



FACTUM

Rising Cost of Living Motivating Many to Start a Small Business or Side Hustle

Majority of Aspiring Small Business Owners and Aspiring Entrepreneurs say Chief Aim is to Create a new Source of Funding to Support Themselves

Toronto, ON, September 20, 2022 – Three in four (74%) small business owners and aspiring entrepreneurs say that the rising cost of living is or would be a significant factor that is motivating them to start a business or a side hustle, according to a new Ipsos poll conducted on behalf of RBC. Moreover, 84% of Gen Z polled agree that the rising cost of living would motivate them to do this.

Indeed, with inflation continuing to run a decades-long high, nearly eight in ten (77%) say that their chief aim for their small business is or would be to create a source of income on which they can support themselves, rising to 86% among Millennials.

With many motivated to earn income through self-employment, small business owners and aspiring entrepreneurs are noting many factors that are making it easier to start a business, including emerging technologies (such as social media platforms) that allow them to reach new markets and to explore new ways of doing business (47%). Others note that lower overhead costs as a result of being able to conduct most of their business or side-hustle online remotely is making it easier (47%), while four in ten (42%) say digital solutions that reduce the effort needed for administration or back-office aspects of running a business are making it easier to start a business.

Four in ten (39%) small business owners and aspiring entrepreneurs believe that the rise of support for local businesses and the increased willingness of Canadians to shop local are reducing headwinds. In fact, seven in ten (71%) Canadians overall say that they would be more likely to transact with a business if they had an active presence in their local community.

Just as small businesses see the advantage of technology to their business, Canadians see small businesses as having an advantage over their larger counterparts. Specifically, three in four (73%) believe that small businesses have the ability to innovate at a more rapid rate than larger businesses. Moreover, most (86%) agree that small businesses are able to maintain a local presence by offering tailored products and services.





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About the Study

The Ipsos poll conducted on behalf of RBC was conducted between August 12 to 15, 2022. For the poll, a sample of 1500 Canadians aged 18+ was conducted online in English and French online via the Ipsos I-Say panel and non-panel sources, of which 517 respondents were small business owners or aspiring entrepreneurs. Quotas and weighting were employed to ensure that the sample reflects the population. The precision of Ipsos polls is measured using a credibility interval. In this case, the poll is accurate to within ± 5 percentage points for small business owners and aspiring entrepreneurs, and ± 3 percentage points for the overall sample of Canadians. All sample surveys and polls may be subject to other sources of error, including, but not limited to, coverage error, and measurement error.

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