



Holiday Spending in Canada

2019 REPORT

INTRODUCTION

In 2018, our report on [Millennial Holiday Spending in Canada](#) found that for many Canadians, the holiday season is a time of joy, love and... financial anxiety. Last year, one in six respondents indicated they would rather skip the holidays, while nearly one third reported negative feelings about holiday spending.

This year, we continued our research to learn more about the relationship between Canadians' holiday spending, financial habits, and financial goals.

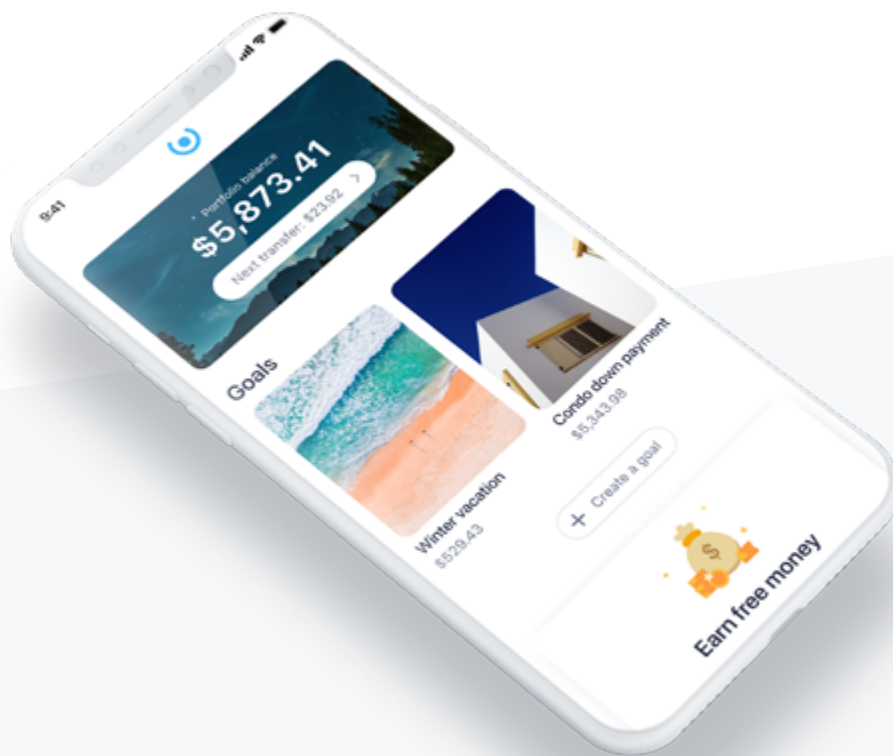
SUMMARY

- The majority of Canadians surveyed (60%) **don't think that the money they spend on the holidays is worth it.**
- If the holidays were cancelled, most Canadians **would rather use the money to save and invest towards their goals** (29%) or **pay off debt** (25%).
- Most Canadians (57%) **will not take steps to actively save money** over the holidays.
- Mylo users seem to **rely less on credit cards and incurring debt during the holidays**, possibly because they've been able to prepare for holiday spending by saving throughout the year with Mylo.

METHODOLOGY

We surveyed 3,036 Canadians (ages 18-44 years old) across Canada using Google Surveys from November 12 to November 19, 2019. The sample of respondents was representative of the demographic distribution of the Canadian population on the internet.

We also analyzed anonymized financial data from a sample of over 50,000 Mylo users to identify trends in their financial behaviour during the holiday season. Users aged 18 to 44 represent 92% of Mylo's total user base, and have a geographic distribution that reflects that of the Canadian population for the same age group.



RESULTS

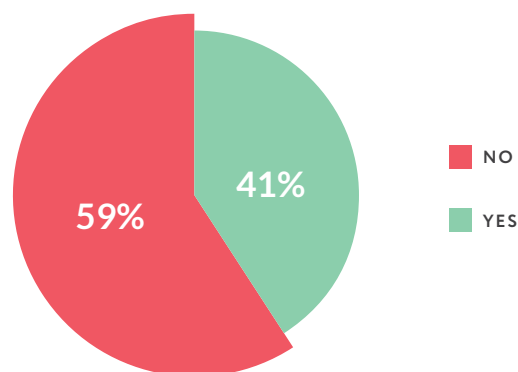
FINDING #1

Canadians don't believe their holiday spending is worth it.

According to [research by PwC](#), the average Canadian will spend around \$1,500 on the holidays this year. 60% of Canadians we surveyed overwhelmingly indicated that this amount is simply “not worth it”.

Given that this number represents almost 50% of the average monthly net income in Canada (\$3,155*), it's understandable that Canadians believe there are probably better ways to spend that money.

THE AVERAGE CANADIAN SAID THEY WOULD SPEND OVER \$1,500 ON THE HOLIDAYS THIS YEAR. IS IT WORTH IT?



*Calculated using [Statistics Canada Income of Individuals](#) and [EY Average Tax Rate](#) of all Canadian provinces.

RESULTS

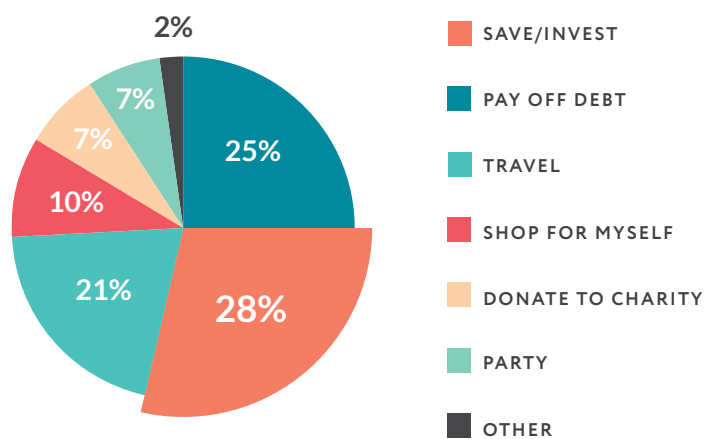
FINDING #2

All Canadians want for Christmas is more money saved and less debt.

It appears that debt and savings are top of mind for most Canadians. Nearly one third of respondents indicated that they would save and invest the money if the holidays were cancelled. One in four would use the money to pay off debt.

This is reflective of a growing problem in Canada—debt levels are rising while saving rates decline. On average, Canadian households had an average net savings of just \$852, while the national average for non-mortgage debt reached \$30,208 earlier this year.

IF THE HOLIDAYS WERE CANCELLED THIS YEAR, WHAT WOULD YOU RATHER DO WITH THE MONEY?



RESULTS

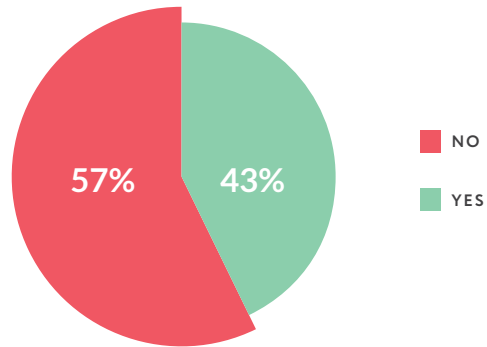
FINDING #3

Most Canadians aren't doing anything to save money over the holidays.

Despite a self-declared desire to save and pay off debt, nearly 60% of respondents indicated that they would not be actively doing anything to save money over the holiday season this year.

Of the 40% who will be actively trying to reduce their spending, most are focusing on cutting back on the amount spent on gifts. Trying to save money by capitalizing on holidays sales was a close second at 36%.

ARE YOU ACTIVELY DOING ANYTHING TO SAVE MONEY OVER THE HOLIDAYS THIS YEAR?



HOW ARE YOU PLANNING TO SAVE MONEY OVER THE HOLIDAYS?



RESULTS

FINDING #4

Automated savings may be helping Mylo users to be less reliant on credit cards and increasing debt during the holidays.

There's no denying the existence of the "[holiday debt hangover](#)" phenomenon. [A 2018 Ratehub.ca survey](#) found that almost one third of Canadians are afraid to look at their credit card bill come January.

However, Mylo users seemingly rely less on credit cards and incurring debt during the holidays. In fact, their credit card balances seem to decrease during holiday months, as does the ratio of credit card transactions as a function of their total card transactions.

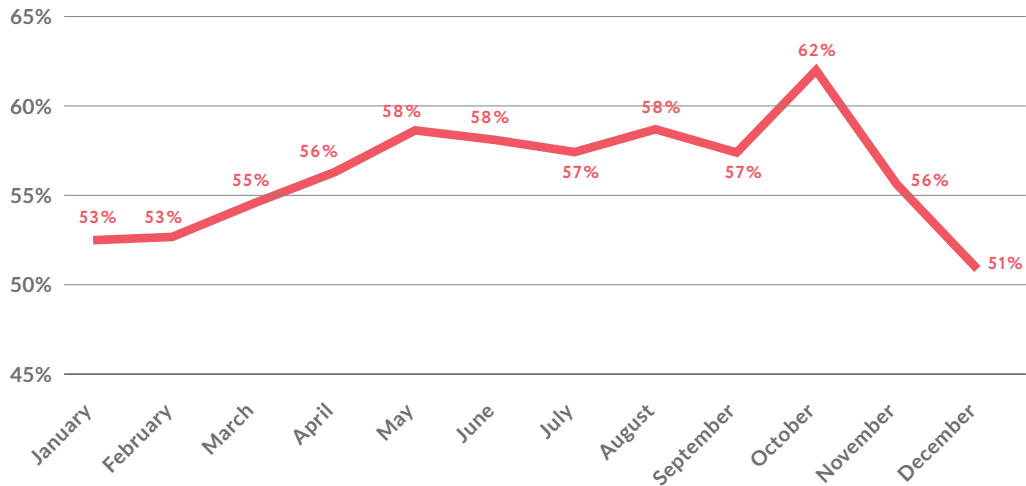
AVERAGE MONTHLY CREDIT CARD BALANCE OF MYLO USERS



FINDING #4 (CONT.)

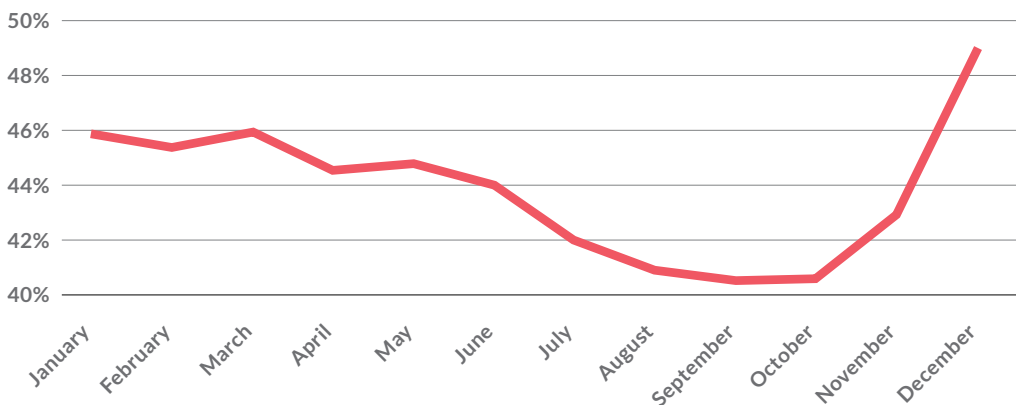
AUTOMATED SAVINGS MAY BE HELPING MYLO USERS TO BE LESS RELIANT ON CREDIT CARDS AND INCREASING DEBT DURING THE HOLIDAYS.

TRANSACTION TYPES BY MYLO USERS (AS A % OF TOTAL TRANSACTIONS)



At the same time, we see that Mylo users may be benefitting from the savings they've accumulated throughout the year, as we see an increase in the relative average withdrawal amount per Mylo user during the holiday months. This may explain why their credit card balances and usage decline, and suggests that **by saving automatically throughout the year, Mylo users may be more prepared for the expenses of the holiday season.**

AVERAGE MONTHLY WITHDRAWAL AMOUNT BY MYLO USERS (AS A % OF AVAILABLE BALANCE)



The average Mylo user can easily save and invest over \$1,000 a year, and Mylo's multiple goal feature empowers users to simultaneously save towards smaller, short-term goals, like holiday spending and larger, long-term goals, like buying a house.

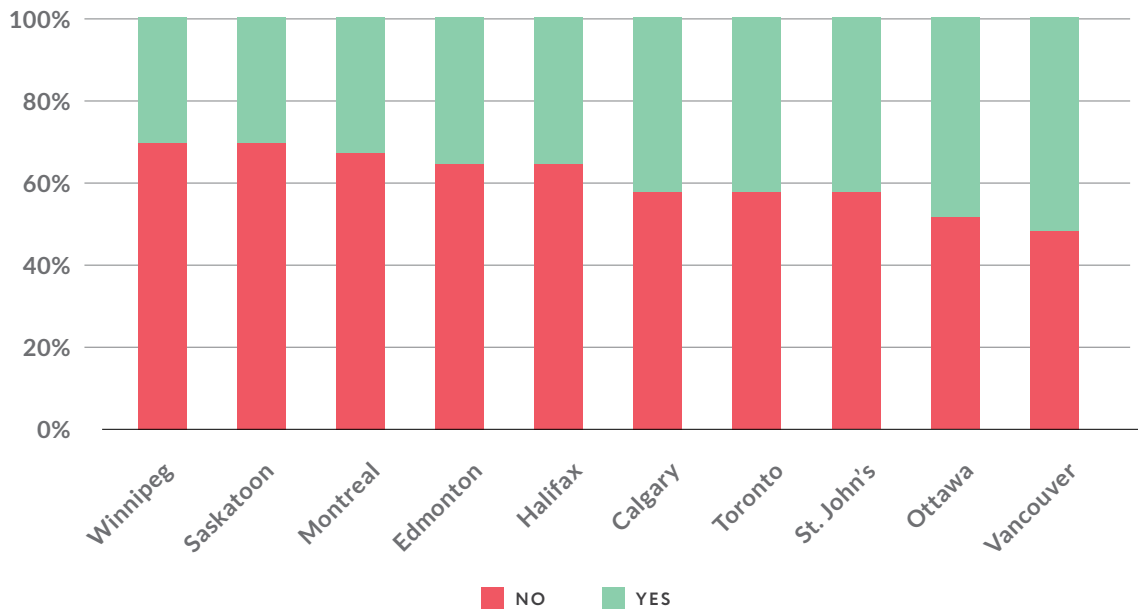
APPENDIX

SURVEY RESULTS FOR CANADA'S TOP CITIES

BAH HUMBUG

Respondents from Winnipeg (68%), Saskatoon (68%) and Montreal (67%) top the list when it comes to saying that the money that will be spent on the holidays isn't worth it.

IS THE MONEY YOU SPEND ON THE HOLIDAYS WORTH IT?



DECK THE HALLS

Inversely, residents from Vancouver and Ottawa were most likely to respond positively about their holiday spending, at 50% and 48% respectively.

FRUGALLY FESTIVE

Montrealers were most likely to refrain from holiday spending, with 1 in 4 saying they are not planning to spend anything this holiday season.

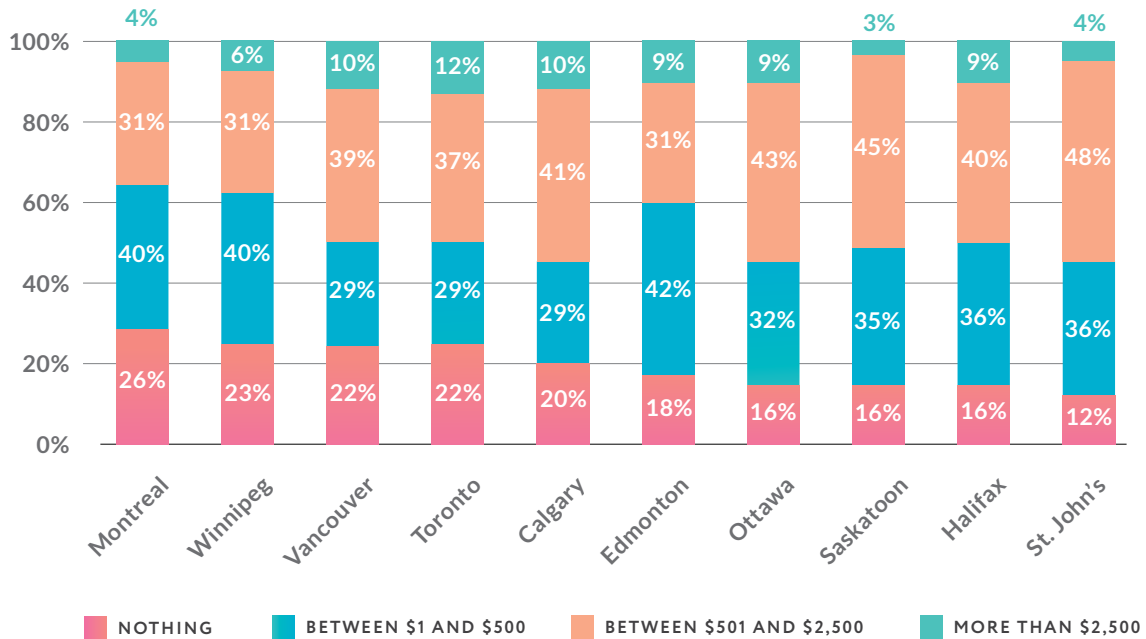
BIG SPENDERS

Torontonians topped the list of respondents who indicated they would spend over \$2,500 on the holidays, with 12% of residents from Canada's largest city checking this box, followed by Vancouver and Calgary residents at 10% each. Compared to the other cities, Torontonians were also most likely to answer that they would use holiday money to shop for themselves, at 12%.

APPENDIX (CONT.)

SURVEY RESULTS FOR CANADA'S TOP CITIES

WHAT ARE YOU PLANNING TO SPEND ON THE HOLIDAYS THIS YEAR?



PRIORITIZING DEBT

Respondents from Edmonton and Calgary were most likely to answer that they would use holiday money to pay down debt if the holidays were cancelled, at 34% and 31% respectively. This is perhaps unsurprising given the financial struggles affecting Canadians in the Oil Patch of late.

CAPITAL PLANS

Ottawa lead “savers & investors” at 36%. They were also most likely to answer that they’d donate their holiday to charity (9%).

PARTY TOWN

Representatives from university-dense Halifax topped the list of cities that replied that they’d use holiday money to “Party!”. This answer is perhaps in line with the fact that 3 out of 4 Haligonians surveyed are not actively taking steps to save money on holiday spending.

BON VOYAGE

Saskatoon residents were most likely to spend the money on travel (37%). Winnipeg was second on the list at 27%.

Skipping the holidays?

Mylo's financial experts agree with the survey findings—the average amount that Canadians spend over the holidays could go a long way towards helping them achieve their financial goals.

We're not suggesting you skip the holidays, but if you ever happen to have an extra \$1,500, here are some of the smartest thing you can do with the extra cash.

1. PAY OFF HIGH INTEREST DEBT

The average Canadian has over \$4,000 in credit card debt alone. Many get by paying the minimum monthly payments, but since the average credit card interest rate hovers at 19%, it's always better to pay sooner than later to avoid the high interest rates accumulating.

2. INVEST THE MONEY IN A TFSA OR RRSP, DEPENDING ON YOUR FINANCIAL GOALS

Our recent analysis found that a Canadian who invests consistently from the ages of 25 to 65 could end up with nearly 50% more money by investing within a TFSA than with a non-registered account. Unfortunately, only 40% of Canadian millennials currently have a TFSA.

Of course, an RRSP might be the account that's right for you, especially if you've reached your TFSA contribution limit, or are saving up for your first home or for retirement.

This chatbot can help you figure out the best account for you, but regardless of which one you choose, investing into a TFSA or RRSP means you'll benefit from the forces of time and compound interest, plus valuable tax benefits

TIPS AND TRICKS

3. PUT IT TOWARDS YOUR EMERGENCY FUND

Emergencies are the last thing anyone wants to think about, especially around the holidays, which is probably why only 26% of Canadians have an emergency fund in place. But the truth is you never know what the future holds, and it's important that you're able to tackle tough situations without going (further) into debt.

Our experts recommend building up an emergency fund that holds 3 to 6 months' worth of living expenses, ideally in a TFSA so you can easily access your money when you need it.

4. INVEST IN YOURSELF

No holiday season would be complete without some New Year's resolutions, so putting the money towards non-financial goals that could improve your earning potential is another great use of the money. Keep an eye out for those New Year's discounts on online courses!

Still want to celebrate?

Despite these other ways to spend the money, you won't find any Grinches or Scrooges at Mylo. The reality is that the holidays are a wonderful time of year filled with family, friends and fun, and that can be hard to put a price on.

If, like us, you're still up for celebrating, here are our tips to ensure a happy and financially stress-free holiday season.

1. CUT BACK ON GIFT SPENDING

For most Canadians, gifts are usually the biggest holiday expense and a good place to start if you're trying to reduce your expenses. Luckily, there are lots of ways to do this and still stay in the holiday spirit!

CONSIDER:

- **Making homemade gifts:** With a small budget, a little effort and imagination, and access to YouTube, you can create personal gifts that your friends and family will love.
- **Using repurposed gift wrap:** Old newspapers, magazines, flyers and brown paper bags are totally underrated wrapping options that are both environmentally friendly and cheap (or even free).
- **Organizing a Secret Santa or White Elephant gift exchange (with a dollar limit for gifts):** Not only can this be a lot of fun and ensures everyone gets a gift, it's also great for people on a budget.

To read more about these tips, see our article on holiday giving [here](#).

TIPS AND TRICKS

2. CREATE A BUDGET (AND STICK TO IT)

Make sure you consider all the expenses that come with the holidays. In addition to gifts, you'll also likely spend money on travel, new outfits, food, alcohol and entertainment, and of course, holiday sales.

Figure out what you can afford first and then stick to the plan. Need a hand calculating your budget? [Try this helpful calculator.](#)

3. AUTOMATE YOUR SAVINGS AND SAVE CONSISTENTLY THROUGHOUT THE YEAR

As the data suggests, automating your savings means you could enjoy the holidays AND reach your financial goals. At Mylo, we automatically round up your purchases and invest the spare change. That's spare change that could go directly to helping with next year's holiday season. You can also set up a recurring weekly deposit to set aside even money every week without having to stress.

To learn more about Mylo, and begin saving and investing, click [here](#).

ABOUT MYLO

Mylo is the investing app that helps Canadians achieve their financial goals by rounding up their purchases and investing the spare change. Spend \$3.25 on a coffee and Mylo rounds that up to \$4.00 and invests the \$0.75 in a fully-managed diversified investment portfolio. Mylo makes investing easy, affordable and accessible for all Canadians, regardless of how much money they have or how much they know about investing.

