

CEBA Loan Repayment Survey Results

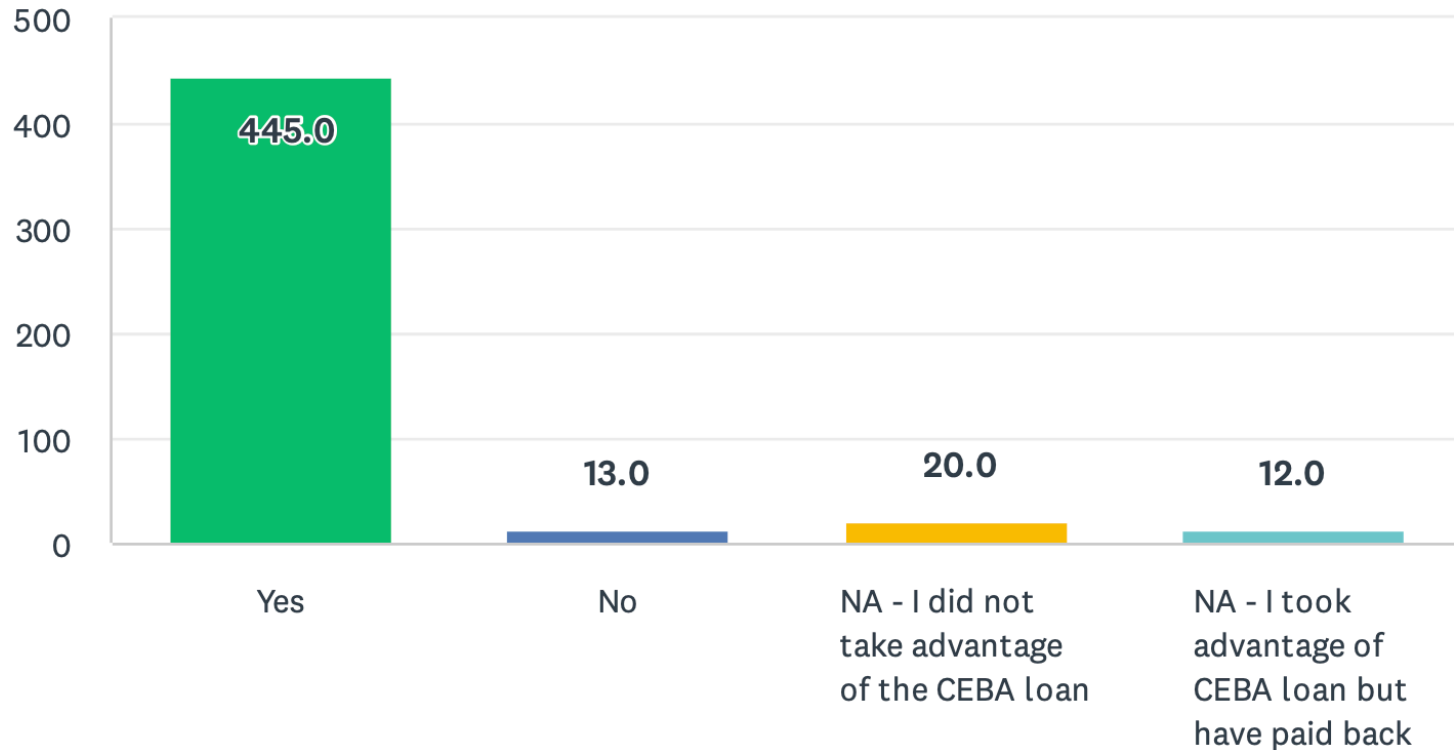
Results as of Monday March 27th, 2023

490 small businesses responded across Toronto

Survey Conducted by the City of Toronto Business Improvement Areas
(Coordinated by TABIA & the Broadview Danforth BIA)

CEBA Loan Repayment Survey Results

Will the CEBA loan repayment impact your business?

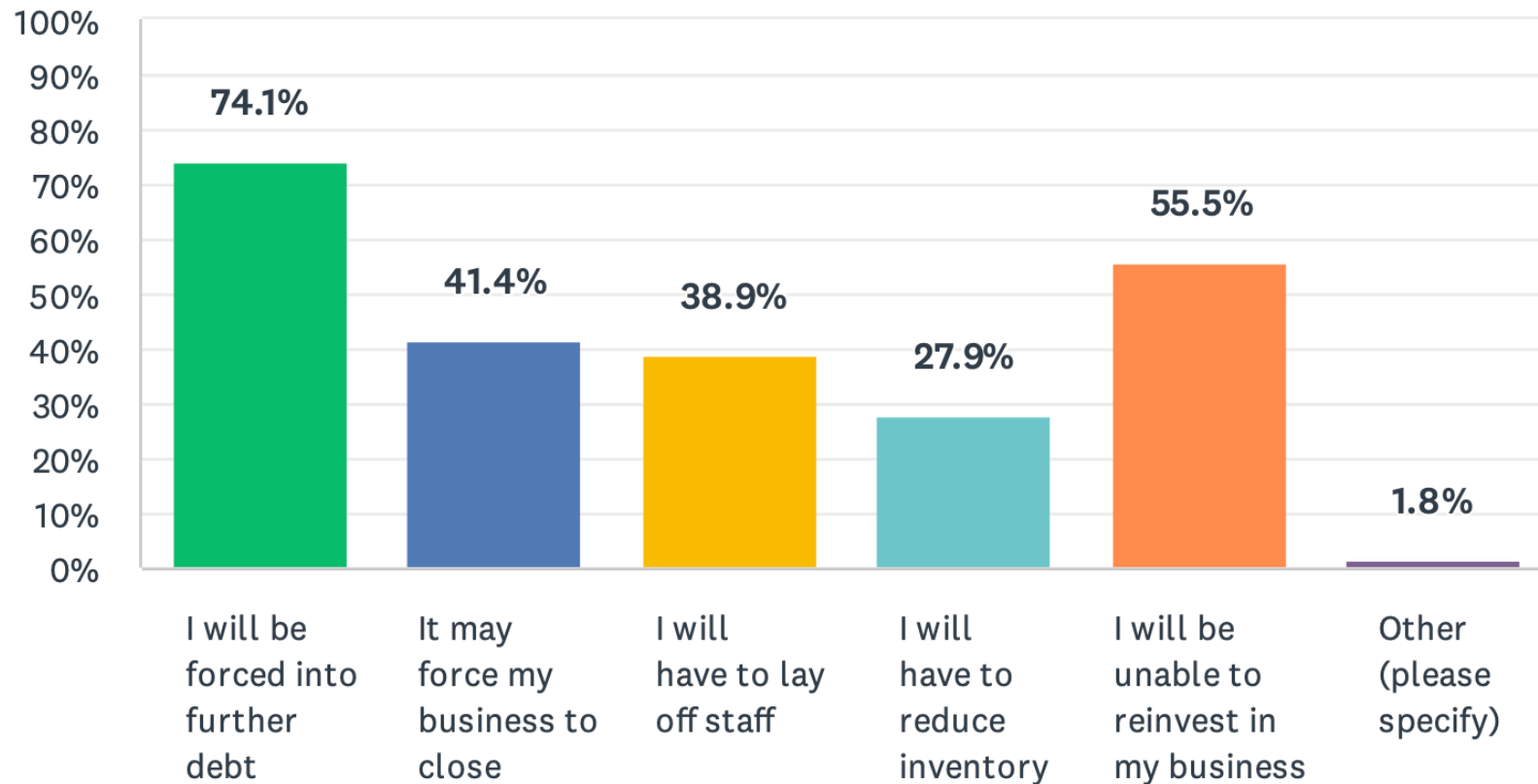


97% of businesses who currently have a CEBA loan indicate that a repayment will impact their business.

(excludes those who did not take the loan and those who have already paid it back)

CEBA Loan Repayment Survey Results

If yes, how will repaying the CEBA loan impact your business?

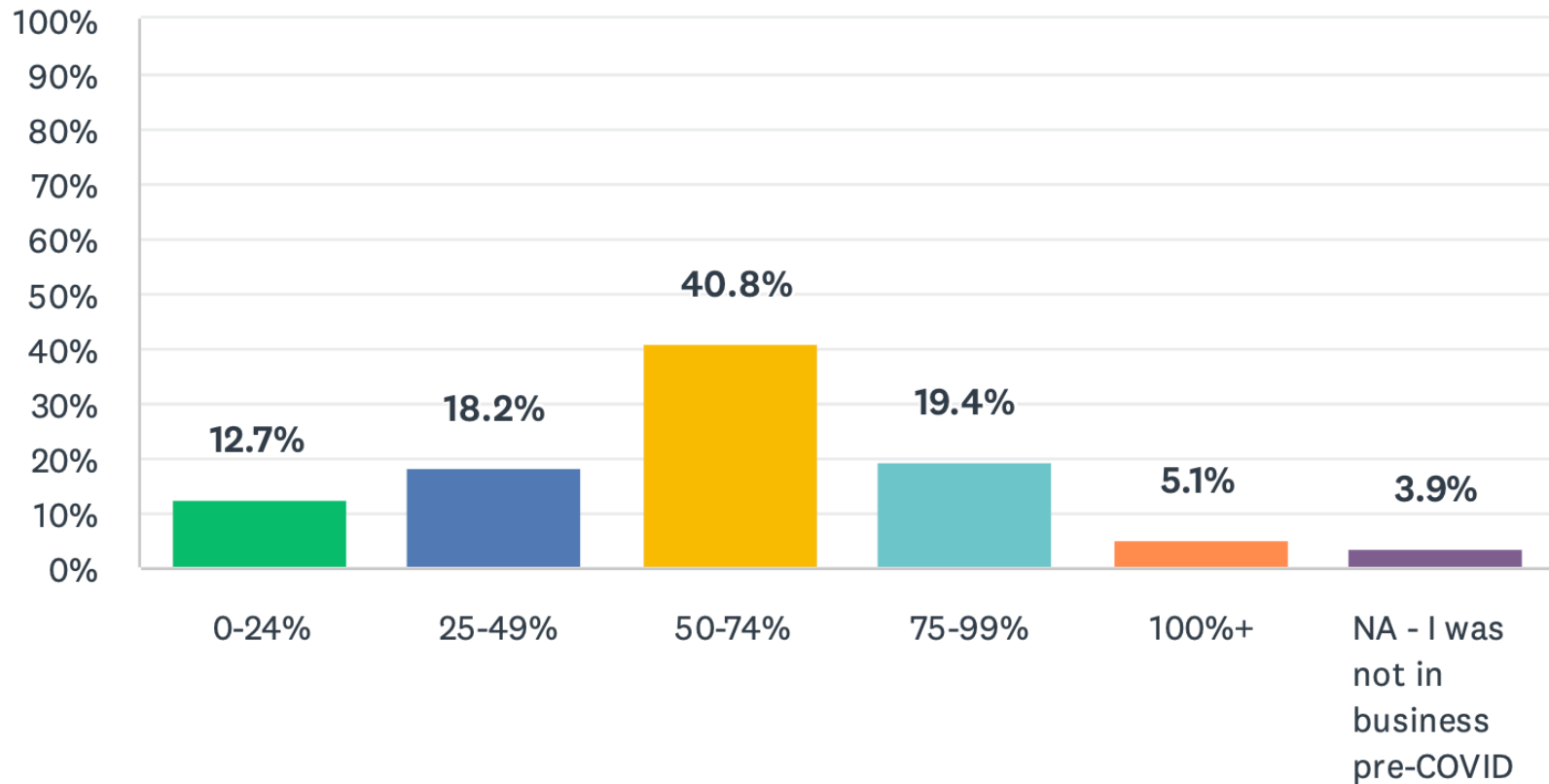


Restaurants only: May be forced to close increases to 46% and layoff staff increased to 48%

Other comments: Reduce staff hours, bankruptcy, limit staff raises, risk of eviction

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At what level are your current sales compared to your pre-covid sales?

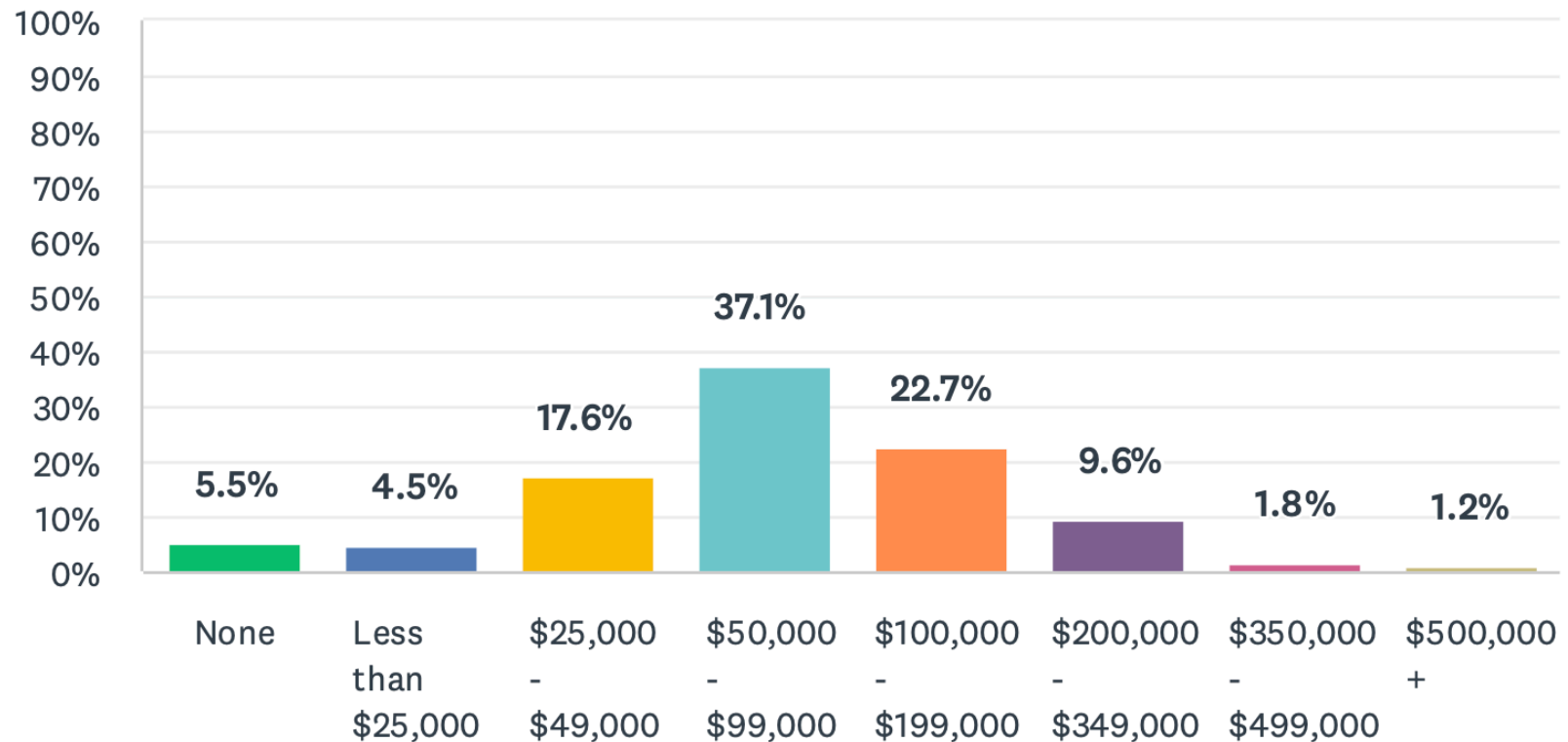


3 out of 4 businesses who were in business pre-COVID indicate they are below 75% of their pre-COVID sales

(excludes the 19 NA responses who were not in business pre-COVID)

CEBA Loan Repayment Survey Results

How much debt have you taken on as a direct result of COVID?

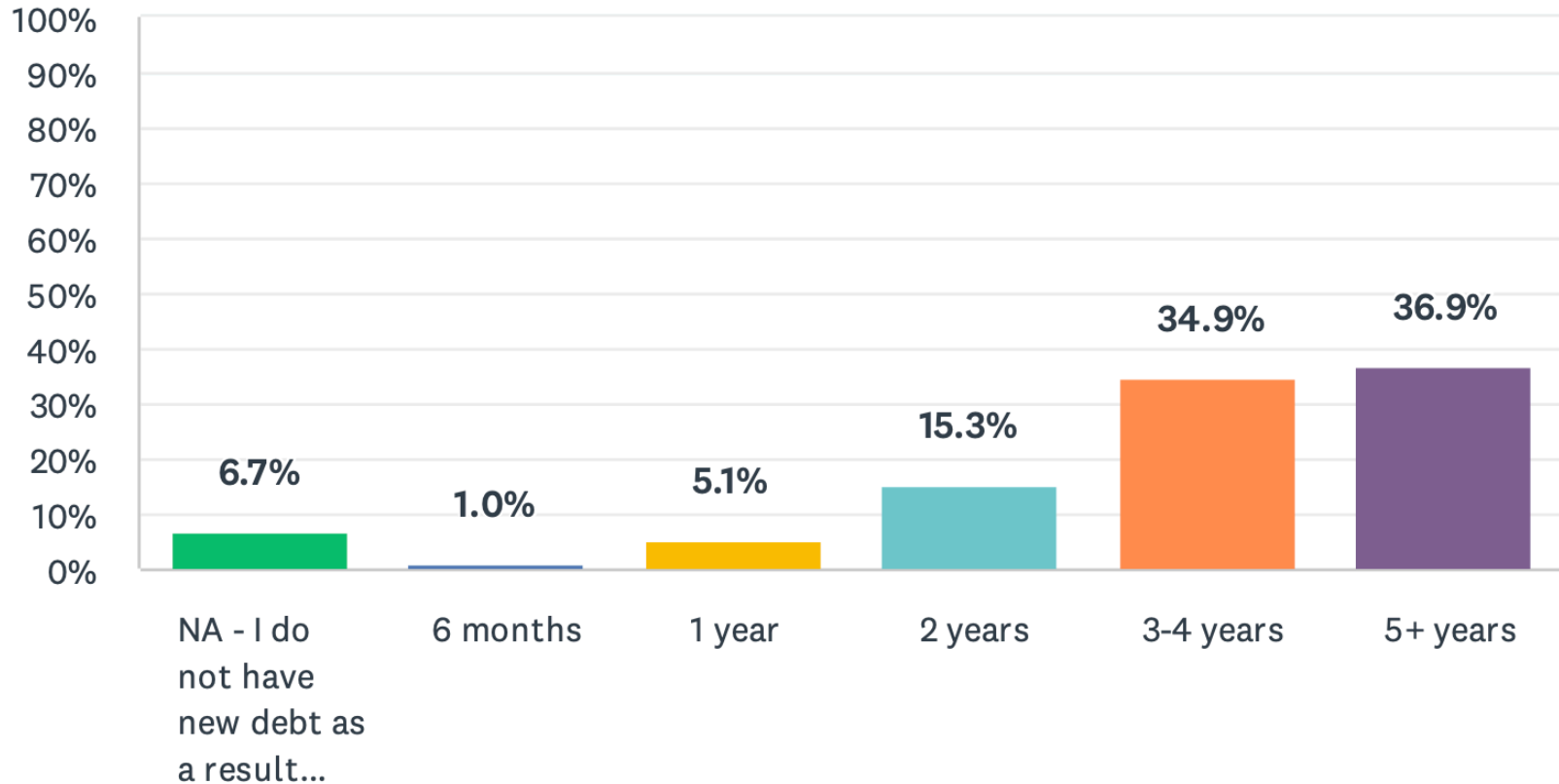


72.4% of businesses have taken on \$50,000+ debt (79.3% restaurants only)

35% of businesses have taken on \$100,000+ debt (39.9% restaurants only)

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How long do you think it will take you to repay the debt you have taken on as a result of COVID?



77% of businesses who have taken on additional debt as a result of COVID indicate it will take more than 3 years to repay it.

(excludes the 33 NA responses who do not have new debt as a result of COVID)

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General Commentary

The results of this survey show that business owners are not in a secure enough financial position to meet the Federal Government's current December 31, 2023 deadline to repay the CEBA loan and have access to the \$20k forgiven portion.

Business owners are asking the Federal Government to review the current repayment plan and consider the following as potential alternatives:

- Create a multi-year no interest repayment plan which begins this December and continues for the next 2 to 3 years.
- Consider a blanket forgiveness plan for the \$20k if businesses begin a multi-year repayment plan this December. The forgiveness of this \$20k portion for all CEBA recipients would be an investment by the Government in the Canadian small/medium business sector – a very tangible show of support for the rebuilding of businesses' financial security during this post covid recovery period.

The following are a sample of comments that businesses provided at the end of the survey which give personal insights to the current state of Canadian small/medium businesses:

- If this debt cannot be forgiven, maybe more of a grace period for repayment could be offered. Continuing business post pandemic is almost as much of a struggle as being in pandemic.
- From a policy perspective, the cost of support services for individuals laid off due to CEBA repayment (including business owners) will end up costing more than loan forgiveness.

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Commentary Continued

- The CEBA loan was extremely helpful, but the conditions to pay it off were designed with a much shorter length of time expected for shutdowns. The amount of debt taken on has grown considerably and thanks to inflation, business margins have become slimmer than ever. Paying off CEBA as of Dec 31, would basically drain me of all assets and seriously compromise my ability to operate if facing any sort of crisis or financial shortfall
- We want to pay back the debt slowly with no interest (installment).
- I will be borrowing money at a high interest rate from a non-bank lender to pay off the \$40k unforgiven CEBA loan by December 31 in order to qualify for the \$20k portion that is forgiven. Otherwise I will owe the full \$60k at 5%. I need time or full forgiveness.
- Considering the government just gave 76 million to the airlines for people having grievances with luggage...this will force many to close or let go of staff.
- I think that small business is at the end of the food chain so to speak. The businesses that provide services to us (accountant, lawyer, insurance etc) never took a hit. In fact they increased prices. Everyone along the chain should carry some of the burden. I feel that we have been left to pay off enormous covid debts while the rest of the world has just moved ahead and forgotten about us (conveniently)

Additional comments are included in the attached addendum.