Consumer Confidence In Future A Growing Concern: Survey

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The latest results from TNS Canadian Factsâ€™ Consumer Confidence Index suggest that Canadians may still not actually be ready to cross that threshold when it comes to their confidence in the Canadian economy.

Although Canadians are pretty okay with the here-and-now, concern about the future is growing.

Overall, the index fell below the 100-point marker after finally passing it last month for the first time in two years. It ended the month at 98.7, down 1.8 points from Aprilâ€™s 100.5.

â€œIt feels like the acceleration and deceleration you get from ABS brakes,â€• said Dr. Michael Antecol, vice-president of TNS Canadian Facts and director of the marketing research firmâ€™s monthly tracking study. â€œCanadians seems to be lurching forward and back based on the news theyâ€™re getting â€“ last month the news was positive, this month itâ€™s negative. It see that we can expect this bumpy ride to continue along with the uneven economic news landscape.â€•

The Present Situation Index, which captures evaluations of the overall state of the current economic and employment situations, stayed steady at 93.6. It was up just 0.3 points after Aprilâ€™s strong 4.4-point jump.

But future-oriented confidence fell.
The Expectations Index, which measures consumersâ€™ estimation of the economy, household income and employment in the next six months, dropped for the second consecutive month.

It declined 1.8 points from Aprilâ€™s close of 109.7, which itself was off 2.2 points from Marchâ€™s historic high. The index now stands at 107.9.

Likewise, the Buy Index, which gauges the degree to which people think the current period is a good time to make major purchases, compounded the slight declines recorded in both March and April with a 4.5-point drop this month to settle at 96.4, putting it below 100 for the first time since last November.

â€œWhile the media may not tell people what to think, they do tell people what to think about. After a period of some solidly good economic news, the airwaves and broadsheets have been full of stories recently about the unfolding debt crisis in Greece, the big stock market drop, and growing fears about interest rate increases. Not surprisingly, todayâ€™s economy seems pretty good to Canadians. Itâ€™s what is lurking around the corner that â€“ at least for the moment â€“ is making them fe super jumpy,â€• added Dr. Antecol.

Consumer Confidence Index tracks Canadiansâ€™ attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries.

Three indices are produced each month to show how confidence in the economy is changing: Present Situation Index; an Expectations Index; and a Buy Index.

The Canadian fieldwork is conducted using the firmâ€™s national bi-weekly telephone omnibus service, TNS Express Telephone. A total of 1,015 nationally representative Canadian adults were interviewed between May 10 and 13, 2010.

For a survey sample this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20.

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