



# Canadian Economic Insights February 2021

*British Columbia Focus*

## Background



- Perceptions of the economic state in Canada is an important driver of how consumers will spend (or not spend) in the coming months. Insights West monitors consumers' views on the economy and their own finances to keep a pulse on the mood and sentiment of the public.
  - This report represents the results for **British Columbians** in particular.

## Methodology



- Results are based on online research conducted among a sample of British Columbians 18 years of age and older.
- The most recent wave was conducted among a sample of 813 British Columbians, with fieldwork February 3-8, 2021.
  - Margin of error is  $\pm 3.4\%$ , 19 times/20.
- The data was statistically weighted according to Canadian Census figures for age, gender and region.

## National Economy

### Current Confidence

Confidence in the national economy is slightly more buoyant than September but remains well below pre-pandemic levels.



**58%**

Feb 2020

**23%**

Sept 2020

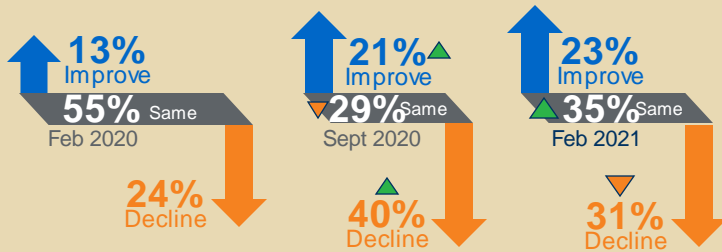
**35%**

Feb 2021

Very good/good

### Future Confidence

Confidence in the future of the Canadian economy has improved from September but more still predict a decline versus an improvement.



*While British Columbians are less optimistic about the Canadian economy than a year ago, views of current personal finances are strong and improving. Many have been hurt financially by COVID-19, but a significant minority have actually made gains.*

*Looking forward, British Columbians are a little less bullish about their own finances (although most expect stability) and worse times are predicted for the Canadian economy ahead.*

## Household Finances

### Current Confidence

Confidence in household finances are stronger than a year ago and up directionally from September.



**62%**

Feb 2020

**67%**

Sept 2020

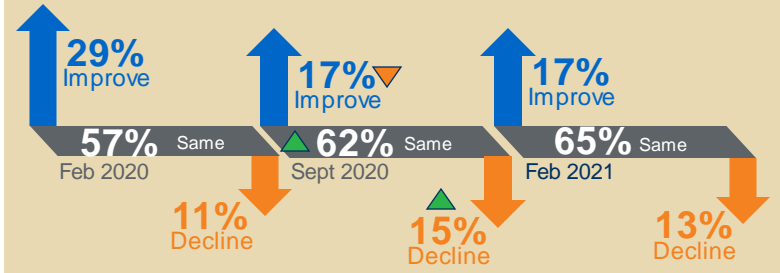
**71%**

Feb 2021

Very good/good

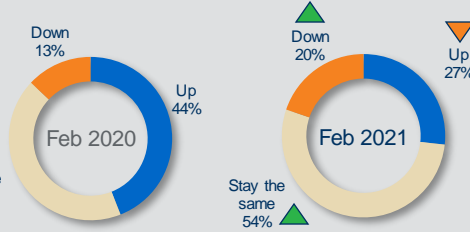
### Future Confidence

Personal finances in BC are predicted to generally stay the same, with a very similar now and in September 2020.



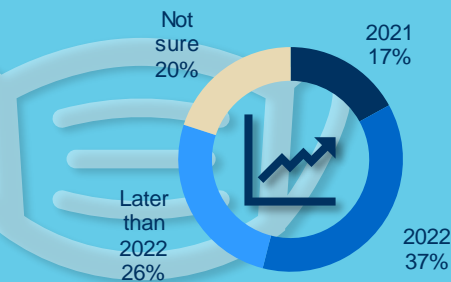
## Predicted HH Income Trends

While still quite positive, British Columbians are less optimistic versus last year when it comes to how they think their income will look in the future.



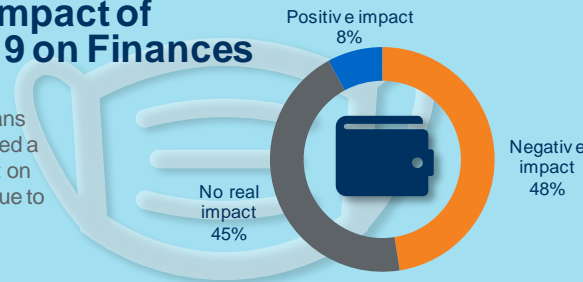
## Recession Recovery

A majority of British Columbians think it will be 2022 or later before Canada recovers from the COVID-19 induced recession.



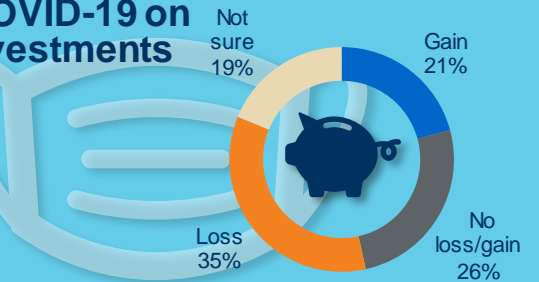
## Overall Impact of COVID-19 on Finances

Close to half of British Columbians have experienced a negative impact on their finances due to COVID-19.



## Impact of COVID-19 on Wages & Investments

The net impact of COVID-19 on wages and investment is a significant number who have experienced a loss and yet also a sizeable minority who have made gains.



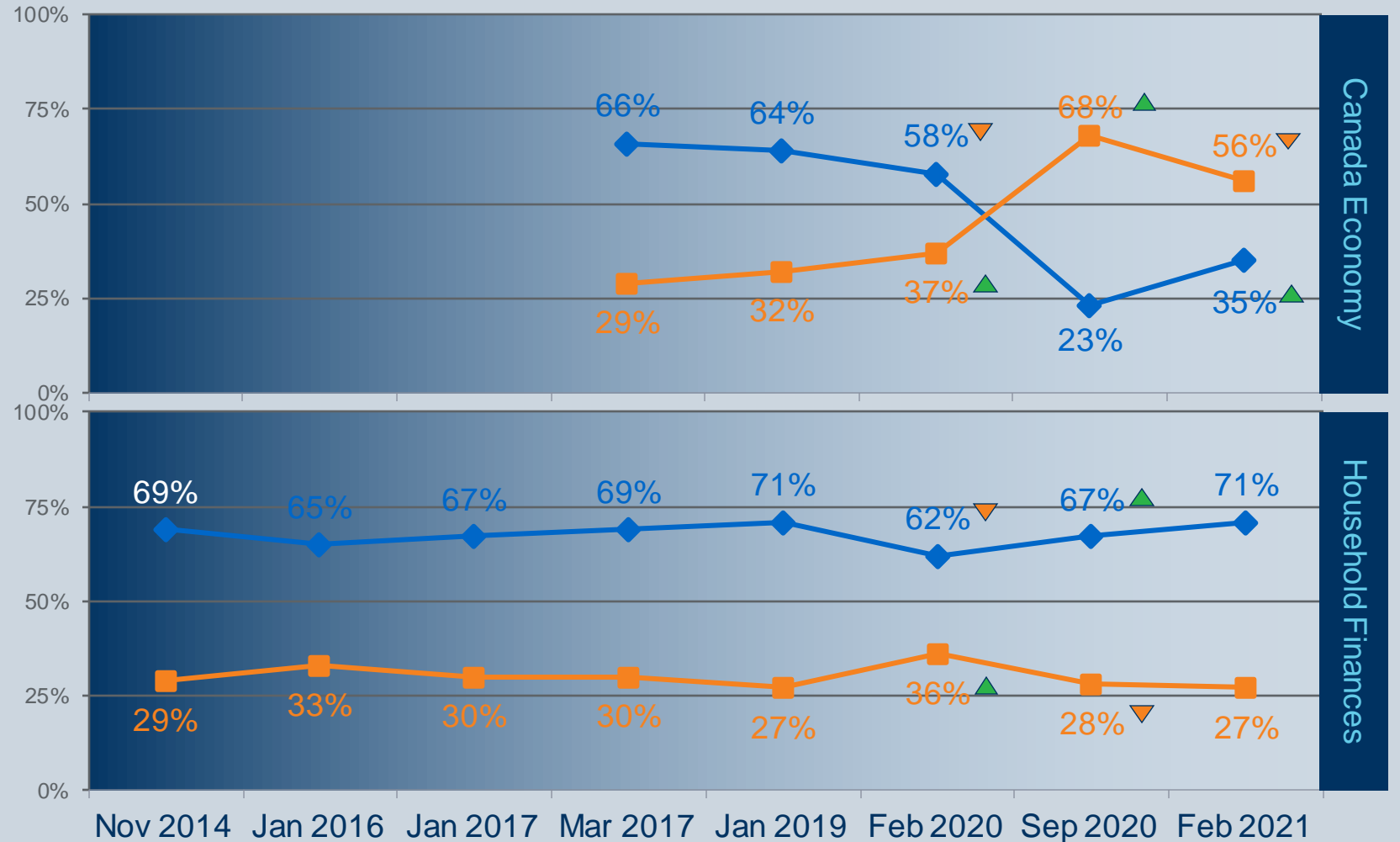
## Current Economic Perceptions

Confidence in the state of the national economy – while certainly much softer than one year ago – has strengthened from the fall of last year. It seems that British Columbians may be seeing improvements in the economic situation already.

British Columbian’s views on their own household finances are similar (or directionally better) than both last September and last year at this same time.

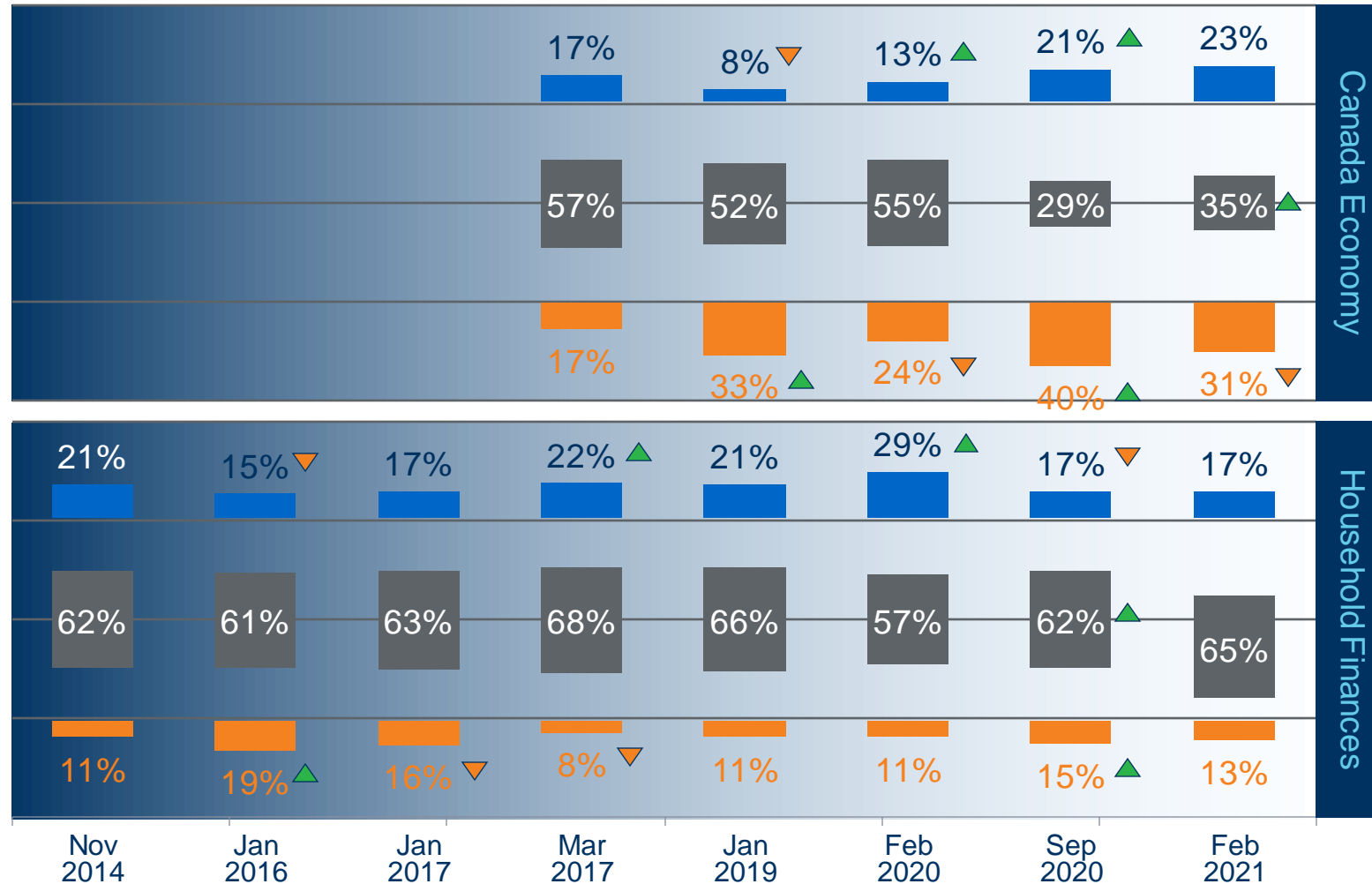
- ◆ Very good/good
- Poor/very poor

How would you describe the economic conditions in Canada today? How would you describe your own household’s finances today?



▲ Statistically significantly **higher** than previous wave.  
▼ Statistically significantly **lower** than previous wave.

## Future Economic Confidence



■ Improve  
■ Stay the same  
■ Decline

British Columbians are more optimistic now than in the fall of last year when it comes to the future of the Canadian economy, but there are still more who expect declines now compared to a year ago in February 2020.

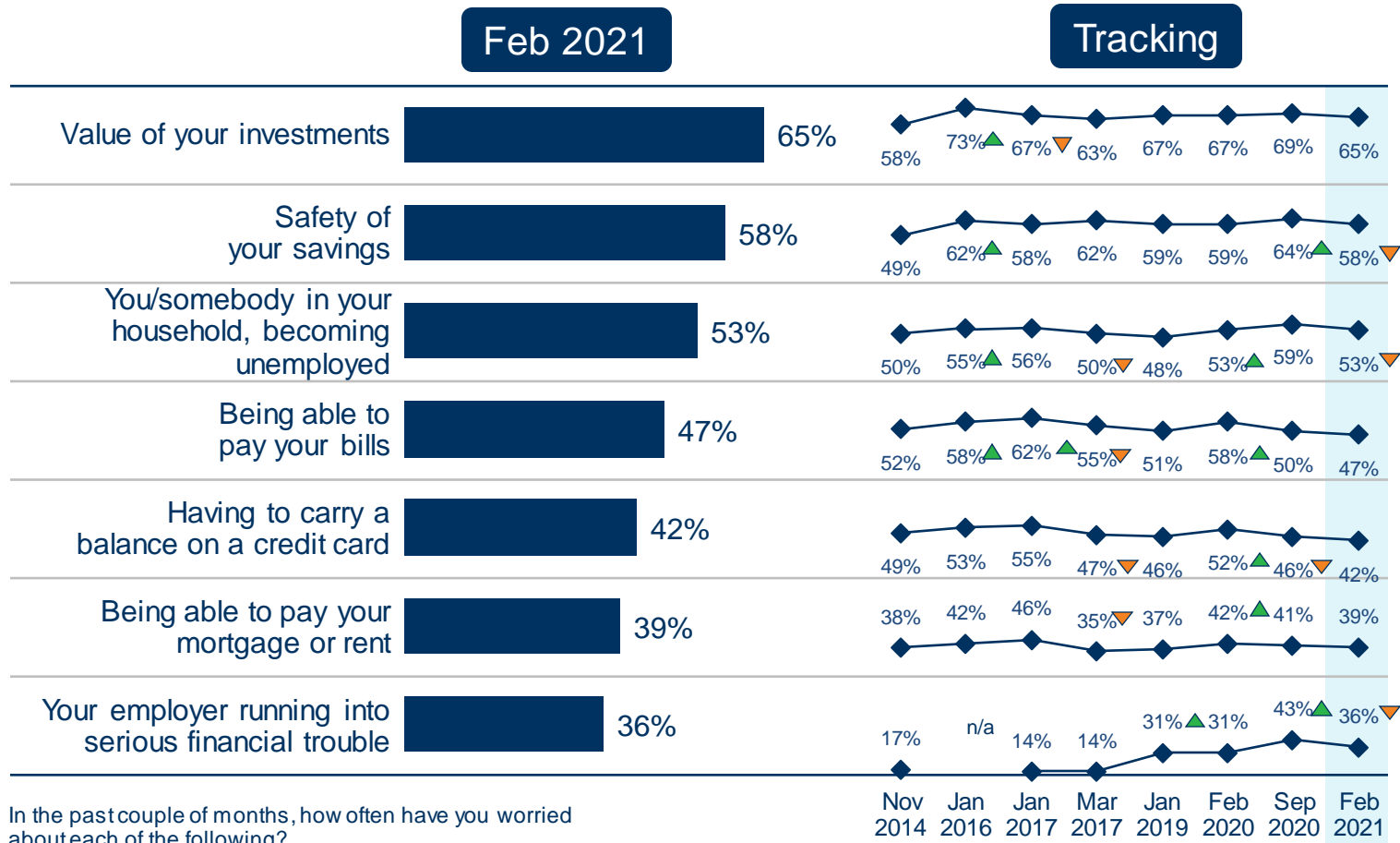
A majority predict stable household finances in the next six months, with no real change from September 2020. This means fewer expect improvements relative to last year at the same time.

Over the next six months, do you expect the Canadian economy to improve, remain the same, or decline?  
 Over the next six months, do you expect your own household's finances to improve, remain the same, or decline?

▲ Statistically significantly **higher** than previous wave.  
▼ Statistically significantly **lower** than previous wave.

## Worries

Reflecting stable or positive views of their own finances, British Columbians are no more worried compared to the fall of 2020 for most areas of their finances and are even less worried about the safety of their savings, being unemployed or their employer running into financial trouble. In fact, worry levels in all areas are as low or lower than pre-pandemic February 2020.

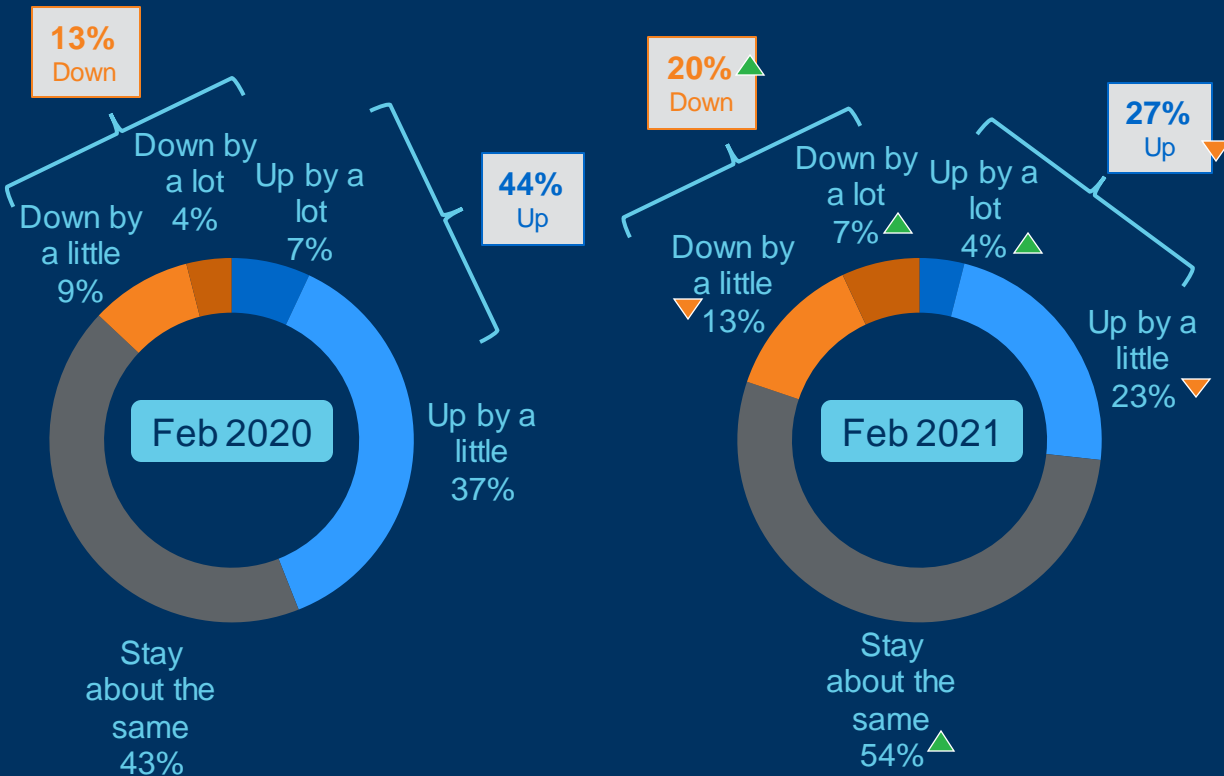


In the past couple of months, how often have you worried about each of the following?

 Statistically significantly **higher** than previous wave.  
 Statistically significantly **lower** than previous wave.



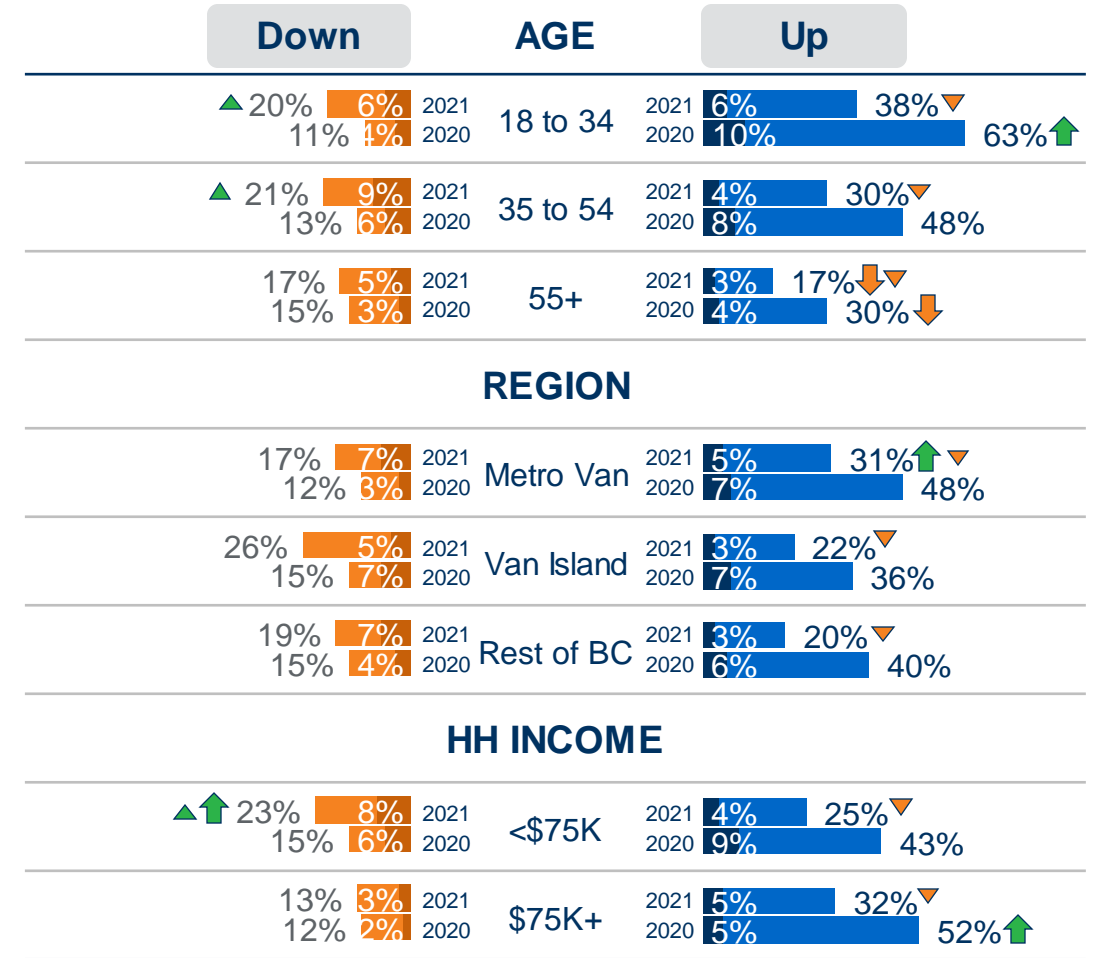
## Predicted Household Income Trends



In 2020, do you expect your total household income to go up, down or stay about the same compared to 2019?

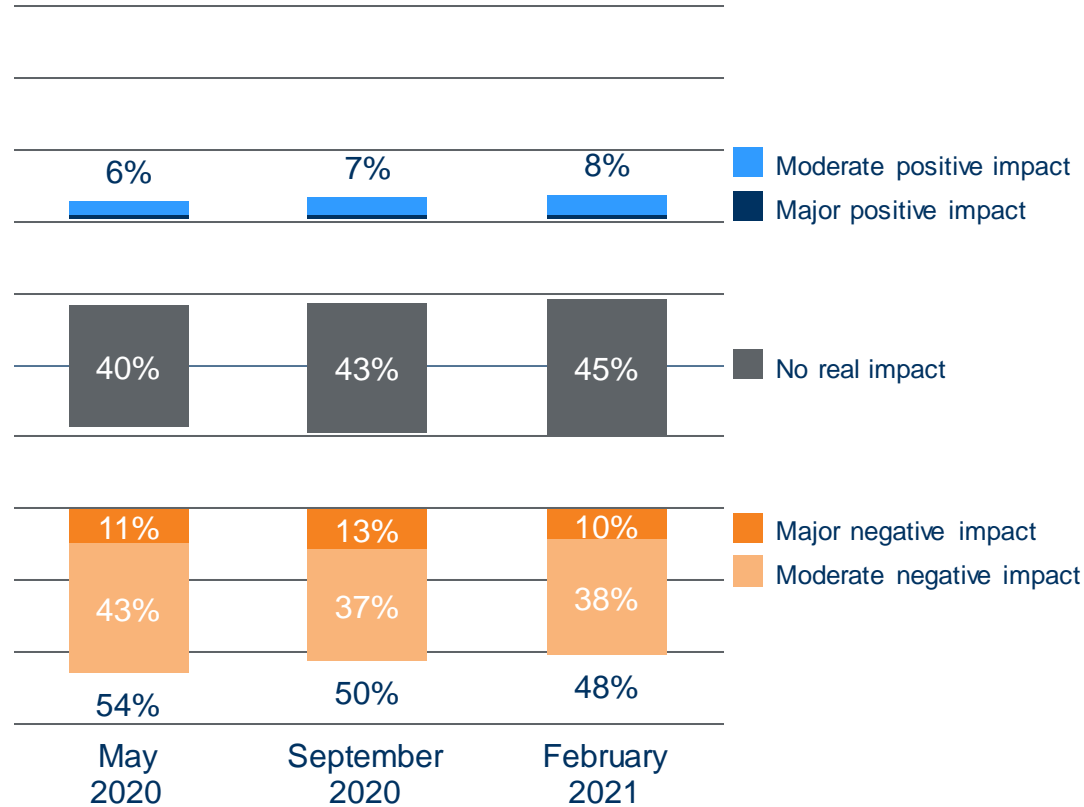
▲ Statistically significantly **higher** than previous wave.  
▼ Statistically significantly **lower** than previous wave.

In keeping with expectations of stable household finances, most British Columbians predict their income in the upcoming calendar year to be about the same as the year before and there is an even greater sense of stability this year versus last. Still, relatively fewer are optimistic of an improvement versus February 2020 and there are slightly more who expect their income to decline. Sentiment is least positive among younger British Columbians and those with lower household incomes.





Down by a little  Down by a lot  Up by a lot  Up by a little   
 ▲ Statistically significantly **higher** than comparison group(s).  
 ▼ Statistically significantly **lower** comparison group(s).

## Overall Impact of COVID-19 on Finances

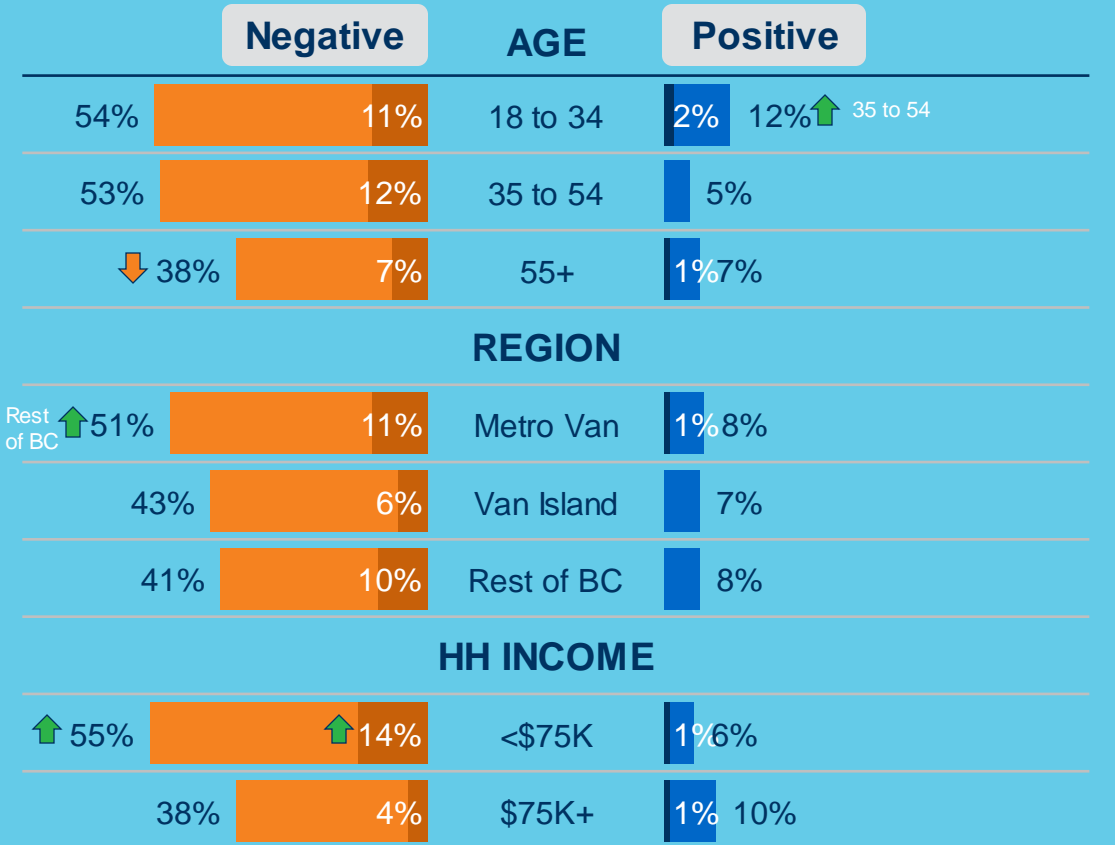


Overall, how much of an impact has the COVID-19 situation had on you and your family **financially**?



 Statistically significantly **higher** than previous wave.  
 Statistically significantly **lower** than previous wave.

COVID-19 has had a negative impact on the personal finances of about half of British Columbians, with most of the other half experiencing no real impact and a few have made gains. This has not changed in any notable way since September but is directionally stronger than in May 2020.

### Feb 2021



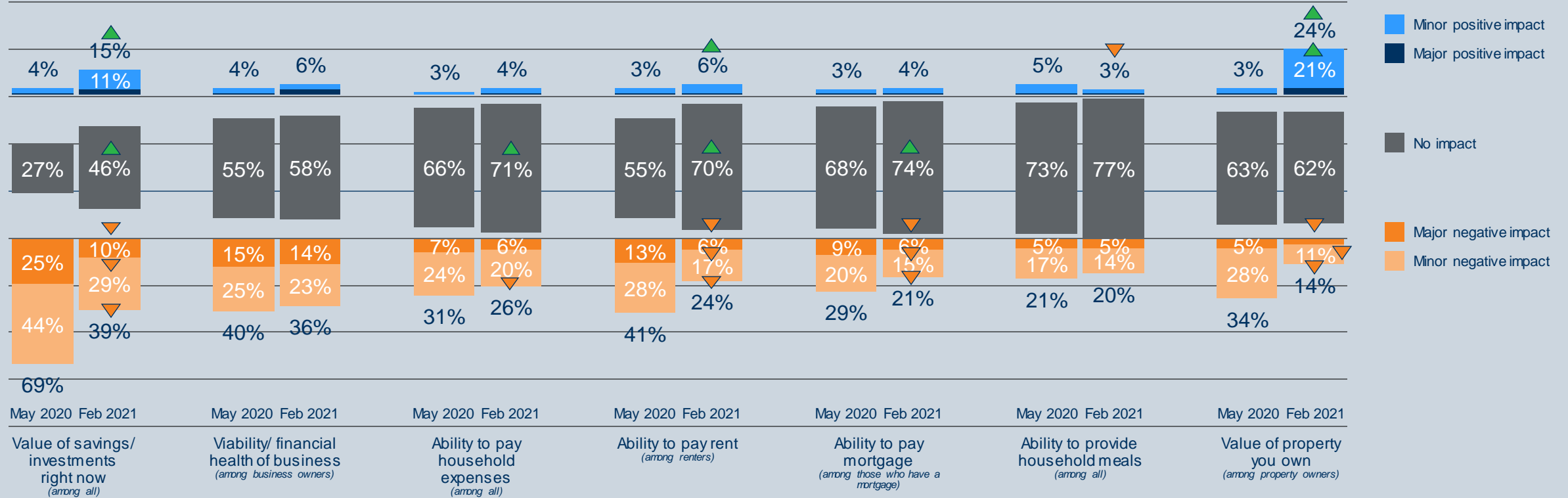
 Moderate negative 
  Major negative 
  Major positive 
  Moderate positive

 Statistically significantly **higher** than comparison group(s).  
 Statistically significantly **lower** than comparison group(s).



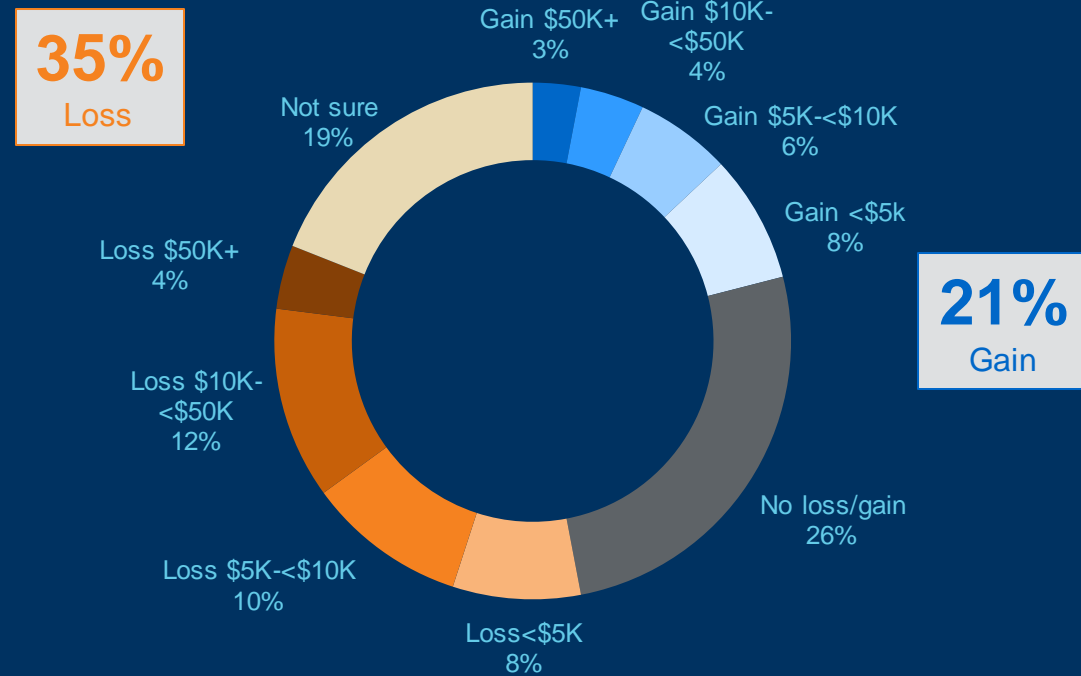
## Specific Impact of COVID-19 on Finances

Between one-quarter and four-in-ten British Columbians report a negative impact on various aspects of their finances this wave while few have experienced any positive impacts. Still, there is relatively less negative impact compared with the early part of the pandemic last year (May 2020), suggesting that effects are improving since the early days of the pandemic.



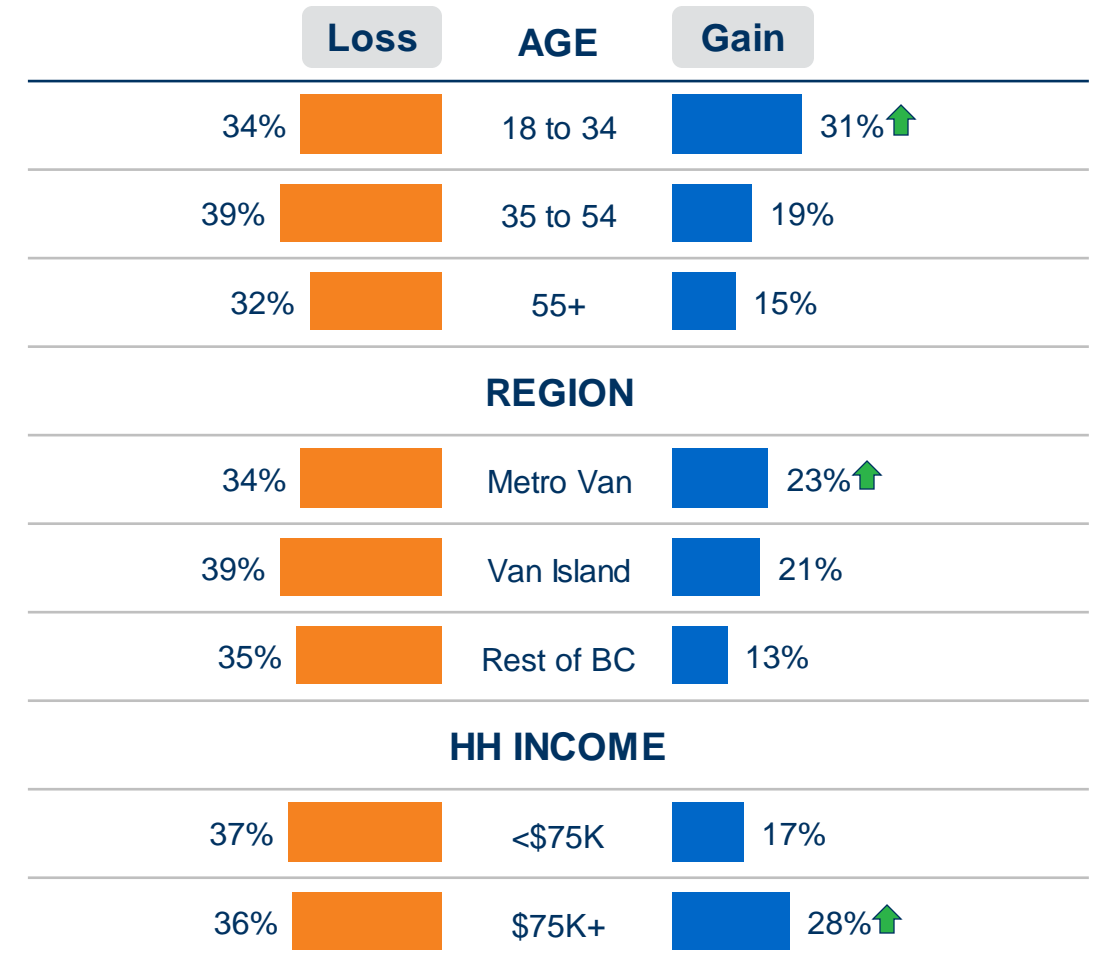
How much of an impact has the COVID-19 situation had on the following aspects of your personal finances?

# Impact of COVID-19 on Wages and Investments February 2021



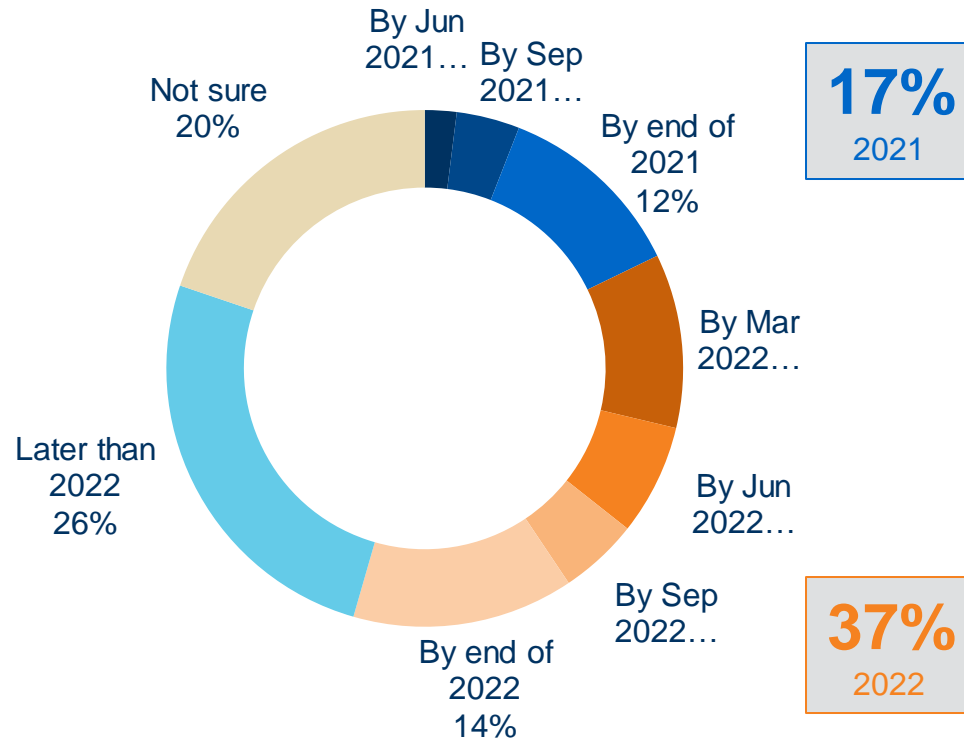
Thinking of wages and impact on any investments and savings you have, to date, how much do you estimate the COVID-19 situation has financially gained or cost you personally?

While most British Columbians have not made any gains or losses when it comes to wages and investments overall, the number who have experienced a loss due to the pandemic definitely outweigh those who have made gains. Urban dwellers and younger BCers are most likely to have made gains, as are those with higher household incomes.



↑ Statistically significantly higher than comparison group(s).  
↓ Statistically significantly lower than comparison group(s).

## Recession Recovery Expectations February 2021



As you may know, Canada is currently in a COVID-19 induced **recession**. When do you think Canada will come out of the recession?

A majority of British Columbians expect it will be 2022 or later before the Canadian economy recovers from its current recession. This does not vary by age or income group, but those who live on Vancouver Island feel recovery is further in the future than residents of other regions.

2021	AGE	2022	Later Than 2022
17%	18 to 34	31%	23%
18%	35 to 54	38%	29%
17%	55+	40%	26%
<b>REGION</b>			
19%	Metro Van	40% ↑ Rest of BC	22%
↓ 7%	Van Island	36%	39% ↑ Metro Van
21%	Rest of BC	30%	29%
<b>HH INCOME</b>			
17%	<\$75K	34%	26%
18%	\$75K+	41%	26%

**For more information, please contact:**

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