

Older renters in B.C. hit hard by debt: Study

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Credit card debt was the most common type of debt, followed by payday loans

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Published Jan 20, 2025

Last updated 2 hours ago

3 minute read



Empty wallet broke Photo by ALFSnaiper /Getty Images/iStockphoto

Older British Columbians, especially those who don't own their own homes, are increasingly struggling with debt, according to a new report.

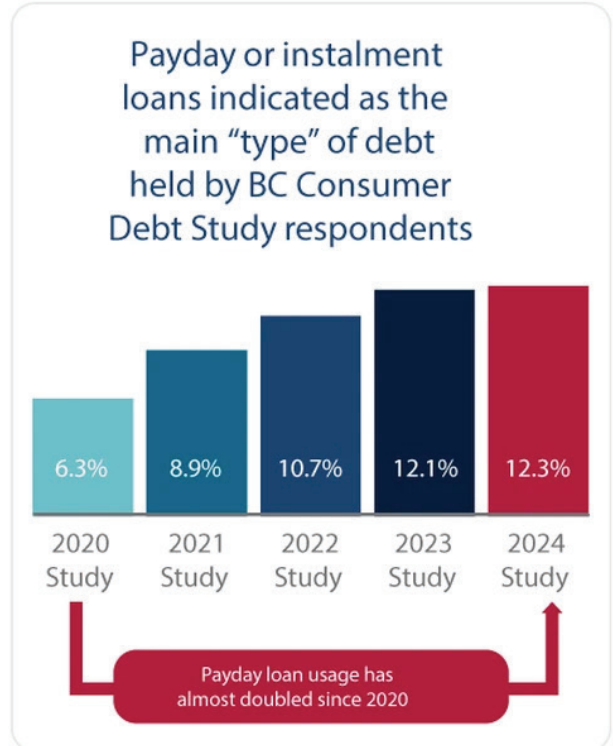
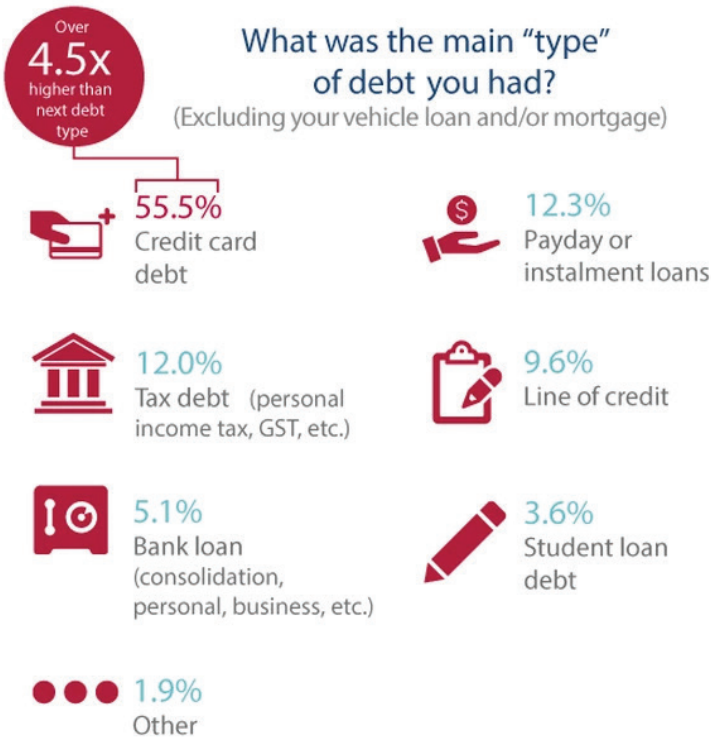
Nearly 44 per cent of respondents to the B.C. Consumer Debt Study were aged 55 or older, up from 26 per cent in 2012. Eight in 10 were renters, with homeowners making up just 7.6 per cent of respondents.

Blair Mantin, president of Sands & Associates, the personal bankruptcy firm that conducted the survey, said the rising cost of living in B.C. is driving the shift.

"It's rare for me to see somebody who's not spending half of their income on rent," Mantin said. "When half your income goes to rent at any age, it's very difficult for you to have a budget that makes a whole lot of sense."

Mantin said he's seeing more situations where there's no "one event" that created a debt problem. "It's just a little bit of an overspending on the budget month after month for necessities."

Nearly 95 per cent of people surveyed said their household was affected by recent inflation, and more than half said they are spending more on shelter and utilities.



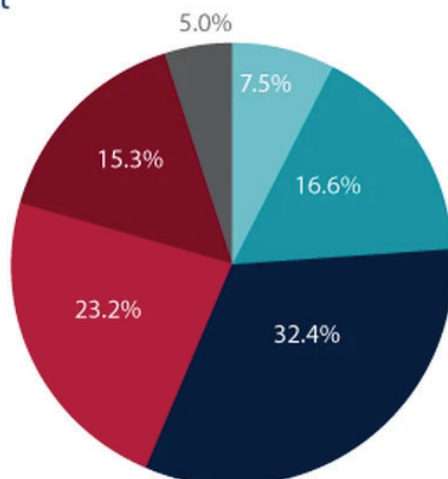
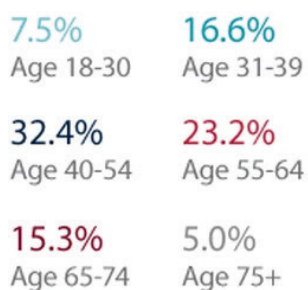
While one-quarter of respondents said their debt problem was caused by financial mismanagement, most of the top reported causes were connected to conditions or events outside of people’s immediate control. That included one-in-four respondents saying they used credit to pay cost-of-living essentials that their income couldn’t cover, and one-in-10 people who said their debt was a result of illness, injury, or health problems.

“People have this perception that people get into debt problems because they mismanaged and made a whole lot of bad decisions. That’s by far the minority,” Martin said.

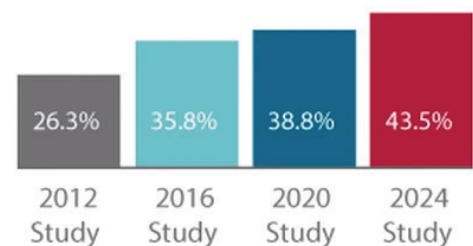
Martin’s firm has conducted the debt survey every year since 2012. It polled more than 2,100 people who recently filed for formal debt relief in B.C., either in the form of personal bankruptcy or a [consumer proposal](#).

Consumer proposals are a legally binding alternative to declaring bankruptcy, and allow people to keep assets like cars or homes while repaying a portion of their debt. Martin said they have become increasingly popular in the past decade, describing them as a “win-win” for debtors and creditors.

Age range when debt relief process started



Proportion of respondents aged 55 and over



Credit cards were the most common sources of debt, with 56 per cent of respondents saying it was what pushed them into insolvency.

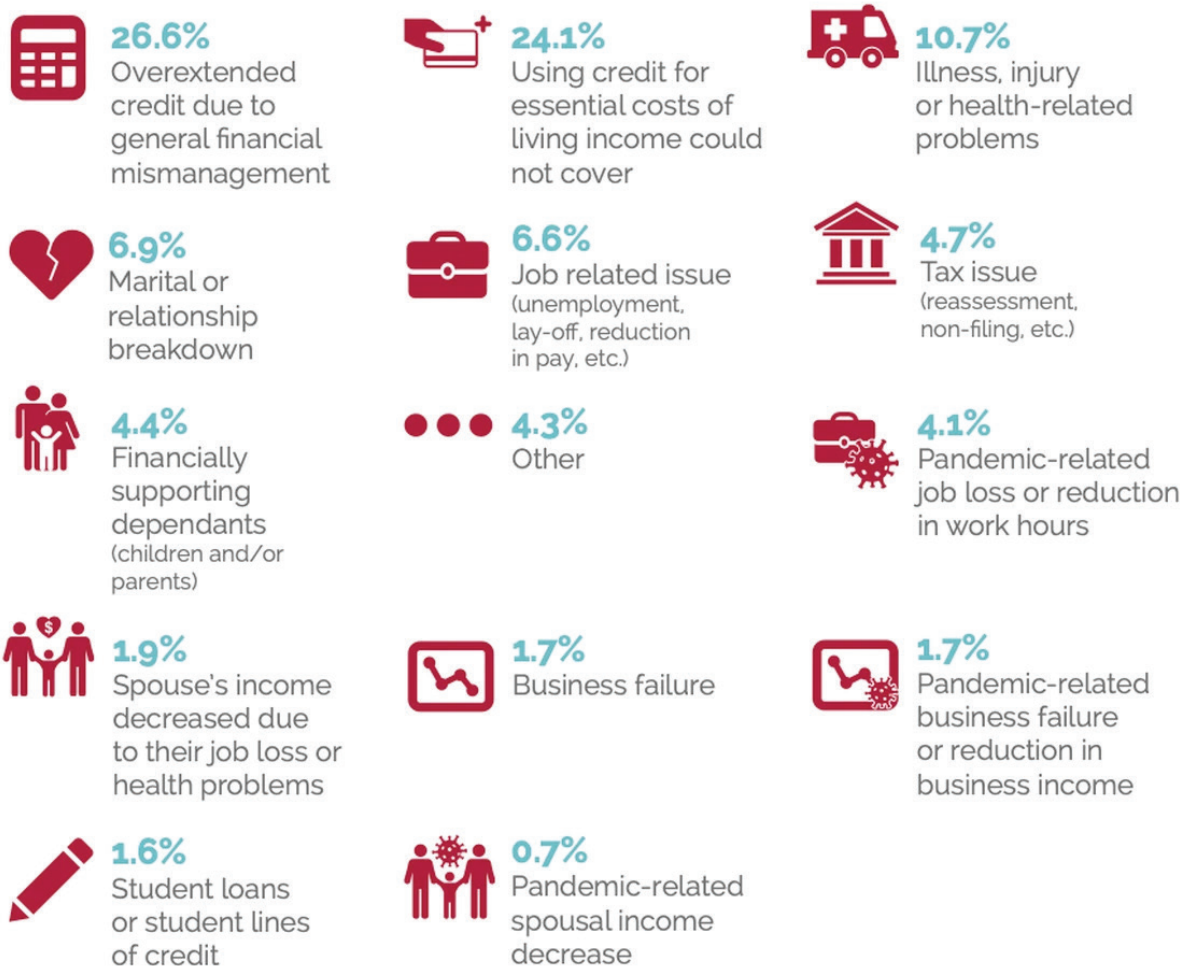
Payday loans were the second most common. Just over 12 per cent of respondents reported that high-interest payday loans were the main reason they had to file a bankruptcy or consumer proposal in 2024 — nearly double 2012's rate of 6.3 per cent.

Both credit cards and payday loans are typically considered high risk due to the costs of borrowing but Mantin said payday loans are especially dangerous because they combine easy access with exceptionally high fees.

"There's a ton of internet-based lenders that just make it so easy for you to get an online payday loan with very little validation," Mantin said.

"You get one payday loan and then you try to pay it back, but the costs and fees are so high, you have to get a second one and then a third to pay back the second. It's not unusual for us to see 10 or 15 different payday lenders," Mantin said.

What was the **direct main cause** of your debt?



Nearly four in five individuals surveyed said their mental and physical health suffered by being in debt, including anxiety, depression, problems sleeping and suicidal ideation, among other issues.

Despite this, 40 per cent of respondents said they waited more than two years before seeking help, citing shame, embarrassment and stigma as some of the reasons behind the delay.

"Consumers in B.C. are dealing with extremely high daily costs and are feeling squeezed on all sides," Mantin said. "It's time for a conversation about the significant — and severe — mental-health impacts of too much debt."