

SHUT SHUT

Lack of Government Interventions
and High Stress Levels Leading
to Decline in Small Business

By Erica Kirkland

PRICING & PERFORMANCE

Each news cycle seems rife with stories of politicians scrambling to court foreign corporations, enticing giants like Amazon to establish more distribution centres without pausing to consider the long-term economic repercussions for small businesses. Even more troubling is the disastrous environmental toll these decisions often entail.

Politicians frequently proclaim that small businesses are the backbone of Canada's economy. But when will we see policies that truly reflect this sentiment? Instead, we witness profitable corporations bolstered by government grants, further widening the chasm of wealth inequality. Meanwhile, entire industries in Canada have been swallowed up, with successive governments standing idly by. Take our grocery sector as a glaring example: in a country of this size, three dominant players control the market, with a history of price-fixing. The lack of healthy

competition has led to exorbitant food prices, forcing consumers to tighten their belts — directly impacting the vitality of many industries.

Without timely interventions — whether through financial incentives, subsidies, commercial rent controls, zoning laws that preserve diverse downtown retail, or ensuring easy access to shopping districts during infrastructure projects — we will witness the further erosion of our vibrant main streets and city centres.

These stores are not just businesses; they are community hubs where neighbours drop in to connect, where local students and seniors find employment, and where charities, sports teams, and events are supported. This sense of local identity cannot be replicated by faceless corporate chains. Do we really want our main streets to be dominated by foreign-owned conglomerates? Is that the kind of Canada we envision?

As the urgency of these stories

highlights, without action from all levels of government — local, provincial, and federal — the blame for the decline of small businesses in Canada will rest squarely on their shoulders.

PARCEL AND PROSE EDMONTON, ALBERTA

Tracy Losey made the devastating decision to close her store, Parcel and Prose in Edmonton, Alta., recently.

"This decision was very difficult for me, as I've had my store for almost eight years now and built a very loyal customer base. Unfortunately it just wasn't enough to keep going."

Losey opened in January 2017 and was just starting to get some traction when Covid hit. "I did not have an online store, and didn't want one, as my model was firmly based on the brick-and-mortar model of in-person connections."

She hosted a gallery of cards on her website that people could view, fill out



responsibly to act if they want something. All this talk about mental health without addressing the advent of the internet and social media. We are becoming less connected and more selfish. Community is wellbeing, when you feel you are part of something. My store was part of the neighbourhood, the community. I watch customers grow from conception to them now having children of their own."

THE WELDER'S WIFE BEAVERTON, ONT.

About 15 years ago Jackie Drake had a vision to open a little store next to her husband's welding shop, Beaverton Metal Works. "In July of 2012, our vision came to life. I started out with a 400-square-foot space. After the first year it was apparent that I needed a bigger space," so she took over more of the welding shop, eventually growing to 3000 plus square feet. "I transformed the space into a one-of-a-kind shopping experience with a collection of new décor, vintage and antiques. My customers always commented on how beautifully I displayed the store and

some often spoke of how it took them back in time."

"What made my business so special was how happy it made my customers. You would hear them talking to each other and reminiscing of days gone by, laughing at the quirky signs and just enjoying the experience. This is what it was all about, bringing happiness to customers. Bringing people together was something I always focused on, so over my years here I've hosted artisan and vendor markets, and DIY workshops."

"I have loved every moment of owning a small business. Then the pandemic hit. That certainly changed the way of doing business, but I quickly figured it out and offered curbside pickup, and thankfully my customers strived to support small business more than ever during our lockdown."

"Then there is Amazon. I feel many small businesses are suffering because of this way of online shopping. But for me I was not going to let that hinder my business, so you have to revamp and attract your customers with new ideas and experiences. It was a challenge I was willing to tackle, and feel I met

that challenge."

"Small business is competitive, and I always did my best to keep my store unique and different from other stores. For me that was the key in business, staying unique."

So why did she decide to close a business she enjoyed so much? "The way I do business is I give 100 percent of my time and effort. My late father-in-law and previous owner of the welding shop always said, 'You get out of business, what you put into it,' and I truly believe that. With social media now, you never really get a break. So giving my business 100 percent of my time, took away from the other things in life – my family and friends. My grandkids are growing up quickly and I want to travel more. If I could change anything, I would have started my business 20 years sooner."

"Being a small business owner has been an amazing journey, not for the faint at heart, but worth every moment."



HIGH STRESS & FRUSTRATION

and mail to loved ones in isolation. “This got me through until people could come in again.”

But her landlords provided zero assistance “until I finally begged them to help, and they agreed to give me a 25 percent discount off one month’s rent. The CEBA loan was my only saving grace.”

“During 2020, as you know, there was a huge push for supporting small businesses and shopping locally. It had a great impact and I managed to come through in ok shape. Since 2022, sales have increasingly slowed every month.”

Losey attributes that drop in sales to several elements working against small businesses in Canada right now.

“Amazon has changed the way so many people shop now. Then there is the increase in all costs and the interest rates which affect buying habits. Tighter purse strings mean fewer people are shopping. When they do, they’re buying less.”

“Paying back the forgivable portion of the CEBA loan really hurt me. Most of my income for almost two years went into paying back that \$40k that saved my store. I paid back the loan on

time with nothing left in the bank to carry me through the slower months. Having just enough income to pay my expenses, but not enough to buy inventory. Fewer people are shopping, expenses have all increased, shipping prices are astronomical and it just isn’t sustainable. I had to finally face the fact that the recovery we all hoped for post pandemic was not coming.”

TITUS & LOUISE TORONTO, ONT.

Diane Fotheringham didn’t plan to have a store. She retired from a career in the airline industry in 1994 with no pension. “I worked for the airlines when it was good to work for an airline – lovely, fun and glamorous. When I retired from that career, I had to make money and work so I decided to register a company. When I was gainfully employed, I imagined businesses I would own and their names – Titus & Louise popped into my head.”

“It was a very touchy-feely type of store, and consumers would come in to touch and see – and buy. Covid forced

people to buy online, and then people realised how easy and convenient it was.”

Another element impacting her business was the clientele. “A lot of my customers are older and have downsized. A lot of people work from home so they don’t need as many clothes. Less people commuting to work means fewer potential customers driving by my store and less foot traffic. Now with the economy consumers are forced to decide whether to buy vegetables or something fluffy.

While she was fortunate in terms of her relationship with her landlord, she recognizes others have not been so fortunate. “Small businesses can’t afford to pay a lot in rent, and we want a city that is walkable and shoppable. By putting bylaws in place, we can solve the problem in a different way.”

On the topic of street closures, she says, “The city doesn’t understand the implications to businesses of shutting them down. They need to help offset the costs, and make sure each department in the city is communicating.

“People need to realize it’s their