

Modalis Omnibus

REPORT ON COST OF LIVING

October 3, 2024





Key Findings



This version of the Modalis Omnibus focused on housing and the cost of living.

- › This report presents findings related to the cost of living in Canada:
 - Impact of cost of living on household finances.
 - Expectations for cost of living in context.
 - Expectations for cost of living over time.
- › Large numbers of Canadians say recent increases in cost of living is having a negative impact on household finances. This has gradually increased over the past three years.
- › Canadians do not see any relief on the horizon, despite a steady decline in Canada's CPI over the same time period.
- › Renters, lower income households, and those under 55 years of age are feeling the squeeze more acutely than other Canadians.



Methodology



- › The findings presented in this report are based on our Modalis Omnibus. The questions used for these results were not commissioned by any client or third party.
- › The survey was conducted online using both email and SMS invitations/reminders. It was completed via desktops, laptops, tablets and mobile devices.
- › As part of our commitment to quality, we significantly mitigate non-response bias by keeping our surveys in field for two weeks (this is the optimal field time for online surveys). The survey was conducted from July 24 to August 7, 2024.
- › A total of 1,604 responses were gathered from Canadian adults.
- › As the Modalis Public Opinion Panel is 100% recruited using RDD probability-based sampling, a margin of error can be calculated – it is plus or minus 2.4% at a 95% confidence interval.
- › The data have been weighted by age, gender and region using population data from the 2021 Statistics Canada Census.



Survey Findings

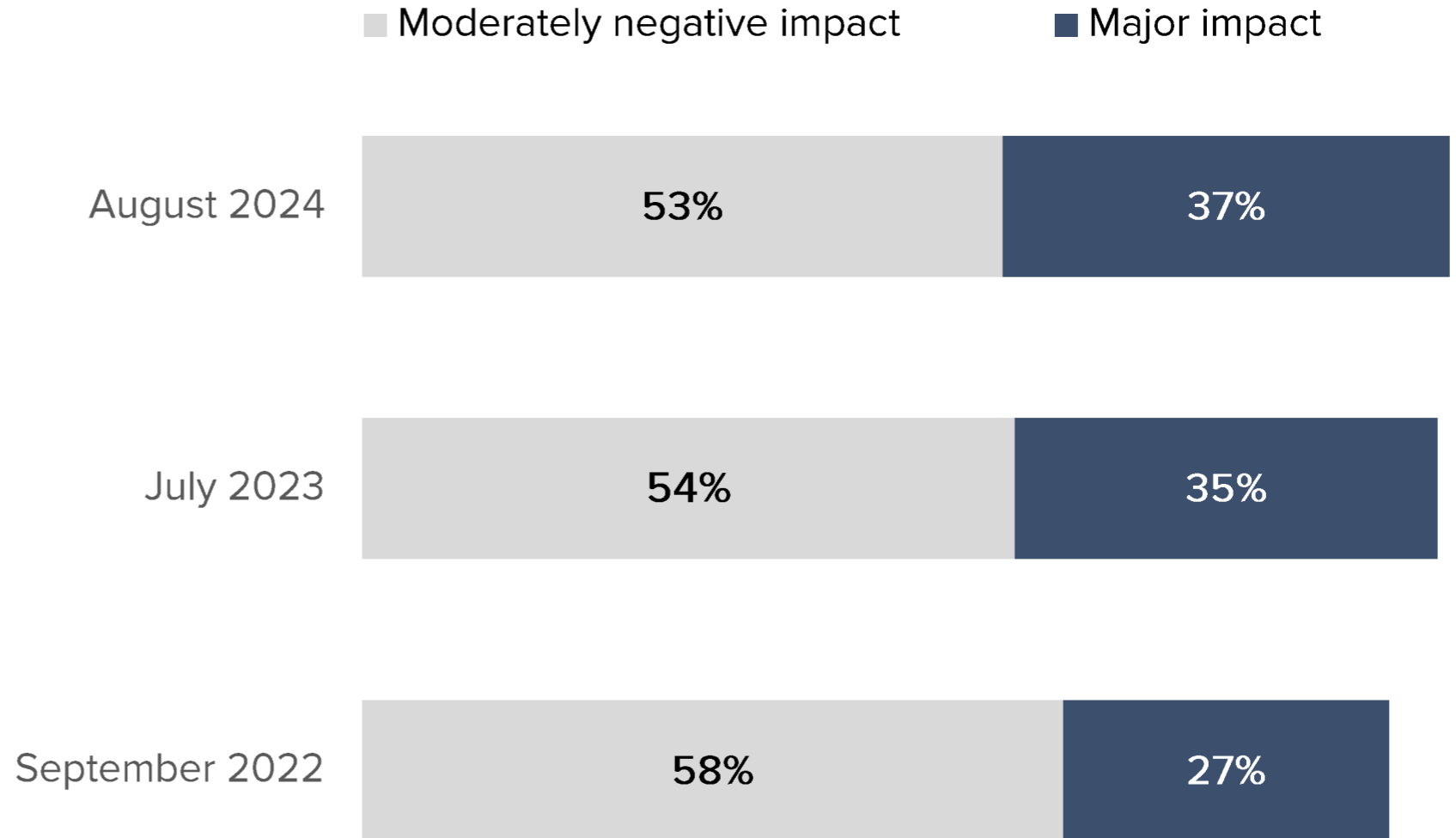
Fully 90 per cent of Canadians say the increased cost of living is having a negative impact on household finances

Despite the official CPI easing greatly over the past two years, there has been a 10 point jump in those saying the cost of living increases are having a major negative impact on their financial well being.

- > This is most acutely felt among low income households (under \$40K household income) with 59% reporting a major impact on finances.
- > Renters also report a much higher negative impact than homeowners (49% vs. 29%, respectively).
 - Three-quarters (74%) of renters spending 50% of gross income or more on rent are feeling a major negative impact, doubling the overall average.
- > Seniors and high income earners (\$150K household income) are least likely to report a major impact (both at 24%).



To what extent, if at all, has an increase in the cost of living over the past year had a negative impact your household's financial well being?

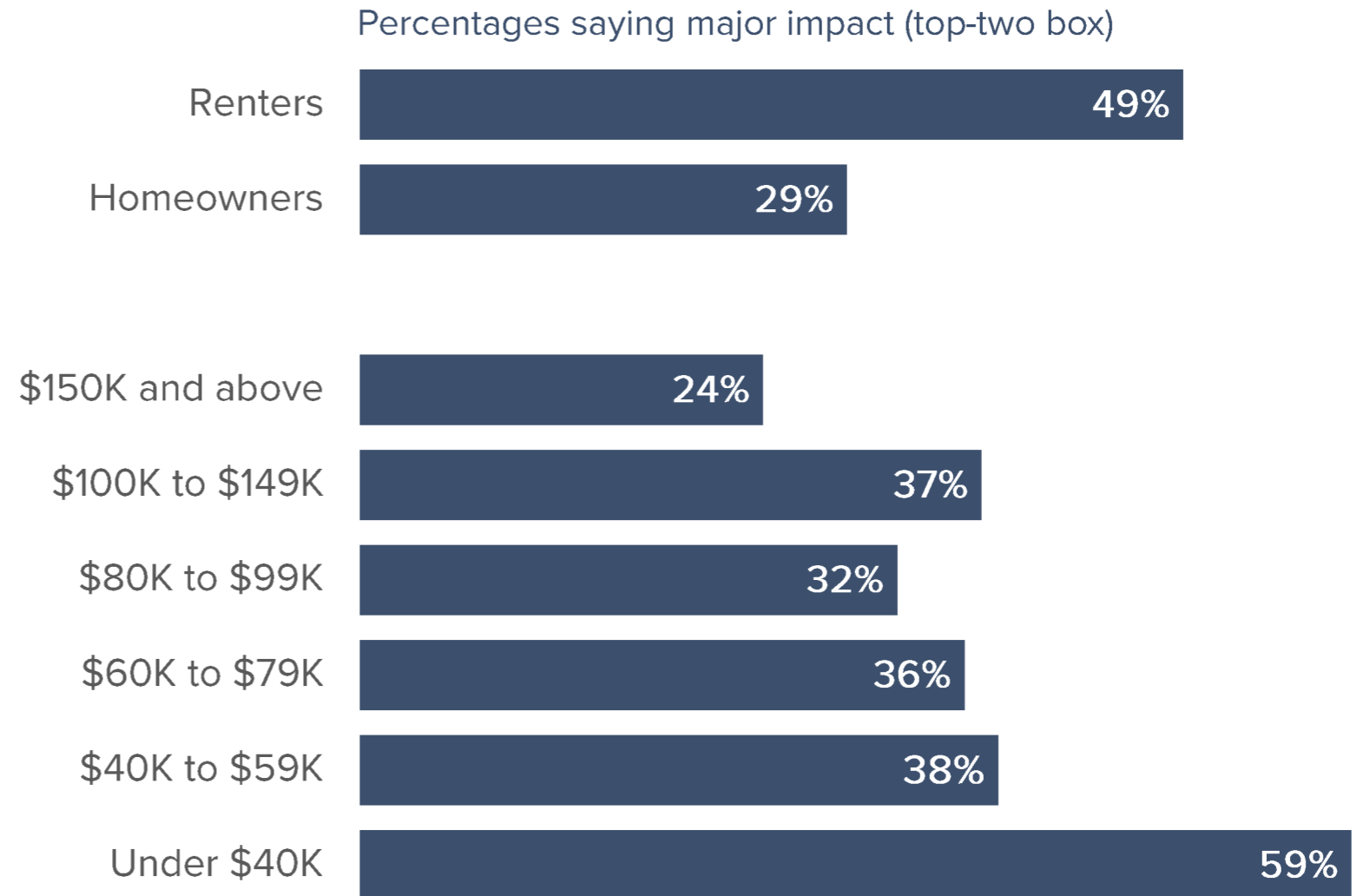


Vulnerable Canadians are feeling the pinch most acutely

- › This is most acutely felt among low income households (under \$40K household income) with almost 6 in 10 reporting a major impact on their financial well being.
- › Renters also report a much higher negative impact than homeowners.
 - Further, three-quarters (74%) of renters spending 50% of gross income or more on rent are feeling a major negative impact, doubling the national average.
- › Seniors and high income earners (\$150K household income) are least likely to report a major impact (both at 24%).



To what extent, if at all, has an increase in the cost of living over the past year had a negative impact your household's financial well being?



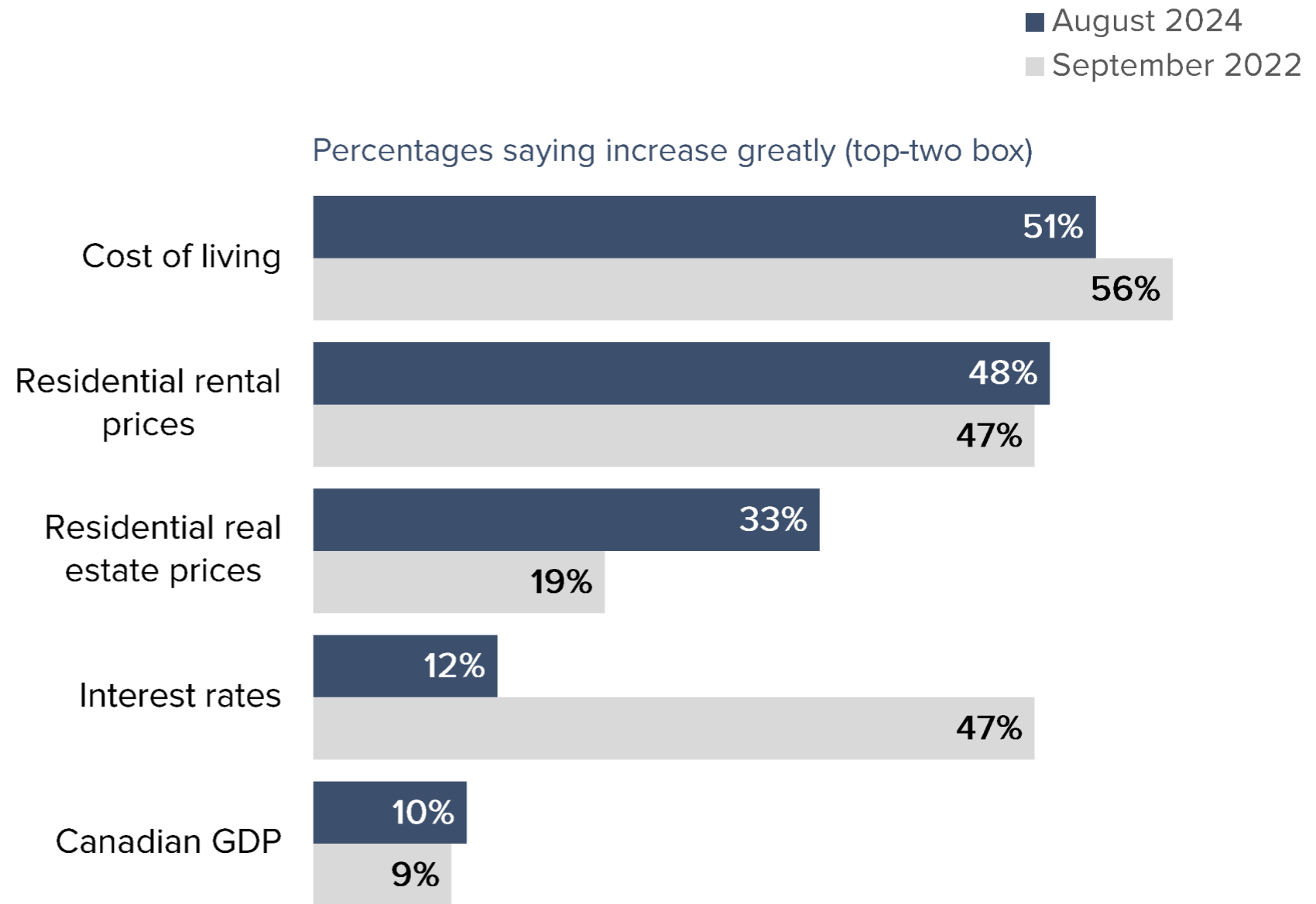
Over half of Canadians continue to see the cost of living increasing greatly over the next year

While the number saying the cost of living will increase greatly over the next year has pulled back slightly since 2022, it remains above half of all Canadians. Expectations for the cost of living track closely with those for housing costs, particularly rental prices.

- › It is notable that the 2022 reading occurred just shortly after Canada's CPI had peaked at 8.1% in mid-2022. Since then, the CPI has decreased greatly to just 2.0% in the most recent report from August.
- › Despite the large declines in CPI and the number of Canadians expecting increased interest rates, there's only been a slight pullback in cost of living expectations.



In your opinion, do you think each of the following will increase or decrease over the next 12 months?





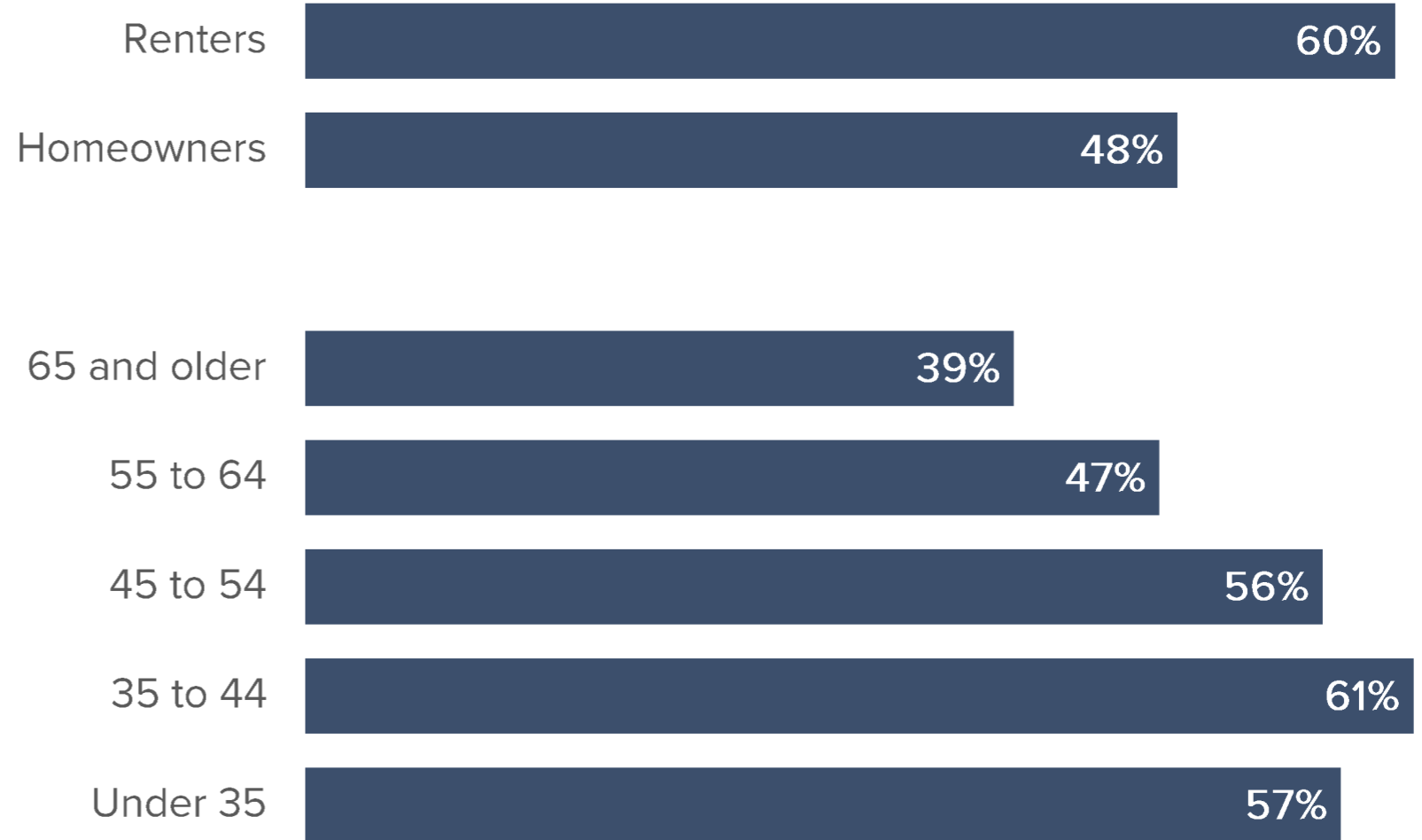
In your opinion, do you think ... the cost of living ... will increase or decrease over the next 12 months?

Persistent and increase expectations may explain, to some extent, continued high expectations for the cost of living.

As noted above, expectations for housing costs track with those for cost of living closely, particularly rental prices.

- › Renters have significantly higher expectations than homeowners – 60% vs. 48%, respectively.
- › Seniors have the lowest level of expectations around COL across age groups (39%), while those 35 to 44 have the highest (61%).
- › Regionally, expectations are highest in Alberta (67%) and lowest in Quebec (39%).

Percentages saying increase greatly (top-two box)





Discussion



It has been well documented that increased living costs can have serious public health and quality of life implications (e.g., 2023 [Lancet study](#)). While the CPI has come down from its peak two years ago, Canadians are still feeling the effects.

This is particularly true among some of the most vulnerable groups of Canadians.

The data presented here and elsewhere in our recent releases points to an elephant in the room - [housing costs](#). Much more needs to be done to reduce these costs.

Modus

Advantage



Modus Panels vs. the Opt-ins

Modus panels rely exclusively on telephone-based random probability sampling that covers the entire population.

People cannot join a Modus panel unless we randomly select them and verify them with a live interview.

The benefits of using the Modus panel methodology are extensive. The key benefits are:

- › Our panels contain real people with no AI bots or professional respondents.
- › We have recruited from the entire population and can project the results soundly.
- › We can determine the sampling accuracy with statistical validity.

We do not use opt-in sampling, as it produces substantial, incalculable errors and biases.

As the *AAPOR Task Force on Non-probability Sampling* has pointed out:

- › “The use of opt-in panels [is] premised on a willingness to accept overwhelming coverage and selection error.”

Benefits	Modus Panels	Opt-in Panels
No AI bots	✓	✗
No survey ‘pros’	✓	✗
No fraudsters	✓	✗
No financial incentives	✓	✗
Measurable accuracy	✓	✗
High response rates	✓	✗
Adequate field time to avoid non-response bias	✓	✗
All panel members verified by live interviewers	✓	✗



- › All Modus staff are members of AAPOR in good standing
- › We adhere to AAPOR's stringent Code of Professional Ethics and Practices
- › AAPOR is one of the few survey research organizations in the world that maintains integrity and ongoing research around valid survey methodology, including explicit standards around reporting non-probability samples



Modus
R E S E A R C H

Real answers from real people