

Budget 2021: Economic anxiety haunts two-in-five Canadians; political divides over government priorities

Seven-in-ten say federal government policy can make a big difference in economic trajectory

March 25, 2021 – On April 19, Canadians will learn the contents of the first federal budget they have seen in more than two years.

On its face, the budget will account for the hundreds of billions of dollars spent during the pandemic, and outline how, where, and how much Ottawa will spend in the years ahead.

But more than an accounting document, the budget will be one of the most anticipated and scrutinized political products the Trudeau government has produced. Will it be a so-called “election budget” – one the Liberal party will use to trigger a vote of confidence in the parliament to bring down its minority and send Canadians back to the polls?

Or will the substance of the 2021 budget contain enough for opposition parties to continue to support the minority government arrangement?

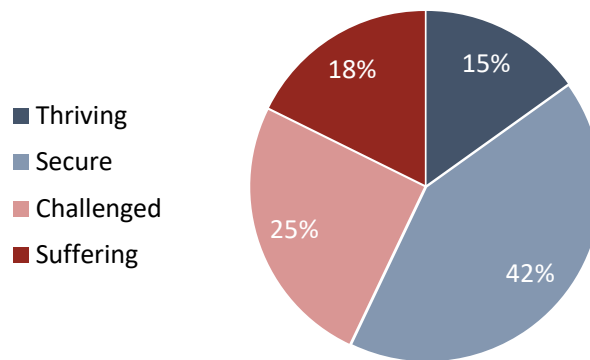
Beyond politics, the people of this country will be looking to see what the budget portends for them – and their own personal finances.

New data from the non-profit Angus Reid Institute show the challenges are immense. Three-in-five (63%) Canadians say they are worried about having enough money to support themselves in retirement. Half (53%) are concerned that someone in their home will lose their job in the near future.

When it comes to their own financial health, Canadians fall into one of four categories: The Thriving, Secure, Challenged, and Suffering. Priorities and anxieties about their own and the country's financial future depend on the segments into which Canadians fall.

Politics is never far from the conversation either. These new data show past Conservative Party voters prioritize economic growth and paying down the deficit, projected to be more than \$380 billion for the year. For past Liberal and NDP supporters, those priorities fall well below social program investment, and tackling the cost of living in Canada.

Canadian Personal Finance Index



METHODOLOGY:

The Angus Reid Institute conducted an online survey from February 26 – March 3, 2021 among a representative randomized sample of 5,004 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 +/- 1.4 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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More Key Findings:

- One-in-three Canadians say they are worse off now than they were 12 months ago. Half as many (16%) say that they are better off, while 47 per cent say their situation has not changed.
- Alberta and Saskatchewan residents are most likely to be in the Suffering category, while B.C. and Quebec residents are least likely.
- Only 38 per cent of Canadians are confident that they will live as well as their parents' generation. Three-in-five (63%) among the Thriving say that they will match or exceed this standard, compared to just 13 per cent among the Suffering.

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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Part One: Impact of COVID-19

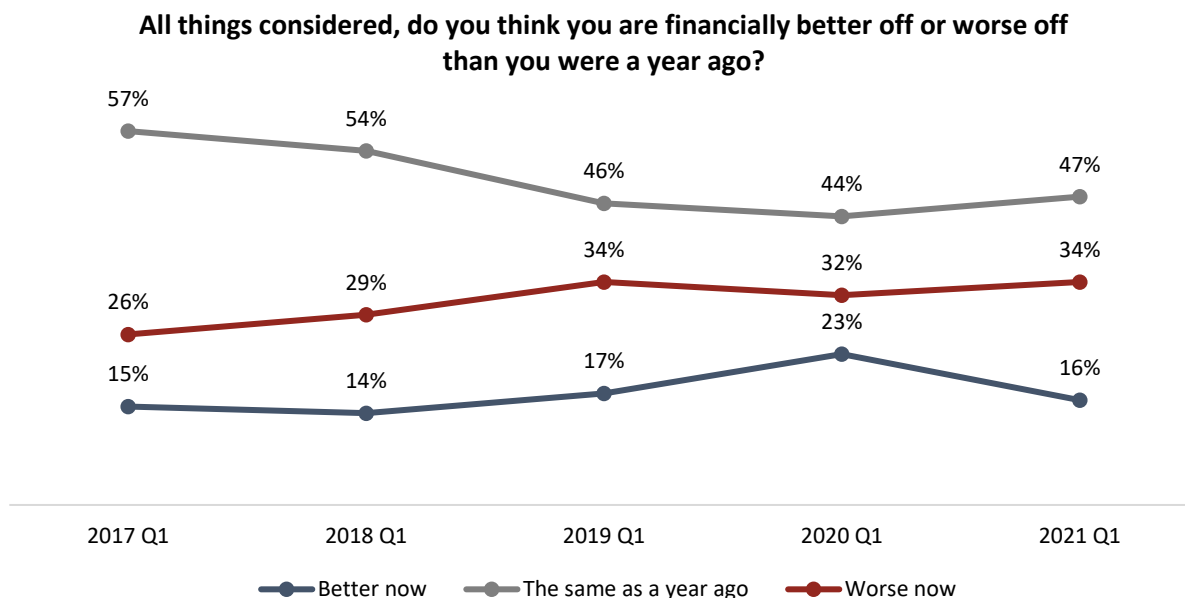
Many Canadians will look back upon 2020 as one of the most challenging years of their lives. The pain from the loss of nearly 23,000 lives resonates across the country as the pandemic enters a second year, and while many have not lost a loved one, few have escaped this period without stress, fatigue, and economic anxiety. Even now, as the worst of the job loss appears to be over, unemployment rates in near every region of the country remain elevated. In Ontario, 9.2 per cent unemployment approaches double the rate of last year at the same time (5.5%). Unemployment rates also only measure those who are actively seeking work and may not capture those who have given up for the time being.

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Change from last year at this time

Despite the economic downturn, the percentage of Canadians saying they are worse off this year compared to last has not risen substantially. That said the positive momentum from 2018 to 2020, where an increasingly large number said they were better off, has come to a halt. Twice as many Canadians say they are worse off now than they were 12 months ago, compared to better, while half (47%) say that their financial situation has not changed:



Canadians with the highest household incomes are more likely to say they have come out of the past 12 months in a better position than previously. This echoes many reports that during the pandemic, those least equipped to **endure it suffered most**. Indeed, 45 per cent of Canadians in the lowest income group say they are in a worse financial position now than 12 months ago. It is worth noting, however, that a significant number of Canadians across all income levels have felt some of this pain:

All things considered, do you think you are financially better off or worse off than you were a year ago? (All respondents)						
Weighted sample sizes	Total (5,004)	Income				
		<\$25K (490)	\$25K - <\$50K (877)	\$50K - <\$100K (1,557)	\$100K - <\$150K (963)	\$150K+ (587)
Better now	16%	14%	13%	16%	21%	24%
The same as a year ago	47%	39%	50%	48%	49%	46%
Worse now	34%	45%	35%	34%	29%	29%

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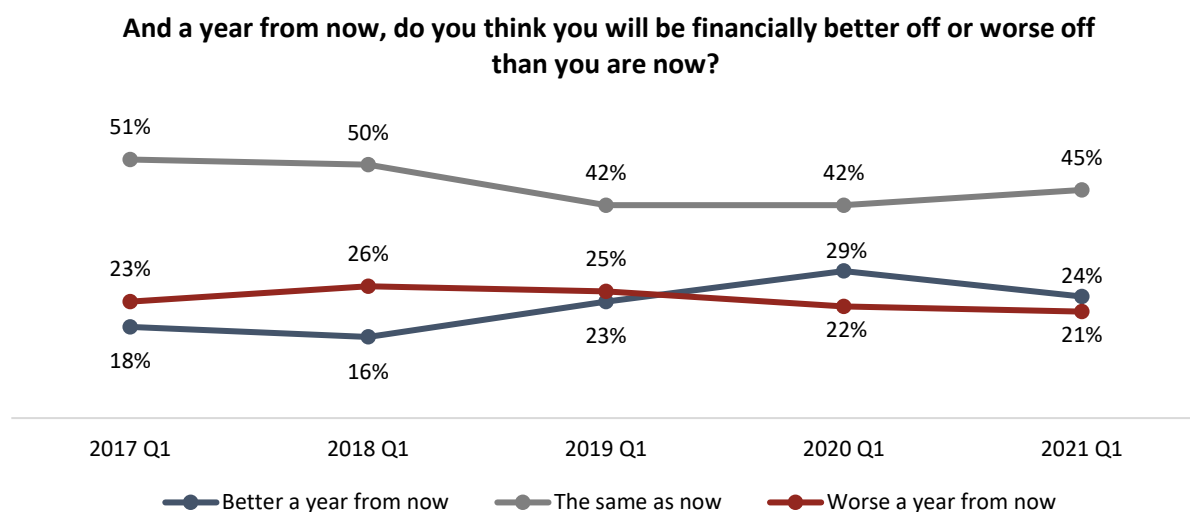
The worst perceived effects have been felt in Alberta and Saskatchewan, where at least two-in-five (40%) say they are worse off, while residents in Quebec are least likely to say this of their own situation:

All things considered, do you think you are financially better off or worse off than you were a year ago? (All respondents)										
Unweighted sample sizes	Total (5,004)	Province								
		BC (607)	AB (603)	SK (496)	MB (500)	ON (1,058)	QC (833)	NB (261)	NS (326)	NL (241)
Better now	16%	17%	15%	12%	15%	17%	17%	16%	17%	12%
The same as a year ago	47%	49%	37%	46%	47%	47%	52%	50%	49%	51%
Worse now	34%	32%	46%	40%	36%	34%	28%	31%	32%	37%

**Because its small population precludes drawing discrete samples over multiple waves, data on Prince Edward Island are not released.*

What about next year?

For one-quarter of Canadians (24%), the coming year will bring an increase in prosperity. That said, for close to the same number (21%) the expectation is one of financial pessimism:



Part Two: Canadian Personal Finance Index

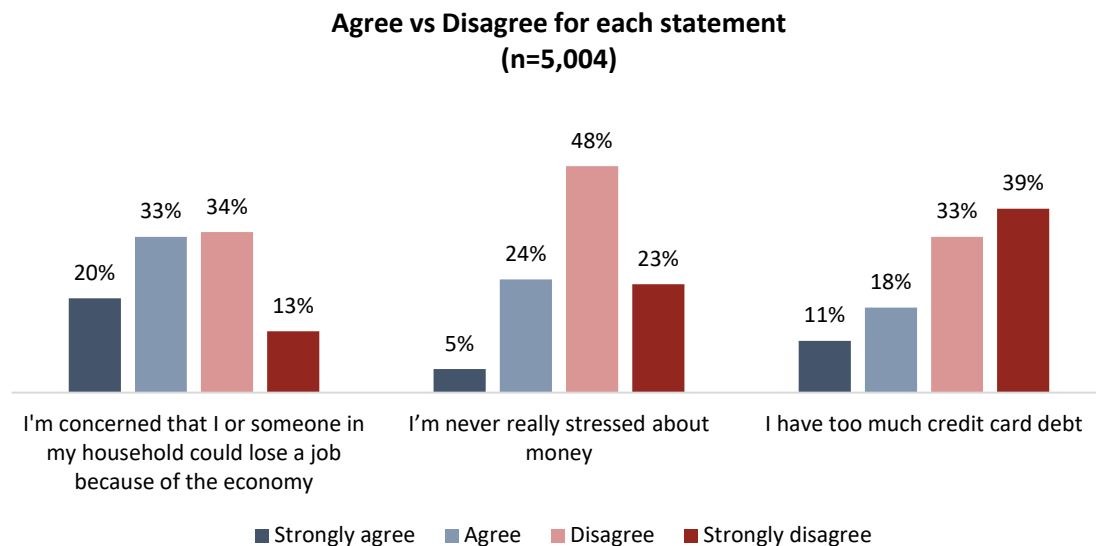
In order to better understand the financial strength of the Canadian public, researchers at the Angus Reid Institute created a Canadian Personal Finance Index based on responses to five different questions. These questions are based on their level of economic optimism and their responses to questions about

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real challenges they may or may not be facing. (See methodology section for more information on scoring).

The first two questions have been discussed: how the past year has gone and how the next year will go. The subsequent three are agreement statements. On all three, there are significant groups of respondents for each response option. For some, household job loss, financial stress and credit card debt are massive concerns; for others, they are a non-issue, as seen in the graph below:



Based on responses to all five questions, the Canadian population is thus grouped into four segments.

The Thriving (15% of the population) are those who have endured the past year well and have relatively few financial concerns. They are much more likely to have improved their financial standing during the pandemic than the three subsequent groups.

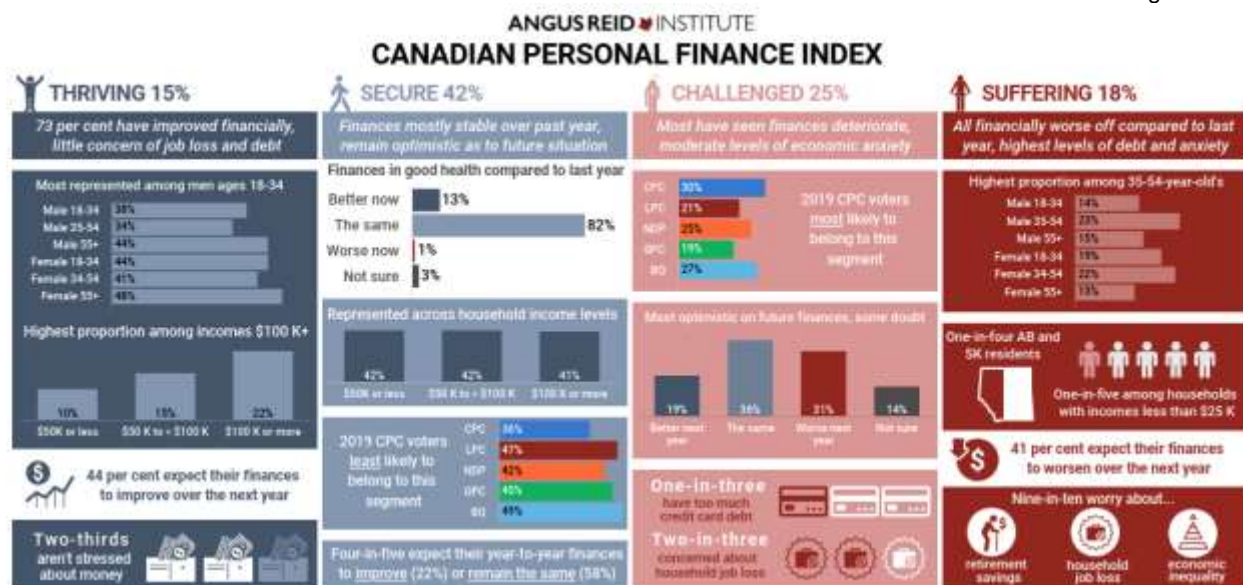
The Secure (42% of the population) are those whose finances have not been affected in a major way due to the pandemic. This is the largest group of Canadians and their outlook is largely optimistic – or at least not pessimistic – as they enter the second year of COVID-19 challenges.

The Challenged (25% of the population) have larger levels of economic anxiety than the two prior groups. A majority are worse off now than they were last year, and two-in-three are worried that someone in their household will lose a job in the near future.

The Struggling (18% of the population) are the worst off. All members of this group are worse off now than last year and fully two-in-five (41%) say that this will only continue and be worse in another 12 months. Nine-in-ten are worried about key household economic issues like affording retirement and household job loss.

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Key demographics of the Index

While considerable portions of each region of the country have suffered since the coronavirus hit Canada, these challenges have hit some provinces harder than others. In Alberta and Saskatchewan one-in-four residents fall within the Suffering category, while at least half in each are Suffering or Challenged. Similarly high levels of pain have been felt in Nova Scotia and Newfoundland and Labrador, while Quebec and B.C. residents are most likely to be on the positive half of this Index:

Canadian Personal Finance Index by region

Unweighted sample sizes	Total (5,004)	Region								
		BC (607)	AB (603)	SK (496)	MB (500)	ON (1,058)	QC (833)	NB (261)	NS (326)	NL (241)
Thriving	15%	17%	12%	13%	14%	15%	16%	19%	15%	8%
Secure	42%	45%	32%	36%	41%	41%	48%	39%	38%	35%
Challenged	25%	23%	31%	27%	27%	24%	24%	25%	28%	37%
Suffering	18%	15%	24%	24%	18%	19%	12%	17%	19%	21%

**Because its small population precludes drawing discrete samples over multiple waves, data on Prince Edward Island are not released.*

As one might expect, the largest proportion of both the Suffering and the Challenged are found within the lowest household income levels; the inverse is true of those in the highest. The scale of the economic

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challenges, however, is perhaps best expressed by noting that at least two-in-five among all those with a household income below \$150 thousand are either Suffering or Challenged:

Canadian Personal Finance Index by household income							
Weighted sample sizes	Total (n=5,004)	Household income					
		<\$25K (n=490)	\$25K- <\$50K (n=877)	\$50K- <\$100K (n=1,557)	\$100K- <\$150K (n=963)	\$150K- <\$200K (n=348)	\$200K+ (n=239)
Thriving	15%	8%	10%	15%	21%	20%	27%
Secure	42%	37%	44%	42%	39%	44%	42%
Challenged	25%	31%	26%	24%	26%	20%	22%
Suffering	18%	24%	19%	19%	13%	15%	9%

Financial stress levels appear to be highest among both men and women between the ages of 35 and 54. Younger people, having perhaps fewer financial obligations, and older people, being more financially established, are less likely to be Suffering, though a considerable number are Challenged in each group:

Canadian Personal Finance Index by age and gender							
Weighted sample sizes	Total (n=5,004)	Male			Female		
		18-34 (n=679)	35-54 (n=830)	55+ (n=893)	18-34 (n=736)	35-54 (n=899)	55+ (n=967)
Thriving	15%	22%	14%	14%	15%	11%	16%
Secure	42%	38%	34%	44%	44%	41%	48%
Challenged	25%	26%	29%	27%	22%	26%	22%
Suffering	18%	14%	23%	15%	19%	22%	13%

Politically, past Conservatives, more likely to be found in Alberta and Saskatchewan, where Suffering is highest, are more likely to be on the negative side of the Index:

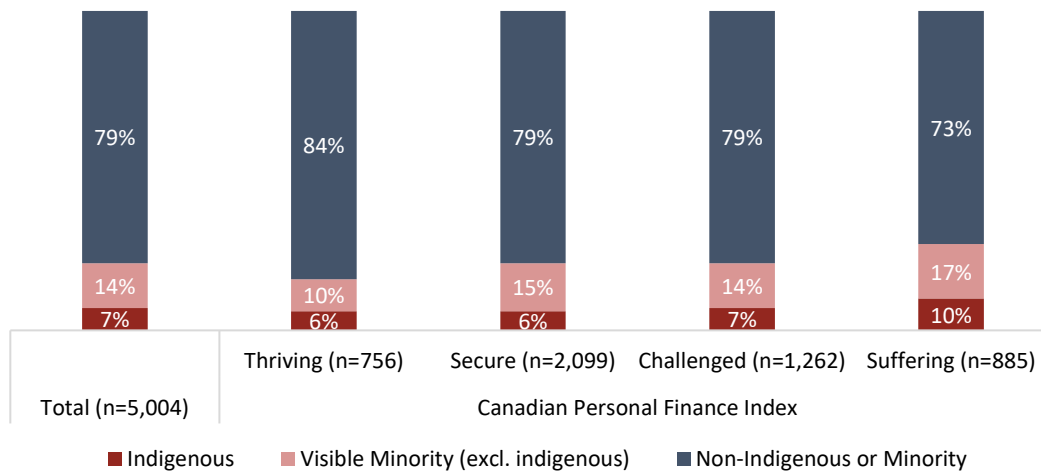
Canadian Personal Finance Index by 2019 federal vote						
Weighted sample sizes	Total (n=5,004)	2019 federal vote				
		CPC (n=1,477)	Liberal (n=1,406)	NDP (n=687)	BQ (n=316)	Green (n=269)
Thriving	15%	12%	18%	16%	11%	18%
Secure	42%	36%	47%	42%	49%	45%
Challenged	25%	30%	21%	25%	27%	19%
Suffering	18%	22%	13%	17%	13%	19%

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Within the Suffering group, 27 per cent of individuals identify as either a visible minority or Indigenous, the highest mark among the four groups.

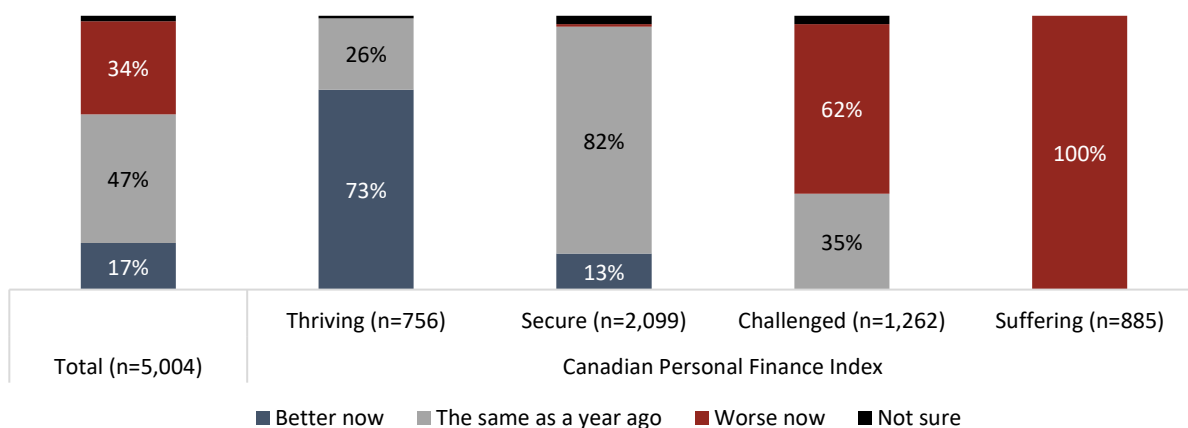
Ethnicity within each segment:



Attitudes and concerns

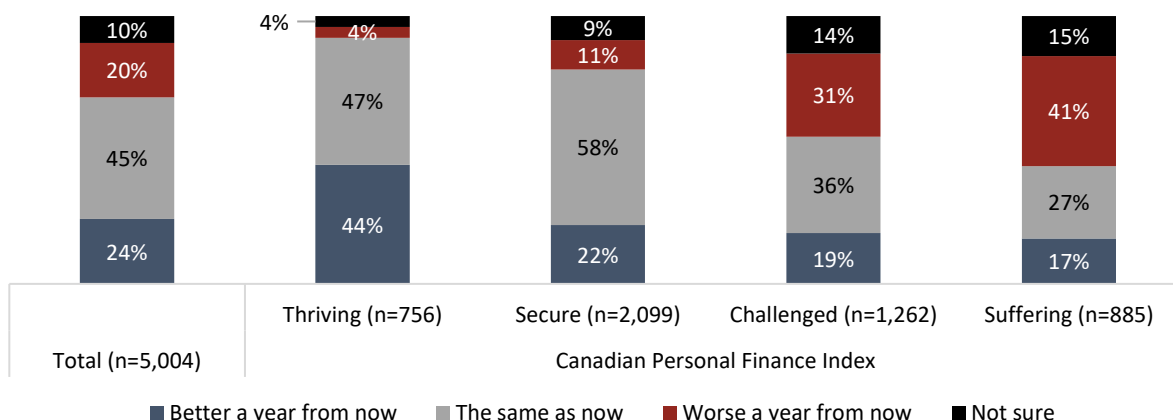
As previously mentioned, the fashion with which they have endured the pandemic has a considerable effect upon one's placement in the four Index groups. Three-quarters (73%) of the Thriving are better off now than they were last year, while three-in-five of the Challenged and all of the Suffering are worse off:

All things considered, do you think you are financially better off or worse off than you were a year ago? (All respondents)



The outlook for both groups on the negative end of the Index is much more pessimistic when considering the coming year. The Thriving are twice as likely as all other groups to say that their position will continue to improve, while considerable portions of the Challenged and Suffering expect worse to come:

**And a year from now, do you think you will be financially better off or worse off than you are now?
(All respondents)**



Different financial realities among Canadians generate a disparity of concern levels when it comes to aspects of their lives. While 62 per cent of Canadians are worried about how they will support themselves in retirement, this proportion jumps to 77 per cent among the Challenged and a staggering 91 per cent among the Suffering. A similar trend is evident when it comes to worrying about household job loss.

Stress too is a significant element of this issue. Seven-in-ten within the Suffering group say they have too much credit card debt, contributing to the fact that only two per cent of them do not stress about money. For the Thriving and the Secure, credit card debt is closer to a non-issue, and far fewer stress about money in general:

Percentage within each segment that agree with each of the following statements					
Weighted sample sizes	Total (n=5,004)	Canadian Personal Finance Index			
		Thriving (n=756)	Secure (n=2,099)	Challenged (n=1,262)	Suffering (n=885)
I'm worried about how I will support myself in retirement	62%	32%	52%	77%	91%
I'm concerned that I or someone in my household could lose a job because of the economy	53%	16%	41%	67%	91%
In the future I'll be able to live as well as my parents' generation did	38%	63%	47%	27%	13%
I have too much credit card debt	29%	2%	17%	35%	69%
I'm never really stressed about money	28%	65%	34%	16%	2%

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There are elements of the broader financial picture that each of these groups agree upon. For more than four-in-five Canadians (86%) the growing gap between the rich and everybody else in Canada is unacceptable and needing attention. Further, at least 69 per cent of all groups, and 78 per cent of Canadians overall, are worried about what the future of work will look like for younger people:

Percentage within each segment that agree with each of the following statements					
Weighted sample sizes	Total (n=5,004)	Canadian Personal Finance Index			
		Thriving (n=756)	Secure (n=2,099)	Challenged (n=1,262)	Suffering (n=885)
The growing gap between the rich and everybody else is unacceptable	86%	83%	86%	85%	88%
I worry about how young people today will be able to find a good job	78%	69%	76%	80%	87%

Part Three: Budget 2021: Politics and Policy

Impact of government policies on economy

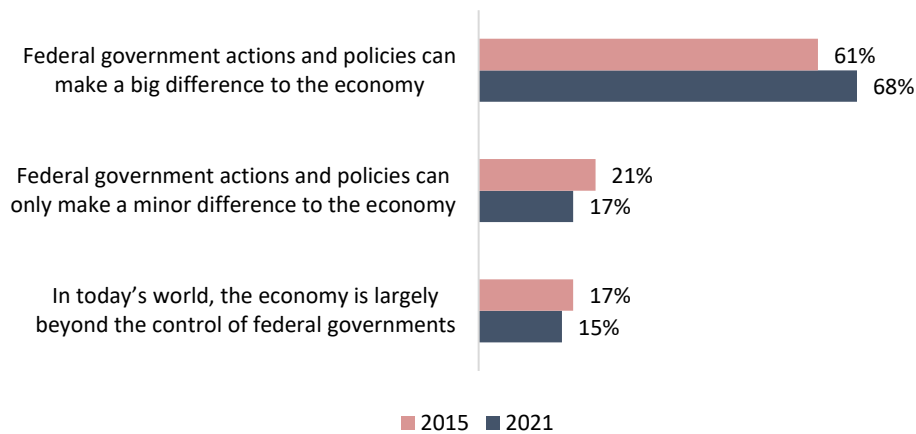
In a period of historic government spending, many Canadians have been looking to government to sustain themselves. More than 12 million Canadians received the Canada Emergency Response Benefit last year.

On the fundamental question of whether federal government policy is likely to play a considerable role in the forthcoming economic period, two-thirds (68%) say its actions can have a large impact. This proportion varies only moderately across different regions, age and gender groupings and other demographics ([see detailed tables](#)). Just 15 per cent see economic performance as mostly beyond the control of the government. Notably, the percentage of Canadians perceiving a large role for the federal government has increased seven points since the Angus Reid Institute asked during the 2015 federal election campaign:

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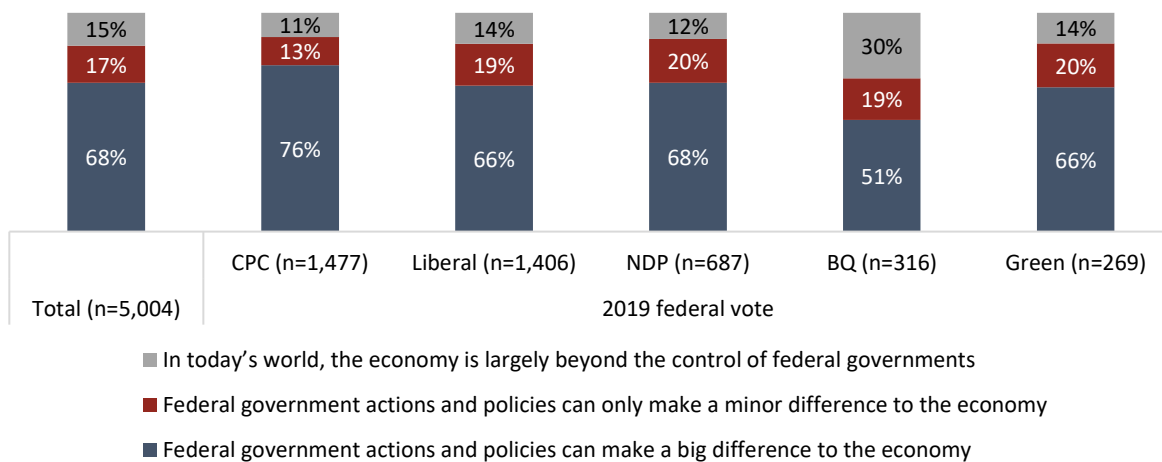
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When you think about the economy and the major economic challenges facing Canada, would you say:



While often at odds over policy and likely in disagreement over which avenue to take, past voters from each of the CPC, NDP and Liberal Party are overwhelmingly in agreement that the federal government will set the tone for the recovery with actions it chooses:

**When you think about the economy and the major economic challenges facing Canada, would you say:
(All respondents)**



Where should government focus?

Over the course of the pandemic, the federal government has implemented numerous stimulus measures in the form of income supports and wage subsidies, among others. While many of these programs continue to be of necessity, attention has begun to turn to their considerable price tag. The federal deficit is projected to reach \$381.6 billion this year, with an additional \$650 billion by 2026.

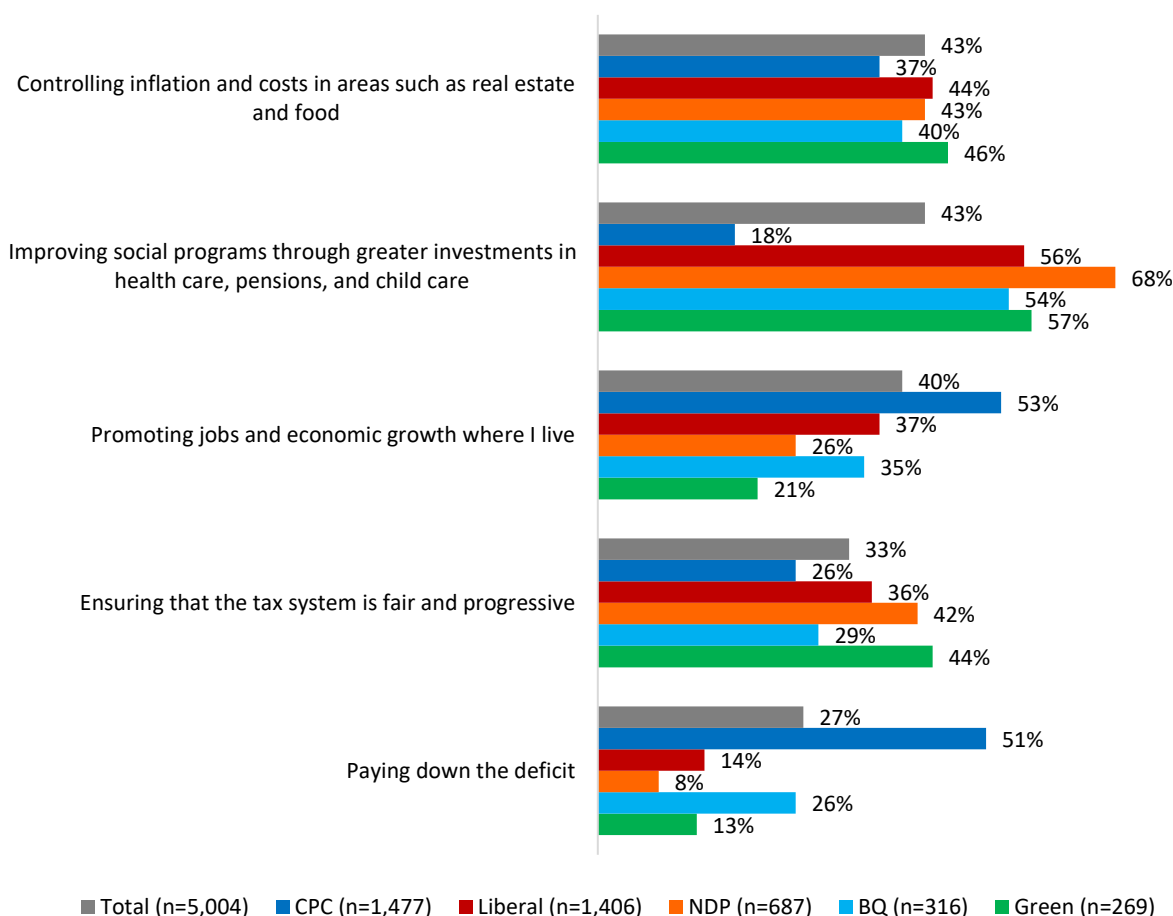
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Managing the country's rising debt level was selected as a top priority by one-quarter (27%) of respondents.

With an election forecasted for 2021, partisanship for priorities takes on heightened importance. For those who supported the CPC in 2019, job growth and the deficit are far ahead in priority. For those who supported the Liberals and New Democrats, however, social program investment and controlling rising costs in their communities are chosen as the top two options:

**Please choose your TOP TWO economic priorities from the list below.
(All respondents, n=5,004)**



These priorities are viewed differently by demographic groups: women and younger Canadians are more likely to say the focus should be on social programs and reducing the cost of living, while higher proportions of men and older Canadians want to see emphasis on paying down the deficit:

Please choose your TOP TWO economic priorities from the list below. (All respondents)							
Weighted sample sizes	Total (5,004)	Age and Gender					
		Male			Female		
		18-34 (679)	35-54 (830)	55+ (893)	18-34 (736)	35-54 (899)	55+ (967)
Improving social programs through greater investments in health care, pensions, and child care	43%	39%	33%	40%	53%	48%	48%
Controlling inflation and costs in areas such as real estate and food	43%	46%	40%	29%	53%	48%	44%
Promoting jobs and economic growth where I live	40%	40%	47%	40%	32%	40%	38%
Ensuring that the tax system is fair and progressive	33%	33%	31%	37%	34%	29%	34%
Paying down the deficit	27%	30%	35%	37%	17%	19%	23%

Priorities vary regionally as well. In Alberta, 62 per cent of residents say that job growth should be the key target. This is the highest level in the nation, though notably, half of Saskatchewan (48%) and Newfoundland and Labrador residents (52%) agree. Cost of living is the number one priority for those in both B.C. and Ontario:

Please choose your TOP TWO economic priorities from the list below. (All respondents)										
Unweighted sample sizes	Total (5,004)	Province								
		BC (607)	AB (603)	SK (496)	MB (500)	ON (1,058)	QC (833)	NB (261)	NS (326)	NL (241)
Improving social programs	43%	45%	28%	33%	45%	44%	48%	60%	50%	44%
Controlling inflation/costs in areas such as real estate and food	43%	49%	31%	34%	42%	47%	41%	37%	42%	37%
Promoting jobs and economic growth where I live	40%	31%	62%	48%	36%	37%	36%	35%	41%	52%
Ensuring tax system is fair and progressive	33%	36%	31%	32%	36%	33%	32%	34%	34%	32%
Paying down the deficit	27%	26%	33%	38%	28%	25%	26%	22%	19%	27%

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Much of these concerns about cost of living in both provinces is due to the heightened priority those issues generate in urban centres.

Please choose your TOP TWO economic priorities from the list below. (All respondents)										
Unweighted sample sizes	Total (5,004)	Major City								
		VAN (308)	CGY (185)	EDM (193)	REG (125)	SSK (118)	WPG (270)	GTA (437)	MTL (337)	HFX (158)
Improving social programs	43%	45%	33%	38%	36%	39%	48%	45%	47%	53%
Controlling inflation/costs in areas such as real estate and food	43%	50%	34%	35%	33%	37%	40%	47%	44%	49%
Promoting jobs and economic growth where I live	40%	30%	65%	57%	50%	43%	37%	40%	40%	33%
Ensuring tax system is fair and progressive	33%	39%	26%	32%	32%	33%	38%	31%	35%	35%
Paying down the deficit	27%	25%	30%	28%	35%	33%	23%	23%	17%	16%

Cost of living, social programs and promoting jobs and growth are all equally high priorities for those on the negative side of the Canadian Personal Finance Index. ([see detailed tables](#)).

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

For detailed results by the Canadian Personal Finance Index, [click here](#).

For detailed results by household income, [click here](#).

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Notes on methodology

The Canadian Personal Finance Index

The Canadian Personal Finance Index is based on responses to five items. Respondents were scored first on two items, based on their perceptions of:

- Their current personal financial situation (compared to the same time last year)
- Their future personal financial situation (compared to now)

Additionally, respondents were scored on three more items related to specific financial concerns:

- Concern over household job loss due to state of the economy
- Stress about money
- Credit card debt

Negative responses were scored higher than positive responses, while neutral responses were counted as zero.

Adding up these scores yielded a total score for each respondent, ranging from -3 to 13. The four segments correspond to four segments of this range. Those scoring -3 to -1 are the Thriving, those scoring 2 to 5 are the Secure, those scoring 6 to 9 are the Challenged, and those scoring 10 to 13 are the Suffering.

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