

# THE AFFORDABILITY EQUATION

HOW A RISING CONCERN ABOUT COST OF LIVING PRESENTS A THREAT AND OPPORTUNITY TO PROGRESSIVES.

RESULTS OF A NATIONAL SURVEY OF 2,500 CANADIANS  
MARCH 3 TO 11, 2019

COMMISSIONED BY THE BROADBENT INSTITUTE



ABACUS DATA



# METHODOLOGY

**SURVEY DATA IS FROM A NATIONAL SURVEY OF 2,500 CANADIANS AGED 18+ CONDUCTED FROM MARCH 3 TO 11, 2019**

**SURVEY WAS CONDUCTED ONLINE.**

**THE SAMPLE WAS WEIGHTED TO MATCH CANADA'S POPULATION BY AGE, SEX, REGION, EDUCATION, AND OFFICIAL LANGUAGE.**

**THE STUDY WAS COMMISSIONED BY THE BROADBENT INSTITUTE**

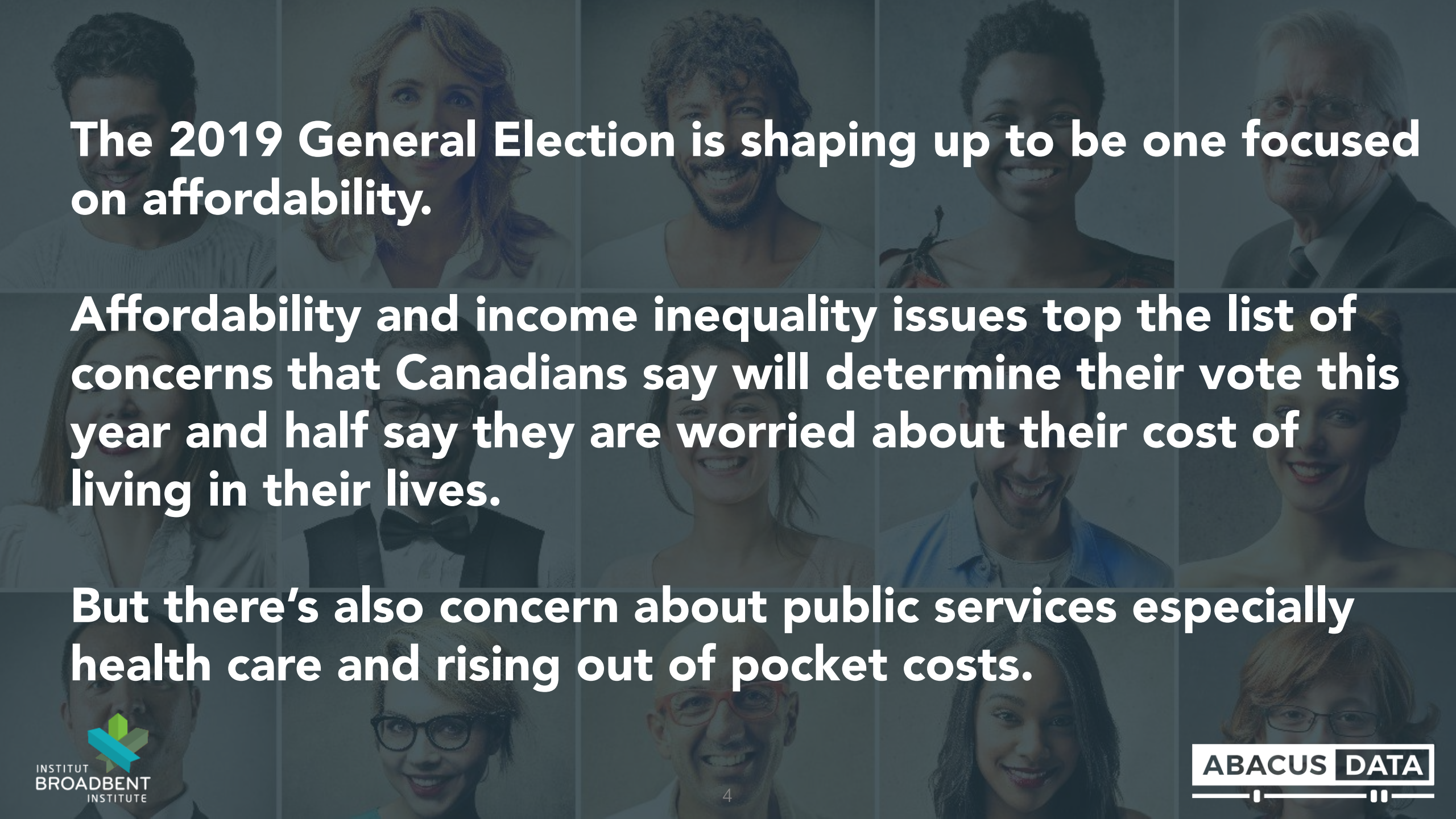
# INTRODUCTION

Concerns about cost of living, wages, and affordability have been an important part of Canada's political discourse for many years. But we felt something was happening. Canadians seem to be *more* anxious about the future and their ability to maintain a standard of living they expect.

We also felt that many populist movements, both in Canada and abroad, have effectively tapped into this anxiousness and leveraged it for political gain often with a regressive, anti-immigration and anti-government tone.

Together with the Broadbent Institute, we set out to explore how the public feels about the issue, what is driving their concerns, and what solutions they think might work.

Our objective is to offer progressives in Canada insight into the broader issue and how to offer a progressive solution to the growing affordability crisis.

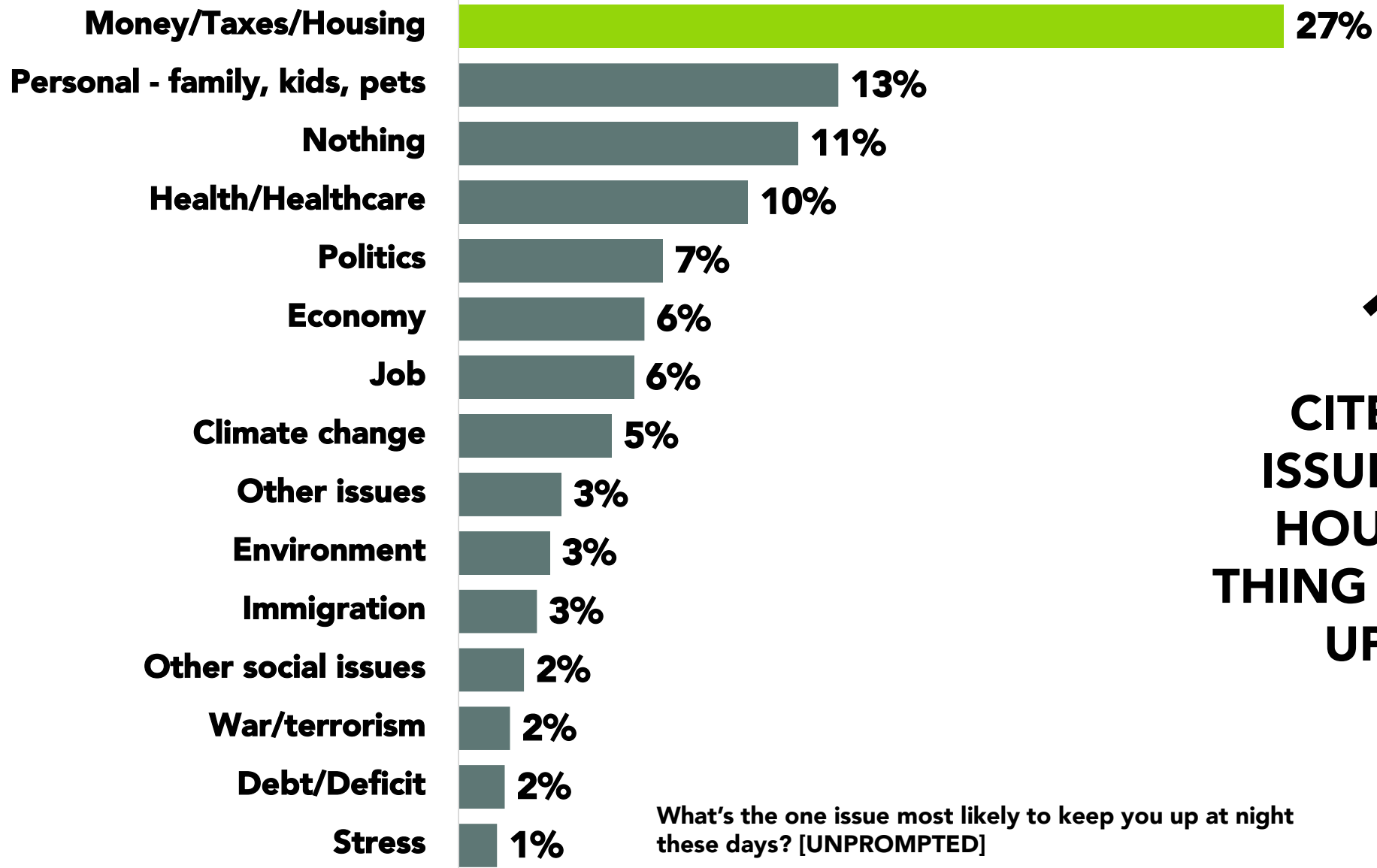


**The 2019 General Election is shaping up to be one focused on affordability.**

**Affordability and income inequality issues top the list of concerns that Canadians say will determine their vote this year and half say they are worried about their cost of living in their lives.**

**But there's also concern about public services especially health care and rising out of pocket costs.**

# WHAT IS KEEPING CANADIANS UP AT NIGHT?

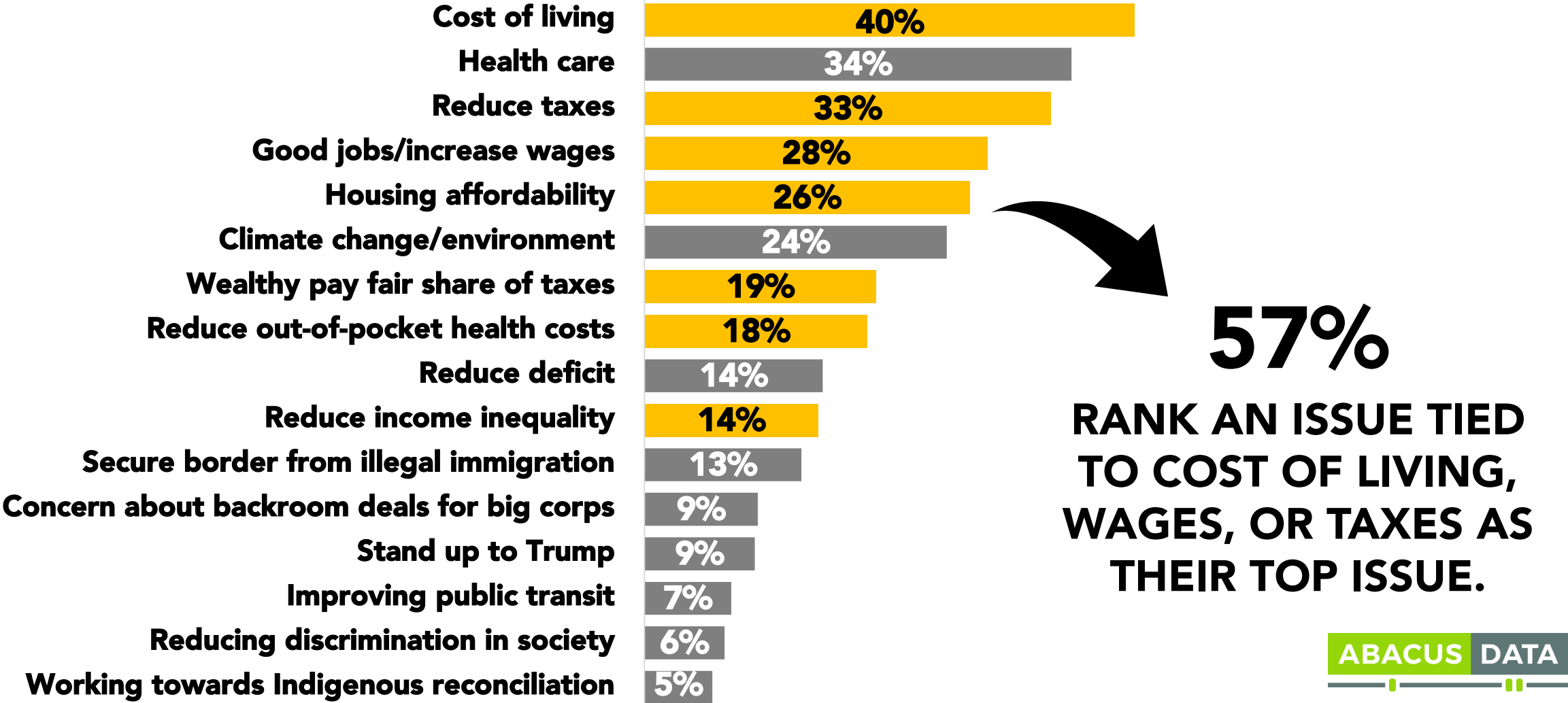


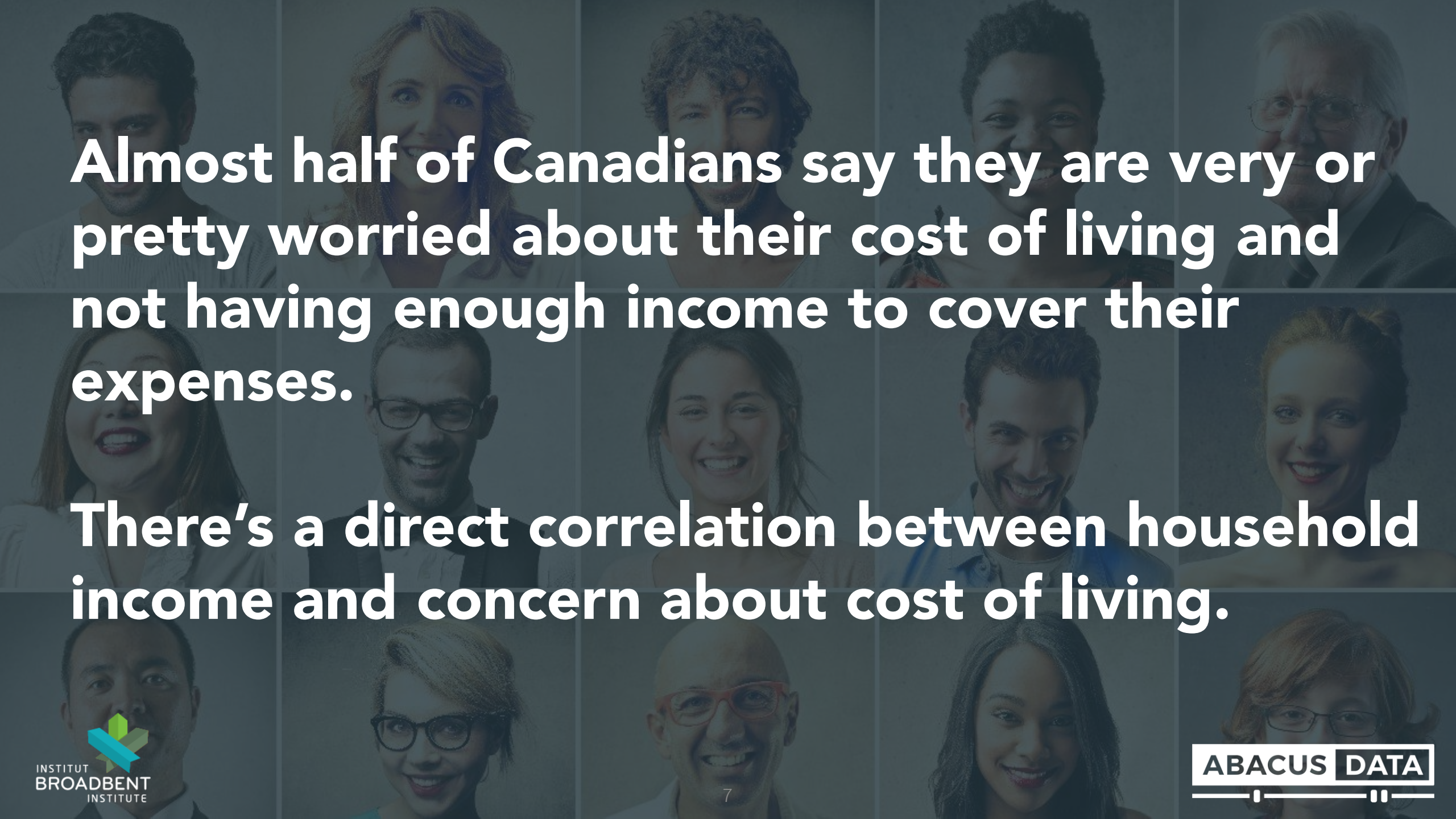
**1 in 4**  
**CITE FINANCIAL**  
**ISSUES, TAXES, OR**  
**HOUSING AS THE**  
**THING KEEPING THEM**  
**UP AT NIGHT.**

What's the one issue most likely to keep you up at night these days? [UNPROMPTED]

# COST OF LIVING, HOUSING AFFORDABILITY, WAGES, INEQUALITY, AND TAXES ARE VOTE DRIVERS.

Thinking to the next election, which THREE issues are most likely to impact how you will vote?



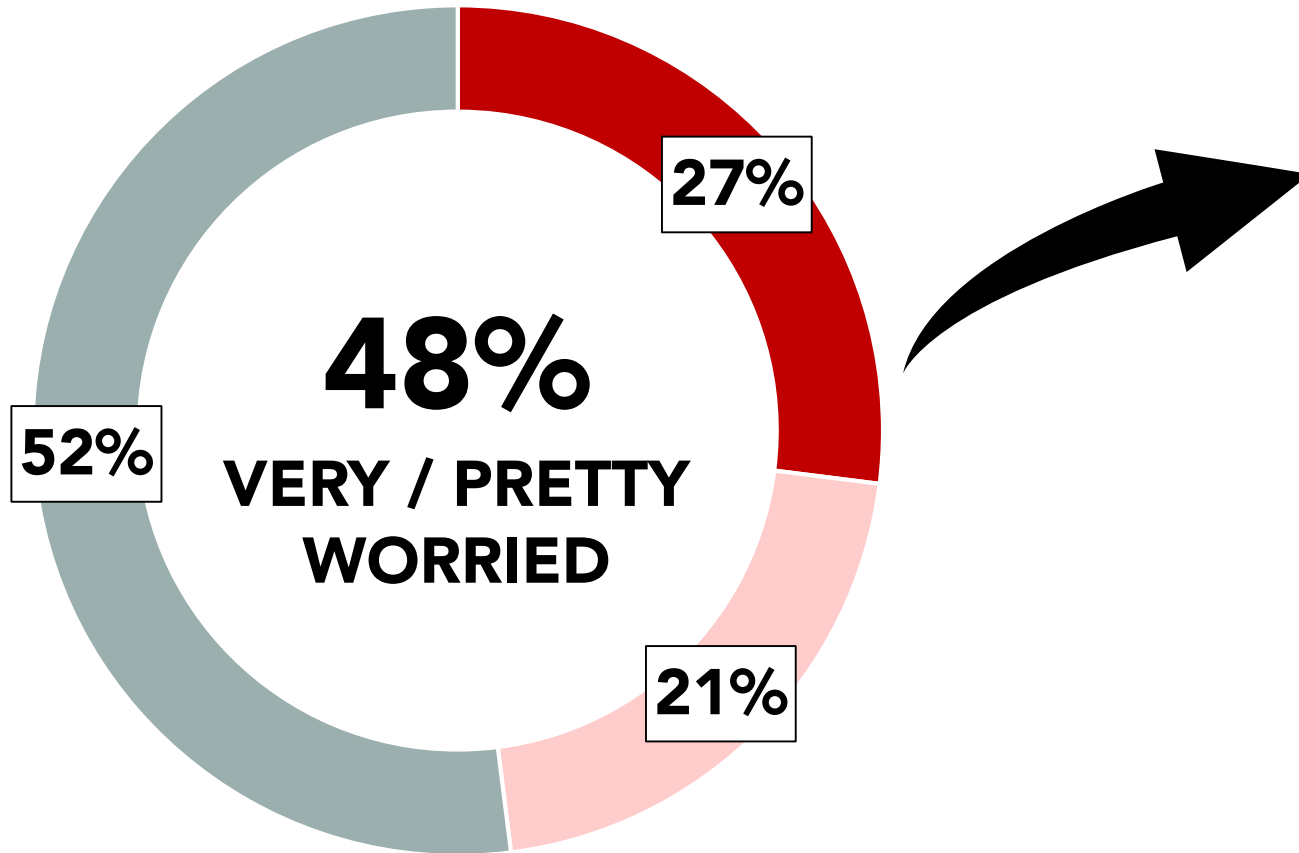


**Almost half of Canadians say they are very or pretty worried about their cost of living and not having enough income to cover their expenses.**

**There's a direct correlation between household income and concern about cost of living.**

# ALMOST HALF OF CANADIANS ARE WORRIED ABOUT THEIR COST OF LIVING RISING.

How worried, if at all, are you personally about your cost of living and having enough income to pay for the things you need and want in your life?



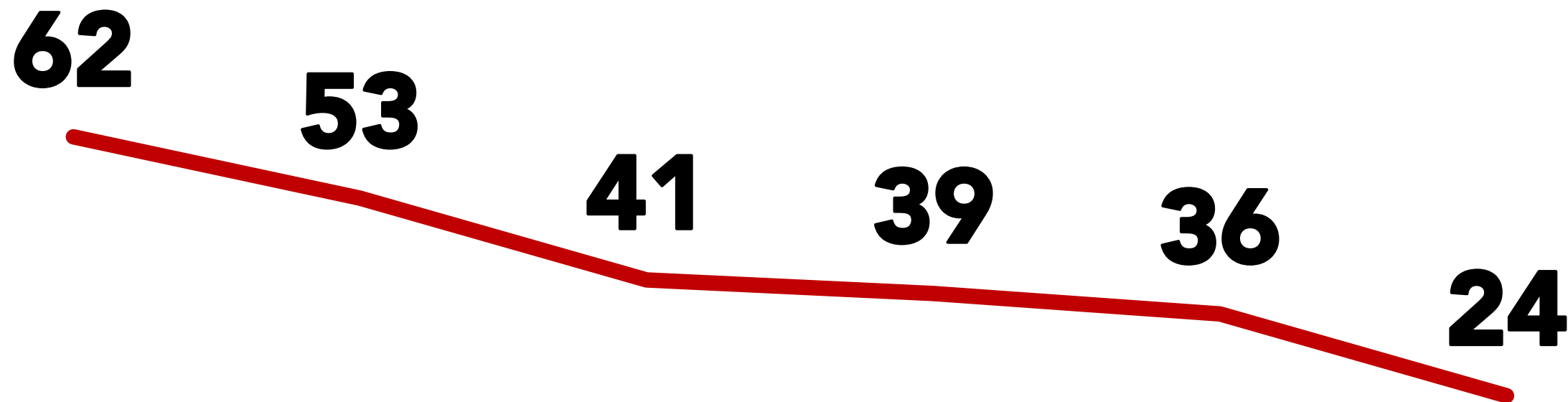
**WOMEN ARE MORE WORRIED THAN MEN.**

**CONCERN CROSSES ALL AGE GROUPS.**

**WORRY IS DIRECTLY RELATED TO HOUSEHOLD INCOME.**



# VERY/PRETTY WORRIED ABOUT COST OF LIVING BY HOUSEHOLD INCOME



## HOUSEHOLD INCOME

< \$35K

\$35K - \$50K

\$50K - \$75K

\$75K - \$100K

\$100K - \$150K

\$150K+

How worried, if at all, are you personally about your cost of living and having enough income to pay for the things you need and want in your life?

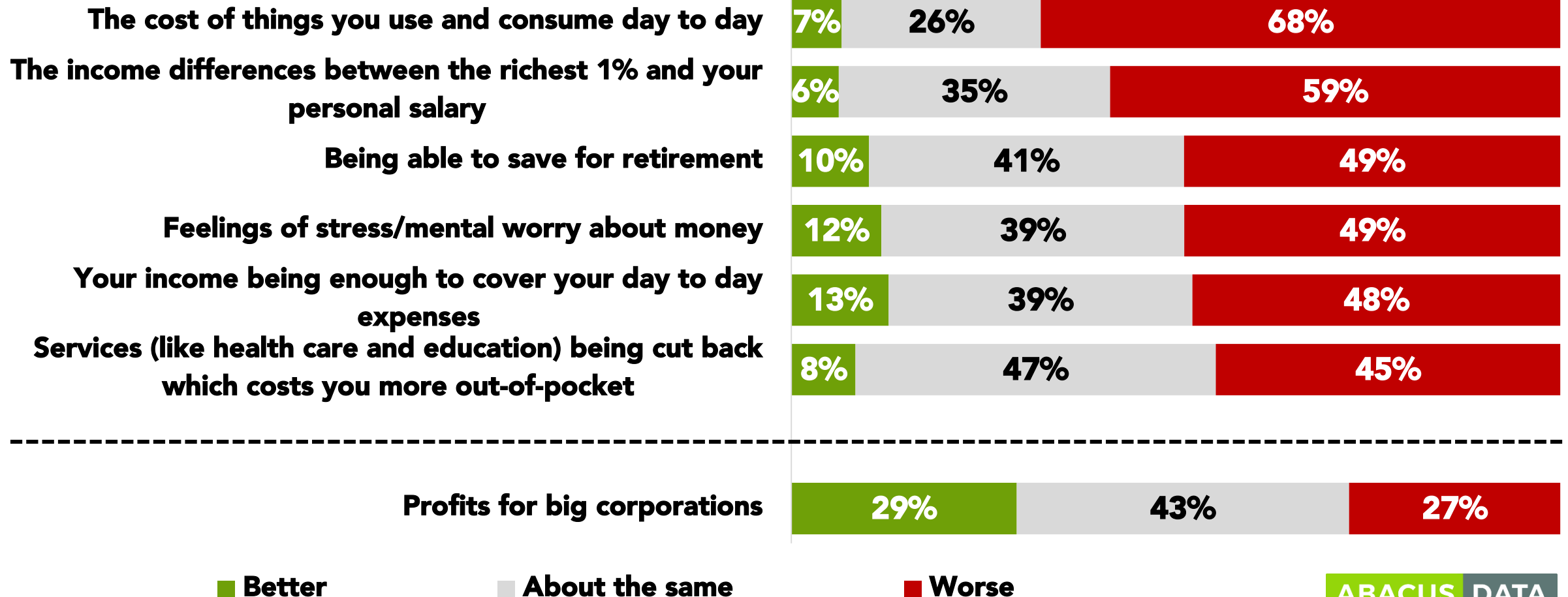
**While most Canadians feel that their cost of living and income inequality has gotten worse over the past few years, they don't think corporate profits have been hurt.**

**In fact, 73% believe that corporate profits have improved or stayed about the same over the past few years.**

**This sense of unfairness is driving anti-corporate and populist tendencies we find later in the survey.**

# WHILE COSTS, INEQUALITY, AND FINANCIAL STRESSES RISE, MOST THINK CORPORATE PROFITS HAVEN'T BE HURT OVER PAST FEW YEARS.

Within the past few years, have the following been getting better, getting worse, or have they stayed about the same?

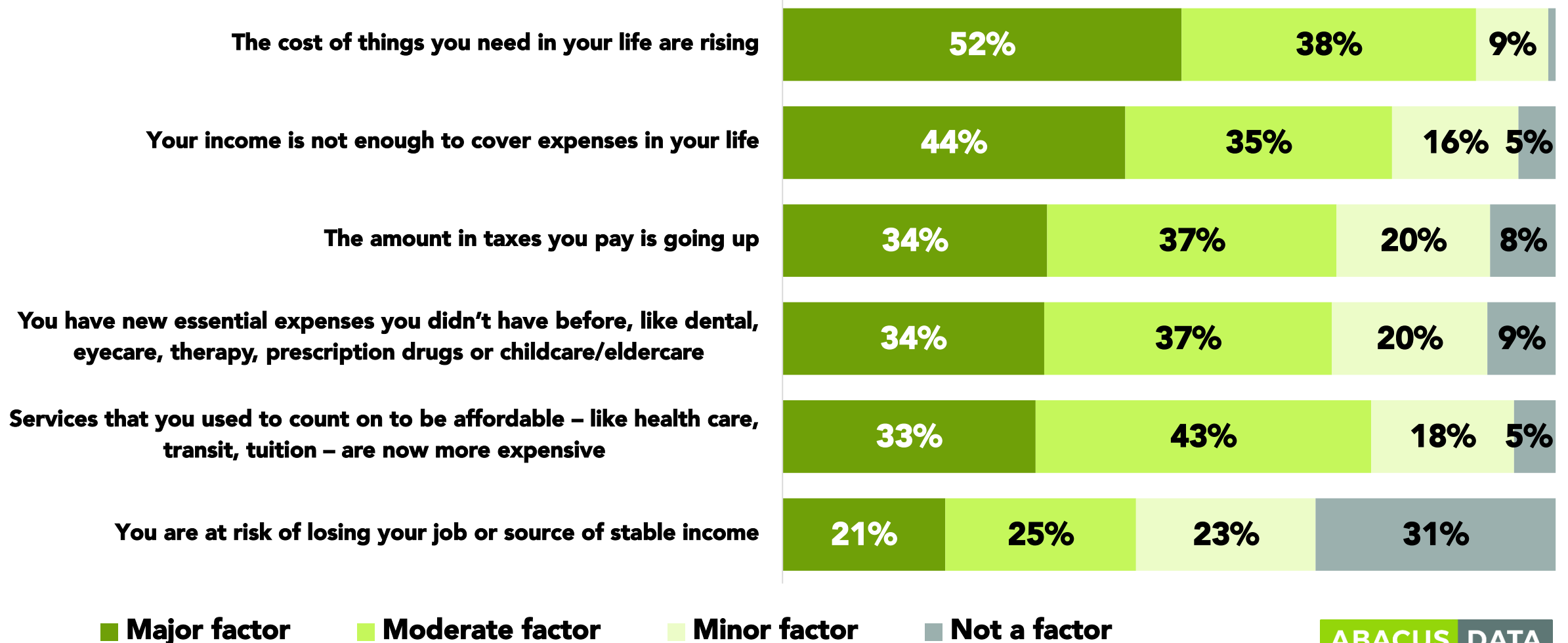


**When those who worry even a little about their cost of living are asked what factors are causing their concerns, rising costs and inadequate incomes are cited most frequently as major factors.**

**It's less about job security and more about making a sufficient income to keep up with rising costs.**

# RISING COSTS AND INADEQUATE INCOME MOST LIKELY BLAMED FOR CONCERNS ABOUT AFFORDABILITY.

How much of a factor, if at all, are the following in causing you to worry about whether life is affordable?



**Although many feel that wages are insufficient to maintain a certain standard of living, when forced to choose between reducing prices or raising wages, by a 2:1 margin, most pick reducing costs.**

**Concerns about affordability today tilt more towards the cost side of the equation and less to the income side. This creates space for policy options that reduce costs, but may not ultimately solve the insecurity people are feeling.**

# REDUCING COSTS VS. RAISING WAGES: COSTS WIN.

If you had to choose between two options, would you say making life more affordable for Canadians will come from...

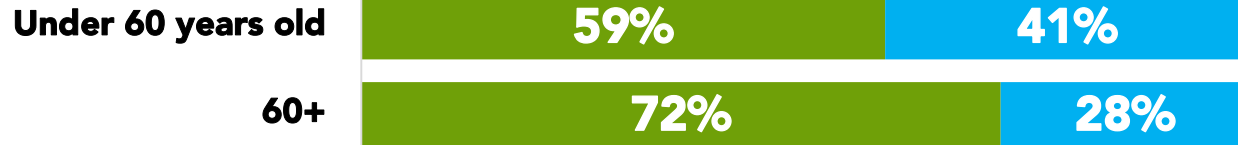
**Lowering the costs of every day goods and services**

63%

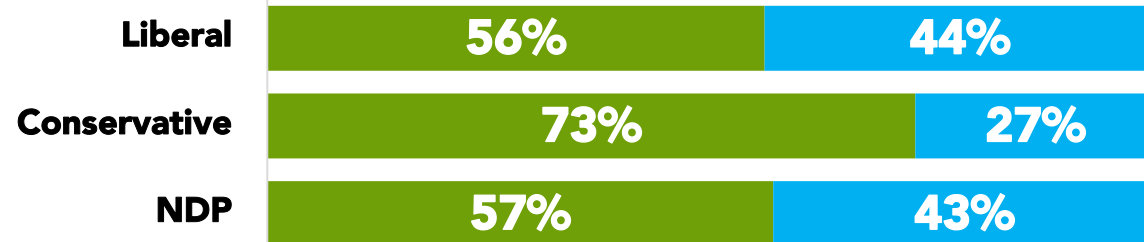
37%

**Raising wages for working Canadians across the board.**

## AGE



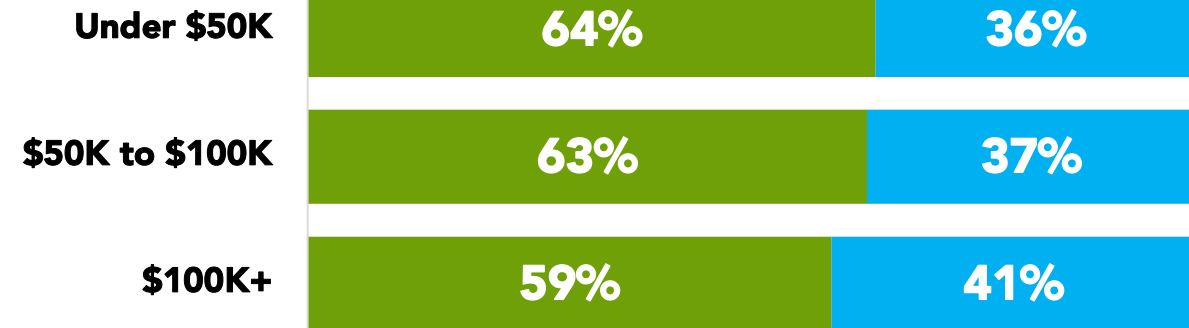
## CURRENT FEDERAL VOTE



■ Lower costs

■ Raise wages

## HOUSEHOLD INCOME



ABACUS DATA

**When shown other options that could improve affordability, more think that ensuring everyone has a good job, covering more health services, reducing taxes, forcing companies to reduce costs, and taxing wealthier Canadians would help the most.**

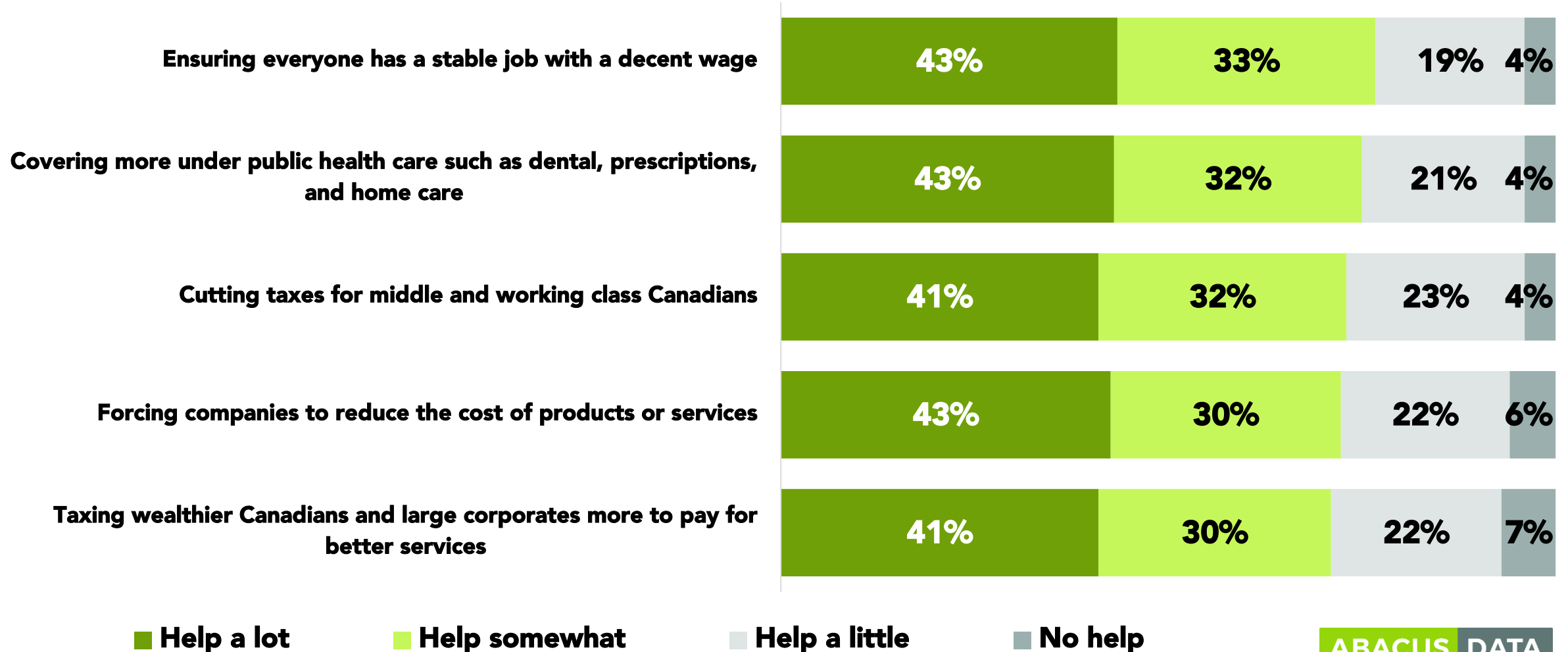
**Opinions are more mixed or divided when it comes to raising the minimum wage, investing in public services, or improving public transit/reduce transit fares.**



# WHAT WOULD HELP MAKE LIFE MORE AFFORDABLE?

## PART 1

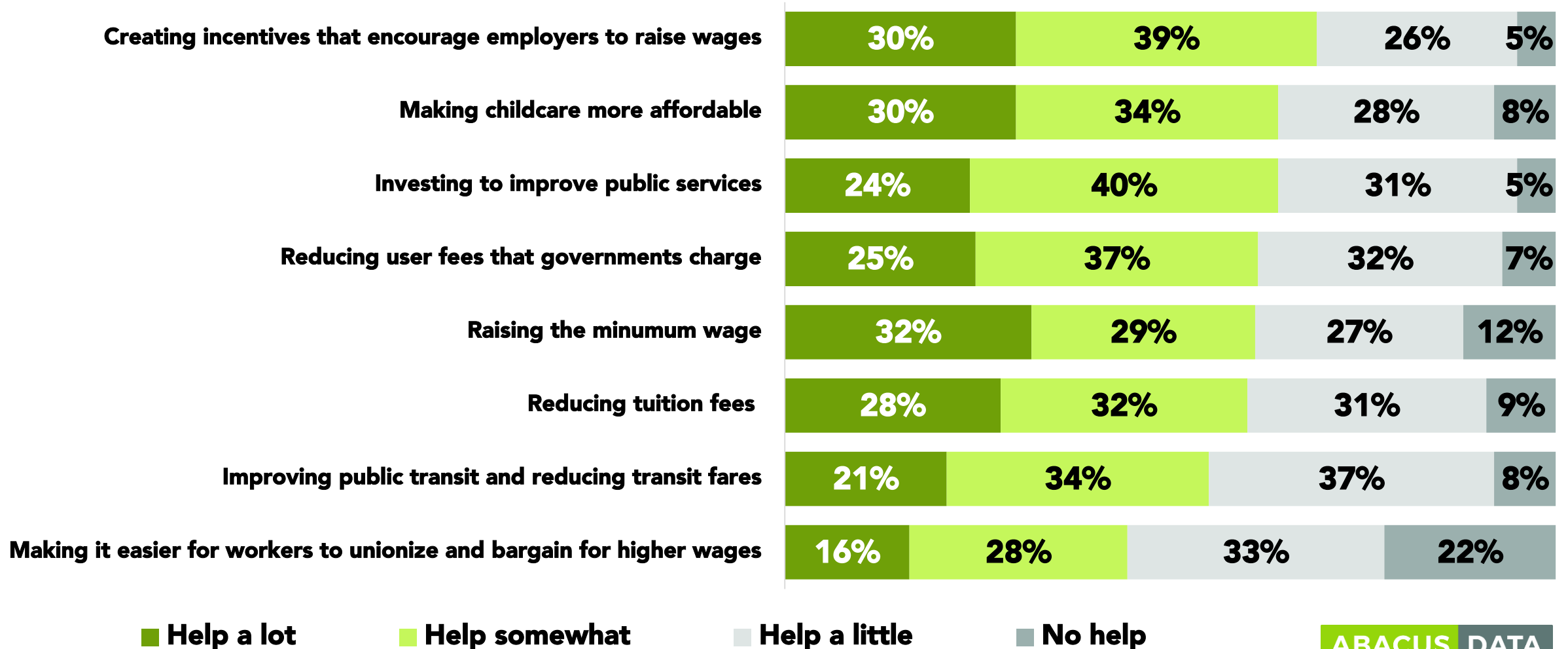
To what extent do you think the following ideas would help make life more affordable in Canada?



# WHAT WOULD HELP MAKE LIFE MORE AFFORDABLE?

## PART 2

To what extent do you think the following ideas would help make life more affordable in Canada?



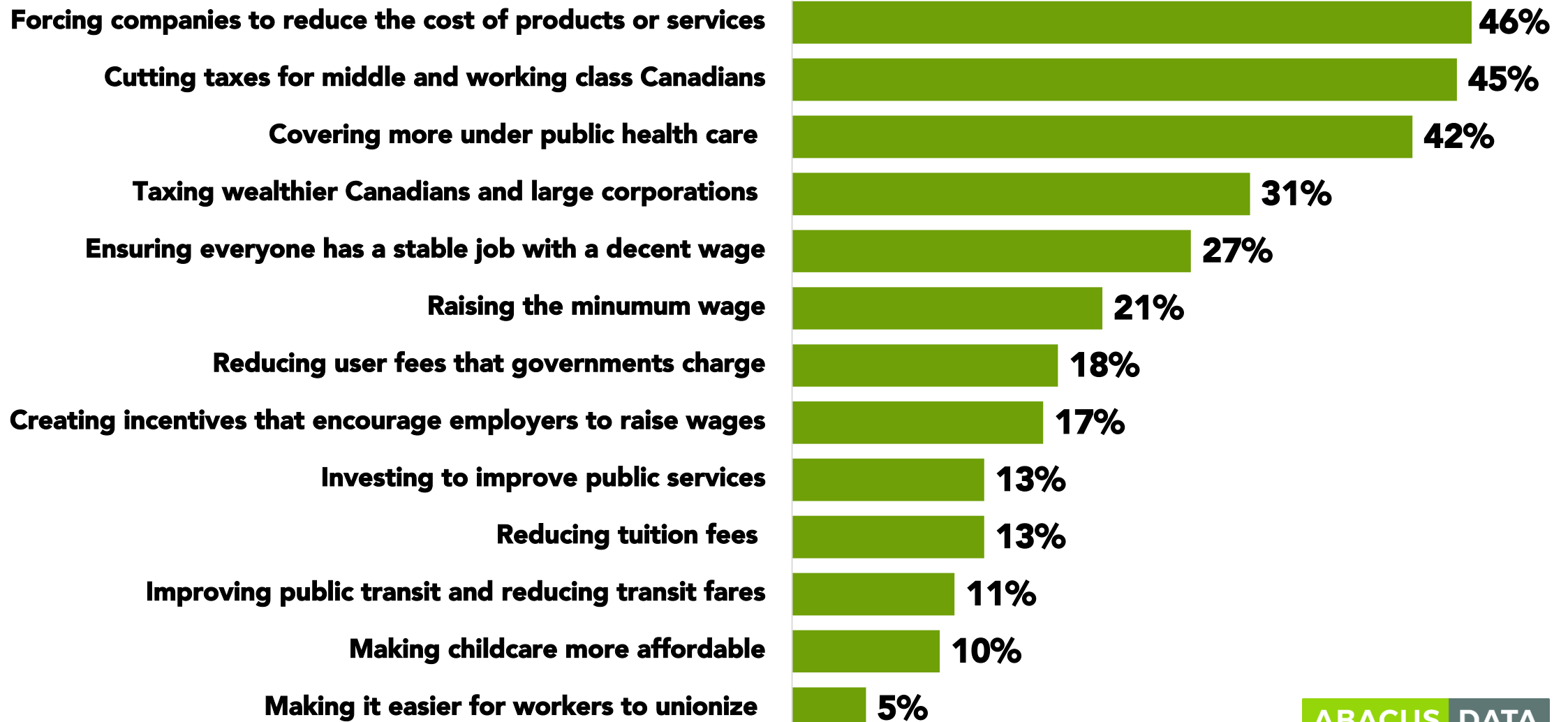
**When asked to pick three items from the same list that would help them personally the most, forcing companies to reduce costs, cutting taxes, and covering health services were the three most often selected.**

**This demonstrates the work progressives need to do to reframe this debate.**

**It also shows the risk to corporations - low wages and income inequality creates social license for governments to regulate down the price of things Canadians rely on. As concerns about cost of living rise, so too do demands for government regulation and intervention. When markets fail, they fail completely.**

# WHAT THREE THINGS WOULD MAKE THE MOST DIFFERENCE FOR YOU?

What THREE things could be done today that would make the most difference in helping make life more affordable to you?



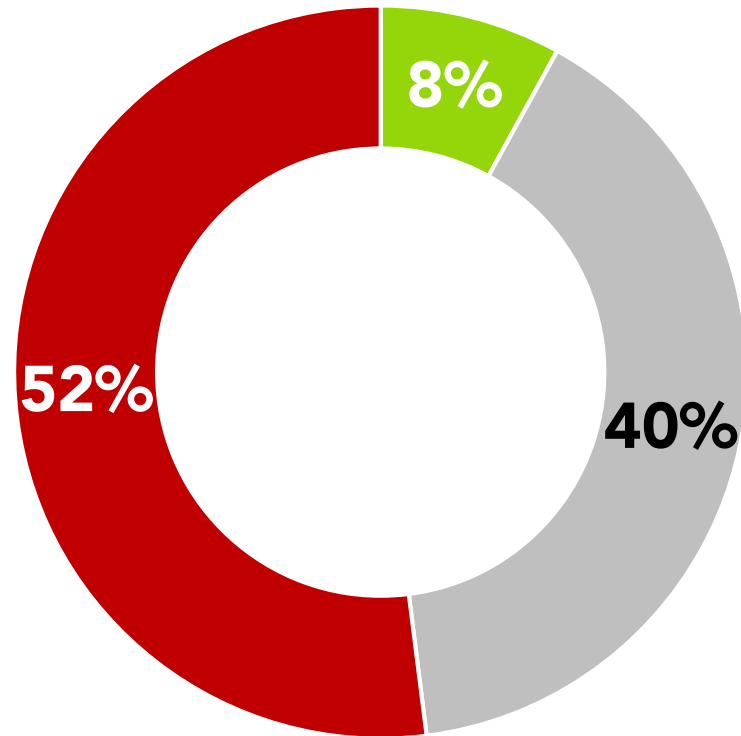
**When we explore perceptions surrounding concerns about cost of living, we find most employed Canadians believe they are underpaid for the work they do.**

**And while most describe the economy where they live as good or acceptable, more report negative assessments of their personal financial situation.**

**There's a relationship, although not perfect, between perceptions of the economy and one's own financial situation, and the level of worry about cost of living.**

# MOST EMPLOYED CANADIANS THINK THEY ARE PAID LESS THAN THEY SHOULD BE.

For the work that you do, do you think you are paid...



■ MORE ■ ABOUT AS MUCH AS YOU SHOULD BE ■ LESS

Less than \$35K



\$35K to \$50K



\$50K to \$75K



\$75K to 100K

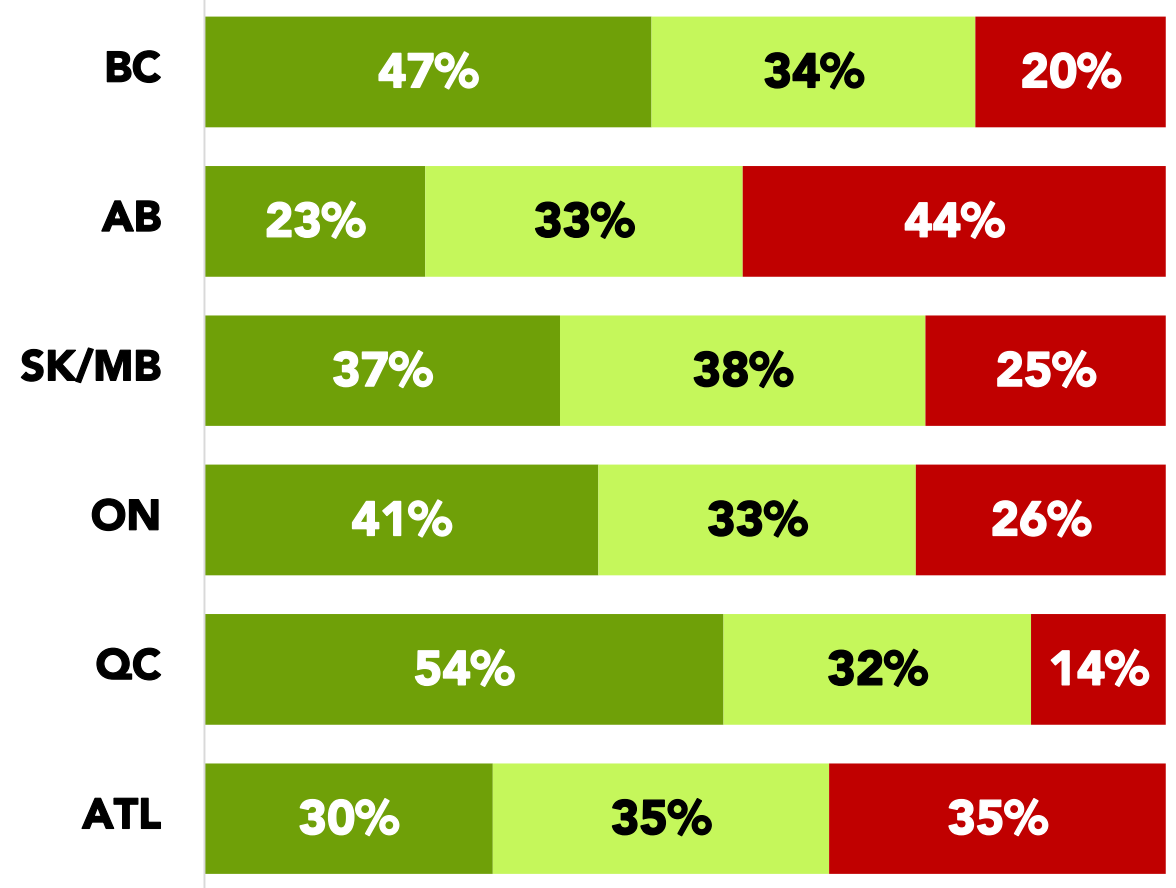
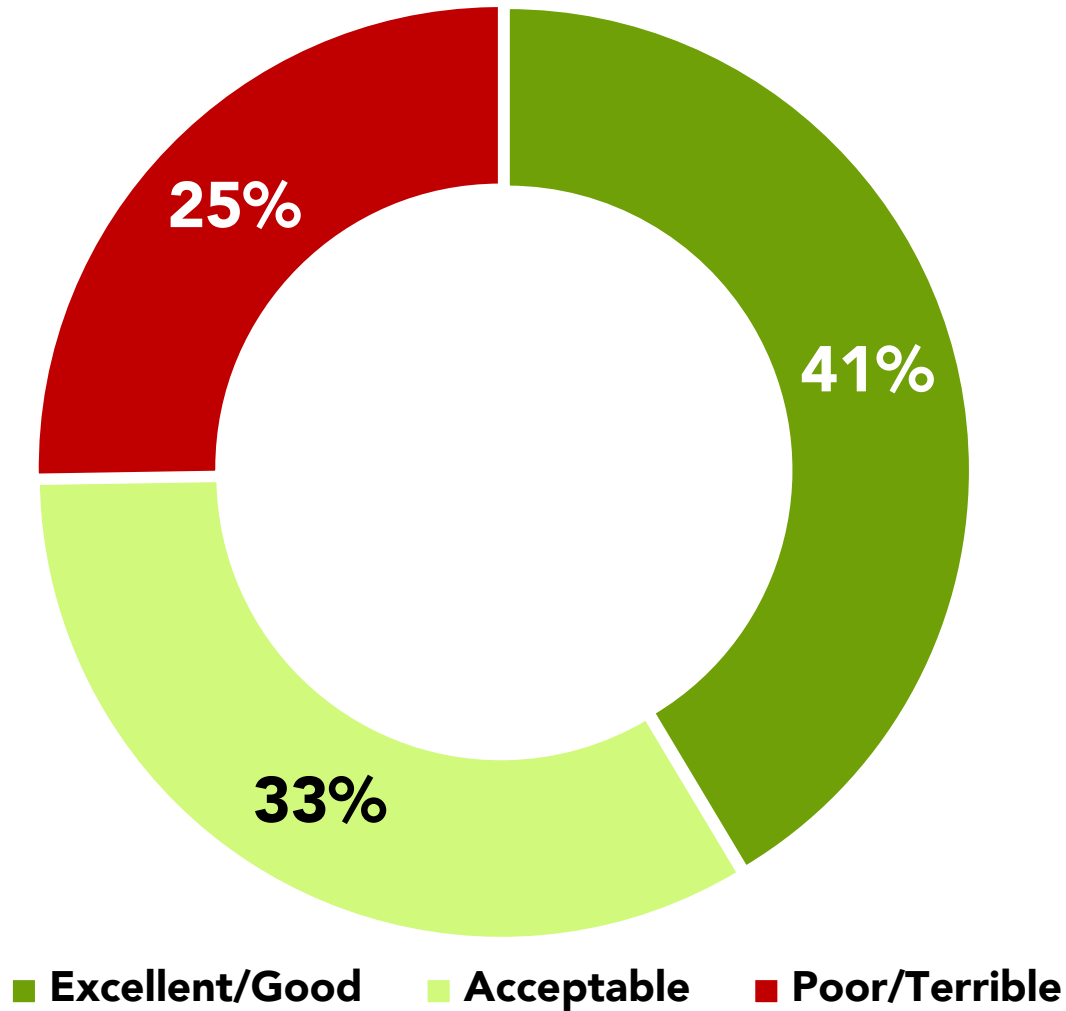


\$100K+



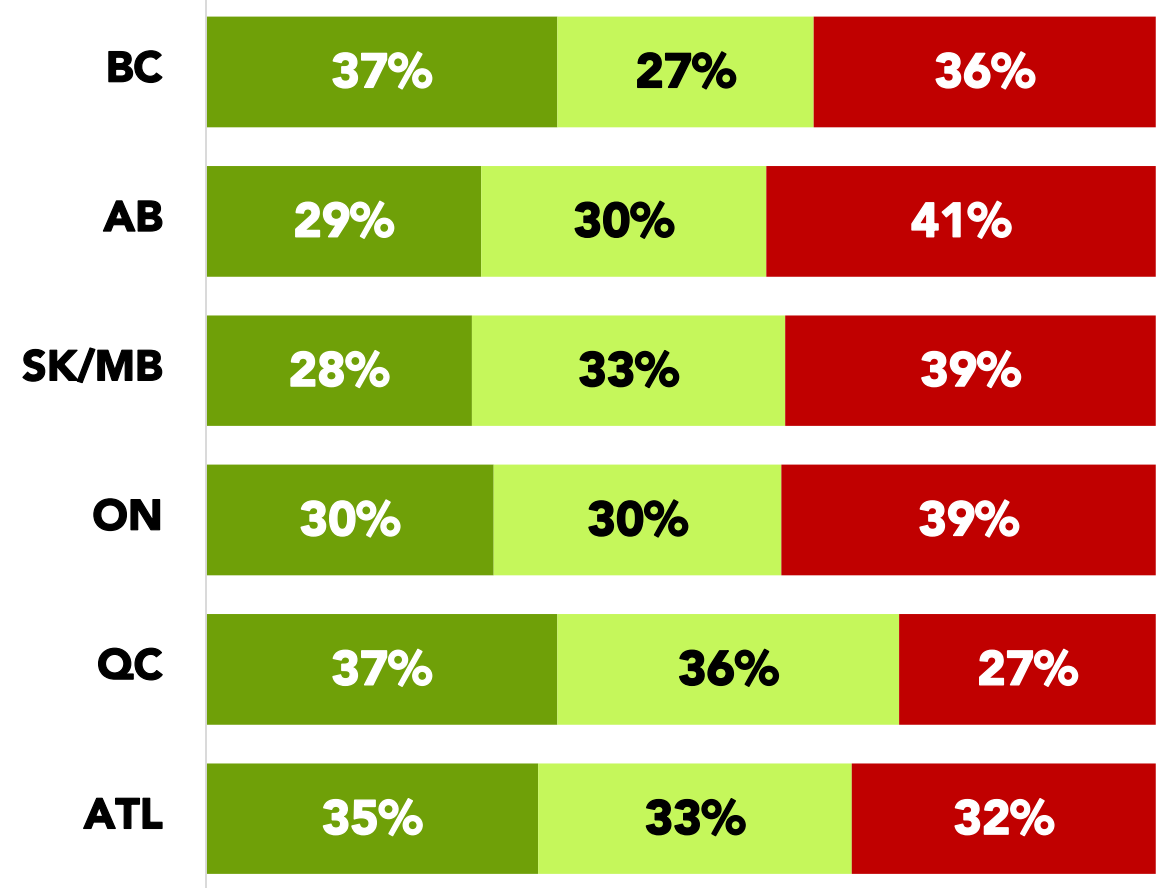
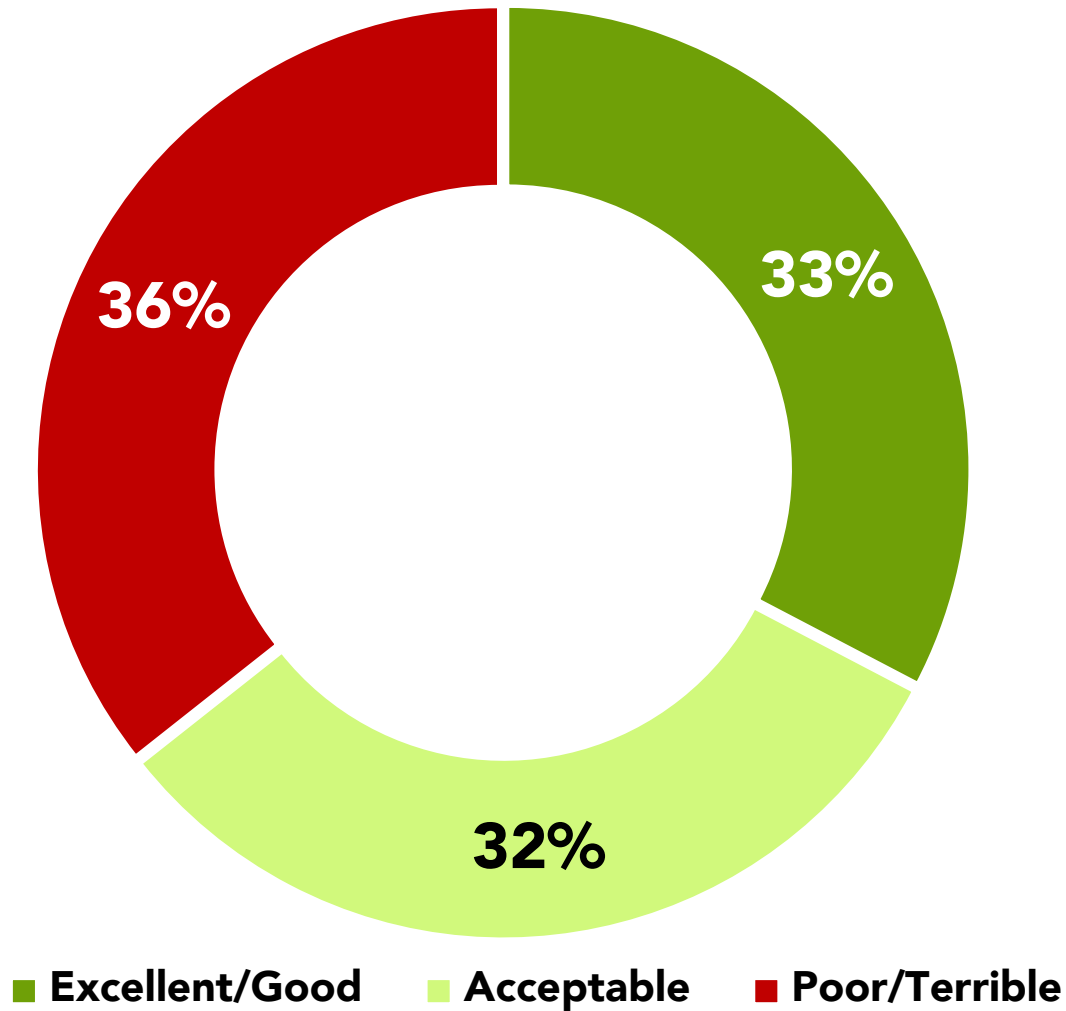
# 1 IN 4 CANADIANS DESCRIBE THE ECONOMIC CONDITIONS WHERE THEY LIVE AS "POOR OR TERRIBLE"

How would you describe current economic conditions where you live?



# BUT MORE CANADIANS DESCRIBE THEIR OWN FINANCIAL SITUATION AS POOR OR TERRIBLE.

How would you rate your own personal financial situation?





# THERE'S A CLEAR RELATIONSHIP BETWEEN LOCAL ECONOMIC ASSESSMENT AND CONCERN ABOUT COST OF LIVING. BUT IT ISN'T A PERFECT RELATIONSHIP.

How would you describe current economic conditions where you live?

**EXCELLENT/GOOD**

**17%**

**52%**

**32%**

**ACCEPTABLE**

**6%**

**45%**

**49%**

**POOR/TERRIBLE**

**4%**

**24%**

**72%**

How worried, if at all, are you personally about your cost of living and having enough income to pay for the things you need and want in your life?

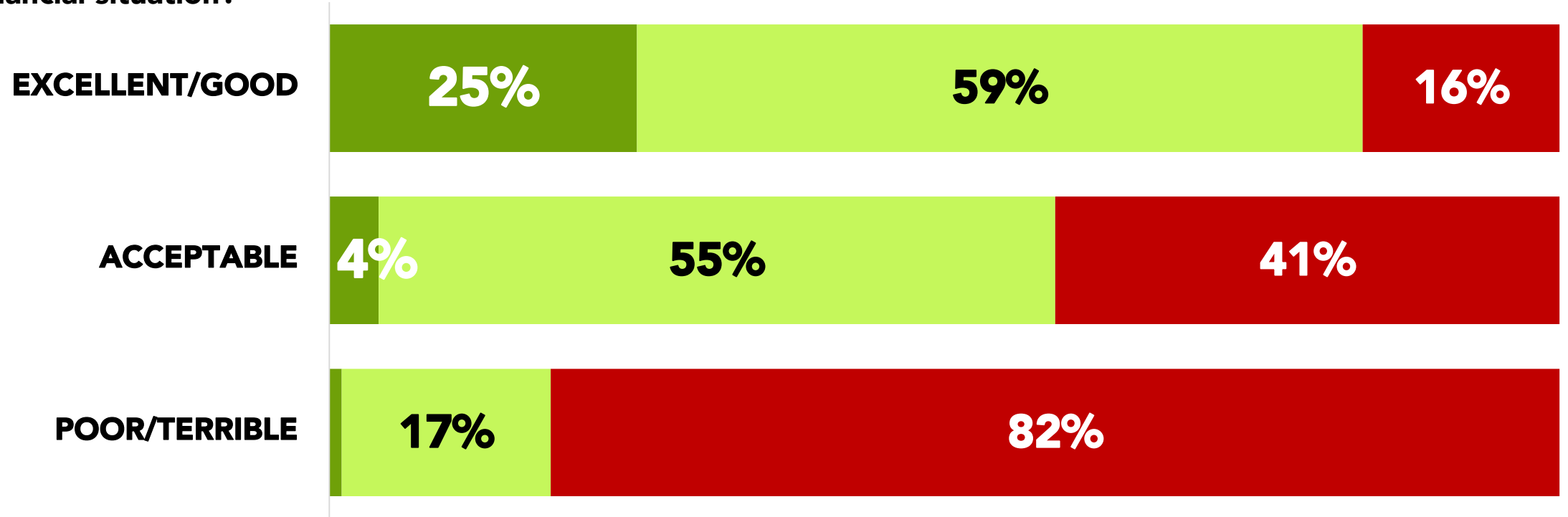
**■ NOT WORRIED**

**■ A LITTLE WORRIED**

**■ PRETTY/VERY WORRIED**

# THE RELATIONSHIP IS STRONGER BETWEEN PERCEIVED PERSONAL FINANCIAL SITUATION AND CONCERN ABOUT COST OF LIVING

How would you rate your own personal financial situation?



How worried, if at all, are you personally about your cost of living and having enough income to pay for the things you need and want in your life?

■ NOT WORRIED    ■ A LITTLE WORRIED    ■ PRETTY/VERY WORRIED

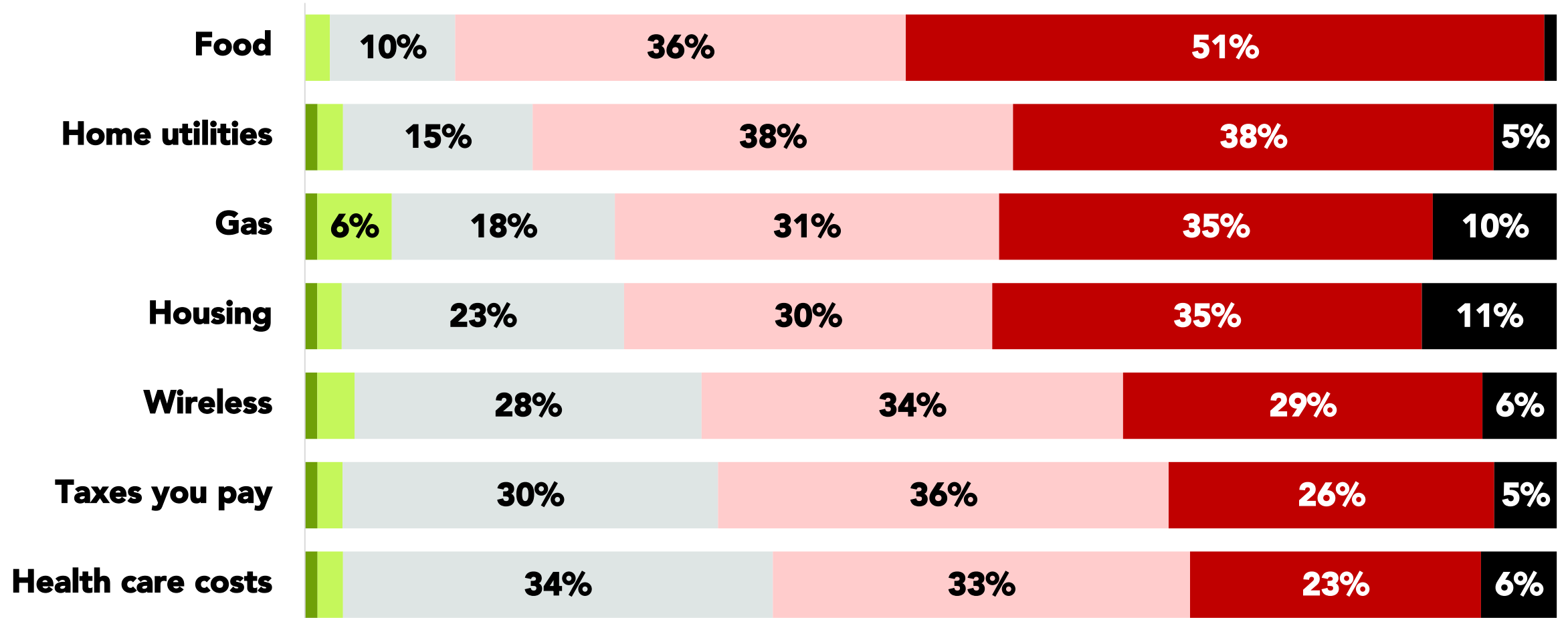
**And when asked about the cost of things they use in their life, many report that prices for food, home utilities, gas and housing have increased a lot over the past year.**

**Another 62% feel that the taxes they pay have increased over the past, this despite the fact that taxes really haven't increased.**

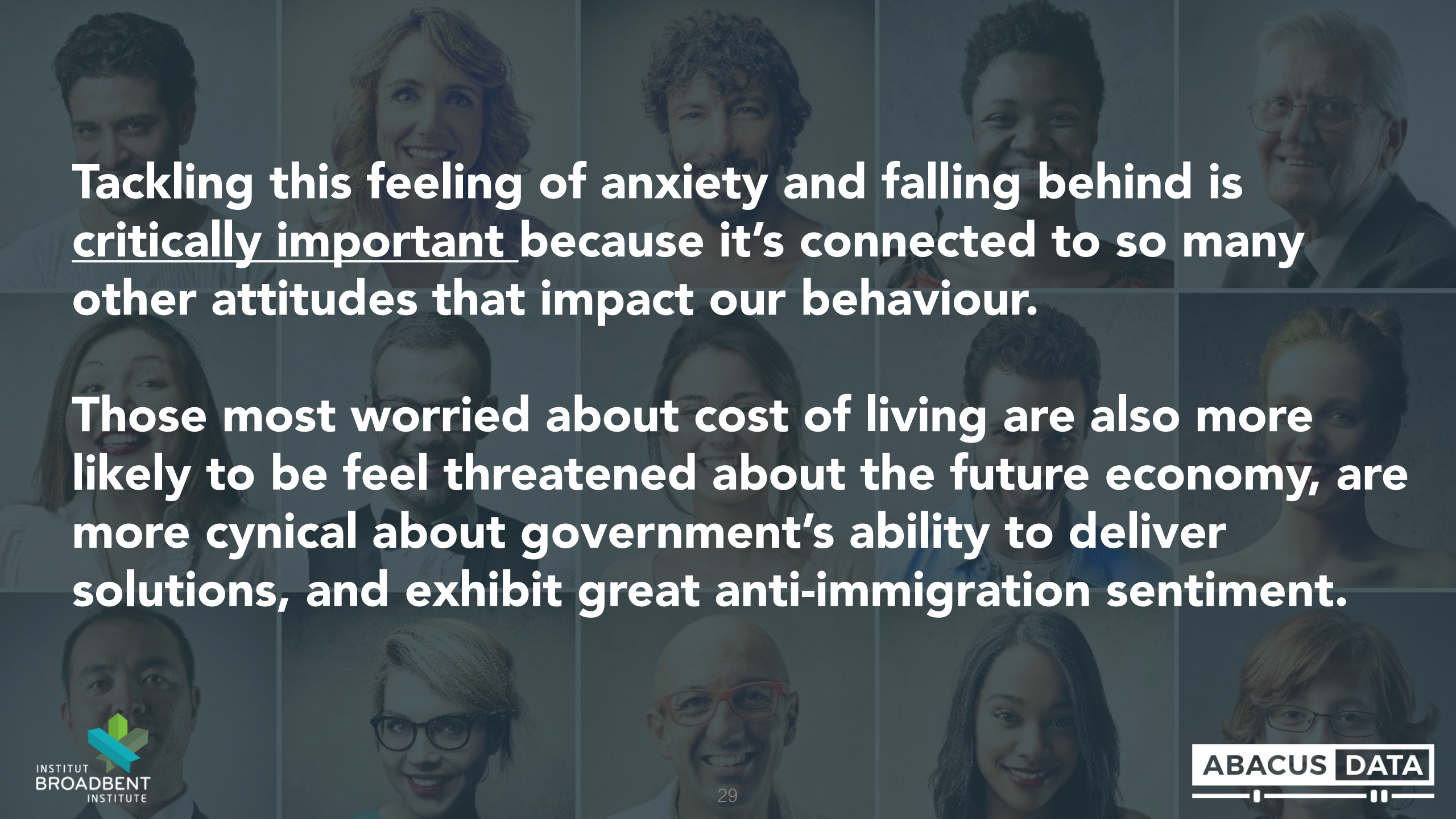
**Prices have increased over the past year with the inflation rate reaching 3% in July 2018 but coming back down to 1.4% in January 2019.**

# WHERE ARE PRICES GOING UP?

Over the past year, would you say the cost of the following things has been going down a lot, going down somewhat, staying about the same, going up somewhat, or going up a lot?



■ Down a lot ■ Down somewhat ■ Staying the same ■ Up somewhat ■ Up a lot ■ N/A



**Tackling this feeling of anxiety and falling behind is critically important because it's connected to so many other attitudes that impact our behaviour.**

**Those most worried about cost of living are also more likely to be feel threatened about the future economy, are more cynical about government's ability to deliver solutions, and exhibit great anti-immigration sentiment.**

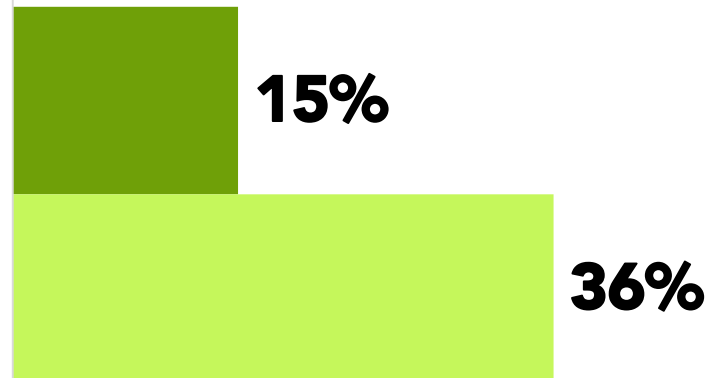
# IT MAKES PEOPLE MORE UNEASY ABOUT THE FUTURE AND THEIR PLACE IN IT.

Which of the following comes closest to your view?

**With the way the economy is going, there will be more threats to my quality of life in future than there will be opportunities to improve it**



**The way the economy is changing will bring more opportunities for me to improve my quality of life than threats to it**

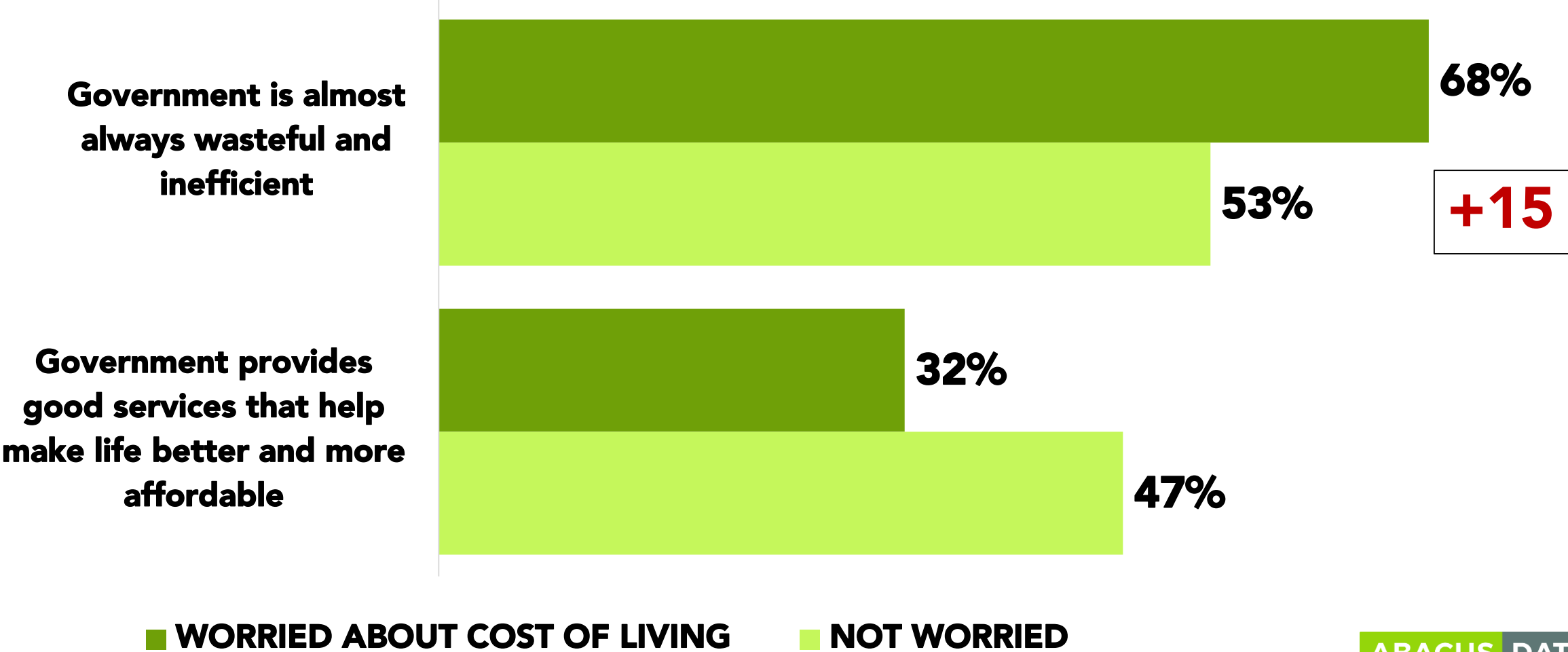


■ **WORRIED ABOUT COST OF LIVING**

■ **NOT WORRIED**

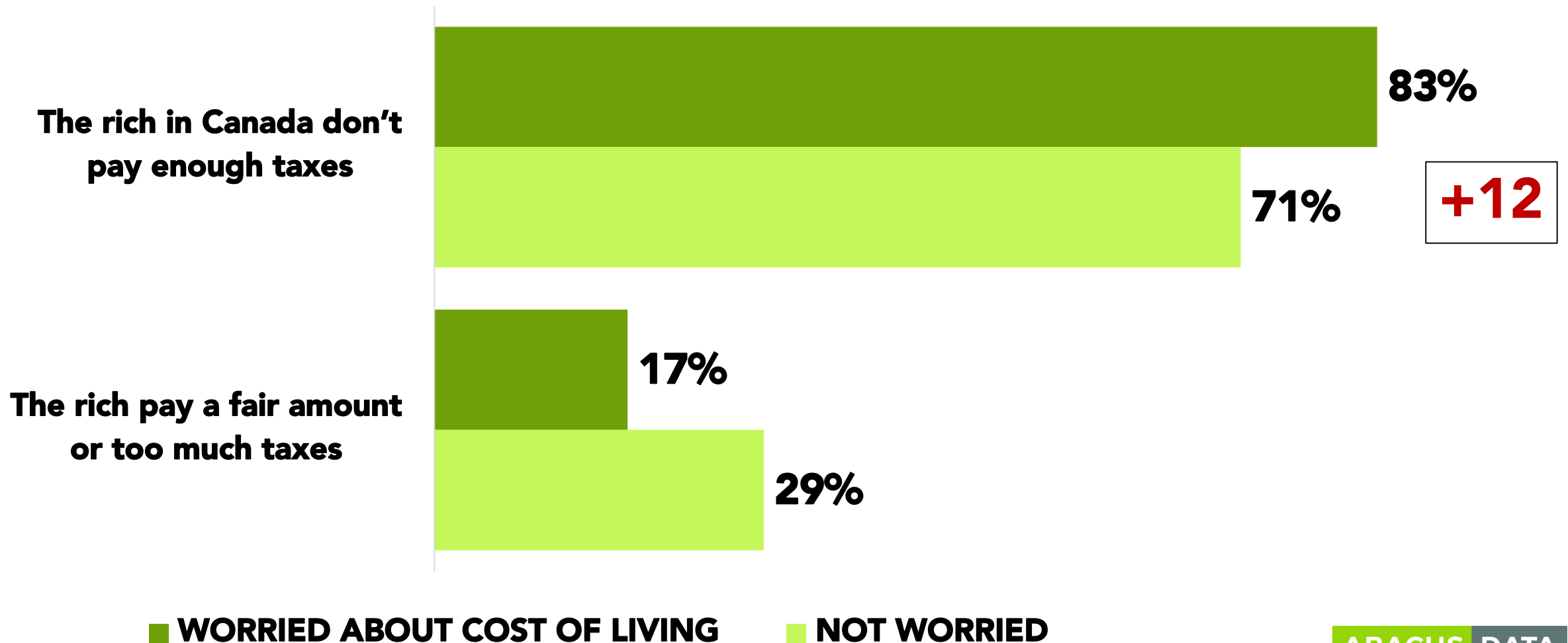
# IT INCREASES DOUBT IN GOVERNMENT'S ABILITY TO DELIVER

Which of the following comes closest to your view?



# IT CREATES MORE CLASS CONFLICT

Which of the following comes closest to your view?

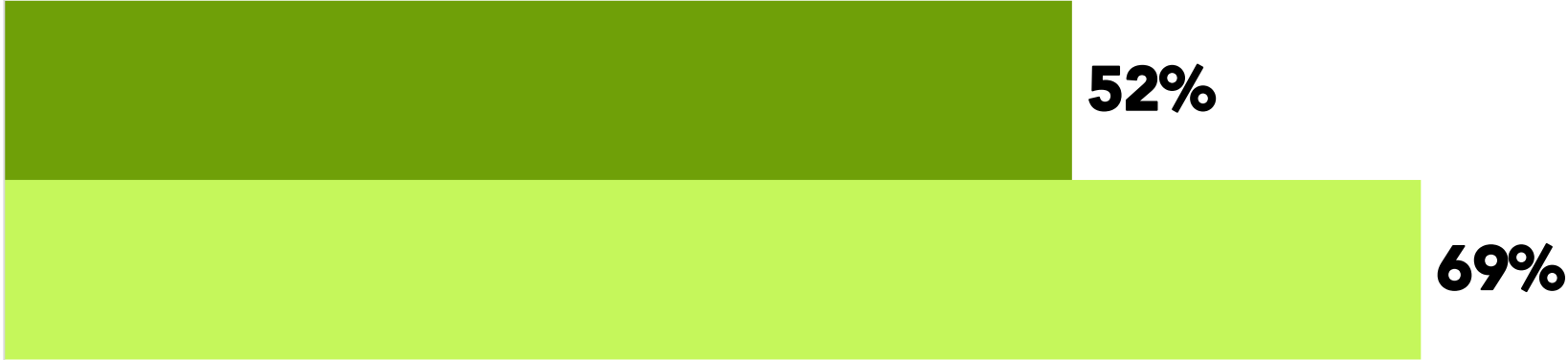




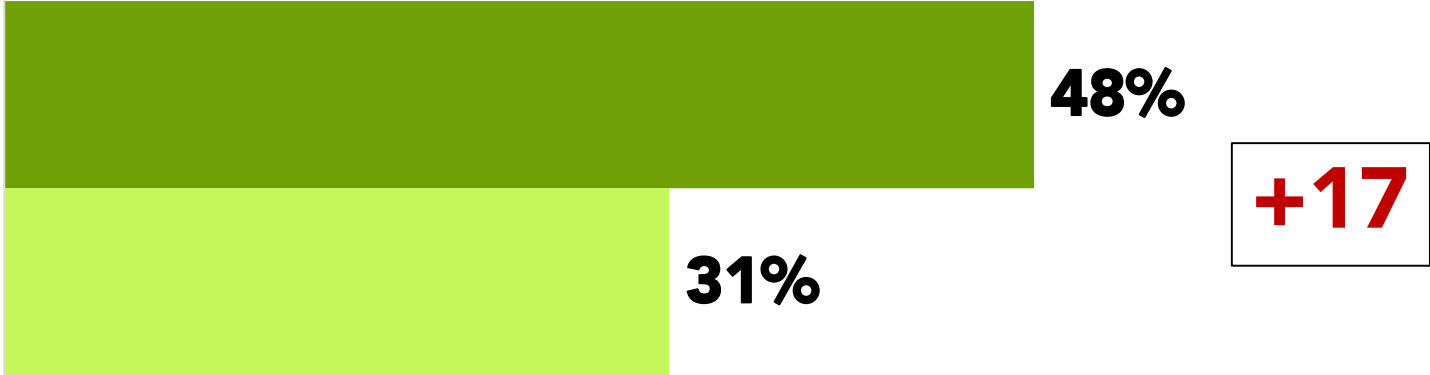
# IT TURNS US AGAINST ONE ANOTHER

Which of the following comes closest to your view?

**Immigrants today strengthen our country because their hard work and talents are needed**



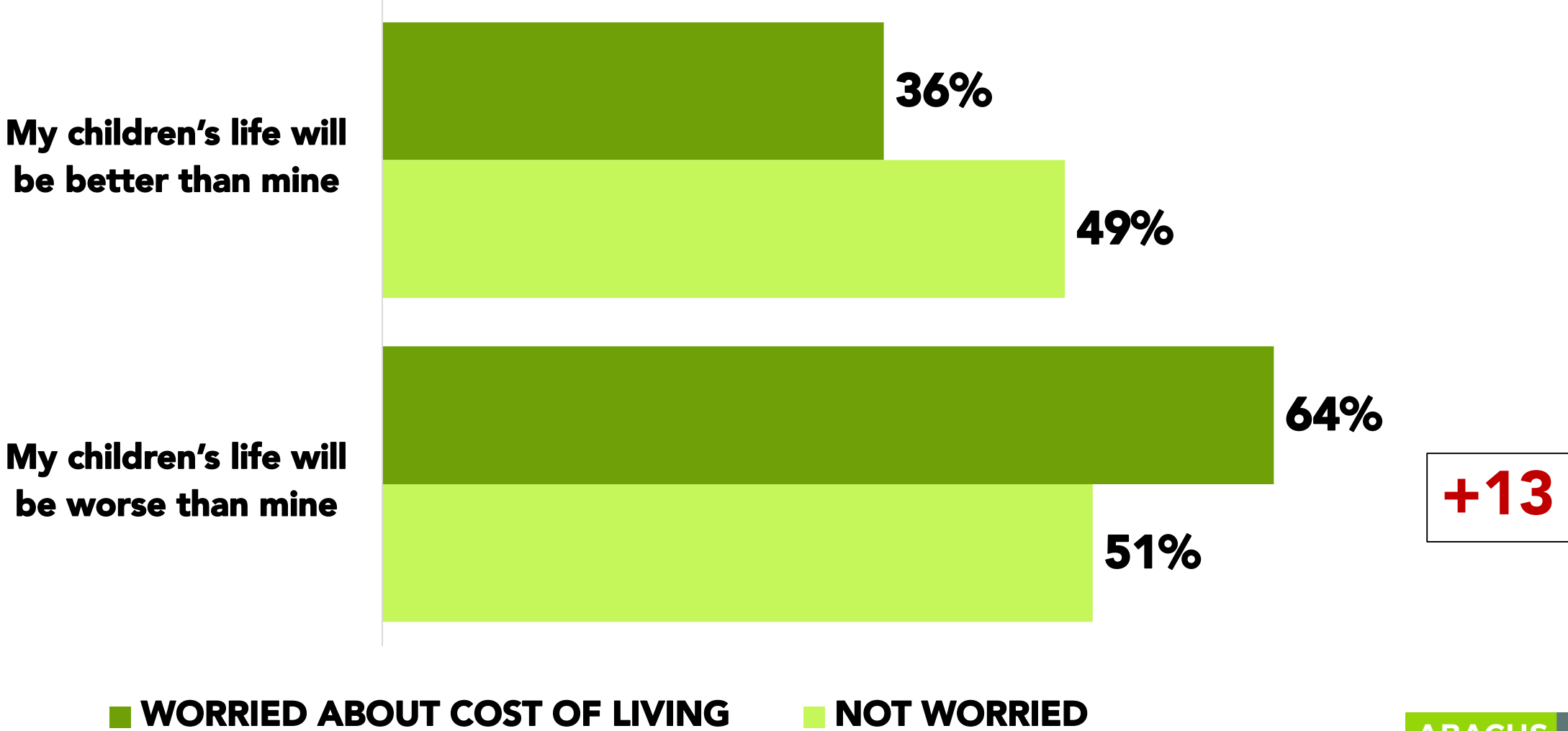
**Immigrants today are a burden on our country because they take our jobs, housing and health care**

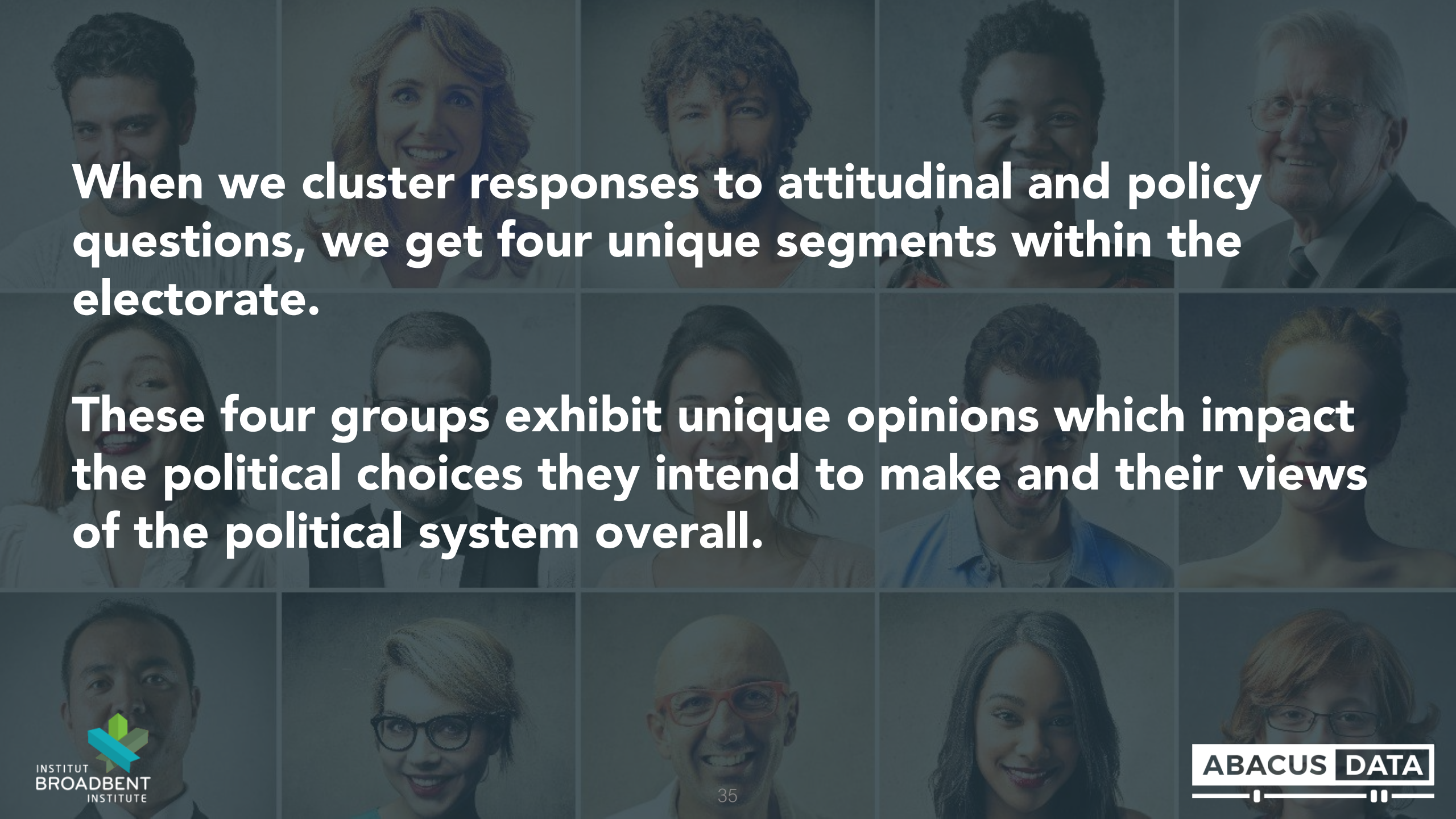


■ **WORRIED ABOUT COST OF LIVING**    ■ **NOT WORRIED**

# IT MAKES US REALLY PESSIMISTIC ABOUT THE FUTURE

Which of the following comes closest to your view?





**When we cluster responses to attitudinal and policy questions, we get four unique segments within the electorate.**

**These four groups exhibit unique opinions which impact the political choices they intend to make and their views of the political system overall.**

# THE CANADIAN ELECTORATE

PROGRESSIVES

ANXIOUS POPULISTS

CLASSIC LIBERALS

TRUE BLUE CONSERVATIVES

43%

28%

15%

14%

Recognize the modern economy is threatening people's standard of living and think government action is the solution. View climate change as a crisis, immigration as a strength, and income inequality a source of many problems.

Very pessimistic and anxious about the future. They blame government for many of their problems, think it is wasteful but also recognize that it's needed to regulate businesses.

Generally optimistic about the future, believe government can deliver good services but also believe some inequality in society is ok. Support immigration and want action on climate change through market mechanisms.

Movement conservatives who believe government is inherently wasteful, corporations are generally good, taxes are too high, and immigration should be controlled.

Anti-corporate but also anti-government. Think people should be consulted and know how to solve problems rather than elites and blame immigration for the challenges they face.

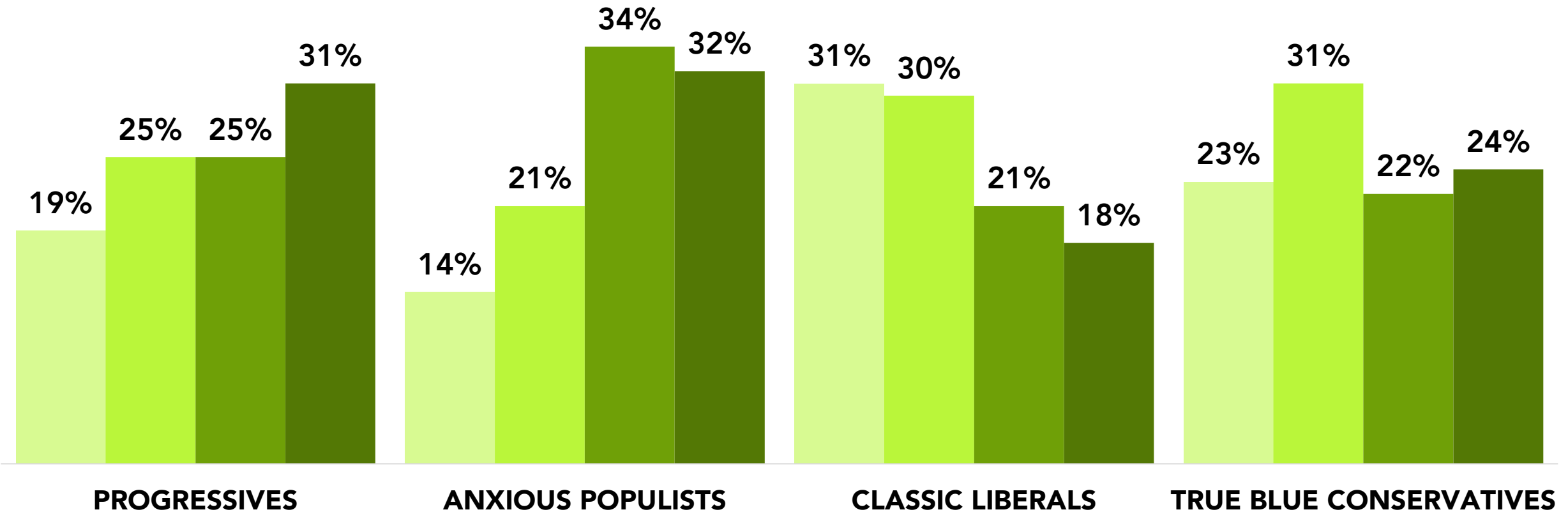
Also more socially conservative than other groups.

36 BASED ON CLUSTER ANALYSIS

ABACUS DATA

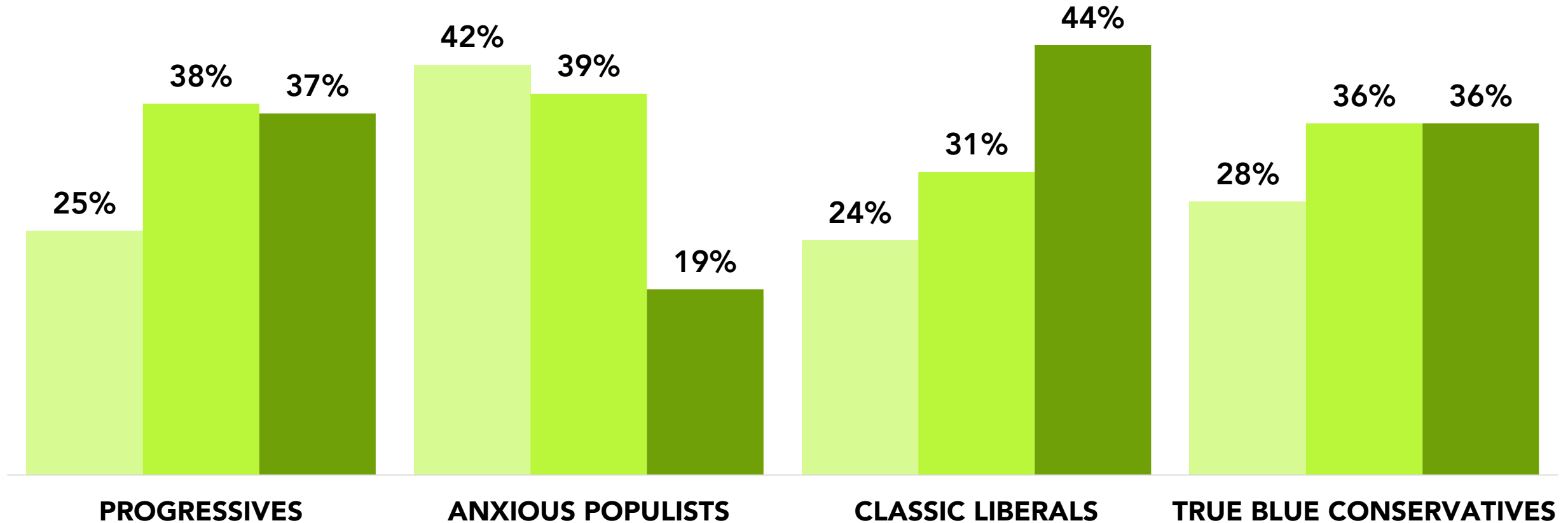
# ANXIOUS POPULISTS ARE TYPICALLY OLDER.

■ 18 to 29 ■ 30 to 44 ■ 45 to 59 ■ 60+



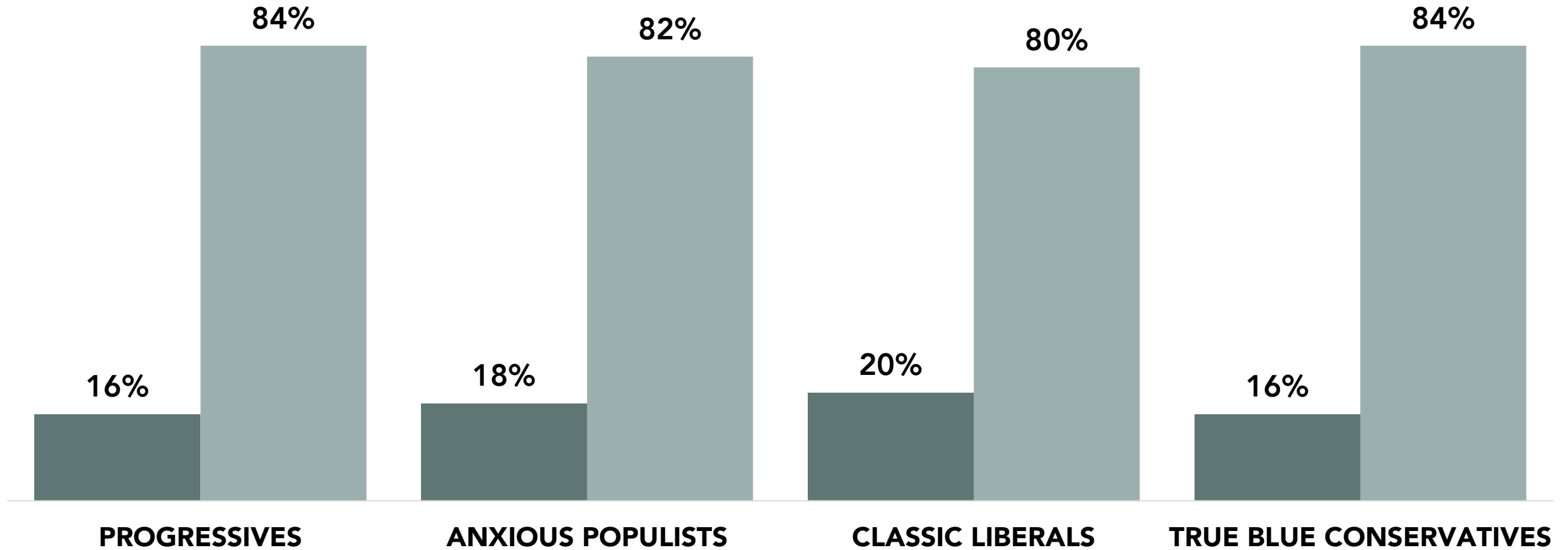
# EDUCATION IS A PREDICTOR OF GROUP MEMBERSHIP

■ HS or less ■ College ■ University



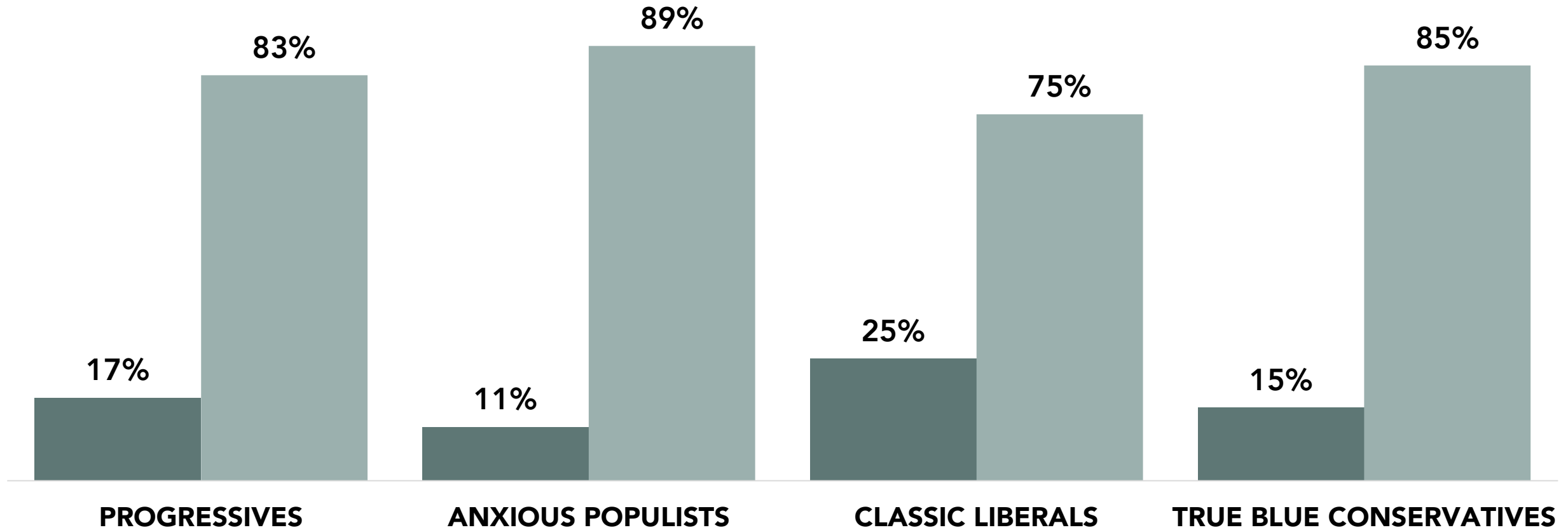
# UNION MEMBERSHIP IS NOT A FACTOR IN GROUP MEMBERSHIP

■ Union member   ■ Not union member



# ANXIOUS POPULISTS ARE LEAST LIKELY TO IDENTIFY AS A MEMBER OF A RACIALIZED COMMUNITY

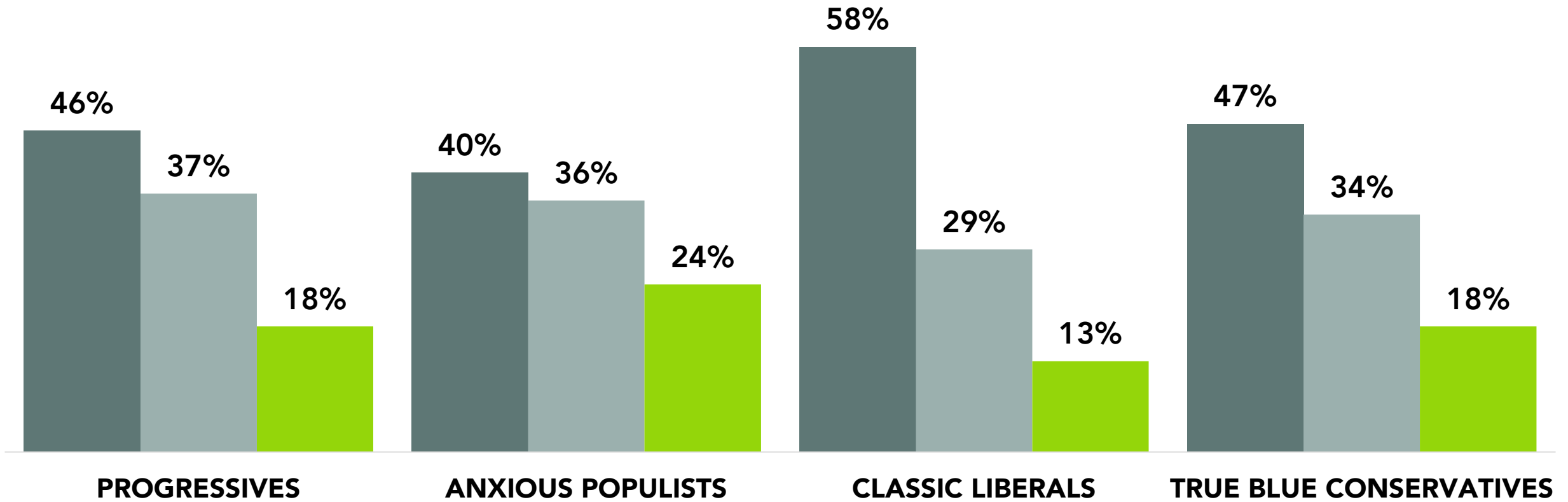
■ Member of racialized community ■ Not





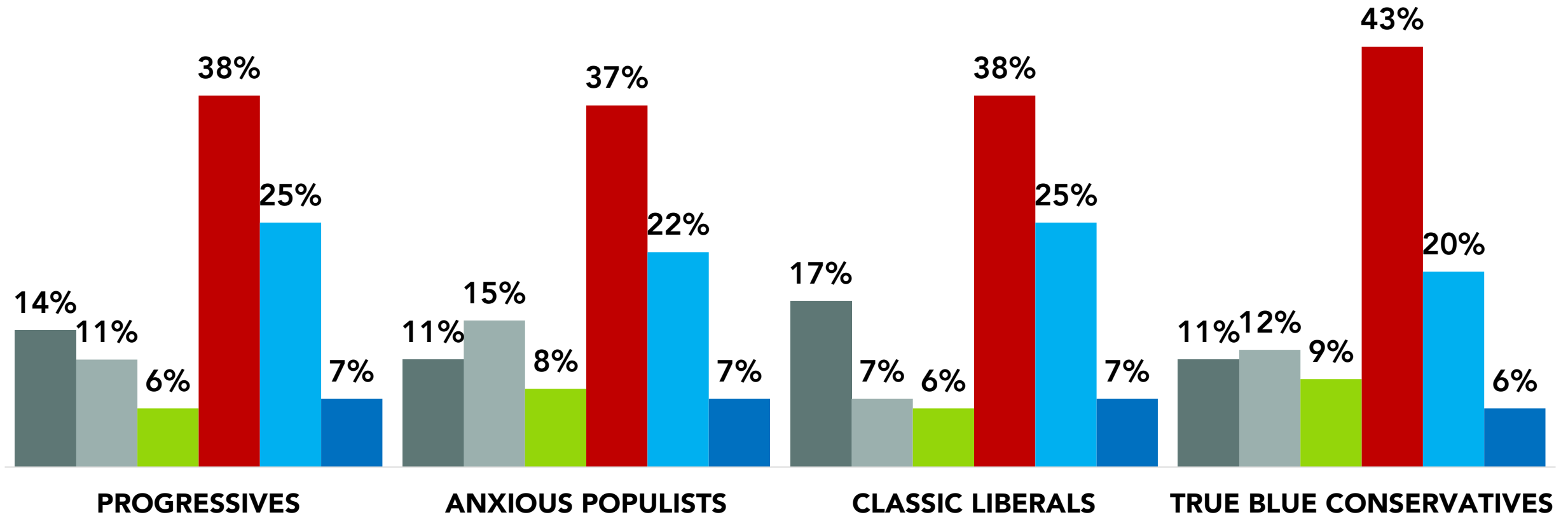
# THE TYPE OF COMMUNITY YOU LIVE IN IMPACTS YOUR GROUP MEMBERSHIP.

■ Urban ■ Suburban ■ Rural



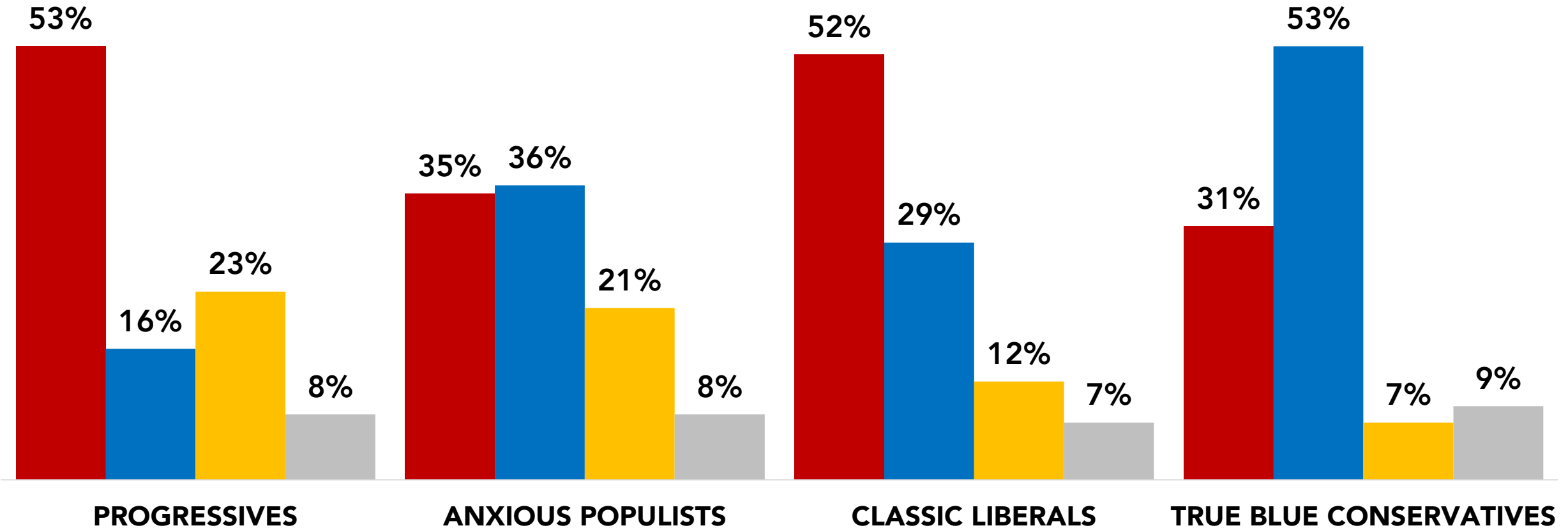
# EXCEPT FOR ANXIOUS POPULISTS, GROUPS ARE FAIRLY EVENLY DIVIDED ACROSS THE COUNTRY.

■ BC ■ AB ■ SK/MB ■ ON ■ QC ■ ATL



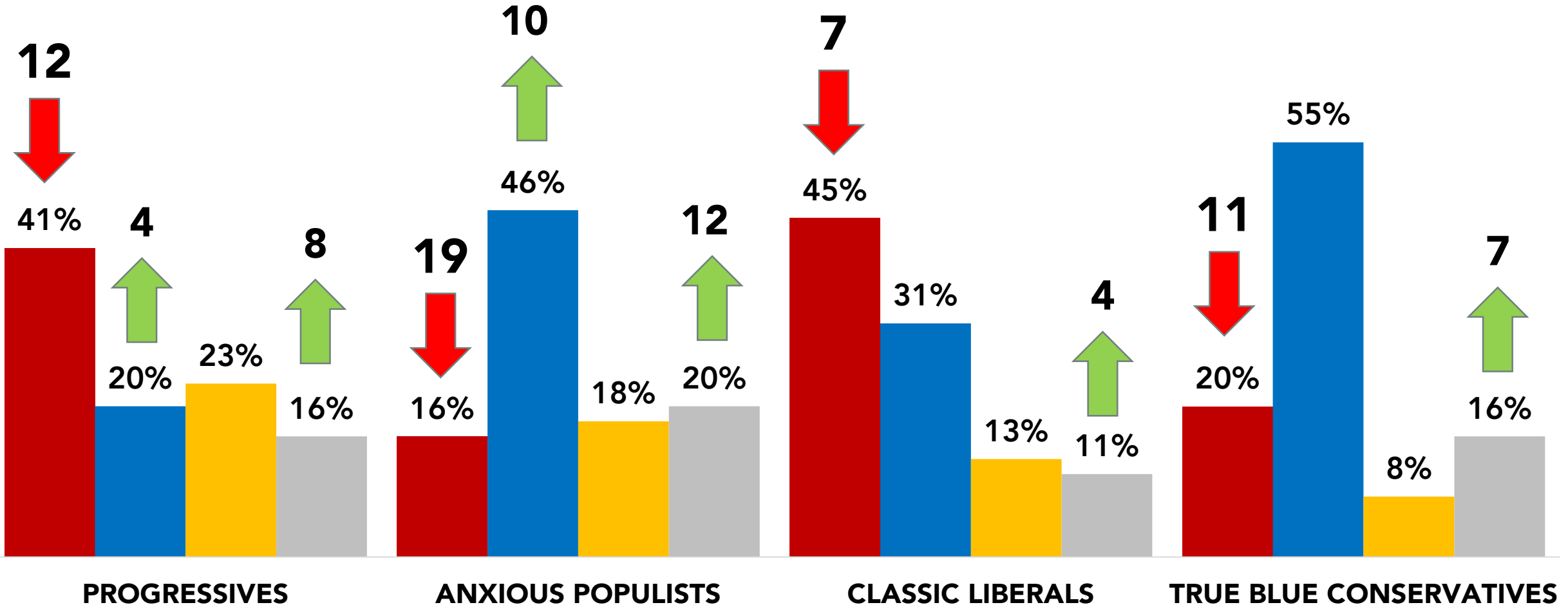
# HOW DID THEY VOTE IN 2015?

■ LIBERAL ■ CONSERVATIVE ■ NDP ■ OTHERS



# HOW WOULD THEY VOTE TODAY?

■ LIBERAL ■ CONSERVATIVE ■ NDP ■ OTHERS



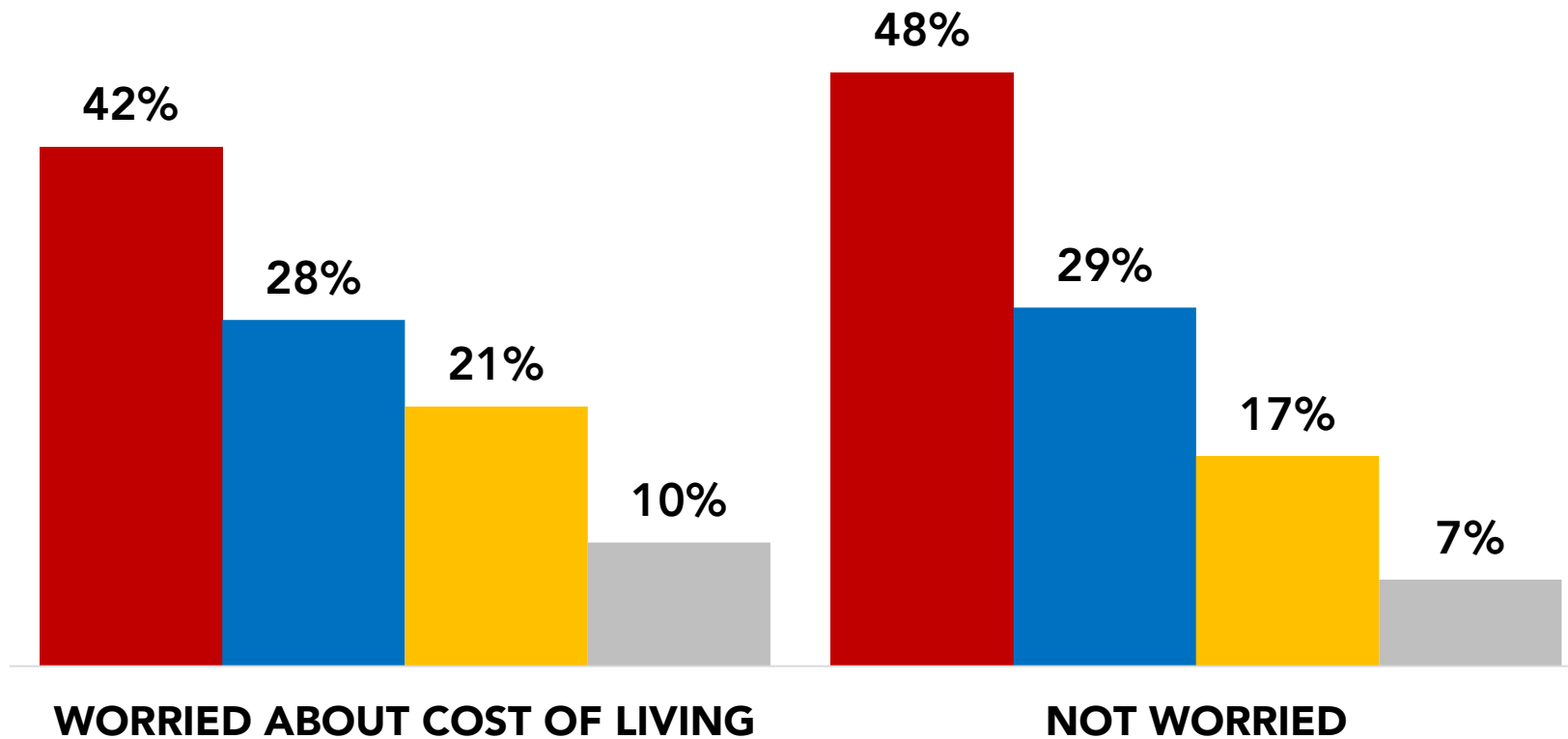


**When we look at the political choices those concerned about cost of living make or intend to make, we don't see a clear pattern.**

**This suggests these voters are open to persuasion and are looking for a political choice that will best serve their interests.**

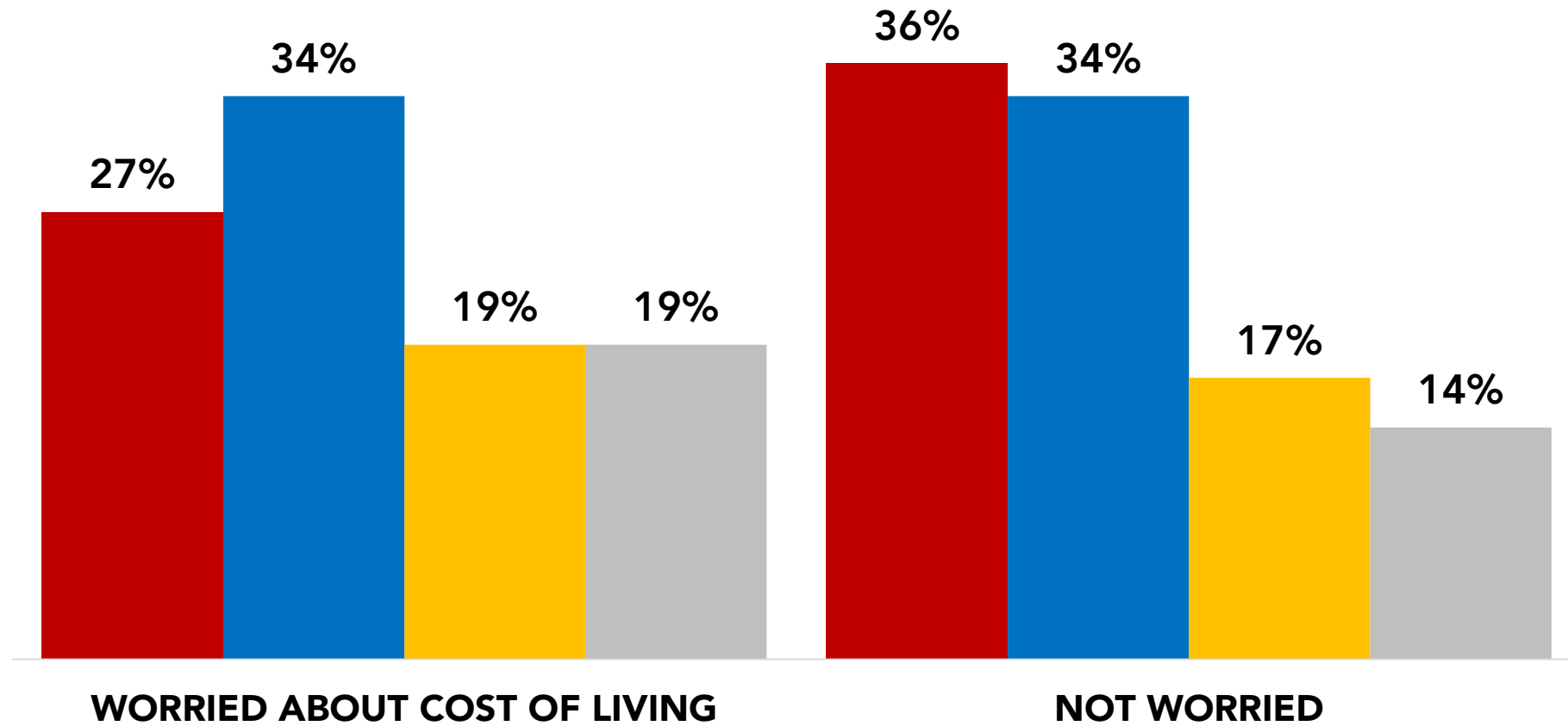
# HOW DID THEY VOTE IN 2015?

■ LIBERAL ■ CONSERVATIVE ■ NDP ■ OTHERS



# HOW THEY WOULD VOTE TODAY?

■ LIBERAL ■ CONSERVATIVE ■ NDP ■ OTHERS





**But there's a way forward for progressives to take control of the narrative and reframe it in a way that focuses on listening to ordinary people and fixing what many think is a rigged economy.**



# FINDING A MESSAGE THAT CONNECTS

We are going to show you some things political leaders in Canada might say about the rising cost of living. Review each carefully and tell us whether you agree or disagree with them.	Completely agree	Mostly agree	Agree a bit / Disagree
More and more it seems like the economy is rigged for the 1% at the top. To make life more affordable for everyday people, the richest people and corporations need to pay their taxes, not dodge them so we can improve services people count on.	47%	24%	29%
We need more politicians who understand the pressures facing ordinary people across the country, who have a plan to change the economy and earn our way to higher living standards for all, not just a few.	43%	30%	27%
To improve everyone's quality of life, we need to strengthen the middle class and give more people the opportunity to join it. That means fostering an economy for both businesses and people to thrive.	31%	35%	34%
The best way to help people make ends meet is to put more money in their pockets by cutting their taxes, cutting red tape and business regulation, and letting corporations thrive and create good jobs.	28%	27%	45%
We don't have a cost of living crisis in Canada. We have a wage crisis. Most people aren't earning enough for the work they do. Pensions don't provide enough income for retirees. We will never fix the cost of living crisis until we raise people's incomes.	23%	26%	51%

# FINDING A MESSAGE THAT CONNECTS

<p>We are going to show you some things political leaders in Canada might say about the rising cost of living. Review each carefully and tell us whether you agree or disagree with them.</p>	<p>THOSE WORRIED ABOUT COST OF LIVING</p>	<p>ALL OTHERS</p>
	<p>% WHO COMPLETELY AGREE</p>	
<p>More and more it seems like the economy is rigged for the 1% at the top. To make life more affordable for everyday people, the richest people and corporations need to pay their taxes, not dodge them so we can improve services people count on.</p>	<p><b>57%</b></p>	<p><b>38%</b></p>
<p>We need more politicians who understand the pressures facing ordinary people across the country, who have a plan to change the economy and earn our way to higher living standards for all, not just a few.</p>	<p><b>54%</b></p>	<p><b>33%</b></p>
<p>To improve everyone's quality of life, we need to strengthen the middle class and give more people the opportunity to join it. That means fostering an economy for both businesses and people to thrive.</p>	<p><b>37%</b></p>	<p><b>26%</b></p>
<p>The best way to help people make ends meet is to put more money in their pockets by cutting their taxes, cutting red tape and business regulation, and letting corporations thrive and create good jobs.</p>	<p><b>32%</b></p>	<p><b>25%</b></p>
<p>We don't have a cost of living crisis in Canada. We have a wage crisis. Most people aren't earning enough for the work they do. Pensions don't provide enough income for retirees. We will never fix the cost of living crisis until we raise people's incomes.</p>	<p><b>31%</b></p>	<p><b>16%</b></p>

# FINDING A MESSAGE THAT CONNECTS

<p>We are going to show you some things political leaders in Canada might say about the rising cost of living. Review each carefully and tell us whether you agree or disagree with them.</p>	PROGRESSIVES	ANXIOUS POPULISTS	CLASSIC LIBERALS	TRUE-BLUE CONSERVATIVES
	% WHO COMPLETELY AGREE			
<p>More and more it seems like the economy is rigged for the 1% at the top. To make life more affordable for everyday people, the richest people and corporations need to pay their taxes, not dodge them so we can improve services people count on.</p>	55%	64%	17%	18%
<p>We need more politicians who understand the pressures facing ordinary people across the country, who have a plan to change the economy and earn our way to higher living standards for all, not just a few.</p>	43%	58%	27%	31%
<p>To improve everyone's quality of life, we need to strengthen the middle class and give more people the opportunity to join it. That means fostering an economy for both businesses and people to thrive.</p>	30%	40%	25%	23%
<p>The best way to help people make ends meet is to put more money in their pockets by cutting their taxes, cutting red tape and business regulation, and letting corporations thrive and create good jobs.</p>	20%	39%	21%	39%
<p>We don't have a cost of living crisis in Canada. We have a wage crisis. Most people aren't earning enough for the work they do. Pensions don't provide enough income for retirees. We will never fix the cost of living crisis until we raise people's incomes.</p>	24%	32%	14%	12%