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REPORT

Canadian Economic Confidence

Fall 2023



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 for Fall 2023.*

METHODOLOGY

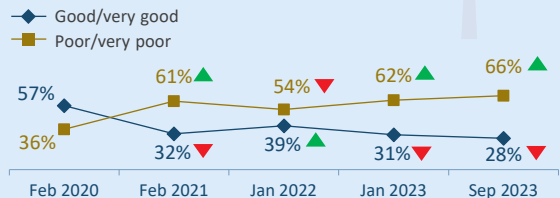
- Results are based on online research conducted with a representative sample of Canadian adults 18 years of age and older from LEO's (Leger Opinion) panel.
- Sample sizes and field dates are as follows:
 - 2,142 Canadians Sept 22-25, 2023.
 - 2,385 Canadians Jan 6-10, 2023.
 - 2,399 Canadians Jan 7-12, 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, March 20-23, 2017.
- The data was statistically weighted according to 2021 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 2,142 would have a margin of error of $\pm 2.1\%$, 19 times out of 20.
- More methodology details can be found in the appendix.

KEY METRICS

NATIONAL ECONOMY

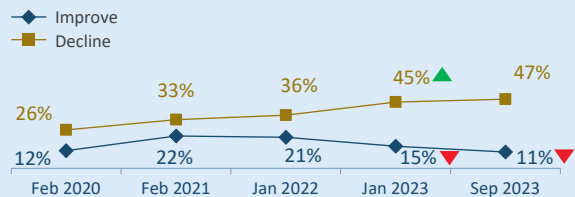
Current Confidence

Confidence in the national economy continues to erode.



Future Confidence

Confidence in the future of the Canadian economy also remains on a negative trajectory.

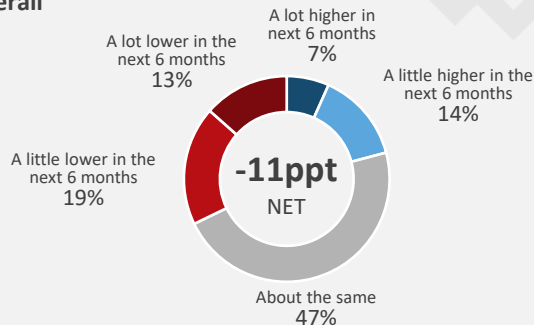


Economic confidence continues on a downward slide both for the economy as a whole and household finances more specifically. Scores for both are at the most pessimistic levels seen over the past six years.

Inflation and affordability lead the way as issues of importance and Canadians more than ever are just concerned about making ends meet. As a result, many are tightening their belts and reducing discretionary spending.

DISCRETIONARY SPENDING

Overall

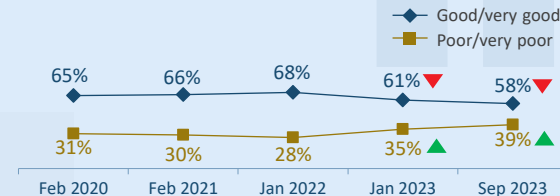


Predictions about discretionary spending reveals more Canadians plan to pull back than spend more. This is poised to affect many spending categories, with restaurants, electronics/computers and clothing/footwear/accessories likely to be the hardest hit.

HOUSEHOLD FINANCES

Current Confidence

Confidence in current household finances continue to tick downwards as well.



Future Confidence

Predicted declines in personal finances even more significantly outweigh improvements this fall.



WORRIES

Canadians are increasingly worried about day-to-day expenses, with significantly more worrying about paying bills, carrying a credit card balance and paying mortgage/rent now versus earlier this year.

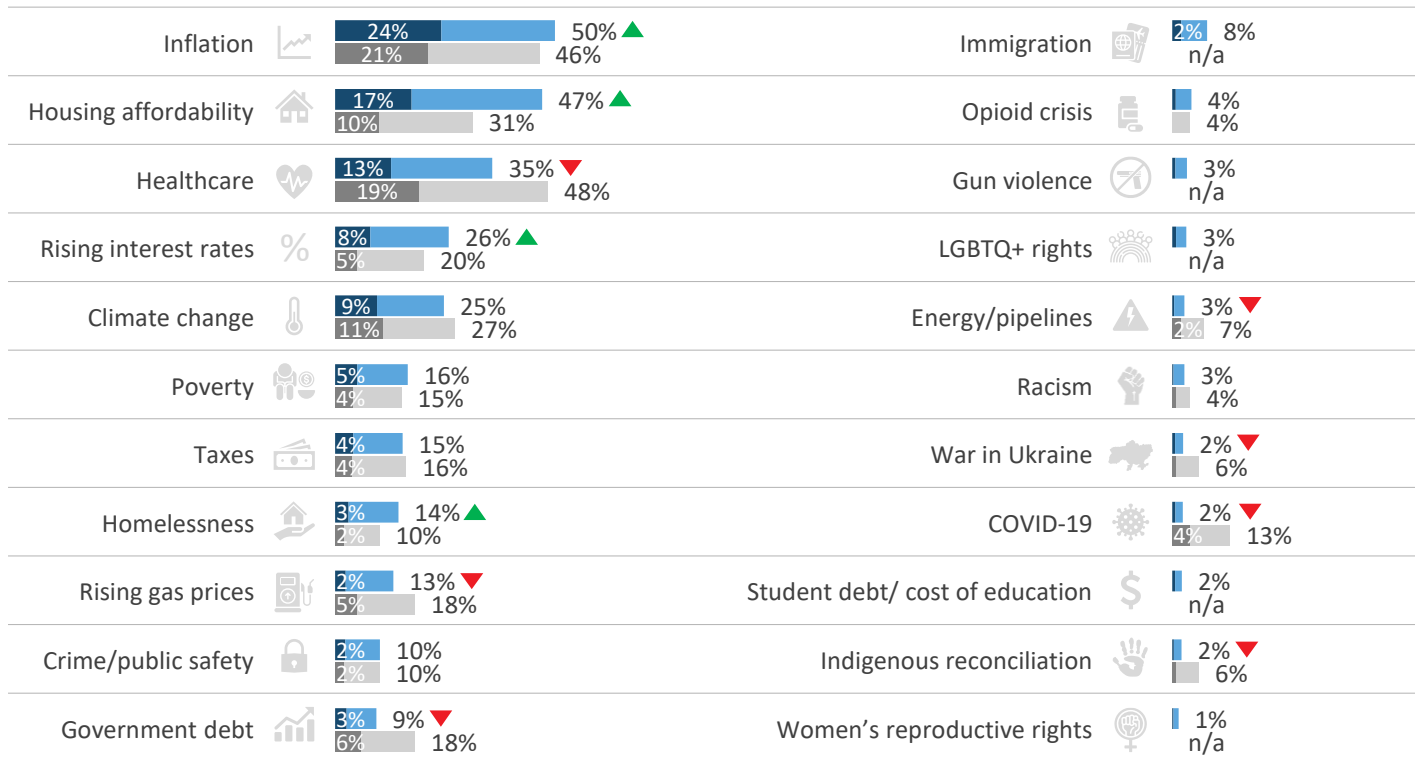
▲ Statistically significantly higher than previous wave.
▼ Statistically significantly lower than previous wave.

IMPORTANT CANADIAN ISSUES: AIDED

Affordability clearly dominates as the concern most on the minds of Canadians at present. This encompasses inflation first and foremost, followed by housing affordability and rising interest rates.

While finances as the main issue holds true across the country (as shown on the following two pages), housing affordability is particularly acute in BC, followed by Ontario versus the rest of the country.

As a result of this focus on all things economic, healthcare has become a secondary issue and is of less concern than last year at about this time as are a variety of other concerns.



■ Sep 2023 (n=2,142)

■ Aug 2022 (n=1,509)

■ Rank #1 ■ Rank #2, #3

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

▲ Statistically significantly higher than previous wave.

▼ Statistically significantly lower than previous wave.

MOST IMPORTANT CANADIAN ISSUE: AIDED x REGION

#1 MOST IMPORTANT ISSUE	Canada		British Columbia		Alberta		Saskatchewan/ Manitoba		Ontario		Quebec	
	Aug 2022 (n=1,509)	Sep 2023 (n=2,142)	Aug 2022 (n=151)	Sep 2023 (n=410)	Aug 2022 (n=125)	Sep 2023 (n=408)	Aug 2022 (n=125)	Sep 2023 (n=142)	Aug 2022 (n=601)	Sep 2023 (n=640)	Aug 2022 (n=407)	Sep 2023 (n=436)
Inflation	21%	24% ▲	16%	21%	26%	29%	28%	30%	24%	22%	18%	25% ▲
Housing affordability	10%	17% ▲	21% ▲	27% ▲	7%	13% ▲	4% ▼	3% ▼	11%	20% ▲	6%	15% ▲
Healthcare	19%	13% ▼	20%	8% ▼	8% ▼	9%	21%	18%	20%	12% ▼	19%	16% ▲ BC
Climate change	11%	9% ▼	6% ▼	11% ▲	15%	7% ▼	5% ▼	6%	9%	7%	18%	13% ▲ AB, ON
Rising interest rates	5%	8% ▲	8%	5%	2%	10% ▲	6%	10%	3%	8% ▲	7%	8%
Poverty	4%	5%	4%	5%	5%	4%	3%	7%	5%	5%	4%	4%
Taxes	4%	4%	2%	2%	4%	3%	4%	9% ▲ QU	5%	6% ▲ BC, QU	3%	1% ▼
Homelessness	2%	3%	2%	4%	0%	2% ▲	0%	1%	3%	4%	0%	2% ▲
Government debt	6%	3% ▼	5%	1% ▼	12%	4% ▼	9%	4%	5%	3%	4%	3%
Rising gas prices	5%	2% ▼	4%	3%	5%	1% ▼	3%	3%	4%	2% ▼	7%	2% ▼
Crime/public safety	2%	2%	5%	5%	1%	3%	3%	1%	1%	2%	3%	2%

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

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

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

CURRENT ECONOMIC PERCEPTIONS: AIDED x REGION (cont.)

#1 MOST IMPORTANT ISSUE	Canada		British Columbia		Alberta		Saskatchewan/ Manitoba		Ontario		Quebec	
	Aug 2022 (n=1,509)	Sep 2023 (n=2,142)	Aug 2022 (n=151)	Sep 2023 (n=410)	Aug 2022 (n=125)	Sep 2023 (n=408)	Aug 2022 (n=125)	Sep 2023 (n=142)	Aug 2022 (n=601)	Sep 2023 (n=640)	Aug 2022 (n=407)	Sep 2023 (n=436)
Immigration	n/a	2%	n/a	2%	n/a	4%	n/a	1%	n/a	2%	n/a	2%
LGBTQ+ rights	n/a	1%	n/a	1%	n/a	1%	n/a	0%	n/a	1%	n/a	1%
Opioid crisis	0%	1%	1%	1%	0%	2%	0%	1%	1%	1%	0%	0%
COVID-19	4%	1%	4%	0%	5%	0%	6%	0%	3%	1%	4%	1%
Gun violence	n/a	1%	n/a	1%	n/a	0%	n/a	0%	n/a	0%	n/a	1%
War in Ukraine	2%	1%	1%	0%	2%	0%	0%	3%	3%	0%	3%	1%
Student debt/ cost of education	n/a	1%	n/a	1%	n/a	1%	n/a	0%	n/a	1%	n/a	0%
Energy/pipelines	2%	0%	1%	0%	4%	2%	3%	0%	1%	0%	1%	0%
Indigenous reconciliation	1%	0%	1%	1%	0%	1%	1%	0%	2%	0%	1%	0%
Racism	1%	0%	0%	0%	0%	0%	1%	0%	1%	0%	0%	0%
Women's reproductive rights	n/a	0%	n/a	0%	n/a	1%	n/a	0%	n/a	0%	n/a	0%

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

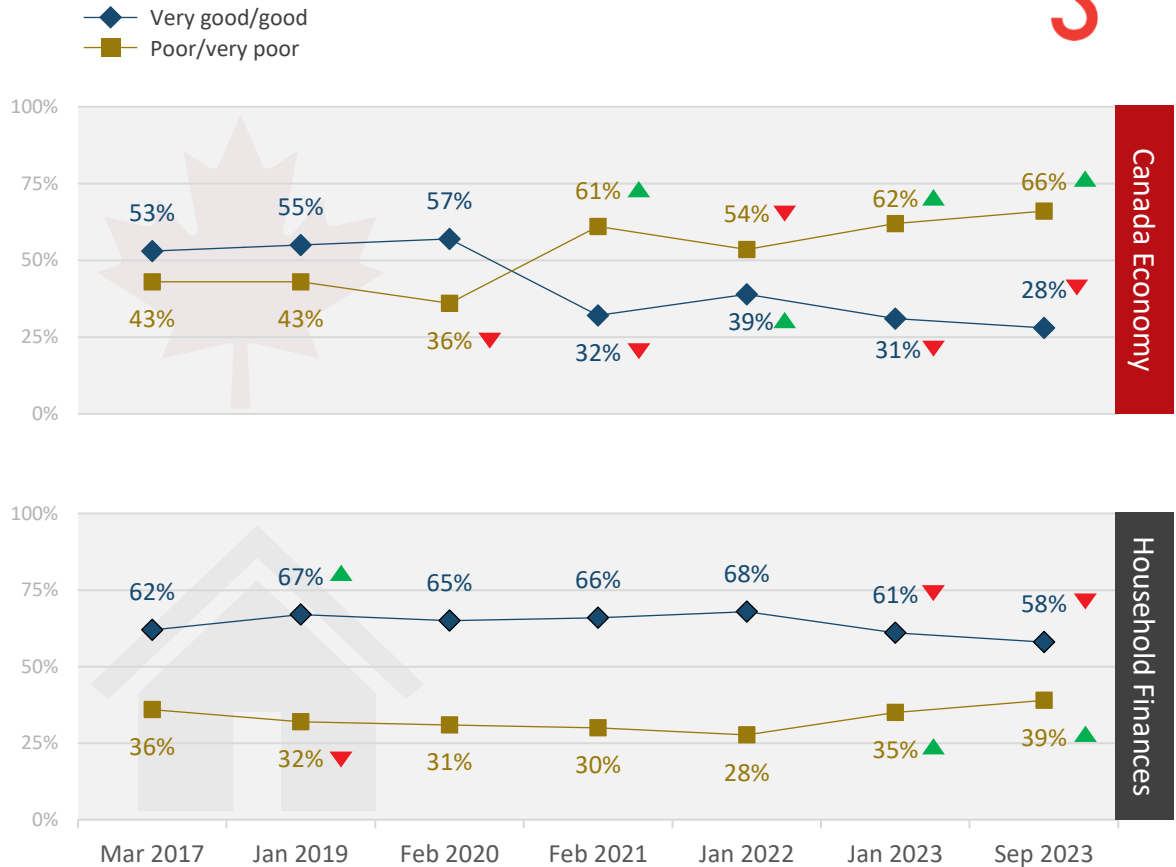
▲ Statistically significantly higher than comparison group(s).
▼ Statistically significantly lower comparison group(s).

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

CURRENT ECONOMIC PERCEPTIONS

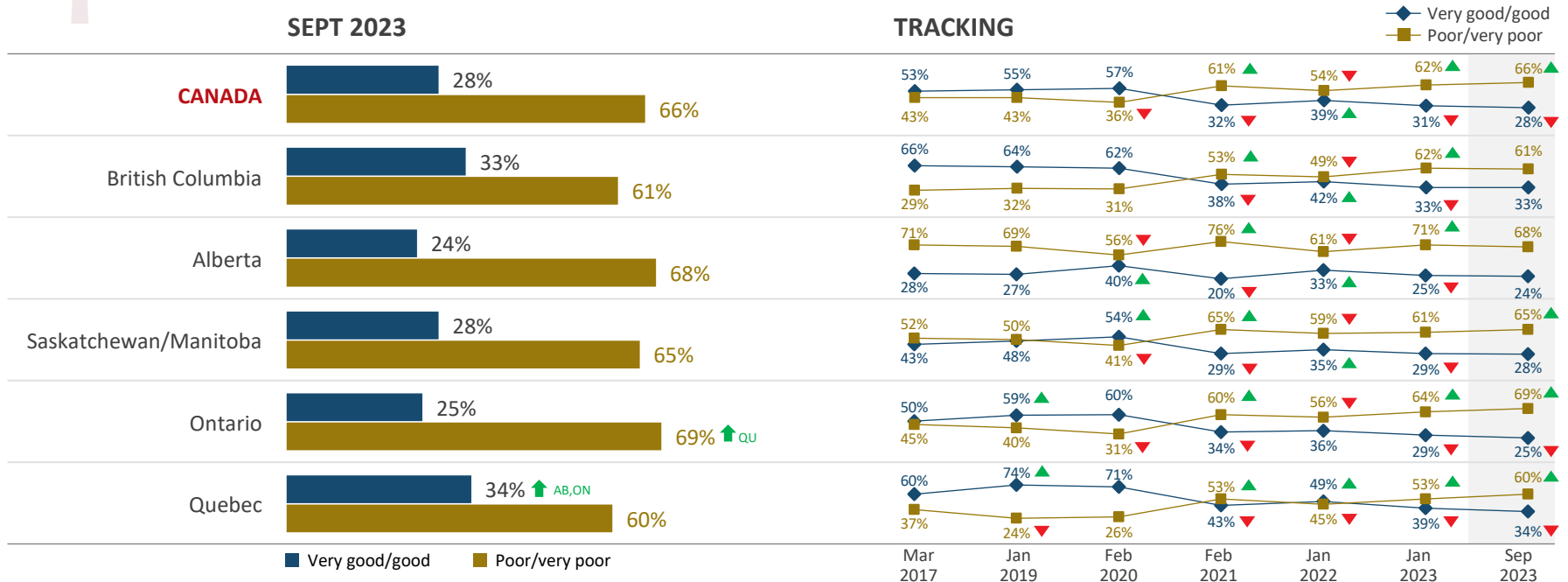
Perceptions about both the national economy and personal finances continues to erode this year. There is another increase in those with negative views and corresponding decrease in those with positive views on both metrics versus the start of 2023. Results are at a historical low over the six years of results.

While views of household finances remain more buoyant than that of the country, the gap between positive and negative views is now the smallest seen to date.



CURRENT CANADIAN ECONOMIC PERCEPTIONS x REGION

The sense of pessimism about the Canadian economy holds true across all provinces. The playing field is increasingly similar across the country, although Quebec remains marginally more optimistic.



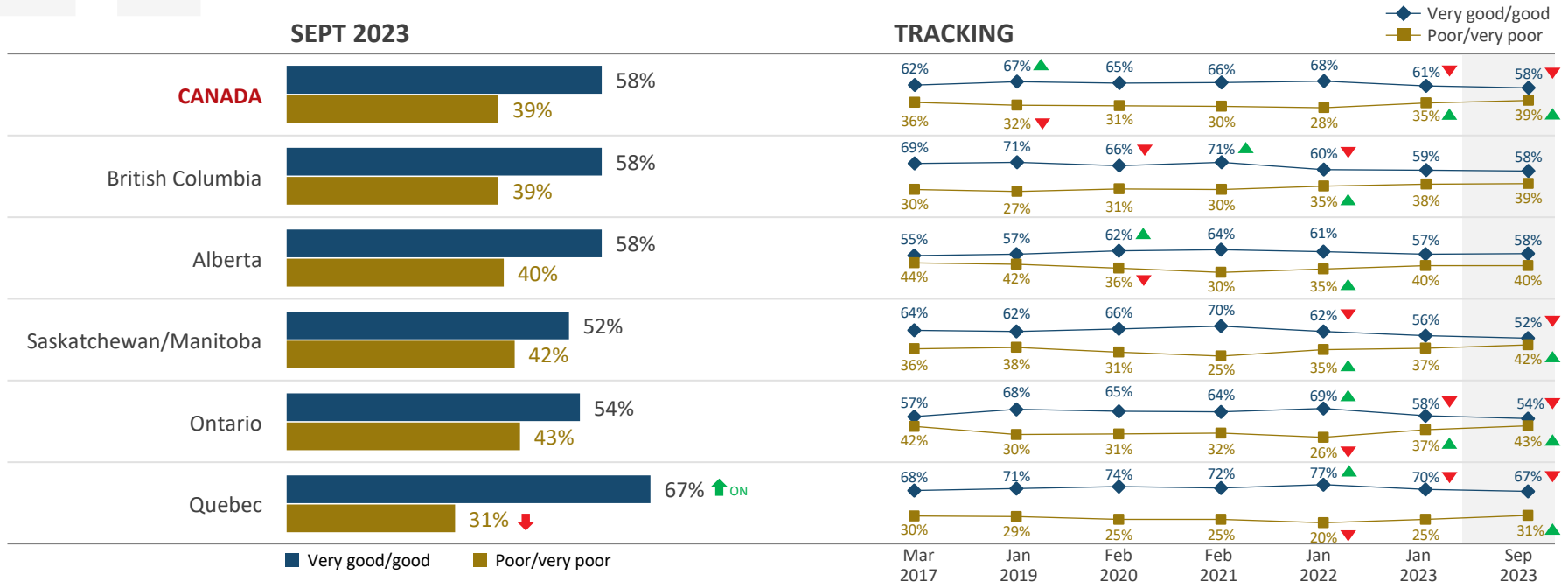
How would you describe the economic conditions in Canada today?

↑ 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.

CURRENT HOUSEHOLD ECONOMIC PERCEPTIONS x REGION

As was witnessed earlier this year, there is a stronger negative trend in views of household finances in Ontario and Quebec versus other provinces, with the West (BC and Alberta) holding steady this wave. Still, Quebecers remain the most optimistic versus other regions.

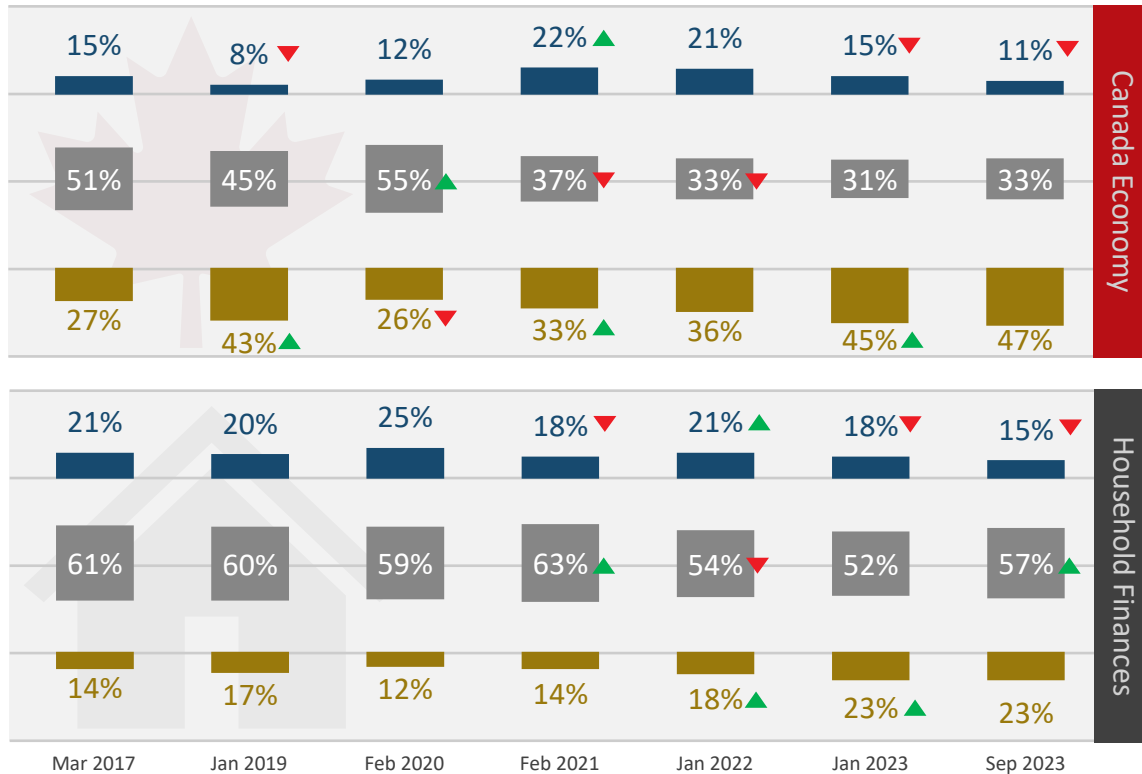


How would you describe your own household's finances today?

▲ Statistically significantly higher than comparison group(s).
▼ Statistically significantly lower 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 also continue to erode. It seems that future expectations may not have yet bottomed out.

- Improve
- Stay the same
- Decline

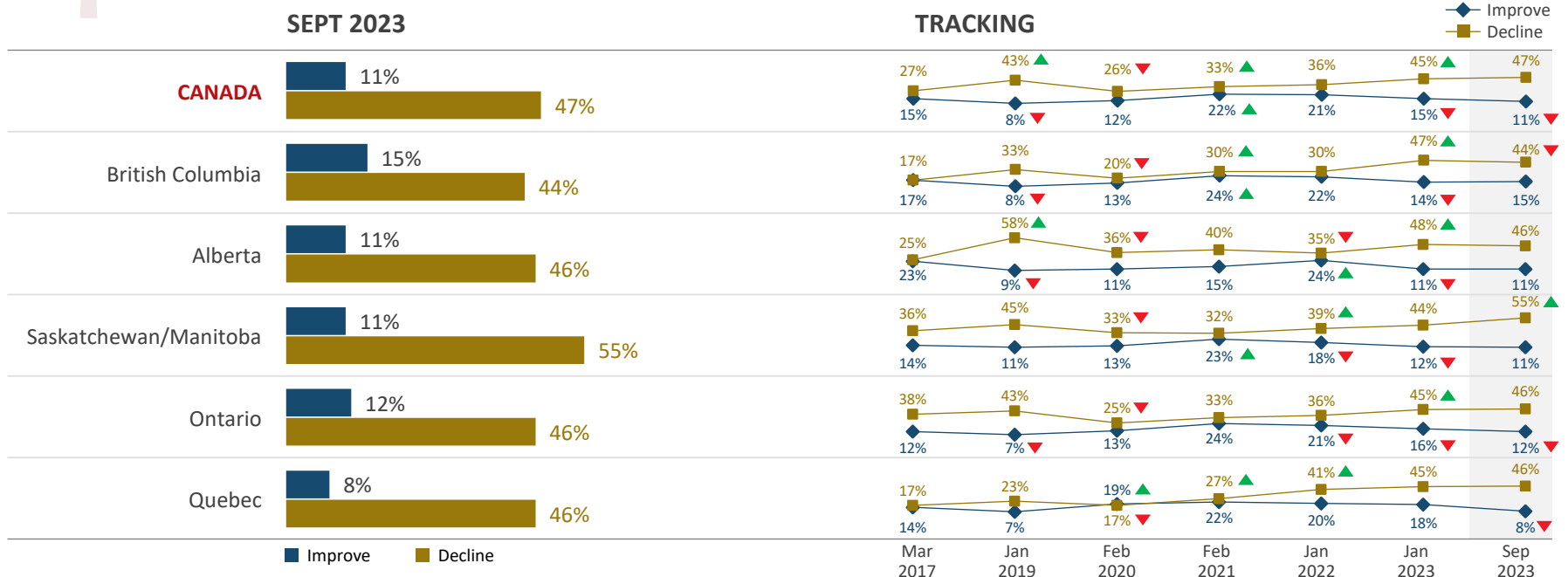
Over the next six months, do you expect the Canadian economy to improve, remain the same, or decline?
 Over the next six months, do you expect your own household's finances to improve, remain the same, or decline?

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

FUTURE CANADIAN ECONOMIC PERCEPTIONS x REGION



Expectations of future declines in the Canadian economy are similar regardless of province.



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

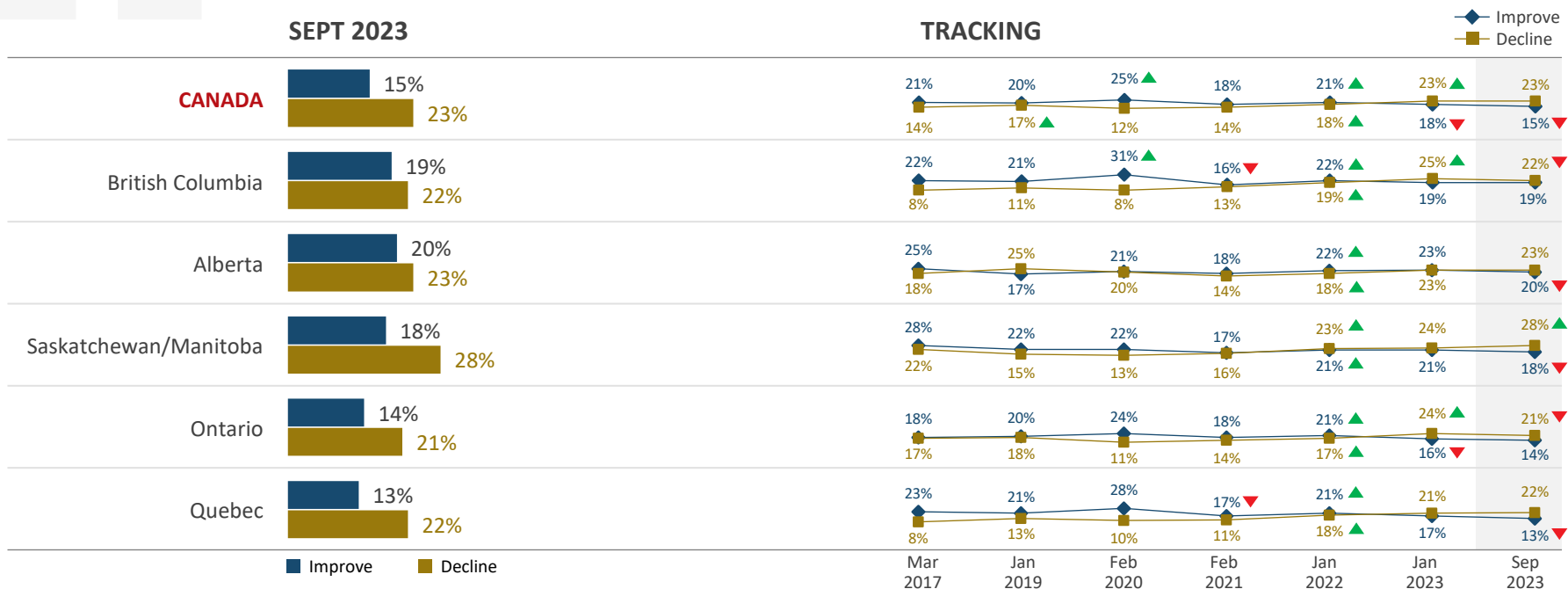
▲ Statistically significantly higher than comparison group(s).
 ▼ Statistically significantly lower than comparison group(s).

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

FUTURE HOUSEHOLD ECONOMIC PERCEPTIONS x REGION



Opinions on the future of household finances are similarly consistent across the country. Those who expect a decline are now a larger group compared to the proportion who expect an improvement in all regions



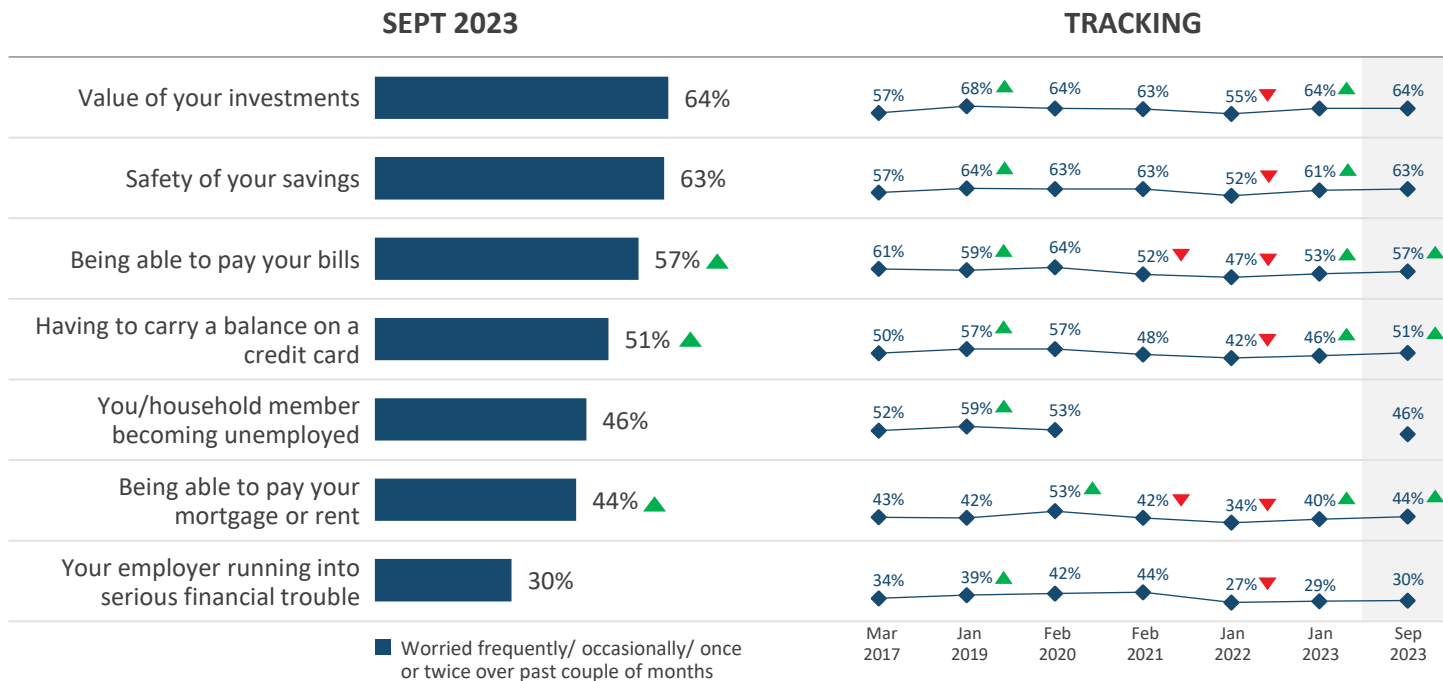
Over the next six months, do you expect your own household's finances to improve, remain the same, or decline?

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

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

WORRIES

Reflecting weaker confidence in the economy and personal finances, Canadians' worries continue on a slow upward trajectory again this fall. The most significant increases are in affording day to day living – paying bills, carrying a credit card balance and paying mortgage/rent – which is revealing of the Canadian mindset.



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

WORRIES x REGION

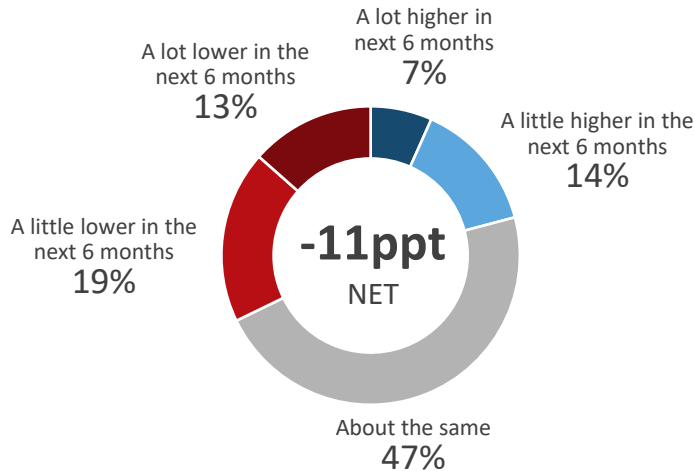
Worried frequently/ occasionally/ once or twice over past couple of months	Canada							British Columbia							Alberta							Saskatchewan/ Manitoba							Ontario							Quebec						
	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Jan 2022	Jan 2023	Sep 2023
Value of your investments	57%	68%	64%	63%	55%	64%	64%	63%	67%	59%	66%	62%	67%	64%	68%	76%	67%	69%	57%	71%	68%	64%	73%	65%	61%	65%	64%	66%	56%	66%	68%	63%	56%	70%	68%	56%	58%	48%	54%	44%	55%	55%
Safety of your savings	57%	64%	63%	63%	52%	61%	63%	62%	59%	58%	58%	62%	62%	63%	71%	69%	64%	69%	56%	68%	67%	59%	71%	60%	57%	61%	69%	67%	60%	63%	67%	64%	52%	66%	67%	52%	55%	51%	63%	39%	48%	57%
Being able to pay your bills	61%	59%	64%	52%	47%	53%	57%	55%	51%	63%	46%	56%	53%	57%	65%	68%	61%	56%	55%	60%	65%	55%	62%	58%	49%	54%	60%	60%	67%	57%	66%	53%	47%	58%	60%	57%	57%	63%	57%	32%	38%	48%
Having to carry a balance on a credit card	50%	57%	57%	48%	42%	46%	51%	47%	46%	54%	41%	50%	50%	50%	53%	61%	57%	44%	47%	53%	59%	57%	59%	55%	45%	52%	43%	53%	59%	57%	57%	51%	44%	50%	54%	43%	62%	55%	51%	28%	33%	39%
You/household member becoming unemployed	52%	59%	60%	n/a	n/a	n/a	46%	50%	48%	56%	n/a	n/a	n/a	50%	59%	71%	60%	n/a	n/a	n/a	57%	54%	65%	53%	n/a	n/a	n/a	40%	59%	57%	64%	n/a	n/a	n/a	52%	41%	58%	54%	n/a	n/a	n/a	35%
Being able to pay mortgage/rent	43%	42%	53%	42%	34%	40%	44%	35%	37%	49%	36%	42%	46%	47%	44%	47%	49%	42%	42%	42%	48%	36%	49%	43%	37%	41%	38%	46%	50%	42%	59%	45%	36%	48%	49%	46%	40%	49%	45%	21%	26%	32%
Your employer running into serious financial trouble	34%	39%	42%	44%	27%	29%	30%	24%	31%	31%	36%	29%	31%	32%	42%	51%	46%	51%	34%	36%	37%	38%	41%	37%	36%	31%	26%	29%	43%	39%	48%	46%	28%	34%	34%	30%	36%	39%	45%	19%	17%	21%

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

OVERALL DISCRETIONARY SPENDING EXPECTATIONS

In keeping with pessimism about the future of the economy and worries about inflation, more Canadians plan to spend less than those who plan to spend more when it comes to discretionary spending in the next 6 months. This suggests spending and shopping will slow, potentially having a dampening effect on the economy.

SK/MB residents are the ones most likely to cut back on spending versus other regions while Quebecers are the least.



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** (October 2023-March 2024) to be higher, about the same or lower compared to the past 6 months (April-September 2023)?

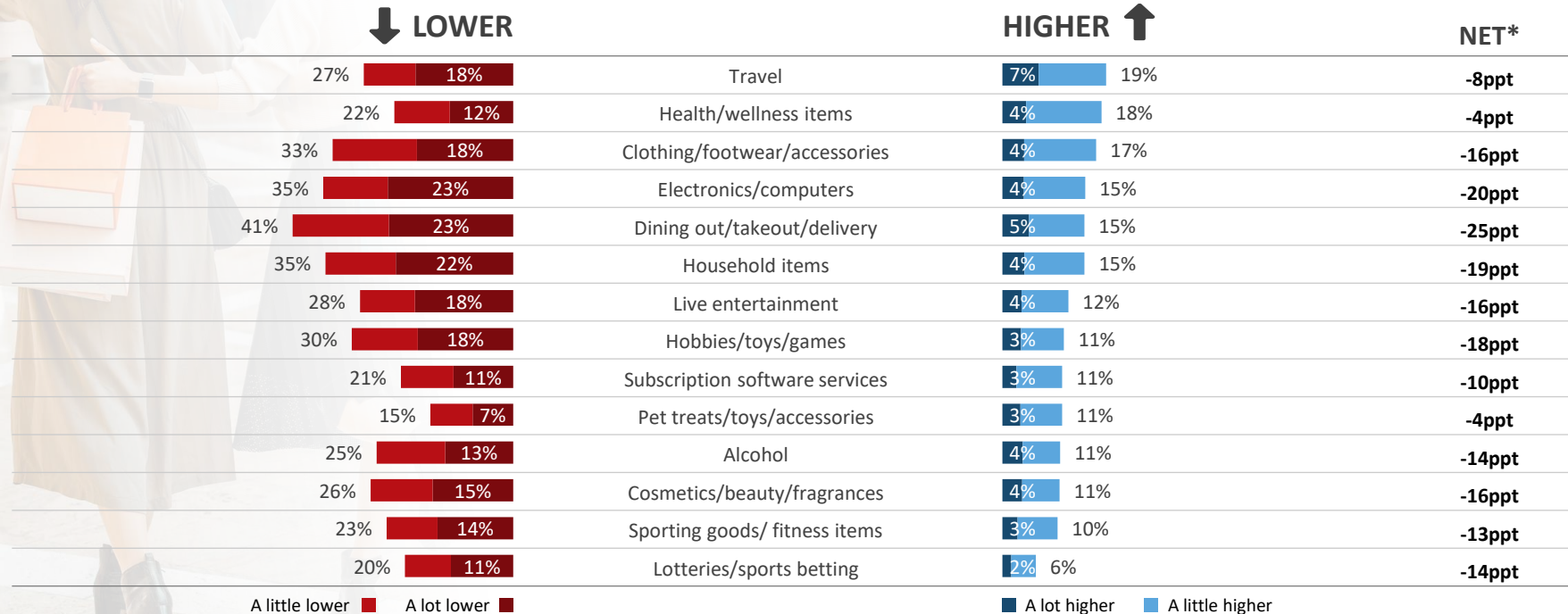
LOWER ↓		HIGHER ↑	NET
32%	British Columbia	4%	-16ppt
33%	Alberta	4%	-10ppt
42%	Saskatchewan/Manitoba	10%	-22ppt ↓ <small>AB ON SK</small>
32%	Ontario	6%	-13ppt
30%	Quebec	9%	-5ppt

■ A little lower ■ A lot lower ■ A lot higher ■ A little higher

↑ Statistically significantly higher than comparison group(s).
↓ Statistically significantly lower comparison group(s).

DISCRETIONARY SPENDING EXPECTATIONS BY CATEGORY

Reductions in discretionary spending vary somewhat by category but all have a “net” lower result. The restaurant industry appears poised to be the hardest hit, followed by electronics/computers and clothing/footwear/accessories. In contrast, health/wellness and items for are likely to see smaller declines.

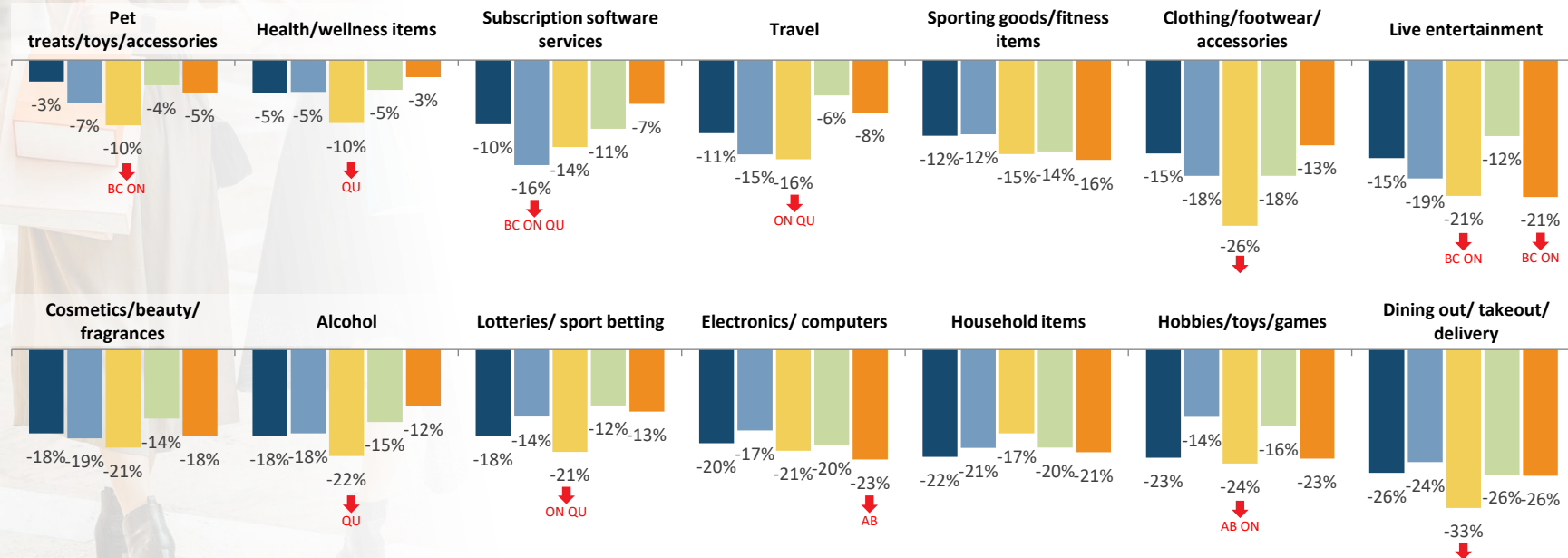
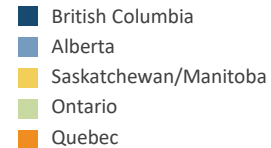


* % higher spending minus % lower spending.

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 6 months previously? If you don't ever buy in any of these categories, please choose the last option.

NET* DISCRETIONARY SPENDING EXPECTATIONS BY CATEGORY x REGION

While net declines are predicted on discretionary spending in all categories and all regions, the degree does vary by category. As a general finding, SK/MB are again the ones generally most likely to cut back.



* % 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 6 months previously? If you don't ever buy in any of these categories, please choose "about the same".

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



APPENDIX



METHODOLOGY

- The LEO (Leger Opinion) panel is the largest Canadian panel with over 400,000 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 application.
- 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.

REGION	Unweighted	Weighted
BC	410	299
AB	408	239
SK/MB	142	133
ON	640	831
QU	436	496
Atlantic	106	144

GENDER	Unweighted	Weighted
Male	1,103	1,042
Female	1,039	1,100

AGE GROUP	Unweighted	Weighted
18-34	436	568
35-54	790	691
55+	889	883

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 than previous wave.
 - ▼ Statistically significantly lower than previous wave.
- In this report, statistically significant differences between subgroups are shown as follows:
 - ↑ Statistically significantly higher than comparison group(s).
 - ↓ Statistically significantly lower comparison group(s).

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Leger is a member of [ESOMAR](#) (European Society for Opinion and Market Research), the global association of opinion polls and marketing research professionals. As such, Leger is committed to applying the [international ICC/ESOMAR](#) code of Market, Opinion and Social Research and Data Analytics.

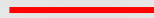


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Leger



We Know Canadians

STEVE MOSSOP

Executive Vice-President

smossop@leger360.com

604-424-1017

