

As government presents election-year budget, Canadians are uneasy about economic fortunes

Most say they expect the next 12 months to be a bad time to make a major purchase.

March 18, 2019 – As Prime Minister Justin Trudeau's government prepares to introduce the fourth budget of its mandate in a crucial election year, Canadian anxiety about the country's economic outlook is on full display.

A new public opinion poll from the non-profit Angus Reid Institute finds four-in-ten Canadians (40%) saying they expect the economy to worsen over the next 12 months – a greater number than those who expect it to improve (24%) or stay the same (39%).

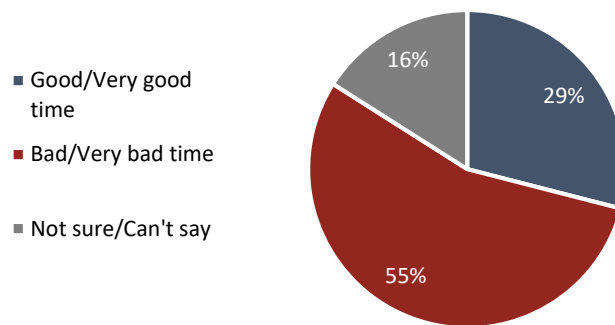
Further, they are disinclined to see this coming year as a good time to purchase big-ticket items, planning to keep their wallets more tightly as micro-economic concerns remain top of mind.

Most Canadians (55%) say they expect the next 12 months to be a bad time to make a major purchase, and nearly half (48%) are worried that someone in their household could lose a job because of the economy.

More Key Findings:

- While Canadians are apprehensive, overall, about economic questions in this election year, it is respondents in Alberta and Saskatchewan who are feeling bleakest. Nearly half of each province's residents believe their standard of living has worsened in the last year
- Alberta and Saskatchewan residents diverge in their expectations for the future, however, with Albertans more likely to expect their standards of living to improve (23%) than worsen (19%) in the next year, and Saskatchewanians breaking the other way (35% say worsen, 24% improve)
- Political leanings also drive opinion, with those open to voting for the opposition Conservative Party generally much more pessimistic about the economy than those in the Liberal or New Democratic Party spheres

Thinking about your own life, do you expect the next 12 months or so to be a good time or a bad time to make a major purchase?



METHODOLOGY:

The Angus Reid Institute conducted an online survey from March 8 – 10, 2019, among a representative randomized sample of 1,594 Canadian adults who are members of [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 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.

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About ARI

*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 foundation 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.*

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Most say it's a bad time to make major purchases

Justin Trudeau's Liberals came to power with an economic platform that included running budget deficits to pay for infrastructure spending, expanding and means-testing the Canada Child Benefit, and cutting taxes for middle income earners, while raising them slightly on higher earners. The party's refrain was – and has continued to be – that it wants to “[grow the middle class.](#)”

After three-and-a-half years in power, the Liberals have [kept some of those promises](#) and [broken others](#), and the nation's economy has [grown fairly steadily](#) (a fact that [may or may not be related to anything](#) the Trudeau government has done).

In early 2016, as the Liberals were preparing their first budget, “the economy” trumped all other concerns when Canadians were asked about the most important issue facing Canada. Twice as many chose the economy (47%) as one of their top two issues in [an Angus Reid Institute poll](#) in February 2016 as chose any other topic (“jobs/unemployment” came in second, with 22%).

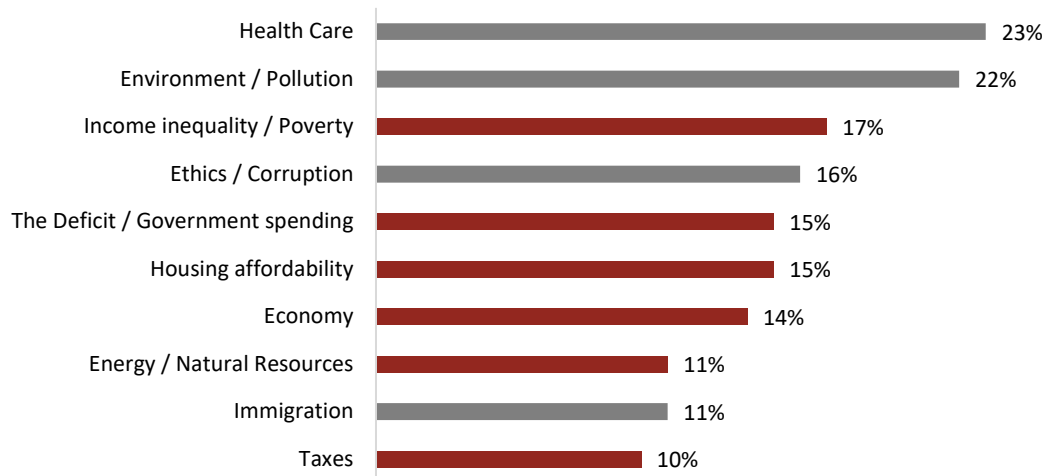
Today, “the economy” as a broad concern lags well behind other issues in the minds of Canadians, but many of those issues – including housing affordability, income inequality, energy and natural resources, taxes, and arguably health care – are economic in nature.

Canadians' economic concerns, it would seem, have shifted from a broad-based fear of national economic decline to more specific – and personal – fears:

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**As far as you're concerned, what would you say are the most important issues facing Canada today?
(All Respondents)
(Choose up to 2; those selected by 10 per cent or more shown)**

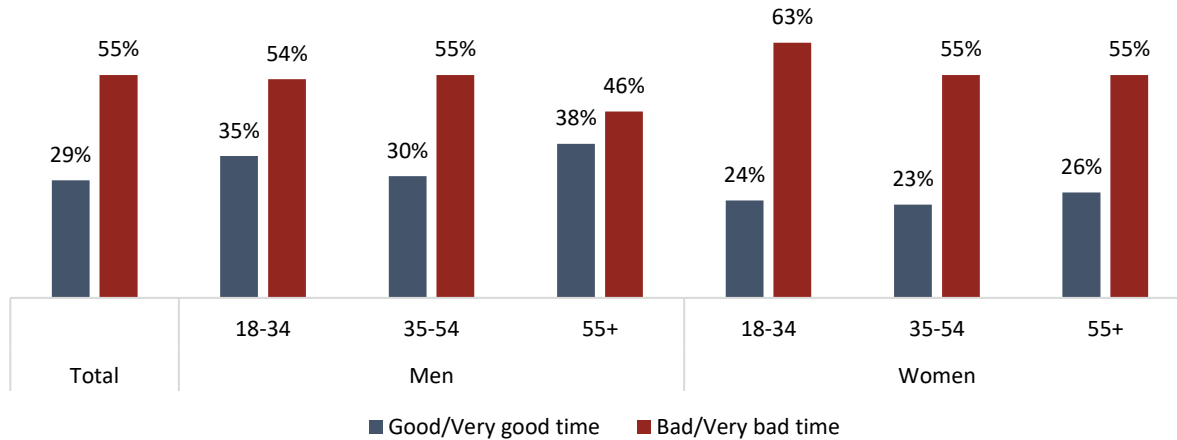


Along these microeconomic lines, most Canadians say they expect the next 12 months or so to be a bad time for them to make a major purchase, such as buying or renovating a home, taking a major vacation, or purchasing a car.

Indeed, more than one-in-five (22%) say they expect it to be a “very bad time” to take on such an expense. Contrast this with just 4 per cent who think it’s a “very good time to make a major purchase” ([see comprehensive tables for greater detail](#)).

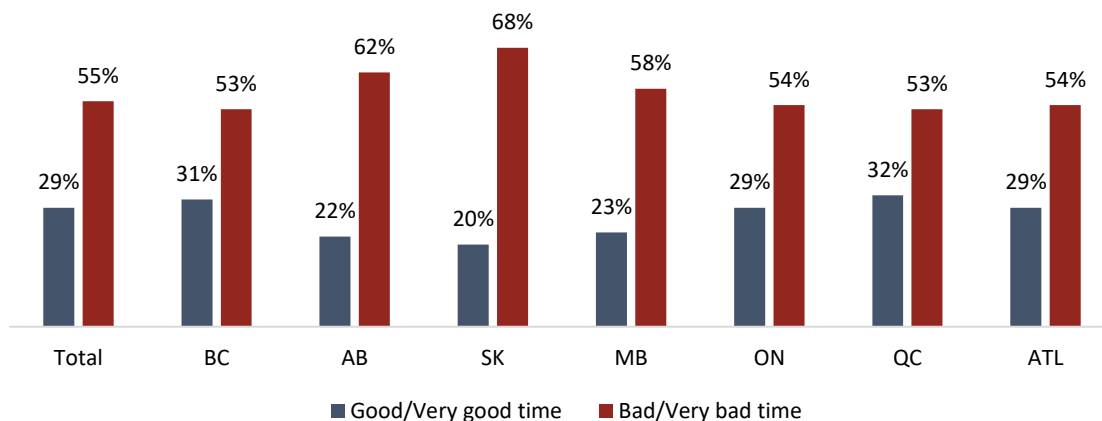
Age and gender influence opinion on this question, with men generally more bullish on making a major purchase this year than women:

Thinking about your own life, do you expect the next 12 months or so to be a good time or a bad time to make these types of purchases?



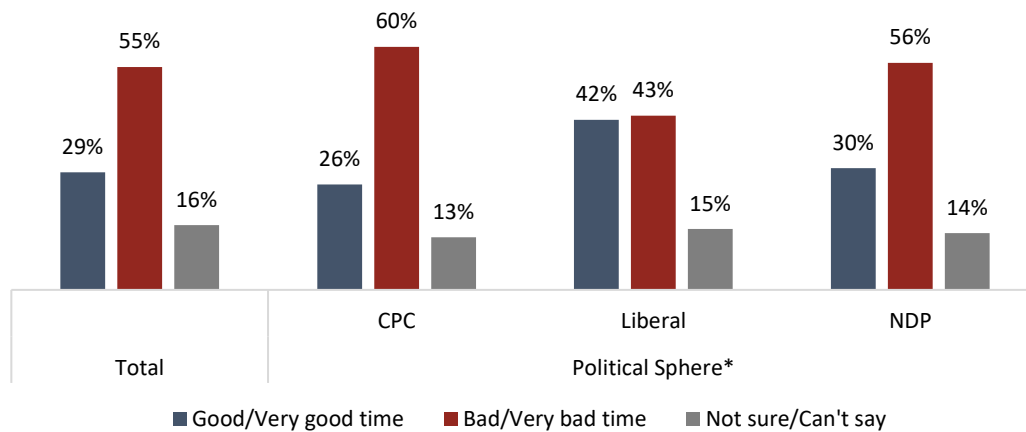
The regional picture is fairly consistent, with more than half saying the next 12 months will be a bad time for taking on major expenses regardless of where they live. That said, Alberta and Saskatchewan are the only provinces where the proportion of respondents holding this view tops six-in-ten:

Thinking about your own life, do you expect the next 12 months or so to be a good time or a bad time to make these types of purchases?



Politics is an even bigger driver of opinion on this issue, with those in the Conservative and NDP political spheres (see political sphere methodology at the end of this release) much less optimistic than those in the sphere of the governing Liberals.

Thinking about your own life, do you expect the next 12 months or so to be a good time or a bad time to make these types of purchases?

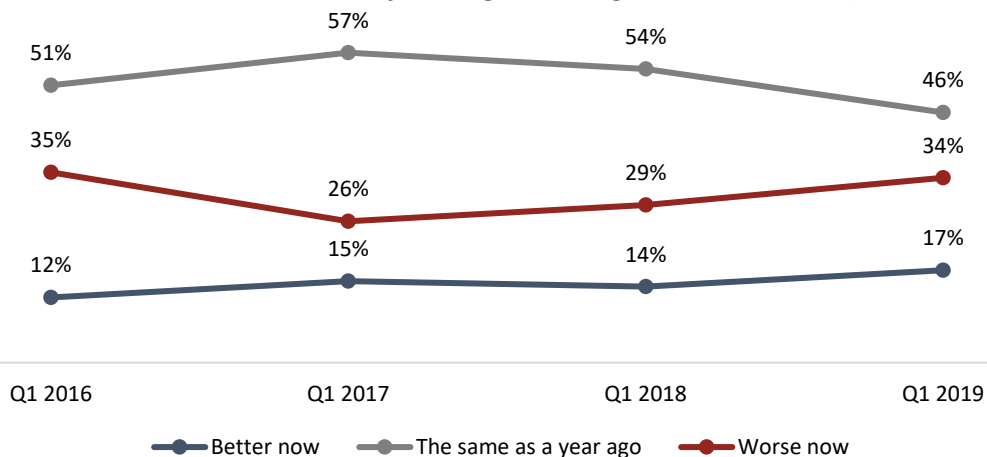


Concern about standard of living

While Canadians are less likely to name “the economy” as a top issue in Canada today than they were at the start of Justin Trudeau’s term, there is less volatility in their assessment of their own economic situations.

One-in-three Canadians (34%) say their current standard of living is worse now than it was a year ago. The percentage saying this has fluctuated a bit since the first quarter of 2016, but it has consistently outpaced the percentage who see their standard of living improving, as seen in the graph that follows.

**All things considered, do you think your current standard of living is better or worse now than it was a year ago?
(Data from Q1 surveys during Trudeau government shown)**



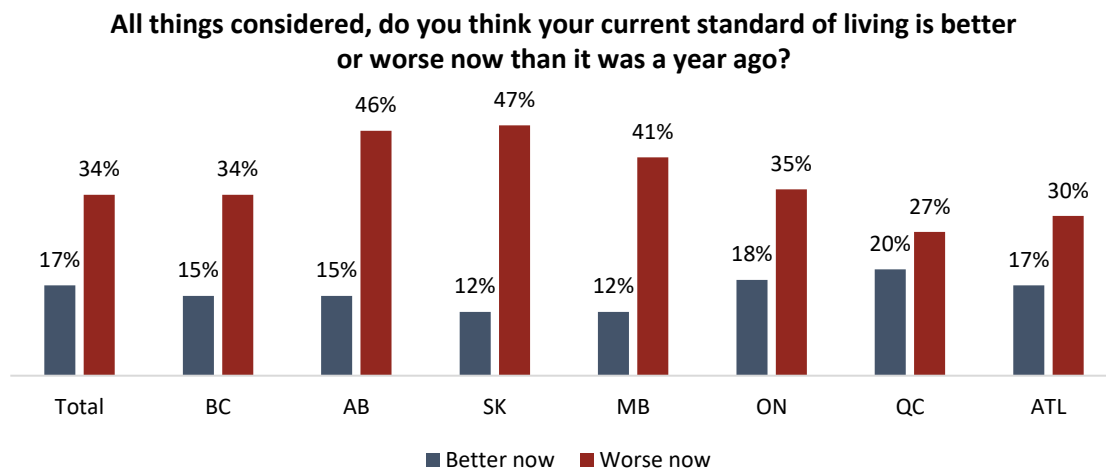
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These findings may reflect the mixed economic reality Canadians have experienced at the household level over the last four years.

Notably, poverty in Canada is lower than ever (though recent ARI research reveals defining “poverty” is more complicated than it may seem). The government attributes much of the observed decline to its Canada Child Benefit and an increase in the Guaranteed Income Supplement for seniors.

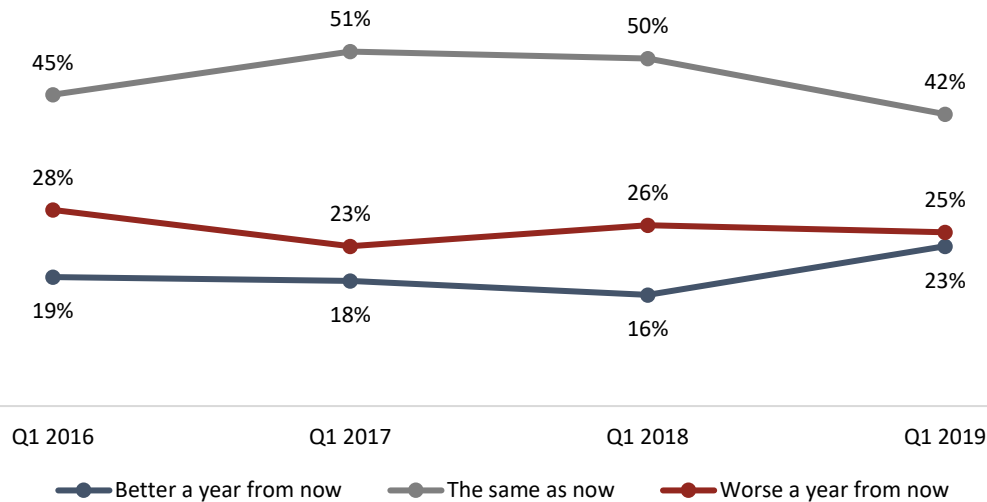
On the other hand, middle class growth – a key component of the government’s 2015 election campaign – has been largely stagnant. Recent income tax data suggests that middle-class households have seen little to no increase in their total income.

Regionally, perceived declines in standard of living are seen in every part of the country, but they’re most acute in the Prairie provinces of Alberta, Saskatchewan, and Manitoba:



Looking forward, roughly equal numbers of Canadians say they expect their standard of living to improve and to worsen in the coming 12 months, with the plurality (42%) expecting no change.

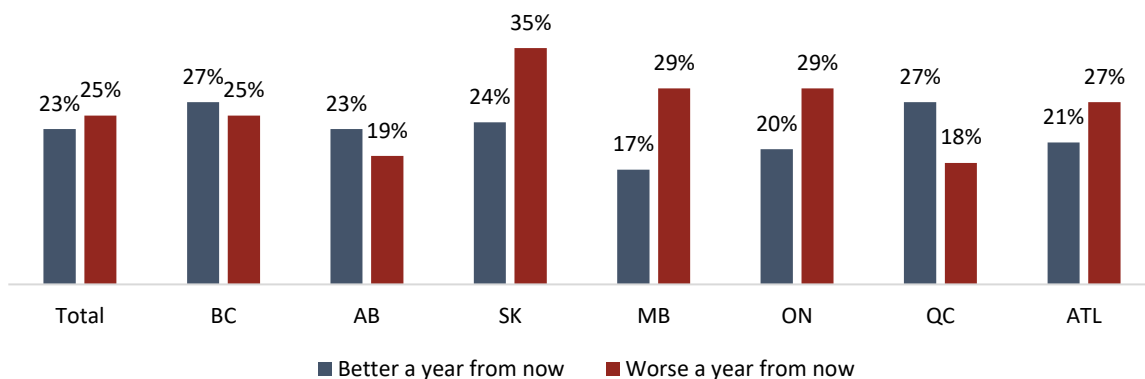
**And a year from now, do you think your standard of living will be better or worse than now?
(All Respondents)**



While Saskatchewan and Manitoba are gloomier about their quality of life when asked to look to the future, Albertans buck the trend, expressing optimism about their household's standard of living for the next year or so.

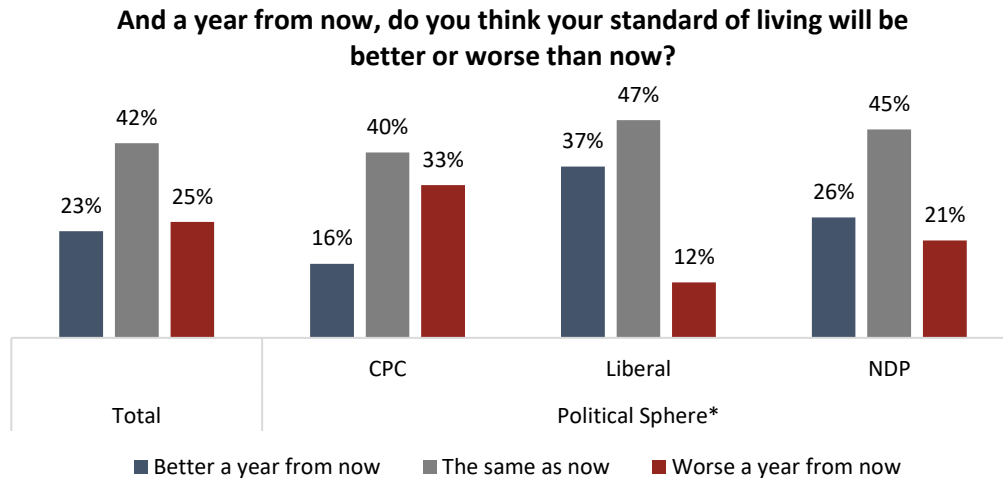
Joining Alberta in being more optimistic than pessimistic about this question are Quebec and British Columbia, while other regions are more likely to anticipate a worsening than an improvement:

And a year from now, do you think your standard of living will be better or worse than now?



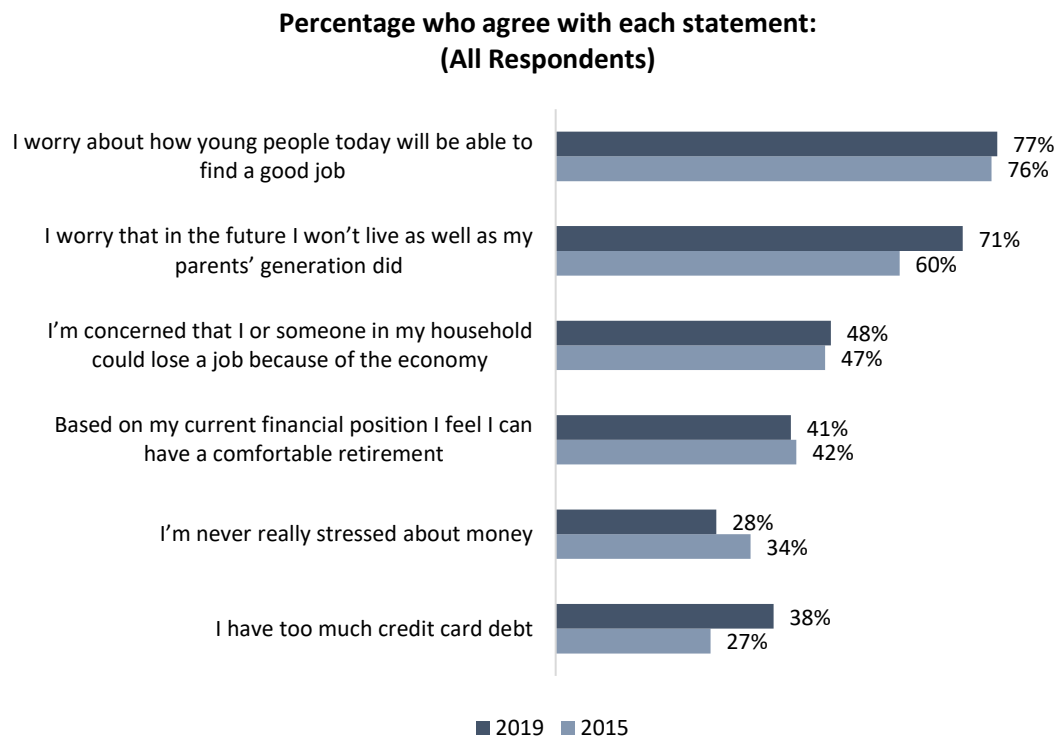
Again, political preferences seem to have a significant influence on perceptions of one's personal economic prospects. Conservative-inclined respondents are more likely to expect to be worse off a year

from now, while those considering a future vote for the Liberals are more likely to expect to be better off. Those in the NDP sphere are more mixed:



Economic attitudes mirror 2015

While three years have passed, and with them a number of policy changes, the sentiments that help to characterize the economic attitudes of Canadians remain quite similar today to where they were in September of 2015:



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Regionally, Alberta and Saskatchewan are home to the most anxiety over potential household job losses. Six-in-ten residents in those provinces have this concern, considerably higher than the Canadian average:

Percentage who agree with each statement (2019 data)								
(unweighted sample sizes)	Total (1594)	Region						
		BC (206)	AB (166)	SK (109)	MB (104)	ON (512)	QC (369)	ATL (128)
I worry about how young people today will be able to find a good job	77%	78%	86%	80%	90%	82%	59%	87%
I worry that in the future I won't live as well as my parents' generation did	71%	66%	78%	68%	83%	73%	66%	70%
I'm concerned that I or someone in my household could lose a job because of the economy	48%	49%	63%	59%	54%	49%	37%	51%
Based on my current financial position I feel I can have a comfortable retirement	41%	39%	31%	38%	32%	43%	48%	36%
I have too much credit card debt	38%	33%	44%	34%	47%	36%	37%	49%
I'm never really stressed about money	28%	35%	26%	30%	24%	29%	23%	31%

Looking at economic optimism through a generational lens, some notable trends emerge. Three-quarters of each age and gender cohort share the worry that young people will be unable to find a good job.

Percentage who agree with each statement (2019 data)							
(weighted sample sizes)	Total (1594)	Men			Women		
		18-34 (208)	35-54 (258)	55+ (279)	18-34 (234)	35-54 (286)	55+ (308)
I worry about how young people today will be able to find a good job	77%	73%	79%	77%	74%	76%	81%
I worry that in the future I won't live as well as my parents' generation did	71%	78%	81%	52%	81%	79%	60%
I'm concerned that I or someone in my household could lose a job because of the economy	48%	48%	58%	41%	50%	52%	43%
Based on my current financial position I feel I can have a comfortable retirement	41%	40%	35%	60%	33%	30%	48%
I have too much credit card debt	38%	38%	44%	30%	41%	41%	35%
I'm never really stressed about money	28%	28%	25%	39%	20%	20%	32%

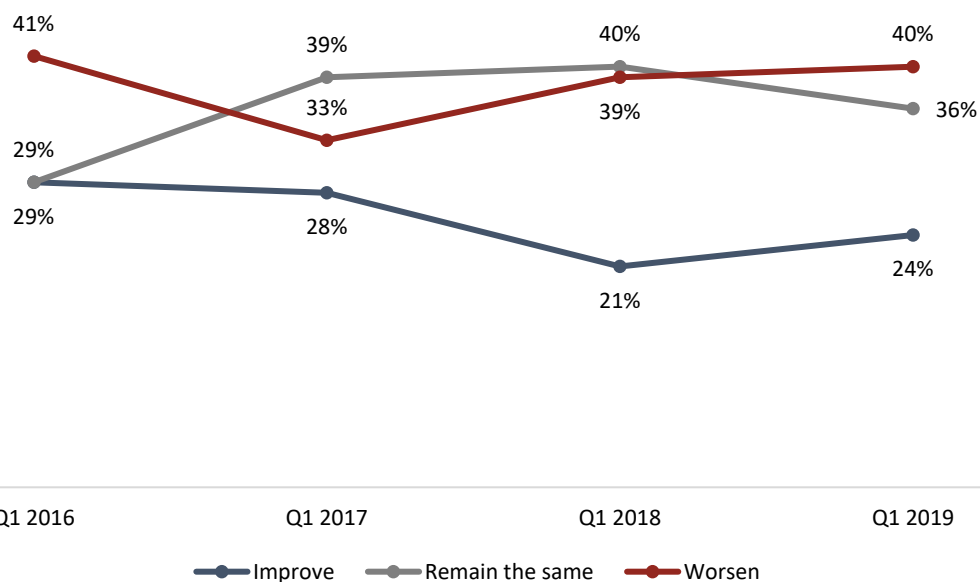
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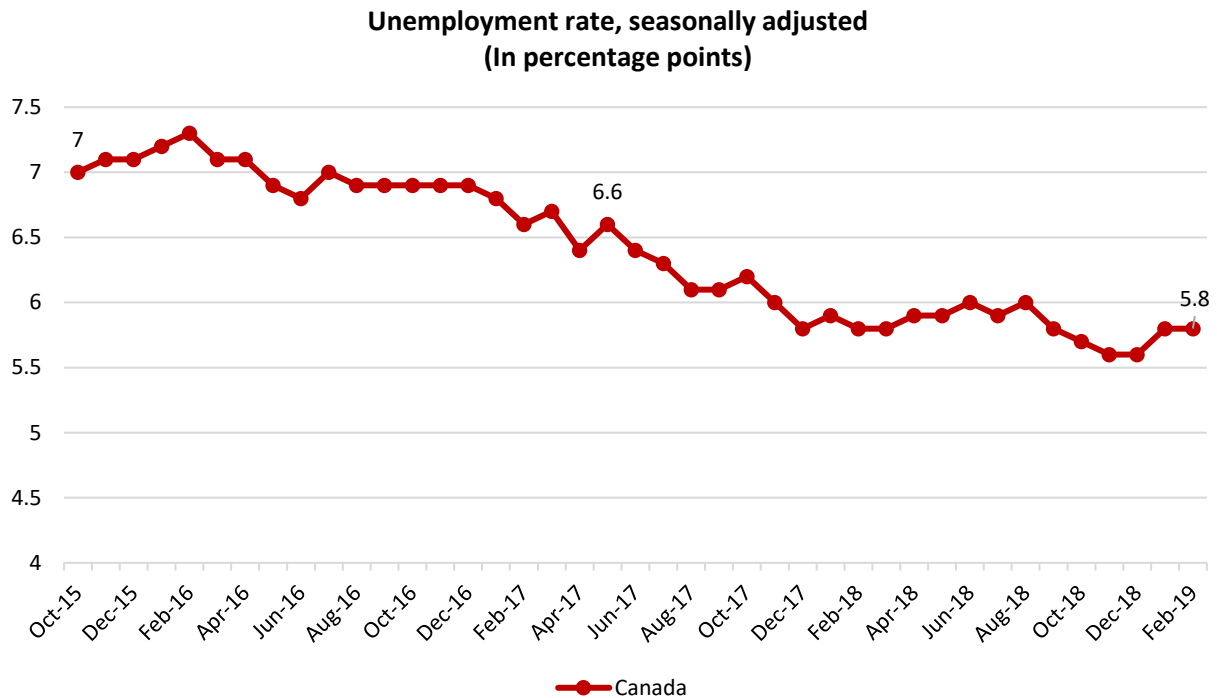
Many expect the economy to worsen in the coming months

Looking at future expectations for the Canadian economy, four-in-ten say they expect conditions to worsen in the coming year, while one-quarter expect them to improve. That said, save for a brief moment of optimism in the first quarter of 2017, this has largely been the case throughout Justin Trudeau's first term.

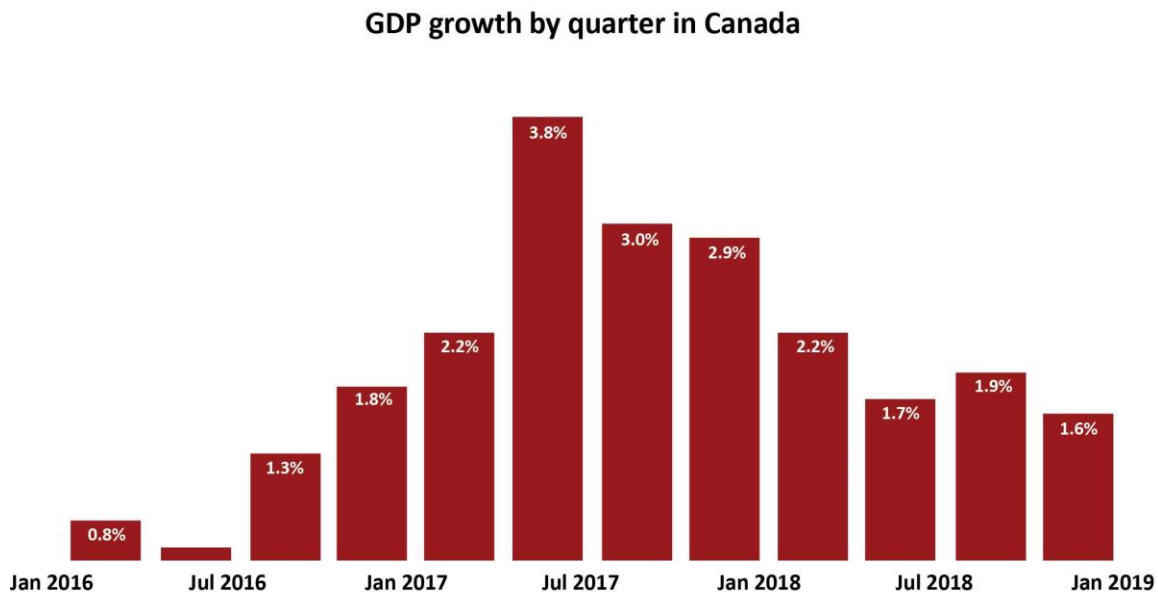
**Over the next 12 months, do you expect the Canadian economy will improve, remain the same, or worsen?
(All Respondents)**



Since the last election in October 2015, Canada's unemployment rate has trended slowly but steadily downward. As noted previously, wages have not increased significantly in that time, but some experts have predicted wage growth in the coming year due to employer demand in tight economic conditions:



Canada's GDP growth under the Trudeau government has also been relatively strong, though slowing to end 2018. [Economists note](#), however, that Canada has been benefiting in some cases from strong growth in the global economy and some factors outside the government's control.

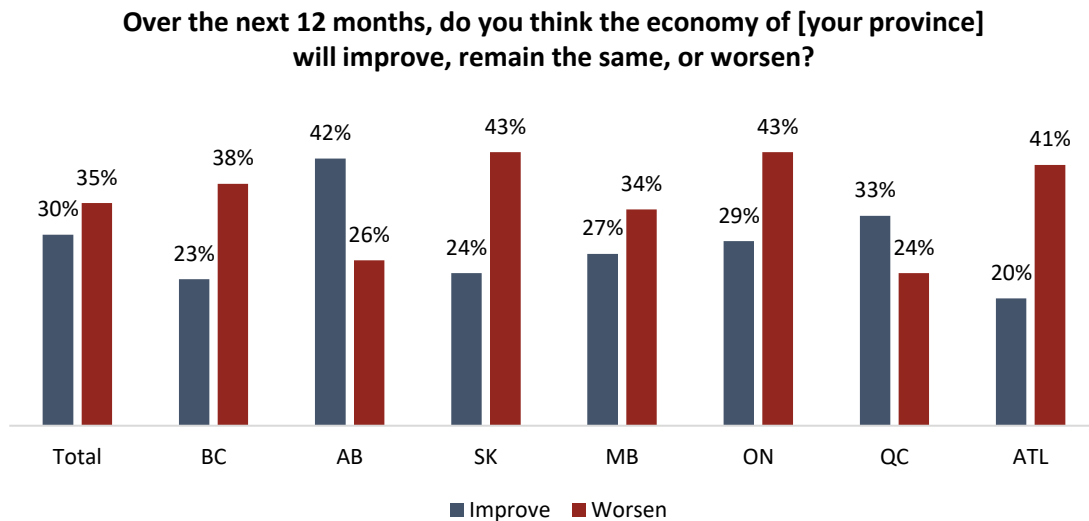


Source: Tradingeconomics.com | StatsCan

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Provincial Outlook

Looking more specifically at expectations for their own provincial economies, the data show similar levels of optimism, and slightly less pessimism. There are notable differences between provinces, with Alberta showing the most optimism ahead of a provincial election, and Ontario showing among the most pessimism:



***Political Sphere Methodology**

Rather than rely on respondents' potentially faded memories regarding their vote in the 2015 federal election, ARI researchers constructed a measure of political partisanship based on willingness to vote for the main federal parties in a future election under their current leaders.

The question specifically asked respondents how likely they would be to vote for "The Liberal Party led by Justin Trudeau," "The Conservative Party led by Andrew Scheer," and "The New Democratic Party led by Jagmeet Singh" in a future election. The response options were "definitely support" the party and leader in question, "certainly consider" them, "maybe consider" them, and "definitely not even consider" them.

Respondents choosing either of the first two options (definitely support or certainly consider) are considered to be a party's "sphere." They represent potential supporters of that party, not necessarily decided voters.

It should be noted that the categories are not mutually exclusive. Respondents were asked to give an opinion on each of the main parties and had the option to say they would "certainly consider" each one.

Thus, respondents may appear in the spheres of more than one party.

For detailed results by age, gender, region, education, and other demographics, [click here](#).

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