

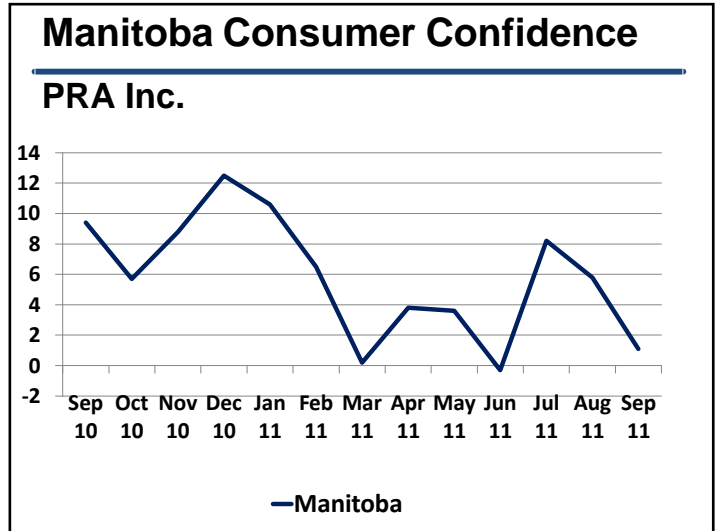
Manitoba Consumer Outlook

For Release: October 17, 2011

Consumer confidence continues to fall

PRA's consumer confidence index declined further this past month. The decline was steeper than the small decline experienced in August, dashing hopes that confidence was on an upward trend after a sharp spike in July.

So far, 2011 does not seem to be a great year for consumer confidence, particularly when compared to 2010. These latest numbers provide further evidence of a financially pessimistic year. Although the index was volatile, throughout 2010 confidence was generally in the 5–14 range with the exception of August 2010 when the index dropped to 2.6. In contrast, 2011 has seen similar volatility, but the index has mostly hovered in the lower 0–6 range.



Urban-rural confidence takes some unexpected turns

The confidence of Winnipeggers dropped a considerable 13 points this past month while the confidence of the rest of Manitoba saw a respectable increase of 8 points. These changes have resulted in the unexpected reversal of some recent trends.

First, rural residents now have higher confidence than urban-dwellers. Rural residents have not taken the lead in financial optimism since March 2010. Second, the urban-rural confidence gap has plummeted to 1.1, which is one of the lowest it has been since November 2009. This is a dramatic change, as the gap between rural and urban confidence had been increasing steadily in previous months, up to a high of 19.9 points in August, the second highest urban-rural gap since the start of 2008.

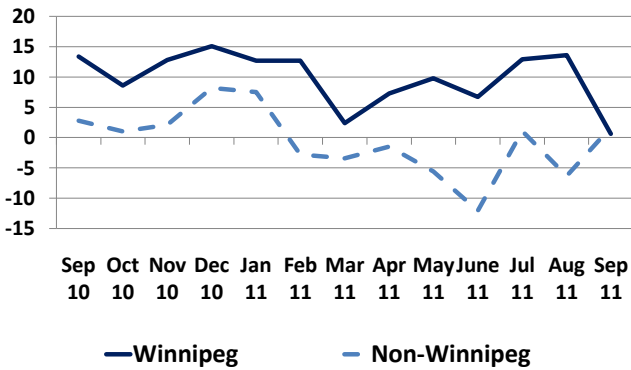
Interpreting the index

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 by Region

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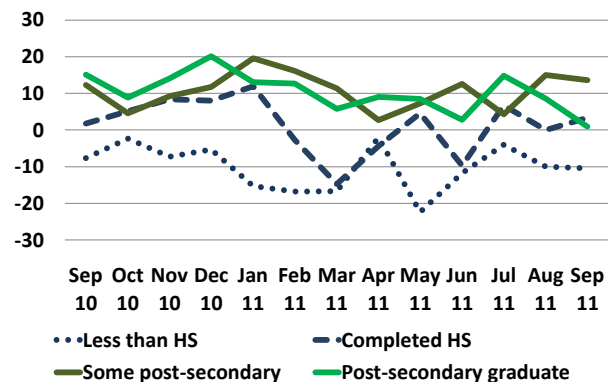
Decline in post-secondary graduates' confidence

This month saw further declines in the confidence of post-secondary graduates, while confidence for all other groups remained steady. This further solidifies the lead of those who have not completed their post-secondary education as the most optimistic about their financial future. These individuals and post-secondary graduates have been battling back and forth for this number one spot throughout this past year.

The combination of the decrease in confidence of post-secondary graduates, and a modest increase in confidence for high school graduates has resulted in higher confidence levels for the latter. This is only the third month in the past two and a half years that high school graduates have had higher confidence levels than post-secondary graduates. Additionally, the lead over post-secondary graduates is the largest it has been, at 2.4 points.

Confidence by Education

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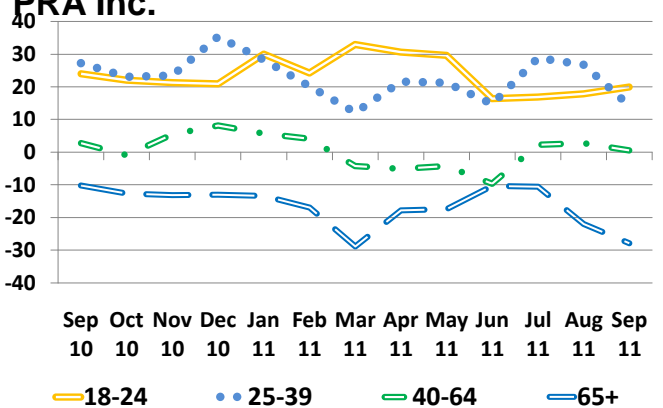
Young Manitobans reclaim the lead as financial optimists

Confidence for young Manitobans aged 18–24 increased slightly this month, while other groups declined. As a result, Manitobans aged 18–24 have reclaimed the lead as the age group most optimistic about their financial future. At least for the month of September, financial confidence seems to decrease with age.

Throughout the past year, the two youngest categories have been trading off as the most optimistic, with Manitobans aged 25–39 leading from September to December 2010 and July to August 2011. Older Manitobans have generally been more pessimistic in their financial outlook, with the 40–64 age group and the 65+ age group taking the third and fourth spots, respectively. The 65+ group is struggling in particular, as their confidence is at the lowest level seen since January 2009, with the exception of the sudden drop this past March.

Confidence by Age

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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	September 2010 to September 2011
Interviewing method	Telephone
Sample selection	Random digit dialling
Monthly sample size	Ranges from 800 to 810
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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