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Explorers Edge Business Confidence Index

Executive Summary — 2026 Results, with Three-Year Comparison

Business sentiment survey of tourism operators in the RTO12 region (Muskoka, Parry Sound, Almaguin Highlands, Algonquin Park, South Algonquin, Loring–Restoule) • June 2026

Business confidence in the Explorers Edge turned positive in 2026 for the first time in the three-year history of the index. The EE-BCI - a 0–100 composite of the six sentiment questions asked identically in every survey wave, where 50 is neutral - reached **51.9 in 2026, up 3.1 points (+6.4%) from 2025 and 4.0 points above the 2024 baseline.** The 2026 gain is the largest in the series and the most credible: every one of the six index components improved, and not a single one of the 58 operators surveyed rated themselves “extremely pessimistic” about meeting business objectives — versus 7.2% in 2024 and 6.0% in 2025.

Year	EE-BCI	YoY change	Interpretation
2024 (n=69)	47.9	— baseline	Mildly net-negative: inflation, debt and weather squeeze
2025 (n=50)	48.8	+0.9 (+1.9%)	Stable: tariff shock offset by easing labour and fuel costs
2026 (n=58)	51.9	+3.1 (+6.4%)	Improving: first net-positive reading of the series

EE-BCI, 2024–2026. Scale 0–100; 50 = neutral. n = respondents answering the core sentiment battery.

The 2026 picture: confident, stable - and deliberately cautious

This year’s survey (fielded May–June 2026, in-season) shows optimism at its series high: **44.8% of operators are optimistic about meeting business objectives versus 10.3% pessimistic** (mean 3.48 on the 5-point scale, up from 3.22 in 2024), and staffing optimism matches it at 48.3% versus 13.8%. Expectations have consolidated around “steady”: 58.6% expect conditions to stay the same and only 17.2% expect them to worsen - the best balance of the series, and barely half of 2025’s 32.0%. The forward view holds beyond summer: the fall-2026 outlook is net positive, with 34.5% optimistic against 15.5% pessimistic.

The caution shows in the revenue line. Only **24.1% expect 2026 revenue to be higher than 2025** - down from 43.5% in 2024, a statistically significant decline — while the “similar revenue” camp has doubled to 53.4%. Confidence has improved because the downside has receded, not because operators expect growth: the “lower revenue” share fell to a series-low 22.4%. Open-ended comments reinforce the point - operators describe a slow start to the season, guests trimming spend and shortening stays, and input costs still climbing.

The U.S. tariff and border-policy shock that dominated 2025 has largely been absorbed. The share of operators reporting **no effect from U.S. policies more than doubled, from 12% in 2025 to 29.3% in 2026**, while the negatively-affected share eased from 40% to 31%. Roughly one in seven (13.8%) report a positive effect - consistent with Canadians redirecting travel to domestic destinations.

How 2026 compares with 2024 and 2025

Measure	2024	2025	2026	Direction
Optimistic about business objectives (4–5 of 5)	39.1%	40.0%	44.8%	Improving
Pessimistic about business objectives (1–2 of 5)	14.5%	24.0%	10.3%	Series best
Expect conditions to worsen	27.5%	32.0%	17.2%	Series best
Operating at or above capacity	36.2%	42.0%	50.0%	Improving
Expect revenue higher than prior year	43.5%	34.0%	24.1%	Declining †
Expect revenue similar to prior year	29.0%	32.0%	53.4%	Shift to stability †
U.S. tariff/border policies: negative effect	n/a	40.0%	31.0%	Easing
U.S. tariff/border policies: no effect	n/a	12.0%	29.3%	Normalizing

† = statistically significant change at the 95% confidence level (two-proportion test). All other movements are directional given sample sizes of 50–69 (margins of error ±12–14 points).

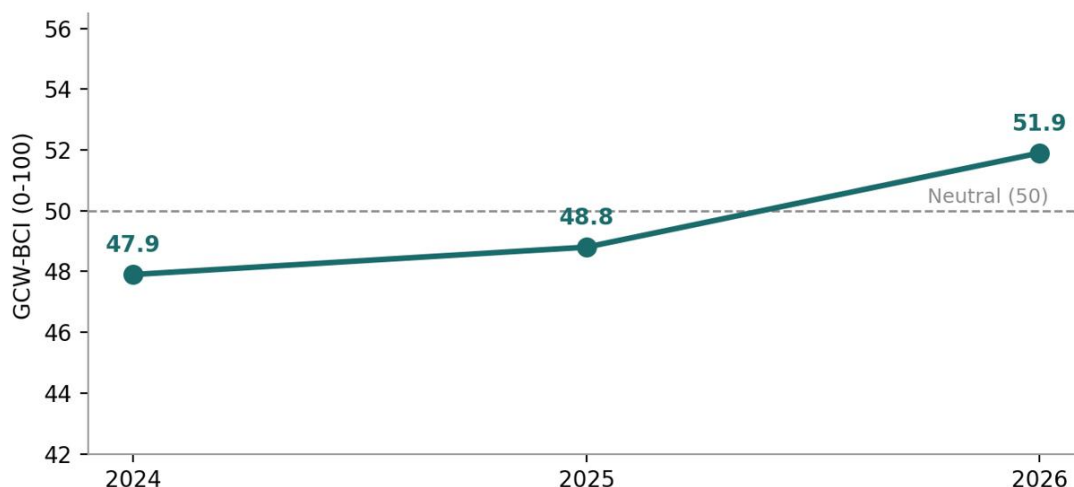
What is driving the improvement

- **Labour relief.** Staffing optimism is the fastest-improving index component (+9.9 points over three years), and “lack of employees” halved as a business constraint between 2024 and 2025 (34.8% to 18.0%, statistically significant). The staffing crisis that defined 2024 has become manageable.
- **Demand slowly filling unsold capacity.** Operators running below capacity fell from 63.8% (2024) to 58.0% (2025) to 50.0% (2026). Capacity remains the weakest component of the index — half the region’s inventory is still unsold - but the trend is the right one, and it is the region’s largest measurable upside.
- **Shock absorption.** 2024’s inflation-and-debt squeeze and 2025’s tariff panic have given way to a predictable, if value-conscious, operating environment. Predictability — more than prosperity — is what moved the index above 50.

Bottom line

After absorbing an inflation shock, a trade shock and a soft-demand cycle in three consecutive years, the region’s operators enter the 2026 season more confident than at any point in the index’s history — but they are budgeting for stability, not growth. For operators, that argues for margin discipline and yield management; for destination marketers and policymakers, the priority is demand generation to fill the 50% of capacity still sitting unsold; for investors, established assets with slack capacity and a confidence floor represent operating leverage awaiting visitors. The EE-BCI’s six-question core should be retained verbatim in 2027 to keep this series — now showing its first net-positive reading — comparable and quotable.

Business Confidence Index, 2024-2026



The EE-BCI crossed the neutral-50 line in 2026 — the first net-positive reading of the series.