

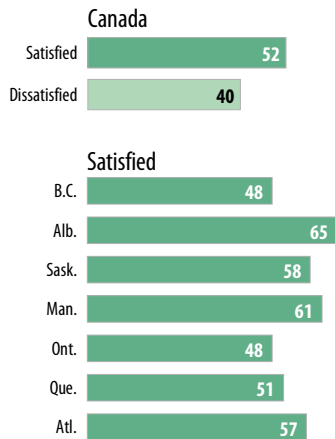
# The Economy and Standard of Living

**DIRECTION OF THE COUNTRY.** Canadians are more positive than negative about the way things are going in the country today, and this perspective stands out in relation to citizens' views in most other countries. Half (52%) of Canadians are satisfied overall with the way things are going in the country, compared with 40 percent who are dissatisfied.

Satisfaction is most widely expressed in Alberta (65%) and Manitoba (61%), as well as among men, younger Canadians and those with the highest incomes. Satisfaction is least evident in Ontario (48%) and B.C. (48%).

## Satisfied with direction of country

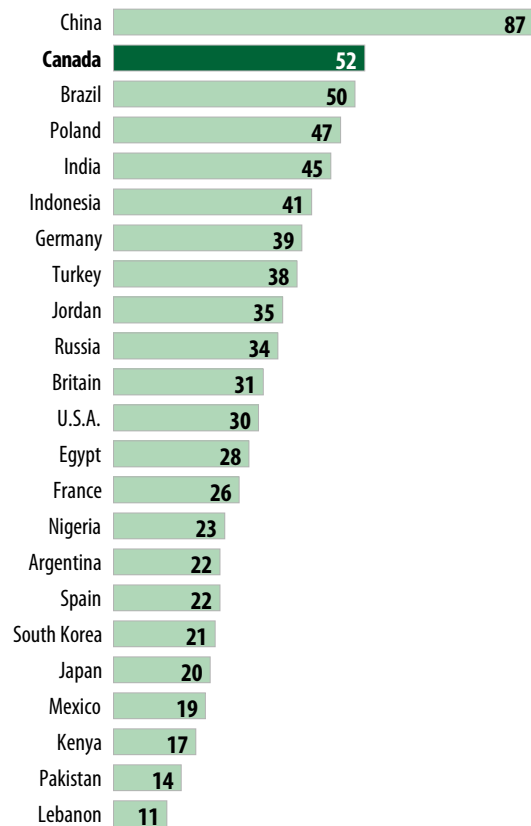
Canada By province



Internationally – through comparisons with a recent survey by the U.S.-based Pew Research Center in April 2010 – Canadians are second among 23 countries to only the Chinese (87% satisfied) in feeling positive about the direction of their country today, ahead of Brazil (50%) and Poland (47%). By comparison, satisfaction levels are significantly lower in the U.K. (31%), U.S.A. (30%) and France (26%). Satisfaction levels in Canada have risen gradually since 2005 (45%, placing 6th internationally), although lower than in 2003 (60%).

## Satisfied with direction of country

International

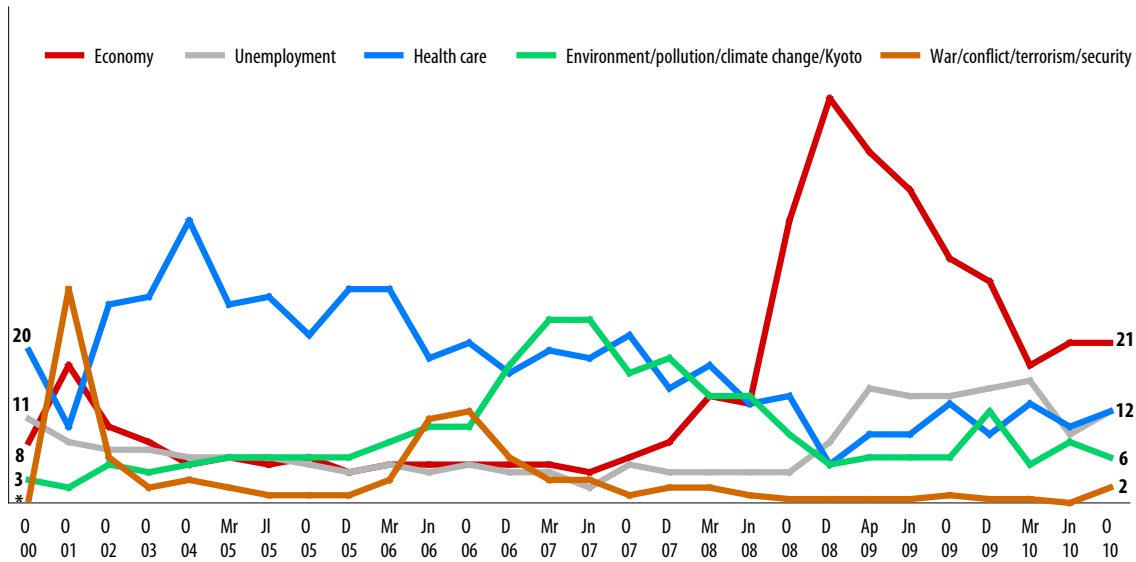


Note: International data from Pew Research Center

**MOST IMPORTANT ISSUE.** Canadians continue to identify the economy and jobs as the most important issue facing the country today, top-of-mind (35%), although well below the level recorded two years ago following the global financial meltdown. Other issues – following well behind – are health care (12%), environmental issues (6%), poor government leadership (5%) and taxes (4%).

The economy is the most salient issue across the country, but most noticeably in Ontario. Health care is most prominent in Quebec and Atlantic Canada.

Most important problem facing Canadians today  
2000 - 2010



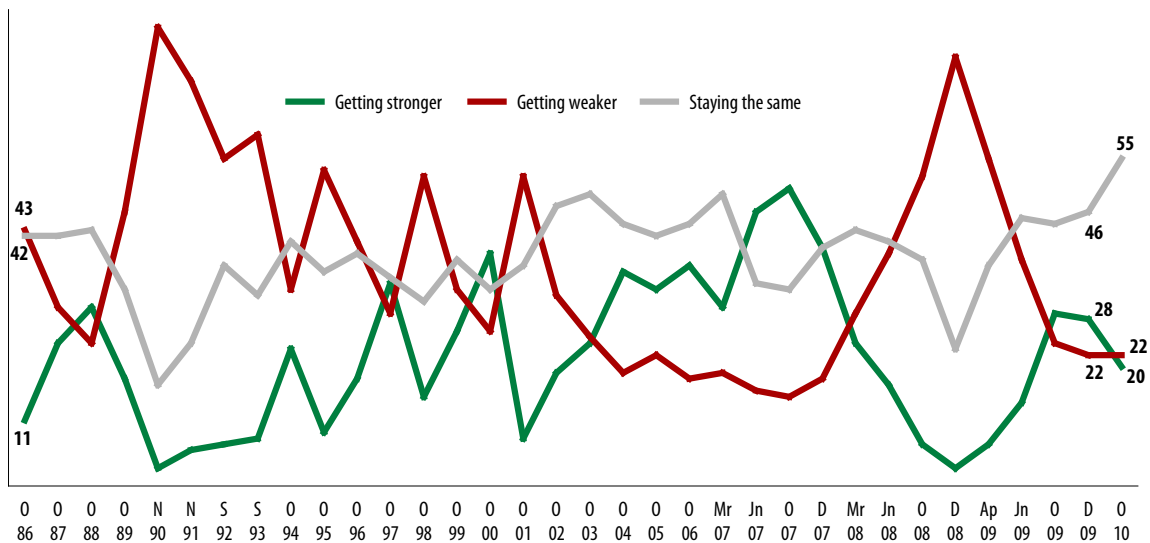
**STRENGTH OF THE CANADIAN ECONOMY.** With recovery from the recession still underway, Canadians are not particularly optimistic about the current state of the country's economy. Only one in five (20%) believe it is getting stronger, and this is down (8 points) from last December. A marginally higher proportion (22%) say the economy is getting weaker, while an increasing majority (55%) now believe it staying about the same.

Albertans are the most positive about the current state of the Canadian economy, while Quebecers are the most negative.

Four in ten (41%) Canadians say they are worried about the overall economic situation in Canada today (6% of this group are "very" worried), compared with 58 percent who are not worried. Opinions are stable since last December, following a period of diminishing anxiety through 2009. Ontarians are most likely to be worried, along with women and older Canadians, while Albertans are least so.

### Strength of the Canadian economy

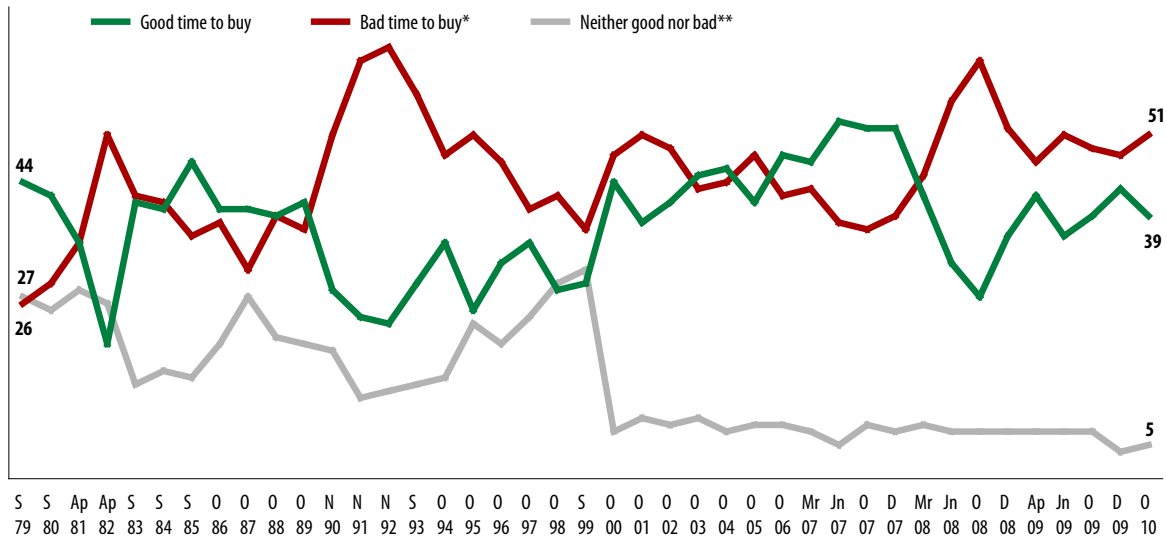
1986 - 2010



**CONSUMER CONFIDENCE.** A weak economy is also having a damper on consumers' eagerness to spend. Four in ten (39%) Canadians think now is a good time to buy the things they want and need, down four points from last December and reversing an upward trend through 2009. Half (51%) say it is a bad time to spend (up 3).

Consumer confidence is strongest in Alberta and Saskatchewan, as well as in Quebec (despite views in this province about current economic conditions). Confidence is weakest in Ontario and B.C., and among Canadians with the least education and income.

Consumer confidence  
1979 - 2010

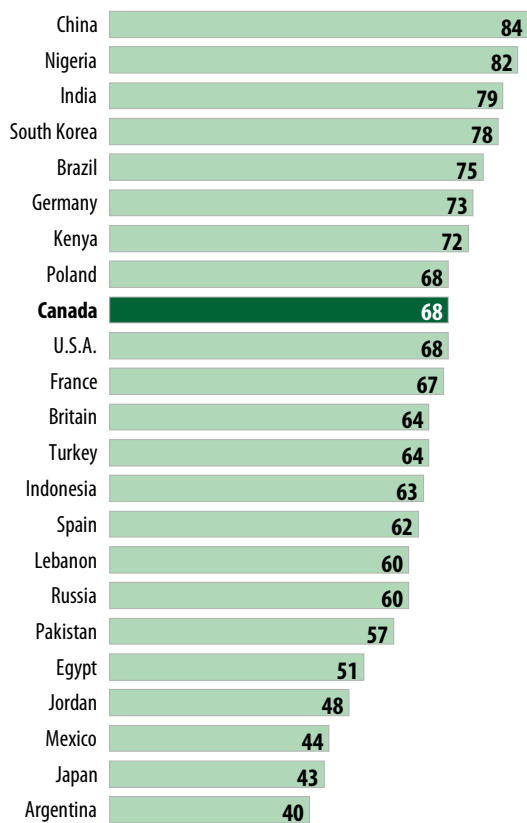


**CONFIDENCE IN THE FREE MARKET ECONOMY.** The recent financial meltdown and current recession have not affected Canadians' general confidence in the free market system. Seven in ten (68%) agree with the statement that "most people are better off in a free market economy, even though some people are rich and some are poor." This is essentially unchanged from Canadian opinions expressed in 2009 (66%) and 2007 (71%), and higher than 2002 (61%).

Support for the free market economy is strong across the country, but most notably Alberta (78%), and among high income earners and men, while least evident among Canadians aged 18 to 29, allophones and those with the lowest incomes.

Internationally, Canada is tied for eighth place out of 23 countries with the U.S.A. and Poland. The Chinese express the strongest confidence in the free market system (84%), followed by residents of Nigeria, India, South Korea, Brazil, Germany and Kenya. Such confidence is least evident in Mexico, Japan and Argentina (40%).

**Most people are better off in a free market economy**  
International



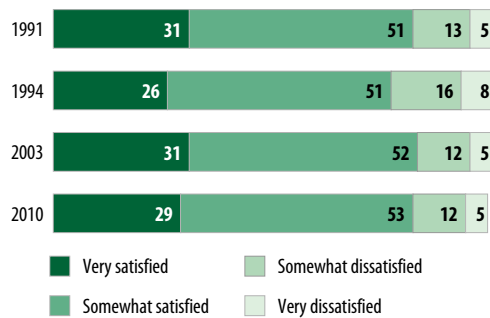
Note: International data from Pew Research Center

**STANDARD OF LIVING.** Most Canadians are reasonably, if not fully, satisfied with their current standard of living, and this view has remained remarkably stable over the past two decades, including the last two years of challenging economic conditions. Three in ten (29%) are very satisfied and another 53 percent somewhat satisfied, compared with 17 percent who express dissatisfaction.

Across regions, however, satisfaction with standard of living has shifted since 2003, declining in eastern and central Canada (especially in Quebec, down 8 points to 21% very satisfied), and increasing in the west (particularly in B.C., up 7 to 36%).

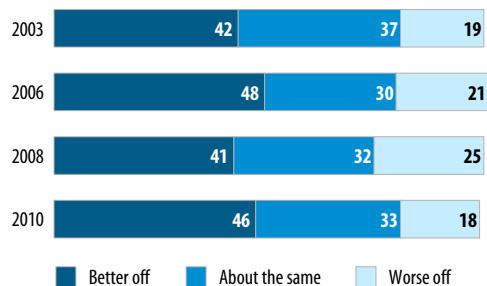
And, as before, there is a significant gap in standard of living experience across income strata, and this gap continues to widen. More than four in ten (44%) Canadians in the top income bracket say they are very satisfied with their standard of living, compared with only 16 percent in the lowest bracket.

**Satisfaction with standard of living**  
1991 - 2010



How do Canadians view their standard of living compared with 10 years ago? The picture is noticeably positive despite the recent recession. Almost half (46%) say their standard of living has improved, compared with only 18 percent who report it is now worse (the remaining third indicate there has been little change). These results reflect an improvement over late 2008 (during the early days of the financial meltdown) and are comparable to 2006 levels. Once again, changes in living standards are closely linked to household income, although the positive trend since 2008 is evident across all income levels.

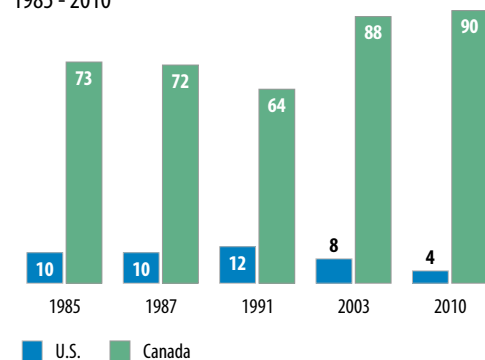
### Standard of living compared with 10 years ago 2003 - 2010



Whatever challenges Canadians may be facing in making ends meet at home, almost everyone believes they enjoy a better quality of life than their neighbours to the south. Nine in ten (90%) believe it is Canada rather than the U.S. that provides a better quality of life for its citizens, up marginally from the 88 percent who expressed this view in 2003 (and 64% in 1991).

This is the prevailing view across the population, including those with low incomes and those dissatisfied with their own standard of living.

### Who has better quality of life: Canada or U.S.? 1985 - 2010

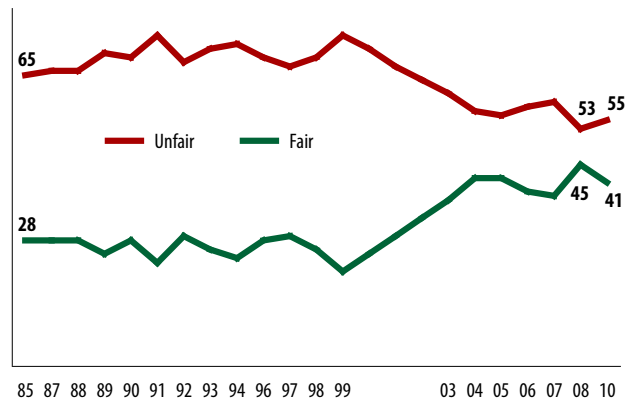


**TAXES IN CANADA.** Taxes have never been popular, and in recent years have become a political challenge for governments faced with balancing budgets and rising costs. Not surprisingly, a majority (55%) of Canadians feel the current tax system is unfair to the average taxpayer, up marginally (2 points) since 2008, before which this proportion had been declining for much of the past decade. Four in ten (41%) believe the tax system is fair (down 4 points).

The decline since 2008 is almost entirely in Ontario and B.C. (both of which introduced a new HST), as well as in Manitoba. Albertans are now the most positive of Canadians about the fairness of the tax system (54%).

### Fairness of the tax system

1985 - 2010

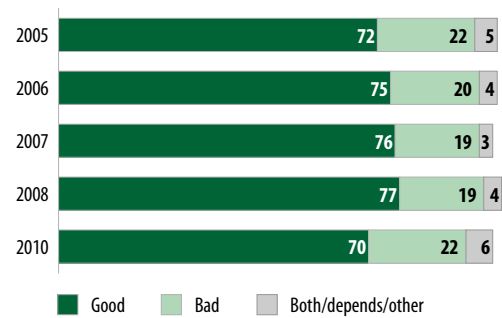


Apart from dissatisfaction with the amount of tax one has to pay, how do Canadians feel about the legitimacy of the tax system currently in place? Canadians continue to believe that, fundamentally, taxes are mostly a positive thing (70%) because they pay for important things that contribute to a positive quality of life, rather than a bad thing (22%) because they take money out of people's pockets and hold back economic growth.

This has been the prevailing view since 2005, but reflects a small but noticeable shift in the negative direction since 2008, almost entirely in Ontario and B.C. (once again a likely result of the new HST). A positive view of taxes is now most widespread in Atlantic Canada and Manitoba.

### Taxes mostly good or mostly bad?

2005 - 2010

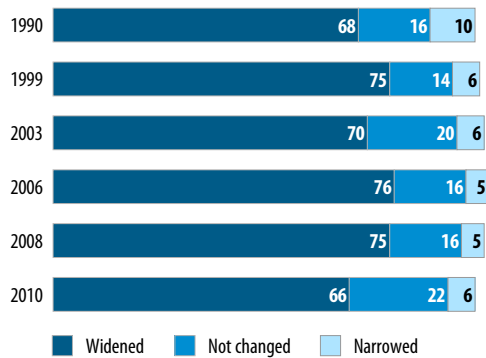


**ECONOMIC INEQUALITY.** Canadians have long been aware of the significant disparities in income between the rich and poor in this country, and most (66%) believe this gap has widened over the past 10 years, compared with those who say it has been stable (22%) or been narrowing (6%). But fewer now believe this gap is widening than in 2008 or most of the past decade.

This shift is evident across the country, but most noticeably in Quebec and Ontario, and among Canadians in the lowest income bracket.

### Change in gap between rich and poor

1990 - 2010



As before, most (81%) Canadians agree today that government should do something to reduce the gap between rich and poor. But the strength of this belief has diminished in the past two years, with the proportion who strongly take this position now at 51 percent (down 7 points from 2008), and the lowest recorded since 1990.

This latest trend is evident in most parts of the country, except in Alberta and Manitoba where residents are least apt to feel strongly about the need for government action to reduce income disparities. Residents of Quebec and Ontario are most likely to strongly agree about the importance of such action, along with low-income Canadians, women and those under 30 years of age.

### Government should reduce gap between rich and poor

1990 - 2010

