

One Half (47%) of Canadians Intend to Spend Less This Holiday Season than Last Year

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Toronto, ON – The tough economic year appears to be having a profound impact on Canadians' holiday-shopping intentions, with a new Ipsos Reid poll conducted on behalf of RBC indicating that one half (47%) of Canadians intend to tighten their purse strings this holiday season by spending less this year than they did last year. Conversely, nearly one half (45%) of Canadians expect to spend roughly the same amount of money that they spend last year, and one in ten (9%) think they'll spend more when it's all said and done.

Two in ten (18%) Canadians aren't planning on giving gifts at all this holiday season, up from 10% according to an identical poll conducted in December of 2007.

But among those who plan to give gifts to others this holiday season, the average Canadian intends to spend \$728 on gifts, a 12% increase from the \$651 they intended to spend on gifts in 2007. But this increase in gift spending will be partially offset by an apparent pullback in discretionary spending in other areas of holiday shopping, including clothing, travel, decorations, beauty services, food and drink and entertainment, with the average Canadian intending to spend \$490 this year, a 4.5% decline from 2007 intentions (\$512).

Overall, when combining all holiday-related spending, Canadians intend to spend \$1,218 this year compared to \$1,164 two years ago, an overall increase of 4.5%. So it appears that while nearly half in total are intending to pull back their holiday spending, those that will spend more will spend enough to drive the average spend up slightly.

These are some of the findings of an Ipsos Reid poll conducted between Nov 13 and 17, 2009, on behalf of RBC. For this survey, a national sample of 1,018 adults from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and 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 population of adults in Canada been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

One Half (47%) of Canadians Intend to Spend Less This Holiday Season...

One half (47%) of Canadians intend to scale back the amount of money they spend this holidays season, while a similar proportion (45%) will hold steady their spending. Just one in ten (9%) expects to spend more than last year. Some Canadians are more likely than others to pull back on their holiday spending:

- Atlantic Canadians (54%) are most likely to say they'll spend less this year than last year, followed by Albertans (51%), Quebecers (47%) Ontarians (47%), British Columbians (44%) and residents of Saskatchewan and Manitoba (37%).
- Women (50%) are significantly more likely than men (43%) to say they'll scale back.

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- Those whose family income is less than \$30,000 a year are most likely to indicate that they will scale back their spending (54%), while those whose family earns between \$30K and \$60K (47%) or more than \$60,000 (43%) are less likely to suggest they'll spend less.

Hey, Big Spender...

Among the eight in ten (82%) Canadians who will be buying holiday gifts for others this year, the average consumer will spend roughly 11% more than they did two years ago, with spending intentions jumping to \$728, on average, up from \$652 two years ago. Demographically, some are more inclined to spend more than others:

- Residents of Ontario are set to spend the most on gifts with the average gift-buyer spending \$989 on gifts. Those living in Atlantic Canada (\$792), British Columbia (\$648), Alberta (\$574), Saskatchewan and Manitoba (\$561) and Quebec (\$414) are not intending to spend nearly as much.
- Interestingly, those whose family income is less than \$30,000 a year are intending to spend the most on gifts (\$1,026) compared to those who make between \$30K and \$60K (\$571) or more than \$60K (\$716).
- Those with kids (\$1,011) are set to spend much more than those without kids (\$602).
- Women (\$788) say they'll be spending more than men (\$660).
- Middle-aged Canadians will likely spend the most (\$871), followed by older (\$745) and younger (\$498) adults.

Cutting Back on Other Holiday-Related Spending...

Canadians on average will likely be spending less on other holiday-related spending this year, such as clothing, travel, decorations, beauty services, food, drink and entertainment, with tracking to 2007 showing a 4.5% decline in the amount of money they'll spend. The average Canadian will spend \$490 this year on these sundry goods and services, down from \$512 two years ago.

- Residents of Ontario are set to spend the most on these items (\$658), followed by those living in Atlantic Canada (\$537), British Columbia (\$451), Quebec (\$364), Saskatchewan and Manitoba (\$321) and Alberta (\$284).
- Those with kids will spend nearly twice as much (\$724) as those without (\$399) kids on these types of goods and services.
- Families who earn less than \$30,000 a year appear to be inclined to spend more (\$681) than those who earn between \$30K and \$60K (\$327) and more than \$60K (\$515) on these items.
- Women (\$505) are set to spend slightly more than men (\$474) on these goods and services.
- Middle-aged Canadians are likely to spend more (\$613) than older (\$479) or younger (\$328) adults on these items.



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