

## Cost and Effect: Heightened economic anxiety pushes many 2021 Liberal voters to look elsewhere for relief

Three-in-five Canadians say they can't keep up with the cost of living, an eight-point increase from 2022

**January 24, 2024** – The middle class, economic policies, and affordability challenges were reportedly at the [forefront of priorities](#) for the Liberal Party's winter cabinet retreat this week in Montreal. The question now is whether the party, [trailing significantly](#) in vote intention, can reverse the economic malaise that has affected much of the nation and has cost it a significant chunk of its voting base.

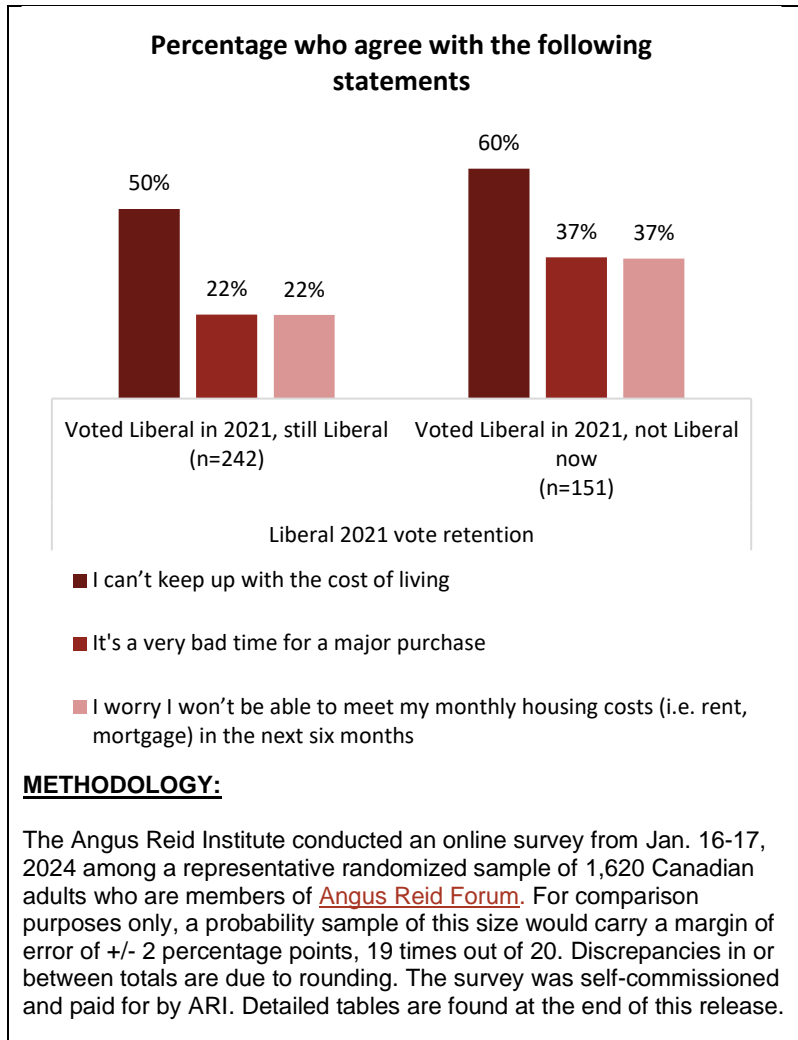
New data from the non-profit Angus Reid Institute finds three-in-five Canadians saying they can't keep up with the cost of living (61%). This represents the third straight year where at least half have voiced this angst.

And while the rising cost of living is a persistent challenge for many Canadians of all voting persuasions, the consequences of these struggles appear to have hit the Liberal Party hard, to the benefit of the opposition CPC.

Currently, just [57 per cent](#) of 2021 Liberals say they would vote for the party again. Among the 43 per cent who now prefer another party, there are consistent, elevated signs of economic stress that has sent them searching for answers elsewhere.

Those who say they would now vote for another party are almost twice as likely to say that they worry that they won't be able to meet their monthly housing costs in the next six months compared to those who are still Liberal (37% to 22%) and to say that this a "very bad" time to make a major purchase (37% to 22%). Departing Liberals are also more likely to say they can't keep up with the cost of living and that they're generally stressed about money.

This stress among shifting voters is notable, but by no means isolated to that group. More than two-in-five Canadians (43%) now say that they are always or often stressed about money. This is a 12-point increase compared to 2018.



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Rising rents and mortgage payments are also playing a clear role in this high-stress environment. Fully half of current renters (49%) say they are worried they won't be able to cover their housing costs within the next six months. They are joined by three-in-10 (32%) mortgage holders, who worry that without reduced interest rates, they too will run out of road within the next half year. The Bank of Canada's decision to hold rates will likely be met with angst by some hoping for a downward trajectory.

### More Key Findings:

- The proportion of Canadians saying they “can't keep up with the cost of living” rises to seven-in-10 (71%) for those whose household income is lower than \$50,000.
- Stress about money is reported at the most frequent levels in Saskatchewan and Atlantic Canada, where 54 and 52 per cent respectively say this is something they feel “often” or “always”.

### 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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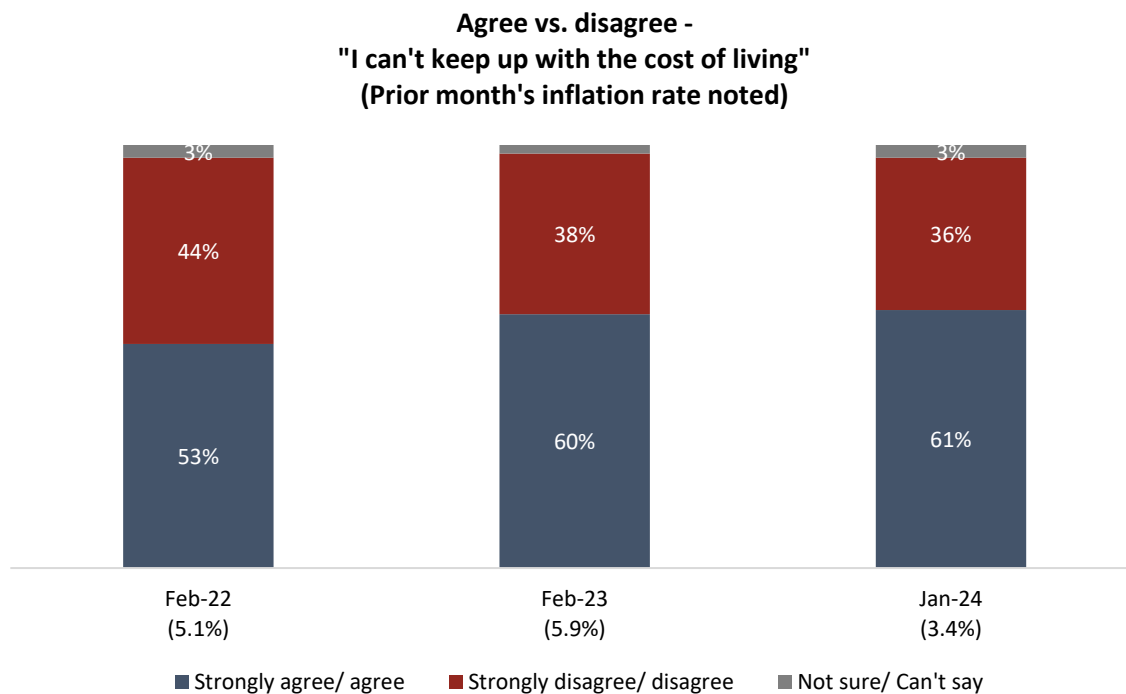
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**Part One: Intensifying challenges even as inflation abates**

The Bank of Canada’s wrestle with inflation has entered something of an impasse. The 40-year inflation rate highs of 2022 appear to be in the rear-view mirror, but inflation has stubbornly refused to retreat lower than the BoC’s target of two per cent in recent months. This leaves Canada’s central bank with a difficult path to chart in 2024: shelter costs – mortgage payments and rent – have become a driving factor to inflation partly due to the Bank’s high interest rates, but the central bankers don’t want to abandon the fight before inflation is fully tamed.

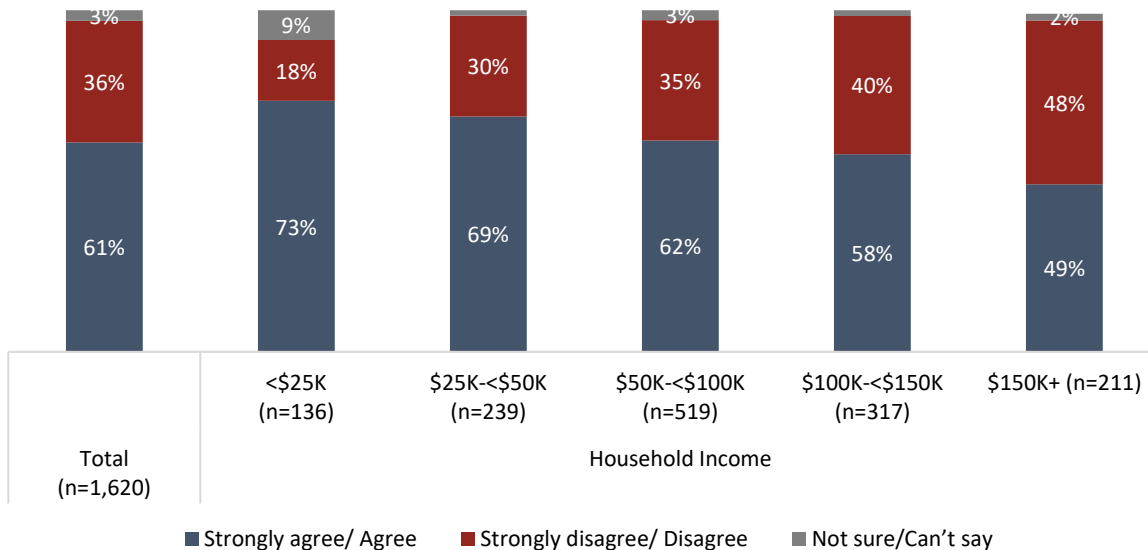
**Majority of Canadians “can’t keep up”**

The net effect of the past two years of the economy has been a persistent – and growing – sense from Canadians of falling behind. Three-in-five (61%) say they “can’t keep up with the cost of living”, a similar level to that seen last year despite a relatively calmer period for inflation over the past year when compared to 2022:



Rising prices appear to be squeezing lower income households more, as one might expect, given those households finances are committed at higher proportion to things such groceries and rent. Still, pointing to the widespread effect of the rising cost of living, even a majority of those in households earning six figures or more say they can’t keep up:

Agree vs. disagree -  
"I can't keep up with the cost of living"



**Conservative supporters increasingly likely to feel left behind**

This two-year period of inflation turmoil has coincided with a surge in support for the opposition Conservative party. In January 2022, the Liberals held a five-point lead in vote intention. After two years of dealing with rising prices, and the election of new leader Pierre Poilievre in September 2022, the lead has swung to a 17-point advantage for the Conservatives.

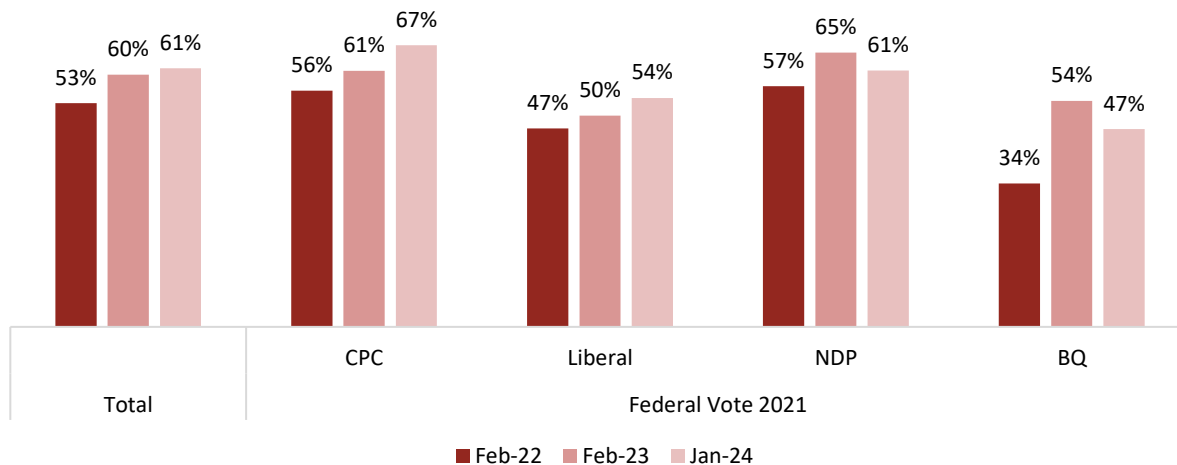
**Related: Head vs. Heart: 2-in-3 Liberal voters are more motivated to block the CPC than back a party they're passionate about**

As vote intent has risen for the Conservatives, the party's past supporters have become more likely to express worries over the current affordability crisis. Now, two-in-three (67%) of those who voted Conservative in 2021 believe they can't keep up with the cost of living, an increase of 11 points from February 2022, and more than the 54 per cent of past Liberal voters and 61 per cent of past NDP voters who say the same:

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**Agree vs. disagree -  
"I can't keep up with the cost of living"**



**Economic anxiety and Liberal vote retention**

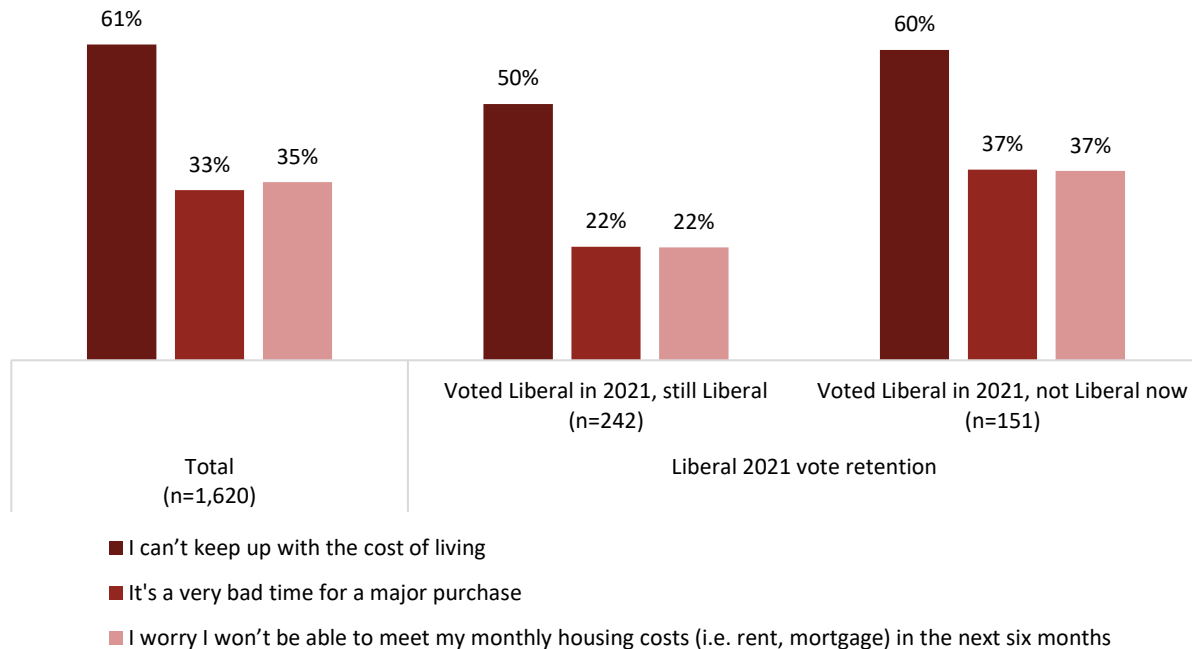
Liberal vote retention has become a major issue for the party as the opposition Conservative party has surged. Currently, more than two-in-five (43%) of those who voted Liberal in 2021 now no longer say they intend to vote for the party.

Economic concerns appear to be playing a key role. Past Liberal voters who no longer intend to support the party are more likely to feel left behind by the rising cost of living (60% vs. 50%), say that it's a very bad time for a major purchase (37% vs. 22%) and fear they are on the precipice of missing either a rent or mortgage payment (37% vs. 22%):

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Percentage who agree with the following statements



**Money stress intensifies**

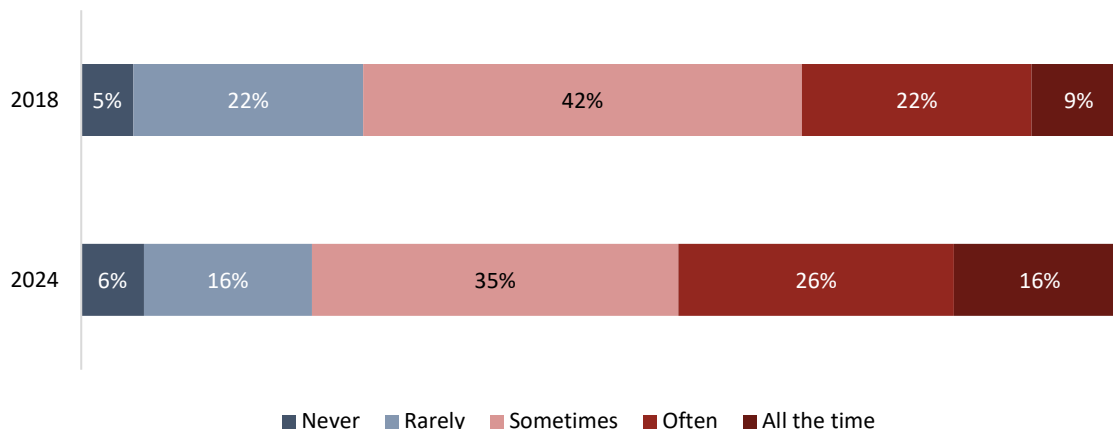
Money stress is always a persistent factor among many Canadians, but it was less pronounced six years ago. In 2018, three-in-ten (31%) said they “often” or “all the time” found themselves very stressed about money, nearly as many who said that “rarely” or “never” happened to them (27%).

In the interim, the housing affordability issue that was once isolated in Vancouver and Toronto has spread nationally, while a pandemic threw the economy into turmoil and inflation accelerated to levels not seen in a generation. Now more than two-in-five (42%) Canadians say they are very stressed about money regularly, double the number (22%) who seldom or never worry:

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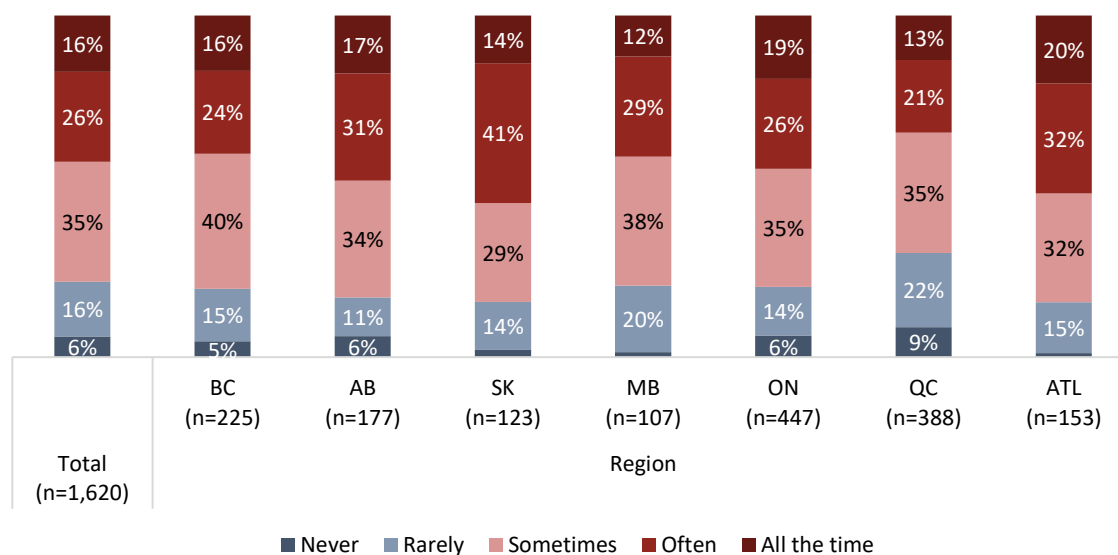
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**How often, if ever, do you yourself experience feeling very stressed out about money?**



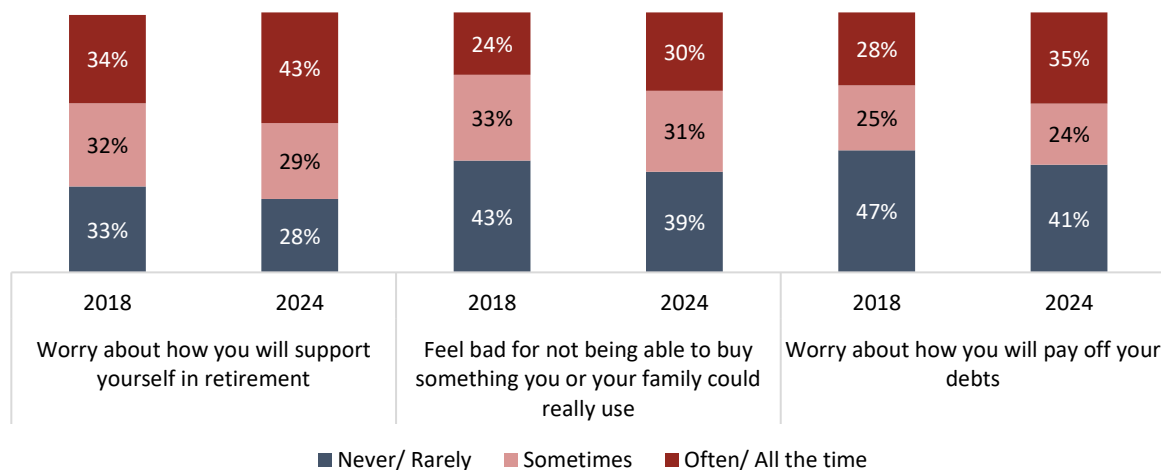
Across the country, at least two-in-five in all provinces except Quebec say they are at least often very stressed about money. One-third (34%) in Quebec say this is the case, where nearly as many say money stress is a rare experience for them (31%):

**How often, if ever, do you yourself experience feeling very stressed out about money?**



Other financial anxieties have also seen an uptick in the past six years for Canadians. More now say they worry about how they will support themselves in retirement (43%) than in 2018 (34%). Debt fears have also increased alongside Canadians' sense of disappointment that comes with not being able to afford things they need:

How often, if ever, do you yourself experience the following?



The state of the economy, and the net effects of Canada’s affordability crisis, will likely play an outsized role in determining the next federal election, whenever that may be. Those who say they would vote Conservative if an election were held today are more likely to be often stressed about money and worried about their retirement and debts than other groups of voters. Those who intend to vote Liberal are less likely to be anxious about these matters:

| Percentage who say they ‘all the time’ or ‘often’ experience the following       |                 |             |         |     |     |
|--|-----------------|-------------|---------|-----|-----|
|  | Total (n=1,620) | Vote Intent |         |     |     |
|  |                 | CPC         | Liberal | NDP | BQ  |
| Feel very stressed out about money   | 43%             | 50%         | 30%     | 44% | 27% |
| Worry about how you will support yourself in retirement                          | 43%             | 54%         | 33%     | 39% | 27% |
| Worry about how you will pay off your debts                                      | 35%             | 42%         | 29%     | 34% | 24% |
| Feel bad for not being able to buy something you or your family could really use | 30%             | 38%         | 20%     | 30% | 20% |



**Part Two: Housing and affordability**

**Renters and mortgage holders acutely stressed**

The Bank of Canada’s fight against inflation has had the ripple effect of making shelter costs for Canadians more expensive through higher interest rates. This has placed stress on Canadians with mortgages, and renters, whose rent is often influenced by their owners’ mortgage. This pressure is evident as renters and owners with a mortgage are much more likely to report stress over financial matters than owners who have paid off their mortgage:

| Percentage who say they ‘all the time’ or ‘often’ experience the following       |                    |                   |                                |                                   |
|--|--------------------|-------------------|--------------------------------|-----------------------------------|
|  | Total<br>(n=1,620) | Renter or owner   |                                |                                   |
|  |                    | Renter<br>(n=517) | Owner with mortgage<br>(n=626) | Owner with no mortgage<br>(n=392) |
| Feel very stressed out about money   | 43%                | 58%               | 46%                            | 18%                               |
| Worry about how you will support yourself in retirement                          | 43%                | 55%               | 46%                            | 20%                               |
| Worry about how you will pay off your debts                                      | 35%                | 44%               | 40%                            | 14%                               |
| Feel bad for not being able to buy something you or your family could really use | 30%                | 40%               | 32%                            | 13%                               |

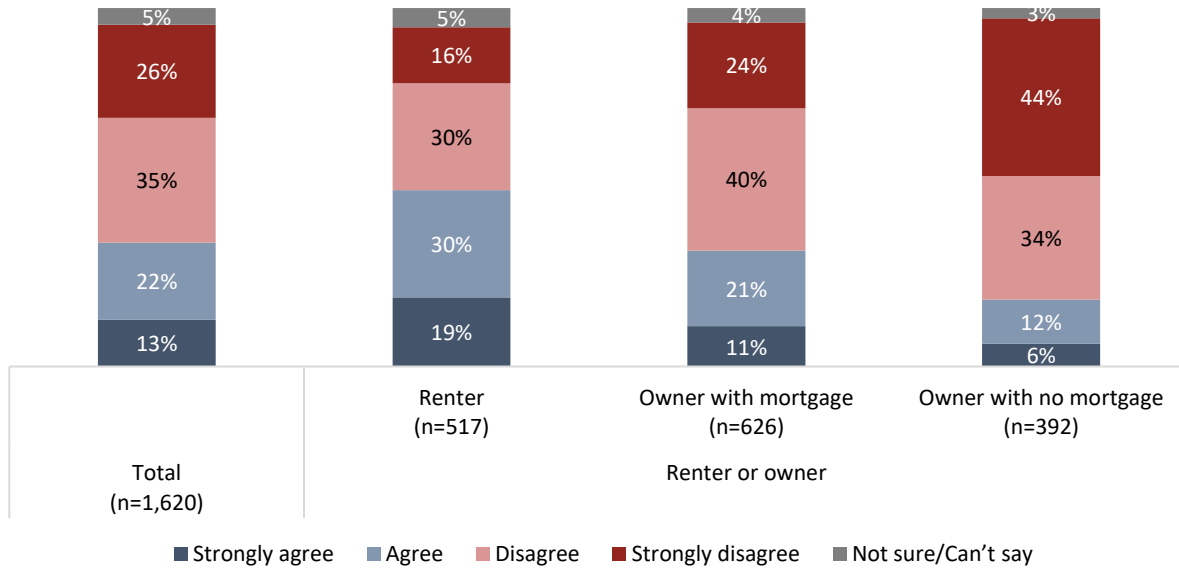
**Half of renters, one-in-three mortgage holders worry they can’t sustain housing costs**

As the economy [potentially turns for the worse in 2024](#), there are already many expressing fear that they won’t be able to afford their shelter costs in the near term. Half (50%) of renters worry they’ll miss rent in the next six months, while one-in-three (32%) mortgage holders fear they will miss a payment in the same interval:

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**Agree vs. disagree -  
"I worry I won't be able to meet my monthly housing costs (i.e. rent, mortgage)  
in the next six months"**



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

*For detailed results by owners and renters, vote intention and Liberal vote retention, [click here](#).*

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