



the gandalf group

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## MEMO

Re: C-Suite Survey Findings – Executive Summary

Date: October 5, 2009

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This quarter, our survey with ROB 1000 executives focused on the outlook for the economy. We surveyed 158 executives by telephone between September 8th and September 23rd, 2009.

Executives' economic optimism rose substantially for the second straight quarter. Most believe the recession is already over, and almost all believe the economy will grow over the coming year. Predictions for the US economy are the most optimistic in two years.

It is much the same story with corporate expectations, which have returned to levels not seen in a year. The vast majority expects their companies to grow – over a quarter expect strong growth. Almost all Western and Ontario executives are predicting their companies will grow; however, Western executives are almost twice as likely to predict strong growth.

Executives said rate setting by the Bank of Canada was most important to economic recovery. In fact, the Bank's approach – critical to the cost of borrowing – has been more important, as far as executives are concerned, than the fiscal or budgetary policies introduced by government. Concern about credit continues to diminish as optimism grows. That said, while more are reporting easier access to credit and financing, still roughly half say credit conditions stayed the same or worsened.

Each quarter the C-Suite survey explores one topic of interest in-depth; this survey focused on pensions. We found a majority of executives agreed the pensions system is facing a crisis in that today's workers won't have enough to live on through retirement. Indeed many of the executives we surveyed say their companies do not offer pension plans. Those that do tend to offer Defined Contribution plans, which many admit won't offer enough income security in retirement.

Most executives would rather see policy changes that give them the tools to better manage pensions than a new government-run plan for those not currently covered. The pension reform executives most strongly support is a reduction in the tax burden on contributions corporations make to pensions. They also support giving employers more time to fund shortfalls.

In terms of federal government action in other areas of economic policy, executives are most supportive of infrastructure spending, deficit-funded stimulus measures, and increasing access to financing through purchasing of mortgages from the banks. They view the home renovation tax credit and GST cut as less important, and assistance to the auto industry as least important.



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Executives give mostly good grades – “B’s” and “C’s” – to the federal government on major economic priorities but believe government could stand to do better, particularly in terms of laying the foundation for future prosperity and job training.

A strong majority of executives would vote Conservative in an election. If there were an election, 67% of all executives would vote for the Conservatives, 13% for the Liberals and 14% are undecided.