

Canadian Survey on Business Conditions: Impact of COVID-19 on businesses in Canada and York Region

RESEARCH BACKGROUND

Statistics Canada's Crowdsourced Business Survey

In order to better understand the impact of COVID-19 on businesses, employers and employees, communities and our economy, Statistics Canada and the Canadian Chamber of Commerce collaborated to launch the Canadian Survey on Business Conditions.

From April 3 to 24, 2020, more than 12,600 businesses visited Statistics Canada's website and took part in the Canadian Survey on Business Conditions (CSBC) online questionnaire about how COVID-19 is affecting their business. 4,460 of those were Ontario-based.

York Region Survey Responses

Amongst Statistics Canada's survey participants, approximately 350 respondents are from York Region, representing 8% of all responses from across Ontario.

90% of York Region's respondents are comprised of small and medium-sized businesses - employers with less than 100 employees including self-employed. The Professional, scientific and technical services sector accounts for 15% of all private sector responses, followed by Manufacturing at 10%, and Construction sector at 9%, reflecting York Region's diverse economy.

KEY FINDINGS

Economic Implications of COVID-19 on Businesses in York Region

The extreme uncertainty around the duration and magnitude of the COVID-19 pandemic and the necessary containment measures poses a cycle of dampening consumer confidence and tightening financial conditions, contributing to rising business costs, layoffs, and potential bankruptcies.

Fiscal stimulus measures are needed for small and medium-sized business owners in York Region

A significant share of small and medium-sized businesses are experiencing a decline of 70% or more in demand for products or services highly impacted by social distancing measures and almost a quarter of businesses experienced a decline of 50% or more in revenue. 40% of businesses experienced uncertain accounts payable and 34% closed temporarily as mandated by government officials.

More than a third of businesses are uncertain of the length of time they can remain operational while social distancing measures are in place. A concerning 30% of commercial rent payments have not been deferred and over 30% of businesses do not know the length of time to be able to continue to operate without a source of revenue.

Key survey findings include

- 70% of the respondents' workforce cannot carry out a majority of duties during the pandemic
- 70% of businesses experienced decrease in demand for products or services
- 41% laid off staff
- 40% reduced staff hours or shifts

- 24% recorded a decrease of 50% or more in business revenue from January to March 2019 compared to same months in 2020 followed by 13% recording a decrease of 30% in revenue
- 40% experienced uncertain accounts payable
- 34% closed temporarily as mandated by government
- 59% no request made for credit from financial institution
- 72% negatively impacted by social distancing measures
- 54% experienced impact due to inability to have staff physically on-site
- 54% decreased in business expenditures for advertising, marketing, travel
- 59% increased cost for sanitation and cleaning
- 47% impacted due to important meetings, gatherings or events cancelled
- 49% impacted due to heightened public fear or caution causing customers to avoid business's physical locations or services
- 43% added new ways to interact with or sell to customers
- 30% rent payments have not been deferred
- 31% of businesses do not know the length of time to be able to continue to operate without a source of revenue as of February 2020
- 27% anticipated 6 months or more length of time businesses expect being able to remain fully or partially operational while social distancing measures are in place
- 25% businesses do not pay rent
- 19% rent payments have been deferred
- 18% business has not asked or been offered to defer rent owed

Note: unlike other surveys conducted by Statistics Canada, crowdsourcing data are not collected using a probability-based sample design. As a result, the findings reported cannot be applied to the overall Canadian economy. As such, the information should be treated as directional only.