



Deloitte State of the Consumer Tracker

Highlights: CANADA

February 1, 2023 (Wave 39)

Overall, the percentage of Canadians feeling more anxious on a week-over-week basis is holding steady at 33%, but it remains on an upward trajectory for 18-34 -year olds. Concern over personal finances and the direction of the economy still loom large for many people.

% of Canadians concerned about...

Making upcoming payments

19% →

Credit card debt

22% ↓

Level of savings

49% ↑

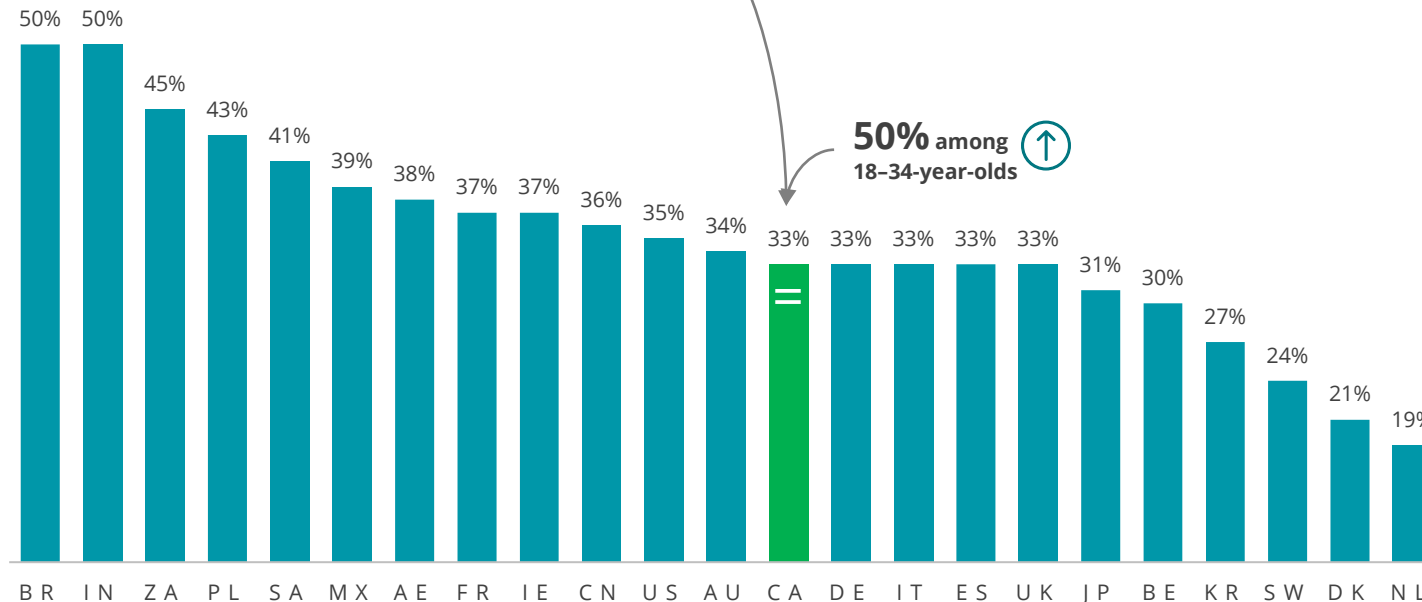
% agree that financial situation has worsened in last year

38% ↓

Percent of survey respondents feeling more anxious than last week (% agree/strongly agree)

Top drivers of anxiety (% of respondents):

- My personal financial situation (43%)
- Direction of the economy (36%)
- My health (31%)
- Personal family matters (26%)
- My job or employment situation (25%)

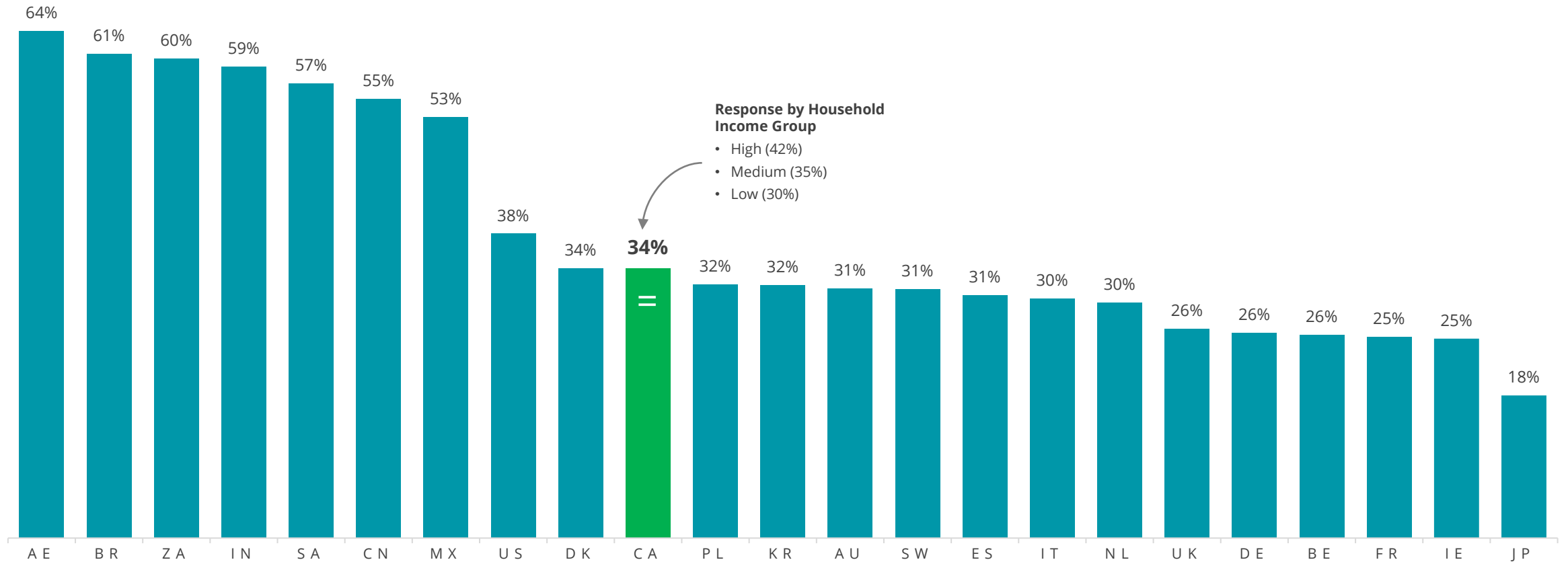


Where we are...

- Pressure on global supply chains is easing somewhat, with moderating energy prices in many markets.
- Shift to EVs resulting in significant investment in raw material extraction, processing, and battery manufacturing, but speed to market is critical for long-term success.
- Many companies rethinking global supply chain strategy, shifting focus to re/near-shoring critical manufacturing and raw material supply.
- Resilient employment environment keeping the risk of recession at bay for now, with BoC eager to understand full impact of interest rate hikes.
- Inflation may be easing but many consumers are still struggling to absorb a higher cost of living as wages fail to keep pace – risk to overall spending remains.

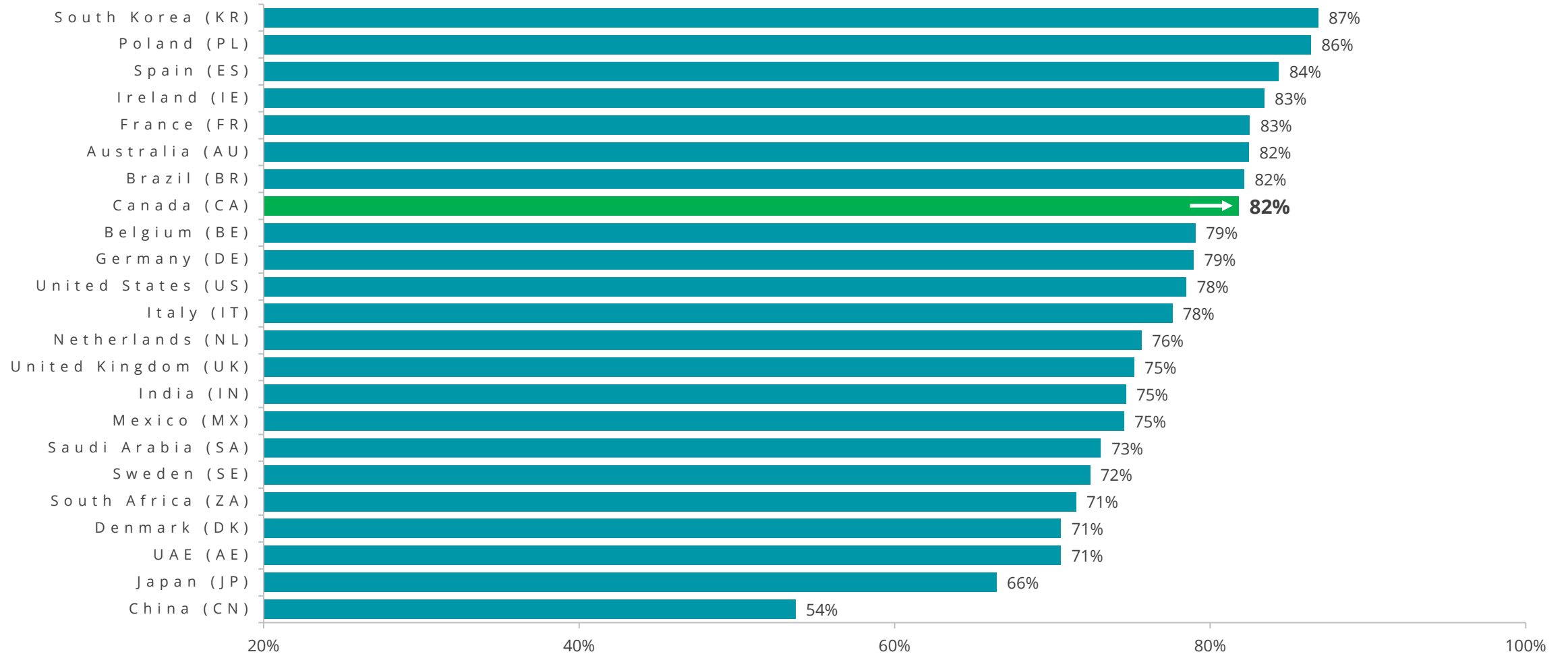
Only 1 in 3 Canadians expect their financial situation to improve over the next 12 months (even with last release), signaling a potential softening in consumer spending intent going forward.

Percent of survey respondents that expect their financial situation to improve in the next year



The cost of everyday items (particularly groceries) remains elevated even as overall inflation begins to ease, leaving the majority of consumers concerned about their day-to-day finances.

Percent of survey respondents concerned about rising prices for everyday purchases



Canadians who believe their financial situation has worsened in the past year are having to make very different choices regarding their monthly expenditures as they flex the share of wallet that savings and entertainment represents in order to compensate for the rising cost of housing.

Share of wallet (consumer spending intentions over the next 4 weeks)

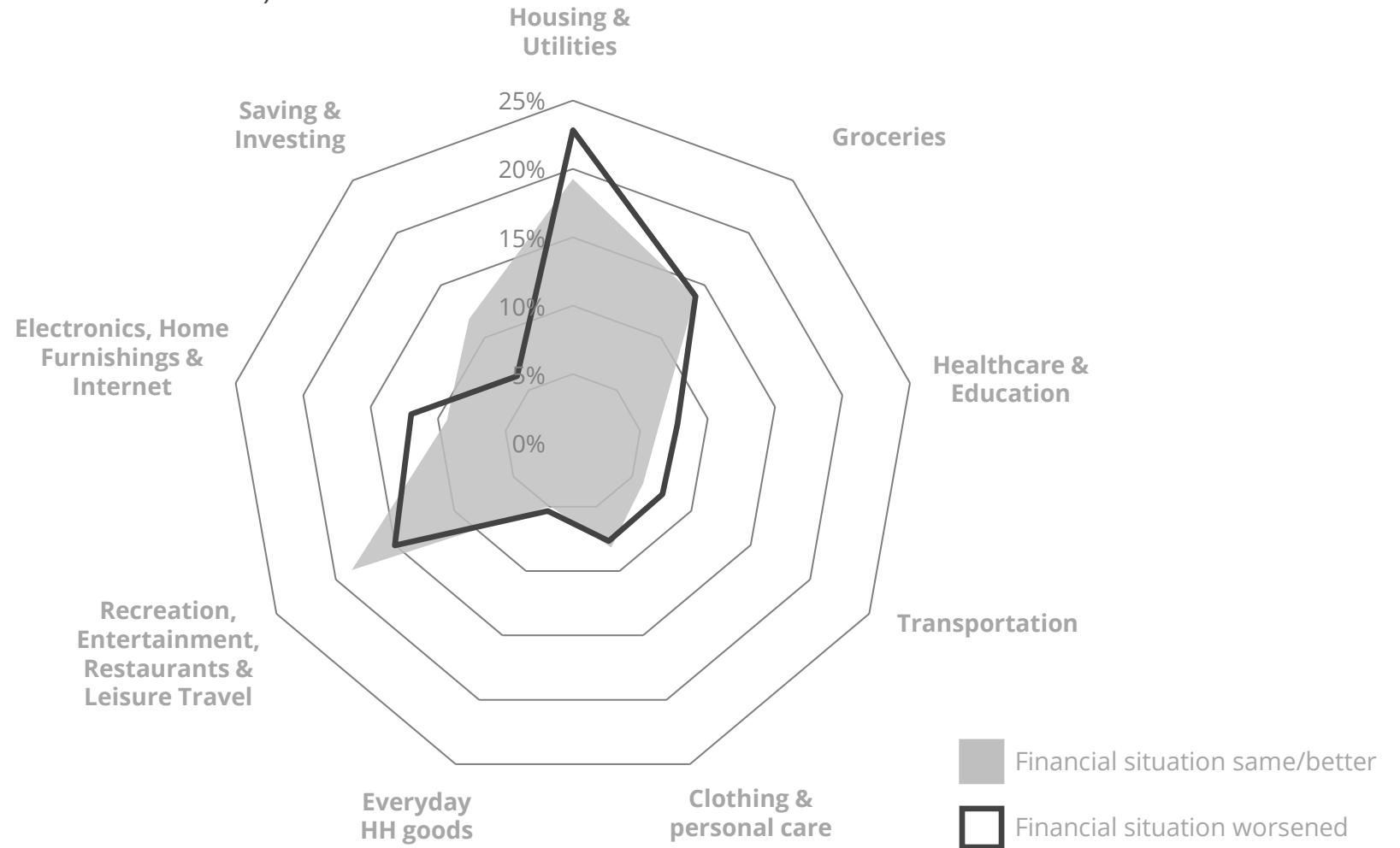
Canadian consumer view...

43% → of consumers are not intending to pay down any accumulated debt over the next month

15% ↑ of Canadians report being very likely to take an international flight in the next 3 months

33% → of consumers say they would not be able to afford a major unexpected expense in the next 3 months

41% → of Canadians (i.e., less than half) feel they are progressing toward their financial goals



Impact of rising prices on shopping behaviour

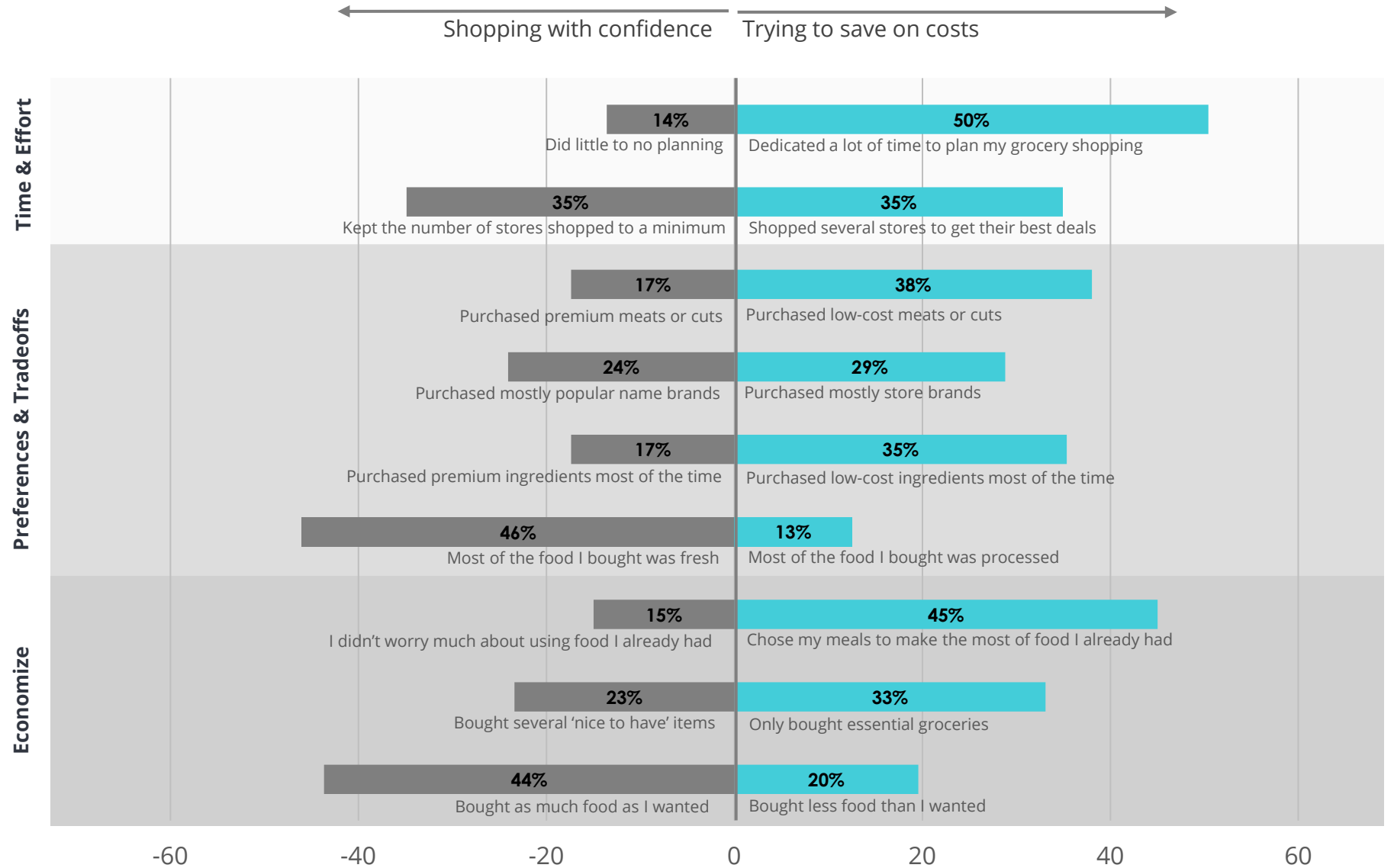
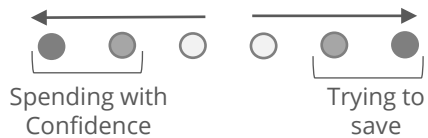
When it comes to shopping for groceries, people are planning more, buying lower cost ingredients and choosing meals that make the most of the food they already have.

45% of consumers made 3-6 trips to shop for groceries in the past 2 weeks

Methodology

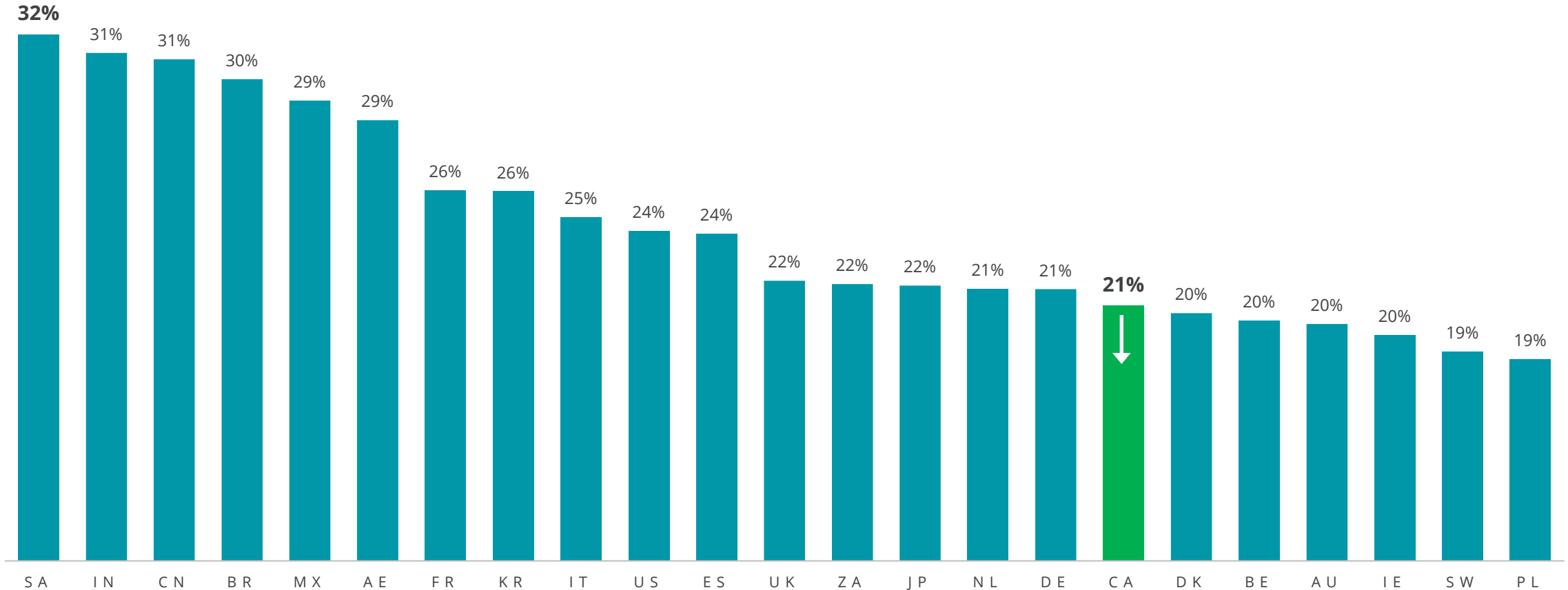
Paired, opposing statements (6-point scale)

Example:



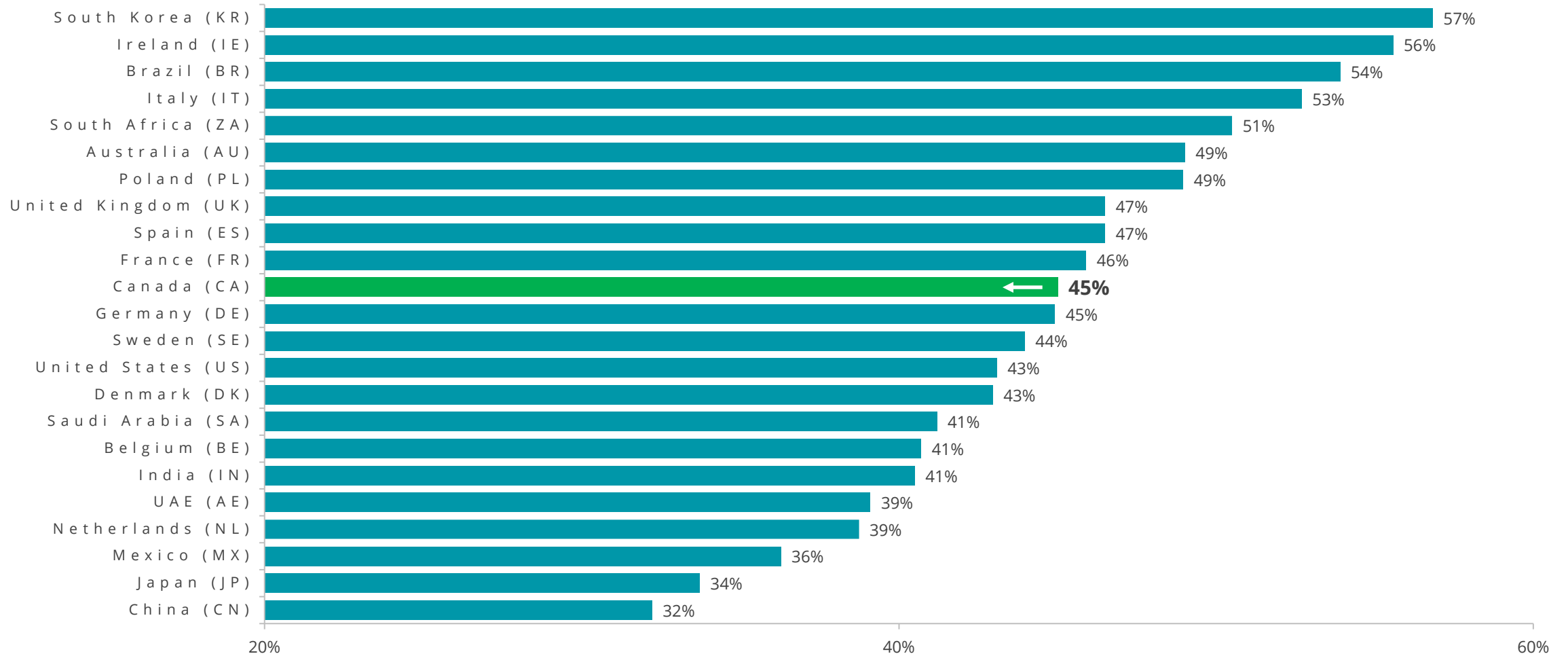
Spending on discretionary items represents less than a quarter of Canadian consumer purchasing intent over the next four weeks as people become increasingly focused on making ends meet.

Discretionary spending intent as a percentage of total consumer expenditure (next 4 weeks)



Interest rate hikes may be working to slow the economy as nearly half of Canadians are thinking about delaying a large purchase in the face of deteriorating affordability.

Percent of survey respondents delaying large purchases





CONTACT

Ryan Robinson

Consumer Research Leader

Deloitte LLP

ryanrobinson@deloitte.ca

Study methodology

- Field timing: January 26 – February 01 (Wave 39)
- Online panel (age 18+) with a minimum sample size of 1,000 consumers per country
- Margin of error $\pm 3\%$
- Responses are weighted at the country level according to publicly available age and income profiles

This presentation contains general information only and Deloitte is not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this presentation.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2023 Deloitte Development LLC. All rights reserved.

For more data and insights,
please click [here](#) or scan the
code with your smartphone

