

2024 Manitoba Business Leaders Index

Core Report

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Contents



**Key Findings and
Methodology**



**Profile of
Respondents**



**Core Business
Metrics**



**Assessment of
Government Performance**



**Focus on
Artificial Intelligence (AI)**



**Proprietary
Results**

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Key Findings

The latest version of the Probe Research Manitoba Business Leaders Index (MBLI) finds that local companies are in a more difficult state this year and are marginally less optimistic about the future compared to previous years. One-third now report they are worse off financially than they were at this time last year (compared to just one-quarter who reported this in early 2023), with only three in ten businesses indicating they expect an uptick in business performance in the coming year.

Views about current and anticipated economic conditions and their own corporate fiscal outlook are much dimmer among representatives of companies located outside of Winnipeg.

Confidence in Winnipeg's economic future also remains relatively low, with fewer than one-half of business owners and managers province-wide indicating they are very or somewhat optimistic about the economic prospects of Manitoba's largest city. Three years ago, fully two-thirds were optimistic about Winnipeg's economic prospects.

Increased operating costs remains the single-biggest concern of Manitoba businesses, with this issue dwarfing all others for the second straight year. Compared to last year, businesses are now more concerned about taxation – including an increase to the carbon tax scheduled for April 1.

Perhaps in reaction to the expectation of only modest or even negative corporate growth expressed by many business respondents, many are now less concerned about attracting and keeping qualified employees than was the case last year. Meanwhile, issues with their supply chains has also largely abated during this time.

Only slightly more than one in ten expect to lay off staff or reduce employee hours in the next six months, which is similar to the level recorded during the past few years.

Key Findings (cont'd)

Assessment of Government Performance

Business owners and managers appear to be largely reserving judgement on the new provincial NDP government. Fewer than one in five say the provincial government is doing at least a good job of creating a positive economic climate for business – which is in line with the ratings provided to the previous PC government during its final two years in office.

Compared to the general population, business leaders are also somewhat more muted in their enthusiasm about Premier Wab Kinew and the new provincial NDP administration. Only one in five indicate they are excited and optimistic about this government (compared to two in five among Manitoba adults), with one-half indicating they have some concerns about the provincial NDP government but are willing to give it a chance.

Business leaders continue to give the federal government worse marks than the provincial government. Businesses are slightly more likely to offer their municipal governments praise, with nearly three in ten indicating local councils are doing a good job of creating a positive business climate.

Artificial Intelligence (AI)

Today, only about one in ten Manitoba businesses are actively using AI to run their operations – although nearly one in ten have begun looking into how to use these applications and expect to implement them to some extent soon.

A majority of business owners are not sure how AI will affect their profitability, with two-thirds believing it will have no impact on the number of employees they hire. However, about three in ten believe AI could have a modest impact on their earnings, while one in ten believe AI will lead them to reduce their overall staff contingents.

Methodology

Method

Probe Research conducted a survey of 200 business owners and managers located throughout Manitoba between February 7 and March 6, 2024. Respondents were contacted via telephone and completed the survey via telephone with a live interviewer or via a secure online survey link.

Sample

The survey sample was stratified to ensure representation from small enterprises (1-9 employees), medium-sized companies (10-49 employees) and large businesses (50+ employees). Quotas were also set based on region as well as by business sector (services, manufacturing, resources). The sample does not include government departments/agencies, representatives of other public sector entities or not-for-profit organizations.

With a sample of 200 one can say with 95 percent certainty that the results are within ± 6.9 percentage points of what they would have been if all private-sector business owners/managers in Manitoba had been surveyed. The margin of error is higher within each of the survey's population sub-groups.

All data analysis was performed using SPSS statistical analysis software. Totals may not add to exactly 100% due to rounding.

About the Manitoba Business Leaders Index

The Manitoba Business Leaders Index is an annual scientific survey of senior business officials from across the province. The survey sample includes a stratified sampling of CEOs, presidents, business owners and designated senior corporate officers from small, mid-sized and large commercial establishments as defined by Statistics Canada and the Manitoba Bureau of Statistics. This business sampling includes publicly traded and private companies from all major sectors of Manitoba industry.

Business listings have been developed based upon the most authoritative and up-to-date sampling sources available including various telephone directories.

Survey Instrument

The survey instrument was designed by Probe Research.

Profile of Respondents

(Base Size)	Total (N=200) (%)	Winnipeg (n=120) (%)	Rural/Northern (n=80) (%)
Company Size			
Small (<10 employees)	41	37	48
Medium (10-49 employees)	39	42	34
Large (50+ employees)	21	22	19
Sector			
Services	87	86	89
Manufacturing	11	12	10
Resources	2	2	1
Region			
Winnipeg	60	100	-
Rural/Northern	40	-	100

Profile of Respondents (cont'd)

(Base Size)	Total (N=200) (%)	Winnipeg (n=120) (%)	Rural/Northern (n=80) (%)
Unionized Business			
Yes	9	13	3
Ownership/Share Among Equity-Seeking Groups			
Female-owned	37	34	40
Indigenous-owned	6	3	10
Immigrant/New Canadian-owned	15	13	18
LGBTQ2SIA+ owned	5	6	3
Owned by a Racialized individual	6	7	4
Owned by an individual with a disability	5	6	4

Core Business Metrics

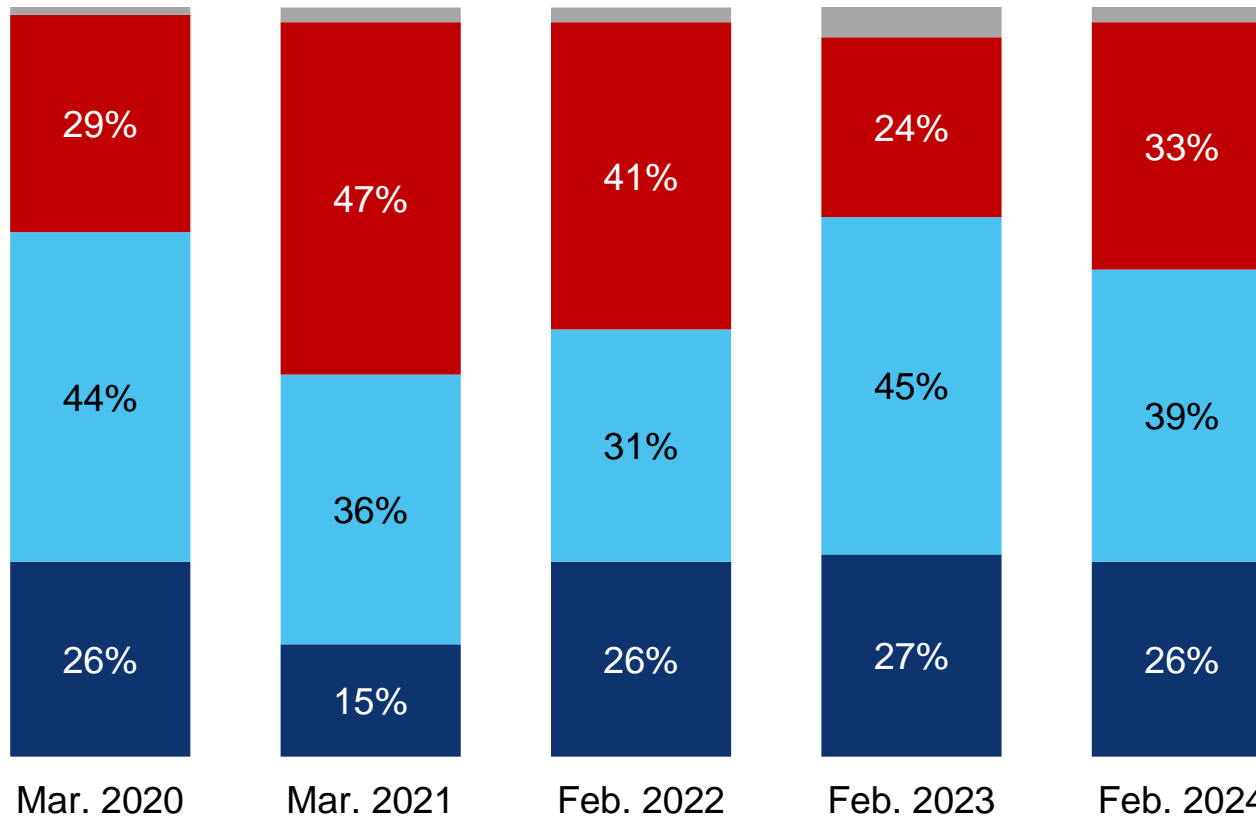


One Year Financial Retrospective

The proportion who feel worse off has jumped significantly during the past 12 months

C1. Would you say that you and your business are better off, worse off, or just the same financially as you were a year ago?

Base: Manitoba business leaders (N=200)



Unsure

Worse off since last year

Same

Better off since last year

Those most likely to say they are **worse off** today include:

- Companies outside Winnipeg (40% vs. 28% among those in the provincial capital).

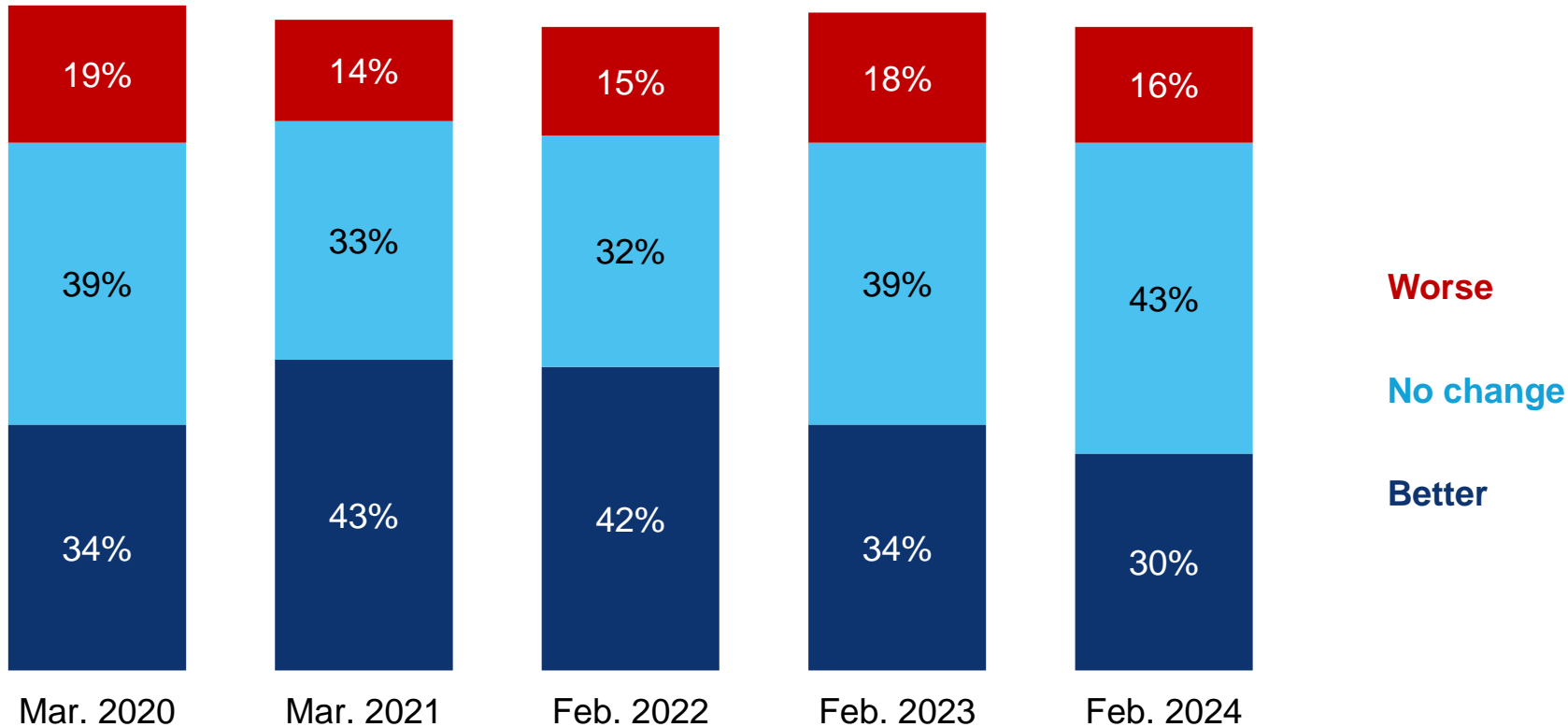
Those most likely to say they are **better off** today include:

- Winnipeg-based firms (30% vs. 20% among those in rural and northern Manitoba).
- Larger firms (32% with 50+ employees vs. 23% among those with 10-49 employees and 26% among those with <10 employees).

Financial Forecast

Corporate confidence continues to weaken, as just three in ten expect to be better off next year

C2. Now looking ahead, do you think that a year from now your business will be better off, worse off, or just the same financially as you are today? Base: Manitoba business leaders (N=200)



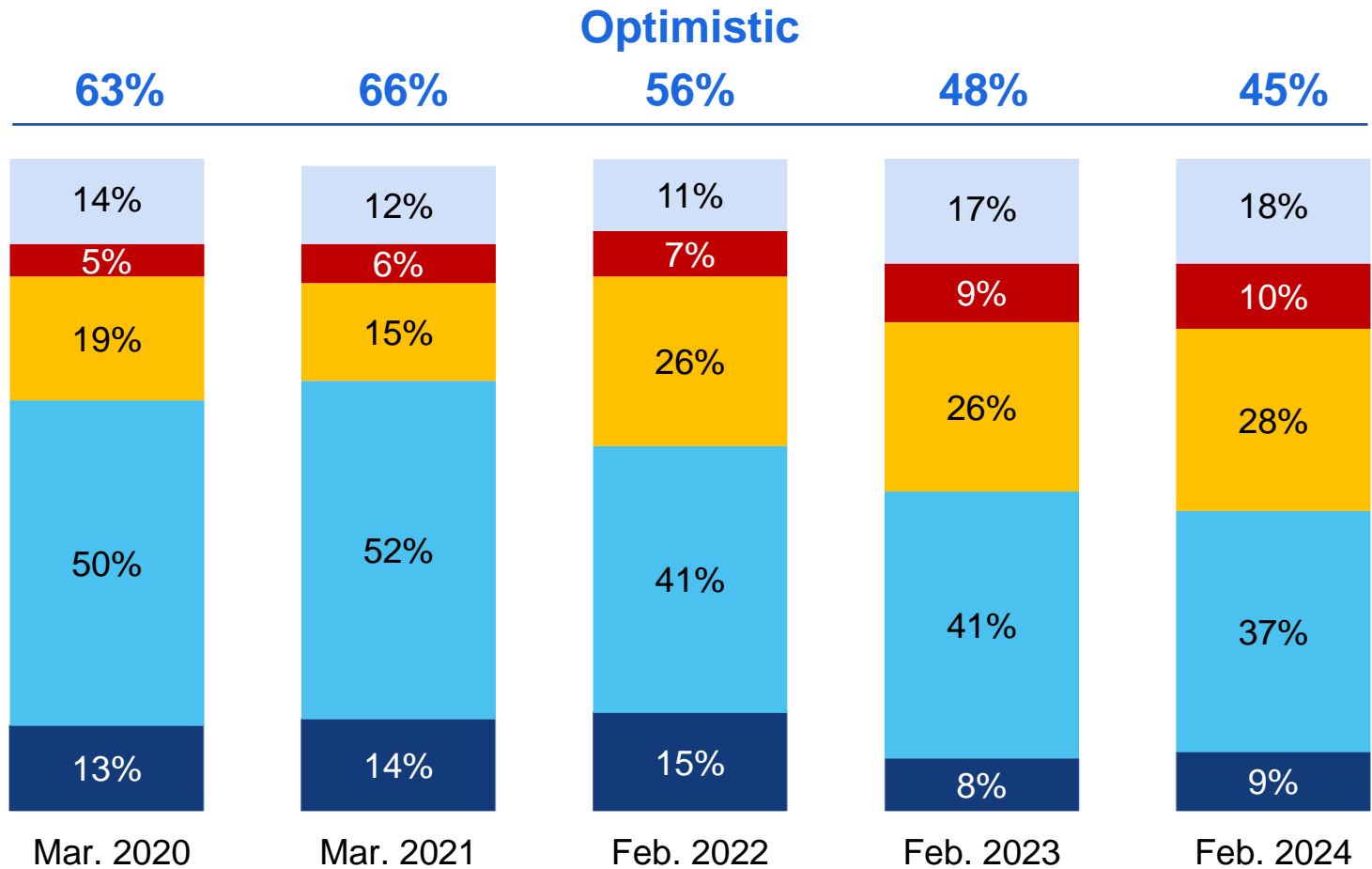
Those most likely to expect to be **better off** one year from now include:

- Winnipeg-based firms (33% vs. 25% among those in rural and northern Manitoba).
- Medium-sized and larger companies (35% among those with 10-49 employees and 34% among those with 50+ employees vs. 22% among those with <10 employees).

Confidence in Winnipeg's Economic Future

Optimism regarding the Winnipeg economy hits its lowest point in recent years

C4. Thinking about the economy: Are you optimistic or pessimistic about the economic future of Winnipeg?
 Base: Manitoba business leaders (N=200)



Those most likely to say they are **optimistic about Winnipeg's economic future** include:

- Winnipeg-based companies (53% vs. 33% outside Winnipeg).
- Larger firms (61% among those with 50+ employees vs. 47% among those with 10-49 employees and 35% among those with <10 employees).

Unsure

Very pessimistic

Somewhat pessimistic

Somewhat optimistic

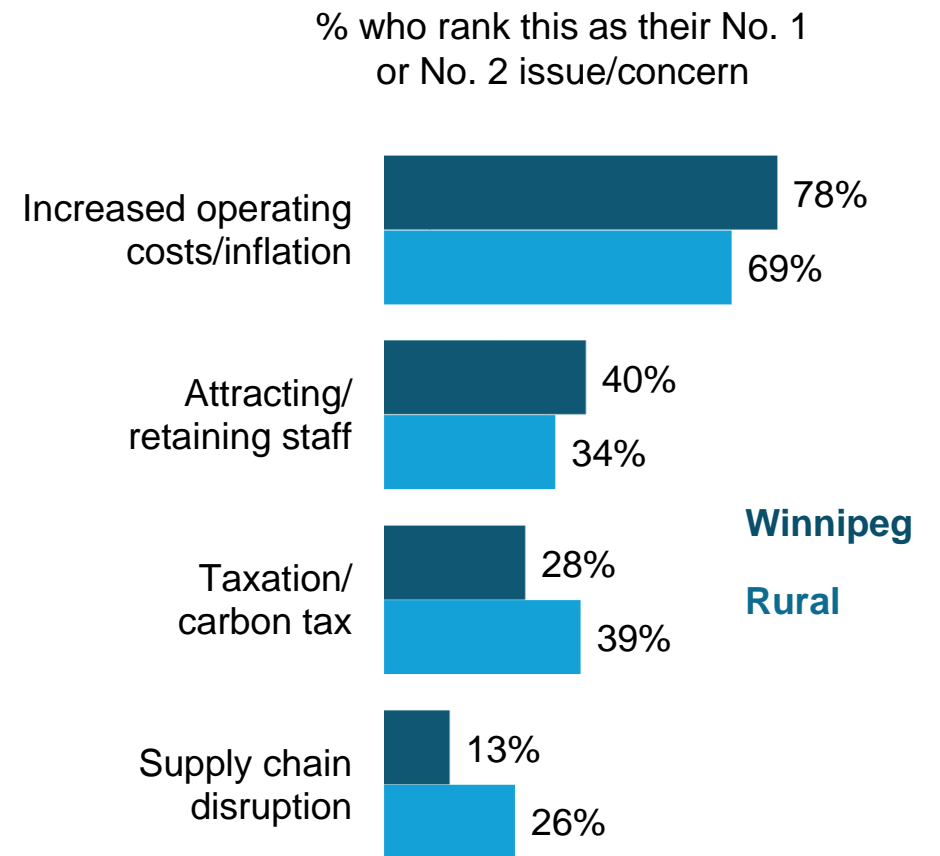
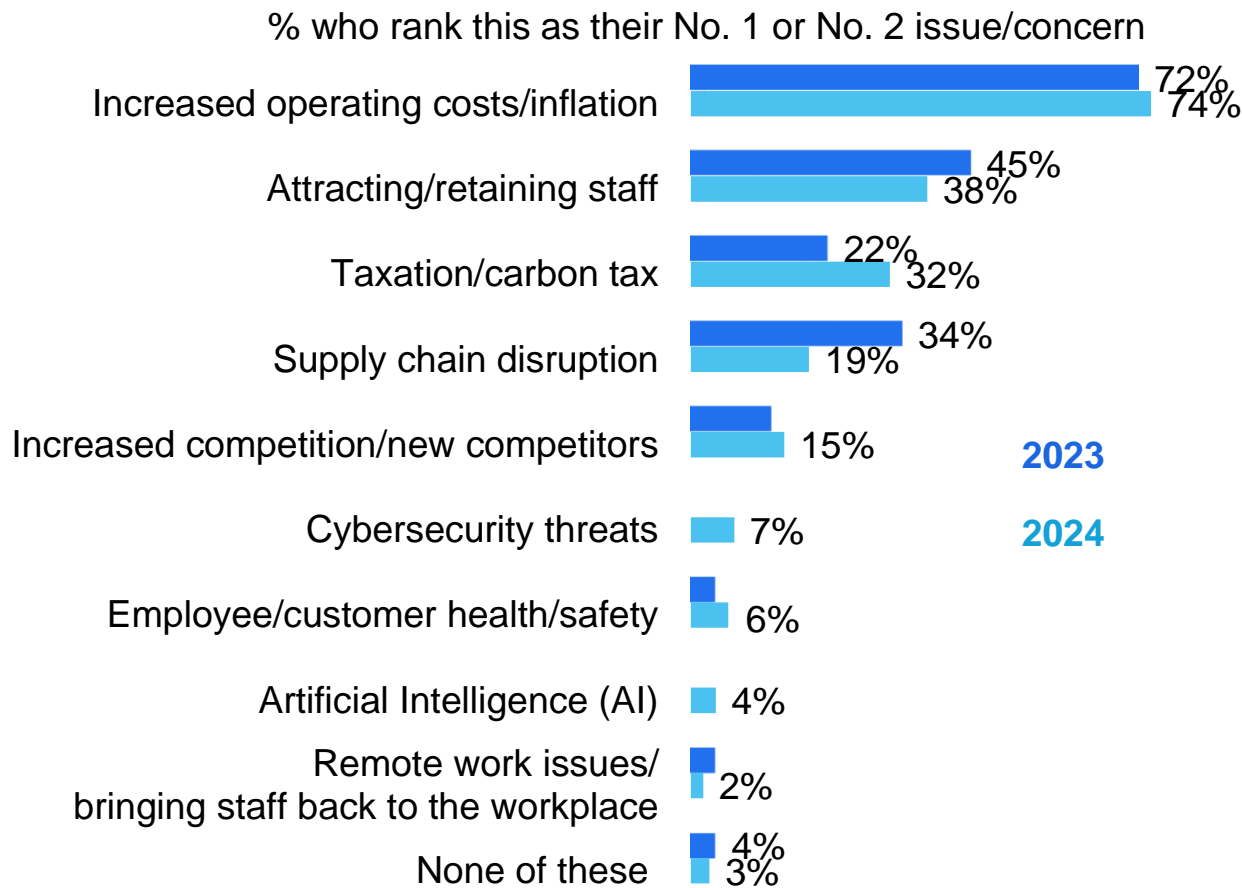
Very optimistic

Most Significant Business Challenges: Tracking

Inflation remains the biggest concern, while taxation anxiety is on the rise

C7. Thinking about the various business challenges your company might be facing in 2024, please indicate which of the following – if any – are the most significant concerns. Please pick the top two challenges in order of importance from the list below: (RANDOMIZE LIST)

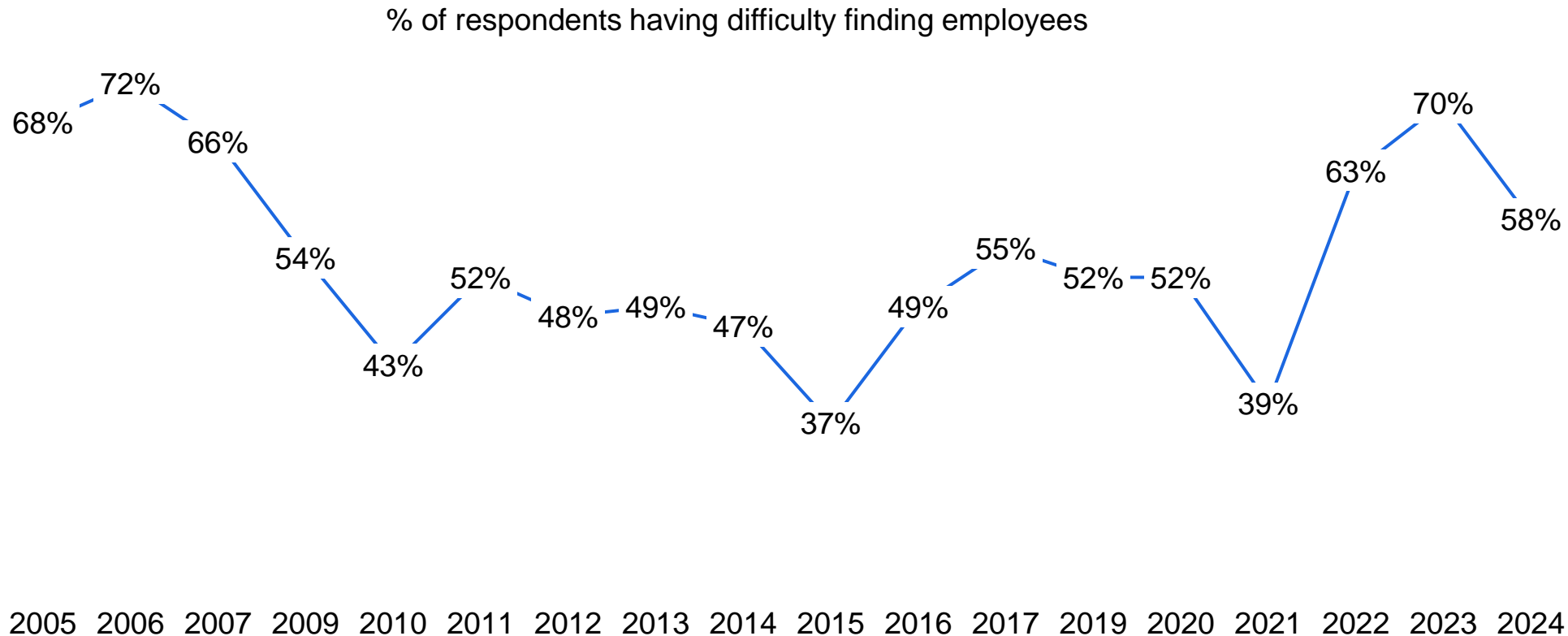
Base: Manitoba business leaders (N=200)



Difficulty Finding Qualified Employees

More than one-half still having difficulty finding workers with relevant skills

C6. In the past year, have you had any difficulty finding qualified new employees with relevant skills?
Base: Manitoba business leaders (N=200)



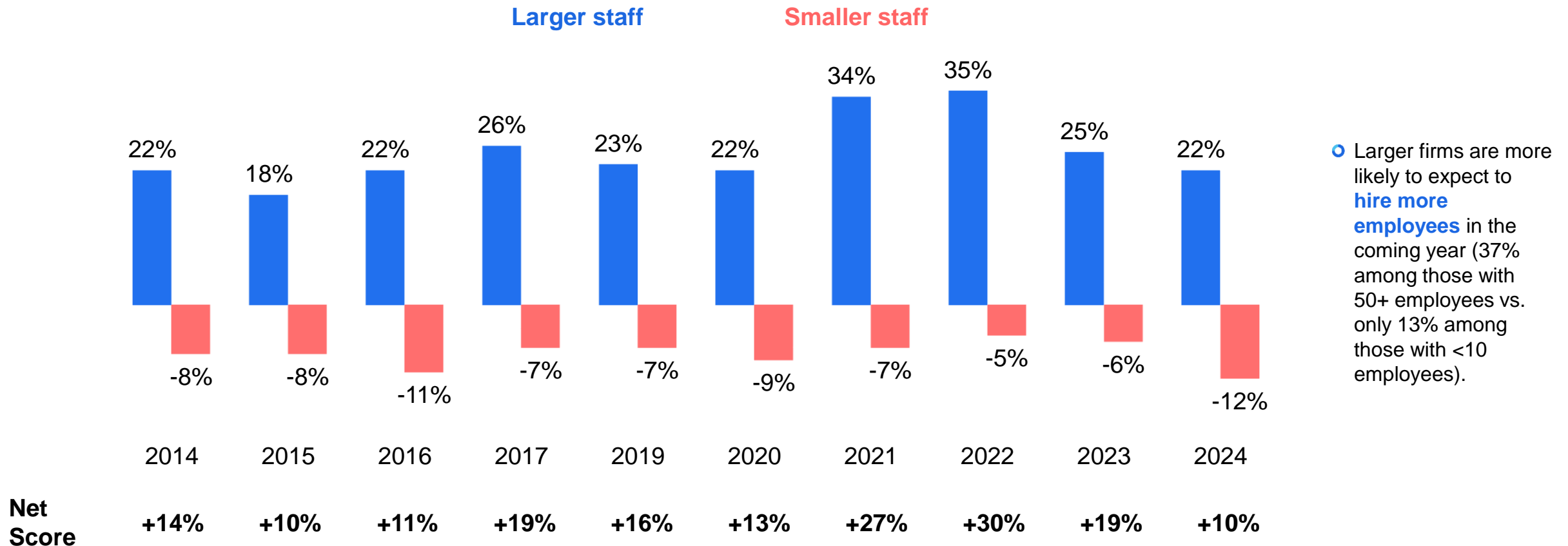
Those having **more difficulty** finding qualified workers include:

- Larger and medium-sized firms (66% among those with 50+ employees and 69% among those with 10-49 employees vs. 44% among those with <10 employees).

Expectations of Increasing Staffing

One in five businesses expect to increase staff, while one in ten expect to shrink

C4. Thinking about 12 months from now, do you expect the number of people employed by your company in Manitoba will be larger, smaller – or will it be about the same as it is today? Base: Manitoba business leaders (N=200)

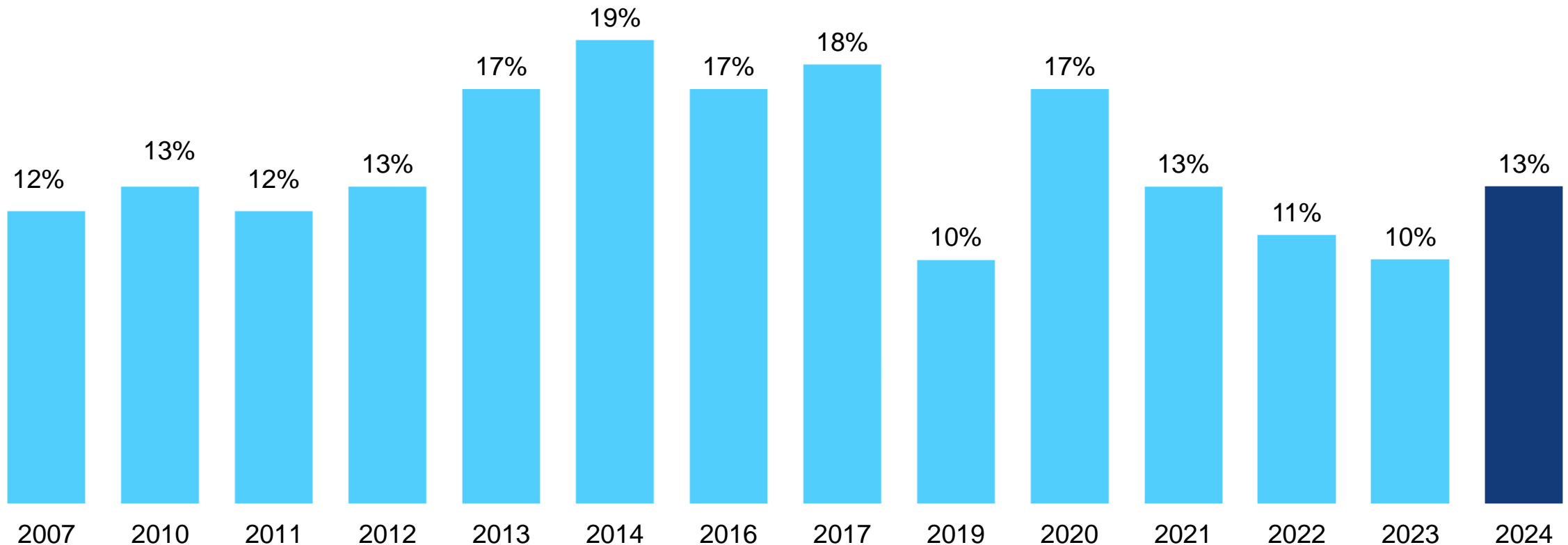


Expectations of Layoffs

Slightly more than one in ten expect to lay off staff or cut hours in the next six months

C5. Are you anticipating a need to have layoffs or a reduction in working hours for your staff during the next six months?
Base: Manitoba business leaders (N=200)

% of respondents who intend to lay off staff or reduce employee hours



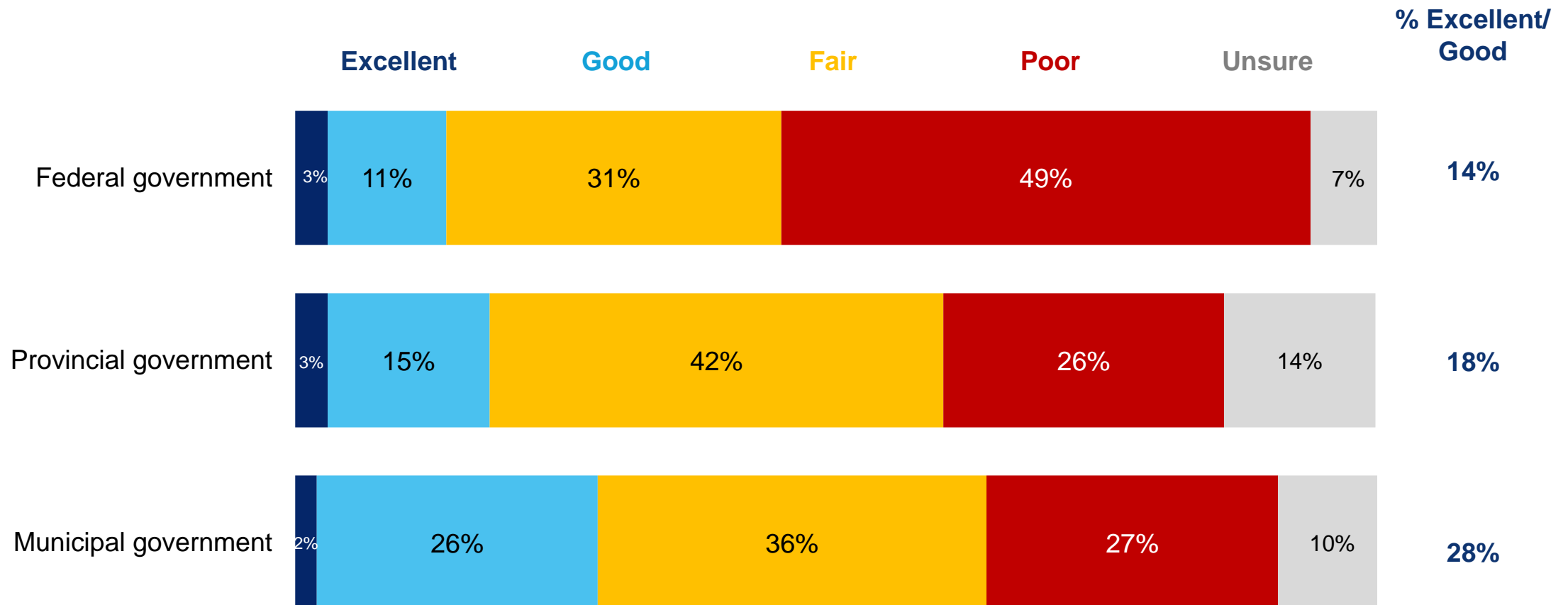


Assessment of Government Performance

Views on Government Performance

Nearly one-half believe the federal government is doing a poor job on business climate

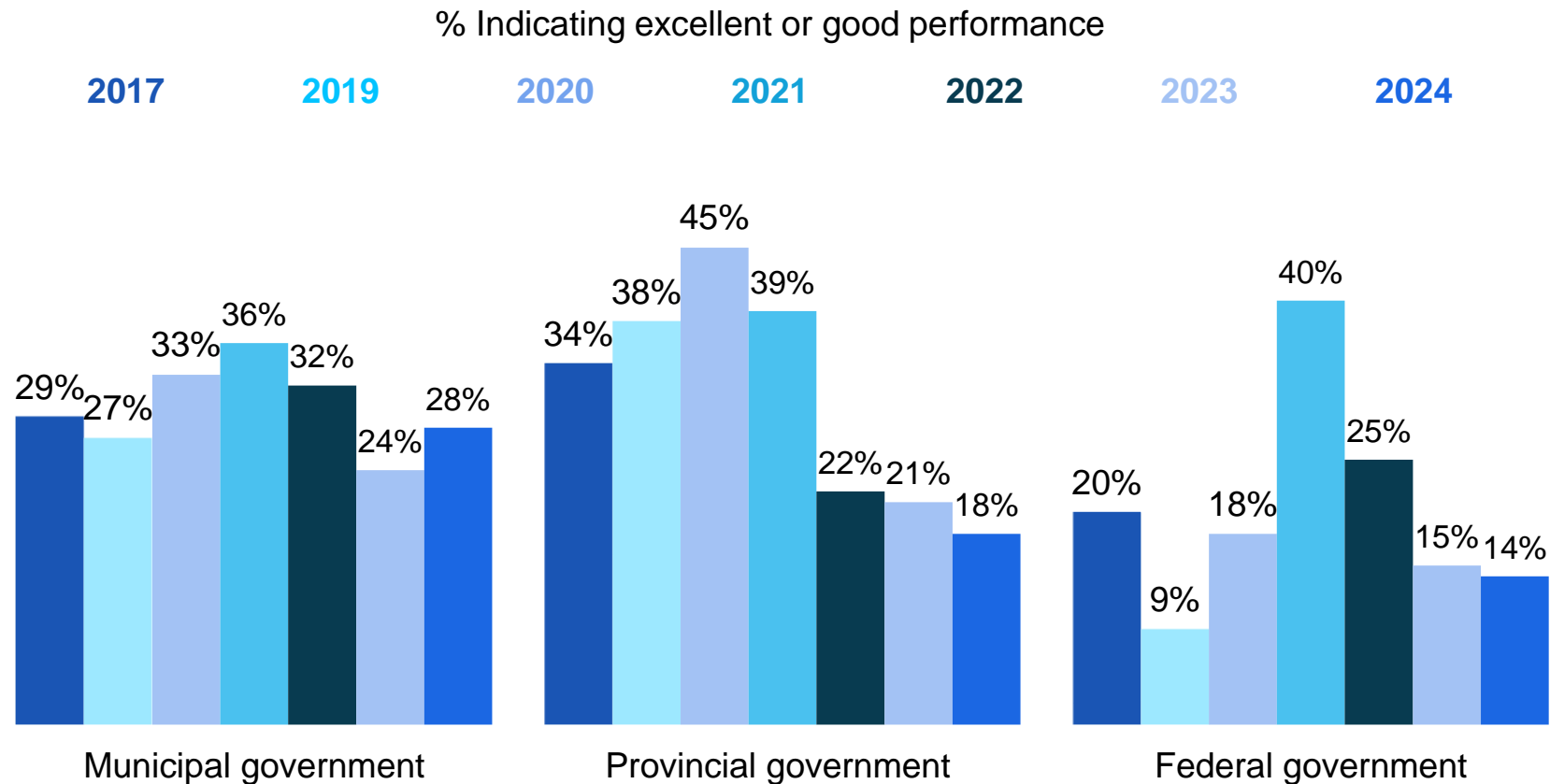
C11. Now I would like to know how you feel the three levels of government here in Manitoba have been performing in terms of creating a good climate for business. First, thinking about the (options randomized), would you say they have been doing an excellent job, a good job, only a fair job or a poor job in this regard? Base: Manitoba business leaders (N=200)



Government Performance: Tracking

Confidence in the provincial government remains low, even with a new party in power

C11. Now I would like to know how you feel the three levels of government here in Manitoba have been performing in terms of creating a good climate for business. First, thinking about the (options randomized), would you say they have been doing an excellent job, a good job, only a fair job or a poor job in this regard? Base: Manitoba business leaders (N=200)



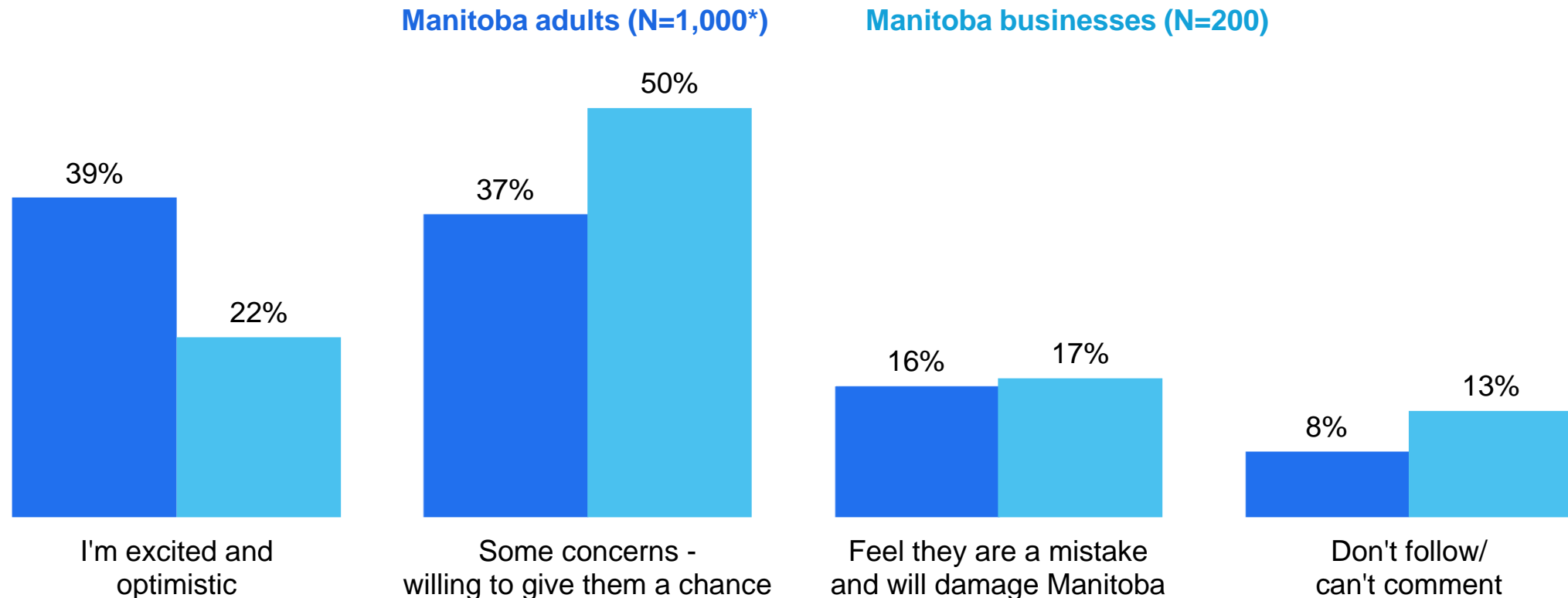
- Smaller companies with <10 employees are more likely to approve of the performance of the federal and provincial governments, but less likely to praise their local government (22% vs. 32% among those with 10+ employees).
- Businesses in Winnipeg are more likely to think the federal government is doing an excellent or good job (18% vs. 6% in rural/northern Manitoba). There is virtually no difference between how businesses inside or outside Winnipeg perceive the performance of either the provincial government or their local municipalities.

Appraisal of New Provincial Government

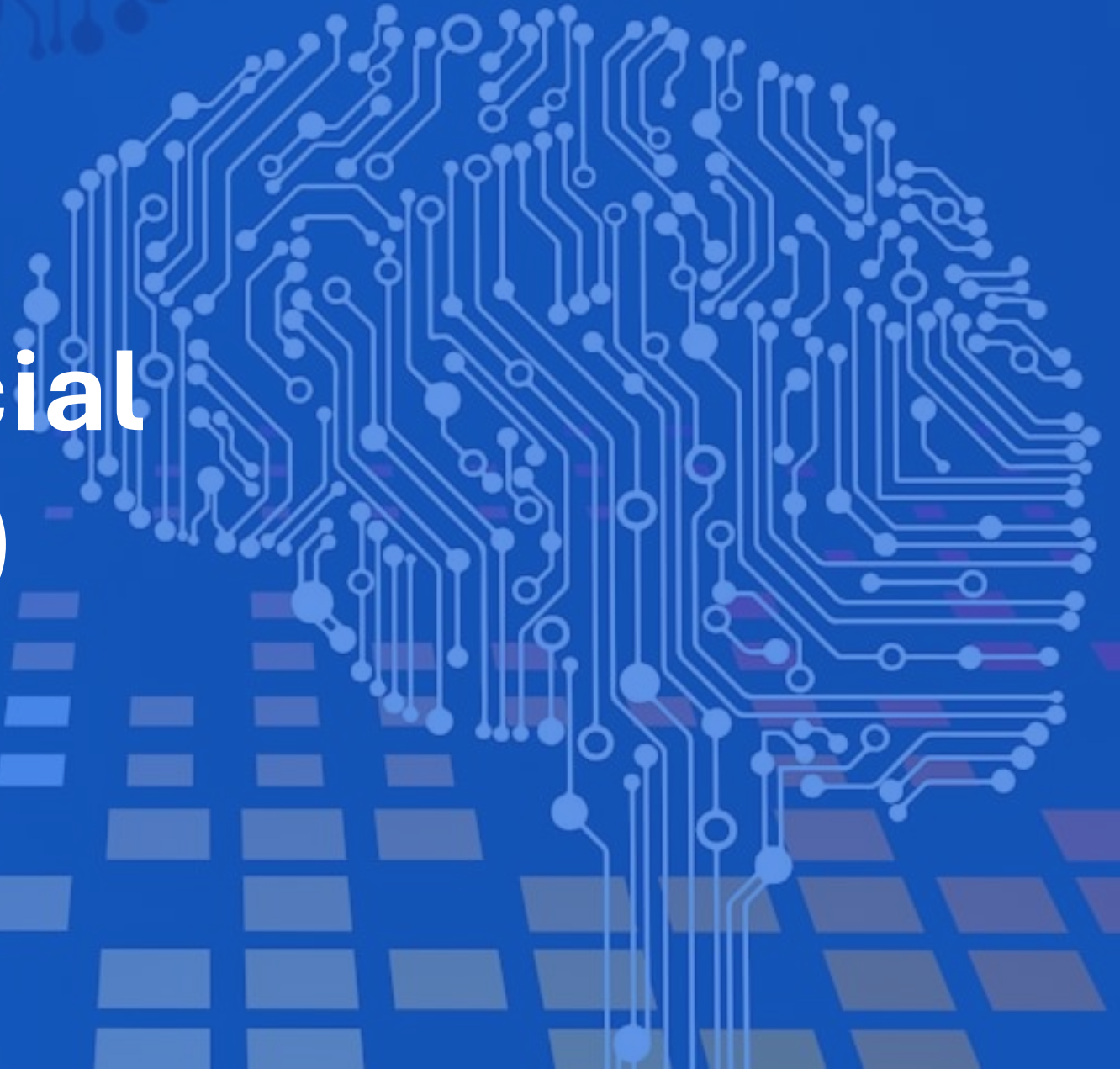
A majority of businesses are taking a wait-and-see approach to Manitoba's new NDP administration

C12. Regardless of who you might have supported in the October Manitoba provincial election, which, if any of the statements below, best reflects how you feel about the new Manitoba government led by Premier Wab Kinew? Base: All respondents

*From the December 2023 Manitoba omnibus survey



Focus on Artificial Intelligence (AI)

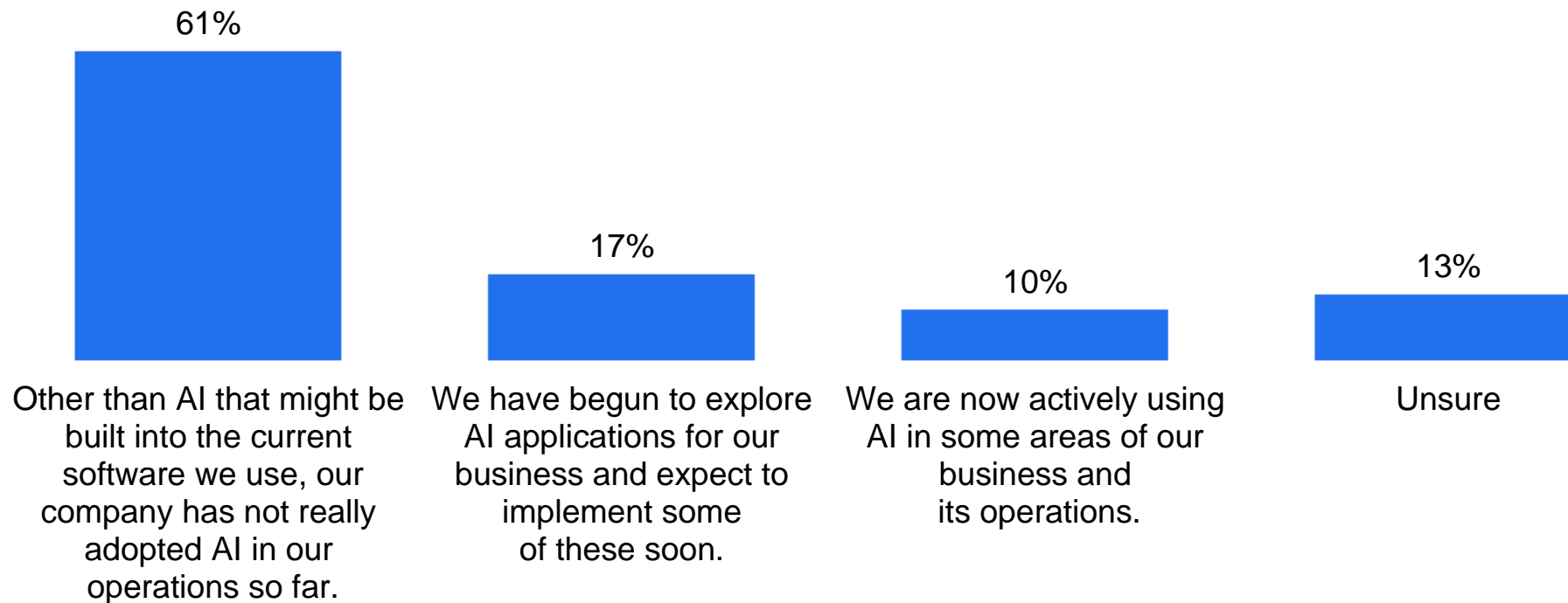


Current Use of AI Among Manitoba Businesses

One in ten are actively using AI, with nearly one in five exploring this technological tool

C13. Which one of the following scenarios most accurately reflects how your organization currently uses Artificial Intelligence (AI) applications? Base: Manitoba business leaders (N=200)

27% are now using AI to some degree



Those most likely to be either **actively using AI or exploring its applications** include:

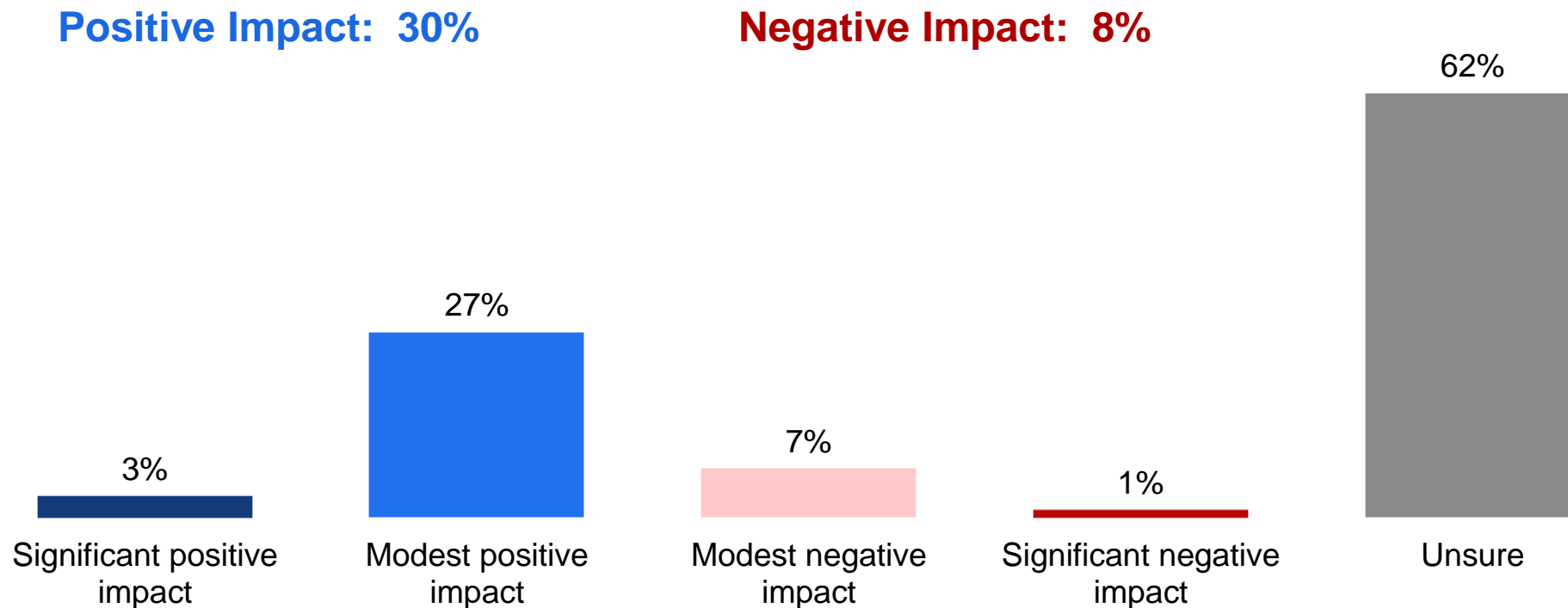
- Larger companies (42% with 50+ employees vs. only 12% among those with <10 employees).
- Winnipeg-based companies (32% vs. 18% among firms based outside Winnipeg).

Anticipated Impact of AI on Profitability

Most remain unsure of how AI will affect profitability; three in ten expect some positive effect

C14. Based on whatever you may know about AI so far, what impact, if any, do you feel this technology will have upon your business's overall profitability? From the options below, please pick the one that most closely matches your expectations.

Base: Manitoba business leaders (N=200)



Those most likely to **expect a positive impact** include:

- Medium-sized firms (70% with 10-49 employees vs. 60% with <10 employees and 51% with 50+ employees).
- Winnipeg-based companies (37% vs. 20% outside Winnipeg).

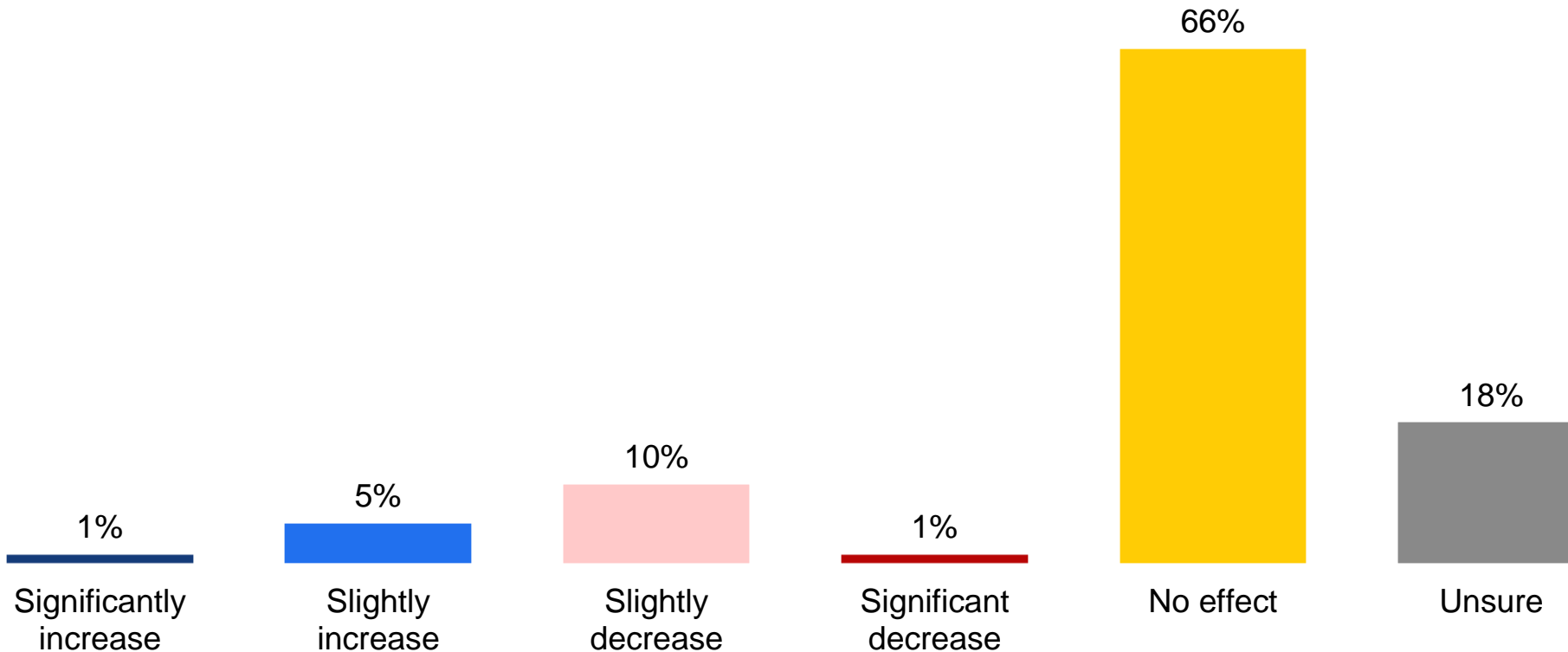
Impact of AI on Staffing Levels

Two-thirds of business leaders expect AI will have no effect on their employee count

C15. Still thinking about AI, in the next few years do you expect AI will result in an increase or a decrease to the size of your company's workforce – or will it have no effect at all? Base: Manitoba business leaders (N=200)

Increase Staff Size: 6%

Decrease Staff Size: 11%



- Larger companies with 50+ employees are more likely to believe AI will lead to fewer staff (20% vs. 6% among those with <10 employees).