



# Public Awareness of the Bank of Canada

December 2010 survey commissioned by the Bank of Canada



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## Background and methodology

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- 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 a similar survey conducted in 1999 (by Compas Research).
- The survey was conducted via the Ipsos Reid Express Omnibus study, involving a telephone sample of n=1,000 Canadian adults, obtaining a +/- 3.1 percentage point margin of error (calculated at a 95% confidence interval).
- The survey was conducted from 6 to 9 December 2010.
- 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 2006 Census.

- The following table indicates the geographic distribution of the unweighted sample with the associated margins of error.

<b>Audience</b>	<b>Sample Size</b>	<b>Margin of Error</b>
<b>Total</b>	<b>1,000</b>	<b>±3.1</b>
<b>Region</b>		
British Columbia	120	±8.6
Alberta	100	±9.6
Saskatchewan/Manitoba	65	±12.2
Ontario	400	±5.0
Quebec	250	±6.2
Atlantic Canada	65	±11.7

- In several places throughout the report, subtotals are provided. In some instances, due to rounding, these do not equal the sum of individual percentages listed. For example, the percentages for “Yes” and “Maybe” may add up to 38%, but the actual subtotal for both is 39% (accounting for rounding). These instances are noted with an \*asterisk\* wherever they occur.

## Key findings

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- Since 1999, familiarity with the Bank has grown to 40% from 31%.
  - A similar proportion (39%) say they have heard, seen or read something about the Bank of Canada recently.
- While the proportion who are familiar has increased, it is important to note that a majority are *not* familiar with the Bank (59%), including one in three who are not at all familiar with the Bank (32%).
- In keeping with the increase in familiarity, significantly higher proportions this year offer correct responses to questions asking what the Bank does and why it raises or lowers interest rates.
  - In particular, two-thirds of the public (67%) answer correctly when asked why the Bank lowers interest rates (recognizing various forms of economic stimulus as the goal), representing a substantial increase from 1999, when roughly half offered correct responses (53%).

## Key findings

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- Four in five Canadians (79%) express confidence in the Bank's ability to fulfill its mandate to promote the economic and financial welfare of Canada.
- Two in three (63%) say the Bank's activities are relevant to their own finances and overall economic well-being (while one in three, 34%, say the Bank's activities are not relevant).
  - Those familiar with the Bank are more likely than those not familiar to express confidence in the Bank (90% vs. 73%) and to consider its activities relevant to them (78% vs. 54%).

## Key findings

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- Information about interest rates (42%) is seen as the most relevant information provided by the Bank, followed by analysis of Canada's economic situation (32%), statistics related to the economy (27%) and information about the inflation rate (24%).
  - Information about foreign exchange rates, the financial system and bank notes is less often seen as relevant.
- The Bank is seen as having the greatest impact on the economy in terms of the cost of borrowing money, the value of the Canadian dollar and Canada's ability to compete internationally.
  - The Bank is seen as having less impact on economic growth and job creation and on the prices paid for goods and services.
- Current perceptions of the Bank's impact on the economy are quite consistent with the findings from the 1999 survey.





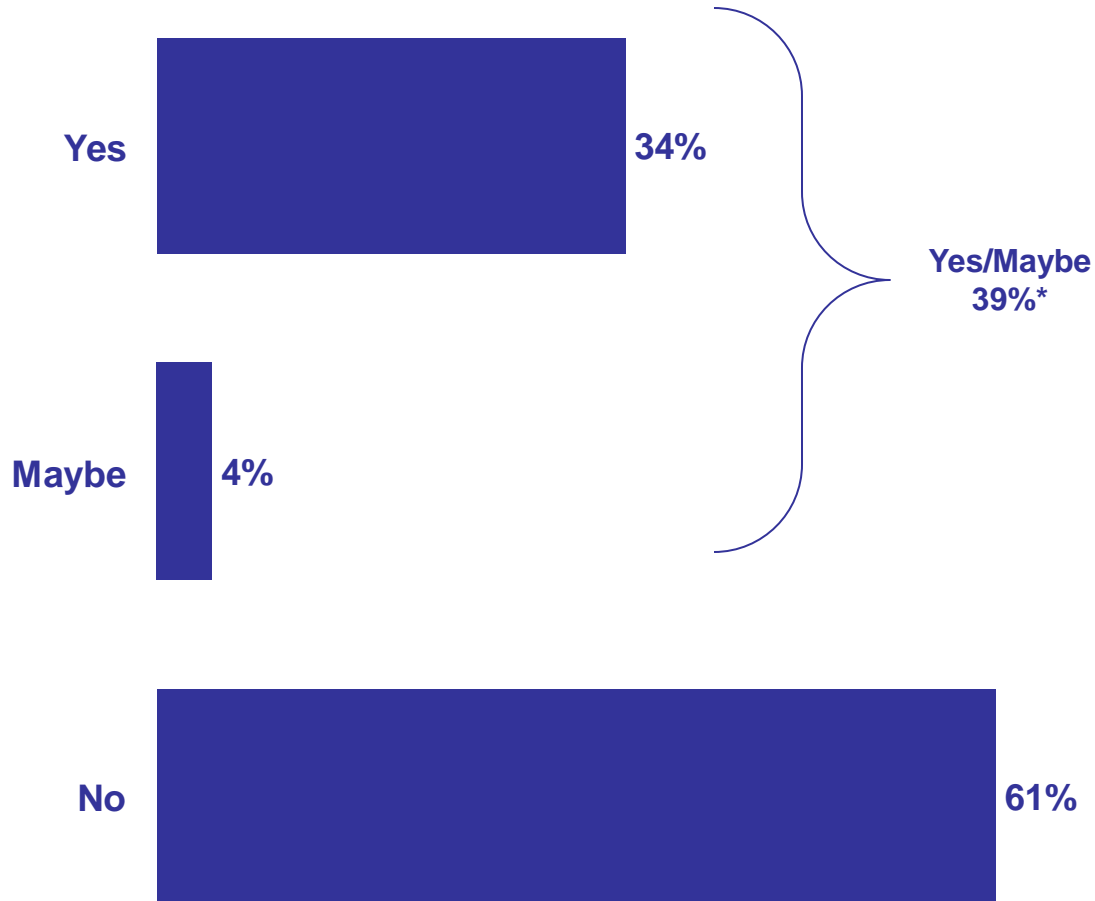
## Awareness of and Familiarity with the Bank of Canada





# One in three have heard something about the Bank of Canada recently

Have you heard, seen or read anything about the Bank of Canada recently?

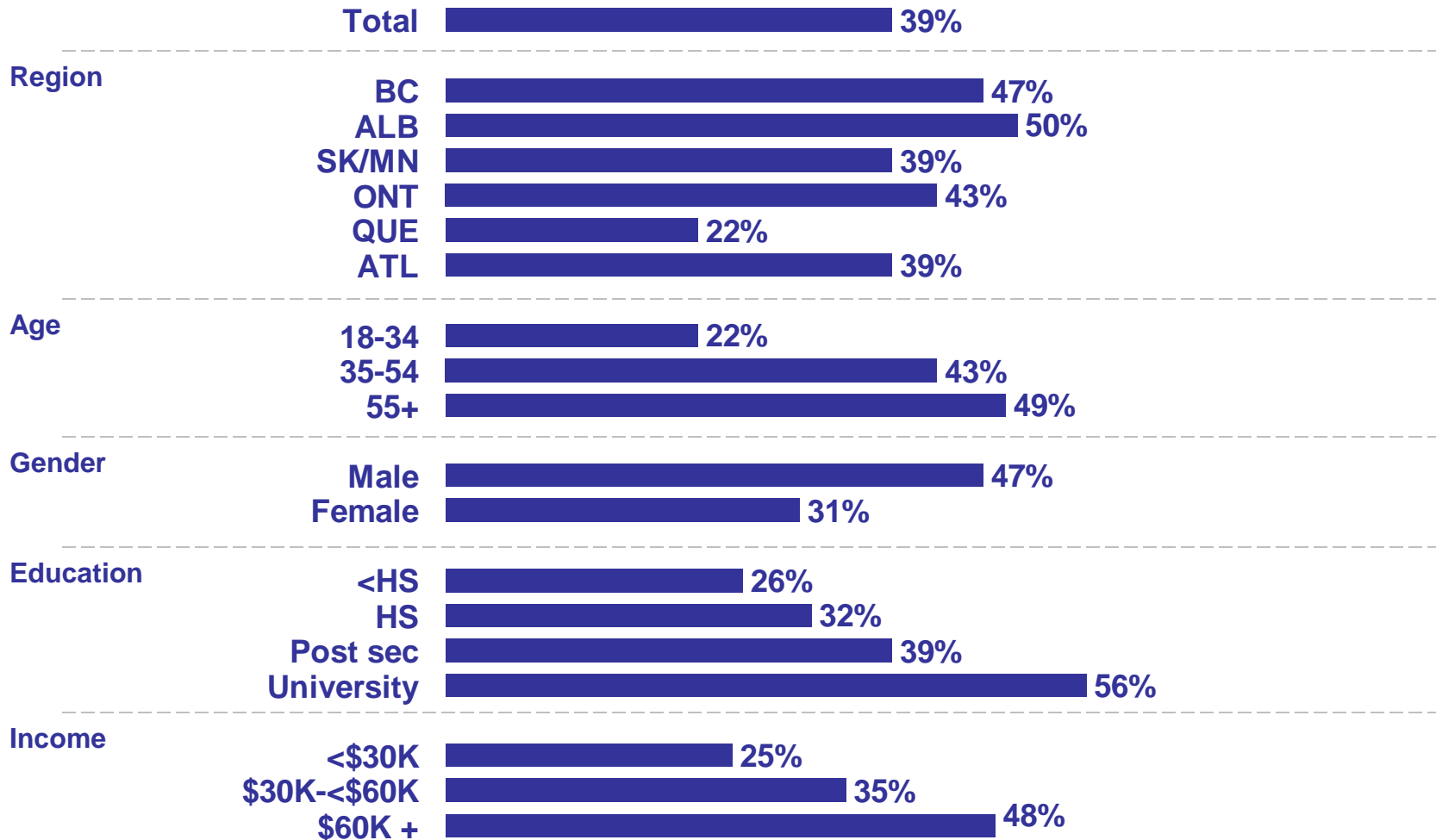




# Older, male, higher-educated and higher-income respondents are all more aware of the Bank of Canada

Have you heard, seen or read anything about the Bank of Canada recently?

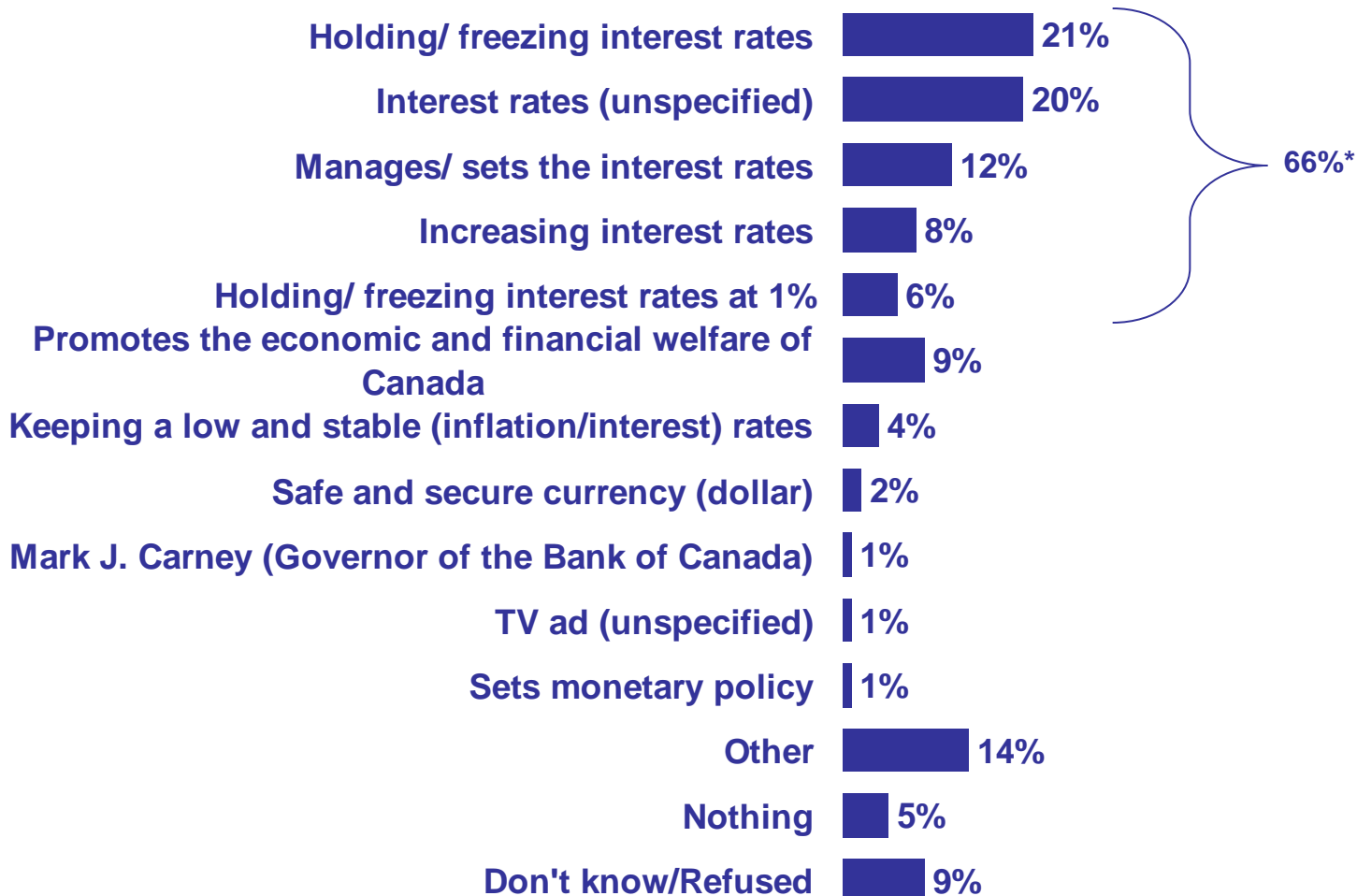
% Yes/Maybe



Base: All respondents n=1,000

# Most recall something about interest rates with respect to the Bank of Canada

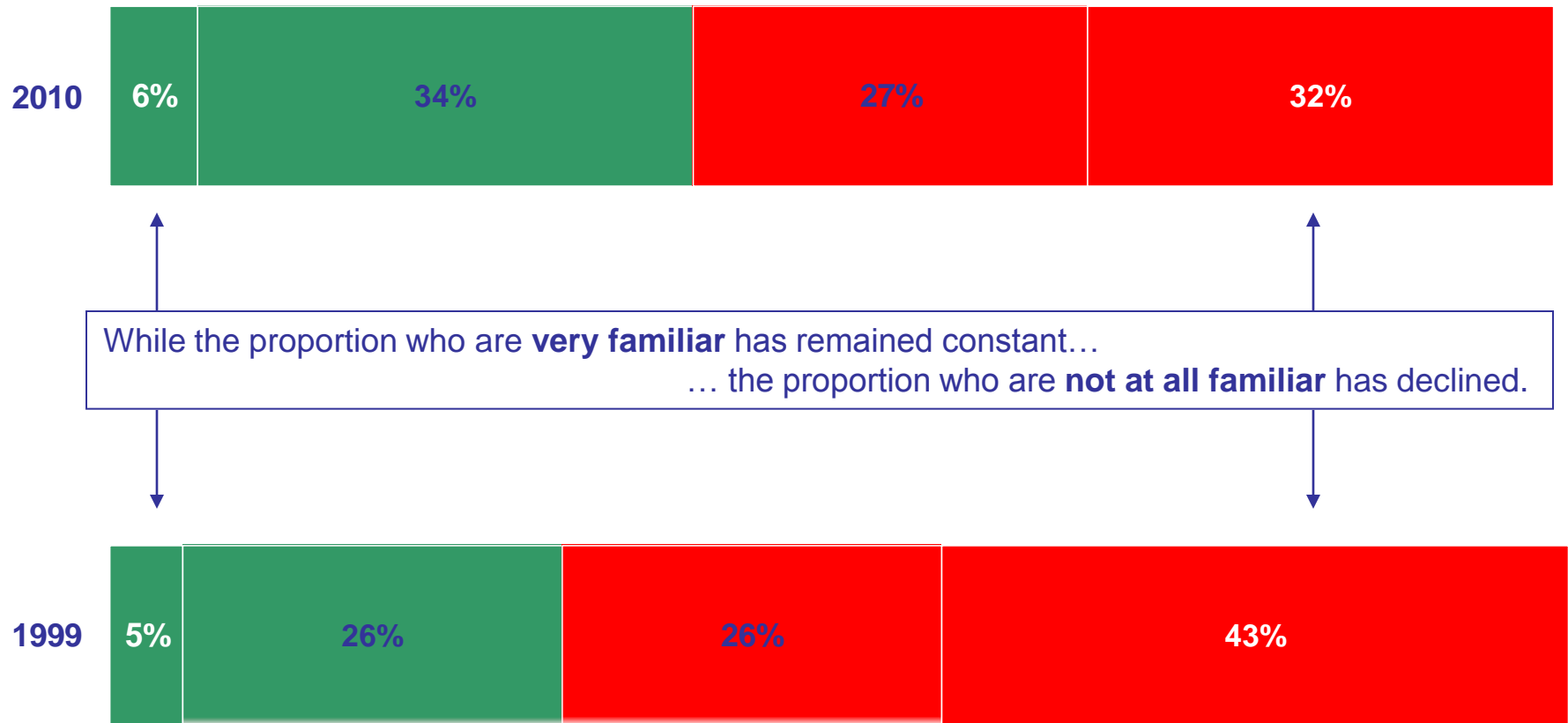
What have you heard, seen or read about the Bank of Canada?



# Four in ten are familiar with the Bank – an increase from 1999

Would you say that you are very familiar with the Bank of Canada, somewhat familiar, not too familiar or not familiar at all with the Bank of Canada and its operations?

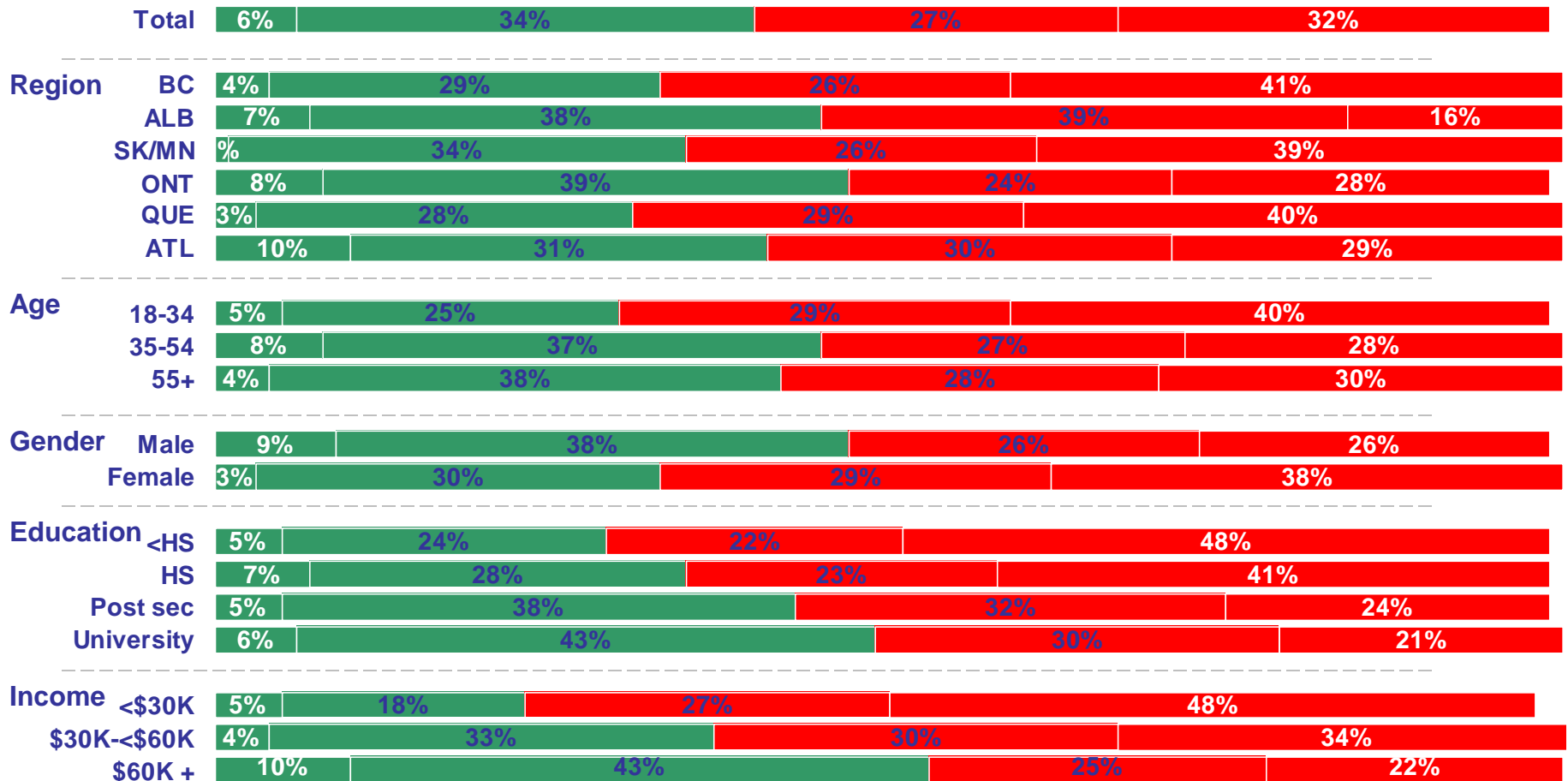
■ Very familiar 
 ■ Somewhat familiar 
 ■ Not very familiar 
 ■ Not at all familiar



# Familiarity with Bank of Canada by key demographic subgroup

While *older, male, higher-educated* and *higher-income* respondents express higher levels of **familiarity**, they are not much more likely to be **very familiar**... they are, however, much less likely to say they are **not at all familiar**.

■ Very familiar ■ Somewhat familiar ■ Not very familiar ■ Not at all familiar



## Tracking familiarity with the Bank among key subgroups

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- Since 1999 familiarity has increased sharply among respondents from Quebec and respondents with lower levels of education – both groups with lower levels of familiarity with the Bank.
- In 1999, 18% of Quebecers were somewhat/very familiar, compared to 31% this year. Moreover in 1999 fully 56% in Quebec were not at all familiar, compared to 40% this year.
- Among those with lower levels of education (high school or less), familiarity with the Bank of Canada has grown from 21% in 1999 to 33% this year. Familiarity did not increase as much among those with higher levels of education (some post secondary or higher), rising to 45% in 2010 from 40% in 1999.
- By gender, women and men's familiarity grew in tandem: in 1999, men were more likely to be somewhat or very familiar (38% vs 24% among women). This year, it is 47 % vs 33%.
- By age we find that familiarity has grown more rapidly among older respondents, moving from 32% in 1999 to 44% in 2010, while it has only increased slightly among younger respondents, moving from 26% in 1999 to 30% in 2010.\*

\* 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.)



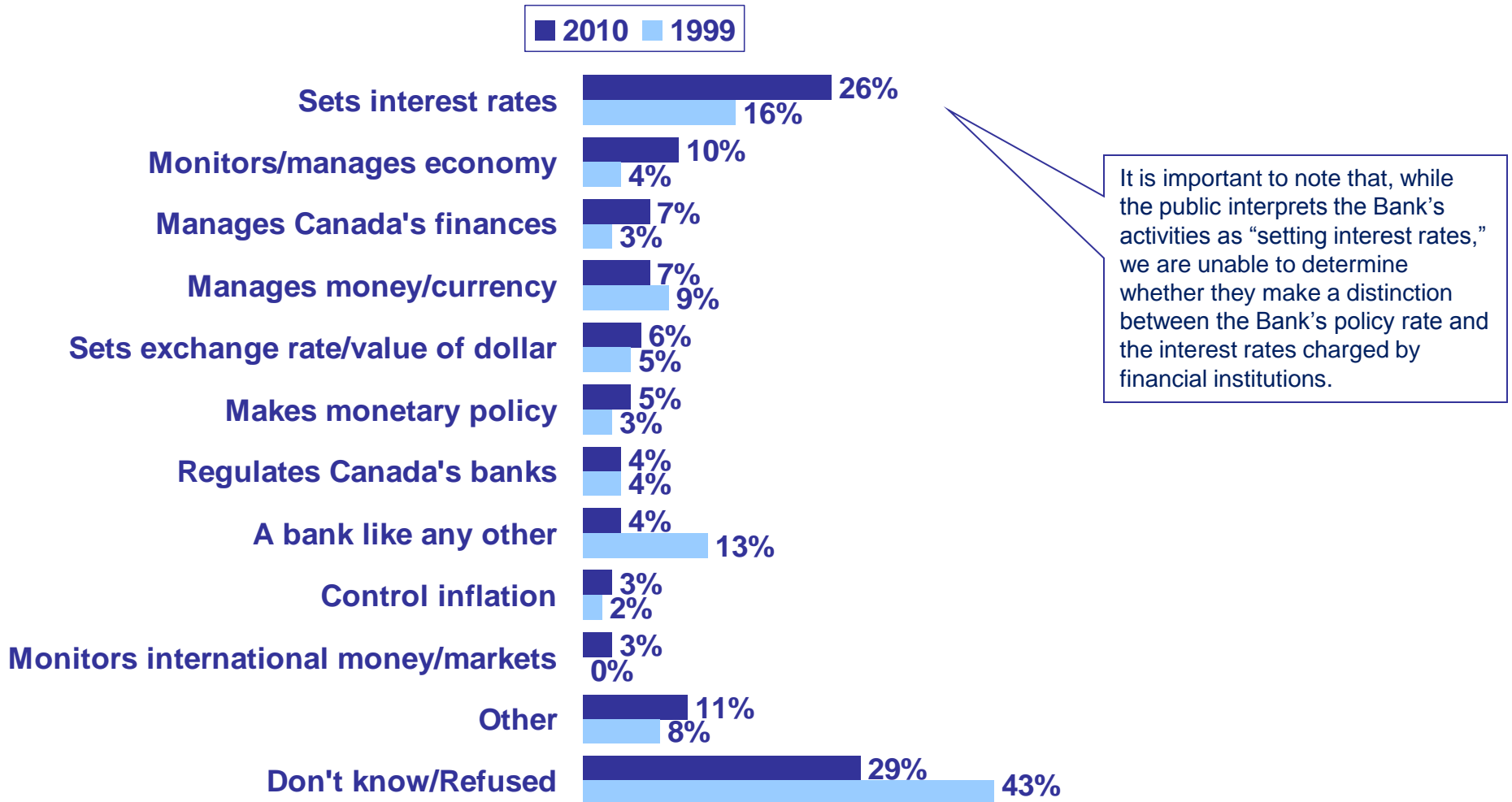
## Knowledge of the Bank of Canada





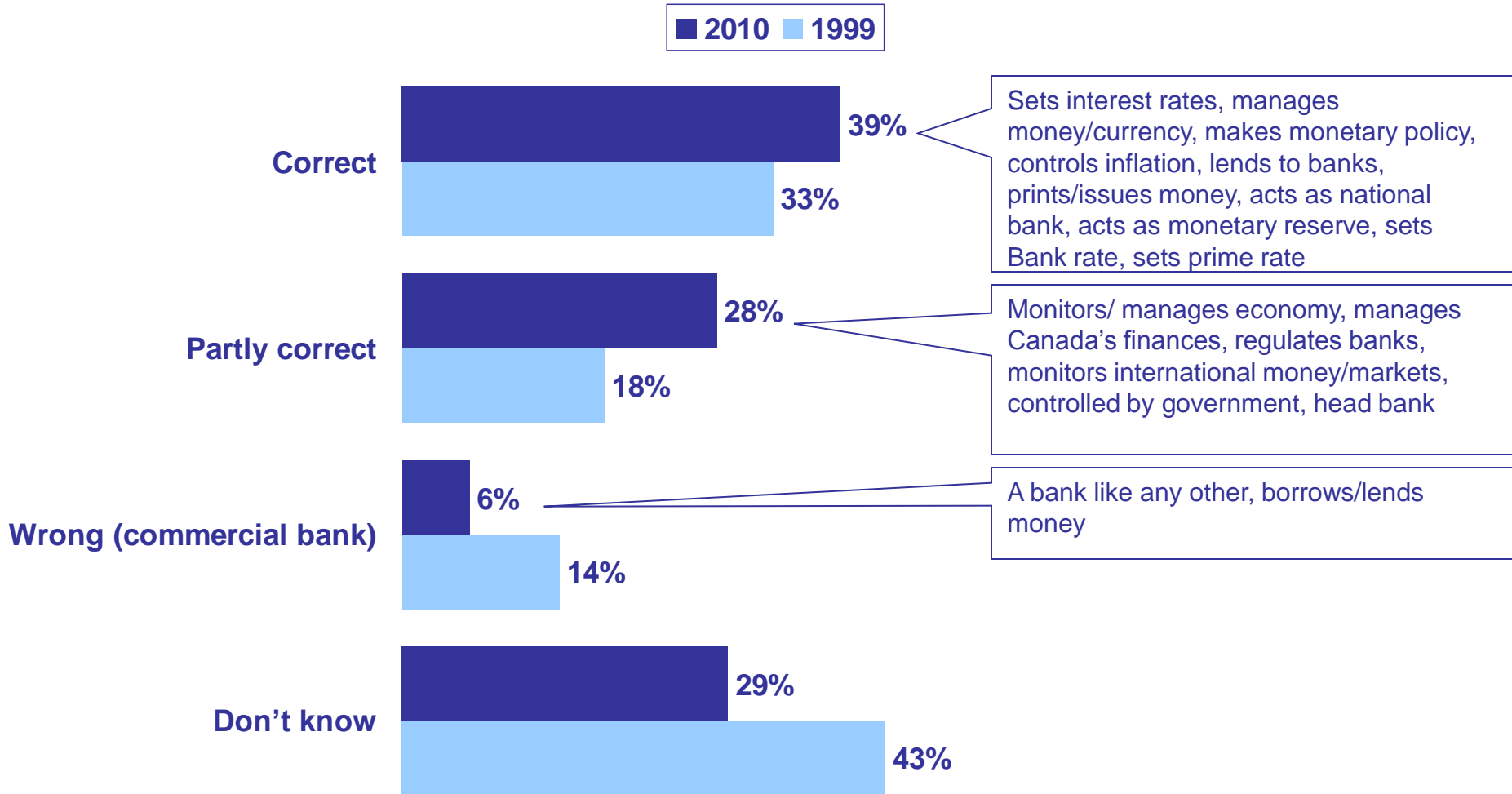
# Knowledge of the Bank's activities

When asked how they would describe what the Bank of Canada does, respondents most often say it sets interest rates. Monitoring or managing the economy, national finances and money or currency are mentioned by roughly one in ten. Compared with 1999, the proportion who say they don't know what the Bank does has declined significantly.



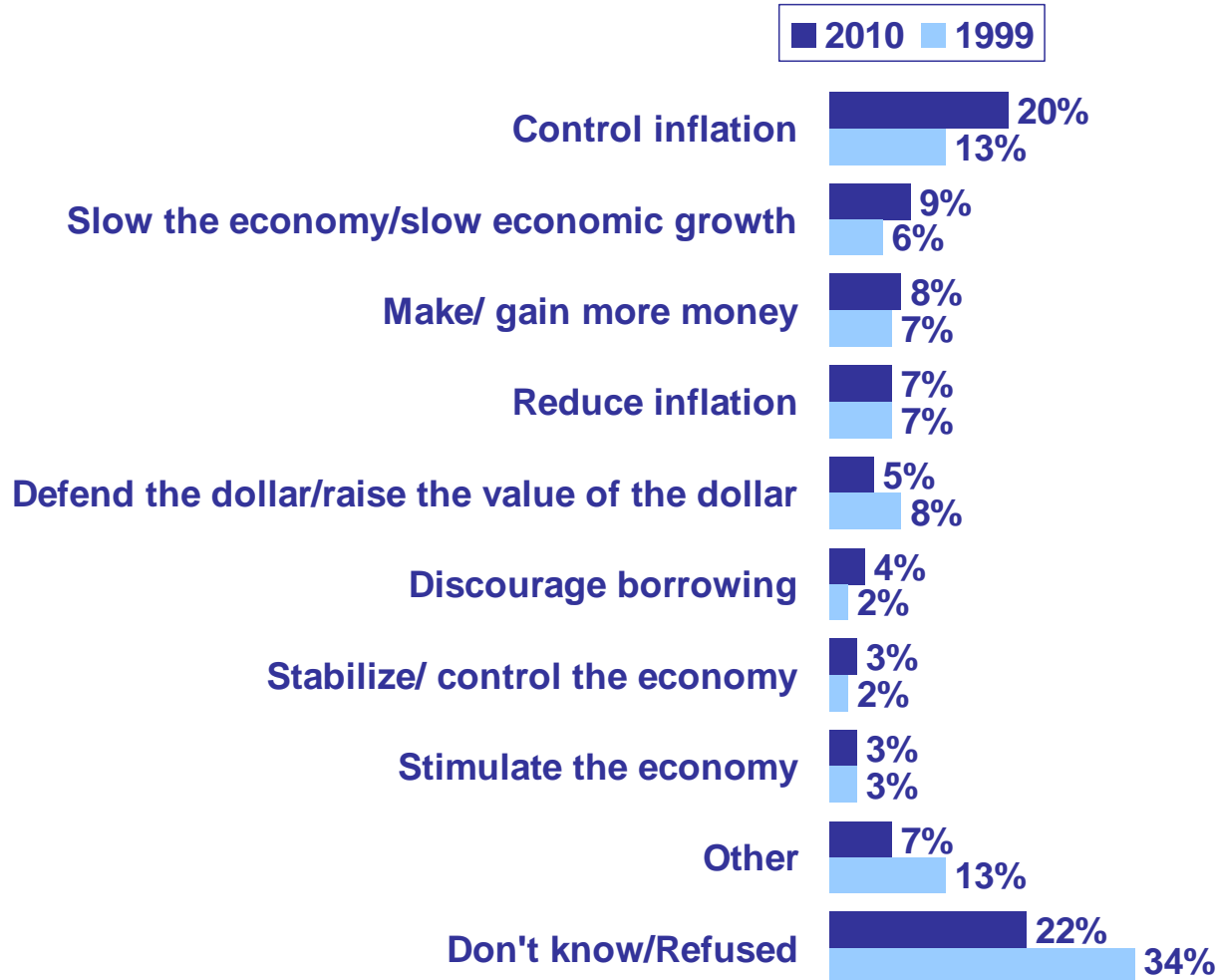
# Accuracy with regard to Bank's purpose and activities

As in 1999, we have summarized responses to the question asking respondents to describe what the Bank does as generally correct answers, partly correct answers and wrong answers (pertaining to commercial banking). The correct and partially correct answers have increased this year, while the don't knows have declined.



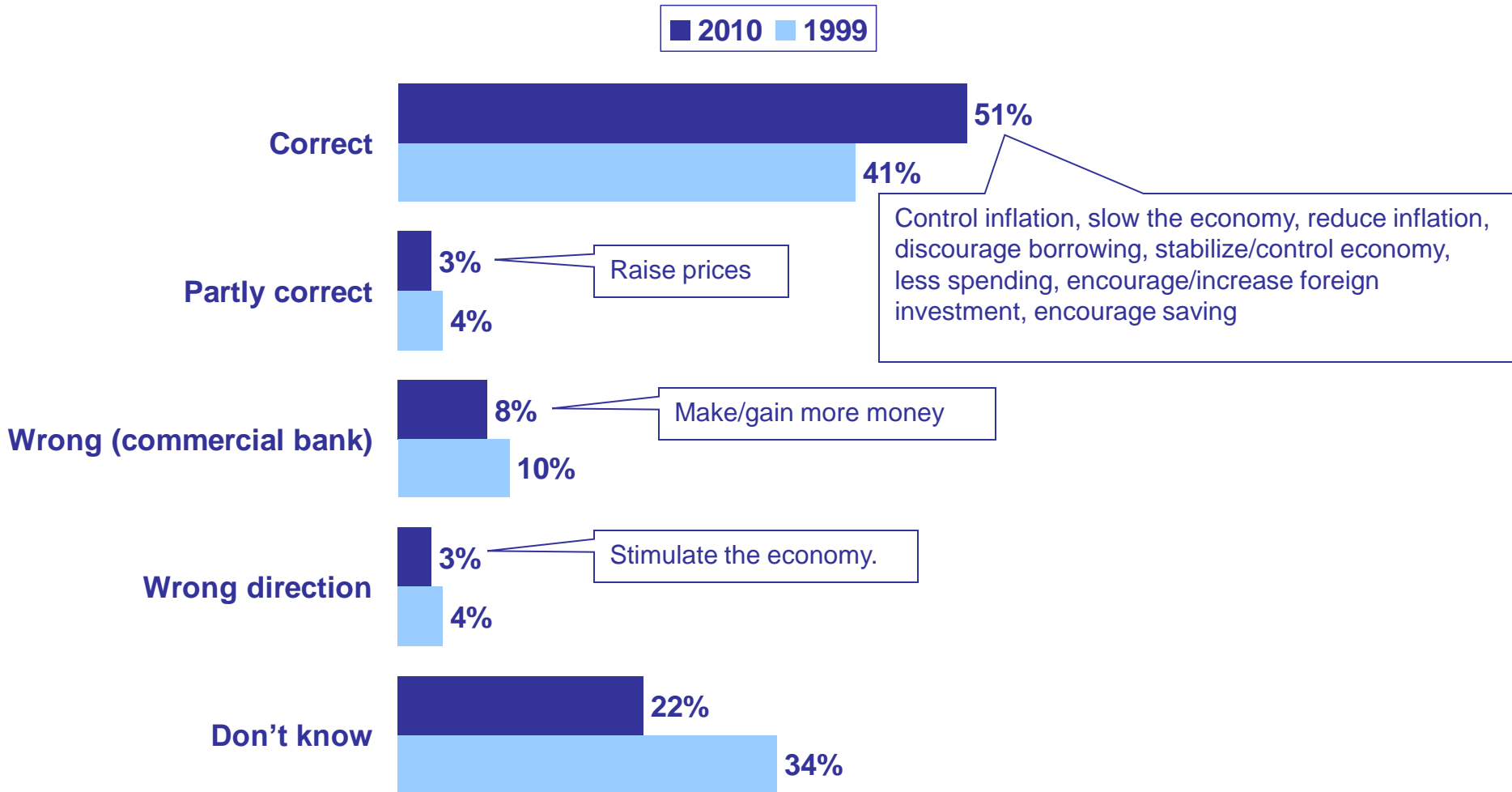
# Reasons for raising interest rates

As you may know, the Bank of Canada strongly influences the setting of short-term interest rates in Canada. At times, the Bank of Canada raises the Bank rate, which usually leads to increases in the interest rates charged on short-term loans by the major commercial banks in Canada. What do you think the Bank of Canada is trying to accomplish when it raises short-term interest rates?



# Accuracy of reasons for raising interest rates

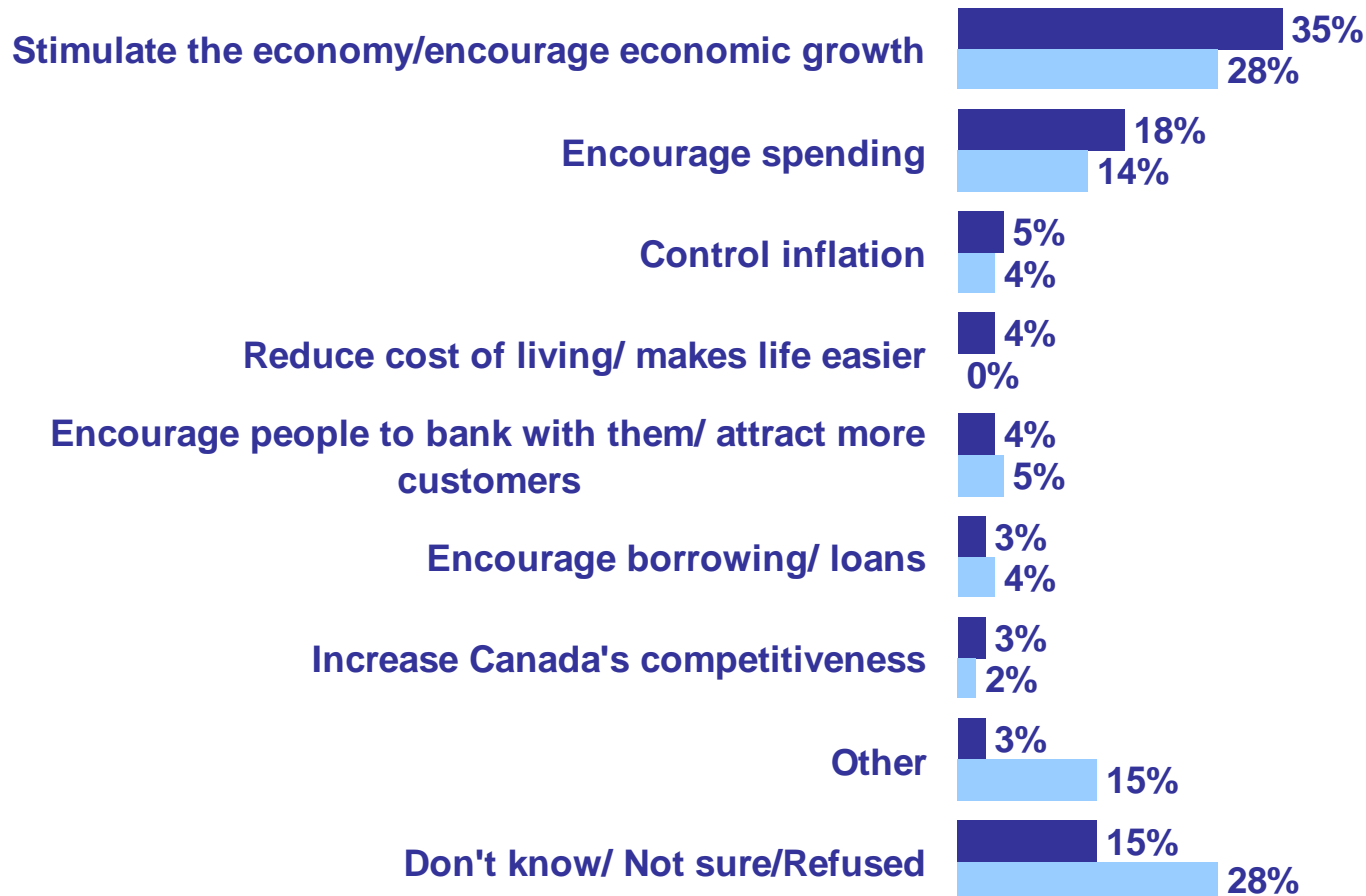
As in 1999, we have summarized responses to the question asking respondents to describe why the Bank raises interest rates as generally correct answers, partly correct answers, wrong answers (pertaining to commercial banking) and answers that head in the wrong direction (to stimulate the economy). The proportion answering with generally correct answers has increased this year, while the don't knows have declined.



# Reasons for lowering interest rates

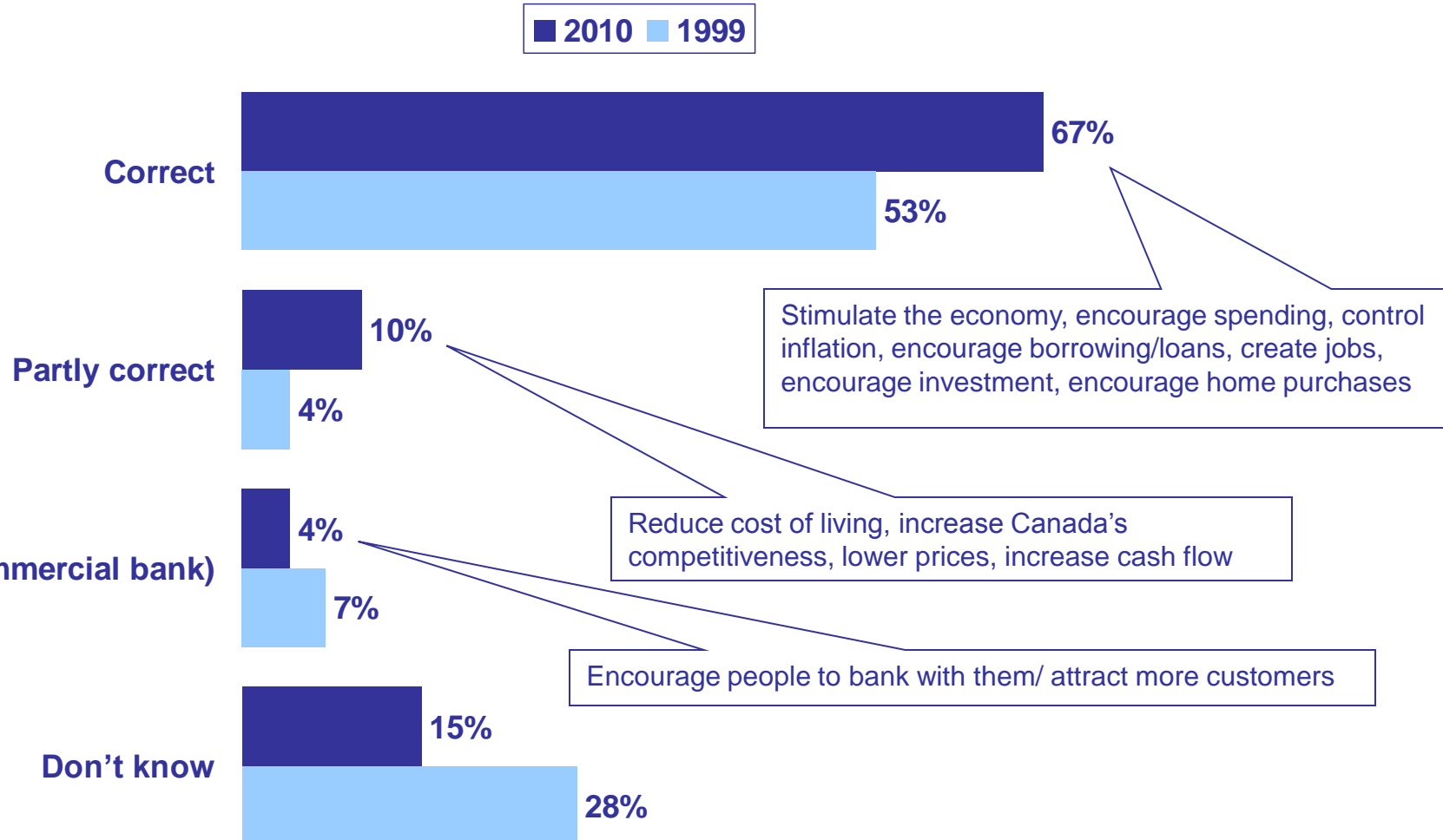
At other times, the Bank of Canada lowers the Bank rate, which usually leads to decreases in the interest rates charged on short-term loans by the major commercial banks in Canada. What do you think the Bank of Canada is trying to accomplish when it lowers short-term interest rates?

■ 2010 ■ 1999



# Accuracy of reasons for lowering interest rates

As in 1999, we have summarized responses to the question asking respondents to describe why the Bank lowers interest rates as generally correct answers, partly correct answers and wrong answers (pertaining to commercial banking). The proportion answering with generally correct answers has increased this year, while the don't knows have declined.



## Knowledge of the Bank among the key demographic subgroups

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- Consistent with other findings in the research, middle-aged and older, male, higher-educated and higher-income respondents are all more likely to provide correct answers (and less likely to say they don't know).
- Regionally, there are fewer differences, with the exception that residents of Quebec tend to offer fewer correct responses and a higher proportion of don't know responses.



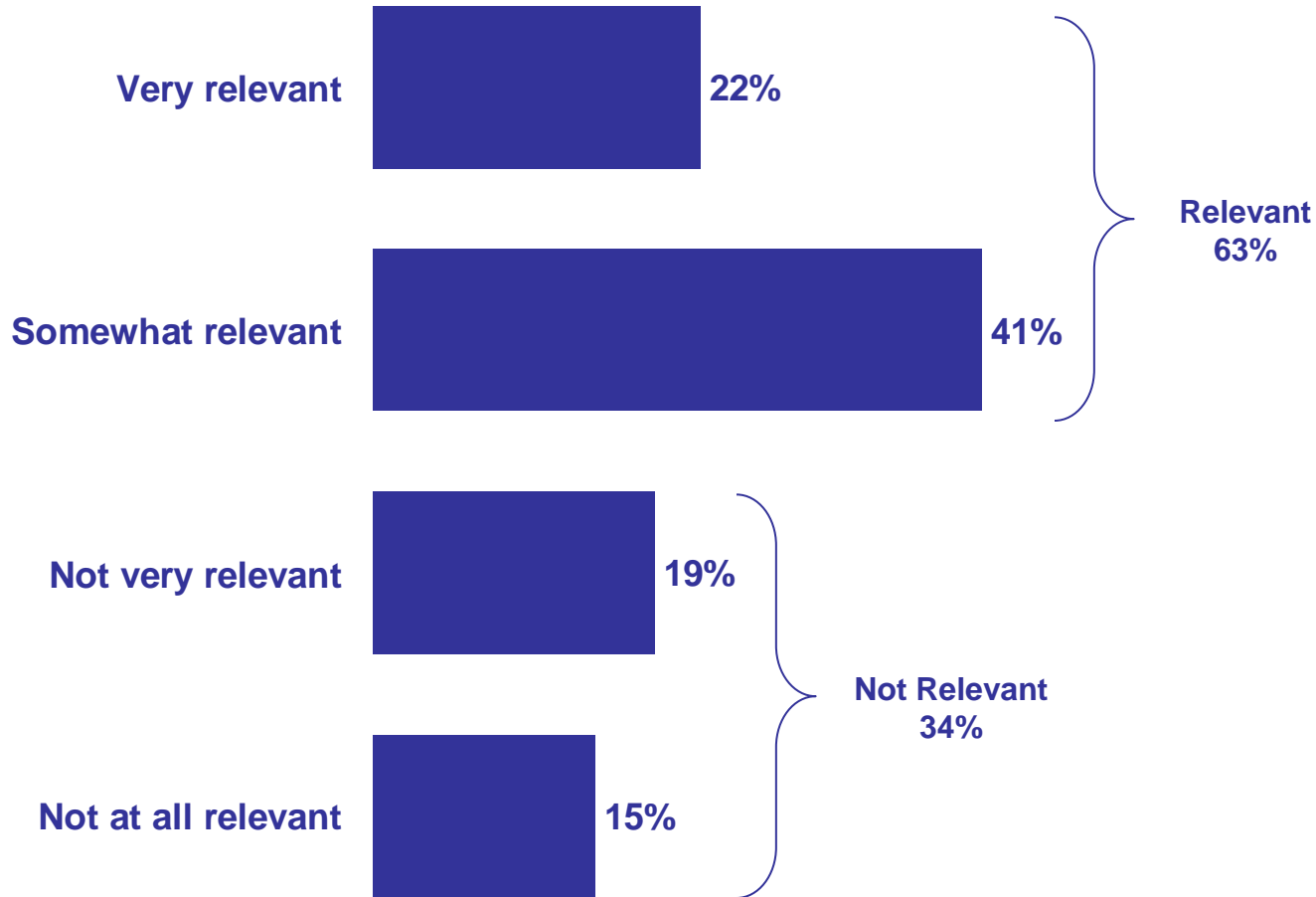
## Relevance and Impact of the Bank of Canada





# Nearly two in three view the Bank's activities as relevant

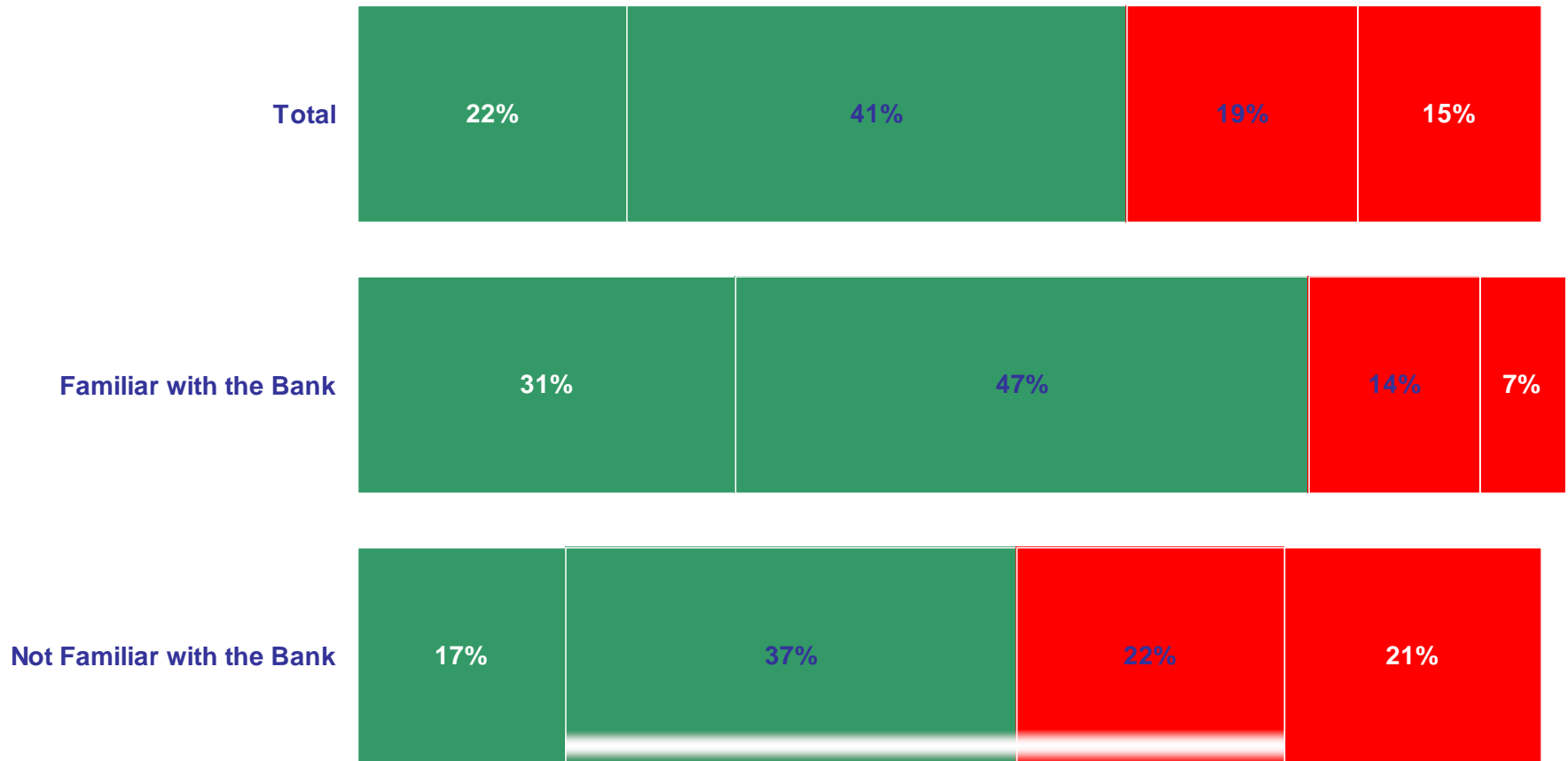
How relevant are the activities of the Bank of Canada to your own finances and to your overall economic well-being?



# Those familiar with the Bank are more apt to view it as relevant to their own finances and economic well-being

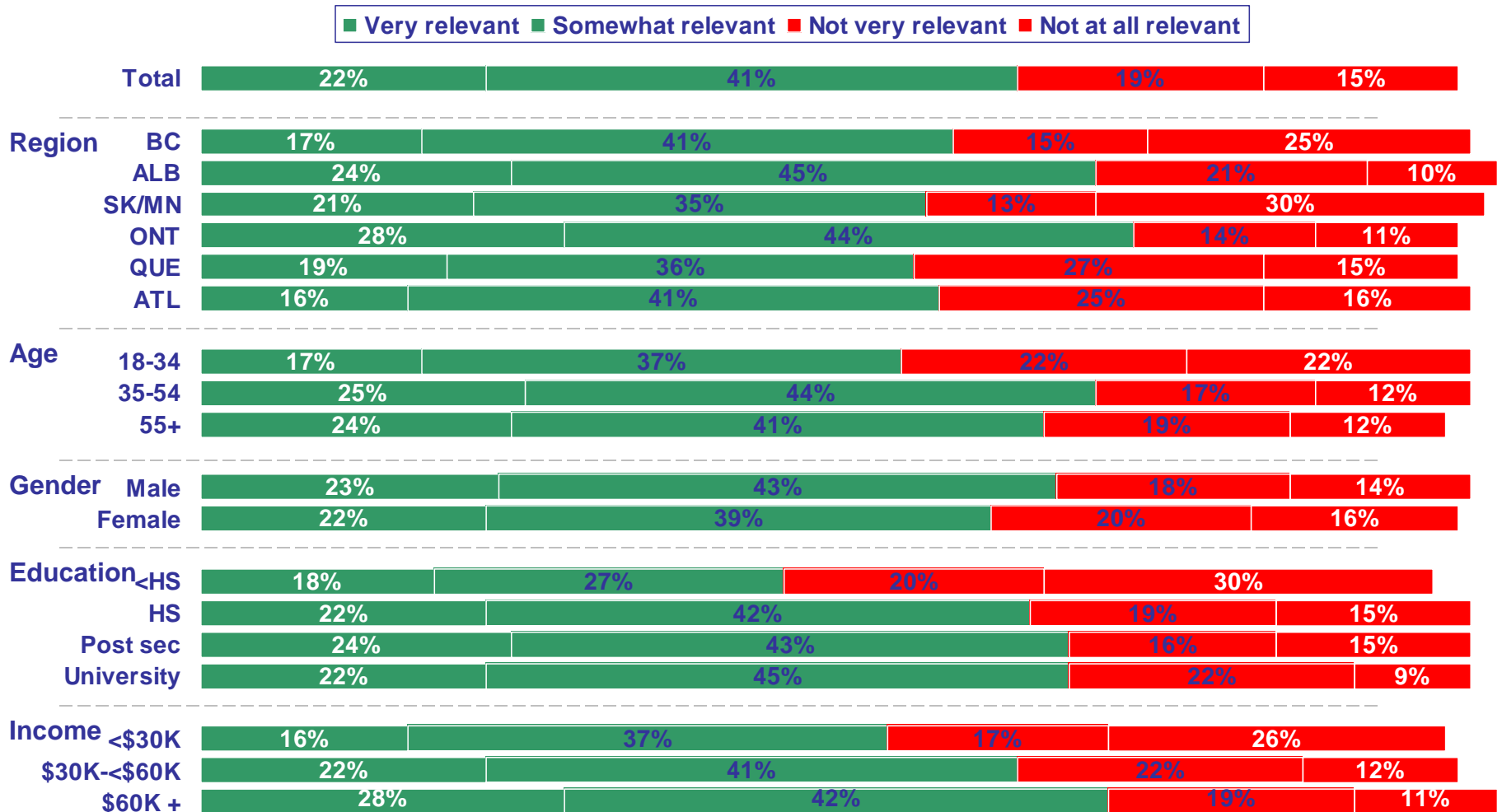
How relevant are the activities of the Bank of Canada to your own finances and to your overall economic well-being?

■ Very relevant
 ■ Somewhat relevant
 ■ Not very relevant
 ■ Not at all relevant



# Older, male, higher educated and higher income respondents tend to view the Bank as more relevant to their economic well-being

How relevant are the activities of the Bank of Canada to your own finances and to your overall economic well-being?



# Relevance of information

Which three of the following types of information provided by the Bank of Canada would you consider to be most relevant to you?



# Views on how the Bank affects the economy have not significantly changed from 1999

Do you think that the actions of the Bank of Canada have a great deal of effect, some effect or not much of an effect on...

■ Great deal of effect ■ Some effect ■ Not much of an effect

## The cost of borrowing money



## The value of the Canadian dollar



## Canada's ability to compete economically with other countries



## Economic growth and job creation in Canada



## The prices you pay for goods and services



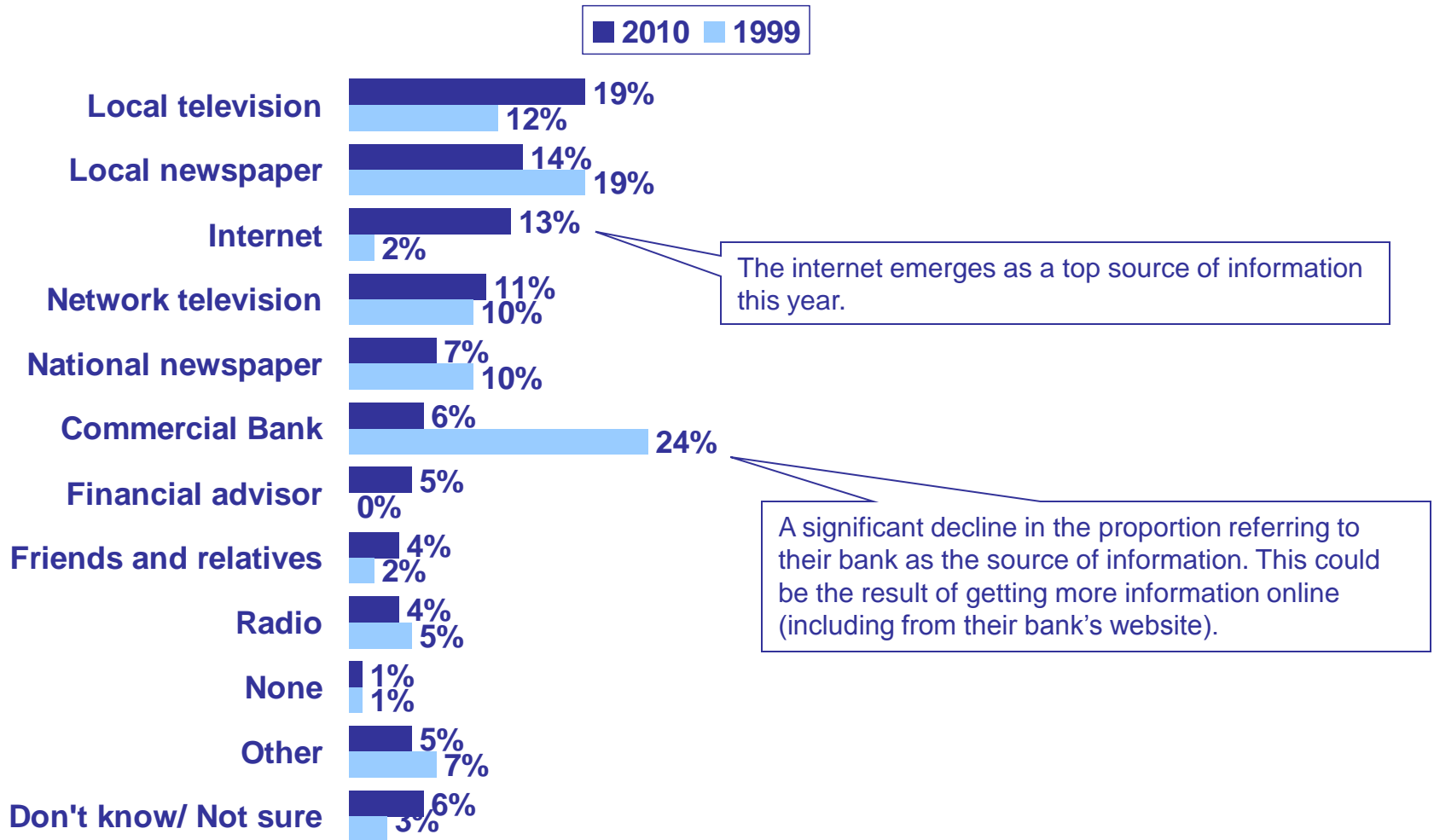


## Sources of Economic Information



# Sources of information about interest rates and other economic news

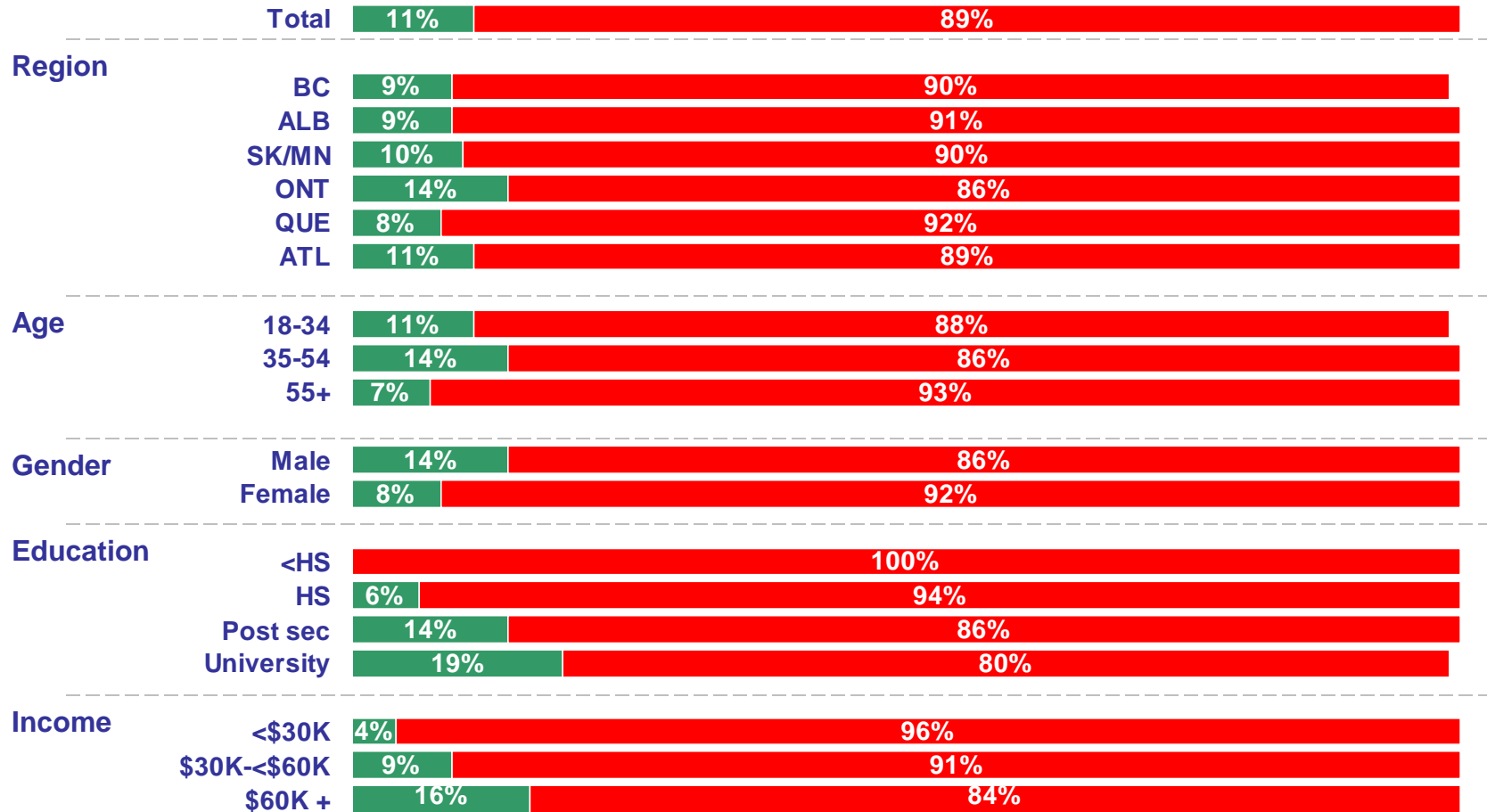
Where do you get most of your information concerning interest rates and other economic news?



# One in ten have visited the Bank's website; higher among men, those with higher levels of education and income (but not among older respondents)

Have you ever visited the Bank of Canada's website?

■ Yes ■ No





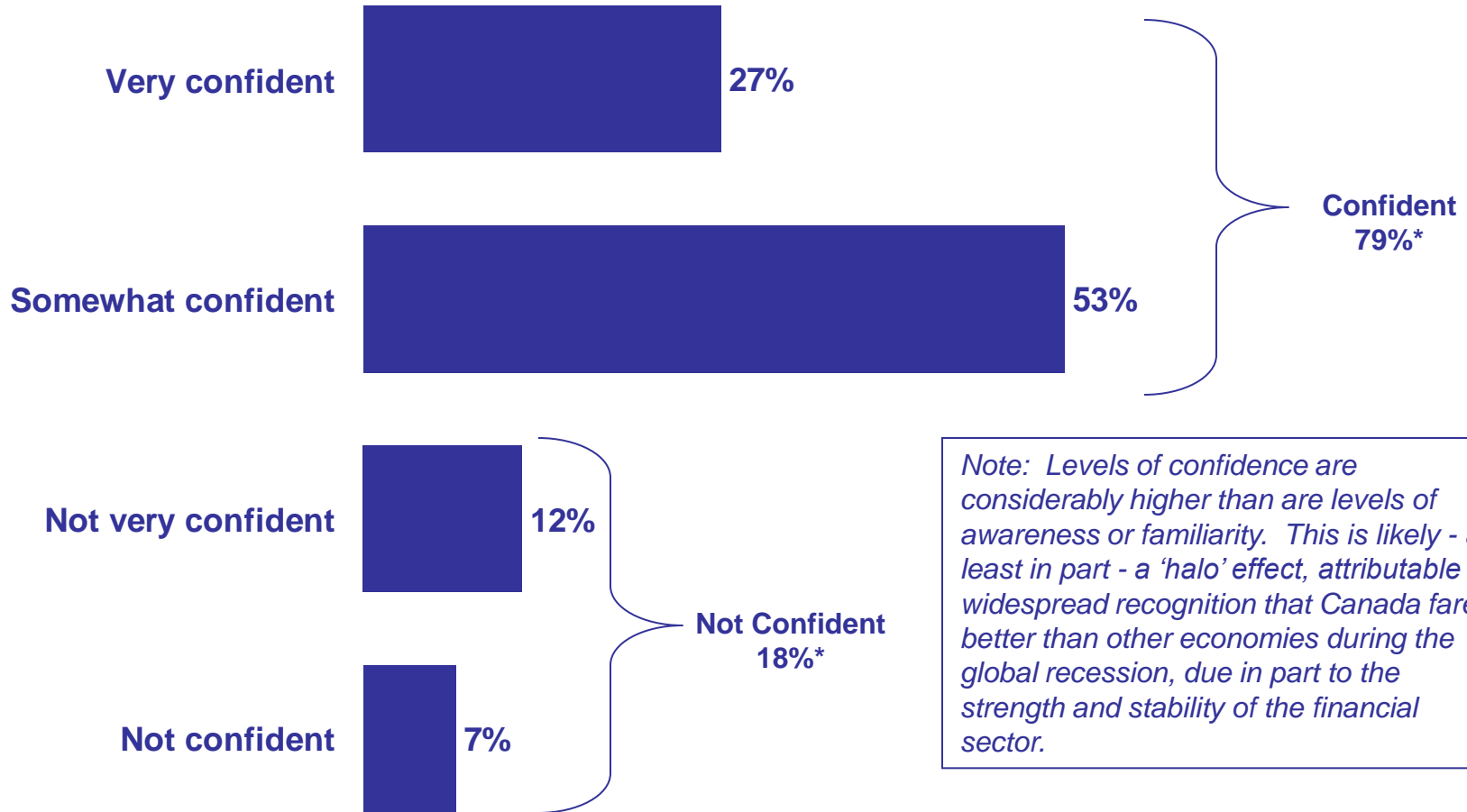


## Confidence in the Bank of Canada



# Four in five express confidence in the Bank of Canada

How confident are you in the Bank of Canada's ability to fulfill its mandate, which is to promote the economic and financial welfare of Canada?



*Note: Levels of confidence are considerably higher than are levels of awareness or familiarity. This is likely - at least in part - a 'halo' effect, attributable to widespread recognition that Canada fared better than other economies during the global recession, due in part to the strength and stability of the financial sector.*

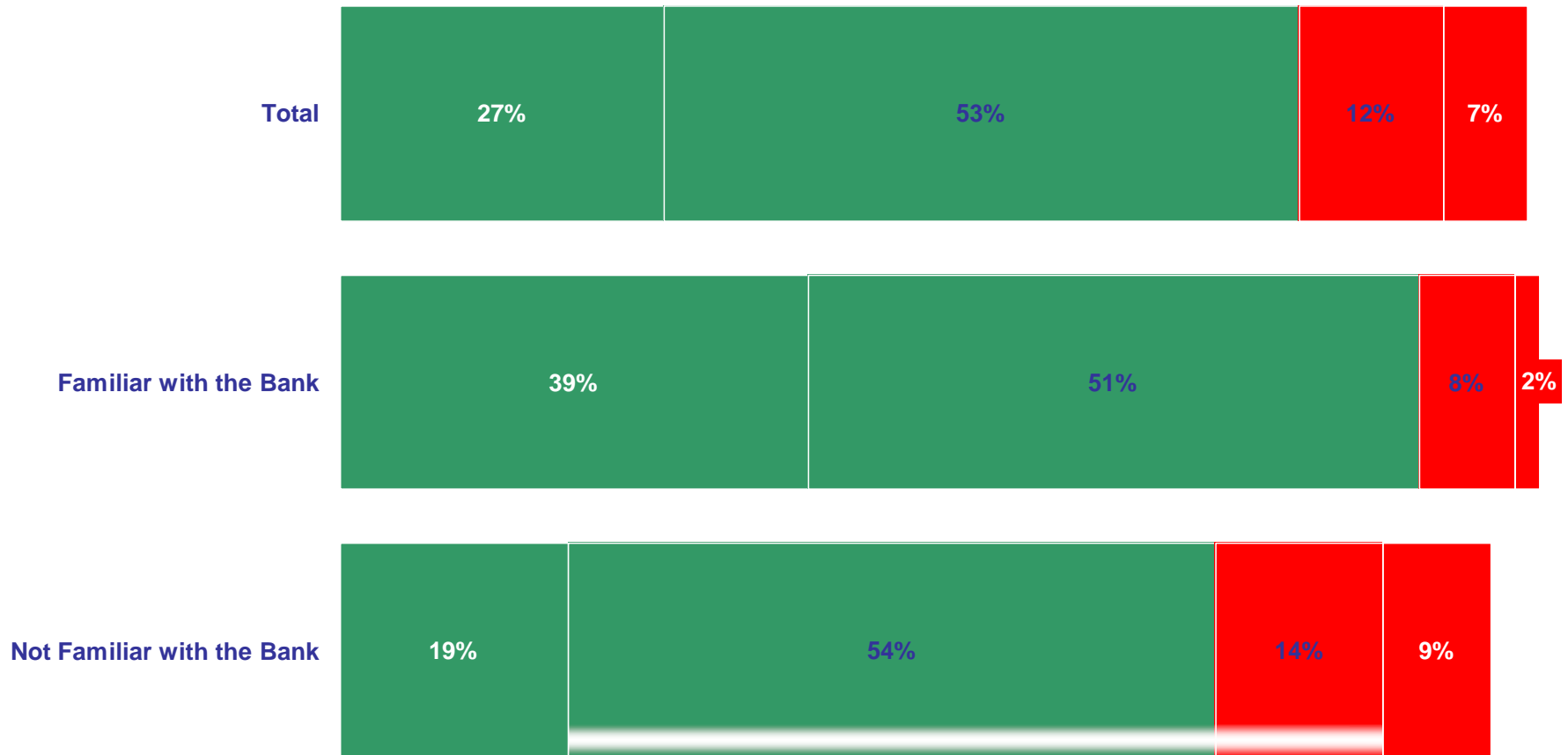
Base: All respondents n=1,000

\* See methodology note

# Those familiar with the Bank express higher levels of confidence in it

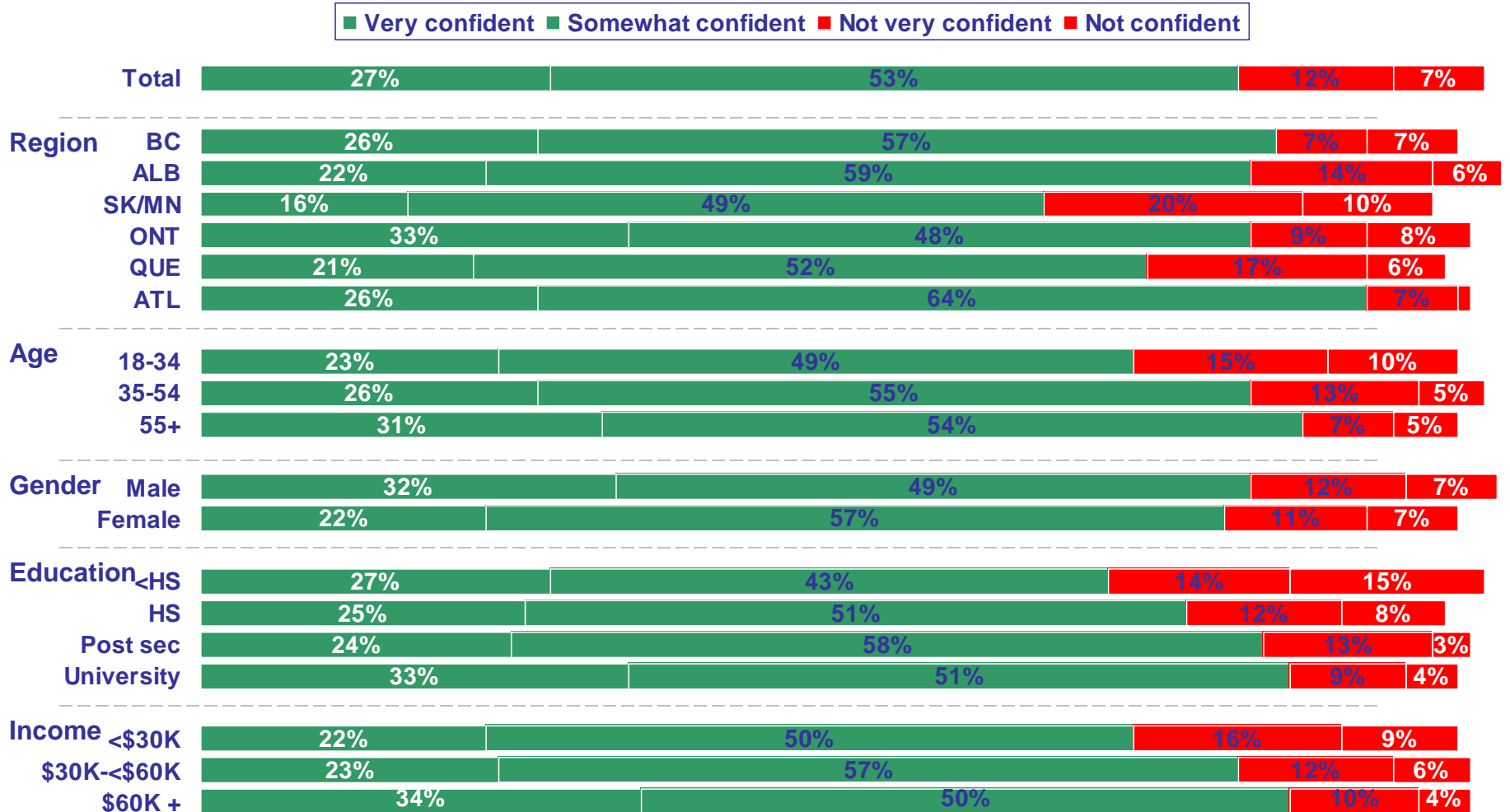
How confident are you in the Bank of Canada's ability to fulfill its mandate, which is to promote the economic and financial welfare of Canada?

■ Very confident ■ Somewhat confident ■ Not very confident ■ Not confident



# Confidence in the Bank of Canada is higher among Ontarians, older, male, higher-educated and higher-income respondents

How confident are you in the Bank of Canada's ability to fulfill its mandate, which is to promote the economic and financial welfare of Canada?



Base: All respondents n=1,000



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