

Inflation Pressure Points

Inflation expectations, its impact, and the blame game

AUGUST 2022

pollara
strategic insights

Methodology

- **Field Window: July 25 – August 2, 2022**
- **Sampling:** Online survey of randomly-selected sample of **2,013 adult (18+) Canadians**
- **Reliability:** As a guideline*, a probability sample of this size carries a margin of error of **± 2.2%**, 19 times out of 20. The margin of error is larger for sub-segments.
- **Weighting:** Data has been weighted using the most current gender, age, & region Census data, to ensure the sample reflects the actual population of adult Canadians.

Region	Number of Interviews	Margin of error*
Atlantic Canada	302	± 5.6%
Quebec	404	± 4.9%
Ontario	604	± 4.0%
Manitoba/ Saskatchewan	203	± 6.9%
Alberta	200	± 6.9%
British Columbia	300	± 5.7%
Canada	2,013	± 2.2%



Key Findings

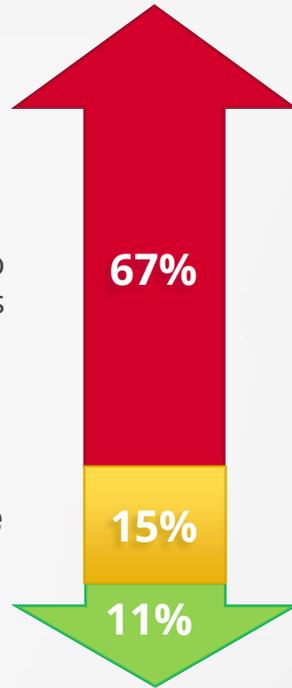
- Two-thirds of Canadians expect inflation to rise in the coming months (67%) and expect this high inflation period to last at least another year (66%).
- The public assigns shared blame for inflation, with many pointing the finger at COVID, government, and supply chain breakdowns.
- Only 16% of workers say their wages are keeping up with inflation.
- Though the *effects* of inflation are being felt by all, it is lower income earners who have had to make the most *sacrifices*, cashing out investments and cutting back on discretionary spending.

Two-thirds expect inflation to rise in coming months, and remain high for at least one year

67% of Canadians expect inflation to **increase** over the next few months

15% expect inflation to **stay the same**

11% expect inflation to **decrease**



Expected duration of high inflation period:

A few months at most 2%

6 months to a year 18%

1 to 2 years 37%

Over 2 years 29%

Don't know 14%



Do you expect the rate of inflation in Canada to increase, decrease, or stay the same over the next few months? | (7% don't know)



How long do you expect the current period of high inflation to last for?

Public does not point to a single culprit for high inflation, but federal Government, COVID, and supply chains all share some blame



How much blame do each of the following hold for the current high level of inflation in Canada?

Partisanship impacting perceptions about inflation causes



% who say "most of the blame"

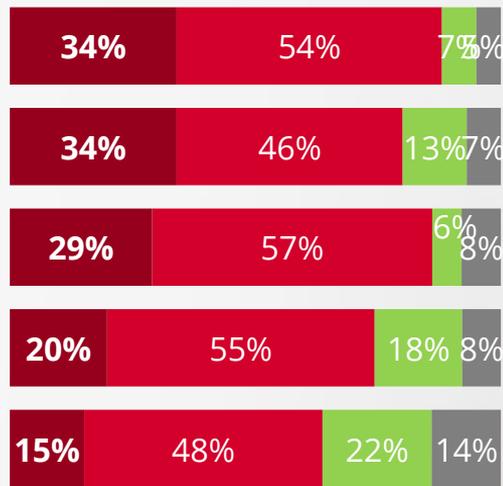
The impact of COVID on the economy

The Government of Canada

Breakdowns in global supply chains

The war in Ukraine

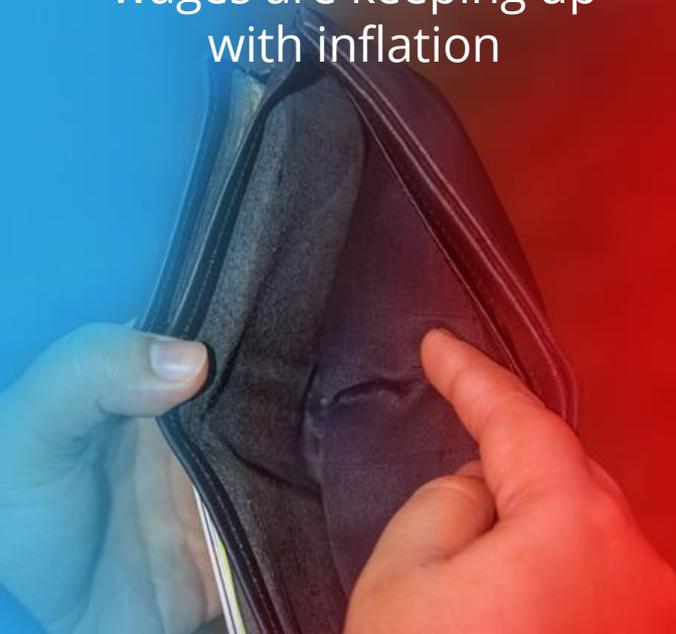
The Bank of Canada



	Lib	CPC	NDP	BQ	GP	PPC
The impact of COVID on the economy	44%	31%	35%	27%	31%	22%
The Government of Canada	8%	66%	28%	28%	18%	75%
Breakdowns in global supply chains	38%	22%	32%	33%	30%	27%
The war in Ukraine	30%	13%	21%	27%	12%	14%
The Bank of Canada	11%	20%	15%	15%	16%	31%

16%

Of workers say their wages are keeping up with inflation



Canadian workers don't believe their wages are keeping up with inflation



White Collar
15%



Blue Collar
21%



Service
19%



Gig worker
31%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following: *My wages at work are keeping up with inflation*



Canadians cutting back due to inflation

I'm **buying cheaper brands of groceries** or less expensive food products because of inflation



73%

I'm **spending less money on vacations** this year because of inflation



68%

I'm **eating out less at restaurants** because of inflation



72%

I'm **delaying major purchases** because of inflation



67%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

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Inflation being felt in all parts of the country

- On all questions, the impact of inflation has been nearly identical in urban and rural Canada.

Steps taken due to inflation	Atlantic	Quebec	Ontario	Prairies	Alberta	BC
I'm buying cheaper brands of groceries or less expensive food products	74%	73%	72%	75%	74%	73%
I'm eating out less at restaurants	72%	70%	71%	76%	74%	73%
I'm spending less money on vacations this year	70%	68%	66%	69%	71%	72%
I'm delaying major purchases	66%	65%	67%	70%	71%	68%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

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Lower income Canadians being forced to make greater sacrifices in the face of inflation

Canadians earning under \$50k a year



77%



76%



73%



68%

Canadians earning over \$100k a year



68%



67%



61%



64%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

Inflation pressures could have small negative drag on markets

- Though this negative drag will be dampened, as lower income investors are the ones more likely to cash out.

28% of investors are thinking about putting **more money** in the stock market or other investments because of inflation



NET investment score:

-8

36% of investors are thinking about **investing less money** or cashing out stocks/investments because of inflation



Household income	NET investment score
Less than \$50k	-17
\$50k to <\$100k	-10
\$100k or more	-2



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:



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