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Alberta Chambers of Commerce
The Advocate for Alberta Business

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

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.

2 OVERVIEW

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.

3

KEY FINDINGS

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.

2

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

3

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.'

4

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.

5

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.

6

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.

7

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.

8

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.

9

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 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.

10

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

11

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.

12

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.

13

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.

14

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.

4

DETAILED FINDINGS

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

Albertans continue to be most concerned about the economy and oil exports. However, the level of concern among the public about oil exports appears to have declined.

- A combined 40% of business respondents cite the economy and unemployment as top issues, compared with 31% a year ago.
- Businesses located in the Calgary area, central Alberta, and the North are the most likely to cite oil exports as the most important issue facing Alberta.
- In July 2020, 12% of the public believes that public safety regarding COVID-19 is the most important issue facing Alberta—double the number of businesses reporting the same.

BUSINESS

	Jul ‘19	Jul ‘20
The provincial economy	28%	32%
Exporting Alberta’s oil	26%	23%
Unemployment	3%	8%
Pubic safety regarding COVID-19	-	6%
The provincial deficit and debt	5%	5%
Ensuring access to, and the quality of, our health care system	8%	4%
Regulatory burden on business	4%	4%
Ensuring access to, and the quality of, our education system	6%	4%
The level of taxes	4%	3%
Relations with the federal government	1%	3%
Climate change/global warming	8%	2%
Controlling provincial government spending	4%	2%
Other	3%	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%

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?
Base: Business: Jul’19 n=714, Jul’20 n=502; Public: Jul‘19 n=834, Jul’20 n=800

In the past year, there has been a significant decline (26% among business and 15% among the public) in positive views regarding Alberta's long-term future. At this point, the public is slightly more positive than business.

- Businesses with 11 or more employees seem to be somewhat less positive about the long-term future of the province than smaller businesses (32% vs. 39%, respectively).

	BUSINESS					PUBLIC		
	Jul'19	Nov'19	Mar'20	Jul'20	NET Change Mar'20 – Jul'20	Jul'19	Jul'20	NET Change Jul'19 – Jul'20
TOTAL POSITIVE	62%	42%	42%	36%	-6	57%	42%	-15
Very positive	10%	6%	6%	3%	-3	8%	5%	-3
Somewhat positive	52%	36%	37%	33%	-4	49%	37%	-12
Somewhat negative	27%	36%	35%	43%	+8	30%	36%	+6
Very negative	6%	18%	17%	17%	-	6%	15%	+9
TOTAL NEGATIVE	33%	54%	53%	60%	+7	36%	51%	+15
Don't know/not sure	5%	4%	5%	3%	-2	7%	7%	-

Q2. (previously Q3) Overall, how do you feel about the long-term future of the province?
Base: Total sample Business: Jul'19 n=714, Nov'19 n=1028, March'20 n=353, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

A large majority of respondents continue to believe the oil and gas sector will be as or more important over the next few years. Overall, six in ten business respondents continue to believe the oil and gas sector is 'vitally' important for the economy, but there has been a substantial drop (9%) among the public holding this view.

- A growing minority of both groups believe the sector will be less important over the next few years.

Importance of Industry for Province's Economy

	BUSINESS Jul'19	BUSINESS Jul'20	PUBLIC Jul'19	PUBLIC Jul'20
TOTAL VITALLY/VERY IMPORTANT	89%	82%	88%	82%
Vitally important	59%	60%	52%	43%
Very important	30%	22%	36%	39%
Somewhat important	9%	14%	10%	15%
Not too important	1%	3%	1%	2%
Not at all important	1%	1%	<1%	<1%
TOTAL NOT TOO/NOT AT ALL IMPORTANT	2%	4%	1%	2%
Don't know	-	-	1%	1%

Expectations as to Continued Importance of Industry

	BUSINESS Jul'19	BUSINESS Jul'20	PUBLIC Jul'19	PUBLIC Jul'20
Will be more important	24%	23%	22%	17%
Will continue to be as important as it is today	60%	51%	59%	51%
Will be less important	16%	25%	16%	30%
Don't know/not sure	<1%	1%	3%	3%

Q5. How important is the oil and gas industry for the province's economy?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

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?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

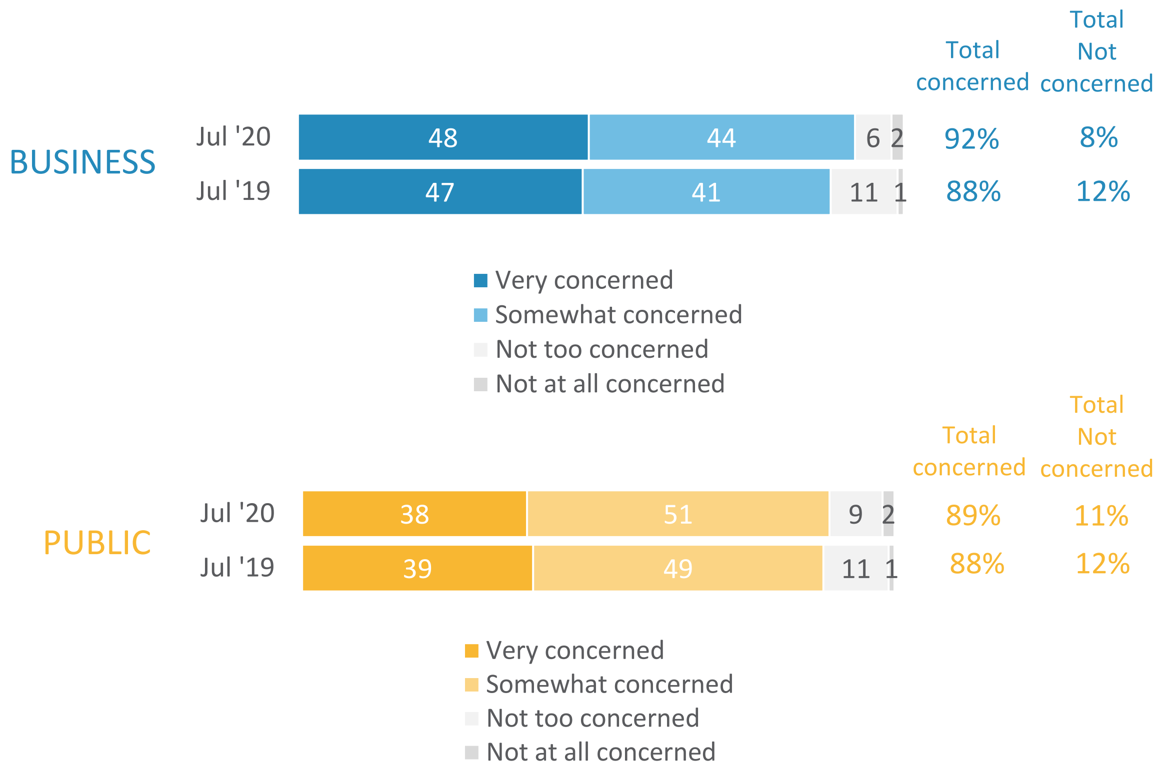
There has been a substantial decline among both groups—especially business respondents—about the state of Alberta's financial situation. Half of businesses remain very concerned about the province's finances.

- 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.

Perception of Alberta's Financial Situation

	BUSINESS		PUBLIC	
	Jul'19	Jul'20	Jul'19	Jul'20
TOTAL EXCELLENT/GOOD/FAIR	47%	31%	54%	46%
Excellent	1%	-	0%	<1%
Good	10%	5%	13%	7%
Fair	36%	26%	41%	38%
Poor	35%	45%	32%	36%
Very poor	16%	23%	12%	15%
TOTAL POOR/VERY POOR	51%	68%	44%	51%
Don't know/not sure	2%	1%	2%	4%

Level of Concern about Alberta's Finances



Q14(B) Q18(P). Overall, how would you describe the province's financial situation?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800
Q15(B) Q19(P). How concerned are you about the state of the province's finances?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

Respondents 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. However, the business community is more likely to see these as greater contributors than the public.

- Both groups are less likely this year to identify government waste and inefficiency and spending by previous governments as contributing to the fiscal challenges.

% Contributes a great deal/Somewhat contributes

BUSINESS

	TOP BOX		TOP 2 BOX	
	Jul'19	Jul'20	Jul'19	Jul'20
The decline in oil prices	63%	86%	95%	97%
COVID-19 pandemic	-	72%	-	96%
Lower gov't revenues due to economic slowdown/Lower government revenues due to the slowdown in the economy	54%	70%	94%	95%
Overreliance on oil and gas revenues by previous governments/Overreliance on revenues from oil and gas on the part of previous provincial governments	54%	54%	89%	88%
Insufficient savings by previous governments/Insufficient savings on the part of previous provincial governments	52%	49%	83%	81%
Spending by previous governments/The level of spending on the part of previous governments	58%	48%	87%	78%
Government waste and inefficiency	66%	45%	95%	87%
The cost of providing services	36%	35%	88%	86%

PUBLIC

	TOP BOX		TOP 2 BOX	
	Jul'19	Jul'20	Jul'19	Jul'20
The decline in oil prices	64%	68%	92%	94%
COVID-19 pandemic	-	66%	-	96%
Lower gov't revenues due to economic slowdown/Lower government revenues due to the slowdown in the economy	47%	50%	89%	92%
Overreliance on oil and gas revenues by previous governments/Overreliance on revenues from oil and gas on the part of previous provincial governments	49%	47%	87%	83%
Government waste and inefficiency	55%	43%	89%	85%
Insufficient savings by previous governments/Insufficient savings on the part of previous provincial governments	42%	41%	81%	78%
Spending by previous governments/The level of spending on the part of previous governments	48%	34%	82%	75%
The cost of providing services	29%	27%	81%	79%

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?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800; Don't know responses removed from the percent calculations.

4

DETAILED FINDINGS

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

While large majorities (85%) of public respondents continue to believe it is important to build more pipeline capacity, those saying it is 'very' important is down significantly (from 70% to 58%) over the last year.

- This decline is likely a function of the public being somewhat less likely than in 2019 to see the sector as vitally important for the province's future and to also believe the sector will be less important to Alberta in the future.
- There is also a significant generational difference among the public in the perceived importance of more pipeline capacity. Among those under 35 years of age, just 45% say it is 'very' important compared with 70% among those 55 years of age and above.

	PUBLIC	
	Jul'19	**Jul'20**
TOTAL IMPORTANT	92%	**85%**
Very important	70%	**58%**
Somewhat important	23%	**27%**
Not too important	3%	**6%**
Not at all important	2%	**4%**
TOTAL NOT IMPORTANT	5%	**10%**
Don't know/not sure	3%	**5%**

Q7. In addition to the Trans Mountain Pipeline Expansion project, how important is building more pipeline capacity to export Alberta oil?
Base: Public: Jul'19 n=834, Jul'20 n=800

Likely as a result of COVID-19, respondents view deficits as much more acceptable than in 2019. However, half of both groups still believe running a deficit for a number of years is not acceptable.

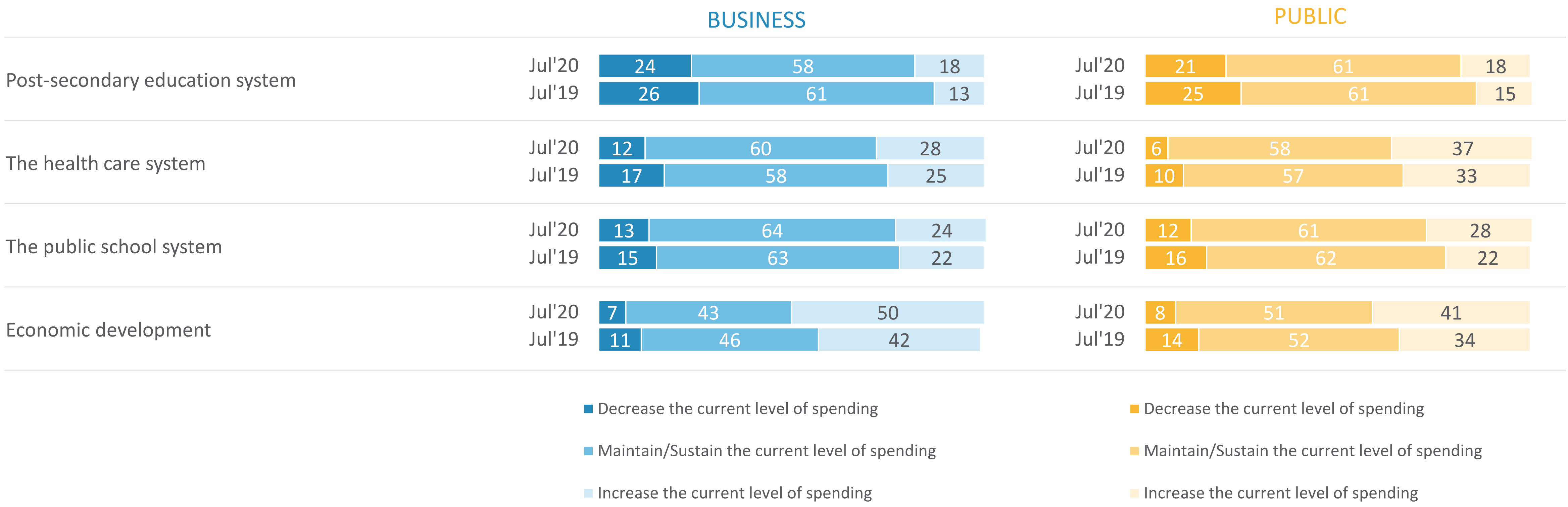
	BUSINESS		PUBLIC	
	Jul'19	Jul'20	Jul'19	Jul'20
TOTAL ACCEPTABLE	31%	44%	27%	46%
Very acceptable	5%	9%	4%	11%
Somewhat acceptable	26%	34%	23%	35%
Not too acceptable	31%	32%	35%	32%
Not at all acceptable	39%	24%	34%	17%
TOTAL NOT ACCEPTABLE	69%	55%	69%	50%
Don't know/not sure	<1%	<1%	3%	4%

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?

Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

Few respondents want government to cut spending to key program areas and large majorities continue to want current spending levels maintained. The exception is economic development, where there has been a significant increase in respondents looking for increased spending.

- Half of business respondents now want government to increase spending for economic development, up from 42% in 2019.
- Newer businesses (10 years or less in business) are the most likely (63%) to want more spending on economic development.
- Despite COVID -19, there has been little change regarding health care spending. Seniors are no more likely to want increased spending than other age groups.
- Among the public, those under 35 years of age are the most likely to want more spending on public education (43%) and the post-secondary education system (28%).



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?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

If government needs to increase taxes, the public prefers increasing corporate taxes. There is no consensus among business.

- 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%).

% Very acceptable/Somewhat acceptable

	BUSINESS TOP 2 BOX		PUBLIC TOP 2 BOX	
	Jul'19	Jul'20	Jul'19	Jul'20
Increasing corporate taxes	45%	40%	67%	64%
Increasing or introducing user fees	45%	40%	32%	27%
The introduction of a provincial sales tax	33%	38%	28%	33%
Increasing personal income tax	26%	22%	23%	24%
Taxing the public on carbon-based products	-	38%	-	38%
Increasing education taxes	-	22%	-	24%

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?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

Both groups are in broad agreement 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.

- Of note, the proportion saying this is acceptable is only just over half in the case of the public.
- The one area of disagreement is increasing business property taxes, with 45% of the public finding this action acceptable compared to 24% of businesses.

% Very/Somewhat acceptable

BUSINESS

	Jul '20
Increasing or introducing new user fees (e.g. recreation facilities)	62%
Reduce spending on public recreation facilities	57%
Reduce spending on public transit	50%
Reduce spending on other municipal services (e.g. road maintenance, garbage collection, libraries)	33%
Increasing rider fees on utility services	30%
Reduce spending on local policing	26%
Increasing business property taxes	24%
Increasing residential property taxes	19%

PUBLIC

	Jul '20
Reduce spending on public recreation facilities	55%
Increasing or introducing new user fees (e.g. recreation facilities)	53%
Reduce spending on public transit	46%
Increasing business property taxes	45%
Reduce spending on local policing	36%
Reduce spending on other public services e.g. road maintenance, garbage collection, libraries)	31%
Increasing rider fees on utility services	30%
Increasing residential property taxes	19%

Q19(B) Q23(P). If your local government decided it needed to raise revenues or reduce spending to balance its budget due to the impact of COVID-19, how acceptable to you is each of the following?
Base: Business: Jul'20 n=502; Public: Jul'20 n=800

4

DETAILED FINDINGS

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

Although the COVID-19 pandemic has had a significant impact on business and public priorities, respondents' key non-COVID-19 remains diversification of the province's economy beyond oil and gas. In fact, over the last year this issue has increased in importance for business and is stable for the public.

- 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 for both groups.

BUSINESS

	Very Important		Three Most Important
	Jul '19	Jul '20	Jul '20
Diversifying the province's economy beyond oil/gas industry	52%	63%	66%
Minimizing COVID-19 community spread	-	49%	37%
Reducing the regulatory burden on business	53%	48%	37%
Saving royalties from government oil and gas revenues	37%	35%	25%
Reducing the provincial debt	47%	34%	31%
Maintaining the current level of government services	28%	32%	28%
Developing clean/non-polluting technologies	35%	31%	12%
Balancing the provincial budget	45%	30%	30%
Reducing taxes	38%	25%	26%
Reducing greenhouse gas emissions	26%	15%	7%

PUBLIC

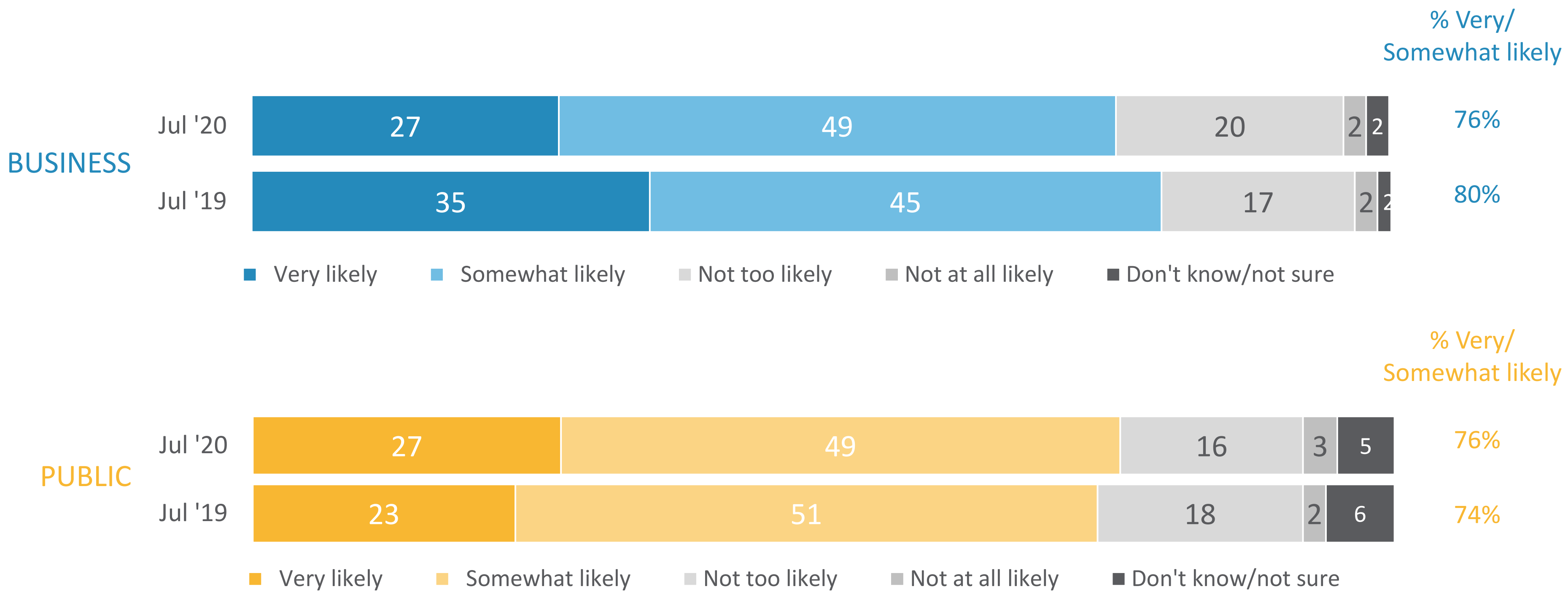
	Very Important		Three Most Important
	Jul'19	Jul '20	Jul '20
Minimizing COVID-19 community spread	-	64%	50%
Diversifying the province's economy beyond oil/gas industry	57%	57%	58%
Reducing the provincial debt	45%	37%	29%
Developing clean/non-polluting technologies	39%	35%	18%
Maintaining the current level of government services	35%	35%	28%
Saving royalties from government oil and gas revenues	39%	35%	18%
Balancing the provincial budget	42%	34%	25%
Reducing taxes	37%	29%	28%
Reducing greenhouse gas emissions	30%	27%	10%
Reducing the regulatory burden on business	27%	21%	9%

Q3. How important to you are each of the following priorities?
Base: Excluding DK responses Business: Jul'19 n=714, Jul'20 n=xx; Public: Jul'19 n=834, Jul'20 n=800
Q4. Which of the following priorities are most important to you?
Base: Business: Jul'20 n=502; Public: Jul'20 n=800

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

There continues to be some belief among both groups that Alberta's economy can diversify. However, there is a decline among business 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 in both groups believe it is 'very' likely for businesses to emerge that are not dependent on resource extraction.
- Unlike 2019, both 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?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

Businesses' increased emphasis on diversifying Alberta's economic base may, in part, be responsible for increases this year in some of the key alternatives. These continue to include agriculture, technology, tourism, manufacturing, and health innovation.

- Encouraging entrepreneurial activity continues to be a key to creating new industries not reliant on oil and gas exports, and increasingly important to business.

BUSINESS

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

PUBLIC

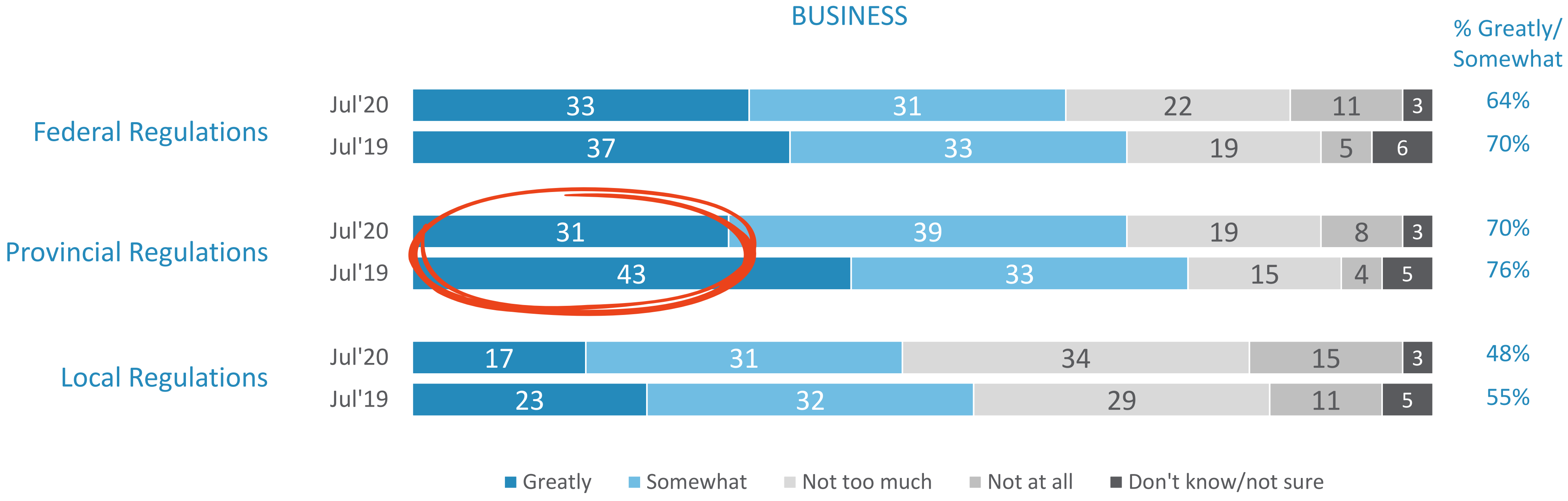
	Jul'19	Jul'20
Agriculture food products	48%	53%
Digital technologies/Artificial intelligence	49%	51%
Health innovation	48%	51%
Tourism	45%	48%
Encouraging entrepreneurial activity	46%	46%
Manufacturing	34%	42%
Connecting Alberta businesses to overseas opportunities	42%	35%
Enabling commercialization of research and products	30%	32%
Value-add petrochemical products	29%	29%
Forestry value-added products	21%	24%
Rural broadband connectivity	15%	17%
Nuclear energy	15%	15%
Increasing the number of int'l students at Alberta's colleges and universities	10%	10%
Other	2%	3%
None of these	1%	1%
Don't know/not sure	8%	6%

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?

Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

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 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?
Base: Business: Jul’19 n=714, Jul’20 n=502

4

DETAILED FINDINGS

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

Among the public, there continues to be at least some confidence that the business community has the skills and drive to generate new industries and to act in the public interest.

- There has been a decline in the belief that the provincial government usually acts in the public interest. This remains well below the confidence accorded to business.
- This appears to suggest business, in some way, is more trustworthy than the provincial government.

PUBLIC

	Complete/A lot/Some Confidence Jul'19	Complete/A lot/Some Confidence Jul'20	Jul'20: Complete confidence	A lot of confidence	Some confidence	Not too much confidence	No confidence at all
That the Alberta business community is creative and entrepreneurial enough to generate major new industries and help the province grow	81%	80%	9	29	42	16	4
That Alberta businesses can act in the public interest	71%	74%	7	21	46	19	7
That Alberta businesses are not just interested in making money	54%	56%	4	13	39	26	18
That the provincial government usually acts in the public interest	59%	52%	3	13	36	28	20

Q26. How much confidence do you have in each of the following situations? (previously Q29) How much confidence or lack of it do you have in each of the following situations?
Base: Excluding DK responses Public: Jul'19 n=834, Jul'20 n=800

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.

BUSINESS

	Jul'19	Jul'20
The Alberta-based business community	65%	54%
The provincial government	41%	22%
The international business community	14%	6%
The federal government	10%	5%
Municipal governments	16%	5%
None of these	2%	3%
Don't know	5%	6%

PUBLIC

	Jul'19	Jul'20
The Alberta-based business community	44%	56%
The provincial government	41%	44%
The international business community	13%	25%
The federal government	9%	21%
Municipal governments	8%	22%
None of these	2%	3%
Don't know	12%	12%

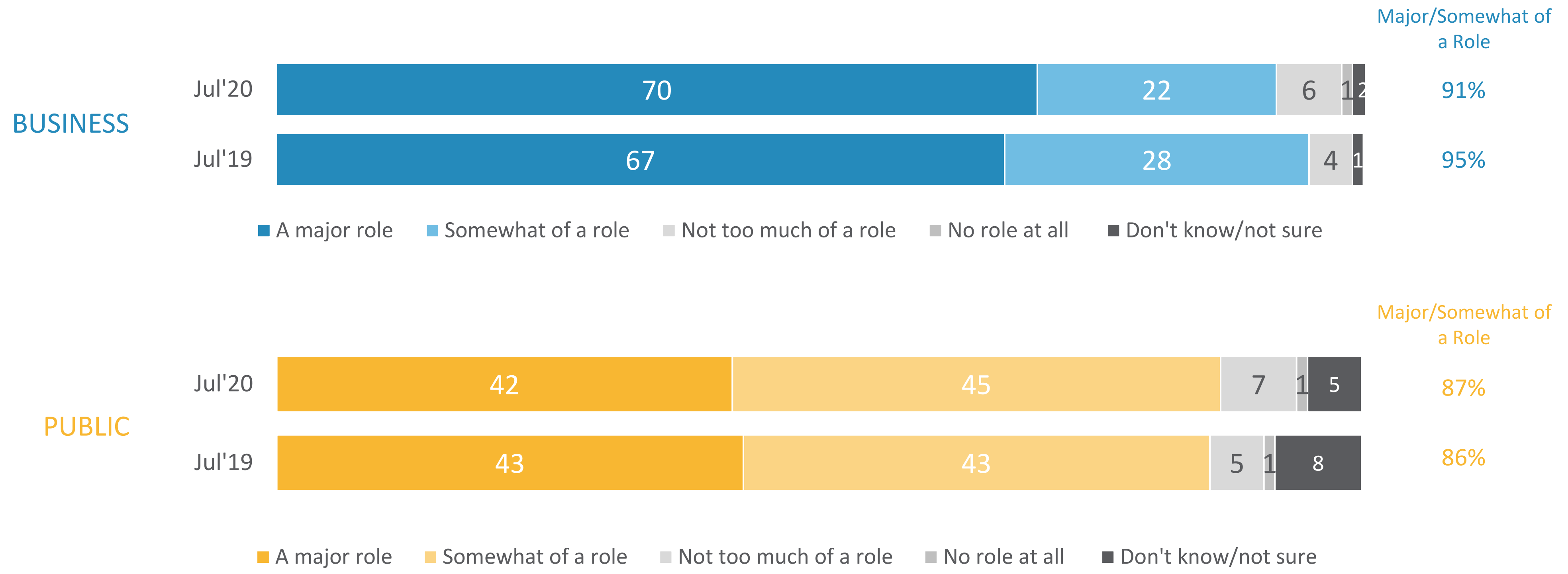
Q9(B) Q10(P). Which of the following groups is most likely to contribute to emerging new businesses that can grow Alberta's economy? (previously Q14) And, which one of the following groups is most likely to facilitate the emergence of new businesses to contribute to the growth of the Alberta economy?

Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=834, Jul'20 n=800

EXTENT OF ROLE FOR BUSINESS IN MOVING THE PROVINCE FORWARD

As in 2019, both business and the public (to a lesser extent) believe the business community has a role in assisting the province to move forward.

- For business, this is a ‘major role’ while the public is less certain regarding the extent of the role.

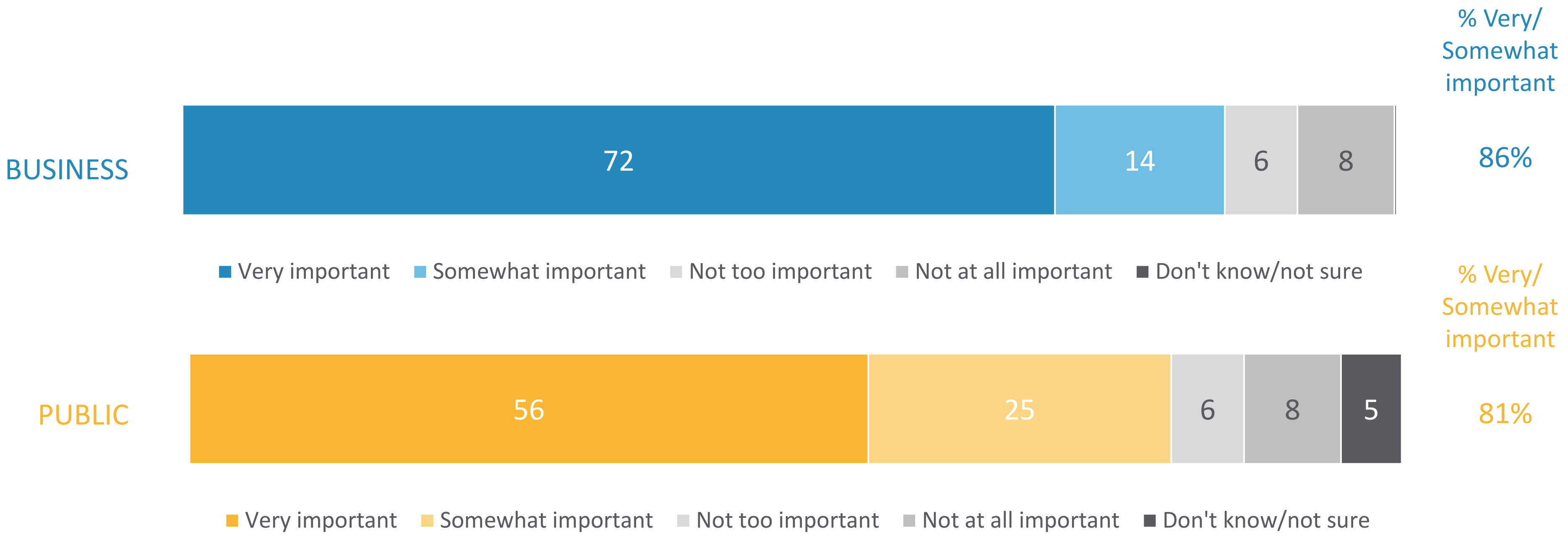


Q22(B) Q27(P). To what extent does the business community in Alberta have a role in developing a vision and providing leadership to move the province forward? (previously Q31) To what extent does the business community in Alberta have a role in developing a vision and providing leadership to assist the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

Base: Business: Jul’19 n=714, Jul’20 n=502; Public: Jul’19 n=834, Jul’20 n=800

Almost three quarters of business and more than half of public respondents see renegotiating equalization payment terms as 'very' important.

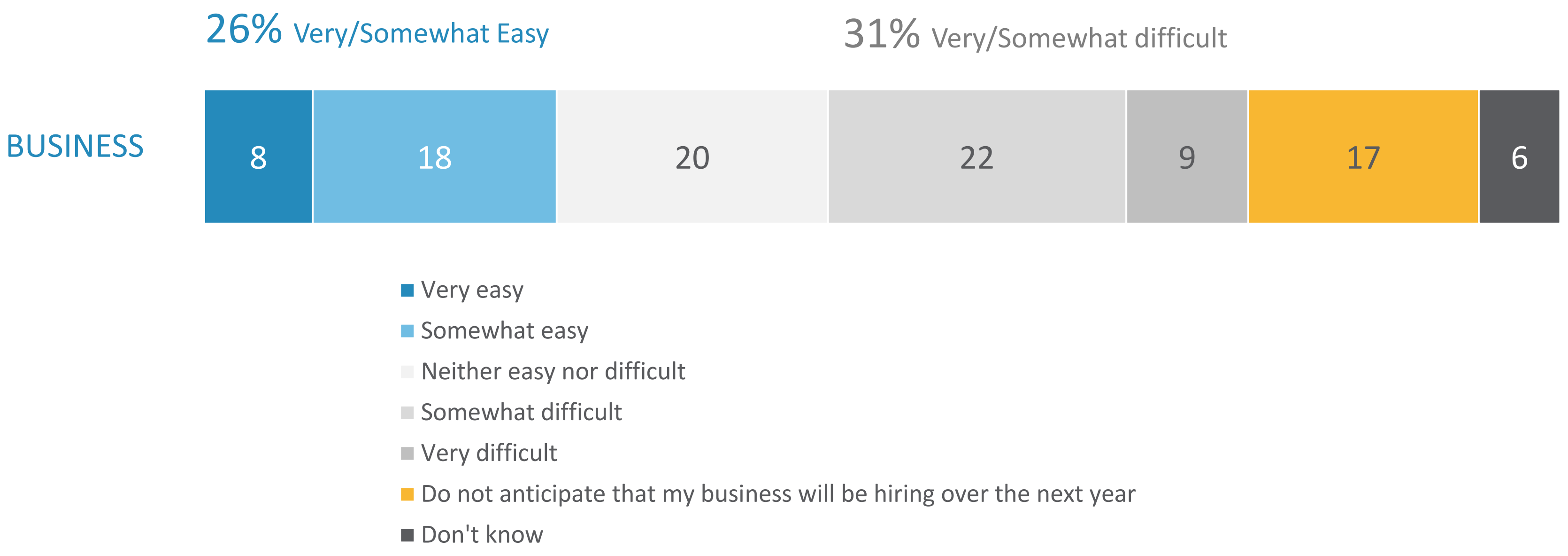
- Overall, more than eight in ten respondents among both groups say renegotiating equalization is at least somewhat important.



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?
Base: Business: Jul'20 n=502; Public: Jul'20 n=800

Businesses are divided in terms of how easy or difficult they believe it will be to hire skilled workers over the next year.

- 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 say it will be 'very' or 'somewhat' difficult compared with 33% saying 'very' or 'somewhat' easy.
- 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?
Base: Business: Jul'20 n=502

Compared to March (and the pre-COVID-19 period), there has been a significant decline in the proportion of businesses that believe a skills shortage will impact their ability to grow over the next year. 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, 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

	Mar'20	Jul'20
TOTAL SIGNIFICANT/MODERATE IMPACT	44%	34%
Significant impact	15%	9%
Moderate impact	29%	25%
Slight impact	26%	24%
No impact	25%	32%
TOTAL SLIGHT/NO IMPACT	49%	56%
Don't know/not sure	5%	10%

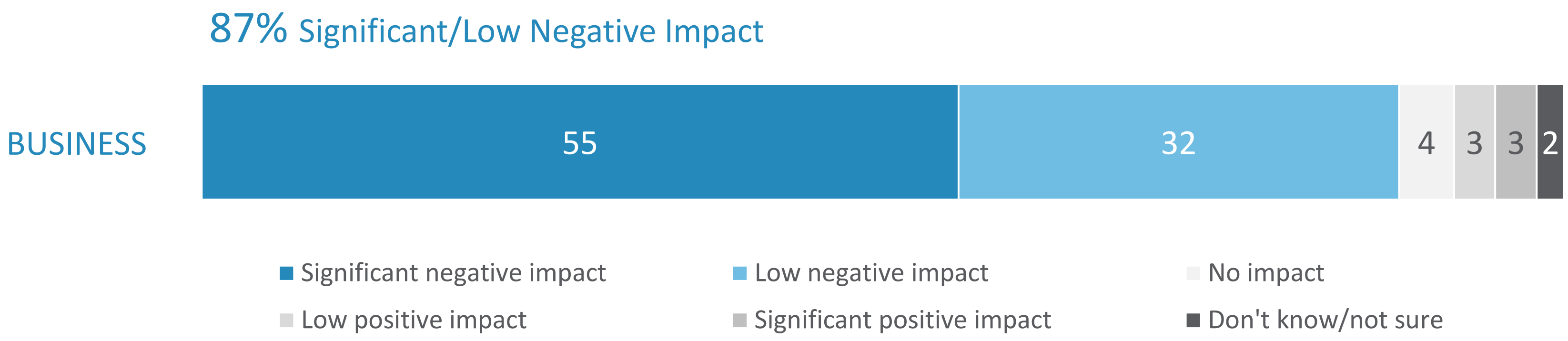
Q25(B). To what extent do you anticipate skills shortages will impact your business's ability to grow ("thrive" in March) over the next year?
Base: Hire staff Mar'20 n=317, Total sample Jul'20 n=441 (Sole employee businesses excluded from analysis)

4

DETAILED FINDINGS

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

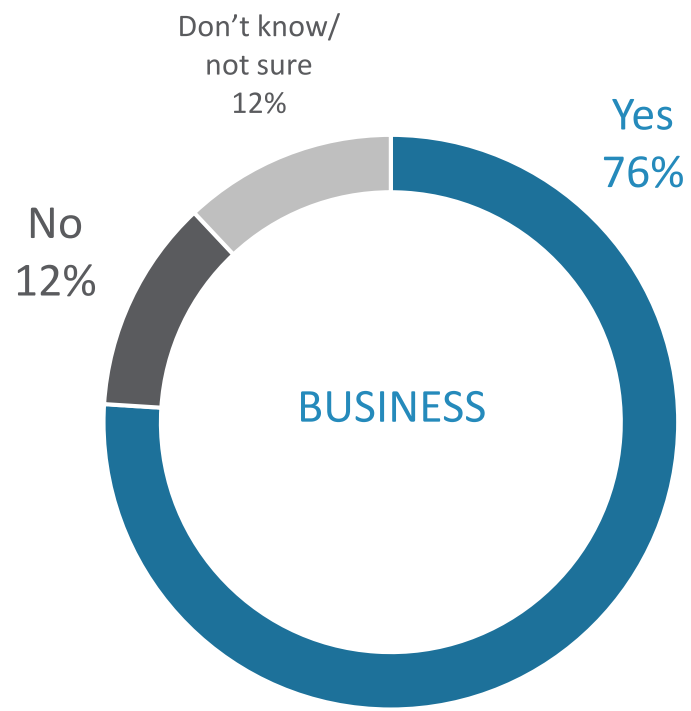
Almost all businesses report some negative impact from the pandemic, with over half (55%) reporting a 'significant' negative impact.



Q10. How has COVID-19 impacted your business?
Base: Business: Jul'20 n=502

Among those reporting a negative impact, 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?
Base: COVID-19 has had a negative impact: Jul'20 n=436

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, and reducing their own salary.

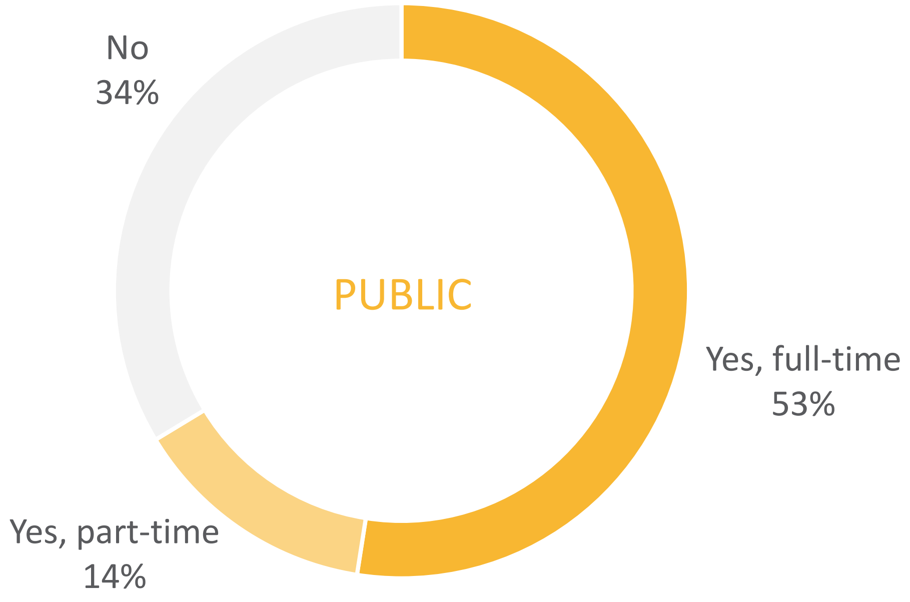
- Smaller business (less than five people) are the most likely to say they will change their business model (55%) and reduce their salaries (45%).
- Larger businesses (50+ people) are the most likely to say they will adopt new technologies (51%), have staff work from home (30%), and reduce office space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

BUSINESS

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

Q13(B). What is your business planning to do to recover and grow over the next year? Please check all that apply.
Base: Way of running business will change: Jul'20 n=330

Among those working full or part time prior to the pandemic, more than half (58%) report having continued to work their regular hours through the pandemic, while another 9% have returned to work at their regular hours. However, the balance (one third of those in the labour force) report some continuing impact.



PUBLIC

	Jul’20
I have continued to work my regular number of hours	58
I was laid off and remain laid off	13
I had my hours reduced and they remain below my pre-COVID-19 hours	9
I had my hours reduced but am now back to working my pre-COVID-19 hours	5
I was laid off and have now returned to work and at my regular number of hours	4
I was laid off and have now returned to work with reduced hours	2
The organization I worked for has gone out of business as result of COVID-19	2
I could go back to work, but have refused because of COVID-19 concerns	1
Other, specify	5

Q11. Were you working prior to the COVID-19 pandemic?
Base: Public: Jul’20 n=800
Q12. Which of the following best describes your current working situation at this point in the COVID-19 pandemic? Please check only one response.
Base: Public: Jul’20 n=529

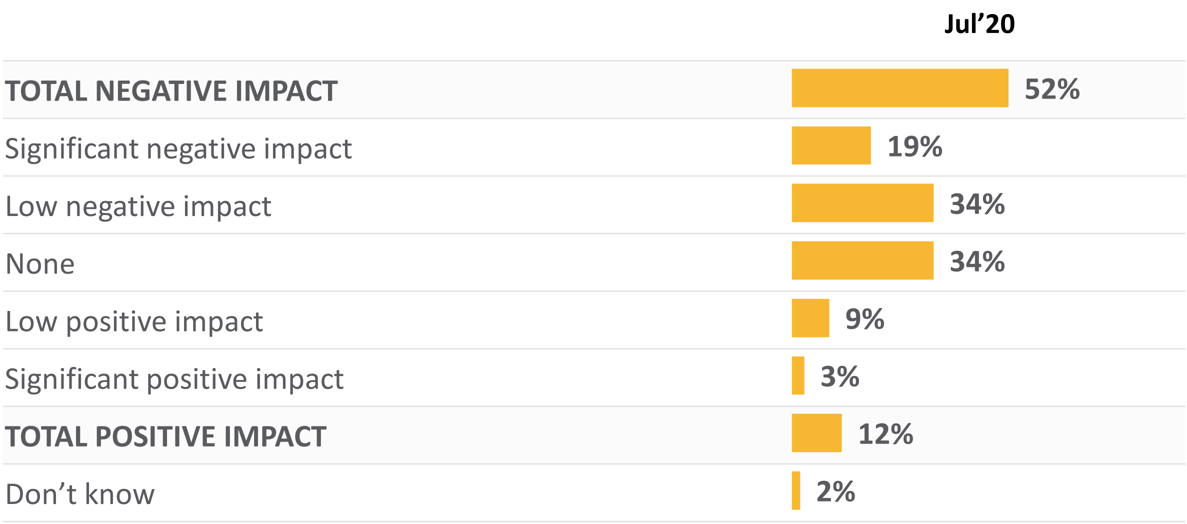
Half of those working prior to COVID-19 and who are now either working reduced hours, laid off, or have refused to go back believe their employer needs more business for them to return to pre-COVID-19 hours.

- Fully half (52%) of the public report that their personal finances have been negatively impacted by COVID-19, with one in five saying it has been a ‘significant’ negative impact.

PUBLIC

	Jul’20
The organization I work for would have to get more business	52%
The government would have to allow the organization I work for to fully reopen	27%
There would have to be fewer reported cases of COVID-19 in the province	22%
Childcare services or schools would have to reopen	13%
There would have to be no reported cases of COVID-19 in the province	13%
Other	11%

PUBLIC



Q13. What would have to happen for you to return to the hours you were working prior to the COVID-19 pandemic?
Base: Public: Jul’20 n=134
Q14. How has COVID-19 impacted your personal finances, that is the amount of money you have to live on each month?
Base: Public: Jul’20 n=800

In terms of balancing the risks of contracting COVID-19 versus opening the economy more quickly, just over half (58%) of respondents are prepared to take at least some risk to open the economy. However, 43% are not prepared to take 'any risk'.

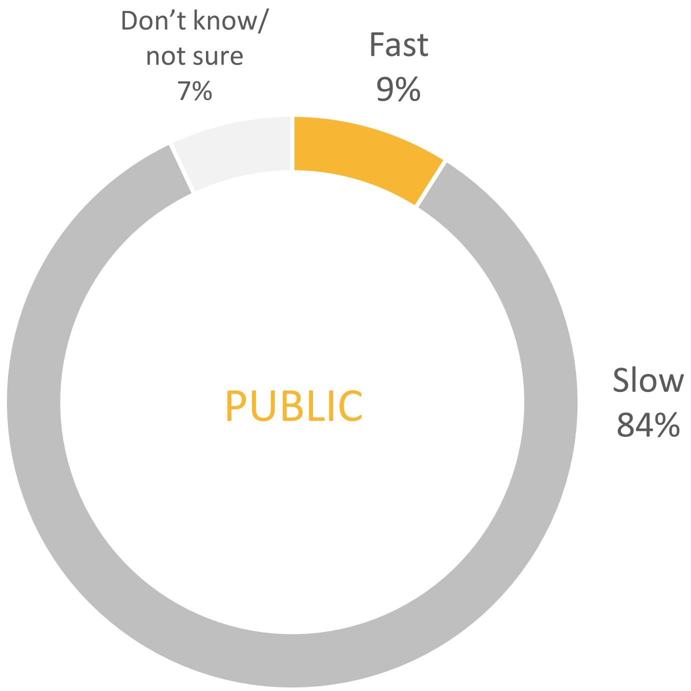
- Seniors are the most likely (56%) to not want to take any risk.
- There is a strong link between willingness to take risk and the financial impact of COVID-19. Among those who say COVID-19 has had a significant negative impact, only 32% are not prepared to take any risk. This compares to 44% who say there has been no impact and 54% among those who say there has been a positive impact on their finances.

PUBLIC

	Jul'20
I am prepared to take a great deal of risk of me or a family member contracting COVID-19 if it means we can all go back to work sooner.	10%
I am prepared to take some risk of me or a family member contracting COVID-19 if it means we can all go back to work sooner.	48%
I am not prepared to take any risk of me or a family member contracting COVID-19 to get back to work sooner.	43%

Q15. Which of the following statements best reflects your own view regarding balancing the risks of contracting COVID-19 versus opening up the economy more quickly?
Base: Public: Jul'20 n=800

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.



PUBLIC

	Jul'20
2nd wave of COVID-19 will force business shutdowns	36%
Business insolvency or lack of financial capacity to restart	32%
Low oil and gas prices	28%
Permanent damage to businesses from workforce hiatus	27%
Public health concerns of COVID-19 will restrict the economy	27%
Insufficient global economic activity	22%
Low consumer confidence in the wake of COVID-19	19%
Difficulty of exporting Alberta oil offshore	18%
Permanent damage to customers' ability to pay	18%
Getting employees back to work	14%
Deferred payments due to COVID-19 coming due	12%
Restrictions of number of patrons allowed on business premises	11%
Insufficient government response	7%
Permanent damage to suppliers' ability to supply	5%
Pre-COVID economy had been overheating, time for a correction	5%
Other	3%
Don't know/not sure	1%

Q16. After the COVID-19 crisis is over, do you expect the economic recovery to be:
Base: Public: Jul'20 n=800
Q17. Why do you think the recovery will be slow? Please select your top three reasons.
Base: Public: Jul'20 n=674

4

DETAILED FINDINGS

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

While public awareness of the Alberta Chambers of Commerce is high, there are somewhat lower levels of awareness of community chambers. Awareness for both is down slightly from last year.

- As in 2019, the younger public (aged 18 to 34) is significantly less aware of the Alberta Chambers of Commerce and community chambers of commerce.

PUBLIC

Aware of Alberta Chambers of Commerce

	Jul'19	Jul'20
Yes	79%	72%
No	15%	19%
Don't know	6%	9%

Aware of Chamber of Commerce in your Community

	Jul'19	Jul'20
Yes	65%	57%
No	25%	30%
Don't know	10%	13%

Q29. Are you aware of an organization called the Alberta Chambers of Commerce?
Base: Public: Jul'19 n=834, Jul'20 n=800
Q30. Most communities across the province have a chamber of commerce. Are you aware of one in your community?
Base: Public: Jul'19 n=834, Jul'20 n=800

Similar to 2019, most public respondents continue to 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.

- Again, there are substantial differences between the public (who are aware of their local chamber) and business in their views of the impact of their local chamber.
- However, few among the public have negative views. When the 'don't know' responses are removed from the analysis (see figures in brackets), the differences between 2019 and 2020 public responses are minimal.

Which of the following describes local chambers of commerce?

PUBLIC

	Jul'19	Jul'20
An advocate on behalf of local businesses	68%	65%
A membership based organization	43%	43%
A part of a province wide network of similar type organizations	37%	33%
A non-profit organization	34%	33%
A part of a nation-wide network of similar type of organizations	27%	24%
A part of the municipal government	10%	11%
A part of an international network of similar type organizations	13%	8%
A provincial government agency or department	7%	6%
A type of lending bank for businesses	2%	3%
None of these	2%	1%
Don't know/not sure	21%	20%

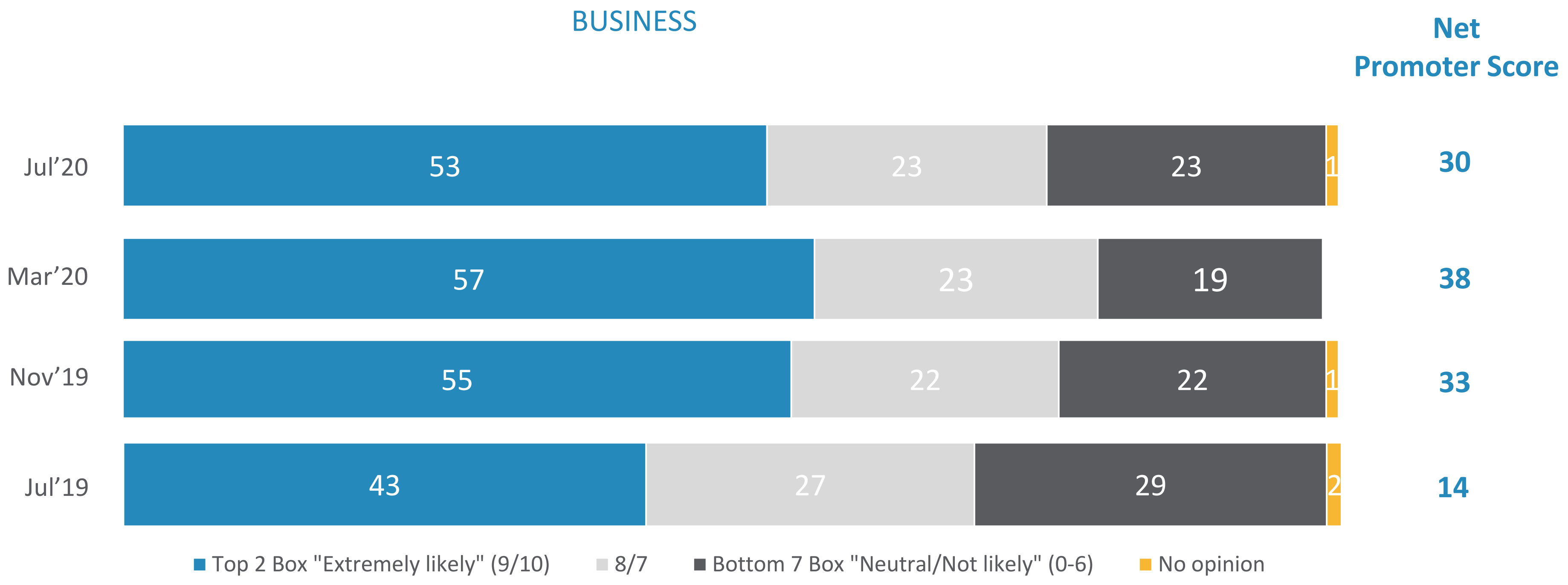
What type of impact does the chamber of commerce have in your community?

	BUSINESS		PUBLIC	
	Jul'19	Jul'20	Jul'19	Jul'20
TOTAL POSITIVELY	82%	82%	73% (84%)	66% (81%)
Very positively	35%	41%	18%	15%
Somewhat positively	47%	41%	55%	51%
No impact	12%	12%	11%	13%
Somewhat negatively	2%	1%	2%	2%
Very negatively	1%	2%	>1%	1%
TOTAL NEGATIVELY	3%	3%	2%	3%
Don't know/not sure	3%	3%	14%	19%
I am not aware of a local chamber where I live	-	<1%	-	-

Q31. To the best of your knowledge, which of the following describe a local chamber of commerce?
Base: Public: Jul'19 n=834, Jul'20 n=800
Q26(B) Q32(P) To the best of your knowledge, how does the local chamber of commerce impact your community?
Base: Business: Jul'19 n=714, Jul'20 n=502; Public: Jul'19 n=545, Jul'20 n=459

Among members of a chamber of commerce, 53% say they are extremely likely to recommend their local chamber of commerce to a business friend or colleague. This is consistent with the previous two surveys.

- The net promoter score of 14 for July 2019 is artificially low because responses included non-chamber members (the July 2019 survey did not ask about member status).
- An NPS score of 30 should be considered reasonably good, but could be improved. The slight decline from March may reflect the impact of COVID-19 on perceptions.



Net promoter score is a 10 – 0 scale and is calculated by subtracting the top 2 box (10/9) from the bottom (6 – 0)

Q28. How likely would you be to recommend your local chamber of commerce to a business friend or colleague?
Base: Chamber of commerce members Jul'19 n=714, Dec'19 n= 875, Mar'20 n=313, Jul'20 n=500

5 ABOUT THE RESPONDENTS

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

Respondent Profile – Public

GENDER

49%	Male
50%	Female
<1%	Other
<1%	Prefer not to answer

AGE

6%	18 – 24
22%	25 – 34
16%	35 – 44
21%	45 – 54
14%	55 – 64
21%	65 or over

REGION

47%	Calgary area
6%	Elsewhere in southern Alberta
6%	Central Alberta
35%	Edmonton area
3%	Northwest Alberta
2%	Northeast Alberta
1%	Mountain parks

HOUSEHOLD INCOME

16%	Under $50,000
30%	$50,000 - $99,999
20%	$100,000 - $149,999
16%	$150,000 or more
18%	Prefer not to answer

EDUCATION

12%	High school
12%	Some college
26%	College certificate/diploma
29%	Bachelor's degree
9%	Post-graduate degree
9%	Professional degree
2%	Other

YEARS LIVED IN ALBERTA

34%	All my life
6%	5 years or less
10%	6 – 10 years
6%	11 – 15 years
45%	More than 15 years

WORKING PRIOR TO COVID-19 PANDEMIC

53%	Yes, full-time
13%	Yes, part-time
34%	No

CURRENT WORKING SITUATION

58%	I have continued to work my regular number of hours
13%	I was laid off and remain laid off
9%	I had my hours reduced and they remain below my pre-COVID-19 hours
5%	I had my hours reduced but am now back to working my pre-COVID-19 hours
4%	I was laid off and have now returned to work and at my regular number of hours
2%	I was laid off and have now returned to work with reduced hours
2%	The organization I worked for has gone out of business as result of COVID-19
1%	I could go back to work, but have refused because of COVID-19 concerns
5%	Other