FACTUM

Despite Slow and Steady Improvements in Inflation, Canadians Continue to Feel its Micro-Level Impacts

Eight in ten (81%) Canadians Continue to Think that Inflation Will Make Everyday Things Less Affordable for Them

Toronto, ON, April 30, 2023 – While inflation rates are beginning to ease, Canadians are still feeling the pinch at the checkout counter, as 81% say that inflation will make everyday things less affordable for them, according to a new Ipsos poll conducted on behalf of Global News. Moreover, a majority (55%) remain concerned that they might not have enough money to feed their family, a statistic which rises to 68% among those with children in the household. Coupled with the fact that many also express concern over paying credit card bills and report having to dip into retirement savings to pay for daily expenses, the current outlook on micro-level economic impact remains discouraging, and there's still a long way to go.

Over Half of Canadians (55%, +3 pts) Are Still Worried They Might Not Be Able to Feed Their Families

When it comes to concerns about the economy and day-to-day living expenses, there appears to be little substantive change in sentiment among Canadians since November 2022, with some exceptions.

While similarly high portions are currently concerned that inflation will make everyday things less affordable (81%, no change from November 2022), that interest rates will rise quicker than Canadians can adjust (70%, -1 pt), and that they may lose their job if the economy does not improve (43%, +1 pt), slightly more Canadians are worried that economic troubles will impact their retirement plans (70% +3 pts), and over half are worried they might not have enough money to feed their family (55%, +2 pts). The portion of those who are concerned they might not be able to afford gasoline has fallen in the last five months (56%, -5 pts).

How concerned are you about the following:

	% Somewhat + Very Concerned	
	April 2023	*November 2022*
That inflation will make everyday things less affordable for you	81% (-)	81%
That interest rates will rise quicker than you can adjust	70% (-1)	71%
That economic troubles will impact your retirement plans	70% (+3)	67%
That you might not be able to afford gasoline	56% (-5)	61%
That you might not have enough money to feed your family	55% (+2)	53%
That you may lose your job if the economy does not improve	43% (+1)	42%

160 Bloor Street East, Suite 300
Toronto, ON M4W 1B9
+1 416 324-2900

Contact: **Sean Simpson**
Senior Vice President, Ipsos Public Affairs Canada
Email: Sean.Simpson@ipsos.com
Tel: +1 416 324-2002

Those with children under 18 in their households are more likely to be concerned about *all* of the above items, as are those with incomes <$40K. By contrast, those over age 55 are more likely to say they are not very or not at all concerned with all of the above items.

Regionally, those in Alberta (90%) and Ontario (86%) are most likely to worry that inflation will make everyday things less affordable (vs. 84% BC, 81% SK/MB, 75% ATL, 69% QC). Ontarians are also more likely to express worry that interest rates will rise quicker than they can adjust (79% vs. 72% AB, 69% SK/MB, 68% ATL, 68% BC, 58% QC) and that they may lose their jobs if the economy does not improve (51% vs. 46% SK/MB, 39% AB, 39% BC, 36% QC, 35% ATL), while Albertans express more concern than those in other regions that economic troubles will impact their retirement plans (87% vs. 76% SK/MB, 72% ON, 68% BC, 66% ATL, 62% QC).

Delving into other topics relating to economic hardship reveals just how the current economic instability may be preventing hitting traditional life milestones. Seven in 10 (69%) Canadians say they are concerned that economic hardship will mean that they have to delay future plans or life projects like buying a home or starting a family, consistent with recent Ipsos data which showed how little confidence Canadian renters have in their home-ownership prospects.[i]

Further, many Canadians express anxiety over consumer debt. Fifty-four percent of Canadians express concern that they won't be able to pay their full credit card bill, and half (50%) are worried they may have to use a line of credit to pay their credit card bill. With just under seven in 10 (67%) saying they are concerned that they can't absorb any unexpected costs of $1,000 or more, just how they *would* attempt to absorb unexpected costs may be putting Canadians further into debt.

Again, those above the age of 55 are significantly more likely to *not* be concerned about any of these compared to younger age groups. Women (70%) are more likely than men (64%) to express concern about absorbing unexpected costs of $1,000 or more. And again, those in Alberta and Ontario are most likely to be concerned that they won't be able to pay their full credit card bills (64% AB, 61% ON, 52% ATL, 52% SK/MB, 46% QC, 42% BC) and that they might have to use a line of credit to pay their credit card bill (58% AB, 56% ON, 52% SK/MB, 51% ATL, 41% BC, 41% QC).

While Canadians are Easing Up on their Budgets, They Continue to Cut Back on Buying Meat (+2 pts) and Fresh Produce (+3 pts) to Deal with Cost of Living

Consistent with data from November 2022,[ii] Canadians continue to cut back on non-essentials to deal with the current economic pinch, but new data suggests that they are easing up with regard to their budgets – also consistent with month-over-month declines comparing November 2022 to May 2022. Nearly all items, from cutting back on dining out (48%, -4 pts), to looking at flyers for sales (-2 pts), to cutting back on entertainment (42%, -4 pts) and new clothing purchases (-4 pts) have seen declines in the last five months. Only five items have seen increases: eating less meat (29%, +2 pts), buying fewer fresh fruits and vegetables (29%, +3 pts), switching grocery stores to one that is cheaper (25%, +1 pt), using money set aside for retirement (15% +2 pts), and, among parents, cutting back on organized sports for their kids (15%, +2 pts).

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As concerns over food prices mount, it is disheartening, though perhaps unsurprising, that one in 10 (10%) of Canadians report having accessed a food bank this year in order to deal with rising cost of living. A similar portion (7%) say they have used micro-payment programs to make purchases rather than making one-time payments.

Which of the following have you done in 2023 in order to deal with the higher cost of living due to inflation?

	April 2023	November 2022
Cutting back on dining out	48% (-4)	52%
Looking at flyers for sales	48% (-2)	50%
Cutting back on entertainment	42% (-4)	46%
Putting off purchases like new clothing, etc.	40% (-4)	44%
Eating less meat	**29% (+2)**	**27%**
Buying fewer fresh fruits and vegetables	**29% (+3)**	**26%**
Using a couponing or sale app to save money	28% (-3)	31%
Cutting back on travel inside the country	25% (-6)	31%
Switched my regular grocery store for one I think is cheaper	**25% (+1)**	**24%**
Cutting back on travel outside the country	24% (-4)	28%
Dipped into my personal savings to make ends meet	22% (-2)	24%
Pausing on saving for retirement	15% (-1)	14%
Using money I was setting aside for retirement	**15% (+2)**	**13%**
More carpooling/fewer car trips	12% (-3)	15%
Considered moving somewhere with a lower cost of living than where I live now	12% (-)	12%
Accessing food banks	10%	-
None of the above	10% (-3)	13%
Delayed or did not renew a medical prescription	9% (-)	9%
Telling my kids "no" more often *(among parents)*	30% (-4)	34%
Made purchases through micro payments rather than a one-time payment	7%	-
Cutting back on organized sports for my kids *(among parents)*	**15% (+2)**	**13%**

Majority of Canadians (82%) Say Their Weekly Grocery Bill Has Increased in the Last Six Months

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When asked to gauge how much their weekly grocery bill has increased, if at all, over the last six months, four in 10 (38%) say it has risen by between $0 and $50, while nearly one-quarter (23%) say it has increased between $51 and $100. One in five (21%) say it has increased by $101 or more, while slightly fewer (18%) say their weekly bill has not increased in the last six months. While results are fairly consistent across demographic groups, the youngest Canadians aged 18-34 are both more likely to say their grocery bill has risen by more than $100 (30% vs. 22% 35-54 and 14% 55+) and to say their bill has not increased (25% vs. 18% 35-54 and 12% 55+). Those with children in their household under 18 are also more likely to say their grocery bill has risen by more than $100 (31%) compared to those without children (17%) – who are more likely to report no increase (20% vs. 11% those with children).

Hand-in-hand with increasing grocery prices is the concept of "shrinkflation," the idea that items are reduced in size, quantity, or quality while their prices remain the same or increase. Eighty-four percent of Canadians report that they are concerned this phenomenon will continue, consistent across demographic groups.

About the Study

These are some of the findings of an Ipsos poll conducted between April 19th and 20th, 2023, on behalf of Global News. For this survey, a sample of 1,000 Canadians aged 18+ was interviewed. Quotas and weighting were employed to ensure that the sample's composition reflects that of the Canadian population according to census parameters. 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 Canadians aged 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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For more information on this news release, please contact:

Sean Simpson
Senior Vice President, Ipsos Public Affairs Canada
+1 416 324 2002
Sean.Simpson@ipsos.com

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ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP

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[i] Six in Ten (63%) Canadians Who Don't Own a Home Continue to Feel Owning a Home is Completely Out of Reach, have "Given Up" on Ever Owning One | Ipsos
[ii] Financial Fears Mount as Most Canadians (86%, +3pts) Are Concerned Canada Will Face a Recession Within the Next Year | Ipsos