

# Business Barometer®

## October 2019 SME business outlook survey results

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Small business sentiment showed little change in October. CFIB’s Business Barometer® Index registered at 59.8 for the month, an increase of only half a point over September’s reading. The latest data point follows a number of months of up-and-down performance, but remains pretty much at its average for the previous six months. It suggests there have been no persistent outside forces at play pushing up or forcing down business expectations.

Provincial performance tends to be more volatile given the smaller survey sampling sizes, but sentiment in the East still tends to be higher than in the West. Prince Edward Island business owners are the most optimistic in the country, with an index of 69.4, closely followed by those in Nova Scotia, Quebec and New Brunswick—with index levels clustered between 66.5 and 66.8. At the other end of the scale are Saskatchewan business owners, who dropped that province’s index 3 points to the 50 mark. We found below-average sentiment persisting in British Columbia (52.8), Alberta (53.6) and Newfoundland & Labrador (55.8). Ontario and Manitoba occupy the middle ground, with only modestly optimistic index levels of 60.0 and 63.5.

The industry picture is also highly variable month to month, but the agriculture, transportation, retail and hospitality sectors are underperforming their long-run trends relative to the index as a whole. The brighter spots include manufacturing as well as the information, financial, professional and health care sectors.

Apart from short-term employment plans, which tend to be moderate at this time of year, other business indicators look stable. Forty-three per cent of owners say their businesses are in good shape as do nearly 80 per cent in describing accounts receivables and order books—both near the top of historical averages.

Figure 1: **Business Barometer Index and GDP**

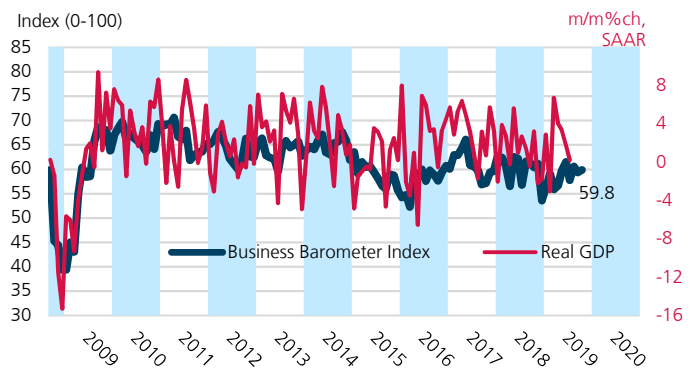


Figure 2: **Index by province\***

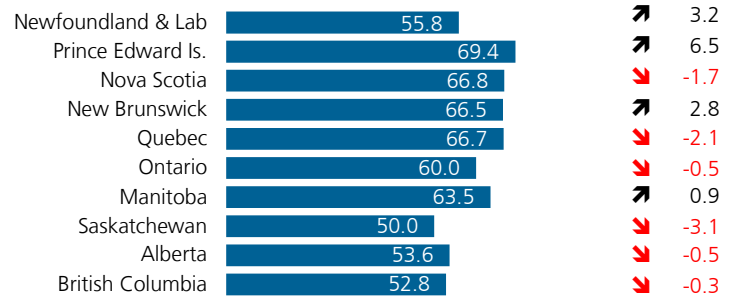
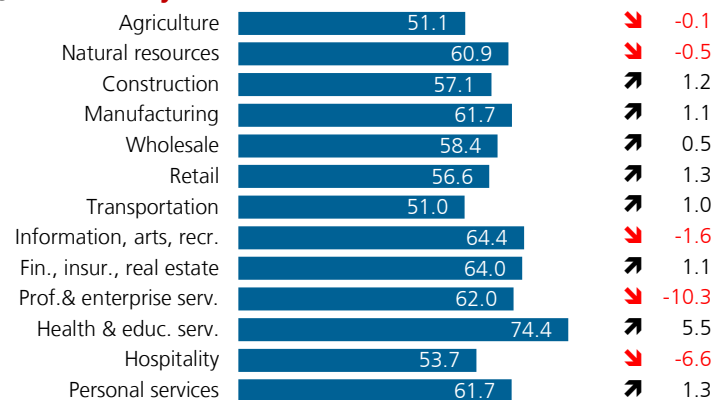


Figure 3: **Index by sector\***



\* Provincial and sector sub-indexes, with the exception of Ontario and Retail are calculated as 2-,3- or 4-month moving averages.

Figure 4: Full-time staffing plans, next 3 months

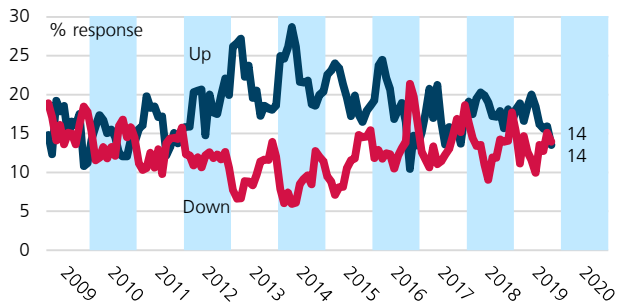


Figure 5: General state of business health

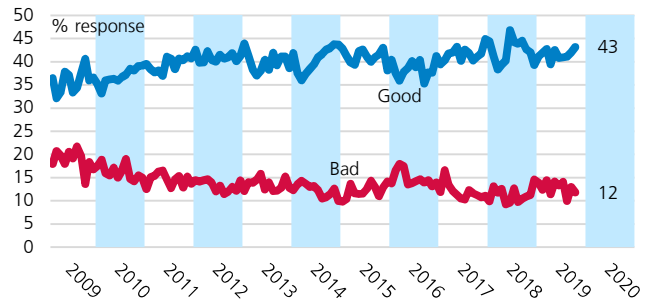


Figure 6: Future pricing and wage plans

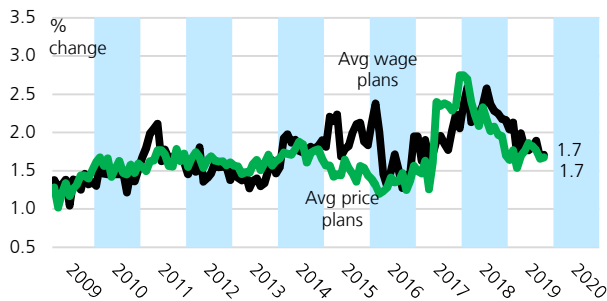


Figure 7: Business indicators 'normal' or 'better than normal'

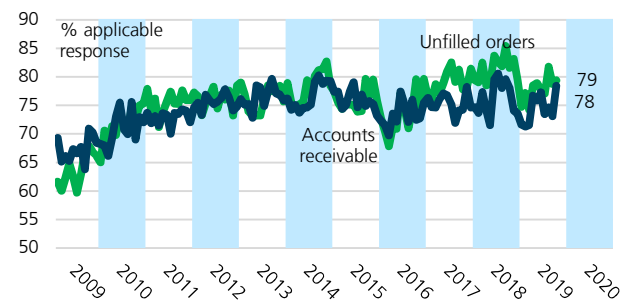


Figure 8: Limitations on sales or production growth



Figure 9: 3-month capital spending plans

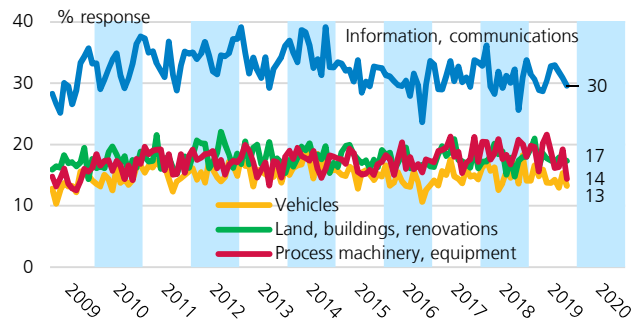


Figure 10: Trends: limitations on growth

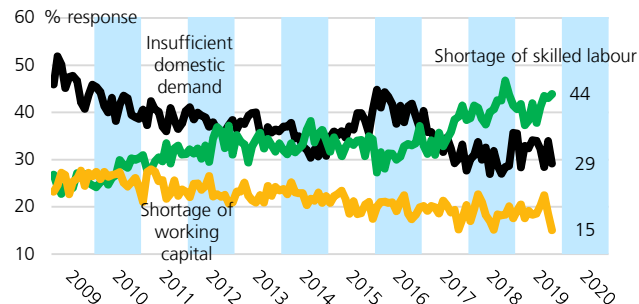
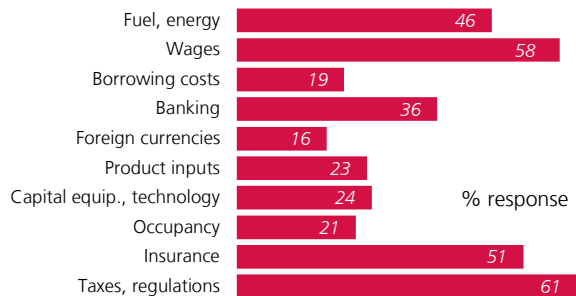


Figure 11: Major cost constraints



October 2019 findings are based on 764 responses, collected from a stratified random sample of CFIB members, to a controlled-access web survey. Data reflect responses received from October 1st to the 21st. Findings are statistically accurate to +/- 3.5 per cent 19 times in 20.

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