

Canadian Consumer Confidence Falls Again, Now Lower than in 2011 and 2010

*Only a Third of Canadians (32%) Think that the National
Economy Will Improve this Year*

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Ipsos Reid

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Canadian Consumer Confidence Falls Again, Now Lower than in 2011 and 2010

***Only a Third of Canadians (32%) Think that the National Economy
Will Improve this Year***

Toronto, ON - Canadian consumer confidence has declined for a second year in a row, according to the latest RBC Canadian Consumer Outlook poll by Ipsos Reid. Highlighting this trend, just a third of Canadians (32%) believes that the national economy will improve in the next 12 months; down 11 points from four in ten (43%) in January 2011 and more than half in January 2010 (56%). This last year also saw a rise in the proportion of Canadians who expect the national economy to worsen, from 24% in January 2011 to 31% in January 2012.

The overall index, benchmarked in November of 2009, now sits at 79 points, down from 93 points a year ago and 106 points in January of last year. The overall index is comprised of three sub-indices which assess Canadians opinions on various measures of the current state of the economy, their expectations and outlook, and their attitudes towards their investments and markets:

The latest changes to the overall index represent a number of increases in the sub-indices:

- The current conditions sub-index is down 16 points since January 2011 and now sits at 89 points.
- The expectations sub-index has decreased by 17 points since last year to 63 points.
- The investment index is also down by 17 points since January 2011 to its current standing of 83 points.

Despite the mixed outlook for the next twelve months, six in ten (58%) Canadians believe the economy is in good shape (3% very good/55% somewhat good), down only 2 points from 60% in January 2011.

Other findings from the latest RBC Canadian Consumer Outlook poll reveal that more than half of Canadians (53%, up 1% from January 2011) have delayed major purchases such as buying a car, buying household appliances or vacation spending on account of the current economic conditions.

Jobs outlook

Compared to last year, job anxiety has held steady, with 21% of Canadians reporting that they or someone in their household is worried about losing their job or being laid off (20% in January 2011). Job anxiety is highest in Ontario at 26%; and lowest in Saskatchewan and Manitoba at 11%. Job anxiety has fallen most in Alberta, where only 15% are now concerned compared with 19% in January 2011. In fact, half of Canadians (50%) think that the province of Alberta is creating the most jobs in Canada right now, followed by Ontario (22%) in a distant second, Saskatchewan (9%), B.C. (7%) and Quebec (6%).

Personal finances

When it comes to personal finances, only one in three Canadians (36%) believes that their own financial situation will improve in the next year, compared to 23% who think it will worsen. Taking matters into their own hands, a strong majority of Canadians (90%) intend to take steps over the next year to improve their financial situation. As with previous years, three in ten intend to focus specifically on reducing their debt (31%) or just spend less (31%). One in five Canadians believes they will save or invest more this year, and a quarter (23%) say they will take all of these measures this year in an effort to improve their personal finances.



Ipsos Reid

These are some of the findings of an Ipsos Reid poll conducted in January 9 to 16, 2012, on behalf of RBC. For this survey, a sample of 4,479 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 +/-1.5 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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