

Consumer Finances and Priorities - Canada - August 2016

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“Canadians are somewhat pessimistic about economic conditions and concerned about food inflation and employment but the housing market is not a national concern”.

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Consumer confidence is middling at best
- Real estate and housing market values are not national concerns
- A quarter of Canadians are living from pay cheque to pay cheque
- Saving for retirement is the top long term priority; vacation, credit card debt and emergency funds are the top three short-term priorities

As the Canadian economy adjusts to lower commodity prices, the economy continues to grow at a slow pace. There are still lingering concerns about food inflation and employment prospects for young Canadians. Also, house prices in the hot markets of Vancouver and Toronto have been climbing at an unsustainable clip. According to economists, house prices in these two cities have outpaced local economic fundamentals such as job creation, immigration and income growth.

This report delves into the personal finance lives of Canadians. We explore issues related to consumer confidence, what Canadians think about the national and local economy, their financial situation, spending and shopping habits and financial priorities and consumer confidence. We look at how the demographic groups differ in their attitudes and levels of financial preparedness and the ways in which Canadians are reacting to the economy. As families face the crunch of multiple priorities, we examine their shopping habits and spending behaviour. The report also looks at consumer attitudes towards the housing market and housing affordability.

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 Canada's economy disappoints; risk of contraction in the second quarter
 Canada's inflation rate moves up to 1.7% in April

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 Saving for retirement is the top long-term priority; vacation, credit card debt and emergency funds are the top three short-term priorities
 Women are more motivated to look for ways to save money
 One in five Canadians have shopped with their mobile phone

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