

FINANCIAL POST

Chartered accountants more optimistic on economy

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OTTAWA - A quarterly poll of Canada's most senior chartered accountants shows rising optimism among this group of professionals, though they still take a cautious outlook toward what the economy might bring over the next year or so.

The second-quarter edition of this survey, done on behalf of the Canadian Institute of Chartered Accountants and Royal Bank of Canada, showed 28% of respondents expressing optimism in their economic outlooks for the coming 12 months.

The results were markedly more upbeat than the first-quarter survey, when just 4% were optimistic, and 2008's fourth-quarter poll that showed just 2% had positive economic expectations for the months ahead.

Still, the numbers are way down from the latter part of 2007 when the proportion of CAs optimistic about the economy were 67% in the second quarter, 66% in the third, and 63% in the fourth.

"Optimism may be rising, but economic expectations are still not good enough to warrant universal good cheer," Kevin Dancey, president of the CICA, said in a statement.

In an interview with the Financial Post, CICA chairman Doug Baker said what stands out most for him is the stark difference between the results of the latest survey and those taken for the previous two quarters.

"The last quarter of last year and the first quarter of this year were the darkest days when a lot of us weren't sure how deep and how big these problems were," Mr. Baker said.

"There's still uncertainty; we still don't have all the answers. But we certainly improved our perception and our understanding of what's happening with this recession."

There were some regional differences noted in the survey. Among Ontario CAs, just 10% expressed optimism for their provincial economy. That compared with 33% in Alberta, and 32% in both British Columbia and Quebec.

While CAs generally see a return to economic growth on the horizon, one-third of them don't expect it until the second half of next year. It's noted in the survey's news release that RBC's economics research division is anticipating a return to economic growth in Canada in the current third quarter, a position shared by the Bank of Canada.

Baker said CAs and other business people who have been "in the trenches" are probably more pessimistic than economists working for commercial and central banks.

"(When) you're dealing with situations where you're not sure whether you're going to get the funding on your loans that you need, or you're cutting back staff, and you're in survival mode, I think it leaves a little bit deeper impression sometimes than on your economists and other commentators who tend to be above the fray a little bit."