The Canadian Maru Household Outlook Index (MHOI)

- with monthly tracking of Canadian citizen-consumers and their 60-day outlook about the Canadian economy and their personal finances

April 2023

Whether micro or macro, there's no good news here this month and the MHOI is at its **lowest point since the index began tracking two years ago.**

On a personal level, Canadians are more pessimistic this month when it comes to their job security, desire to invest, and ability to put money away for long term savings.
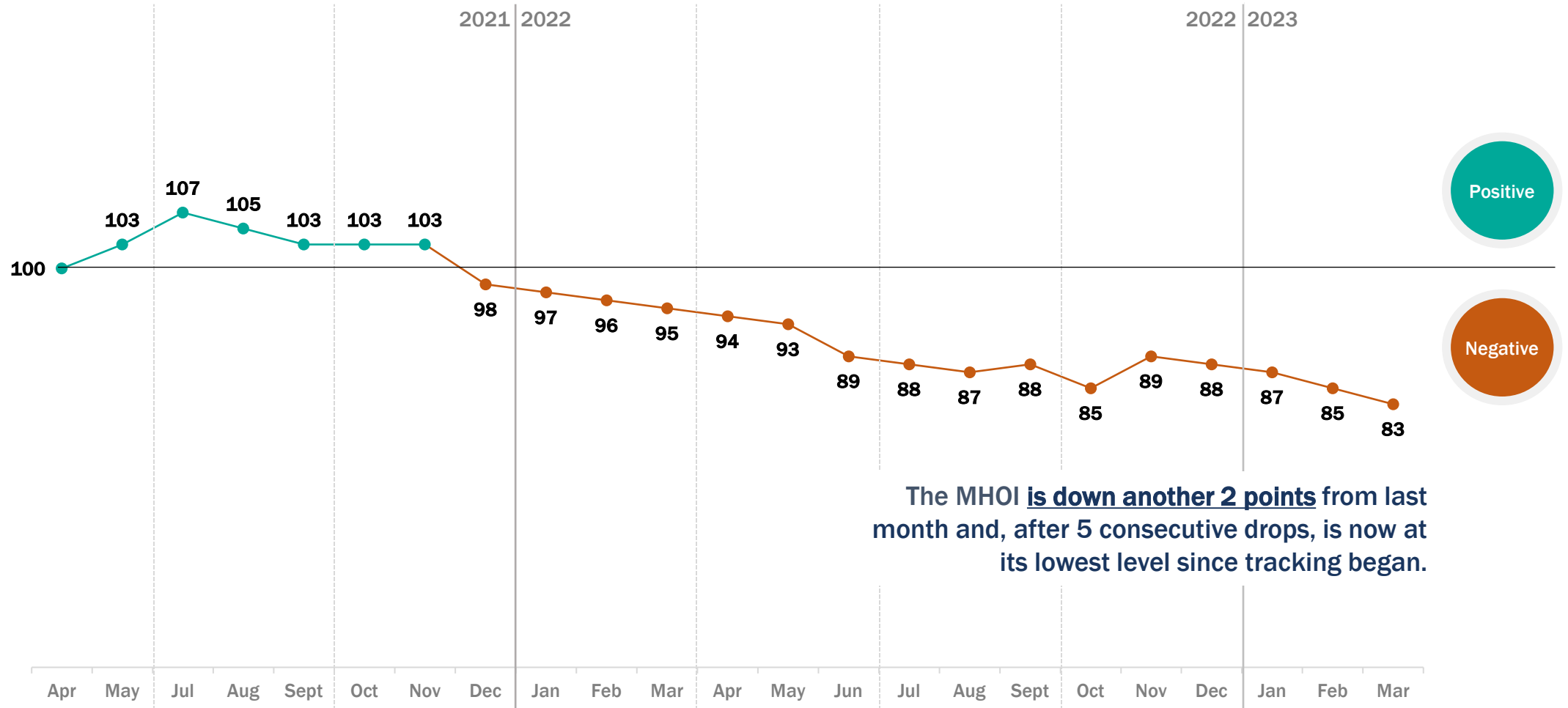
As for the **economy, two thirds** share an increasingly persistent view that **it's on the wrong track and with no prospect of improving any time soon**.

Clearly, the recent federal budget had no positive impact on the outlook for the country's economic improvement as most Canadians try to deal with high inflation (though improving) and relatively high interest rates (though rising rates have been paused for the moment by the Bank of Canada).
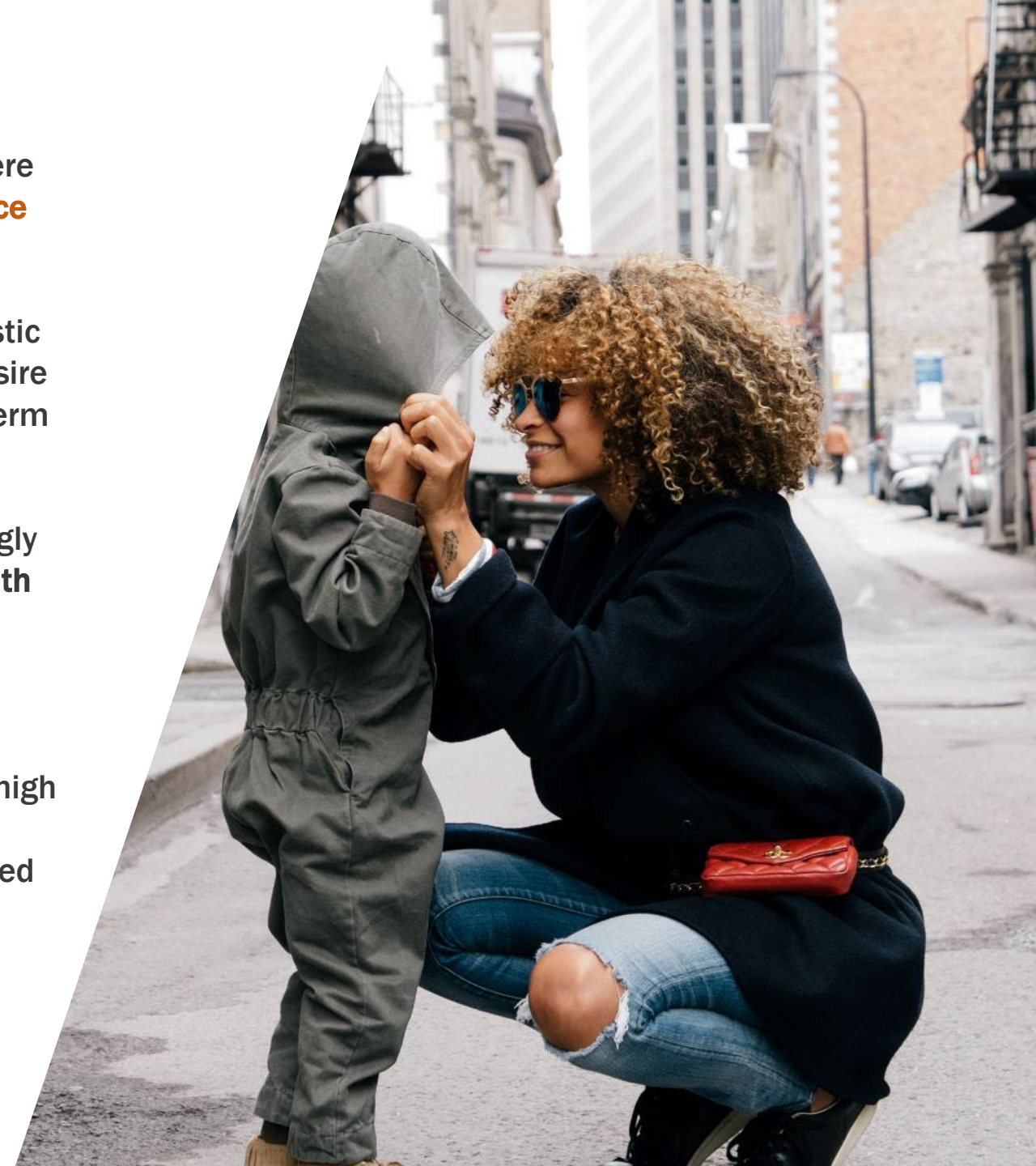
The Canadian Maru Household Outlook Index (MHOI)
83 (negative/pessimistic)

2021 | 2022   2022 | 2023

Positive

Negative

107
105
103   103   103   103
100
                              98
                                    97
                                          96
                                                95
                                                      94
                                                            93
                                                                  89
                                                                        88
                                                                              87   88
                                                                                          85
                                                                                                89
                                                                                                      88
                                                                                                            87
                                                                                                                  85
                                                                                                                        83

The MHOI **is down another 2 points** from last month and, after 5 consecutive drops, is now at its lowest level since tracking began.

Apr May Jul Aug Sept Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec Jan Feb Mar

The Index Analysis for April 2023

The Canadian Maru Household Outlook Index ("MHOI") is at **83** (which is negative/pessimistic because it is under the base index of 100), down two points (-2) from last month's measure of **85**. This is still well below its most recent high-water mark recorded in July 2021 when it topped 107 (which is positive/optimistic because it is over the base index of 100).

What's driving the Index this month?

This is the lowest level for the MHOI since tracking began two years ago.

Whether micro or macro, there's no good news here this month. Those elements that are influencing the index the most are increased pessimism in all three of job security, desire to invest, and ability to put money away for long term savings.

While not the biggest movers of the index this month, the chronic negative perspective on the state of the economy and the lack of hope for any short-term improvement of either the national or local economy, adds to an aura of pessimism for Canadian citizen-consumers.

Clearly, the recent federal budget had no positive impact on the outlook for the country's economic improvement as most Canadians try to deal with high inflation (though improving) and relatively high interest rates (though any further increases have been paused for the moment by the Bank of Canada in order to assess the fallout).

The following are those items that are having the most influence on the index this month:

- **Personal job loss concern is up**

  - One in seven (**14%** – up three percentage points from **11%** last month) Canadians say they will likely lose their job or will be laid off because of lack of business/work over the next two months (this includes 4% who say it is very likely to be the case, up from 3% last month). This outlook reverts to similar sentiments in January 2023 (14% likely/5% very likely).

- **Worse time to invest in financial markets**

  - Confidence in investing in the financial markets is down (**27%** – down four percentage points from **31%** last month). As a trajectory, it's been all down hill in this category since November 2022 (39%) when it was at its highest point since tracking began July 2020. As such, those who believe it is not a good time to invest in the financial markets has risen a whopping twelve percentage points since November 2022 from 61% to 73%.

- **Money Saving Retirement woes**

  - A majority (**53%** – up two percentage points from **51%** last month) of Canadians indicate they will not likely put away money for their retirement/old age security over the next two months. This ties with the highest level of pessimism on this measure from June 2022. There has been a steady rise of negative sentiment (every month) since November 2022 (47%). The highest level of commitment to sock away savings for the long term was in May 2021 (58%).

- As noted, while there are three elements wielding the most impact on the MHOI this month, the narrative is not complete without noting the pessimism about the economy that is truly the black cloud with no silver lining at the moment:

  - Two thirds (66% n/c from last month) believe the state of the economy is on the wrong track as opposed to moving in the right direction (34%). This has been a steady refrain with similar sentiment since November 2022 (63%).

  - Two thirds (65% – up one percentage point from 64% last month) say it's not likely the national economy will improve over the next sixty days. This compares to the remaining third (35% – down one percentage point from 36% last month) who believe it will indeed improve. This too has been a relatively similar perspective since November 2022 when it had fallen from its peak of pessimism the previous month (69%)

  - Two thirds (64% – up one percentage point from 63% last month) say it's not likely the local economy where they live will improve over the next sixty days. This compares to the remaining third (36% – down one percentage point from 37% last month) who believe it will improve. This too has been a relatively similar measure since November 2022 when it had fallen from its peak of pessimism since tracking began in mid-2020 in October 2022 (67%).
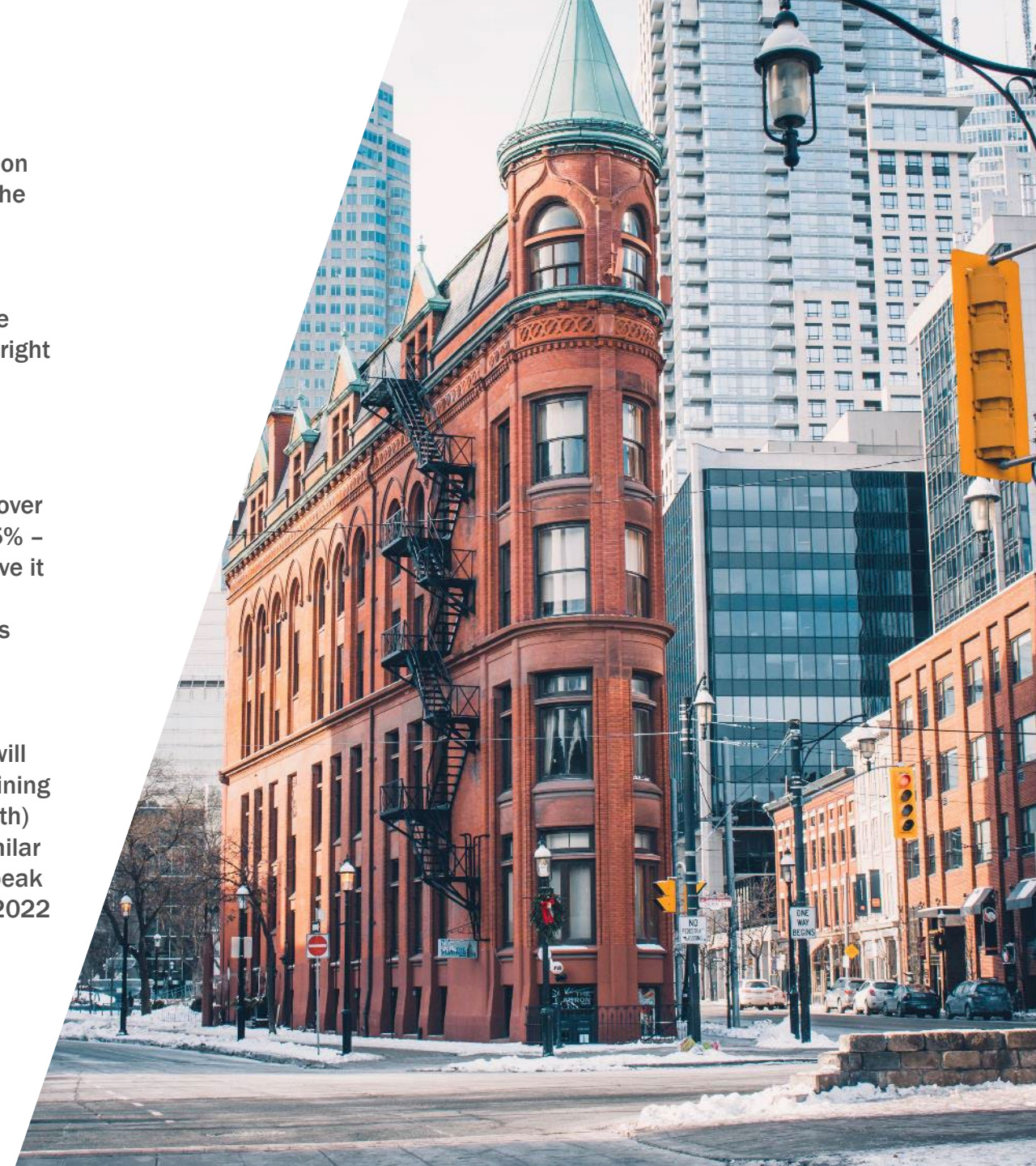
Data Collection Methodology for this Month's Wave

These are some of the findings from a study released by Maru Public Opinion undertaken by its sample and data collection experts at Maru/Blue on March 24-27, 2023, among a random selection of 1,533 Canadian adults who are Maru Voice Canada online panelists.
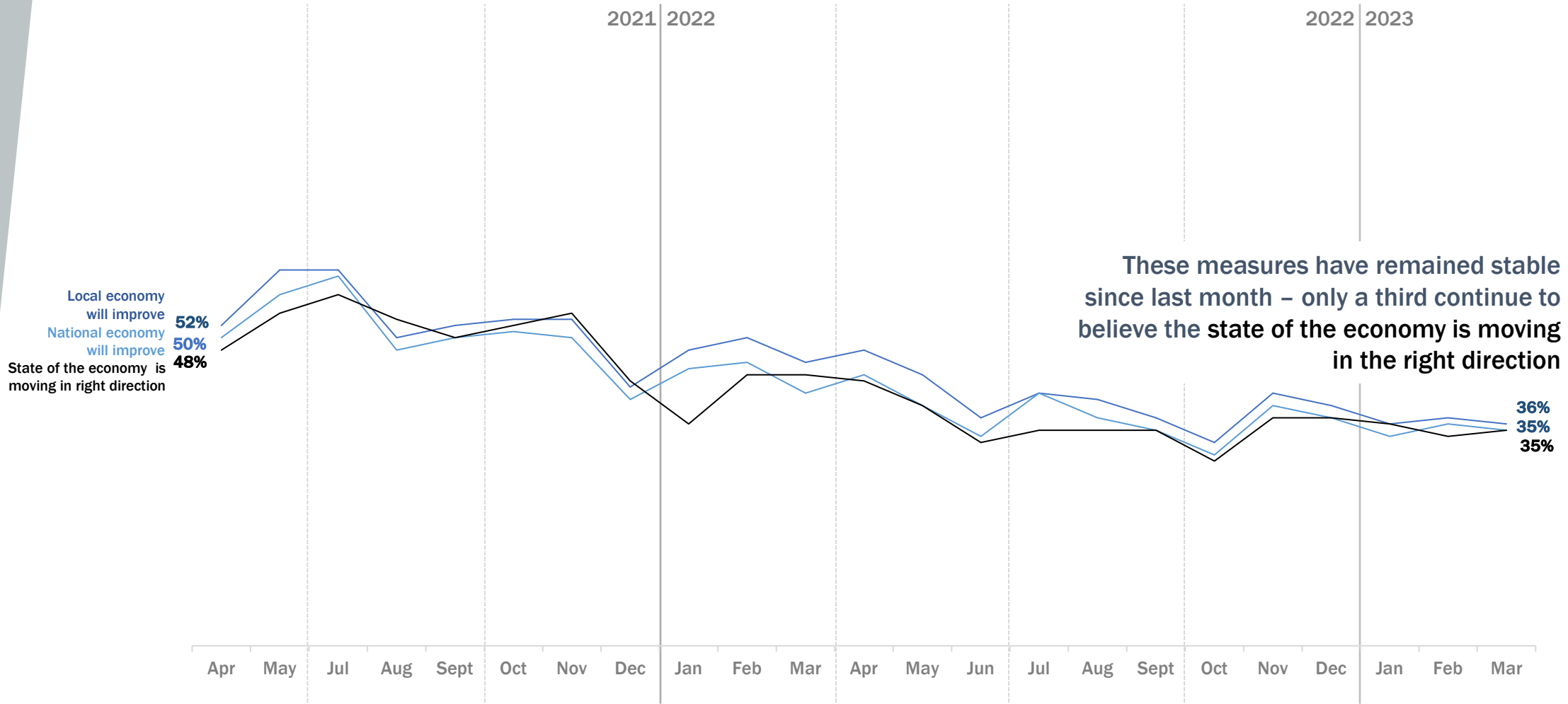
The results have been weighted by education, age, gender, and region (and, in Quebec, language) to match the population according to Census data which ensures the sample is representative of the entire adult population of Canada. Discrepancies in or between totals when compared to the data tables are due to rounding.

Panel and data services provider Maru/Blue is deeply rooted in the Maru/HUB technology platform and offers on-demand, high-quality, highly scalable online community samples of deeply engaged, known respondents. Maru Public Opinion is a professional research services channel dedicated to improving its clients' business outcomes. It delivers its services through teams of sector-specific research consultants specializing in the use of Insight Community and Voice of Market technology. Maru Public Opinion publicly released Canadian polls with supporting detailed tables are found here: Maru Public Opinion Canada. Corporate information can be accessed here: Maru Group. Excerpts from this release of findings should be properly attributed, with interpretation subject to clarification or correction. Maru Public Opinion does not do any work for any political party.

The methodology and questions used for the calculation of the monthly Maru Household Outlook Index (MHOI) can be found in the Appendix. Detailed tables are simultaneously posted with the public release of this document at Maru Public Opinion Canada or are available upon request. Presentations and/or media interviews about these and subsequent results can be provided, and individuals may be added to a distribution list, upon request to john.wright@marublue.com.

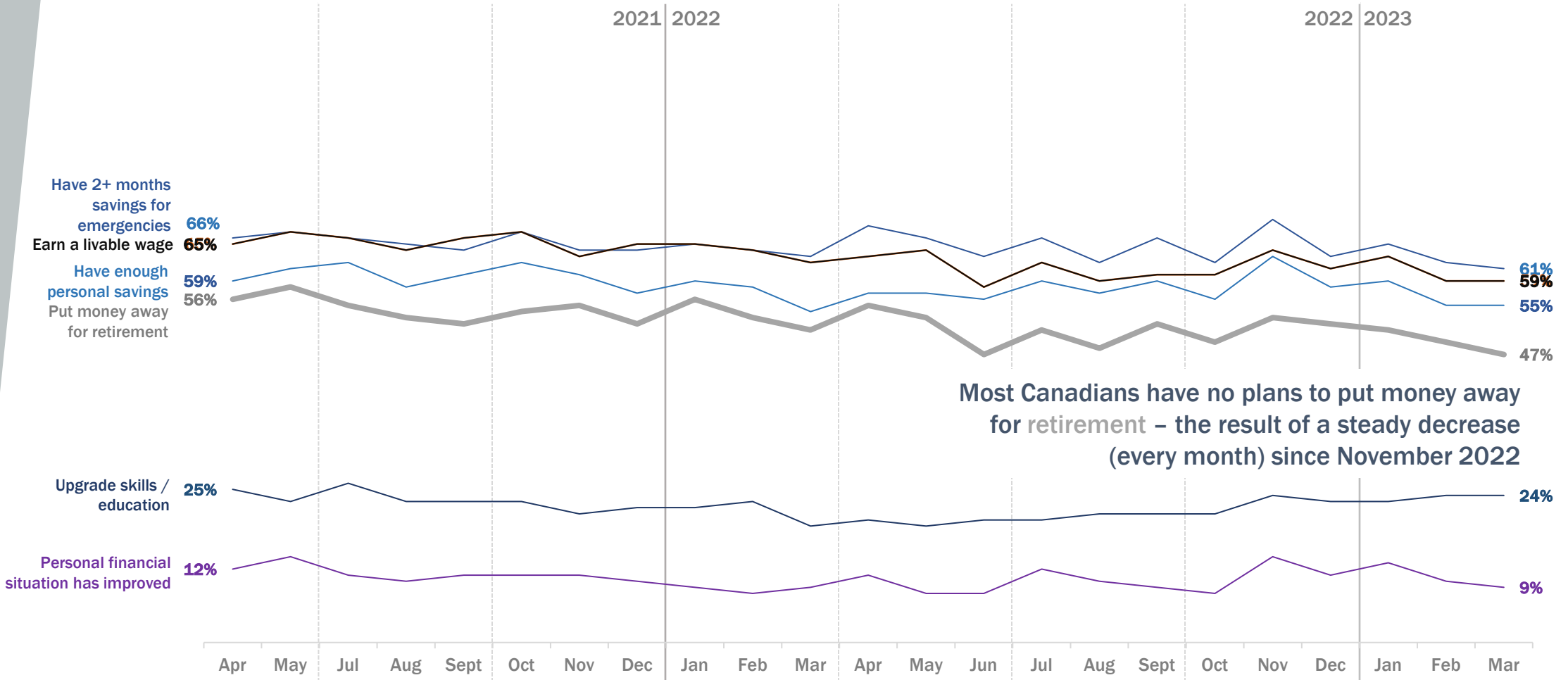# The Canadian Maru Household Outlook Index (MHOI)
economic outlook

Over the next 60 days, likely to...

2021 | 2022

2022 | 2023

These measures have remained stable
since last month – only a third continue to
believe the **state of the economy is moving
in the right direction**

Local economy
will improve **52%**
National economy
will improve **50%**
State of the economy is
moving in right direction **48%**

36%
35%
35%

Apr   May   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar   Apr   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar

The Canadian Maru Household Outlook Index (MHOI)
personal finances

Over the next 60 days, likely to...

2021 | **2022**

2022 | **2023**

Have 2+ months savings for emergencies **66%**
Earn a livable wage **65%**
Have enough personal savings **59%**
Put money away for retirement **56%**

61%
59%
55%
47%

Most Canadians have no plans to put money away for retirement – the result of a steady decrease (every month) since November 2022

Upgrade skills / education **25%**

24%

Personal financial situation has improved **12%**

9%

Apr May Jul Aug Sept Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec Jan Feb Mar

![Canada flag] maru/ **PUBLIC OPINION**

The Canadian Maru Household Outlook Index (MHOI)
purchasing power

Over the next 60 days, likely to...

2021 | 2022

2022 | 2023

Maintain ability to purchase products **88%**

Keep a roof over our heads **84%**
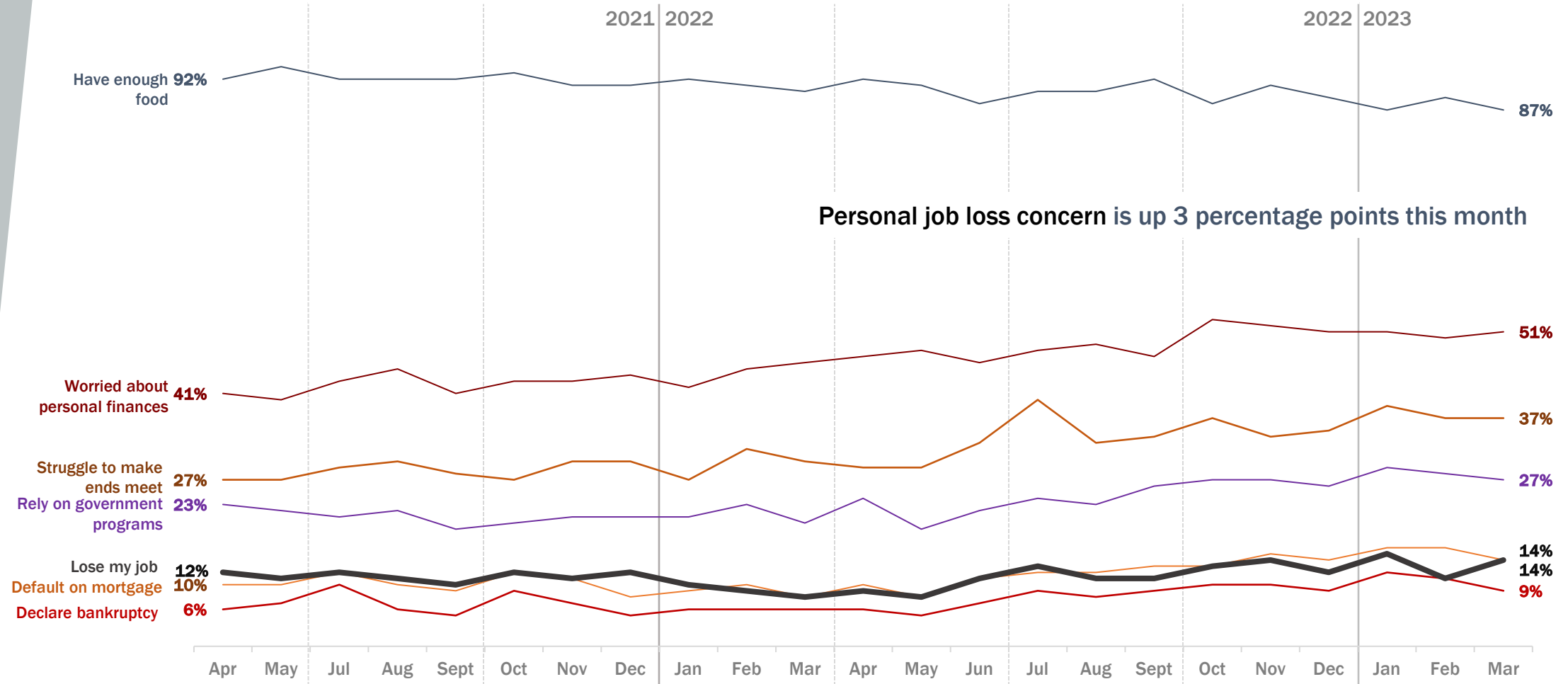
80%

79%
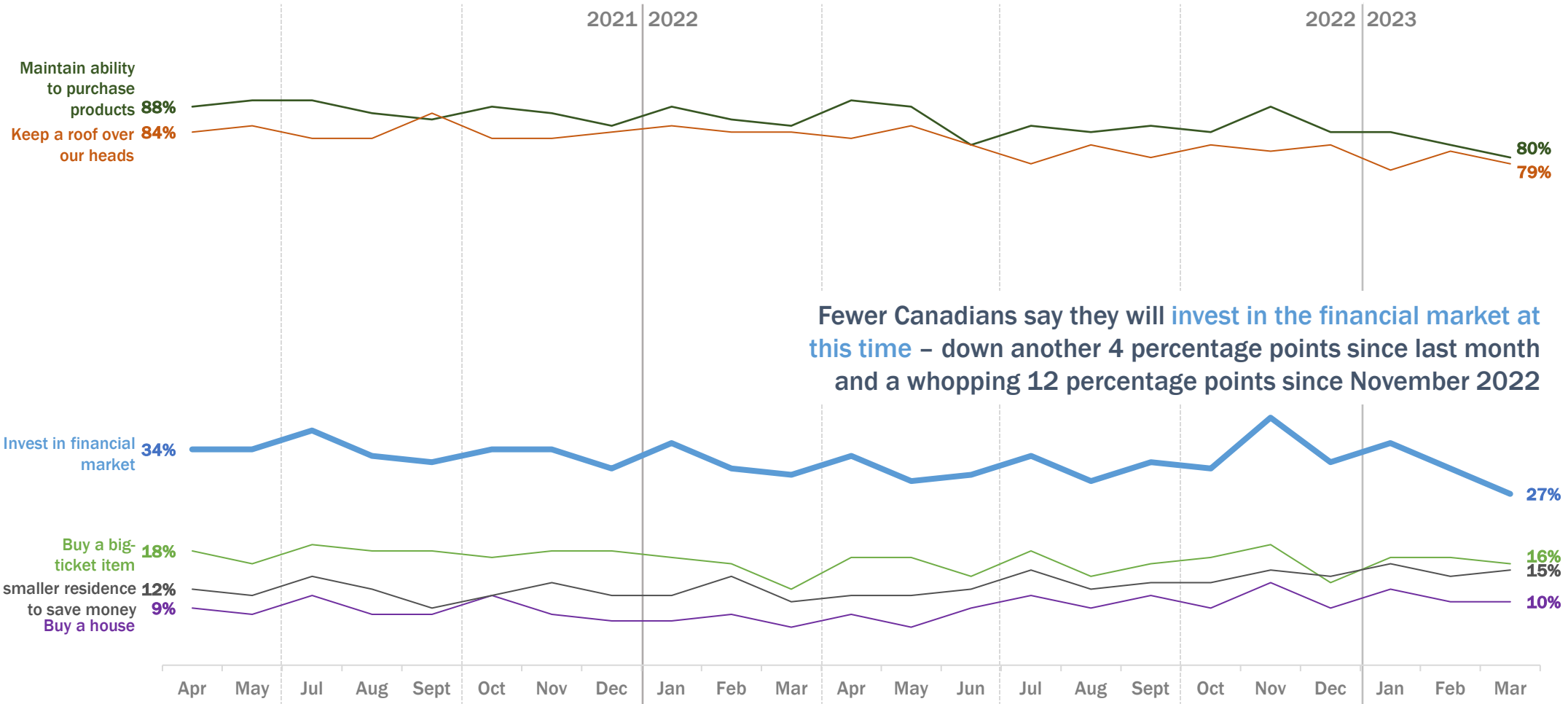
Fewer Canadians say they will invest in the financial market at this time – down another 4 percentage points since last month and a whopping 12 percentage points since November 2022

Invest in financial market **34%**

27%

Buy a big-ticket item **18%**

Move to smaller residence to save money **12%**

Buy a house **9%**

16%

15%

10%

Apr   May   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar   Apr   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar

April 2023

APPENDIX

INDEX CALCULATION

The MHOI is derived from a sixteen-item summated rating scale, fourteen of which are on a four-point scale, with each level having a different weight. A fifteenth item has a binary response, and only the proportion of positive responses is used. The sixteenth item asks respondents to describe how their financial position had changed in the past month wherein the proportion of respondents whose situation has improved or remained constant is kept, with both top options having the same weight in the Index. Each statement score is multiplied by either 1 or -1 depending on whether the attribute is optimistic or pessimistic.

The Index scores are added, multiplied by 100, and finally divided by the total for the baseline month (April 2021) to give us the weighted index. Any Index output below a composite score of 100 is considered to be negative/pessimistic, and any above a composite score of 100 is considered to be positive/optimistic. The resulting measure is both valid and reliable.

The MHOI Index number reported in any given month is based on a "rolling average" formula that combines the incumbent data from that month plus the two previous monthly waves (which triples the usual monthly sample size wave of ~1,500 completed interviews for a total of ~4,500). In order to heighten the freshness of the Index number reported, the incumbent month is given a weight of 45%, the data from the previous month is given a lesser weight of 35%, and the data from the earliest of the three months is given an even lesser weight of 20%. The output from this formula produces the MHOI Index number reported and charted for comparison with previous iterations.

INDEX QUESTIONS

Thinking of the state of the economy, would you say it is...?
   Moving in the right direction
   On the wrong track
Specifically focused on your financial position, would you say it has...?
   Improved since last month
   Remain the same over the last month
   Become worse since last month

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that...
   The national economy will improve
   The local economy where I live will improve
   I will have more than two months of savings to cover any unexpected costs or needs
   I will put away money for my retirement/old age security
   I will have enough personal/family investments and savings for the future
   I will be worried about my personal/family day-to-day finances

   I will have the ability to purchase the products needed for me/our family
   I will invest in the financial markets because now is a good time to do so
   I will purchase big ticket items like a car or furniture
   I will buy a house

   I will struggle to make ends meet
   I will default on making payments on major loans or a mortgage
   I will lose or be laid off from my job because of lack of business/work
   I will likely declare bankruptcy

OTHER TRACKING QUESTIONS

In addition to the MHOI questions, there are six others that are not used for the calculation but are tracked for added value:
Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that...
   I will earn a livable wage
   I will have enough food for myself/family
   I will be able to afford to keep a roof over my/my family's head
   I will rely on government programs to make ends meet
   I will move to a smaller residence because I need to save money
   I will take a learning course to upgrade my skills/education

Maru is a world leading CX and Insights Software & Advisory Services company. Maru was founded to disrupt the data and insight delivery industry with a combination of Software & Advisory Services delivering data in real-time via a unique service model. Maru helps its clients make informed decisions in near real-time by combining proprietorial software, deep industry experience and access to the best minds in research. Maru's flexible service model means our clients can choose to self-serve our Software directly to create, launch and analyze projects; or choose to utilize our Software with knowledgeable support from insights experts. Maru successfully delivers major national and international CX and CEM programs for Enterprise organizations.

Maru Public Opinion is a research and insight channel of the Maru Group. The division operates a polling division for clients and collaborative media partners. A full description of the channel and access to polls released into the public domain can be found at
Maru Public Opinion Canada

Maru Public Opinion does not carry out any polling for any political party.

For more information contact:

John Wright
Executive Vice President
Maru Public Opinion
2 Bloor St E Suite 1600, Toronto, ON M4W 1A8
D: 1-416-700-4218
john.wright@marublue.com

The experience & insights platform
Maru Group

NEW YORK / CHICAGO / SAN FRANCISCO / LOS ANGELES / LONDON / SOUTHAMPTON / EDINBURGH / BUENOS AIRES/ TORONTO / VANCOUVER