



Canada Post at a Crossroads:

Small Businesses Call for Change

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CFIB

**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

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Highlights

Canada's small and medium-sized enterprises (SMEs) continue to rely on Canada Post, but their trust in its reliability and long-term viability is fading. That concern is fuelled by mounting financial losses, declining mail volumes, and repeated labour disruptions. This report draws on responses to a CFIB survey on Canada Post, conducted June 26-July 10, 2025 with input from 2,317 business owners across all provinces and sectors.

Canada Post under pressure

- **Mounting losses:** In the second quarter of 2025, Canada Post posted its worst results ever, losing \$407 million. Today, the corporation is losing approximately \$10 million every day. Canada Post reported a pre-tax loss of \$841 million in 2024, up from \$748 million in 2023. Since 2018, it has lost over \$3.8 billion—and future annual losses are projected to climb to \$1.3 billion by 2029.
- **Shrinking core business:** Letter mail volumes have fallen from 5.5 billion in 2006 to 2 billion in 2024, even as delivery addresses have grown by 3.3 million—driving up costs while eroding revenues.
- **Government response:** In recognition of these mounting pressures, the federal government recently announced a series of measures aimed at stabilizing Canada Post's finances and enabling its modernization. These include changes to mail delivery standards, phasing out door-to-door delivery in favour of community mailboxes, and a review of rural post office operations.
- **Recurring labour disruptions:** Nationwide lockout in 2011, rotating strikes in 2018, and a 32-day national strike in 2024 have caused major delays, backlogs, and lasting damage to business confidence. Most recently, beginning September 25, 2025, all Canadian Union of Postal Workers (CUPW) members undertook a nationwide strike, in response to government actions, creating immediate uncertainty for businesses across the country.

Survey findings

- **Still widely used:** After the 2024 strike, four in five SMEs continue to use Canada Post.
- **Loyalty is fragile:** Two-thirds say they would stop using it if another strike occurred.
- **Primary uses:** 73% send cheques or invoices, 61% send other letter mail, 35% send packages, and 19% send promotional materials.
- **Critical for some:** One in five users consider Canada Post essential to their operations.
- **Broad support for reform:**
 - 80% believe Canada needs a national postal system.
 - Nine in 10 support reforms, even if they reduce service or convenience.
 - Top changes supported: reduced delivery (52%), community mailboxes (51%), and compensation limits (45%).
 - Only 27% support full privatization.

Bottom line: Small businesses value Canada Post's role in connecting communities and enabling commerce—especially in rural areas—but they want it modernized, sustainable, and better aligned with today's business needs.

Introduction

“Canada Post is facing an existential crisis: It is effectively insolvent, or bankrupt. Without thoughtful, measured, staged, but immediate changes, its fiscal situation will continue to deteriorate.” — *Report of the Industrial Inquiry Commission*¹

Canada Post is indeed at a breaking point. After years of financial strain, falling mail volumes, and labour unrest, Canada’s national postal service is under pressure like never before. In its own 2024 Annual Report, the corporation acknowledged that its business model is struggling to keep pace with Canadians’ evolving needs.²

That pressure is showing up most clearly on the balance sheet. Canada Post’s financial crisis reached a new low in the second quarter of 2025, when the corporation posted its worst quarterly results ever: a staggering \$407 million loss in just three months; today, it is losing approximately \$10 million every day.³ These losses build on a long downward trend—in 2024, Canada Post reported a pre-tax loss of \$841 million, up from \$748 million the year before. Between 2018 and 2024, the corporation lost more than \$3.8 billion.⁴ Future projections are even more concerning: losses are expected to reach \$962 million in 2026, rising to \$1.3 billion by 2029. These estimates do not yet account for ongoing labour instability, which adds further risk.⁵

A major labour disruption came in the fall of 2024, when a 32-day national strike halted operations during the peak holiday season. That disruption was part of a broader labour impasse between the corporation and its unionized employees that has dragged on for more than two years. To resolve the deadlock, Canada Post issued final contract offers to workers in mid-2025. But in August, workers voted to reject those proposals, extending the uncertainty for those that continue to rely on the postal delivery system.⁶ Most recently, beginning September 25, 2025, all CUPW members undertook a nationwide strike in response to government actions, creating immediate uncertainty for businesses across the country.⁷

Labour disruptions at Canada Post have had real operational and financial consequences for SMEs, including delays in sending and receiving cheques, receiving inventory, and fulfilling customer orders. Experience shows just how costly such disruptions can be: the last major strike in 2024 alone cost the business community an estimated \$100 million per day in lost productivity and delays.⁸ These challenges echo earlier disruptions, including rotating strikes in 2018 and a nationwide lockout in 2011.⁹

For SMEs, labour disruptions reflect deeper concerns about Canada Post’s reliability and long-term sustainability. Many are re-evaluating how much they can depend on the postal system, but they have not walked away from it entirely. **Most still believe in the need for a national postal service, just not in its current form.**

¹ [Report of the Industrial Inquiry Commission](#). May 15, 2025.

² Canada Post. (2024). [Canada Post Corporation 2024 Annual Report](#).

³ Public Services and Procurement Canada. (2025, September 25). [Government of Canada instructs Canada Post to begin transformation](#). Government of Canada.

⁴ Canada Post. (2024). [Canada Post Corporation 2024 Annual Report](#).

⁵ Canada Post. (2025). [Summary of the 2025 to 2029 Corporate Plan](#).

⁶ Canada Post. (2025). [Majority of CUPW-represented employees reject Canada Post’s final offers](#).

⁷ Canadian Union of Postal Workers. (2025, September 25). [Public post office under attack](#).

⁸ CFIB. (July 21, 2025). [Nearly two in three small businesses may permanently drop Canada Post if strike resumes following vote](#).

⁹ Canada Post. News releases: [CUPW begins fourth week of strikes by closing two major processing centres, causing further backlogs and delays](#) (November 13, 2018); and [Rotating strikes inflict significant losses while Canada Post continues to incur wage bill](#) (June 14, 2011).

In recognition of these mounting pressures, the federal government recently announced a series of measures aimed at stabilizing Canada Post's finances and enabling its modernization.¹⁰ These include changes to mail delivery standards, phasing out door-to-door delivery in favour of community mailboxes, and a review of rural post office operations. While these steps mark the beginning of reform, SMEs support pursuing additional actions to ensure long-term sustainability and to restore confidence in Canada Post.

Canada Post is more than a legacy institution for Canada's small businesses; it is a practical and often irreplaceable service, particularly where alternatives are limited. They want it to remain public and accessible, but also modern, reliable, and better aligned with the needs of businesses and communities.

This report draws on insights from over 2,300 small business owners across all provinces and sectors.¹¹ It explores how SMEs are using Canada Post today, how service disruptions are impacting their operations, and what kind of reforms they believe are necessary to restore trust and ensure long-term sustainability.

¹⁰ Public Services and Procurement Canada. (2025, September 25). [Government of Canada instructs Canada Post to begin transformation](#). Government of Canada.

¹¹ CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,317.

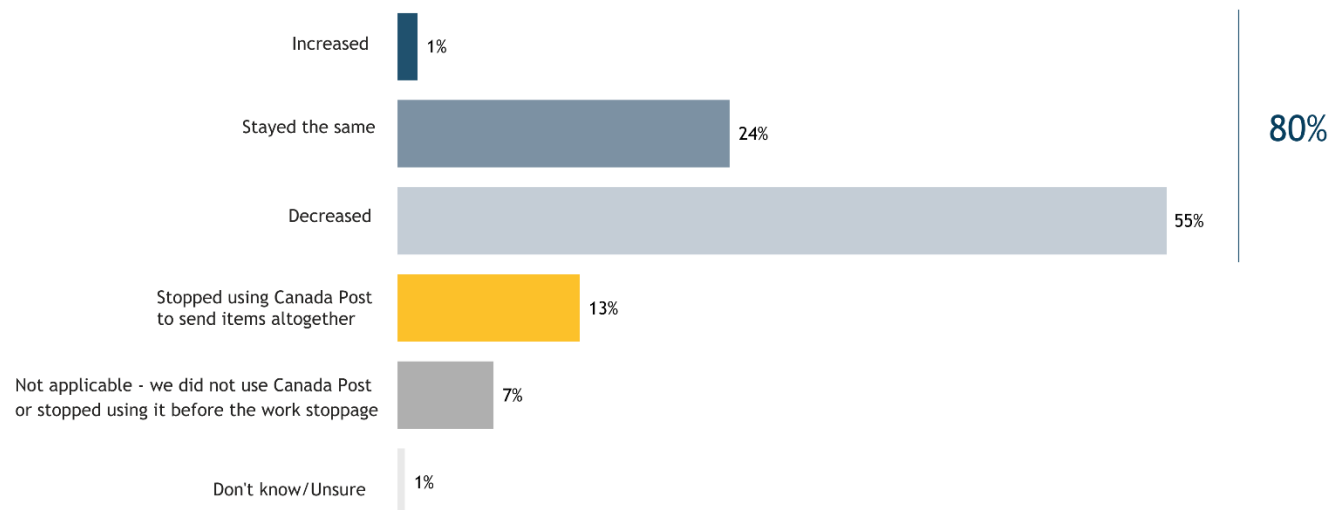
How SMEs use Canada Post today

Despite ongoing operational and financial pressures, a strong majority of SMEs (four in five) continue to rely on Canada Post to support their day-to-day operations. This highlights the postal system's enduring importance for small firms across sectors and regions.

However, that relationship is showing signs of strain. As shown in Figure 1, more than half of SMEs reduced their use of Canada Post following the 32-day strike in late 2024, while 13% stopped using the service altogether. Just 1% said their use had increased. These shifts point to growing uncertainty about Canada Post's reliability and long-term viability—particularly as private sector alternatives become more accessible and competitive.¹²

Figure 1

While four in five businesses use Canada Post to send items, more than half are using it less after the 2024 strike



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,317.

Question: How has your business's use of Canada Post to send items (e.g., cheques, invoices, promotional materials, packages) changed since the last work stoppage (November to December 2024)? (Select one)

Notes: Results reflect only those respondents who indicated their business still uses Canada Post to send items.

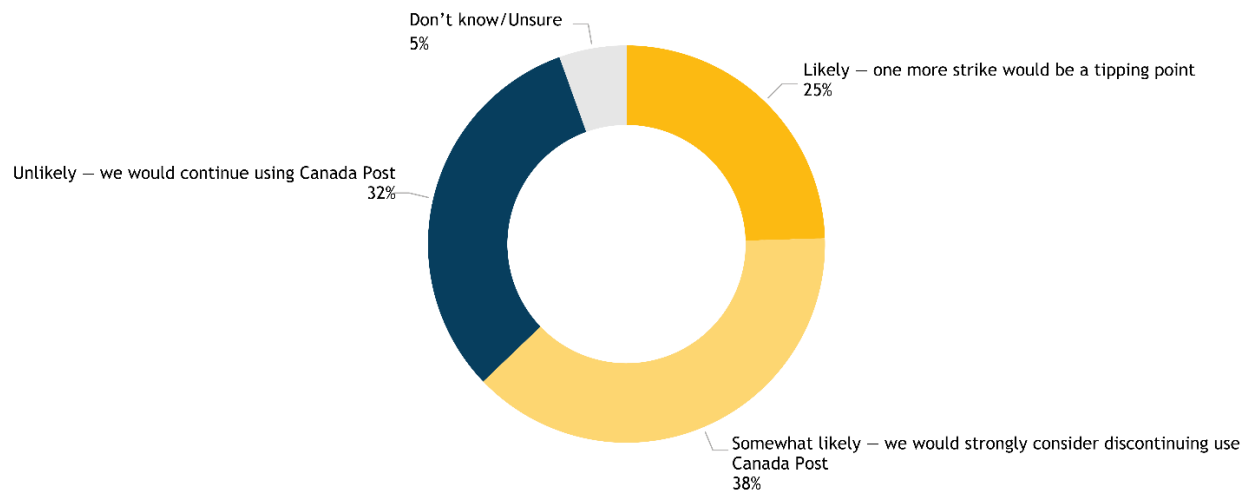
While many SMEs continue to use Canada Post for business functions, that usage is increasingly conditional. In fact, the future of this relationship is precarious. Nearly two in three small businesses stated just this past summer that they would likely stop using Canada Post altogether if another strike were to occur. For 25%, a single additional disruption would be the tipping point, while another 38% said they would strongly consider discontinuing the use of the service (Figure 2). The most recent nationwide strike, which began in September 2025, risks accelerating that shift.

This sends a clear warning: ongoing labour instability could permanently drive away a key segment of Canada Post's customer base.

¹² As a result of the 2024 Canada Post disruptions, most businesses encouraged customers to use digital communication or payment options (71%) or switched some or all mail to private couriers (45%). In CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, final results, n = 2,101.

Figure 2

Nearly two in three small businesses say they will likely stop using Canada Post if another strike occurs



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 1,749.

Question: If there were another Canada Post strike later this year, how likely is it that your business would stop using Canada Post altogether? (Select one)

Note: Results reflect only those respondents who indicated their business still uses Canada Post to send items.

“The only time I use Canada Post is when there is no other way. They have let businesses down and have caused hardships to people.”

— *Manufacturing business in Ontario*

“Canada Post needs to stop saying that they are going to strike. The strike affected our accounts receivable. We have our clients now send payment through e-transfer, credit cards, or courier. Canada Post is so disappointing.”

— *Agriculture business in Ontario*

“Very stressful to have the strike affect your income stream. We rely on Canada Post, with about 40% of our income stream coming through traditional mail. We are actively working with our clients to change over that remaining percentage to electronic mailing.”

— *Construction business in Alberta*

“With the past Canada Post strike, we incurred massive extra costs in shipping parcels, and delays in receiving payments of 3 months from our US customers. The extra strain that we experienced, especially during the holiday season, had an overall impact on sales. Our e-commerce part of the company took a massive hit, as customers did not want to shop online. And those that did faced delays in receiving their packages. We had no choice but to take on additional costs to make sure that there was a gift under the tree for our clients.”

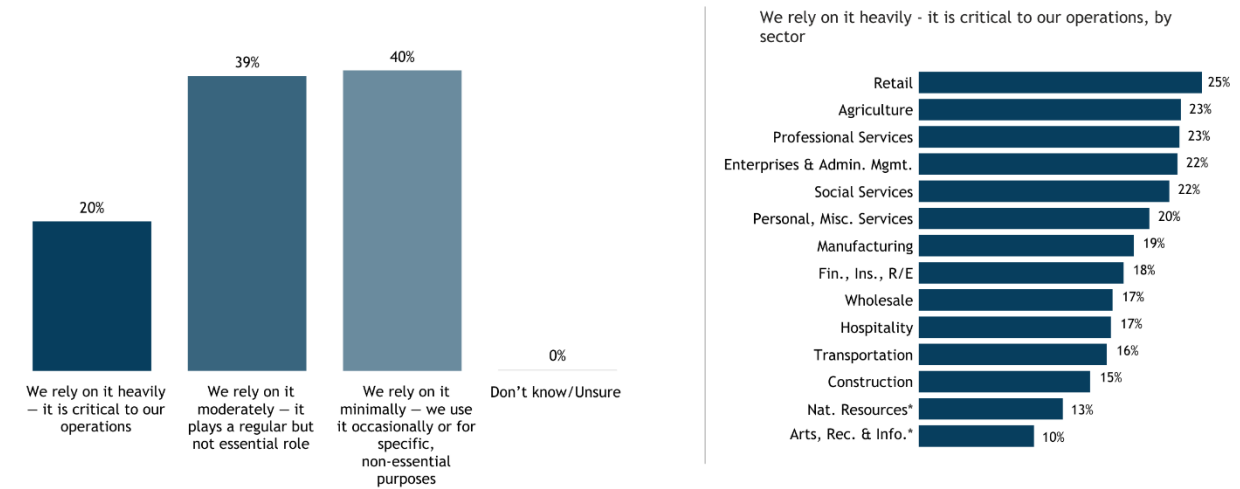
— *Retail business in Ontario*

Business reliance on Canada Post

Still, usage alone does not tell the full story. The depth of reliance varies considerably. As shown in Figure 3, one in five SMEs (20%) that still use Canada Post say they rely on the service heavily, calling it critical to their operations. The majority see it as playing either a moderate (39%) or minimal (40%) role. That means, for many businesses, Canada Post is not a core operational tool, but rather a useful service they can scale back or replace when necessary.

Heavy reliance is most common among SMEs in retail, agriculture, professional services, enterprises and administrative management, and social services, where 22-25% report critical dependence for timely delivery of products, paperwork, or communications. For these firms, service disruptions have more than just financial implications; they can directly affect cash flow, customer relationships, and compliance.

Figure 3
Among users, one in five consider Canada Post critical to their operations



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 1,788.
Question: To what extent does your business currently rely on Canada Post services to send items (e.g., cheques, invoices, promotional materials, packages)? (Select one)
Notes: *Small sample size (<40). Results reflect only those respondents who indicated their business still uses Canada Post to send items.

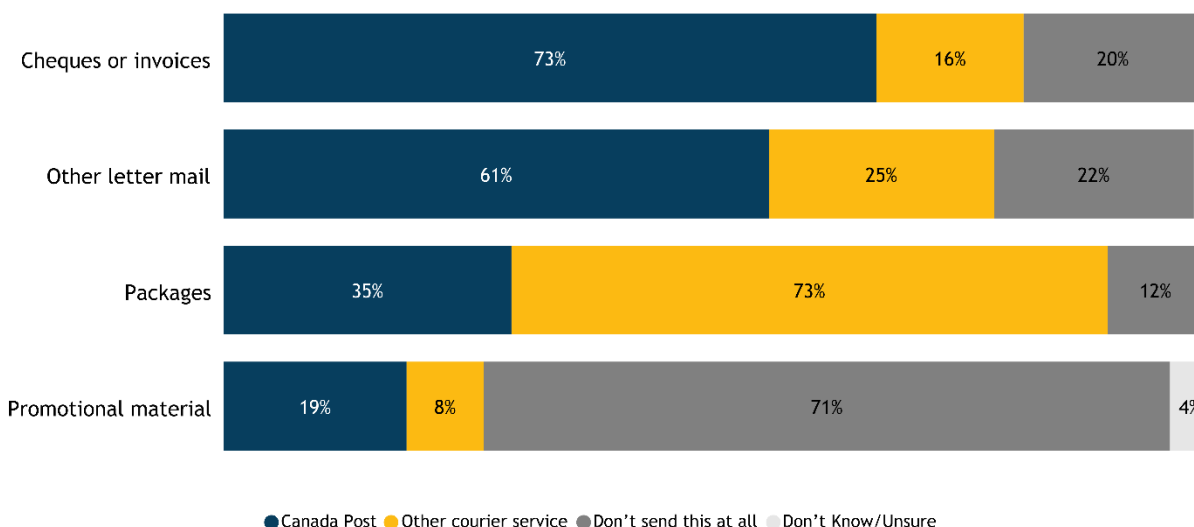
What businesses use Canada Post for—and why they stick with it

Businesses remain especially reliant on Canada Post for sending cheques and invoices (73%) and other letter mail (61%), reflecting its continued role in routine transactional communication (Figure 4). This reliance is in part due to Canada Post's statutory monopoly over letter mail delivery—no other company is allowed to deliver addressed mail for a fee unless it charges at least three times the regular postage rate for a 50-gram letter.¹³ As a result, businesses have limited cost-effective alternatives when it comes to sending essential correspondence like invoices and cheques.

Fewer SMEs use Canada Post for package delivery (35%), with private couriers dominating this space (73%). Promotional mail is not widely used—only about 3 in 10 SMEs send any. Among those who do, Canada Post is the preferred choice, with 70% using it compared to only 30% choosing private couriers.

Figure 4

Canada Post is most commonly used for sending cheques and other letter mail, while private couriers dominate package delivery



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 1,776.

Question: Which of the following courier services does your business use to send the following items? (Select all that apply for each row)

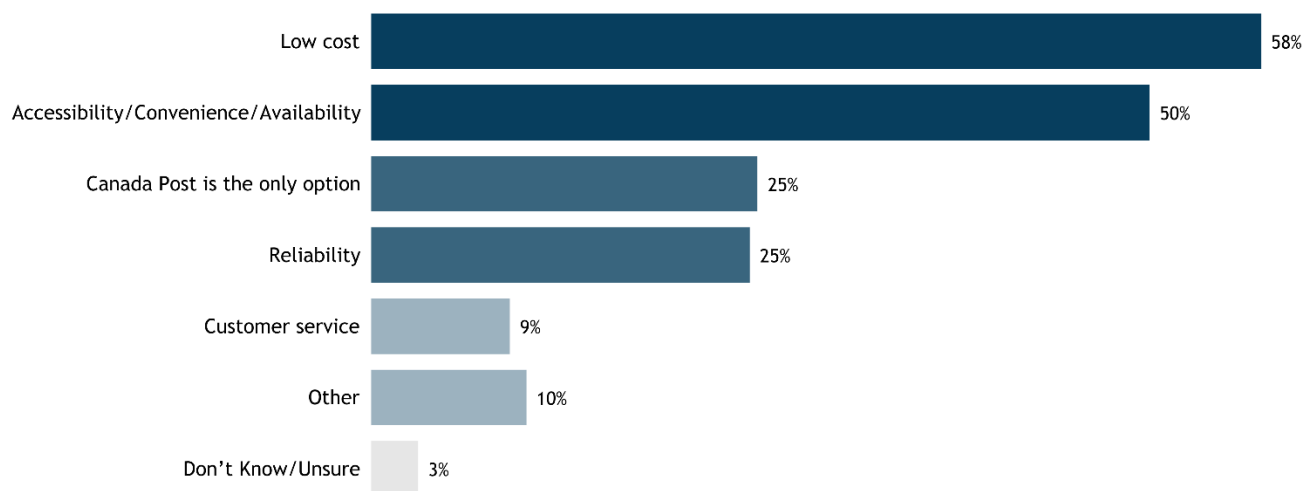
Notes: Respondents could select more than one option, so totals may exceed 100%. Results reflect only those respondents who indicated their business still uses Canada Post to send items.

SMEs that continue to use Canada Post cite low cost (58%) and convenience (50%) as the top reasons for doing so (Figure 5). Only 25% list reliability as a motivating factor, and just 9% mention customer service. In other words, many businesses are sticking with Canada Post, not because it is the most dependable option but because it is still the most affordable or, in rural or remote communities, the only one available.

¹³ [Report of the Industrial Inquiry Commission](#). May 15, 2025.

Figure 5

Low cost and convenience are the top reasons businesses use Canada Post, while reliability and customer service rank much lower



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 1,767.

Question: What are the main reasons your business uses Canada Post to send items? (Select all that apply)

Note: Results reflect only those respondents who indicated their business still uses Canada Post to send items.

“The most that we depend on Canada Post is for payments from customers. We have been pushing for e-mail correspondence and electronic payments, so that we no longer have to depend on Canada Post.”

— *Manufacturing business in Manitoba*

“We continue to rely on Canada Post primarily for its cost effectiveness. From a business perspective, if we found a more competitive alternative, we would have no particular loyalty to Canada Post. However, from a personal standpoint, a national postal service that ensures uniform pricing for letter mail delivery to every corner of Canada is a vital part of our society and national identity.”

— *Retail business in British Columbia*

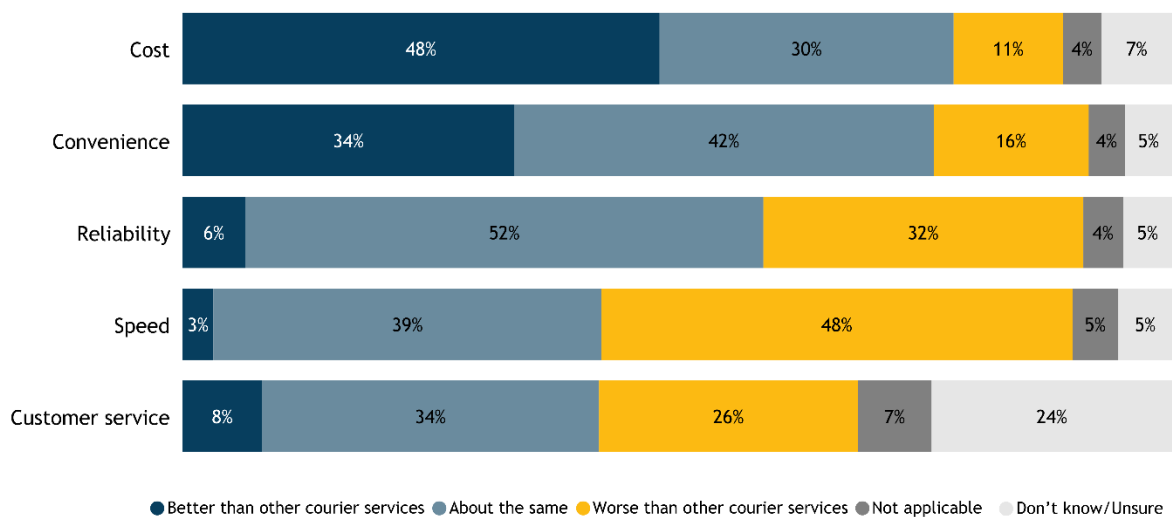
How Canada Post compares to other courier services

While many SMEs continue to use Canada Post, its performance is not seen as superior to private courier services on most measures—apart from cost. As shown in Figure 6, nearly half of business owners (48%) say Canada Post offers better pricing than other courier services, and another 30% rate it as about the same. This aligns with cost being the most frequently cited reason for continued use.

However, Canada Post lags on nearly every other service category. Only 6% of SMEs say it performs better than private couriers on reliability, and just 3% say it is better on speed. One in three businesses (32%) say Canada Post is less reliable, and nearly half (48%) say it is slower than competing services. Ratings on customer service are also underwhelming—only 8% of SMEs say Canada Post performs better than private couriers in this area.

In short, SMEs are not using Canada Post because it outperforms competitors—they are using it because it remains more affordable, convenient, or, in some cases, the only viable option available. While Canada Post may be meeting the minimum requirements of its *Universal Service Obligation*, survey data suggests it is falling short of delivering the level of service small businesses expect.¹⁴

Figure 6
Canada Post rates best on cost compared to other couriers, about on par with convenience—but speed is a clear weakness, and one in three still question its reliability



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 1,767.

Question: What are the main reasons your business uses Canada Post to send items? (Select all that apply)

Note: Results reflect only those respondents who indicated their business still uses Canada Post to send items.

“We only use Canada Post now for areas where the couriers don't deliver or where the couriers charge too much to deliver to.”

— *Manufacturing business in British Columbia*

¹⁴ [Report of the Industrial Inquiry Commission](#). May 15, 2025.

The importance of Canada Post for SMEs

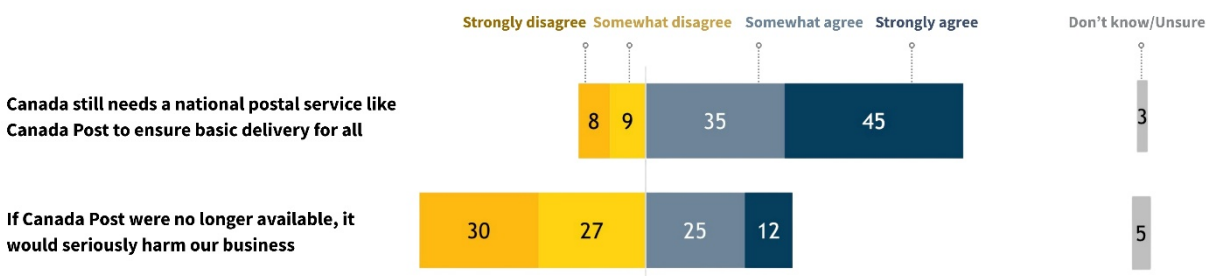
While many small businesses may not rely as much as they once did on Canada Post as a critical part of their daily operations, they continue to see it as an essential piece of national infrastructure. Most believe Canada still **needs a public postal service to guarantee basic delivery for all Canadians**—regardless of geography or profitability. In fact, 80% of small businesses agree with that statement—including 45% who “strongly agree” (Figure 7).

At the same time, only 37% agree that **losing Canada Post would cause serious harm to their business**.¹⁵ This perspective shifts in rural and remote areas, where Canada Post’s value is more than symbolic. There, 44% of businesses say losing the service would seriously harm their operations, compared to 38% in small population centres and 35% in large urban centres.¹⁶ This gap suggests the postal system remains a critical backstop, especially in areas where alternatives are scarce or costly.

Taken together, these findings point to a deeper insight: small businesses often distinguish between **their own operational use** of Canada Post and its **broader national value**. Many support the institution not because they depend on it every day—but because they recognize its unique role in connecting underserved communities, supporting commerce, and delivering to 17.6 million addresses that private couriers may overlook.¹⁷

Figure 7

Most businesses still support the idea of a national post service—but few say losing Canada Post would seriously harm their operation (%)



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,142.

Question: To what extent do you agree or disagree with the following statements regarding Canada Post? (Select one for each line)

“We generally find it’s the small businesses that rely on Canada Post more for service, so this is the area that hurts them. For payments, rural vendors are what we rely upon Canada Post for. Private couriers provide poor coverage out there and generally rural vendors don’t do as much EFT, etc.—generally due to less reliable internet service.”

— *Enterprises & Admin. Management business in Alberta*

¹⁵ CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,142. *Most businesses still support the idea of a national postal service—but few say losing Canada Post would seriously harm their operations.*

¹⁶ CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,132. Question: To what extent do you agree or disagree with the following statements regarding Canada Post? (Select one for each line) “If Canada Post were no longer available, it would seriously harm our business.”

¹⁷ Canada Post. (2024). [Canada Post Corporation 2024 Annual Report](#).

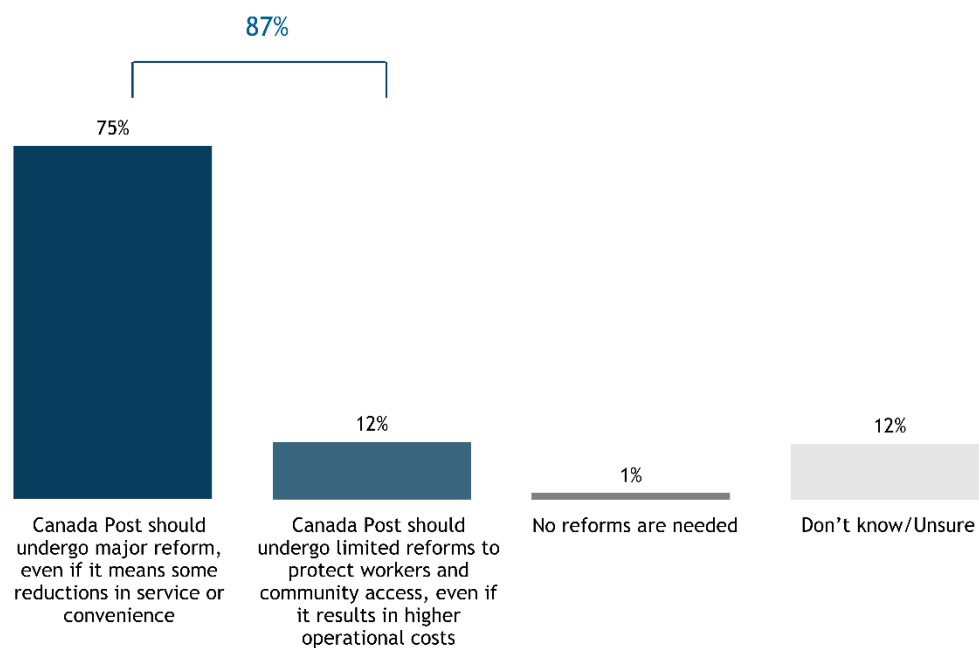
Reform is not optional—it is the only way forward

While SMEs continue to support Canada Post, they also see the writing on the wall. Without significant reform, the postal service’s long-term viability is in doubt.

Rather than clinging to the status quo, many SMEs are prepared to accept change—even if it means a reduction in service or convenience. As shown in Figure 8, three-quarters (75%) support major reform, to keep Canada Post more sustainable, while only 1% of businesses believe no reform is needed. Support for reform does not come from indifference—it comes from recognition. SMEs understand that Canada Post still matters, but that it needs to be reshaped to meet modern needs.

Figure 8

About 9 in 10 businesses support reforming Canada Post in some way, with most saying major changes are needed, even at the cost of service or convenience



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,198.

Question: Which of the following best reflects your view on how Canada Post should approach reform? (Select one)

“From knowing people who work at Canada Post, their labour cost structure is much higher and the requirements on employees much less than the [private] sector. They need to get their effectiveness and efficiency of labour in line.”

— *Enterprises and Admin. Management business in Alberta*

“Reduce frequency of letter mail delivery. Increase frequency of parcel delivery. Ensure rural areas are supported where Canada Post is the only option. No sane businessperson would run their business the way Canada Post is currently run.”

— *Retail business in British Columbia*

What reform should look like

Government actions so far

In response to mounting financial and operational pressures, the federal government has recently announced measures to stabilize Canada Post's finances and begin modernization. These include changes to delivery standards, expanded community mailbox conversions, and a review of rural post office operations.¹⁸ Several of these directions align with areas where SMEs express strong support, though business owners also see the need to go further.

What SMEs want

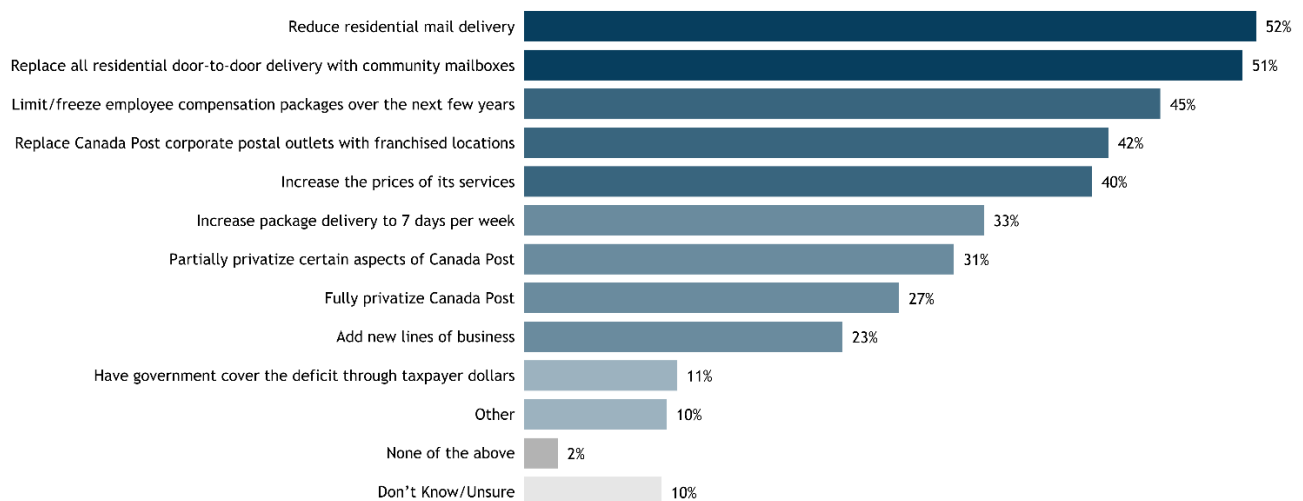
Small businesses reject both wholesale privatization of Canada Post and the status quo. Their vision for reform is pragmatic: **preserve the public mandate but modernize how the corporation operates.**

For many, that means rethinking the core elements of Canada Post's business model. Support is strongest for cost-saving operational changes—52% back reducing residential mail delivery and 51% favour replacing door-to-door delivery with community mailboxes (Figure 9). Nearly half (45%) support freezing or limiting employee compensation over the next few years, and 42% support converting corporate postal outlets into franchised locations.

Far fewer SMEs support market-based reforms. Just 31% support partial privatization of certain Canada Post functions, and only 27% favour full privatization. These results signal a clear preference for structural modernization, not market abandonment.

Figure 9

Among a range of potential reforms, businesses most favour reduced delivery, community mailboxes, and compensation limits.



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,158.

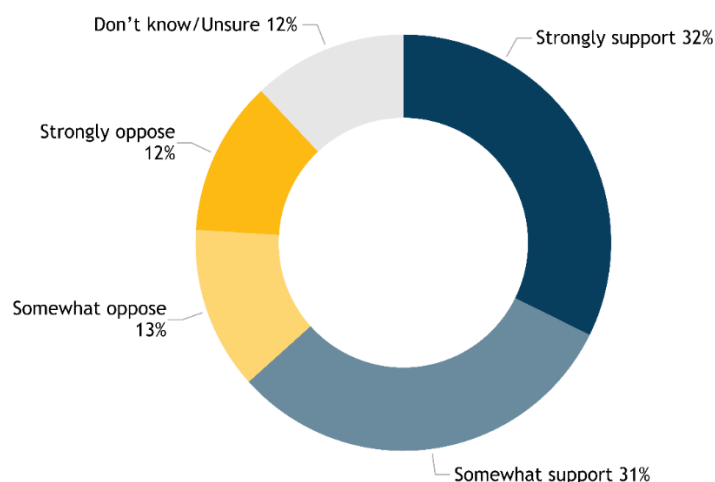
Question: Which of the following reforms should Canada Post undergo, if any, to ensure its long-term financial stability? (Select all that apply)

¹⁸ Public Services and Procurement Canada. (2025, September 25). [Government of Canada instructs Canada Post to begin transformation](#). Government of Canada.

Allowing private-sector entrants could also drive innovation and efficiency at Canada Post, ensuring that delivery services better meet the evolving needs of businesses. As shown in Figure 10, two-thirds of business owners support opening letter mail delivery to greater competition. Such a change would provide SMEs with more choice in service providers, reduce reliance on a single operator, and make them less vulnerable to operational disruptions like strikes or service slowdowns.

Figure 10

Two-thirds of SMEs support ending Canada Post's letter mail monopoly



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,158.

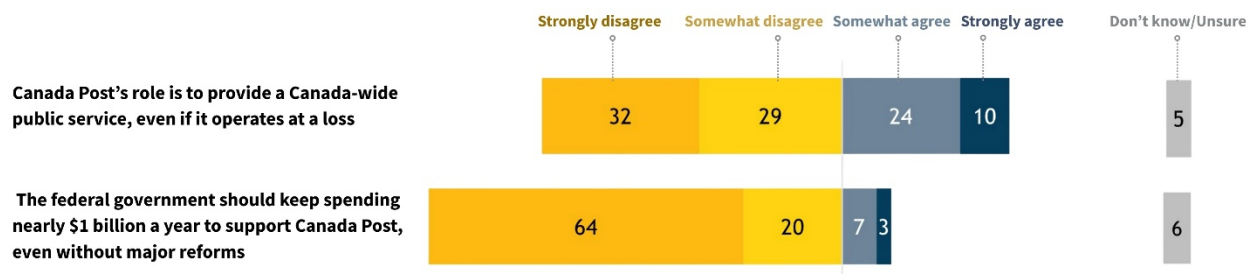
Question: To what extent do you support or oppose allowing private companies to deliver letter mail in Canada, ending Canada Post's exclusive monopoly in this area? (Select one)

As previously noted, opposition to inaction is equally clear. Figure 11 shows that over four in five disagree the federal government should **continue spending nearly \$1 billion annually to sustain Canada Post without requiring major changes**. Further to this, the majority of SMEs (61%) **do not support a public service operating at a loss**.

This suggests that businesses broadly reject the idea of subsidizing inefficiency with no plan for improvement. They want the national network preserved, but with a delivery model, workforce costs, and service structure that reflect today's operational and financial realities.

Figure 11

There is strong opposition to continued federal funding without reform, with most businesses rejecting Canada Post operating at a loss (%)



Source: CFIB, Special Survey: Canada Post Service, Disruptions and Reform, June 26-July 10, 2025, n = 2,142.

Question: To what extent do you agree or disagree with the following statements regarding Canada Post? (Select one for each line)

“I would like to see Canada Post run as a business [...] As an independent business, it is difficult to see how a business that says it is continually losing money is still in business. I would like to see an actual business plan.”

— *Agricultural business in Ontario*

Conclusion and recommendations

Small businesses still believe Canada needs a national postal service—but not in its current form. They are clear-eyed about the challenges: Canada Post is under financial and operational strain, and it needs to be reformed should it want to stay relevant in the long term.

SMEs want a postal system that is effective, affordable, and sustainable. They are willing to accept change—including reduced service or convenience—to help get there. While the federal government has begun taking steps toward modernization, SMEs stress that deeper reforms are needed to restore confidence and ensure sustainability. In this light, CFIB recommends the following:

- Implement the changes announced by the federal government (changes to mail delivery standards, phasing out door-to-door delivery in favour of community mailboxes, and a review of rural post office operations) in full, and as quickly as possible.
- Freeze Canada Post's compensation expenses and support the implementation of more flexible work schedules.
- Consider Canada Post an essential service provider to limit the possibility and impacts of work stoppages in the future and enhance reliability.
- Introduce financial constraints to limit repeated yearly deficit.

About CFIB

CFIB is a non-partisan organization exclusively representing the interests of 100,000 small and medium-sized businesses in Canada. CFIB's research capacity is second-to-none because it is able to gather timely and concrete information from members about business issues that affect their day-to-day operation and bottom line. In this capacity, CFIB is an excellent source of up-to-date information for governments to consider when developing policies impacting Canada's small business community.

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