
Table 1: Estimated marginal impact of a prolonged economic slowdown on households (10 per cent unemployment rate)^a

Unemployment characteristics ^b		Change in the proportion of insolvent households (%)	Change in the proportion of debt held by insolvent households (%)	Banks' resulting losses as a percentage of their RWA ^c
Duration (weeks)	Incidence (%)			
20	26	1.4	5.2	0.9
25	21	2.1	6.0	1.0

a. Results are presented as variations from the 2008 starting point.

b. In 2008, the average unemployment rate was 6.1 per cent, and duration averaged 15 weeks.

c. RWA: Risk-weighted assets

Source: Bank of Canada simulations
