Thunder Bay
Ventures
Community Futures Development Corporation

2007 Thunder Bay
Small Business Opinion Survey

June 2007

10th Annual Report
presented by Thunder Bay Ventures

to examine the attitudes of the business community towards specific issues and developments in the local community.

FedNor

Canada

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Executive Summary

Completion of the "2007 Thunder Bay Business Opinion Survey" marks a milestone, as it has now been a decade since small businesses in the region have been provided with a vehicle to express their opinions, beliefs and various performance levels regarding the operation of a small business in this region. No other survey in this area provides government, media and other constituencies with this level of in-depth analysis of small business thinking. As always, findings examine the current and future small business environment in Thunder Bay along with new and existing regional developments and institutions. Both quantitative and qualitative findings of the survey are provided in an effort to identify patterns and trends in small business activity. Statistical methodology and practice, primarily with the use of frequencies and descriptives, are used in the study. All efforts were made to eliminate bias that may provide misleading results. With 127 usable responses, the targeted population is statistically represented. The presentation format of this report is similar to previous years. Questionnaire reliability and validity were examined and found to be consistent with generally accepted statistical techniques.

The survey offered notable findings in several key areas:

(1) Energy rates, gasoline and fuel oil rates, insurance rates and the general economic climate in Thunder Bay appear to be significant problems facing small business respondents. These concerns remain consistent with last year. However, results appear more problematic in scope as each of the issues (quantitative score) has increased slightly.

(2) 52 percent of the respondents believe the City will be able to develop the $100 million dollar Marina Park Village at the Waterfront as planned over the next 10 years. While sentiment regarding the building of a new multi-plex arena in Thunder Bay remains constant at just under 70 percent in favour of the endeavour, and 54 percent of small business respondents indicate the casino should be closed, just one percent lower than last year's 55 percent

(3) 78 percent of small business respondents believe that the Thunder Bay economy will have negative or no growth over the next year. Although this finding remains pessimistic for the region, it is slightly better than the 85 percent from last year and 90 percent 2 years ago. Indications are that small business believes the Thunder Bay economy may have bottomed out and is due for a recovery.

(4) 95 percent of respondents believe that the potential of the mining sector is gaining importance in the Thunder Bay region. A primary manufacturing shift from logging, pulp and paper to mining and mineral activity appears underway.

(5) 54 percent of respondents had a sales increase from the previous year, down from 69 percent of firms responding last year. In contrast, employment levels stayed exactly the same as in the 2006 survey results as 87 percent of sampled firms either increased or maintained their current level of employees.

(6) Small business firms are demonstrating some inconsistencies with expected employment levels over the next 12 months. Only 28 percent of firms are expecting to hire new employees, down 13 percent from last year, although layoff expectations have remained constant at 13 percent. The hiring results are supported by the decrease in annual sales.

Research Objective

Completion of the "2007 Thunder Bay Business Opinion Survey" marks a milestone, as it has now been a decade since small businesses in the region have been provided with a vehicle to express their opinions, beliefs and various performance levels regarding the operation of a small business in this region. No other survey in this area provides government, media and other constituencies with this level of in-depth analysis of small business thinking.

As noted in each of the previous 10 years, the objective of the study is to examine the attitudes and behaviours of small business organizations in the Thunder Bay Census Metropolitan Area (CMA). The three specific areas of concentration are in: (1) gauging both the attitudes and trends of the small business community with regard to the current and future business climate in Thunder Bay; (2) identifying factors most critical to the development of the City's economy beyond the year 2007, and (3) examining the attitudes of the business community toward specific issues and developments in the local community. The survey also provides respondents with the opportunity to openly comment on any issue they choose. This approach has led to the development of new questions within subsequent surveys and continues to provide valuable and candid feedback of small business owner thinking.

The principal organization driving this survey is Thunder Bay Ventures; an organization funded by Industry Canada through FedNor, as part of the federal government's Community Futures Development Program. Thunder Bay Ventures has a mandate to conduct research on issues relevant to community economic development, in addition to providing financing and support to small business. The 2007 annual survey was conducted in May and June of this year.

Methodology and Response

The population of study for this research is firms with less than 35 full-time employees, regardless of revenues or type of business activity. This population is also located in the Thunder Bay CMA and has no affiliation with a particular industry sector. Included with the questionnaire was a letter of introduction explaining the purpose of the survey and details of a response incentive. During a three-week data collection period, 700 surveys were delivered with 130 surveys returned (18.6%), slightly up from last year and acceptable given the population size. Of the 130 responses, 3 were considered unusable providing a net response of 127.

The survey uses a systematic random sample approach and is delivered through Canada Post. Each survey is addressed to the identified owner of the business. The questionnaire uses a Likert scale (1 to 5) response format as well as categorical response options for assessing frequency and descriptive data (see Appendix A). The questionnaire is 7 pages and has approximately 145 questions. The time estimated to complete the survey was between 10 to 15 minutes.

Respondents are also offered the opportunity to openly express comments regarding significant problems facing their small business. Sixty eight percent of respondents did provide additional feedback on one or more of the open-ended questions. These responses are simply opinionated comments and do not indicate any statistical significance or trend.

In keeping with accepted statistical practice, an examination of the questionnaire's reliability and numerous validity measures were performed. The inter-item reliability alpha was calculated and found to be in line with acceptable consistency and accuracy thresholds. The research instrument also demonstrates strong internal and external validity. Results provided in this year's survey both typify and reinforce results from previous surveys.

Respondent Profile

Provided in the Respondent Profile section are general demographic results for the 2007 survey respondents. Percentage results provided are from those individuals responding to the specific questions. Every respondent did not answer every question, in every case. Respondent characteristics appear to reflect the small business population and are consistent with characteristics exhibited in previous years. Respondent firms from this year's survey are larger than last year's survey, based on employee size and average annual revenue. However years in business, business type, gender and respondent age are consistent with previous results.

More noteworthy results from this section are that 54 percent of respondents enjoyed a sales increase over last year. Of concern though is that 69 percent of firms responding in last year's survey had sales increases from the previous year. This equates to a 15 percent drop in firms benefiting from increased sales. In contrast, employment levels stayed exactly the same as in the 2006 survey results as 87 percent of sampled firms either increased or maintained their current level of employees. This may suggest a potential increase in layoffs in the small business sector for the upcoming year.

Gender		
	Male	**57%**
	Female	**43%**
Age of Respondent (average)		**48 years**
Years in Business (average)		**20 years**
Business Type		
	Retail	**36%**
	Wholesale	**3%**
	Manufacturing	**8%**
	Professional services	**35%**
	Personal services	**12%**
	Other	**6%**
Legal Status of Business		
	Sole proprietor	**32%**
	Partnership	**12%**
	Corporation	**56%**

Number of Employees			
	Full-time (avg)		**9**
	Part-time (avg)		**7**
Change in Total Employment (2006)			
	Increased		**27%**
	Remained the same		**60%**
	Decreased		**13%**
Actual Sales (FY2006)			
	Less than $25,000		**10%**
	$25,000 - $49,000		**7%**
	$50,000 - $99,999		**10%**
	$100,000 - $249,999		**20%**
	$250,000 - $499,999		**12%**
	$500,000 - $999,999		**10%**
	$1 Million - $5 Million		**26%**
	Greater than $5 Million		**5%**
Change in Actual Sales		**04-05**	**05-06**
	Increase	**69%**	**54%**
	Decrease	**31%**	**46%**
Industry Canada Ownership Categories			
	Woman		**43%**
	Aboriginal		**5%**
	Francophone		**2%**
	Youth		**5%**

Current Small Business Issues

The "Current Small Business Issues" section is focused on understanding the current posture of small business owners given their previous experiences and future expectations. The mean scores are provided in the following tables. Deviations away from the center (3.00) indicate an area to watch as well as emerging trends in either direction. These results are shaded.

Sales expectations for FY2007 are exactly the same as in the 2006 survey, and remain marginally positive at 61 percent. It should be noted that although 61 percent of firms expected sales increases for 2006, only 54 percent realized them. In addition, small business firms are demonstrating some inconsistencies with expected employment levels over the next 12 months. Only 28 percent of firms are expecting to hire new employees over the next 12 months, down 13 percent from last year, although layoff expectations have remained constant at 13 percent. These findings are supported by decrease in annual sales, suggested in the Respondent Profile section above.

Small business concerns remain consistent with last year as significant problems facing respondents appear to be energy rates, gasoline and fuel oil rates, insurance rates and the general economic climate in Thunder Bay. However, results appear more problematic in scope as each of the issues (quantitative score) has increased slightly. As noted in previous years, small businesses appear most concerned about performance variables that they have little or no control over.

The investment intent of small business owners over the next 12 months remains very flat as respondents indicate a posture of little or no investment activity expected for their business, across the board. This behaviour suggests a conservative approach to short-term conditions in Thunder Bay and is in keeping with general investment activity in periods of economic uncertainty. Decisions to invest become increasingly problematic and risky, so business owners will take a hold and save approach until they are more confident of a potential healthier return.

Numerous developments and institutions are showing favour with small business respondents. First, and in keeping with the last several years' results, higher education in the region appears to have the greatest potential for a favourable impact on small businesses. Second, and returning to this year's survey after several years of absence, respondents believe waterfront development would have a very positive impact on their business. And lastly two new items to this year's survey, both the new LU research facility and a resurgence in mining activity in the region demonstrate positive potential for small businesses. Impact regarding the OLG Casino on small business seems to have bottomed out as no further deterioration has been exhibited in this year's findings. However, impact on small business remains quite negative at just under a mean score of 2.30, although up slightly from last year.

(1) Respondent Expectations

Expect Annual Sales Increase		**2006**	**2007**
	Yes	**61%**	**61%**
	No	**39%**	**39%**
Hiring Expectations for Next 12 Months		**2006**	**2007**
	Planning to hire additional employees	**41%**	**28%**
	Planning not to hire additional employees	**46%**	**59%**
	Planning to layoff employees	**13%**	**13%**

(2) Below is a list of problems often encountered by businesses, please indicate the extent to which the following issues have been a problem for your business in <u>the past 12 months</u>.

Not a Problem (1) – Significant Problem (5)

	2007
Increasing wage rates	2.29
Declining sales	2.84
Availability of skilled labour	2.52
Weather conditions	1.92
Raising capital/securing business loans	2.11
Increased competition	2.46
Access to market research	1.69
Government paperwork requirements	2.63
Municipal zoning/building requirements	1.86
Access to advice	1.79
Union restrictions	1.31
Electricity rates	2.83
Gasoline and fuel oil rates	3.63

(3) How important were the following factors to your sales performance in the 2006 fiscal year?

Not Important (1) – Very Important (5)

	2006	***2007***
Inventory price increases	2.52	2.65
Advertising/promotion	3.20	3.08
General economic climate	3.79	3.93
Change in product/service offering	2.70	2.46
Staff related issues	2.59	2.30
Change in competitive environment	2.92	2.66
Weather	2.14	2.14
New markets	1.79	1.82
Canadian – U.S. exchange rate	2.21	2.32
Fuel/energy costs	3.28	3.52
Insurance rates	3.31	3.25
U.S. border restrictions	2.14	2.13
Gasoline and fuel oil rates	3.27	3.60
Electricity rates	3.19	3.07

(4) How important do you expect each of the following factors to be for the future success of your business?

Not Important (1) – Very Important (5)

	2006	*2007*
Inventory price increases	2.90	2.97
Advertising/promotion	3.63	3.31
General economic climate	4.21	4.16
Change in product/service offering	3.03	2.78
Staff related issues	2.82	2.54
Change in competitive environment	3.18	3.00
Weather	2.28	2.27
New markets	2.38	2.24
Canadian – U.S. exchange rate	2.67	2.50
Fuel/energy costs	3.47	3.62
Insurance rates	3.46	3.39
U.S. border regulations	2.54	2.31

(5) Is your company planning to invest more or less in the following activities over <u>the next 12 months</u> than in the previous year?

Significantly Less (1) – Significantly More (5)

	2007	*2006*	*2005*	*2004*	*2003*
Advertising/promotion	3.06	3.16	3.32	3.33	3.11
Employee compensation	2.64	2.76	2.83	2.82	2.75
Employee recruitment	2.49	2.71	2.82	2.93	2.64
Staff training programs	2.76	2.82	2.92	3.18	3.00
Partnering with other firms	2.45	2.63	2.85	2.86	2.70
Inventory supply	2.56	2.71	2.74	2.83	2.75
Capital projects – equipment	2.67	2.57	2.90	3.03	2.94
Market research	2.39	2.58	2.76	2.91	2.77
Technology	2.80	2.83	3.23	3.27	3.04
Consulting/advisory service(s)	2.36	2.46	2.74	2.79	2.67

(6) What kind of impact do you believe the following developments/institutions will have upon <u>your business</u>?

Very Negative (1) – Very Positive (5)

	2007	*2006*	*2005*	*2004*	*2003*
Electricity production	2.91	2.84	2.94	-	-
Box store expansion	2.61	2.51	2.62	2.63	2.88
Gasoline/fuel prices	2.42	2.21	2.20	2.27	-
Cross border security	2.57	2.55	2.91	2.69	-
Waterfront development	3.40	-	-	-	-
OLG casino	2.28	2.18	2.21	2.35	2.56
Lakehead University	3.55	3.71	3.63	3.62	-
Confederation College	3.58	3.64	3.63	3.62	-
Changing tax rates	2.92	3.12	2.62	2.56	-
Pulp and paper industry	2.44	2.35	2.98	3.19	-
Local sawmill production	2.44	2.49	2.95	3.13	-
Electricity rates	2.49	2.17	-	-	-
Mining Industry	3.20	-	-	-	-
LU Research Centre	3.44	-	-	-	-
Call centres	2.81	3.05	-	-	-

Thunder Bay Business Climate

The "Thunder Bay Business Climate" section of the survey is presented in an effort to gauge small business' attitudes toward the current and future business climate and economic growth potential for the Thunder Bay CMA. Specific questions regarding new development and institutions and their impact on the Thunder Bay economy, industry sector growth potential, and the City's ability to meet the needs of small business are discussed.

Seventy-eight percent of small business respondents believe that the Thunder Bay economy will have negative or no growth over the next year. Although this finding remains pessimistic for the region, it is slightly better than the 85 percent from last year and 90 percent 2 years ago. It appears that small business believes the Thunder Bay economy may have bottomed out and is due for a recovery. There also remains strong sentiment that Thunder Bay, whether economic developers or city council, should focus on and pursue a particular industry sector. Although no specific indicator of which industry sector to pursue is apparent, sentiment is that this may be a more efficient approach for the region. Sectors of interest, as indicated in various other questions suggest higher education, healthcare, senior services or tourism.

In meeting the needs of small business owners, no obvious factors, either well or not well, are evident in the results. In previous years, respondents suggested government representation at all levels was problematic, however in this year's findings, each level of government has improved. A slight deterioration in municipal tax rates has occurred and a negative trend continues.

Survey respondents find that healthcare facilities, and more surprisingly technology infrastructure, and quality of life are believed to be the primary enticements for businesses to relocate to the Thunder Bay region, while city government and policies is the greatest impediment for those firms looking to relocate here.

Quality of life is a topic often examined when looking at our region. Responses show that small business believes retirees continue to have the highest quality of life here, up notably to a mean score over 4.0, while small business owners themselves have the lowest. And comparing our region with others, 60 percent feel it is better than most other comparable regions, up 7 percent from last year. However, 16 percent of respondents believe the quality of life in Thunder Bay is not as good as most, also up 2 percent, indicating a polarization trend. The quality of life issue is difficult to measure, as defined constructs are inconsistent and difficult to quantify. Further examination of this topic is warranted.

Lastly, 71 percent of respondents believe that the recent layoffs of regional mill employees have affected their sales, consistent with last year. This remains problematic as small businesses have identified this sector as having a low growth potential in the future, with a mean score of 1.92.

Also, respondent owners were asked about the security of their business over the next three years. With marginally deteriorated results from last year, only about two-thirds indicated they are secure about the future of their business.

(7) Anticipated Economic Growth for Thunder Bay In the Next 12 Months

	2007	***2006***	***2005***	***2004***
Decrease in Economic Growth	**53%**	**67%**	**61%**	**41%**
No Change in Economic Growth	**25%**	**18%**	**29%**	**36%**
Increase in Economic Growth	**22%**	**15%**	**10%**	**23%**

(8) Do you believe the City of Thunder Bay should pursue the focused development of a particular industry sector?

	2007	***2006***	***2005***	***2004***
Yes	**80%**	**89%**	**78%**	**78%**
No	**20%**	**11%**	**21%**	**21%**

(9) Evaluate the following Thunder Bay industry sectors in terms of growth potential (e.g., new markets, new products/services).

None (1) – Great (5)

	2007	*2006*	*2005*	*2004*	*2003*	*2002*
Primary (logging)	1.63*	2.24	2.55	2.55	2.65	3.05
Primary (mining)	3.26	-	-	-	-	-
Secondary (large manufacturing)	2.62	2.29	2.37	2.43	2.65	2.99
Small manufacturing	2.95	2.77	2.80	2.80	3.51	3.38
Electricity manufacturing	2.94	2.89	2.98	-	-	-
Hospitality and tourism	3.58	3.47	3.42	3.36	3.80	3.82
Healthcare services	3.91	3.66	3.33	3.44	3.69	3.62
Retailing	3.11	2.83	2.92	2.90	3.09	3.24
Senior services	3.52	3.50	3.52	-	-	-
Financial services	2.94	3.03	2.93	3.41	3.07	3.08
Higher education	3.95	4.08	3.82	3.44	3.93	4.10
Construction services	2.90	-	-	-	-	-
Government services	2.98	-	-	-	-	-

*separated logging and mining

(10) How well does Thunder Bay meet the needs of <u>your specific business</u> with respect to the following factors?

Not Very Well (1) – Very Well (5)

	2007	*2006*
Labour pool (education, availability, skill)	2.92	2.90
Access to raw materials/natural resources	2.97	2.78
Weather response	2.99	2.88
City's promotional efforts	2.27	2.25
Transportation costs (passenger)	2.48	2.61
Other transportation costs (shipping)	2.36	2.35
City infrastructure (roads, hydro, gas)	2.43	2.24
Municipal tax rates	2.03	2.13
City council representation/decisions	2.35	2.06
Access to financing/capital	2.71	2.65
Provincial representation	2.44	2.12
Federal representation	2.32	2.09

(11) In general, to what extent do you believe the following characteristics impede or entice businesses to relocate to Thunder Bay and the surrounding region?

Significant Impediment (1) – Significant Enticement (5)

	2007	*2006*	*2005*	*2004*	*2003*
Awareness or region and resources	3.02	3.07	3.21	3.02	3.39
Geographic location	2.71	2.48	2.44	-	-
Weather (perceived or actual)	2.66	2.41	2.39	2.62	2.60
Quality of life	3.98	3.76	3.74	3.67	3.52
Transportation facilities (airport)	3.33	3.29	3.18	3.24	3.20
Healthcare facilities	3.82	3.56	3.36	3.38	3.20
Economic opportunity	2.56	2.21	2.23	2.36	2.42
Input costs (land, labour, capital)	2.69	2.45	2.53	-	-
Technology infrastructure	3.24	2.94	2.92	3.00	3.09
City government/policies	2.35	2.07	2.14	2.27	1.84

(12) Thunder Bay's Quality of Life

Very Poor (1) – Very Good (5)

	2007
Students (all ages)	3.32
Professionals	3.72
Skilled employees	3.42
Retirees	4.03
Business owners	3.13

(13) In your opinion, as compared to other cities you are familiar with in Canada, how would you describe Thunder Bay's quality of life?

	2007	*2006*
Better than most	**60%**	**53%**
The same as most	**24%**	**33%**
Not as good as most	**16%**	**14%**

(14) Are the layoffs of primary wage earners from recent mill closures in and around Thunder Bay affecting the sales in your business?

	2006
Yes	**71%**
No	**29%**

(15) Do you feel secure about the sustainability of your small business over the next three years?

	2007	*2006*	*2005*
Yes	**66%**	**68%**	**65%**
No	**34%**	**32%**	**35%**

Section C

Development Projects, Small Business and the Community

The final section of the report addresses the attitudes of small business toward the local and business communities. Specifically, local business stimulus, current local developments and the performance of city council are examined.

In keeping with the decade long approach to this survey, interest in how small business feels toward the City's efforts to bring new approaches and opportunities has always been of importance. This year will not be any different. When asking small business about City Council's performance representing their business, results were somewhat positive, as compared to previous years. About 30 percent believe City Council is doing a good job representing their business and the same number is evident for the belief that Thunder Bay is both proactive and aggressive at bringing new businesses to the region. Although the findings are not overwhelming, they are both trending much better than results over the last five years. To support these results, 69 percent of small businesses believe the new Economic Development Commission will have a positive effect on the economy of Thunder Bay.

One additional note on city government activity, 28 percent of respondents indicated that administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected their decision to develop new business initiatives, up 7 percent from last year.

The OLG (former Charity) Casino continues to be a significant and contentious issue with small business owners. Of those responding, 19 percent believe the casino is having a positive impact on the local economy. This percentage is 9 percent higher than last year indicating a slight upward movement to the trend of years past. In a converse perspective, 81 percent of respondents believe it has a negative impact on the economy, still very significant.

Credit unions continue to enjoy a better image when it comes to lending. Seventy-one percent, up 3 percent, believe they are focused on the lending needs of local businesses, compared with just 36 percent for banks. Access to capital also remains a concern for small businesses as 26 percent of respondents did not develop new business initiatives because of this limitation, although 9 percent better than in 2006.

Sentiment regarding the building of a new multi-plex arena in Thunder Bay remains constant at just under 70 percent in favour of the endeavour. And further sentiment also remains constant regarding the closure of the OLG Casino. About 54 percent of small business respondents indicate the casino should be closed, just one percent lower than last year's 55 percent.

Four new questions were included in this year's survey. First, 52 percent of the responses believe the City will be able to develop the $100 million dollar Marina Park Village at the Waterfront as planned over the next 10 years. It appears that small businesses remain somewhat sceptical about any significant waterfront development coming to fruition. Second, and with remarkable results, 95 percent of respondents suggest that the potential of the mining sector is gaining importance in the Thunder Bay region. A primary manufacturing shift from logging, pulp and paper to mining and mineral activity appears underway. Third, about 25 percent of respondents were familiar with the Northwestern Ontario Municipal Association's (NOMA) Common Voice economic vision document for the region titled "Forging the Future". And lastly, 64 percent believe that Thunder Bay should get involved with the NWO aboriginal communities in obtaining electricity from Northern Manitoba.

(1) Do you believe the Thunder Bay City Council is doing a good job representing your business?

	2007	***2006***
Yes	**29%**	**15%**
No	**71%**	**85%**

(2) Do you believe that Thunder Bay is both proactive and aggressive at bringing new businesses to the region?

	2007	***2006***
Yes	**30%**	**13%**
No	**70%**	**87%**

(3) Have the administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?

	2007	***2006***
Yes	**28%**	**21%**
No	**72%**	**79%**

(4) Do you believe that the new Economic Development Commission will have a positive effect on the economy of Thunder Bay?

	2007
Yes	**69%**
No	**31%**

(5) Do you think that the economic Boom in Western Canada (primarily Alberta) is providing money, through jobs, directly into Thunder Bay's economy?

	2007
Yes	**43%**
No	**57%**

(6) Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local business?

	2007	***2006***
Yes	**36%**	**34%**
No	**64%**	**66%**

(7) Do you believe the lending practices of credit unions in Thunder Bay are focused on meeting the needs of local business?

	2007	***2006***
Yes	**71%**	**68%**
No	**29%**	**32%**

(8) Has an inability to access capital affected your decision to develop new business initiatives?

	2007	***2006***
Yes	**26%**	**35%**
No	**74%**	**65%**

(9) What impact do you believe Thunder Bay's OLG Casino is having on the Thunder Bay economy?

	2007	***2006***
Positive	**19%**	**10%**
Negative	**81%**	**90%**

(10) Do you believe that the potential of the mining sector is gaining importance in the Thunder Bay region?

	2007
Yes	**95%**
No	**5%**

(11) Do you believe that the City will be able to develop the $100 million dollar Marina Park Village at the Waterfront as planned over the next 10 years?

	2007
Yes	**52%**
No	**48%**

(12) Do you believe Thunder Bay's OLG Casino should be closed?

	2007	*2006*
Yes	**54%**	**55%**
No	**46%**	**45%**

(13) Do you believe that Thunder Bay should consider a new multi-purpose complex (sporting events, concerts, exhibitions, trade shows, etc)?

	2007	*2006*
Yes	**69%**	**71%**
No	**31%**	**29%**

(14) Are you familiar with the Northwestern Ontario Municipal Association's (NOMA) Common Voice economic vision document for the region titled "Forging the Future", a plan released in January 2007?

	2007
Yes	**25%**
No	**75%**

(15) Do you believe that Thunder Bay should get involved with the NWO aboriginal communities in obtaining electricity from Northern Manitoba?

	2007
Yes	**64%**
No	**36%**

Selected Respondent Comments to:

What is the most significant problem for your small business?

-Declining population
-Sense of fatalism among politicians
-No opportunities for our young graduates (full-time jobs); so they leave
-Gas and hydro prices

Parking is inadequate. Meters are a detriment when you can park at the Big Box Stores for free!! The parking authorities are like vultures – they have no mercy.

Parking and property taxes in north core!! It's tough for small business to start or have a long future with the taxes we have!!

You send us this survey every year and nothing changes. Why doesn't city council get rid of (Paid Parking) a small start with a very positive effect. People might start shopping downtown again. Stop raising property taxes, I have a friend this past year who walked from her building because she could not afford the property taxes any longer. Get rid of the casino, it is killing this beautiful city. Whose stupid idea was it to let a call center go into the old Eaton's? That space should be for retail only!!! Personally, I know of three businesses that will be closing as soon as their leases are up, if they last!

A skate board park at the marina will not bring us the much needed business. All it will bring us is a few broken windows from kids hanging around. City council should be ashamed! With all the tourists they want to attract to this city, what will they see when they come shopping downtown, but a boarded up ghost town. Tourists do not go shopping at box stores that are located in every city. They want boutiques and specialty shops which we are running out of.

-Decreasing population
-Job lay-offs
-Increasing minimum wage – very bad decision!!

The most significant problem is the job losses in Thunder Bay. Less people spending money equals less business to everybody which leads again to more lay-offs…and so on. Peterson should do her job already and help new businesses and development in the city.

Government imposed increases to utilities and minimum wage. These are out of my control yet my revenues are directly affected by these decisions.

The city must let small businesses run with their own ideas – support initiatives and say, "Yeah, go ahead and try it out." The city is always looking for a big corporation to come to the plate with huge amounts of money and solve all problems at once. It is the small business owners that will save the day – albeit in small increments. No more box stores

No more parking meters in the small business area of north and south ward – it only drives people to Wal-Mart and takes the money out of town!

Casino is drying up disposable income in Thunder Bay. We should close the casino, but would probably move to reserve if that happened.

Casino should be run on the First Nation land so the money stays local.

Banks are my problem. Too many hurdles to climb, and if you don't have lots of money already, they are not willing to talk or work with you.

The mentality that we are still two cities. The idea you can only get it in Toronto. The overall "we can't" attitude often prevalent in council. Need to have a "we <u>must</u>" attitude.

Too much competition for the size of our community. Difficult to obtain s killed tradesmen that are willing to work. Our city needs something more than call centres!

While mining appears to be an industry which should be developed in Thunder Bay, we have to be careful not to take all of our eggs out of the forestry sector, only to place them in just one other basket. Diversification is the future.

As a small B & B located in the rural area, the cost of transportation, especially gas prices, may cause problems with tourists taking "road trips". Also, the strength of the Canadian dollar and border issues may discourage American tourists.

The city needs more big events – like the Blue's Festival, that draws people to the city.
We need to <u>clean up</u> our city cores, plant many more trees along our major roads and avoid rows and rows of big box stores. Derelict buildings should come down. If our city continues to decline due to loss of jobs, young people leaving, welfare people moving in, lack of doctors, lack of opportunity, then <u>all</u> business will suffer.

High cost of gas. Job losses, people out of work, young people moving away, no jobs for our young people, and high taxes (for what we get in return). <u>Most significant</u>: job losses in <u>very fragile</u> forestry sector. Therefore, it is so important to encourage anything to do with the mining industry to stay; and health care. Create a climate with lower tax incentives to entice these sectors to want to come here. Lobby provincial government to <u>not tax</u> mining sector.

Parking in downtown core is a big problem. Meter people hand out <u>lots</u> of tickets and therefore, discourage shoppers. Box stores and malls have free parking. So should downtown cores. Two hour free parking would definitely help downtown businesses.

-Population
-Increasing cost with labour, safety and government red tape
-Good employees, cost of training and keeping good staff
-Taxes
-Energy cost

-Lack of industry and good paying jobs
-Lack of investment in locally-owned business
-High cost of doing business – i.e. transportation, fuel, insurance in a shrinking market

Lack of employment here with above minimum wage pay. Casino should close – too much money is thrown away. More people would find other entertainment.

I would like the city to give tax incentives to new businesses wanting to start in our downtown cores so that eventually the tax base will increase, as these new businesses succeed.

Smaller cities like Thunder Bay have old boy club mentalities. Younger, professionals sometimes find to hard to break in. Some employers don't like to pay appropriate rates for services. Competition in some fields is not welcome and this is bad for the economy and the customer who may not always have a choice in finding the level of quality they want.

Misconception and stereotypes of the downtown south core and the lack of assistance from the city to correct the problems in the area. City council notoriously talks issues to death but has a lack of follow through!

Our business sells travel – the first luxury item to go when households are tightening their belts. With the unending closure/slow down of the mills and pulp and paper industry in general, much of the area are worried about their jobs. Economic climate is poor.

The markets that I serve outside of Thunder Bay (in order to survive and grow because of the decline of local market) requires better support from TB Telephone/TB Hydro rather than their gradual shift to a profit driven oligopoly – these can be used as economic tools to provide competitive advantage for all local businesses rather than profit focus – i.e. make T-Bay a free wireless access zone anywhere and watch businesses expand and attract new business – get some creative world class statement services offered. Likewise, get rid of all impediment hidden taxes like parking meters (simply have free 2 hour parking with tickets thereafter, $25 with grace period – make it "friendly to shop" vs. "we'll nail you with a ticket" to leave a bad taste in your mouth) tons of "eliminate the barriers" ideas are available in the core.

When I expanded my business I couldn't secure the amount of funds needed so had to scale back. This has had a huge negative effect on my business. I'm constantly losing sales to online stores, mostly in BC, on items I'm still unable to bring in due to cash shortage.

Depressed economy = less money spent on art
City needs to encourage businesses in the cores.
Make it easier to start new businesses.
Help established businesses.
<u>Create green spaces</u> in empty lots.
Force owners of empty lots, vacant buildings, to clean up their properties.
Make it attractive to shop in the cores.
Box stores are destroying the local businesses.

Lack of court enforcement for theft and vandalism. In one year and nine months, I have gone through a front window and front door due to vandals. The thief I managed to get who is a <u>*regular*</u> *in the court will get off* <u>*again*</u> *with another slap on the wrist.*

Declining economy and gloomy forecast for future. Economic development needs to be more creative, not focused only on particular sectors or industries. Look outside the box – with new technologies, educational institutions, Thunder Bay could do much more. Use our geographic location as an advantage. Invest now for a pay off in the future.

Lack of qualified trained staff as the majority are leaving our city to Alberta.

Appendix A

2007 Thunder Bay Business Opinion Survey

The following survey will take a few minutes to complete and your willingness to take the time to share your opinions is greatly appreciated. Specifically, the survey captures the attitudes of Thunder Bay small business owners about issues that affect their business and the local economy. To learn more about this survey please contact the representative at 344-9208.

Section A: You and Your Business

1. Gender: Male ☐ Female ☐ 2. Your age: ____________

3. How many years has this firm been in business? ____________

4. Your business is… ☐ Retail ☐ Wholesale ☐ Manufacturing ☐ Professional Services ☐ Personal Services ☐ Other _________

5. Postal code: ____________

6. Legal status of business ☐ Sole Proprietor ☐ Partnership ☐ Corporation

7. Industry Canada targets the following categories for economic development. Please indicate any of the following that apply to the ownership of your business.

Woman ☐
Aboriginal ☐
Francophone ☐
Youth (under 30) ☐

8. How many people are currently employed at your firm? full-time ______ part-time ______

9. What change in the total employment level of your firm occurred during the **2006** fiscal year?
   - ☐ Increased
   - ☐ Remained the same
   - ☐ Decreased

10. What are your current hiring expectations for <u>the next 12 months?</u>
    - ☐ Planning to hire additional employees
    - ☐ Planning not to hire any additional employees
    - ☐ Planning to layoff employees

11. Which of the following best represents your actual sales or billings for the **2006** fiscal year?
    - ☐ less than $25,000
    - ☐ $25,000 - $49,999
    - ☐ $50,000 - $99,999
    - ☐ $100,000 - $249,999
    - ☐ $250,000 - $499,999
    - ☐ $500,000 - $999,999
    - ☐ $1,000,000 - $5,000,000
    - ☐ greater than $5,000,000

12. Does this **2006** sales volume represent an increase or decrease over your 2005 sales?
    - ☐ increase greater than 10%
    - ☐ increase greater than 0 and less than 10%
    - ☐ decrease greater than 0 and less than 10%
    - ☐ decrease greater than 10%

13. Do you anticipate an annual sales increase for the **2007** fiscal year?

- ☐ yes
- ☐ no

14. Below is a list of problems often encountered by businesses, please indicate the extent to which the following issues <u>have been a problem</u> for your business in the past 12 months.

	Not A Problem				**Significant Problem**
a) Increasing wage rates	1	2	3	4	5
b) Declining sales	1	2	3	4	5
c) Availability of skilled employees	1	2	3	4	5
d) Weather conditions	1	2	3	4	5
e) Raising Capital/Securing business loans	1	2	3	4	5
f) Increased competition	1	2	3	4	5
g) Access to market research	1	2	3	4	5
h) Government paperwork requirements	1	2	3	4	5
i) Municipal zoning/building requirements	1	2	3	4	5
j) Access to business advice	1	2	3	4	5
k) Union restrictions	1	2	3	4	5
l) Electricity rates	1	2	3	4	5
m) Gasoline and fuel oil rates	1	2	3	4	5

15. How important <u>were</u> the following factors to your sales performance in the **2006** fiscal year?

	Not Important				**Very Important**
a) Inventory price increases	1	2	3	4	5
b) Advertising/promotion	1	2	3	4	5
c) General economic climate	1	2	3	4	5
d) Change in product/service offering	1	2	3	4	5
e) Staff-related issues (e.g., training)	1	2	3	4	5
f) Change in competitive environment	1	2	3	4	5
g) Weather	1	2	3	4	5
h) New markets (e.g., exports)	1	2	3	4	5
i) Cdn - U.S. exchange rate	1	2	3	4	5
j) Fuel /Energy costs	1	2	3	4	5
k) Insurance rates	1	2	3	4	5
l) U.S. border restrictions	1	2	3	4	5
m) Gasoline and fuel oil rates	1	2	3	4	5
n) Electricity rates	1	2	3	4	5

16. How important do you expect each of the following factors to be for the future success of your business?

	Not Important				Very Important
a) Inventory price increases	1	2	3	4	5
b) Advertising/promotion	1	2	3	4	5
c) General economic climate	1	2	3	4	5
d) Change in product/service offering	1	2	3	4	5
e) Staff-related issues (e.g., training)	1	2	3	4	5
f) Change in competitive environment	1	2	3	4	5
g) Weather	1	2	3	4	5
h) New markets (e.g., exports)	1	2	3	4	5
i) Cdn - U.S. exchange rate	1	2	3	4	5
j) Fuel/Energy costs	1	2	3	4	5
k) Insurance rates	1	2	3	4	5
j) U.S. border restrictions	1	2	3	4	5

17. Is your company planning to invest more or less in the following activities over the next 12 months than in the previous year?

	Significantly Less				Significantly More
a) advertising/promotion	1	2	3	4	5
b) employee compensation	1	2	3	4	5
c) employee recruitment	1	2	3	4	5
d) staff training programs	1	2	3	4	5
e) partnering with other firms	1	2	3	4	5
f) inventory supply	1	2	3	4	5
g) capital projects (e.g, equipment)	1	2	3	4	5
h) market research	1	2	3	4	5
i) technology	1	2	3	4	5
j) consulting/advisory service(s)	1	2	3	4	5

18. What kind of impact do you believe the following developments/institutions will have upon your business?

	Very Negative				Very Positive
a) Electricity Production	1	2	3	4	5
b) Box Store Expansion	1	2	3	4	5
c) Gasoline/Fuel prices	1	2	3	4	5
d) Cross Border Security	1	2	3	4	5
e) Waterfront Development	1	2	3	4	5
f) OLG Casino	1	2	3	4	5
g) Lakehead University	1	2	3	4	5
h)Confederation College	1	2	3	4	5
i) Changing Tax Rates	1	2	3	4	5
j) Pulp/Paper Industry	1	2	3	4	5
k) Local Sawmill Production	1	2	3	4	5
l) Electricity rates	1	2	3	4	5
m) Mining Industry	1	2	3	4	5
n) LU Research Center	1	2	3	4	5
o) Call centres	1	2	3	4	5

Section B: Thunder Bay Business Climate

1. What level of economic growth do you anticipate for Thunder Bay over the next 12 months?

Significant Decrease	Moderate Decrease	No Change	Moderate Increase	Significant Increase
1	2	3	4	5

2. Do you feel secure about the sustainability of your small business over the next three years?
   - ☐ yes
   - ☐ no

3. Evaluate the following Thunder Bay industry sectors in terms of growth potential (e.g., new markets, new products/services).

	None				Great
a) Primary-Logging	1	2	3	4	5
b) Primary-Mining	1	2	3	4	5
c) Secondary (e.g., large manufacturing)	1	2	3	4	5
d) Small Manufacturing	1	2	3	4	5
e) Electricity Manufacturing	1	2	3	4	5
f) Hospitality/Tourism	1	2	3	4	5
g) Health Care Services	1	2	3	4	5
h) Retailing	1	2	3	4	5
i) Senior Services	1	2	3	4	5
j) Financial Services	1	2	3	4	5
k) Higher Education, LU/ConCollege/Med School	1	2	3	4	5
l) Construction Services	1	2	3	4	5
m) Government Services	1	2	3	4	5

4. Do you believe the City of Thunder Bay should pursue the focused development of a particular industry sector? If yes, which one of those mentioned above, or another?
   - ☐ yes - ____________________________
   - ☐ no

5. How well does Thunder Bay meet the needs of your specific business with respect to the following factors?

	Not Very Well				Very Well
a) Labour pool (education, availability, skill)	1	2	3	4	5
b) Access to raw materials/natural resources	1	2	3	4	5
c) Weather response	1	2	3	4	5
d) City's promotional efforts	1	2	3	4	5
e) Transportation costs (passenger)	1	2	3	4	5
f) Other transportation costs (shipping)	1	2	3	4	5
g) City infrastructure (e.g., roads, hydro, gas)	1	2	3	4	5
h) Municipal tax rates	1	2	3	4	5
i) City Council representation/decisions	1	2	3	4	5
j) Access to financing/capital	1	2	3	4	5
k) Provincial representation	1	2	3	4	5
l) Federal representation	1	2	3	4	5

6. In general, to what extent do you believe the following characteristics impede or entice businesses to relocate to Thunder Bay and the surrounding region?

	Significant Impediment				**Significant Enticement**
a) Awareness of the region and its resources	1	2	3	4	5
b) Geographic location	1	2	3	4	5
c) Weather (i.e., perceived or actual)	1	2	3	4	5
d) Quality of life	1	2	3	4	5
e) Transportation facilities (e.g., airport)	1	2	3	4	5
f) Health care facilities	1	2	3	4	5
g) Economic opportunity (market size)	1	2	3	4	5
h) Input costs (land, labour , capital)	1	2	3	4	5
i) Technology Infrastructure (e.g., broadband)	1	2	3	4	5
j) City Government/policies	1	2	3	4	5

7. In your opinion, how attractive is Thunder Bay's "quality of life" for these groups?

	Very Poor				**Very Good**
a) students (all ages)	1	2	3	4	5
b) professionals	1	2	3	4	5
c) skilled employees	1	2	3	4	5
d) retirees	1	2	3	4	5
a) business owners	1	2	3	4	5

8. In your opinion, as compared to other cities you are familiar with in Canada, how would you describe Thunder Bay's quality of life?
   - ☐ better than most
   - ☐ the same as most
   - ☐ not as good as most

9. Are the layoffs of primary wage earners from recent mill closures in and around Thunder Bay affecting the sales in your business?
   - ☐ yes
   - ☐ no

10. Is the population level of Thunder Bay important to the success of your business?
   - ☐ yes
   - ☐ no

Section C: Development Projects, Your Business and the Community

(Why/Why Not responses are optional in the following questions)

1. Do you believe the Thunder Bay City Council is doing a good job representing your business?
   - ☐ yes
   - ☐ no

Why/Why Not?____

2. Do you believe that Thunder Bay is both proactive and aggressive at bringing new businesses to the region?
   - ☐ yes
   - ☐ no

Why/Why Not?____

3. Have the administrative requirements of municipal government (zoning, permits, licenses, inspections) adversely affected your decision to develop new business initiatives?
   - ☐ yes
   - ☐ no

Why/Why Not?____

4. Do you believe that the new Economic Development Commission will have a positive effect on the economy of Thunder Bay?
   - ☐ yes
   - ☐ no

Why/Why Not?____

5. Do you think that the economic Boom in Western Canada (primarily Alberta) is providing money, through jobs, directly into Thunder Bay's economy?
   - ☐ yes
   - ☐ no

Why/Why Not?____

6. Do you believe the lending practices of banks in Thunder Bay are focused on meeting the needs of local business?
   - ☐ yes
   - ☐ no

Why/Why Not?____

7. Do you believe the lending practices of credit unions in Thunder Bay are focused on meeting the needs of local business?
   - ☐ yes
   - ☐ no

Why/Why Not?____

8. Has an inability to access capital affected your decision to develop new business initiatives?
   - ☐ yes
   - ☐ no

Why/Why Not?____

9. What impact do you believe Thunder Bay's OLG Casino is having on the Thunder Bay economy?
   - ☐ positive
   - ☐ negative

Why/Why Not?____

10. Do you believe that the potential of the mining sector is gaining importance in the Thunder Bay region?
   - ☐ yes
   - ☐ no

Why/Why Not?____

11. Do you believe that the City will be able to develop the $100 million dollar Marina Park Village at the Waterfront as planned over the next 10 years?
   - ☐ yes
   - ☐ no

Why/Why Not?____

12. Do you believe Thunder Bay's OLG Casino should be closed?
   - ☐ yes
   - ☐ no

Why/Why Not?____

13. Do you believe that Thunder Bay should consider a new multi-purpose complex (sporting events, concerts, shows, exhibitions, trade shows, etc.)?
   - ☐ yes
   - ☐ no

Why/Why Not?____

14. Are you familiar with the Northwestern Ontario Municipal Association's (NOMA) Common Voice economic vision document for the region titled "Forging the Future", a plan released in January 2007?
   - ☐ yes
   - ☐ no

15. Do you believe that Thunder Bay should get involved with the NWO aboriginal communities in obtaining electricity from Northern Manitoba?
   - ☐ yes
   - ☐ no

Why/Why Not?____

In the space provided below, please indicate what you believe is the most significant problem for your small business.

____
____
____
____
____
____
____
____
____
____
____
____

Thank you for your time, it is greatly appreciated!