



**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS**

*Powered by Entrepreneurs™*

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

*Richard Truscott*

*Director of Provincial Affairs, Alberta*

*June 12 2014*

# No respect!



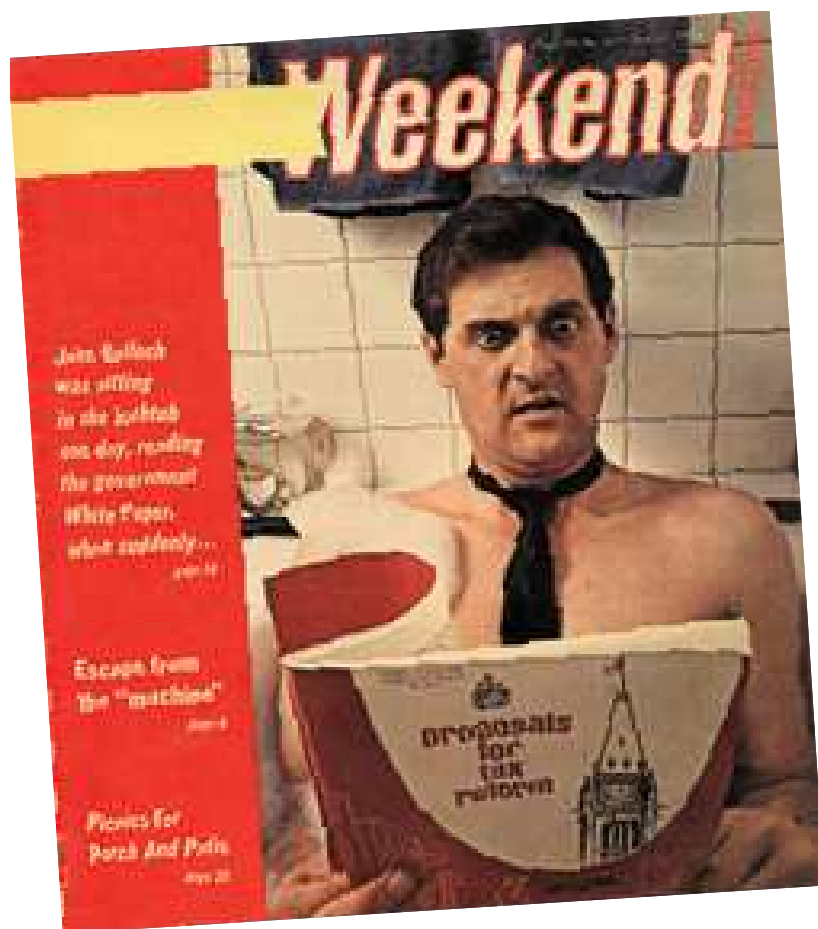
# About CFIB:

- ▶ 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



- ▶ 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
- ▶ 40<sup>th</sup> anniversary in 2011
- ▶ Also official "Year of the Entrepreneur"

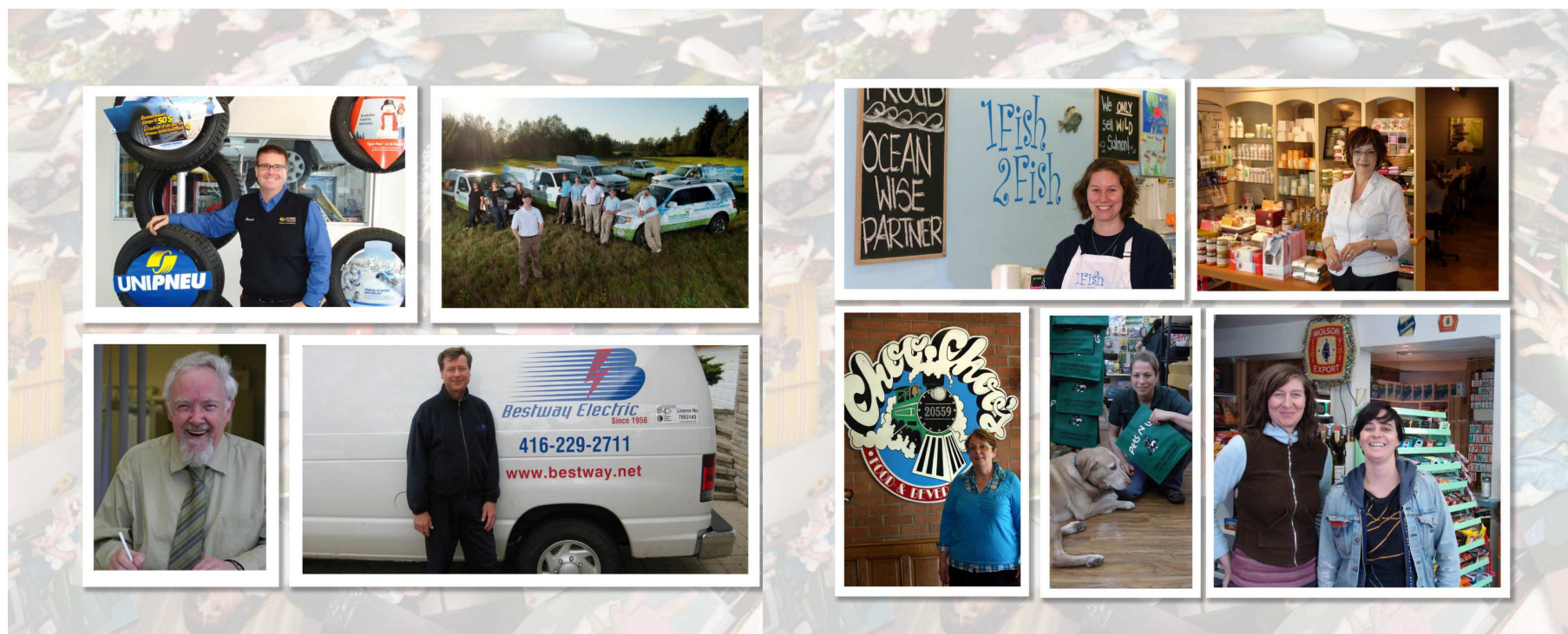
# Our history

- ▶ 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)

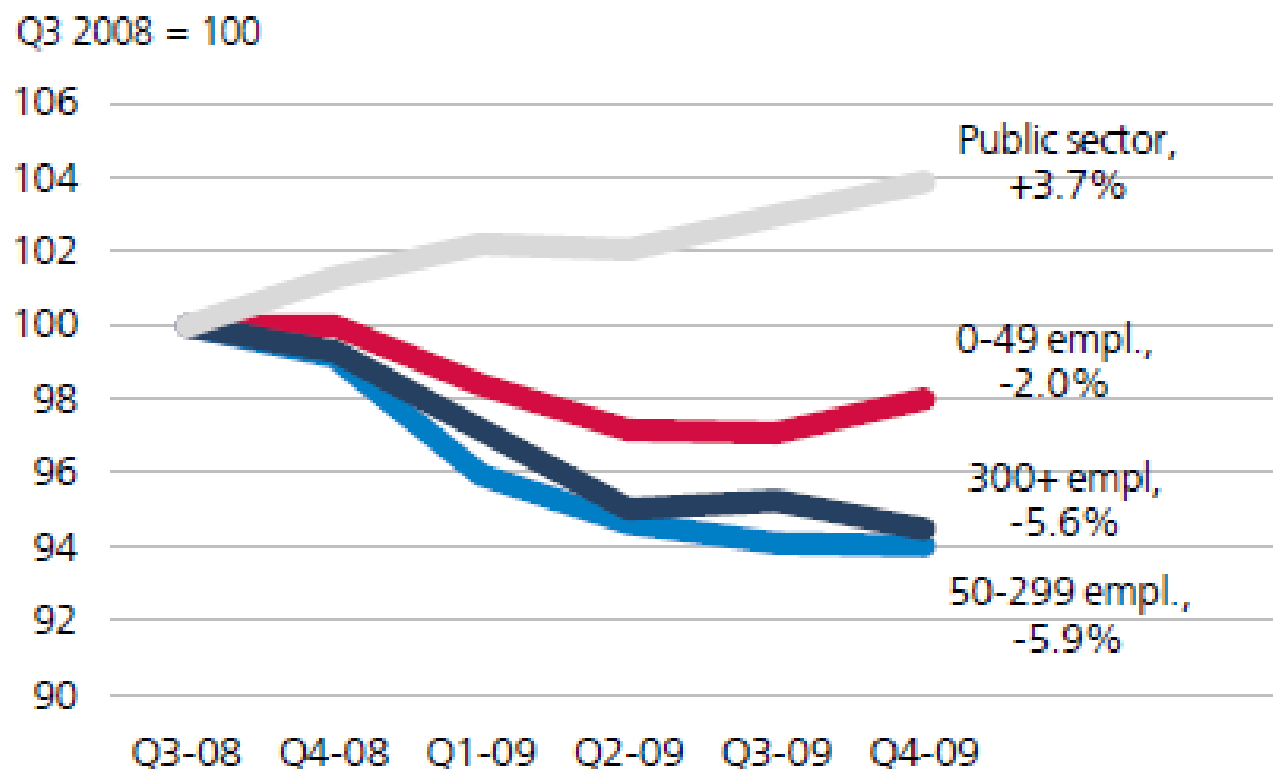
# Heart & soul of our communities





# A Peak at the Trough: Canada

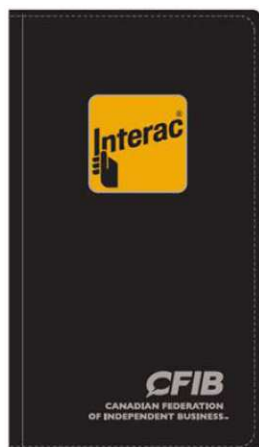
*Employment through recent recession 2008-2009: public sector vs. private sector by size*



**CREDIT  
FREE  
FRIDAY**



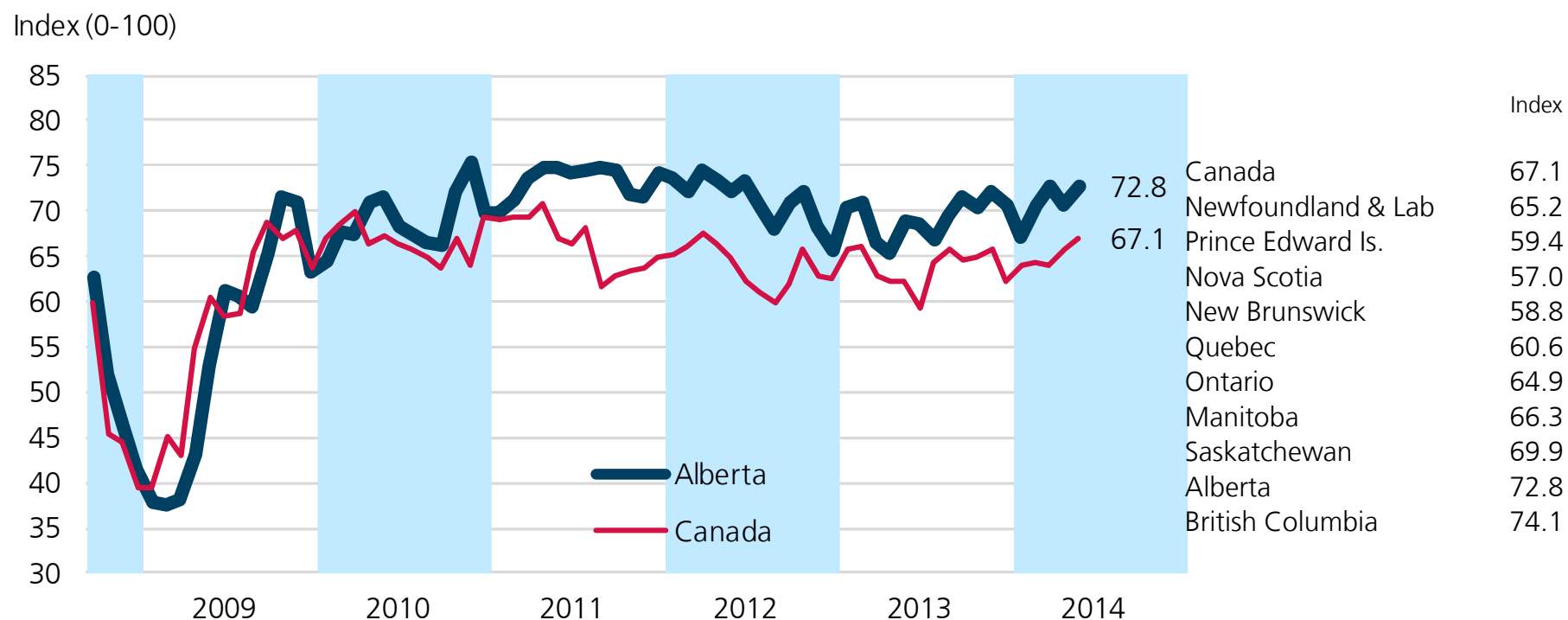
**SHOP SMALL BIZ**  
*Make a big difference.*



I ♥  
Canadian  
Small  
Business

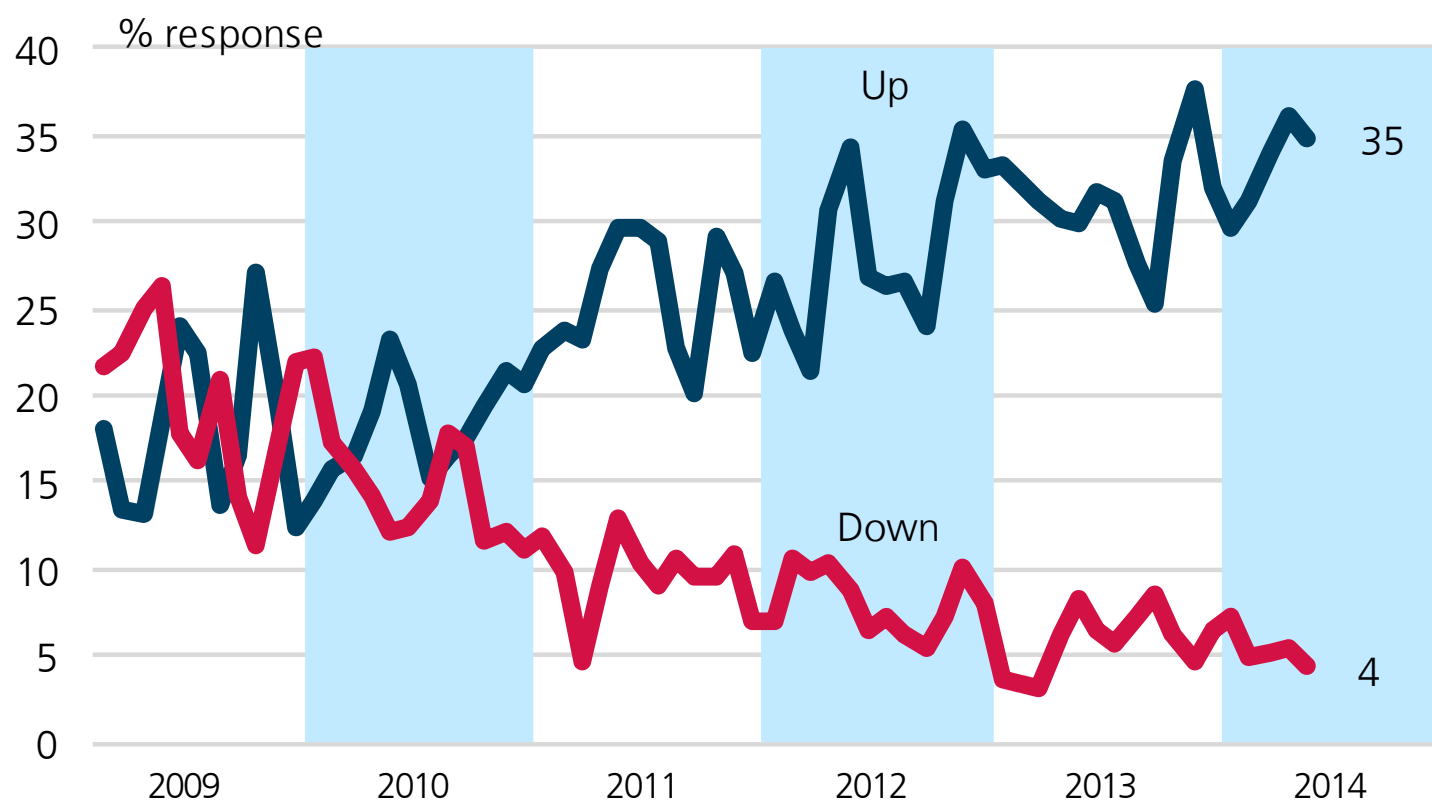
# CFIB Business Barometer™

*Confidence among AB entrepreneurs still relatively strong*



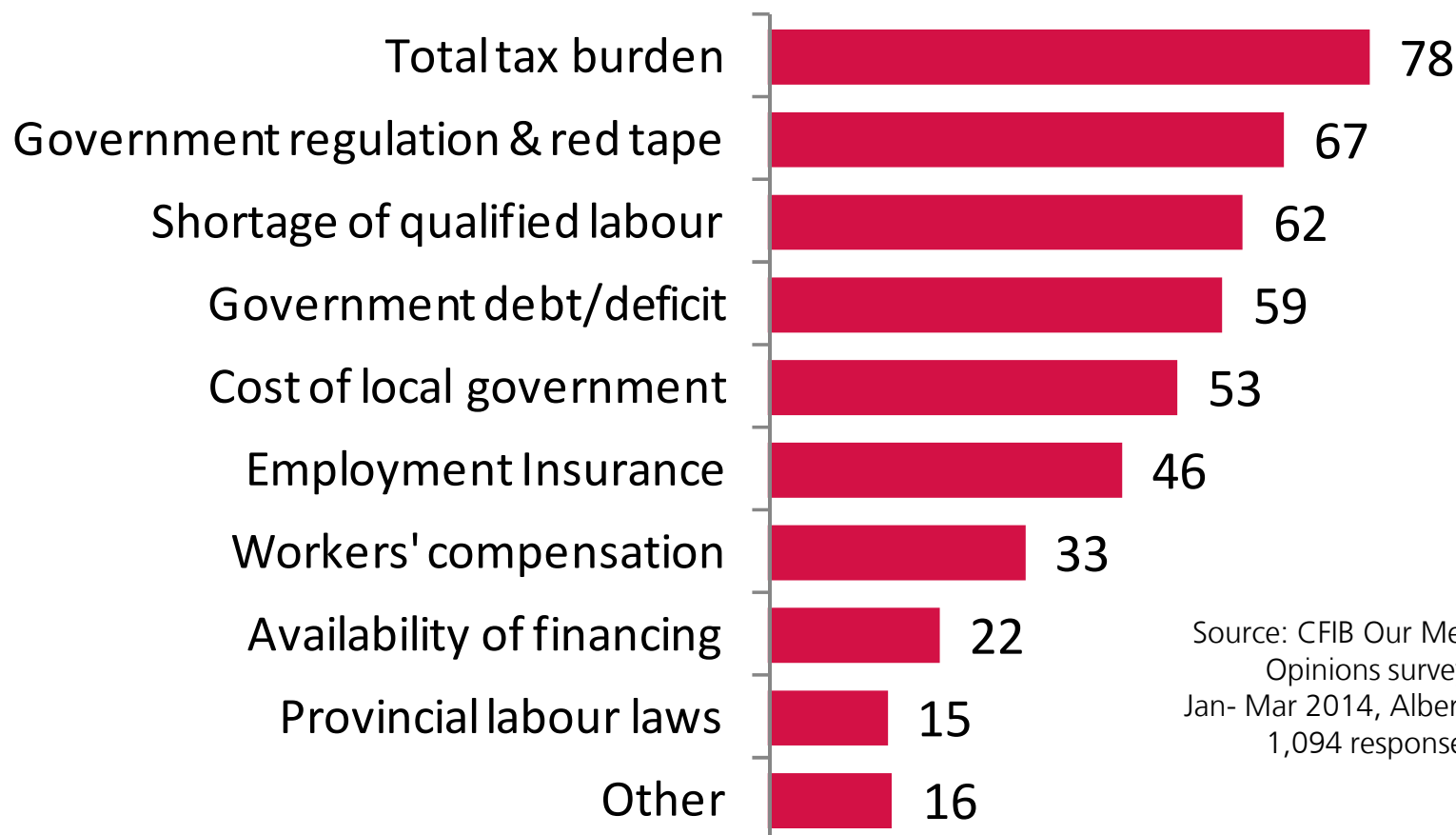
# CFIB Business Barometer™

*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)*

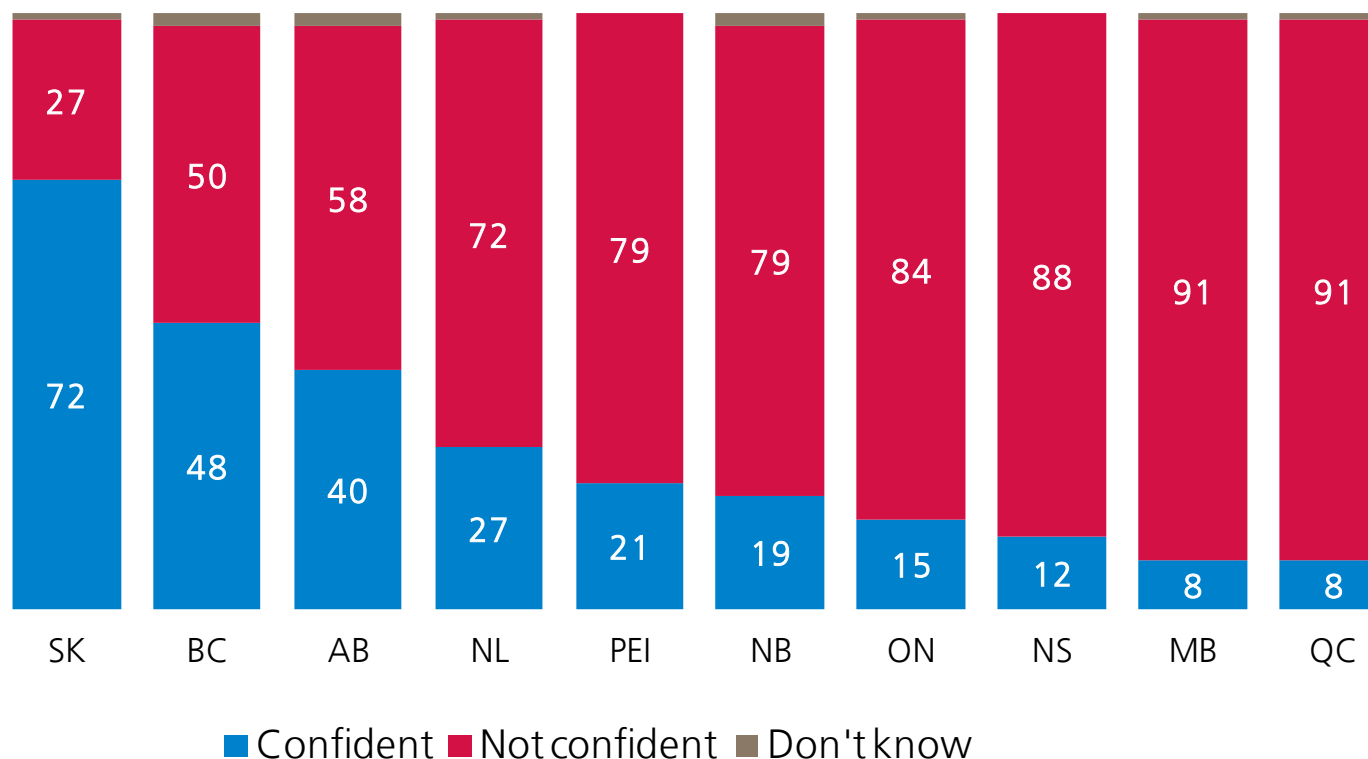


Source: CFIB Our Members' Opinions survey, Jan- Mar 2014, Alberta data, 1,094 responses

# Government vision for entrepreneurship

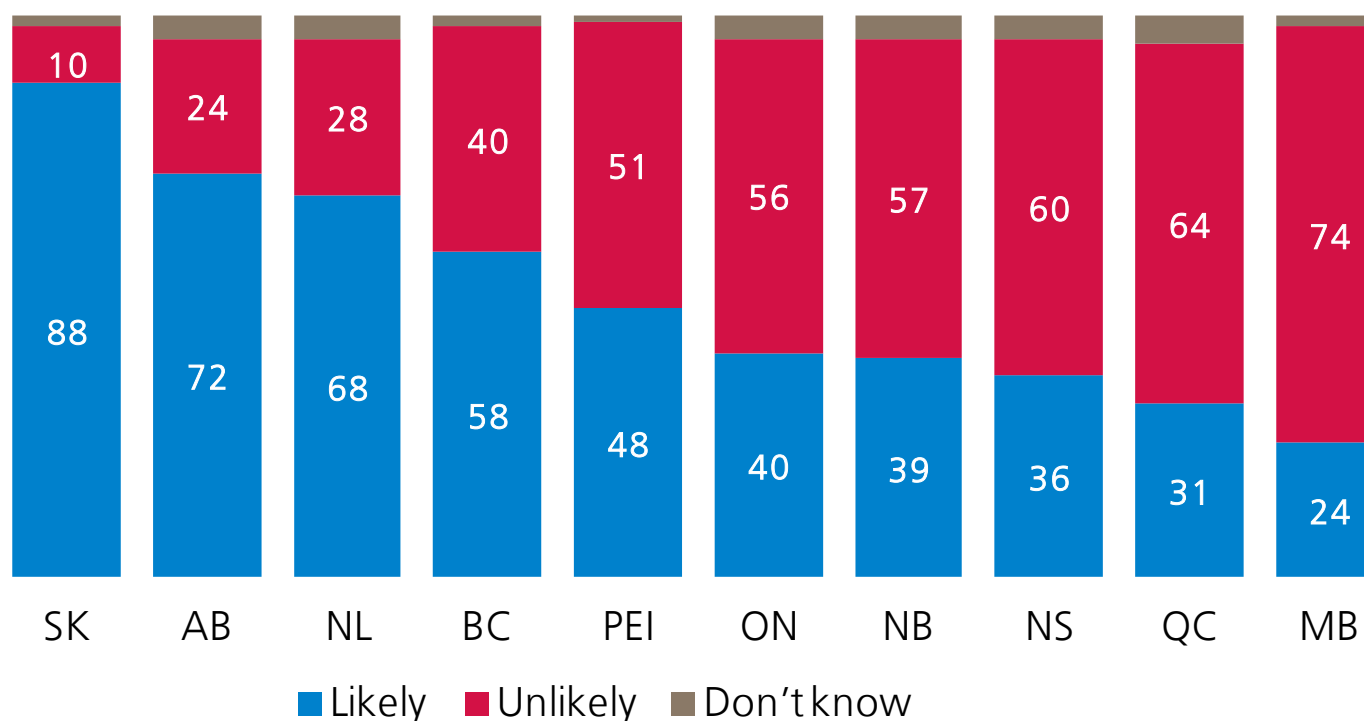
# Vision for small entrepreneurship

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



# Vision for small entrepreneurship

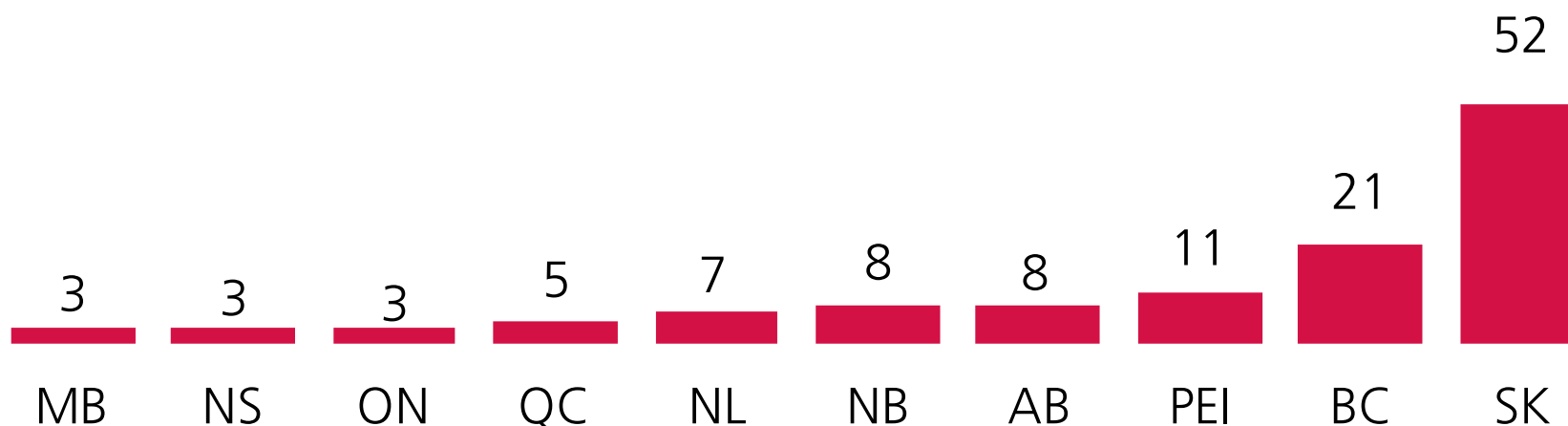
*“How likely would you be to recommend starting a business in your province?”*





# Vision for small entrepreneurship

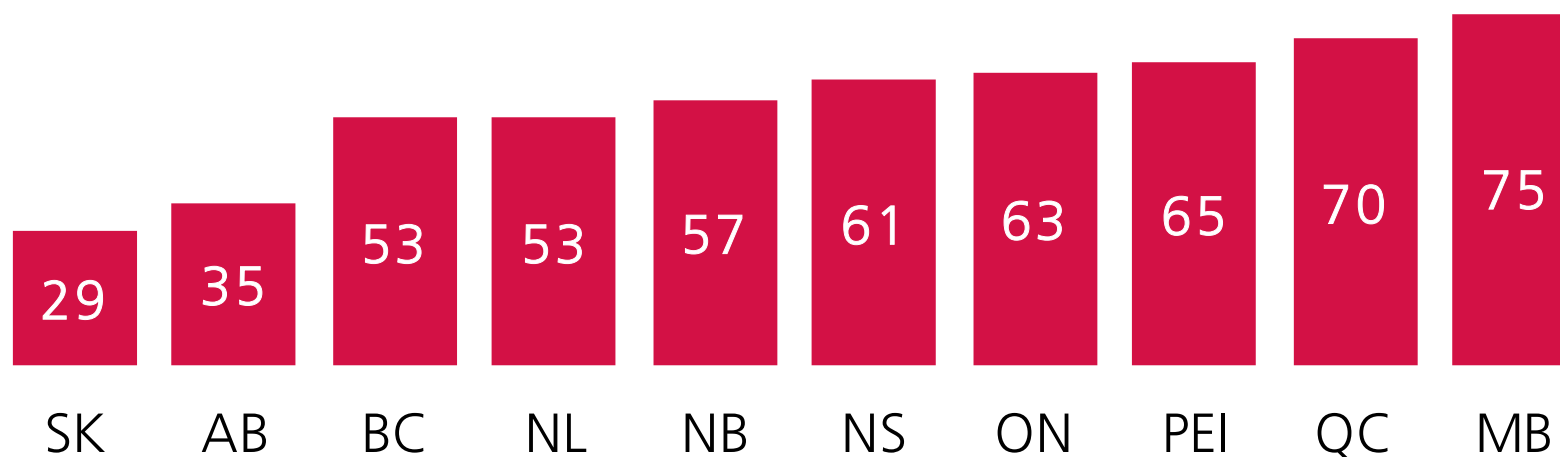
*My premier understands the reality of running a small business  
(% agree)*



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

# Vision for small entrepreneurship

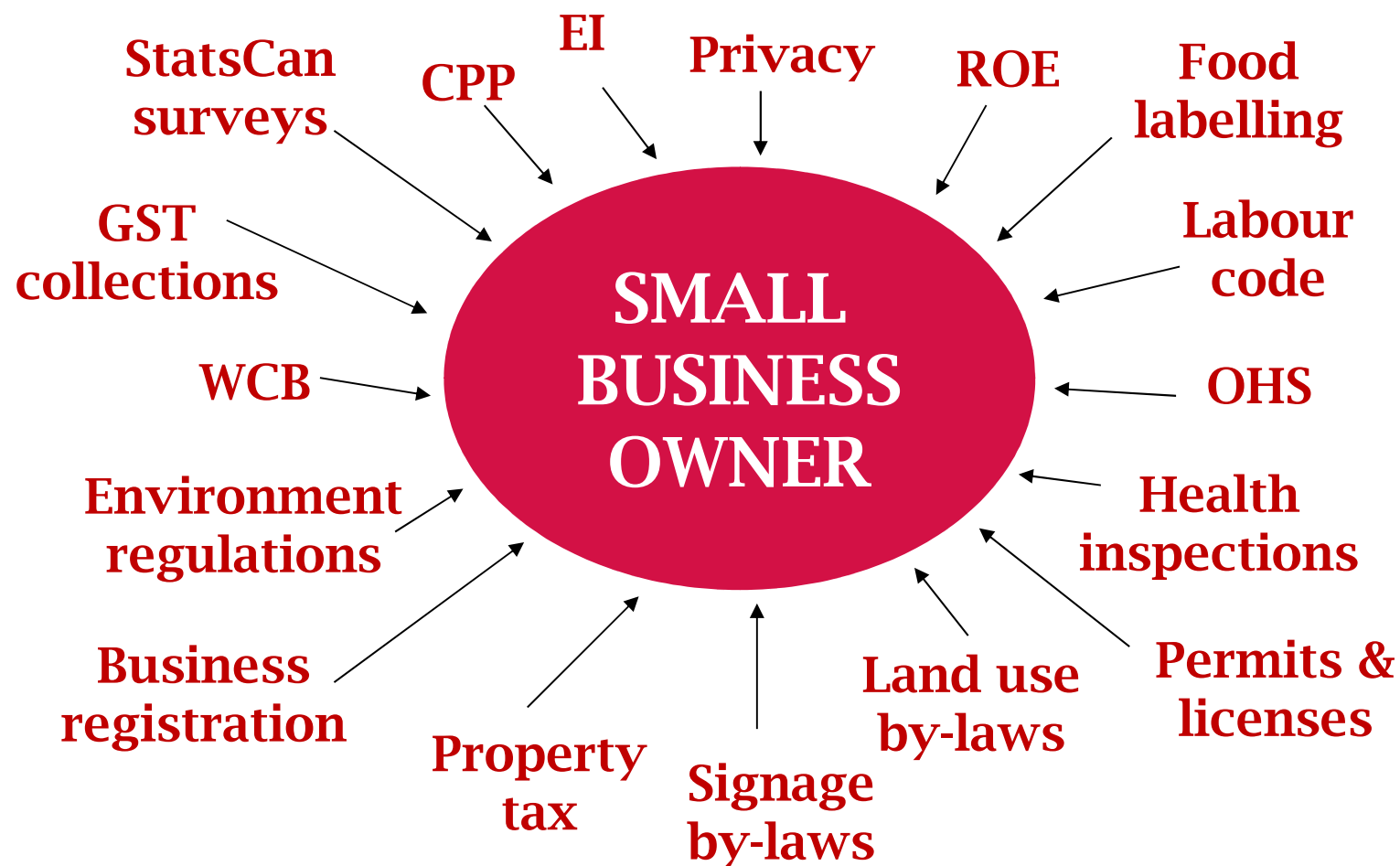
*Provincial taxes discourage me from growing my business  
(% agree)*



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

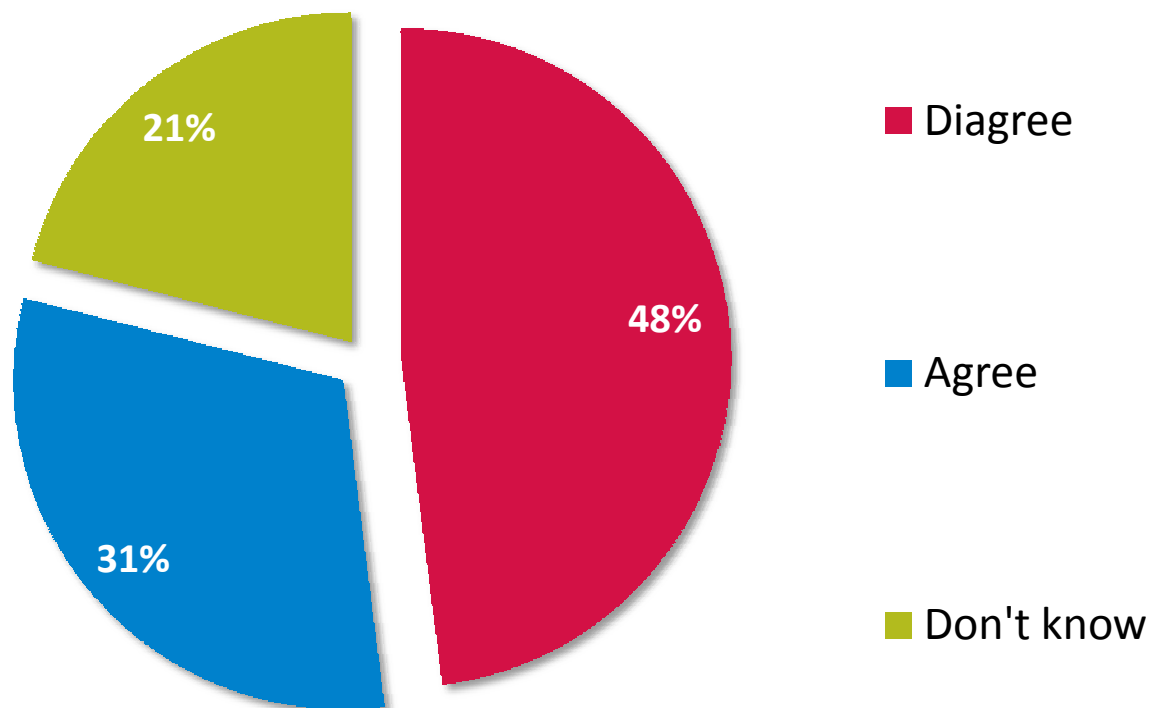
# **Impediment #1: RED TAPE**

# “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?”*



# Red Tape Awareness Week

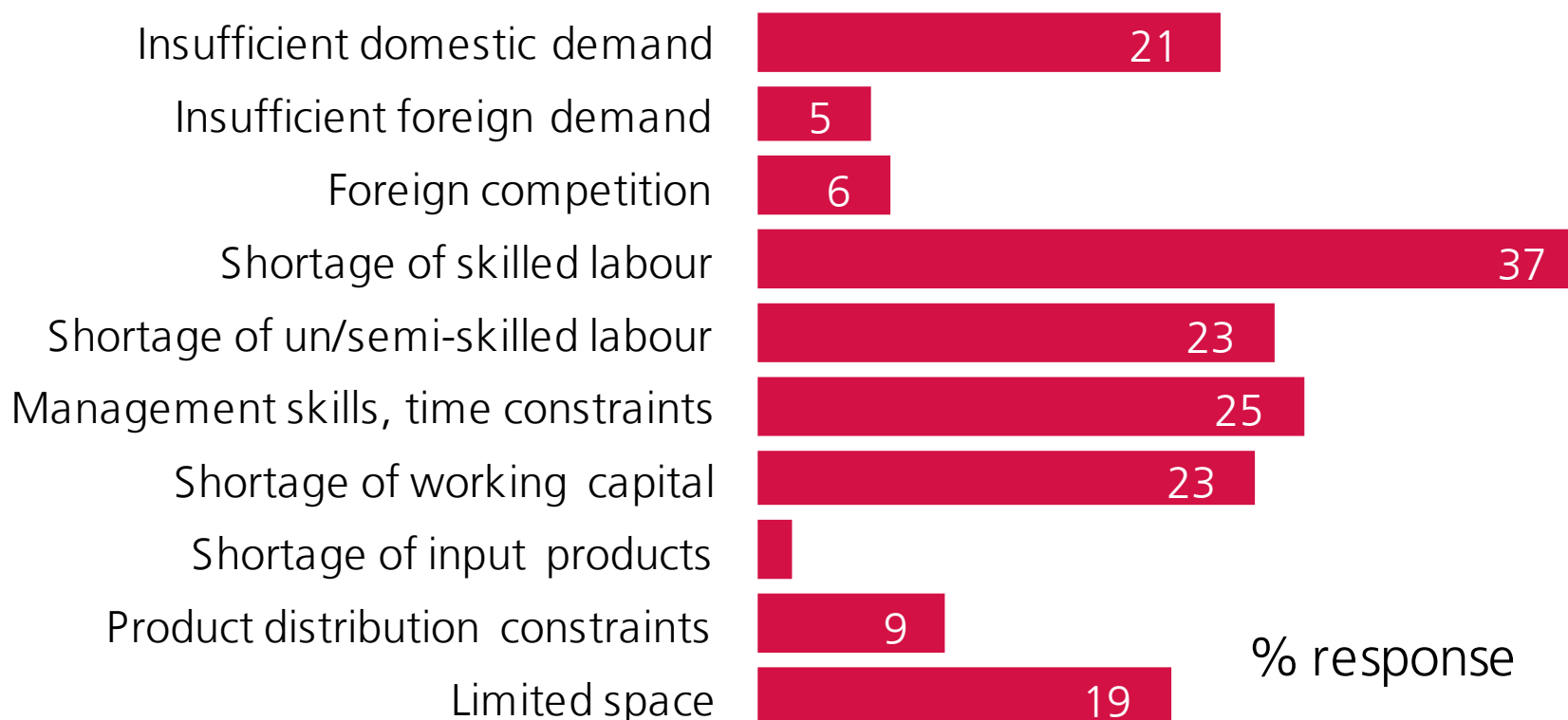
- ▶ *Red Tape Awareness Week*: to raise public awareness about impact of red tape on small business (Jan 27<sup>th</sup> – 31<sup>st</sup>, 2014)
  - ▶ *Provincial Report Card*
  - ▶ *CRA Report Card*
  - ▶ *Golden Scissors Award*
  - ▶ *Paperweight Award*
  - ▶ *Video* *Join the red tape revolution*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

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