ECONOMIC and FINANCIAL REVIEW

Office of the Vice-President
Strategy, Risks and Performance

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AUTORITÉ DES MARCHÉS FINANCIERS

TABLE OF CONTENTS

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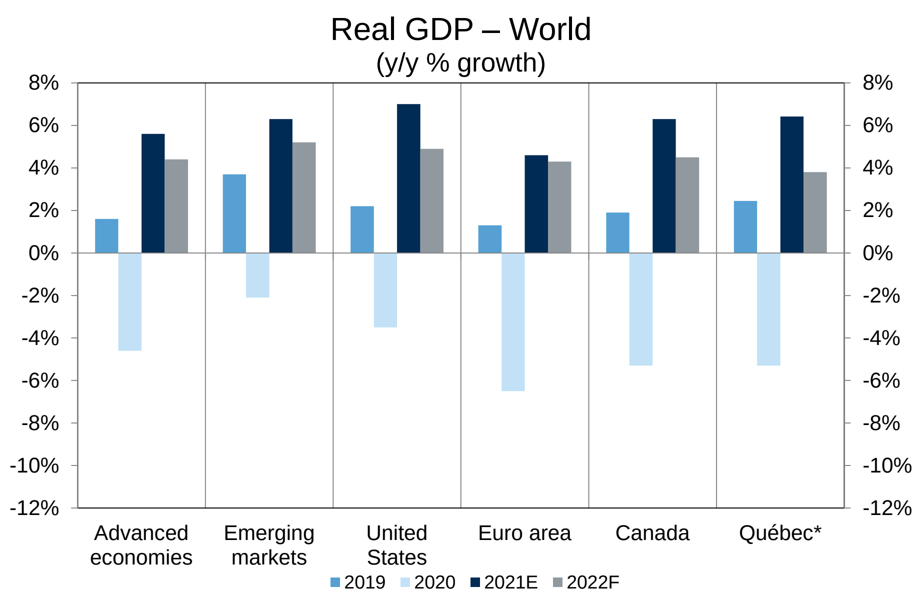
HIGHLIGHTS

- Global growth is starting to show signs of slowing, with inflation rising owing to labour and raw material shortages and supply chain delays. Many observers are discussing the prospect of stagflation.
- In the United States, growth is slowing under the combined effect of the rapidly spreading Delta variant and the end of certain income support programs.
- The Canadian economy shifted into reverse in the second quarter but is expected to rebound in the second half of the year with the reopening of non-essential businesses and the introduction of proof of vaccination. In August, inflation reached 4.1%, its highest level in over 15 years.
- In Québec, second quarter growth of 3.4% returned the economy to pre-pandemic levels, but the province is facing labour shortage issues, with job vacancies reaching a peak despite the high level of unemployment.
- Global stock markets ended the third quarter down slightly owing, in particular, to recent weeks' rising bond yields. They have posted excellent returns since the beginning of the year, however.
- Bond yields inched up during the third quarter. Investors readjusted their expectations for monetary policy in light of inflationary pressures and central banks' change in tone.
- A study conducted by the AMF and Accès au droit et à la justice, a university research team, concluded that financial literacy efforts should target consumers in the prime of life who are more active on the financial markets, not only younger or older vulnerable consumers.



** For 2022, average of forecasts by major Canadian financial institutions*

Sources: International Monetary Fund, Institut de la statistique du Québec and AMF

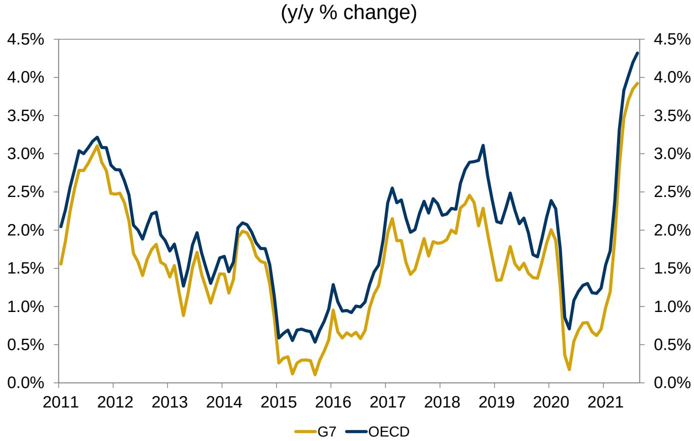
Economic context

World

After a strong upsurge early in the year, global growth is starting to show signs of slowing. Health restrictions had to be reintroduced to curb the rapid spread of the Delta variant, stalling global production. Many international bodies and central banks have downgraded their economic forecasts for 2021. Despite this, the recovery will continue, although it will be uneven across countries, reflecting divergent progress in vaccination campaigns.

Meanwhile, inflation reached record highs in many countries, driven by shortages of goods, raw materials, energy and labour as well as supply chain disruptions. Very strict public health measures imposed in China, Vietnam and elsewhere in Asia to curb the many COVID-19 outbreaks in the region are slowing and even stalling the production or transportation of goods.

Consumer Price Index
(y/y % change)



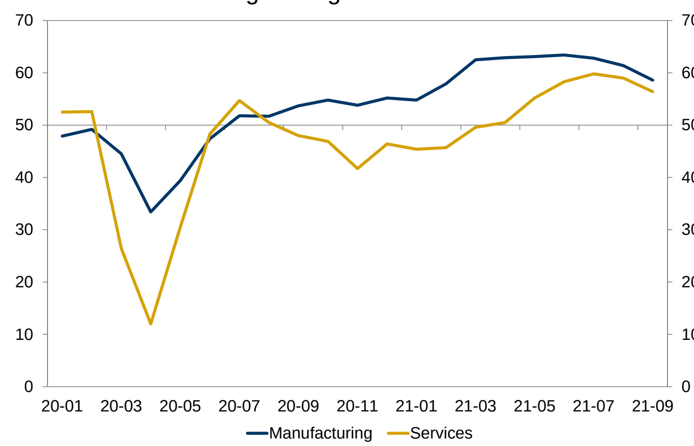
Sources: OECD and AMF

With prices rising and economic growth slackening, many observers have started to discuss the prospect of stagflation. Increases in energy, microprocessor, food and other prices have had ripple effects on a large number of production lines in multiple sectors of the global economy.

In the euro area, the economy rebounded in the second quarter, posting growth of 9.2% after shrinking 1.1% in the first quarter. The recovery is being driven by household spending and investment and follows the lifting of lockdown measures in the spring and strides in vaccination. However, unlike in the United States, China and Québec, GDP in the euro area remains below pre-pandemic levels.

Purchasing managers indexes are still in economic expansion territory but have been declining for the past few months in both the manufacturing and services sectors. After a strong upsurge in the second quarter, Europe's economy, like the economies of the United States and China before it, is expected to cool somewhat in the coming months.

Purchasing Managers Index – Euro Area



Sources: Markit Economics and AMF

Inflation increased in the euro area, reaching 3.4% in September, well above the European Central Bank's 2% inflation target. Like the Federal Reserve, the European Central Bank (ECB) modified its monetary policy over the summer and will now tolerate inflation exceeding its target for short periods before hiking its rates. In response to the economic recovery, the ECB also intends to slightly reduce monthly asset purchases under its €1,850 billion pandemic emergency purchase program.

The Bank of England has downgraded its economic forecasts and expects inflation to hit 4%, or twice its target, by the end of the year. Europe is grappling with an energy crisis caused by natural gas prices, which have been soaring since the beginning of the year.

China's strong economic recovery is also starting to lag. Growth fell to 5.3% in the second quarter, with consumers still hesitant to loosen their purse strings. The country has been shaken by a real estate crisis and an energy crunch, not to mention sporadic COVID-19 outbreaks.

The country's top property developers are overindebted and experiencing liquidity problems. However, the central bank has committed to supporting Chinese home buyers and injected liquidity to stabilize the markets. The real estate sector is one of the pillars of China's economic growth and accounts for approximately 25% of GDP.

The country is also grappling with an energy shortage owing to declining coal reserves and new restrictions on polluting emissions. Outages have reduced industrial output and the government has imposed electricity rationing.

More broadly, for the past year, the Chinese government has been implementing highly restrictive regulations affecting several economic sectors (real estate, information technology, entertainment, polluting industries, etc.) which, while intended to foster "common prosperity," are also dampening economic growth.

Lastly, the pandemic continues to be the main risk to projected global economic growth. While infections and deaths have been on the decline in most parts of the world as of late, rates continue to be high, particularly in the United States.

United States

After showing surprising strength during the first half of the year, the pace of U.S. economic growth, while still brisk, is starting to slow. The resurgence in COVID-19 cases related to the Delta variant has made the public cautious and impacted the recovery underway. The Delta variant and the wind-up of some government household income support programs have combined to weaken confidence and dampen consumption.

The sharp increase in GDP in the second quarter lifted the U.S. economy above pre-pandemic levels. The third quarter will have been marked by a significant but temporary slowdown in economic growth.

Consumer confidence recently nosedived as fears related to the Delta variant and the deteriorating public health situation in a number of states became widespread. The Conference Board confidence index trended downward in September for the third consecutive month.

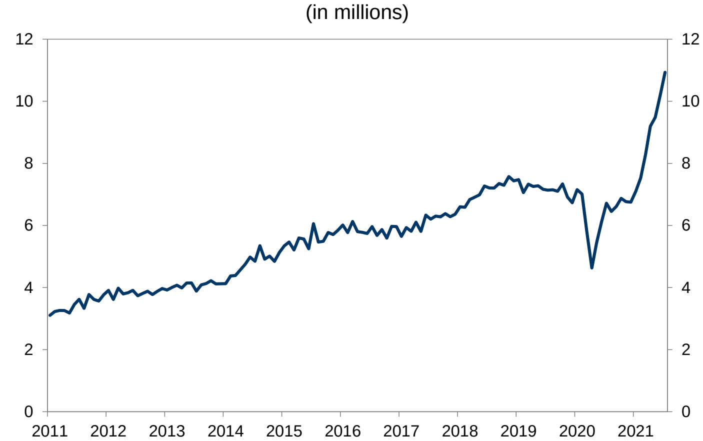
According to recent data, in September, the ISM manufacturing PMI reached its highest level since May. Delivery delays are getting longer owing to growing supply chain issues.

The real estate market continues to be spurred by very strong demand. Although housing starts are high, the inventory of available homes remains limited and prices are steadily rising.

Hirings slowed during the past two months. In August and September, employment growth averaged 280,000. The slower rate of job creation is in contrast with previous months.

The United States is experiencing labour shortage issues, despite ongoing high unemployment. There are more than 10 million job vacancies. The impact of the wind-up of a number of government support programs on employment and the labour force participation rate will need to be monitored over the coming months.

Job Vacancies – United States
(in millions)



Sources: Datastream and AMF

Over the past few months, inflation has risen significantly owing to supply chain disruptions and recent strong demand. Core inflation, at 3.6%, is at its highest level in 30 years.

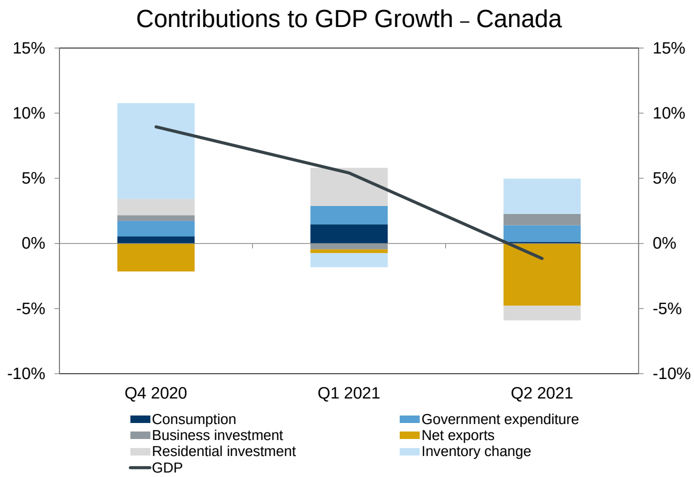
The Federal Reserve continues to adopt a reassuring tone in response to the surge in inflation, attributing it to one-time effects. The possibility that the rise in inflation will be persistent cannot be ruled out.

Whatever happens, amid the stronger-than-anticipated economic recovery, high inflation and generally very loose financial conditions, the Federal Reserve could start to rein in monetary stimulus by slowing the pace of its bond purchases between now and the end of the year. The central bank will, however, wait before initiating an increase in its key policy rate, which remains unchanged at 0%-0.25%.

Lastly, the matter of the debt ceiling, which has been increased temporarily until December, could continue to disrupt the political and financial climate this fall and delay approval of the Biden administration's sweeping recovery plan.

CANADA

Canada's economy shifted into reverse in the second quarter, with GDP shrinking 1.1%. The economy continues to adjust to the pandemic, and certain supply constraints due in part to global supply chain problems are dampening the economic recovery.



Sources: Statistics Canada and AMF

Household spending slowed in the second quarter. Consumption of goods declined after several quarters of strong growth and consumption of services took over, with non-essential businesses in several parts of the country having reopened in the spring.

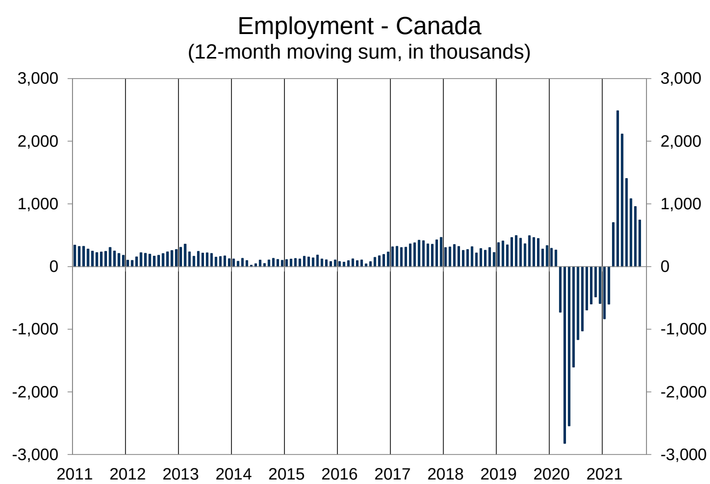
The largest contributor to the second quarter decline in GDP was foreign trade. Global supply chain disruptions are dragging on and hitting the manufacturing sector, most notably the automotive industry. Canadian exports have been negatively impacted and are down 15% on an annualized basis.

Business investment has fluctuated sharply in the past year. The Bank of Canada's latest Business Outlook Survey shows broadening investment intentions. The accelerating digital shift and the use of information technology within companies should continue to stimulate capital expenditures.

The survey indicates, however, that planned capital expenditures in the oil and gas industry are relatively modest, despite recent price increases. Transportation capacity continues to be limited. Uncertainty about long-term demand for oil and increased concerns about climate change could also limit industry growth.

After experiencing declines in the spring, the labour market has bounced back, adding a total of nearly 572,000 jobs since last June. In September, the unemployment rate was 6.9%. The labour market has therefore pretty much returned to pre-pandemic levels.

However, the labour market recovery remains uneven. The accommodation and food services sector is still down 180,000 jobs, or 15%, from pre-pandemic levels, while professional, scientific and technical services sector is up more than 183,000 jobs.

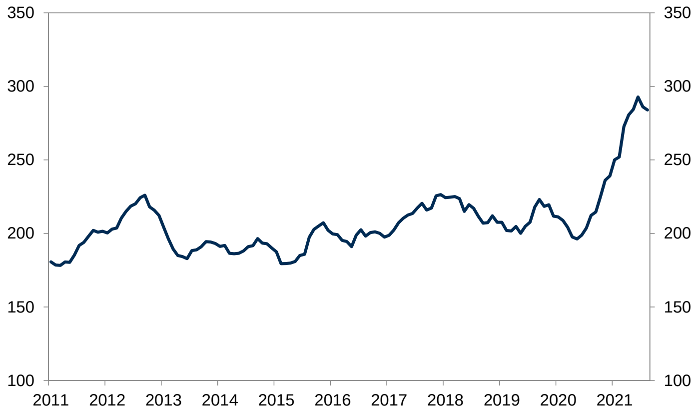


Sources: Statistics Canada and AMF

After several quarters of unprecedented activity, the heated real estate market has cooled somewhat in recent months. The number of transactions was down 14% in August from the previous year, although the number is historically still high.

Housing starts has also slowed after reaching all-time highs in the first quarter of the year. Price increases have decelerated slightly in recent months, although the housing supply remains subdued compared with demand. Prices remain high, however, and a rebalancing of housing supply and demand is expected in the next few months.

Housing Starts – Canada
(6-month moving average, in thousands)



Sources: Statistics Canada and AMF

After a disappointing second quarter, economic growth should resume in the second half of the year. Most non-essential businesses reopened over the summer, and the introduction of a vaccination passport in several provinces should reduce closings and layoffs, despite the increase in COVID-19 in the country during the summer.

Supply constraints could persist, and shortages of certain materials may continue to impact Canadian exports in the months ahead. Global transportation of goods is still being disrupted, particularly by increasingly widespread labour shortages in many parts of the world.

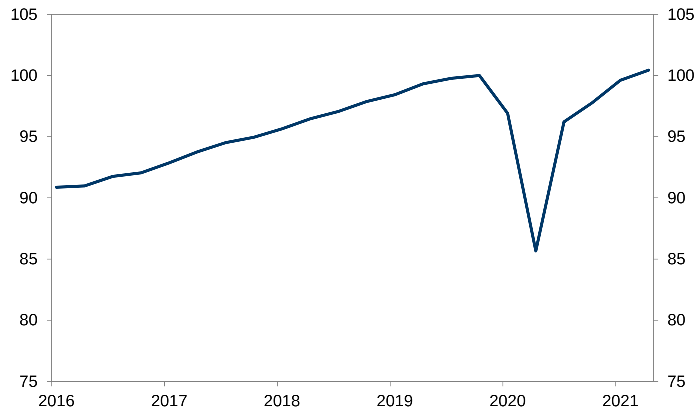
Labour scarcity issues, which have become increasingly widespread in Canada, could also push salaries higher, resulting in increased upward pressure on inflation.

In August, inflation hit 4.1% on a year-over-year basis, the highest level in more than 15 years. The Bank of Canada's core inflation measures have also increased. As the base effects fade, persistent upward pressures on prices will need to be monitored. The Bank of Canada is leaving its key policy rate unchanged, however, and continues to be of the view that the rise in inflation is only temporary.

QUÉBEC

In the second quarter, GDP growth of 3.4% on an annualized basis enabled Québec's economy to complete its recuperation phase. Economic activity now exceeds the last peak reached just before the pandemic. By comparison, total GDP for Canada decreased 1.1% during the same period, and the Canadian economy is still 2% smaller than it was before the pandemic.

Gross Domestic Product – Québec
(2019 Q4 = 100)



Sources: Institut de la statistique du Québec and AMF

Economic growth relied on domestic demand, which increased an annualized 5.3%. Household consumer spending rose after declining for two consecutive quarters. Spending on services, in particular, jumped 12.4% but continues to be substantially below pre-pandemic levels.

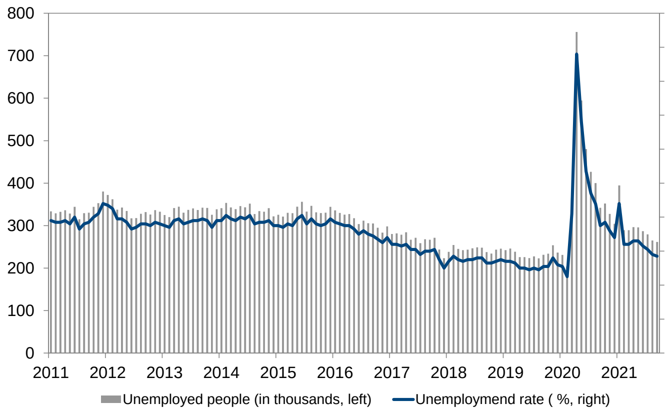
Business investment was also up an annualized 8.3%. Investments in intellectual property products now exceed pre-pandemic levels, which is not the case, however, for investments in machinery and equipment and non-residential structures.

Again, foreign trade dampened economic growth. Exports fell slightly, while imports increased.

The labour market has recovered just over 78,000 jobs in the past six months. In September, the unemployment rate was 5.7%, down sharply from the peak of 17.6% reached in April 2020.

The labour market is still 34,000 jobs below pre-pandemic levels, and the number of unemployed Quebeckers remains nearly 30% higher than before the pandemic. The participation rate continues to be below pre-pandemic levels.

Unemployment Rate and Unemployed People – Québec



Sources: Statistics Canada and AMF

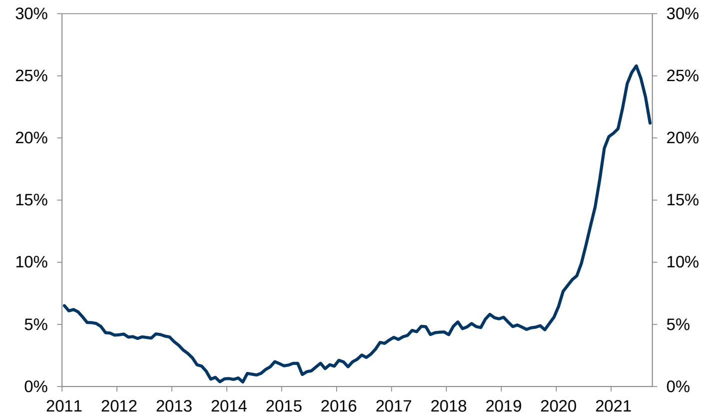
Despite the high number of unemployed Quebeckers, many companies are facing recruitment problems. Labour shortages, which were widespread before the spring of 2020, are resurfacing in a number of industries. Job vacancies are steadily increasing and reached a record 194,000 in the second quarter, up 32% from the previous quarter. The job vacancy rate is also up 1.1 percentage points and now stands at 5.3%.

Disparities between labour supply and demand were compounded by the fact that some groups of workers were more negatively impacted by the pandemic and long-term unemployment increased significantly. Some booming industries may have trouble recruiting workers with the requisite qualifications: new skills acquisition and worker reallocation to higher-demand sectors are causing delays.

After several months of exceptional activity, Québec's real estate market appears to be stabilizing. Housing starts also slowed considerably after reaching all-time highs early in 2021.

Sales have also slowed significantly in recent months. Sales of both condominiums and single-family homes are down from the same period last year. Price growth has decelerated but remains steady: in September, the year-over-year change in the annual weighted average house price was 21.2%. The Quebec Professional Association of Real Estate Brokers is reporting a downward trend in the percentage of homes sold in bidding wars.

Weighted Average House Price – Québec
(y/y % change, 6-month moving average)



Sources: QPAREB and AMF

Housing supply and demand should continue to trend toward a balanced market in the coming months. However, market conditions are still very tight and the situation will have to be monitored. The CMHC has estimated that Montréal's housing market went from a moderate to a high degree of vulnerability in the third quarter, primarily owing to signs of overheating and overvaluation.

Despite Québec's economy having returned to pre-pandemic levels, some sectors, such as accommodation and food services, are still being hit hard. The pace of GDP growth should slow in the coming quarters, with the impact of the early summer reopening of several sectors having been accounted for in the second quarter. Residential construction, which has been an important driver of economic growth up to now, is expected to slow somewhat.

The household savings rate, at 16.1%, remains very high. Consumer spending is expected to continue to climb in the months ahead, with the introduction of the vaccination passport on September 1 preventing the closing of non-essential businesses despite the fourth wave of the pandemic.

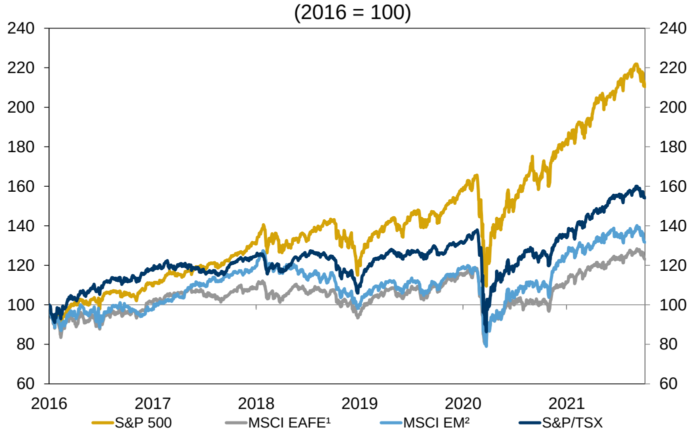
Financial markets

Stock markets

Global stock markets ended the third quarter down slightly owing, in particular, to the recent weeks' rise in bond yields. However, they have posted excellent returns since the start of the year, with the MSCI All Country World Index up a very respectable 11.6%.

Since the start of the year, stock markets have been supported by extremely loose monetary policies and corporate earnings that are up despite the rise of the Delta variant, supply chain issues and slowing global economic growth.

Major Stock Market Indexes
(2016 = 100)

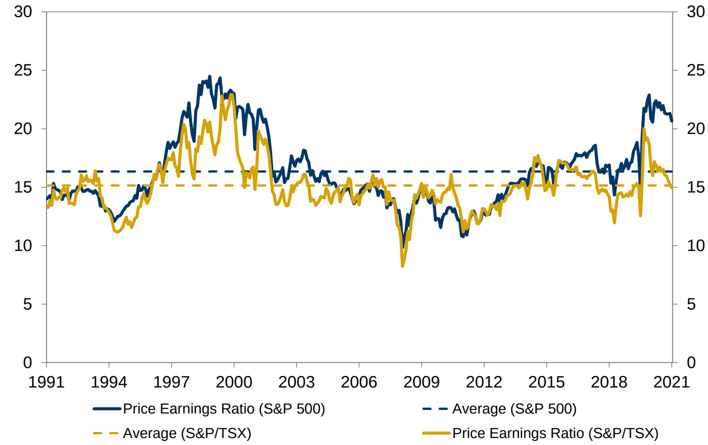


¹ Europe, Australasia and Far East ² Emerging markets
Sources: Datastream and AMF

In the United States, the S&P 500 inched up 0.2% in the third quarter and has risen 14.7% since the start of the year. Despite a resurgence in COVID-19 cases, the U.S. economy is, all things considered, showing solid growth. Corporate earnings continue to exceed expectations and are now far above the levels reached just before the pandemic started. According to Refinitiv, the earnings growth of S&P 500 companies is expected to jump approximately 46% in 2021 and then continue to grow at a more moderate, yet sustained pace of about 9% in 2022.

In Canada, although the S&P/TSX ended the quarter down slightly (-0.5%), it has returned a solid 15.1% since the start of the year. Valuation indicators remain relatively subdued, particularly compared with the S&P 500. The S&P/TSX 12-month forward price/earnings (P/E) ratio is now close to its historical average of 15x, while the S&P 500 12-month forward P/E ratio remains significantly higher, at 21x.

Forward 12-month Price Earnings Ratio



Sources: Datastream and AMF

Québec companies listed on the TSX performed far better than the S&P/TSX as a whole. The Morningstar National Bank Québec Index, which is made up of the largest Québec-based companies listed on the TSX, posted a return of 3.3% in the third quarter and 20.6% since the start of the year. Companies in Industrials and Information Technology, in particular, performed extremely well during the third quarter.

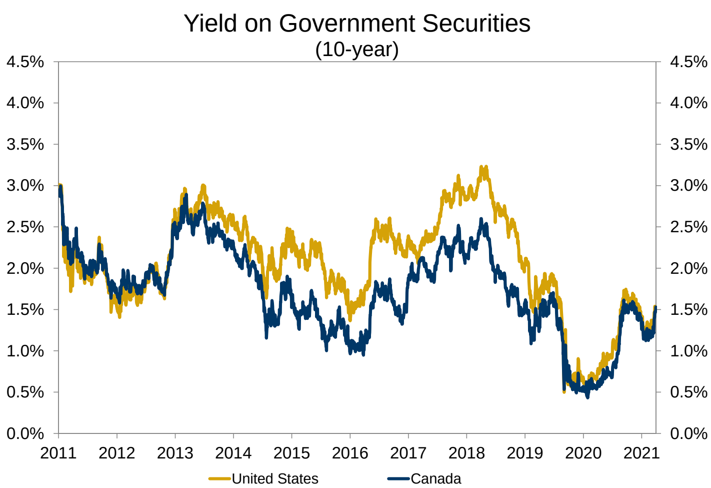
Elsewhere in the world, emerging markets are lagging, with the MSCI Emerging Markets Index declining 7.5% in the third quarter and 1.0% since the start of the year. Chinese stock indexes fell on the announcement of regulatory measures affecting a number of sectors of China's economy. The measures, designed to meet political and economic objectives, such as reducing overindebtedness, are dampening growth.

Global stock indexes declined briefly at the end of the quarter owing to the financial problems of one of China's largest property developers and fears of potential contagion to the rest of the economy and financial system. Investors have also had to deal with uncertainty related to the raising of the debt ceiling in the United States. There are therefore many risks for investors, who will have to continue to grapple with inflation uncertainty, interest rate normalization, supply problems and the evolving pandemic.

BOND MARKETS

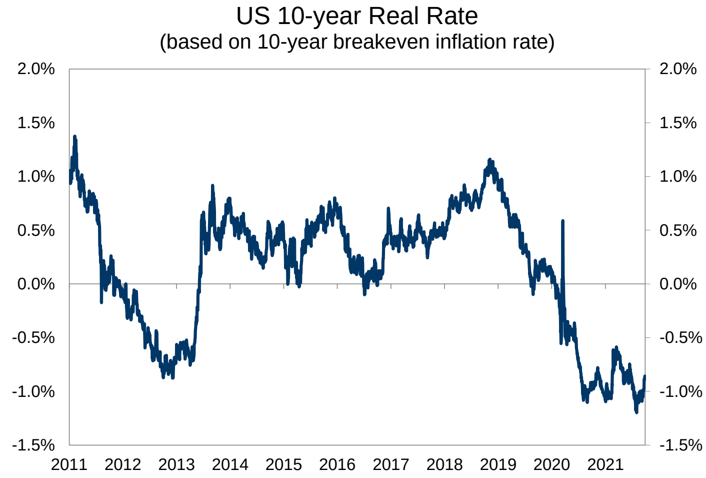
Bond yields ended the third quarter up slightly owing to a steep rise over the past few weeks. In response to inflationary pressures and shifts in the tone of central banks, investors readjusted their expectations for monetary policy. They are now expecting a more rapid reduction in the amounts allocated to quantitative easing programs, followed by the announcement, as early as the second half of 2022, of a first increase in the key U.S. policy rate.

Bond yields remain very low by historical standards and below the levels reached a little earlier this year. Investor concerns about longer term inflationary pressures appear to be stabilizing and, despite readjusted expectations, central bank policies should remain highly accommodative for some time yet. Possible more-persistent-than-expected inflation remains a significant risk for the bond market, however.



Sources: Datastream and AMF

In the United States, 10-year government bond yields ended the quarter essentially unchanged, at 1.5%. Moreover, bond yields remain well below inflation expectations. All things being equal, negative real yields are prompting investors to take more risks, which may partly explain the solid performance of risky asset classes. In particular, there has been a significant narrowing of corporate bond spreads in the United States and elsewhere.



Sources: Bloomberg and AMF

In Canada, yields on Government of Canada 10-year bonds ended the quarter at 1.5%, down 12 basis points. Despite the many ups and downs of the Canadian economy observed in recent months, the Bank of Canada is still signalling that a first increase in its key policy rate will come during the second half of 2022, when the economic slack in the Canadian economy is expected to be absorbed.

The Bank is expected to reduce its net bond purchases under its quantitative easing program over the coming quarters. However, it plans to continue reinvesting the proceeds of maturing bonds at least until its first policy rate hike. The Fed has recently signaled that it, too, may start tapering its net bond purchases, possibly between now and the end of this year.

The rest of the world is seeing a fairly widespread increase in inflationary pressures and movement, albeit very gradual, toward less accommodative monetary policies. In the euro area, although bond yields are still extremely low, they recently inched upward. U.K. bond yields are slightly higher, and the markets are expecting the Bank of England to raise the key policy rate soon. Moreover, several central banks in emerging markets and a few in smaller developed markets, including Norway and New Zealand, recently tightened their monetary policies.

Market Performance

Stock Markets

		Level	% change							Last 12 months	
		2021-09-30	1 month	3 months	6 months	9 months	1 year	3 years[2]	5 years[2]	Min.	Max.
MSCI All Country World Index		825	-3.7	-0.8	5.8	11.8	25.6	10.6	11.3	640	864
MSCI EAFE[1]		1,315	-1.6	0.7	4.8	11.4	24.4	4.5	6.2	1,015	1,358
MSCI Emerging Markets		70,963	-3.1	-7.5	-4.5	-0.9	14.5	7.0	7.9	61,875	80,514
S&P 500		4,308	-4.8	0.2	8.4	15.4	28.1	13.9	14.7	3,270	4,537
S&P/TSX		20,070	-2.5	-0.5	7.3	14.4	24.5	7.7	6.4	15,581	20,821
Morningstar National Bank Québec Index		398	-3.7	3.3	10.2	20.3	39.4	11.3	10.3	278	420

Bond Markets

		Level								Last 12 months	
		2021-09-30	-1 month	-3 months	-6 months	-9 months	-1 year	-3 years	-5 years	Min.	Max.
Québec	10-year	2.1	1.8	2.0	2.2	1.3	1.3	3.0	1.9	1.3	2.2
Ontario	10-year	2.1	1.9	2.0	2.2	1.3	1.3	3.0	1.9	1.3	2.2
Canada	10-year	1.5	1.2	1.4	1.6	0.7	0.6	2.4	1.0	0.6	1.6
United States	10-year	1.5	1.3	1.5	1.7	0.9	0.7	3.1	1.6	0.7	1.7
United Kingdom	10-year	1.0	0.7	0.7	0.8	0.2	0.2	1.6	0.7	0.2	1.0
Germany	10-year	-0.2	-0.4	-0.2	-0.3	-0.6	-0.5	0.5	-0.1	-0.6	-0.1
	AA Corp. (10-year)	2.4	2.2	2.3	2.5	1.5	1.7	3.3	2.3	1.5	2.5
Canada	BBB Corp. (10-year)	3.0	2.8	2.9	3.0	2.3	2.4	4.0	3.2	2.3	3.1
	BBB - 10-year Gov. spread	1.5	1.6	1.6	1.5	1.6	1.9	1.6	2.3	1.4	1.9
	AA Corp. (10-year)	2.0	1.9	2.0	2.3	1.4	1.5	3.8	2.5	1.4	2.3
United States	BBB Corp. (10-year)	2.6	2.4	2.5	2.8	2.0	2.2	4.5	3.2	2.0	2.9
	BBB - 10-year Gov. spread	1.1	1.1	1.0	1.1	1.1	1.5	1.5	1.6	1.0	1.5

[1]Europe, Australasia and Far East [2]Annualized returns

Sources: Datastream, Bloomberg and AMF

SPECIAL FEATURE

THE AMF AND THE PROTECTION OF FINANCIAL CONSUMERS

For the past two years, the AMF's Direction de l'éducation financière and the academic research team of Accès au droit et à la justice (ADAJ) have worked together as part of a major multidisciplinary empirical research partnership.[1] The consumer protection research conducted by them is presented in two parts. The first part, presented here, consists of a secondary analysis of the AMF Index data.[2] The second part will consist of the findings of an analysis of information gathered from eight focus groups conducted with financial consumers and intermediaries.

Protecting financial consumers is a core mission of the AMF. To fulfill this mission, the AMF created the AMF Index from a survey developed in 2012 in collaboration with CROP. At the time, the AMF was implementing the Québec Financial Education Strategy. The AMF Index was used to identify awareness and education needs within the Québec population. The survey was conducted four times (in 2012, 2014, 2016 and 2018) with web panels of 1,500 adult respondents who were in charge of managing their households' finances. The AMF Index consisted of 40 questions designed to measure the adoption of a set of financial behaviours that were deemed important, and even essential, to sound personal finance management. The AMF Index was composed of 10 sub-indexes related to, among other things, insurance, investing, retirement planning, fraud prevention, dealing with a financial advisor, and credit and debt management. A number of financial awareness and education initiatives were developed using AMF Index results.

In 2019, the AMF agreed to share its Index data with the ADAJ researchers for purposes of a secondary analysis. The data was re-analyzed using a variance analysis, and trends were confirmed through a multivariate correspondence analysis. This multivariate analysis drew on the most reliable data from the index, i.e., essentially factual information (e.g., age, education, financial consumption patterns) and also considered data from a scale developed as part of past studies to measure respondents' financial literacy.

Variance analysis findings

In financial matters, the multivariate analysis revealed that there are two main consumer categories corresponding to two distinct composite profiles. Consumers in profile 1 appear to be more likely to invest in risky financial products ("investments"). Consequently, they are also more inclined to inform themselves about the nature of such products and also have good financial habits, at least in theory. This fits with what is more broadly known about citizens' relationship with social and legal standards. Individuals generally possess the information required to manage their personal situation and express concerns reflecting their condition.

Consumers in profile 2 typically do not have investments and hold low-risk financial products. These consumers have a much lower level of financial literacy and are indifferent when it comes to investments. Because they do not own investments, they are simply not interested in the topic.

This data again shows that, regardless of their profile, consumers possess the rudiments of a general form of caution with respect to the products they own, even when those products are not very diversified. It follows that, in the financial field, as in many others, consumers have a fairly accurate "theoretical" knowledge of standards and good habits related to the activities they engage in. However, as with other fields, the consumers least sensitive to the requirements of investing are precisely the ones who do not have investments. While it is easy

[1] http://adaj.ca/hub-22
[2] https://lautorite.qc.ca/en/general-public/publications/amf-publications/the-amf-financial-awareness-index

to jump to the conclusion that they have a low level of financial literacy, this situation shows, above all else, that such knowledge does not serve any practical need and that the issue of literacy must be considered in more empirical terms.

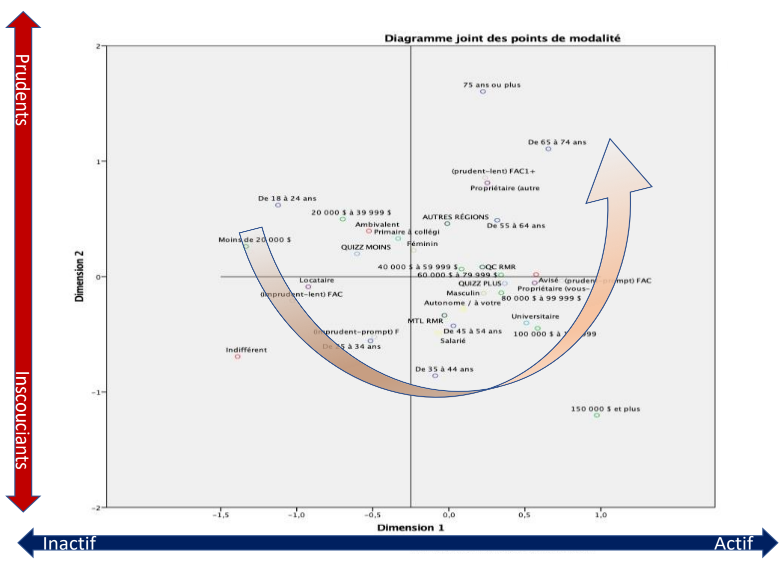
The analysis therefore confirmed that the consumers most likely to take a risk generally know what steps they need to take to protect themselves: diversifying the portfolio, researching and comparing advisors, reading the documentation, and so on. The next question is whether this knowledge has any affect on their behaviour.

Validation by multivariate correspondence analysis

The multivariate correspondence analysis led to the identification of four profiles following the life cycle of consumers: 18- to 24-year-olds, 25- to 44-year-olds, 45- to 64-year-olds and persons 65 and older. Consistent with the variance analysis, the data revealed that respondents' financial literacy needs move directly with their practices and that those practices closely follow their life course.

The following graph shows that there is a clear distinction between citizens found at the very beginning of adult life, who are relatively indifferent, and citizens found further along the life course, who are more active. The learning curve shows that the acquisition of financial products, and financial literacy skills, happens gradually but increases during the last 20 years of a person's active lifetime (45-64 years).

AMF Index: correspondence analysis



With respect to financial literacy, our secondary analysis therefore showed that citizens' perceived needs, along with their financial literacy skills, are more or less directly reflective of whether they own financial products or not. Consumers' interest in such matters therefore partly depends on where they are along their personal life course. The rule here is quite simple: the likelihood of being receptive to information of a financial nature appears to be greater among respondents who own financial products and lower among those who own few or no financial products. It is very clear that this likelihood increases between the ages of 25 and 44, when most adults start a career and family, but it is even greater between the ages of 45 and 64, when they are likely to have achieved a level of personal, professional and financial stability conducive to the diversification of their needs and financial assets (mortgage, RRSP, insurance, but also various investments). The question is whether, based on these facts, the current foci of financial education activities correspond to the real or, at least, perceived needs of consumers.

Clarification of the research problem stemming from the secondary analysis

The findings of the secondary data analysis suggest that more in-depth work would define citizens' needs based not only on their membership in groups traditionally deemed to be vulnerable (particularly, young people and seniors), but also on the fact that they are at-risk groups because they own, dispose of or are beginning to actually acquire financial products likely to affect their financial situation. This perspective supports communication and education strategies that target audiences found between the beginning of adult life and the time when the family and material situation stabilizes (in theory, from ages 35 to 50). This is a period when consumers are much more likely to be receptive to those dimensions that correspond to their actual and current needs as those needs and financial assets gradually diversify.

Whereas significant efforts are being made to develop financial literacy among the very young and to protect older consumers, it appears important to also target consumers *in situ* who acquire, or are in the process of acquiring, a more diversified range of financial products. In other words, in addition to vulnerable consumers, focus needs to be given to at-risk consumers, who are actually active in the financial markets.[3]

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