NEWS

Debt crisis taking toll on mental health of British Columbians: study

by Jeff Lawrence
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Photo courtesy CBC.

Debt is wreaking havoc on the mental and physical health of British Columbians, with more than three-quarters of residents saying their mental health has suffered due to financial struggles, according to an annual debt study.

The survey, released Monday by Sands & Associates, also found that despite impacts to their health, 40 per cent of respondents admitted to waiting more than two years to seek professional debt help.

The 12th annual B.C. Consumer Debt Study polled more than 2,100 British Columbians who recently filed for formal debt relief in the province.

It revealed that overwhelming credit card balances are the leading source of B.C. residents' financial woes, with more than half (56%) of respondents citing credit card debt as their primary problem, ahead of payday loans (12%) and tax debt (12%).

As far as how much respondents were in debt, 36 per cent said they owed $25,000 to $49,999 excluding vehicle loans or mortgages when they filed a consumer proposal or for bankruptcy.

FROM 2023: **Victoria racking up highest credit card debt per capita in Canada**

"This year's study clearly illustrates that it's time for a conversation about the significant, and severe, mental health impacts of too much debt. Consumers in B.C. are dealing with extremely high daily costs and are feeling squeezed on all sides, often leading to accumulated debt," said Blair Mantin, president of Sands & Associates, in a statement.

The study highlights what Mantin called a concerning trend in those suffering from significant debt waiting to get help.

According to the study, the number of people waiting more than two years to seek help has risen by 51 per cent since 2018, with more than half of respondents citing shame and embarrassment as the top reasons for their hesitation.

While the study suggests some debt issues stemmed from financial mismanagement, most respondents said their troubles were linked to circumstances outside their control such as using credit for essential living costs (24%), health-related issues (11%) and job loss or marital breakdown (7% each).

Respondents also indicated that debt's toll extends beyond mental health, with 48 per cent reporting physical health effects and 32 per cent saying their relationships suffered. Nearly one in seven respondents reported experiencing suicidal ideation as a result of their debt struggles.

Sands & Associates is urging British Columbians impacted by high debt to seek help as soon as they can to alleviate the emotion and financial burden that comes with it.

The full study, which also explores strategies and solutions for overcoming debt, is available **online**.