BIABC seeks commitments from BC's Political Parties to address critical safety & financial concerns impacting small business owners across the province

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Vancouver, BC – A survey of small and medium-sized businesses across BC underlines how current issues are placing a financial and emotional burden on shop owners and their front-line staff – and require the urgent attention of the next provincial government. To that end, Business Improvement Areas of BC (BIABC) will be challenging major political parties and their candidates to make commitments that will support the short and long-term viability of the province's small business sector.

Between June 6 and 28, BIABC surveyed 500+ small and medium size business owners in communities across BC to gain a clear understanding of how changes in the economic climate in recent years has affected the cost of doing business- and, in combination with the public safety-related issues, is impacting the viability of small businesses.

Survey results suggest the challenges and associated impacts are significant.

From a financial perspective:

- 97% of businesses indicated the cost of doing business has increased over the past five years, of these:
  - 44% of respondents say costs have increased by 10-20% and
  - 53% suggest by more than 20%.
  - The top 3 contributors in order are: payroll and benefits, insurance and cost of goods sold.

Findings also indicate the majority of respondents have experienced an increase (37%) or no change (31%) in gross revenues. However, 60% reported that their profit margins have decreased.

Of major concern, respondents suggested if conditions don't change:

- 39% don't believe they can remain viable or continue operating successfully past 2 years, and
- 52% suggest they will only be able to continue for four years.

In consideration of the top three contributors impacting small business viability and the unique challenges faced by small businesses, the survey revealed:

- 60% of respondents support a review of the five-day mandatory sick day policy, and
- 63% support the creation of a dedicated ministry for small business.

Survey results also indicate, since decriminalization of certain illicit drugs occurred in 2023:

- 86% of respondents say it has exacerbated drug/mental health activity,
- 58% reported increased violence and aggression,
- 56% said it influenced a spike in theft/shoplifting,
- 63% report a rise in graffiti, and

- 53% report an increase in broken windows.

As a result of the rampant property crime:

- 61% of respondents invested in the installation of various safety measures, such as cameras, alarm systems, gates, improved lighting and locks, to mitigate property crime within the past 2 years.
- However, 59% of those that responded were unaware of the Securing Small Business Rebate Program that could have helped offset costs associated with their reparative or preventative measures.

The challenging economic climate coupled with public safety and street disorder issues has impacted the mental health of both business owners and employees. Alarmingly, the survey confirmed that:

- 82% of respondents indicated they have experienced increased fear, anxiety and or stress because of increasing street disorder, theft, violence/aggression, mental health and drug-related activity, vandalism, and homelessness.

"Business owners have made it very clear that they and their staff are enduring circumstances that are placing a significant financial and emotional toll on them. It's a situation that for many has become unbearable – and they will want and expect decisive action by our next government," said Jeff Bray. *"As British Columbians prepare to head to the polls, we will be appealing to candidates and their political parties to take a stand in support of a sector that is integral to the provincial and local economies but is equally important to the vitality and vibrancy of our neighbourhoods and communities."*

In conjunction with the upcoming provincial election, questionnaires will be circulated to each of the major political parties and their candidates on the specific questions:

<u>Community Safety</u>:

1. **Do you support targeted investments to improve community safety, including the implementation of a comprehensive policy framework and investment that shifts the focus from just harm reduction to include prevention, treatment and enforcement?** Understanding that longer-term solutions to the complex issues of mental health, addictions and housing will take time to materialize, there must be an urgent and extensive investment in policy and actions to create safer streets in our business districts and neighbourhoods. This needs to include a commitment to community policing implemented with the engagement and support of community members.

2. **What are your specific plans, policies and targeted investments to address the significant challenges associated with mental health, addictions and housing?** BIABC is advocating for a humane response to the present situation, which includes a comprehensive plan for youth and adults with a range of targeted and meaningful investments, and policy decisions-to create a specific pathway to access for on-demand, wrap around services, and sustained/intensive treatment, regardless of where one lives in the province.

3. **How will you achieve concrete results with the federal government to address the significant issue of chronic violent and non-violent offenders?** Businesses are struggling under the weight of repeated thefts and vandalism, often by persons with multiple convictions for similar crimes. BIABC acknowledges the work of the province in addressing some elements of this issue with their federal counterparts, such as the creation of Dedicated Enforcement Hubs. However, more must be done to advance the concerns of the small business community and the general public with respect to repeated theft, vandalism and other non-violent offenses.

The Cost of Doing Business:

4. **Will you support a review of the five-day mandatory sick leave policy?** This policy was established in response to the pandemic and applies to all employees covered by the Employment Standards Act, including part-time, temporary, and casual. While there is a positive economic and social benefit, it is one of several employer-related costs that have increased in recent years- and puts the onus on a business owner to pay the employee taking sick leave along with the employee backfilling that position. BIABC is advocating for a review, in consultation with the business community- on options such as a rebate or subsidy that reduces the financial liability for businesses without placing an administrative burden on them. An amended policy would provide 5 sick days in total, rather than 5 days per employer (full time/ part time – 30+hours).

Government Support:

5. **Will you support the improved delivery, increased access and awareness of the Securing Small Business Rebate Program – along with an extension beyond its current end-date of January 2025?** BIABC was a strong advocate for the creation of a fund to help offset costs being incurred by businesses and for preventative measures because of property crime and vandalism. We believe the program can serve a valuable purpose but has fallen short of expectations because of the cumbersome application process and the lack of awareness.

6. **Will you support the creation of a stand-alone ministry of Small Business?** BC's small and medium size businesses are the largest private sector employer in the province, and they need a voice. Small businesses are the lifeblood of every community and critical to vitality of downtown business districts and neighbourhoods. A dedicated ministry would help government better understand the health of the sector and respond to its specific and nuanced challenges.

500+ Business owners/operators in 18 municipalities representing 27 business districts responded to the June survey, including:

Burnaby
Campbell River
Duncan
Kamloops (Downtown & North Shore)
Kelowna
Langley
Maple Ridge
New Westminster
North Vancouver
Prince George
Sechelt
Surrey (Downtown & Newton)
Terrace
Vancouver (Chinatown, Downtown, Gastown, Hastings Sunrise, Strathcona, West End, Yaletown)
Vernon
Victoria (Downtown & Oak Bay)
West Vancouver
Williams Lake

About BIABC:
The Business Improvement Areas of BC (BIABC) is the provincial champion of strong, vibrant, and successful downtowns, main streets, and commercial districts throughout our province. Members represent more than 70 business districts that employ hundreds of thousands of retail, service, and office employees within defined business districts.

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