



Canada Watch

By Stéfane Marion & Matthieu Arseneau

Financial inclusion is a cornerstone of economic development. According to the [World Bank](#):

“having a financial account makes it easier, safer, and cheaper to receive wage payments from employers, to send remittances to family members, and to pay for goods and services. Mobile money accounts also make it possible, even for the poor, to save and cope with adverse shocks. And individual accounts give women more say on their household finances. Importantly, the digital revolution is a powerful tool to improve governance. Social programs can now channel transfers directly to their beneficiaries’ mobile phones, reducing leakage and delays. This potential became a reality during the COVID-19 crisis, helping cushion its impact on livelihoods. Digitalization also increases transparency as money flows from a country’s budgets to government agencies to people, reducing the scope for corruption”.

How does Canada rank in the G7 in terms of financial inclusion and use of digital payments? Pretty well, all things considered. As shown, 100% of the working age population owns an account with a financial institution. For the poorest 40% of society, this ratio reaches 99% (compared to 91% in the US). Canada also leads the G7 in credit and debit card ownership, use of digital payments and access to credit: 72% of poor Canadians borrow from financial institutions, compared to a meagre 44% in the U.S. It is people and their access to financial services that are the basis of wealth creation in our country. Fortunately, financial inclusion in Canada is the best in the G7.

Canada: The most inclusive financial system in the G7

Financial access and digital payments use (population 15+) in 2021

	Canada	USA	France	Germany	Italy	Japan	UK
Financial institution account ownership	100%	95%	99%	100%	97%	98%	100%
<i>poorest 40%</i>	99%	91%	98%	100%	95%	98%	100%
Owns a credit card	83%	67%	40%	57%	58%	70%	62%
<i>poorest 40%</i>	75%	46%	42%	50%	56%	63%	60%
Owns a debit card	96%	83%	86%	94%	82%	88%	95%
<i>poorest 40%</i>	94%	78%	87%	93%	76%	84%	96%
Borrowed from a formal financial institution	81%	66%	44%	55%	55%	61%	55%
<i>poorest 40%</i>	72%	44%	44%	52%	52%	52%	53%
Made or received a digital payment	98%	93%	98%	99%	96%	96%	99%
<i>poorest 40%</i>	97%	89%	97%	100%	93%	94%	99%
Used a mobile phone or the internet to pay bills	75%	66%	44%	57%	33%	31%	52%
<i>poorest 40%</i>	69%	56%	43%	61%	34%	27%	51%
Used a mobile phone or the internet to send money	63%	46%	29%	31%	26%	13%	51%
<i>poorest 40%</i>	58%	42%	27%	32%	23%	9%	49%

NBF Economics and Strategy (data via [World Bank](#))

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