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Toronto, ON– In the latest survey from [The Business Monitor](https://modusresearch.com/canadian-businesses-plan-to-cut-costs/), released by Modus Research, Canadian executives were asked about inflation and how they plan to deal with costs.

[Full release available here: https://modusresearch.com/canadian-businesses-plan-to-cut-costs/](https://modusresearch.com/canadian-businesses-plan-to-cut-costs/)

More than 8 in 10 businesses anticipate that the cost of doing business will increase over the next year.

- Fully half (51%) think costs will increase significantly

Despite the recent easing in the rate of inflation from the early summer, more than half of Canadian businesses think the rate of inflation will increase over the next year (undoubtedly why so many expect costs to increase significantly).

In response to inflation, fully 70% of Canadian businesses expect to do some form of cost cutting over the next year. The biggest cuts will be to new equipment purchases, with large numbers cutting in R&D, workspace, hiring and other areas.

- Purchasing new equipment: 46%
- Investing in R&D: 35%
- Office/workspace: 34%
- Recruiting and hiring new staff: 33%
- Marketing and business development: 30%
- Expanding into new markets: 28%
- Overall employee costs: 23%
- No cost cutting: 30%

These results are consistent across all sizes of business, regionally and by industry sector.

This represents a significant increase in cost cutting over the previous year. When asked about

the costs in these same areas for the previous 12 months, businesses cut costs at much lower levels.

Cost cutting over the previous 12 months versus next 12 months: the most sizable shift in the number of companies cutting cost will come in the areas of employee costs, workspaces, and new equipment.

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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