



NEWS

HIGHER COSTS FOR GAS, FOOD IMPACTING B.C. BUDGETS: RBC CANADIAN CONSUMER OUTLOOK INDEX

West coast residents focusing on debt management

TORONTO, April 12, 2011 — One-third (33 per cent) of B.C. residents say that rising food and gas prices have had a significant impact on their budget, according to the latest quarterly [RBC Canadian Consumer Outlook Index](#) (RBC CCO). In addition, more than half (53 per cent) of British Columbians say they have delayed a major purchase because of the current economic climate.

Confidence in the economy, however, is rising on Canada's west coast. B.C.'s overall economic outlook index has moved up nine points to reach 98, its highest level this year. Coupled with this rosy outlook, nearly half (49 per cent) of B.C. residents believe they are managing their debt well, the highest ranking in the country and well above the national average of 38 per cent.

"B.C. residents are confident in the job market and believe the economy will continue to improve," said Graham MacLachlan, regional president, British Columbia, RBC. "However, rising day-to-day costs of gas and food are starting to have an impact, so it's good to see British Columbians making debt management a top priority. We continue to stress the importance of meeting with a financial advisor, who can help you refine your budget and financial plan, to ensure there is always room to adjust for everyday financial pressures."

According to the most recent [Economic Outlook](#) by RBC Economics, the B.C. economy will grow at a rate of 2.9 per cent this year. "B.C. will continue to benefit from improved market conditions for most commodities produced in the province, as well as from growing demand from China," said Craig Wright, senior vice-president and chief economist, RBC. "Expanding trade ties with fast-growing China and the further strengthening in the U.S. economy will help the B.C. economy set a slightly faster pace of growth of 3.2 per cent in 2012."

The RBC CCO is Canada's [most comprehensive consumer assessment](#) of the economy, personal financial situation and economic and purchasing expectations. [Other provincial highlights](#) from the March 2011 RBC CCO include:

- **Economic Outlook:** More than six-in-ten (63 per cent) of B.C.'s residents rate the current Canadian economy as good, two points higher the national average; nearly half (46 per cent) believe the economy will continue to improve over the next year, compared to 42 per cent nationally. Job anxiety has dipped to 17 per cent, just one point higher than Saskatchewan and Manitoba who have the lowest job anxiety in the country at 16 per cent.

- **Interest rates:** The vast majority (80 per cent) of B.C. residents believe that interest rates will rise this year, compared to the national average of 74 per cent. To combat this expected interest rate increase, 31 per cent of British Columbians plan to find ways to reduce their interest costs or monthly payments, 28 per cent plan to increase their savings and/or investments and 43 per cent intend to spend less in other areas.
- **Personal Financial Situation Outlook:** While more British Columbians feel that, over the last quarter, their personal situation has worsened (32 per cent) rather than improved (23 per cent), more than a third (36 per cent) expect it to improve over the next year.

The national RBC CCO release, full set of regional releases and related comparative data charts can be accessed via www.rbc.com/newsroom/2011/0412-cdn-consumer.html.

About RBC's debt management and other financial advice and interactive tools

RBC's [myFinanceTracker](#), a new online financial management tool, offers all personal RBC [online banking](#) clients the ability, at no cost, to create a set budget and track their spending habits. Whether Canadians want to get more from their [day to day banking](#), protect what's important, save and invest, borrow with confidence or take care of their businesses, the [RBC Advice Centre](#) can help answer their questions (www.rbcadvicecentre.com). Interactive tools and calculators provide customized information covering many facets of personal finance. In addition, online advice videos are updated regularly to reflect current trends and to answer the questions that are top of mind with Canadians. 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 [banking](#) service.

About the RBC Canadian Consumer Outlook Index

The [RBC Canadian Consumer Outlook Index](#) (RBC CCO) is Canada's most comprehensive consumer assessment of the economy, personal financial situation and economic and purchasing expectations. Benchmarked as of November 2009, the RBC CCO is conducted online via [Ipsos Reid's](#) national I-Say Consumer Panel to 3,520 Canadians (534 British Columbia, 502 Alberta, 482 Saskatchewan/Manitoba, 901 Ontario, 582 Quebec, 519 Atlantic Canada). Weighting is 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 March 11 to 15, 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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