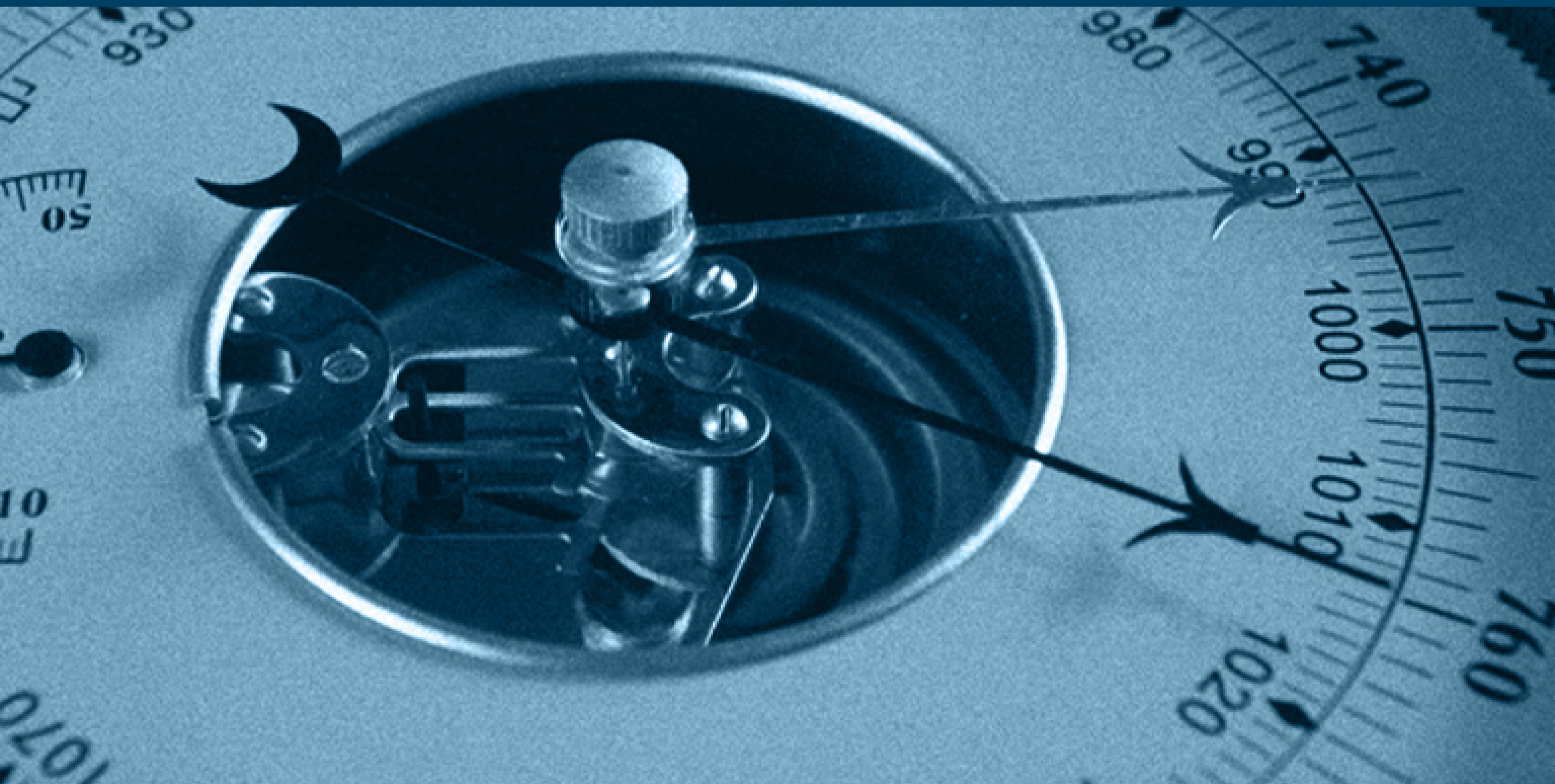




In business
for your business.

Monthly Business Barometer®

March 2025



12-month Small Business Confidence Index

25.0

Monthly change

↓ -24.8

3-month Small Business Confidence Index

31.2

Monthly change

↓ -16.1

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, registered its most severe fall since its inception as a quarterly-monthly index. The current level of 25.0 is an abysmal 24.8 points below its previous month's reading. The short-term optimism index, based on a 3-month outlook, also plummeted at a very low level of 31.2.

The small business confidence indicator reached a lower mark than it did during the 2020 pandemic, 2008 financial crisis or 9/11. The tariffs, counter-tariffs and threats of additional tariffs are taking a significant toll on business optimism. Optimism among firms trading internationally dropped severely this Month.

Provincial overview

Optimism in all provinces crashed to levels never seen previously. All index levels range from low-20s to mid-30s. Ontario, Alberta, and Quebec register readings around 24, and are at the very bottom of the optimism scale.

Sectoral overview

The sectoral outlook is just as bad with a wider range of confidence levels - from 17.0 for hospitality to 41.7 for financial services. Hospitality, manufacturing, transportation and agriculture are at the very bottom of the optimism scale with indexes below 20 or just a tad shy above.

Inflation indicators

These indicators show a dramatic change in March. The average price increase indicator jumped from 3.0 in February to 3.7 in March. The average wage increase dropped to 1.9, showing significant signs of a slowdown in the labour market.

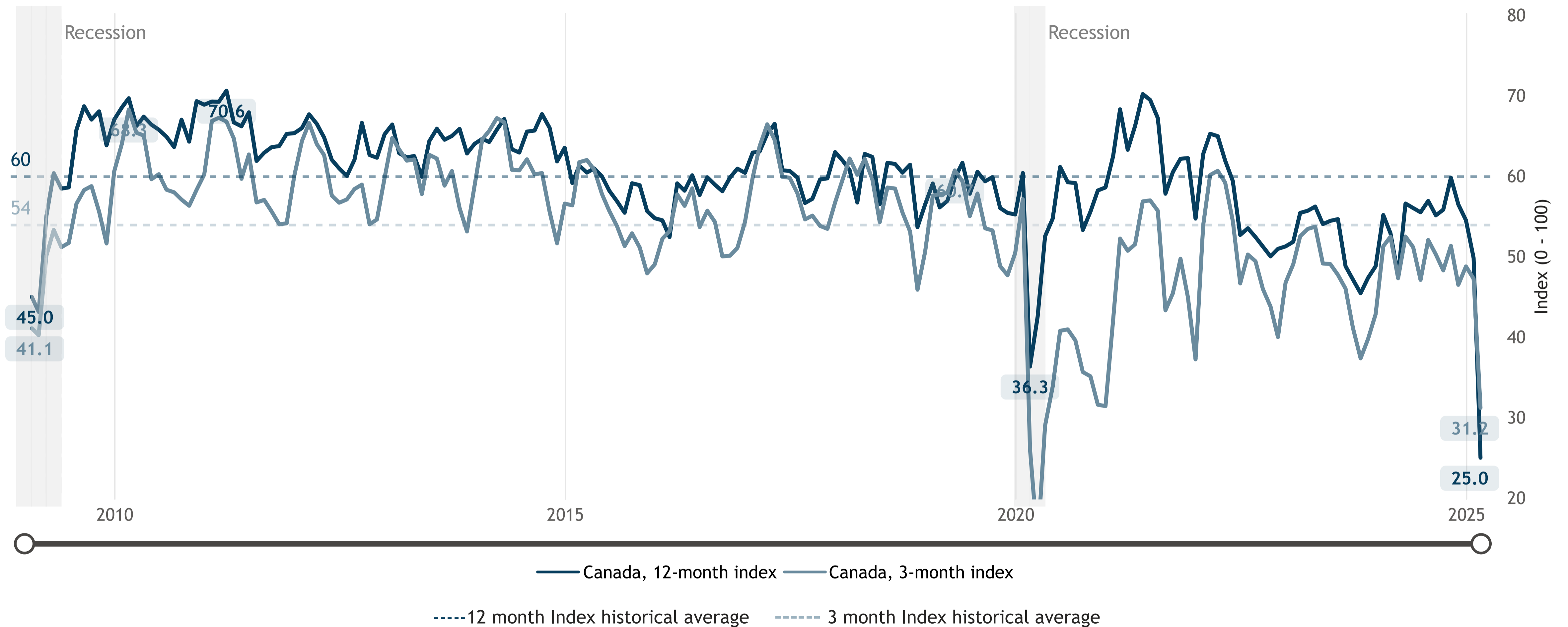
Other indicators

Full-time staffing plans turned negative with higher shares of firms looking to lay off staff than to hire. Hiring trends for 2025 are well below usual annual tendencies; while laying off trends are significantly above normal readings for this time of the year.

Insufficient demand has been steadily trending upwards since November 2024, reaching its new high of 59% of affected small firms in March.

The supply chain indicators are registering the first disruptions. Product input costs leaped suddenly as reported by 49% of firms. There are more distribution constraints and less inventory than in February. The investment indicators are slower to capture difficulties yet.

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?

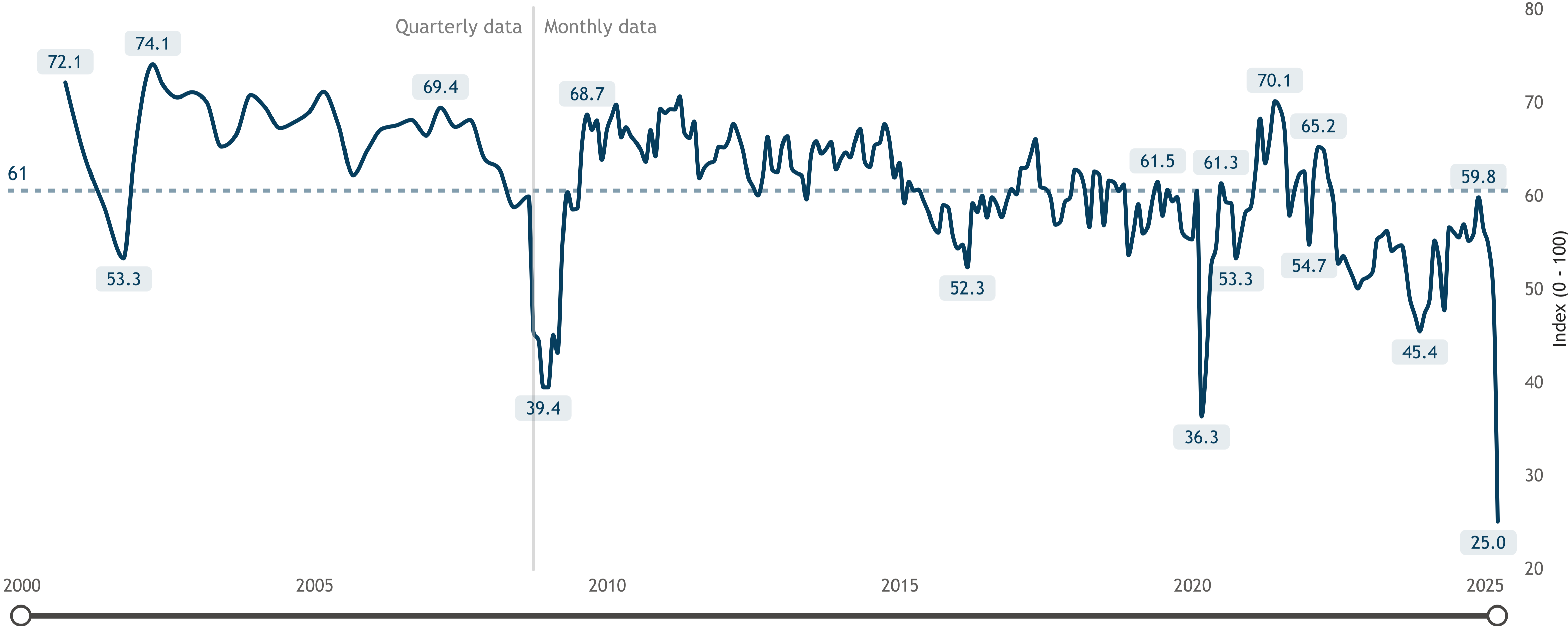
Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Sources : CFIB, Your business outlook survey, February 2009 - March 2025. 1065 responses received from March 5-7.

C.D. Howe Institute Business Cycle Council (Recession dates)

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

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



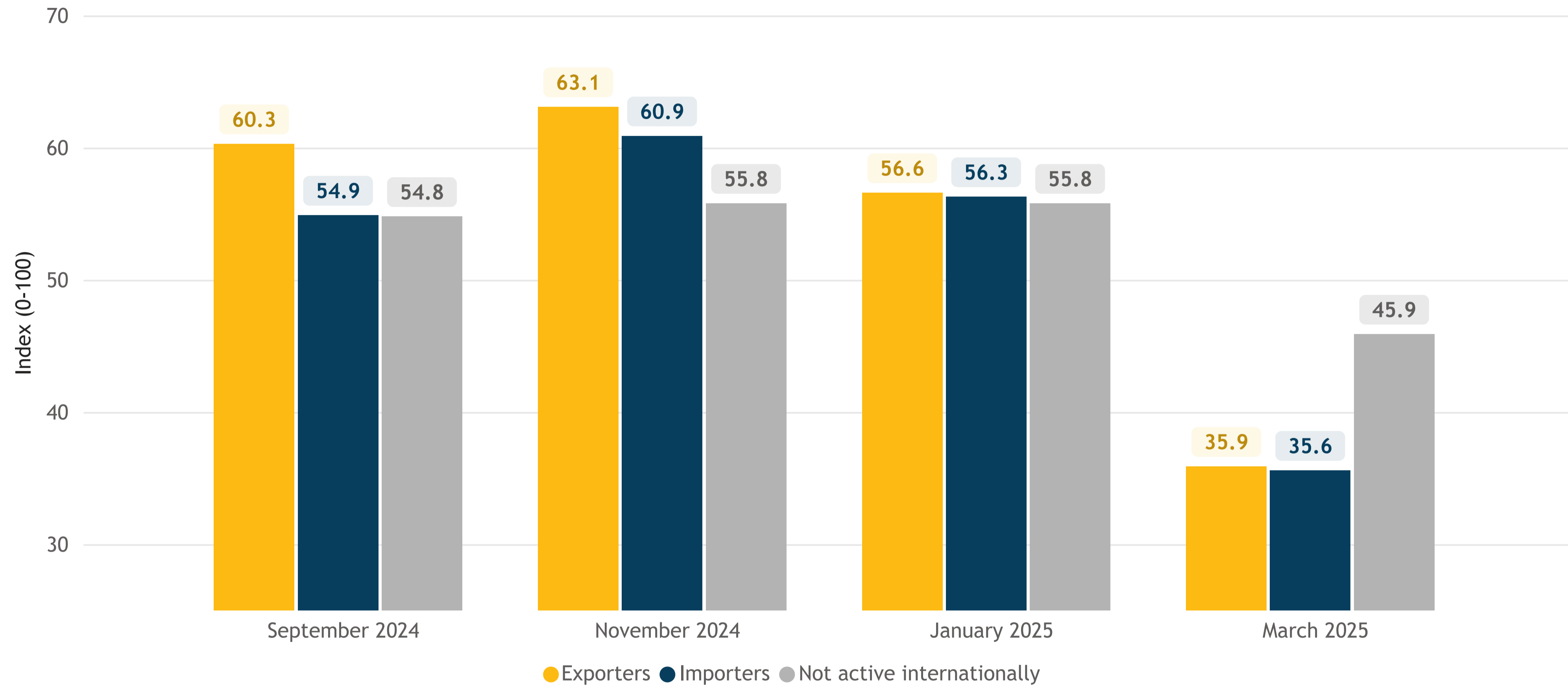
Survey question: How do you expect your firm to be performing in **12 months** compared to now?

Source: CFIB, Your business outlook survey, October 2000 - March 2025. 1065 responses received from March 5-7.

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



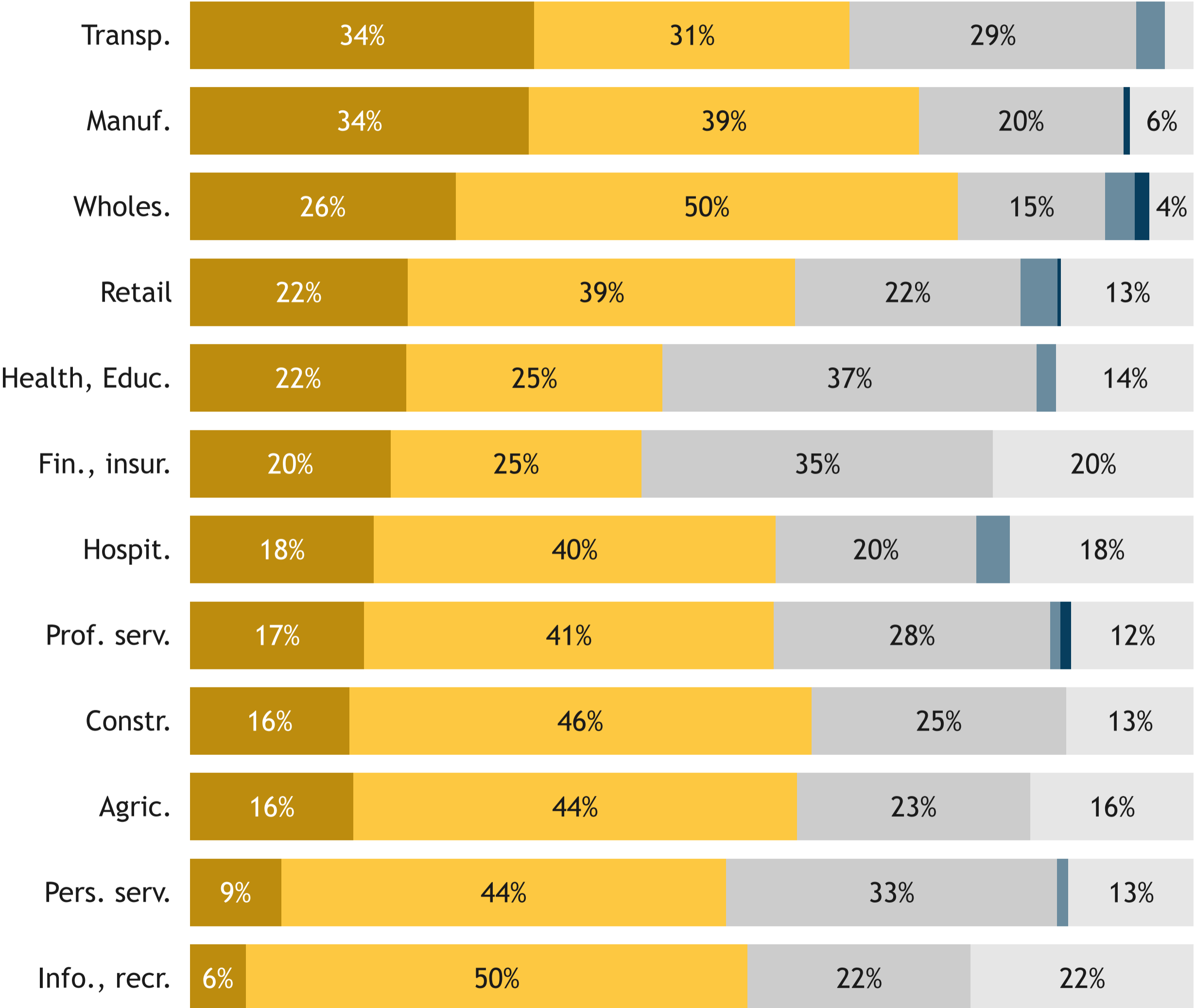
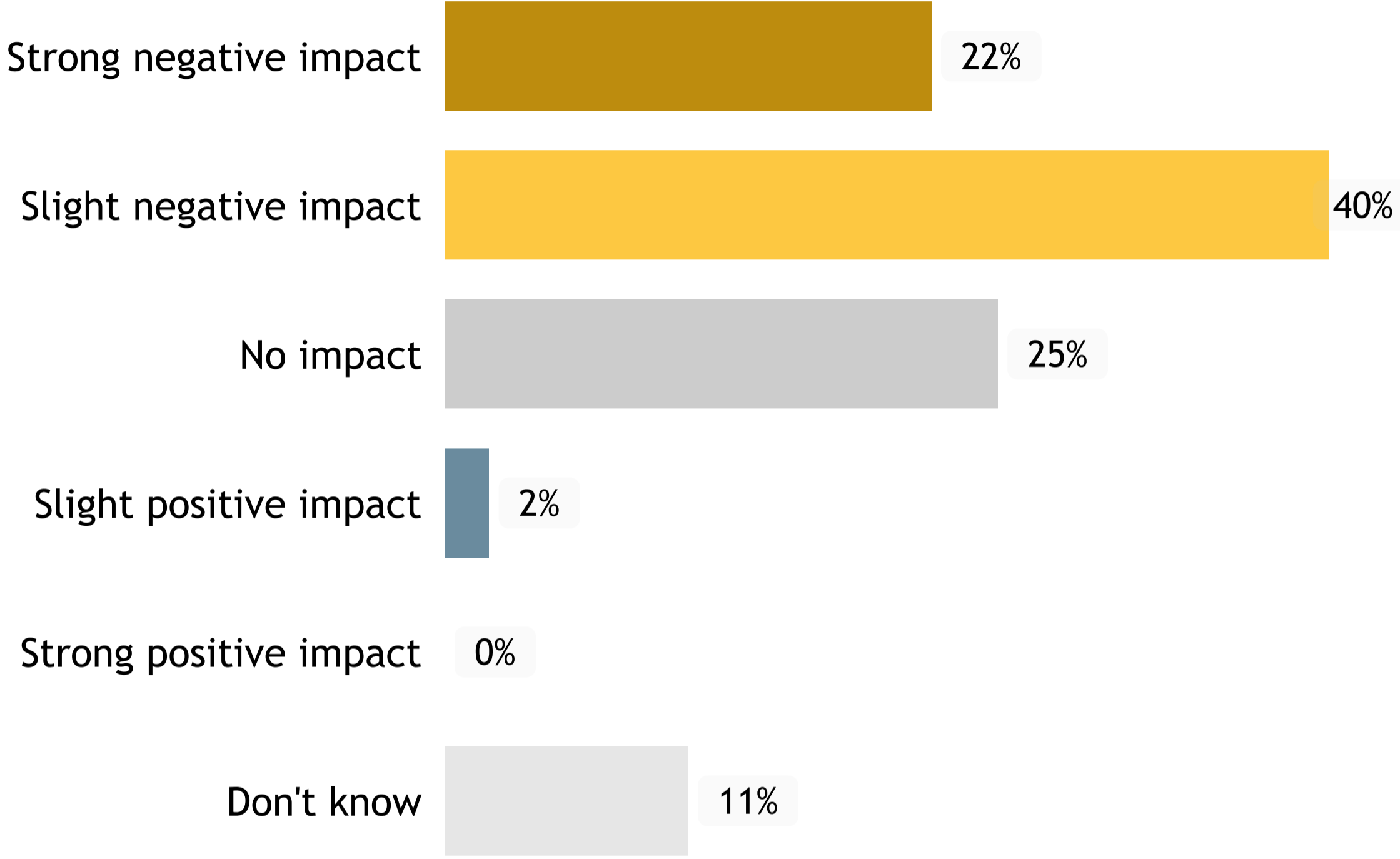
Survey questions: How do you expect your firm to be performing in 12 months compared to now?

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

Source: CFIB, Your business outlook survey. 1065 responses received from March 5-7.

Note: Data presented as 3-month moving averages. New series started from September 2024.

Business Barometer®: Impact of tariffs on small businesses, Canada



Survey question: How has the current US-Canada trade situation impacted your business so far?
 Source: CFIB, Your business outlook survey. 1065 responses received from March 5-7.



Business Barometer®: Small business confidence index, provinces



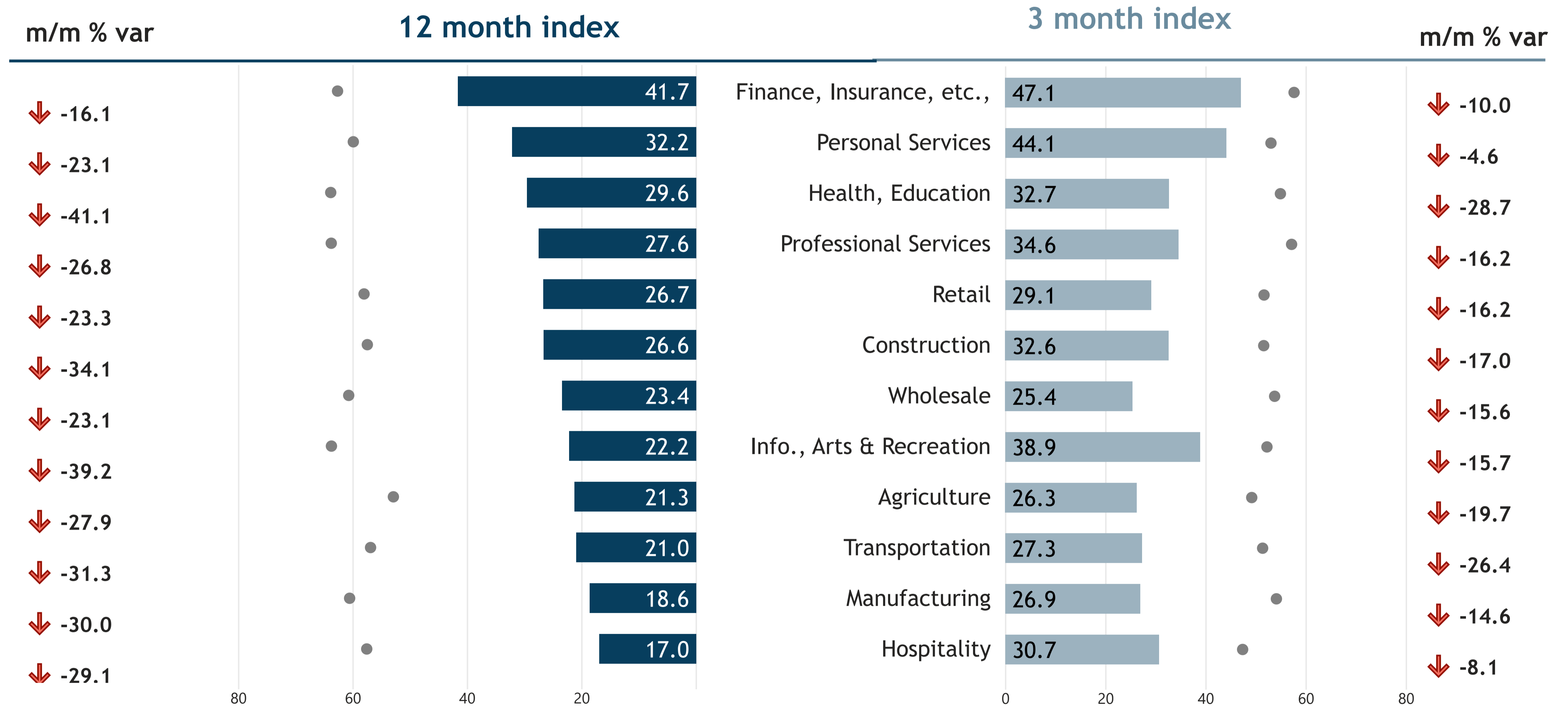
Survey question: How do you expect your firm to be performing in **12 months** compared to now?

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 - March 2025. 1065 responses received from March 5-7.

Note: ● Historical averages. *Number of responses under 20. Index < 50 = more businesses expecting weaker performance than stronger 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?

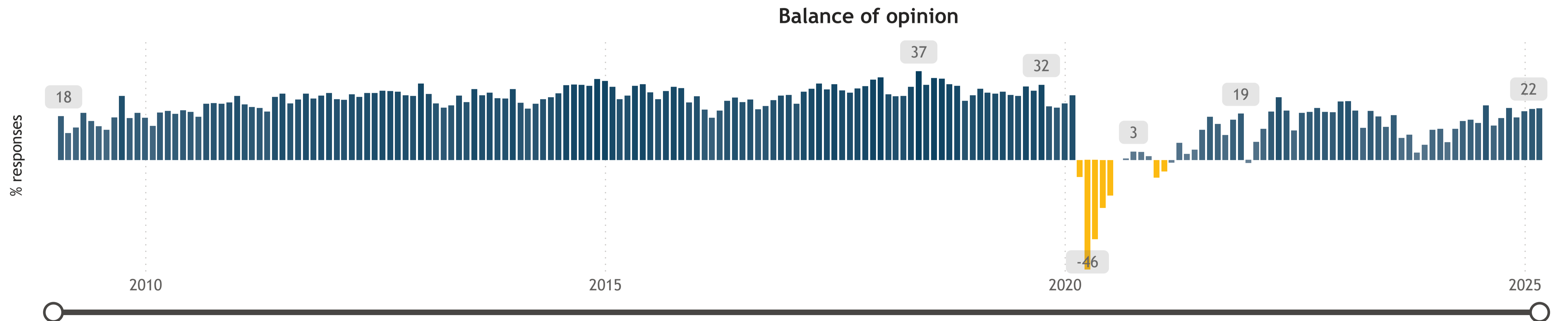
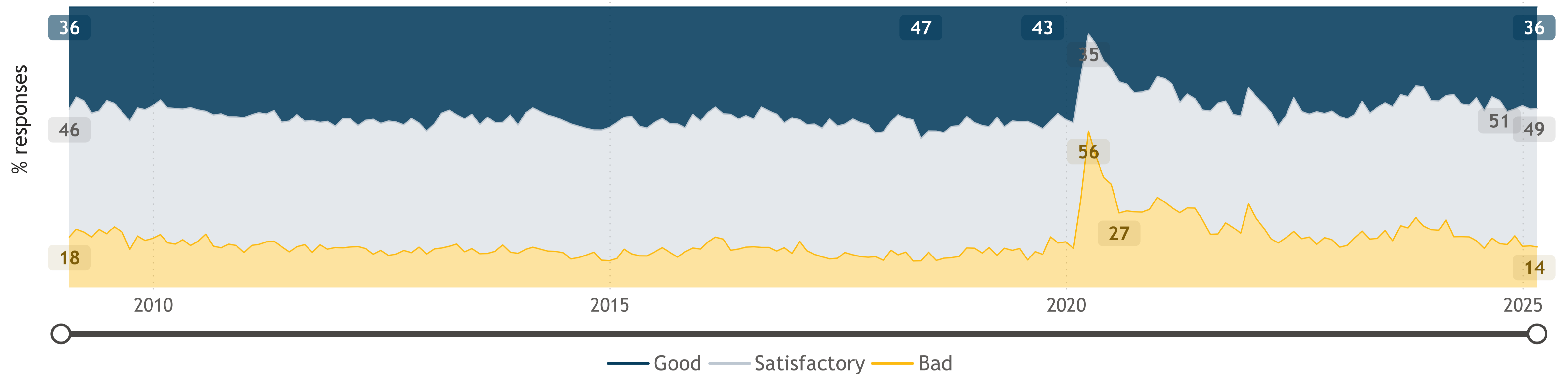
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - March 2025. 1065 responses received from March 5-7.

Notes: **Natural resources is not included. ● Historical averages

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

Business Barometer®: General state of business health

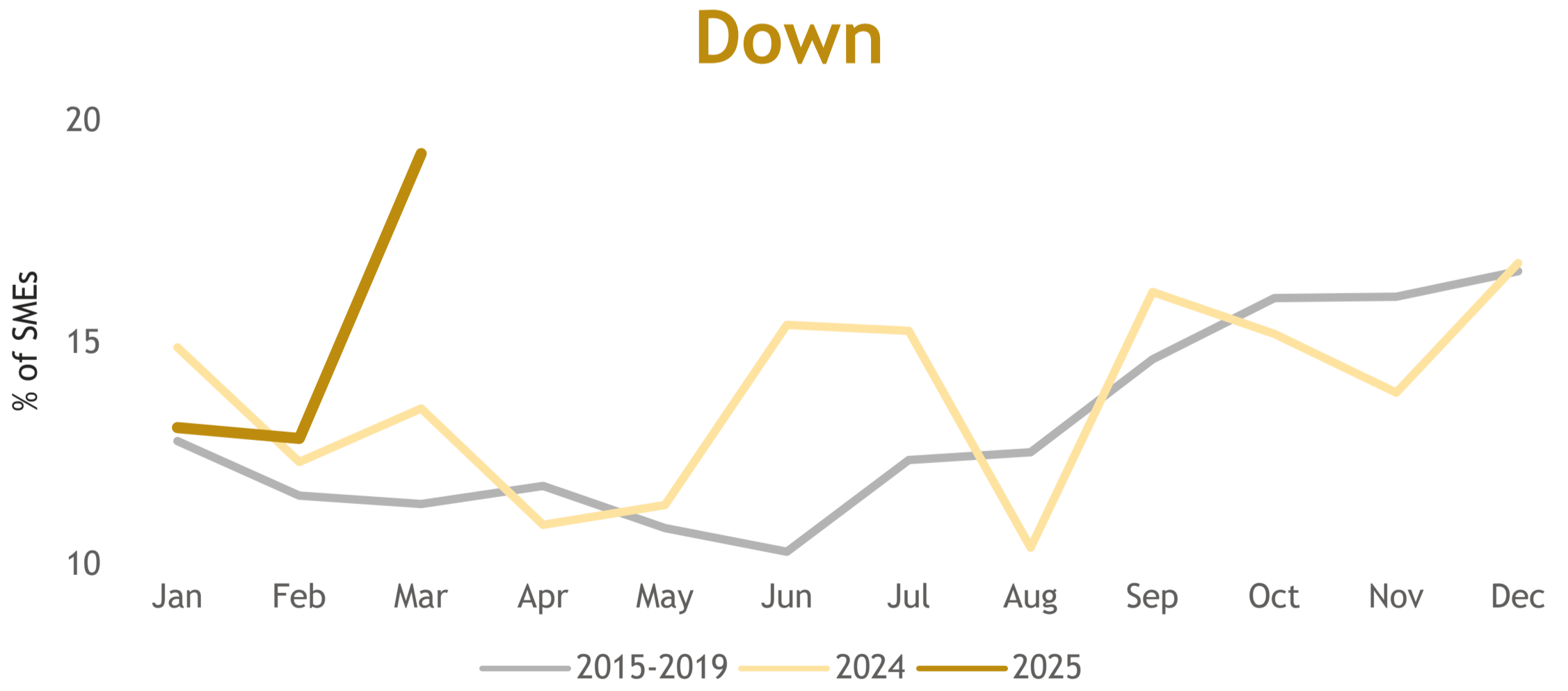
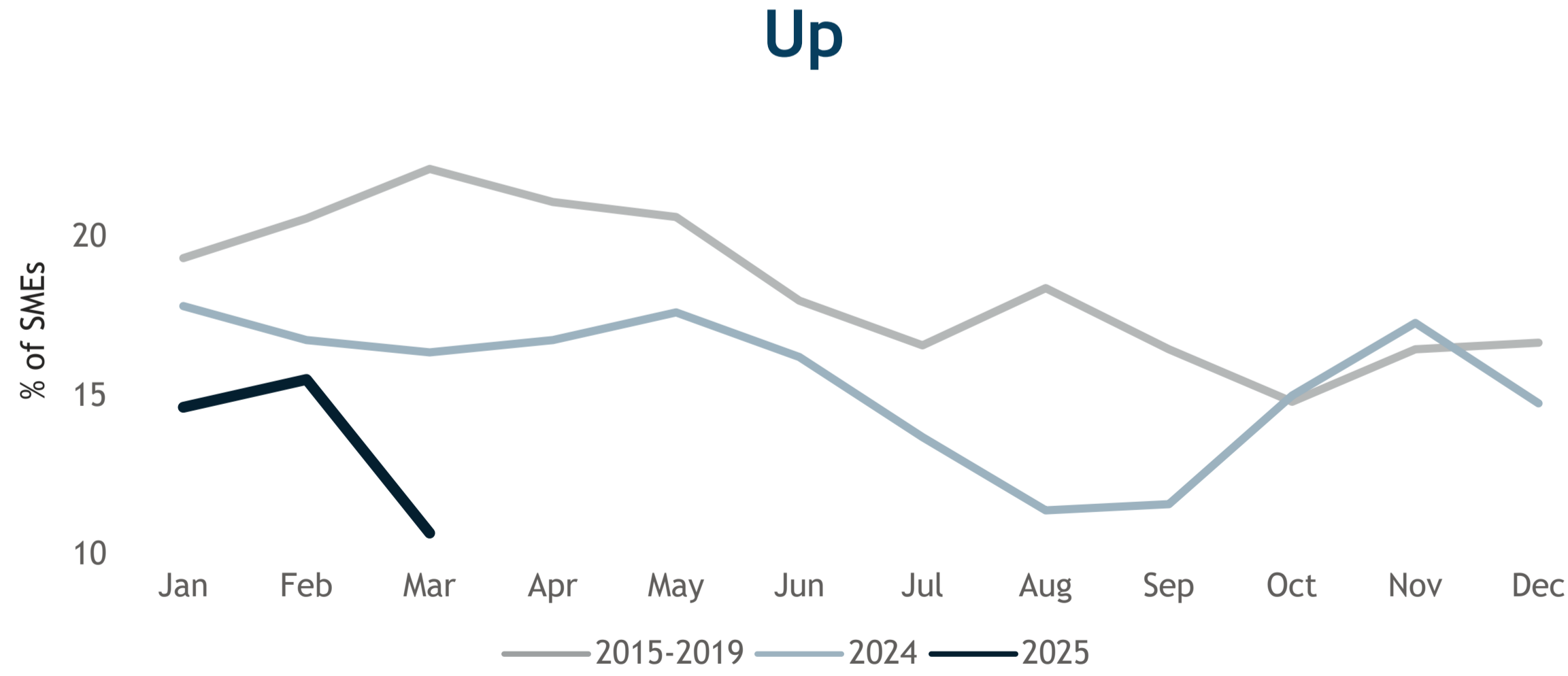
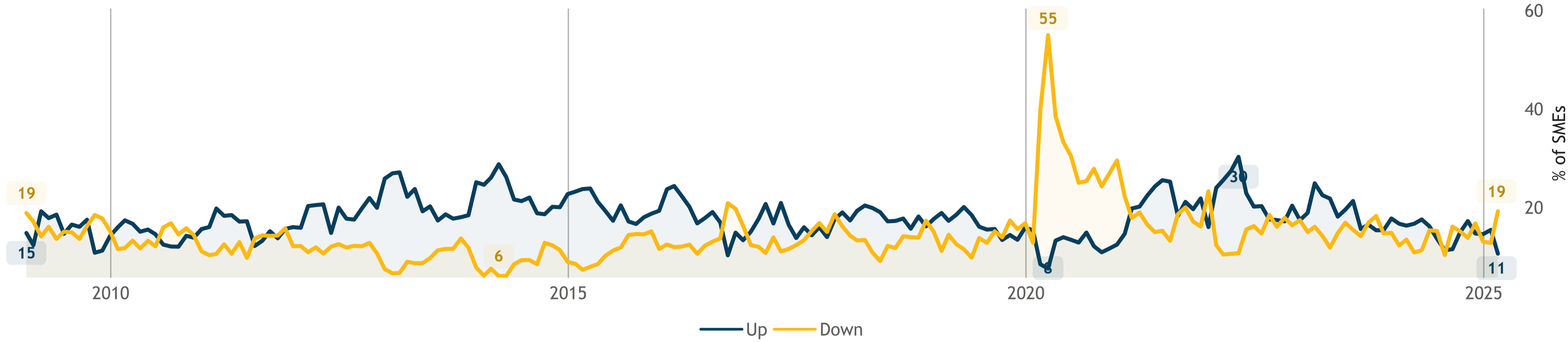


Survey question: Currently, what is the general business situation of your company?

Source: CFIB, Your business outlook survey, February 2009 - March 2025. 1065 responses received from March 5-7.

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 - March 2025. 1065 responses received from March 5-7.



Business Barometer®: Future price and wage increase plans



— Average price plans — Average wage plans

----- Historical averages

Survey questions:

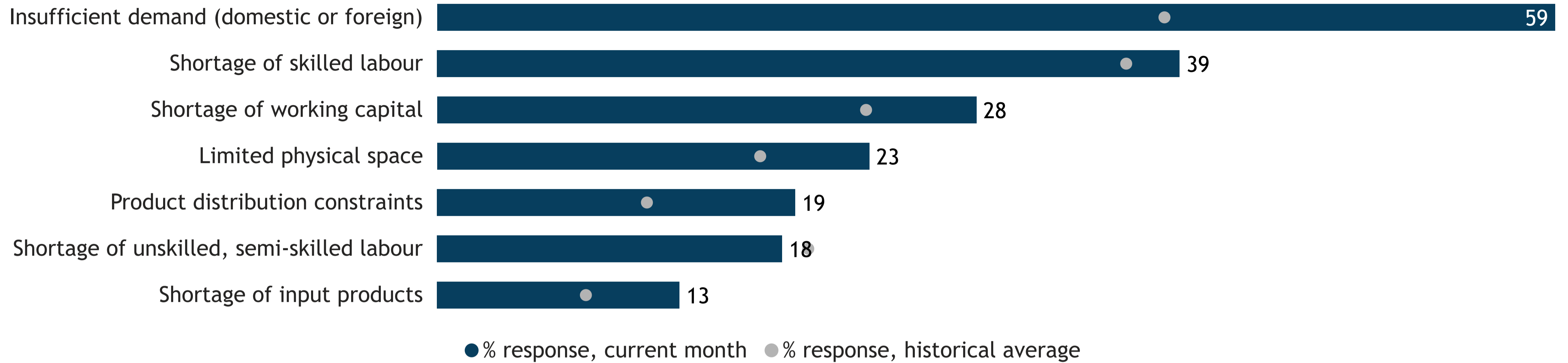
In the next year, how much do you expect **average prices** to change?

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

Source: CFIB, Your business outlook survey, February 2009 - March 2025. 1065 responses received from March 5-7.



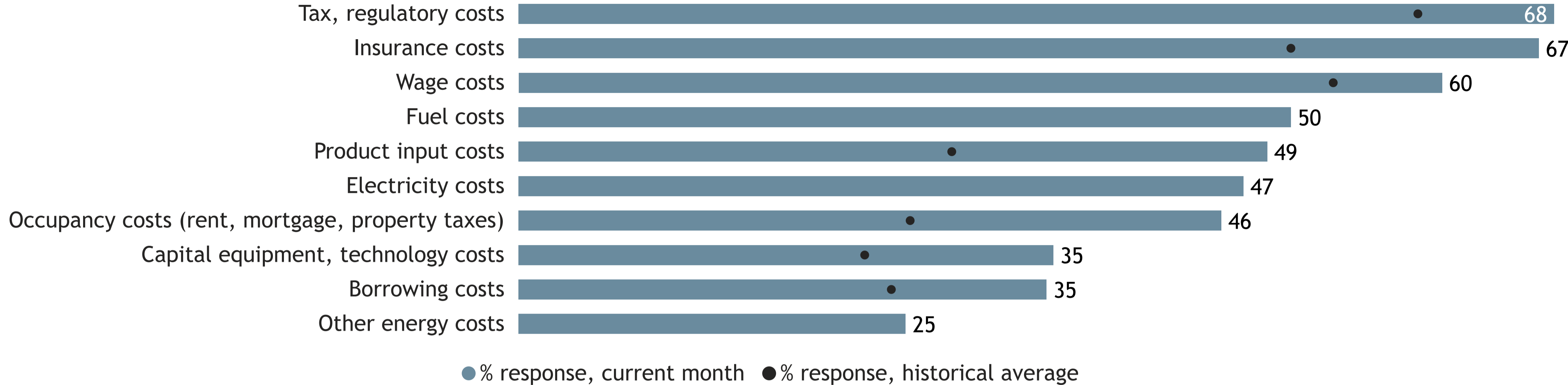
Business Barometer® : Factors limiting sales or production growth- current levels



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

Source: CFIB, Your business outlook survey, February 2009 - March 2025. 1065 responses received from March 5-7.

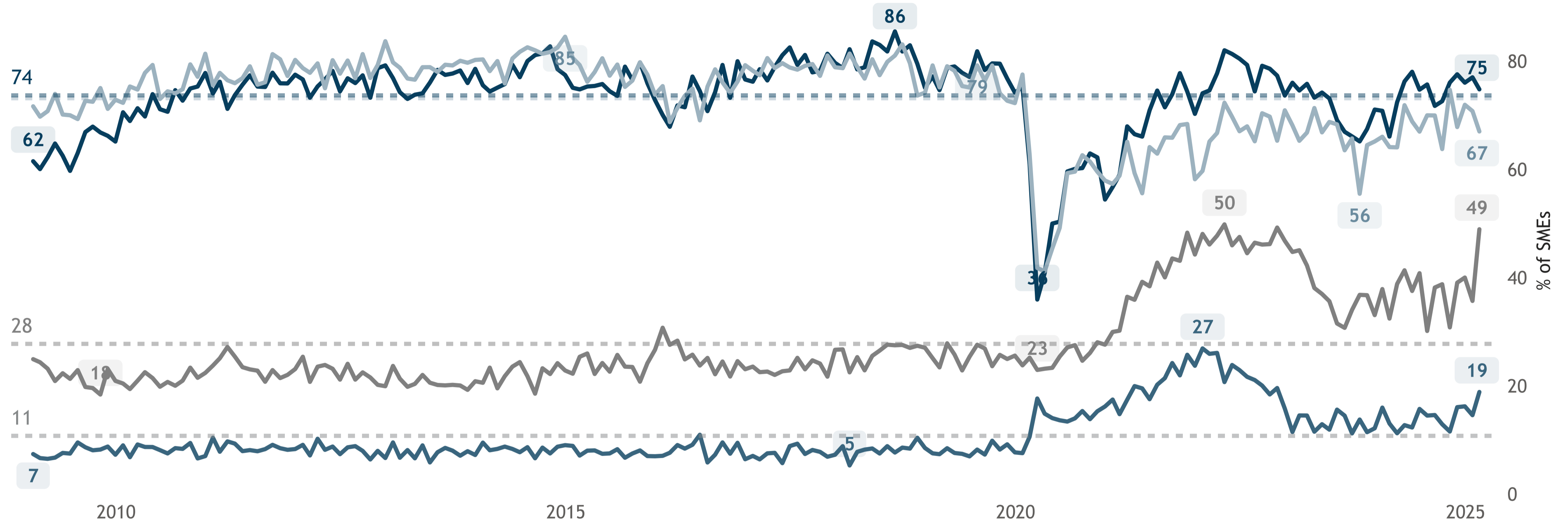
Business Barometer® : Major input cost constraints- current levels



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

Source: CFIB, Your business outlook survey, February 2009 - March 2025. Responses were received from: March 5-7, 1065 responses.

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:

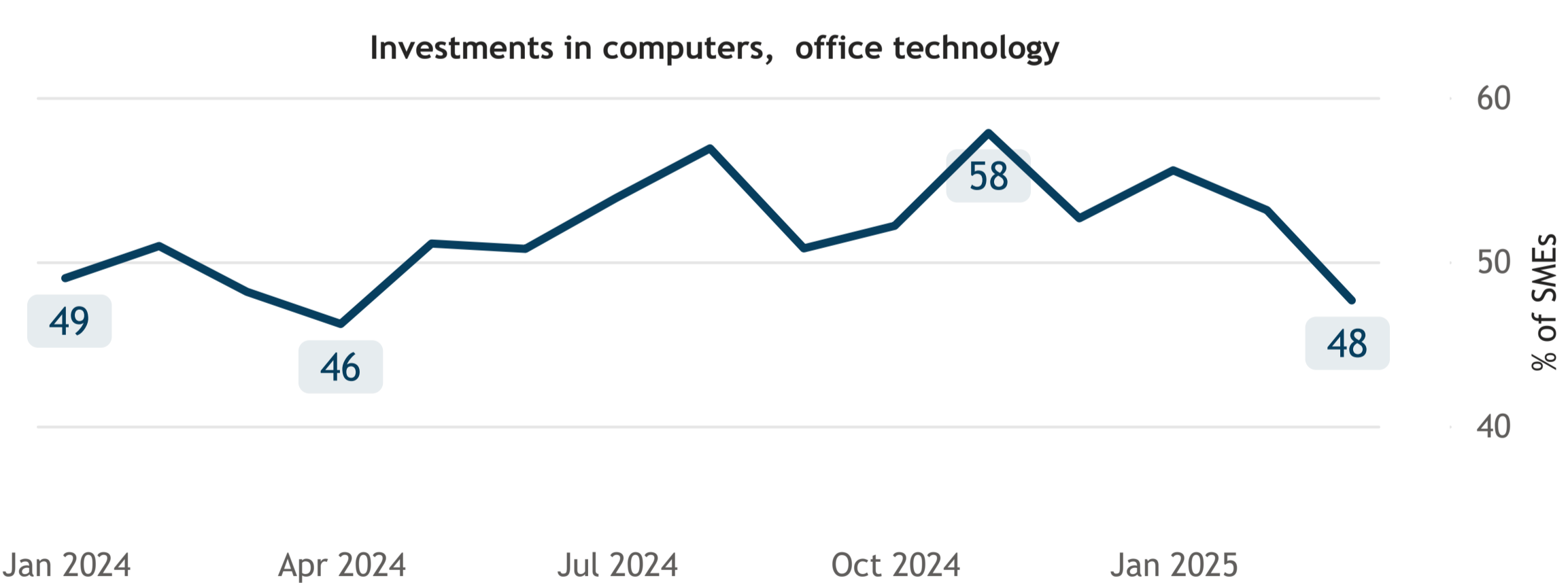
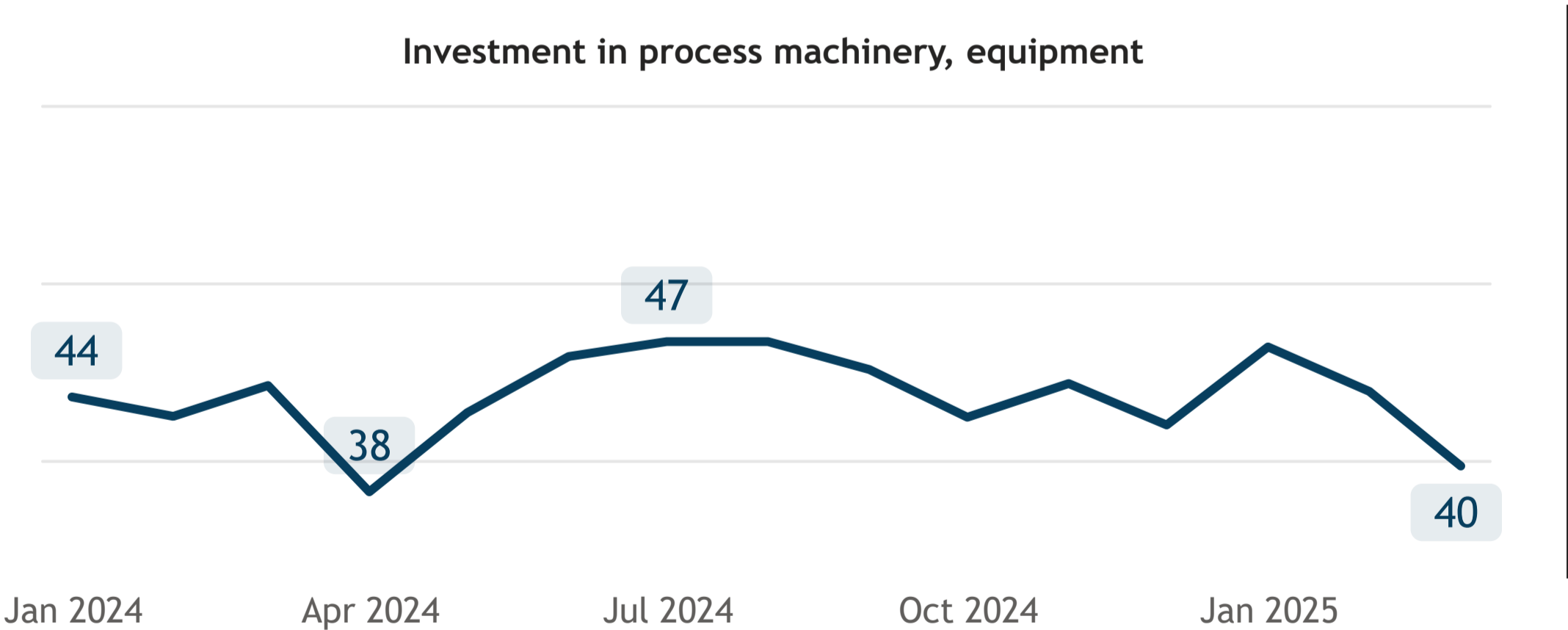
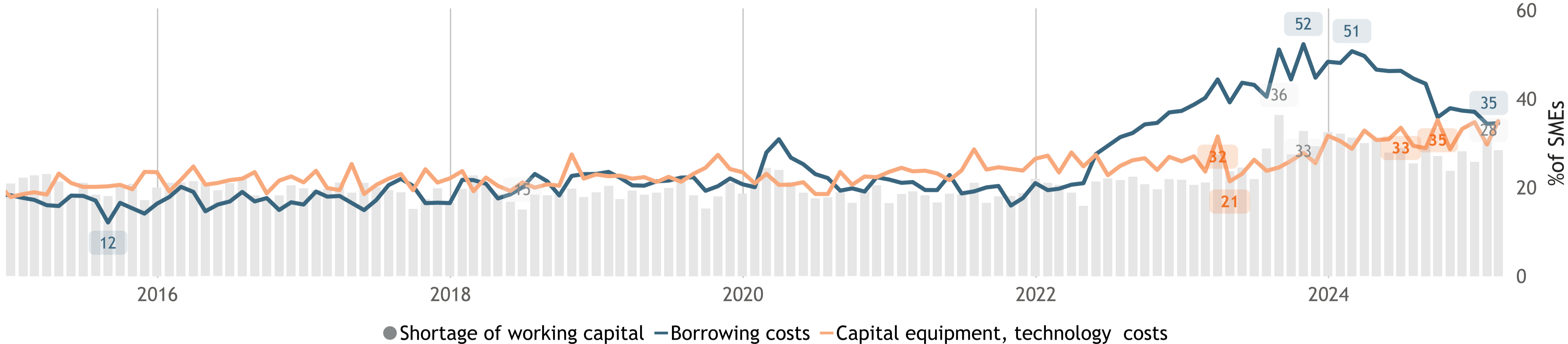
Allowing for normal seasonal influences, what are **current unfilled orders** and **unsold inventories** compared to normal?

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 - March 2025. 1065 responses received from March 5-7.

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? [% of Respondents selecting "Above Normal", "Normal"]

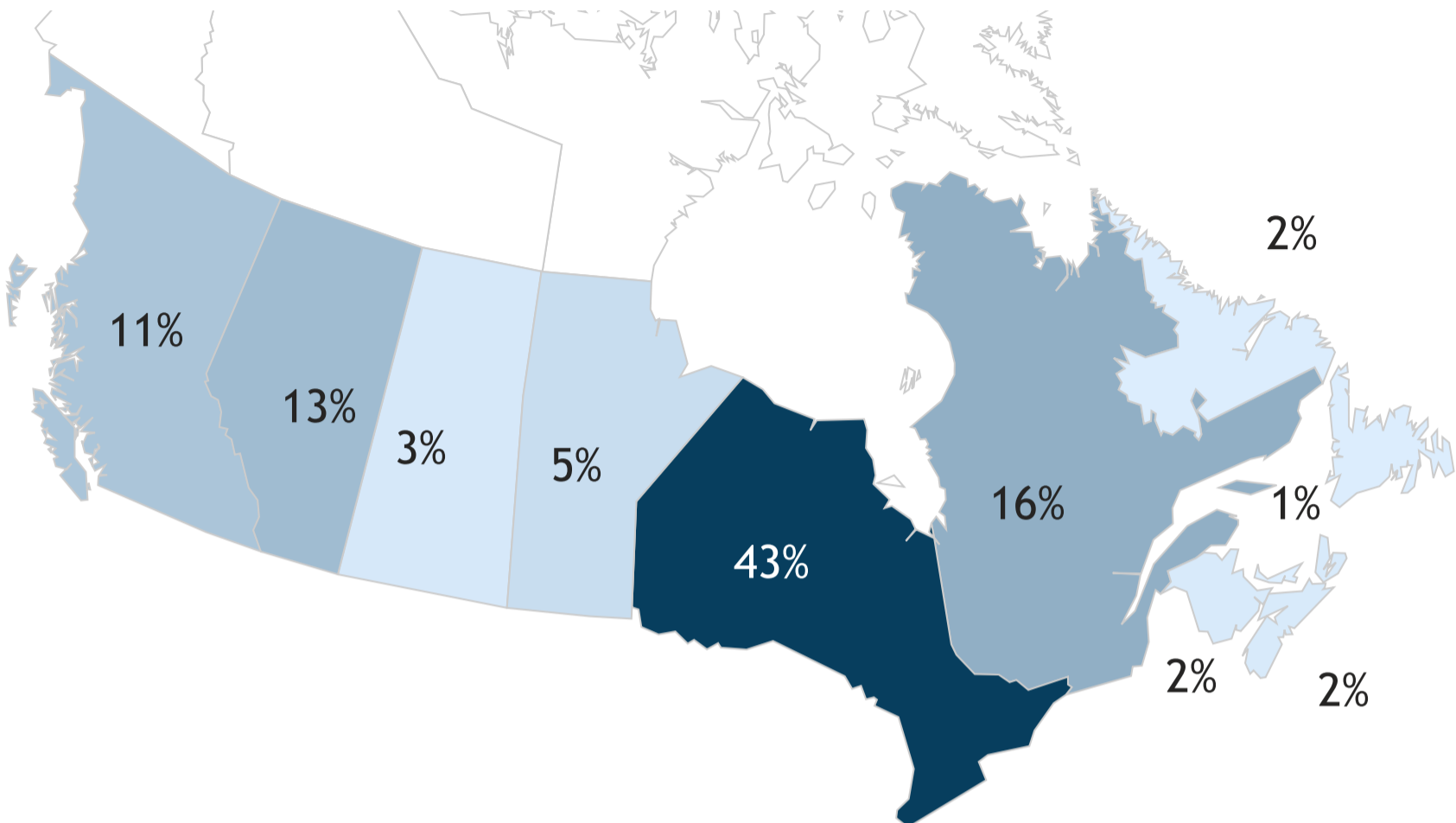
What types of input costs are currently causing difficulties for your business? [Respondents selecting "**Capital equipment, technology costs**"]

Source: CFIB, Your business outlook survey, February 2009 - March 2025. 1065 responses received from March 5-7.

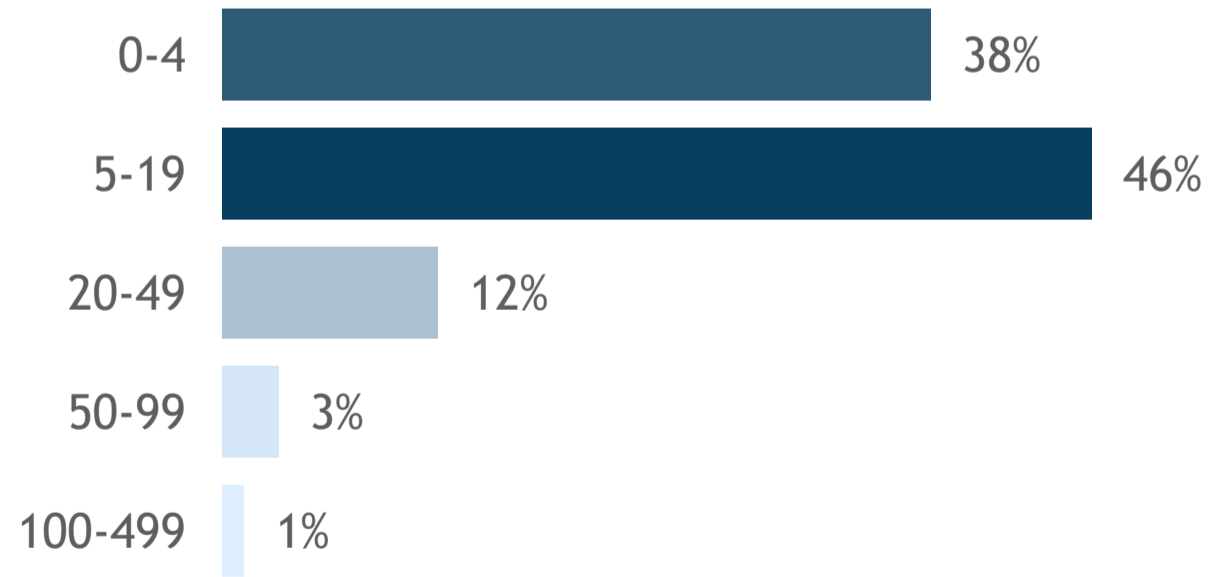


Business Barometer®: Sample distribution

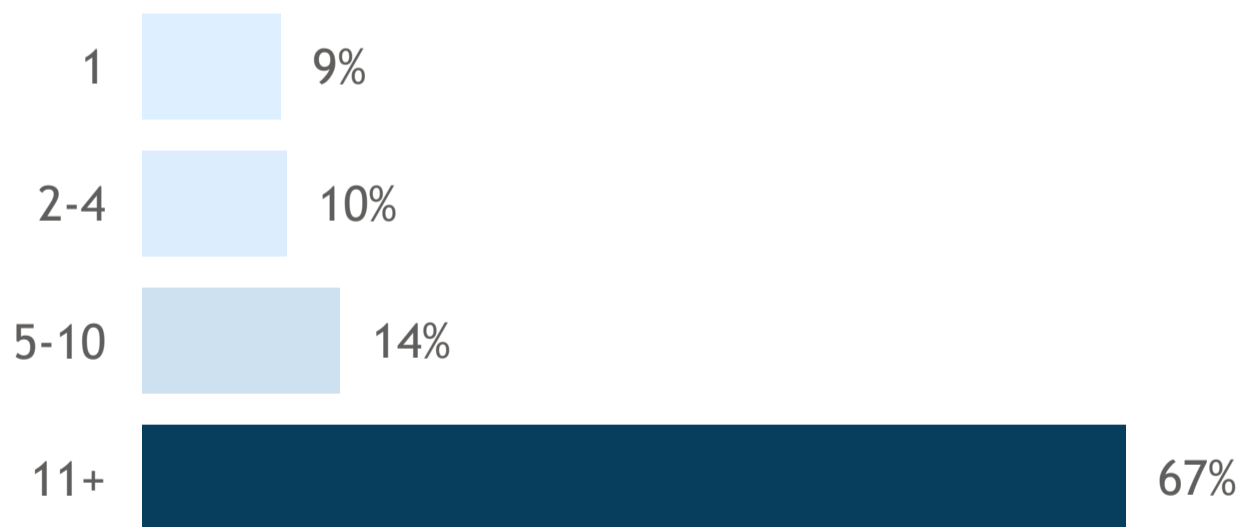
By location of the business



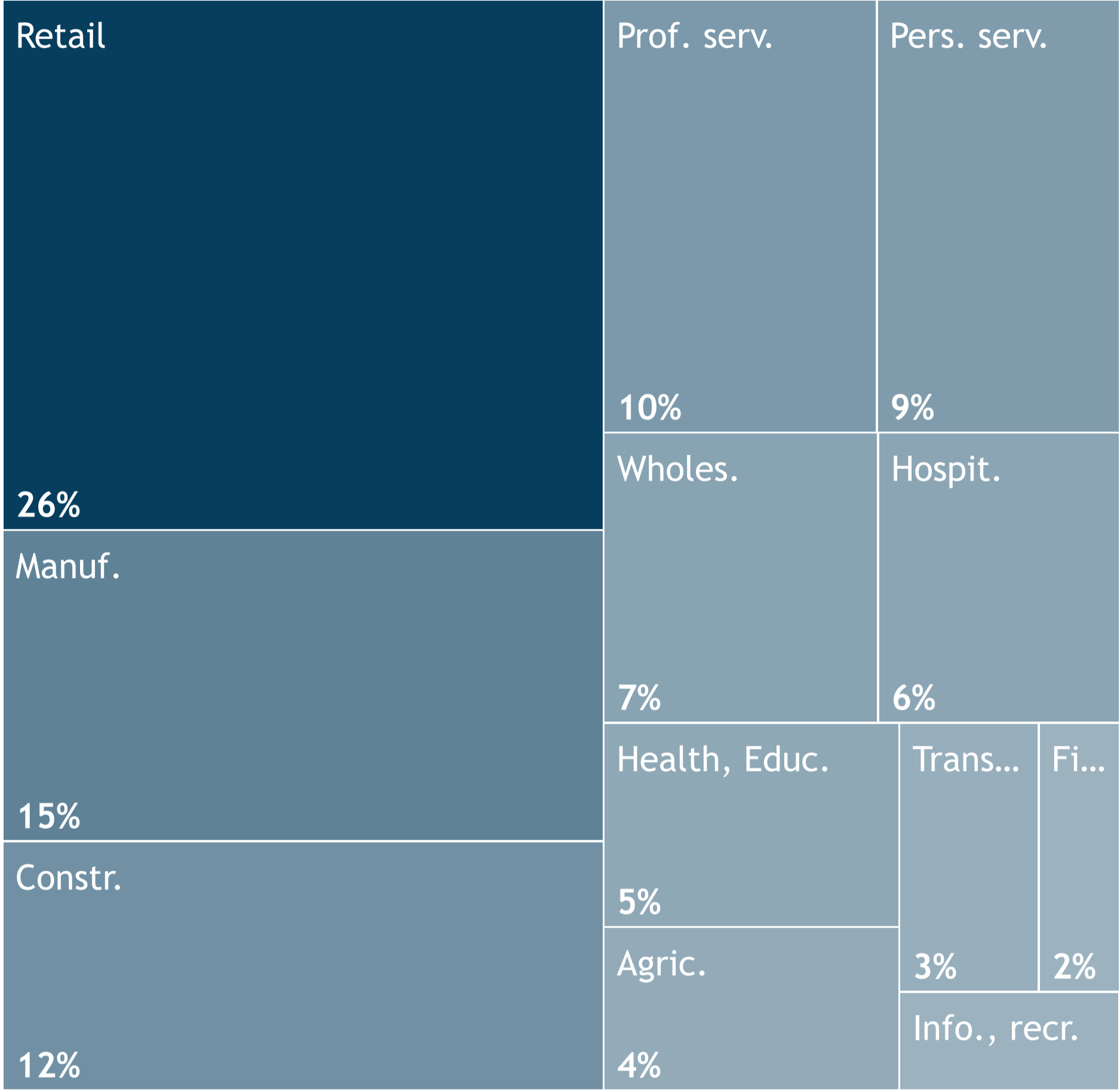
By number of employees



By years in business



By industry



Methodology

- CFIB, Your business outlook survey, February 2009 - March 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 1065 responses
- Responses were received from: March 5-7
- 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 below 50 means owners expecting their business’s performance to be weaker over the next three or 12 months outnumber those expecting stronger performance.

Questions or data requests

Simon Gaudreault

Chief Economist and Vice-President
Research

simon.gaudreault@cfib.ca



Andreea Bourgeois

Director, Economics

andreea.bourgeois@cfib.ca



Additional information

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research@cfib.ca