



PRESS RELEASE



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Economic confidence growing: RBC Canadian Consumer Outlook Index

Two thirds concerned about rising interest rates

TORONTO, Ontario, July 02, 2010 — Optimism is on the upswing across the country with a majority of Canadians (67 per cent) believing the overall outlook for the economy is good (up from 54 per cent last quarter) and fewer experiencing job anxiety (20 per cent, down seven points from its height last November), according to the June *RBC Canadian Consumer Outlook Index*. Looking ahead, 55 per cent of Canadians believe the national economy will improve over the next 12 months. This is down by two points from March as a result of four regional decreases slightly bucking the overall trend, suggesting that some pockets of concern may linger over the sustainability of the recovery.

The increasing comfort level with the country's economy is just starting to carry over to the home front with marginal improvements in a number of areas. Almost four-in-ten Canadians (37 per cent) indicate they have less money left over after all their bills are paid compared to three months ago (a decline of four points from March) and looking ahead to the next three months, 20 per cent remain concerned that this situation will worsen. In addition, 34 per cent of Canadians feel their own ability to save money for things like retirement or education is slightly better than it was three months ago (down five points from last quarter).

Two-in-three Canadians (67 per cent) indicate they are concerned about rising interest rates and 84 per cent expect to see increases over the next six months (a 15 percentage point increase from March). Overall, the June *RBC Canadian Consumer Outlook Index* remained flat at 108 points from last quarter.

"It's great to see Canadians' confidence in the economy rebounding and certainly economic forecasts support that trend," said Lee Anne Davies, head, Retirement Strategies, RBC. "Increasing interest rates affect all of us through our savings, investments and debt. This is an opportunity to review your financial situation to determine if things have changed and make any adjustments to ensure you are on track."

Other national highlights include:

- **Job Anxiety:** There is a slight decline in job anxiety with one-in-five Canadians (20 per cent) saying that a member of their household is worried about losing their job or being laid off, down from 22 per cent in March. Job anxiety levels decreased across a majority of regions, with the biggest drop in Atlantic Canada (13 per cent, down 11 percentage points from March). The only increases were in Manitoba and Saskatchewan (16 per cent, up five percentage points) and Ontario (22 per cent, up two percentage points).
- **Personal Financial Situation (Overall):** The percentage of Canadians who think that their personal financial situation will improve in the next three months has dropped to 27 per cent in June, compared to 33 per cent in March. Looking ahead, 42 per cent of Canadians expect their personal economic situation to improve over the next year, slightly lower than the previous measure (44 per cent).

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With increases in consumer, housing and government spending, Canada's economy is on track for solid GDP growth of 3.6 per cent in 2010," said Paul Ferley, assistant chief economist, RBC. "Looking ahead, continued strong domestic demand and positive signs in the job market indicate that the recovery will continue in the near term."

Whether Canadians want to borrow with confidence, get more from their everyday banking, protect what's important, save and invest or take care of their businesses, the RBC Advice Centre www.rbcadvicecentre.com can help answer their questions. Advice videos are updated regularly to reflect current trends and to answer the questions that are top of mind with Canadians. Interactive tools and calculators provide customized information covering many facets of personal finance. With the guidance of RBC advisors who are available to chat live, Canadians have access to free, no-obligation professional advice about RBC products and services and personalized one-on-one service.

About The RBC Canadian Consumer Outlook Index

The *RBC Canadian Consumer Outlook Index*, benchmarked as of November 2009, is conducted online via Ipsos Reid's national I-Say Consumer Panel to 3,229 Canadians (499 British Columbia, 450 Alberta, 453 Saskatchewan/Manitoba, 827 Ontario, 544 Quebec, 455 Atlantic Canada). 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. Data collection was June 1-8, 2010. 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 ± 1.7 percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled.