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Toronto, ON - With a backdrop of encouraging signs released during the week, including solid retail spending numbers from September that advanced almost three times as much as economists expected, inflation nose-diving with prices in October dropping more sharply on the month than at any time in the past 50 years, an OECD projection that indicates Canada is likely in a technical recession right now but will weather a mild consequence until the summer, and five straight days of stock market gains, a new Canwest News Service/Global National/Ipsos Reid survey conducted during this timeframe appears to give credence to the view held by a majority of Canadians (56%) who 'agree' (20% strongly/37% somewhat) that most of the doom and gloom being expressed on the economy by supposed experts and in reports is 'really exaggerated'.

As such, three quarters of Canadians have not given up the consumer spending ghost: 76% say they are 'cautious and still bargain hunting' compared with only 23% who admit to 'pulling back their spending and preparing for the worst'.



But in light of other statistics that paint a conflicting picture, such as the latest that show exports sagging and Canadians earning less on investments abroad, the possible cause and effect holding back on spending is not lost on many: 45% believe that by cutting back, consumers will produce a 'self fulfilling prophecy that the economy is going to slow down and get worse' versus 51% who believe that the 'economy is going to slow down and get worse regardless' if consumers cut back or not.

As such, a majority (60%) 'agrees' (20% strongly/40% somewhat) that 'consumers have to put aside personal, short-term self-interest, and instead work as a collective to spend their money and resuscitate the sagging economy'.

And perhaps this lack of impending doom is in keeping with Finance Minister Jim Flaherty's decision to wait until February to determine if it is time for the Federal government to open the government coffers to stimulate the economy: a majority (54%) 'disagrees' (27% strongly/26% somewhat) that 'it's the right time for governments to start spending billions of dollars on things like infrastructure even if it means big deficits', compared with just 44% who do 'agree' (18% strongly/27% somewhat) that it's the right time for these types of action.

Canadians Split on the Economy and How They're Dealing with It...

Canadians appear to be split on the extent to which the economy is suffering. While one half (50%) 'agrees' (17% strongly/33% somewhat) that 'they keep looking around for a real economic slump in Canada, but just don't see it', the other half (48%) 'disagrees' (17% strongly/31% somewhat) with this. Further, one half (52%) 'agrees' (22% strongly/30% somewhat) that 'the economy is grinding to a halt', while the other half (47%) 'disagrees' (19% strongly/28% somewhat) that this is the case.



In similar proportions, one half (49%) 'agrees' (28% strongly/21% somewhat) that they've 'pretty much stopped spending money on anything but the bare essentials', while the other half (51%) 'disagrees' (28% strongly/23% somewhat) that they've taken these measures.

These are the findings of an Ipsos Reid poll conducted on behalf of Canwest News Service and Global National from November 25 to 27, 2008. For this survey, a representative randomly selected sample of 1000 Canadian adults was interviewed by telephone. With a sample of this size, the results are considered accurate to within ± 3.1 percentage points, 19 times out of 20, of what they would have been had the entire adult population of Canada been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure that the sample's regional and age/sex composition reflects that of the actual Canadian population according to Census data.

Key Differences in the Regions...

As the economy has impacted Canadians differently in each region, there exist some key regional differences in the data:

- Atlantic Canadians (90%) and Albertans (88%) are the most likely to say they're 'cautious' but 'still spending and hunting for bargains', while Canadians living in Ontario (77%), British Columbia (74%), Saskatchewan and Manitoba (71%) and Quebec (67%) are less likely to say they're still spending.
- Quebecers (32%) are most likely to say they're 'pulling back and preparing for the worst', compared to fewer residents of Saskatchewan and Manitoba (28%), British Columbia (25%), Ontario (22%), Alberta (12%) and Atlantic Canada (6%).



- British Columbians (56%) are by far the most likely to believe that an economic slowdown is a self-fulfilling prophecy, when compared to those living in Atlantic Canada (50%), Ontario (45%), Quebec (43%), Alberta (41%) or Saskatchewan and Manitoba (37%).
- Residents of Ontario (49%) are the most likely to 'agree' that now is the 'right time to start spending billions on infrastructure, even if it means deficits', while those living in Saskatchewan and Manitoba (47%) Quebec (46%), Atlantic Canada (45%), British Columbia (36%) and Alberta (31%) are less likely.
- Atlantic Canadians (71%) are most likely to believe that consumers have to 'put aside their personal self-term interest and instead work as collective to spend in order to resuscitate the sagging economy'. Those living in Ontario (65%), British Columbia (64%), Alberta (62%), and Saskatchewan and Manitoba (60%) are slightly less likely to believe this, while Quebecers are much less likely (44%) to agree with this position.

For more information on this news release, please contact:

*John Wright
Senior Vice President
Ipsos Reid
Public Affairs
(416) 324-2002*

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