

# Edmonton Chamber of Commerce

## Business Community Survey

Field dates: September 11 to October 2, 2020

*Prepared by:*

**Trend  Research**

in partnership with Janet Brown Opinion Research

# Table of Contents

Methodology.....	3
Impact of COVID-19 on Revenues .....	4
Impact of COVID-19 on Employees .....	5
Federal Government COVID-19 Relief Programs.....	6
Preparedness of Second Wave of COVID-19 .....	7
Economic Outlook .....	8
Government Management of COVID-19 .....	9
Alberta Government Report Card .....	10
Alberta Government Fiscal Priorities .....	11
Getting Alberta Economy Back on Track .....	12

# Methodology

The Business Community Survey was commissioned by the Edmonton Chamber of Commerce. It is based on a random sample of 250 businesses in the Edmonton Metro Region. Surveys were conducted by Trend Research using a hybrid methodology whereby businesses were contacted at random by telephone and given the option of answering the survey over the telephone or online.

## Survey Design

- This survey is designed to assess:
  - The impact of COVID-19 on revenues,
  - The impact of COVID-19 on staffing (including lay-offs, hours, and compensation),
  - Utilization of federal COVID-19 relief programs and confidence in ability to operate after programs have ended,
  - Preparedness for a second wave of COVID-19,
  - The current state of the economy and Alberta's economic prospects,
  - Government handling of COVID-19,
  - Ways to address the provincial deficit and to get Alberta's economy back on track.
- The survey also examined awareness of Edmonton Chamber of Commerce services and advocacy.

## Interviews

- A sample of 250 businesses in Edmonton were contacted at random by telephone and invited to participate.
- Potential respondents were given the opportunity to respond immediately, or ...
  - Receive a callback at a more convenient time, or
  - Receive a link to the survey so they could complete it online.
- The margin of error for a sample of 250 is plus or 6.1 per cent, 19 times in 20.
- The survey was conducted between September 11 and October 2, 2020.

Throughout the report, arrows (↑↓) indicate statistically significant difference. Numbers may not add to 100 due to rounding.

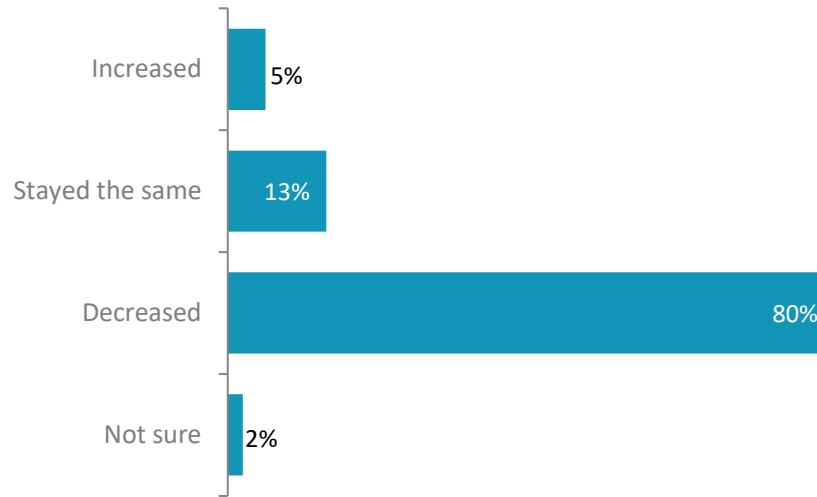
# Impact of COVID-19 on Revenues

Eight in ten businesses (80%) in Edmonton have seen their revenues decrease since the start of the COVID-19 pandemic in mid-March. Another 13 per cent report their revenues have stayed the same and only five per cent have seen their revenues increase. Two per cent are not sure.

Among those businesses that have experienced a decrease in revenue, their revenues have dropped 43.3 per cent, on average.

Among those few businesses that have seen an increase in revenue, their revenues have increased 12.8 per cent, on average.

Revenues since the start of pandemic have ...



If increased ...		If decreased ...	
	Average Increase		Average Increase
(n=12)	+12.8%	(n=202)	-43.3%

Since the start of the COVID-19 pandemic in mid-March, have your company's overall revenues increased, decreased, or stayed the same?  
 IF INCREASED ... By approximately what percentage have your company's revenues increased?  
 IF DECREASED ... By approximately what percentage have your company's revenues decreased?



# Impact of COVID-19 on Employees

As a result of the COVID-19 pandemic, 46 per cent of businesses have had to permanently lay off staff and 45 per cent have had to temporarily lay off staff. Another 25 per cent say it is likely their business will lay off employees in the next six months.

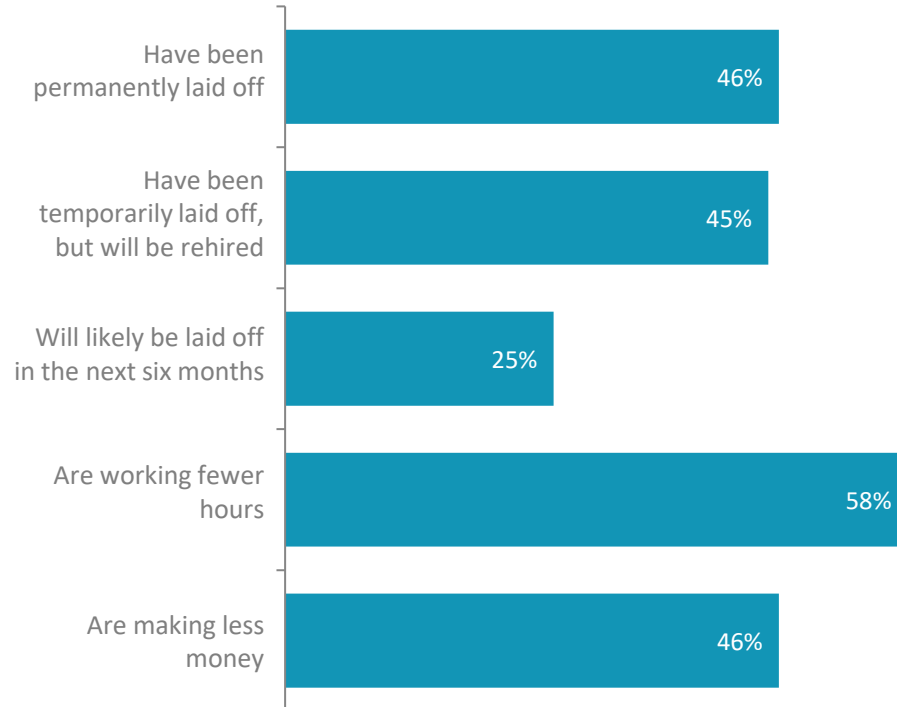
Almost six in ten (58%) indicate some of their employees are working fewer hours and just under half (46%) indicate that some of their employees are making less money.

Looking specifically at the 80 per cent of businesses that have seen a decrease in revenue as a result of COVID-19:

- 53 per cent have made permanent lay offs,
- 50 per cent have made temporary lay offs,
- 29 per cent will likely make lay offs in the next six months,
- 67 per cent have employees who are working fewer hours, and
- 52 per cent have employees who are making less money.

While some businesses struggling as a result of COVID-19 have had to take steps which may have negatively impacted their employees, many are doing what they can to avoid lay-offs and pay cuts.

Some employees...



Please (tell me / indicate) if each of the following statements do or do not apply to your business as a result of the COVID-19 pandemic.



# Federal Government COVID-19 Relief Programs

Just over six in ten businesses (62%) have participated in the Canada Emergency Wage Subsidy (CEWS) program, and another 48 per cent have taken advantage of the Canada Emergency Business Account (CEBA). Only 14 per cent have benefited from the Canada Emergency Commercial Rent Assistance (CECRA) program and eight per cent from the Business Credit Availability Program (BCAP).

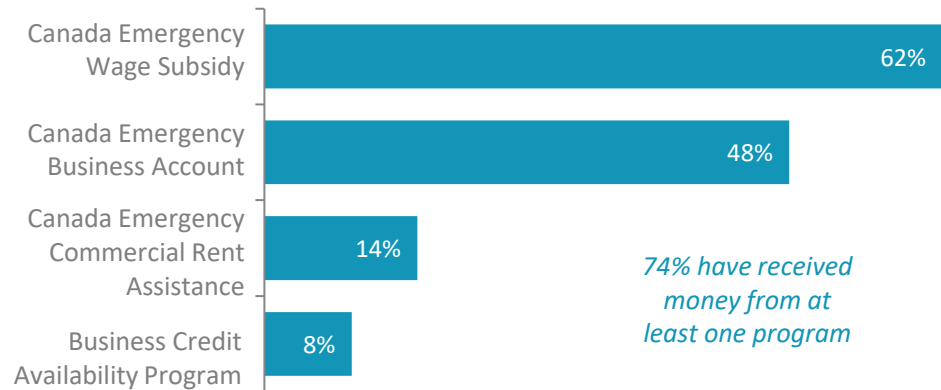
In total, 74 per cent of businesses have accessed at least one of these programs.

Among those receiving some federal relief, almost three in four are either very (30%) or somewhat (44%) confident their business can continue to operate when these programs end. However, one-quarter are either not very (19%) or not at all confident (5%).

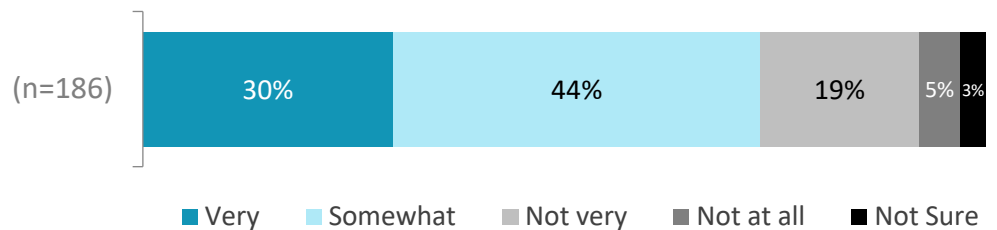
Looking specifically at businesses that have seen a drop in revenue as a result of COVID-19, 77 per cent have received some sort of support from the federal government, including:

- 67 per cent receiving CEWS,
- 49 per cent accessing CEBA,
- 16 per cent using CECRA, and
- 9 per cent using BCAP.

Have received money from ...



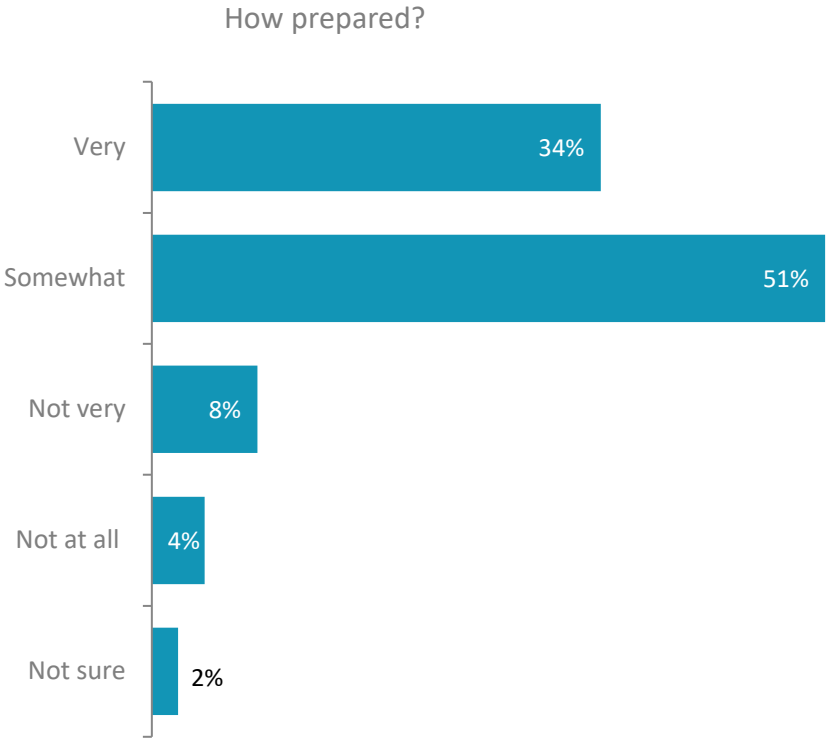
If received money, confidence in continued operation when programs end.



Has your company received money from the following federal government COVID-19 relief programs?  
 If YES... How confident are you that your company will have enough revenue to continue to operate once the federal government COVID-19 relief programs for businesses have ended?

# Preparedness of Second Wave of COVID-19

If there is a second wave of COVID-19 that requires Alberta to go back to the level of restrictions on schools and businesses that were in place in April, most businesses (85%) feel very (34%) or somewhat (51%) prepared for another lockdown. Another 12 per cent are not very (8%) or not at all (4%) prepared, and two per cent are unsure.



If there is a second wave of COVID-19, and the restrictions on schools and businesses that were in place in April are reinstated, how well prepared is your company for this second wave?

# Economic Outlook

Just over half of businesses (51%) believe the Alberta economy is getting worse. Another 31% think it's neither improving or getting worse. Only 15 per cent think it's improving, and two percent aren't sure.

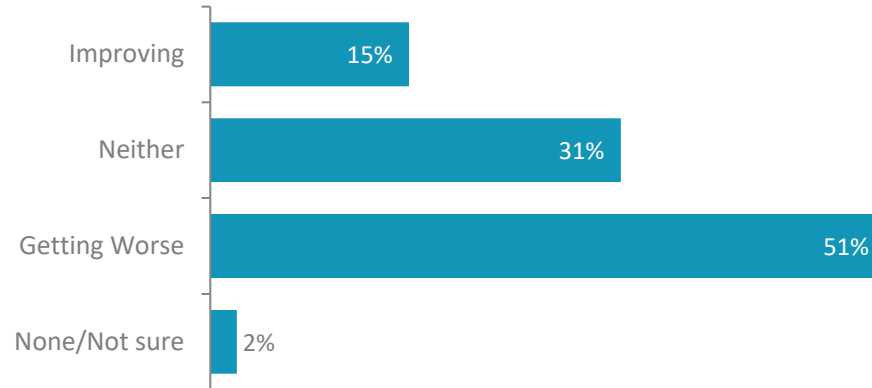
Those that are particularly likely to believe the economy is getting worse include:

- Those that are not very or not at all prepared for a second wave of COVID-19 (74%), and
- Those that are pessimistic about Alberta's economy prospects in three years time (71%).

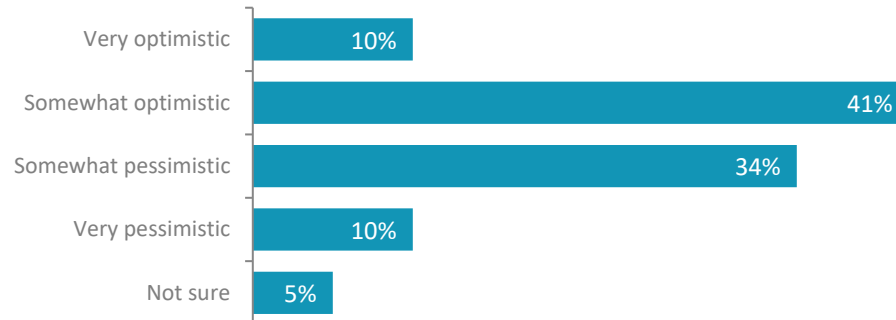
Approximately one half of businesses (51%) feel somewhat (41%) or very (10%) optimistic about Alberta's economic prospects in three years time. Another 44 per cent feel somewhat (34%) or very (10%) pessimistic, and five per cent are not sure.

Those that believe the economy are improving (76%) are the most likely to feel optimistic about the future.

State of Alberta Economy



Optimism, Looking Ahead Three Years



Which of the following statements best describes your feelings about the current state of the Alberta economy?

Looking three years into the future, would you say you are very optimistic, somewhat optimistic, somewhat pessimistic, or very pessimistic about Alberta's economic prospects?





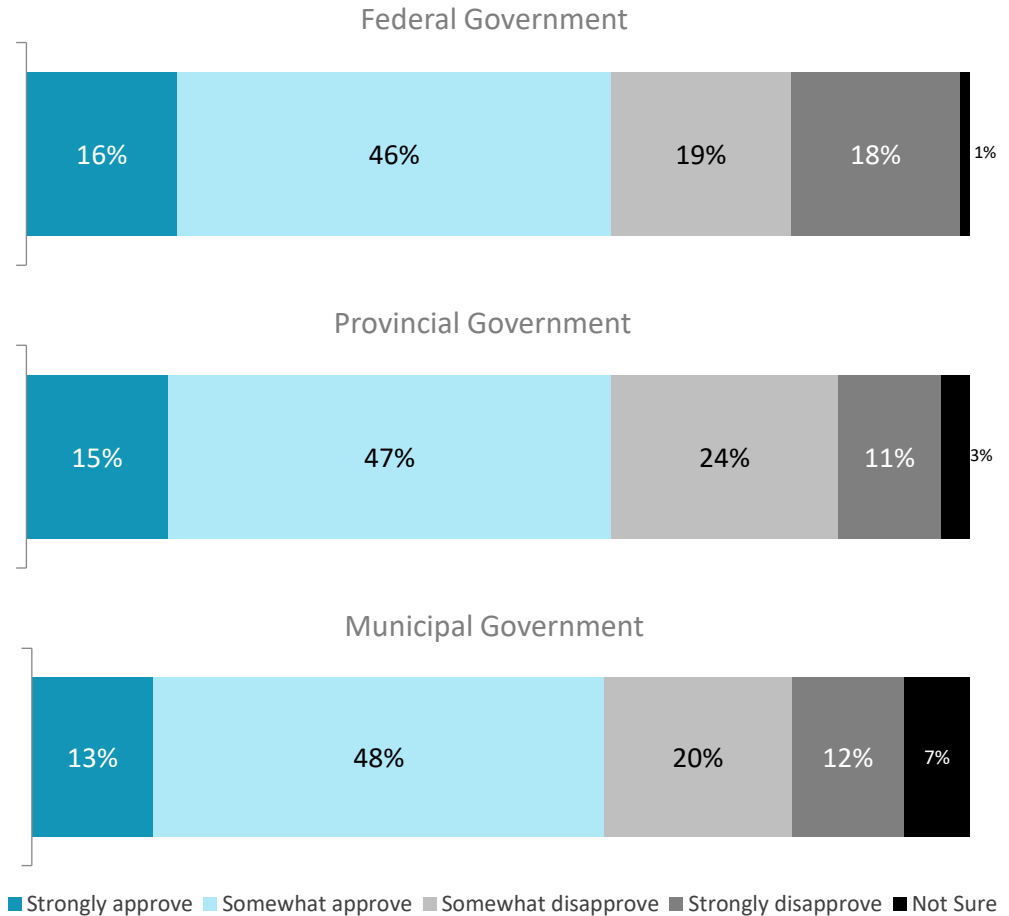
# Government Management of COVID-19

Businesses give all levels of government positive marks for the way they have handled the COVID-19 pandemic.

Six in ten (62%) approve of the way the federal government has handled the pandemic. This level of approval is quite remarkable given that the governing Liberal Party received only 21 per cent of the popular vote in Edmonton in the October 2019 federal election.

Approximately six in ten (62%) approve of the way the provincial government has handled the pandemic. A similar proportion (61%) approve of the way their municipal government has handled the pandemic.

Those businesses that believe the economy is improving and are optimistic about Alberta's economic prospects in three years time are more likely to approve of the performance all three levels of government.



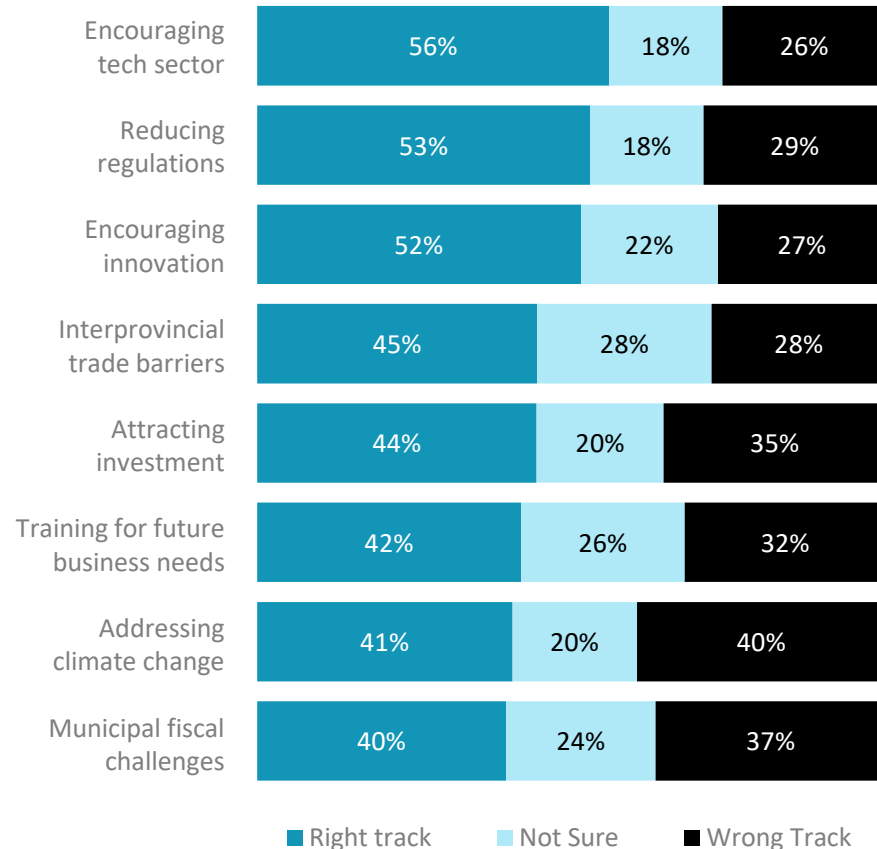
Do you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of how each of the following have managed the COVID-19 pandemic?



# Alberta Government Report Card

Looking specifically at the provincial government and its efforts to support business, just over half of businesses believe government is on the right track when it comes to encouraging growth in Alberta’s technology sector (56%), reducing regulations that pose challenges to business (53%), and creating an environment that will allow Alberta businesses to be more innovative (52%).

Fewer than half believe the province is on the right track with it comes to working with other provinces to dismantle interprovincial trade barriers (45%), attracting investment to the province (44%), ensuring Albertans have access to the training they need to meet the future needs of business (42%), addressing climate change (41%), and working with municipalities to address their financial challenges (40%).



Thinking specifically of the provincial government, would you say they are on the right track or the wrong track in the following areas?

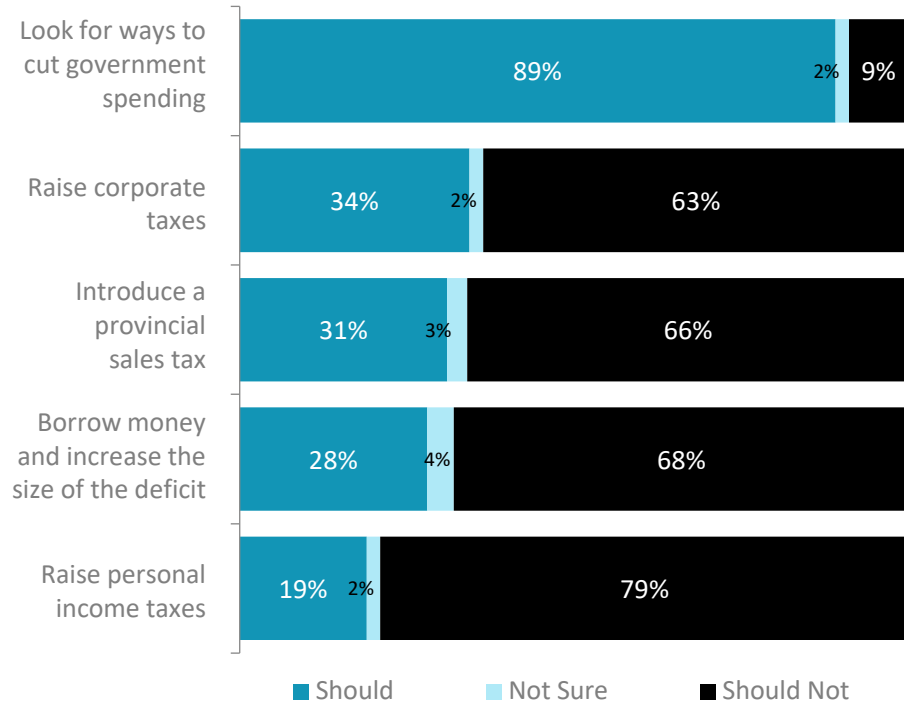


# Alberta Government Fiscal Priorities

When asked how they would like to see the provincial government manage its expected deficit of \$24.2 billion, a large majority of businesses (89%) would like government to look for ways to cut spending.

One in three (34%) agree with raising corporate taxes. Approximately three in then agree with introducing a provincial sales tax (31%), or borrowing money and increasing the size of the deficit (28%).

Only one in five (19%) support the idea of raising personal income taxes.



In the Government of Alberta’s most recent fiscal update, they announced that this year’s deficit is expected to be \$24.2 billion as a result of increase government spending and decreased government revenues caused by the COVID-19 pandemic. Given these events, do you think the Alberta Government should or should not do the following?



# Getting Alberta Economy Back on Track

At the conclusion of the survey, participants were asked, on an open-ended basis, what they think are the most important things Alberta can do to get its economy back on track.

The most common answers given relate to the need for diversification and innovation (21%), the need for pipelines and support for the oil and gas industry (18%), and the need to control government spending (18%),

Just under one in ten also mention supporting local business (8%).

	Edmonton
Diversification / innovation	21%
Pipelines / oil and gas industry	18%
Control government spending	18%
Support local business	8%
Ensure compliance with health guidelines	3%
No cuts to health and education	2%
Other	13%
Don't know / not sure	30%

What do you think are the most important things Alberta can do to get its economy back on track?

