

Daily Update – 18 February 2021

IFA's 2021 Economic Outlook for Franchising released

Today, the International Franchise Association (IFA) released its annual Economic Outlook Report detailing the franchise industry's projected economic forecast for 2021.

The report offers an in-depth look into franchising's growth trend following the economic fallout due to the COVID-19 pandemic, as well as an in-depth state outlook for all 50 states and Washington D.C. Conducted by FRANdata, the report forecasts positive growth expected for franchise businesses in 2021, provided continued federal support, and suggests the potential to reach pre-pandemic levels of economic output by the end of the year.

- The report says that by year-end, franchising will have recovered to nearly 2019 levels in most metrics: business growth, employment, economic outlook, and contribution to the GDP.
- More than 26,000 new franchised businesses will open in 2021, recovering most of the losses felt in the previous year.
- Franchises will employ some 8.3 million people, adding nearly 800,000 new jobs. Much of this employment will be in the retail, food, and services industries and will be for lower-skilled workers, a group that has been disproportionately hurt by the economic downturn.

[View the Full Report](#)

Alberta adds \$120M in pandemic supports for struggling businesses

The Alberta government is making an additional \$10,000 available to small- and medium-sized businesses that have seen severe revenue drops because of the COVID-19 pandemic.

Businesses that show a 60 per cent reduction in revenue will be eligible to be granted 15 per cent of their typical monthly income, up to a maximum of \$10,000. Applications for a piece of that funding will open in April.

The support is available to companies with fewer than 500 employees and does not need to be repaid. The province says the money can be used for things like covering the cost of personal protective equipment, paying rent or staff salaries.

Initially the government offered two payments totalling up to \$20,000 for small businesses that saw revenue drops because of the effects of public health orders: \$5,000 for those shut down in the spring and \$15,000 for those affected in the late fall.

The new \$10,000 means up to \$30,000 is available for businesses that meet the criteria. This infusion will replace the existing enterprise relaunch grant when its application period closes at the end of March — the grant that made the \$20,000 available.

The province says this extra funding is supposed to fill in gaps not covered by federal COVID benefits. Businesses will be required to report the amount of provincial and federal support they receive, which is not to exceed 80 per cent of revenue.

Business Council of Alberta recommends province institute HST and reinstate provincial carbon tax.

A new report from the Business Council of Alberta says the province should institute a harmonized sales tax (HST) and reinstate the provincial carbon tax. According to the [report](#) by the council, Alberta overspends and undertaxes, which has resulted in a \$40-billion debt.

Ontario lost 355,000 jobs in 2020 according to FAO

The Financial Accountability Officer says in a new report that Ontario lost more than 355,000 jobs last year because of the COVID-19 pandemic. The report says that in addition to job losses, more than 765,000 Ontario residents worked fewer hours because of the pandemic. Young workers were the hardest hit group, as youth unemployment jumped to 22 per cent.

The largest increase in job losses occurred in Peterborough, Ont., with a 13.5 per cent decline, and Windsor, Ont., which experienced a 10.9 per cent drop.

The hardest hit sector was accommodation and food services, with over 110,000 job losses.

7-Eleven Canada preparing to serve beer and wine inside several Ontario stores

7-Eleven says it is planning in-store service of a small selection of Ontario-made beer and wine products during limited hours in designated consumption areas of some Ontario stores.

According to the release, the Alcohol and Gaming Commission of Ontario is still reviewing its liquor sales licence applications, which were filed after the Ontario government decided to extend beer and wine retailing to convenience stores.

A statement from 7-Eleven says the alcoholic drinks would complement its push into fresh and hot food, and would build on the chain's long history of controlling access to age-restricted products. If the licences come through, staff would take the Smart Serve training program, which is designed for workers who sell, serve, deliver or handle alcohol in Ontario.