

### **Background:**

Economic Development Lethbridge (EDL) and the Lethbridge Chamber of Commerce have partnered on the Brighter Together survey of local business since 2019. This initiative probes local organizations to provide feedback about their current sentiments and overall business health in order to better understand local conditions and to communicate the results to key stakeholders. The findings from the survey help us anticipate and respond to current and future challenges in our area and also help us highlight and articulate our comparative advantages as a city.

### **2021 Highlights:**

- 74% of respondents indicate their business health is positive; this proportion has improved considerably when compared with the 2020 results.
- Quality of life was selected as the most important locational advantage for the third consecutive year.
- Utilities costs were the biggest locational challenge for businesses at present.
- The rising cost of inputs was cited as the most pressing obstacle for businesses over the next 12 months.
- Both overall business performance and future optimism were improved in comparison to 2020.

### **Top Locational Strengths to Doing Business in the Lethbridge Area – 2021 Results**

<b>Attribute</b>	<b>Score (1-10 scale; 10 = very satisfied)</b>
Quality of Life	7.90
Transportation Infrastructure	7.07
Collaborative Environment	7.05

### **Top Locational Challenges to Doing Business in the Lethbridge Area 2021 Results**

<b>Attribute</b>	<b>Score (1-10 scale; 10 = very satisfied)</b>
Utilities Cost	5.35
Tax Environment	5.54
Workforce Availability	5.84

### Top 3 Locational Strengths to Doing Business in the Lethbridge Area – Annual Comparison

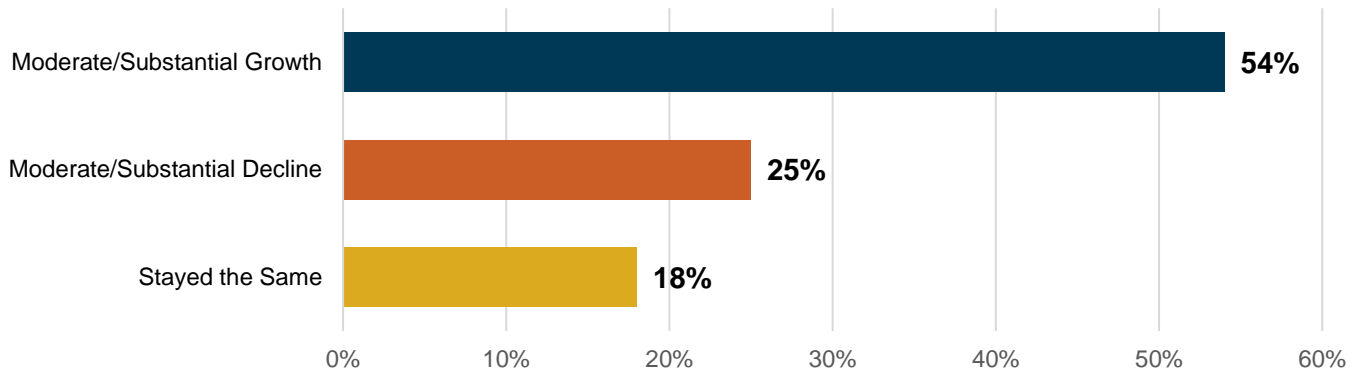
<i>2021 – Top 3 Strengths</i>	<i>2020 – Top 3 Strengths</i>
Quality of Life	Quality of Life
Transportation Infrastructure	Diversified Local Economy
Collaborative Environment	Collaborative Environment

### Top 3 Locational Challenges to Doing Business in the Lethbridge Area – Annual Comparison

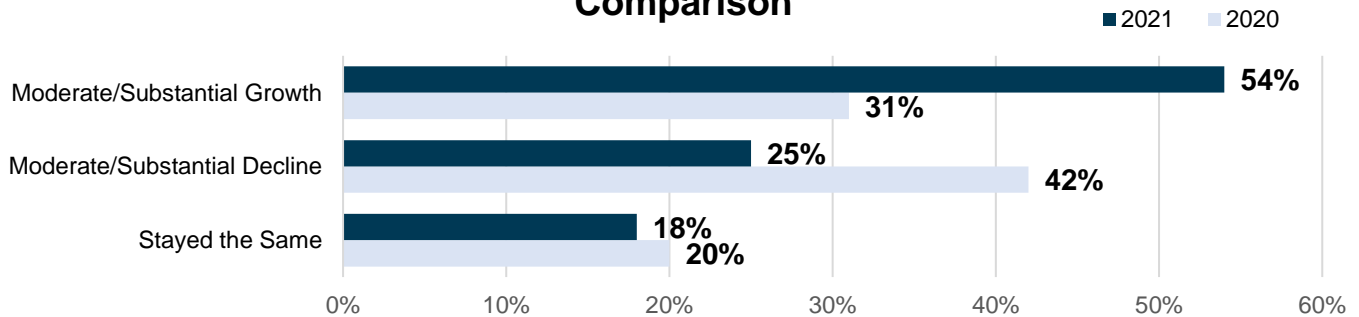
<i>2021 – Top 3 Challenges</i>	<i>2020 – Top 3 Challenges</i>
Utilities Cost	Qualified Workforce
Tax Environment	Tax Environment
Workforce Availability	Workforce Availability

- There was a great deal of consistency in the attributes selected as locational strengths and weaknesses in 2021 and 2020.
- Quality of Life is an element that businesses continue to highlight as the most important local strength; this attribute was selected as the top locational attribute for three consecutive years (it was also selected as the top strength in 2019).
- Collaborative Environment has also been selected as one of the top three strengths in 2019-2021, suggesting businesses view this as a consistent and enduring local attribute.
- This was the first time that Utilities Costs have been flagged as a top three locational challenge; Tax Environment and Workforce Availability have been cited as locational disadvantages in each of the past two years (2021 & 2020) suggesting businesses view these as enduring issues of concern.

### Business Performance Over Past 12 Months

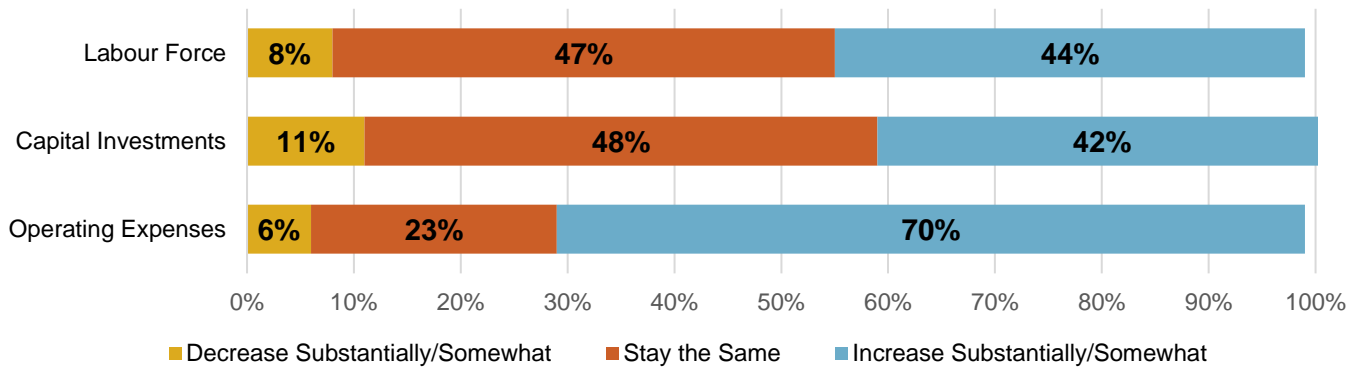


### Business Performance Over Past 12 Months - Annual Comparison

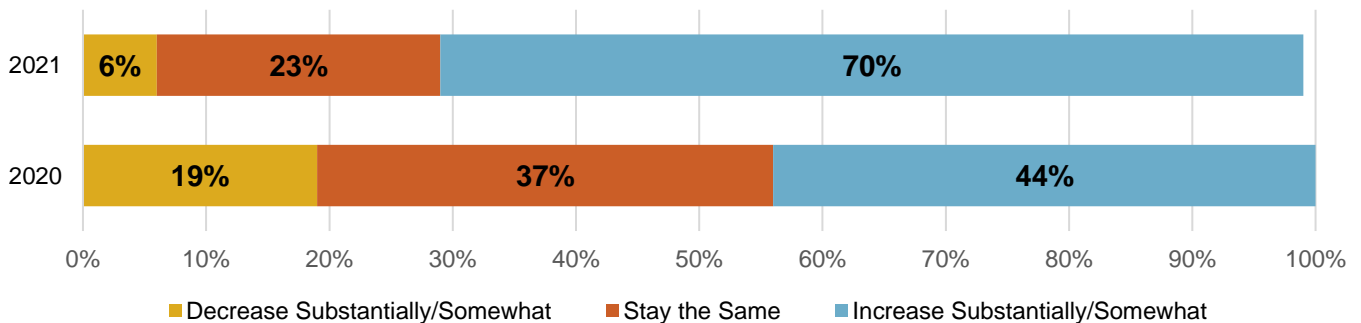


- More than half of respondents reported business growth in 2021; this is considerably higher than the proportion reporting growth last year.
- While this performance is much improved, it is important to note that one in four respondents reported a declining business performance in 2021; this suggests the recovery from the pandemic remains a work in progress.

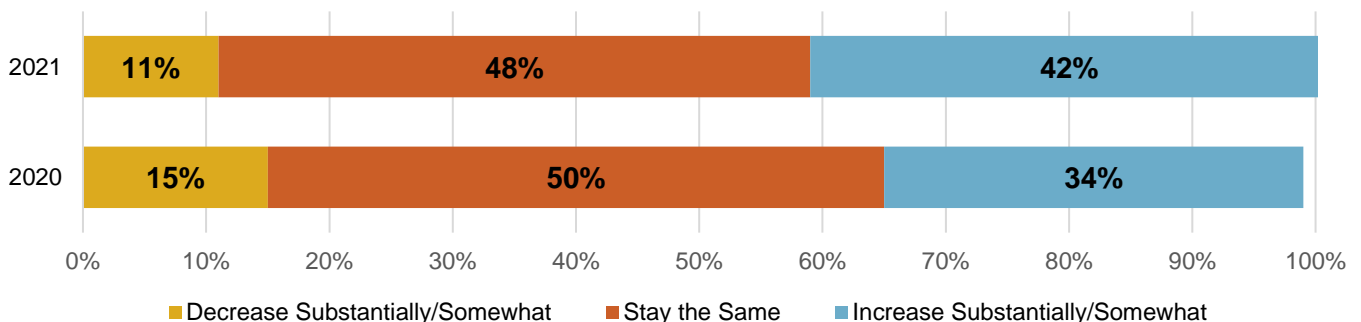
### Expectations for the Next 6-12 Months



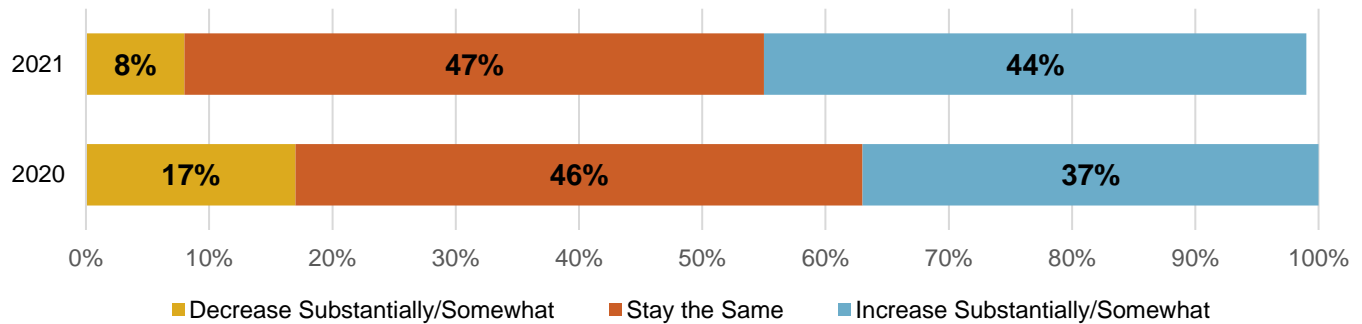
### Operational Expenses - Expectations for Next 6-12 Months - Annual Comparison



### Capital Investments - Expectations for Next 6-12 Months - Annual Comparison

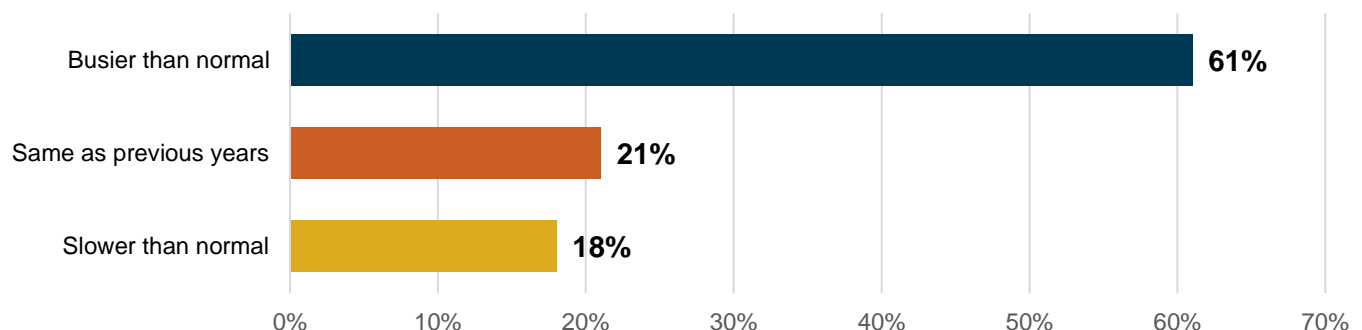


### Labour Force - Expectations for Next 6-12 Months - Annual Comparison

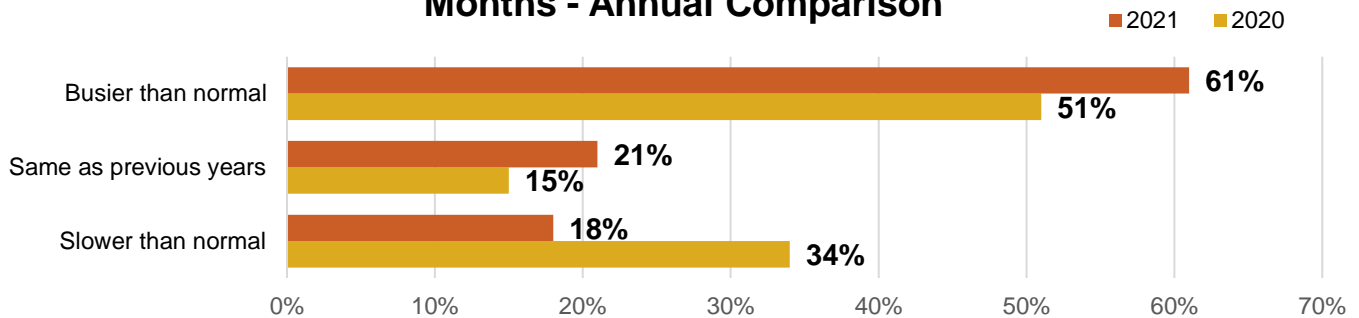


- A significant proportion of respondents foresee rising operational expenses with seven in ten organizations projecting that these expenditures will rise in the coming year.
- Organizations are projecting to increase spending in all three areas (operational expenses, capital investments, and labour) in higher proportions than reported last year. This could reflect both rising costs and improving business confidence & conditions.
- While it is encouraging to see that 44% of respondents anticipate increased hiring in the next year, it will be worth monitoring this development given the elevated job vacancies and tighter labour supply witnessed in 2021.

### Expectations for Business Performance in the Next 6-12 Months



### Expectations for Business Performance in the Next 6-12 Months - Annual Comparison



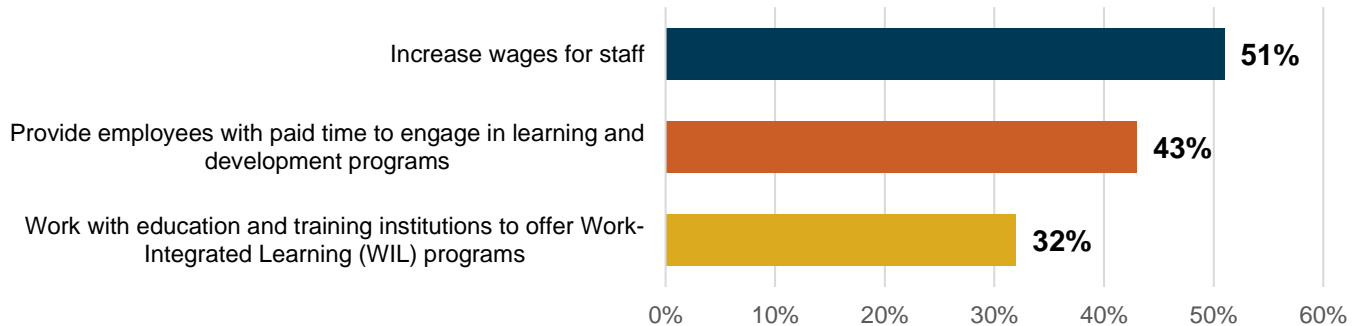
- There appears to be some cautious optimism among respondents regarding the next year.
- This adds credence to the notion of improved business conditions and renewed confidence in comparison to the prevailing circumstances in 2020.
- While these figures appear promising, the challenging start to 2022 suggests that some previously unforeseen challenges could lurk over the course of the next 12 months.

### Top Obstacles for Your Business/Organization in the Next Year – Top 3 Obstacles

Obstacle	Score (1-10; 10 = significant obstacle)
Rising Cost of Inputs	6.89
Recruiting & Retaining Skilled Employees	6.08
Unpredictable Fluctuations in Consumer Demand	6.05

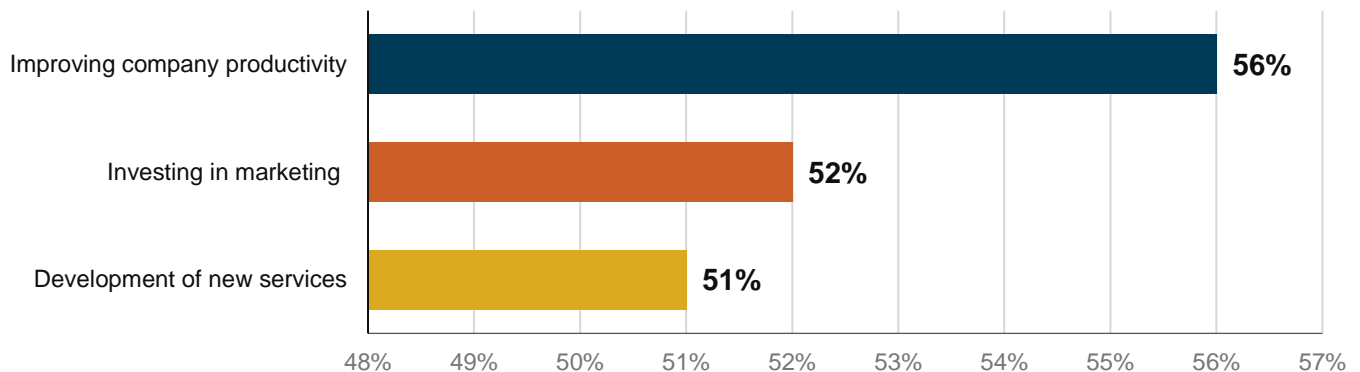
- It is not surprising to see the rising cost of inputs cited as the most pressing obstacle over the next year given the current inflationary environment and ongoing supply chain challenges.
- Fluctuations in consumer demand appear to be a derivative of current consumer preferences (increased appetite for goods at the expense of services) and the corresponding challenges this presents to business in navigating the current uncertainty and change.

### Anticipated Actions Over the Next 12 Months - Top 3 Mentions



- Increased wages could be a response to the current inflationary landscape and also seem to suggest a desire for business continuity.
- Organizations appear to be responding to the ongoing disruption by investing in their staff and seeking creative solutions to address workforce shortages.

### How Businesses are Adapting - Top 3 Mentions

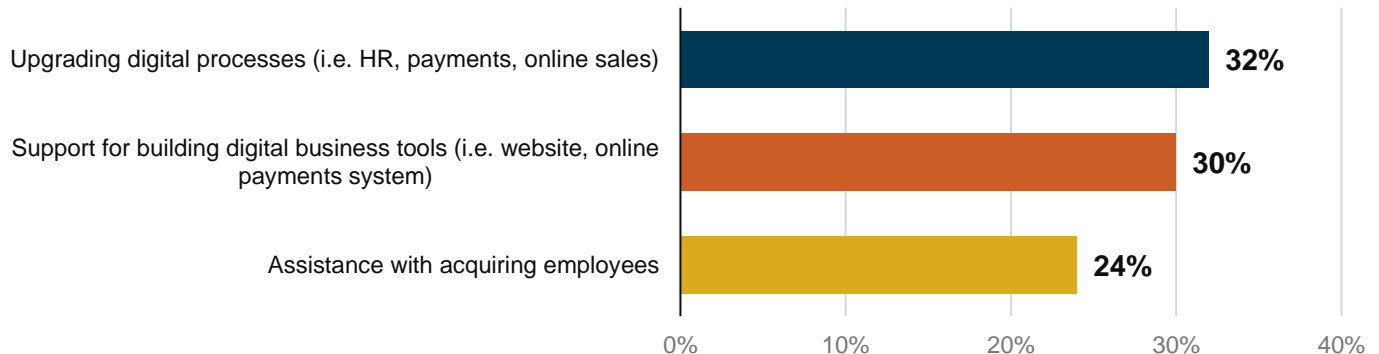


### How Businesses are Adapting – Top 3 Mentions – Annual Comparison

2021 – Top 3 Mentions	2020 – Top 3 Mentions
Improving Company Productivity	Improving Company Productivity
Investing in Marketing	Cutting Costs
Development of New Services	Development of New Services

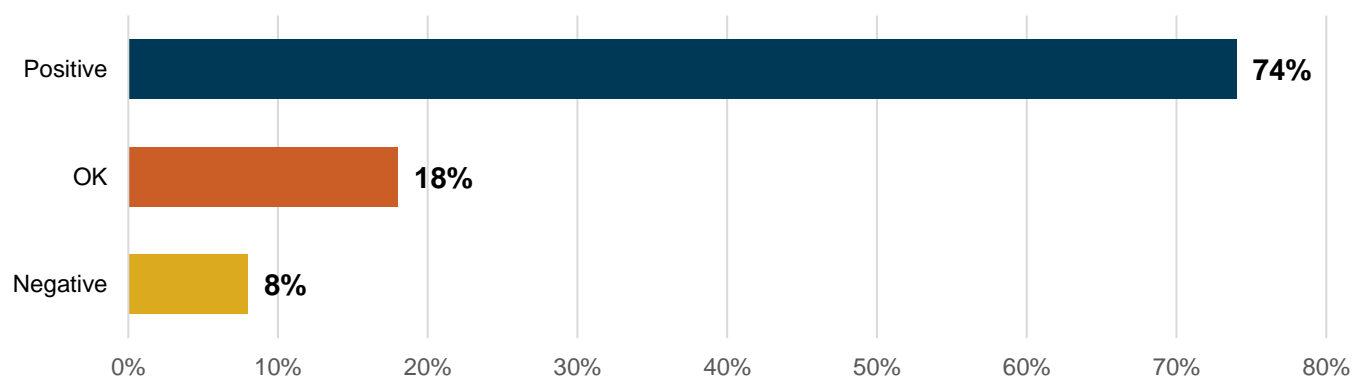
- Respondents continue to report a focus on productivity improvements as well as the development of new services.
- The elevated focus on marketing could stem from improving market conditions and the perception of increased sales opportunities in the present landscape.

### Assistance Business is Presently Seeking - Top 3 Mentions



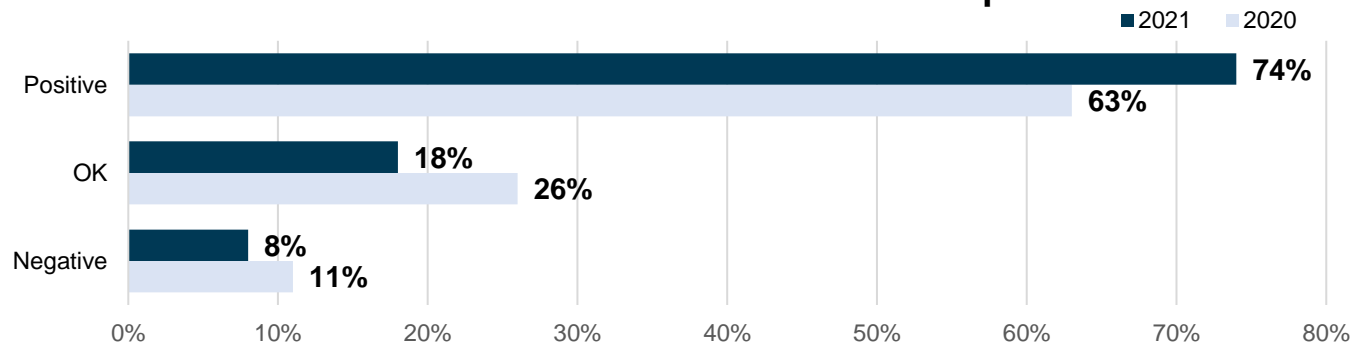
- There is reason to believe that respondents comprehend the need to bolster their digital presence and are seeking assistance with this transition.
- This aligns with a more permanent shift to digital solutions as part of the lasting legacy of the pandemic period.

### Overall Health of Business





### Overall Health of Business - Annual Comparison



- The increase in the proportion of respondents who indicate the health of their business is positive aligns with feedback throughout the survey that suggests conditions improved in 2021 when compared with 2020.
- The 2021 figures are close to the 2019 comparatives and suggest businesses and organizations are adjusting to the new landscape and forging ahead.