



CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
CANADA

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AGRÉÉS  
CANADA

# Q1 2023 CPA Canada Business Monitor

Backgrounder document  
Chartered Professional Accountants of Canada  
April 27, 2023

# Q1 2023 CPA Canada Business Monitor Backgrounder

## Data

- Data referenced in the news release is based on questions 1-7 and 12.
- This presentation includes data from the Q1 2023 survey and comparable data for Q1 2022 – Q4 2022 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 Q1 2023 study, emailed surveys were completed by 322 of 5,638 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 15.8 per cent, with a margin of error associated with this type of study  $\pm 5$  per cent, with a confidence level of 95 per cent. The survey was conducted from March 15 to April 5, 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.

[cpacanada.ca](http://cpacanada.ca)

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables (Qualifying Questions) -

SQ1a. Please tell us where you reside?

Province	%	Number
	100%	322
Ontario	46%	147
Quebec	20%	63
Alberta	11%	35
British Columbia	10%	32
Manitoba	8%	26
Saskatchewan	2%	6
New Brunswick	2%	5
Nova Scotia	1%	3
Newfoundland and Labrador	1%	3
Prince Edward Island	1%	2

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

Base: All respondents.

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

## Q1 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.

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables (Qualifying Questions) -

### SQ1c. What is your Job Title?

Title	%	Number
	100%	322
Controller	34%	108
CFO	30%	98
VP	14%	44
President and/or CEO	13%	43
COO	2%	6
EVP	2%	6
Chair	1%	3
Other Senior Executive Position	4%	14

**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.

# Q1 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%	322
Very Optimistic	0%	1
Optimistic	18%	58
Neutral	42%	134
Pessimistic	37%	120
Very Pessimistic	3%	9

### Business Economic Optimism

Optimism response	%	Number
	100%	322
Very Optimistic	5%	17
Optimistic	39%	127
Neutral	33%	107
Pessimistic	20%	65
Very Pessimistic	2%	6

Base: All respondents.

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

# Q1 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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Total Optimistic</b>	<b>40%</b>	<b>16%</b>	<b>9%</b>	<b>10%</b>	<b>18%</b>
Very Optimistic	2%	0%	0%	0%	0%
Optimistic	39%	16%	9%	10%	18%
<b>Neutral</b>	<b>31%</b>	<b>31%</b>	<b>27%</b>	<b>35%</b>	<b>42%</b>
<b>Total Pessimistic</b>	<b>29%</b>	<b>53%</b>	<b>64%</b>	<b>54%</b>	<b>40%</b>
Pessimistic	27%	50%	57%	51%	37%
Very Pessimistic	2%	3%	6%	3%	3%

## Optimism About Outlook for Business

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Total Optimistic</b>	<b>64%</b>	<b>46%</b>	<b>40%</b>	<b>44%</b>	<b>45%</b>
Very Optimistic	11%	5%	4%	3%	5%
Optimistic	52%	41%	36%	40%	39%
<b>Neutral</b>	<b>27%</b>	<b>33%</b>	<b>37%</b>	<b>35%</b>	<b>33%</b>
<b>Total Pessimistic</b>	<b>10%</b>	<b>22%</b>	<b>23%</b>	<b>22%</b>	<b>22%</b>
Pessimistic	9%	20%	20%	19%	20%
Very Pessimistic	<1%	1%	3%	2%	2%

Base: All respondents.

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

# Q1 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%	322
<b>Total Who Project an Increase</b>	<b>61%</b>	<b>195</b>
Increase by >10%	14%	46
Increase by 5-10%	24%	76
Increase by <5%	23%	73
Not Changed	10%	31
<b>Total Who Project a Decrease</b>	<b>27%</b>	<b>87</b>
Decrease by <5%	9%	28
Decrease by 5-10%	9%	29
Decrease by >10%	9%	30
N/A	2%	5
Don't Know	1%	4

### Estimated Profits Next 12 Months

Projection	%	Number
	100%	322
<b>Total Who Project an Increase</b>	<b>51%</b>	<b>165</b>
Increase by >10%	13%	43
Increase by 5-10%	15%	47
Increase by <5%	23%	75
Not Changed	10%	33
<b>Total Who Project a Decrease</b>	<b>36%</b>	<b>115</b>
Decrease by <5%	13%	43
Decrease by 5-10%	11%	35
Decrease by >10%	11%	37
N/A	1%	4
Don't Know	2%	5

### Estimated Employee Numbers Next 12 Months

Projection	%	Number
	100%	322
<b>Total Who Project an Increase</b>	<b>38%</b>	<b>122</b>
Increase by >10%	7%	23
Increase by 5-10%	12%	40
Increase by <5%	18%	59
Not Changed	43%	137
<b>Total Who Project a Decrease</b>	<b>17%</b>	<b>55</b>
Decrease by <5%	10%	33
Decrease by 5-10%	3%	11
Decrease by >10%	3%	11
N/A	1%	2
Don't Know	2%	6

Base: All respondents.

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



# Q1 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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Total Who Project an Increase</b>	<b>74%</b>	<b>61%</b>	<b>51%</b>	<b>61%</b>	<b>61%</b>
Increase by >10%	28%	20%	17%	16%	14%
Increase by 5-10%	27%	23%	18%	23%	24%
Increase by <5%	18%	18%	16%	22%	23%
<b>Not Changed</b>	<b>9%</b>	<b>13%</b>	<b>15%</b>	<b>11%</b>	<b>10%</b>
<b>Total Who Project a Decrease</b>	<b>14%</b>	<b>24%</b>	<b>29%</b>	<b>26%</b>	<b>27%</b>
Decrease by <5%	5%	9%	8%	8%	9%
Decrease by 5-10%	6%	8%	9%	9%	9%
Decrease by >10%	3%	6%	11%	8%	9%
<b>N/A</b>	<b>1%</b>	<b>1%</b>	<b>3%</b>	<b>1%</b>	<b>2%</b>
<b>Don't Know</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>

Base: All respondents.

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

# Q1 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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Total Who Project an Increase</b>	<b>63%</b>	<b>45%</b>	<b>42%</b>	<b>47%</b>	<b>51%</b>
Increase by >10%	20%	14%	13%	13%	13%
Increase by 5-10%	18%	14%	13%	17%	15%
Increase by <5%	25%	17%	16%	16%	23%
<b>Not Changed</b>	<b>12%</b>	<b>15%</b>	<b>14%</b>	<b>13%</b>	<b>10%</b>
<b>Total Who Project a Decrease</b>	<b>22%</b>	<b>37%</b>	<b>40%</b>	<b>36%</b>	<b>36%</b>
Decrease by <5%	8%	15%	12%	14%	13%
Decrease by 5-10%	8%	11%	14%	11%	11%
Decrease by >10%	5%	10%	15%	12%	11%
<b>N/A</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>
<b>Don't Know</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>

Base: All respondents.

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

## Q1 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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Total Who Project an Increase</b>	<b>56%</b>	<b>44%</b>	<b>37%</b>	<b>41%</b>	<b>38%</b>
Increase by >10%	12%	8%	8%	7%	7%
Increase by 5-10%	17%	11%	10%	14%	12%
Increase by <5%	26%	25%	20%	21%	18%
<b>Not Changed</b>	<b>33%</b>	<b>39%</b>	<b>44%</b>	<b>39%</b>	<b>43%</b>
<b>Total Who Project a Decrease</b>	<b>9%</b>	<b>15%</b>	<b>17%</b>	<b>18%</b>	<b>17%</b>
Decrease by <5%	6%	9%	8%	10%	10%
Decrease by 5-10%	2%	3%	4%	5%	3%
Decrease by >10%	1%	2%	5%	3%	3%
N/A	0%	0%	0%	<1%	1%
Don't Know	2%	2%	2%	1%	2%

Base: All respondents.

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

# Q1 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%	322
Rise in inflation	19%	61
Increases in interest rates	18%	58
The state of the global economy	12%	38
Lack of skilled workers	11%	37
Employee recruitment, retention and development	10%	32
The state of the Canadian economy	6%	19
Supply chain issues	5%	17
The sustainability of government finances	5%	15
Consumer confidence	3%	9
Situation in Ukraine/Russia	2%	7
Other labour shortage issues	2%	6
Protectionist trade sentiments in the United States	1%	3
Complexity of the taxation system	1%	2
Unpredictability in impacts of climate change	1%	2
Negative effects of COVID-19	1%	2
Status of Canada's balance of trade	1%	2
Other	3%	11
Don't know	<1%	1

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

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

Response	%	Number
Total	100%	322
Yes	69%	221
No	26%	84
Don't know	5%	17

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

Response	%	Number
Total	100%	221
A year or more	55%	122
At least nine months but less than a year	18%	40
At least six months but less than nine months	14%	31
At least three months but less than six months	7%	15
Less than three months	1%	3
Don't know	5%	10

### Q4/Q5 (combined)

Response	%	Number
Total	100%	322
A year or more	38%	162
At least nine months but less than a year	13%	56
At least six months but less than nine months	13%	56
At least three months but less than six months	5%	22
Less than three months	0%	2
Don't know -- Inflation is hurting business but not sure for how much longer it will	3%	12
Don't know -- Not sure if inflation is hurting my company's business	2%	8
Not applicable -- inflation is not hurting my company's business	25%	107

Base: Q4 -- All respondents, Q5 -- Respondents who indicated inflation is hurting their company (221).

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

# Q1 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%	322
10% or more	4%	12
7% to under 10%	11%	35
5% to under 7%	22%	71
3% to under 5%	43%	139
1% to under 3%	11%	36
Less than 1%	1%	4
Don't know	3%	9
Not applicable – we have not given any Cost of Living Adjustments	5%	16

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q7: How likely do you think it is that your company will do one of the following in the next 12 months: declare bankruptcy file a debt proposal or shut down?**

Degree of likelihood	%	Number
	100%	322
Extremely likely	1%	4
Very likely	0%	1
Somewhat likely	2%	6
Not very likely	9%	29
Not likely at all	88%	282

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q8: To what extent, if at all, does your company track environmental, social and governance (ESG) data?**

**Q9: How satisfied are you with the quality of the ESG data your company is collecting internally?**

Response	%	Number
Total	100%	322
To a large extent	12%	38
To a moderate extent	25%	82
Want to start	14%	45
Not at all	42%	136
Don't know/uncertain	7%	21

Response	%	Number
Total	100%	120
Very satisfied	13%	15
Somewhat satisfied	41%	49
Neither satisfied nor dissatisfied	33%	40
Somewhat dissatisfied	12%	14
Very dissatisfied	2%	2

Base: Q8 -- All respondents, Q9 -- Respondents whose companies are tracking ESG data to a large or moderate extent (120)

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



# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

Q10: To what extent are you concerned about the federal government's fiscal position?

Level of agreement	%	Number
	100%	322
Extremely concerned	16%	52
Very concerned	25%	82
Moderately concerned	39%	124
Slightly concerned	16%	53
Not at all concerned	3%	11

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q11. What is the most important factor to ensure responsible fiscal management of Canada's finances?**

Most important factor	%	Number
	100%	322
Setting-up hard limits on government spending and indebtedness (e.g., expenditure-to-GDP-ratio, deficit-to-GDP ratio)	38%	121
Improving oversight for government finances	29%	94
Independent review of government spending	17%	56
Setting an amount of money aside for unanticipated increases in expenses or losses in revenues (also referred to as a "prudence reserve")	7%	24
Other	3%	9

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

Q12. 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%	322
Significant recession	5%	17
Mild recession	67%	216
Neither growth nor recession	22%	70
Mild growth	6%	19
Significant growth	0%	0

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

**Q13. How do you feel the current tech sector environment will affect the outlook for the Canadian economy?**

Most likely scenario for Canadian economy in 2023	%	Number
	100%	322
Large positive impact	4%	12
Small positive impact	28%	89
No impact at all	12%	38
Small negative impact	35%	114
Large negative impact	5%	17
Don't know	16%	52

Base: All respondents.

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



# **Demographic / firmographic questions**

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

Q14. How many individuals does your company employ globally?

Number of employees	%	Number
	100%	322
Less than 10	7%	21
10-25	12%	39
26-50	13%	42
51-100	14%	44
101-250	16%	52
251-500	11%	35
501-999	8%	27
1,000 or greater	19%	62

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

Q15. Which of the following industry sectors describes your company's primary business?

Sector	%	Number
	100%	322
Manufacturing	20%	66
Construction	12%	39
Financial Services	8%	26
Real Estate/Building Management	6%	20
Transportation, Distribution	6%	20
Agriculture, Forestry, Fisheries	5%	17
Retail	5%	17
Wholesale	5%	17
Oil and Gas	4%	13
Business Services	3%	11
Hotels and Restaurants	3%	9

Sector	%	Number
	100%	322
Professional Services	3%	9
Holding, Conglomerate	2%	7
Arts, Entertainment, Leisure	2%	6
Pharmaceuticals and Chemicals	2%	6
Mining	2%	5
Software	2%	5
Hospitals/Healthcare	1%	3
Media, Communications, Publishing	1%	3
Telecommunications	1%	3
Utilities	1%	3
Education	1%	2
Other	5%	15

Base: All respondents.

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

# Q1 2023 CPA Canada Business Monitor Study

## - Detailed Tables -

Q16. Is your company traded on a stock exchange?

Whether traded on stock exchange	%	Number
	100%	322
Yes	11%	34
No - but we are a subsidiary of a publicly traded company	8%	26
No	81%	262

Base: All respondents.

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