

Monthly Business Barometer®

August 2026

12-month Small Business Confidence Index

57.6

Monthly change

↓ -0.9

3-month Small Business Confidence Index

52.4

Monthly change

↓ -5.2



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, remained almost unchanged at 57.6. The short-term optimism index, based on a 3-month outlook, dropped about 5 points to 52.4, signaling a deterioration.

Provincial overview

Provincial trends—calculated as three month moving averages—are now above the 50-point mark. Short-term confidence, also shown as three-month moving averages, showed mixed signals. Manitoba, Newfoundland and Labrador, Prince Edward Island, and Alberta recorded monthly declines; however, all provinces remained above the 50-point threshold except Ontario.

Sectoral overview

Long-term confidence—calculated as three month moving averages—also recorded long-term index levels above the 50-point mark, except for agriculture (39.1). Short-term confidence presented a more mixed picture. Manufacturing, construction, transportation and utilities, and information, arts and recreation all recorded declines in their short-term indexes.

Inflation indicators

The average price increase edged down to 2.7% in August, a slight decrease of 0.2 percentage points, while the average wage increase rose slightly to 2.5%.

State of business health

The balance of opinion on the current state of business health remained virtually unchanged for a third consecutive month, standing at 19.

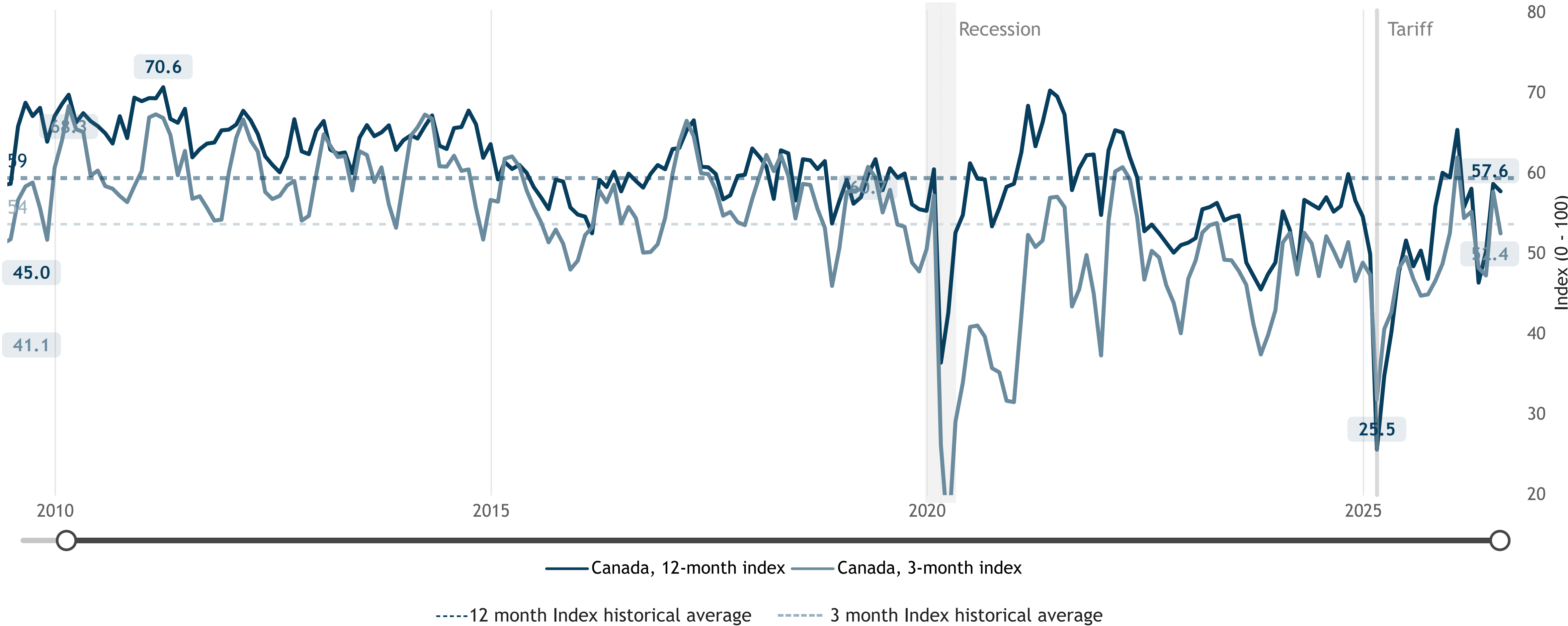
Other indicators

Full-time staffing plans are weak, with a higher share of employers planning to lay off staff (15%) than to hire (13%).

Insufficient demand remains the top constraints to business and production expansion, cited by 48% of SMEs, and has continued its downward trend for a third consecutive month.

Fuel costs ranked third and have continued their downward trend since peaking in April 2026. Product input and raw material costs also remained significant constraints, with 42% of SMEs reporting each as a major constraint. This is approximately 13 percentage points above the historical average for these indicators.

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**?

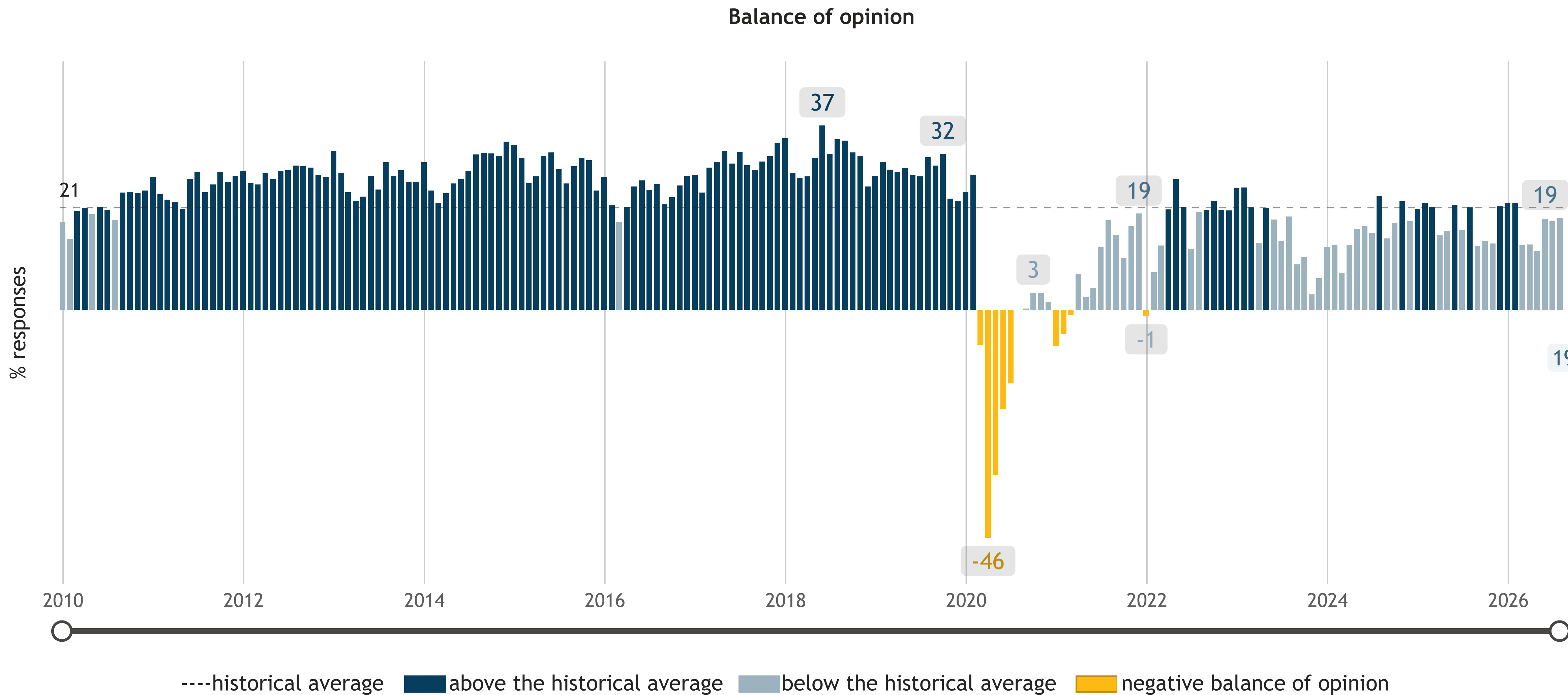
Sources : CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.

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

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

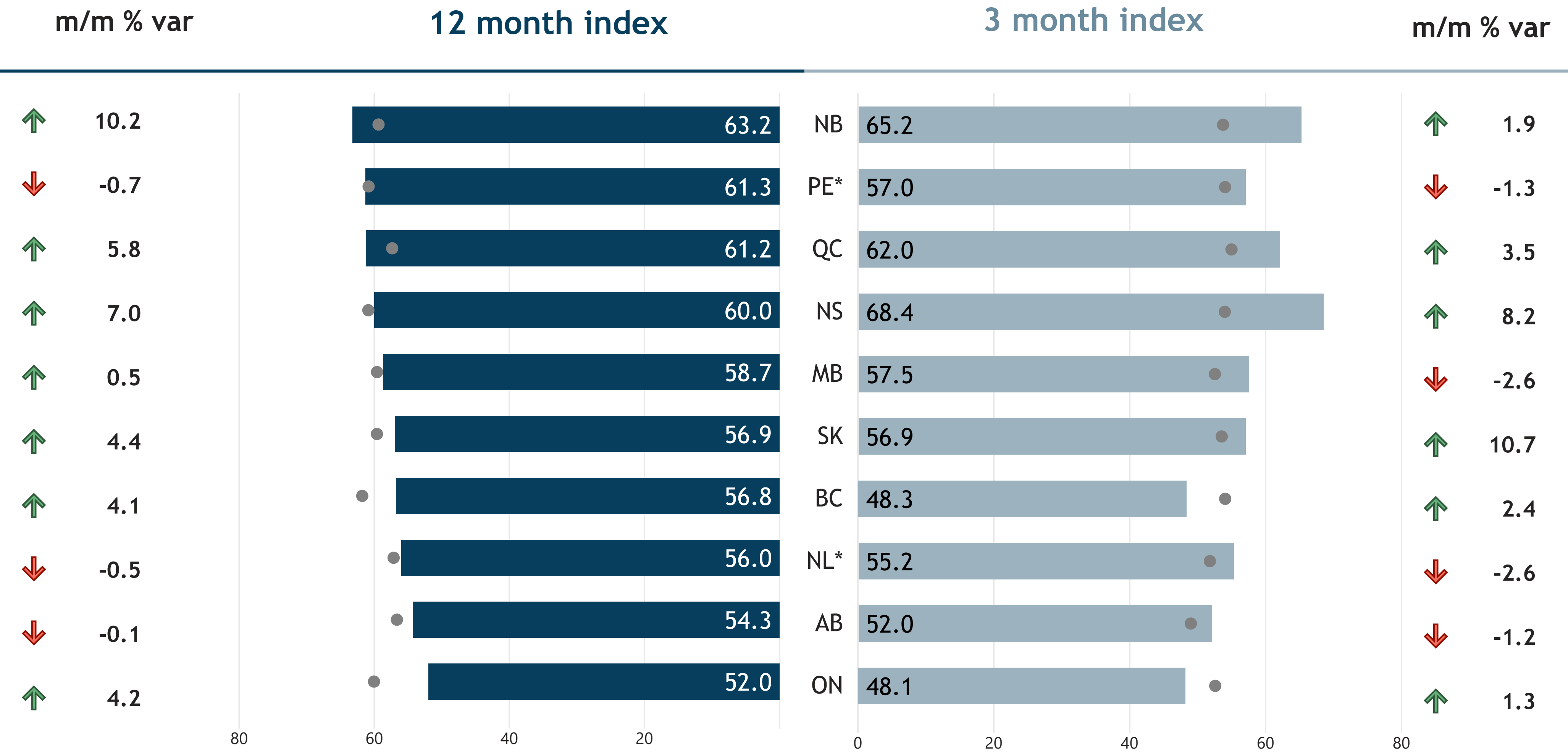


Business Barometer®: General state of business health



Survey question: Currently, what is the general business situation of your company?
Source: CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.
Note: Balance of opinion = [Share of respondents answering **Good**]- [Share of respondents answering **Bad**].

Business Barometer®: Small business confidence index, provinces



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

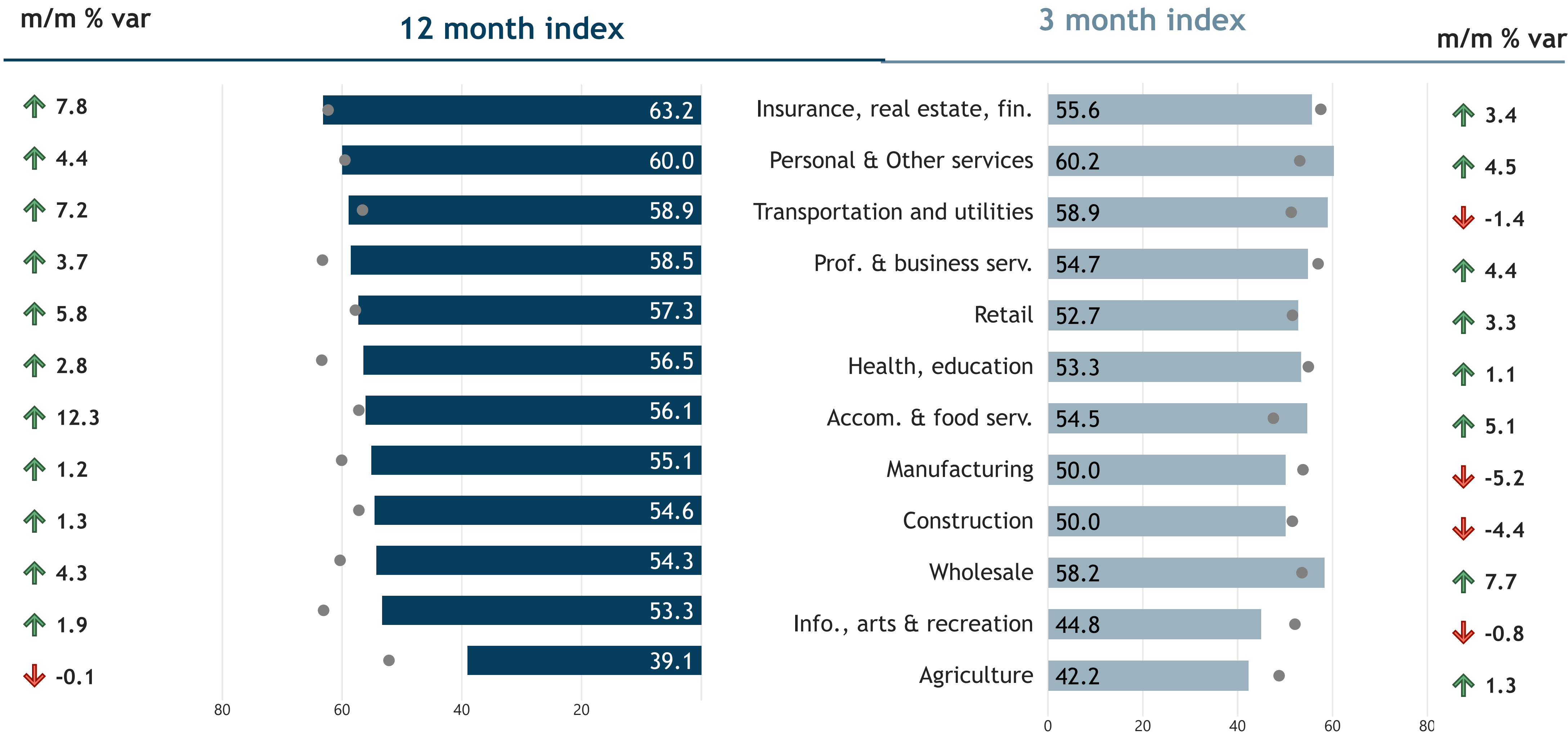
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.

Note: ● Historical averages. Data presented by 3-month moving average. *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**?

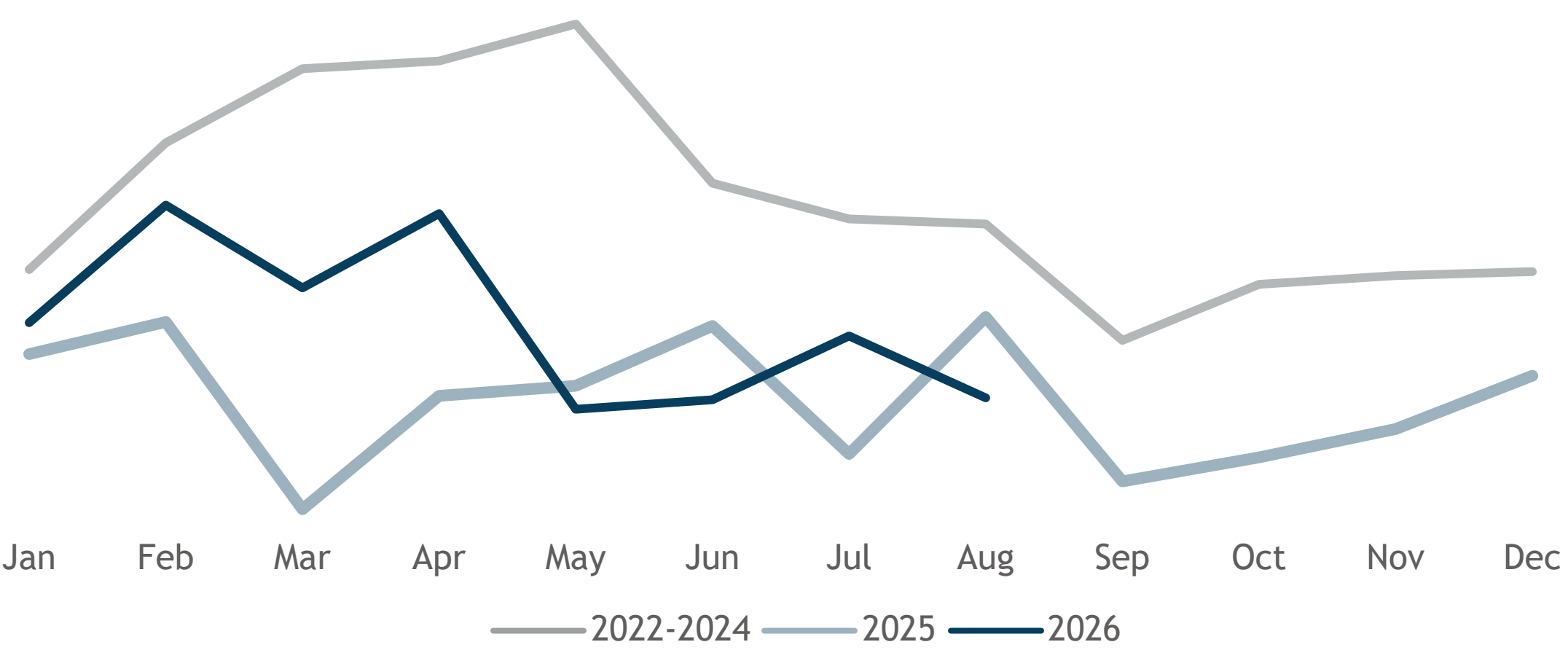
Source: CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.

Notes: ● Historical averages. Data is presented as 3-month moving average. Natural resources is not included.

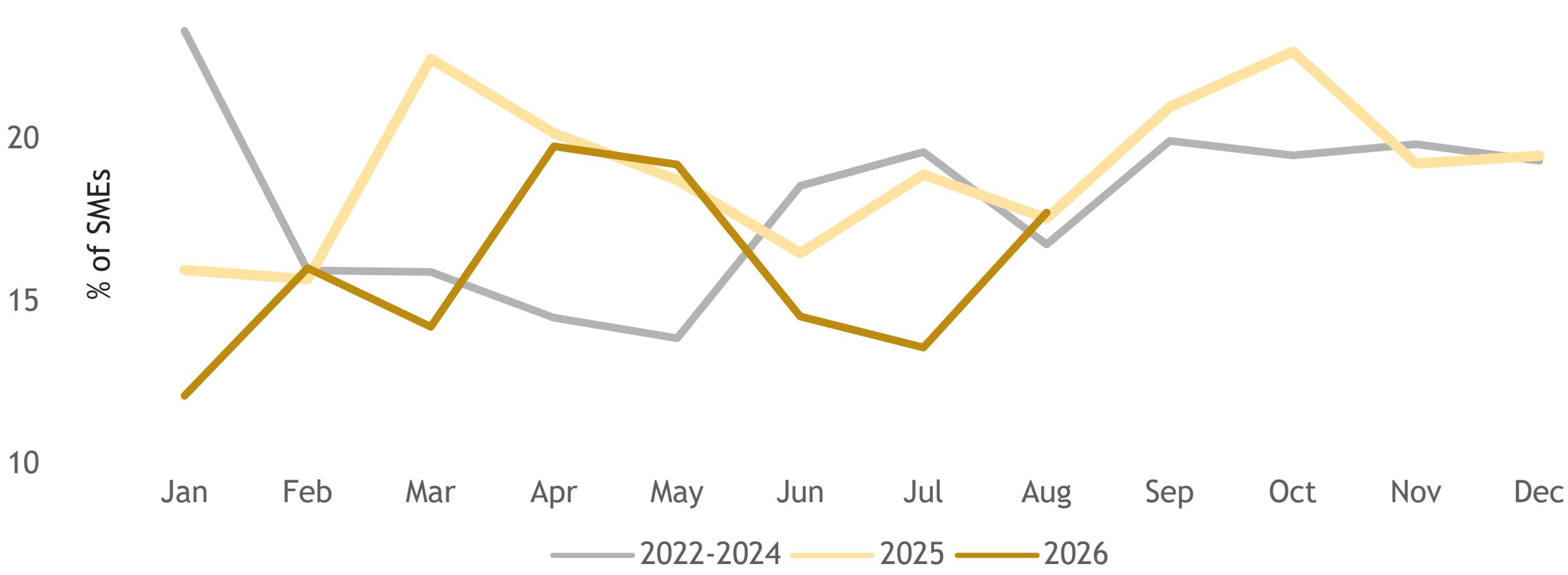
Index > 50 = more businesses expecting stronger performance than weaker performance

Business Barometer®: Full-time staffing plans, short term

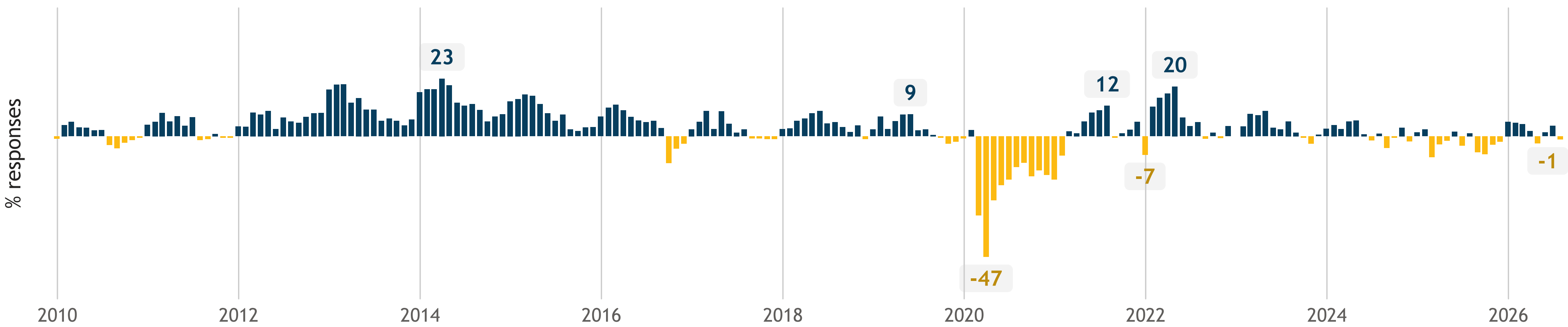
Adding staff



Reducing staff



Net staffing intentions, full time



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 - August 2026. 278 responses received from August 4-12.
Note: Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]



Business Barometer®: Future price and wage increase plans



Survey questions:

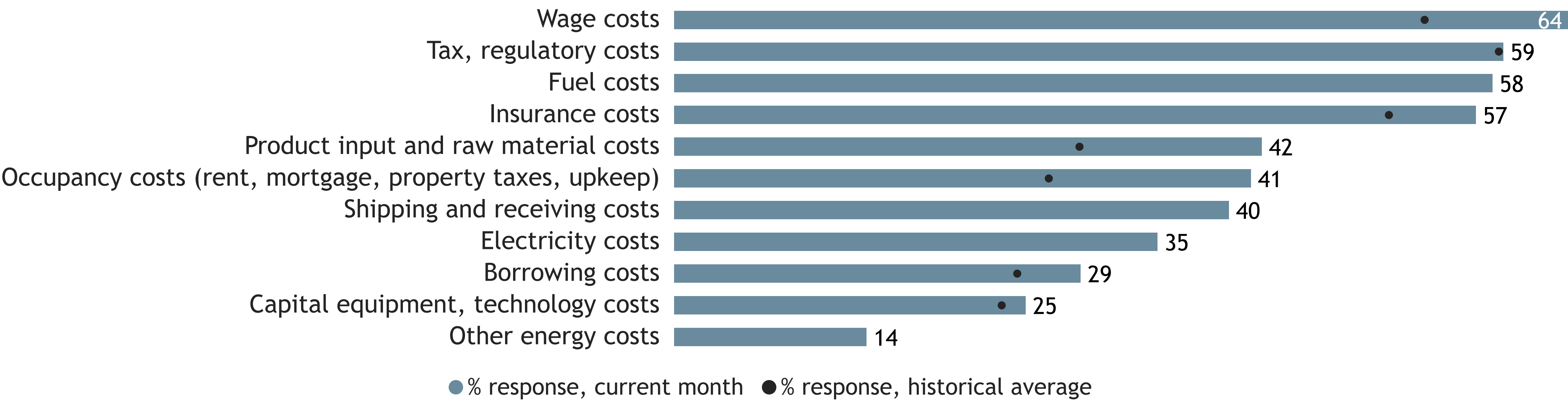
In the next year, how much do you expect **average prices** to change?

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

Source: CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.

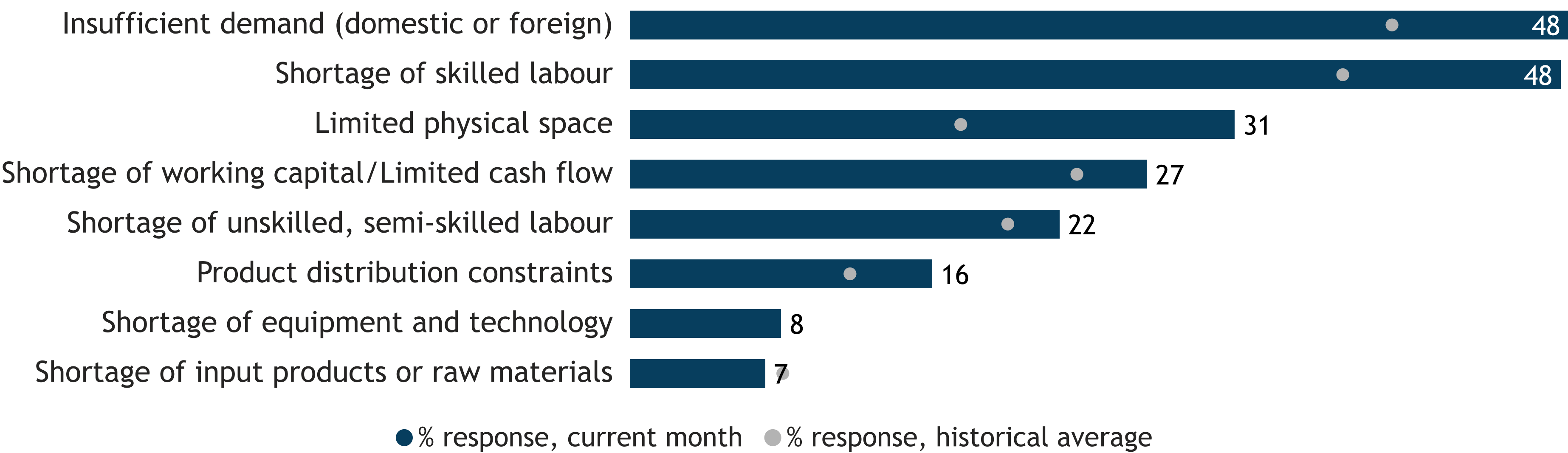


Business Barometer®: Major input cost constraints - current levels and trend



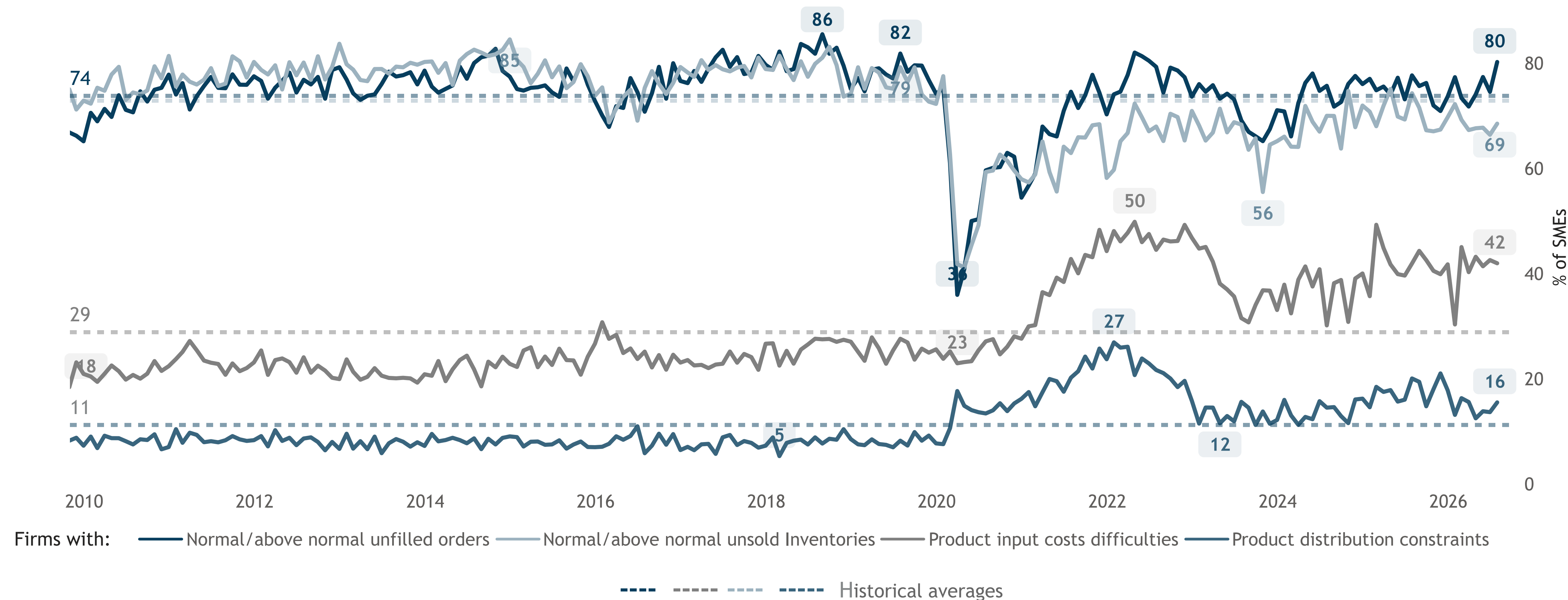
Survey question: What types of input costs are currently causing difficulties for your business?
Source: CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.
Note: Since February 2026, the question includes a new data point on shipping and receiving costs.

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 - August 2026. 278 responses received from August 4-12.
Note: Since February 2026, the question includes a new data point on shortages of equipment and technology.

Business Barometer®: Supply chain indicators



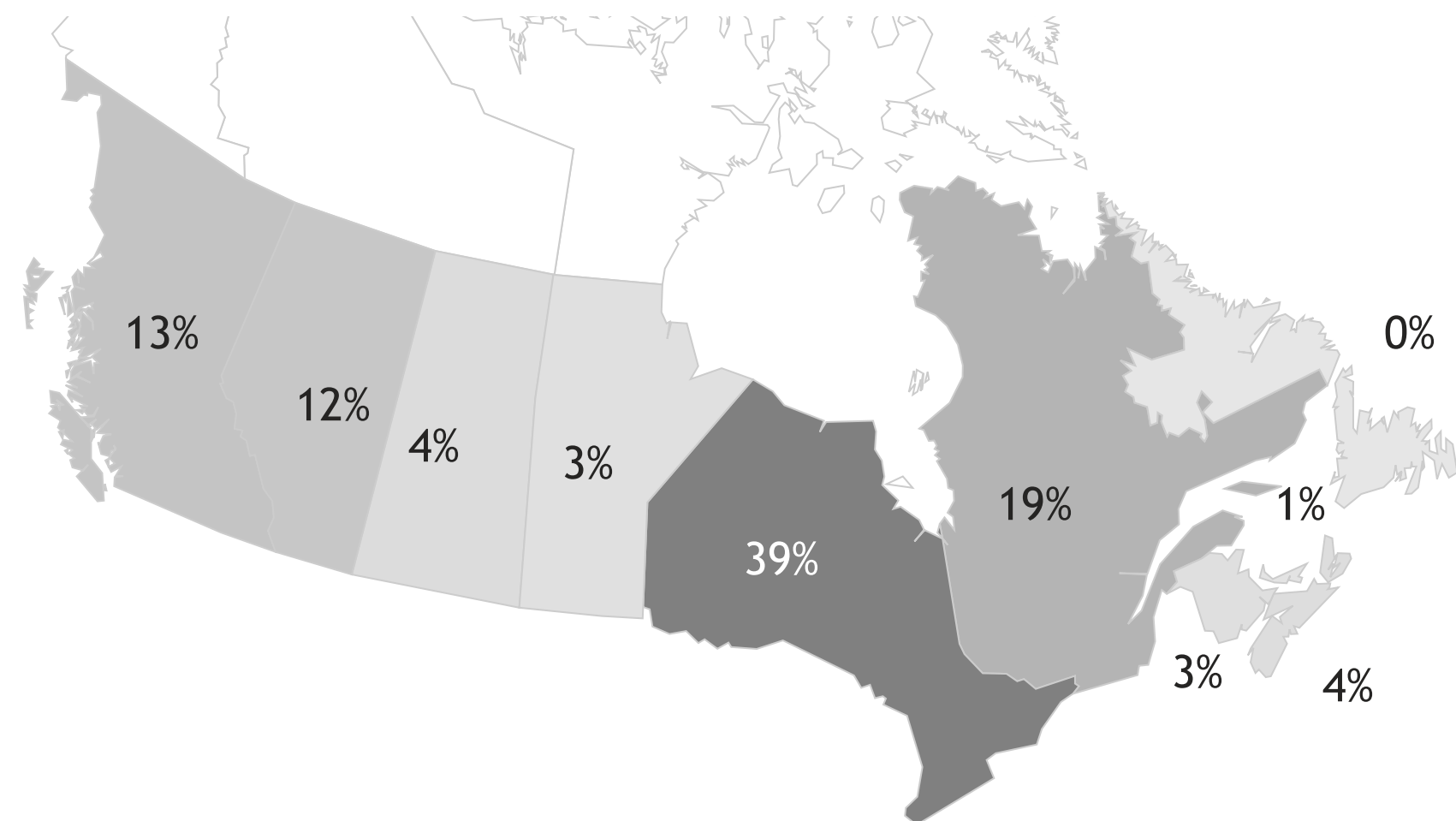
Survey questions:

- 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"]

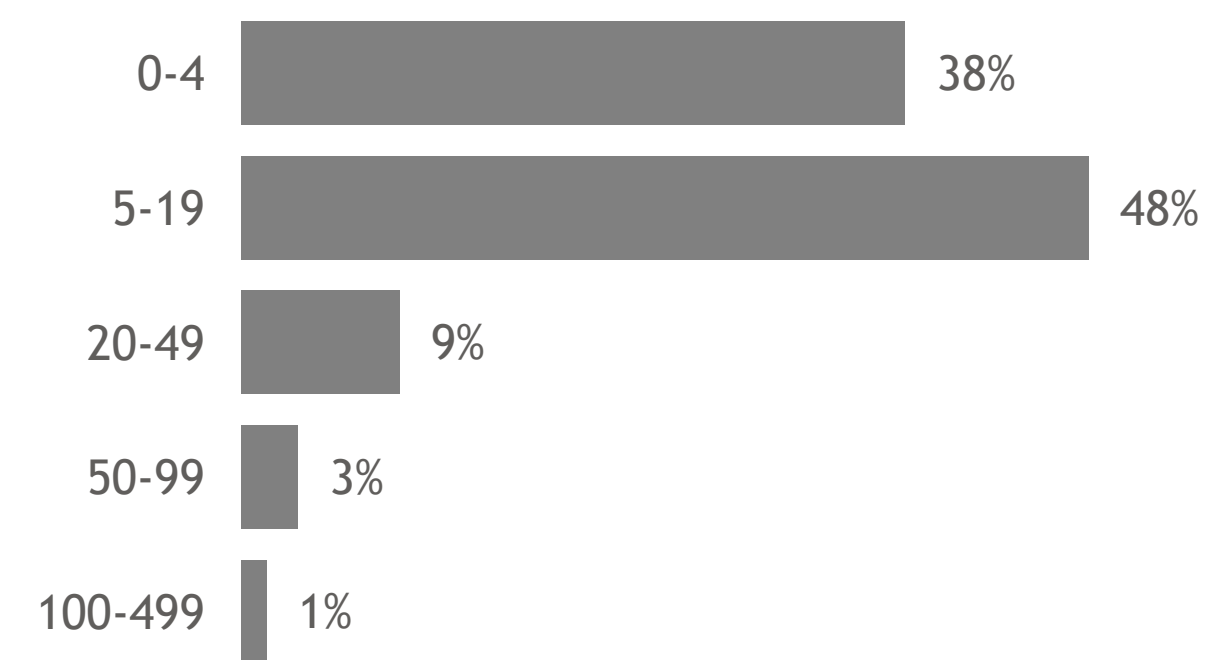
Source: CFIB, Your business outlook survey, February 2009 - August 2026. 278 responses received from August 4-12.

Business Barometer®: Sample distribution

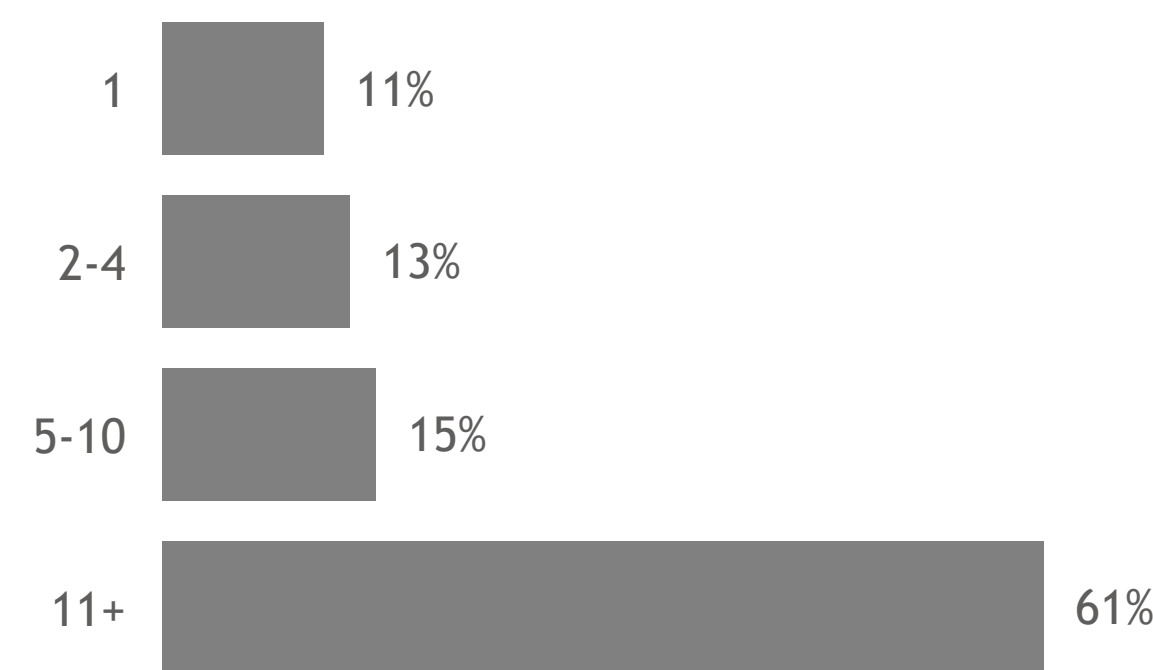
By location of the business



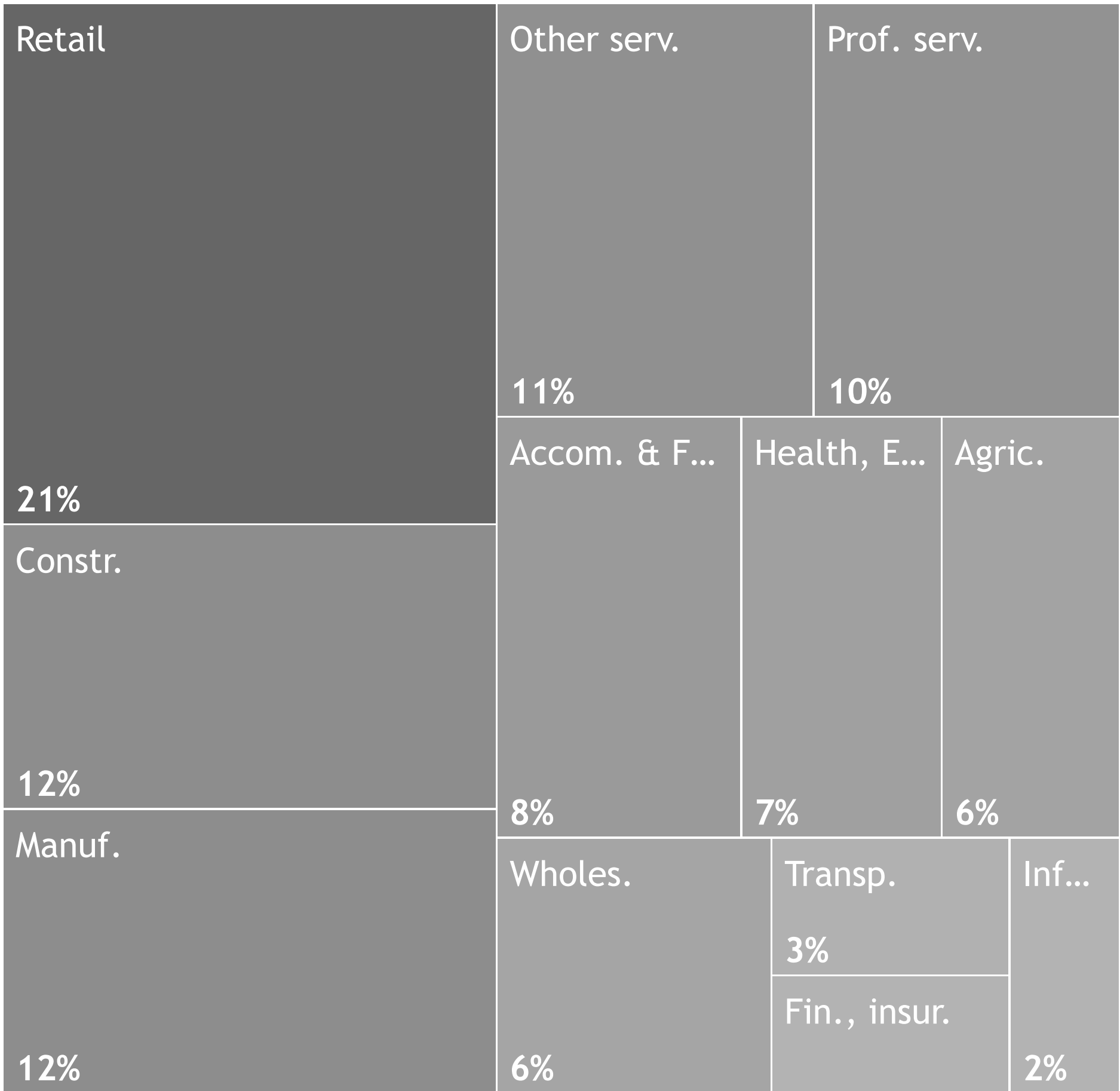
By number of employees



By years in business



By industry



Methodology

- CFIB, Your business outlook survey, August 2026
- Stratified random sample of CFIB members to a controlled-access web survey: 278 responses
- Responses were received from: August 4-12.
- The survey is considered accurate to within +/- 5.9 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. Accordingly, July's results were recalculated to include 22 additional responses beyond the 520 originally used.
- 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.
- Since February 2026, the survey includes two new data points on shipping and receiving costs; and on shortages of equipment and technology. Provincial and sectoral details are not available yet.

Questions or data requests

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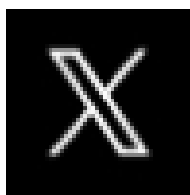


Additional information

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