

February 2nd 2010

Canadians Increasingly Comfortable with Short-Term Federal Spending, but Clearly Prefer Restraint Over the Long-Term

The latest Canadian Press/Harris Decima study investigated opinions on federal spending.

According to Harris/Decima Senior Vice President Doug Anderson, “Faced with the rapid onset of a complex global economic crisis late in 2008, Canadians were initially hesitant to endorse the idea of stimulus spending if it meant a return to deficit. Opinion is certainly still divided, but after a year of observing what this spending would actually mean, there appears to be slightly more comfort with the notion of continuing to spend in order to create jobs. However, Canadians remain determined to control spending over the long-term and there is a fair consensus of opinion that such spending should not continue beyond this year.”

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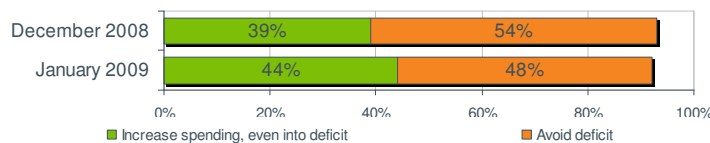
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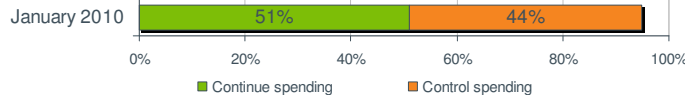
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Government Spending – Tracking

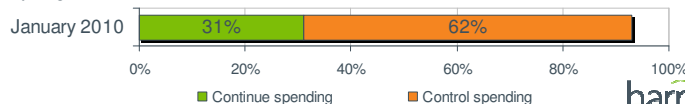
(DEC 2008; JAN 2009) Some people say the best thing would be for the government to stimulate the economy by increasing its spending on things like public works, even if it means going into a deficit. Others say that the best thing for the economy would be for the government to manage its finances wisely and make sure that we don't go into deficit by spending more than we have. Which of these approaches do you think it best?



(JAN 2010) Thinking ahead **over the next year**, what do you think should be the bigger priority for government...continue stimulus spending in an attempt to create more jobs or to control spending in an attempt to eliminate the deficit?



(JAN 2010) And what about beyond the next year -- say, **two years from now**, what do you think should be the bigger priority for government...?



- **By a slim margin, slightly more Canadians prefer to see the federal government continue spending to create jobs over the next year, rather than control spending in an attempt to eliminate the deficit.**
 - There is a division of opinion in every region, but Quebec is the only part of the country where more people prefer controlling spending immediately.
 - Even among partisans, opinions tend to be divided, with the greatest exception being among NDP supporters who are more likely to endorse spending.
 - Younger Canadians, those with the most modest household incomes and women are all more inclined to prefer the spending continue in the short-term.

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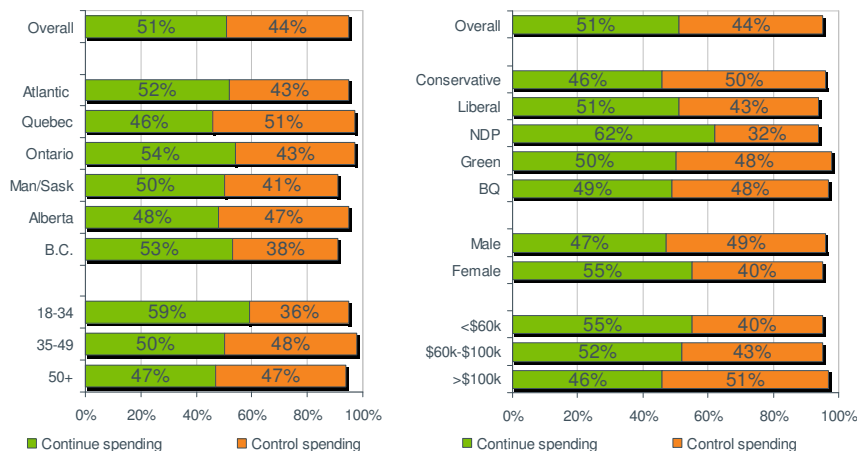
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Government Spending – Short-Term

Thinking ahead over the next year, what do you think should be the bigger priority for government...continue stimulus spending in an attempt to create more jobs or to control spending in an attempt to eliminate the deficit?



- **By a two-to-one margin, Canadians tend to agree that beyond this year, the deficit will need to be the more pressing concern.**
 - All regions find majorities holding this opinion, although Quebec and Atlantic Canada find the highest proportions who prefer continued spending.
 - Regardless of political stripe, supporters of each party are more likely to prefer spending restraint beyond this year, with NDP supporters being most evenly divided on the issue.
 - Although young Canadians were most supportive of short-term spending, they fall in line with other Canadians when it comes to long-term priorities.
 - Women and those with the lowest household incomes remain the most bullish on spending beyond this year, but even majorities of these groups call for restraint.

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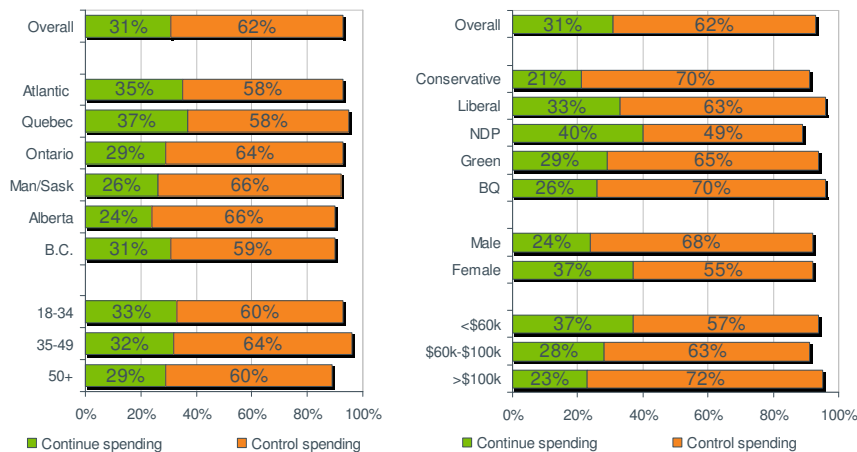
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Government Spending – Long-Term

And what about beyond the next year --- say, two years from now, what do you think should be the bigger priority for government...continue stimulus spending in an attempt to create more jobs or to control spending in an attempt to eliminate the deficit?



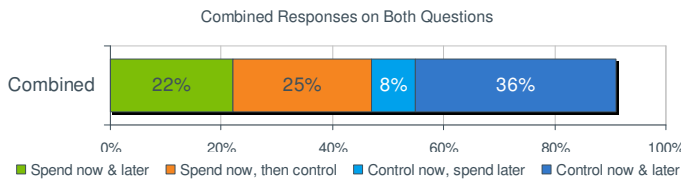
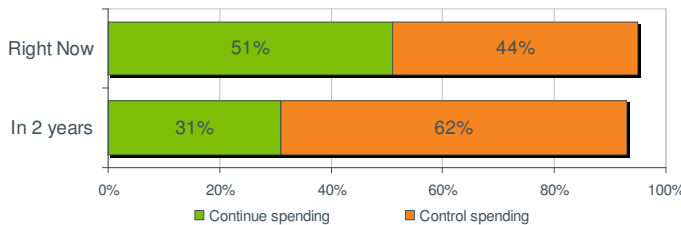
- Combining these two questions finds the plurality (36%) of Canadians prefers restraint now and in the future.** More than half of those who prefer continued spending this year, say they prefer shifting the priority to deficit-cutting in a couple of years. A core of about one in five Canadians (22%) are comfortable with continuing to spend now and beyond this year.

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Government Spending – Short- and Long-Term

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- **The approach to short- and long-term spending varies significantly by a few demographic subgroups.**
 - Canadians of different age groups differ in their preference, with young Canadians more focused on short-term spending now and a focus on the deficit within two years.
 - Men are far more likely to prefer controlling spending in both short- and long-term (44%) than women (28%).
 - Similarly, those with lower household incomes have more comfort than others with spending in both the short- and long-term, while those with the highest household incomes are more likely to call for controlled spending in either time-frame.

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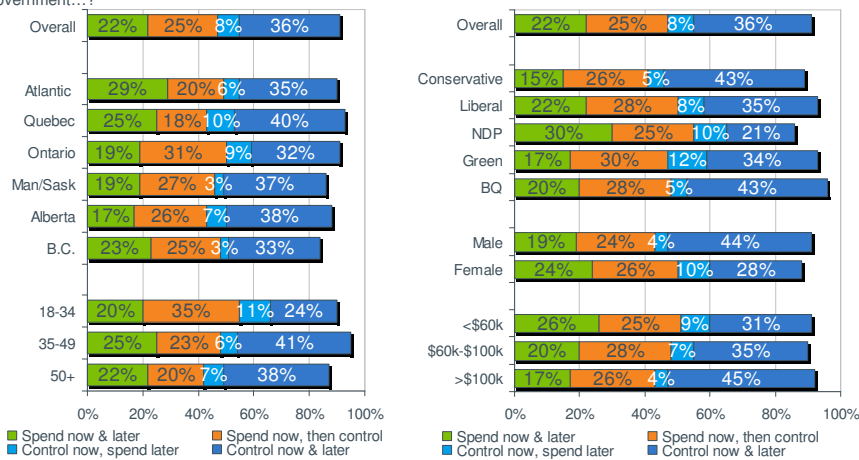
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Each week, Harris/Decima interviews just over 1000 Canadians through teleVox, the company's national telephone omnibus survey. These data were gathered between January 28 and January 31 2010. A sample of the same size has a margin of error of 3.1%, 19 times out of 20.

