

By Anna Feng

Tepid recovery in consumer confidence

The Index of Consumer Confidence climbed 16.2 points in May, after hitting a **record low last month**.

The Index of Consumer Confidence climbed 16.2 points in May, after hitting a record low last month. The Index now sits at 63.7 (2014 = 100), slightly higher than its trough during the 2008 financial crisis (56.3).

Consumers felt more confident in May compared with April across all regions in Canada. Atlantic Canada posted the largest monthly increase among provinces (up 21.7 points), while the Saskatchewan–Manitoba region recorded the smallest gain (up 9.5 points).

As governments announce plans to relax restrictions and slowly reopen the economy, Canadians are feeling more optimistic about the impending economic recovery. However, without a clear timeline on the return to normalcy, the rebound this month was tepid. The Index is still down nearly 60 points since February, before the lockdown.

Canadians are still worried about their financial situation six months from now. While the share of Canadians who feel pessimistic about their future finances dropped to 23.2 per cent in May, this is still the second highest in the Index's history following April's record-breaking 36.1 per cent.

Recent large swings in oil prices have left Alberta's economy on shaky ground. It is not surprising, then, that Albertans worried the most about their future financial conditions; more than 30 per cent expect to be worse off financially six months from now.

The share of respondents who hold pessimistic views about future job prospects nudged down to 52.2 per cent in May. But this is still nearly twice as large as the average over the past decade (24.1 per cent). Alberta (59.2 per cent) and Ontario (57.0 per cent) topped the charts in terms of pessimism about future employment.

Quebecers are particularly concerned about their future economic and labour market conditions. Quebec is the only province where positive responses to questions about future finance and jobs dropped this month.

While most Canadians are slightly more optimistic about the future this month, many still do not feel that this is a good time to make a major purchase. In British Columbia, 75.4 per cent of respondents believe now is a bad time to make major purchases, higher than the peak reached during the 2008 financial crisis (71.3 per cent).

Overall, this month's rise in the Index of Consumer Confidence reflects Canadians' improved optimism about the future. Nevertheless, the Index remains significantly depressed by historical standards, suggesting that consumers will remain cautious with their spending over the coming months.

Chart 1

Index of consumer confidence (2014 = 100)

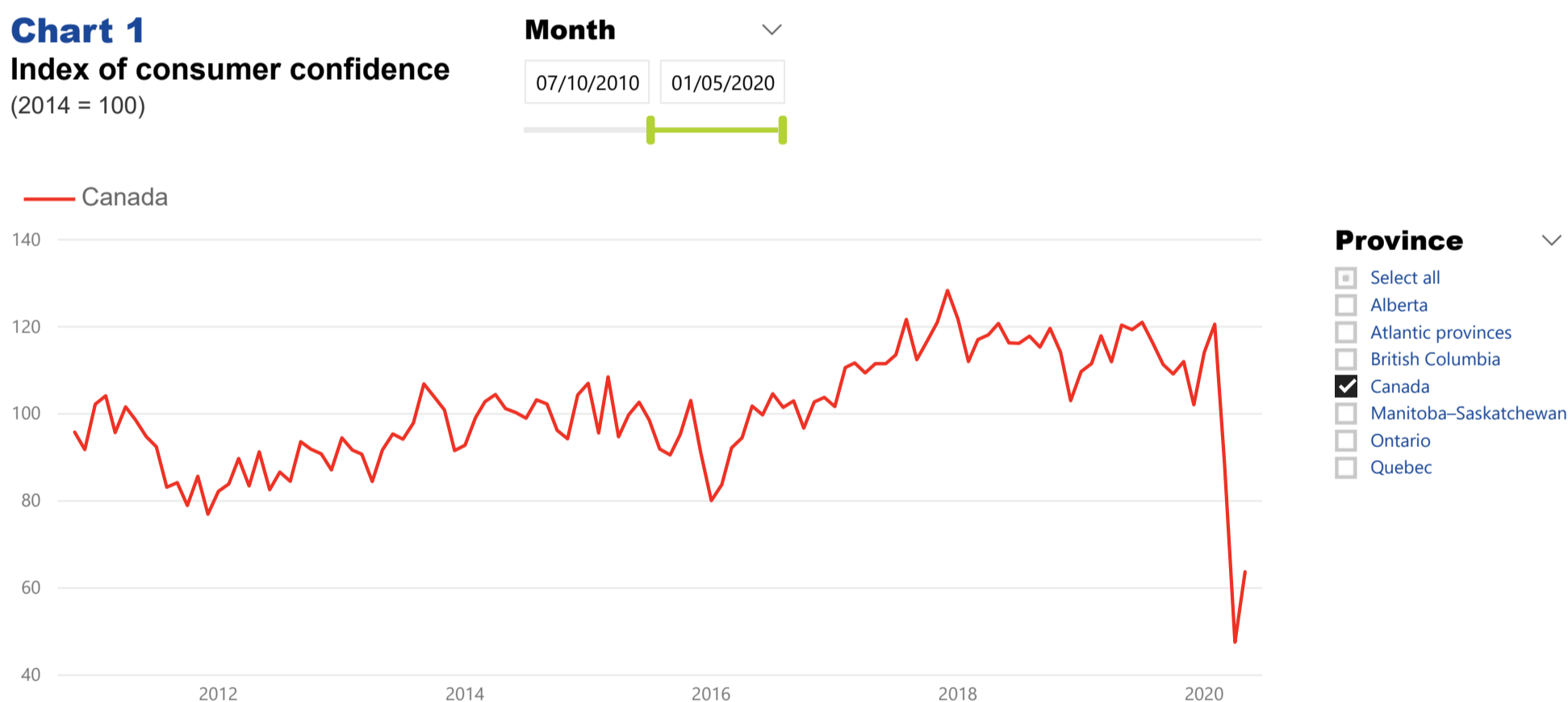


Table 1

Index of consumer confidence (2014 = 100)

Month	Canada	Atlantic Provinces	Ontario	Quebec	Manitoba–Saskatchewan	Alberta	British Columbia
June 1, 2019	119	126	111	160	75	79	143
July 1, 2019	121	154	110	169	85	77	130
August 1, 2019	116	156	103	173	83	61	126
September 1, 2019	111	150	105	157	83	52	121
October 1, 2019	109	144	96	164	85	50	122
November 1, 2019	112	154	106	163	72	51	133
December 1, 2019	102	138	93	166	69	40	108
January 1, 2020	114	159	108	173	71	53	117
February 1, 2020	121	164	108	168	94	63	139
March 1, 2020	89	124	81	137	64	43	92
April 1, 2020	48	67	37	77	38	21	55
May 1, 2020	64	89	58	91	48	32	68

Data sources: All employment and wage data are sourced from Statistics Canada. Consumer confidence data are created by The Conference Board of Canada. Survey dates are between May 1 and May 10, 2020.



[Click through to see the other provinces](#)

Canada



Month Adjust slider to change view

06/01/2012 01/05/2020



Chart 2

Monthly change in employment—last 12 months (000s)

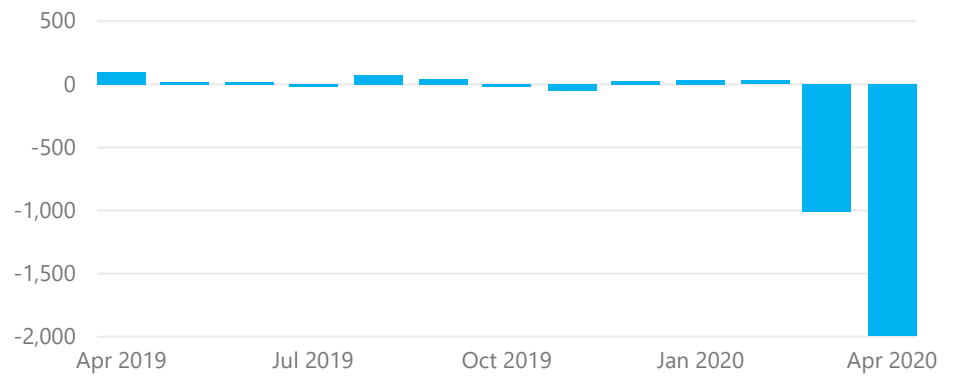


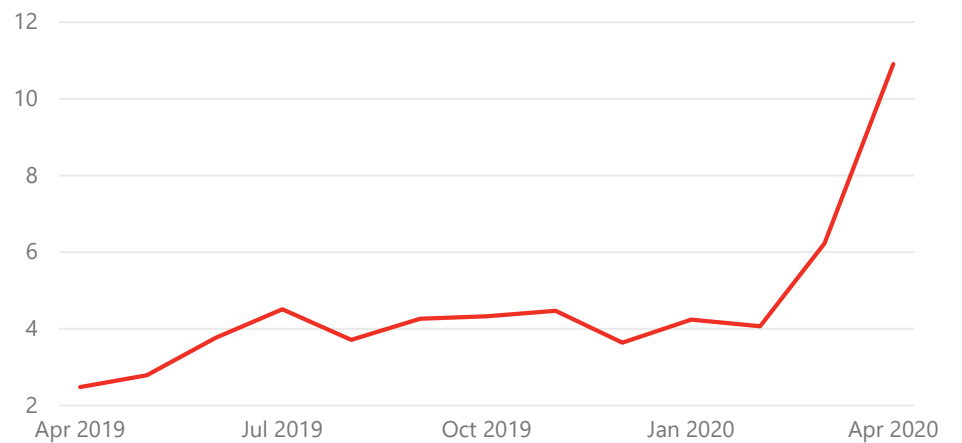
Chart 1

Index of consumer confidence—Canada (2014 = 100)



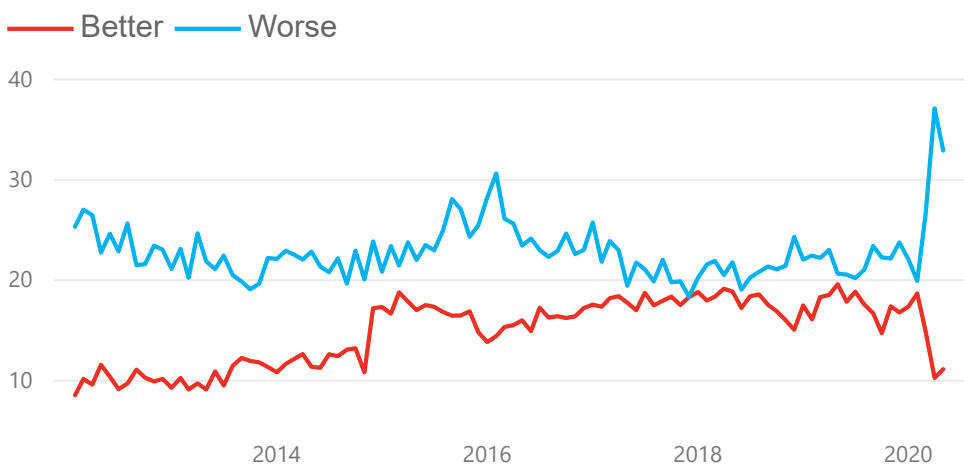
Chart 3

Year-over-year wage growth—last 12 months (%)



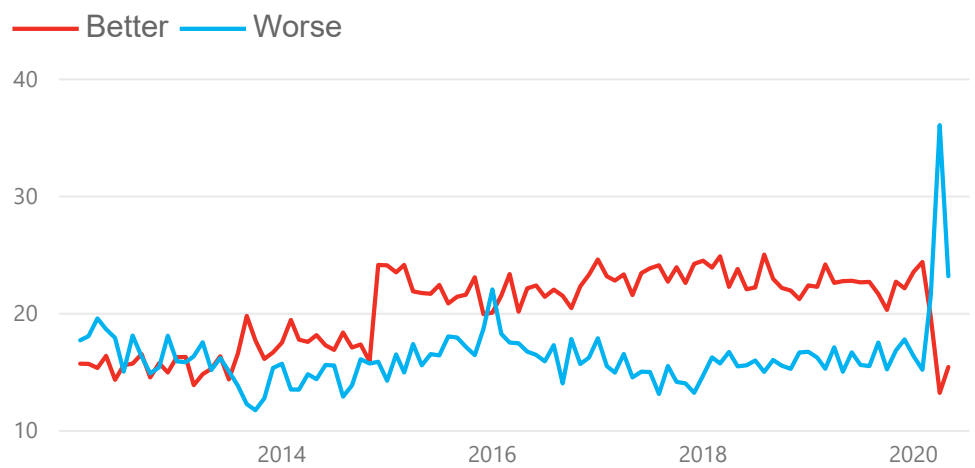
Question 1

Are your finances better or worse than they were six months ago?



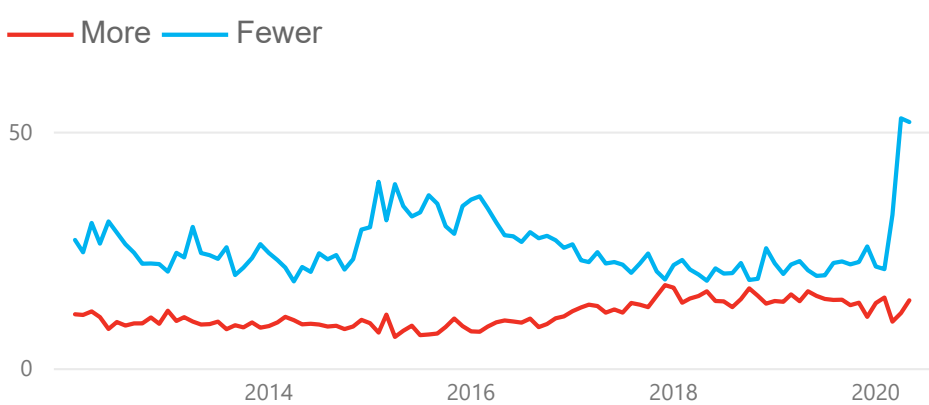
Question 2

Do you expect your finances to be better or worse in six months?



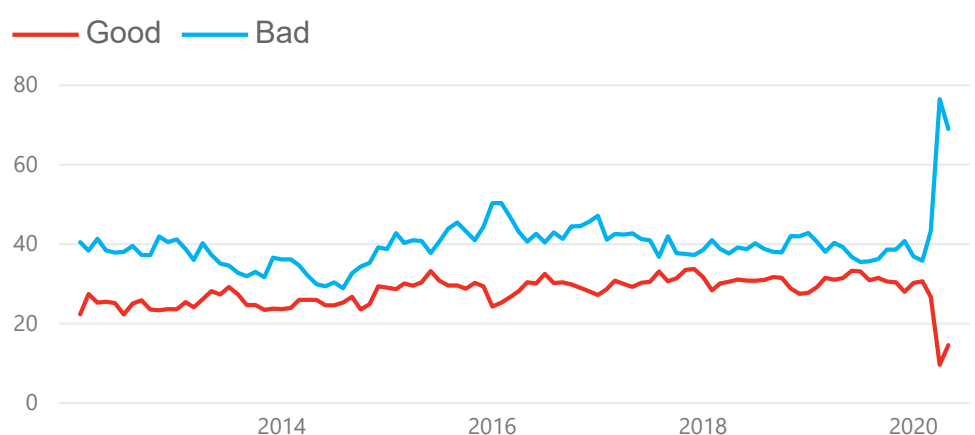
Question 3

Do you expect more or fewer jobs in the next six months in your area?



Question 4

Is now a good or bad time to make a major purchase?



Atlantic provinces



Chart 2
Monthly change in employment—last 12 months (000s)

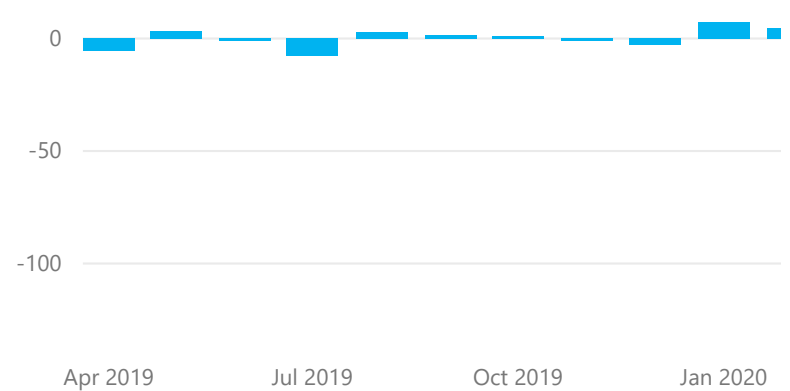


Chart 1
Index of consumer confidence—Atlantic provinces and Canada (2014 = 100)

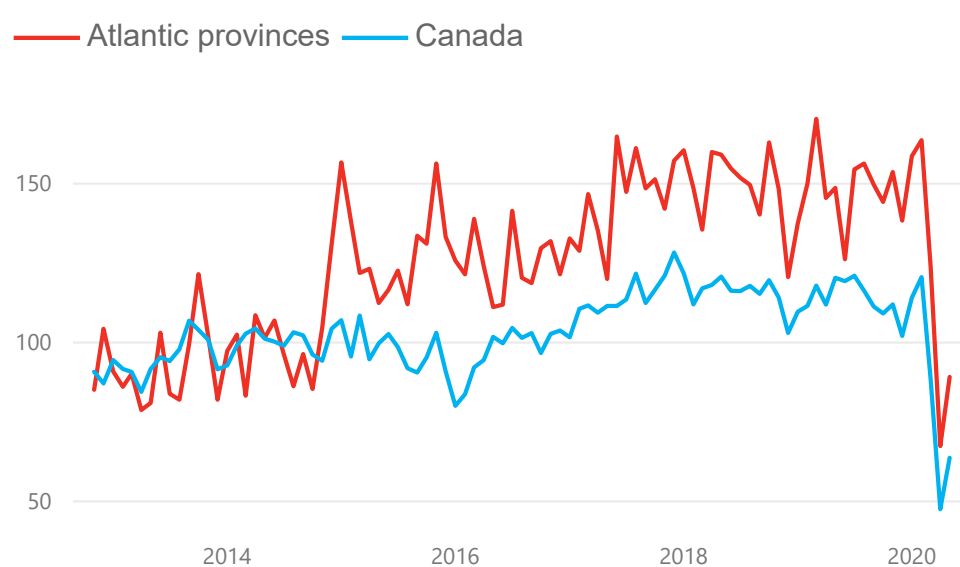
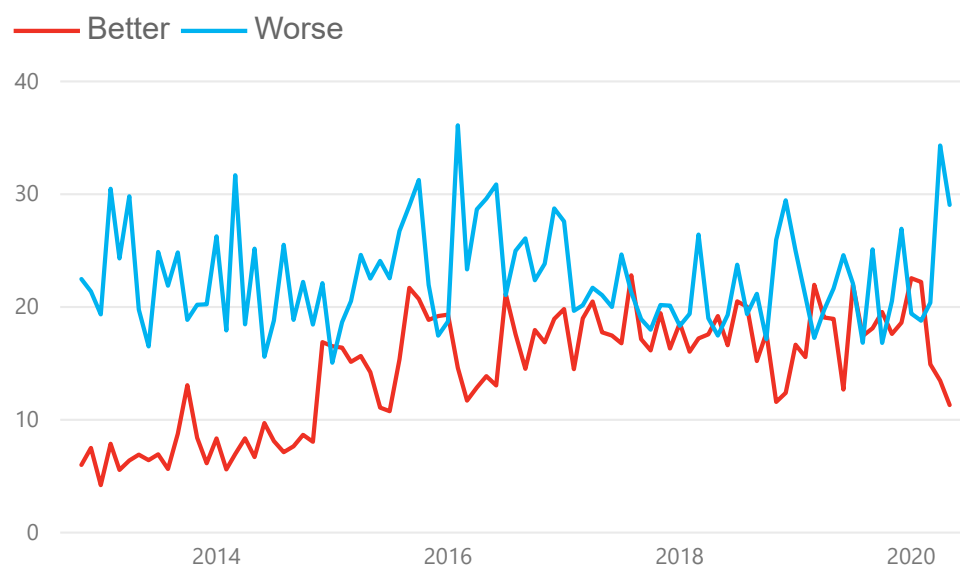


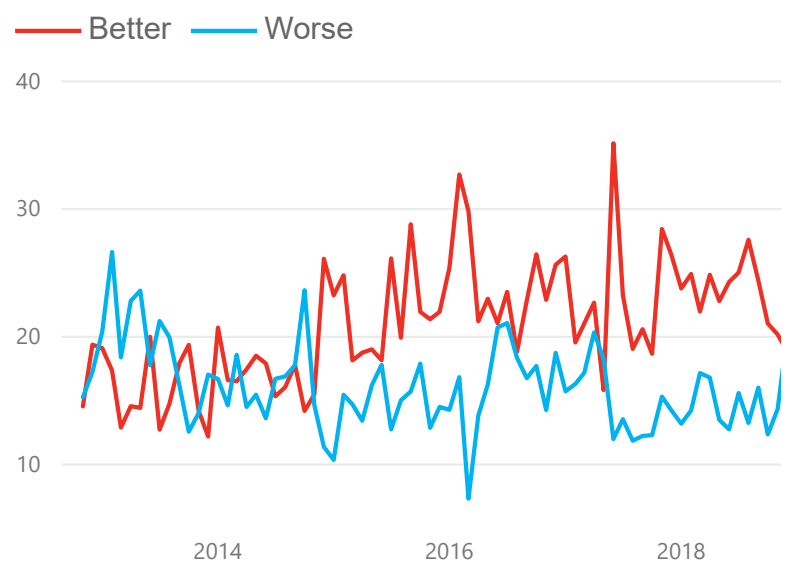
Chart 3
Year-over-year wage growth—last 12 months (%)



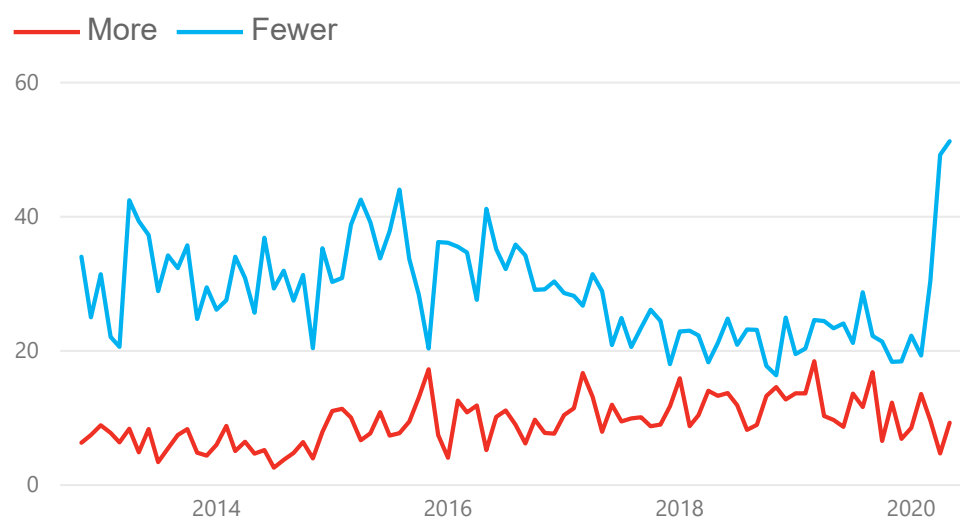
Question 1:
Are your finances better or worse than they were six months ago?



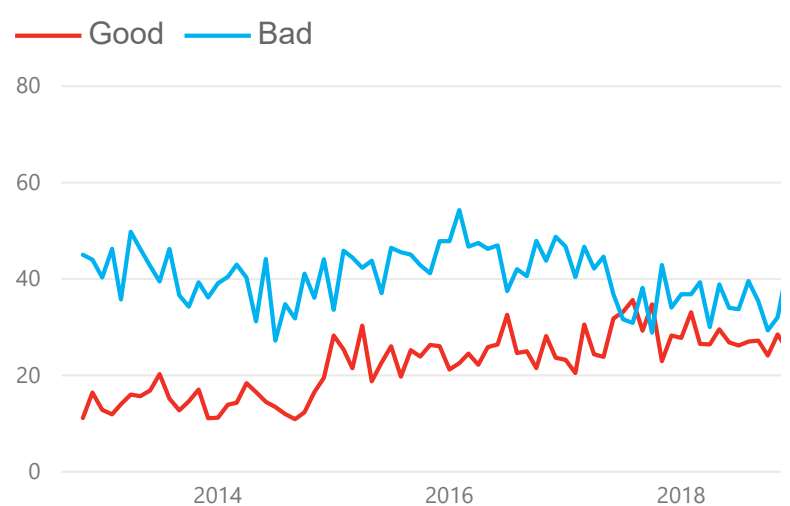
Question 2:
Do you expect your finances to be better or worse six months?



Question 3:
Do you expect more or fewer jobs in the next six months in your area?



Question 4:
Is now a good or bad time to make a major purchase?



Ontario

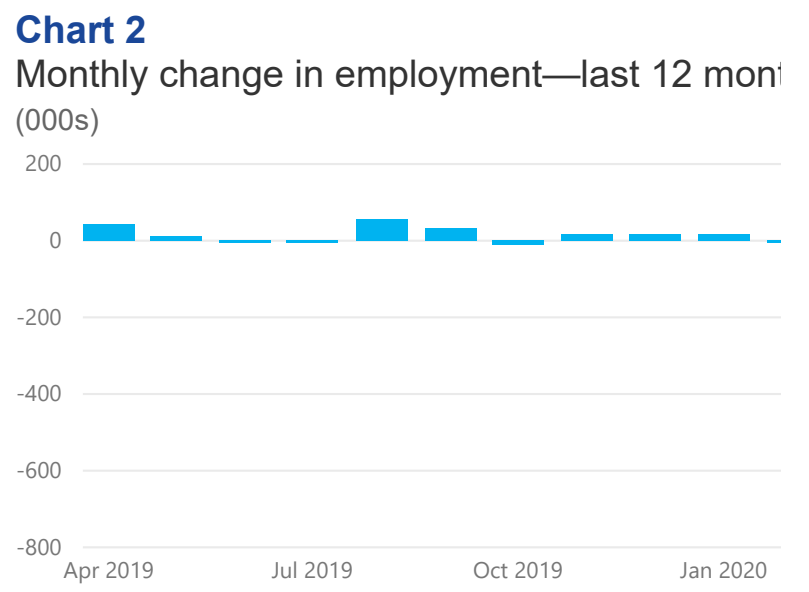


Chart 1

Index of consumer confidence—Ontario and Canada (2014 = 100)

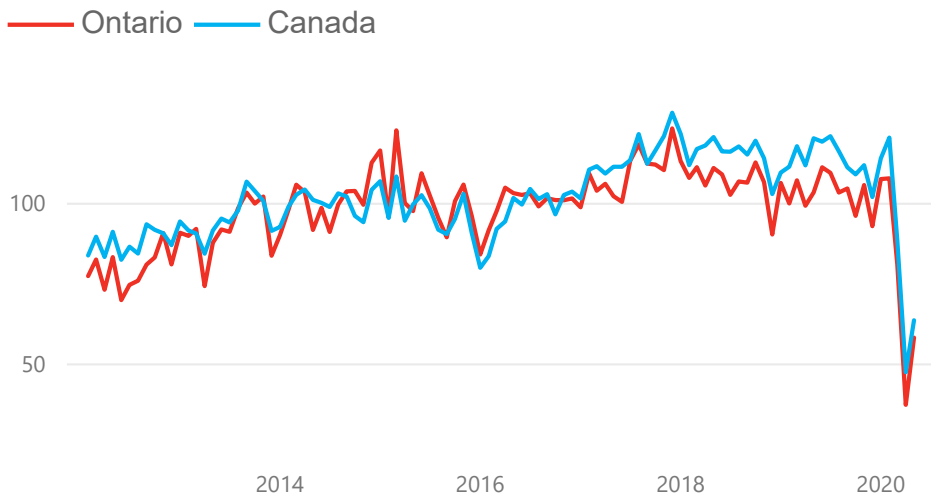
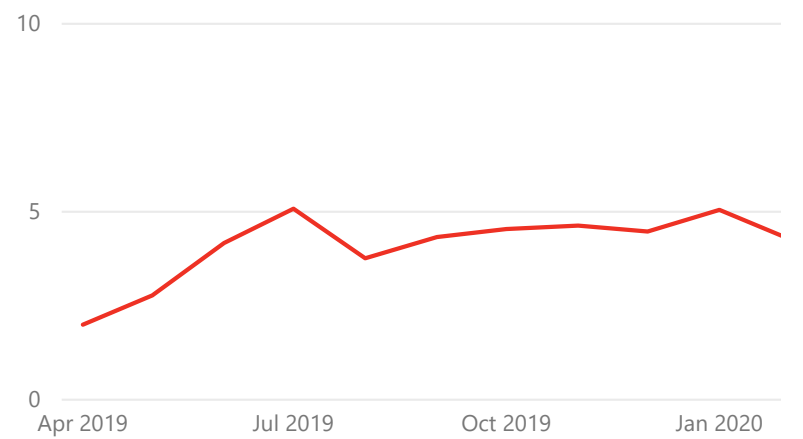


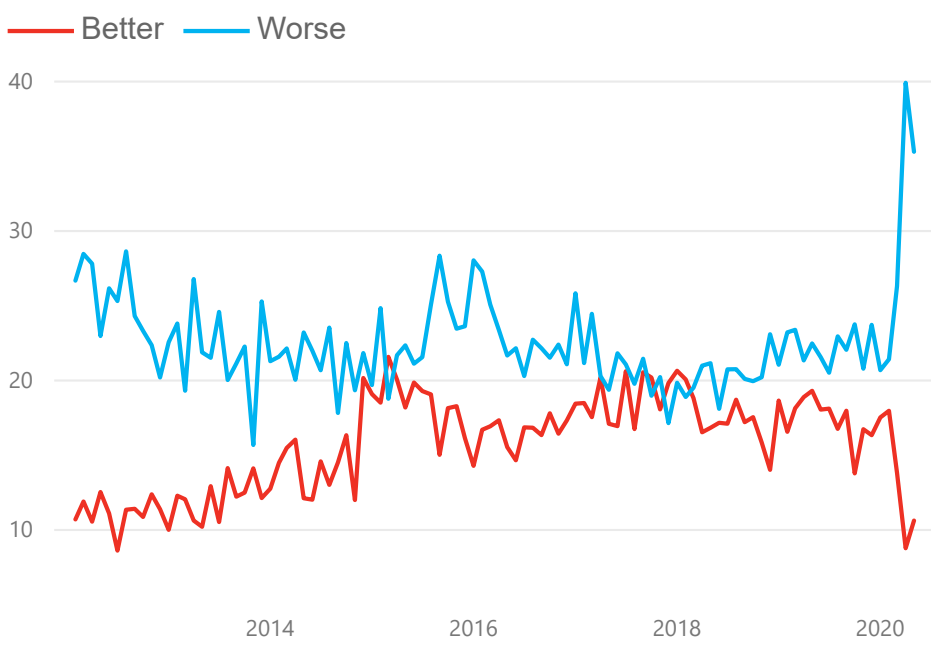
Chart 3

Year-over-year wage growth—last 12 months (%)



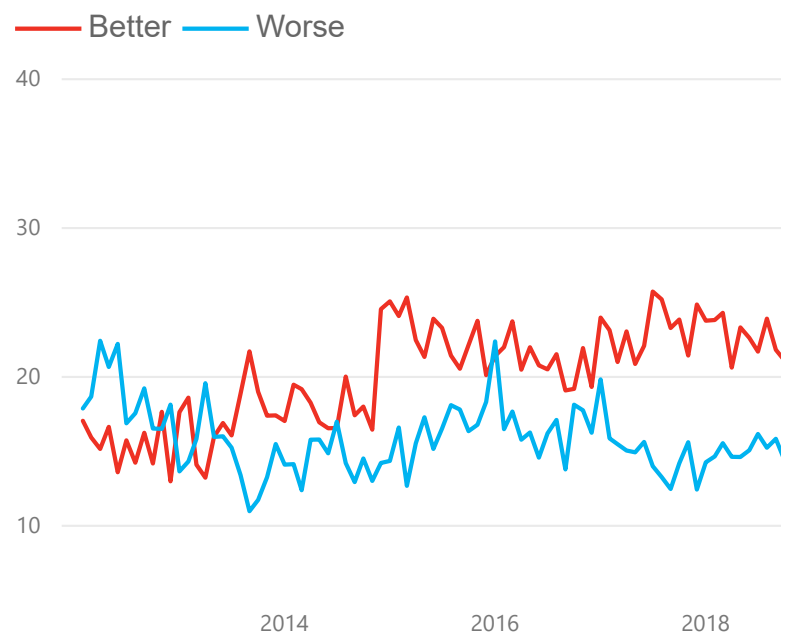
Question 1:

Are your finances better or worse than they were six months ago?



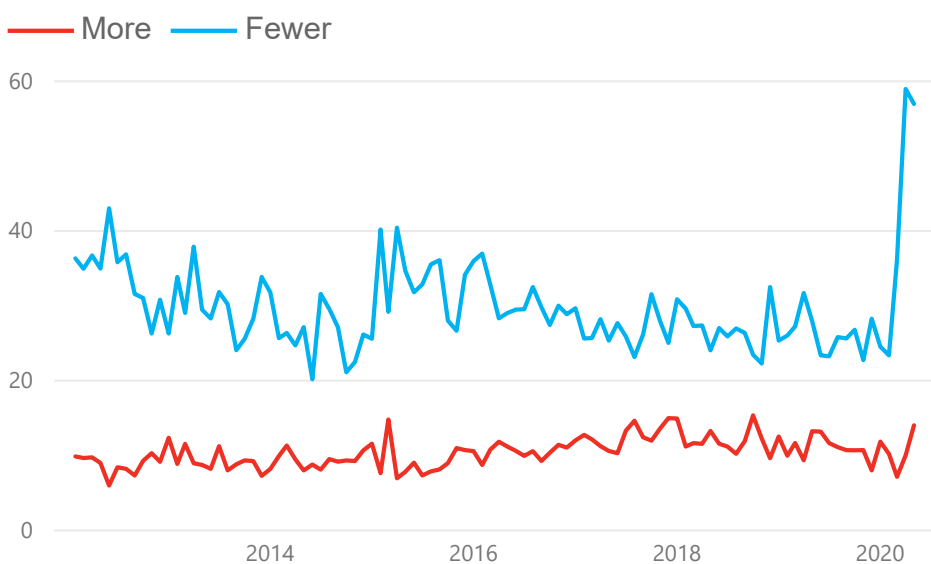
Question 2:

Do you expect your finances to be better or worse six months?



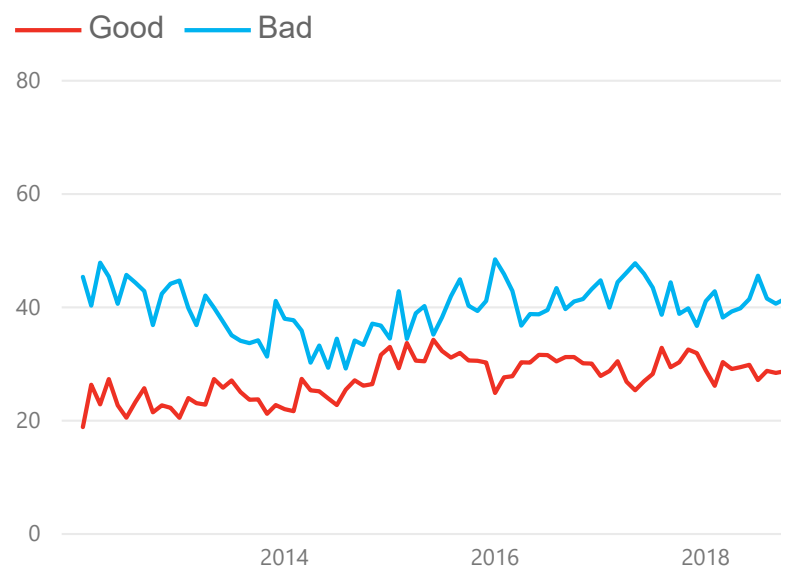
Question 3:

Do you expect more or fewer jobs in the next six months in your area?



Question 4:

Is now a good or bad time to make a major pu



Quebec



Month ▼

29/03/2012

01/05/2020

Adjust slider to change view



Chart 2

Monthly change in employment—last 12 months
(000s)

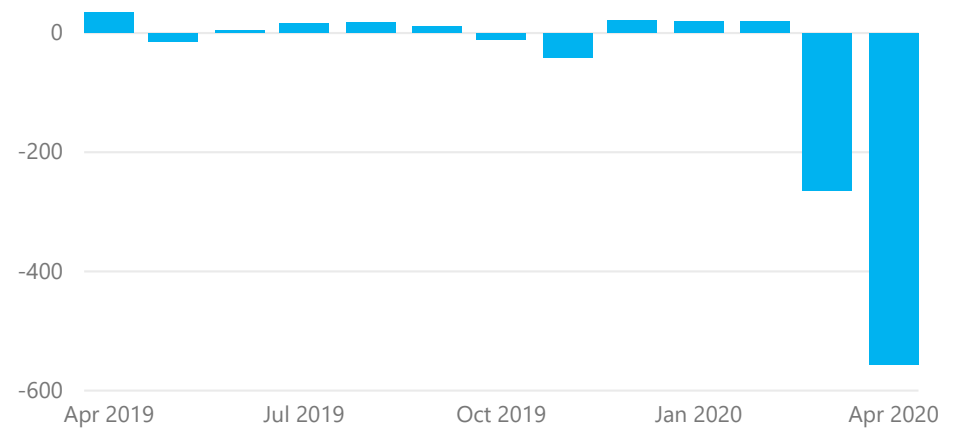


Chart 1

Index of consumer confidence—Quebec and Canada
(2014 = 100)

— Quebec — Canada

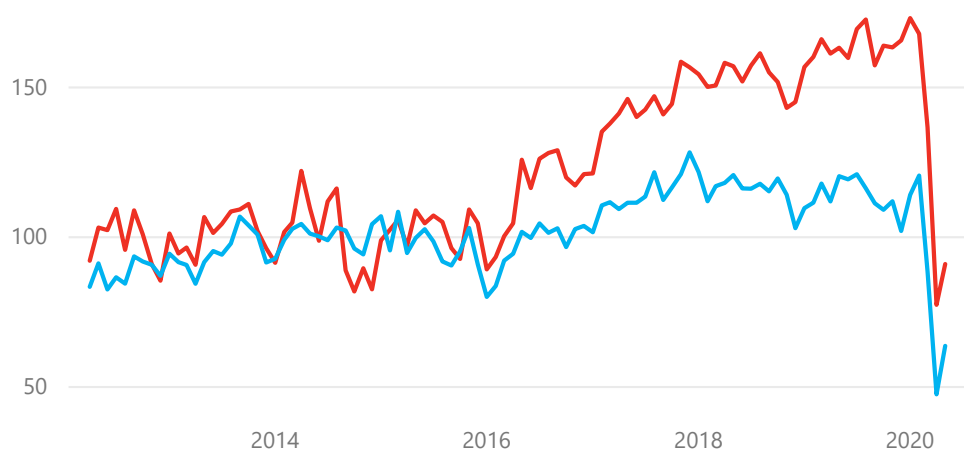
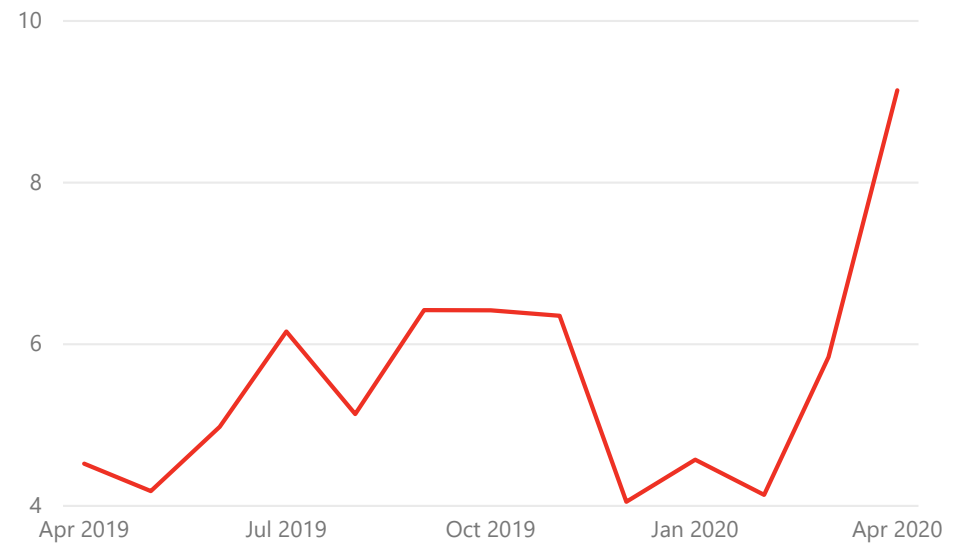


Chart 3

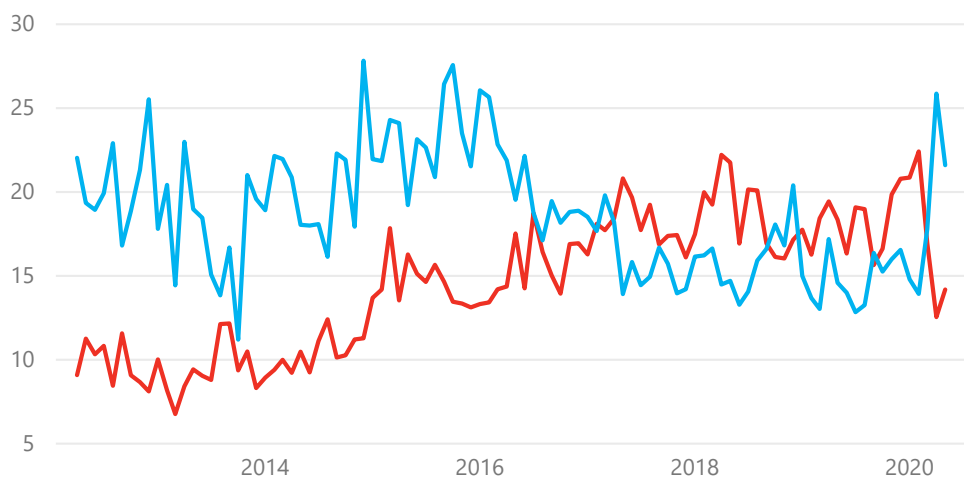
Year-over-year wage growth—last 12 months
(%)



Question 1:

Are your finances better or worse than they were six months ago?

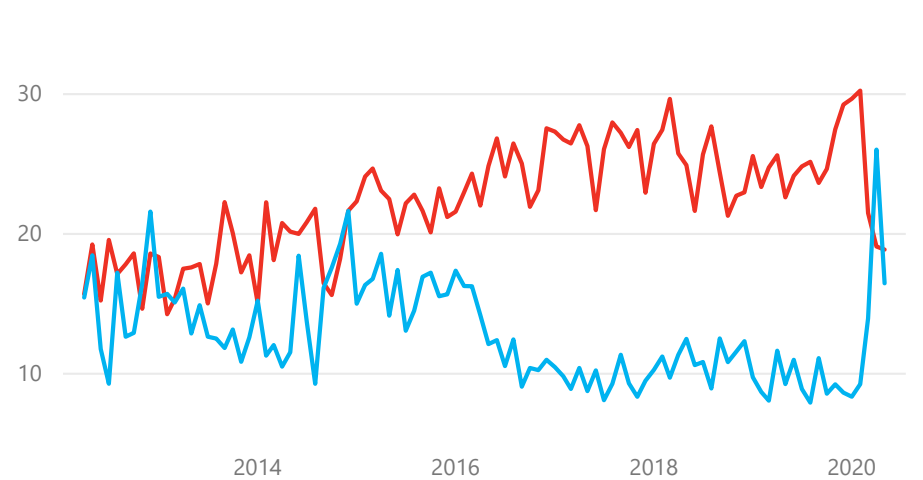
— Better — Worse



Question 2:

Do you expect your finances to be better or worse in six months?

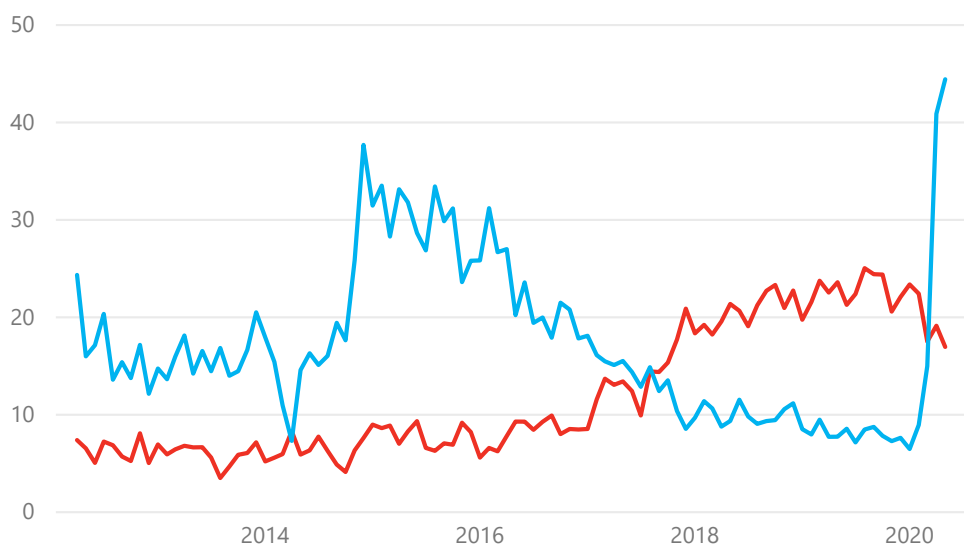
— Better — Worse



Question 3:

Do you expect more or fewer jobs in the next six months in your area?

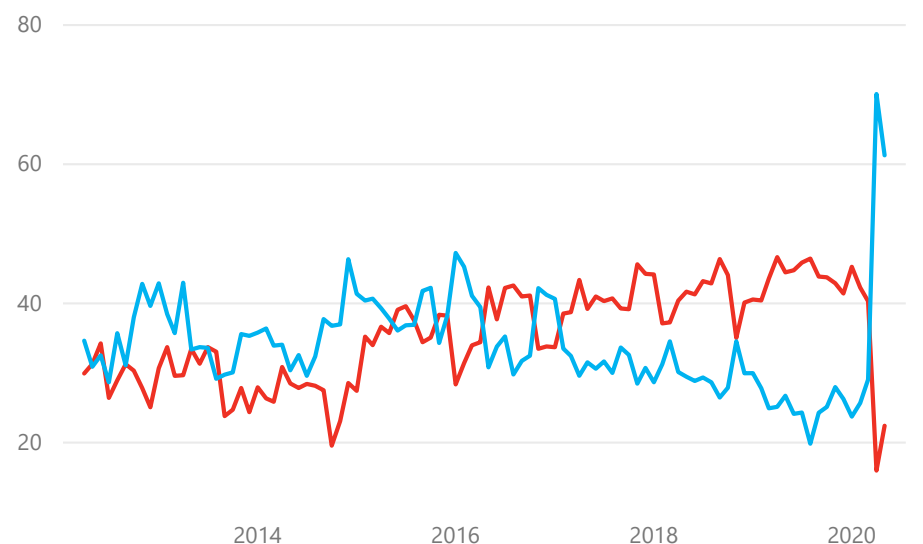
— More — Fewer



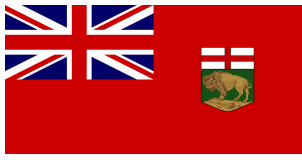
Question 4:

Is now a good or bad time to make a major purchase?

— Good — Bad



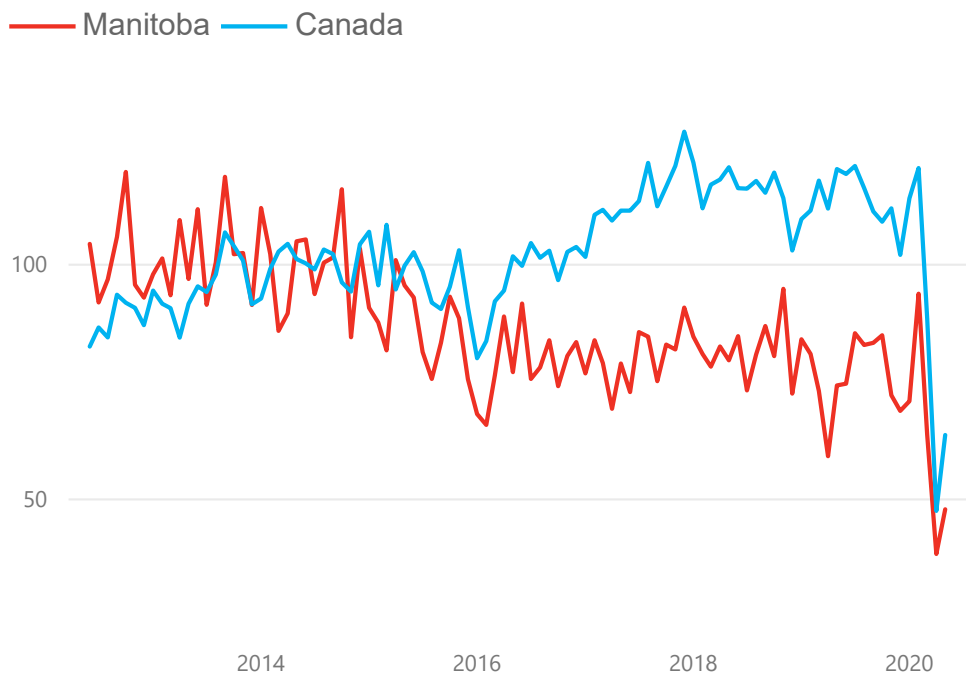
Manitoba–Saskatchewan



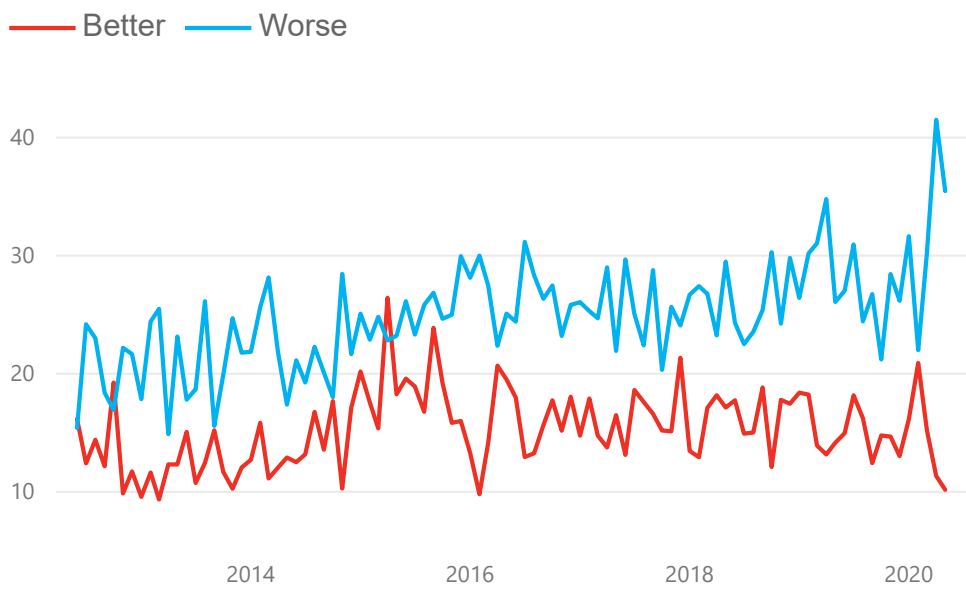
Month ▼

Adjust slider to change view

Chart 1
 Index of consumer confidence—Saskatchewan–Manitoba
 (2014 = 100)



Question 1:
 Are your finances better or worse than they were six months ago?



Question 3:
 Do you expect more or fewer jobs in the next six months in your area?

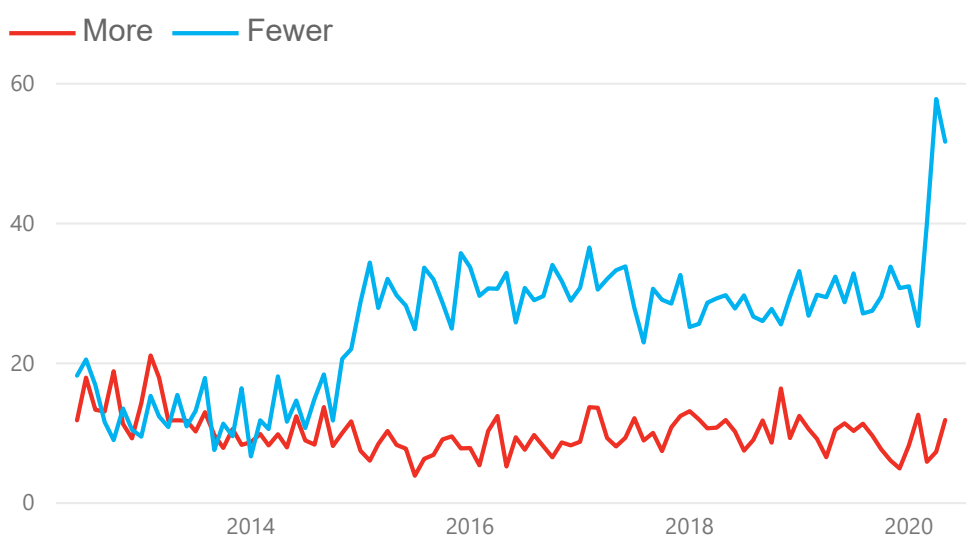


Chart 2
 Monthly change in employment—last 12 months
 (000s)

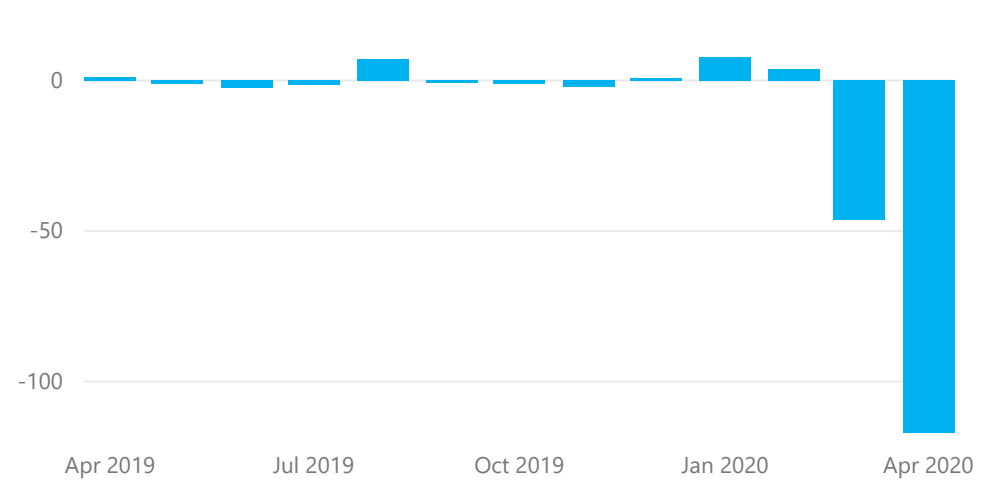
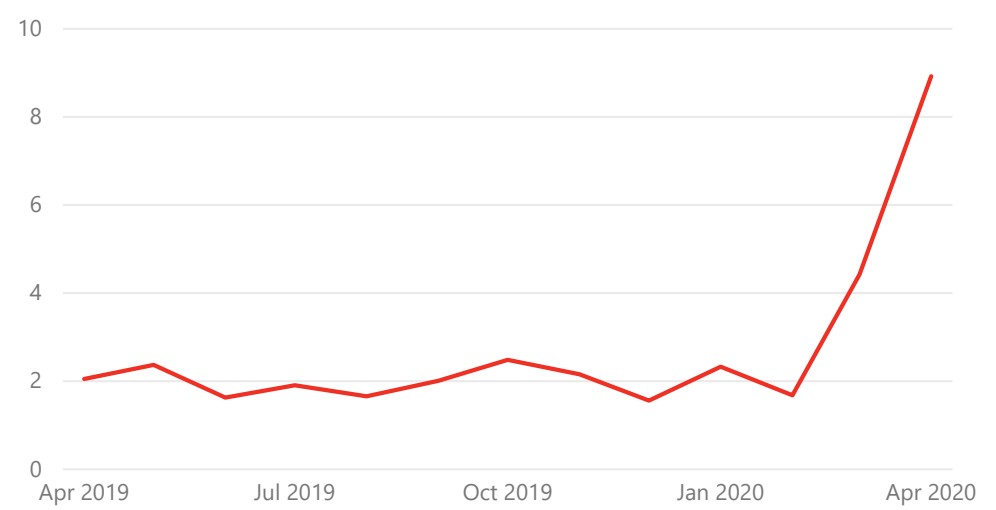
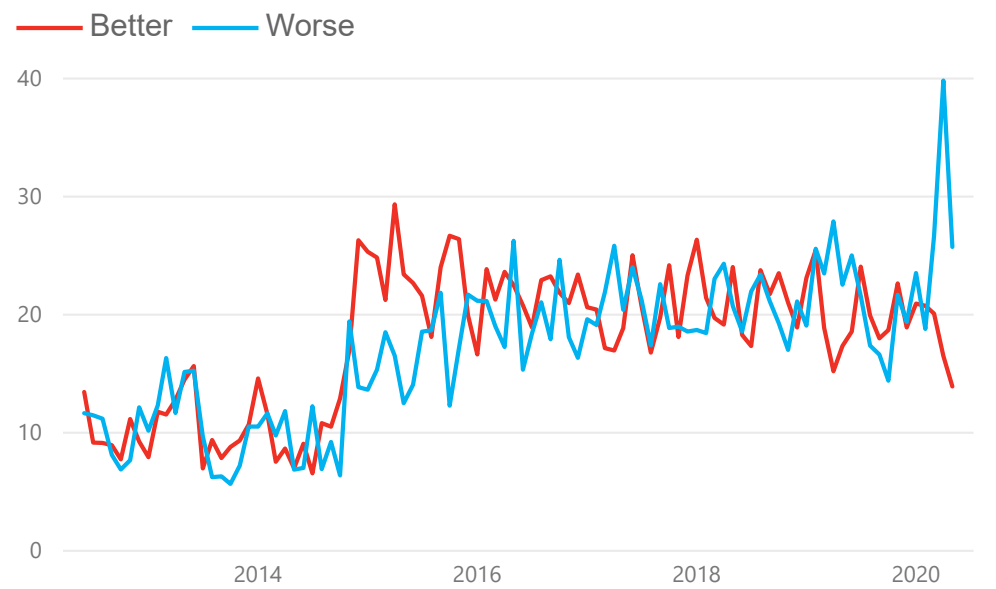


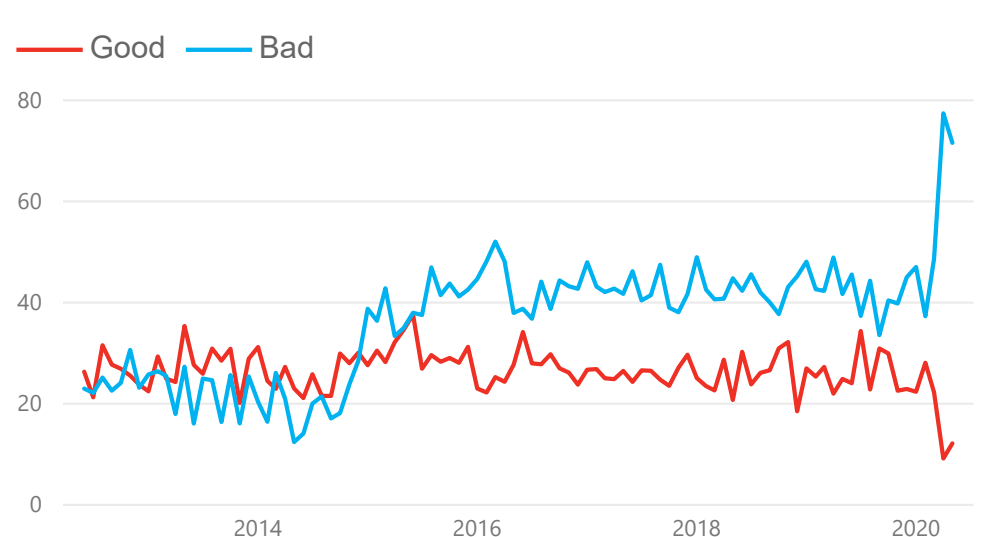
Chart 3
 Year-over-year wage growth—last 12 months
 (%)



Question 2:
 Do you expect your finances to be better or worse in six months?



Question 4:
 Is now a good or bad time to make a major purchase?



Alberta



Month ▼
 01/03/2012 01/05/2020
 Adjust slider to change view

Chart 2

Monthly change in employment—last 12 months
 (000s)

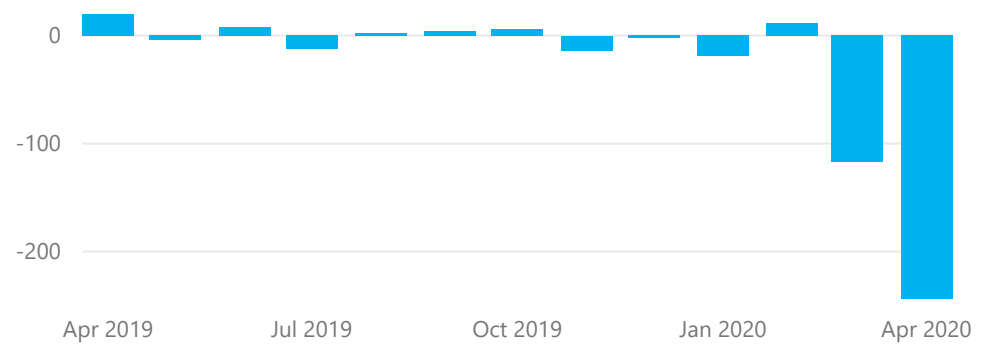


Chart 1

Index of consumer confidence—Alberta and Canada
 (2014 = 100)

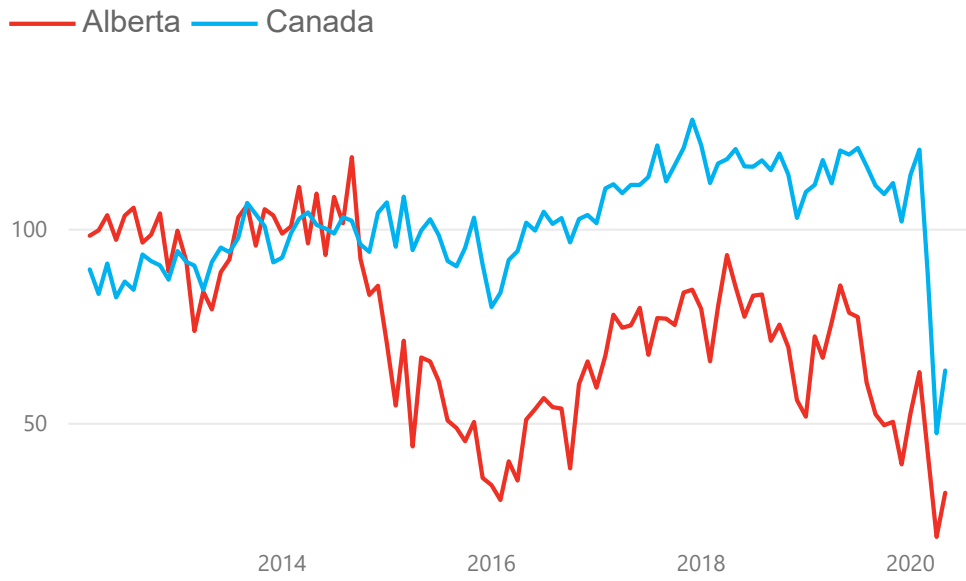
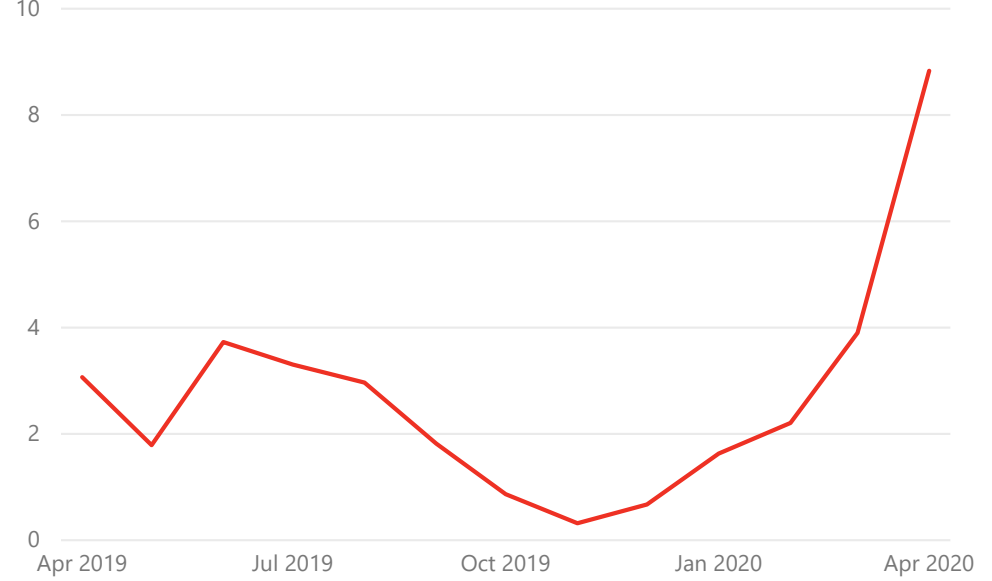


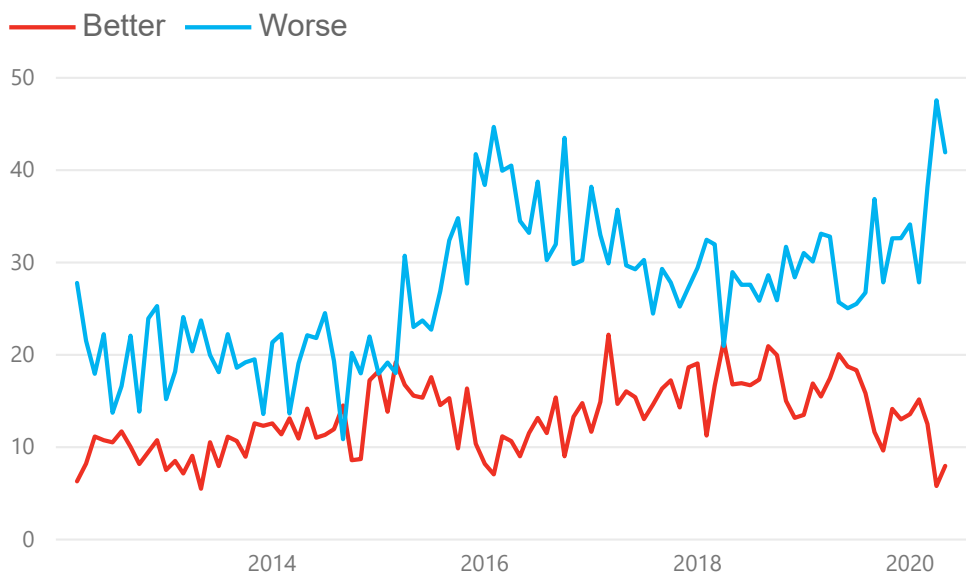
Chart 3

Year-over-year wage growth—last 12 months
 (%)



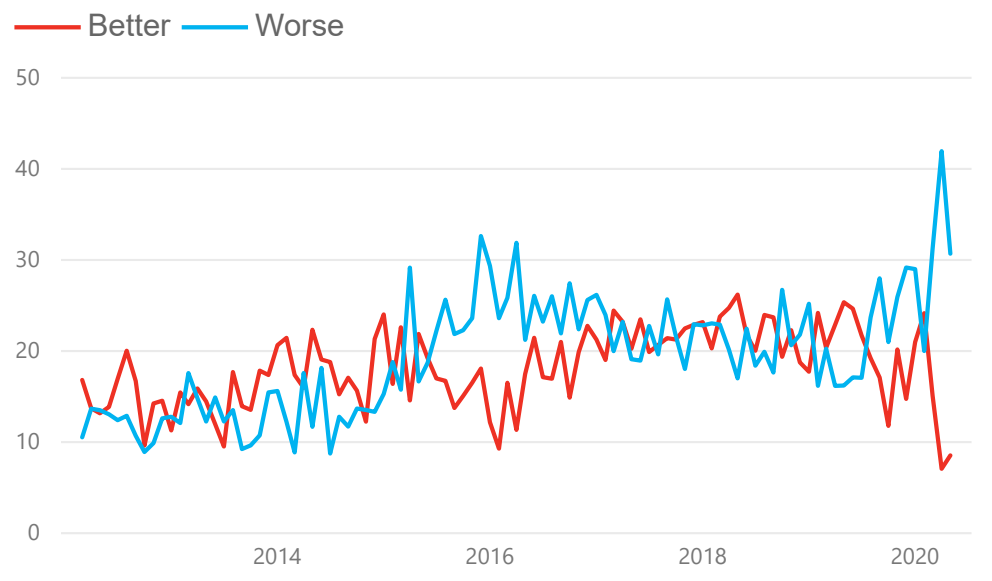
Question 1:

Are your finances better or worse than they were six months ago?



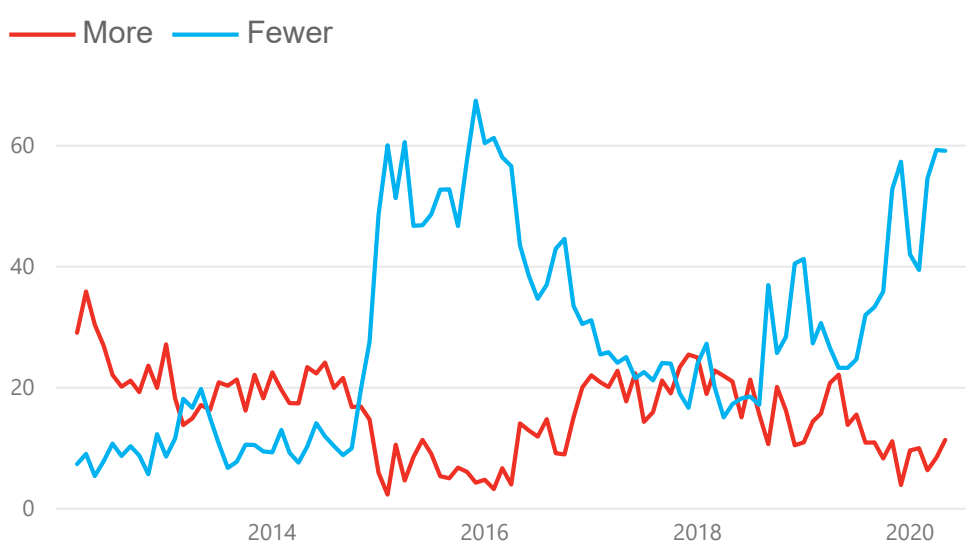
Question 2:

Do you expect your finances to be better or worse in six months?



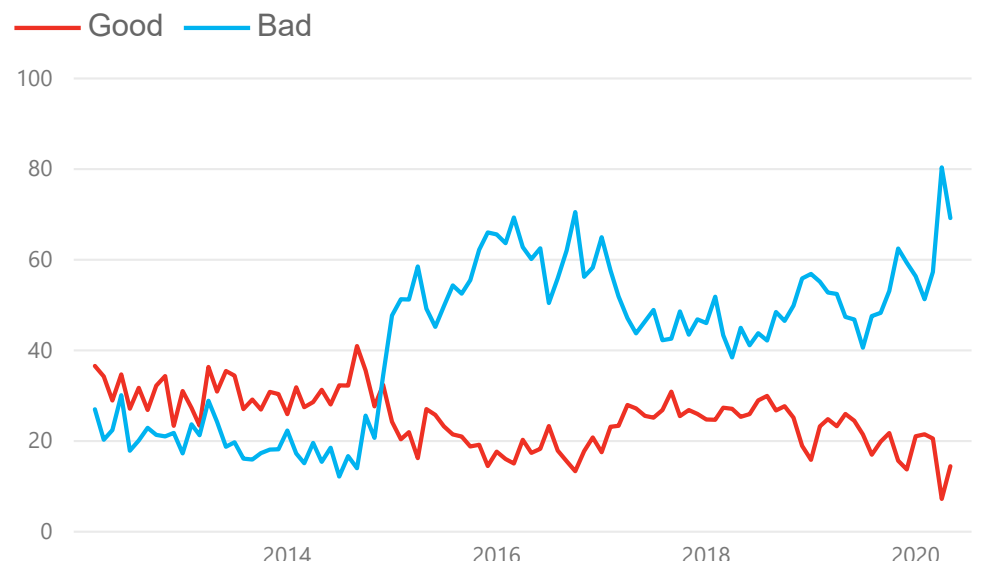
Question 3:

Do you expect more or fewer jobs in the next six months in your area?



Question 4:

Is now a good or bad time to make a major purchase?

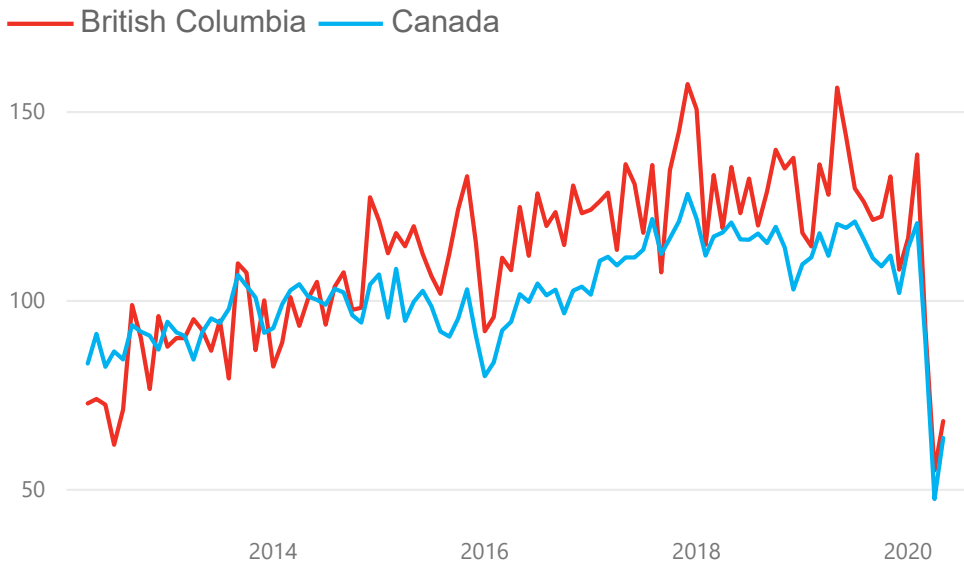


British Columbia

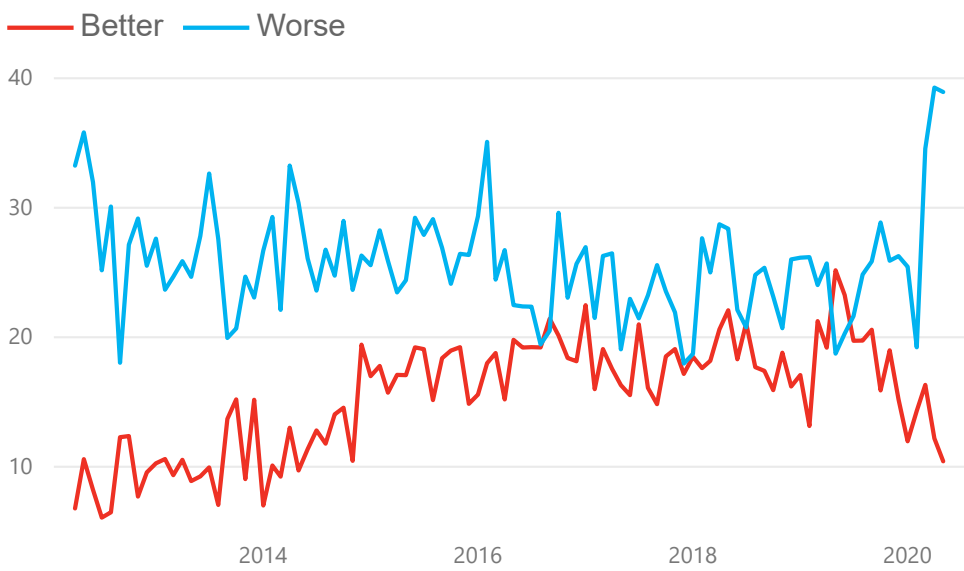


Month ▼
 23/03/2012 01/05/2020
 Adjust slider to change view

Chart 1
 Index of consumer confidence—British Columbia and Canada
 (2014 = 100)



Question 1:
 Are your finances better or worse than they were six months ago?



Question 3:
 Do you expect more or fewer jobs in the next six months in your area?

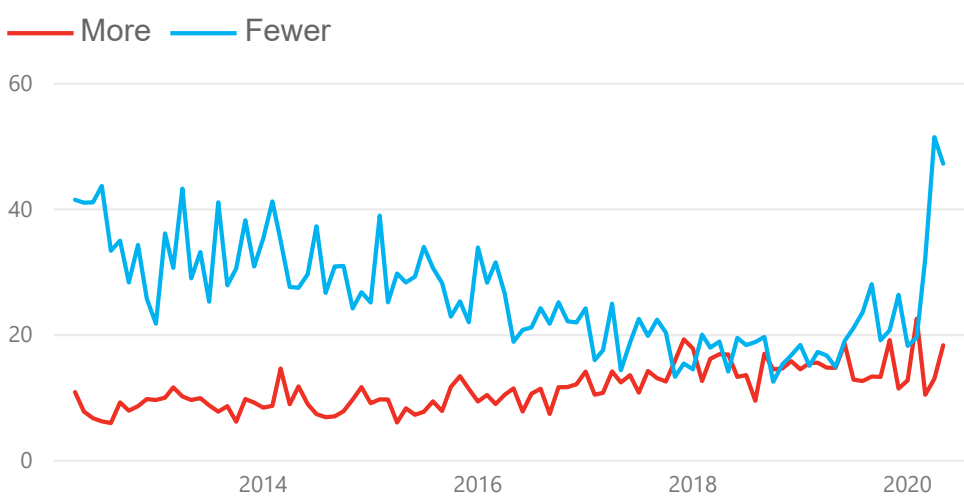


Chart 2
 Monthly change in employment—last 12 months
 (000s)

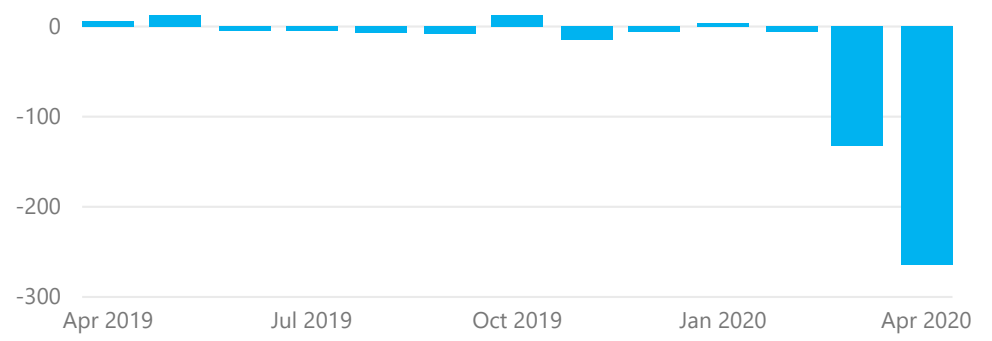
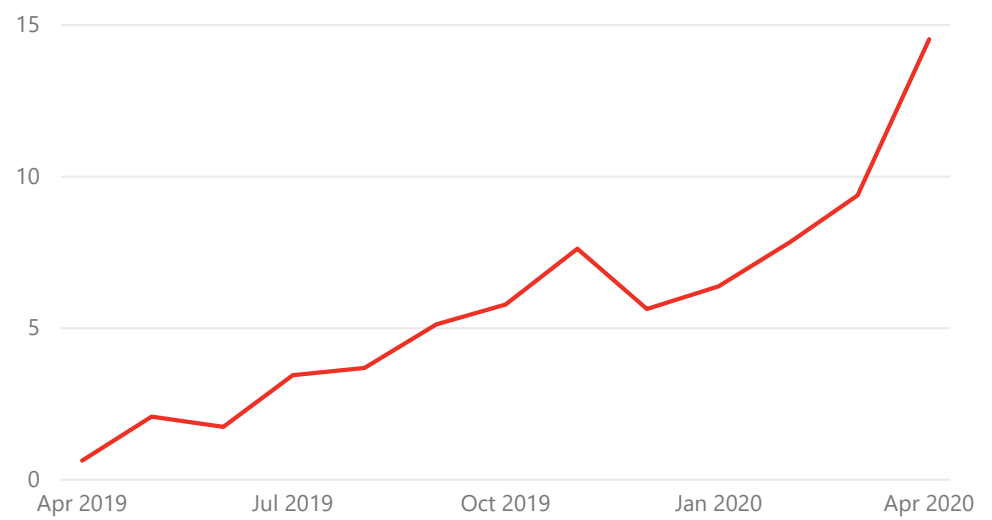
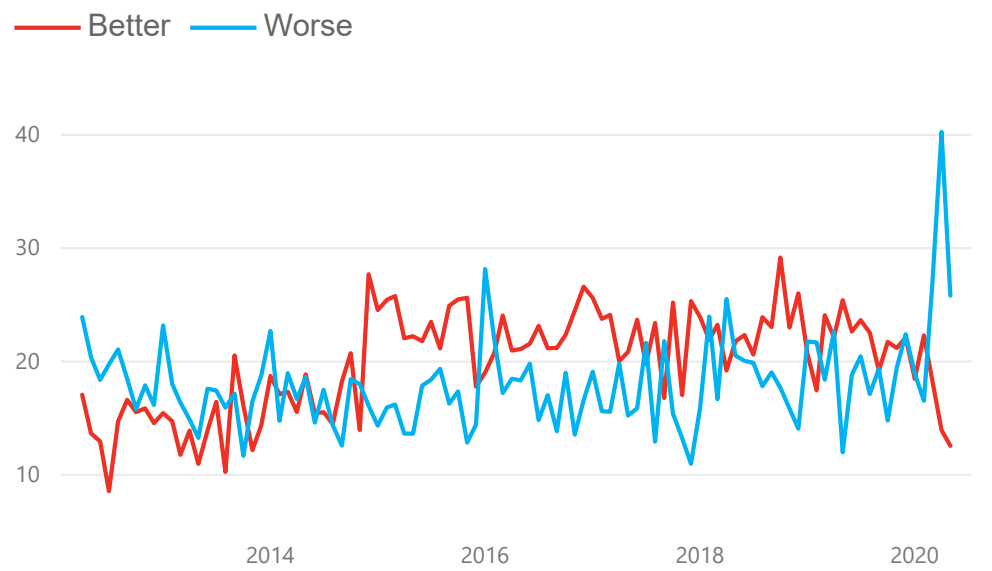


Chart 3
 Year-over-year wage growth—last 12 months
 (%)



Question 2:
 Do you expect your finances to be better or worse in six months?



Question 4:
 Is now a good or bad time to make a major purchase?

