Canadian Business: expectations of recession are far from peak levels

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Real answers from real people

TORONTO, CANADA, September 15, 2022 /EINPresswire.com/ -- In the latest survey from The Business Monitor, released by Modus Research, Canadian executives were asked the likelihood of the Canadian economy falling into recession over the next 12 months. This question was asked prior to and early in the COVID pandemic as well.

Full release available here: https://modusresearch.com/canadian-business-recession-off-peak/
Since the spring of 2020, there has been an large drop off in the number of Canadian business leaders who think Canada is heading towards a recession. Although coverage of the issue in the national media has suggested that fears over recession run high, they are well below the levels seen early in the pandemic.

That said, concerns about a recession remain well above pre-COVID levels and are not insignificant.

- Today, 38% of Canadian business leaders think a recession is highly likely over the next year.
- While fairly high, this reading is well below the early months of the pandemic. In March and May 2020, 56% and 59% of business leaders, respectively, saw a recession as highly likely.
- Pre-pandemic, high expectations for a recession ran at only 18%.

These results vary significantly by region. Business leaders in Alberta and the Prairie provinces have much higher expectations for a recession than elsewhere in Canada.
Regional percentages saying a recession is highly likely:

- Prairies: 57%
- Alberta: 55%
- Ontario: 36%
- British Columbia: 30%
- Quebec: 29%
- Maritimes: 24%

It is important to recognize what might be driving concerns about a recession. Canadian business leaders see many risks facing the economy with household debt, labour shortages, and large companies having too much control over markets topping the list. Concerns about inflation and interest rates also run high. Interestingly, business leaders are relatively unconcerned about Canada's real estate market.
How would you rate each of the following in terms of risks to the Canadian economy over the next 12 months?
(Percentages answering high risk or top-two box.)
- Canadian household debt: 52%
- Big companies controlling too much of the market: 52%
- Labour shortages: 51%
- Inflation: 48%
- Rising interest rates: 46%
- Canada's residential real estate market: 29%

For more information, please visit our site: https://modusresearch.com/canadian-business-recession-off-peak/
Methodology

The survey was conducted from August 19 to September 5 using the Modus Business Panel – Canada's only purpose-built, probability based B2B research panel. Because the Panel is built using random probability telephone sampling, it is valid to cite the margin of error for this survey. The survey is based on a representative sample of 600 Canadian managers and executives and has a margin of error of +/- 4.0% pts 95 times out of 100. The survey data is weighted by size and region according to the latest Statistics Canada data to help ensure representativeness for Canadian enterprises.

About Modus Research
Established in 2012, Modus Research is a full-service research agency that provides clients with actionable feedback from Canadian enterprises based on scientifically representative samples. We are Canada's B2B research experts.

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