

The Financial State of the Nation

WealthScapes 2019



Peter Miron

Senior Vice President, Research & Development

Vito De Filippis

Director, Business Development, Financial Industry

Allen Davidov

Director, Business Consulting, Not-for-profit

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 and slides will be available at environicsanalytics.com/webinars within 24 hours

Today's Presenters



Peter Miron
Senior Vice President,
Research & Development



Vito De Filippis
Director, Business
Development,
Financial Industry



Allen Davidov
Director, Business
Consulting,
Not-for-profit Sector

Webinar Agenda

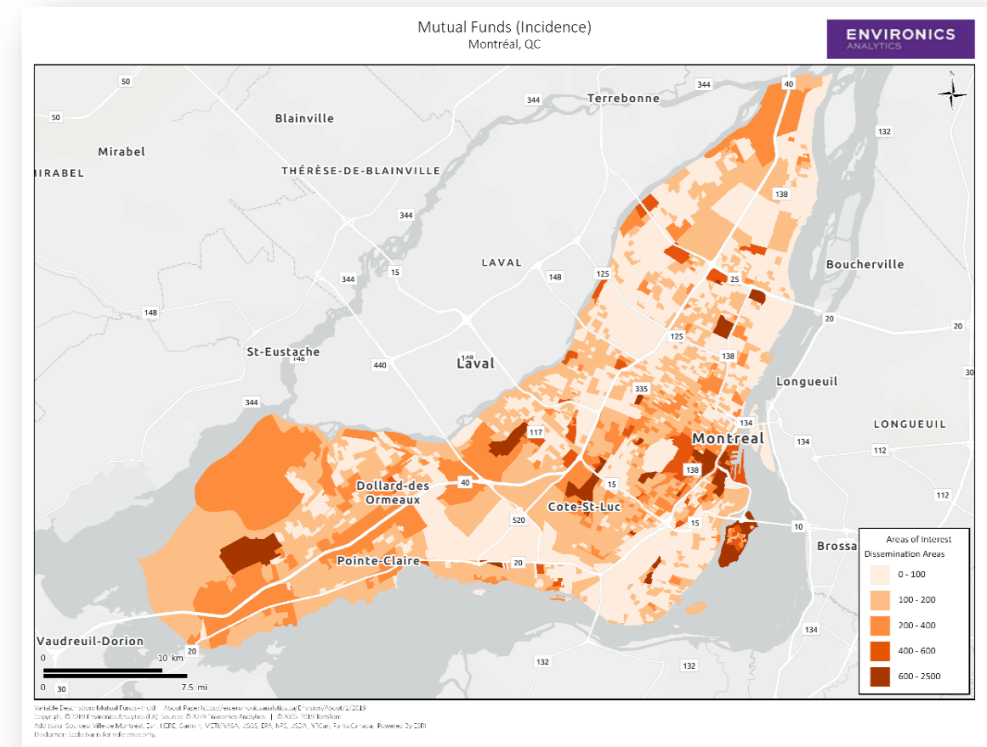
- The financial state of the nation overview
- Practical applications in the financial industry
- Case study in the not-for-profit sector

The Financial State of the Nation Overview

- Introduction
- Updates
- Canada's Financial Climate

About WealthScapes

- It provides detailed measures of assets, debt and wealth of Canadian households as of Dec. 31, 2018 and contains 171 financial and investment statistics
- It's based on over 30 different data sources including privacy-friendly aggregated data from Bank of Canada, Canada Revenue Agency, Equifax, Statistics Canada and Teranet-National Bank
- Built at the dissemination area level and linkable to the six-digit postal code



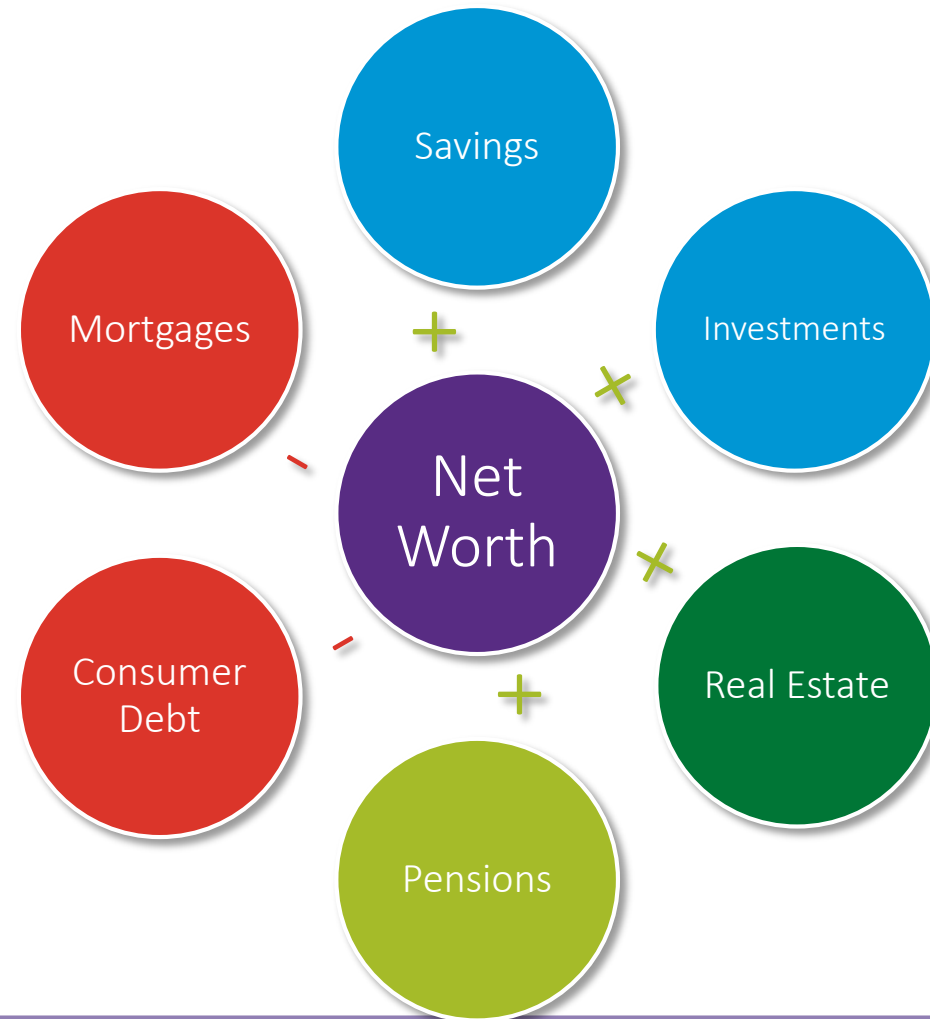
A Neighbourhood-Level Balance Sheet

Canadian Average Values per Household

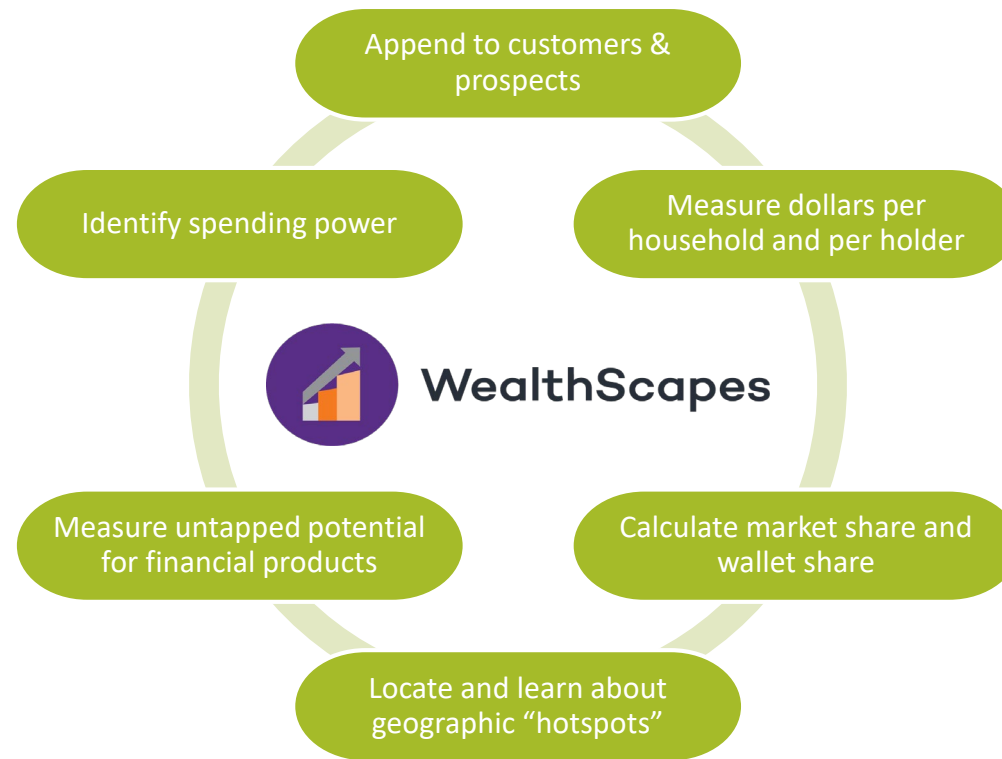
	2018	2017		2018	2017
Assets	\$825,484	\$829,769	Debts	\$146,693	\$143,383
Liquid Assets	\$281,444	\$291,488	Consumer Debts	\$41,962	\$41,078
Savings	\$100,212	\$95,945	Credit Cards	\$6,546	\$6,347
Demand Deposits	\$58,567	\$58,176	Lines of Credit	\$17,728	\$17,906
Term Deposits	\$41,645	\$37,769	Secured Lines of Credit	\$13,375	\$13,484
Investments	\$181,231	\$195,543	Unsecured Lines of Credit	\$4,353	\$4,422
Bonds	\$8,503	\$8,998	Loans	\$17,688	\$16,825
Investment Funds	\$107,739	\$110,571	Mortgage Debt	\$104,731	\$102,305
Segregated Funds	\$14,517	\$14,288			
Mutual Funds	\$93,222	\$96,282	Net Worth	\$678,792	\$686,386
Stock	\$64,989	\$75,975			
Real Estate	\$393,789	\$387,453			
Primary Real Estate	\$308,288	\$303,327			
Other Real Estate	\$85,502	\$84,126			
Employer Pension Plans	\$150,252	\$150,827			

Seven Dimensions of Household Wealth

A 360-Degree View of the Households' Finances



WealthScapes Applications for Every Sector



Canadian Financial Data



WealthScapes



**WealthScapes
Daytime**



**WealthScapes
Fundraiser**



LiquidAssets



ClickSpend™
powered by J.C. Williams Group



FoodSpend



HouseholdSpend



MoneyMatters
powered by Canadian Financial Monitor



AgeByIncome



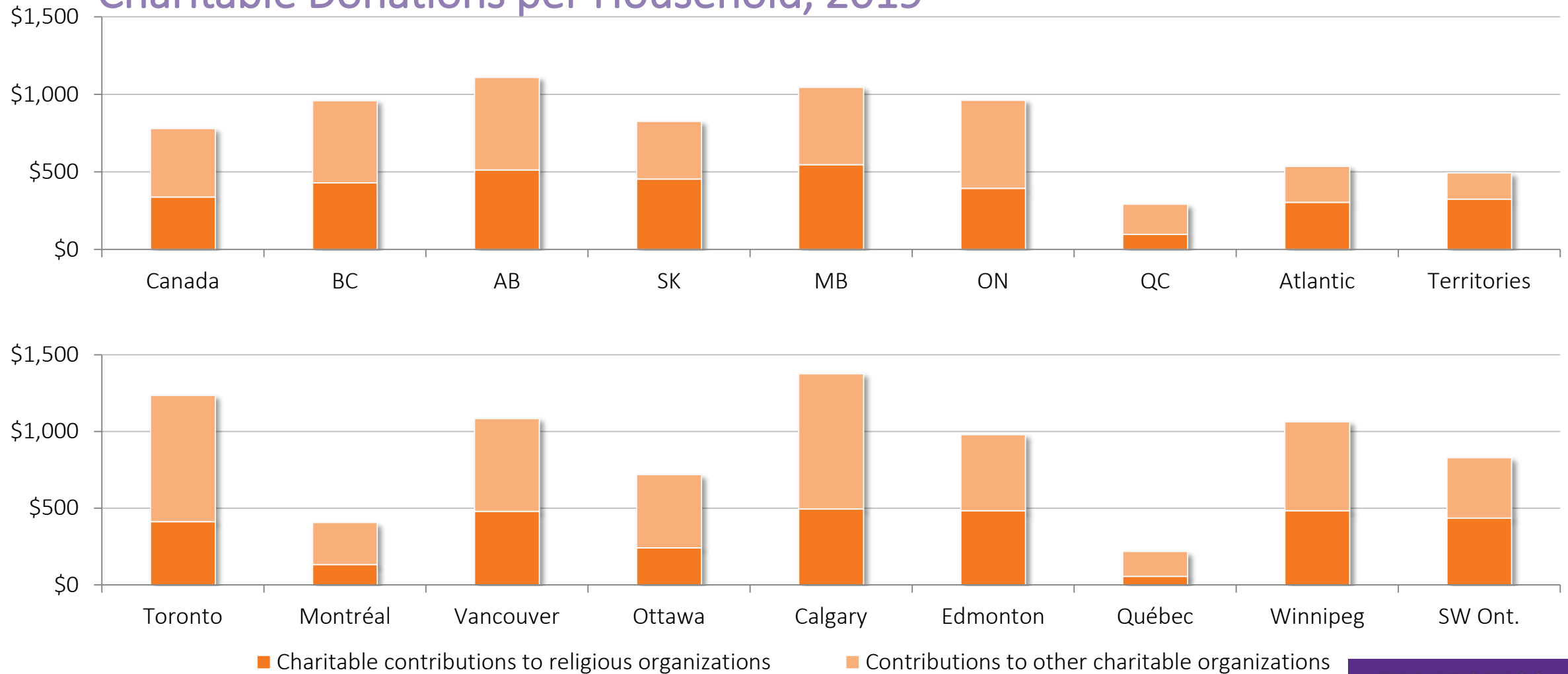
Neighbourhood View™



LiquidAssets

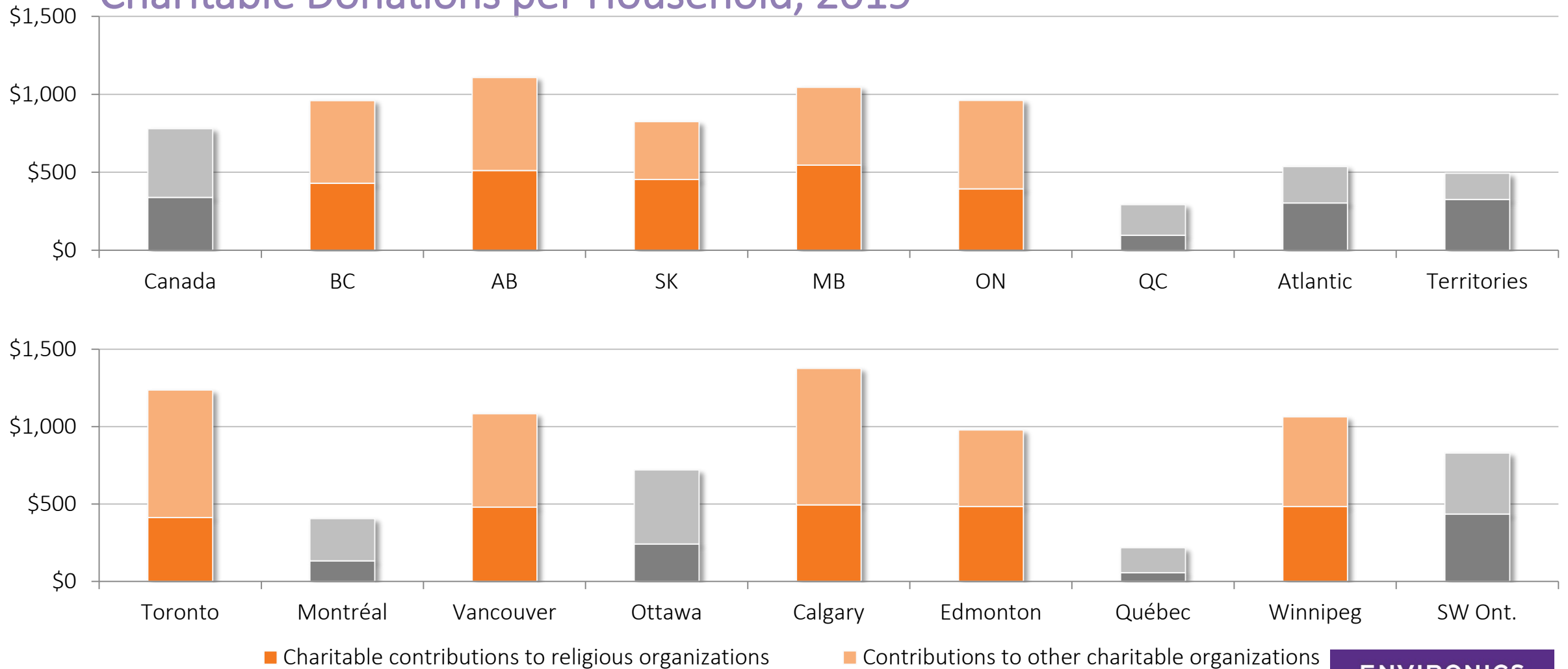
Giving

Charitable Donations per Household, 2019



Giving

Charitable Donations per Household, 2019



The Financial State of the Nation Overview

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Updates for WealthScapes 2019

Final Incorporation of the 2016 Census

- Incorporation of second-wave release census statistics
- Revisions and improvements to:
 - Disposable income
 - Discretionary income
 - Primary real estate
 - Mortgages



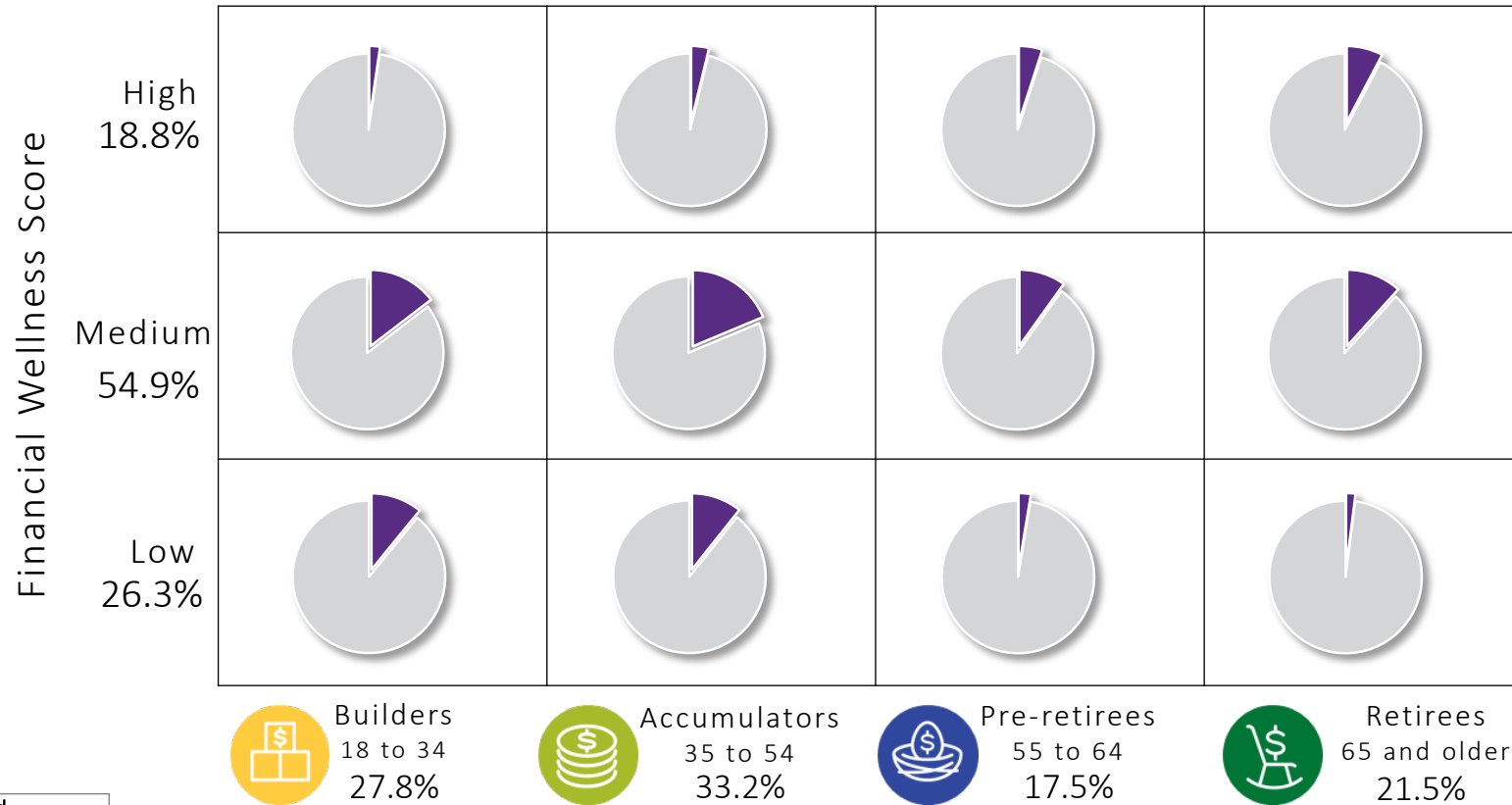
Introducing WealthCare

- WealthCare is an overall indicator of financial wellness to help financial institutions identify the challenges and opportunities their customers are likely to experience
- It's built on four key pillars: spending, leverage, planning and financial acumen
- Uses over 100 variables from 10 data sources
- Includes attitudinal and behavioural components



Financial Health of the Nation

Financial Health and Wellness Report



Score Legend:	
High	610 - 1,000
Medium	280 - 610
Low	0 - 280

Lifestage Groups

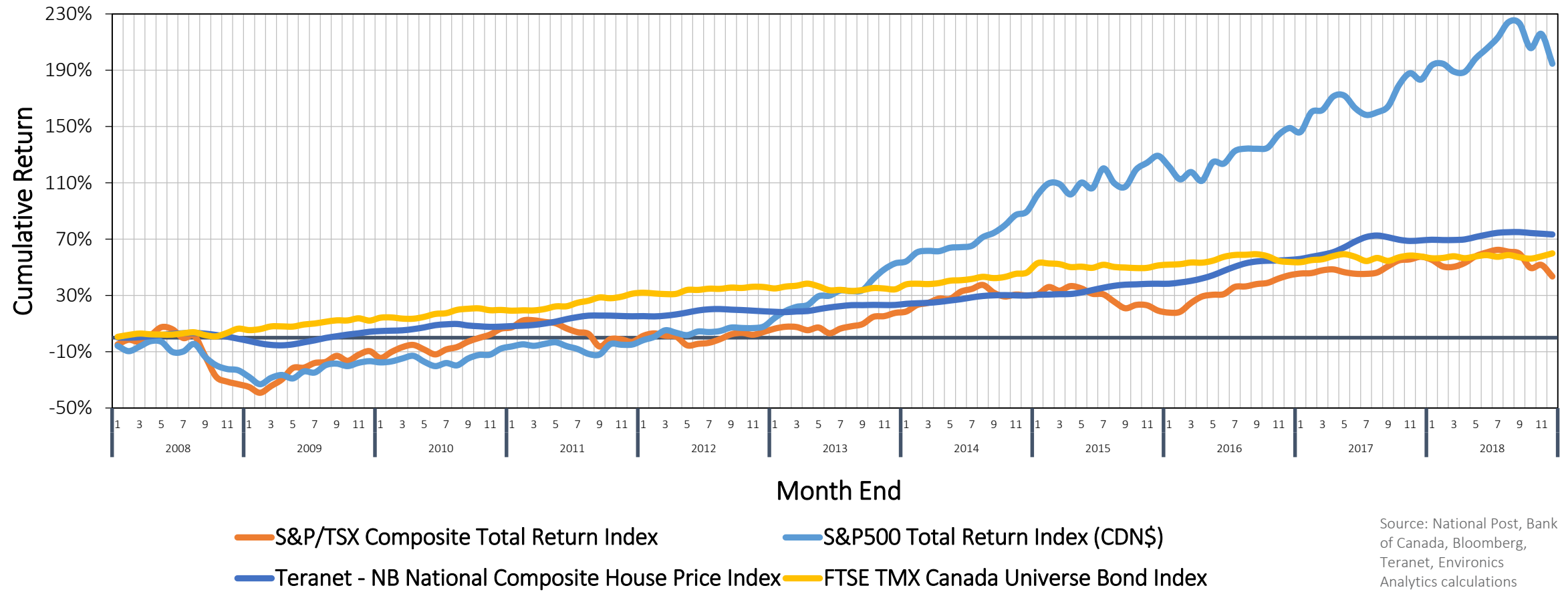
Total Household Population 18+

The Financial State of the Nation Overview

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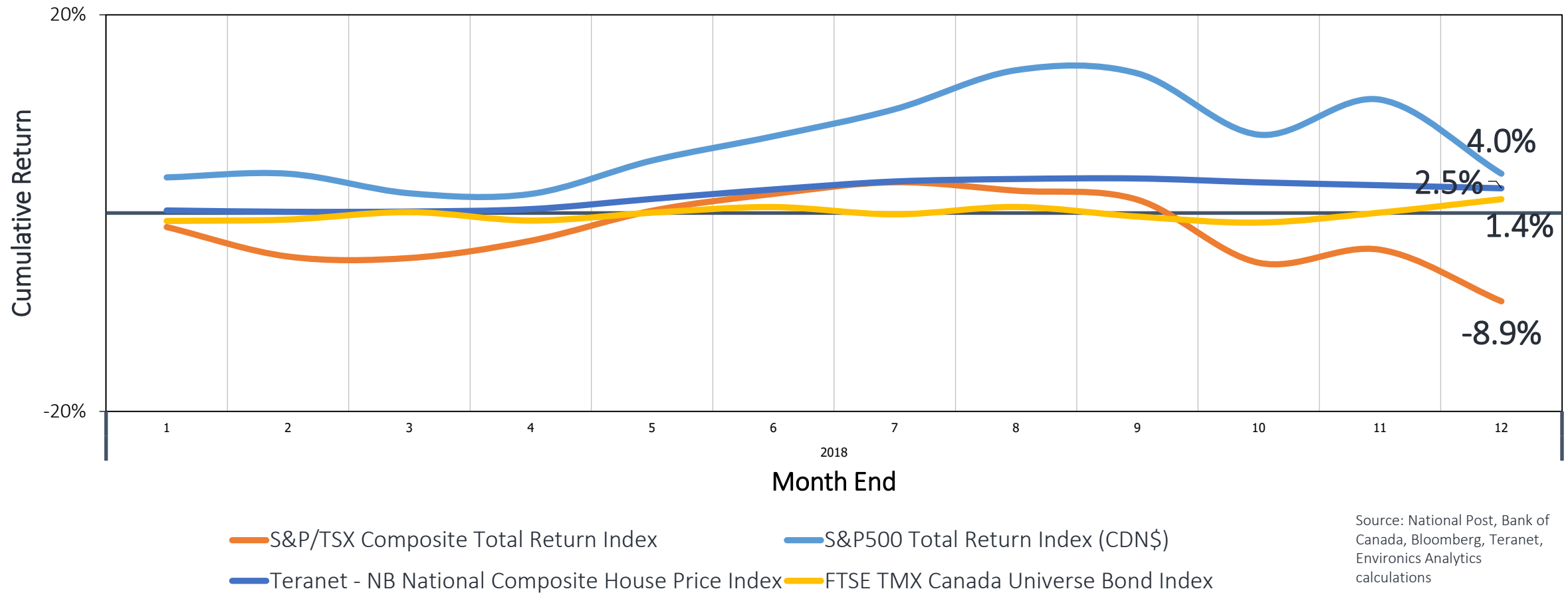
Economic Climate Overview

Asset Trends



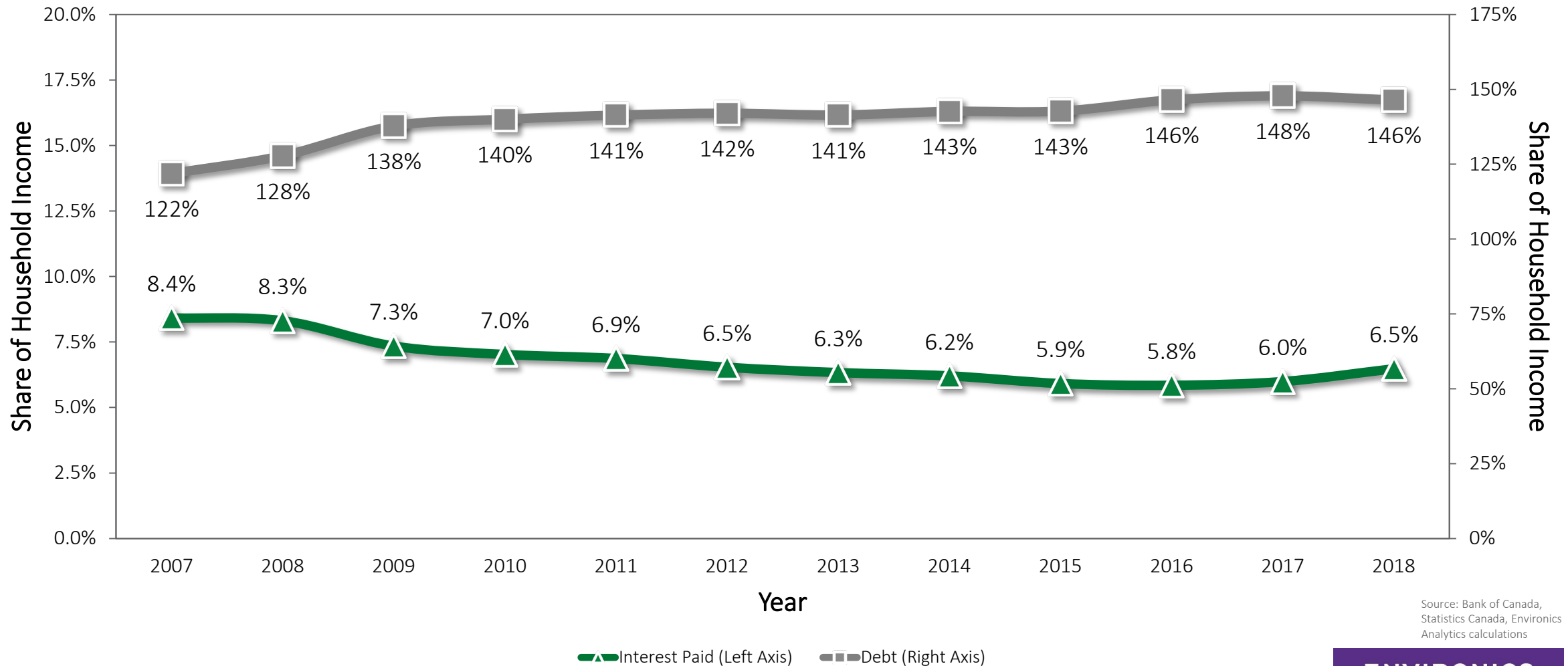
Economic Climate

Asset Trends



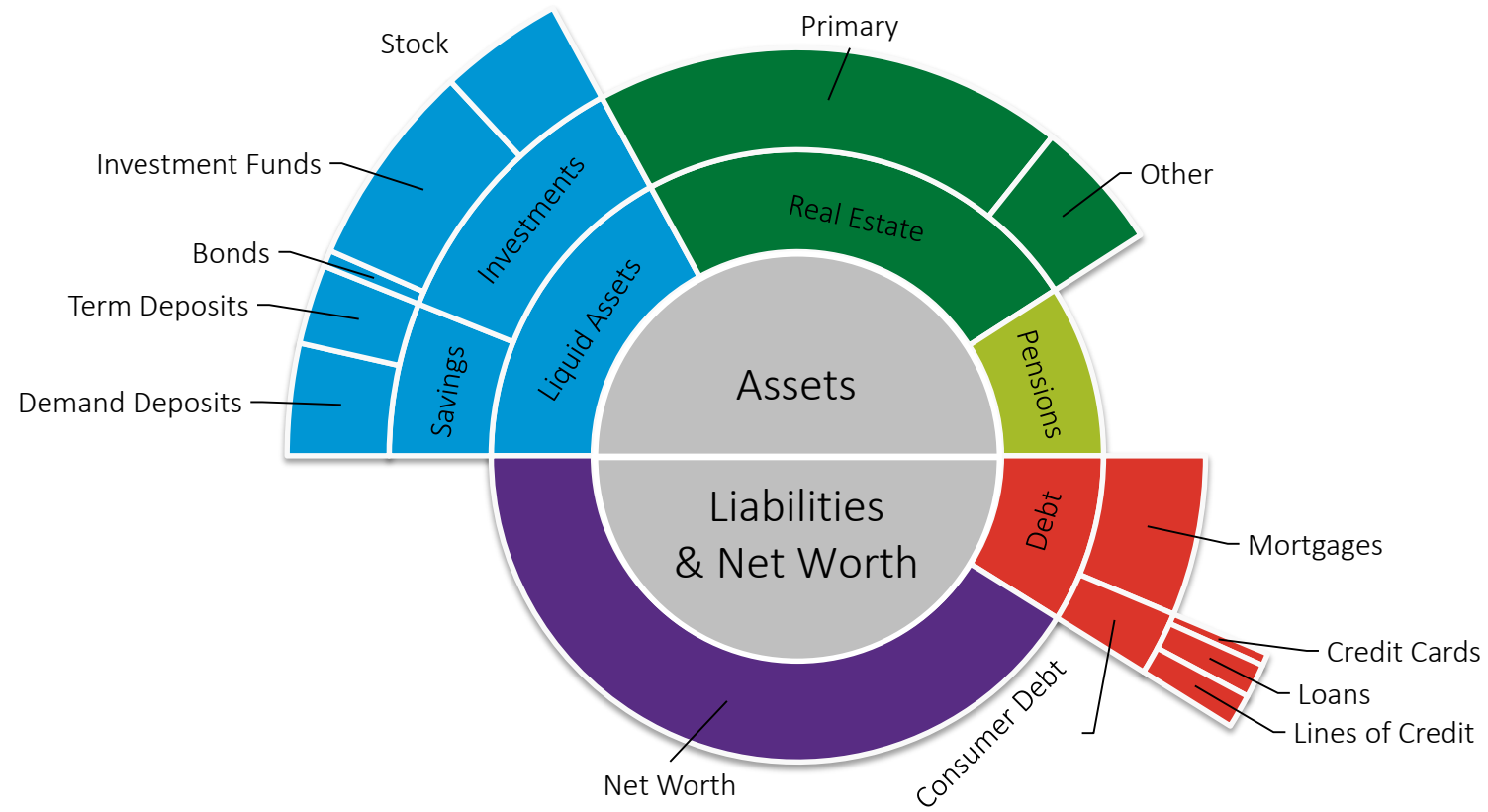
Economic Climate

Debt Trends



Canada at a Glance

Canadian Household Assets, Debts and Net Worth



Canada at a Glance

Canadian Average Values and Growth Rates per Household

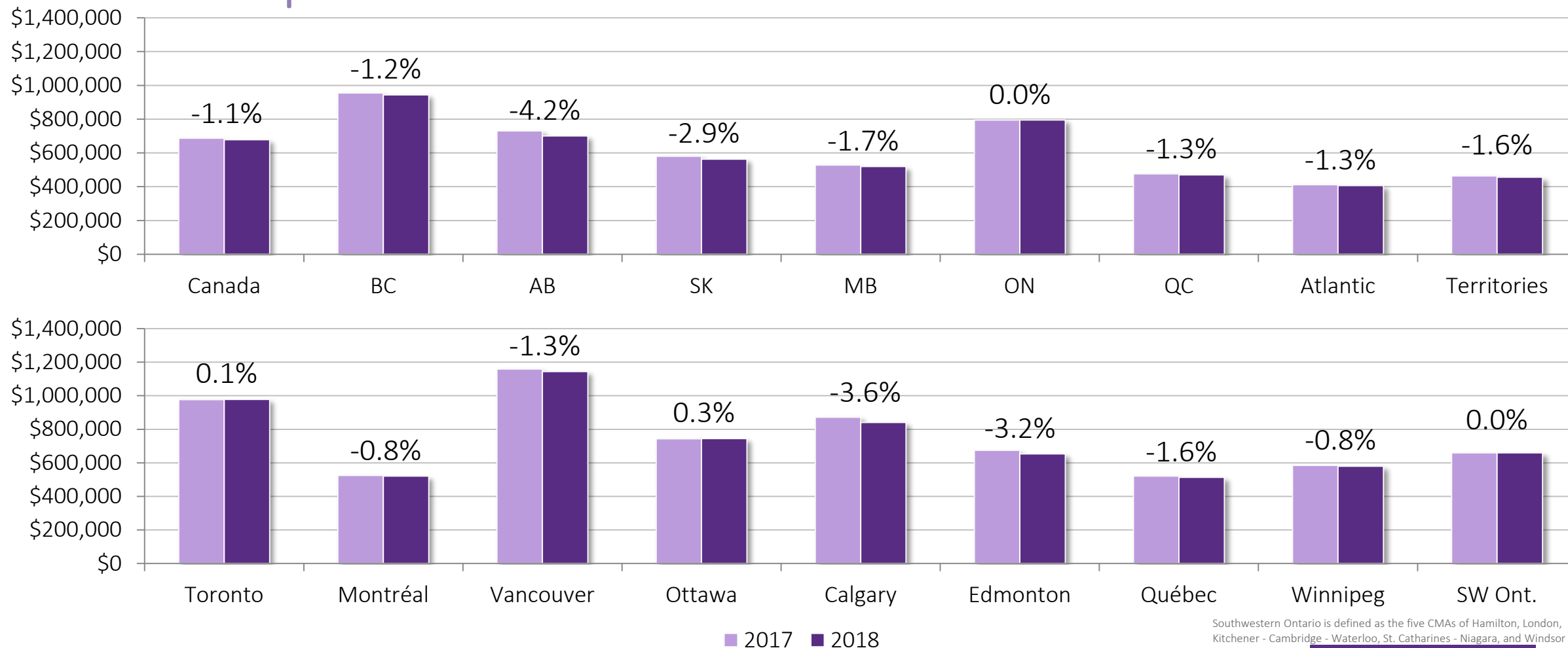
	2018	Growth		2018	Growth
Assets	\$825,484	▼ 0.5%	Debts	\$146,693	▲ 2.3%
Liquid Assets	\$281,444	▼ 3.4%	Consumer Debts	\$41,962	▲ 2.2%
Savings	\$100,212	▲ 4.4%	Credit Cards	\$6,546	▲ 3.1%
Demand Deposits	\$58,567	▲ 0.7%	Lines of Credit	\$17,728	▼ 1.0%
Term Deposits	\$41,645	▲ 10.3%	Secured Lines of Credit	\$13,375	▼ 0.8%
Investments	\$181,234	▼ 7.3%	Unsecured Lines of Credit	\$4,353	▼ 1.5%
Bonds	\$8,503	▼ 5.5%	Loans	\$17,688	▲ 5.1%
Investment Funds	\$107,739	▼ 2.6%	Mortgage Debt	\$104,731	▲ 2.4%
Segregated Funds	\$14,517	▲ 1.6%			
Mutual Funds	\$93,222	▼ 3.2%	Net Worth	\$678,792	▼ 1.1%
Stock	\$64,989	▼ 14.5%			
Real Estate	\$393,789	▲ 1.6%			
Primary Real Estate	\$308,288	▲ 1.6%			
Other Real Estate	\$85,502	▲ 1.6%			
Employer Pension Plans	\$150,252	▼ 0.4%			

Not a Great Year for Household Finances

- Declining liquid assets, declining pensions, slight increases in debt and stagnant real estate paint a bleak picture of net worth decline
 - Four provinces were paying down their debts (AB, NL, NS and SK) and all but two ended the year with lower debt to income ratios (ON and PE)
- Overall, Canadian households were displaying collective financial prudence

Red Across the Board

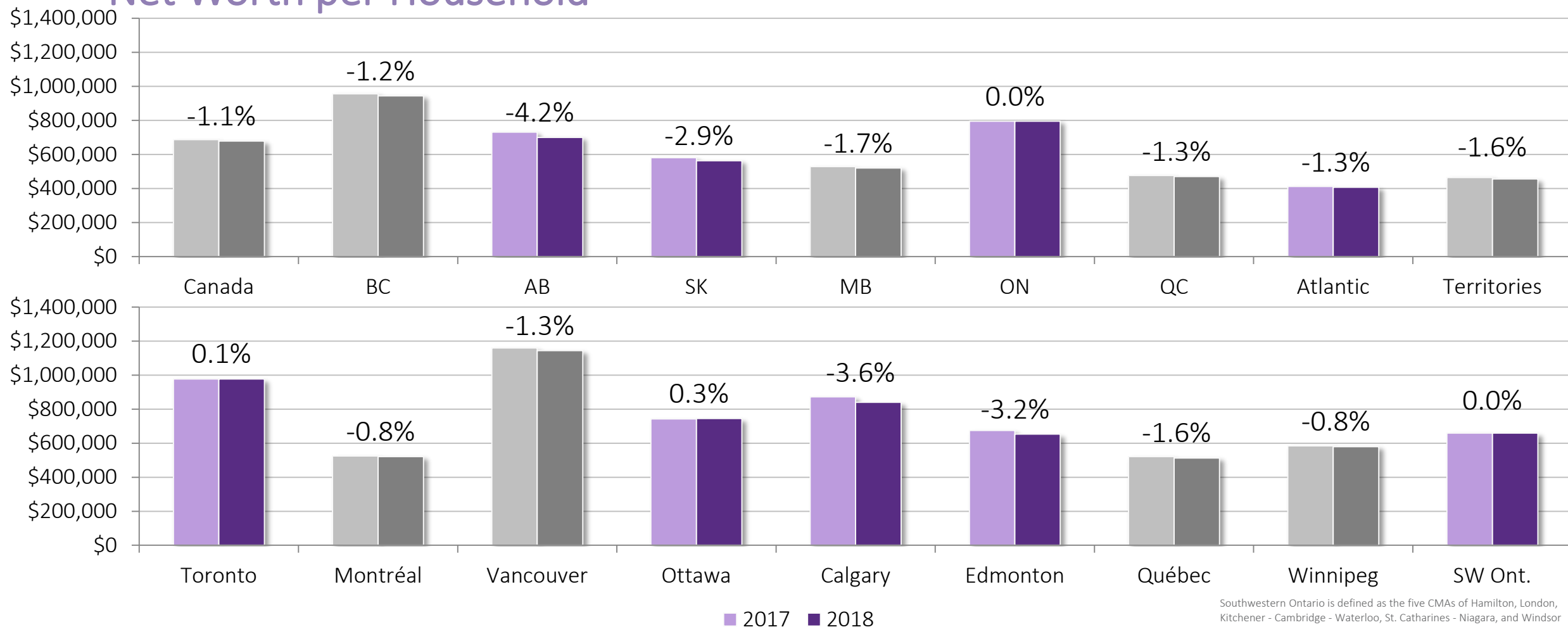
Net Worth per Household



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

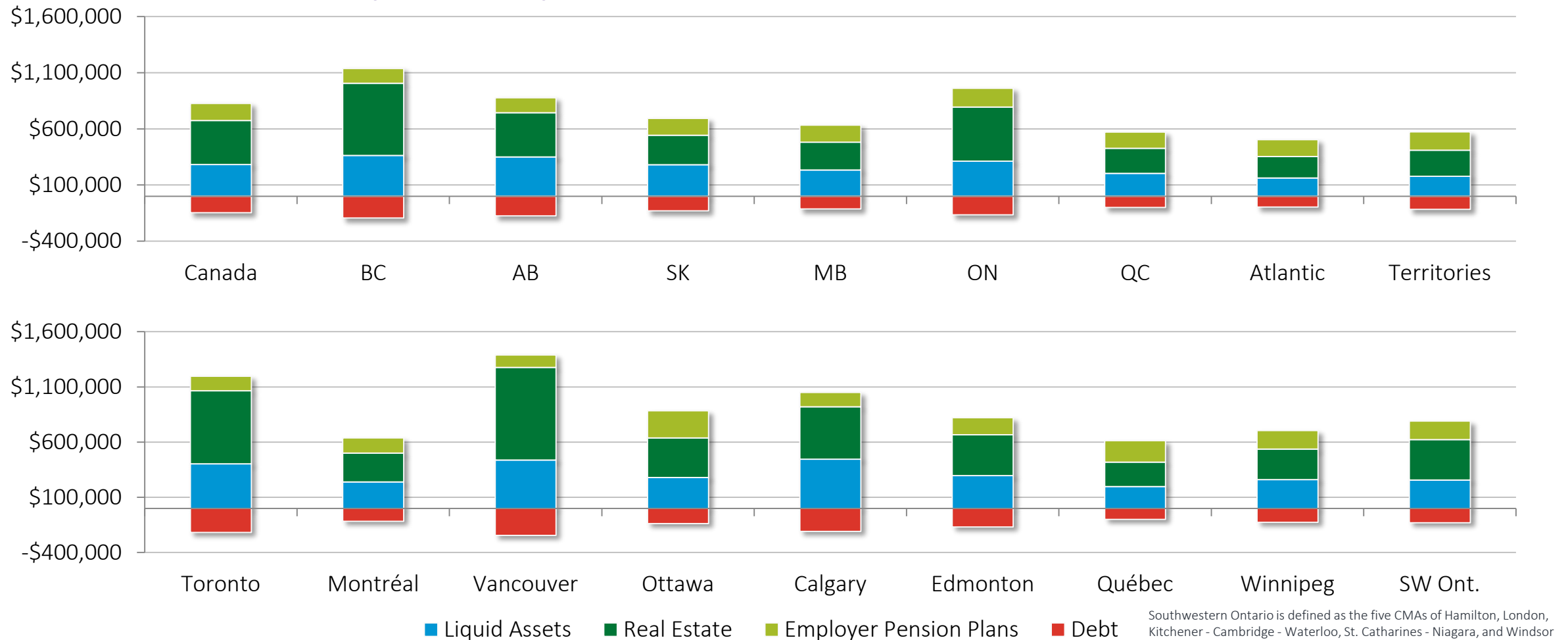
Red Across the Board

Net Worth per Household



The Differing Wealth Concentrations

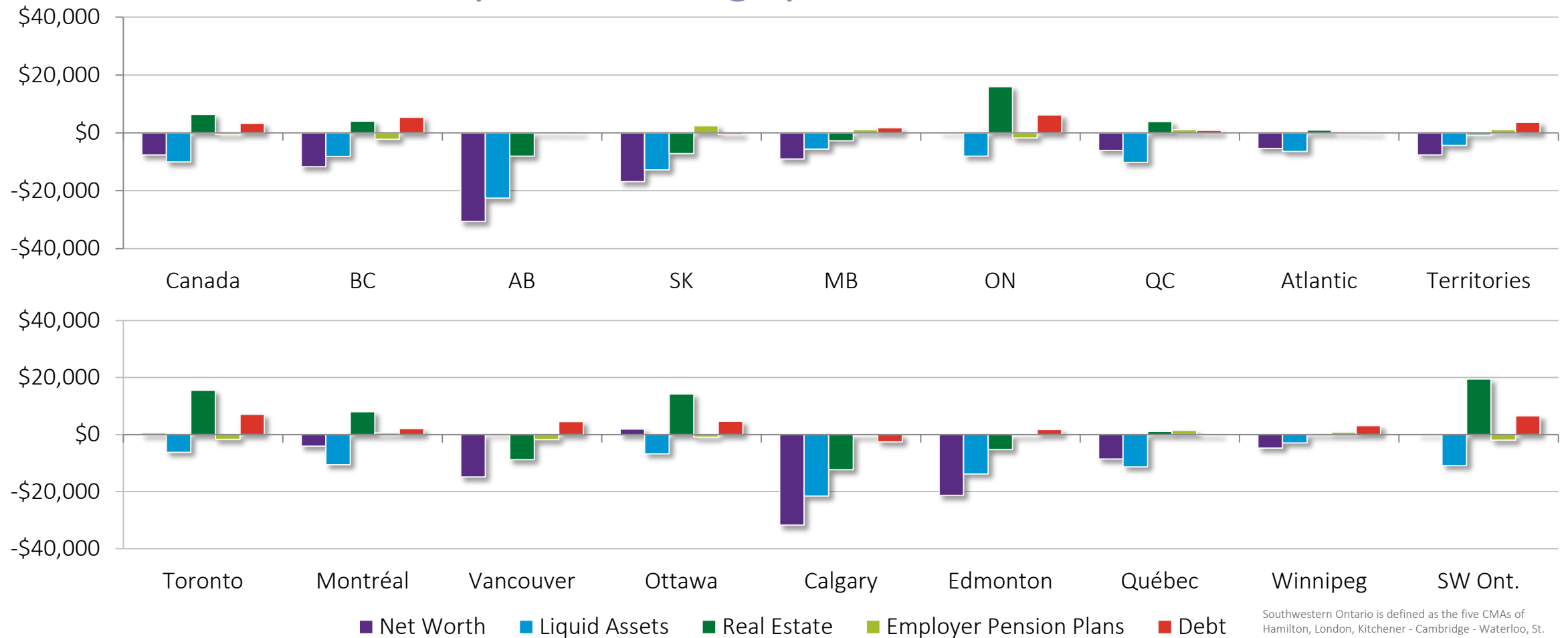
Net Worth Components per Household, 2017



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

Real Estate Growth Offset by Debt/Liquid Assets

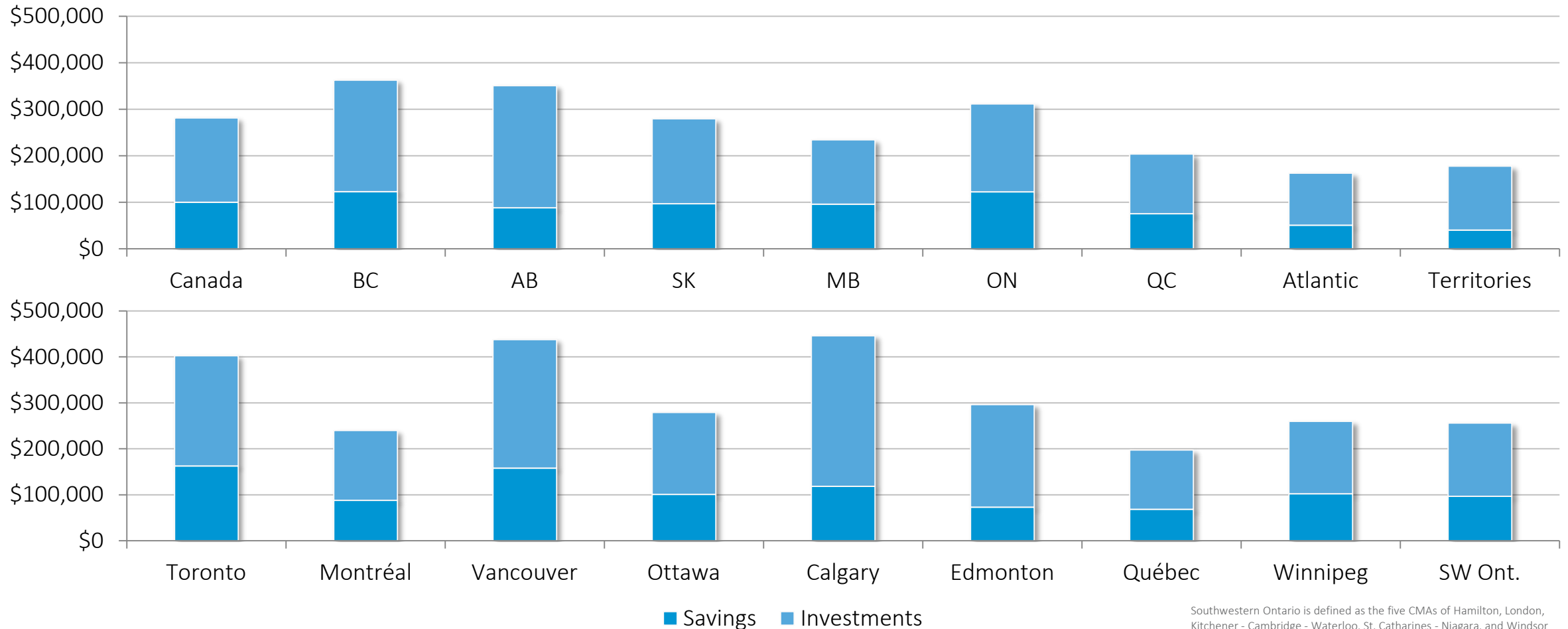
Net Worth and Component Change per Household, 2017 to 2018



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

With Risks Come Rewards?

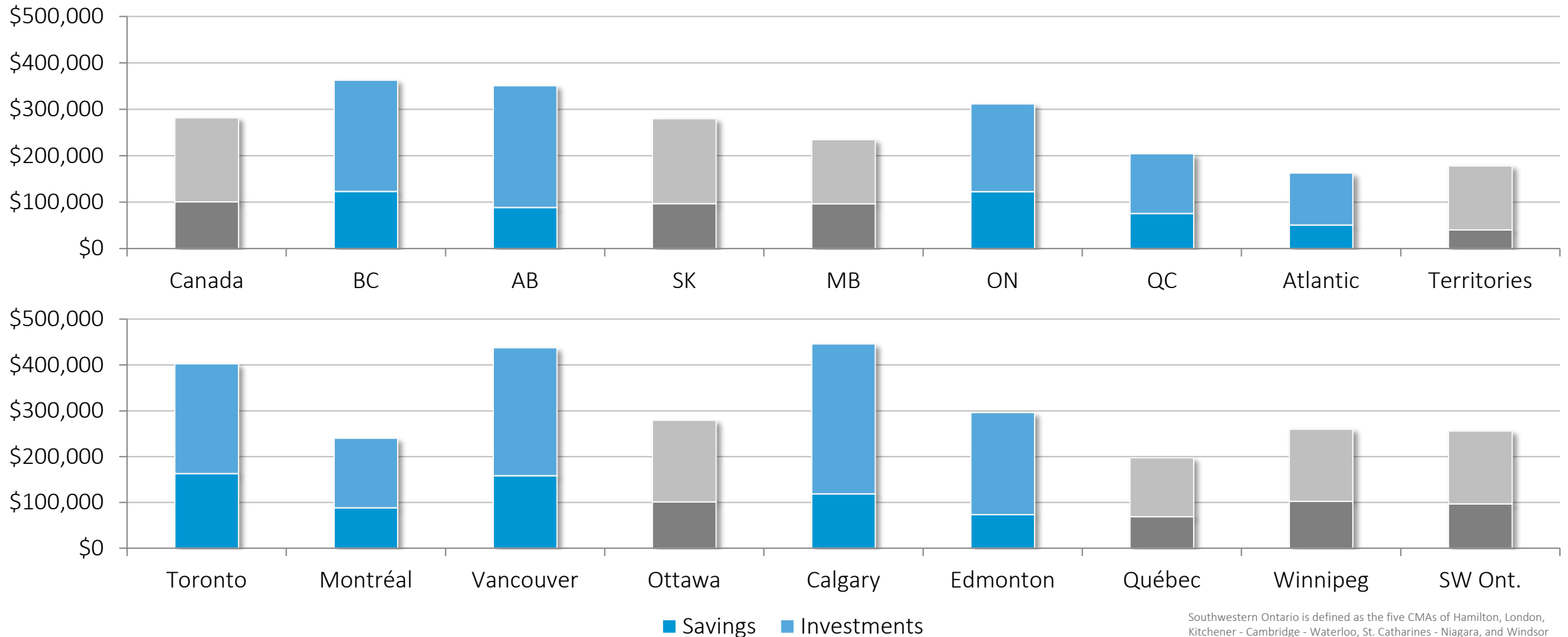
Liquid Assets by Type, 2018



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

With Risks Come Rewards?

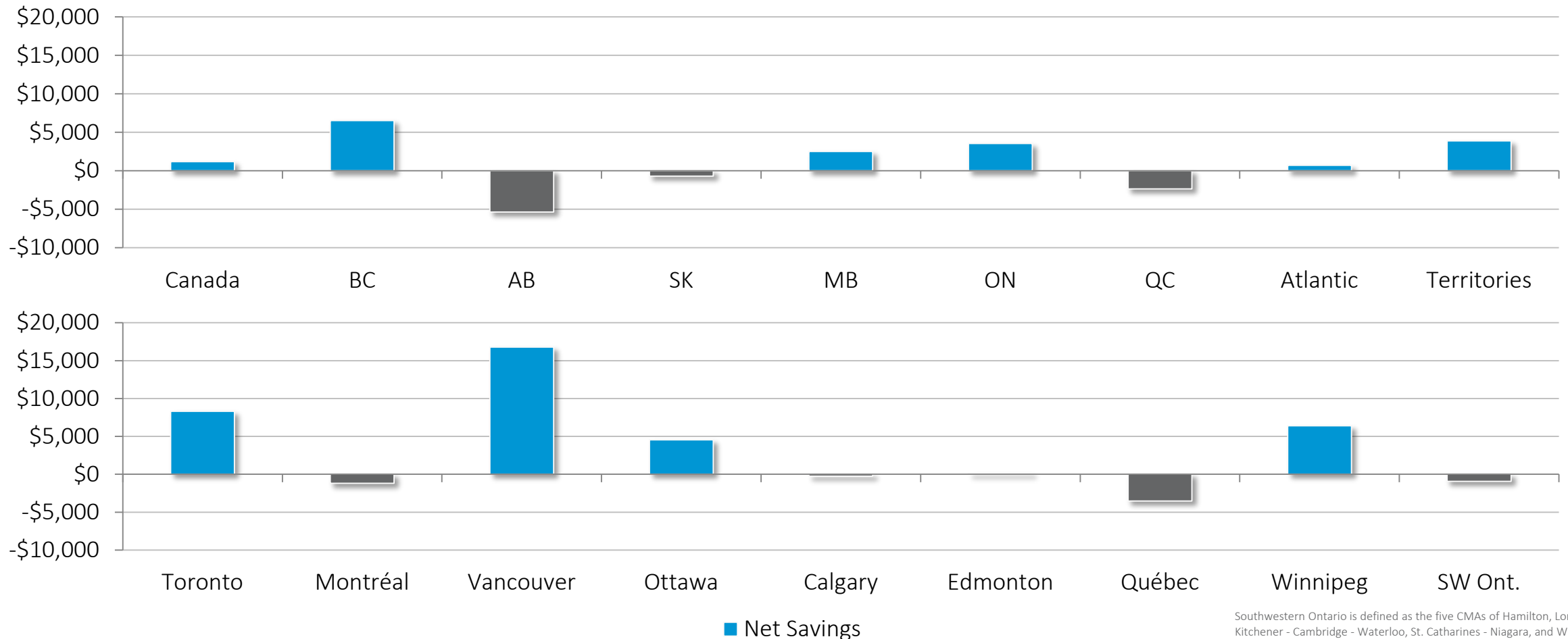
Liquid Assets by Type, 2018



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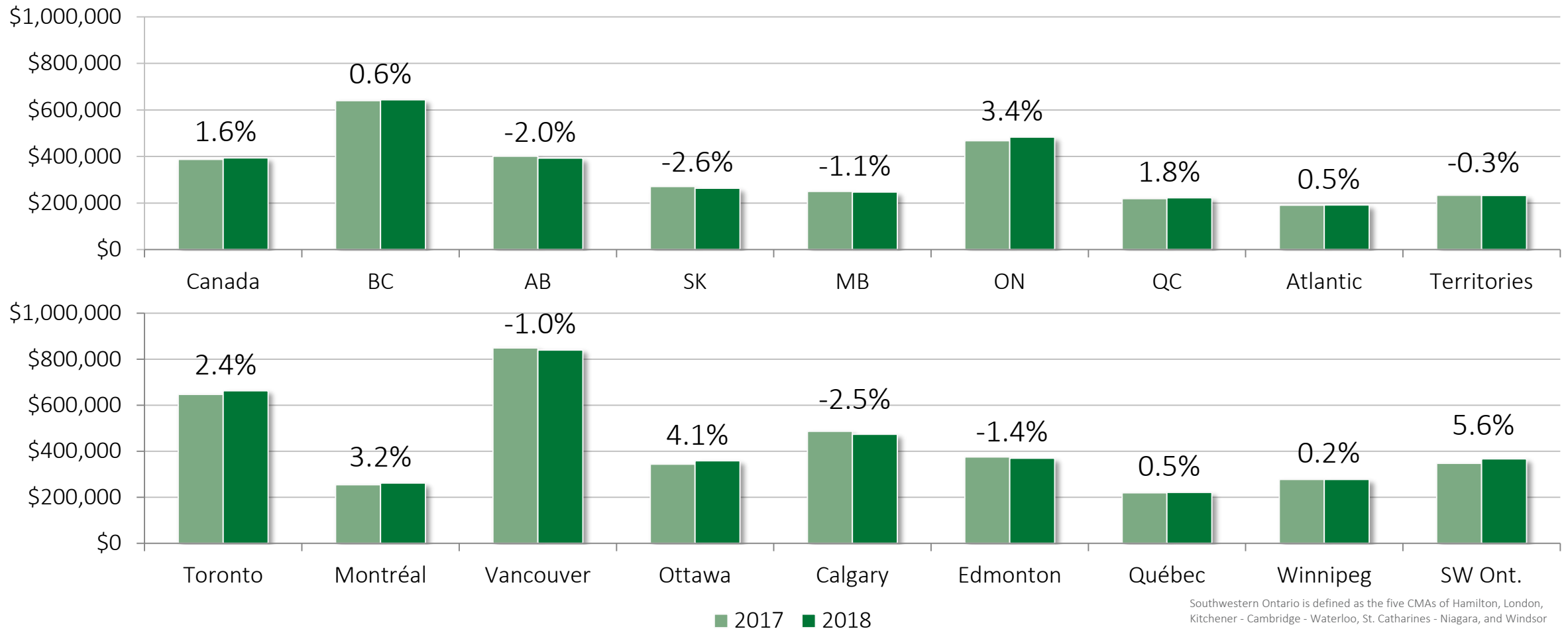
Savings Concentrated in Toronto and Vancouver

Average vs. Expected Liquid Assets per Household, 2018



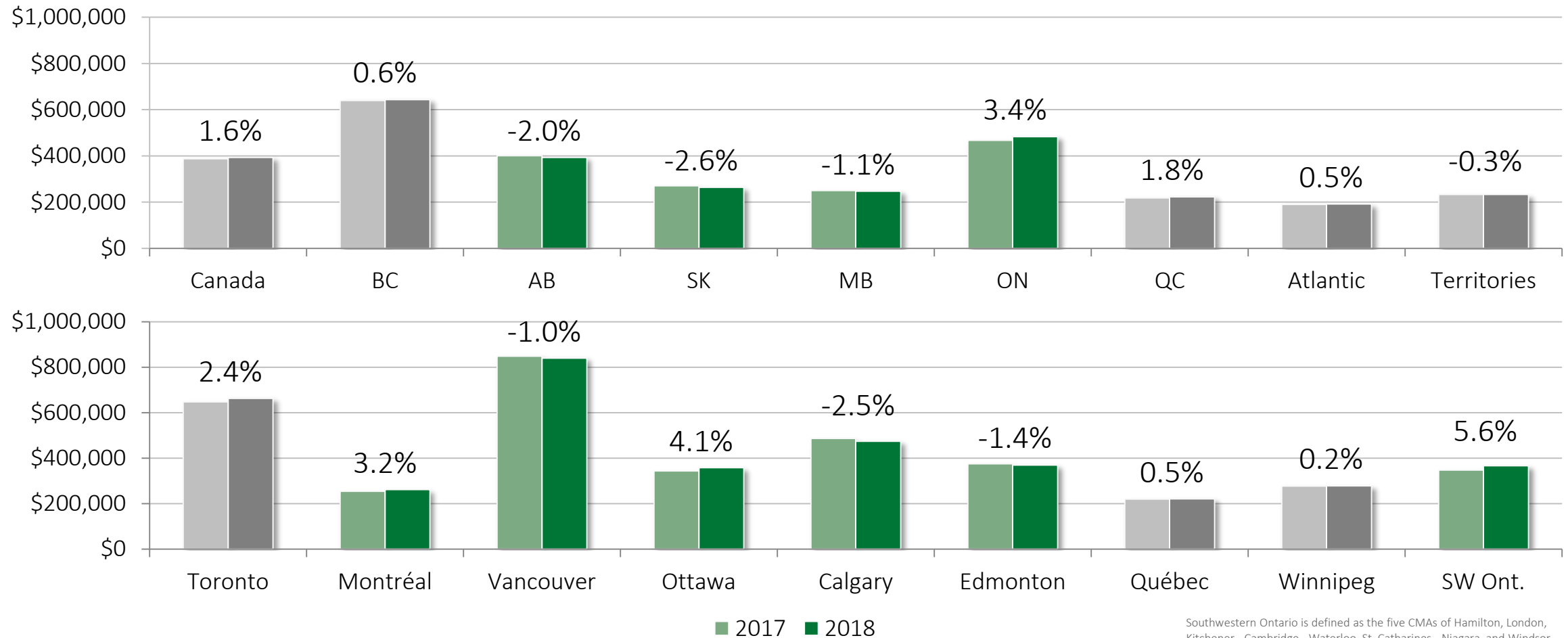
Homes Lose Their Buoyancy

Real Estate Value per Holding Household



Homes Lose Their Buoyancy

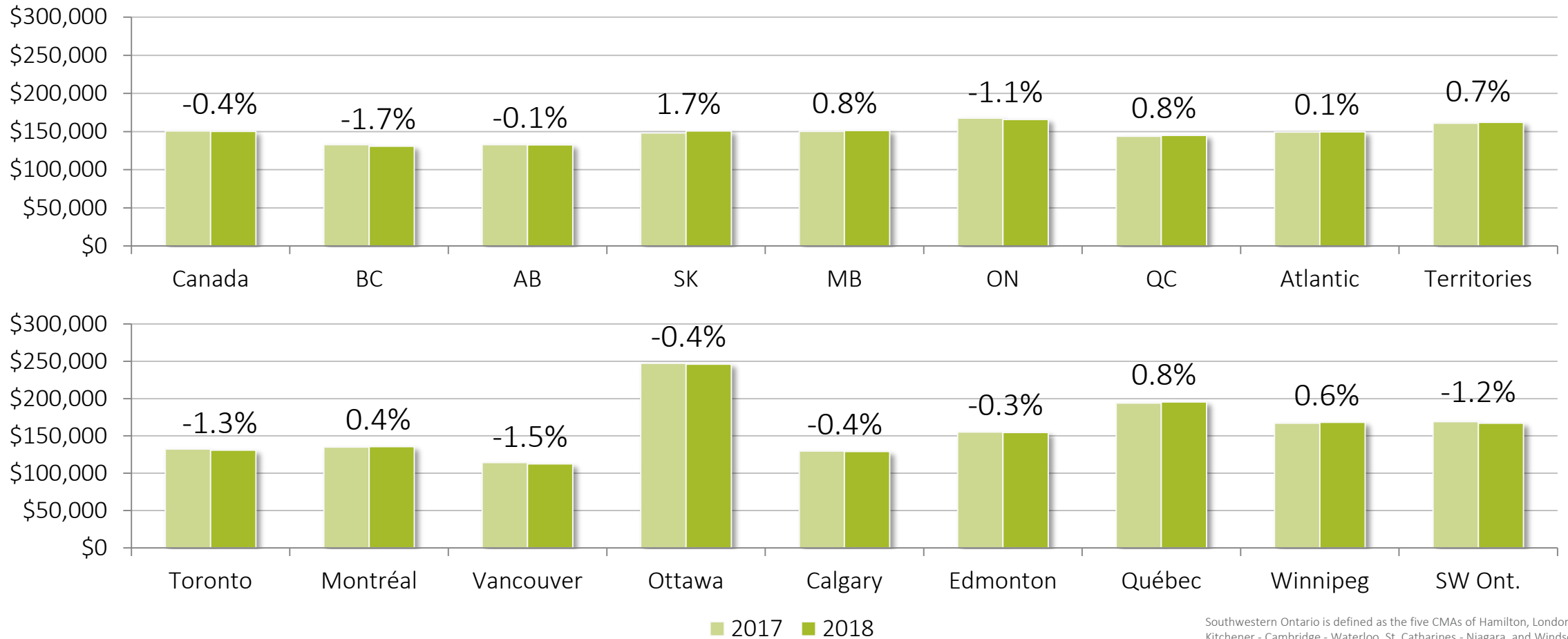
Real Estate Value per Holding Household



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Pensions Clipped by Higher Interest Rates

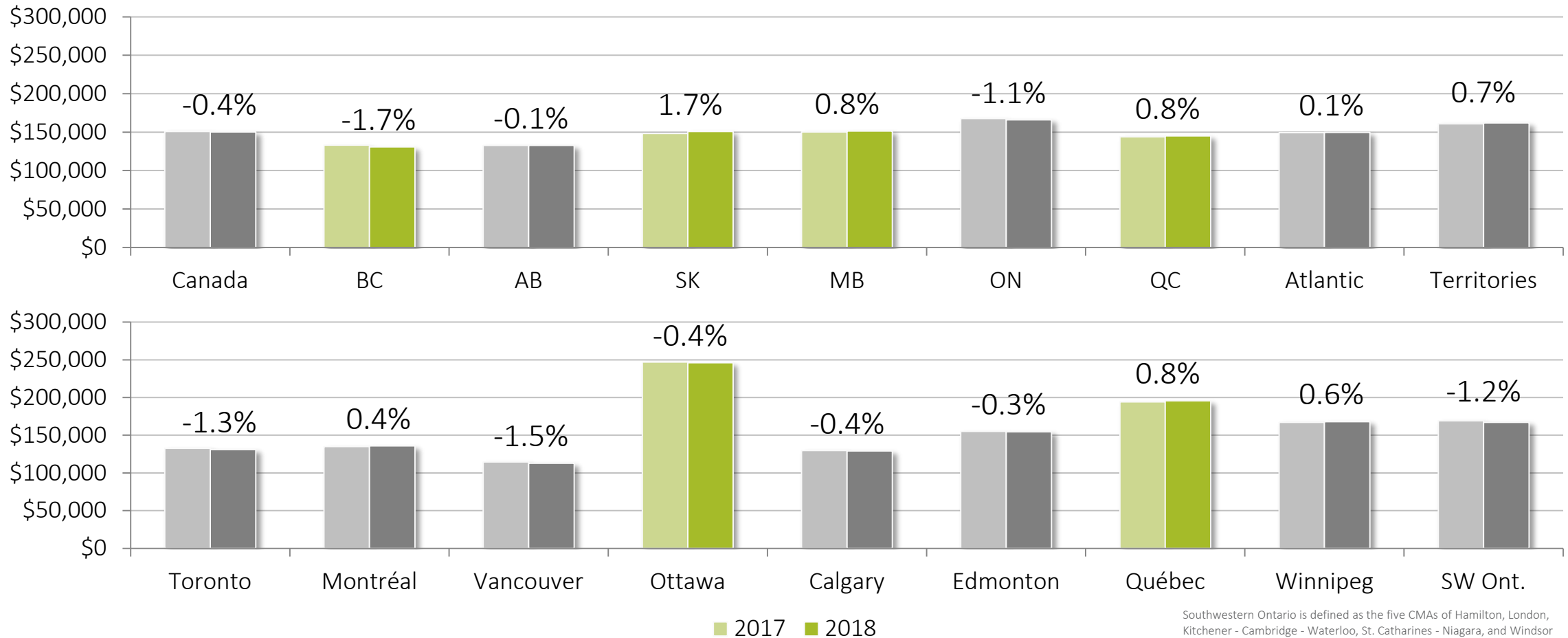
Employer Pension Plan Value per Household



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

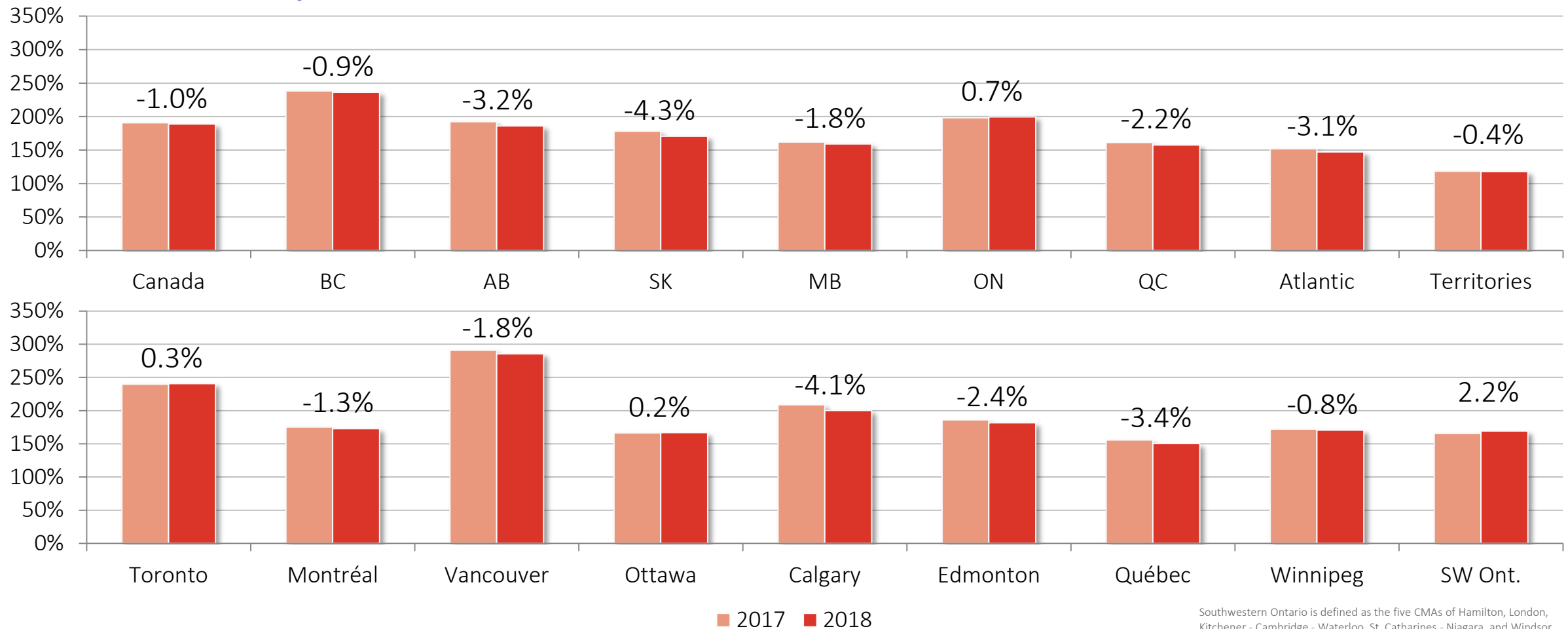
Pensions Clipped by Higher Interest Rates

Employer Pension Plan Value per Household



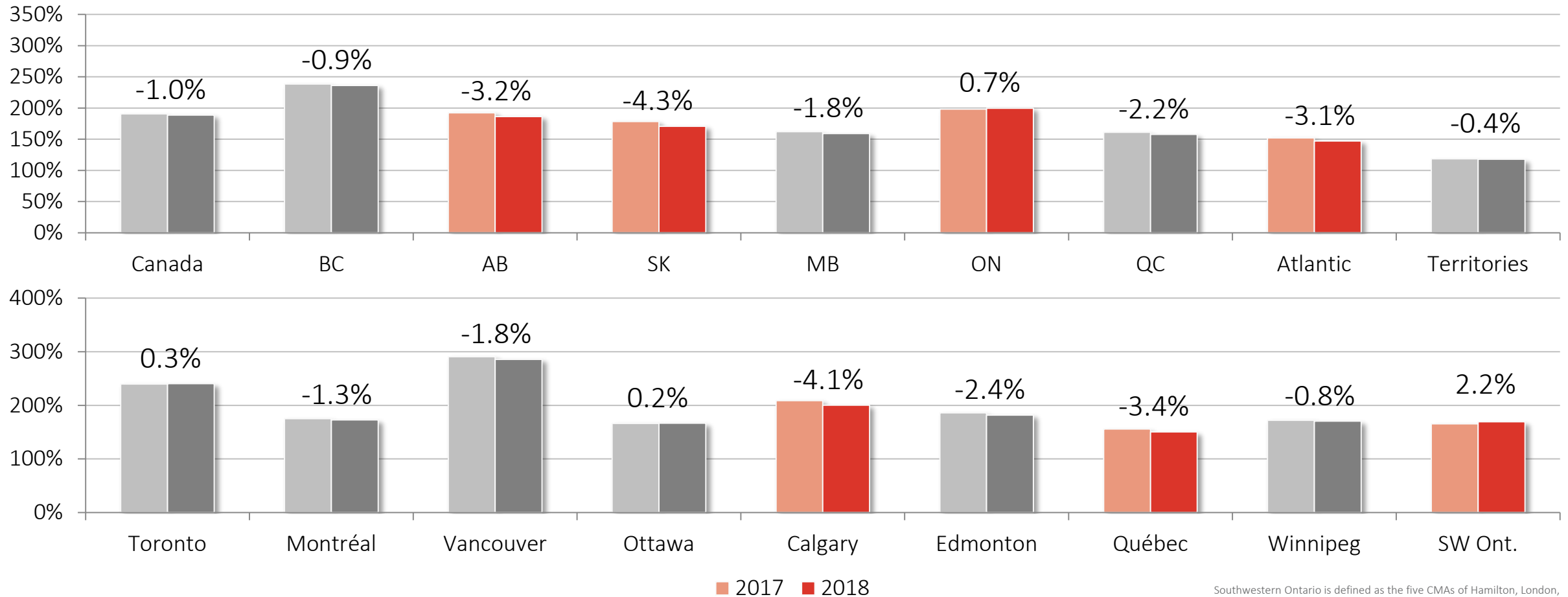
Debt in Retreat

Debt to Disposable Income



Debt in Retreat

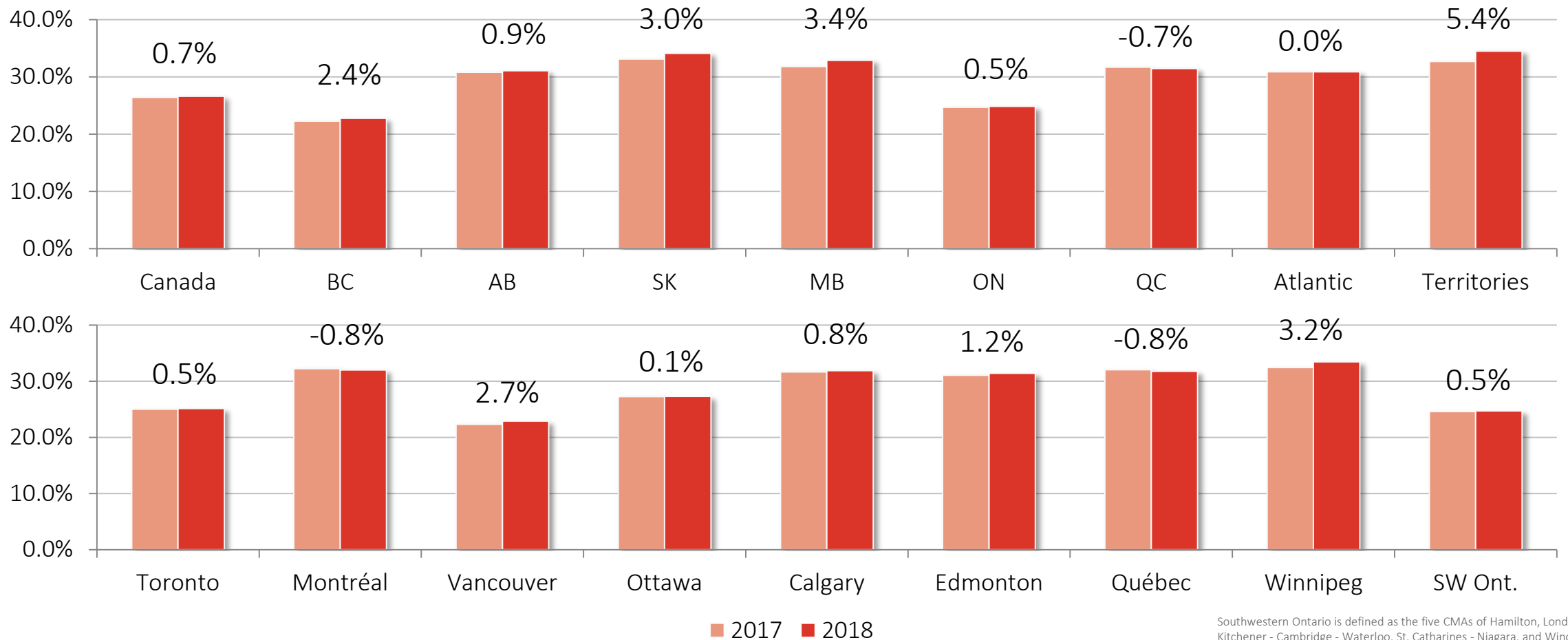
Debt to Disposable Income



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

Debt Still Grows Faster than Real Estate

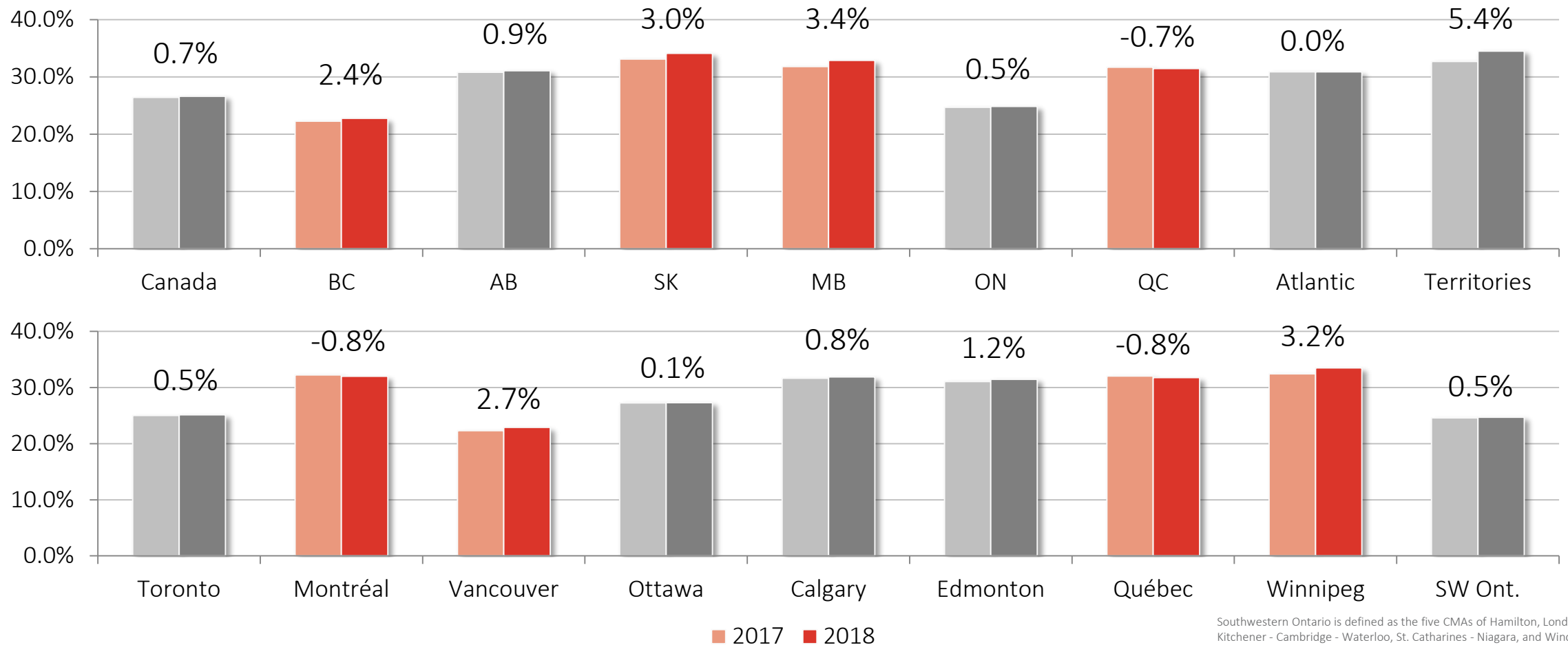
Mortgage to Real Estate Value



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

Debt Still Grows Faster than Real Estate

Mortgage to Real Estate Value



Canadians Make the Best of a Bleak Year

Net worth (down 1.1 %)

- All of Canada was in low-growth or modest decline in 2018
- Alberta and Saskatchewan in larger decline; Ontario posting no change

Liquid assets (down 3.4%)

- Stock markets dragged down liquid asset holdings; flight to safety of term deposits and investment funds
- Alberta and Nova Scotia particularly exposed to this shock

Real estate (up 1.6%)

- Some pockets of growth (Ontario) and some pockets of decline (west of Ontario) but little change overall

Pensions (down 0.4%)

- Saskatchewan, Manitoba and Quebec growth

Debt (up 2.3%)

- Above average growth in Toronto and Southwestern Ontario
- Four provinces in decline: Alberta, New Brunswick, Newfoundland and Labrador and Saskatchewan



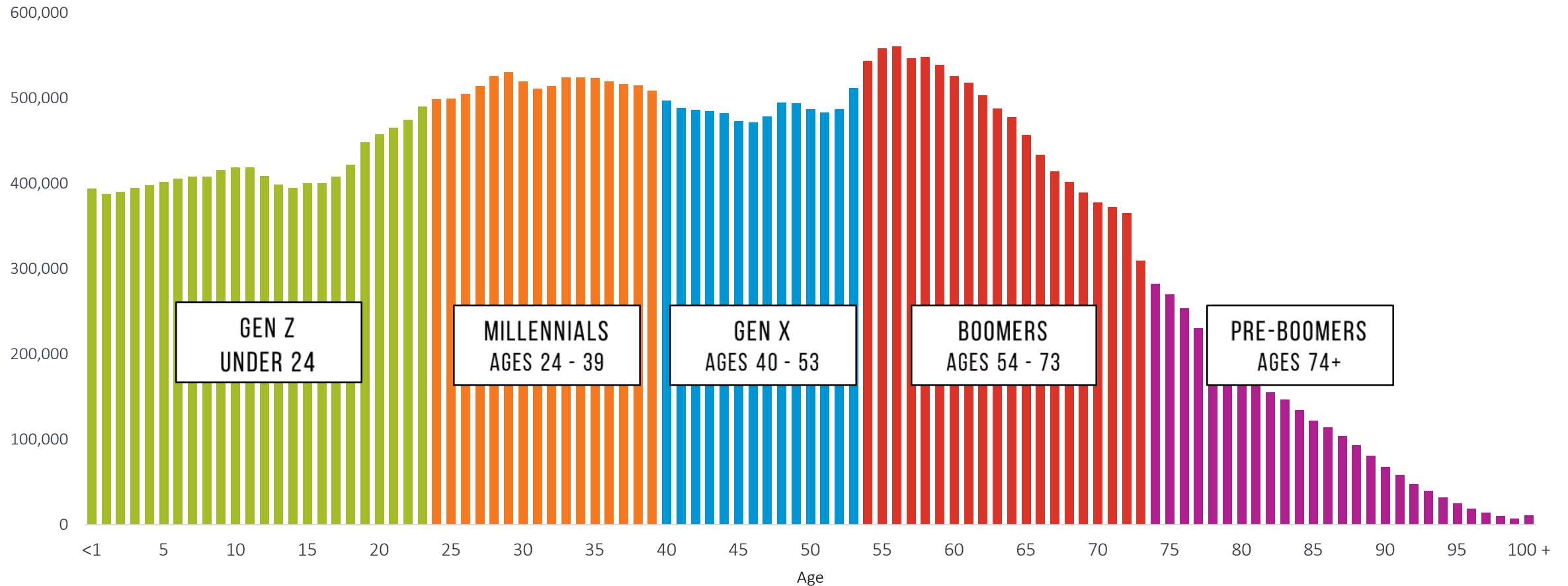
Banking on Millennials: How to attract and keep them

ENVIRONICS
ANALYTICS

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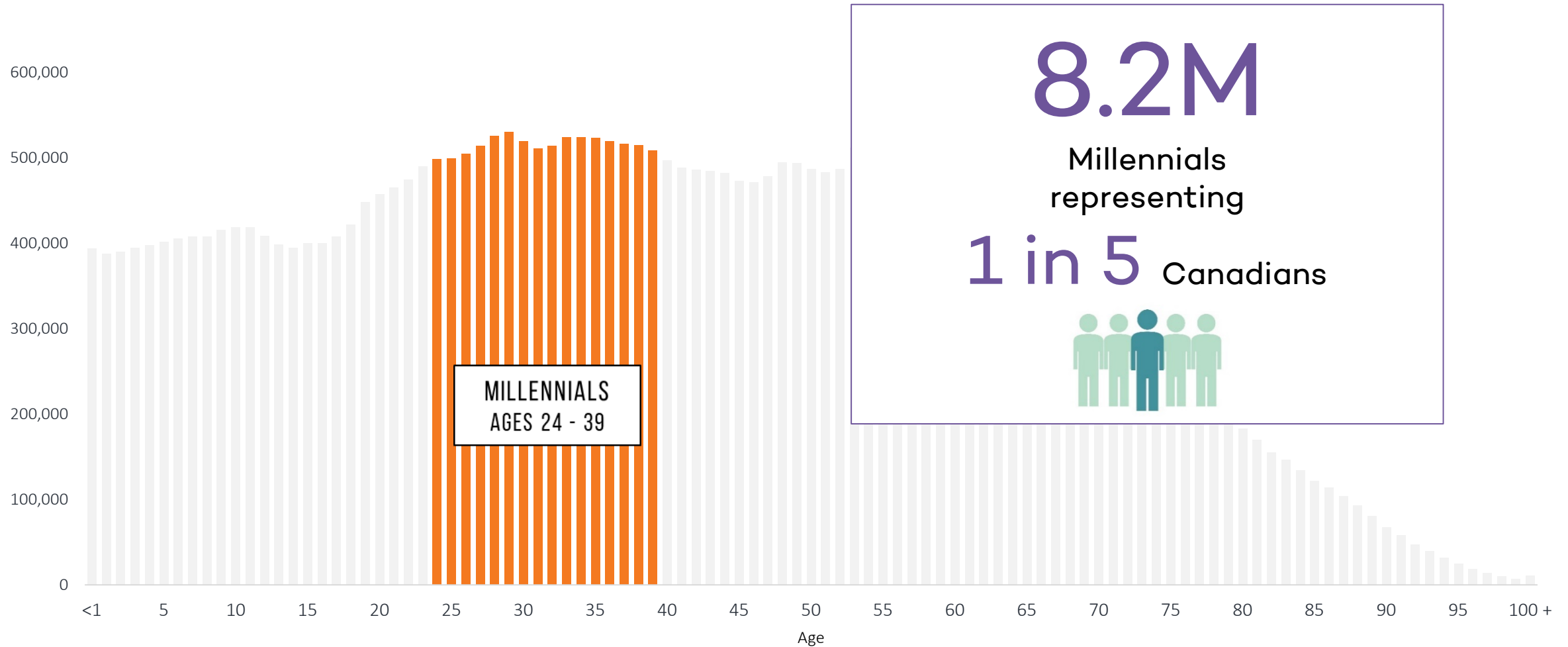
ENVIRONICS

Millennials Represent 1 in 5 Canadians



Source: Statistics Canada projection, Medium assumption, Projected for 2019

Millennials Represent 1 in 5 Canadians

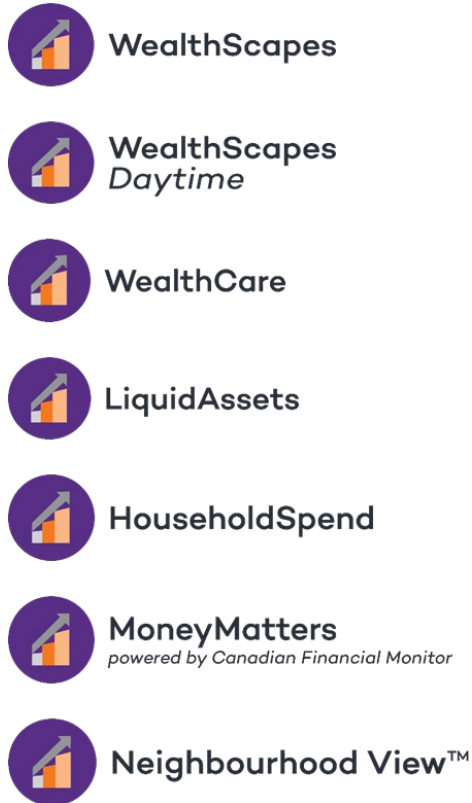




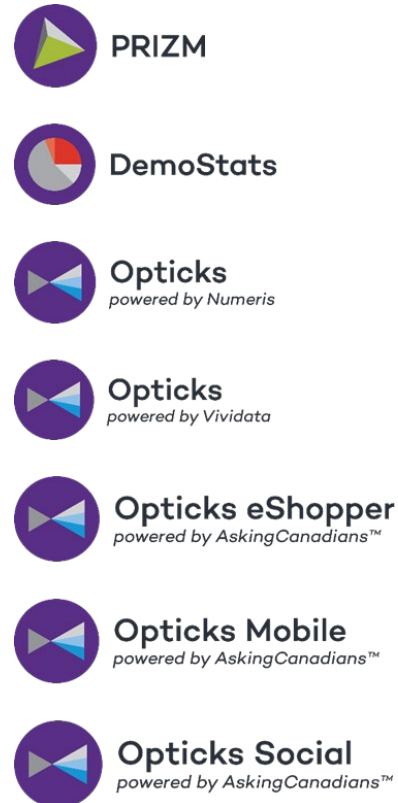
Millennials are not all the same

Describe Wealth by Linking Databases

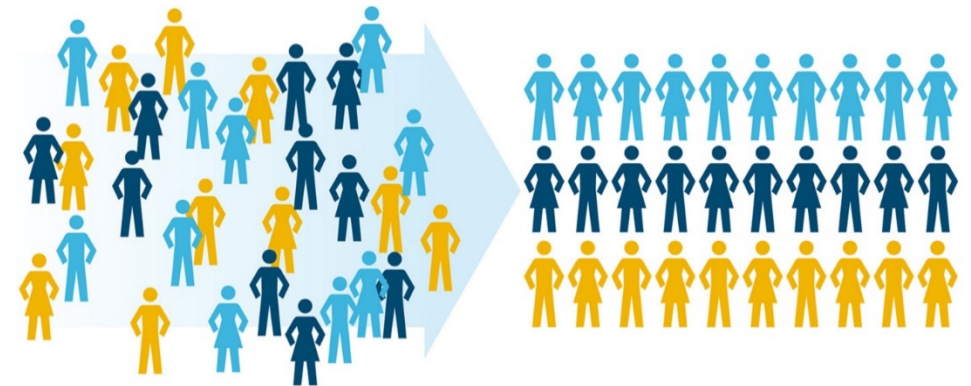
Financial Data



Other Key Data Sources



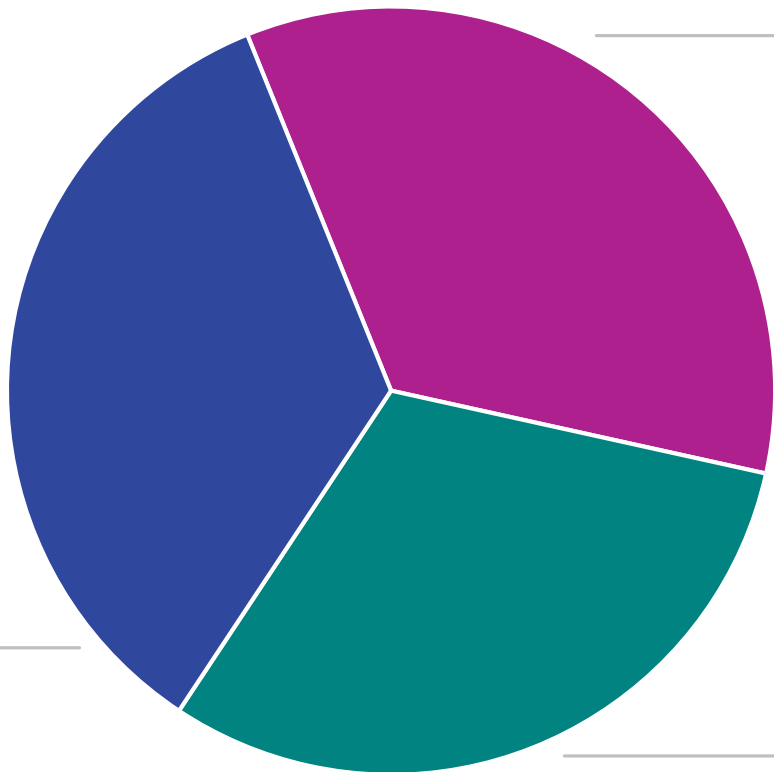
Find Your Millennials within your customer base and market



Three Millennial Lifestyle Types



**BUDGET
MILLENNIALS 36%**



**UP & COMING
MILLENNIALS 31%**



**FAMILY
MILLENNIALS 33%**

Source: Environics Analytics DemoStats Household Population 18+

There are Different Millennial Lifestyle Types

Budget Millennials



Up & Coming Millennials



Family Millennials



Age

Under 34 years old

24 – 39 years old

Under 44 years old



Household Structure

Singles & Couples

Singles & Couples

Young Families with Children



Home ownership

Renters

Renters

Owners



Housing

Older Apartments

High-Rise Condos

Newer Houses



Urbanity

Urban City Centres

Urban City Centres

Suburban

Their Demographics Vary Across the Generation

Budget Millennials



Up & Coming Millennials



Family Millennials



Age

Under 34 years old

24 – 39 years old

Under 44 years old



Household Structure

Singles & Couples

Singles & Couples

Young Families with Children



Home ownership

Renters

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Housing

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Urbanity

Urban City Centres

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Suburban

Their Demographics Vary Across the Generation

**Budget
Millennials**



**Up & Coming
Millennials**



**Family
Millennials**



**Average Household
Income**

\$71,048

\$94,543

\$117,937



Education

Mixed

University

University



Employment

Blue Collar

White Collar

White Collar



**Transportation To
Work**

Public Transit and Walk

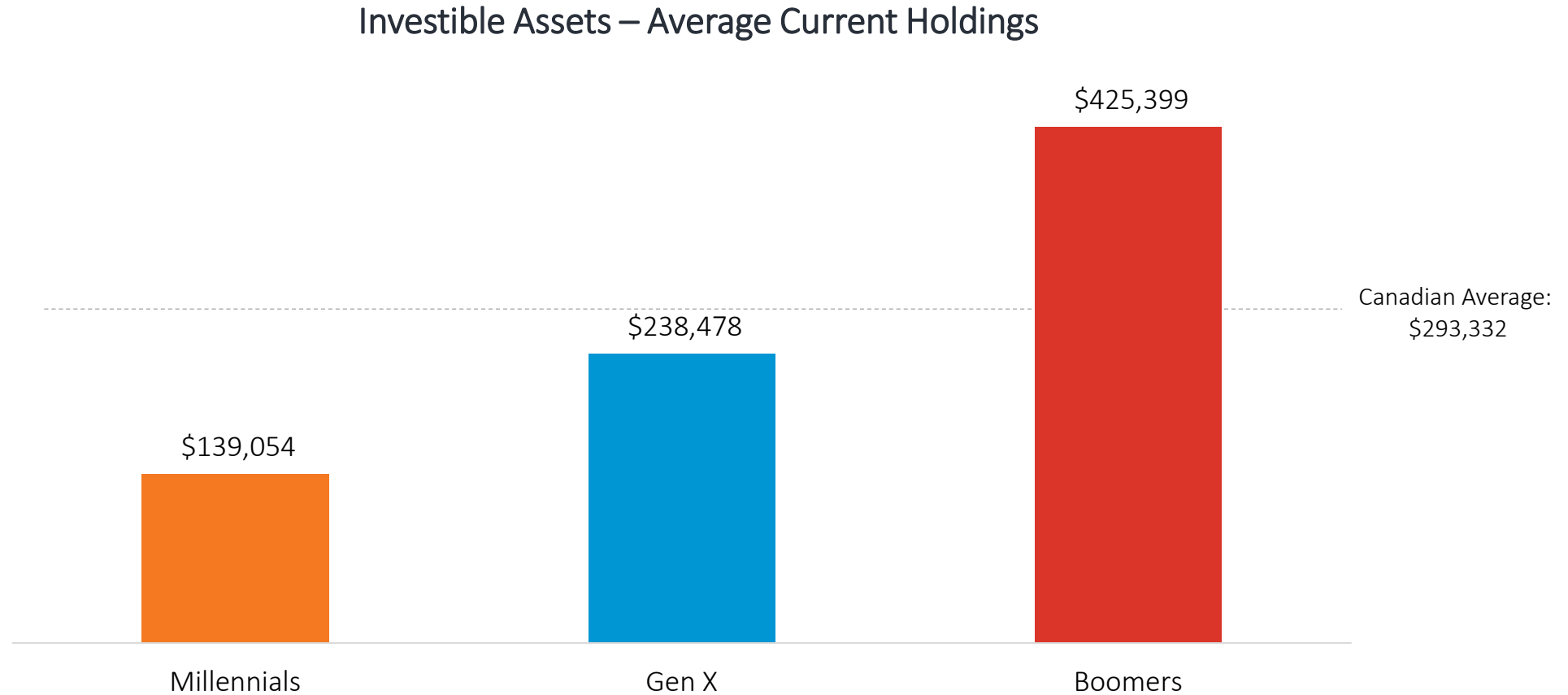
Public Transit and Walk

Drive



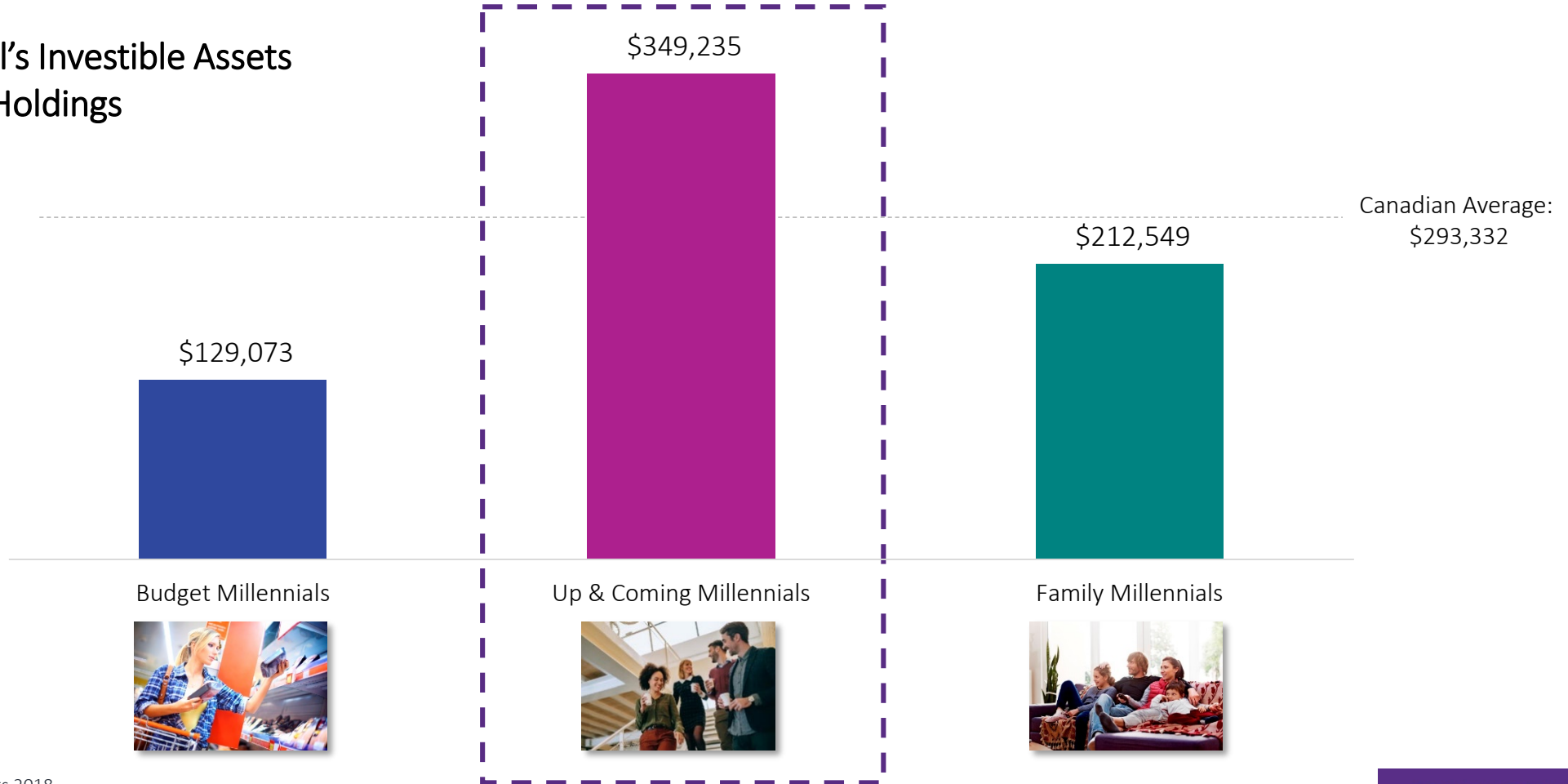
Millennials and their Finances

Millennials Display Lower Investible Assets



Key Millennial Groups Have More to Invest

Millennial's Investible Assets Average Holdings



Source: Environics Analytics LiquidAssets 2018

Financial Behaviour Varies Across Millennial Groups

Budget Millennials



Up & Coming Millennials



Family Millennials



Mortgage Holdership
Average Balance

28%

\$176,432

29%

\$341,191

59%

\$294,016



Investment Holdership
Average Balance

47%

\$159,902

66%

\$319,393

63%

\$230,312

Financial Health and Wellness of Millennials

Budget Millennials



Up & Coming Millennials

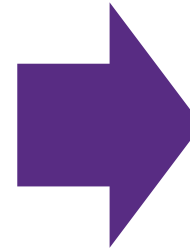
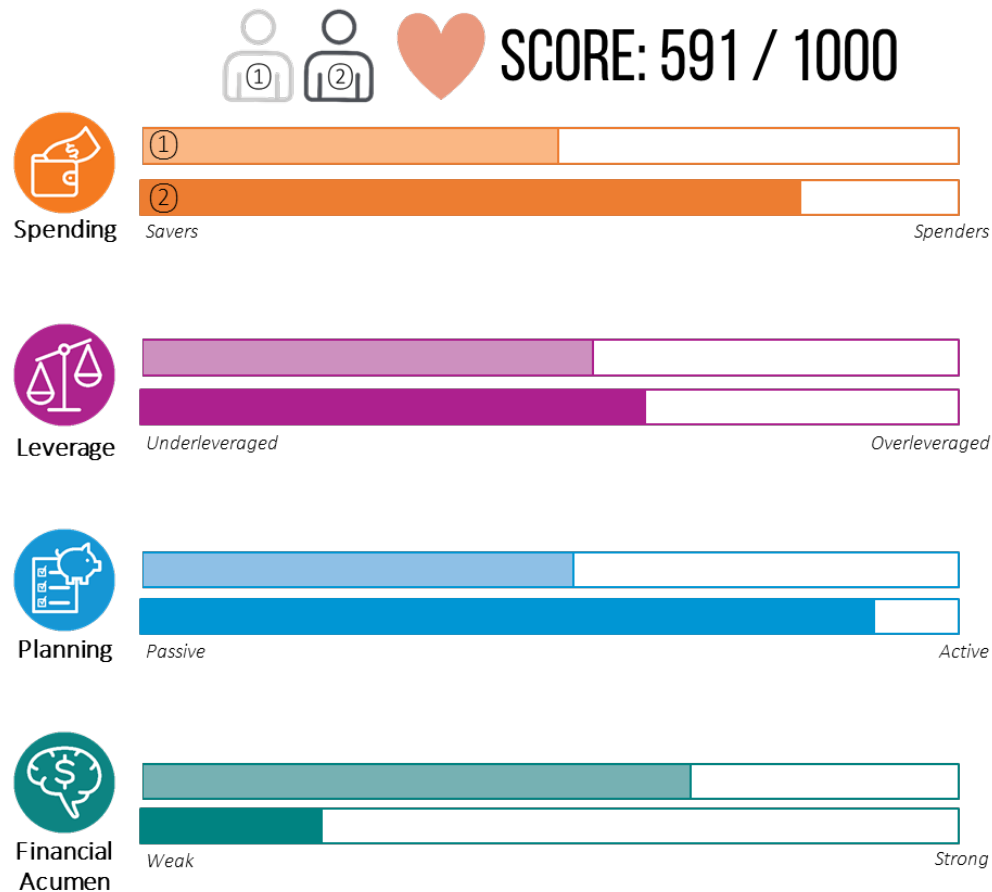


Family Millennials



Financial Health and Wellness	208 /1,000	344 / 1,000	463 / 1,000
Spending	Med	Med	Med
Leverage	Low	Med	Med
Planning	Low	Low	High
Financial Acumen	Low	Med	Med

Use Financial Health and Wellness to Differentiate



Budgeting Tools



Financial Planning



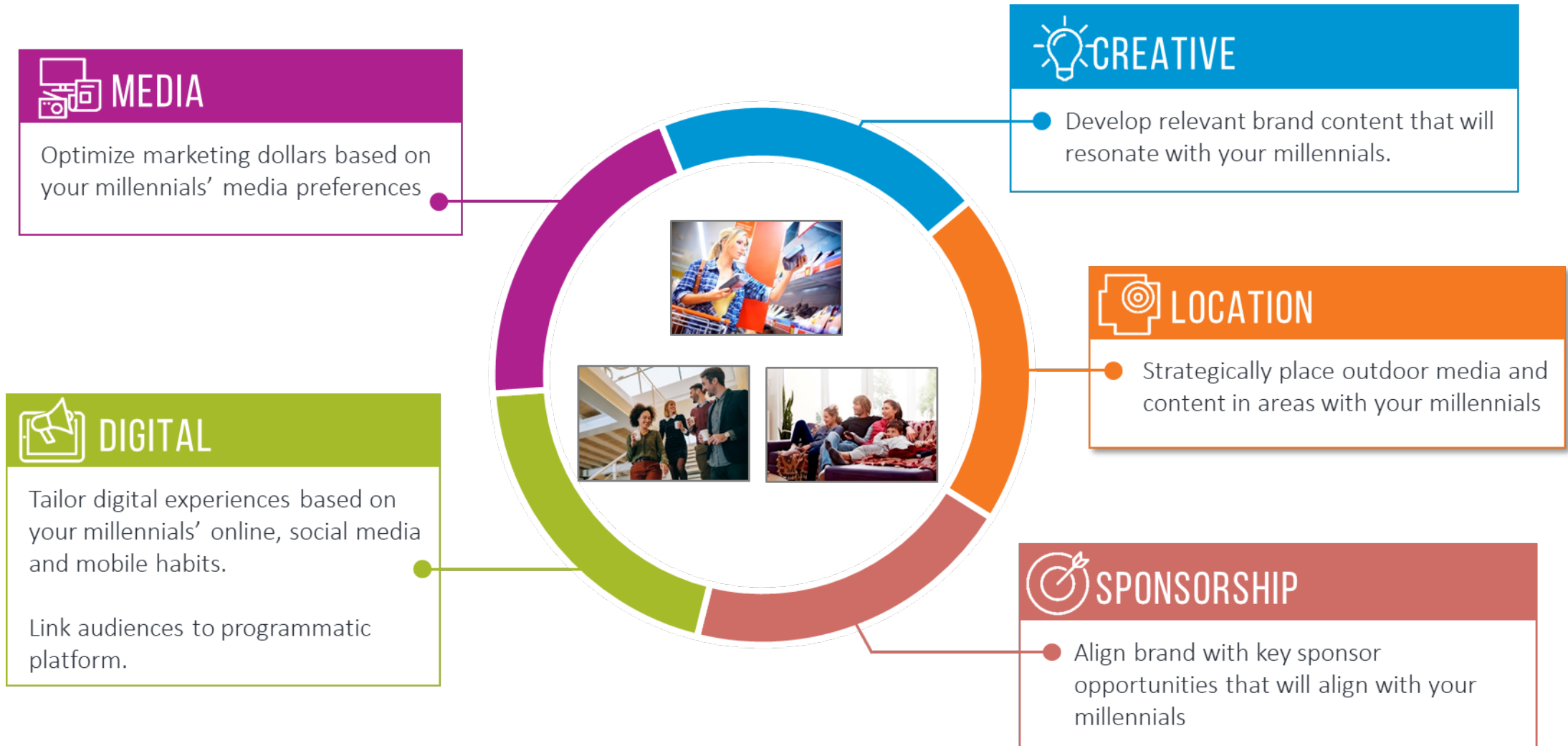
Special Offers



Financial Literacy



Informing Marketing and Brand Strategies



Who Are Your Millennials?



Understand your strengths, or else everyone will be targeting the same group of millennials



Who are the Millennials in your market? How do you locate them & differentiate from your competition?



Knowing your strengths and understanding your Millennials will help you effectively target and engage them



How can NFPs leverage Wealth Data?

Constituent Wealth Insights & Scoring

Optimizing Donor Engagement Strategy



Mackenzie
Health
Foundation

About Mackenzie Health

Two Exceptional Hospitals

Mackenzie Richmond Hill Hospital



Mackenzie Vaughan Hospital



Vaughan

Vaughan

Richmond Hill

Reactivation Care Centre

Richmond Hill

Barrie

About Mackenzie Health Foundation



<p>MAKE A SINGLE GIFT</p> <p>Make a difference immediately by donating online – it's easy, secure and convenient. You receive an electronic tax receipt for gifts of \$10 or more.</p>	<p>MAKE A MONTHLY GIFT</p> <p>By joining our Partner in Care donor program, you are making a commitment to exceptional care in your community with regular gifts conveniently deducted from your bank account or credit card each month.</p>	<p>MAKE A PLANNED GIFT</p> <p>You can play an important role in Mackenzie Health's future by remembering the Foundation in your will with a bequest or by making a gift of life insurance, stocks or RRSPs/RRIFs. Leaving a legacy gift also provides a financial benefit for yourself and your estate.</p>
<p>MAKE A TRIBUTE GIFT</p> <p>A gift made in honour or in memory is a meaningful way to remember someone special, say thanks or celebrate a special occasion such as a wedding, anniversary or birthday.</p>	<p>SAY THANK YOU WITH A GIFT</p> <p>Has one of our physicians, nurses or healthcare professionals made a difference in your life? You can express your gratitude for exceptional care with a gift made in their name.</p>	<p>FUND NEW EQUIPMENT</p> <p>Did you know the Province does not provide funding for hospital equipment? We rely on your generosity to help bring state-of-the-art equipment to your community hospital. You can donate now to our \$2-million CT scanner fundraising appeal for Mackenzie Richmond Hill Hospital at mackenziehealth.ca/CTappeal</p>
<p>START YOUR OWN CAMPAIGN</p> <p>You can show appreciation for the exceptional care you or a family member received by creating your own fundraising page or holding a special event. If you have an idea for a fundraising event, contact our special events team.</p>	<p>VOLUNTEER, REGISTER OR SPONSOR</p> <p>You can make a difference by helping with a signature event or joining a fundraising committee. You can also register for events, including Strides for Stroke and Ride for Health, or show your support by making a pledge to a participant or becoming a sponsor.</p>	<p>SHARE YOUR STORY</p> <p>We would love to hear your experience about being a patient at Mackenzie Health. By telling your story, you inspire others – and us – and help create awareness about our hospital's commitment to exceptional care.</p>

Charitable Registration Number: 11 930 6215 (1000007)



Constituent Wealth Insights and Scoring

Optimized Donor Engagement Through DonorRank



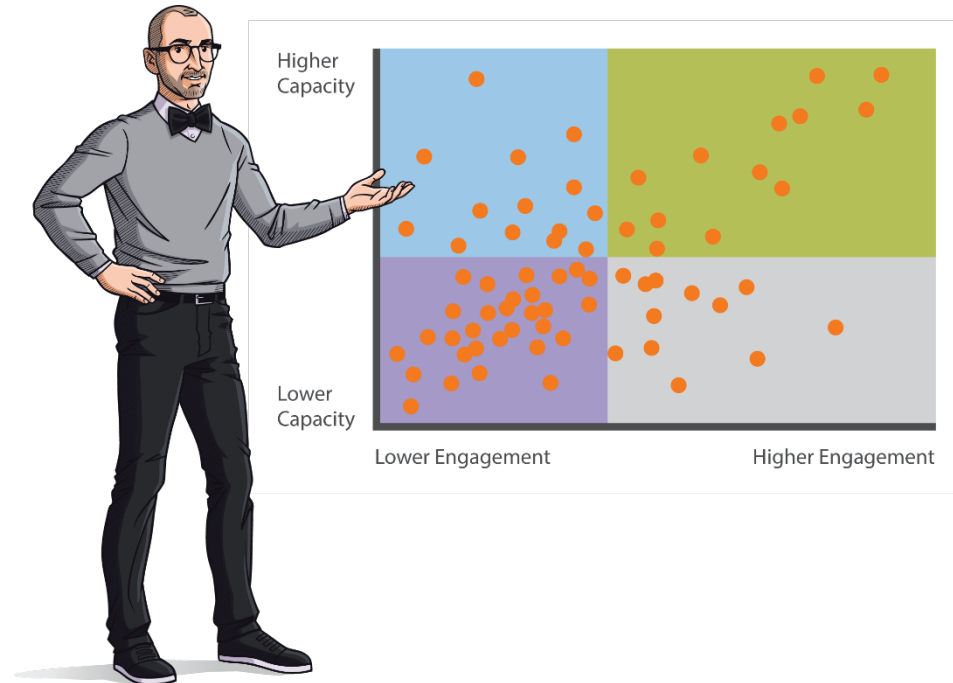
Prospect



Scoring



Capacity



A cost effective and efficient tool that any fundraiser can use.

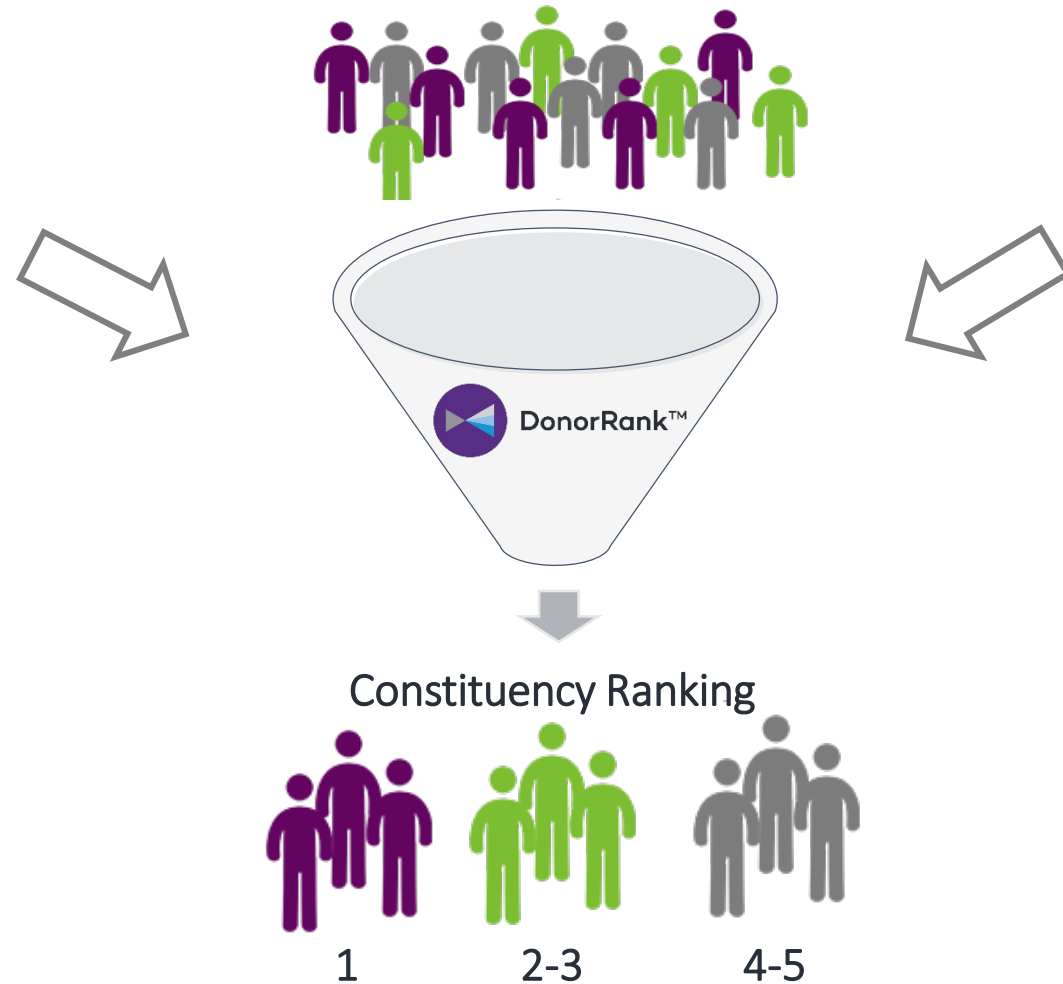
Constituent Wealth Insights and Scoring

Using DonorRank to optimize MHF's donor engagement



Constituent Records

- Last Gift:
- Frequency/ How Often:
- Giving History:



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Financial



GivingBack



SocialValues

ENVIRONICS
ANALYTICS

Results

Overall Results

- Identified and ranked top major gift and mid-level prospects for development team/officers
- Subdivided the two fundraising groups into ethnic groupings that specific development team/officers are responsible for
- Provided an ability to track year-over-year and mapped to overall program and fundraising campaign goals
- Flexible to meet different program and funding requests

DonorRank Results

- Major gift prospects: 110+ new identified
- Mid-level prospects: 300+ new identified

Questions?



Peter Miron
Vito De Filippis
Allen Davidov

inquiries@environicsanalytics.com



@EnvironicsA