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By **KATHLEEN HARRIS**

Canadians are bracing to pay more to borrow from the bank, a new poll shows.

The Nanos Research-Sun Media survey finds almost 43% of Canadians think interest rates will rise in the next six months, compared to 32% who believe the lending rate will stay the same and 19% who expect it will fall.

Young Canadians aged 18-29 were more fearful of rising interest rates compared to older Canadians 40 years and up. Pollster Nik Nanos said worries about climbing interest rates reflect general jitters about the economy -- and don't bode well for consumer confidence.


"Canadians always think of interest rates going up as bad news," he said. "I see this as a bit of a barometer in regards to people's mood and the economy. And if you think that interest rates are going to go up, you're probably not going to make a major purchase unless you really have to."

By region, Ontarians are least likely to predict higher interest rates, while those in the West are most likely to predict a hike.

Nanos said general fears of rising interest rates and a downturn in the economy are coloured in part by news flowing from south of the border.

"I don't think we can underestimate the bad news coming out of the U.S. because we know we're in an integrated economy -- they're our most important trading partner," he said. "If your biggest client is worried about their financial security, then the biggest supplier should be worried about it."

The Nanos poll surveyed 1,004 Canadians by telephone from May 7-11 and is considered accurate to within plus or minus 3.1 percentage points, 19 times out of 20.



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