



The Politics of Interest Rates

The impact of interest rates on Canadians – and our politics

Summer 2024

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Methodology

Rollup This report combines data from several Pollara surveys fielded so far in 2024

Field Window January-June 2024
Most interviews were completed before the Bank of Canada's first interest rate cut in early June

Sampling Online survey of randomly-selected sample of 9,524 adult (18+) Canadians.

Reliability Online surveys cannot be assigned a margin of error. As a guideline, a probability sample of this size carries a margin of error of $\pm 1.0\%$, 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.

Key Findings

- Homeowners who have paid off their mortgage report being financially secure (33%) at over 3x the rate of mortgage payers (10%) and over 4x that of renters (8%).
 - Even when controlling for age, homeowners paying down their mortgage feel significantly worse about their financial situation than those who have paid it off.
- 60% of homeowners paying down a mortgage report being “very concerned” about interest rates, trailing only “inflation” as a concern.
- Canadians with variable rate mortgages are more likely than those with fixed rate mortgages to feel negative about their personal financial situation, stressed about housing expenses, and concerned about interest rates.
- Liberal support is significantly lower among homeowners still paying down their mortgage (21%) than among those who have paid their mortgage off (28%). It dips even further among homeowners affected most by high interest rates, including those on variable rate mortgages (17%), those who have renewed their mortgage in the last year (20%), and those who will renew in the next year (18%).



66%

of homeowners with their mortgage paid off feel positive about their personal finances, compared to **40%** of those still paying off their mortgage

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Housing Profiles

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Homeowners – Mortgage paid off



28%

of Canadians own their home
and have paid off their
mortgage

Four-fifths of homeowners
who have paid their mortgage
are over 50, with half over 65

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■ Economic Outlook:

- 33% financially secure, 33% getting ahead, 28% just getting by, 5% falling behind

■ Priority Issues: (*% very concerned*)

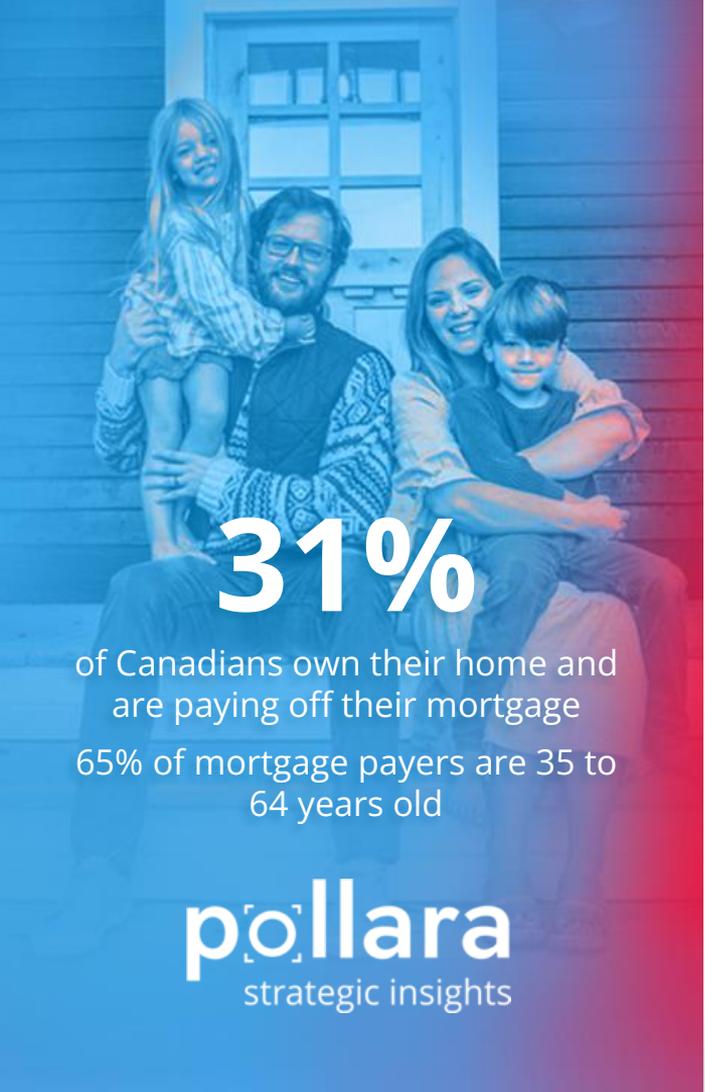
- Health care 63%
- Gun violence 49%
- Inflation 49%
- Canada's debt 47%
- Long term care 46%

■ Top Cost of Living Stressors: (*% very stressed*)

- Food 33%
- Gas 28%
- Taxes 21%
- **Housing** 18%
- Heating bills 18%

Homeowners – Paying off mortgage

- **Economic Outlook:**
 - 10% financially secure, 30% getting ahead, 46% just getting by, 12% falling behind
- **Priority Issues:** (*% very concerned*)
 - Inflation 65%
 - **Interest rates** 60%
 - Health care 59%
 - **The cost of housing** 58%
 - The level of taxation 45%
- **Top Cost of Living Stressors:** (*% very stressed*)
 - Food 46%
 - **Housing** 41%
 - Gas 33%
 - Taxes 29%
 - Debt 28%



31%

of Canadians own their home and are paying off their mortgage

65% of mortgage payers are 35 to 64 years old

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Renters



32%

of Canadians rent

37% of renters are under 35

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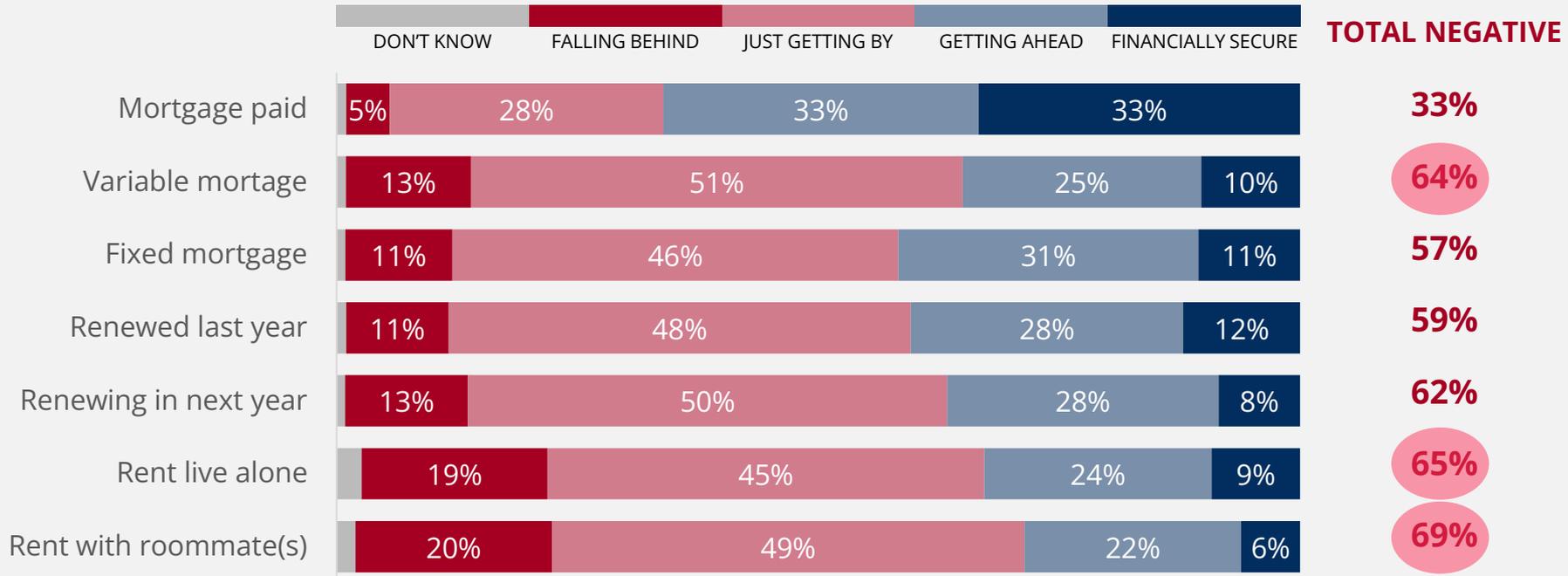
- **Economic Outlook:**
 - 8% financially secure, 23% getting ahead, 47% just getting by, 20% falling behind
- **Priority Issues: (% very concerned)**
 - **The cost of housing** 75%
 - Inflation 66%
 - Health care 59%
 - Poverty and homelessness 57%
 - The gap between the rich and everyone else 57%
- **Top Cost of Living Stressors: (% very stressed)**
 - Food 51%
 - **Housing** 49%
 - Gas 30%
 - Taxes 27%
 - Debt 27%



Housing Pressures

Personal Financial Situation: Renters and homeowners affected by higher interest rates feeling more pessimistic about their personal finances

- Thinking about the cost of living and your personal financial situation, are you currently...

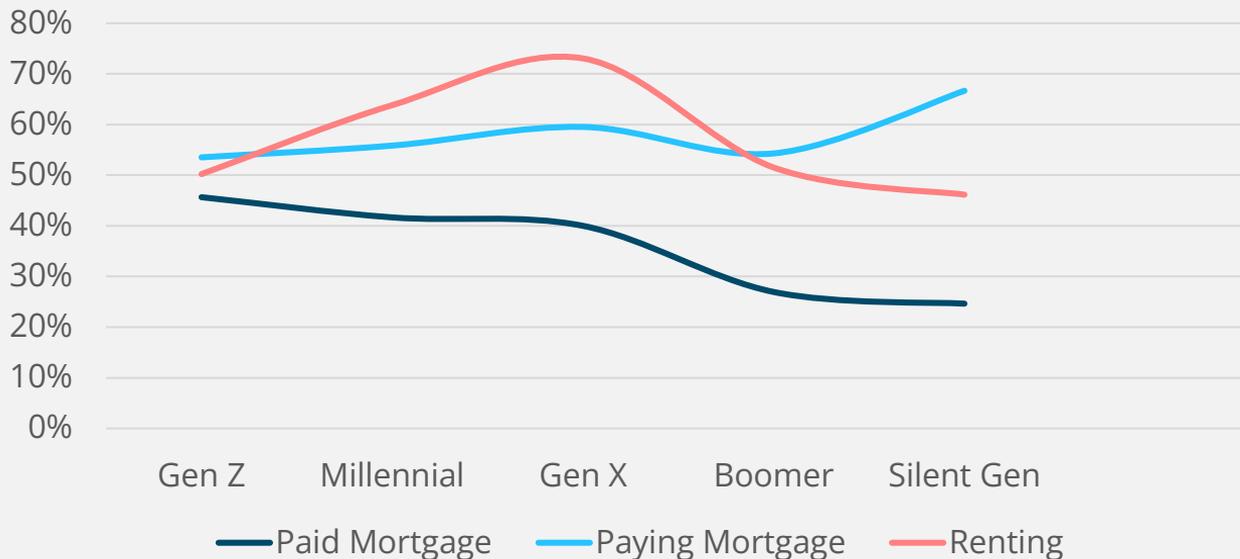


Thinking about the cost of living and your personal financial situation, are you currently...

Economic Outlook, by Generation: Even when controlling for age, renters and those paying down mortgage feel worse about their personal finances

- Across all generations, those who have paid down their mortgage feel better about their finances than those making mortgage payments, or renters.

% Falling behind or just getting by



Q Thinking about the cost of living and your personal financial situation, are you currently... % falling behind and just getting by

Top Priorities and Stressors: Canadians who have paid off their mortgage rank housing as a lower priority

Top Priorities and Concerns

Mortgage paid

Health care	63%
Gun violence	49%
Inflation	49%
Canada's debt	47%
Long term care	46%

Paying mortgage

Inflation	65%
Interest rates 	60%
Health care	59%
The cost of housing 	58%
The level of taxation	45%

Renting

The cost of housing 	75%
Inflation	66%
Health care	59%
Poverty and Homelessness	57%
Inequality	57%

Top Cost of Living Stressors

Mortgage paid

Food	31%
Gas	28%
Taxes	21%
Housing 	18%
Heating bills	18%

Paying mortgage

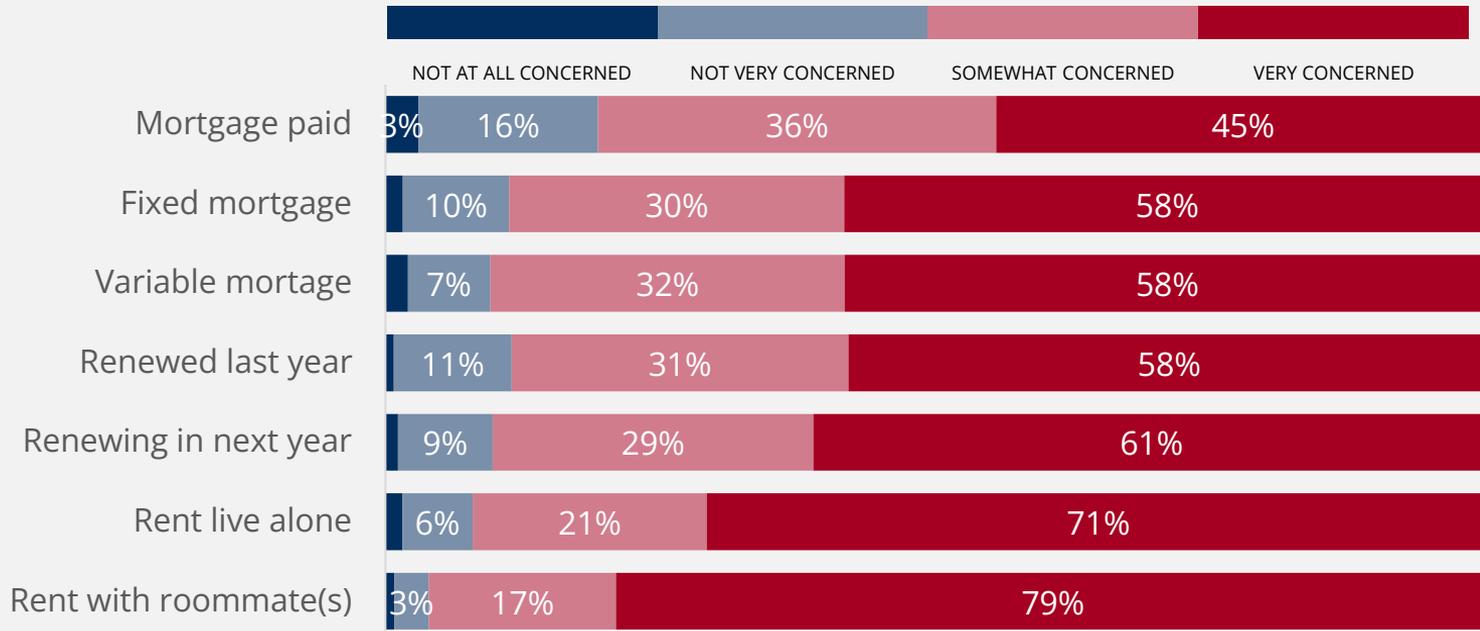
Food	46%
Housing 	41%
Gas	33%
Taxes	29%
Debt	28%

Renting

Food	51%
Housing 	49%
Gas	30%
Taxes	27%
Debt	27%

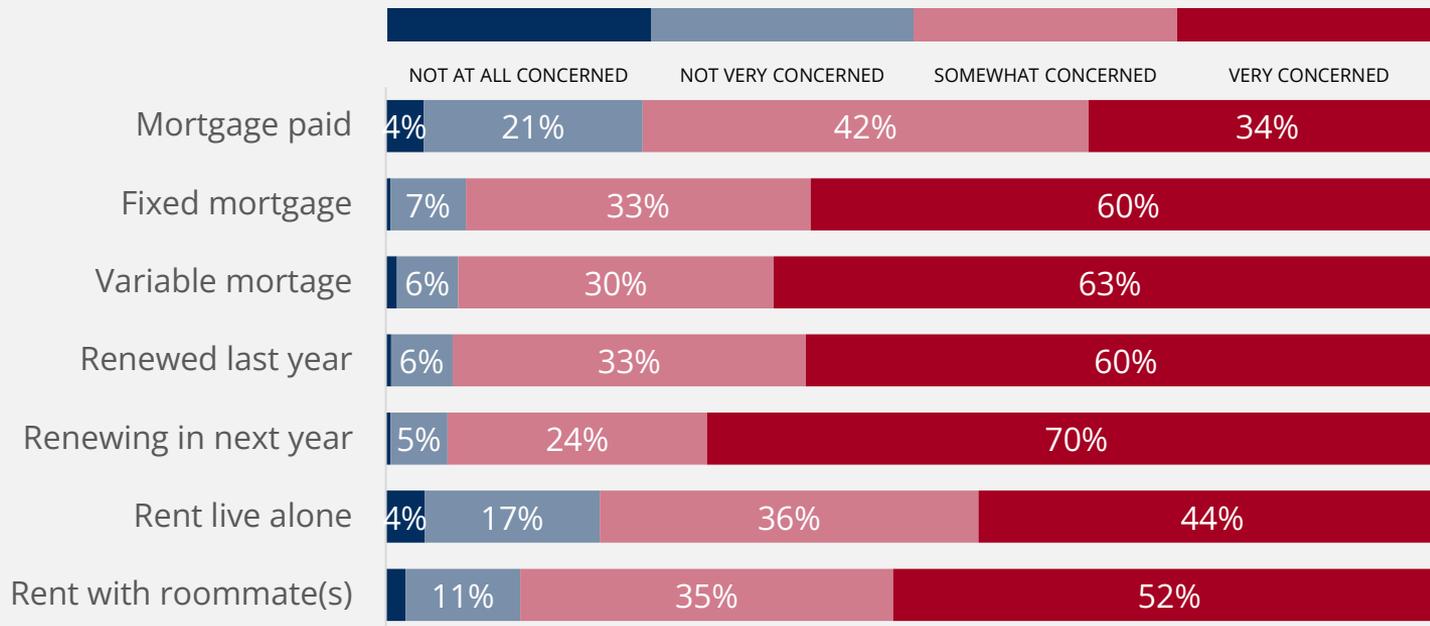
Q How concerned are you about the following issues? % very concerned For each of the following items related to the cost of living, please indicate if it is a major source of stress, a moderate source of stress, a minor source of stress, or not a source of stress at all for you and your household... % major source of stress

Concern About Cost of Housing: Renters are most concerned about the cost of housing



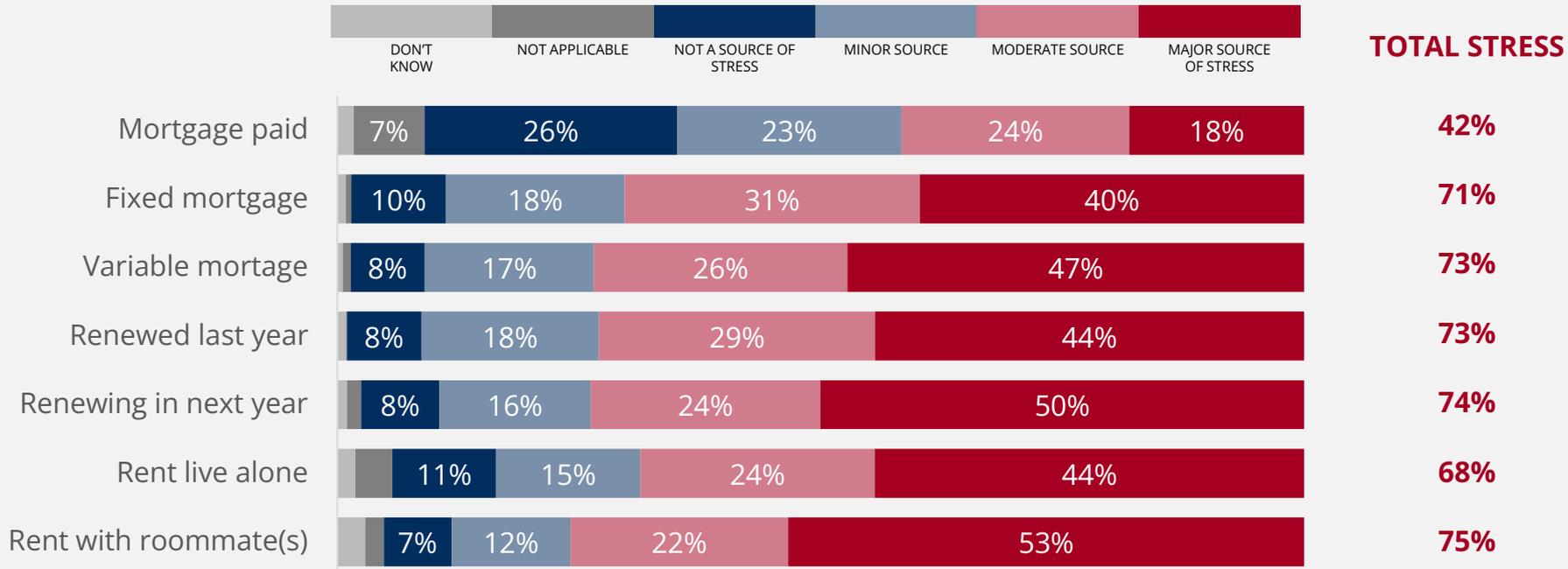
Q How concerned are you about the following issues? Cost of housing

Concern About Interest Rates: 70% of those renewing mortgage in next year are very concerned about interest rates

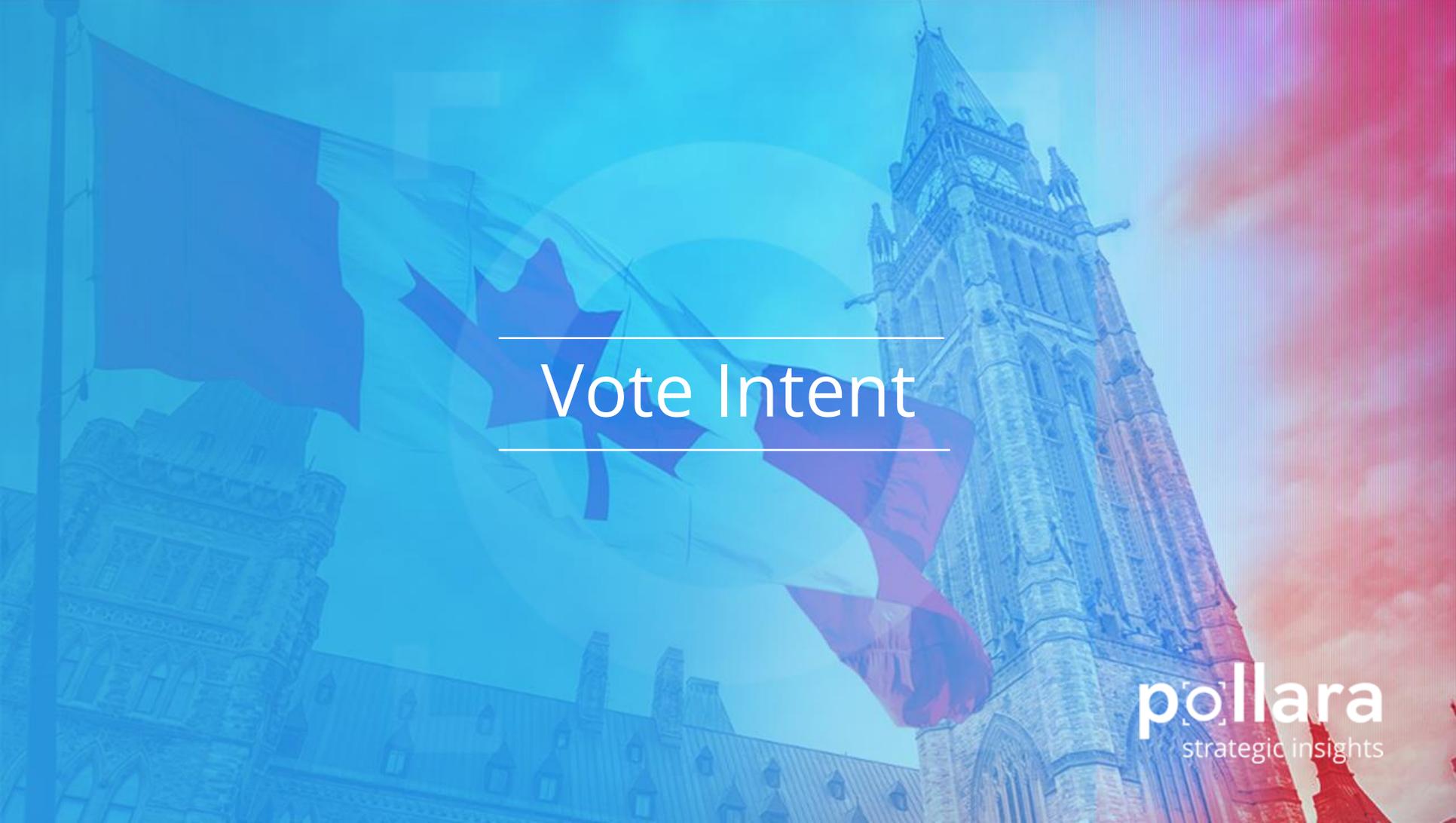


How concerned are you about the following issues? Interest rates.

Housing Expense Stress: Variable rates, proximity to renewal increase stress for homeowners



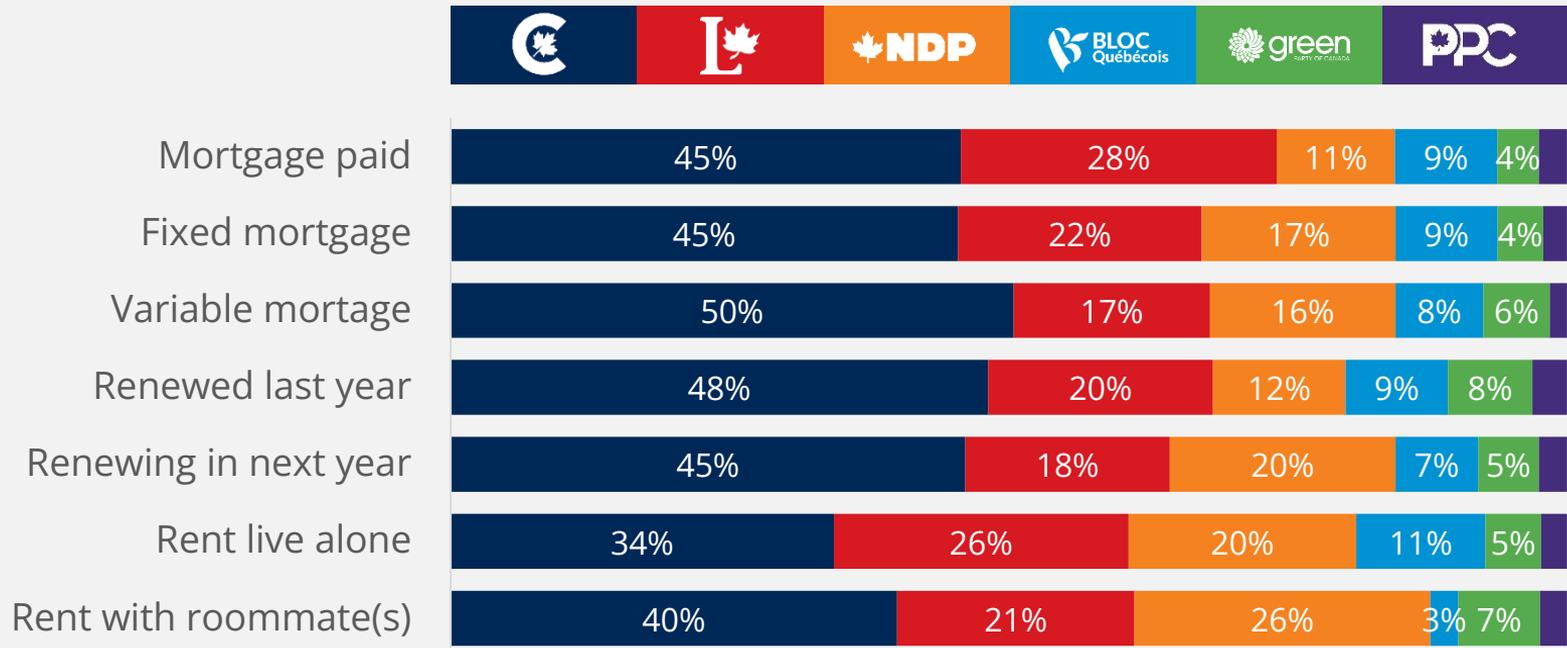
Q For each of the following items related to the cost of living, please indicate if it is a major source of stress, a moderate source of stress, a minor source of stress, or not a source of stress at all for you and your household... Housing expenses such as rent payments, mortgage and property taxes, and/or condo fees



Vote Intent

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Federal Vote Intent: Liberals struggling among mortgage holders – especially those impacted by interest rates



Q Who would you be most likely to vote for if a federal election were held today? (Decided Vote)



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