



## FACTUM

### Are We Entering A Recession? Canadians Fear Impending Economic Downturn

Vast majority believe the Canadian economy will soon enter a recession or are already in one

**Toronto, Ontario, November 23, 2022** — A new Ipsos poll conducted on behalf of Manulife Bank reveals that the vast majority (87%) of Canadians believe we will soon enter a recession or that we are already in one. Of this group, the majority (56%) expect the recession to last at least a year and yet as many as twelve percent (12%) admit they don't plan on doing anything, in terms of adjusting their finances in response to the recession. Around half or more of those who are adjusting or plan on adjusting their finances in response to the recession say they will do so by spending less on leisure or entertainment (53%), grocery shopping on a budget (52%), or avoiding making large purchases or doing home renovations (49%). About one third are or will be adjusting their finances by driving their car less to save money on gas (38%), or delaying or cancelling travel plans (33%). Three in ten (30%) of those that have a household budget admit that they are or will be making adjustments to it. One fifth (22%) of those that have a savings account are or will be dipping into their savings. Fourteen percent (14%) are or will be delaying or cancelling plans to buy a new house, and around one in ten of those that have a financial retirement plan or a written financial plan are or will be making adjustments to their financial retirement plan (9%) or their written financial plan (8%). Just five percent (5%) of those that have a debt-repayment plan indicate that they are or will be making adjustments to it, in response to the (forthcoming) recession.

Many Canadians appear to be overwhelmed and perhaps unprepared for the current economic weather system that is moving in. Indeed, as many as half (49%) admit they feel overwhelmed by their financial situation, while six in ten (59%) claim that their spending is now outpacing their income growth. Additionally, one in four (24%) mortgage holders believe that if interest rates were to increase any further, they would be forced to sell their home.

#### About the Study

These are the findings of an Ipsos survey conducted on behalf of Manulife Bank. Fieldwork was conducted between October 7 and 12, 2022. A total of n=2,002 Canadians between the ages of 20 and 69, with household income of more than \$40,000 participated in the survey which was fielded via the Ipsos' online omnibus. The combined data has been weighted by age, gender, education and region to ensure the sample composition reflects the Canadian population. The precision of Ipsos online surveys is calculated via a credibility interval. In this case, the sample is considered accurate to within +/- 2.5 percentage points had all Canadians aged 20-69, with household income of more than \$40,000 been surveyed.



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