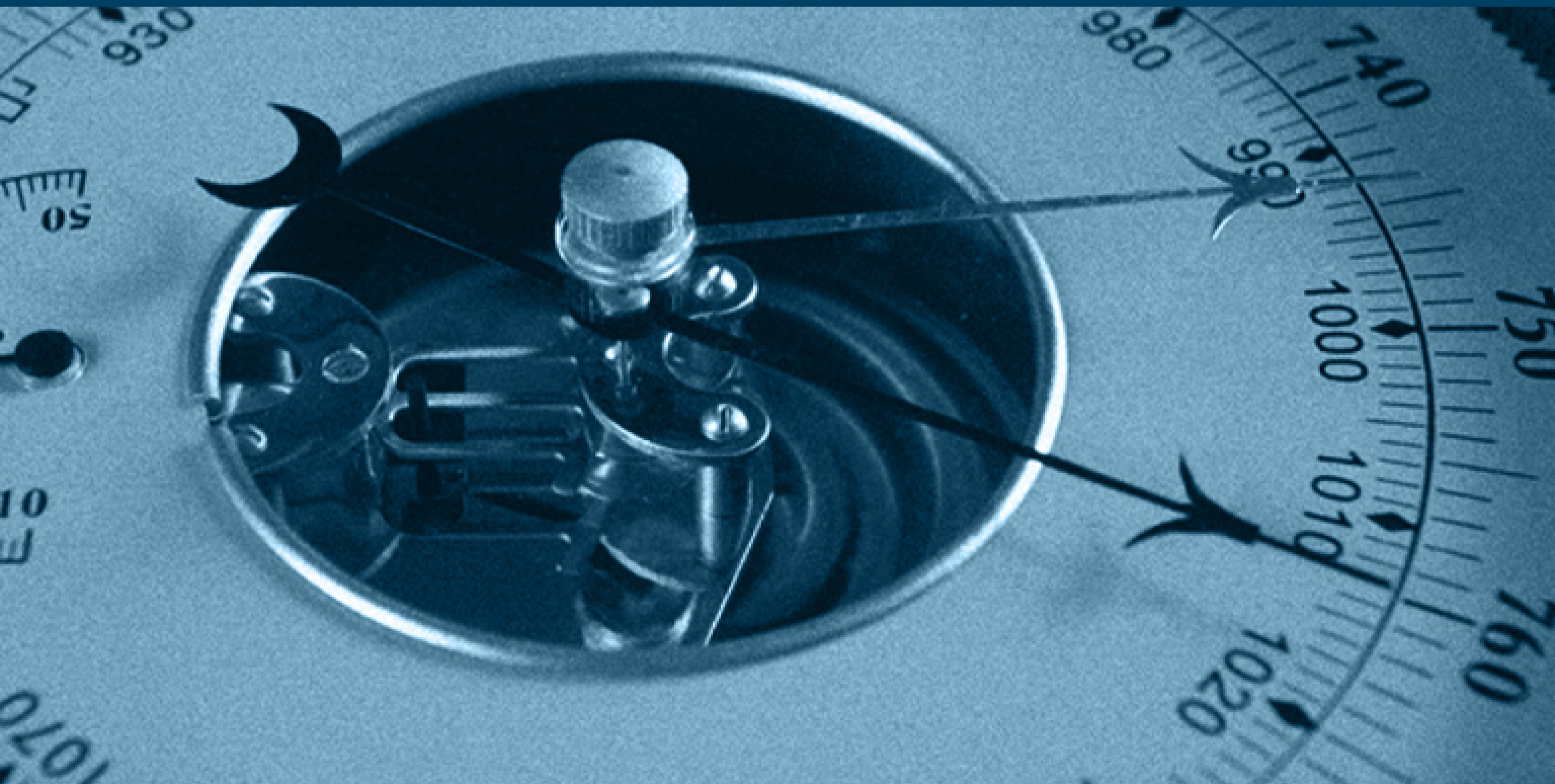




In business  
for your business.

# Monthly Business Barometer®

January 2025



## 12-month Small Business Confidence Index

54.6

Monthly change

↓ -1.8

## 3-month Small Business Confidence Index

49.2

Monthly change

↑ 2.7

## 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 again several points on monthly basis to settle at 54.6. The short-term optimism index, based on a 3-month outlook, gained modestly and sits at 49.2. Confidence among exporting small businesses fell significantly since this November (-8.1 points). Optimism among importing SMEs also dropped several points (-3.3 points). The U.S. tariff threats essentially reversed the upwards pattern seen until November and triggered a 5-point decrease in long-term optimism since.

### Provincial overview

Most provinces are on alert and sticking to their "wait-and-see" approach, resulting in small changes to confidence either downwards or upwards. The largest declines were registered in British Columbia (-4.5 points), Ontario (-1.8 points), and New Brunswick (-1.4 points). Small gains in optimism were seen in Manitoba and Saskatchewan (+1.9 points each), while the rest of the provinces remained nearly stagnant.

### Inflation indicator

These indicators show little to no change to start 2025. The average price increase indicator remained constant at 2.6%, while the average wage increase gained slightly to 2.4%.

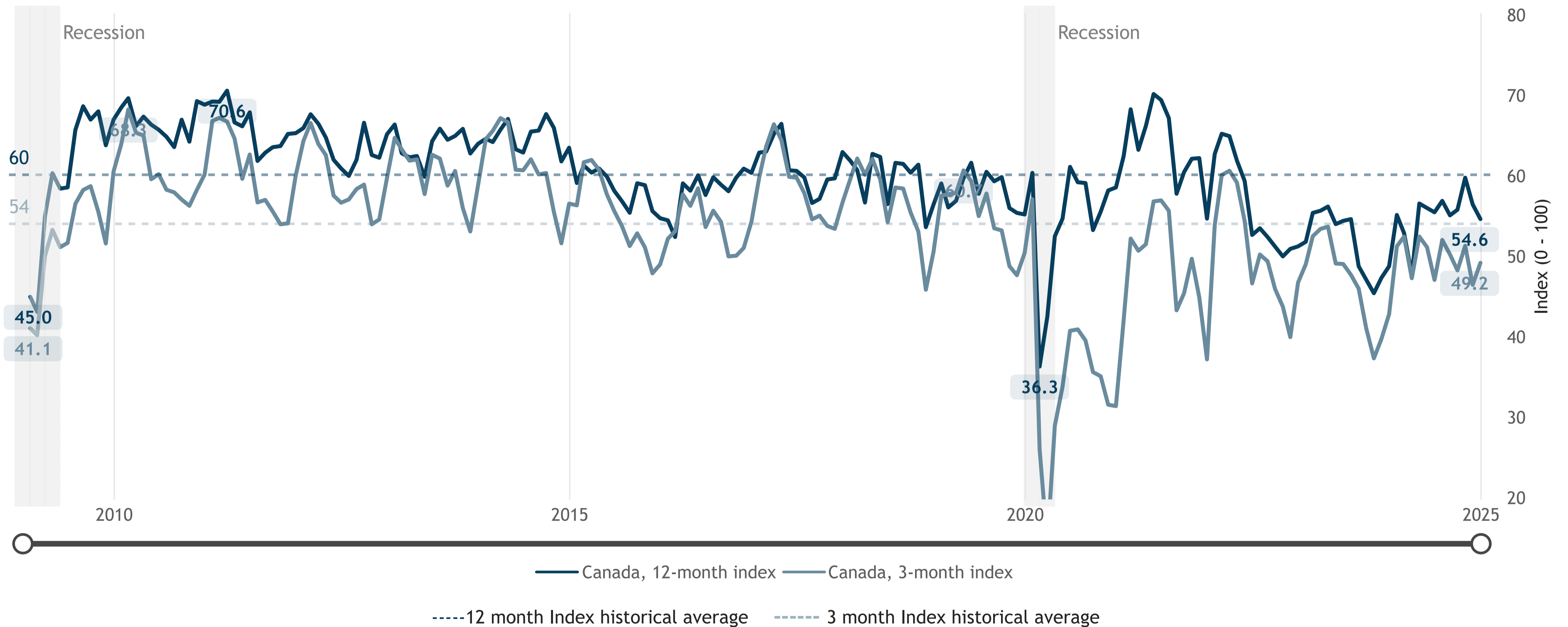
### Sectoral overview

The sectoral outlook is more consistent. The majority of sectors are registering declines in optimism. The only sectors bucking this trend are retail (+6.9 points), health and education (+5.2 points), transportation (+4.2 points), and hospitality (+1.5 points). Nonetheless, these gains only brought the sectors close or just-above their historical averages, showing that they are not indicators of sustained growth.

### Other indicators

Full-time staffing plans remain muted with no real appetite for hiring. Key cost constraints hindering business growth include tax and regulatory expenses (70%), insurance costs (68%) and wage costs (65%). Insufficient demand persists as the primary barrier to business and production expansion (as reported by 52% of SMEs).

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



## Survey questions:

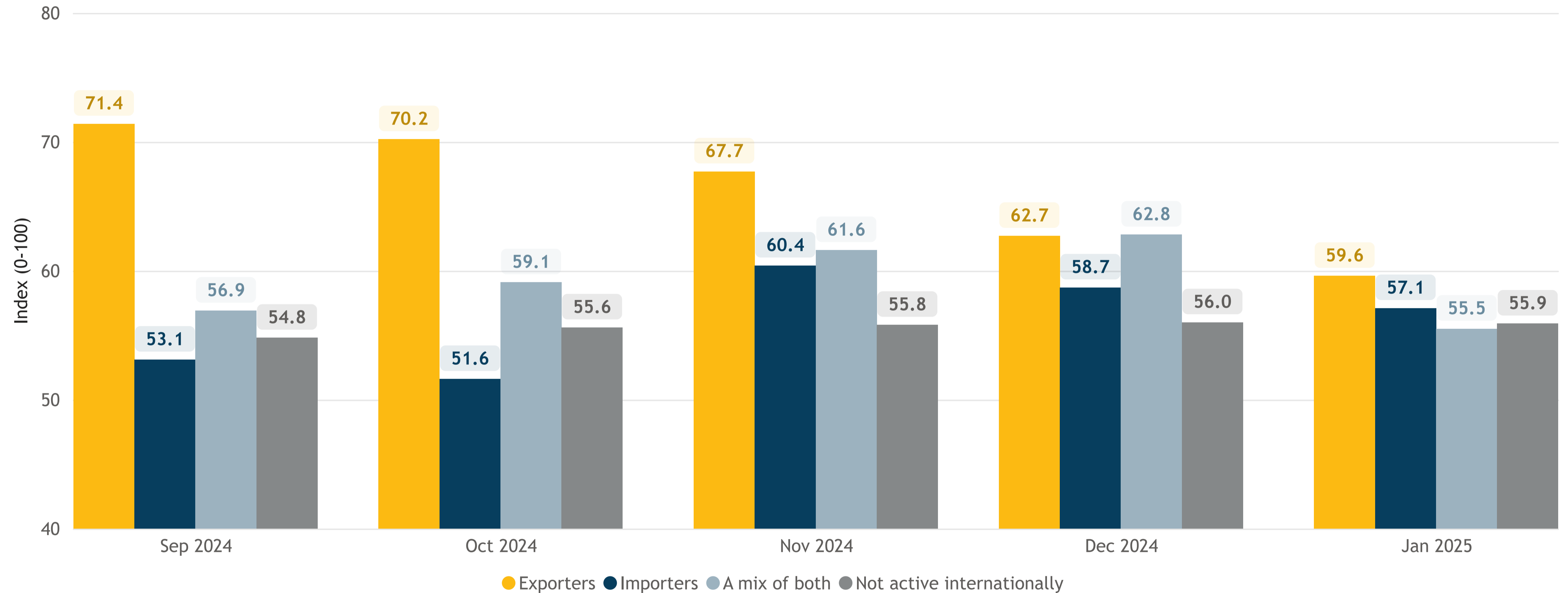
How do you expect your firm to be performing in **12 months** compared to now?

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 - January 2025, [C.D. Howe Institute Business Cycle Council](#) (Recession dates)

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

# Business Barometer®: 12-month small business confidence index for exporters and importers, Canada



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

International trade (Select one): **Buying from abroad**, **Selling abroad**, **A mix of both**, **Not active internationally**

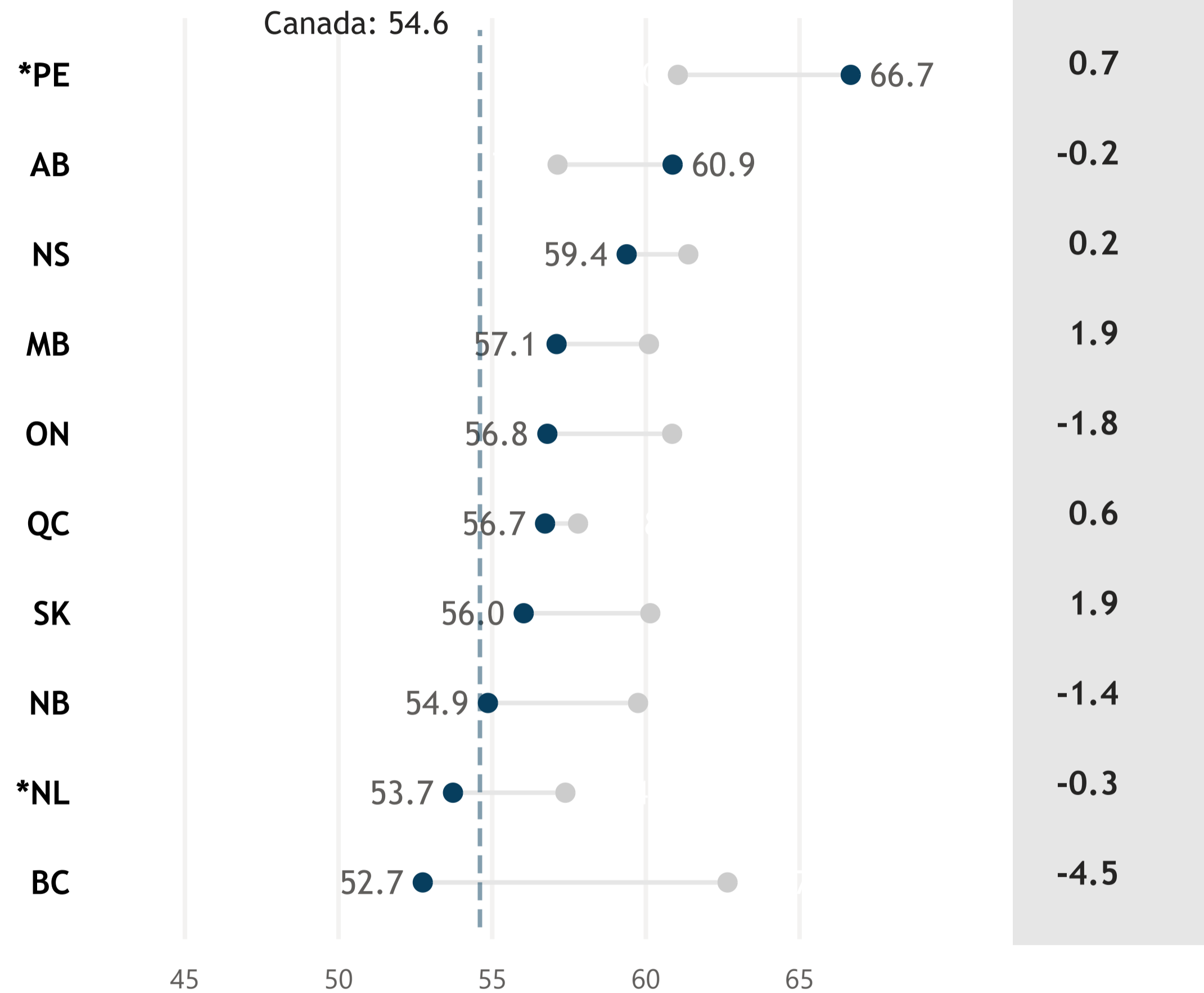
Note: Data presented as 3-month moving averages

Source: CFIB, Your business outlook survey

# Business Barometer®: Small business confidence index, provinces

## 12 month index

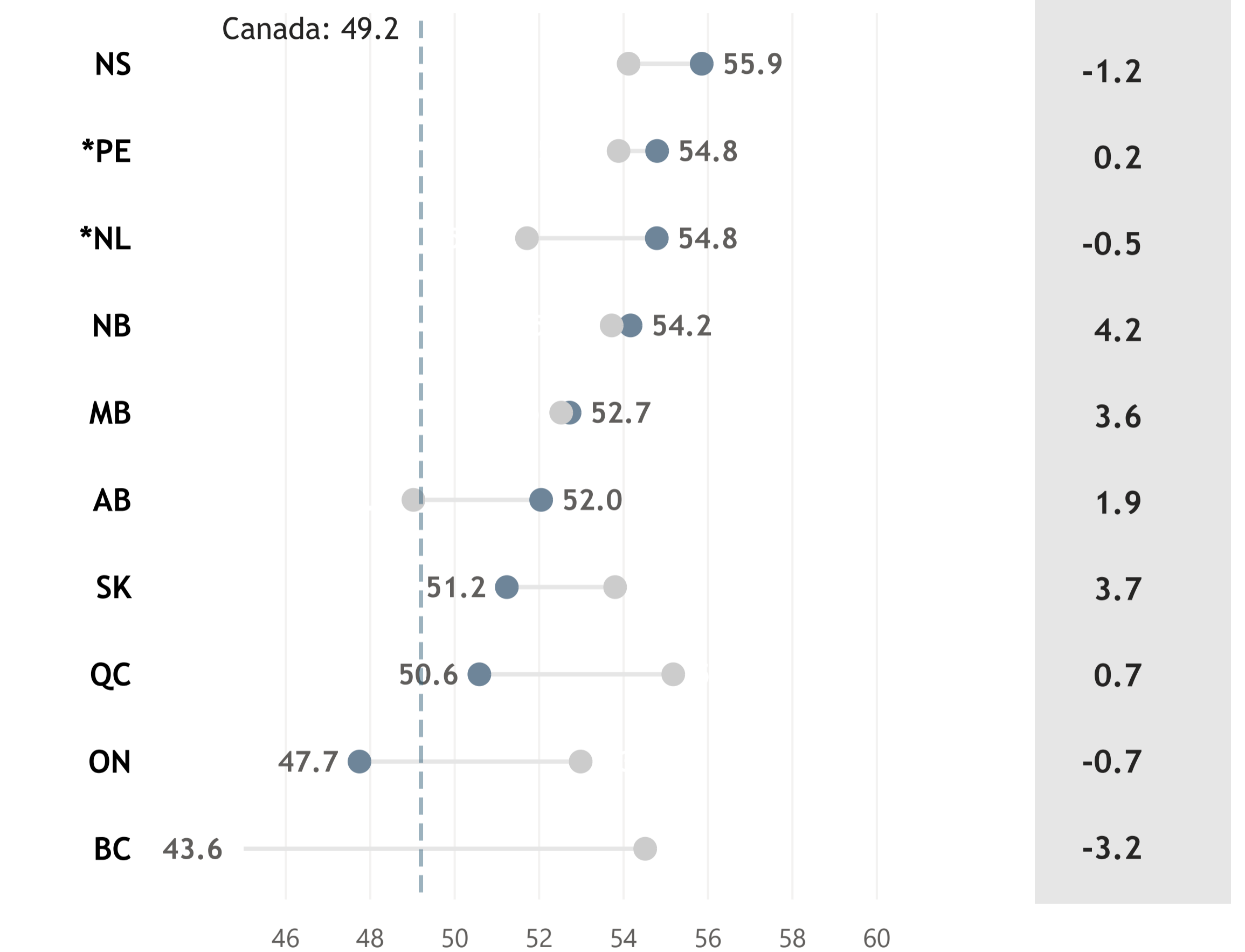
m/m % var



● 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**?

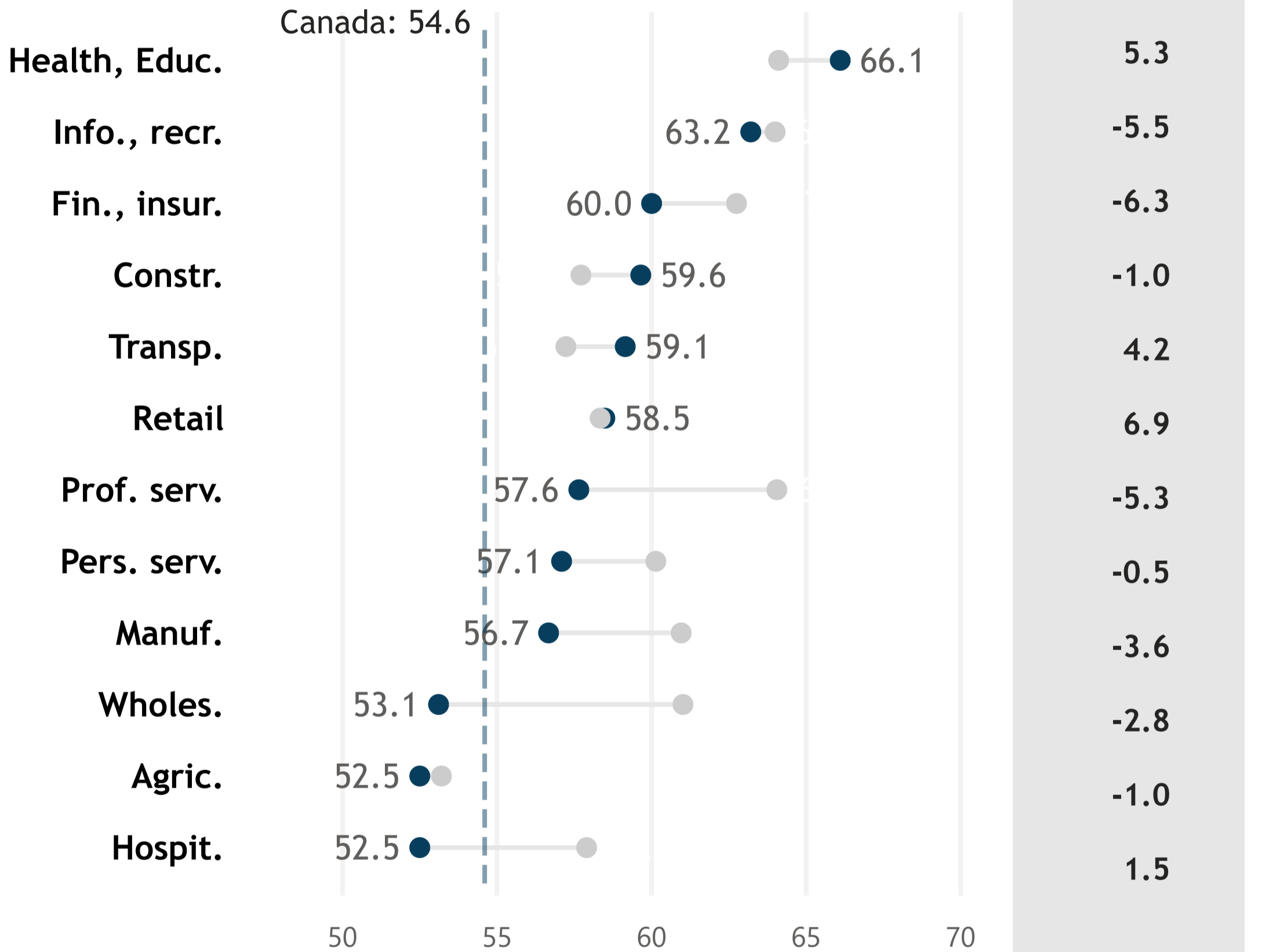
Source: CFIB, Your business outlook survey, February 2009 - January 2025

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

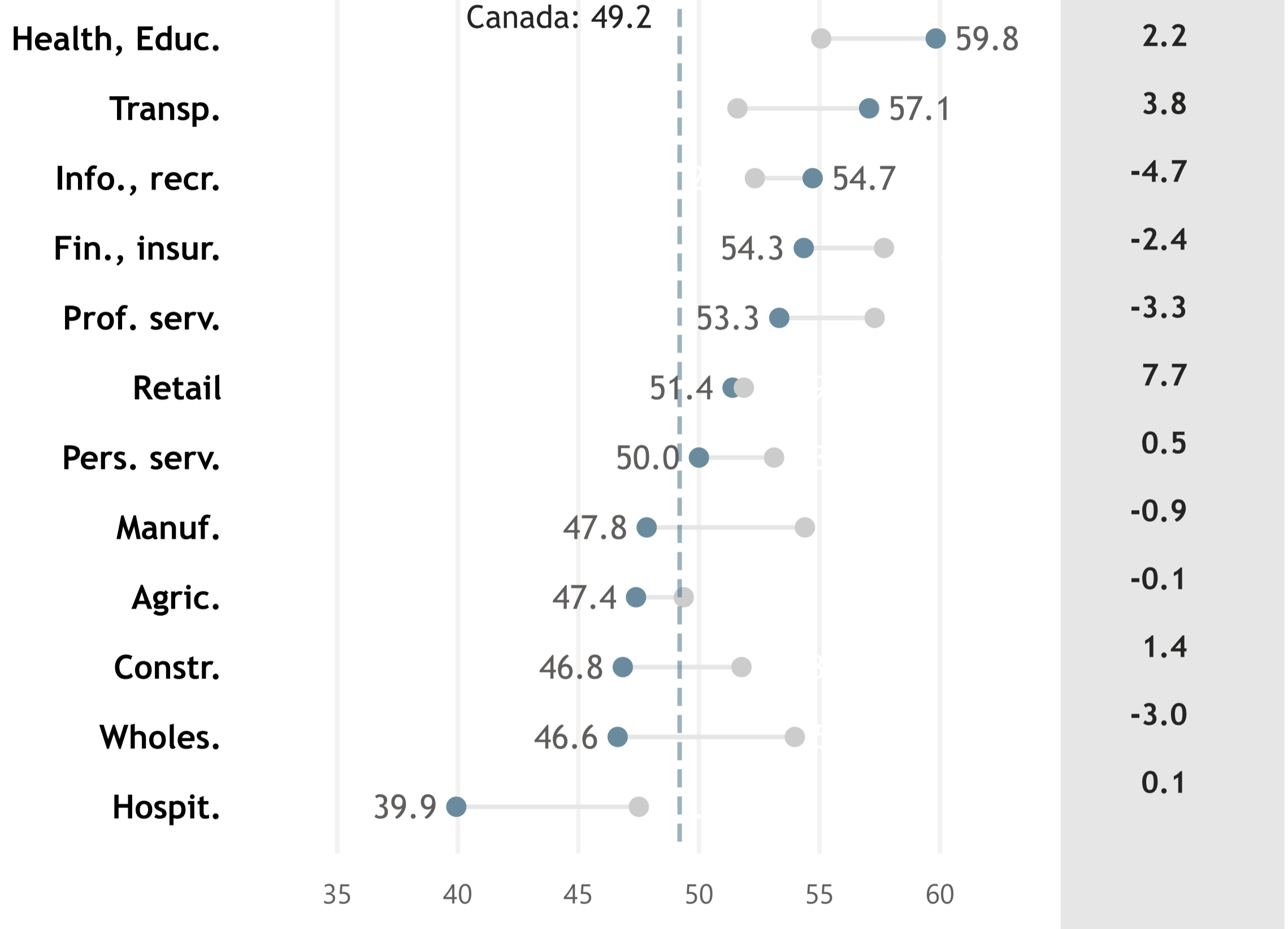
m/m % var



● 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?

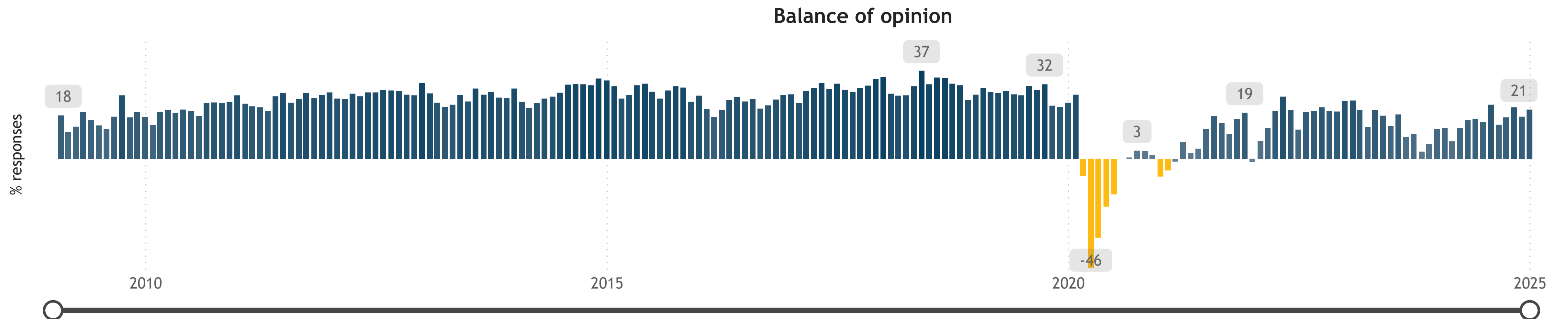
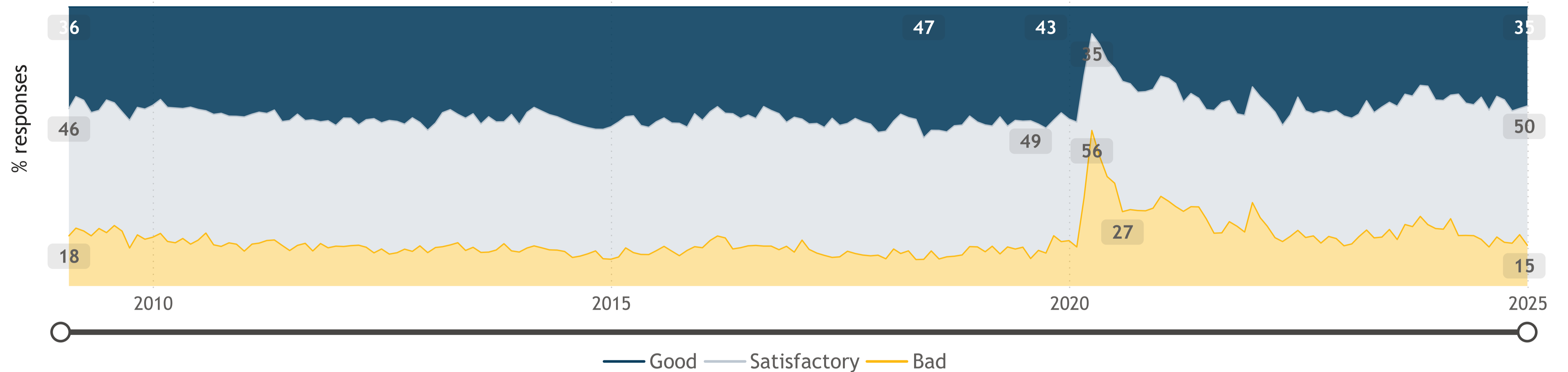
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - January 2025

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

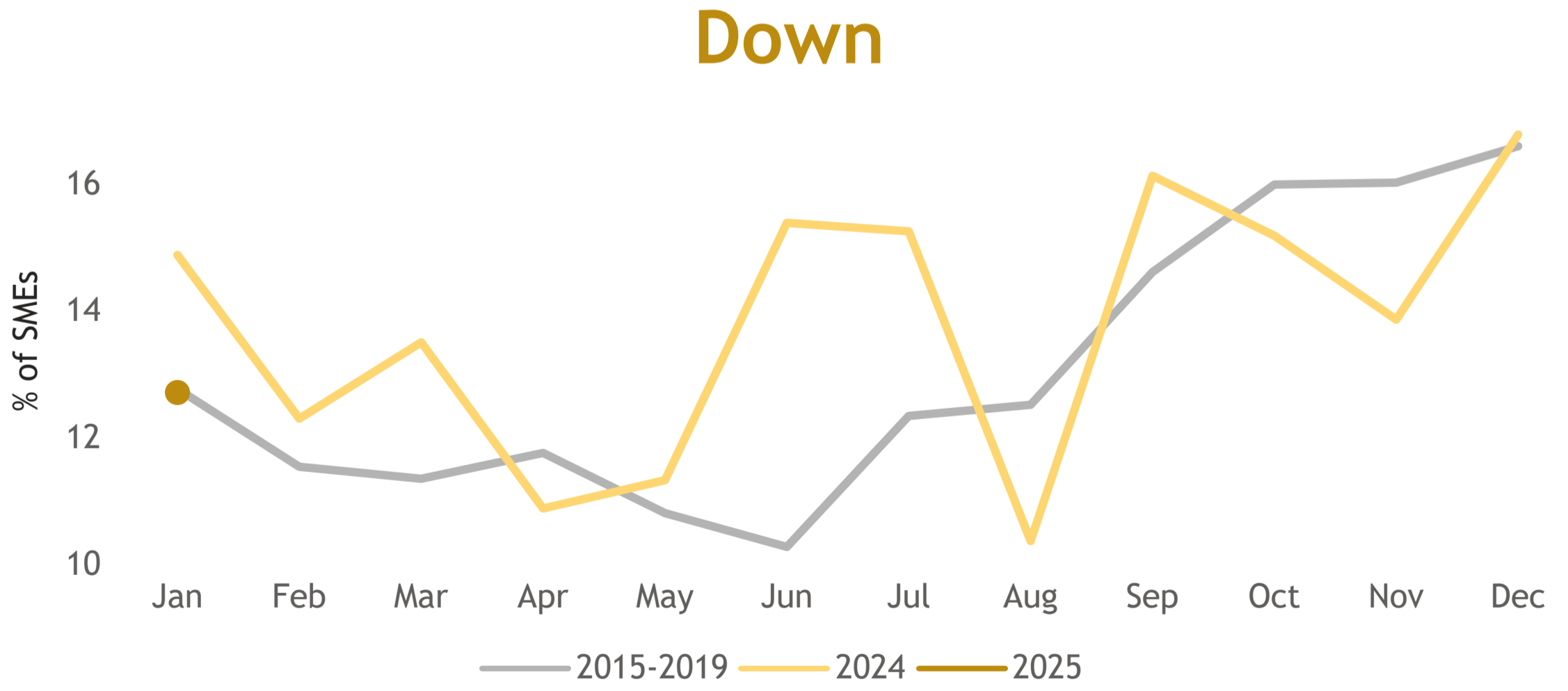
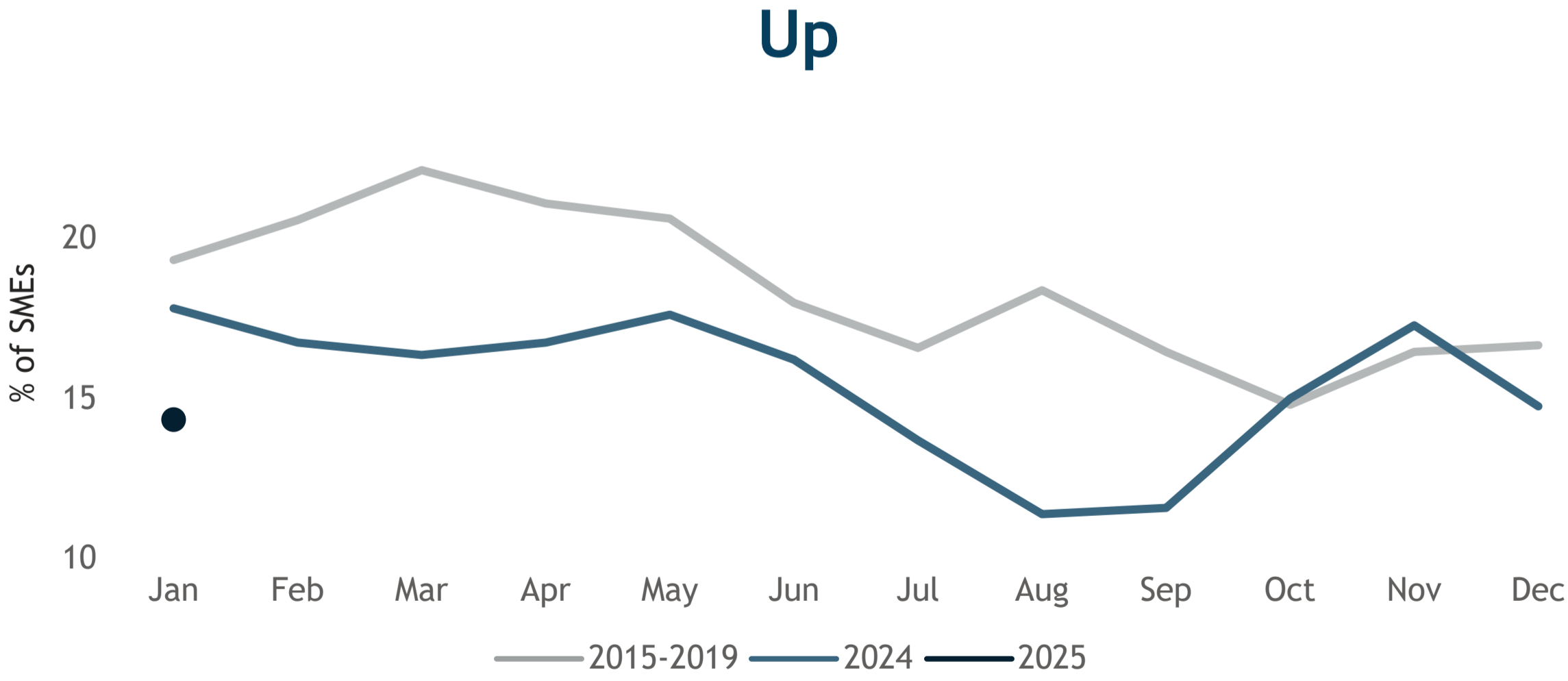
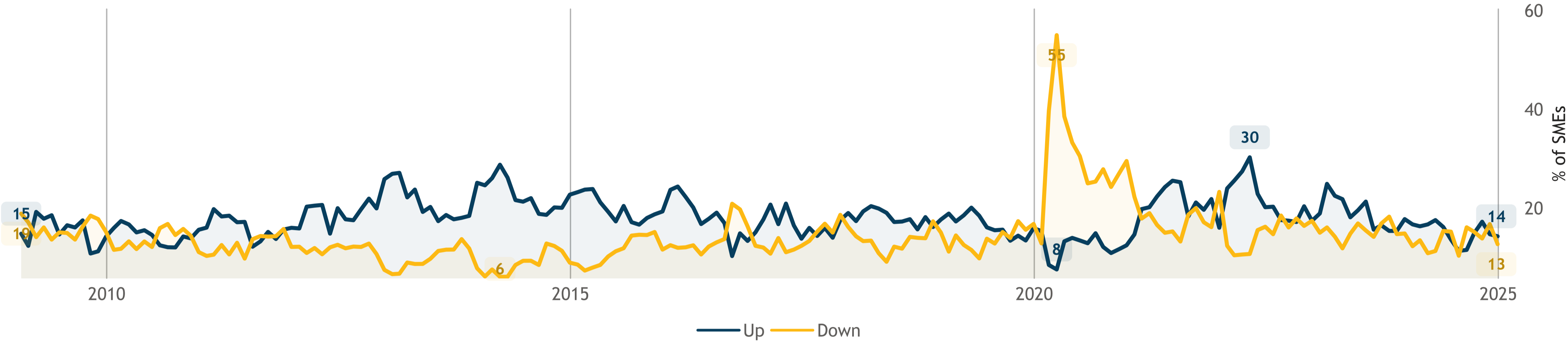


**Survey question:** Currently, what is the general business situation of your company?

**Source:** CFIB, Your business outlook survey, February 2009 - January 2025

**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 - January 2025





# Business Barometer®: Future price and wage increase plans



— Average price plans — Average wage plans

----- Historical averages

**Survey questions:**

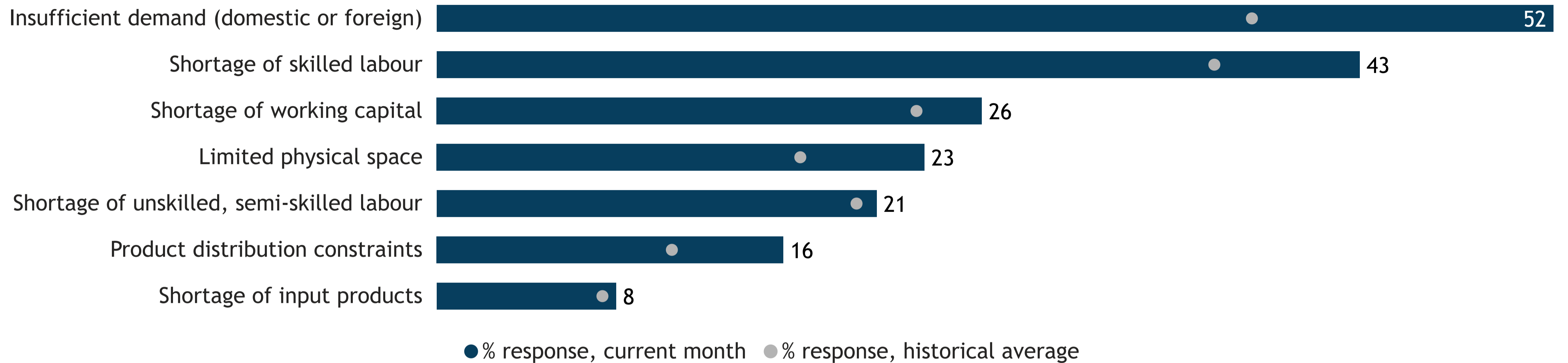
In the next year, how much do you expect **average prices** to change?

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

Source: CFIB, Your business outlook survey, February 2009 - January 2025



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

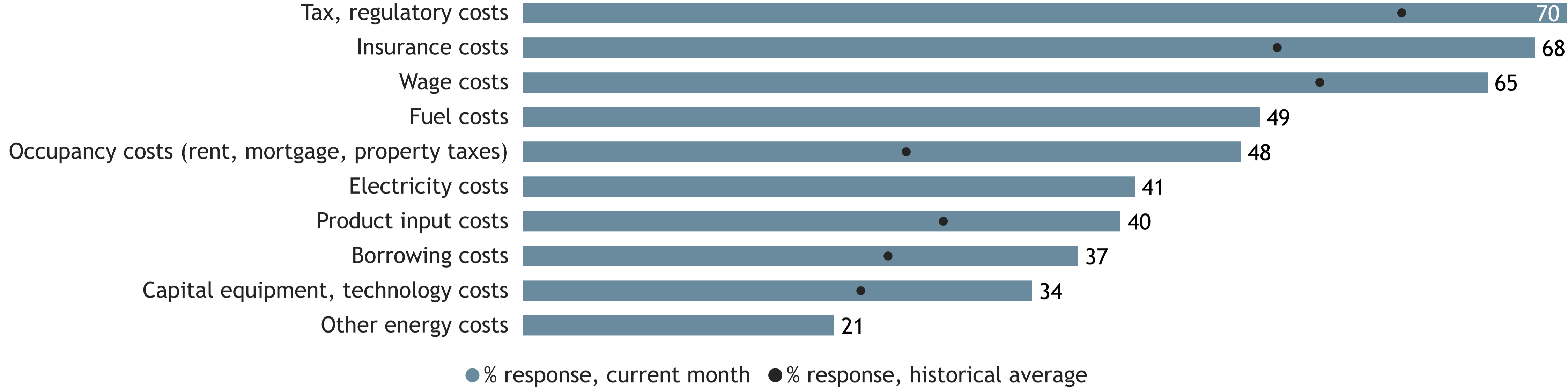


**Survey question:** What factors are limiting your ability to increase sales or production?

**Source:** CFIB, Your business outlook survey, February 2009 - January 2025

**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

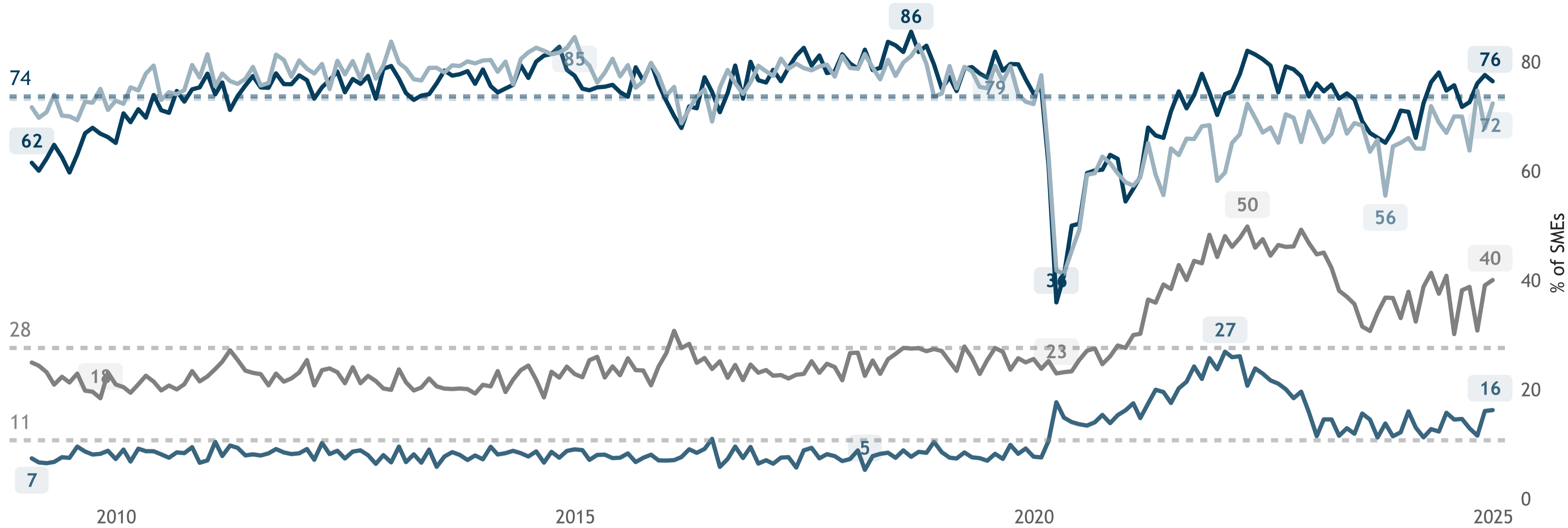


Survey question: What types of input costs are currently causing difficulties for your business?

Source: CFIB, Your business outlook survey, February 2009 - January 2025

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:**

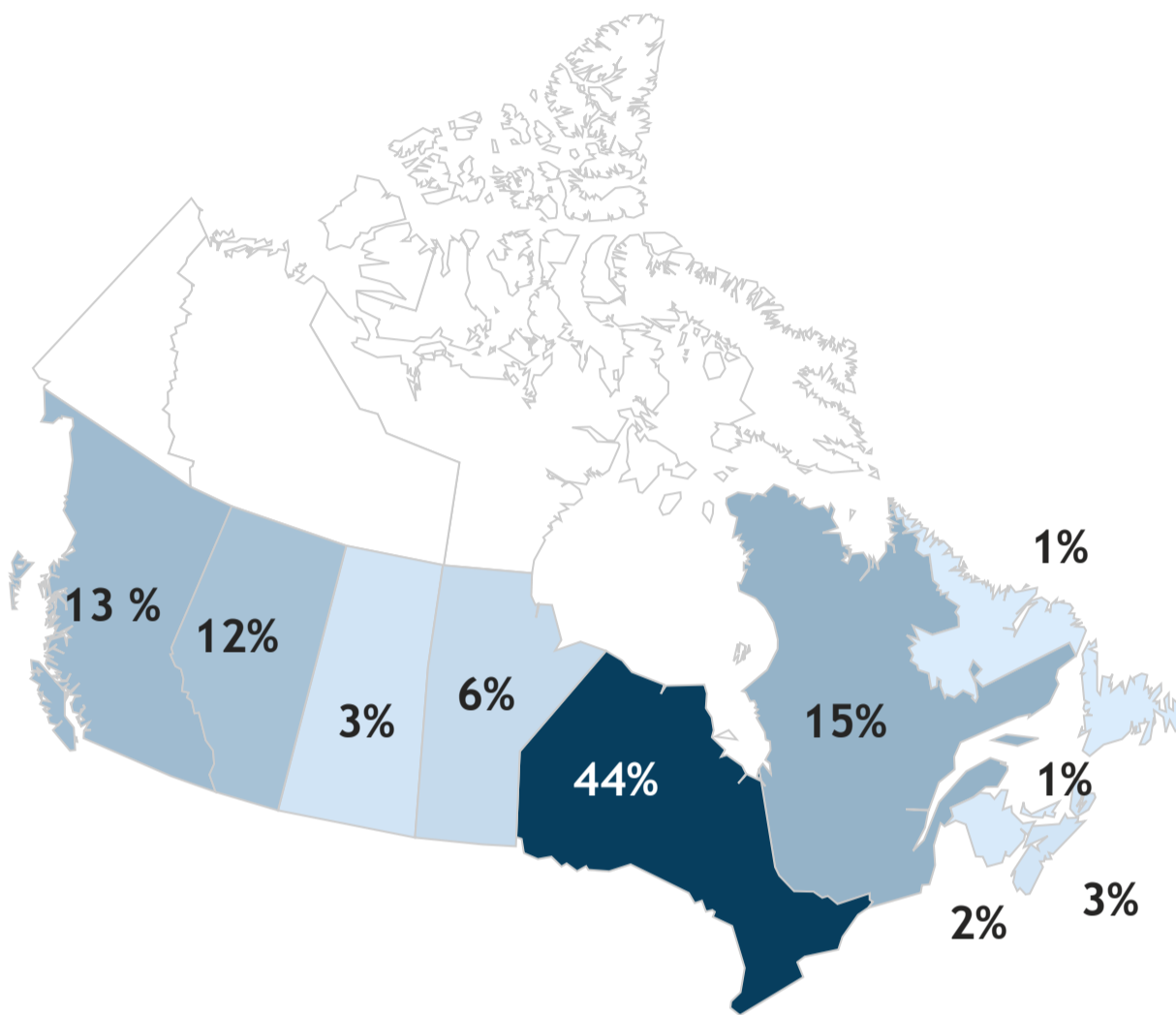
- Allowing for normal seasonal influences, what are **current unfilled orders** and **unsold inventories** compared to normal?
- What types of input costs are currently causing difficulties for your business? [Respondents selecting "Product input costs"]
- What factors are limiting your ability to increase sales or production? [Respondents selecting "Product distribution constraints"]

Source: CFIB, Your business outlook survey, February 2009 - January 2025

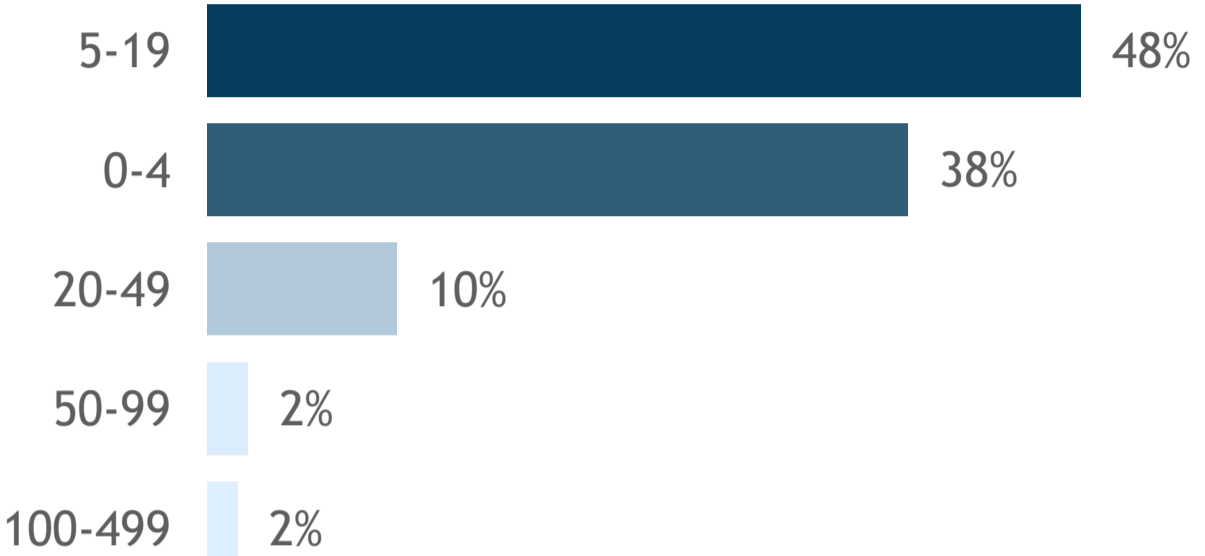


# Business Barometer®: Sample distribution

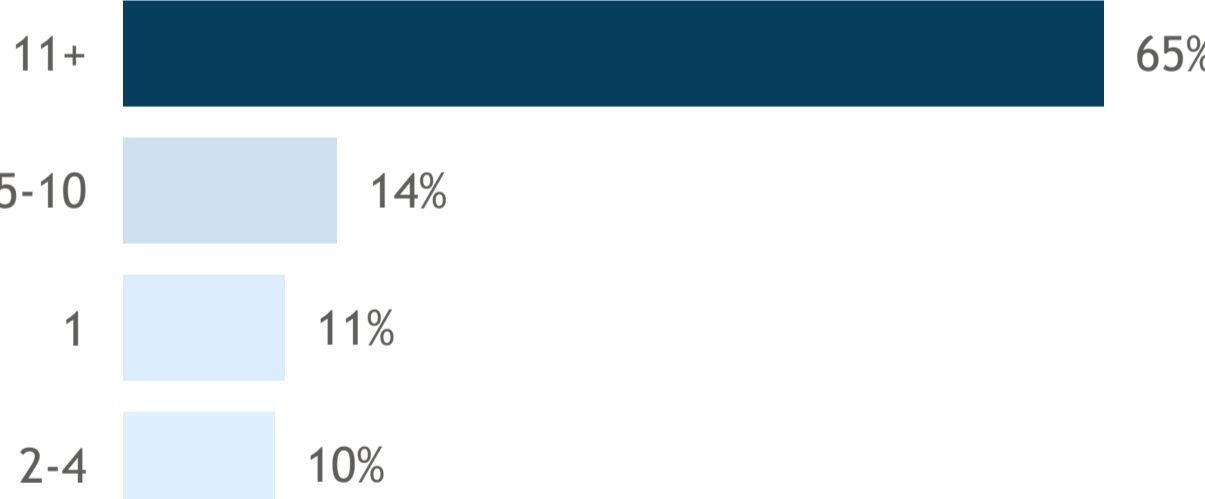
## By location of the business



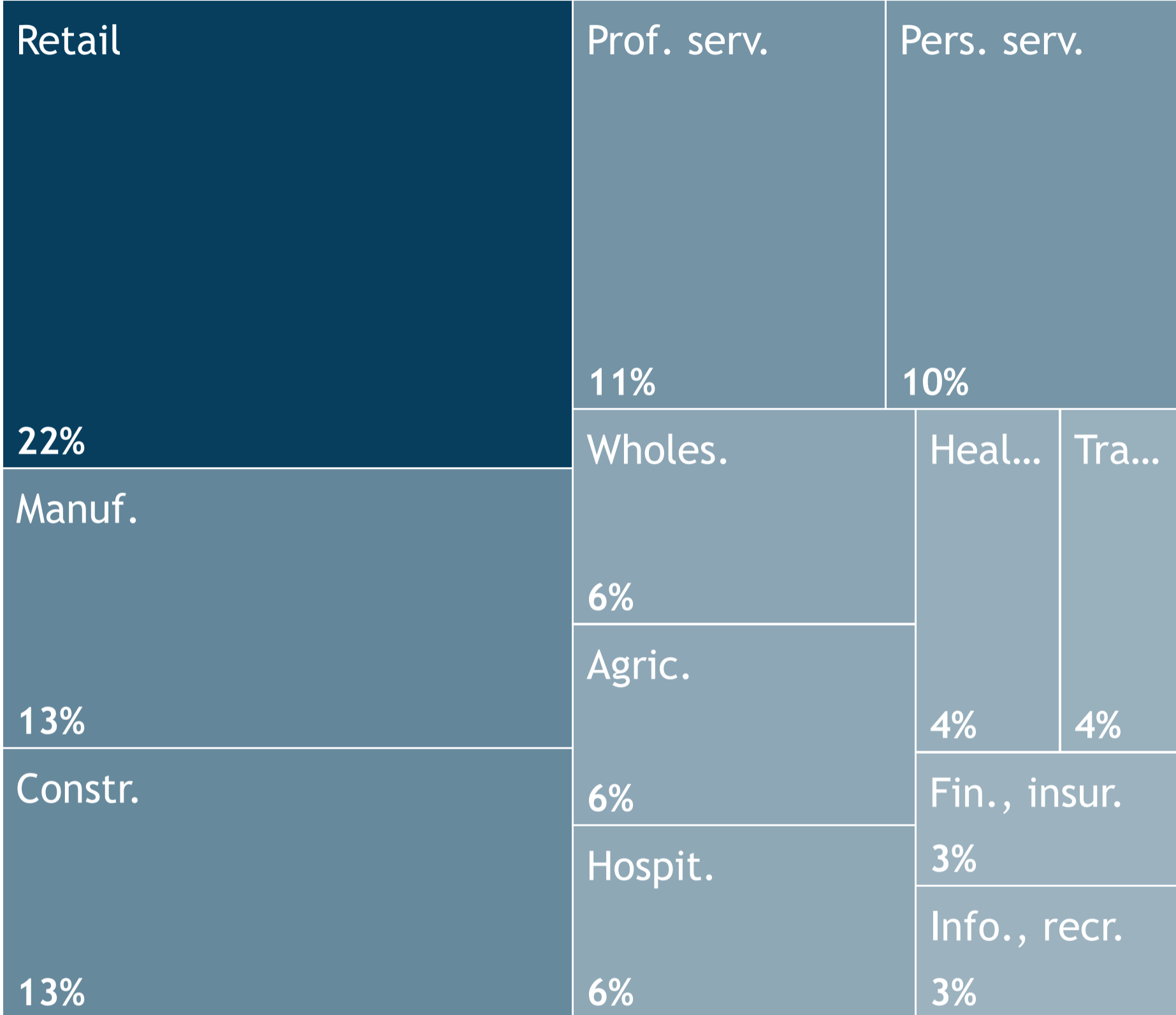
## By number of employees



## By years in business



## By industry



## Methodology

- CFIB, Your business outlook survey, February 2009 - January 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 1037 responses
- Responses were received from: January 7-14
- The survey is considered accurate to within +/- 3.0 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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## Additional information

### All CFIB research



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