Consumer Economic Pulse

WAVE 35: MAY 2025

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Four things you should know

Economic pessimism persists; More believe we're currently in a recession

The way Canadians view the economy is evolving since the Canada-U.S. trade dispute kicked off in February. After a spike in expectations the country is *about to enter* a recession in March, more Canadians now believe the recession has already arrived.

Perceptions of the economic impacts of the trade dispute are becoming less speculative and more rooted in the present.

Brand switching to save money continues to gain momentum, across categories

Brand switching to save money is on rise and is already back up to levels last seen in October 2024 (55% in May; +10pp vs. Jan 2025).

Cost-consciousness continues to encourage more Canadians to explore alternatives to their usual brands, particularly in groceries, household essentials, and alcohol – a shift that is likely a practical adjustment to stabilizing household finances rather than a rejection of brand loyalty.

'Buying Canadian' remains a priority; But for some categories more than others

Support for Canadian-made goods is still strong, with many Canadians intentionally purchasing local over American alternatives. The largest impact is occurring in food and beverage where most consumers chose Canadian products in May.

This impact is more muted for online purchases and digital services, which *declined* in May. This may reflect a combination of softening intent to 'buy Canadian' and also a lack of Canadian alternatives.

Consumers still receptive to 'Canadian-Made' messaging

With the flurry of nationalistic messaging since the Canada-U.S. trade dispute began, virtually all Canadians have noticed companies spotlighting their Canadian identity, and the majority (80%) either like it or are don't mind it.

There's little sign of fatigue from this messaging, suggesting that nationalistic branding continues to resonate with consumers when done authentically, particularly among those 55+, women, and households with children.

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Setting The Stage: Key Developments in the 2025 U.S.-Canada Trade Measures

On February 1, 2025, President Donald Trump signed executive orders imposing significant tariffs on imports from Canada, Mexico, and China. Specifically, a 25% tariff was levied on most Canadian goods, with a reduced 10% rate on Canadian energy products.

The tariffs went into effect on March 4, 2025, following a brief suspension announced on February 3, 2025, to allow for negotiations with Canada and Mexico. In retaliation, Canada has imposed its own tariffs on U.S. goods

Key Developments:

- **Feb 1**: President Trump signs executive order for tariffs levied on Canadian goods
- **Feb 3**: One month pause on tariffs
- **Feb 10:** US imposes 25% tariffs on steel and aluminum
- **Mar 4**: Tariffs went into effect
- **Mar 6:** US delayed tariffs on goods compliant with USMCA
- **Mar 14**: PM Mark Carney sworn in as new Prime Minister
- **Apr 2**: "Liberation Day" -universal import tariff on all goods entering the U.S
- **Apr 3:** Effective date of 25% US Tariffs on Auto Imports
- **Apr 28**: Canadian Fed Election
- **May 3**: Effective date of 25% US Tariffs on Auto Parts (Exemption for CUSMA-compliant parts)

Source: https://www.reuters.com/business/autos-transportation/how-trumps-chaotic-trade-war-has-evolved-2025-05-12/

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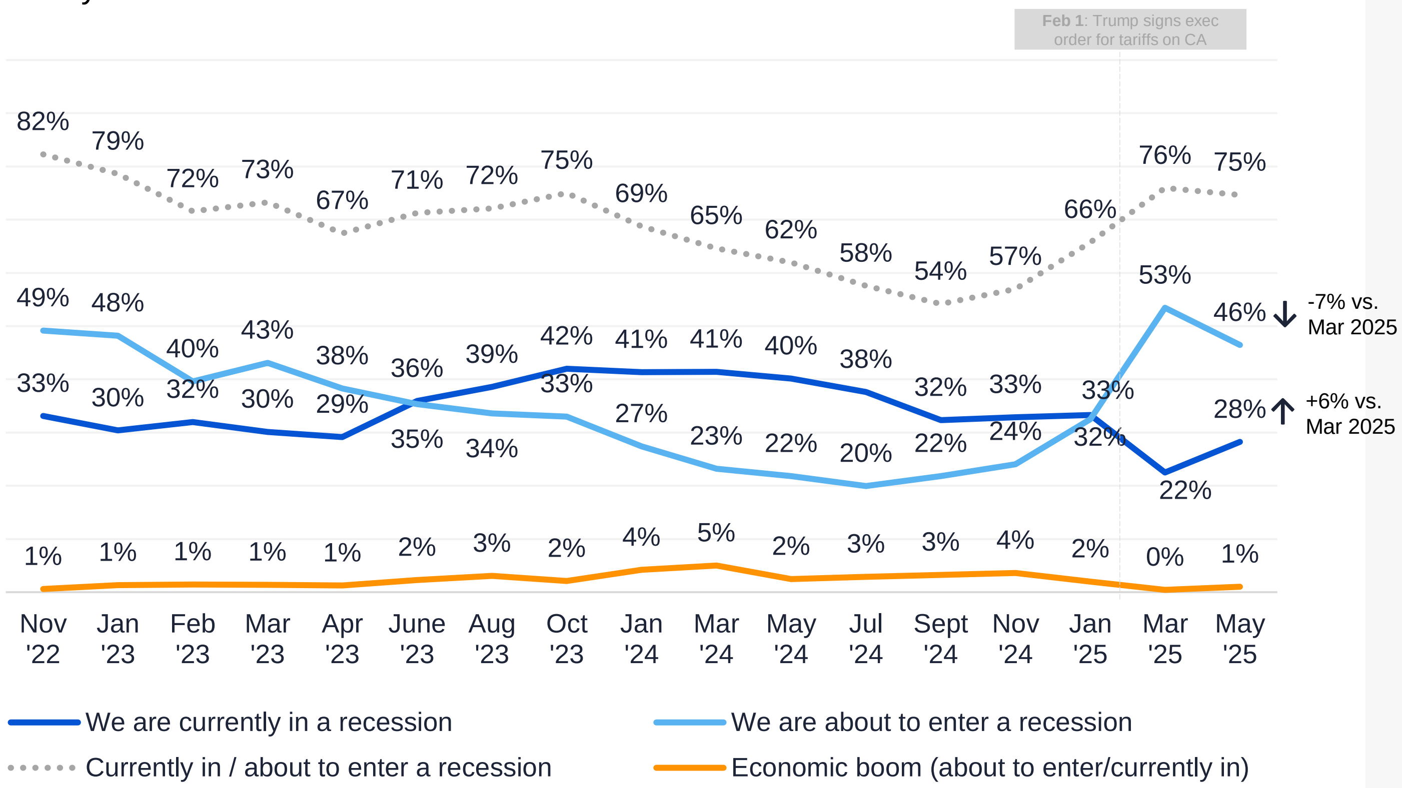
Perspective on the economy

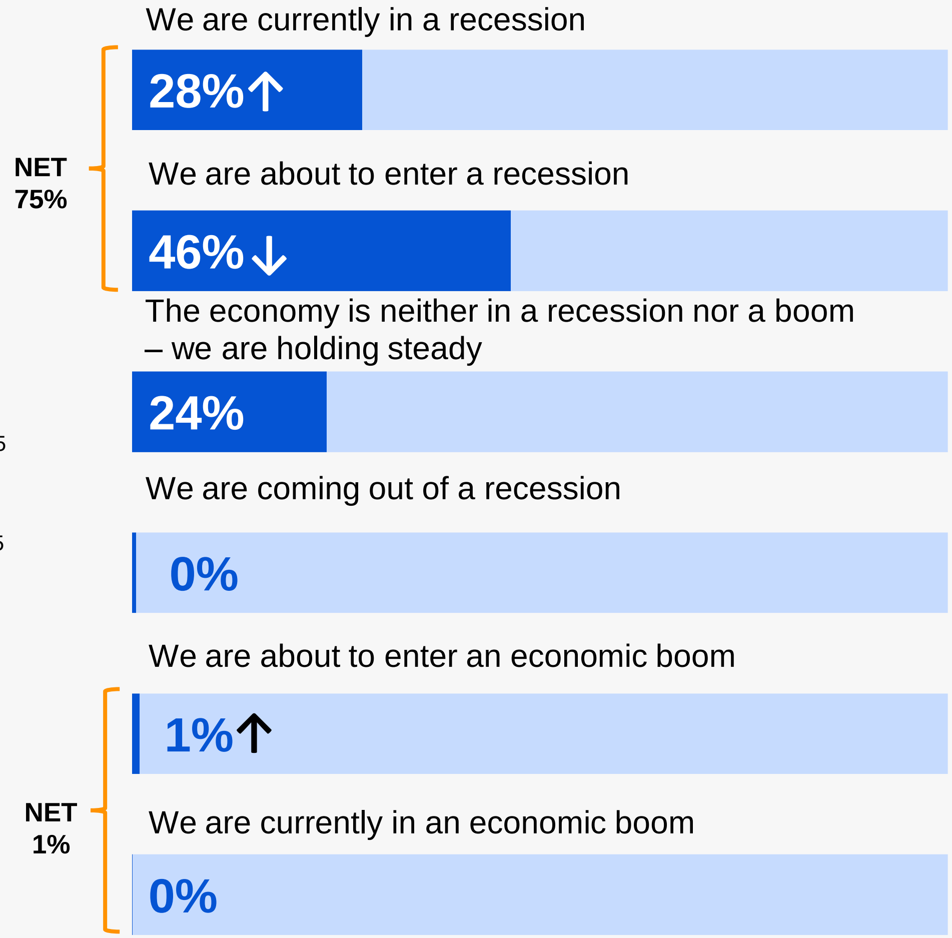
Current state of the economy

Negative sentiment about the economy persists, with 75% believing we're in or nearing a recession. After a large spike in expectations of an imminent recession as a result of the Canada-U.S. trade dispute, the public's views are now *shifting* to the idea that the country is currently in recession.



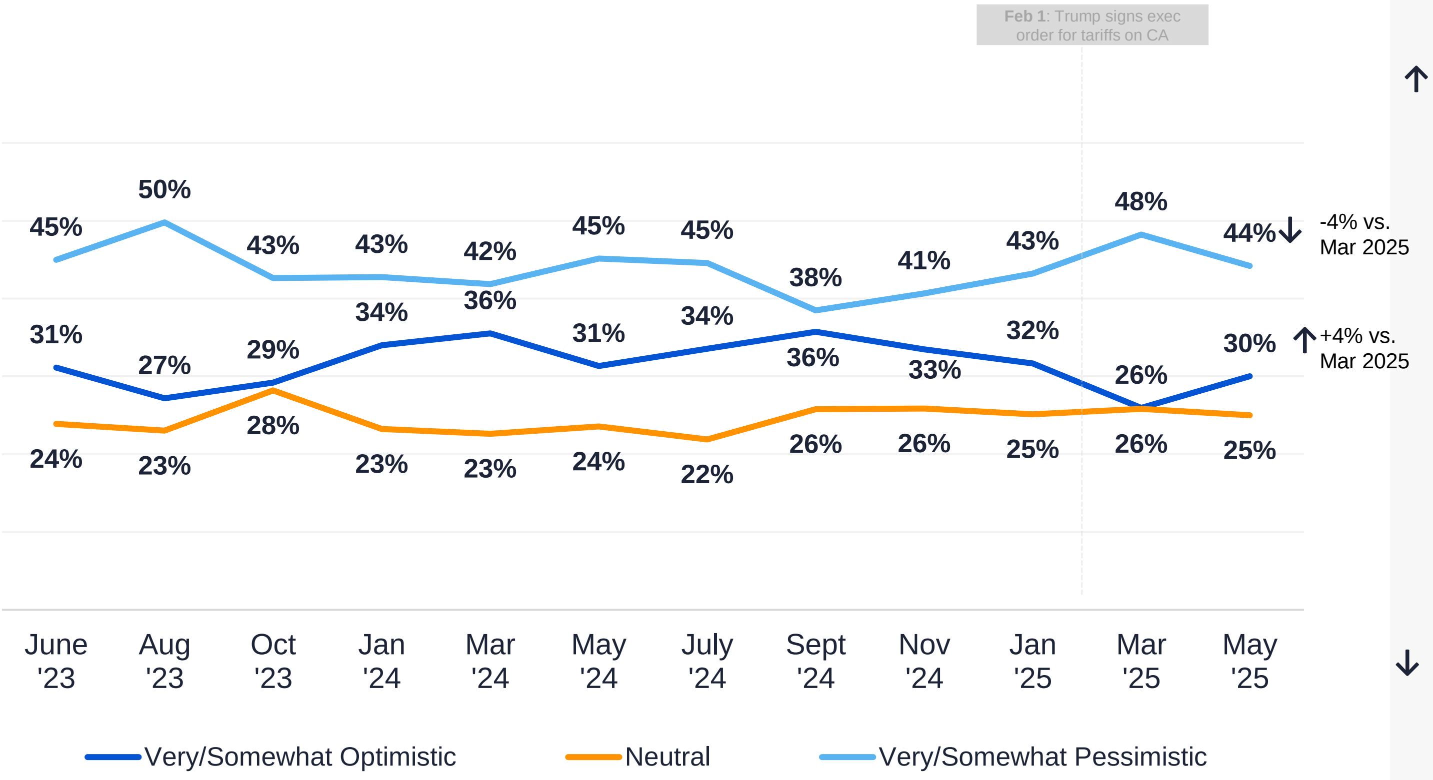
Base: Total n=1,514 | Q: Which of the following best reflects how you feel about the current state of the economy?

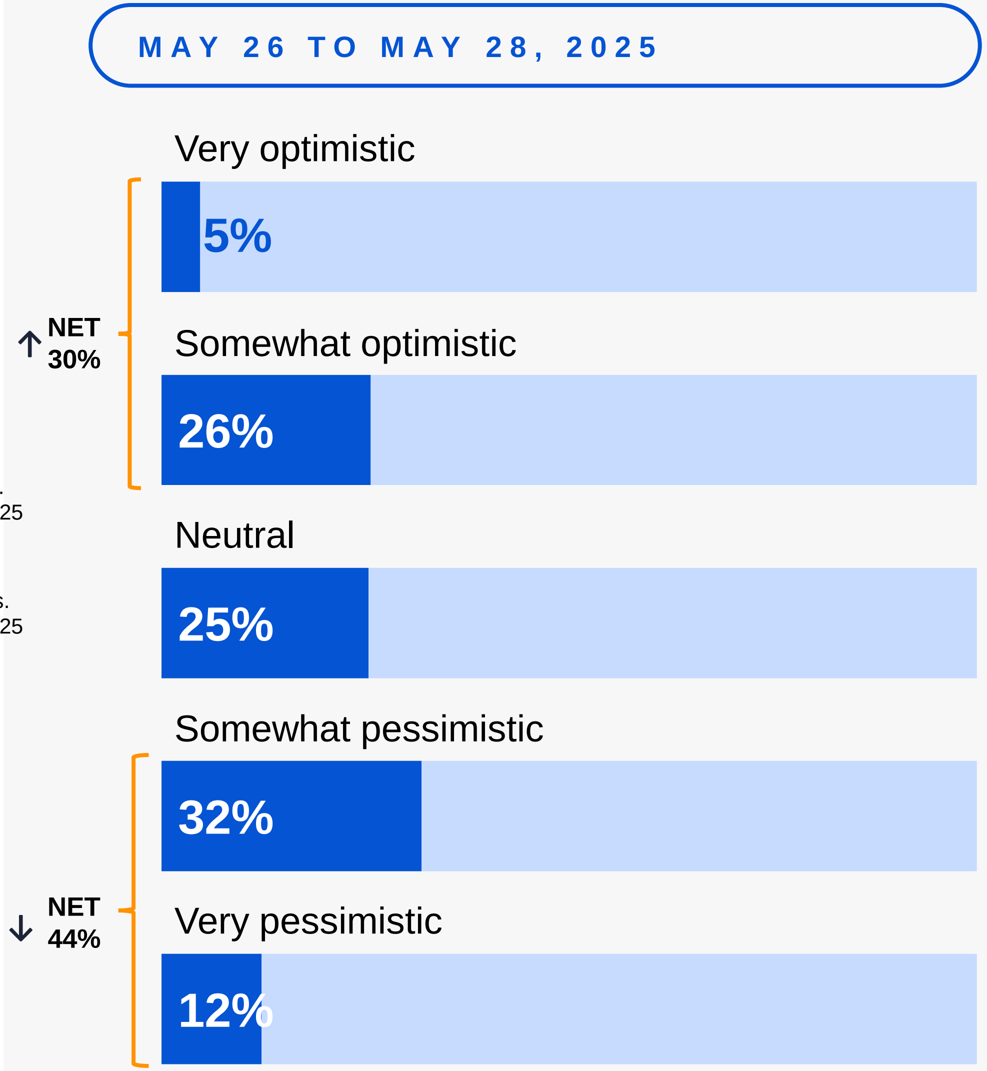
MAY 26 TO MAY 28, 2025



Perception of family finances

Canadians' perspectives of their household finances have mostly returned to the levels seen before the onset of the Canada-U.S. trade dispute, after an increase in pessimism in March.





Base: Total n=1,514 | Q: Thinking specifically about you and your family's finances, how optimistic or pessimistic are you about the year ahead?

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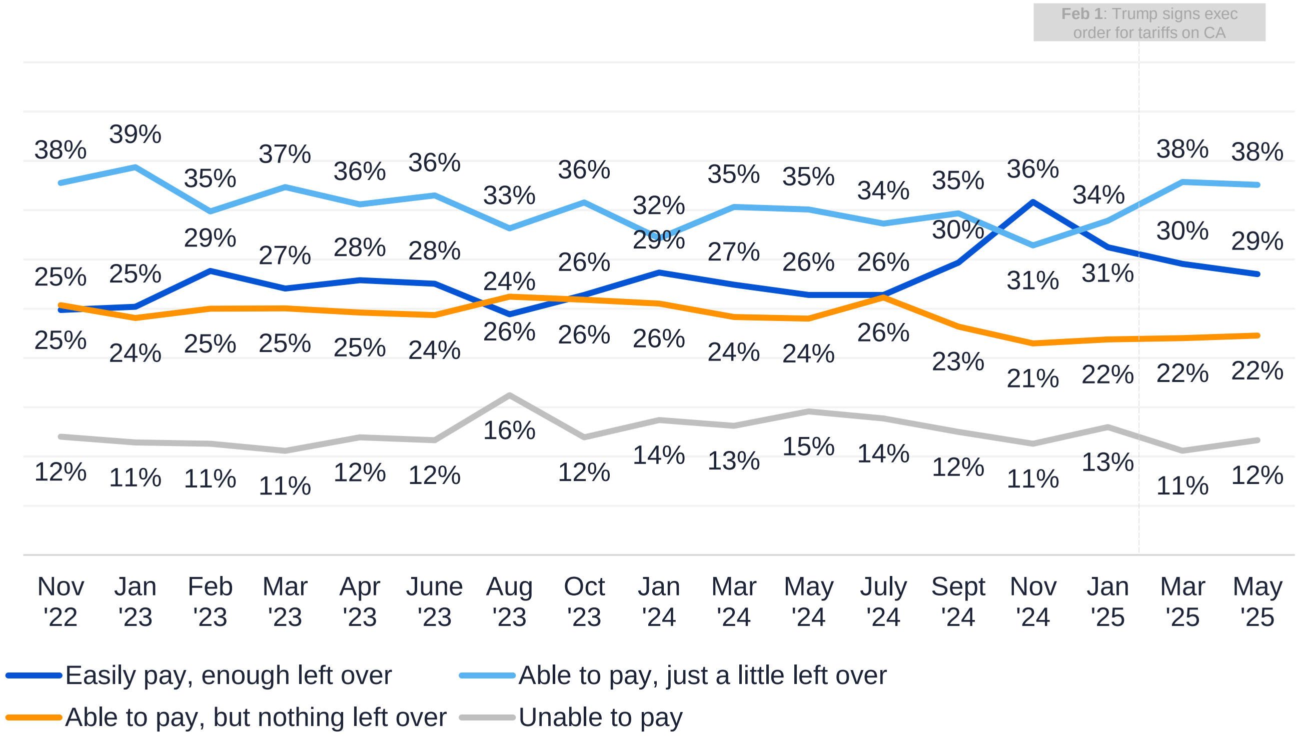
Affordability / Personal Spending Habits

Ability to Afford Household Expenses Past Month →

Changing Brands to Save →

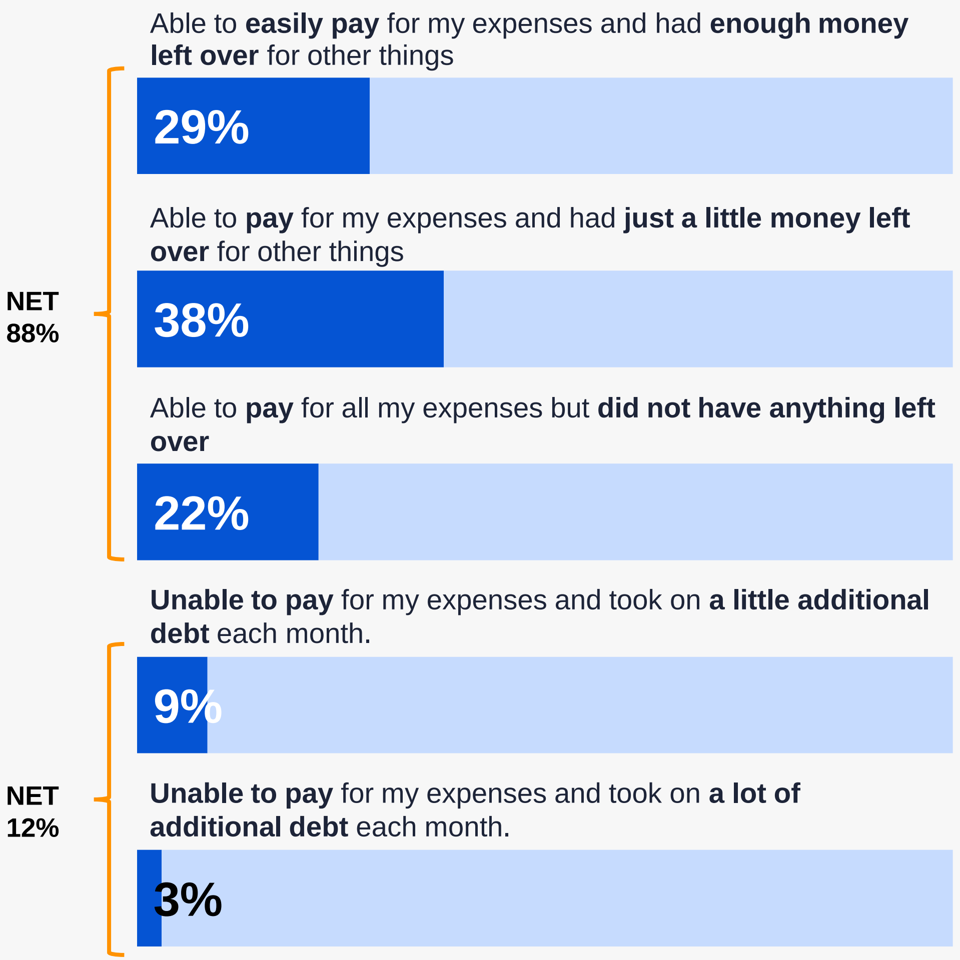
Ability to afford household expenses over the past month

Canadians' ability to manage their household expenses has held steady after an uptick in affordability challenges in March. Currently, two-thirds (67%) say they're able to cover expenses and still have left over at month's end.



Base: Total n=1,514 | Q: And how would you describe your finances over the last month?

MAY 26 TO MAY 28, 2025



Changing brands to save

Brand switching to save money continues to rise, now back up to levels last seen in October 2024 (55%, +10pp vs. Jan 2025). Groceries and household essentials, restaurants and alcohol are driving the shift, implying that value-seeking is highest with day-to-day purchases.

Base: Total n=1,514 | Q: Since the start of the year, have you switched to a different brand/company than you usually purchase from to save money in any of the following areas?

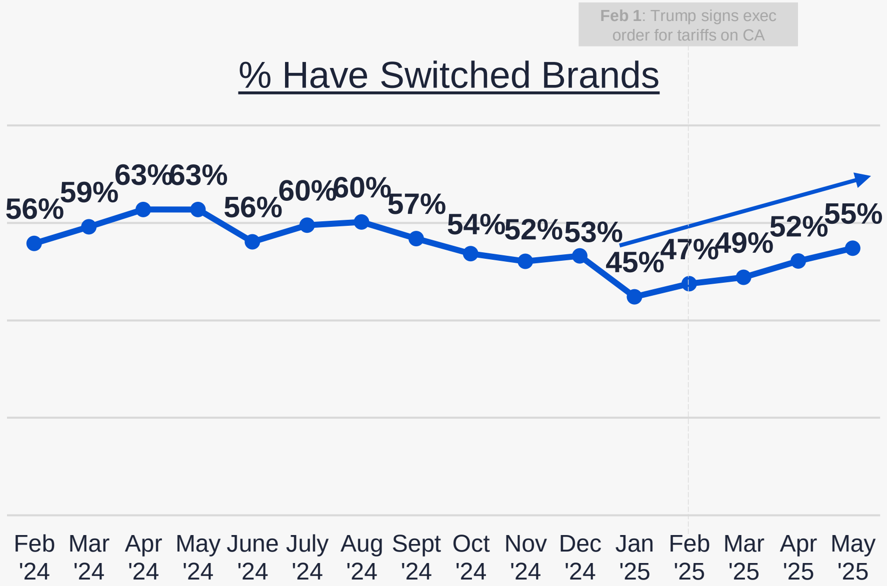
MAY 26 TO MAY 28, 2025

55% of Canadians have switched brands in at least one area in order to save money

↑ +10 percentage points since Jan 2025

Since February 2025, switching brands to save has **increased**…

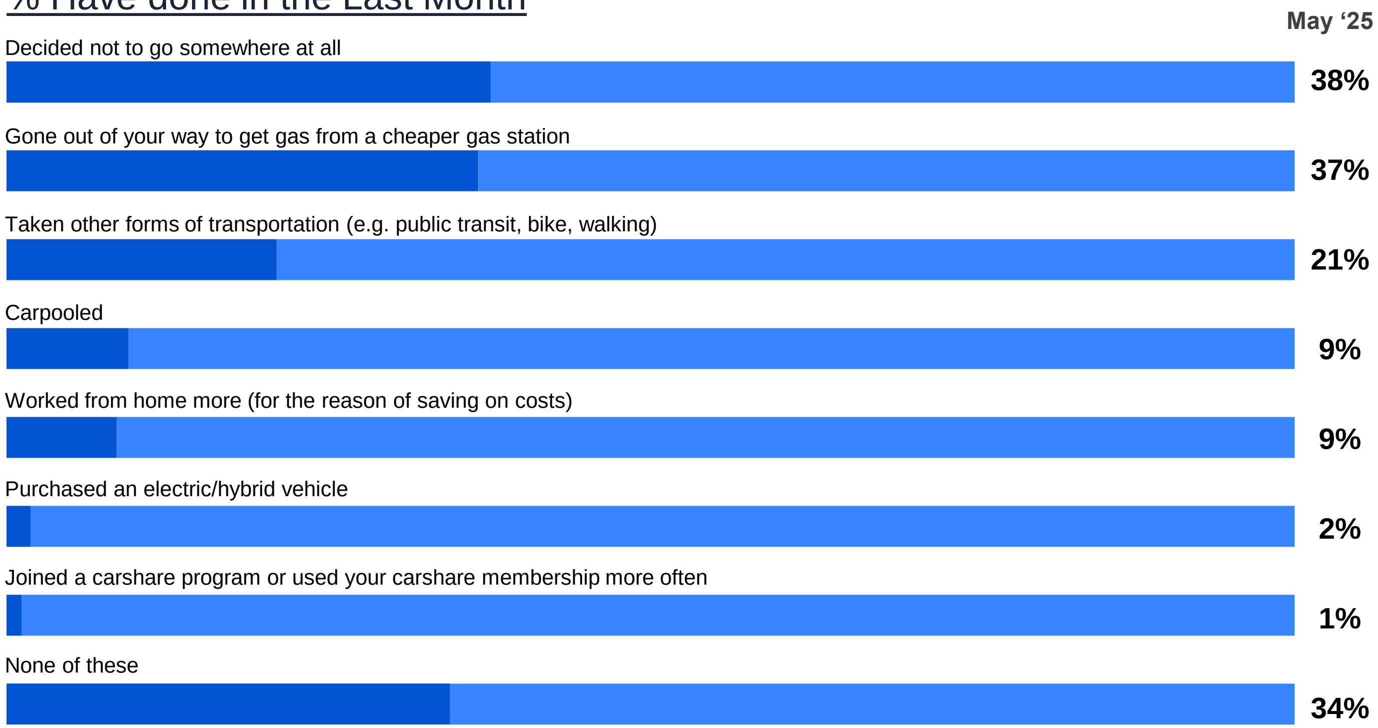
- 5 percentage points for grocery bills (35%)
- 4 percentage points for general household items (19%)
- 7 percentage points for alcohol (7%)



Changes in driving to save on gas

64% of Canadians have made changes to their driving habits to save on gas in the past month, consistent with February levels. The most common ways to save on gas are to skip trips entirely (38%) or seeking out cheaper gas options (37%).

% Have done in the Last Month



Base: Exclude N/A (n=1,333) | Q: Over the last month, have you done any of the following to save on gas costs?

MAY 26 TO MAY 28, 2025

64% of Canadians have made at least one change in their driving habits over the past month to save on gas; on par with February 2025.

	May '25	Feb '25	Nov '24	Aug '24	May '24	Feb '24	Oct '23	July '23	Apr '23	Mar '23	Feb '23
Decided not to go somewhere at all	38%	39%	33%	42%	43%	43%	39%	41%	47%	48%	47%
Gone out of your way to get gas from a cheaper gas station	37%	35%	35%	40%	38%	40%	36%	39%	39%	40%	36%
Taken other forms of transportation (e.g. public transit, bike, walking)	21%	20%	22%	23%	26%	20%	20%	22%	22%	22%	20%
Carpooled	9%	11%	9%	11%	13%	10%	10%	11%	11%	11%	10%
Worked from home more (for the reason of saving on costs)	9%	9%	10%	12%	13%	11%	11%	12%	15%	17%	13%
Purchased an electric/hybrid vehicle	2%	1%	2%	3%	2%	1%	3%	3%	2%	2%	1%
Joined a carshare program or used your carshare membership more often	1%	1%	1%	1%	2%	3%	3%	1%	2%	2%	2%
None of these	34%	35%	36%	28%	25%	30%	29%	28%	28%	23%	27%

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Canada/U.S Relations

Changes to shopping habits

Canadians are largely maintaining their shopping habits from April. Although buying *more* Canadian products than usual has ebbed this month, the emphasis on shopping local remains strong, with 58% continuing to prioritize it.

In addition, 65% of Canadians report purchasing fewer U.S. brands/products, suggesting that negative sentiment linked to US imposed tariffs persists.

Base: Total (n=1514) | Q. In light of the current political and economic climate (i.e. American tariffs) have you made any of the following changes to your shopping habits over the last month?

MAY 26 TO MAY 28, 2025

85%

of Canadian have made a change to their shopping habits in light of the current political/economic climate.

	Feb ’25	Mar ’25	Apr ’25	May ‘25
NET Prioritizing Local Buying more from Canadian companies, products or local shops	72%	55%↓	59%↑	58%
NET Buying Less American Buying less from US companies or products	70%	63%↓	67%↑	65%
NET Reduce/Delay Shopping Reduce shopping or delaying/cancelling purchases	34%	29%↓	32%↑	30%

Changes to support local and avoiding US brands/products are driven by **Females** and **residents of BC, SK/MB, and ON**:

Prioritizing Local
- 61% Females vs. 55% Males
- BC (61%), SK/MB (61%) and ON (61%)

Buying Less American
- 69% Females vs. 61% Males
- BC (71%), SK/MB (73%) and ON (67%)

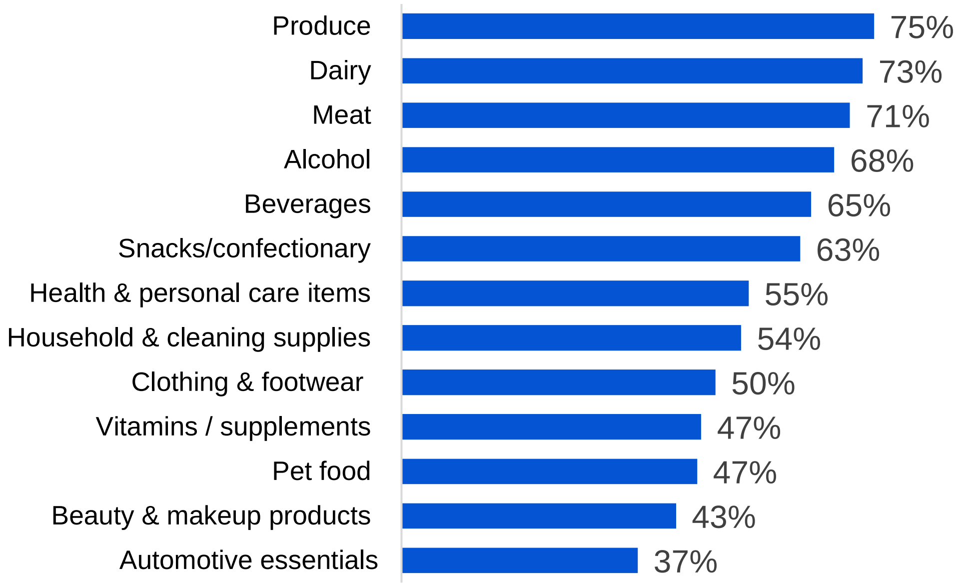
Buying Canadian over American

Grocery staples like produce, dairy, and meat are seeing the biggest boost from the "Buy Canadian" trend, with around three-quarters of shoppers choosing local in these categories.

However, less routine purchases like automotive products are also being affected, with 37% saying they're opting for Canadian options.

*% Selected 'Yes' to **Buying Canadian** in the Category*

(among people who typically buy products in each category)



Base: Rebased to Excl. N/A (bases varies n=367-1098) | Q. Over the past month, have you chosen to purchase a Canadian product over an American product in any of the following categories?

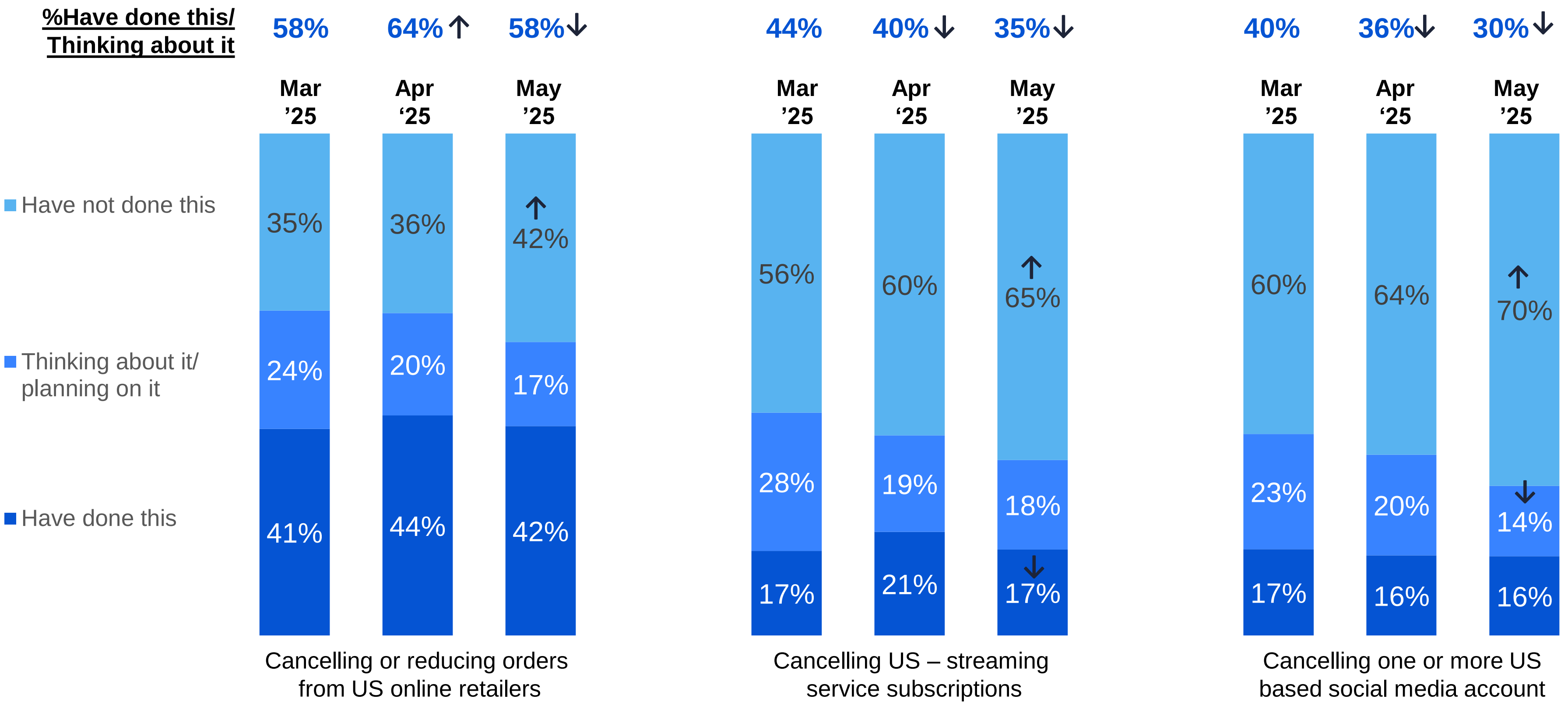
MAY 26 TO MAY 28, 2025

Women are more likely than men to have chosen to purchase a Canadian product over an American one in nearly all of the categories (except automotive).

"Buy Canadian" actions are also driven by **Canadians aged 55+** vs. their younger counterparts.

Digital purchase behaviour

While many Canadians remain selective about purchasing U.S. goods, pushback against digital or cross-border products and services has softened. Fewer are reducing/cancelling online orders from U.S. retailers or dropping American streaming and social media platforms.

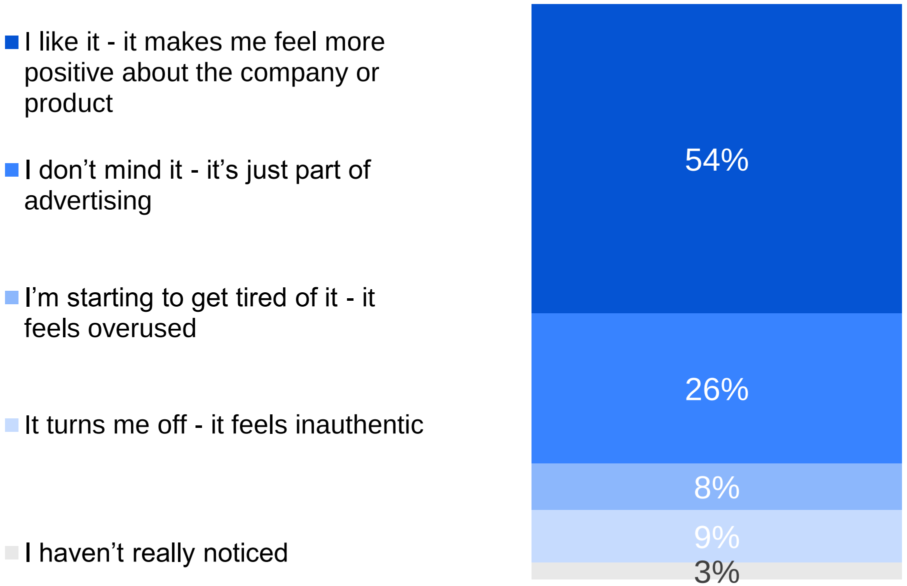


Women are more likely than **men** to have cancelled or reduced orders from US online retailers (45% vs. 38%)

Base: Excl N/A (base varies) | Q. In light of the current political and economic climate (i.e. American tariffs), have you, or are you planning to do any of the following

Highlighting Canadian identity

Most Canadians are receptive to companies highlighting their Canadian identity—most like or at least don't mind it. The *minority* expressing fatigue or skepticism about this type of messaging suggests it hasn't reached a saturation point.



80%

Of Canadian like or don't mind companies promoting their Canadian identify

Base: Total n=1514 | Q. As you may know, over the last few months many companies and products are focused on promoting their Canadian identity. Which of the following best describes how you feel about this?

MAY 26 TO MAY 28, 2025

97%

Of Canadians have noticed companies promoting their Canadian identify over the last few months.

Liking when companies focused on or promote their Canadian identify is more common among:

- **Women** (59% vs. 48% of Men)
- Canadians **aged 55+** (68% vs. 44% of those 54 and under)
- Those with **kids** (56% vs. 47%)

Canadian **aged between 35-54** are the most likely to say that they are getting tired of or are being turned off from companies highlighting their Canadian identity. (23%, vs. 20% for 18-34 and 12% for 55+)

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Travel

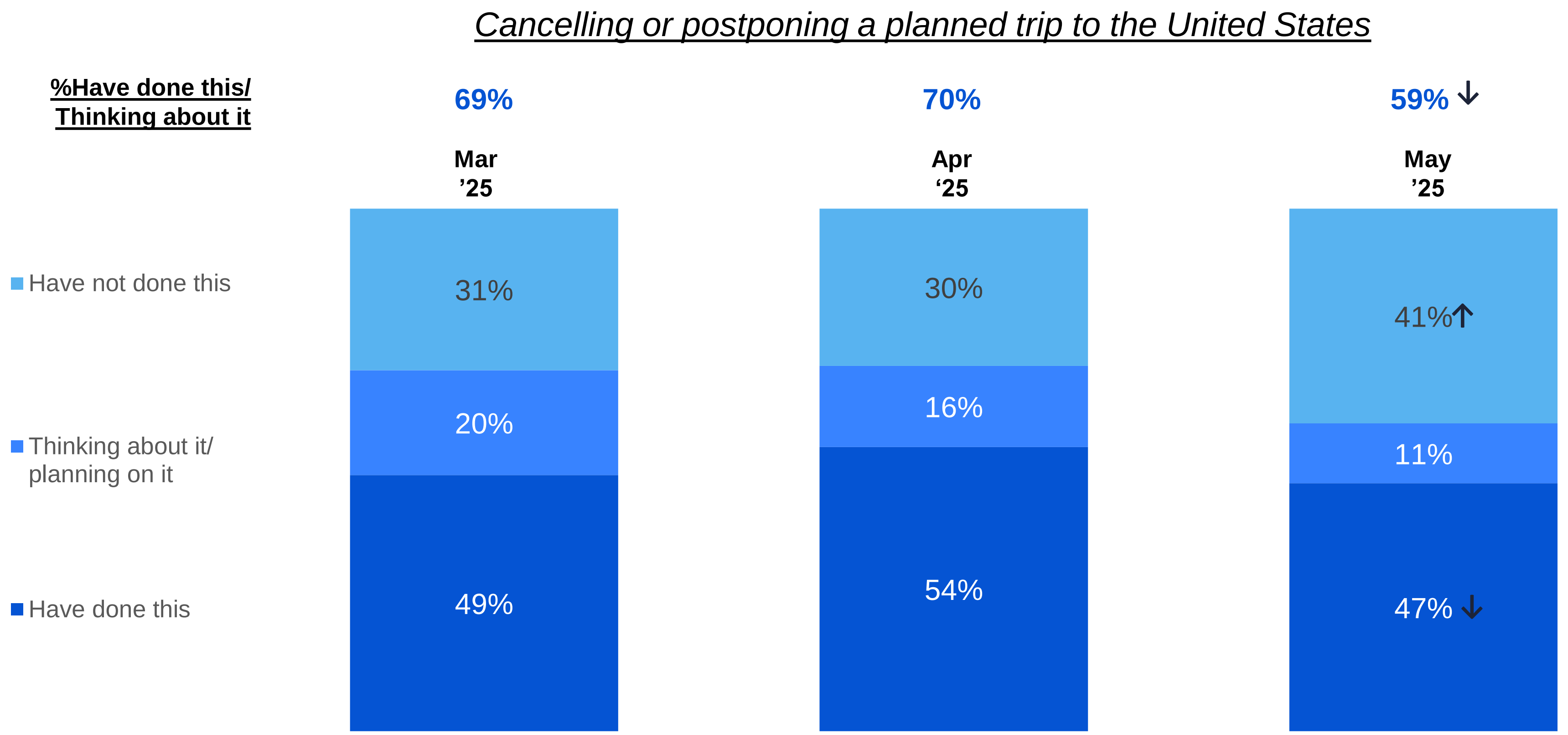
Business/Leisure Flights →

Changes in Driving to Save on Gas →

Openness to Travel to the US →

Changes to US travel plans

Fewer Canadians canceled trips to the US in May 2025 (47%; -7pp vs. April 2025). This may reflect a softening in intent to avoid travel to the US, or seasonal changes as Canadians have already decided to travel domestically, outside the US, or not at all.

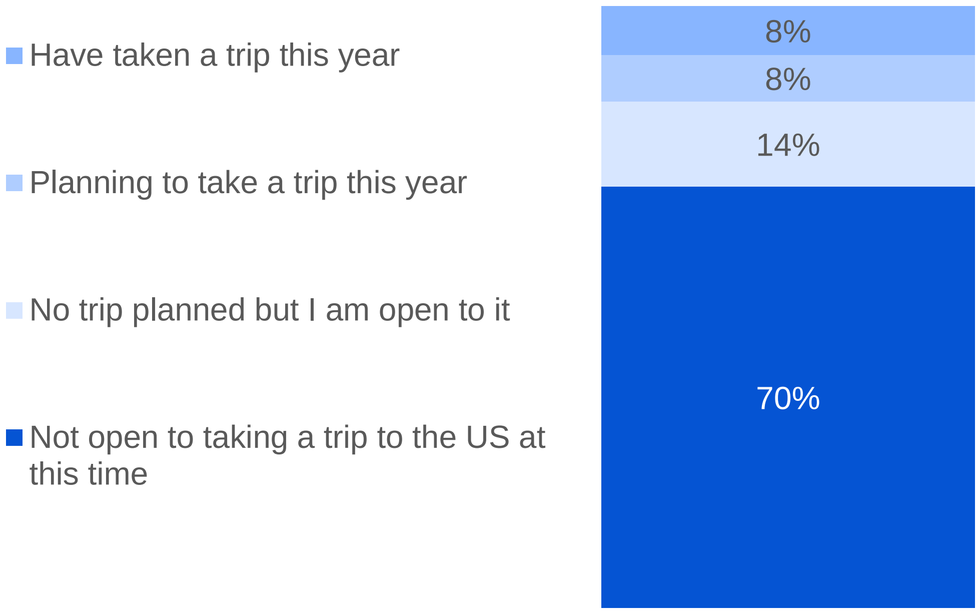


Base: Excl N/A (base varies) | Q. In light of the current political and economic climate (i.e. American tariffs), have you, or are you planning to do any of the following

Openness to travel to the US

Openness to visit the U.S. is limited. Seven-in-ten (70%) Canadians are not open to taking a trip to the U.S.

Openness In Travelling to the US



Base: Total (n=1.514) | Q: Have you taken a trip to the US over the last 5 years?
Base: Total (n=1.514) | Q: How open would you be to taking a trip to the US?

MAY 26 TO MAY 28, 2025

51%

Of Canadians have travelled to the US in the past 5 years.

Not being open to taking a trip to the US is more common among:

- **Canadians aged 55+** (74%)
- **Lower Income Canadians (<$50K)** (74%)

Additional Context

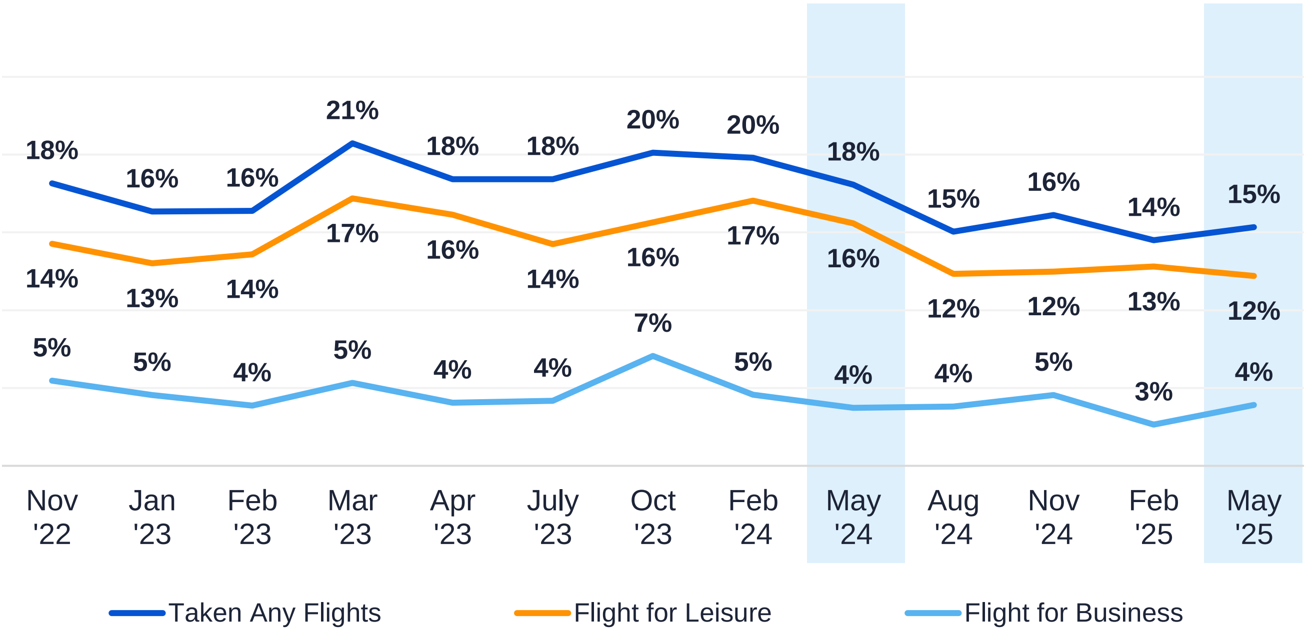
Land Border crossings between Canada and the US have been in decline vs. 2024 due to Tariff-related backlash. In March 2025, there were 900,000 fewer people crossing the land border than in March 2024 (3,183,009 vs. 4,093,973).[1]

1 Land border crossings into the United States down by hundreds of thousands, data shows

Business/Leisure Flights

The proportion of Canadians taking leisure flights dropped in May 2025 vs. the same time last year (15%: -3pp vs. May 2024).

% Have taken a flight in the Last Month



Base: Total n=1,514 | Q: Over the last month, have you taken any flights?

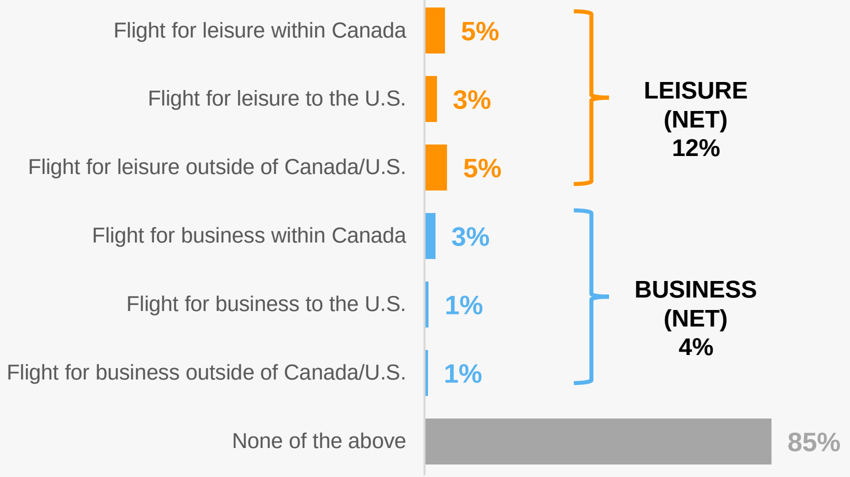
MAY 26 TO MAY 28, 2025

Type of Flights in Past Month

15%

of Canadians have taken a flight in the last month
(↓ Significantly less vs May 2024; 18%)

4%	7%	6%
Flights to the U.S.	Flights within Canada	Flights Internationally (Not USA)



Methodology

Field Window

Wave 35: May 26 to 28, 2025

Next Field Date: June 2025

Study

With inflation continuing to ease, many households are still adjusting to elevated prices and the overall cost of living.

The introduction of U.S. tariffs under President Trump in 2025 has added fresh uncertainty to the economic outlook, potentially influencing the cost of imported goods and further shaping consumer sentiment. The Angus Reid Group conducts a monthly tracker to monitor Canadians' purchasing behaviors and perceptions of the economy amid these evolving conditions.

This study has been running since May of 2022.

Sample

Wave 35: n=1,514

For this wave, a nationally representative sample of n=1,514 Canadian Adults (age 18+ yrs.) who are members of the Angus Reid Forum.

The sample frame was balanced and weighted on age, gender, region and education according to the latest census data. For comparison purposes only, a probability sample of this size would yield a margin of error of +/- 2.5 percentage points at a 95% confidence level.

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Angus Reid Group is a leading authority in market research and public opinion polling, with over 40 years of experience delivering critical insights across North America. We empower businesses, governments, and organizations with tailored research solutions, addressing their most pressing challenges. Our expertise spans multiple sectors, including financial services, technology, media, and government, where we combine advanced analytics, certified sample, and innovative data collection methods.

By leveraging deep sector knowledge and cutting-edge tools, we deliver accurate, actionable insights that inform strategic decision-making, helping clients stay ahead in a rapidly evolving landscape. Whether it’s customer experience research, brand development, or public opinion polling, our solutions are designed to deliver reliable data and provide clear, meaningful guidance.

Contact Us:

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📞 1-800-407-0472

Appendix

Field Window

Wave 1:	May 19-24, 2022
Wave 2:	Jun 20-22, 2022
Wave 3:	Jul 19-21, 2022
Wave 4:	Aug 18-22, 2022
Wave 5:	Sep 23-27, 2022
Wave 6:	Oct 26-28, 2022
Wave 7:	Nov 23-25, 2022
Wave 8:	Jan 10-12, 2023
Wave 9:	Feb 17-21, 2023
Wave 10:	Mar 14-16, 2023
Wave 11:	Apr 19-21, 2023
Wave 12:	May 30-Jun 2, 2023
Wave 13:	Jun 23-26, 2023
Wave 14:	July 20-24, 2023
Wave 15:	Aug 25-28, 2023
Wave 16:	Sep 21-26, 2023
Wave 17:	Oct 27-31, 2023
Wave 18:	Nov 27-29, 2023
Wave 19:	Jan 15-18, 2024
Wave 20:	Feb 16-22, 2024
Wave 21:	Mar 20-22, 2024
Wave 22:	Apr 22-24, 2024
Wave 23:	May 28-31, 2024
Wave 24:	Jul 4-9, 2024
Wave 25:	Jul 26-31, 2024
Wave 26:	Aug 22-27, 2024
Wave 27:	Oct 3-8, 2024
Wave 28:	Oct 15-21, 2024
Wave 29:	Nov 13-18, 2024
Wave 30:	Dec 3-6, 2024
Wave 31:	January 16-22, 2025
Wave 32:	February 18-20, 2025
Wave 33:	March 17-20, 2025
Wave 34:	April 21-25, 2025
Wave 35:	**May 26-28, 2025**

Sample

Wave 1: n=1,530
Wave 2: n=1,503
Wave 3: n=1,503
Wave 4: n=1,508
Wave 5: n=1,507
Wave 6: n=1,502
Wave 7: n=1,509
Wave 8: n=1,505
Wave 9: n=1,507
Wave 10: n=1,505
Wave 11: n=1,503
Wave 12: n=1,503
Wave 13: n=1,502
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Wave 24: n=1,500
Wave 25: n=1,506
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Wave 30: n=1,506
Wave 31: n=1,505
Wave 32: n=1,508
Wave 33: n=1,513
Wave 34: n=1,518
Wave 35: n=1,514

A nationally representative sample of roughly n=1,500 Canadian Adults (age 18+ yrs.) who are members of the Angus Reid Forum.

The sample frame was balanced and weighted on age, gender, region and education according to the latest census data. For comparison purposes only, a probability sample of this size would yield a margin or error of +/- 2.5 percentage points at a 95% confidence level.