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Year, Majority (57%) of Canadians Don't Have Money Set Aside
for a Rainy Day*

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Toronto, ON – Rocky markets, a sputtering economy and Euro-zone worries appear to have shaken Canadian economic confidence, according to the newly-released RBC Canadian Consumer Outlook Index conducted by Ipsos Reid. In the span of one quarter, the overall index has dropped to 70 points when compared to its benchmark of 100 points established in November of 2009. This represents a drop of 24 points since the last quarter, and by far the largest quarterly movement in the index since its inception. The drop of the overall index is a function of volatility within these three sub-indices:

- The current conditions sub-index is down 23 points and now sits at 81 points.
- The expectations sub-index has dropped 30 points and now rests at 52 points.
- The investment index has dropped 33 points since last quarter and now sits at 68 points.

Overall, 55% of Canadians believe the economy is in good (3% very good/52% somewhat good) shape, a drop of 11 points since last quarter. Despite this marked shift in opinions, job anxiety has held steady with 22% of Canadians reporting that they or someone in their

household is worried about losing their job or being laid off. Job anxiety is as high as 26% in Ontario, and as low as 11% in Saskatchewan and Manitoba.

Looking ahead to the next year, just one quarter (26%) of Canadians believe that the national economy will improve in the next year, while four in ten (40%) think this will worsen. This is a dramatic shift from last quarter when nearly twice as many thought the economy would improve (42%) rather than worsen (22%).

When it comes to personal finances, one in three (32%) believe their own financial situation will improve in the next year, which remains slightly ahead of the 25% who think it will worsen. Still, last quarter Canadians were much more optimistic about their future prospects as 39% thought their situation would improve, while only 20% believed it would worsen.

A majority (54%) of Canadians continue to delay major purchases such as buying a car or household appliances or vacation spending on account of the current economic conditions, although this proportion has improved by 4 points since last quarter. But Canadians on the whole aren't yet ready to loosen the purse strings, as nearly half (47%) intend to spend less on major purchases in the next year compared to the two in ten (18%) who plan to spend more on such things in the next year.

The last quarter has been tough for many Canadians, as three in ten (30%) report that they had to use some of their savings to help pay for everyday expenses or for an emergency. Furthermore, a majority (57%) of Canadians indicate that they don't have any savings set aside for an emergency or a rainy day.

Perhaps as a result, most Canadians intend to take steps over the next year to improve their financial situation. One in three (33%) will focus specifically on reducing their debt, while



three in ten (30%) intend to focus on spending less. One in five (21%) have the intention of saving or investing more, and another 21% intend to do all three of these things. Just one in ten (12%) Canadians don't intend to focus on any of these activities over the next year.

These are some of the findings of an Ipsos Reid poll conducted in September 26 to October 3, 2011, on behalf of RBC. For this survey, a sample of 3,054 adults from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics and political composition to 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 +/-1.8 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.

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