



REPORT

Economic Confidence

BRITISH
COLUMBIA
FOCUS



July 2024



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 that focus on **British Columbia** in particular.*



Methodology

- Results are based on online research conducted among a sample of British Columbians 18 years of age and older.
- The most recent wave was conducted among a sample of 405 British Columbians, with fieldwork July 12-15, 2024.
- 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 405 would have a margin of error of $\pm 4.9\%$, 19 times out of 20.

Additional methodology details can be found in the appendix.

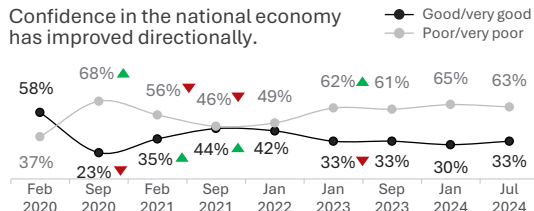
KEY METRICS



NATIONAL ECONOMY

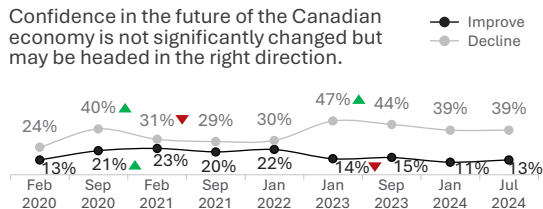
Current Confidence

Confidence in the national economy has improved directionally.



Future Confidence

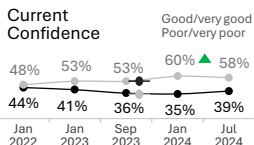
Confidence in the future of the Canadian economy is not significantly changed but may be headed in the right direction.



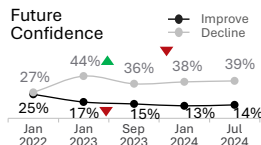
BC ECONOMY

Trends when it comes to views of the provincial economy are similar to the national perspective.

Current Confidence



Future Confidence

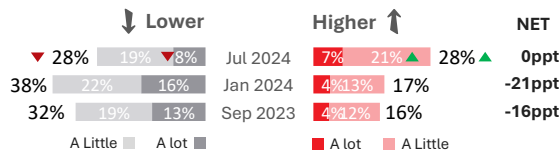


In contrast to flat national figures, there is a sense of cautious optimism in BC. Changes are very small but collectively suggest the corner may have been turned. This appears to be a lag in the same trend that was seen for the national figures (but not BC) in January.

Still, housing affordability remains a key concern and may be dampening greater economic enthusiasm. It will be interesting to see if the forward-looking optimism in discretionary spending in this province comes to pass.

Discretionary Spending

Predictions about discretionary spending suggest positive things to come for the BC economy.



Mortgage/Rent Increases

Many British Columbians are experiencing higher housing costs and are paying for those increases both by spending less (especially on everyday items, dining out and entertainment) and saving less/ dipping into existing savings.

EXPERIENCE INCREASE



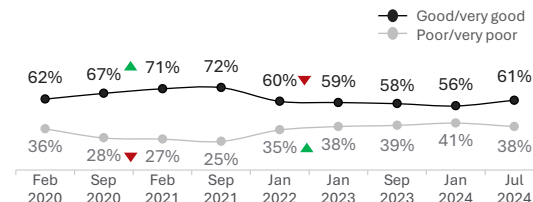
PAID FOR INCREASE



HOUSEHOLD FINANCES

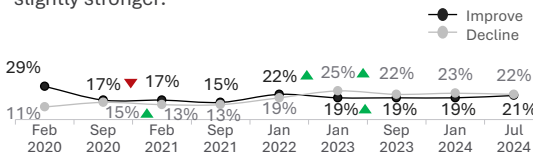
Current Confidence

Confidence in household finances are soft but have improved just slightly from six months ago.



Future Confidence

Confidence in future personal finances are also just slightly stronger.



Worries

Worries about day-to-day finances and saving and investing are all slightly less prevalent, in keeping with the small degree of buoyancy seen in financial confidence in BC.

WORRY INDEX

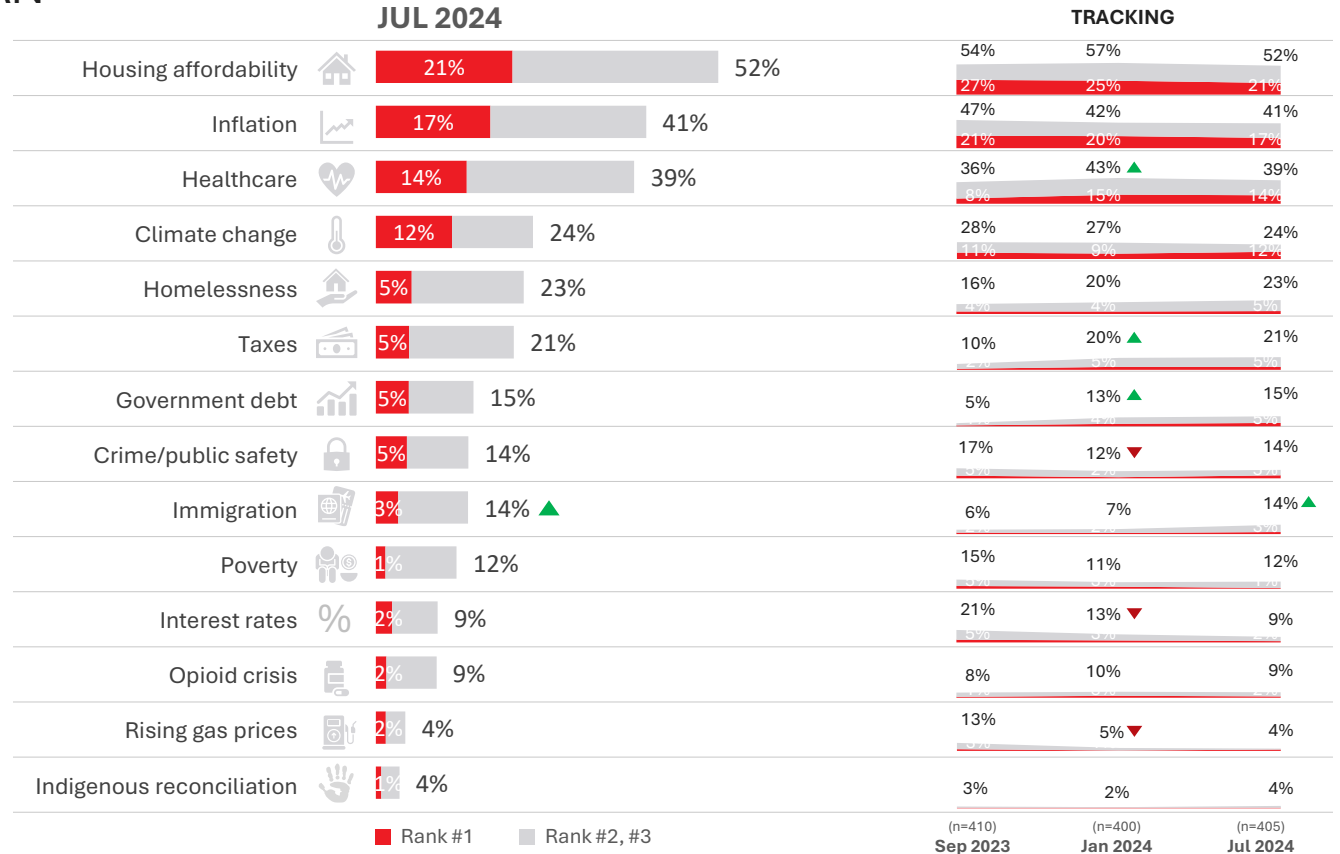


IMPORTANT CANADIAN ISSUES: **AIDED**

Housing affordability continues to dominate in BC (to an even greater extent than Canada-wide), although concerns have not continued to rise over the past six months.

This lack of further upward momentum around housing affordability plus small downward shifts for interest rates, rising gas prices and inflation suggest British Columbian's views may be turning the corner.

As in all other regions, increasing concerns about immigration and homelessness appears to be an emerging trend.



Note: Responses 4% and greater for JUL 2024 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

Shifts in opinion are also slow when it comes to current economic perceptions, but there is again a directional sense of strengthening of views in BC. This is true nationally, provincially and at the household level.

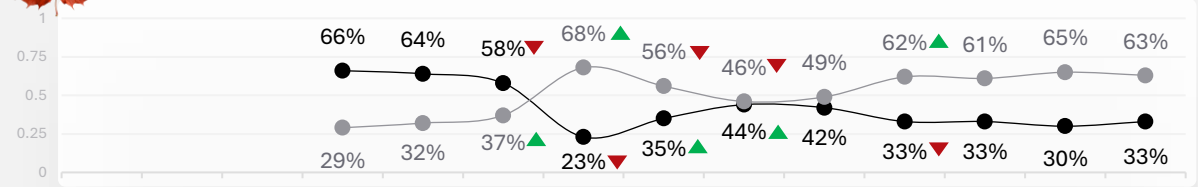
These small shifts have served to bring British Columbians' views on par with national metrics.

A few positive economic indicators may have been enough to restart a positive trend in economic confidence in this province.

- Good/very good
- Poor/very poor



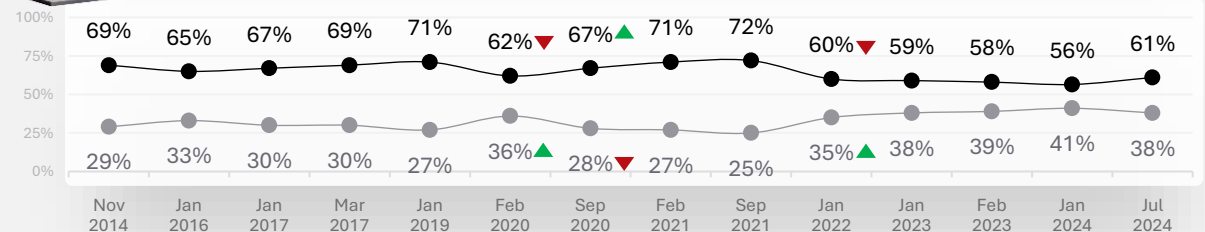
Canada Economy



BC Economy



Household Finances



How would you describe the economic conditions in Canada today?
Thinking specifically about your home province/territory, how would you describe the economic conditions in ... today?
How would you describe your own household's finances today?

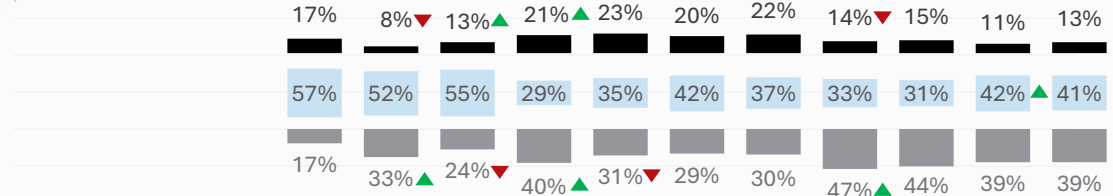
▲ ▼ Statistically significantly higher/lower than previous wave

FUTURE ECONOMIC CONFIDENCE

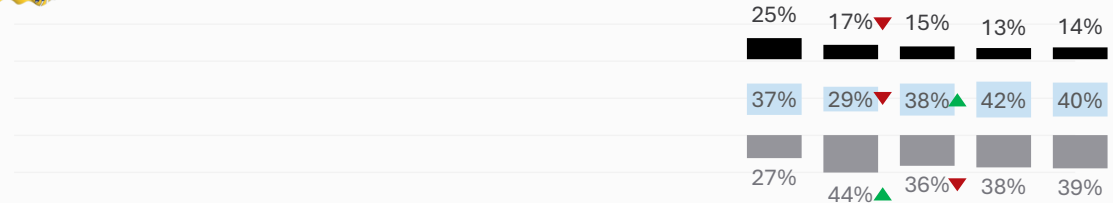
Looking forward, expectations among British Columbians are stable. Confidence in the national and provincial economies as well as household finances are little altered from six months ago and remain less positive than at points in the past. As such, any emerging sense of recovery is likely to be slow in the short term.



Canada Economy

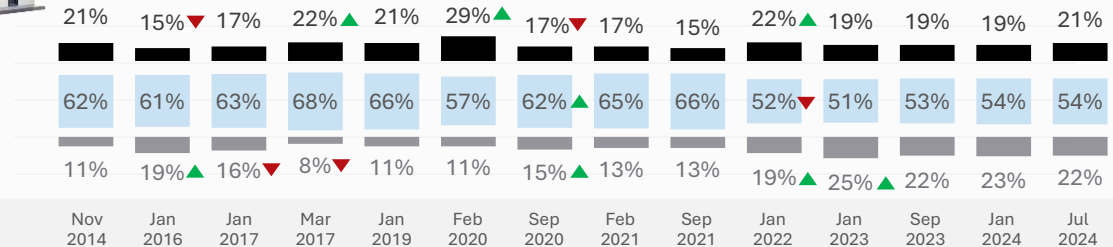


BC Economy



Household Finances

■ Improve
 ■ Stay the same
 ■ Decline



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

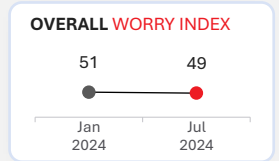
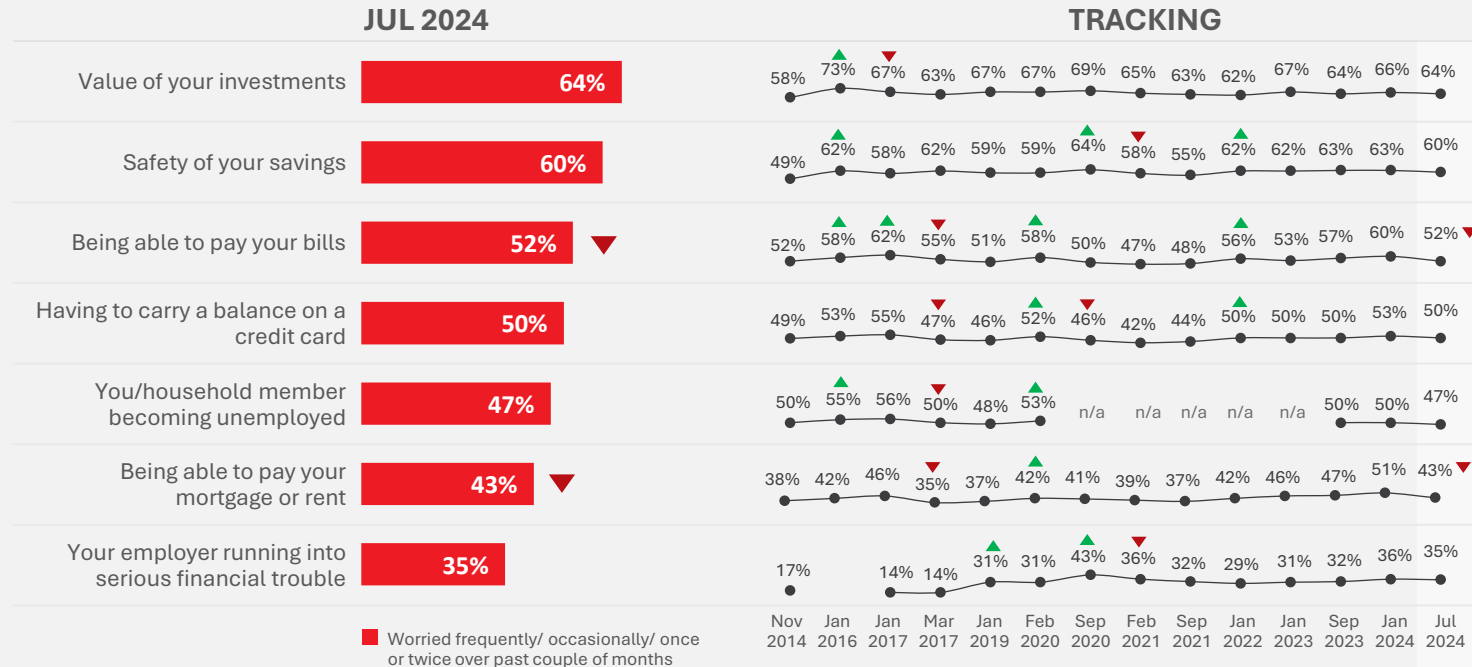
Thinking specifically about your home province/territory, over the next six months, do you expect the economy to improve, remain the same, or decline?

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

Reflecting generally stable or improving of views about the economy and their finances, some financial worries in BC are abating this July. The most significant changes are seen in being able to pay bills and – despite strong housing affordability concerns – being able to pay mortgage/rent.

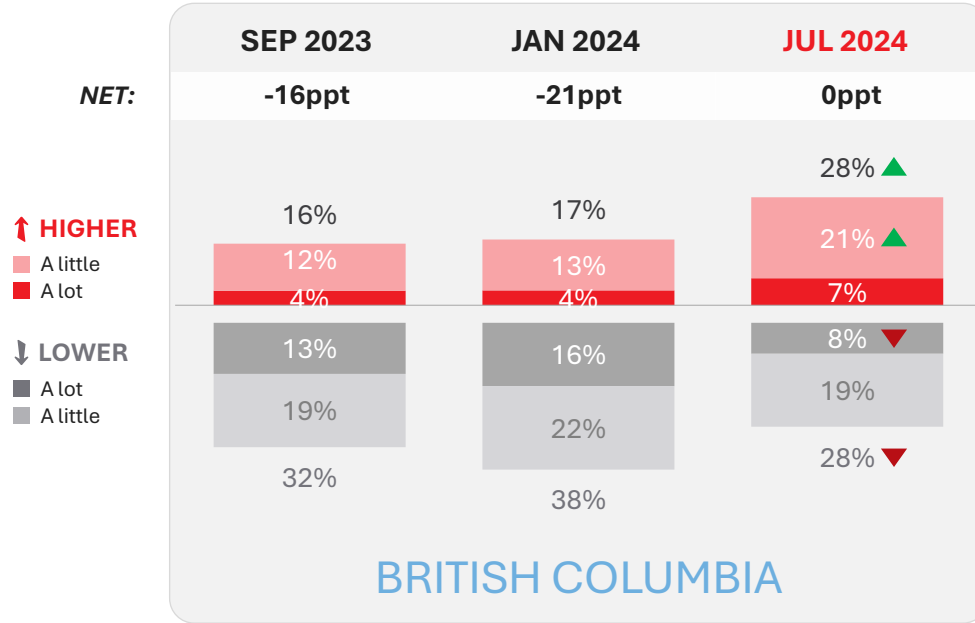


Note

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

OVERALL DISCRETIONARY SPENDING EXPECTATIONS

The forward look at discretionary spending is more buoyant than other measures, with those expecting to spend more fully compensating for those who plan to pull back on their spending. This suggests positive things for the BC economy moving forward.



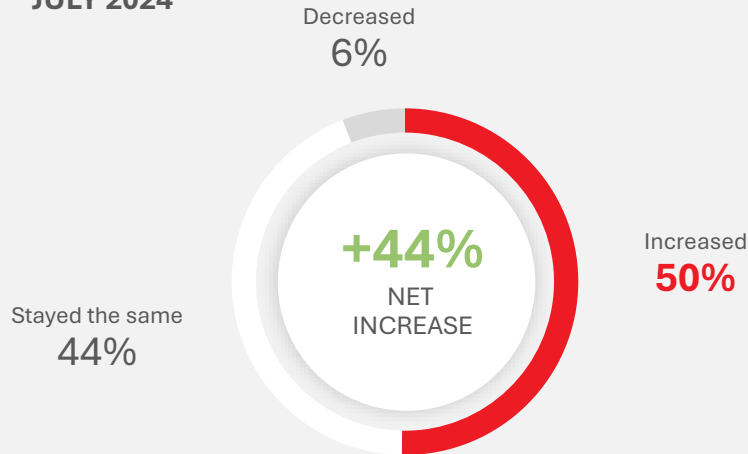
The next questions are about your **discretionary spending** – by this, we mean your spending on **non-essential items** (items that you can choose to spend your money on or not). Do you expect your discretionary spending in the **next 6 months** to be higher, about the same or lower compared to the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

▲ ▼ Statistically significantly higher/lower than previous wave

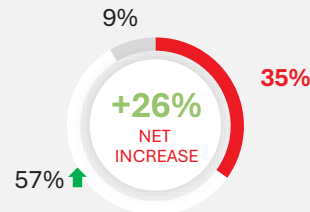
CHANGE IN MORTGAGE/RENT PAST 2 YEARS

Clearly demonstrating why housing affordability is the number one issue in BC, fully half of the province's residents who pay mortgage or rent report an increase in their payments over the past 2 years. This rises to a phenomenal two-thirds among renters.

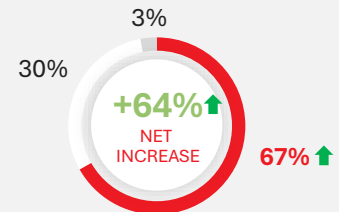
TOTAL JULY 2024



MORTGAGE HOLDERS



RENTERS

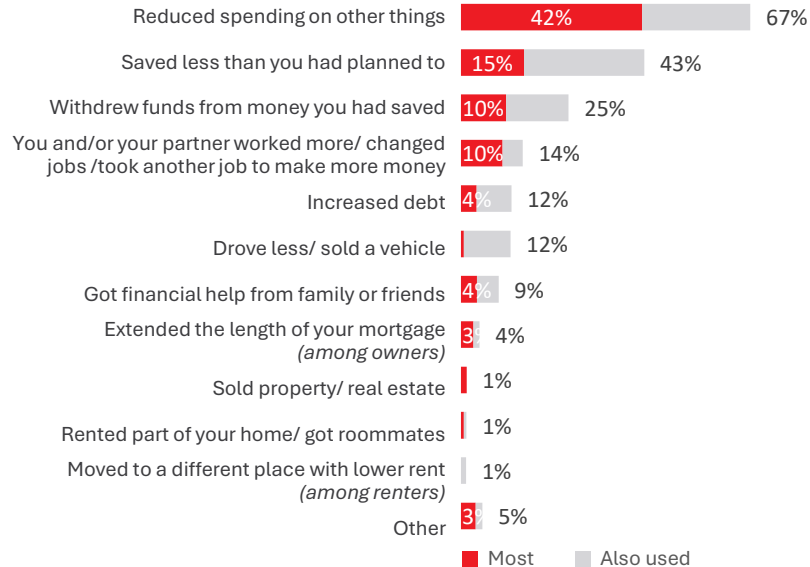


■ Increased
■ Stayed the same
■ Decreased

SOURCE OF FUNDS FOR INCREASE IN MORTGAGE/RENT

(Among Those Whose Mortgage/Rent Increased)

Higher housing costs are having a double whammy of impacting both spending and saving. Reduced spending is the technique with the most widespread adoption, but reduced future savings or withdrawing funds from savings are the next most prevalent when British Columbians look for ways to pay for their more expensive housing.

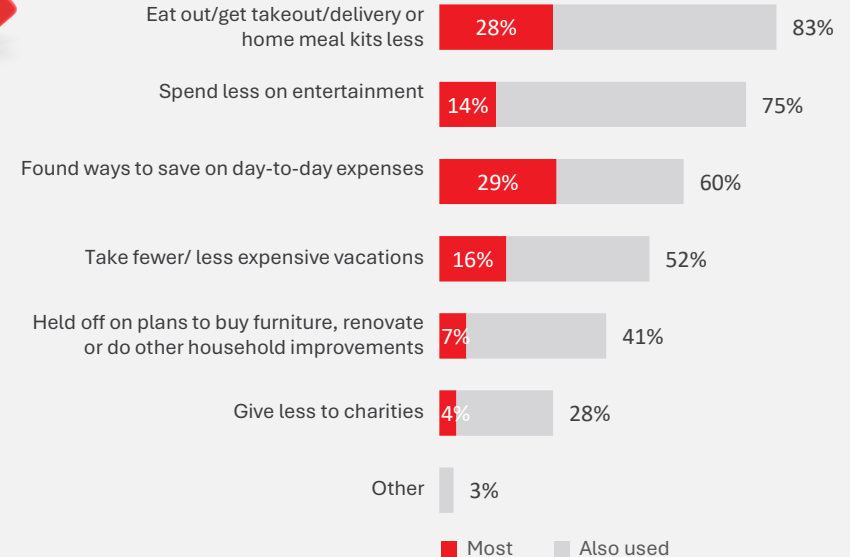


What have you done to pay for/manage the increase in your mortgage/rent?
What was the one thing that you did that was the most impactful in terms of helping you the most to pay for the increase in your mortgage/rent?

REDUCTION IN SPENDING FOR INCREASE IN MORTGAGE/RENT

(Among Those Whose Mortgage/Rent Increased and Decreased Spending as Result)

Most spending reduction is taking place on the everyday front, with reductions most often in eating out, entertainment or day-to-day expenses. Still, the travel and tourism industry will likely be feeling the negative impacts of the housing crisis as half are cutting back in this area.



Where or how have you reduced your spending to pay for the increase in your mortgage/rent?
What one thing did you reduce your spending most on to pay for the increase in your mortgage/rent?

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 (BC)

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

Gender	Unweighted	Weighted
Male	210	195
Female	178	188

Age group	Unweighted	Weighted
18-34	69	97
35-54	109	116
65+	227	153

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)

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