



## FOOD AND GAS HIKES TAKING STEAM OUT OF ONTARIANS: RBC CANADIAN CONSUMER OUTLOOK

**TORONTO, July 20, 2011** — Inflation is hitting hardest in Ontario, with 49 per cent saying that rising food and gas prices have had a significant impact on their budget – the highest such impact in Canada – according to the July 2011 RBC Canadian Consumer Outlook Index ([RBC CCO](#)).

To combat the rising costs of food and fuel, more than half of Ontarians are comparison shopping (56 per cent), following a budget more closely (49 per cent), using their vehicles less (30 per cent) and relying less on their credit cards to pay for day-to-day expenses (19 per cent). In addition, more than a third (35 per cent) of Ontario residents will be looking at fuel efficiency when choosing their next vehicle, while 33 per cent plan to delay the purchase of a new one.

“Ontario residents have been hit hard by the rising cost of food and fuel and are making changes to deal with this new financial reality,” said Vince Isber, regional vice-president for Hamilton, RBC. “A strong financial plan can help Ontarians navigate the ups and downs of unexpected costs while they budget to meet their financial goals.”

On average, Ontario residents are carrying \$13,709 in personal debt (not including mortgages) and close to a third (32 per cent) list paying down debt as their top financial priority this year. Still, more than half (56 per cent) feel they are not confident in their debt management skills and say they could be doing a better job.

The RBC CCO also found that Ontarians’ job anxiety is the highest in the country at 27 per cent. In terms of the Canadian economy, Ontario residents see the light at the end of the tunnel. Over two-thirds (68 per cent) of Ontarians feel the current Canadian economy is good and their thoughts on the future remain steady, with 40 per cent saying they expect improvements over the next year.

RBC Economics expects Ontario’s economy to strengthen, with a projected real GDP increase of 3.3 per cent, according to the latest [RBC Economic Outlook](#).

“We expect economic conditions to continue to improve in Ontario, due to a number of positive economic indicators this year, including impressive employment gains,” said Craig Wright, senior vice-president and chief economist, RBC. “In 2012, when the U.S. economy hits its stride, we expect to see increased demand for Ontario products and solid GDP growth at 3.1 per cent.”

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 July 2011 RBC CCO include:

- **Vacation:** In light of current economic conditions, Ontarians (34 per cent) are most likely to delay vacation plans; residents in Quebec and Alberta (26 per cent) are the least likely to delay these plans.
- **Personal Financial Situation Outlook:** Thirty-eight per cent of Ontario residents expect their personal finances to improve over the next year, just under the national average of 39 per cent. Albertans are the most optimistic they will see these improvements (42 per cent); Atlantic Canadians are the least optimistic (19 per cent).
- **Major Purchases:** Sixty-two per cent of Ontarians have delayed making a major purchase in this economy, up two per cent since last quarter and four points above the national average of 58 per cent. Twenty-seven per cent plan to increase their expenditures on major purchases in 2011.

The national RBC CCO release, full set of regional releases and related comparative data charts can be accessed via [www.rbc.com/newsroom/2011/0720-cdn-consumer.html](http://www.rbc.com/newsroom/2011/0720-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](http://www.rbcadvicecentre.com)). 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**

Benchmarked as of November 2009, the RBC Canadian Consumer Outlook Index (RBC CCO) was conducted online via Ipsos Reid's national I-Say Consumer Panel. Data was collected between June 9 and 14, 2011 from 4,008 Canadians (671 British Columbia, 591 Alberta, 464 Saskatchewan/Manitoba, 1,099 Ontario, 564 Quebec, 619 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. 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  $\pm 1.65$  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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