



CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA

COMPTABLES
PROFESSIONNELS
AGRÉÉS
CANADA

Q2 2023 CPA Canada Business Monitor

Background document
Chartered Professional Accountants of Canada
July 4, 2023

Q2 2023 CPA Canada Business Monitor Backgrounder

Data

- Data referenced in the news release is based on questions 1, 2, 2b, 4, 5 and 11.
- This presentation includes data from the Q2 2023 survey and comparable data for Q2 2022 – Q1 2023 where applicable.
- Demographic and firmographic data start on slide 22.

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 Q2 2023 study, emailed surveys were completed by 232 of 4,124 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 8.4 per cent, with a margin of error associated with this type of study ± 6 per cent, with a confidence level of 95 per cent. The survey was conducted from May 23 to June 11, 2023.
- 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.

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Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables (Qualifying Questions) -

SQ1a. Please tell us where you reside?

Province	%	Number
	100%	232
Ontario	44%	101
Quebec	16%	38
Alberta	14%	33
British Columbia	9%	22
Manitoba	6%	15
New Brunswick	3%	8
Saskatchewan	3%	7
Nova Scotia	2%	5
Prince Edward Island	1%	2
Newfoundland and Labrador	<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.

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables (Qualifying Questions) -

NOTE: QS1b 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.

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables (Qualifying Questions) -

SQ1c. What is your Job Title?

Title	%	Number
	100%	232
CFO	34%	79
Controller	27%	63
President and/or CEO	13%	31
VP	11%	26
EVP	3%	8
COO	3%	7
Chair	<1%	1
Other Senior Executive Position	7%	17

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.

Q2 2023 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%	232
Very Optimistic	0%	0
Optimistic	28%	64
Neutral	41%	94
Pessimistic	29%	67
Very Pessimistic	3%	7

Business Economic Optimism

Optimism response	%	Number
	100%	232
Very Optimistic	6%	15
Optimistic	49%	114
Neutral	25%	57
Pessimistic	16%	37
Very Pessimistic	4%	9

Base: All respondents.

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

Q2 2023 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

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Optimistic	16%	9%	10%	18%	28%
Very Optimistic	0%	0%	0%	0%	0%
Optimistic	16%	9%	10%	18%	28%
Neutral	31%	27%	35%	42%	41%
Total Pessimistic	53%	64%	54%	40%	32%
Pessimistic	50%	57%	51%	37%	29%
Very Pessimistic	3%	6%	3%	3%	3%

Optimism About Outlook for Business

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Optimistic	46%	40%	44%	45%	56%
Very Optimistic	5%	4%	3%	5%	6%
Optimistic	41%	36%	40%	39%	49%
Neutral	33%	37%	35%	33%	25%
Total Pessimistic	22%	23%	22%	22%	20%
Pessimistic	20%	20%	19%	20%	16%
Very Pessimistic	1%	3%	2%	2%	4%

Base: All respondents.

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

Q2 2023 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%	232
Total Who Project an Increase	57%	133
Increase by >10%	13%	30
Increase by 5-10%	24%	56
Increase by <5%	20%	47
Not Changed	13%	30
Total Who Project a Decrease	27%	63
Decrease by <5%	7%	16
Decrease by 5-10%	10%	23
Decrease by >10%	10%	24
N/A	2%	4
Don't Know	1%	2

Estimated Profits Next 12 Months

Projection	%	Number
	100%	232
Total Who Project an Increase	49%	113
Increase by >10%	12%	28
Increase by 5-10%	18%	42
Increase by <5%	19%	43
Not Changed	15%	35
Total Who Project a Decrease	34%	79
Decrease by <5%	9%	21
Decrease by 5-10%	10%	24
Decrease by >10%	15%	34
N/A	1%	3
Don't Know	1%	2

Estimated Employee Numbers Next 12 Months

Projection	%	Number
	100%	232
Total Who Project an Increase	42%	97
Increase by >10%	6%	15
Increase by 5-10%	9%	22
Increase by <5%	26%	60
Not Changed	41%	96
Total Who Project a Decrease	15%	34
Decrease by <5%	8%	19
Decrease by 5-10%	4%	9
Decrease by >10%	3%	6
N/A	1%	3
Don't Know	1%	2

Base: All respondents.

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

Q2 2023 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 – with trending data

Revenue

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Who Project an Increase	61%	51%	61%	61%	57%
Increase by >10%	20%	17%	16%	14%	13%
Increase by 5-10%	23%	18%	23%	24%	24%
Increase by <5%	18%	16%	22%	23%	20%
Not Changed	13%	15%	11%	10%	13%
Total Who Project a Decrease	24%	29%	26%	27%	27%
Decrease by <5%	9%	8%	8%	9%	7%
Decrease by 5-10%	8%	9%	9%	9%	10%
Decrease by >10%	6%	11%	8%	9%	10%
N/A	1%	3%	1%	2%	2%
Don't Know	1%	2%	2%	1%	1%

Base: All respondents.

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

Q2 2023 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 – with trending data

Profits

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Who Project an Increase	45%	42%	47%	51%	49%
Increase by >10%	14%	13%	13%	13%	12%
Increase by 5-10%	14%	13%	17%	15%	18%
Increase by <5%	17%	16%	16%	23%	19%
Not Changed	15%	14%	13%	10%	15%
Total Who Project a Decrease	37%	40%	36%	36%	34%
Decrease by <5%	15%	12%	14%	13%	9%
Decrease by 5-10%	11%	14%	11%	11%	10%
Decrease by >10%	10%	15%	12%	11%	15%
N/A	2%	3%	2%	1%	1%
Don't Know	1%	2%	2%	2%	1%

Base: All respondents.

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

Q2 2023 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 – with trending data

Employees

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Who Project an Increase	44%	37%	41%	38%	42%
Increase by >10%	8%	8%	7%	7%	6%
Increase by 5-10%	11%	10%	14%	12%	9%
Increase by <5%	25%	20%	21%	18%	26%
Not Changed	39%	44%	39%	43%	41%
Total Who Project a Decrease	15%	17%	18%	17%	15%
Decrease by <5%	9%	8%	10%	10%	8%
Decrease by 5-10%	3%	4%	5%	3%	4%
Decrease by >10%	2%	5%	3%	3%	3%
N/A	0%	0%	<1%	1%	1%
Don't Know	2%	2%	1%	2%	1%

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q2b: Which of the following best describes the number of employees your company currently has?

Number of employees	%	Number
	100%	232
We have far more employees than we need	1%	3
We have a few more employees than we need	15%	35
We have exactly the right number of employees	31%	72
We have a few less employees than we need	45%	104
We have far less employees than we need	8%	18

Base: All respondents.

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

Q2 2023 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%	232
Increases in interest rates	24%	55
Rise in inflation	14%	32
The state of the global economy	10%	24
Employee recruitment, retention and development	10%	24
Lack of skilled workers	9%	20
The sustainability of government finances	7%	17
The state of the Canadian economy	6%	14
Other labour shortage issues	5%	11
Supply chain issues	3%	8
Consumer confidence	2%	4
Oil prices	1%	2
Negative effects of COVID-19	1%	2
Complexity of the taxation system	<1%	1
Unpredictability in impacts of climate change	<1%	1
Situation in Ukraine/Russia	<1%	1
Protectionist trade sentiments in the US	<1%	1
Other	6%	14
Don't know	<1%	1

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q4: Is inflation currently hurting your company's business?

Response	%	Number
Total	100%	232
Yes	67%	155
No	30%	70
Don't know	3%	7

Q5: For how long do you expect inflation to continue hurting your company's business?

Response	%	Number
Total	100%	155
A year or more	56%	87
At least nine months but less than a year	16%	25
At least six months but less than nine months	13%	20
At least three months but less than six months	5%	8
Less than three months	1%	1
Don't know	9%	14

Q4/Q5 (combined)

Response	%	Number
Total	100%	232
A year or more	38%	87
At least nine months but less than a year	11%	25
At least six months but less than nine months	9%	20
At least three months but less than six months	3%	8
Less than three months	<1%	1
Don't know -- Inflation is hurting business but not sure for how much longer it will	6%	14
Don't know -- Not sure if inflation is hurting my company's business	3%	7
Not applicable -- inflation is not hurting my company's business	30%	70

Base: Q4 -- All respondents, Q5 -- Respondents who indicated inflation is hurting their company (155).

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q6: On average how much have you or do you expect to increase employee wages to address their cost-of-living concerns (annual equivalent increase)?

Level of agreement	%	Number
	100%	232
10% or more	3%	7
7% to under 10%	14%	33
5% to under 7%	27%	63
3% to under 5%	38%	89
1% to under 3%	9%	20
Less than 1%	2%	4
Don't know	3%	7
Not applicable – we have not given any Cost-of-Living Adjustments	4%	9

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q7: Which of the following statements best describe how your business is currently using Artificial Intelligence (AI) tools such as ChatGPT on a day-to-day basis?

Degree of likelihood	%	Number
	100%	232
We are not using it at all	62%	144
We are using it, but only to a very limited extent	18%	42
We are testing it, but not using it	13%	31
We are using it frequently	4%	9
We are using it extensively	1%	2
Don't know	2%	4

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q8: How do you foresee AI impacting your company in the next five years?

Degree of likelihood	%	Number
	100%	232
We will free up employees from routine tasks to more productive tasks	45%	105
Technology will allow us to accomplish things we couldn't previously do	36%	83
We will need better trained employees	33%	76
We will need fewer employees overall	13%	29
Other	3%	6
I do not think there will be any impact	21%	49
Don't know	9%	22

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q9: To what extent do you agree or disagree with the following statement:

The level of spending in this year's federal budget is fiscally responsible

Degree of likelihood	%	Number
	100%	232
Strongly agree	1%	3
Somewhat agree	11%	25
Neither agree nor disagree	32%	75
Somewhat disagree	24%	56
Strongly disagree	31%	73

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q10: When would you like to see the federal budget balanced?

Time frame	%	Number
	100%	232
Within less than three years	38%	87
Three to less than five years	30%	69
Five to less than ten years	19%	43
Ten years or more	5%	12
Don't know	5%	11
N/a – I do not think that balancing the budget should be a priority	4%	10

Base: All respondents.

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

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- Detailed Tables -

Q11. Which of the following scenarios is most likely for the Canadian economy in 2023? For reference a recession is generally accepted to be two consecutive quarters of negative GDP growth.

Most likely scenario for Canadian economy in 2023	%	Number
	100%	232
Significant recession	6%	15
Mild recession	61%	142
Neither growth nor recession	19%	43
Mild growth	14%	32
Significant growth	0%	0

Base: All respondents.

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



Demographic / firmographic questions

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q12. How many individuals does your company employ globally?

Number of employees	%	Number
	100%	232
Less than 10	13%	31
10-25	11%	26
26-50	14%	32
51-100	15%	34
101-250	18%	41
251-500	10%	24
501-999	4%	9
1,000 or greater	15%	35

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q13. Which of the following industry sectors describes your company's primary business?

Sector	%	Number
	100%	232
Manufacturing	19%	45
Construction	12%	28
Financial Services	9%	21
Retail	7%	17
Wholesale	7%	17
Professional Services	6%	14
Real Estate/Building Management	5%	12
Agriculture, Forestry, Fisheries	4%	9
Business Services	4%	9
Oil & Gas	4%	9
Transportation, Distribution	4%	9

Sector	%	Number
	100%	232
Software	3%	6
Arts, Entertainment, Leisure	2%	4
Hotels and Restaurants	2%	4
Mining	2%	4
Pharmaceuticals and Chemicals	2%	4
Holding, Conglomerate	1%	2
Media, Communications, Publishing	1%	2
Utilities	1%	2
Education	<1%	1
Telecommunications	<1%	1
Other	5%	12

Base: All respondents.

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

Q2 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q14. Is your company traded on a stock exchange?

Whether traded on stock exchange	%	Number
	100%	232
Yes	13%	31
No - but we are a subsidiary of a publicly traded company	6%	15
No	80%	186

Base: All respondents.

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