



Atlantic Canada's economic confidence remains steady but long-term view not as rosy: RBC Canadian Consumer Outlook

Debt management continues to be top of mind

TORONTO, October 1, 2010 — Nearly seven-in-ten Atlantic Canadians (68 per cent) say that they believe the state of the economy is good (down five points from last quarter but above 60 per cent nationally), according to the September *RBC Canadian Consumer Outlook*. However, looking ahead, only a minority (44 per cent) believe that the economy will improve in the next year, down a staggering 15 points from last quarter.

Not surprisingly, debt management continues to be an area of focus for consumers. Half of Atlantic Canadians (51 per cent) say they are going to focus on reducing their debt in the next year or so, while 33 per cent say they plan on spending less. Most Atlantic Canadians (83 per cent) don't undertake an official credit/debt review on a yearly basis, although most (65 per cent) say they keep close track of their debt. While 46 per cent are confident that they are managing their debt well, 17 per cent say they're just keeping their head above water.

"While economic confidence dipped in Atlantic Canada, it is not as gloomy as other parts of the country and it is positive to see that many are focused on debt management," said Greg Grice, regional president, Atlantic Provinces, RBC. "It's important that Canadians are empowered to borrow with confidence but also understand that managing debt is crucial to their financial success."

Only 18 per cent of Atlantic Canadians are experiencing household job anxiety, lower than the national average of 22 per cent, but up five points from last quarter. Four-in-ten (40 per cent) think their personal situation will improve over the next year, down four points from June and on par with the national average (39 per cent). Overall, the September *RBC Atlantic Canada Consumer Outlook* has dropped 13 points from 89 to 76 points.

Other regional highlights include:

- **Local Economy:** One-in-five Atlantic Canadians (18 per cent, down four points from June) say that their local economy has improved in the last three months, while 25 per cent think it has worsened (up one percentage points from June). Looking ahead, their outlook declines for the next three months, with 16 per cent believing the local economy will improve over the next three months (down eleven points from June) and 16 per cent believing it will worsen in the next three months (up two points from June).

“Despite uncertainty in the North American and global economies, RBC forecasts all the Atlantic Provinces are poised for growth in 2010,” said Craig Wright, senior vice-president and chief economist, RBC. “However, the pace is generally expected to be slower than the national average.”

RBC provides advice and tools to help clients manage their debt including the following credit principles:

- Choose the credit solution that is right for you by aligning your credit choices with your values and your financial circumstances
- Set goals and use debt wisely to achieve them
- Manage your debt effectively by determining how much you can realistically afford and stay within your means
- Make sure you have a repayment plan – manage your debt; don’t let it manage you
- Understand the true cost of your debt – pay high interest rate debt first.

Whether Canadians want to borrow with confidence, get more from their everyday banking, protect what’s important, save and invest 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. In addition, all personal RBC online banking clients have access, at no cost, to *myFinance Tracker* www.rbcroyalbank.com/myfinancetracker, RBC’s new online financial management tool, and will enable them to create a set budget and track their spending habits.

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 4,292 Canadians (642 British Columbia, 473 Alberta, 500 Saskatchewan/Manitoba, 1,360 Ontario, 848 Quebec, 469 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 September 1-9, 2010. 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 ± 1.5 percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled.

For more information, please contact:

Suzanne Willers, RBC Corporate Communications, (416) 974-2727
Gillian McArdle, RBC Media Relations, (416) 974-5506