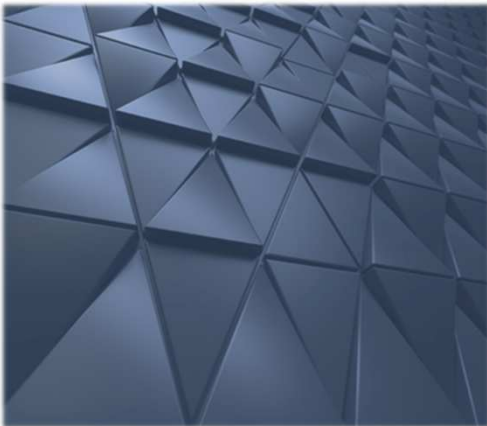


Survey on the Cost of Living in Canada September 2022





Introduction



This report presents some selected findings from our survey on how the Canadian public view the economy, their financial situation and the cost of living.

The survey ran from September 1 to 22, 2022 and had a total sample size of 1,007 Canadian adults.

The survey data have a margin of error of +/- 3.1 percentage points at a 95% confidence interval.

Survey data have been weighted by age, gender, and region using population data from the 2021 Statistics Canada Census.



Economic and Household Financial Outlook



Canadians' general outlook on the economy and household finances is quite gloomy.

- › Fewer than a third think the Canadian economy is in good shape and most think it will get worse over the next twelve months.
- › Large majorities see increases in inflation, interest rates and rents looming.
- › Canadians are struggling to keep up.
- › Just half of Canadians think their household finances are in good shape and fewer than 1 in 5 think they will improve over the next 12 months.

Although 50% of Canadians see inflation as the biggest risk to their household financial well-being, a nearly equal number saw the lack of competition in Canada as a threat.

Only a third of Canadians saw a recession, household debt and interest rates as risks and less than a quarter saw the real estate market as a threat.

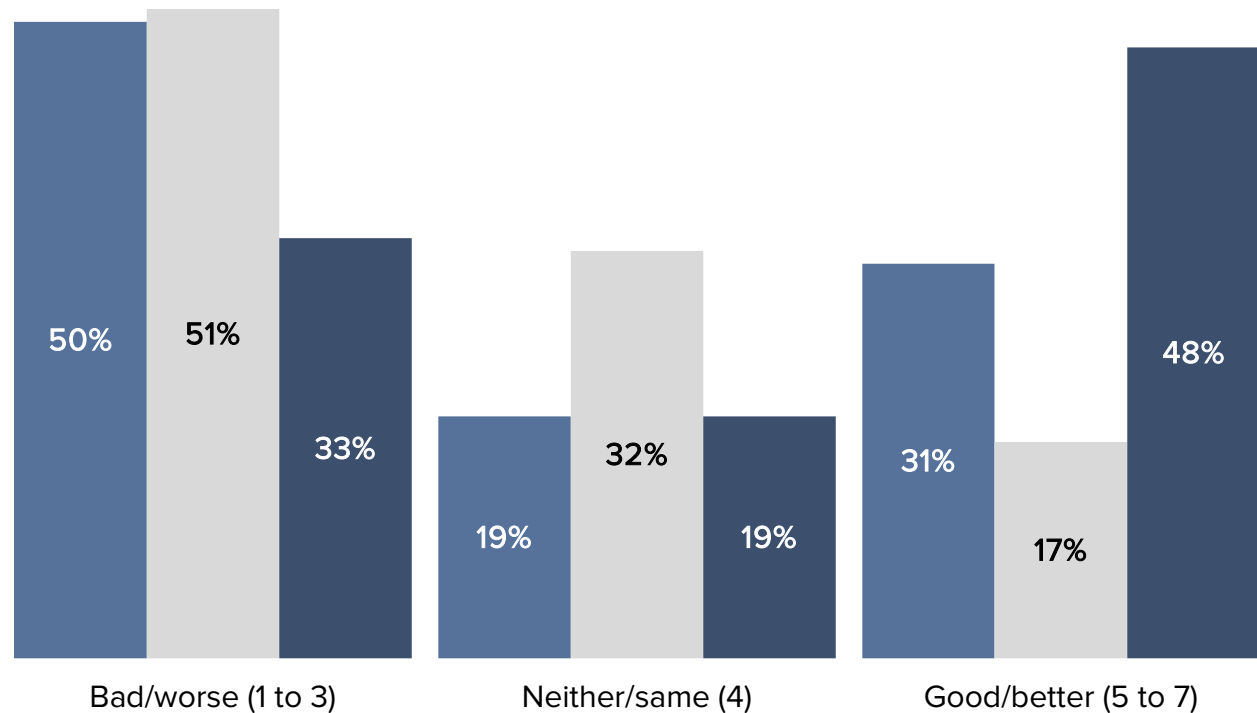
Health of Canadian Economy

- › The view of the health of the economy is gloomy with half the population saying it is bad now and less than 20% saying it will improve over the next 12 months
- › That said, nearly half of Canadians felt that the situation would improve over the next 5 years



Q1: How would you rate the current health of the Canadian economy?
Q2: What do you think will be the general outlook for the Canadian economy over the next ... 12 months/5 years?

■ Today ■ Next 12 months ■ Next 5 years



Canadian adults (September 2022 n=1,007)

Modus Research Inc. © 2022

The next 12 months

- › The vast majority of Canadians expect the overall cost of living , interest rates, and rental prices to increase over the next 12 months
- › However, opinion is polarized on real estate prices and equally divided on the Canadian GDP



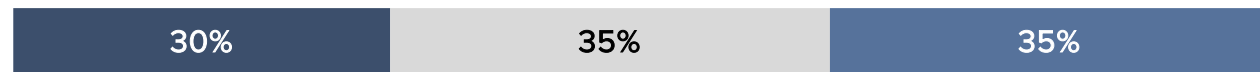
In your opinion, do you think each of the following will increase or decrease over the next 12 months?

■ Decrease (1-3)

■ Stay the same(4)

■ Increase (5-7)

The Canadian GDP (or overall economic output)



Canadian residential real estate prices



Canadian residential rental prices



Interest rates



The cost of living in Canada



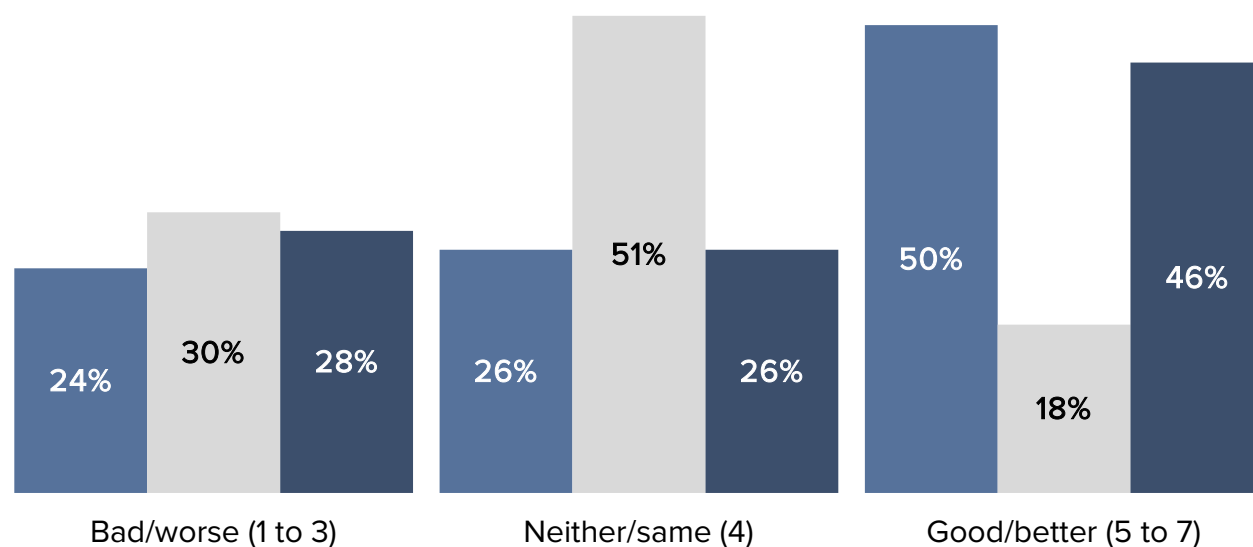
State of Household Finances

- › Although half the population think their finances are in good shape today, the number who think they will be worse off in 12 months outnumbers those who think they will be better off by almost 2:1
- › A quarter or more of Canadians think their finances are in bad state and will get worse in 12 months and five years
- › That said, about 50% of Canadians think things will improve over the next 5 years



Q1: How would you rate the current state of your household's finances?
Q2: Compared to today, what do you think will be the general outlook for your household's finances over the next ... 12 months/5 years?

■ Today ■ Next 12 months ■ Next 5 years



Canadian adults (September 2022 n=1,007)

Modus Research Inc. © 2022

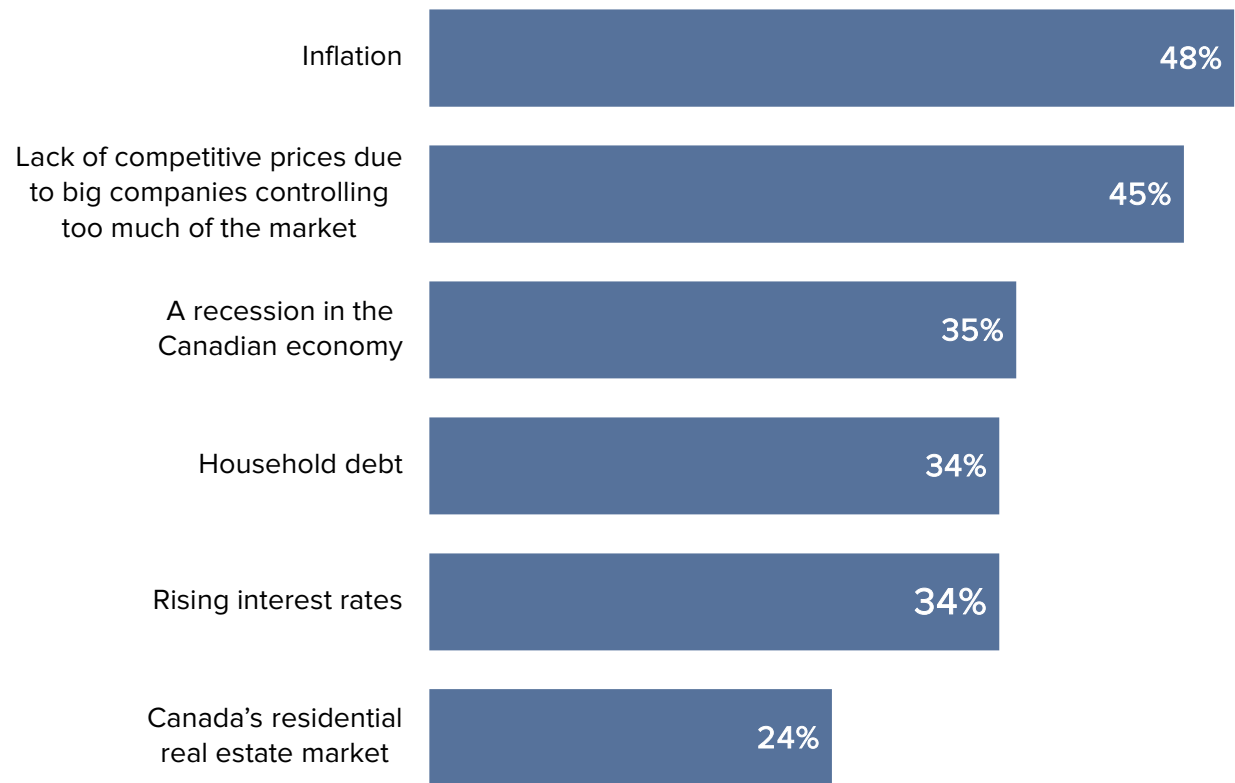
Risks to Financial Well Being

- › Not surprisingly, inflation is seen as a big risk to their financial well-being over the next 12 months by nearly half of Canadians
- › Perhaps more surprisingly, lack of competition in Canada is seen as a risk by almost an equal number
- › A recession, debt, and interest rates are each rated as a risk by about one-third of Canadians
- › Only one quarter see the residential real estate market as a risk



How would you rate each of the following in terms of risks to your financial well-being over the next 12 months?

Percentages saying high risk (6 or 7 on 7 pt. scale)





Inflation and the Cost of Living



Almost two-thirds of Canadians have experienced a large increase in the cost of living over the last 12 months and almost nobody has not felt it to some extent.

Fully 6 in 10 say they can't keep up with the cost of living and more than 8 in 10 say that it's getting harder to make ends meet.

Over a quarter say the increased cost of living has had a strongly negative impact on their household's financial well-being.

The survey reveals alarming levels of cuts by Canadians to critical household expenditures.

About 1 in 5 have cut greatly their expenditures on:

- › Food
- › Clothing
- › Personal care
- › Transportation

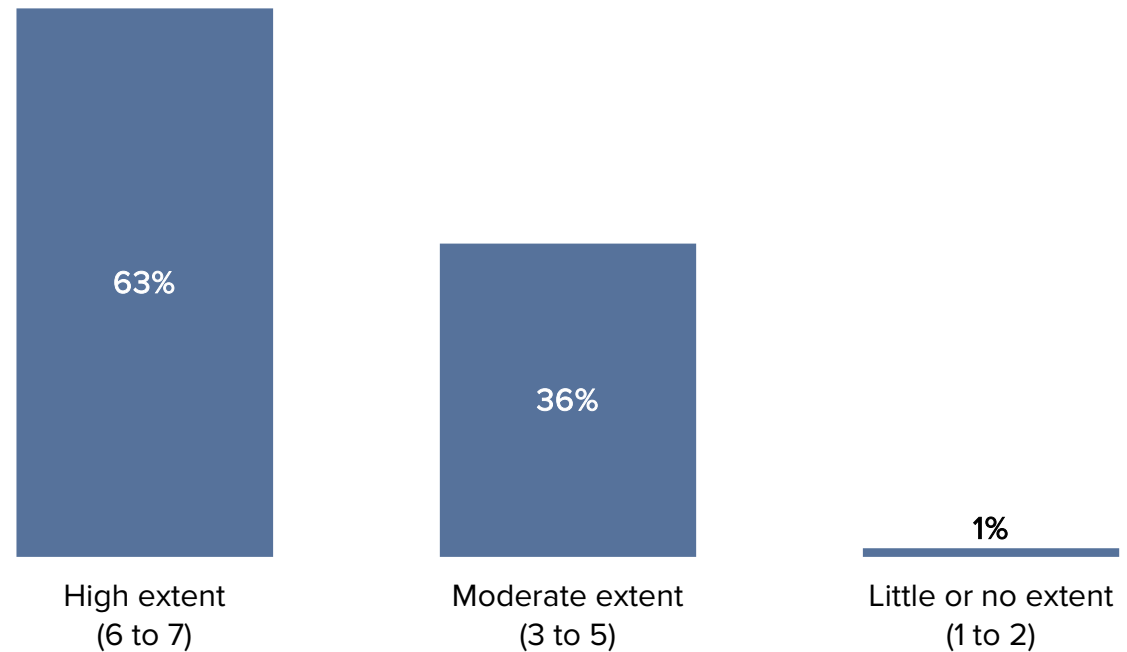
Over two-thirds have been cutting back on travel, entertainment and savings.

Cost of Living I

- › Almost two-thirds of Canadians have experienced a large increase in the cost of living over the last 12 months
- › Only 1% experienced it to little or no extent



Over the past 12 months, to what extent has your household experienced an increase in the overall cost of living (please consider all expenses such as housing, food, entertainment, communications, transportation, financing/credit, insurance, travel, personal care, clothing, etc.)?



Cost of Living II

- › A majority of Canadians say they cannot keep up with the cost of living and over 80% say that it is getting harder to make ends meet



How strongly do you agree or disagree with the following statements?

■ Disagree (1-3)

■ Neither (4)

■ Agree (5-7)

I can't keep up with the cost of living



It's getting harder to make ends meet

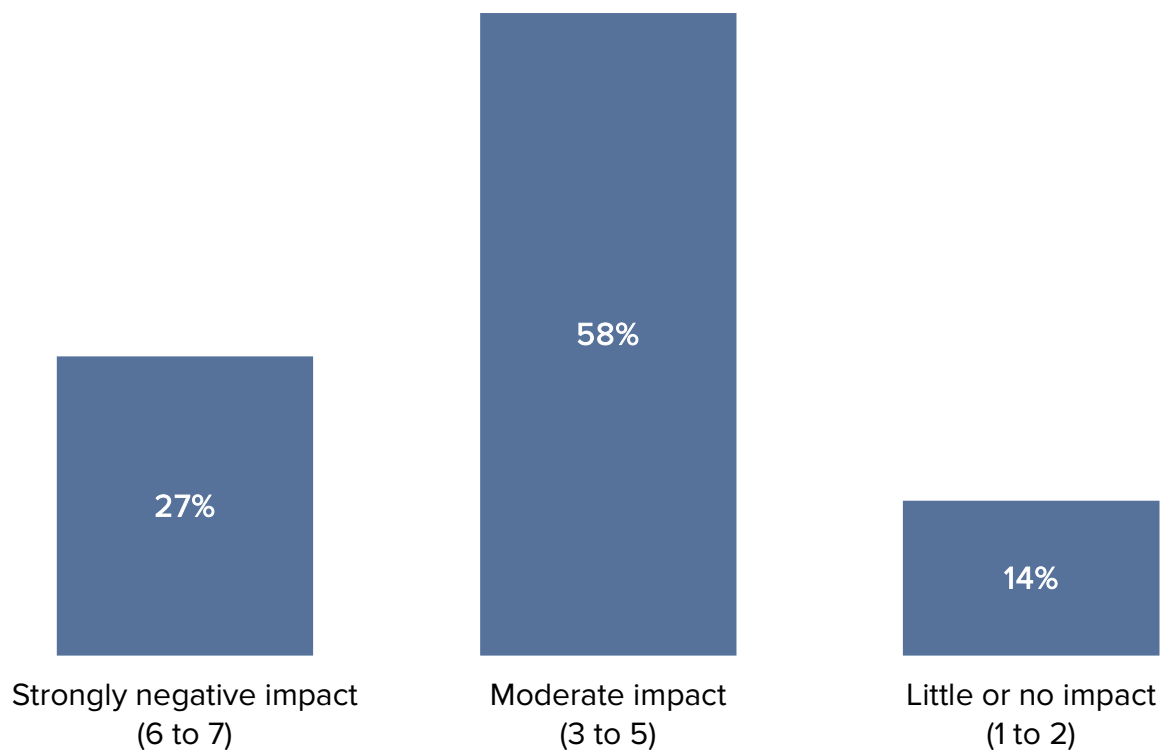


Impact of Increased Cost of Living

- › Over a quarter of Canadians say the increased cost of living has had a strongly negative impact on their household's financial well-being.



To what extent, if at all, has an increase in the cost of living over the past year had **a negative impact** your household's financial well being?

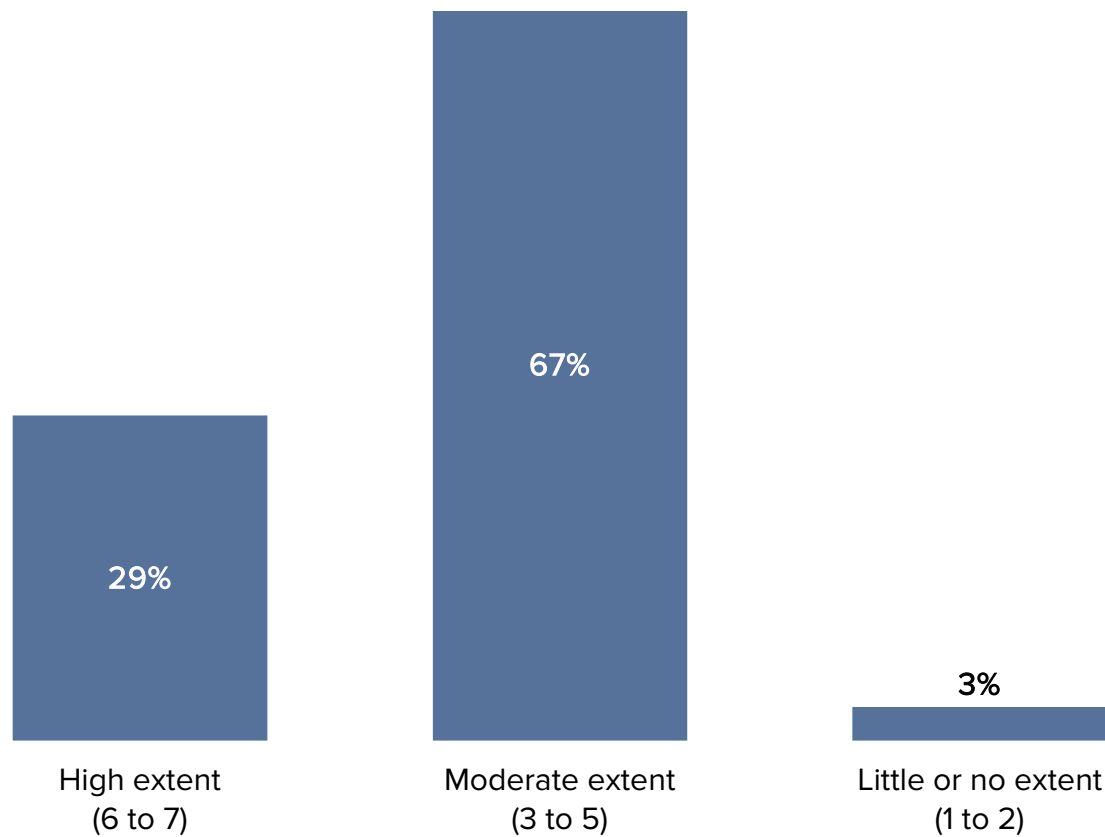


Cost of Living over the next 12 Months

- › Canadians expect the situation to get worse over the next 12 months with very few saying that the cost of living will only increase to a small extent



Over the next 12 months, to what extent do you expect the cost of living to increase for your household?

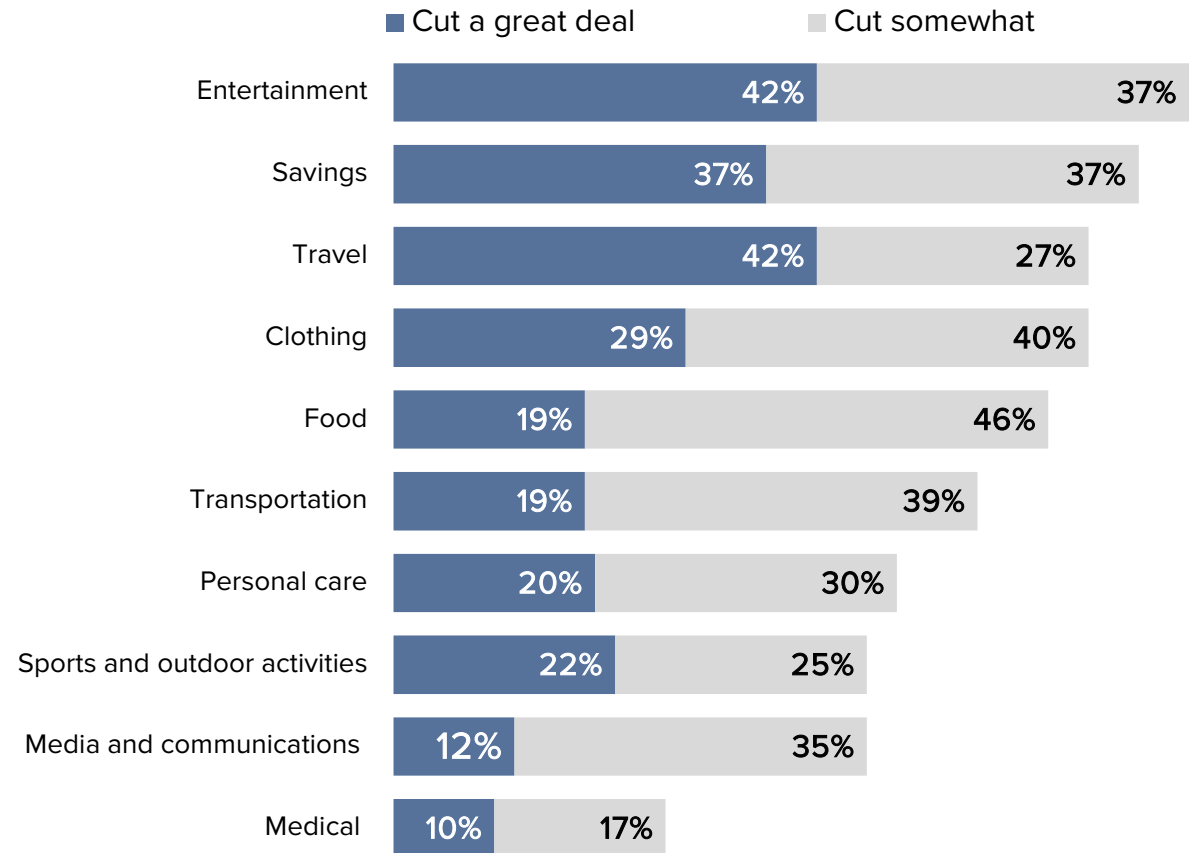


Cutbacks in Spending

- › About 1 in 5 have cut greatly their expenditures on:
 - Food
 - Clothing
 - Personal care
 - Transportation
- › Over two-thirds cut back on travel, entertainment and savings.



Over the past year, has the increase in the cost of living caused your household to cut back on any of the following items?



Additional Debt

- › Over 40% of Canadians have taken on some additional debt over the last 12 months and nearly 10% say they have taken on a great deal



Over the past year, has your household taken on additional debt over the previous year to cover increases in the cost of living?

Yes, a small amount
of additional debt

21%

Yes, a moderate
amount
of additional debt

14%

Yes, a great deal
of additional debt

7%

No

59%



Real answers from real people