

# What Price Safety? The Cost of Crime on Canadian Small Business

## Sponsor

Kelowna Chamber of Commerce

## Theme

Special Issues

## Background

### A. What is the issue and who is it impacting?

Crime is devastating small businesses in every province. Financial losses, safety concerns, and declining commercial vitality are widespread. The Canadian Federation of Independent Business (CFIB) reports serious impacts in every province, with more than 50% of businesses in each province affected.<sup>1</sup> In BC, 57% of small businesses report direct effects from crime and disorder; 19% fear closing within a year.<sup>2</sup> Nationally, retail crime losses surpass \$9 billion annually, double ten years ago. Violent incidents connected to retail theft increased 76% in recent years, according to the Retail Council of Canada.<sup>3</sup>

Unlike larger firms, small- and medium-sized enterprises bear a disproportionate burden, lacking the financial cushion for preventative measures enjoyed by larger firms.

A 2026 survey by the Business Improvement Areas of BC (BIABC) found 90% of businesses report non-violent repeat crime has moderate to significant operational impact.<sup>4</sup> 40% report annual losses exceeding \$5,000; some commercial districts suffer aggregate losses in the millions in 2025: Kamloops \$1M; Prince George \$4.2M.

A December 2025 Ontario Chamber of Commerce study, *The Hidden Costs of Community Safety*, documented 74% of respondents feel unsafe in downtown cores and 42% of downtown

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<sup>1</sup>Canadian Federation of Independent Business (CFIB), "Broken Windows & Broken Trust: The Impact of Rising Crime on Small Business," CFIB, October 24, 2024, <https://www.cfib-fcei.ca/en/research-economic-analysis/impact-crime-community-safety-issues-canadian-small-businesses> pp. 1–4

<sup>2</sup>CFIB, "Crime and Safety: Small Businesses Need Support in B.C.," CFIB, December 1, 2025, <https://www.cfib-fcei.ca/en/advocacy/crime-and-safety-small-businesses-need-support-in-b.c> pp. 1–2

<sup>3</sup>Retail Council of Canada (RCC), "Retail Crime in Canada: The Hidden Crisis," RCC, May 2026, <https://www.retailcouncil.org/topics/loss-prevention/retail-crime-in-canada-report/> p. 1-9

<sup>4</sup>Business Improvement Areas of British Columbia (BIABC), "Retail Crime Reaching Crisis Levels Across Canada, Reinforcing Concerns Raised by BC Businesses: BIABC," BIABC Media Release, May 12, 2026, [https://bia.bc.ca/index.php?area\\_id=1003&page\\_id=1108](https://bia.bc.ca/index.php?area_id=1003&page_id=1108) pp. 1–2

business operators reported reduced foot traffic, reputational harm, and business closures attributable to visible public disorder, encampments, and substance use.<sup>5</sup>

The problem is national. In Atlantic Canada, Halifax shoplifting incidents rose 64% between 2023 and 2025.<sup>6</sup> In Saskatchewan, 57% of small business owners say crime is a daily operational pressure. Manitoba businesses spend a median of \$5,000 annually on security. Alberta businesses report a median annual crime-related loss of \$5,750.<sup>7</sup> Across Quebec, rising retail crime is reshaping daily operations for small business owners.

## B. What needs to be done? Why and how?

Repeat offending is a critical and compounding challenge. Businesses report repeated encounters with the same individuals committing theft, vandalism, and disorder.<sup>8</sup> Canada's bail and sentencing framework, governed by the Criminal Code and the Charter of Rights and Freedoms, requires courts to apply the principle of restraint, meaning accused non-violent offenders are frequently released within hours with minimal conditions. Prior non-violent offences alone may not meet the legal threshold for detention, perpetuating cycles of re-victimization with limited positive outcomes.

Underreporting further obscures the true scale of the crisis. Businesses consistently cite long police response times, lack of follow-up, and low confidence that reporting will lead to meaningful results.<sup>9</sup> This erosion of confidence weakens data quality, hampers evidence-based policymaking, and reinforces a perception that retail theft carries little consequence, further discouraging businesses from investing in the communities they serve.

Policy changes can improve the safety and economic resilience of small businesses by deploying federal tools in taxation, justice, and public safety to reduce the financial and operational burden of crime, address chronic repeat offending, and restore business and community confidence in commercial districts nationwide, stopping the undermining of local economies and erosion of the vitality of commercial districts in cities and towns from coast to coast.<sup>10</sup>

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<sup>5</sup>Ontario Chamber of Commerce / Centre for Healthy Communities (CFHC), "The Hidden Costs of Community Safety," Ontario Chamber of Commerce, December 2025, <https://occ.ca> pp. 5–12

<sup>6</sup>Global News, report on Halifax Police, April 13, 2026 <https://globalnews.ca/news/11773618/real-theft-rising-maritimes-small-businesses-halifax/>

<sup>7</sup>Canadian Federation of Independent Business (CFIB), "Broken Windows & Broken Trust: The Impact of Rising Crime on Small Business," CFIB, October 24, 2024, <https://www.cfib-fcei.ca/en/research-economic-analysis/impact-crime-community-safety-issues-canadian-small-businesses> pp. 1–4

<sup>8</sup>Karla Emeno, Craig Bennell "Near Repeat Space Time Patterns of Canadian Crime" Canadian Journal of Criminology & Criminal Justice <https://carleton.ca/policeresearchlab/wp-content/uploads/sites/207/Near-repeat.pdf> pp. 141-166

<sup>9</sup>Isabelle Leger "Saint John retailers say they're experiencing more crime, but statistics show decline" CBC March 20, 2026 <https://www.cbc.ca/news/canada/new-brunswick/retail-council-canada-theft-crime-saint-john-police-nb-9.7135214>

<sup>10</sup>The Hon. Sean Fraser, "A roadmap for our ongoing work to create a strong and accessible justice system and keep our communities safe." Department of Justice 2026-2027 Departmental Plan, March 13, 2026 [https://www.justice.gc.ca/eng/rp-pr/cp-pm/rpp/2026\\_2027/rep-rap/index.html#toc01a](https://www.justice.gc.ca/eng/rp-pr/cp-pm/rpp/2026_2027/rep-rap/index.html#toc01a)

# Recommendation(s)

That the Government of Canada:

1. Convene a national taskforce on crime's effects on business, drawing on the Ministers of Justice, Finance, and Public Safety, to assess economic and community impacts, review data, and deliver evidence-based recommendations on enforcement priorities, tax relief design, and resource allocation to protect small businesses in every province and territory.
2. Implement immediate federal tax relief for small businesses affected by crime, modelled on the existing CRA Northern Residents Deductions, through prescribed crime zone business tax reductions to help cover increased security costs, property damage, preventative measures, staff training, and loss of insurance deductibles.
3. Develop national pilot programs funded through Public Safety Canada's Crime Prevention Action Fund (CPAF), delivered in partnership with provinces, territories, municipalities, and business improvement associations which divert non-violent offenders through federally supported treatment facilities, addressing addiction and mental health root causes driving repeat offences.
4. Expand national data collection on crime affecting business by working with Statistics Canada, the CFIB, BIABC, provincial chambers of commerce, and law enforcement agencies to establish a standardized business crime index that closes existing data gaps, ensuring policy interventions are grounded in accurate evidence.
5. Act on the 2025 mandate commitments of the Ministers of Justice, Finance, and Public Safety to reduce court delays, funding new judges and Crown prosecutors and implementing tax relief measures while maintaining CPAF funding at levels adjusted for inflation and the 50% increase in measured crime cost impact on Canadian businesses.

## Signatories

Barrie Chamber of Commerce

Belleville Chamber of Commerce

Fort St. John & District Chamber of Commerce

Greater Vernon Chamber of Commerce

Greater Westside Board of Trade

Kitimat Chamber of Commerce

Mackenzie Chamber of Commerce

Peace River & District Chamber of Commerce

Penticton & Wine Chamber of Commerce

Prince George Chamber of Commerce

Quesnel & District Chamber of Commerce

Smithers District Chamber of Commerce

Summerland Chamber of Commerce

Terrace & District Chamber of Commerce

Thunder Bay Chamber of Commerce

Vanderhoof Chamber of Commerce

Williams Lake & District Chamber of Commerce