



Survey Results

Confidence Reverses Course

The index of consumer confidence decreased for a second consecutive month in November, falling 5.7 points to 79.0 (2002 = 100). Relative to the previous month, the balance of opinion deteriorated on all four questions. The outlook for future job creation remains a significant detractor to consumer confidence. Regional results were equally disappointing. Three of the five regions recorded significant decreases, while the other two were largely unchanged. This month's results highlight just how fragile the perception of an economic recovery is at this time.

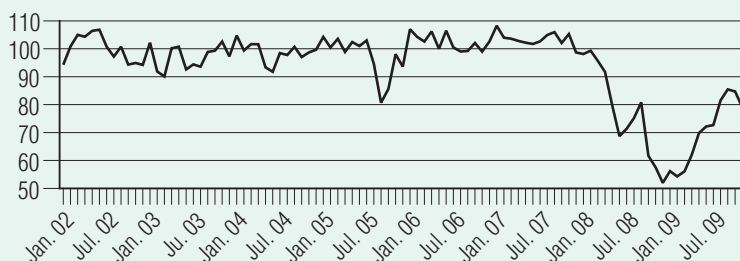
The balance of opinion on current finances remains largely unchanged from the beginning of the year. When asked if they thought their financial situation was better

today than six months ago, just 13.9 per cent of respondents answered positively—down 1 point from October and up just 0.6 points from the beginning of the year. Furthermore, 25.6 per cent of respondents indicated that they are financially worse off today than six months ago—up 1.8 points over last month, and 0.8 points higher than January. Oddly, consumers' responses have failed to reflect the significant improvements in global equity markets over the past six months.

Consumers' attitudes regarding their future financial situation also deteriorated this month. When asked if they thought their family's finances would improve in the coming six months, 27.1 per cent of respondents agreed—down 0.6 points. At the same time, there was a 2.4 point increase (to 13.8 per cent) in the share of respondents who felt their situation would worsen over the same period. Again, results indicate that consumers expect a drawn-out recovery, as the majority (52.4 per cent) said they expect no change in their financial situation over the next six months.

Respondents' outlook for Canada's labour markets remains negative. When asked how they felt the job situation and overall employment would be in their community six months from now, just 19.7 per cent of respondents indicated they expected more jobs—a decrease of 3.2 points. Furthermore, the proportion of

Index of Consumer Confidence
(2002 = 100)



Source: The Conference Board of Canada.

respondents who said they expect fewer jobs in their communities six months from now rose 1.2 points to 25 per cent. That means more than three-quarters of respondents expect no job creation in their communities over the next six months.

Finally, the outlook for major purchases also worsened. Asked if they it was a good or bad time to purchase a big-ticket item, just 45.7 per cent said it was a good time, down 0.8 points. The share responding negatively rose 1.8 points to 45.2 per cent. Pessimistic views on future employment are likely weighing down responses on this question.

On a regional basis, British Columbia showed the biggest movement, declining an astonishing 13 points. The outlook among B.C. respondents on current finances is significantly lower than in any other region. Ontario's index also dropped significantly, down 10.3 points as respondents' outlook on future employment fell significantly. Atlantic Canada was the third region to experience a decline in confidence as the regional index moved 4.3 points lower. The Prairies and Quebec showed little change, up 0.3 points and 0.8 points respectively. This month's survey was conducted from November 5 to November 15, 2009, and the margin of error is plus or minus 2.2 per cent.

The consumer confidence survey has been ongoing since 1960. It is conducted monthly by The Conference Board of Canada.

The Index of Consumer Confidence is constructed from responses to four attitudinal questions posed to a random sample of Canadian households. Those surveyed are asked to give their views about their households' current and expected financial positions and the short-term employment outlook. They are also asked to assess whether now is a good or a bad time to make a major purchase such as a house, a car, or other big-ticket items.

The latest results are based on over 2,000 telephone interviews conducted in early November 2009.

Index of Consumer Confidence Survey Results

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