

**FOR IMMEDIATE RELEASE**  
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**ATTENTION: News, Business, Personal Finance**

**FINANCIAL STRESS IN THE WORKPLACE COSTS CANADIAN ECONOMY \$16 BILLION ANNUALLY**  
*Canadian Payroll Association's Annual Survey Results*

**TORONTO (September 4, 2019)** – As Canadians head back to work after their summer holidays, financial stress is preventing employees, employers and the economy from reaching their full potential.

According to the Canadian Payroll Association's 2019 National Payroll Week Survey of Employed Canadians, 43 per cent of workers are so financially stressed that their performance at work is actually suffering. The Association calculates that financial stress deducts nearly \$16 billion a year in lost productivity from the Canadian economy — and that's a very conservative estimate. The costs of increased absenteeism, which one out of 10 admit to, turnover, and benefit claims, as well as decreased job satisfaction and morale also need to be taken into account.

“The costs of financial stress on people, their families, businesses and the economy are staggering,” explains Peter Tzanetakis, President of the Canadian Payroll Association. “Much like mental health, for Canadian businesses struggling to identify strategic advantages in a very competitive business environment, actively addressing the financial wellness of employees could provide a competitive edge and deliver bottom-line results.”

According to the Association's eleventh annual survey, almost a quarter of working Canadians say they spend just under 40 minutes each day distracted by personal financial matters at work. That equates to an 8.1 per cent loss in productivity based on an eight-hour workday. Earlier research commissioned this year by the Canadian Payroll Association, found that financial stress is the biggest source of stress for Canadians from coast-to-coast.<sup>1</sup>

**FINANCIAL STRESS HITS CLOSE TO HOME**

Home may be where the heart is, but for many Canadians, it's also where financial stress begins.

Of the more than 4,000 respondents to the survey, the most significant concerns centered on rising costs of living — including housing costs and looming increases in interest and mortgage rates — with 40 per cent reporting they feel “overwhelmed” by the amount they owe.

Although one might expect that, feeling pressure to manage and pay down household debt would make us more cautious about spending more than we earn, the opposite is true. One out of three admits that their debt has increased since 2018, and that they are still spending more than their net pay.

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Even more telling is the fact that, of the nearly one in three who admit to having credit card debt, many (38%) say it will take them more than a year to pay off. And an astounding five per cent confess it will take a decade or more to tackle their credit cards.

As a rule of thumb, financial advisors generally recommend a savings rate of at least 10 per cent of net income, yet the survey shows that two-thirds of employees fail to reach that goal. And more than four in 10 employees (43 per cent) are living paycheque to paycheque. That leaves little room for savings.

### **PAYROLL HAS THE POWER**

“Payroll has the power, knowledge and expertise to make a big difference when it comes to helping Canadians save and businesses to thrive,” explains Wendy Doane, Chair of the Canadian Payroll Association. “If employers want to minimize the impact of financial stress, they can start by empowering payroll staff to implement and champion a *pay yourself first* program.”

A *Pay Yourself First Program* is easy to set up and allows for individual employees to work with payroll to arrange for even a small portion of their paycheque to be automatically deposited into a separate savings account. This encourages better money management, a higher rate of savings, and the steady accumulation of retirement funds.

“When it comes to financial wellness, working Canadians also need to be more proactive. Enrolling in a pay yourself first program is just one way,” adds Doane. “Less than half of those we surveyed say they frequently make a budget and 30 per cent admit they only keep a budget *in their head*. That’s not good enough. When you make a budget, you’re less likely to spend more than you earn and, as a consequence, feel the specter of mounting debt.” Employees are clamoring for advice on improving their financial wellbeing as nearly 4 out of 5 (78%) indicated they would be interested in financial education offered at the workplace with saving for the future and better budgeting being the two most popular topics.

Based on the survey, more than one-third of employees are now participating in “Pay Yourself First” programs, but only 55 per cent of employers offer such a program.

### **ABOUT THE CANADIAN PAYROLL ASSOCIATION**

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$970 billion in wages and taxable benefits, and \$324 billion in statutory remittances, while complying with more than 200 federal and provincial regulatory requirements. As the authoritative source of Canadian payroll compliance knowledge, the Association promotes payroll compliance through advocacy and education. For more information on the Association visit [payroll.ca](http://payroll.ca).

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For further information about the survey, go to [payroll.ca/npw](http://payroll.ca/npw). Canadian Payroll Association spokespersons are available across Canada for interviews.

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### *About the 2019 Canadian Payroll Association National Payroll Week Survey*

*A total of 4,285 employees from across Canada, and from a wide range of industry sectors, responded to an online research survey between April 24th, 2019 and June 18th, 2019, using a convenience sampling methodology. The survey was developed by the Canadian Payroll Association and conducted by Framework Partners. The survey is consistent with a margin of error of plus or minus 1.3% 19 times out of 20, but as a non-probabilistic methodology was used, a definitive margin of error cannot be expressed.*

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*Life Stresses Research: Angus Reid Forum, Omnibus Panel of 1010 Canadians, February 2019*