

# **Small Business: Innovators & Job Creators**

*Presentation to the Standing Committee on Finance  
Pre-Budget Consultations in Advance of the 2017 Budget*

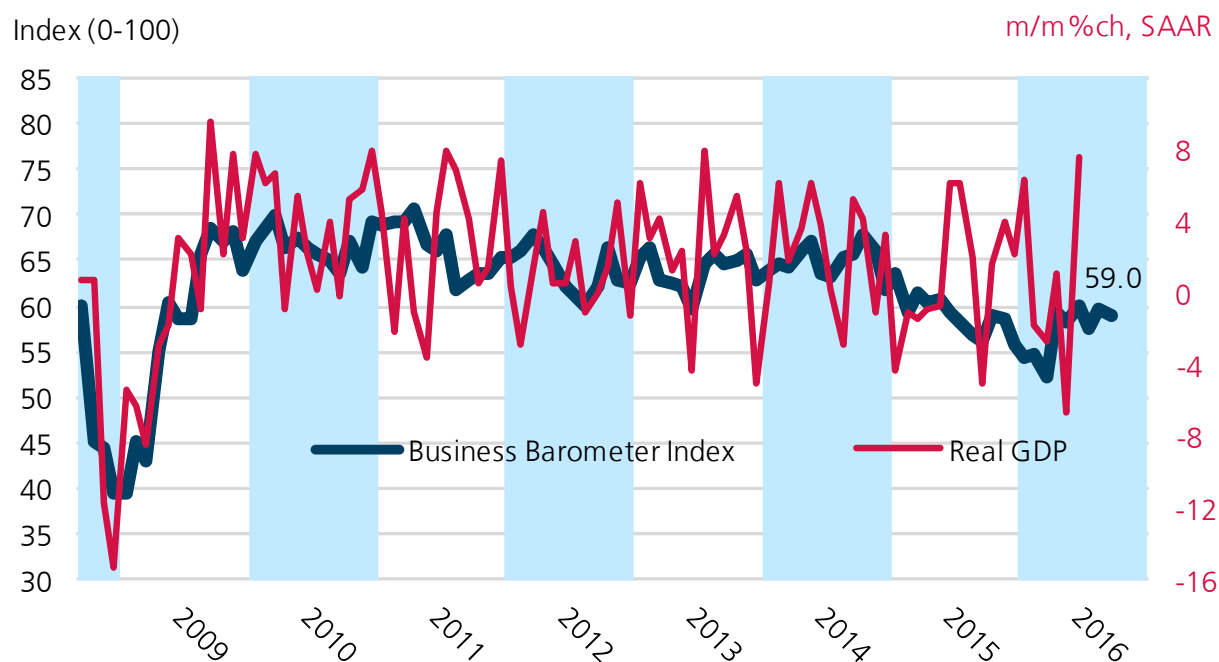
September 29, 2016

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Director, National Affairs*

## About CFIB

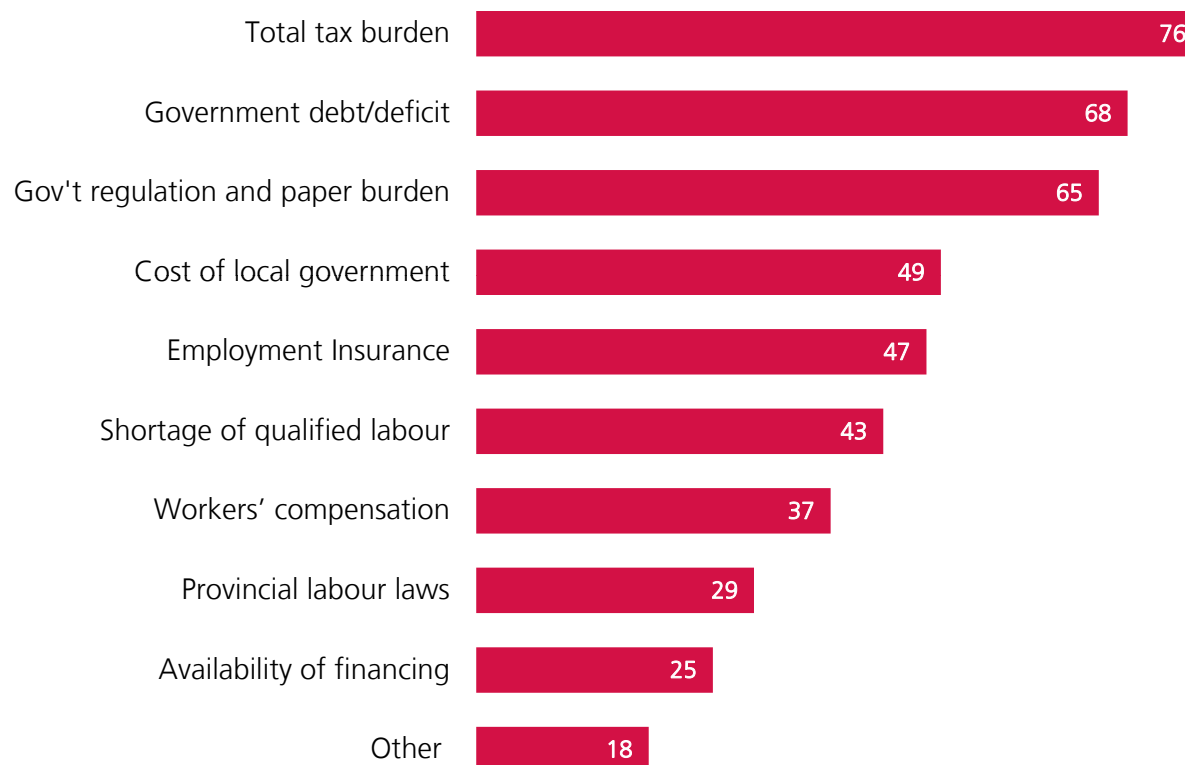
- ▶ Represents independent business
- ▶ 109,000 business members across Canada
- ▶ Non-partisan, not-for-profit organization
- ▶ Deals with federal, provincial and municipal issues
- ▶ Represents all sectors, all regions
- ▶ One member = one vote

# Business Barometer Index and GDP (September 2016)



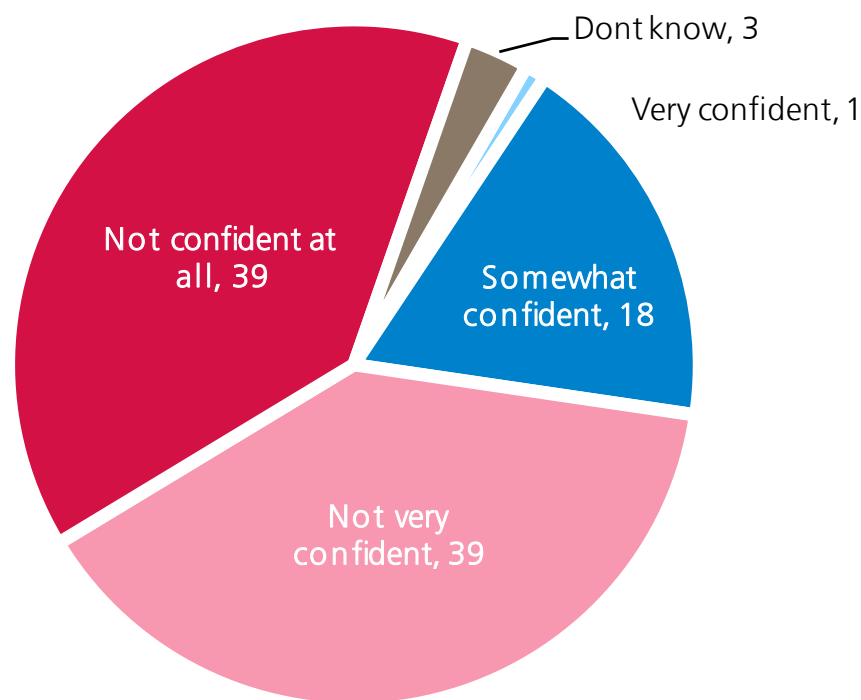
Source: CFIB, *Business Barometer*, 573 responses, September 2016.

# High Priority Issues



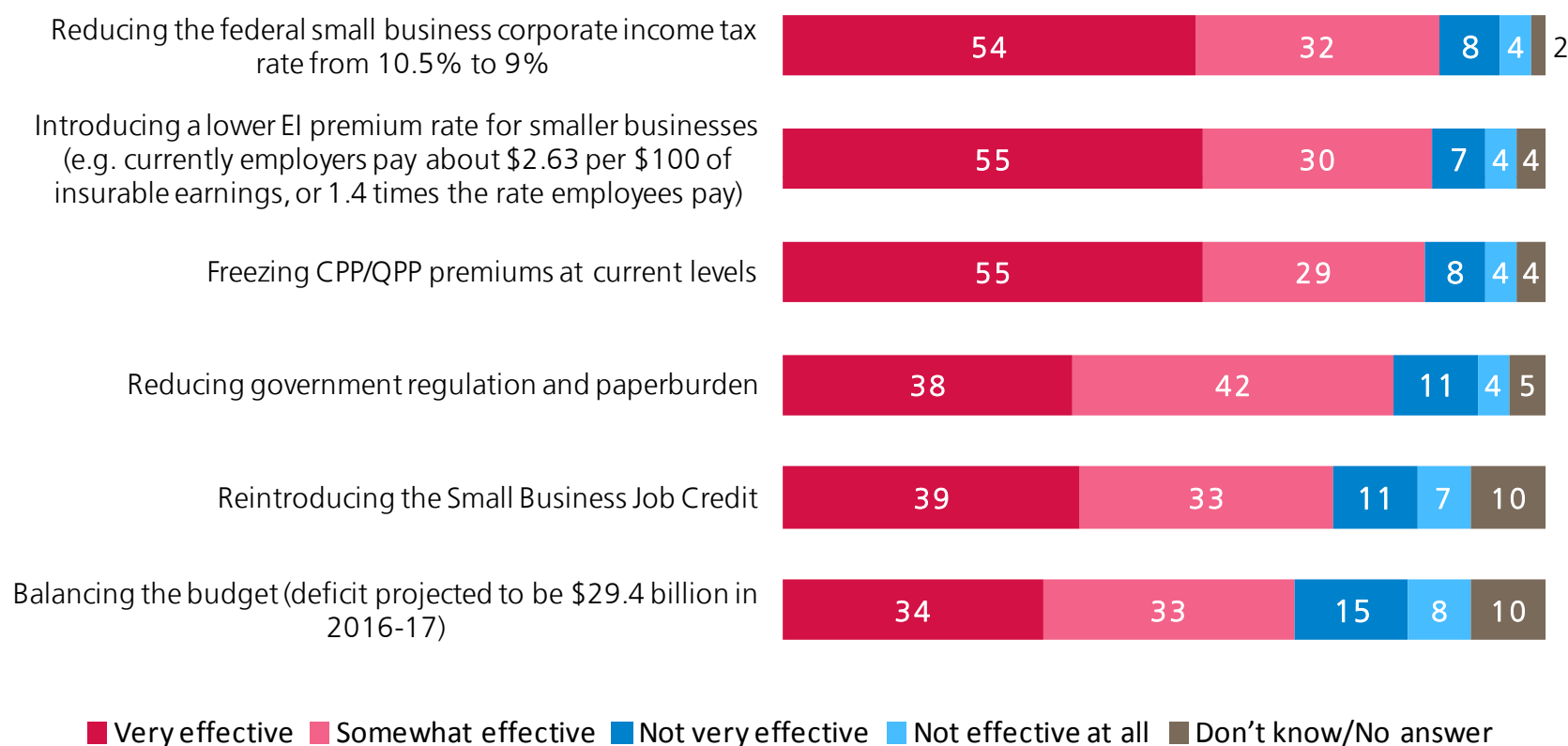
Source: CFIB, Our Members' Opinions survey, January-June 2016, n=14,296.

## How confident are you that the federal government has a vision to support small business and entrepreneurship? (% response)



Source: CFIB, 2017 Federal budget survey, preliminary results based on 5,156 responses, September 2016.




## How effective would the following potential measures by the federal government be in helping to strengthen your business performance? (% response)



Source: CFIB, 2017 Federal budget survey, preliminary results based on 5,156 responses, September 2016.

# Make the EI system fairer for small employers

## Yearly EI Premium Rate from 2016 to 2017

Group	2016	2017	
Employee	1.88	1.63	
Larger Employer	2.63	2.28	
Smaller Employer (net of Small Business Job Credit applied in 2015 and 2016*)	2.24	2.28	

\* Small Business Job Credit is applicable to all businesses with up to \$15,000 in EI insurable premiums for 2015 and 2016

Source: Canada Revenue Agency, <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/clcltng/ei/cnt-chrt-pf-eng.html> and the EI Monitoring and Assessment Report 2014/2015 <http://www.esdc.gc.ca/en/reports/ei/monitoring2015/index.page>

## Help SMEs Innovate

**Which of the following challenges does your business face in creating or improving its products, services or processes? (% response)**



Source: CFIB, 2017, Innovation Survey, based on 6,399 responses, December 2015-February 2016.



## Recommendations

- ▶ Reinstate the reduction of the SBTR to 9% by 2019.
- ▶ Introduce a permanent, lower rate EI rate
- ▶ Implement an EI holiday for youth
- ▶ Balance the budget within 3-5 years
- ▶ Introduce an “Innovation Lens”
- ▶ Fewer unnecessary government regulations