



## INFLATION IMPACTS B.C. HOUSEHOLDS: RBC CANADIAN CONSUMER OUTLOOK

### Debt management remains a priority

**TORONTO, July 20 , 2011** — Rising food and gas prices continue to take a toll on British Columbian residents, with four-in-ten (44 per cent) saying increasing costs have had a significant impact on their budget, according to the July RBC Canadian Consumer Outlook Index ([RBC CCO](#)).

Going forward, B.C. residents impacted by higher costs plan to comparison shop more often (54 per cent), stick more closely to a budget (52 per cent) and use their vehicles less (36 per cent). In light of current fuel prices, one-third (32 per cent) are delaying the purchase of a new vehicle, making do with what they own longer than they typically would.

Managing debt remains a priority for British Columbians, with 31 per cent planning to reduce their debt this year. Only 30 per cent of B.C. residents feel confident in their debt management skills and half (50 per cent) feel that they could be doing a better job. On average, B.C. residents carry \$13,484 in personal debt (not including mortgages), which is on par with the national average of \$13,058.

“B.C. residents are taking practical steps to counter the impact that higher food and gas prices are having on their budgets,” said Graham MacLachlan, regional president, British Columbia, RBC. “We encourage British Columbians to visit a financial advisor, to help ensure they’re meeting their overall financial goals while still leaving room to cover day-to-day expenses.”

The latest [RBC Economic Outlook](#) indicates that British Columbia’s growth rate is expected to remain at 2.6 per cent – the lower end of the growth scale. Still, prospects for the provincial economy look slightly more optimistic going forward.

“Increased job creation and a rise in exports into China should pick up British Columbia’s rather sluggish economy in the second half of the year,” said Craig Wright, senior vice-president and chief economist, RBC.

The RBC CCO is Canada’s most comprehensive consumer assessment of the economy, personal financial situation and economic and purchasing expectations. [Other provincial highlights](#) from the July RBC CCO include:

- **Vacation:** Three-in-ten (29 per cent) British Columbians are more likely to forego a vacation this year, due to changing economic conditions. Ontarians (34 per cent) are the most likely in Canada to delay vacation plans; residents in Quebec and Alberta (26 per cent) are the least likely to delay these plans.

- **Economic Outlook:** Almost two-thirds (65 per cent) of west coast residents rate the current Canadian economy as good, one point below the national average. Looking ahead, 46 per cent of B.C. residents expect the national economy to improve, four points higher than the national average of 42 per cent.
- **Personal Financial Situation Outlook:** Almost one-in-four British Columbians (38 per cent) expect to see an improvement in their personal finances over the next year, just under the national average of 39 per cent.
- **Major Purchases:** While 51 per cent of B.C. residents have delayed major purchases due to current economic conditions, 22 per cent expect to spend more on these purchases in the upcoming year, compared to the national average of 25 per cent.

The national RBC CCO release, full set of regional releases and related comparative data charts can be accessed via [www.rbc.com/newsroom/2011/0720-cdn-consumer.html](http://www.rbc.com/newsroom/2011/0720-cdn-consumer.html).

#### **About RBC's debt management and other financial advice and interactive tools**

RBC's [myFinanceTracker](#), a new online financial management tool, offers all personal RBC [online banking](#) clients the ability, at no cost, to create a set budget and track their spending habits. Whether Canadians want to get more from their [day to day banking](#), protect what's important, save and invest, borrow with confidence or take care of their businesses, the [RBC Advice Centre](#) can help answer their questions ([www.rbcadvicecentre.com](http://www.rbcadvicecentre.com)). With the guidance of RBC advisors who are available to chat live, Canadians have access to free, no-obligation professional advice about RBC products and services and personalized one-on-one [banking](#) service.

#### **About the RBC Canadian Consumer Outlook Index**

Benchmarked as of November 2009, the RBC Canadian Consumer Outlook Index (RBC CCO) was conducted online via Ipsos Reid's national I-Say Consumer Panel. Data was collected between June 9 and 14, 2011 from 4,008 Canadians (671 British Columbia, 591 Alberta, 464 Saskatchewan/Manitoba, 1,099 Ontario, 564 Quebec, 619 Atlantic Canada). Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and a 100 per cent response rate would have an estimated margin of error of  $\pm 1.65$  percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled.

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