



REPORT

Economic Confidence

CANADA



JANUARY 2025

#42313-040



Background

- Perceptions of the economic state in Canada is an important driver of how consumers will spend (or not spend) in the coming months.
- Leger, the largest Canadian-owned polling and marketing research firm, monitors views on the economy and Canadians' own finances to keep a pulse on the mood and sentiment of the public.
- *This report represents the results from the Canada-wide study January 2025.*



Additional methodology details and detailed regional results can be found in the appendix.

Methodology

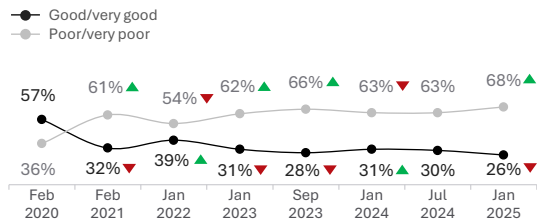
- Results are based on online research conducted with a representative sample of Canadian adults 18 years of age and older from LEO's (Leger Opinion) panel.
- Sample sizes and field dates :
 - 2,645 Canadians Jan 12-15, 2025.
 - 2,620 Canadians July 12-15, 2024.
 - 2,043 Canadians Jan 5-7, 2024.
 - 2,142 Canadians Sept 22-25, 2023.
 - 2,385 Canadians Jan 6-10, 2023.
 - 2,399 Canadians Jan 7-12, 2022.
 - 1,614 Canadians Feb 3-8, 2021.
 - 2,157 Canadians, Feb 10-18, 2020.
 - 1,004 Canadians, Jan 19 to 22, 2019.
 - 1,339 Canadians, Mar 20-23, 2017.
- The data was statistically weighted according to Canadian Census figures.
- A margin of error cannot be associated with a non-probability sample in a panel survey, but for comparison purposes, a probability sample of 2,620 would have a margin of error of $\pm 1.9\%$, 19 times out of 20.



NATIONAL ECONOMY

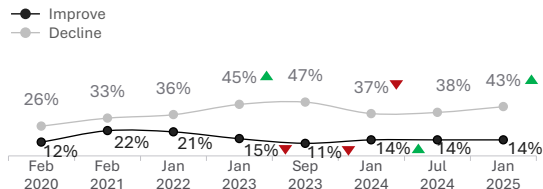
Current Confidence

Confidence in the Canadian economy is down again at the start of 2025.



Future Confidence

Future expectations are similarly headed in a more negative direction.

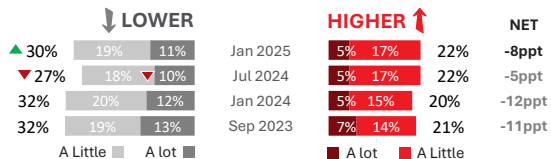


Current and future economic confidence for the country and households are at all time lows as January 2025 marks further declines in confidence despite lower interest rates. While some of this may be reflecting a generally more negative seasonal mood, there is nonetheless no indication of any turnaround yet.

Discretionary spending has yet to tick up, and instead of spending, Canadians may be looking more towards paying down debt and increasing savings.

Expected Discretionary Spending

Predictions about future discretionary spending continues to reflect a general lack of confidence and likely some January blues.



Impact of Interest Rate Declines

While the effects may not yet be felt in confidence metrics, Canadians claim that interest rate declines have boosted saving and spending. Future predictions for debt reduction and savings may be somewhat aspirational.

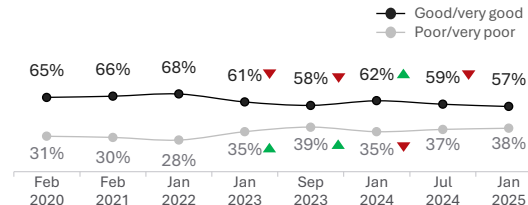
ANY IMPACT	PAST	TOP IMPACTS	FUTURE
54% Past	18%	Reduce debt	28%
62% Future	18%	Spend on essentials	14%
	17%	Save more	30%



HOUSEHOLD FINANCES

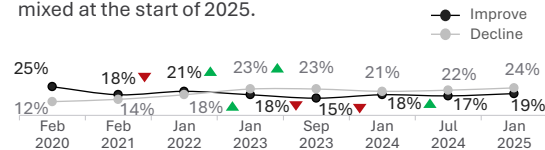
Current Confidence

Like the national outlook, views of current household finances are slightly softer.



Future Confidence

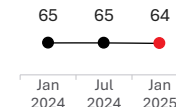
Future confidence at a household level is a little more mixed at the start of 2025.



Worries

Worries about savings, investments, and unemployment have all tipped back up but changes are small enough that our overall index is stable.

WORRY INDEX

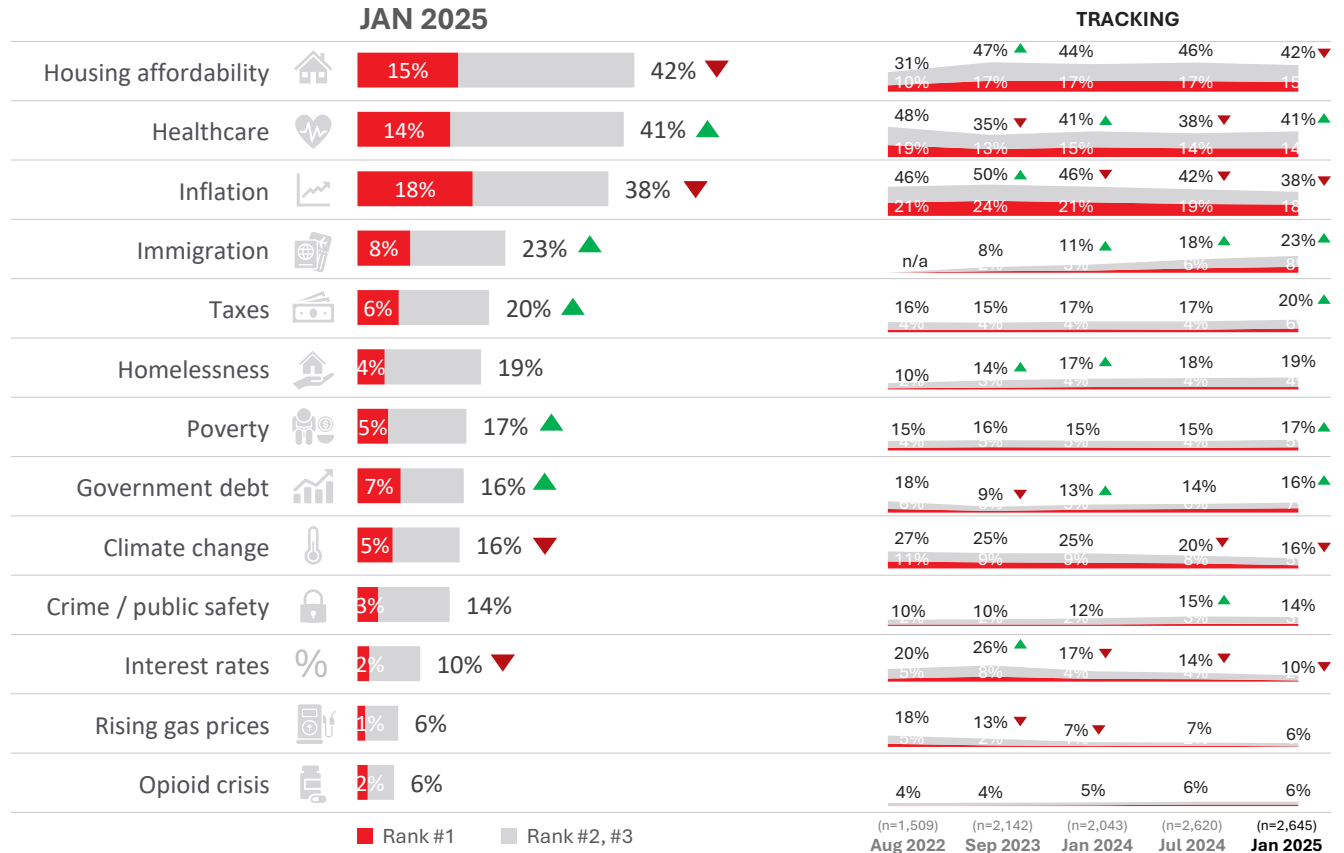


IMPORTANT CANADIAN ISSUES AIDED

Financial concerns continue to be less top-of-mind in 2025. Interest rates and inflation are slowly fading issues and housing affordability has stopped its upward climb. Still, taxes, poverty and government debt are slightly elevated, which means the economic outlook is not all rosy.

Otherwise, immigration continues to garner more concern, reflecting significant political focus on this topic.

Climate change has trended downwards for the fifth wave in a row and is clearly less forefront in the minds of Canadians.



Note: Responses 5% and greater for JAN 2025 are shown.

What is the number one important issue facing Canada today?
 What is the second most important issue? The third most important?

▲▼ Statistically significantly higher/lower than previous wave

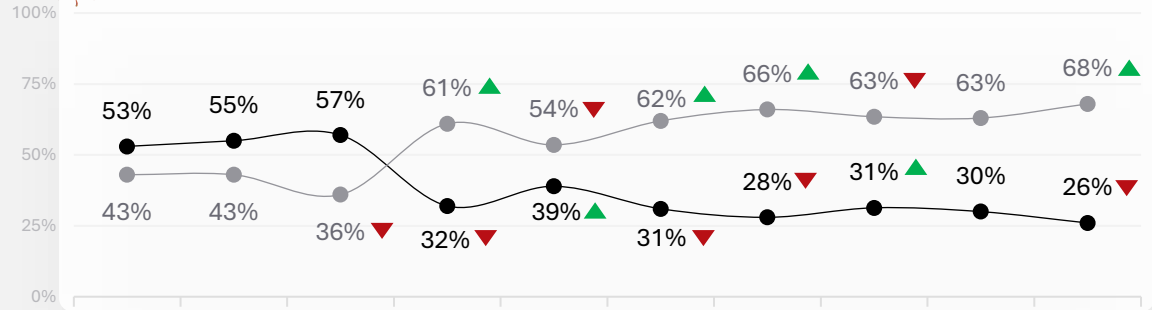
CURRENT ECONOMIC PERCEPTIONS

While what is top of mind for Canadians may have shifted, views of the Canadian economy and household finances have yet to recover.

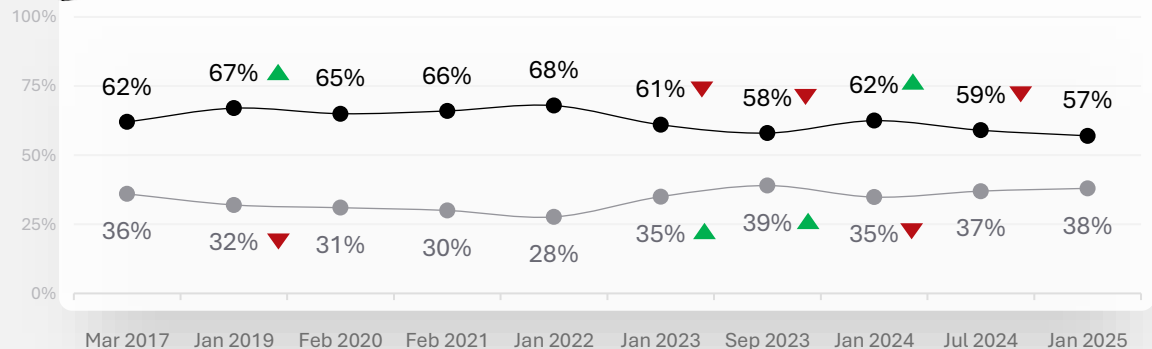
While changes are small wave to wave, if anything we see positivity eroding further on both fronts in January 2025 and confidence in the national economy is at a historic low. While some of this may be due to generally less positive moods at this time of year, it nonetheless represents the continuation of a more durable trend.

- Good/very good
- Poor/very poor

Canada Economy



Household Finances



▲▼ Statistically significantly higher/lower than previous wave

FUTURE ECONOMIC CONFIDENCE

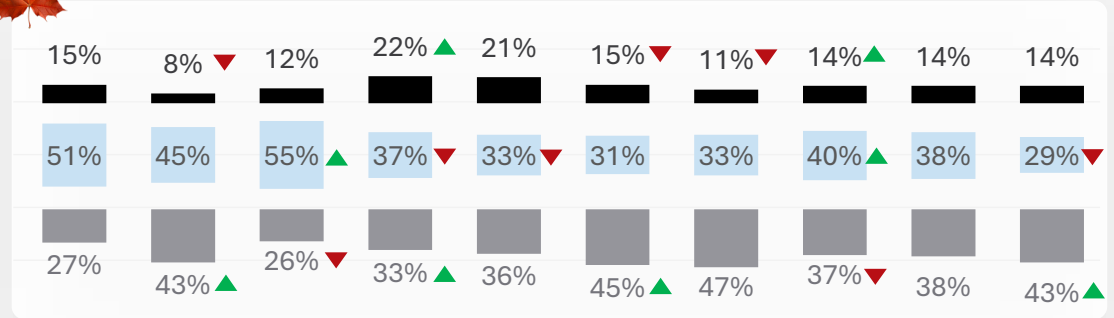
Looking forward, expectations of the national economy are also slightly softer. This is relative not only to last summer but also the same time last year, which does not speak well for how Canadians are viewing the future.

Predictions for household finances are more mixed (more increases but at the same time more declines).

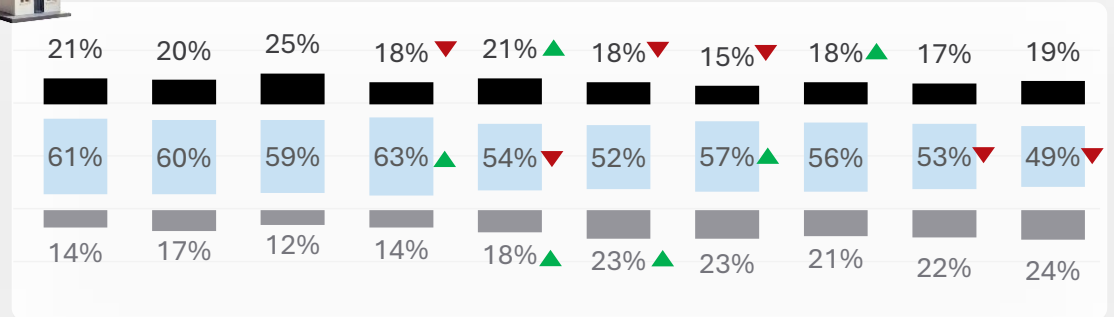
- Improve
- Stay the same
- Decline



Canada Economy



Household Finances



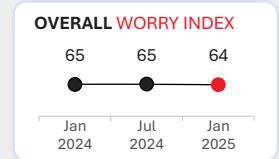
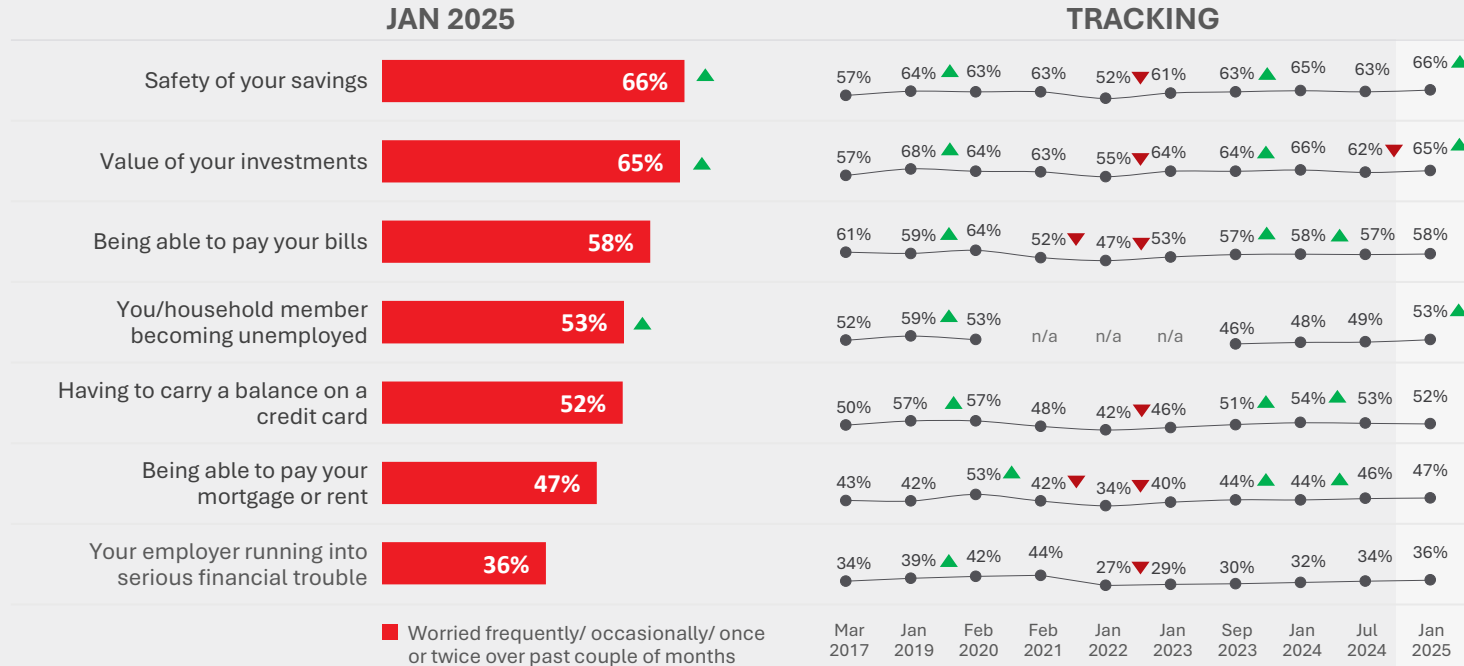
Mar 2017 Jan 2019 Feb 2020 Feb 2021 Jan 2022 Jan 2023 Sep 2023 Jan 2024 Jul 2024 Jan 2025

Over the next six months, do you expect the Canadian economy to improve, remain the same, or decline?
 Over the next six months, do you expect your own household's finances to improve, remain the same, or decline?

▲▼ Statistically significantly higher/lower than previous wave

WORRIES

In line with other indicators, economic worries are not disappearing, with the general trend being small increases in the proportion of Canadians worried about each issue, which brings results back to or above past highs. Because changes for individual metrics are small, taken as a whole, our “worry index” is little changed over the year we have been measuring it.



➔ **Note**

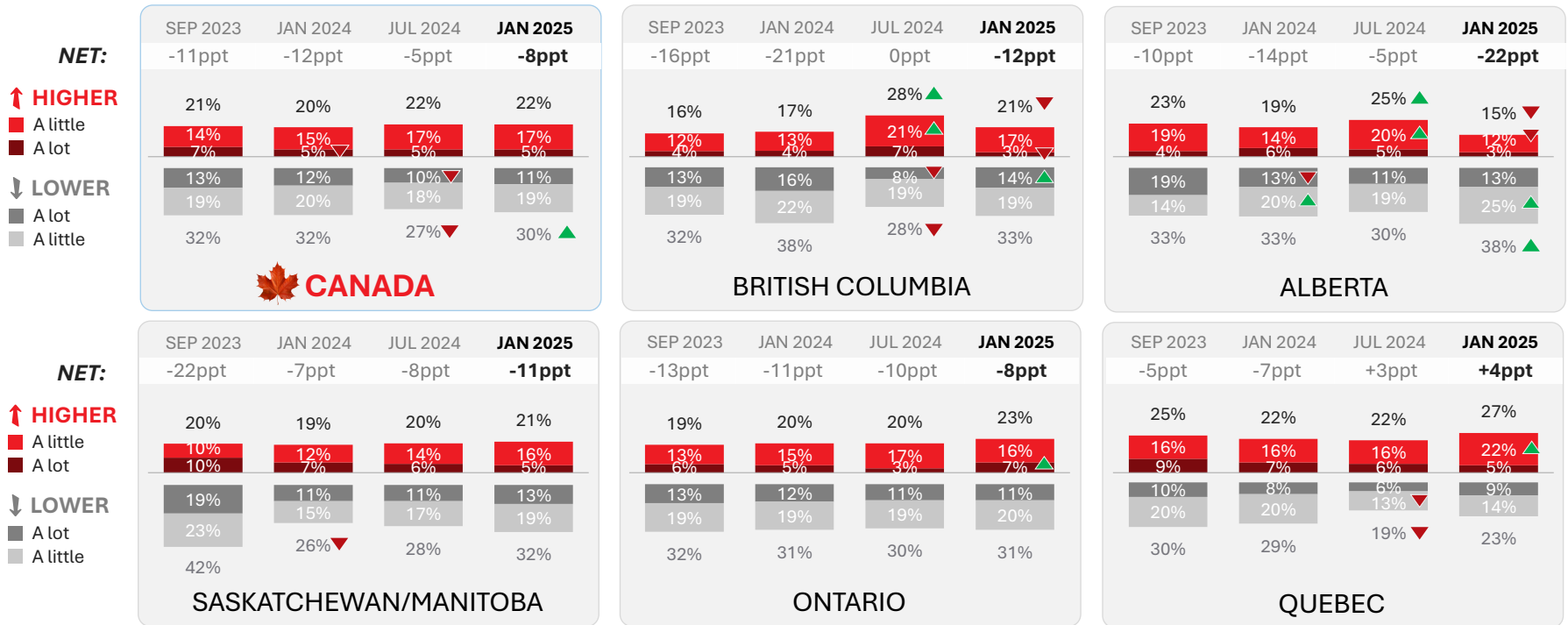
Weighted score of worries, with weights determined by key driver analysis against perceptions of household finances.

In the past couple of months, how often have you worried about each of the following?

▲ ▼ Statistically significantly higher/lower than previous wave

OVERALL DISCRETIONARY SPENDING EXPECTATIONS

Similarly, desire to spend indicates slightly less optimism than six months ago, although it is encouraging to see views are but slightly warmer than last January. This trend varies some by region, with Ontario and Quebec most buoyant and Alberta the most cautious when it comes to their discretionary spending expectations.

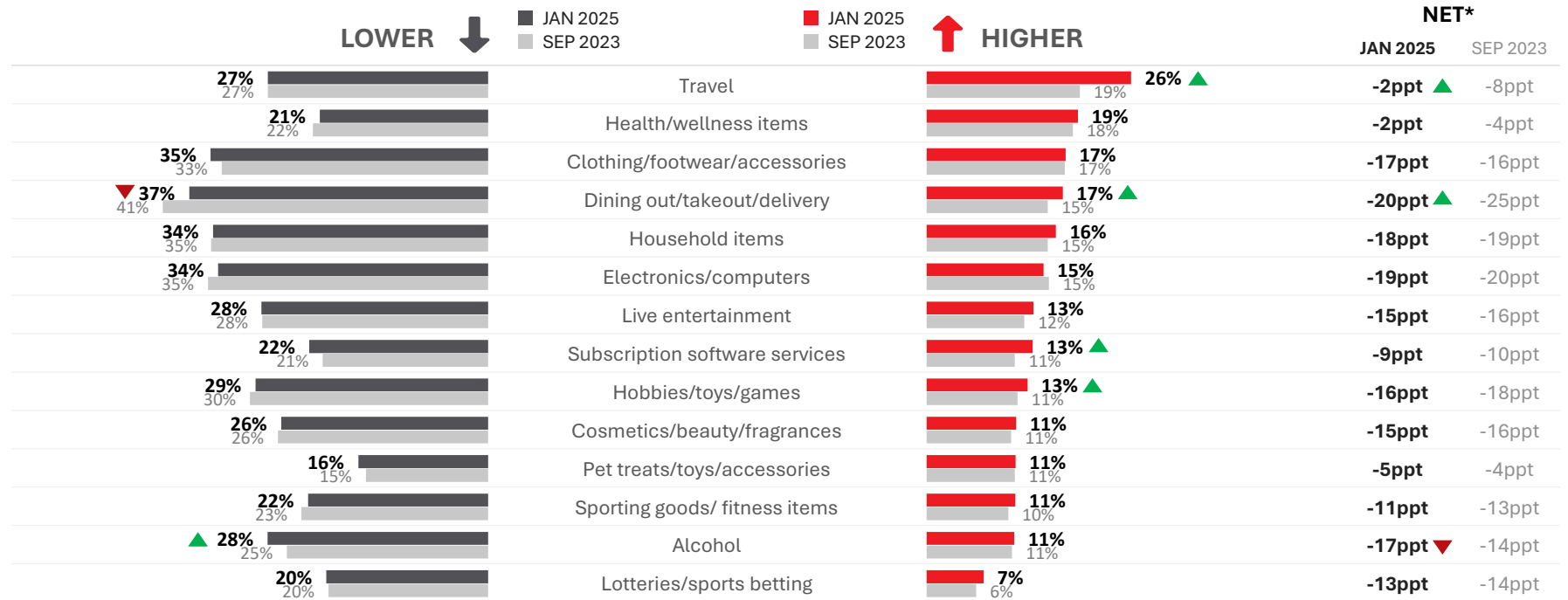


The next questions are about your **discretionary spending** – by this, we mean your spending on **non-essential** items (items that you can choose to spend your money on or not). Do you expect your discretionary spending in the **next 6 months** to be higher, about the same or lower compared to the past 6 months?

▲ ▼ Statistically significantly higher/lower than previous wave

DISCRETIONARY SPENDING EXPECTATIONS BY CATEGORY

While all categories are still in negative “net” territory, there is more optimism in certain areas versus others. The outlook for travel and dining have a stronger “net” showing this January versus a year and a quarter ago, which promises good things for these two industries. Likely reflecting “dry January” trends, alcohol is the only industry to show a significant negative trend compared with the fall of 2023.



*% higher spending minus % lower spending.

In the next 6 months do you expect your discretionary spending to be higher, about the same or lower on each of the following compared to the past 6 months? If you don't buy in any of these categories, please choose the last option.

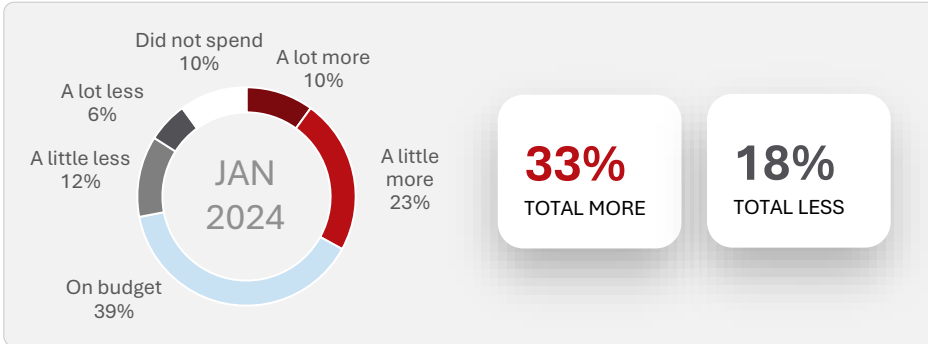
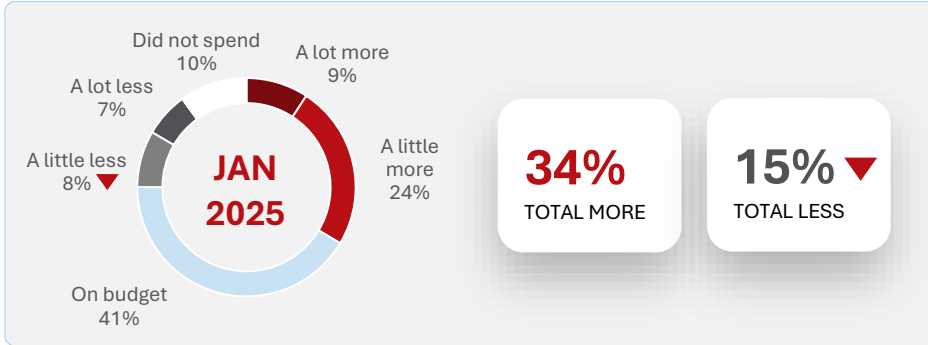
▲▼ Statistically significantly higher/lower than previous wave

WINTER HOLIDAY SPENDING VS. BUDGET

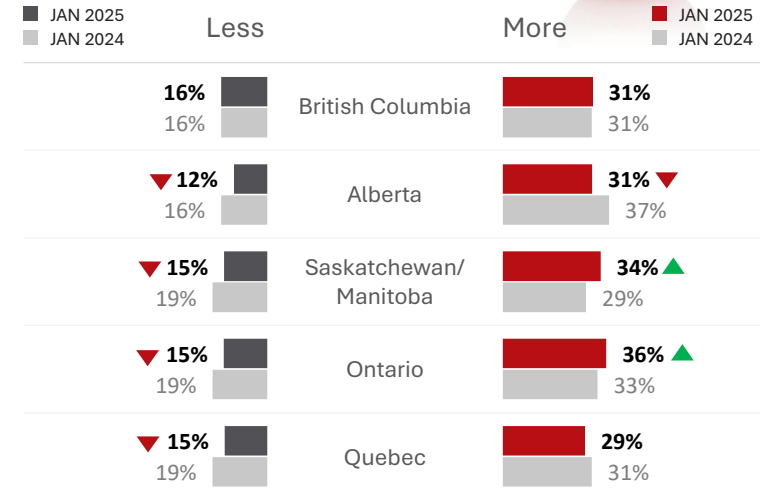
Spending compared with budgets behaved quite similarly in Winter 2024 relative to Winter 2023. Canadians are still significantly more likely to go over budget rather than under, with the largest chunk staying on track.



Canada



By Region



IMPACT OF INTEREST RATE DECLINES

Half of Canadians reported interest rate declines have had an impact on their saving, spending or investing, and that figure increases to a predicted six-in-ten in the next six months, which may mean a tipping point has been reached in interest rate levels. The extent to which paying down debt and saving more are higher in the future than the past may speak more to Canadians aspirations.

Regions are more similar than they are different, with all reporting some level of impact at a fairly similar rate.

Region					NEXT 6 Months		JAN 2025		PAST 6 Months		Region				
BC	AB	SK/MB	ON	QU							BC	AB	SK/MB	ON	QU
60%	59%	62%	63%	60%	62%		ANY NET		54%		52%	52%	52%	57%	53%
25%	28%	28%	28%	25%	28%		Pay/paid down existing debt/ loans		18%		18%	19%	18%	16%	18%
12%	12%	15% <small>↑ QU</small>	16% <small>↑ QU</small>	10%	14%		Spend/spent more on essential items		18%		15%	20%	21% <small>↑ BC,QU</small>	19%	15%
30%	28%	31%	28%	33%	30%		Save/saved more		17%		19%	14%	15%	17%	20% <small>↑ AB</small>
9%	7%	7%	8%	6%	8%		Spend/spent more on discretionary items		10%		8%	10%	8%	10%	9%
5% <small>↑ QU</small>	3%	4%	4%	2%	4%		Take/took on more debt/ loans		9%		7%	10%	8%	12% <small>↑ BC,SK/MB</small>	4% <small>↓</small>
12%	11%	10%	13% <small>↑ QU</small>	9%	11%		Change/changed the kind of investments you put your money into		9%		9%	7%	7%	11% <small>↑ AB,SK/MB</small>	7%
5%	4%	5%	6%	4%	5%		Give/gave more to charities		6%		5%	5%	5%	8% <small>↑ BC</small>	5%

As you may be aware, interest rates in Canada have been declining throughout 2024. As a result, which of the following have you done in the past 6 months? It is predicted that interest rates will continue to decline in Canada in 2025. If this does happen, which of the following will you do in the next 6 months?

Statistically significantly higher/ lower than comparison group(s)

APPENDIX



METHODOLOGY

- The LEO (Leger Opinion) panel is the largest Canadian panel with over 450,000 representative panelists from all regions of Canada. LEO was created by Leger based on a representative Canadian sample of Canadian citizens with Internet access.
 - Many of LEO's panelists were randomly selected through Leger's telephone call centre (RDD), panelists from more hard-to-reach target groups were also added to the panel through targeted recruitment campaigns. The double opt-in selection process, a model to detect fraud and the renewal of 25% of the panel each year ensures complete respondent quality. To ensure a higher response rate and reach people on their mobile devices, Leger has developed a high-performance Apple and Android app.
- The results presented in this study comply with the public opinion research standards and disclosure requirements of CRIC (the Canadian Research and Insights Council) and the global ESOMAR network. Leger is a founding member of CRIC and is actively involved in raising quality standards in the survey industry. President Jean-Marc Léger is a member of the CRIC's Board of Directors and the Canadian representative of ESOMAR.

WEIGHTED AND UNWEIGHTED SAMPLE

The tables below present the distribution of respondents for the most recent wave on key variables before and after weighting for the current wave.

Region	Unweighted	Weighted
BC	410	369
AB	412	295
SK/MB	700	170
ON	602	1,026
QU	419	611
Atlantic	102	173


Gender	Unweighted	Weighted
Male	1,528	1,293
Female	1,117	1,352

Age group	Unweighted	Weighted
18-34	559	707
35-54	870	853
55+	1,216	1,085

NOTES ON READING THIS REPORT

- The numbers presented have been rounded. However, the numbers before rounding were used to calculate the sums presented and might therefore not correspond to the manual addition of these numbers.

- In this report, statistically significant differences in trending over time are shown as follows:

  Statistically significantly **higher**/**lower** than previous wave

- In this report, statistically significant differences between subgroups are shown as follows:

  Statistically significantly **higher**/**lower** than comparison group(s)

MOST IMPORTANT CANADIAN ISSUE: AIDED x REGION

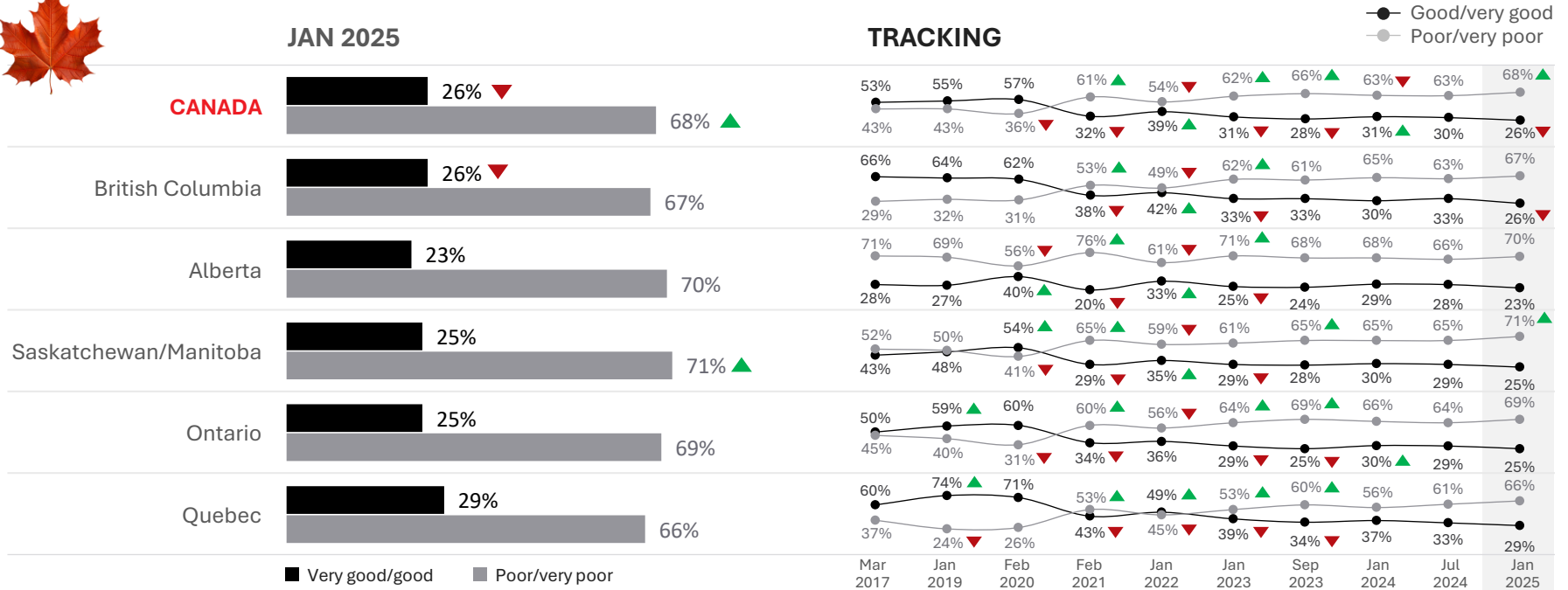
TOP 3 MOST IMPORTANT ISSUES	Canada				British Columbia				Alberta				Saskatchewan/ Manitoba				Ontario				Quebec			
	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Sep 2023	Jan 2024	Jul 2024	Jan 2025
	n= 2,142	2,043	2,620	2,645	410	400	405	410	408	401	401	412	142	127	700	700	640	601	601	602	436	414	412	419
Housing affordability	47%	44%	46%	42%▼	54%	57%	52%	45%▼	40%	40%	44%	38%	29%	29%	32%	31%	51%	43%▼	49%▲	45%	43%	40%	42%	40%
Healthcare	35%	41%▲	38%▼	41%▲	36%	43%▲	39%	40%	33%	33%	33%	41%▲	41%	46%	39%	49%▲	32%	33%	34%	37%	37%	50%▲	41%▼	40%
Inflation	50%	46%▼	42%▼	38%▼	47%	42%	41%	43%	56%	50%	51%	44%▼	56%	53%	45%	43%	48%	45%	40%	35%	51%	47%	41%	38%
Immigration	8%	11%▲	18%▲	23%▲	6%	7%	14%▲	15%	10%	10%	15%▲	21%▲	3%	8%	14%▲	18%▲	9%	13%▲	19%▲	25%▲	8%	12%	22%▲	26%
Taxes	15%	17%	17%	20%▲	10%	20%▲	21%	25%	16%	20%	22%	17%	27%	21%	25%	24%	19%	17%	15%	21%▲	9%	13%	14%	15%
Homelessness	14%	17%▲	18%	19%	16%	20%	23%	22%	12%	15%	15%	17%	9%	21%▲	17%	19%	17%	20%	18%	19%	12%	10%	14%	17%
Poverty	16%	15%	15%	17%▲	15%	11%	12%	12%	12%	14%	15%	17%	18%	8%▼	13%	15%	17%	16%	16%	16%	17%	18%	16%	20%
Government debt	9%	13%▲	14%	16%▲	5%	13%▲	15%	17%	13%	18%▲	15%	20%	13%	13%	17%	19%	9%	12%	12%	12%	10%	12%	18%▲	21%
Climate change	25%	25%	20%▼	16%▼	28%	27%	24%	18%▼	21%	16%	13%	17%	14%	22%	15%	13%	19%	21%	17%	11%▼	36%	38%	26%▼	23%
Crime / public safety	10%	12%	15%▲	14%	17%	12%▼	14%	19%	12%	17%▲	14%	10%	9%	21%▲	22%	21%	11%	13%	17%	15%	6%	9%	11%	12%
Interest rates	26%	17%▼	14%▼	10%▼	21%	13%▼	9%	8%	30%	18%▼	14%	10%	31%	18%▼	11%	8%	24%	17%▼	15%	9%▼	30%	19%▼	17%	10%▼
Rising gas prices	13%	7%▼	7%	6%	13%	5%▼	4%	5%	8%	9%	10%	8%	20%	6%▼	11%▲	9%	12%	6%▼	7%	7%	13%	6%▼	6%	4%
Opioid crisis	4%	5%	6%	6%	8%	10%	9%	7%	7%	9%	7%	5%	3%	6%	6%	6%	5%	4%	7%▲	6%	1%	3%	4%	2%

Note: Responses 5% and greater for Jan 2025 are shown.
 What is the number one important issue facing Canada today?
 What is the second most important issue? The third most important?

▲▼ Statistically significantly higher/lower than previous wave

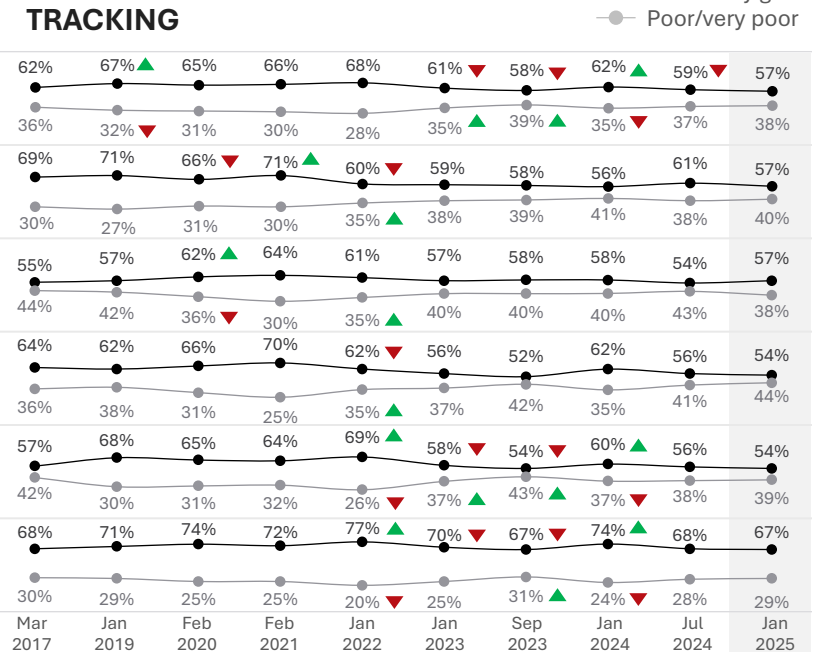
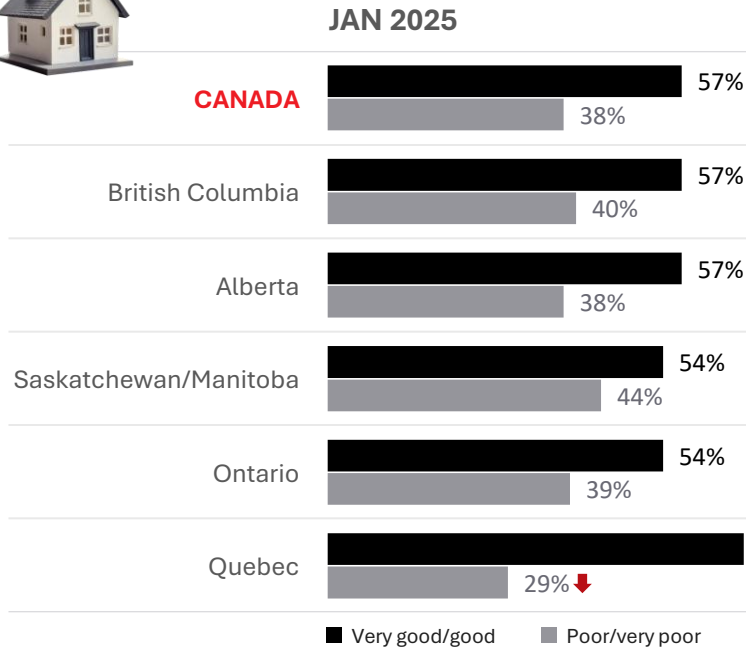
CURRENT CANADIAN ECONOMIC PERCEPTIONS x REGION

More or less stable national economic confidence versus six months ago is reflected in all provinces. A directionally positive shift for BC and negative shift for Quebec means that perceptions are now registering as being remarkably similar across the country.



CURRENT HOUSEHOLD ECONOMIC PERCEPTIONS x REGION

Slightly softer household economic perceptions nationally are reflected in all provinces with the exception of BC, which is bucking the trend with directionally more optimistic views this July. Quebec continues to be more optimistic versus most other provinces.



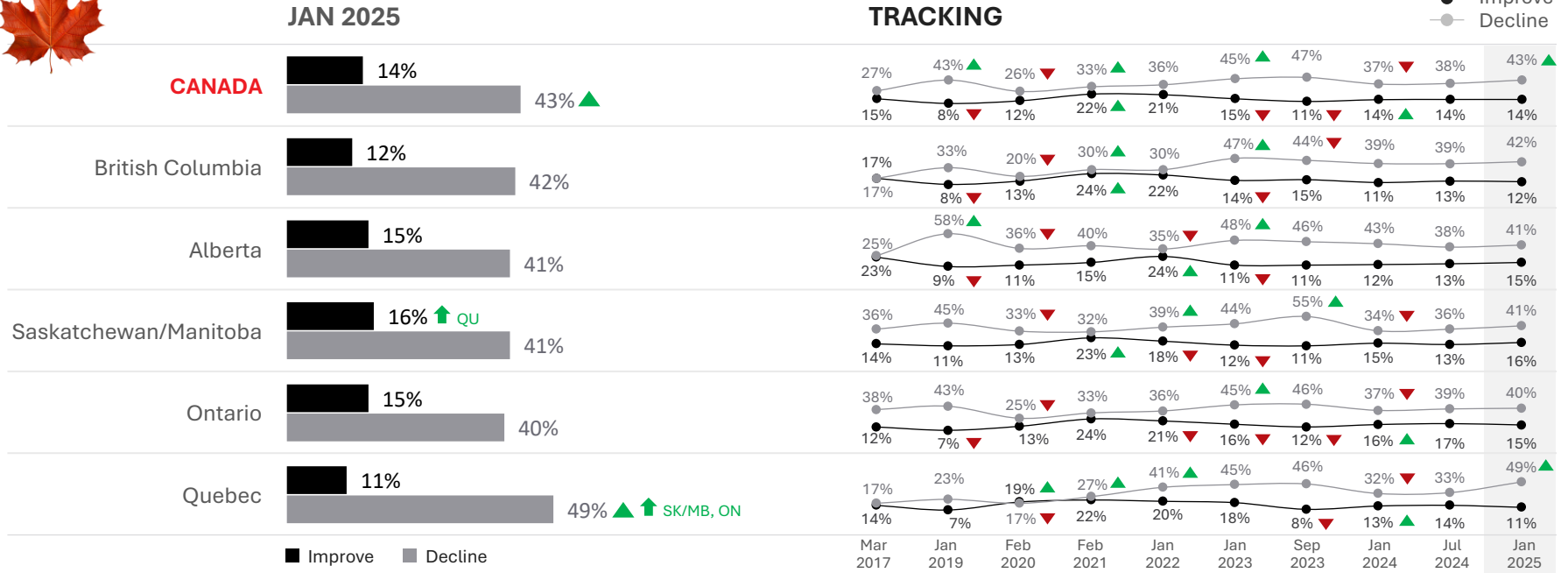
67% ▲
AB, SK/MB, ON

▲ ▼ Statistically significantly higher/lower than previous wave

▲ ▼ Statistically significantly higher/ lower than comparison group(s)

FUTURE CANADIAN ECONOMIC PERCEPTIONS x REGION

Continuing the same theme, future predictions are also consistent across the country, suggesting all are taking a wait and see approach.

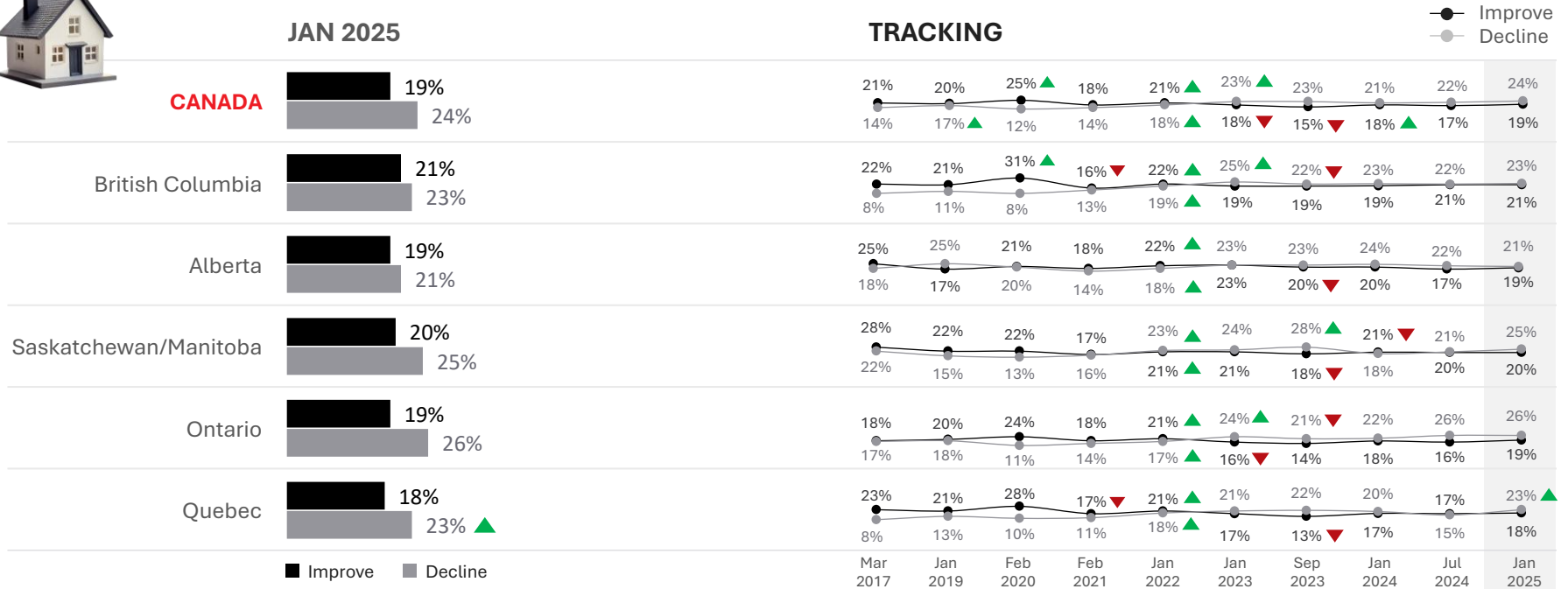


Over the next six months, do you expect the Canadian economy to improve, remain the same, or decline?

▲▼ Statistically significantly higher/lower than previous wave
 ▲▼ Statistically significantly higher/ lower than comparison group(s)

FUTURE HOUSEHOLD ECONOMIC PERCEPTIONS x REGION

All regions are standing pat on their predictions of future household economic conditions versus earlier this year. Quebec remains the most optimistic while Ontario is the least so this July.



Over the next six months, do you expect your own household's finances to improve, remain the same, or decline?

▲▼ Statistically significantly higher/lower than previous wave
 ▲▼ Statistically significantly higher/ lower than comparison group(s)

WORRIES x REGION

Worried frequently/ occasionally/ once or twice over past couple of months	British Columbia									Alberta							Saskatchewan/ Manitoba							Ontario							Quebec																											
	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Jan 2025	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Jan 2025	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Jan 2025	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Jan 2025	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Jan 2024	Jul 2024	Jan 2025	Jan 2025													
Safety of your Savings	58%	58%	62%	62%	63%	63%	60%	64%	64%	69%	56%	68%	67%	68%	66%	68%	60%	57%	61%	69%	67%	57%	62%	63%	67%	64%	52%	66%	67%	69%	68%	74%	51%	63%	39%	48%	57%	61%	56%	53%																		
Value of your investments	59%	66%	62%	67%	64%	66%	64%	65%	67%	69%	57%	71%	68%	68%	61%	64%	65%	61%	65%	64%	66%	63%	61%	65%	68%	63%	56%	70%	68%	72%	66%	72%	48%	54%	44%	55%	55%	59%	56%	52%																		
Being able to pay your bills	63%	46%	56%	53%	57%	60%	52%	56%	61%	56%	55%	60%	65%	64%	67%	62%	58%	49%	54%	60%	60%	52%	62%	61%	66%	53%	47%	58%	60%	64%	59%	63%	63%	57%	32%	38%	48%	45%	48%	50%																		
You/household member becoming unemployed	56%	n/a	n/a	n/a	50%	50%	47%	51%	60%	n/a	n/a	n/a	57%	59%	53%	56%	53%	n/a	n/a	n/a	40%	45%	50%	52%	64%	n/a	n/a	n/a	52%	57%	57%	62%	54%	n/a	n/a	n/a	35%	32%	37%	37%																		
Having to carry a balance on a credit card	54%	41%	50%	50%	50%	53%	50%	54%	57%	44%	47%	53%	59%	62%	58%	52%	55%	45%	52%	43%	53%	54%	56%	56%	57%	51%	44%	50%	54%	60%	58%	58%	55%	51%	28%	33%	39%	39%	39%	40%																		
Being able to pay mortgage/rent	49%	36%	42%	46%	47%	51%	43%	47%	49%	42%	42%	42%	48%	50%	53%	46%	43%	37%	41%	38%	46%	40%	46%	47%	59%	45%	36%	48%	49%	48%	53%	54%	49%	45%	21%	26%	32%	33%	32%	35%																		
Your employer running into serious financial trouble	31%	36%	29%	31%	32%	36%	35%	34%	46%	51%	34%	36%	37%	34%	37%	35%	37%	36%	31%	26%	29%	30%	32%	33%	48%	46%	28%	34%	34%	37%	39%	41%	39%	45%	19%	17%	21%	23%	25%	29%																		
OVERALL WORRY INDEX	- n/a -									63 67 65							- n/a -							63 62 63							- n/a -							64 62 59							- n/a -							77 75 71						



In the past couple of months, how often have you worried about each of the following?

▲▼ Statistically significantly higher/lower than previous wave

NET* DISCRETIONARY SPENDING EXPECTATIONS BY CATEGORY x REGION

	British Columbia		Alberta		Saskatchewan/ Manitoba		Ontario		Quebec	
	Sep 2023	Jan 2025	Sep 2023	Jan 2025	Sep 2023	Jan 2025	Sep 2023	Jan 2025	Sep 2023	Jan 2025
Pet treats, toys, or accessories	-3%	-3%	-7%	-12% ▲	-10%	-6% ▲	-4%	-2% ▲	-5%	-6%
Health and wellness items	-5%	-2% ▲	-5%	-9% ▲	-10%	+2% ▲	-5%	-4%	-3%	+3%
Subscription software services	-10%	-8%	-16%	-13%	-14%	-13%	-11%	-11%	-7%	-4%
Travel	-11%	+5% ▲	-15%	-12%	-16%	-4% ▲	-6%	-3% ▲	-8%	+6% ▲
Sporting goods/ fitness items	-12%	-13%	-12%	-13%	-15%	-9% ▲	-14%	-14%	-16%	-9% ▲
Clothing, footwear, or accessories	-15%	-18%	-18%	-26% ▲	-26%	-14% ▲	-18%	-17%	-13%	-12%
Live entertainment	-15%	-10% ▲	-19%	-20%	-21%	-15% ▲	-12%	-16% ▲	-21%	-11% ▲
Cosmetics, beauty, or fragrances	-18%	-20%	-19%	-23%	-21%	-20%	-14%	-16%	-18%	-6% ▲
Alcohol	-18%	-15%	-18%	-24% ▲	-22%	-19%	-15%	-15%	-12%	-16%
Lotteries or sports betting	-18%	-9% ▲	-14%	-17%	-21%	-13% ▲	-12%	-13%	-13%	-11%
Electronics/ computers	-20%	-19%	-17%	-25% ▲	-21%	-14% ▲	-20%	-20%	-23%	-13% ▲
Household items	-22%	-23%	-21%	-24%	-17%	-15%	-20%	-21%	-21%	-9% ▲
Hobbies, toys, or games	-23%	-18%	-14%	-19%	-24%	-17% ▲	-16%	-17%	-23%	-12% ▲
Dining out/ takeout/ delivery of meals/ beverages	-26%	-20% ▲	-24%	-31% ▲	-33%	-23% ▲	-26%	-20% ▲	-26%	-14% ▲

*% higher spending minus % lower spending.

In the **next 6 months** do you expect your **discretionary** spending to be higher, about the same or lower on each of the following compared to the past 6 months? If you don't buy in any of these categories, please choose the last option.

▲▼ Statistically significantly higher/lower than previous wave

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consultants

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offices

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