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ACCOUNTANTS  
CANADA

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CANADA

# Q4 2022 CPA Canada Business Monitor

Backgrounder document

On behalf of: Chartered Professional Accountants of Canada

January 31, 2023

# Q4 2022 CPA Canada Business Monitor Backgrounder

## Data

- Data referenced in news release is based on questions 1, 2, 3, 5, 6, 7.
- This presentation includes data from the Q4 2022 survey and comparable data for Q4 2021 – Q3 2022 where applicable.
- Demographic and firmographic questions start on slide 15.

## Methodology

- The results are issued quarterly based on a survey commissioned by Chartered Professional Accountants of Canada (CPA Canada). The research draws upon business insights of professional accountants in leadership positions in privately and publicly held companies.
- For the Q4 2022 study, emailed surveys were completed by 425 of 5,820 people identified by CPA Canada as holding senior positions in industry (CFOs, CEOs, COOs and other leadership roles). Respondents work for a mix of small, medium and large companies, as determined by employee size. The response rate was 16 per cent, with a margin of error associated with this type of study  $\pm 5$  per cent, with a confidence level of 95 per cent. The survey was conducted from December 6 to December 21, 2022.
- The response rate calculation is calculated as follows:  $\text{Response Rate} = \text{Survey Completes} / (\text{Completed Surveys} + \text{Incomplete Surveys} + \text{Estimated Other Eligible Members in Sample})$ .

## About Chartered Professional Accountants of Canada

- Chartered Professional Accountants of Canada (CPA Canada) works collaboratively with the provincial, territorial and Bermudian CPA bodies, as it represents the Canadian accounting profession, both nationally and internationally. This collaboration allows the Canadian profession to champion best practices that benefit business and society, as well as prepare its members for an ever-evolving operating environment featuring unprecedented change. Representing more than 220,000 members, CPA Canada is one of the largest national accounting bodies worldwide.

[cpacanada.ca](http://cpacanada.ca)

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q1. Please select the rating that best describes your view for each of the following**

### Canadian Economic Optimism

| Optimism response | %    | Number |
|-------------------|------|--------|
|                   | 100% | 425    |
|                   |      |        |
| Very Optimistic   | 0%   | 1      |
| Optimistic        | 10%  | 43     |
| Neutral           | 35%  | 150    |
| Pessimistic       | 51%  | 218    |
| Very Pessimistic  | 3%   | 13     |

### Business Economic Optimism

| Optimism response | %    | Number |
|-------------------|------|--------|
|                   | 100% | 425    |
|                   |      |        |
| Very Optimistic   | 3%   | 14     |
| Optimistic        | 40%  | 171    |
| Neutral           | 35%  | 148    |
| Pessimistic       | 19%  | 82     |
| Very Pessimistic  | 2%   | 10     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

Q1. Please select the rating that best describes your view for each of the following – previous quarters

## Optimism About Outlook for Canadian Economy

|                          | Q4 2021    | Q1 2022    | Q2 2022    | Q3 2022    | Q4 2022    |
|--------------------------|------------|------------|------------|------------|------------|
| <b>Total Optimistic</b>  | <b>43%</b> | <b>40%</b> | <b>16%</b> | <b>9%</b>  | <b>10%</b> |
| Very Optimistic          | 1%         | 2%         | 0%         | 0%         | 0%         |
| Optimistic               | 42%        | 39%        | 16%        | 9%         | 10%        |
| <b>Neutral</b>           | <b>38%</b> | <b>31%</b> | <b>31%</b> | <b>27%</b> | <b>35%</b> |
| <b>Total Pessimistic</b> | <b>19%</b> | <b>29%</b> | <b>53%</b> | <b>64%</b> | <b>54%</b> |
| Pessimistic              | 18%        | 27%        | 50%        | 57%        | 51%        |
| Very Pessimistic         | 1%         | 2%         | 3%         | 6%         | 3%         |

## Optimism About Outlook for Business

|                          | Q4 2021    | Q1 2022    | Q2 2022    | Q3 2022    | Q4 2022    |
|--------------------------|------------|------------|------------|------------|------------|
| <b>Total Optimistic</b>  | <b>69%</b> | <b>64%</b> | <b>46%</b> | <b>40%</b> | <b>44%</b> |
| Very Optimistic          | 11%        | 11%        | 5%         | 4%         | 3%         |
| Optimistic               | 58%        | 52%        | 41%        | 36%        | 40%        |
| <b>Neutral</b>           | <b>19%</b> | <b>27%</b> | <b>33%</b> | <b>37%</b> | <b>35%</b> |
| <b>Total Pessimistic</b> | <b>12%</b> | <b>10%</b> | <b>22%</b> | <b>23%</b> | <b>22%</b> |
| Pessimistic              | 10%        | 9%         | 20%        | 20%        | 19%        |
| Very Pessimistic         | 2%         | <1%        | 1%         | 3%         | 2%         |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q2. Thinking about the next 12 months, please indicate how you expect the following to change, if at all, when compared to the last 12 months for your company.

### Estimated Revenue Next 12 Months

| Projection                           | %          | Number     |
|--------------------------------------|------------|------------|
|                                      | 100%       | 425        |
| <b>Total Who Project an Increase</b> | <b>61%</b> | <b>258</b> |
| Increase by >10%                     | 16%        | 69         |
| Increase by 5-10%                    | 23%        | 97         |
| Increase by <5%                      | 22%        | 92         |
| Not Changed                          | 11%        | 46         |
| <b>Total Who Project a Decrease</b>  | <b>26%</b> | <b>109</b> |
| Decrease by <5%                      | 8%         | 36         |
| Decrease by 5-10%                    | 9%         | 40         |
| Decrease by >10%                     | 8%         | 33         |
| N/A                                  | 1%         | 5          |
| Don't Know                           | 2%         | 7          |

### Estimated Profits Next 12 Months

| Projection                           | %          | Number     |
|--------------------------------------|------------|------------|
|                                      | 100%       | 425        |
| <b>Total Who Project an Increase</b> | <b>47%</b> | <b>199</b> |
| Increase by >10%                     | 13%        | 57         |
| Increase by 5-10%                    | 17%        | 72         |
| Increase by <5%                      | 16%        | 70         |
| Not Changed                          | 13%        | 57         |
| <b>Total Who Project a Decrease</b>  | <b>36%</b> | <b>153</b> |
| Decrease by <5%                      | 14%        | 58         |
| Decrease by 5-10%                    | 11%        | 45         |
| Decrease by >10%                     | 12%        | 50         |
| N/A                                  | 2%         | 7          |
| Don't Know                           | 2%         | 9          |

### Estimated Employee Numbers Next 12 Months

| Projection                           | %          | Number     |
|--------------------------------------|------------|------------|
|                                      | 100%       | 425        |
| <b>Total Who Project an Increase</b> | <b>41%</b> | <b>176</b> |
| Increase by >10%                     | 7%         | 30         |
| Increase by 5-10%                    | 14%        | 58         |
| Increase by <5%                      | 21%        | 88         |
| Not Changed                          | 39%        | 164        |
| <b>Total Who Project a Decrease</b>  | <b>18%</b> | <b>77</b>  |
| Decrease by <5%                      | 10%        | 43         |
| Decrease by 5-10%                    | 5%         | 20         |
| Decrease by >10%                     | 3%         | 14         |
| N/A                                  | <1%        | 2          |
| Don't Know                           | 1%         | 6          |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

## Q4 2022 CPA Canada Business Monitor Study

Q2. Thinking about the next 12 months, please indicate how you expect the following to change, if at all, when compared to the last 12 months for your company – previous quarters

### Revenue

|                                      | Q4 2021    | Q1 2022    | Q2 2022    | Q3 2022    | Q4 2022    |
|--------------------------------------|------------|------------|------------|------------|------------|
| <b>Total Who Project an Increase</b> | <b>78%</b> | <b>74%</b> | <b>61%</b> | <b>51%</b> | <b>61%</b> |
| Increase by >10%                     | 29%        | 28%        | 20%        | 17%        | 16%        |
| Increase by 5-10%                    | 29%        | 27%        | 23%        | 18%        | 23%        |
| Increase by <5%                      | 20%        | 18%        | 18%        | 16%        | 22%        |
| <b>Not Changed</b>                   | <b>9%</b>  | <b>9%</b>  | <b>13%</b> | <b>15%</b> | <b>11%</b> |
| <b>Total Who Project a Decrease</b>  | <b>11%</b> | <b>14%</b> | <b>24%</b> | <b>29%</b> | <b>26%</b> |
| Decrease by <5%                      | 4%         | 5%         | 9%         | 8%         | 8%         |
| Decrease by 5-10%                    | 3%         | 6%         | 8%         | 9%         | 9%         |
| Decrease by >10%                     | 4%         | 3%         | 6%         | 11%        | 8%         |
| <b>N/A</b>                           | <b>1%</b>  | <b>1%</b>  | <b>1%</b>  | <b>3%</b>  | <b>1%</b>  |
| <b>Don't Know</b>                    | <b>1%</b>  | <b>2%</b>  | <b>1%</b>  | <b>2%</b>  | <b>2%</b>  |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

Q2. Thinking about the next 12 months, please indicate how you expect the following to change, if at all, when compared to the last 12 months for your company – previous quarters

## Profits

|                                      | Q4 2021    | Q1 2022    | Q2 2022    | Q3 2022    | Q4 2022    |
|--------------------------------------|------------|------------|------------|------------|------------|
| <b>Total Who Project an Increase</b> | <b>64%</b> | <b>63%</b> | <b>45%</b> | <b>42%</b> | <b>47%</b> |
| Increase by >10%                     | 22%        | 20%        | 14%        | 13%        | 13%        |
| Increase by 5-10%                    | 21%        | 18%        | 14%        | 13%        | 17%        |
| Increase by <5%                      | 21%        | 25%        | 17%        | 16%        | 16%        |
| <b>Not Changed</b>                   | 13%        | <b>12%</b> | 15%        | 14%        | 13%        |
| <b>Total Who Project a Decrease</b>  | <b>20%</b> | <b>22%</b> | <b>37%</b> | <b>40%</b> | <b>36%</b> |
| Decrease by <5%                      | 7%         | 8%         | 15%        | 12%        | 14%        |
| Decrease by 5-10%                    | 6%         | 8%         | 11%        | 14%        | 11%        |
| Decrease by >10%                     | 7%         | 5%         | 10%        | 15%        | 12%        |
| <b>N/A</b>                           | 2%         | 2%         | 2%         | 3%         | 2%         |
| <b>Don't Know</b>                    | 2%         | 2%         | 1%         | 2%         | 2%         |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

## Q4 2022 CPA Canada Business Monitor Study

Q2. Thinking about the next 12 months, please indicate how you expect the following to change, if at all, when compared to the last 12 months for your company – previous quarters

### Employees

|                                      | Q4 2021    | Q1 2022    | Q2 2022    | Q3 2022    | Q4 2022       |
|--------------------------------------|------------|------------|------------|------------|---------------|
| <b>Total Who Project an Increase</b> | <b>57%</b> | <b>56%</b> | <b>44%</b> | <b>37%</b> | <b>41%</b>    |
| Increase by >10%                     | 11%        | 12%        | 8%         | 8%         | 7%            |
| Increase by 5-10%                    | 20%        | 17%        | 11%        | 10%        | 14%           |
| Increase by <5%                      | 26%        | 26%        | 25%        | 20%        | 21%           |
| <b>Not Changed</b>                   | <b>33%</b> | <b>33%</b> | <b>39%</b> | <b>44%</b> | <b>39%</b>    |
| <b>Total Who Project a Decrease</b>  | <b>8%</b>  | <b>9%</b>  | <b>15%</b> | <b>17%</b> | <b>18%</b>    |
| Decrease by <5%                      | 5%         | 6%         | 9%         | 8%         | 10%           |
| Decrease by 5-10%                    | 2%         | 2%         | 3%         | 4%         | 5%            |
| Decrease by >10%                     | 2%         | 1%         | 2%         | 5%         | 3%            |
| <b>N/A</b>                           | <b>1%</b>  | <b>0%</b>  | <b>0%</b>  | <b>0%</b>  | <b>&lt;1%</b> |
| <b>Don't Know</b>                    | <b>1%</b>  | <b>2%</b>  | <b>2%</b>  | <b>2%</b>  | <b>1%</b>     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.



# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q3. Which of the following do you think is the top challenge to the growth of the Canadian economy?**

| Top challenge                                       | %    | Number |
|---|------|--------|
|   | 100% | 425    |
|   |      |        |
| Increases in interest rates                         | 21%  | 88     |
| Rise in inflation                                   | 16%  | 69     |
| Employee recruitment, retention and development     | 12%  | 51     |
| The state of the global economy                     | 11%  | 48     |
| Lack of skilled workers                             | 10%  | 42     |
| Supply chain issues                                 | 7%   | 29     |
| The state of the Canadian economy                   | 5%   | 22     |
| The sustainability of government finances           | 3%   | 12     |
| Consumer confidence                                 | 2%   | 10     |
| Other labour shortage issues                        | 2%   | 9      |
| Negative effects of COVID-19                        | 2%   | 7      |
| Situation in Ukraine/Russia                         | 1%   | 6      |
| Protectionist trade sentiments in the United States | 1%   | 5      |
| Oil prices  | 1%   | 3      |
| Complexity of the taxation system                   | <1%  | 1      |
| Status of Canada's balance of trade                 | <1%  | 1      |
| Other   | 5%   | 21     |
| Don't know  | <1%  | 1      |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q4. Compared to last year, how have changes in your supply chain impacted each of the following?

| Response                                      | %    | Number |
|---|------|--------|
| <b>Ability to deliver for clients on time</b> |      |        |
| Total   | 100% | 425    |
| Positively impacted                           | 6%   | 26     |
| No change                                     | 23%  | 98     |
| Negatively impacted                           | 49%  | 208    |
| Have not had changes in our supply chain      | 9%   | 39     |
| Not applicable                                | 13%  | 54     |

| Response                                 | %    | Number |
|--|------|--------|
| <b>Production capacity/volume</b>        |      |        |
| Total                                    | 100% | 425    |
| Positively impacted                      | 6%   | 25     |
| No change                                | 28%  | 120    |
| Negatively impacted                      | 40%  | 171    |
| Have not had changes in our supply chain | 9%   | 38     |
| Not applicable                           | 17%  | 71     |

| Response                                 | %    | Number |
|--|------|--------|
| <b>Supplier/input availability</b>       |      |        |
| Total                                    | 100% | 425    |
| Positively impacted                      | 5%   | 23     |
| No change                                | 16%  | 66     |
| Negatively impacted                      | 61%  | 258    |
| Have not had changes in our supply chain | 8%   | 33     |
| Not applicable                           | 11%  | 45     |

| Response                                   | %    | Number |
|--|------|--------|
| <b>Ability to make capital investments</b> |      |        |
| Total                                      | 100% | 425    |
| Positively impacted                        | 4%   | 19     |
| No change                                  | 43%  | 183    |
| Negatively impacted                        | 35%  | 149    |
| Have not had changes in our supply chain   | 8%   | 33     |
| Not applicable                             | 10%  | 41     |

| Response                                 | %    | Number |
|--|------|--------|
| <b>Innovation or R&amp;D</b>             |      |        |
| Total                                    | 100% | 425    |
| Positively impacted                      | 5%   | 22     |
| No change                                | 44%  | 189    |
| Negatively impacted                      | 14%  | 61     |
| Have not had changes in our supply chain | 9%   | 37     |
| Not applicable                           | 27%  | 116    |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q5: Is inflation currently hurting your company's business?**

| Response   | %    | Number |
|------------|------|--------|
| Total      | 100% | 425    |
| Yes        | 73%  | 310    |
| No         | 25%  | 107    |
| Don't know | 2%   | 8      |

**Q6: For how long do you expect inflation to continue hurting your company's business?**

| Response                                       | %    | Number |
|--|------|--------|
| Total  | 100% | 310    |
| A year or more                                 | 52%  | 162    |
| At least nine months but less than a year      | 18%  | 56     |
| At least six months but less than nine months  | 18%  | 56     |
| At least three months but less than six months | 7%   | 22     |
| Less than three months                         | 1%   | 2      |
| Don't know                                     | 4%   | 12     |

**Q5/Q6 (combined)**

| Response   | %    | Number |
|--|------|--------|
| Total  | 100% | 425    |
| A year or more   | 38%  | 162    |
| At least nine months but less than a year  | 13%  | 56     |
| At least six months but less than nine months  | 13%  | 56     |
| At least three months but less than six months                                       | 5%   | 22     |
| Less than three months   | 0%   | 2      |
| Don't know -- Inflation is hurting business but not sure for how much longer it will | 3%   | 12     |
| Don't know -- Not sure if inflation is hurting my company's business                 | 2%   | 8      |
| Not applicable -- inflation is not hurting my company's business                     | 25%  | 107    |

Base: Q5 -- All respondents, Q6 -- Respondents who indicated inflation is hurting their company (310).

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q7: Which, if any, of the following would your company consider doing if your business slows down?

| Level of agreement                     | %    | Number |
|--|------|--------|
|  | 100% | 425    |
| Aggressive cost containment            | 51%  | 217    |
| General downsizing                     | 44%  | 185    |
| Deferring business investments         | 43%  | 184    |
| Focus on core activities               | 36%  | 152    |
| Selling assets                         | 10%  | 43     |
| Repay debt                             | 8%   | 36     |
| Close divisions                        | 6%   | 26     |
| Other                                  | 2%   | 10     |
| We would not consider any of the above | 7%   | 29     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q8: To what extent are you concerned about the federal government's fiscal position?

| Level of agreement   | %    | Number |
|----------------------|------|--------|
|                      | 100% | 425    |
| Extremely concerned  | 13%  | 54     |
| Very concerned       | 31%  | 131    |
| Moderately concerned | 35%  | 148    |
| Slightly concerned   | 16%  | 66     |
| Not at all concerned | 6%   | 26     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q9. To what extent do you agree or disagree with the following statement: The federal government should focus on mitigating climate change?

| Level of agreement         | %    | Number |
|----------------------------|------|--------|
|                            | 100% | 425    |
| Agree strongly             | 16%  | 70     |
| Agree somewhat             | 40%  | 172    |
| Neither agree nor disagree | 20%  | 83     |
| Disagree somewhat          | 15%  | 63     |
| Disagree strongly          | 9%   | 37     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Demographic / firmographic questions

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables (Qualifying Questions) -

SQ1a. Please tell us where you reside?

| Province                  | %    | Number |
|---------------------------|------|--------|
|                           | 100% | 425    |
| Ontario                   | 39%  | 167    |
| Quebec                    | 25%  | 105    |
| British Columbia          | 11%  | 48     |
| Alberta                   | 11%  | 46     |
| Manitoba                  | 6%   | 25     |
| Saskatchewan              | 6%   | 24     |
| Nova Scotia               | <1%  | 4      |
| Newfoundland and Labrador | <1%  | 3      |
| New Brunswick             | <1%  | 2      |
| Yukon                     | <1%  | 1      |

**Note: Members working outside of Canada excluded from completing survey.**

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.



## Q4 2022 CPA Canada Business Monitor Study

### - Detailed Tables (Qualifying Questions) -

NOTE: SQ1b asked respondents, “Which of the Following Best Describes Your Place of Work?”

Options were:

For Profit Business/Industry  
Not-for-profit  
Other Professional Service Firm  
Government  
Academia  
Other  
Retired/On Leave/Not Working

Only respondents providing the answer: “For Profit Business/Industry” were able to continue to the next question, since the survey is of CPAs in executive level positions for businesses.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables (Qualifying Questions) -

### SQ1c. What is your Job Title?

| Title                           | %    | Number |
|---------------------------------|------|--------|
|                                 | 100% | 425    |
| CFO                             | 35%  | 148    |
| Controller                      | 26%  | 112    |
| President and/or CEO            | 16%  | 67     |
| VP                              | 12%  | 53     |
| COO                             | 2%   | 7      |
| EVP                             | 1%   | 5      |
| Chair                           | 0%   | 1      |
| Other Senior Executive Position | 8%   | 32     |

**Note: Members not working in one of the positions above excluded from completing survey.**

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q10. How many individuals does your company employ globally?

| Number of employees | %    | Number |
|---------------------|------|--------|
|                     | 100% | 425    |
| Less than 10        | 12%  | 50     |
| 10-25               | 10%  | 44     |
| 26-50               | 12%  | 52     |
| 51-100              | 13%  | 56     |
| 101-250             | 17%  | 72     |
| 251-500             | 10%  | 41     |
| 501-999             | 6%   | 26     |
| 1,000 or greater    | 20%  | 84     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

Q11. Which of the following industry sectors describes your company's primary business?

| Sector   | %    | Number |
|--|------|--------|
|  | 100% | 425    |
| Manufacturing  | 17%  | 73     |
| Construction   | 10%  | 44     |
| Financial Services (including banks, trusts, insurance, credit unions, etc.) | 10%  | 42     |
| Real Estate/Building Management  | 7%   | 29     |
| Retail   | 6%   | 27     |
| Business Services  | 5%   | 22     |
| Wholesale  | 5%   | 22     |
| Transportation, Distribution   | 5%   | 22     |
| Professional Services  | 5%   | 21     |
| Agriculture, Forestry, Fisheries   | 4%   | 19     |
| Oil and Gas  | 4%   | 17     |

| Sector                            | %    | Number |
|-----------------------------------|------|--------|
|                                   | 100% | 425    |
| Software                          | 3%   | 12     |
| Mining                            | 2%   | 10     |
| Hotels and Restaurants            | 2%   | 7      |
| Media, Communications, Publishing | 2%   | 7      |
| Pharmaceuticals and Chemicals     | 1%   | 6      |
| Arts, Entertainment, Leisure      | 1%   | 5      |
| Telecommunications                | 1%   | 5      |
| Holding, Conglomerate             | 1%   | 3      |
| Hospitals/Healthcare              | <1%  | 2      |
| Utilities                         | <1%  | 2      |
| Education                         | <1%  | 1      |
| Other                             | 6%   | 27     |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.

# Q4 2022 CPA Canada Business Monitor Study

## - Detailed Tables -

### Q12. Is your company traded on a stock exchange?

| Whether traded on stock exchange                          | %    | Number |
|---|------|--------|
|   | 100% | 425    |
| Yes   | 12%  | 51     |
| No - but we are a subsidiary of a publicly traded company | 4%   | 16     |
| No  | 84%  | 358    |

Base: All respondents.

Note: Percentages may not add to 100% due to rounding.