



ATLANTIC CANADA'S CONFIDENCE IN NATIONAL ECONOMY EBBS: RBC CANADIAN CONSUMER OUTLOOK INDEX

Optimism over personal finances on the rise

TORONTO, February 8, 2011 — Confidence among east coast residents that the Canadian economy will improve in 2011 has fallen to 44 per cent from 55 per cent at this time last year, according to the January 2011 RBC Canadian Consumer Outlook Index (RBC CCO). On a more positive note, however, Atlantic Canadians are among the country's most optimistic about their personal financial situation, with 44 per cent expecting to see improvements this year, which is higher than the national average of 38 per cent and up from 41 per cent in 2010.

This rise in optimism about their personal financial situation may be reflected in Atlantic Canadians' spending over this past holiday season. The RBC CCO found that 37 per cent of consumers in Atlantic Canada overspent their holiday budgets – the largest percentage across the country, and those that overspent did so by the largest amount (\$521). These overspenders are now looking at cutbacks to pay their holiday bills, including spending less on entertainment (44 per cent) and day-to-day living expenses (41 per cent), using credit cards less (40 per cent), as well as cutting back on smaller expenses such as lunches and coffees (29 per cent).

"There's a balance that we all look for, between what we can afford today and what we want to be able to afford tomorrow, and this is where financial planning can make all the difference," said Peter Conrod, regional vice-president, Commercial Financial Services, Atlantic Provinces, RBC. "The beginning of each new year is a good time to revisit or start developing your financial plan to ensure you can get your bills paid off while still setting aside savings for the future."

Turning to the broader economic outlook for this region, RBC Economics is forecasting economic growth for all of Atlantic Canada, but in varying degrees, led by Newfoundland and Labrador at 3.8 per cent, reflecting strong capital investment and further gains in mineral extraction in that province.

"The pace of growth throughout the rest of Atlantic Canada is generally expected to be slower than the national average of 3.2 per cent," said Craig Wright, senior vice-president and chief economist, RBC. "We're anticipating that improvement in the global and U.S. economies will help lead to growth of 2.2 per cent for Prince Edward Island, 1.9 per cent for New Brunswick and 1.5 per cent for Nova Scotia."

Other provincial highlights from the January 2011 RBC CCO include:

- **Economic Outlook:** The 44 per cent of Atlantic Canadians who expect the national economy to improve over the next year ranks just above the national average (43 per cent). Albertans are the most optimistic about the Canadian economy improving in 2011 (61 per cent) and Quebecers are the least optimistic (32 per cent).

- **Personal Financial Situation Outlook:** Albertans are the most confident their personal financial situation will improve this year (48 per cent), while Ontarians (36 per cent) and Quebecers (35 per cent) are the least optimistic.
- **Job Anxiety Outlook:** At 19 per cent, job anxiety in Atlantic Canada is just below the national average (20 per cent) and ranks evenly with the sentiments expressed in B.C. and Alberta. Job anxiety is highest in Ontario (23 per cent) and lowest in Saskatchewan and Manitoba (15 per cent).
- **Spending Outlook on Major Purchases:** Atlantic Canadians have the highest expectations (24 per cent) that they will increase their spending on major purchases over the next year, followed by those living in Saskatchewan and Manitoba (23 per cent). Quebecers were the least likely to increase their spending on major purchases (17 per cent).

About RBC's financial advice and interactive tools

RBC's [myFinance Tracker](#) is a new online financial management tool that offers all personal RBC online banking clients the ability, at no cost, to create a set budget and track their spending habits. In addition, whether Canadians want to get more from their everyday banking, protect what's important, save and invest, borrow with confidence or take care of their businesses, the RBC Advice Centre (www.rbcadvicecentre.com) can help answer their questions. Advice videos are updated regularly to reflect current trends and to answer the questions that are top of mind with Canadians. Interactive tools and calculators provide customized information covering many facets of personal finance. With the guidance of RBC advisors who are available to chat live, Canadians have access to free, no-obligation professional advice about RBC products and services and personalized one-on-one service.

About the RBC Canadian Consumer Outlook Index

The *RBC Canadian Consumer Outlook Index*, benchmarked as of November 2009, is conducted online via Ipsos Reid's national I-Say Consumer Panel to 3,533 Canadians (503 British Columbia, 476 Alberta, 589 Saskatchewan/Manitoba, 721 Ontario, 678 Quebec, 566 Atlantic Canada). Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. Data collection was January 4 to 10, 2011. A survey with an unweighted probability sample of this size and a 100 per cent response rate would have an estimated margin of error of ± 1.65 percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled.

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