OTTAWA GATINEAU WEDDING INDUSTRY ASSOCIATION

Presentation to the Standing Committee on Finance and Economic Affairs for the Small and Medium Enterprises sector

Study of the recommendations relating to the Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on certain sectors of the economy.

STEPHANIE BROWN-MALENFANT

BOARD MEMBER

OWNER OF STONEFIELDS ESTATE

Ottawa Wedding Industry

Weddings are an essential celebratory event in peoples’ lives that brings family friends together.

- Average wedding size is 120 people with a budget of $30,000.
- Ottawa hosts over 6500 weddings per year generating $325M
- Ontario has 65,000 weddings per year for a $3.2B revenue.
- The industry is largely composed of local self-funded small businesses who are more vulnerable to large shifts in the economy.

Wedding-related small business owners

- 85% of weddings happen from May through October.
- Most have lost 75-95% of their total booked revenue for 2020.
- All are working tirelessly to cooperate with couples to offer a variety of options and to accommodate their changes.
- Very few small weddings are happening this year due to social gathering restrictions.
- Everyday, these small businesses are dealing with continuous cancellations.
  - not just for 2020 but for 2021 and 2022 due to the pandemic and restrictions.
- Meanwhile ongoing operational costs continue to accumulate.
- Off-season is looming near with income to make it through.
- Return to profitability will take 5-10 years. Variation due to vendor/business types.
- The year 2021 will see a decrease in revenue, where postponed couples have booked up most of the season.

If restrictions continue through 2020 and into 2021, many will file for bankruptcy. Immediate changes are needed.

Stonefields Example

Small-business: growth 20% YOY since inception 2010. Weddings get booked 1-2 years in advance. Host large weddings, built framework with pricing and guest minimums to cover heavy overheard costs.

- 111 booked weddings
  - expected revenue of $2.7M, and operational expenses + COGS of $2.5M.
- Since pandemic hit:
  - 21 cancellations, 78 postponements, 17 small weddings.
    - Hosting these few small weddings at a loss.
  - Ongoing cancellations 2020,2021, 2022
  - Refunds issued $150K past 5 months
  - Revenue YTD: $17K vs. $832K this time last year
  - Operational expenses YTD: $496K, expected to finish 2020 @ $1.2-$1.5M in the hole from ops.
    - Fixed operational costs: business loans, equipment leases, property taxes, insurance, book-keeping, legal and accounting fees, marketing, advertising, property and building maintenance and repairs, bank and credit card fees, propane, hydro, internet, office and cell phones, supplies and more…

Stonefields appreciates our government help

- The CEWS program that covers the 9 of 34 staff we have brought back.
- $40K automatic loan
- Low-interest business continuity loan from BDC we secured in April to help with operational expenses for 6 months.
- But we are running out of time.

Help needed for our industry

- ❑ Recognize our industry as a separate industry sector because of our special needs.
- ❑ Change restrictions for indoor events from 50 people to 50% capacity.
- ❑ Continue the CEWS program @ 85% top up through the rest of 2021 (Federal)
- ❑ Allow seasonal businesses to be elligible through the non-wedding months
- ❑ Establish more flexible loan repayment beyond 2 years.
- ❑ Continue CERB and CEWS program to allow for recovery.
- ❑ Rent relief program continuation.
- ❑ Engage in discussions with us about developing guidelines on our industry barriers.
  - ❑ Example: dancing and what venues can do to allow this to happen safely.

Thank you!

---

stephanie@stonefieldsweddings.com

Stonefields Estate:1985 9th line Beckwith, Ontario

www.stonefieldsweddings.com