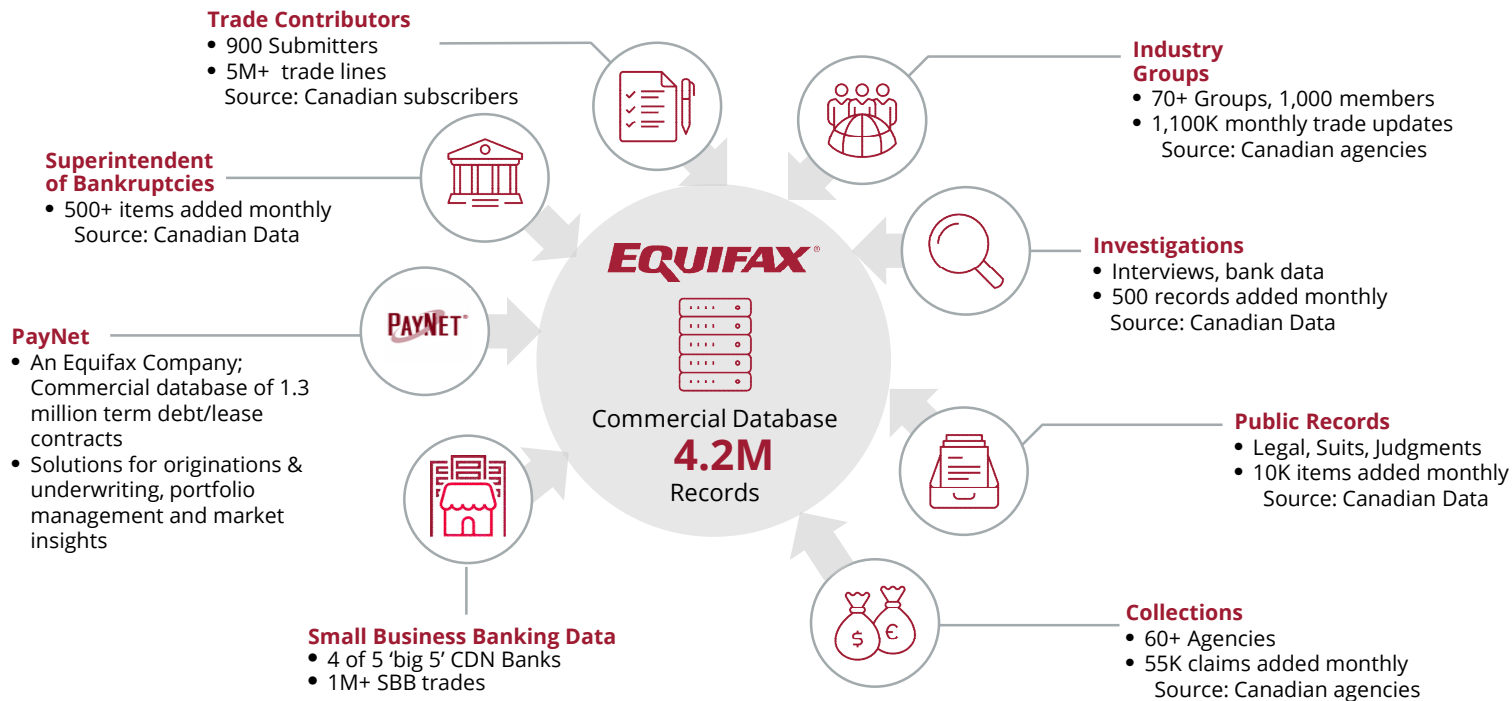




# Navigating the Pandemic

## Small Businesses in Financial Crisis

# Equifax has created an industry leading **Commercial** database with **4.2 million records**



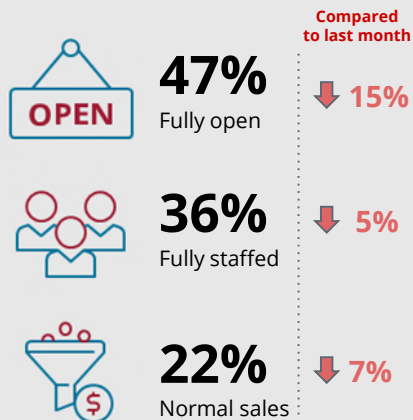
Equifax Canada database as of November 2020

# Businesses that are open, aren't thriving



Source: [Smallbusinesseveryday.ca/dashboard](https://smallbusinesseveryday.ca/dashboard)

## Canadian Small Businesses



## Top reasons open businesses have below-normal sales



**58%**

Fewer customers



**48%**

Customers spending less



**27%**

Operational challenges with online sales, supply chain



**20%**

Government restrictions



**18%**

Staff Unavailable



# Due to the Pandemic, the negative occurrence credit cycle has been dramatically impacted

## Small Business Negative Occurrence Cycle

**Collection agencies** have not been conducting outbound calls

**Courts have been closed** due to lockdowns, delaying trials

Deferrals and re-papering credit applications has **delayed industry and financial trade delinquency reporting**

Significant strains to the negative occurrence cycle has meant **businesses are simply closing their doors, rather than filing for bankruptcy**



# The hardest hit: The restaurant industry

## Since COVID-19:

- The food service industry has lost 800,000 jobs
- Downtown restaurants have reduced patronage due to majority of Canadians working from home
- Social distancing measures reduce available tables
- Lack of travel/tourism/sports reduced customer base
- Reserved consumer spending has majority of Canadians eating at home

## Consumer grocery spend ratio Pre-Pandemic

55% groceries / 45% service dining

## Consumer grocery spend ratio during Pandemic

70% groceries / 30% service dining



# Equifax Helping Navigate with Critical Insights

## Businesses



As of the end of November, there are **66,099** businesses within the City of Brampton

## Bankruptcies



Only **8** businesses have gone bankrupt since the start of the pandemic

Misleading as collection companies reduced outbound calls, and courts have been closed

## Inactive Businesses



**18,298** businesses (**28%**) are currently inactive.

Due to lock-down, lack of consumers, financial insecurity, and respective industry

## Negative Occurrences



In the past 3 months, the number of negative events **has more than doubled**

From **311** to **691**  
(collection and legal events)

# Financial Data Used to Determine Business Outreach/Engagement



# Small Business Impact by the Numbers

**1 in 5**

Businesses are currently experiencing **severe financial hardship**

**1 in 20**

Businesses are indicating they will **fail/close** in the next 6+ months



# Areas of Optimism

## New Businesses



**800** new businesses have opened in the past 3 months, and are financially active in Brampton

A cause for support and encouragement

## Vaccine Rapid Testing



Group of Brampton companies are assisting with rapid testing; in collaboration with Creative Destruction Lab.