



2008 Canada Women & Finances Survey
Canadian Women Reveal Concerns and Reactions to Today's Economic Climate

State Farm® conducted the 2008 Canada women & finances survey to understand how Canadian women are responding to today's tough economy and what they know about planning for their family's financial futures. The survey indicates that despite the current economic climate, many women aren't taking real action and responsibility for their finances. Findings reveal that while more than half (51%) of Canadian women feel anxious about their retirement and financial futures due to the recent economic decline, only 19 percent have made major changes to their financial plans. State Farm is using the survey data to generate awareness of the need for financial planning and educate people on the importance of consulting an expert for advice. For more details, visit www.statefarm.ca®.

1. The percentage of Canadian women that agree/disagree that the current state of the economy has made them more concerned about their retirements:

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 16% |
| 2 | 13% |
| 3 | 18% |
| 4 | 13% |
| 5 – Strongly agree | 38% |

2. Estimated average monthly expenses for Canadian women, including rent, mortgage payments, bills and food:

| Average = \$2,209 | |
|--------------------|-------|
| Response | Total |
| \$2,000 or less | 54% |
| \$2,001-\$3,000 | 22% |
| \$3,001 or more | 14% |
| Don't know/refused | 9% |

3. Number of months women in Canada think their savings would last if they had to live on their savings with their current expenses:

| Average = 11 Months | |
|---------------------|-----|
| Response | % |
| 0 | 19% |
| 1 | 13% |
| 2-6 | 33% |
| 7-12 | 11% |
| More than a year | 12% |
| Don't know/refused | 12% |

Additional insight:

- **In Case Of Emergency.** Thirty-two percent say if they had to fall back on their savings, they only have enough money to cover one month or less of expenses.

4. The number of months since Canadian women rethought their financial strategies, including looking into different ways to invest or reevaluating how much they currently have saved for retirement:

| Average = 7 Months | |
|--------------------|-------|
| Response | Total |
| 0 | 7% |
| 1 | 24% |
| 2-6 | 40% |
| 7-12 | 14% |
| More than a year | 9% |
| Don't know/refused | 6% |

5. The last time Canadian women rethought their financial strategies, they did the following:

| Response | Total |
|---|-------|
| Made some small changes to personal financial strategies, such as moving money from checking to savings | 38% |
| Did some research, but ultimately didn't make any changes | 31% |
| Made some big changes to personal financial strategies, such as opening up a mutual fund | 19% |
| Don't know/refused | 12% |

Additional insight:

- **Up At Night.** While more than half (51%) of Canadian women feel anxious about their retirement and financial futures due to the recent economic decline, only 19 percent have made major changes to their financial plans.

6. How often women in Canada seek advice from others on financial or insurance-related matters:

| Response | Total |
|------------|-------|
| Always | 6% |
| Frequently | 22% |
| Sometimes | 40% |
| Rarely | 21% |
| Never | 10% |

7. Canadian women turn to the following people for advice or knowledge on financial or insurance-related matters:

| Response | Total |
|---|-------|
| Financial planner | 30% |
| Parent | 18% |
| Friend(s) | 15% |
| Spouse/significant other | 12% |
| Insurance agent/broker | 7% |
| Accountant | 5% |
| Other | 13% |
| No one. I don't seek out advice or knowledge on financial or insurance-related matters. | 4% |

Additional insight:

- **Questionable Sources.** When women look for financial guidance, they don't always seek out expert advice. Almost one in every two women (45%) turns to her spouse (24%),

parents (16%) or friends (13%) for financial advice, while fewer are likely to turn to the experts, including insurance agents (7%) or accountants (5%).

- **Daunting Conversations.** But then again, many women don't jump at the chance to talk about money. More than two in five (42%) find going to the dentist less excruciating than talking to their spouses about their daily finances.

Financial IQ Index

The Financial IQ Index is based on 10 attitudinal statements (below) that measure respondents' perceptions regarding their financial situations and confidence. Responses to these statements were used to form an additive index, with those feeling most confident getting the highest score and those feeling least confident getting the lowest score. On a 10-point scale, respondents fell into three distinct groups:

- *Short-Sighted Spenders (financial IQ score of 0-4; Canada average score – 3.1):* 38 percent of women feel lost when it comes to finances and aren't sure how to get themselves on track
- *Mediocre Money Managers (financial IQ score of 5-6; Canada average score – 5.5):* 31 percent of women are unsure of their financial planning abilities and are uncertain about their future security
- *Set-For-Life Savers (financial IQ score of 7-10; Canada average score – 7.8):* 32 percent of women say they are well-informed and confident about their finances, and feel adequately prepared for any economic challenge they may face down the road

Questions that determined the financial IQ:

1. I understand as much as I should about finances, including investments, retirement planning, and life insurance.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 14% |
| 2 | 17% |
| 3 | 28% |
| 4 | 20% |
| 5 – Strongly agree | 20% |

2. I often feel lost and uninformed when it comes to financial matters.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 31% |
| 2 | 21% |
| 3 | 27% |
| 4 | 10% |
| 5 – Strongly agree | 11% |

3. Someone other than me takes care of financial matters in my household.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 55% |
| 2 | 4% |
| 3 | 12% |
| 4 | 9% |
| 5 – Strongly agree | 19% |

4. It's important for me to feel that I'm adequately prepared for my future.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 3% |
| 2 | 4% |
| 3 | 13% |
| 4 | 19% |
| 5 – Strongly agree | 60% |

5. I worry that I'm not doing enough to secure my financial future.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 22% |
| 2 | 17% |
| 3 | 23% |
| 4 | 16% |
| 5 – Strongly agree | 22% |

6. I am comfortable making financial decisions completely on my own.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 8% |
| 2 | 9% |
| 3 | 17% |
| 4 | 23% |
| 5 – Strongly agree | 42% |

7. I'm always thinking about my financial future.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 12% |
| 2 | 14% |
| 3 | 24% |
| 4 | 17% |
| 5 – Strongly agree | 33% |

8. I feel well-informed about financial matters such as investments, retirement planning, and life insurance.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 11% |
| 2 | 17% |
| 3 | 27% |
| 4 | 21% |
| 5 – Strongly agree | 23% |

9. I feel that my finances are adequately organized.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 9% |
| 2 | 11% |
| 3 | 25% |

| | |
|--------------------|-----|
| 4 | 25% |
| 5 – Strongly Agree | 30% |

10. The current state of the economy has made me more concerned about my retirement.

| Response | Total |
|-----------------------|-------|
| 1 – Strongly disagree | 16% |
| 2 | 13% |
| 3 | 18% |
| 4 | 13% |
| 5 – Strongly agree | 38% |

Methodology

State Farm's survey was conducted by Kelton Research between Nov. 8-21, 2008 using random digit dialing of listed and unlisted numbers. Quotas were set to ensure reliable and accurate representation of the total female Canadian population ages 25-65. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of percentages expressing results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.8 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.