



INTEGRATING BEAUMONT & EDMONTON REGIONAL DATA



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A REPORT TO
ALBERTA CHAMBERS OF COMMERCE

ALBERTA TODAY: PUBLIC AND BUSINESS ATTITUDES TO KEY POLICY ISSUES

July 2020

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ABOUT THE RESEARCH

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Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf

About the Research

OBJECTIVES

- This is the fourth Alberta Perspectives survey and second annual survey that includes both business and public perspectives.
- The Alberta chambers network surveys the general public annually, with the first survey taking place in the summer of 2019.
- This most recent survey includes a variety of tracking questions as well as several new items, including those related to COVID-19.
- The ACC will use these surveys in a number of ways:
 - To broaden and deepen the evidence the ACC and local chambers can table to articulate the perspectives of the province's business community;
 - To compare and contrast the viewpoint of the public and business communities; and
 - To make the research available to individual chambers to use within their municipalities.

METHODOLOGY



- In order to survey chamber members, the ACC sent an invitation to complete the survey (including a link to the online survey) to all member chambers across the province. Chambers in turn sent the invitation with the link to the survey to their members.
- This approach resulted in a total of 502 complete ACC surveys.
- This large number of responses allows the ACC to speak more authoritatively regarding members' views.
- The ACC undertook a survey of more than 800 members of the public using an online panel of individuals who agreed to complete a survey in return for an incentive.
- The ACC surveyed businesses between June 9th and June 30th, 2020.
- The ACC surveyed the Alberta public between June 22nd and July 2nd, 2020.

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OVERVIEW

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Overview

- Business and public respondents remain largely aligned on the challenges facing the province and how these should be managed. However, it also appears that the public is less connected in some ways than business to the realities of the province's financial situation.
- Both groups are less positive about the future of the province than a year ago. For business, this appears to be largely driven by issues related to the oil and gas sector and, more recently, COVID-19.
- While a large (but slightly declining) proportion of businesses and the public still see the oil and gas sector as vitally or very important to the province, there is a growing minority among both groups who believe the sector will be less important to the economy in the future. This is also reflected in a lower proportion of public respondents this year believed more pipeline capacity is very important.
- For now, the business community believes more fully this year than last that declining oil prices are the main reason for the province's fiscal situation. However, business respondents also acknowledge the financial impact of COVID-19. The public appears less attuned to the impact of both these issues on the province's finances.

Overview

- Diversification away from oil continues to be a major priority and a growing one for business, but the business community believes less strongly this year in the various groups who could make this happen. It is almost as if the oil sector crisis and COVID-19 have shaken the confidence, at least temporarily, of the business community to create new businesses. Further, there appears to be far less confidence in the provincial government as a partner in this venture.
- Not surprisingly, there has been a substantial decline in perceptions of the province's financial situation, especially among businesses. This is another area of disconnect, with the public being far less likely than business to believe the province's financial situation is poor. Possibly, government spending on COVID-19 has led some to believe the financial situation is less serious than claimed.
- Likely as a result of COVID-19, there is more support this year for the province running a deficit, yet less than half of both groups believe deficits are acceptable. While not comfortable with provincial deficits, both businesses and members of the public are still resistant to tax increases and spending cuts to major program areas.

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KEY FINDINGS

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Key Findings

1 CONTINUING AND STRONG BELIEF IN THE IMPORTANCE OF THE OIL AND GAS SECTOR

Although COVID-19 is a concern and its impact is apparent in many responses, the business community and public continue to see Alberta's fortunes almost exclusively tied to the oil and gas sector.

There has been an increase in those who believe the sector will be less important in the future (and some decline among the public in the importance of more pipeline capacity). However, more than two thirds of the public and nearly three quarters of businesses continue to believe the sector will remain as important as or more important than it is today.

SIGNIFICANT DECLINE IN POSITIVE VIEWS OF ALBERTA'S LONG-TERM FUTURE

The decline in oil prices and continuing issues around oil exports has led to a significant decline (20%) in positive views among business between July 2019 and March 2020. Since March, there has been a further 6% decline—likely a result of the pandemic.

Public perceptions have also declined over the last year by 15 points. This is also likely a factor of continuing oil and gas sector struggles and COVID-19.

Key Findings

PROVINCE'S FINANCES SEEN IN POOR SHAPE

There has been an increased sense of a decline, especially among businesses, in the province's financial situation. Only one third of business respondents say the financial situation is at least 'fair.'

LOW OIL PRICES COMBINED WITH COVID-19 ARE KEY CONTRIBUTORS

Businesses in particular consider lower oil prices and COVID-19 to be key contributors to Alberta's poor financial situation and economic slowdown.

The public also identifies these factors as the key contributors, but at a lower intensity. This suggests a slightly lower level of engagement with financial issues generally among the public.

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Key Findings

ATTITUDE SHIFT TOWARD PROVINCIAL DEFICIT

There has been a substantial increase in the acceptability of the provincial deficit to respondents, but this is still short of majorities saying deficits are acceptable.

Further, there is no increased support for various types of tax increases as a way of managing the deficit. Similarly, there are no changes in the limited support for program cuts to health or education programs.

Likely as a result of the concern with the state of the economy, there has been a substantial increase in support for more spending on economic development. In all, 50% of business and 41% of the public say more spending is required in this area.

SUPPORT FOR SOME LOCAL GOVERNMENT AUSTERITY

Unlike the resistance to tax increases and spending cuts at the provincial level, there appears to be somewhat more support for local government initiatives to balance their budgets.

This includes majority or near-majority support among businesses and the public for increasing or introducing new user fees, reducing spending on public recreation facilities, and reducing spending on public transit. The public also largely supports increasing business (but not residential) property taxes.

Key Findings

DIVERSIFICATION AS AN ECONOMIC PRIORITY

The top non-COVID-19 priority for respondents remains the need to diversify Alberta's economy beyond oil and gas. Over the last year, this has increased in importance for business and is stable for the public.

Although business and the public believe it is likely that new businesses can emerge in Alberta that are not dependent upon resource extraction, there has been a decline among business in those who believe it is very likely (from 35% to 27%). This is consistent with the generally more negative view overall the business community has this year.

The public, on the other hand, appears slightly more positive this year. Again, this may be a sign of less engagement with economic realities facing the province.

WHO CAN BEST FACILITATE DIVERSIFICATION?

Businesses and the public have divergent views this year on who can best facilitate diversification and new business development.

Business in general has less belief this year in the ability of any type of organizations to facilitate new business development. This applies largely to the provincial government and, to a lesser extent, the Alberta business community. This appears to be part of the overall more negative view of the province's economic situation.

The public, on the other hand, is substantially more positive this year than last regarding all organizations, especially the province's business community, to facilitate the development of new businesses.

The public's faith in the business community suggests a continuing opportunity to speak up on economic development issues.

Key Findings

IMPACT OF COVID-19 ON BUSINESS HAS BEEN SIGNIFICANT

Almost all businesses say they have been impacted by COVID-19 and more than half say the impact has been 'significantly' negative.

Those negatively impacted say there are a variety of ways they will work differently, including changing their business model (particularly businesses of five or fewer staff), adopting new technologies (particularly business of 50+ staff), reducing donations (largely businesses of six or more staff), reducing their own salaries (businesses of five or fewer people), and reducing staff (all businesses except one-person enterprises).

Larger businesses (50+ people) are also the most likely to say they will encourage staff to work from home and will reduce office space.

IMPACT OF COVID-19 ON THE PUBLIC APPEARS SIGNIFICANT BUT IN A DIFFERENT WAY

Among those working prior to COVID-19, a majority (58%) say they have continued to work throughout the pandemic and another 11% say they have returned to their previous hours. The remaining less than one third of respondents indicate some continuing impact.

As a result, 19% report being 'significantly' financially affected by the pandemic and another third report a low financial impact.

Most expect a slow recovery and for a variety of reasons. While many say this is related to the impact of COVID-19, others also see this as a result of issues related to the oil and gas sector.

Key Findings

SKILLS

The proportion of businesses that say their growth is impacted by a skills shortage has substantially declined since March.

This has declined from 44% to 34% over the last three months among those saying their growth is being impacted by a significant or moderate amount.

The most likely explanation for the decline in the perceived impact of skills shortages on growth is the disruption to growth caused by COVID-19. This likely has displaced, to some extent, the issue of skills shortages as business struggle to recover from the economic contraction.

AWARENESS OF CHAMBERS OF COMMERCE

Public awareness of the Alberta Chambers of Commerce remains high (72%) but is slightly lower than last year.

Similarly, awareness of local chambers is down slightly at 57%.

As in 2019, those under 34 years of age are least aware of both organizations.

Key Findings

PERCEPTIONS AND IMPACT OF CHAMBERS OF COMMERCE

Most public respondents have a fairly clear sense of the role of local chambers of commerce and, among those with an opinion, see them as playing a positive role.

In fact, despite slightly lower levels of awareness, public respondents reported a substantial increase in positive perceptions of the impact of chambers on local communities.

BUSINESS HIGHLY POSITIVE ABOUT CHAMBERS

Most business respondents feel positive about the impact of their local chamber on their community. This is unchanged over last year.

Importantly, those who say the impact is 'very' positive has increased from 35% to 41%.

Among chamber members, a majority (53%) of chamber members say they are highly likely to recommend the chamber to a business friend or colleague, with a net promoter score of + 30.

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DETAILED FINDINGS

- What are the Issues?
- How are Issues to be Resolved?
- Other Options
- Who Can Resolve Issues?
- COVID-19 Recovery

MOST IMPORTANT ISSUE FACING BEAUMONT & ALBERTA

Public safety regarding COVID-19 and unemployment rank high for important issues facing the Beaumont business community. Beaumont business owners and Albertans continue to be most concerned about the provincial economy and oil exports.

- 42% of Beaumont businesses, 45% of Edmonton region businesses and 55% of Alberta businesses report the economy and exporting Alberta's oil as top concerns
- 21% of Beaumont businesses believe that public safety regarding COVID-19 is the most important issue facing Alberta while only 6% of Alberta businesses report the same.
- 16% of Beaumont business respondents cite unemployment as a top issue, which is double the number Alberta respondents reporting the same.

	Beaumont	Edmonton Region	Alberta
Provincial economy	26%	24%	32%
Public safety regarding COVID-19	21%	9%	6%
Unemployment	16%	8%	8%
Exporting Alberta's oil	16%	21%	23%
Provincial debt and deficit	5%	8%	5%
Controlling provincial government spending	5%	2%	2%
Healthcare (access and quality)	5%	6%	4%
Other, please specify	5%	6%	4%
Climate change/global warming	0%	2%	2%
Federal government relations	0%	2%	3%
Education (access and quality)	0%	4%	4%
Taxes	0%	2%	3%
Regulatory burden on business	0%	6%	4%

PUBLIC	Jul '19	Jul '20
The provincial economy	24%	25%
Exporting Alberta's oil	26%	17%
Public safety regarding COVID-19	-	12%
Unemployment	9%	11%
Ensuring access to, and the quality of, our health care system	12%	9%
The provincial deficit and debt	4%	6%
Ensuring access to, and the quality of, our education system	3%	5%
Climate change/global warming	7%	3%
Controlling provincial government spending	3%	3%
The level of taxes	5%	2%
Relations with the federal government	2%	2%
Regulatory burden on business	1%	<1%
Other	3%	4%

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Q1.

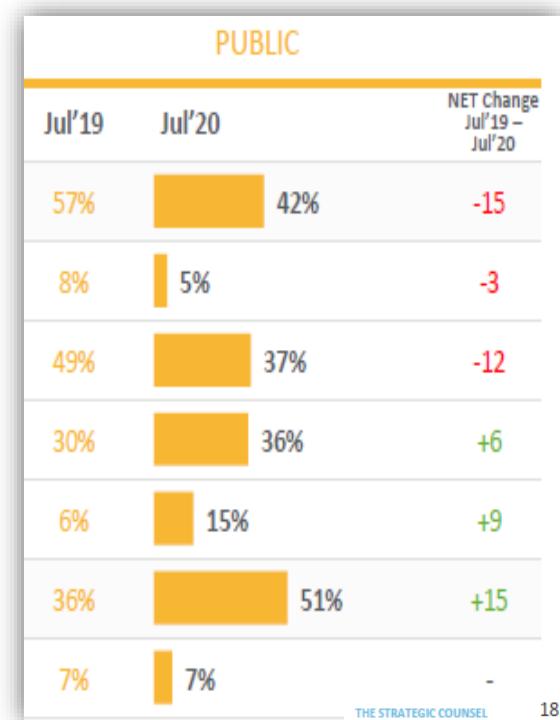
Which of the following do you believe to be the most important issue facing Alberta, that is the one about which you are most concerned?

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Beaumont businesses long-term outlook for the future of Alberta are comparable to those of Alberta businesses. In the past year, there has been a significant decline (26% among Alberta business and 15% among Albertans public) in positive views regarding Alberta's long-term future.

Business Outlook for the Future of Alberta

	Beaumont (Jul'20)	Edmonton Region (Jul'20)	Alberta (Jul'20)	Albert (Jul'19)	AB NET Change Jul'19-Jul'20
TOTAL POSITIVE	 37%	30%	36%	62%	-26%
Very positive	0%	1%	3%	10%	-7%
Somewhat positive	 37%	29%	33%	52%	-19%
Somewhat negative	 47%	48%	43%	27%	+16%
Very negative	 16%	22%	17%	6%	+11%
TOTAL NEGATIVE	 63%	70%	60%	33%	+33%
Don't know/not sure	0%	0%	3%	3%	-



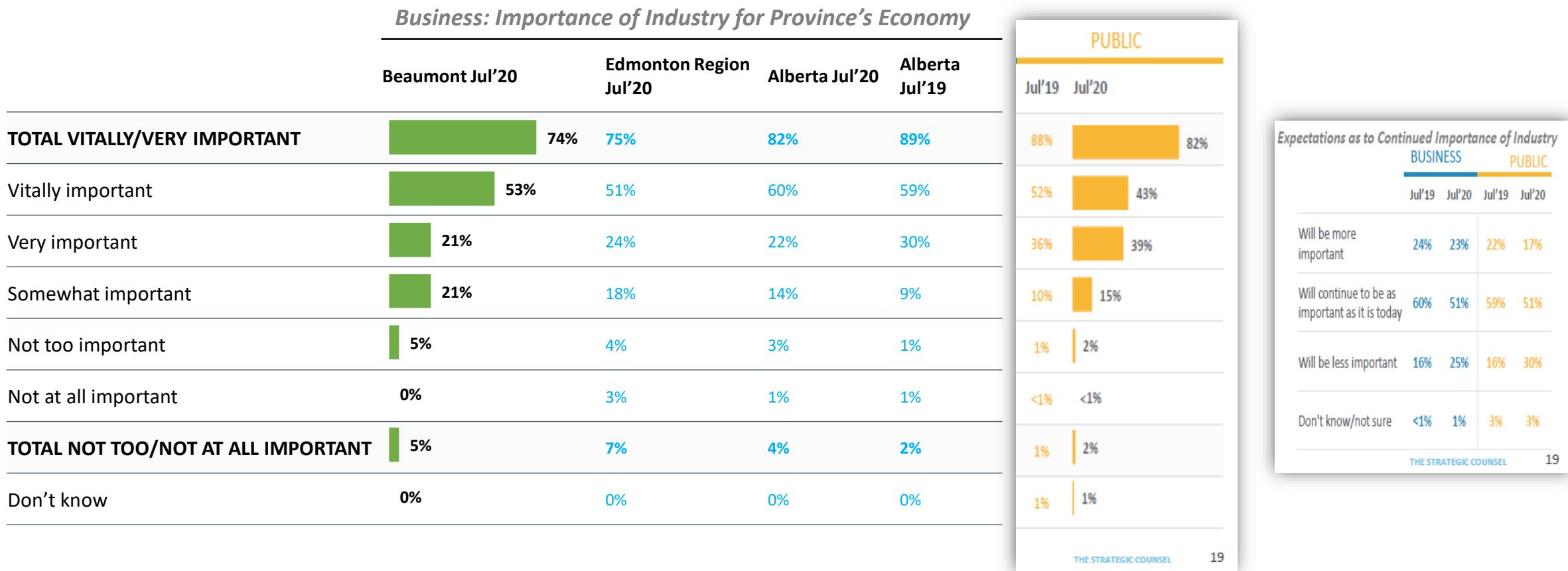
Q2. Overall, how do you feel about the long-term future of the province?

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IMPORTANCE OF OIL AND GAS INDUSTRY

A large majority of respondents in Beaumont and across Alberta continue to believe the oil and gas sector will be as or more important over the next few years. Overall, five in ten Beaumont business respondents, and six in ten Alberta business respondents believe the oil and gas sector is ‘vitally’ important for the economy.

- A growing minority of businesses across Alberta as well as the general public believe the sector will be less important over the next few years.
- 21% of Beaumont businesses, 31% of Edmonton region businesses and 25% of Alberta Businesses believe the oil and gas industry will become less important over the next few years.



Q5.

How important is the oil and gas industry for the province's economy?

Q6.

Over the next few years, what are your expectations for the importance of the oil and gas industry for the province's economy. (In 2019 the question was slightly different: Overall, what are your expectations over the next few years regarding the importance of the oil and gas industry?)

Three quarters of Beaumont businesses would describe the province's financial situation as 'very poor'. Half of Beaumont businesses are very concerned about the province's finances. There has been a decline across Alberta among both the public and businesses about the state of Alberta's financial situation.

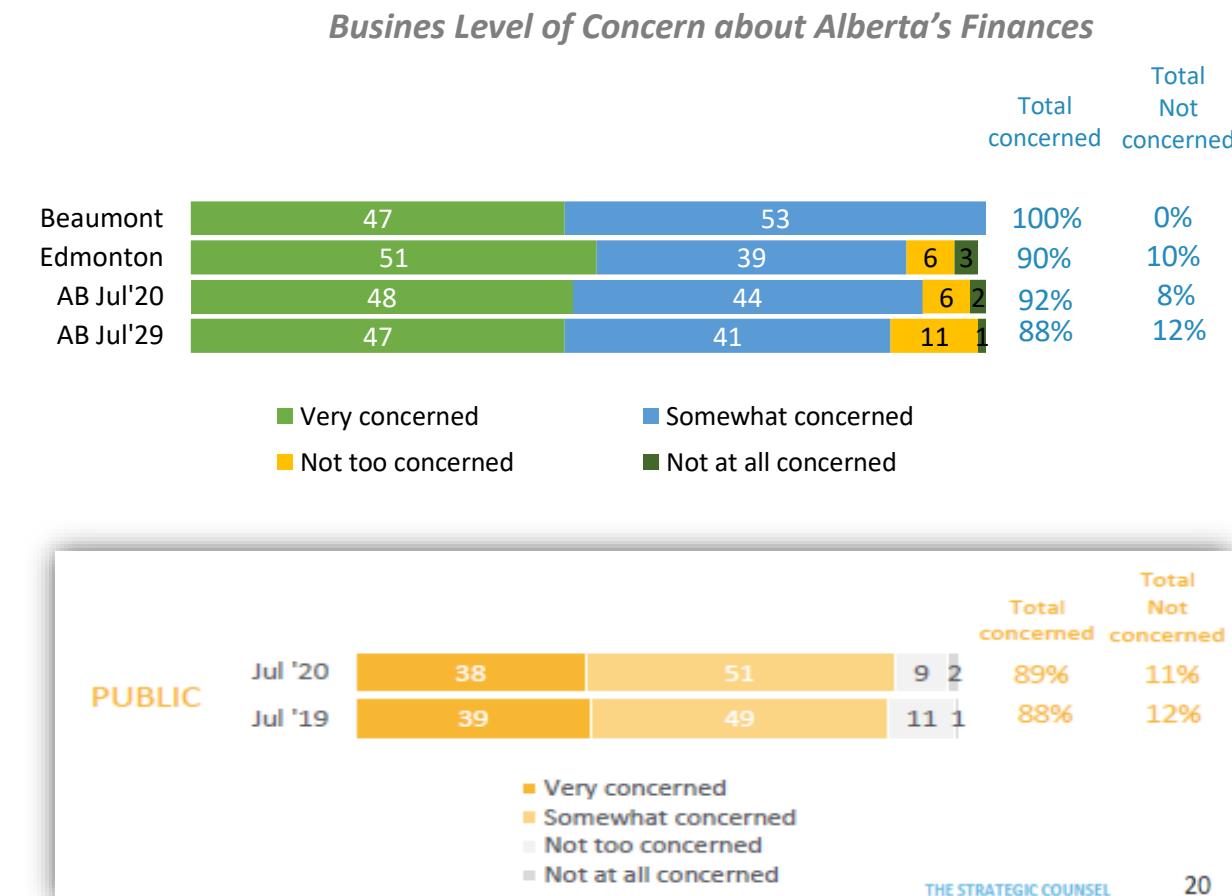
- As was the case a year ago, the public is much more likely to see the province's financial situation as at least 'fair' and, while concerned, there is less intensity than found among business.

Business: Alberta's Financial Situation				
	Beaumont Jul'20	Edmonton Region Jul'20	Alberta Jul'20	Alberta Jul'19
TOTAL EXCELLENT/GOOD/FAIR	26%	36%	31%	47%
Excellent	0%	0%	0%	1%
Good	5%	2%	5%	10%
Fair	21%	34%	26%	36%
Poor	53%	38%	45%	35%
Very poor	21%	25%	23%	16%
TOTAL POOR/VERY POOR	74%	63%	68%	51%
Don't know/not sure	0%	1%	1%	2%

Q14(B) Q18(P). Overall, how would you describe the province's financial situation?

Q15(B) Q19(P). How concerned are you about the state of the province's finances?

Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf



PERCEIVED CONTRIBUTION TO ALBERTA'S FISCAL PROBLEM

Beaumont business respondents align with Alberta's respondents in that they consider oil price declines, COVID-19, and lower government revenues (in part a result of lower oil prices) the key factors contributing to Alberta's fiscal problems.

Business % Contributes a great deal/Somewhat contributes – Jul'20

	Top Box: Contributes a Great Deal			Top Two Boxes: Contributes a Great Deal & Somewhat Contributes		
	Beaumont	Edmonton Region	Alberta	Beaumont	Edmonton Region	Alberta
The decline in oil prices	63%	83%	86%	89%	97%	97%
COVID-19 pandemic	58%	65%	72%	90%	96%	96%
Lower gov't revenues due to economic slowdown/Lower government revenues due to the slowdown in the economy	53%	66%	70%	95%	91%	95%
Overreliance on oil and gas revenues by previous governments/Overreliance on revenues from oil and gas on the part of previous provincial governments	53%	58%	54%	85%	86%	88%
Insufficient savings by previous governments/Insufficient savings on the part of previous provincial governments	47%	40%	49%	63%	78%	81%
Government waste and inefficiency	37%	42%	45%	61%	81%	78%
Spending by previous governments/The level of spending on the part of previous governments	37%	39%	48%	69%	73%	87%
The cost of providing services	32%	34%	35%	79%	80%	86%

Q17(B) Q21(P). Overall, how much do you personally believe each of the following is contributing to the province's fiscal problem and growing debt?

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DETAILED FINDINGS

- What are the Issues?
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- Other Options
- Who Can Resolve Issues?
- COVID-19 Recovery

ACCEPTABILITY OF PROVINCE OPERATING WITH A DEFICIT FOR A NUMBER OF YEARS

Half of Beaumont respondents believe running a deficit for a number of years is not acceptable. However, likely as a result of COVID-19, Alberta respondents view deficits as much more acceptable than in 2019. However,

Business: Acceptability of Provincial Deficit

	Beaumont Jul'20	Edmonton Jul'20	Alberta Jul'20	Alberta Jul'19
TOTAL ACCEPTABLE	 53%	49%	44%	31%
Very acceptable	0%	15%	9%	5%
Somewhat acceptable	 53%	34%	34%	26%
Not too acceptable	 21%	25%	32%	31%
Not at all acceptable	 26%	24%	24%	39%
TOTAL NOT ACCEPTABLE	 47%	49%	55%	69%
Don't know/not sure	0%	2%	<1%	<1%

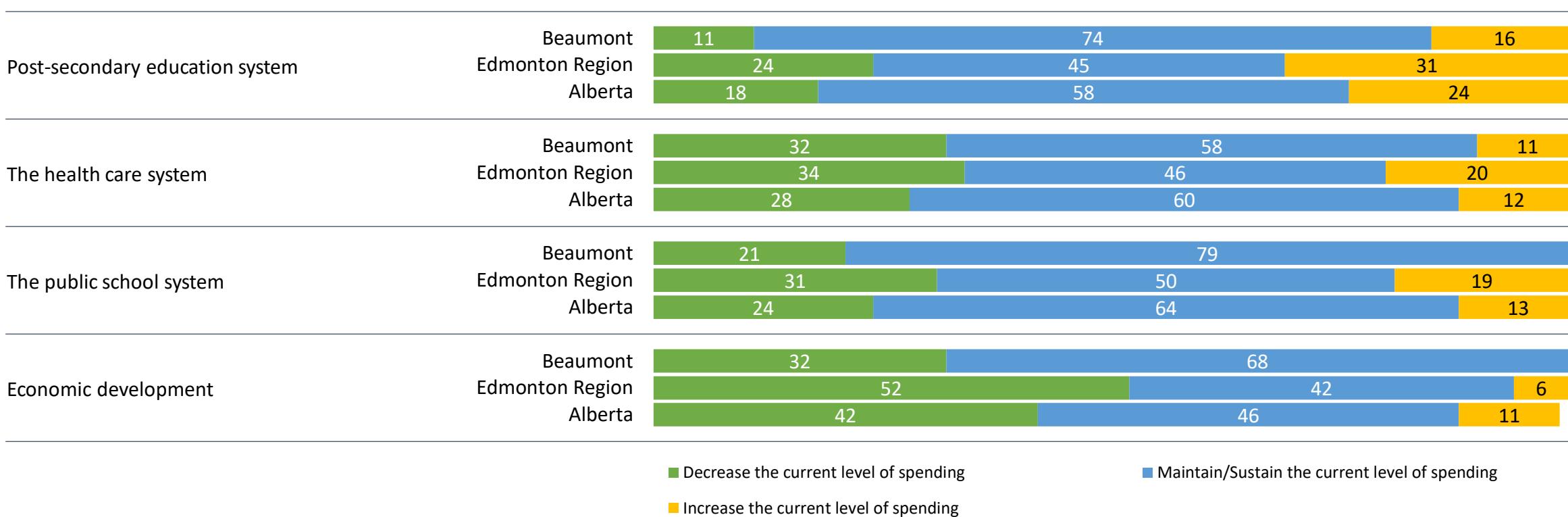
Q16(B) Q20(P). The province is currently spending more money than it is bringing in and borrowing to pay for services. How acceptable is it to you that the province will likely continue to borrow and operate with a deficit for a number of years?

KEY SPENDING AREA PRIORITIES

Nearly three quarters (74%) of Beaumont business respondents want to maintain spending for economic development, while Alberta respondents are looking for increased spending for same (42%). Few respondents want government to cut spending to key program areas and large majorities want current spending levels maintained.

- Newer Alberta businesses (10 years or less in business) are the most likely (63%) to want more spending on economic development.

Business Key Spending Area Priorities



Q21 (B) Q25 (P). What do you think is the appropriate action for government spending on each of the following priorities? (previously Q24) For the following priorities, what level of government spending do you prefer?

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ACCEPTABILITY OF TYPES OF TAX INCREASES OR NEW TAXES TO BALANCE BUDGET

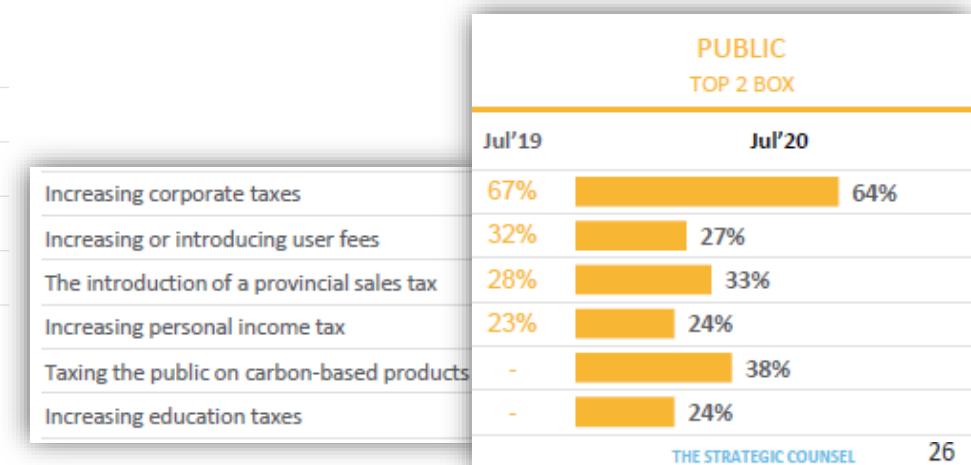
If government needs to increase taxes, Beaumont and Edmonton region businesses prefer the introduction of a provincial sales tax or taxing the public on carbon-based products.

- Business response to corporate tax increases depends on position in the business. Those in managerial/supervisory are more supportive (51%) than those in ownership or C-suite positions (33%).
- 42% of Beaumont businesses would accept an increase in corporate taxes only if absolutely necessary, while 21% find a corporate tax increase totally unacceptable.
- 42% of Beaumont businesses would accept an increase in personal income taxes only if absolutely necessary, while 42% find personal tax increase totally unacceptable.
- The public prefers increasing corporate taxes

Business response on Taxes:
% Very acceptable/Somewhat acceptable

TOP 2 BOXES: Very Acceptable/Somewhat Acceptable

	Beaumont Jul'20	Edmonton Region Jul'20	Alberta Jul'20	Alberta Jul'19
The introduction of a provincial sales tax	21%	34%	38%	33%
Taxing the public on carbon-based products	16%	20%	38%	-
Increasing corporate taxes	5%	18%	40%	45%
Increasing or introducing user fees	5%	13%	40%	45%
Increasing personal income tax	5%	6%	22%	26%
Increasing education taxes	5%	3%	22%	-



Q18(B) Q22(P). (previously Q23) If the provincial government decided that some form of tax increase or new tax was necessary to balance the budget, how acceptable to you is each of the following?

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ACCEPTABILITY OF LOCAL GOVERNMENT REVENUE OPTIONS

Majority of businesses across Alberta believe that it is at least somewhat acceptable for local government to raise revenues or reduce spending through introducing/increasing new user fees or reducing spending on public recreation facilities and public transit. Other options are, in most cases, far less acceptable to both groups.

- Increasing business property taxes has the support of 45% of Alberta's public finding this action acceptable compared to 24% of Alberta businesses a comparable percentage to that of businesses in both Beaumont & Edmonton region.

Business response on Revenue Options
% Very/Somewhat acceptable

	Beaumont	Edmonton Region	Alberta
Reduce spending on public recreation facilities	74%	64%	57%
Increasing or introducing new user fees (e.g. recreation facilities)	53%	69%	62%
Reduce spending on public transit	48%	52%	50%
Increasing rider fees on utility services	32%	33%	30%
Reduce spending on other municipal services (e.g. road maintenance, garbage collection, libraries)	31%	35%	33%
Increasing business property taxes	26%	35%	24%
Reduce spending on local policing	26%	36%	26%
Increasing residential property taxes	0%	20%	19%

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DETAILED FINDINGS

- What are the Issues?
- How are Issues to be Resolved?
- Other Options
- Who Can Resolve Issues?
- COVID-19 Recovery

IMPORTANCE OF SPECIFIC PRIORITIES

Beaumont businesses are aligned with Albertans whose top key priority is minimizing COVID-19 community spread. Although the COVID-19 pandemic has had a significant impact on business priorities, Beaumont respondents align with Alberta respondents' in that their other key priorities remains diversification of the province's economy beyond oil and gas. In fact, over the last year this issue has increased in importance for Alberta business.

- As a result of the pandemic, priorities related to the provincial debt, balancing the budget, and even reducing taxes are less important than a year ago.

Three Most Important Priorities for Businesses

	Beaumont Jul'20	Edmonton Region Jul'20	Alberta Jul'20
Minimizing COVID-19 community spread	69%	46%	37%
Diversifying the province's economy beyond oil/gas industry	58%	62%	66%
Maintaining the current level of government services	37%	34%	28%
Reducing the regulatory burden on business	32%	34%	37%
Saving royalties from government oil and gas revenues	32%	21%	25%
Reducing taxes	26%	21%	26%
Reducing the provincial debt	21%	30%	31%
Balancing the provincial budget	16%	28%	30%
Developing clean/non-polluting technologies	11%	15%	12%
Reducing greenhouse gas emissions	0%	8%	7%

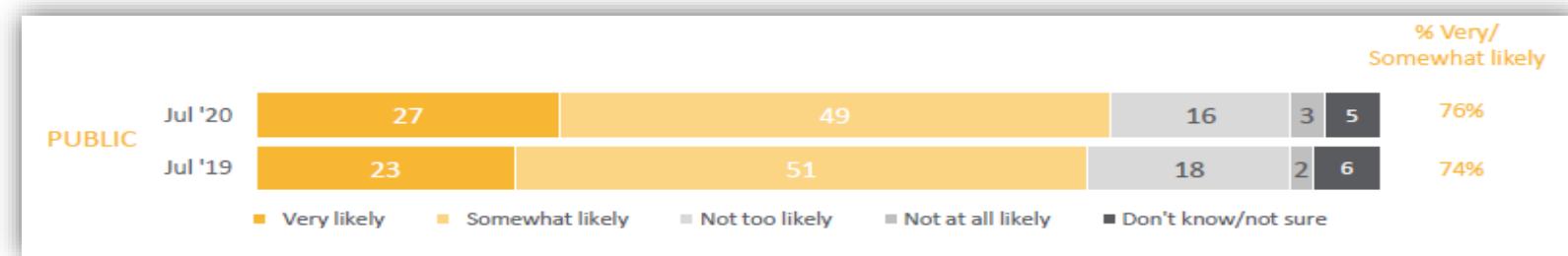
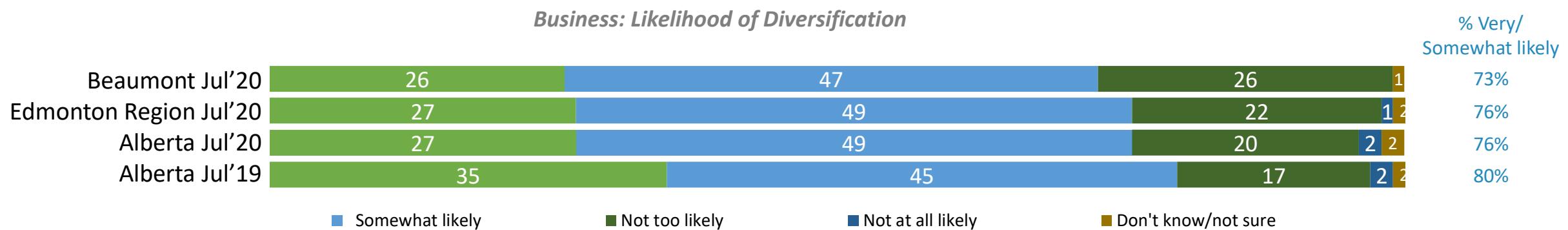
PUBLIC	
Jul '20	
Minimizing COVID-19 community spread	64%
Diversifying the province's economy beyond oil/gas industry	57%
Reducing the provincial debt	37%
Developing clean/non-polluting technologies	35%
Maintaining the current level of government services	35%
Saving royalties from government oil and gas revenues	35%
Balancing the provincial budget	34%
Reducing taxes	29%
Reducing greenhouse gas emissions	27%
Reducing the regulatory burden on business	21%

Q3. How important to you are each of the following priorities?
 Q4. Which of the following priorities are most important to you?

ALTERNATIVES TO OIL AND GAS: PERCEIVED LIKELIHOOD OF NEW BUSINESS FORMATION NOT RELIANT ON ENERGY SECTOR

Beaumont shares in Alberta's belief that Alberta's economy can diversify. However, there is a decline among Alberta businesses about how likely it is that alternatives can emerge, with an 8-point decline in 'very' likely compared to 2019.

- Overall, just over a quarter regions across Alberta believe it is 'very' likely for businesses to emerge that are not dependent on resource extraction.
- Unlike 2019, both Alberta business and the public are now in complete agreement regarding the likelihood of diversification.



Q7(B) Q8(P).

How likely do you think it is that new businesses can emerge in Alberta that are not dependent upon resource extraction?

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DIVERSIFICATION ALTERNATIVES FOR NON-ENERGY BUSINESS GROWTH

Encouraging entrepreneurial activity is key to creating new industries not reliant on oil and gas exports, and increasingly important to businesses in Beaumont and across Alberta.

- Businesses' in Alberta have an increased emphasis on diversifying Alberta's economic base which may, in part, be responsible for increases this year in some of the key alternatives.
- In Alberta these continue to include agriculture, technology, tourism, manufacturing, and health innovation, while in Beaumont, connecting Alberta to overseas opportunities is also seen as a key alternative.

Business: Alternatives for non-energy business growth

	Beaumont Jul'20	Edmonton Region Jul'20	Alberta Jul'20	Alberta Jul'19
Encouraging entrepreneurial activity	68%	65%	65%	59%
Digital technologies/Artificial intelligence	53%	57%	53%	48%
Manufacturing	53%	50%	50%	40%
Connecting Alberta businesses to overseas opportunities	47%	36%	39%	34%
Agriculture food products	42%	63%	69%	56%
Health innovation	42%	54%	48%	45%
Tourism	37%	47%	51%	43%
Enabling commercialization of research and products	26%	43%	36%	32%
Value-add petrochemical products	21%	43%	40%	38%
Rural broadband connectivity	21%	34%	27%	26%
Forestry value-added products	11%	24%	28%	24%
Nuclear energy	11%	16%	13%	13%
Increasing the number of int'l students at Alberta's colleges and universities	5%	12%	11%	7%
Other	0%	5%	6%	5%
None of these	11%	2%	1%	1%
Don't know/not sure	0%	2%	2%	4%

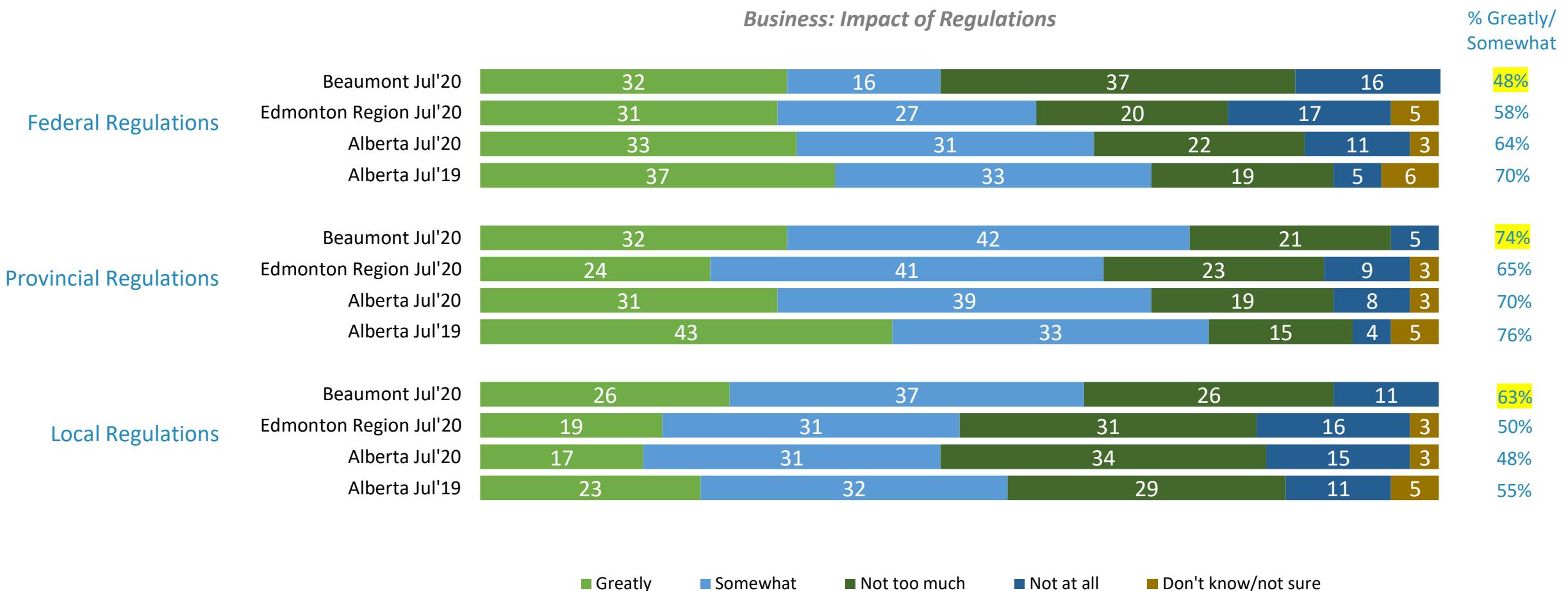
Q8(B) Q9(P).

Which of the following offer the best opportunities in Alberta for industries not reliant on growing oil and gas exports? (Please check all that apply)
(previously Q13) Which of the following offer the best opportunities for the emergence of industries not reliant on growing oil and gas exports?

IMPACT OF REGULATIONS

Majorities of businesses in Beaumont believe that provincial, followed by local, regulations are most likely to negatively impact their business.

- Respondents' perceived negative impact of regulations, at all levels of government, has declined over last year. This was most evident for provincial regulations.
- Majorities of businesses across Alberta continue to believe that provincial, followed by federal, regulations are the most likely to negatively impact their business.



Q20a-c. To what extent do regulations at each of the following levels of government directly and negatively impact your business?

Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf

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DETAILED FINDINGS

- What are the Issues?
- How are Issues to be Resolved?
- Other Options
- Who Can Resolve Issues?
- COVID-19 Recovery

WHO WILL BEST FACILITATE DIVERSIFICATION

While Beaumont businesses and Albertans believe that the Alberta based business community and the provincial government are most likely to contribute to emerging new business success that can grow the economy, there has been a significant decline in business confidence in the provincial government's ability (and to a lesser extent, Alberta-based businesses) to contribute to the emergence of new businesses and subsequent economic growth.

- In fact, business confidence in all groups is down this year, which may suggest a general lack of confidence in the future among the business community.
- Public confidence in all organizations cited has increased, although less for the provincial government than other organizations. Alberta's business community is still the most cited to best facilitate diversification. This may suggest the public is expecting help from various sources to grow the economy.

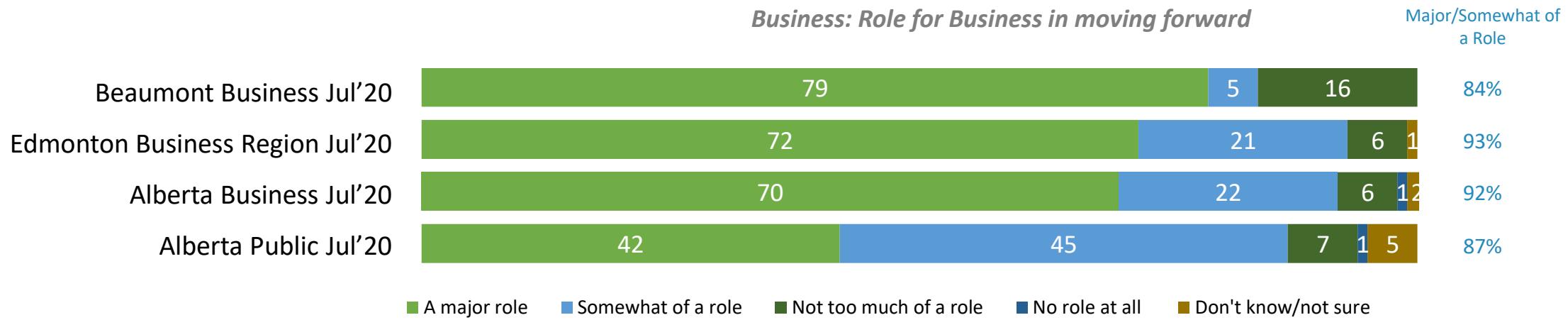
	Beaumont Business Jul'20	Edmonton Region Business Jul'20	Alberta Business Jul'20	Alberta Business Jul'19	Alberta Public Jul'20	Alberta Public Jul'19
The Alberta-based business community	37%	49%	54%	65%	56%	44%
The provincial government	21%	26%	22%	41%	44%	41%
The international business community	11%	8%	6%	14%	25%	13%
The federal government	11%	9%	5%	10%	21%	9%
Municipal governments	5%	4%	5%	16%	22%	8%
None of these	11%	5%	3%	2%	3%	2%
Don't know	5%	0%	6%	5%	12%	12%

Q9(B) Q10(P). Which of the following groups is most likely to contribute to emerging new businesses that can grow Alberta's economy? (previously Q14) And, which one of the following groups is most likely to facilitate the emergence of new businesses to contribute to the growth of the Alberta economy?

EXTENT OF ROLE FOR BUSINESS IN MOVING THE PROVINCE FORWARD

Businesses in Beaumont believe the business community has a role in assisting the province to move forward.

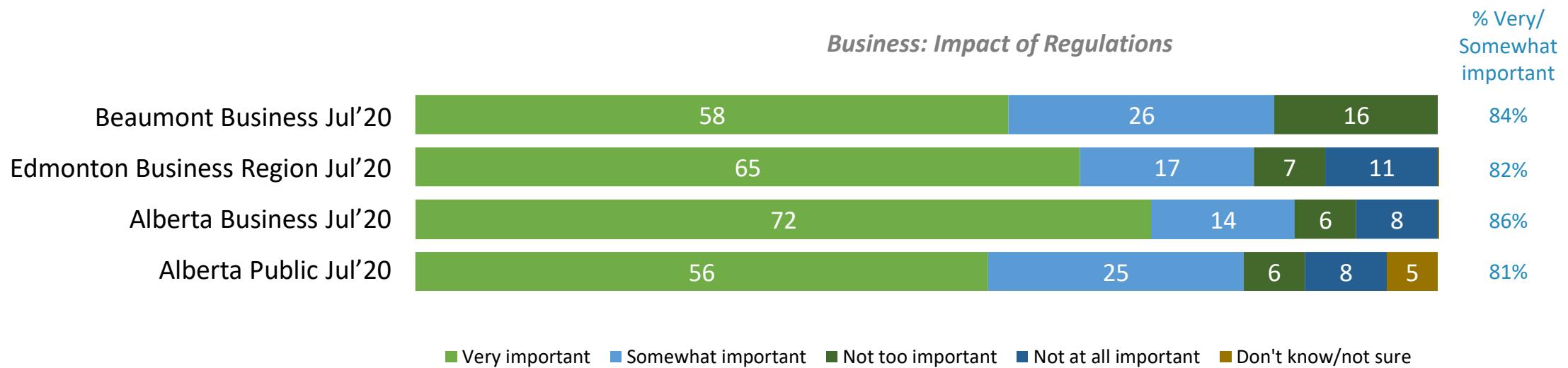
- Businesses across Alberta and the public in Alberta share the belief that the business community has a role in assisting the province to move forward.



Q22(B) Q27(P). To what extent does the business community in Alberta have a role in developing a vision and providing leadership to move the province forward? (previously Q31) To what extent does the business community in Alberta have a role in developing a vision and providing leadership to assist the province to move forward?

More than half of Beaumont businesses see renegotiating equalization payment terms as 'very' important.

- Overall, more than eight in ten respondents among all groups say renegotiating equalization is at least somewhat important.



Q23(B) Q24(P). How important or unimportant is it to you that Alberta negotiate new terms with the federal government regarding equalization payments among the provinces?

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EASE/DIFFICULTY OF HIRING SKILLED WORKERS

Beaumont businesses are at two ends of a spectrum. Almost half (42%) believe it will be relatively easy to hire require skilled workers, while almost the other half don't think they will be hiring at all. Businesses across Alberta are divided in terms of how easy or difficult they believe it will be to hire skilled workers over the next year.

- Beaumont has a large percentage (33%) of businesses who indicate they will not be hiring over the next year, which could be a correlation to unemployment ranking as Beaumont's third most important issue facing Alberta on question 1.
- When excluding those who either will not be hiring or say they don't know how easy or difficult it will be (largely firms of five or fewer employees), 40% of businesses in Alberta say it will be 'very' or 'somewhat' difficult compared with 33% saying 'very' or 'somewhat' easy.
- In Alberta, companies between 11 and 49 staff are the most likely to believe it will be difficult to hire skilled workers over the next year (42%).



Q24(B). How easy or difficult do you anticipate it will be to hire skilled workers over the next year?

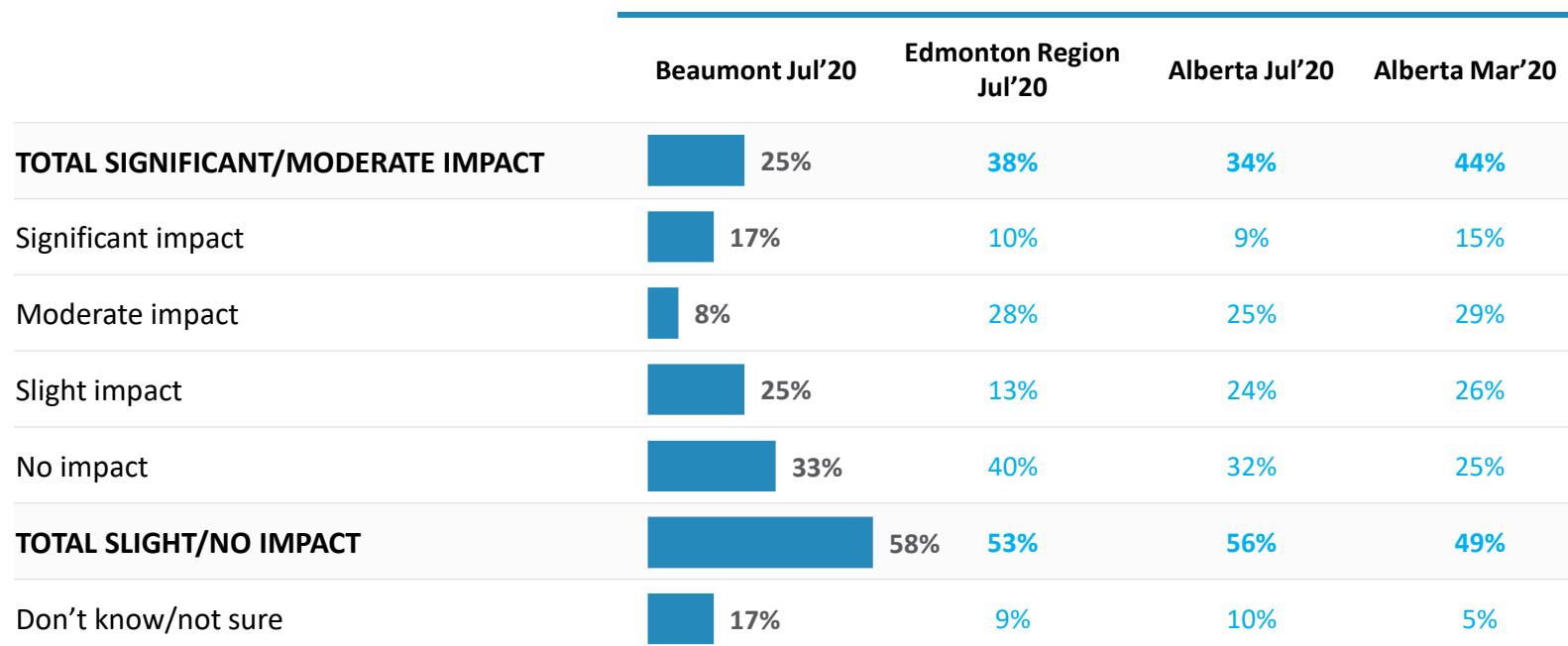
Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf

AREAS OF EXPECTED SKILLS SHORTAGES AND IMPACT ON BUSINESS

Beaumont businesses did not anticipate issues with the ability to hire skilled workers. Compared to March (and the pre-COVID-19 period), there has been a significant decline in the proportion of Alberta businesses that believe a skills shortage will impact their ability to grow over the next year as well. It may well be that, as a result of COVID-19, businesses will be in recovery mode and not necessarily in growth mode.

- As with a stronger sense of difficulty in hiring skilled workers, Alberta businesses with 11-49 workers are also much more likely (43%) than others (30%) to believe skills shortages will impact their ability to grow.

Business: Skills Shortage Impact



Q25(B). To what extent do you anticipate skills shortages will impact your business's ability to grow ("thrive" in March) over the next year?

Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf

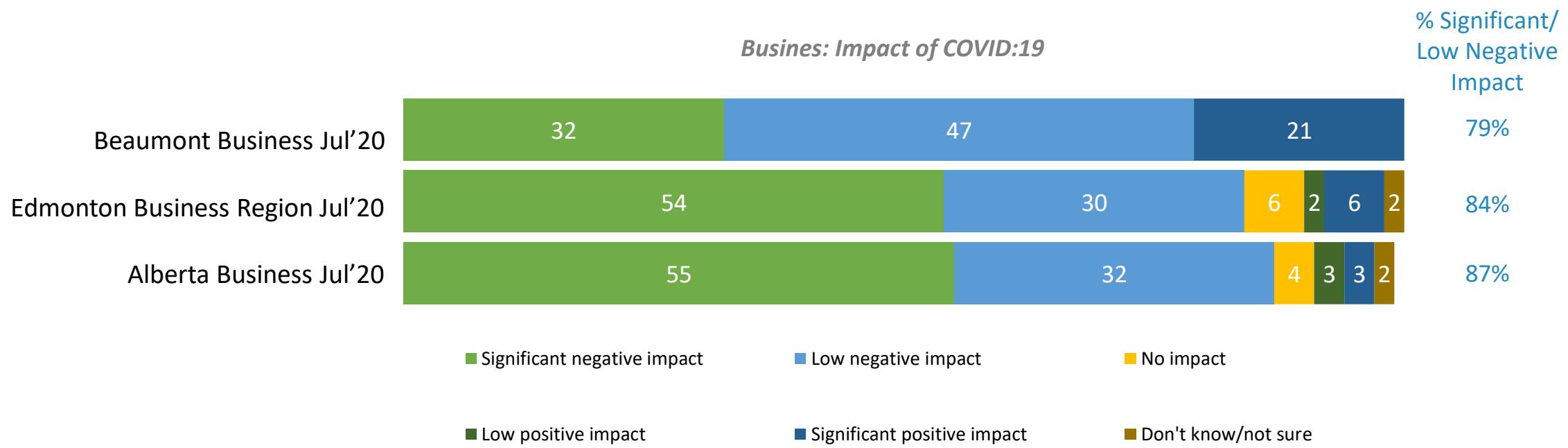
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DETAILED FINDINGS

- What are the Issues?
- How are Issues to be Resolved?
- Other Options
- Who Can Resolve Issues?
- COVID-19 Recovery

IMPACT OF COVID-19 ON BUSINESS

A large majority (79%) of Beaumont Businesses report some negative impact from the pandemic, with 32% of Beaumont businesses reporting a 'significant' negative impact, a slightly lower percentage than Edmonton Region and Alberta businesses.



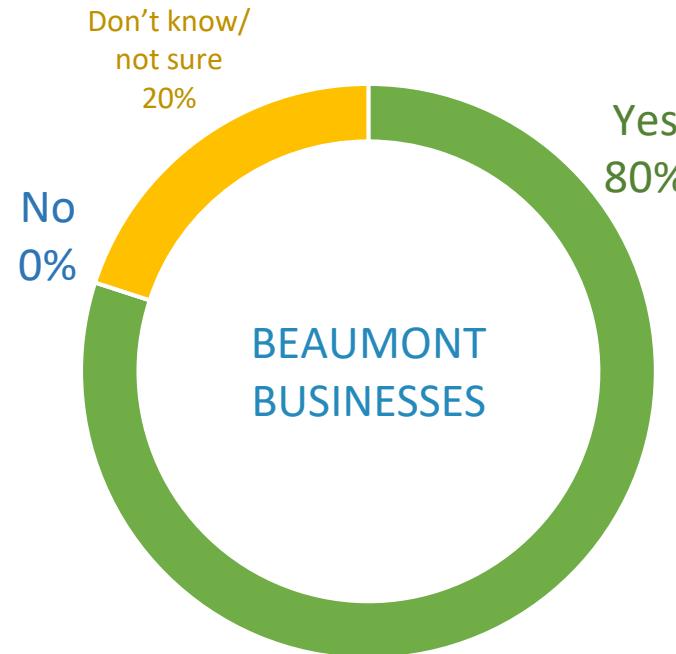
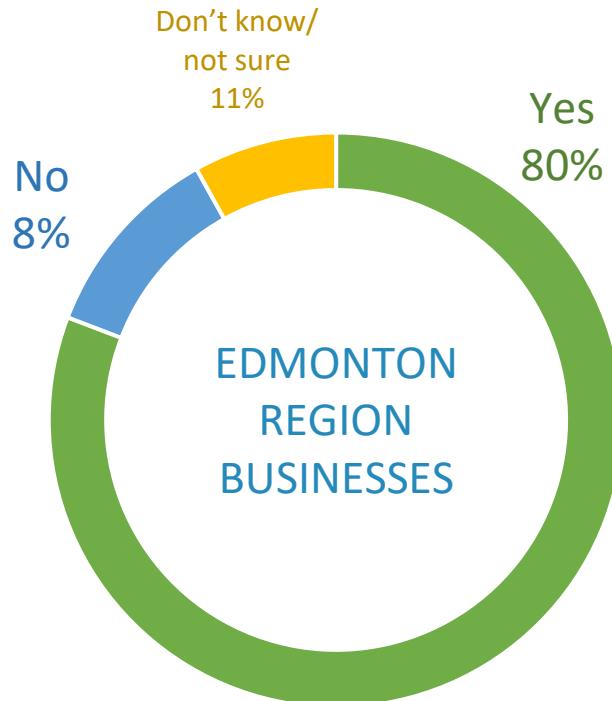
Q10. How has COVID-19 impacted your business?

Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf

LIKELIHOOD OF CHANGING WAY BUSINESS IS RUN TO RECOVER AND GROW

Among those Beaumont businesses reporting a negative impact, more than three quarters also report that they anticipate the way they run their business will change in order to recover and grow.

- Businesses of 11 or more people are much more likely than smaller businesses to anticipate the way they operate will change.



Q12(B). Do you anticipate the way you run your business will change in order to recover and grow in the next year?

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BUSINESS PLANNING OPTIONS FOR RECOVERY/GROWTH

Among those anticipating the way their business operates will change, there are a wide variety of ways business respondents report they are planning to change. The most frequent responses involve changing the business model, adopting new technology, reducing sponsorships/donations, reducing staff, converting to online sales and reducing their own salary.

- Smaller business in Alberta (less than five people) are the most likely to say they will change their business model (55%) and reduce their salaries (45%).
- Larger businesses in Alberta (50+ people) are the most likely to say they will adopt new technologies (51%), have staff work from home (30%), and reduce office space (33%).

	Beaumont Jul'20	Edmonton Region Jul'20	Alberta Jul'20
Change business model	42%	42%	41%
Adopt new technology	42%	40%	39%
Reduce community sponsorships or donations	33%	41%	39%
Reduce staff	33%	35%	37%
Convert to online sales	33%	23%	21%
Reduce my salary/compensation	25%	38%	36%
Reduce staff travel	25%	31%	30%
Reduce hourly rates for employees	17%	14%	15%
Shift employees to work more from home	8%	22%	18%
Reduce office space or consolidate multiple locations	8%	26%	18%
No longer provide or reduce benefits	8%	15%	14%
Reduce staff training	8%	13%	13%
Increase staff training	8%	13%	13%
Change suppliers	8%	13%	12%
Commercialize new technology	8%	12%	8%
Replace employees with independent contractors	8%	10%	8%
Increase community sponsorships or donations	8%	5%	7%
Change sectors	8%	5%	5%
Increase research and development	0%	7%	9%
Reduce research and development	0%	10%	6%
Increase staff	0%	3%	3%
Increase staff travel	0%	2%	2%
Other	8%	15%	10%

Q13(B). What is your business planning to do to recover and grow over the next year? Please check all that apply.

Source: ACC AB Perspectives Research | https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2087/CMS/AB_Perspectives_Research/ACC---Business-and-Public-Attitudes-July-2020---FINAL.pdf

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ABOUT THE RESPONDENTS

CONFIDENTIAL

THE STRATEGIC COUNSEL

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Respondent Profile – Beaumont Business

GENDER

42%	Male
53%	Female
5%	Other

REGION YOUR BUSINESS OPERATES

21%	All regions of Alberta
5%	Central Alberta
79%	Edmonton area
5%	Northwest Alberta
5%	Northeast Alberta

JOB TITLE

26%	President/CEO/Chair
48%	Owner/partner/Contractor/Self-Employed
21%	Director/manager
5%	Professional/Technical
9%	Other

NUMBER OF STAFF EMPLOYED

21%	None, just me
37%	2 – 5
5%	6 – 10
26%	11 – 49
11%	500 or more

YEARS IN BUSINESS

10%	Less than 6 years
26%	6 – 10 years
21%	11 – 15 years
5%	16 – 20 years
11%	21 – 30 years
11%	31 - 50 years
16%	More than 50 years

SECTOR

74%	Private Sector
21%	Public Sector
5%	Non-Profit

INDUSTRY BUSINESS OPERATES

(Mentions of 2% and above are shown)

26%	Finance
16%	Retail Trade
11%	Construction
11%	Professional, scientific & technical services
11%	Health Care
5%	Private Real Estate
5%	Commercial Real Estate
5%	Management of companies and enterprises
5%	Animal Services

MEMBER OF LOCAL CHAMBER OF COMMERCE

89%	Yes
11%	No

Respondent Profile – Edmonton Region Business

GENDER

46%	Male
49%	Female
1%	Other
5%	Prefer not to answer

REGION

20%	Calgary area
17%	Elsewhere in southern Alberta
30%	Central Alberta
100%	Edmonton area
18%	Northwest Alberta
17%	Northeast Alberta
2%	Mountain parks

JOB TITLE

18%	President/CEO/Chair
50%	Owner/partner/Contractor/Self-Employed
2%	Vice President
23%	Director/manager
3%	Supervisor
5%	Professional/Technical
1%	Other

NUMBER OF STAFF EMPLOYED

12%	None, just me
29%	2 – 5
13%	6 – 10
27%	11 – 49
9%	50 – 99
5%	100 – 499
6%	500 or more

YEARS IN BUSINESS

16%	Less than 6 years
11%	6 – 10 years
20%	11 – 15 years
9%	16 – 20 years
16%	21 – 30 years
20%	31 - 50 years
7%	More than 50 years
1%	Don't know/not sure

SECTOR

80%	Private Sector
10%	Public Sector
10%	Non-Profit

INDUSTRY BUSINESS OPERATES

(Mentions of 2% and above are shown)

13%	Professional, scientific, and technical services
8%	Finance
8%	Construction
6%	Retail Trade
6%	Health care
6%	Transportation
6%	Food Services
4%	Agriculture
4%	Oil and Gas
4%	Other Services (Except public administration)
3%	Accommodation
2%	Private Real Estate
2%	Management of Companies and Enterprises
2%	Entertainment
2%	Manufacturing
2%	Rental and leasing
2%	Educational services
2%	Social assistance
2%	Arts

MEMBER OF LOCAL CHAMBER OF COMMERCE

79%	Yes
20%	No
1%	Don't know/not sure

Alberta Respondent Profile – Business

GENDER

47%	Male
47%	Female
<1%	Other
6%	Prefer not to answer

REGION

22%	All regions of Alberta
11%	Calgary area
12%	Elsewhere in southern Alberta
25%	Central Alberta
25%	Edmonton area
16%	Northwest Alberta
20%	Northeast Alberta
2%	Mountain parks

JOB TITLE

20%	President/CEO/Chair
45%	Owner/partner
2%	Vice President
23%	Director/manager
2%	Supervisor
9%	Other

NUMBER OF STAFF EMPLOYED

12%	None, just me
27%	2 – 5
17%	6 – 10
25%	11 – 49
6%	50 – 99
6%	100 – 499
6%	500 or more

YEARS IN BUSINESS

17%	Less than 6 years
12%	6 – 10 years
14%	11 – 15 years
9%	16 – 20 years
16%	21 – 30 years
17%	31 – 50 years
13%	More than 50 years
2%	Don't know/not sure

SECTOR

75%	Private Sector
14%	Public Sector
11%	Non-Profit

INDUSTRY BUSINESS OPERATES

(Mentions of 2% and above are shown)

11%	Retail trade
9%	Professional, scientific, and technical services
6%	Finance
6%	Construction
5%	Oil and gas
5%	Food services
5%	Educational services
4%	Transportation
4%	Health care
3%	Manufacturing
3%	Accommodation
2%	Agriculture
2%	Insurance
2%	Private real estate
2%	Entertainment
2%	Social assistance
2%	Recreation

MEMBER OF LOCAL CHAMBER OF COMMERCE

83%	Yes
16%	No
1%	Don't know/not sure