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Canadian Confidence Index

a TNS Canadian Facts News Release

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Confidence falling...

Though consumers continue to be quite positive about the economy in Canada, there have now been significant consecutive declines in the *Consumer Confidence Indices*. The pattern of the drops suggests that Canadians are becoming more concerned now about the strength of the economy.

Consumer concern may be justified. The talk of recession in the United States, where the serious implications of the sub-prime mortgage crisis are becoming more apparent, has heated up and stock markets have fallen in Canada and abroad in the wake of the bad news emanating from the United States.



National Results

January 2008 – Confidence Faltering?

RESULTS

The *Consumer Confidence Index*, which captures all the variables, now stands at 103.7. Consumer confidence continues to retreat from the three-year high of 109.0 recorded just two months ago.

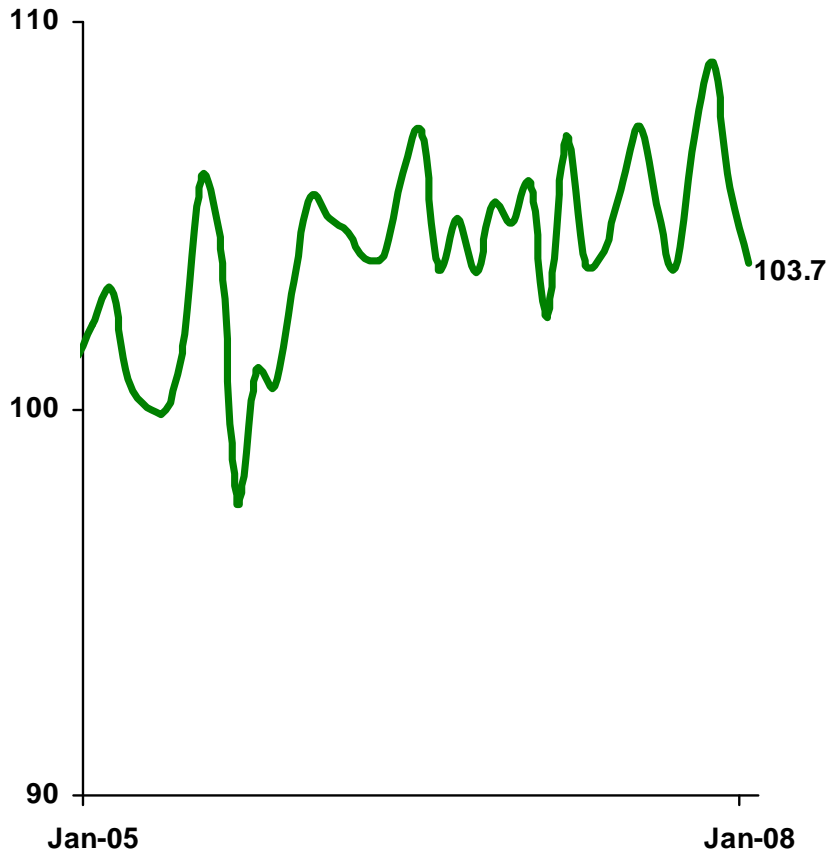
The *Present Situation Index*, which captures evaluations of the overall state of the economy and the employment situation, now stands at 114.7 (down from 118.9 in December). This is the lowest level the index has reached since May 2007.

No more is the decline in confidence more apparent than when it comes to thinking about the future. The *Expectations Index*, which measures consumers' estimation of the economy, household income and employment in six months, declined for the second consecutive month. The index value is now 98.5. Optimists—those who think the economy will get better—are now outnumbered by pessimists (20% versus 27%).

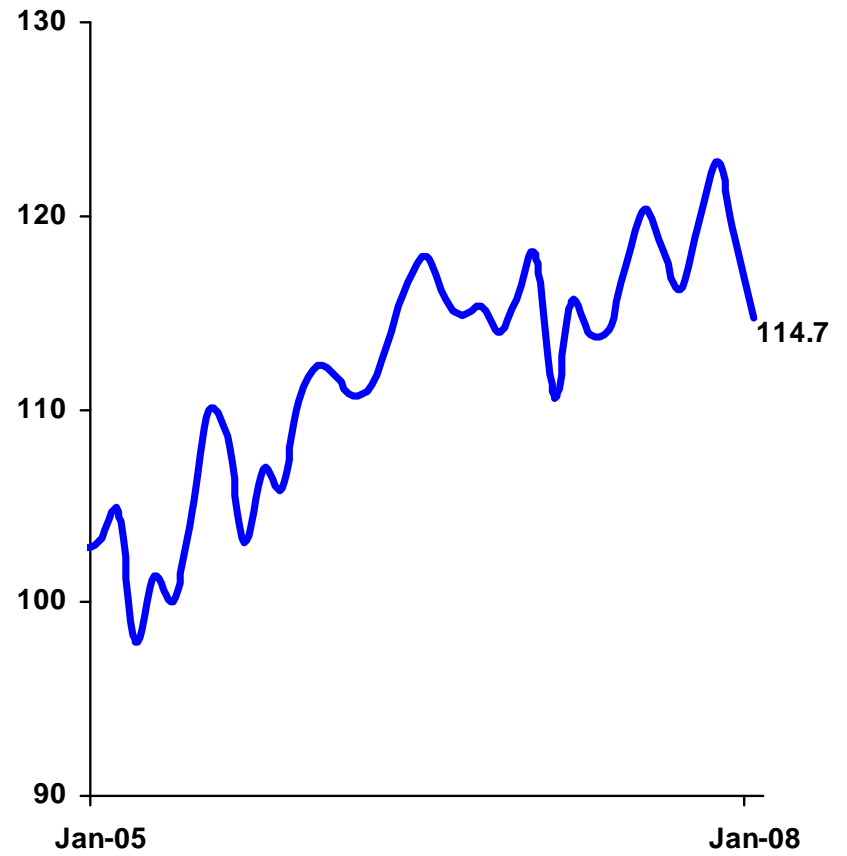
The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, is the only measure that is stable. This index now sits at 94.3 (up slightly from 93.5 in December).



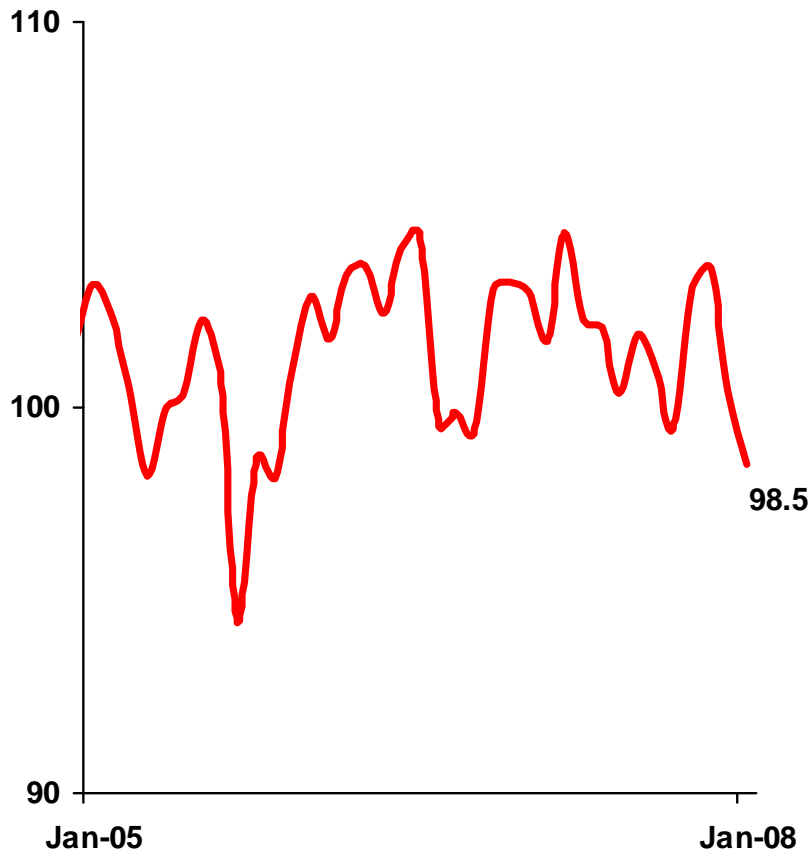
Consumer Confidence Index



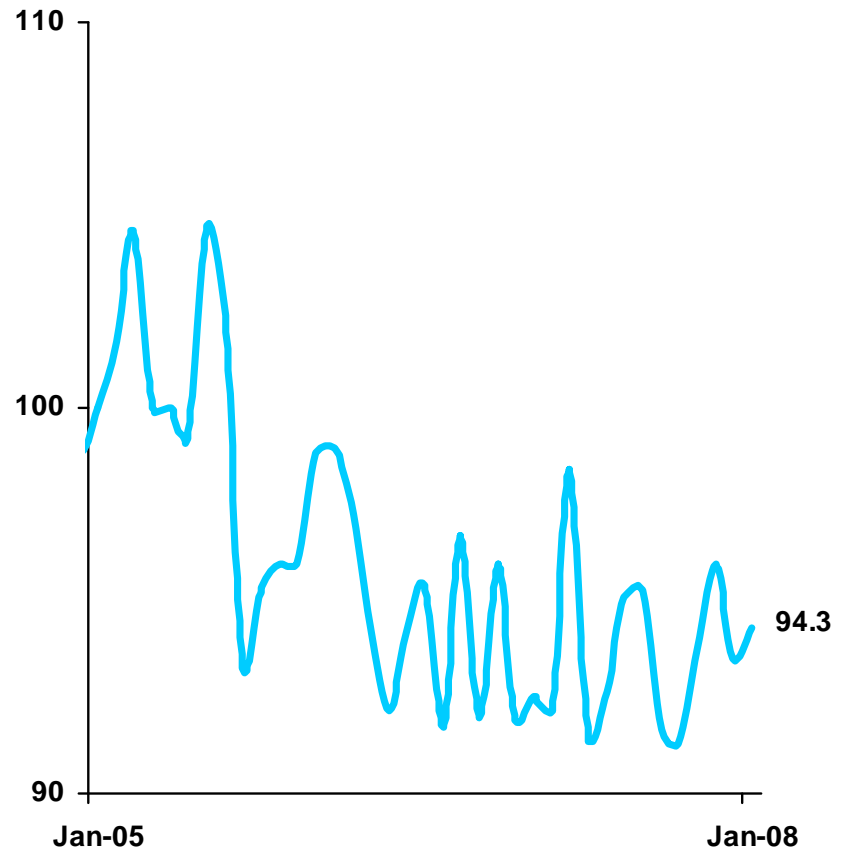
Present Situation Index



Expectations Index



Buy Index



About the CCI study

Seven questions make up the core survey of Consumer Confidence. While the overall CCI index uses all 7 questions to produce an index score, there are three sub-indices that rely on some of the questions.

CCI Index: Includes all 6 variables

Present Situation Index:

- How would you describe your country's current economic situation?
- How would you describe your country's current employment situation?

Expectations Index:

- What do you think will be your country's economic situation in the next 6 months?
- What do you think will be your country's employment situation in the next 6 months?
- What do you think your income will be in 6 months time?

Buy Index:

- Taking into consideration the cost of things today and the financial situation in general, to what extent would you say that now is a good or bad time to buy products such as: a house or apartment, a car, household appliances such as a washing machine, a refrigerator, a TV set etc.?



About Dr. Richard Jenkins

An accomplished researcher, Dr. Jenkins is responsible for TNS Canadian Facts' public sector research. This includes traditional public opinion and market research as well as all research conducted by the Social and Policy Research Group at TNS. He is also the primary spokesperson for TNS Canadian Facts for news interviews and analysis of recent trends in public opinion and market behaviour.

Dr. Jenkins has more than nine years of experience, derived from both academic and private sector experience, as a researcher of public opinion and public policy. He has published articles in a number of respected peer-reviewed journals, including the *Canadian Journal of Political Science*, and chapters in a number of edited books, including the *State of the Federation* (2001) and the *Review of Economic Performance and Social Progress* (2002) and continues to contribute to our collective understanding of politics through his recent publications on turnout and attitudes about democracy.

Dr. Jenkins holds Honours and Masters degrees in Political Studies from Queen's University and a Doctoral degree in Political Science from the University of British Columbia. His academic training focused on public opinion (including both methodological and substantive issues), public policy and Canadian politics. Before joining TNS Canadian Facts, Dr. Jenkins spent two years at EKOS Research Associates and two years as an Assistant Professor in Political Studies at Queen's University, where he taught Canadian politics, democracy and election, and statistics. He is a member of MRIA and a number of professional associations devoted to the study of public opinion and politics.

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