



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

Powered by Entrepreneurs™

Presentation to the Hon. Joe Ceci Minister of Finance

Pre-budget Submission

February 2017

Richard Truscott, Vice President for Alberta and BC

Amber Ruddy, Alberta Director

Canadian Federation of Independent Business

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 AB
- ▶ Every sector of the economy, every region of the country
- ▶ Lobby federal, provincial, and municipal governments

Membership Profile

CFIB represents over 109,000 members across Canada



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 major new policies until members are consulted



**Building prosperity
for the future**



Business Barometer Index™

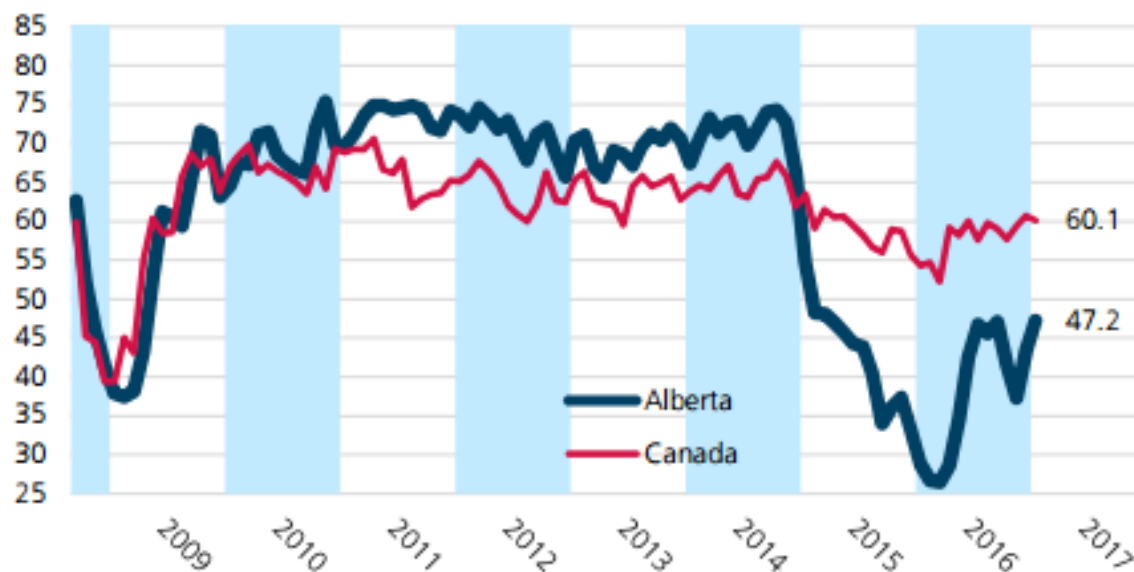
Confidence among Alberta entrepreneurs subdued

AB data presented as 2-mth moving averages

Resp= 236

1. Business Barometer Index

Index (0-100)



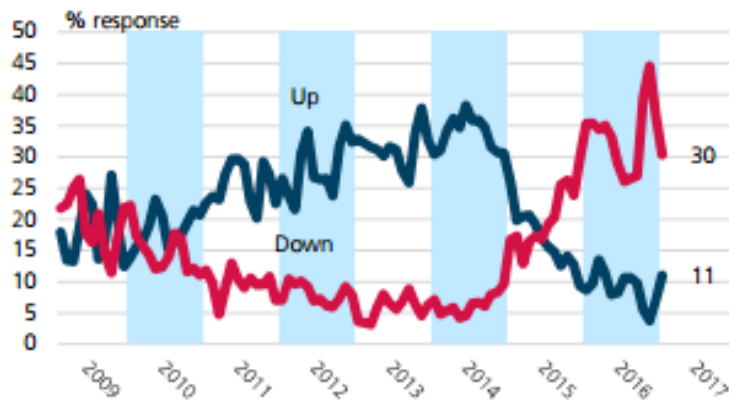
	Index
Canada	60.1
Newfoundland & Lab	46.0
Prince Edward Is.	64.6
Nova Scotia	65.2
New Brunswick	63.5
Quebec	68.6
Ontario	63.4
Manitoba	67.1
Saskatchewan	55.0
Alberta	47.2
British Columbia	65.2

Source: CFIB, Business Barometer, January 2017, 782 responses

Business Barometer records modest rebounds

68% of AB entrepreneurs feel pinch of fuel/energy costs; highest level in 4.5 years

Full-time staffing intentions, next 3 months



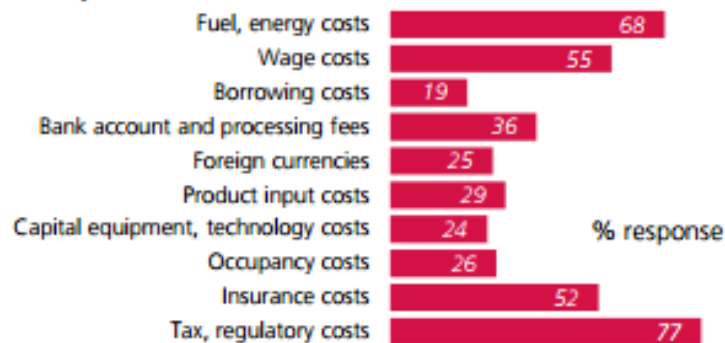
General state of business health



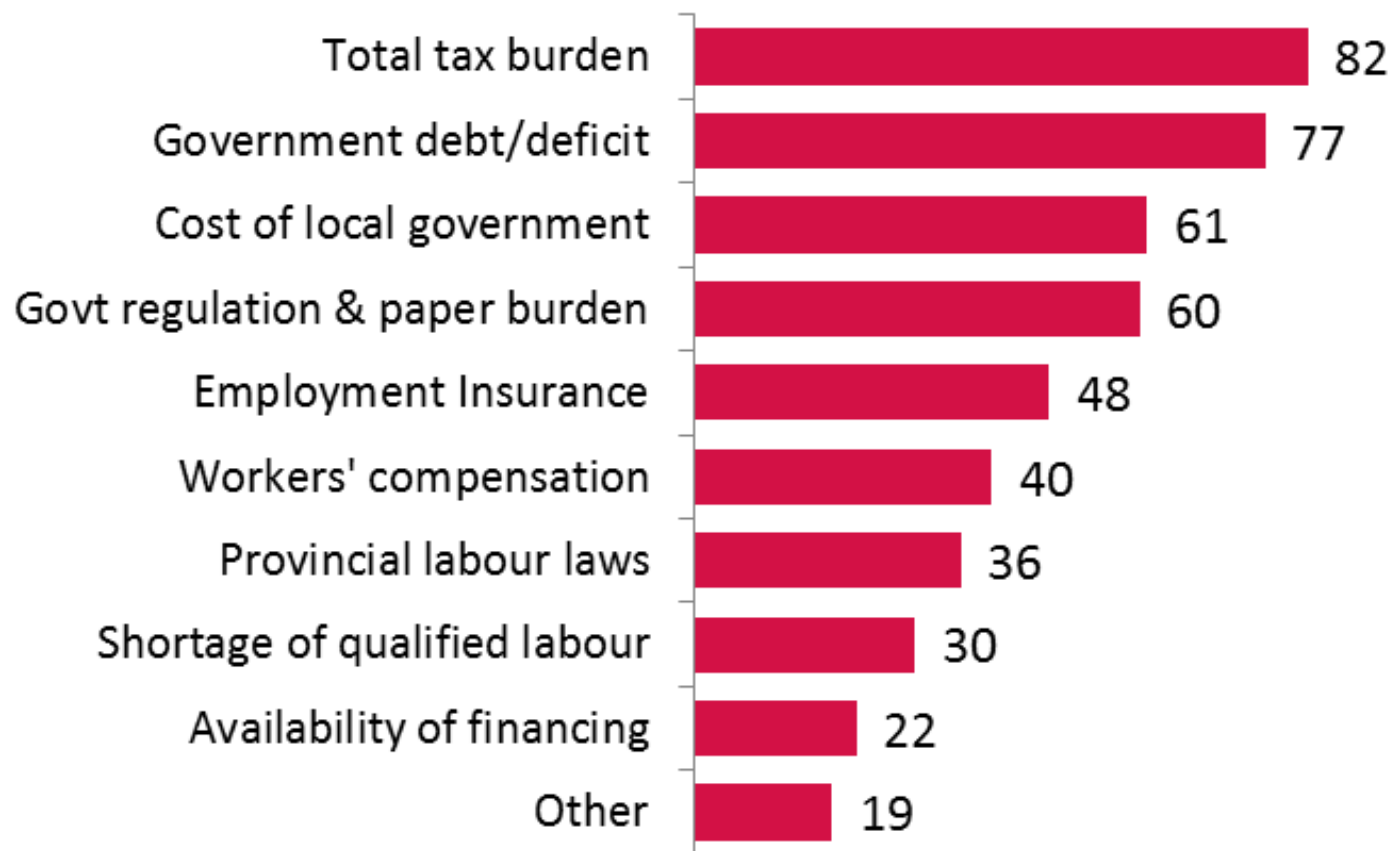
Limitations on sales or production growth



Major cost constraints



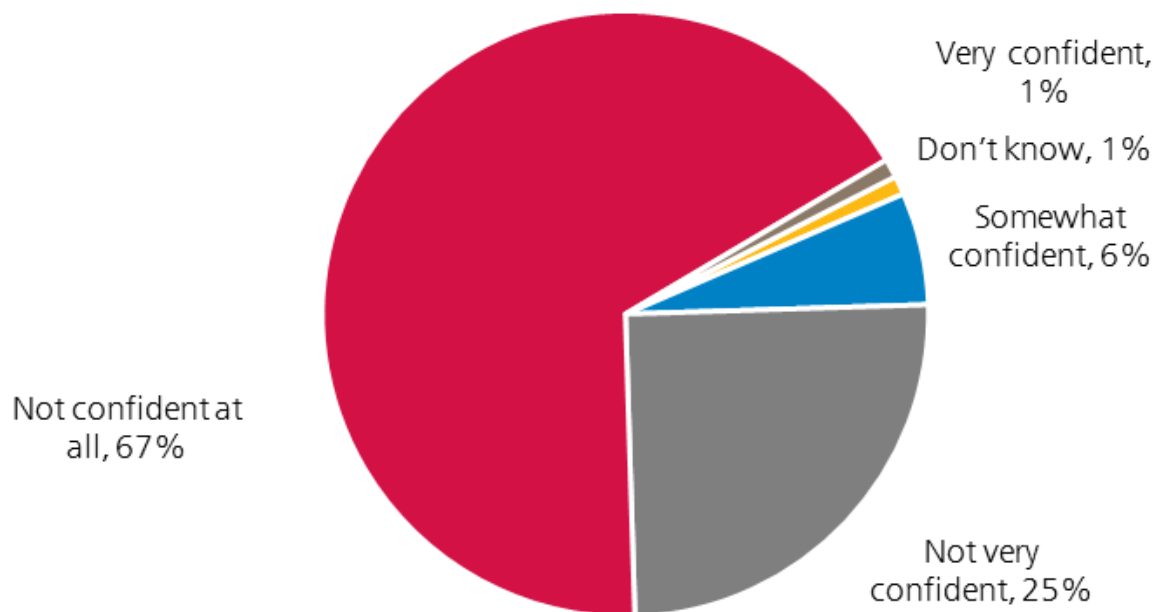
Alberta small business priorities



Source: CFIB Our Members' Opinions survey, July – Sept 2016, 790 responses

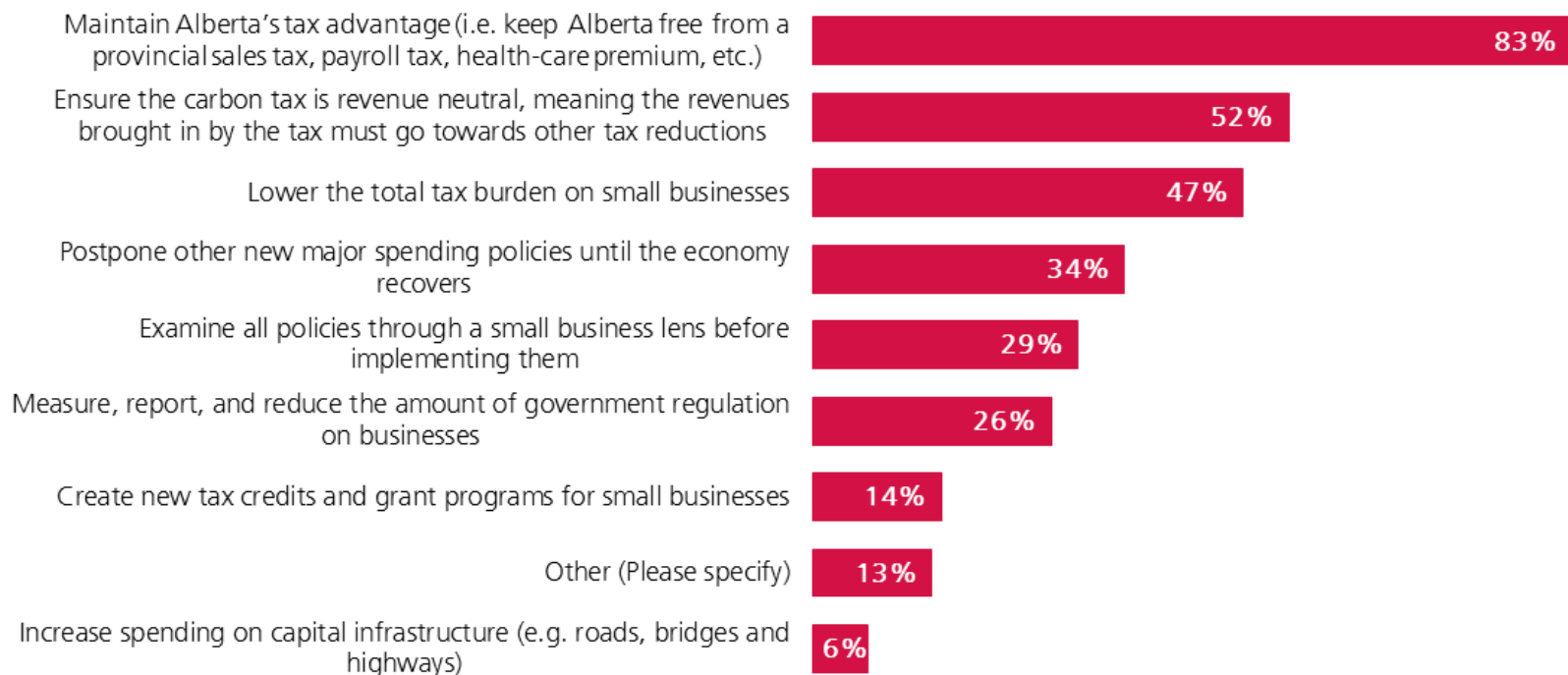
How confident are you that the provincial government is committed to improving the business climate for small business in Alberta?

92% Not confident



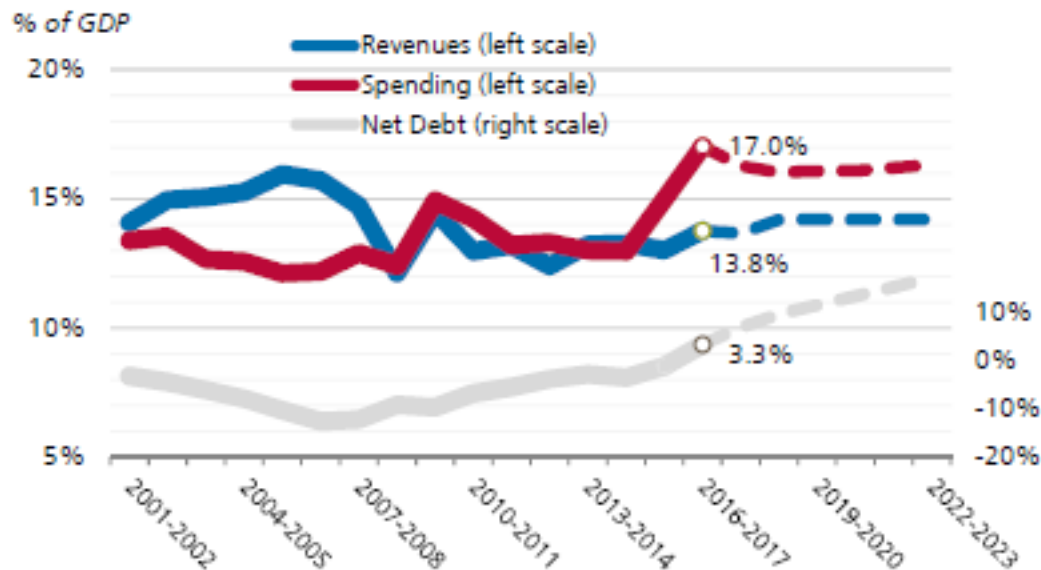
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

Which of the following measures should the provincial government take to enhance business confidence? (Select a maximum of three responses)



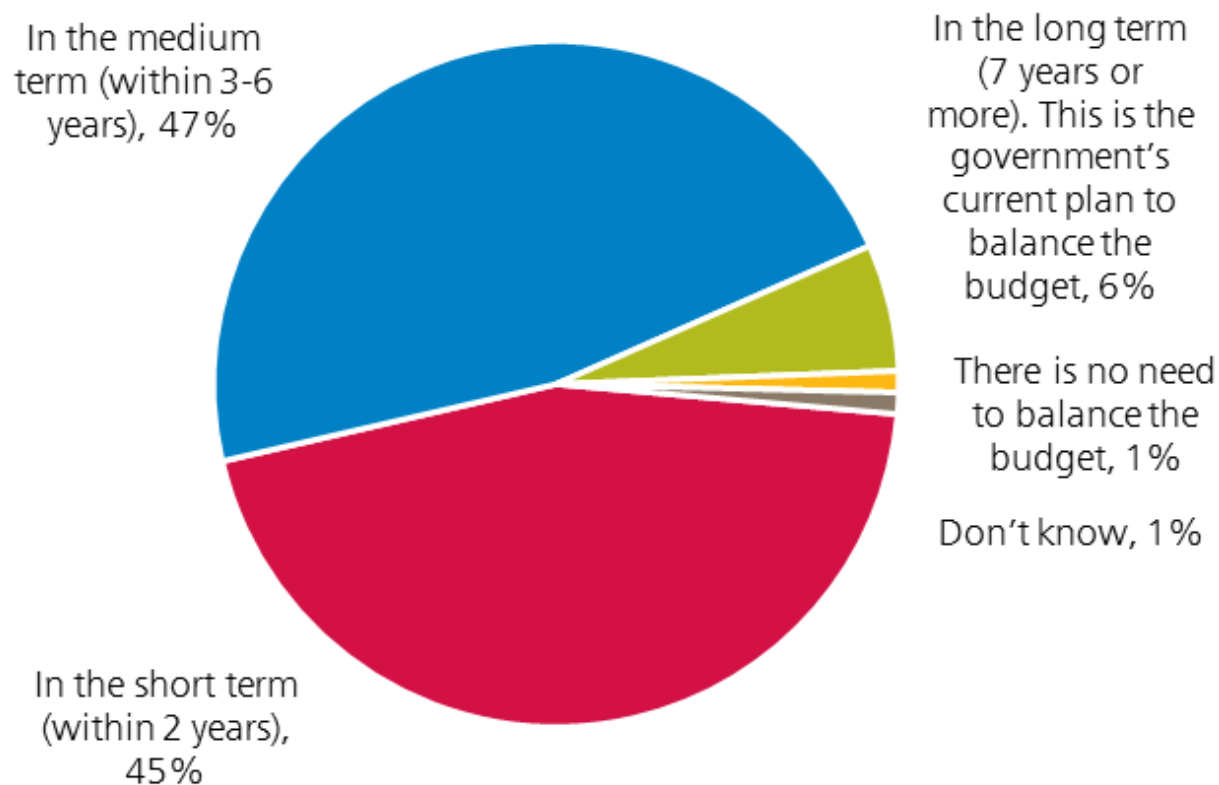
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

Alberta needs to exercise some fiscal fitness



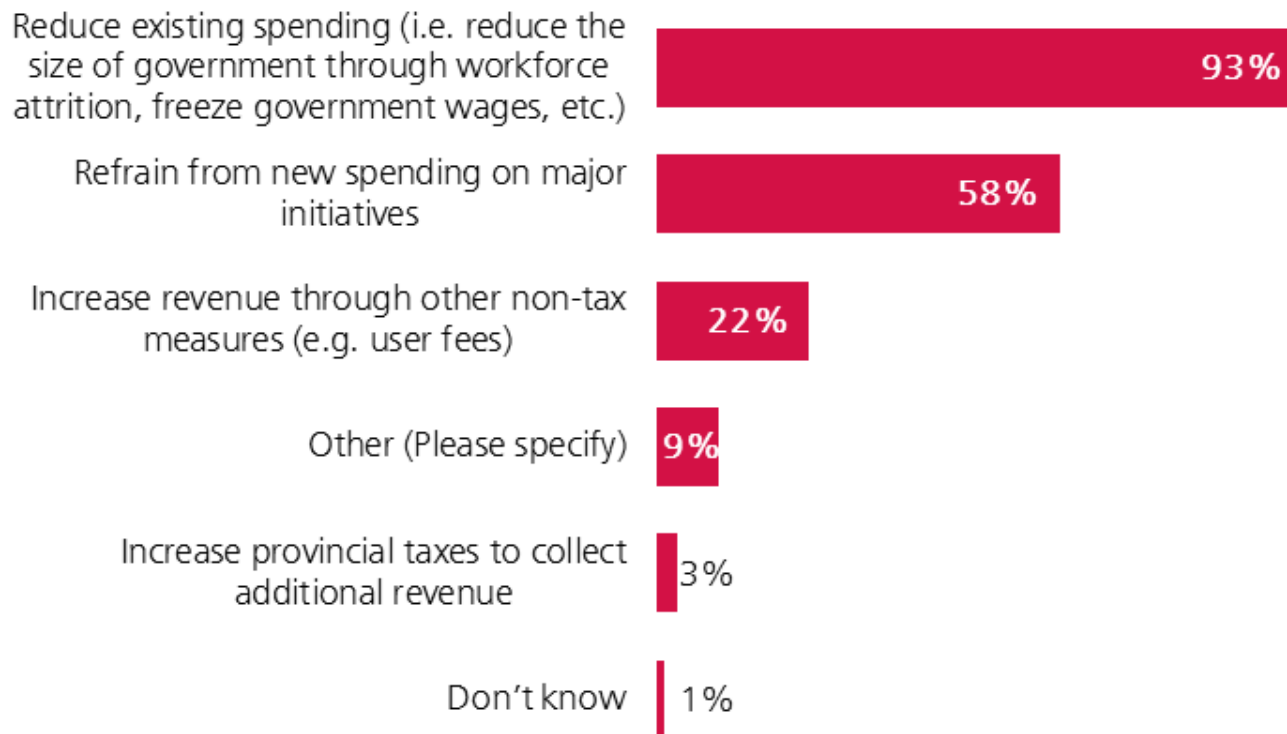
Alberta has opened the spending taps wide open in the past couple of years, driving up the deficit to well past \$10 billion this year. Plans are to moderate spending growth in the future, but not enough to close the gap. The province is now in a net debt position for the first time since 2000.

In what timeframe should the provincial government balance its budget?



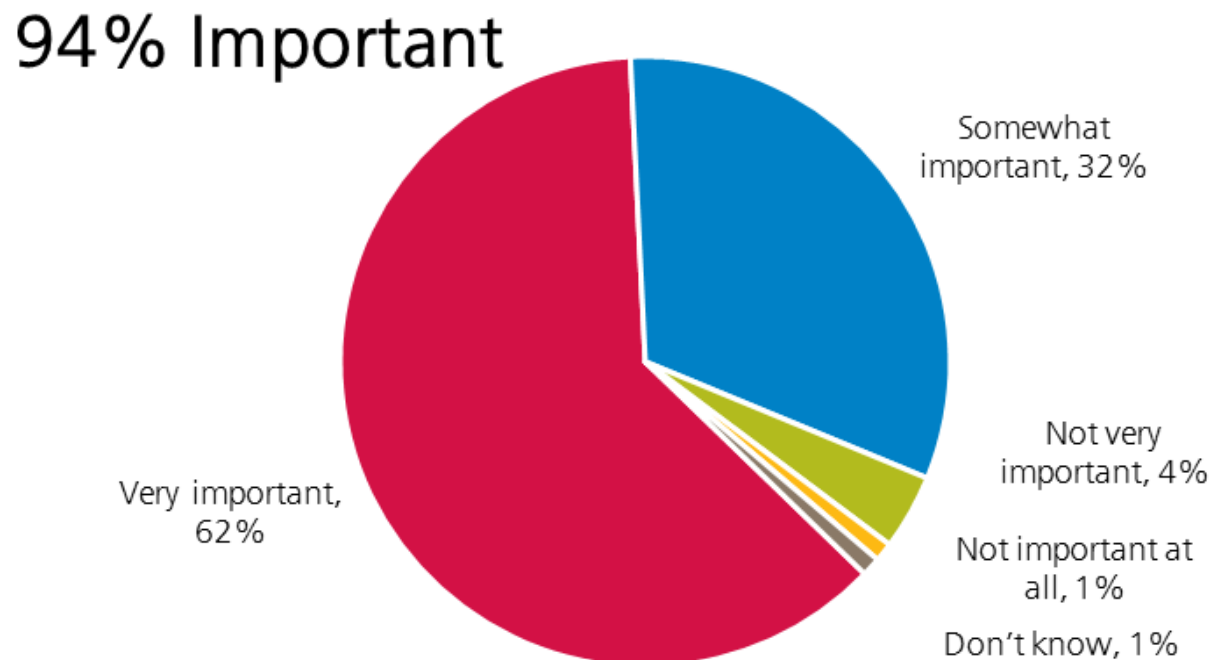
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

What should the provincial government do to balance its budget? (Select as many as apply)



Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

How important is it to you that the Alberta government eliminates the net debt?

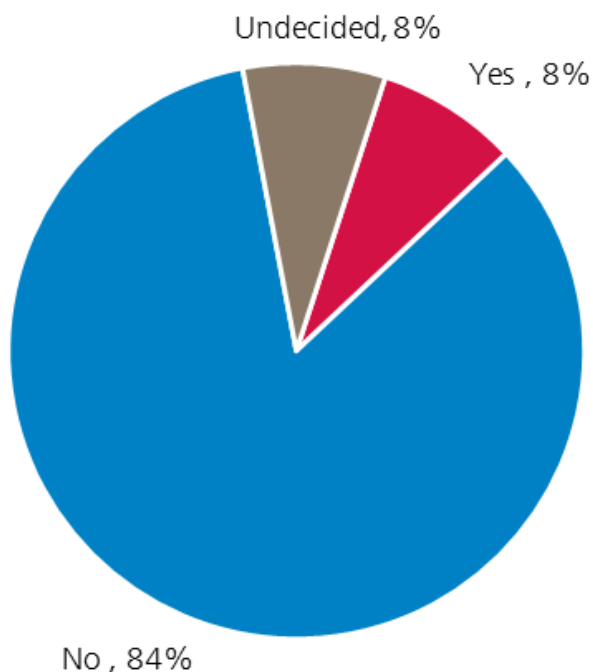


Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

84% of entrepreneurs say no to more debt financing

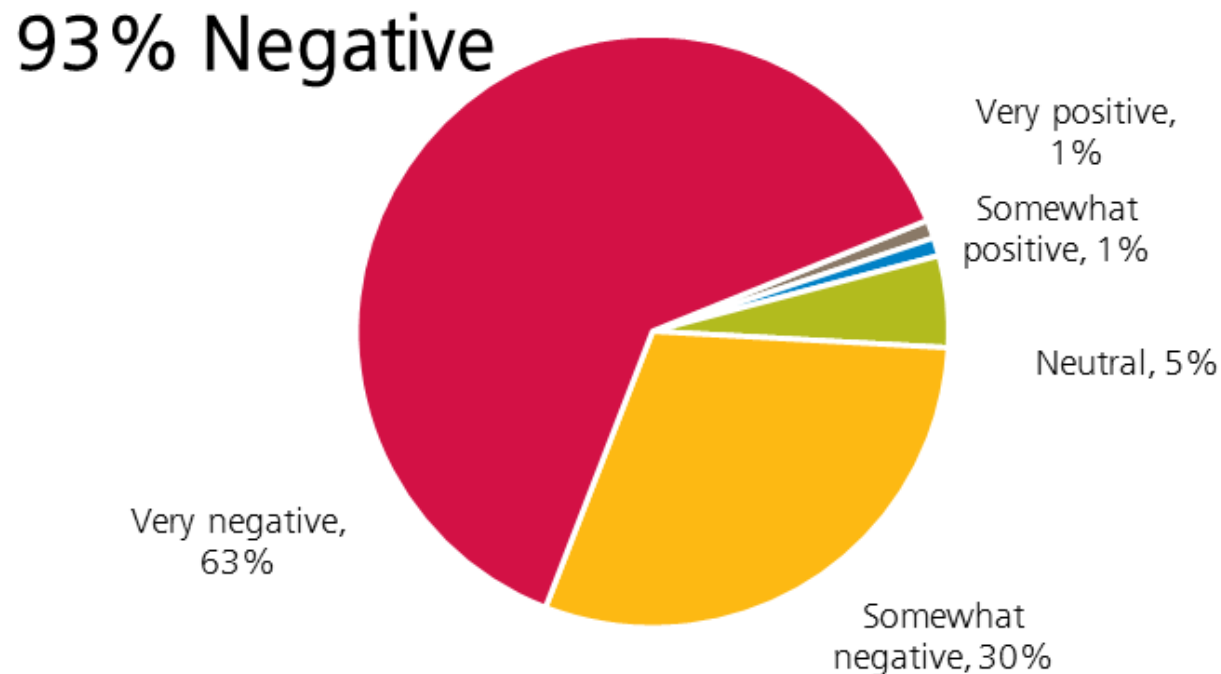
Little support for the Government of Alberta increasing Alberta's debt to GDP ratio to almost 17% GDP within two years

The Alberta government should raise its debt limit further



Source: CFIB Mandate question, May 2016, n = 1149

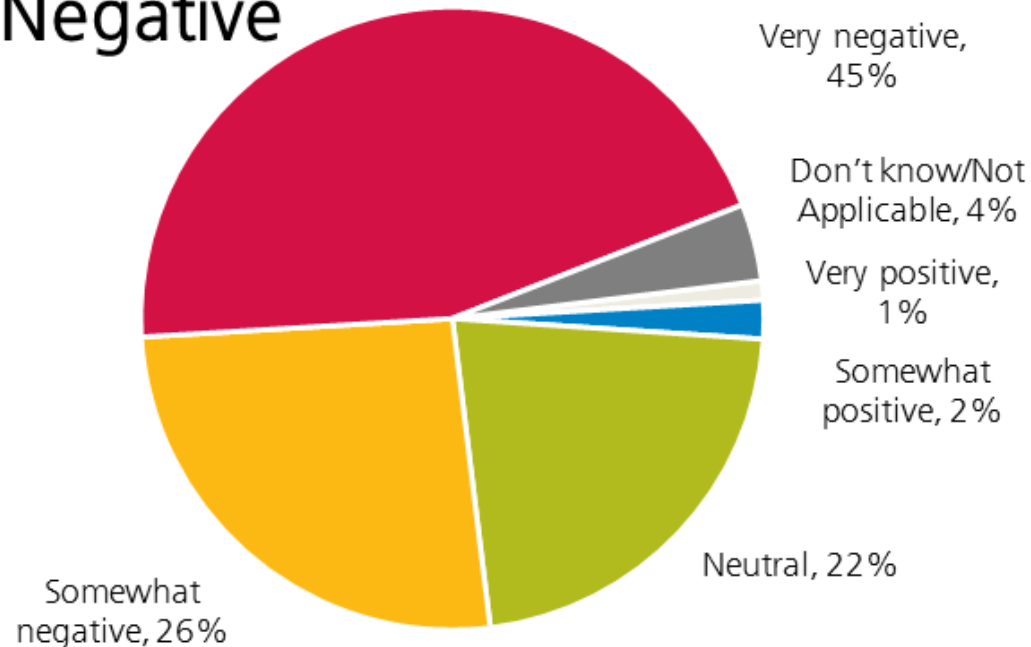
What type of impact do you expect the carbon tax will have on your business?



Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

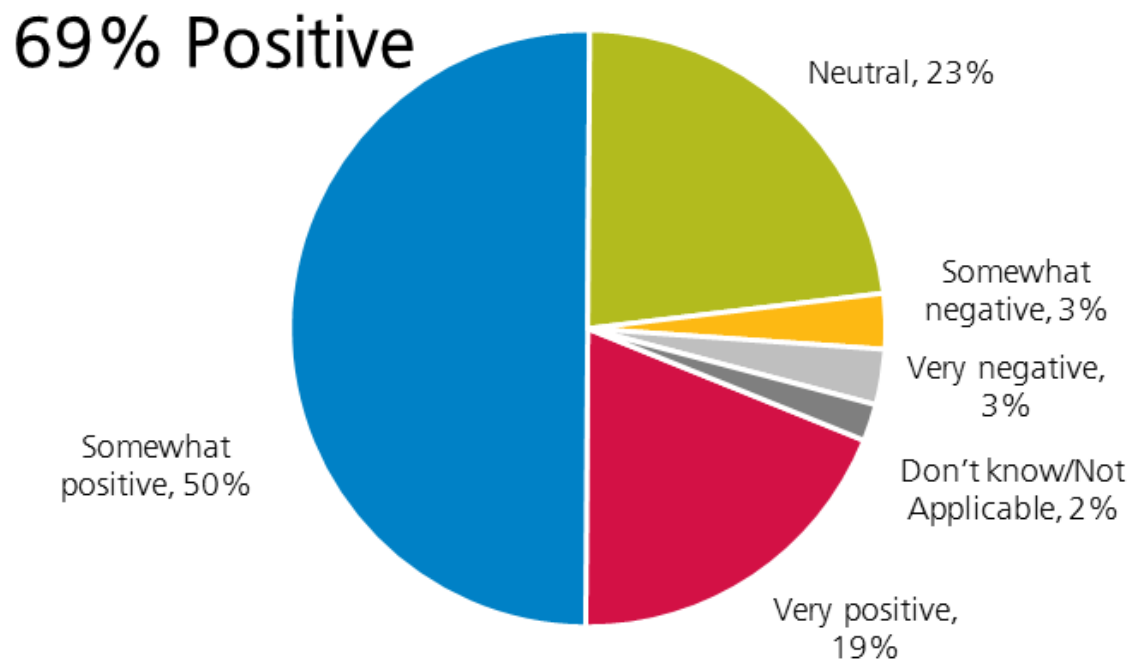
What type of impact do you expect raising Alberta's minimum wage rate to \$15/hr by 2018 will have on your business?

71 % Negative



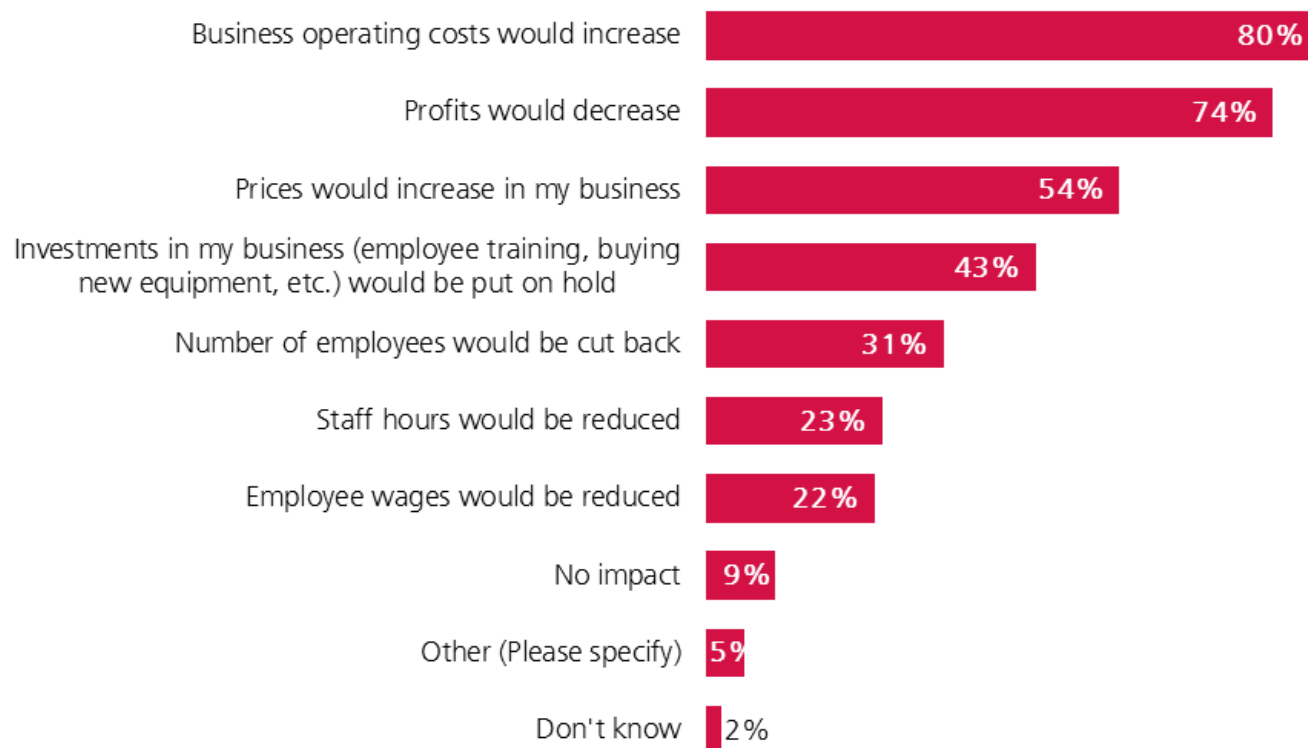
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

What type of impact do you expect reducing Alberta's small business corporate income tax rate from 3% to 2% will have on your business?



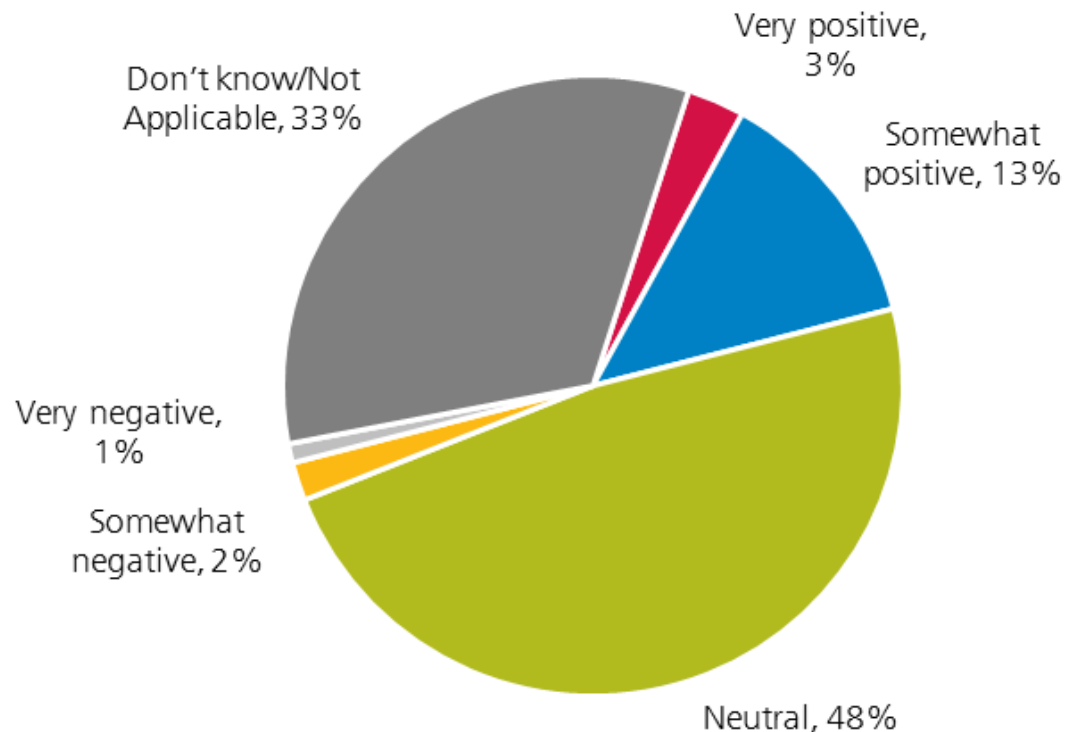
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

What impact would potential increases in Workers' Compensation Board (WCB) premiums have on your business?



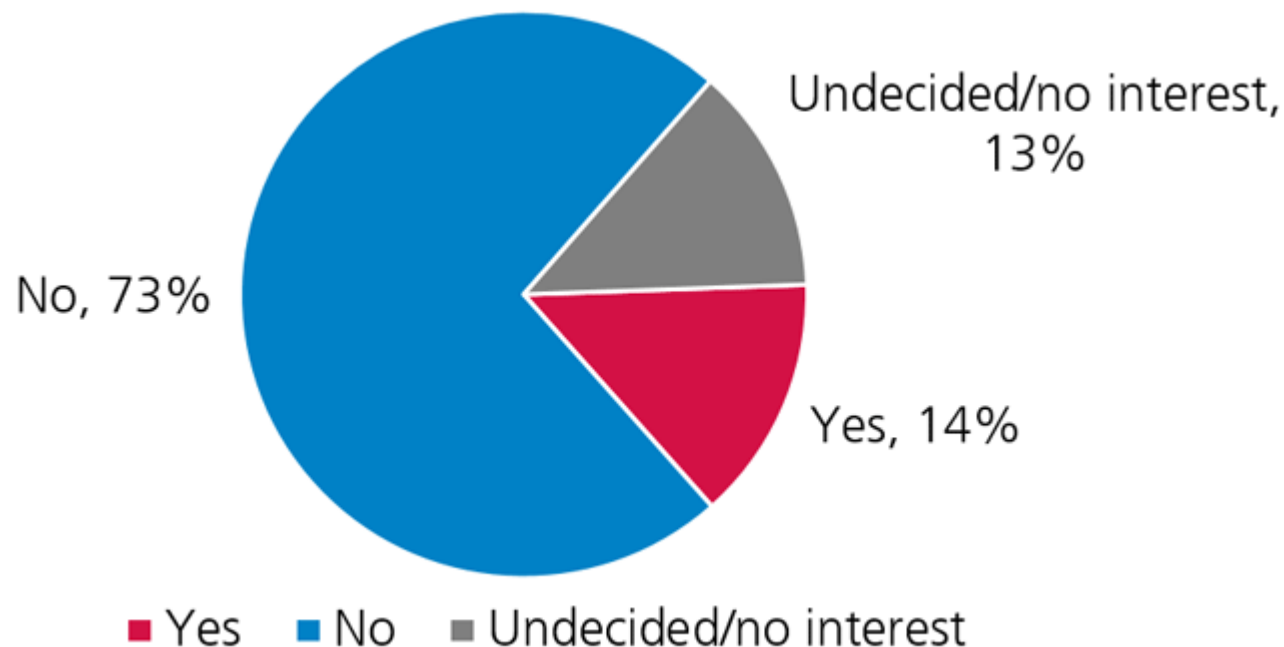
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

What type of impact do you expect the Alberta Export Expansion Package will have on your business?



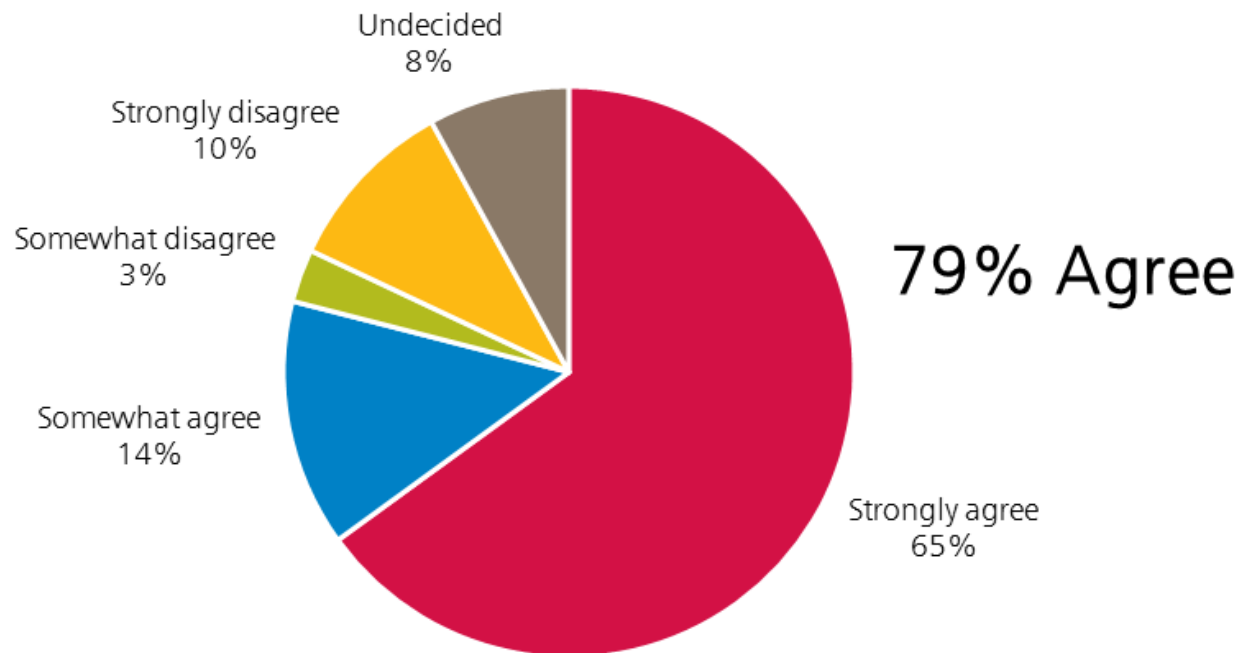
Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

Should the Alberta Government phase-out all coal generated electricity by 2030 in order to transition to renewable energy?



Source: CFIB Mandate question, July 2016, n = 656

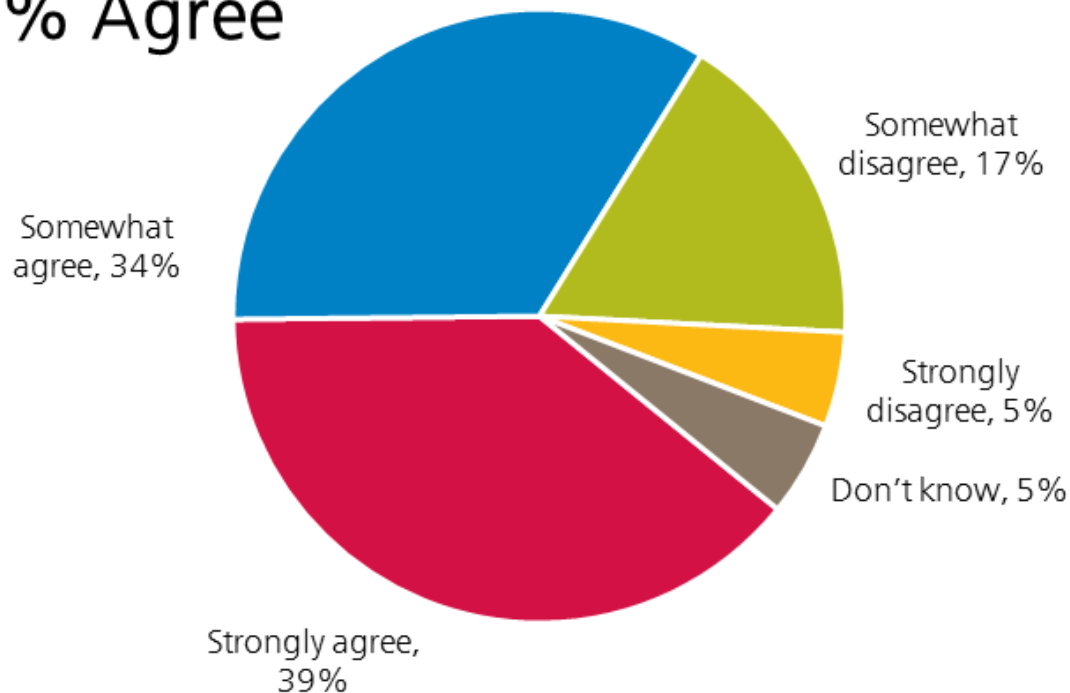
Should all revenues generated from carbon pricing be revenue-neutral (i.e. all revenue generated must go toward tax reductions)?



Source: CFIB Mandate question, August 2016, n = 865

Alberta's small business corporate income tax rate should be reduced further, from 2% to 1%

73% Agree

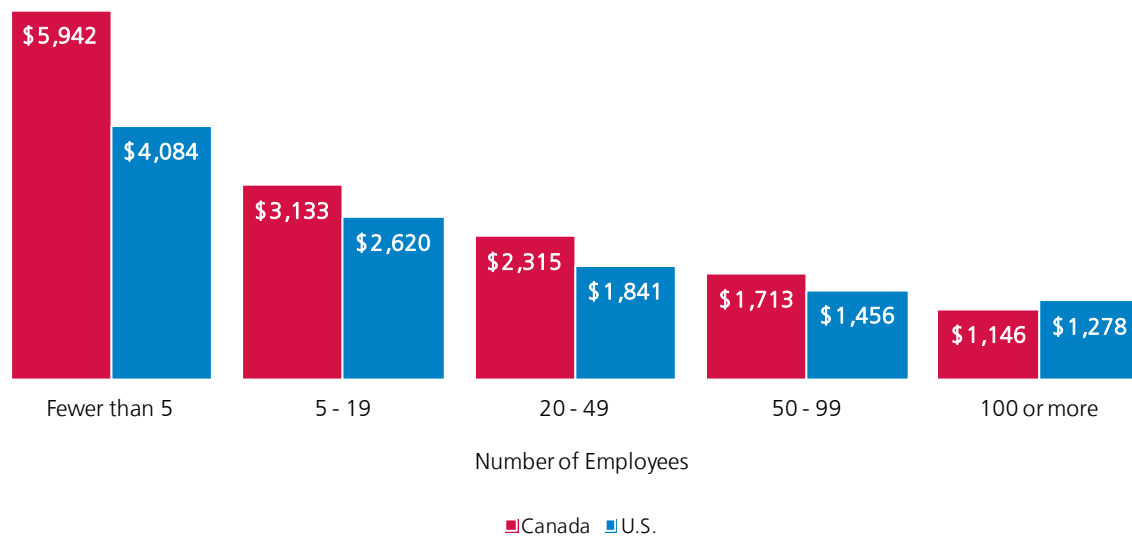


Source: CFIB Alberta 2017 Pre-Budget Survey, preliminary results, Feb 2017, n = 717

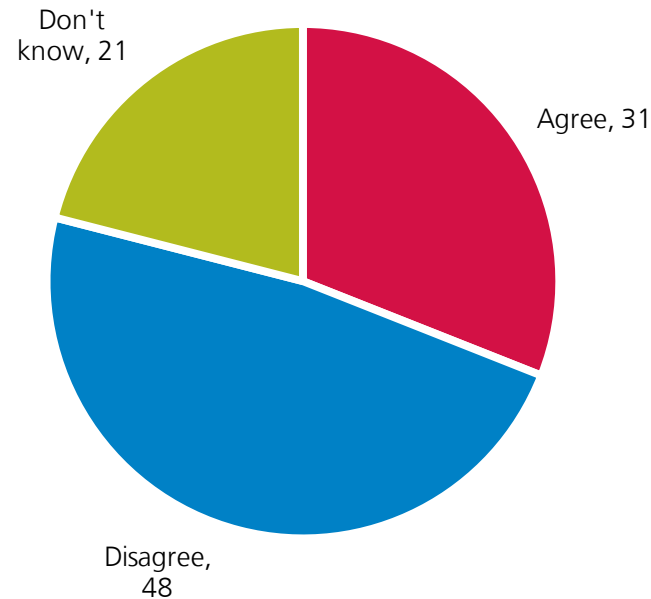


"You're the backbone of the economy, kid. Now get out there and create some jobs!"

Annual regulation cost per employee, by size of firm in Canada and U.S. (in 2012 dollars)



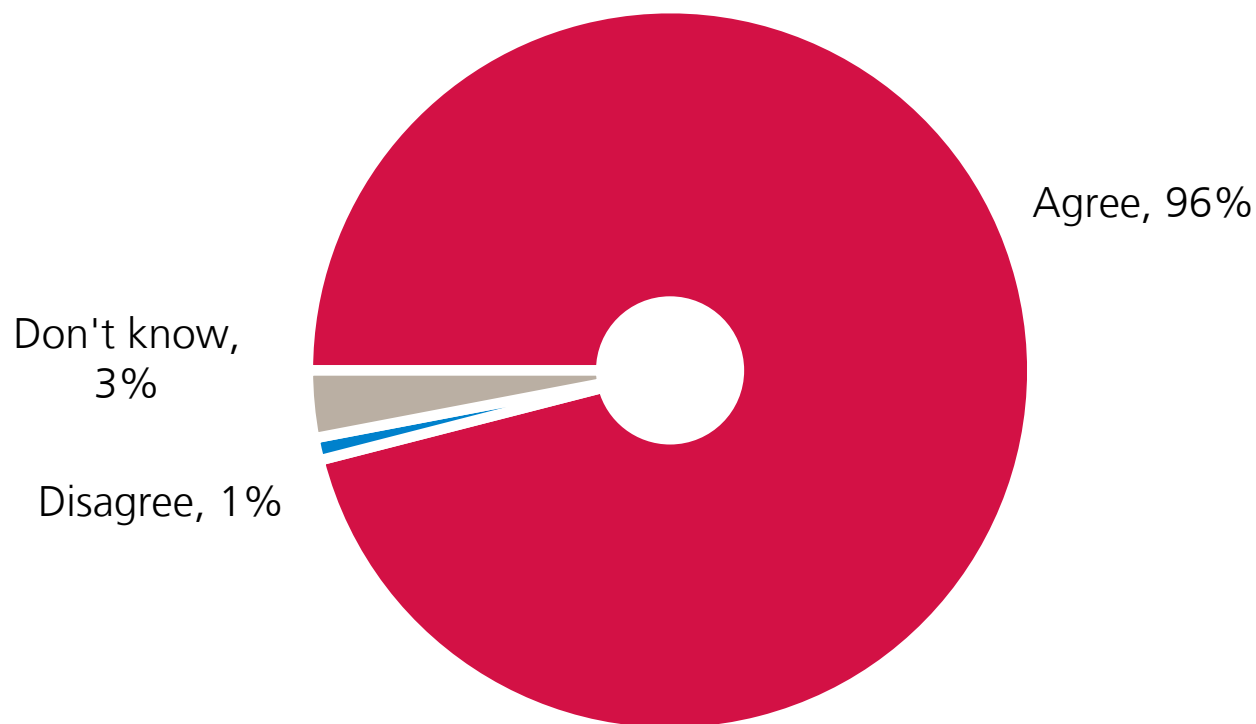
If I had known the burden of regulation, I may not have gone into business (% response)



Source: CFIB, Survey on Regulation and Paper Burden, 2012, n=8,562

Continue the dialogue

The government should consult small business stakeholders before implementing proposed policies.



Source: CFIB Post-election survey, June 2015, 973 responses

Recommendations

- ▶ Introduce a credible plan to balance the budget
- ▶ Reduce government operational expenditures
- ▶ Make the carbon tax completely revenue neutral (*i.e. reduce small business corporate income tax further*)
- ▶ Examine all policies through a small business lens (*i.e. changes to WCB, labour code, employment standards and Occupational Health and Safety etc.*)
- ▶ Make progress on red tape reduction. Legislate red tape accountability with:
 - *Annual measurements and public reporting of the regulatory burden*
 - *Constraints on regulatory burden growth (one-for-one)*
 - *Clear political leadership at the cabinet level*



Questions?

**Building prosperity
for the future**

1-866-444-9290
richard.truscott@cfib.ca
amber.ruddy@cfib.ca



@cfibAB @aruddy