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**CONFIDENCE FLAT AS CANADIANS SPEND LESS THIS HOLIDAY SEASON: SURVEY
CONSUMERS REMAIN CONFLICTED ABOUT THE ECONOMY**

TORONTO, December 17, 2009 – The latest results from TNS Canadian Facts' *Consumer Confidence Index* and holiday spending estimates suggest that Canadians remain concerned about the current economic situation but are more positive about the future. Although the overall index bobbed up to 97.2 – up 1.7 points from last month's 95.5 – this year is still projected to be the lowest-spending holiday season since 2005.

"The confidence numbers are up a bit from last month, but essentially they're flat. And while Canadians are hopeful when it comes to the state of the economy six months from now, they are planning to rein in their holiday spending this year. Of course, that's bad news for our sales-eager retailers and for kids who might wonder whether Santa put them on his naughty list," said Dr. Michael Antecol, vice-president of TNS Canadian Facts and director of the marketing research firm's monthly tracking study.

On the negative side, the *Present Situation Index*, which captures evaluations of the overall state of the current economic and employment situations, went up 1.8 points to finish at 84.0 but it lags October's 85.5 and is well off of the historical high of 123.0. Consistent with this drab finding are the results of TNS's yearly holiday spending questions. Mirroring our November results, just under six in 10 Canadians continue to say they plan to spend the same amount as they did last year, about one-third of Canadians plan to spend less, and just nine per cent plan to spend more on gifts this year. Average spend will be down over \$275 from its 2006 high of \$1,056.

The remaining two indices fill the positive side of the ledger. The *Expectations Index*, which measures consumers' estimation of the economy, household income and employment in the next six months, inched up 0.2 points to 109.4. And the *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, broke its three-month trend, rising to 102.6 from November's 99.6, perhaps reflecting the Bank of Canada's recent announcement reaffirming that it does not plan to raise interest rates until mid-2010. Both of these indices are at or near historical highs and both have maintained their high levels since March while the *Present Situation Index* has stayed in the doldrums.

"When you put all this together it is clear that when Canadians think about their own current situations they are still quite negative although they remain hopeful for the future. Even if they are not prepared to make major purchases themselves, Canadians nonetheless believe that, with interest rates at historic lows, conditions are good for consumers to buy big ticket items. Regardless of how the future unfolds, though, it is clear that with more Canadians spending less and with fewer Canadians spending more, this is unlikely to be a bonanza holiday season for Canadian retailers," added Dr. Antecol.

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 7 and 10, 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) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

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