



Factum

Four in ten (42%) Canadians Overspent on the Holidays

Average Amount overspent hits \$530 Nationally, \$652 in Ontario

Toronto, Ontario, Feb 6, 2018 — As holiday-spending credit-card payments come due, a new Ipsos poll conducted on behalf of RBC has revealed that four in ten (42%) Canadians spent more than they intended to during the holiday season – and those who overspent did so by an average of \$530.

Residents of Saskatchewan/Manitoba were most likely to have gone over budget (48%), followed by Ontarians (45%), Atlantic Canadians (42%), British Columbians (41%), Albertans (38%) and Quebecers (36%). Among those who overspent, those in Ontario (\$652) blew past their budget by the most, followed by those in Alberta (\$519), Quebec (\$449), Atlantic Canada (\$445), British Columbia (\$426) and Saskatchewan/Manitoba (\$363).

Over-spending also varies by gender and age:

- Women (45%) are more likely to have over-spent than men (38%). However, among those who did spend more than they intended, men (\$587) went further past their budget than women (\$485) on average.
- Millennials (55%) are more likely to have spent more than intended than Gen Xers (43%) and Boomers (29%). Among those who overshot their target, Gen Xers (\$565) and Millennials (\$556) exceeded their spending intentions by a similar amount, while Boomers (\$436) stayed closer to target.

With so many Canadians going over-budget, it's not surprising to learn that one in three (33%) financed most of their holiday spending via credit card, with another 2% leaning on their line of credit. The majority of Canadians though, relied on cash (34%) or their debit card (25%), while others redeemed points for rewards or gift cards (5%), or used an annual bonus (2%) to help out with the holidays.

In an effort to get back on track, those that overspent intend to spend less on entertainment (30%), spend less on their day-to-day living expenses (28%) (i.e. groceries, phone, cable, etc), and spend less on lunch and coffee money (25%) and put these savings towards their extra holiday costs. Two in ten (17%) plan to carry these extra costs on their credit card for two months or longer, while 12% say they'll pay off their credit card balance right away. One in ten (11%) will use their line of credit, while 8% admit that they don't know how they will pay their holiday season over-expenditures. Two in ten (22%) say they've already paid off the added costs.

Where did Canadians spend their money this past holiday season? The average Canadian spent \$87 on toys (up \$10 from last year), \$165 on electronics (up \$16), \$48 on entertainment (up \$4), \$69 on home décor (up \$1), \$112 on holiday hosting (up \$2), \$144 on holiday travel (down \$7) and \$103 on unexpected expenses (up \$25), making it the largest growing category.

Thinking about what they might do differently in 2018 to be better prepared for the next holiday season, one in three (31%) say they'll set aside savings on a regular basis for holiday/gift expenses, while one in four (25%) will create a budget earlier in the year that includes savings for holiday/gift expenses. Others will spend less/resist any temptations to spend more than they've saved or

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redeem their rewards points for holiday/gift expenses (15%). Four in ten (36%) insist that they were ready for last year's holiday spending, and won't do anything differently this year to prepare, led by 41% of men.

Canadians, on average, believe they could save \$258 a month without really thinking about it or noticing. Men (\$339) think they could save more than women do (\$182), and Boomers (\$275) and Gen Xers (\$272) believe they could sock away more than Millennials (\$219) each month without really noticing. British Columbians (\$289) and Quebecers (\$289) think they could save the most, followed by those living in Alberta (\$268), Ontario (\$252), Saskatchewan and Manitoba (\$204) and Atlantic Canada (\$161).

About the Study

These are some of the findings of an Ipsos poll conducted between Jan 2 and Jan 5, on behalf of RBC. For this survey, a sample of 2,001 was interviewed. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 2.5 percentage points, 19 times out of 20, had all Canadians 18+ been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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