

## **CONFIDENCE IN THE DOLDRUMS: SURVEY**

### **Pessimism still reigns in post-holiday season**

**TORONTO, January 22, 2009** – Canadians continue to hold a negative outlook on the economy according to the latest results from TNS Canadian Facts' *Consumer Confidence Index*. The overall *Consumer Confidence Index* now stands at 83.5, which is up marginally from 83.0 last month. A year ago, the Index stood at 103.7.

“With pessimism about the economy dominating the consumer outlook, the federal government will be under considerable pressure to deliver a meaningful stimulus plan in next week’s budget,” 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 79.3, setting a new low in the four and a half years that TNS has been conducting the study. The Index is down from the previous low of 84.3, which was recorded just last month. Only 19 per cent of Canadians think the current economy is at least fairly good. Last year at this time, 58 per cent held this view.

The *Expectations Index*, which measures consumers’ estimation of the economy, household income and employment in the next six months, rose slightly to recover a portion of the loss recorded between November and December. The index now stands at 84.1, up from 80.4 last month, but still down considerably from November’s reading of 93.2.

The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, also improved slightly. The index now sits at 88.5 compared with 84.1 in December.

“While it is encouraging to see slight improvements in Canadians’ expectations for the future, and in their assessment of the economic climate for buying big-ticket items, the deepening pessimism about the present will likely dominate consumer spending decisions for the short term,” added Jenkins.

The survey also found that Canadians reported spending less this past holiday season than in previous years. While half (51%) say that they spent about the same amount on holiday-related purchases in 2008 as they did during the 2007 holiday season, 34 per cent say they spent less in 2008, and only 14 per cent say they spent more.

*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 1,014 nationally representative Canadian adults were interviewed between January 12 and 15, 2009. 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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