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IT'S THE ECONOMY, STUPID! ...BUT WHICH ONE?

SPECULATION ON HOW DOUBLE VISION ON A DUAL ECONOMY WILL BE THE CRITICAL FACTOR SHAPING THE NEXT ELECTION

[Ottawa – January 16, 2015] From a random probability sample of some 4,400 Canadians, we would be hard pressed to draw any conclusions about what party (or parties) will hold power next November. The Liberals have a small but significant lead, and they have led in every poll we have conducted for well over a year. They have a very important lead in the critical Ontario market and they have strength throughout the country and with some key voting groups like the more educated the huge boomer cohort. They seem to have recovered from the security bounce which propelled the Conservatives back into a race that they were simply out of in the early fall. The NDP are slowly but inexorably falling out of favour as the progressive choice to depose the Harper government and the longer term structural forces on values, the economy, and democracy are in their favour. So are the Liberals ticketed to a return to power in the fall (or sooner)?

Federal vote intention

Q. If a federal election were held tomorrow, which party would you vote for?

National Results



Likely voters*



2011 Election Results



Note: The data on federal vote intention are based on decided and leaning voters only.

** Respondents were asked to rate their likelihood of voting in the next federal election on a 7-point scale where 1 represents 0%, 7 represents 100%, and the midpoint, 4, represents 50%. 'Likely voters' are those respondents who selected 100%.*

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BASE: Canadians; January 5-13, 2015 (n=4,412), MOE +/- 1.5%, 19 times out of 20

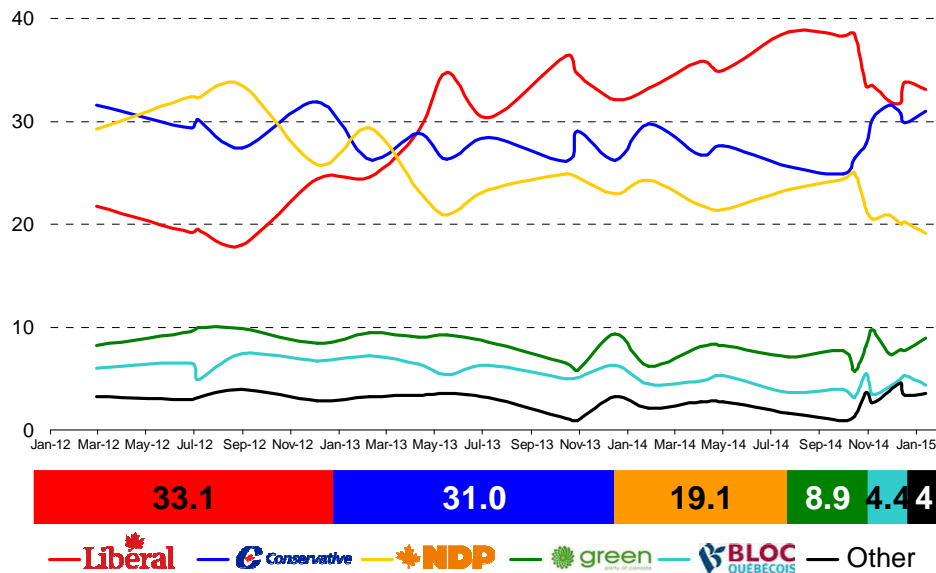
Full results available at: <http://goo.gl/U1FTTK>

Not so fast! The Conservatives have rebounded from a near-death experience and rode the wave of a rare popular piece of policy with the ISIS mission, a sound handling of the shooting episode, and a wave of communications on concrete provisions to help key family segments to near

parity.¹ The extremely unpopular Stephen Harper is only mildly so now and the base that provided a majority in 2011 is returning to the fold. Strikingly, the critical senior vote has shown a net 20-point turnaround and is now squarely in the Conservative fold.² On top of this, another propitiously timed security tragedy in France has been used as a platform for the government to establish the need for a sterner approach to security and reinforce its intrinsic advantage as the safe hands in troubled hands. Along with the advantage of a well-resourced and practiced political machine and the 31 points (highest achievement in two years), all of this seems to point to a path to a fourth victory for Mr. Harper.

Tracking federal vote intention

Q. If a federal election were held tomorrow, which party would you vote for?



Note: The data on federal vote intention are based on decided and leaning voters only.
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BASE: Canadians; January 5-13, 2015 (n=4,412), MOE +/- 1.5%, 19 times out of 20

Once again, not so fast (although timing and speed of action may be a critical factor here)! What is mildly surprising and quite important to note is that the very real security bounce that had put the Conservatives in a virtual tie with the Liberals in late November seems to be weakening, not strengthening. Furthermore, the somewhat florid language about a jihad against the West and the need for even further powers has not only failed to advance the Conservative cause, it may be that this bounce has been exhausted and the latest plea for even more powers is falling on deaf voter ears. In fact, the more we look, the election will be not about security, but about the economy and perhaps the related question of the role of the federal state in dealing with the economy.

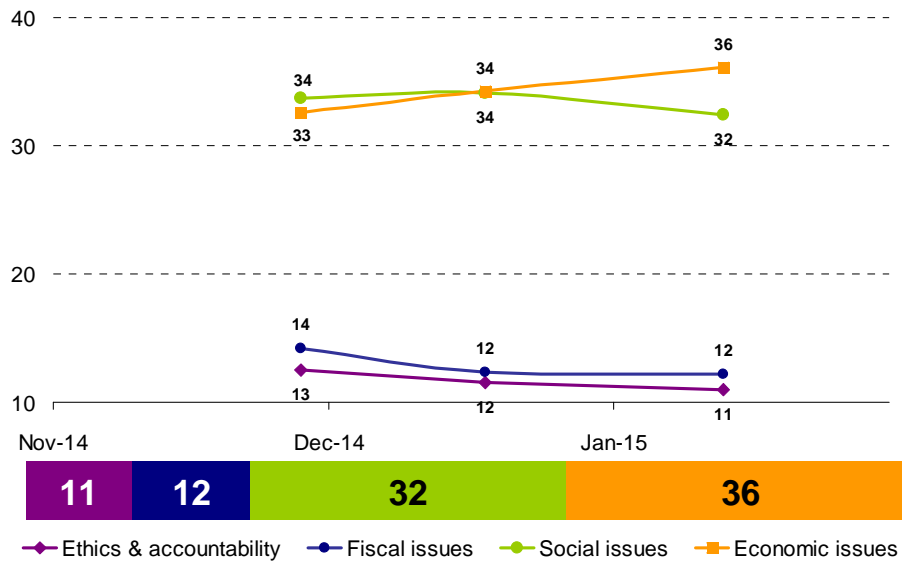
¹ EKOS Research, "Race Tightens as We See Security Shifts in a More Anxious Public?", October 31, 2014. Available online at: <http://goo.gl/10arzd>

² EKOS Research, "Landscape Frozen as We Enter Election Year", January 16, 2015. Available online at: <http://goo.gl/u1ftk>

Consider two different tests of the most important election issue:

Most important issue

Q. Of the following issues, which one do you think should be the most important issue for the next federal election?

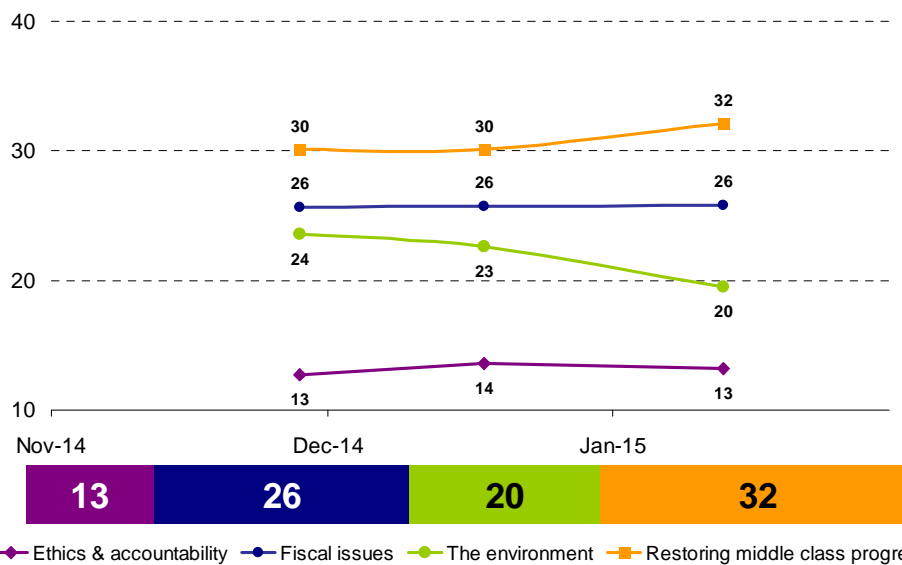


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BASE: Canadians; January 5-13, 2015 (n=2,203), MOE +/- 2.1%, 19 times out of 20

Most important issue

Q. Of the following issues, which one do you think should be the most important issue for the next federal election?



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BASE: Canadians; January 5-13, 2015 (n=2,209), MOE +/- 2.1%, 19 times out of 20

According to this test, it is the economy that wins out by a slight margin over the nearly equally important social issues (and social issues are actually slightly more important with most likely voters). We note that the boundary between social issues (such as pensions and education) and economic issues is increasingly murky. There are large gender and regional splits, but these are the dominant issues.

Looking at another variation, we see that in this framing, the issue of restoring middle class progress – a somewhat different, longer-term framing of the economy – is dominant. It is notable just how strong this issue is in Quebec, among the more vulnerable, and among Liberal supporters. The issue of the economy dominates, but whether it is framed in the shorter or longer term provides a different picture. This finding coincides with a very large paradox in outlook on the economy which shows that there are quite different takes depending on whether we are looking at the shorter term or the longer term; whether we focussed on preserving small but eroding jobs or taking on the bigger problem of stagnation and gradual but steady erosion in the middle class bargain.

The economy-job prospects paradox

In this latest survey, we updated our tracking on economic outlook. Overall, Canadians are divided on how the future will pan out, with the general impression being that things will stay more or less as it. Looking at these results in a historical context, however, these are the worst-ever results and they contrast sharply with attitudes from just a few years ago when optimism decisively outstripped pessimism. Yet in something of a contradiction, Canadians are highly confident regarding their job security, with just one in seven expressing concerns that they may lose their jobs over the next couple of years.

It is not clear why Canadians hold such divergent views on the economy and the labour market, but it may be linked to a growth in non-standard employment³ (e.g., part-time, contract, self-employment), where Canadians are increasingly holding lower-paying jobs with poorer benefits. Another explanation is that jobs that used to produce optimism are no longer doing so. Canadians may feel that having a bad job is better than nothing, but they do not feel particularly hopeful about the future. In game theory, this phenomenon is referred to as minimax, where Canadians, faced with an uncertain labour market, accept menial work in an attempt to minimise their maximum loss, which is their job.

If this theory holds, the huge tensions across a largely miserable outlook on the economic future and a more sanguine sense of job security may become a critical factor for the election. Canadians are now faced with a tough choice between: 1) not rocking the boat and hanging on

³ Tavia Grant, "The 15-hour workweek: Canada's part-time problem", The Globe and Mail, October 4, 2014. Available online at: <http://goo.gl/kJLENL>

to have they have (even if it is stagnant and may be leading to a progressively worse future); and 2) risking a bold new approach in the hope that a better future is once again possible.

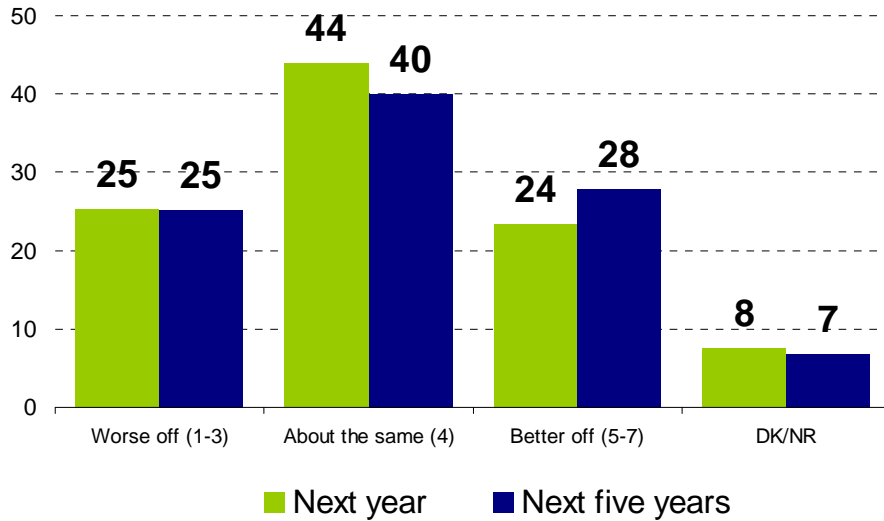
Further complicating this is the partisan divide that saw the Conservative constituency seeing an economy which worked decidedly better for them than the other roughly 70% who had a much less mirthful outlook on the economy. Conservative supporters are far more likely to say they have moved ahead over the last 25 years and they are considerably more apt to say that their financial situations are likely to improve in the short-term. Over the long-term, Conservatives predict a steadier path where things will stay more or less as is, compared to the downright gloomy outlook of other party supporters. Notably, however, relatively high levels of pessimism tend to straddle partisan lines as no one feels very confident in the longer term future.

So what does this all mean? It means that fundamentally different views on the economy are critical to how one will decide in Election 42. Will the status quo – with stable if increasingly crappier jobs – be seen as preferable to a search for a new approach? Will austerity, tax cuts, and minimal government seem to be the continued right choice? How about that bet on Canada as a carbon energy superpower? With oil prices plummeting, Keystone on the verge of being vetoed, and Alberta on the verge of recession, how will that bet for the national economy look? The promise of fully funded family goodies may look less attractive against a public treasury where a surplus looks increasingly implausible.

Yet despite the power of the fears about the end of progress and the death of the middle class bargain, it is uncertain whether the fears of rocking job security will be worth the risk of trying a new approach. The majority of the public who remain unconvinced of the effectiveness or fairness of current federal economic policies are going to be anxiously watching this space as they await some clearer proposals that a better and fairer economy is once again possible.

Personal financial outlook

Q. Thinking ahead over the **NEXT YEAR/NEXT FIVE YEARS** or so, do you think your personal financial situation will be better or worse than it is today?

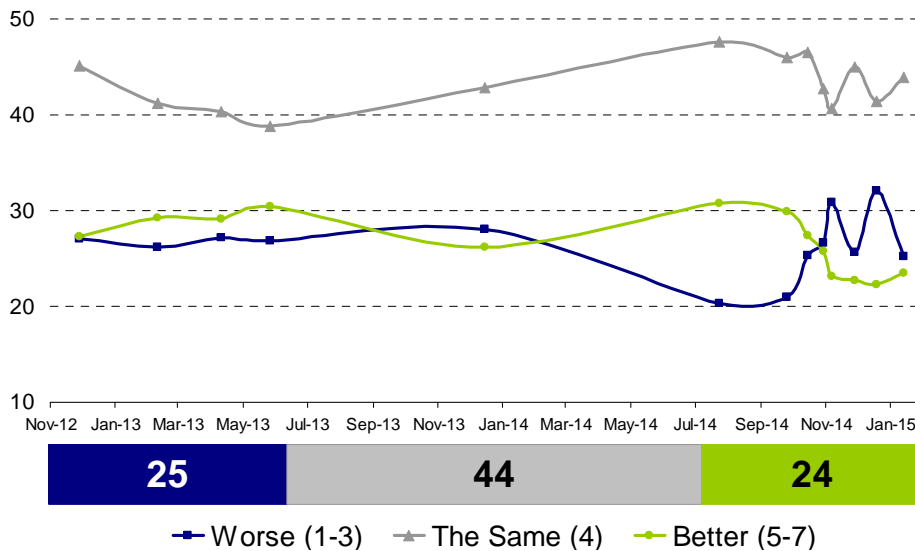


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No reproduction without permission **BASE:** Canadians (third-sample); January 5-13, 2015 (n=1,471/1,545), MOE +/- 2.6/2.5%, 19 times out of 20

Short-term financial outlook (2012-2015)

Q. Thinking ahead over the **NEXT YEAR** or so, do you think your personal financial situation will be better or worse than it is today?



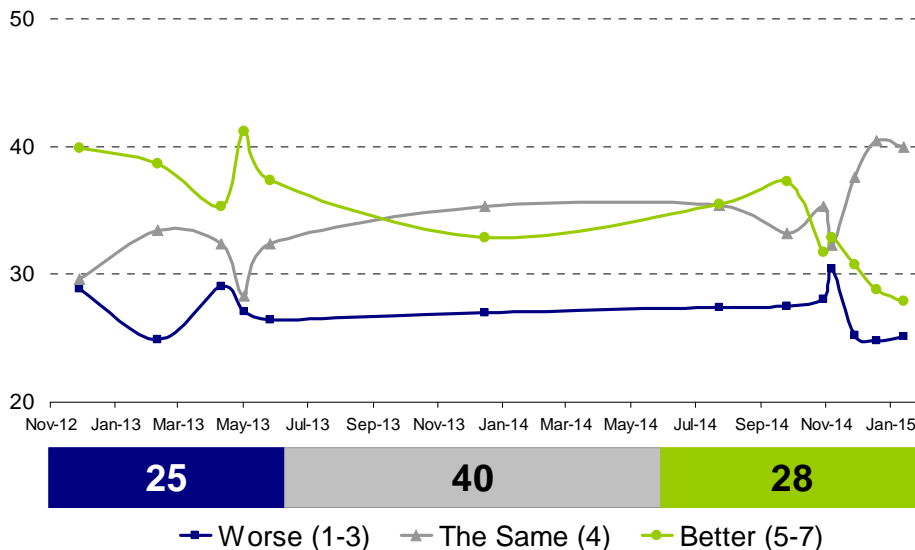
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BASE: Canadians (third-sample); January 5-13, 2015 (n=1,471), MOE +/- 2.6%, 19 times out of 20

Long-term financial outlook (2012-2015)

Q. Thinking ahead over the next **FIVE YEARS** or so, do you think your personal financial situation will be better or worse than it is today?

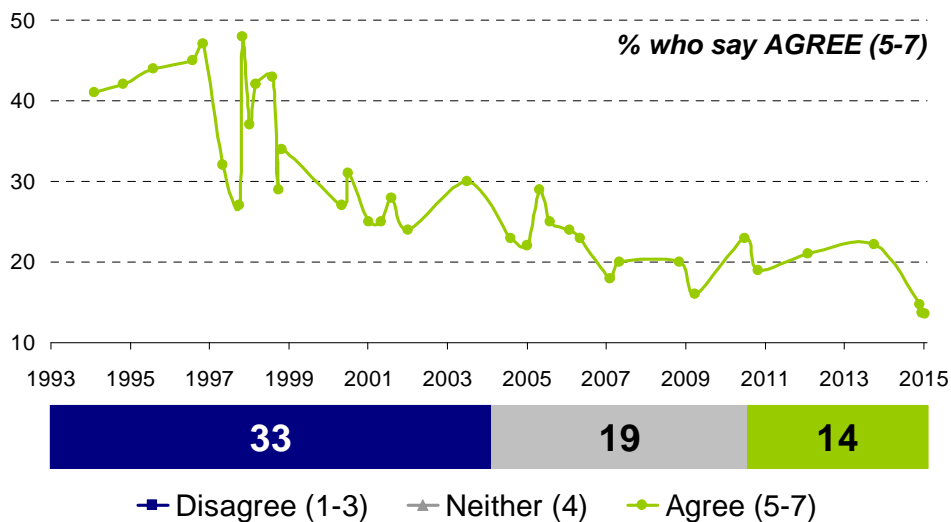


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BASE: Canadians (third-sample); January 5-13, 2015 (n=1,545), MOE +/- 2.8%, 19 times out of 20

Perceptions of job insecurity

Q. Please rate the extent to which you agree or disagree with the following statement: **I think there is a good chance I could lose my job over the next couple of years.**



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BASE: Canadians (third-sample); January 5-13, 2015 (n=1,396), MOE +/- 2.6%, 19 times out of 20

Detailed Tables:

Most Important Issue (Version A)							
<i>Q. Of the following issues, which one do you think should be the most important issue for the next federal election: 1) issues like ethics and accountability; 2) the economy, jobs, and growth; 3) Fiscal issues like taxes and debt; or 4) Social issues like health and education?</i>							
	Ethics & accountability	Economic issues	Fiscal issues	Social issues	DK/NR	Sample Size	Margin of Error (+/-)
NATIONALLY	11.0%	36.1%	12.2%	32.4%	8.2%	2203	2.1
REGION							
British Columbia	12.4%	27.3%	11.8%	40.9%	7.6%	309	5.6
Alberta	11.3%	34.5%	16.4%	27.5%	10.4%	300	5.7
Saskatchewan	11.3%	37.9%	9.9%	28.9%	12.1%	84	10.7
Manitoba	12.5%	29.4%	16.4%	32.7%	9.1%	102	9.7
Ontario	12.6%	40.9%	13.4%	25.5%	7.7%	859	3.3
Quebec	6.9%	34.0%	8.2%	42.9%	8.0%	337	5.3
Atlantic Canada	12.0%	40.6%	12.2%	26.9%	8.3%	209	6.8
GENDER							
Male	13.3%	40.5%	16.0%	27.3%	2.9%	971	3.1
Female	9.7%	36.2%	9.8%	40.9%	3.5%	1085	3.0
AGE							
<35	8.9%	33.5%	12.0%	43.3%	2.3%	184	7.2
35-49	13.2%	35.8%	12.1%	33.4%	5.4%	386	5.0
50-64	10.8%	43.9%	12.6%	29.4%	3.3%	781	3.5
65+	14.4%	39.3%	15.3%	28.0%	3.0%	711	3.7
EDUCATION							
High school or less	10.3%	45.3%	14.2%	27.7%	2.5%	513	4.3
College or CEGEP	11.8%	36.9%	12.0%	34.7%	4.7%	681	3.8
University or higher	12.4%	33.5%	12.3%	39.2%	2.7%	850	3.4
COUNTRY OF BIRTH							
Not born in Canada	15.1%	41.9%	12.9%	27.9%	2.2%	365	5.1
Parents not born in Canada	12.5%	37.9%	14.4%	30.0%	5.2%	562	4.1
Both parents born in Canada	10.0%	36.7%	12.1%	37.9%	3.2%	1155	2.9
CURRENT VOTE INTENTION							
Liberal Party	12.8%	39.3%	9.2%	37.1%	1.6%	603	4.0
Conservative Party	8.5%	53.6%	20.8%	15.3%	1.9%	621	3.9
NDP	12.4%	27.0%	7.1%	51.3%	2.2%	325	5.4
Green Party	10.9%	11.8%	18.4%	53.3%	5.5%	114	9.2
Bloc Québécois	3.8%	28.7%	9.6%	52.3%	5.6%	49	14.0

Most Important Issue (Version B)

Q. Of the following issues, which one do you think should be the most important issue for the next federal election: 1) restoring middle class progress; 2) issues related to the environment and climate change; 3) issues like ethics and accountability; or 4) fiscal issues like taxes and debt?

	Middle class progress	The environment	Ethics and accountability	Fiscal issues	DK/NR	Sample Size	Margin of Error (+/-)
NATIONALLY	32.1%	19.5%	13.2%	25.8%	9.4%	2209	2.1
REGION							
British Columbia	27.4%	22.5%	20.7%	19.1%	10.3%	276	5.9
Alberta	19.0%	11.7%	13.9%	38.6%	16.7%	323	5.5
Saskatchewan	21.9%	17.1%	20.2%	28.4%	12.4%	102	9.7
Manitoba	31.0%	20.1%	11.5%	25.4%	12.1%	98	9.9
Ontario	30.7%	16.4%	15.6%	27.6%	9.7%	874	3.3
Quebec	46.1%	25.5%	4.4%	19.0%	5.0%	341	5.3
Atlantic Canada	28.3%	25.2%	10.2%	29.9%	6.4%	191	7.1
GENDER							
Male	35.1%	18.0%	14.5%	29.3%	3.0%	960	3.2
Female	33.5%	23.4%	12.9%	25.7%	4.5%	1086	3.0
AGE							
<35	38.8%	24.2%	10.2%	24.1%	2.7%	165	7.6
35-49	37.3%	19.4%	13.3%	25.9%	4.3%	416	4.8
50-64	33.2%	18.5%	15.2%	28.5%	4.6%	741	3.6
65+	25.4%	21.3%	17.0%	32.2%	4.1%	720	3.7
EDUCATION							
High school or less	40.3%	16.2%	12.4%	28.8%	2.3%	518	4.3
College or CEGEP	33.8%	17.5%	14.0%	29.7%	4.9%	696	3.7
University or higher	30.2%	27.5%	14.5%	23.9%	4.0%	822	3.4
COUNTRY OF BIRTH							
Not born in Canada	40.0%	16.6%	11.9%	26.5%	4.9%	387	5.0
Parents not born in Canada	30.8%	19.1%	18.2%	28.7%	3.1%	606	4.0
Both parents born in Canada	34.3%	23.2%	11.7%	26.7%	4.2%	1062	3.0
CURRENT VOTE INTENTION							
Liberal Party	34.5%	23.1%	16.3%	22.9%	3.2%	614	4.0
Conservative Party	30.1%	8.0%	12.4%	46.1%	3.5%	650	3.8
NDP	40.4%	27.7%	12.4%	17.8%	1.8%	307	5.6
Green Party	30.9%	37.8%	10.6%	18.2%	2.5%	126	8.7
Bloc Québécois	38.0%	49.2%	3.3%	7.1%	2.4%	45	14.6

Short-Term Financial Outlook

Q. Thinking ahead over the next year or so, do you think your personal financial situation will be better or worse than it is today?

	Worse (1-3)	About the same (4)	Better (5-7)	Don't know / No response	Sample Size	Margin of Error (+/-)
NATIONALLY	25.2%	43.9%	23.5%	7.5%	1471	2.6
REGION						
British Columbia	28.7%	39.0%	25.0%	7.3%	198	7.0
Alberta	23.9%	40.4%	23.3%	12.4%	220	6.6
Saskatchewan	14.7%	52.1%	23.6%	9.6%	53	13.5
Manitoba	27.6%	38.7%	21.1%	12.6%	68	11.9
Ontario	21.4%	48.9%	22.8%	6.9%	541	4.2
Quebec	29.8%	43.9%	20.7%	5.7%	240	6.3
Atlantic Canada	26.8%	34.3%	33.2%	5.7%	149	8.0
GENDER						
Male	25.1%	42.7%	30.4%	1.8%	639	3.9
Female	27.7%	50.2%	19.8%	2.2%	729	3.6
AGE						
<35	29.9%	31.4%	36.2%	2.5%	126	8.7
35-49	29.9%	42.2%	27.4%	0.6%	257	6.1
50-64	25.5%	52.9%	18.6%	2.9%	526	4.3
65+	18.3%	67.7%	12.0%	2.1%	459	4.6
EDUCATION						
High school or less	30.8%	47.6%	20.1%	1.5%	317	5.5
College or CEGEP	23.7%	48.4%	26.3%	1.7%	486	4.5
University or higher	25.8%	44.2%	27.5%	2.5%	557	4.2
COUNTRY OF BIRTH						
Not born in Canada	24.6%	50.7%	22.0%	2.7%	237	6.4
Parents not born in Canada	29.1%	43.8%	24.1%	3.0%	403	4.9
Both parents born in Canada	25.6%	46.8%	26.1%	1.4%	734	3.6
CURRENT VOTE INTENTION						
Liberal Party	22.9%	50.5%	25.1%	1.5%	408	4.9
Conservative Party	16.2%	46.8%	34.2%	2.8%	412	4.8
NDP	31.6%	50.4%	15.9%	2.0%	212	6.7
Green Party	30.3%	39.0%	27.7%	3.0%	78	11.1
Bloc Québécois	36.5%	53.5%	10.0%	0.0%	41	15.3

Long-Term Financial Outlook

Q. Thinking ahead over the next five years or so, do you think your personal financial situation will be better or worse than it is today?

	Worse (1-3)	About the same (4)	Better (5-7)	Don't know / No response	Sample Size	Margin of Error (+/-)
NATIONALLY	25.1%	40.0%	27.9%	6.9%	1545	2.5
REGION						
British Columbia	13.4%	49.7%	28.3%	8.7%	200	6.9
Alberta	24.3%	37.3%	28.1%	10.3%	213	6.7
Saskatchewan	15.1%	39.1%	31.1%	14.7%	66	12.1
Manitoba	30.5%	36.9%	24.8%	7.8%	65	12.2
Ontario	26.0%	36.0%	30.9%	7.1%	618	3.9
Quebec	34.1%	42.6%	19.7%	3.6%	243	6.3
Atlantic Canada	18.2%	42.4%	33.9%	5.5%	137	8.4
GENDER						
Male	27.1%	36.8%	33.8%	2.3%	695	3.7
Female	25.7%	48.5%	24.8%	1.0%	742	3.6
AGE						
<35	25.4%	28.6%	44.4%	1.5%	121	8.9
35-49	27.0%	38.3%	32.7%	2.0%	277	5.9
50-64	27.7%	45.3%	24.8%	2.2%	509	4.3
65+	24.2%	63.9%	10.4%	1.6%	534	4.2
EDUCATION						
High school or less	31.5%	46.5%	21.2%	0.8%	404	4.9
College or CEGEP	26.8%	42.9%	28.4%	1.9%	468	4.5
University or higher	21.1%	39.1%	38.0%	1.7%	558	4.2
COUNTRY OF BIRTH						
Not born in Canada	28.3%	44.3%	25.5%	2.0%	270	6.0
Parents not born in Canada	30.4%	35.4%	31.7%	2.4%	397	4.9
Both parents born in Canada	23.8%	45.4%	29.9%	1.0%	779	3.5
CURRENT VOTE INTENTION						
Liberal Party	21.4%	43.7%	34.6%	0.4%	418	4.8
Conservative Party	18.1%	46.4%	33.8%	1.6%	463	4.6
NDP	26.0%	42.1%	30.5%	1.4%	210	6.8
Green Party	34.8%	41.8%	22.5%	0.9%	88	10.5
Bloc Québécois	40.1%	47.1%	11.3%	1.6%	31	17.6

Perceptions of Job Insecurity

Q. Please rate the extent to which you agree or disagree with the following statement: 'I think there is a good chance I could lose my job over the next couple of years.'

	Disagree (1-3)	Neither agree nor disagree (4)	Agree (5-7)	Not applicable	Don't know / No response	Sample Size	Margin of Error (+/-)
NATIONALLY	33.4%	19.4%	13.6%	23.0%	10.6%	1396	2.6
REGION							
British Columbia	36.2%	18.7%	9.3%	22.0%	13.8%	187	7.2
Alberta	34.4%	21.5%	17.1%	16.5%	10.5%	190	7.1
Saskatchewan	43.1%	25.3%	11.8%	14.6%	5.1%	67	12.0
Manitoba	48.6%	14.6%	7.1%	14.2%	15.5%	67	12.0
Ontario	31.6%	17.3%	16.9%	24.1%	10.1%	574	4.1
Quebec	31.3%	20.4%	9.8%	29.3%	9.2%	195	7.0
Atlantic Canada	27.3%	28.1%	12.5%	20.3%	11.7%	114	9.2
GENDER							
Male	36.6%	21.6%	16.6%	21.6%	3.6%	597	4.0
Female	34.4%	19.6%	12.4%	27.0%	6.6%	700	3.7
AGE							
<35	44.5%	18.0%	15.5%	16.6%	5.3%	102	9.7
35-49	39.0%	23.9%	18.5%	13.2%	5.3%	268	6.0
50-64	31.6%	21.2%	17.1%	27.3%	2.9%	487	4.4
65+	24.0%	18.5%	2.4%	48.1%	7.0%	438	4.7
EDUCATION							
High school or less	29.3%	19.6%	9.0%	36.7%	5.3%	310	5.6
College or CEGEP	31.9%	23.3%	17.0%	24.2%	3.6%	423	4.8
University or higher	42.8%	19.5%	16.1%	16.3%	5.3%	557	4.2
COUNTRY OF BIRTH							
Not born in Canada	25.8%	29.2%	12.1%	27.5%	5.5%	245	6.3
Parents not born in Canada	37.7%	19.2%	13.5%	23.7%	5.9%	368	5.1
Both parents born in Canada	37.0%	18.6%	15.5%	23.6%	5.3%	704	3.7
CURRENT VOTE INTENTION							
Liberal Party	38.7%	17.0%	15.6%	24.4%	4.3%	391	5.0
Conservative Party	37.7%	19.8%	12.0%	26.5%	4.1%	396	4.9
NDP	33.3%	23.0%	15.4%	24.3%	3.9%	210	6.8
Green Party	41.0%	29.5%	10.2%	12.7%	6.7%	74	11.4
Bloc Québécois	44.6%	30.6%	15.3%	9.6%	0.0%	22	20.9

Methodology:

This study was conducted using High Definition Interactive Voice Response (HD-IVR™) technology, which allows respondents to enter their preferences by punching the keypad on their phone, rather than telling them to an operator. In an effort to reduce the coverage bias of landline only RDD, we created a dual landline/cell phone RDD sampling frame for this research. As a result, we are able to reach those with a landline and cell phone, as well as cell phone only households and landline only households.

The field dates for this survey are January 5-13, 2015. In total, a random sample of 4,412 Canadian adults aged 18 and over responded to the survey. The margin of error associated with the total sample is +/-1.5 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 by **age, gender, region, and educational attainment** to ensure the sample's composition reflects that of the actual population of Canada according to Census data.