

Consumer Confidence Rises for a Second Consecutive Month

Index of Consumer Confidence

February 8, 2023

The Index of Consumer Confidence increased by 8.2 points, rising to 74.1 points in January (2014 = 100).

[Download the data](#)

- Optimism over households' current finances increased by 1.1 percentage points in January. What's more, the share of Canadians with a pessimistic view of their current finances declined to 33.0 per cent, a drop of 3.4 percentage points from December.
- Concerns over households' future finances declined by 2.6 percentage points, while optimism over future finances increased by 1.4 percentage points. This improved sentiment toward future finances is likely because households are expecting inflation to remain under control.
- Canadians are more confident about job prospects this month. The share of respondents who felt there would be more jobs in six months increased by 0.9 percentage points. Meanwhile, the portion of respondents with a pessimistic view of future job prospects declined by 1.4 percentage points. The 100,000 jobs added in December certainly changed how Canadians believe the labour market will perform in the coming months.
- The share of respondents who believed it was a good time to make a major purchase increased slightly, rising 1.4 percentage points to 10.5 per cent. Higher interest rates have had a profound impact on consumer spending. Despite the increase in positive sentiment toward major purchases this month, 65.2 per cent of respondents didn't believe it was a good time to purchase big-ticket items.

Insights

The Bank of Canada's tightening monetary policy is working – inflation has peaked. The national inflation rate fell to 6.3 per cent in December and will continue to fall as interest rate hikes work their way through the economy.

Demand for vehicles and other durable goods will continue to decline as we enter this period of stagnant economic growth. Pessimism over major purchases declined this month, but the percentage of respondents who share this view has increased dramatically from January 2020 (30.2 per cent) and January 2021 (51.1 per cent). This shows how much of an impact interest rate hikes have had on consumer behaviour in recent months.

This month's recovery in consumer confidence is partly due to improvement in inflation expectations. Canadians believe that the Bank will get inflation under control. However, the index remains well below its pre-pandemic level of 120.6 points (February 2020). This means that consumer confidence has increased from last month but is still relatively low.

Ontario

The index increased by 7.0 points.

Optimism over current finances increased 0.7 percentage points from December, with 12.2 per cent of those surveyed sharing a positive view. Similarly, 16.4 per cent felt optimistic about future finances, an increase of 1.9 percentage points. Meanwhile, only 13.1 per cent of respondents felt that more jobs will surface in six months, a slight decrease of 0.1 percentage points from December. On the other hand, overall thoughts on major purchases improved slightly. The portion of respondents who thought it was a good time to make big purchases increased by 1.9 percentage points. Still, a large share of survey responders (60.8 per cent) felt that it was not the time to purchase big-ticket items.

Quebec

The index climbed 7.2 points.

Quebecers felt more confident about future job prospects in January. Of those surveyed, 17.2 per cent shared an optimistic view, an increase of 2.1 percentage points from December. Inflation is still high, but the share of respondents that felt pessimistic toward current finances declined by 6.0 percentage points. Consumers were also more confident about future finances, with 18.4 per cent sharing an optimistic view – an increase of 2.4 percentage points. On the other hand, positive sentiment toward big-ticket purchases fell to 8.3 per cent, a decline of 0.2 percentage points from December.

Alberta

The index inched up 3.1 points.

Oil prices have declined but remain above historical averages. As a result, consumer confidence crept up this month. Optimism over current finances increased by 2.1 percentage points in January to 12.7 per cent. Further, positive sentiment toward spending on big-ticket items increased to 8.9 per cent – an improvement of 1.4 percentage points from December. Still, most survey respondents (64.4 per cent) thought it wasn't a good time to make major purchases – a common theme across the provinces. Of those surveyed, only 17.3 per cent felt good about their future finances, a decline of 1.3 percentage points from December. Similarly, positive thoughts on the job outlook in six months declined by 0.5 percentage points to settle at 11.0 per cent.

British Columbia

The index increased by 8.9 points.

In January, optimism over current finances increased. Of those surveyed, 11.8 per cent held a positive outlook on their current financial situations, an uptick of 0.6 percentage points from December. On the other hand, positive sentiment toward future finances declined by 0.1 percentage points to settle at 11.6 per cent. Meanwhile, British Columbians felt more confident in January that jobs would surface in six months. The portion of respondents that shared a positive view on future job prospects increased to 15.5 per cent. Finally, only 9.0 per cent of those surveyed believed it was a good time to make major purchases, a gain of 2.0 percentage points from the previous month.

Saskatchewan–Manitoba

The index jumped 15.8 points.

Consumers in this region began the year with increased optimism in various indicators. After declining 4.9 percentage points in December, optimism over current finances recovered 3.6 percentage points this month to settle at 10.9 per cent. Likewise, 17.3 per cent shared a positive outlook on future finances, an increase of 2.1 percentage points from December. The share of respondents who believed it was a good time to make major purchases rose 3.1 percentage points to 11.5 per cent. Of those surveyed, 11.6 per cent believed that more jobs would surface in six months – a slight increase of 0.1 percentage points from December.

Atlantic Region

The index soared 15.1 points.

After six consecutive months below the 100-point benchmark, the region's index rose to 101.0 points in January. Of those surveyed, 12.8 per cent felt optimistic about their current finances – an increase of 2.9 percentage points from December. In addition, the outlook on future finances gained 2.0 percentage points to settle at 15.9 per cent. The region's stance on future employment trended upward, with the share of optimism rising 3.9 percentage points to 18.8 per cent. Ultimately, thoughts on big-ticket spending improved this month, with 11.8 per cent believing it was a good time to spend big. On the other hand, 61.1 per cent of respondents expressed trepidation about making major purchases this month – a decline of 9.7 percentage points from December.

Chart 1
Index of Consumer Confidence
(2014 = 100)



Source: The Index of Consumer Confidence is created by The Conference Board of Canada.

Table 1
Index of Consumer Confidence
(2014 = 100)

Month	Canada	Atlantic provinces	Ontario	Quebec	Manitoba-Saskatchewan	Alberta	British Columbia
11/1/2020	74	92	67	106	54	49	79
12/1/2020	86	125	81	104	66	49	107
1/1/2021	91	122	80	113	74	65	110
2/1/2021	91	100	87	119	68	58	103
3/1/2021	105	122	99	129	80	65	135
4/1/2021	98	139	94	126	74	58	117
5/1/2021	105	119	98	132	74	66	137
6/1/2021	120	136	114	143	97	89	135
7/1/2021	121	127	120	147	93	87	135
8/1/2021	114	147	115	128	77	71	144
9/1/2021	110	165	107	124	83	72	129
10/1/2021	113	153	107	134	85	74	144
11/1/2021	108	122	107	123	76	74	138
12/1/2021	101	121	102	117	67	65	129
1/1/2022	101	132	100	108	72	69	126
2/1/2022	93	101	91	118	80	57	106
3/1/2022	95	85	96	106	74	67	124
4/1/2022	100	130	90	119	79	70	129
5/1/2022	88	107	82	103	67	72	103
6/1/2022	79	108	78	92	66	52	90
7/1/2022	73	75	72	92	65	38	90
8/1/2022	75	97	73	91	57	47	92
9/1/2022	75	97	76	97	49	48	73
10/1/2022	70	81	73	93	61	35	70
11/1/2022	65	80	62	87	55	38	67
12/1/2022	66	86	64	86	46	44	66

Data sources: All employment and wage data are sourced from Statistics Canada. Consumer confidence data are created by The Conference Board of Canada. Survey dates are between December 2th, 2022, and December 11th, 2022.

Table 2
Inflation expectations
Consumers' inflation expectations over the next three years

Month	1 per cent and less	Greater than 1 per cent	Greater than 3 per cent	Greater than 5 per cent
01/11/2021	9%	38%	27%	26%
01/12/2021	8%	37%	25%	30%
01/01/2022	7%	38%	26%	29%
01/02/2022	8%	37%	26%	29%
01/03/2022	6%	35%	26%	32%
01/04/2022	8%	33%	27%	32%
01/05/2022	7%	32%	27%	34%
01/06/2022	7%	33%	25%	34%
01/07/2022	7%	34%	26%	33%
01/08/2022	7%	34%	27%	31%
01/09/2022	8%	36%	27%	29%
01/10/2022	8%	34%	27%	31%
01/11/2022	8%	35%	28%	29%
01/12/2022	8%	35%	26%	31%

Data sources: All employment and wage data are sourced from Statistics Canada. Consumer confidence data are created by The Conference Board of Canada. Survey dates are between December 2th, 2022, and December 11th, 2022.

Please click through the tabs below to view each province.

Canada

Month ▼

1/1/2002

1/1/2023

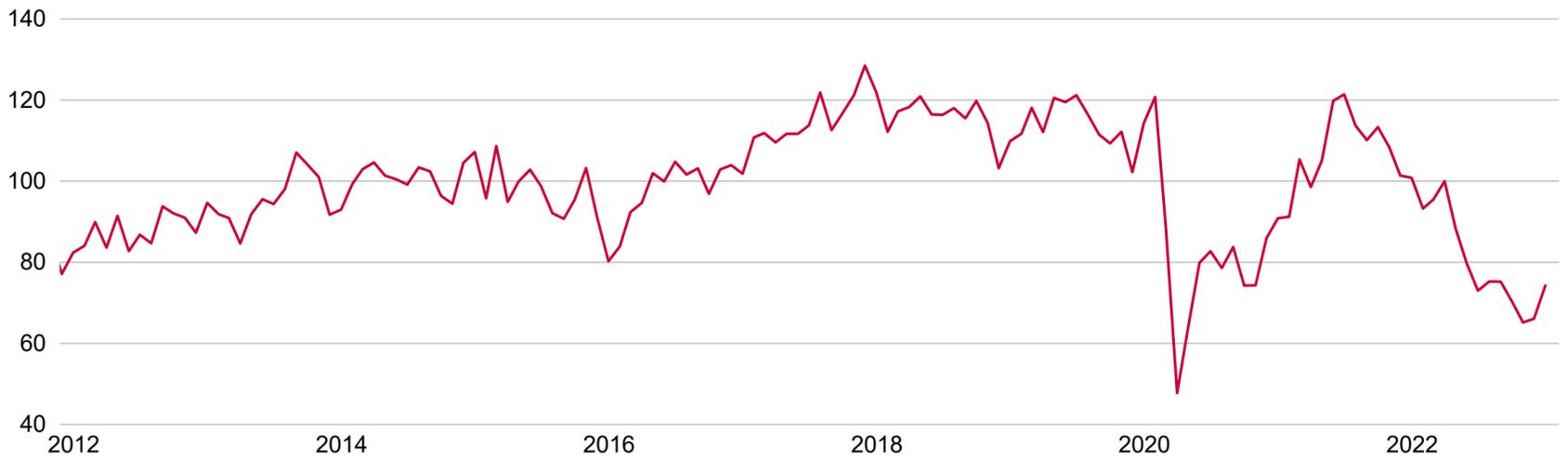
Adjust slider to change view.

Please note that the slider only accounts for a maximum of 10 years at a time.

Chart 1

Index of Consumer Confidence—Canada

(2014 = 100)

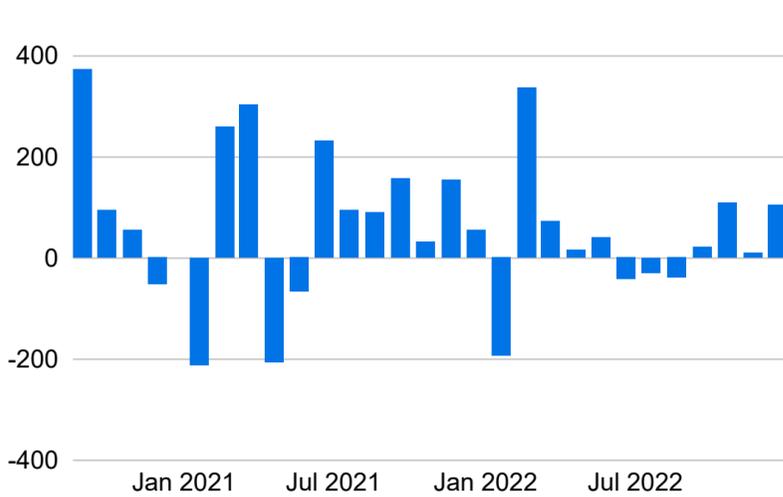


Source: The Conference Board of Canada.

Chart 2

Monthly change in employment—last 12 months

(000s)



Source: The Conference Board of Canada.

Chart 3

Year-over-year wage growth—last 12 months

(%)

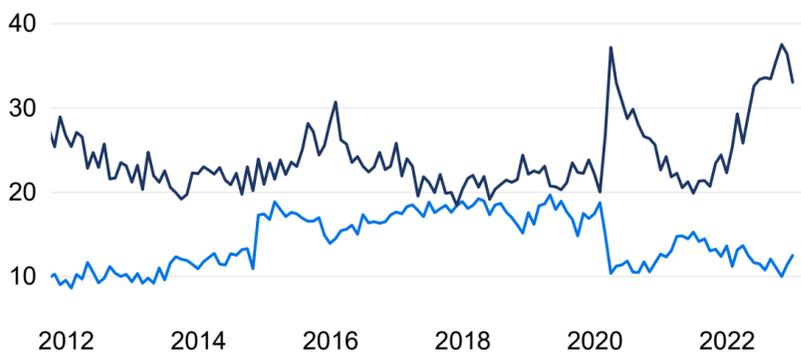


Source: The Conference Board of Canada.

Question 1

Are your finances better or worse than they were six months ago?

— Better — Worse

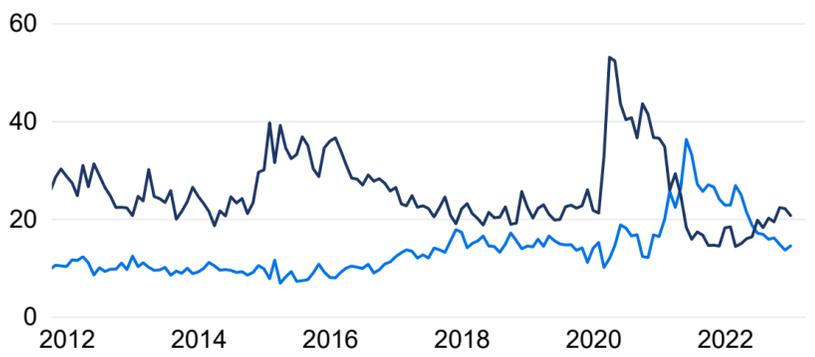


Source: The Conference Board of Canada.

Question 3

Do you expect more or fewer jobs in the next six months in your area?

— More — Fewer

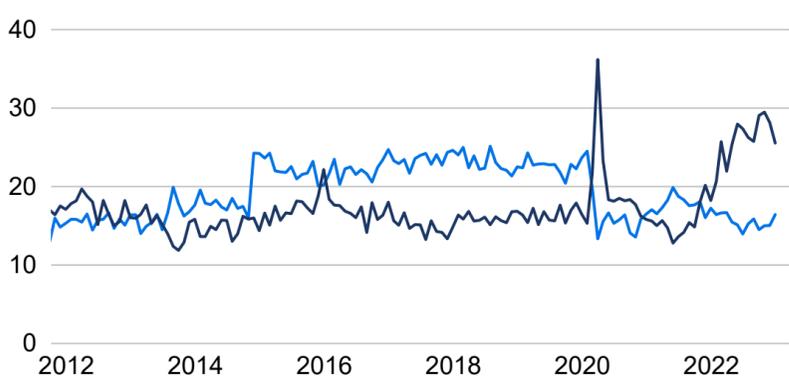


Source: The Conference Board of Canada.

Question 2

Do you expect your finances to be better or worse in six months?

— Better — Worse

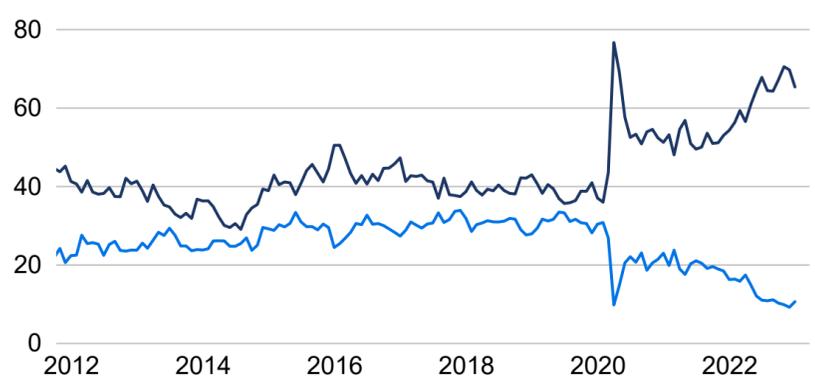


Source: The Conference Board of Canada.

Question 4

Is now a good or bad time to make a major purchase?

— Good — Bad



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.

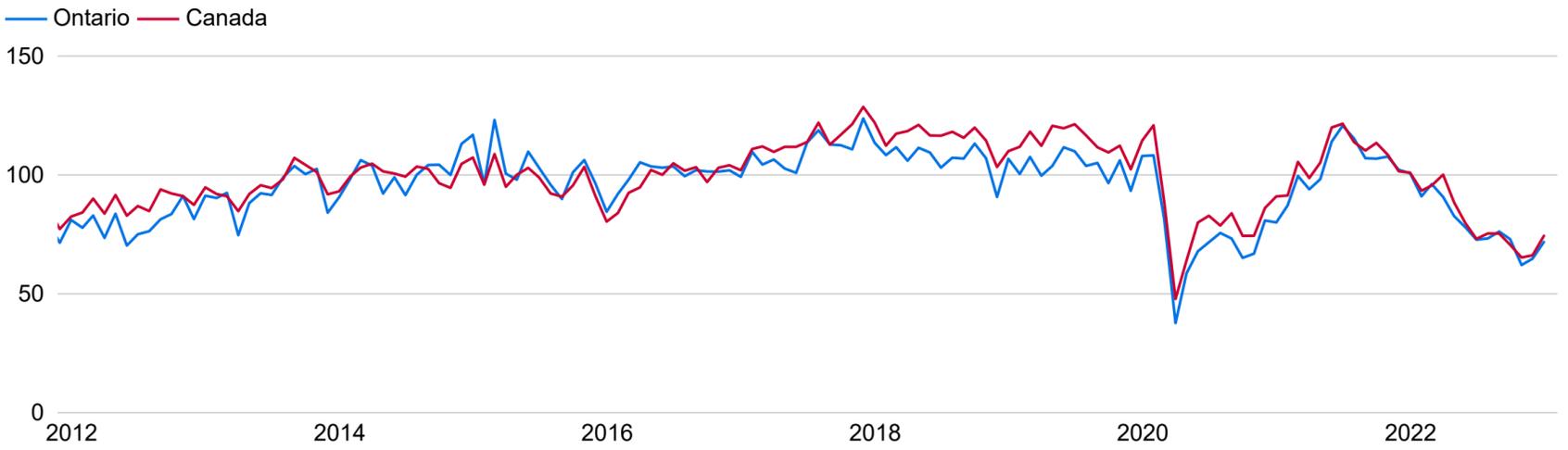
Ontario

Month ▼

1/1/2002 1/1/2023

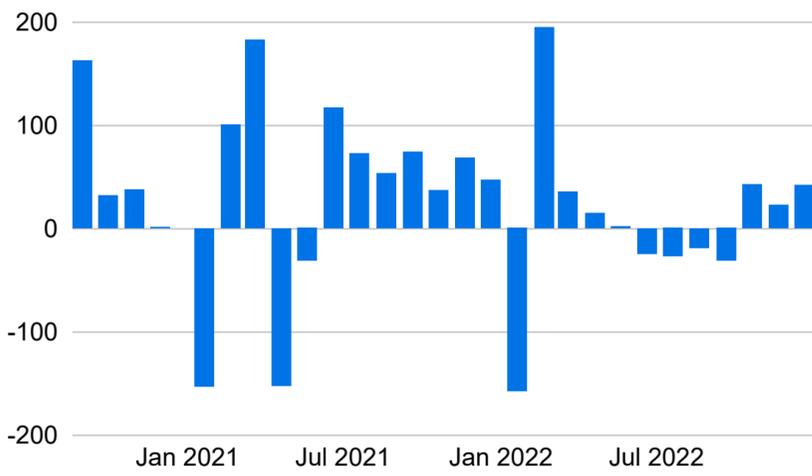
Adjust slider to change view.
Please note that the slider only accounts for a maximum of 10 years at a time.

Chart 1
Index of Consumer Confidence—Ontario and Canada
(2014 = 100)



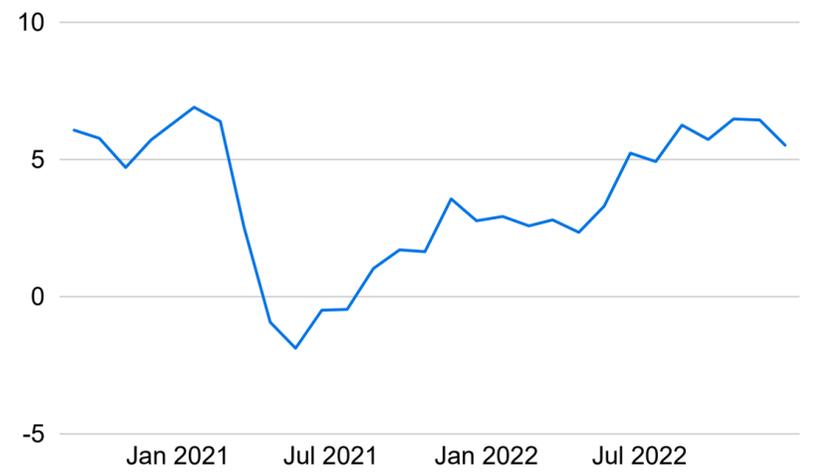
Source: The Conference Board of Canada.

Chart 2
Monthly change in employment—last 12 months
(000s)



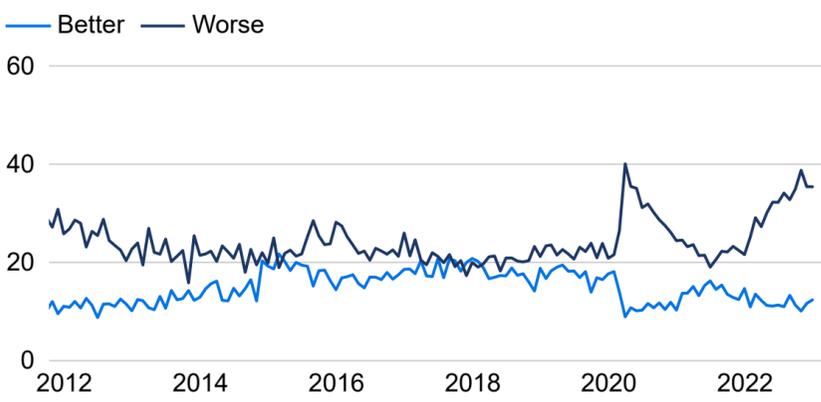
Source: The Conference Board of Canada.

Chart 3
Year-over-year wage growth—last 12 months
(%)



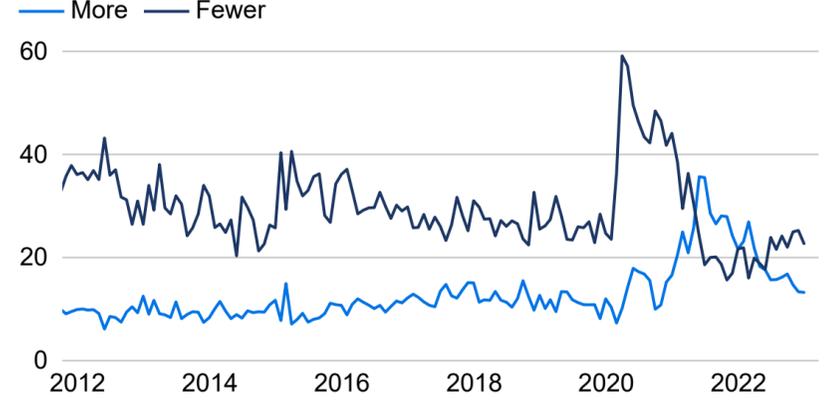
Source: The Conference Board of Canada.

Question 1
Are your finances better or worse than they were six months ago?



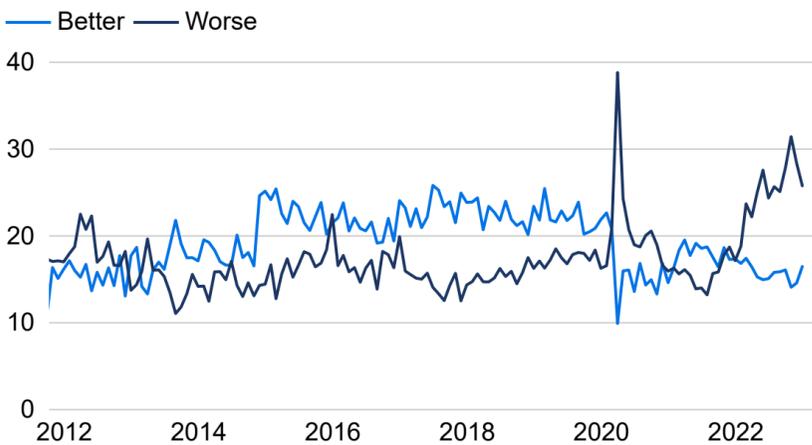
Source: The Conference Board of Canada.

Question 3
Do you expect more or fewer jobs in the next six months in your area?



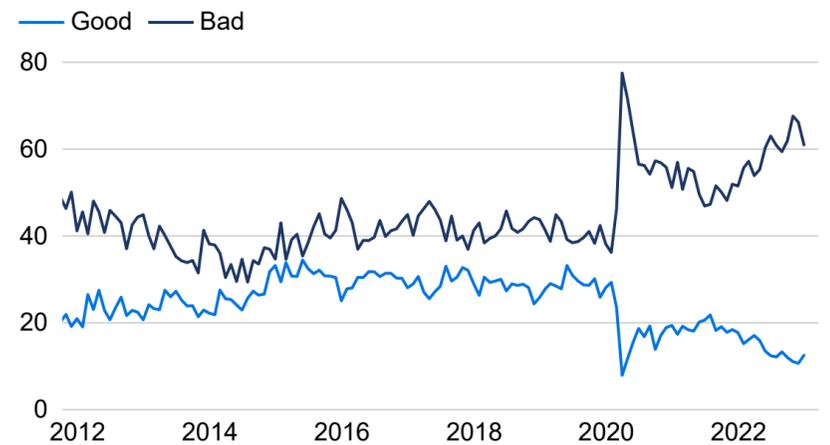
Source: The Conference Board of Canada.

Question 2
Do you expect your finances to be better or worse in six months?



Source: The Conference Board of Canada.

Question 4
Is now a good or bad time to make a major purchase?



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.

Quebec

Month ▼

1/1/2002

1/1/2023

Adjust slider to change view.

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Chart 1

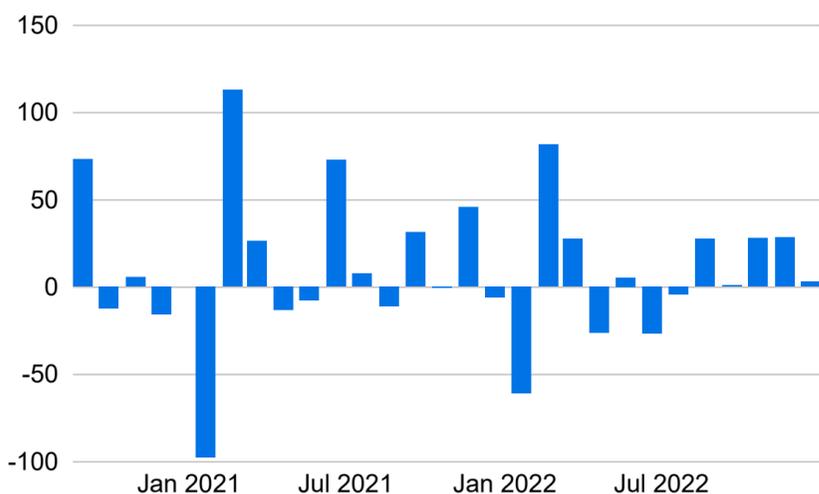
Index of Consumer Confidence—Quebec and Canada
(2014 = 100)



Source: The Conference Board of Canada.

Chart 2

Monthly change in employment—last 12 months
(000s)



Source: The Conference Board of Canada.

Chart 3

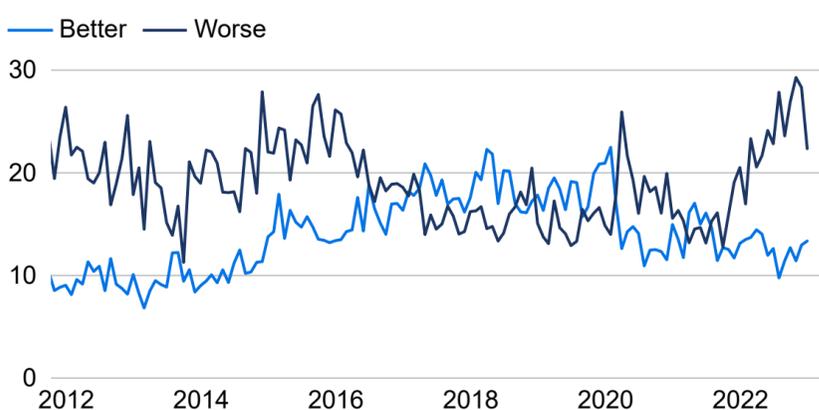
Year-over-year wage growth—last 12 months
(%)



Source: The Conference Board of Canada.

Question 1

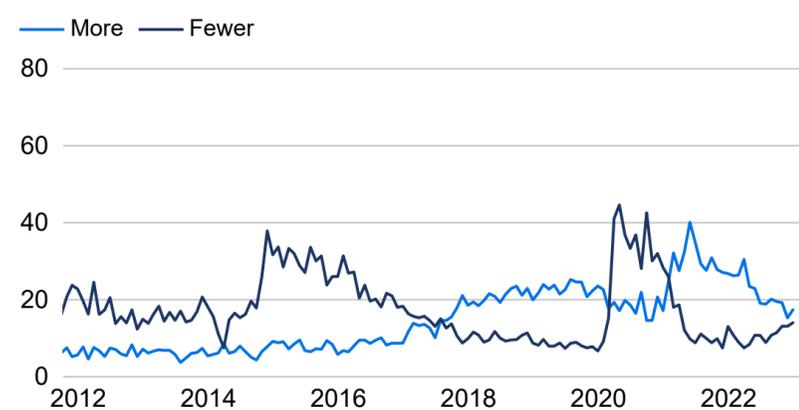
Are your finances better or worse than they were six months ago?



Source: The Conference Board of Canada.

Question 3

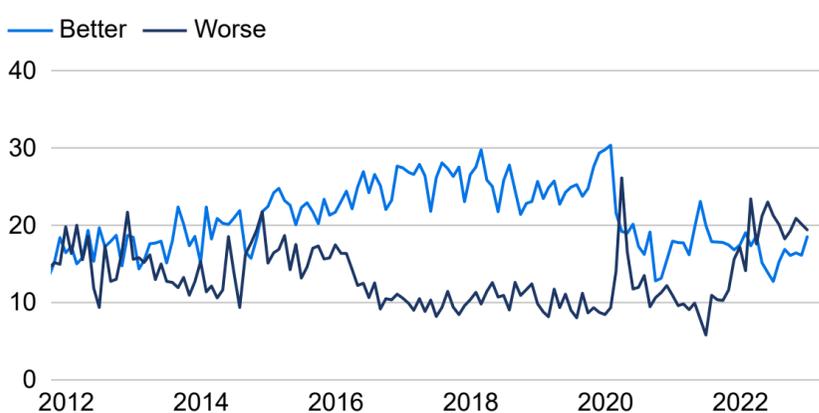
Do you expect more or fewer jobs in the next six months in your area?



Source: The Conference Board of Canada.

Question 2

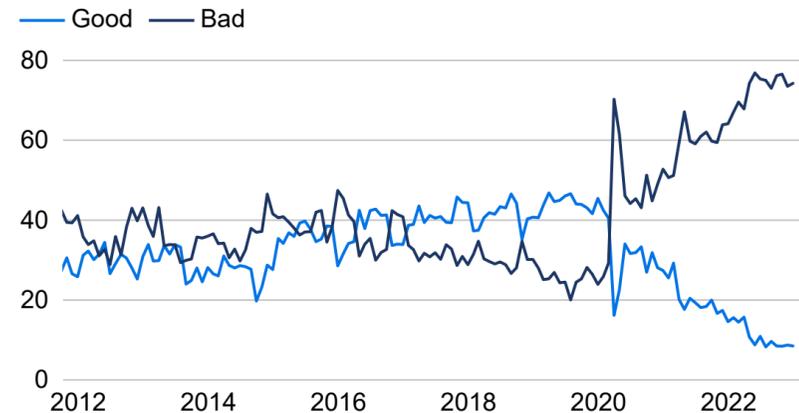
Do you expect your finances to be better or worse in six months?



Source: The Conference Board of Canada.

Question 4

Is now a good or bad time to make a major purchase?



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.

Alberta

Month ▼

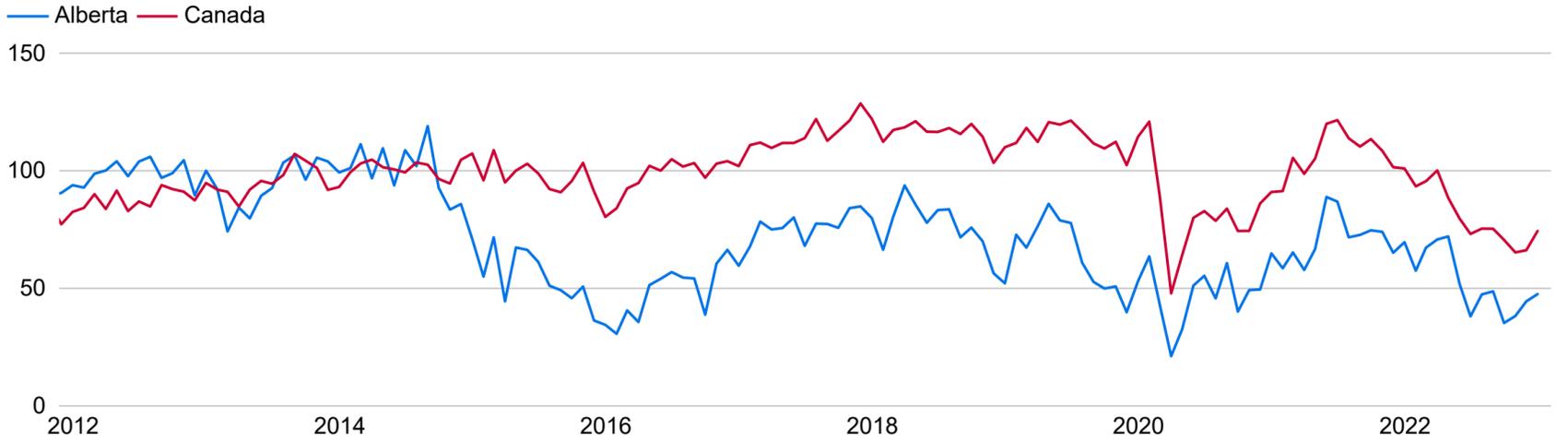
1/1/2002

1/1/2023

Adjust slider to change view.

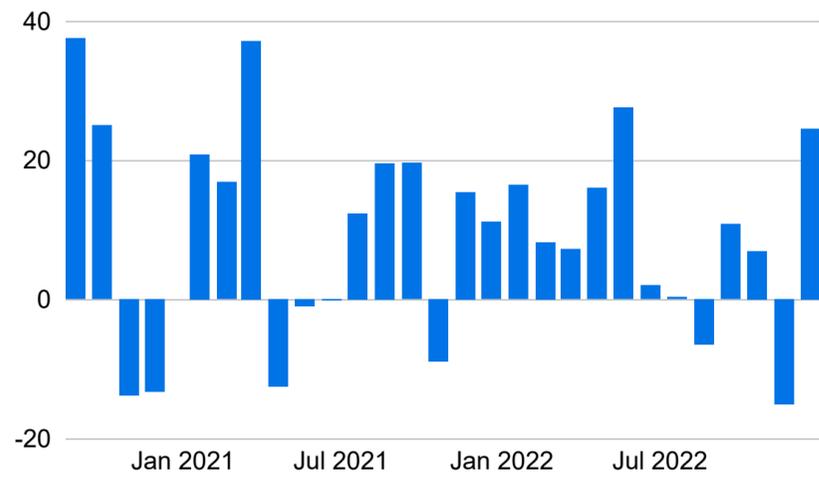
Please note that the slider only accounts for a maximum of 10 years at a time.

Chart 1
Index of Consumer Confidence—Alberta and Canada
(2014 = 100)



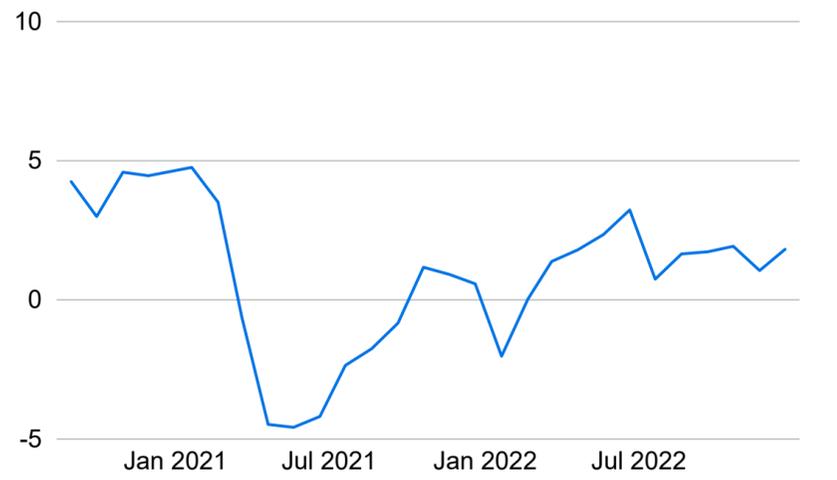
Source: The Conference Board of Canada.

Chart 2
Monthly change in employment—last 12 months
(000s)



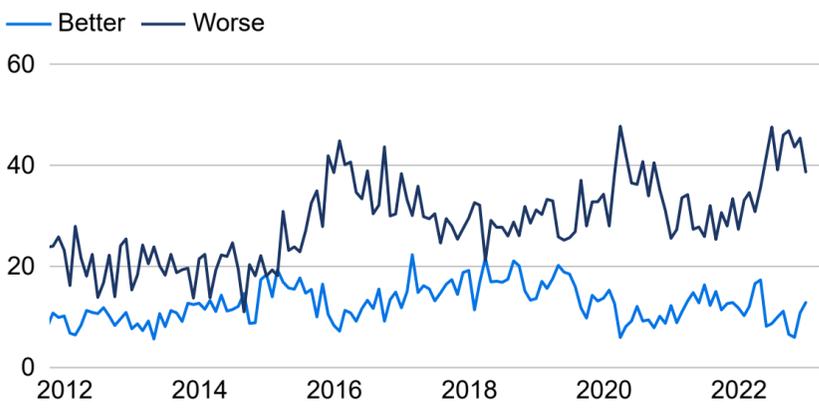
Source: The Conference Board of Canada.

Chart 3
Year-over-year wage growth—last 12 months
(%)



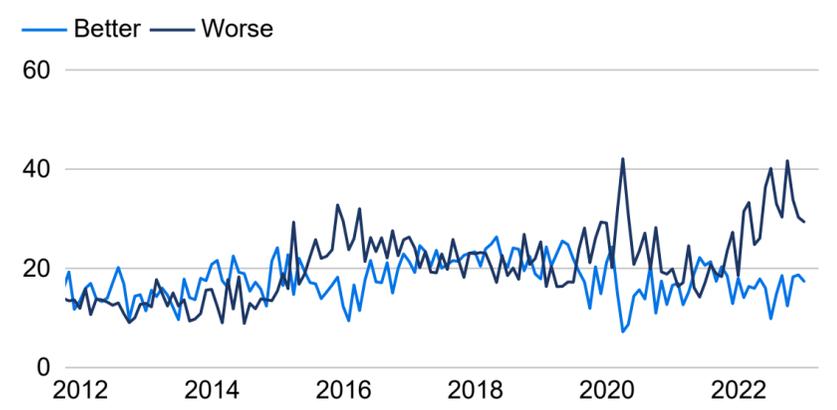
Source: The Conference Board of Canada.

Question 1
Are your finances better or worse than they were six months ago?



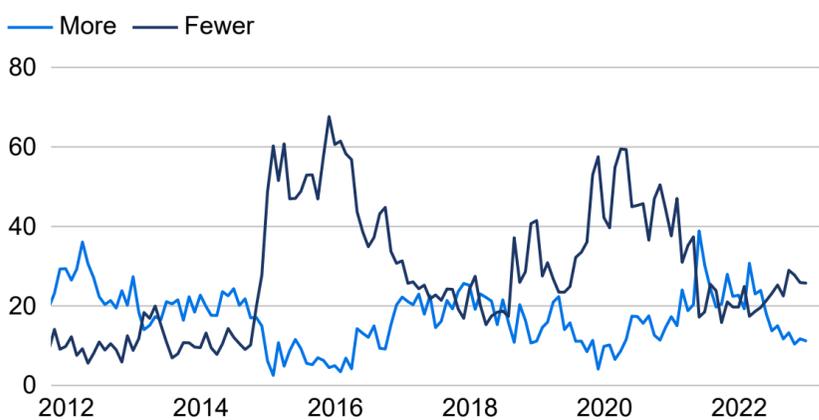
Source: The Conference Board of Canada.

Question 3
Do you expect more or fewer jobs in the next six months in your area?



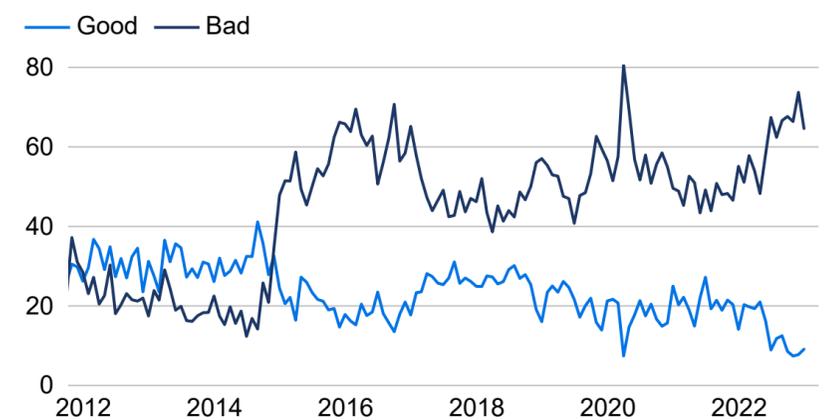
Source: The Conference Board of Canada.

Question 2
Do you expect your finances to be better or worse in six months?



Source: The Conference Board of Canada.

Question 4
Is now a good or bad time to make a major purchase?



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.

British Columbia

Month ▼

1/1/2002

1/1/2023

Adjust slider to change view.

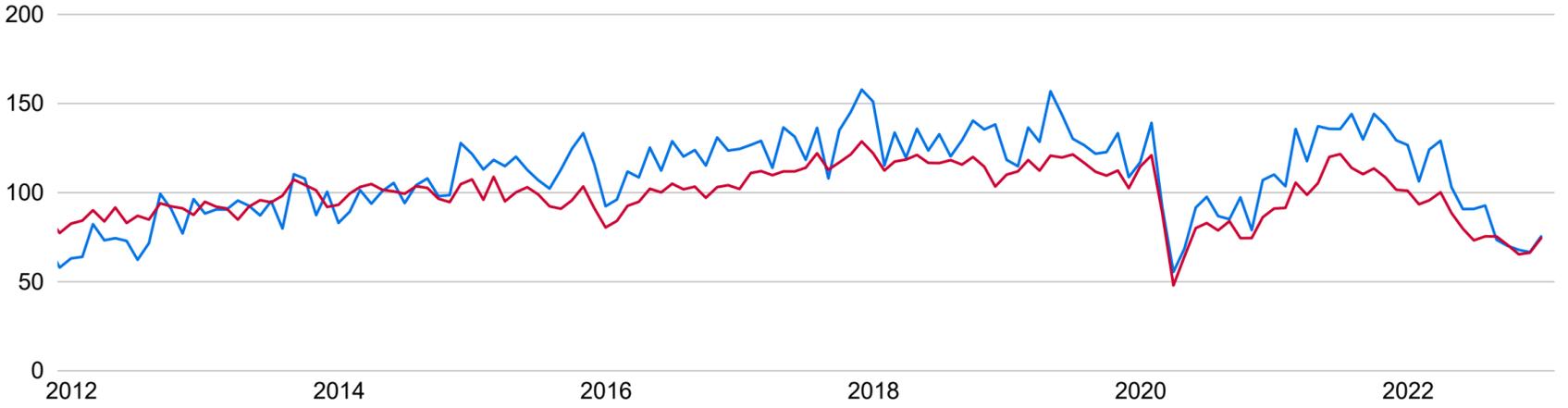
Please note that the slider only accounts for a maximum of 10 years at a time.

Chart 1

Index of Consumer Confidence—British Columbia and Canada

(2014 = 100)

— British Columbia — Canada

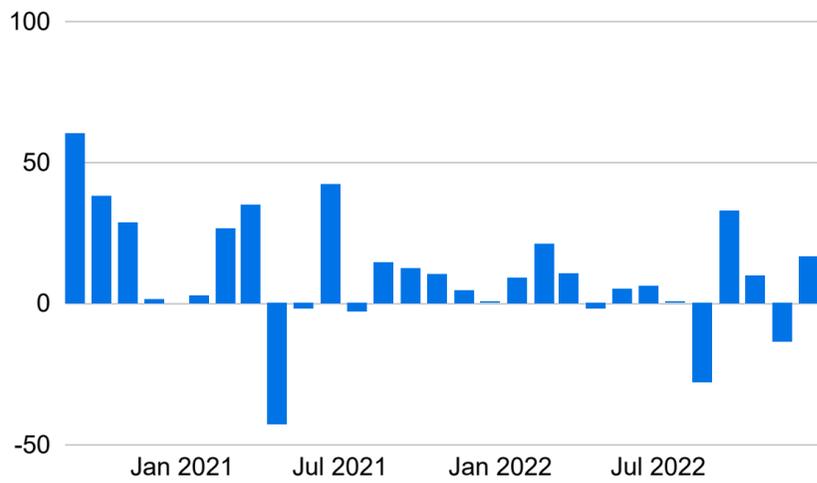


Source: The Conference Board of Canada.

Chart 2

Monthly change in employment—last 12 months

(000s)

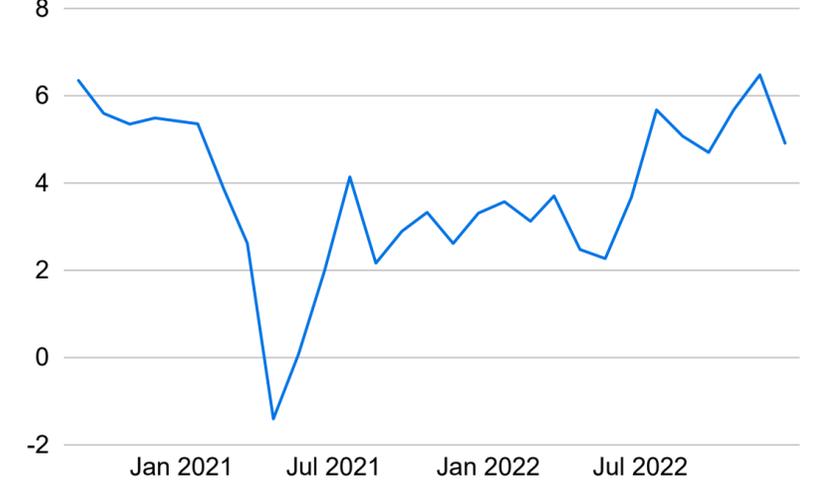


Source: The Conference Board of Canada.

Chart 3

Year-over-year wage growth—last 12 months

(%)

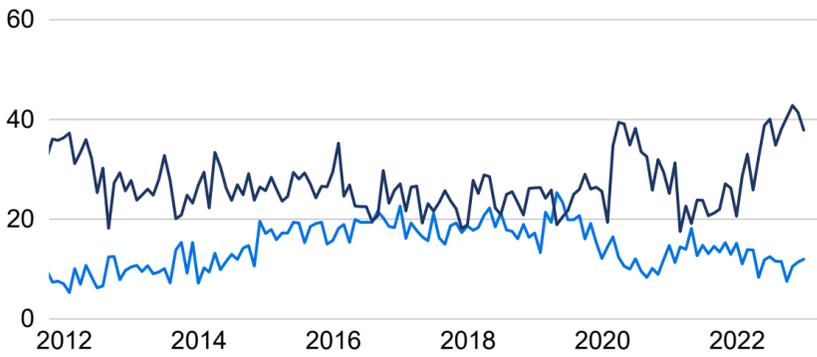


Source: The Conference Board of Canada.

Question 1

Are your finances better or worse than they were six months ago?

— Better — Worse

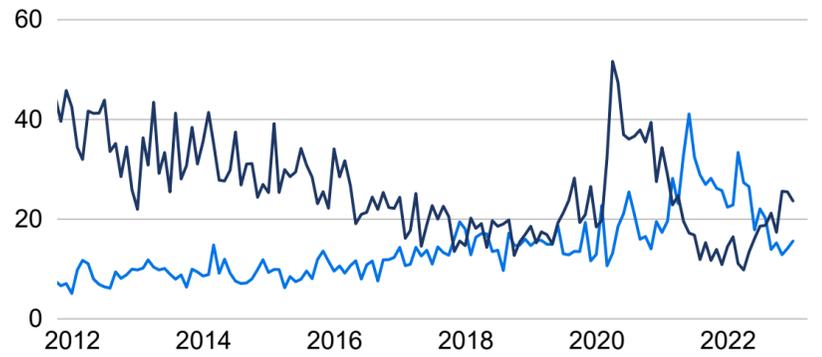


Source: The Conference Board of Canada.

Question 3

Do you expect more or fewer jobs in the next six months in your area?

— More — Fewer

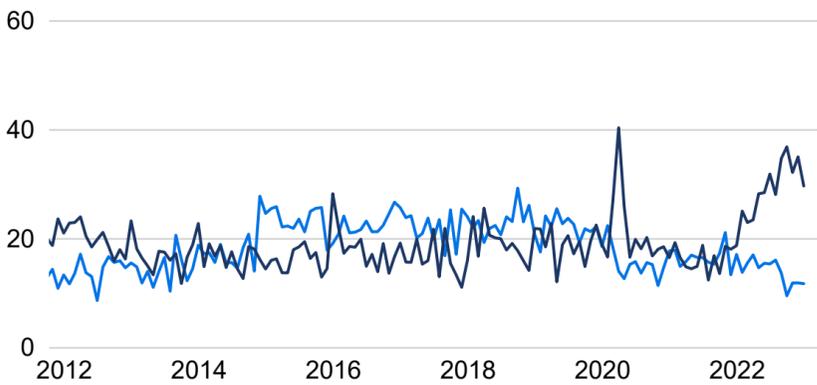


Source: The Conference Board of Canada.

Question 2

Do you expect your finances to be better or worse in six months?

— Better — Worse

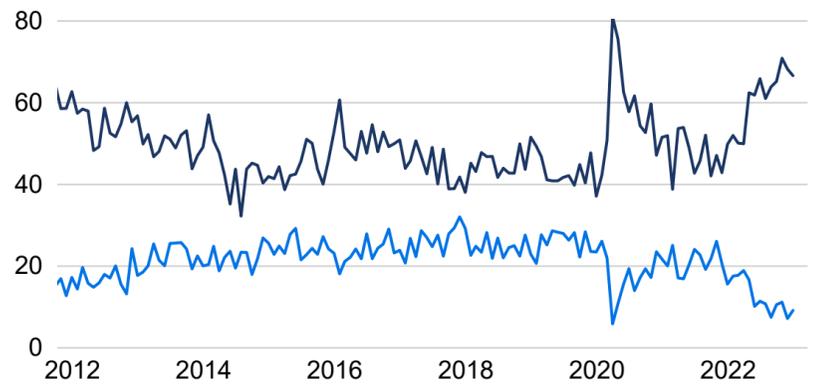


Source: The Conference Board of Canada.

Question 4

Is now a good or bad time to make a major purchase?

— Good — Bad



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.

Manitoba-Saskatchewan

Month ▼

1/1/2002

1/1/2023

Adjust slider to change view.

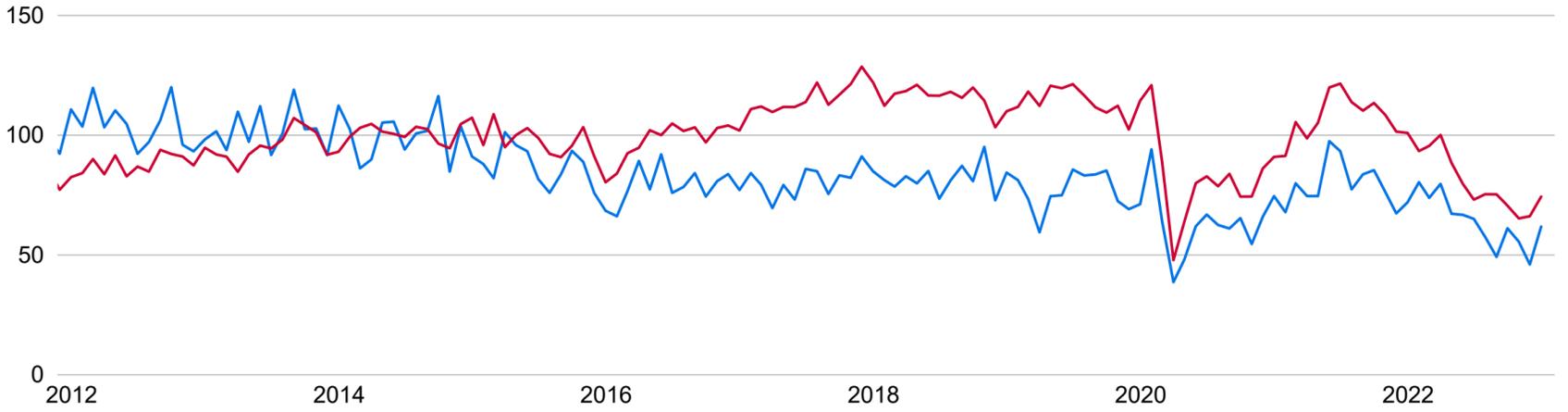
Please note that the slider only accounts for a maximum of 10 years at a time.

Chart 1

Index of Consumer Confidence—Saskatchewan—Manitoba and Canada

(2014 = 100)

— Manitoba — Canada

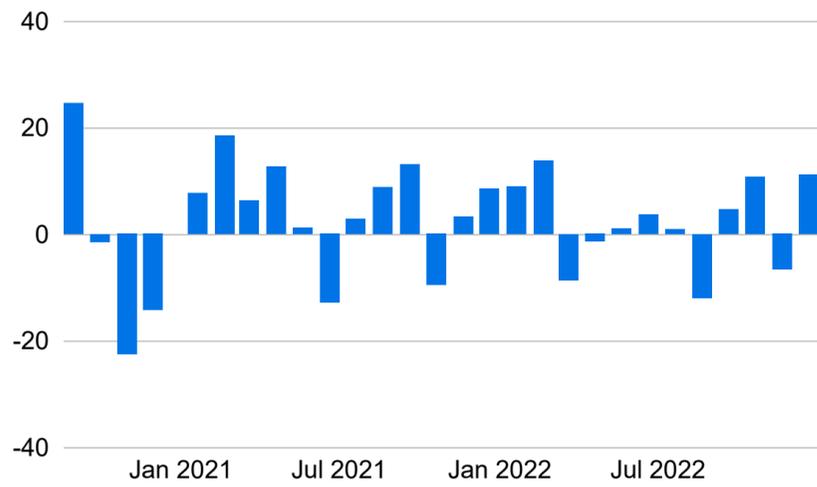


Source: The Conference Board of Canada.

Chart 2

Monthly change in employment—last 12 months

(000s)

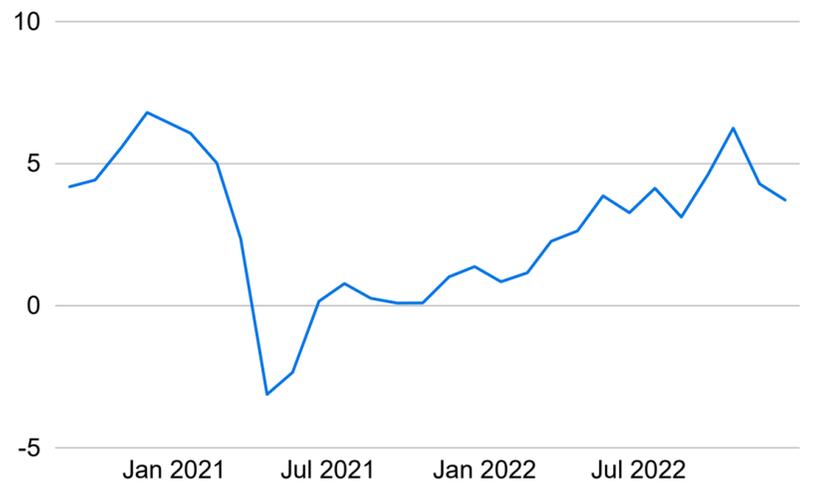


Source: The Conference Board of Canada.

Chart 3

Year-over-year wage growth—last 12 months

(%)

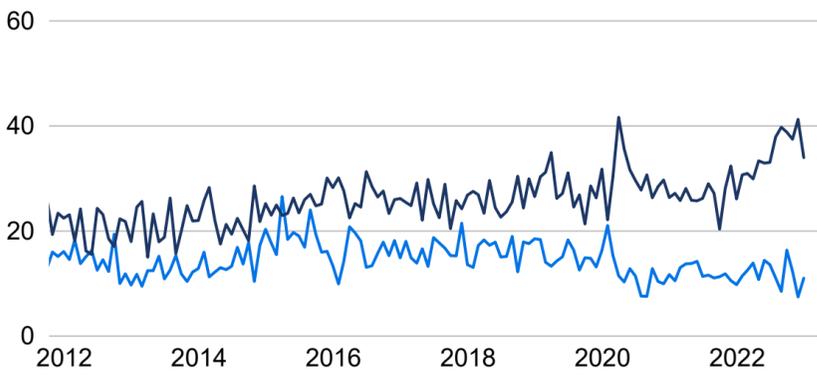


Source: The Conference Board of Canada.

Question 1

Are your finances better or worse than they were six months ago?

— Better — Worse

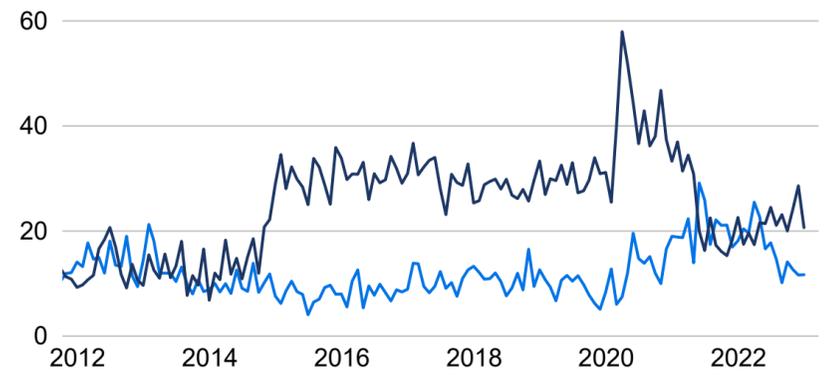


Source: The Conference Board of Canada.

Question 3

Do you expect more or fewer jobs in the next six months in your area?

— More — Fewer

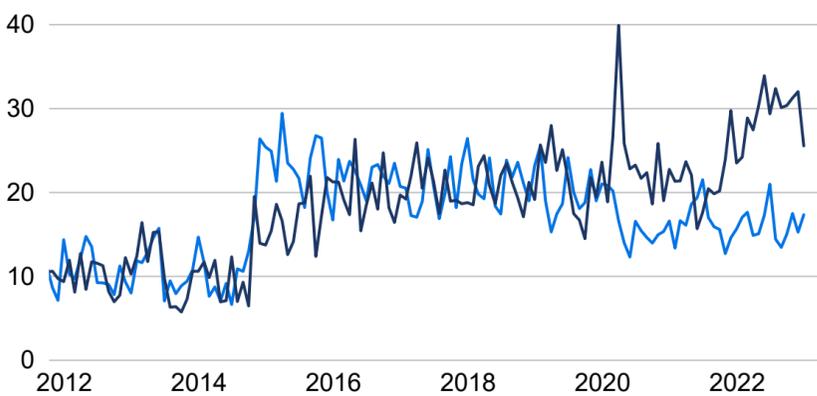


Source: The Conference Board of Canada.

Question 2

Do you expect your finances to be better or worse in six months?

— Better — Worse

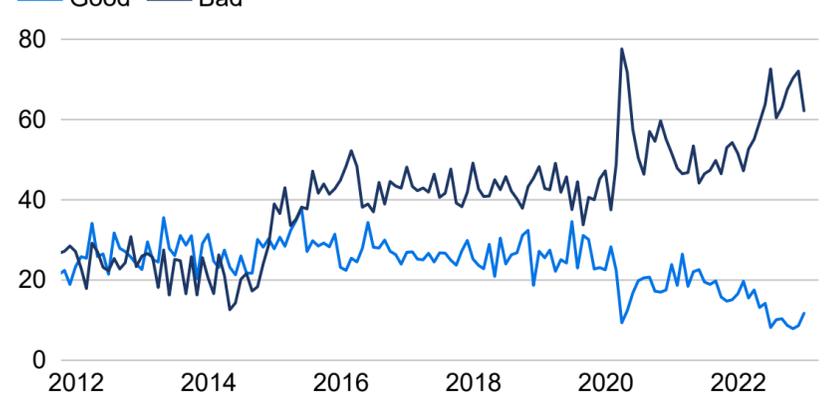


Source: The Conference Board of Canada.

Question 4

Is now a good or bad time to make a major purchase?

— Good — Bad



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.

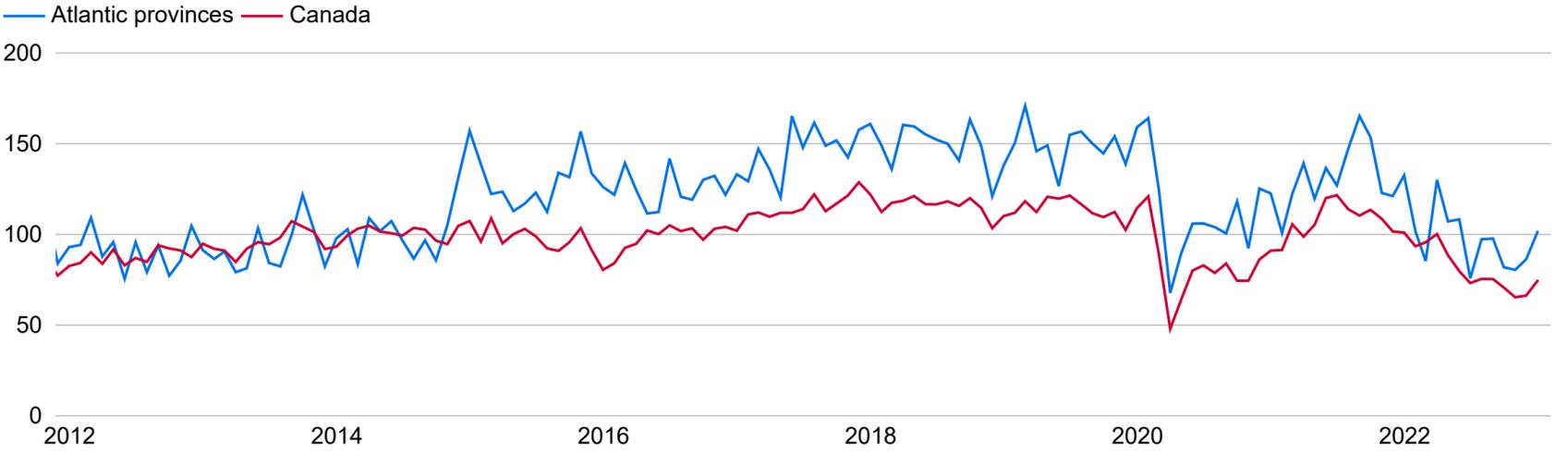
Atlantic Provinces

Month



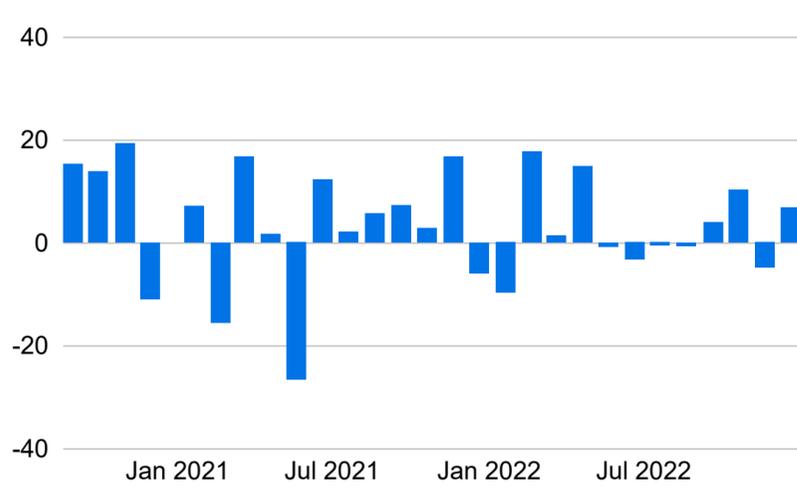
Adjust slider to change view.
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Chart 1
Index of Consumer Confidence—Atlantic Provinces and Canada
(2014 = 100)



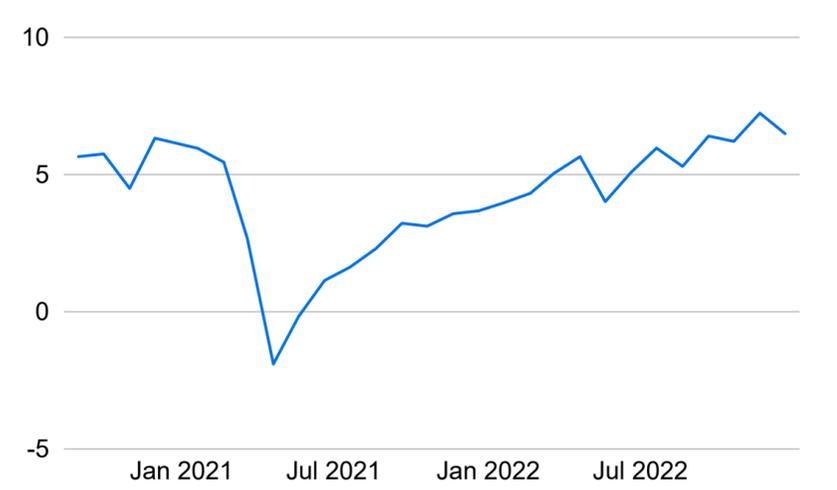
Source: The Conference Board of Canada.

Chart 2
Monthly change in employment—last 12 months
(000s)



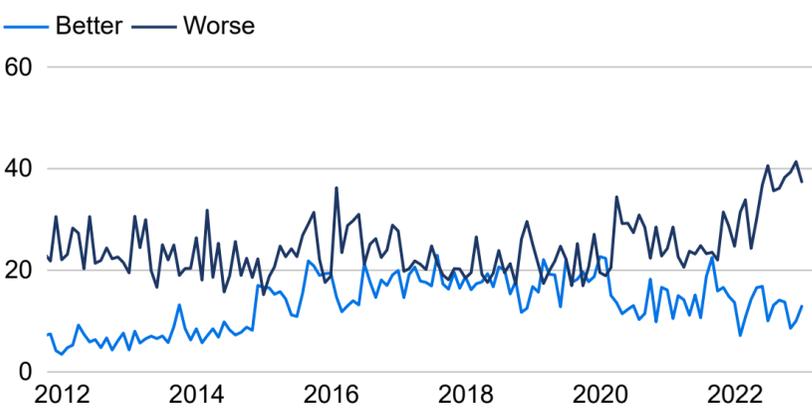
Source: The Conference Board of Canada.

Chart 3
Year-over-year wage growth—last 12 months
(%)



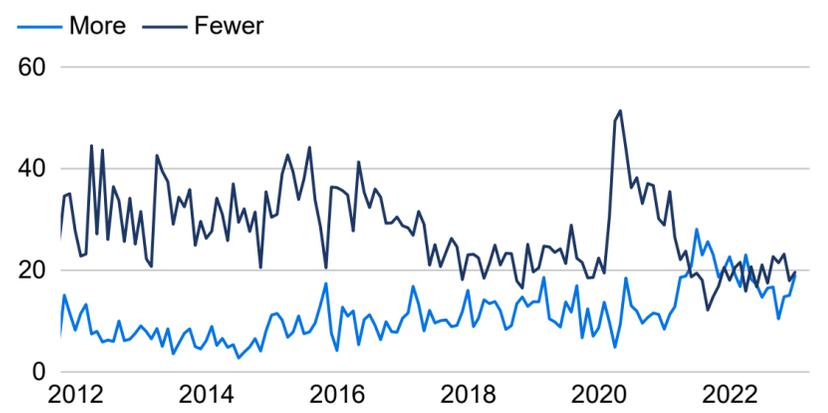
Source: The Conference Board of Canada.

Question 1
Are your finances better or worse than they were six months ago?



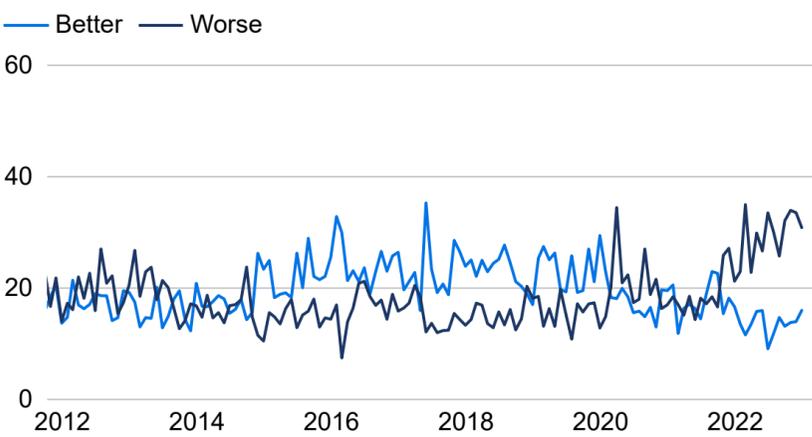
Source: The Conference Board of Canada.

Question 3
Do you expect more or fewer jobs in the next six months in your area?



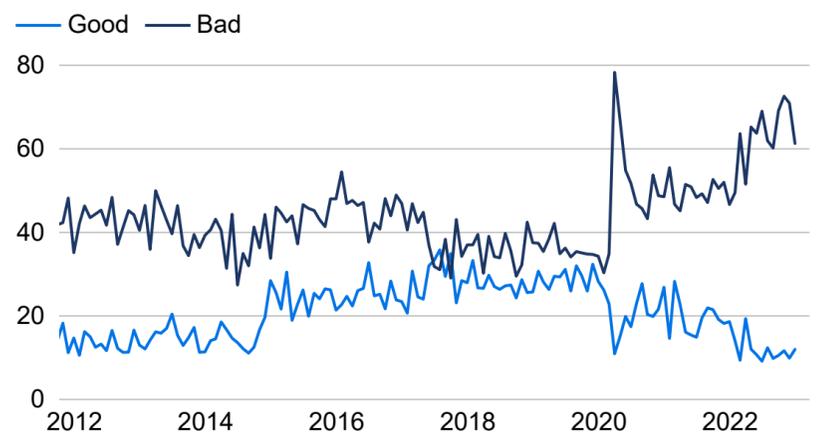
Source: The Conference Board of Canada.

Question 2
Do you expect your finances to be better or worse in six months?



Source: The Conference Board of Canada.

Question 4
Is now a good or bad time to make a major purchase?



Source: The Conference Board of Canada.

Please click through the tabs below to view each province.