National Poll Release

From: Bruce Anderson, Chairman
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Re: The Economy and the Federal Political Parties

According to a new national survey conducted from January 14 to 18, 2014 by public opinion firm Abacus Data, more Canadians describe the state of the Canadian economy as poor than they did in October 2013. When asked how the three main federal political parties would do in managing Canada's economy a majority of Canadians believed that all three would do at least an acceptable job with the Liberals having a slight advantage over the NDP and the Conservatives.

Perceptions about the Canadian Economy

Perceptions about Canada's economy have softened since late October 2013. Overall, 59% of Canadians describe the current state of Canada's economy as very good (2%) or good (56%), down 9-points since October. Forty-two percent, in contrast, describe Canada's economy as either very poor (5%) or poor (37%), up 9-points since October.

How would you rate the current state of the economy in Canada?
(change from October 2013)

	All Respondents (n=1,996)
Very good	2% (-2)
Good	56% (-8)
Poor	37% (+8)
Very poor	5% (+1)

When asked about the future performance of the Canadian economy in the next six month, 23% of respondents believe things will get better while 19% think things will get worse while the majority (59%) of Canadians believe things will stay pretty much the same as they have been.

Of note, those who rate the current economy as good are also more likely to believe things will improve in the next six month while those with a more negative assessment of the current economy are more likely to think things will get worse. Only 11% of those who rate the economy as poor/very poor believe things will improve in the next six months.

In the next six months, will the Canadian economy...
(change from October 2013)

	All Respondents (n=1,996)
Get better	23% (-2)
Stay the same	59% (-2)
Get worse	19% (+5)

Expected Performance on Managing the Economy

Respondents were also asked to rate how well they believed each party and leader would do at managing Canada's economy. While none of the three parties scored particularly well, none of them were perceived to do a poor or very poor job by a majority of respondents.

One in four respondents (24%) said that Stephen Harper and the Conservative Party would do an excellent or good job compared with 21% for Tom Mulcair and 27% for Justin Trudeau.

The difference between perception of the three leaders was most pronounced in the polarization of opinions towards the Prime Minister and the Conservative Party. In contrast to the Liberals and NDP, respondents were more likely to perceive Harper and the Conservatives as doing a poor or very poor job managing the economy (40%).

How would each of the following federal political parties do in managing Canada's economy?

	Stephen Harper and the Conservative Party	Tom Mulcair and the NDP	Justin Trudeau and the Liberal Party
Excellent job	5%	4%	5%
Good job	19%	17%	22%
Acceptable job	35%	47%	43%
Poor job	23%	23%	21%
Very poor job	17%	10%	10%

On the surface, the results suggest almost a stalemate between the three parties, with no one party having a significant advantage on the "managing the economy file." The data does show that the Prime Minister and the Conservative Party are perceived somewhat less favourably on the economy but most of those negative feelings come Canadians who tell us they would not consider voting Conservative.

One of the things we are going to start doing in our political analysis (when the sample size allows us to) is to break the electorate up into seven distinct groups based on an individual voter's proclivity to consider one or more of the three main political parties for their vote choice.

Early in our survey, we asked respondents whether they would consider voting for each of the three main political parties (Conservative, Liberal, and NDP) and based on the response to the three questions we created distinct voter groups. These groups include those that would only consider voting Liberal, Conservative, or NDP, would consider voting for two of the main parties

but not the third, those that would consider voting for all three main parties, and those that would not consider voting for any of the main parties. We will also conduct a similar analysis within Quebec in the future.

In future posts on our [website](#), we will profile each group in more detail, but for now, we think that Canadian politics and the behaviour of political leaders and the parties makes more sense if you view the political world in this way.

The next election will not be fought on a single battleground.

We think there are two broader groups to consider and small groups within each.
First, are those voters who would only consider voting for one political party. These voters represent the base for each party and what matters here from a vote performance perspective is their motivation to vote and the size of the group.

The second broad group represents voters who would consider voting for more than one political parties. They include (1) those who would consider all three parties (truly swing voters), (2) those who would only consider LPC or NDP (progressive non-partisans), (3) those who would only consider LPC or CPC (conservative non-partisans), and (4) those who would only consider the NDP or CPC (populists).

When we assess perceptions about the ability of each party to manage the economy by these voter groups we find expected patterns. Among those who would consider voting for all three parties, at least 72% believe that each party would do at least an acceptable job managing the economy with the Liberals somewhat higher than the Tories and NDP.

Among the Conservative non-partisan group, the Conservatives and Liberals are perceived to be at least acceptable managers of the economy by at least 80% of respondents. The NDP's numbers are significantly weaker. In fact, among Conservative non-partisan voters, only 5% believe the NDP would do an excellent or good job managing the economy.

Among those who would only consider voting NDP or Liberal (we call them progressive non-partisans), both the NDP and Liberals get good scores from almost all respondents. The Conservatives, on the other hand, are less likely to be viewed as an acceptable economic manager to voters in this group. In fact, only 9% of Progressive non-partisan voters consider the Prime Minister and the Conservative Party to be an excellent or good economic manager.

The final column in the table below reports results among those who said they would only consider voting for the Conservative Party. Among the core base of the Conservative Party, 94% think that the Conservatives would do at least an acceptable job managing the economy while very few consider Mulcair or Trudeau to be acceptable economic managers.

Party and Leader Performance on the Economy by Voter Group
(% saying excellent/good, or acceptable)

Party/Leader	Truly swing voters	Conservative non-partisans	Progressive non-partisans	CPC base
Conservative/Harper	76%	90%	37%	94%
Liberal/Trudeau	86%	81%	90%	28%
NDP/Mulcair	72%	42%	91%	26%
% of Electorate	*15%*	*12%*	*22%*	*13%*

The point of this exercise is to first demonstrate that voters can view multiple parties and party leaders as acceptable or even good economic managers. This has consequences for the role these opinions can play in affecting voter intention. If voters, for example, in the Progressive non-partisan group view both Trudeau and Mulcair as equally able to manage the economy, then vote choice may come down to another factor such as leadership attributes, candidate selection, or another prominent issue.

Second, by looking at the electorate not as a single uniform group but as one made up of different groups of voters with different intentions and preferences, it becomes clear that just because more people view Stephen Harper and the Conservatives as poor economic managers than the other parties does not mean they cannot be re-elected in 2015. However, the results demonstrate that they will need to work hard to convert almost all those who would consider voting Conservative to actually vote Conservative - especially when 12% of the electorate is open to voting either Conservative or Liberal.

Impact of Party Leader becoming Prime Minister after Next Election on the Economy

We also asked respondents to consider what effect electing each of the three leaders Prime Minister would have on the Canadian economy. Similar to results to the earlier question, more respondents believed that the economy would likely weaken if Stephen Harper is re-elected as Prime Minister after the next election. A third of respondents believed the economy would weaken while 17% believed it would improve. Another 35% thought it would have no effect while 15% were not sure what the effect would be.

Tom Mulcair's ratings were also more negative than positive (improve 18%, weaken 28%) but there was a much higher percent of respondents who said they were not sure what the effect of "Prime Minister Mulcair" would be on the economy.

Finally, respondents were more favourable to the impact of electing Justin Trudeau as Prime Minister on the economy, not surprising considering the Liberal Party's current lead in vote intention. One in four respondents believed things would improve under a Trudeau government compared to 25% who thought the economy would weaken. Twenty-five percent were not sure what would happen.

If [party leader] was Prime Minister after the next election, would the economy likely improve, weaken, or would that have no effect on the economy?

	Stephen Harper	Tom Mulcair	Justin Trudeau
Likely improve	17%	18%	27%
No effect	35%	24%	22%
Likely weaken	34%	28%	25%
Don't know	15%	30%	25%
Net Improvement Score	-17	-10	+2

And once again, the devil is in the details. When we break out perceptions across the four voter groups mentioned earlier, we find very substantial differences. After computing a "net improvement score" by subtracting the percentage of respondents who said the economy would weaken from the percentage who said it would improve, we find expected patterns across the voting groups.

Among the pure swing voters (those that would consider all three parties), Trudeau's impact on the economy if elected PM was most positive (+16) with Mulcair (-2) and Harper (-12) trailing. Among conservative non-partisan voters, Harper's score (+11) is slightly higher than Trudeau's (+2) while Mulcair is well back with a net improvement score of -50. Among those who would only consider voting for the NDP and Liberals, Trudeau (+39) has a sizeable lead over Mulcair (+18) with Harper well back at -47. Finally, among those who would only consider voting Conservative, Harper get a high +55 while Mulcair and Trudeau's scores were very negative (-61 and -64 respectively).

If [party leader] was Prime Minister after the next election, would the economy likely improve, weaken, or would that have no effect on the economy?
(Net Improvement Score)

Leader	Truly swing voters	Conservative non-partisans	Progressive non-partisans	CPC base
Harper	-12	+11	-47	+55
Trudeau	+16	+2	+39	-64
Mulcair	-2	-50	+18	-61
% of Electorate	*15%*	*12%*	*22%*	*13%*

The differences between these voter groups give us some insight into the opportunities and threats for each of the main parties as they set their strategy in the lead up to the next election.

For Stephen Harper and the Conservatives, the results demonstrate that the Conservative base clearly distinguishes between what a Harper Government and a Trudeau or Mulcair Government means for the Canadian economy. The contrast between the leaders is stark and clear. The objective for the Conservatives is to grow the gap between Harper and Trudeau on economic competence among non-partisan conservative voters and among those voters who say they would consider voting for all three parties. For the Tories to win in 2015, they would need to turnout their base in high numbers (13% of the electorate), win at least 80% of the non-partisan conservative voters (12% of the electorate) and win at least 40% with voters open to voting for any of the three main parties (15% of the electorate). At the same time, the Tories need to avoid a situation where either the Liberals or the NDP are able to consolidate the progressive/anti-Conservative vote.

For Tom Mulcair and the NDP, the results in this study suggest that most Canadians do not consider the NDP as ineffective or incompetent economic managers. This is a myth that does not hold in the evidence presented here. However, Canadians don't know what a federal NDP government would perform having never experienced it. So the unknown is still a liability. The challenge for the NDP is positioning themselves as more competent on the economy than the Liberals while at the same time not scaring conservative non-partisan voters into the arms of the Trudeau Liberals. It will be imperative for Mulcair to close the gap with Trudeau among progressive non-partisan voters which make up the largest voter group in the electorate at 22%. If that is not possible, then the ballot question for the 2015 election will need to be something other than economic competence for voters in this group. Right now, among these voters, Trudeau has a big advantage over Mulcair on economic competence which is helping to lift Liberal support far beyond the NDP.

Finally, for Justin Trudeau and the Liberals, the results suggest that despite media elite-level questions about Trudeau's competence or capabilities to be Prime Minister, the strength of the Liberal brand and the goodwill that many Canadians have for Mr. Trudeau seem to be leading

the day. However, this could change, especially in the heat of an election campaign when voters will be paying far more attention to the leaders and assessing their competence as economic managers. But for now, the evidence suggests that after a year of attacks from the NDP and Conservatives, Trudeau's personal brand has been resilient. Right now, Trudeau has the advantage among Progressive non-partisan voters, among those who would consider voting for all three parties, and is not far behind Harper among those who would consider voting Liberal or Conservative. All together this helps explain why the Liberals have a six-point lead nationally among committed voters.

Some Final Thoughts

The federal budget that Finance Minister Jim Flaherty will release on February 11 comes at a time when voter confidence in the state of the Canadian economy is softening. More Canadians still rate the current economy as good rather than poor, but the trend since October 2013 is not a favourable one for the Conservative government.

For a government that has staked so much of its reputation and future success on how Canadians perceive it as sound economic managers, declining confidence and weak prospective economic evaluations is a discouraging sign.

However, the Conservatives are still regarded as good or acceptable economic managers by a majority of Canadians. The base still sees Harper as much better option than either Trudeau or Mulcair. The challenge with the 2014 budget and other economic policy to follow is, on the one hand, to continue to assure Canadians (or those Canadians that are within the Conservative universe) that all will be well and on the other, that the opposition leaders are lesser managers and stewards of the economic and a risky proposition.

> Over the next few weeks, we will release detailed profiles of each of the voter groups described in this report.
> Check in regularly at AbacusInsider.com

Methodology

The survey was conducted online with 1,996 respondents in English and French using an internet survey programmed and collected by Abacus Data. A random sample of panelists was invited to participate in the survey from a representative panel of Canadians. The survey was completed from January 14 to 18, 2014.

Since the online survey was not a random, probability based sample, a margin of error could not be calculated.   The Marketing Research and Intelligence Association prohibits statements about margins of sampling error or population estimates with regard to most online panels.

The margin of error for a probability-based random sample of 1,996 respondents using a probability sample is +/- 2.2%, 19 times out of 20.

The data was weighted according to census data to ensure that the sample matched Canada's population according to age, gender, educational attainment, and region. Totals may not add up to 100 due to rounding.

For more information about the poll's methodology or the results, please contact David Coletto, CEO at david@abacusdata.ca or at 613-232-2806.

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Having conducted research for some of North America's leading corporations and advocacy groups, we deliver global research capacities with the attention to detail and focus of a boutique firm.

We are at the forefront of the research sector and deliver revolutionary insights and strategy to our clients. Our work is guided by our commitment to five principles:

1. Objectivity
2. Flexibility
3. Independence
4. Innovation
5. Transparency

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