

Simplii Financial

Canadians plan to rein in gift spending this holiday season: Simplii Financial Poll

Rising costs are making the biggest impact on young people who report feeling more financial stress than ever before

TORONTO, December 8, 2023 – A new poll from Simplii Financial finds that Canadians expect to spend an average of \$650 this year on holiday gifts, down 14 per cent from last year. Nearly half of respondents say their family needs to change their holiday expectations because of their finances (45 per cent), and more than a quarter say this year's holidays will be disappointing because of finances (27 per cent).

“Heading into the holiday season, Canadians are feeling pressure from the rising cost of living and higher interest rates,” said Bob Cancelli, Managing Director and Head, CIBC Direct Financial Services. “With financial decisions being impacted by uncertain economic conditions, they’re being more selective about their holiday spending.”

According to the poll, two thirds of young people (aged 18 to 34), are feeling more financial pressure and stress than ever (67 per cent). When compared to older generations (aged 55+), young Canadians were also:

- Two and a half times as likely to report that the holiday will leave them feeling stretched
- More than three times as likely to spend beyond their means this holiday season
- Roughly twice as likely to report that finances necessitate a change in family expectations

“While younger Canadians are facing a more challenging financial season this year, they aren’t just hoping for a handout from the bank of Mom and Dad,” said Cancelli. “They’re highly motivated to take the steps they need to keep their finances on track, and are making smart decisions about their spending.”

Two thirds of young Canadians polled also said they need more help to manage their finances (65 per cent), but they’re proving resourceful and more willing to take steps to keep holiday spending under control with nearly one third shopping Black Friday sales (32 per cent), one quarter planning to make gifts (23 per cent) and even more (28 per cent) turning to coupons and couponing apps. Young respondents were also significantly more likely to use gift cards, split the cost of gifts, and even cancel subscription services.

Holiday finance success tips

1. Plan early: Estimating upcoming expenses is a simple task that can provide you with a valuable savings target as the holidays approach. Keeping tabs on the price of key gifts can also help you make sure you're actually getting a deal when they go on sale.
2. Make a list: Writing out holiday expenses as you go can help you stay on budget and provide a useful point of comparison for next year. Whether it's an app, spreadsheet, or pen and paper, the best budgeting tool is one you actually use.
3. Take advantage of cash back: Don't forget the value of cash-back rewards to offset your spending this season. Accumulated cash back is often paid out at the end of each year but check your card's terms and conditions for more.
4. Stop paying fees: No-fee banking could save you hundreds of dollars annually, plus new clients can earn up to \$400 in welcome offers with Simplii Financial*—that's nearly the average Canadian gift budget.

Disclaimer

This Maru Public Opinion survey conducted on behalf of Simplii Financial / CIBC was undertaken by the sample and data collection experts at Maru / Blue. 1502 randomly selected adult Canadians who are Maru Voice Canada online panelists were surveyed from November 2 to November 3, 2023. The results of this study have been weighted by education, age, gender and region (and in Quebec, language) to match the population, according to Census data. This is to ensure the sample is representative of the entire adult population of Canada. For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of +/- 2.6%, 19 times out of 20. Discrepancies in or between totals when compared to the data tables are due to rounding.

About Simplii

Simplii Financial provides direct banking services to approximately 2 million Canadians with 24/7 access to online, mobile, and telephone banking with no monthly fees. Simplii clients can also access one of the largest national ATM networks through CIBC. For more information about Simplii Financial, please visit www.simplii.com or by following on X @SimpliiFin, Instagram @SimpliiFin, or on Facebook.

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