

April 23, 2008

Many expect U.S. Recession will be strongly felt in Canada

A new survey by Phoenix SPI finds that a large majority of Canadians expect the economic recession in the United States to have a significant negative impact on Canada's economy. However, few plan on changing their spending habits in the face of the upcoming economic downturn.

Key Findings

- A strong majority of Canadians (81%) think that the impending economic recession in the United States will have a negative impact on Canada's economy, of which 38% expect a *strongly felt* impact. Only 14% think that Canada's economy will not be impacted.
- Residents of Ontario are more likely than Western Canadians to expect a strongly felt impact on Canada's economy (42% vs. 32%). However, it is worth noting that the proportion of those who did not expect any impact at all was relatively uniform across the regions.
- Canadians 55 years of age and older (87%), university graduates (88%), and those with household incomes of more than \$40,000 (87%) are all more likely to think that the U.S. recession would have an impact on Canada's economy.
- Still, the majority of those who expect Canada's economy to feel the effects of the economic downturn in the United States (60%) have no plans on changing their spending habits. Conversely, one in five Canadians (21%) have already changed their spending habits, while another 16% plan to do so.
- Of those who expect an economic downturn, Atlantic Canadians are the most likely to have no plans to change their spending habits (70%).
- Compared to both younger and older age groups, Canadians aged 35 to 54 are the most likely to have already changed their spending habits (25% vs. 17-19%).
- On the other hand, university graduates (71%) were much more likely than Canadians without a university degree (55%) to indicate that they have no plans on changing their spending habits even though they expect the impending U.S. recession to have an impact on Canada's economy.

Phoenix SPI is an Ottawa-based, non-partisan public opinion research firm. Established in 2003, Phoenix has become one of the top suppliers of public opinion research to the Government of Canada.

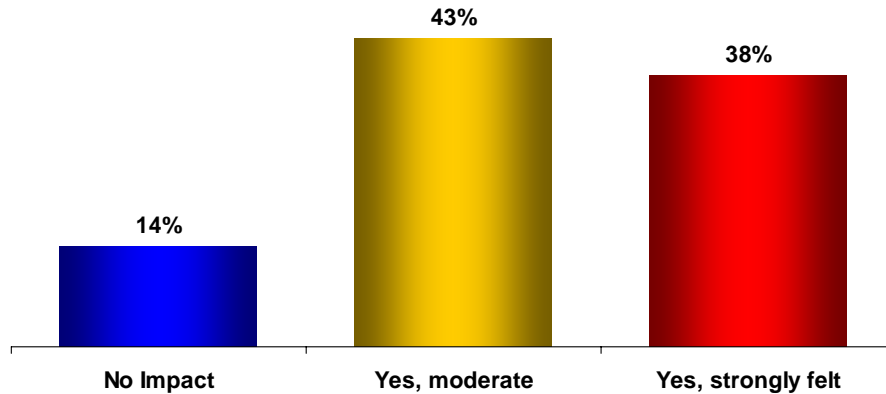
Methodology

- The findings presented above are based on a telephone survey conducted April 8-12, 2008, with a random sample of 1039 Canadians, 18 years of age and older. Fieldwork was undertaken by Elemental Data Collection.
- Given the size of the sample, the findings can be considered representative of the general population of Canada within $\pm 3.0\%$, 19 times out of 20.
- The margin of error increases as the results are sub-divided.
- The final data were weighted by region, age, and gender using Statistics Canada Census data to reflect the actual demographic and regional distribution of the Canadian population.

If you would like more information on the findings of this survey, please contact Sergey Vershinin by phone at (613) 260-1700 x225 or via email at svershinin@phoenixspi.ca.

Most Expect Negative Impact on Canada's Economy

Q: Do you think the impending economic recession in the United States will have a negative impact on Canada's economy?

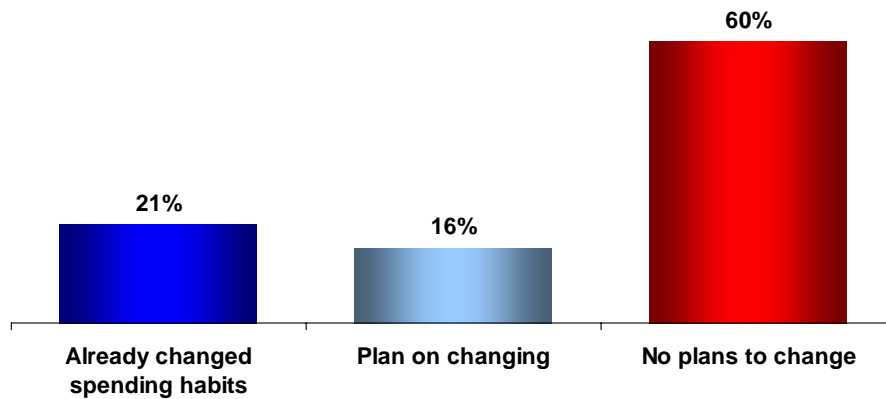


Base: All Canadians (n=1039; DK/NA=5%)

Phoenix SPI, Canadians' views on effects of U.S. recession (April 22, 2008)

Few Canadians Plan to Change Spending Habits

Q: And have you already, or do you plan on changing your spending habits in light of the upcoming economic downturn?



Base: Canadians who expect the recession in the U.S. will have a negative impact on Canada's economy (n=842; DK/NA=3%)

Phoenix SPI, Canadians' views on effects of U.S. recession (April 22, 2008)