

Communication

Canada



Listening to Canadians on the Economy

Communications Survey

Winter and Spring 2003



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Note: Numbers in charts on pages 15, 16, 17, 18, 20, 21 and 23 may not add up to 100 due to rounding.

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Introduction

The mandate of Communication Canada is to improve communications between the Government of Canada and Canadians. In doing so, it provides corporate communications products and services, and supports the Government's commitment to a strong and united Canada.

Within this framework, Communication Canada carries out relevant research activities, and shares research results throughout the Government of Canada to increase understanding of societal trends, issues and events affecting government communications.

This report is based on the results of the two most recent *Listening to Canadians* surveys. The most recent is the spring 2003 survey, for which telephone interviews were conducted with a representative sample of 5006 adults across Canada between May 8 and 18. We continued our practice of regular oversampling in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, and Saskatchewan. We included an additional booster sample so that 400 respondents in each of New Brunswick and Nova Scotia were interviewed.

Prior to that was the winter 2003 *Listening to Canadians* survey, which was based on telephone interviews with a sample of 5843 adults across Canada in February and March. Again, oversamples were conducted in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, and Saskatchewan with an additional booster sample so that 400 adults in each of Prince Edward Island and Newfoundland and Labrador were interviewed. Some of the questions in the winter 2003 survey were put only to a sub-sample of 1501 adults between February 4 and 10, 2003.

This report also contains results from the following sources:

- Communication Canada's social values survey of 6000 adults across Canada in February and March 2003;
- *Canadians and the Economy*, Ipsos-Reid Group: survey of 1000 adults across Canada in November 2002; and
- *The Business Agenda*, COMPAS: survey of 500 decision-makers in businesses across Canada in November and December 2002.

The present report is available on Communication Canada's Web site (www.communication.gc.ca).

Executive Summary

This report is a summary of results from Communication Canada's *Listening to Canadians* surveys of winter 2003 (February and March 2003) and spring 2003 (May 2003); its social values survey (March 2003); the Ipsos-Reid Group's *Canadians and the Economy* (November 2002), to which Communication Canada was a subscriber; and *The Business Agenda*, by COMPAS (November and December 2002).

This report focuses on:

- the place of economic issues in Canadians' overall perspective of their country;
- the current economic outlook of Canadians;
- their economic priorities;
- their views of the Government's handling of the economy;
- how the economy relates to the personal interests of Canadians; and
- the most effective use of media channels to communicate economic messages to Canadians.

Regarding the place of the economy in the national self-image, Canadians are proud of the quality of their goods and services, their scientific and technological achievements, and the performance of the Canadian economy. Currently, Canadians are more proud of their economic achievements than of traditional sources of pride such as the social safety net and the health care system. They see their country as a hardworking, technologically advanced major trading nation. However, despite the evidence that Canada is a major international economic player, many Canadians are uncertain about this label. Moreover, a majority of Canadians continue in the outdated belief that Canada's role as an international trader depends primarily on exports of natural resources.

In the past three months, Canadians have become much more positive about the direction of the economy. They also recognize some of the Government's achievements in the economic arena, the most important of which, according to Communication Canada's focus groups, are continued growth, a balanced budget and debt reduction. Together these perceptions have contributed to a generally positive assessment of the Government's management of the economy. There are nonetheless a number of factors that could negatively affect confidence: continued slow growth in the world economy, the recent rise in the value of the dollar, and the psychological impacts of SARS (severe acute respiratory syndrome) and mad cow disease.

However, Canadians see a number of factors that could contribute to a stronger economy. Investment in human resources, through education and training, ranks first, followed by sound fiscal and monetary policy, and the positive impact of the international economy on their own.

Executive Summary (continued)

There are several other issues to consider, however. On the one hand, Communication Canada's focus groups over the past two years have consistently found favourable evaluations of the Government's fiscal policies. Furthermore, many Canadians credit the country's strong economic performance over the past half decade to these policies. On the other hand, the Government's performance rating, while highest on overall management of the economy, is less positive on a number of issues that come under the umbrella of general economic management, including innovation, infrastructure, agriculture, management of Canada's natural resources, and taxation. Thus, while the Government gets positive ratings for its economic policies in general, Canadians are less willing to give it credit in several related areas.

Both economic confidence and assessment of the Government's handling of the economy are lower in the three westernmost provinces than elsewhere in the country. This may be due in part to negative perceptions of the Government of Canada's performance in some Western provinces on issues such as agriculture, infrastructure, management of natural resources, taxation, skills training, and unemployment. It may also be due in part to slower economic growth in Saskatchewan and British Columbia in recent years. In Alberta, the Government gets relatively unfavourable ratings for its management of natural resources and agriculture, very high priorities for both Albertans and other Canadians.

When communicating with Canadians on economic issues, it is important to remember that issues that Canadians rank high on the national agenda often – but not always – rank high on their personal agenda. Indeed, their views on national priorities can diverge from their personal interests. Thus, Canadians give taxation a relatively low national priority, but are more interested in this topic than in any other economic issue.

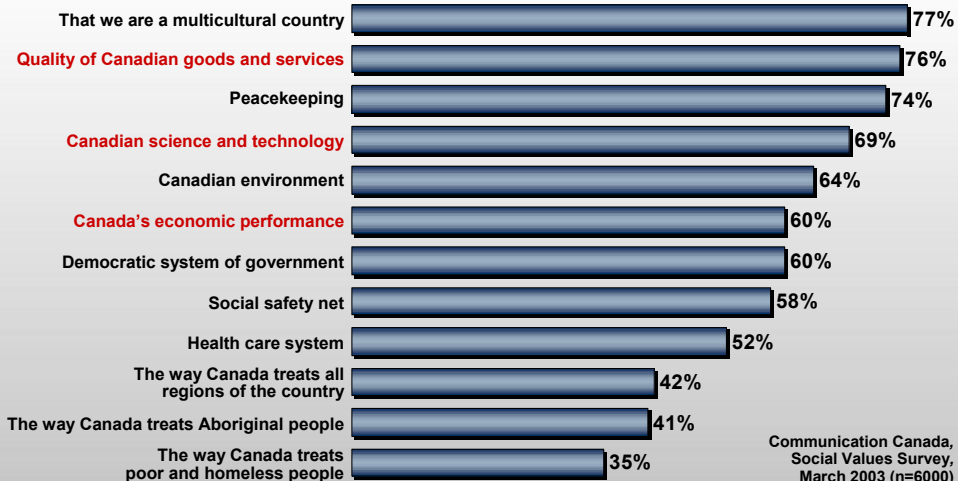
Finally, bear in mind that academic experts and economists are the most trusted sources of information on economic issues. And, when using the media, remember that while Canadians rely on both television and newspapers for economic information, university-educated Canadians tend to rely on newspapers while other Canadians get their information from television.



The Role of the Economy in Pride in Canada

"Now I would like you to tell me how proud you are of each of the following aspects of Canada."

% saying "proud" (5, 6, 7)



Communication Canada, Social Values Survey, March 2003 (n=6000)



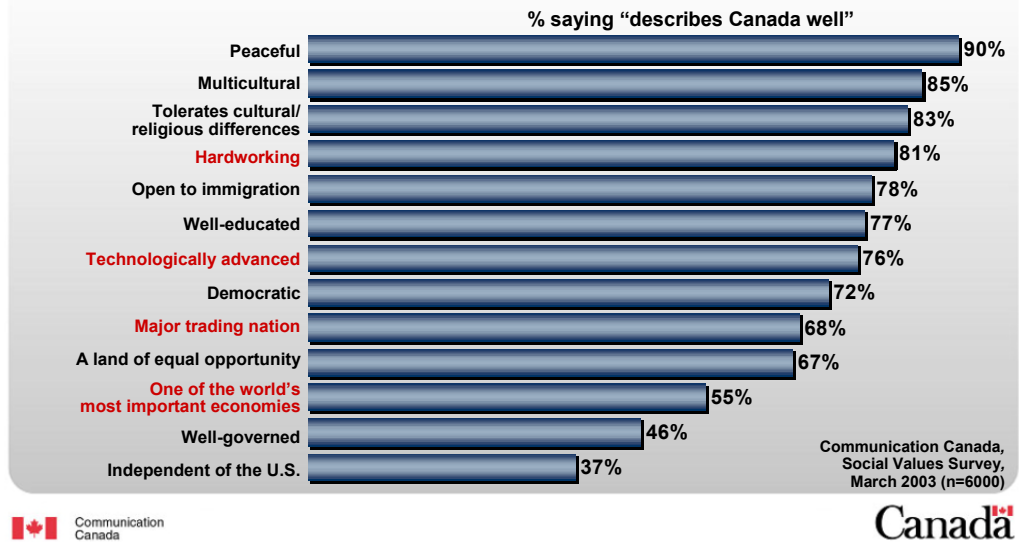
- The Canadian economy plays an important role in how Canadians feel about their country. A recent Communication Canada survey on values found that Canadians are proud of their country's economic achievements.
- The quality of Canadian goods and services rates second only to being a multicultural country as a source of national pride. Pride in Canadian goods and services is high in all provinces and among all age groups and both men and women.
- Canadians are also proud of their country's scientific and technological achievements. Again, this holds true in every province, among all age groups and both sexes.
- Pride in Canada's general economic performance is somewhat lower. It also varies by province, from a high of 67% in Ontario to 50% in Saskatchewan and 46% in British Columbia. The lower level of pride in Saskatchewan and British Columbia may be explained in part by the lower average growth rates for real domestic product between 1997 and 2001 in these two provinces than in the country as a whole.¹

¹ Statistics Canada, *CANSIM II*, table 384-0002 and Catalogue No. 13-213-PPB



The Role of the Economy in How Canadians See Themselves

“Now I’m going to read you a list of words or phrases, and I would like you to tell me how well you think they describe Canada.”



- When asked their views on a number of aspects of their country, Canadians are most likely to see it as peaceful, multicultural and tolerant.
- Canadians also tend to have positive views about various aspects of Canada’s economic life. They see their country as one where people work hard. This perception of Canada is high across the country, especially in Prince Edward Island (89%), Nova Scotia (88%), Alberta (88%), and Newfoundland and Labrador (86%).
- Canadians also see their country as technologically advanced. This perception is widely held in all provinces and among all age groups and both sexes.
- According to the World Trade Organization, in 2001 Canada was the world’s seventh largest exporting nation.² Two out of three Canadians believe that Canada is a major trading nation. Again, this perception is held by Canadians in all provinces, of all age groups and by both men and women.
- While Canada’s gross national income was the eighth largest in the world in 2002³, close to six in ten Canadians view their economy as one of the world’s most important. Perceptions vary by province: this view is most widely held in Prince Edward Island (63%), Newfoundland and Labrador (61%), New Brunswick (60%), and Ontario (60%). It is least widely held in British Columbia (43%).

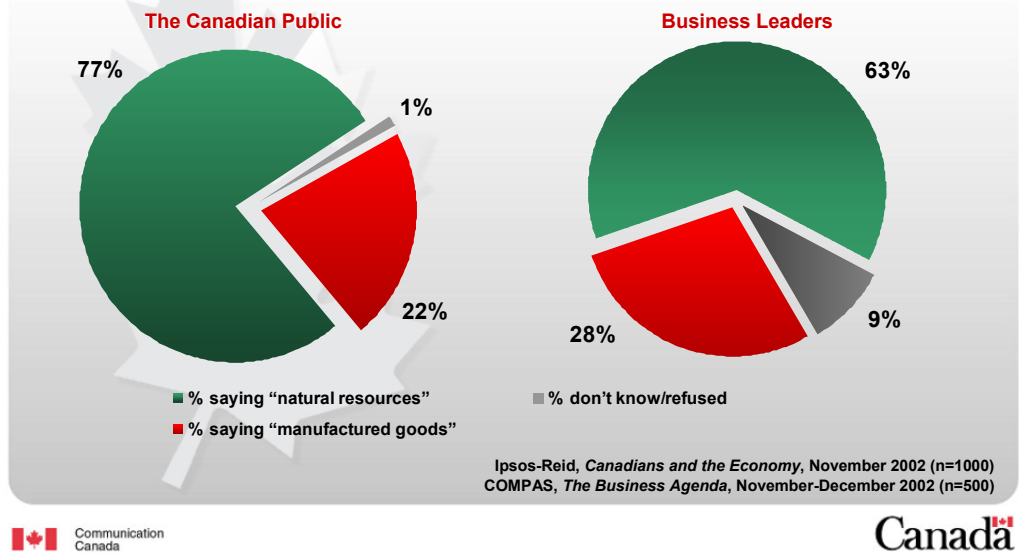
² World Trade Organization, 2002 (http://www.wto.org/english/res_e/statis_e/its2002_e/chp_1_e.pdf).

³ World Bank, 2002 (<http://www.worldbank.org/data/databytopic/GNI.pdf>).



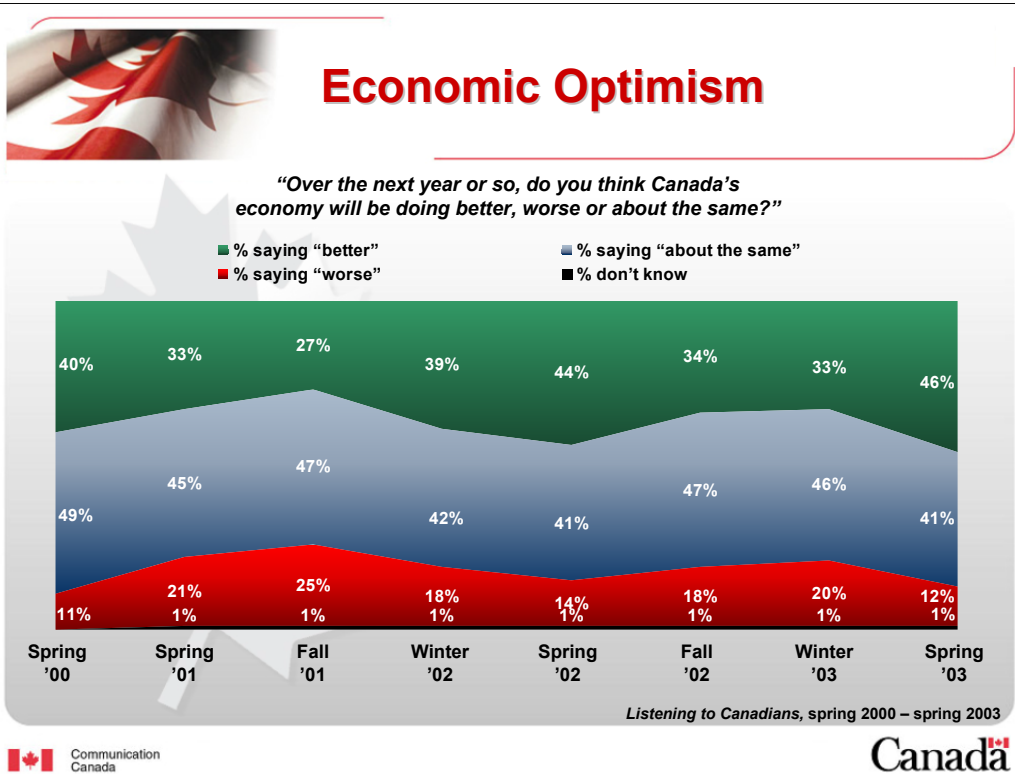
Perceptions of Canada's Export Mix: The Canadian Public vs. Business Leaders

"Which of the following do you think makes up the largest part of Canada's exports?"



- While Canadians see their country as a major trading nation, a majority of both the public and business leaders continue to believe that Canada exports primarily natural resources. This perception is widespread among all regions, all age groups, both genders and all segments of the business community.
- This perception is contrary to the current reality: more than half of Canada's exports are now manufactured and non-resource products.⁴

⁴ *Third Annual Report on Canada's State of Trade*, Department of Foreign Affairs and International Trade, 2002.



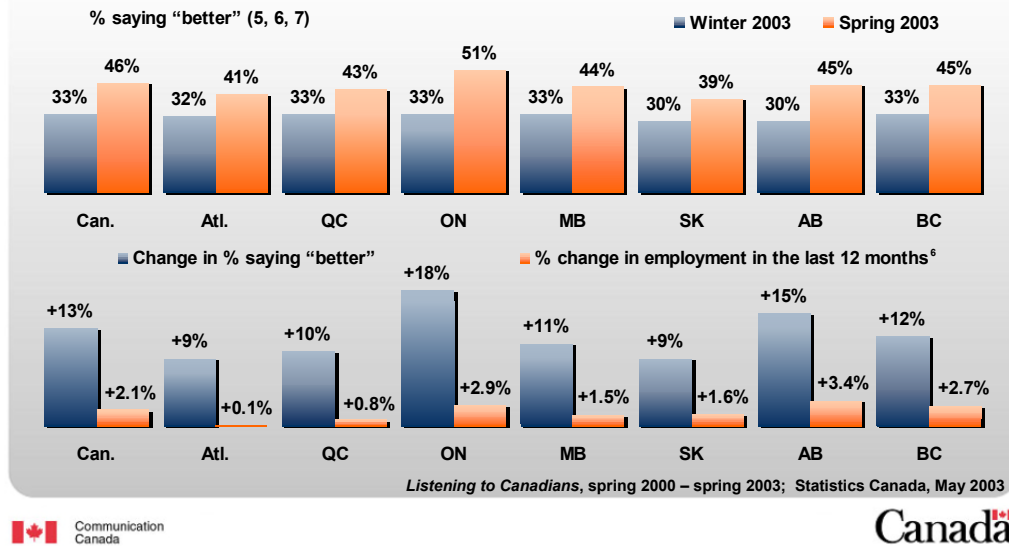
- The economic outlook of Canadians has improved significantly over the past several months. In May 2003, almost half believed that the economy would improve over the next year. This is 13 points above the level of February-March. Another 41% believed the economy would stay the same. Only 12% believed it would get worse.
- Belief that the economy will get better is highest among men (50%), people with university education (49%) and urban dwellers (48%). It is lower among women (43%), persons who have not completed high school (38%) and rural dwellers (39%).
- This optimism may reflect the continuous increases in Statistics Canada’s composite leading index since summer 2002. This index rose 0.1% in April 2003 after a 0.2% gain in March.⁵
- There are a number of factors that could alter this trend over the next months. They include the continued slow growth in the world economy, the recent rise in the value of the Canadian dollar in relation to U.S. currency, and the psychological impacts of SARS and mad cow disease.

⁵ Statistics Canada, *The Daily*, May 21, 2003.



Economic Optimism: Winter and Spring 2003

“Over the next year or so, do you think Canada’s economy will be doing better, worse or about the same?”



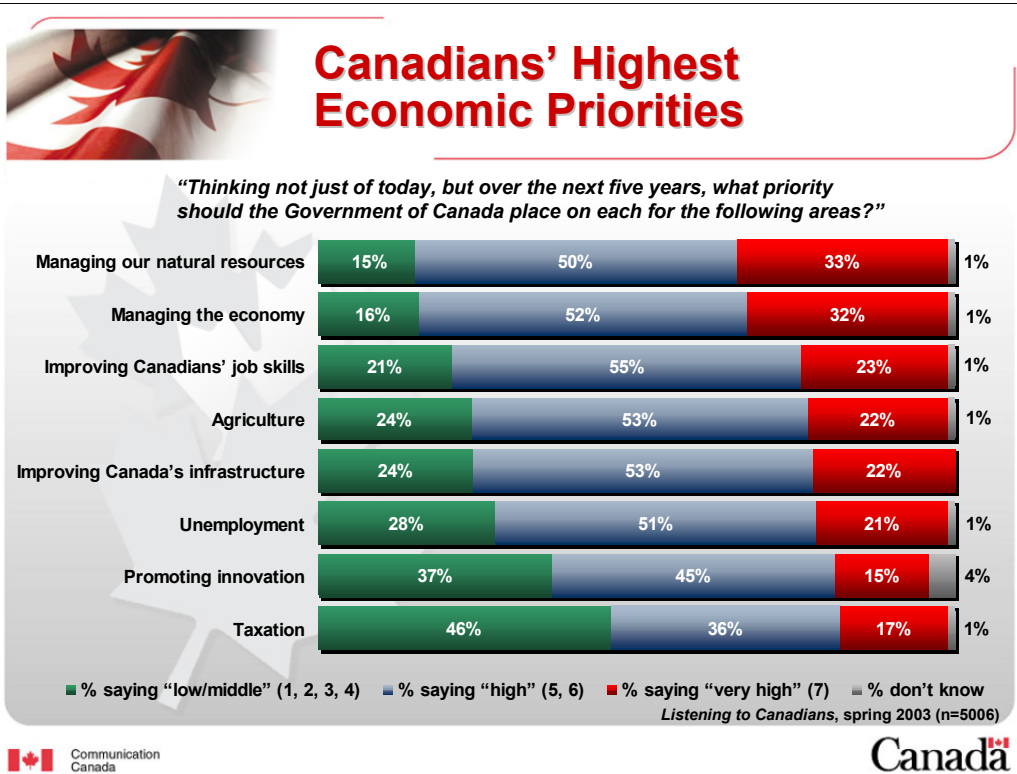
Communication Canada

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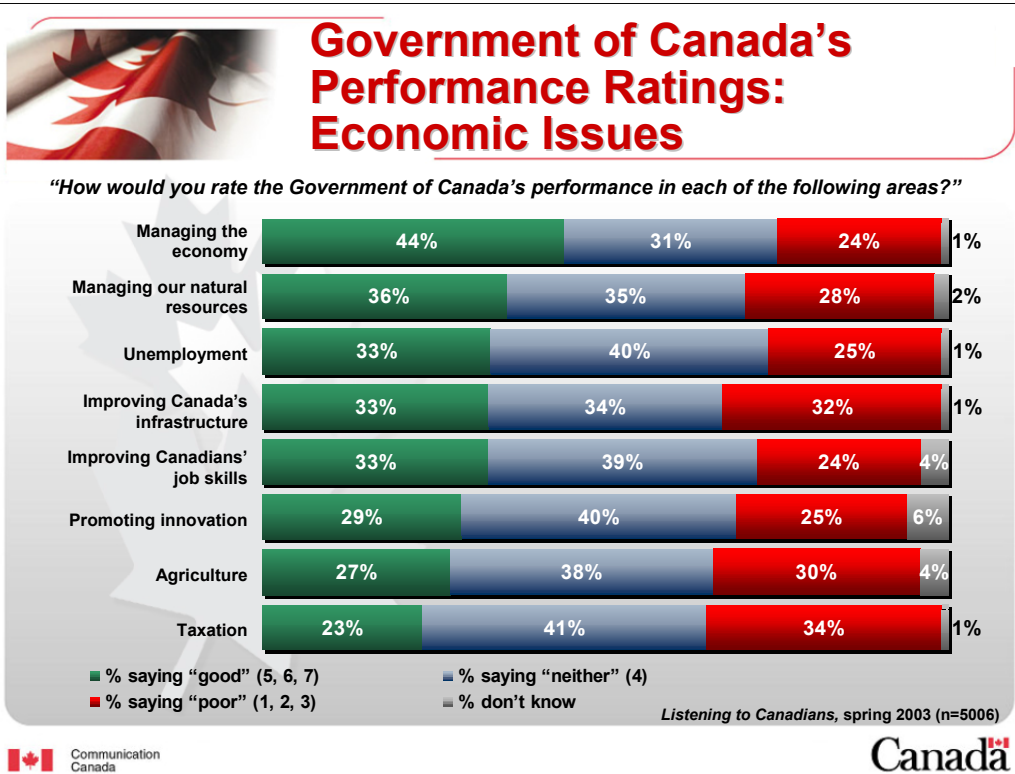
- Between the winter and spring *Listening to Canadians* surveys, optimism about the direction of the Canadian economy rose in every region. It is currently highest in Ontario (51%) and lowest in Saskatchewan (39%).
- While economic optimism increased 13 points across the country as a whole, the highest increases were in Ontario (18 points), Alberta (15 points) and British Columbia (12 points). These increases may reflect in part the fact that these provinces produced the most new jobs over the previous 12 months (+2.9% increase in employment in Ontario, +3.4% increase in Alberta and +2.7% increase in British Columbia).⁶
- The number of jobs lost or gained is the indicator most widely used by individual Canadians to assess the state of the economy. A recent Communication Canada survey found that 45% of Canadians use jobs “to determine how well or how poorly things are going.”⁷

⁶ Statistics Canada, *Labour Force Survey*, Friday, June 6, 2003

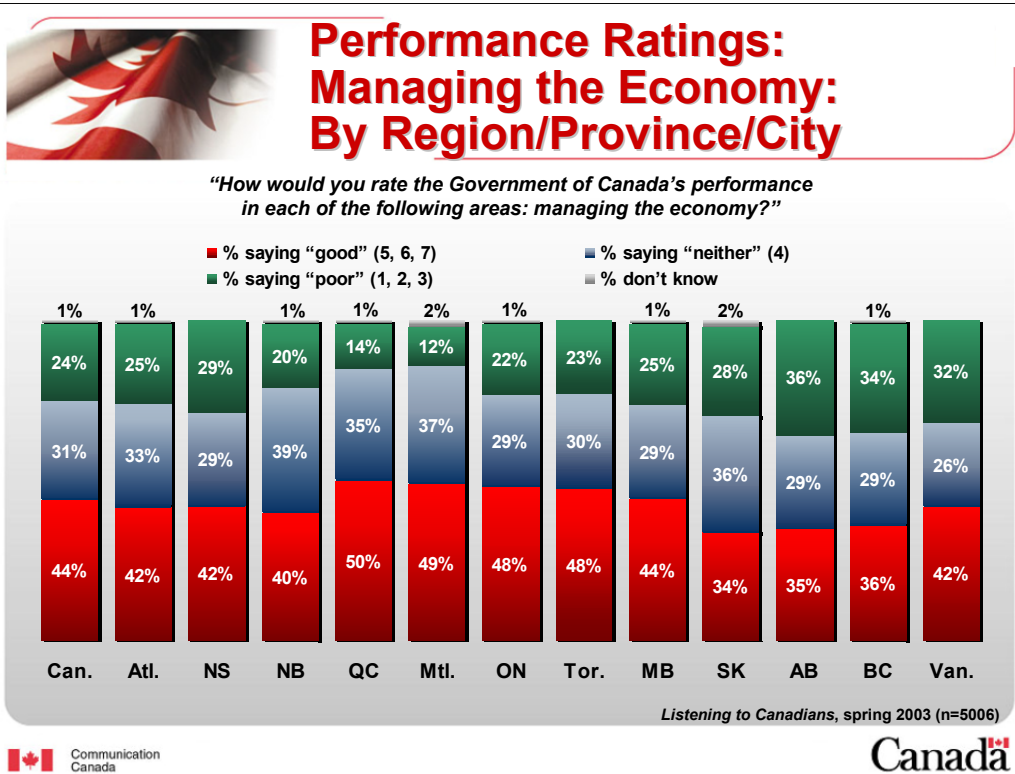
⁷ Communication Canada, *Listening to Canadians*, Winter 2002, pages 18 and 19



- Of eight economic priorities for the Government of Canada, Canadians continue to rate managing our natural resources and managing the economy highest.
- Managing our natural resources is rated a particularly high priority in some regions, such as Atlantic Canada, where 39% give it a very high priority (57% in Newfoundland and Labrador), and in British Columbia, where 38% give it a very high priority.
- The second tier of priorities comprises improving Canadians' job skills, agriculture, improving Canada's infrastructure, and unemployment.
- These priorities tend to vary by region. Improving Canadian's jobs skills is a relatively high priority in Atlantic Canada, where 31% give it very high priority. Agriculture is the focus in Saskatchewan, where 35% give it a very high priority and 51% give it a high priority. Improving Canada's infrastructure is a very high priority in Atlantic Canada (34%) and in Quebec (28%). Unemployment has a relatively higher priority in Quebec, where 29% give it very high priority and 49% give it high priority.
- Somewhat lower priorities for the Government of Canada include promoting innovation and taxation. Taxation has a relatively higher priority in Quebec with 24% giving it very high priority and 35% giving it high priority.



- Among the economic issues, the Government receives its highest performance ratings for managing the economy. (Further details on this particular issue are discussed on the two following pages).
- Overall, the Government receives moderately good ratings for managing our natural resources, unemployment, improving Canada's infrastructure, and improving Canadians' job skills.
- However, the Government receives relatively unfavourable ratings in these areas in several regions. On managing our natural resources, it gets a poor rating of 33% in Atlantic Canada (46% in Newfoundland and Labrador), 34% in Alberta and 38% in British Columbia. On unemployment, it gets the highest proportion of poor ratings in British Columbia (32%). On improving Canada's infrastructure, it gets a higher proportion of poor ratings in Nova Scotia (42%), Manitoba (47%) and Saskatchewan (44%). On improving Canadians' job skills, 35% in British Columbia give the Government a poor rating.
- The Government receives its least favourable ratings for agriculture and taxation. It gets relatively negative ratings for agriculture in the three Prairie provinces, where 42% in Manitoba, 58% in Saskatchewan and 45% in Alberta give a poor rating. The Government also gets its most negative ratings on taxation from Western Canada, where 48% in Alberta and 44% in British Columbia give a poor rating on that issue.



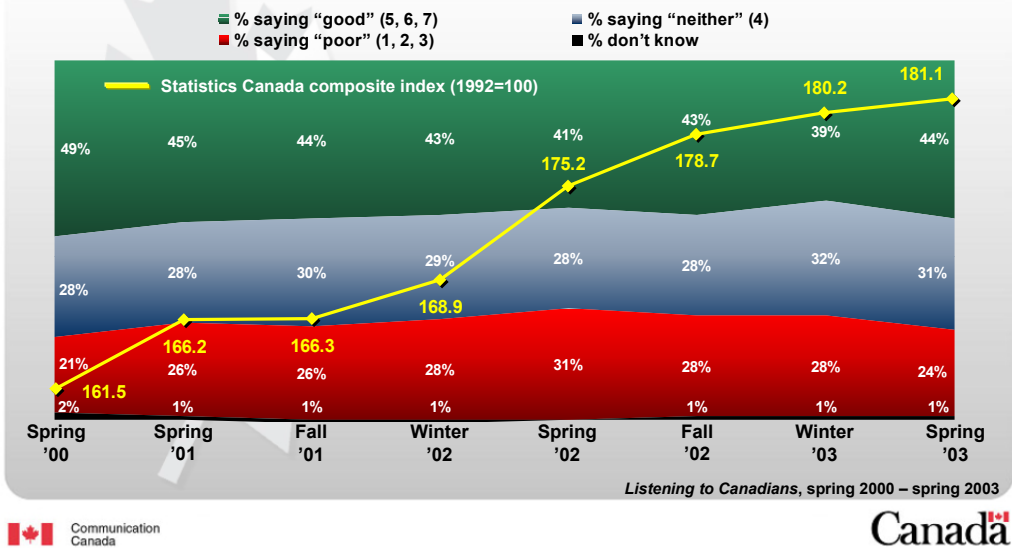
- Despite the Government’s generally favourable rating for managing the economy, the ratings vary across the country.
- The most positive ratings are found in Central Canada, followed by Atlantic Canada and Manitoba. The least positive ratings come from Saskatchewan, Alberta and British Columbia.
- The relatively lower ratings in the three westernmost provinces may be explained by a number of factors:
 - the generally lower rates of economic growth in Saskatchewan and British Columbia, which have been below the national average in recent years;⁸
 - relatively poor ratings on agricultural issues and infrastructure in Saskatchewan;
 - relatively poor ratings on agriculture, managing natural resources and taxation in Alberta; and
 - relatively poor ratings on managing natural resources, taxation, unemployment, and skills training in British Columbia.
- City dwellers tend to be positive about the Government’s management of the economy, with Montreal at 49% and Toronto at 48%. In Vancouver, 42% give a favourable rating. This is higher than for British Columbia as a whole (36%).

⁸ Statistics Canada, *CANSIM II*, table 384-0002 and Catalogue No. 13-213-PPB.



Tracking the Performance Rating on Managing the Economy

"How would you rate the Government of Canada's performance in each of the following areas: managing the economy?"



- Over the past three years, more Canadians have given the Government a good rating for managing the economy than have given it a poor rating.
- The good rating has varied only slightly, between 49% in spring 2000 and 39% in winter 2003. It currently stands at 44%.
- These results suggest that Canadians' perceptions of the Government's management of the economy have been a consistent source of strength for government communications over the past three years.
- The relatively positive ratings reflect the recent positive trends in the economy, shown by Statistics Canada's composite leading index. After a flat period in 2001, the index has been on the rise.



Interest in Economic and Business Topics

“Now I’m going to read you a list of different types of information that Canadians can obtain from the Government on economic and business topics. I’d like you to tell me which ones interest you the most.”



Ipsos-Reid Group,
Canadians and the Economy,
November 2002 (n=1000)

- When Canadians were asked in Ipsos Reid’s *Canadians and the Economy* study which economic and business-related subjects interest them the most personally, three subject areas topped the list: income taxes, general economic performance and training for new skills.
- Canadians show a moderately high level of interest in programs to promote innovation and technology, and programs to assist business.
- They are moderately interested in information on finding a job, the impact of the Kyoto Protocol, the latest federal budget, starting a new business, and the GST.
- At the bottom of the list are exporting and trade, and the Child Tax Credit.
- Young adults (aged 18 to 34) show relatively higher interest in information on training for new skills (67%), finding a job (56%) and the Child Tax Credit (39%).
- In Quebec, there is relatively high interest in information on finding a job (58%) while Albertans are very interested in information on the impact of the Kyoto Protocol on the economy (76%).
- In the above chart, Canadians rate income taxes as their highest personal interest in the economic sphere. However, they rate taxation as the lowest of the eight economic priorities for the Government of Canada. These results underscore the differences between Canadians’ personal priorities and their beliefs about what the Government’s priorities should be.
- Canadians are also highly interested in a personal sense in how the economy is doing in general, training for new skills, and programs to promote innovation. They also believe that these areas are high economic priorities for the Government.



Factors in Strengthening the Canadian Economy

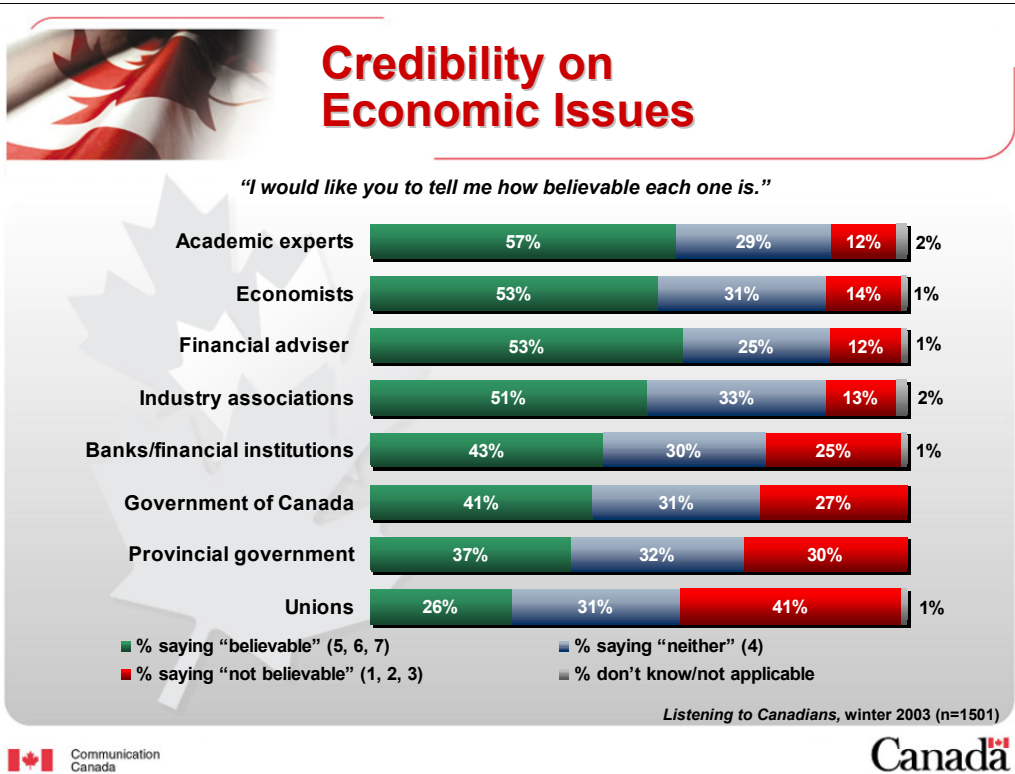
“Looking to the long term, if the federal government wants to make the Canadian economy as strong as possible for the future, how helpful would the following be?”



Listening to Canadians, winter 2003 (n=1501)



- The winter 2003 *Listening to Canadians* survey asked which factors would contribute most to strengthening Canada’s economy.
- Among the 12 factors listed, Canadians consider investment in human development – education and training – to be the most important.
- Fiscal and monetary policies form a second tier. These include keeping the budget balanced, a stronger dollar and reducing the national debt. These three factors were also mentioned by participants in Communication Canada’s focus groups (January, May and August 2002) as key pillars of the Government’s economic record.
- International factors that Canadians consider helpful to Canada’s economy include attracting more trade with other countries, more investment from outside the country, providing support to business, and free trade with other countries.
- Other factors considered to have a moderately important impact include cutting red tape and spending money on research.
- With respect to tax cuts, Canadians consider reducing personal taxes more helpful than accelerating planned cuts in corporate taxes.

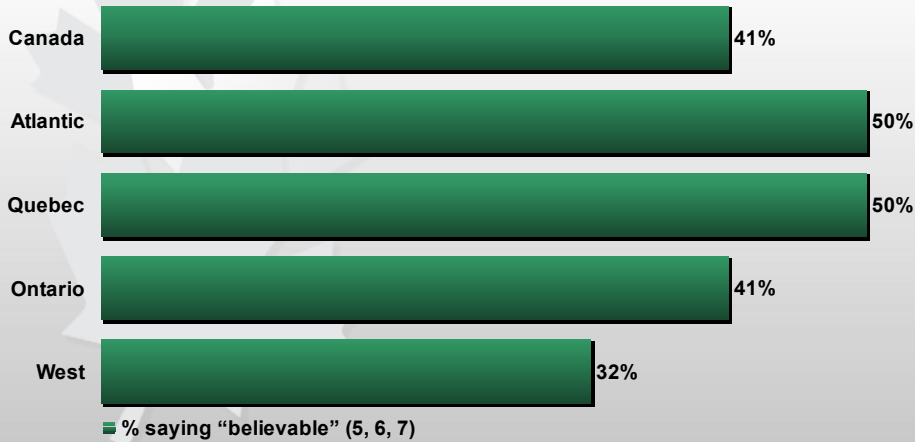


- According to the winter 2003 *Listening to Canadians* survey, the most credible sources of information on economic issues are academic experts. Other highly credible sources include economists, financial advisers and industry associations.
- Further down the list are banks and financial institutions. The Government of Canada's statements on the economy are considered credible by 41%, while statements by provincial governments are considered credible by 37%.
- Ranking lowest in credibility are labour unions.
- In Atlantic Canada, a number of sources, including industry associations (65%), economists (63%), financial advisers (61%), and banks and other financial institutions (54%), have relatively high credibility. In Quebec, academic experts have relatively high believability (64%), followed by financial advisers (56%) and economists (55%). In Ontario, the most believable are academic experts (55%) and economists (53%). In Western Canada, academic experts (54%), financial advisers (51%) and economists (50%) top the list.



Credibility of Government's Economic Statements: By Region

"I am going to read you a list of organizations and individuals who often comment about the state of the economy and I would like you to tell me how believable each one is. How about the Government of Canada?"



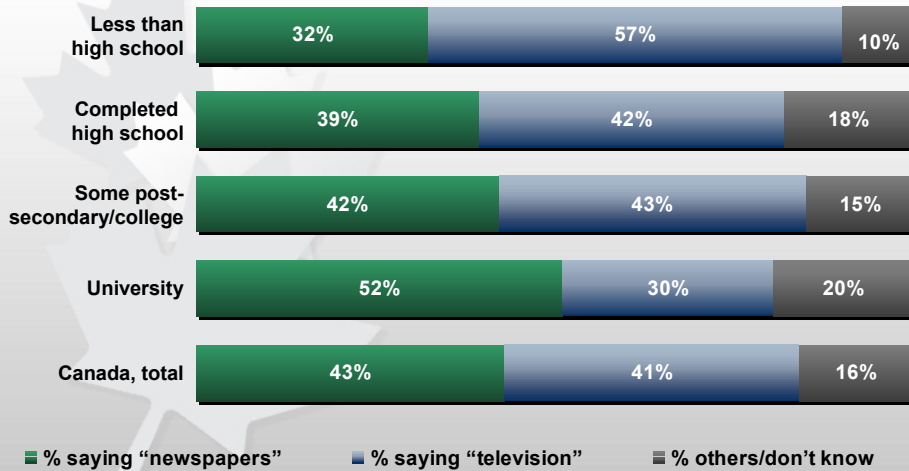
Listening to Canadians, winter 2003 (n=1501)

- While 41% of Canadians as a whole consider economic statements by the Government of Canada to be believable, 50% of Atlantic Canadians and 50% of Quebecers consider them believable. This proportion is 41% in Ontario and drops to 32% in Western Canada.
- The lower credibility of the Government in Western Canada on economic issues reflects the Government's ratings on managing the economy. These in turn reflect factors such as the Government's lower ratings in some or all of the three westernmost provinces on agriculture, taxation, management of resources, unemployment, and skills training. These ratings may also be affected in part by the slower economic growth in recent years in Saskatchewan and British Columbia.



Primary Sources of Information

"Where do you primarily get your information about the economy?"



Listening to Canadians, winter 2003 (n=1501)

- Among Canada's major media, newspapers and television share the top spot as sources of information on the economy. Forty-three percent (43%) of Canadians identify newspapers as the most important source, while 41% identify television.
- There are substantial differences by level of education. Among persons with less than high school education, 57% identify television while 32% identify newspapers. Among university graduates, 52% identify newspapers and 30% identify television.

The Survey (Spring 2003)

- Total sample: 5006 adults aged 18 and over.
- Telephone interviews conducted by GPC Research between May 8 and 18, 2003.

Total Interviews by GPC Research

	Number of interviews conducted	Maximum margin of error
Atlantic	1100	+/-2.95%
Newfoundland and Labrador	150	+/-8.00%
Prince Edward Island	150	+/-8.00%
Nova Scotia	400	+/-4.90%
New Brunswick	400	+/-4.90%
Quebec	901	+/-3.26%
Montreal	300	+/-5.66%
Ontario	1201	+/-2.83%
Toronto	399	+/-4.91%
West	1804	+/-2.31%
Manitoba	400	+/-4.90%
Saskatchewan	400	+/-4.90%
Alberta	401	+/-4.89%
British Columbia	603	+/-3.99%
Vancouver	298	+/-5.68%
Total	5006	+/-1.38%

Note: Numbers in charts on pages 15, 16, 17, 18, 20, 21 and 23 may not add up to 100 due to rounding.

The Survey (Portion of Winter 2003)

- Total sample: 1501 adults aged 18 and over.
- Telephone interviews conducted by GPC Research between February 4 and 10, 2003.

Total Interviews by GPC Research

	Number of interviews conducted	Maximum margin of error
Atlantic	301	+/-5.65%
Newfoundland and Labrador	100	+/-9.80%
Prince Edward Island	100	+/-9.80%
Nova Scotia	50	+/-13.86%
New Brunswick	51	+/-13.72%
Quebec	300	+/-5.66%
Ontario	400	+/-4.90%
West	500	+/-4.38%
Manitoba	125	+/-8.77%
Saskatchewan	125	+/-8.77%
Alberta	125	+/-8.77%
British Columbia	125	+/-8.77%
Total	1501	+/-2.53%