

THE BENSIMON BYRNE

Consumerology Report

Consumerology 18:
Economic Mini-Report

November 2012



Methodology

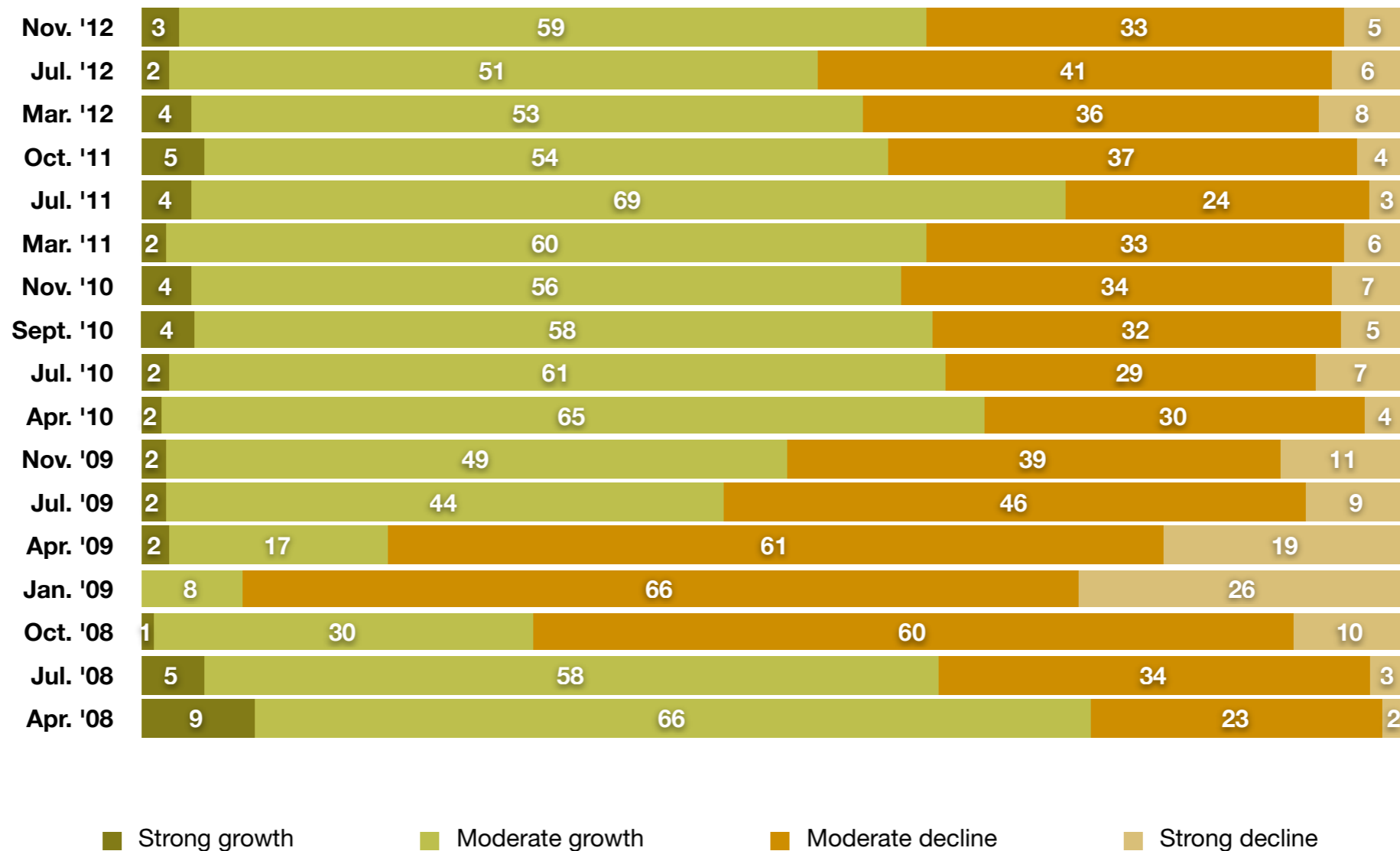
- The Gandalf Group conducted qualitative and quantitative research to produce the Consumerology Report.
- A national quantitative online survey was conducted among 1500 Canadians proportionate to the gender, age and region of the Canadian population.
- For more reliable income analysis, we collected an additional sample of 100 Canadians with a household income of \$100K+. However, all findings are reported based on the proportionate sample of 1500 Canadians with the oversample weighted back to proportionate representation.
- The survey was conducted in English and French and fielded from November 6th through November 21st, 2012.

Economic Assessments

- Reversing three quarters of decline, assessments of the current economy and optimism about its future are up significantly this quarter.
- Nearly two thirds of Canadians believe the economy is growing, the highest amount saying that since July, 2011.
- And Canadians believe this trend will continue with over seventy percent expecting the economy to continue to become stronger in the next year.

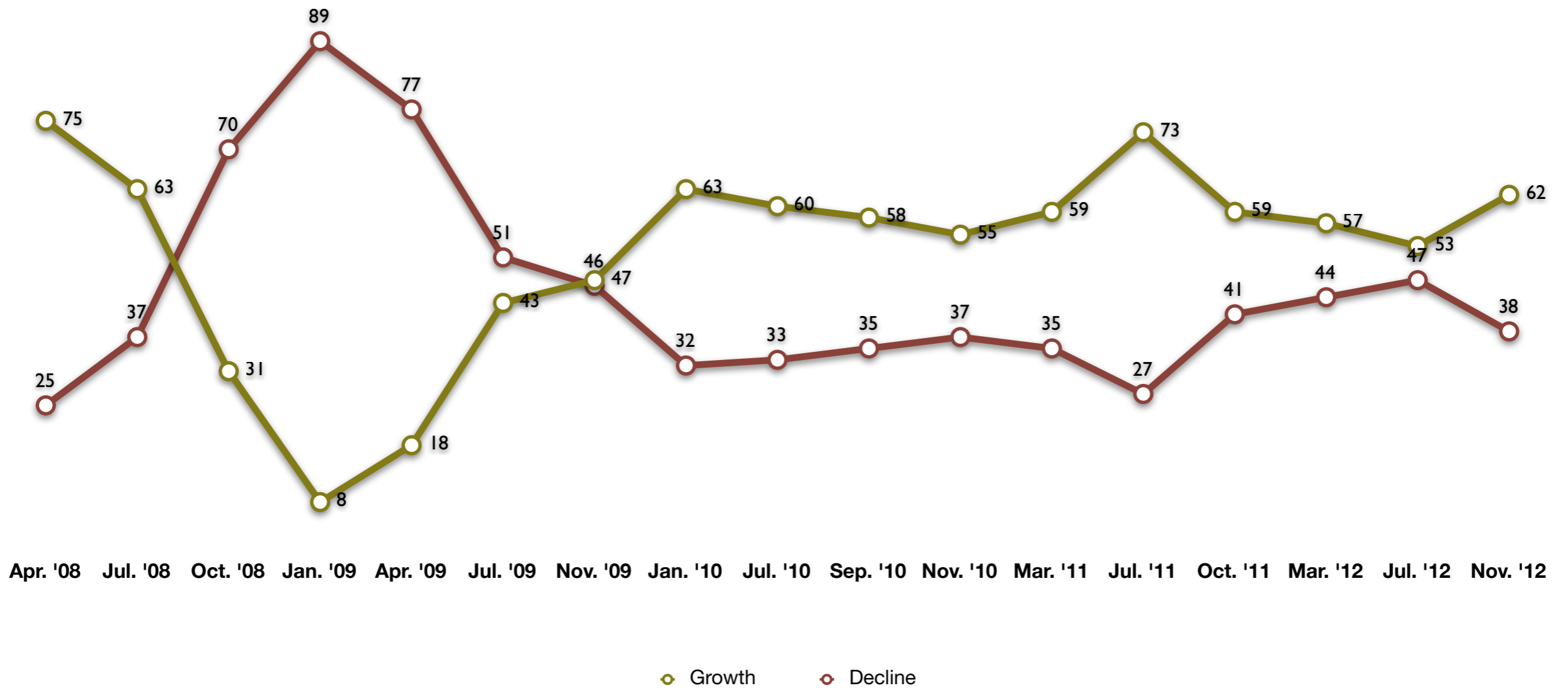
Assessments of the National Economy

“In general, how would you describe the state of the economy of Canada today – would you say that it is in a period of _____?”



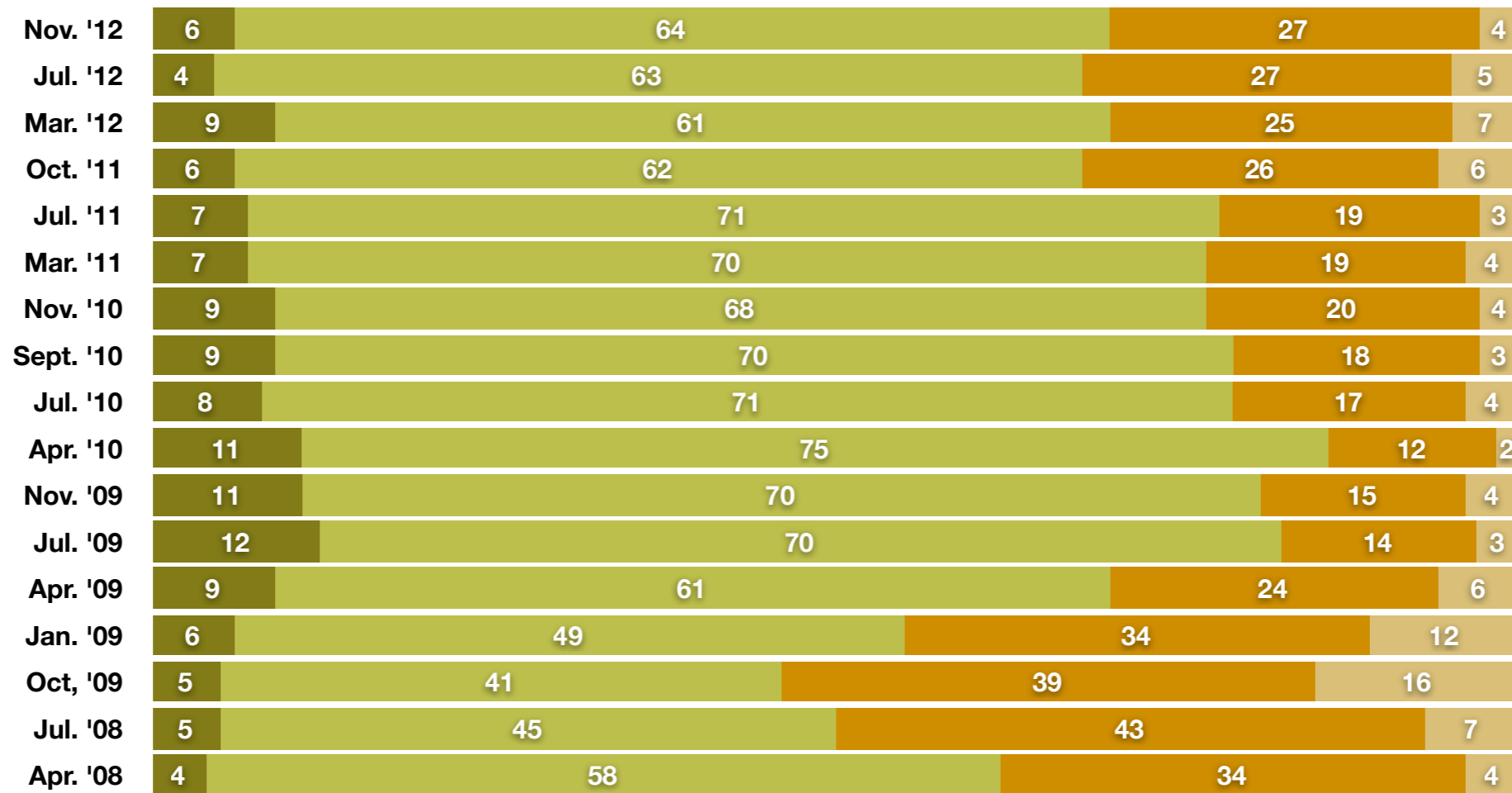
Assessments of the National Economy

“In general, how would you describe the state of the economy of Canada today – would you say that it is in a period of _____?”



Expectations of Canadian Economy

“Looking forward to one year from now, do you think the Canadian economy will be much stronger than it is today, a little stronger than it is today, a little weaker than it is today or much weaker than it is today?”



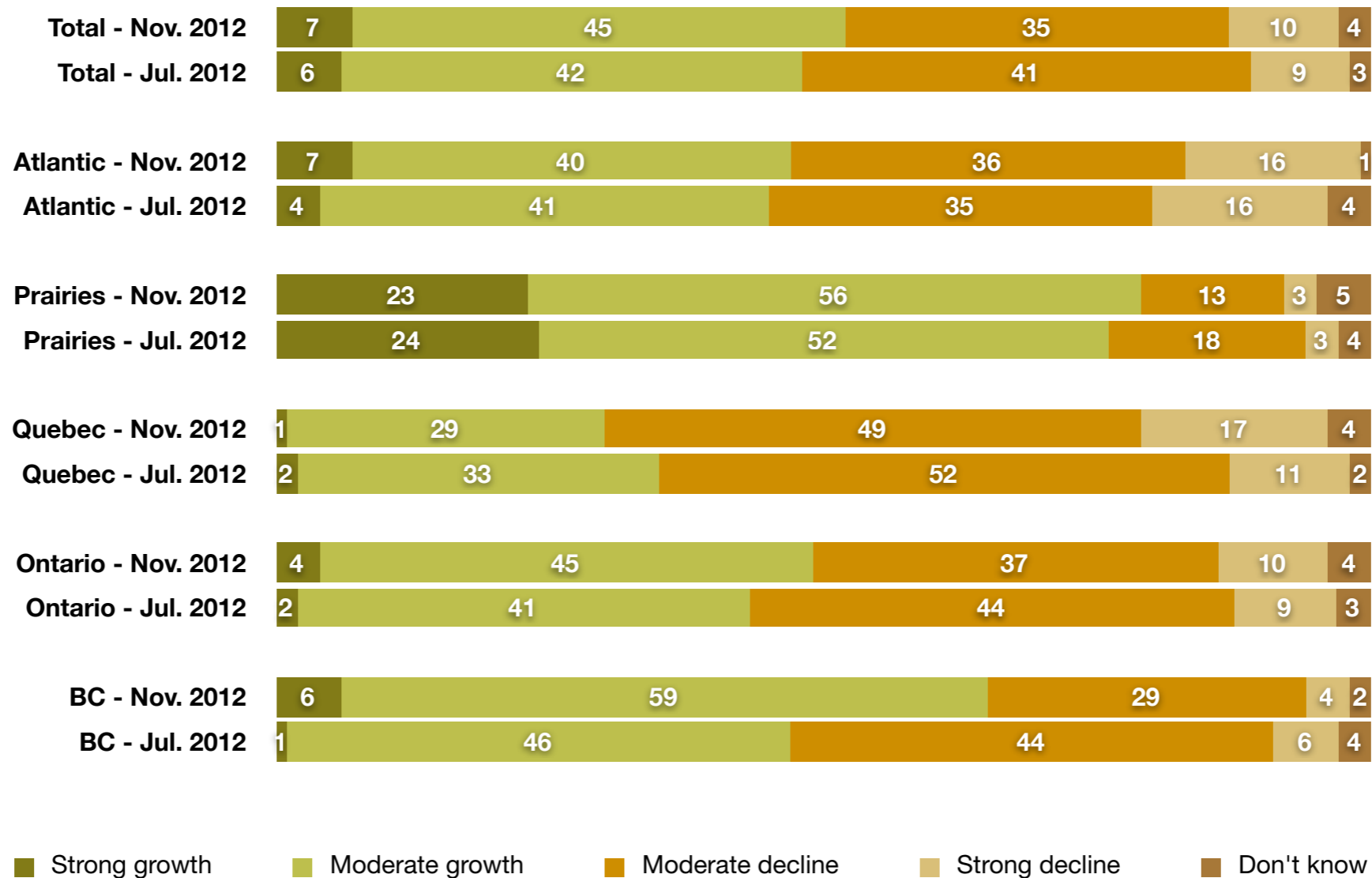
Much stronger
 A little stronger
 A little weaker
 Much weaker

Assessments of Provincial Economies

- Most Canadians continue to express more confidence about the national economy than about the economy in their province.
- In fact, two-thirds of Quebec residents believe their provincial economy is in decline – this is higher than even last quarter.
- And Atlantic Canadians are also more likely than not to believe their provincial economy is in decline.
- However, there have been notable increases in confidence in the economies of Ontario and BC since the last quarter.
- Residents of the Prairies continue to have great confidence in their provincial economies.

Assessments of Provincial Economies

“In general, how would you describe the state of the economy of your province today – would you say that it is in a period of _____?”



Consumer Spending

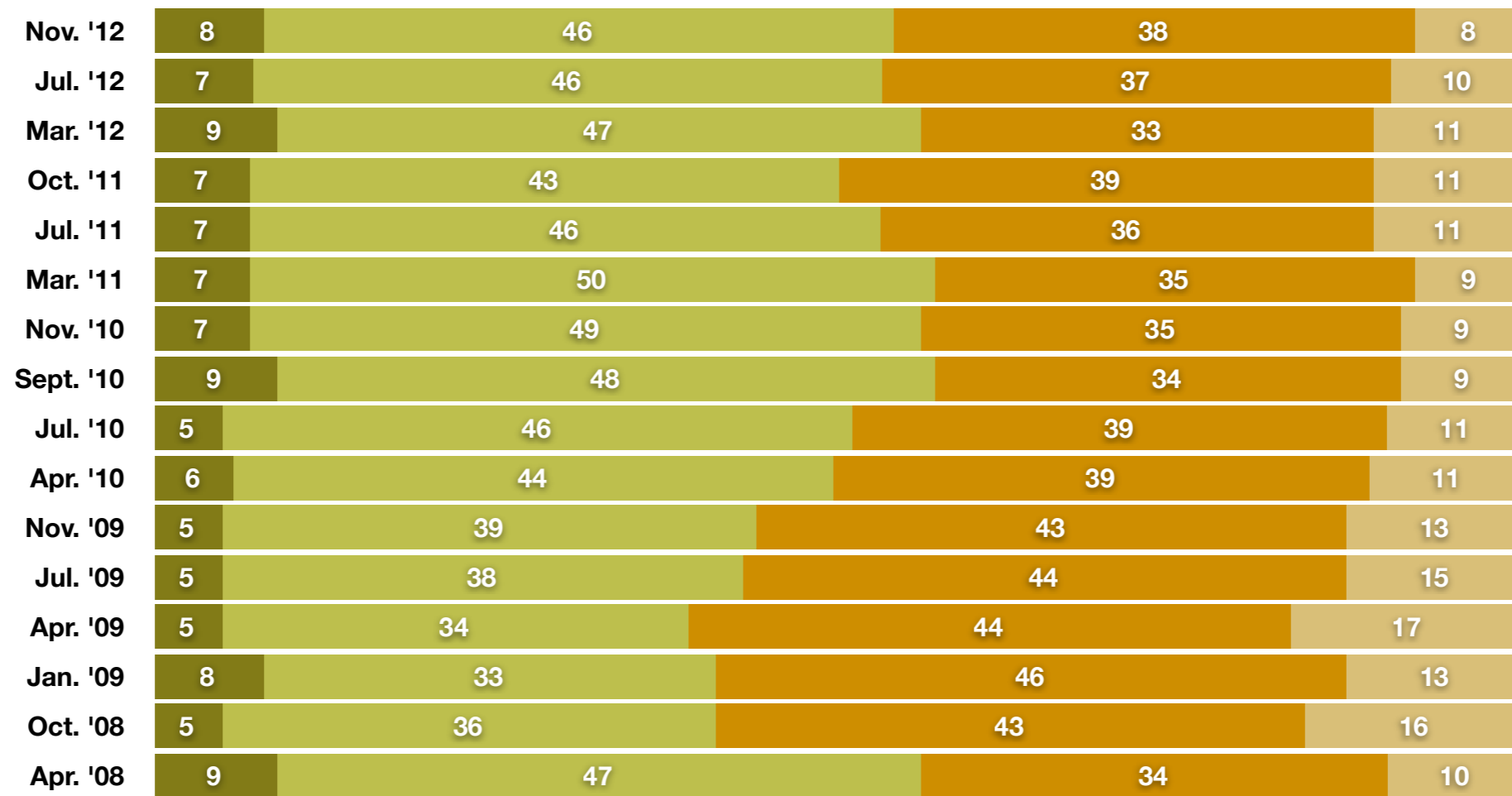
- The critical factor in determining consumer spending is whether a person's personal finances are improving or deteriorating. This year's economy is better for Canadians than last year's.
- Overall, 55% of Canadians are better off than a year ago while 45% are worse off.
- However, marketers will likely find it tough going among consumers over the age of 45, as most Canadians of that age say their finances are getting worse.
- And the economy is treating higher income Canadians better than lower income Canadians – the rich are getting richer at a much higher rate than the poor.

Consumer Spending

- The higher the income of a Canadian, the better the current economy is treating them – while half of those making \$50k or less per year are doing better than last year, this rises to seventy percent of those making \$100k or more.
- Atlantic Canadians are the most likely to have missed out on the economic resurgence – a majority say they are worse off today than a year ago and while optimism about the provincial economy has risen in BC, half of residents still say they are worse off today than just a year ago.
- Prairie residents are feeling the economic boom.

Assessment of Personal Financial Situation

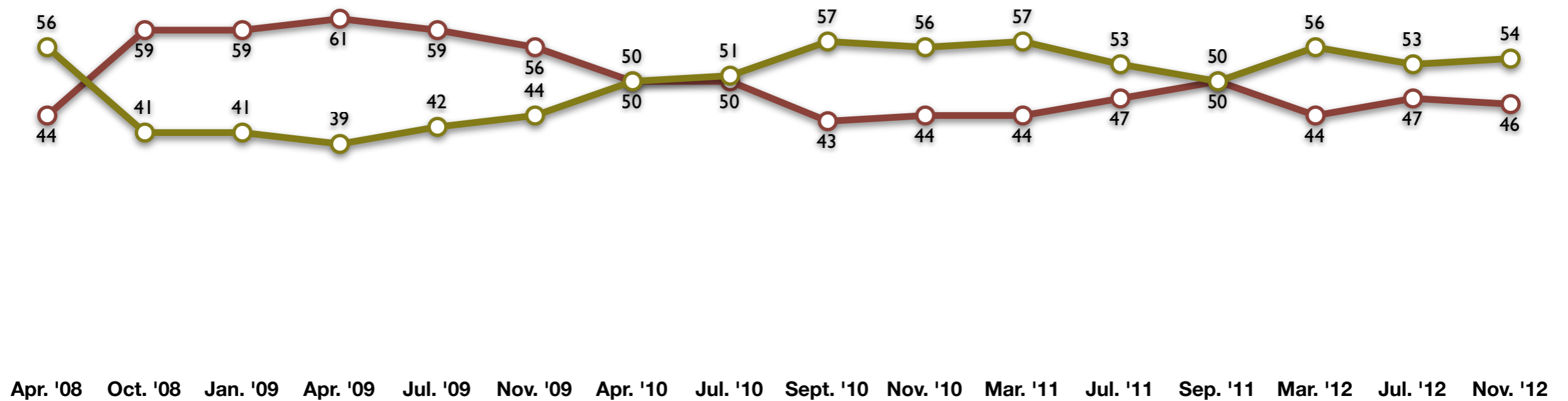
“How would you say your PERSONAL financial or economic situation is compared to one year ago? Would you say your PERSONAL or economic financial situation has gotten _____?”



Much better
 A little better
 A little worse
 Much worse

Assessment of Personal Financial Situation

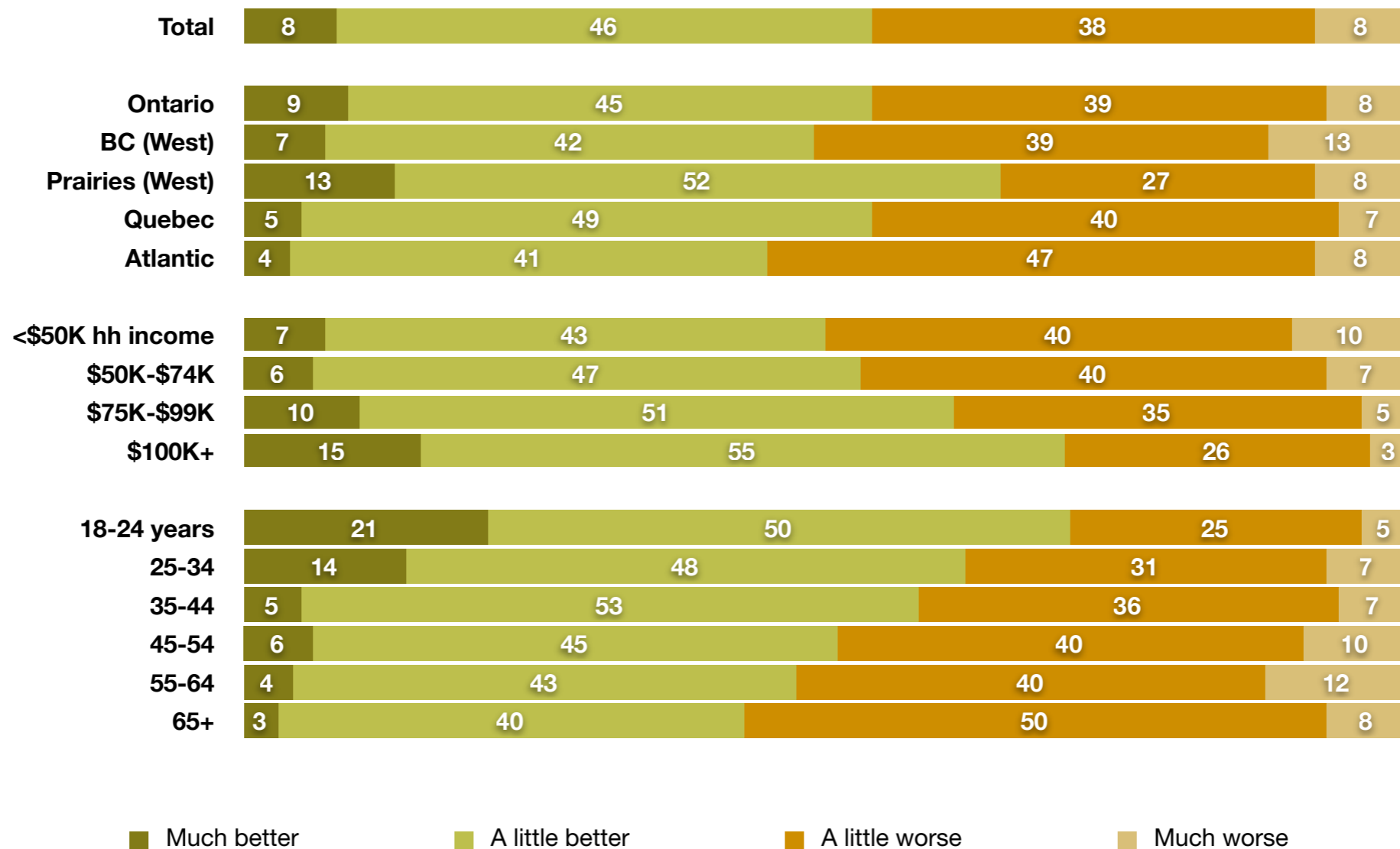
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○ Better ○ Worse

Assessment of Personal Financial Situation

“How would you say your PERSONAL financial or economic situation is compared to one year ago? Would you say your PERSONAL or economic financial situation has gotten _____?”

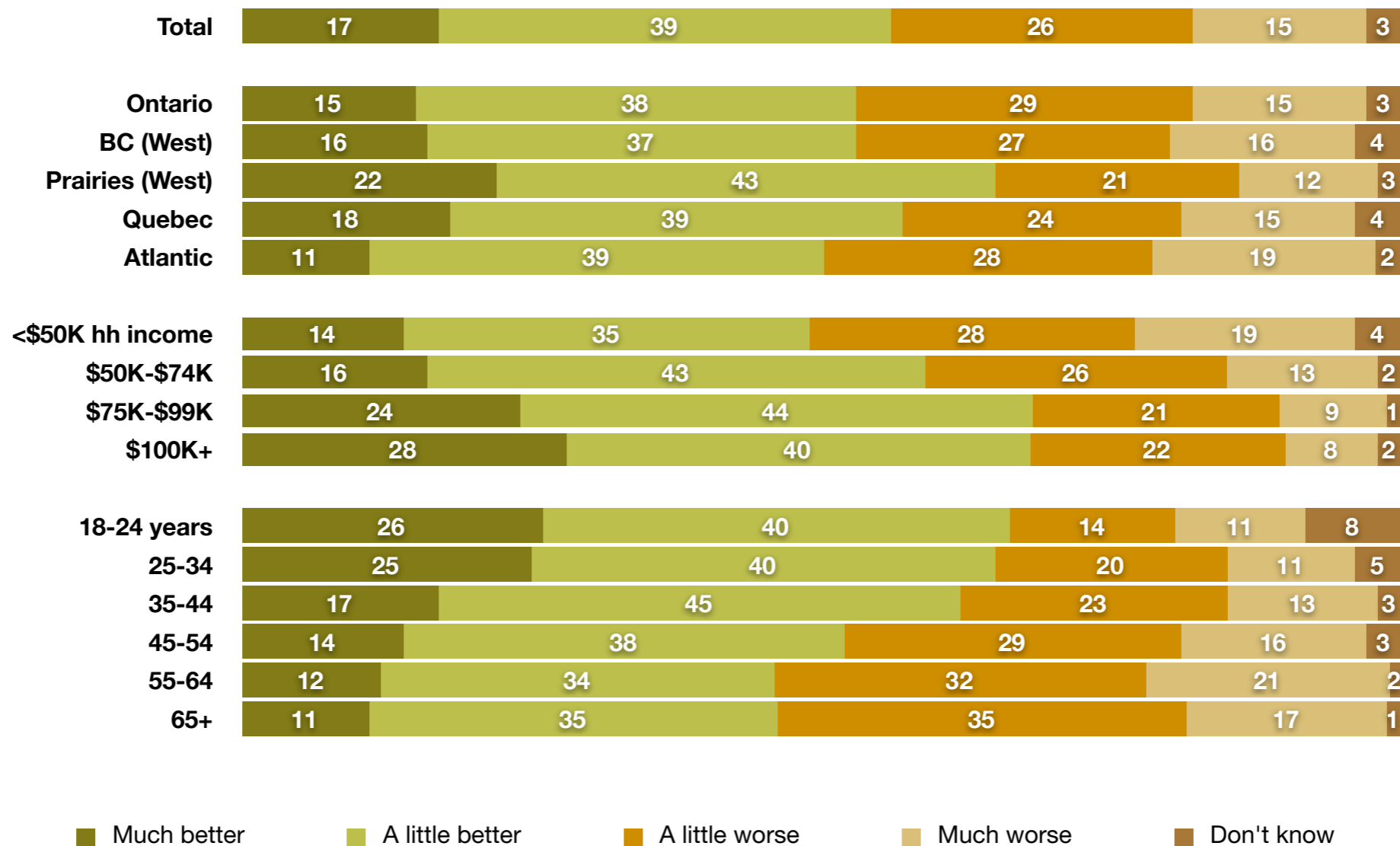


Economic Recovery for Whom?

- In every region of the country, a majority of Canadians are doing better than they were doing pre-recession.
- But the economic recovery has been particularly good for younger Canadians and higher income Canadians.
- Older Canadians and lower income Canadians have not recovered economically.
- In fact, a majority of those 55 and older are doing worse than they were in 2007 and those 45 to 55 are as likely to be doing worse as better.
- While most middle and high income Canadians are doing better than they were pre- recession, this is not the case for lower income Canadians.

Assessment of Personal Financial Situation Compared to 2007

“Looking back to before the recession, to 2007, would you say your personal financial or economic situation is much better, a little better, a little worse or much worse than it was in 2007?”

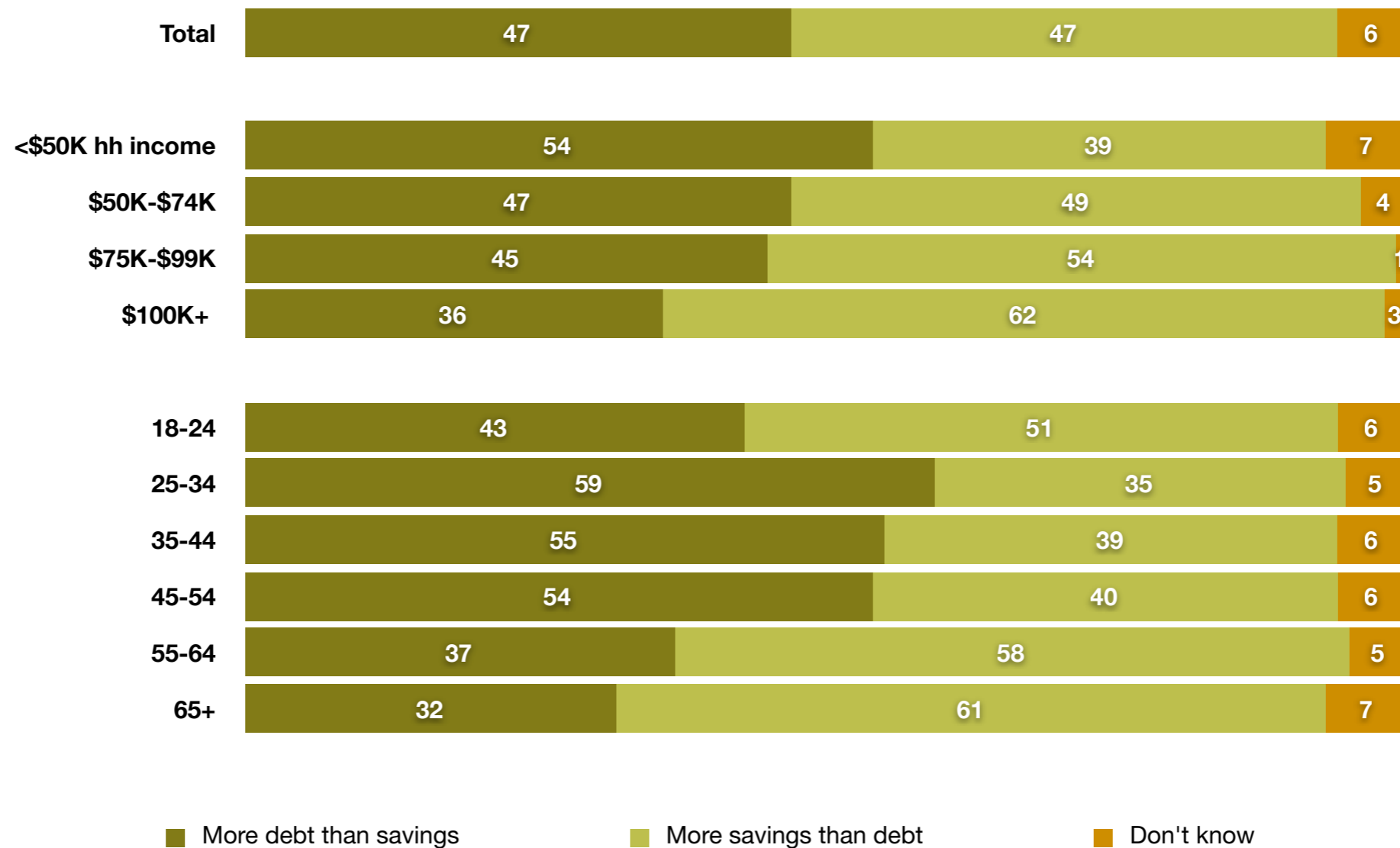


Debt vs. Savings

- While half of Canadians have more non-mortgage debt than savings, not including their home; the other half have more savings than debt.
- But most Canadians between 25 and 54 have more debt than savings, not including their home. After that age, the balance turns toward more savings than debt.
- Four in ten Canadians in retirement or approaching it have more non-mortgage debt than savings.
- The higher a Canadian's income, the less likely they are to be struggling with debt.
- Most Canadians earning \$100k+ have more savings than debt while most Canadians earning \$50k or less have more debt than savings.
- The number of Canadians with more debt than savings has remained constant this year even though more Canadians report doing better financially.

Do Canadians Have More Debt or More Savings?

“What is the status of your current financial position – would you say that you have more debt than you do savings (not including equity in your home), or more savings than you have debt?”



Do Canadians Have More Debt or More Savings? 2012

“What is the status of your current financial position – would you say that you have more debt than you do savings (not including equity in your home), or more savings than you have debt?”

