



## **Business Confidence Survey 2009**

Results of a survey of City of Nanaimo Business Licence holders regarding several factors including labour, market conditions, and capital investments which contribute to overall business confidence levels.

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## **Background**

Businesses across Canada have been affected by the current recession and market collapse of the global economy. Some economic driver sectors (bringing new wealth into the community), such as construction, have been affected more than others, but economic supporter sectors (circulating wealth in the community) such as retail, are also impacted.

To gauge the level of business confidence in Nanaimo, the City of Nanaimo's Economic Development Office sent out a survey to all business licence holders in the city. The survey asked questions regarding several factors contributing to overall business confidence levels, including staffing and investment plans, as well as current demand for their product or service.

## **Process**

In November 2008, the survey was mailed out to City of Nanaimo Business Licence holders, along with their 2009 Business Licence renewal form. A copy of the survey is attached as Appendix A. The results included in this report represent the 1,034 surveys that were returned by the submission deadline of January 15, 2009. This survey is not meant to be scientific, but merely an opportunity to gauge the level of overall business confidence in the community.

## **Outcomes**

The Economic Development Office received 1,034 completed surveys which represents almost 20% of the active business licences in the City of Nanaimo. The survey includes eight questions, the responses to which are displayed as graphs in this report. A majority of businesses who responded to the survey predict their overall business situation will be the same in one year.

## **Summary**

A copy of this Business Confidence Report is available to anyone and will be posted on the City of Nanaimo's website at [www.nanaimo.ca](http://www.nanaimo.ca) on the Economic Development Office's homepage by March 2009.

For further information on this survey, contact:

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This report has been produced by the Economic Development Office of the City of Nanaimo. While we have made every effort to ensure that the information provided is correct, we cannot guarantee the accuracy of the source data.

## Overall Responses

1,034 responses were received to the Business Confidence Survey, which represents almost 20% of businesses licenced in the City of Nanaimo.

<b>What industry sector does your business represent?</b>		
<b>Sector</b>	<b>#</b>	<b>%</b>
<b>Construction</b>	<b>166</b>	<b>16.1%</b>
Retail Trade	146	14.2%
Professional, Scientific and Technical Services	128	12.4%
Health Care & Social Assistance	123	12.0%
Repair, Maintenance and Personal or Pet Services	97	9.4%
Real Estate and Rental & Leasing of Goods and Property	90	8.7%
Accommodation and Food Services	57	5.5%
Manufacturing	41	4.0%
Arts, Entertainment and Recreation	33	3.2%
Transportation and Warehousing	33	3.2%
Finance and Insurance	28	2.7%
Wholesale Trade	25	2.4%
Administrative and Support/Waste Management/Remediation Services	24	2.3%
Educational Services	21	2.0%
Information and Cultural Industries	13	1.3%
Agriculture, Forestry, Fishing and Hunting	4	0.4%
Utilities	0	0%

A majority of businesses who responded to the survey have been in operation in Nanaimo for over fifteen years.

<b>How long has your business been in operation in Nanaimo?</b>		
<b># of Years</b>	<b>#</b>	<b>%</b>
<b>More Than 15 Years</b>	<b>416</b>	<b>40.7%</b>
0-5 Years	284	27.9%
10-15 Years	166	16.3%
5-10 Years	154	15.1%

82.4% of businesses who responded to the survey are small businesses, employing up to ten people. Only 2.1% of responses represent businesses with over 41 employees.

<b>How many employees do you have?</b>		
<b># of Employees</b>	<b>#</b>	<b>%</b>
<b>0-5 Employees</b>	<b>683</b>	<b>67.4%</b>
6-10 Employees	152	15.0%
11-25 Employees	129	12.7%
26-40 Employees	29	2.9%
41-100 Employees	15	1.5%
More Than 100 Employees	6	0.6%

Most businesses do not plan to hire staff within the next year.

<b>Do you plan to hire staff within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>No</b>	<b>719</b>	<b>72.3%</b>
Yes	276	27.7%

A majority of businesses do not plan to make a capital investment within the next year.

<b>Do you plan to make a capital investment within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>No</b>	<b>806</b>	<b>82.1%</b>
Yes	176	17.9%

For 49.1% of businesses, the demand for their product/service is expected to stay the same over the next year.

<b>Is the demand for your product/service increasing, decreasing or staying the same?</b>		
	<b>#</b>	<b>%</b>
<b>Staying the Same</b>	<b>502</b>	<b>49.1%</b>
Increasing	305	29.8%
Decreasing	215	21.0%

Although most businesses are not making staffing or capital investments in the next year, they predict their overall business situation will be the same. Only 3.9% of businesses predict a substantially worse overall business situation. 29.1% predict a moderately better overall business situation in one year.

<b>In one year, do you think your overall business situation will be:</b>		
	<b>#</b>	<b>%</b>
<b>Same</b>	<b>434</b>	<b>42.5%</b>
Moderately Better	297	29.1%
Moderately Worse	177	17.4%
Substantially Better	72	7.1%
Substantially Worse	40	3.9%

## By Sector

A majority of businesses in most sectors have been operating in Nanaimo for over fifteen years, with the exception of the 1) Administrative & Support/Waste Management and Remediation Services, 2) Arts, Entertainment & Recreation, and 3) Construction sectors. Most businesses in these sectors have been operating for under five years.

<b>How long has your current business been operating in Nanaimo?</b>					
<b>Sector</b>	<b>0-5 Yrs.</b>	<b>5-10 Yrs.</b>	<b>10-15 Yrs.</b>	<b>+15 Yrs.</b>	<b>Response Count</b>
Accommodation & Food Svcs.	25.0%	14.3%	16.1%	<b>44.6%</b>	56
Administrative & Support/Waste Mgmt./Remediation Svcs.	<b>33.3%</b>	16.7%	20.8%	29.2%	24
Agriculture, Forestry, Fishing & Hunting	25.0%	25.0%	<b>50.0%</b>	0.0%	4
Arts, Entertainment & Recreation	<b>46.9%</b>	15.6%	15.6%	21.9%	32
Construction	<b>29.9%</b>	14.0%	17.1%	39.0%	164
Educational Services	23.8%	19.0%	14.3%	<b>42.9%</b>	21
Finance & Insurance	14.3%	14.3%	17.9%	<b>53.6%</b>	28
Health Care & Social Assistance	29.2%	13.3%	20.0%	<b>37.5%</b>	120
Information & Cultural Industries	46.2%	0.0%	0.0%	<b>53.8%</b>	13
Manufacturing	17.5%	17.5%	7.5%	<b>57.5%</b>	40
Professional, Scientific & Technical Svcs.	30.7%	17.3%	18.9%	<b>33.1%</b>	127
Real Estate and Rental & Leasing of Goods and Property	21.3%	5.6%	13.5%	<b>59.6%</b>	89
Repair, Maintenance and Personal or Pet Svcs.	31.9%	19.1%	9.6%	<b>39.4%</b>	94
Retail Trade	25.5%	20.7%	20.7%	<b>33.1%</b>	145
Transportation & Warehousing	18.8%	15.6%	9.47%	<b>56.3%</b>	32
Utilities	0.0%	0.0%	0.0%	0.0%	0
Wholesale Trade	24.0%	4.0%	16.0%	<b>56.0%</b>	25

A majority of businesses in every sector except Accommodation & Food Services have between zero and five employees.

<b>How many employees do you have?</b>							
<b>Sector</b>	<b>0-5</b>	<b>6-10</b>	<b>11-25</b>	<b>26-40</b>	<b>41-100</b>	<b>+100</b>	<b>Response Count</b>
Accommodation & Food Svcs.	33.9%	16.1%	<b>37.5%</b>	5.4%	7.1%	0.0%	56
Administrative & Support/Waste Mgmt./Remediation Svcs.	<b>58.3%</b>	16.7%	16.7%	0.0%	8.3%	0.0%	24
Agriculture, Forestry, Fishing & Hunting	<b>75.0%</b>	0.0%	0.0%	0.0%	0.0%	25%	4
Arts, Entertainment & Recreation	<b>63.6%</b>	24.2%	9.1%	3.0%	0.0%	0.0%	33
Construction	<b>62.0%</b>	16.0%	14.7%	4.9%	2.5%	0.0%	163
Educational Services	<b>85.7%</b>	9.5%	4.8%	0.0%	0.0%	0.0%	21
Finance & Insurance	<b>78.6%</b>	7.1%	14.3%	0.0%	0.0%	0.0%	28
Health Care & Social Assistance	<b>67.8%</b>	19.5%	11.0%	1.7%	0.0%	0.0%	118
Information & Cultural Industries	<b>69.2%</b>	0.0%	7.7%	15.4%	0.0%	7.7%	13
Manufacturing	<b>61.5%</b>	15.4%	10.3%	7.7%	5.1%	0.0%	39
Professional, Scientific & Technical Svcs.	<b>74.2%</b>	10.9%	10.9%	3.9%	0.0%	0.0%	128
Real Estate and Rental & Leasing of Goods and Property	<b>96.6%</b>	0.0%	2.3%	0.0%	1.1%	0.0%	87
Repair, Maintenance and Personal or Pet Svcs.	<b>78.7%</b>	17.0%	4.3%	0.0%	0.0%	0.0%	94
Retail Trade	<b>56.3%</b>	23.6%	15.3%	2.8%	0.7%	1.4%	144
Transportation & Warehousing	<b>57.6%</b>	15.2%	18.2%	0.0%	3.0%	6.1%	33
Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Wholesale Trade	<b>60.0%</b>	12.0%	24.0%	4.0%	0.0%	0.0%	25

The majority of business in most sectors do not plan to hire staff within the next year, with the exception of the Accommodation & Food Services sector. Of 53 responses received from businesses in this sector, 58.5% plan to hire staff within the next year. 45.5% of businesses who are hiring staff within the next year predict a moderately better overall business situation within the next year, and 46.9% say the demand for their product/service is staying the same.

<b>Do you plan to hire staff within the next year?</b>			
<b>Sector</b>	<b>Yes</b>	<b>No</b>	<b>Response Count</b>
Accommodation & Food Svcs.	<b>58.5%</b>	41.5%	53
Agriculture, Forestry, Fishing & Hunting	50.0%	50.0%	4
Transportation & Warehousing	40.6%	<b>59.4%</b>	32
Administrative & Support/Waste Mgmt./Remediation Svcs.	37.5%	<b>62.5%</b>	24
Construction	36.2%	<b>63.8%</b>	163
Finance & Insurance	32.1%	<b>67.9%</b>	28
Professional, Scientific & Technical Svcs.	30.4%	<b>69.6%</b>	125
Educational Services	28.6%	<b>71.4%</b>	21
Manufacturing	27.5%	<b>72.5%</b>	40
Health Care & Social Assistance	27.3%	<b>72.7%</b>	121
Retail Trade	26.2%	<b>73.8%</b>	141
Repair, Maintenance and Personal or Pet Svcs.	24.5%	<b>75.5%</b>	94
Arts, Entertainment & Recreation	24.2%	<b>75.8%</b>	33
Wholesale Trade	24.0%	<b>76.0%</b>	25
Information & Cultural Industries	23.1%	<b>76.9%</b>	13
Real Estate and Rental & Leasing of Goods and Property	3.4%	<b>96.6%</b>	89
Utilities	0.0%	<b>0.0%</b>	0

Although 17.9% of businesses surveyed plan to make a capital investment within the next year, a majority of businesses do not. 40.6% of those who answered “yes” have been in operation more than 15 years; 32.4%, 0-5 years.

<b>Do you plan to make a capital investment within the next year?</b>			
<b>Sector</b>	<b>Yes</b>	<b>No</b>	<b>Response Count</b>
Accommodation & Food Svcs.	29.4%	<b>70.6%</b>	51
Agriculture, Forestry, Fishing & Hunting	25.0%	<b>75.0%</b>	4
Construction	24.1%	<b>75.9%</b>	158
Administrative & Support/Waste Mgmt./Remediation Svcs.	23.8%	<b>76.2%</b>	21
Transportation & Warehousing	23.3%	<b>76.7%</b>	30
Information & Cultural Industries	23.1%	<b>76.9%</b>	13
Wholesale Trade	20.8%	<b>79.2%</b>	24
Real Estate and Rental & Leasing of Goods and Property	20.7%	<b>79.3%</b>	87
Educational Services	19.0%	<b>81.0%</b>	21
Health Care & Social Assistance	18.8%	<b>81.3%</b>	112
Manufacturing	17.9%	<b>82.1%</b>	39
Repair, Maintenance and Personal or Pet Svcs.	15.6%	<b>84.4%</b>	90
Professional, Scientific & Technical Svcs.	12.7%	<b>87.3%</b>	126
Retail Trade	11.3%	<b>88.7%</b>	125
Finance & Insurance	11.1%	<b>88.9%</b>	27
Arts, Entertainment & Recreation	6.1%	<b>93.9%</b>	33
Utilities	0.0%	<b>0.0%</b>	0

A majority of businesses in most sectors state that the demand for their product or service is staying the same, while in the Construction and Wholesale sectors it is decreasing. The demand is increasing in the 1) Information & Cultural Industries, 2) Health Care & Social Assistance, 3) Administrative & Support/Waste Management and Remediation Services and 4) Educational Services sectors.

<b>Is the demand for your product/service increasing, decreasing or staying the same?</b>				
<b>Sector</b>	<b>Increasing</b>	<b>Decreasing</b>	<b>Same</b>	<b>Response Count</b>
Information & Cultural Industries	<b>58.3%</b>	0.0%	41.7%	12
Health Care & Social Assistance	<b>53.7%</b>	5.0%	41.3%	121
Administrative & Support/Waste Mgmt./Remediation Svcs.	<b>50.0%</b>	4.2%	45.8%	24
Educational Services	<b>42.9%</b>	28.6%	28.6%	21
Finance & Insurance	39.3%	17.9%	<b>42.9%</b>	12
Professional, Scientific & Technical Svcs.	33.6%	19.5%	<b>46.9%</b>	128
Arts, Entertainment & Recreation	33.3%	27.3%	<b>39.4%</b>	33
Repair, Maintenance and Personal or Pet Svcs.	31.3%	9.4%	<b>59.4%</b>	96
Retail Trade	30.1%	16.8%	<b>53.1%</b>	143
Accommodation & Food Svcs.	25.0%	21.8%	<b>52.7%</b>	55
Agriculture, Forestry, Fishing & Hunting	25.0%	25.0%	<b>50.0%</b>	4
Manufacturing	24.4%	24.4%	<b>51.2%</b>	41
Transportation & Warehousing	24.2%	18.2%	<b>57.6%</b>	33
Wholesale Trade	24.0%	<b>40.0%</b>	36.0%	25
Construction	14.5%	<b>46.4%</b>	39.2%	166
Real Estate and Rental & Leasing of Goods and Property	12.6%	14.9%	<b>72.4%</b>	87
Utilities	0.0%	0.0%	0.0%	0

## By Size

### Small Businesses (0-10 Employees)

The majority of small businesses are not making staffing or capital investments within the next year, but they predict the demand for their product or service and their overall business situation will be the same.

Do you plan to hire staff within the next year?		
	#	%
No	36	67.9%
Yes	17	32.1%

Do you plan to make a capital investment within the next year?		
	#	%
No	38	74.5%
Yes	13	25.5%

Is the demand for your product/service increasing, decreasing or staying the same?		
	#	%
Staying the Same	25	47.2%
Increasing	18	34.0%
Decreasing	10	18.9%

In one year, do you think your overall business situation will be:		
	#	%
Same	21	39.6%
Moderately Better	12	22.6%
Moderately Worse	10	18.9%
Substantially Better	7	13.2%
Substantially Worse	3	5.7%

### Medium Businesses (11 to 40 Employees)

The majority of medium-sized businesses plan to hire staff within the next year, but do not plan to make a capital investment.

Do you plan to hire staff within the next year?		
	#	%
Yes	95	61.7%
No	59	38.3%

Do you plan to make a capital investment within the next year?		
	#	%
No	102	71.3%
Yes	41	28.7%

<b>Is the demand for your product/service increasing, decreasing or staying the same?</b>		
	<b>#</b>	<b>%</b>
<b>Increasing</b>	<b>59</b>	<b>37.6%</b>
Staying the Same	57	36.3%
Decreasing	41	26.1%

<b>In one year, do you think your overall business situation will be:</b>		
	<b>#</b>	<b>%</b>
<b>Same</b>	<b>54</b>	<b>34.6%</b>
Moderately Better	49	31.4%
Moderately Worse	30	19.2%
Substantially Better	15	9.6%
Substantially Worse	8	5.1%

## Large Businesses (Over 41 Employees)

A majority of large businesses with more than 41 employees do not plan to make a capital investment in the next year, but they do plan to hire staff. They predict the same demand for their product or services, but these larger businesses predict a moderately worse overall business situation in one year.

<b>Do you plan to hire staff within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>Yes</b>	<b>16</b>	<b>80.0%</b>
No	4	20.0%

<b>Do you plan to make a capital investment within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>No</b>	<b>11</b>	<b>57.9%</b>
Yes	8	42.1%

<b>Is the demand for your product/service increasing, decreasing or staying the same?</b>		
	<b>#</b>	<b>%</b>
<b>Staying the Same</b>	<b>8</b>	<b>40.0%</b>
Increasing	7	35.0%
Decreasing	5	25.0%

<b>In one year, do you think your overall business situation will be:</b>		
	<b>#</b>	<b>%</b>
<b>Moderately Worse</b>	<b>7</b>	<b>35.0%</b>
Same	6	30.0%
Moderately Better	6	30.0%
Substantially Better	1	5.0%
Substantially Worse	0	0%

## By Length of Operation

### Businesses Operating 0-5 Years

A majority of new businesses predict a moderately better overall business situation in one year, but are not hiring staff or making capital investments.

Do you plan to hire staff within the next year?		
	#	%
<b>No</b>	<b>198</b>	<b>70.7%</b>
Yes	82	29.3%

Do you plan to make a capital investment within the next year?		
	#	%
<b>No</b>	<b>219</b>	<b>79.9%</b>
Yes	55	20.1%

Is the demand for your product/service increasing, decreasing or staying the same?		
	#	%
<b>Staying the Same</b>	<b>125</b>	<b>44.2%</b>
Increasing	109	38.5%
Decreasing	49	17.3%

In one year, do you think your overall business situation will be:		
	#	%
<b>Moderately Better</b>	<b>107</b>	<b>37.7%</b>
Same	94	33.1%
Substantially Better	44	15.5%
Moderately Worse	32	11.3%
Substantially Worse	7	2.5%

### Businesses Operating 5-15 Years

A majority of businesses who have been operating for 5 to 15 years predict a same overall business situation in one year, and are not hiring staff or making capital investments.

Do you plan to hire staff within the next year?		
	#	%
<b>No</b>	<b>212</b>	<b>67.9%</b>
Yes	100	32.1%

<b>Do you plan to make a capital investment within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>No</b>	<b>259</b>	<b>84.9%</b>
Yes	46	15.1%

<b>Is the demand for your product/service increasing, decreasing or staying the same?</b>		
	<b>#</b>	<b>%</b>
<b>Staying the Same</b>	<b>143</b>	<b>45.4%</b>
Increasing	100	31.7%
Decreasing	72	22.9%

<b>In one year, do you think your overall business situation will be:</b>		
	<b>#</b>	<b>%</b>
<b>Same</b>	<b>134</b>	<b>42.4%</b>
Moderately Better	103	32.6%
Moderately Worse	53	16.8%
Substantially Better	14	4.4%
Substantially Worse	12	3.8%

## **Businesses Operating More Than 15 Years**

A majority of businesses who have been operating for more than 15 years predict a same overall business situation in one year, and are not hiring staff or making capital investments.

<b>Do you plan to hire staff within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>No</b>	<b>301</b>	<b>74.1%</b>
Yes	105	25.9%

<b>Do you plan to make a capital investment within the next year?</b>		
	<b>#</b>	<b>%</b>
<b>No</b>	<b>320</b>	<b>82.3%</b>
Yes	69	17.7%

<b>Is the demand for your product/service increasing, decreasing or staying the same?</b>		
	<b>#</b>	<b>%</b>
<b>Staying the Same</b>	<b>229</b>	<b>55.9%</b>
Decreasing	92	22.4%
Increasing	89	21.7%

<b>In one year, do you think your overall business situation will be:</b>		
	<b>#</b>	<b>%</b>
<b>Same</b>	<b>199</b>	<b>49.0%</b>
Moderately Worse	89	21.9%
Moderately Better	85	20.9%
Substantially Worse	21	5.2%
Substantially Better	12	3.0%