



PRESS RELEASE

Amid Record Inflation, Eight in Ten (83%) Canadians Expect Large Increases in the Cost of Food

Two-Thirds (63%) Say Increased Food Costs will Negatively Impact Quality of Life; Households to Spend Less on Socializing, Delay Large Purchases to Cope

Toronto, ON, May 10, 2022 — With Canada's inflation rate soaring to levels not seen in over 30 years, a significant proportion of Canadians will have trouble making ends meet in the months to come. A new Ipsos survey with the World Economic Forum, carried out in eleven countries, reveals high levels of public economic pessimism in the face of a worldwide cost of living crisis. Canada is no exception to this trend, with nearly half of Canadians (49%) saying that inflation is a top-three issue for them, as they brace for large increases in the cost of food shopping, household shopping, and fuel in the coming year.

Canadians Expect Higher Prices All Around, Particularly for Food

Thinking about the next year, Canadians largely believe the cost of living will increase across the board. They believe they will be hit with rises in not only the rate of inflation (79%), but also interest rates (79%) as central banks try to reign in said inflation, and taxes (65%) as governments try to raise money for inventions in the economy. However, not everything will go up; over four in ten (42%) say they believe the amount of disposable income they have will *decrease* and two in ten (22%) would say the same about their own standard of living.

Canadians are expected to be a lot more price sensitive across all categories as they contemplate how to manage their household finances in the near future. Eight in ten (83%) say they expect the amount they spend for food shopping will increase either 'a lot' or 'a little', followed by general household shopping (77%), fuel costs (75%), utilities (75%), and socializing (68%).

As for their ability to cope with these increases, eight in ten (81%) say they are either 'very concerned' or 'fairly concerned' about their personal financial situation in the next six months in terms of being able to cope with the costs of goods and services increasing. They are also concerned about their ability to buy the things they are used to buying (60%), pay their bills (52%), and pay their utilities (48%). No wonder then, nearly two-thirds say that the increase in food costs will have the most negative impact on their quality of life.





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Blaming the Pandemic and Global Economy, Canadians Have No Choice But to Find Ways to Cut Back

As for the reason behind these increases, over three-quarters of Canadians point the finger at the pandemic (79%) and the global economy (78%). Canadians also believe that the Russia/Ukraine war (71%) is responsible, followed by excessive business profits (68%), national policies (65%), and interest rates (63%). Relatively smaller proportions say they would blame workers' pay rises (47%) and immigration (43%) for the increase in cost of living.

Given that the perceived reasons behind these increases are well beyond the control of any one government or country, Canadians have resigned themselves to tightening their belts to make ends meet. Canadians are most likely to say that if rising prices meant that they could no longer afford their normal lifestyle, they would spend less money on socializing (51%), followed by delaying large purchases (47%), and spending less money on other household shopping (44%). Other ways in which Canadians say they would cut back include:

- Spending less on holidays (39%)
- Spending less money on food (33%)
- Use a car/automobile less often to spend less on fuel (28%)
- Use savings (25%)

As Canadians react to higher prices by cutting discretionary spending, avoiding spending on luxuries, and delaying big purchase decisions, the unfortunate reality is likely to be even worse than they expect. There is the possibility that as the squeeze continues, the public move from cutting spending to demanding pay rises (either from their current employer or moving to a new, higher-paying job), triggering the start of a wage-price spiral.



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About the Study

These are some of the findings of an Ipsos poll conducted in eleven countries between 7 and 18 April 2022, on behalf of the World Economic Forum. For the Canadian portion of the study, a sample of 1,000 adults aged 18-74 was interviewed using the Ipsos Online Panel. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the Canadian adult population. Where results do not sum to 100 or the difference appears to be plus or minus one point more or less than the actual, this may be due to rounding, multiple responses, or the exclusion of "don't know" or not stated responses.

The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 3.5 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.

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