

Majority (57%) of Canadians Pull Back on Normal Spending Habits as Assessment of Current Economy Tumbles 20 points (73% to 53%)

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Toronto, ON – As the leaders of the G-20 meet in Washington to discuss the current economic meltdown and global financial crisis, a new Ipsos Reid poll conducted on behalf of Canwest News Service and Global Television has revealed that most Canadians are pulling in their horns, and many workers are becoming nervous in their place of employment.

Six in ten (57%) Canadians indicate that they ‘have started to pull back’ on their usual spending habits, becoming ‘far more cautious’ with what they spend. Just four in ten (43%) maintain that they ‘have not really changed’ their spending habits, and that they’re ‘continuing forward’ doing what they’ve always done.

Canadians’ assessment of the economy has dropped sharply in the last 6 weeks as only 53% of Canadians currently describe the economic conditions of this country as a whole as ‘good’ (51%) or ‘very good’ (2%) – down sharply from the 73% who said the same thing at the beginning of October. Canadians’ assessment of the economy has not been this low in over ten years.

By contrast, nearly one half (47%) now says that the state of the economy is ‘poor’ (42%) or ‘very poor’ (5%), up 22 points in the last month and a half. In fact, a majority (53%) of Canadians in Ontario and Atlantic Canada have a negative view of the economy.

Looking ahead, while nearly one half (46%) believes that within the next year or so, the economy will 'stay the same', more Canadians believe that it will 'get worse' (34%) than 'improve' (21%), representing a net score of - 13 (improve - worse).

Moreover, heading into 2009, one in three (33%) Canadians believes we're headed for a recession, while another 63% think that the economy will 'slow down but continue to have some growth', suggesting that most believe Canada will avoid a recession. Starkly, though, just 4% believe that 'it will continue to grow as strongly as it has in recent years'.

But the outlook for their own families is a little more positive. While six in ten (59%) think that their family's own economic situation will stay the same in next year or so, slightly more believe that it will 'improve' (22%) than 'get worse' (19%), representing a net score of +3 (improve - worse).

Nearly two in ten (18%) Canadians say that they, or someone in their household, is worried about losing their job - up 4 points since the beginning of October. However, when compared to the level of job anxiety witnessed in the early 1990s, the proportion of Canadians who are anxious about losing their job is still relatively low. However, the proportion of Ontarians who say they're nervous about losing their job is at 26%, much higher than any other region in the country.

Four in ten (43%) Workers Say Sales at Their Place of Work 'Slowing Down'; One in Three (33%) Report Their Management is 'Nervous and Concerned'...

The slowdown in the economy appears to be having an impact on the way that some businesses are conducting their activities. Many Canadians working in a full or part-time

setting for another employer are currently reporting a change in the behaviour of their employer, or suspect that in the next three months the business at which they work will be facing some of the following issues.

First and foremost, four in ten (43%) working Canadians 'agree' (10% strongly/33% somewhat) that that their business 'is witnessing a slowing of customer spending' on their products. Furthermore, a similar proportion (37%) 'agrees' (9% strongly/28% somewhat) that their business is or will be 'cutting back activities because of slowing sales'.

One in three (33%) 'agrees' (6% strongly/27% somewhat) that their management team is 'very nervous and concerned' about the business, and nearly one quarter (22%) 'agrees' (3% strongly/19% somewhat) that their business is, or within the next three months, 'laying off people' or 'closing down operations' in order to deal with the economic situation. Still, only 3% 'strongly agree' that their business is or will be laying off employees in the next three months. Just 7% of working Canadians 'agree' (2% strongly/5% somewhat) that they 'can't help but think that their business is on the verge of going bankrupt.

Other workers are a little more skeptical of what they're seeing and hearing about the economy. Four in ten (37%) 'agree' (9% strongly/28% somewhat) that 'all this talk about economic doom and gloom is just media hype' and that they 'don't see it or believe it' in their place of work. One in three (33%) 'agrees' (6% strongly/27% somewhat) say their business is in the process of 'riding it out over the holiday season and will decide what to do afterwards'.

These are the findings of an Ipsos Reid poll conducted on behalf of Canwest News Service and Global Television conducted from November 12 to November 13, 2008. This survey of 1,031 adult Canadians was conducted via the Ipsos I-Say Online Panel, Ipsos Reid's national online panel, based on quota

sampling. Weighting then was employed to balance demographics and to ensure that the sample's composition reflects that of the Canadian adult population according to the latest Census data and to provide results intended to approximate the sample universe. Statistical margins of error are not applicable to online polls because they are based on samples drawn from opt-in online panels, not on random samples that mirror the population within a statistical probability ratio. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error. However, an unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of +/- 3.1 percentage points, 19 times out of 20, of what the results would have been had the entire adult population in Canada been polled.

Ontarians, Atlantic Canadians Have Worst Assessment of the Economy...

While 53% of Canadians think that, overall, the economy is in good shape, not all Canadians are on the same page:

- Albertans (61%, down 26 points) and residents of Saskatchewan and Manitoba (61%, down 22 points) are most likely to say that the economy is at least 'good', while those in British Columbia (60%, down 13 points) and Quebec (55%, down 19 points) are slightly less likely. Those in Ontario (47%, down 19 points) and Atlantic Canada (47%, down 30 points) are much less likely to believe that this is the case.
- Those aged 35 and older are less likely (52%) than those aged 34 or younger (57%) to think that the economy is in a good state.

There appears to be an east-west divide when it comes to predicting where the economy will go heading into 2009. While 33% on the whole think we're headed for a recession, that sentiment is more wide-spread in the east than the west:

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- Four in ten (40%) Quebecers, 36% of Ontarians and 32% of Atlantic Canadians believe that Canada is headed for a recession. This compares to 27% of Albertans, 22% of British Columbians, and 16% of residents in Saskatchewan and Manitoba.
- Middle-aged Canadians are more likely (36%) than older (31%) or younger Canadians (30%) to believe that the economy is headed for recession.

The Economy's Impact on Families...

Two in ten (18%) are worried that they, or someone in their household is worried about losing their job, up 4 points since the beginning of October:

- Ontarians are by far the most likely (26%, up from 19% in October) to report job anxiety, while those in British Columbia (18%, up 6 points), Quebec (13%, down 1 point), Alberta (11%, unchanged), Saskatchewan and Manitoba (11%, down 6 points) and Atlantic Canada (8%, up 2 points) are less likely.

A majority (57%) of Canadians have started to pull back on their spending, compared to 43% who say they're continuing forward as usual. But some are more inclined to pull back than others:

- Ontarians (63%) are most likely to say they've cut back their spending, followed by Atlantic Canadians (59%), British Columbians (59%), Albertans (57%), residents of Saskatchewan and Manitoba (52%) and finally Quebecers (47%).
- Women (59%) are more likely than men (54%) to say they're becoming more cautious with what they spend.



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- Older (63%) and middle-aged (58%) Canadians are more likely than younger (49%) people to say they're cutting back on their usual spending habits.

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