
Business conditions in rural Ontario, 3rd quarter of 2020

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Highlights

- In the 3rd quarter of 2020, human resource issues (labour shortages and training and retention of employees) were reported by rural businesses to be a bigger concern than the impact of COVID-19.
- Only about one-tenth of rural businesses expected that their methods of dealing with suppliers and customers would be different after the end of the COVID-19 pandemic.
- The proportion of businesses who would offer continued/increased teleworking opportunity to employees was 8%.
- In the 3rd quarter of 2020, one-half of Ontario's rural businesses had accessed the Canada Emergency Business Account (CEBA) and one-quarter had accessed the Canada Emergency Wage Subsidy (CEWS).
- At the time of the survey, one-quarter of rural businesses were experiencing on-going difficulty in accessing personal protective equipment for their employees.

Why look at business conditions?

COVID-19 has had a differential impact on businesses in the various sectors. In some cases, governments have limited the access to or forced the closure of “non-essential” business and, at the same time, businesses have downsized or closed due to customers “staying away.”

In 3rd quarter of 2020, rural businesses in Ontario had been dealing with many months of COVID-19 and a second wave of COVID-19 was expected. The Canadian Survey on Business Conditions for the 3rd quarter of 2020 was conducted from mid-September to late October.

The Canadian Survey on Business Conditions asked businesses¹ about their current and their expected pathways through the COVID-19 pandemic. Data for provinces were published by Statistics Canada and a

¹ Businesses and organizations in the following sectors were not included in the survey: NAICS 22 Utilities; NAICS 523990 All other financial investment activities; NAICS 55 Management of companies and enterprises; NAICS 611 Education services; NAICS 6214: Out-patient care centres; NAICS 6215 Medical and diagnostic laboratories; NAICS 6219 Other ambulatory health care services; NAICS 622 Hospitals; NAICS Private households; and NAICS 91 Public administration.

custom tabulation provided the same data for larger urban centres (LUCs) and for rural and small town (RST) areas² (i.e., businesses located outside of centres of 10,000 or more). Unfortunately, the sample size for RST Ontario was very small (73 observations) in the 2nd quarter of 2020 and small (143 observations) in the survey for the 3rd quarter of 2020 (For details, see Appendix A³). Thus, this report focusses on simple tabulations from the survey for the 3rd quarter of 2020.

² Larger Urban Centres (LUCs) include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA. Rural and small town (RST) businesses are located outside a CMA or CA.

³ Table 3 in Appendix A shows the number of observations sampled by sector, by business size in terms of number of employees and by age of business, among other business characteristics. The distribution of the 143 observations across the categories, in almost every case, provided too few observations to support the assessment of a clear pattern.

Findings⁴

• Biggest obstacles

In the 3rd quarter of 2020, the biggest obstacle facing Ontario's RST businesses was **human resources**. Specifically, "shortage of labour force" was mentioned by 34% of RST businesses and "recruiting and retaining skilled employees" was mentioned by 29% of RST businesses (Table C.1).

The next major obstacle was **financial challenges** with 25% of RST businesses mentioning "financial constraints", 23% mentioning "rising cost of inputs" and 20% identifying "fluctuations in consumer demand." Surprisingly, in our view, only 10% of RST businesses identified "broadband access" as an obstacle.

• Employee issues

Among RST businesses, 76% reported that it was not possible for any employees to telework or work remotely (Table C.2a).

Just over one-half (53%) of Ontario's RST businesses reported that they had not laid off any of their staff (Table C.7) and just over one-third (37%) indicated they had laid off some staff. (The remaining 10% of businesses had no staff or the layoff situation was "unknown".)

Among the one-third of businesses who had laid off staff, one-third of them (i.e., 33% of the 37% with staff layoffs) had laid off 100% of their staff (Table C.8a) and one-fifth (i.e., 20% of the 37% with staff layoffs) had rehired 100% of their staff by the 3rd quarter of 2020 (Table C.8b).

Businesses were asked about current or planned measures provided to **employees who are parents**. The categories with the largest responses were (more than one category could be mentioned):

- 35% replied "not applicable, all work can be performed on a flexible schedule";
- 30% replied "not applicable, schools and child care facilities in our area are expected to have a normal schedule in the fall";
- 17% replied "allow parent to change their schedules";
- 13% replied "not considering any special accommodation for parents";

- 11% replied "offer an extended leave of absence with reduced or no pay";
- 11% replied "allow parents to switch to part-time status on a temporary or limited basis"; and
- 10% replied "allow parents to telework or work remotely" (Table C.6).

Thus, 65% replied that special considerations for parents were not needed (i.e., "not applicable") and 13% replied that no special considerations were being considered. For the remaining 22% of RST businesses, various strategies were being used to accommodate employees with school-age children.

Two-thirds (66%) of RST businesses in the 3rd quarter of 2020 expected the number of employees to stay the same over the next three months. A higher share of businesses expected a decline in employee numbers (17%) compared to the 8% that expected an increase in the number of employees.

• Personal protected equipment (PPE)

When asked about the level of difficulty in procuring personal protective equipment (PPE), most (60+%) businesses reported "no difficulty" or "not needed." However, Ontario's RST businesses did report some or significant difficulty in procuring some items:

- disinfecting wipes (42%);
- masks (26%);
- gloves (24%);
- cleaning products (24%);
- hand sanitizer (24%)
- face shields (e.g., visors) (13%); and
- eye protection (6%) (Table C.17).

The main reasons for difficulty in procuring PPE were:

- "normal source of personal protective equipment or supplies is unable to meet demand" (79%);
- "cost of personal protective equipment or supplies is too high" (20%); and
- "cannot source enough personal protective equipment or supplies to meet consumption" (10%) (Table C.18).

• COVID-19 impact on the business

Businesses were asked whether they expected to permanently adopt new ways for employees to work, to diversify supply chains or to change how they interacted with customers. For each item, most businesses replied "not relevant to this business" and in almost every case, the second most likely

⁴ A comparison with businesses in Ontario's larger urban centres (LUCs) is provided in Appendix C.

response was “very unlikely” (Table C.19). Items with a relatively larger share of RST businesses reporting that it was likely the new ways would be permanently adopted were related to:

- increase contactless delivery or pickup options (17%);
- increase online sales capacity (11%);
- increase IT (information technology) infrastructure to support teleworking (11%);
- make investments to increase the security of telework systems (9%);
- offer more employees the possibility of teleworking or working remotely (8%);
- diversify supply chains within Canada (7%);
- increase physical space used by the business (7%);
- automate certain tasks (e.g., through the use of robots or computer algorithms) (5%); and
- adopt shiftwork to increase the distance between employees (4%)

Thus, in the 3rd quarter of 2020, only a small minority of RST businesses expected any permanent change for employees, supply chains or the methods for interacting with customers. From the perspective of employees, 8% of RST businesses did expect to offer more employees the ability to telework after the pandemic and an equal share of businesses expected to increase the security of their telework systems.

Among Ontario’s RST businesses in August 2020, 41% reported lower revenues compared to August 2019 but 31% reported higher revenues (and 24% reported no change) (Table C.9).

In terms of the change in the level of expenditure, 49% reported higher expenses and 22% reported lower expenses (and 29% reported that expenditure levels had stayed the same) (Table C.10). With many businesses reporting lower revenues and higher expenses, many were experiencing a financial squeeze.

The overall impact of COVID-19 on RST businesses, as reported in the 3rd quarter of 2020, was:

- 51% remained fully operational;
- 32% remained partially operational;
- 17% had shut down temporarily but had since reopened; and
- Less than 1% had shut down temporarily and remained shut (Table C.4).

The COVID-19 impact on selected business expenditures were similar among LUC and RST

businesses. About three-quarters reported increased expenditures on sanitization and cleaning (RST 74%) and about three-quarters reported increased expenditures on personal protective equipment and supplies (RST 75%) (Table C.11).

At the same time, about two-thirds reported no change in expenditure for repair and maintenance (RST 62%) but one-fifth did report increased expenditures on these items (RST 22%). Also, nearly three-quarters (RST 72%) reported no change in expenditure for rent (RST 72%) but the next largest group was businesses who did not have rent expenses (i.e., they owned their buildings) (RST 25%).

In terms of an increase in expenditure for technology and equipment for teleworking (e.g., laptops, office chairs, etc.), one-half of RST enterprises recorded no change (50%) while about one-fifth (8%) reported an increase and another one-quarter (25%) reported that the business does not have this expense.

Thus, three-quarters of Ontario’s RST businesses had increased expenditures for PPE but for a selected group of other expenditure categories (that were enumerated on the questionnaire), the main responses were “no change” or “not applicable.”

When asked about how the business would change its **methods for dealing with customers** over the next three months, only a small share expected to make changes. An equal share of LUC and RST businesses (46%) said they did not have a business website and another 38% (for both LUC and RST businesses) said their use of the business website was not expected to change over the next three months (Table C.3). A majority of businesses (RST 60%) did not have a social media account. About one-quarter (RST 26%) said their use of a social media site would not change over the next three months. A small share indicated they would be increasing their contacts with customers via:

- telephone (RST 17%);
- e-mail (RST 14%);
- business’s own website (RST 13%); and
- social media account (RST 12%).

Thus, in the 3rd quarter of 2020, only a small share of RST businesses had plans to change their methods for dealing with customers.

In the 3rd quarter of 2020, 85% of Ontario’s RST businesses indicated they “had the cash or liquid assets to continue to operate” (Table C.14).

However, nearly one-half (46%) of Ontario's RST businesses indicated that they were not able to take on more debt (38% said more debt was possible and 16% stated "unknown") (Table C.15). When asked why businesses had not accessed funding or credit, 73% of RST businesses stated "funding or credit not needed." Others mentioned that "eligibility requirements" were a constraint (45%) and "application requirements or complexity" were a constraint (16%).

In terms of the financial status and outlook for this RST business,

- a strong majority "agree" that "before the pandemic, the general outlook for this business was positive (86%) (Table C.20); and
- a strong majority "disagree" that "this business is actively considering bankruptcy or closing as a result of COVID-19 (89%);
- a smaller share of businesses agree that "this business is prepared financially for a possible second wave of COVID-19" (43%). The significant share of business stated "neither agree nor disagree" (31%).
- a larger share of businesses disagree that "the revenue of this business over the next 3 months will be higher than it was over the last 3 months" (27%). Recalling the adage that making predictions is difficult, especially about the future, we see that a significant share of RST businesses replied "unknown" (25%).

Similarly, when asked the length of time the business can continue before considering further staffing actions, closure or bankruptcy,

- a significant share responded "unknown" (30%); but
- a higher share responded "12 months or more" (44%) (Table C.21).

Among RST enterprises who sought funding or credit, the main sources were:

- Canada Emergency Business Account (CEBA) (55%);
- "None" (26%);
- Canada Emergency Wage Subsidy (CEWS) (25%);
- Temporary 10% Wage Subsidy (24%); and
- "Other" (10%) (Table C.12).

Most businesses had no plans to change over the next three months. For example, 58% of RST businesses had no plans to change their prices over the next three months (Table C.22). Most businesses (77%) did not plan to expand or acquire new businesses (and another 20% responded "unknown") (Table C.24). Most businesses (76%) had no plans to sell or close their business (and 21% responded "unknown") (Table C.26). Although some businesses neither own or rent space (17%), the remaining businesses (83%) intended to stay at their current (owned or rented) place of business (Table C.16).

Summary

In the 3rd quarter of 2020, rural businesses in Ontario had been dealing with six months of COVID-19 and there was an expectation that a second wave of COVID-19 would soon arrive.

In the 3rd quarter of 2020, human resource issues (labour shortages and training and retention of employees) were a bigger issue than the impact of COVID-19 on business conditions.

About one-quarter of rural businesses were experiencing on-going difficulty in accessing personal protective equipment for their employees.

A smaller share, about one-tenth, of rural businesses expected that their methods of dealing with suppliers and customers would be different after the end of the COVID-19 pandemic.

In the 3rd quarter of 2020, one-half of Ontario's rural businesses had access the Canada Emergency Business Account (CEBA) and one-quarter had accessed the Canada Emergency Wage Subsidy (CEWS).

The Rural Ontario Institute gratefully acknowledges the work of Ray Bollman in preparing this edition of [Focus on Rural Ontario](#). Questions on data sources can be directed to RayD.Bollman@sasktel.net. Any comments or discussions can be directed to NRagetlie@RuralOntarioInstitute.ca

Appendix A: Sample size of the Canadian Survey of Business Conditions

The Canadian Survey of Business Conditions had only 73 sample observations in “rural” Ontario in the survey for the 1st quarter of 2020 survey and only 143 sample observations in “rural” Ontario in the 3rd quarter 2020 (Table A.1). These sample counts represent 6% and 5%, respectively, of the total sample count in Ontario.

Table A.1

Count of number of businesses sampled in the Canadian Survey of Business Conditions								
	May 2020 survey				August 2020 Survey			
	Urban	Rural	Total	% Rural	Urban	Rural	Total	% Rural
Canada	5,757	1,694	7,451	23	10,699	2,964	13,663	22
Newfoundland & Labrador	358	211	569	37	558	336	894	38
Prince Edward Island	269	126	395	32	490	227	717	32
Nova Scotia	413	200	613	33	645	368	1,013	36
New Brunswick	405	253	658	38	582	353	935	38
Quebec	808	166	974	17	1,625	267	1,892	14
Ontario	1,159	73	1,232	6	2,686	143	2,829	5
Manitoba	440	151	591	26	736	318	1,054	30
Saskatchewan	512	180	692	26	879	351	1,230	29
Alberta	546	118	664	18	969	236	1,205	20
British Columbia	602	69	671	10	1,197	122	1,319	9
Yukon					202	40	242	17
Northwest Territories					130	76	206	37
Nunavut					-	127	127	100
Yukon, Northwest Territories, Nunavut	245	147	392	38	332	243	575	42

Source: Statistics Canada. Canadian Survey of Business Conditions, custom tabulation.

A quick review of Table A.1 suggests that the group classified as “rural” :

- a) Does not refer to non-metro (outside Census Metropolitan Areas (CMAs) (population of 100+K)) because all of PEI & Yukon & NWT would be non-metro (as these provinces / territories do not have a centre of 100+K population); and “rural”
- b) Does not refer to the residents outside population centres of 1,000 or more (These residents constitute the “official” definition of “rural” for Statistics Canada.) because Nunavut would have some “urban” population in this case because Iqaliut has a population over 1,000.
- c) Thus, “rural” appears to refer to the population outside CMAs (popn 100+K) and outside Census Agglomerations (CAs) (pop 10-99K) because all of Nunavut is shown to be rural as Iqaluit has a population less than 10K.

The 2016 Census of Population showed that 10% of Ontario’s population resided in “rural and small town areas” (RST) (Table A.2). One would expect the “population of businesses” might be skewed towards larger centres and thus it may be possible that RST area comprise 10% of the population but only 5% to 6% of the businesses. For most provinces, the RST population share is (slightly) larger than the share of “rural” businesses.

Thus, I think the custom tabulations derived from the Canadian Survey on Business Conditions uses the RST definition of “rural” in their tabulations. The “situation” for Ontario is that this provides only 73 sample observations in the survey in the 2nd quarter of 2020 survey and only 143 observations in the survey in the 3rd quarter of 2020.

The sample count for each group of business characteristics is, thus, “very” small (Table A.3).

Table A.2

"Non-metro population" and "Rural and small town population", Canada, Provinces and Territories, 2016										
	Non-metro (non-CMA) (outside CMAs) (CAs plus RST)									Total population
	Metro (CMA)	Non-metro (non-CMA)	Census agglomerations (CAs)	Rural and small town (RST) areas						
				All rural and small town (RST) areas	Strong MIZ	Moderate MIZ	Weak MIZ	No MIZ	RST Territories	
Total population, 2016										
Newfoundland and Labrador	205,955	313,761	70,405	243,356	36,172	121,079	60,285	25,820	n.a.	519,716
Prince Edward Island	0	142,907	85,912	56,995	25,323	30,395	460	817	n.a.	142,907
Nova Scotia	403,390	520,208	205,184	315,024	71,638	117,933	124,264	1,189	n.a.	923,598
New Brunswick	271,012	476,089	197,031	279,058	74,455	128,374	73,315	2,914	n.a.	747,101
Quebec	5,760,407	2,403,954	864,450	1,539,504	635,631	653,473	218,326	32,074	n.a.	8,164,361
Ontario	10,956,264	2,492,230	1,106,057	1,386,173	708,869	451,442	189,085	36,777	n.a.	13,448,494
Manitoba	778,489	499,876	131,111	368,765	86,189	127,464	129,490	25,622	n.a.	1,278,365
Saskatchewan	531,576	566,776	175,700	391,076	44,468	145,602	140,600	60,406	n.a.	1,098,352
Alberta	2,831,429	1,235,746	502,663	733,083	174,320	308,929	220,275	29,559	n.a.	4,067,175
British Columbia	3,206,601	1,441,454	901,527	539,927	136,640	227,912	151,751	23,624	n.a.	4,648,055
Yukon	0	35,874	28,225	7,649	n.a.	n.a.	n.a.	n.a.	7,649	35,874
Northwest Territories	0	41,786	19,569	22,217	n.a.	n.a.	n.a.	n.a.	22,217	41,786
Nunavut	0	35,944	0	35,944	n.a.	n.a.	n.a.	n.a.	35,944	35,944
CANADA	24,945,123	10,206,605	4,287,834	5,918,771	1,993,705	2,312,603	1,307,851	238,802	65,810	35,151,728
Percent distribution of population within each province (row percent)										
Newfoundland and Labrador	40	60	14	47	7	23	12	5	n.a.	100
Prince Edward Island	0	100	60	40	18	21	0	1	n.a.	100
Nova Scotia	44	56	22	34	8	13	13	0	n.a.	100
New Brunswick	36	64	26	37	10	17	10	0	n.a.	100
Quebec	71	29	11	19	8	8	3	0	n.a.	100
Ontario	81	19	8	10	5	3	1	0	n.a.	100
Manitoba	61	39	10	29	7	10	10	2	n.a.	100
Saskatchewan	48	52	16	36	4	13	13	5	n.a.	100
Alberta	70	30	12	18	4	8	5	1	n.a.	100
British Columbia	69	31	19	12	3	5	3	1	n.a.	100
Yukon	0	100	79	21	n.a.	n.a.	n.a.	n.a.	21	100
Northwest Territories	0	100	47	53	n.a.	n.a.	n.a.	n.a.	53	100
Nunavut	0	100	0	100	n.a.	n.a.	n.a.	n.a.	100	100
CANADA	71	29	12	17	6	7	4	1	0	100
Percent distribution of population within each geographic class (column percent)										
Newfoundland and Labrador	1	3	2	4	2	5	5	11	n.a.	1
Prince Edward Island	0	1	2	1	1	1	0	0	n.a.	0
Nova Scotia	2	5	5	5	4	5	10	0	n.a.	3
New Brunswick	1	5	5	5	4	6	6	1	n.a.	2
Quebec	23	24	20	26	32	28	17	13	n.a.	23
Ontario	44	24	26	23	36	20	14	15	n.a.	38
Manitoba	3	5	3	6	4	6	10	11	n.a.	4
Saskatchewan	2	6	4	7	2	6	11	25	n.a.	3
Alberta	11	12	12	12	9	13	17	12	n.a.	12
British Columbia	13	14	21	9	7	10	12	10	n.a.	13
Yukon	0	0	1	0	n.a.	n.a.	n.a.	n.a.	12	0
Northwest Territories	0	0	0	0	n.a.	n.a.	n.a.	n.a.	34	0
Nunavut	0	0	0	1	n.a.	n.a.	n.a.	n.a.	55	0
CANADA	100	100	100	100	100	100	100	100	100	100

A Census Metropolitan Area (CMA) has 50,000 or more inhabitants in the urban core with a total population of 100,000 or more and includes surrounding towns and municipalities where 50% or more of the workforce commutes to the CMA.

A Census Agglomeration (CA) has a total population of 10,000 to 99,999 and includes surrounding towns and municipalities where 50+% of the workforce commutes to the CA.

Rural and small town (RST) areas are outside CMAs and outside CAs (i.e. they are non-CMA/CA areas).

Source: Statistics Canada, Census of Population, 2016.

Table A.3

Count of number of businesses sampled in the Canadian Survey of Business Conditions

	Canada (May 2020 survey)				Canada (Q3 2020 survey)				Ontario (Q3 2020 survey)			
	Urban	Rural	Total	% Rural	Urban	Rural	Total	% Rural	Urban	Rural	Total	% Rural
All industries	5,757	1,694	7,451	23	10,699	2,964	13,663	22	2,686	143	2,829	5
Agriculture, forestry, fishing and hunting	199	117	316	37	416	375	791	47	151	31	182	17
Mining, quarrying, and oil and gas extraction	258	138	396	35	341	173	514	34	72	9	81	11
Construction	421	133	554	24	771	213	984	22	202	13	215	6
Manufacturing	495	175	670	26	684	189	873	22	184	10	194	5
Wholesale trade	562	124	686	18	710	140	850	16	178	12	190	6
Retail trade	501	175	676	26	656	194	850	23	164	6	170	4
Transportation and warehousing	302	95	397	24	574	210	784	27	167	5	172	3
Information and cultural industries	299	55	354	16	607	117	724	16	143	3	146	2
Finance and insurance	216	49	265	18	600	140	740	19	126	6	132	5
Real estate and rental and leasing	193	34	227	15	624	145	769	19	148	5	153	3
Professional, scientific and technical services	371	63	434	15	987	136	1,123	12	230	4	234	2
Administrative & support, waste management & remediation services	336	56	392	14	715	158	873	18	177	6	183	3
Health care and social assistance	471	103	574	18	863	170	1,033	16	224	10	234	4
Arts, entertainment and recreation	253	76	329	23	693	232	925	25	157	8	165	5
Accommodation and food services	495	198	693	29	651	157	808	19	163	4	167	2
Other services (except public administration)	385	103	488	21	807	215	1,022	21	200	11	211	5
All employment sizes ⁴	5,757	1,694	7,451	23	10,699	2,964	13,663	22	2,686	143	2,829	5
1 to 4 employees	1,571	593	2,164	27	3,897	1,345	5,242	26	869	54	923	6
5 to 19 employees	1,513	526	2,039	26	2,956	892	3,848	23	653	44	697	6
20 to 99 employees	1,427	362	1,789	20	2,195	482	2,677	18	619	23	642	4
100 or more employees	1,246	213	1,459	15	1,651	245	1,896	13	545	22	567	4
All businesses or organizations	5,757	1,694	7,451	23	10,699	2,964	13,663	22	2,686	143	2,829	5
Government agencies	107	36	143	25	143	52	195	27	30	2	32	6
Private sector businesses	5,076	1,475	6,551	23	9,423	2,459	11,882	21	2,397	126	2,523	5
Non-profit organizations serving households or individuals	468	156	624	25	942	399	1,341	30	220	13	233	6
Non-profit organizations serving businesses	106	27	133	20	191	54	245	22	39	2	41	5
All ages of businesses or organizations	5,757	1,694	7,451	23	10,699	2,964	13,663	22	2,686	143	2,829	5
2 years or less (2018 to 2020)	235	67	302	22	579	135	714	19	142	5	147	3
3 to 10 years old (2010 to 2017)	1,431	376	1,807	21	2,673	652	3,325	20	652	24	676	4
11 to 20 years old (2000 to 2009)	1,278	368	1,646	22	2,468	697	3,165	22	619	30	649	5
More than 20 years old (prior to 2000)	2,813	883	3,696	24	4,979	1,480	6,459	23	1,273	84	1,357	6
All majority ownership ⁵	5,757	1,694	7,451	23	10,699	2,964	13,663	22	2,686	143	2,829	5
Majority ownership, woman	722	219	941	23	1,671	425	2,096	20	398	18	416	4
Majority ownership, First Nations, Métis or Inuit	98	81	179	45	167	166	333	50	10	2	12	17
Majority ownership, immigrant to Canada	345	56	401	14	1,167	111	1,278	9	403	7	410	2
Majority ownership, person with a disability	41	24	65	37	100	30	130	23	17	1	18	6
Majority ownership, member of LGBTQ2 community	29	10	39	26	113	19	132	14	37	1	38	3
Majority ownership, visible minority	196	26	222	12	811	46	857	5	250	2	252	1
Majority ownership, preferred not to say	369	92										
Majority ownership, other	3,804	1,161										
Ownership by visible minority, all visible minorities ⁶					811	46	857	5	250	2	252	1
Ownership by visible minority, South Asian					176	7	183	4	64	1	65	2
Ownership by visible minority, Chinese					198	4	202	2	48	..	-	-
Ownership by visible minority, Black					49	8	57	14	16	..	-	-
Ownership by visible minority, Filipino					29	5	34	15	5	..	-	-
Ownership by visible minority, Latin American					17	1	18	6	5	..	-	-
Ownership by visible minority, Arab					57	-	57	-	19	..	-	-
Ownership by visible minority, Southeast Asian					40	-	40	-	12	..	-	-
Ownership by visible minority, West Asian					25	-	25	-	13	..	-	-
Ownership by visible minority, Korean					29	2	31	6	6	..	-	-
Ownership by visible minority, Japanese					14	-	14	-	2	..	-	-
Ownership by visible minority, other visible minority					34	2	36	6	11	..	-	-
Ownership by visible minority, preferred not to say					230	21	251	8	74	1	75	1
All business or organization activities					10,699	2,964	13,663	22	2,686	143	2,829	5
Exported goods or services outside of Canada	734	178	912	20	1,017	224	1,241	18	332	13	345	4
Had operations outside of Canada			-	-	234	38	272	14	66	..	-	-
Made investments outside of Canada	77	10	87	11	112	19	131	15	32	..	-	-
Sold goods to businesses in Canada who then resold them outside of Canada	294	113	407	28	299	174	473	37	83	10	93	11
Imported goods or services from outside of Canada	1,020	189	1,209	16	1,498	259	1,757	15	453	13	466	3
Relocated any business or organizational activities or employees from another country into Canada	47	17	64	27	96	23	119	19	23	..	-	-
Engaged in other international business or organizational activities	206	38	244	16	253	37	290	13	82	..	-	-
None of the above	4,302	1,332	5,634	24	8,366	2,419	10,785	22	2,007	118	2,125	6

Source: Statistics Canada. Canadian Survey of Business Conditions, custom tabulation.

Appendix B: Selected tables from the Canadian Survey on Business Conditions for the 1st quarter of 2020

Table B.1

Percent of firms reporting telework before February 1, 2020 and on March 31, 2020 in larger urban centres and in rural and small town areas, May, 2020, Ontario and Canada									
Work and telework situation	Percent of workforce teleworking or working remotely	Ontario				Canada			
		Larger urban centres*	Rural and small town areas*	All areas	Location quotient: RST	Larger urban centres*	Rural and small town areas*	All areas	Location quotient: RST
Percent of businesses reporting:									
Workforce teleworking or working remotely prior to February 1st, 2020	Less than 1%	75	89	63	1.4	75	84	65	1.3
	1 to 9%	5	2	13	0.1	5	3	13	0.2
	10 to 19%	4	0	5	0.0	4	2	5	0.4
	20 to 29%	3	0	3	0.0	3	1	3	0.5
	30 to 39%	1	0	2	0.0	1	0	1	0.1
	40 to 49%	0	0	1	0.1	0	0	1	0.0
	50 to 59%	2	0	2	0.0	2	2	2	1.2
	60 to 69%	0	0	1	0.0	0	1	1	0.8
	70 to 79%	0	0	1	0.0	0	0	1	0.0
	80 to 89%	0	0	1	0.5	0	1	1	0.9
	90 to 99%	0	0	1	0.0	0	0	1	0.1
	100%	7	9	6	1.4	6	4	6	0.7
Unknown	3	0	1	0.0	2	2	2	1.4	
Workforce teleworking or working remotely on March 31st, 2020	Less than 1%	56	90	38	2.3	58	77	41	1.9
	1 to 9%	5	3	9	0.4	5	3	10	0.3
	10 to 19%	3	0	5	0.0	4	3	5	0.5
	20 to 29%	3	1	4	0.2	3	4	4	0.9
	30 to 39%	2	0	2	0.0	2	1	3	0.4
	40 to 49%	1	0	2	0.0	1	1	2	0.3
	50 to 59%	2	2	3	0.5	3	2	3	0.8
	60 to 69%	1	0	1	0.1	1	1	2	0.3
	70 to 79%	2	0	2	0.0	1	0	2	0.2
	80 to 89%	2	0	3	0.0	2	1	3	0.4
	90 to 99%	3	1	7	0.1	3	1	6	0.1
	100%	20	4	23	0.2	17	5	18	0.3
Unknown	1	0	1	0.1	2	2	1	1.7	
Workforce still able to carry out a majority of their duties on March 31, 2020 (as a percent of the workforce on February 1, 2020)	Less than 1%	64	90	16	5.8	64	78	15	5.3
	1 to 9%	3	1	5	0.2	4	4	6	0.7
	10 to 19%	3	0	4	0.1	4	2	4	0.5
	20 to 29%	3	1	4	0.2	4	3	4	0.8
	30 to 39%	0	0	2	0.0	1	0	2	0.2
	40 to 49%	1	0	2	0.0	1	0	3	0.1
	50 to 59%	3	0	5	0.0	3	3	5	0.5
	60 to 69%	1	0	3	0.0	1	1	3	0.2
	70 to 79%	3	0	5	0.0	2	0	5	0.1
	80 to 89%	0	0	5	0.1	1	0	5	0.0
	90 to 99%	2	0	10	0.0	1	1	10	0.1
	100%	8	5	37	0.1	7	4	37	0.1
Unknown	10	2	2	1.0	8	5	2	2.2	

Source: Statistics Canada. Canadian Survey of Business Conditions, Table 33-10-0228-01 and custom tabulation.

* Larger Urban Centres (LUCs) include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA.

* Rural and small town (RST) individuals reside outside a CMA or CA.

** A location quotient indicates the relative intensity or concentration in rural and small town (RST) Ontario relative to Ontario as a whole. It is calculated as the share (or percent) in RST divided by the share (or percent) in Ontario as a whole.

Source: Statistics Canada. Canadian Survey of Business Conditions, Table 33-10-0228-01 and custom tabulation.

Table B.2

Percent of enterprises reporting each method of conducting sales before and during COVID-19 in larger urban centres and in rural and small town areas, May, 2020, Ontario and Canada

Method of conducting sales	Ontario				Canada				
	Larger urban centres*	Rural and small town areas*	All areas	Location quotient: RST	Larger urban centres*	Rural and small town areas*	All areas	Location quotient: RST	
	Percent of businesses reporting:								
Sales conducted or orders secured remotely prior to February 1st, 2020	Business's own website	29	30	29	1.0	27	29	26	1.1
	Business's own application	9	0	8	0.0	7	9	6	1.4
	Social social media account	17	6	16	0.4	17	17	16	1.0
	E-mail	44	64	46	1.4	44	44	43	1.0
	Telephone	55	66	56	1.2	52	55	52	1.0
	Third-party website, platform, app or online marketplace	21	6	19	0.3	17	21	16	1.3
	Business did not conduct sales or secure orders remotely	33	28	33	0.9	36	33	37	0.9
Sales conducted or orders secured remotely on May 29th, 2020	Business's own website	31	30	30	1.0	28	31	27	1.1
	Business's own application	8	0	7	0.0	6	8	6	1.3
	Social social media account	19	10	18	0.5	18	19	17	1.1
	E-mail	43	54	44	1.2	45	43	44	1.0
	Telephone	52	61	53	1.2	50	52	51	1.0
	Third-party website, platform, app or online marketplace	25	6	23	0.3	20	25	17	1.4
	Business did not conduct sales or secure orders remotely	32	28	31	0.9	36	32	37	0.9

* Larger Urban Centres (LUCs) include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA.

* Rural and small town (RST) individuals reside outside a CMA or CA.

** A location quotient indicates the relative intensity or concentration in rural and small town (RST) Ontario relative to Ontario as a whole. It is calculated as the share (or percent) in RST divided by the share (or percent) in Ontario as a whole.

Source: Statistics Canada. Canadian Survey of Business Conditions, Table 33-10-0248-01 and custom tabulation.

Appendix C: Selected tables from the Canadian Survey on Business Conditions for the 2nd quarter of 2020

In the 3rd quarter of 2020, when asked about the obstacles faced over the previous three months, the obstacle most likely to be identified by businesses in RST Ontario was a “shortage of labour force” (34% of RST businesses compared to 17% of LUC businesses) (Table C.1). A similar topic, “recruiting and retaining skilled employees”, was identified by 29% of RST businesses (compared to 16% of LUC businesses)⁵. The obstacle with the biggest difference between RST and LUC businesses was “broadband access” where RST businesses were 2.8 times more likely to mention this obstacle (but the percent of RST businesses mentioning broadband was only 10% which was 2.8 times more likely than the 3% of LUC businesses mentioned this as constraint).

Table C.1

Obstacles for this business over the last three months, August 2020, Ontario				
Over the last three months, which of the following were obstacles for this business?	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent reporting			
"Obstacles" ranked by relative importance to businesses in rural and small town areas				
Broadband access	3	10	4	2.8
Shortage of labour force	17	34	19	1.8
Recruiting and retaining skilled employees	16	29	18	1.7
Other	12	17	12	1.4
Rising costs of inputs	18	23	18	1.2
Challenges related to exporting goods and services	3	3	3	1.0
None	21	17	21	0.8
Government regulations	14	11	13	0.8
Financial constraints	38	25	36	0.7
Maintaining sufficient cash flow or managing debt	27	16	26	0.6
Fluctuations in consumer demand	35	20	33	0.6
Increasing competition	11	6	10	0.6
Shortage of space or equipment	6	3	6	0.5
Insufficient demand for goods or services offered	33	17	31	0.5
Corporate tax rate	6	3	6	0.5
Obtaining financing	9	4	8	0.4

* Larger Urban Centres (LUCs) include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA.

* Rural and small town (RST) individuals reside outside a CMA or CA.

** A location quotient indicates the relative intensity or concentration in rural and small town (RST) Ontario relative to Ontario as a whole. It is calculated as the share (or percent) in RST divided by the share (or percent) in Ontario as a whole.

Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0273-01 and custom tabulation.

⁵ The questionnaire did not distinguish whether these human resource issues were related to COVID-19 or whether some or all these issues were human resource issues that were not related to COVID-19. Since the share of RST businesses with these issues was double the share for LUC businesses, we expect that at significant share of these human resource issues faced by RST businesses were issues that were not related to COVID-19.

Fewer RST businesses, compared to LUC businesses, said it was possible for some employees to telework or work remotely (24% compared to 36% of LUC businesses) (Table C.2a). We attempted to determine the difference by sector (Table C.2b) but the small sample size in each sector (Appendix A, Table 3) prevented a satisfactory assessment of the situation.

Table C.2a

Businesses* reporting whether it is possible for any employees to telework or work remotely, August, Ontario			
Type of area**	Is teleworking or working remotely a possibility for any employees of this business*?		
	Yes, possible for some employees to telework or work remotely	Not possible for any employees to telework or work remotely	All businesses
	Percent of businesses		
All areas	35	65	100
LUC**	36	64	100
RST**	24	76	100

* The following industry sectors (or subsectors) were not included in the survey: NAICS 22 Utilities; NAICS 523990 All other financial investment activities; NAICS 55 Management of companies and enterprises; NAICS 611: Education services; NAICS 6214 Out-patient care centres; NAICS 6215 Medical and diagnostic laboratories; NAICS 6219 Other ambulatory health care services; NAICS 622 Hospitals; NAICS 814 Private households; and NAICS Public administration.

** **LUCs (Larger Urban Centres)** include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA.

** **RST (Rural & Small Town)** individuals reside outside a CMA or CA.

Source: Statistics Canada, Canadian Survey of Business Conditions, August, 2020, Table 33-10-0274-01 and custom tabulation.

Table C.2b

Businesses reporting employees who are ANTICIPATED TO CONTINUE TO PRIMARILY TELEWORK OR WORK REMOTELY once the COVID-19 pandemic is over, by industry sector in larger urban centres and in rural and small town areas, August 31, 2020, Ontario

		Is teleworking or working remotely a possibility for any employees of this business?							
Industry sector*	Type of area**	For businesses for whom it is possible for some employees to work remotely, percent of employees in the given business <u>anticipated to continue to primarily telework or work remotely</u> once the COVID-19 pandemic is over					Yes, possible for some employees to telework or work remotely (subtotal)	Not possible for any employees to telework or work remotely	All businesses
		Less than 1% of employees would be teleworking	1-19% of employees would be teleworking	20-79% of employees would be teleworking	80-99% of employees would be teleworking	All (100% of) employees would be teleworking			
		Percent distribution of businesses							
All industry sectors*	All areas	15	5	10	1	6	35	65	100
	LUC**	15	5	10	1	6	36	64	100
	RST**	12	5	4	0	3	24	76	100
Agriculture, forestry, fishing and hunting [NAICS 11]	All areas	3	1	9	0	0	13	87	100
	LUC**	2	2	6	0	0	11	89	100
	RST**	F	0	F	0	0	16	84	100
Mining, quarrying, and oil and gas extraction [NAICS 21]	All areas	25	12	16	0	8	62	38	100
	LUC**	26	15	18	0	10	68	32	100
	RST**	F	0	F	0	0	32	68	100
Construction [NAICS 23]	All areas	6	1	1	0	1	9	91	100
	LUC**	8	2	1	0	1	12	89	100
	RST**	0	0	0	0	0	0	100	100
Manufacturing [NAICS 31-33]	All areas	26	9	2	0	1	37	63	100
	LUC**	26	7	2	0	1	36	64	100
	RST**	F	F	F	F	F	F	F	100
Wholesale trade [NAICS 41]	All areas	25	8	18	0	3	55	45	100
	LUC**	27	8	20	0	4	59	41	100
	RST**	F	F	1	0	0	19	81	100
Retail trade [NAICS 44-45]	All areas	F	0	F	0	1	9	91	100
	LUC**	F	0	F	0	1	9	91	100
	RST**	8	0	0	0	0	8	92	100
Transportation and warehousing [NAICS 48-49]	All areas	4	2	2	0	1	10	90	100
	LUC**	4	2	2	0	0	9	91	100
	RST**	F	F	F	F	F	F	F	100
Information and cultural industries [NAICS 51]	All areas	13	10	39	4	11	77	23	100
	LUC**	13	10	38	4	11	76	24	100
	RST**	F	0	F	0	0	100	0	100
Finance and insurance [NAICS 52]	All areas	42	3	19	2	6	73	28	100
	LUC**	41	3	21	2	6	73	28	100
	RST**	F	F	F	F	F	F	F	100
Real estate and rental and leasing [NAICS 53]	All areas	21	6	12	2	10	50	50	100
	LUC**	22	6	13	2	9	50	50	100
	RST**	F	F	F	F	F	F	F	100
Professional, scientific and technical services [NAICS 54]	All areas	25	8	19	0	21	74	26	100
	LUC**	25	8	20	0	22	76	24	100
	RST**	F	F	F	F	F	F	F	100
Administrative and support, waste management and remediation services [NAICS 56]	All areas	7	7	5	1	3	22	78	100
	LUC**	8	7	5	1	2	23	77	100
	RST**	0	0	0	0	13	13	87	100
Health care and social assistance* [NAICS 62]	All areas	20	8	21	0	2	51	49	100
	LUC**	18	8	20	0	1	47	53	100
	RST**	F	F	F	0	12	86	14	100
Arts, entertainment and recreation [NAICS 71]	All areas	18	6	7	1	3	35	65	100
	LUC**	20	7	8	1	3	39	62	100
	RST**	F	F	0	0	0	6	94	100
Accommodation and food services [NAICS 72]	All areas	F	F	0	F	0	5	95	100
	LUC**	F	F	0	F	0	5	95	100
	RST**	F	F	F	F	F	0	100	100
Other (personal) services [NAICS 81]	All areas	13	3	5	1	8	29	71	100
	LUC**	11	3	6	1	9	30	70	100
	RST**	F	F	F	F	F	F	F	100

F: Data are too unreliable to be published.

* The following industry sectors (or subsectors) were not included in the survey: NAICS 22 Utilities; NAICS 523990 All other financial investment activities; NAICS 55 Management of companies and enterprises; NAICS 611: Education services; NAICS 6214 Out-patient care centres; NAICS 6215 Medical and diagnostic laboratories; NAICS 6219 Other ambulatory health care services; NAICS 622 Hospitals; NAICS 814 Private households; and NAICS Public administration.

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** RST (Rural & Small Town) individuals reside outside a CMA or CA.

Source: Statistics Canada, Canadian Survey of Business Conditions, August, 2020, Table 33-10-0274-01 and custom tabulation.

When asked about how the business would change its methods for dealing with customers over the next three months, an equal share of LUC and RST businesses (46%) said they did not have a business website and another 38% (for both LUC and RST businesses) said their use of the business website was not expected to change over the next three months (Table C.3). A majority of businesses (56% of LUC businesses and 60% of RST businesses) did not have a social media account. An equal share said their use of a social media site would not change over the next three months (28% of LUC businesses and 26% of RST businesses). A small share indicated they would be increasing their contacts with customers via:

- business's own website (LUC 14% and RST 13%);
- social media account (LUC 14% and RST 12%);
- e-mail (LUC 19% and RST 14%; and
- telephone (LUC 19% and RST 17%).

Table C.3

Over the next three months, to what extent will this business use any of the following methods for providing goods or services to customers?, August, 2020, Ontario					
Method for providing goods or services to customers	Extent to which this method will be used over the next three months	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
		Percent reporting			
Business's own website	Increase	14	13	14	0.9
	Stay the same	38	38	38	1.0
	Decrease	2	3	2	1.5
	Method not used	46	46	46	1.0
Business's own application	Increase	4	2	3	0.5
	Stay the same	14	7	14	0.5
	Decrease	1	0	1	0.0
	Method not used	81	91	82	1.1
Social media account	Increase	14	12	14	0.9
	Stay the same	28	26	28	0.9
	Decrease	3	2	3	0.8
	Method not used	56	60	56	1.1
E-mail	Increase	19	14	18	0.8
	Stay the same	55	60	55	1.1
	Decrease	5	6	5	1.3
	Method not used	22	20	22	0.9
Telephone	Increase	19	17	19	0.9
	Stay the same	58	58	58	1.0
	Decrease	8	11	9	1.2
	Method not used	15	14	15	1.0
External website, platform, app or online marketplace not owned by the business or organization	Increase	11	5	10	0.4
	Stay the same	15	10	15	0.7
	Decrease	2	1	2	0.4
	Method not used	72	85	73	1.2

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0275-01 and custom tabulation.

The overall impact of COVID-19 on RST businesses, as reported in the 3rd quarter of 2020, was:

- 51% remained fully operational, higher than the 37% of LUC businesses;
- 32% remained partially operational, similar to the 33% of LUC businesses;
- 17% had shut down temporarily but had since reopened, less than the 28% of LUC businesses; and
- Less than 1% had shut down temporarily and remained shut, similar to the 2% of LUC businesses (Table C.4).

Thus, RST businesses were more likely to have remained fully operational during COVID-19.

Table C.4

Impact of COVID-19 on the status of business, August, 2020, Ontario				
Impact of COVID-19 on the status of busines	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
	Percent reporting			
Business has remained fully operational	37	51	39	1.3
Business has remained partially operational	33	32	33	1.0
Businessess shut down temporarily but has since reopened	28	17	27	0.6
Business shut down temporarily and remained shut down	2	0	2	0.2

* Larger Urban Centres (LUCs) include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA.

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0276-01 and custom tabulation.

When asked about measures in place or to be implemented to deal with COVID-19, a majority of both LUC and RST businesses identified:

- provide hand sanitizer to employees and customers (LUC 74% and RST 81%);
- provide facemasks, gloves or other personal protective equipment to employees (LUC 73% and RST 78%);
- restriction on the number of people allowed into the space at one time (LUC 71% and RST 66%);
- insist that employees displaying any signs of illness stay home (LUC 65% and RST 64%); and
- frequent cleaning of high-touch areas or surfaces (LUC 67% and RST 63%) (Table C.5).

Each of the other listed “measures” was mentioned by less than half the businesses. However, a very small minority (LUC 10% and RST 9%) responded with “no measures implemented.”

Table C.5

Due to the COVID-19 pandemic, what actions or measures does this business have currently in place or have plans to implement?, August, 2020, Ontario				
Current or planned measures	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
	Percent reporting			
"Measures" are ranked by relative importance in rural and small town areas				
Provide hand sanitizer to employees and customers	74	81	74	1.1
Provide facemasks, gloves, or other personal protective equipment to employees	73	78	74	1.1
Addition of signage or floor markers to promote physical distancing	42	43	42	1.0
Expansion of business or organization into existing outdoor space	4	4	4	1.0
Fill positions with less skilled workers	3	3	3	1.0
Insist that employees displaying any signs of illness stay home	65	64	64	1.0
Frequent cleaning of high-touch areas or surfaces	67	63	67	0.9
No measures implemented	10	9	10	0.9
Restriction on the number of people allowed into the space at one time	71	66	71	0.9
Request that customers displaying any signs of illness do not enter	52	47	51	0.9
Screen employees upon entry into the workplace for a fever, cough, or other signs of illness	41	36	41	0.9
Provide facemasks, gloves, or other personal protective equipment to customers	38	30	37	0.8
Subcontract out more work	4	3	4	0.7
Reduction of business hours	33	21	31	0.7
Other	8	5	8	0.6
Adding plexiglass or sneeze guards	33	18	32	0.6
Screen customers upon entry into the workplace for a fever, cough, or other signs of illness	34	19	32	0.6
More janitorial staff	13	7	12	0.6
Modification of the office space	25	13	23	0.5
Rental or acquisition of more physical space for the business or organization	4	1	4	0.2

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** A location quotient indicates the relative intensity or concentration in rural and small town (RST) Ontario relative to Ontario as a whole. It is calculated as the share (or percent) in RST divided by the share (or percent) in Ontario as a whole.

Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0277-01 and custom tabulation.

When asked about what options that are provided or could be provided to parents that were employed by this business, more RST businesses (35%) than LUC businesses (29%) reported “not applicable, all work can be performed on a flexible schedule” (Table C.6). Also, more RST businesses (30%) compared to LUC businesses (12%) responded with “not applicable, schools and child care facilities in our area are expected to have normal schedule in the fall.” Each of the other possible measures were mentioned by less than one-quarter of the businesses. Notably, fewer RST businesses (13%) compared to LUC businesses (22%) said they were “not considering any special accommodation for parents.”

Table C.6

What options are provided or could possibly be provided to parents employed by this business?, August 2020, Ontario				
Current or planned measures provided to parents employed by business	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
	Percent reporting			
"Measures" ranked by relative importance to businesses in rural and small town areas				
Not applicable, schools and child care facilities in our area are expected to have a normal schedule in the fall	12	30	14	2.2
Other	2	3	2	1.5
Allow parents to bring children to work	4	5	4	1.4
Not applicable, all work can be performed on a flexible schedule	29	35	30	1.2
Offer an extended leave of absence with reduced or no pay	13	11	13	0.9
Allow parents to switch to part-time status on a temporary or limited basis	15	11	14	0.8
Allow parents to change their schedules	25	17	24	0.7
Not considering any special accommodation for parents	22	13	21	0.6
Allow parents to telework or work remotely	17	10	16	0.6
Create weekend, evening, or overnight shifts to provide more flexibility for parents	8	3	8	0.3
Assign parents alternate tasks that can be done outside of normal business hours	4	1	4	0.2

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0278-01 and custom tabulation.

In the 3rd quarter of 2020, just over one-half of businesses (LUC 52% and RST 53%) reported that they had not laid off any of their staff (Table C.7). Interestingly, 8% of LUC and RST businesses reported that this “business has no staff.”

Table C.7

Since the start of the COVID-19 pandemic, did this business lay off any of its workforce? August, 2020, Ontario				
Percent of employees in the given business who were laid off since the start of the COVID-19 pandemic	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent of businesses reporting			
Business laid off at least one staff	36	37	36	1.0
Business did not lay off any of its workforce	52	53	52	1.0
Business has no staff	8	8	8	1.1
Unknown	4	2	4	0.5

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0279-01 and custom tabulation.

Among businesses who had laid off some staff, about one-third (LUC 36% and RST 33%) had laid off all their staff (Table C.8a).

Among businesses who had rehired some staff, the same share of LUC and RST businesses (29%) had rehired less than 10% of their employees (Table C.8b). A smaller share of RST businesses (20%), compared to LUC businesses (33%), had rehired all of their laid off employees.

Table C.8a

Among businesses where at least one employee was laid off since the start of the COVID-19 pandemic, PERCENT OF EMPLOYEES WHO WERE LAID OFF DUE TO COVID-19, August, 2020, Ontario				
Percent of employees in the given business who were laid off since the start of the COVID-19 pandemic	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent distribution of businesses reporting			
Less than 10%	7	10	8	1.4
10% to 19%	7	14	7	1.9
20% to 29%	9	10	9	1.0
30% to 39%	5	14	6	2.4
40% to 49%	2	2	2	1.2
50% to 59%	16	12	15	0.8
60% to 69%	5	2	4	0.5
70% to 79%	5	0	4	0.0
80% to 89%	4	0	4	0.1
90% to 99%	6	2	5	0.4
100%	36	33	36	0.9
All businesses who laid off an employee due to COVID-19	100	100	100	

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0280-01 and custom tabulation.

Table C.8b

Among businesses where at least one employee was laid off since the start of the COVID-18 pandemic, PERCENT OF EMPLOYEES WHO HAVE SINCE BEEN REHIRED?, August, 2020, Ontario				
Percent of employees rehired since being laid off since the start of the COVID-19 pandemic	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent distribution of number of businesses			
Less than 10%	29	29	29	1.0
10% to 19%	4	2	3	0.6
20% to 29%	4	23	6	3.7
30% to 39%	4	13	5	2.7
40% to 49%	2	0	2	0.1
50% to 59%	10	5	10	0.6
60% to 69%	4	1	4	0.1
70% to 79%	4	5	4	1.4
80% to 89%	3	1	2	0.5
90% to 99%	4	1	4	0.2
100%	33	20	32	0.6
All businesses who rehired some staff	100	100	100	

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** A location quotient indicates the relative intensity or concentration in non-metro relative to Ontario as a whole. It is calculated as the share (or percent) in non-metro divided by the share (or percent) in Ontario as a whole

Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0280-01 and custom tabulation.

When businesses compared their situation in August 2020 to August 2019, RST businesses were more likely than LUC businesses to report a lower revenue (49% and 28% respectively) (Table C.9) and RST businesses were more likely LUC businesses to report higher expenditures (49% and 38% respectively) (Table C.10). With lower revenues and higher expenses, RST businesses were more likely to be experiencing a financial squeeze.

Table C.9

Percent of revenue increase and decrease in August 2020, compared to August 2019		Larger urban centres*	Rural and small town*	All areas	Location quotient**: RST
		Percent distribution of businesses			
Revenues were higher in August 2020	Less than 10%	3	13	4	3.0
	10% to 19%	4	4	4	1.2
	20% to 29%	2	3	3	1.3
	30% to 39%	1	8	2	4.8
	40% to 49%	2	0	2	0.0
	50% or more	2	2	2	1.0
	Subtotal: Revenues higher	14	31	16	1.9
Revenues have stayed the same		23	28	24	1.2
Revenues were lower in August 2020	Less than 10%	4	2	3	0.4
	10% to 19%	11	7	11	0.6
	20% to 29%	12	13	12	1.1
	30% to 39%	12	6	11	0.5
	40% to 49%	7	5	7	0.7
	50% or more	17	10	17	0.6
Subtotal: Revenues lower		62	41	60	0.7
Not applicable (e.g., started operating after August 31st, 2019)		0	0	0	0.8
All businesses		100	100	100	

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0281-01 and custom tabulation.

Table C.10

Compared to August 2019, how did the expenses of this business or organization change in August 2020?, Ontario					
Percent of expense increase and decrease in August 2020, compared to August 2019		Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
		Percent distribution of businesses			
Expenses were higher in August 2020 by:	Less than 10%	8	11	9	1.3
	10% to 19%	13	20	14	1.4
	20% to 29%	9	9	9	1.0
	30% to 39%	3	3	3	0.9
	40% to 49%	2	4	2	1.7
	50% or more	2	2	2	1.2
	Subtotal: Expenses higher	38	49	39	1.3
Expenses have stayed the same		40	29	38	0.7
Expenses were lower in August 2020 by:	Less than 10%	4	1	4	0.3
	10% to 19%	5	10	5	1.8
	20% to 29%	5	7	6	1.3
	30% to 39%	4	3	4	0.8
	40% to 49%	2	0	2	0.2
	50% or more	3	1	3	0.4
	Subtotal: Expenses lower	23	22	23	1.0
Not applicable (e.g., started operating after August 31st, 2019)		0	0	0	0.8
All businesses		100	100	100	

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0282-01 and custom tabulation.

The COVID-19 impact on business expenditures were similar among LUC and RST businesses. About three-quarters reported increased expenditures on sanitization and cleaning (LUC 77% and RST 74%) and about three-quarters reported increased expenditures on personal protective equipment and supplies (LUC 80% and RST 75%) (Table C.11).

At the same time, about two-thirds reported no change in expenditure for repair and maintenance (LUC 60% and RST 62%) but one-fifth did report increased expenditures on these items (LUC 24% and RST 22%). Also, about two-thirds reported no change in expenditure for rent (LUC 64% and RST 72%) but the next largest group was businesses who did not have rent expenses (i.e., they owned their buildings) (LUC 19% and RST 25%). In terms of an increase in expenditure for technology and equipment for teleworking (e.g., laptops, office chairs, etc.), about one-half of enterprises recorded no change (LUC 46% and RST 50%) while a significant share reported an increase (LUC 29% and RST 18%) and another significant share reported that the business does not have this expense (LUC 23% and RST 25%).

Table C.11

COVID-19 impacts on various expenditures, August, 2020, Ontario					
Type of expenditure	Expenditure change	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
		Percent reporting			
Sanitization and cleaning	Increased	77	74	76	1.0
	No change	11	20	12	1.7
	Decreased	0	0	0	0.3
	Business does not have this expense	11	6	10	0.6
	Unknown	2	0	2	0.1
Repair and maintenance	Increased	24	22	24	0.9
	No change	60	62	60	1.0
	Decreased	4	8	4	1.9
	Business does not have this expense	9	5	8	0.6
	Unknown	4	3	4	1.0
Personal protective equipment and supplies	Increased	80	75	79	0.9
	No change	9	19	10	1.8
	Decreased	0	0	0	0.0
	Business does not have this expense	9	7	8	0.8
	Unknown	2	0	2	0.0
Rent	Increased	6	1	6	0.1
	No change	64	72	65	1.1
	Decreased	7	0	6	0.1
	Business does not have this expense	19	25	20	1.3
	Unknown	4	2	4	0.6
Technology and equipment for teleworking, e.g., laptops, office chairs	Increased	29	18	28	0.6
	No change	46	50	46	1.1
	Decreased	0	0	0	1.5
	Business does not have this expense	23	30	23	1.3
	Unknown	2	2	2	1.0
Research and development	Increased	9	2	8	0.3
	No change	39	45	40	1.1
	Decreased	2	0	2	0.1
	Business does not have this expense	45	49	46	1.1
	Unknown	5	4	5	0.7
Research and development personnel	Increased	7	0	6	0.0
	No change	39	43	40	1.1
	Decreased	2	0	2	0.0
	Business does not have this expense	46	52	47	1.1
	Unknown	6	5	6	0.9

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0283-01 and custom tabulation.

When asked about sources of funding or credit received, a majority reported funding from the Canada Emergency Business Account – and perhaps surprisingly, the share of businesses reporting having received these funds was the same for LUC and RST businesses (55%) (Table C.12). The next most-frequently-reported source of funds was the Canada Emergency Wage Subsidy (LUC 30% and RST 25%). An equal share of LUC and RST businesses reported that no sources of funding or credit were accessed (26%). The next-largest item of funding was the Temporary 10% Wage Subsidy (LUC 21% and RST 24%).

Table C.12

Due to COVID-19, was funding or credit for this business approved from any of the following sources?, August, 2020, Ontario				
Source of funding or credit approved or received	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
	Percent of businesses reporting			
"Sources" are ranked by relative importance in rural and small town areas				
Grant or loan funding from philanthropic or mutual-aid sources	0	3	1	6.4
Regional Relief and Recovery Fund	0	3	1	4.6
Other	3	10	4	2.7
Financial institution e.g., term loan or line of credit	3	8	4	2.2
Provincial, Territorial or Municipal government programs	2	3	2	1.2
Temporary 10% Wage Subsidy	21	24	21	1.1
Canada Emergency Business Account (CEBA)	55	55	55	1.0
None	26	26	26	1.0
Canada Emergency Wage Subsidy (CEWS)	30	25	30	0.8
Canada Emergency Commercial Rent Assistance (CECRA)	8	1	7	0.2
Loan from family or friends	4	1	4	0.1
Export Development Canada (EDC) Small and Medium-sized Enterprise Loan and Guarantee program	0	0	0	0.0
Business Development Bank of Canada (BDC) Co-Lending Program for Small and Medium-sized Enterprises	1	0	1	0.0
Innovation Assistance Program	0	0	0	0.0

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0284-01 and custom tabulation.

Among the business who did not access funding or credit, the main reason was “funding or credit not needed” (LUC 58% and significantly more (73%) among RST businesses) (Table C.13). The other main reasons were “eligibility requirements” (LUC 36% and RST being larger at 45%) and “application requirements or complexity” (LUC 18% and RST 16%).

Table C.13

For which of the following reasons has this business not accessed any funding or credit due to COVID-19?, August, 2020, Ontario				
Reasons the business did not access any funding or credit due to COVID-19	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent of businesses			
"Reasons" are ranked by relative importance in rural and small town areas				
Other	8	10	8	1.3
Funding or credit not needed	58	73	60	1.2
Eligibility requirements	36	45	37	1.2
Public perception	2	2	2	1.1
Application requirements or complexity	18	16	18	0.9
Lack of awareness	10	3	10	0.3

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0285-01 and custom tabulation.

When asked whether the business had the cash or liquid assets to continue to operate, RST businesses were more likely to respond 'yes' (85%) compared to LUC businesses (73%) (Table C.14).

Table C.14

Liquidity and access to liquidity, August, 2020, Ontario					
Status on cash or liquid assets required		Larger urban centres*	Rural and small town* areas	All areas	Location quotient**: RST
		Percent reporting			
Yes, business has the cash or liquid assets required to operate		73	85	74	1.1
No, business does not have the cash or liquid assets required to operate	Business will be able to acquire cash or liquid assets required	1	0	1	0.0
	Business will not be able to acquire cash or liquid assets required	5	3	5	0.7
	Unknown if they will be able to acquire cash or liquid assets required	5	4	5	0.8
Status on cash or liquid assets required, unknown		16	8	16	0.5

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0286-01 and custom tabulation.

When asked whether the business has the ability to take on more debt, about one-fifth of the persons completing the questionnaire responded “unknown” (LUC 21% and RST 16%) (Table C.15). Slightly more RST businesses replied ‘no’ (46%) compared to LUC businesses (44%) and slightly more RST business replied ‘yes’ (38%) compared to LUC businesses (34%). Note that we show these data for each business characteristic which emphasizes the point that the small sample size in RST Ontario prevents an assessment of where the ability to take on more debt is higher or lower.

Table C.15

Does this business have the ability to take on more debt?, August, 2020, Ontario													
Business characteristics	Business can take on more debt				Business cannot take on more debt				Unknown				
	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*	
	Percent of businesses reporting				Percent of businesses reporting				Percent of businesses reporting				
All industries	34	38	35	1.1	44	46	45	1.0	21	16	21	0.8	
Agriculture, forestry, fishing and hunting	44	46	45	1.0	38	37	37	1.0	19	18	18	1.0	
Mining, quarrying, and oil and gas extraction	36	71	41	1.7	39	19	36	0.5	26	10	23	0.4	
Construction	34	F	36	F	54	F	51	F	12	19	13	1.4	
Manufacturing	44	21	42	0.5	37	F	40	F	18	F	18	F	
Wholesale trade	41	F	42	F	38	F	38	F	22	4	20	0.2	
Retail trade	32	F	34	F	50	F	49	F	19	2	17	0.1	
Transportation and warehousing	34	12	33	0.4	28	7	27	0.3	38	81	40	2.0	
Information and cultural industries	38	F	38	F	42	F	42	F	21	0	20	0.0	
Finance and insurance	50	F	48	F	23	F	26	F	28	1	26	0.0	
Real estate and rental and leasing	36	0	35	0.0	45	96	47	2.0	18	4	18	0.2	
Professional, scientific and technical services	39	F	40	F	49	F	49	F	12	0	11	0.0	
Administrative & support, waste management & remediation services	36	F	35	F	43	F	42	F	21	F	24	F	
Health care and social assistance	32	F	33	F	46	F	48	F	22	1	20	0.1	
Arts, entertainment and recreation	29	12	27	0.4	50	88	54	1.6	22	0	19	0.0	
Accommodation and food services	24	F	25	F	37	0	36	0.0	39	F	39	F	
Other services (except public administration)	23	F	24	F	58	F	57	F	20	F	19	F	
All employment sizes	34	38	35	1.1	44	46	45	1.0	21	16	21	0.8	
1 to 4 employees	33	29	32	0.9	48	47	48	1.0	19	24	20	1.2	
5 to 19 employees	37	45	38	1.2	44	48	44	1.1	20	7	18	0.4	
20 to 99 employees	37	60	38	1.6	33	34	33	1.0	31	7	30	0.2	
100 or more employees	39	69	42	1.6	15	3	14	0.2	46	29	44	0.6	
All businesses or organizations	34	38	35	1.1	44	46	45	1.0	21	16	21	0.8	
Government agencies	20	100	F	F	F	0	F	F	F	0	F	F	
Private sector businesses	35	38	36	1.1	44	44	44	1.0	21	18	20	0.9	
Non-profit organizations serving households or individuals	19	F	22	F	54	F	56	F	27	3	22	0.1	
Non-profit organizations serving businesses	24	0	22	0.0	F	100	F	F	F	0	F	F	
All ages of businesses or organizations	34	38	35	1.1	44	46	45	1.0	21	16	21	0.8	
2 years or less (2018 to 2020)	40	5	38	0.1	34	94	37	2.5	26	1	24	0.0	
3 to 10 years old (2010 to 2017)	32	36	32	1.1	47	54	47	1.1	21	10	20	0.5	
11 to 20 years old (2000 to 2009)	34	F	34	F	46	F	47	F	21	9	19	0.5	
More than 20 years old (prior to 2000)	36	41	37	1.1	43	35	42	0.8	21	24	21	1.2	
All majority ownership⁵	34	38	35	1.1	44	46	45	1.0	21	16	21	0.8	
Majority ownership, woman	33	F	34	F	45	F	45	F	22	12	21	0.6	
Majority ownership, First Nations, Métis or Inuit	3	98	F	F	96	0	F	F	1	2	2	1.6	
Majority ownership, immigrant to Canada	29	6	28	0.2	44	F	44	F	28	F	28	F	
Majority ownership, person with a disability	F	0	F	F	F	F	F	F	8	0	7	0.0	
Majority ownership, member of LGBTQ2 community	31	0	28	0.0	45	100	51	1.9	24	0	21	0.0	
Majority ownership, visible minority	27	F	27	F	46	F	47	F	27	0	27	0.0	
Ownership by visible minority, all visible minorities	27	F	27	F	46	F	47	F	27	0	27	0.0	
Ownership by visible minority, South Asian	19	0	18	0.0	48	100	49	2.0	33	0	33	0.0	
Ownership by visible minority, Chinese	36	..	36	..	51	..	51	..	12	..	12	..	
Ownership by visible minority, Black	F	..	F	..	F	..	F	..	F	..	F	..	
Ownership by visible minority, Filipino	0	..	0	..	15	..	15	..	85	..	85	..	
Ownership by visible minority, Latin American	0	..	0	..	F	..	F	..	F	..	F	..	
Ownership by visible minority, Arab	6	..	6	..	82	..	82	..	12	..	12	..	
Ownership by visible minority, Southeast Asian	5	..	5	..	90	..	90	..	6	..	6	..	
Ownership by visible minority, West Asian	F	..	F	..	F	..	F	..	F	..	F	..	
Ownership by visible minority, Korean	2	..	2	..	95	..	95	..	3	..	3	..	
Ownership by visible minority, Japanese	0	..	0	..	100	..	100	..	0	..	0	..	
Ownership by visible minority, other visible minority	16	..	16	..	84	..	84	..	0	..	0	..	
Ownership by visible minority, preferred not to say	34	100	35	2.9	32	0	32	0.0	34	0	34	0.0	
All business or organization activities	34	38	35	1.1	44	46	45	1.0	21	16	21	0.8	
Exported goods or services outside of Canada	38	F	39	F	42	F	41	F	20	F	21	F	
Had operations outside of Canada	14	..	14	..	F	..	F	..	F	..	F	..	
Made investments outside of Canada	F	..	F	..	7	..	7	..	F	..	F	..	
Sold goods to businesses in Canada who then resold them outside of Canada	55	7	43	0.2	27	F	39	F	18	F	18	F	
Imported goods or services from outside of Canada	44	18	42	0.4	41	F	42	F	16	12	16	0.8	
Relocated any business or organizational activities or employees from another country into Canada	65	..	65	..	11	..	11	..	24	..	24	..	
Engaged in other international business or organizational activities	45	..	45	..	35	..	35	..	20	..	20	..	
None of the above	33	40	34	1.2	46	43	45	1.0	22	17	21	0.8	

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0287-01 and custom tabulation.

According to this survey, a significant share of businesses “neither own nor rent space” (LUC 23% and RST 17%) (Table C.16). Among the owners of space, nearly all “intend to fully maintain occupancy of current location” and among renters, nearly all “intend to maintain its full lease.”

Table C.16

Business intentions regarding owned or leased space, August, 2020, Ontario					
Own or rent / lease	Intentions	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
		Percent of businesses reporting			
Own	Intend to move to another location	0	0	0	0.0
	Intend to sublet space to others	0	1	0	2.5
	Intend to fully maintain occupancy of current location	18	44	21	2.1
Rent or lease	Intend to maintain its full lease	56	39	54	0.7
	Intend to break its lease	2	0	2	0.0
	Intend to sublet space to others	1	0	1	0.0
Neither own nor rent space		23	17	22	0.8

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0288-01 and custom tabulation.

When asked about the level of difficulty in procuring personal protective equipment, most businesses reported “no difficulty” or “not needed.” However, there was difficulty procuring some items:

- masks (27% of LUC businesses and 26% of RST businesses);
- eye protection (LUC 12% and RST 6%);
- face shields (e.g., visors) (LUC 14% and RST 13%);
- gloves (LUC 25% and RST 24%);
- cleaning products (LUC 29% and RST 24%);
- disinfecting wipes (LUC 40% and RST 42%); AND
- hand sanitizer (LUC 29% and RST 24%) (Table C.17).

Table C.17

Does this business expect to experience difficulty procuring any of the following personal protective equipment or supplies?, August, 2020, Ontario					
Personal protective equipment or supplies	Level of difficulty expected in procuring personal protective equipment or supplies	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
		Percent of businesses reporting			
Masks	Significant difficulty	5	2	4	0.4
	Some difficulty	22	24	22	1.1
	No difficulty	67	71	67	1.1
	Not needed	7	4	7	0.5
Eye protection	Significant difficulty	1	1	1	0.5
	Some difficulty	11	5	10	0.5
	No difficulty	49	58	50	1.1
	Not needed	39	37	39	1.0
Face shields e.g., visors	Significant difficulty	2	0	2	0.0
	Some difficulty	12	13	12	1.1
	No difficulty	43	38	42	0.9
	Not needed	44	50	44	1.1
Gloves	Significant difficulty	4	8	5	1.7
	Some difficulty	21	16	20	0.8
	No difficulty	54	54	54	1.0
	Not needed	22	23	22	1.0
Gowns	Significant difficulty	1	1	1	0.4
	Some difficulty	9	7	9	0.7
	No difficulty	22	10	21	0.5
	Not needed	68	83	69	1.2
Cleaning products	Significant difficulty	4	4	4	1.0
	Some difficulty	25	20	25	0.8
	No difficulty	60	63	61	1.0
	Not needed	10	13	11	1.2
Disinfecting wipes	Significant difficulty	14	13	14	0.9
	Some difficulty	26	29	26	1.1
	No difficulty	49	49	49	1.0
	Not needed	11	9	11	0.8
Hand sanitizer	Significant difficulty	4	0	4	0.1
	Some difficulty	25	24	25	1.0
	No difficulty	64	73	65	1.1
	Not needed	8	3	7	0.4
Plexiglass or sneeze guards	Significant difficulty	1	2	1	1.4
	Some difficulty	8	4	8	0.5
	No difficulty	36	24	35	0.7
	Not needed	55	70	56	1.2
COVID-19 testing kits	Significant difficulty	7	3	7	0.5
	Some difficulty	5	4	5	0.7
	No difficulty	8	4	8	0.5
	Not needed	79	89	80	1.1
Thermometers	Significant difficulty	4	3	4	0.8
	Some difficulty	8	10	8	1.3
	No difficulty	35	16	33	0.5
	Not needed	54	72	56	1.3
Other	Significant difficulty	0	0	0	0.0
	Some difficulty	0	0	0	0.0
	No difficulty	0	0	0	0.0
	Not needed	100	100	100	1.0

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0289-01 and custom tabulation.

The main reasons for difficulty in procuring personal protective equipment were “normal source of personal protective equipment or supplies is unable to meet demand” (LUC 56% and RST 79%), “cost of personal protective equipment or supplies is too high” (LUC 31% and RST 20%) and “cannot source enough personal protective equipment or supplies to meet consumption” (LUC 17% and RST 10%) (Table C.18).

Table C.18

Reasons why difficulty is expected in procuring personal protective equipment or supplies, August, 2020, Ontario				
Reasons business had difficulty procuring personal protective equipment or supplies	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
	Percent of businesses reporting			
Do not know where to procure personal protective equipment or supplies from	11	5	11	0.5
Normal source of personal protective equipment or supplies is unable to meet demand	56	70	58	1.2
Cost of personal protective equipment or supplies is too high	31	20	30	0.7
Cannot source enough personal protective equipment or supplies to meet consumption	17	10	16	0.6
Other reasons business had difficulty procuring personal protective equipment or supplies	5	9	5	1.6

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0290-01 and custom tabulation.

Businesses were asked whether they expected to permanently adopt new ways for employees to work, to diversify supply chains or to change how they interacted with customers. For each item, most businesses replied “not relevant to this business” and in almost every case, the second most likely response was “very unlikely” (Table C.19). Items with a relatively larger share of businesses reporting that it was likely the new ways would be permanently adopted were related to:

- increase contactless delivery or pickup options (LUC 26% and RST 17%);
- increase online sales capacity (LUC 19% and RST 11%);
- increase IT (information technology) infrastructure to support teleworking (LUC 17% and RST 11%);
- offer more employees the possibility of teleworking or working remotely (LUC 17% and RST 8%);
- diversify supply chains within Canada (LUC 14% and RST 7%);
- make investments to increase the security of telework systems (LUC 13% and RST 9%);
- increase physical space used by the business (LUC 10% and RST 7%);
- adopt shiftwork to increase the distance between employees (LUC 10% and RST 4%); and
- automate certain tasks (e.g., through the use of robots or computer algorithms) (LUC 10% and RST 5%).

Table C.19

How likely is this business to permanently adopt each of the following measures once the COVID-19 pandemic is over?, August, 2020, Ontario

Possible measure for business to adopt once the pandemic is over	Likelihood business will permanently adopt measure	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
		Percent of businesses reporting			
Offer more employees the possibility of teleworking or working remotely	Very unlikely	23	32	24	1.3
	Unlikely	5	5	5	1.0
	Neither likely nor unlikely	6	1	6	0.2
	Likely	5	1	5	0.2
	Very likely	12	7	11	0.6
	Not relevant for this business	49	55	50	1.1
Require more employees to telework or work remotely	Very unlikely	27	30	28	1.1
	Unlikely	6	7	6	1.3
	Neither likely nor unlikely	5	2	5	0.4
	Likely	2	0	2	0.0
	Very likely	6	3	5	0.5
	Not relevant for this business	54	58	54	1.1
Require employees to come back to on-site work	Very unlikely	7	7	7	1.1
	Unlikely	4	3	3	0.8
	Neither likely nor unlikely	9	4	9	0.5
	Likely	8	6	8	0.7
	Very likely	32	20	31	0.7
	Not relevant for this business	41	60	43	1.4
Increased IT infrastructure to support teleworking	Very unlikely	15	24	16	1.5
	Unlikely	6	5	6	1.0
	Neither likely nor unlikely	7	2	6	0.2
	Likely	8	3	7	0.4
	Very likely	9	8	8	0.9
	Not relevant for this business	57	59	57	1.0
Make investments to increase the security of telework systems	Very unlikely	15	22	16	1.4
	Unlikely	8	5	7	0.7
	Neither likely nor unlikely	8	3	8	0.3
	Likely	6	2	6	0.4
	Very likely	7	7	7	1.1
	Not relevant for this business	57	61	57	1.1
Automate certain tasks e.g., through the use of robots or computer algorithms	Very unlikely	20	25	21	1.2
	Unlikely	6	4	6	0.6
	Neither likely nor unlikely	5	3	5	0.6
	Likely	5	3	4	0.7
	Very likely	5	2	5	0.4
	Not relevant for this business	60	64	60	1.1
Adopt shiftwork to increase the distance between employees	Very unlikely	22	32	24	1.4
	Unlikely	6	7	7	1.1
	Neither likely nor unlikely	7	2	7	0.3
	Likely	4	2	3	0.5
	Very likely	6	2	6	0.3
	Not relevant for this business	54	55	54	1.0
Modify the work space to increase the distance between employees	Very unlikely	18	27	19	1.4
	Unlikely	6	5	6	0.8
	Neither likely nor unlikely	10	2	9	0.3
	Likely	9	6	8	0.7
	Very likely	15	8	14	0.6
	Not relevant for this business	42	52	43	1.2
Diversify supply chains within Canada	Very unlikely	12	15	13	1.2
	Unlikely	4	9	4	2.0
	Neither likely nor unlikely	7	7	7	0.9
	Likely	7	2	6	0.3
	Very likely	7	5	7	0.7
	Not relevant for this business	63	63	63	1.0
Diversify supply chains outside Canada	Very unlikely	15	21	16	1.4
	Unlikely	4	5	4	1.1
	Neither likely nor unlikely	6	3	6	0.5
	Likely	3	0	2	0.1
	Very likely	2	0	2	0.0
	Not relevant for this business	70	71	70	1.0
Reduce hiring of temporary foreign workers	Very unlikely	11	13	11	1.1
	Unlikely	3	3	3	1.1
	Neither likely nor unlikely	4	1	3	0.2
	Likely	0	0	0	0.0
	Very likely	2	2	2	0.9
	Not relevant for this business	81	82	81	1.0
Increase online sales capacity	Very unlikely	10	13	10	1.3
	Unlikely	4	3	4	0.8
	Neither likely nor unlikely	6	3	6	0.6
	Likely	5	8	6	1.4
	Very likely	14	3	13	0.2
	Not relevant for this business	62	70	62	1.1
Increase contactless delivery or pickup options	Very unlikely	11	12	11	1.1
	Unlikely	3	5	4	1.4
	Neither likely nor unlikely	9	9	9	1.1
	Likely	8	9	8	1.2
	Very likely	18	8	17	0.5
	Not relevant for this business	52	56	53	1.1
Reduce physical space used by the business or organization	Very unlikely	33	32	33	1.0
	Unlikely	4	5	4	1.2
	Neither likely nor unlikely	7	1	7	0.1
	Likely	3	6	4	1.6
	Very likely	6	5	6	0.8
	Not relevant for this business	46	52	47	1.1
Increase physical space used by the business or organization	Very unlikely	35	29	34	0.8
	Unlikely	4	5	4	1.2
	Neither likely nor unlikely	7	3	6	0.4
	Likely	3	4	3	1.5
	Very likely	7	3	7	0.4
	Not relevant for this business	45	56	46	1.2

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0291-01 and custom tabulation.

In terms of the financial status and outlook for this business,

- a strong majority “agree” that “before the pandemic, the general outlook for this business was positive (LUC 83% and RST 86%) (Table C.20); and
- a strong majority “disagree” that “this business is actively considering bankruptcy or closing as a result of COVID-19 (LUC 75% and RST 89%);
- a smaller share of businesses agree that “this business is prepared financially for a possible second wave of COVID-19” (LUC 39% and RST 43%). The significant share of business stated “neither agree nor disagree” (LUC 27% and RST 31%).
- a larger share of businesses disagree that “the revenue of this business over the next 3 months will be higher than it was over the last 3 months” (LUC 35% and RST 27%). Recalling the adage that making predictions is difficult, especially about the future, we see that a significant share of businesses replied “unknown” (LUC 32% and RST 25%).

Table C.20

What is the outlook for this business?, August, 2020, Ontario					
Outlook for this business	Extent to which the statement applies to the business or organization	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
		Percent of businesses reporting			
Before the pandemic, the general outlook for this business was positive	Strongly agree	62	73	64	1.1
	Somewhat agree	21	13	20	0.6
	Neither agree nor disagree	9	9	9	1.0
	Somewhat disagree	1	0	1	0.0
	Strongly disagree	3	2	3	0.8
	Unknown	4	3	4	0.7
This business is actively considering bankruptcy or closing as a result of COVID-19	Strongly agree	3	2	2	0.7
	Somewhat agree	3	1	2	0.5
	Neither agree nor disagree	9	3	8	0.4
	Somewhat disagree	11	10	11	0.9
	Strongly disagree	64	79	65	1.2
	Unknown	12	5	11	0.5
This business is prepared financially for a possible second wave of COVID-19	Strongly agree	20	22	20	1.1
	Somewhat agree	19	21	19	1.1
	Neither agree nor disagree	27	31	28	1.1
	Somewhat disagree	10	4	10	0.5
	Strongly disagree	12	10	12	0.9
	Unknown	12	11	12	1.0
The revenue of this business over the next 3 months will be higher than it was over the last 3 months	Strongly agree	6	5	6	0.9
	Somewhat agree	8	9	8	1.1
	Neither agree nor disagree	20	34	22	1.6
	Somewhat disagree	11	6	11	0.5
	Strongly disagree	24	21	23	0.9
	Unknown	32	25	31	0.8

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0292-01 and custom tabulation.

Similarly, when asked the length of time the business can continue before considering further staffing actions, closure or bankruptcy,”

- a significant share responded “unknown” (LUC 30% and RST 30%); but
- a higher share responded “12 months or more” (LUC 37% and RST 44%) (Table C.21).

Table C.21

What is the length of time this businesses can continue to operate before considering further staffing actions, closure or bankruptcy, August, 2020, Ontario				
Length of time business can continue to operate before considering further staffing actions, closure or bankruptcy	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent of businesses reporting			
Less than 1 month	1	1	1	1.6
1 month to less than 3 months	6	2	5	0.4
3 months to less than 6 months	13	8	12	0.7
6 months to less than 12 months	13	15	14	1.1
12 months or more	37	44	38	1.2
Unknown	30	30	30	1.0

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0293-01 and custom tabulation.

A majority of businesses expect their prices to “stay the same” over the next three months” (LUC 56% and RST 58%) and some expect prices to “increase” (LUC 18% and RST 14%) (Table C.22). However, some replied “not applicable” (LUC 10% and RST 20%).

Table C.22

What is the expectation of this business regarding the prices it charges over the next three months?, August, 2020, Ontario				
Business's expectations regarding the prices it charges over the next three months	Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
	Percent of businesses reporting			
Increase	18	14	18	0.8
Stay the same	56	58	56	1.0
Decrease	5	0	5	0.0
Unknown	10	8	10	0.8
Not applicable	10	20	11	1.7

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0294-01 and custom tabulation.

At least two-thirds of business expect their number of employees to “stay the same” over the next three months (LUC 73% and RST 66%) with a small share expecting the number of employees to “decrease” (LUC 10% and RST 17%) (Table C.23). One in ten businesses replied “unknown.”

Table C.23

What is the expectation for the number of employees employed by this business over the next three months?, August, 2020, Ontario				
Business's expectations regarding the number of employees over the next three months	Larger urban centres*	Rural and small town* areas	All areas	Location quotient: RST*
	Percent of businesses reporting			
Increase	7	8	7	1.2
Stay the same	73	66	72	0.9
Decrease	10	17	11	1.6
Unknown	10	9	10	0.9

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0295-01 and custom tabulation.

At least two-thirds of businesses “do not plan to expand or acquire or invest in other businesses in the next year” (LUC 68% and RST 77%) (Table C.24). Most of the other responses were “unknown” (LUC 24% and RST 20%).

Table C.24

Does this business plan to acquire or invest in other businesses in the next year?, August, 2020, Ontario					
Does this business plan to acquire or invest in other businesses in the next year?		Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
		Percent of businesses reporting			
Yes, business plans to acquire or invest in the next year	Expand current location of the business	4	3	4	0.7
	Expand business to other locations	3	1	2	0.3
	Acquire other businesses or franchises	2	0	2	0.0
	Invest in other businesses	2	0	2	0.0
No, business does not plan to expand or acquire or invest in other businesses in the next year		68	77	69	1.1
Unknown		24	20	23	0.8

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Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0296-01 and custom tabulation.

Again, at least two-thirds of businesses have “no plans to transfer, sell or close” the business (LUC 65% and RST 76%). Again, many businesses replied “unknown” (LIC 29% and RST 21%).

Table C.25

Are there any plans to transfer, sell or close this business within the next year?		Larger urban centres*	Rural and small town*	All areas	Location quotient: RST*
		Percent of businesses reporting			
Yes, business plans to transfer, sell or close	Transfer to family members without money changing hands	0	0	0	0.0
	Sell to family members	0	0	0	0.0
	Sell to employees	1	0	0	0.0
	Sell to external parties	3	2	3	0.7
	Close the business	2	2	2	0.8
	Unknown	1	0	0	0.0
No, business does not plan to transfer, sell or close		65	76	66	1.1
Unknown		29	21	28	0.8

* Larger Urban Centres (LUCs) include Census Metropolitan Areas (CMAs) with a total population 100,000 or more (with at least 50,000 in the urban core) and Census Agglomerations (CAs) with a population of 10,000 to 99,999 and both include residents of neighbouring towns and municipalities where 50+% of employed residents commute to the CMA or CA.

* Rural and small town (RST) individuals reside outside a CMA or CA.

** A location quotient indicates the relative intensity or concentration in rural and small town (RST) Ontario relative to Ontario as a whole. It is calculated as the share (or percent) in RST divided by the share (or percent) in Ontario as a whole.

Source: Statistics Canada, Canadian Survey of Business Conditions, Table 33-10-0297-01 and custom tabulation.