

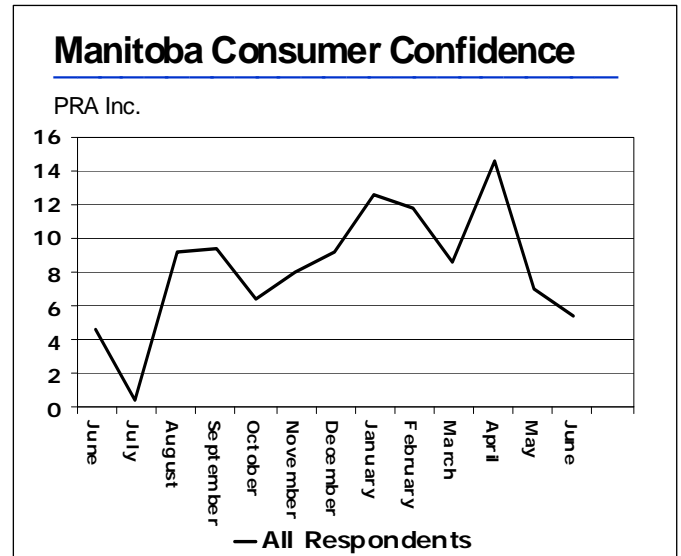
# Manitoba Consumer Outlook

For Release: July 22, 2010

## Confidence falls for second straight month

Consumer confidence in Manitoba continued to fall for a second straight month, with the confidence index at 5.4 in June. Despite two months decline and one of the lowest index ratings this year, Manitobans as a whole remain far more confident than one year ago. During the last year, the provincial index remained below 0 for nearly all months.

While continuing to decline, the June fall in the consumer confidence index was far smaller than the one seen a month before. In May, confidence had fallen more than 7 points making it the largest monthly drop for the year. By contrast, the index fell only 1.6 points from May to June.



**Interpreting the index**

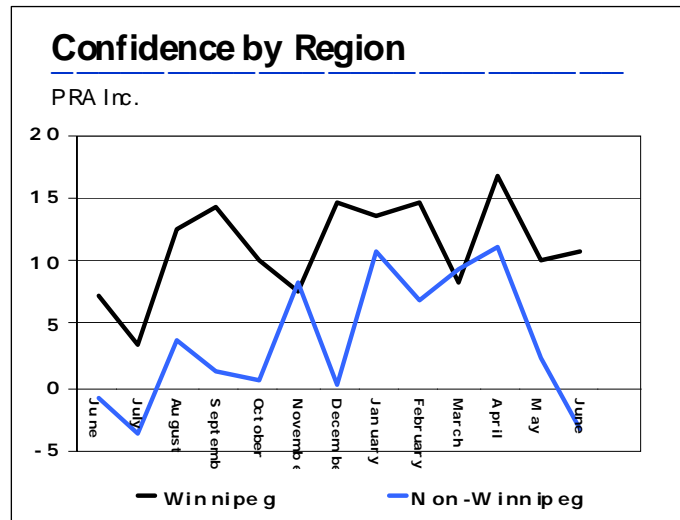
The PRA consumer confidence index captures the mood of the general population regarding their finances. The index represents the difference between the percentage of Manitobans expecting to have a better financial situation in the coming year (optimists) and the percentage expecting to have a worse financial situation (pessimists). A positive index means more respondents are optimistic than are pessimistic about their upcoming financial situations.

A series of follow-up questions provides insight into the PRA consumer confidence index. These questions allow respondents to elaborate on why they feel their financial situations will be better or worse in the next year.

## Confidence up in Winnipeg but continues to slide outside of the city

In each of the last twelve months—with the exception of March and November—Winnipeggers were generally more confident than residents in the rest of the province. A slight jump in confidence among residents of the city has made this common difference even more pronounced in June.

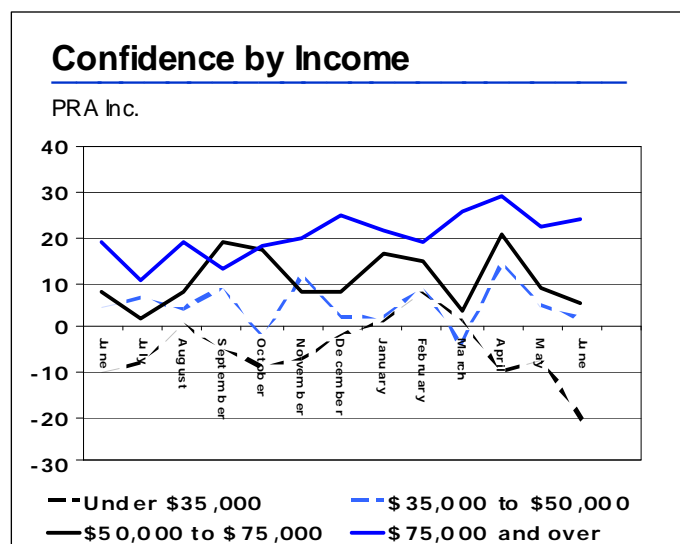
With the Winnipeg consumer confidence index at 10.9 and the rural confidence index at -3.3, June had the second largest rural-urban confidence difference of the year. This 14.2 point difference was only slightly smaller than the 14.5 point difference in December. These large swings punctuate what has become a volatile relationship between rural and urban confidence in the province.



### Optimism down except for high-income earners

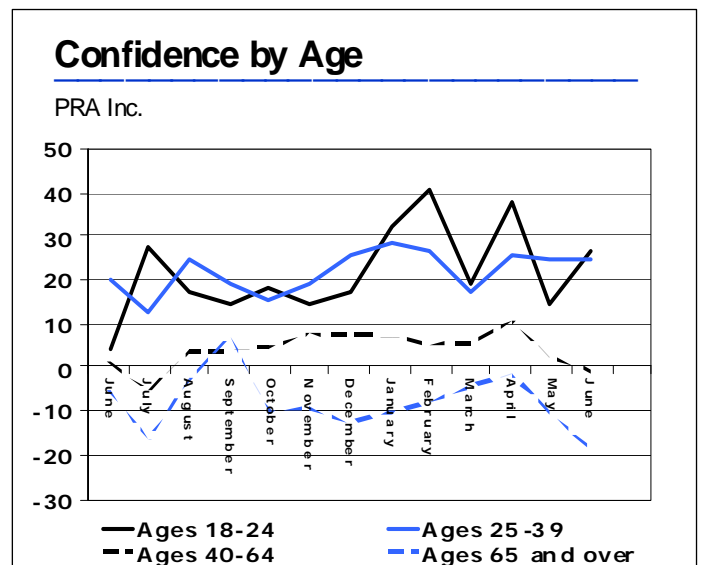
Households earning over \$75,000 got their upward movement in confidence going again after some lost momentum in May. These high-income families showed more optimism in June, increasing their index level by 1.1 points, ending up at 24.4.

Other Manitobans were not feeling as optimistic about their finances in coming months as confidence fell for each of the three remaining income groups tracked. Households earning \$35,000 to \$75,000 were able to remain more positive than negative. However, households earning less than \$35,000 were even more pessimistic than in recent months dropping 12.8 points to end up at -20.5.



### 18 to 24 year olds bounce back in June

Not sharing the pessimistic June sentiments of individuals 40 and older, 18- to 39-year-old Manitobans were far more positive than negative about their finances in the upcoming year. This was especially true of 18 to 24 year olds who saw their confidence index bounce back in June after a sharp decline in May. Their rating increased 12.1 points from May, settling at 26.7.



PRA will continue to track these and other developments over the coming months.

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## **METHODOLOGY**

PRA interviews respondents by telephone and selects individuals using random digit dialling. This allows the inclusion of individuals with unlisted or new telephone numbers, ensuring a random sample with the best possible representation of eligible respondents.

Survey dates	June 2009 to June 2010
Interview method	Telephone
Sample selection	Random digit dialling
Monthly sample size	Ranges from 800 to 920
Approximate maximum error	±3.5%, 19 times out of 20

As any random sample may not perfectly represent the population, PRA statistically corrects for discrepancies in gender, age, and income to ensure the *Manitoba Consumer Outlook* sample corresponds as closely as possible to Statistics Canada and Revenue Canada population information.

PRA is an independent research and consulting company based in Winnipeg with offices in Ottawa, Edmonton, and Regina. Its main office in Winnipeg houses a research call centre and focus group facilities where clients can observe ongoing research work.

Founded in 1988, the company conducts large- and small-scale quantitative and qualitative research in both official languages. It provides program evaluation, market research, and economic analysis services to government, private business, and non-profit organizations across Canada.

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