
New Survey: 40% of Canadian Companies Say They Won't Survive if Inflation Remains High

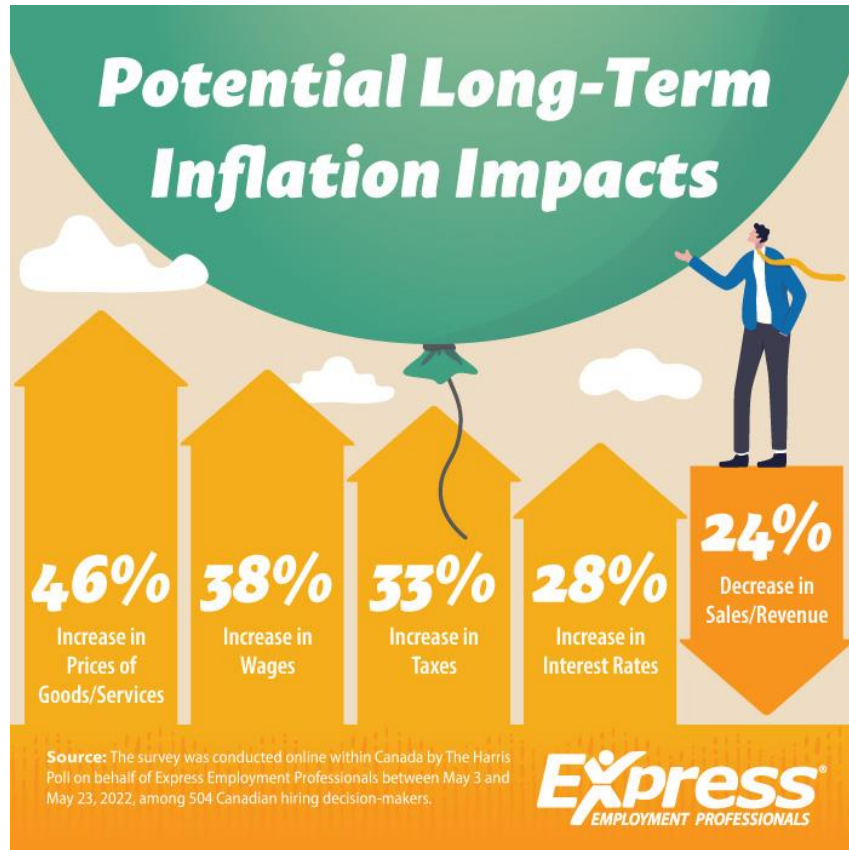
High Inflation Will Have Long-Term Impacts for Companies

TORONTO, June 22, 2022 — Forty percent of Canadian companies say they won't be able to survive much longer if inflation remains high, according to a new survey from The Harris Poll commissioned by Express Employment Professionals.

Almost all Canadian companies surveyed (91%) say they have been impacted in some way by the rapid rise in inflation with more than half (56%) reporting it has had a major/moderate impact.

Those impacts include having to raise prices (44%), absorb some of the additional costs (37%), reduce transportation costs (17%), adopt new technology to automate tasks/processes (16%), outsource a portion of their work (14%) and turn down work altogether (12%).

Furthermore, more than 4 in 5 companies (84%) say the recent rise in inflation will continue to affect them long-term. The top anticipated long-term impacts are an increase in prices of goods/services (46%) and an increase in wages (38%). Other projected long-term impacts include an increase in taxes (33%), higher interest rates (28%) and a decrease in sales/revenue (24%).



The increased cost of hiring is one of the major impacts of inflation on companies according to Vancouver, British Columbia, Express franchise owner Brent Pollington.

“What we are seeing in the market right now is candidates, including those who are unskilled, asking for higher entry rates,” said Pollington. “Clients have had to increase base pay to combat inflation. But with inflation so high right now, some of those wage increases haven’t made up for the rising costs of living.”

Cambridge, Ontario, Express franchise owner Bradley Jenkins agrees and says that high inflation has created an even greater desire for employees to work from home or as close to home as possible.

“With the cost of gas so high and the cost of services like daycare and preschool increasing, companies that are able to provide the ability to work from home or that have flexible work hours have a significant advantage when it comes to hiring top talent,” said Jenkins.

“Unfortunately, sectors that were hardest hit by pandemic lockdowns, such as restaurant and hospitality, continue to have the hardest time hiring because they are not easily able to provide the perks and flexibility job seekers want.”

Jenkins’ advice to employers, including smaller businesses that may not be able to compete with larger companies when it comes to wage increases, is to figure out what their employees

value.

“Not every employee wants the same perk or benefit, so it is very important to sit down and speak with each one of your employees individually,” recommends Jenkins. “One employee may want to change their hours so they can make it to school drop-off or pick-up, one might want the ability to work from home, and another might want more vacation time. Wages, while important, aren’t the only way to make a company stand out—making employees feel heard, valued and appreciated is always a good retention strategy.”

Both Pollington and Jenkins say that high inflation is not going away soon.

“I don’t think the full effects have been felt enough yet for businesses to understand all of the impacts,” said Pollington. “As with the COVID-19 pandemic, companies that adapt and innovate are the ones that will survive and thrive.”

“The next several months are critical for business owners waiting for market conditions to somewhat stabilize,” said Express Employment International CEO Bill Stoller.

“From labour and supply shortages to high gas prices and soaring inflation, Canadian business owners are understandably frustrated right now,” he added. “Without some relief, I fear the impact of current conditions could affect the economy for years to come.”

Survey Methodology

The survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between May 3-23, 2022 among 504 Canadian hiring decision-makers (defined as adults ages 18+ in Canada who are employed full-time or self-employed, work at companies with more than 1 employee and have full/significant involvement in hiring decisions at their company). Data were weighted where necessary by company size to bring them into line with their actual proportions in the population.

If you would like to arrange for an interview to discuss this topic, please contact Ana Curic at (613) 858-2622 or email Ana@MapleLeafStrategies.com.

About Bill Stoller

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment International. Founded in Oklahoma City, Oklahoma, the international staffing franchisor supports the Express Employment Professionals franchise and related brands. The Express franchise brand is an industry-leading, international staffing company with franchise locations in the U.S., Canada, South Africa, Australia and New Zealand.

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client companies, Express helps people thrive and businesses grow. Our international network of franchises offers localized staffing solutions to the communities they serve across the U.S., Canada, South Africa, Australia and New Zealand, employing 586,000 people globally in 2021 and 10 million since its inception. For more information, visit ExpressPros.com/CA.