



**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS**

*In business for your business™*

# ***Saskatchewan small business pre-election priorities: Roadmap for the province's economic recovery***

*Marilyn Braun-Pollon, Vice-President, Western Canada & Agri-business*

*Jonathan Alward, Director, Prairie Region*

*Jennifer Henshaw, Senior Policy Analyst, Prairie Region*

September 25, 2020

# About CFIB

- Founded in 1971
- Non-partisan, not-for-profit political advocacy organization
- 110,000 independently owned and operated businesses across Canada, including 5,250 in Saskatchewan
- Leaders in grassroots understanding of small business owners
- Members set policies for federal, provincial, and municipal issues



## Members in all major sectors of the economy

Agriculture	7,200
Construction	12,000
Health, Education and Social Services	8,000
Hospitality	8,500
Manufacturing	12,000
Personal and Miscellaneous Services	12,000
Primary Industries	1,500
Professional and Business Services	14,000
Retail	24,800
Transportation and Communication	3,500
Wholesale	6,500

# How CFIB supports small business in Canada



## **Advocacy: A voice for small business**

We advocate to get better taxes, laws & regulations.



## **Advice: Free Tools & Resources**

Get expert advice & support on regulations, HR & any other issues business owners might face.



## **Savings & Benefits**

We work with carefully selected partners to provide great rates on essential services.

# Meeting SMEs' needs during COVID-19



Expanded services to any business in need of help and answered over 56,000 calls, including 10,000 non-members

Bi-weekly webinars in English and French

Tools like Online Help Centre (over 1.2 million views), Back to Business Kits, and 'PPEs for SMEs' FB page

---

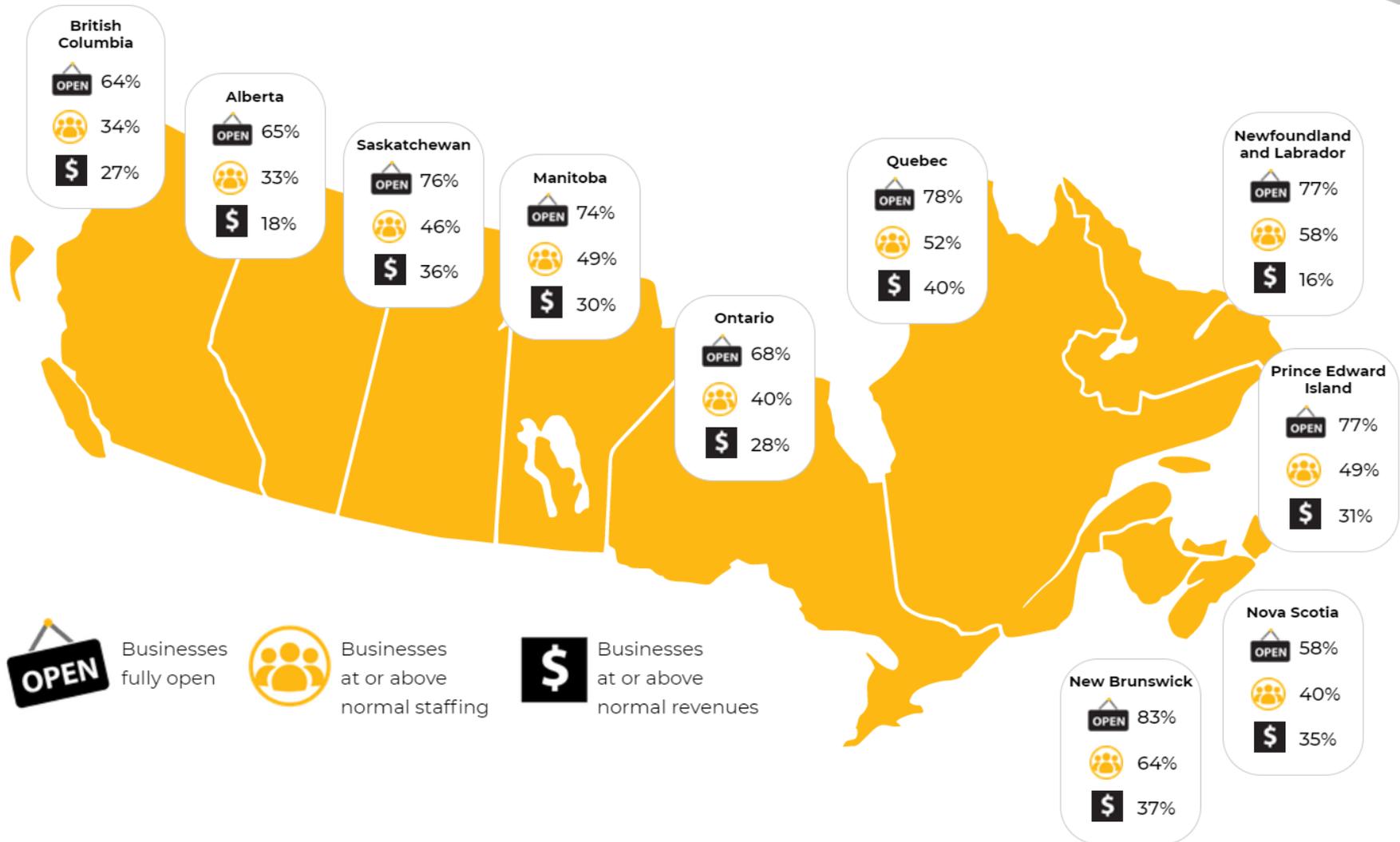


Weekly surveys with 10k+ responses, briefings for policy makers on results nearly every week

Unprecedented media coverage; over 25k hits since March

Wage subsidy, CEBA and other policies shaped by small business input

# Small business Recovery Dashboard – Sept 22<sup>nd</sup>



## Small business landscape during COVID-19

**7 out of 10** small businesses worry that customers won't come back, meanwhile Amazon's sales are up.

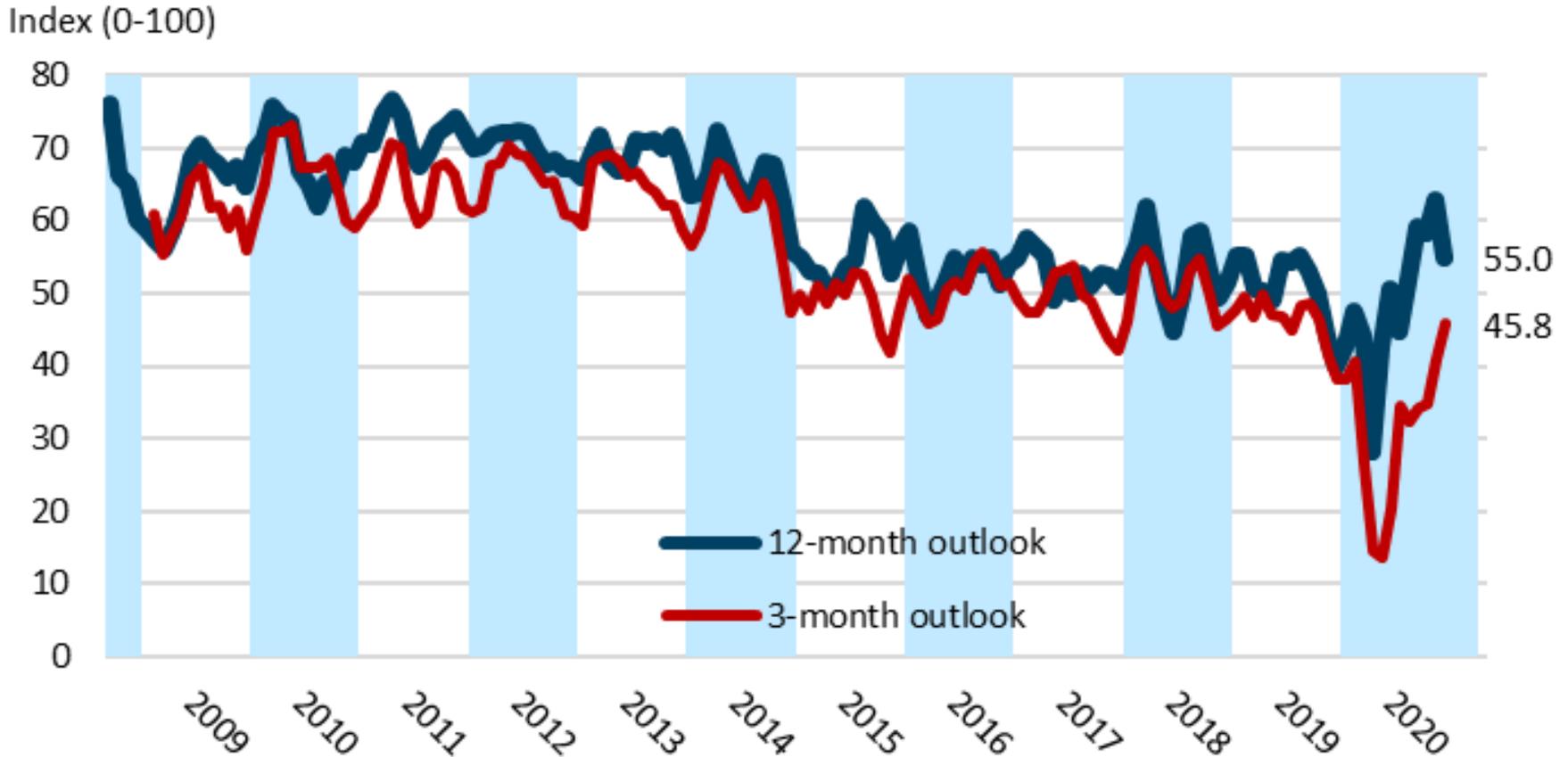
**75%** of Saskatchewan's small businesses have taken on debt related to COVID-19 at a (national) average of **\$135,000** each.

**6,283** or **16%** of Saskatchewan small businesses are worried they will have to close their business permanently.

It will take **1 year and 5 months** for small businesses to return to normal sales, on average.

**Small business success is critical to Canada.  
How do we help them get back to success?**

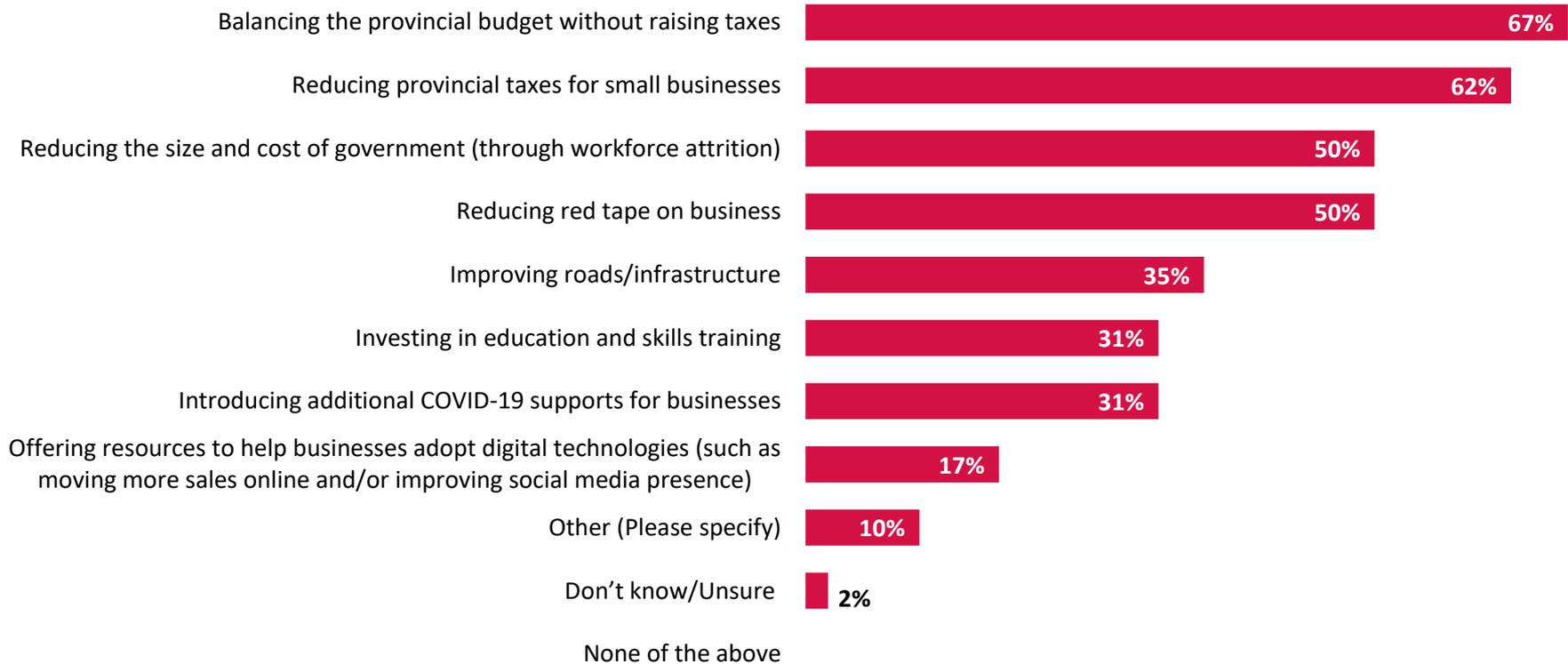
# 12-month Sask small business optimism declines in September; 3-month outlook continues to improve



Source: CFIB Monthly Business Barometer, Saskatchewan, September 2020.

# Priorities to help small businesses recover

***What should be the top small business priorities for the next provincial government?*** (Select as many as apply)



Source: CFIB, *Your Business and COVID-19 – Survey Number Twenty-One, September 24-29, 2020, Saskatchewan preliminary results, n = 145.*

## Priority #1 – Provide tax relief to help recovery

*“The COVID-19 impact to my business will not be felt for 2-3 years. We need some measures to stimulate the economy, which will provide jobs for people.”*

*– Sask small business owner*

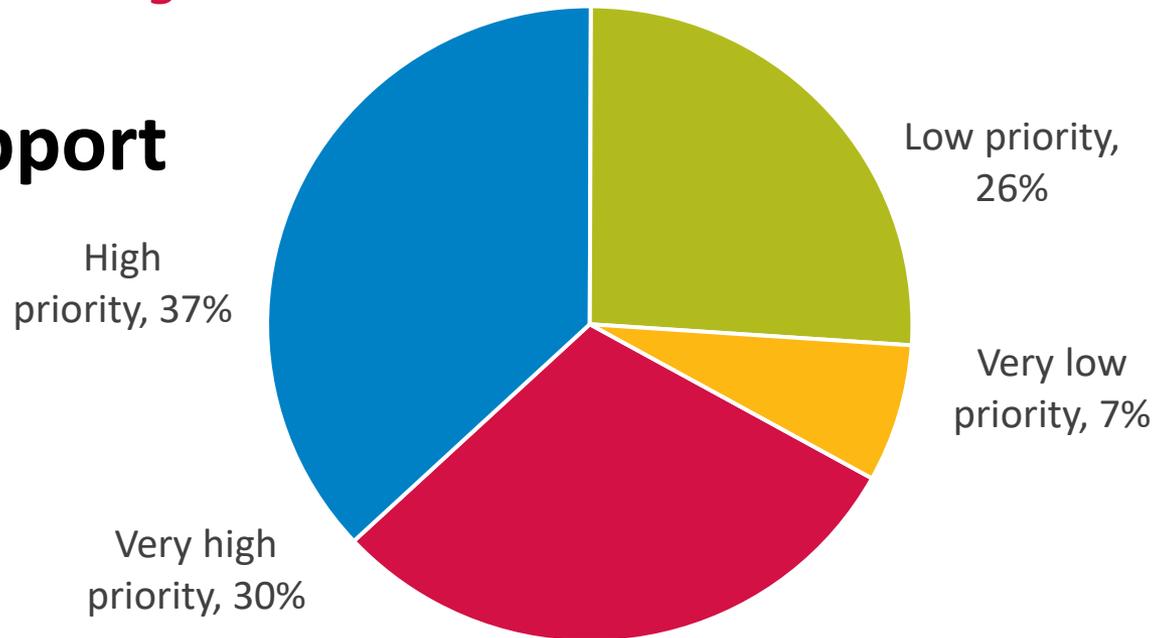
Source: CFIB, Your Business and COVID-19 – Survey Number Twenty-One, September 24-29, 2020, Saskatchewan preliminary results, n = 145.

# Small businesses need tax relief now

Thinking about the possible tax relief measures, what priority level should the next provincial government assign to the following: (Select one for each line)

**Providing tax relief to help small businesses recover, even if it delays balancing the budget**

**67% Support**



Source: CFIB, Your Business and COVID-19 – Survey Number Twenty-One, September 24-29, 2020, Saskatchewan preliminary results, n = 145.

# Top priorities for speeding up economic recovery

*Thinking about the possible tax relief measures, what priority level should the next provincial government assign to the following: (Select one for each line)*

Opposing any federal government measures to continue increasing CPP premiums, EI premiums and carbon tax rates over the next four years



Providing temporary corporate income tax relief to stimulate economic recovery



Providing temporary PST relief to stimulate customer demand and help restore employment levels



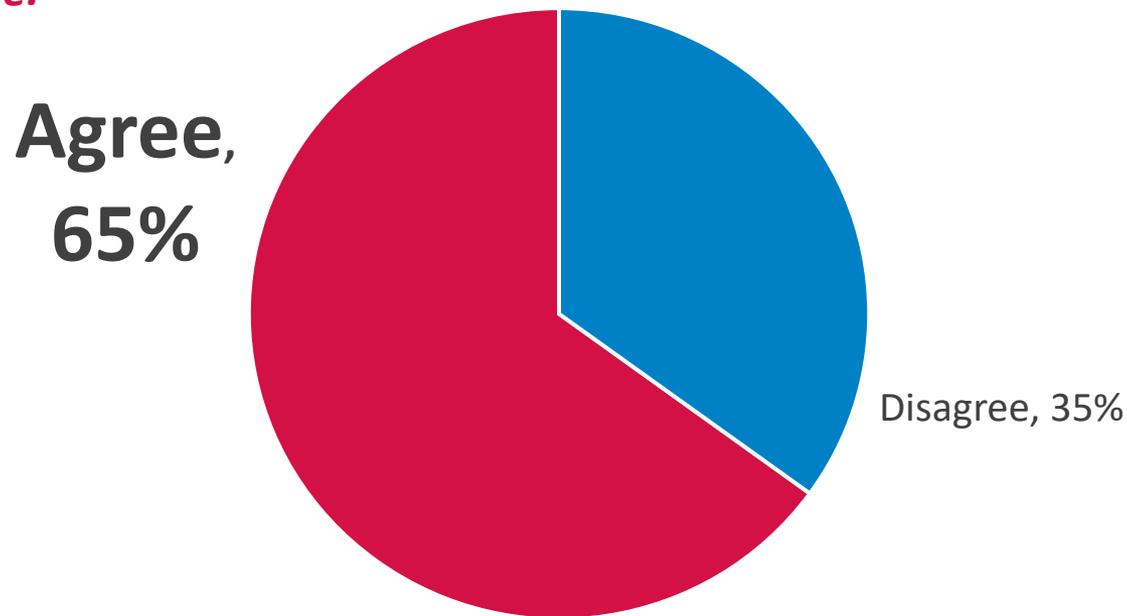
■ Very high priority   ■ High priority   ■ Low priority   ■ Very low priority

Source: CFIB, *Your Business and COVID-19 – Survey Number Twenty-One, September 24-29, 2020, Saskatchewan preliminary results, n = 145.*

## Introduce a plan to eliminate Sask's small biz corporate tax rate

*Please indicate whether you agree or disagree with the following statements about Saskatchewan's small business corporate income tax rate (select one)*

***The provincial government should introduce a plan to reduce Saskatchewan's small business corporate income tax rate from 2% to 0% on the first \$600,000 of annual business income.***



Source: CFIB, 2020 Saskatchewan Pre-Budget Survey, October 2019, n=383.

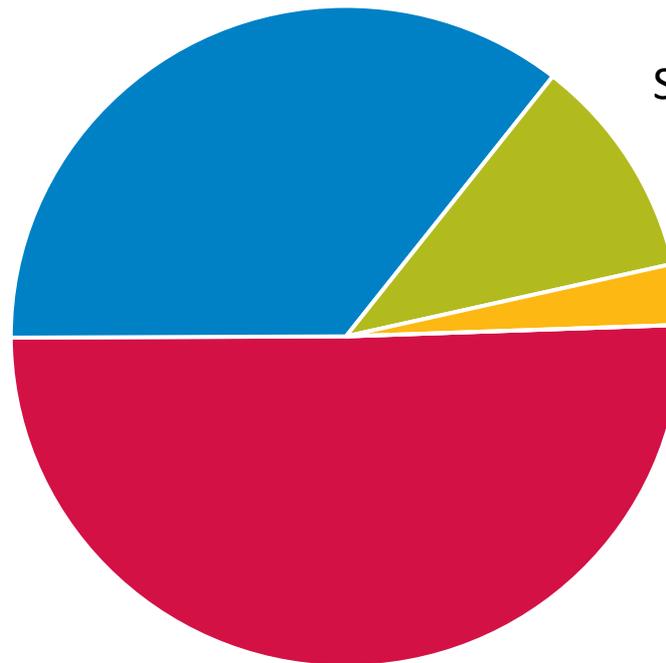
# Oppose new taxation powers for municipalities

Please indicate to what extent you agree or disagree with the following statement:  
***The provincial government should continue to oppose giving municipalities new taxation powers.***

**87% Agree**

Somewhat agree 36%

Strongly agree 51%



Somewhat disagree 11%

Strongly disagree 2%

Source: CFIB, 2020 Saskatchewan Pre-Budget Survey, October 2019, n=383.

# Sask Cities have received a 174% increase in revenue sharing since 2007-2008

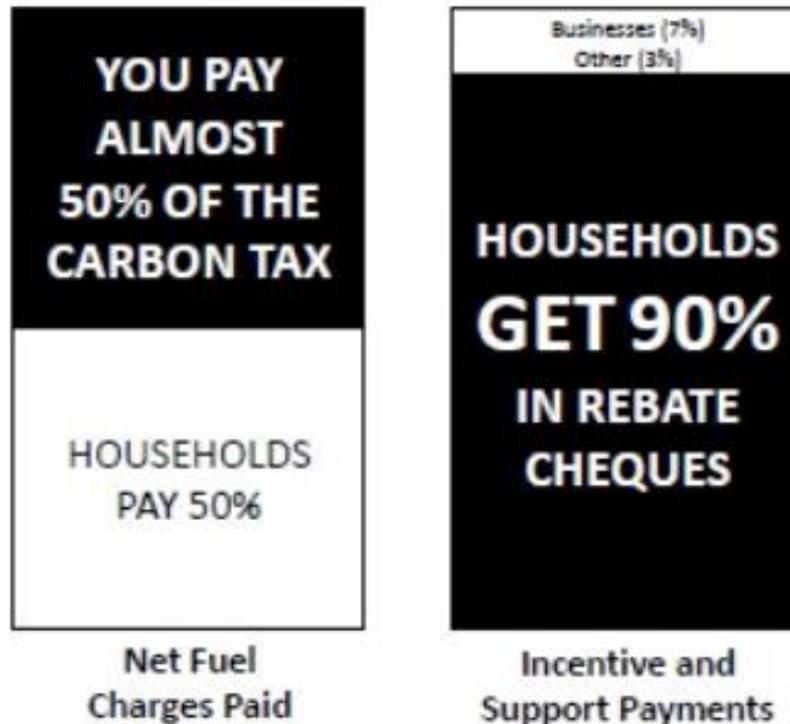
City	2007-2008 Revenue Sharing	2019-2020 Revenue Sharing	2020-2021 Revenue Sharing	Overall Increase in Revenue Sharing	% Increase from 2007-2008
Estevan	\$885,879	\$2,092,757	\$2,315,716	\$1,429,837	161%
Humboldt	\$439,074	\$1,069,615	\$1,183,570	\$744,496	170%
Lloydminster	\$713,166	\$2,144,151	\$2,372,586	\$1,659,420	233%
Martensville	\$506,625	\$1,757,784	\$1,945,057	\$1,438,432	284%
Meadow Lake	\$486,615	\$973,935	\$1,077,696	\$591,081	121%
Melfort	\$456,117	\$1,092,032	\$1,208,375	\$752,258	165%
Melville	\$364,490	\$831,417	\$919,995	\$555,505	152%
Moose Jaw	\$2,822,796	\$6,176,393	\$6,834,419	\$4,011,623	142%
North Battleford	\$1,158,742	\$2,608,884	\$2,886,831	\$1,728,089	149%
Prince Albert	\$2,999,023	\$6,547,451	\$7,245,008	\$4,245,985	142%
Regina	\$15,746,761	\$39,202,694	\$43,379,299	\$27,632,538	175%
Saskatoon	\$17,775,569	\$45,051,952	\$49,851,729	\$32,076,160	180%
Swift Current	\$1,313,006	\$3,026,050	\$3,348,442	\$2,035,436	155%
Warman	\$485,904	\$2,008,376	\$2,222,346	\$1,736,442	357%
Weyburn	\$828,689	\$1,981,039	\$2,192,096	\$1,363,407	165%
Yorkton	\$1,321,088	\$2,978,483	\$3,295,807	\$1,974,719	149%
<b>TOTALS</b>	<b>\$48,303,544</b>	<b>\$119,543,013</b>	<b>\$132,278,972</b>	<b>\$83,975,428</b>	<b>174%</b>

Source: Ministry of Government Relations

# Stop the unfair federal carbon tax and its increases

**Carbon tax  
revenue:  
\$2.4B in  
2019-20 to  
\$21.9B in  
2023-24**

% distribution of federal fuel charges  
and support payments



Source: CFIB Research Snapshot: The Federal Carbon Pricing Backstop, February 2019.

# Priority #1 – Provide tax relief to help recovery

## *Short-term recommendations:*

- *Deliver immediate provincial relief measures for small businesses to help speed Saskatchewan's economic recovery such as:*
  - Introducing additional grants for businesses to cover COVID-19 related costs;
  - Providing temporary PST relief to stimulate customer demand and help restore employment levels.
- *Introduce a plan to reduce Saskatchewan's small business corporate income tax rate (reduce the rate on the first \$600,000 of business income from 2% to 0%);*
- *Reject any proposal that would provide increased taxation powers for municipalities (e.g. fuel, income or sales tax);*
- *Push to stop planned CPP premium and federal carbon tax increases, as well as any EI premium increases for the next four years.*

## Priority #2 – Spend sustainably and focus on capacity building

*“Smaller government is the key to balancing books. Manage your affairs like any business has to in order to survive.”*

*– Sask small business owner*

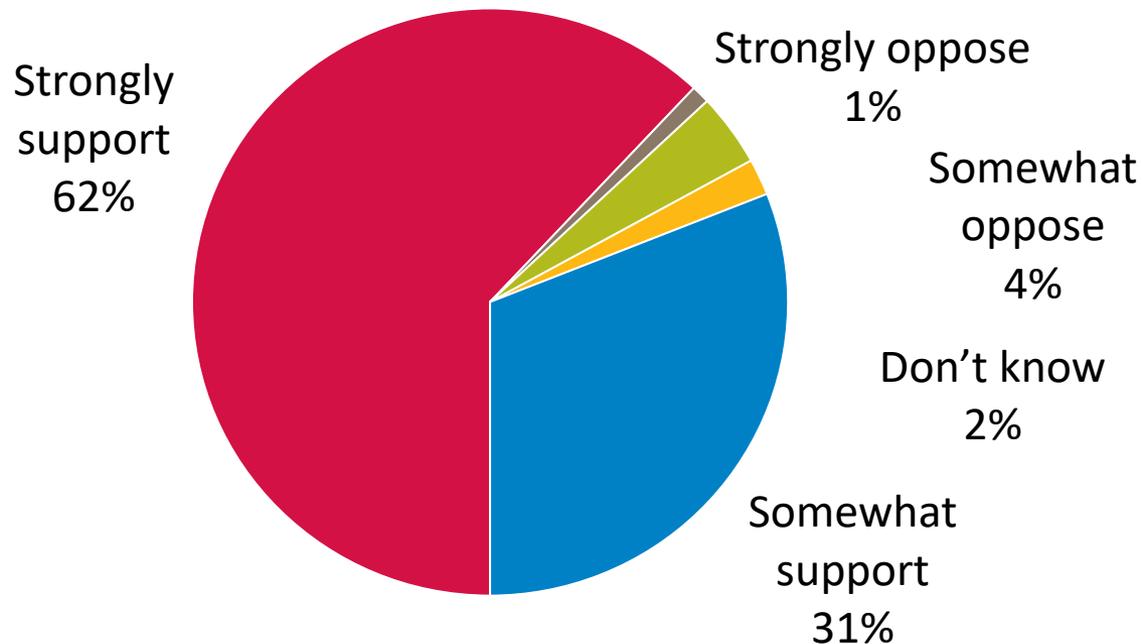
Source: CFIB, 2020 Saskatchewan Pre-Budget Survey, October 2019, n=383.

# Small businesses support reducing the size of government through workforce attrition

*To what extent would you support or oppose the Saskatchewan government taking action in the following spending areas to balance the budget?*

## **Reduce the size of the government, through workforce attrition**

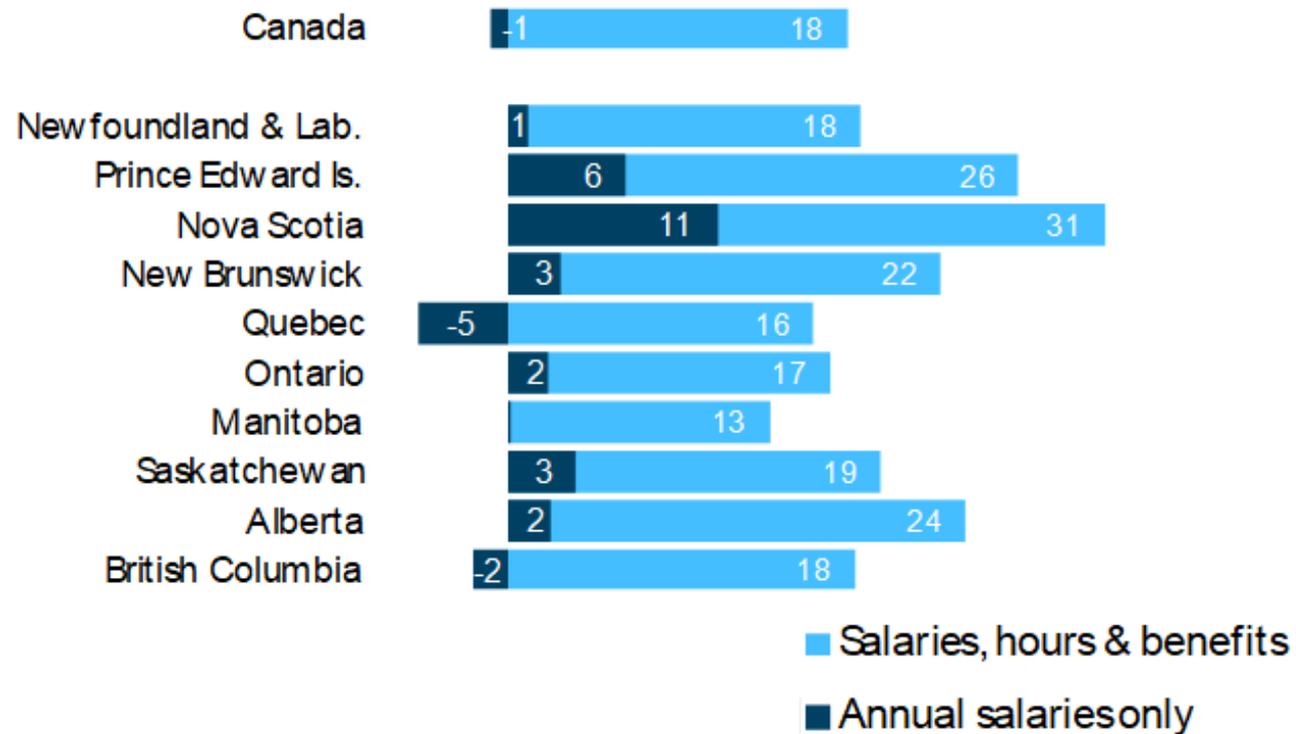
**93%  
Support**



Source: CFIB, Saskatchewan Pre-Budget Survey, November 2016.

# Narrow gap between public & private sector benefits

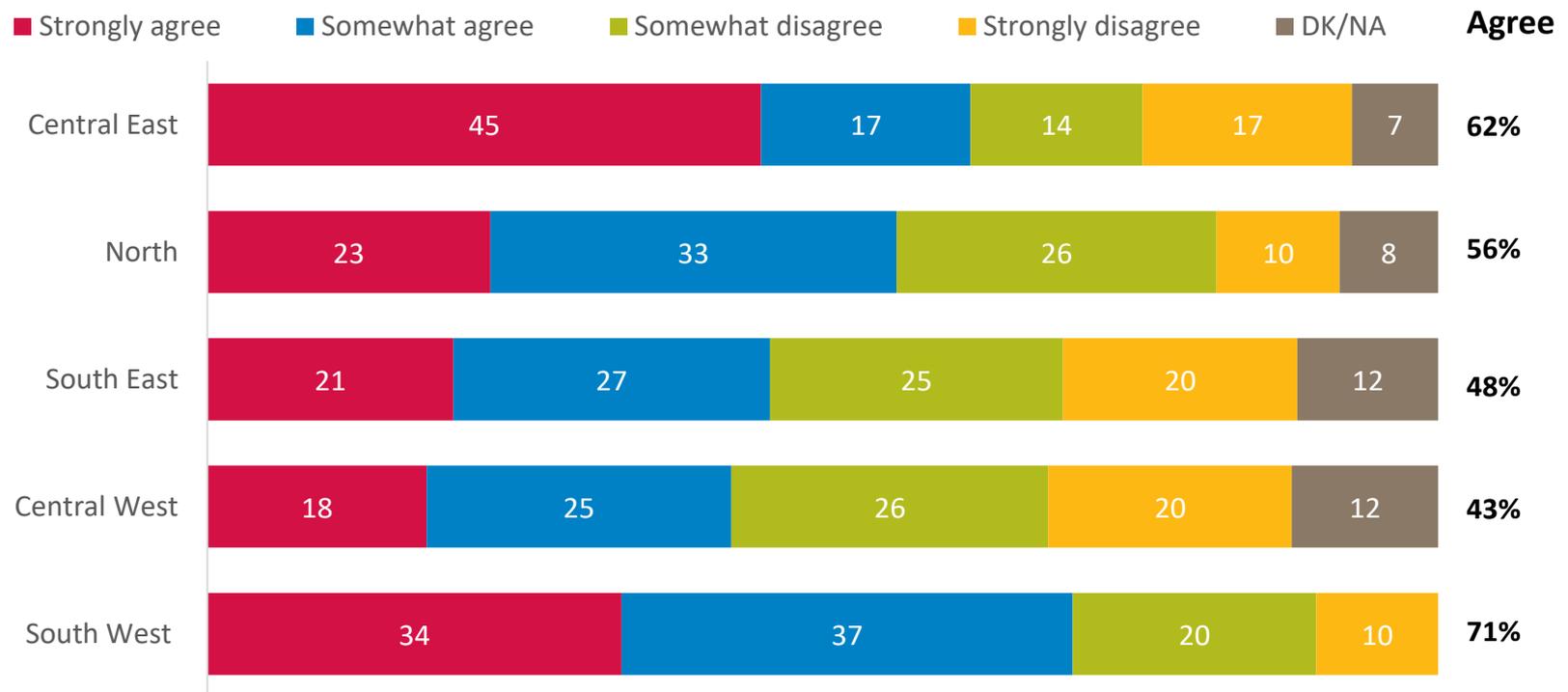
*Provincial government salary and benefits\* advantages, by province  
(% above comparable private sector compensation)*



Source: CFIB internal calculations for 2018 Wage Watch Report.

# Need for better internet service, by region

Please indicate to what extent you agree or disagree with each of the following statements: **My business needs better internet service in my area** (% response)

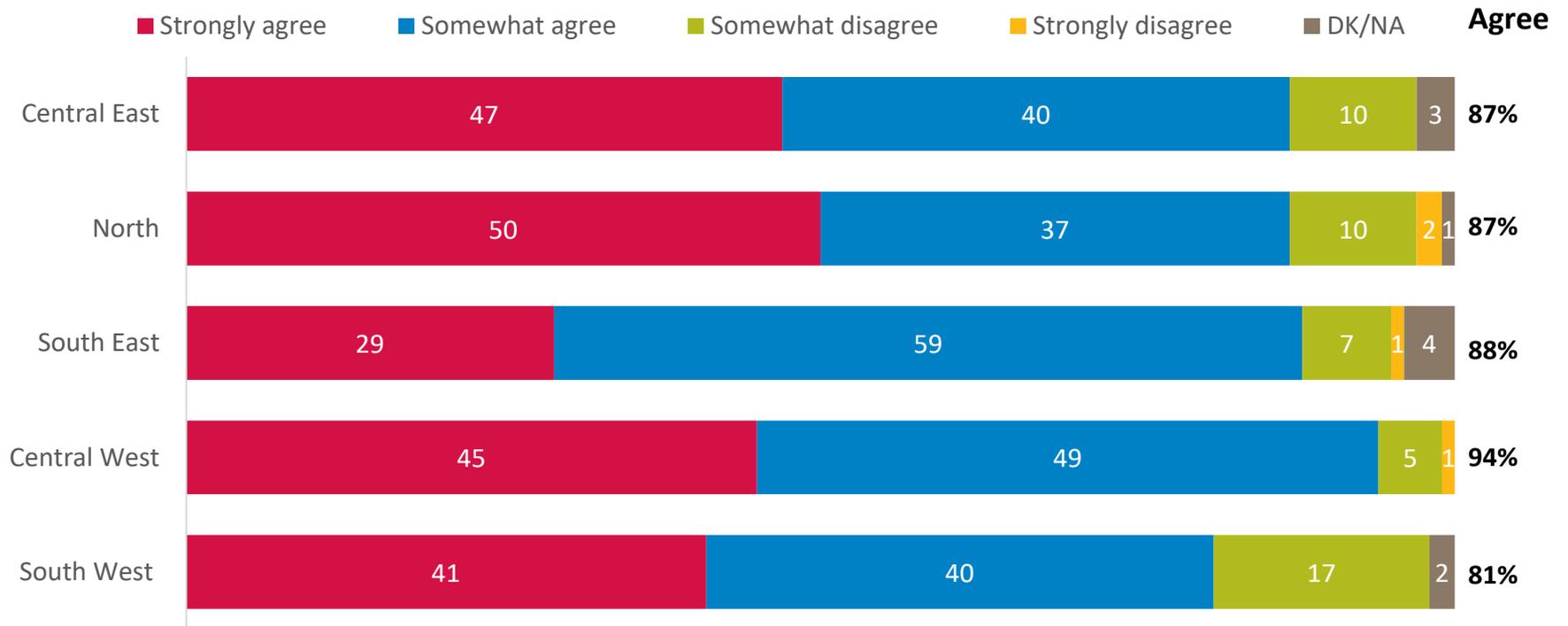


Source: CFIB, 2020 Saskatchewan Pre-Budget Survey, October 2019, small base sizes in CE (n=29) and SW (n=41).

# Support for spending more on crime prevention

Please indicate to what extent you agree or disagree with each of the following statements:

**The provincial government should increase spending on crime prevention across Saskatchewan** (% response)

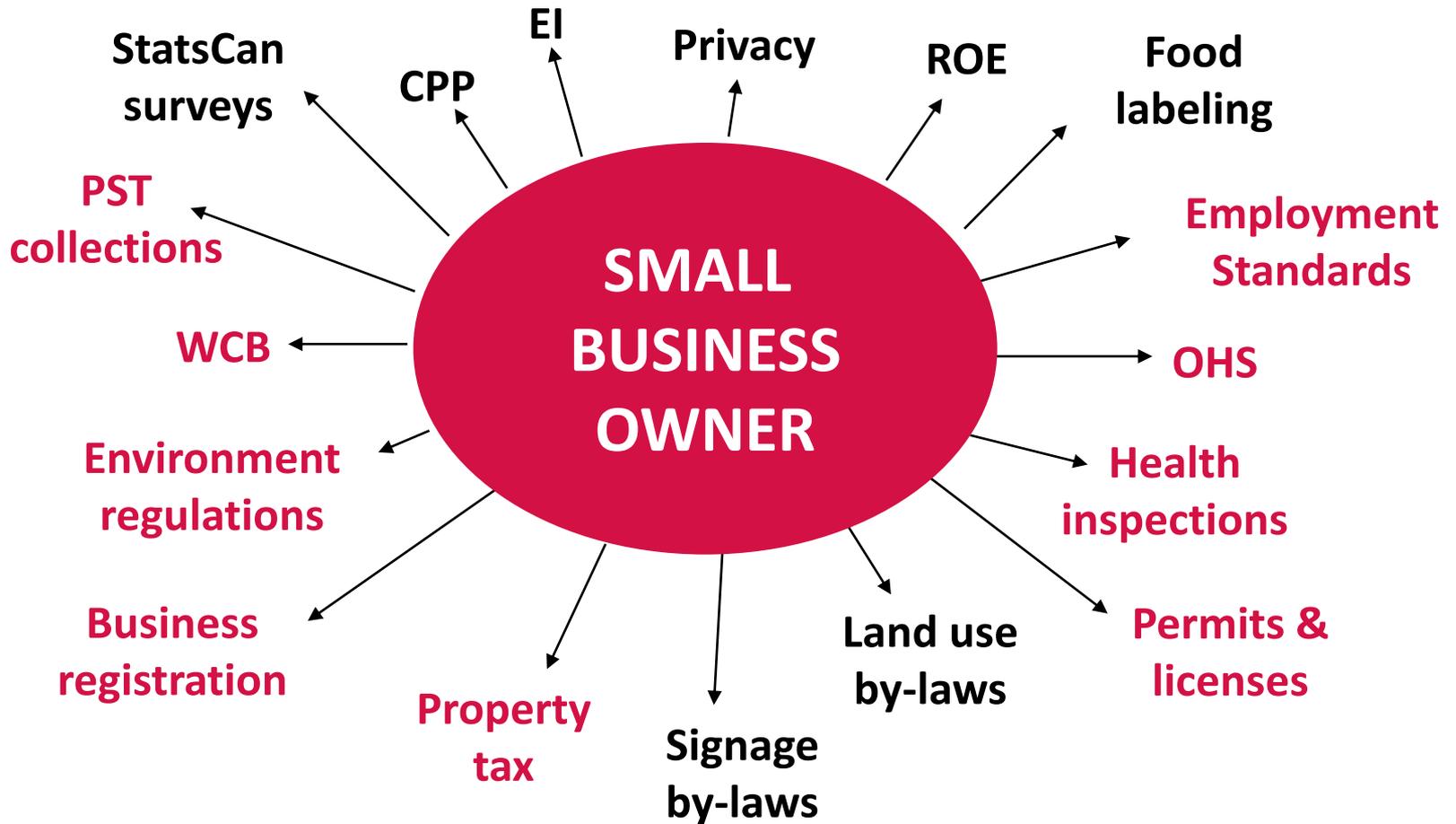


Source: CFIB, 2020 Saskatchewan Pre-Budget Survey, October 2019, small base sizes in CE (n=30) and SW (n=42).

# Recommendations:

- *Limit annual spending increases to rate of GDP growth;*
  - *Reduce the size of Executive government through workforce attrition by another 5 per cent over next 4 years;*
  - *Require Crown Corporations and non front-line components of Third Party entities to implement a 10 per cent reduction in their size through workforce attrition over the next four years;*
  - *Narrow wages/benefits disparity (19%) between public and private sector employees for Executive government, Crown Corporations and major Third Party entities;*
  - *Eliminate the banking of sick days in the public sector and introduce affordable short-term disability plans for public sector workers to better align sick leave provisions with those of the private sector. Currently, provincial government employees in BC, Alberta, Ontario and Nova Scotia cannot bank sick days;*
  - *Reduce accrued employee leave entitlements and reduce the provisions of compensated absences in employment agreements and collective bargaining agreements in the future;*
- *Improve access to high-speed internet across the province;*
- *Increase annual spending on crime prevention across the province.*

## Priority #3: Reduce red tape



## Recommendations to reduce red tape:

- *Reduce tape with a focus on making it easier for small businesses to operate during the recovery:*
  - *Focus on helping provide sector-specific relief, in particular, to those hardest-hit by the pandemic including in hospitality, arts and recreation, personal services, etc;*
- *Ensure the mandatory regulatory review plans of Ministries, Agencies and Crown Corporations be driven by concerns raised by businesses;*
- *Encourage municipalities to reduce their regulatory burden on small business (e.g. adopting a Direct Cost Estimator and reducing the time to obtain a commercial building permit to a maximum of 2 weeks);*
- *Through the Council of the Federation, work with other provincial, territorial and federal leaders to ensure the success of the Canadian Free Trade Agreement and the reduction of inter-provincial trade barriers;*
- *Eliminate the requirement for employers to apply for a specific permit if an employee wants to observe a public holiday on a different day.*

## Priority #4 - Employment & training recommendations:

### **Training:**

- *Encourage more soft skills and workplace literacy in high school curriculums to better prepare youth for the workplace. Work with local small businesses to identify what skills are relevant;*
- *Provide more networking opportunities and access between local small businesses and students;*
- *Better emphasize the importance and value of a career in the skilled trades so that a greater number of students consider it as a viable career option.*

### **Business adaptation:**

- *Offer resources to help businesses & their staff adopt digital technologies (such as moving more sales online and/or improving social media presence).*

# Employment & training recommendations (continued):

## ***Interprovincial Labour Mobility:***

- *Through the Canadian Free Trade Agreement, recognize more trade and professional certification from other provinces, so dental hygienists and elevator technicians can work in different provinces without having to get re-certified.*

## ***Low-income earners:***

- *Say “no” to a \$15 minimum wage in Saskatchewan, but:*
  - *Focus on better tools to help low-income earners such as increasing the BPE, introducing tax credits, improving training, etc.*
  - *Introduce income tax credit for low income workers (e.g. no PIT paid under \$25,000 on a graduated basis);*
  - *Mitigate the impact of annually indexed minimum wage by introducing a special training wage (similar to NS & AB) or a gratuity wage for workers who earn tips.*

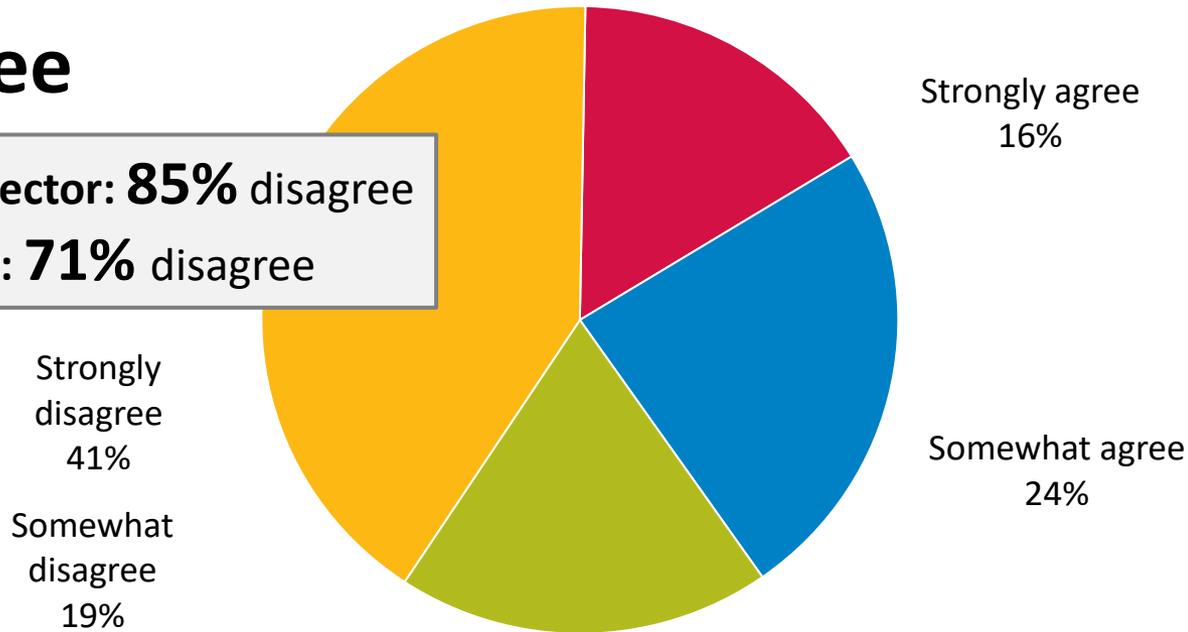
# Small businesses cannot afford a \$15 minimum wage

Please indicate to what extent you agree or disagree with each of the following statements: (Select one for each line)

**My business can afford a \$15 minimum wage (% response)**

**60%  
disagree**

Hospitality sector: **85%** disagree  
Retail sector: **71%** disagree



Source: CFIB, 2019 Saskatchewan Budget Survey, October 2018, n=367.

# #SmallBusinessEveryDay

AMPLIFYING THE MOVEMENT to help local businesses survive by galvanizing shop local sentiments across Canada through an ongoing media and social campaign, as well as promotion at small businesses.

1

**Challenging** individuals (including politicians) to shop local and recommend their favourite businesses on social media.

2

Directing people to an **online hub** to discover the many creative shop local initiatives happening across Canada and a **dashboard** to track Small Business Recovery.

3

Providing local businesses with **visual tools** (posters & digital assets) and launching a media campaign to drive local shopping.

## Encourage others to shop *#SmallBusinessEveryDay*

- Please use your social media to encourage and challenge your followers to shop local.
- Post pictures and recommend your favourite local businesses on Twitter, Facebook and Instagram using the hashtag **#SmallBusinessEveryDay**, and encourage everyone you know to do the same. (a bonus would be to also tag @CFIBBuzz on Twitter and @cfib\_fcei on Instagram).
- Print, display and help distribute our thank you posters. Posters can be found at <http://www.smallbusinesseveryday.ca/business/#poster>

# Questions?

**Phone:** 306-757-0000

**Email:**

[Marilyn.Braun-Pollon@cfib.ca](mailto:Marilyn.Braun-Pollon@cfib.ca)

[Jonathan.Alward@cfib.ca](mailto:Jonathan.Alward@cfib.ca)

[Jennifer.Henshaw@cfib.ca](mailto:Jennifer.Henshaw@cfib.ca)

 @cfibsk @cfib

 fb.me/CFIB

**CFIB Regina**

#503-2400 College Avenue

Regina, Saskatchewan

S4P 1C8

