

2019/20

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ABACUS DATA



VISIONCRITICAL®

The BC Chamber of Commerce *Collective Perspective Survey Report*



BC Chamber of Commerce
Know what's on BC's mind.

METHODOLOGY

The survey was conducted online with 1,555 British Columbia business leaders, from October 8th to November 4th, 2019. Business members were invited to participate through email by local chambers of commerce and from those who are members of BC MindReader.com.

The margin of error for a comparable probability-based random sample of the same size is +/- 2.53%, 19 times out of 20.

The data were weighted according to census data to ensure that the sample matched British Columbia's business distribution by region. Totals may not add up to 100 due to rounding.

Province-wide Highlights



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1. THE SAMPLE? WOMEN ARE CHIMING IN.

Out of this year's almost 1600 respondents, 54% were female. Of the total sample, 63% identified as *entrepreneurs* and 26% said they *sell outside of Canada*.

2. ARE BUSINESSES CONFIDENT IN THEMSELVES? THEY'RE MAKING DO.

Business optimism remains steady compared to previous years – and, the number of people saying their prospects are getting worse is smaller than last year. Businesses are making do – most feel confident about their business when it comes to what is in their control, and are working hard to blaze a trail towards success.

3. ARE BUSINESSES CONFIDENT IN THE BC ECONOMY? SPLIT OPINION.

Confidence in the BC economy hasn't changed much year-over-year with 49% of business indicating it has worsened (same as last year) – but BC businesses have less confidence in the Canadian and Global economy. Trade headwinds with the United States and China lead as the drivers of global concern this year – old, reliable trade partners and new potential partners are both destabilizing the global order. As a small open economy, BC is feeling that the world is less settled and less predictable.

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4. THE COST OF DOING BUSINESS IN BC? STILL A TOP PAIN POINT.

Overall, “Cost of Doing Business” still tops the list of conditions impacting businesses. Just under 4 out of 5 businesses (77%) say the cost of doing business has worsened. Cost of labour (67%), availability of workers (55%) and skills of labour pool (52%) have been an increased challenge for business over the past year. The mood of business in relation to the headwinds they face is not necessarily great – but it’s not what it was last year.

5. IS THE PROVINCIAL GOVERNMENT SUPPORTIVE OF BUSINESS? SENTIMENT IS RALLYING BUT NOT CLOSE TO 2016 LEVELS.

Attitudes towards the provincial government supporting business are slowly rebounding (in 2019 54% of businesses say they “Agree” that the provincial government is generally supporting of business which is up 6 points from 2018) – but sentiment still hasn’t returned to 2016 levels when almost 4 out of 5 of businesses said they felt supported by the provincial government. We are seeing the reverse trend with the federal government.

Province-wide Highlights



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6. WHERE ARE THE WORKERS? OWNER/OPERATORS ARE STARTING TO BURN OUT.

Labour availability is a huge issue – led by the shortage in housing for workers. As a result of labour challenges, BC business owners are making personal sacrifices to preserve their businesses – with 56% saying they are working longer hours before cutting output, laying off staff, reducing wages/benefits. Twenty-five percent of businesses report that labour shortages have affected their profitability.

7. CLIMATE CHANGE IS A CHALLENGE & OPPORTUNITY FOR BUSINESS.

The majority of business (37%) reported climate change presents both “challenges and problems for my business” AND opportunities. BC businesses are embracing fixes and solutions to climate change – often regardless of government incentive, however, there is lots of support for government to take initiative in this area. Fifty-nine percent believe their business is as green and clean as it should be whereas 41% feel they need to reduce their environmental impacts.

8. TRADE WITH CHINA? AN OPPORTUNITY ...BUT PROCEED WITH CAUTION.

Feelings about China are more hesitant and mixed compared to last year. Just over half (51%) of business are open to more trade with China but caution against too deep a relationship.

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9. BC'S BUSINESS COMMUNITY IS LEADING THE WAY IN CANADA.

Abacus Data notes that BC is at the forefront of Canadian provinces in understanding both the benefits and challenges of widescale economic and social change. Lots of new things are happening in BC that aren't happening to the same degree elsewhere (when it comes to the environment, labour, immigration, technology and desire for density). Seventy-five percent of respondents consider themselves to be *progressive* (as opposed to *small 'c' conservative*), 73% *like risk* (don't *loath* it) and 80% consider themselves *future oriented* (as opposed to *old school*). Sixty-eight percent feel *well positioned for a younger, millennial influenced Canada*.

10. TAX CUTS? BALANCE THE SOCIAL AND ECONOMIC PILLARS.

Though 45% of businesses said their BC taxes have *worsened* and 30% say BC should *match tax cuts to the US to ensure competitiveness* – the BC business community wants balance to ensure dependable funding for health, education, and infrastructure, key inputs for thriving businesses in the modern economy.

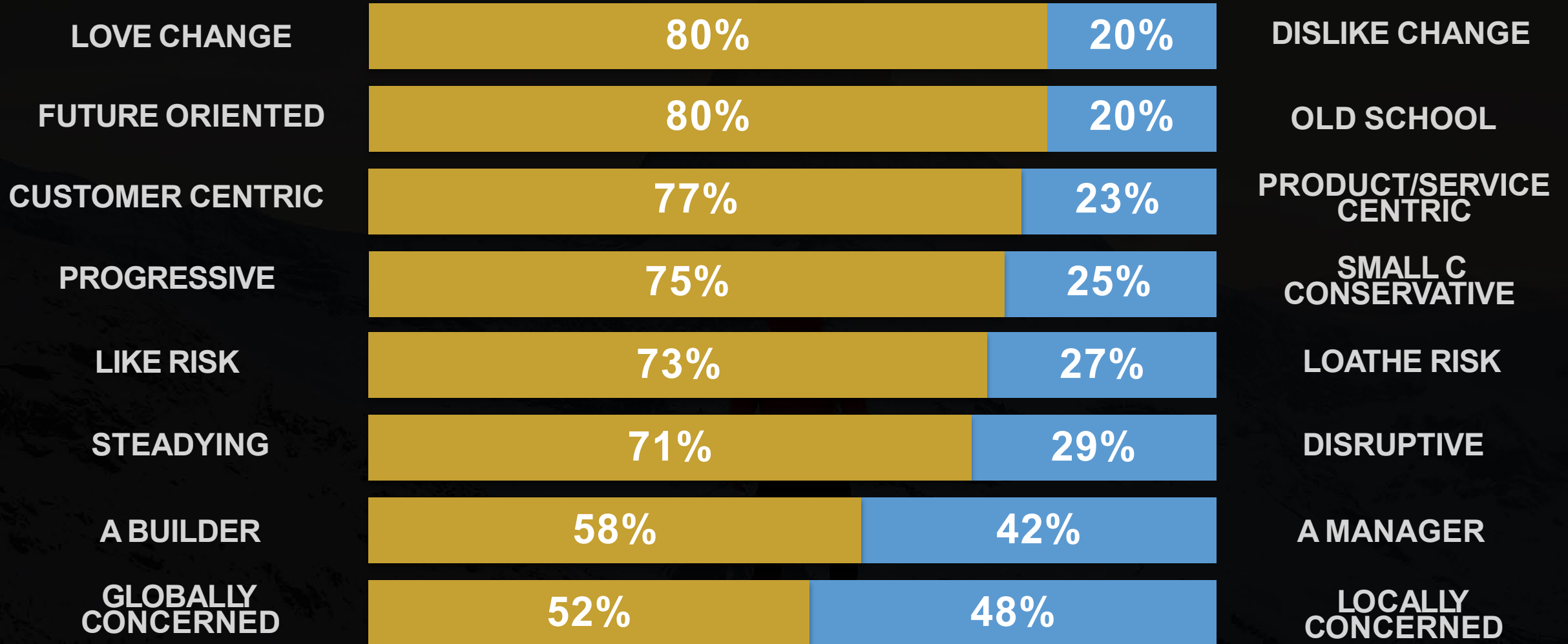
An aerial photograph of a city skyline, likely Vancouver, with numerous high-rise buildings and a body of water in the background. The image is dimmed to serve as a background for the text.

Who are BC's business people?
How do they feel about their prospects?
Current issues & solutions

THE PROFILE

**2019 PROVINCE WIDE SURVEY RESULTS
FOR THE BC CHAMBER OF COMMERCE**

HOW THEY DESCRIBE THEMSELVES





92%

**TECHNOLOGY HAS MADE MY
BUSINESS MORE SUCCESSFUL**

8%

**MORE DOWNSIDE THAN UPSIDE
FOR MY BUSINESS**

68%

**MY BUSINESS WELL POSITIONED
FOR YOUNGER, MILLENNIAL
INFLUENCED CANADA**

32%

WILL FIND IT DIFFICULT TO THRIVE



59%

**MY BUSINESS IS AS GREEN
AND CLEAN AS IT SHOULD BE**

41%

**MY BUSINESS NEEDS TO REDUCE
ENVIRONMENTAL IMPACTS**



47%

**MOST SOCIAL & ECONOMIC
CHANGE IN BC HAS BROUGHT
OPPORTUNITY FOR MY BUSINESS**

53%

**HAS BEEN CHALLENGING FOR MY
BUSINESS**

58%

**BOTTOM LINE MOSTLY AFFECTED
BY TRENDS I CAN'T CONTROL**

42%

**MOSTLY AFFECTED BY THINGS I
CAN CONTROL**

52%

**MY BUSINESS SUCCEEDS BY BEING
AGILE & ENTREPRENEURIAL**

48%

**BY BEING CAREFUL, STEADY AND
EFFICIENT**

OUR SAMPLE

63%

ENTREPRENEUR

54%

FEMALE

51%

10 OR LESS
EMPLOYEES

34%

BABY
BOOMERS

52%

LOWER
MAINLAND

11%

IMMIGRANT

OUR SAMPLE

21%

B TO B

36%

B TO C

43%

BOTH

73%

SELL LOCALLY

35%

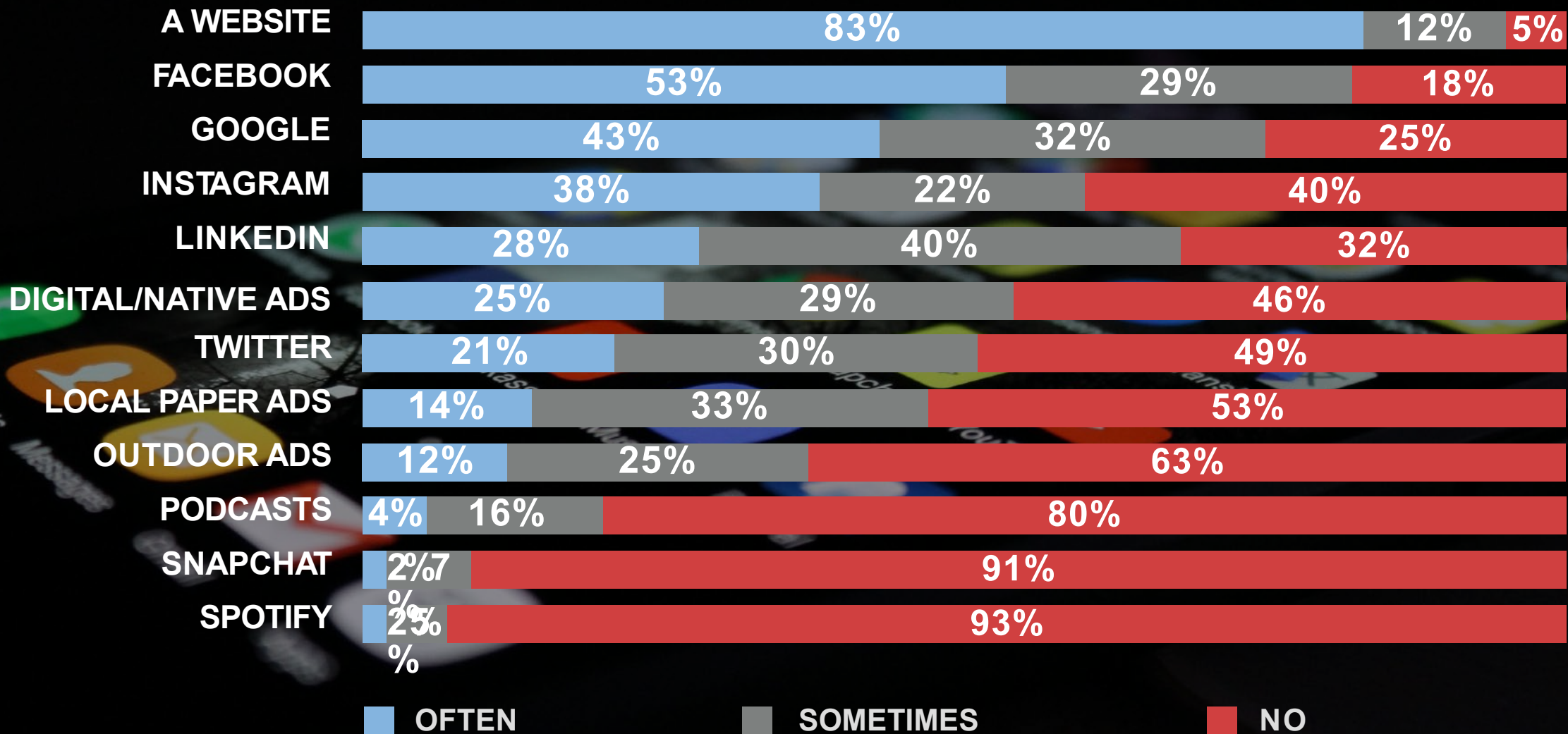
SELL OUTSIDE
OF PROVINCE

26%

SELL OUTSIDE
OF CANADA



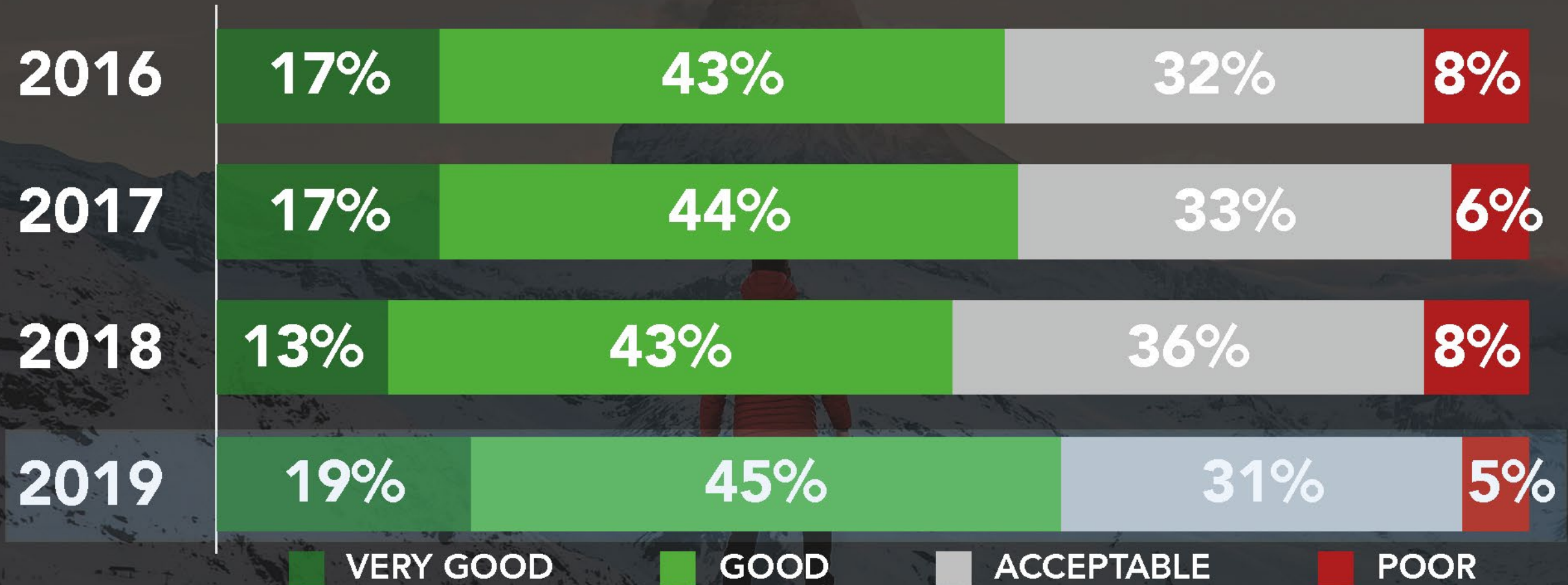
USE THESE TO PROMOTE YOUR BUSINESS?



THE MOOD

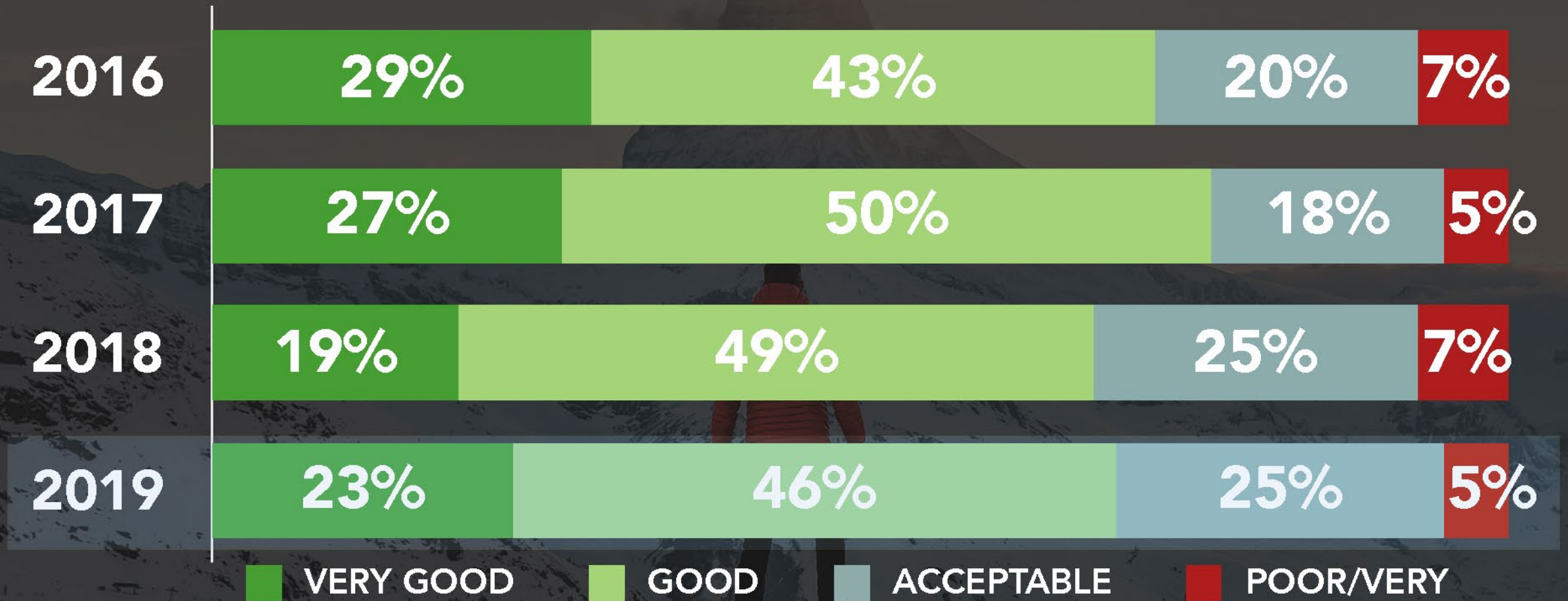


HOW IS YOUR BUSINESS TODAY?



Thinking about your business, how do you feel things are going at the present time? Would you say your business is in very good shape, good shape, acceptable shape, poor shape, or very poor shape?

YOUR PROSPECTS 3-5 YEARS?



How would you describe the prospects for your business over the coming 3-5 years — would you say things look very good, good, acceptable, poor, or very poor?

GROWTH GOALS - NEXT 5 YEARS

2016

40%

45%

13% 3%

2017

36%

49%

11% 4%

2018

35%

49%

13% 3%

2019

39%

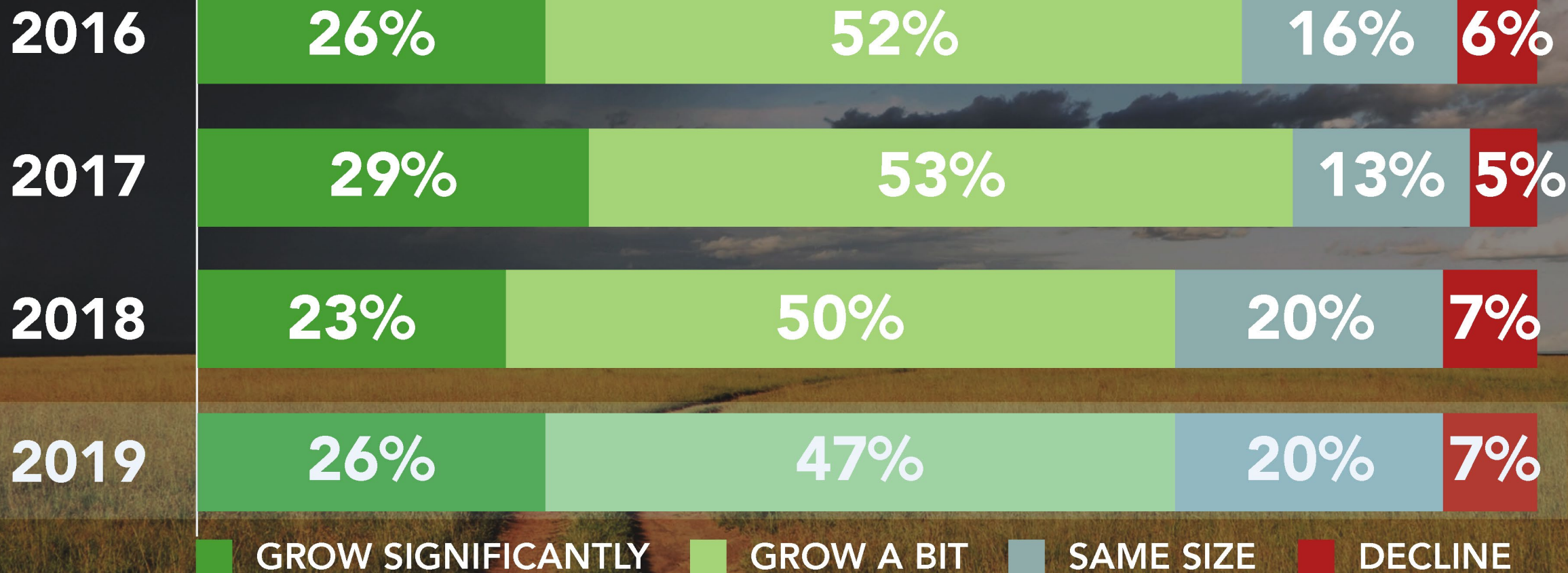
43%

15% 2%

 GROW SIGNIFICANTLY  GROW A BIT  SAME SIZE  DECLINE

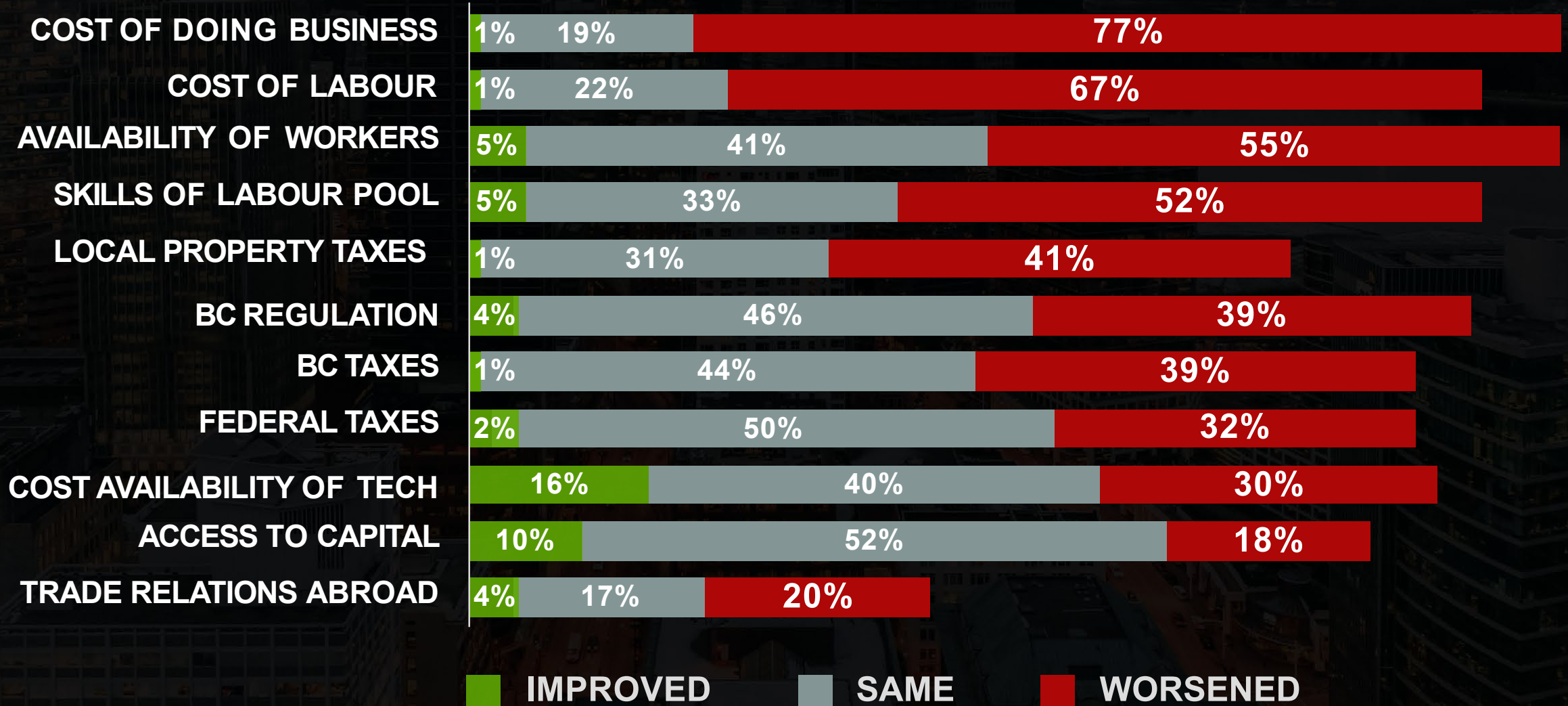
Is your goal for the next five years to: grow your business very significantly; grow it a bit; hold it about the same; see it decline in size a bit; or see it decline significantly?

LIKELY OUTCOME - NEXT 5 YEARS?

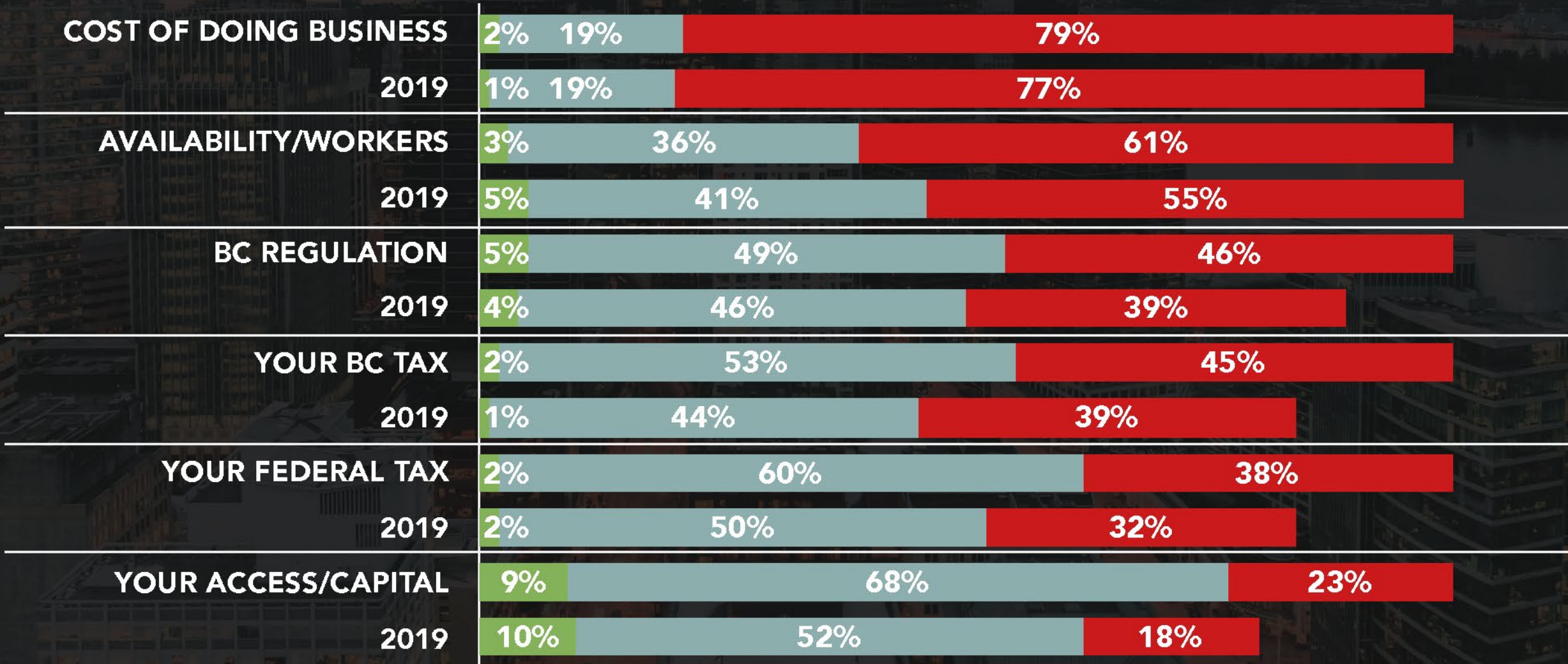


What do you think is most likely to happen in the next five years to the size of your business: will it grow very significantly, grow a bit, hold at about the same size, or decline in size a bit, or significantly?

HOW HAVE CONDITIONS CHANGED IN THE LAST YEAR

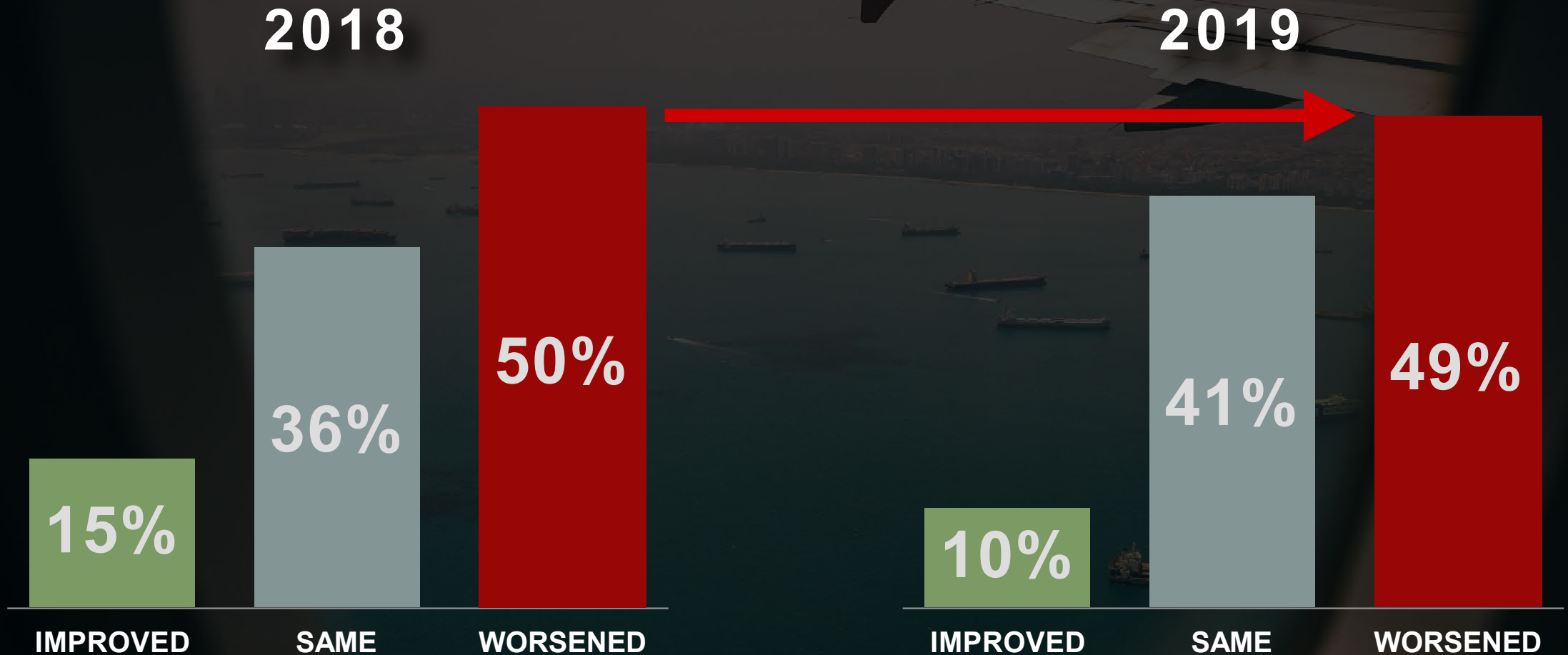


WHAT'S CHANGED THIS YEAR



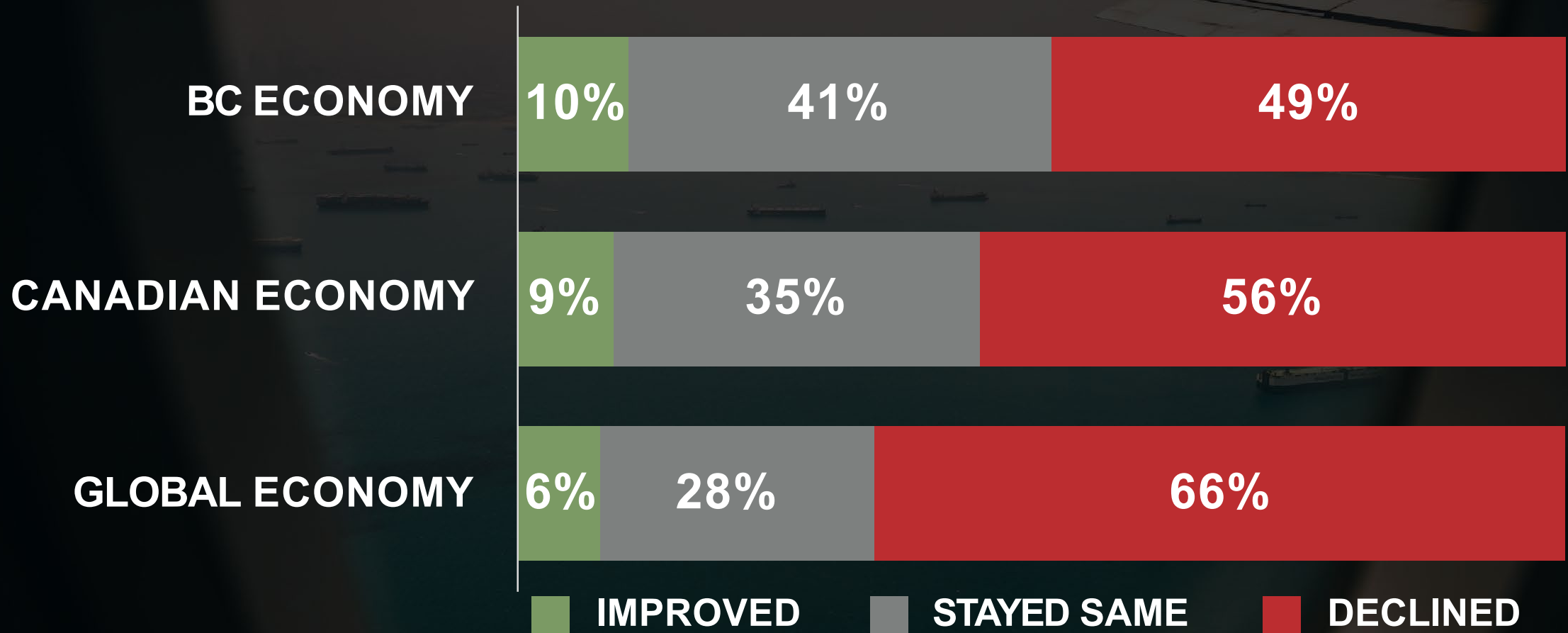
■ IMPROVED
 ■ SAME
 ■ WORSENE

CONFIDENCE IN BC'S ECONOMY?



Compared to a year ago, would you say that your confidence in the BC economy has improved, declined, or stayed about the same?

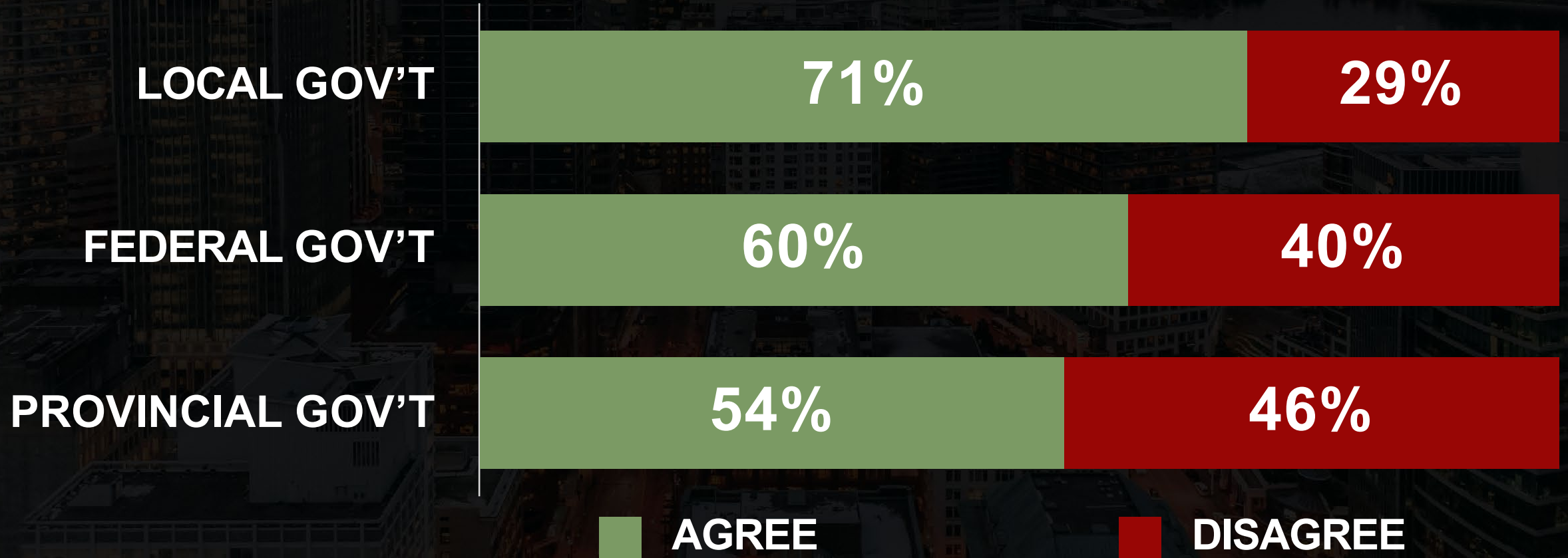
COMPARED TO A YEAR AGO HAS YOUR CONFIDENCE IN ...



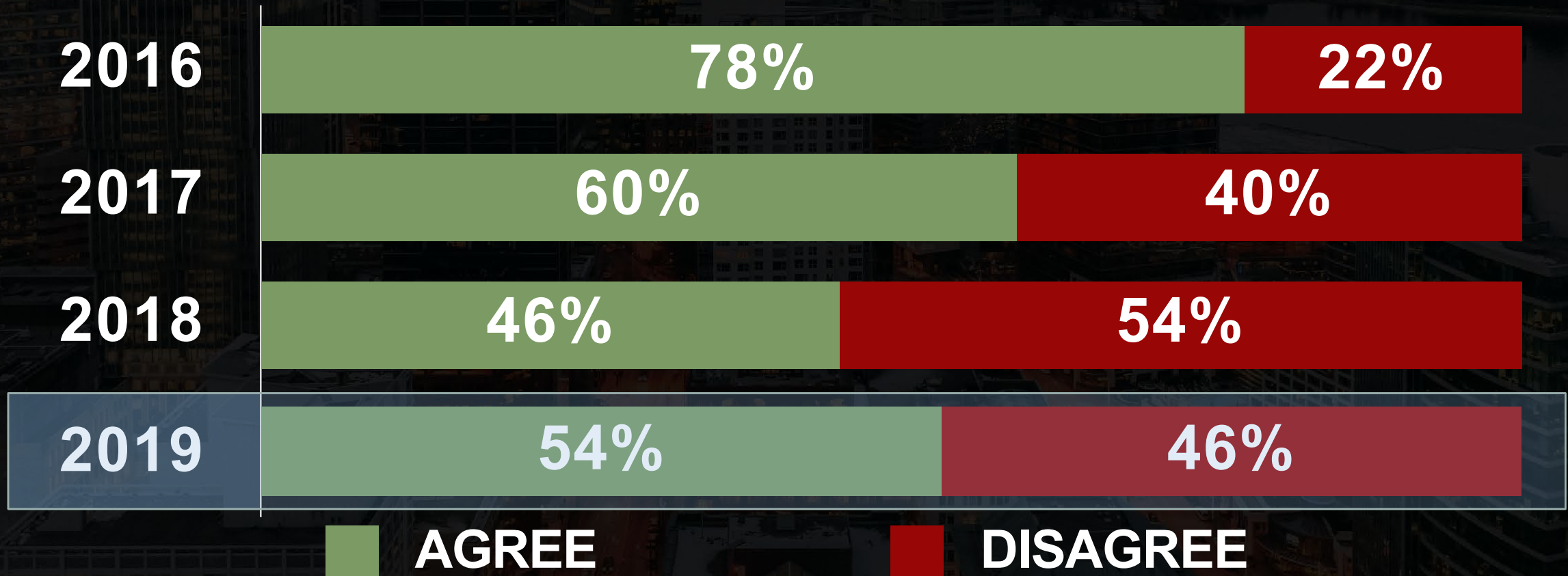
An aerial photograph of a city skyline at dusk. The city is densely packed with skyscrapers and buildings, many of which have their lights on. In the background, there are mountains and a body of water. The word "GOVERNMENT" is overlaid in large, white, sans-serif capital letters across the center of the image.

GOVERNMENT

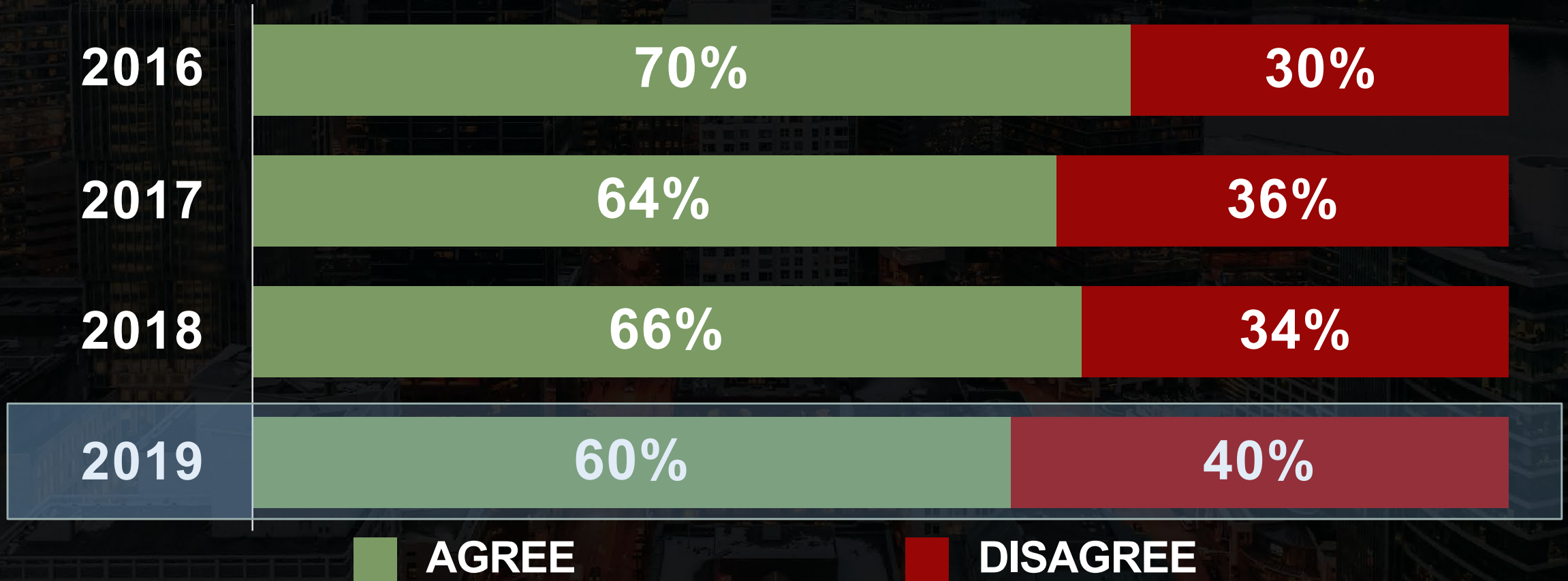
IT THINKGOVERNMENT IS GENERALLY SUPPORTIVE OF BUSINESS



I THINK THE PROVINCIAL GOVERNMENT IS GENERALLY SUPPORTIVE OF BUSINESS



I THINK THE FEDERAL GOVERNMENT IS GENERALLY SUPPORTIVE OF BUSINESS





35%

**WITH SUCCESSIVE BUDGETS
BALANCED, TAXES SHOULD BE CUT**

65%

**SHOULD MAINTAIN GOOD LEVELS
OF SPENDING ON HEALTH
EDUCATION, INFRASTRUCTURE**



30%


**SHOULD MATCH BUSINESS
TAX CUTS IN US TO ENSURE
COMPETITIVENESS**

70%

**TAX LEVELS SHOULD BE TAILORED
FOR OUR PROVINCE, OUR PRIORITIES**

A woman with short dark hair, wearing a dark jacket, is looking down at a tablet computer she is holding. The background is dark and out of focus, suggesting an indoor setting at night or in low light. The overall mood is serious and focused.

LABOUR ISSUES



Labour is a big problem for half our sample, with affordable housing and skills shortages atop the list of concerns

RECRUITING AND RETAINING EMPLOYEES?

13%

MOST DIFFICULT CHALLENGE

35%

MAJOR CHALLENGE

36%

MINOR

17%

NOT A CHALLENGE

HAS LABOUR CHALLENGE AFFECTED PROFITABILITY?

25%

A LOT

31%

SOMEWHAT

32%

A LITTLE

12%

NO

AS A RESULT OF LABOUR CHALLENGES HAVE YOU HAD TO....

HAD TO WORK MORE THAN IDEAL

56%

32%

6% 5%

PAY HIGHER WAGES/OVERTIME

40%

36%

11%

13%

CHANGE GROWTH PLANS

24%

42%

17%

18%

REDUCE BUSINESS OUTPUT

16%

41%

19%

23%

REDUCED HOURS

7%

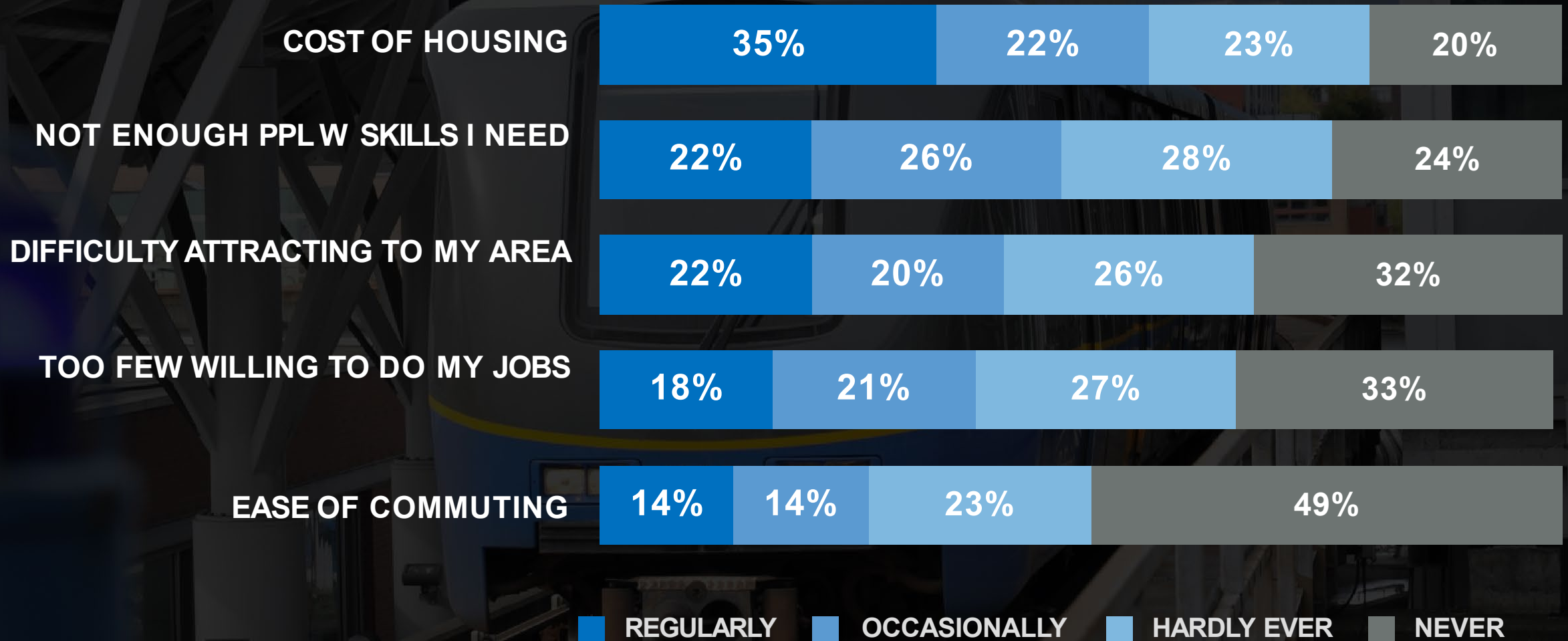
22%

18%

53%

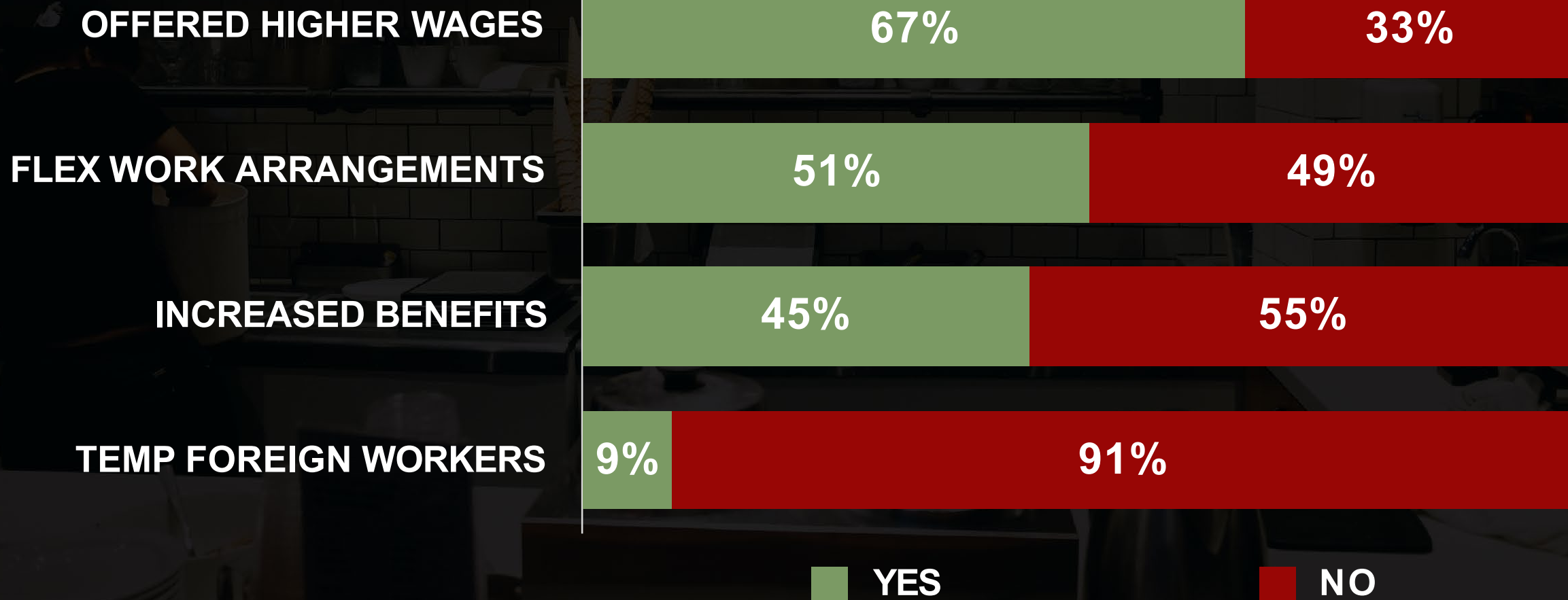
REGULARLY OCCASIONALLY HARDLY EVER NEVER

HOW MUCH DO THESE FACTORS AFFECT AVAILABILITY OF WORKERS FOR YOU



HOW MUCH DO YOU THINK THE FOLLOWING FACTORS AFFECT THE AVAILABILITY OF WORKERS FOR YOUR BUSINESS

IN ORDER TO RECRUIT HAVE YOU DONE... OVER THE PAST YEAR?





CHINA



Views about China are more hesitant and qualified, including on a trade agreement

IF CANADA NEGOTIATES A FREE TRADE AGREEMENT WITH CHINA, WHAT IMPACT ON YOUR BUSINESS?

24%

POSITIVE

67%

NEUTRAL

9%

NEGATIVE

PREFERRED APPROACH TOWARDS CHINA AND TRADE

18%

**PUSH FOR CLOSER
RELATIONS
INCLUDING FREE
TRADE**

51%

**BE MORE OPEN TO
MORE TRADE BUT WARY
ABOUT CHINA
GENERALLY**

31%

**AVOID BECOMING
MORE ENTANGLED AND
DEPENDENT ON TRADE
WITH CHINA**



CLIMATE CHANGE

A background image of a crowd of people at a climate protest. In the foreground, a person holds a sign that reads "WE ARE DITCHING SCHOOL BECAUSE YOU ARE DESTROYING OUR FUTURE". To the right, another person holds a sign that says "It's not an ecology issue it's not an economy issue" with a small photo of a person. The image is dark and semi-transparent, with a white vertical bar on the left side.

Most see climate change as a problem that they can and want to do more to help combat.

CLIMATE CHANGE REPRESENTS...

24%

CHALLENGES AND
PROBLEMS FOR MY
BUSINESS

37%

BOTH

15%

NEITHER

24%

OPPORTUNITIES

WHEN IT COMES TO REDUCING EMISSIONS DO
YOU FEEL YOUR BUSINESS HAS MADE....

20%

**SIGNIFICANT
PROGRESS**

51%

**SOME
PROGRESS**

31%

**NO REAL
PROGRESS**

OVER NEXT FEW YEARS WILL YOU BE LOOKING TO
REDUCE EMISSIONS IN YOUR BUSINESS?

19%

SIGNIFICANTLY

49%

SOMEWHAT

32%

NOT REALLY

THINGS GOVERNMENT COULD DO TO HELP COMBAT CLIMATE CHANGE

INCENTIVES TO SWITCH TO CLEANER ENERGY

73%

22%

5%

SUBSIDIES FOR RETROFITS

66%

27%

7%

E-VEHICLE INFRASTRUCTURE

65%

27%




8%

INCENTIVES TO USE E-VEHICLES

63%

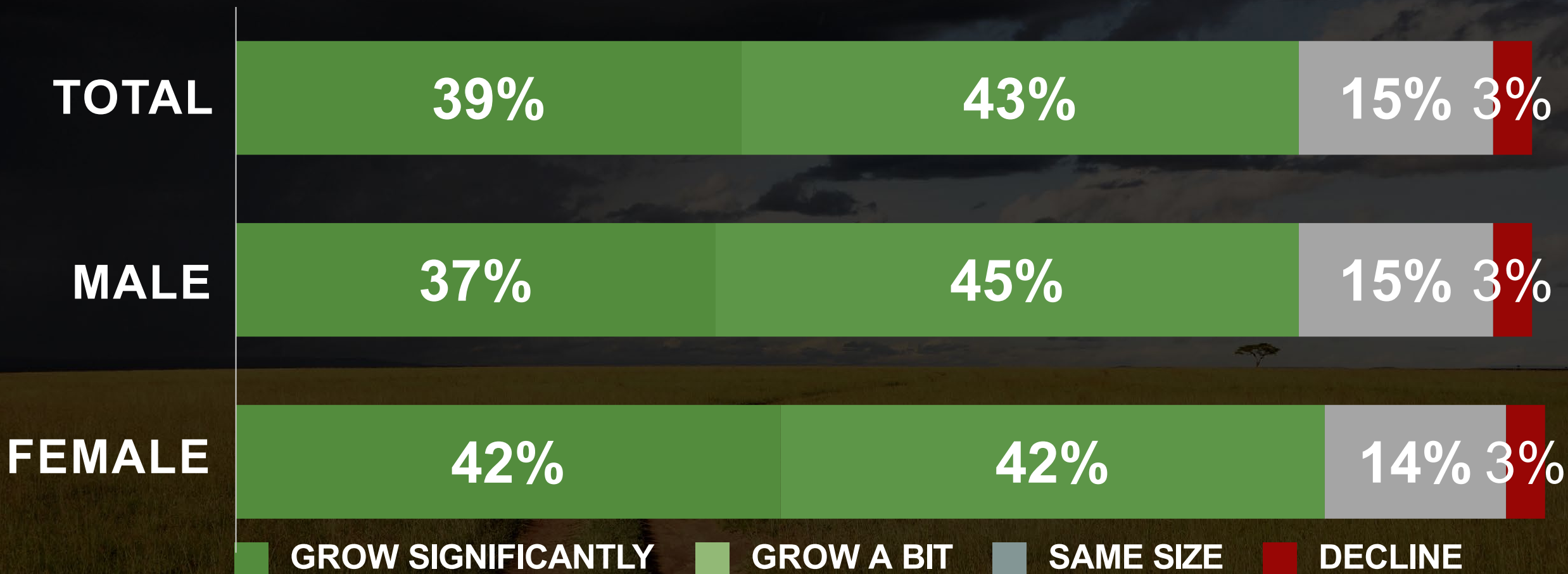
11%

26%

 SUPPORT  CAN ACCEPT  OPPOSE

FEMALE ENTREPRENEURS

GROWTH GOALS FOR NEXT 5 YEARS



WHEN YOU GROW YOUR BUSINESS, WILL YOU SELL...

TOTAL	26%	34%	73%
MALE	22%	34%	77%
FEMALE	31%	34%	70%
	INTERNATIONALLY	NATIONALLY	LOCALLY

VALUES INTEGRATED INTO BUSINESS

TOTAL	59%	63%	55%	80%
MALE	48%	62%	54%	77%
FEMALE	69%	63%	55%	83%
	SOCIAL IMPACT	SUSTAINABILITY	LIVING WAGE	FLEXIBILITY

What values do you integrate into your business?