

Half (51%) of Cardholders Indicate that they Will Spend Less on Credit Cards over the Next Six Months. One Quarter (24%) Say 'Much Less'

The economic downturn appears to be impacting the way Canadians use their credit cards

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Ipsos Reid

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Toronto, ON - It appears that when it comes to credit cards, many Canadians are cutting back. According to a new study conducted by Ipsos Reid, the impact of the economic recession is causing many Canadians to reconsider how they use their credit cards.

Roughly one half of cardholders report that as a result of the economic downturn, they are already spending less on their credit cards (49%), are more likely to pay off their credit card bills in full each month (48%), and are using cash and debit more often for everyday purchases (47%).

It appears likely that the trend in reducing credit card spending will continue into the foreseeable future, with half (51%) of card users indicating they will spend 'less' on credit cards over the next six months, and one quarter (24%) indicating that the amount they spend on their cards will be 'much less'.

- Perhaps not surprisingly, those with the highest credit card debt balances plan to cut back the most. Nearly three-quarters (73%) of those who have a current credit card balance of \$5,000 or more say they plan to spend less on their credit cards over the next six months - 44% say 'much less'.



Many Canadians are personally feeling the impact of the recession, with four in ten (40%) saying it has had a 'negative impact' on their financial situation over the past six months. Others who do not report a direct impact are nonetheless more cautious with their spending, as 71% 'agree' that they are 'reducing spending and paying more attention to money'.

These are the findings of an Ipsos Reid poll conducted as part of Ipsos' suite of credit card studies – Dynamics of the Canadian Card Market. The poll was conducted from March 13 to March 31, 2009. This online survey of 2,005 Canadian adults who have at least one credit card was conducted via the Ipsos Opinions Panel, a national online panel. Results with weighting from the Ipsos Opinions online panel provide results that are intended to approximate a probability sample. Statistical margins of error are not applicable to online polls, however, an unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of +/- 2.2 percentage points, 19 times out of 20, had the entire adult population of credit card holders in Canada been polled.

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