



REPORTS



**Canadian Business
Leaders Resolute and
United in the Face of
Unprecedented Threat**



KEY TAKEAWAYS

CANADA-FIRST RESONATES AS STRONGLY AS EVER.

- 97% of Canadian business leaders, and similarly 97% of Canadian consumers agree that *now more than ever, it is important for Canadians (consumers and businesses) to support Canadian businesses.*
- Canadian-based businesses should be amplifying their origin story, and foreign import companies should be focusing on their commitment to Canadian workers and the Canadian market, during this time of increased foreign economic threats.

TARIFFS ARE A REAL THREAT AND WILL BE PAINFUL; STRONG CANADA-FIRST RESPONSES ARE SUPPORTED.

- The Canadian economy has come under threat from the United States, with 25% tariffs first promised for January 20th, and then pushed to February 4th (note that questions were asked in the week of January 27th, when tariffs were still not confirmed).
- Canadian business leaders say these tariffs will be painful for their businesses and for the economy overall.
- Despite the potential pain, Canadian business leaders largely support a strong and united response from Canada, including retaliatory import and export tariffs.

POSITIVITY AMONG CANADIAN BUSINESS LEADERS HITS THE LOWEST POINT SINCE 2021; POSITIVITY STILL OUTWEIGHS NEGATIVITY.

- Canadian business leaders are feeling less than 2/3 positive; the lowest mark since Q4 of 2021.
- While positively still outweighs negativity, and the top current feelings are *optimistic, fortunate, and happy*, the reduction in overall positivity seems likely to be a result of economic threats.

DESPITE CONCERNS, CANADIAN BUSINESS LEADERS REMAIN OPTIMISTIC ABOUT THE YEAR AHEAD IN 2025.

- 67% say they are optimistic about their business, down just 4 points from Q3 2024.
- 48% say they feel they are in *better shape entering 2025 than they were entering 2024* (down 10 points from the same question at the start of 2024; just 10% say they are in *worse shape*).
- Gen Z/Millennial business leaders, mid-tenured businesses, and midsized businesses are particularly optimistic.

BUSINESSES SHOULD TREAD CAREFULLY WHEN ENGAGING IN SOCIAL ISSUES.

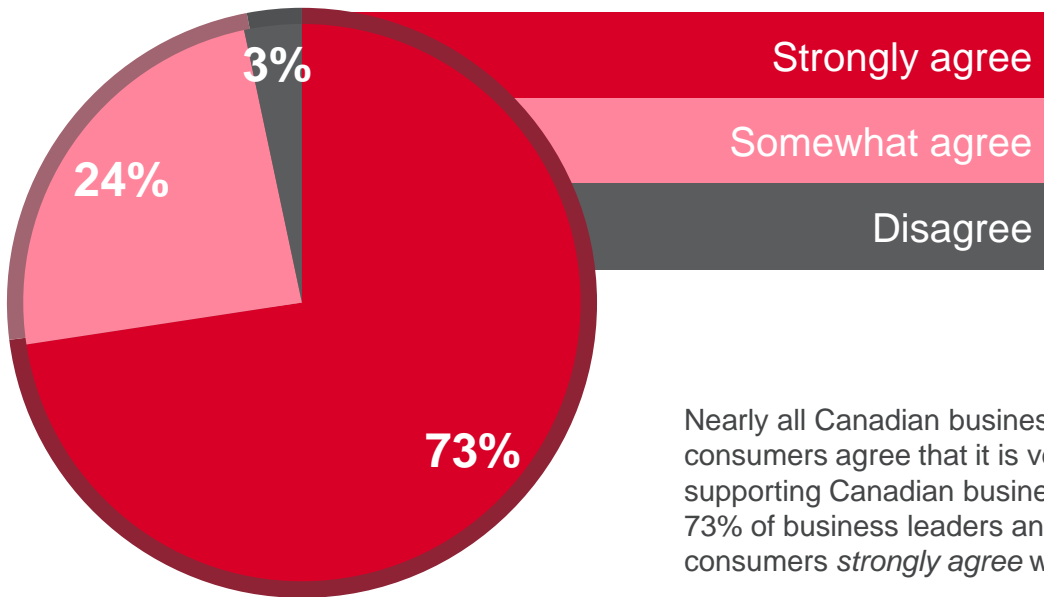
- The role companies play speaking out on social issues is potentially divisive and risky. 90% of Canadians agree *companies need to have a track record of acting on their values to be taken seriously*, however 84% also agree that *I wish my preferred brands would stay out of politics.*
- When it comes to speaking out on social issues, Canadian business leaders are relatively evenly split on whether this constitutes mostly a *risk* (54%), or mostly a *reward* (46%). Consumers, on the other hand, largely say such action is a *risk* (63%).
- Companies should take care determining if and how they engage in and speak about such social issues.



BUY CANADIAN, SUPPORT CANADIANS



“Now more than ever before, it is important for Canadians (consumers and businesses) to support Canadian businesses”



Nearly all Canadian business leaders and consumers agree that it is very important to be supporting Canadian businesses at this time – 73% of business leaders and 66% of consumers *strongly agree* with this statement.

Agreement among Canadian **business leaders**:
Agreement among Canadian **consumers**:

97%



ANXIOUS, YET MOSTLY POSITIVE

BUSINESS LEADERS REMAIN MOSTLY POSITIVE

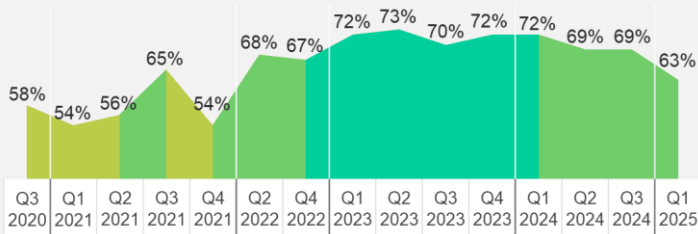


Asked how they are feeling about their business these days and given a list of 11 positive and 11 negative emotions to choose from, Canadian business leaders are feeling nearly two-thirds positive as we enter 2025.

Top current emotions

- Optimistic (35% | -4% vs. Q3'24)
- Fortunate (34% | +5%)
- Happy (28% | -7%)
- Anxious (27% | +3%)
- Calm (26% | -2%)

LOWEST POSITIVITY SINCE 2021



After rising above 70% in 2023, positivity has fallen back down into the 60s in 2024 and into 2025. As Canadian business leaders consider the changing political landscape, including tariff threats and an uncertain place in the global economy, current positivity of 63% is down 6 points from late 2024, and currently sits at its lowest point since 2021.

POSITIVITY BY FIRMOGRAPHICS

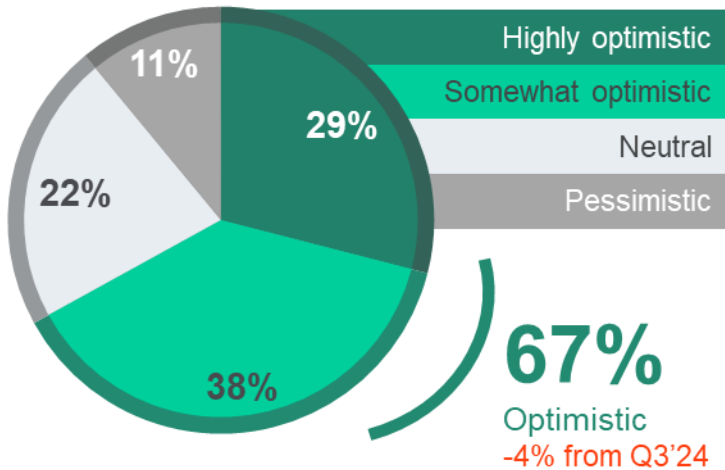
	Overall	63%
Org. Size (Employees)	Owner-only	53%
	1 to 9	59%
	10 to 29	66%
	30 to 99	73%
	100+	77%
Revenue	Under \$100k	61%
	\$100k to <\$1M	56%
	\$1M to <\$5M	67%
	\$5M+	71%
Tenure	2 Yrs. or Less	71%
	3-9 Yrs.	64%
	10+ Yrs.	62%
Age of Owner/Leader	Gen Z/Millennial	66%
	Gen X	58%
	Boomer+	67%
Owner/Leader Gender	Male	65%
	Female	60%

Those leading larger businesses, and newer businesses (<2 years in operation) are the most positive at the moment; Gen X business leaders are among the least positive.



IN GOOD (NOT GREAT) SHAPE FOR 2025

MOST CANADIAN BUSINESS LEADERS REMAIN OPTIMISTIC FOR THEIR BUSINESS, DOWN ONLY SLIGHTLY TO BEGIN 2025



Just over two-thirds of Canadian business leaders remain optimistic about their prospects and outlook, down only slightly from 71% in late 2024.

MOST optimistic:

- 30-99 employees (87%)
- Gen Z/Millennial leaders (82%)
- 3-9 years' tenure (79%)
- \$1-4.9M annual revenue (78%)

LEAST optimistic:

- Owner-only businesses (47%)
- <\$100k annual revenue (52%)
- Gen X leaders (58%)
- 10+ years' tenure (60%)

NEARLY HALF SAY THEY ARE IN BETTER SHAPE ENTERING 2025 THAN 2024; HOWEVER THIS IS DOWN FROM 58% WHO FELT THIS WAY ENTERING 2024

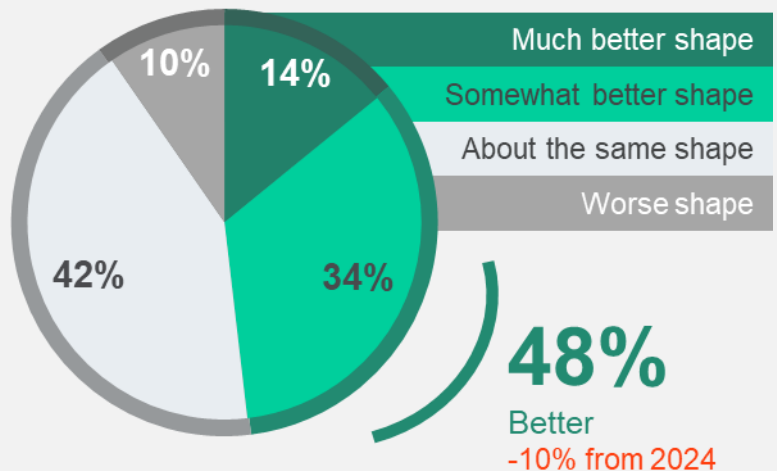
Just one business leader in ten in Canada feels they are in worse shape entering 2025 than they were entering 2024.

MOST likely to be in "better shape":

- 100+ employees (67%)
- Gen Z/Millennial leaders (66%)
- \$5M+ annual revenue (62%)
- 3-9 years' tenure (60%)
- Female leaders (54%)

LEAST likely to be in "better shape"

- Owner-only businesses (30%)
- <\$100k annual revenue (33%)
- Boomer+ leaders (35%)
- 10+ years' tenure (39%)
- Male leaders (45%)





WANT TO STAND STRONG AND FIGHT BACK

ANTICIPATED OUTCOMES OF US TARIFFS ON CANADIAN EXPORTS:

Canadian business leaders anticipate a variety of negative impacts of potential US tariffs on Canadian exports. Most notably, nearly one-half would expect the Canadian economy to decline, while many also expect their costs and prices to increase.

“The Canadian economy will decline”



“Many products we buy will become more expensive”



“The prices we charge will have to increase”



“We will have to take a hit on margin to remain competitive”



“It will give US vendors a major advantage over us”



RECOMMENDED RESPONSE TO TARIFF THREAT:

While some Canadian business leaders recommend negotiating and trying to establish more of a friendly relationship with the United States, the leading recommendations from business leaders in response to tariff threats are to aggressively respond in-kind; 60% of Canadian businesses agree that Canada should *place tariffs on goods being imported to Canada from the US, and/or retaliate with export tariffs on things such as energy and softwood.*

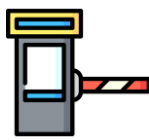
“Place tariffs on goods being imported to Canada from the US”



“Retaliate with export tariffs on things important to America, such as energy and softwood”



“Put forth more effort to secure the Canada/US border”



“Establish more of a friendly relationship with US leadership”



“Negotiate to lower the potential tariff amount”



“Hold an election as soon as possible”



60% Agree that retaliatory measures are best for this situation

Q2025.6: President Donald Trump has threatened to place large tariffs on incoming products made outside the USA. Assuming this happens, what do you think the impact of these would be for your business and the Canadian economy? Please select all that apply. (n=563)

Q14: Donald Trump has threatened import tariffs up to 25% on goods being brought into the United States from Canada, in part because he has said the Canada/US border is not secure enough. Which of the following do you believe Canada should do in response? (n=286)

SOCIAL ISSUES BRING RISK, REWARD

Generally speaking, is there more risk or reward in a CEO speaking out on social issues?



Canadian Business Leaders

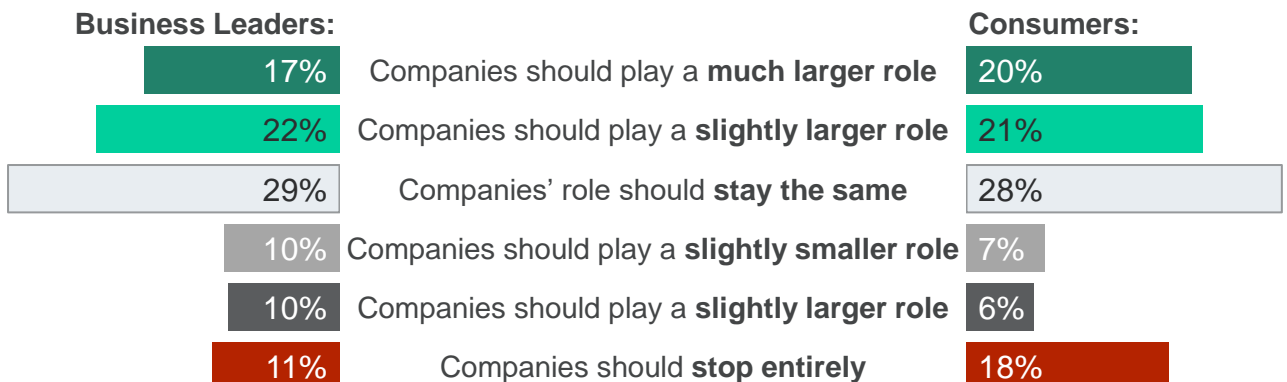


Canadian Consumers



Business leaders are split on whether CEOs speaking out on social issues is more reward, or more risk, however Canadians lean heavily towards this being more *risk* for businesses. Business leaders and consumers are split on whether companies' roles in addressing social issues should increase or decrease, given today's political climate.

Thinking about political change we have seen and are seeing, how should companies' roles in addressing social issues change?



Q11: Generally speaking, is there more risk or reward in a CEO speaking out on social issues? (n=282)

Q13: Thinking about the political change we have seen and are seeing (e.g., Donald Trump's inauguration, Justin Trudeau stepping back from Canadian leadership), how should companies' roles in addressing social issues change? (n=282)



TOP ISSUES FACING CANADA TODAY

INFLATION, HEALTHCARE, AND THE ECONOMY ARE SEEN AS THE TOP CURRENT ISSUES FACING CANADA

Business leaders and genpop Canadians are largely in alignment on the biggest issues facing Canada today, with some exceptions. Consumers are MORE worried than business leaders about *healthcare* (+14% difference), *inflation* (+10%), and *immigration* (+7%). On the other hand, businesses are MORE worried about *taxes* (+8%), *tariffs* (+6%), and *national debt* (+6%).



Business Leaders:



Consumers:

Higher:

Business Leaders (%)	Issue	Consumers (%)	Difference
36%	Price increases / inflation	46%	Cons. +10%
29%	Healthcare	43%	Cons. +14%
27%	Economy and jobs	25%	BL +2%
19%	Immigration	26%	Cons. +7%
26%	Taxes	18%	BL +8%
22%	Tariffs	16%	BL +6%
16%	Envrnmnt./climate change	20%	Cons. +4%
21%	National debt	15%	BL +6%
13%	Mental health	17%	Cons. +4%
11%	Income inequality	13%	Cons. +2%
9%	Corruption	11%	Cons. +2%
8%	Criminal justice	9%	Cons. +1%
7%	Foreign policy	8%	Cons. +1%
6%	Education	7%	Cons. +1%
5%	Terrorism/national security	6%	Cons. +1%
5%	Defense	6%	Cons. +1%
5%	Indigenous rights/reconciliation	3%	BL +2%
4%	Women's rights	4%	tie
3%	Race relations	3%	tie
2%	Quebec separatism	3%	tie

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About the Study and Data

Results are a small subset of findings from the January 2025 wave of the Harris BizPulse syndicated study. The study is conducted quarterly, surveying 1,000 Canadian business owners and leaders (US version also available).

Data profiled in this report was collected between January 27th - January 31st, 2025.



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