Sinking dollar has Canadians vowing to eliminate or cut way back on cross-border shopping, U.S. travel

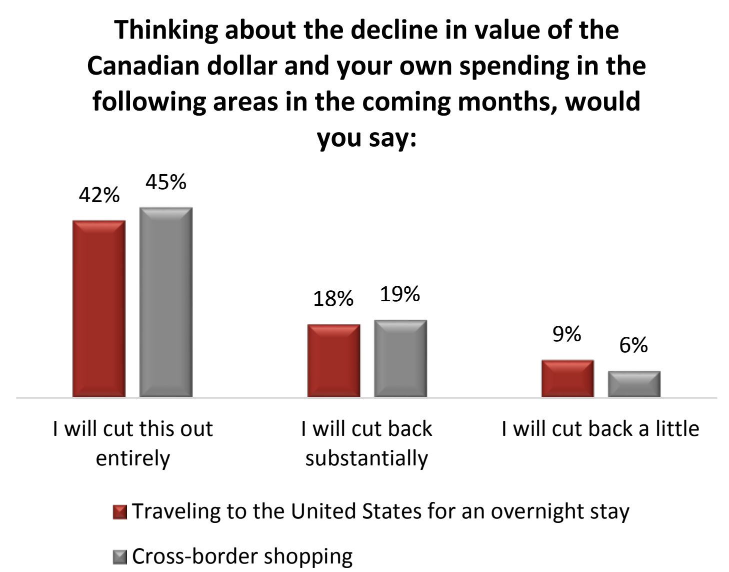
Majority of Canadians express pessimism, anxiety about low dollar's impact on the economy

January 29, 2016 – More than two-in-five Canadians say the declining value of the loonie against the U.S. dollar has them cutting south-of-the-border travel out of their plans entirely, while a further one-in-four say they'll travel less, according to the most recent public opinion poll from the Angus Reid Institute.

At the same time, fully seven-in-ten Canadians say the low value of the dollar is hurting the country's economy, their province's fiscal fortunes and and their own pocketbooks.

Key Findings:

- Nearly half of all Canadians surveyed (45%) say beyond cutting back on US travel, they'll also be curtailing runs across the border for groceries and other consumer goods in the coming months because of the low loonie. Another 25 per cent plan to cut back at least a little bit



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METHODOLOGY:

The Angus Reid Institute conducted an online survey from January 27 – 28, 2016, among a representative randomized sample of 1,320 Canadian adults who are members of the Angus Reid Forum. For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.7 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

- Here at home, Canadians say they're seeing higher prices at the grocery store, with more than half (52%) saying their food costs have gotten "a lot higher" in recent years

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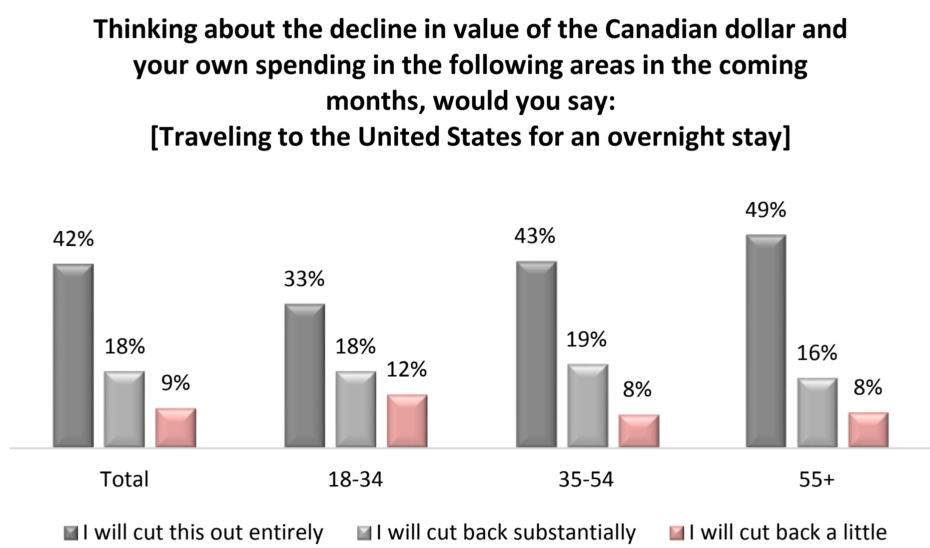
- Overall, seven-in-ten (71%) say the low dollar will hurt the Canadian economy, while fewer than one-in-five (18%) say it will be beneficial

Travel plans on the chopping block

Traveling to the United States, whether for business or pleasure, is as Canadian as hockey and Tim Hortons. Canadians made more than 23 million overnight trips to the U.S. in 2014, a number more than 10 times higher than the total for the next most-visited country (Mexico).

But with their dollar only worth 70 cents against the U.S. greenback, a Disneyland vacation or a getaway to New York many becomes harder for many families to justify. This is especially true for older Canadians (those ages 55 or older), half (49%) of whom say they will cut overnight travel to the U.S. out of their plans entirely.

Snowbirds aren't the only ones saying they plan to stay home. While other age groups are less likely to say won't travel to the U.S. at all, significant numbers still say they plan to cut back at least a little:

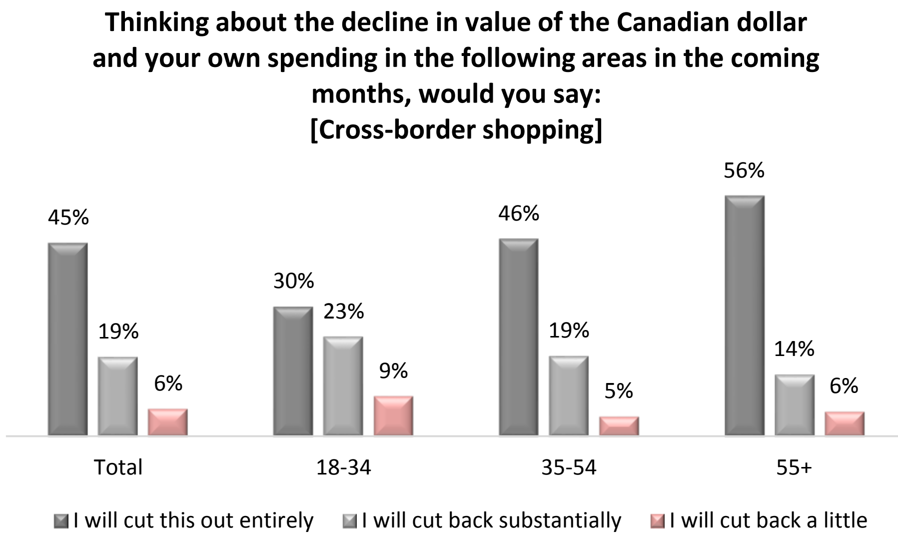


No more cross-border shopping

It's not only overnight travel to the states the low dollar is affecting. Canadians are also scaling back their cross-border shopping trips.

Fewer than one-in-five (19%) say the low loonie won't have any effect on their plans to same-day shop in the U.S. Among those who say their plans will be affected, the vast majority (45% overall) say they'll stop doing their shopping in the states entirely. This compares to 19 per cent who say they'll cut back substantially and 6 per cent who say they'll reduce these trips a little.

Again, it's older Canadians who are most likely to eliminate it from their routines:



Dollar blamed for high food prices at home

Shoppers seeking relief by making more of their purchases in Canada may not find it. As has been extensively reported, domestic shopping is anything but immune to the effects of the low dollar.

Asked to consider the consequences of a lower valued currency on their household grocery bills, more than nine-in-ten Canadians (92%) say they've noticed increased costs. Of this group, more than half (52%) say their grocery bills are "a lot higher."

Impact on Canadian Economy, Households:

Little wonder then, that in light of the anticipated changes to their own consumer behavior in the coming months – combined with the current impact on their wallets – the vast majority of Canadians do not see a lower loonie as good for either their national, regional or household economies. As seen in the following graph – roughly three-quarters say the dollar's value will "hurt" all three – either a "little" or a "lot:"

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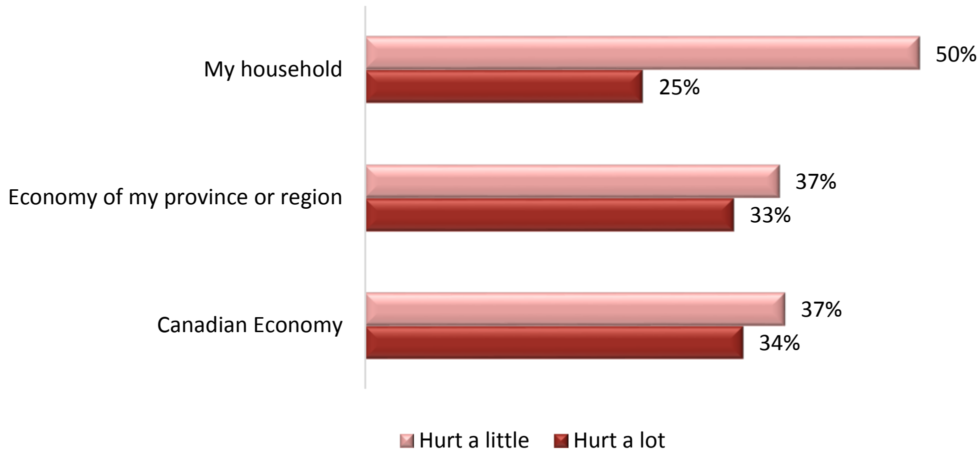
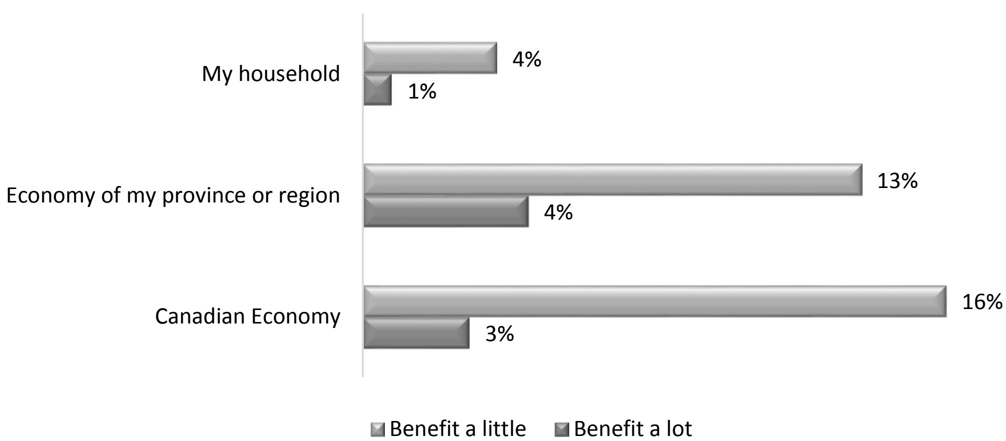
Tell us how you think the change in the value of the dollar will affect:



At the household level, the Angus Reid Institute finds the most pessimism, reflecting the above noted anxiety and retrenching of spending plans. Where about one-in-five Canadians see potential benefits to both their national and regional economies as a result of the dollar, a mere four per cent see the potential for their personal financial situations to improve.

Tell us how you think the change in the value of the dollar will affect:



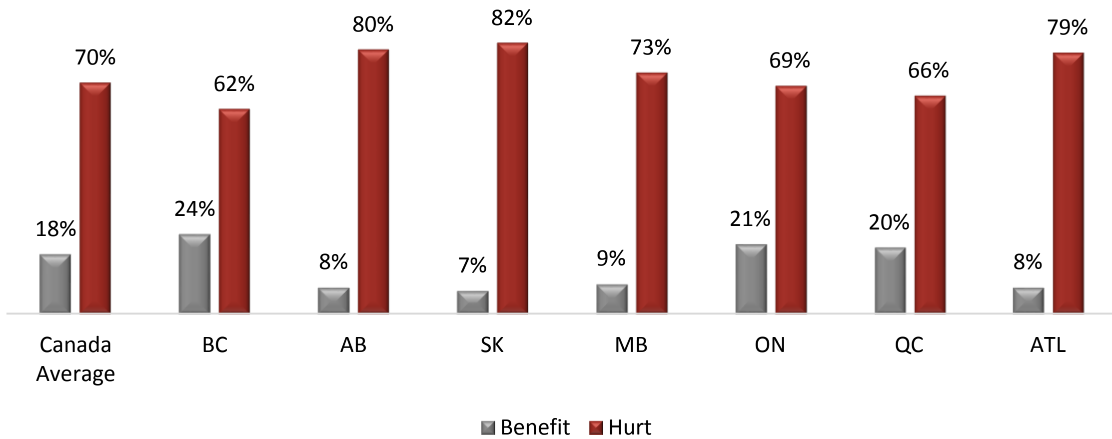
Perceived effect on regional economies varies:

If even a glint of optimism is to be found, it is in the nation's most populous provinces – Ontario, Quebec, and British Columbia – where roughly one-in-five see the low dollar as benefitting their local economies.

Conversely, on the Prairies and in the Atlantic, approximately four-in-five see the dollar's impact on their local economy as hurtful, while fewer than one-in-ten see a benefit, as seen in the graph that follows.

In resource-driven Alberta, respondents see the situation as particularly dire. More than half (56%) say the low dollar is hurting their provincial economy "a lot." No other region sees a majority choosing this most-extreme option (see comprehensive tables for more detail).

Tell us how you think the change in the value of the dollar will affect the economy of your province or region



It bears noting that the Canadian export economy represents nearly one-third (32%) of this country's GDP. A low dollar is often seen as beneficial to exporters, because it makes the price of their goods more attractive to foreign buyers.

That said, this argument doesn't appear to have persuaded many Canadians about the potential benefits of a low dollar. Rather, the broad-based national pessimism noted in these survey results may well be driven by perceptions of how the dollar is affecting so-called home economics, and by the collapse of revenues from energy-related industries – realities reflected in daily headlines.

*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research organization established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

For comprehensive data tables showing results by region, age, gender, education and other demographics, click here.

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