



Business Data Lab
Laboratoire de données
sur les entreprises

LOCAL SPENDING TRACKER

**Unwrapping Canada's Spending
Chill This Holiday Season**



December 2023

Message from the Chief Economist

“Last year there was a wave of spending in the holiday rush and boxing week sales. This year, we expect more subdued spending, as Canadian consumers are increasingly conscious of their discretionary spending after living through another year of affordability challenges and high interest rates.

Our latest high-frequency payment data covers "Black Friday" and "Cyber Monday," which are well-known for their discounts that kickstart the holiday shopping season. At this point, after accounting for seasonal patterns, we see little evidence of a noticeable increase in consumer spending in Canada.

Moreover, after adjusting for still-elevated inflation and exceptionally-strong population growth, it's clear that a cold front has swept across Ontario and Western Canada in our updated map of real spending growth per person. The situation is less dire — though not great — in Quebec and Atlantic Canada (outside Prince Edward Island). Finally, big city spending continues to lag the national trends in Vancouver, Edmonton, Toronto, Hamilton and Ottawa. Many consumers in these markets in particular will be looking for some relief from lower interest rates in 2024.”

Stephen Tapp
Chief Economist, Canadian Chamber of Commerce





Latest Canadian spending growth

Year-over-year, % change as of November 2023

2.0%

Nominal

-1.2%

Real

-3.9%

Real per person





National

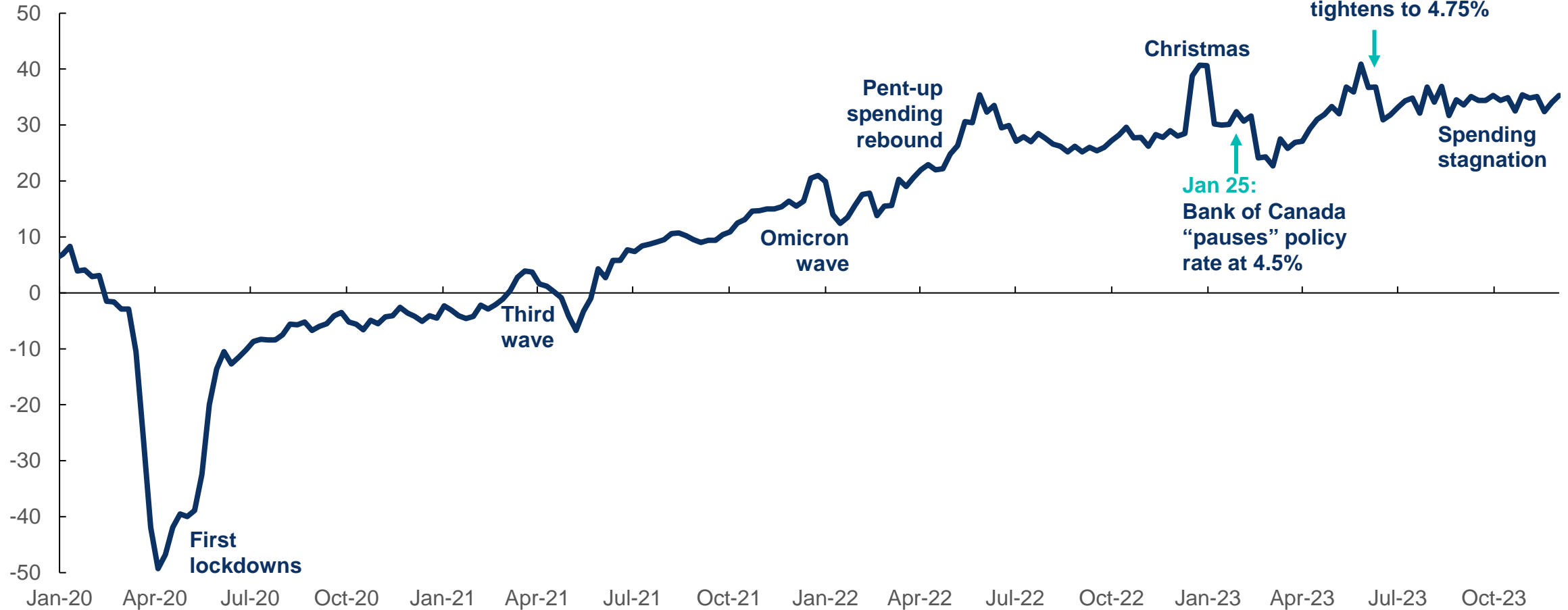




Spending stagnates after summer rate hikes

Local Spending Tracker, Canada

Nominal spending, % change relative to February 2020



Note: Nominal data, seasonally adjusted, 3-week centered moving average.

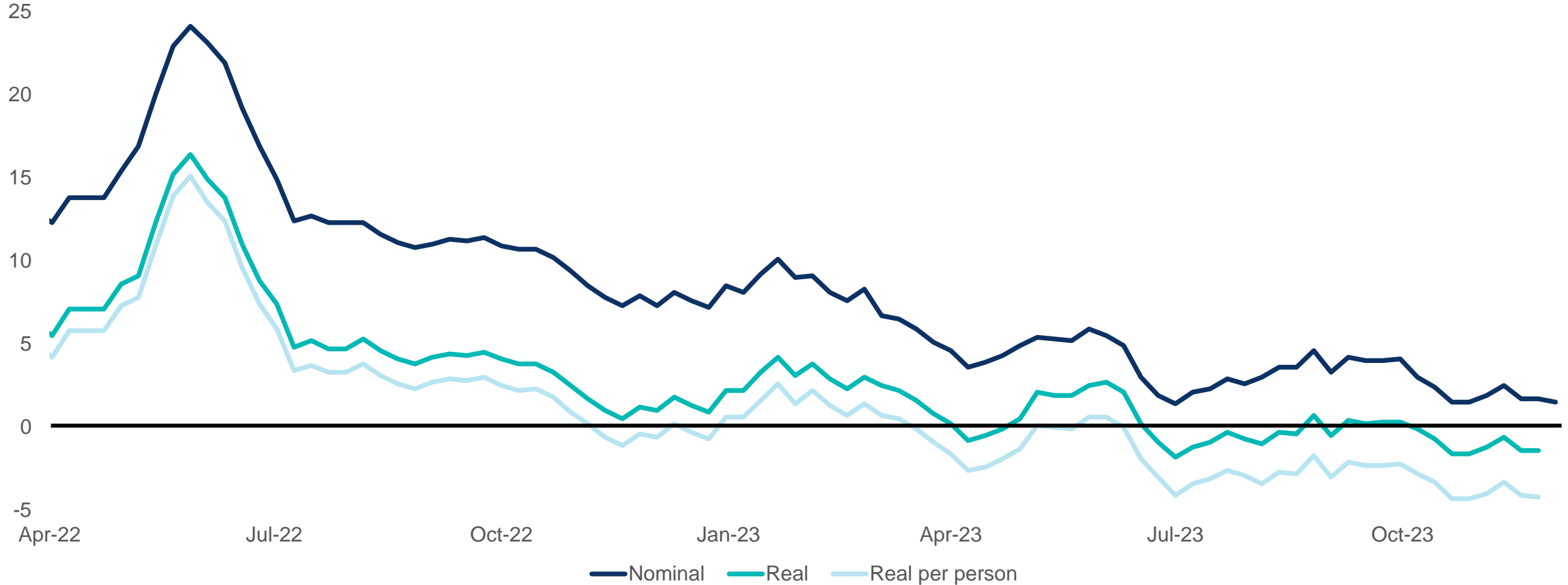
Source: BDL Local Spending Tracker using Moneris data.



...with real consumer spending growth running negative on an annual basis after this summer's interest rate increases.

Spending growth indicators, Canada

% change, year-over-year



Nominal = current dollar spending; real = adjusted for inflation; real per person = adjusted for inflation and population growth
Source: Canadian Chamber of Commerce Business Data Lab calculations using Moneris and Statistics Canada data.

An aerial photograph of a city skyline at dusk. The foreground is dominated by lush green trees and a winding river. In the middle ground, a bridge crosses the river. The background features a dense cluster of skyscrapers, with the most prominent one being a tall, cylindrical building with a distinctive diamond-patterned facade. The sky is a mix of blue and orange, suggesting sunset or sunrise. Large, semi-transparent blue circles are overlaid on the right side of the image.

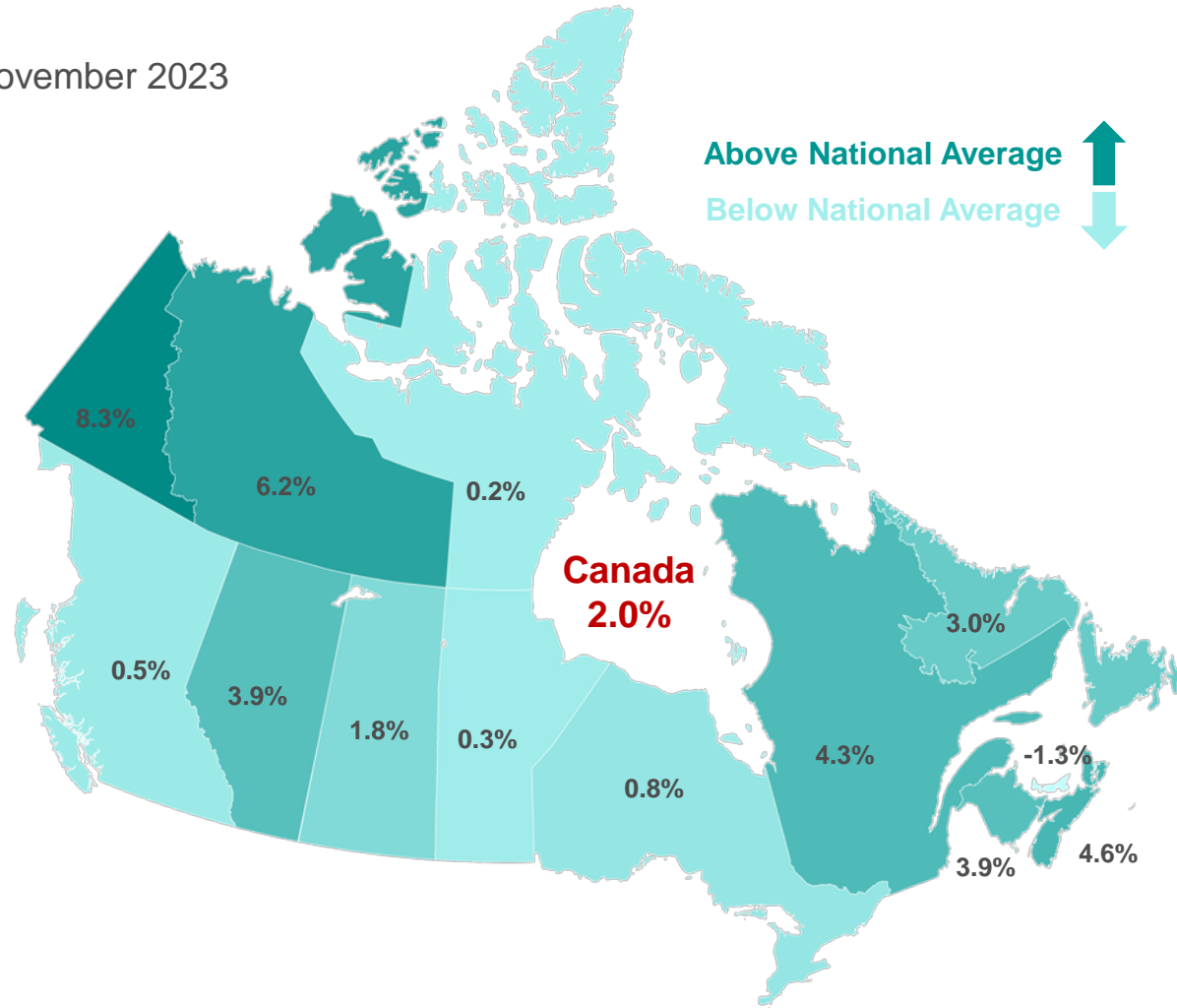
Regional results



Nominal consumer spending growth held steady in November. On an annual basis it remains positive in all provinces and territories except PEI.

Nominal spending

% change, year-over-year, as of November 2023



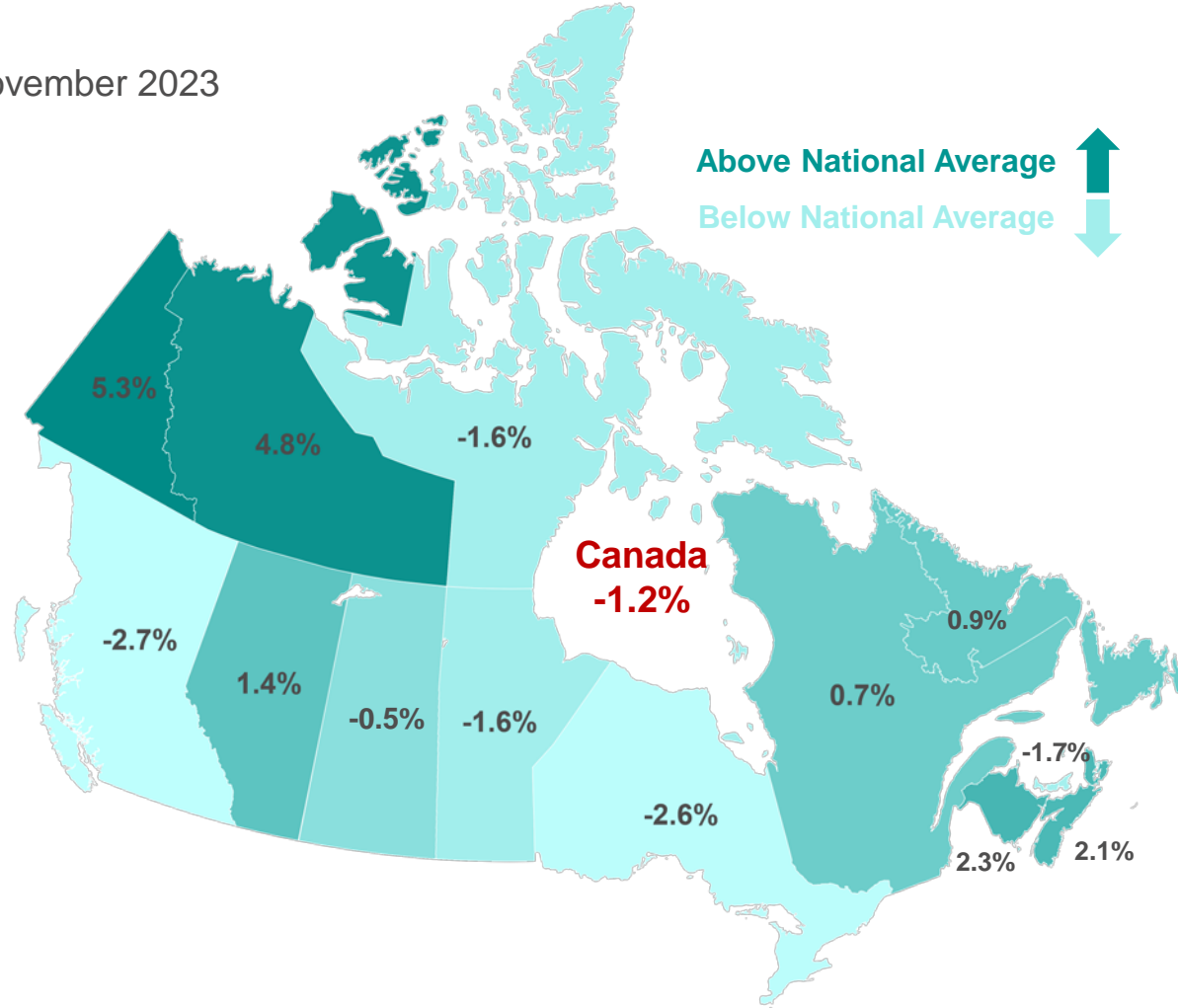
Source: BDL calculations using Moneris data.



After adjusting for inflation, **real spending growth** was negative on an annual basis in 6 of 13 regions.

Real spending*

% change, year-over-year, as of November 2023



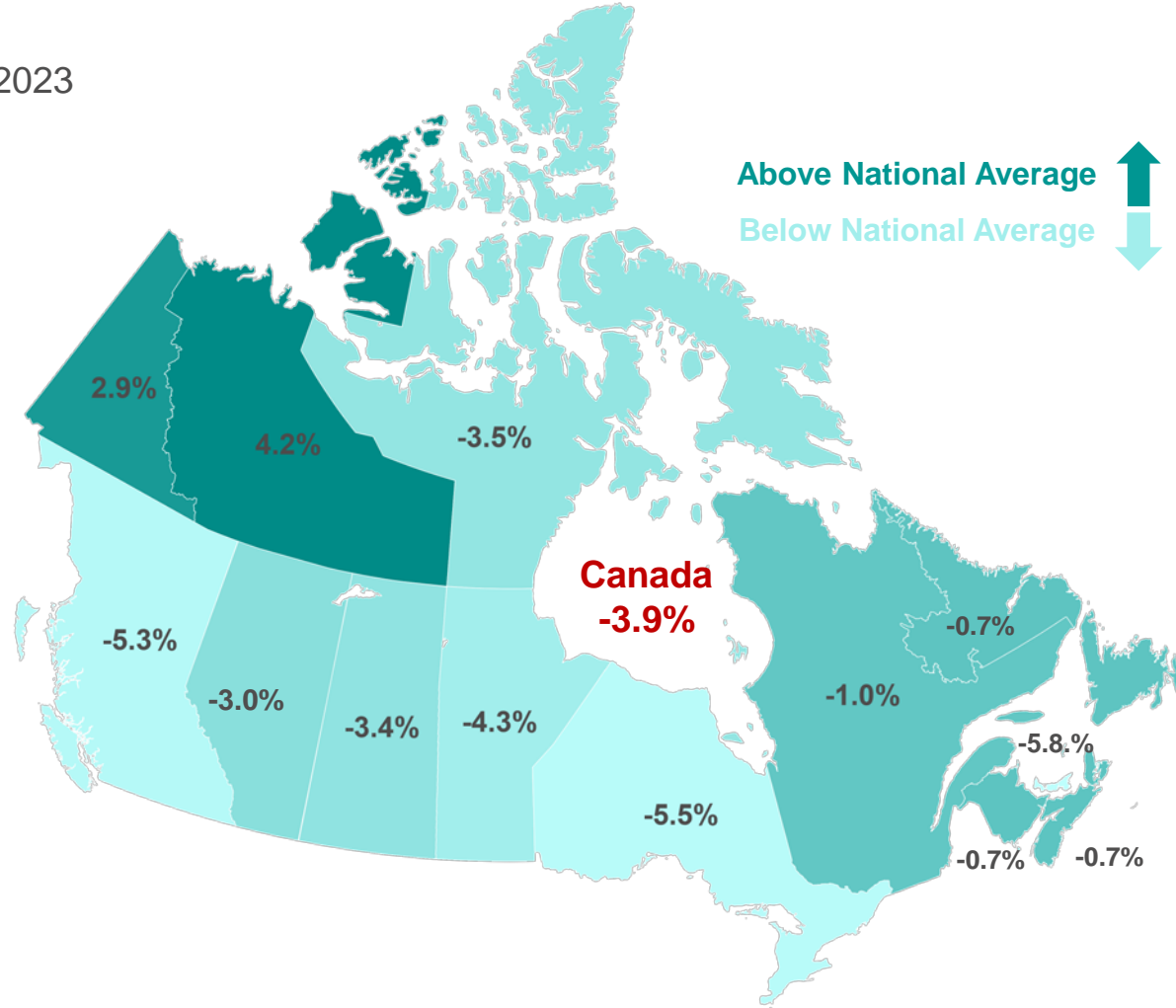
*Real = adjusted for inflation.
Source: BDL calculations using Moneris data.



After adjusting for inflation and population, **real spending growth per person** was negative on an annual basis in all regions except NWT and Yukon.

Real spending per person*

% change, year-over-year, as of November 2023



*Real spending per person = adjusted for inflation and population changes.
Source: BDL calculations using Moneris data.

Provincial, territorial rankings across indicators

Nominal spending growth

Year-over-year % changes

1	Yukon	8.3%
2	NWT	6.2%
3	Nova Scotia	4.6%
4	Quebec	4.3%
5	New Brunswick	3.9%
6	Alberta	3.9%
7	NFLD	3.0%
	Canada	2.0%
8	Saskatchewan	1.8%
9	Ontario	0.8%
10	BC	0.5%
11	Manitoba	0.3%
12	Nunavut	0.2%
13	PEI	-1.3%

Real spending growth

1	Yukon	5.3%
2	NWT	4.8%
3	New Brunswick	2.3%
4	Nova Scotia	2.1%
5	Alberta	1.4%
6	NFLD	0.9%
7	Quebec	0.7%
8	Saskatchewan	-0.5%
	Canada	-1.2%
9	Manitoba	-1.6%
10	Nunavut	-1.6%
11	PEI	-1.7%
12	Ontario	-2.6%
13	BC	-2.7%

Real spending growth per person

1	NWT	4.2%
2	Yukon	2.9%
3	Nova Scotia	-0.7%
4	New Brunswick	-0.7%
5	NFLD	-0.7%
6	Quebec	-1.0%
7	Alberta	-3.0%
8	Saskatchewan	-3.4%
9	Nunavut	-3.5%
	Canada	-3.9%
10	Manitoba	-4.3%
11	BC	-5.3%
12	Ontario	-5.5%
13	PEI	-5.8%

*As of November 2023; BC = British Columbia; NFLD = Newfoundland and Labrador; NWT= Northwest Territories; PEI= Prince Edward Island
Source: BDL calculations using Moneris data.

CMA rankings across indicators

Nominal spending growth

Year-over-year % changes

1	Yellowknife	10.6
2	Whitehorse	8.3
3	Iqaluit	8.0
4	Gatineau	6.8
5	K-W-C	6.6
6	Halifax	6.2
7	Calgary	5.9
8	Quebec City	5.7
9	Sudbury	4.8
10	Regina	4.7
11	Montreal	3.9
12	Moncton	3.9
13	Edmonton	3.1
14	St. John's	2.3
15	Victoria	2.3
16	Hamilton	2.1
	Canada	2.0
17	Toronto	1.7
18	Winnipeg	1.2
19	Vancouver	0.3
20	Charlottetown	-3.0
21	Ottawa	-5.6

Real spending growth

1	Yellowknife	9.2
2	Iqaluit	6.2
3	Whitehorse	5.3
4	Gatineau	3.9
5	Halifax	3.1
6	Calgary	3.0
7	K-W-C	2.7
8	Sudbury	2.7
9	Moncton	2.0
10	Quebec City	1.9
11	Regina	1.7
12	Edmonton	0.9
13	Montreal	-0.2
14	St. John's	-0.4
15	Victoria	-0.7
16	Winnipeg	-0.8
	Canada	-1.2
17	Hamilton	-1.7
18	Toronto	-2.1
19	Charlottetown	-3.0
20	Vancouver	-3.3
21	Ottawa	-8.5

Real spending growth per person

1	Yellowknife	8.6
2	Iqaluit	4.3
3	Whitehorse	2.9
4	Sudbury	1.9
5	Gatineau	1.3
6	Quebec City	0.7
7	K-W-C	-0.4
8	Halifax	-1.3
9	Regina	-1.8
10	Calgary	-1.8
11	Moncton	-2.2
12	St. John's	-3.0
13	Victoria	-3.3
14	Montreal	-3.4
	Canada	-3.9
15	Edmonton	-3.9
16	Hamilton	-4.0
17	Winnipeg	-4.2
18	Vancouver	-5.5
19	Toronto	-5.7
20	Charlottetown	-7.2
21	Ottawa	-11.2

* As of November 2023; K-W-C= Kitchener-Waterloo-Cambridge
Source: BDL calculations using Moneris data.



Appendix



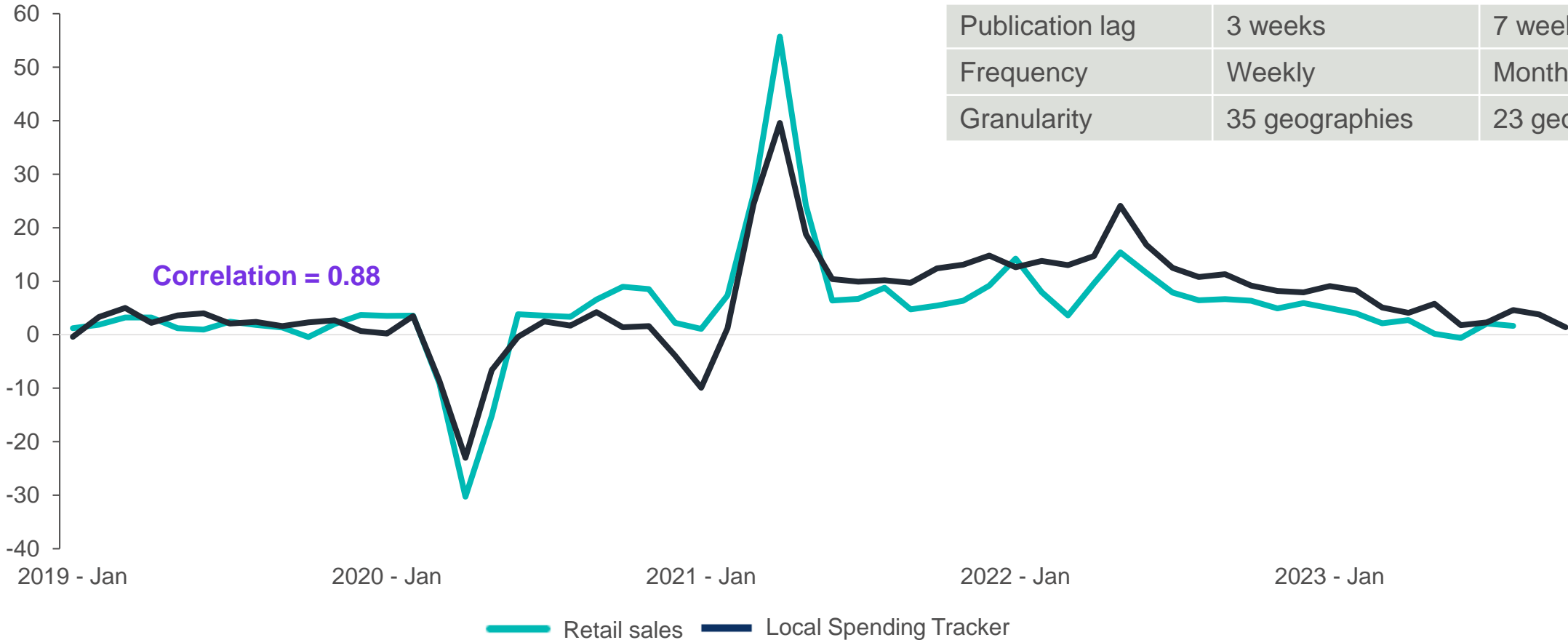
About the Local Spending Tracker

- The [Local Spending Tracker](#) provides timely monitoring of spending patterns across Canada.
- Unlike other sources, our high-frequency data provide granular insights for 35 locations, using a robust methodology that accounts for seasonality, inflation and population changes.
- Our tracker's leading indicators are highly correlated with official consumer spending statistics, but are available one month earlier, at a higher frequency, and for more cities.



The Local Spending Tracker is highly correlated with Statistics Canada's official retail sales data

Local Spending Tracker and Retail Sales
Canada nominal spending, % change year-over-year



Note: Local Spending Tracker data are seasonally adjusted and aggregated from weekly to monthly frequency.
Sources: Canadian Chamber of Commerce Business Data Lab; Statistics Canada.



Methodology

- **Data concepts:** Consumer spending data capture total weekly transactional dollar volumes, net of refunds. Only Moneris-acquired credit and debit transactions are included. Moneris reporting dates use the start of the retail sales reporting week, which starts on Sunday. We benchmark these spending indices to the week of Feb 2-8, 2020. Volume changes are chain indexed by Moneris. Merchants are only counted if they are active in consecutive weeks, to control for changes in the sample over time. For more information on the payment dataset, see [Moneris Data Services](#).

“**Nominal spending growth**” represents the year-over-year percentage change in total current dollar spending processed by Moneris in these regions. “**Real spending growth**” adjusts for local inflation using Statistics Canada’s Consumer Price Index year-over-year inflation rate (Table 18-10-0004-01). “**Real spending per person**” adjusts for local inflation and population changes using Statistics Canada’s Labour Force Survey (Tables 14-10-0380-01 and 14-10-0292-01). The BDL seasonally adjusts the nominal series with a seasonal and trend decomposition using Loess, and smooths the results using a 4-week moving average.

- **Caveats:** Seasonally adjusting our data is important, however, the dataset covers a relatively short period (January 2019-present), and the pandemic disrupted typical seasonal patterns. There are conceptual differences between Statistics Canada retail sales and our data. For example, consumer spending on big-ticket items like vehicle sales are included in retail sales, but are not fully captured in our data (since few consumers pay for cars on debit/credit cards). Conversely, spending at restaurants is captured in our payments data, but not in retail sales. E-commerce purchases reflect the sellers’ corporate locations, not the buyers’ locations.
- **Contact:** This report presents analysis conducted by the Canadian Chamber of Commerce Business Data Lab. For questions or comments, please contact Stephen Tapp, Chief Economist (STapp@Chamber.ca).

The BDL is made possible through our collaboration with Statistics Canada and financial support from Innovation, Science and Economic Development Canada.

