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Insights on Canadian Society

Stretching the loonie: A time series analysis of financial difficulty and quality of life

by Lauren Pinault and Helen Foran

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Stretching the loonie: A time series analysis of financial difficulty and quality of life

by **Lauren Pinault** and **Helen Foran**

Overview of the study

Using data from the Canadian Social Survey, this study examines changes over time to self-reported financial difficulty, and associations between financial difficulty, age and two well-being indicators: life satisfaction and future outlook.

- The percentage of Canadians reporting financial difficulty steadily increased by 4.8 percentage points per year from 2021 to 2025, alongside decreases in the percentage of those reporting high life satisfaction (-2.2 percentage points per year) and hopefulness for the future (-2.4 percentage points per year).
- Compared with older age groups, younger adults aged 25 to 44 were increasingly likely to report that they experienced financial difficulty (+5.4 percentage points per year). Meanwhile, the percentage reporting high life satisfaction decreased more rapidly than for older age groups (-4.0 percentage points per year).
- Younger adults aged 25 to 44 who also experienced financial difficulty were less likely to report high life satisfaction and hope for the future, or experienced greater declines during the past few years, compared with older age groups.

SPECIAL EDITION ISSUE OF INSIGHTS ON CANADIAN SOCIETY

The special edition issue of *Insights on Canadian Society* expands Statistics Canada's flagship social publication to offer policy-relevant articles united across a common theme, leveraging visuals and accessible multimedia formats. This issue focuses on changes in Canadian society over time, shedding light on where Canada has been—and where it is heading. This article is featured within this issue.

Introduction

The nation has weathered substantial socioeconomic change over the past few years. Between adjusting to life in a post-COVID-19 pandemic world, the accelerating progress of technology and global financial challenges, many Canadians continue to contend with difficulties around food security, housing affordability and the overall cost of living.[1] In this context, regularly collected survey data on the well-being of Canadians provide a unique and timely opportunity to understand the social impacts of these challenges. Specifically, time series data can identify changes in subjective measures of well-being over time and identify groups that may experience greater declines in well-being.[2]

The Canadian Social Survey (CSS), collected quarterly since the spring of 2021, has already provided valuable insights into changes to well-being over time. Specifically, the first 10 waves of the survey revealed steadily increasing levels of self-reported financial difficulty, alongside declining life satisfaction, with certain groups experiencing more rapid declines or consistently lower levels of well-being—including racialized people, people with disabilities and long-term conditions, and 2SLGBTQ+ people.[3]

The three-way relationship between financial difficulty, age and life satisfaction has also been explored using CSS data up to and including the summer of 2024. Findings revealed greater declines in life satisfaction among those who were experiencing financial difficulty, linking some of these trends to larger socioeconomic challenges, such as housing affordability.[4]

The present study builds on previous analyses by leveraging all waves of the CSS (up to and including data collected in the spring of 2025) to provide insights on changes over time in self-reported financial difficulty, and associations between financial difficulty, age and two well-being indicators: life satisfaction and future outlook. Both life satisfaction and future outlook are headline indicators of the Quality of Life Framework,[5] intended to provide a high-level pulse check of overall quality of life and well-being in Canada.

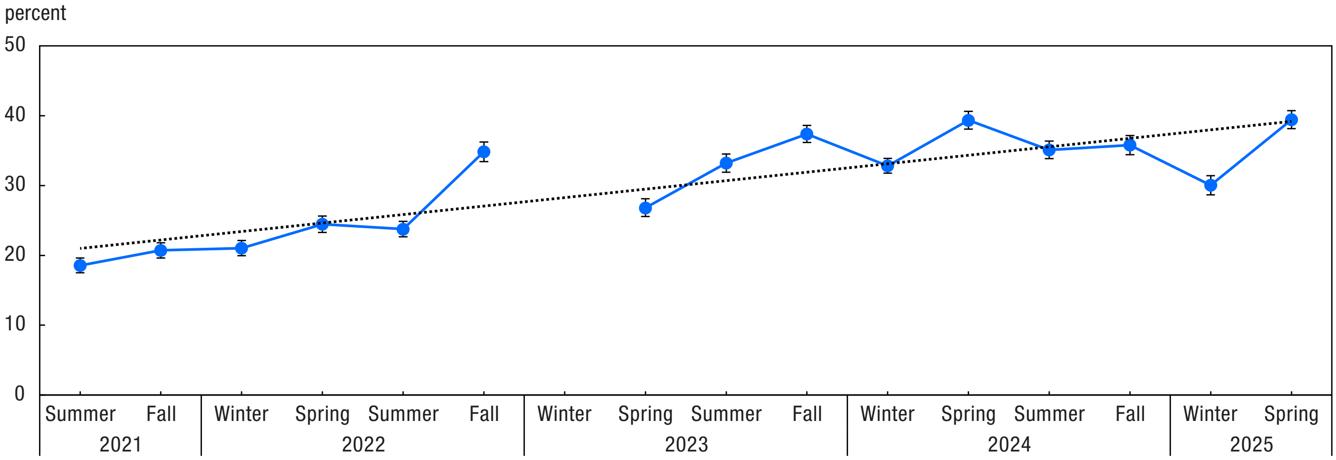
Since 2021, self-reported financial difficulty has increased by nearly 5 percentage points per year

Statistics Canada estimates that the cumulative Consumer Price Index has risen by 1.9% year over year since August 2024. Relatedly, a growing number of Canadians are unable to meet basic needs, such as housing, food and transportation.[6] These challenges in meeting basic needs have led to increased financial difficulty—with possible implications for overall well-being, particularly among vulnerable groups. To monitor this, the CSS asked respondents in every wave to rate how difficult it was for their household to meet their financial needs in terms of transportation, housing, food, clothing and other necessary expenses during the previous 12 months. The result is a time series that complements objective measures of inflation and income security by providing a subjective measure of how Canadians' experiences of financial well-being have evolved over this four-year period, and by showing how this correlates with other subjective measures of well-being.

> As of the spring of 2025, 39% of Canadians aged 15 and older reported that their household found it "difficult" or "very difficult" to meet their financial needs.

As of the spring of 2025, 39% of Canadians aged 15 and older reported that their household found it "difficult" or "very difficult" to meet their financial needs. This percentage had more than doubled since the summer of 2021 (19%)—representing an average increase of 4.8 percentage points per year, based on a line of best fit (Chart 1).

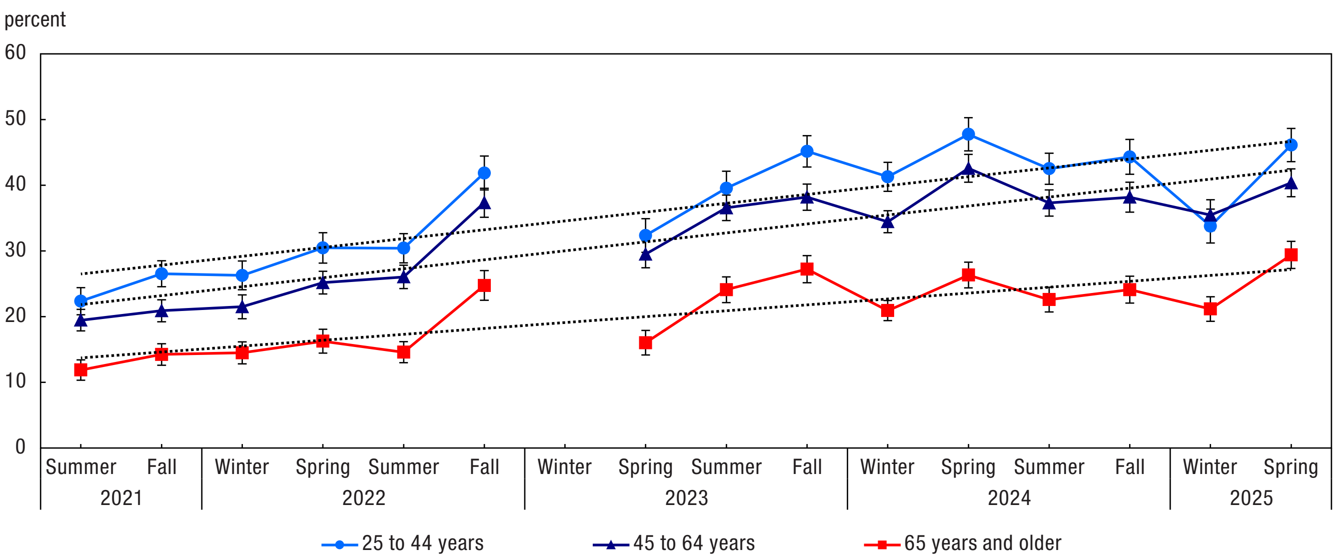
Chart 1
Percentage of Canadians aged 15 years and older reporting financial difficulty, 2021 to 2025



Note: Error bars represent the 95% confidence intervals.
Source: Statistics Canada, Canadian Social Survey, summer 2021 to spring 2025 (excluding winter 2023).

Age is an important consideration for contextualizing financial difficulty, life satisfaction and hopefulness, as it is correlated with many other unmeasured factors—for example, different generational experiences, perceptions and age-specific financial challenges. Examining changes in reported financial difficulty over time for different age groups revealed some unique age-related trends (Chart 2). While financial difficulty was more prevalent among young adults aged 25 to 44 than middle-aged adults aged 45 to 64 in most CSS waves, both groups experienced a similar worsening of financial difficulty over time—by 5.4 percentage points and 5.5 percentage points per year, respectively. Meanwhile, financial difficulty among seniors increased more slowly over this period, by 3.6 percentage points per year.

Chart 2
Percentage of Canadians aged 15 years and older reporting financial difficulty, by selected age group, 2021 to 2025



Note: Error bars represent the 95% confidence intervals.
Source: Statistics Canada, Canadian Social Survey, summer 2021 to spring 2025 (excluding winter 2023).

Experiencing financial difficulty was more likely among urban adults; younger adults; and people with a disability, difficulty or long-term condition

Based on data from pooled survey waves collected from the winter of 2024 to the spring of 2025, experiences of self-reported financial difficulty were not evenly felt across population groups and regions of Canada.

For example, across Canada, residents of urban areas and certain provinces, including Alberta (40%), New Brunswick (39%), Ontario (38%), Newfoundland and Labrador (37%), and Saskatchewan (37%), reported slightly higher levels of financial difficulty (Table 1).[7]

Table 1
Percentage of Canadians aged 15 years and older experiencing financial difficulty, by selected characteristics, pooled survey waves from winter 2024 to spring 2025

Selected characteristics	Proportion	95% confidence interval Lower limit	95% confidence interval Upper limit	Predicted probabilities
	percent			
Total, Canadians aged 15 years and older	**35.4**	**34.9**	**35.9**	**…**
Gender				
Men (ref.)	34.9	34.1	35.7	35.6
Women	35.9	35.3	36.6	36.8*
Age group				
25 to 44 years (ref.)	42.6	41.6	43.6	42.8
45 to 64 years	38.0	37.2	38.9	38.1*
65 years and older	24.1	23.3	24.9	23.7*
Racialized population				
Racialized population (ref.)	40.4	39.2	41.5	39.1
Non-racialized, non-Indigenous population	33.4	32.8	34.0	35.0*
Immigrant status				
Non-immigrants (ref.)	33.6	33.0	34.2	35.2
Immigrants	39.7	38.6	40.8	38.2*
Non-permanent residents	39.0	34.1	44.0	38.6
Disability status				
People with a disability, difficulty or long-term condition (ref.)	49.2	47.7	50.6	52.8
People without a disability, difficulty or long-term condition	33.2	32.7	33.8	33.5*
Rural or urban designation				
Rural (ref.)	34.8	33.4	36.1	39.1
Urban	35.5	34.9	36.1	35.8*
Province				
Newfoundland and Labrador	37.4	35.2	39.6	39.6*
Prince Edward Island	32.1	29.7	34.5	33.8
Nova Scotia	37.0	34.7	39.2	37.0
New Brunswick	38.8	36.7	41.0	41.1*
Quebec	27.5	26.4	28.5	29.6*
Ontario	38.2	37.2	39.1	38.1*
Manitoba	35.3	33.4	37.2	35.8
Saskatchewan	37.4	35.3	39.4	39.2*
Alberta	40.0	38.4	41.6	40.5*
British Columbia (ref.)	35.1	33.7	36.6	35.9

… not applicable
* significantly different from reference category (ref.) ($p < 0.05$) in a fully adjusted regression model
Notes: Predicted probabilities are the results from a fully adjusted logistic regression model that included gender, age group, racialized status, immigrant status, disability status, province, and rural or urban designation. The regression model was unable to adjust for household income, which was collected in only one survey wave.
Source: Statistics Canada, Canadian Social Survey, winter 2024 to spring 2025.

> Younger adults aged 25 to 44 were more likely than older age groups to report that they experienced financial difficulty in the previous 12 months.

Certain population groups were also more likely to report that they experienced financial difficulty in 2024 and 2025. Younger adults aged 25 to 44 were more likely than older age groups to report that they experienced financial difficulty in the previous 12 months (43%, compared with 38% of those aged 45 to 64 and 24% of those aged 65 and older). The finding that younger adults were struggling more financially is broadly consistent with previous studies showing that young Canadians spend a larger share of their income on shelter than older age groups and face greater challenges entering the housing market, affecting their ability to build wealth.[8]

In addition to age, other groups of Canadians were more likely to report experiencing financial difficulty in 2024 and 2025. People with a disability, difficulty or long-term condition were more likely to report experiencing financial difficulty (49%) than those who did not report a condition or disability (33%) (Table 1). Along the same lines, results from the 2022 Canadian Survey on Disability showed that personal income was lower for people with disabilities, particularly those with more severe disabilities, compared with people without disabilities.[9] Self-reported financial difficulty was also more commonly reported by racialized people, immigrants and non-permanent residents.

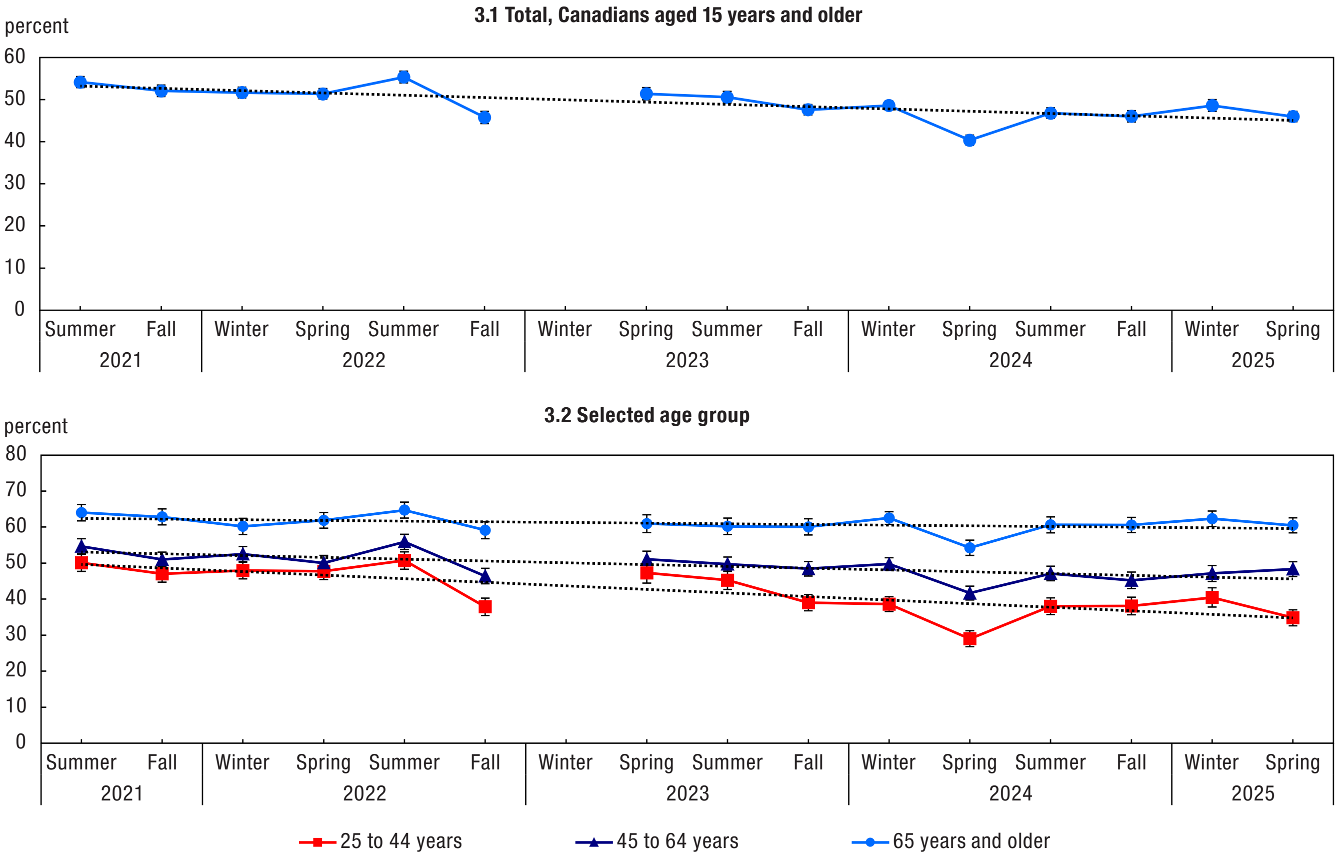
The exclusion of household income data is an important limitation in this study. While a question on household income was not included in most waves of the CSS, it was asked in the spring of 2024. As might be expected, in that survey wave, Canadians living in lower-income households were more likely to report experiencing financial difficulty in the previous 12 months, although some higher-income households also reported financial difficulty. Specifically, more than half (53%) of Canadians in households earning less than $41,800 a year reported having trouble making ends meet, compared with about one-quarter (24%) of those who lived in households earning more than $155,000 a year.

Life satisfaction declined from 2021 to 2025, particularly among young adults experiencing financial difficulty

Tracking the percentage of Canadians reporting a high level of life satisfaction[10] revealed that life satisfaction continues to decline in Canada. Self-reported life satisfaction is a commonly used international measure of how people assess the quality of their lives.[11] During the study period, which spans from the summer of 2021 to the spring of 2025, life satisfaction decreased by an average of 2.2 percentage points per year, continuing the trend observed in previous years (Chart 3.1).[12]

Previous analyses have shown that seniors were more likely to report a higher quality of life than younger age groups.[13] Similarly, as of the spring of 2025, seniors aged 65 and older were more likely to report high life satisfaction (61%) than younger age groups and exhibited a negligible decline in life satisfaction over the study period (-0.8 percentage points per year) (Chart 3.2).

Chart 3
Percentage of Canadians aged 15 years and older reporting high life satisfaction, by selected age group, 2021 to 2025



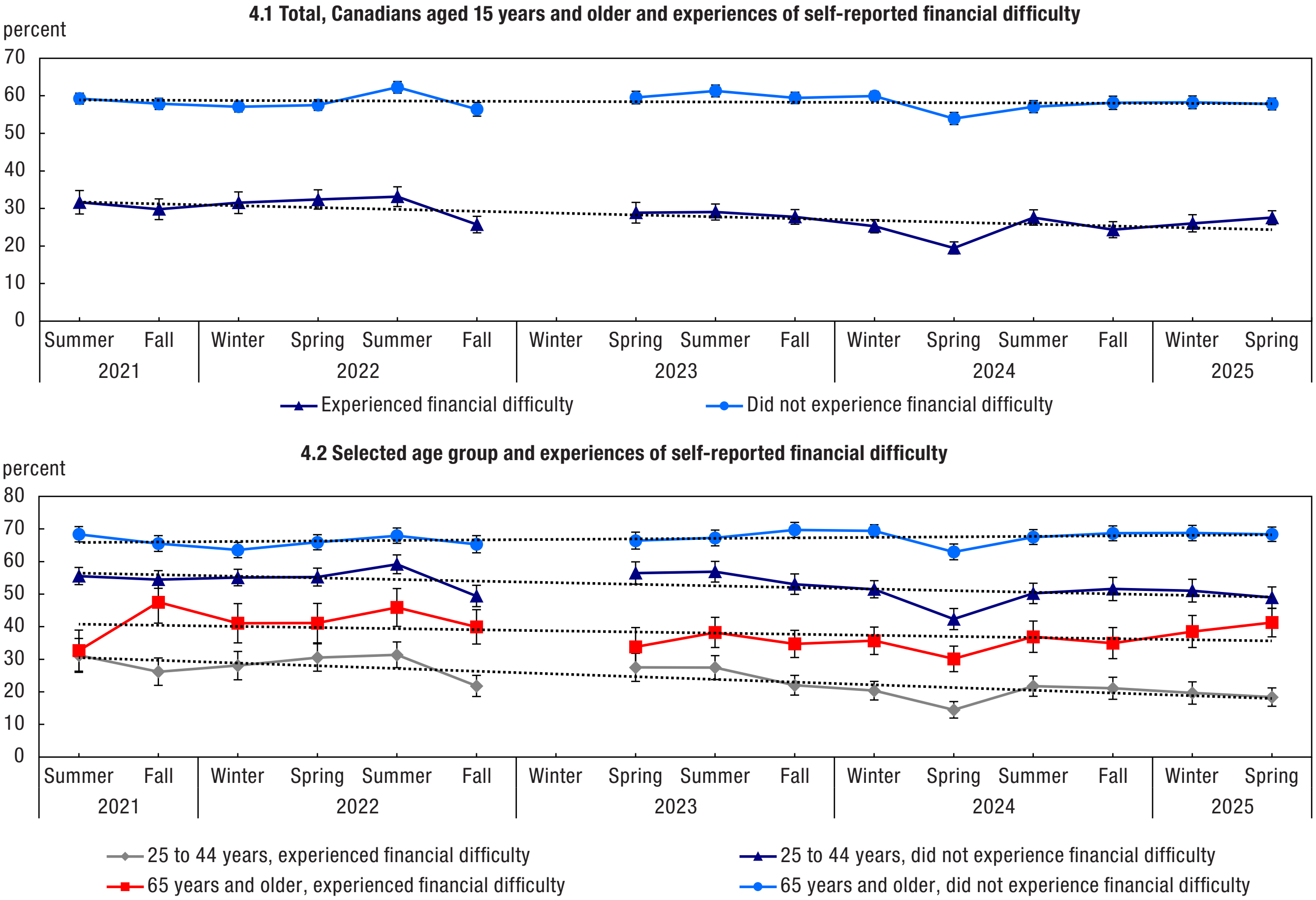
Note: Error bars represent the 95% confidence intervals.
Source: Statistics Canada, Canadian Social Survey, summer 2021 to spring 2025 (excluding winter 2023).

Meanwhile, as of the spring of 2025, nearly half (48%) of middle-aged adults aged 45 to 64 reported high life satisfaction, compared with a little over one-third (35%) of their younger counterparts (aged 25 to 44). Not only did younger adults report lower levels of life satisfaction compared with middle-aged adults and seniors, but their levels also declined to a greater extent. These younger adults experienced a greater decrease in high life satisfaction over the study period, by 4.0 percentage points per year, compared with 2.0 percentage points per year among their middle-aged peers. Comparing the percentage of respondents reporting high life satisfaction between the youngest and oldest age groups shows that the gap between these two groups widened from 14% in the summer of 2021 to 26% in the spring of 2025.

Life satisfaction was also closely associated with self-reported financial difficulty.[14] In the spring of 2025, Canadians who reported having financial difficulty (28%) were about half as likely to report high life satisfaction as those without financial difficulty (58%) (Chart 4.1). In addition to being less likely to report high life satisfaction, people in financial difficulty were more likely to experience a decline in life satisfaction over the study period. Specifically, among those in financial difficulty, high life satisfaction declined by 2.0 percentage points per year from 2021 to 2025, compared with a negligible change among people with fewer financial challenges.

Combining age group with financial difficulty revealed novel insights into the groups most and least susceptible to lower life satisfaction. Seniors without financial difficulty were the most likely to report high overall life satisfaction (68% in the spring of 2025) and showed a negligible annual increase of 0.6 percentage points (Chart 4.2).

Chart 4
Percentage of Canadians aged 15 years and older reporting high life satisfaction, by experiences of self-reported financial difficulty and selected age group, 2021 to 2025



Note: Error bars represent the 95% confidence intervals.
Source: Statistics Canada, Canadian Social Survey, summer 2021 to spring 2025 (excluding winter 2023).

However, younger adults aged 25 to 44 experiencing financial difficulty were the least likely to report high life satisfaction (18% as of the spring of 2025), and this percentage decreased the most rapidly during the previous few years (-3.4 percentage points per year). While young adults without financial difficulties were more likely to report high life satisfaction overall, they experienced a decrease in life satisfaction of 2.0 percentage points per year over the study period.

The finding that life satisfaction declined for young adults in general suggests that this age group may be particularly exposed to inflation and that the resulting challenges to their financial well-being may be affecting their overall well-being. This speaks to the relevance of considering financial difficulties alongside age-specific challenges (e.g., education, finding a footing in the housing market) in understanding well-being.

Younger adults in financial difficulty are also experiencing greater declines in hope for the future

Another important indicator of well-being is an individual's future outlook. Data show that hopefulness about the future—being "always" or "often" hopeful about the future—declined by 2.4 percentage points per year over the study period, reaching 56% in the spring of 2025.

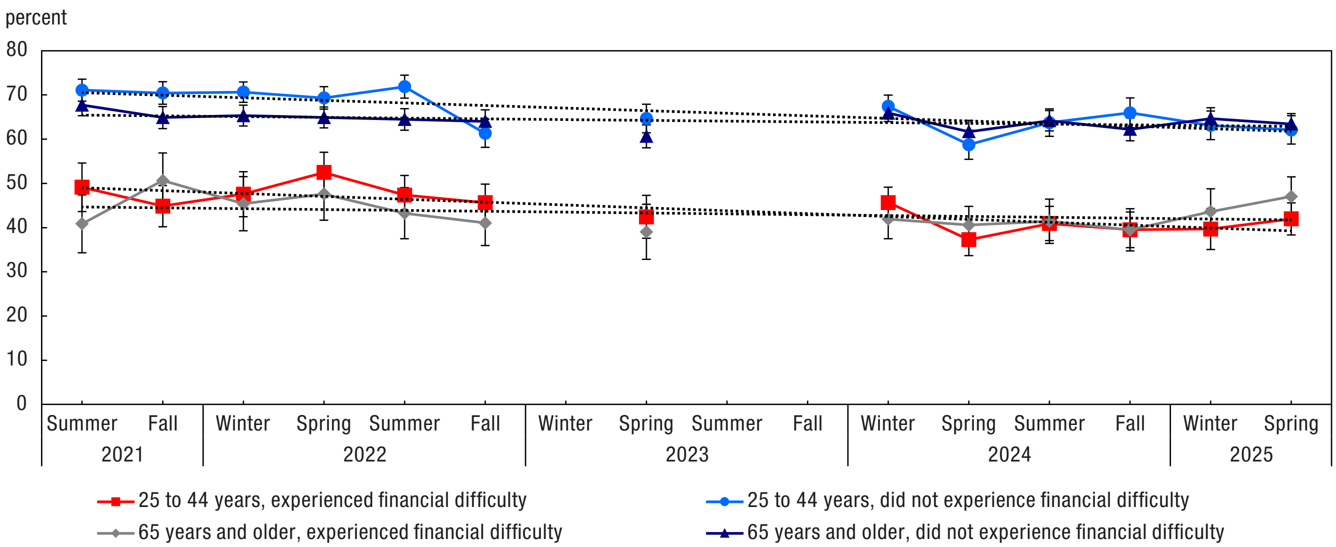
Like life satisfaction, lower levels of hopefulness were observed among those who struggled financially. In the spring of 2025, 63% of people who did not experience financial challenges reported being hopeful about the future, compared with 44% who reported financial difficulty.

Overall levels of hopefulness were similar among younger adults (aged 25 to 44) and older adults (aged 65 and older). However, differences emerged when financial difficulty was considered. People experiencing financial difficulty were less likely to report hopefulness, regardless of age (Chart 5).

"In the spring of 2025, 63% of people who did not experience financial challenges reported being hopeful about the future, compared with 44% who reported financial difficulty.

Over time, levels of hopefulness among seniors remained relatively stable, regardless of financial difficulty, with a decrease of less than 0.8 percentage points per year. In contrast, over time, younger adults aged 25 to 44 were less likely to report high levels of hopefulness, with decreases of 2.3 percentage points per year if they did not experience financial difficulty and 2.6 percentage points per year if they did. The decline in hopefulness among young adults may represent generational differences in personal experiences and values. It may also indicate different perceptions about their anticipated level of exposure to future impacts of domestic and global affairs—such as a weakening labour market, technological evolution, the environment and broader geopolitical instability.

Chart 5
Percentage of Canadians aged 15 years and older reporting a hopeful future outlook, by selected age group and experiences of self-reported financial difficulty, 2021 to 2025



Note: Error bars represent the 95% confidence intervals.
Source: Statistics Canada, Canadian Social Survey, summer 2021 to spring 2025 (excluding winter, summer and fall 2023).

Conclusion

Time series data focused on key indicators of well-being have shown that younger adults have been more vulnerable to social and economic changes in recent years, being more likely to report financial difficulty than older adults and increasingly less likely to report high life satisfaction and express hope for the future. This aligns with the 2024 World Happiness Report, which observed that younger adults are faring worse in Canada than in other countries. Among participating countries, Canada ranked 58th in happiness for people younger than 30, compared with 8th for adults aged 60 and older.[15]

Among all groups examined in the time series data, young adults who experienced financial difficulty were, in general, the most vulnerable group to poor subjective well-being. Specifically, this group showed the lowest prevalence or the greatest decrease in self-reported high life satisfaction and hope for the future. This finding further emphasizes the unique difficulties faced by this group of Canadians and highlights the importance of understanding other, unmeasured factors that may be influencing their well-being.

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Data sources, methods, definitions and limitations

This study uses 15 waves of the Canadian Social Survey (CSS), collected from August 2021 to June 2025 (Table 2). Note that Wave 1 of the CSS (spring 2021) was excluded from the analysis because the same survey questions were not asked, while Wave 8 was cancelled.

Table 2
Individual waves of the Canadian Social Survey and approximate season of collection, 2021 to 2025

Wave number	Survey name	Collection period	Season (approximate)
1	COVID-19 and Well-being	April 23 to June 9, 2021	Spring 2021
2	Well-being, Activities and Perception of Time	August 6 to September 18, 2021	Summer 2021
3	Well-being, Unpaid Work and Family Time	October 26 to December 7, 2021	Fall 2021
4	Well-being and Family Relationships	January 28 to March 13, 2022	Winter 2022
5	Well-being, Shared Values and Trust	April 22 to June 5, 2022	Spring 2022
6	Well-being and Caregiving	July 15 to August 28, 2022	Summer 2022
7	Quality of Life and Cost of Living	October 21 to December 4, 2022	Fall 2022
8	Survey wave cancelled	Not applicable	Not applicable
9	Quality of Life and Energy Use	April 21 to June 4, 2023	Spring 2023
10	Quality of Life, Virtual Health Care and Trust	July 14 to August 27, 2023	Summer 2023
11	Quality of Life, Renter Experiences and Trust	October 20 to December 3, 2023	Fall 2023
12	Quality of Life, Health and Compassionate Communities	January 26 to March 10, 2024	Winter 2024
13	Quality of Life, Health and Impacts of Rising Prices	April 19 to June 2, 2024	Spring 2024
14	Quality of Life, Health, and Housing Costs	August 2 to September 15, 2024	Summer 2024
15	Quality of Life, Housing and Trust	October 18 to December 2, 2024	Fall 2024
16	Quality of Life and Energy Consumption Behaviours	February 14 to April 6, 2025	Winter 2025
17	Quality of Life, Climate Change and Trust	April 25 to June 16, 2025	Spring 2025

Note: The survey wave that would have been collected in winter 2023 (Wave 8) was cancelled.
Source: Statistics Canada, Canadian Social Survey, summer 2021 to spring 2025.

The CSS is a voluntary, cross-sectional, quarterly survey that collects information on well-being, health, confidence in institutions and other social issues. The target population for the CSS includes all non-institutionalized people aged 15 or older, living off-reserve, within the 10 provinces of Canada. The response rate for each cycle varied between 37.0% and 53.0%, with a stratified sample of approximately 20,000 dwellings selected probabilistically.

Means and confidence limits in the time series were calculated using survey and bootstrap weights, to better reflect the underlying population of Canada. A logistic regression model was used to model the association between financial difficulty and sociodemographic characteristics. A linear correlation was applied to the time series to determine an estimate of annual change. Other well-being indicators from the CSS (e.g., "loneliness" and "having someone to count on") were also analyzed but showed very little change over the study period.

Definitions

Canadians: All people living in Canada, regardless of citizenship status.

People with a disability, difficulty or long-term condition: Respondents who self-identified as a person with a disability.

Respondents were considered to be experiencing financial difficulty if they reported that it was "difficult" or "very difficult" for their household to meet its financial needs in terms of transportation, housing, food, clothing and other necessary expenses in the past 12 months.

High levels of life satisfaction: A score of 8, 9 or 10 on a scale of 0 to 10, where 0 means "very dissatisfied" and 10 means "very satisfied" when asked, "How do you feel about your life as a whole right now?"

Individuals are considered hopeful about the future if they respond "always" or "often" to the following question: "Thinking about your life in general, how often would you say you have a hopeful view of the future?"

Limitations

Because some content of the CSS differs in every wave, survey framing effects can influence the distribution of responses in different waves. Survey framing refers to how respondents' line of thought may be influenced by the overall theme of the survey or the preceding sequence of survey questions. To mitigate this as much as possible, questions on life satisfaction and future outlook were asked at the beginning of the survey, just after the questions on demographic characteristics.

Notes

1. Statistics Canada, 2025a.
2. Pinault, 2024.
3. Foran, 2024.
4. Gellatly et al., 2024
5. Statistics Canada, 2025b.
6. Statistics Canada, 2025c; Foran, 2024.
7. To examine the characteristics associated with experiencing financial difficulty, all waves of the CSS were pooled. A logistic regression model was used to examine the relationship between experiencing financial difficulty and personal sociodemographic and geographic characteristics.
8. Gauthier and McCormack, 2024; Statistics Canada, 2023a.
9. Statistics Canada, 2023b.
10. Life satisfaction was high if respondents answered with a score of 8, 9 or 10 to the question: "Using a scale of 0 to 10, where 0 means 'Very dissatisfied' and 10 means 'Very satisfied,' how do you feel about your life as a whole right now?" Percentage point changes per year were calculated using the slope of the line of best fit for all survey waves available.
11. Sanmartin et al., 2021.
12. Foran, 2024.
13. Foran, 2024.
14. Statistics Canada, 2024.
15. Helliwell et al., 2024.

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