

HAMILTON ECONOMIC REPORT 2019



TABLE OF CONTENTS

Letter from the President and CEO	PG 2
Business Confidence Survey	PG 3
Results: Confidence in Ontario's Economic Outlook	PG 5
Results: Confidence in Hamilton Organizations	PG 7
Observed Trends	PG 8





On behalf of the Hamilton Chamber of Commerce, I am happy to present the 2019 Hamilton Economic Report (HER). The HER presents a snapshot of our 1,000 members that employ 75,000 people in our community.

The purpose of the 2019 HER is to capture the mood of Hamilton businesses, particularly as it relates to the provincial economy. By outlining the results of our Business Confidence Survey, conducted in conjunction with the Ontario Chamber of Commerce, this report presents a candid look at local private sector sentiment.

The highlights from this year's HER include:

Hamilton firms have overwhelming confidence in the future. Firms project increases in both revenue and workforce size in the months ahead.

However, there is a notable 'confidence gap' between how businesses view the economic outlook of their own organizations versus that of the province. Over half of respondents cite the high cost of living (56%) as one of the primary reasons for their lack of confidence in Ontario's future. Hamilton businesses are not satisfied with existing public transportation infrastructure, which is important to meet the organizational needs of existing and prospective businesses.

With this report, the Hamilton Chamber looks forward to working with representatives at all levels of government in the year ahead to ensure we capitalize on opportunities to drive economic growth for businesses across Hamilton.

Sincerely,

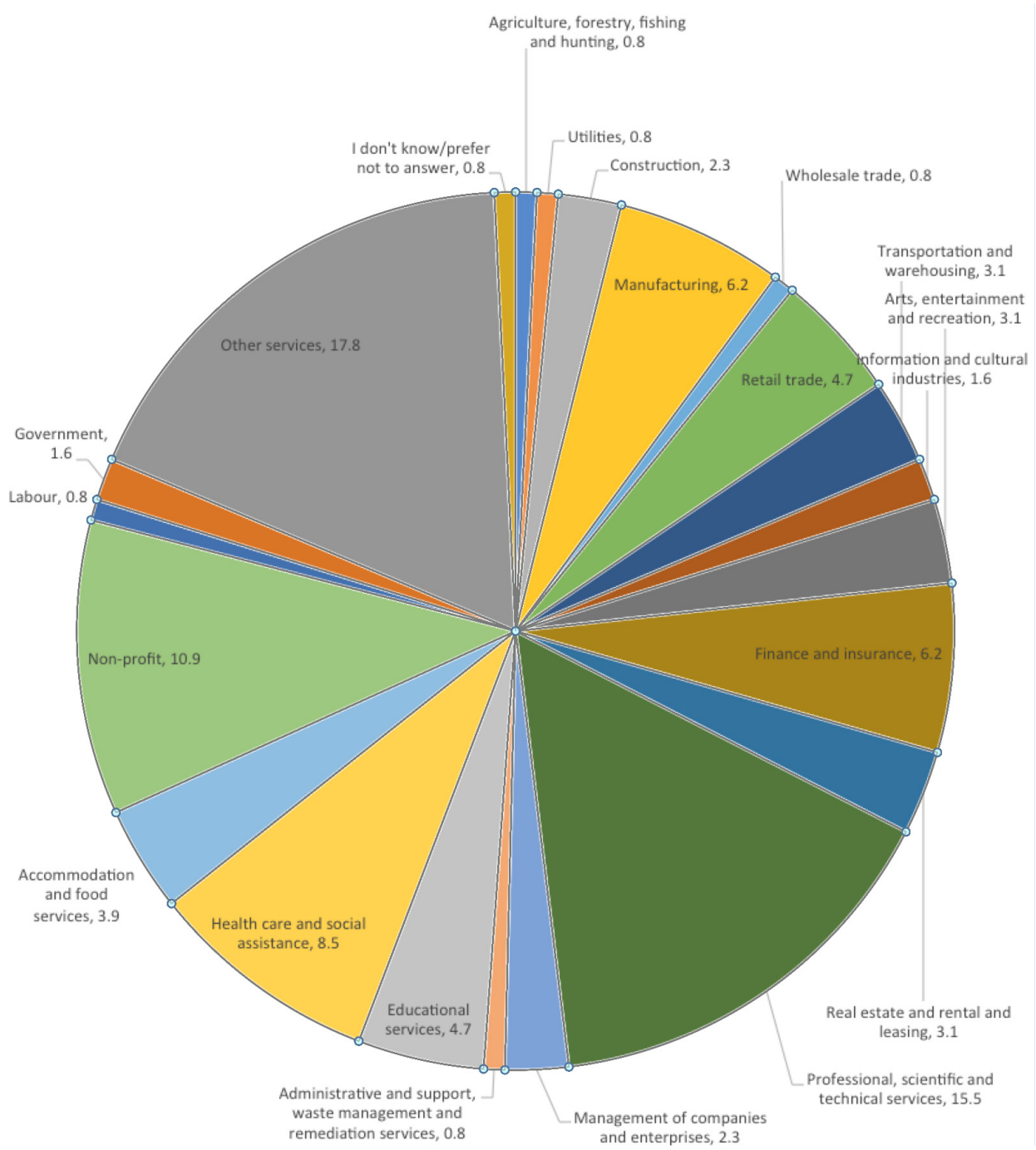
Keanin Loomis
President & CEO Hamilton Chamber of Commerce

BUSINESS CONFIDENCE SURVEY

The Hamilton Chamber of Commerce regularly surveys members to better understand their concerns and experiences. This data provides a perspective on the state of the local economy and can identify trends developing therein.¹

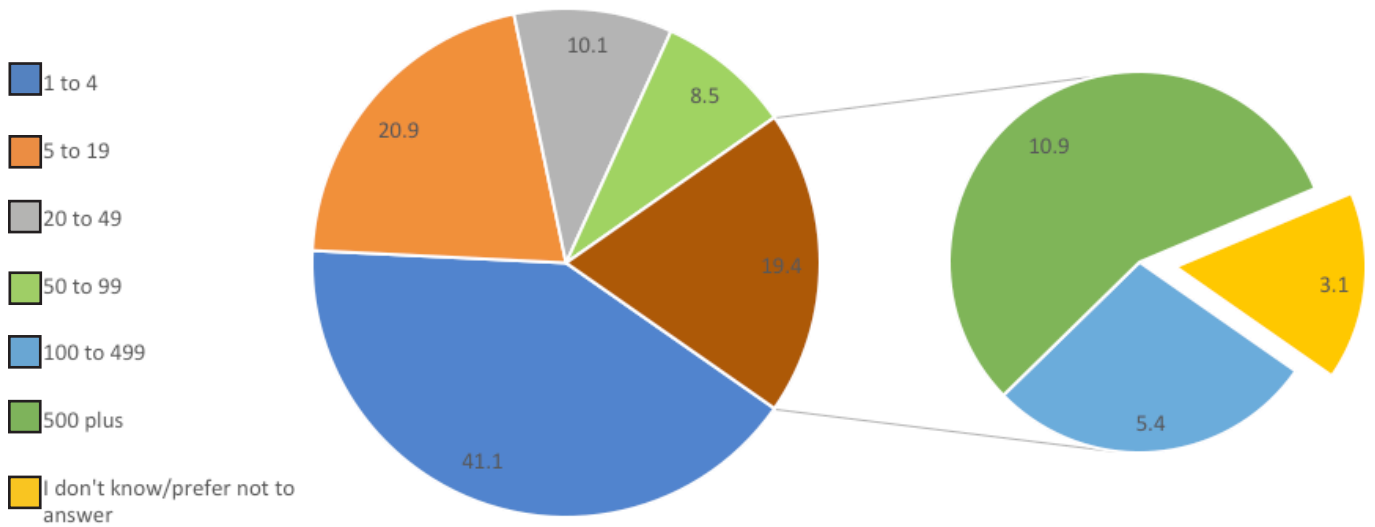
Participants in this year’s survey represent a diverse cross-section of industry, a variety of organizational sizes, and a range in institutional legacy.

PRIMARY INDUSTRY ORGANIZATION OPERATES IN:

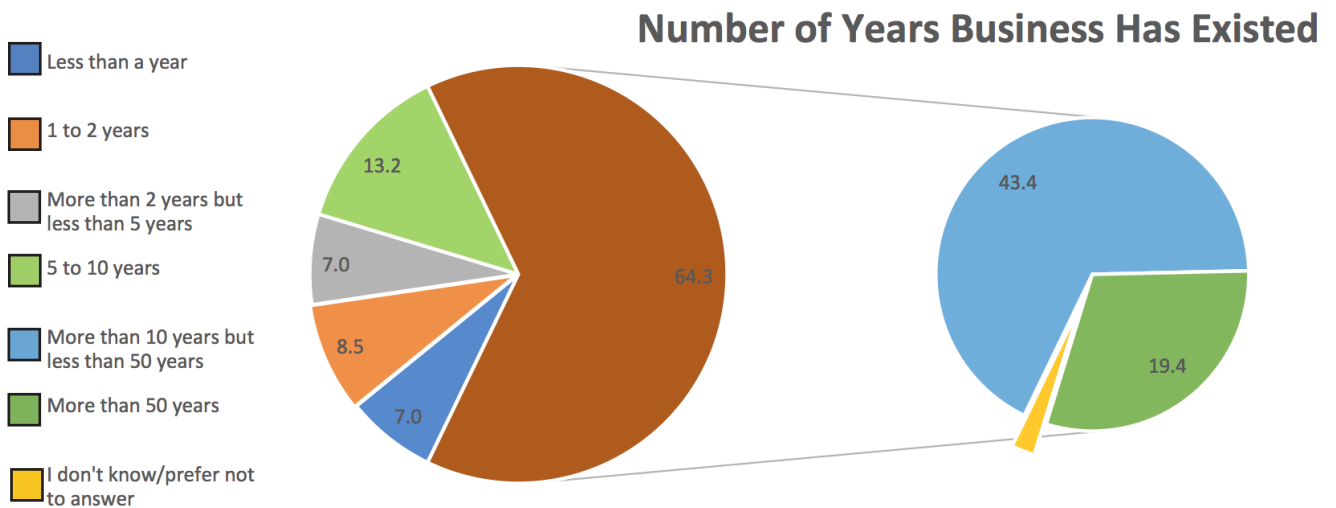


¹: A survey of Hamilton Chamber of Commerce members was conducted online by Navigator between September 26 and November 9, 2018. Thank you to the Ontario Chamber of Commerce for facilitating.

SIZE OF ORGANIZATION



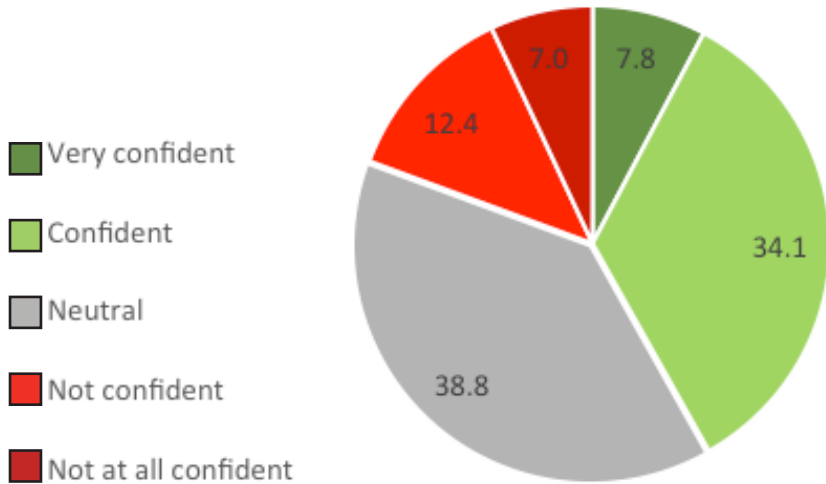
YEARS ORGANIZATION HAS EXISTED:



RESULTS: CONFIDENCE IN ONTARIO'S ECONOMIC OUTLOOK

56%
of businesses cite the high cost of living as a threat to Ontario's economic outlook

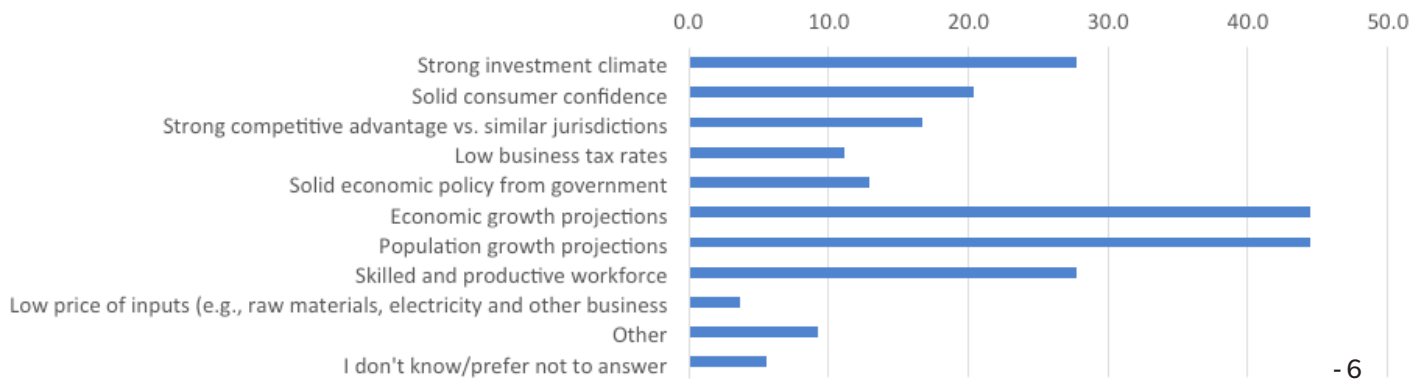
CONFIDENCE IN THE ONTARIO ECONOMY:



Businesses in Hamilton are fairly confident overall in their outlook for Ontario's economic future. Although many respondents are neutral in their outlook, 41.9% of respondents report having confidence in the economic forecast of our province.

REASONS FOR CONFIDENCE IN ONTARIO'S ECONOMY

(RESPONDENTS ABLE TO MAKE MULTIPLE SELECTIONS):

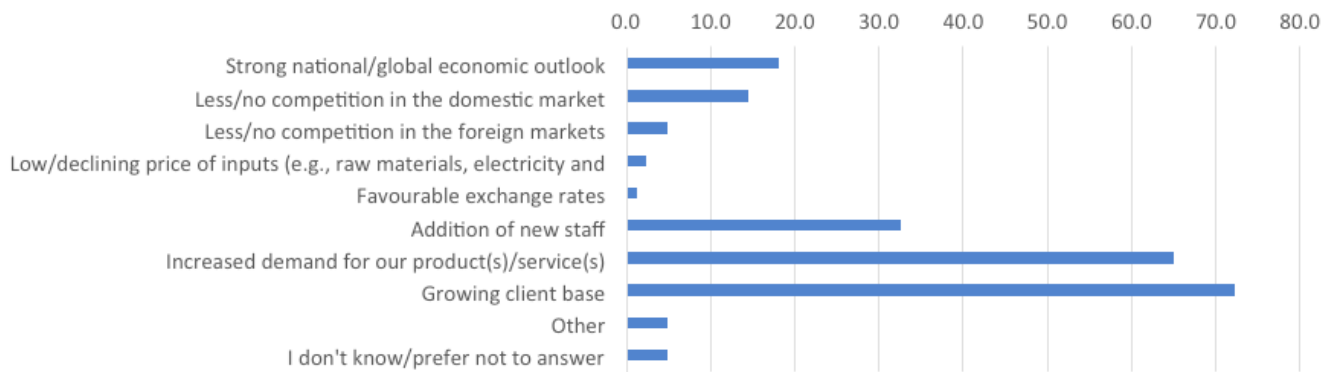


For those who lack confidence in Ontario's economic outlook, several leading concerns factor into their uncertainty. Over half of respondents cite the high cost of living (56%) as one of the primary reasons for their lack of confidence in Ontario's future. Other main drivers include the high price of inputs such as raw materials and electricity (44%) and the high level of provincial debt (44%).

RESULTS: CONFIDENCE IN HAMILTON ORGANIZATIONS

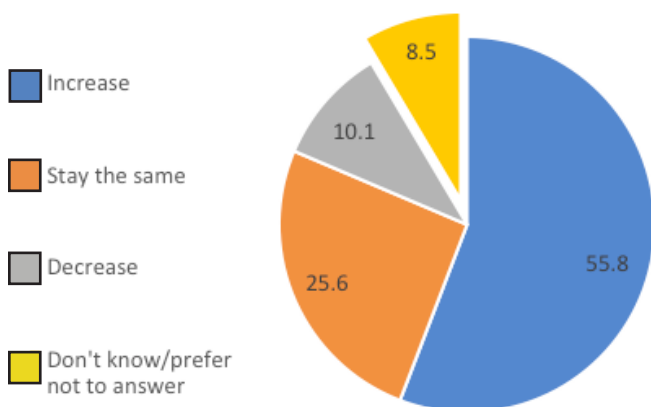
We surveyed Hamilton business, to determine the degree of confidence they have in their own economic outlook. The results demonstrate Hamilton businesses are extremely confident in their individual firm’s economic projections. This shared optimism accounts for 64% of all respondents. The two biggest drivers of optimism among those who are confident include growing client bases (72%) and increased demand for products and services (65%).

REASONS FOR CONFIDENCE IN ORGANIZATION'S ECONOMIC OUTLOOK (RESPONDENTS ABLE TO MAKE MULTIPLE SELECTIONS):

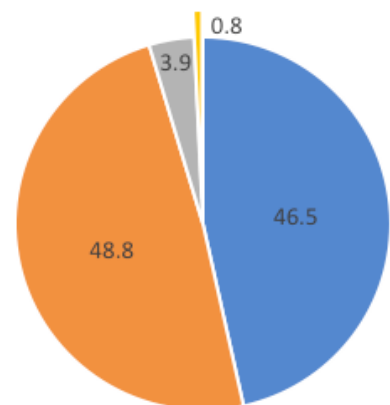


When asked to project changes in revenue and the size of their organization in the coming months, the response was overwhelmingly positive. As shown below, the majority of Hamilton businesses expect their revenue to increase over the next 12 months. To that end, almost half of our respondents (46.5%) foresee an increase to the size of the organization’s workforce in the next 6 months, while only a small fraction of respondents (3.9%) expect to see a decrease in workforce in the months ahead and the remaining respondents foresee no changes at all.

REVENUE CHANGE EXPECTATION OVER NEXT 12 MONTHS:



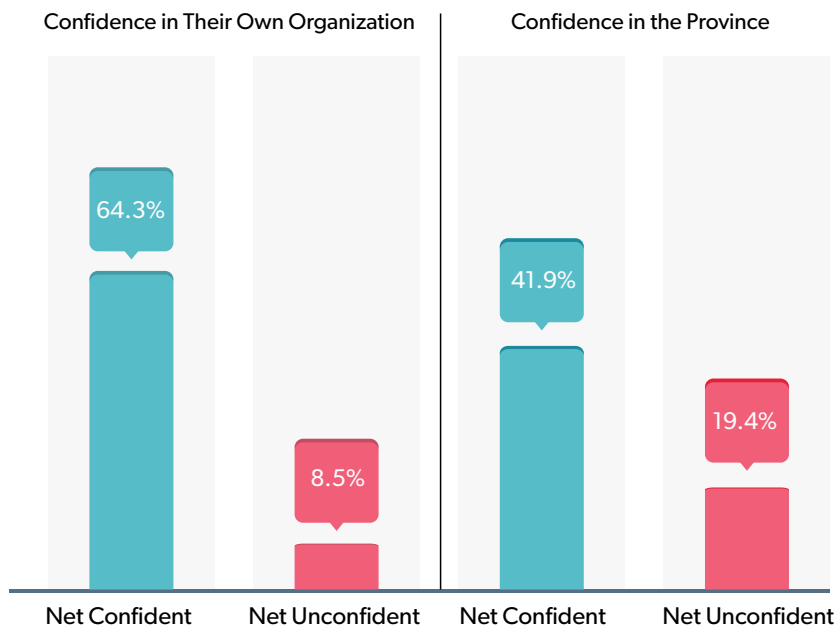
CHANGE IN SIZE OF ORGANIZATION OVER NEXT 6 MONTHS:



OBSERVED TREND

CONFIDENCE GAP

The Hamilton Economic Report demonstrates a clear ‘confidence gap’ between how businesses view the economic outlook of their own organizations versus that of the Province of Ontario. As long as three of the main drivers behind a lack of confidence in Ontario persist (ie. the high cost of living, rising input costs, and growing provincial debt), it is reasonable to conclude the confidence gap is likely to continue.



CALLS TO IMPROVE PUBLIC TRANSPORTATION INFRASTRUCTURE

When asked whether existing public transportation infrastructure is able to meet organizational needs, 1 in 4 respondents considered existing service “poor”.

The Hamilton Chamber of Commerce has long advocated for improved transit connectivity, to ensure seamless, affordable, convenient, and sustainable transportation for employees and customers to reach their desired business locations. With these results from the 2019 HER, the Chamber asks that the City of Hamilton move quickly on improvements to public transportation infrastructure, to ensure Hamilton is able to adequately meet organizational needs of existing and prospective businesses.

1/4
respondents
rated existing
public
transportation
infrastructure
“poor”, in terms
of its ability to
meet their
organizational
needs