



Qualitative and quantitative research to gauge the concerns and perceptions of Canadians related to the current state of the economy 2020

Summary

Prepared for Finance Canada

Supplier Name: Environics Research

Contract Number: 60074-191692/001/CY

Contract Value: \$166,378.94 (including HST)

Award Date: 2019-12-18

Delivery Date: 2020-02-20

Registration Number: POR 054-19

For more information on this report, please contact Finance Canada at: stephanie.rubec@canada.ca

Ce rapport est aussi disponible en Français



Quantitative and qualitative research to gauge the concerns and perceptions of Canadians related to the current state of the economy 2020 - Final report

Prepared for Finance Canada by Environics Research

March 2020

Permission to reproduce

This publication may be reproduced for non-commercial purposes only. Prior written permission must be obtained from Finance Canada. For more information on this report, please contact Finance Canada at: stephanie.rubec@canada.ca

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Finance Canada, 2020.

PDF:

Cat. No. F2-276/2020E-PDF

ISBN 978-0-660-34125-5

Paper:

Cat. No. F2-276/2020E

ISBN 978-0-660-34126-2

Cette publication est aussi disponible en français sous le titre *Recherche qualitative et visant à évaluer les préoccupations et les perceptions des Canadiens en ce qui concerne l'état actuel de l'économie 2020 - Rapport final*

PDF:

Cat. No. F2-276/2020F-PDF

ISBN 978-0-660-34127-9

Paper:

Cat. No. F2-276/2020F

ISBN 978-0-660-34128-6

Executive summary

Background and objectives

Finance Canada commissioned Environics Research Group to conduct qualitative and quantitative public opinion research among Canadians in the winter of 2020. The primary objective of the research was to explore current attitudes among Canadians towards such topics as:

- The state of the Canadian economy and Canadians' standard of living;
- Fairness of the tax system;
- Housing affordability;
- Keeping Canadians safe and healthy;
- Transition to a clean economy; and
- Reconciliation with Indigenous peoples.

The research objectives are to explore Canadians' overall concerns and perceptions about the current state of the Canadian economy and emerging issues, and their expectations about the role of the Government of Canada in the economy and in other measure intended to improve quality of life for Canadians.

Methodology

Qualitative phase

Environics Research conducted a series of 10 focus groups with members of the general population between January 27 and February 3, 2020. Two sessions each were conducted in Mississauga, Charlottetown, Calgary, Vancouver, and Montreal (Longueuil). Eight sessions were conducted in English and two were conducted in French. The sessions were distributed as follows:

Date and time	Group Location
January 27, 5:30 p.m. EST	Mississauga, Ontario
January 27, 7:30 p.m. EST	Mississauga, Ontario
January 28, 5:30 p.m. AST	Charlottetown, PEI
January 28, 7:30 p.m. AST	Charlottetown, PEI
January 30, 6:00 p.m. MST	Calgary, Alberta
January 30, 8:00 p.m. MST	Calgary, Alberta
February 1, 12:00 a.m. PST	Vancouver, B.C.
February 1, 2:00 p.m. PST	Vancouver, B.C.
February 3, 5:30 p.m. EST	Montreal (Longueuil), Quebec
February 3, 7:30 p.m. EST	Montreal (Longueuil), Quebec

In-person groups were conducted with adult Canadians 18 and over; participants included range of age, education, and backgrounds. The groups lasted approximately 120 minutes and consisted of between eight and 10 participants (out of 10 people recruited for each group). Participants were offered a \$100 honorarium to encourage participation and thank them for their time commitment.

Statement of limitations: Qualitative research provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as would be measured in a quantitative study. The results of this type of research should be viewed as indicative rather than projectable to the population.

Quantitative phase

EnviroNics conducted a random-probability telephone survey with 2,000 adult residents of Canada, from January 17 to February 8, 2020, using industry-standard random-digit dialling (RDD) techniques. A survey of this size will yield results which can be considered accurate to within +/- 2.2 percentage points, 19 times out of 20. Margins of error are larger for subgroups of the population.

The sample was stratified by region to allow for meaningful coverage of lower population areas:

Region (% of population)	Sample Size	Margin of error*
Atlantic Canada (7%)	198	+/- 6.9
Quebec (23%)	497	+/- 4.4
Ontario (38%)	601	+/- 4.0
Prairies/NWT/Nunavut (19%)	399	+/- 4.9
B.C./Yukon (13%)	305	+/- 5.6
CANADA (100%)	2,000	+/-2.2

* In percentage points, at the 95% confidence level

Contract value

The contract value was \$166,378.94 (HST included).

Report

This report begins with an executive summary outlining key findings and conclusions, followed by a detailed analysis of the focus group findings and a detailed analysis of the survey data. Provided under a separate cover is a detailed set of “banner tables” presenting the results for all questions by population segments as defined by region and demographics. These tables are referenced by the survey question in the detailed analysis.

In this report, quantitative results are expressed as percentages unless otherwise noted. Results may not add to 100% due to rounding or multiple responses. Net results cited in the text may not exactly match individual results shown in the tables due to rounding.

Use of findings of the research. By gauging and analysing the opinions of Canadians, the Government of Canada gains insights into important policy areas related to the mandate of the department and related services. The information gained through this public opinion research will be shared throughout Finance Canada to assist it when establishing priorities, developing policies, and planning programs and services.

Key findings – qualitative phase

A. Overall assessment

Participants were asked to identify what they felt the federal government had been getting right and getting wrong over the past year.

- The issues the federal government was seen to have handled well in the past year included: foreign policy in general, the promotion of Canada’s international image, dealing with the U.S. government, the renegotiation of NAFTA, having a pro-immigration policy and the legalization of cannabis. There was little mention of the economy in this context.
- The issues the federal government was seen to have handled poorly in the past year included: immigration policy and the integration of newcomers, the growing federal deficit and a general impression of lavish spending, pipelines – in Calgary, for not getting one built, but in Vancouver and Longueuil, for buying a pipeline and trying to push it through – and perceived inaction on climate change and on aboriginal reconciliation. There was little mention of the economy as a whole but there were some general comments about how life was increasingly unaffordable.

B. Focus on Canada’s economy

Participants in most locations were generally satisfied with the overall state of the Canadian economy. When asked to come up with one word to describe the current Canadian economy, the most common words people used were quite positive, such as “stable,” “fair,” “steady,” “just OK,” “good” and “growing”. To the extent that participants used more negative words to describe the economy, they said it was “expensive,” “unbalanced,” “depends,” “bubble” and “fragile. In Calgary, people were very sensitive to the contrast between how the overall Canadian economy was performing and the struggling economy in Alberta and in Calgary in particular.

For the most part, the feeling was the economy would continue on its current trajectory. There were no strong opinions regarding the next 12 months – participants generally felt there was nothing to suggest the economy would take a turn for the worst. There was some perception of economic risks in the coming year, stemming from uncertainties caused by an unpredictable U.S. government administration, trade wars, and the reverberations from Brexit and other international issues. Some also noted we were “due” for a recession soon, since Canada had enjoyed so many years of economic growth.

Most participants were aware the federal government is currently running a deficit, but this was clearly not a major concern. To most participants, the deficit is “just a number” or a “necessary evil,” and they wondered how the existence of it affected them personally. To the extent the deficit came up as a concern at all, it was among participants in Calgary, where some were under the impression it was “huge” and “unsustainable.” Some vague concerns were also expressed about “our kids being left with a huge debt” if the deficit is never addressed; but, for the most part, people did not see this as an issue requiring any urgent action. There were some concerns that the government didn’t seem to have any plan for ever balancing the budget. As much as the deficit is not a big issue for most people, for some it can be symbolic of reckless spending by the government. At the same time, most people also felt trying to achieve a balanced budget quickly would be too big a shock to economic stability.

C. Stress, affordability and quality of life

The things that cause participants the most stress in their lives: financial concerns/making ends meet/cost of living; personal debt; dealing with aging parents; housing affordability – either for themselves or for their children; personal issues (i.e., family/marital conflict); personal health issues; and being overworked/working in a stressful environment and not having time for family.

When participants were asked what particular costs or expenses concerned them or bothered them the most, the responses varied by region. Some costs came up in all locations such as the cost of food in grocery stores and the cost of telecommunications (i.e., cellphone and Internet fees). Some participants also mentioned more general financial concerns, such as the fear of not being able to save enough for retirement and personal debt interest payments. Housing costs were mentioned frequently in locations with inflated housing markets (i.e. Mississauga, Vancouver and Charlottetown).

For the most part, there was low awareness of any specific Government of Canada measures to help Canadians with affordability and cost of living issues. A few people mentioned loans for first-time homebuyers, and some with young families mentioned increases to the Canada Child Benefit (CCB). A couple of participants mentioned increases to Old Age Security or that the CRTC was looking into telecommunications charges. After prompting, many participants had also heard of the planned increase to the Basic Personal Amount, though most dismissed the tax savings from this as too small an amount phased in too gradually to be noticeable.

A “good quality of life” was generally defined as being able to do and afford the things we want, not worrying about money and being healthy. More specifically, people described a good quality of life as not having to live from paycheque to paycheque and being able to afford some leisure activities and extras such as vacations or eating out or attending/participating in cultural or sporting events/activities.

Participants were given a list of nine possible policies the Government of Canada could introduce and were asked to pick which ones they felt would be the most important to them personally. The measures most frequently selected were increasing old age security, as well as three measures relating to health care: access to a family doctor and nurse practitioner; national pharmacare; and improved access to mental health.

D. Transition to a clean economy

Most participants felt the federal government is not doing enough to address climate change. Some felt the government had talked a lot about climate change but had not taken any concrete steps. Others were aware of the fact that the federal government had imposed a carbon tax across the country and had vague awareness of other measures. Many felt that, as long as climate change continued to worsen, nothing the government was doing could be considered “enough.” Only in Calgary were there a few people who felt the government was doing too much. These participants tended to be against the imposition of the carbon tax and were concerned about the stalling of pipeline construction.

With regard to the economic impact of climate change, several participants noted the impact of a changing climate could be very detrimental to the economy, but the economic impact of taking measures to address climate change would likely benefit the Canadian economy. While some acknowledged there could be short-term damage to the oil and gas sector, they felt that, in the long run, combatting climate change was an economic plus.

When participants were asked what a transition to clean energy meant to them, they tended to describe increasing the use of renewable and low-carbon forms of energy, such as solar and wind energy. Or they spoke

of people driving electric cars. They virtually all saw this as something good, with the potential for Canada to make a more positive impact on the world.

With regard to the impact of a shift to clean energy on the oil and gas sector – outside of Calgary, most participants were quite unaware and felt these were “industries of the past,” and that there would have to be a shift to a new economy.

When participants were asked about what they thought would be an indicator of success in Canada’s efforts to address climate change, there was no clear consensus. Many were confused by the question or conflated climate change with simply having a cleaner environment in general and spoke of the air being cleaner and there being less smog.

Participants were given a list of possible policies the Government of Canada could introduce to address climate change, and asked to pick three which they felt would be the most important to them personally. Most were in favour of virtually all of the items listed, but tended to base their three choices on whether it was something they felt they could personally take advantage of, as well as whether it was a policy they saw as having a direct link to addressing climate change. For that reason, the two most popular policy options tended to be making zero-emission vehicles more affordable and helping Canadians make their homes more energy-efficient.

E. Health care

Awareness of the concept of pharmacare varied from community to community. Most participants who had heard of pharmacare understood it would mean some sort of universal program giving Canadians free access to prescription drugs. Most participants know there are currently many Canadians who have to pay out-of-pocket for their drugs, and who may or may not be able to afford it. For the most part, participants also agreed that, in Canada, no one should have to go without medically necessary prescription drugs due to an inability to pay. It was said several times that having some sort of public system to cover drug costs was “the right thing to do.”

The goal of making prescription drugs accessible to all Canadians was seen as an example of the kind of thing tax dollars should be going toward. Several participants acknowledged that, while pharmacare would likely cost governments a lot of money initially, it could save money in the end due to people taking the drugs they need and staying healthier, and government potentially being able to negotiate better bulk pricing from drug companies.

The salience of the issue of better access to family doctors varied a great deal from location to location. In Vancouver, Longueuil and Charlottetown, participants spoke of there being major local challenges with getting a family doctor. In other locations, this was less of a concern. When asked what the federal government could do to help ensure access to family doctors, many people had no specific recommendation, as they saw this as a complex issue.

When participants were asked about other health care-related priorities for the federal government, there was again some confusion as to what exactly the federal role would be in the delivery of health care. People suggested such things as more mental health programs, more medical equipment (i.e., MRIs, etc.), more staff for hospitals – it was noted there are lots of hospitals, just not enough staff to make full use of them – and more health promotion and prevention.

F. Community safety

When the concept of “safer communities” was raised, most participants felt it could refer to safety in a number of ways, such as from crime, from natural disaster, dangerous traffic and environmental pollution. Participants in all locations generally felt they lived in a relatively safe community already and it was clear this was really not a major top-of-mind concern to most people, beyond some localized concerns about car break-ins in Vancouver.

When participants were asked what sorts of measures they would like to see the federal government undertake to make communities safer, there was often initial confusion as to what measures would be under federal jurisdiction. To the extent that people did want to see action from the federal government, they mentioned having more police presence on the streets, tougher laws to make sure criminals are not set free, more investment in mental health and drug addiction, more CCTV cameras and better street lighting.

Most participants were surprised to know military-style assault rifles were not already illegal in Canada. The overwhelming consensus was that these sorts of weapons should be banned, and many people went further to say all handguns should be banned as well. However, it was clear that, for most people, the desire to see military-style assault rifles banned came from a values-based distaste for guns in general and for “American-style gun culture” – and not because people saw this as a way to make them feel personally safer or make their own communities safer.

When prompted, there was universal support for measures such as trying to stop the flow of weapons across the border and helping cities deal with gang-related violence – even if the gang issue was seldom identified as a concern in these communities.

Key findings – quantitative phase

A. Assessment of the economy

Canadians’ assessment of the economy, both nationally and provincially, remains comparable to February 2019. On the current state of the national economy, over four in ten (45%) have a positive perception while two in ten are negative (19%). Confidence in provincial economy continues to vary by locality.

Consistent with last year, residents of B.C. (51%) and Quebec (58%) are the most likely to feel their province’s economy is doing well, while Albertans (21%) have the least positive outlook. Meanwhile, perceptions of gas prices have shifted somewhat to be less positive than last year (22%, from 29% in 2019).

B. Personal financial situation

Like perceptions of the national economy, just over half of Canadians report their personal financial situation as good (score from 7 to 10), a stable proportion from previous years.

Common household expenses do not impact Canadians equally: over one in ten (14%) indicate they do not pay for prescription drugs and half (50%) do not experience costs associated with raising children. Among those for whom specific costs are applicable, only one in ten say weekly groceries (13%), monthly internet services (12%) and child-related costs (11%) are very affordable (score 9-10). Prescription drugs are found to be very affordable by a higher proportion of users (28% selecting 9-10), likely because a portion of these costs are covered by prescription drug coverage of some kind.

C. Government budget priorities

Of seven priority issues for making budget decisions, Canadians are most likely to say it is very important for the Government of Canada to ensure the wealthiest pay their fair share (58% rate as 9 or 10). The next most important priorities are to improve community safety (49%), to help Canadians get a good job (48%), and to fight climate change (48%). Just under half (45% each) prioritize supporting middle-class (either to make life more affordable or to improve quality of life), and just over four in ten (42%) give this rating for implementing pharmacare.

D. Level of well-being

Majorities of Canadians believe their generation's level of well-being has improved compared to their parents', specifically regarding educational opportunities (68%) and health (58%), while just under half (46%) say their overall quality of life is also better. While these social opportunities are believed to have flourished, Canadians are less optimistic about the changing economic landscape. Canadians are divided about whether their employment opportunities are better (36%) or worse (38%) than their parents at the same age, and they are more likely to be negative about financial security, with four in ten saying they are worse off than their parents (42%, vs. 33% better off).

E. Tax system

Strong majorities think low-income earners (69%) as well as small businesses (52%) should be paying less tax. Opinion is basically divided as to whether middle-income earners are paying the proper amount of tax currently (45%) or if they should be paying less (48%). Seven in ten Canadians agree that top income earners (71%) and big corporations (75%) should each be paying more in tax.

F. Affordable housing and helping first-time homeowners

As in 2019, strong majorities of Canadians agree to some extent it is very difficult for people to buy a house today (70% score 7 to 10), and that the government has a responsibility to address affordable housing (68%). Home ownership remains extremely important to Canadians: eight in ten (80%) homeowners agree they felt it was extremely important that they own a home rather than rent, and over six in ten (63%) renters say it is very important they be able to buy a home in the future; these results are also similar to 2019.

However, Canadians are feeling the economic pinch: just under six in ten homeowners (56%, down somewhat from 63% in 2019) agree the costs of living in their home are affordable on their current household income, and just under half (48%) of renters say their rent is affordable (48%, down from 53%). Also consistent with 2019, only a minority of one-third (32%) agree it would be easy to find an affordable and safe home if they needed to relocate today.

Half of Canadians say increasing the availability of affordable housing (51%) and requiring developers to ensure at least 20% of new housing is affordable (49%) should be high priorities for the Canadian government (score 9 or 10), and a close proportion (46%) say this about making monthly mortgage payments more affordable for middle- and lower-income Canadians. Around four in ten each place high priority on continued incentives for first-time home buyers (43%) and continued investment in community housing (41%).

G. Keeping Canadians safe and healthy

The safety measure specifically assessed in the quantitative phase of this research related to addressing gun violence. Canadians generally believe each of four approaches covered in the survey would be at least somewhat effective at addressing gun-related violence. A six-in-ten majority (58%) indicate banning military-style assault rifles would be a very effective measure (score 9 or 10) and just under four in ten give this rating to buying back privately owned assault rifles (36%), although it should be noted that confidence in both of these approaches is notably lower in the Prairies. Around four in ten each believe law enforcement funding approaches would be very effective, including funding to fight gang-related violence at the municipal level (42%) and for gun-related law-enforcement in general (38%), but these opinions are more uniform nationally.

H. Transition to a clean economy

Canadians are split in their opinion of the federal government's fight against climate change, with similar proportions rating current actions taken as good (27% scoring 7 to 10), neutral (35% scoring 5 or 6), and bad (32% scoring 1 to 4). They are twice as likely to say performance on this file is very bad (16%) than very good (7%).

Each of five environmental measures to reduce pollution and protect the environment are considered at least somewhat effective. Just under half of Canadians (46%) think planting two billion trees will be very effective, while around four in ten each think the other assessed measures would be very effective (that is, more affordable zero-emission vehicles, business incentives for clean technologies, increasing inland land and water protections, and help with the energy efficient and climate resilience of Canadian homes).

I. Reconciliation

Canadians have varying levels of confidence in the effectiveness of six different approaches to reconciliation with Indigenous peoples. Focusing on the future, improving access to physical and mental healthcare services was the approach most felt to be very effective, by nearly half of Canadians (47% scoring 9 or 10), followed by continuing to implement the recommendations of the *National Inquiry into Murdered and Missing Indigenous Women and Girls* (44%) and promoting economic development and self-reliance (40%). Canadians are less likely to view as very effective approaches that focus on righting past wrongs: compensating indigenous victims of the child welfare system (29%) and official apologies (25%); in fact, close to two in ten (17%) would go so far as to describe official apologies as not at all effective (score 1 or 2).

Political neutrality statement and contact information

I hereby certify as senior officer of Environics that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada, and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.

Derek Leebosh
Vice President, Public Affairs
Environics Research Group
derek.leebosh@environics.ca
(416) 820-1963

Supplier name: Environics Research Group
PWGSC contract number: 60074-191692/001/CY
Original contract date: 2019-12-18
For more information, contact Finance Canada at stephanie.rubec@canada.ca