



Ipsos Reid



**BANK OF CANADA
BANQUE DU CANADA**

Bank of Canada

2014 Public Awareness Study



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1.0 Background and Methodology

Ipsos Reid was commissioned to conduct a public awareness survey to gauge the general public's awareness and understanding of the Bank of Canada's mandate and policies as they relate to the economy.

Several questions in this year's survey were designed to track the results of similar surveys conducted in 2010 and 1999. Additional questions were added to better understand interest levels in the Bank of Canada Museum and potential exhibits.

The survey was conducted using a dual methodology approach to allow for continued comparison. Ipsos conducted a custom telephone survey among n=1,000 Canadian adults reached through random digit dialing, obtaining a +/-3.1 percentage point margin of error (calculated at a 95% confidence interval). The sample included a cellphone component of n=300 respondents to boost the response rate among younger Canadians. The survey was conducted from November 14 through December 1, 2014. This field window was selected to be comparable with the 2010 study.

An identical survey was run online between November 14th and December 1st, 2014 among n=1,000 Canadians ages 18 and older, chosen from the Ipsos Canadian Household Panel to represent Canadians based on data from the 2011 Census.

The dual methodology approach was adopted for the 2010 survey and has been continued to allow for tracking back to the 1999 data as well as to obtain a more robust sample of Canadians who may not be reached through a traditional telephone survey, such as young adults and the growing number of Canadians without landlines.

Slight weighting has been applied to the sample to ensure that it matches the characteristics of the population by region, age and gender according to the 2011 Census.

2.0 Key Findings

- The proportion who say they have heard, seen or read something about the Bank of Canada recently has declined to 26% in 2014 from 39% measured in 2010.
- Yet, familiarity with the Bank has remained relatively constant, with 38% saying they are familiar in 2014, compared to 40% in 2010.
- Familiarity remains far higher than in 1999 (31%).
- Although the proportion who are familiar with the Bank has remained stable, the majority are *not* familiar with the Bank (61%), including one in three who are not at all familiar with the Bank (32%).
- The proportion not familiar with the Bank has remained roughly constant since 2010 (59%).
- Despite hearing less about the Bank lately, the proportions who offer correct responses to questions asking what the Bank does and why it raises or lowers interest rates have remained stable.
- The proportion who say the activities of the Bank are relevant to them has grown considerably to 71% from 63% in 2010.
- Growth in perceptions of the Bank as relevant is fueled by those who say they are *not* familiar with the Bank.

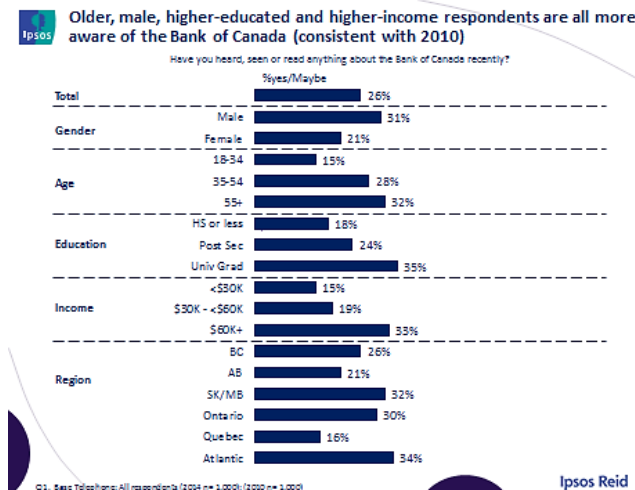
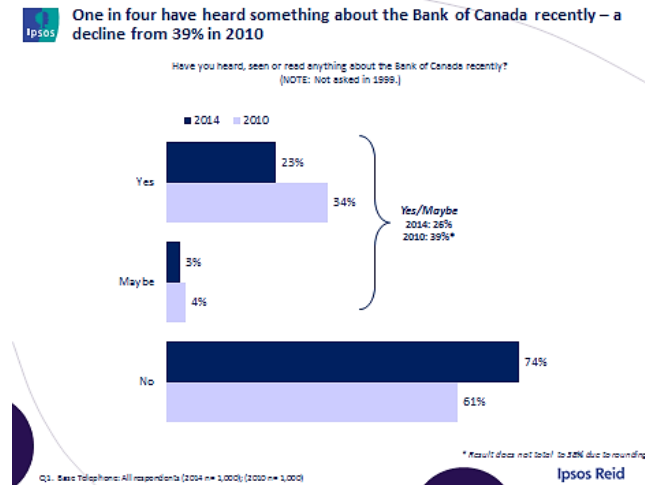


- More of the Bank's activities are seen as relevant in 2014 than they were in 2010, led by information about interest rates and economic conditions.
- The Bank is seen as having the greatest impact on the economy in terms of the cost of borrowing money, a perception that has steadily grown since 1999.
- Over four in five Canadians (83%) express confidence in the Bank's ability to fulfill its mandate to promote the economic and financial welfare of Canada. This marks an improvement over 79% in 2010.

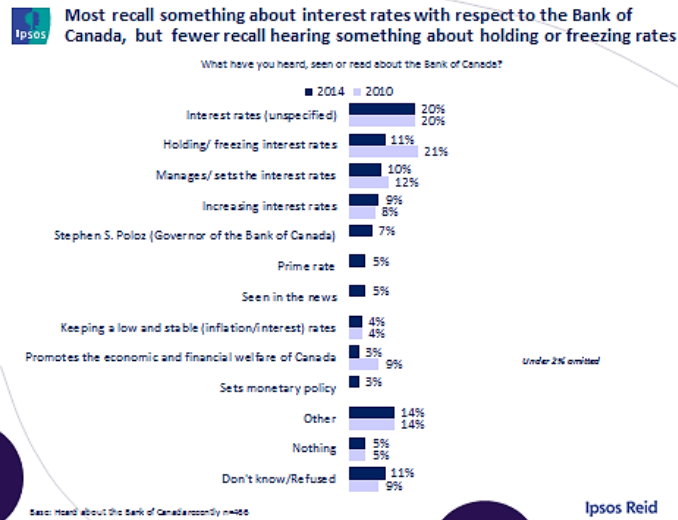
2.1 Awareness of and Familiarity with the Bank of Canada

One in four respondents (26%) say they have heard, seen or read something about the Bank of Canada recently, a decline from 39% in 2010.

- Men (31%), university grads (35%) and those earning more than \$125,000 in household income (34%) are more likely than their counterparts to be aware of the Bank.
- Regionally, awareness is highest in the Atlantic region (34%) and lowest in Quebec (16%).



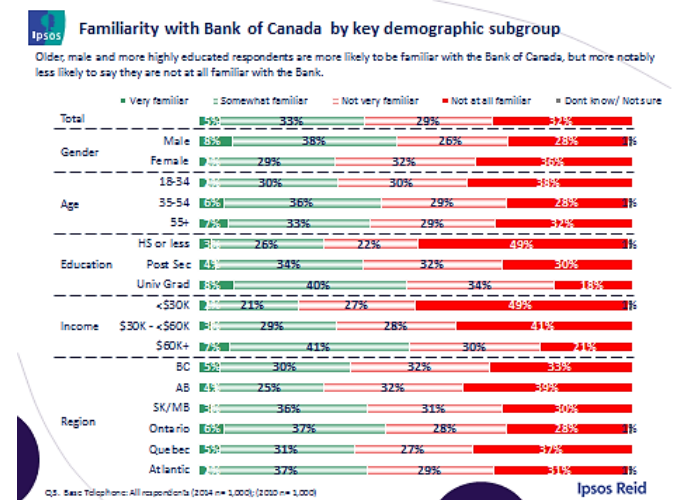
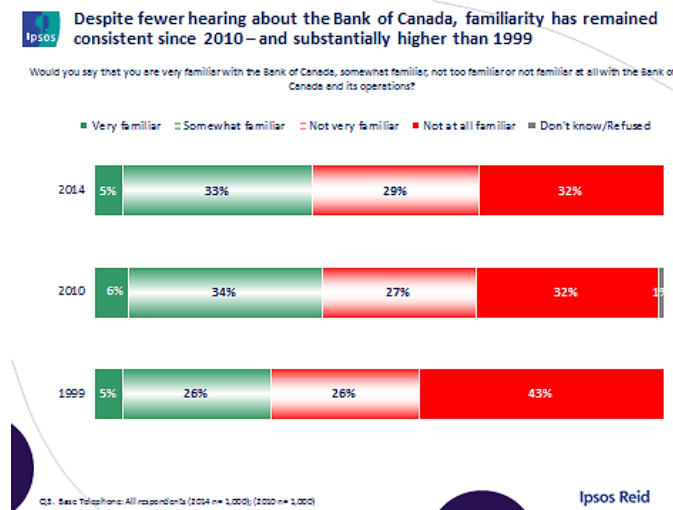
Those who recalled hearing about the Bank of Canada recently were asked to elaborate on what they had heard. A plurality (20%) recall something about interest rates, while roughly one in ten recall specifically hearing about freezing rates (11%), setting interest rates (10%) or increasing interest rates (9%). Similar proportions (7%) recall hearing comments from Stephen S. Poloz.



Despite a decrease in the percentage of respondents who are aware of the Bank, familiarity with the institution and its operations has remained consistent relative to 2010, with 38% of respondents saying they are familiar, compared to 40% in 2010. In addition, familiarity remains far higher than in 1999 (31%).

Although the proportion who are familiar with the Bank has remained stable, the majority are not familiar with the bank (61%), including one in three who are not at all familiar with the Bank (32%). The proportion not familiar with the Bank has remained constant since 2010 (59%).

- Familiarity with the Bank and its operations is highest among men (38%), those aged 35-54 (42%), university graduates (48%), and those earning more than \$125,000 in household income (56%).
- Regionally, familiarity is highest in Ontario (43%), and lowest in Alberta (29%).





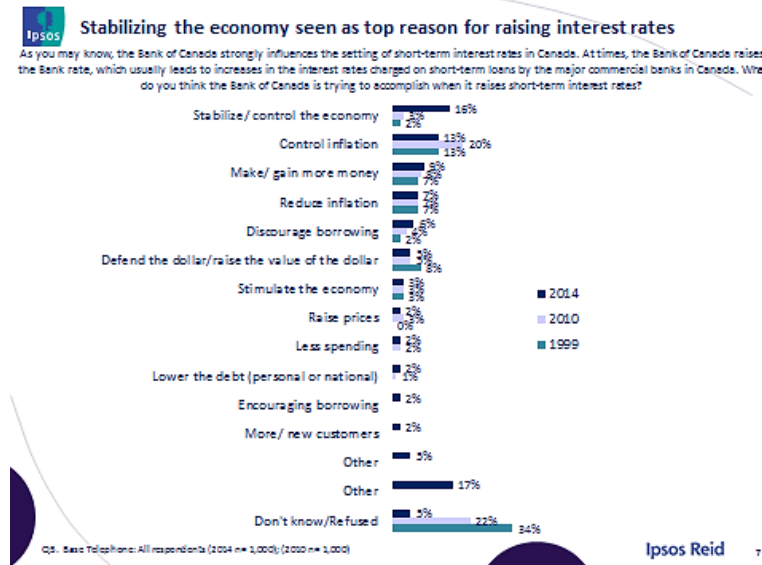
Tracking familiarity with the Bank among key sub-groups reveals the following:

- Consistent with 2010, familiarity with the Bank continues to grow among residents of Quebec (from 31% in 2010 to 36% in 2014, doubling the 18% familiarity measured in 1999).
- Among those with lower levels of education (high school or less), familiarity with the Bank of Canada remains higher than in 1999 (29% in 2014 compared to 21% in 1999), but is lower than 33% measured in 2010.
- Familiarity has steadily increased among those with higher levels of education (some post-secondary or higher), rising to 49% in 2014 from 45% in 2010 and from 40% in 1999.
- By gender, familiarity has changed little since 2010, with 48% of men expressing familiarity compared to 33% of women (as compared to 47% and 33% in 2010).
- By age familiarity remains highest among 35-54 year olds (42%) while those 55 and older continue to trail (40%), but reflect much higher levels than the 32% in 1999, while it has also increased among younger respondents, moving from 26% in 1999 to 32% in 2014.¹

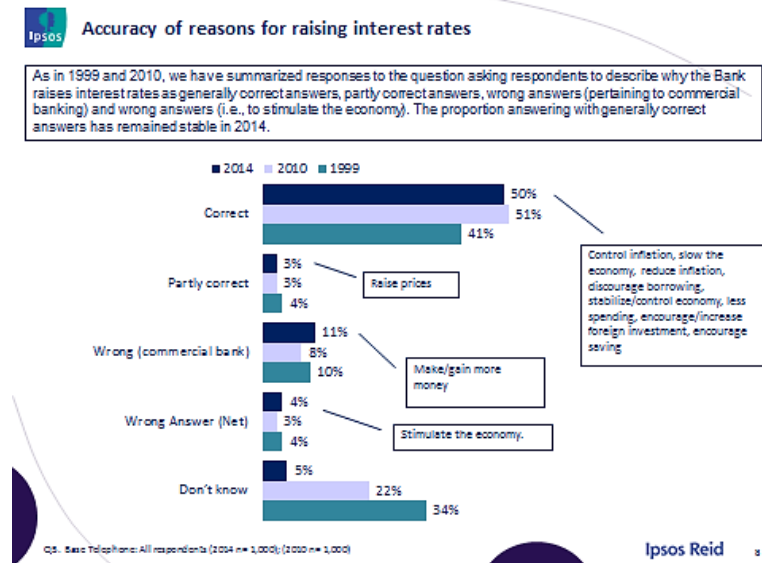
¹ Note: The comparison is not exact. The 1999 study reported on those over or under 30 years of age, while our results report on those over or under 35 years of age.)

2.2 Knowledge of the Bank of Canada

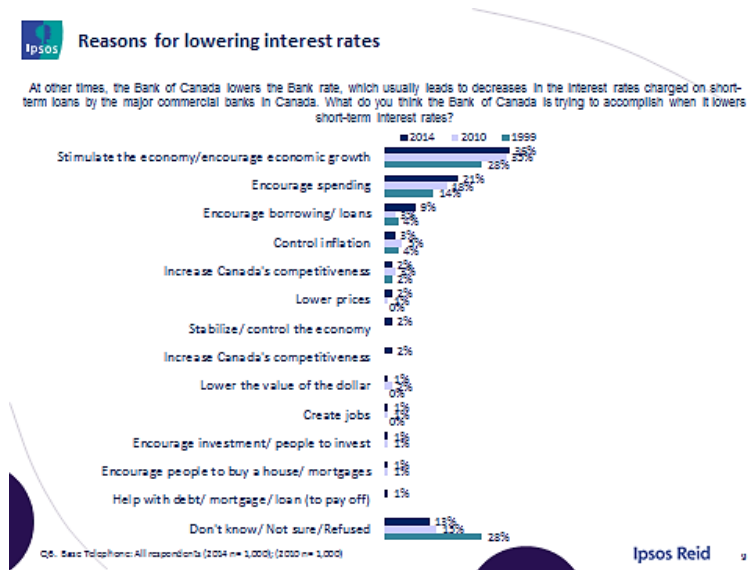
Respondents were asked what they think the Bank of Canada is trying to accomplish when it raises short-term interest rates. Results reveal that stabilizing the economy is seen as the top reason for raising interest rates (cited by 16% of respondents), followed by controlling inflation (13%). Fewer than one in ten think raising short term interest rates is done with the intention of making more money (9%), reducing inflation (7%) or discouraging borrowing (6%).



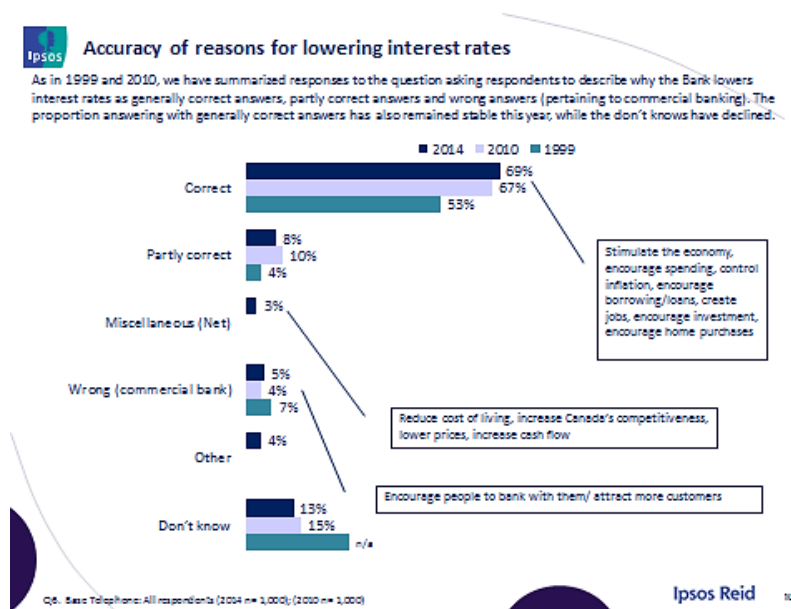
Ipsos-Reid also summarized responses to this question as generally correct answers, partially correct answers, and wrong answers. Half of all respondents (50%) provided a correct response, a proportion that has remained stable in 2014.



Respondents were next asked what they think the Bank of Canada is trying to accomplish when it lowers short-term interest rates. As was the case in previous years, stimulating the economy/encouraging economic growth was mentioned most often (36%), followed distantly by encouraging spending (21%) and encouraging borrowing/loans (9%).



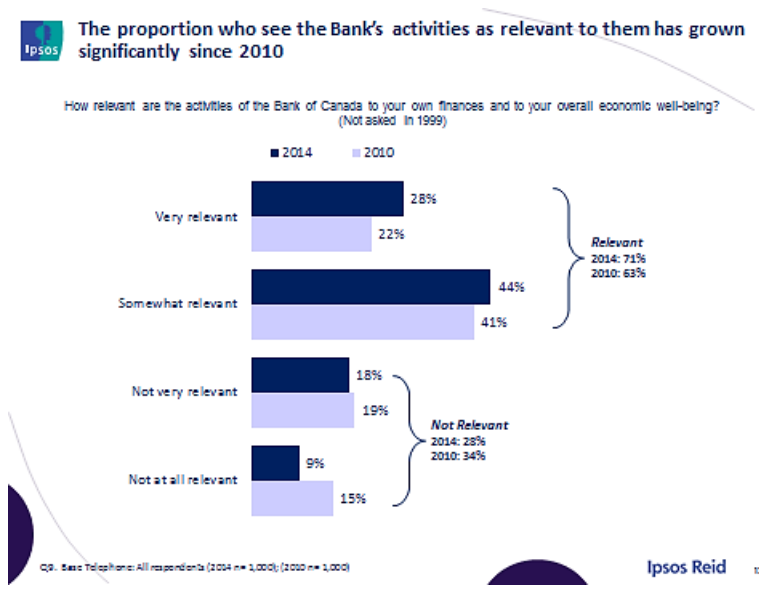
Ipsos-Reid again summarized responses to the question as generally correct, partly correct, and wrong. The proportion answering with generally correct answers (that is, they said that interests rates were lowered in order to stimulate the economy) has also remained stable this year compared to 2010 (69% versus 67% respectively), while the “don’t knows” have declined (from 28% in 1999 versus 13% in 2014).



2.3 Relevance and Impact of the Bank of Canada

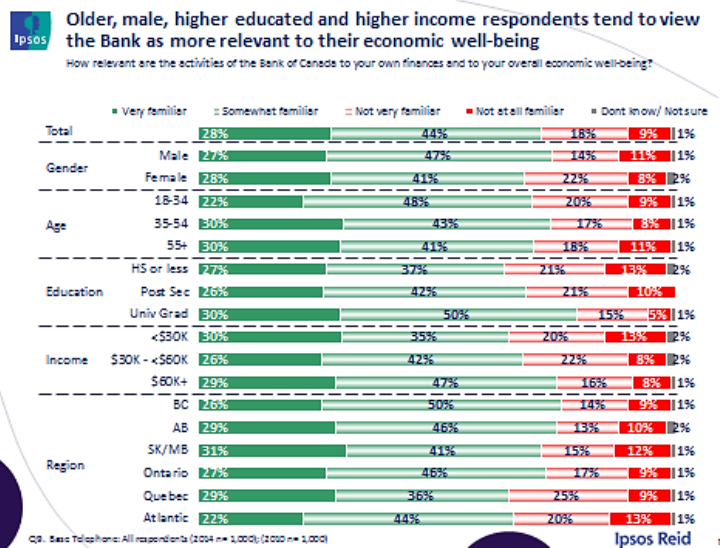
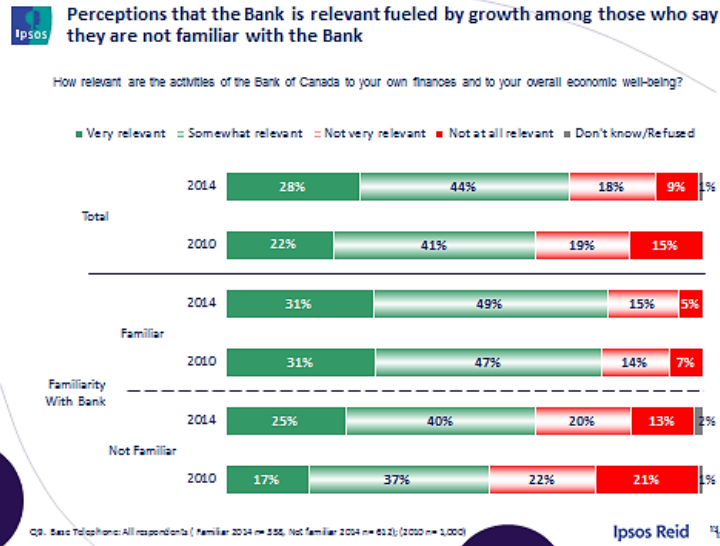
In a question first posed in 2010, respondents were asked to indicate how relevant the Bank of Canada’s activities are to their own finances and overall economic well-being.

A majority (71%) say the Bank is either “very” relevant (28%) or “somewhat” relevant (44%) to them, a significant increase since 2010. Roughly three in ten respondents say the activities of the Bank is “not very” relevant (18% - relatively unchanged since 2010) or “not at all” relevant to their own finances or overall economic well-being (9% - a decrease of 6 percentage points since 2010).



Although they are less likely than others to say the activities of the Bank are relevant to them, a majority of those unfamiliar with the Bank of Canada feel the Bank is “very” (25%) or “somewhat” (40%) relevant to their personal finances.

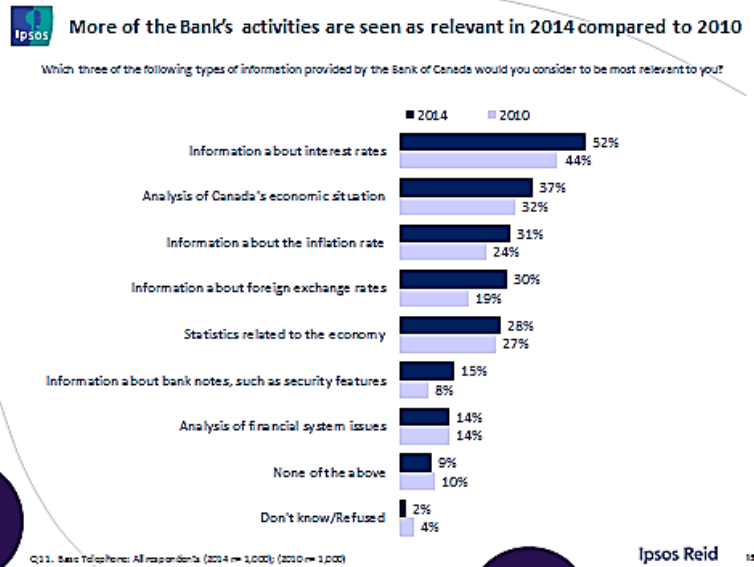
- Men, those over the age of 35, the university educated, and higher income earners are more likely than others to view the Bank of Canada’s activities as relevant to them.
- Regionally, perceived relevance is highest in BC and lowest in Quebec and the Atlantic region – although it should be noted that majorities in all regions see the Bank of Canada’s activities as relevant to their economic well-being.



Respondents were next presented with various types of information provided by the Bank of Canada, and asked to indicate which three they consider to be most relevant to them.

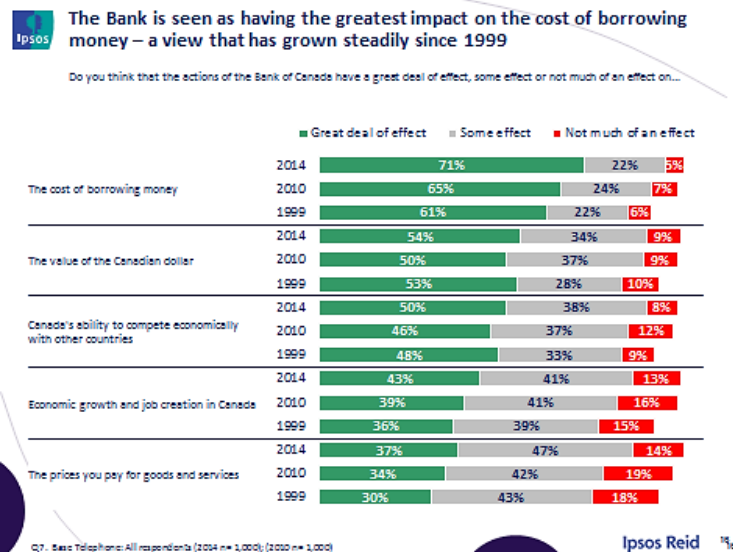
Results reveal that information about interest rates is cited most often (52%), followed distantly by analysis of Canada's economic situation (37%), information about the inflation rate (31%), information about exchange rates (30%) and statistics related to the economy (28%).

Compared to 2010, more of the bank's activities are seen as relevant in 2014.



Respondents were next asked to indicate the degree to which a number of actions of the Bank of Canada influence five aspects of the economy.

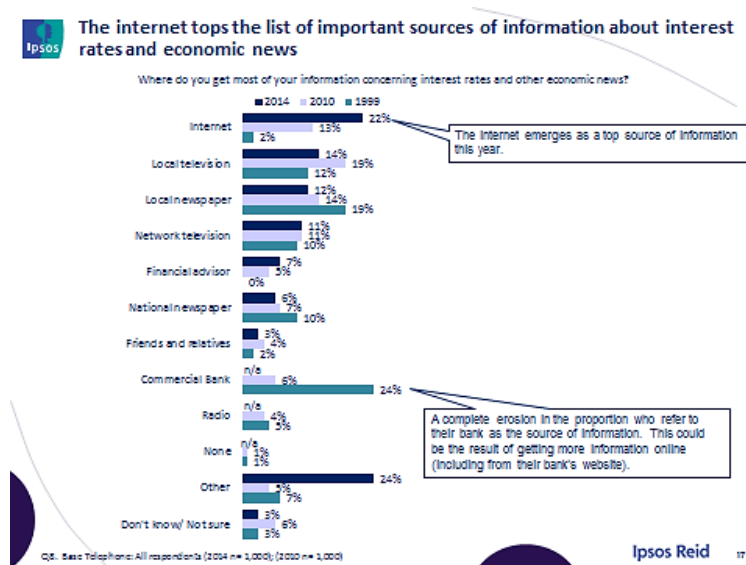
The Bank is seen as having the greatest impact on the cost of borrowing money (as noted by 71% of respondents), a view that has grown steadily since 1999. Respondents were least likely to say that the Bank has the greatest impact on the prices paid for goods and services, although it is useful to note that a majority (84%) believe the Bank has some degree of effect on this issue.



2.4 Sources of Economic Information

Turning to sources of economic information, the internet tops the list with 22% of mentions (compared to a respective 13% and 2% in 2010 and 1999). This is followed distantly by local television (14%), local newspaper (12%), and network television (11%).

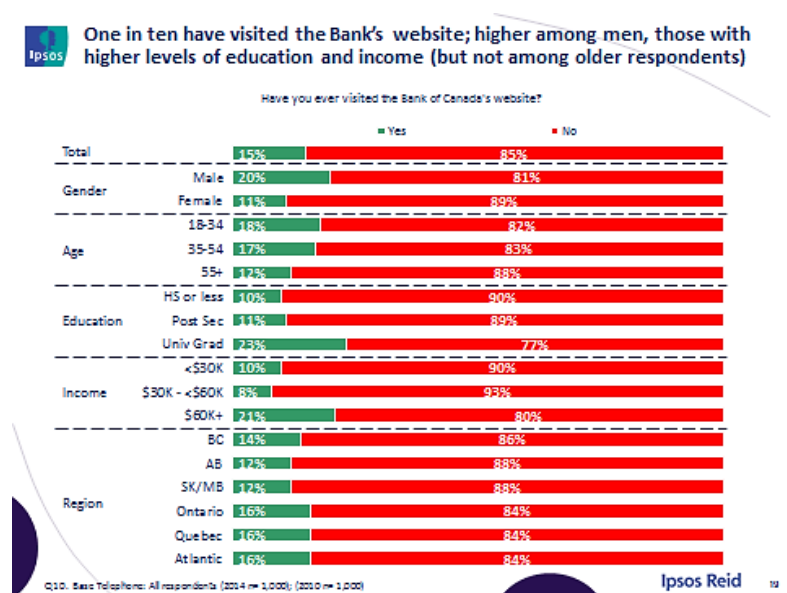
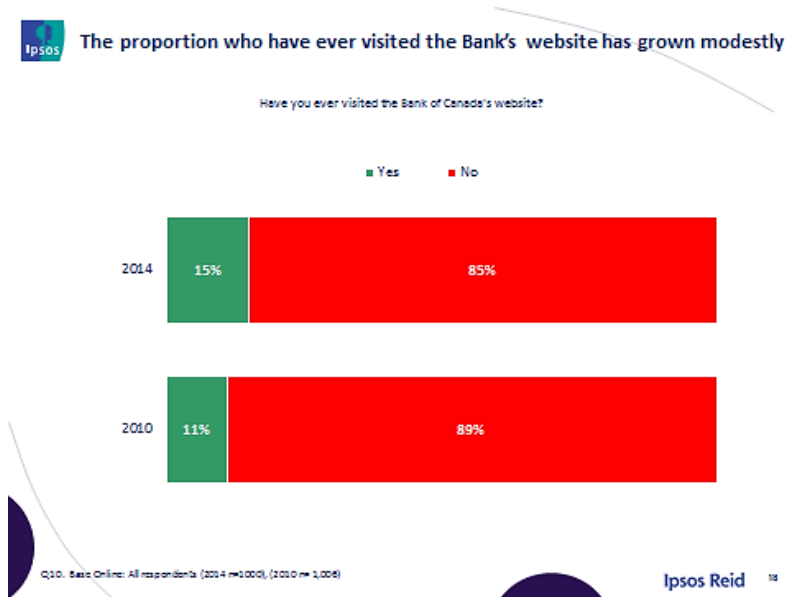
It is important to note that there has been a decline in the proportion of respondents who refer to their bank as the source of their information about interest rates and economic news (cited by 10% of respondents in 2014 compared to 24% in 1999). This could be the result of getting more information online, including from their bank's website.





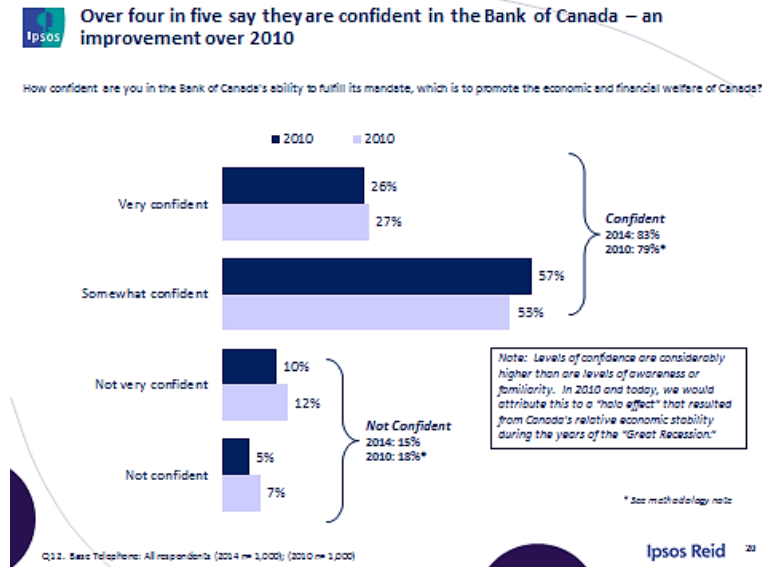
Although a minority of respondents say they have visited the Bank’s website (15%), this proportion has increased from 2010 (11%).

- Men (20%), those between the ages of 18 and 34 (18%), university graduates (23%), visible minorities (21%) and those familiar with the Bank (31%) are all more likely than others to say they have visited the Bank of Canada’s website.
- Regionally, there are no great statistical differences (although respondents in Ontario, Quebec and the Atlantic region – 16% – are somewhat more likely than others to say they have visited the Bank’s website).



2.5 Confidence in the Bank of Canada

Despite the lack of awareness or familiarity with the Bank of Canada, a large majority respondents (83%) say they are confident in the Bank’s ability to fulfill its mandate of promoting the economic and financial welfare of Canada (26% are “very” confident and 57% are “somewhat” confident). This may be due to Canada’s relative economic stability during the global economic downturn of 2008.



Somewhat surprisingly, those familiar with the Bank are somewhat less likely than others to say they are confident in it.

In 2014, 85% of those familiar with the Bank say they are confident in its ability to promote the economic and financial welfare of Canada, compared to 90% in 2010. Conversely, the proportion of those not familiar with the Bank but confident in it has increased since 2010 (81% in 2014 versus 73% in 2010).

- Demographically, confidence in the Bank of Canada is highest among men (84%), those over the age of 55 (84%), those with post-secondary or university education (86%), higher income earners (89%) and residents of BC (86%).

