



FACTUM

For Majority (75%) of Canadians Concerns About Inflation are Increasing

Eight in Ten (81%) Concerned About Recession Before Year's End

Toronto, ON, September 28th, 2022 – This quarter's BMO Real Financial Progress Index finds that over the past three months, three-quarters (75%) of Canadians say their concerns about inflation have increased. Rising concerns towards inflation appear to escalate with age as 79% of those 45-64 say their concerns about inflation have *increased* over the last three months compared to 66% of those between aged 18-24 and 73% aged 25-34.

The data shows that not only are Canadians concerned about inflation, but they are feeling its financial impacts on a personal level. When asked what is most threatening their financial progress, Canadians cite the day-to-day challenges of higher grocery bills (81%) and the rising cost of gas (76%) well above the “big picture” challenges of global politics (70%) and climate change (60%).

Amidst the past several months of record setting inflation, some have begun to consider whether a recession might be on the horizon. Fully 81% of Canadians say they are concerned about a potential recession in 2022 and while a recession has not been declared, the data show that 77% of Canadians are taking some kind of action to prepare for a potential economic slowdown.

- 34% are delaying large purchases like buying a new home or car;
- 30% are paying down debt;
- 27% are planning to cut back on holiday spending

Financial Confidence Declining

Significantly fewer Canadians are confident that they are making financial progress (34% -4 pts) compared to this time last year. The drop in confidence is particularly sharp in Vancouver (30% -10 pts). Despite this decline, 72% of Canadians agree they have enough savings to get through an unexpected emergency, a significant increase from last quarter (+5pts) and last year (+4 pts).

Key to accruing savings is having a household budget, but the data shows that fully a quarter (25%) of Canadians do not track their financial progress, rising to a three in ten (31%) among those aged 34-54. Should these currently budgetless Canadians be looking for a place to start, the data suggests that digital banking tools and apps may be an option, as 48% of Canadians have found these helpful in making financial progress.

About the Study





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These are some of the findings of an Ipsos poll conducted between July 27 to August 29, 2022., on behalf of BMO Financial Group. For this survey, a sample of n=3,404 adults ages 18+ in Canada (including n=300 oversamples in Montreal, and Vancouver and n=302 in Toronto) were collected. Quotas and weighting were employed to ensure that the sample's composition reflects that of the Canadian population according to census parameters. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 1.9 percentage points, 19 times out of 20, had all Canadians aged 18+ been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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