



CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA

COMPTABLES
PROFESSIONNELS
AGRÉÉS
CANADA

Q3 2023 CPA Canada Business Monitor

Background document
Chartered Professional Accountants of Canada
October 26, 2023

Q3 2023 CPA Canada Business Monitor Backgrounder

Data

- Data referenced in the news release is based on questions 1,2,3,10 and 11.
- This presentation includes data from the Q3 2023 survey and comparable data for Q3 2022 – Q2 2023 where applicable.
- Demographic and firmographic data start on slide 25.

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 Q3 2023 study, emailed surveys were completed by 304 of 6,514 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 6.8 per cent, with a margin of error associated with this type of study ± 5.6 per cent, with a confidence level of 95 per cent. The survey was conducted from September 13 to September 28, 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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Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables (Qualifying Questions) -

SQ1a. Please tell us where you reside?

Province	%	Number
	100%	304
Ontario	34%	104
Quebec	25%	77
Alberta	11%	33
Manitoba	8%	25
British Columbia	8%	25
New Brunswick	5%	14
Saskatchewan	5%	14
Nova Scotia	3%	8
Newfoundland and Labrador	1%	2
Prince Edward Island	1%	2

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

Base: All respondents.

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

Q3 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:

Private or Public Business
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.

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables (Qualifying Questions) -

SQ1c. What is your Job Title?

Title	%	Number
	100%	304
CFO	36%	109
Controller	29%	89
VP	13%	39
President and/or CEO	10%	31
EVP	2%	5
COO	1%	3
Chair	1%	2
Other Senior Executive Position	9%	26

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

Base: All respondents.

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

Q3 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%	304
Very Optimistic	0%	0
Optimistic	19%	59
Neutral	32%	98
Pessimistic	45%	136
Very Pessimistic	4%	11

Business Economic Optimism

Optimism response	%	Number
	100%	304
Very Optimistic	6%	19
Optimistic	41%	126
Neutral	30%	92
Pessimistic	20%	61
Very Pessimistic	2%	6

Base: All respondents.

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

Q3 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

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Optimistic	9%	10%	18%	28%	19%
Very Optimistic	0%	0%	0%	0%	0%
Optimistic	9%	10%	18%	28%	19%
Neutral	27%	35%	42%	41%	32%
Total Pessimistic	64%	54%	40%	32%	48%
Pessimistic	57%	51%	37%	29%	45%
Very Pessimistic	6%	3%	3%	3%	4%

Optimism About Outlook for Business

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Optimistic	40%	44%	45%	56%	48%
Very Optimistic	4%	3%	5%	6%	6%
Optimistic	36%	40%	39%	49%	41%
Neutral	37%	35%	33%	25%	30%
Total Pessimistic	23%	22%	22%	20%	22%
Pessimistic	20%	19%	20%	16%	20%
Very Pessimistic	3%	2%	2%	4%	2%

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q2. Which of the following do you think is the top challenge to the growth of the Canadian economy?

Top challenge	%	Number
	100%	304
Increases in interest rates	26%	78
Rise in inflation	14%	44
Government policy/regulation	10%	31
The state of the global economy	10%	30
Employee recruitment, retention and development	8%	24
The state of the Canadian economy	7%	21
Competitiveness of Canada's business environment	7%	20
Lack of skilled workers	6%	17
The sustainability of government finances	3%	10
Other labour shortage issues	3%	9
Supply chain issues	2%	7
Unpredictability in impacts of climate change	1%	2
Oil prices	<1%	1
Complexity of the taxation system	<1%	1
Status of Canada's balance of trade	<1%	1
Other	2%	5
Don't know	1%	3

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q3. 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%	304
Total Who Project an Increase	62%	188
Increase by >10%	16%	50
Increase by 5-10%	21%	64
Increase by <5%	24%	74
Not Changed	13%	41
Total Who Project a Decrease	23%	71
Decrease by <5%	10%	29
Decrease by 5-10%	6%	17
Decrease by >10%	8%	25
N/A	0%	1
Don't Know	1%	3

Estimated Profits Next 12 Months

Projection	%	Number
	100%	304
Total Who Project an Increase	49%	150
Increase by >10%	10%	31
Increase by 5-10%	16%	50
Increase by <5%	23%	69
Not Changed	16%	50
Total Who Project a Decrease	32%	98
Decrease by <5%	14%	44
Decrease by 5-10%	9%	27
Decrease by >10%	9%	27
N/A	1%	2
Don't Know	1%	4

Estimated Employee Numbers Next 12 Months

Projection	%	Number
	100%	304
Total Who Project an Increase	44%	133
Increase by >10%	6%	19
Increase by 5-10%	10%	31
Increase by <5%	27%	83
Not Changed	38%	117
Total Who Project a Decrease	17%	53
Decrease by <5%	11%	32
Decrease by 5-10%	4%	12
Decrease by >10%	3%	9
N/A	0%	0
Don't Know	0%	1

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

Q3. 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

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Who Project an Increase	51%	61%	61%	57%	62%
Increase by >10%	17%	16%	14%	13%	16%
Increase by 5-10%	18%	23%	24%	24%	21%
Increase by <5%	16%	22%	23%	20%	24%
Not Changed	15%	11%	10%	13%	13%
Total Who Project a Decrease	29%	26%	27%	27%	23%
Decrease by <5%	8%	8%	9%	7%	10%
Decrease by 5-10%	9%	9%	9%	10%	6%
Decrease by >10%	11%	8%	9%	10%	8%
N/A	3%	1%	2%	2%	0%
Don't Know	2%	2%	1%	1%	1%

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

Q3. 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

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Who Project an Increase	42%	47%	51%	49%	49%
Increase by >10%	13%	13%	13%	12%	10%
Increase by 5-10%	13%	17%	15%	18%	16%
Increase by <5%	16%	16%	23%	19%	23%
Not Changed	14%	13%	10%	15%	16%
Total Who Project a Decrease	40%	36%	36%	34%	32%
Decrease by <5%	12%	14%	13%	9%	14%
Decrease by 5-10%	14%	11%	11%	10%	9%
Decrease by >10%	15%	12%	11%	15%	9%
N/A	3%	2%	1%	1%	1%
Don't Know	2%	2%	2%	1%	1%

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

Q3. 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

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Who Project an Increase	37%	41%	38%	42%	44%
Increase by >10%	8%	7%	7%	6%	6%
Increase by 5-10%	10%	14%	12%	9%	10%
Increase by <5%	20%	21%	18%	26%	27%
Not Changed	44%	39%	43%	41%	38%
Total Who Project a Decrease	17%	18%	17%	15%	17%
Decrease by <5%	8%	10%	10%	8%	11%
Decrease by 5-10%	4%	5%	3%	4%	4%
Decrease by >10%	5%	3%	3%	3%	3%
N/A	0%	<1%	1%	1%	0%
Don't Know	2%	1%	2%	1%	0%

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q4: Which of the following best describes the number of employees your company currently has?

Number of employees	%	Number
	100%	304
We have far more employees than we need	1%	3
We have a few more employees than we need	18%	56
We have exactly the right number of employees	30%	92
We have a few less employees than we need	43%	132
We have far less employees than we need	7%	21

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q5: Which of the following explains why you have less employees than you need?

Reason for having fewer employees than needed	%	Number
	100%	154
Shortage of skilled workers in labour market	64%	99
Attractiveness of the industry	15%	23
Shortage of unskilled workers in labour market	14%	22
Work location	13%	20
Wages and/or benefits are not competitive	12%	19
We are not currently hiring	12%	18
Work conditions	2%	3
Other	14%	22
None of the above	3%	4

Base: Respondents who indicated they have less employees than they need at Q4.

Note: Respondents were allowed to choose more than one response, hence total will exceed 100%.

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q6. Which of the following best describes how you are addressing your need for more employees?

How addressing need for additional employees	%	Number
	100%	153
We are investing in ways to make our company more productive	22%	34
We are hiring additional employees	17%	26
We are doing both	41%	62
We are doing neither	7%	11
Other	9%	14
None of the above	4%	6

Base: Respondents who indicated they have less employees than they need at Q4.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q7: Which issue, if any, does your organization consider to be the most challenging regarding government taxes within your organization?

Most challenging tax issue for organization	%	Number
	100%	304
Increased tax cost/expense	21%	65
Complexity of tax rules	18%	56
Increased tax reporting and compliance	16%	48
Increased tax audit activity from CRA	9%	26
Inappropriate tax policies	6%	18
Limited qualified tax professionals	2%	7
Other	2%	5
Not applicable - I don't think our organization faces any challenges regarding government taxes	26%	79

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q8: How would you rate your personal awareness of how climate change will require businesses and organizations to adapt?

Awareness of climate change impact on businesses	%	Number
	100%	304
Extremely aware	5%	15
Very aware	24%	74
Somewhat aware	51%	156
Not very aware	15%	47
Not aware at all	2%	6
Don't know	2%	6

Base: All respondents.

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

Question was prefaced with the following statement: "The next two questions address climate change adaptation which, according to Canada's new National Adaptation Strategy, means "planning for and acting on the anticipated impacts of climate change. It involves making changes to how we live and what we do before climate change impacts happen (anticipatory) as well as being ready to respond to increasingly likely and frequent extreme events (reactive)."

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q9: Has your business/organization taken any steps to safeguard it from potential impacts from climate change?

Steps business has taken to safeguard from climate change impacts	%	Number
	100%	304
We have completed at least one initiative	23%	70
We have started work on at least one initiative, but not completed any	12%	35
We have not started any initiatives, but are assessing the situation	22%	67
We have not started any work or assessments	27%	81
N/a – we do not believe climate change will have any impacts on our business	12%	35
Don't know	5%	16

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q10: Is inflation currently hurting your company's business?

If inflation is hurting business	%	Number
Total	100%	304
Yes	80%	244
No	17%	53
Don't know	2%	7

Q11: For how long do you expect inflation to continue hurting your company's business?

How long inflation will continue to hurt business	%	Number
Total	100%	244
A year or more	61%	148
At least nine months but less than a year	15%	37
At least six months but less than nine months	11%	27
At least three months but less than six months	4%	9
Less than three months	0%	1
Don't know	9%	22

Q10/Q11 (combined)

Impact of how long inflation will impact business, if it will at all	%	Number
Total	100%	304
A year or more	49%	148
At least nine months but less than a year	12%	37
At least six months but less than nine months	9%	27
At least three months but less than six months	3%	9
Less than three months	<1%	1
Don't know -- Inflation is hurting business but not sure for how much longer it will	7%	22
Don't know -- Not sure if inflation is hurting my company's business	2%	7
Not applicable -- inflation is not hurting my company's business	17%	53

Base: Q10 -- All respondents, Q11 -- Respondents who indicated inflation is hurting their company (230).

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q12: How would you describe the impact current interest rates are having on the Canadian economy?

Level of impact	%	Number
	100%	304
Very positive	<1%	1
Somewhat positive	3%	8
Neither positive nor negative	11%	33
Somewhat negative	53%	160
Very negative	33%	100
Don't know	1%	2

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q13: How would you describe the impact current interest rates are having on your business?

Level of impact	%	Number
	100%	304
Very positive	1%	2
Somewhat positive	7%	20
Neither positive nor negative	20%	62
Somewhat negative	46%	140
Very negative	26%	78
Don't know	1%	2

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q14: Have higher interest rates caused your business challenges with any of the following?

Challenges caused by higher interest rates	%	Number
	100%	304
Investing or expanding company's activities	36%	109
Covering company's on-going expenses/costs	32%	97
Securing new debt or funding for the company	22%	68
Other	11%	33
None of the above	35%	106

Base: All respondents.

Note: Respondents were allowed to choose more than one response, hence total will exceed 100%.

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q15: When would you like to see the federal budget balanced?

Time frame	%	Number
	100%	304
Within less than three years	39%	119
Three to less than five years	33%	101
Five to less than ten years	15%	46
Ten years or more	2%	5
Don't know	7%	20
N/a – I do not think that balancing the budget should be a priority	4%	13

Base: All respondents.

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



Demographic / firmographic questions

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q16. How many individuals does your company employ globally?

Number of employees	%	Number
	100%	304
Less than 10	7%	22
10-25	9%	26
26-50	13%	41
51-100	14%	43
101-250	22%	68
251-500	7%	20
501-999	8%	23
1,000 or greater	20%	61

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q17. Which of the following industry sectors describes your company's primary business?

Sector	%	Number
	100%	304
Manufacturing	20%	60
Construction	9%	28
Financial Services (including Banks, Trusts, Insurance, Credit Unions, etc)	8%	25
Real Estate/Building Management	7%	21
Wholesale	7%	21
Professional Services	5%	16
Retail	5%	15
Agriculture, Forestry, Fisheries	5%	14
Transportation, Distribution	4%	12
Business Services	4%	11
Oil & Gas	3%	10

Sector	%	Number
	100%	304
Software	3%	9
Hotels and Restaurants	2%	7
Hospitals/Healthcare	2%	6
Pharmaceuticals and Chemicals	2%	6
Utilities	2%	5
Mining	2%	5
Arts, Entertainment, Leisure	1%	4
Media, Communications, Publishing	1%	4
Telecommunications	1%	3
Holding, Conglomerate	1%	2
Education	<1%	1
Other	6%	19

Base: All respondents.

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

Q3 2023 CPA Canada Business Monitor Study

- Detailed Tables -

Q18. Is your company traded on a stock exchange?

Whether traded on stock exchange	%	Number
	100%	304
Yes	14%	40
No - but we are a subsidiary of a publicly traded company	7%	21
No	80%	243

Base: All respondents.

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