



# Monthly Business Barometer®

August 2024



## 12-month Small Business Confidence Index

56.8

Monthly change

↑ 1.3

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## 3-month Small Business Confidence Index

51.8

Monthly change

↑ 4.7

## Business Barometer®: Report summary

### Small business confidence in Canada

CFIB's Business Barometer® long-term index, which is based on 12-month forward expectations for business performance, inched forward at 56.8—the highest level in the past two years but still about 5 points below the historical average. The short-term optimism index, based on a 3-month outlook, increased by 4 points to 51.8—getting closer to the historical average of 54.0.

### Provincial overview

The top four provinces reported levels that are just at or above their historical averages: Prince Edward Island (67.9), Newfoundland and Labrador (61.9), New Brunswick (60.5) and Manitoba (60.4). Ontario and Alberta are just shy of their historical averages at 59.3 and 55.4 respectively.

### Other indicators

Full-time staffing plans are very timid, with 11% of SMEs looking to hire and 10% of entrepreneurs looking to reduce their personnel. Fewer firms (47%) reported domestic/foreign demand as the main limitation on sales or production growth in August versus July (53%).

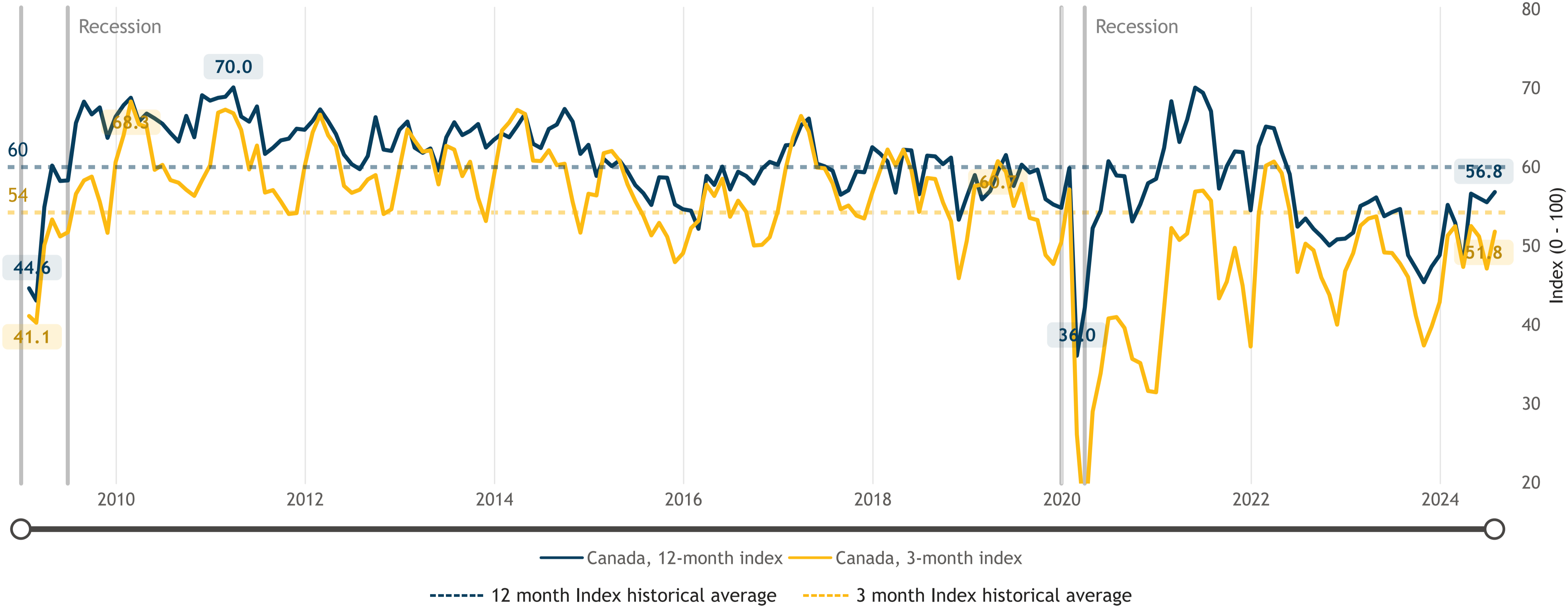
### Sectoral overview

Similarly to the provincial picture, the top five sectors are close to their historical averages: information, arts and recreation (72.1), health and education (64.1), transportation (60.3), and hospitality (58.1). On the contrary, manufacturing (55.1), retail (52.3) and agriculture (47.2) are the sectors reporting the least optimistic outlooks compared to their historical averages.

### Inflation indicator

The average price increase indicator decreased to 2.4, the lowest since March 2021. The average wage increase planned for the next 12 months remained unchanged at 2.5.

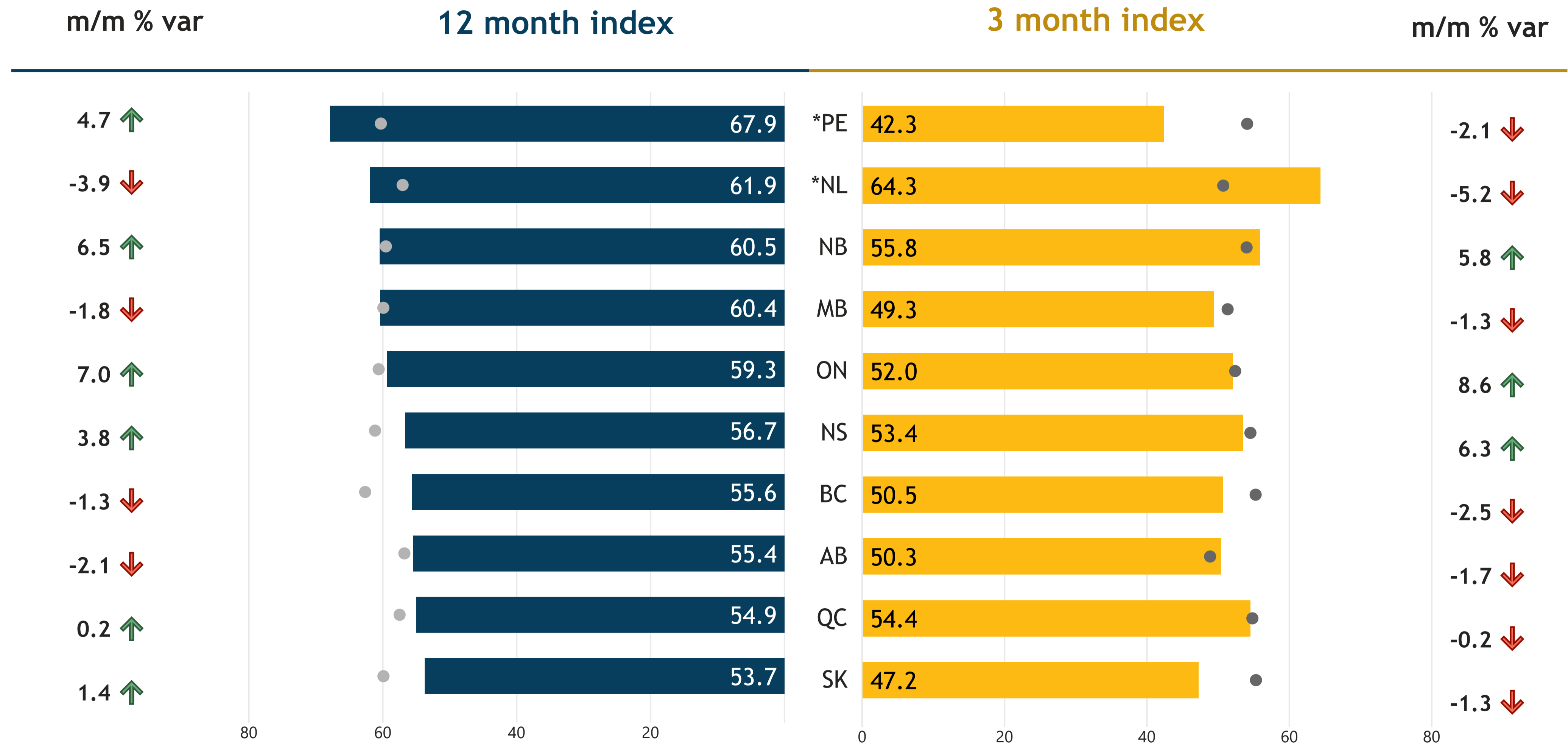
# Business Barometer®: 12-month and 3-month small business confidence index, Canada



**Survey questions:**

How do you expect your firm to be performing in **12 months** compared to now?  
 Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

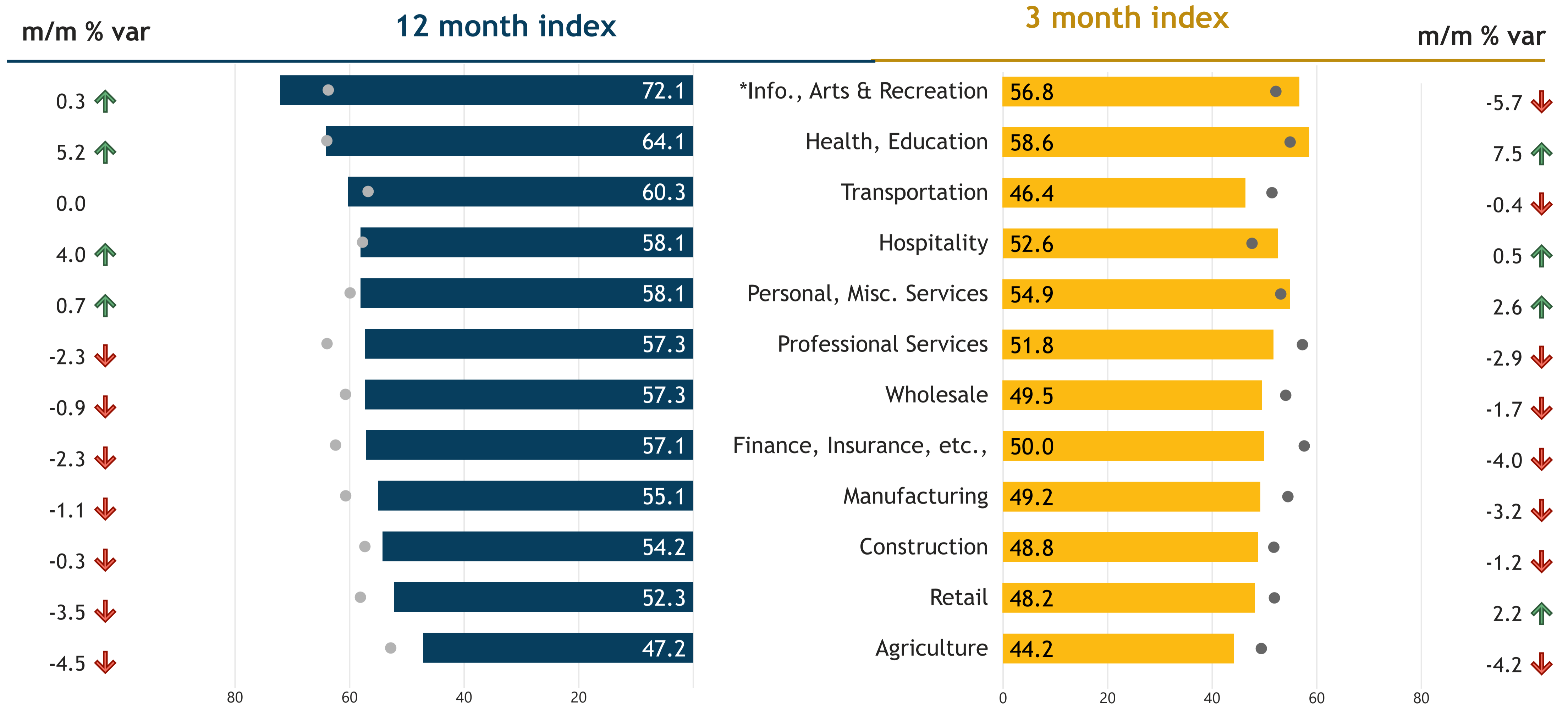
Source : CFIB and Recession: [C.D. Howe Institute Business Cycle Council](#)



Survey question: How do you expect your firm to be performing in **12 months** compared to now?

Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Notes : \*Number of responses under 40 ● Historical averages

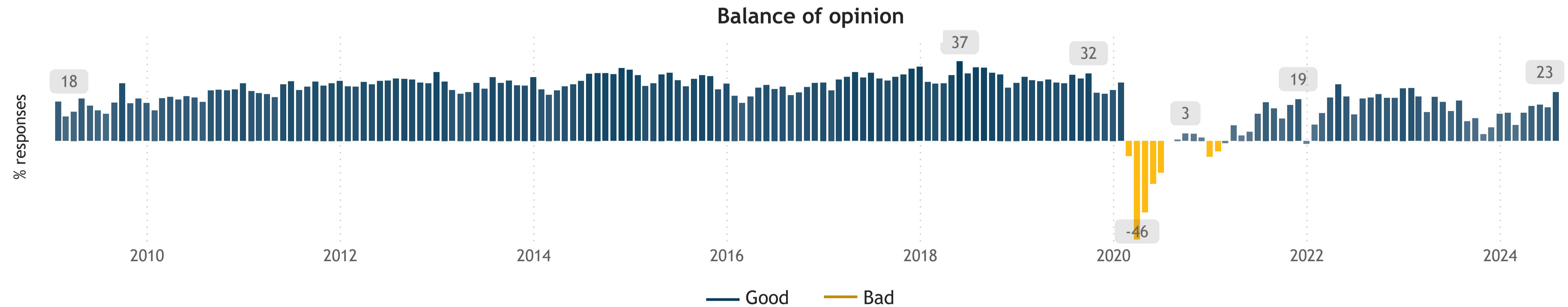
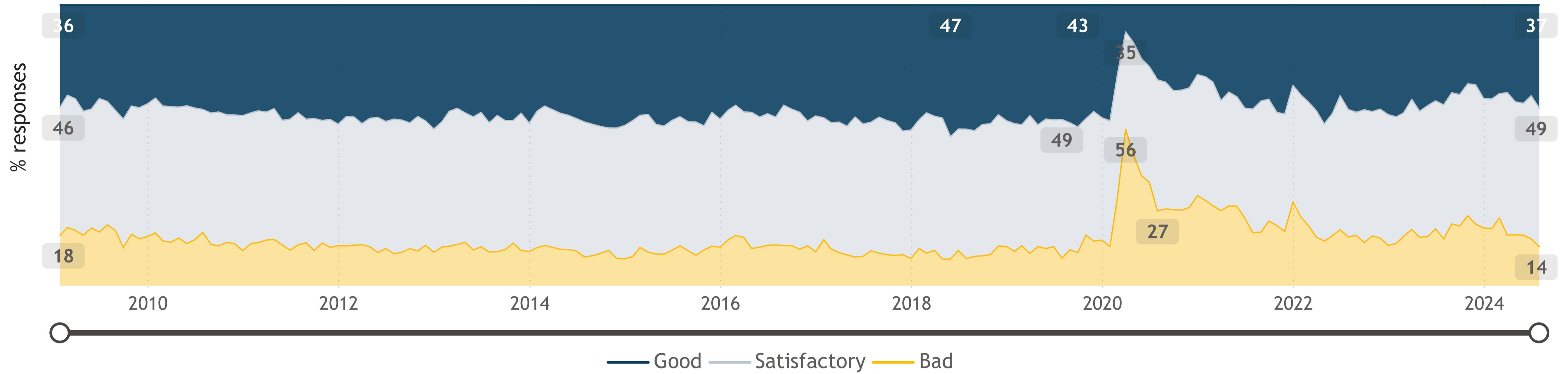


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Notes: ● Historical averages \*Number of responses under 40 \*\*Natural resources is not included.

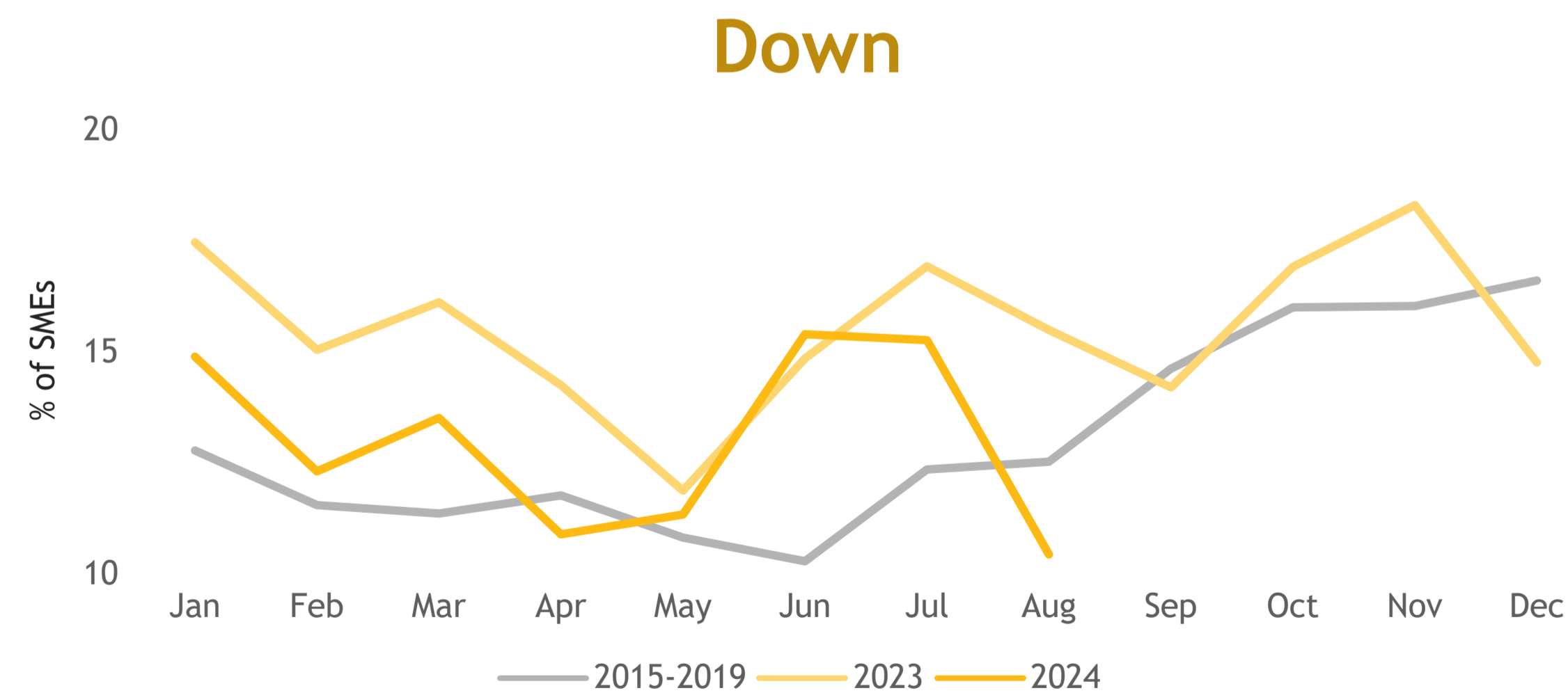
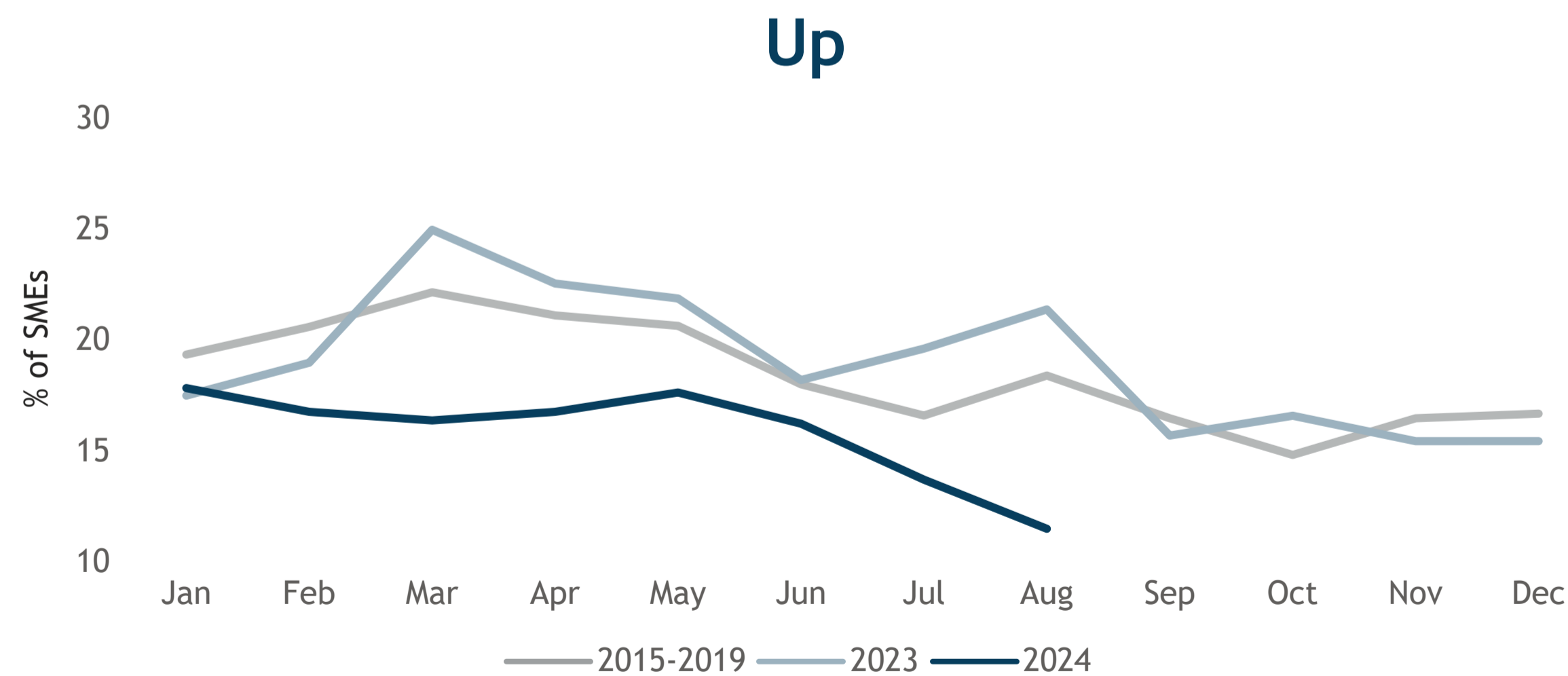
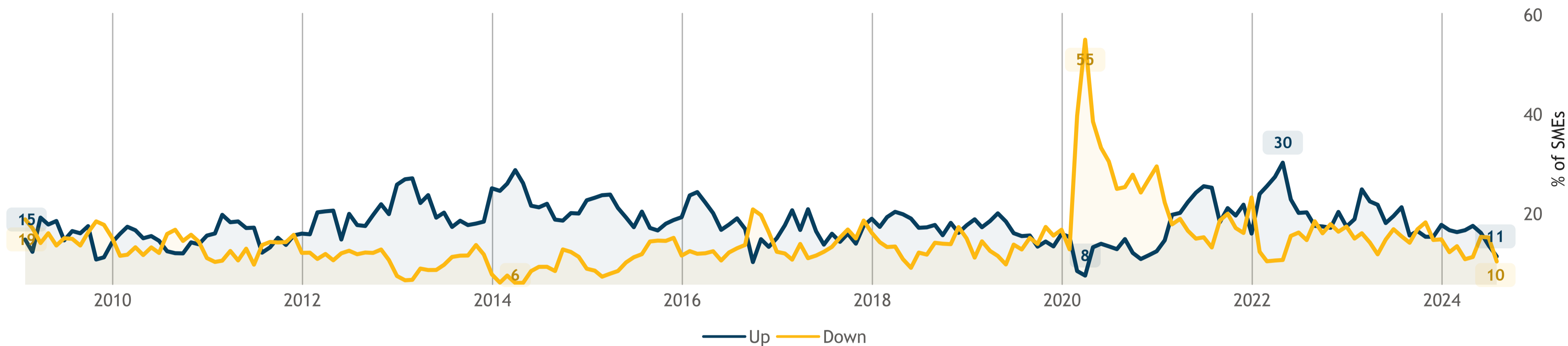
# Business Barometer®: General state of business health



**Survey question:** Currently, what is the general business situation of your company?

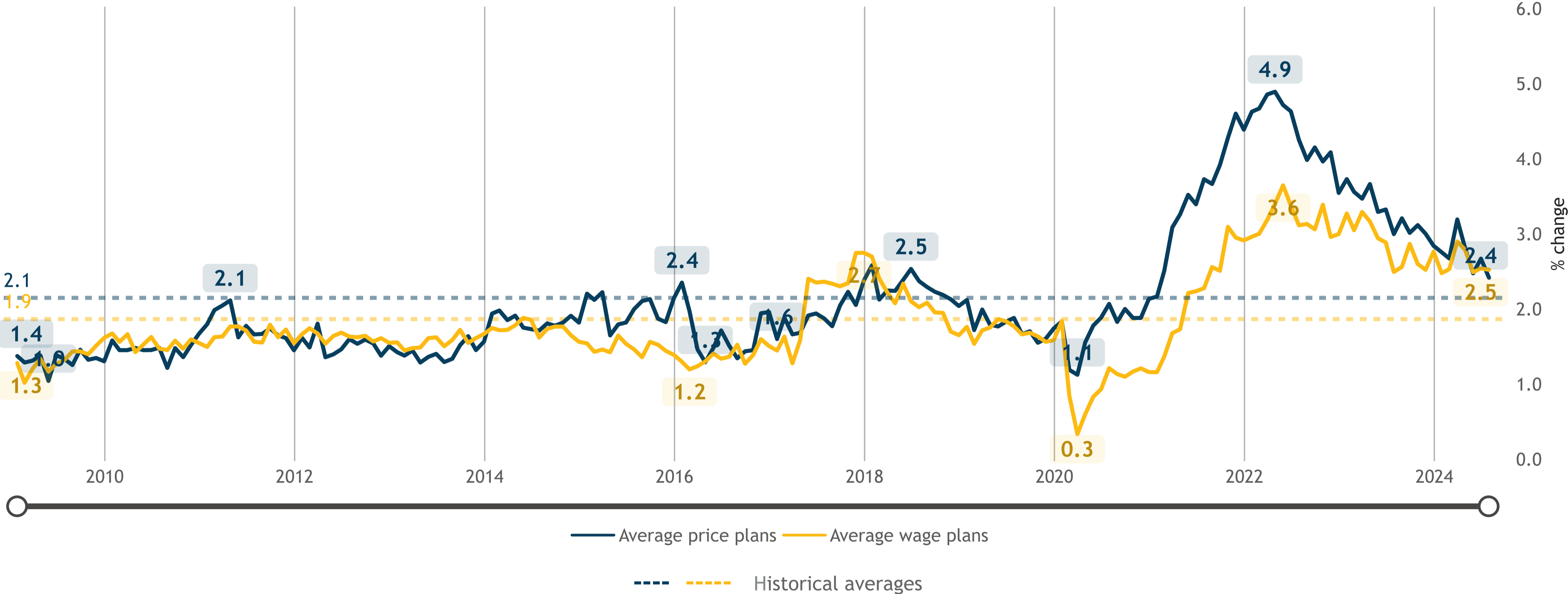
**Note:** Balance of opinion = [Share of respondents answering **Good**] - [Share of respondents answering **Bad**]

# Business Barometer®: Full-time staffing plans, short term



Survey question: How are your expected employment levels to change in the next 3 or 4 months? ( Up, Same, Down)

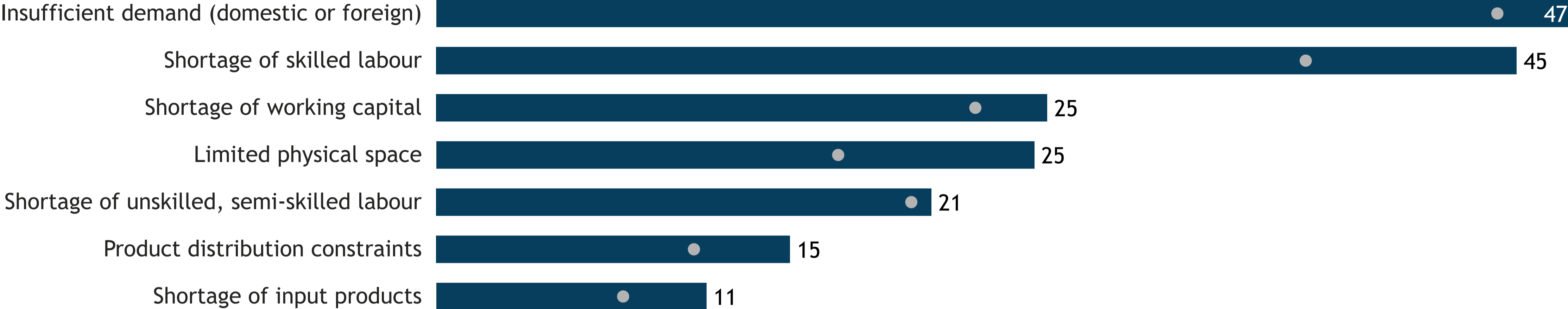
# Business Barometer®: Future price and wage increase plans



**Survey questions:**

In the next year, how much do you expect **average prices** to change?  
 In the next year, how much do you expect **average wages** to change?



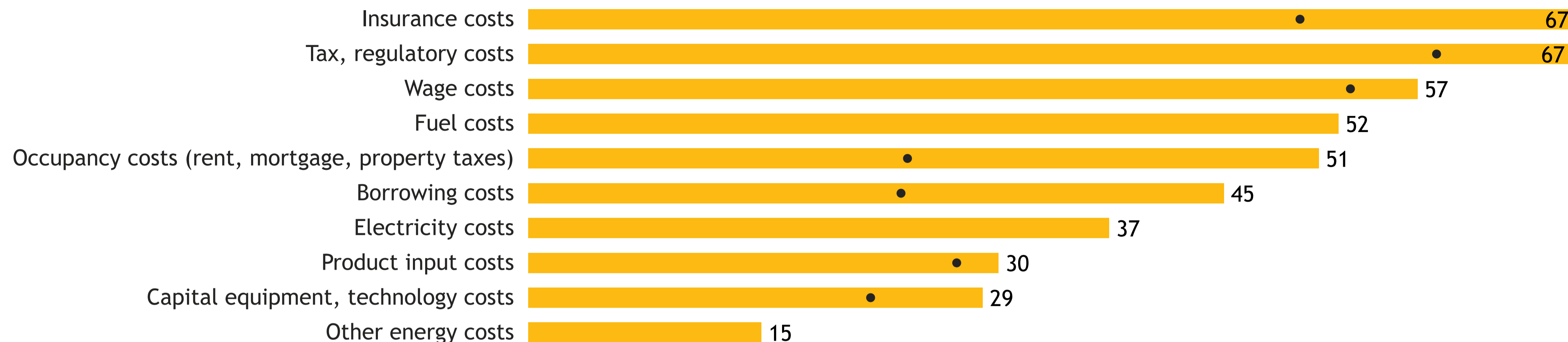


● % response, current month ● 2009-2024 average limitation

**Survey question:** What factors are limiting your ability to increase sales or production?

**Note:** Starting January 2024, the options "Insufficient domestic demand" and "insufficient foreign demand" have been combined into one option "insufficient demand". The option 'foreign competition' has been removed.

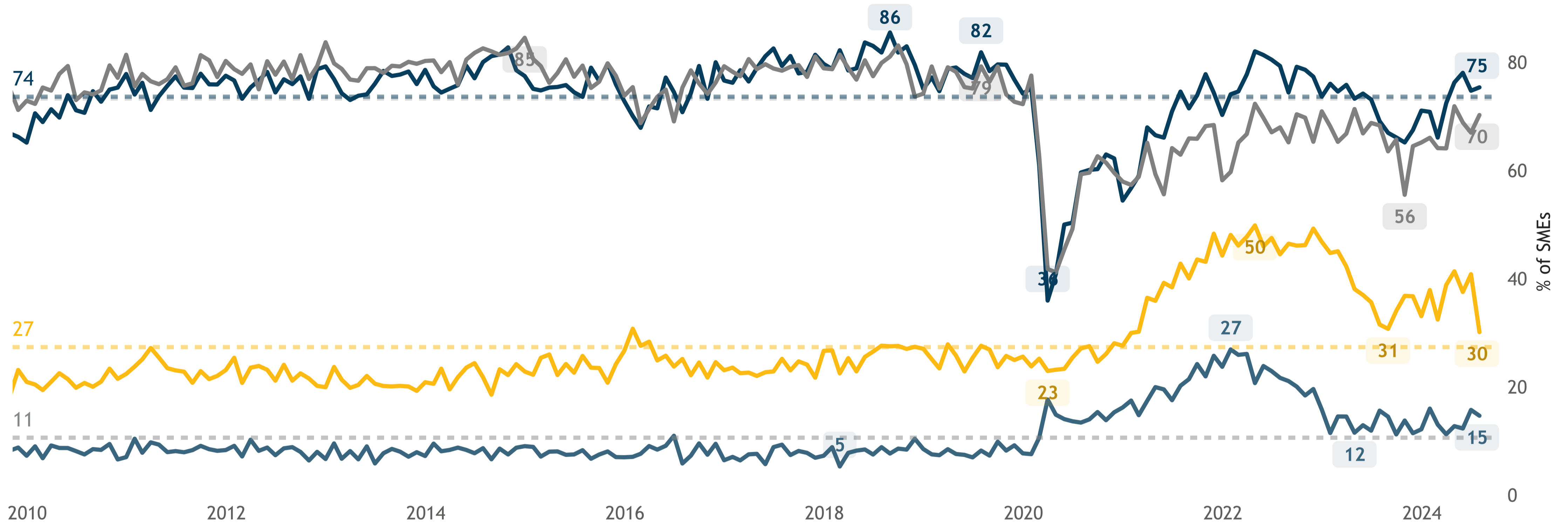
# Business Barometer®: Major input cost constraints- current levels and trend



● % response, current month ● % response, historical average

**Survey question:** What types of input costs are currently causing difficulties for your business?

**Note:** Starting January 2024, the option "Fuel, energy costs" was divided into separate options: "Fuel costs", "Electricity costs", "Other energy costs".



Firms with: — Normal/above normal unfilled orders — Normal/above normal unsold Inventories — Product input costs difficulties — Product distribution constraints

----- Historical averages

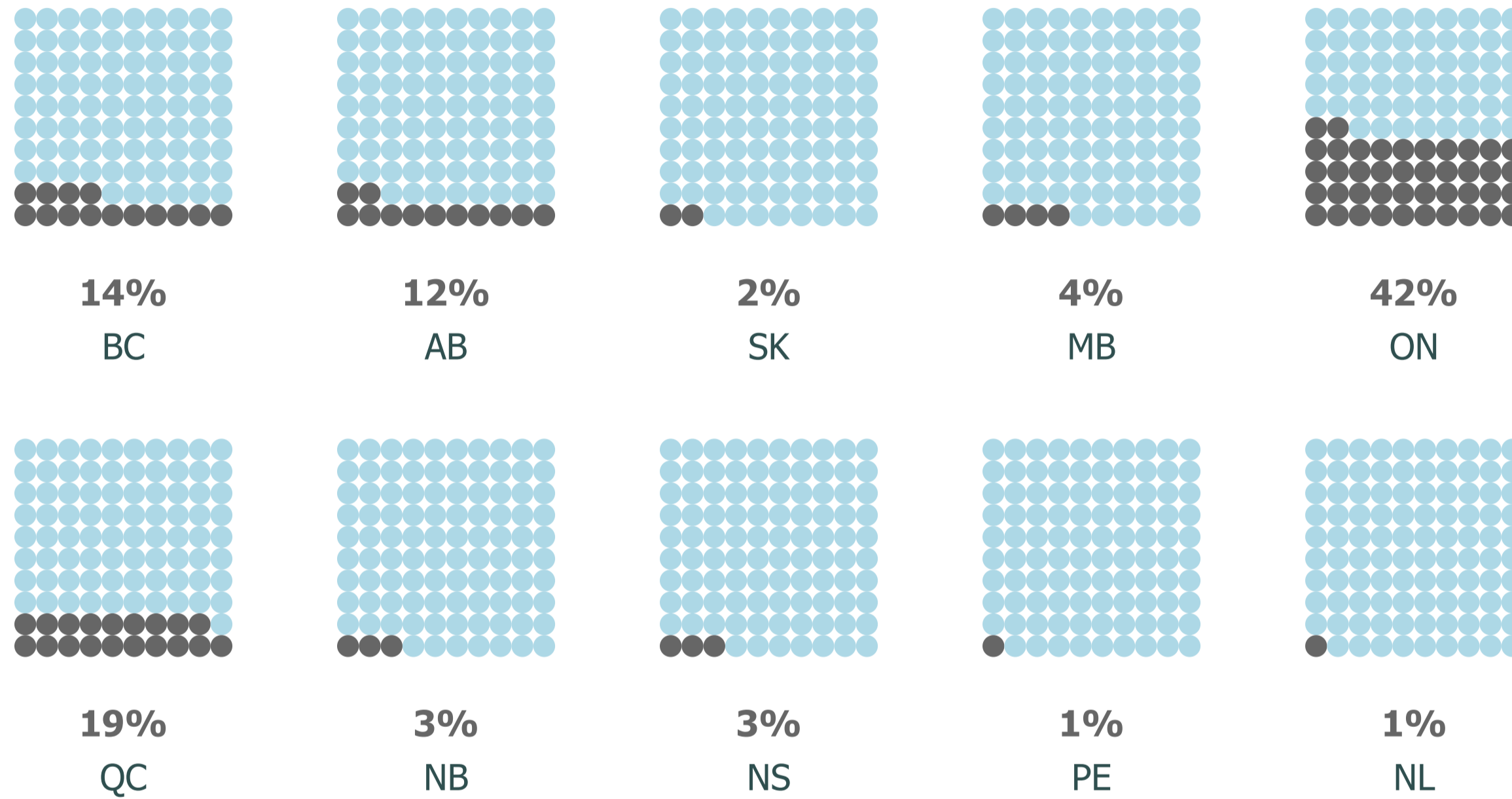
### Survey questions:

Allowing for normal seasonal influences, what are **current unfilled orders** and **unsold inventories** compared to normal?

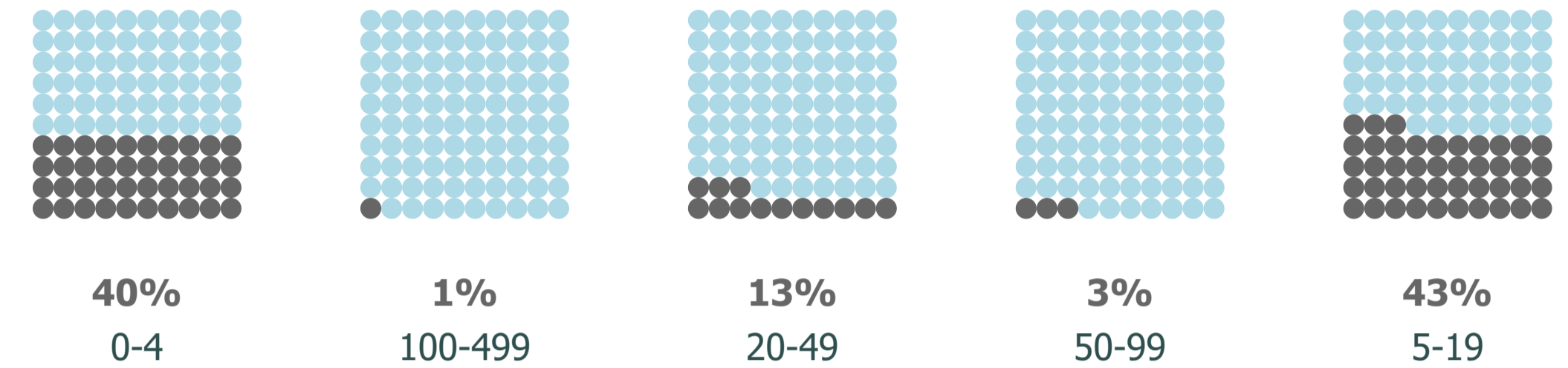
What types of input costs are currently causing difficulties for your business? [Respondents selecting "**Product input costs**"]

What factors are limiting your ability to increase sales or production? [Respondents selecting "**Product distribution constraints**"]

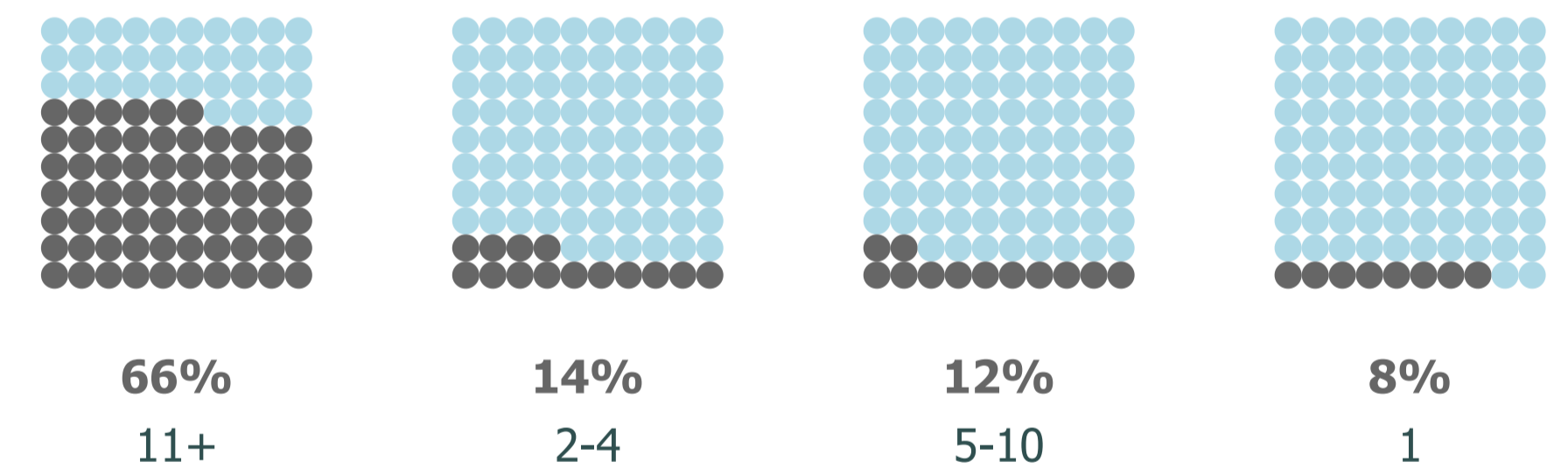
## By location of business



## By number of employees



## By number of years in business



## Methodology

- Stratified random sample of CFIB members to a controlled-access web survey: 438 responses
- Responses were received from: August 1-14
- The survey is considered accurate within +/- 4.7 percentage points, 19 times out of 20.
- Every new month, all indicators are recalculated for the previous month to include all survey responses received in that previous month.
- Measured on a scale between 0 and 100, an index above 50 means owners expecting their business's performance to be stronger over the next three or 12 months outnumber those expecting weaker performance.
- An index level near 65 normally indicates that the economy is growing at its potential.

## Questions or data requests

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## Additional information

### All CFIB research



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