



# Factum

## Four in Ten (40%) Canadians Went Over Budget During the Holidays, But Amount of Overspending Has Declined

### On Average, Canadians Overspent by \$384, Down 28% from Last Year and an Eight-Year Low

**Toronto, ON, February 6, 2019** — Nobody needs an excuse to go over their budget during the holidays and Canadians are no strangers to splashing out on an impulse indulgence for themselves or an extra gift for loved ones. According to a recent Ipsos poll carried out on behalf of the Royal Bank of Canada (RBC), four in ten Canadians (40%) went over budget during the holiday season. While this is a slight decline from last year (-2 points) in terms of the proportion of people who overspent, the survey's findings also reveal that Canadians are not going over budget as much as before. On average, Canadians went over their holiday spending budget by \$384, down 28% from last year and reaching its lowest level in eight years.

Levels of overspending have fallen by as much as \$200 in some key groups, with the biggest declines seen among 18- to 34-year-olds and women, who report overspending by \$363 and \$379, respectively. There is also regional variation when it comes to overspending; those in Saskatchewan/Manitoba tend to report the highest level of overspending (average of \$500), while those in Quebec report the lowest (average of \$230).

With so many ways to spend on presents, how did Canadians indulge either themselves or their loved ones during the holidays? Looking at average spending within categories of presents, gifts of experiences top the list, at an average spend of \$129. Gift cards come in a close second, with the average Canadian spending \$119 within this category during the holiday season. Other ways in which Canadians gave to friends and family include:

- Electronics (\$102)
- Toys (\$96)
- Entertainment (\$51)
- Gifts for pets (\$29)
- Giving to charities on behalf of family and friends (\$28)

### A Penny Saved?

In addition to Canadians overspending by less than they did last year, another bit of positive news from the survey's findings is that almost one-third (30%) of those who overspent during the holidays report already having paid off their expenses. Those aged 55+ are more likely than other age groups to report having paid off their bills from the holidays.

As for those who have not yet fully paid off their overspending, they are finding the money for their unpaid bills in various ways, be it from scrimping and saving in their everyday habits or carrying the costs on their credit card. Three in ten (30%) say they will spend less

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on entertainment, lunches, and coffee, and a quarter (25%) say they will spend less on day-to-day living expenses. Another two in ten (20%) will carry the costs on their credit card, paying off the balance in two months or more, and 14% will carry the costs on their credit card, paying off the balance immediately. One in ten (8%) report that they will carry the extra costs on their line of credit and a further 8% say they do not know yet how they will pay off their holiday over-expenditures.

Whether from cutting out a morning latté from a favourite café or eating dinner at home more often, finding ways to save money remains a challenge for many Canadians. When asked if they had any idea how much more money they might be able to set aside in addition to what they are currently saving, almost one quarter (23%) responded that they weren't saving regularly now, so they weren't expecting to be able to save anything 'extra'. Nonetheless, many Canadians believe that they would be able to save a little extra on top of what they are already saving. On average, they believe they will be able save an additional \$60 each month, a figure that rises to \$105 among 18-34-year-olds. If they are successful in saving that extra bit of money throughout the year, there is a chance that Canadians next year could be overspending on their holiday purchases by even less than this year.

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## About the Study

These are some of the findings of an Ipsos poll conducted between January 2 and 5, 2019, on behalf of Royal Bank of Canada (RBC). For this survey, a sample of 2,001 Canadians aged 18+ was interviewed online via the Ipsos I-Say panel. Quota sampling and weighting were 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  $\pm 2.5$  percentage points, 19 times out of 20, had all Canadian adults 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.

### For more information on this news release, please contact:

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## About Ipsos

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Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,780.5 million in 2017.

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