

# American Express Survey Shows Majority of Canadian Small Business Owners are Not Panicking in the Wake of Economic Turmoil

*Despite 41% Feeling Negative Impact and 16% Worried about Their Future Viability, Majority (77%) of Canada's Small Business Owners Vow To "Stay the Course" with No Major Changes Planned...for Now*

Public Release Date: Thursday, October 16, 2008, 6:00 AM EST



**Ipsos Reid**

*Ipsos Reid is Canada's market intelligence leader and the country's leading provider of public opinion research. With operations in eight cities, Ipsos Reid employs more than 300 research professionals and support staff in Canada. The company has the biggest network of telephone call centres in Canada, as well as the largest pre-recruited household and on-line panels. Ipsos Reid's Canadian marketing research and public affairs practices are staffed with seasoned research consultants with extensive industry-specific backgrounds, offering the premier suite of research vehicles in Canada – including the Ipsos Trend Report, the leading source of public opinion in the country – all of which provide clients with actionable and relevant information. Ipsos Reid is an Ipsos company, a leading global survey-based market research group. To learn more, visit [www.ipsos.ca](http://www.ipsos.ca)*

*For copies of other news releases, please visit <http://www.ipsos-na.com/news/>*

---

© Ipsos Reid

Washington • New York • Chicago • Minneapolis • Seattle • San Francisco  
Vancouver • Edmonton • Calgary • Winnipeg • Toronto • Ottawa • Montreal



## **American Express Survey Shows Majority of Canadian Small Business Owners are Not Panicking in the Wake of Economic Turmoil**

*Despite 41% Feeling Negative Impact and 16% Worried about Their Future Viability, Majority (77%) of Canada's Small Business Owners Vow To "Stay the Course" with No Major Changes Planned...for Now*

**Markham, ON** – As world economic markets tumble in turmoil, a new poll conducted by Ipsos Reid for American Express Canada reveals perspectives within Canada's small businesses community: one in six (16%) Canadian small business owners are either worried about the short term viability of their business (9%) or pessimistic about the future of their business (7%) given the current economic situation.

Conducted between September 29 and October 6, 2008, the findings show that despite 41% of Canadian small business owners feeling the negative impact of the economic turmoil, fully three quarters (77%) of them indicate they'll be "staying the course" with few changes going forward, compared to the 23% who intend to do things differently.



Despite economic uncertainty, 60% of owners believe the Canadian economy will be affected *but avoid serious damage*, compared to 36% of owners who speculate that the Canadian economy will be dragged down into a recession or worse.

And in the companion benchmark survey, deliberately conducted just three weeks ago before the economic upheaval became totally apparent to this entrepreneur community, the findings reveal a remarkably stoic group of business leaders: exactly the same then (77%) as now (77%) said they would “stay the course” despite economic turmoil and impact.

### ***No Panic Evident at this Point...***

For the most part, there’s no panic at the moment: Two thirds (64%) say they’re “wary and cautious”, while one in five (20%) describe themselves as “unfazed and upbeat”.

But, as noted above, others are worried about the short term viability of their business (9%) and still others pessimistic about the future of their business (7%)—a total of 16% who are concerned about their future.

### ***But They’re Feeling the Shock Waves...***

Assessing the current economic situation and how it has had an impact on their business, 41% say it’s been negative (very 8%, somewhat 33%) compared with 4% who have experienced a positive impact (very 1%, somewhat 3%).

For the remaining 55% there is some apprehension in the mix: 30% say they’ve felt no impact along with a wary 25% who indicate no impact yet, but anticipate it *in the near term*.



## *Despite Economic Storm, Majority (77%) Determined to Stay the Course...*

But despite perceived economic challenges, the majority (77%) of small business owners has determined to “stay the course” with few changes going forward. Of the 77% determined to stay the course, 80% are businesses with 2-5 employees and 73% have 6+ employees.

This compares to one quarter (23%, of which 20% have 2-5 employees and 27% have 6+ employees) who indicate they’re planning to do things differently. And the things this group plan to do differently include:

- Cut Back Expenses (68%)
- Pay Down Debt (28%)
- Pay Themselves Less (20%)
- Cut back on marketing spending (18%)
- Diversify (18%)
- Expand aggressively (15%)
- Lay off people (11%)
- Increase marketing spend (6%)
- Localize Business (5%)
- Change financial institutions (4%)
- Hire more people (2%)
- Outsource (1%)



## ***What of Strategy, Operations and Access to Credit or Loans?***

At least one third (33%) of owners say they'll be looking to make major adjustments to their company *strategy*, while most (82%) will make minor adjustments to their *operations* for more efficiency and cost savings.

And, for one quarter (25%), they indicate that their company will have serious problems in the near future if they don't have access to credit or loans for what they want to do.

*These are the results of two online surveys. The first was comprised of 762 Canadian Small Business Owners between August 28 and September 15, 2008. The second was conducted among 404 Canadian Small Business owners from September 29 to October 6, 2008 to gauge their reactions to recent events in the economy. Both surveys were among Canadian small business owners having between 2 and 100 employees were conducted via Ipsos Reid's Ipsos I-Say National Online Panel. Statistical margins of error are not applicable to online polls because they are based on samples drawn from opt-in online panels, not on random samples that mirror the population within a statistical probability ratio. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error. However, an unweighted probability sample of 404, with a 100% response rate, would have an estimated margin of error of +/- 3.5.0 percentage points, and similarly 3.9%, 19 times out of 20 had the entire small business community in Canada been polled*

***For more information on this news release, please contact:***

***John Wright***

***Senior Vice President***

***Ipsos Reid***

***416-324-2900***

---

© Ipsos Reid



Ipsos Reid

For full tabular results, please visit our website at [www.ipsos.ca](http://www.ipsos.ca). News Releases are available at: <http://www.ipsos-na.com/news/>

---

© Ipsos Reid

- 5 -

*Washington • New York • Chicago • Minneapolis • Seattle • San Francisco  
Vancouver • Edmonton • Calgary • Winnipeg • Toronto • Ottawa • Montreal*