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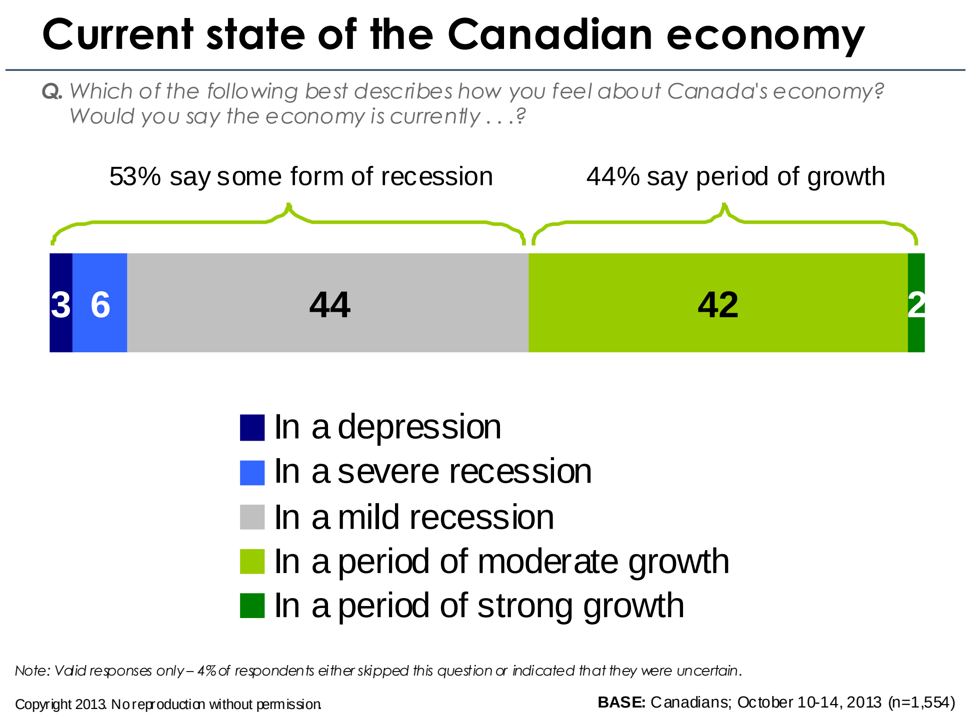
SO WHAT'S REALLY BOTHERING YOU CANADA?

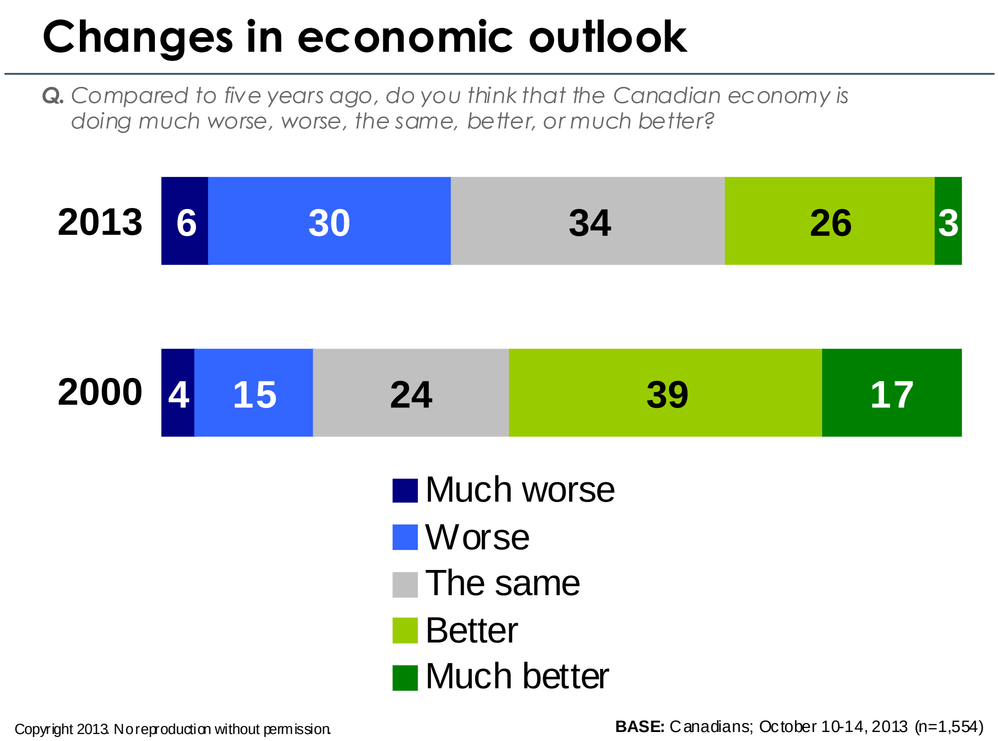
(AND WHAT DO YOU WANT YOUR FEDERAL GOVERNMENT TO DO ABOUT IT?)

[Ottawa – October 17, 2013] As most Canadians blithely ignore the Speech from the Throne (our past research shows about 10 per cent follow this event), we thought it would be worthwhile to review what is truly on the minds of Canadians today. Whereas the north of the Queensway crowd is all atwitter about the throne speech, the preoccupations and attention of average Canadians are decidedly elsewhere. What are those concerns? Is there a correspondence to the framing document for the government's agenda and the salient concerns of the citizenry?

We begin by reiterating the evidence that there is considerable malaise in the public mind. Confidence in national direction is at a modern historical low and this has registered on the political landscape with a scant 26 per cent saying they would vote for the incumbent government. This erosion of confidence in national direction and federal stewardship is linked strongly, but not exclusively to the economy. We will argue that the economy is no longer viewed through the same prism as it once was and that erstwhile "social" issues (most notably inequality) are prominently linked to the sense of stagnation and long term erosion of future outlook. There are separate issues of concern that emerge from this evidence which are linked to the state of politics and democracy. Let's begin, however, with the state of economic outlook. The old Clintonian aphorism that "It's the economy stupid" is clearly still true but the dimensions of economic concern are quite different than they were in 1992 when James Carville first coined the expression.



Noting that there is often a very loose correlation between public perceptions of the official or statistical economy and the perceptions of the economy[1], it is clear that most Canadians are not cheering the economy. The plurality believe we are in recession and 53 per cent say we are in some form of retraction versus 44 per cent who think we are growing. This technically spurious observation may be linked to the fact that an unusual share of our tepid growth is going to an unusually small fraction of our population.

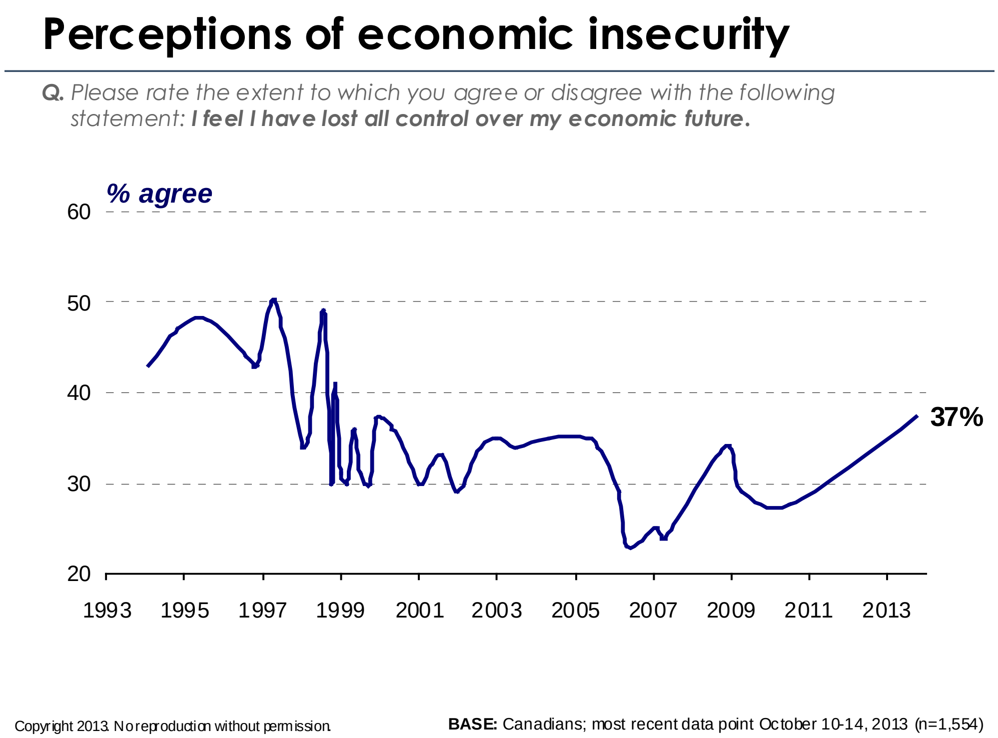


When Canadians look backward, they are seeing a stalled economy with a slight plurality saying that we are falling backward. When we compare this to earlier periods (2000), we can see that this is a decidedly gloomier outlook. A very strong connection exists between those who see a more optimistic picture of the economy and their fate in it and those who support the incumbent government. As the outlook on the economy has cooled, this may account for the erosion in government support.

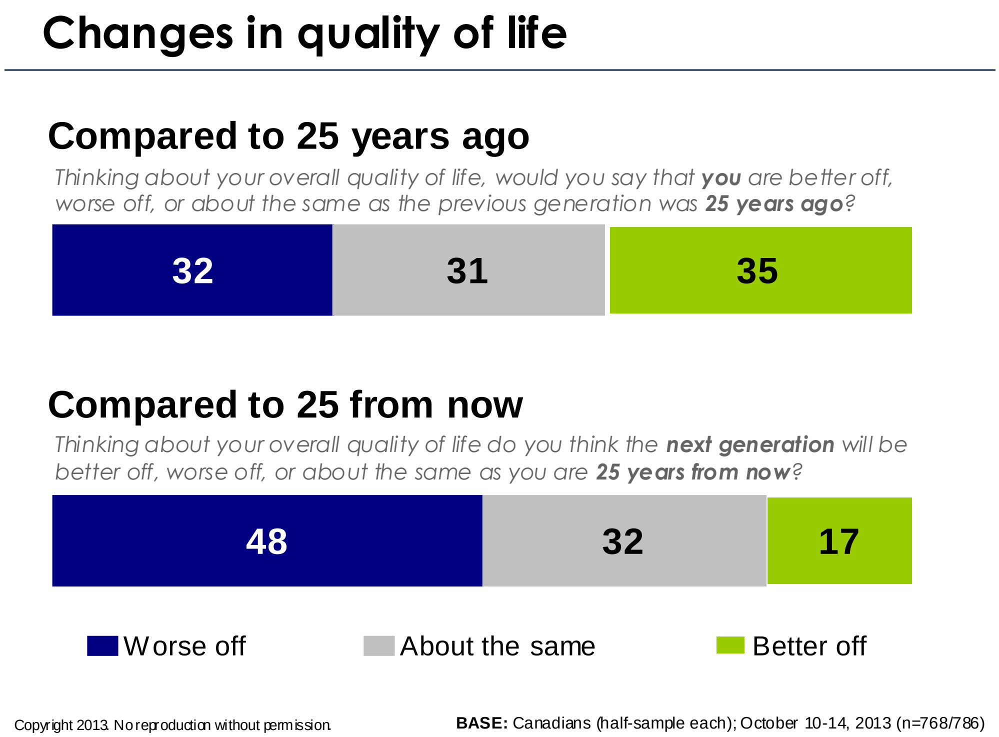
One final longer term outlook indicator shows some interesting trends. Whereas we do not suffer the abject levels of fear about the economy and having lost all control of our economic future that infected much of the nervous nineties we are showing a significant rise in this sense of having lost control. The most recent sounding shows the highest levels of insecurity since the beginning of this century and the newest rise is at least coincidental with the government's slide

[1] Graves, Frank. "The Economy Through Public Lens: Shifting Canadian Views of the Economy". The Review of Economic Performance and Social Progress 2001: The Longest Decade: Canada in the 1990s. Available online at: http://goo.gl/t5AIT6

in the polls. It is also the case that the newly swollen 'lost control' segment is much less likely to support the incumbent (see below).

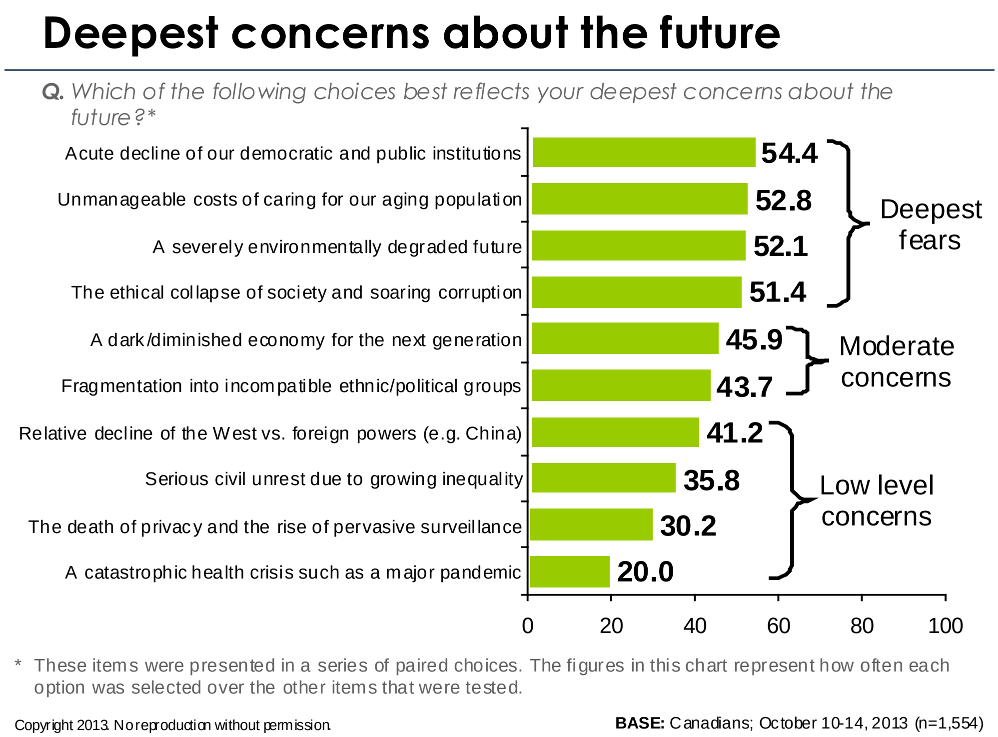


Let's expand both the time frame and the substantive sweep of the question. Let's talk about the last and next generation and move from just economic outlook to overall quality of life. As the exhibit below shows, the public are basically uncertain whether any overall progress has occurred over the last 25 years. When we ask the rating to move to the broader prospects for well being for the next generation the picture is outright dark. Only 17 per cent of the public think the next generation will be doing better. This new sense of despair about the longer term future sees current fears of stagnation and slight decline escalating. This is an important context for the public, quite separate from the day to day concerns about cable and credit card rates (not to trivialize those at all).



With this context in mind, let's turn to the question of what are the deepest fears about our increasingly bleak future. Using a trade-off analysis technique, we forced Canadians to make hard choices in a manner which would produce a hierarchy of future fears.

The results are extremely revealing.



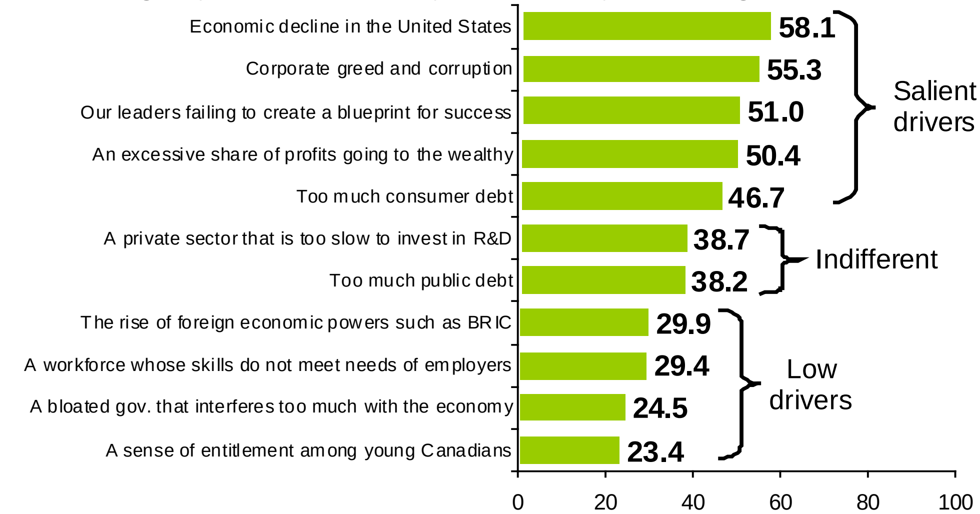
The concerns are grouped into the deepest, moderate, and lowest level concerns. Somewhat surprisingly, it is not an economic fear which tops the list, suggesting that the public expect progress in areas other than economic fronts. A sense of acute decline in our democratic and public institutions leads the list. This mirrors other research showing that many trust indicators have reached historical nadirs and continue downward. The consequences of an aging population are also weighing heavily on the minds of Canadians. Virtually tied near the top of the list is the spectre of a severely degraded future environment. The final of these top four items also relates to non-economic forces – notably ethical collapse and soaring corruption. Only at the fifth item on the list do we encounter a pure economic fear – the notion of a darkening economic outlook for future Canada.

So, democracy, trust, environmental crises and the costs of an aging society appear to be what is keeping Canadians up at night. It may be that we have entered an era of purely retail or consumer politics but we suspect that the declining outlook on the country and the government's recent woes are linked to a sense that these deeper ingredients of public interest are not central in the agenda or governing style of the current government.

To close this discussion, we will return to the economy. We asked Canadians a similar set of hard choices for explanations of why economy is stagnant. These choices shed light on what the public "theory" of stagnation is and how it might influence their expectations of how government should proceed.

Primary driver of economic stagnation

*Q. Canada is experiencing a period of slowed economic growth. Which of the following do you believe is most responsible for this period of stagnation?**



* These items were presented in a series of paired choices. The figures in this chart represent how often each option was selected over the other items that were tested.

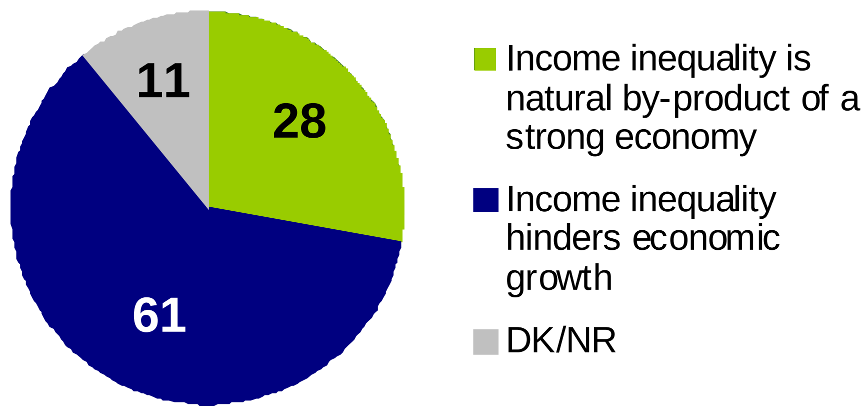
BASE: Canadians; October 10-14, 2013 (n=1,554)

The list is topped by a concern of economic decline in the United States. To the degree that our government is stressing trade with other partners such as China, the Trans-Pacific Partnership, and a European trade agreement, this may resonate. The second item of corporate greed and corruption also may find a loose fit with the consumer focus on cracking down on perceived gouging by credit card, cable and telecommunications companies. The third item is leaders failing to create a blueprint for future economic success. Not withstanding the government's mildly contradictory policy of a very visible hand in regulating the marketplace, it is unlikely the public is seeing much in a plausible plan for reversing stagnation and decline, which are not readily acknowledged to even exist by the government. Similarly, the notion that too big a share of the pie is going to too few wealthy doesn't really square with the current government's beliefs or policies. Notably, the focus on skill matches and paring down government size and role in the economy are high priorities with the government, but are not plausible drivers according to the public.

One final chart may underscore the tension between government approach to building a better future economy and the public's beliefs.

Impacts of income inequality

Q. *Some people say that income inequality is a natural by-product of a strong economy and can increase long-term economic prosperity. Others say that income inequality hinders long term economic growth and reduces one's ability to do better than their parents. Which of these statements comes closest to your own point of view?*



BASE: Canadians; October 10-14, 2013 (n=1,554)

Income inequality has risen as a public concern over the past decade. In both Canada and the United States, it now appears as a top political issue. This isn't so much the traditional gap between rich and poor, but the gap between the über rich and everyone else. The public now believes – as does a growing cadre of top economists – that income inequality is linked to greater social and economic costs and that it is actually associated with lower levels of intergenerational mobility. The public seem to reject rather clearly the traditional notion that income inequality is a regrettable by-product of economic growth and efficiency. By a very large margin, the public sees this growing form of inequality as a brake on economic growth and reducing one's ability to move ahead of one's parents. Given the pervasive sense that the next generation will do much worse than this one, it would seem the pubic are receptive to taking about how to reverse this trend. This view is much less resonant among supporters of the government and it is implausible to imagine this as a policy thrust of the present regime.

The government continues to find points of connection with the public on some aspects of these concerns, particularly its core constituencies. It does seem, however, that this fit is becoming increasingly frail as confidence in the country and future economy continues to erode. We will watch with interest whether the Speech from the Throne reverses these weaknesses in government connection with the voters and citizens alike.

One final conclusion is that Canadians see the current state of politics and democracy as so broken[2] (indeed, Canadians rank it as their number one fear) that it cannot begin to speak to the

[2] See "Trust in Democracy" by Frank Graves, released on January 13, 2012. Available at EKOS Politics at: http://goo.gl/KVOt1c

true longer term values and interests of the public. This may be why younger Canada is tuning out almost entirely. The public interest, universalism, and a search for moral community are the themes that run through the top trade-offs. This is shockingly distant from the current state of political discourse and the permanent campaign.

Detailed Tables:

Current State of the Canadian Economy

Q. Which of the following best describes how you feel about Canada's economy? Would you say the economy is currently . . .?

	In a depression	In a severe recession	In a mild recession	In a period of moderate growth	In a period of strong growth	Don't know/No response	Sample Size	Margin of Error (+/-)
NATIONALLY	**2.5%**	**6.1%**	**44.2%**	**41.8%**	**1.6%**	**3.8%**	**1554**	**2.5**
REGION								
British Columbia	1.9%	5.5%	43.6%	45.2%	0.4%	3.5%	255	6.1
Alberta	0.0%	2.5%	30.2%	64.0%	0.0%	3.4%	148	8.1
Saskatchewan	2.5%	3.7%	32.6%	50.4%	10.8%	0.0%	35	16.6
Manitoba	3.2%	1.9%	50.6%	36.0%	2.2%	6.2%	53	13.5
Ontario	2.8%	7.5%	44.2%	41.5%	1.7%	2.3%	641	3.9
Quebec	3.5%	6.4%	48.8%	33.0%	0.9%	7.3%	305	5.6
Atlantic Canada	2.9%	7.2%	52.9%	32.4%	3.3%	1.3%	109	9.4
GENDER								
Male	1.7%	5.4%	40.7%	49.7%	1.2%	1.3%	820	3.4
Female	3.4%	6.8%	47.6%	34.2%	1.9%	6.1%	734	3.6
AGE								
<25	3.2%	3.9%	42.5%	37.4%	4.3%	8.7%	45	14.6
25-44	1.4%	7.3%	47.6%	38.7%	1.2%	3.8%	472	4.5
45-64	3.1%	6.3%	43.9%	41.9%	1.9%	2.9%	637	3.9
65+	2.1%	4.6%	39.2%	52.5%	0.0%	1.5%	309	5.6
EDUCATION								
High school or less	3.2%	8.2%	38.6%	43.3%	2.9%	3.9%	223	6.6
College or CEGEP	3.3%	7.9%	41.8%	40.3%	1.3%	5.4%	486	4.5
University or higher	1.9%	4.7%	47.0%	42.3%	1.3%	2.9%	835	3.4
COUNTRY OF BIRTH								
Canada	2.5%	6.4%	44.2%	41.6%	1.6%	3.7%	1352	2.7
Other	1.9%	4.3%	45.6%	42.7%	1.2%	4.3%	185	7.2
CURRENT VOTE INTENTION								
Liberal Party	1.8%	6.4%	46.5%	41.1%	1.9%	2.3%	523	4.3
Conservative Party	1.2%	2.0%	28.3%	64.4%	2.5%	1.5%	402	4.9
NDP	3.7%	7.3%	52.5%	30.1%	0.0%	6.5%	316	5.5
Green Party	4.0%	6.8%	47.3%	35.6%	1.1%	5.2%	92	10.2
Bloc Quebecois	1.6%	11.8%	61.9%	21.2%	1.9%	1.6%	55	13.2

Changes in Economic Outlook

Q. Compared to five years ago, do you think that the Canadian economy is doing much worse, worse, the same, better, or much better?

	Much worse	Worse	The same	Better	Much better	Don't know/No response	Sample Size	Margin of Error (+/-)
NATIONALLY	**5.7%**	**29.7%**	**33.7%**	**25.5%**	**3.1%**	**2.2%**	**747**	**3.6**
REGION								
British Columbia	6.0%	28.3%	32.6%	30.3%	2.1%	0.7%	130	8.6
Alberta	1.6%	29.3%	24.4%	37.9%	6.8%	0.0%	66	12.1
Saskatchewan	0.0%	19.0%	47.2%	21.3%	12.5%	0.0%	15	25.3
Manitoba	4.0%	18.9%	41.0%	32.7%	3.4%	0.0%	27	18.9
Ontario	9.6%	29.9%	28.8%	26.6%	3.8%	1.3%	302	5.6
Quebec	2.6%	34.3%	42.3%	13.6%	0.5%	6.6%	143	8.2
Atlantic Canada	4.5%	27.3%	38.0%	27.9%	1.1%	1.1%	62	12.5
GENDER								
Male	4.6%	31.2%	32.0%	27.9%	4.1%	0.3%	378	5.0
Female	6.7%	28.5%	35.2%	23.4%	2.2%	3.9%	369	5.1
AGE								
<25	13.4%	38.7%	16.4%	24.8%	0.0%	6.7%	22	20.9
25-44	3.5%	28.1%	37.2%	25.9%	4.1%	1.1%	223	6.6
45-64	6.7%	31.3%	32.5%	23.5%	3.5%	2.5%	299	5.7
65+	3.7%	28.1%	34.0%	30.4%	2.9%	0.9%	156	7.9
EDUCATION								
High school or less	8.7%	29.6%	28.5%	28.2%	1.8%	3.2%	100	9.8
College or CEGEP	7.2%	27.2%	31.9%	27.1%	2.7%	4.0%	235	6.4
University or higher	4.0%	31.3%	36.4%	23.9%	3.4%	1.0%	406	4.9
COUNTRY OF BIRTH								
Canada	5.2%	29.4%	33.8%	26.0%	3.1%	2.5%	658	3.8
Other	9.9%	33.3%	29.2%	24.4%	3.2%	0.0%	80	11.0
CURRENT VOTE INTENTION								
Liberal Party	5.2%	38.7%	31.6%	20.9%	2.8%	0.8%	249	6.2
Conservative Party	1.5%	14.9%	30.9%	45.6%	6.7%	0.5%	196	7.0
NDP	8.7%	34.8%	35.8%	14.1%	1.6%	5.1%	150	8.0
Green Party	7.6%	28.0%	33.8%	28.1%	0.0%	2.6%	45	14.6
Bloc Quebecois	0.0%	26.9%	59.7%	10.3%	0.0%	3.2%	26	19.2

Perceptions of Economic Insecurity

Q. To what extent do you agree or disagree with the following statements:

I feel I have lost all control over my economic future

	Disagree (1-3)	Neither (4)	Agree (5-7)	Don't know/ No response	Sample Size	Margin of Error (+/-)
NATIONALLY	**37.6%**	**24.5%**	**37.3%**	**0.5%**	**1554**	**2.5**
REGION						
British Columbia	40.4%	21.5%	37.3%	0.8%	255	6.1
Alberta	45.5%	23.4%	31.2%	0.0%	148	8.1
Saskatchewan	48.3%	19.6%	32.1%	0.0%	35	16.6
Manitoba	43.5%	22.8%	31.8%	1.9%	53	13.5
Ontario	38.8%	22.2%	38.5%	0.5%	641	3.9
Quebec	30.2%	32.7%	36.3%	0.8%	305	5.6
Atlantic Canada	31.5%	19.5%	49.0%	0.0%	109	9.4
GENDER						
Male	39.9%	23.4%	36.4%	0.4%	820	3.4
Female	35.4%	25.6%	38.3%	0.7%	734	3.6
AGE						
<25	33.9%	16.8%	49.2%	0.0%	45	14.6
25-44	40.3%	24.3%	35.0%	0.4%	472	4.5
45-64	35.8%	24.6%	39.5%	0.2%	637	3.9
65+	40.9%	29.7%	28.8%	0.6%	309	5.6
EDUCATION						
High school or less	30.6%	32.4%	36.5%	0.5%	223	6.6
College or CEGEP	31.9%	24.7%	43.0%	0.4%	486	4.5
University or higher	42.1%	22.6%	34.6%	0.7%	835	3.4
COUNTRY OF BIRTH						
Canada	37.8%	24.1%	37.5%	0.6%	1352	2.7
Other	33.9%	27.8%	38.3%	0.0%	185	7.2
CURRENT VOTE INTENTION						
Liberal Party	35.2%	25.5%	38.9%	0.4%	523	4.3
Conservative Party	52.6%	23.0%	24.3%	0.2%	402	4.9
NDP	29.9%	26.9%	42.3%	0.8%	316	5.5
Green Party	40.9%	17.1%	42.1%	0.0%	92	10.2
Bloc Quebecois	33.4%	32.9%	33.8%	0.0%	55	13.2

Changes in Quality of Life – Compared to 25 Years Ago

Q. Thinking about your overall quality of life, would you say that you are better off, worse off, or about the same as the previous generation was 25 years ago?

	Better off	About the same	Worse off	Don't know/ No response	Sample Size	Margin of Error (+/-)
NATIONALLY	**35.3%**	**31.0%**	**32.2%**	**1.5%**	**768**	**3.5**
REGION						
British Columbia	34.3%	23.4%	41.6%	0.8%	140	8.3
Alberta	46.0%	24.9%	29.1%	0.0%	61	12.6
Saskatchewan	56.5%	7.0%	29.5%	7.0%	14	26.2
Manitoba	52.4%	27.1%	20.5%	0.0%	22	20.9
Ontario	34.8%	29.4%	34.5%	1.3%	304	5.6
Quebec	30.8%	42.3%	24.2%	2.7%	165	7.6
Atlantic Canada	29.3%	35.2%	34.2%	1.3%	56	13.1
GENDER						
Male	39.6%	28.6%	31.0%	0.9%	408	4.9
Female	31.0%	33.3%	33.5%	2.2%	360	5.2
AGE						
<25	32.2%	37.9%	29.9%	0.0%	27	18.9
25-44	31.8%	32.2%	31.8%	4.1%	219	6.6
45-64	36.6%	30.2%	32.6%	0.6%	323	5.5
65+	41.2%	27.2%	30.7%	0.9%	153	7.9
EDUCATION						
High school or less	40.0%	33.9%	23.4%	2.6%	109	9.4
College or CEGEP	30.0%	35.8%	32.4%	1.8%	255	6.1
University or higher	36.8%	27.8%	34.3%	1.1%	396	4.9
COUNTRY OF BIRTH						
Canada	36.1%	31.1%	31.1%	1.7%	659	3.8
Other	28.6%	32.4%	38.1%	0.9%	101	9.8
CURRENT VOTE INTENTION						
Liberal Party	34.3%	25.3%	39.0%	1.5%	243	2.7
Conservative Party	56.3%	26.9%	16.1%	0.7%	208	3.0
NDP	23.3%	34.7%	39.6%	2.3%	166	3.3
Green Party	30.3%	30.9%	36.5%	2.3%	51	6.0
Bloc Quebecois	27.9%	59.4%	12.7%	0.0%	24	8.7

Changes in Quality of Life – Compared to 25 Years From Now

Q. Thinking about your overall quality of life do you think the next generation will be better off, worse off, or about the same as you are 25 years from now?

	Better off	About the same	Worse off	Don't know/ No response	Sample Size	Margin of Error (+/-)
NATIONALLY	**13.6%**	**31.6%**	**48.3%**	**6.5%**	**786**	**3.5**
REGION						
British Columbia	14.9%	20.5%	60.7%	4.0%	115	9.1
Alberta	15.1%	26.0%	41.8%	17.0%	87	10.5
Saskatchewan	25.0%	39.6%	29.5%	6.0%	21	21.4
Manitoba	12.8%	32.9%	51.0%	3.2%	31	17.6
Ontario	10.9%	23.2%	59.2%	6.7%	337	5.3
Quebec	14.5%	56.3%	26.7%	2.4%	140	8.3
Atlantic Canada	14.7%	24.0%	54.1%	7.2%	53	13.5
GENDER						
Male	15.8%	31.2%	47.7%	5.3%	412	4.8
Female	11.6%	32.0%	48.9%	7.6%	374	5.1
AGE						
<25	23.6%	25.8%	40.5%	10.0%	18	23.1
25-44	12.4%	33.0%	45.7%	8.9%	253	6.2
45-64	13.4%	33.8%	47.3%	5.5%	314	5.5
65+	11.9%	26.4%	59.3%	2.4%	156	7.9
EDUCATION						
High school or less	16.1%	27.6%	49.9%	6.5%	114	9.2
College or CEGEP	13.0%	36.2%	45.3%	5.5%	231	6.5
University or higher	13.4%	30.2%	49.5%	7.0%	439	4.7
COUNTRY OF BIRTH						
Canada	13.5%	31.2%	48.6%	6.7%	693	3.7
Other	13.0%	38.9%	44.2%	4.0%	84	10.7
CURRENT VOTE INTENTION						
Liberal Party	10.8%	29.3%	52.3%	7.6%	280	5.9
Conservative Party	23.4%	34.8%	36.9%	4.9%	194	7.0
NDP	7.5%	31.7%	56.2%	4.6%	150	8.0
Green Party	10.9%	13.6%	73.0%	2.5%	41	15.3
Bloc Quebecois	18.6%	55.5%	20.6%	5.3%	31	17.6

Impacts of Income Inequality

Q. Some people say that income inequality is a natural by-product of a strong economy and can increase long-term economic prosperity. Others say that income inequality hinders long term economic growth and reduces one's ability to do better than their parents. Which of these statements comes closest to your own point of view?

	Income inequality is a natural by-product of a strong economy	Income inequality hinders economic growth	Don't know/ No response	Sample Size	Margin of Error (+/-)
NATIONALLY	**27.9%**	**61.2%**	**10.9%**	**1554**	**2.5**
REGION					
British Columbia	28.8%	63.0%	8.2%	255	6.1
Alberta	31.4%	51.1%	17.6%	148	8.1
Saskatchewan	32.0%	57.3%	10.7%	35	16.6
Manitoba	42.4%	46.7%	10.8%	53	13.5
Ontario	28.7%	62.0%	9.3%	641	3.9
Quebec	20.7%	67.9%	11.4%	305	5.6
Atlantic Canada	30.6%	55.1%	14.3%	109	9.4
GENDER					
Male	33.2%	58.4%	8.4%	820	3.4
Female	22.8%	63.9%	13.3%	734	3.6
AGE					
<25	20.2%	74.9%	4.9%	45	14.6
25-44	25.3%	61.5%	13.2%	472	4.5
45-64	29.3%	57.8%	12.9%	637	3.9
65+	35.6%	57.5%	6.9%	309	5.6
EDUCATION					
High school or less	31.5%	51.3%	17.2%	223	6.6
College or CEGEP	27.9%	61.0%	11.2%	486	4.5
University or higher	27.0%	63.7%	9.2%	835	3.4
COUNTRY OF BIRTH					
Canada	27.4%	61.0%	11.5%	1352	2.7
Other	29.7%	63.3%	6.9%	185	7.2
CURRENT VOTE INTENTION					
Liberal Party	25.2%	65.7%	9.1%	523	4.3
Conservative Party	55.1%	28.1%	16.8%	402	4.9
NDP	13.8%	79.3%	7.0%	316	5.5
Green Party	18.6%	76.2%	5.3%	92	10.2
Bloc Quebecois	10.6%	77.5%	12.0%	55	13.2

Methodology:

This study was conducted using EKOS' unique, hybrid online/telephone research panel, Prob*it*. Our panel offers exhaustive coverage of the Canadian population (i.e., Internet, phone, cell phone), random recruitment (in other words, participants are recruited randomly, they do not opt themselves into our panel), and equal probability sampling. All respondents to our panel are recruited by telephone using random digit dialling and are confirmed by live interviewers. Unlike opt-in online panels, Probit supports margin of error estimates. We believe this to be the only probability-based online panel in Canada.

The field dates for this survey are October 10-14, 2013. In total, 1,554 Canadians aged 18 and over responded to the survey. Of these cases, 1,400 were collected online, while 154 were collected by computer assisted telephone interviews (CATI). The margin of error associated with the total sample is +/-2.5 percentage points, 19 times out of 20.

Please note that the margin of error increases when the results are sub-divided (i.e., error margins for sub-groups such as region, sex, age, education). All the data have been statistically weighted to ensure the sample's composition reflects that of the actual population of Canada according to Census data.