

Consumer Expectations during COVID-19

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Background

What are Consumer Expectations?

How consumers feel about the market; Job security, value of assets, etc.

Why do we care about Consumer Expectations?

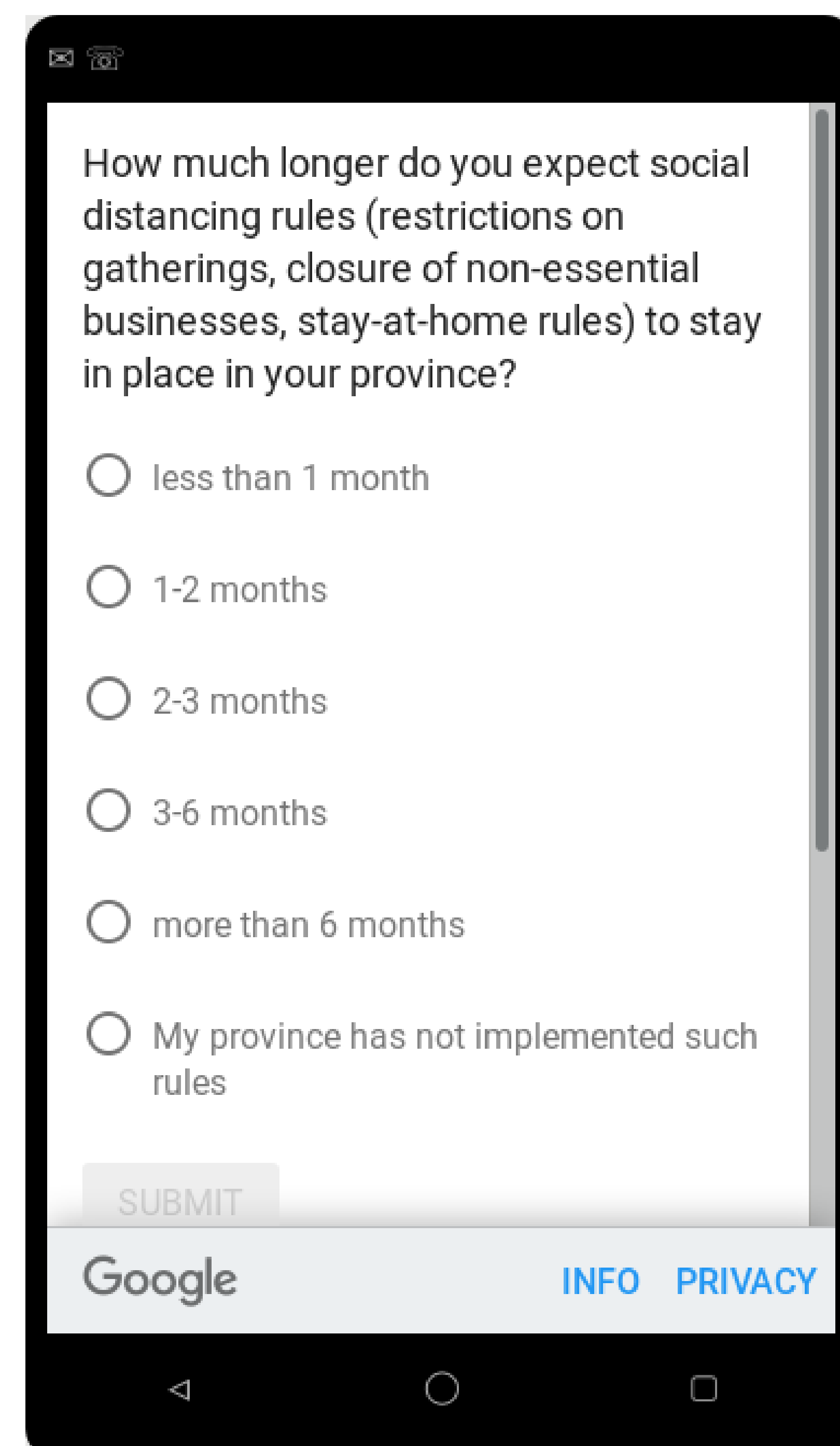
- Expectations affect buying habits
- Durable/semi-durable goods are bought less
- Propensity to Save increases
- Insignificant on individual level
- Large impact when large groups of people think alike
- Aggregate demand falls

What about COVID-19?

- Many people lost their jobs
- Back to work in 2 weeks, or 6 months?

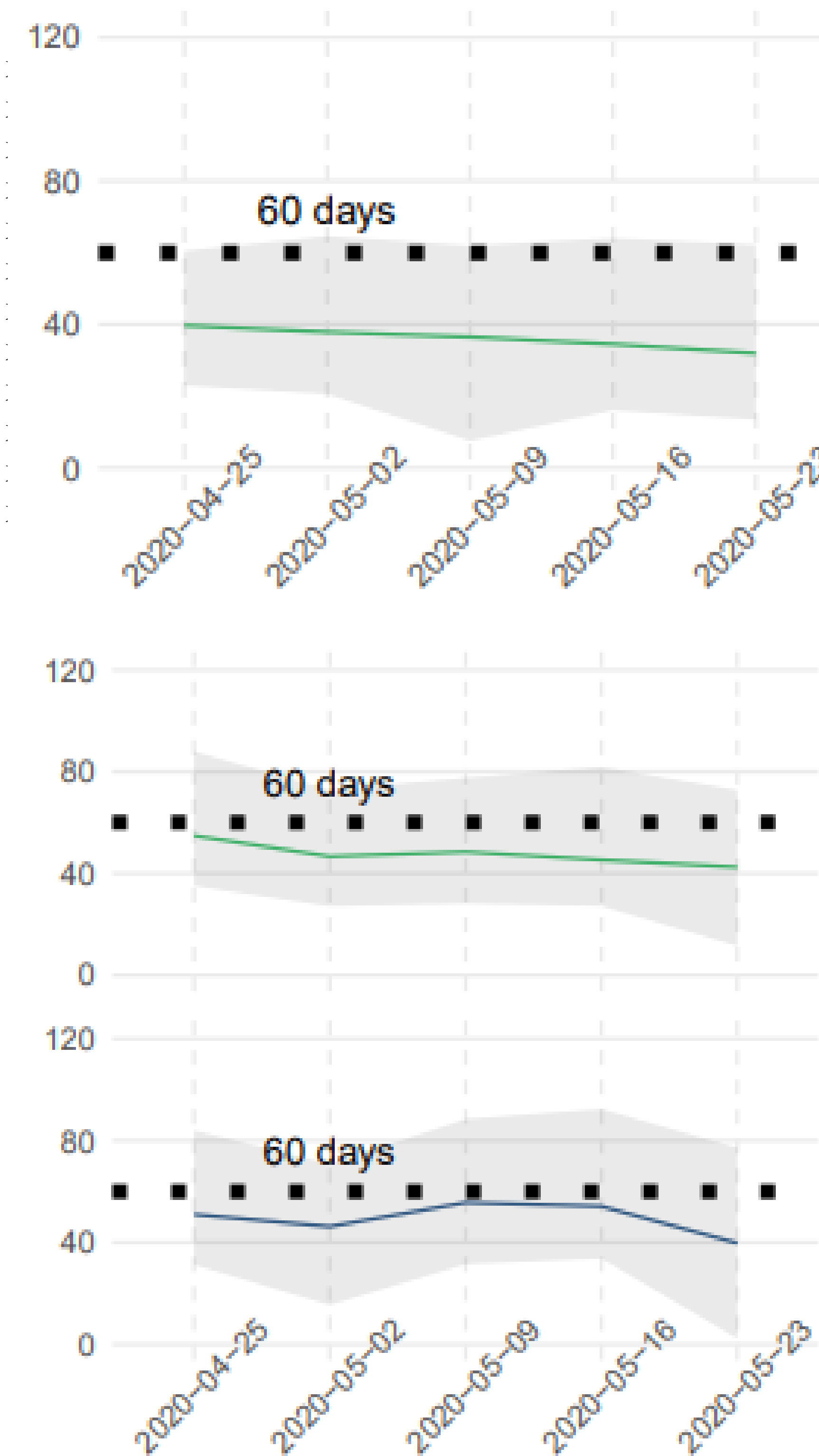
Methods

- Used Google Surveys to survey all 10 provinces and the USA.
- Collected policy info in all 10 provinces and in USA
- Reweighted survey points to fit Canadian and US populations



Results

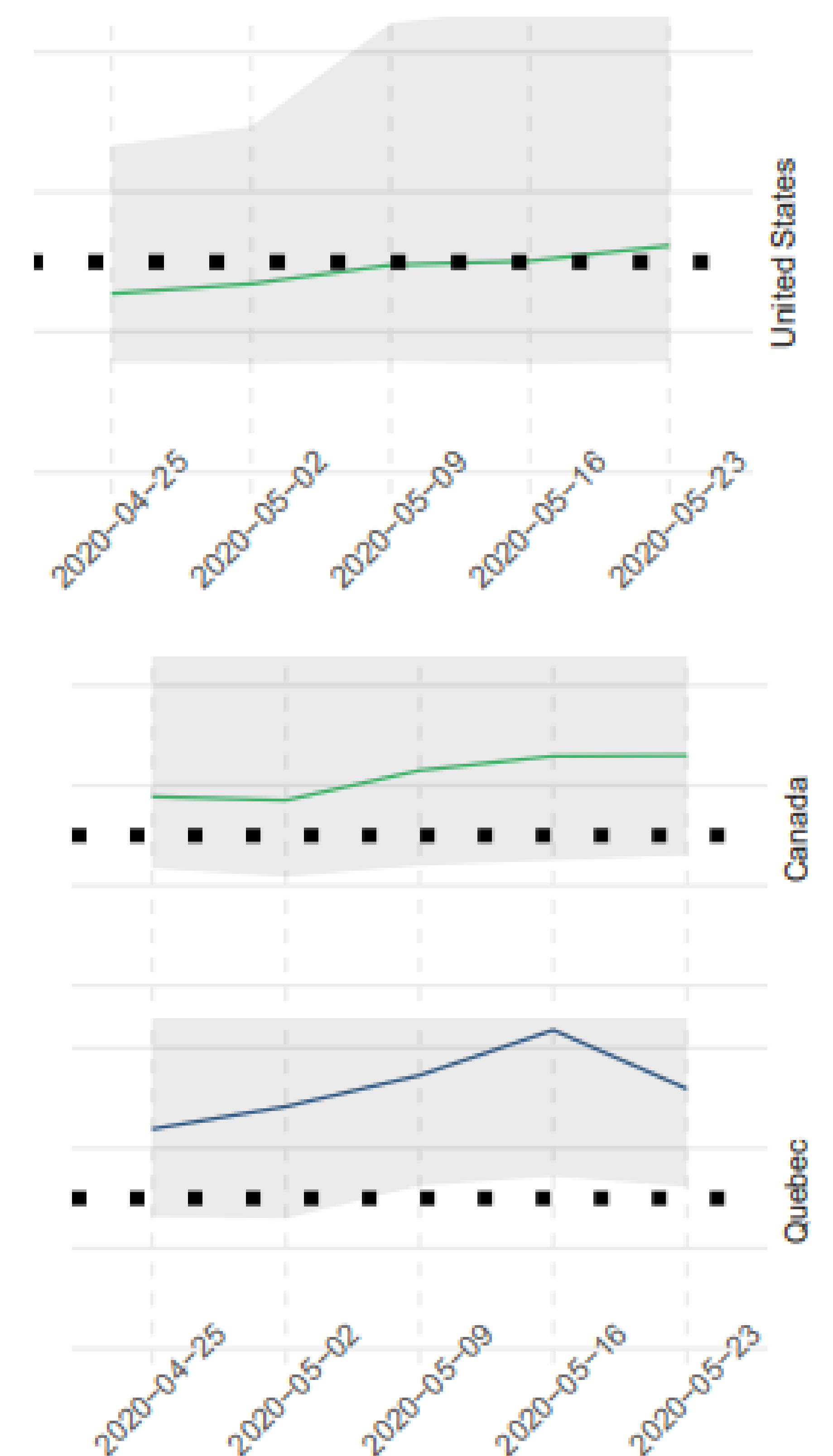
Business Closures



- Consumers got more pessimistic as time went on in both Canada and the USA

Results

Social Distancing



- Uncertainty in USA was lower than Canada
- Perhaps a result of American policies being more relaxed