

The Mental Health Index™ report

Canada, January 2021

MORNEAU
SHEPELL 



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January highlights

As Canadians head into 2021, COVID-19 restrictions remain in place in most parts of the country. The ongoing impact of the pandemic continues to have a negative effect on the mental health of Canadians, with January marking ten consecutive months of diminished mental health when compared to before the pandemic.

After the initial significant decline measured in April 2020, there were modest increases from May to July 2020. A reversal of this trend occurred in August, followed by a modest improvement in September, a decline in October, a slight improvement in November, and a decline in December to its lowest point. In January, the score is nearly equal to December and the same as in April 2020, at the inception of the Index™, and near the start of the pandemic. The level of mental health in January continues to be a concern as it indicates that **the working population is currently as distressed as the most distressed one per cent of working Canadians, prior to 2020.**

The proportion of individuals reporting more stress than the prior month (25 per cent) is nearly equal to the prior month, while the proportion of individuals reporting less mental stress is only 5 per cent. The majority (70 per cent) indicate the same level of stress when compared to the prior month, however, given the escalation in stress each month since the pandemic, this reflects an elevated level of cumulative stress for this group as well. With recent increases in cases in many regions of the country, and the resulting restrictions, this strain will likely continue.

General psychological health continues its decline. **In January, the psychological health risk score of Canadians is 3.6 points lower than at the start of the Index™, in April 2020.**

Extended restrictions and social distancing are leading to an ancillary epidemic of loneliness. **In January, the isolation score is at its lowest point (-12.8) since the inception of the Index™.**

The Mental Health Index™ score for managers (-13.2) is lower than for non-managers (-10.7).

Provincial mental health scores since April have shown general improvement until July; however, several regions showed declines from July to August. In January, Manitoba, The Maritimes, and Quebec reported modest increases in mental health, while declines are observed in Newfoundland and Labrador, Alberta, British Columbia, Saskatchewan, and Ontario.

A positive score on the Mental Health Index™ indicates better mental health in the overall working population, compared to the benchmark period of 2017 to 2019. A higher positive score reflects greater improvement. A negative Mental Health Index™ score indicates a decline in mental health compared to the benchmark period. The more negative the score, the greater the decline. A score of zero indicates mental health that is the same as it was in the benchmark period.



The lowest mental health score in January is observed in Alberta (-14.7), a 0.8-point decline from December.

For the eighth consecutive month, full-time students have the lowest mental health score (-26.7) when compared to individuals across all industry sectors. Further, students have the most significant increase in mental stress (67.5).

Almost one in ten (9 per cent) of respondents have steady employment and supplement their income with “gigs”; this group has a significantly lower mental health score (-20.2) than even full (-14.3) or part-time gig workers (-13.0).

Previous findings in June and August 2020 indicate that the most commonly reported emotions that individuals were experiencing were worry, calm and frustration. Nearly one year into the pandemic, the most commonly reported emotions continue to be worry (23 per cent), calm (21 per cent), and frustration (19 per cent) and their proportions are largely the same as observed in prior months. **Women are fifty per cent more likely to report worry as their primary emotion and fifty per cent less likely to report calm when compared to men. Those who report gratitude have the strongest mental health.**

As Canadians continue to manage their daily lives in a time of global pandemic, thoughts of temporary adjustments are moving to what the “new normal” could look like. Many Canadians are rethinking their priorities amid the ongoing impact of the pandemic on work, finances, social relationships, physical and mental health. The most commonly reported areas respondents would like to focus on are family (57 per cent), physical health (50 per cent), financial security (43 per cent), and having fun/enjoying life (42 per cent). **One-third of individuals report wanting to focus on their mental health. Individuals between the ages of 20 and 29 are nearly twice as likely to report wanting to focus on their mental health when compared to those over the age of 60.**

The impact of the COVID-19 pandemic has touched Canadians in different ways - restricted social lives, the shift to virtual work, illness, or death of loved ones, etc. At the same time, some Canadians are reporting inspired changes or unseen benefits because of the pandemic. **The most commonly reported area of positive impact is personal relationships (16 per cent), followed by financial security (10 per cent), and physical health (9 per cent).** Respondents reporting a positive change in their social lives have the highest mental health score (-5.6).



As expected, the impact of the COVID-19 pandemic has been difficult on most Canadians. The most commonly reported area of negative change is social life (24 per cent), followed by mental health (15 per cent), and financial security (13 per cent). The lowest mental health score is observed among individuals reporting that the most significant negative impact is to their mental health (-26.9), followed by those reporting a negative change to their financial security (-21.1), and those reporting a negative impact on their job/career (-17.1). **Individuals under the age of 40 are more than twice as likely to report the most significant negative impact on mental health when compared to individuals over 60 years old.**

As Canadians focus on managing through the pandemic, employment remains a critical stabilizer. **Finances and isolation continue to be the strongest drivers of mental health** and stable employment is central to offsetting the risk of poor mental health. Sixty per cent of respondents have no change in their hours or salary, whereas seventeen per cent report working fewer hours, and seven per cent report reduced pay/salary. Individuals reporting reduced pay/salary during the pandemic have a mental health score nearly ten points below the national average; those working fewer hours have a mental health score six points below the average.

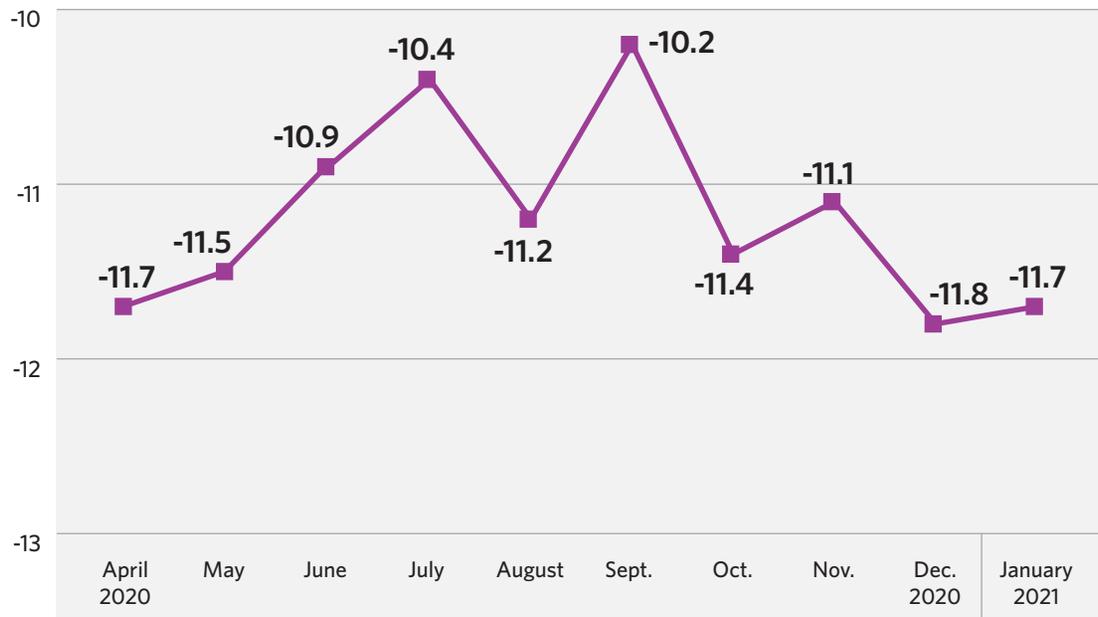
Previous findings (June 2020) indicate that less than one quarter (19 per cent) of respondents are likely to return to their previous spending habits. Over six months later, twenty-nine per cent of individuals report that they will go back to prior spending habits.

Among those who will not return to their prior spending habits, the most commonly reported reasons are fear over infection risk (25 per cent) and worry about job/income security (23 per cent).



The Mental Health Index™

The Mental Health Index™ (MHI) is a measure of deviation from the benchmark¹ of mental health and risk. **The overall Mental Health Index™ for January 2021 is -12 points.** A 12-point decrease from the pre-COVID-19 benchmark reflects a population whose mental health is similar to the most distressed one per cent of the benchmark population.



January marks the tenth consecutive month where the Mental Health Index™ reflects strained mental health in the Canadian population

¹ The benchmark reflects data collected in 2017, 2018 and 2019.



Mental Health Index™ sub-scores

The lowest Mental Health Index™ sub-score is for the risk measure of depression (-13.4), followed by anxiety (-13.1), isolation (-12.8), optimism (-12.5), work productivity (-11.6), and general psychological health (-4.0). The risk measure with the best mental health score, and the only measure above benchmark, is financial risk (3.2).

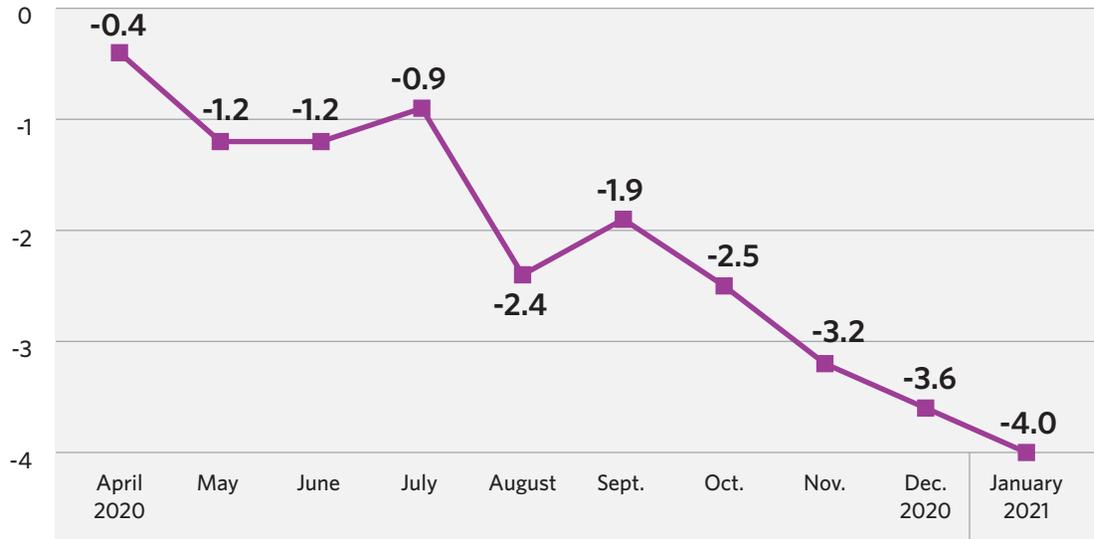
- Isolation, general psychological health, and anxiety scores declined from December results.
- With a 1.6-point increase, the optimism score has had the greatest improvement from the prior month.
- The financial risk score remains equal to December with a score of 3.2 points; it continues to be the strongest of all sub-scores and is above the pre-2020 benchmark.

MHI sub-scores ²	January 2021	December 2020
Depression	-13.4	-13.9
Anxiety	-13.1	-13.0
Isolation	-12.8	-12.0
Optimism	-12.5	-14.1
Work productivity	-11.6	-12.4
Psychological health	-4.0	-3.6
Financial risk	3.2	3.2

² The demographic breakdown of sub-scores are available upon request.



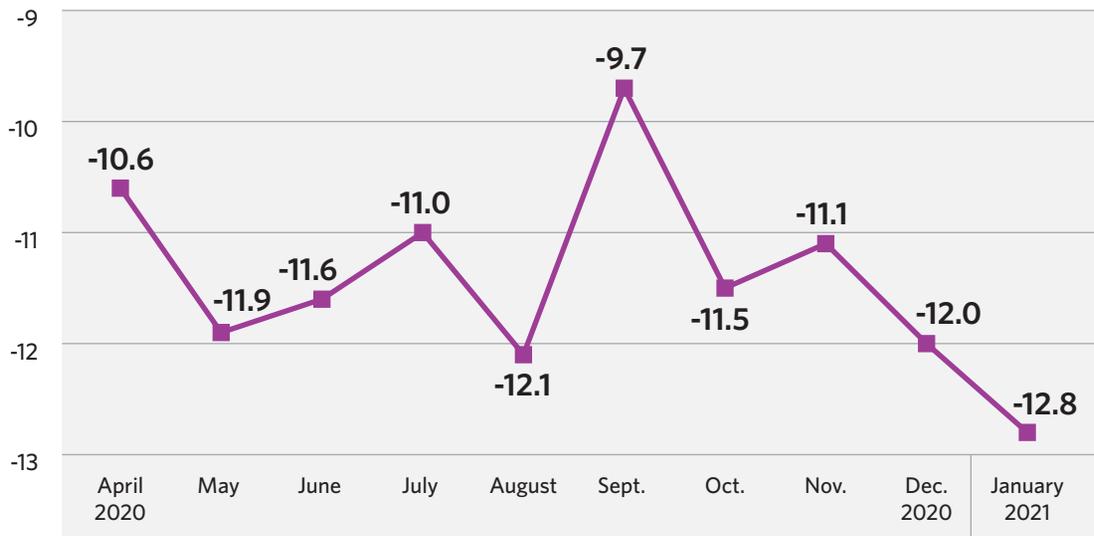
General psychological health



General psychological health

Since April, general psychological health has declined. Despite two months of modest improvement in July and September within the ten-month period since the launch of the Index™, the psychological health of Canadians continues to deteriorate. In January, the psychological health risk score of Canadians is 3.6 points lower than at the start of the Index™, in April 2020.

Isolation

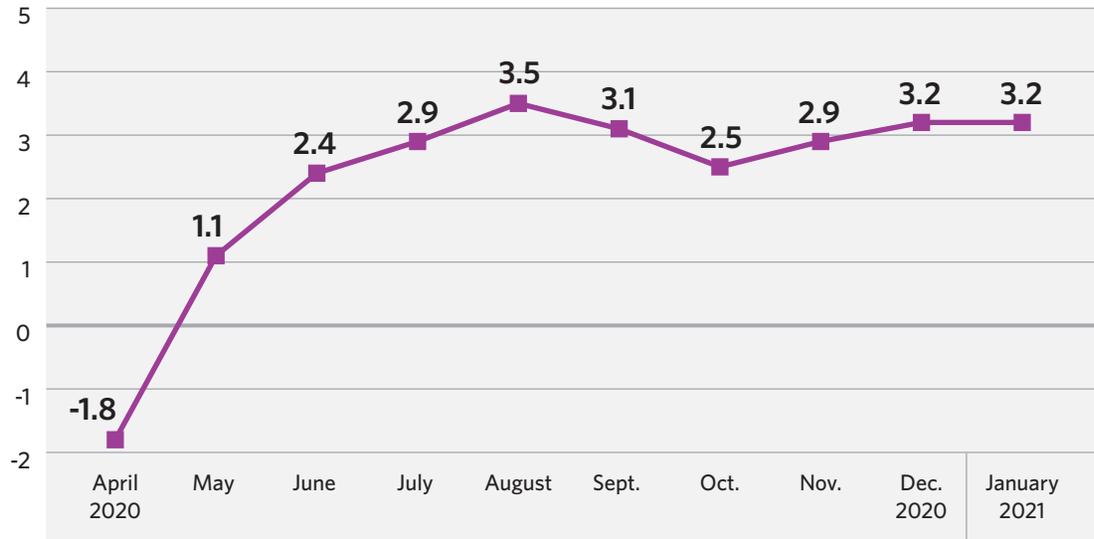


Isolation

In January, the isolation sub-score is at its lowest point (-12.8) since the inception of the Index™ in April 2020. Despite a sharp increase from August to September, rising 2.4 points, the improvement did not persist into the following month and the isolation score has remained well-below the pre-COVID benchmark since April 2020.



Financial Risk



Financial risk

The Financial risk score improved 5.3 points from its lowest score in April 2020 (-1.8) to its highest point in August 2020 (3.5). In September and October, the financial risk score fell 1.0 point from its high but regained 0.7 points from October to December, nearing its August high. In January, the financial risk score remains stable at 3.2 points and has maintained a score above the pre-2020 benchmark since May 2020.

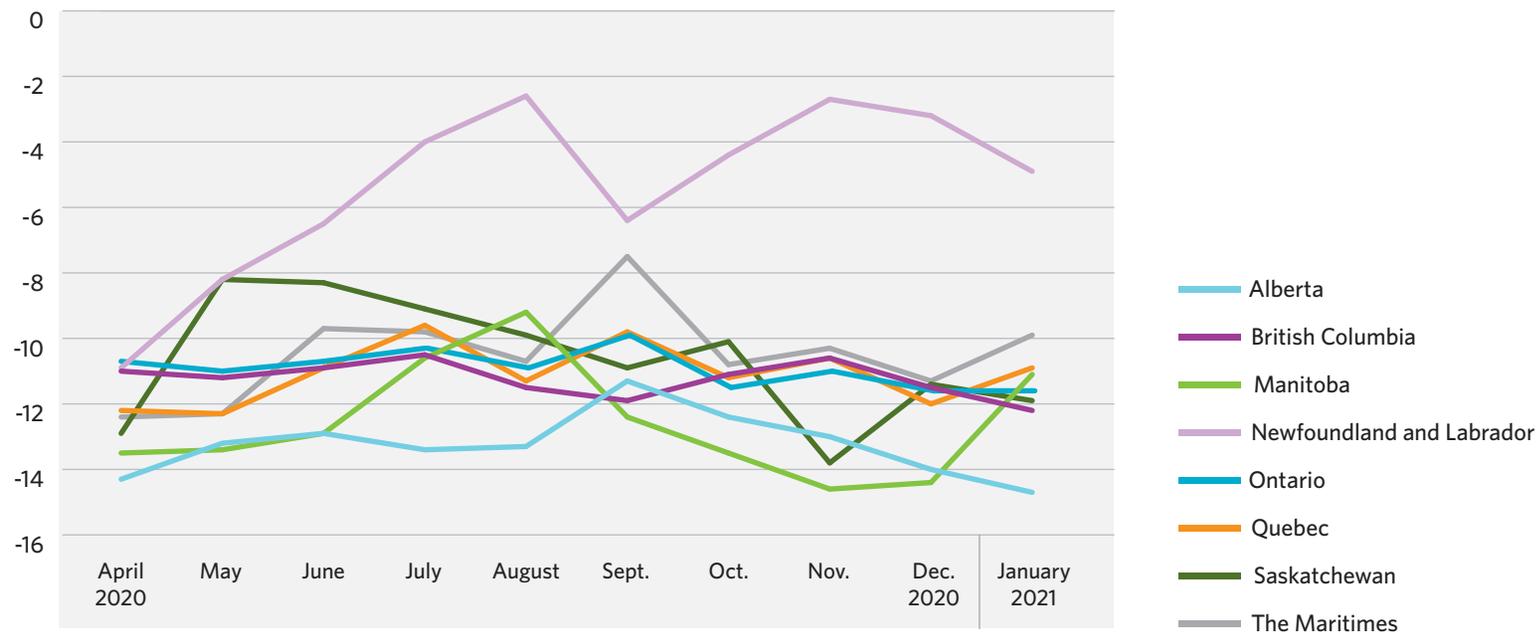


The Mental Health Index™ (regional)

Provincial mental health scores since April have shown general improvement until July; however, several regions showed declines from July to August. In January, Manitoba, The Maritimes, and Quebec reported modest increases in mental health, while declines are observed in Newfoundland and Labrador, Alberta, British Columbia, Saskatchewan, and Ontario.

- Despite a 1.7-point decline from the prior month, the mental health score in Newfoundland and Labrador remains strongest.
- The lowest mental health score in January is observed in Alberta (-14.7), a 0.8-point decline from December.

Canada provincial Mental Health Index™ scores





Demographics

- For ten consecutive months, females (-13.8) have a significantly lower mental health score than males (-9.6); we have also observed that mental health scores improve with age.
- The variance in the mental health score between those with and without children has been observed since April, and results in January continue this trend with a lower score for those with at least one child (-15.3) when compared to those without children (-10.6).

Employment

- Overall, five per cent of respondents are unemployed. While most individuals remain employed, seventeen per cent report reduced hours or reduced salary since April 2020.
- Individuals reporting reduced salary when compared to the prior month (-26.0) have the lowest mental health score, followed by those who report fewer hours when compared to the prior month (-17.6), and those not currently employed (-13.1).
- Managers have lower mental health scores (-13.2) when compared to non-managers (-10.7).
- Twenty-one per cent of respondents participate in the gig economy; the mental health scores of individuals working part-time hours in the gig economy (-13.0) and those working multiple part-time gigs (-13.0) are lower than individuals who do not participate in the gig economy (-10.0).
- Self-employed/sole proprietors have the highest mental health score (-7.5), although this score is down from the prior month (-6.1).
- Respondents who report working for companies with 51-100 employees have the lowest mental health score (-15.7), followed by individuals working for companies with 101-500 employees (-13.3).

Emergency savings

- Individuals without emergency savings continue to experience a lower score in mental health (-25.6) than the overall group. Those reporting having an emergency fund have a mental health score of -6.2.



Employment status	Jan. 2021	Dec. 2020
Employed (no change in hours/salary)	-9.8	-9.7
Employed (fewer hours compared to last month)	-17.6	-17.5
Employed (reduced salary compared to last month)	-26.0	-22.5
Not currently employed	-13.1	-19.1
Age group	Jan. 2021	Dec. 2020
Age 20-29	-21.5	-22.3
Age 30-39	-17.0	-16.1
Age 40-49	-12.2	-12.9
Age 50-59	-9.1	-9.2
Age 60-69	-4.8	-4.6
Number of children	Jan. 2021	Dec. 2020
No children in household	-10.6	-11.2
1 child	-15.3	-15.1
2 children	-12.6	-11.6
3 children or more	-12.9	-9.7

Province	Jan. 2021	Dec. 2020
Alberta	-14.7	-14.0
British Columbia	-12.2	-11.5
Manitoba	-11.1	-14.4
Newfoundland and Labrador	-4.9	-3.2
The Maritimes	-9.9	-11.3
Quebec	-10.9	-12.0
Ontario	-11.6	-11.6
Saskatchewan	-11.9	-11.4
Gender	Jan. 2021	Dec. 2020
Male	-9.6	-10.0
Female	-13.8	-13.7
Income	Jan. 2021	Dec. 2020
Household income <\$30K/annum	-21.7	-19.9
\$30K to <\$60K/annum	-15.4	-15.9
\$60K to <\$100K	-12.3	-13.1
\$100K to <\$150K	-9.3	-9.3
\$150K or more	-3.9	-4.3

Employer size	Jan. 2021	Dec. 2020
Self-employed/sole proprietor	-7.5	-6.1
2-50 employees	-10.5	-11.7
51-100 employees	-15.7	-15.4
101-500 employees	-13.3	-13.2
501-1,000 employees	-12.2	-12.7
1,001-5,000 employees	-11.1	-10.3
5,001-10,000 employees	-11.3	-11.4
More than 10,000 employees	-11.1	-11.9
Manager	Jan. 2021	
Manager	-13.2	
Non-manager	-10.7	
Gig economy	Jan. 2021	
Not part of the gig economy	-10.0	
Supplementing income from steady job	-20.2	
Full-time freelancer	-14.3	
Part-time freelancer	-13.2	
Multiple part-time gigs	-13.0	

Numbers highlighted in **orange** are the most negative scores in the group.

Numbers highlighted in **green** are the least negative scores in the group.

Available upon request:

Specific cross-correlational and custom analyses



The Mental Health Index™ (industry)

For the eighth consecutive month, full-time students have the lowest mental health score (-26.7). This continues to be significantly lower than the next lowest score, among individuals in Information and Cultural Industries (-18.9), and Utilities (-15.3). The highest mental health scores this month are observed among individuals employed in the Automotive Industry (-7.5), Management of Companies and Enterprises (-8.1), and Agriculture, Forestry, Fishing and Hunting (-8.2). Individuals employed in the Management of Companies and Enterprises, the Automotive Industry, and Mining and Oil and Gas Extraction have seen the greatest improvement in mental health since last month.

Improvements from the prior month are shown in the table below:

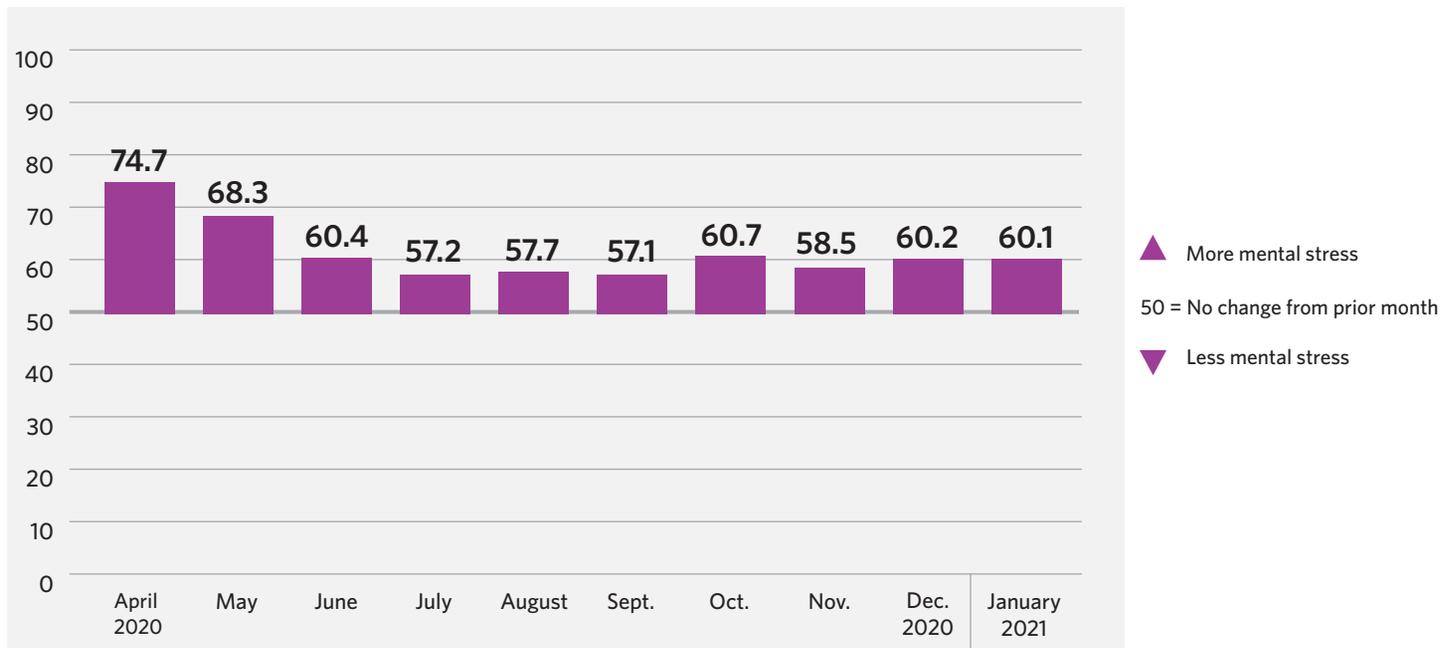
Industry	January 2021	December 2020	Improvement
Management of Companies and Enterprises	-8.1	-17.5	9.4
Automotive Industry	-7.5	-13.1	5.5
Mining and Oil and Gas Extraction	-10.0	-12.0	2.0
Accommodation and Food Services	-14.1	-15.5	1.4
Finance and Insurance	-13.6	-14.9	1.3
Arts, Entertainment and Recreation	-12.0	-13.2	1.2
Agriculture, Forestry, Fishing and Hunting	-8.2	-9.3	1.1
Health Care and Social Assistance	-11.9	-12.8	0.9
Professional, Scientific and Technical Services	-8.5	-9.3	0.8
Public Administration	-9.5	-10	0.5
Educational Services	-13.1	-13.0	-0.1
Manufacturing	-11.1	-10.9	-0.2
Retail Trade	-13.9	-13.6	-0.3
Transportation and Warehousing	-10.6	-10.2	-0.3
Wholesale Trade	-11.9	-11.5	-0.5
Other services (except Public Administration)	-11.4	-10.4	-1.0
Utilities	-15.3	-14.0	-1.3
Construction	-10.7	-9.1	-1.6
Full-time student	-26.7	-24.9	-1.8
Real Estate, Rental and Leasing	-8.8	-6.9	-1.9
Information and Cultural Industries	-18.9	-16.8	-2.1
Other	-10.3	-7.6	-2.7



The Mental Stress Change score

The Mental Stress Change Score (MStressChg) is a measure of the level of reported mental stress, compared to the prior month. **The Mental Stress Change score for January 2021 is 60.1.** This reflects a net increase in mental stress compared to the prior month. The steepness of the increase had been declining, month-over-month through September, then increased in October, declined moderately in November, and increased in December. The score in January remains unchanged from the prior month. The current score indicates that 25 per cent of the population is experiencing more mental stress compared to the prior month, with 5 per cent experiencing less. A continued increase in mental stress over the last ten months indicates a significant accumulation of strain in the population.

Current month January 2021:	60.1	December 2020: 60.2
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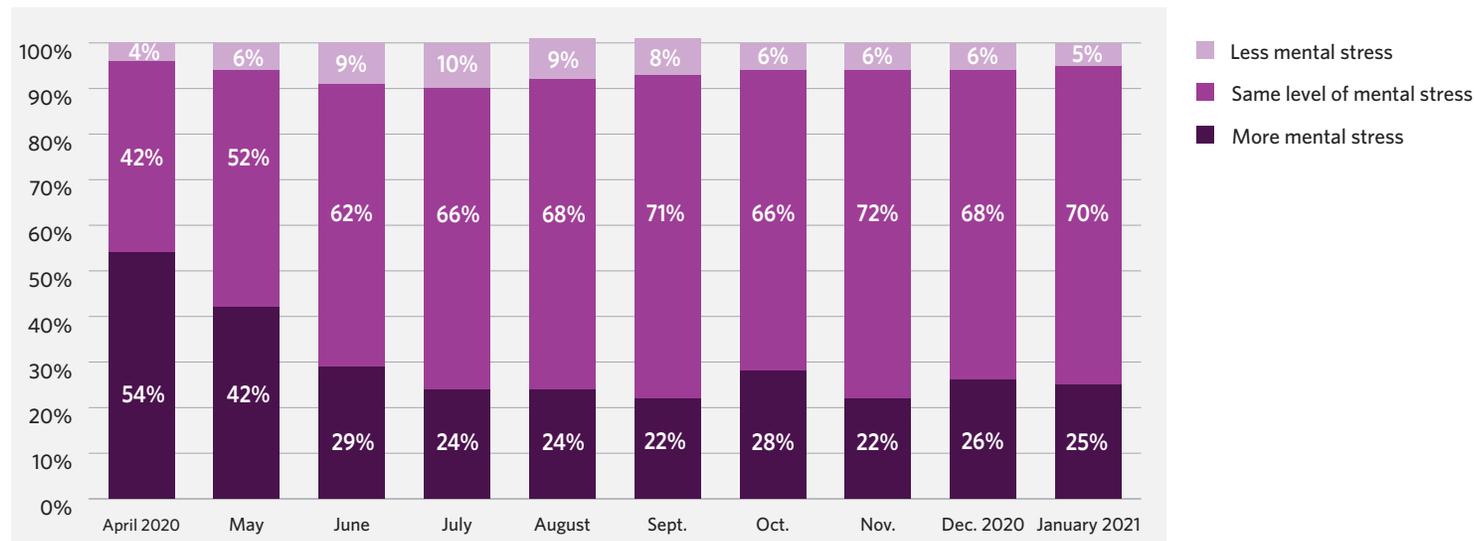
Mental Stress Change (percentages)

Mental Stress Change tracks an individual's stress changes each month. The percentages of those experiencing more stress, the same level of stress, and less stress for each month of the survey are shown in the graph below.

Over the last ten months, the percentage of those experiencing more mental stress than the previous month has steadily decreased; however, the data shows that those experiencing less mental stress are insufficient to lower the overall Mental Stress Change score to below 50 (the level at which stress is lower than the previous month). As the proportion of individuals reporting the same level of stress or more stress than the previous month continues to significantly outweigh the proportion reporting less mental stress, the population will continue to feel the effects of significantly increased stress and will not be able to reach a more sustainable and health level of stress.

In April, 54 per cent of individuals reported an increase in mental stress. While those reporting increased month-over-month mental stress has decreased to 25 per cent in January 2021, 70 per cent of respondents report the same level of mental stress and only 5 per cent report a decrease in mental stress.

Mental Stress Change by Month





Demographics

- As was reported in prior months, and as evidenced again in January, younger respondents are experiencing a greater increase in mental stress when compared to older respondents.
- Since April 2020, females have had larger increases in mental stress when compared with males.

Geography

- Considering geography, the greatest increase in stress month-over-month was for respondents living in Alberta (67.1), followed by Manitoba (61.9), Saskatchewan (60.7), and British Columbia (60.5). Respondents living in the provinces where the increase in mental stress was less, still had significant increases. They include Ontario (59.9), followed by The Maritimes (58.7), Newfoundland and Labrador (56.4), and Quebec (56.1).

Employment

- The greatest increase in mental stress is seen in employed people with reduced salary (69.9), followed by employed people with reduced hours (63.2) when compared to unemployed people (59.9) and employed people with no change to salary or hours (59.1).
- The greatest increase in mental stress is observed among managers (62.2) while non-managers have a more modest increase in mental stress (58.9).



Employment status	Jan. 2021	Dec. 2020
Employed (no change in hours/salary)	59.1	59.3
Employed (fewer hours compared to last month)	63.2	62.7
Employed (reduced salary compared to last month)	69.9	68.2
Not currently employed	59.9	59.2

Age group	Jan. 2021	Dec. 2020
Age 20-29	65.0	66.3
Age 30-39	63.5	61.1
Age 40-49	59.5	61.0
Age 50-59	58.9	58.9
Age 60-69	56.9	57.4

Number of children	Jan. 2021	Dec. 2020
No children in household	58.7	59.8
1 child	64.3	62.1
2 children	62.0	60.2
3 children or more	62.3	54.8

Numbers highlighted in **orange** are the most negative scores in the group.

Numbers highlighted in **green** are the least negative scores in the group.

Available upon request:

Specific cross-correlational and custom analyses

Province	Jan. 2021	Dec. 2020
Alberta	67.1	64.3
British Columbia	60.5	60.0
Manitoba	61.9	63.8
Newfoundland and Labrador	56.4	51.6
The Maritimes	58.7	57.8
Quebec	56.1	56.0
Ontario	59.9	60.0
Saskatchewan	60.7	64.3

Gender	Jan. 2021	Dec. 2020
Male	58.2	58.7
Female	62.1	61.7

Income	Jan. 2021	Dec. 2020
Household income <\$30K/annum	61.6	61.5
\$30K to <\$60K/annum	60.4	60.8
\$60K to <\$100K	60.7	60.4
\$100K to <\$150K	60.6	60.9
\$150K or more	57.4	57.8

Employer size	Jan. 2021	Dec. 2020
Self-employed/sole proprietor	57.4	56.5
2-50 employees	59.1	59.3
51-100 employees	61.6	61.8
101-500 employees	62.3	61.4
501-1,000 employees	61.4	62.5
1,001-5,000 employees	60.5	60.2
5,001-10,000 employees	59.8	60.4
More than 10,000 employees	59.4	59.7

Manager	Jan. 2021
Manager	62.2
Non-manager	58.9

Gig economy	Jan. 2021
Not part of the gig economy	59.2
Supplementing income from steady job	69.3
Full-time freelancer	54.4
Part-time freelancer	58.6
Multiple part-time gigs	63.5



The Mental Stress Change (industry)

Mental Stress Change scores for the Agriculture, Forestry, Fishing and Hunting, Transportation and Warehousing, and Automotive industries are less steep when compared to the prior month.

Full-time students have the most significant increase in mental stress (67.5), followed by individuals employed in Information and Cultural Industries (65.2), and Wholesale Trade (63.7).

Mental Stress changes from the last two months are shown in the table below:

Industry	January 2021	December 2020
Agriculture, Forestry, Fishing and Hunting	50.0	55.0
Transportation and Warehousing	53.5	58.2
Automotive Industry	56.1	63.7
Arts, Entertainment and Recreation	56.3	59.1
Real Estate, Rental and Leasing	56.8	59.3
Manufacturing	58.1	59.6
Retail Trade	58.9	63.7
Management of Companies and Enterprises	59.1	67.2
Professional, Scientific and Technical Services	59.6	59.6
Mining and Oil and Gas Extraction	59.7	54.5
Other services (except Public Administration)	60.0	59.4
Other	60.5	56.3
Finance and Insurance	60.5	59.3
Construction	61.0	57.5
Health Care and Social Assistance	61.6	61.4
Public Administration	61.8	59.8
Educational Services	62.2	60.5
Utilities	62.5	59.0
Accommodation and Food Services	62.8	63.4
Wholesale Trade	63.7	59.9
Information and Cultural Industries	65.2	63.3
Full-time student	67.5	63.8



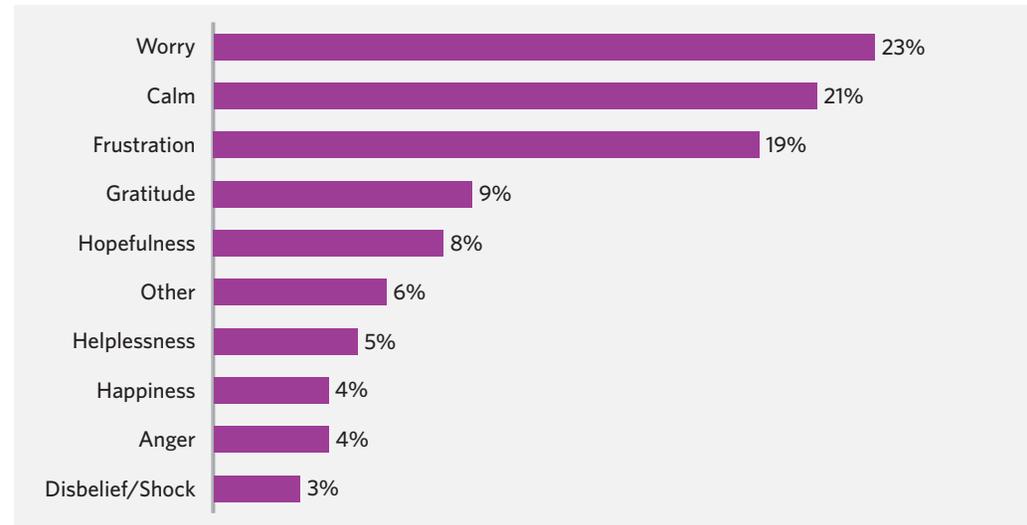
Spotlight

Emotional state

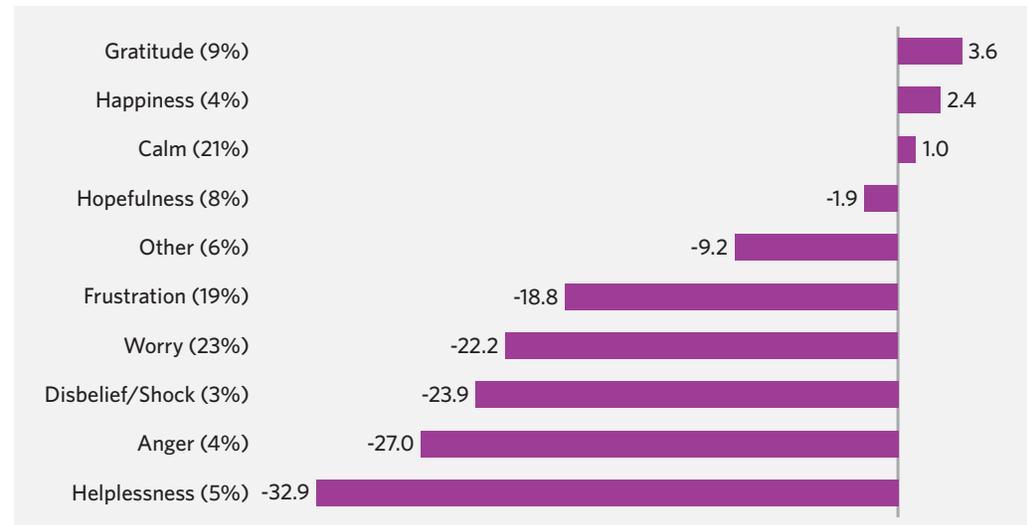
Previous findings in June and August 2020 indicate that the most commonly reported emotions that individuals were experiencing were worry, calm and frustration. Nearly one year into the pandemic, the most commonly reported emotions continue to be worry (23 per cent), calm (21 per cent), and frustration (19 per cent) and their proportions are largely the same as observed in prior months.

- Consistent with the June and August findings, individuals reporting positive emotions (gratitude, happiness, calm, and hopefulness) have significantly higher mental health scores when compared to individuals reporting negative emotions (frustration, worry, disbelief/shock, anger, and helplessness).
- Individuals reporting fewer hours at work or reduced salary are nearly fifty per cent more likely to report feeling frustration or worry when compared to those who are fully employed; those who are fully employed are fifty per cent more likely to report feeling calm when compared to individuals working fewer hours or with reduced salary.
- Females are fifty per cent more likely to report worry as their primary emotion and fifty per cent less likely to report calm when compared to males.

Main emotion felt most often right now



MHI score by the main emotion felt most often right now





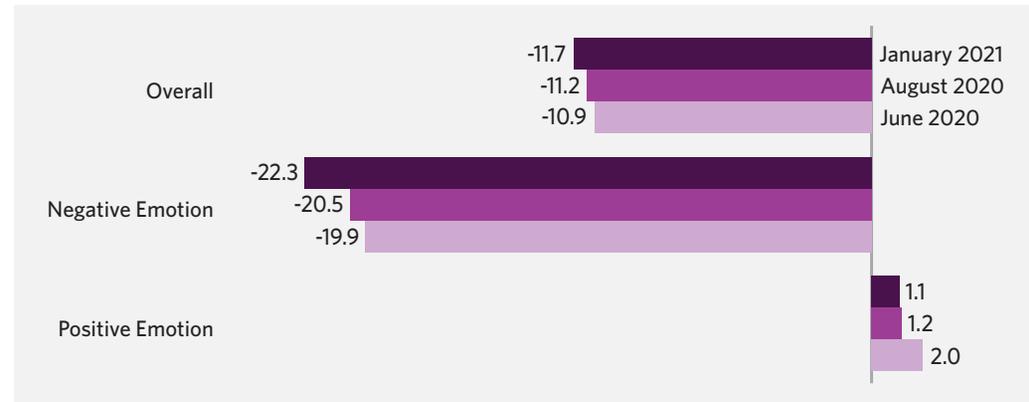
- Individuals without children are nearly twice as likely to report feeling gratitude when compared to those with children.

Changing priorities due to the COVID-19 pandemic

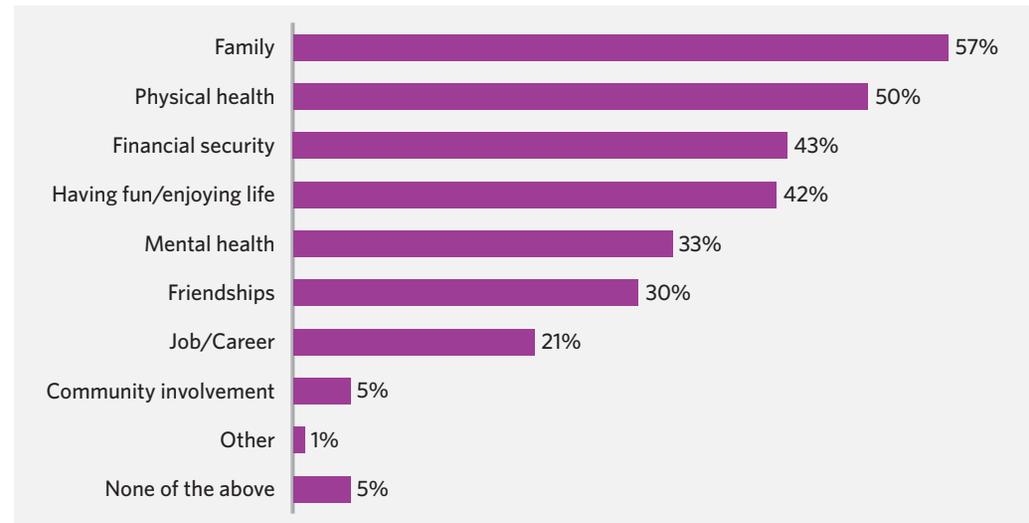
As Canadians continue to manage their daily lives in a time of global pandemic, thoughts of temporary adjustments are moving to what the “new normal” could look like. Many Canadians are rethinking their priorities amid the ongoing impact of the pandemic on work, finances, social relationships, physical and mental health. Respondents were asked to select three areas they would like to focus on when compared to before the pandemic.

- The most commonly reported areas respondents would like to focus on are family (57 per cent), physical health (50 per cent), financial security (43 per cent), and having fun/enjoying life (42 per cent).
- One-third of individuals report wanting to focus on their mental health; this group has the lowest mental health score (-21.4).
- Individuals between the ages of 20 and 29 are nearly twice as likely to report wanting to focus on their mental health when compared to those over the age of 60.
- Younger individuals are significantly more likely to want to focus on their job/career (39 per cent). Relatedly, individuals without an emergency fund are over fifty per cent more likely to report wanting to focus on their job/career.

Longitudinal comparison of emotion type and MHI score



Areas individuals would like to focus on when compared to before the pandemic





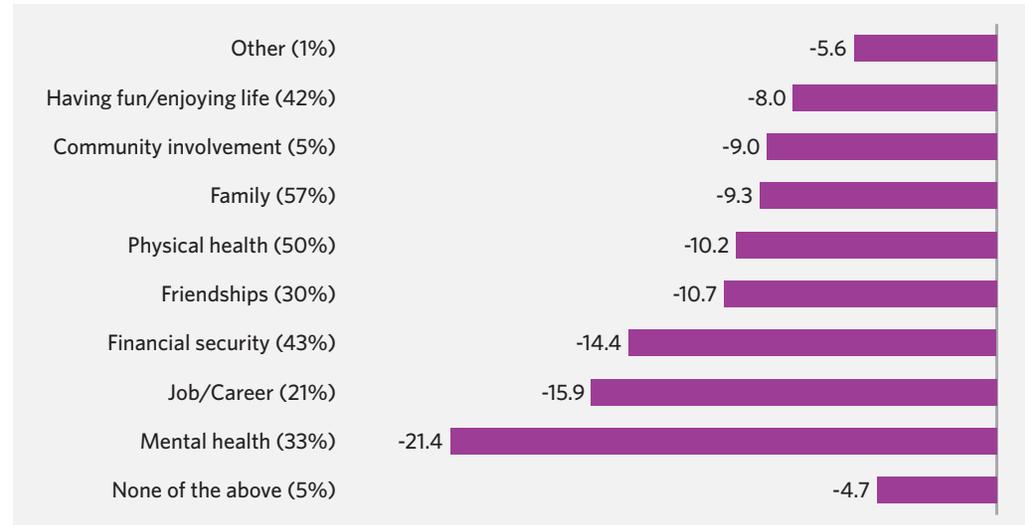
- Respondents over the age of 60 are nearly twice as likely to want to focus on their physical health when compared to individuals between the ages of 20 and 29.

Positive impact of the COVID-19 pandemic

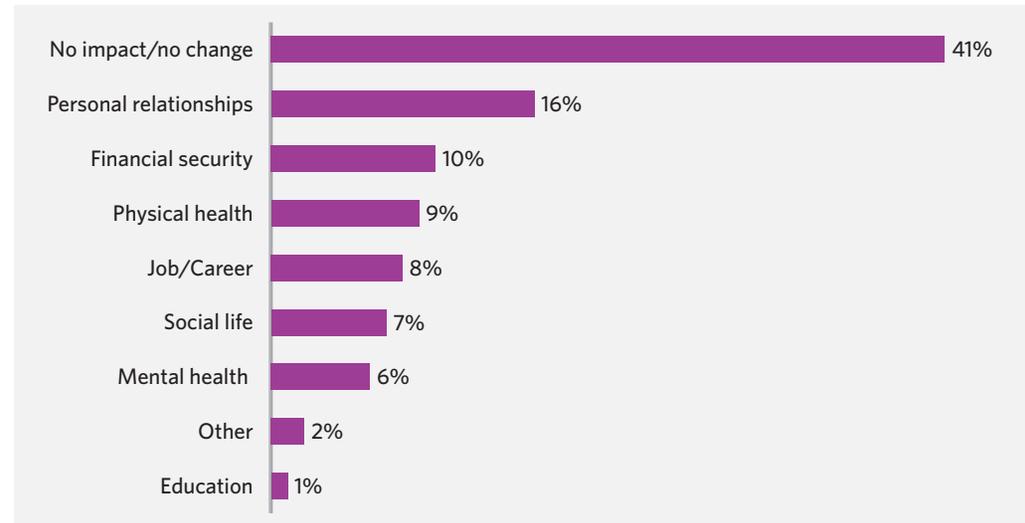
The impact of the COVID-19 pandemic has touched Canadians in different ways - restricted social lives, the shift to virtual work, illness, or death of loved ones, etc. At the same time, some Canadians are reporting inspired changes or unseen benefits because of the pandemic. Respondents were asked to indicate the areas that have changed positively because of the pandemic.

- The most commonly reported area of positive impact is personal relationships (16 per cent), followed by financial security (10 per cent), and physical health (9 per cent).
- Respondents reporting a positive change in their social lives have the highest mental health score (-5.6).
- Individuals working in Healthcare and Social Assistance are over thirty per cent more likely to report no positive impact when compared to all other industries.
- Respondents between 20 and 29 years of age are two-and-a-half times more likely to report some positive impact when compared to those over the age of 60.

MHI by areas individuals would like to focus on when compared to before the pandemic



Areas that have changed positively due to the pandemic



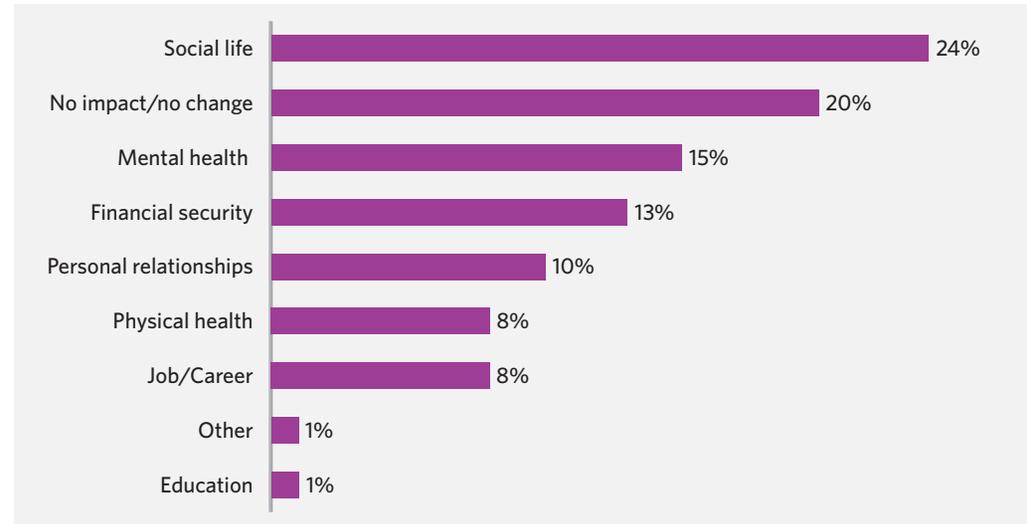


Negative impact of the COVID-19 pandemic

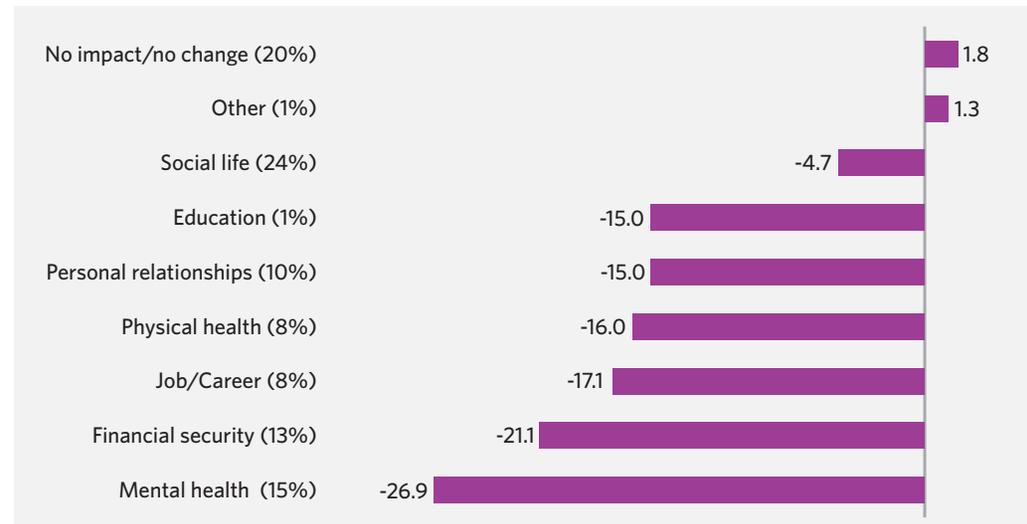
As expected, the impact of the COVID-19 pandemic has been difficult on most Canadians. Respondents were asked to indicate the area of their lives that has changed most negatively because of the pandemic.

- The most commonly reported area of negative change is social life (24 per cent), followed by mental health (15 per cent), and financial security (13 per cent).
- The lowest mental health score is observed among individuals reporting that the most significant negative impact is to their mental health (-26.9), followed by those reporting a negative change to their financial security (-21.1), and those reporting a negative impact on their job/career (-17.1).
- Individuals under the age of 40 are more than twice as likely to report the most significant negative impact on mental health when compared to individuals over 60 years old.
- Individuals working fewer hours or with reduced pay/salary are over twice as likely to report that the most significant negative change is financial security when compared to those with no change in employment.

Areas that have changed negatively due to the pandemic



MHI score by areas that have changed negatively due to the pandemic



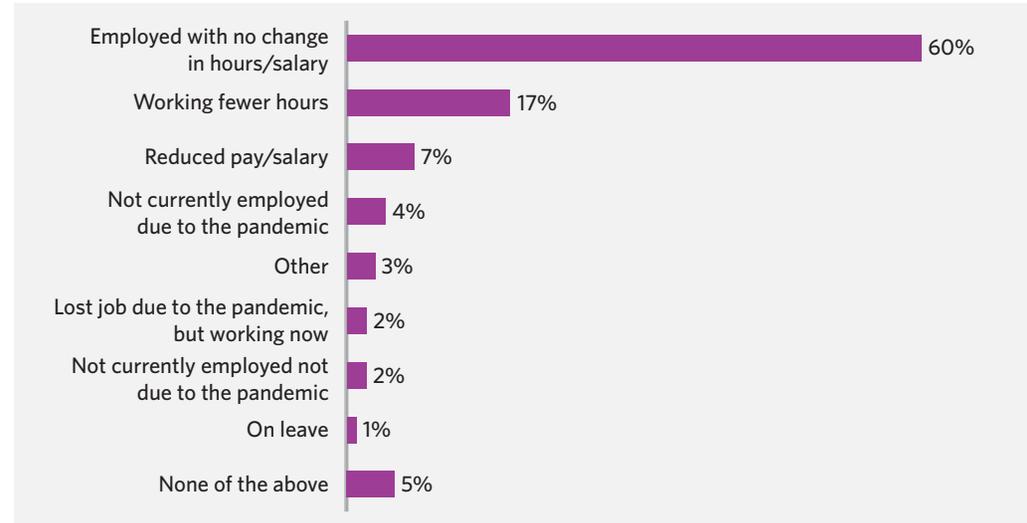


Employment during the pandemic

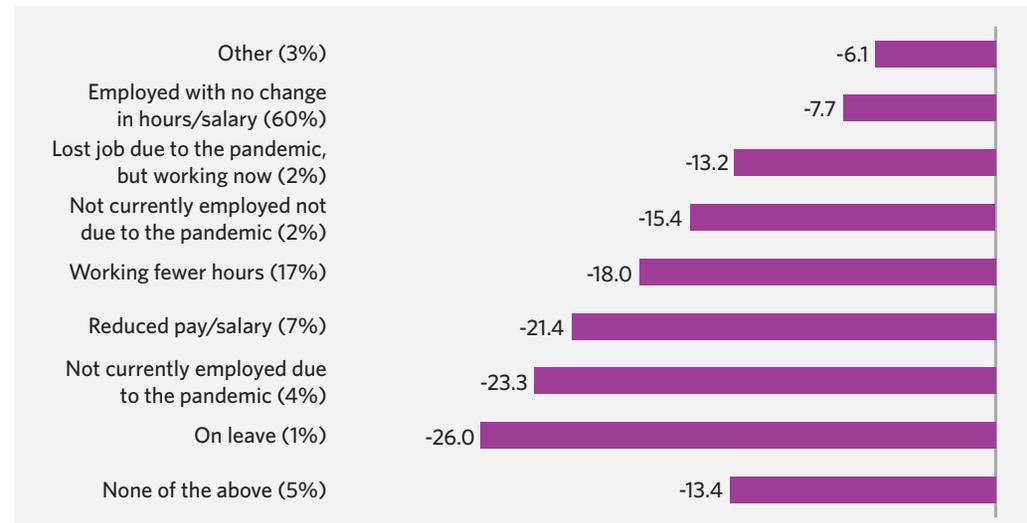
As Canadians focus on managing through the pandemic, employment remains a critical stabilizer. Finances and isolation continue to be the strongest drivers of mental health and employment is central to offsetting the risk of poor mental health. Respondents were asked about their employment situation during the pandemic.

- Sixty per cent of respondents have no change in their hours or salary, whereas seventeen per cent report working fewer hours, and seven per cent report reduced pay/salary.
- Individuals reporting reduced pay/salary during the pandemic have a mental health score nearly ten points below the national average; those working fewer hours have a mental health score six points below the average.
- Individuals working for employers with less than 1,000 employees or who are self-employed are twice as likely to report working fewer hours compared to before the pandemic.
- As reported in the January Financial Wellbeing Index results, individuals not currently employed due to the pandemic have the lowest financial wellbeing score (-14.3), followed by those with reduced pay or salary (-13.2), and those with fewer working hours (-10.1).

Employment situation during the pandemic



MHI score by employment situation during the pandemic



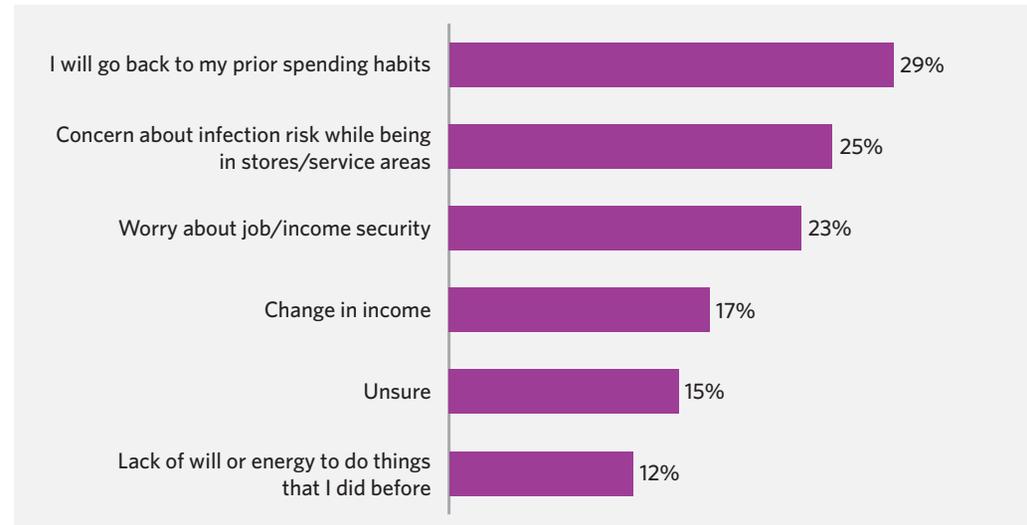


Spending habits

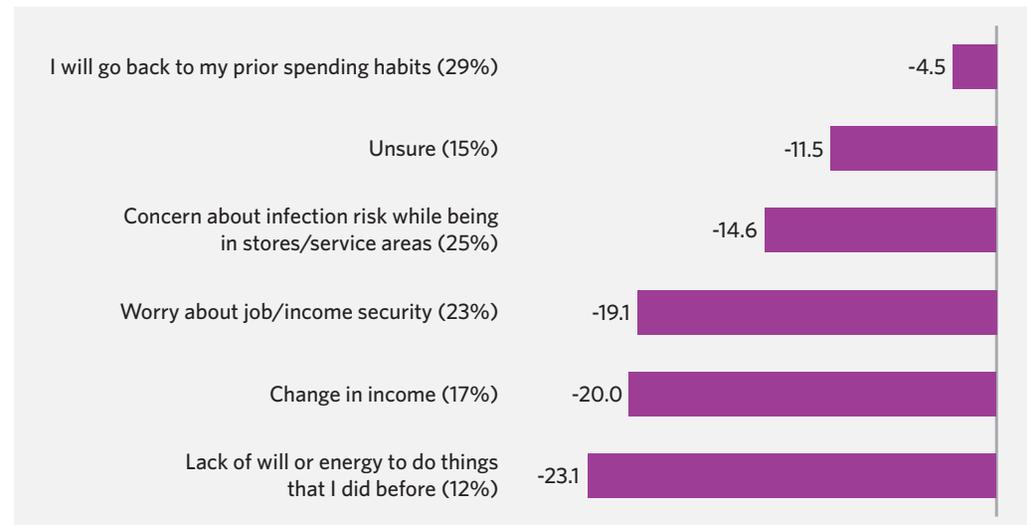
Previous findings (June 2020) indicate that less than one quarter (19 per cent) of respondents are likely to return to their previous spending habits. Over six months later, twenty-nine per cent of individuals report that they will go back to prior spending habits.

- Among those who will not return to their prior spending habits, the most commonly reported reasons are fear over infection risk (25 per cent) and worry about job/income security (23 per cent).
- Respondents over the age of 40 are almost twice as likely to report that they will return to their prior spending habits when compared to those under 40 years old.
- Individuals working for employers with under 1,000 employees are nearly twice as likely to report not returning to previous spending habits because their income had changed when compared with those working for employers with more than 1,000 employees.
- Respondents reporting a lack of will or energy to do things they did prior to the pandemic have the lowest optimism score (-23.1), followed by those worried about job/income security (20.0), and those with a change in income (-19.1).

Reasons individuals will not return to prior spending habits once stores and businesses re-open



Optimism score by reasons individuals will not return to prior spending habits once stores and businesses re-open





Overview of the Mental Health Index™

The mental health and wellbeing of a population is essential to overall health and work productivity. The Mental Health Index™ provides a measure of the current mental health status of employed adults in a given geography, compared to the benchmarks collected in the years of 2017, 2018 and 2019. The increases and decreases in the Index are intended to predict cost and productivity risks, and inform the need for investment in mental health supports by business and government.

The Mental Health Index™ report has three main parts:

1. The overall Mental Health Index™ (MHI), which is a measure of change compared to the benchmark of mental health and risk.
2. A Mental Stress Change (MStressChg) score, which measures the level of reported mental stress, compared to the prior month.
3. A spotlight section that reflects the specific impact of current issues in the community.

Methodology

The data for this report was collected through an online survey of 3,000 Canadians who are living in Canada and are currently employed or who were employed within the prior six months. Participants were selected to be representative of the age, gender, industry, and geographic distribution in Canada. The same respondents participate each month to remove sampling bias. The respondents were asked to consider the prior two weeks when answering each question. The Mental Health Index™ is published monthly, starting in April 2020. The benchmark data was collected in 2017, 2018 and 2019. The data for the current report was collected between December 14 to December 23, 2020.

Calculations

To create the Mental Health Index™, the first step leverages a response scoring system turning individual responses to each question into a point value. Higher point values are associated with better mental health and less mental health risk. Each individual's scores are added and then divided by the total number of possible points to get a score out of 100. The raw score is the mathematical mean of the individual scores.



To demonstrate change, the current month's scores are then compared to the benchmark and the prior month. The benchmark is comprised of data from 2017, 2018 and 2019. This was a period of relative social stability and steady economic growth. **The change relative to the benchmark is the Mental Health Index™. A score of zero in the Mental Health Index™ reflects no change, positive scores reflect improvement, and negative scores reflect decline.**

A Mental Stress Change score is also reported given that increasing and prolonged mental stress is a potential contributor to changes in mental health. It is reported separately and is not part of the calculation of the Mental Health Index™. The Mental Stress Change score is (percentage reporting less mental stress + percentage reporting the same level of mental stress * 0.5) * -1 + 100. The data compares the current to the prior month. **A Mental Stress Change score of 50 reflects no change in mental stress from the prior month. Scores above 50 reflect an increase in mental stress, scores below 50 reflect a decrease in mental stress.** The range is from zero to 100. A succession of scores over 50, month over month, reflects high risk.

Additional data and analyses

Demographic breakdown of sub-scores, and specific cross-correlational and custom analyses are available upon request. Benchmarking against the national results or any sub-group, is available upon request. Contact MHI@morneaushepell.com

Morneau Shepell is a leading provider of technology-enabled HR services that deliver an integrated approach to employee wellbeing through our cloud-based platform. Our focus is providing world-class solutions to our clients to support the mental, physical, social and financial wellbeing of their people. By improving lives, we improve business. Our approach spans services in employee and family assistance, health and wellness, recognition, pension and benefits administration, retirement consulting, actuarial and investment services. Morneau Shepell employs approximately 6,000 employees who work with some 24,000 client organizations that use our services in 162 countries. Morneau Shepell inc. is a publicly traded company on the Toronto Stock Exchange (TSX: MSI). For more information, visit morneaushepell.com.

