

Economic Sentiment: Where Has 2022 Taken Consumer Perceptions?

Wave 1 – May 2022

Wave 2 – November 2022

Wave 3 – March 2023

Michael Edwards

+1 416-953-5489

michael@diginsights.com

Ian Ash

+1 647-987-2824

ianl@diginsights.com



With ongoing economic volatility, Dig Insights wants to track economic sentiment and behaviors among Americans and Canadians.

This is the third wave of interviewing. The first 2 waves were collected in May 2022 and November 2022. This round of interviewing was in March 2023.

We intend to conduct additional interviews in 2023 to understand how sentiment and behaviors evolve as recession sets in.

Visit the Upside interactive dashboard to explore the latest study results



Survey

An online questionnaire in **English**, approximately **5-10-minutes** in length.

All interviewing on the Upsiide platform, including an idea screen, emoji question to understand emotions, dynamic verbatims & natural language processing.

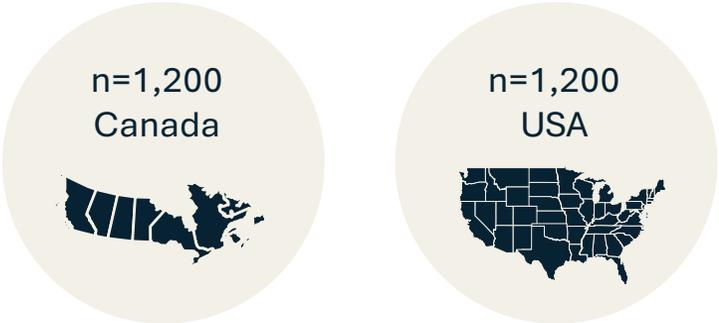
Sample Specs

Wave 1 n=1,000 adults age 18+

Wave 2 n=1,000 adults age 18+

Wave 3 n=2,400 adults age 18+

Sample in each country balanced by age / gender / region to be nationally representative.



Timing

Wave 1 data collected May 27-28, 2022

Wave 2 data collected November 2-3, 2022

Wave 3 data collected March 9-10, 2023

Statistical Testing

Data points in this report that have been tested for statistical significance are marked to indicate the number is significantly higher/lower at the 95% confidence level.



American Results

Key Themes & Summary of March 2023 Consumer Economic Perceptions Tracker



Key Themes From This Wave (March 2023):

1. Declining Consumer Optimism and Increasing Disapproval
2. Pessimistic Economic Outlook
3. Deteriorating Personal Financial Situation
4. Inflation and Financial Anxieties
5. Adaptation and Cost-Saving Measures
6. Investment Trends and Preferences

Conclusion:

The current economic environment has led Americans to perceive an uncertain and pessimistic future, with optimism giving way to disapproval and sadness. Personal financial situations are deteriorating, causing increased anxiety over inflation, recession, and job security. To adapt, consumers are employing various cost-saving measures, such as using coupons, cooking at home, and canceling subscriptions. Investment preferences and trust in specific companies, like Apple and Tesla, vary, but the overall sentiment remains cautious and focused on safeguarding financial stability.



Key Themes From The March 2023 Tracker

1. Declining Optimism and Increasing Disapproval

- Most Americans pay attention to news about the economy, and for many, optimism is giving way to feelings of disapproval and sadness.

2. Pessimistic Economic Outlook

- Half of Americans think the economy is in bad shape, with only a third believing it will improve in the next 6 months, with just as many thinking it will get worse.

3. Deteriorating Personal Financial Situation

- There is a downward trend in rating personal financial situations in the US.
- The % of Americans who feel that their personal financial situation was Somewhat/Very (42%) good dropped almost 7 pts (6.9 pts) since November 2022 (from 49%), while the % who feel that their personal financial situation is Somewhat/Very bad has increased by almost 5 pts (-4.8 pts, From 28% in Nov).

4. Inflation and Financial Anxieties

- Many are feeling anxiety over inflation, recession, costs of gas and housing, as well as job security.
- While most are keeping up with the bills, 4-in-10 say they accumulate more debt doing so.



Key Themes From The March 2023 Tracker

5. Adaptation and Cost-Saving Measures

- Most consumers are taking the following actions to save money in the current economic environment:
 - Using coupons and promotions at grocery stores (79%)
 - Trying new recipes at home instead of going out to restaurants (76%)
 - Redeeming loyalty points at grocery stores (75%)
 - Buying less expensive brands or store brands (74%)
- 56% of Consumers indicated that they were cancelling subscriptions to save money. When asked if they could only keep one, 29% chose Netflix. Interestingly, only 7% chose Disney+ and 3% Apple vs. the 9% that chose none of the above?

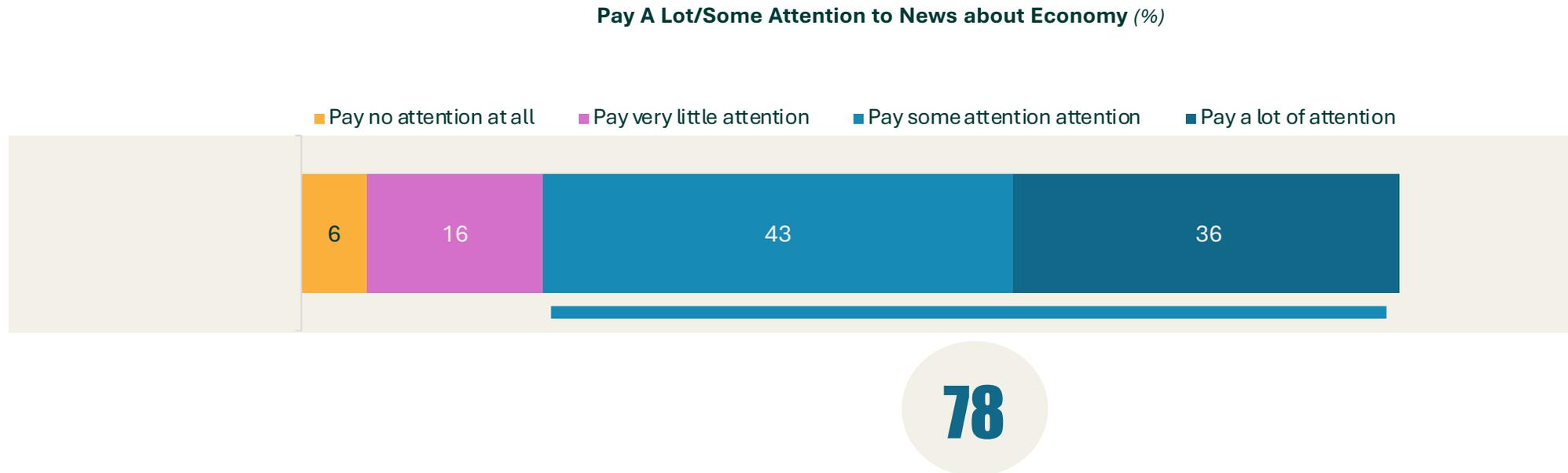
6. Investment Trends and Preferences

- Almost a third of Americans say they have less savings and 23% say they have less in investments than they did 3 months ago.
- 54% of Americans reported owning any stocks in March of 2023 and 20% reported owning cryptocurrencies.
- A quarter of Americans plan to invest more in stocks in the next 12 months, and only 12% intend to invest less.
- Over 35% of Americans are expecting real estate and precious metal values to increase. A quarter believe the prices for all commodities will remain the same.
- Over half of Americans trust Apple stock and would consider investing in it.
- Four in ten Americans trust Tesla products and would consider investing in the company, though almost the same number would not.



Only 6% of Americans pay no attention to news about economy.

36% of Americans say that they pay a lot of attention to news about the economy, while another 43% report paying some attention (Total 78% T2B).

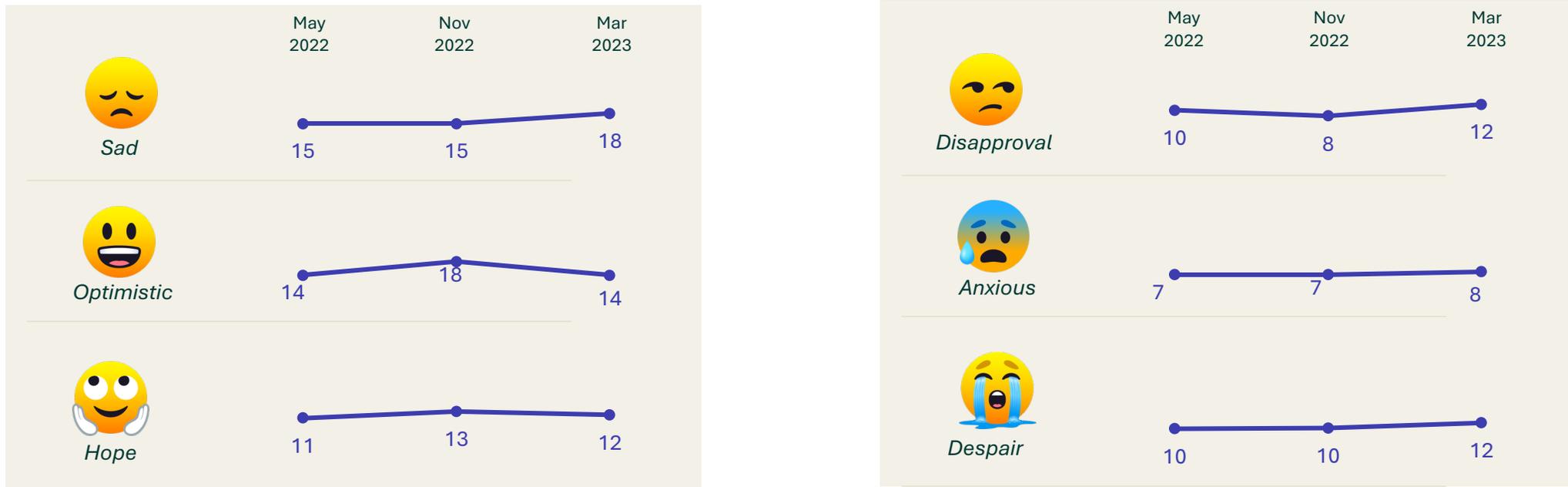




Optimism is giving way to feelings of sad and disapproval in the US. One in ten continue to remain hopeful.

In March 2023, 18% of Americans indicated that they were Sad about their personal financial situation.

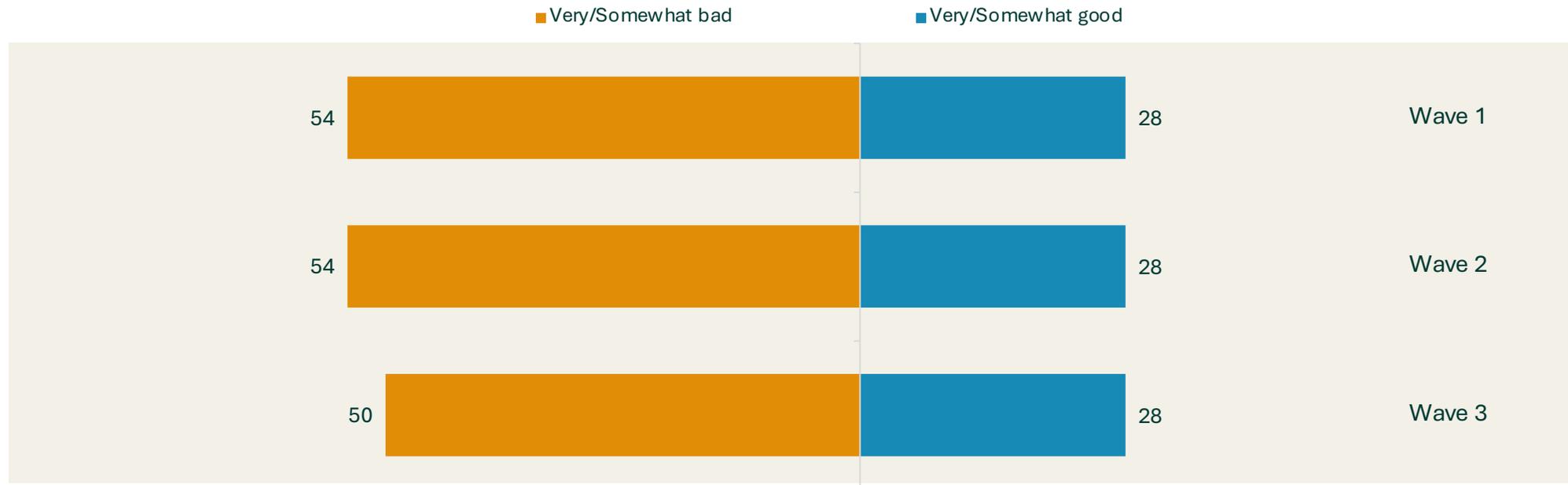
Feelings About Personal Financial Situation (%)





Perceptions of economy overall in the US hasn't changed since November 2022, with 28% considering it to be in very/somewhat good shape, while half believe the opposite to be true.

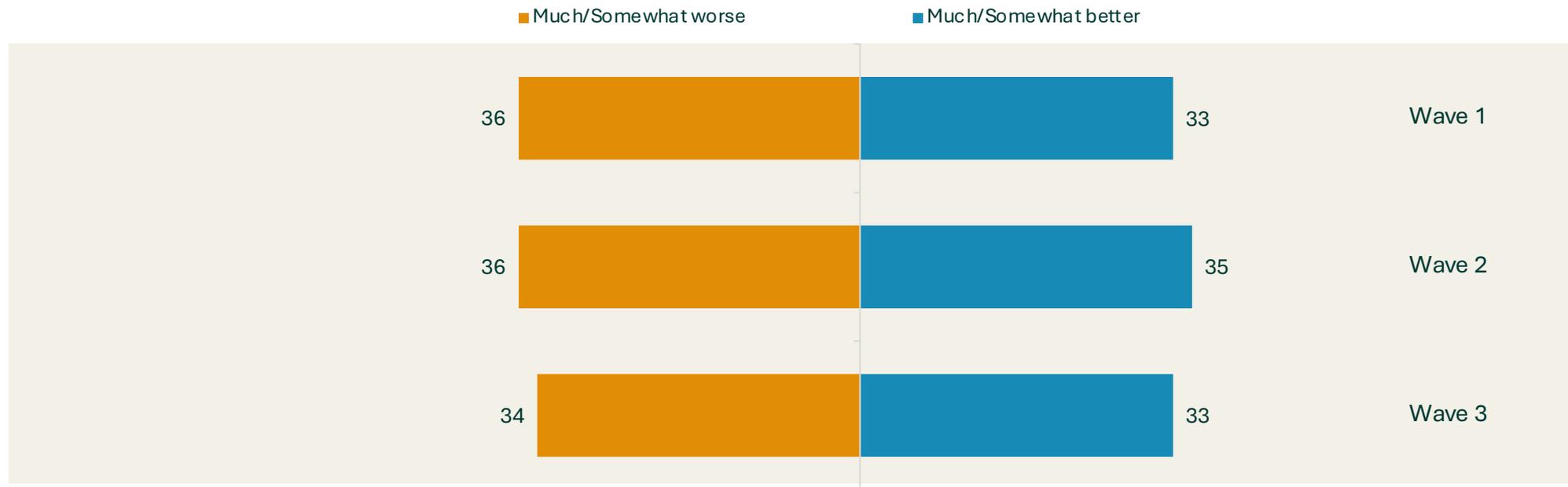
View on Economy (%)





A third of Americans believe the economy will improve in six months, but just as many believe the opposite.

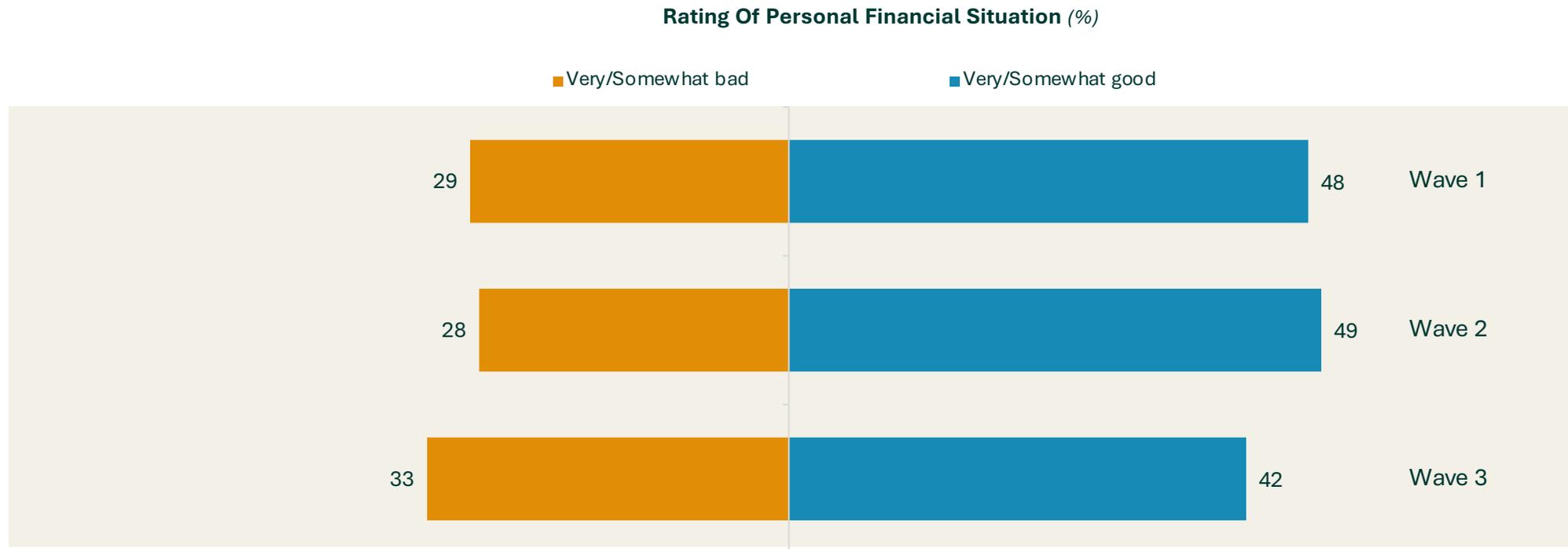
Near Future Perceptions of Economy – in the Next 6 Months (%)





There is a downward trend in rating personal financial situation in the US.

The % of Americans who feel that their personal financial situation was Somewhat/Very (42%) good dropped almost 7 pts (6.9 pts) since November 2022 (from 49%), while the % who feel that their personal financial situation is Somewhat/Very bad has increased by almost 5 pts (-4.8 pts, From 28% in Nov).

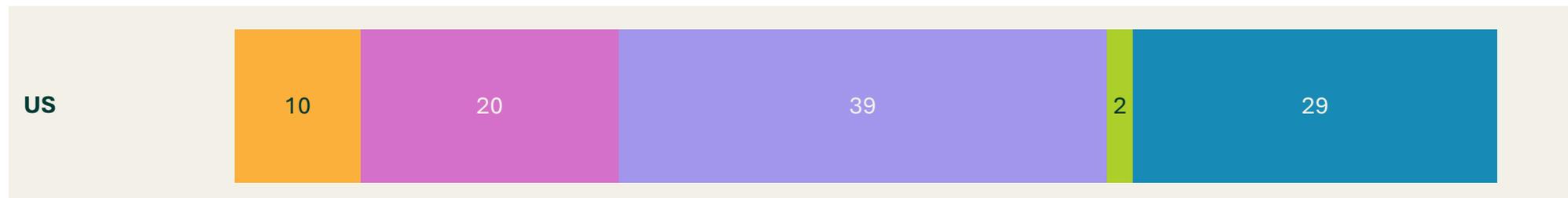




1-in-10 Americans would spend an extra \$500 on something fun, while almost 4-in-10 would put it towards debt.

Would Spend an Extra \$500 (%)

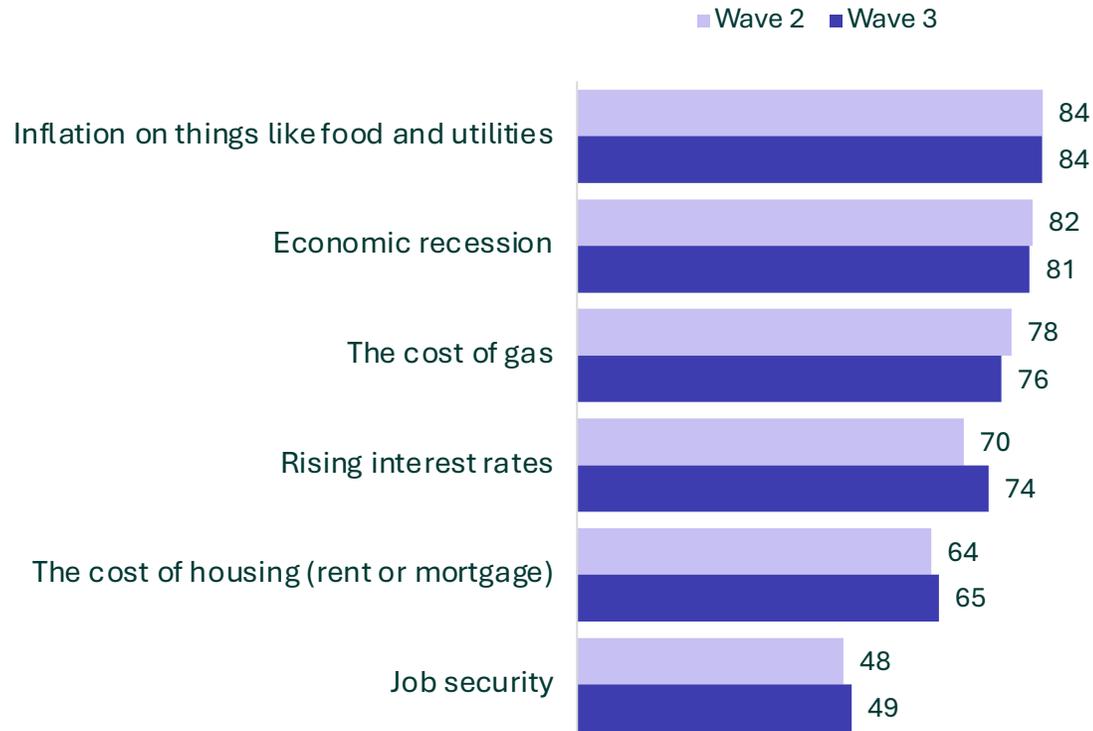
■ Spend it on something fun ■ Spend it on something I need ■ Put it towards a bill or debt ■ Give it to someone else ■ Save it





Anxiety over inflation, recession, costs of gas and housing as well as job security continue to worry Americans.

Level of Concern (% Extremely/Somewhat Worried)

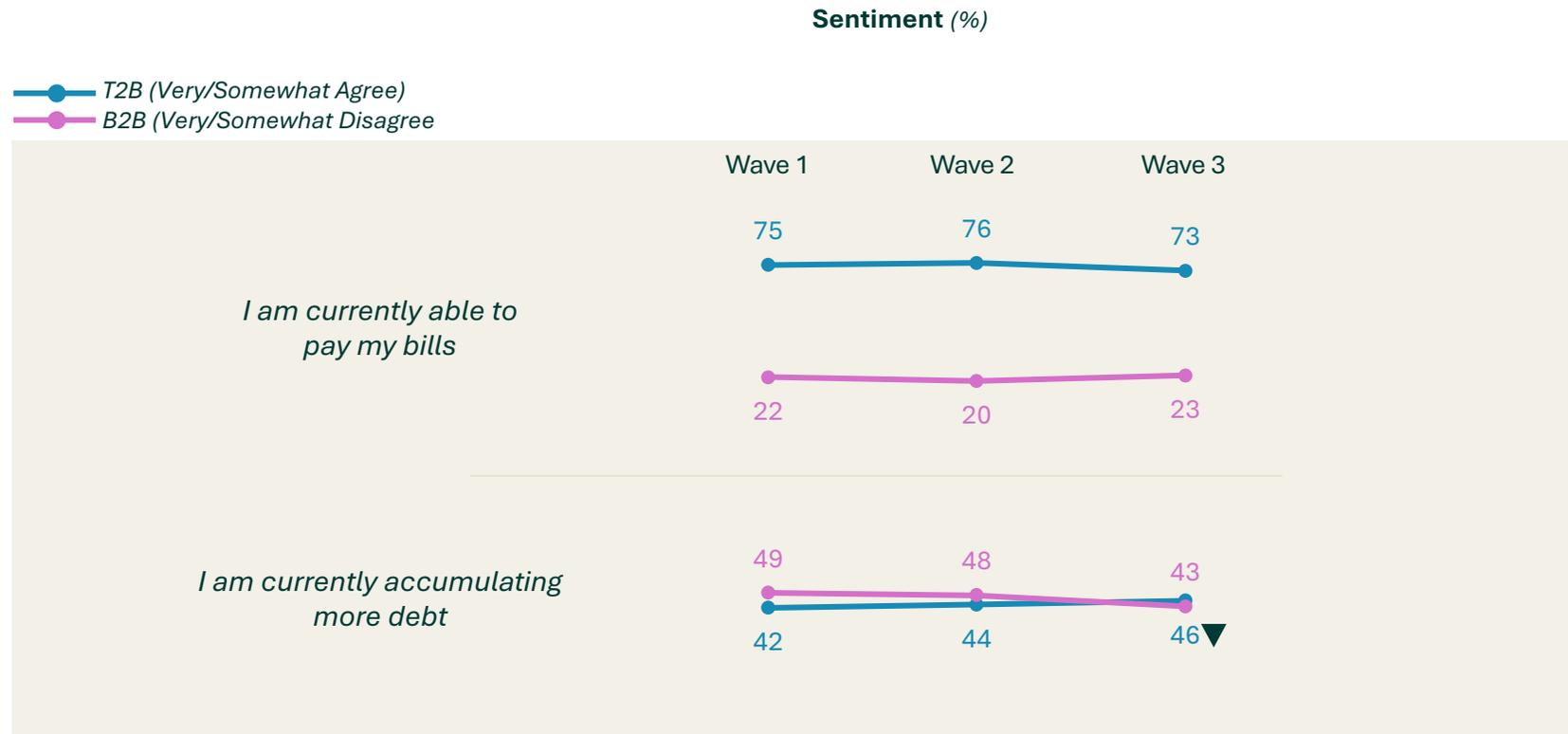


I feel despair because I feel stress. I have a lot of bills and responsibilities, but income doesn't always meet them.





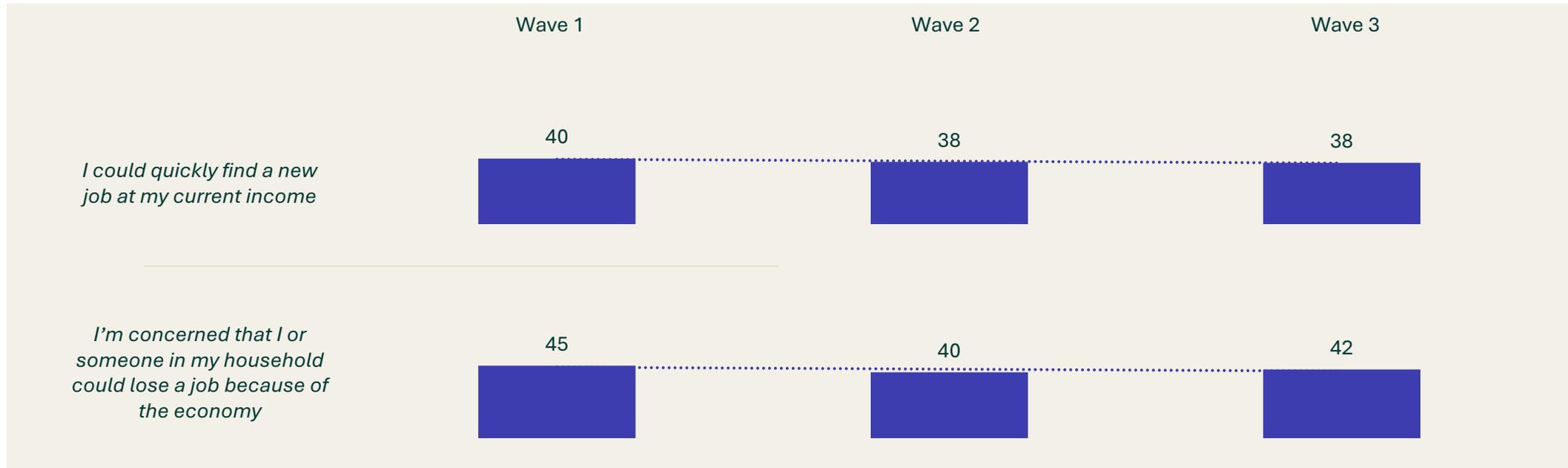
Most Americans are keeping up with the bills, but 4-in-10 say they accumulate more debt doing so.





42% of Americans are concerned that they personally or someone else in their household could lose their job because of the economy.

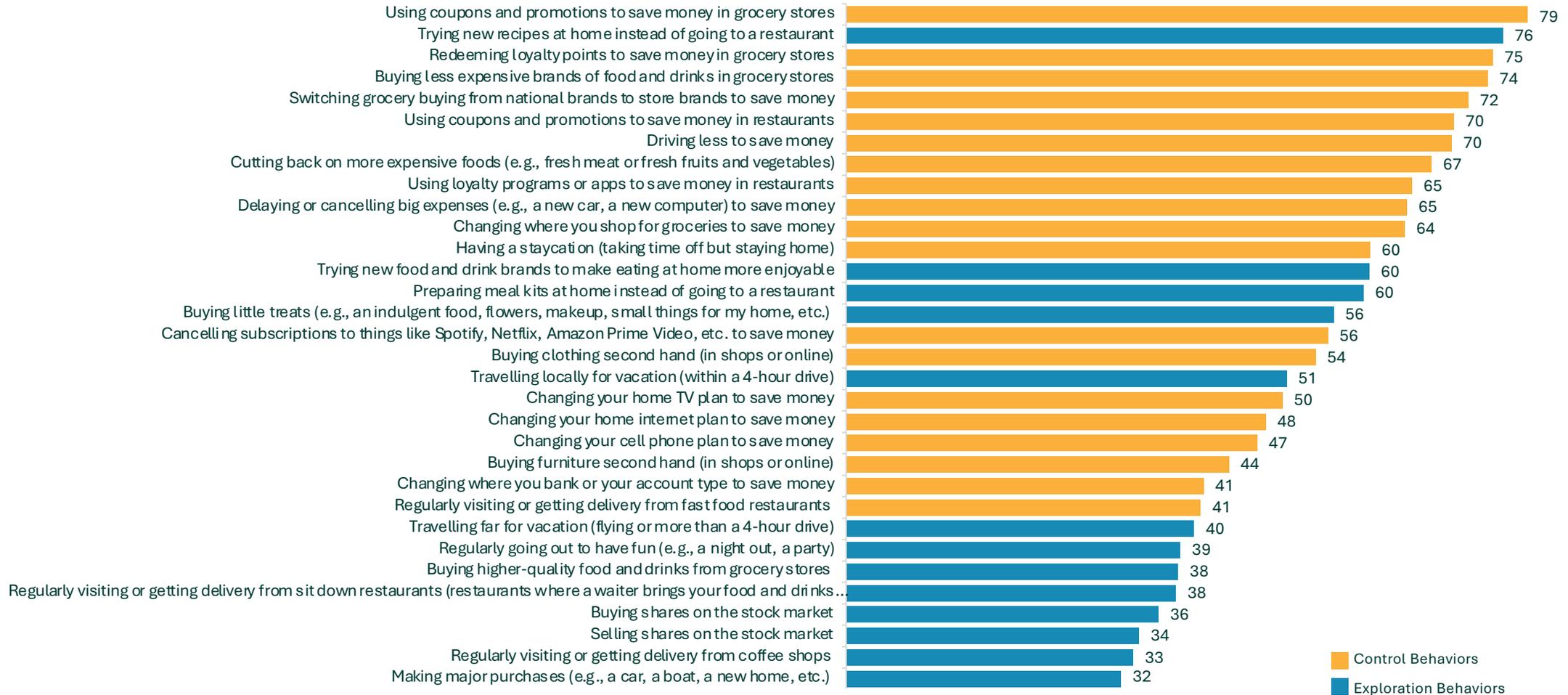
Sentiment (% T2B Very/Somewhat Agree)





8-in-10 Americans use promotions and coupons to save money in grocery stores. Almost half (47%) are changing their internet and cell phone plans to save money.

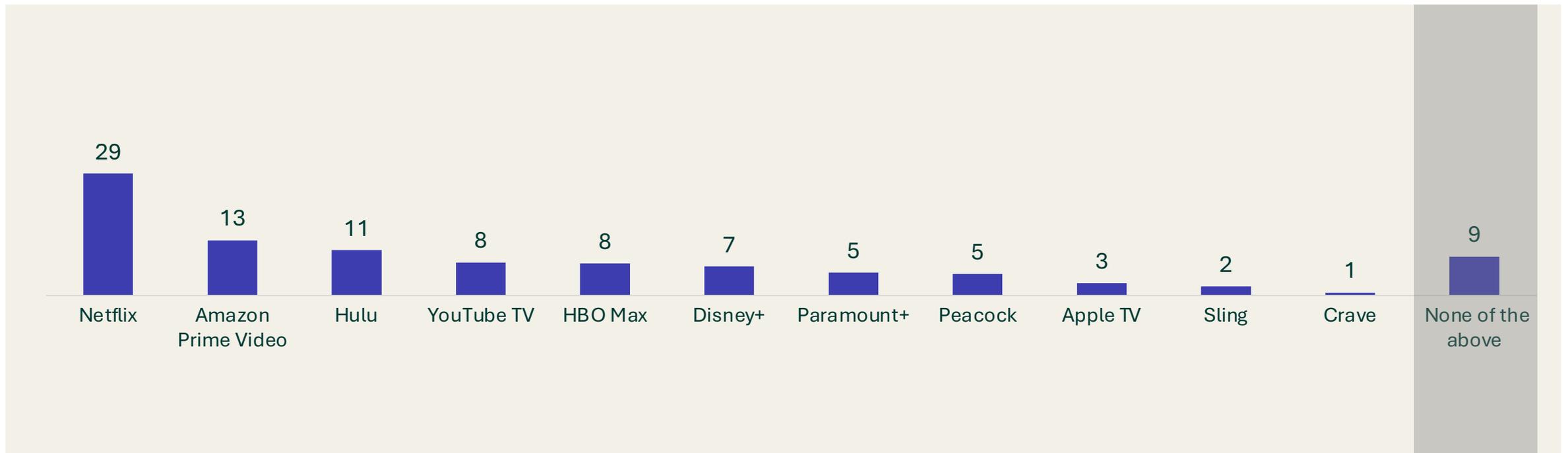
Upside Exercise - Level of Interest in Adopting Behaviors (% Interested, Wave 3)





56% of Consumers indicated that they were cancelling subscriptions to save money. When asked if they could only keep one, 29% chose Netflix. Interestingly, only 7% chose Disney+ and 3% Apple vs. the 9% that chose none of the above.

Most Preferred Types of Streaming Services (%)



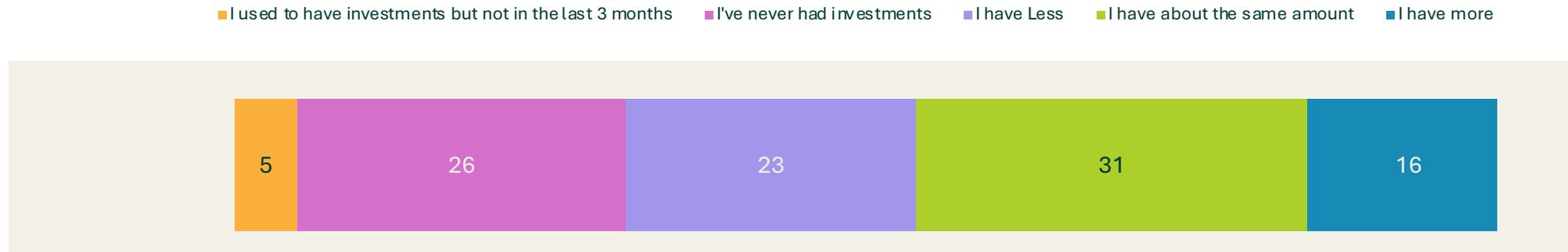


Almost a third of Americans say they have less savings and 23% say they have less in investments than they did 3 months ago.

Personal Savings Now vs 3 Months Ago (%)



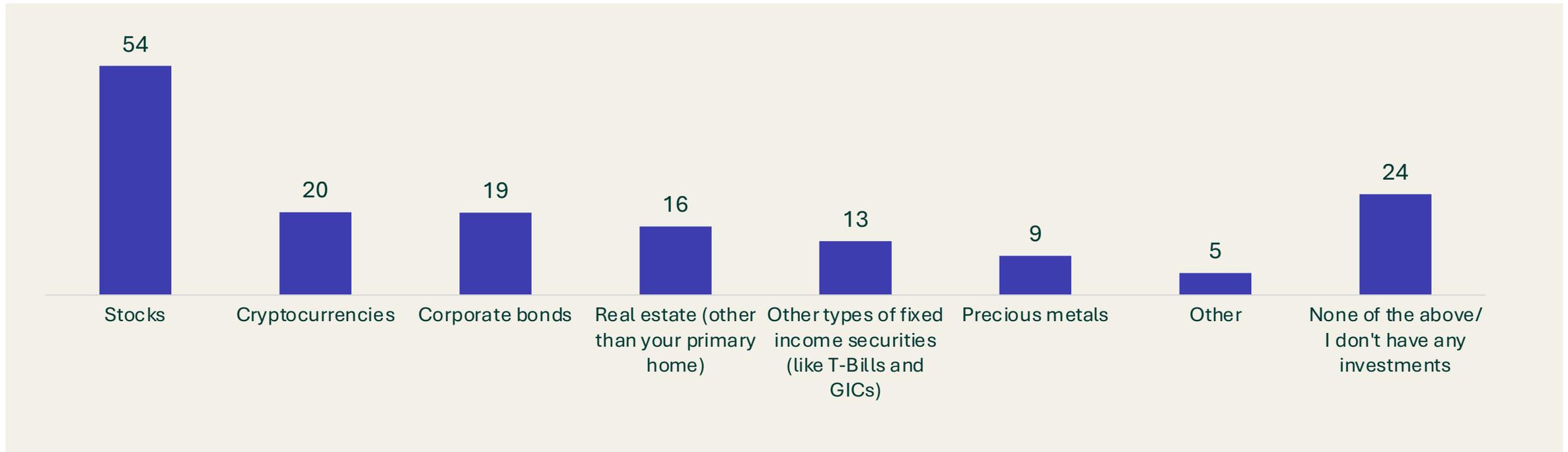
Personal Investments Now vs 3 Months Ago (%)





54% of Americans reported owning any stocks in March of 2023 and 20% reported owning cryptocurrencies.

Types of Investments Owned (%)





A quarter of Americans plan to invest more in stocks in the next 12 months.

Investment Plans in N12M (%)

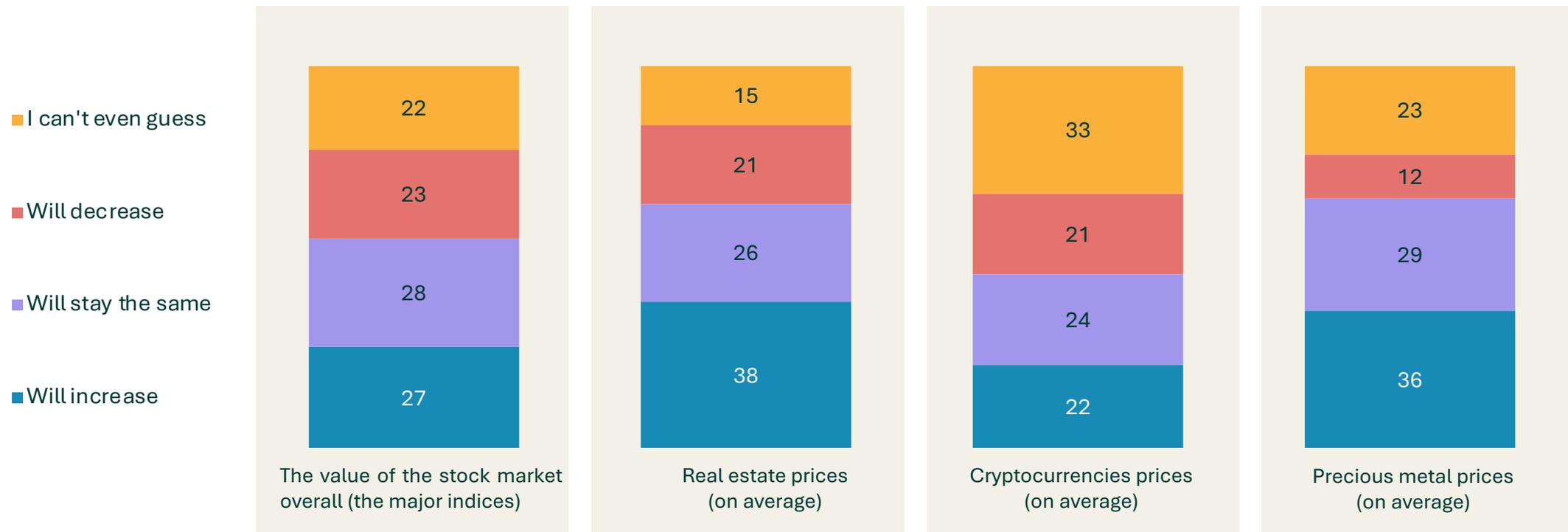




Over 35% of Americans are expecting real estate and precious metal values to increase. A quarter believe the prices for all commodities will remain the same.

27% believed that the value of the stock market overall would increase and 22% believe that Cryptocurrencies prices would increase.

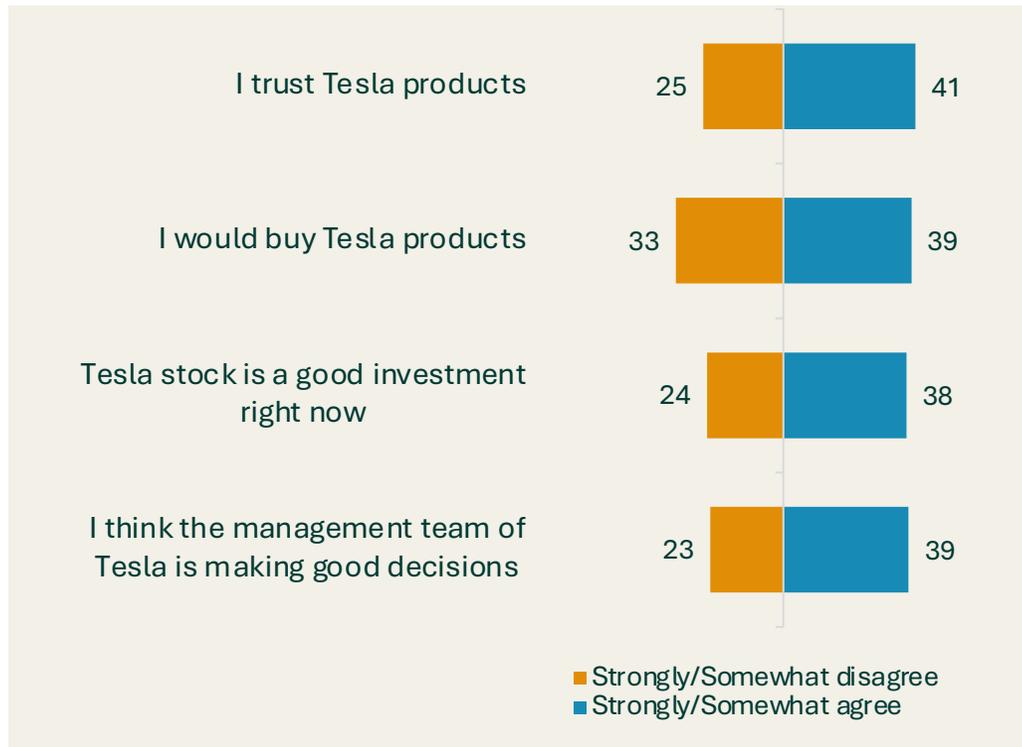
Value of Investment Outlook N12M (%)



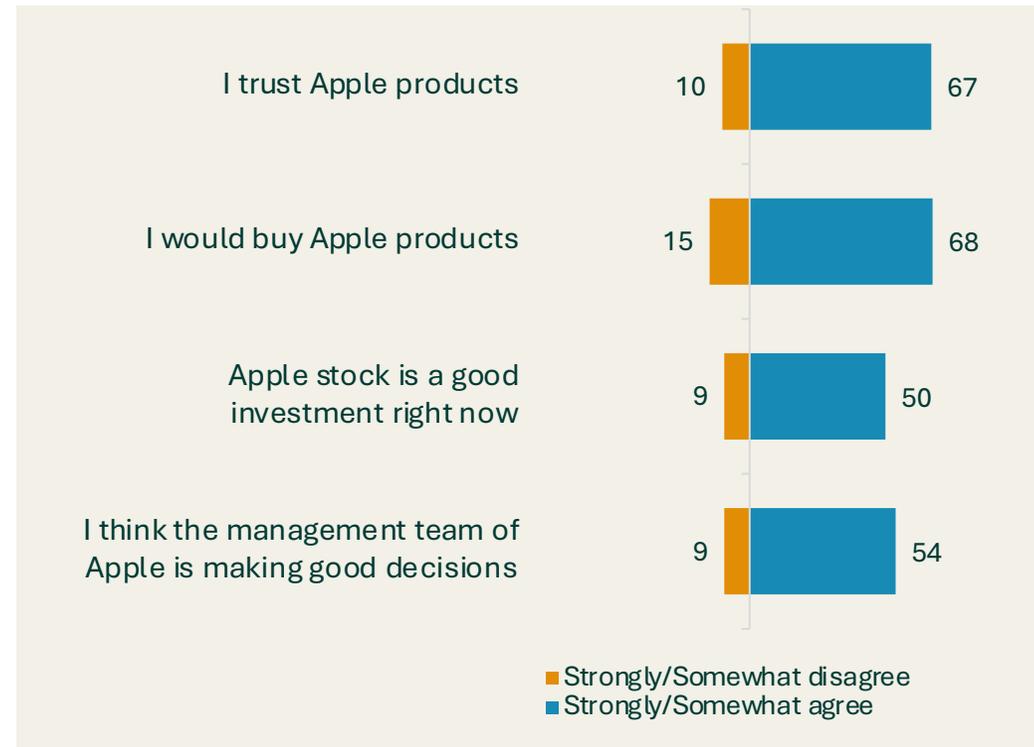


Over half of Americans trust Apple stock and would consider investing in it. Four in ten Americans trust Tesla products and would consider investing in the company, though almost the same number would not.

Perceptions of Tesla Company (%)



Perceptions of Apple Company (%)





Canadian Results



Key Themes & Summary of March 2023 Consumer Economic Perceptions Tracker

Key Themes From This Wave (March 2023):

1. Declining Optimism and Emotional Stability
2. Pessimistic Economic Outlook
3. Personal Financial Situation Concerns
4. Inflation, Recession, and Cost of Living Worries
5. Job Security Anxieties
6. Adaptation and Cost-Saving Measures
7. Investment Trends and Preferences

Conclusion:

Canadians are exhibiting a decline in optimism and emotional stability regarding the current economic environment, with over half believing the economy is in bad shape and concerns about personal financial situations on the rise. Inflation, recession, and cost of living worries are prevalent, and job security anxieties are increasing. Canadians are adopting various cost-saving measures, such as changing shopping habits, making home-made meals more enjoyable, and canceling subscriptions. Investment trends show a cautious approach, with a focus on stocks and fixed income securities, while trust in specific companies like Apple is generally high, but attitudes towards investing in Tesla are more divided.



Key Themes From The March 2023 Tracker

1. Declining Optimism and Emotional Stability

- While the emotional response to their personal situation has stayed mostly stable since Nov '22, there is a troubling declining trend in those reporting that they feel optimistic.

2. Pessimistic Economic Outlook

- Over half of Canadians think the economy is in bad shape, with only a quarter believing it will improve in the next 6 months, and almost 40% believing it is going to get worse.

3. Personal Financial Situation Concerns

- 30% of Canadians report that their personal financial situation is in bad shape.
- 33% of reported having less in personal savings than they did 3 months ago.

4. Inflation, Recession, and Cost of Living Worries

- Both Canadians and Americans express elevated levels of concern regarding inflation, recession, and the rising cost of living.

5. Job Security Anxieties

- Many worry more about job security, with 39% concerned that they personally or someone in their household could lose their job because of the economy.



Key Themes From The March 2023 Tracker

6. Adaptation and Cost-Saving Measures

- Most Canadian consumers are taking actions to save money in the current environment. In addition to using coupons, loyalty points, and switching to more affordable brands, we observe a significant increase in the following behaviors:
 - Changing where you shop in order to save money (68%)
 - Trying to increase the enjoyment of home-made meals more enjoyable to avoid spending money at restaurants (buying new foods, little treats, using meal kits) (~57%)
 - Changing telco plans (TV, internet, cell service) (~48%)
 - Buying secondhand furniture (42%)
 - Changing bank account types to help save money (34%)
- 51% of Canadians indicated that they are cancelling subscriptions to save money. When asked if they could only keep one, 41% Canadians chose Netflix (vs. only 29% of Americans).

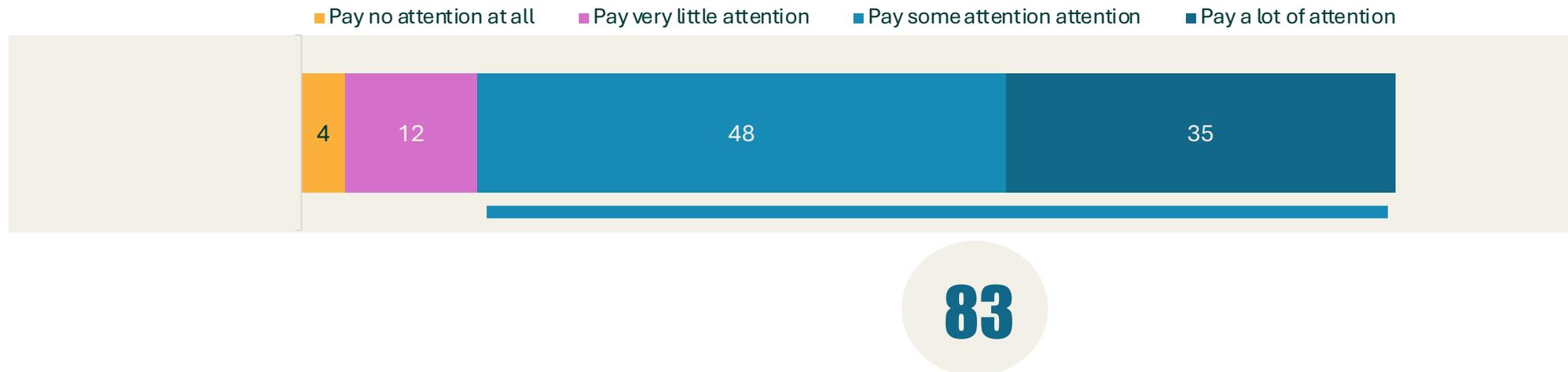
7. Investment Trends and Preferences

- Almost a third (33%) of Canadians say they have less savings and 24% say they have less in investments than they did 3 months ago.
- 48% of Canadians reported owning any stocks in March of 2023, and 32% reported owning other fixed income securities (T-bills and GICs).
- A fifth of Canadians (19%) plan to invest more in stocks in the next 12 months, while 16% intend to invest less.
- 34% of Canadians expect real estate and precious metal values to increase. A quarter or more believe the prices for all commodities will remain the same (except Cryptocurrencies – only 21% believe it will remain stable).
- Over half of Canadians trust Apple, and 45% think Apple stock is a good investment right now.
- 4-in-10 Canadians trust Tesla products, but only a third (33%) would consider investing in the company, with a similar number of people (28%) who would not.



35% of Canadians say that they pay a lot of attention to news about the economy, only 4% of Canadians pay no attention to news about economy.

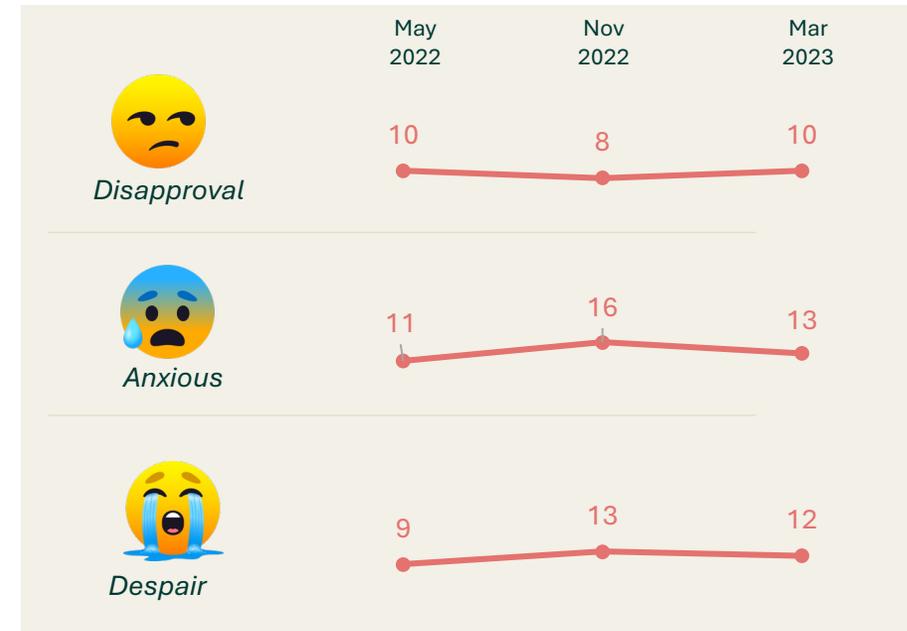
Pay A Lot/Some Attention to News about Economy (%)





While the emotional response to their personal situation has stayed mostly stable in Canada, we do see a troubling declining trend in those reporting that they feel **Optimistic**.

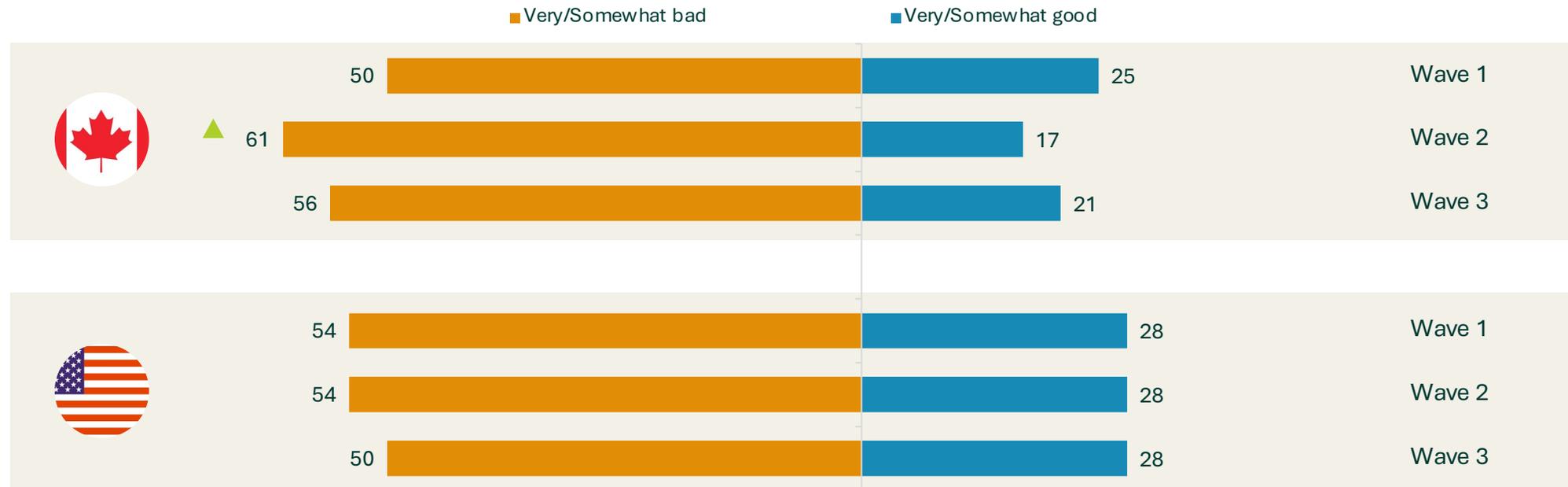
Feelings About Personal Financial Situation (%)





Over half of Canadians continue to consider the overall economy to be in a very or somewhat bad shape.

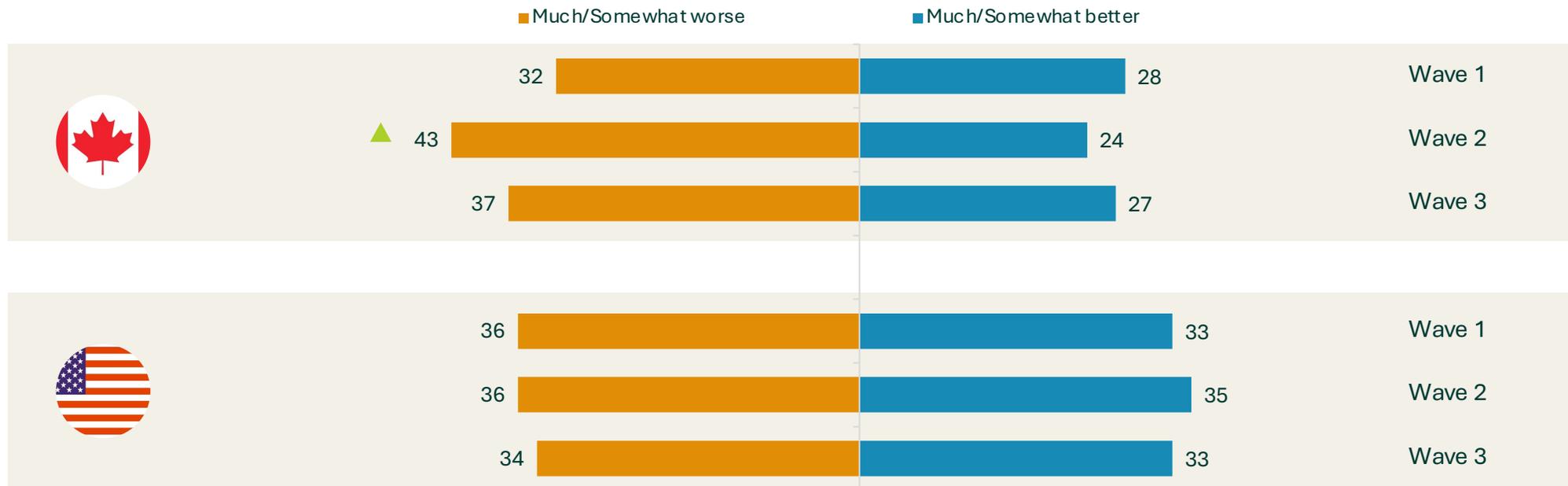
View on Economy (%)





Over a third of Canadians continue to think the economy will be worse in 6 months, though that number is less than when measured in Nov '22.

Near Future Perceptions of Economy – in the Next 6 Months (%)





30% of Canadians report that their personal financial situation is in bad shape. The US has seen a dip in positive assessment scores this wave vs. last.

Rating Of Personal Financial Situation (%)

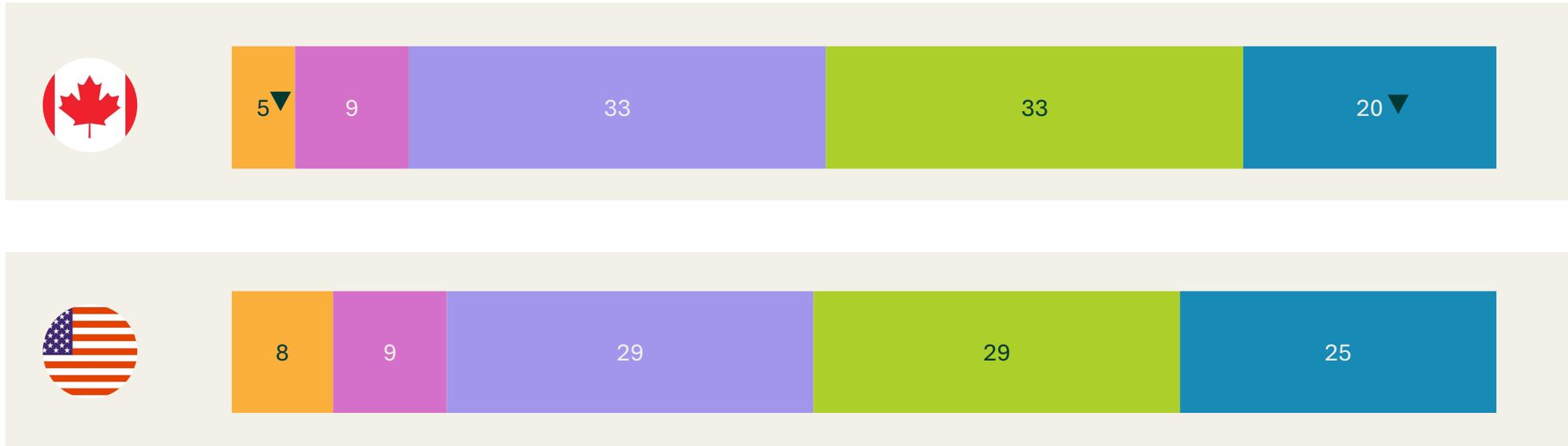




33% of Canadians reported having less in personal savings than they did 3 months ago. That is slightly higher than the 29% of Americans that reported the same.

Personal Savings Now vs 3 Months Ago (%)

■ I used to have savings, but not in the last 3 months ■ I've never had savings ■ I have less ■ I have about the same amount ■ I have more

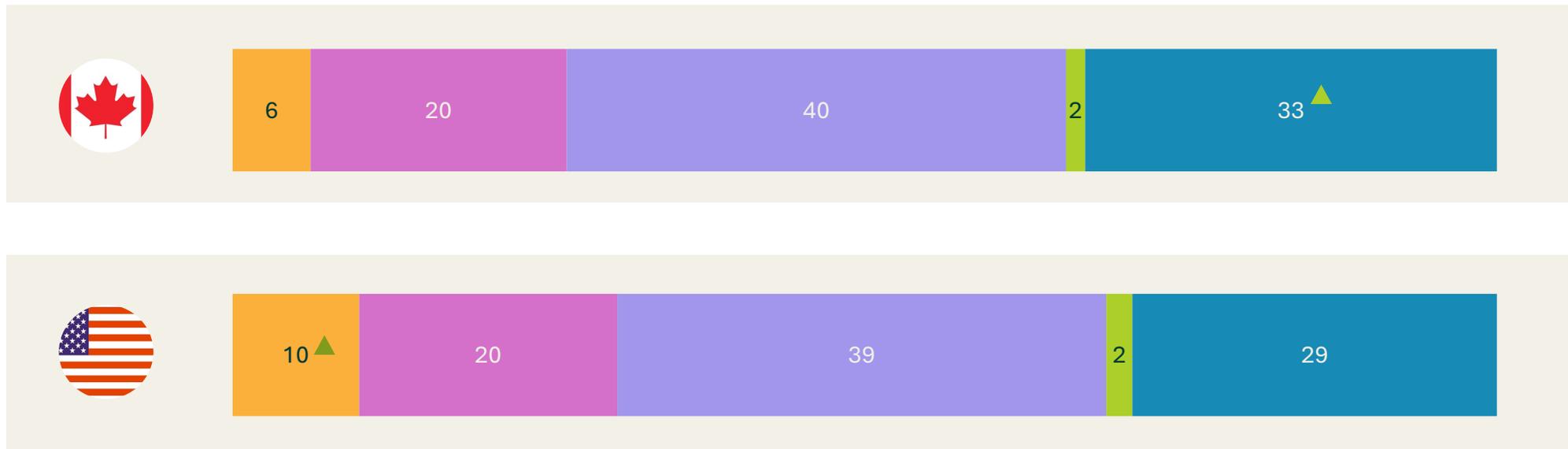




Canadians tend to be more conservative if they hypothetically came across an extra \$500, more Canadians would save it.

Would Spend an Extra \$500 (%)

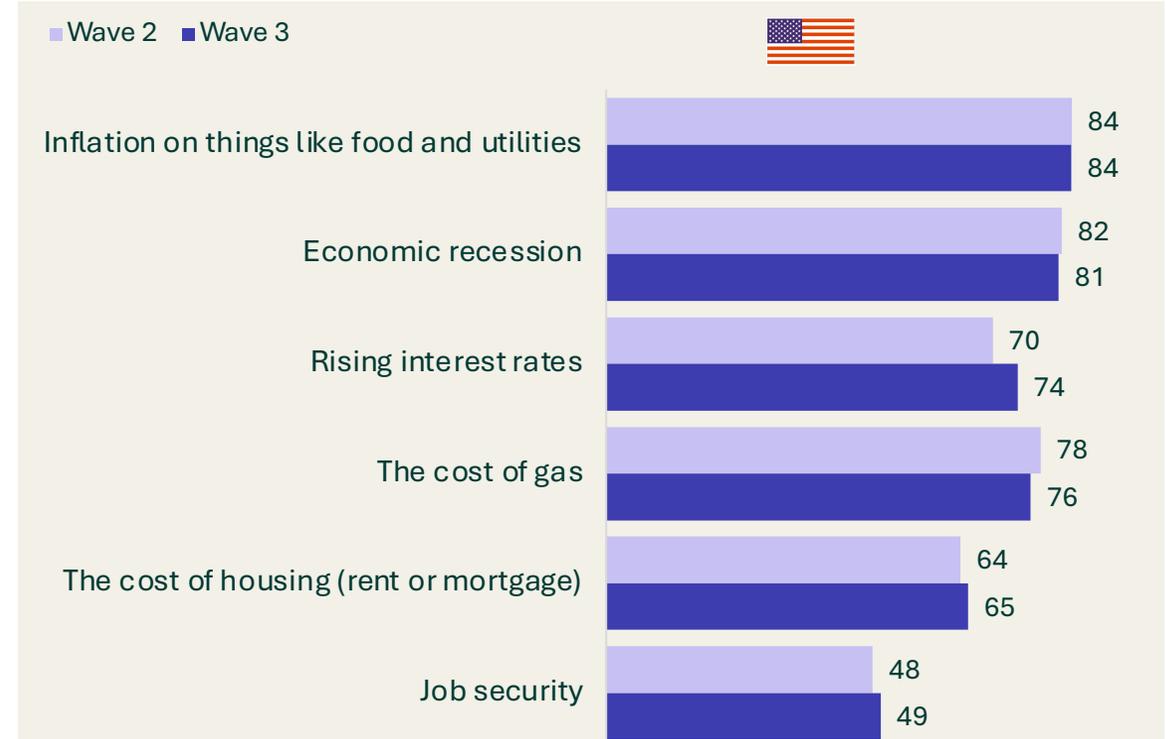
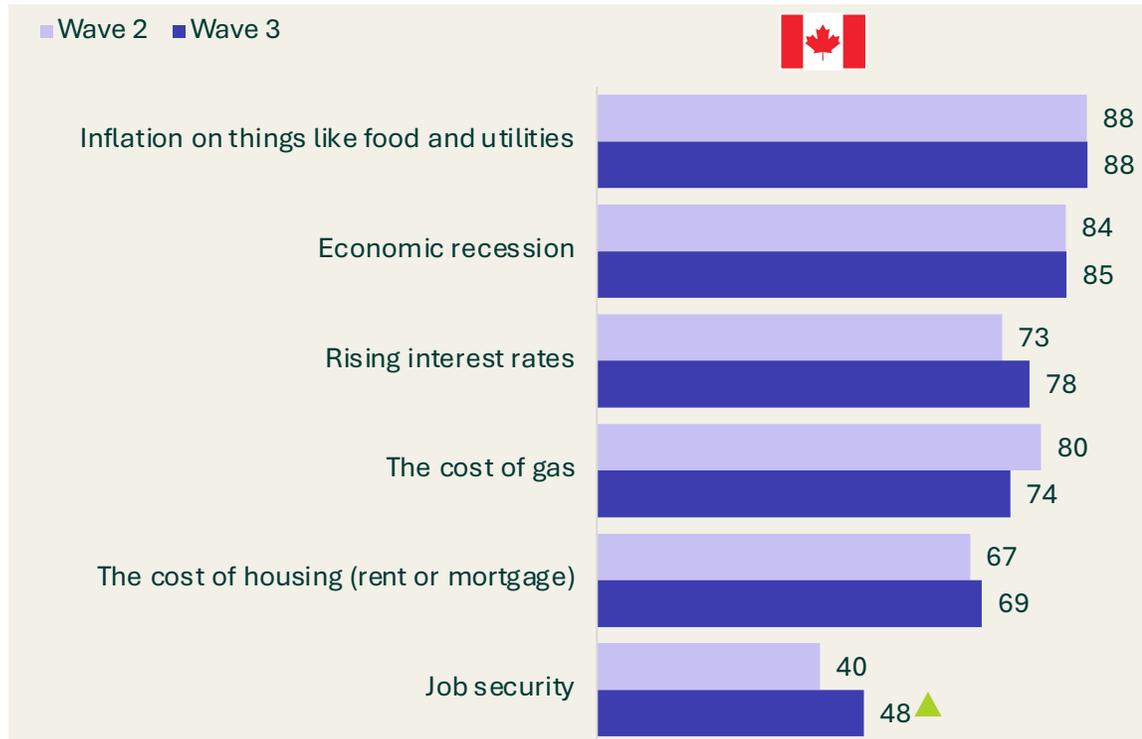
■ Spend it on something fun ■ Spend it on something I need ■ Put it towards a bill or debt ■ Give it to someone else ■ Save it





Canadians increasingly worry more about job security. Both Americans and Canadians express elevated levels of concern regarding inflation, recession and the rising cost of living.

Level of Concern (% Extremely/Somewhat Worried)



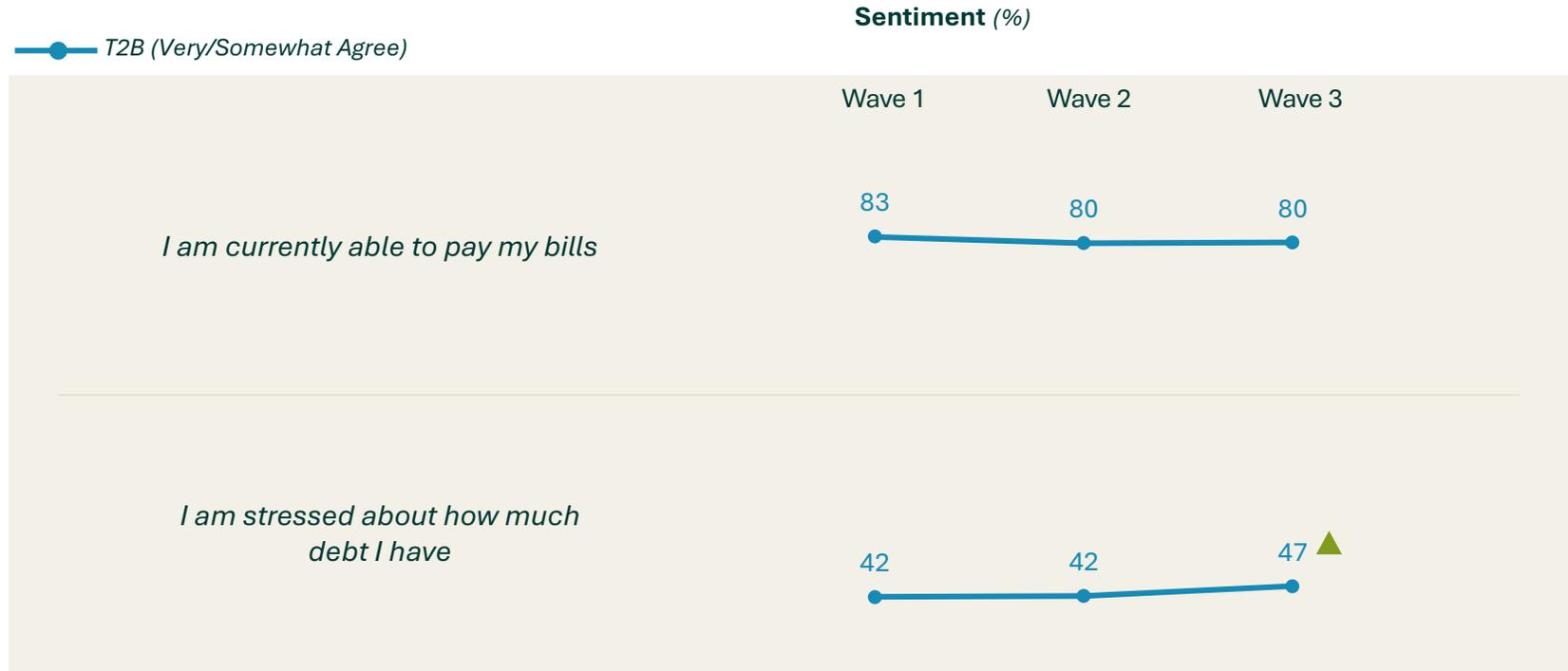


A rising number of Canadians are concerned that they personally or someone in their household could lose their job because of the economy.





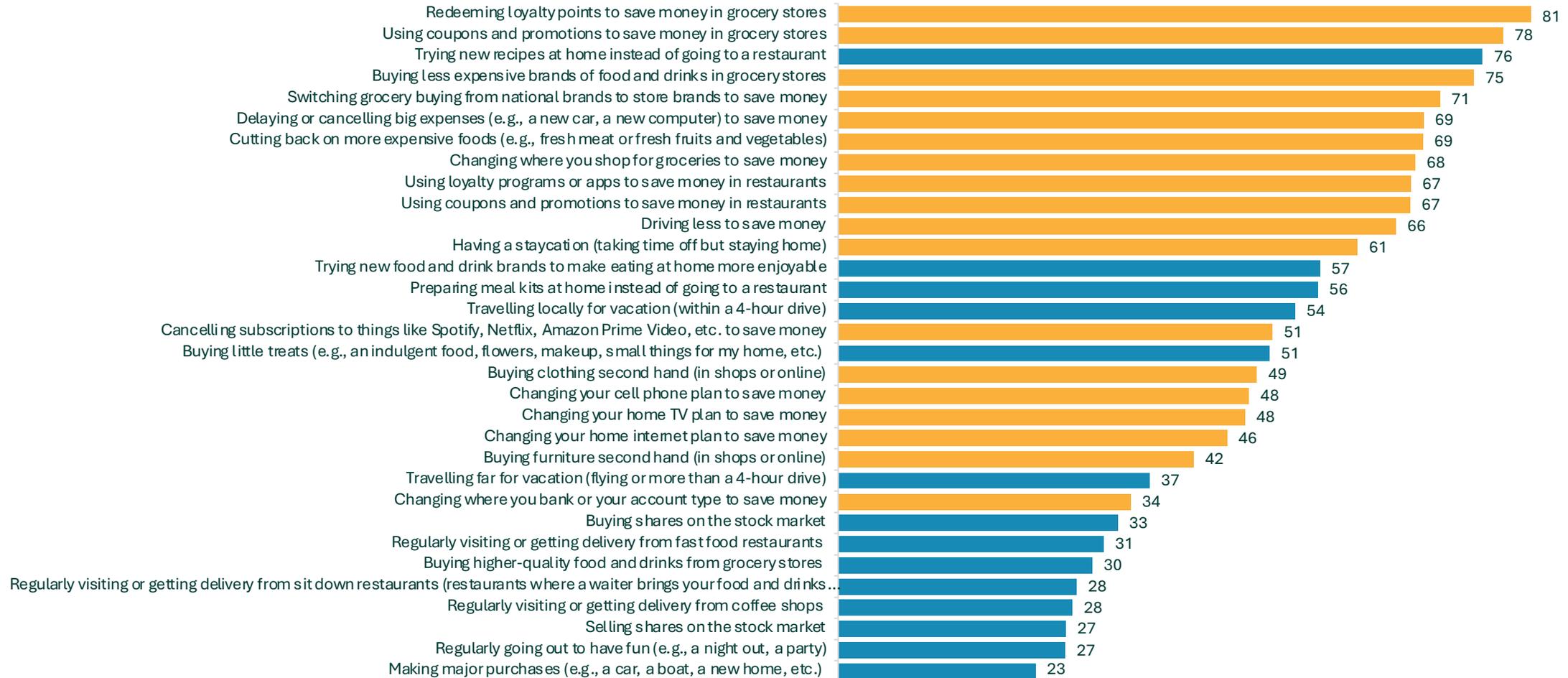
Canadians increasingly worry about the amount of debt they carry.





Similar to south of the border Canadians are using coupons and points to alleviate toll of increasing grocery bills; almost half are changing their telco plans to save money.

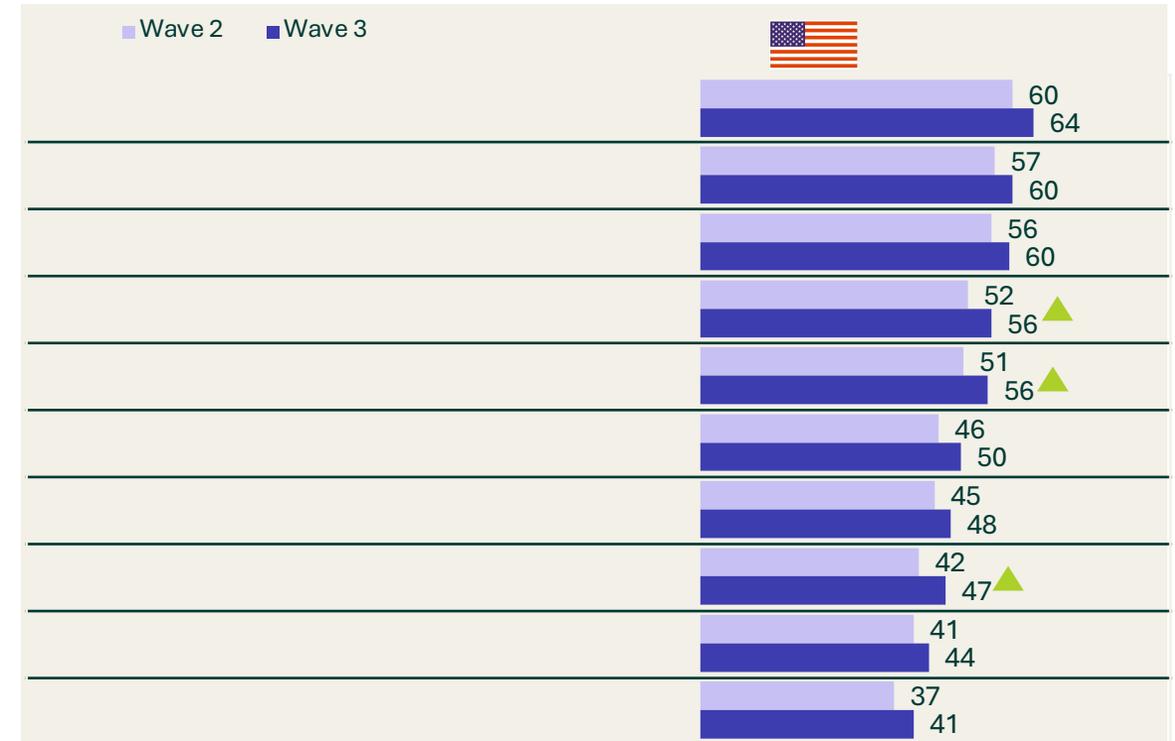
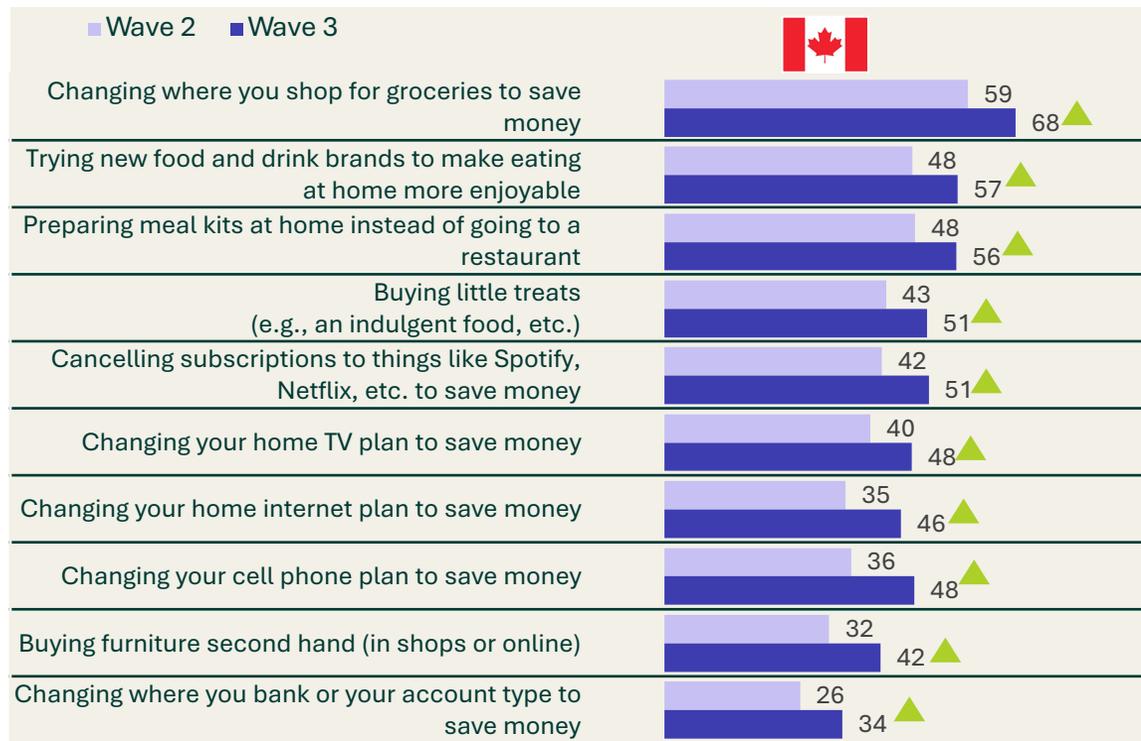
Upside Exercise - Level of Interest in Adopting Behaviors (% Interested, Wave 3)





Throughout this tracker, we look for potential trends in behaviours with regards to how consumers are dealing with inflation and the threat of recession. Some of the more interesting movements from Nov '22 to Mar '23 are shown below.

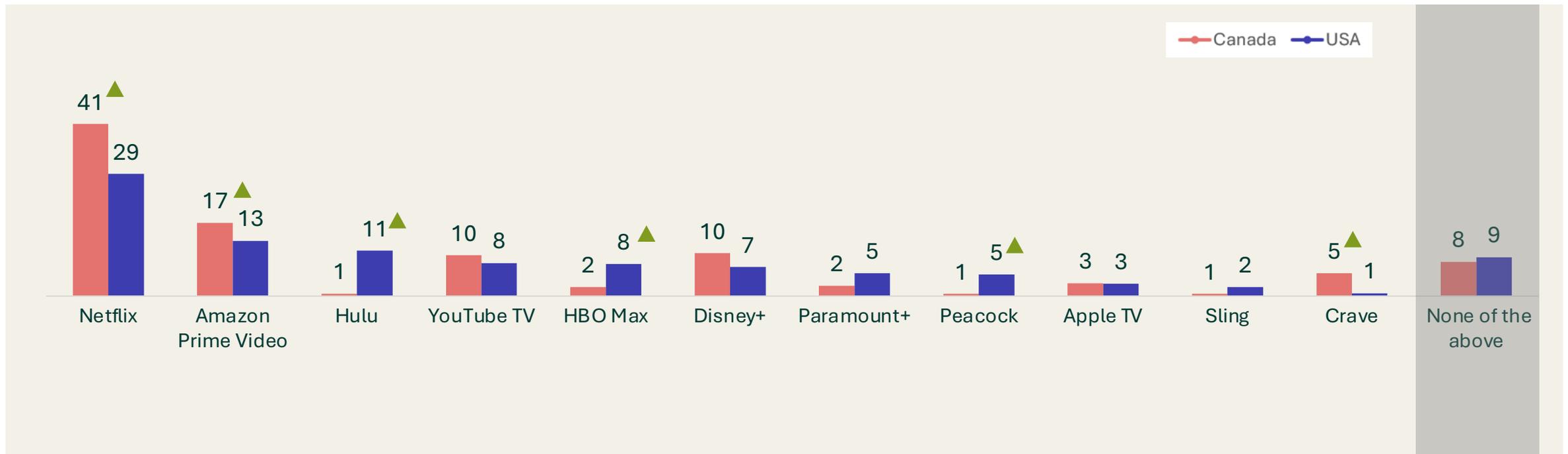
Upside Exercise - Level of Interest in Adopting Behaviors (% Interested)





51% of Canadians indicated that they are cancelling subscriptions to save money. When asked if they could only keep one, 41% Canadians chose Netflix (vs. only 29% of Americans).

Most Preferred Types of Streaming Services (%)

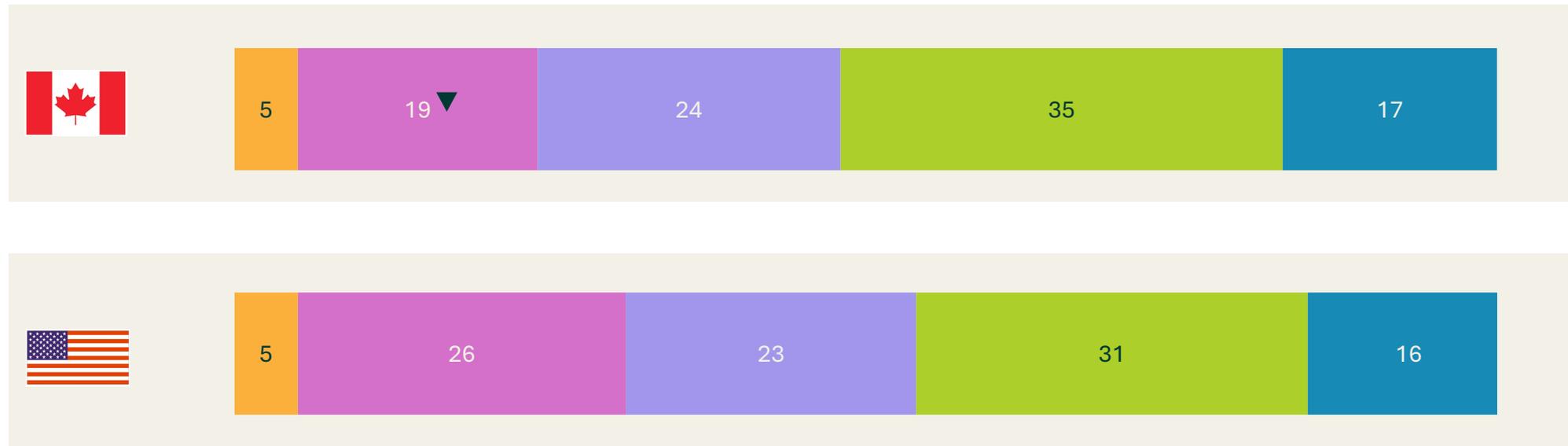




24% of Canadians report having less investments than they did 3 months ago.

Personal Investments Now vs 3 Months Ago (%)

■ I used to have investments but not in the last 3 months ■ I've never had investments ■ I have Less ■ I have about the same amount ■ I have more

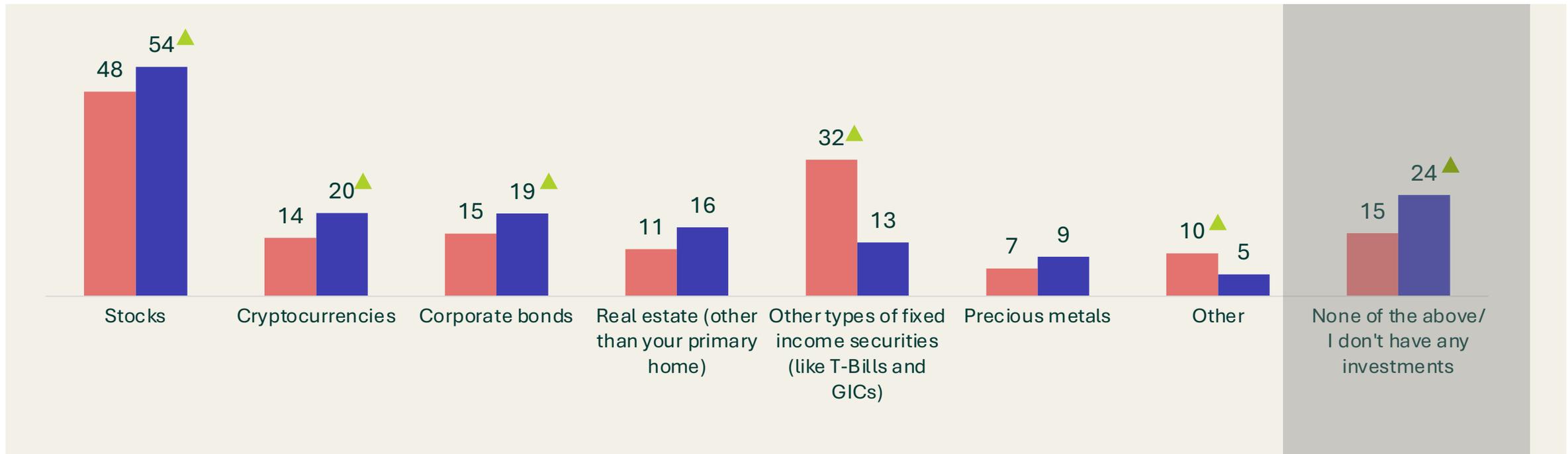




48% of Canadians and 54% of Americans reported owning stocks.

Canada USA

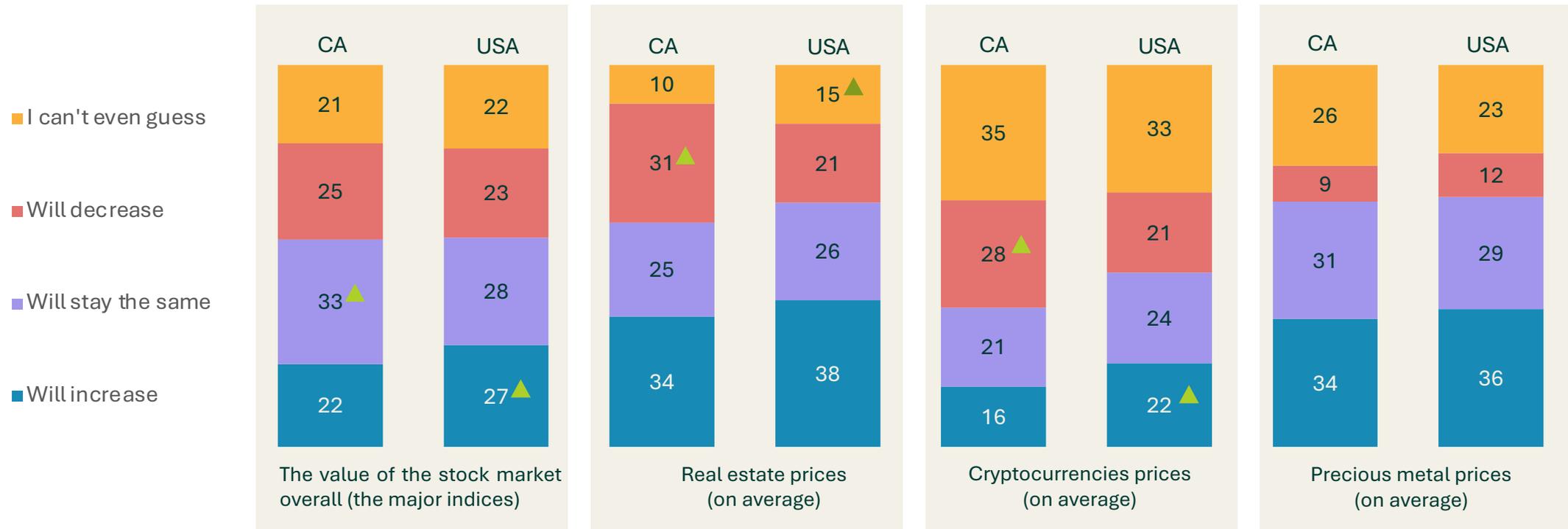
Types of Investments Owned (%)





Canadians are more inclined to believe the real estate and cryptocurrencies value will continue to decrease.

Value of Investment Outlook N12M (%)





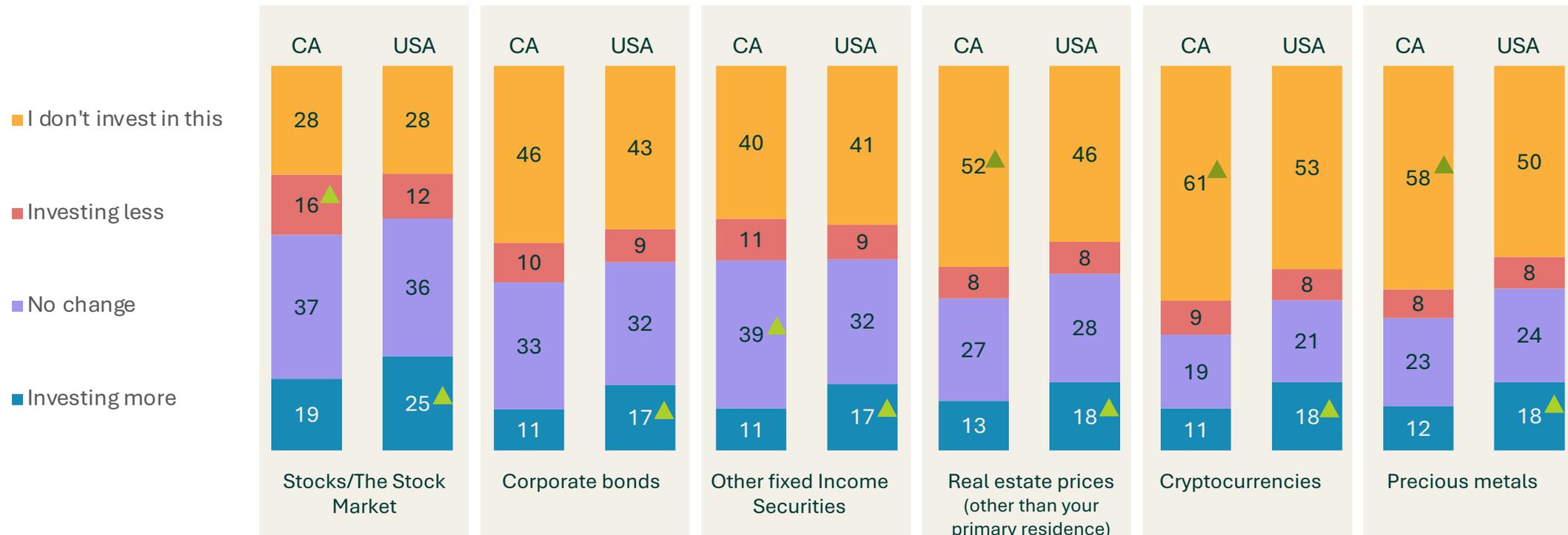
There is an optimistic trend among Canadians believing that now may be a good time to buy house or stocks.





Compared to Americans, Canadians are more cautious when considering investing more. Only 19% of Canadians report that they intend to invest more into the stock market in the next month.

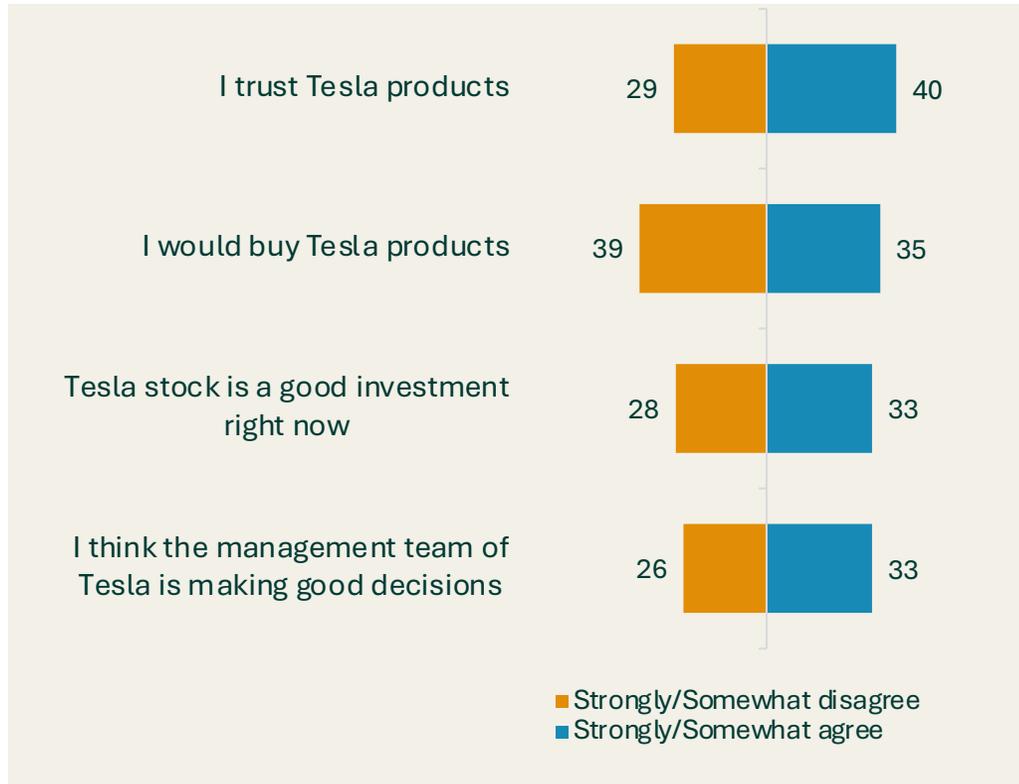
Investment Plans in N12M (%)



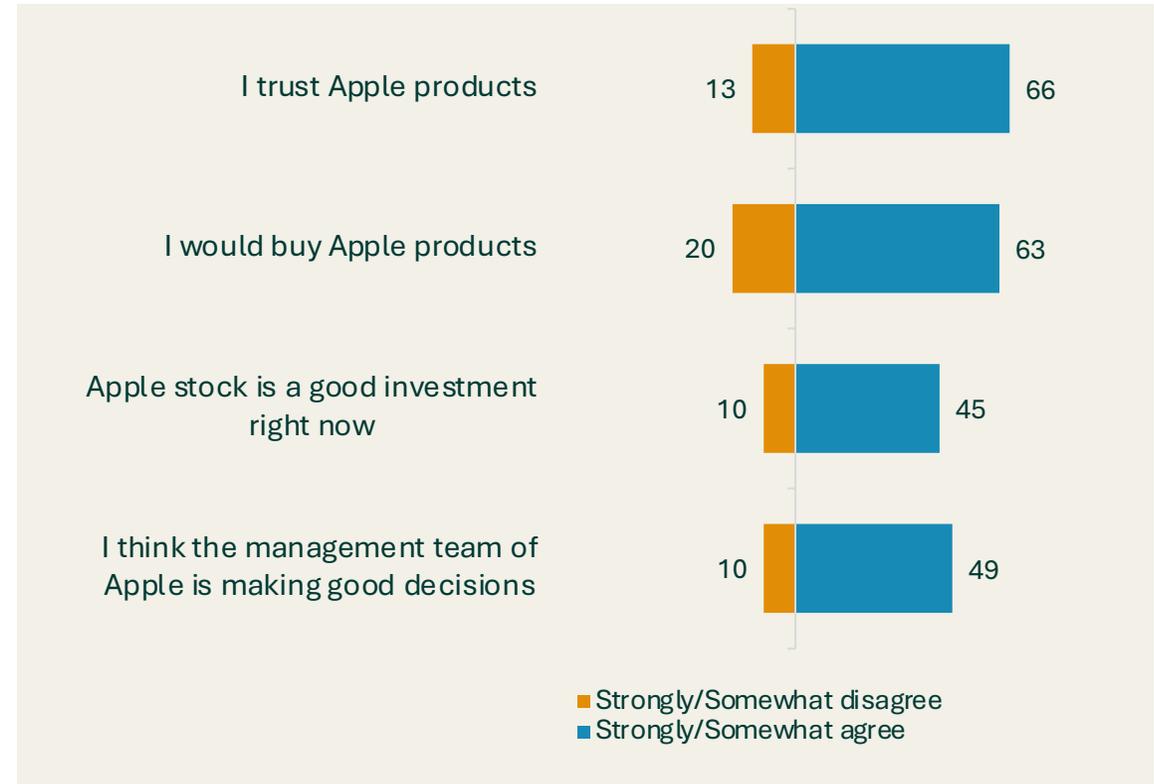


Over half of Canadians trust Apple, and 45% think Apple stock is a good investment right now.

Perceptions of Tesla Company (%)



Perceptions of Apple Company (%)





BENZINGA

Thank you!





Detailed Summary of Key Findings

- Most Americans pay attention to news about the economy and for many optimism is giving way to feelings of disapproval and sadness.
- Half of Americans think the economy is in bad shape, with only a third believing it will improve in the next 6 months, with just as many thinking it will get worse.
- There is a downward trend in rating personal financial situation in the US. The % of Americans who feel that their personal financial situation was Somewhat/Very (42%) good dropped almost 7 pts (6.9 pts) since November 2022 (from 49%), while the % who feel that their personal financial situation is Somewhat/Very bad has increased by almost 5 pts (-4.8 pts, From 28% in Nov).
- Many are feeling anxiety over inflation, recession, costs of gas and housing as well as job security. While most are keeping up with the bills, but 4-in-10 say they accumulate more debt doing so.
- In-fact, 42% of Americans are concerned that they personally or someone in their household could lose their job because of the economy.
- Most consumers are taking the following actions to save money in the current economic environment:
 - Using coupons and promotions at grocery store (79%)
 - Trying new recipes at home instead of going out to restaurants (76%)
 - Redeeming loyalty points at grocery stores (75%)
 - Buying less expensive brands or store brands (74%)
- 56% of Consumers indicated that they were cancelling subscriptions to save money. When asked if they could only keep one, 29% chose Netflix. Interestingly, only 7% chose Disney+ and 3% Apple vs. the 9% that chose none of the above.
- Almost a third of Americans say they have less savings and 23% say they have less in investments than they did 3 months ago.
- 54% of Americans reported owning any stocks in March of 2023 and 20% reported owning cryptocurrencies.
- A quarter of Americans plan to invest more in stocks in the next 12 months, and only 12% intend to invest less.
- Over 35% of Americans are expecting real estate and precious metal values to increase. A quarter believe the prices for all commodities will remain the same.
- Over half of Americans trust Apple stock and would consider investing in it. Four in ten Americans trust Tesla products and would consider investing in the company, though almost the same number would not.

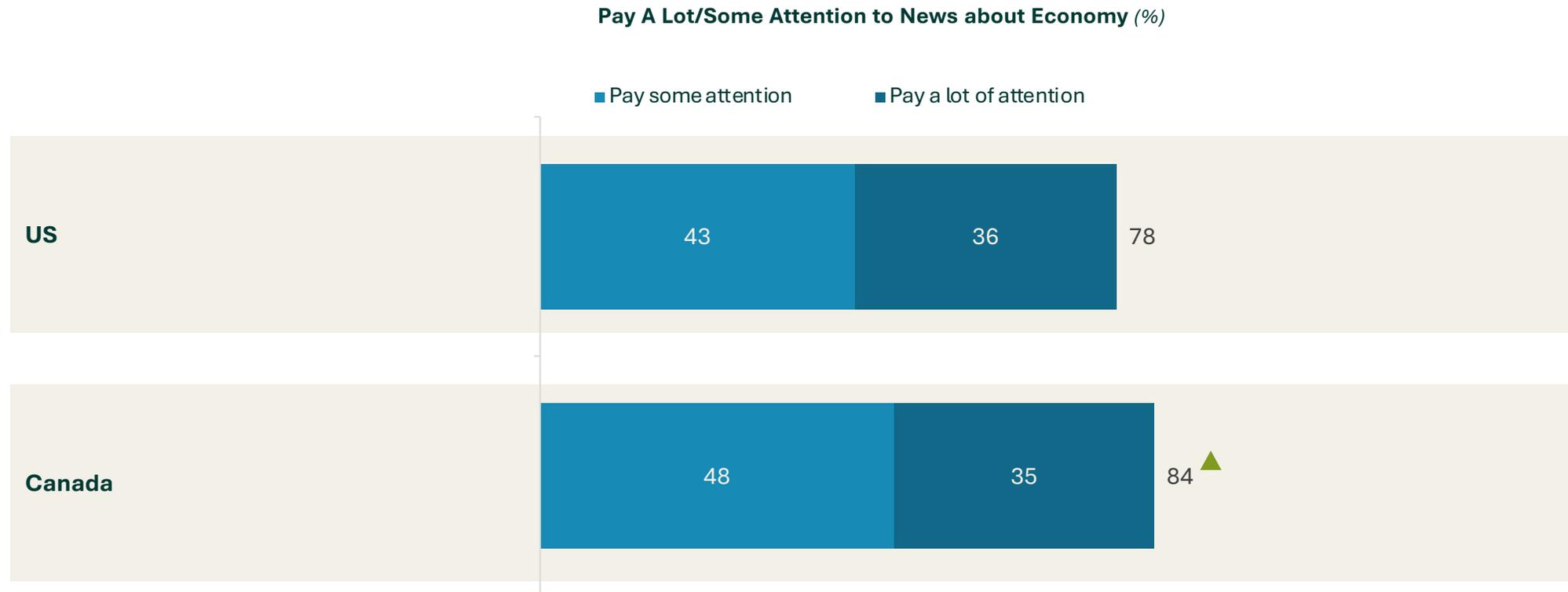


Detailed Summary of Key Findings

- Most Canadians pay attention to news about the economy and while the emotional response to their personal situation has stayed mostly stable since Nov '22, we do see a troubling declining trend in those reporting that they feel Optimistic.
- Over half of Canadians think the economy is in bad shape, with only a quarter believing it will improve in the next 6 months, and almost 40% believing it is going to get worse.
- 30% of Canadians report that their personal financial situation is in bad shape. 33% of reported having less in personal savings than they did 3 months ago.
- Both Canadians and Americans express elevated levels of concern regarding inflation, recession and the rising cost of living.
- Many worry more about job security, with 39% concerned that they personally or someone In their household could lose their job because of the economy.
- Most Canadian consumers are taking the actions to save money in the current environment. In addition to using coupons, loyalty points and switching to more affordable brands we observe significant increase in the following behaviors:
 - Changing where you shop in order to save money (68%)
 - Trying to increase enjoyment of home-made meals more enjoyable to avoid spending money at the restaurants (buying new foods, little treats, using meal kits) (~57%)
 - Changing telco plans (TV, internet, cell service) (~48%)
 - Buying secondhand furniture (42%)
 - Changing bank account types to help save money (34%)
- 51% of Canadians indicated that they are cancelling subscriptions to save money. When asked if they could only keep one, 41% Canadians chose Netflix (vs. only 29% of Americans).
- Almost a third (33%) of Canadians say they have less savings and 24% say they have less in investments than they did 3 months ago.
- 48% of Canadians reported owning any stocks in March of 2023 and 32% reported owning other fixed income securities (T-bills and GICs).
- A fifth of Canadians (19%) plan to invest more in stocks in the next 12 months, while 16% intend to invest less.
- 34% of Canadians expect real estate and precious metal values to increase. A quarter or more believe the prices for all commodities will remain the same (except Cryptocurrencies – only 21% believe it will remain stable) .
- Over half of Canadians trust Apple, and 45% think Apple stock is a good investment right now. 4-in10 Canadians trust Tesla products, but only a third (33%) would consider investing in the company, with similar number of people (28%) would not.



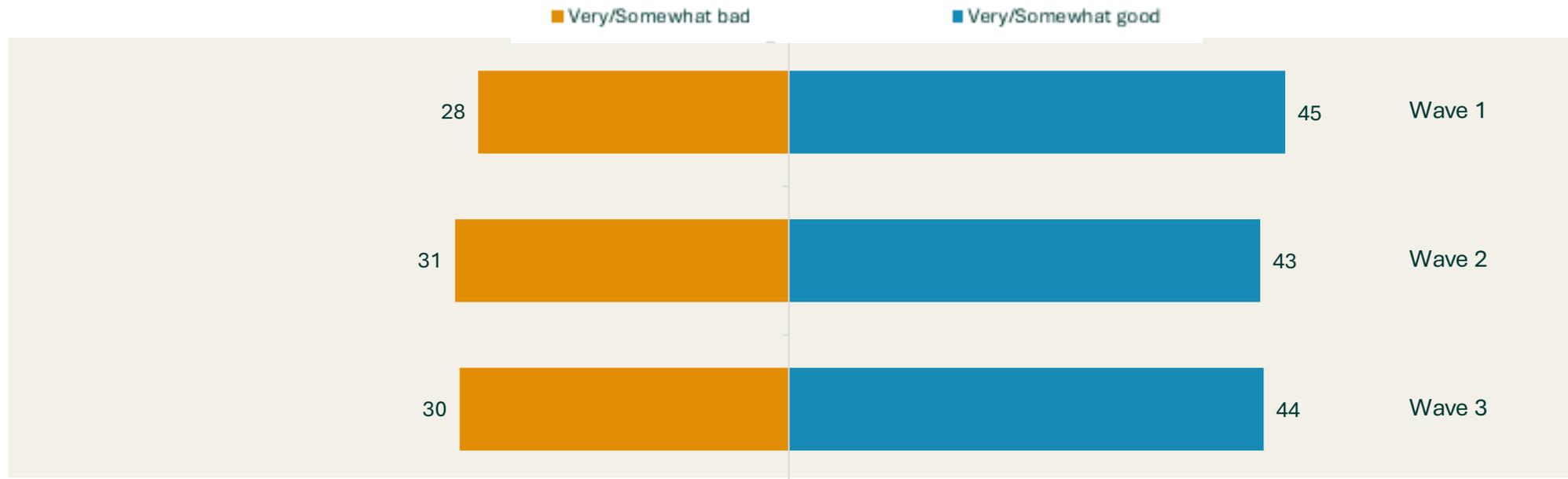
8-in-10 Canadians pay attention to news about economy. This finding is consistent with previous waves, indicating people continue to keep an eye on the information affecting their financial wellbeing.





In 44% of Canadians report that their personal financial situation is somewhat/very good. Conversely 30% report it as somewhat or very bad. These numbers are almost unchanged since November 2022.

Rating Of Personal Financial Situation (%)





There is a notable decline in optimism in both Canada and the US.

Feelings About Personal Financial Situation (%)

—●— Canada —●— USA

