



Economic confidence lowest in British Columbia: RBC Canadian Consumer Outlook Index

Nearly half of B.C. residents focused on reducing debt over the next year

TORONTO, October 1, 2010 —British Columbians have the lowest economic confidence in the country with (53 per cent) saying the current Canadian economy is good, down 12 per cent since last quarter and below the national average of 60 per cent, according to the September *RBC Canadian Outlook Index*. This diminished confidence carries over to the province's economic outlook index, which dropped nine points from 96 to 87 points since June.

As a result of their gloomier economic outlook, nearly half (49 per cent) of B.C. residents plan to focus on reducing their debt over the next year. While a majority of British Columbians (58 per cent) feel they keep a close eye on their debt levels, 54 per cent think they could be doing a better job.

"B.C. residents have begun to feel the pinch of the economy and naturally, are focusing on paying down debt," said Graham MacLachlan, regional president, British Columbia, RBC. "By doing an annual credit review, an RBC advisor can help build a plan to reduce the cost of debt and help keep household finances in check."

Job anxiety in B.C. sits at 23 per cent, down two points from last quarter but slightly above the national average of 22 per cent. Locally, residents have lowered their economic expectations, with less than two-in-ten (17 per cent) believing their local economy will improve over the next three months, down seven points since June and lower than the national average of 19 per cent.

Other provincial highlights include:

- **Personal Financial Situation:** Less than a quarter (23 per cent) of B.C. residents believe their personal financial situation will improve in the next three months, lower than the national average and down from 27 per cent in June. In the next year, only 36 per cent of British Columbians see an improvement in their situation, the lowest in the country (the national average is 39 per cent) and down three per cent since last quarter.

"Despite global economic uncertainty, British Columbia's economy is holding its ground with a projected growth rate of 3.3 per cent in 2010," said Craig Wright, senior vice-president and chief economist, RBC. "While some sectors are likely to come under pressure later this year, fairly solid forward momentum will be maintained overall."

RBC provides advice and tools to help clients manage their debt including the following credit principles:

- Choose the credit solution that is right for you by aligning your credit choices with your values and your financial circumstances
- Set goals and use debt wisely to achieve them
- Manage your debt effectively by determining how much you can realistically afford and stay within your means
- Make sure you have a repayment plan – manage your debt; don't let it manage you
- Understand the true cost of your debt – pay high interest rate debt first.

Whether Canadians want to borrow with confidence, get more from their everyday banking, protect what's important, save and invest or take care of their businesses, the RBC Advice Centre www.rbcadvicecentre.com can help answer their questions. Advice videos are updated regularly to reflect current trends and to answer the questions that are top of mind with Canadians. Interactive tools and calculators provide customized information covering many facets of personal finance. 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 service. In addition, all personal RBC online banking clients have access, at no cost, to *myFinance Tracker* www.rbcroyalbank.com/myfinancetracker, RBC's new online financial management tool, and will enable them to create a set budget and track their spending habits.

About The RBC Canadian Consumer Outlook Index

The *RBC Canadian Consumer Outlook Index*, benchmarked as of November 2009, is conducted online via Ipsos Reid's national I-Say Consumer Panel to 4,292 Canadians (642 British Columbia, 473 Alberta, 500 Saskatchewan/Manitoba, 1,360 Ontario, 848 Quebec, 469 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. Data collection was September 1-9, 2010. 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 ± 1.5 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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