



The Conference Board
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Economic outlooks and emerging research for AFIs to consider.

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NACCA GMs and Chairs Meeting

Montreal

November 20, 2017

Economic outlooks and emerging research

Where are we going?

- Conference Board outlook on the state of the Canadian economy.
- Key findings from our 2017 reports on the AFI's financial ecosystem (produced for NACCA and BDC).
- Emerging research on the evolving pressures and needs of Indigenous entrepreneurs. (What can the census tell us? How should AFIs and partners respond?)



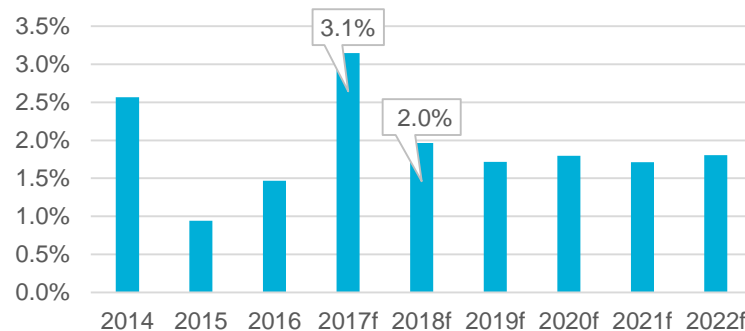


Canadian Outlook

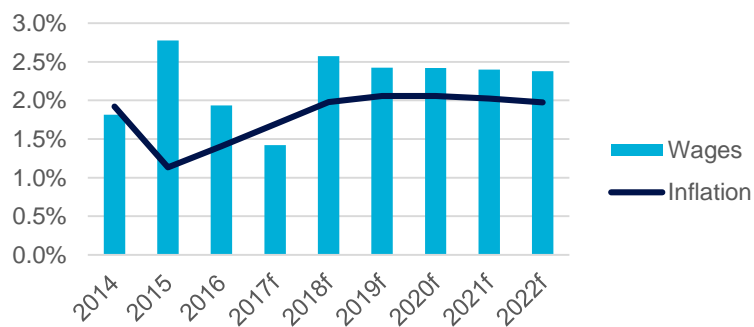
Key Indicators

- GDP growth
- Wages vs. Inflation
- Interest rates

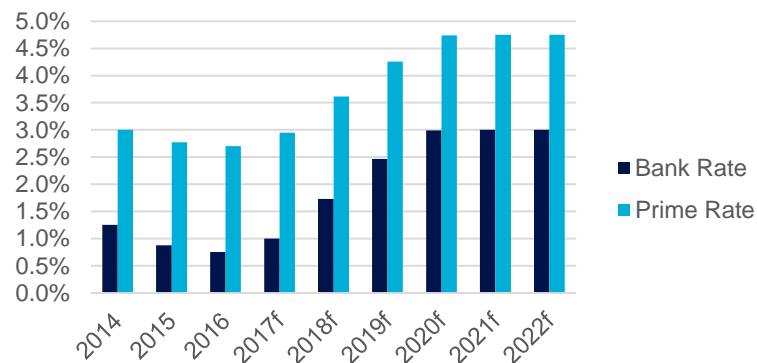
GDP growth, per cent, year over year



Wages versus Inflation (percentage change)



Bank Rate versus Prime Rate



Key messages from the Canadian Outlook

- **Economy has picked up** considerably since 2014. But **weak wage growth, consumer debt** and **rising interest rates** will challenge retail and service sectors.
- Despite some rebounds, **resource sectors are still fragile.**
- **Government investments in public infrastructure** should present opportunities over the near term.
- **Trade remains weak.** (NAFTA 2.0 causes uncertainty).



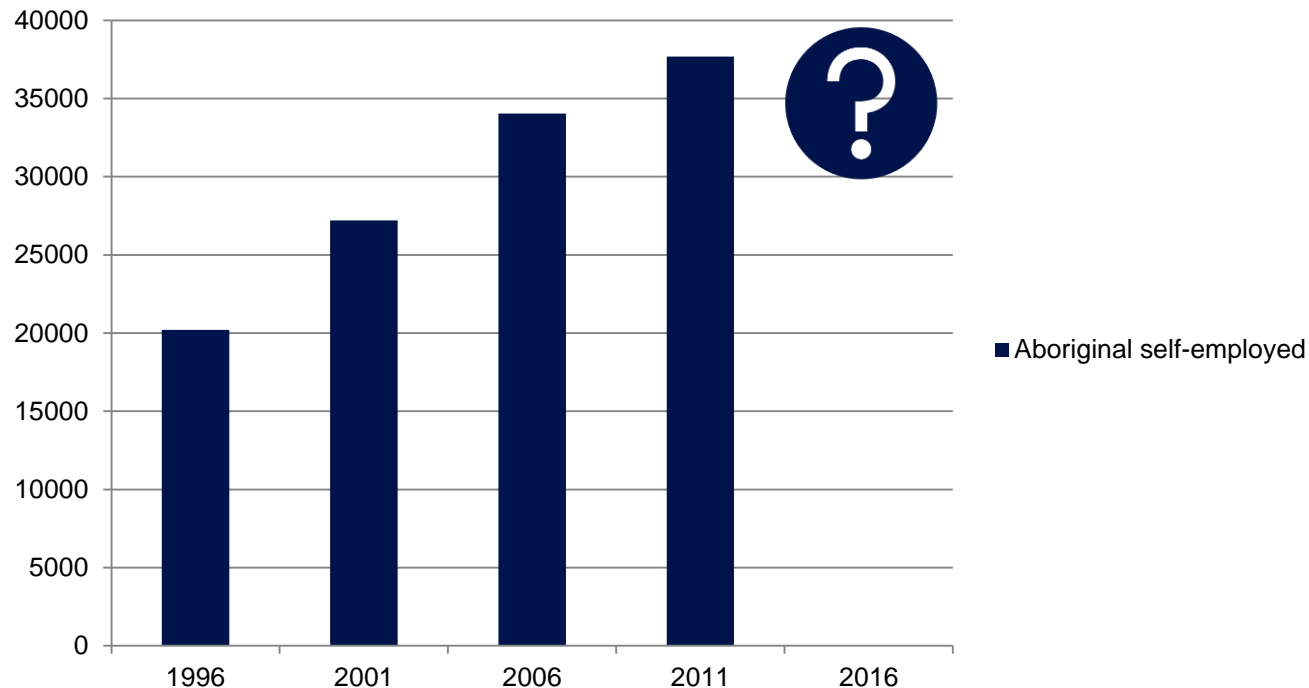
Insights from our research on the AFIs' financial ecosystem (published 2017)

- AFIs are **great connectors**
- They **fulfill a unique role** in the financial ecosystem and **punch above their weight**.
- AFIs want to **grow and diversify**, without compromising on their social impact and community-driven goals.
- **Demand** from Indigenous businesses and entrepreneurs **continues to grow** – Not just for capital, but also for a variety of business support and advisory services.



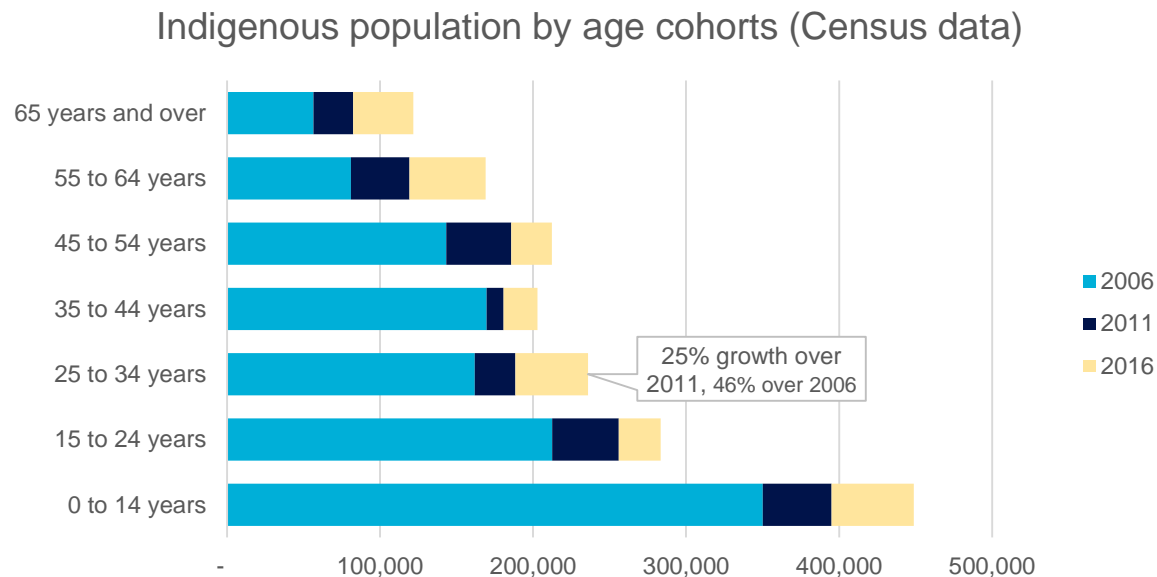
Emerging research on evolving pressures and needs of Indigenous entrepreneurs...

2016 census data on number of Indigenous entrepreneurs to be released in late November...



Demographic forces at play (Part 1...)

- Keep an eye on the **under-35s...**
- 25 to 34-year-olds grew by 25% since 2011. Will they drive future business growth and innovation?



Are young Indigenous entrepreneurs getting the support they need...?

Survey data suggest that compared to their non-Indigenous peers, young Indigenous entrepreneurs:

- Are **less likely to seek financial advice**
- Are **less likely to be saving for retirement**
- Are **less likely to have insurance**
- Do not enjoy dealing with financial matters**

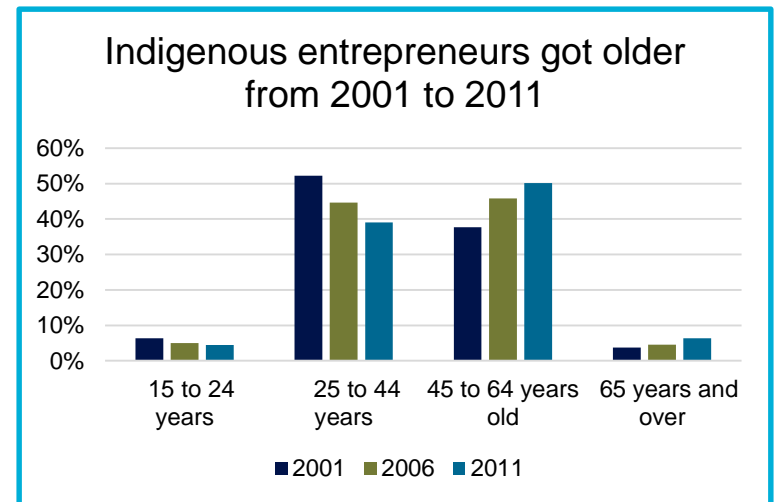
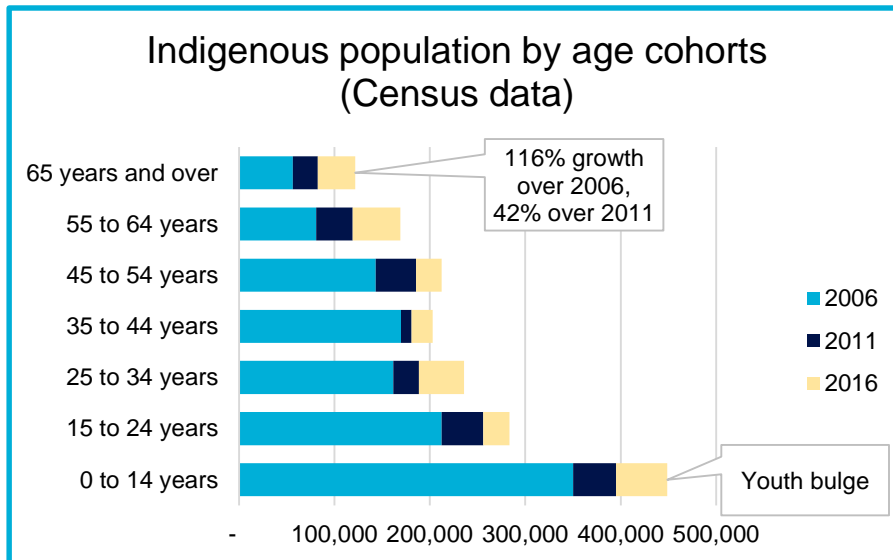
Source: Statistics Canada, Canadian Financial Capability Survey, 2008 and 2014

The data suggest that **financial services must do more** to reach young Indigenous entrepreneurs.
What's the right approach?



Demographic forces at play (Part 2...)

Indigenous population in Canada is young, but aging:



Addressing pressures and needs

Governments want to help, but where should they focus attention and what should they do...?

- Policymakers **need better information**, such as:
 - Scope of **Indigenous trade relations and exports**
 - Number, industry and size of **businesses on-reserve**
- **Need to do more** with the **knowledge AFIs have accumulated** over the **last 20-30 years!** This knowledge needs to directly inform next generation policy programs for Indigenous entrepreneurs and businesses.

