



PRESS RELEASE



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RBC Canadian Consumer Outlook Index rises in February as Canadians feel more positive about the national economy

Job anxiety remains steady at 25 per cent

TORONTO, Ontario, March 01, 2010 — The February *RBC Canadian Consumer Outlook Index* rose three points to 109 from 106 in January, as consumers were more positive about their outlook for the Canadian economy. This is the highest level the index has reached since it was established in November 2009.

Canadians remain divided when considering the overall state of the economy. However, the balance has shifted into positive territory with 53 per cent of Canadians describing the economy as good and 47 per cent describing it as bad in February. In January, 52 per cent described the Canadian economy as bad, while 48 per cent described it as good.

Job anxiety remained relatively steady in February, with one-in-four Canadians (25 per cent) saying that a member of their household is worried about losing their job or being laid off, compared to 26 per cent in January. Job anxiety levels increased in Ontario (30 per cent, up five percentage points) and Atlantic Canada (24 per cent, up six percentage points), while they fell in all other regions of the country. The lowest levels of job anxiety were found in Manitoba and Saskatchewan (13 per cent) and Quebec (17 per cent).

"We know that 21 per cent of Canadians are planning 'staycations' this month, primarily for financial reasons. The continuing high levels of concern about job loss are likely a factor in those financial reasons," said David McKay, group head, Canadian Banking, RBC. "The best way to deal with uncertainty and potential challenges is to create a financial plan. It helps gain control over day to day finances and build a path to financial security in the long run."

Other national highlights include:

- **Canadian Economy:** Looking ahead, more Canadians expect the national economy to improve over the next year (62 per cent in February compared to 56 per cent in January), while the percentage who expect it to get worse fell to 13 per cent in February from 17 per cent in January. This increase in optimism was also reflected in Canadians' short term expectations for improvement in the national economy, which was up four percentage points from January. Four-in-ten (41 per cent) Canadians expect the Canadian economy to improve in the next three months.
- **Personal Financial Situation (Overall):** The percentage of Canadians who think that their personal financial situation will improve in the next three months has fallen slightly to 30 per cent in February compared to 32 per cent in January. Canadians remain more optimistic in the longer term, with more than four-in-ten Canadians (45 per cent) expecting their personal economic situation to improve over the next year (unchanged from January).
- **Interest Rates:** Canadians expect interest rates to go up in the next six months (65 per cent in February compared to 68 per cent in January). One-in-three Canadians (33 per cent) expects that interest rates will remain

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unchanged over the same period.

"Canadians may be feeling more positive about the economy because job growth numbers were released in early February. We expect to see a sustained improvement in the labour market over the course of the year," said Robert Hogue, senior economist, RBC. "According to Statistics Canada, employment increased by 43,000 in January, which pushed the unemployment rate down to 8.3 per cent. While this figure has been steadily improving, there are still 280,000 fewer Canadians employed than there were in October 2008. This could be responsible for Canadians' relatively high level of job anxiety."

About The RBC Canadian Consumer Outlook Index

The *RBC Canadian Consumer Outlook Index*, benchmarked as of November 2009, is based on the results of an online survey of 1,064 Canadians, ages 18 and over, conducted by Ipsos Reid between February 9 and 12, 2010. This data represents the most timely and comprehensive snapshot of consumer attitudes regarding their finances and the economy in Canada. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and a 100 per cent response rate would have an estimated margin of error of ± 3.1 percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled.