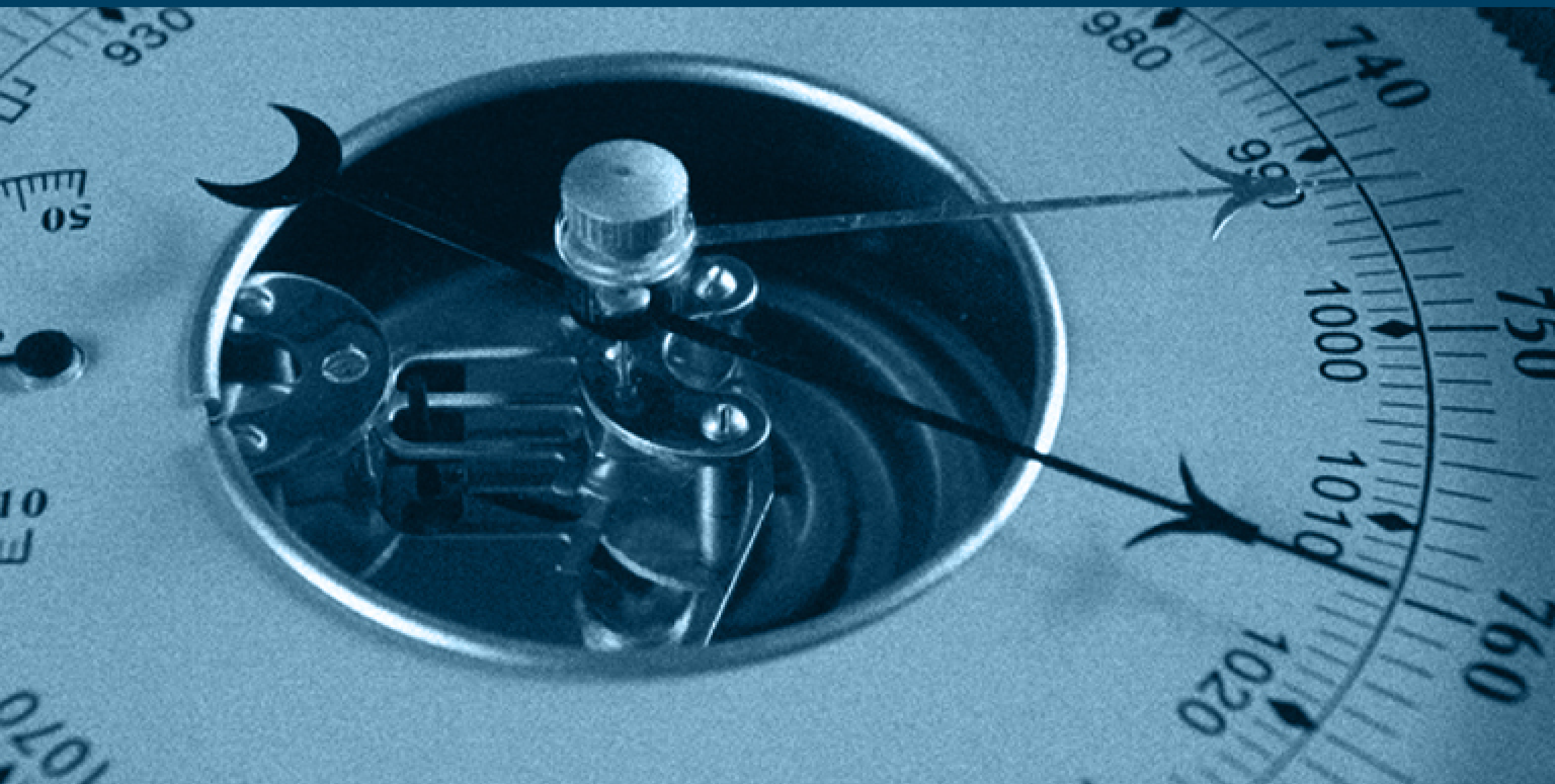




In business  
for your business.

# Monthly Business Barometer®

February 2025



## 12-month Small Business Confidence Index

49.5

Monthly change

↓ -5.0

## 3-month Small Business Confidence Index

46.8

Monthly change

↓ -2.0

## 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, continued to decline, reaching 49.5—about 10 points below the historical average. The short-term optimism index, based on a 3-month outlook, edged down by 2 points to 46.8—diverging further from its historical average of 54.0. The U.S. tariff threats disrupted the upward trend seen until November, and despite implementation delay, building uncertainty contributed to the steep drop in long-term optimism. Optimism among importing SMEs dropped slightly since September (-5.6 points). In comparison, confidence among exporting small businesses fell significantly (-23.3 points).

The current state of business health remained virtually unchanged in February.

### Provincial overview

Almost all provinces have seen large drops in confidence. The largest declines in the long-term index were recorded in British Columbia (-3.7 points), Alberta (-3.6 points), and Manitoba (-3.4 points).

### Inflation indicators

The average price increase indicator rose to 3.1%, marking the highest level since April 2024. The average wage increase planned for the next 12 months decreased slightly to 2.2%.

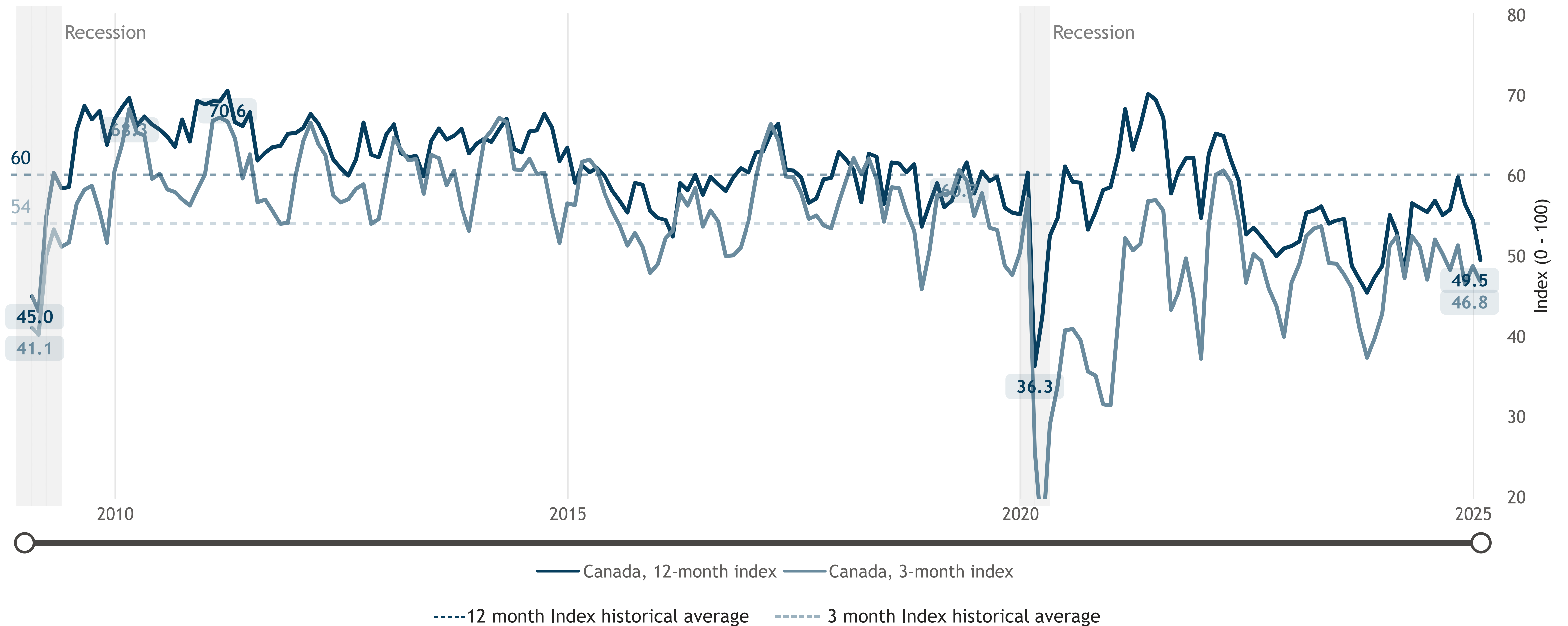
### Sectoral overview

The sectoral outlook is more varied. Only a few sectors are experiencing a slight increase in optimism, such as health and education (+3.9 points), information, arts and recreation (+0.5 points) and construction (+1.1 points). The monthly declines were substantial in most other sectors, particularly in manufacturing (-7.8 points), retail (-7.4 points), wholesale (-6.8 points), and transportation (-6.8 points).

### Other indicators

Full-time staffing plans remain virtually unchanged in February, but they are slightly below normal for this time of the year.

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



## Survey questions:

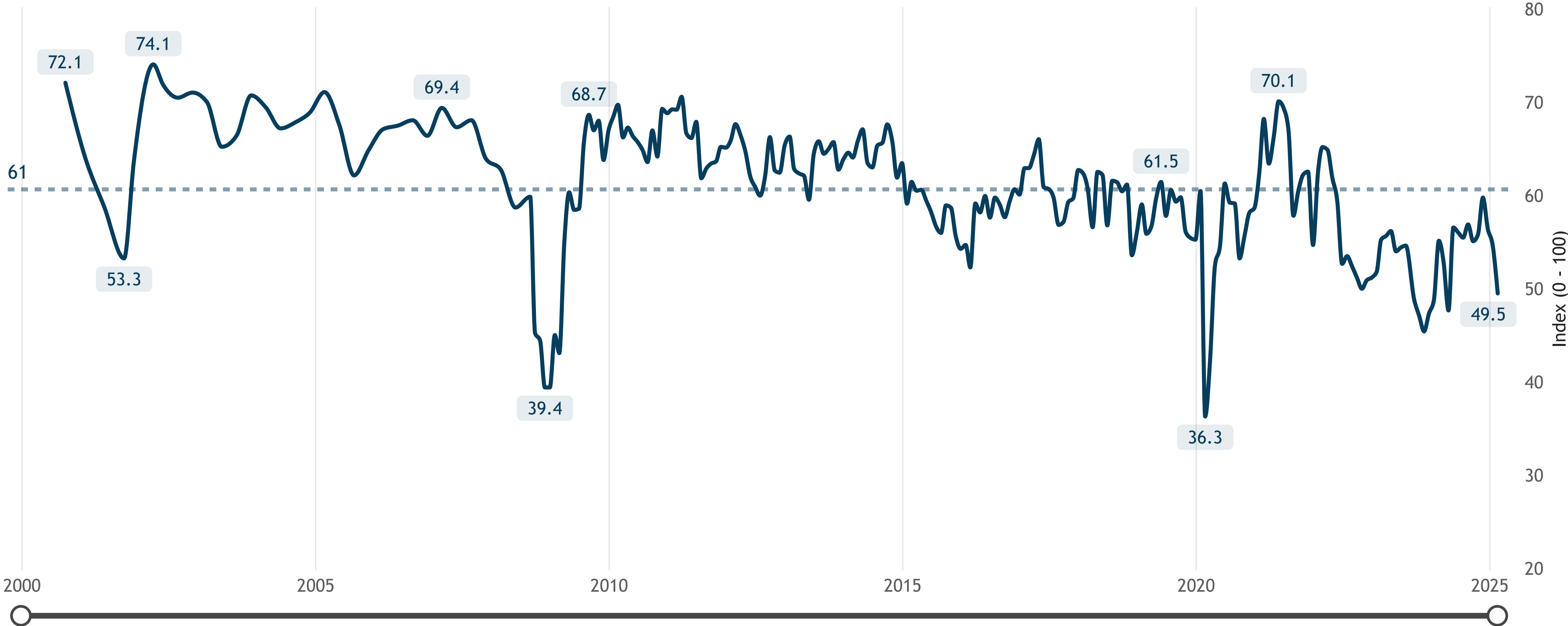
How do you expect your firm to be performing in **12 months** compared to now?

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

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

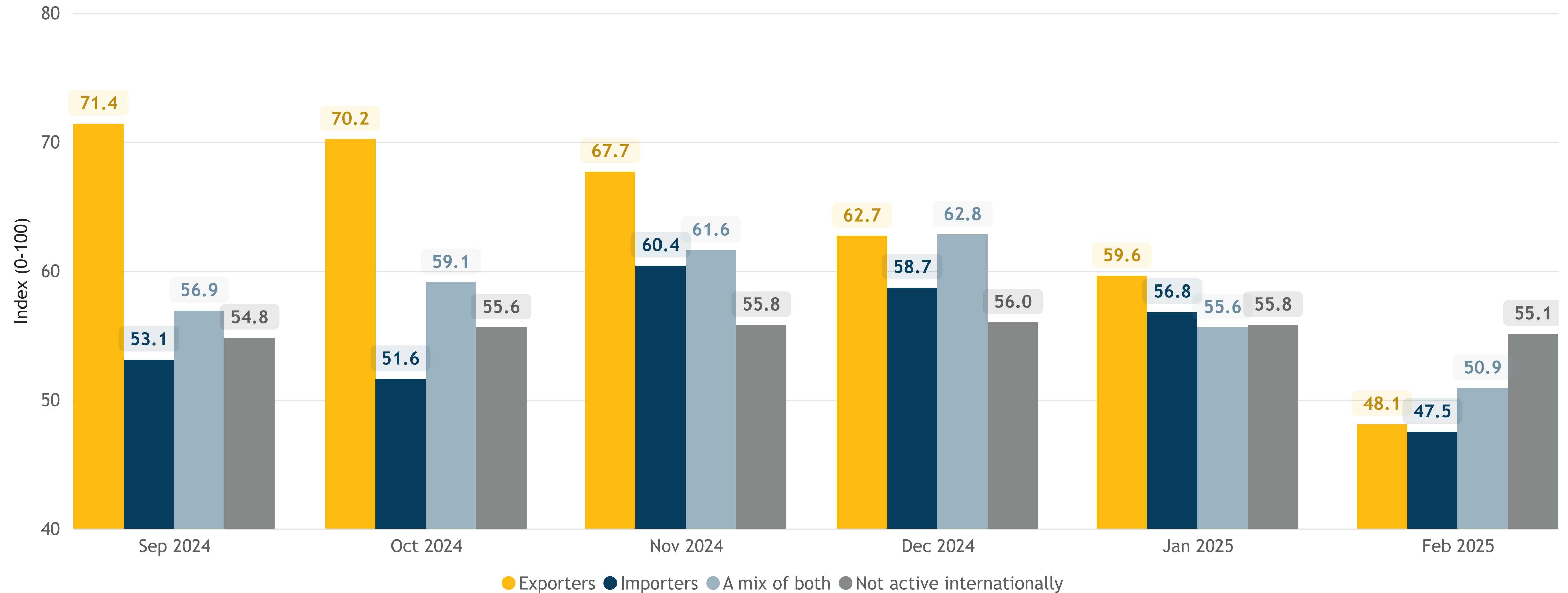
# Business Barometer®: 12-month small business confidence index (2000-2025), Canada



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

Source: CFIB, Your business outlook survey. The data for Oct. 2000 to Sept. 2008 is presented on a quarterly basis. Oct. 2008 to present is presented monthly.

# 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?

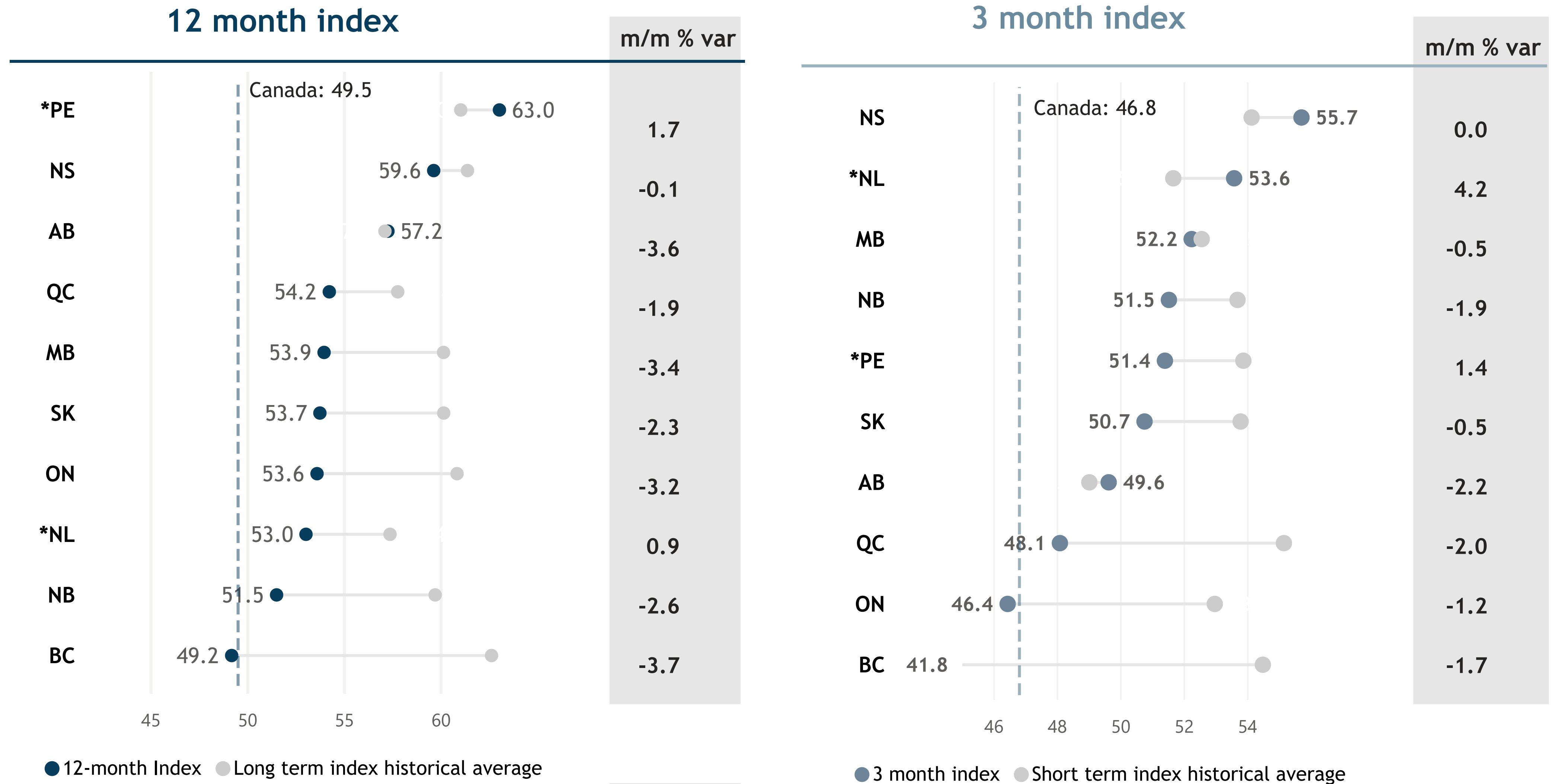
International trade (Select one): **Buying from abroad**, **Selling abroad**, **A mix of both**, **Not active internationally**

Note: Data presented as 3-month moving averages

Source: CFIB, Your business outlook survey



# Business Barometer®: Small business confidence index, provinces



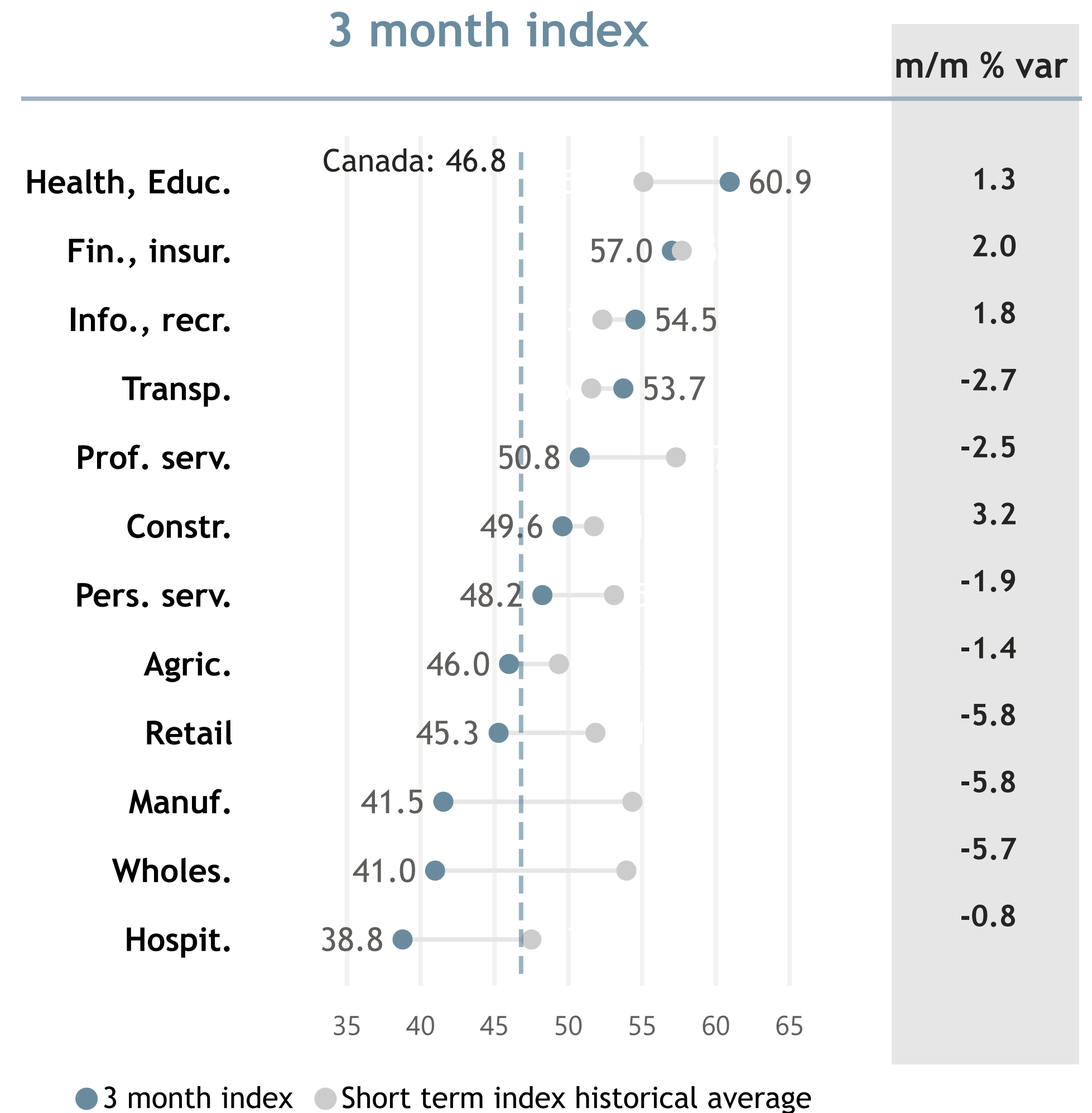
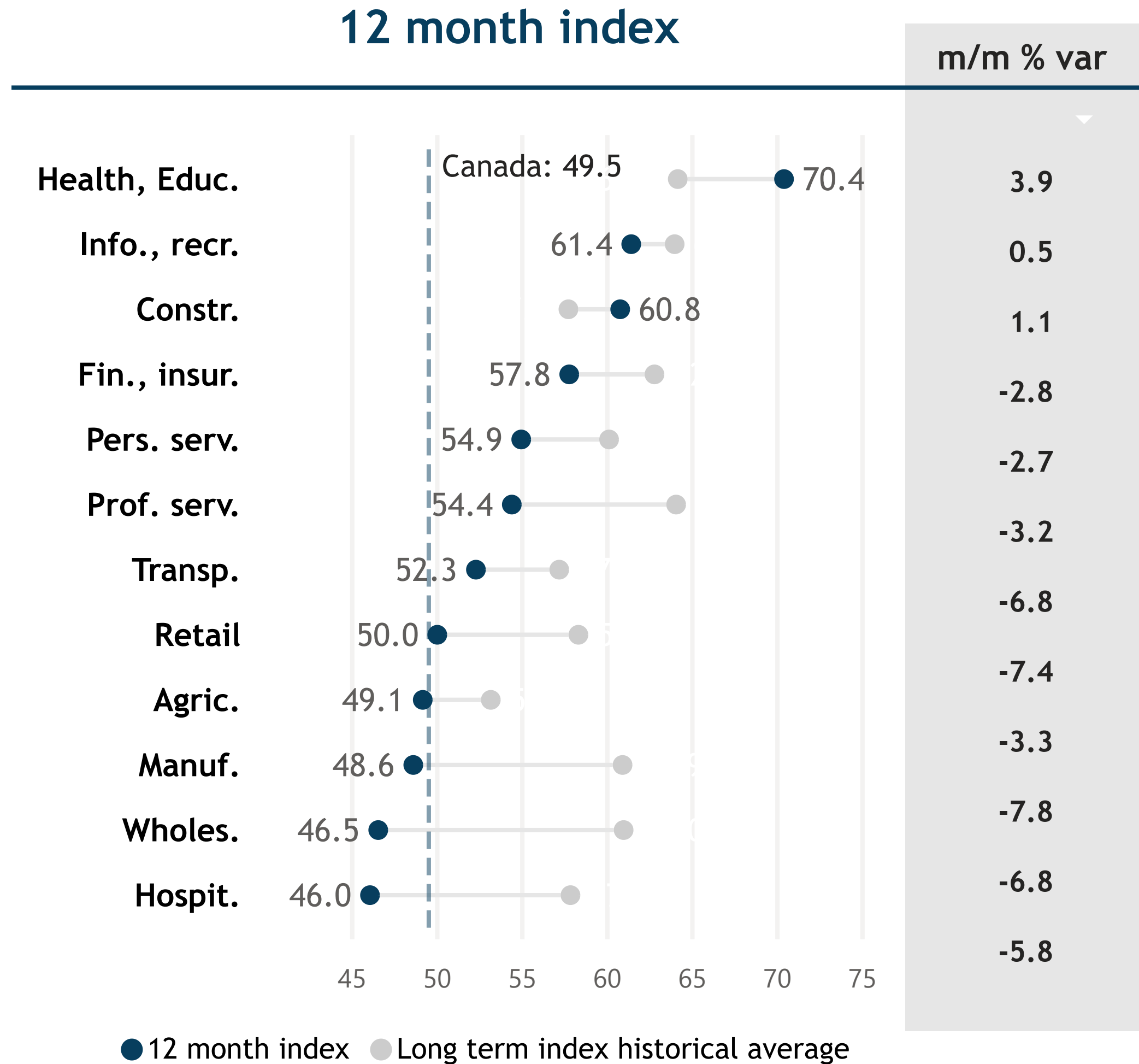
Survey question: How do you expect your firm to be performing in **12 months** compared to now?

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 - February 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



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

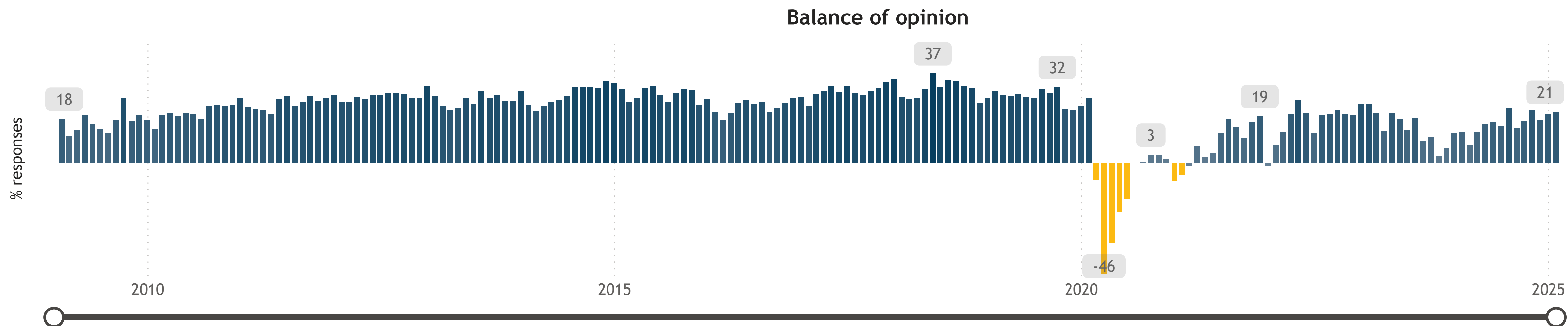
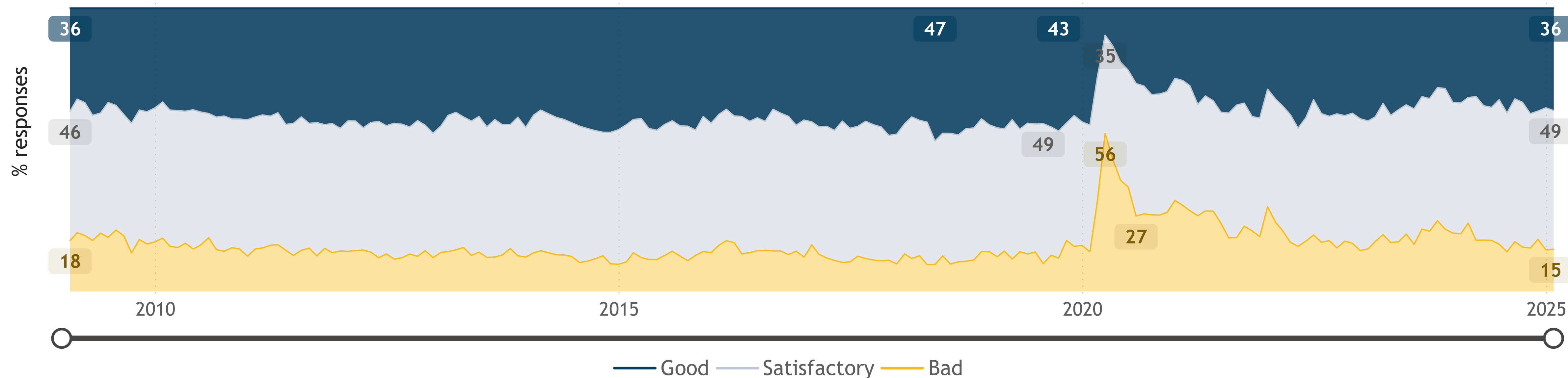
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

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



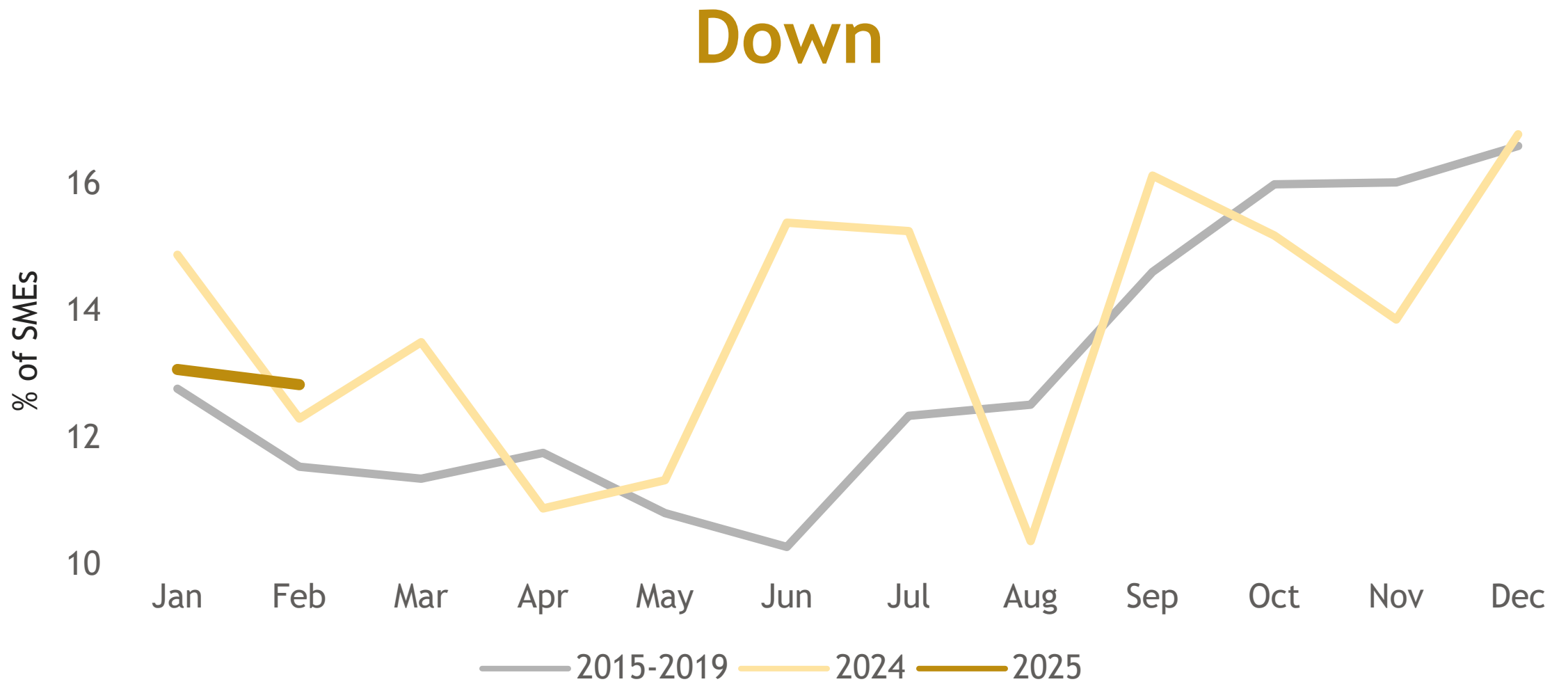
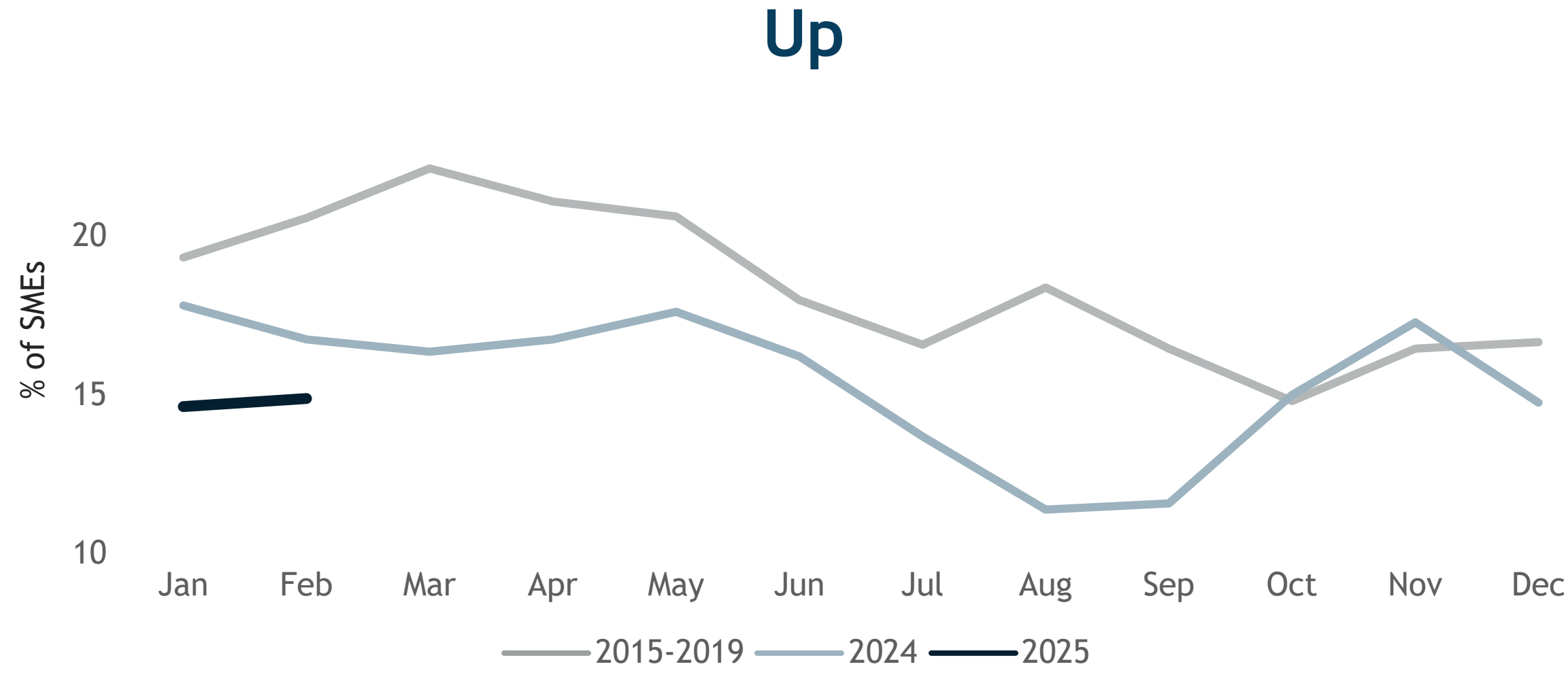
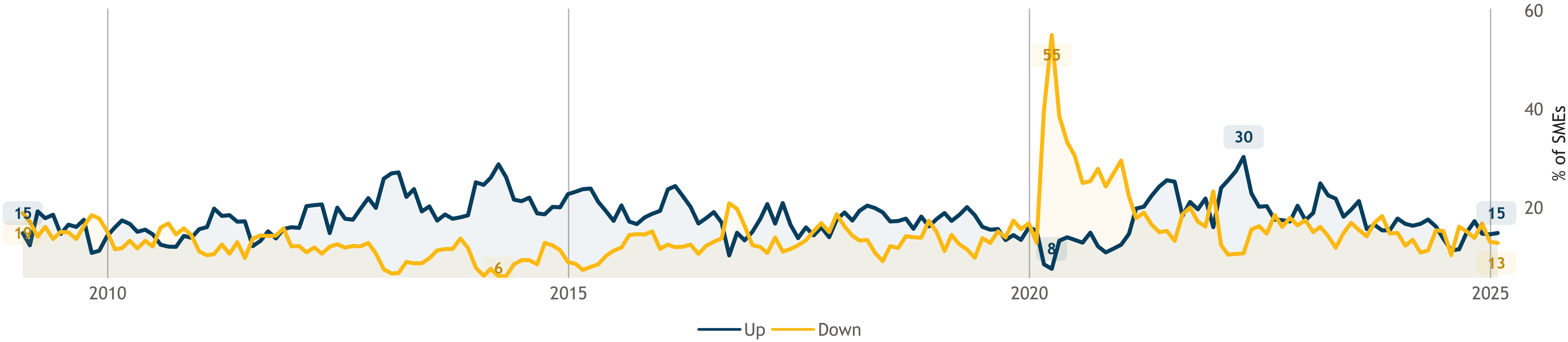
**Survey question:** Currently, what is the general business situation of your company?

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



# Business Barometer®: Future price and wage increase plans



**Survey questions:**

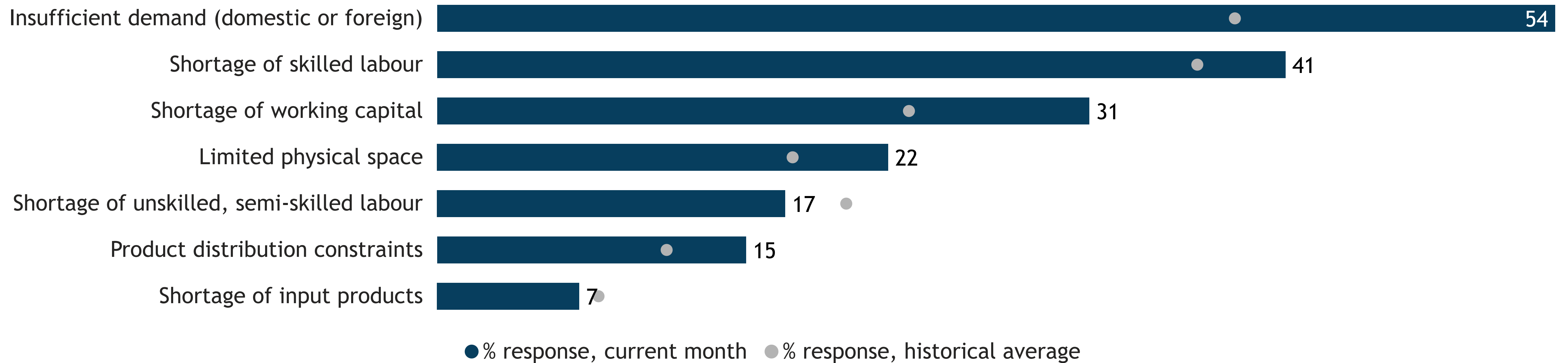
In the next year, how much do you expect **average prices** to change?

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

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



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

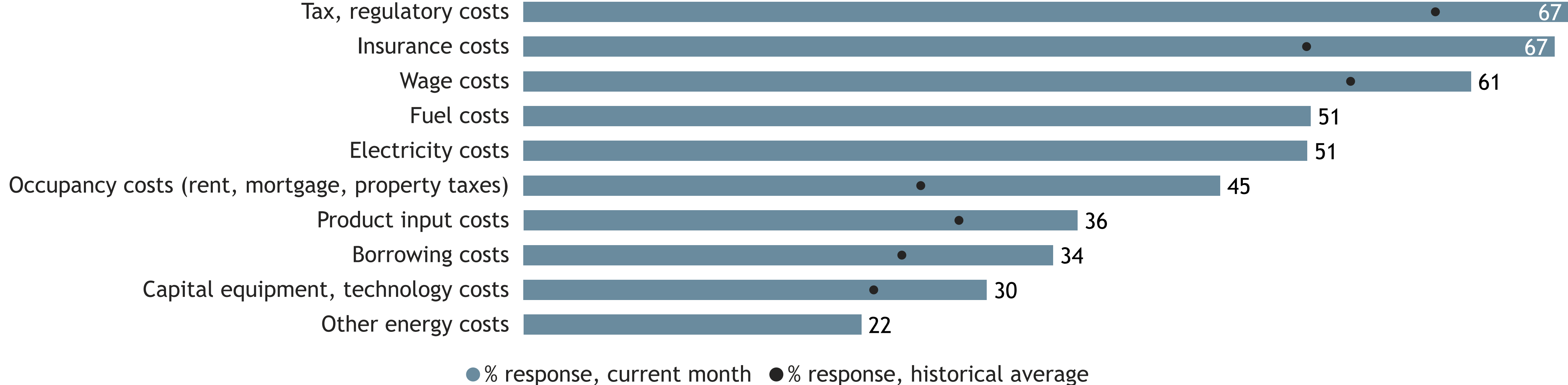


**Survey question:** What factors are limiting your ability to increase sales or production?

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

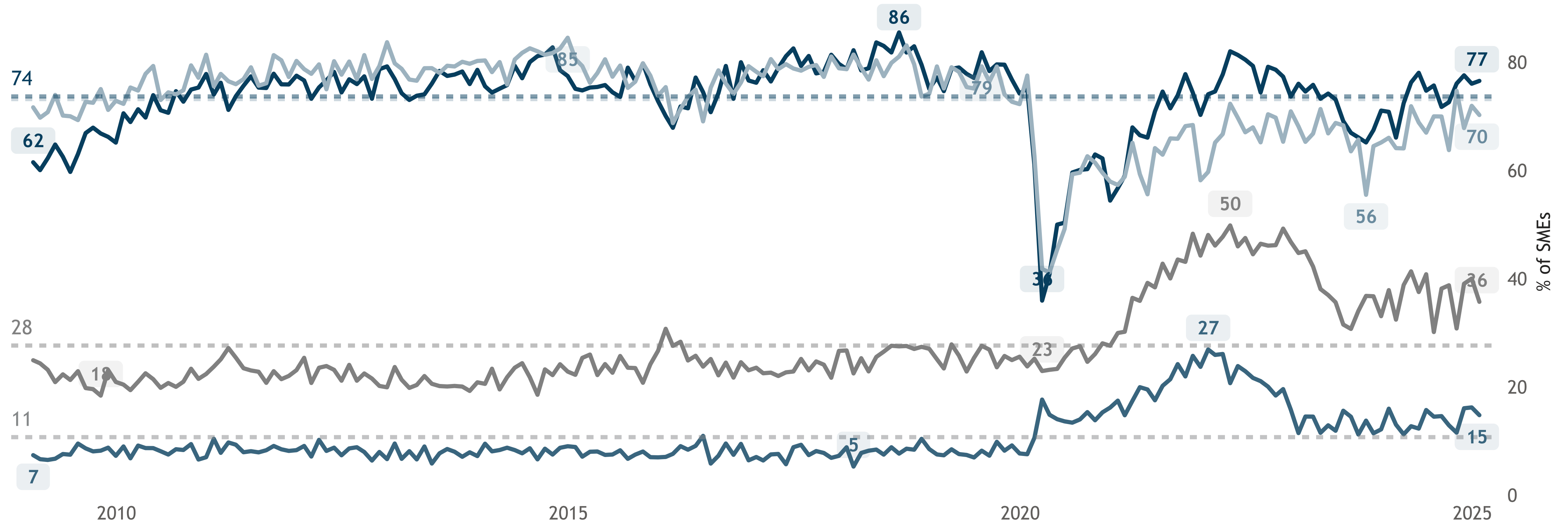


Survey question: What types of input costs are currently causing difficulties for your business?

Source: CFIB, Your business outlook survey, February 2009 - February 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?

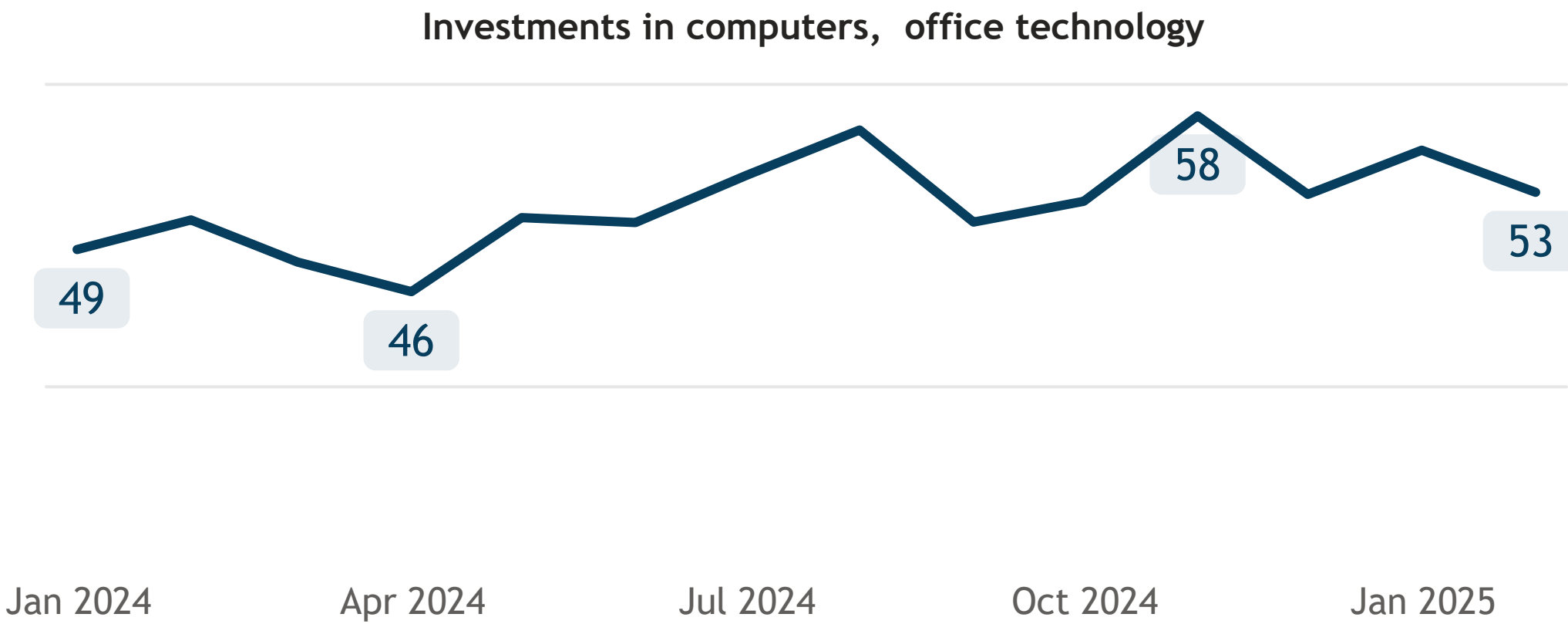
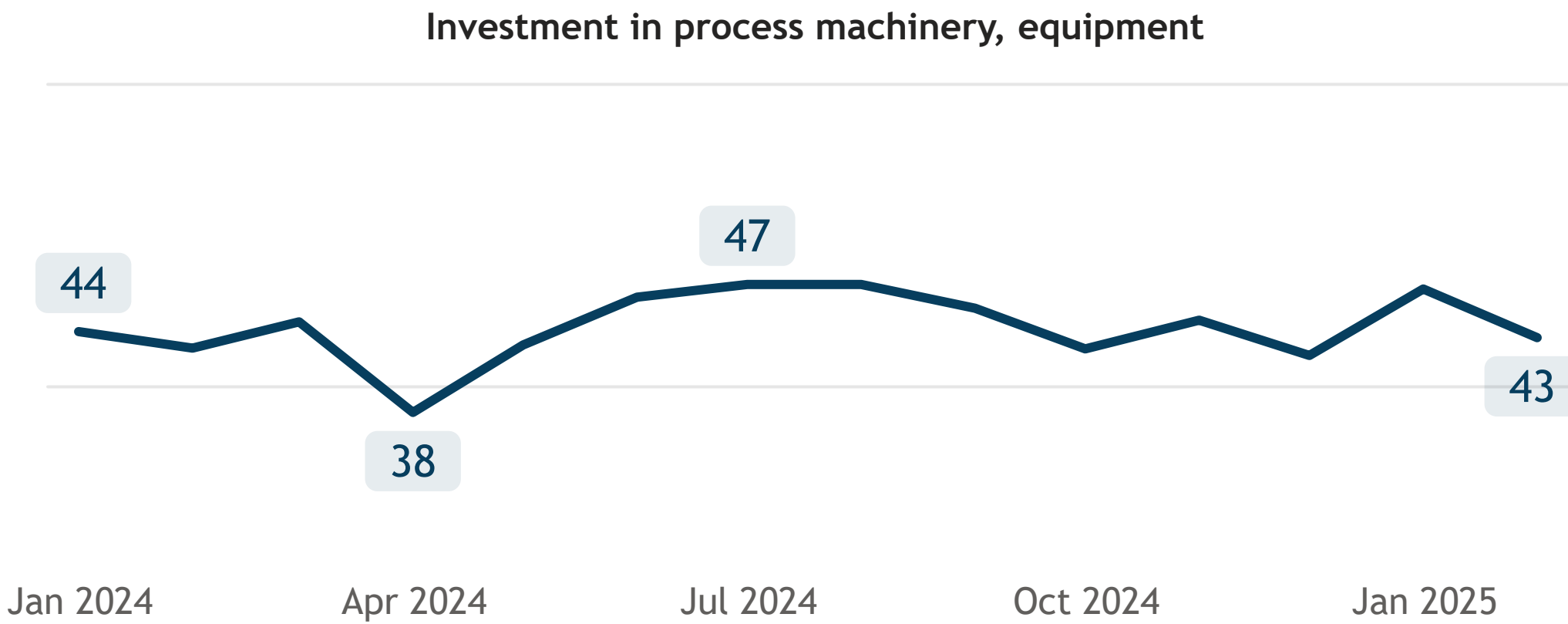
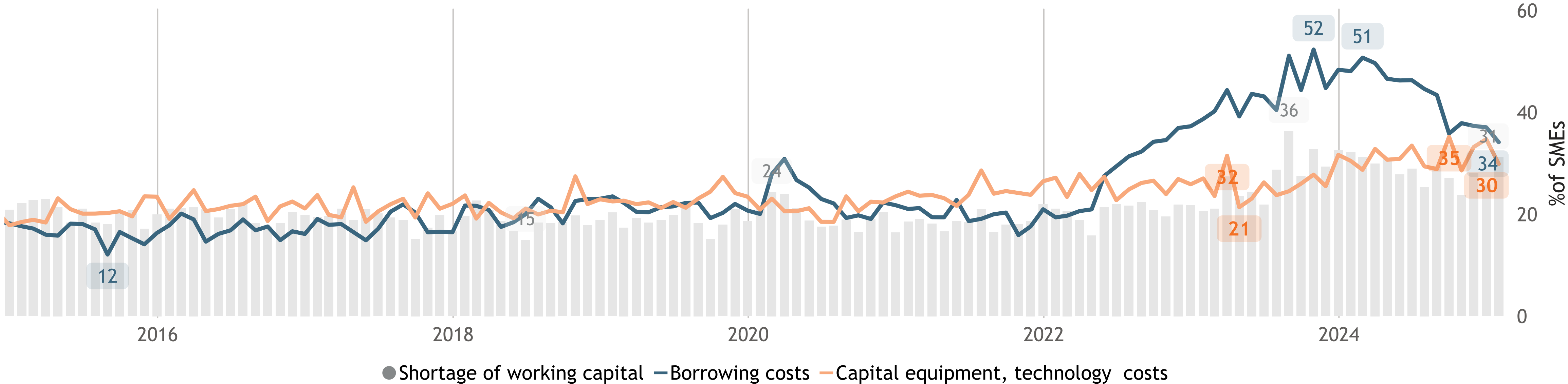
What types of input costs are currently causing difficulties for your business? [Respondents selecting "Product input costs"]

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

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



# Business Barometer®: Investments



**Survey questions:**

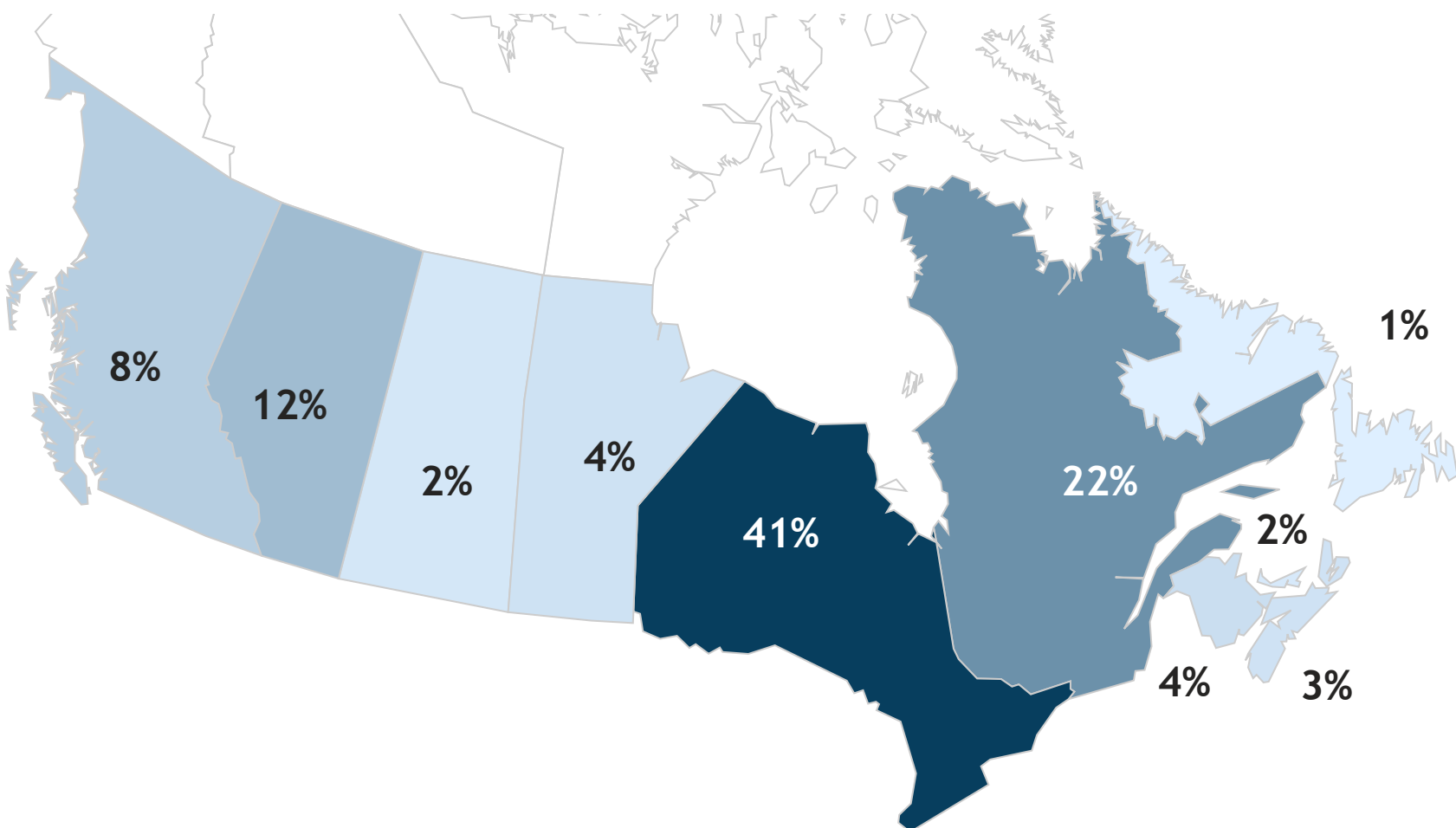
Allowing for normal seasonal influences, what are the **investments in computers, communications, office technology** and **investments in process machinery, equipment**?  
 What types of input costs are currently causing difficulties for your business? [Respondents selecting "**Capital equipment, technology costs**", "**Borrowing costs**"]  
 What factors are limiting your ability to increase sales or production? [Respondents selecting "**Shortage of working capital**"]

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

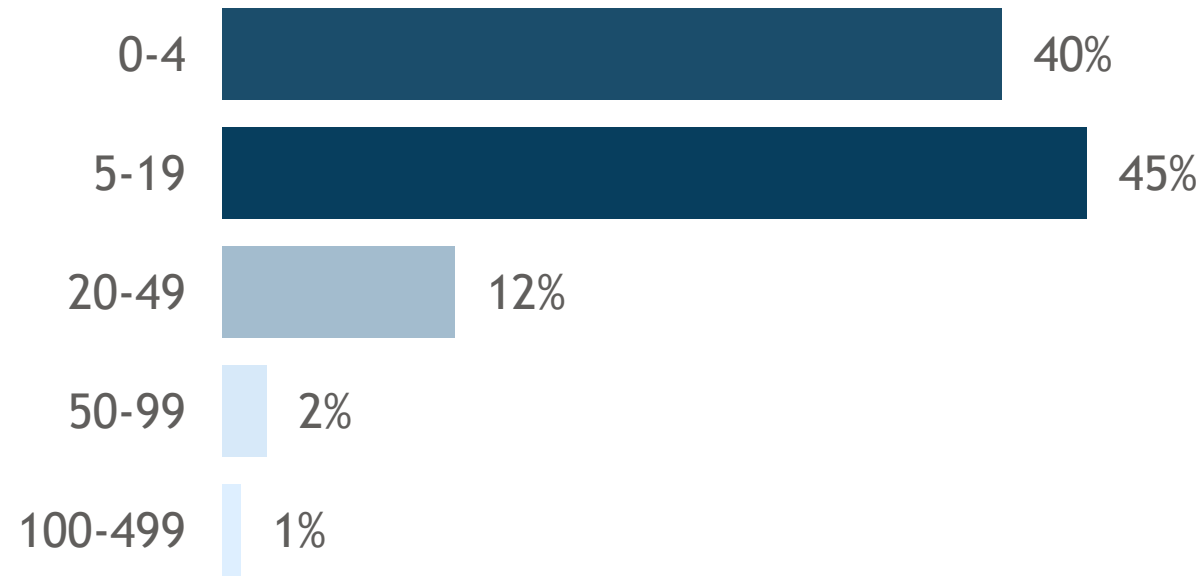


# Business Barometer®: Sample distribution

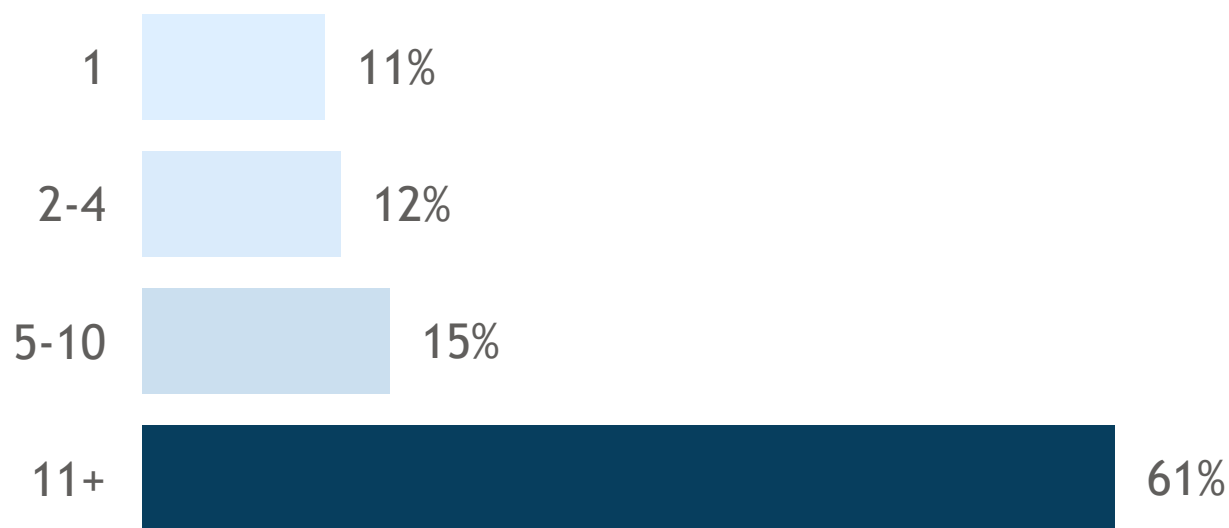
### By location of the business



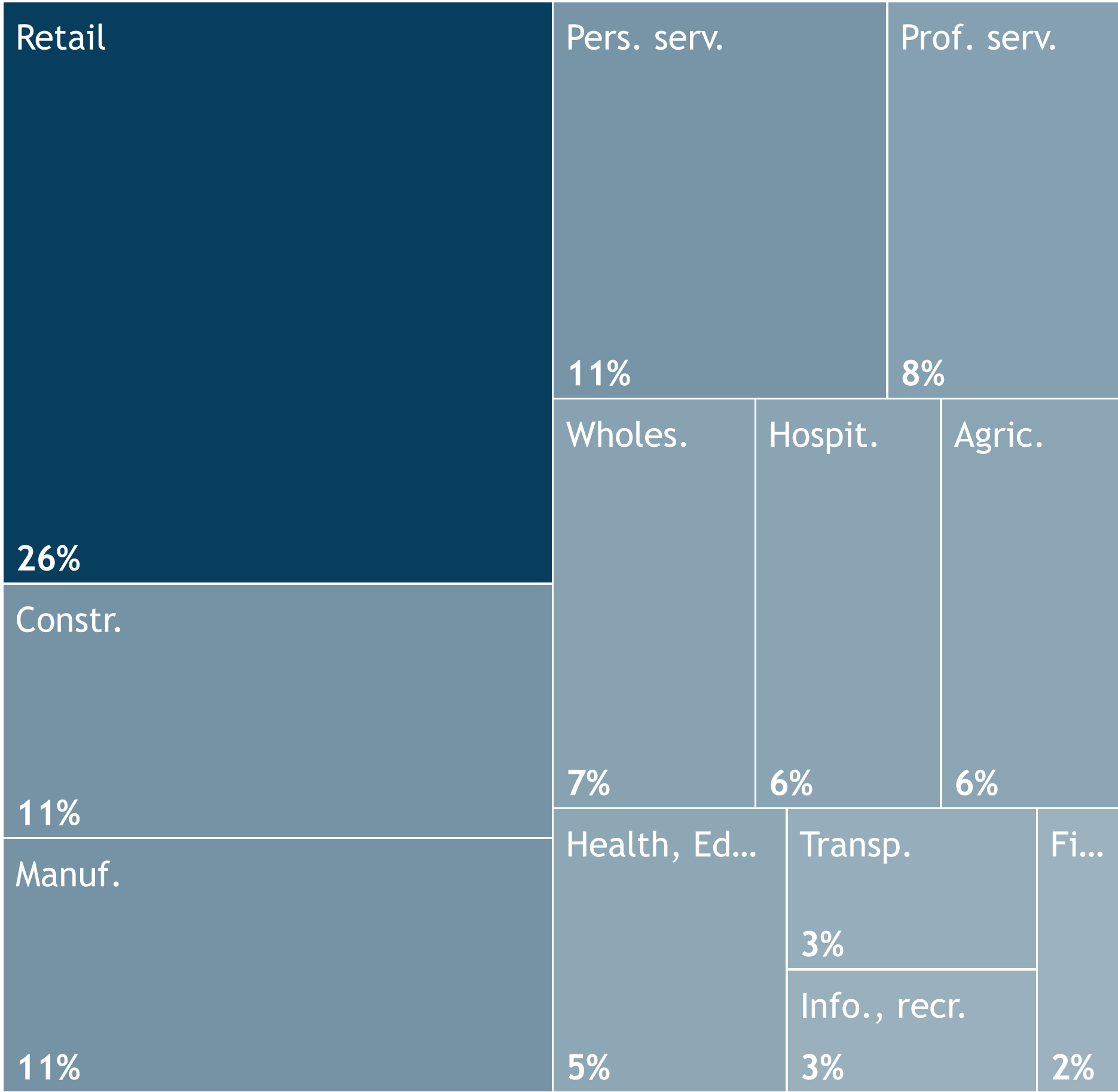
### By number of employees



### By years in business



### By industry



## Methodology

- CFIB, Your business outlook survey, February 2009 - February 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 526 responses
- Responses were received from: February 4-12
- The survey is considered accurate to within +/- 4.3 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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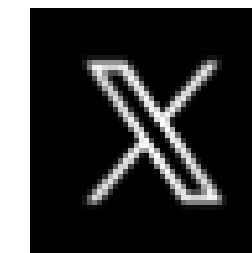


## Additional information

### All CFIB research



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