



Canadian Economic Insights February 2021

Background



- Perceptions of the economic state in Canada is an important driver of how consumers will spend (or not spend) in the coming months.
- Insights West monitors consumers' views on the economy and their own finances to keep a pulse on the mood and sentiment of the public.

Methodology



- Results are based on online research conducted among a sample of English-speaking Canadians adults 18 years of age and older:
- 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.

National Economy

Current Confidence

Confidence in the national economy is down dramatically from one year ago.



57%
Feb 2020

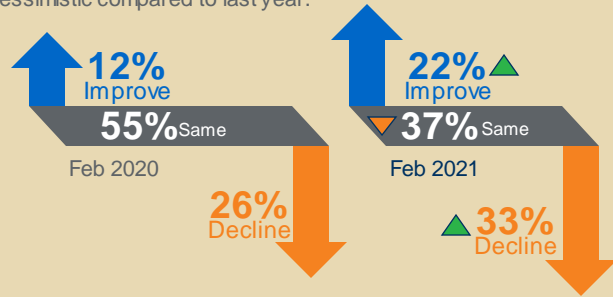


Very good/good

32%
Feb 2021

Future Confidence

Confidence in the future of the Canadian economy is also more pessimistic compared to last year.



While not quite as strong as one year ago, Canadians are still quite optimistic about their own personal finances. In contrast, views are significantly more pessimistic about the Canadian economy in general and expectations are it will be 2022 or later before there is a recovery.

This picture varies significantly by province, with Alberta the most pessimistic of all provinces.

Household Finances

Current Confidence

Confidence in household finances are steady since last year.



65%
Feb 2020

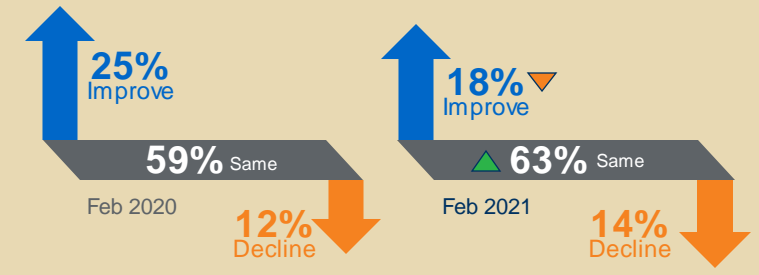


Very good/good

66%
Feb 2021

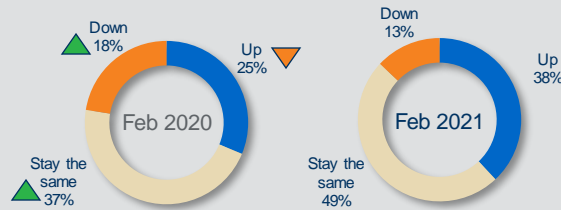
Future Confidence

Personal finances are predicted to generally stay the same.



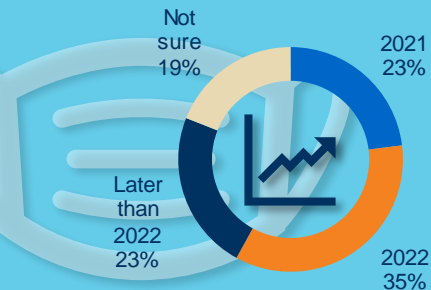
Predicted HH Income Trends

While still quite positive, Canadians are less optimistic versus last year when it comes to how they think their income will look in the future.



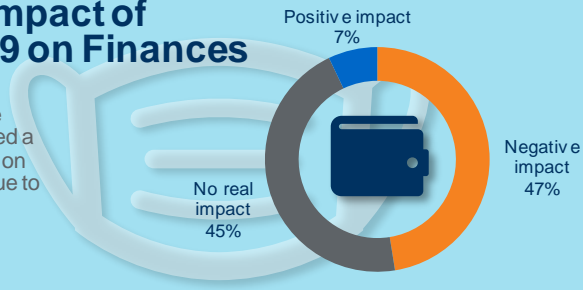
Recession Recovery

A majority of Canadians think it will be 2022 or later before Canada recovers from the COVID-19 induced recession.



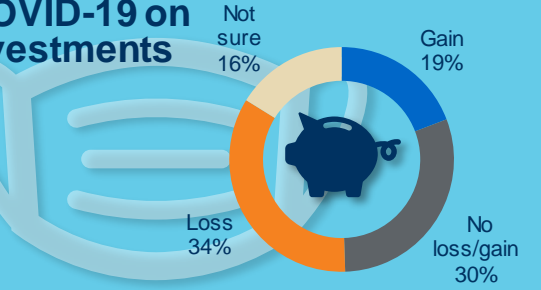
Overall Impact of COVID-19 on Finances

Close to half of Canadians have experienced a negative impact on their finances due to COVID-19.



Impact of COVID-19 on Wages & Investments

The net impact of COVID-19 on wages and investment is a significant number who have experienced a loss and yet also a sizeable minority who have made gains.



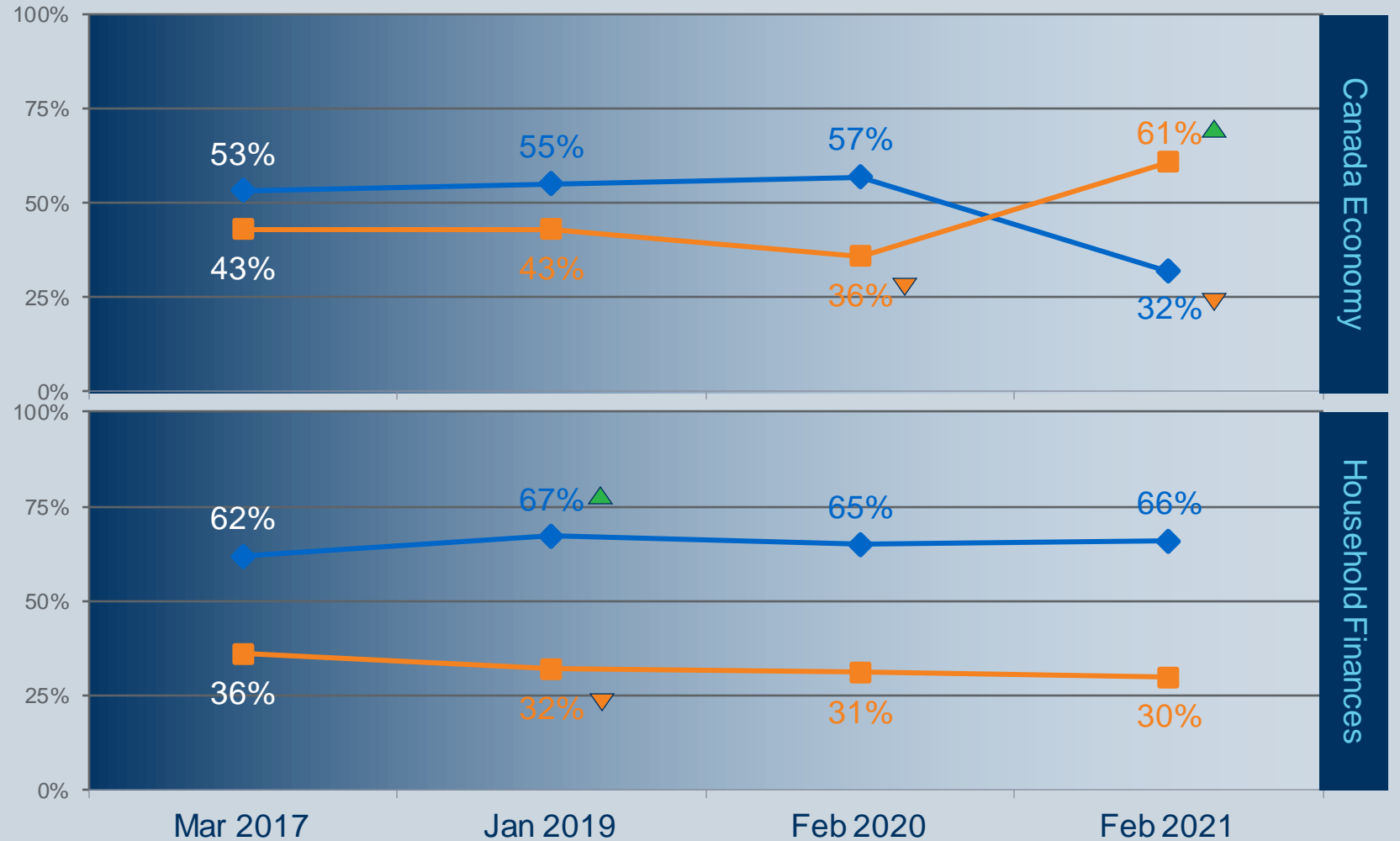
Current Economic Perceptions

Not surprisingly, economic confidence for the Canadian economy as a whole has declined dramatically from pre-pandemic sentiment a year ago at this same time.

Despite this view of the national economy, perceptions of household finances are stable and largely positive over the past two years. This suggests relatively less personal impact of COVID-19 on Canadians' individual finances.

- ◆ Very good/good
- Poor/very poor

How would you describe the economic conditions in Canada today? How would you describe your own household's finances today?



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

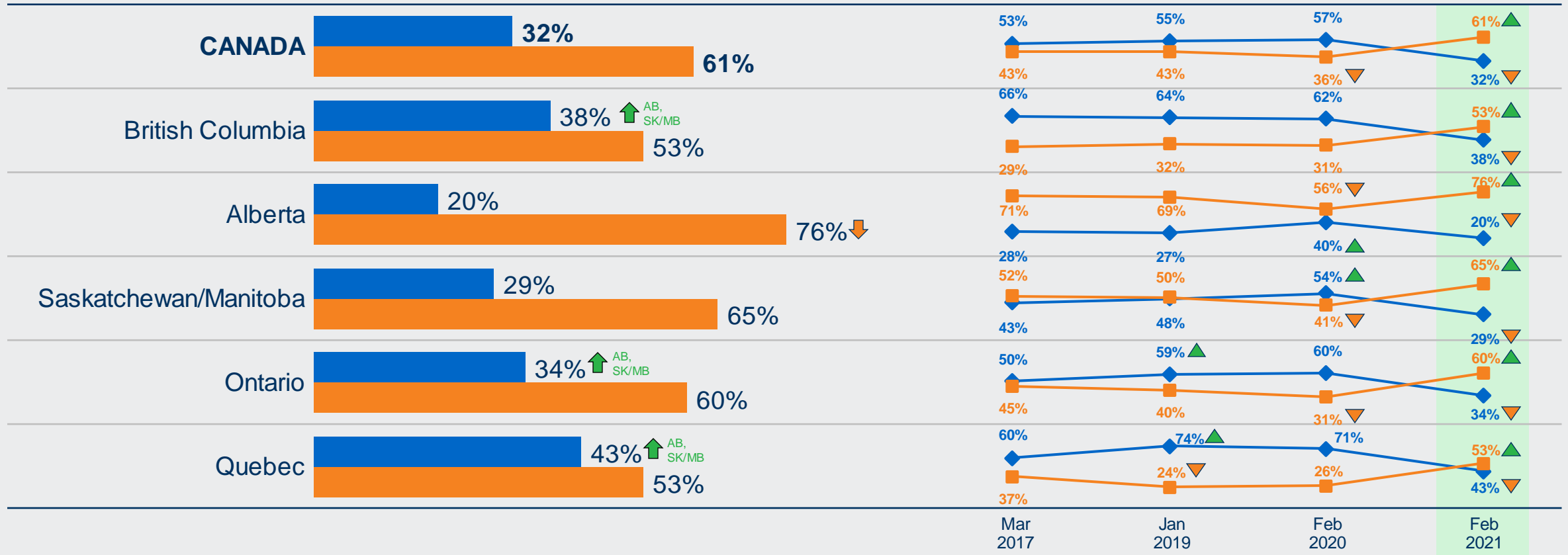
Current Canadian Economic Perceptions x Region

Current economic confidence (as always) varies by region. While all regions have weakened confidence in the Canadian economy compared to last year, Alberta remains by far the most pessimistic (followed by Saskatchewan/Manitoba and Ontario) and English Quebec followed by British Columbia are the most optimistic.

Feb 2021

Very good/good
Poor/very poor

Tracking

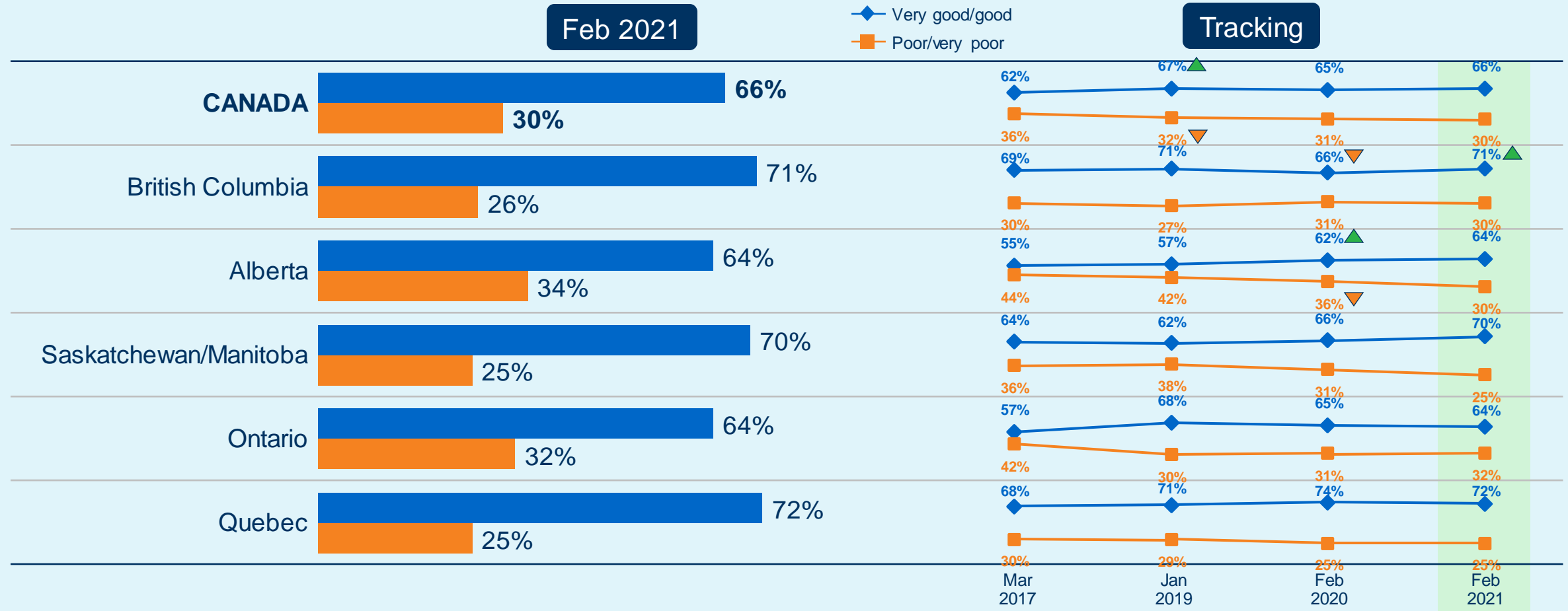


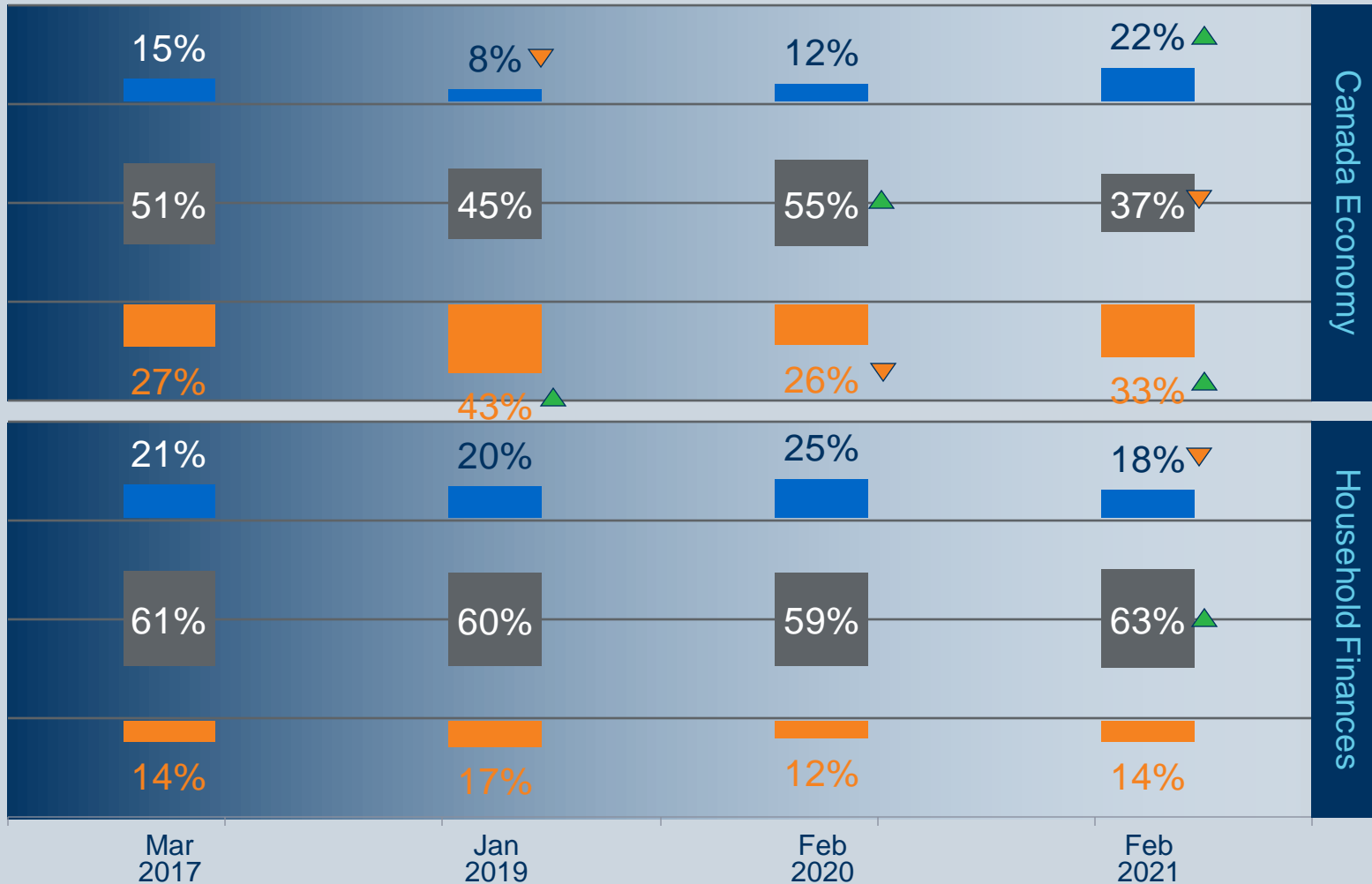
▲ Statistically significantly **higher** than previous wave.
▼ Statistically significantly **lower** than previous wave.

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

Current Household Finance Perceptions x Region

There is less variability in results by region when it comes to perceptions of current personal finances, with all regions largely having positive views.





Future Economic Confidence

Looking forward, there are more Canadians who are expecting change – both for the better and worse – than ever before.

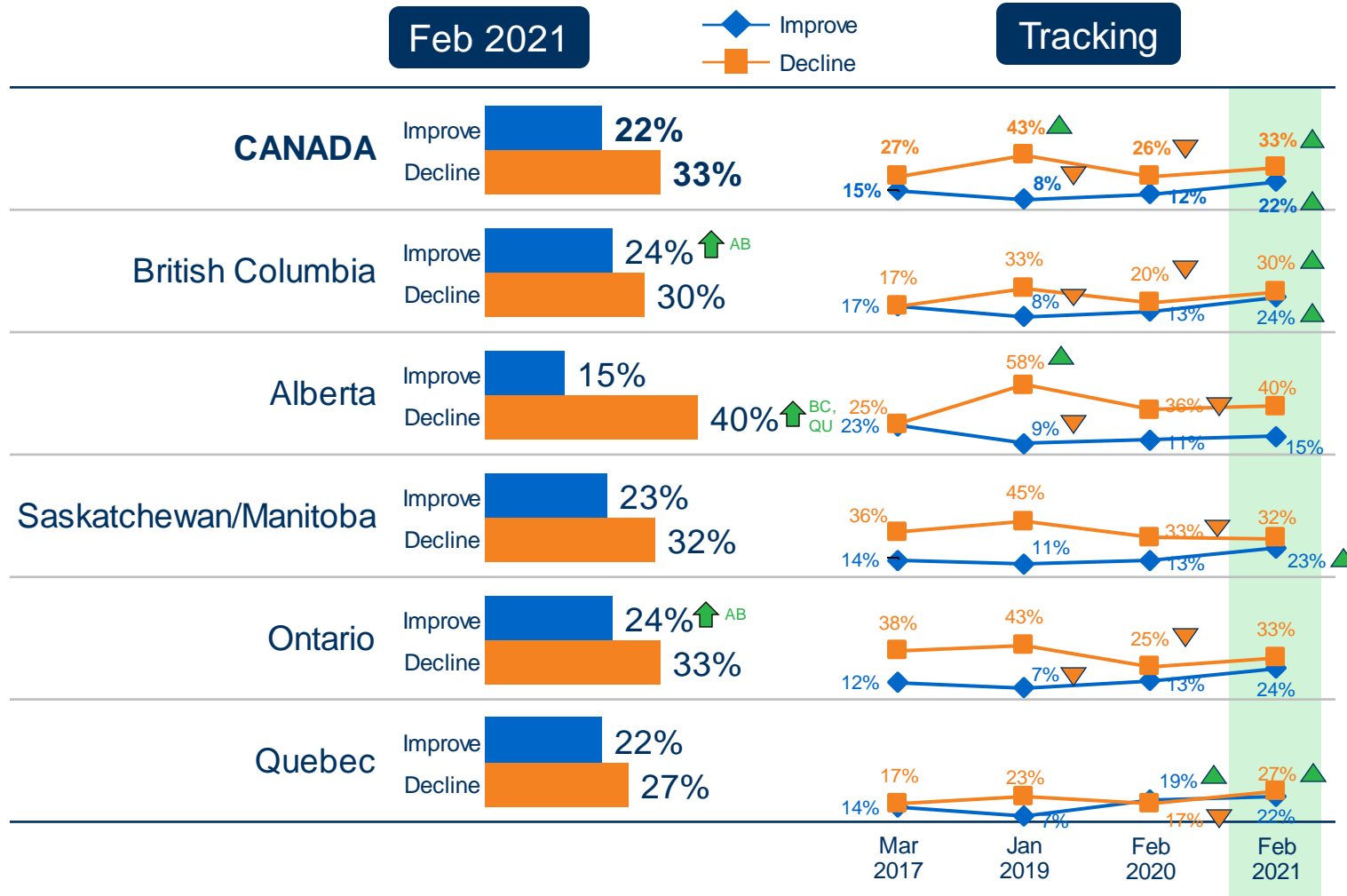
In contrast, there is generally a sense that household finances will stay the same, as is typical. Most expect stability and among those who predict change, improvements are a similar magnitude to declines, which is just slightly less optimistic than one year ago.

- 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.

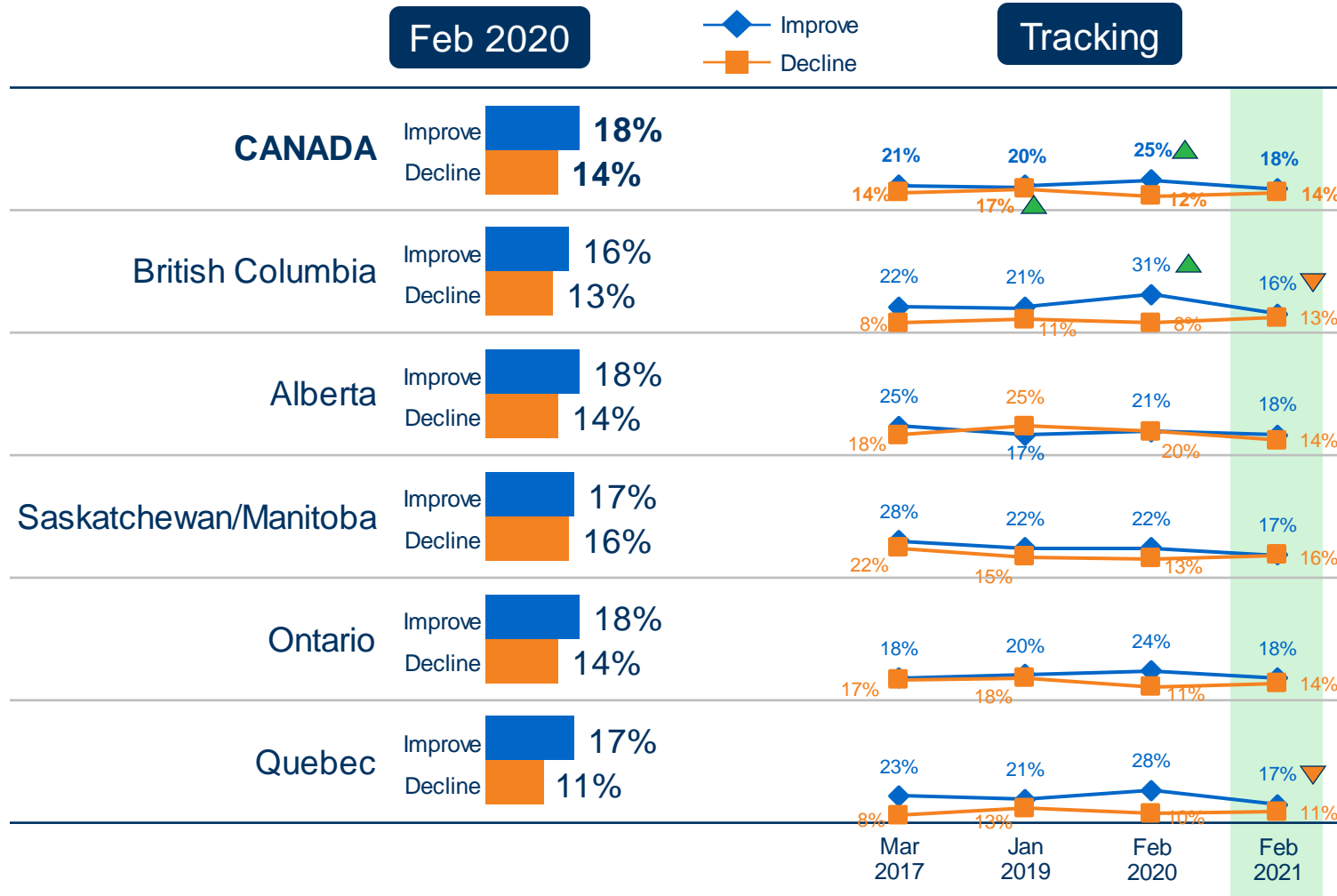
Future Canadian Economic Confidence x Region



While declines outweigh expected improvements in all areas, British Columbians and Ontarians are the most optimistic about the future of the Canadian economy in the next six months whereas Albertans (as has been the case for several waves) is the most pessimistic.

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

Future Household Finances x Region



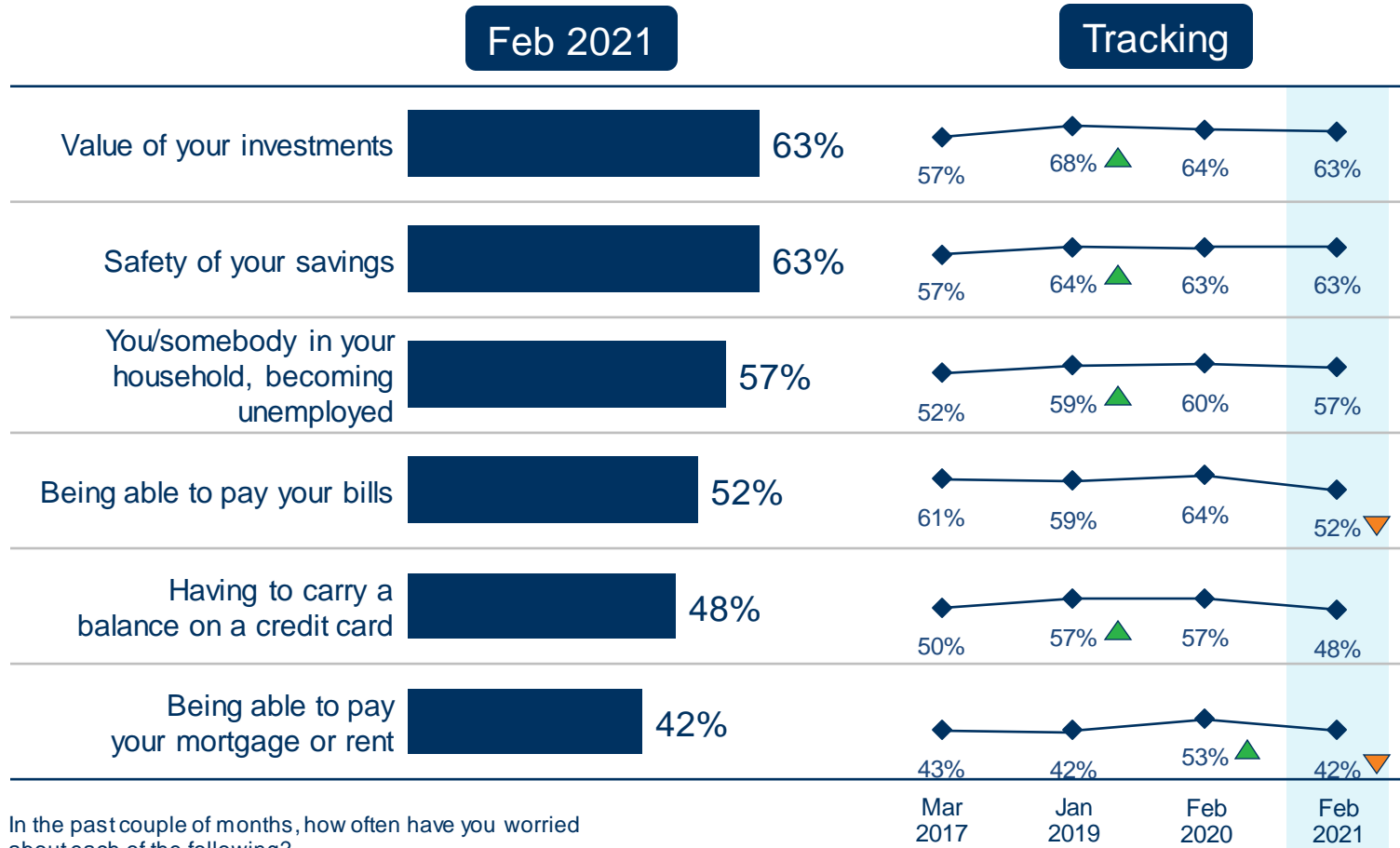
There are a minority of Canadians in all regions who expect either a change for the better or for the worse in their household finances in the next 6 months.

Those who expect an improvement and those who expect a decline are fairly similarly sized groups in all regions. The proportion who expect improvements is down directionally or significantly in all regions.

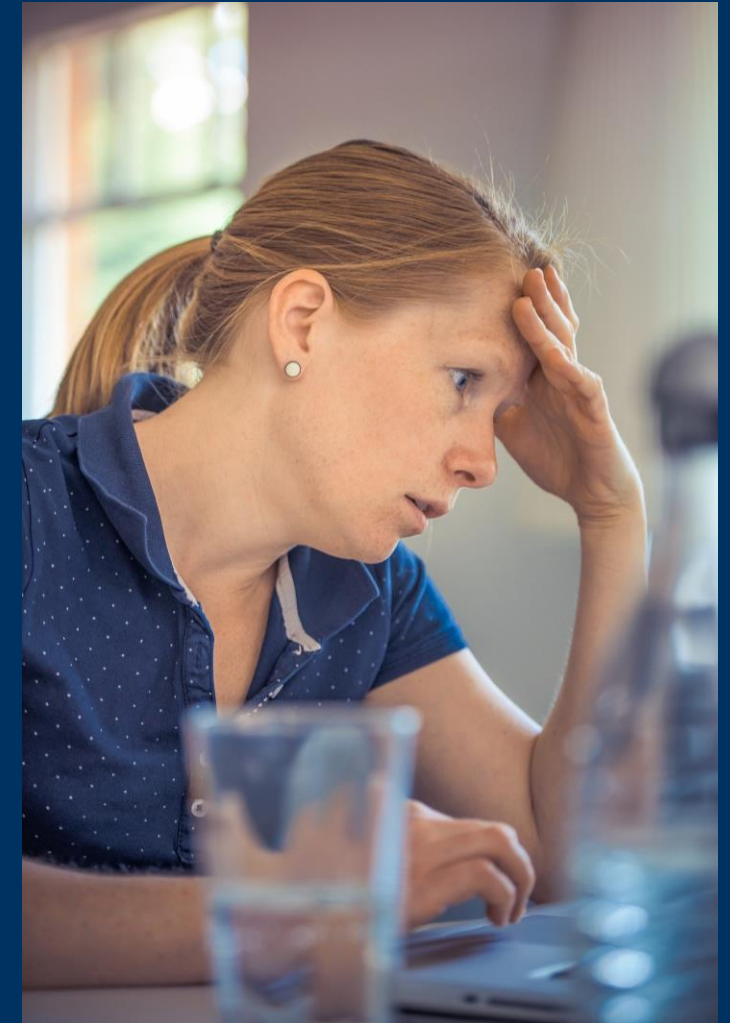
Over the next six months, do you expect your own household's finances to improve, remain the same, or decline?

Worries

Reflecting largely stable views of their own finances, Canadians are no more worried about most areas of their finances now versus February 2020 and are even less worried about being able to pay mortgage or rent compared with a year ago, pre-pandemic.



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

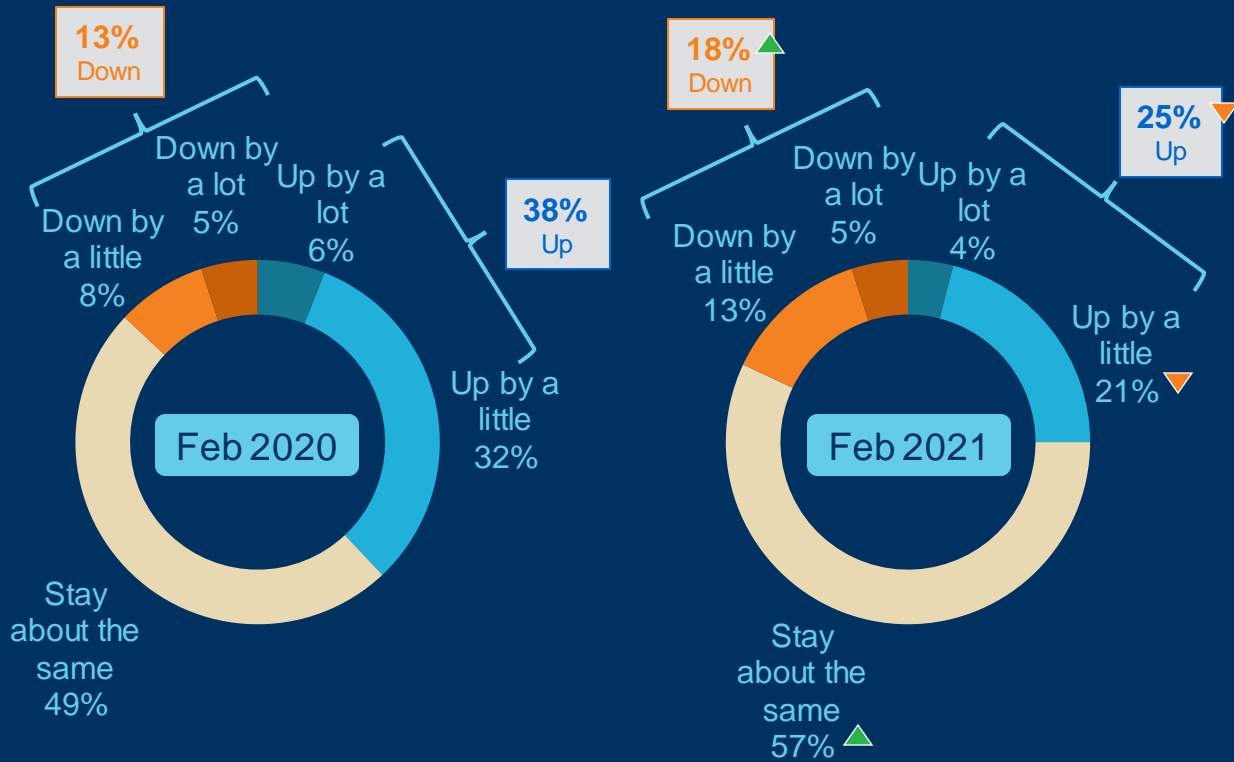


Worries x Region

	Canada				British Columbia				Alberta				Saskatchewan/ Manitoba				Ontario				Quebec			
	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Mar 2017	Jan 2019	Feb 2020	Feb 2021	Mar 2017	Jan 2019	Feb 2020	Feb 2021
Value of your investments	57%	68%	64%	63%	63%	67%	59%	66%	68%	76%	67%	69%	64%	73%	65%	61%	56%	66%	68%	63%	56%	58%	48%	54%
Safety of your savings	57%	64%	63%	63%	62%	59%	58%	58%	71%	69%	64%	69%	59%	71%	60%	57%	60%	63%	67%	64%	52%	55%	51%	63%
You/somebody in your household becoming unemployed	52%	59%	60%	57%	50%	48%	56%	51%	59%	71%	60%	64%	54%	65%	53%	50%	59%	57%	64%	60%	41%	58%	54%	57%
Being able to pay your bills	61%	59%	64%	52%	55%	51%	63%	46%	65%	68%	61%	56%	55%	62%	58%	49%	67%	57%	66%	53%	57%	57%	63%	57%
Having to carry a balance on a credit card	50%	57%	57%	48%	47%	46%	54%	41%	53%	61%	57%	44%	57%	59%	55%	45%	59%	57%	57%	51%	43%	62%	55%	51%
Being able to pay mortgage/rent	43%	42%	53%	42%	35%	37%	49%	36%	44%	47%	49%	42%	36%	49%	43%	37%	50%	42%	59%	45%	46%	40%	49%	45%

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

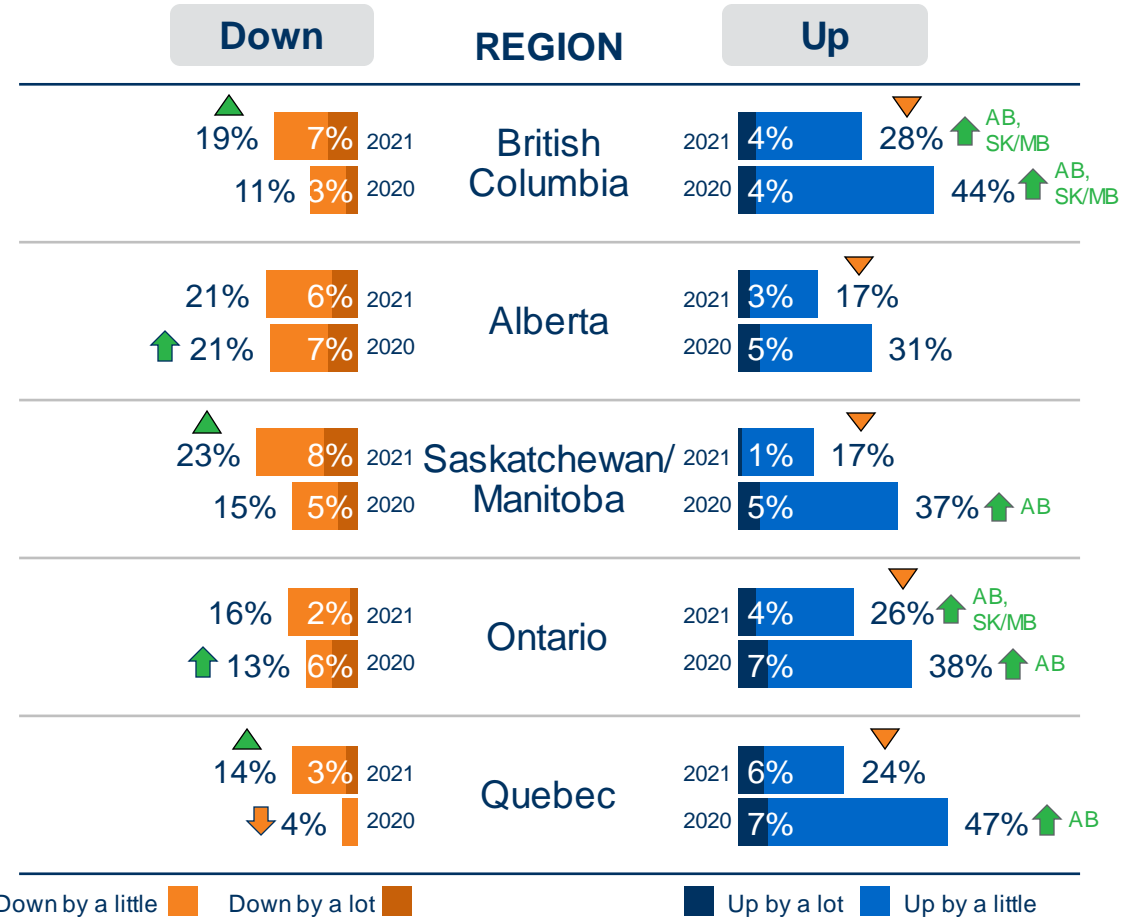
Predicted Household Income Trends



In 2020/2021, do you expect your total household income to go up, down or stay about the same compared to 2019/2020?

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

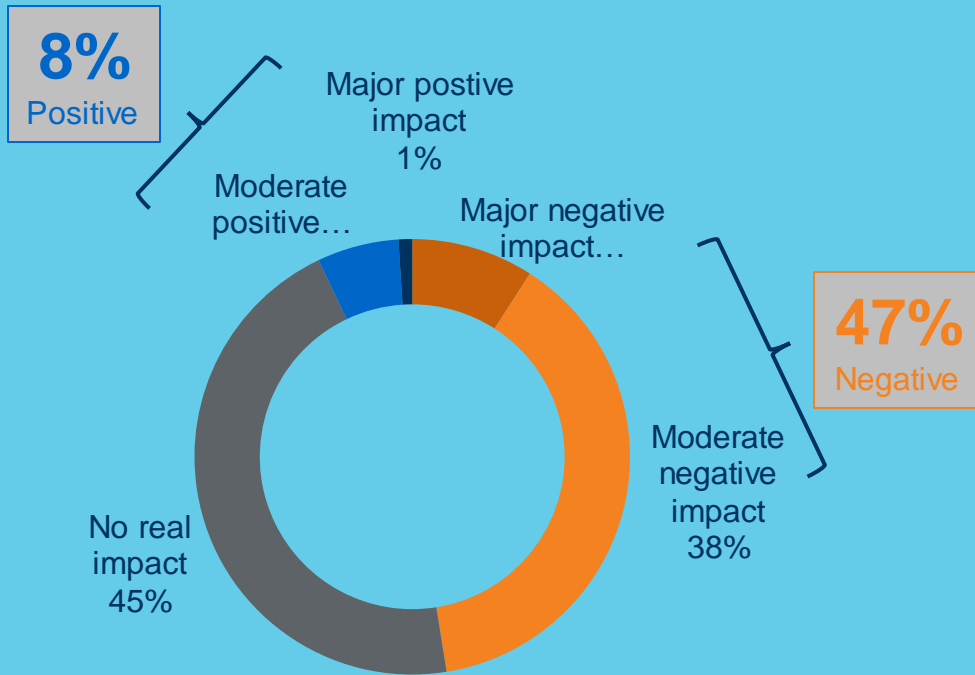
In keeping with expectations of stable household finances, most Canadians predict their income in the upcoming calendar year to be about the same as the year before and there is an even greater sense of stability this year versus last. Still, relatively fewer are optimistic of an improvement versus February 2020 and there are slightly more who expect their income to decline. Sentiment is least positive in Saskatchewan/Manitoba and Alberta versus other provinces.



Down by a little Down by a lot Up by a lot Up by a little

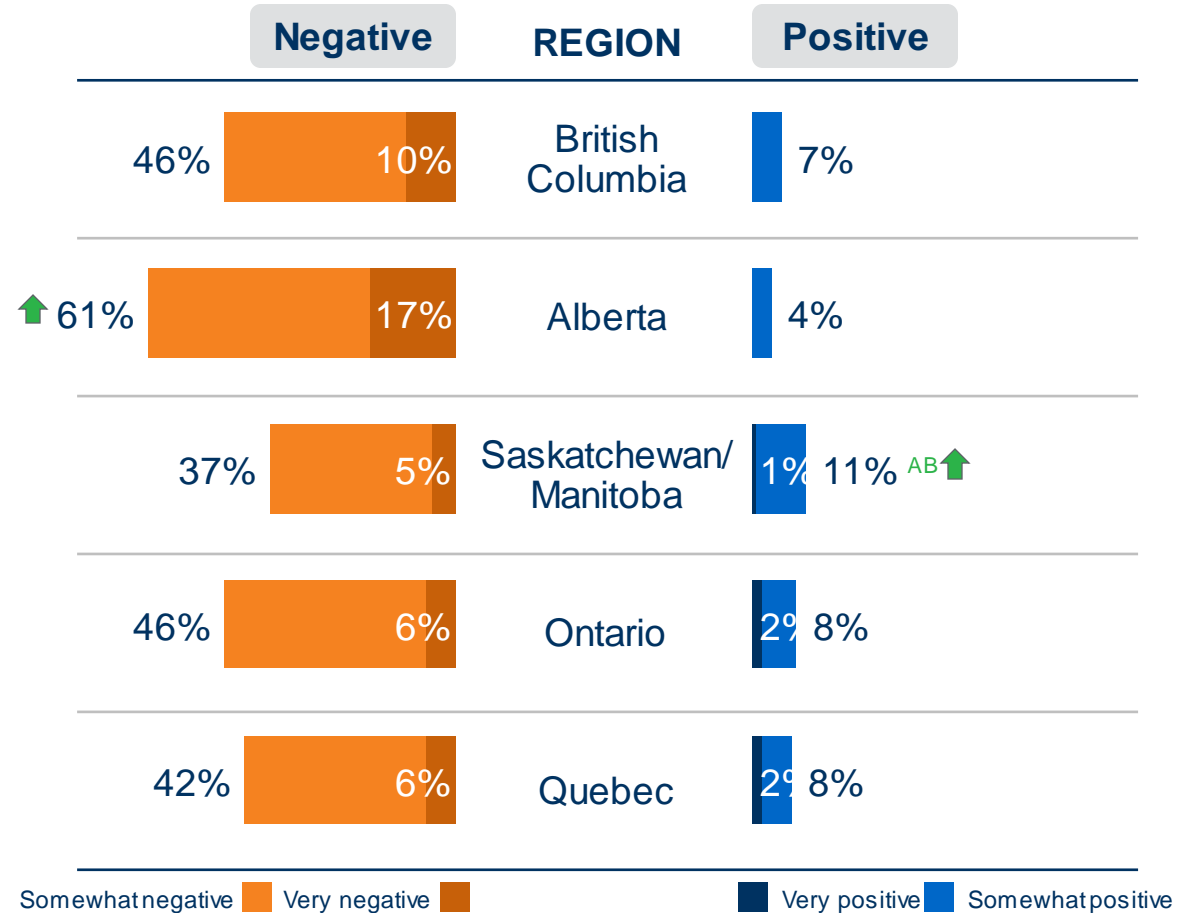
Statistically significantly **higher** than comparison group(s).
 Statistically significantly **lower** than comparison group(s).

Overall Impact of COVID-19 on Finances February 2021



Overall, how much of an impact has the COVID-19 situation had on you and your family financially?

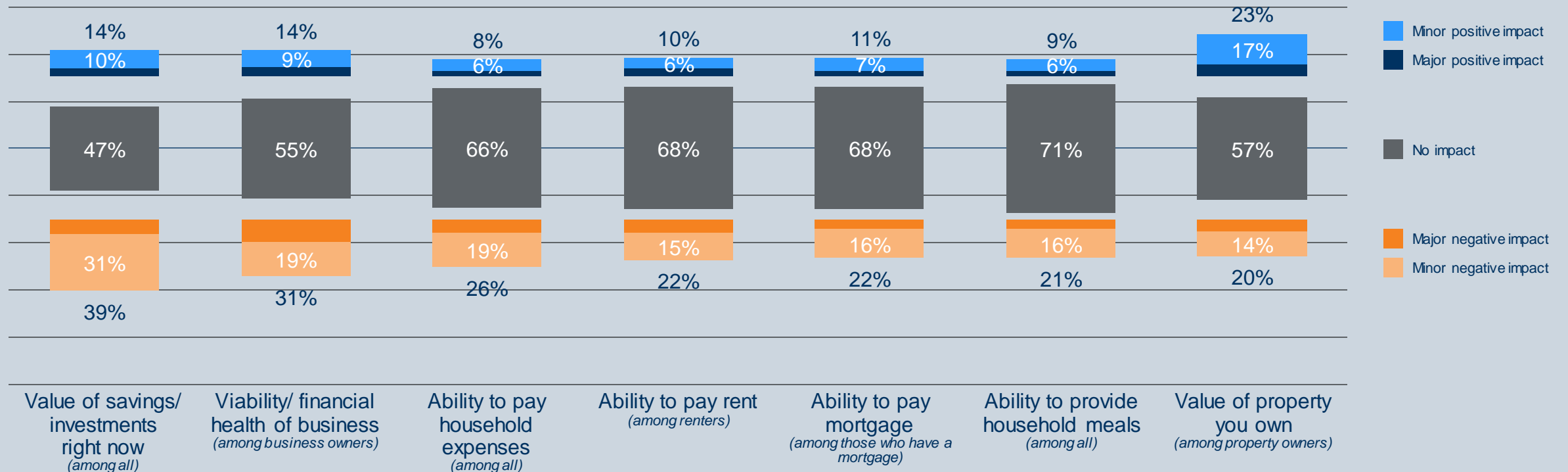
While many have felt no impact on their personal finances, nearly half of Canadians have experienced a negative consequence of the pandemic; very few have experienced positive effects. Alberta is again the hardest hit region.



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

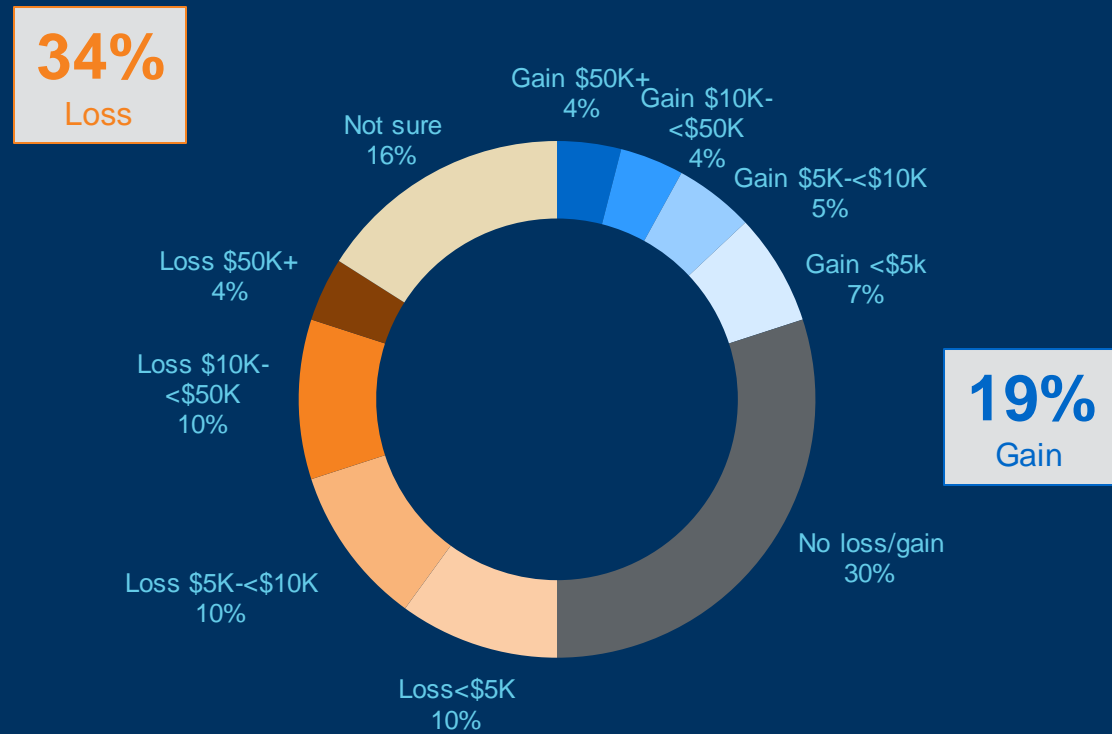
Specific Impact of COVID-19 on Household Finances February 2021

Between one-in-five and four-in-ten Canadians report a negative impact on various aspects of their finances due to COVID-19 while few have experienced any positive impacts. The value of savings and investments is been the area with the most wide-spread negative impact, followed by the health of businesses among business owners.



How much of an impact has the COVID-19 situation had on the following aspects of your personal finances?

Impact of COVID-19 on Wages and Investments February 2021



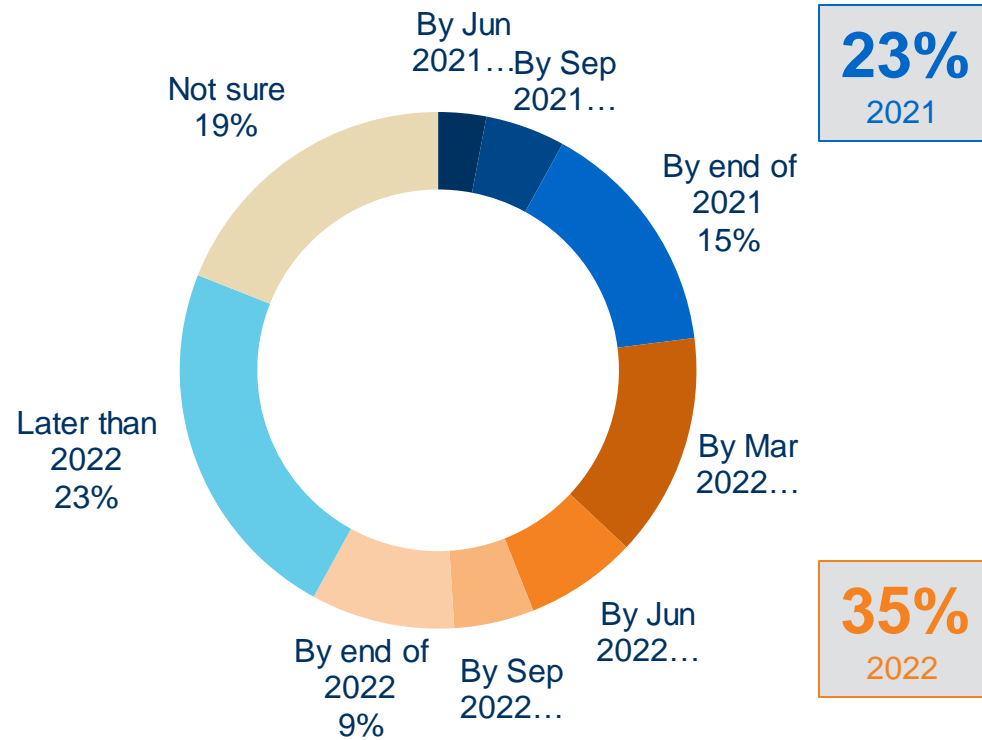
Thinking of wages and impact on any investments and savings you have, to date, how much do you estimate the COVID-19 situation has financially gained or cost you personally?

While most Canadians have not made any gains or losses when it comes to wages and investments overall, the number who have experienced a loss due to the pandemic definitely outweigh those who have made gains. Alberta is again the hardest hit region.

	Loss	REGION	Gain	Not Sure
	34%	British Columbia	20%	20%
ON, QU ↑	41%	Alberta	17%	15%
	34%	Saskatchewan/ Manitoba	19%	18%
	32%	Ontario	20%	16%
	25%	Quebec	26%	13%

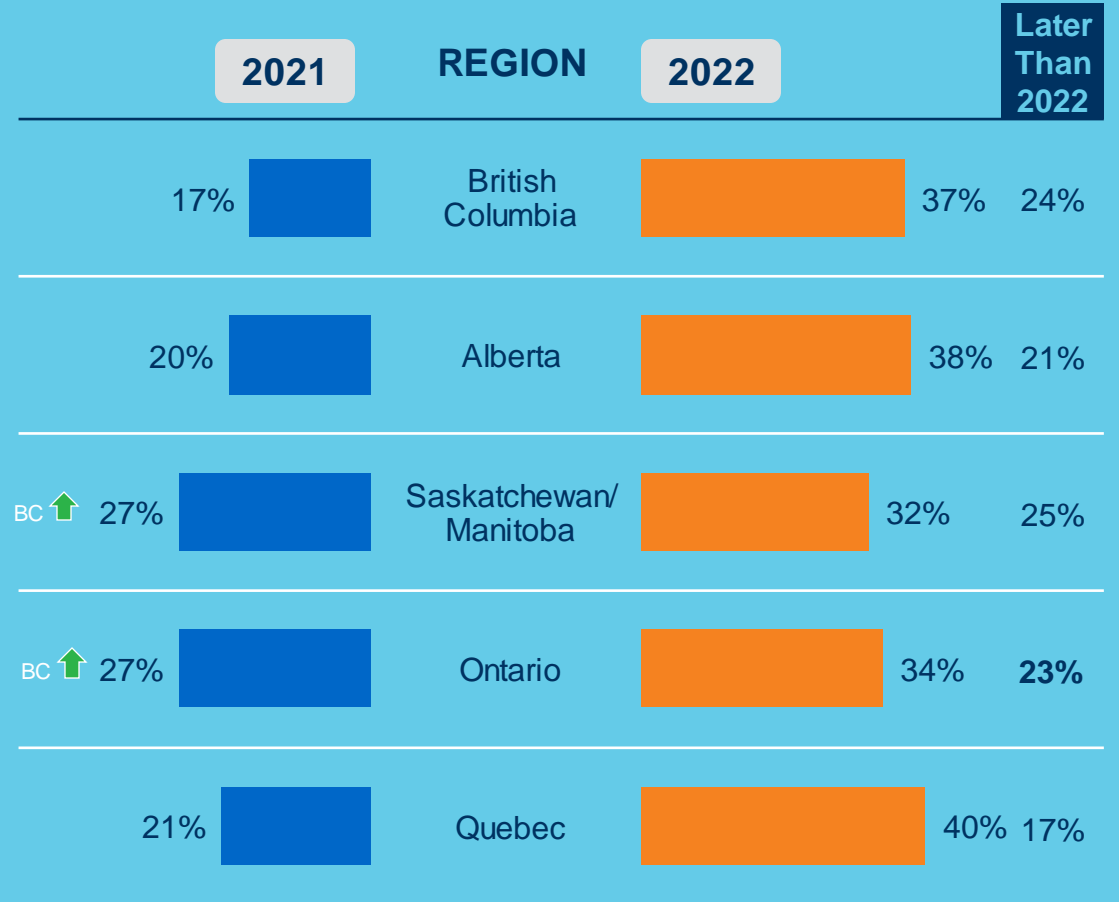
↑ Statistically significantly **higher** than comparison group(s).
↓ Statistically significantly **lower** comparison group(s).



Recession Recovery Expectations February 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?

A majority of Canadians expect it will be 2022 or later before the Canadian economy recovers from its current recession. Results are only a little different regionally, with Saskatchewan/Manitoba and Ontario predicting a slightly earlier recovery than those in other provinces.



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

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