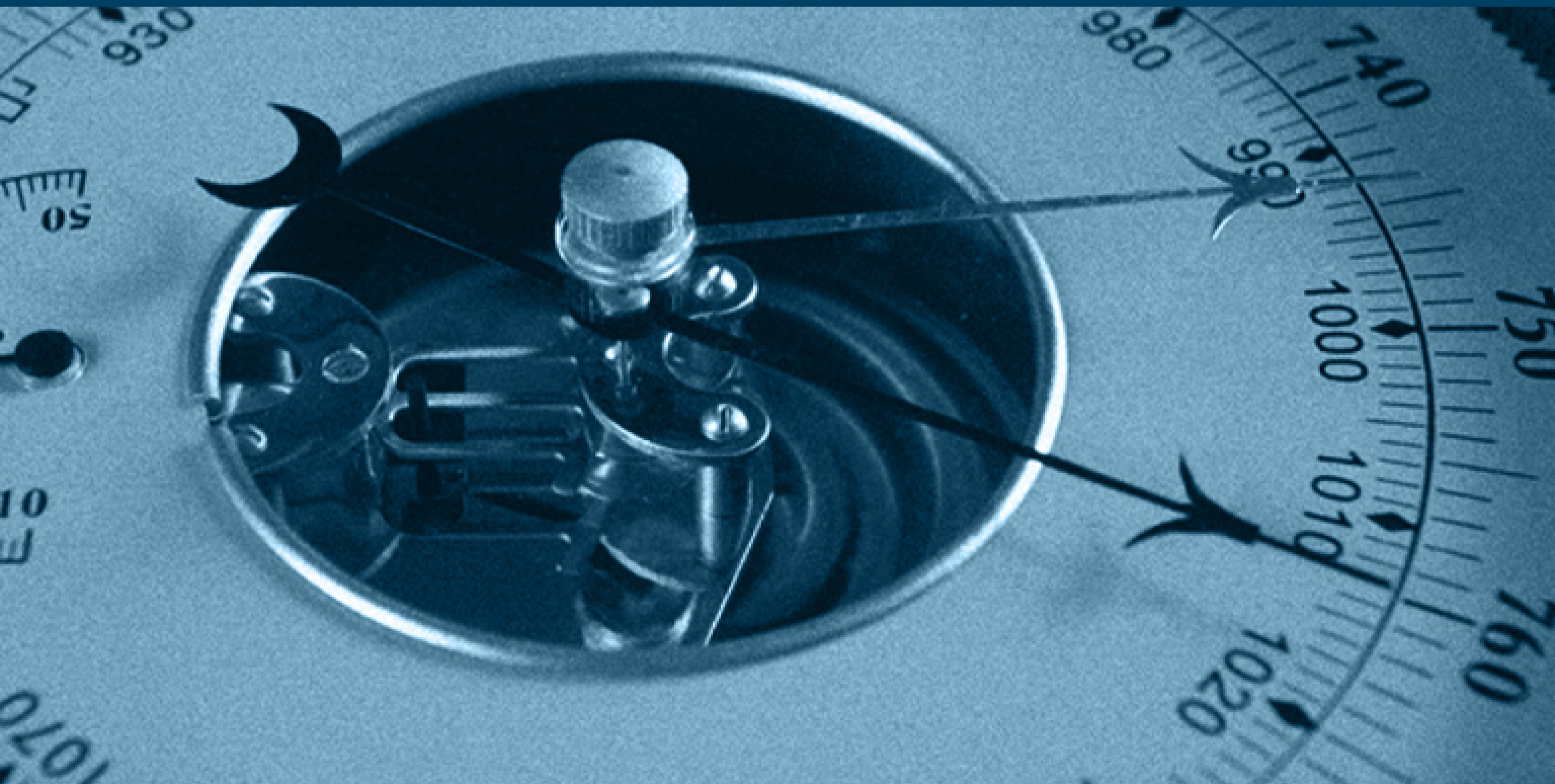




In business
for your business.

Monthly Business Barometer®

December 2024



12-month Small Business Confidence Index

56.4

Monthly change

↓ -3.4

3-month Small Business Confidence Index

46.6

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, dropped about three points to 56.4. The short-term optimism index, based on a 3-month outlook, also decreased five points to 46.6. The combined challenges of U.S. tariff threats, uncertainty stemming from the recently announced and temporary GST holiday, and the Canada Post strike have created a "perfect storm," reversing the upward trend in business optimism observed in recent months.

Provincial overview

Most provinces are adopting a cautious "wait-and-see" approach, resulting in modest declines in confidence for New Brunswick, Manitoba, and Saskatchewan. Optimism in other provinces remains nearly stagnant.

Other indicators

Full-time staffing plans remain subdued, with businesses nearly evenly split between hiring (15%) and laying off (17%). Key cost constraints hindering business growth include tax and regulatory expenses (68%), wage costs (65%), and insurance costs (65%). Meanwhile, insufficient demand persists as the primary barrier to business and production expansion.

The supply chain registered some challenges this month. Inventories saw a notable decline (-7 points), while unfilled orders increased slightly (+2 points). Additionally, more businesses reported distribution constraints, rising by 5 points this month.

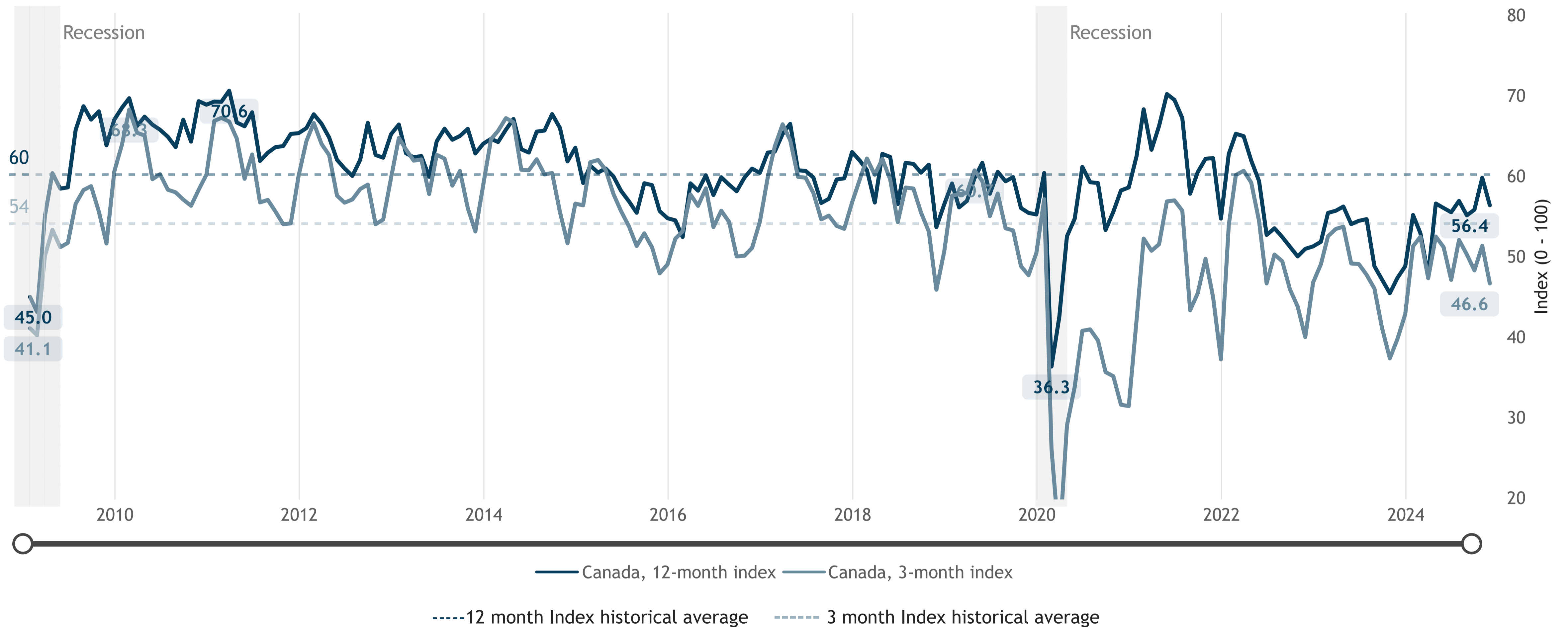
Sectoral overview

The sectoral outlook presents a mixed picture. The three most optimistic sectors—information, arts and recreation; financial services; and professional services—continue to maintain their leading positions. Encouragingly, manufacturing and construction sectors report optimism indexes above 60. However, these gains could be temporary if U.S. tariffs take effect in 2025, posing significant risks to sustained growth.

Inflation indicator

The average price increase indicator showed little change, settling at 2.6%, while the average wage increase dipped slightly to 2.2%.

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**?

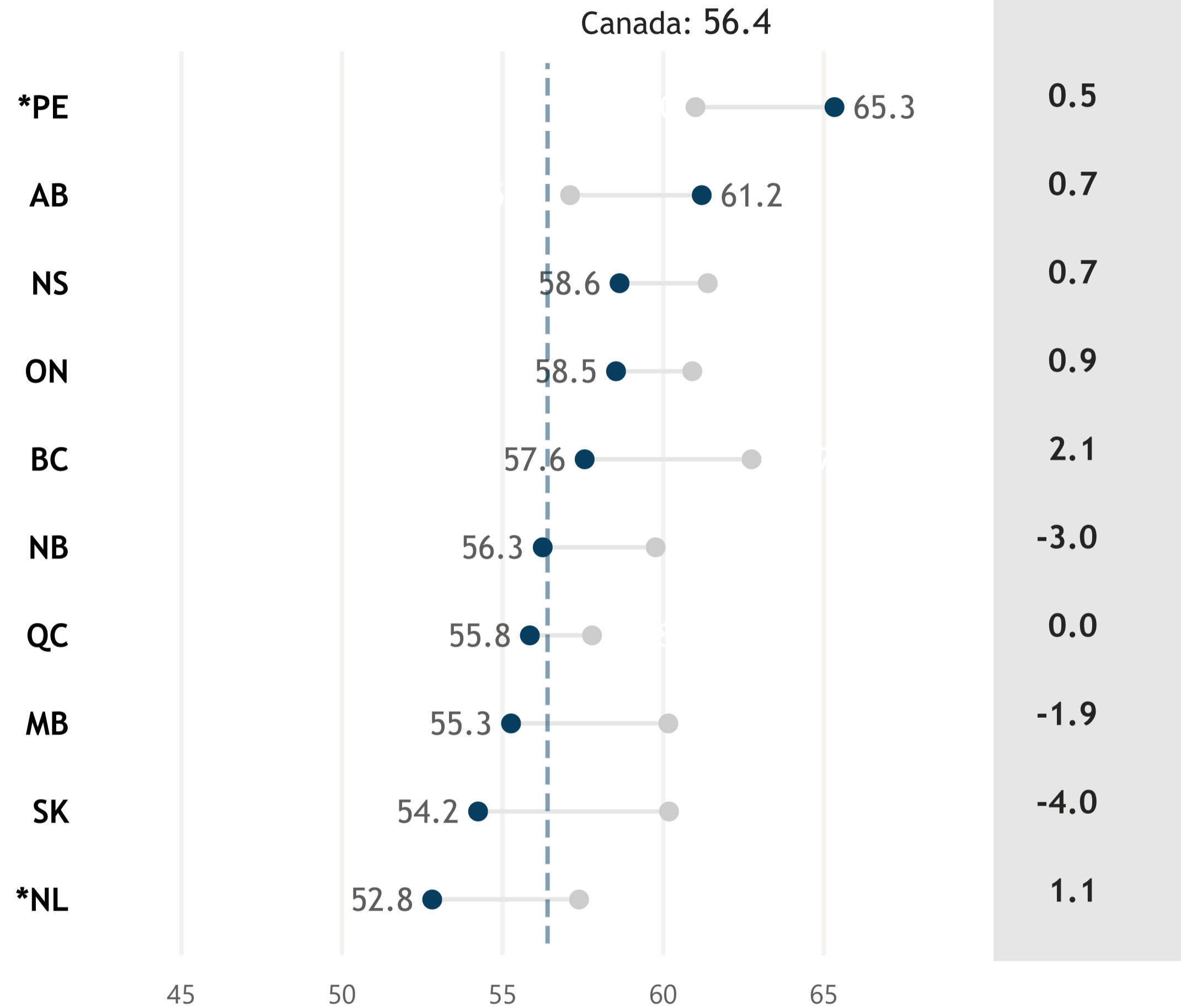
Sources : CFIB, Your business outlook survey, February 2009 - December 2024, [C.D. Howe Institute Business Cycle Council](#) (Recession dates)

Note: Index > 50 = more businesses expecting stronger performance than weaker performance

Business Barometer®: Small business confidence index, provinces

12 month index

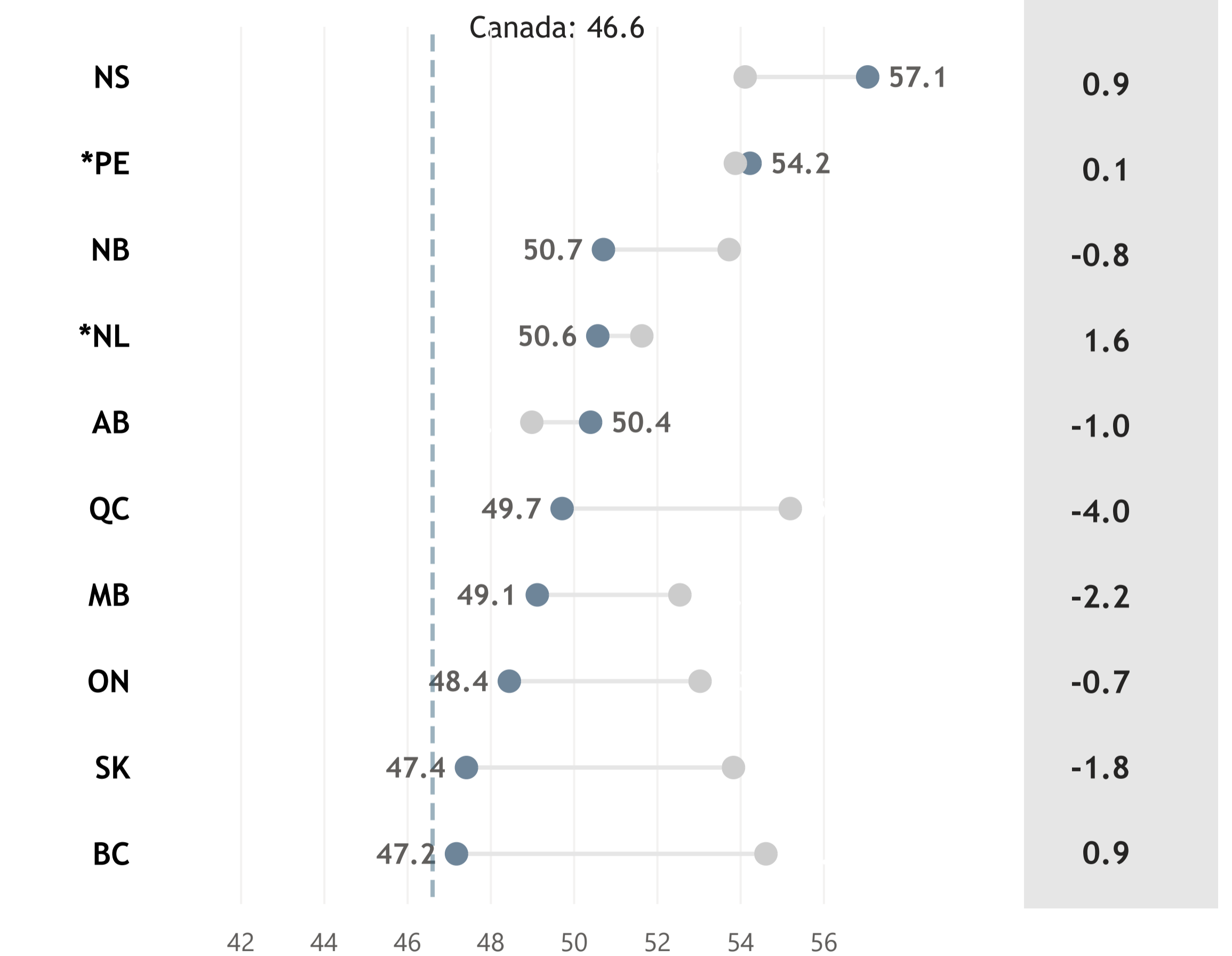
m/m % var



● 12-month Index ● Long term index historical average

3 month index

m/m % var



● 3 month index ● Short term index historical average

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**?

Source: CFIB, Your business outlook survey, February 2009 - December 2024

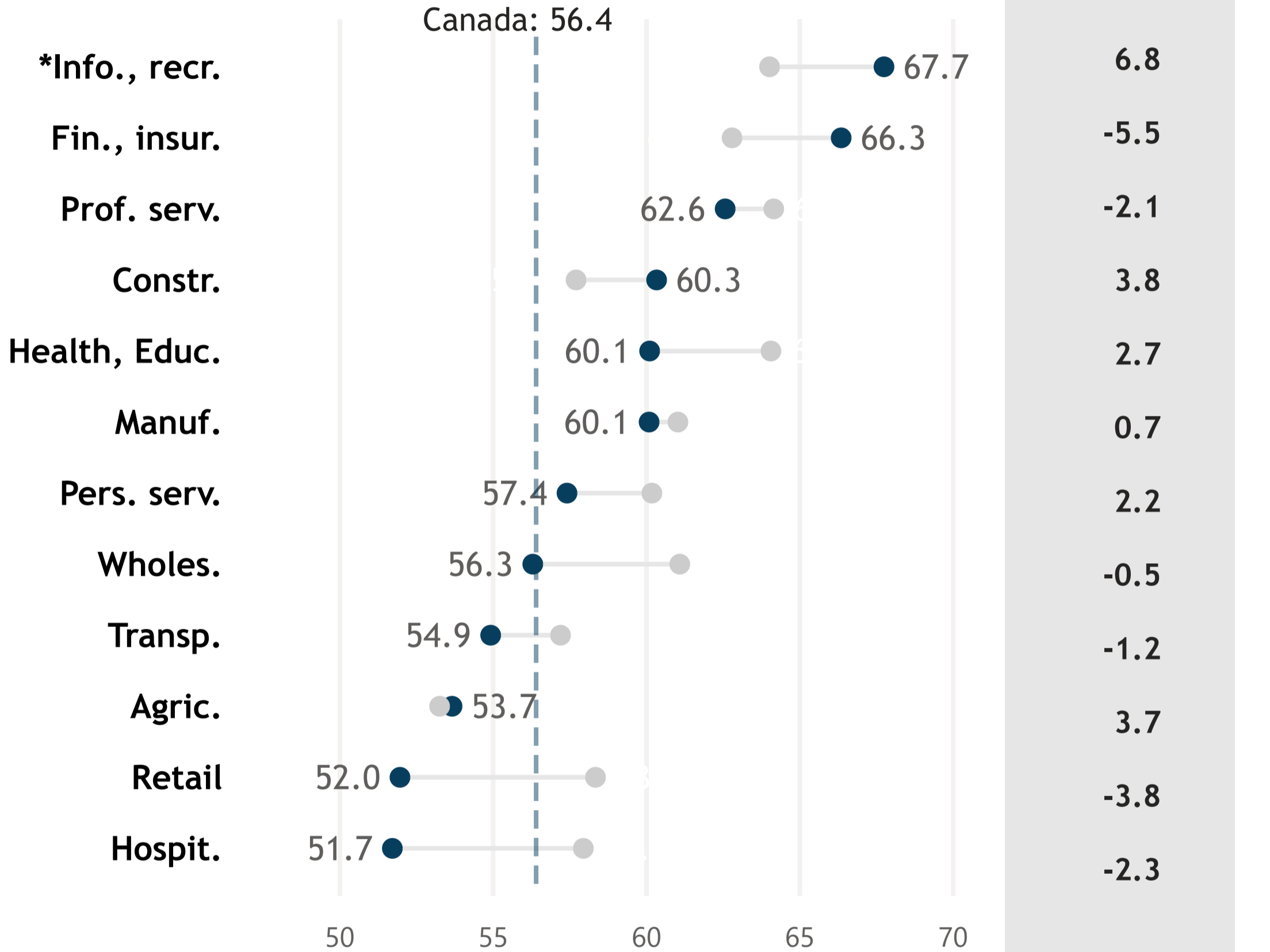
Note: *Data presented by 12-month moving average. Index > 50 = more businesses expecting stronger performance than weaker performance



Business Barometer®: Small business confidence index, sectors

12 month index

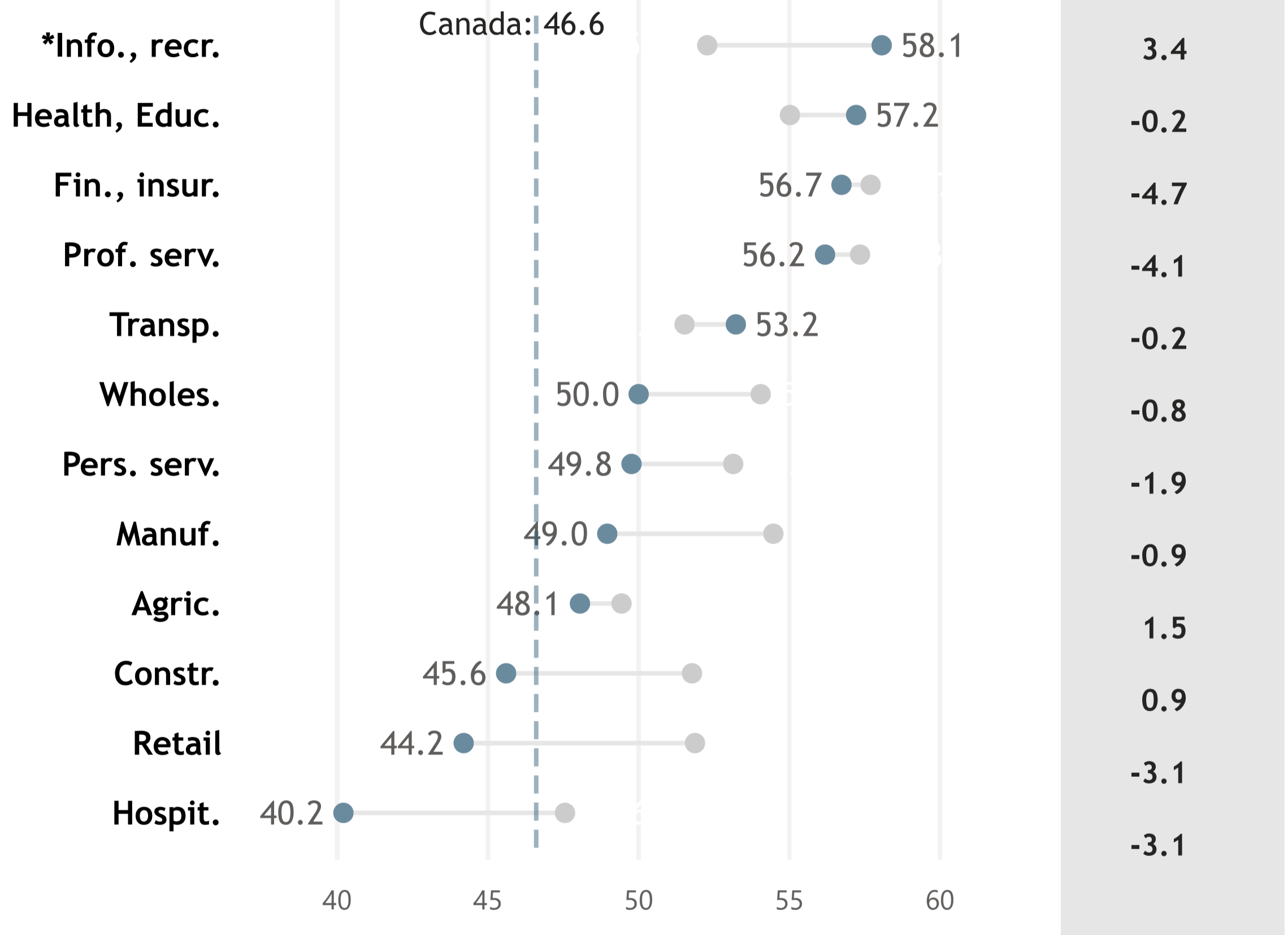
m/m % var



● 12 month index ● Long term index historical average

3 month index

m/m % var



● 3 month index ● Short term index historical average

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

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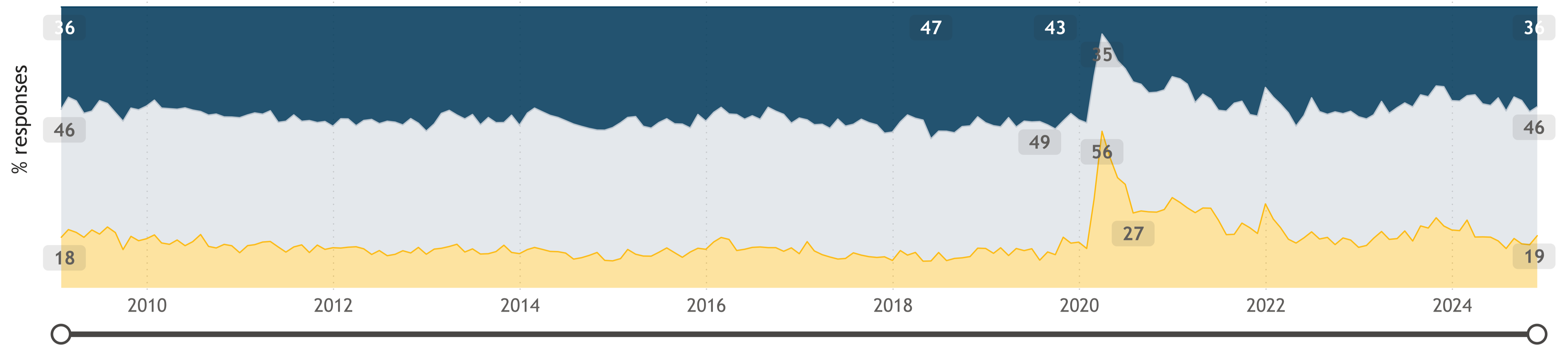
Source: CFIB, Your business outlook survey, February 2009 - December 2024

Notes : *Number of responses under 40 **Natural resources is not included.

Index > 50 = more businesses expecting stronger performance than weaker performance

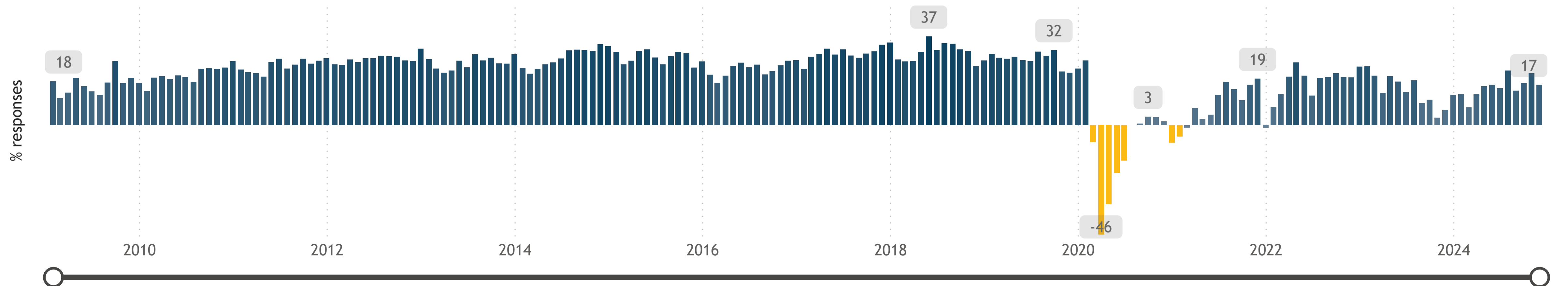


Business Barometer®: General state of business health



— Good — Satisfactory — Bad

Balance of opinion

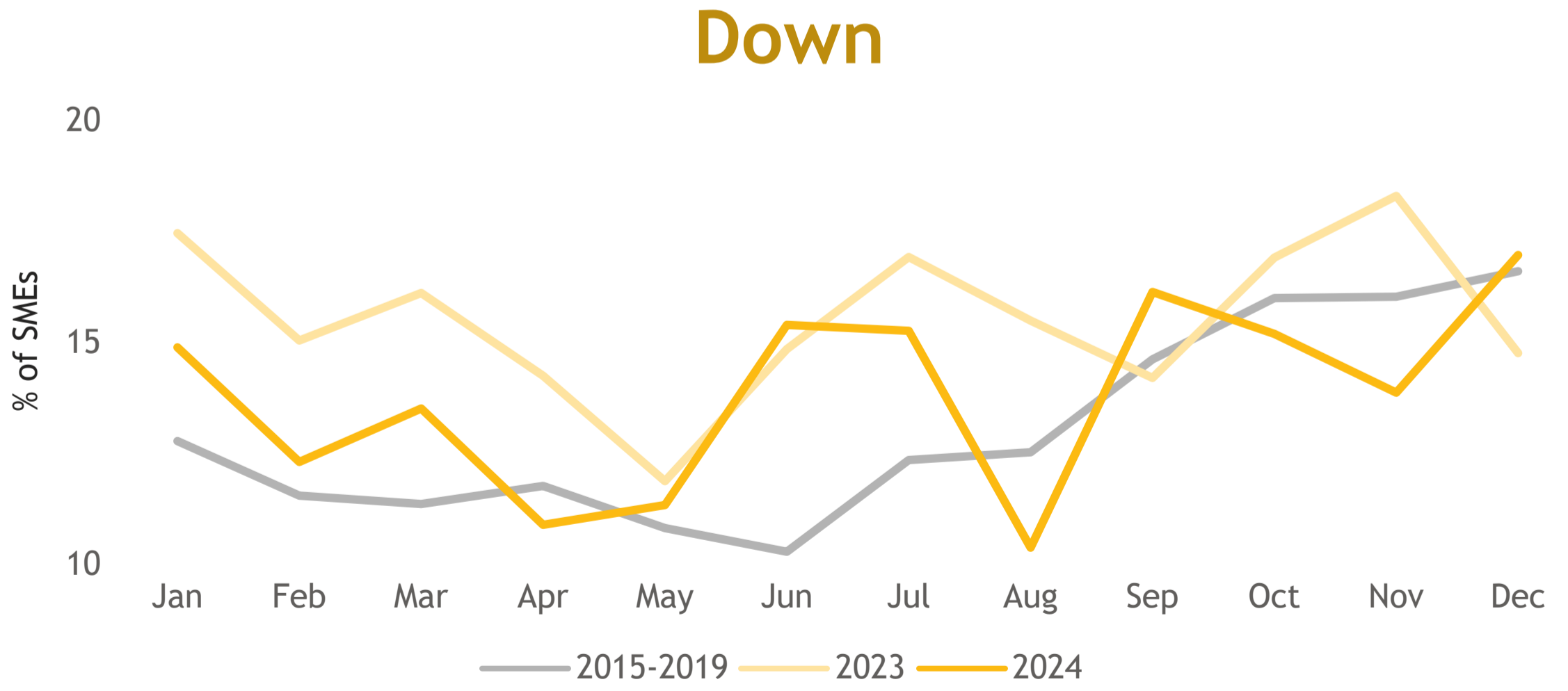
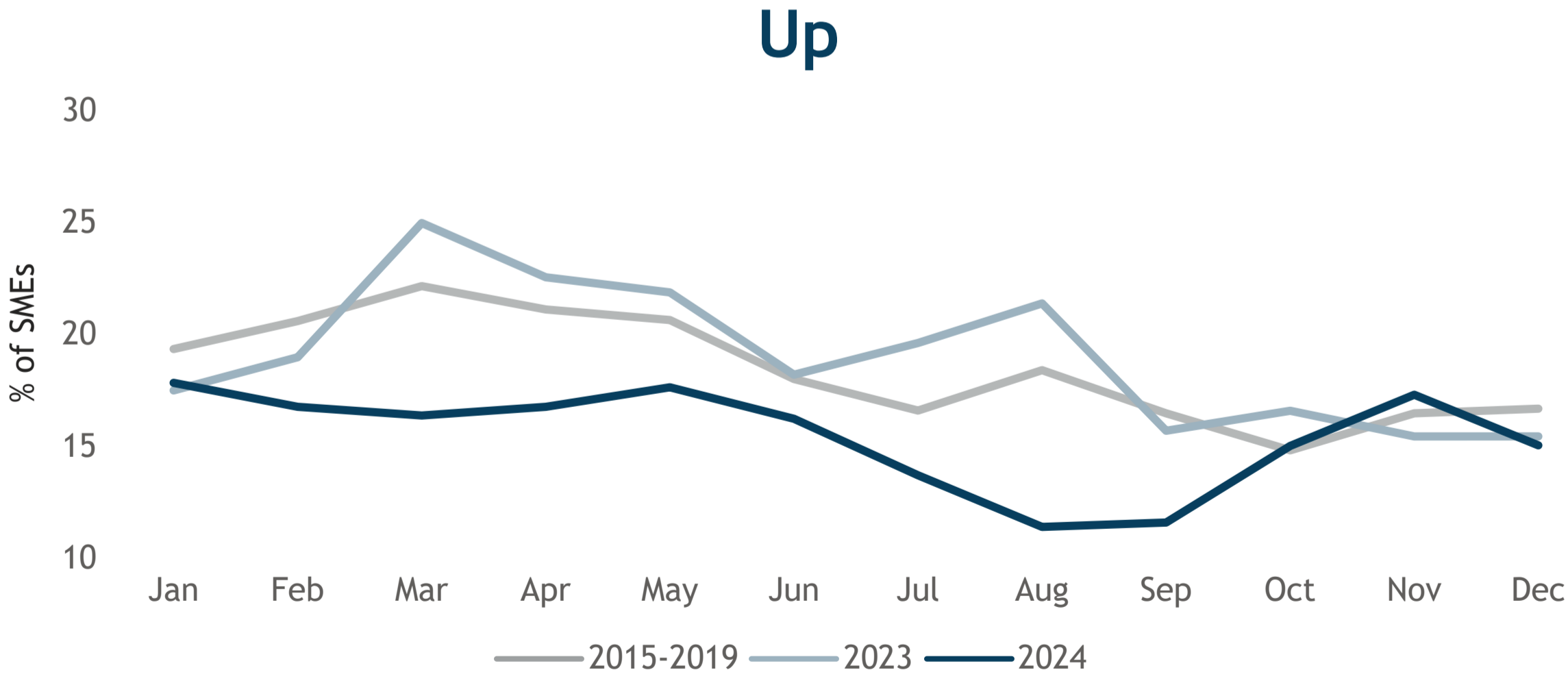
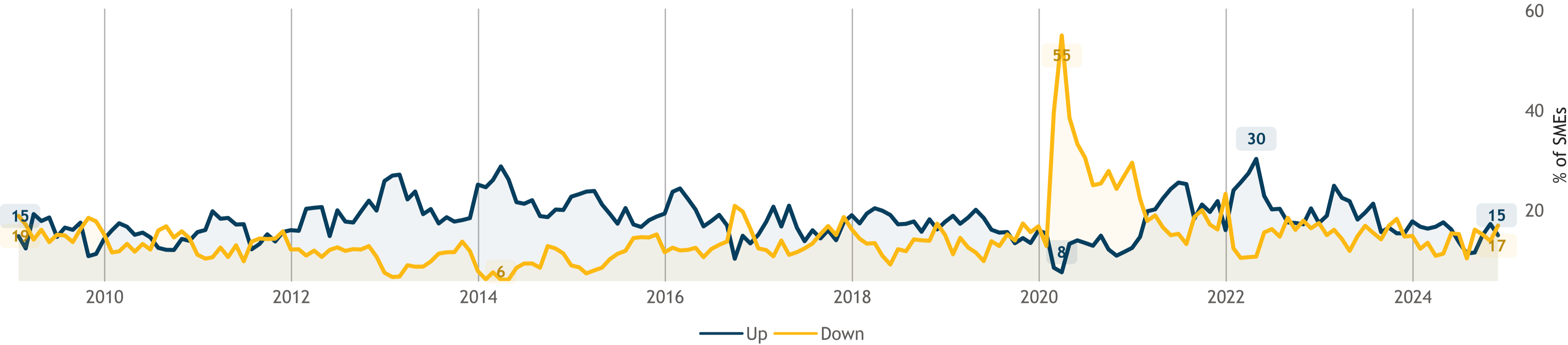


Survey question: Currently, what is the general business situation of your company?

Source: CFIB, Your business outlook survey, February 2009 - December 2024

Note: Values are automatically rounded, so totals may not always equal 100%. 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)
Source: CFIB, Your business outlook survey, February 2009 - December 2024



Business Barometer®: Future price and wage increase plans



— Average price plans — Average wage plans

----- Historical averages

Survey questions:

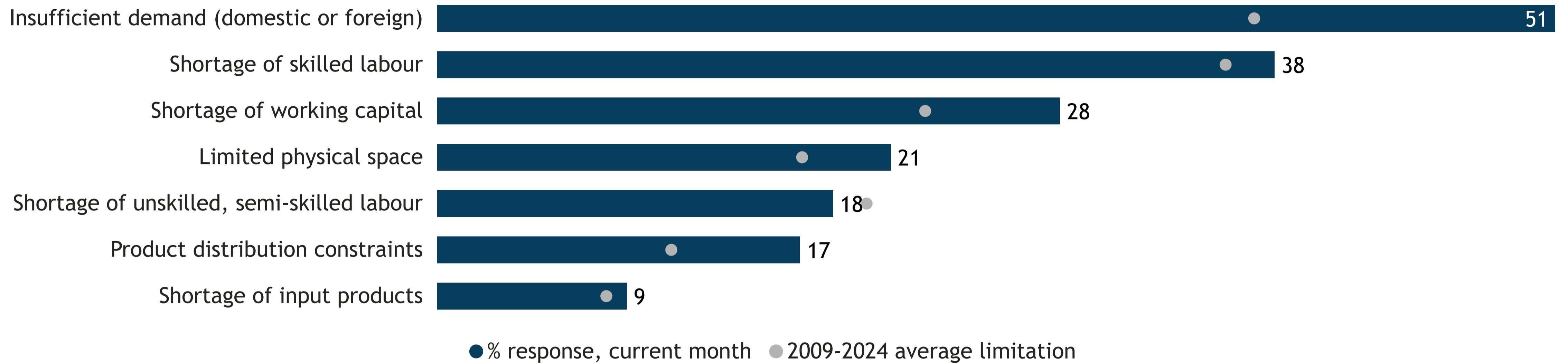
In the next year, how much do you expect **average prices** to change?

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

Source: CFIB, Your business outlook survey, February 2009 - December 2024



Business Barometer®: Factors limiting sales or production growth- current levels and trend

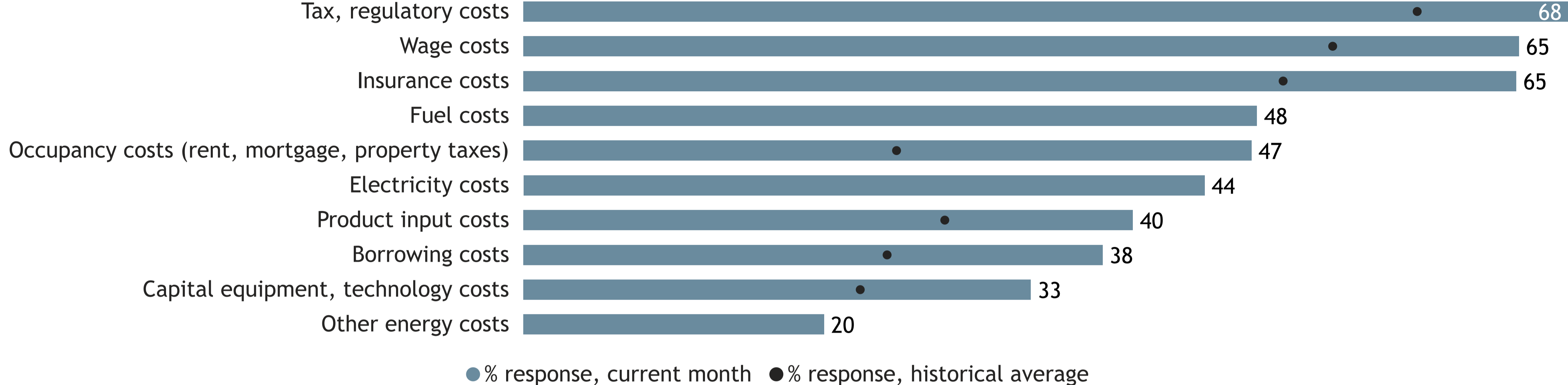


Survey question: What factors are limiting your ability to increase sales or production?

Source: CFIB, Your business outlook survey, February 2009 - December 2024

Note: Starting January 2024, the options "Insufficient domestic demand" and "insufficient foreign demand" have been combined into one option "insufficient demand".

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

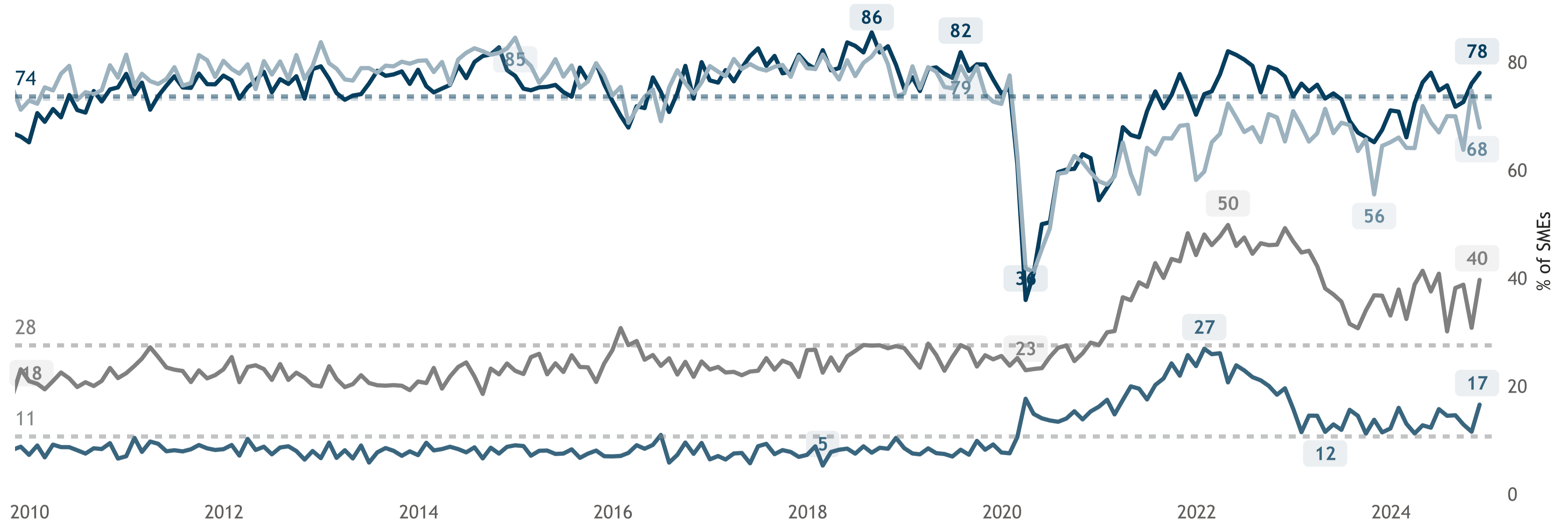


Survey question: What types of input costs are currently causing difficulties for your business?

Source: CFIB, Your business outlook survey, February 2009 - December 2024

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

Business Barometer®: Supply chain indicators



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?

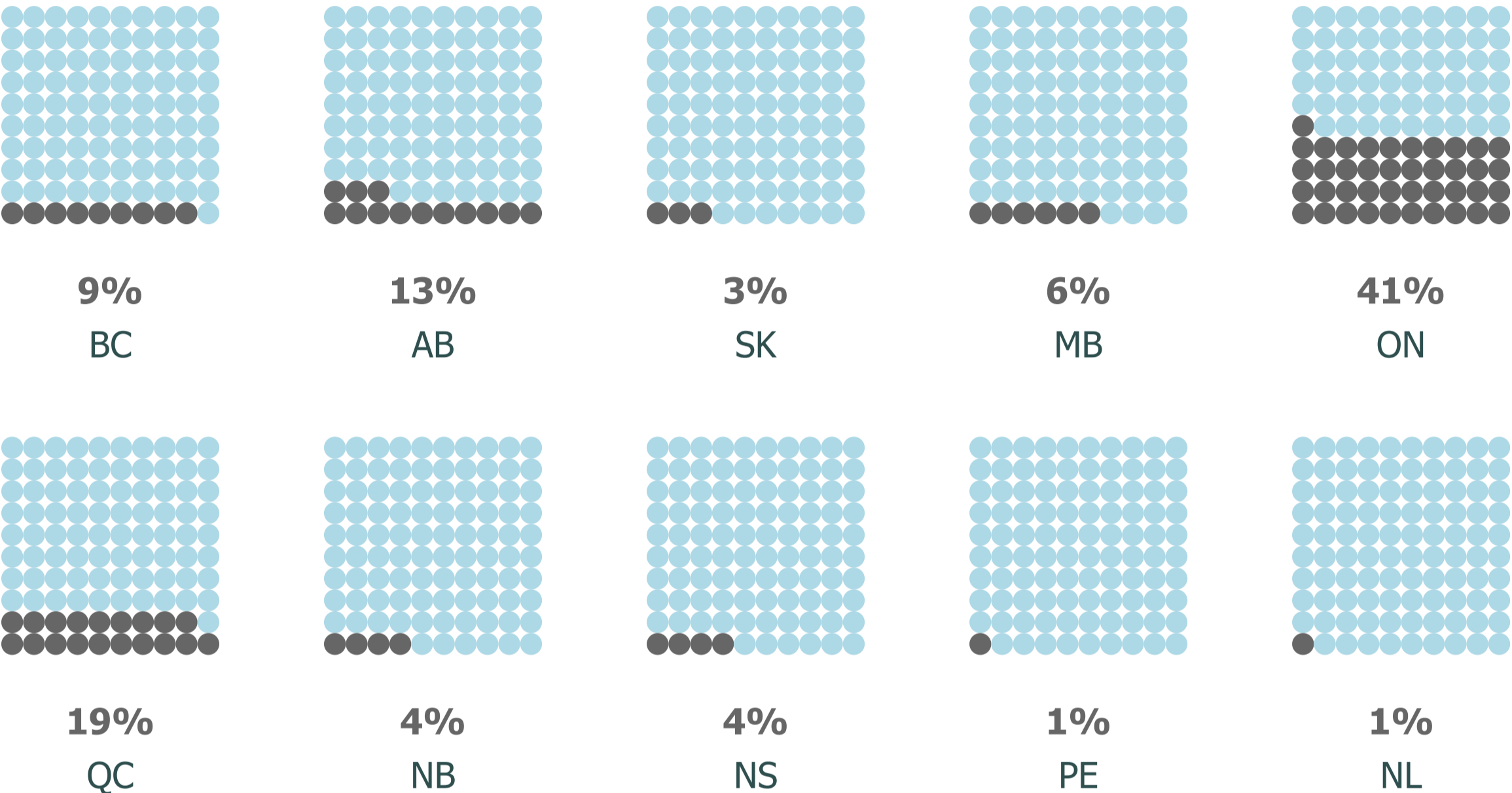
What types of input costs are currently causing difficulties for your business? [Respondents selecting "Product input costs"]

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

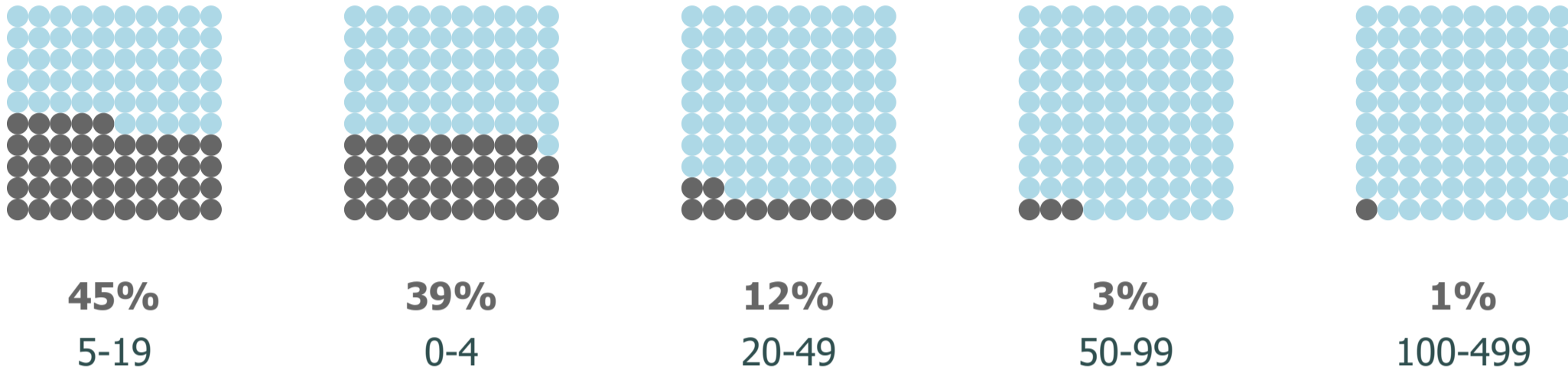
Source: CFIB, Your business outlook survey, February 2009 - December 2024

Business Barometer®: Sample distribution

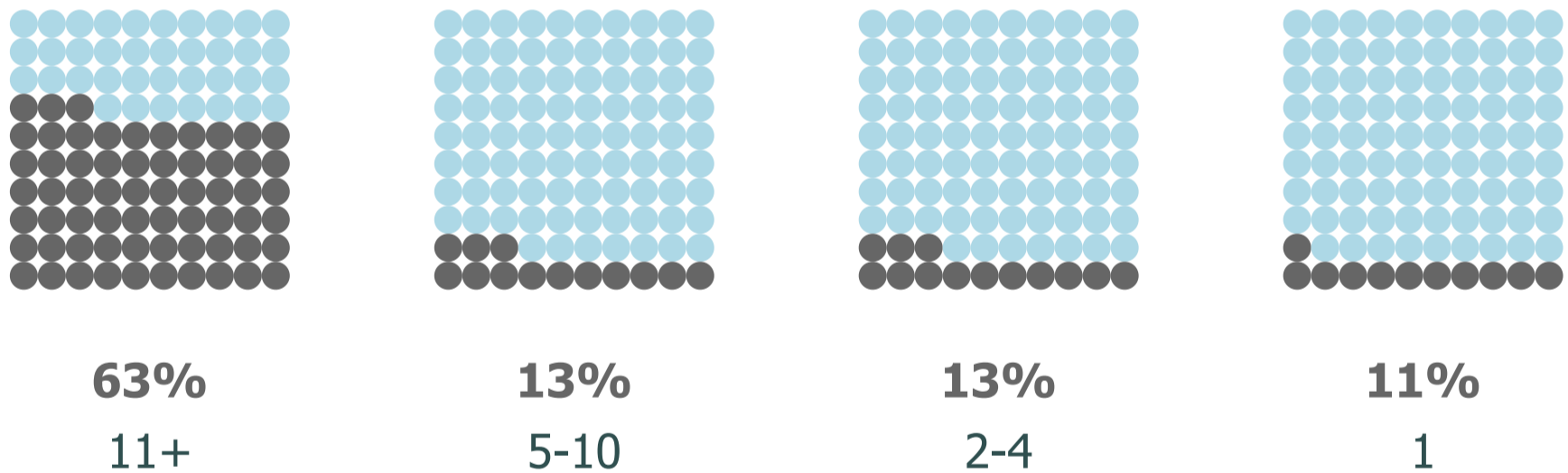
By location of business



By number of employees



By number of years in business



Methodology

- CFIB, Your business outlook survey, February 2009 - December 2024
- Stratified random sample of CFIB members to a controlled-access web survey: 631 responses
- Responses were received from: December 3-9
- The survey is considered accurate to within +/- 3.9 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.
- As provincial and sectoral results are calculated using a 3-month moving average, except for retail, the monthly provincial and sectoral trends may differ from the Canadian patterns. NL and PEI results are calculated using a 12-month moving average.

Questions or data requests

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