



In Search of “The Middle Class”, Wave 4: Declining Public Perspectives



pollara
strategic insights

Released September 2018

Background & Objectives

In Canada, class-based terms and categories such as “The Middle Class” are difficult to define. Indeed, much debate has been focussed upon this elusive definition – as well as whether utilizing the term is even appropriate or useful within the Canadian and North American context.

Nevertheless, during a time when political leaders across the country and the continent are making frequent references to helping “The Middle Class”, it is important to identify Canadians who *feel* Middle Class – as they are the intended audience for these political appeals.

Thus, our study is focussed upon determining to what degree – and how – the term “Middle Class” resonates with Canadians, while also exploring public perspectives on their current and long-term personal fortunes, social mobility, and comparative generational standing.

Methodology

- **Sampling:** Online survey of randomly-selected sample of **1,009 adult (18+) Canadians**
- **Field Window: April 16 – 23, 2018**
 - This is the **4th wave** of this study. Each wave includes a core set of tracking questions as well as new questions. Where questions have or have not been fielded in previous waves, this has been indicated in the tracking columns on each slide.
 - Wave 3 of study (N=1,202) conducted March 16 – 22, 2017
 - Wave 2 of study (N=1,007) conducted March 16 – 18, 2015
 - Wave 1 of study (N=1,003) conducted November 3 – 5, 2014
- **Reliability:** As a guideline*, a probability sample of this size carries a margin of error of **± 3.1%**, 19 times out of 20. Margin of error is larger for sub-segments. Data are weighted by the most current gender, age, & region Census data, to ensure sample reflects actual population of adult Canadians.

Discrepancies in totals are due to rounding.

Region	Number of interviews	Margin of error*
Atlantic Canada	100	± 9.8%
Quebec	200	± 6.9%
Ontario	298	± 5.7%
Saskatchewan/Manitoba	147	± 8.1%
Alberta	133	± 8.5%
British Columbia	131	± 8.6%
Canada	1009	± 3.1%

Key Findings 1 of 2

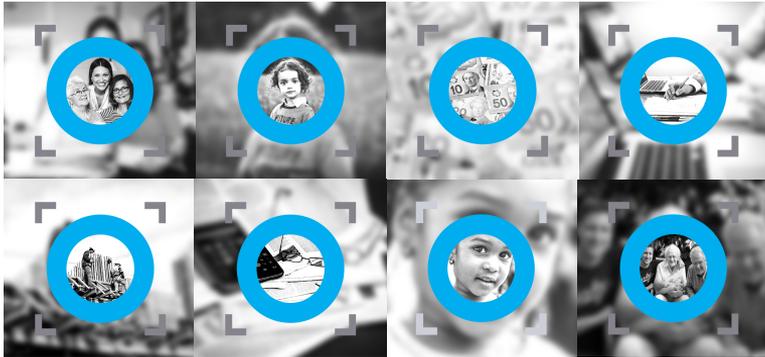
- **At a “gut” level, most (76%) Canadians identify, to some degree, as Middle Class.**
 - Three quarters feel that the term very (34%) or somewhat (43%) closely describes them and their household’s social and financial place in society.
- **However, when forced to consider and choose their “class” identity from among a 4-category hierarchy, less than half (43%) identify as Middle Class.**
 - Notably, this represents a significant drop in Middle Class identification since 2017 (62%; -19).
- **This suggests that general references and appeals to the Middle Class will find an audience among most Canadians. However, if the discussion evolves into a detailed consideration of class identity, a significant proportion of Canadians will feel left out of those appeals.**
- **Among those who feel Middle Class, almost six-in-ten (58%) classify themselves as Middle Middle Class – amounting to about a third of Canadians, overall.** Just 16% of those identifying as Middle Class feel Upper Middle Class, and 24% feel Lower Middle Class.
- Just under half of Canadians are optimistic about the future of the Middle Class (48%), but **confidence in personal (57%) and descendant (68%) social mobility** remains quite high – although moderate in nature.
 - However, Canadians identifying as Poor (39%) are much less likely to feel confident about their personal social mobility than those identifying as Working Class (61%) or Middle Class (61%).

Key Findings 2 of 2

- **Only 10% Canadians feel financially secure, whereas a majority say they are just getting by with no savings (45%) or falling behind on their monthly expenses (10%).**
 - In alignment with the reduced number of Canadians identifying as Middle Class compared to 2017, fewer Canadians now say they are financially secure (-8) or that they are getting ahead with some savings (-5). Instead, more are saying they are just getting by (+10) or falling behind (+3).
- About **four-in-ten Canadians feel that their financial situation (44%) and quality of life (38%) has declined** over the past 5 years – this is especially true of those currently identifying as Poor. Moreover, eight-in-ten say their **income has not kept pace with their cost of living (78%)**.
- In terms of comparative generational standing, the **public is split over whether they are doing better or worse than their parents** – although senior citizens, Ontarians, and Atlantic Canadians feel they are doing better. Canadians are **clearly pessimistic about “the next generation”**, as two-thirds feel they will be worse off than their own generation.
- Notably, looking to the horizon, **Canadians continue to express high levels of anxiety about the future**. At least three-quarters are worried about health care costs (78%), post-secondary education costs (77%), and retirement savings (75%).



Feeling “Middle Class”



pollara
strategic insights

Gauging Middle Class Orientations 1 of 2

In this wave of the study, we somewhat altered our approach to measuring self-identification as Middle Class. The sample was randomly divided, and class self-identification was measured differently among each half of the sample:

1. Among one half of the sample, we asked a new question – we asked respondents to indicate how closely the term “Middle Class” described them and their household, using a 4-point scale. For the purposes of our analysis, we view respondents who feel that “Middle Class” very or somewhat closely describes their social and financial place in society as self-identifying as “Middle Class”.
2. Among one half of the sample, we asked the same question utilized in the previous 3 waves of this study – we asked respondents to self-identify their and their household’s social and financial place in society from among 4 “class” options: Upper Class, Middle Class, Working Class, or Poor.

Gauging Middle Class Orientations 2 of 2

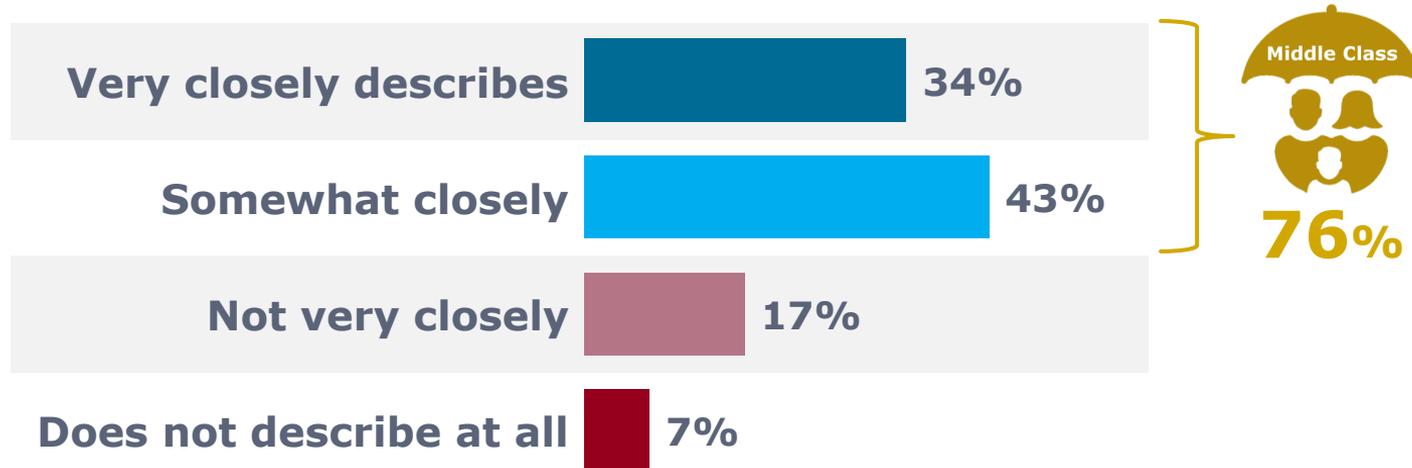
Dependent upon the question approach, we found significant differences in the proportion of Canadians identifying as Middle Class. When asked via the new question, which lacks competing categories and context, we found that three-quarters (76%) of Canadians feel that “Middle Class” defines them either very (34%) or somewhat (43%) closely. However, when asked via our long-running question that provides 4 “class” options to choose from, 43% feel they are “Middle Class”.

This suggests that, to some degree, most (76%) Canadians identify as Middle Class at a “gut” level. However, when forced to consider and choose their “class” from among a 4-category hierarchy, less than half (43%) – a third fewer – of Canadians identify as Middle Class.

Thus, general references and appeals to the Middle Class will find an audience among most Canadians. However, if the discussion evolves into a detailed consideration of class identity, a significant proportion of Canadians will feel left out of those appeals.

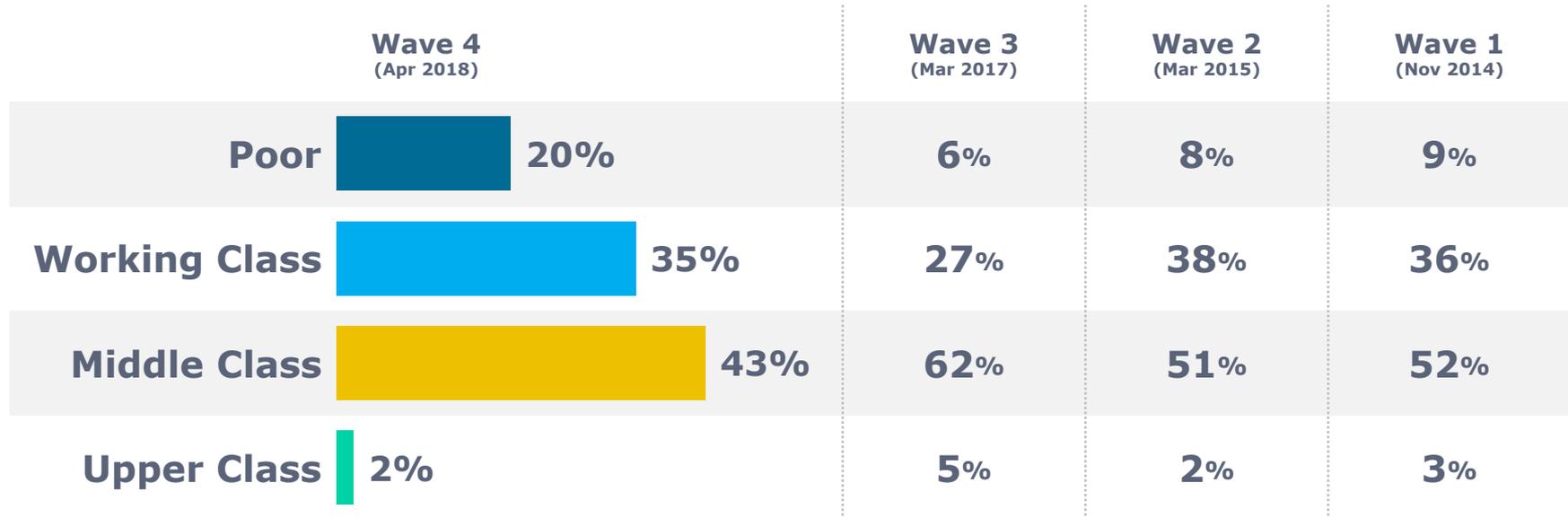
At a “gut” level, three-quarters of Canadians feel Middle Class

- When presented with only the “Middle Class” concept, three-out of-four (76%) feel that Middle Class very closely (34%) or at least somewhat closely (43%) describes they and their household’s social and financial place in society.
- Regionally, Atlantic Canadians (86%) and Ontarians (82%) are more likely to feel Middle Class at least somewhat closely. Residents of Quebec (74%), Alberta (72%) and British Columbia (69%) feel Middle Class at a slightly lower level than the national average. Those living in Saskatchewan/ Manitoba are least likely to feel Middle Class (60%).
- Nine-in-ten (91%) of those households in the \$100K+ income bracket consider themselves to be Middle Class. While a third of \$20K-\$49K bracket (36%) feel it does not describe them very closely or not at all, almost three-quarters (71%) of those below \$20K income feel the same – of which 45% feel that Middle Class does not describe their household at all.

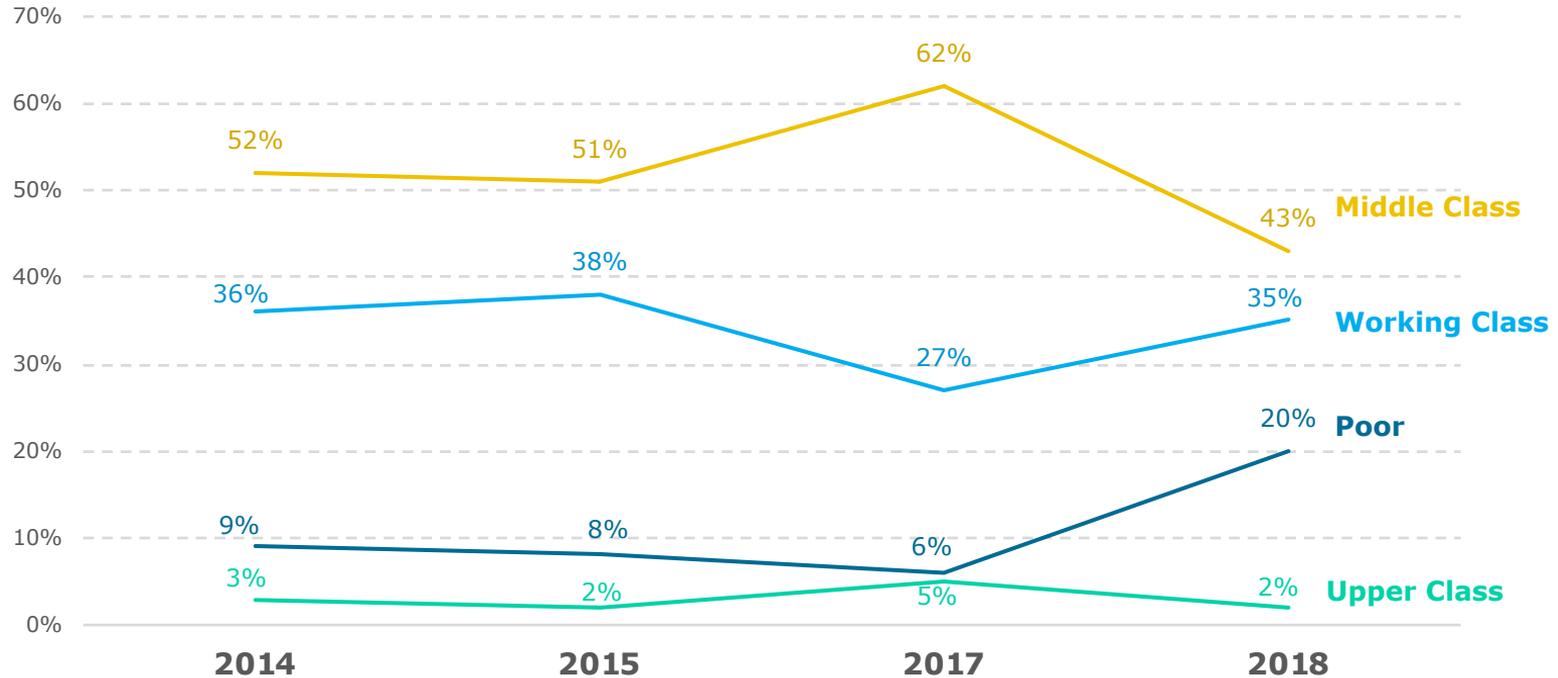


When considering various class-based identities, less than half identify as Middle Class – a significant drop (-19) since 2017

- Correspondingly, more self-identify as Poor (+14) and Working Class (+8) as compared to 2017, while those categorizing themselves into the Upper Class slightly decreases (-3).



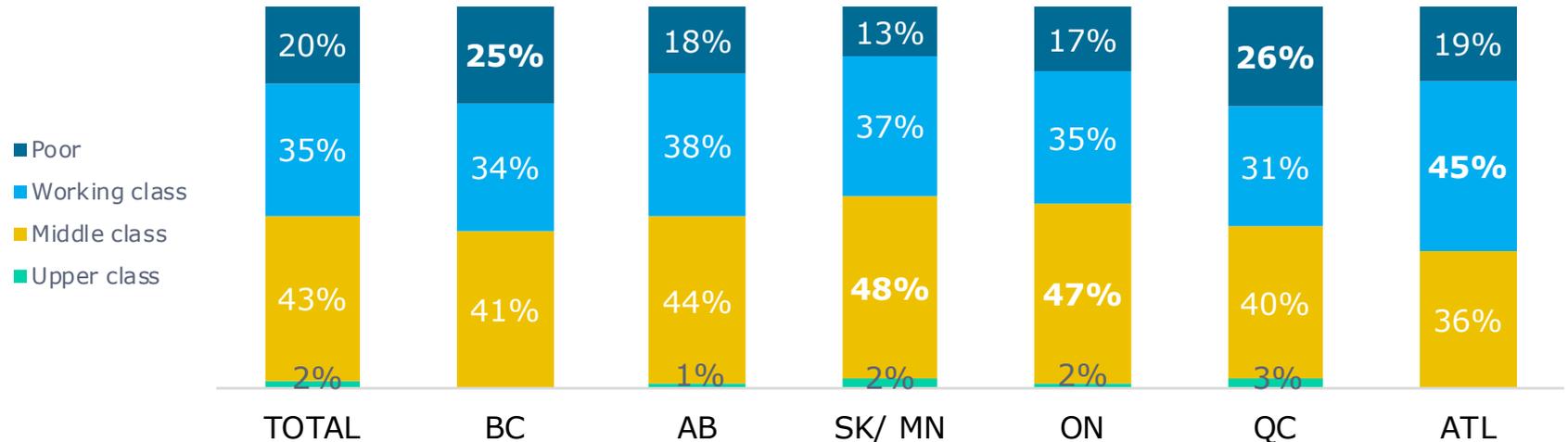
Steep rise (+14) in Canadians identifying as Poor



2B. Thinking about both your social and financial place in society, which of the following would you say best describes you and your household?
Base: Wave 1 (N=1003), Wave 2 (n=1,007), Wave 3 (n=1,202), Wave 4 (N=504)

Across the regions, Middle Class identification is highest in SK, MN, and ON – lowest in Atlantic

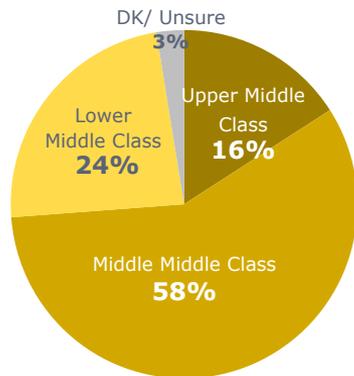
- In the previous waves Quebecers were more likely to identify themselves as Middle Class. Although still on par with the national average, they now have the highest numbers identifying as Poor (26%), followed by British Columbia (25%). The Atlantic has the highest incidence of respondents feeling Working Class (45%).
- Households in the \$100K+ (74%), \$80-100K (58%), and \$50-80K (53%) income brackets view themselves as Middle Class, whereas this is true of one-fifth (20%) of the under \$50K bracket.
- University-educated Canadians (64%) are much more likely to feel Middle Class than those with high school or lower (30%) or college, technical school (34%) educations.
- Canadians aged 65+ (62%) are much more likely to feel Middle Class than the remaining age brackets: 55-64 (37%), 45-54 (41%), 18-44 (44%).



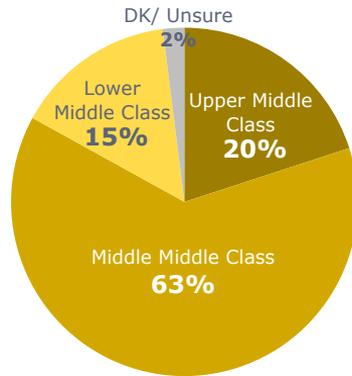
Almost six-in-ten Canadians who feel Middle Class say they are Middle Middle Class – just 16% feel Upper Middle Class, and 24% feel Lower Middle Class

- Overall, about a third of Canadians feel Middle Middle Class, whereas less than two-in-ten feel Lower Middle Class and just under one-in-ten feel Upper Middle Class.
- Those who pick Middle Class from among 4 class-based options are somewhat more likely (+8) to identify as Middle Middle Class (63%) than those who feel the Middle Class concept at least somewhat describes their status (55%). While the rest of the former group almost equally feel they belong to the Upper (20%) or Lower (15%) Middle Class, the latter group are twice as likely to associate themselves with the Lower (28%) than the Upper (14%) Middle Class.
- Among those who say Middle Class describes their household “*very closely*”, two-thirds feel more like Middle Middle Class (66%) - and 15% identify as Upper Middle Class. Among those who say it “*somewhat*” describes them, less than half associate with Middle Middle Class (47%), and are more likely to call themselves as Lower (36%) than Upper (13%) Middle Class.

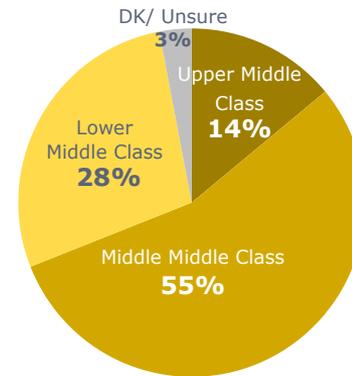
All Respondents who feel Middle Class (4-point class scale or description)



Respondents who identify as Middle Class on 4-point class-based scale



Respondents who feel Middle Class very or somewhat closely describes them

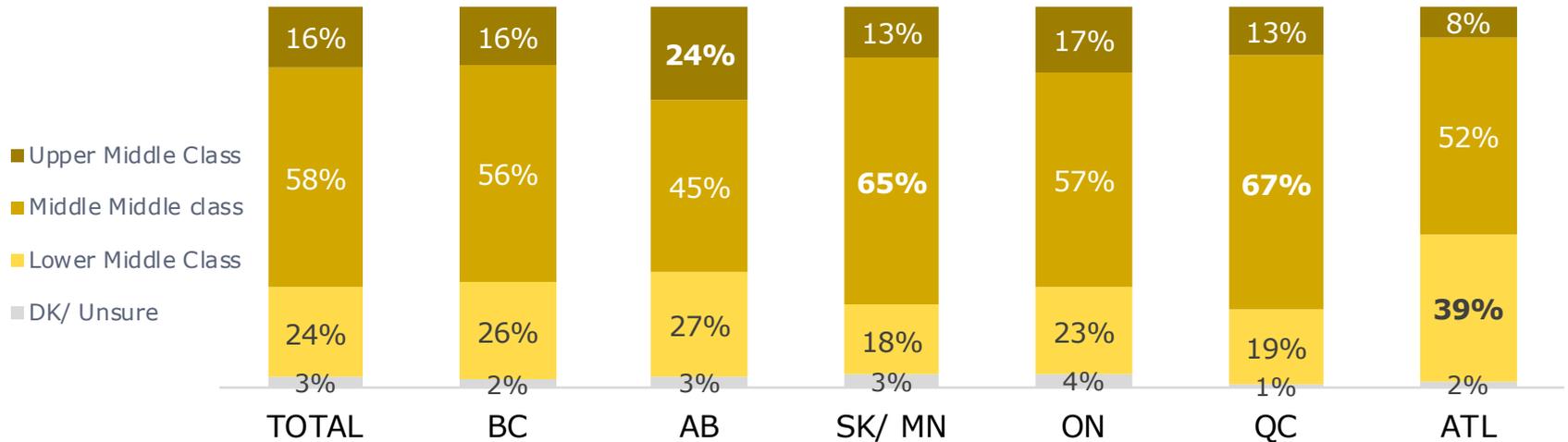


2C. And, which of the following best describes you and your household, if at all?

Base: All those who select Middle Class in Q2B or select describes “very closely or somewhat closely” in Q2A (N=597)

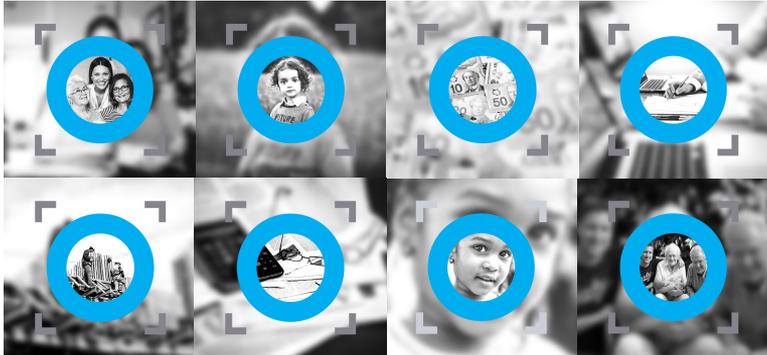
Across the regions, Middle Middle Class identification is highest in Quebec and the Prairies

- Residents of Alberta (24%) are more likely to self-classify as Upper Middle Class, while Middle Middle Class identification is highest in Quebec (67%) and the Prairies (65%). Lower Middle Class identification is highest in Atlantic Canada (39%).
- While Middle Middle Class is the dominant sub-class identification across all Middle Class age groups, more of 18-34 year olds identify as “Upper Middle” (22%), whereas more of 45-54 year olds identify as “Lower Middle” (29%).
- Not surprisingly, Upper Middle Class identification is highest amongst households in the \$100K+ income bracket (37%). Those falling within \$50K-\$99K bracket identify most commonly with Middle Middle Class (70%-71%). While those with less than \$50K income, almost equally identify as Middle Middle Class (47%-48%) or Lower Middle Class (40%-45%).





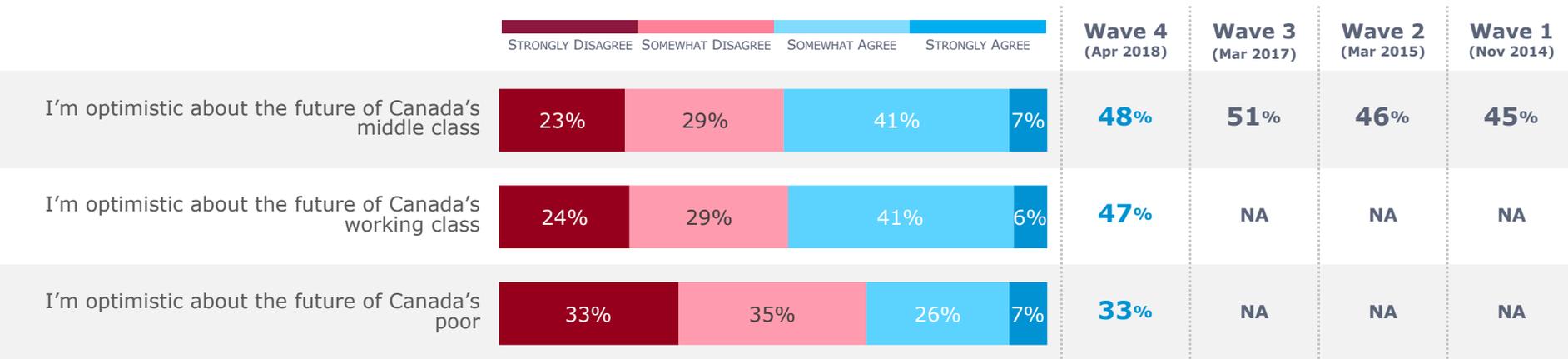
Class Optimism & Social Mobility



pollara
strategic insights

Just under half of Canadians are optimistic about the Middle Class and Working Class – only a third feel this way about the Poor

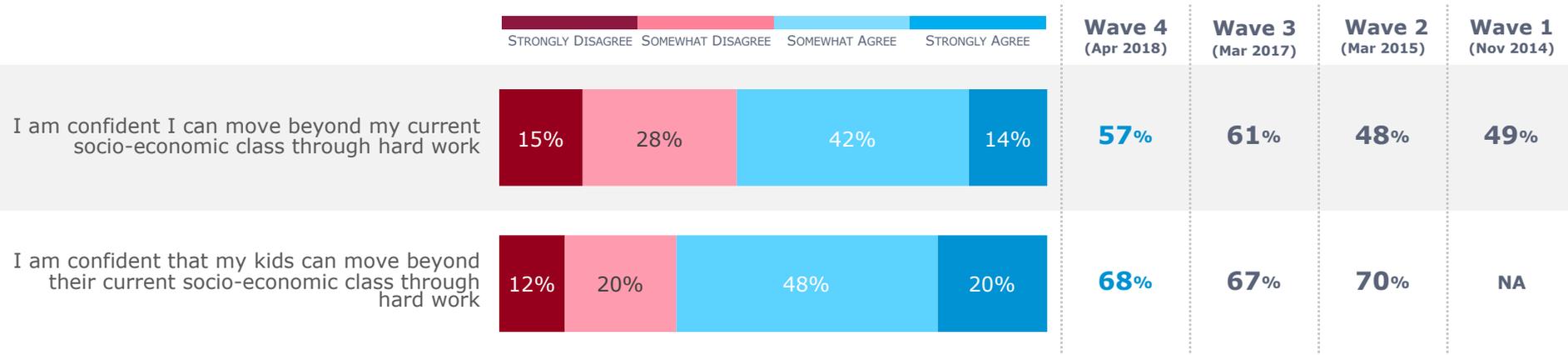
- Optimism about the future of Canada’s Middle Class declines slightly (-3) since 2017, returning to similar levels as in 2015 and 2014. Notably, this optimism is moderate in nature.
- Among those who feel Middle Class, half are optimistic about the future of the Middle Class (53%), while fewer among the Working Class (44%) and Poor (39%) – two class identities that may or may not feel aspirations to join the Middle Class – feel the same level of optimism.
- Regionally, residents of Atlantic Canada, British Columbia and Alberta are overall more likely to be optimistic about the future of all three classes compared to the other provinces. Notably, Quebec is least likely to be optimistic about the Middle Class future, but are the most optimistic about the Poor’s future (42%). Saskatchewan/ Manitoba are overall more pessimistic about the future of all classes, especially in terms of the Poor (16%).



4. How strongly do you agree or disagree with each of the following statements?
 Note: Those responding Don’t Know and Not Applicable are removed from analysis.

Confidence in personal and descendant social mobility remains largely steady and moderate

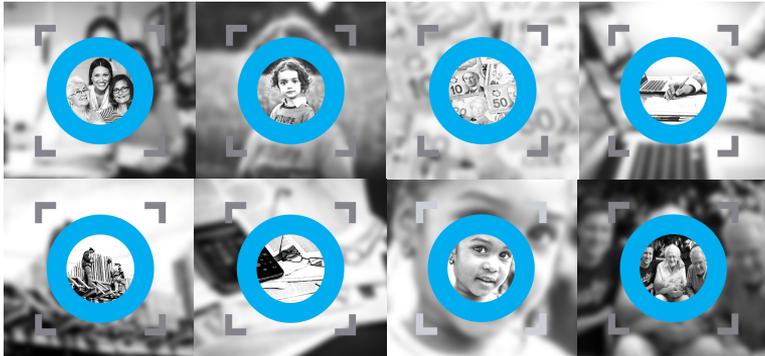
- **The Middle Class and Working Class are confident about their personal social mobility (61%), whereas the Poor are not as confident (39%).**
- Residents of Atlantic Canada (66%), Alberta (65%), and Saskatchewan/Manitoba (60%) are most likely to be confident in their personal social mobility, compared to Ontario (57%), British Columbia (56%) and Quebec (48%).
- University-educated Canadians (58%) and those with college/ technical/trade education (59%) are more likely to be confident about their personal social mobility than those with high school or less (53%) educations.
- Those with higher annual incomes are more likely to be confident about their personal social mobility. Similarly, the younger generations are more confident (79%, 18-34 year olds) compared to the older generations (25%, 65+ year olds).



4. How strongly do you agree or disagree with each of the following statements?
 Note: Those responding Don't Know and Not Applicable are removed from analysis.



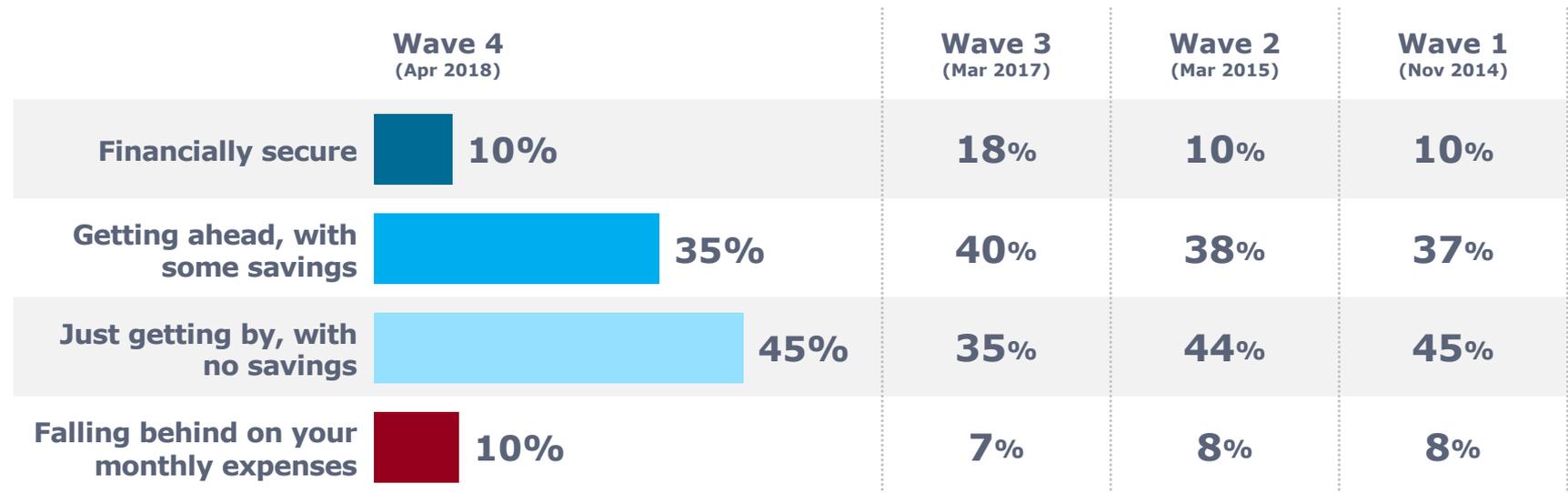
Personal Financial Situation



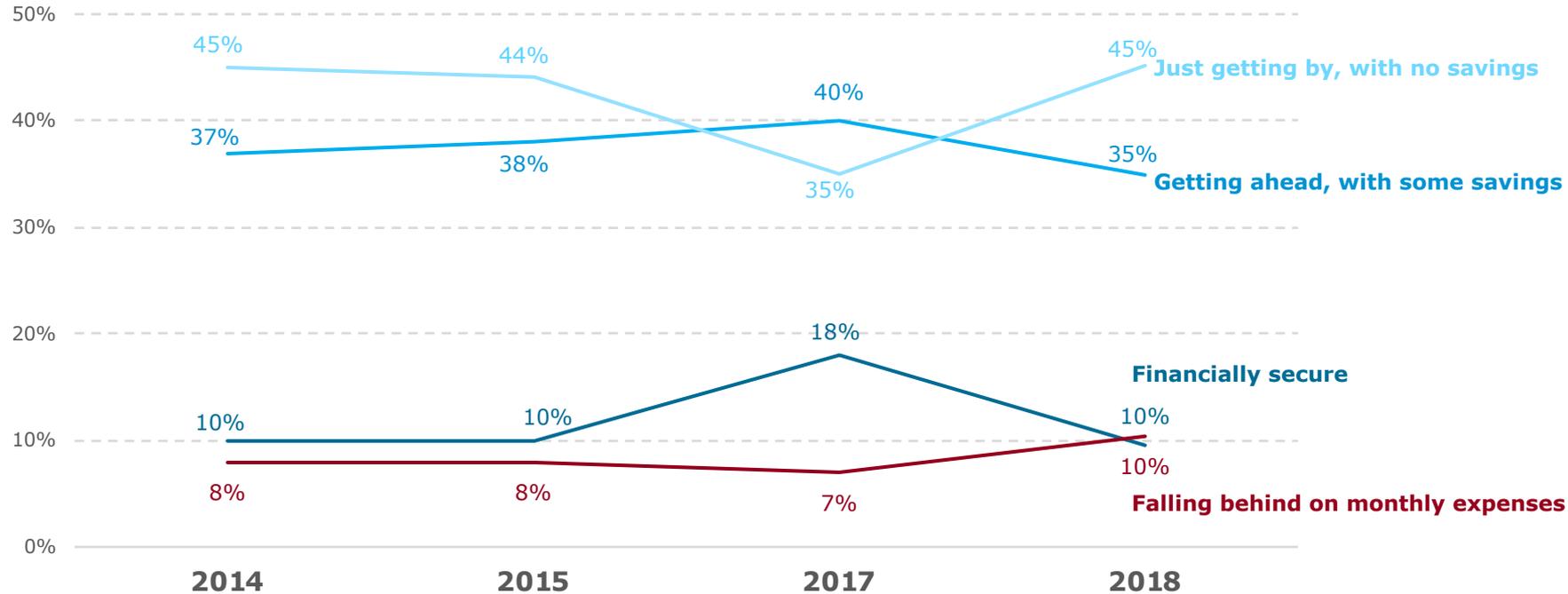
pollara
strategic insights

Only one-in-ten Canadians feel financially secure – majority are just getting by (45%) or falling behind (10%)

- Compared to 2017, fewer Canadians are financially secure (10%; -8) or getting ahead (35%; -5). Almost half now feel they are just getting by without savings (45%; +10), while one-in-ten are falling behind (10%; +3).
- Canadians perceiving themselves as Middle Class are more inclined to feel they are getting ahead with some savings (44%) and less likely to feel they are just getting by (36%). More than one-in-ten (14%) feel financially secure and only 5% feel they are falling behind.
- Those identifying as Working Class are more likely to be just getting by (55%), but a third are also getting ahead with some savings (32%). Those identifying as Poor are most likely to be falling behind (29%) with two-thirds just getting by (66%).



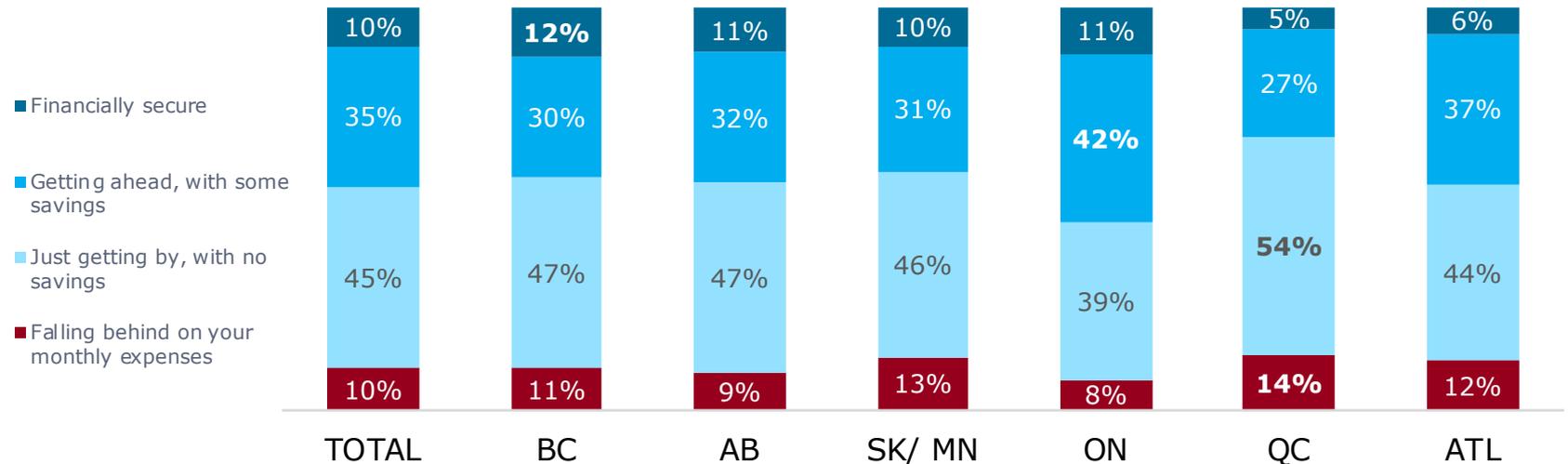
Personal financial situation declines since 2017



3. Thinking about the cost of living and your personal financial situation, are you currently...
Base: Wave 1 (N=1003), Wave 2 (n=1,007), Wave 3 (n=1,202), Wave 4 (N=1009)

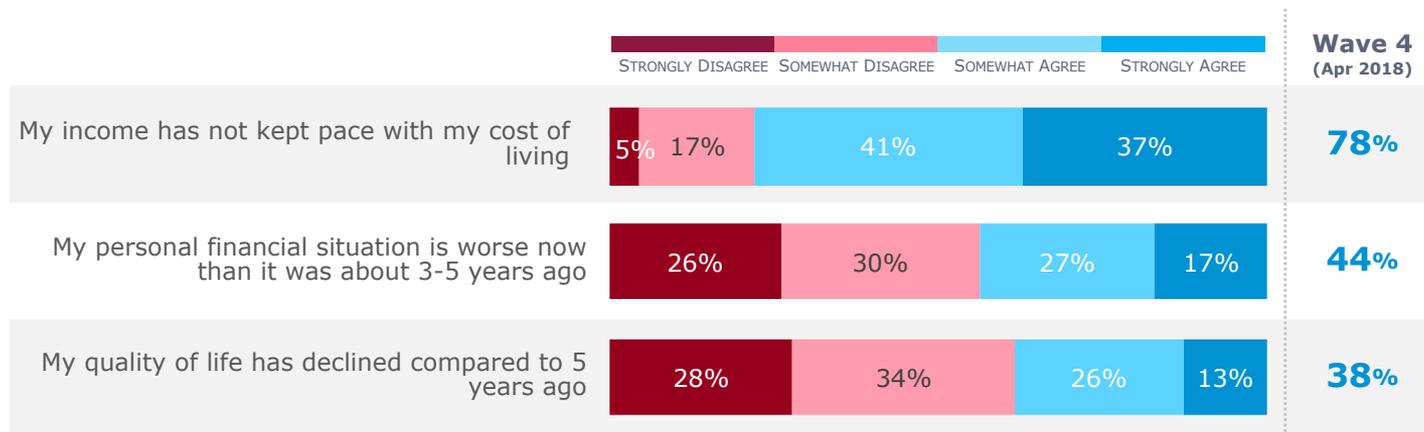
Across the regions, Ontario most likely to feel secure or be getting ahead – Quebec least likely

- Ontarians continue to be more likely to be getting ahead and feeling financially secure, while Quebecers are now even more likely to just be getting by or falling behind on expenses.
- Financial strain is universal – only 8% of \$50K-\$79K and 14% of \$80K-\$100K income brackets feel financially secure, with slightly more (21%) of \$100K+ bracket feeling the same. Those in \$20K-\$49K and less than \$20K income brackets are the least likely to be getting ahead (28%, 13% resp.) and most likely to be just getting by (56%, 60% resp.).
- University-educated Canadians (41%) are much more likely to be getting ahead than those with college, technical, trade (33%), or high school or lower (30%) educations.
- Canadians aged 65+ (26%) are more likely to feel financially secure than the remaining age brackets (6%-9%).



Four-in-ten feel their personal financial situation and quality of life have declined, and eight-in-ten feel their income has not kept pace with their cost of living

- Eight-in-ten Canadians feel that their income has not kept pace with their cost of living (78%). This is true across all demographics.
- All classes feel the pinch of their income not keeping pace with their lifestyle. However, the self-identifying Poor are almost twice as likely to feel that their financial situation (74%) and quality of life (72%) have declined than the Working Class (48%, 38% respectively) or the **Middle Class (37%, 33% respectively)**.
- Residents of British Columbia (49%), Saskatchewan/ Manitoba (47%) and Alberta (46%) are most likely to feel their personal financial situation has worsened compared to Atlantic Canada (44%), Quebec (43%), and Ontario (41%). Those in Quebec (48%) and BC (47%) feel their quality of life has declined much more than the other residents.



4. How strongly do you agree or disagree with each of the following statements?
 Note: Those responding Don't Know and Not Applicable are removed from analysis.

Overall, public split over doing better/worse than parents – seniors, Ontarians, and Atlantic Canadians most likely to feel they are doing better

- Across the years, the incidence of being financially worse off is increasing, while being better off is decreasing. Except for those aged 65 and older, who admit to being financially better off (73%) rather than worse off (37%) than their parents, all others agree to being more worse off than better off.
- Regionally, only Atlantic Canadians (61% vs. 46%) and Ontarians slightly (55% vs. 49%) feel they are better off than their parents at this age, while those in British Columbia, Alberta, and Quebec feel worse off. Saskatchewan/ Manitoba are split equally.
- Those with household income of less than \$50K feel they are worse off than their parents, while the converse is true for those earning more than \$50K.

STRONGLY DISAGREE
 SOMEWHAT DISAGREE
 SOMEWHAT AGREE
 STRONGLY AGREE

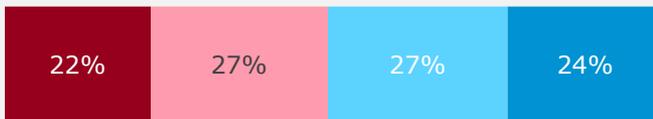
Wave 4
(Apr 2018)

Wave 3
(Mar 2017)

Wave 2
(Mar 2015)

Wave 1
(Nov 2014)

I am financially worse off than my parents were at my age



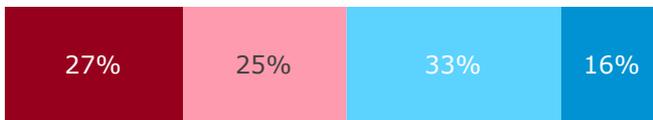
51%

NA

50%

49%

I am financially better off than my parents were at my age



48%

NA

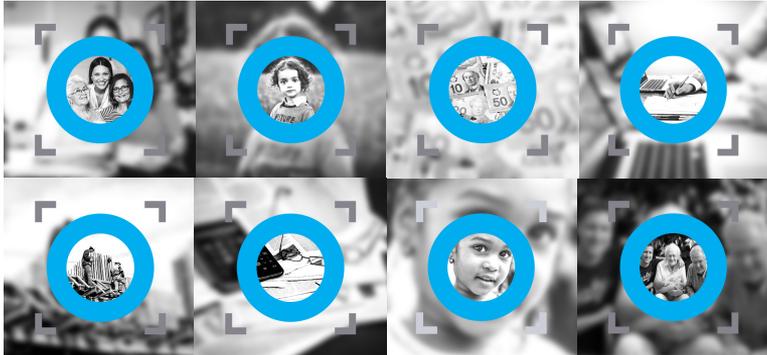
57%

51%

4. How strongly do you agree or disagree with each of the following statements?
 Note: Those responding Don't Know and Not Applicable are removed from analysis.



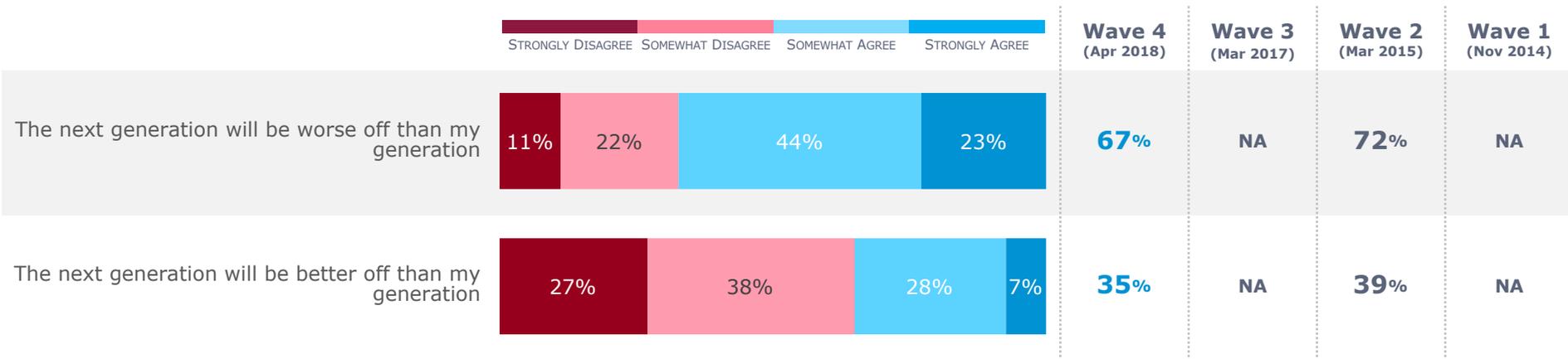
Pessimism and Anxiety for the Future



pollara
strategic insights

Pessimism for the next generation's financial standing remains high

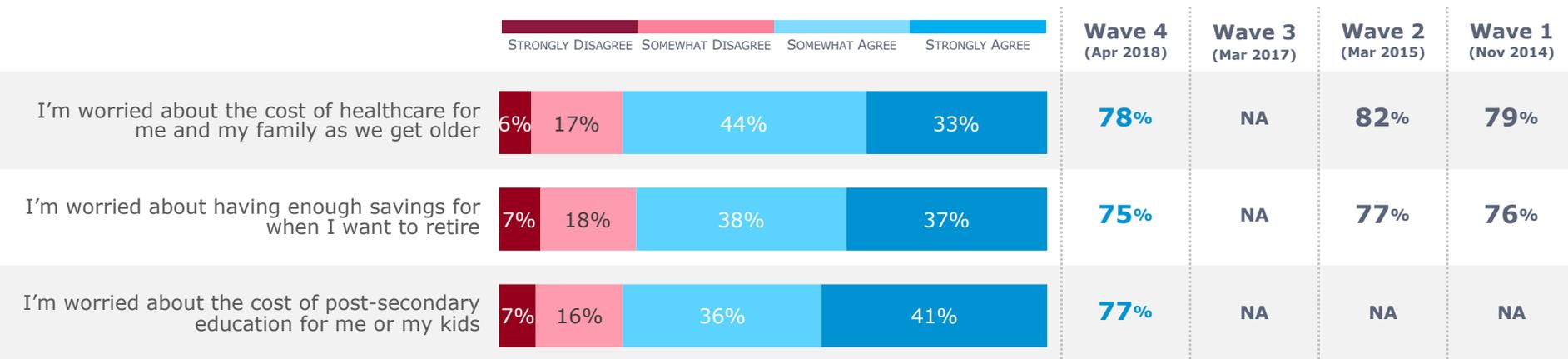
- Despite parental confidence in social mobility for their children (68%), two-thirds of the public (67%) feel the next generation will be worse off than the current generation. This opinion has held steady since 2015. Senior citizens (65+) are the least pessimistic about the next generation (57% say worse off), but a clear majority are still pessimistic.
- Residents of Ontario (75%), British Columbia (71%) are most likely to expect the next generation to be worst off, while the least pessimistic are Quebecers (52%).
- Canadians self-identifying as Working Class (76%) and Poor (77%) are more inclined to think the next generation will be worse off than the **Middle Class (63%)**.



4. How strongly do you agree or disagree with each of the following statements?
 Note: Those responding Don't Know and Not Applicable are removed from analysis.

More than three-quarters of Canadians are worried about health care costs, retirement savings, and post-secondary education costs in the future

- 18-34 year olds are the most worried about retirement savings (84%) and post-secondary education costs (90%) and are less worried about health care costs at this stage (67%). On the other hand, 65+ year olds are least concerned about retirement savings and education costs (43%, 51% resp.), but understandably have more concerns about health care costs (71%). 55 to 64 year olds are the most worried about health care costs (91%).
- Those with a higher levels of education and income are less worried than others.
- Overall, Middle Class Canadians are relatively less worried about all the aspects than the Working Class and Poor – but clear majorities are still worried about all three factors. That said, Working Class are more worried about education costs while Poor are more worried about their retirement – both are concerned about health care.



4. How strongly do you agree or disagree with each of the following statements?
 Note: Those responding Don't Know and Not Applicable are removed from analysis.



**Please direct inquiries about this study to:
Craig Worden, President**

craigworden@pollara.com
416.921.0090 Ext. 2235

pollara
strategic insights
www.pollara.com