



Report on Business  the gandalf group

C-Suite Survey Findings Executive Summary

March 5, 2012 - This quarter, in our 26th survey with C-Suite executives, we examined the federal budget and spending cuts, labour market changes, and OAS. The survey, sponsored by KPMG, was conducted by phone with 151 C-level executives between February 10th and 27th, 2012. The results are featured in *The Globe and Mail-Report on Business* and on *BNN*. The full presentation of these and previous quarters' results is available at www.GandalfGroup.ca.

Economic Outlook

- ❑ Executives' outlook for the Canadian and US economies has improved for a second straight quarter, after an awful summer/fall.
- ❑ Most executives now expect growth for the US economy again, a turnaround since September when most thought the US economy was in decline or at risk of a double dip.
- ❑ Still, the vast majority expect only moderate growth for the Canadian economy. On average the prediction is for GDP growth of just less than 2%.

The Federal Budget

- ❑ The upcoming federal budget comes just as the C-Suite's confidence in the economy has recovered following a tumultuous 2011. As such, the government will hear less concern about an austerity agenda impacting economic growth than it might have six months ago.
- ❑ Indeed most agreed now is the time to launch measures to address the deficit. But since some are concerned about how those cuts would affect the economy, consensus on the scale of federal government spending cuts appears closer to the 5% range than the 10% range.
- ❑ There is no support for "across the board" cuts. Executives want government to be strategic and efficient with spending cuts.

- ❑ The labour market is a top priority; many are looking for increased investments in expanding the pool of skilled labour. Those concerned about the fragility of the economy said it's important to invest in skills training. Those in the fast growing Western Canadian economies would add fast tracking skilled immigrants through the immigration system.

OAS and Pensions

- ❑ While few said addressing state pensions and OAS was a high priority, most executives had no concern with the suggestion of moving the entitlement ages to 67.
- ❑ Just over half of those surveyed agreed that delaying retirement age in the coming years will help with labour shortages.
- ❑ But the aging population and the labour shortage issue are linked for executives – most believe matters will worsen as more of the baby boom enters retirement.

Labour Market Challenges

- ❑ Most companies are reporting some difficulty in finding available, qualified employees. For a segment of companies it's a very acute concern. About a third report the labour shortage is preventing their company from growing.
- ❑ Even more said they increasingly have to look outside of Canada to fill specific jobs.
- ❑ Few however reported that they are having trouble retaining labour that is being recruited to work abroad.
- ❑ Engineers, those with technical skills or trades people and some IT professionals are top mentions of positions or skills that are difficult to find.

The Gandalf Group is an opinion research and communications consulting firm. The firm's principals are recognized leaders in research and communications strategy, providing advice to business, industry associations, public sector agencies and media outlets. The Gandalf Group has been conducting quarterly editions of the C-Suite survey on behalf of KPMG, The Globe and Mail's Report on Business and BNN since 2006. Past editions of reports on survey findings are available at GandalfGroup.ca .