MOF - FAO Commentary on Household Debt

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Good morning,

The FAO is releasing a commentary on household debt today.

The report notes that between 2010 and 2016, Ontario's household debt-to-income ratio increased sharply. High debt levels and rising interest rates expose households to financial risk that could have broader negative impacts on the overall economy.
From 2010 to 2016, the household debt for the average Ontario household increased by 21%.
As interest rates increase, the share of households' income spent on debt will increase from 6.6% to 8.9% - particularly affecting younger and lower-income households, since they spent more of their income on debt charges than the average Ontario household.

- We would like to thank the FAO for their commentary on Ontario's household debt – a challenge we've long acknowledged
- While Ontario has experienced strong economic growth over the past four years and currently has the lowest unemployment rate in almost 2 decades, we recognize that not everyone is benefitting from this success.
- That's why we have taken measures to help create greater fairness and opportunity
- Our Fair Housing Plan addressed the concerns of housing affordability and consumer protection, while bringing stability to the marketplace
- We've transformed OSAP, meaning students will be graduating with less debt than ever – over 200,000 students this year alone
- OHIP+ means families no longer need to choose between paying for their kids' prescription drugs and other everyday necessities
- And the increase to minimum wage will translate to more money in people's pockets
- In times of economic uncertainty, our government will continue to pursue a balanced approach that supports all Ontario households.

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