

Neighbourhood Financial Health Index

1. What is the NFHI?

The NFHI is a new composite measure of neighbourhood financial health, and accompanying online mapping tool, created to help municipalities, community organizations, and residents to explore the geographic distribution and underlying drivers of financial health and vulnerability in their community.

2. How should the NFHI be used?

The NFHI uses six indicators and an aggregate index of these indicators to provide information about the financial health and vulnerability of neighbourhoods and municipalities across Canada. This information is provided in terms of a ranking.

The NFHI can be used in at least three ways: To compare the ranking of neighbourhoods within an urban region; to compare the ranking of a municipality against all municipalities across Canada; and to better understand the specific factors that make up a community's rank by considering the rank of each of the six indicators that make up the NFHI.

The NFHI cannot be used to understand the financial health of a specific household or individual.

3. What can NFHI data tell us that existing financial health data does not?

The NFHI can tell us at a glance how households are doing financially on average in individual neighbourhoods and communities -- information that has never been freely available before.

It can also tell us how well each neighbourhood and community is doing with respect to key underlying drivers of financial health and vulnerability – income, assets (savings and real estate), debt (consumer and mortgage), and neighbourhood poverty.

Together, these insights provide communities and those working to strengthen them, with a critical new window into the financial health of residents, enabling them to see important vulnerabilities and to target financial help and supports to where they are needed most.



4. What communities are included in the NFHI?

The NFHI includes detailed financial health information about all Canadian municipalities (census subdivisions or CSDs) and about all neighbourhoods located within Canada's metropolitan areas (census tracts or CTs). Zoom in to the mapping tool for neighbourhood geographies (census tracts), zoom out to view municipalities (census subdivisions).

5. What is Census Metropolitan Areas (CMAs)/ Census Agglomerations (CAs)?

A Census Metropolitan Area (CMA)/Census Agglomeration (CA) is an area consisting of one or more neighboring municipalities situated around a major urban core. A Census Metropolitan Area must have a total population of at least 100,000, of which 50,000 or more live in the urban core. A Census Agglomeration must have an urban core population of at least 10,000.

6. What is a Census Tract (CT)?

Census tracts (CTs) are "urban neighbourhoods" found in all Census Metropolitan Areas (CMAs) and some (not all) Census Agglomerations (CAs). CTs align neatly with CMA and CA boundaries, but do not align with Census Sub-Division (CSD) boundaries. CTs typically have populations of 2,500 to 5,000 people.

7. What is a Census Subdivision (CSD)?

Census Subdivisions cover all of Canada, correspond to municipal boundaries, and range enormously in population size, from a handful of people to 2.7 million (e.g. City of Toronto). Many are smaller than Census Tracts (CTs), which typically have populations of 2,500 to 5,000 people.

8. What is the data source for the NFHI?

NFHI data is drawn from Environics Analytics' WealthScapes product. WealthScapes offers the most comprehensive database available for information on the assets, liabilities and income of Canadians. The database is updated annually.

9. How does the NFHI treat smaller communities and rural areas?

The NFHI provides information about the financial health of communities across Canada, including almost all rural and remote communities. All communities falling within a CMA are

represented as census tracts or census subdivisions. Information about communities located outside a CMA is available only in the form of census subdivisions. The colour grey is used to represent those communities where no data are available due to reasons of confidentiality associated with the small number of households. These are limited mainly to communities in Nunavut and northern Quebec.

10. How is the NFHI Score calculated?

The overall index is calculated by combining the scores for each of the 6 indicators. However, not all 6 indicators have equal value in the index. In other words, they are weighted differently. The household income and neighbourhood poverty indicators are weighted at 50% of the overall score, meaning performance related to these two indicators has a very strong impact on the overall index score.

11. How can I access NFHI data for my community?

NFHI data sets are licensed by Environics Analytics to the Canadian Council on Social Development and cannot be shared with third parties. To purchase NFHI data for your community, please contact Michel Frojmovic at Michel@ccsd.ca or by phone at 613-728-0335.

12. Can I request a custom analysis of my community, similar to the one provided for Toronto?

The Canadian Council on Social Development (CCSD) is pleased to offer interested organizations a standard NFHI analysis and report for their community/region (see City of Toronto example) at a cost. More customized reports are also available. To learn more, please contact Michel Frojmovic at Michel@ccsd.ca or by phone at 613-728-0335.