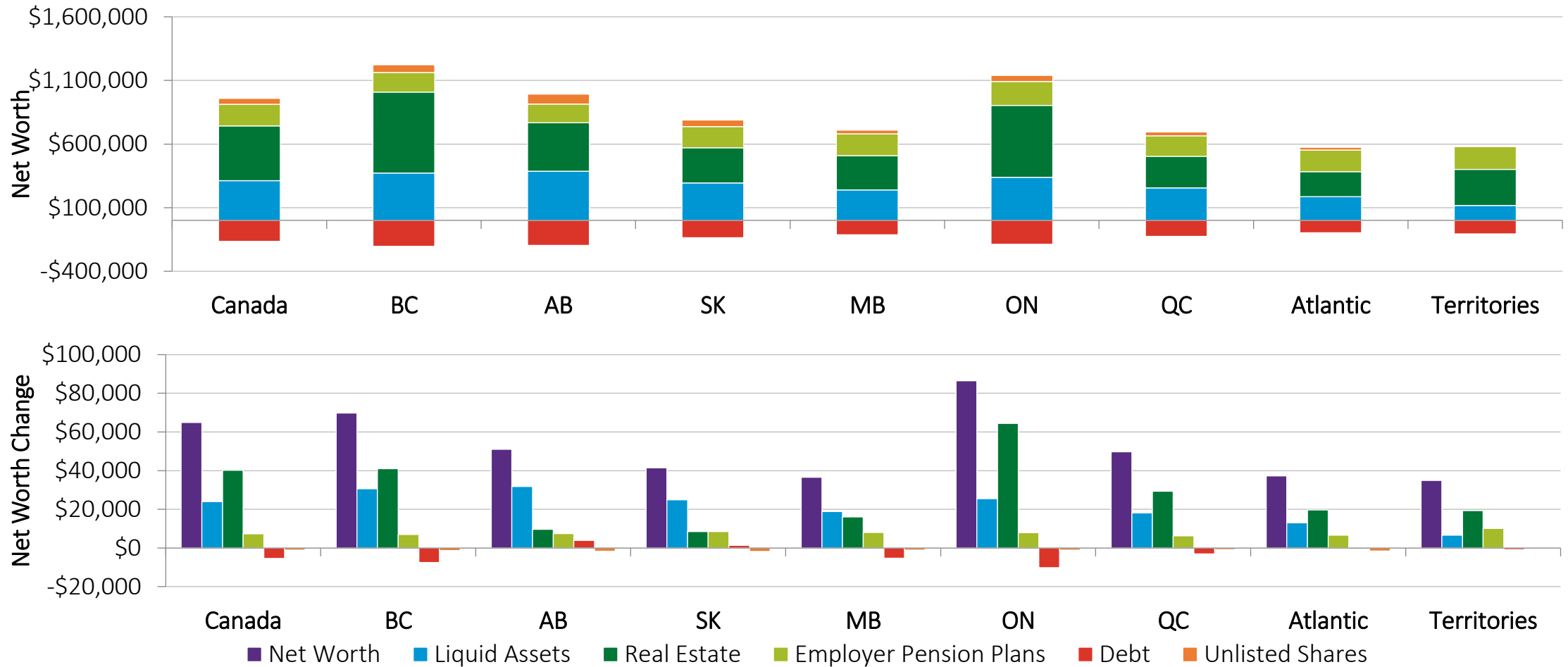


■ 2019 ■ 2020

Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Differing Wealth Concentrations

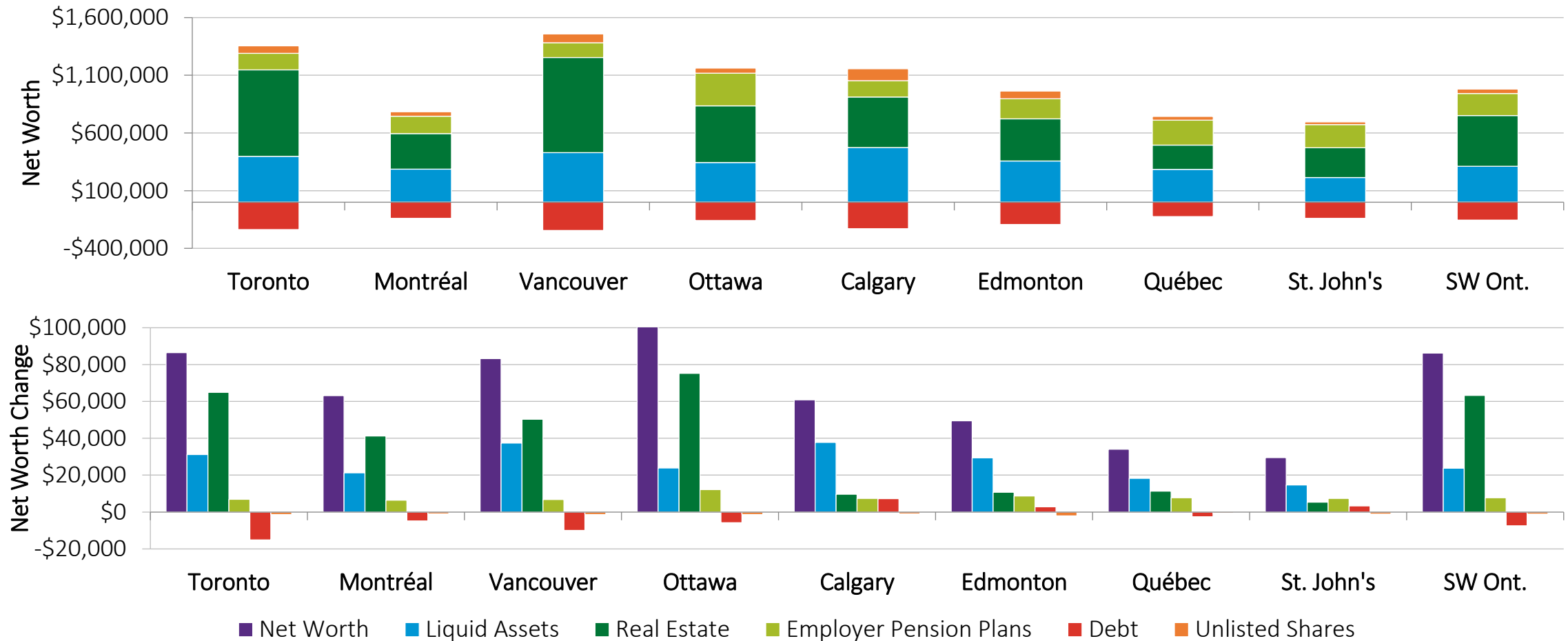
## Net Worth Components per Household



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Increases Across the Country

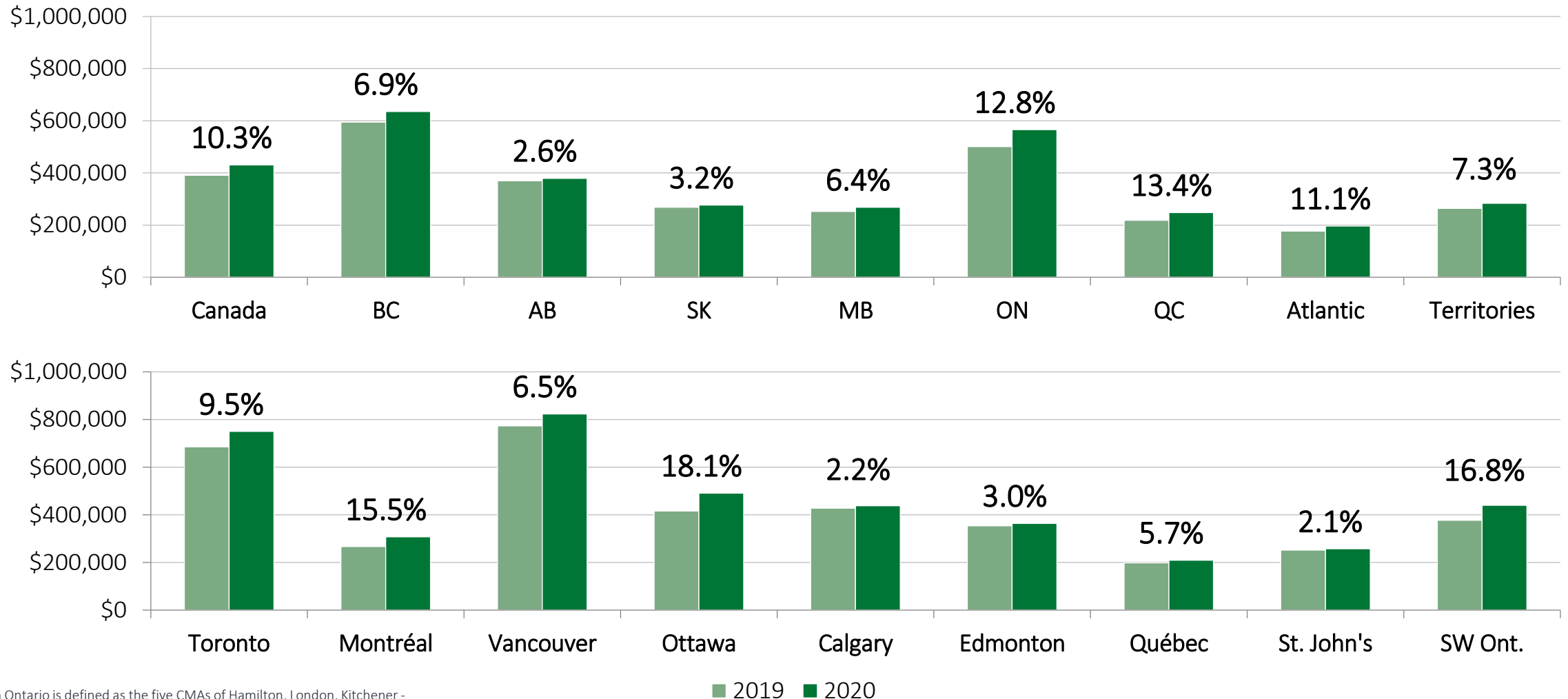
## Net Worth and Component Change per Household



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Varying Degrees of Increase

## Real Estate Value per Holding Household

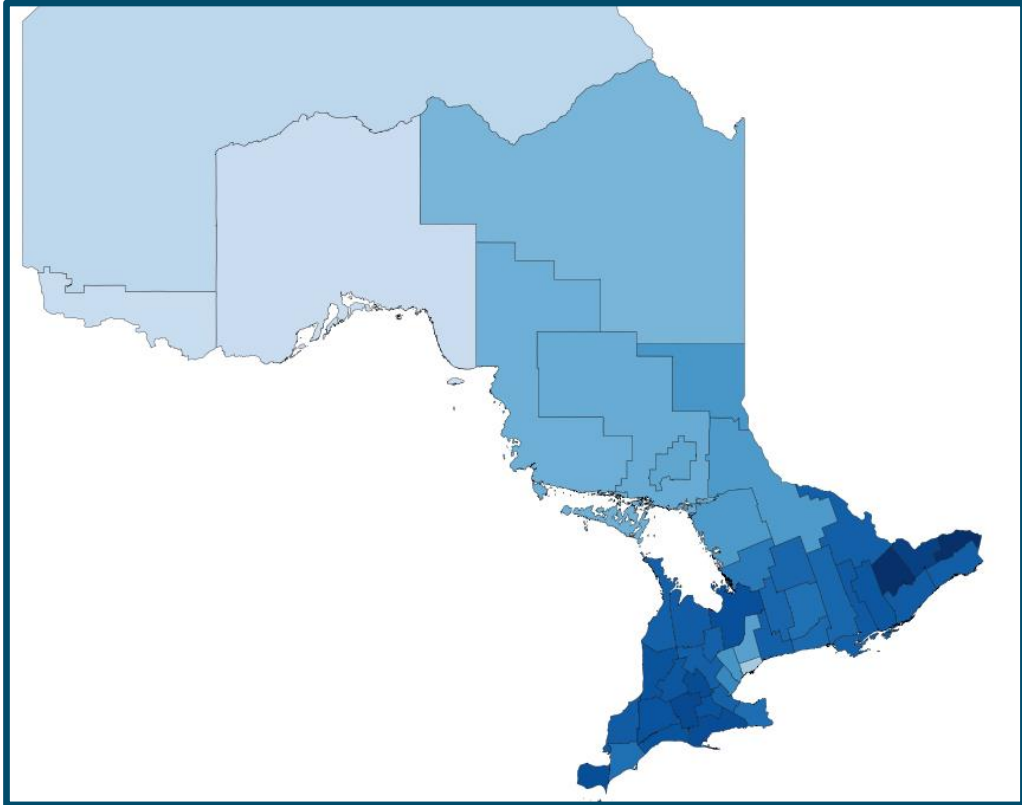


Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

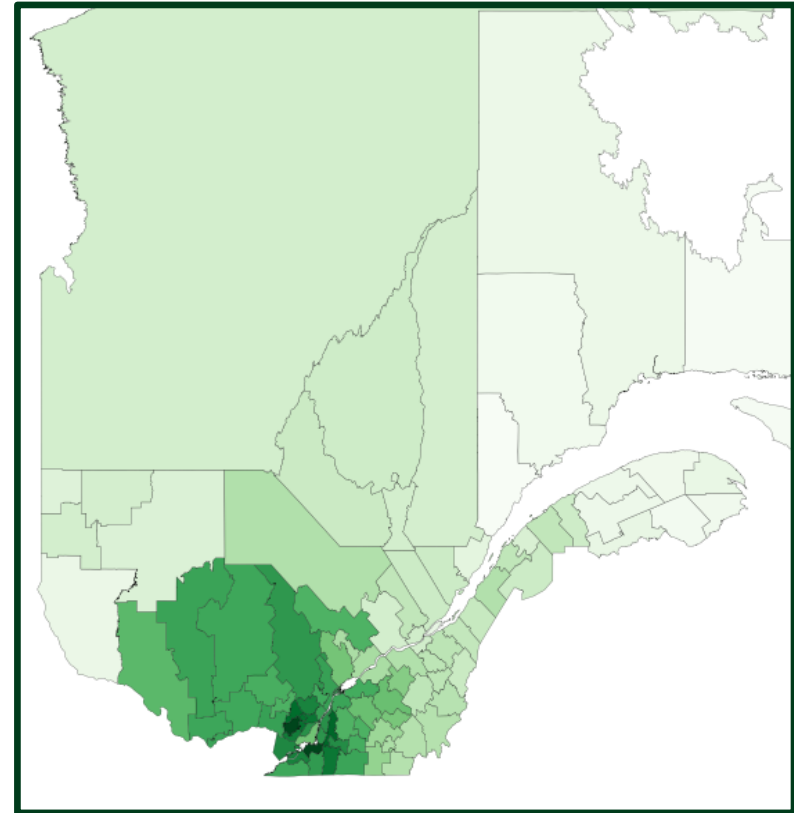
# Real Estate Maps

Real Estate Value per Holding Household

Ontario



Quebec

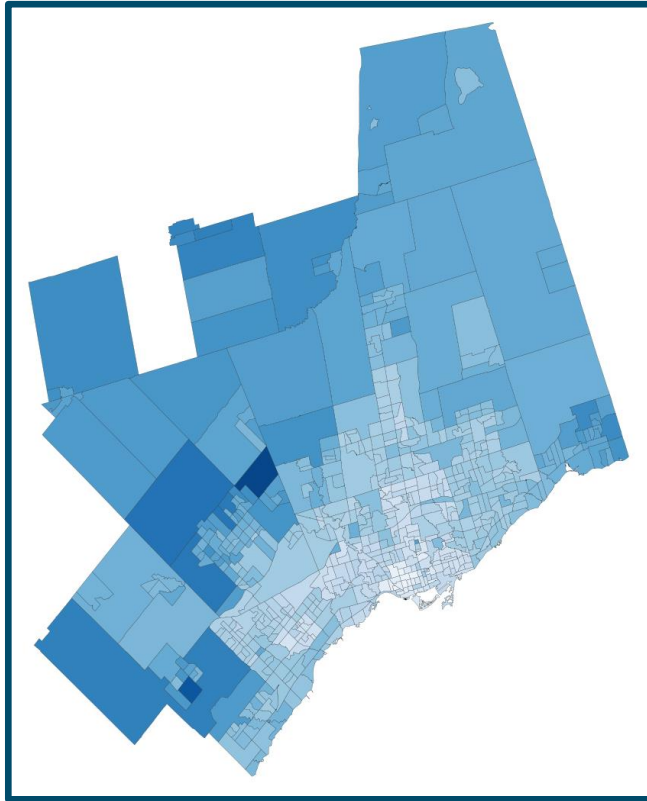


Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

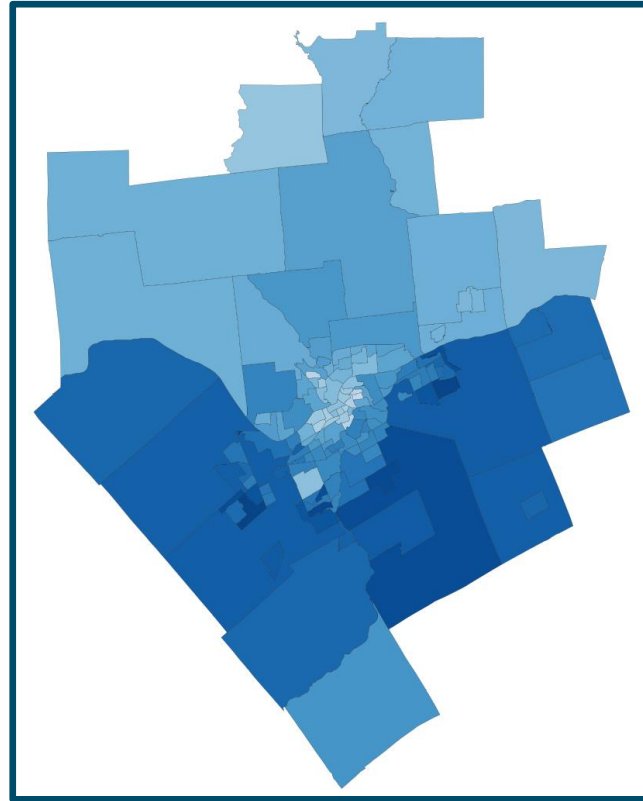
# Real Estate Maps

Real Estate Value per Holding Household

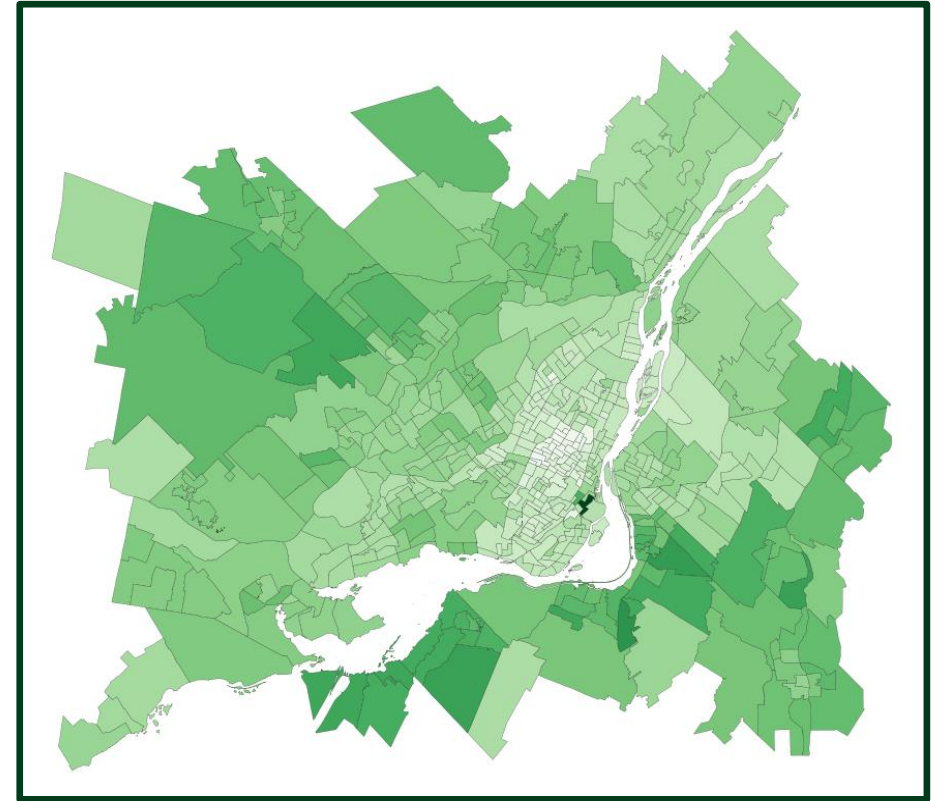
**Toronto**



**Ottawa-Gatineau**



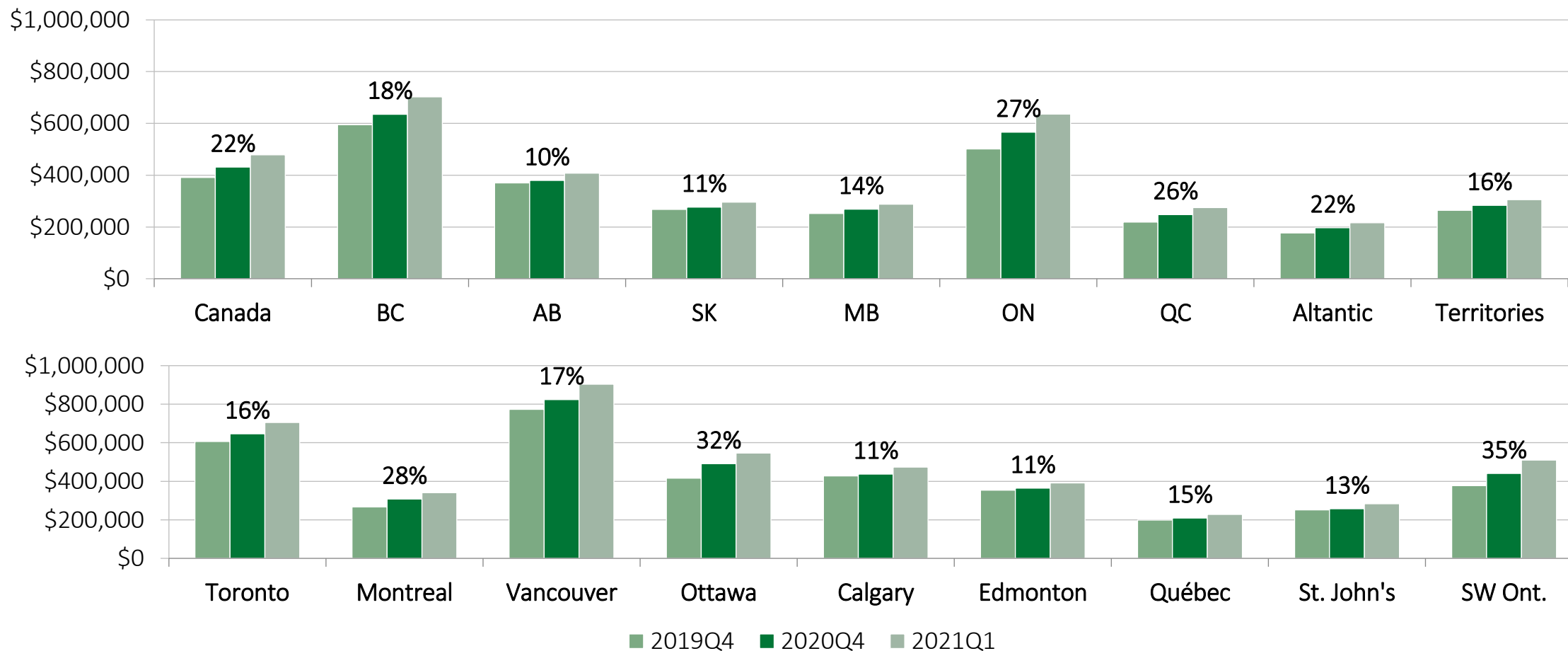
**Montreal**



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Real Estate Growth Accelerates into First Quarter

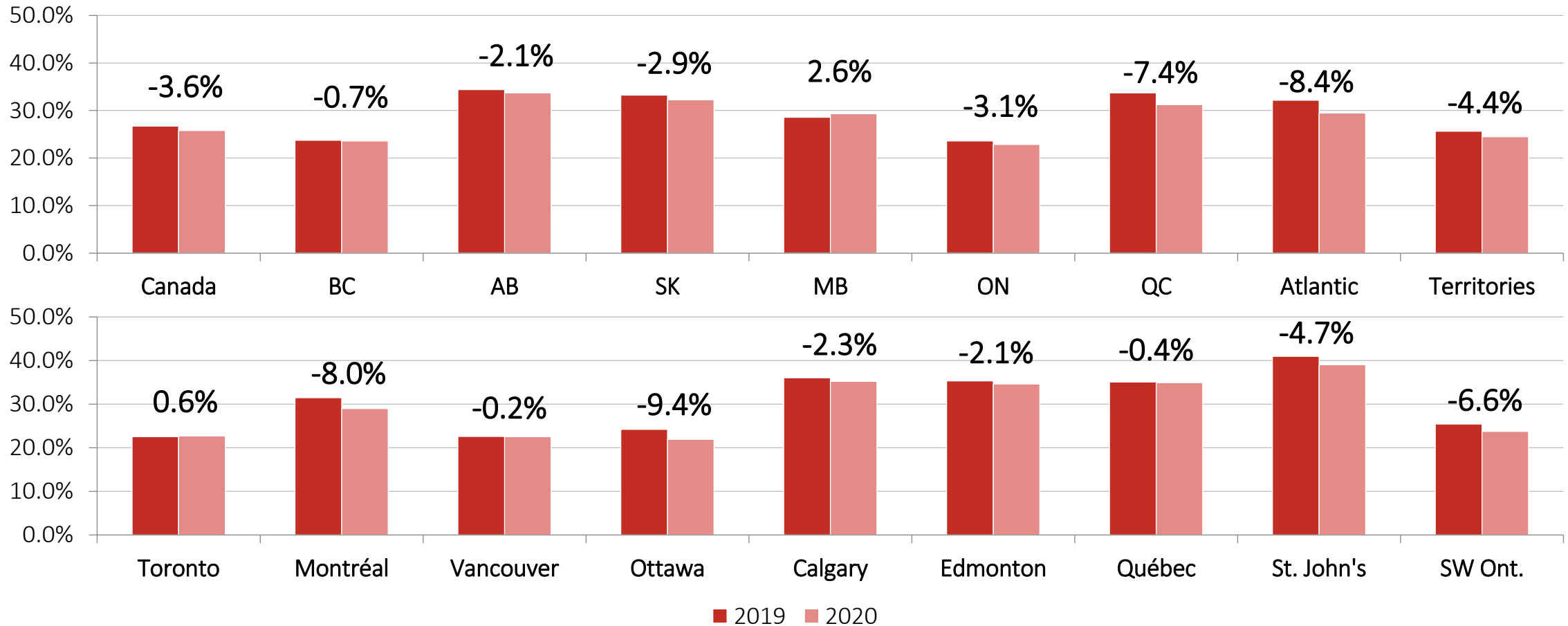
## Real Estate Value per Holding Household



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Mortgage Growth Lags Real Estate

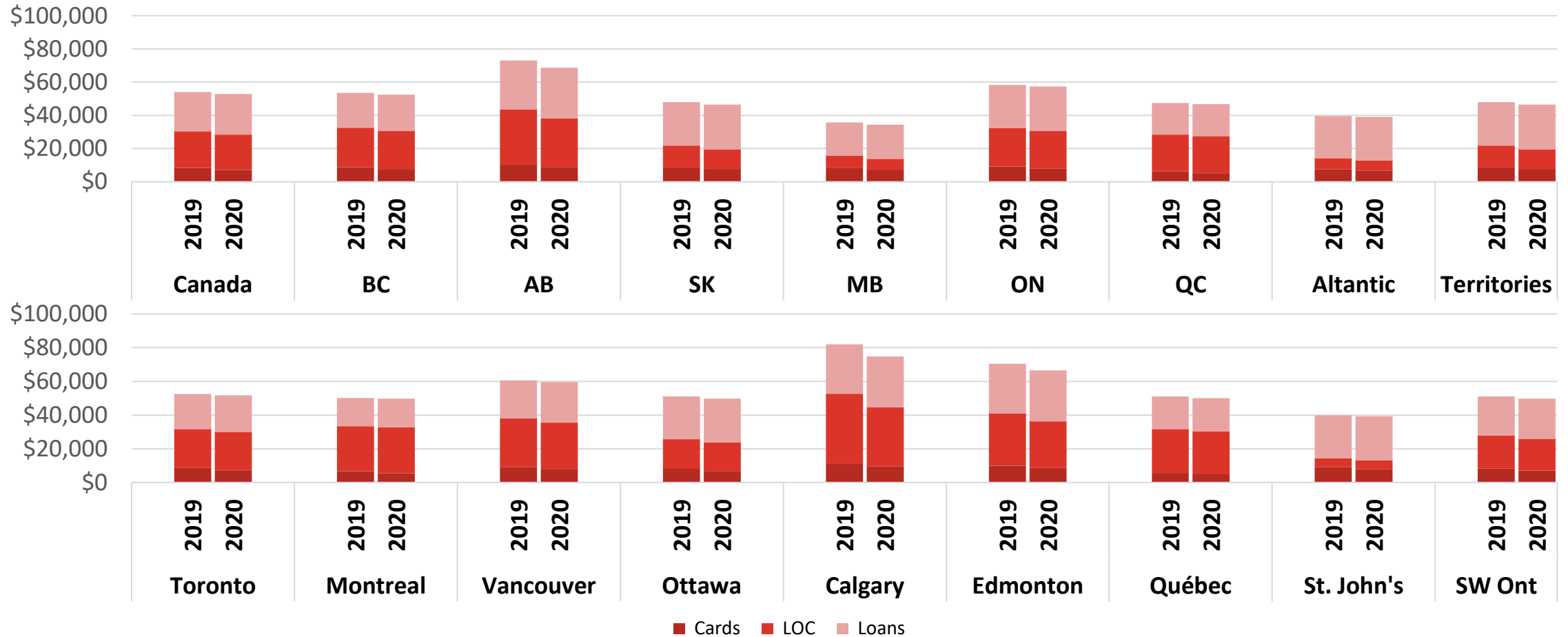
## Mortgage to Real Estate Value



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# A Chance to Pay Down Debt

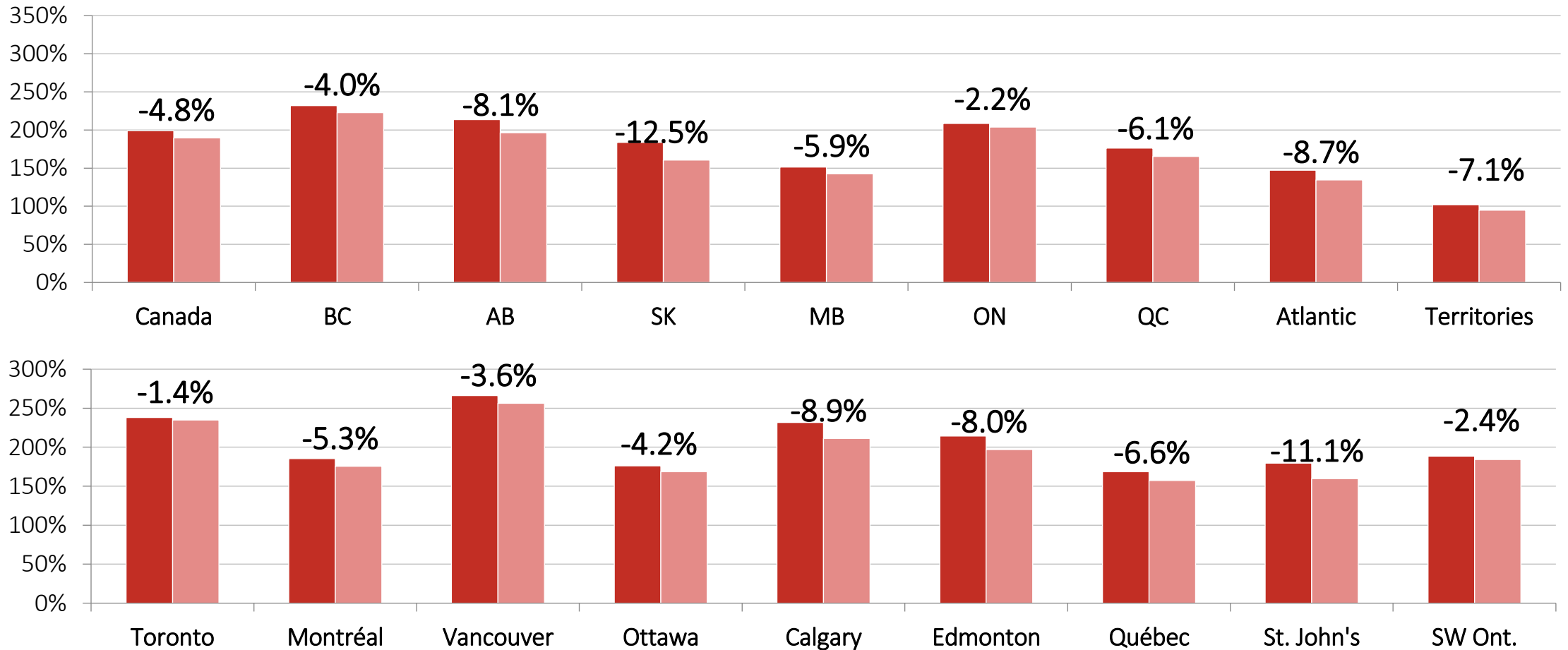
## Consumer Debt per Household



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Debt to Disposable Income Down

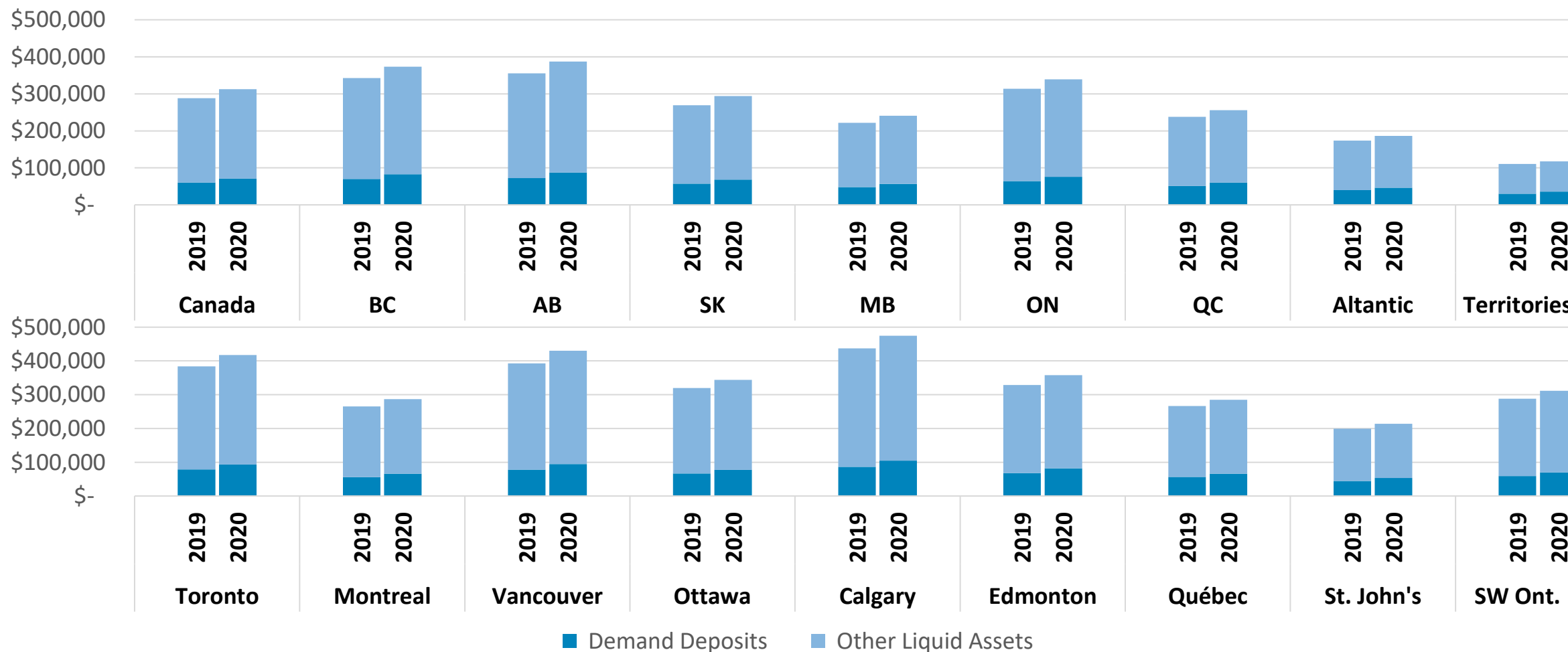
## Debt to Disposable Income



Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Demand Deposit Growth in 2020

## Liquid Assets per Household

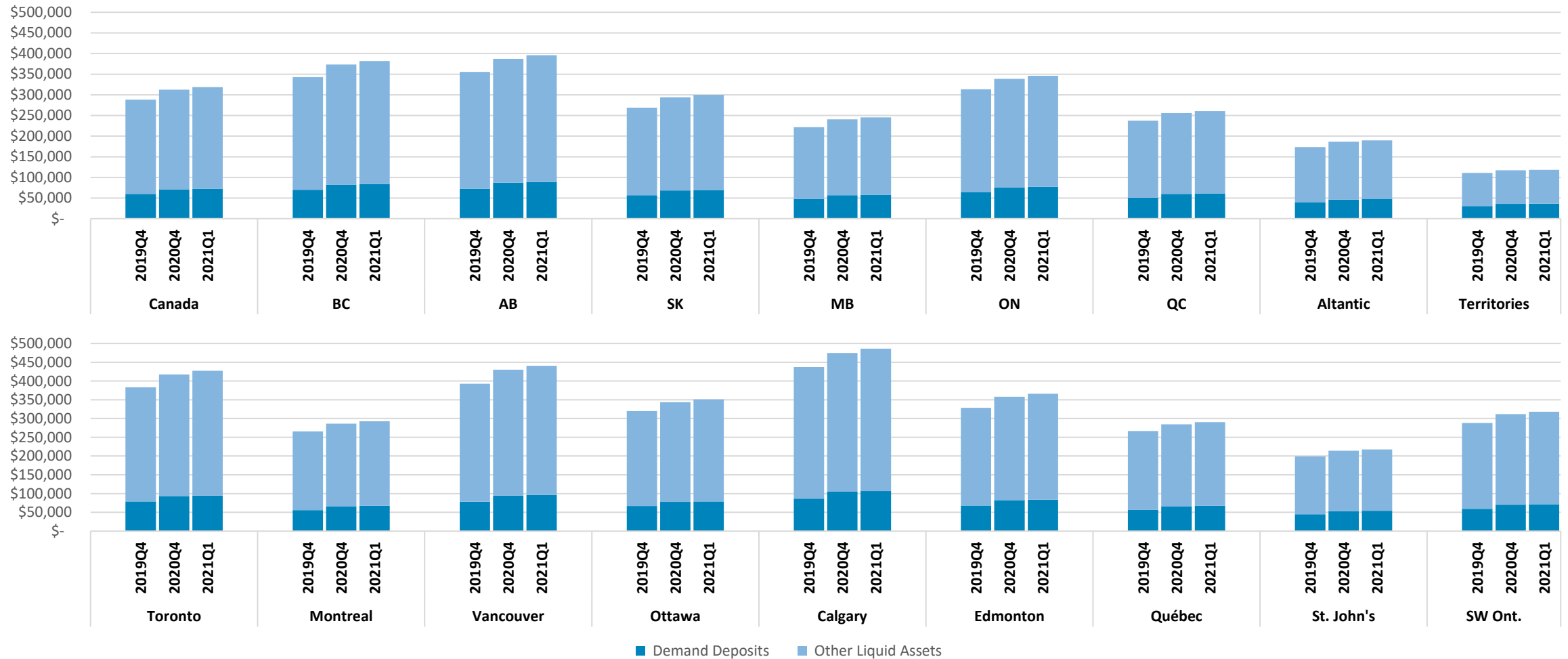


■ Demand Deposits ■ Other Liquid Assets

Southwestern Ontario is defined as the five CMAs of Hamilton, London, Kitchener - Cambridge - Waterloo, St. Catharines - Niagara, and Windsor

# Investment Growth in 2021 Q1

## Liquid Assets per Household



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# In Summary

- The covid pandemic in 2020 caused a rapid, dramatic shift in the wealth of Canadian households
- Real estate values increased across the country as lending rates plummeted to all-time lows, however increases were not uniform as demand shifted to different regions
- Savings used to pay down revolving debt and increase demand deposits

# Using Wealth Data and Big Data to Identify, Understand and Activate Your Opportunities

# Large, Diverse, Dynamic

Population  
**38 Million**

Average Net Worth  
**\$795K**

Total Assets  
**\$14.3 Trillion**

Total Investments  
**\$3.6 Trillion**

Total Mortgages  
**\$1.7 Trillion**

Total Liquid Assets  
**\$4.7 Trillion**

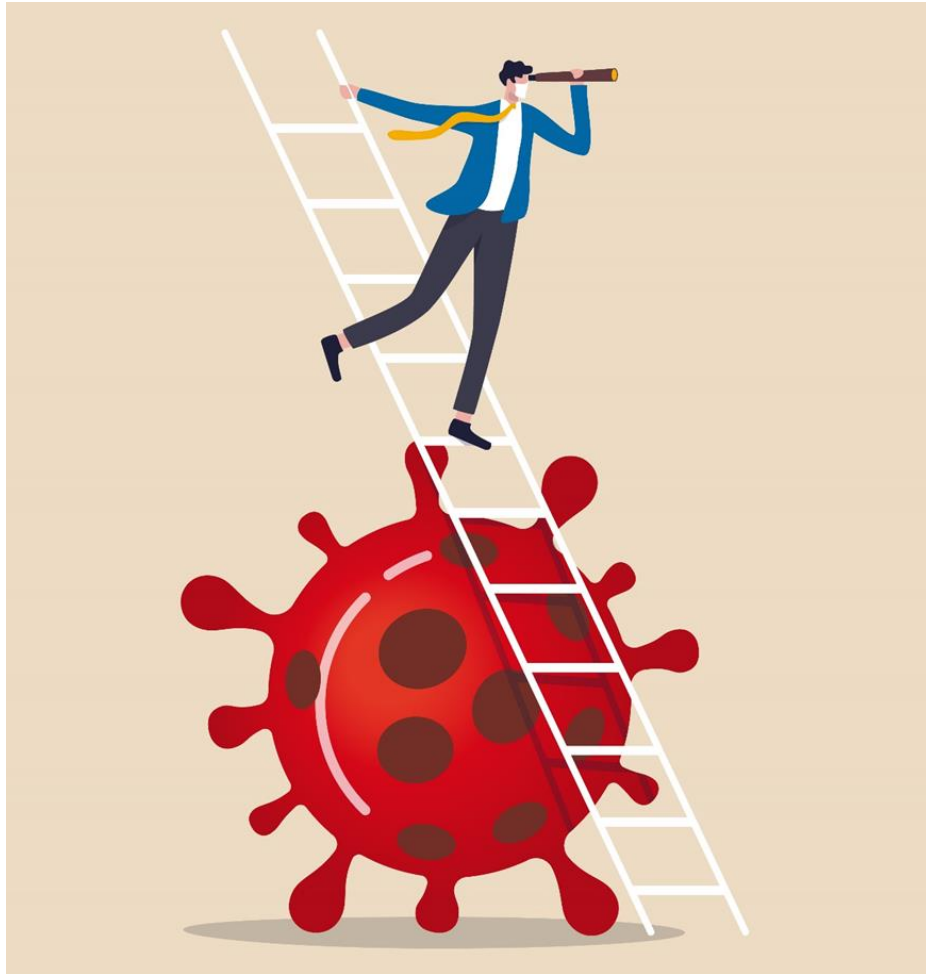


# Lots of Questions to be Answered

- Who are the customers that are accumulating deposits or savings?
- Are these customers different by region/trade area?
- Which customers are more inclined to borrow or invest, and where?
- What is our market penetration and how do we increase our share of wallet?
- How can we engage customers more effectively?



# Most Frequently Asked Questions Today



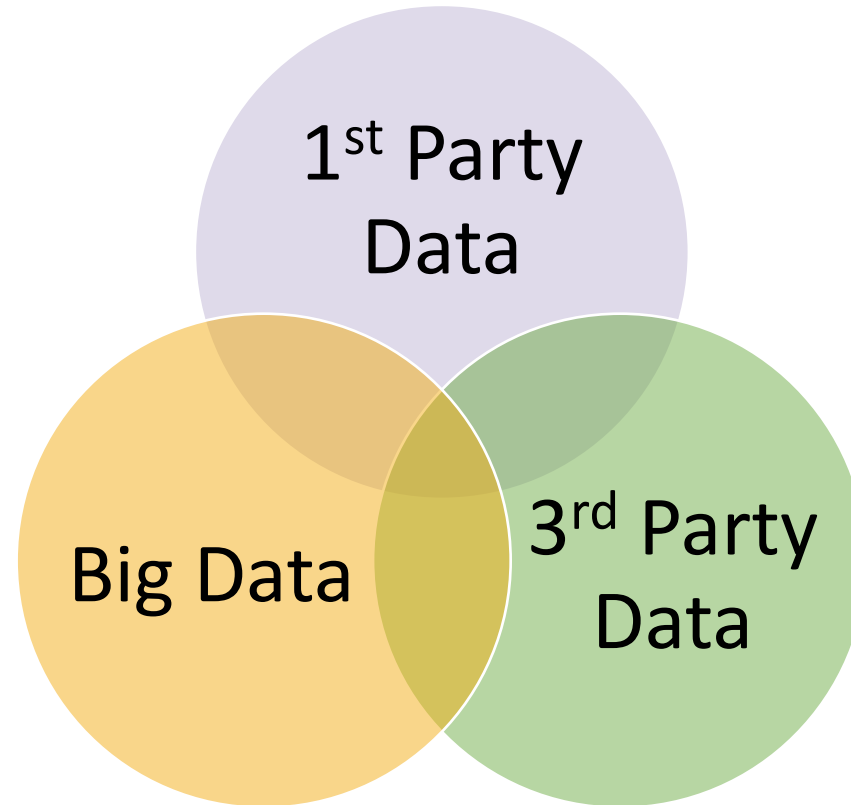
How is consumer behaviour changing?

Which consumers are changing their behaviours?

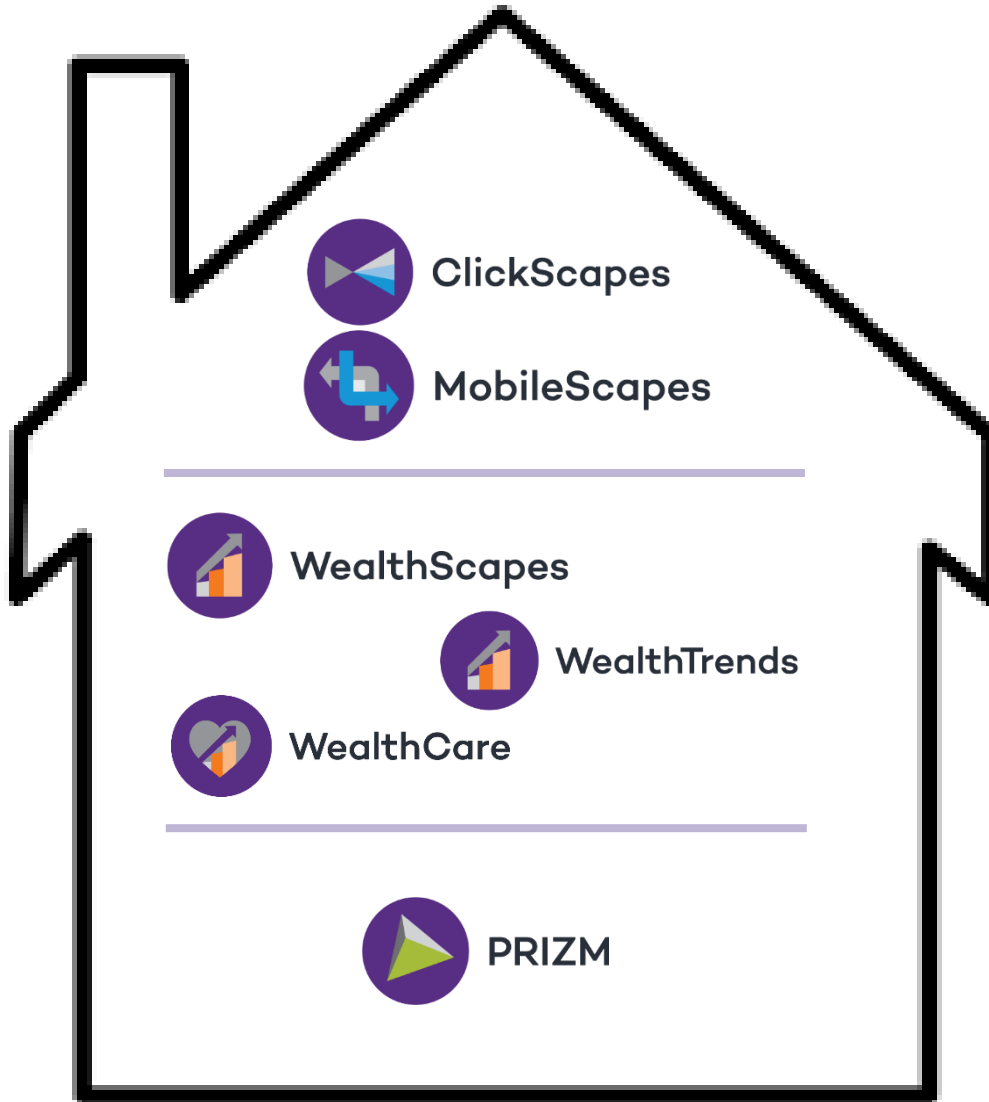
What are consumers open to doing differently?

Where should efforts be focused?

# The Data Imperative... and Opportunity



# A Ground Up Approach



Dynamic Mobile Movement and  
Digital Behaviours

Customer and Market Financial  
Potential

Identify, Understand, Quantify  
and Locate Customers

# Know Your Customer... Better

67 Lifestyle Segments Mapped To Every Postal Code



Look up your segment!

<https://prizm.environicsanalytics.com/>



ClickScapes



MobileScapes



WealthScapes



WealthTrends

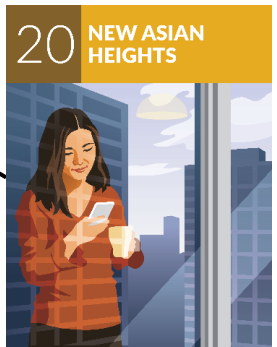
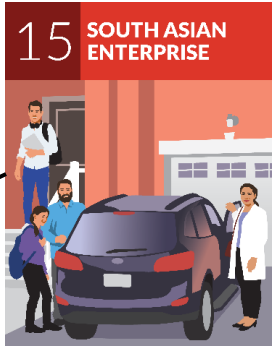
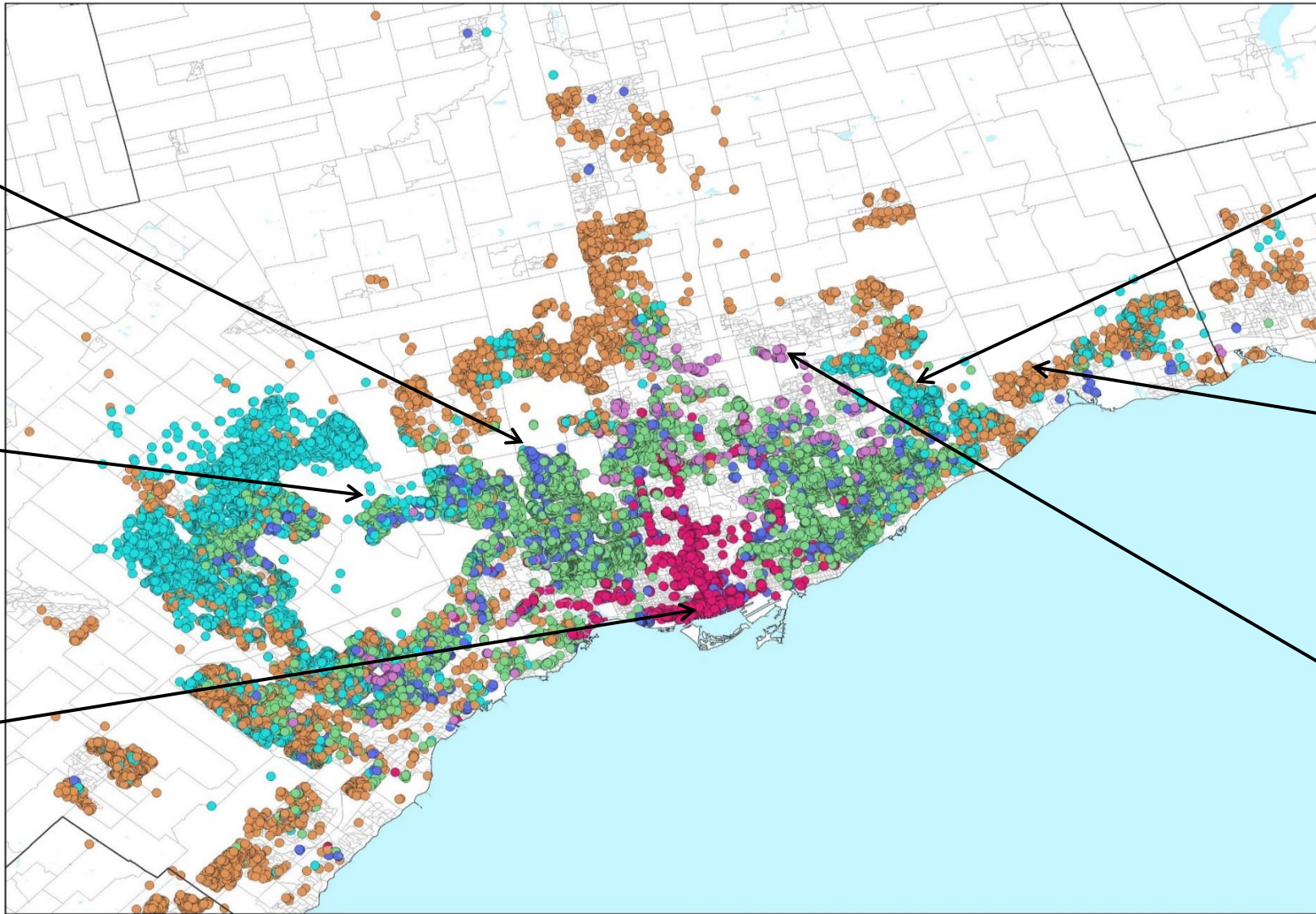


WealthCare



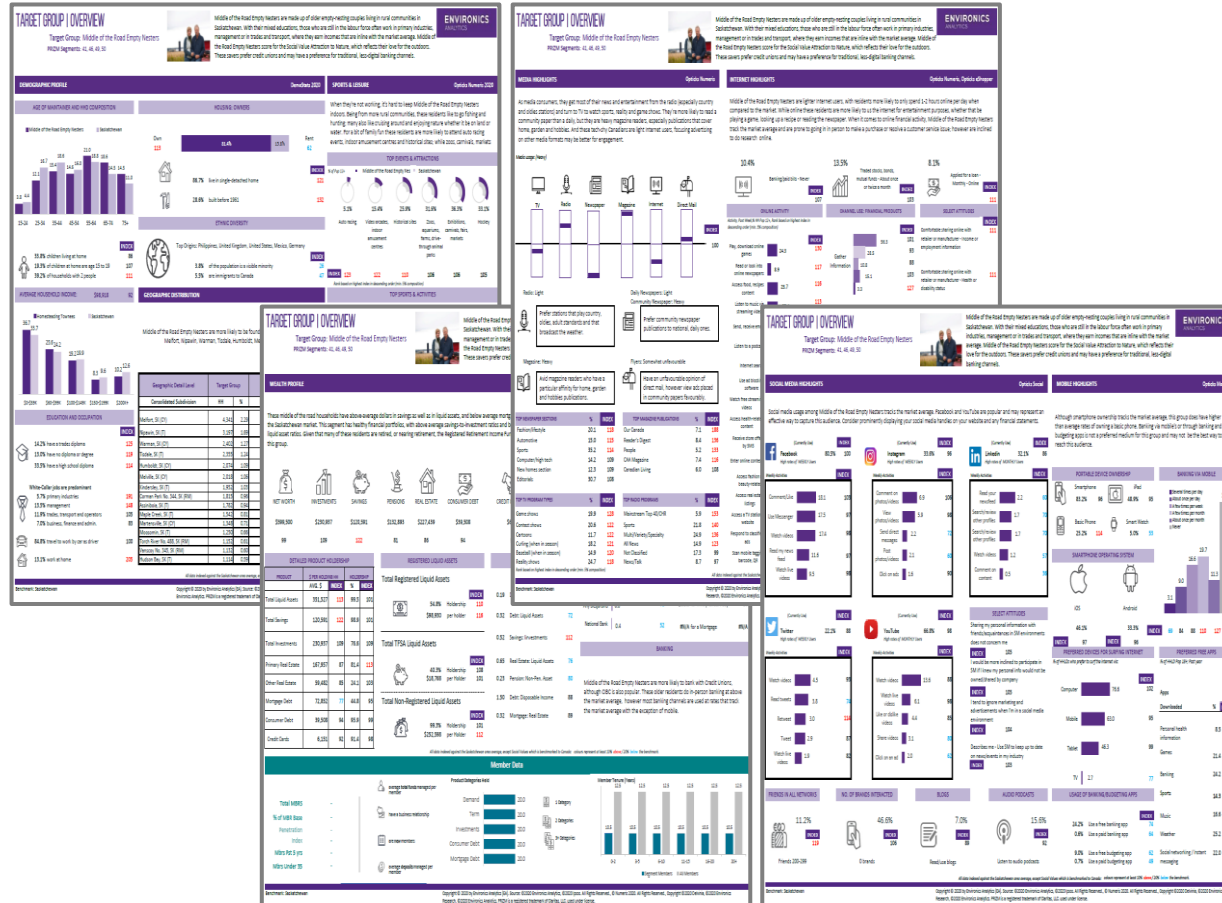
PRIZM

# Identify, Understand, Quantify and Locate



**ENVIRONICS**  
ANALYTICS

# From Insight to Activation



Messaging & Creative  
Audience Targeting  
Digital & Offline Media Buys



Customer Experience  
Retention & Loyalty Messaging



New Product Development  
Cross-Channel Evaluation



Network Planning & Optimization  
Market Share Analysis

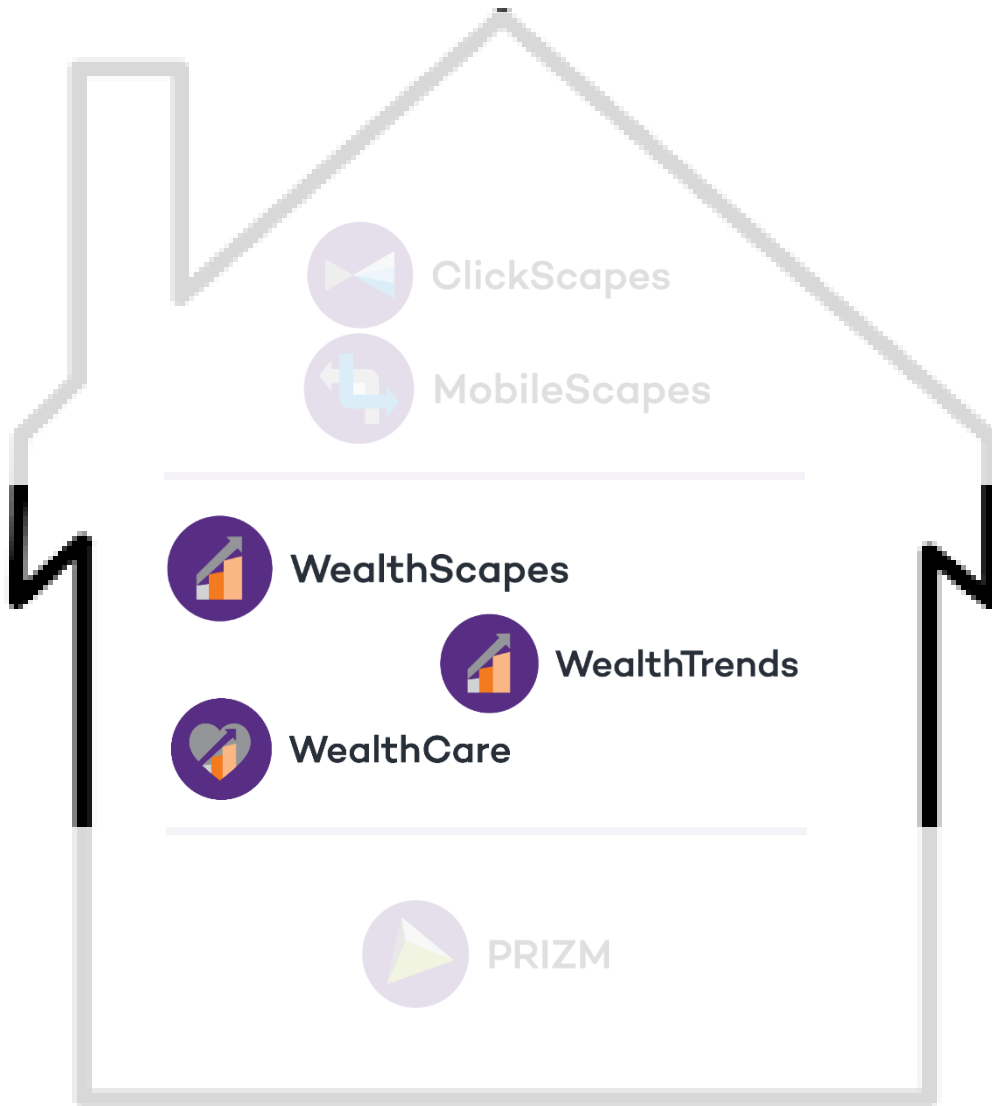


Customer Profitability  
Risk Modelling

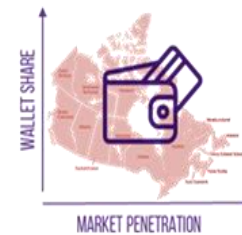


Location-Specific Staffing  
Time-Of-Day Modelling

# Customer and Market Potential

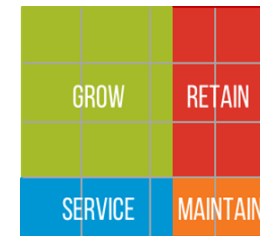


## Gap Analysis



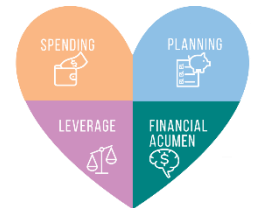
Identify market gaps in product penetration, market share & share of wallet

## Economic (Value) Segments



Match service levels and engagement strategies to customer needs and potential

## Financial Wellness

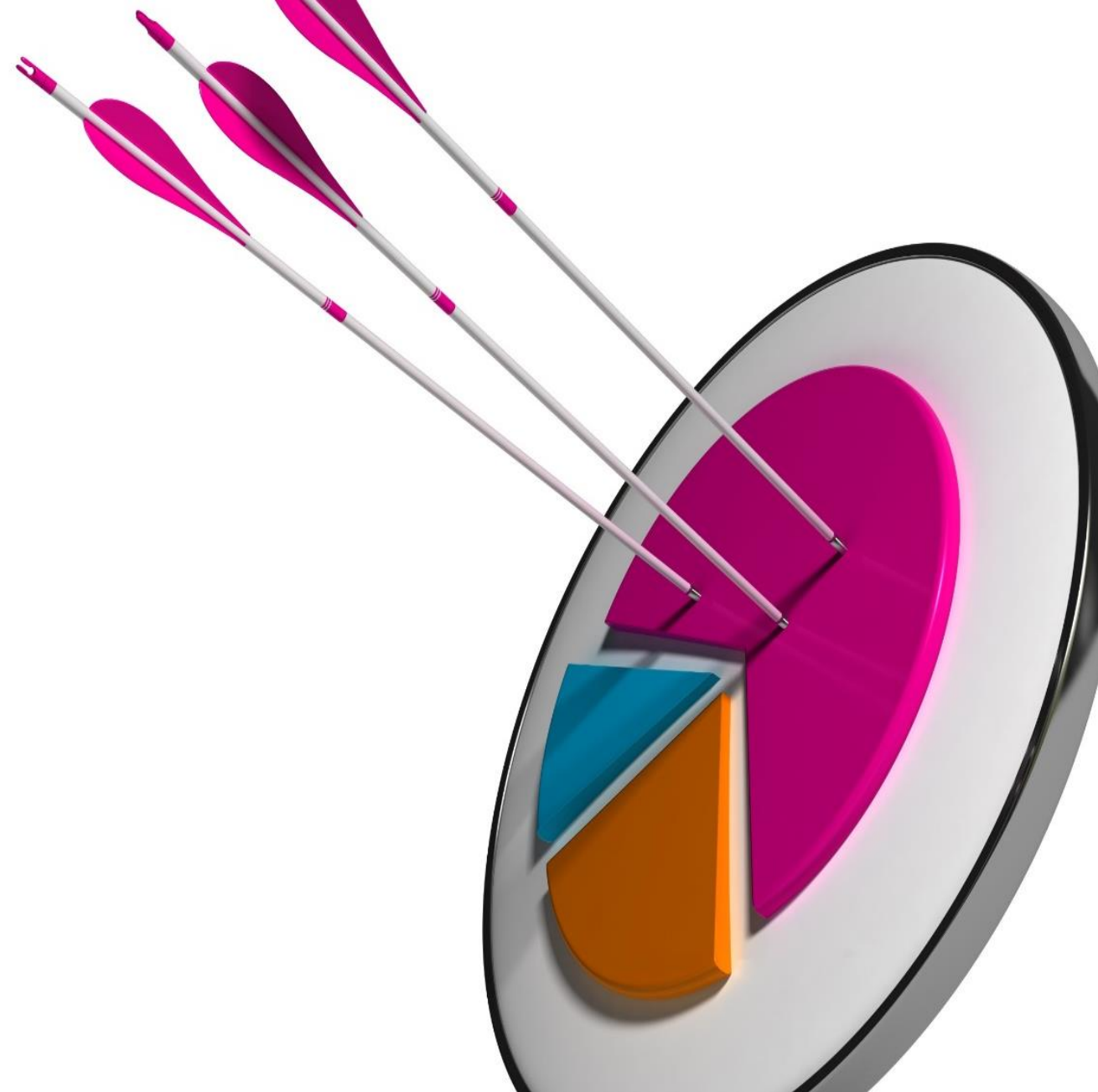


Understand the financial health & wellness of customers and members

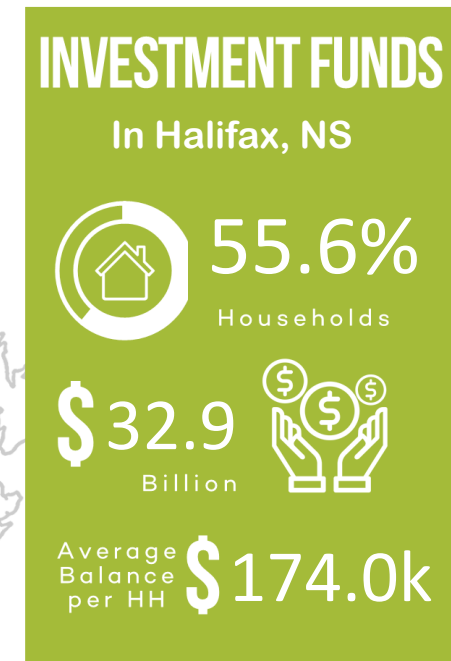
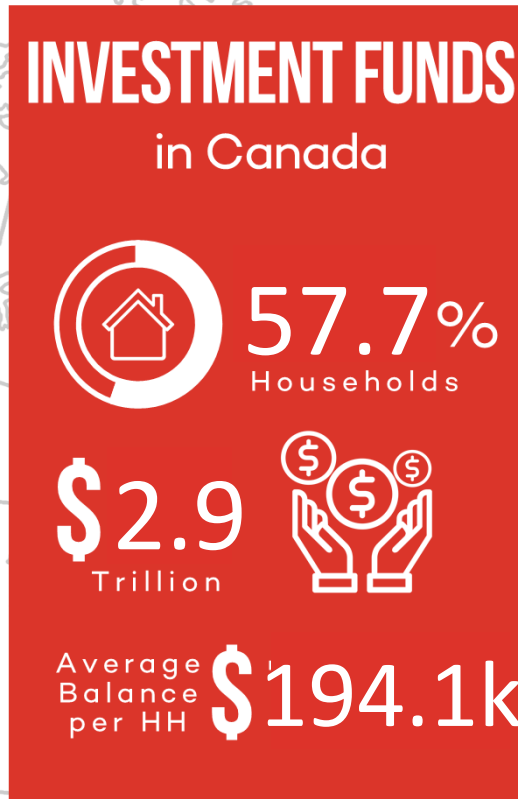
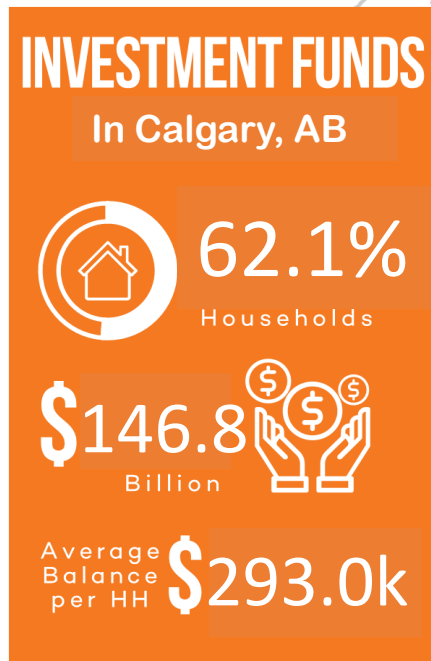
# Gap Analysis

Identify Customers and Market Gaps  
for Incremental Opportunity

- Customer Penetration
- Market Penetration
- Product Penetration
- Wallet Share
- Understand the “Who”

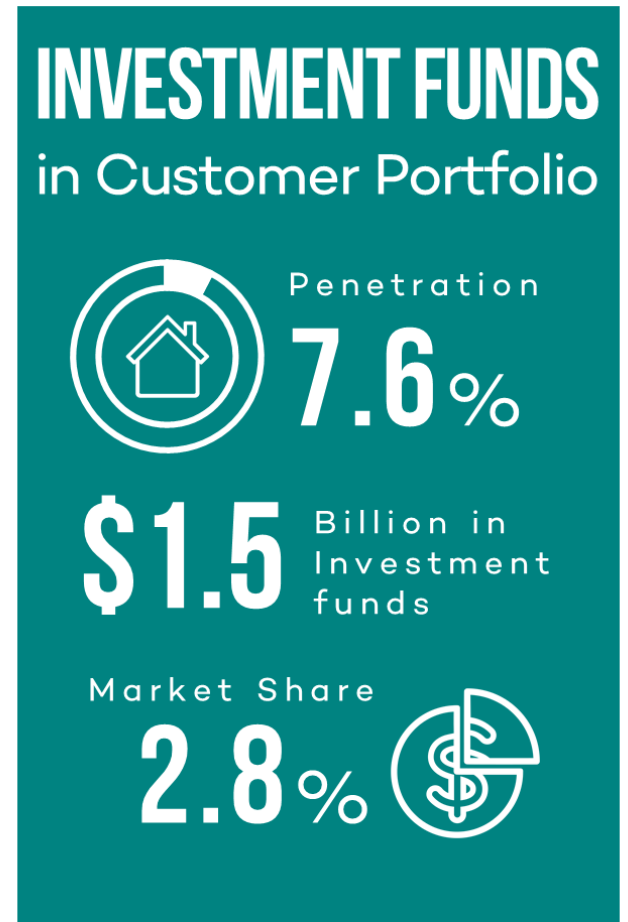
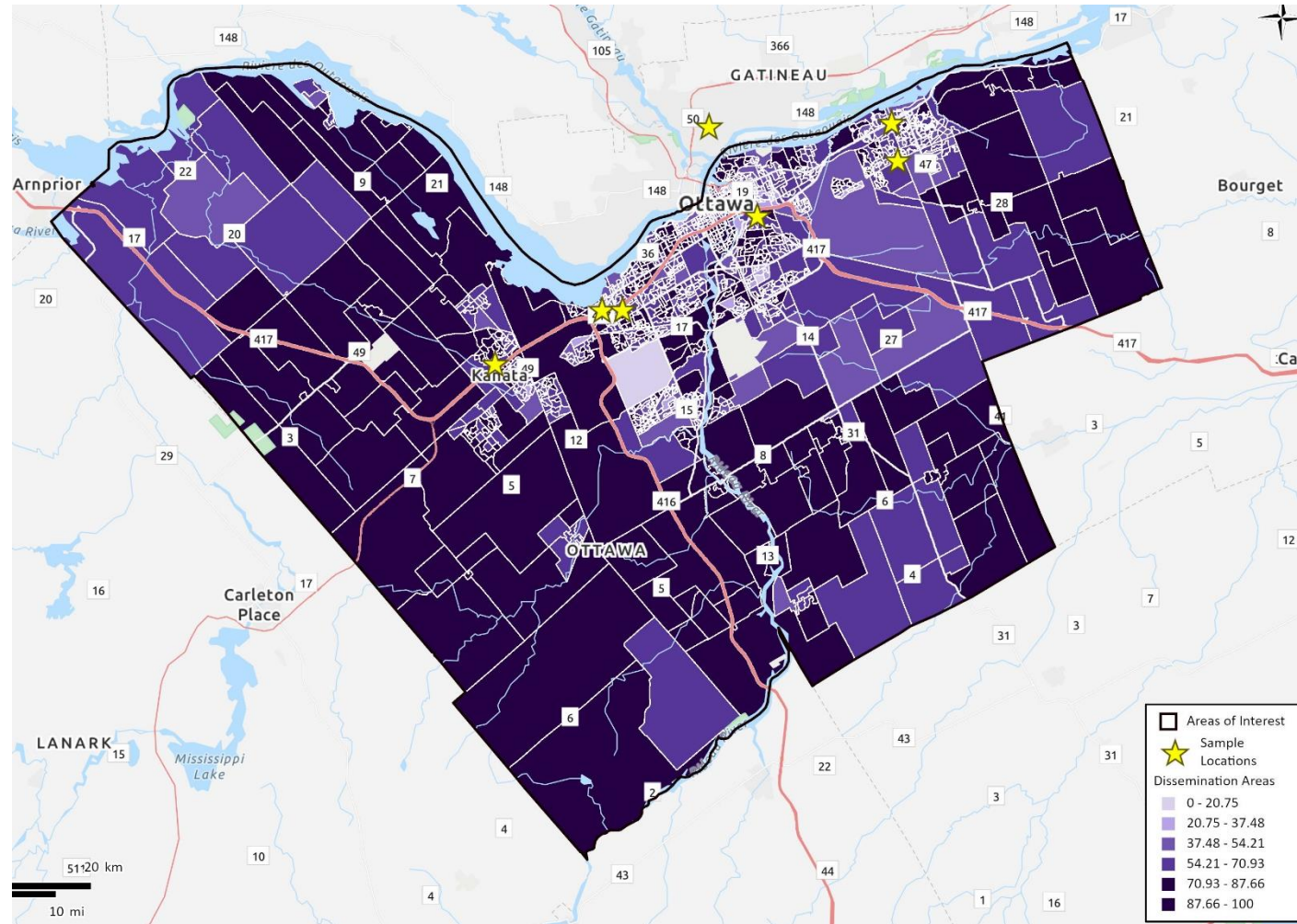


# Large, Diverse, Dynamic



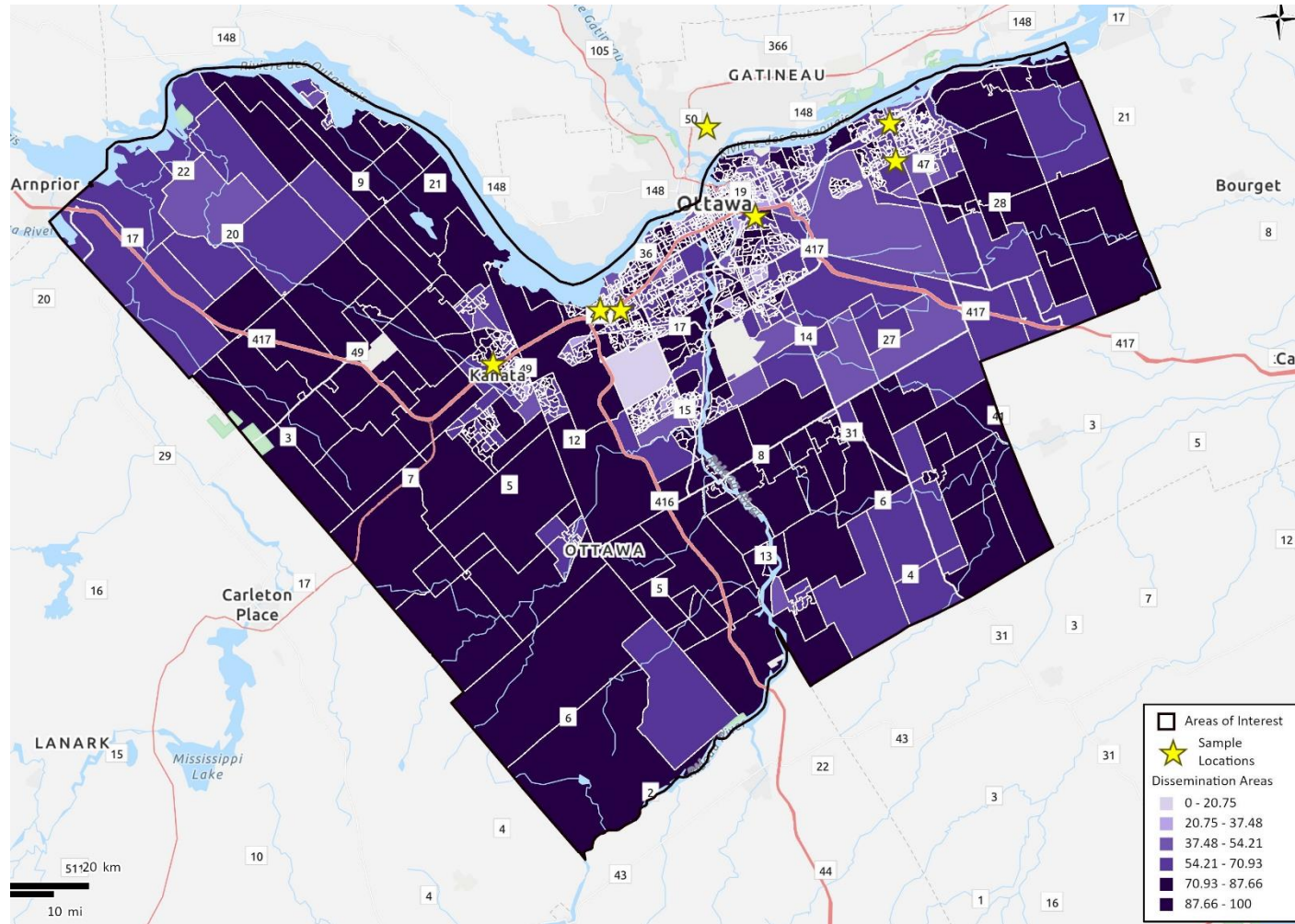
# Penetration Map of Investment Fund Holdership

## Ottawa Census Subdivision by Dissemination Area



# Penetration Map of Investment Fund Holdership

## Ottawa Census Subdivision by Dissemination Area



### INVESTMENT FUNDS

Wallet Share

My Bank

WealthScapes

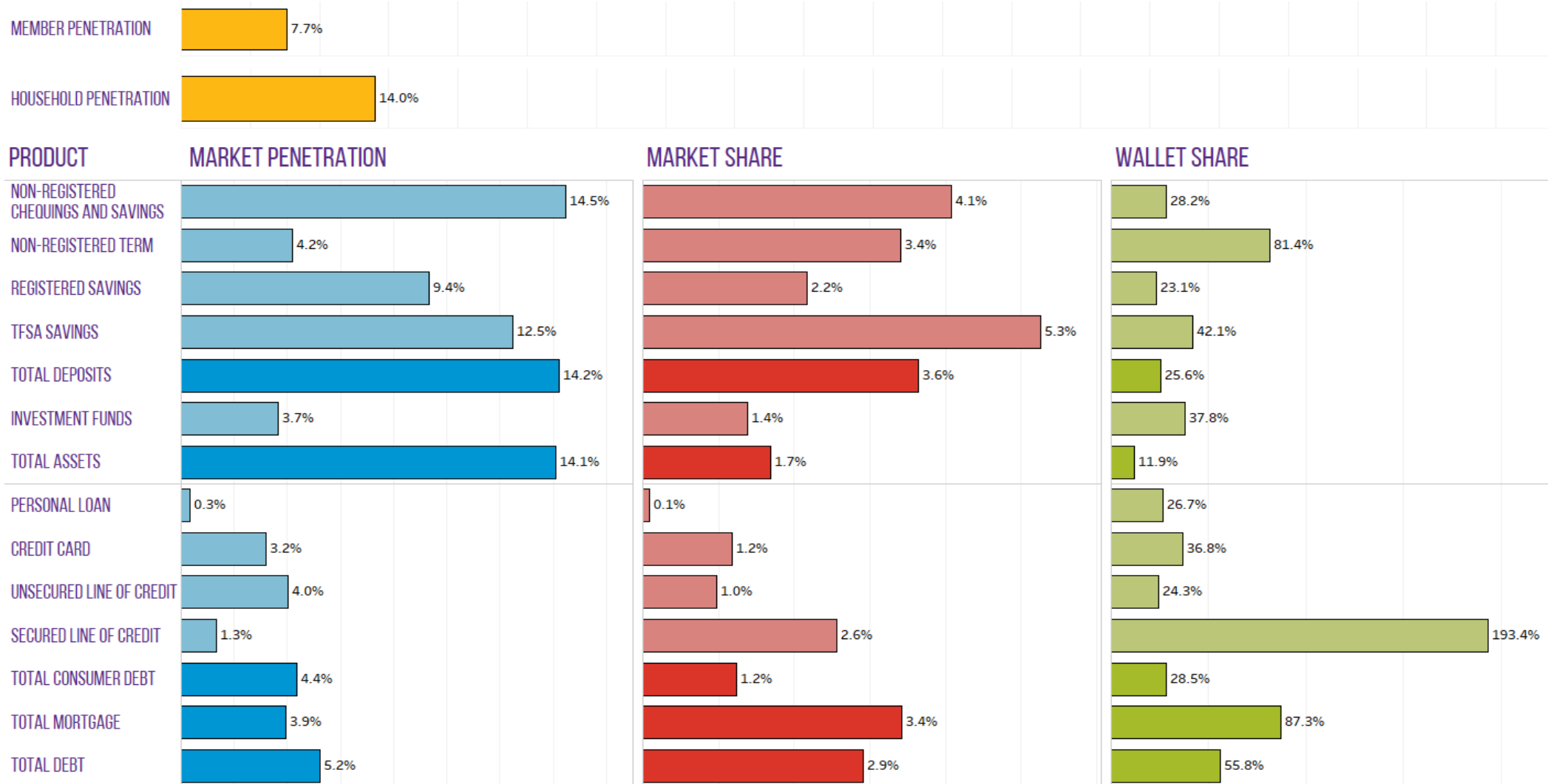
**\$64k** vs **\$136k**

Wallet Share

 **47%**

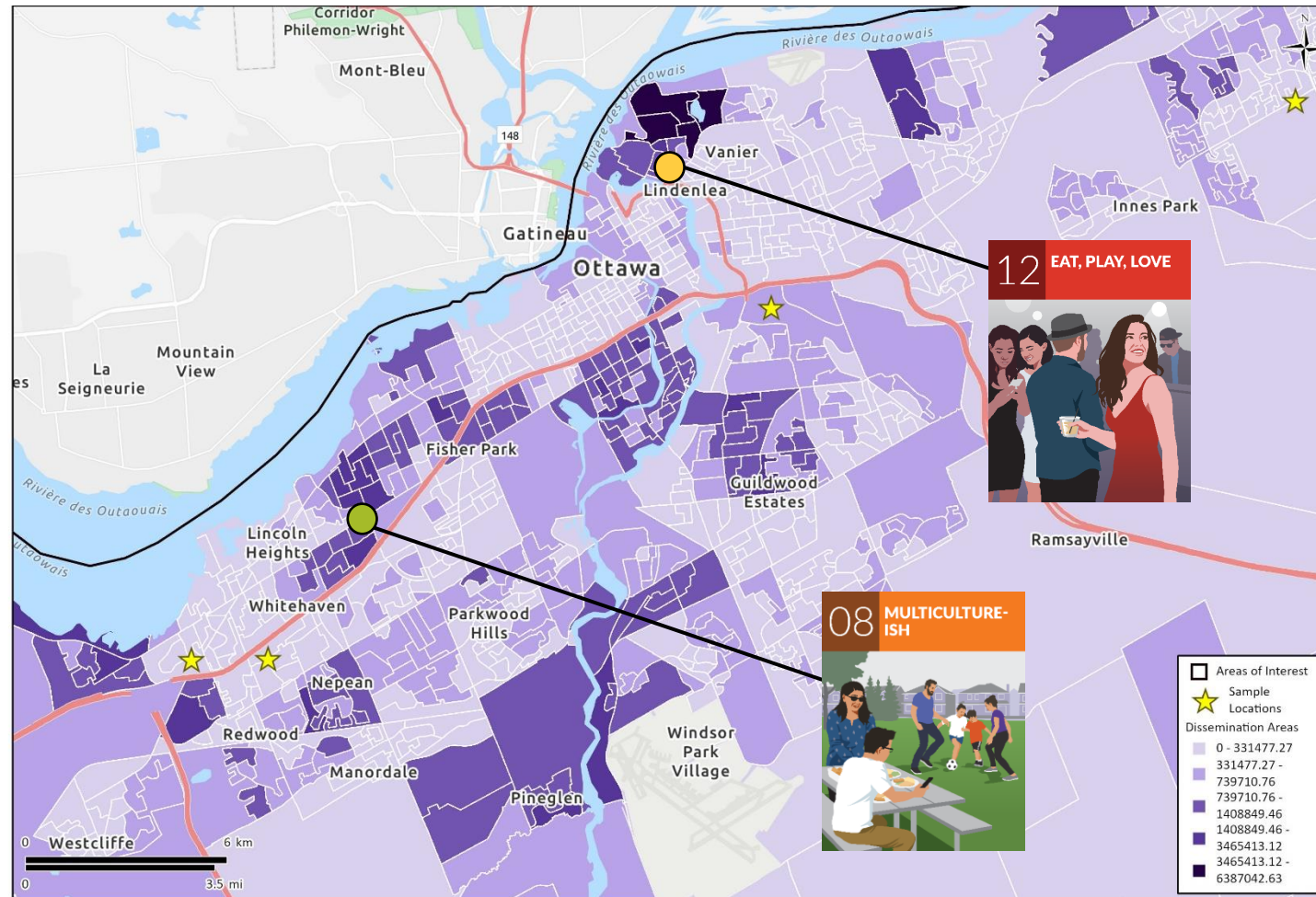
**UP-SELL**

# Benchmark Across Product Categories



# Locating Deposits on the Ground...and Who Holds Them

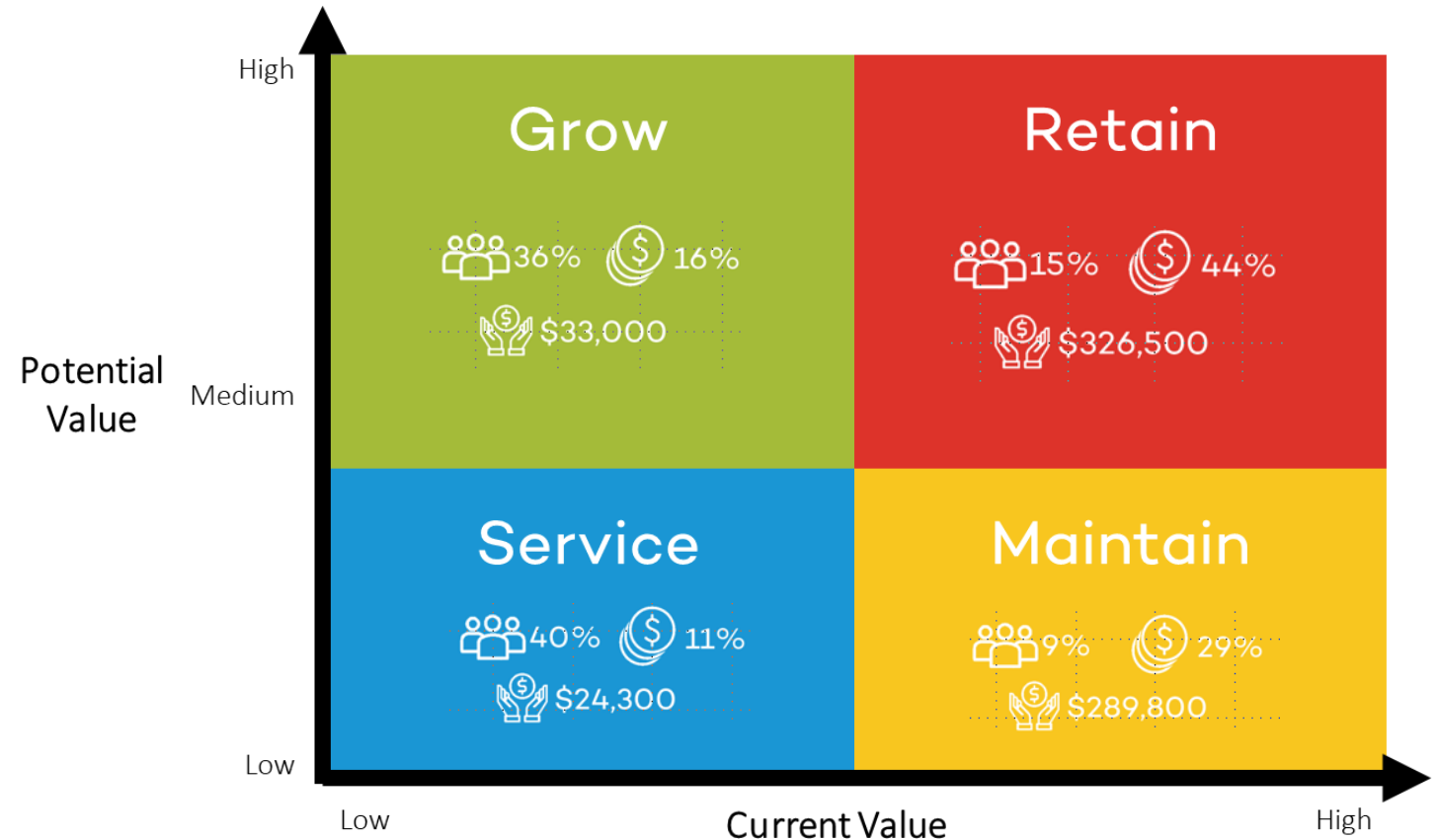
WealthSapes Liquid Assets – Average Balance  
Ottawa area by Dissemination Area



# Economic Segments

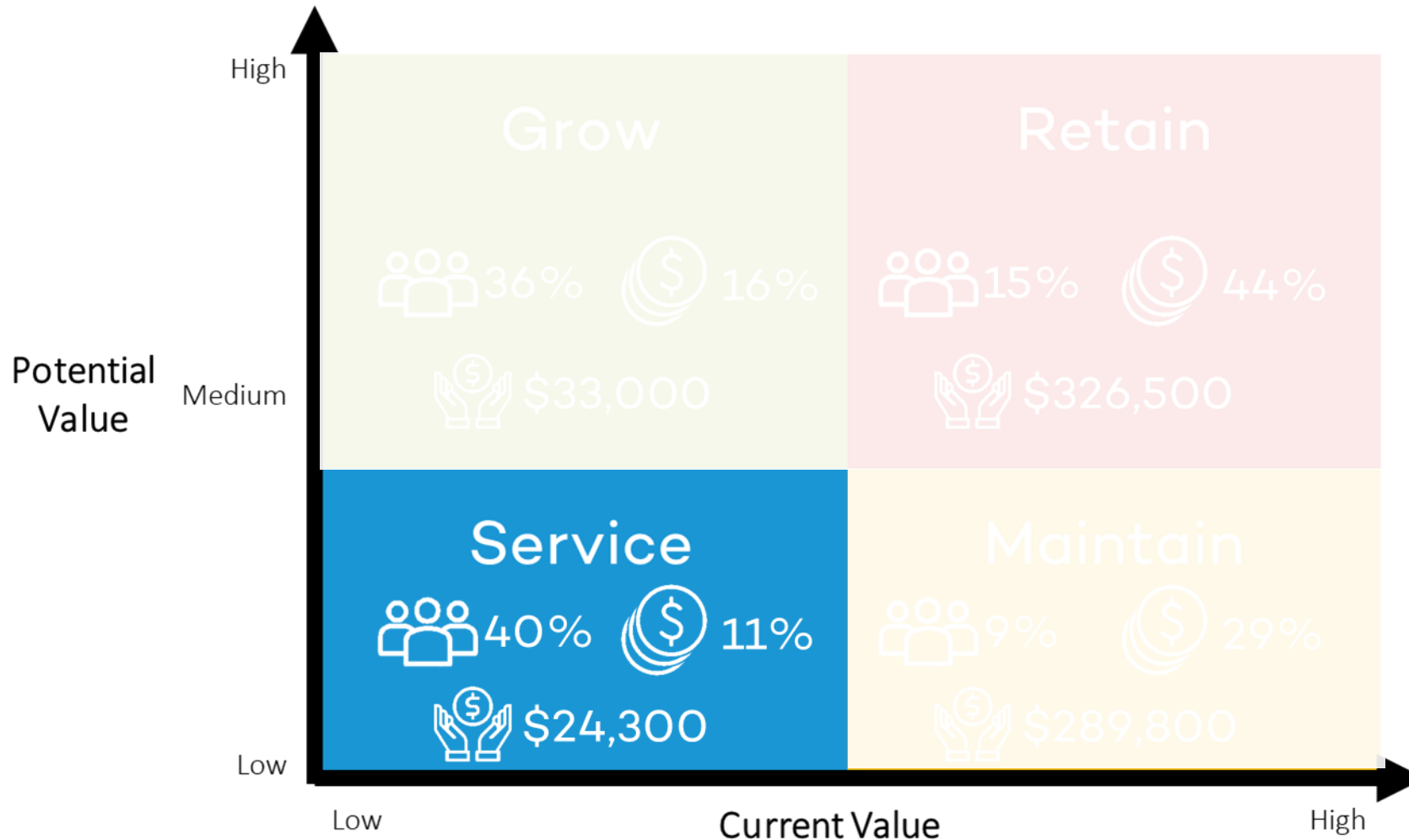
Identify Customer Potential and Allocate Resources Effectively

- Segment customer portfolio & holdings
- Quantify the opportunity
- Align services to customer potential



# Mass Customization Strategy

Service to Mass through Cost Effective Channels

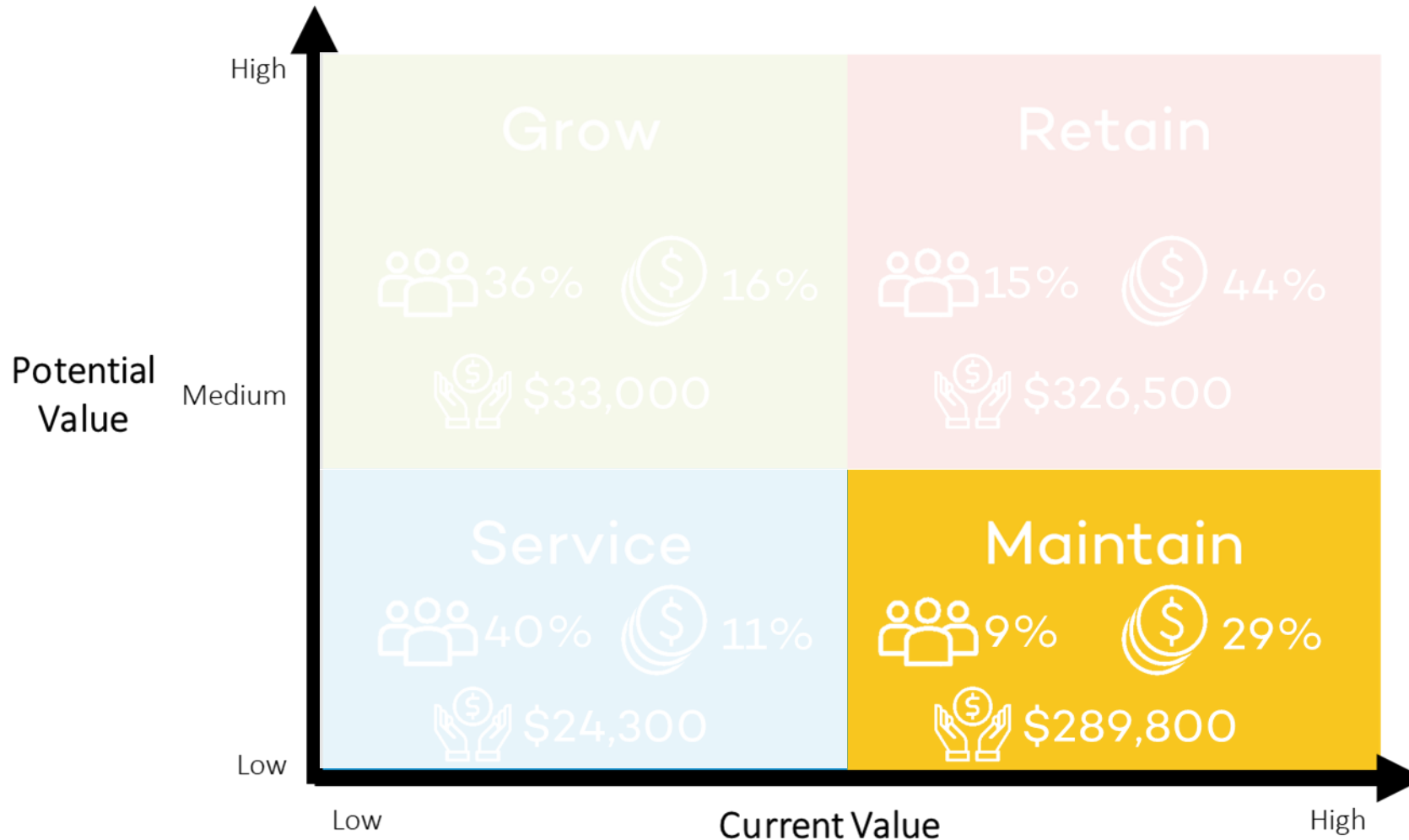


## Service

- Large volume
- Low current and potential dollars
- Low-cost channels and resources

# Protect Assets of Loyal Customers

Offer Value-Add Services to Promote Brand Loyalty

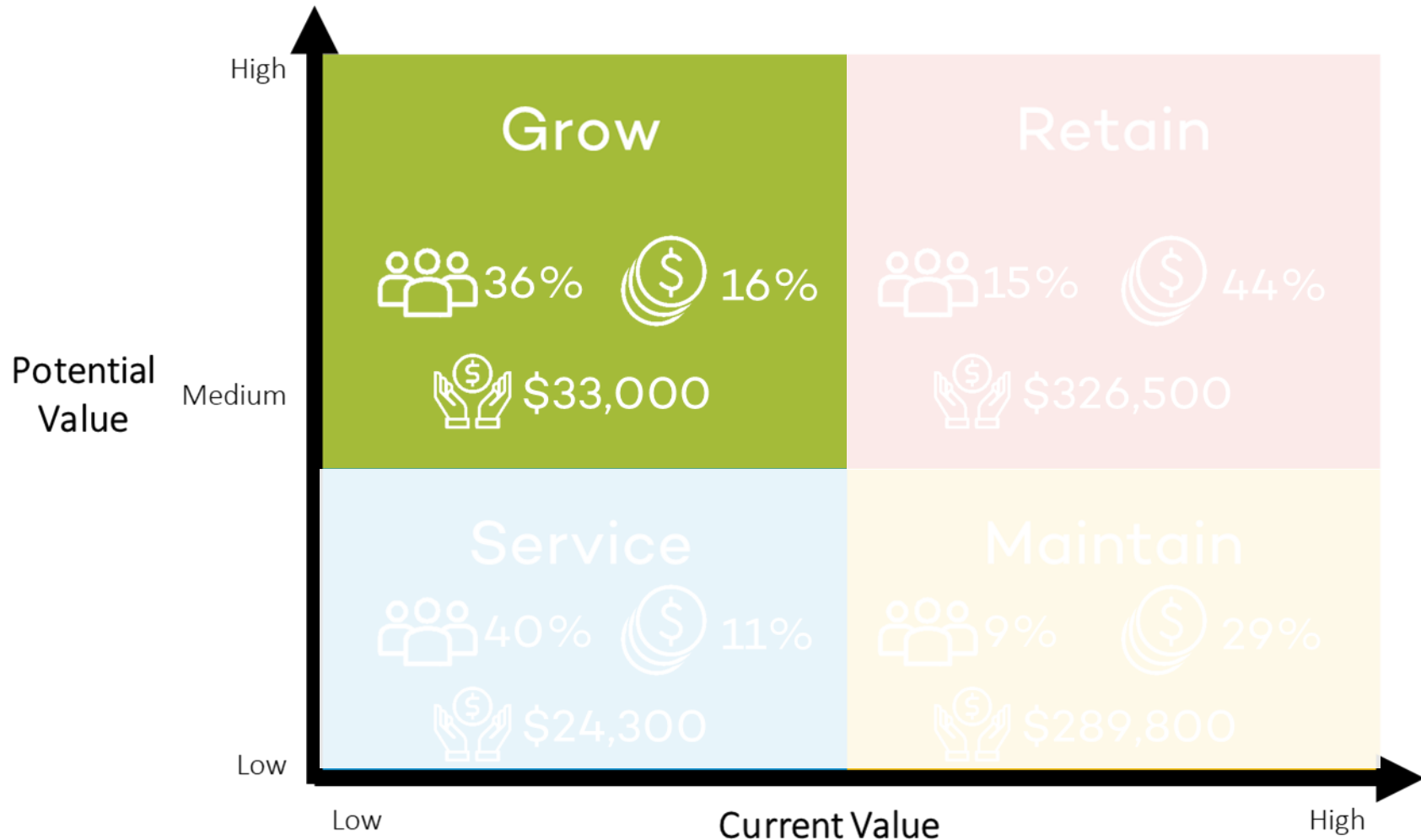


## Maintain

- High value
- Low opportunity for up-sell or cross-sell
- Responsive service and engagement to maintain relationship

# Investment Strategy to Earn Loyalty

Customize Service Offers to Deepen Relationships, Increase Product Holdership

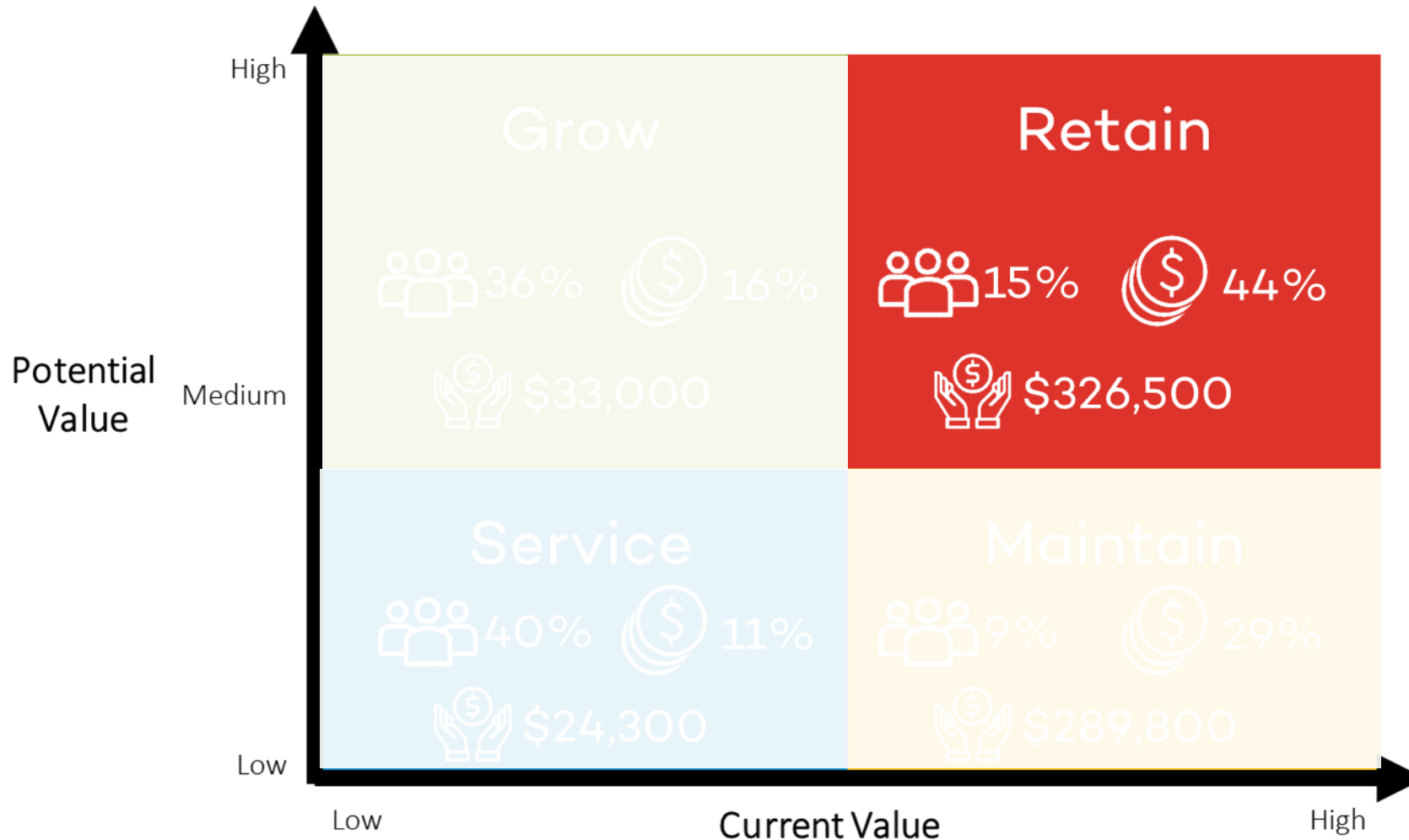


## Grow

- Low current value
- High potential
- Identify hidden opportunities

# Retention Strategy

Personalized Services and Individualized Offers



## Retain

- High current value
- High potential with new opportunities
- High touch and personalized services

# Using WealthCare for Financial Wellness

## Insights to Inform Engagement Strategies

- Score for Financial Wellness
- Multiple Dimensions
- Component and Aggregate Score
- Insight for Engagement



# What is WealthCare?

Are they living within their means?

SPENDING



Are they making their financial future a priority?

PLANNING



Do they have a balanced relationship between assets and debt?

LEVERAGE

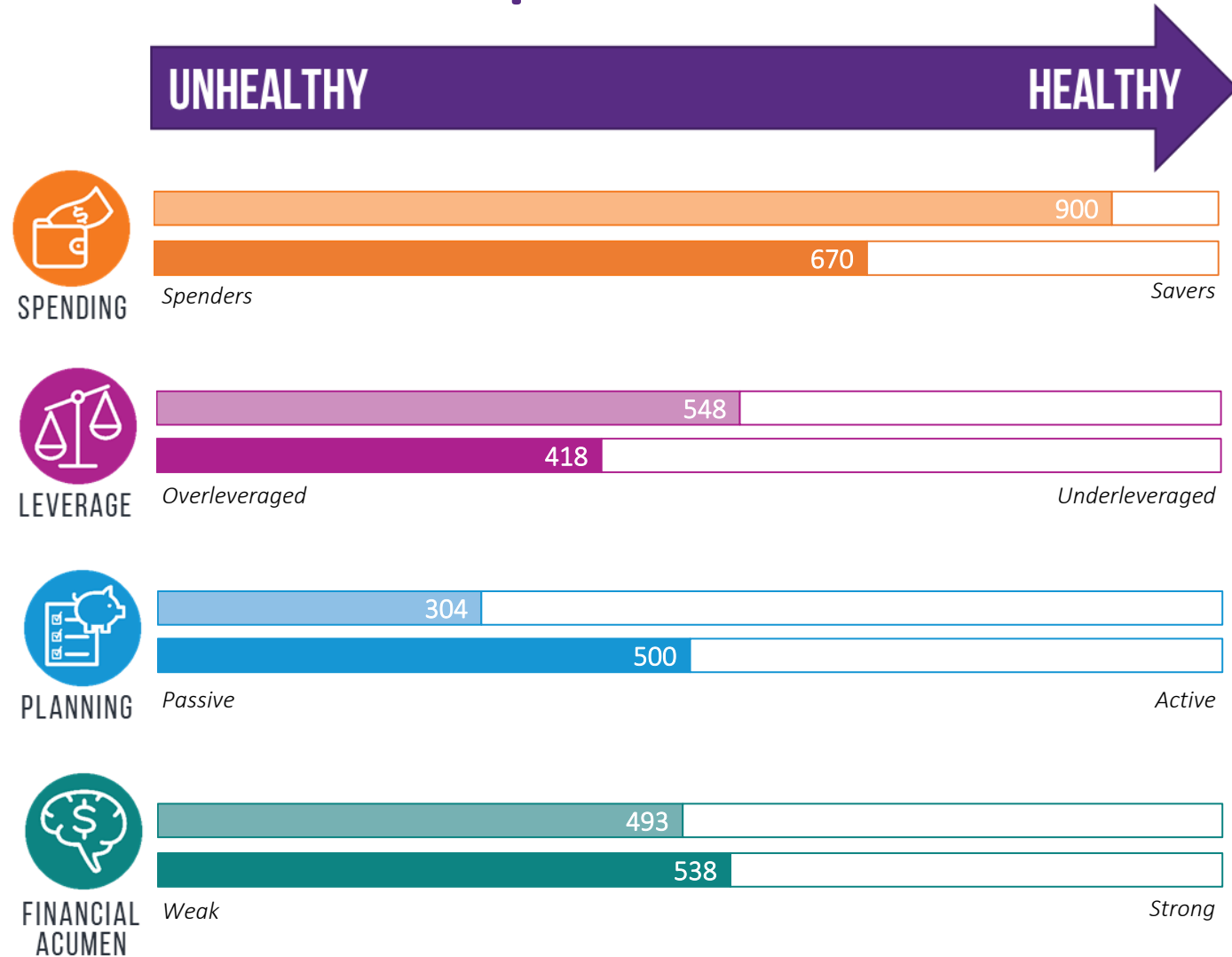


How financially savvy are they?

FINANCIAL ACUMEN

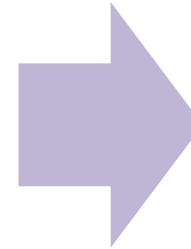
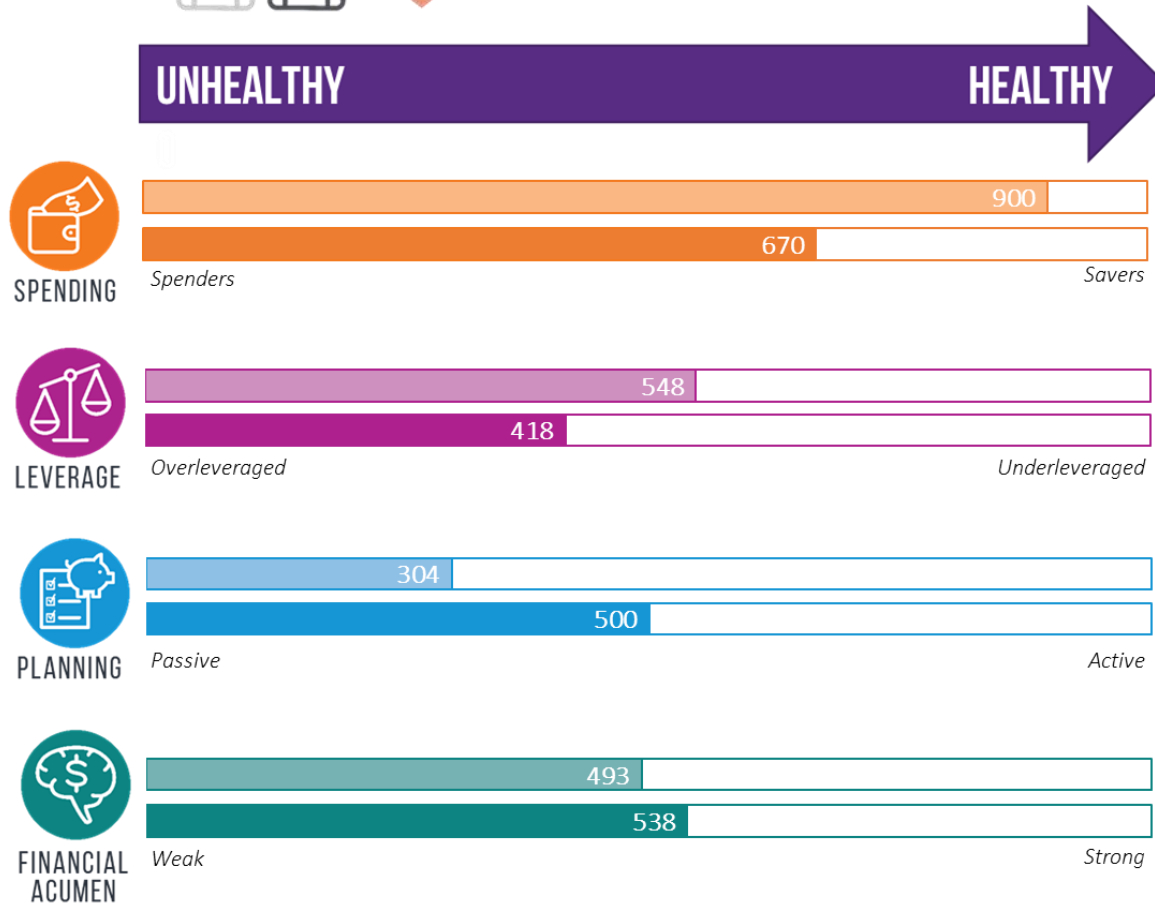


# WealthCare Score and Component Score



# One-to-One Health and Wellness Strategy

  SCORE: 608 / 1000



## BUDGETING TOOLS



## FINANCIAL PLANNING



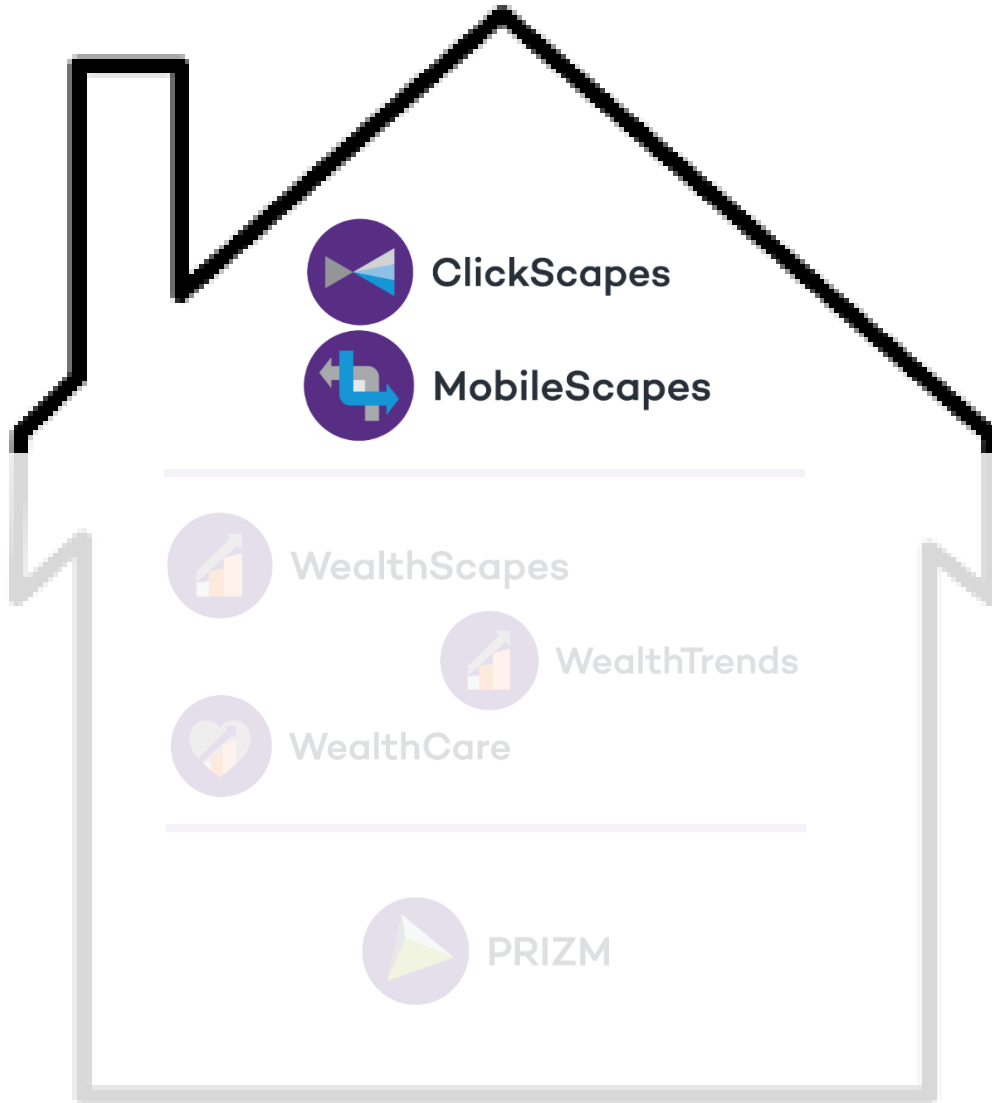
## SPECIAL OFFERS



## FINANCIAL LITERACY



# Big Data: Understanding Changing Behaviours



Mobile movement data helps identify changes in consumer traffic patterns in near real-time



Website and app visitation data, available at a weekly level, can highlight changing digital behaviours

# Common Use Cases for Organizations

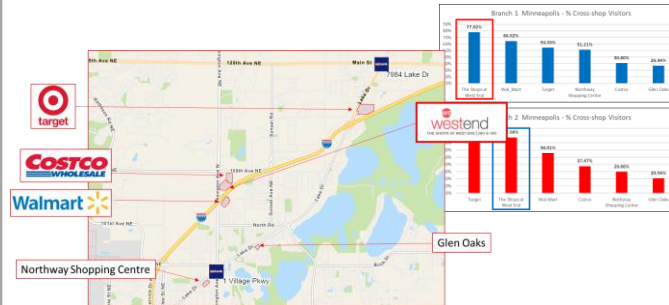


## Prospective Locations



Who is already travelling near a prospective location?

## Relocation/Closures



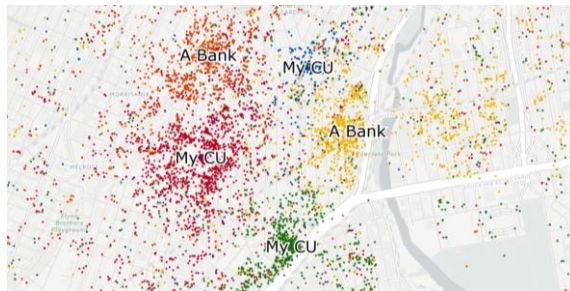
How can you minimize the impact of relocations or closures on your clients?

## Travel Patterns



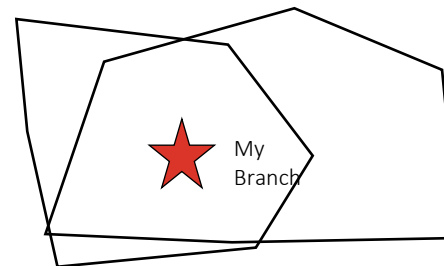
Where do consumers within your high priority neighbourhoods travel?

## Competitor Analysis



Who visits your competitors' locations, are they your target customers, and how far they are travelling?

## Daytime Trade Areas



How far are customers willing to travel from their daytime/work locations?

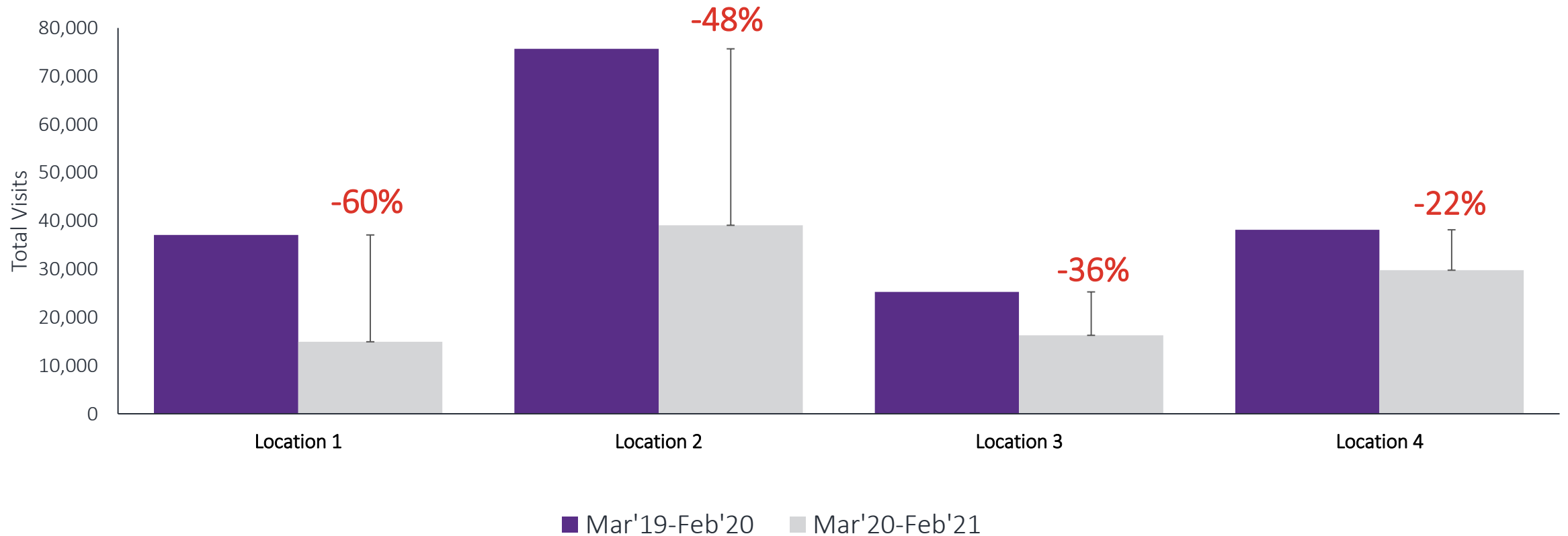
## Sponsorships



Who is visiting various events and are they the types of consumers you want to reach?

# How Did Visits to Branch Change?

Visits to Location Comparison



Time Range: Mar'19-Feb'21  
Source: MobileScapes 2020

Index Legend: Average +10%/-10%

# How Have Visits Changed by Time of Day?

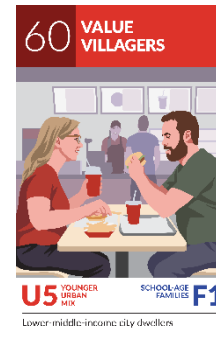
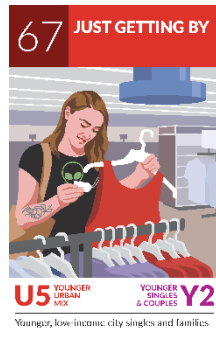
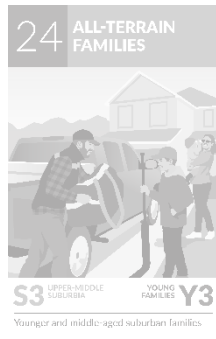
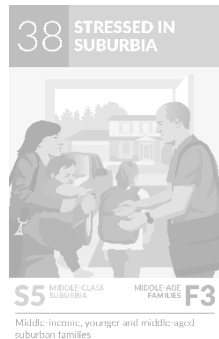
	Location 1		Location 2		Location 3		Location 4	
	Mar'19-Feb'20	Mar'20-Feb'21	Mar'19-Feb'20	Mar'20-Feb'21	Mar'19-Feb'20	Mar'20-Feb'21	Mar'19-Feb'20	Mar'20-Feb'21
Late Morning (9AM-12PM)	32%	28%	27%	33%	28%	26%	37%	46%
Midday (12-3PM)	37%	38%	39%	34%	34%	31%	36%	38%
Evening Commute (3-6PM)	31%	34%	34%	33%	38%	43%	28%	16%

Identify whether any opportunities exist to modify existing branch hours based on changes of in-branch visitation over time

# How Have the Types of Visitors Changed?

				Unique Visitors					
				Mar'20-Feb'21		Mar'19-Feb'20			
SG	LG	Code	Name	Count	%	Count	%	Index	% Change
S5	F3	38	Stressed in Suburbia	2,588	19.3	3,289	18.3	105	-21.3
S3	F3	19	Family Mode	2,021	15.1	2,531	14.1	107	-20.2
S3	Y3	24	All-Terrain Families	1,756	13.1	2,551	14.2	92	-31.2
U5	Y2	67	Just Getting By	1,572	11.7	1,831	10.2	115	-14.1
U5	Y2	57	Juggling Acts	703	5.2	1,151	6.4	82	-38.9
S3	F3	25	Suburban Sports	632	4.7	804	4.5	105	-21.4
S1	M1	09	Boomer Bliss	580	4.3	981	5.5	79	-40.9
S1	F3	04	Turbo Burbs	558	4.2	822	4.6	91	-32.1
S1	F2	05	First-Class Families	516	3.9	413	2.3	167	24.9
U5	F1	60	Value Villagers	481	3.6	498	2.8	129	-3.4
Top 10 Segments				11,407	85.0	14,871	82.8	100	-23.3

Identify key visitor segments to engage with and refine products/services



Time Range: Mar'19-Feb'21  
Source: MobileScapes 2020

Index Legend: Average +10%/-10%

# How Loyal is My Customer Base?

**CIBC**



*Example*



	CIBC Branch	BMO Branch	TD Branch	Scotiabank Branch	Total Exclusive Visitors	Total Non-Exclusive Visitors	Total Target Geofence Visitors
CIBC Branch (Visitors)	23,038	5,065	1,348	2,601	23,038	7,552	30,590
% of Visitors	75.3%	16.6%	4.4%	8.5%	75.3%	24.7%	100.0%
BMO Branch (Visitors)	5,062	13,748	1,041	1,797	13,748	6,441	20,188
% of Visitors	25.1%	68.1%	5.2%	8.9%	68.1%	31.9%	100.0%
TD Branch (Visitors)	1,172	1,013	3,429	705	3,429	2,106	5,535
% of Visitors	21.2%	18.3%	62.0%	12.7%	62.0%	38.0%	100.0%
Scotiabank Branch (Visitors)	2,485	1,555	854	6,136	6,136	3,604	9,741
% of Visitors	25.5%	16.0%	8.8%	63.0%	63.0%	37.0%	100.0%

# Introducing ClickScapes

Gain a new view of the digital behaviour of Canadians, identify trends, target across channels and keep an eye on the competition

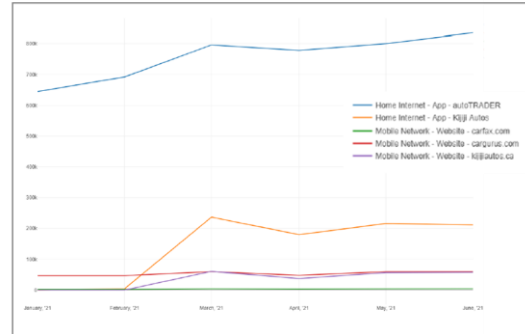
- ...visitors and visits to more than 7,500 websites, apps and categories of interest
- ...represents national and regional preferences
- ...updated monthly capturing weekly trends
- ...allows marketers to derive actionable insights



# Common Use Cases for Organizations



## Monitor Weekly/Monthly Trends



What does the traffic to my website look like versus competitors?

## Understand Web/App Users



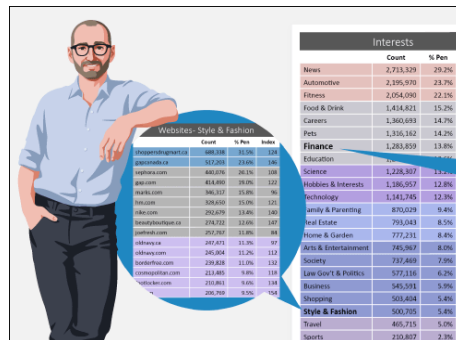
How do my customers differ based on their digital behaviours?

## Usage Differences by Location



Do consumers in different neighbourhoods or by location have different digital profiles?

## Category Analysis



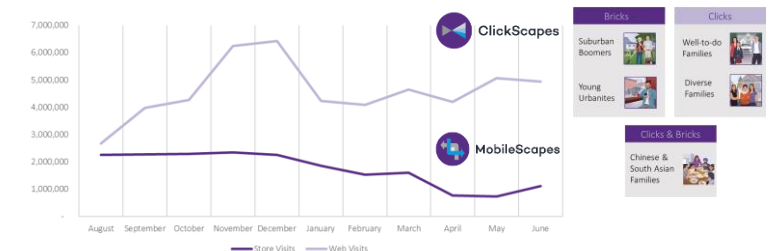
What other websites, apps or interest categories are my customers interested in?

## Media Planning & Targeting



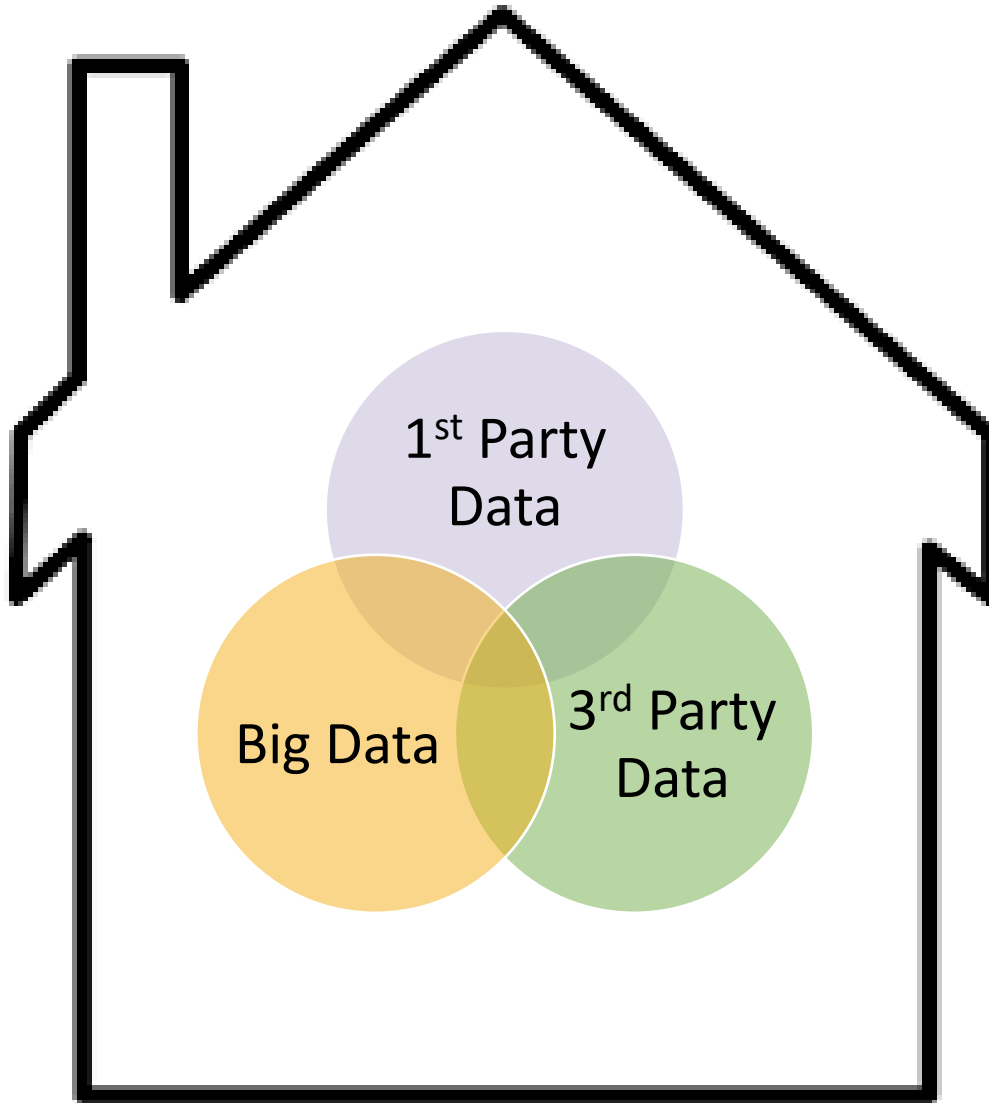
What are the optimal channels across the omnichannel to reach certain customers and prospects?

## Digital vs. In-Branch Analysis



Which customers prefer 'clicks' versus 'bricks'? Or both?

# Key Takeaways



- The market is more dynamic than ever and leveraging available data is an imperative to success
- The right data can help to better understand consumers and market, and quantify the opportunity
- New big data sources combined with existing databases can identify new behaviours and opportunities

# Questions?



Thank You

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