

NOT FOR RELEASE UNTIL 6:59 AM EST THURSDAY, DECEMBER 11, 2008

## CANADIAN ECONOMY STUMBLING: SURVEY

### Consumers remain cautious and expect to curtail spending this holiday season

**TORONTO, December 11, 2008** – The latest results from TNS Canadian Facts' *Consumer Confidence Index* point to the emergence of a pessimistic consumer after years of healthy optimism. The overall *Consumer Confidence Index* now stands at 83.0 compared with 95.6 last month. To put this in perspective, the Index reached 105.7 last December.

"With confidence falling, the political gamesmanship in Ottawa is clearly an unnecessary sideshow to the real story of consumers who have become very concerned about their economic future," said Richard Jenkins, vice-president of TNS Canadian Facts and director of the marketing research firm's monthly tracking study.

The *Present Situation Index*, which captures evaluations of the overall state of the economy and the employment situation, stands at 84.3, which is down from 103.0 last month. Only 16 per cent of Canadians think the current economy is at least fairly good.

The *Expectations Index*, which measures consumers' estimation of the economy, household income and employment in the next six months, also plummeted to depths not seen in the four and a half years that TNS Canadian Facts has been conducting the study. The index fell to 80.4 from 93.2 last month.

The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, is the index that faltered the least. The index now sits at 84.1 compared with 88.1 in November.

The survey also found that Canadians plan to spend \$956 on holiday gifts, decorations or other holiday items this season. This is only slightly lower than December of last year (the estimate was \$961). The lower levels of confidence are, however, finding expression in how consumers are thinking about their holiday spending. More than four times as many consumers expect to spend less this holiday season (36%) as plan to spend more (8%) than they did last year.

“It will be difficult for the Canadian economy to weather the current global economic climate if consumers restrain spending in the face of both real and imagined economic problems,” added Jenkins.

*Consumer Confidence Index* tracks Canadians' attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries. Three indices are produced each month to show how confidence in the economy is changing: *Present Situation Index*; an *Expectations Index*; and a *Buy Index*. The Canadian fieldwork is conducted using the firm's national bi-weekly telephone omnibus service, TNS Express Telephone. A total of 1,015 nationally representative Canadian adults were interviewed between December 1 and 4, 2008. For a survey sample this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20.

TNS Canadian Facts ([www.tns-cf.com](http://www.tns-cf.com)) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

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