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Report

2023 Canadian Economic Confidence



January 2023

Leger



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 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 for 2023.*

METHODOLOGY



Results are based on online research conducted among a sample of Canadian adults 18 years of age and older:

- 2023: Sample of 2,385 Canadians Jan 6-10.
 - Margin of error $\pm 2.0\%$, 19 times/20.
- 2022: Sample of 2,399 Canadians Jan 7-12.
 - Margin of error $\pm 2.0\%$, 19 times/20.
- 2021: Sample of 1,614 Canadians Feb 3-8.
 - Margin of error $\pm 2.4\%$, 19 times/20.
- 2020: Sample of 2,157 Canadians, Feb 10-18.
 - Margin of error $\pm 2.1\%$, 19 times/20.
- 2019: Sample of 1,004 Canadians, Jan 19 to 22.
 - Margin of error $\pm 3.1\%$, 19 times/20.
- 2017: Sample of 1,339 Canadians, March 20-23.
 - Margin of error $\pm 2.7\%$, 19 times/20.

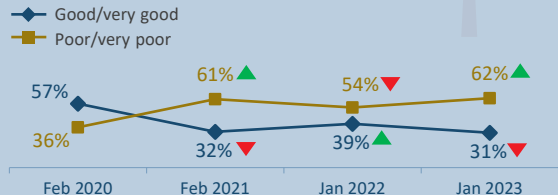
The data was statistically weighted according to Canadian Census figures for age, gender and province.

DASHBOARD OF KEY METRICS

NATIONAL ECONOMY

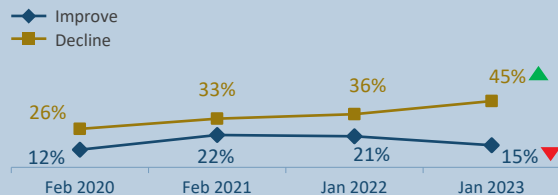
Current Confidence

Confidence in the national economy has declined and is back to the pandemic-low of 2021.



Future Confidence

Confidence in the future of the Canadian economy has taken a turn for the worse, with more predicting a decline than at any point in the study to date.

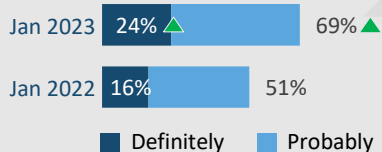


Economic confidence is down in 2023 for the economy as a whole and household finances. While scores for household finances are now down below pandemic times, there remains greater positivity on the personal front versus the entire economy.

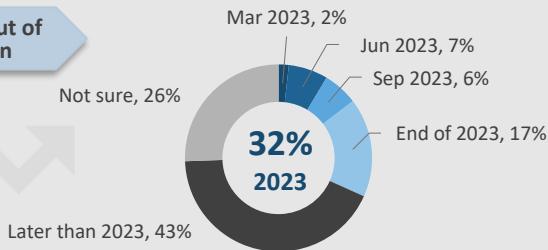
Most think we are currently in a recession, and there is significant pessimism for the future of both the national economy and household finances. Canadians are clearly worried about their own and the Canada's economics.

RECESSION

Canada Currently in Recession



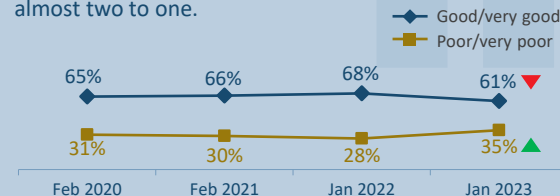
When Out of Recession



HOUSEHOLD FINANCES

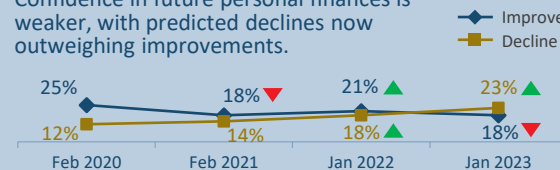
Current Confidence

Confidence in current household finances has worsened, although positive views still outweigh negative by almost two to one.



Future Confidence

Confidence in future personal finances is weaker, with predicted declines now outweighing improvements.



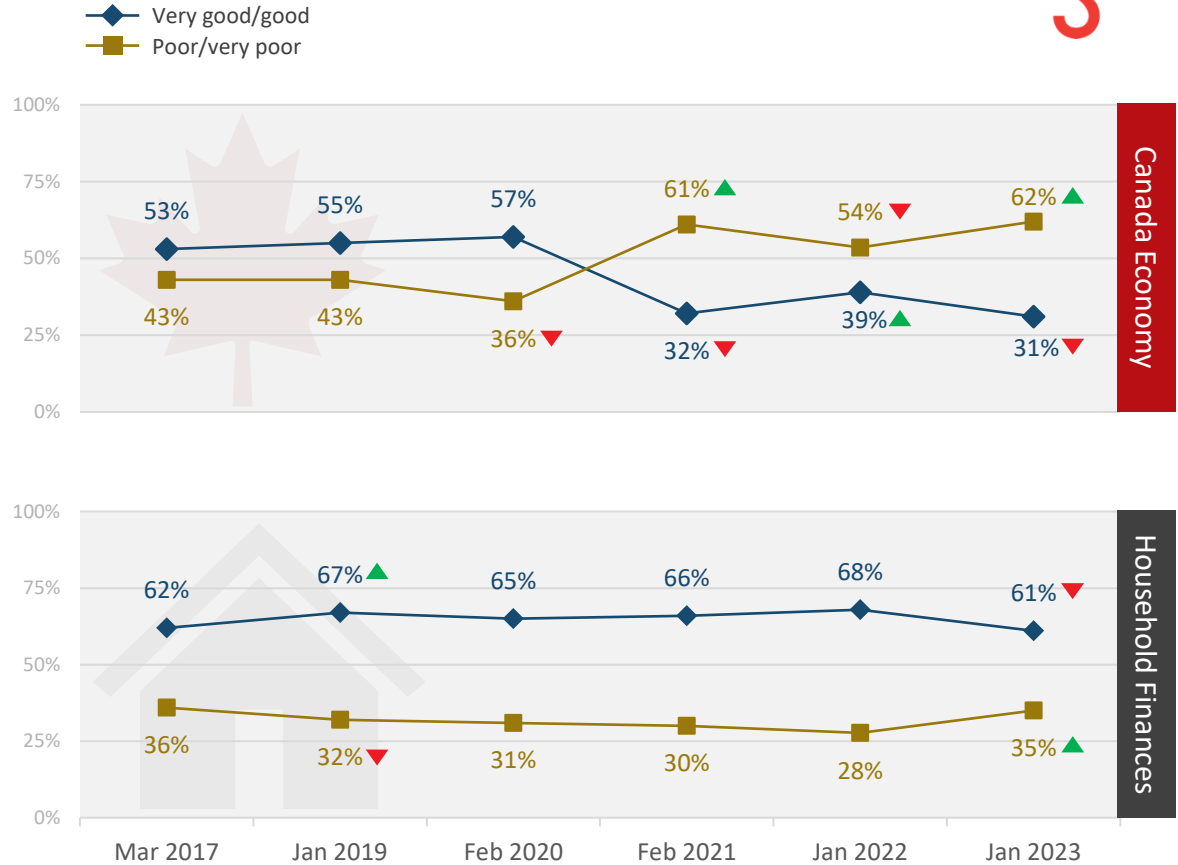
WORRIES

More Canadians are worried about all financial issues tested (value of investments, safety of savings, paying bills, carrying a credit card balance and paying mortgage/rent) than in 2022, but worry levels are still at or below those seen during all three years of the pandemic.

Current Economic Perceptions

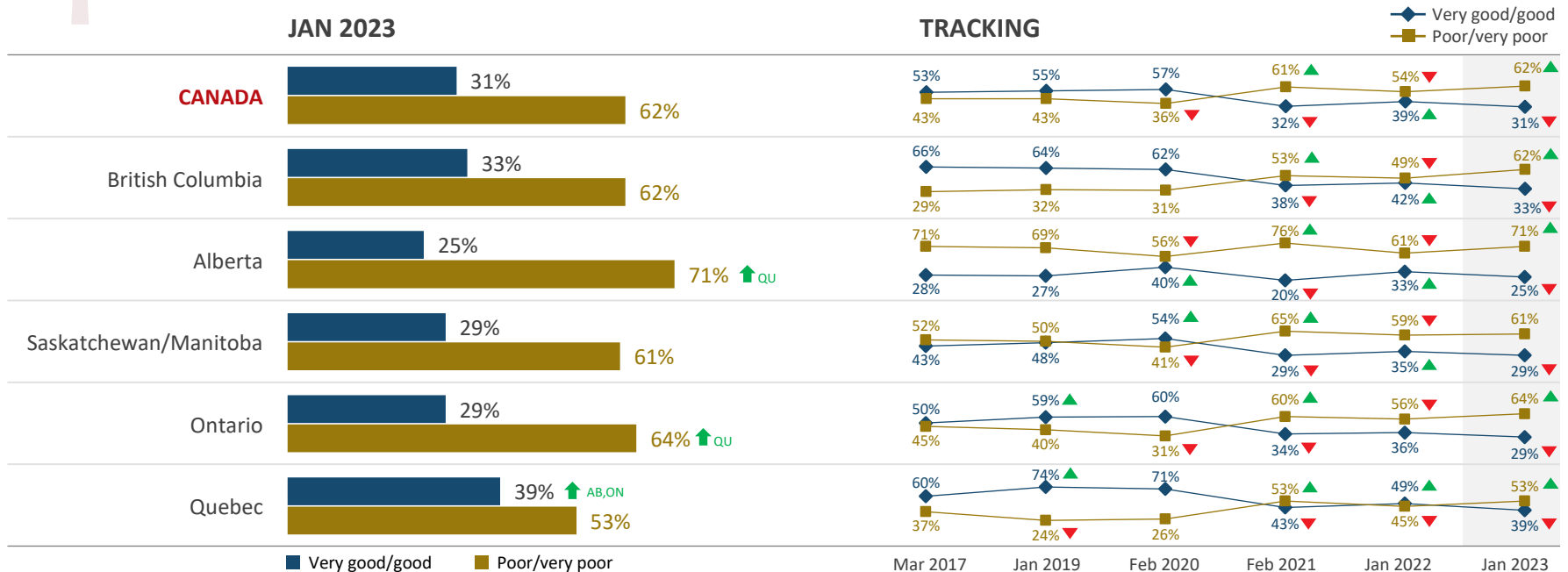
The upward trend in views of the Canadian economy in 2022 has been reversed in 2023, with perceptions back to the level of pessimism seen at the height of the pandemic in 2021. Those with a negative view now outweigh those with a positive view by a two-to-one margin.

Perceptions of household finances – which were not much impacted by COVID-19 – are also down sharply in 2023, although Canadians continue to be far more positive about their own finances than the economy as a whole.



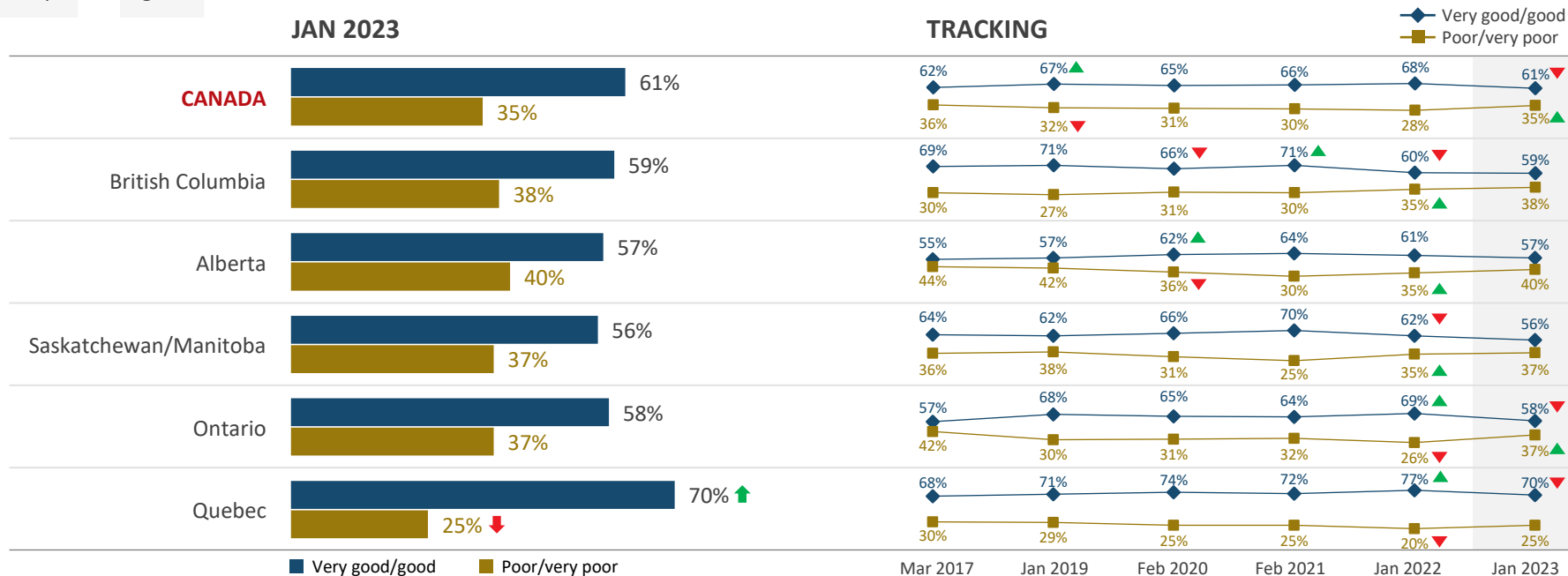
Current Canadian Economic Perceptions x Region

Declining confidence in the Canadian economy in 2023 holds true across all provinces, although there a steeper downward trend in BC, Alberta and Quebec versus Saskatchewan/Manitoba and Ontario. As in the past, Alberta remains the province with the least confidence in the national economy while Quebec is still the most optimistic.



Current Household Finance Perceptions x Region

While softer perceptions of household finances in 2023 are true in all provinces in keeping with the national trend, the decline is much gentler versus views of the Canadian economy. As a result, there are no statistically significant changes in most provinces although a stronger negative trend is seen in Ontario and Quebec versus other provinces. Still, Quebecers remain the most optimistic of all provinces (as they were in 2022) with the remaining provinces on a more equal footing when it comes to their household finances.

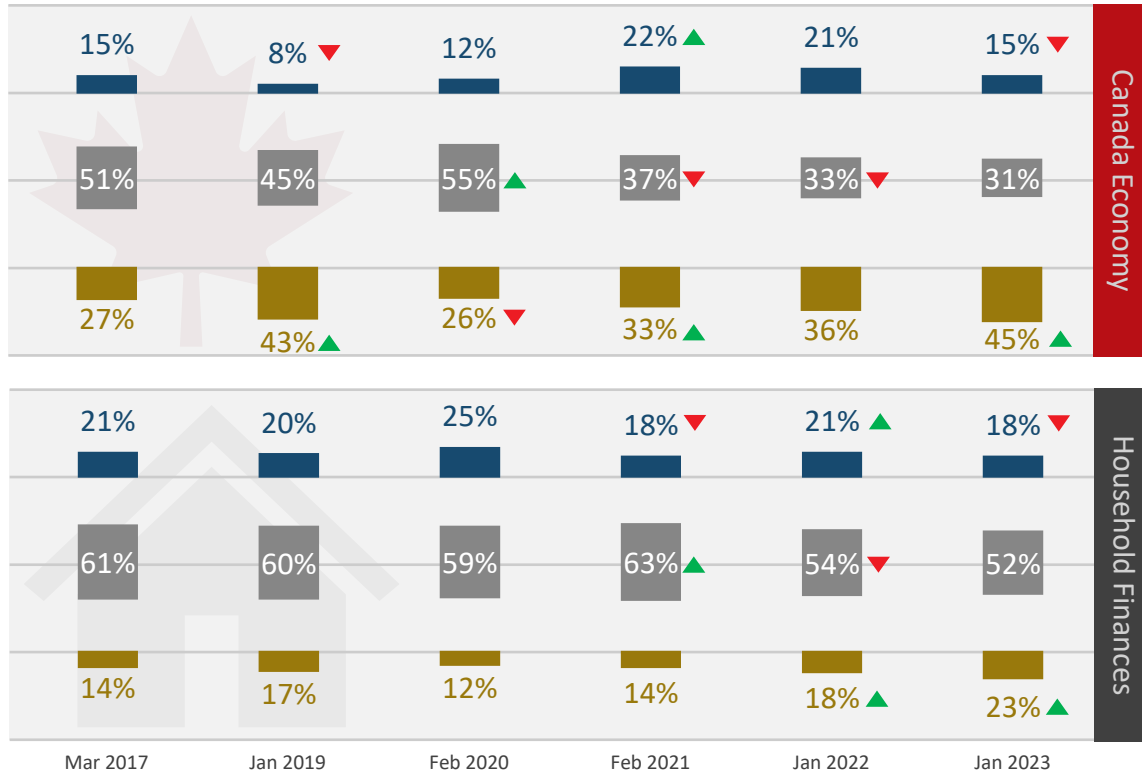


How would you describe your own household's finances today?

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

▲ Statistically significantly higher than previous wave.
 ▼ Statistically significantly lower than previous wave.

Future Economic Confidence



Looking forward, expectations of the national economy and household finances are also down in 2023, signaling an expectation that things may get worse before they get better.

As in the past, it is most common for Canadians to expect their household finances to be stable, but at 23%, those who expect a decline are at a historic high.

- Improve
- Stay the same
- Decline

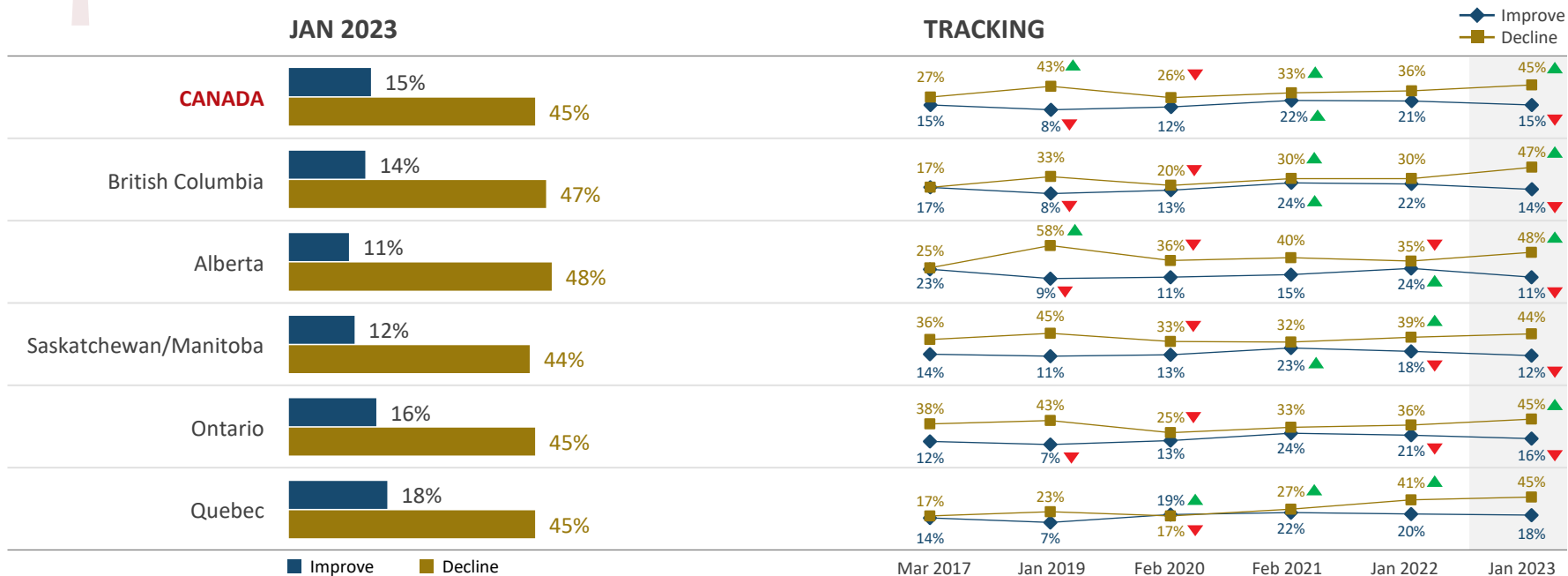
▲ Statistically significantly higher than previous wave.
▼ Statistically significantly lower than previous wave.

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?

Future Canadian Economic Confidence x Region



Expectations of future declines in the Canadian economy hold true across the country and views are now very similar regardless of province.



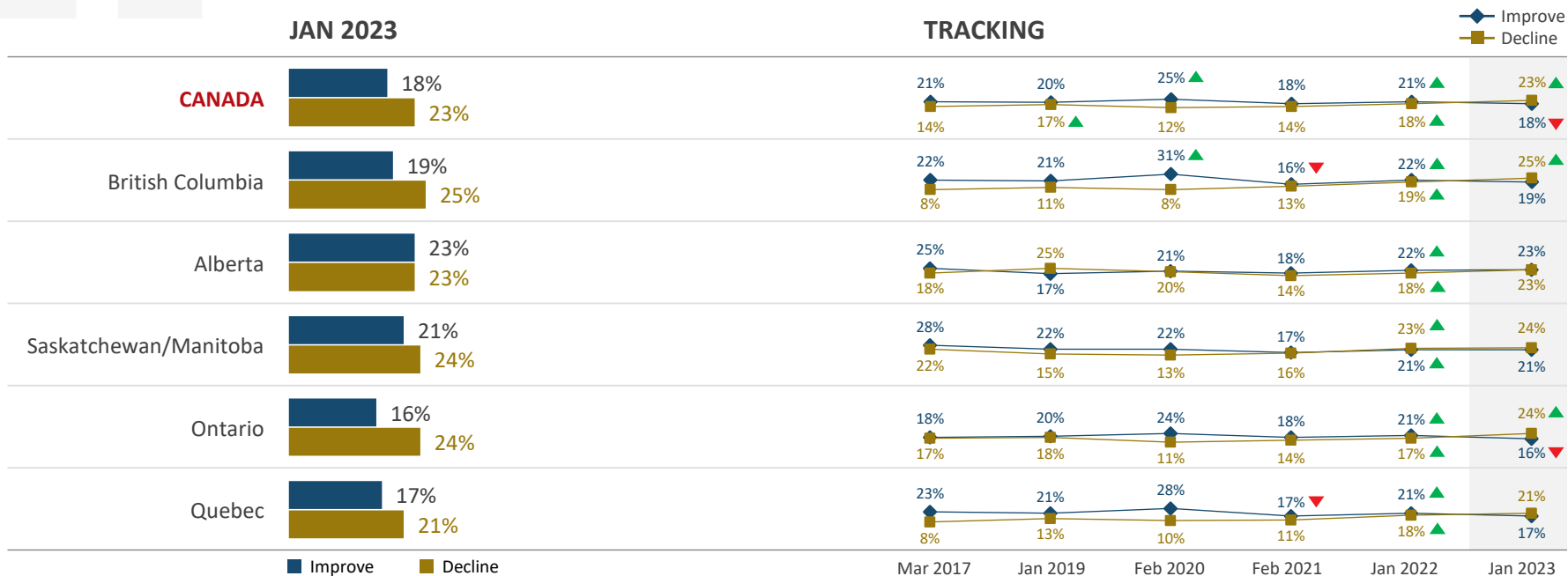
Over the next six months, do you expect the Canadian economy to improve, remain the same, or decline?

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

▲ Statistically significantly higher than previous wave.
 ▼ Statistically significantly lower than previous wave.

Future Household Finances x Region

Opinions on the future of household finances show a similar weakening trend in all regions, with those who expect a decline now equal in size or larger compared to the proportion who expect an improvement. Results are very similar from region to region.



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

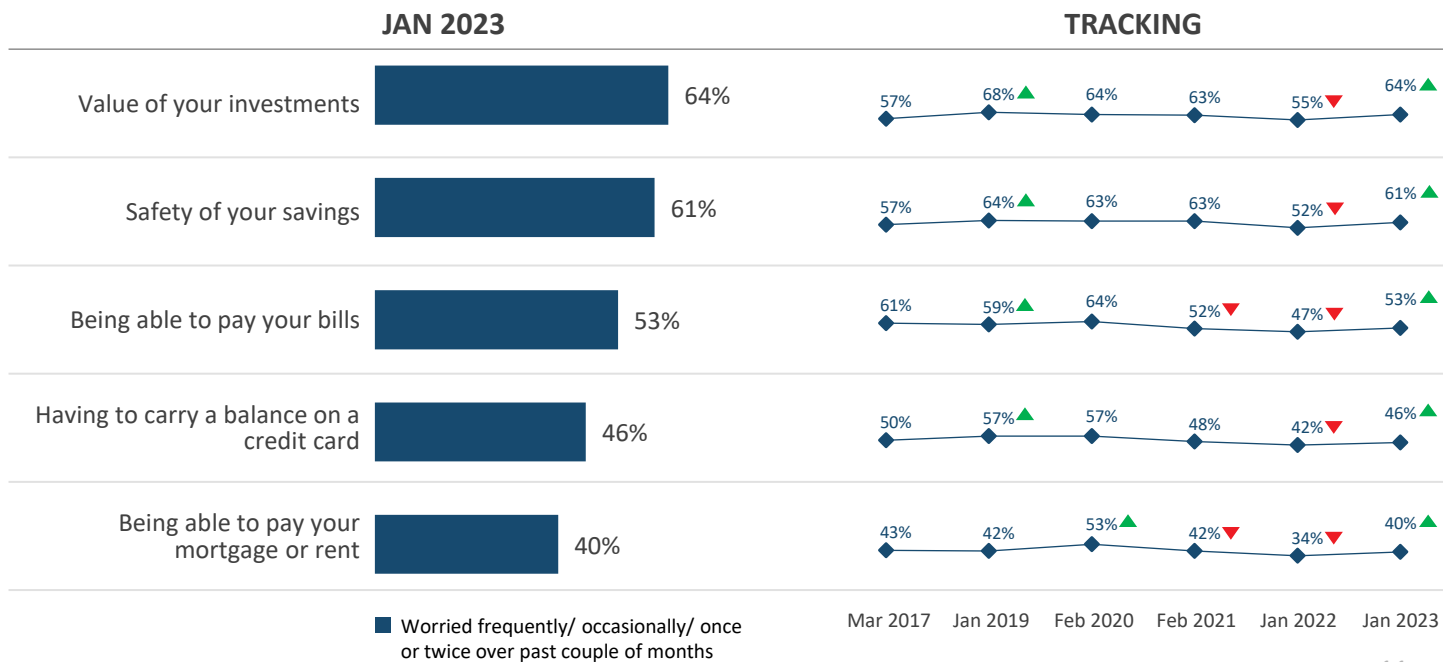
▲ Statistically significantly higher than comparison group(s).
▼ Statistically significantly lower comparison group(s).

▲ Statistically significantly higher than previous wave.
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Worries

Reflecting weaker confidence in the economy and personal finances, Canadians' worries have experienced an uptick on all metrics in 2023. Still, worries were generally higher in 2019 or early 2020 than they are presently, and increases are fairly small in magnitude.

An analysis of home ownership status shows mortgage holders and renters to be equally concerned about their ability to pay their respective mortgage or rent payments, showing both to be equally impacted.



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

▲ Statistically significantly higher than previous wave.
▼ Statistically significantly lower than previous wave.

Worries x Region

This trend in increasing financial worries is seen in all provinces, albeit to a weaker extent in BC than elsewhere. Quebec residents remain the least concerned versus other provinces.

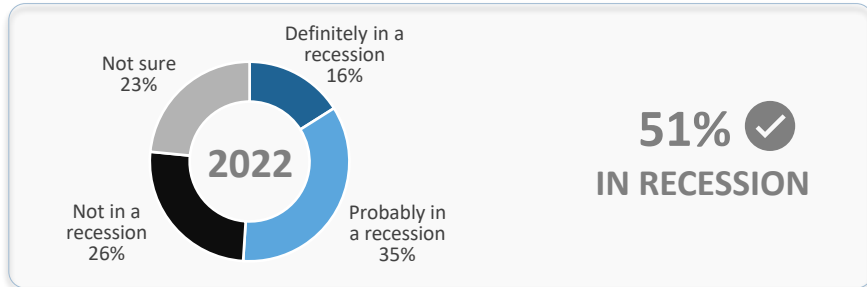
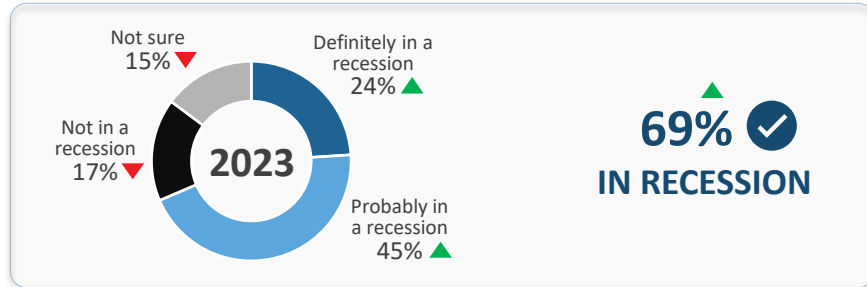
Worried frequently/ occasionally/ once or twice over past couple of months	Canada						British Columbia						Alberta						Saskatchewan/ Manitoba						Ontario						Quebec					
	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023
Value of your investments	57%	68%	64%	63%	55%	64%	63%	67%	59%	66%	62%	67%	68%	76%	67%	69%	57%	71%	64%	73%	65%	61%	65%	64%	56%	66%	68%	63%	56%	70%	56%	58%	48%	54%	44%	55%
Safety of your savings	57%	64%	63%	63%	52%	61%	62%	59%	58%	58%	62%	62%	71%	69%	64%	69%	56%	68%	59%	71%	60%	57%	61%	69%	60%	63%	67%	64%	52%	66%	52%	55%	51%	63%	39%	48%
Being able to pay your bills	61%	59%	64%	52%	47%	53%	55%	51%	63%	46%	56%	53%	65%	68%	61%	56%	55%	60%	55%	62%	58%	49%	54%	60%	67%	57%	66%	53%	47%	58%	57%	57%	63%	57%	32%	38%
Having to carry a balance on a credit card	50%	57%	57%	48%	42%	46%	47%	46%	54%	41%	50%	50%	53%	61%	57%	44%	47%	53%	57%	59%	55%	45%	52%	43%	59%	57%	57%	51%	44%	50%	43%	62%	55%	51%	28%	33%
Being able to pay mortgage/rent	43%	42%	53%	42%	34%	40%	35%	37%	49%	36%	42%	46%	44%	47%	49%	42%	42%	42%	36%	49%	43%	37%	41%	38%	50%	42%	59%	45%	36%	48%	46%	40%	49%	45%	21%	26%

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

▲ Statistically significantly higher than previous wave.
▼ Statistically significantly lower than previous wave.

Canada in Recession

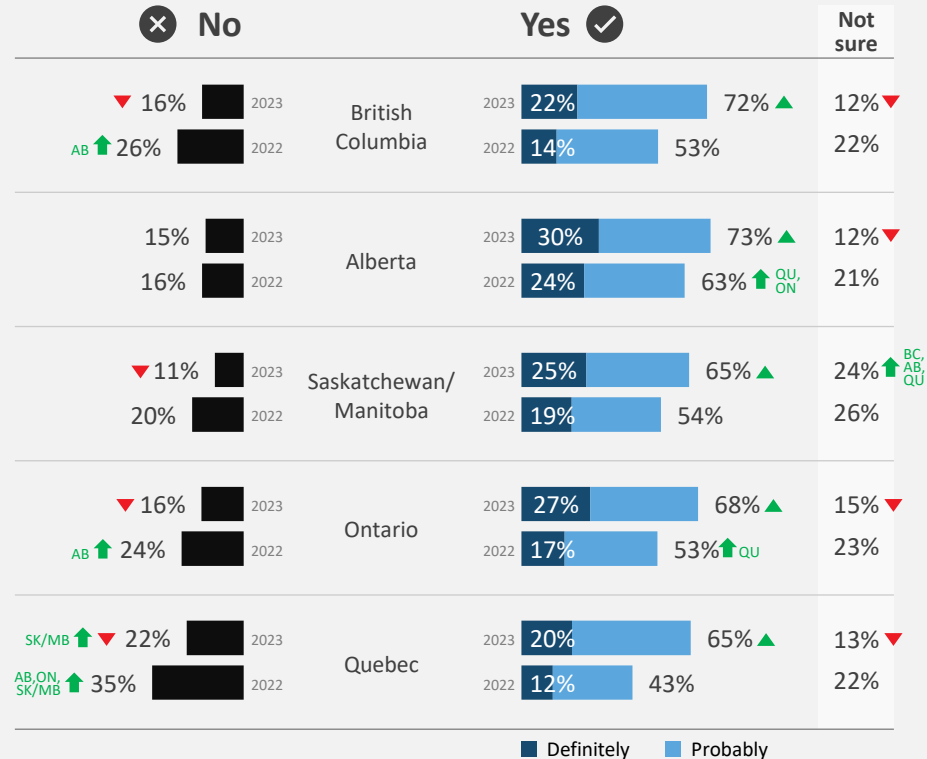
There is an increasing belief among Canadians that Canada is currently in a recession, with an increase in this view present in all provinces.



In your opinion, is Canada currently in a recession?

▲ Statistically significantly higher than previous wave.
▼ Statistically significantly lower than previous wave.

X Region

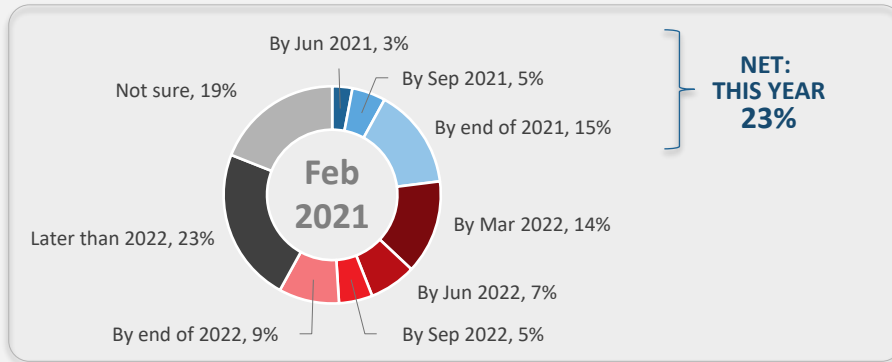
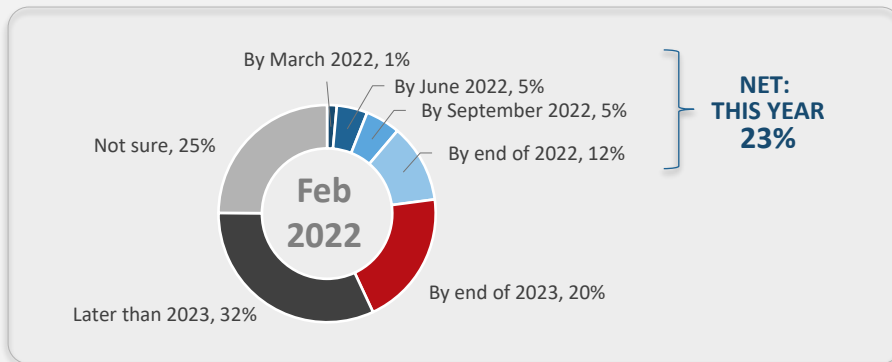
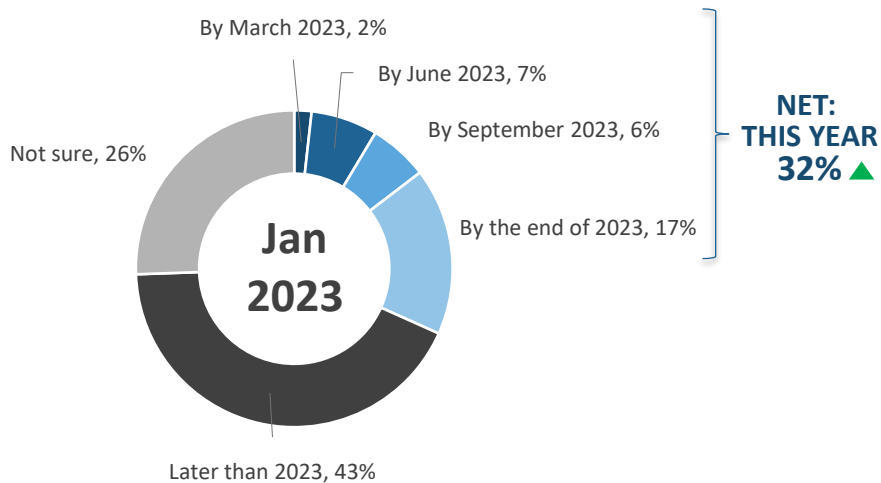


▲ Statistically significantly higher than comparison group(s).
▼ Statistically significantly lower comparison group(s).

Canada Out of Recession

(Among Those Who Believe Canada In Recession)

Expectations are mixed as to when Canada will recover from the recession, but there is a sense of a faster recovery now versus last year. Fully one-third expect us to be out of a recession within the calendar year compared to 23% in both previous years.

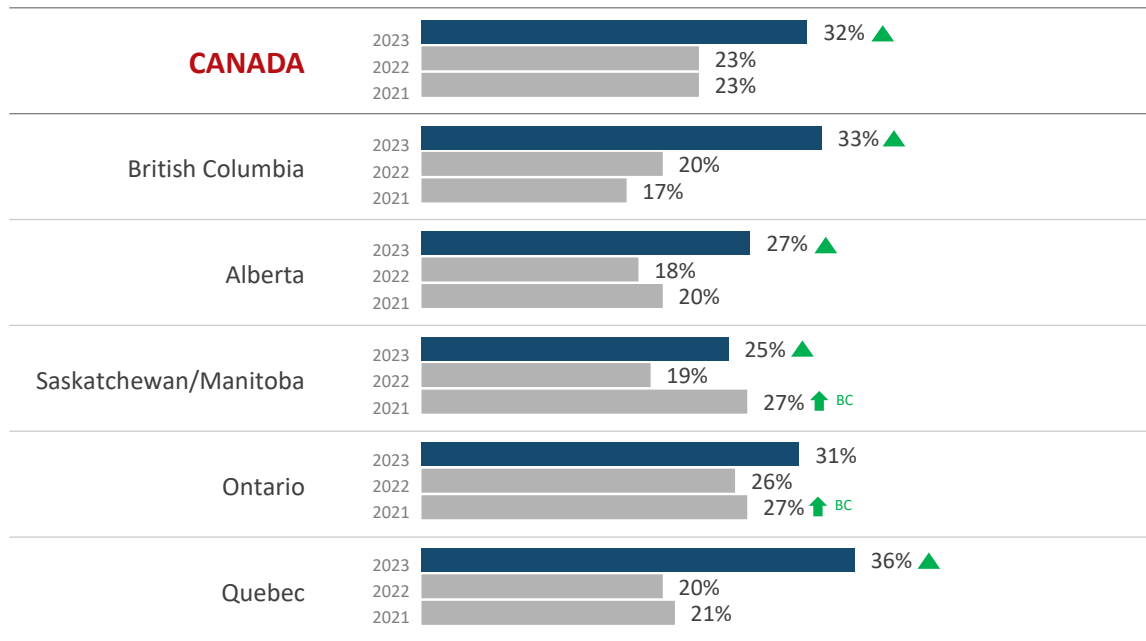


Jan 2023/2022: And when do you think Canada will come out of that recession?
 Feb 2021: As you may know, Canada is currently in a COVID-19 induced recession.
 When do you think Canada will come out of the recession?

▲ Statistically significantly higher than previous wave.
 ▼ Statistically significantly lower than previous wave.

Canada Out of Recession This Year **X** Region

(Among Those Who Believe Canada In Recession)



An increase in expectations that Canada will recover from the recession within the calendar year are present in all provinces in 2023.

Views between provinces are only slightly different, with Quebec again the most optimistic by a small margin.

Jan 2023/2022: And when do you think Canada will come out of that recession?
 Feb 2021: As you may know, Canada is currently in a COVID-19 induced recession.
 When do you think Canada will come out of the recession?

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

▲ Statistically significantly higher than previous wave.
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