



FACTUM

Strong Majority (77%) of Canadians Plan to Modify Their Holiday Spending This Year Due to Inflation

One third are less confident in making financial progress this year.

Toronto, ON, December 19, 2022 – According to the latest BMO Real Financial Progress Index, 77% of Canadians say that their holiday spending is being impacted by inflation, with a third (32%) saying they feel less confident in making financial progress, a significant 5-point decline from the previous year.

Canadians are resorting to several methods for easing the impact of inflation on their finances, including the following:

- Purchasing fewer expensive gifts (37%)
- Reducing big purchases (33%)
- Spreading purchases over several months (24%)
- Trimming their gift recipient list to save money (28%)

When it comes to travel, 41% Canadians plan on travelling domestically, with 21% planning to spend less on travel due to inflation. Over a third (35%) plan to travel internationally over the holidays with 18% planning on spending less.

Given a significant drop in overall financial confidence this year (69%, -6 pts), four in ten (42%) Canadians plan to modify or push back major purchases that they were planning to make this year, including 63% who no longer want to move forward with large purchases, such as buying a car or a home. Canadians between the ages of 18 and 34 years are more likely to rely on their savings, debit cards and buy now, pay later (BNPL) programs to pay for holiday gifts this year.

Anxiety around finances remain high

Eight in ten (82%) Canadians say their financial situation is causing them to feel more anxious, particularly around housing costs (71%), fear of unknown expenses (84%), and family-related expenses (68%). In addition to the top causes of financial anxiety, Canadians also report:

- Credit card debt is causing 51% of Canadians financial anxiety, with those between the ages of 25 and 34 (68%) struggling to pay.
- Canadians aged 45 to 54 (54%) report medical bills has a cause of their financial anxiety.

Outlook for 2023

Looking ahead to the new year, four in ten (43%) Canadians have changed their financial New Year's resolutions due to inflation. The majority of which are Canadians between the ages of 25 and 34 (60%) who say their resolutions have changed compared to 22% of those over the age of 65 years.

About the Study





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These are some of the findings of an Ipsos poll conducted between October 24 to November 28, 2022, on behalf of BMO Financial Group. A sample of a sample of n=3,400 adults ages 18+ in Canada were collected. Quotas and weighting were used to ensure 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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