Consumer Economic Pulse

WAVE 37: JULY 2025

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Four things you should know

Economic pessimism drops, as optimism in personal finances increases

In July 2025, Canadians are less pessimistic about the economy, with fewer people fearing a recession. However, instead of an increase in optimism, the sentiment has shifted to a belief that the economy is simply holding steady, reflecting a more conservative outlook.

At the same time, more Canadians are expressing confidence in their family's financial situation for the upcoming year compared to May 2025, indicating a sense of optimism despite broader financial cautiousness.

Decline in brand switching to save money – a first since Jan 2025

Following a steady month-over-month increase in the number of Canadians switching brands to save money, fewer Canadians in July 2025 say they switched brands to save money compared to June 2025. This marks the first decline in this behaviour since Jan 2025, potentially signalling that consumers are adjusting to a new economic environment. Still, half of Canadians indicated that they have switched brands in at least one area in order to save money this year.

Sustained shopping habits show Canadians' preference for local products and brands

Canadians are continuing to adapt their shopping habits due to the ongoing political and economic climate, especially in response to the U.S. tariffs.

There is a clear preference for Canadian products and brands, with many shifting their purchasing habits to favour local goods over American imports - consistent with trends seen in June.

Steady, yet cautious back-to-school spending

Among Canadians planning back-to-school shopping, attitudes in 2025 reflect a more cautious yet steady approach, with a larger proportion intending to spend the same as they did last year.

Fewer Canadians plan to increase their spending on back-to-school items compared to 2024, signalling a more conservative outlook.

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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)
- **June 4**: U.S. tariffs on Aluminum and Steel increasing from 25% to 50%
- **June 27**: Canada imposes Tariff-Rate quotas on Steel Mill imports
- **June 29**: Canada cancels the Digital Services Tax to continue trade negotiations
- **Aug 1:** U.S. Tariffs on Canadian Goods Increase From 25% to 35% (NOTE: This occurred after the Wave 37 fielding period, so any resulting effects are not represented in this report.

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

Wave 37 (July 2025) was fielded between July 11 and July 15, 2025

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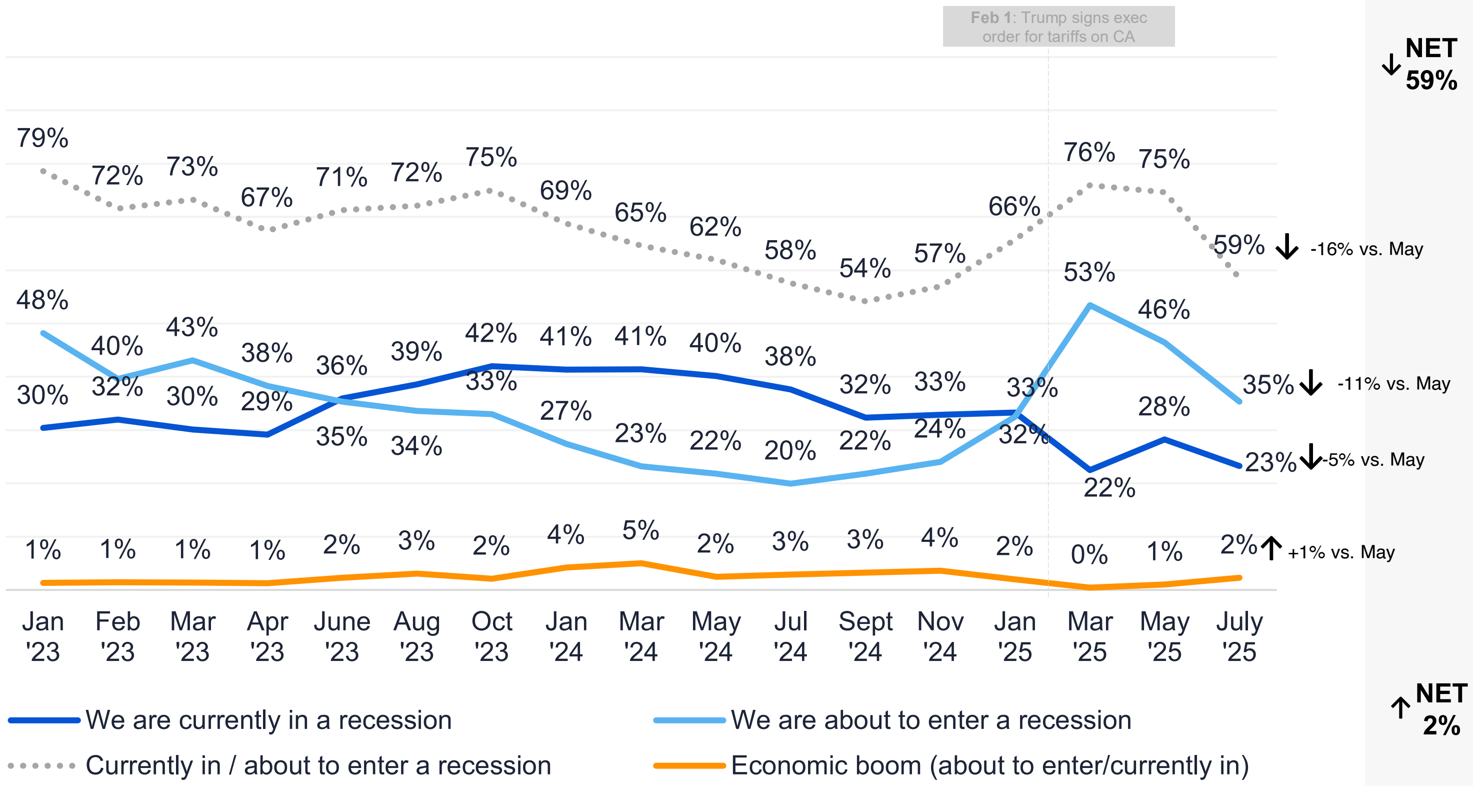
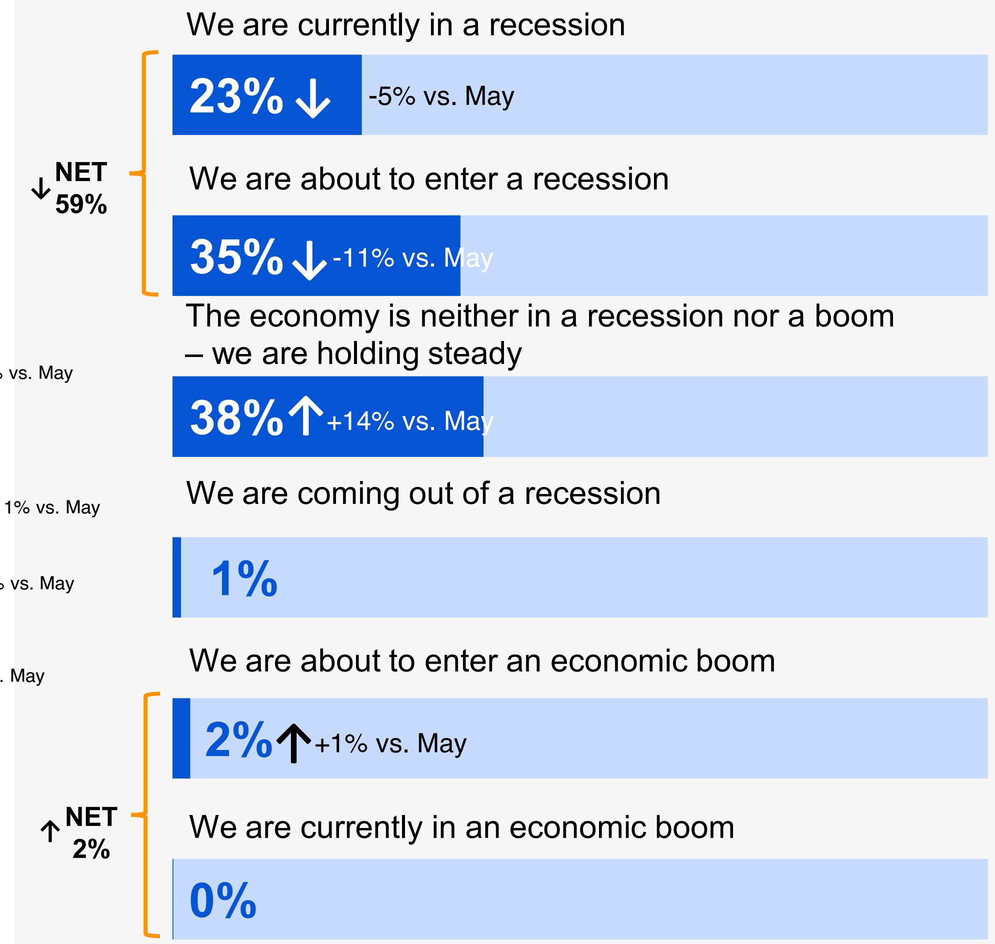
Perspective on the economy

Current state of the economy

Negative economic sentiments has dropped significantly since May (59%; -16pp vs. May) and is comparable to levels seen in Nov 2024. In contrast, the proportion of Canadians who believe the economy is stable has grown to 38%, up 14 percentage points from May 2025.



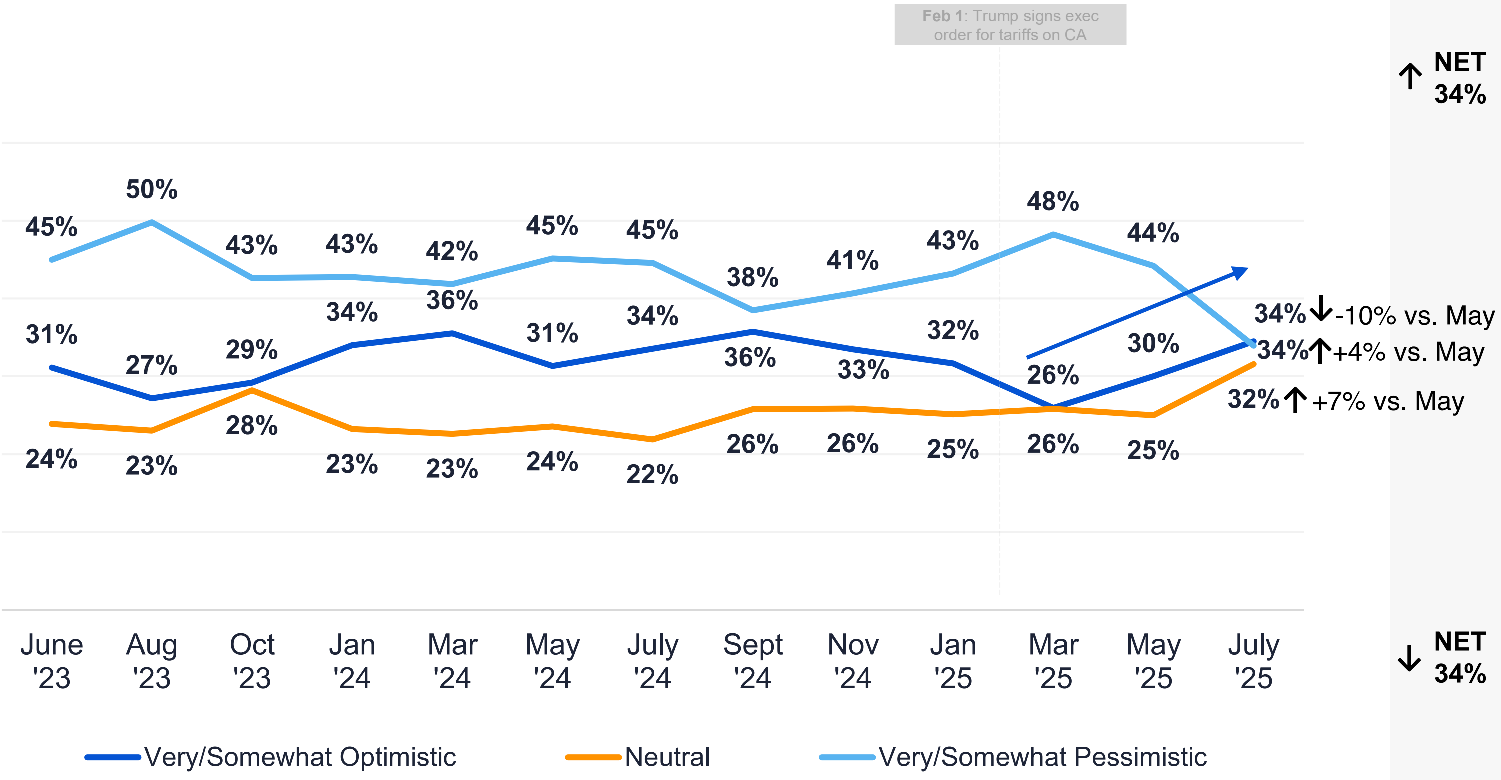
JULY 11 TO JULY 15, 2025



Base: Total n=1,533 I Q: Which of the following best reflects how you feel about the current state of the economy?

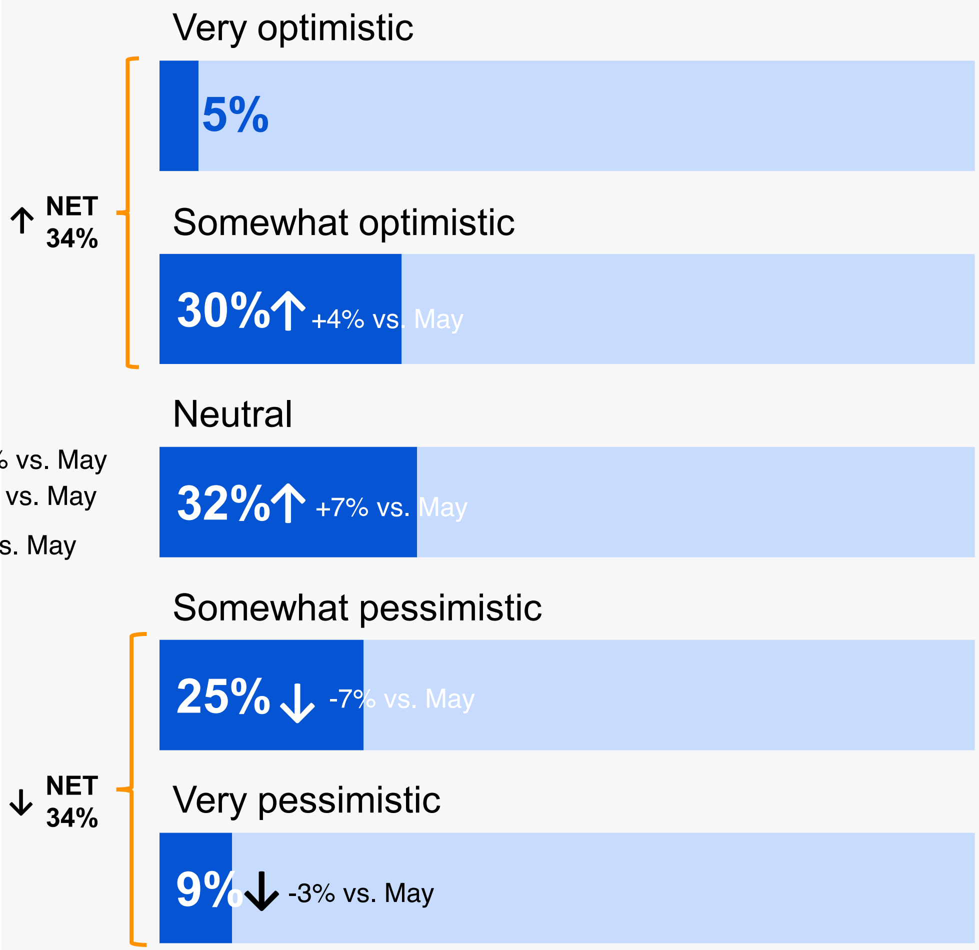
Perception of family finances

The gap between optimism and pessimism for family finances has closed in July 2025 – with equal proportion saying they are optimistic as they are pessimistic. Likewise, 32% of Canadians are neutral about their family's finances (+7pp vs. May 2025).



Base: Total n=1,533 I Q: Thinking specifically about you and your family's finances, how optimistic or pessimistic are you about the year ahead?

JULY 11 TO JULY 15, 2025



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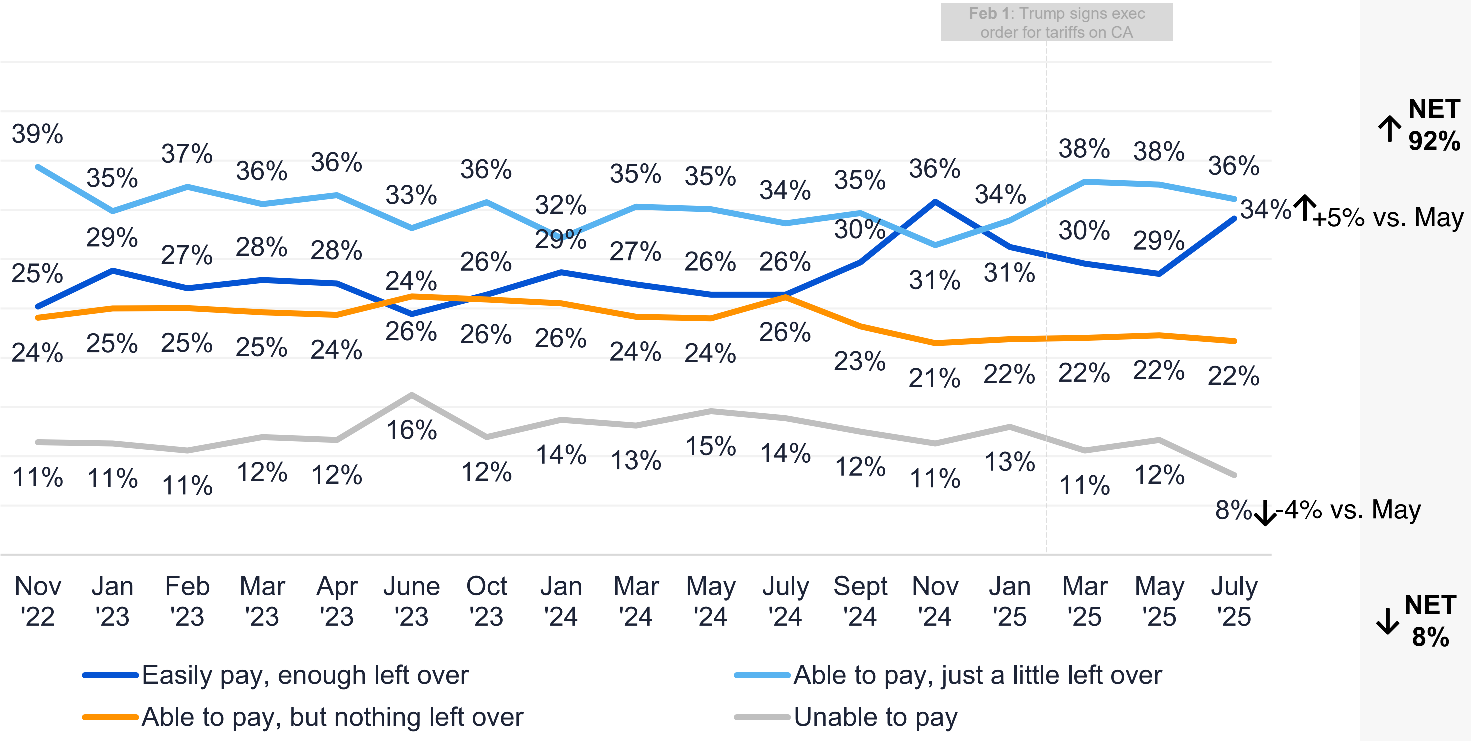
Affordability / Personal Spending Habits

Ability to Afford Household Expenses Past Month →

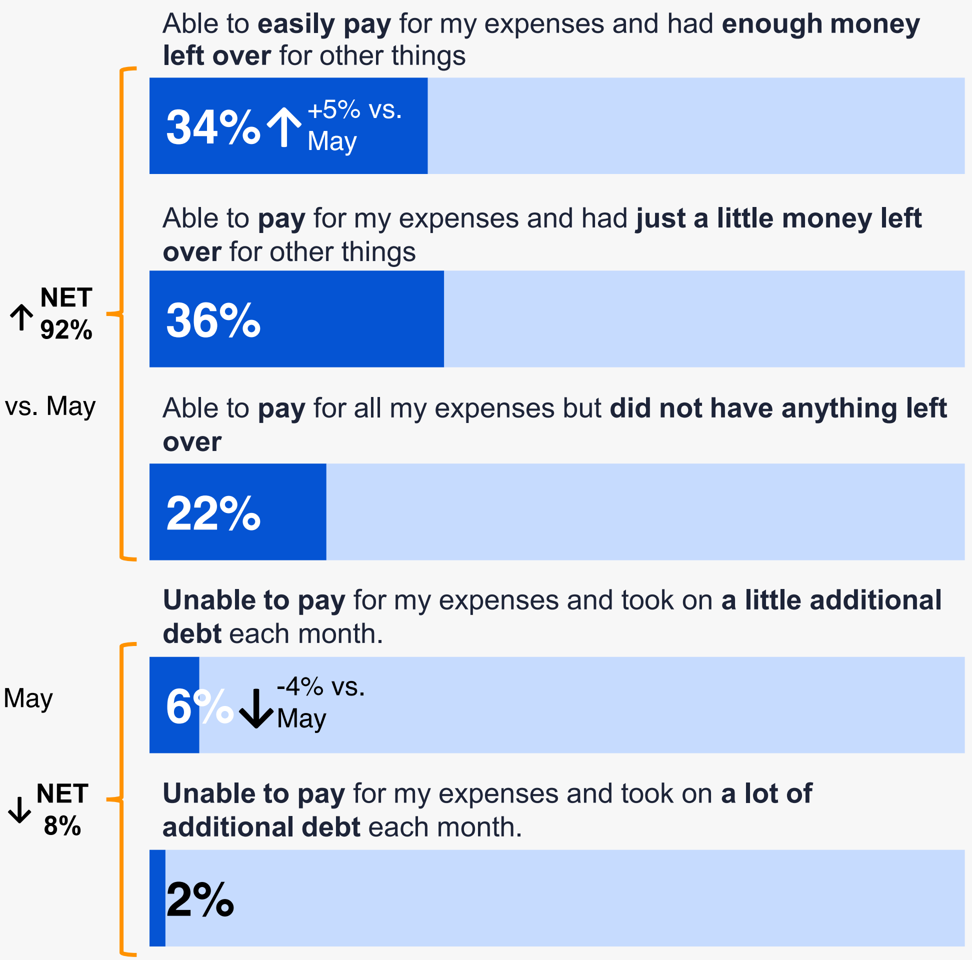
Changing Brands to Save →

Ability to afford household expenses over the past month

Canadian's ability to manage their household expenses have improved since May, with significantly more being able to easily pay their expenses and have money left over for other things.



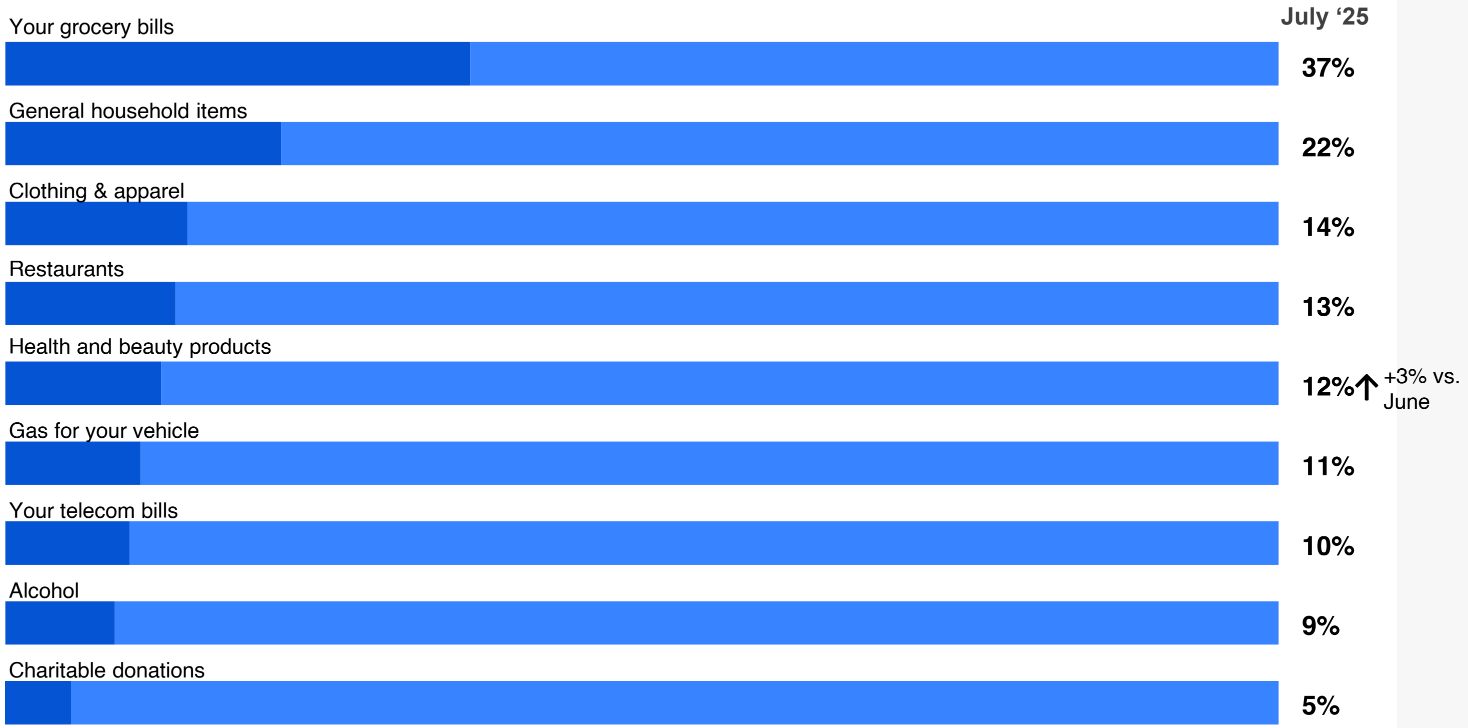
JULY 11 TO JULY 15, 2025



Base: Total n=1,533 I Q: And how would you describe your finances over the last month?

Changing brands to save

Fewer Canadians are switching brands to save money this July - a downward pulse for the first time since January, after consistently increasing. In May 2025, about half of Canadians reported switching brands in at least one category to cut costs. The exception was Health and Beauty, where brand switching rose to 12% (+3 points since June).

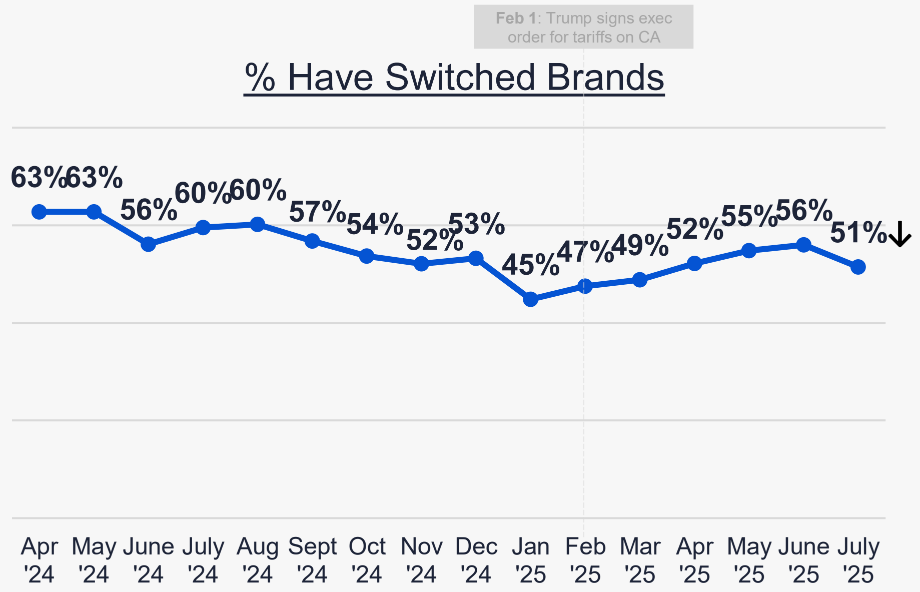


Base: Total n=1,533 I Q: Since the start of the year, have you switched to a different brand/company than you usually purchase from to save money in any of the following areas?

JULY 11 TO JULY 15, 2025

51% of Canadians have switched brands in at least one area in order to save money

-4 percentage points since Jan 2025



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Canada/U.S Relations

Changes to Shopping Habits →

Digital Purchase Behaviour →

Changes to shopping habits

Canadian shopping habits have largely remained the same since June 2025, with 8-in-10 Canadians saying they've adjusted their purchasing habits in response to the political and economic climate.

As part of this shift, 56% still prioritize Canadian products over American ones, down from a high of 59% in April 2025. Additionally, 66% report purchasing fewer American products and brands, edging up from June 2025.

Base: Total (n=1533) I 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?

JULY 11 TO JULY 15, 2025

83%

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

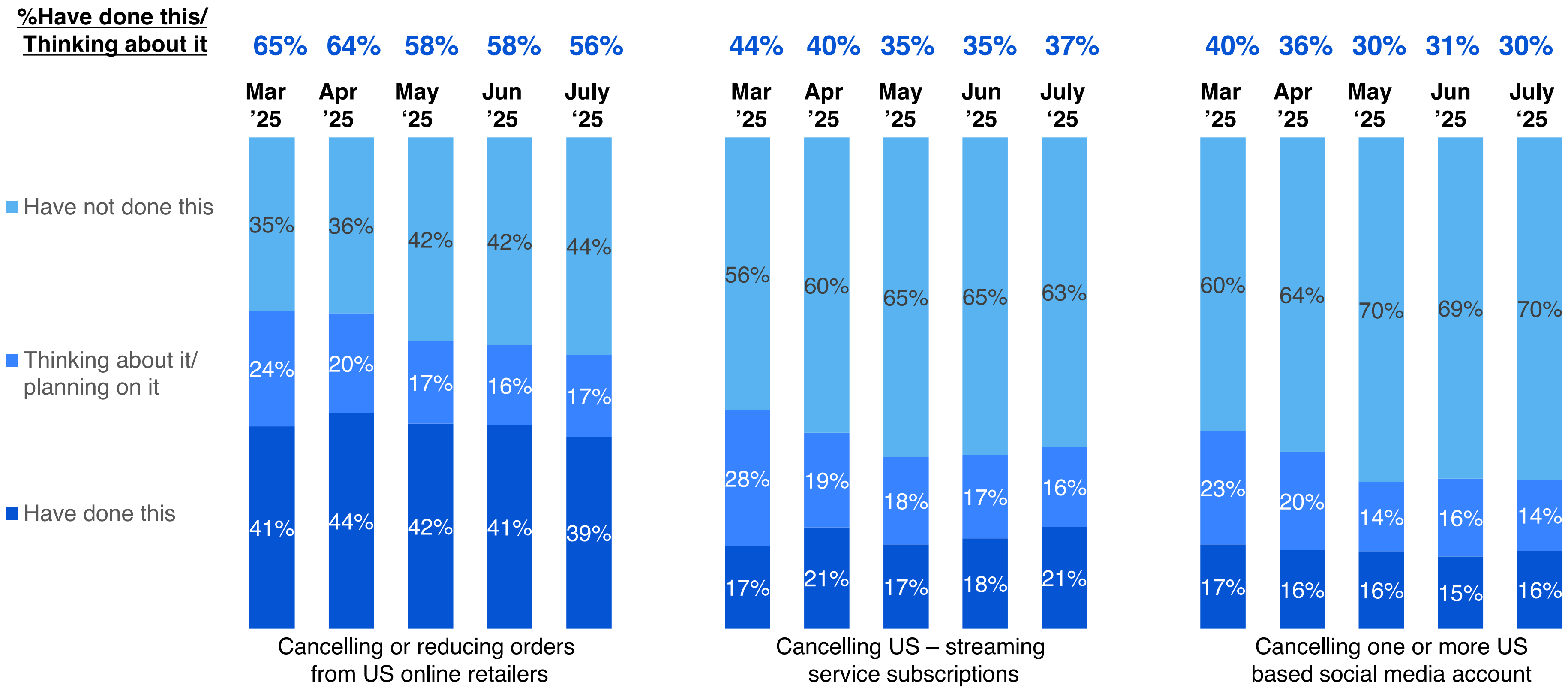
	Mar '25	Apr '25	May '25	Jun '25	Jul '25
NET Prioritizing Local Buying more from Canadian companies, products or local shops	55%	59%	58%	55%	56%
NET Buying Less American Buying less from US companies or products	63%	67%	65%	64%	66%
NET Reduce/Delay Shopping Reduce shopping or delaying/cancelling purchases	29%	32%	30%	29%	29%

Buying Less American

- 70% Females vs. 62% Males
- Ontario (70%)

Digital purchase behaviour

Over the past three months, Canadians' behaviour toward U.S. online retailers, streaming services, and social media platforms has been unchanged, indicating many are settled into new digital and cross-border consumption habits under the current political and economic climate.



Women are more likely than **men** to have cancelled or reduced orders from US online retailers (42% vs. 36%)

Base: Excl N/A (base varies) I 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

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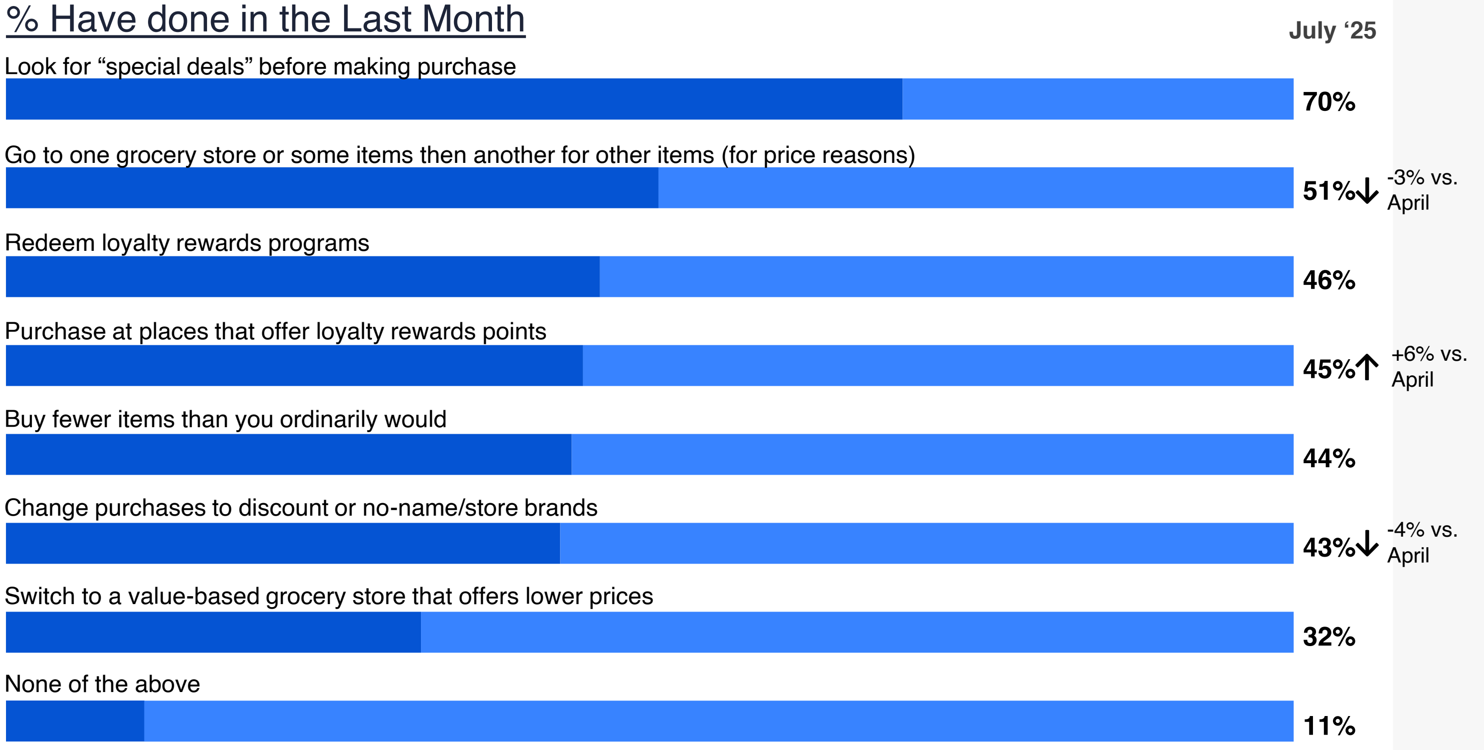
Grocery and Restaurants

Changes in habits to save on groceries

Although brand switching has softened this July compared to May, 9-in-10 Canadians continue to adjust their grocery shopping habits. Loyalty programs are attracting more shoppers this month, while fewer are relying on discount brands or shopping at multiple stores, reflecting a shift back to normal shopping behaviour.



Base: Total n=1,533 I Q: Over the last month have you done any of the following in order to save money on groceries?

JULY 11 TO JULY 15, 2025

89% of Canadians have made at least one change in their grocery shopping habits over the last month in order to save money, a similar number to what was seen in April 2025.

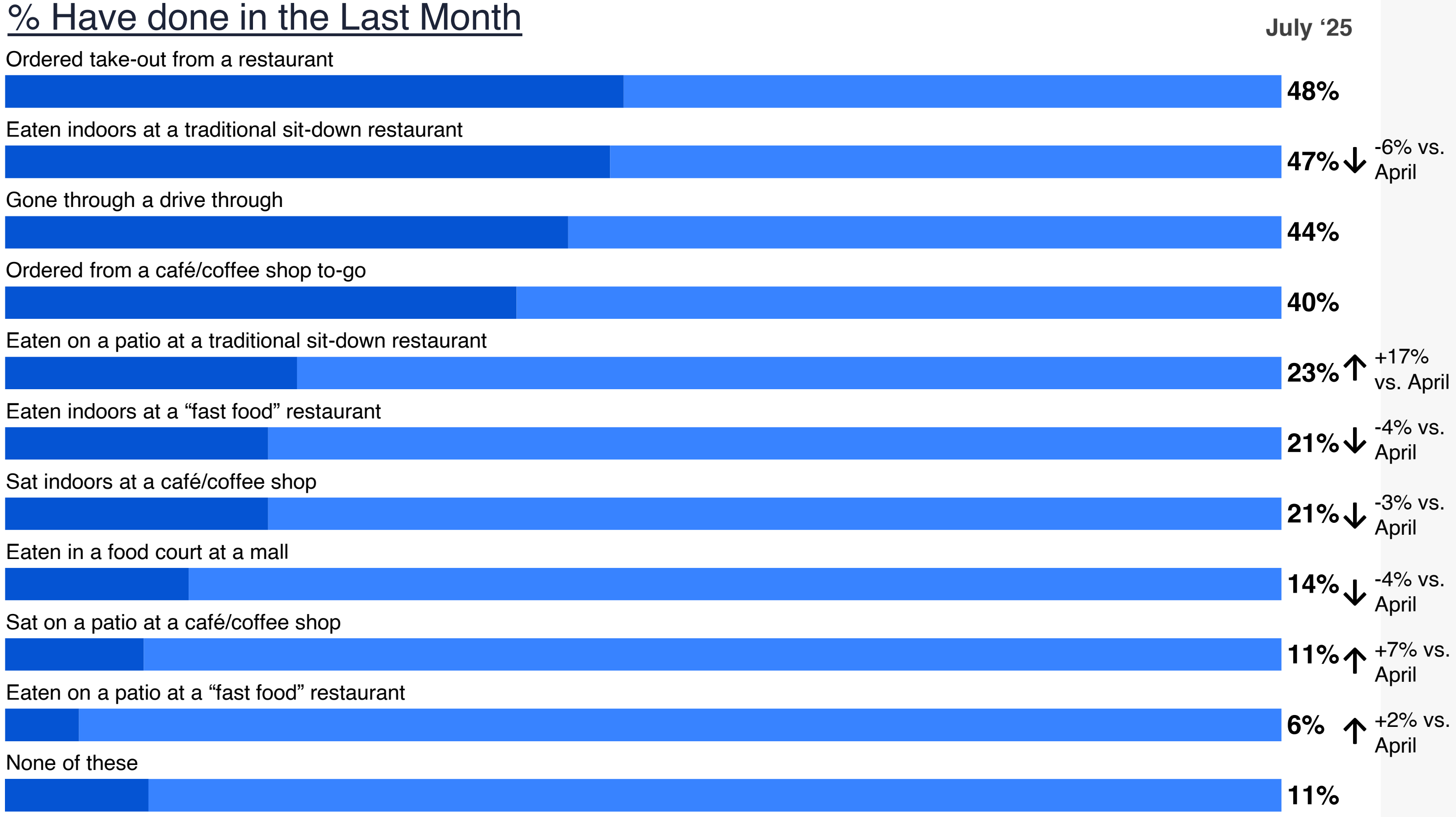
	July '25	Apr '25	Jan '25	Oct '24	July '24	Apr '24	Jan '24	Sept '23	Jun '23	Apr '23	Mar '23
Look for "special deals" before making a purchase	70%	71%	72%	68%	73%	73%	67%	74%	72%	71%	73%
Go to one grocery store or some items then another for other items (for price reasons)	51%	54%	52%	51%	52%	55%	49%	57%	52%	54%	52%
Redeem loyalty rewards programs	46%	46%	48%	47%	48%	52%	47%	50%	47%	42%	39%
Purchase at places that offer loyalty rewards points	45%	39%	43%	42%	43%	45%	43%	44%	43%	35%	32%
Buy fewer items than you ordinarily would	44%	45%	46%	43%	50%	47%	49%	51%	53%	54%	56%
Change purchases to discount or no-name/store brands	43%	47%	40%	43%	46%	51%	42%	51%	47%	52%	52%
Switch to a value-based grocery store that offers lower prices	32%	34%	32%	34%	35%	41%	31%	38%	37%	40%	42%
None of the above	11%	10%	9%	12%	7%	8%	8%	8%	8%	8%	7%

Dining habits

89% of Canadians visited an out-of-home dining establishment in the past-month.

Dining location is seasonally driven. Compared to April, fewer have dined indoors, while patio dining has increased significantly, reflecting the impact of warmer weather on Canadians' dining habits.

% Have done in the Last Month



Base: Total n=1,533 I Q: Over the last month have you:

JULY 11 TO JULY 15, 2025

89% of Canadians have visited an out-of-home dining establishment in the past-month

	July '25	Apr '25	Jan '25	Oct '24	July '24	Apr '24	Jan '24	Sept '23	Jun '23	Apr '23	Mar '23
Ordered take-out from a restaurant	48%	51%	53%	53%	49%	52%	51%	50%	51%	51%	49%
Eaten indoors at a traditional sit-down restaurant	47%	53%	55%	54%	47%	54%	51%	49%	48%	46%	50%
Gone through a drive through	44%	43%	43%	49%	43%	46%	47%	47%	46%	46%	45%
Ordered from a café/coffee shop to-go	40%	39%	40%	42%	38%	40%	40%	41%	40%	38%	37%
Eaten on a patio at a traditional sit-down restaurant	23%	6%	5%	17%	25%	7%	6%	21%	21%	8%	5%
Eaten indoors at a "fast food" restaurant	21%	25%	24%	28%	22%	25%	23%	24%	22%	19%	23%
Sat indoors at a café/coffee shop	21%	24%	25%	24%	18%	23%	23%	20%	20%	17%	19%
Eaten in a food court at a mall	14%	18%	22%	20%	15%	17%	21%	17%	15%	15%	16%
Sat on a patio at a café/coffee shop	11%	4%	3%	10%	9%	5%	4%	10%	11%	5%	3%
Eaten on a patio at a "fast food" restaurant (e.g., McDonald's, Subway, etc.)	6%	4%	3%	6%	6%	4%	5%	7%	9%	4%	4%
None of these	11%	10%	11%	10%	12%	9%	11%	10%	11%	12%	11%

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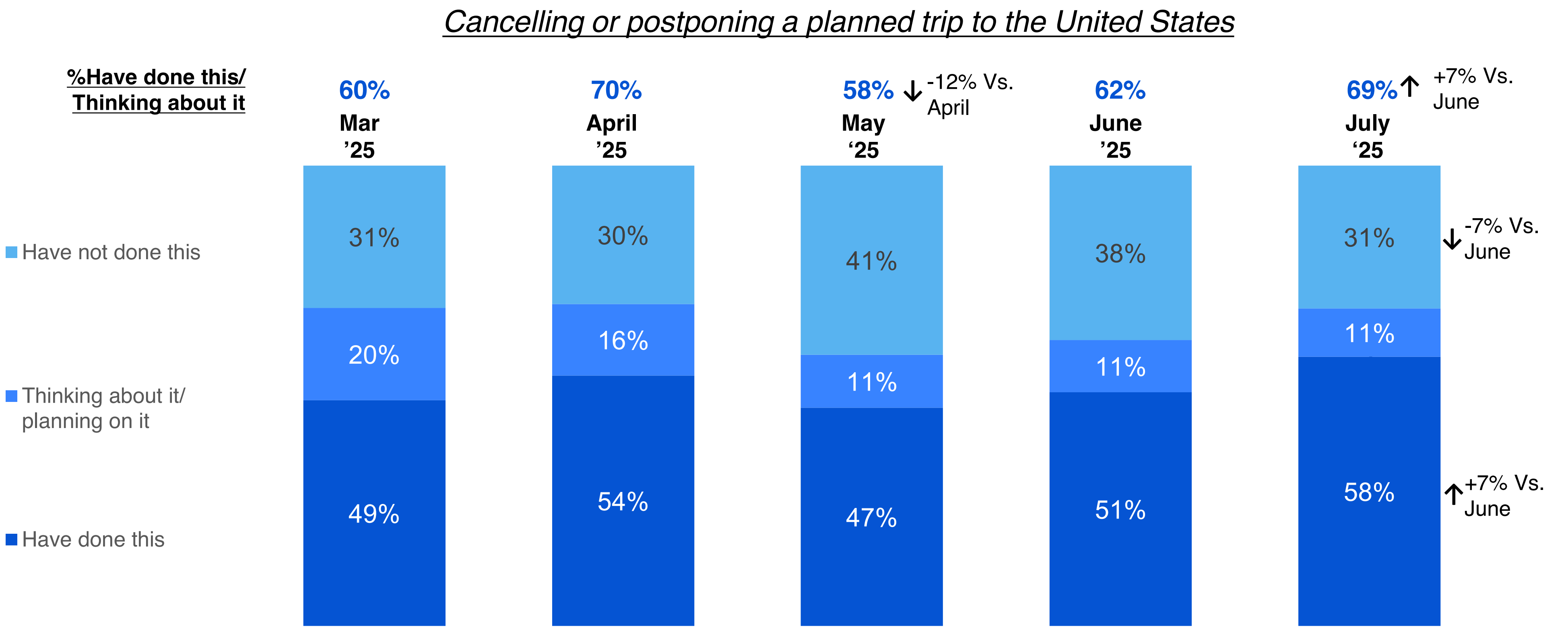
Travel

Openness to Travel to the US →

Changes to US travel plans

After a significant drop in May, the number of Canadians who have cancelled trips to the US has steadily increased. Almost three-in-five (58%) Canadians say that they have cancelled or postponed a trip to the US.



Base: Excl N/A (base varies) I 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

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Back to School (BTS)

Planned BTS Purchases

Clothing and stationary items dominate planned back-to-school purchases, highlighting a focus on core essentials as many prioritize functional items over higher-cost purchases like electronics and sports equipment.

Base: Parents or Students n=465 I Q: Will you be purchasing any of the following before school this fall for yourself as a student or for your child attending school?

JULY 11 TO JULY 15, 2025

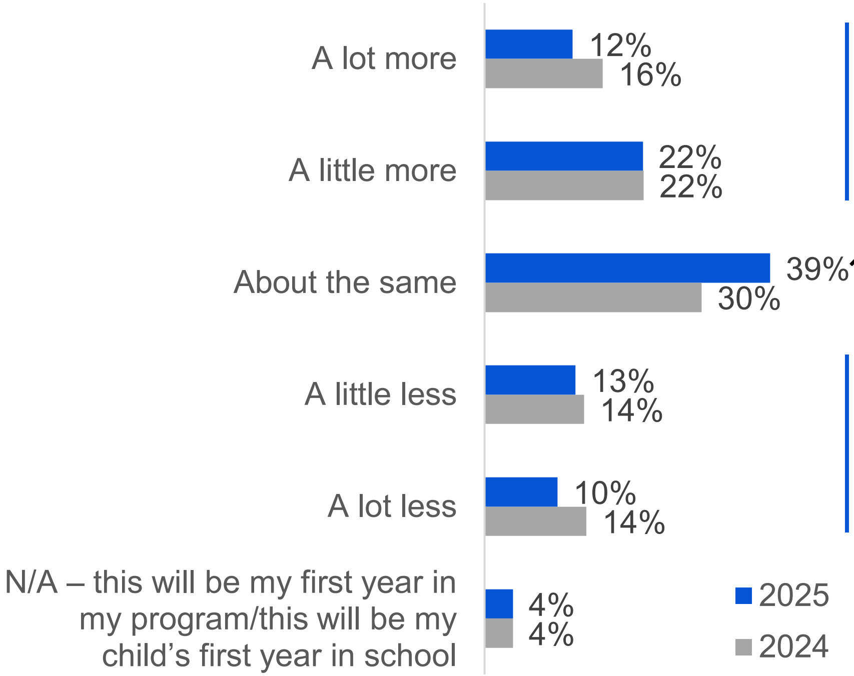
66%

of parents and College/University students intend to purchase at least one item for back-to-school this year, on par with 2024.

Intending to Purchase at Least one-item for back-to-school this year

Back to School Spend

In July 2025, there is an increase in parents/students who plan to spend "about the same compared to a year ago" on back-to-school expenses. This suggests many are maintaining stable spending levels, indicating a steadier approach to back-to-school purchases.



↑ +9% Vs. Jul'24

NET More (2025)
34%
Intend to spend *more* on back-to-school expenses

NET Less (2025)
23%
Intend to spend *less* on back-to-school expenses

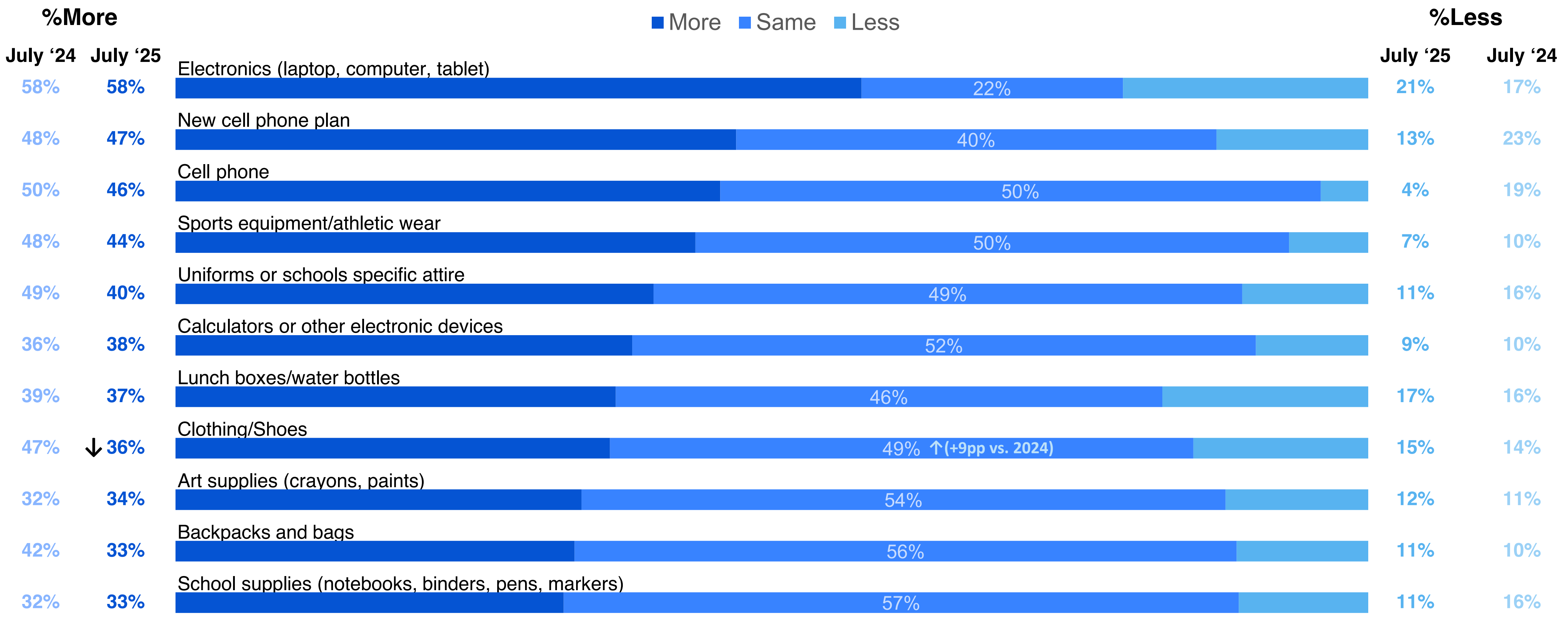
Base: Will be purchasing BTS Items n=307 I Q: Compared to last year, do you think you will spend more or less on back-to-school expenses?

JULY 11 TO JULY 15, 2025

There are minimal differences in expectations of spending more or less on back to school shopping this year across major demographic categories like Age, Gender, Income and Region.

Back to School Spending vs. Last Year

Consumer spending behaviour remains consistent across most back-to-school categories vs. purchase intentions in 2024, with only minor year-over-year changes.
However, apparel purchases (clothing/shoes) stand out as a category where fewer Canadians plan to spend more this year compared to last year, even though it remains the top category for purchase intent. This suggests that while Canadians continue to prioritize clothing and shoes for back-to-school, they are adopting a more cautious approach to spending on these items.



Base: Will be purchasing BTS Item (bases vary) I Q: Compared to last year, do you think will spend more or less on each of the following back-to-school expenses?

Methodology

Field Window

Wave 37: July 11-15, 2025

Next Field Date: August 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 37: n=1,533

For this wave, a nationally representative sample of n=1,5 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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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
Wave 36:	June 18-23, 2025
Wave 37:	**July 11-15, 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
Wave 14: n=1,502
Wave 15: n=1,502
Wave 16: n=1,503
Wave 17: n=1,510
Wave 18: n=1,507
Wave 19: n=1,505
Wave 20: n=1,509
Wave 21: n=1,505
Wave 22: n=1,503
Wave 23: n=1,520
Wave 24: n=1,500
Wave 25: n=1,506
Wave 26: n=1,506
Wave 27: n=1,511
Wave 28: n=1,501
Wave 29: n=1,512
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
Wave 36: n=1506
Wave 37: n=1533

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.