Black Friday shoppers feeling affordability squeeze

MARIYA POSTELNYAK
CONSUMER AFFAIRS REPORTER

Cal Green, founder and owner of Ottawa-based apparel company Raised by Wolves, has seen how the Buy Canadian movement seems to be colliding with a harsher economic reality. PHOTOS BY JUSTIN TANG/THE GLOBE AND MAIL

Shoppers are heading into the holiday spending season eager to buy Canadian, a sentiment that the Business Development Bank of Canada says could provide a $13-billion boost to the country's gross domestic product.

But Canadian shoppers' patriotism will be tested by their spending power as they head into the most American of retail holidays.

Data released ahead of Black Friday by BDC, which provides financing, advice and capital to small and medium-sized businesses, found that Canadian households will spend an average of $943 on holiday shopping this year – roughly the same as last year.

Nearly 60 per cent of that money will be set aside for Canadian products and services, which BDC estimates would contribute up to $11-billion to Canada's GDP. If every household pledged to spend an additional $100 on Canadian goods, the impact could jump to $13-billion, the Crown corporation found.

BDC chief economist Pierre Cléroux said the study shows consumers have a stronger intention to buy Canadian this year as compared to last. He added that in 2024, people were less "concerned" with buying Canadian products.

The survey of 1,500 Canadian adults, aged 18 years or older, was conducted online between Nov. 12 to 16 this year.

The origins of Black Friday date back to the 1960s, when shopping crowds and tourists first started flocking to stores for deals the day after American Thanksgiving. Today, it's a major revenue driver and indicator of financial health for retail businesses across the board. It also launches the busy holiday shopping season.

"It's about 20 per cent of what Canadians are going to spend annually – it's huge," said Mr. Cléroux of holiday spending.

For jewellery and leather goods sectors in particular, holiday season shopping can make up as much as 26 per cent of retail sales, he said.

But those tracking Black Friday and holiday shopping trends across Canada say consumers are becoming more cautious with their spending than they have been in previous years. That shift has rippled through the Buy Canadian movement, since locally made products often come with a markup.

"A T-shirt is a basic garment, sure, but there are far more steps involved in the process than you would imagine," said Cal Green, founder and owner of Ottawa-based apparel company Raised by Wolves. "When all of those steps are taken locally or domestically, where the minimum wage is significantly higher than where the average T-shirt is made, that's going to affect the cost of the garment."

PwC's 2025 Canadian holiday outlook found that shoppers are planning to spend 10 per cent less this year than last. Yet, the desire to buy Canadian remains strong.

Nearly half of respondents "said they would choose a Canadian product even if it was more expensive than an imported one," said Elisa Swern, head of consumer markets at PwC Canada.

That sentiment was strongest among baby boomers, with around two-thirds of those respondents saying they were willing to buy a more expensive, Canadian product. However, 62 per cent of Gen Z respondents – who face a tough labour market – said they would opt for a cheaper imported product.

"There were definitely some customers that appreciated our stuff was made in Canada, but that was a little short-lived," said Mr. Green. "Made in Canada products aren't cheap."

Jonathan Laplante is the general manager at mattress and bedding manufacturer Obasan. Companies like Obasan, whose target consumers are older and have access to more discretionary funds, say the Buy Canadian fervour might be stronger than ever.

At the height of Buy Canadian momentum earlier this year, Mr. Green said his company saw a 5-per-cent to 10-per-cent bump in sales, peaking in August, after U.S. President Donald Trump scrapped the de minimis exemption on shipments of goods into the U.S. with a value of US$800 or less.

But the patriotic sentiment couldn't offset the economic damage for Mr. Green's business in the long run. American customers once accounted for about 25 per cent of Raised By Wolves' sales, and as much as 50 per cent in recent years. Those numbers fell more than 5 per cent – amounting to tens of thousands of dollars – after the exemption was removed, throwing cross-border shipping into chaos.

Mr. Green said that despite being made in Canada, some of his products don't qualify for preferential treatment under the United States-Mexico-Canada Agreement. "If the fabric is from Portugal, for example, but the yarn itself is from China, then from a customs perspective, the garment ... wouldn't qualify for the same duty treatment that a wholly made-in-North-America garment would."

There's also a mismatch between increasingly budget-conscious consumers and Canadian retailers hoping to offer smaller discounts this holiday shopping season to offset economic headwinds and the higher costs of domestic production.

"We used to be a no-discount kind of brand," said Jonathan Laplante, general manager at Ottawa-based mattress and bedding manufacturer, Obasan. However, he said, "businesses are forced to participate, in a way."

Still, companies such as Obasan, whose target consumers are older and have access to more discretionary funds, say the Buy Canadian fervour might be stronger than ever. Obasan's sales have increased 15 per cent to 20 per cent, year over year – its October purchases jumped by nearly 40 per cent.

For most businesses though, the Buy Canadian movement seems to be colliding with a harsher economic reality. "Canadian customers are quick to say they support Canadian businesses, but they might not be able to speak with their wallet," said Mr. Green.

Future murky for thousands of international students with expiring visas

VANMALA SUBRAMANIAM
FUTURE OF WORK REPORTER

Tens of thousands of international students who were granted postgraduate work permits will see their visas expire this year, casting doubt on their futures in Canada and leading economists to wonder if some will stay in the country as undocumented residents.

There were 31,610 people with valid postgraduate work permits in the country as of Sept. 30, and those visas will expire by Dec. 31, according to data from Immigration, Refugees and Citizenship Canada (IRCC) provided to The Globe and Mail.

Those numbers have recently come under scrutiny by economists and immigration experts because it's unclear how many temporary residents remain in the country after their visas expire, adding to the undocumented population.

Ottawa has sought to rein in the number of temporary residents, which peaked at 7.6 per cent of the total population in October, 2024, after historically strong inflows of foreign workers and international students. The federal government aims to reduce that proportion to 5 per cent by the end of 2027, a year later than originally planned.

The most recent numbers show that temporary residents comprise 7.3 per cent of the total population – or three million people. However, those numbers do not account for people who are still in the country on expired permits as they attempt to figure out a different path to permanent residency.

"How many expired visa-holders remain and are still residents of Canada? In previous research we estimated that number to be close to one million, with the overwhelming majority being expired temporary visa-holders who arrived in Canada legally, as long as a generation (or two) ago," wrote CIBC deputy chief economist Benjamin Tal in an April report.

In a statement to The Globe, the federal Immigration Department said it did not have an estimate of the number of people in Canada on expired postgraduate work permits.

"Once someone receives a permit, they must abide by the condition of their permit, including the legal requirement to leave Canada at the end of the authorized period of stay," the IRCC said in the e-mailed statement.

Last year, the Canada Border Services Agency deported approximately 18,000 people, but the agency does not publicly break that number down by type of study or work permit.

The latest IRCC data show that the number of expiring postgraduate work permits is down sharply from the same period last year, when approximately 70,000 were due to expire.

It is hard to estimate how many international students left the country when their permits expired, obtained new jobs on different work permits, successfully transitioned to permanent residency or stayed without status.

IRCC data show that of roughly 115,000 postgraduate work permit holders whose visas expired in 2025, a mere 12 per cent either had their work permits extended or transitioned to other permits.

Those figures do not include people who transitioned to permanent residency. However, Statistics Canada data show that 12 per cent of people who became permanent residents in 2022 had previously held postgraduate work permits.

"It seems that most students are leaving, while some are trying other immigration applications like to transition to tourist visas, applying to extend work permits or for refugee status," said Syed Hussan, executive director of the Migrant Workers Alliance for Change. But he said that while some are remaining in Canada on expired permits, it was hard to say how many.

International students have become a fixture in the debate on Canada's immigration policies because of the sheer number of study permits issued to foreign students in the past five years – a means of filling a glut of pandemic-era job vacancies.

The international student count grew from roughly 350,000 in 2015 to more than one million by 2023. The number of postgraduate work permits – one- to three-year visas – climbed even more sharply over that period: from 33,615 to 240,200, an increase of more than 600 per cent.

But starting in 2024, Ottawa began to clamp down on immigration as Canadians increasingly tied it to various problems, such as home affordability. The government not only made it harder to obtain a permit to study in Canada, it also reduced its targeted intakes of permanent residents.

Some immigration experts have criticized the government for abruptly changing its policies, particularly because foreign students were sold on the prospect of obtaining permanent residency.

"Students who came in 2021, 2022 and 2023, in particular, were answering an explicit call from the government to come to Canada not just to study but to settle permanently," said Lisa Brunner, a research associate at the Centre for Migration Studies at the University of British Columbia.

Last year, hundreds of international students and postgraduate work permit holders in Brampton, Ont., protested deportations and called for changes that would allow them to continue working in Canada.

Many had taken on vast amounts of debt to pay for international student fees, with the hope that they would eventually obtain permanent residency. Some are among the 31,610 who will see their visas expire in the coming weeks.