

Despite Shaky Economy, Canadians Still in Gift-Giving Mood

*Canadians Plan to Spend More on Gifts and Entertaining
This Year than Last*

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Despite Shaky Economy, Canadians Still in Gift-Giving Mood

Canadians Plan to Spend More on Gifts and Entertaining This Year than Last

Toronto, ON - Despite a shaky economy, Canadians appear to be in a gift-giving mood, according to a new Ipsos Reid poll conducted on behalf of RBC. Among the eight in ten (80%) Canadians who intend to give gifts this year, the average amount of money they intend to spend is \$640, up slightly from the \$624 they intended to spend last year. But where Canadians are intending to pull out all the stops is with all the other spending that goes along with the holiday season. On things like clothing, travel, decorations, beauty services, food, drink or entertainment, Canadians anticipate spending \$612 on average this year, up from \$513 last year. This means that total holiday spending is expected to rise to \$1,252, on average, among gift-givers this year, up from \$1,137 last year.

- When it comes to gift spending, gift-givers in Atlantic Canada intend to spend the most (\$877), followed by those living in Alberta (\$703), Saskatchewan and Manitoba (\$686), British Columbia (\$674), Ontario (\$664) and Quebec (\$461).
- Thinking about spending on other holiday-related items, Atlantic Canadians, again, intend to spend the most (\$767) compared to those living in Saskatchewan and Manitoba (\$742), Alberta (\$736), Ontario (\$572), Quebec (\$564) and British Columbia (\$542).

If last year's figures are any indication, come January many Canadian shoppers may realize that they didn't stick to budget and overspent. In January of this year, one in three (33%) Canadians said they overspent (Atlantic Canadians being the most likely at 37%), and those that did on average over-spent by \$429 (Atlantic Canadians highest at an average of \$521). In order to get back on track, these Canadians had to do things like cut back on entertainment (45%), their day to day living expenses (41%), coffee and lunch money (31%) their credit card (34%), and line of credit (16%).

Cash is king when it comes to paying for holiday purchases. A majority (55%) say they'll use cash to pay for their holiday spending, and three in ten (27%) say their debit card will be used. Just four in ten (37%) intend to finance any of their holiday spending by credit card (28% will pay off their balance right away, while just 9% say they'll carry a balance). One in twenty (5%) say they'll use their year-end bonus to finance their spending, while just one in ten (10%) admit they haven't thought about it yet, down from 20% who said the same thing at this time last 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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- 3 -

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