



A WORLD OF DIFFERENCE:

HOUSEHOLDS, THE PANDEMIC AND MONETARY POLICY



Federal Reserve Bank of San Francisco
Macroeconomics and Monetary Policy Conference
San Francisco, California (via webcast)

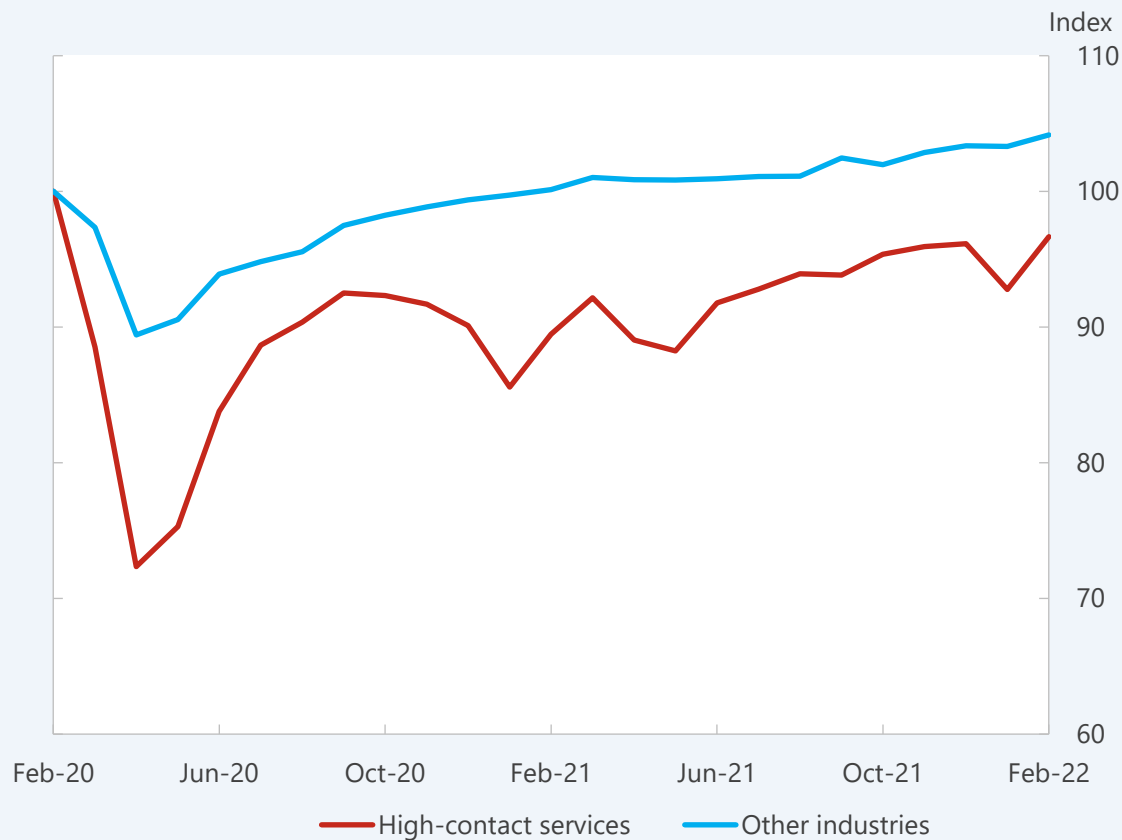
March 25, 2022

Sharon Kozicki

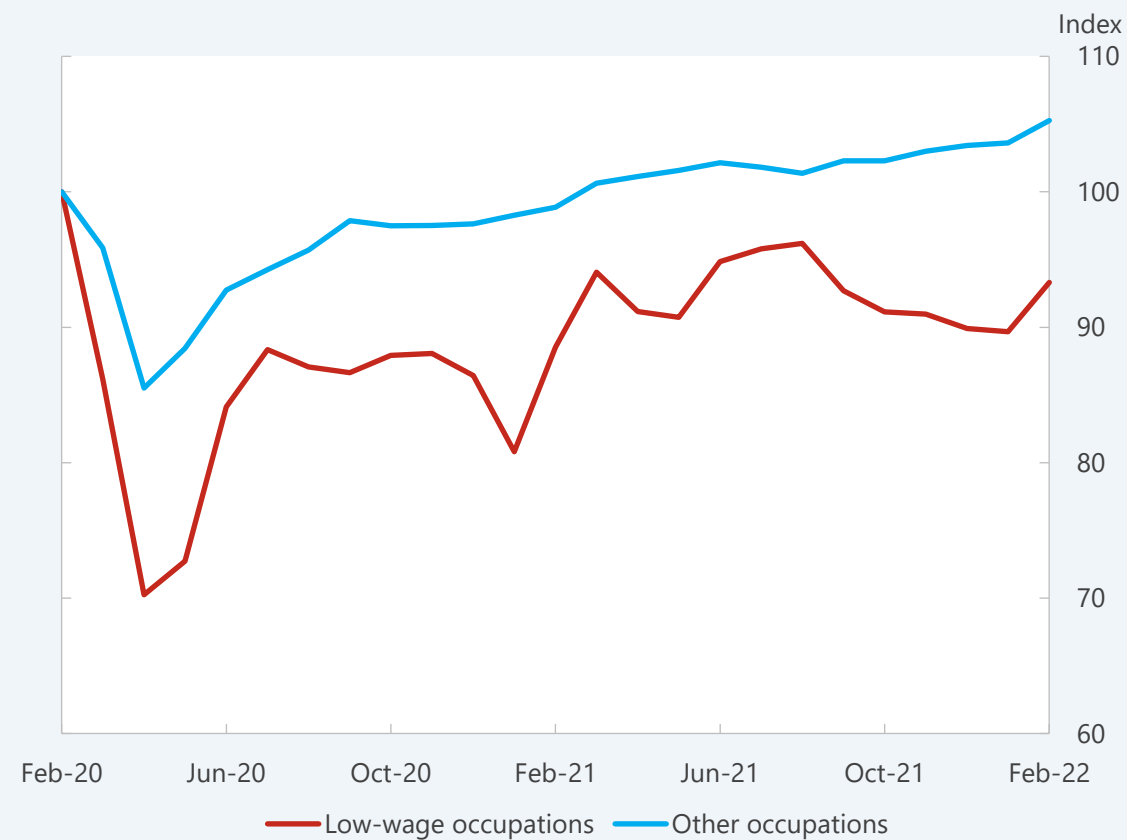
Deputy Governor

The pandemic had a greater impact on employment in high-contact services and low-wage occupations

a. Number of employees in high-contact services and other industries, index: February 2020 = 100, seasonally adjusted



b. Number of employees by occupation and median wage, index: February 2020 = 100, seasonally adjusted



Note: Low-wage occupations (2-digit NOCS) are those whose median wages in 2019 were less than \$16.03 per hour (two-thirds of the 2019 annual median wage of \$24.04 per hour).

Sources: Statistics Canada and Bank of Canada calculations

Last observation: February 2022

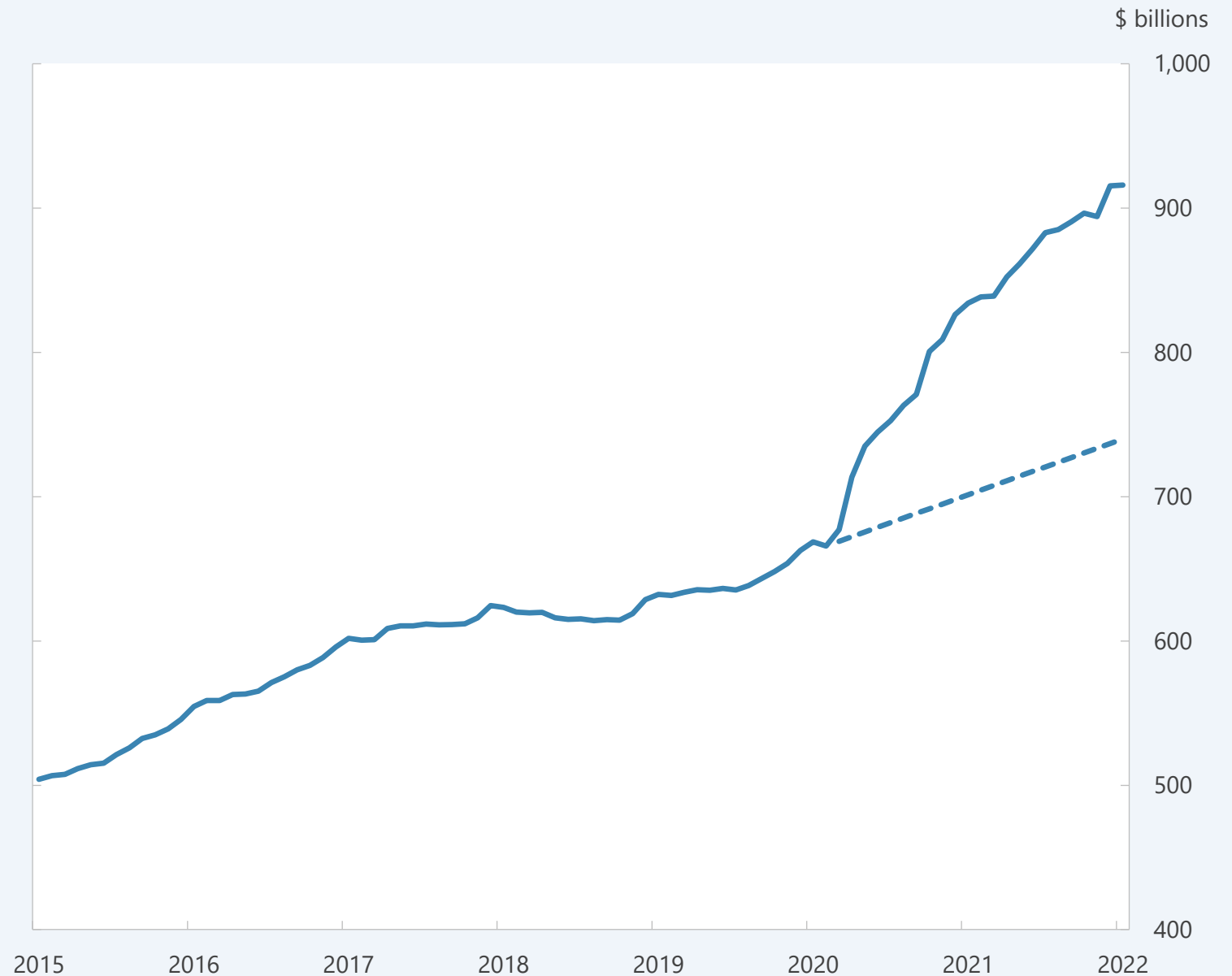
A significant amount of savings are still in personal bank accounts

Deposits in chequing and savings accounts, monthly data

Note: This chart illustrates the increase in personal deposit holdings at Canadian banks relative to a pre-pandemic trend, which is calculated using the average year-over-year growth in deposits from 2015 to 2019.

Source: Bank of Canada calculations

Last observation: January 2022



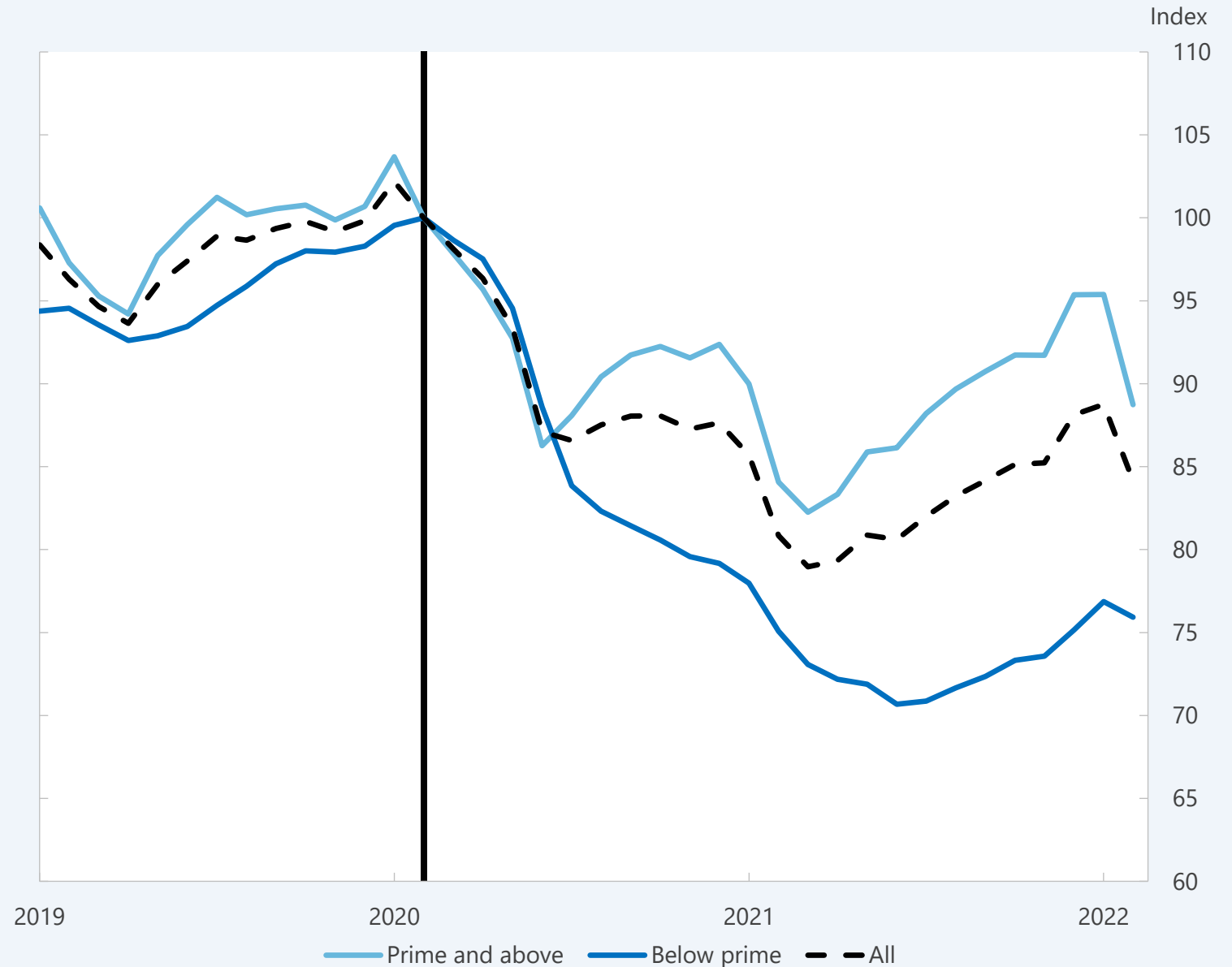
Credit card balances have declined, especially for consumers with low credit scores

Credit card balances,
index: February 2020 = 100

Note: "Prime and above" consumers have credit scores greater than or equal to 700. "Below prime" consumers have credit scores below 700. To protect the privacy of Canadians, TransUnion did not provide any personal information to the Bank. The TransUnion dataset was anonymized, meaning it does not include information that identifies individuals, such as names, social insurance numbers or addresses.

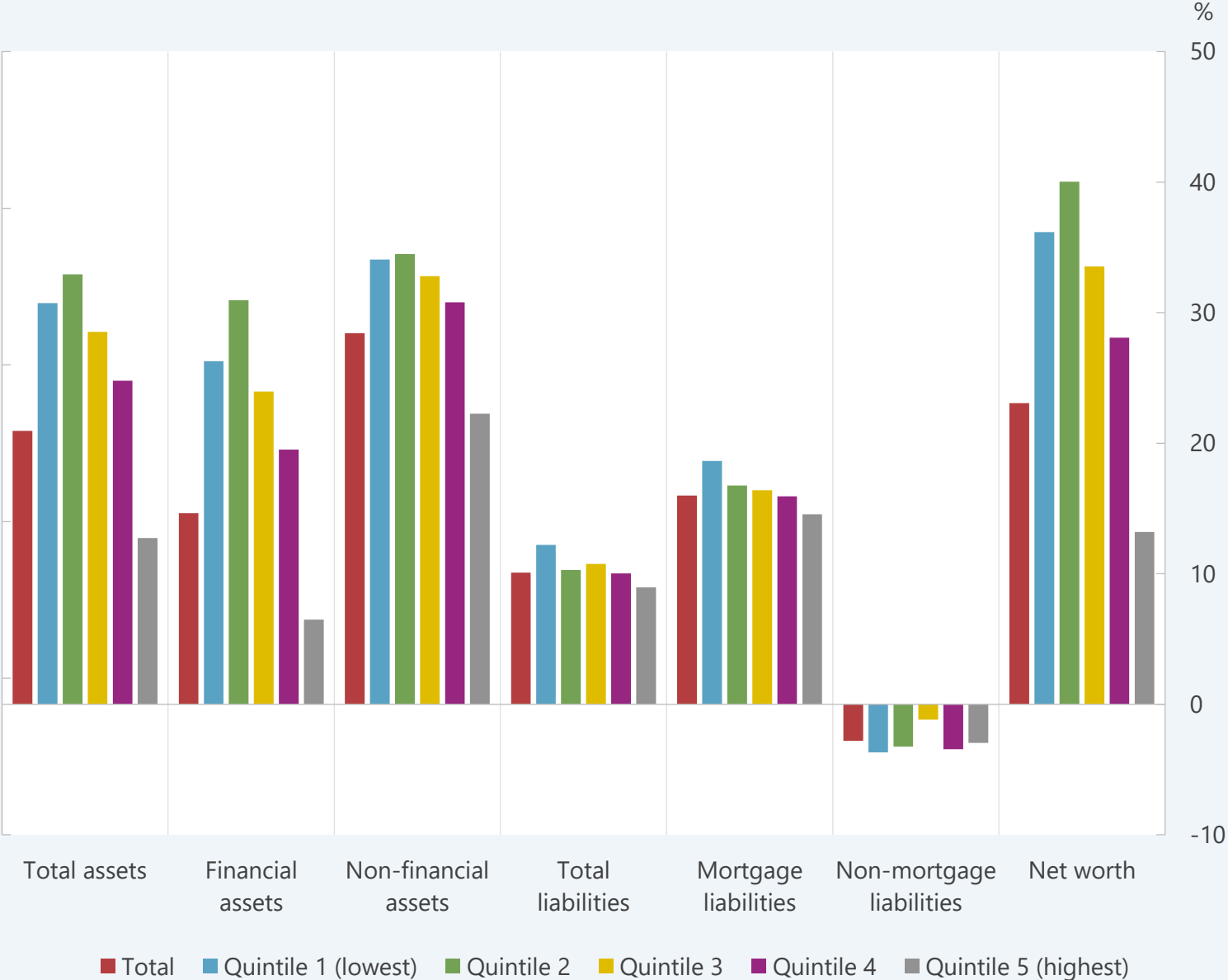
Sources: TransUnion and Bank of Canada calculations

Last observation: January 2022



Household balance sheets have improved across income quintiles

Percentage change from 2019Q4 to 2021Q3



Sources: Statistics Canada and Bank of Canada calculations
Last observation: 2021Q3

Credit scores have increased, while fewer consumers are falling behind on debt payments

Note: To protect the privacy of Canadians, TransUnion did not provide any personal information to the Bank. The TransUnion dataset was anonymized, meaning it does not include information that identifies individuals, such as names, social insurance numbers or addresses.

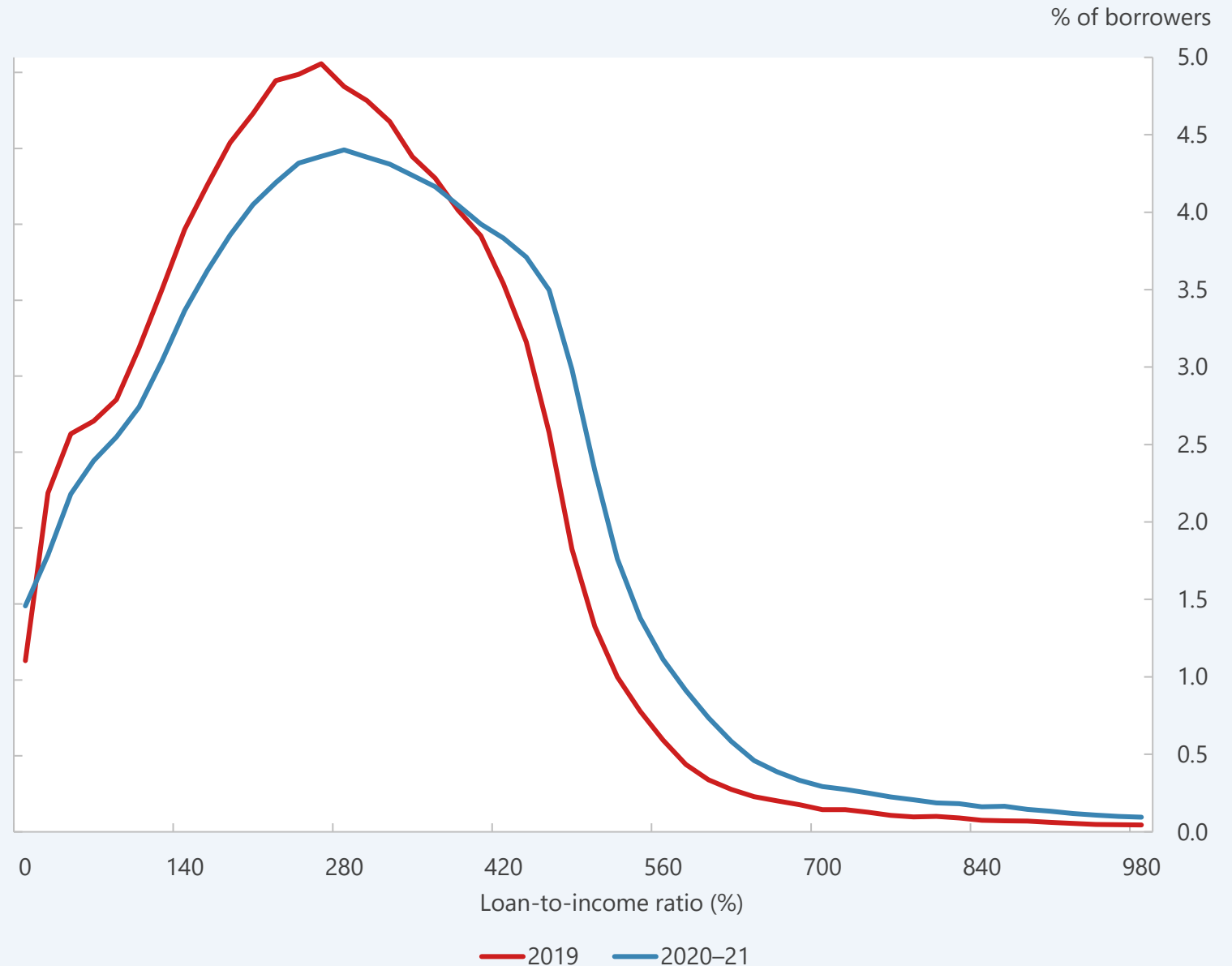
Sources: TransUnion and Bank of Canada calculations

Last observation: January 2022



Loan-to-income ratios for new mortgages have increased

Distribution of loan-to-income ratios for new mortgages



Sources: Department of Finance Canada and regulatory filings of Canadian banks

Last observation: 2021Q4



THANK YOU