



Sizzle or substance: The Role of Small Business in Diversifying the Economy

*Richard Truscott
Director of Provincial Affairs, Alberta
June 12 2014*

No respect!



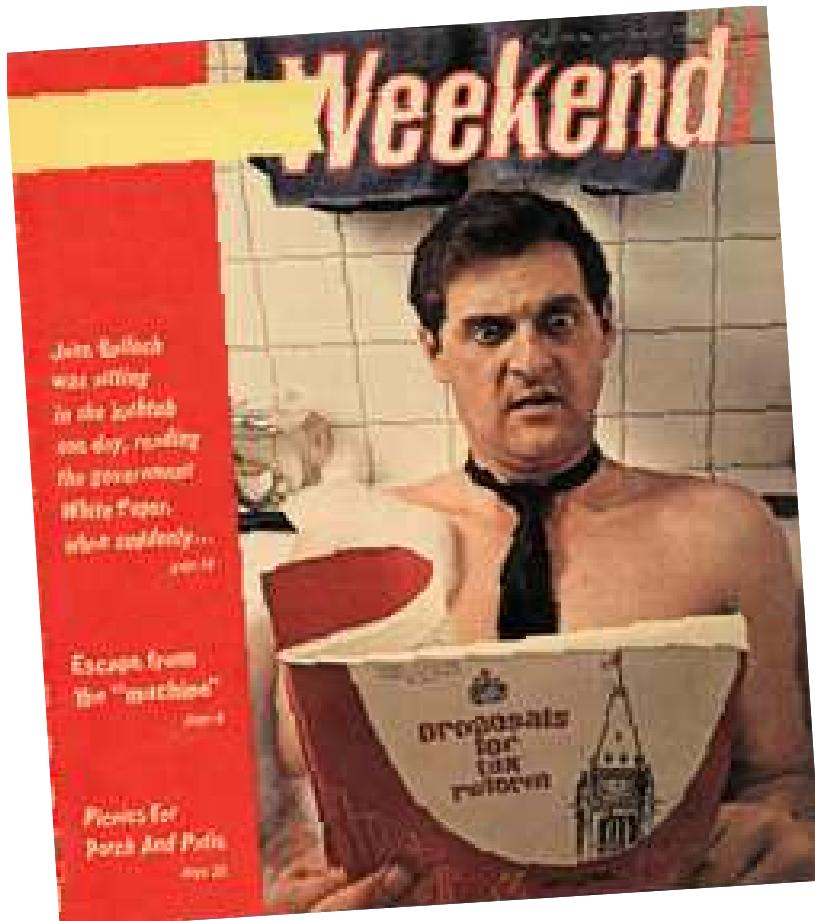
About CFIB:

- ▶ Non-partisan, not-for-profit political advocacy organization
- ▶ Founded in 1971
- ▶ 109,000 independently owned and operated business members across Canada, including 10,000 in Alberta and 300 in Grande Prairie
- ▶ Every sector of the economy, every region of the country
- ▶ Lobby federal, provincial, and municipal governments

What makes CFIB unique?

- ▶ Meet with thousands of small business owners in-person each week
- ▶ Research-based organization, dozens of member surveys each year
- ▶ 1 member = 1 vote
- ▶ Don't take a position on a major new policy unless we first consult our members
- ▶ In addition to lobbying work, we provide business counselling services, and access to member-only “privilege programs”

CFIB is born



www.cfib.ca

- ▶ Founder John Bulloch
- ▶ John's "bathtub moment" in 1969
- ▶ Feds proposed to tax small biz at 50% ! (effective rate for big corporations was 25%)
- ▶ 1971 CFIB formed
- ▶ 40th anniversary in 2011
- ▶ Also official "Year of the Entrepreneur"

*Powered by Entrepreneurs*TM

Our history

- ▶ Fighting big government, big business, big unions
- ▶ Labour legislation, strikes – 1960s, 1970s
- ▶ High taxes – always
- ▶ Workers compensation systems – over time
- ▶ Fought bank mergers – 1998
- ▶ Credit/debit “Code of Conduct” – 2010
- ▶ Payroll taxes (CPP, EI) – now and for many years!
- ▶ **And many more in between!!!**

Small biz is backbone of economy

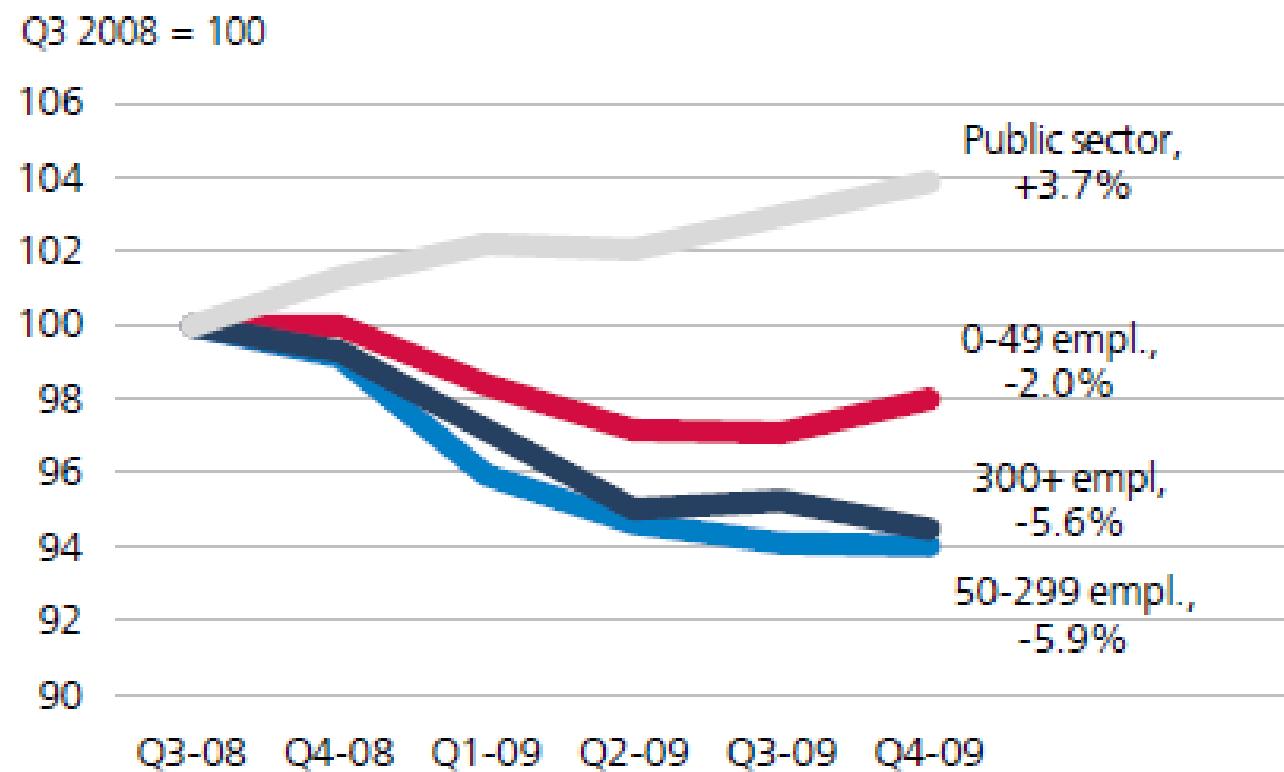
- ▶ More than 98% of all businesses are small or medium-sized enterprises (SMEs)
- ▶ SMEs employ more than 60% of all Canadians and produce almost half of Canada's economic output (GDP)

Heart & soul of our communities

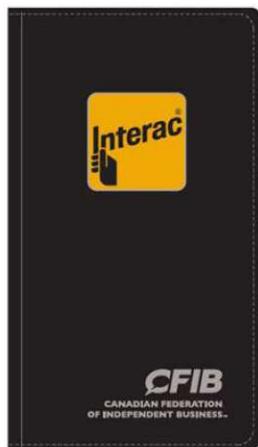


A Peak at the Trough: Canada

Employment through recent recession 2008-2009: public sector vs. private sector by size



CREDIT FREE FRIDAY



www.cfib.ca

SHOP SMALL BIZ

Make a big difference.



Black Friday is a
Small Biz Friday



www.shopsmallbiz.ca



'Tis the Season to
Shop Small Biz



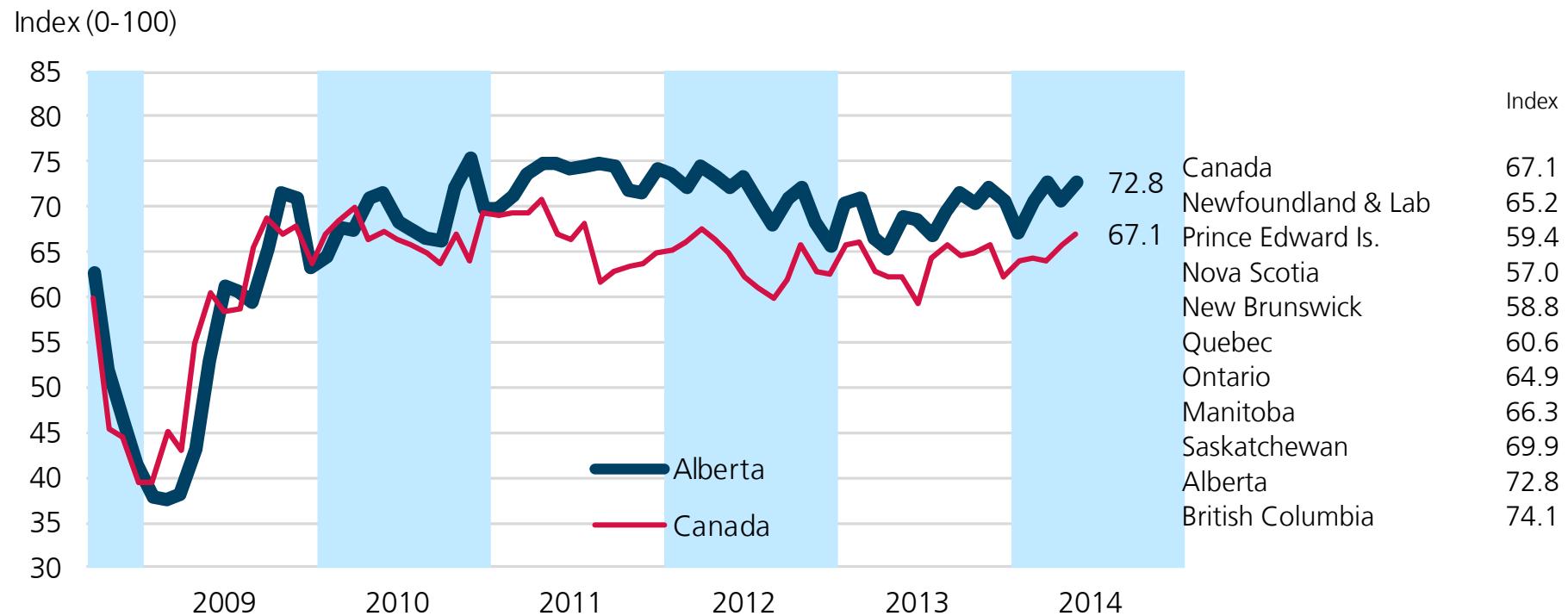
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Small
Business

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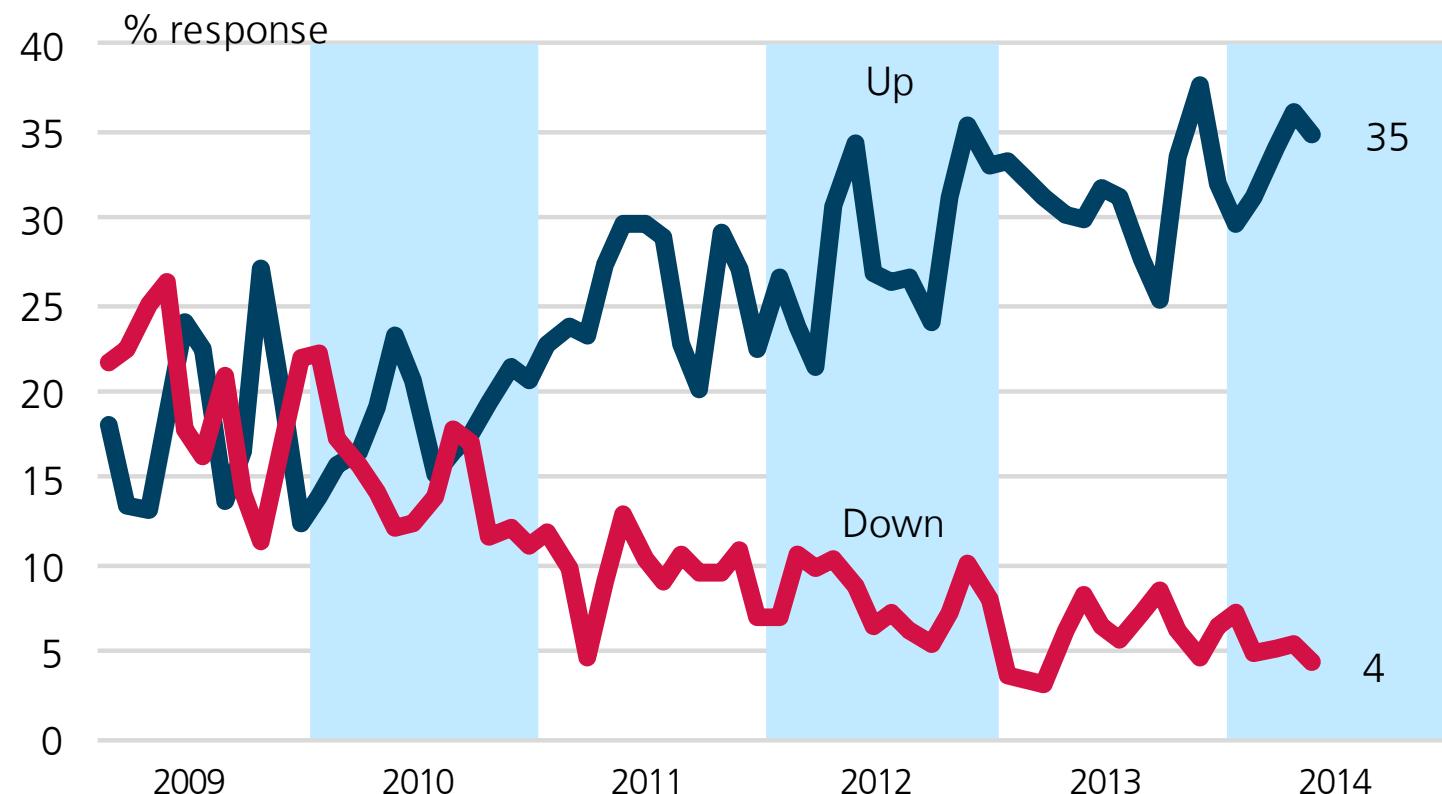
CFIB Business Barometer™

Confidence among AB entrepreneurs still relatively strong



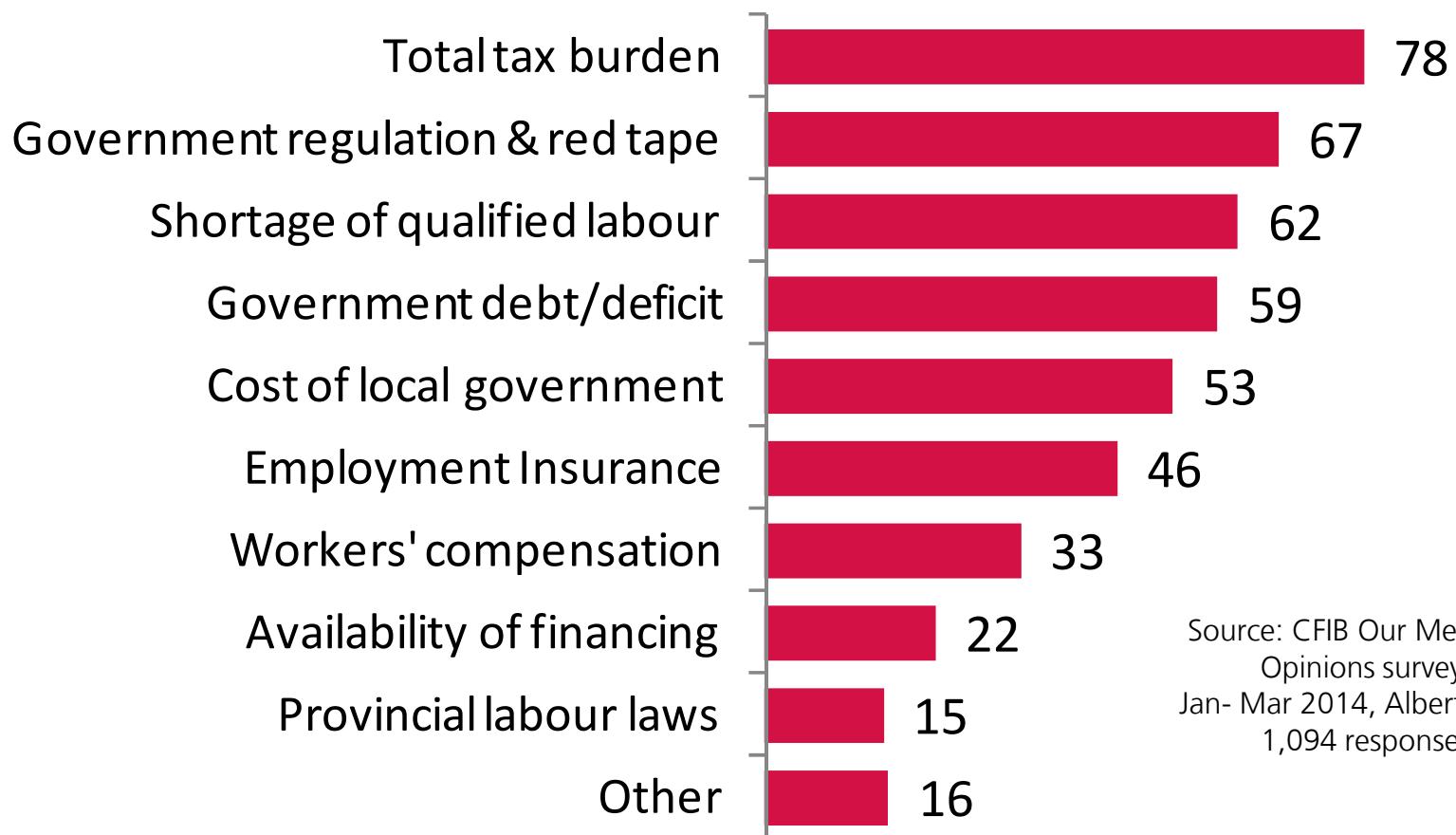
CFIB Business Barometer™

Intention to hire full-time staff within next three months



Small business priorities

“Which of the following issues are the most important to your business”? (select as many as apply)



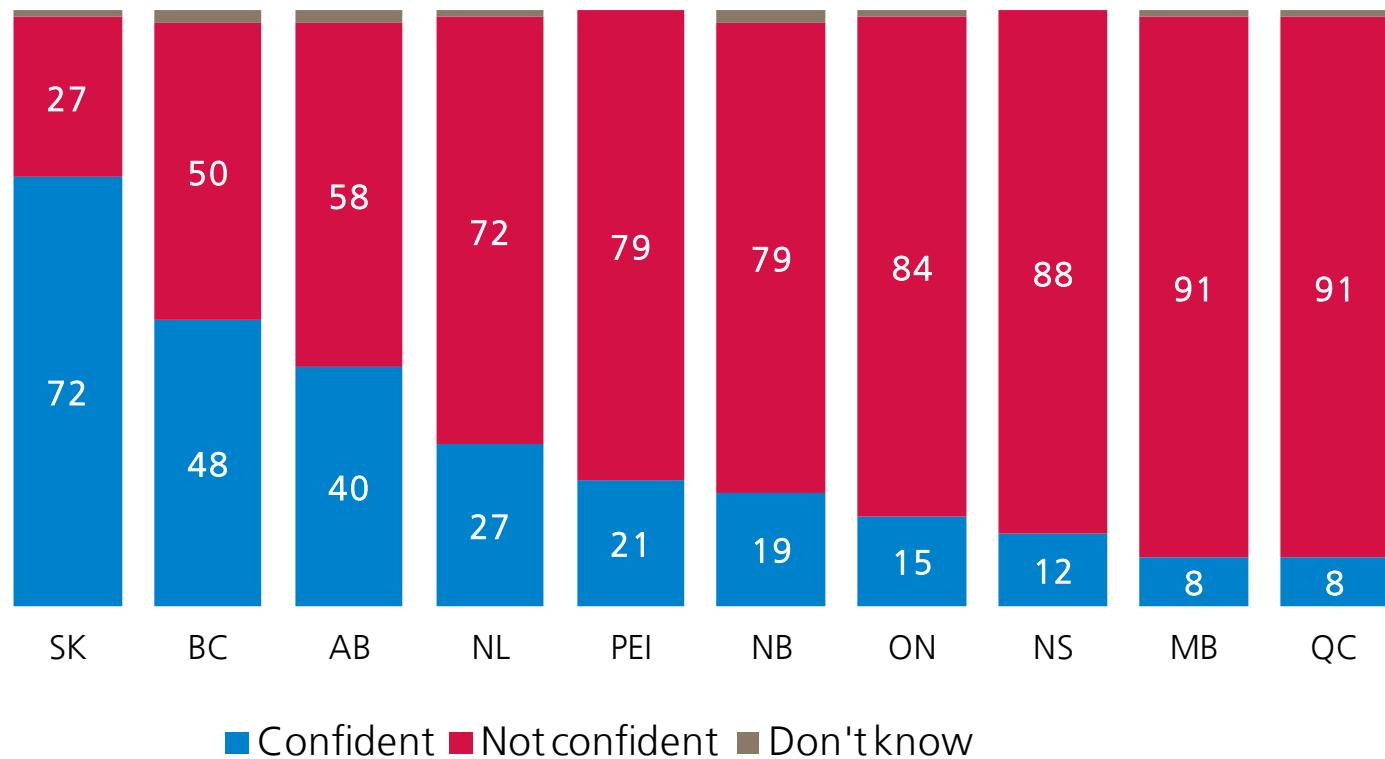
Source: CFIB Our Members' Opinions survey, Jan- Mar 2014, Alberta data, 1,094 responses



Government vision for entrepreneurship

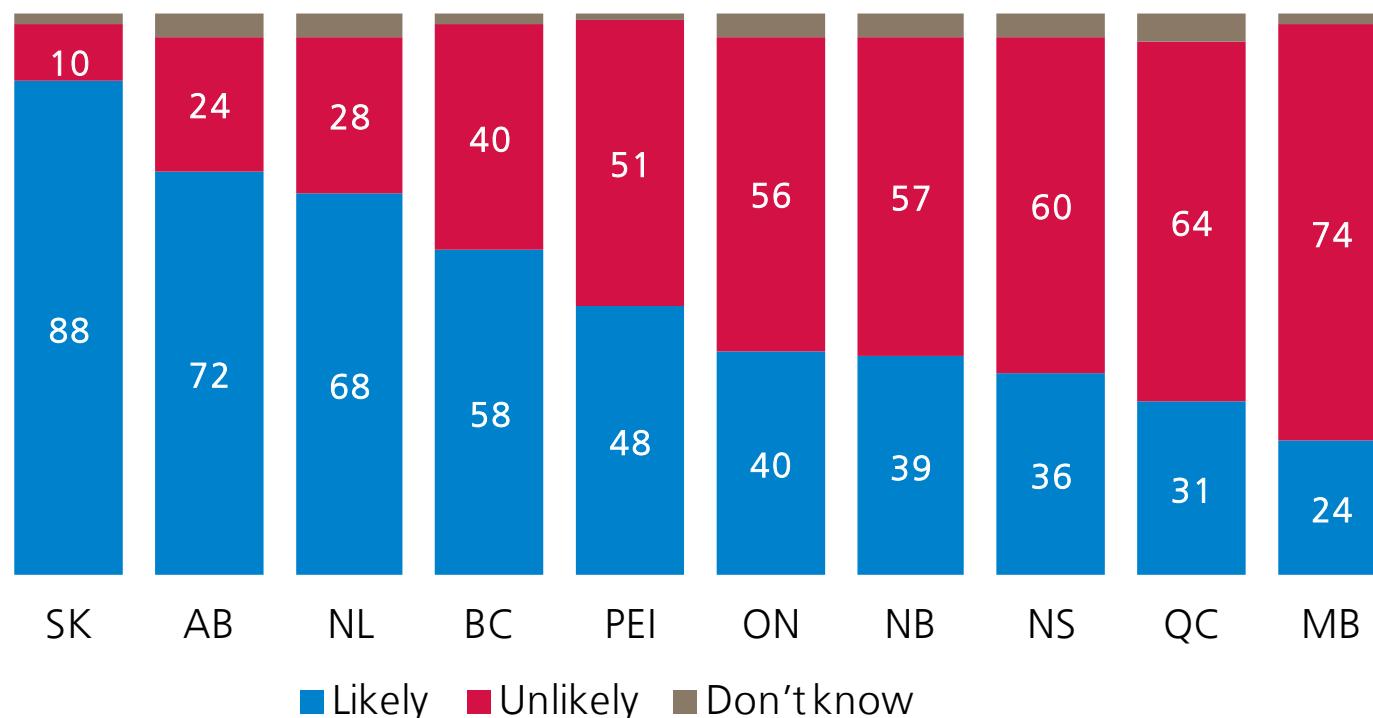
Vision for small entrepreneurship

“How confident are that your provincial government has a vision for small business?”



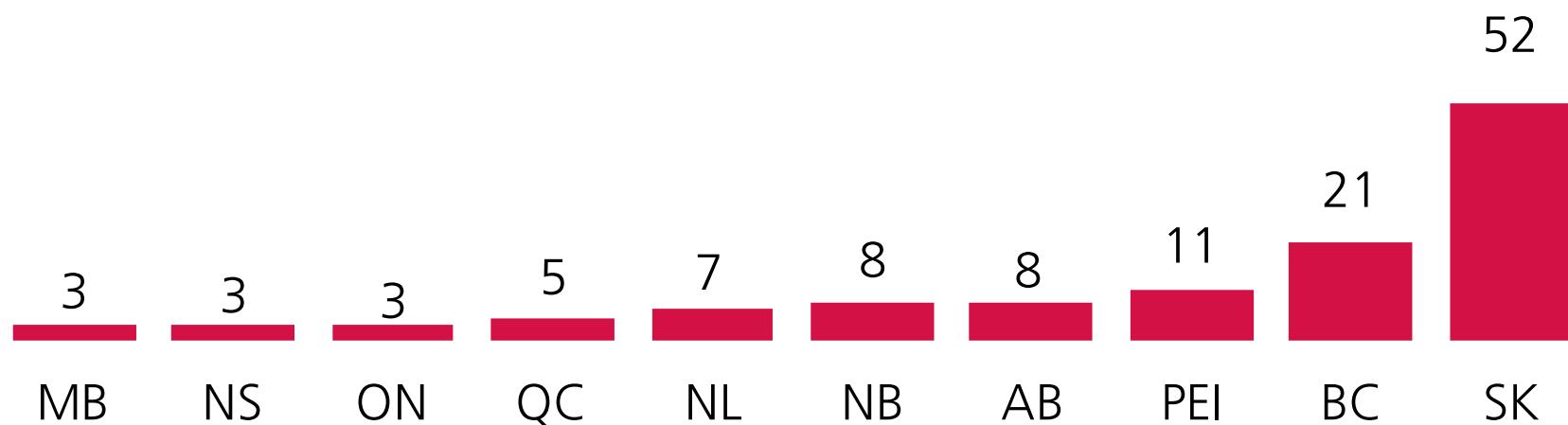
Vision for small entrepreneurship

“How likely would you be to recommend starting a business in your province?”



Vision for small entrepreneurship

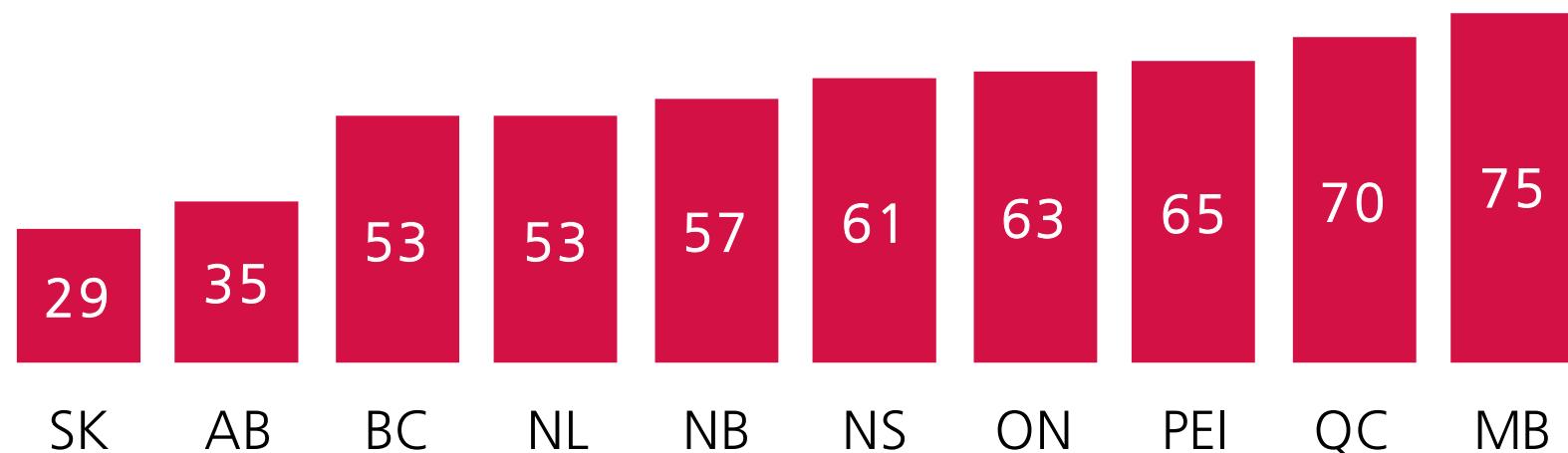
*My premier understands the reality of running a small business
(% agree)*



Source: CFIB report "Wanted Government Vision for Small Business", Feb 2014

Vision for small entrepreneurship

*Provincial taxes discourage me from growing my business
(% agree)*

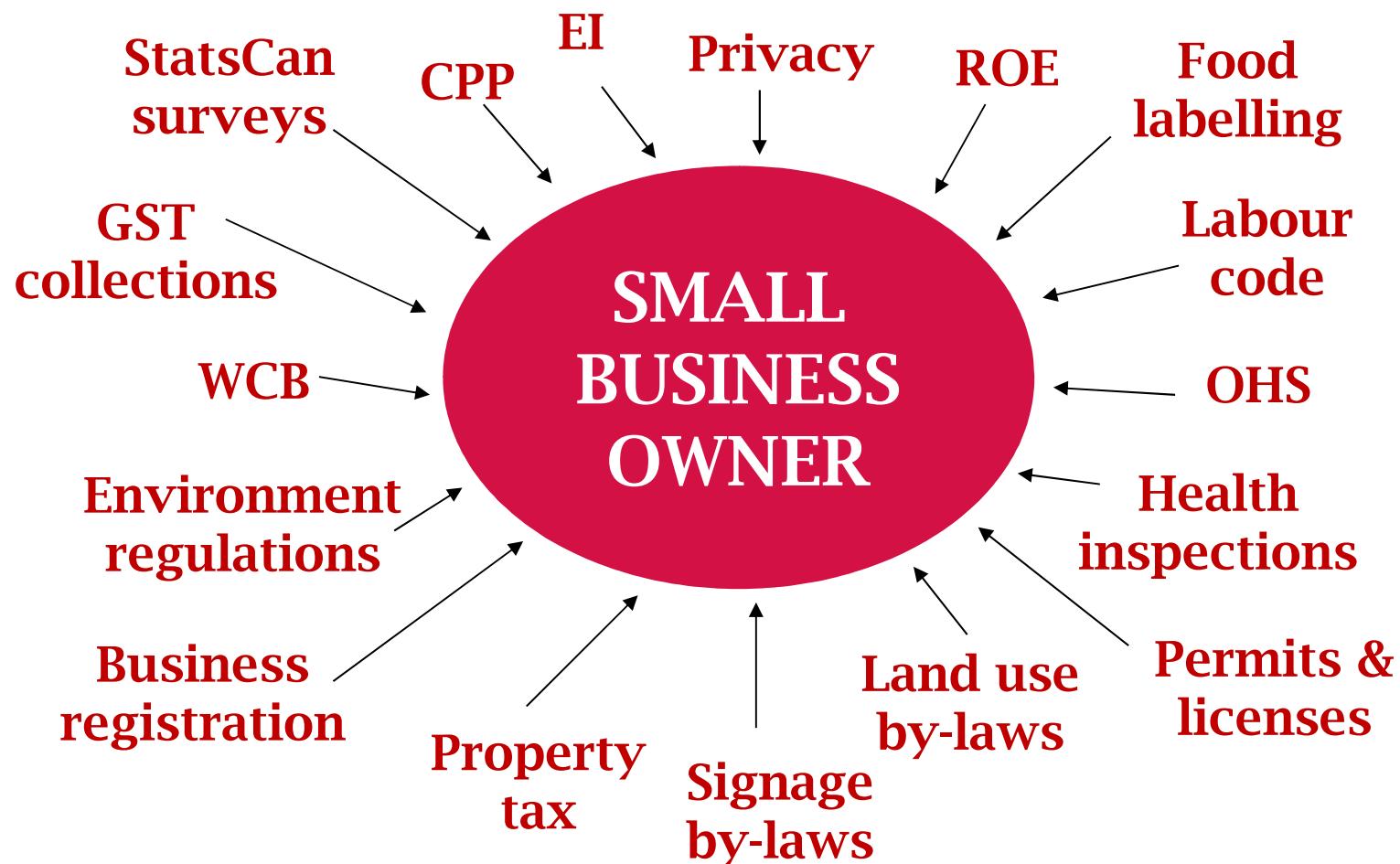


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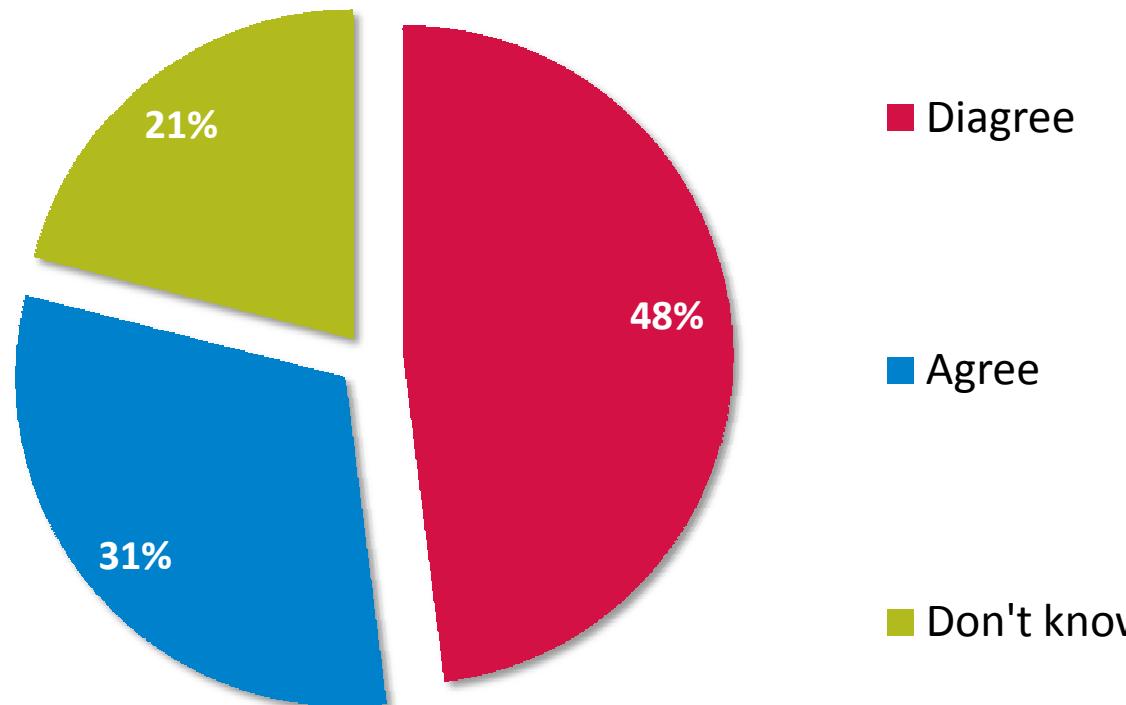
Impediment #1: RED TAPE

“Death by a thousand paper cuts!”



A scary thought for Canada

“Do you agree with the following statement: If I had known the burden of regulation, I may not have gone into business?”



Source: CFIB Red Tape Report,
Jan 2013, 8,562 respondents

Red Tape Awareness Week

- *Red Tape Awareness Week*: to raise public awareness about impact of red tape on small business (Jan 27th – 31st, 2014)
 - *Provincial Report Card*
 - *CRA Report Card*
 - *Golden Scissors Award*
 - *Paperweight Award*
 - *Video Join the red tape revolution*
 - *Online petition*



Impediment #2: LABOUR SHORTAGES

Challenges for small business

“What factors are limiting your ability to increase sales or production?”



“Help Wanted” Report

Private sector job vacancies by province, Q4 2013

	Rate*	Chg**	Number
Canada	2.5%		295,700
Newfoundland & Lab.	2.8%		4,100
Prince Edward Island	1.9%	+0.1	800
Nova Scotia	1.9%		5,300
New Brunswick	2.1%		4,600
Quebec	2.5%		64,500
Ontario	2.1%		94,100
Manitoba	2.7%	+0.1	11,100
Saskatchewan	3.7%	-0.1	12,400
Alberta	3.7%	+0.1	59,000
British Columbia	2.6%	+0.1	39,900

* Vacancies as a percentage of total filled and unfilled jobs

**Change in rate from the revised previous quarter

Strategies to help

- **Better apprenticeship programs** that are cost-effective, easy-to-navigate, flexible, and in touch with current business realities
- **New training tax credits** that recognize investment that employers make in hiring, training, and retraining workers
- **Job training programs** that focus on needs of small employers:
 - *Canada Job Grant program*
 - *provincial employer-sponsored training program*

(More) strategies to help

- **Employment Insurance (EI)** changes so there are no impediments for Canadians who are willing and able to work from finding employment
- Fix the **Temporary Foreign Worker Program**
- **Immigration reforms** to ensure the skills and qualifications of the people coming to Canada, at all skills levels, better match the needs of employers

Questions?



**Building prosperity
for the future**

phone: 1-866-444-9290

web: cfib.ca

email: richard.truscott@cfib.ca

twitter: [@cfibAB](https://twitter.com/cfibAB)