

Canadians Rebound from Economic Recession Funk: Highest Level of Economic Confidence Outlook Seen in 18 Years of Polling

*All Consumer Confidence Cylinders Firing;
Job Anxiety Declines*

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All Consumer Confidence Cylinders Firing; Job Anxiety Declines

Toronto, ON – Canadians' views on the economy have become more positive and the outlook for the future is more optimistic than at any point in the last two decades, according to a new Ipsos Reid poll conducted on behalf of Canwest News Service and Global Television.

A majority (52%) believe that in the next year or so the Canadian economy will 'improve', and just two in ten (19%) believe it will worsen, representing a net score of +33 (up 16 points). Three in ten (28%) suggest it will stay the same as it is now.

In fact, in 18 years that these data have been tracked, Canadians have never been so optimistic for the future of the economy as they are now. (figure 1)

Further, after a steady rise in anxiety since November of 2008, the proportion of Canadians whose family is experiencing job anxiety has decreased: one quarter (24%) of Canadians say that they or someone in their household is worried about losing their job, down 3 points from two months ago (27%). (figure 2)



Ipsos Reid has been tracking key Canadian consumer economic confidence indicators since 1991. This sounding was done just days before the revelation by Federal Finance Minister Jim Flaherty that the Federal deficit has accelerated faster than projected and is now sitting at \$50 Billion on the year. It remains to be seen whether awareness of this will dampen enthusiasm; however, previous economic confidence data gathered over the past 20 years by Ipsos Reid suggests that as the deficit does not have an immediate and direct impact or consequence on the personal financial situation of Canadians, it may be a while before this issue is internalized.

But just over this past weekend, a majority (53%) of Canadians believe that the overall state of the Canadian economy is 'good' (2% very good/51% good), up 12 points from its low point just two months ago. (figure 3)

It also appears that most Canadians believe the worst of the economic turbulence is behind us and as a result optimism is flying high.

Thinking about their own economic situation, one in three (35%) believe their situation will improve over the next year while just one in ten (11%) thinks it will worsen, resulting in a net score of +24 (up 9 points). A majority (54%) is of the opinion that their own situation will not change over the course of the next year. (figure 4)

But until this optimism turns into tangible signs of economic improvement, many Canadians continue to remain cautious about spending on big-ticket items. While two in ten (21%) say they'll spend more than last year on major purchases such as a car, major appliances or vacations, four in ten (36%) indicate that they will spend less on these items than they did last year (net -15, up from -18). Four in ten (42%) say they'll maintain their levels of spending on major purchases. (figure 5)

With respect to day to day spending on things like groceries, clothing or other personal goods, most (54%) Canadians are content to maintain the same amount of spending as last year. However one quarter (24%) expect to increase their spending on day to day items, and a similar proportion (22%) expect to spend less (net +2, up from -8). (figure 6)

Regional highlights include:

- Residents of Saskatchewan and Manitoba (60%) are the most likely to believe the economy will improve in the next year or so, followed by those living in Alberta (59%), British Columbia (56%), Ontario (52%), Atlantic Canada (48%) and Quebec (46%).
- Those living in Saskatchewan and Manitoba (60%) and British Columbia (60%) are most inclined to say that the state of the Canadian economy is currently 'good', while Albertans (58%), Quebecers (58%), Atlantic Canadians (51%) and Ontarians (45%) are less likely.
- Families in British Columbia (29%) and Ontario (27%) are most likely to be worried that someone in their household might lose their job, while those in Alberta (24%), Quebec (23%), Atlantic Canada (21%) and Saskatchewan and Manitoba (5%) are less likely.
- Ontarians (39%) have the highest propensity to believe that their own family's economic situation will improve over the next year or so, followed by those living in British Columbia (37%), Alberta (35%), Saskatchewan and Manitoba (33%), Atlantic Canada (31%) and Quebec (28%).

- With respect to major purchases, Atlantic Canadians (26%) and Albertans are most likely to say that they will loosen their purse strings and spend more on these items than last year, while those in Quebec (22%), Ontario (21%), British Columbia (19%) and Saskatchewan and Manitoba (15%) are more reserved.
- Focusing on day-to-day spending, Atlantic Canadians (35%) are the most likely to say that they'll spend more than last year on these items, while residents of Saskatchewan and Manitoba (28%), Quebec (25%), Ontario (23%), Alberta (22%) and British Columbia (17%) are not as inclined to increase their spending in this area.

These are the findings of an Ipsos Reid poll conducted on behalf of Canwest News Service and Global Television from May 20 to 24, 2009. For the survey, a representative randomly selected sample of 1,000 adult Canadians 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.

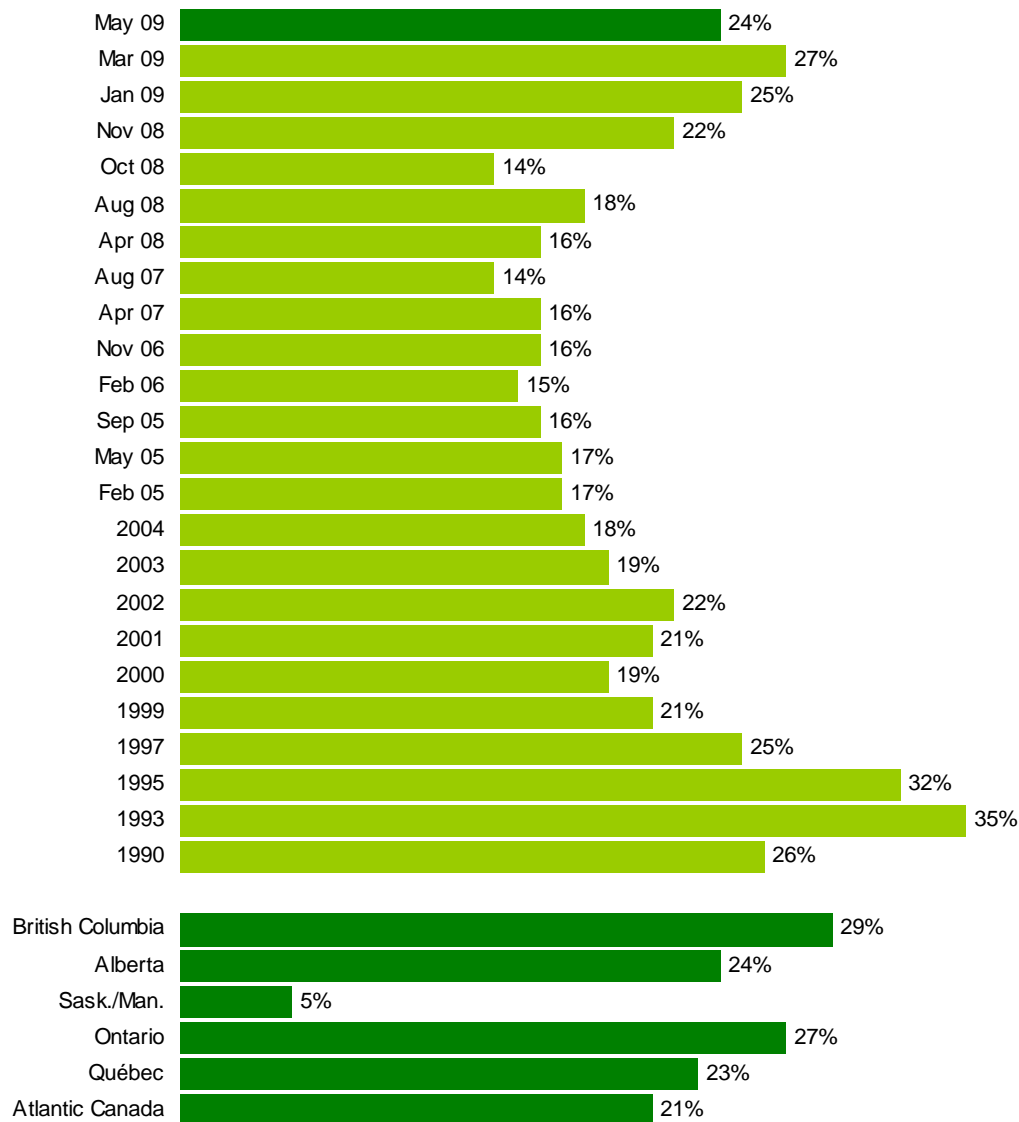
Figure 1: One-Year Forecast for Economy

(Percentages)	Mar 91	Mar 92	Mar 93	Mar 95	Mar 96	May 97	May 98	May 99	Jul 00	Jul 01	Jul 02	Feb 03	Feb 04	Feb 05	Sep 05	Feb 06	Nov 06	Apr 07	Aug 07	Apr 08	Nov 08	Jan 09	Mar 09	May 09
CANADA																								
Improve	38	33	41	33	27	41	44	36	37	26	32	29	34	27	22	29	24	26	25	20	20	31	44	52
Get Worse	31	27	21	25	29	15	14	15	14	24	20	21	18	19	28	21	21	18	19	36	40	37	27	19
Net	+7	+6	+20	+8	-2	+26	+30	+21	+23	+2	+12	+8	+16	+8	-6	+8	+3	+8	+6	-16	-20	-6	+17	+33
BC																								
Improve	38	40	41	28	28	38	29	33	34	38	35	28	35	31	25	34	34	28	27	19	20	31	42	56
Get Worse	30	32	30	31	28	17	24	20	22	23	25	23	20	18	21	16	17	13	17	36	41	38	30	18
Net	+8	+8	+11	-3	0	+21	+5	+13	+12	+15	+10	+5	+15	+13	+4	+18	+17	+15	+10	-17	-21	-7	+12	+38
AB																								
Improve	30	19	34	36	38	45	41	40	40	27	38	35	36	30	24	46	33	29	20	17	11	32	52	59
Get Worse	32	29	34	22	19	20	15	19	14	24	23	22	16	22	23	14	9	10	24	41	39	36	28	16
Net	-2	-10	0	+14	+19	+25	+26	+21	+26	+3	+15	+13	+20	+8	+1	+32	+24	+19	-4	-24	-28	-4	+24	+43
SK/MAN																								
Improve	25	40	27	35	24	38	39	27	28	26	20	23	38	21	20	27	33	30	39	23	29	28	37	60
Get Worse	47	26	31	20	30	15	19	19	15	25	26	23	23	24	25	22	10	15	10	33	29	30	28	18
Net	-22	+14	-4	+15	-6	+23	+20	+8	+13	+1	-6	0	+15	-3	-5	+5	+23	+15	+29	-10	0	-2	+9	+42
ON																								
Improve	42	28	46	38	29	47	54	40	39	23	39	30	36	28	25	31	21	24	23	16	23	38	53	52
Get Worse	27	25	18	19	30	14	11	13	12	27	17	21	17	21	32	28	23	22	23	43	40	35	22	20
Net	+15	+3	+28	+19	-1	+33	+43	+27	+27	-4	+22	+9	+19	+7	-7	+3	-2	+2	0	-27	-17	+3	+31	+32
PQ																								
Improve	40	25	41	28	24	35	40	36	37	24	22	24	28	21	17	20	15	23	26	24	14	20	31	46
Get Worse	28	25	13	31	29	15	12	12	11	23	18	19	20	19	25	11	29	18	17	25	45	46	35	19
Net	+12	0	+28	-3	-5	+20	+28	+24	+26	+1	+4	+5	+8	+2	-8	+9	-14	+5	+9	-1	-31	-26	-4	+27
ATLANTIC																								
Improve	31	34	36	32	23	35	40	29	30	28	36	34	35	33	22	25	35	28	24	22	24	26	46	48
Get Worse	43	32	24	27	39	17	15	19	20	20	20	17	13	9	32	31	13	17	18	28	38	31	23	22
Net	-12	+2	+12	+5	-16	+18	+25	+10	+10	+8	+16	+17	+22	+24	-10	-6	+22	+11	+6	-6	-14	-5	+23	+26

Q: Thinking about the next year or so, do you, yourself, generally feel that the Canadian economy will improve, stay about the same, or get worse?

Figure 2: Job Anxiety 1990-2009

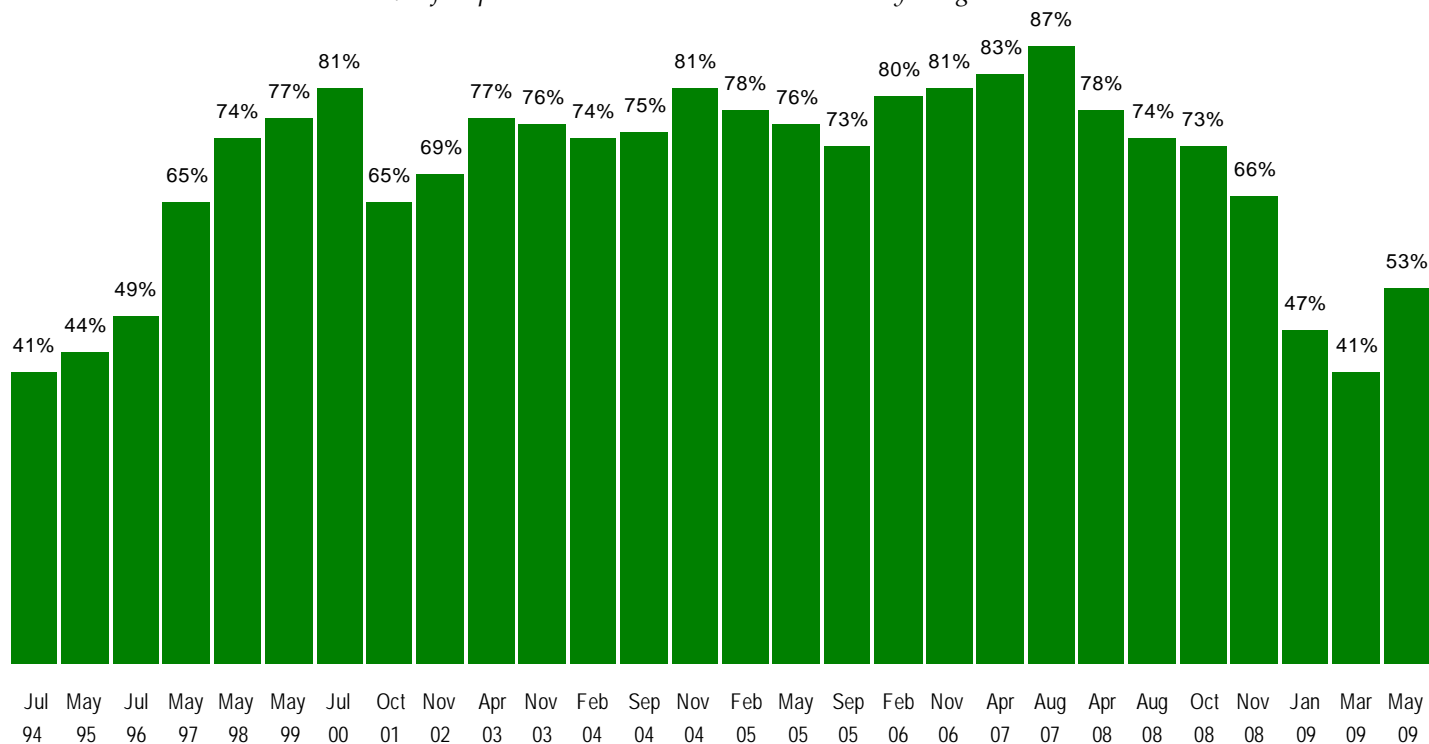
% of respondents who said "yes"



Q: Are you or is anyone in your household worried about losing their job or being laid off?

Figure 3: Overall State of the Economy 1994-2009

% of respondents who describe current economy as "good"



Q: In terms of the current economic conditions in this country as a whole, how would you describe the overall state of the Canadian economy right now?

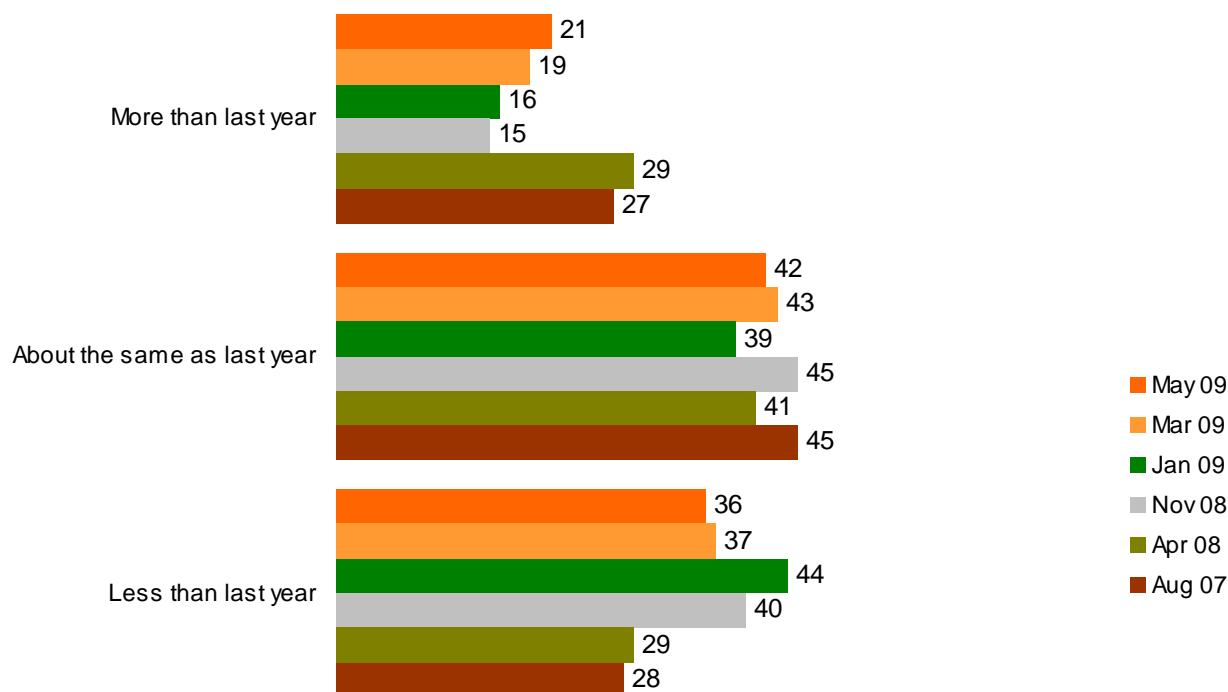
Figure 4: One-Year Forecast for Personal Prospects

(Percentages)	Mar 91	Mar 92	Mar 93	Mar 94	Mar 95	May 96	Nov 97	May 98	Mar 99	Mar 00	Mar 01	Feb 03	Feb 04	Feb 05	May 05	Sep 05	Feb 06	Aug 07	Apr 08	Nov 08	Jan 09	Mar 09	May 09
CANADA																							
Improve	29	24	28	27	27	27	32	34	33	38	29	44	37	36	33	36	34	38	31	21	26	30	35
Get Worse	19	18	17	19	17	19	15	12	11	13	16	10	13	12	13	16	14	10	18	18	19	15	11
BC																							
Improve	37	31	31	33	28	25	38	25	34	38	23	43	34	38	39	39	35	37	29	20	20	27	37
Get Worse	18	16	20	15	19	16	11	15	8	16	20	10	16	16	10	10	16	10	20	19	25	15	14
AB																							
Improve	32	24	31	22	28	40	49	36	32	38	34	56	51	38	43	45	45	41	32	22	27	33	35
Get Worse	14	18	16	29	18	8	13	15	14	18	12	13	16	8	9	16	5	9	18	18	11	17	11
SK/MAN																							
Improve	19	28	15	24	23	27	33	25	32	27	30	45	33	35	29	31	27	48	37	23	37	33	33
Get Worse	23	19	25	25	22	22	15	16	12	17	22	11	20	10	9	18	17	5	14	13	17	8	2
ON																							
Improve	32	24	31	28	30	31	30	39	36	40	33	42	39	41	35	39	35	37	32	25	29	34	39
Get Worse	19	18	17	18	15	18	12	11	10	13	17	10	10	9	13	18	16	11	20	20	19	15	12
PQ																							
Improve	25	21	28	26	22	19	26	34	30	43	23	44	34	29	25	30	30	39	30	17	21	21	28
Get Worse	18	17	12	16	17	22	18	13	11	9	13	8	14	16	15	17	13	8	14	16	17	16	9
ATLANTIC																							
Improve	25	19	22	19	29	23	26	32	36	25	22	43	35	36	33	38	27	29	27	20	29	40	31
Get Worse	19	23	21	24	18	26	25	9	12	21	19	5	12	13	14	13	16	11	18	15	19	8	10

Q: Thinking about your family, do you feel that your own economic situation will improve, stay the same, or get worse?

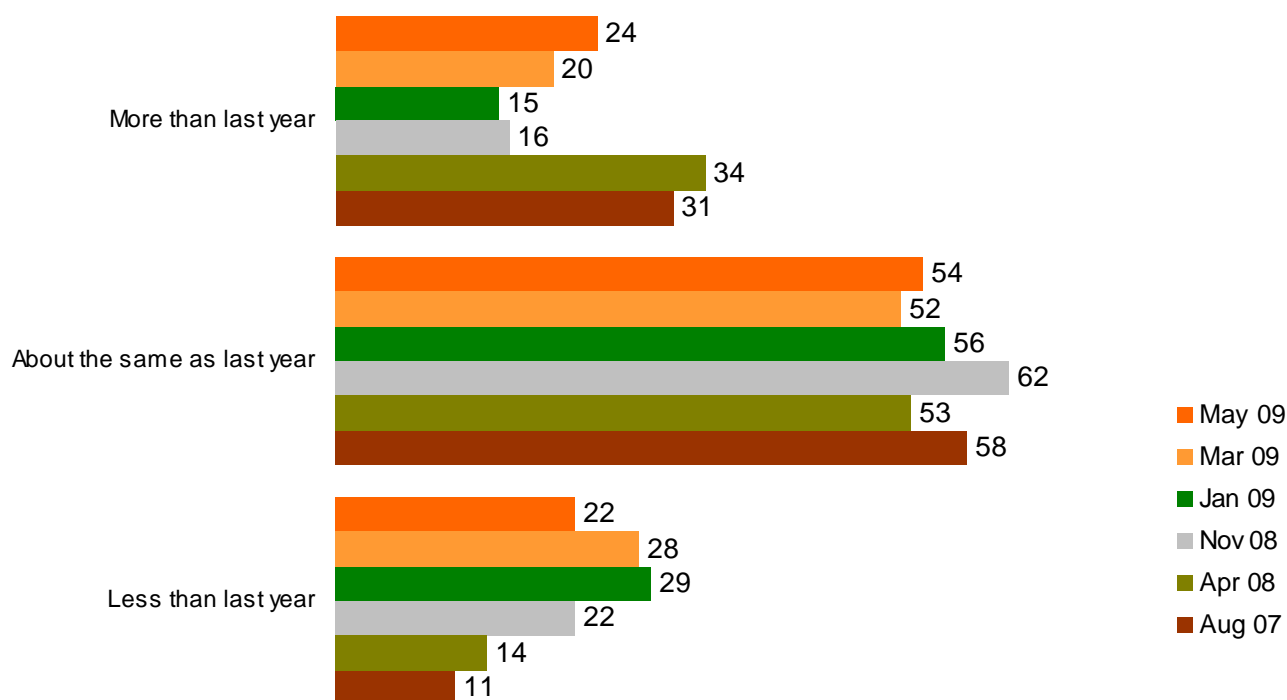
Figure 5: Family Spending on Major Purchases in the Next Year

% of respondents



Q: Now, thinking about major purchases such as buying a car or household appliances, or your vacation spending, in the next year do you expect that you and your family will be spending...

Figure 6: Personal Day-To-Day Spending in the Next Year



Q: And thinking only about your personal day-to-day spending habits on things such as groceries, clothing or other personal goods and services, in the next year do you expect that you and your family will be spending...

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