



In business  
for your business.

# Monthly Business Barometer®

July 2026



## 12-month Small Business Confidence Index

58.3

Monthly change

↑ 8.2

## 3-month Small Business Confidence Index

57.0

Monthly change

↑ 9.8

July 2026

## 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, improved in the first half of July to 58.3, about 8 points above June's reading. The short-term optimism index, based on a 3-month outlook, also increased to 57.0, a healthy jump since June. The survey was conducted from July 7 to 13, just before the latest U.S. tariffs were announced.

### Provincial overview

Provincial trends showed some timid signs of improvement. New Brunswick, British Columbia and Quebec saw clear increases in optimism, while Ontario marked a better reading than in June but still far below the other provinces.

### Sectoral overview

Long term confidence, calculated as a three month moving average, improved across almost all sectors but remained below potential. With the exception of agriculture and accommodation and food services, all sectors were above the 50 mark, a positive sign. Short term confidence was below long term confidence in most sectors, indicating that uncertainty continues to weigh heavily on many industries.

### Manufacturing overview

Long-term optimism among manufacturing firms improved in July (53.7) but continued to lag far behind its potential (60.1). The sector's confidence hasn't really recovered since 2023 and has been hit harder by tariffs than by either the 2008-09 recession or the pandemic. About two-thirds of manufacturers (63%) reported shipping and receiving costs as a major constraint on business, which was more than double the 29% recorded in February 2026. Input product costs were squeezing 77% of manufacturers, almost twice the usual share for this sector.

### Inflation indicators

The average price increase dropped to 2.7% in July, while the average wage increase remained unchanged at 2.3%.

### State of business health

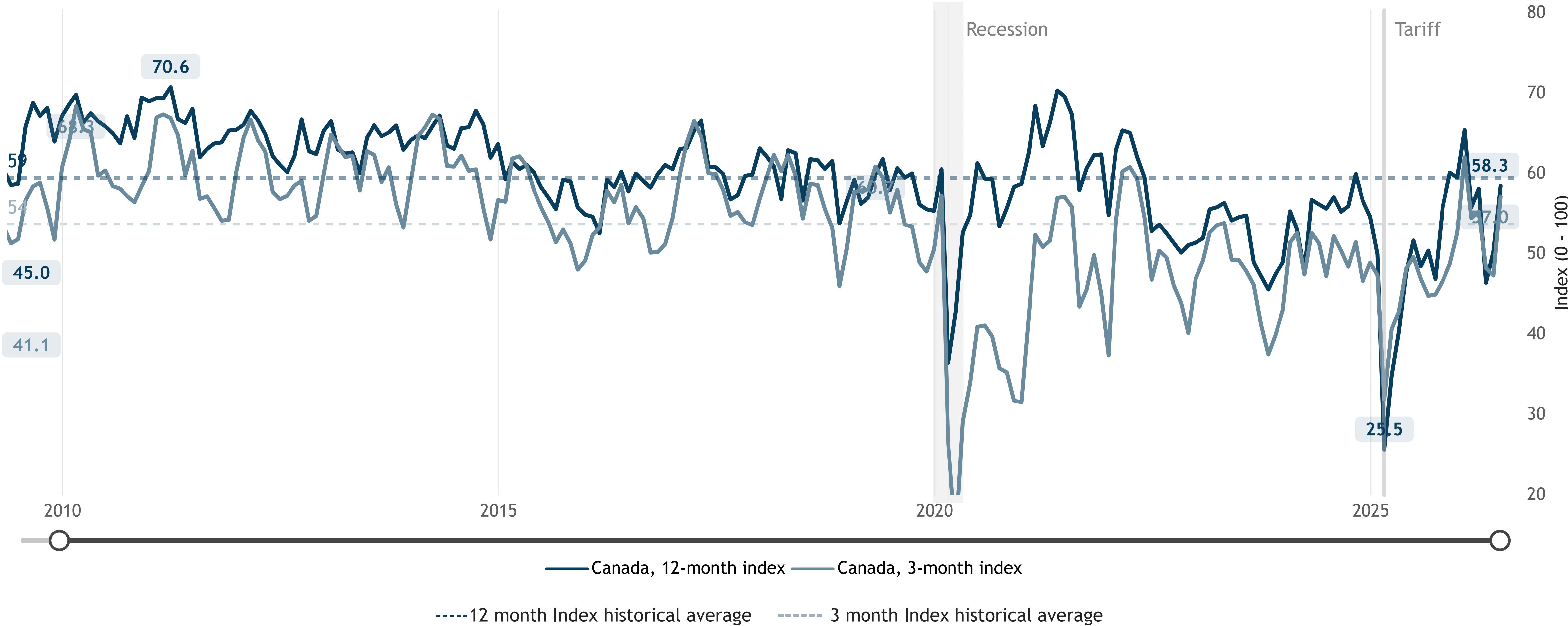
Similar to June, the balance of opinion on the state of business health was better than in early Spring but still below the historical average of 21.

### Other indicators

Full-time staffing plans showed also a timid improvement, with a slightly higher share of employers who were planning to hire (15%) than to lay off (11%). The current year to date has been better than the same time period last year, but still very modest by historical standards.

Insufficient demand remained the top constraint to business and production expansion, reported by 50% of business owners, but trending timidly downwards. Cost related pressures were just as high in early July though, led still by fuel costs (60%), tax and regulatory expenses costs (60%), and insurance costs (60%). Despite a continued decrease since April 2026, fuel costs remained high amid ongoing geopolitical tensions. Product input and raw material costs, as well as capital and technology costs, remained a significant constraint, with 42% and 38% of SMEs respectively reporting them as major constraints, similarly to June's levels.

# 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?

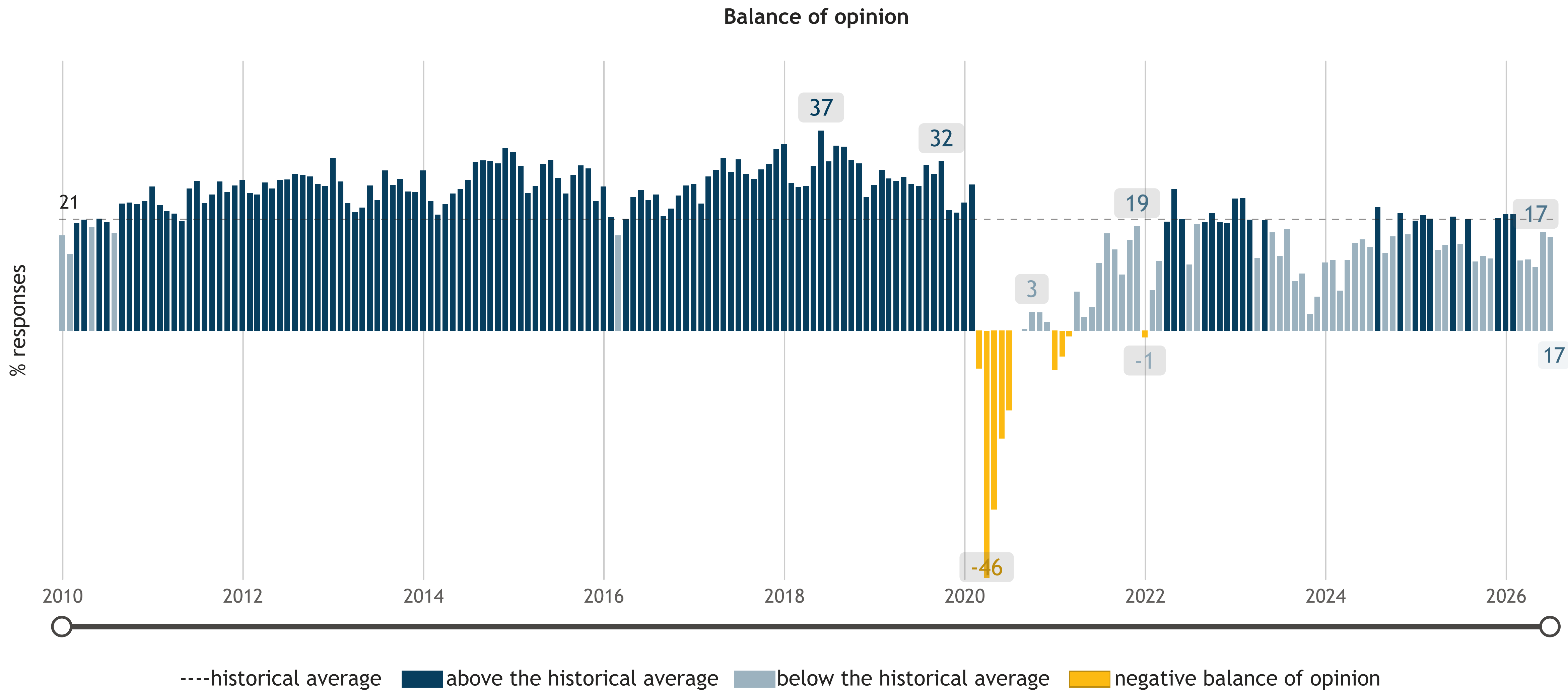
Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Sources : CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.

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 - July 2026. 520 responses received from July 7-13.  
**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?

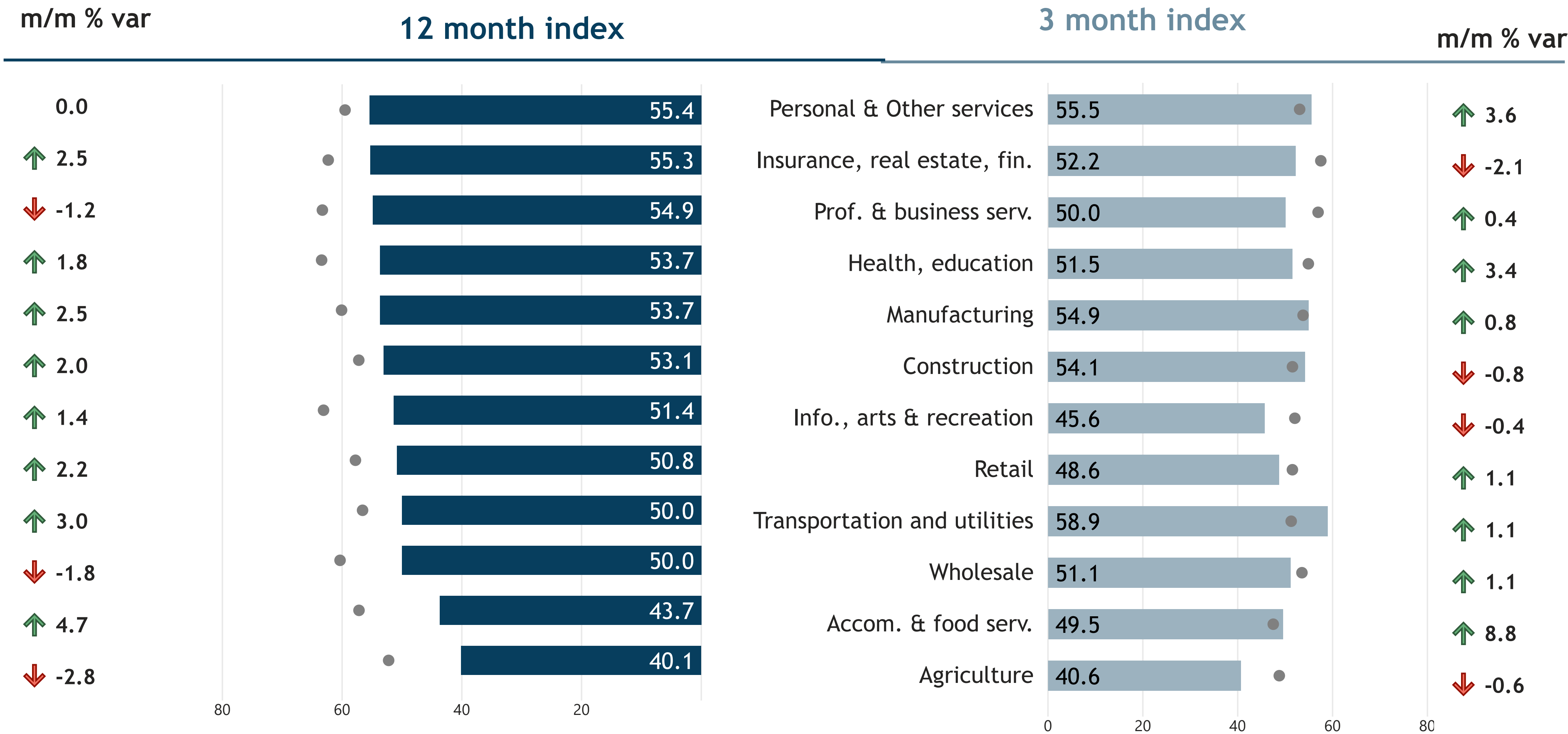
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.

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**?

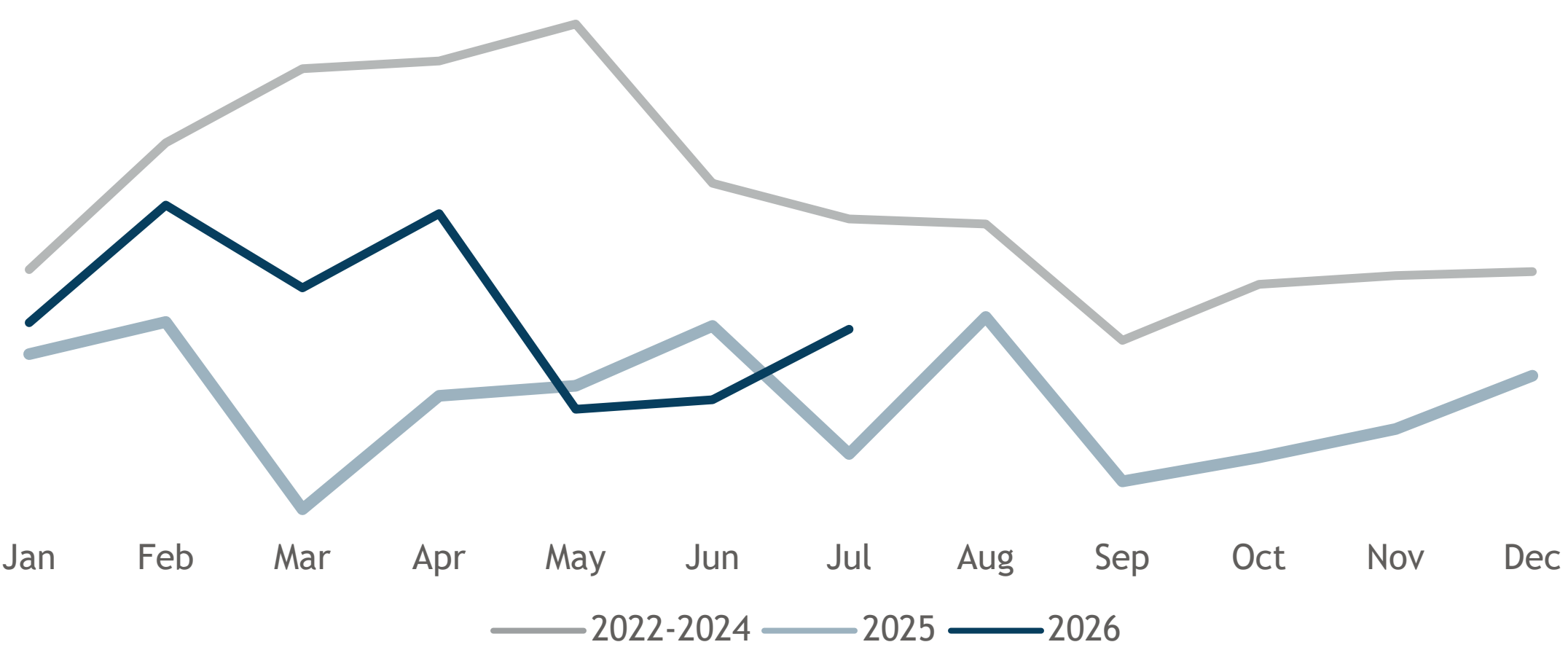
Source: CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.

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

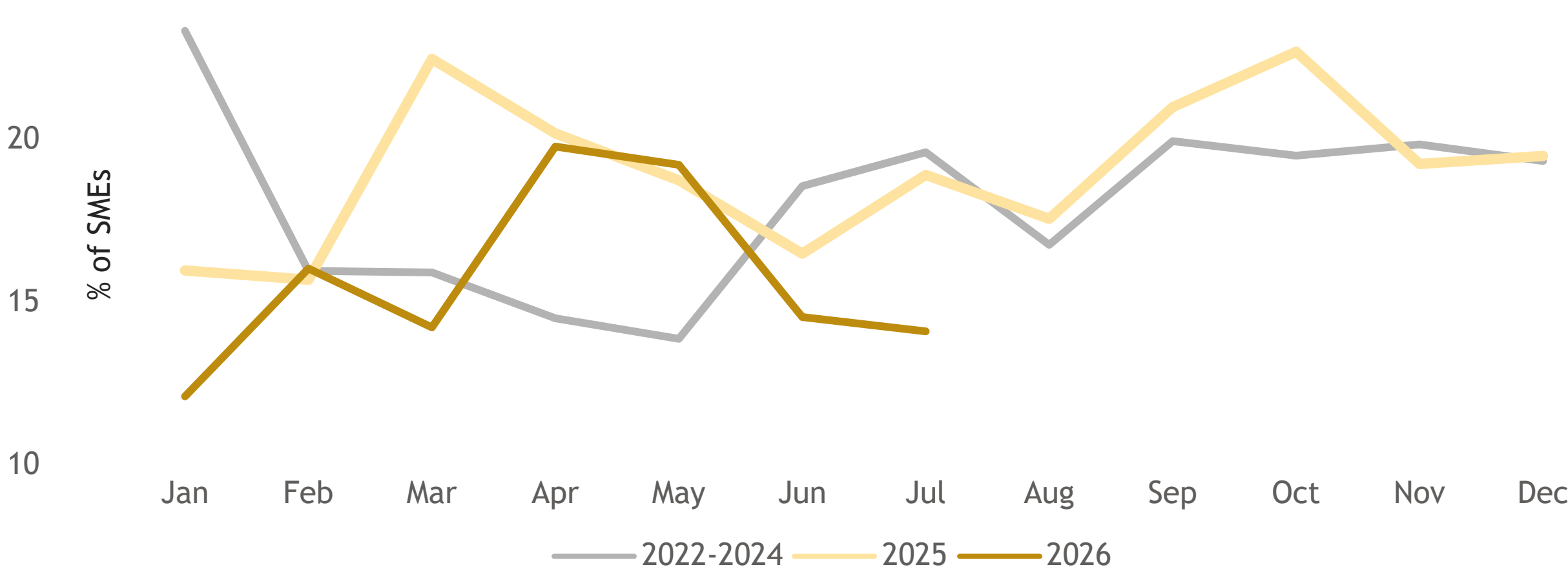
Index > 50 = more businesses expecting stronger performance than weaker performance

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

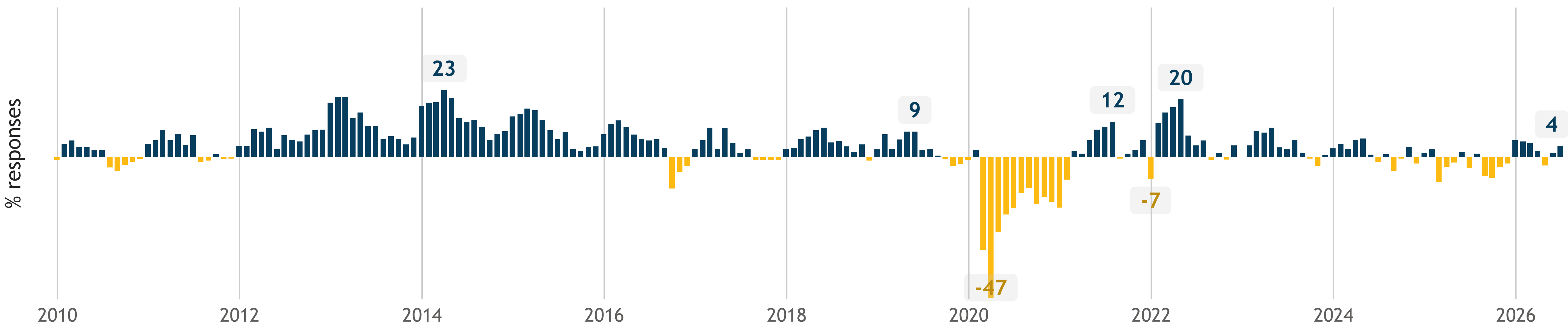
Adding staff



Reducing staff



Net staffing intentions, full time

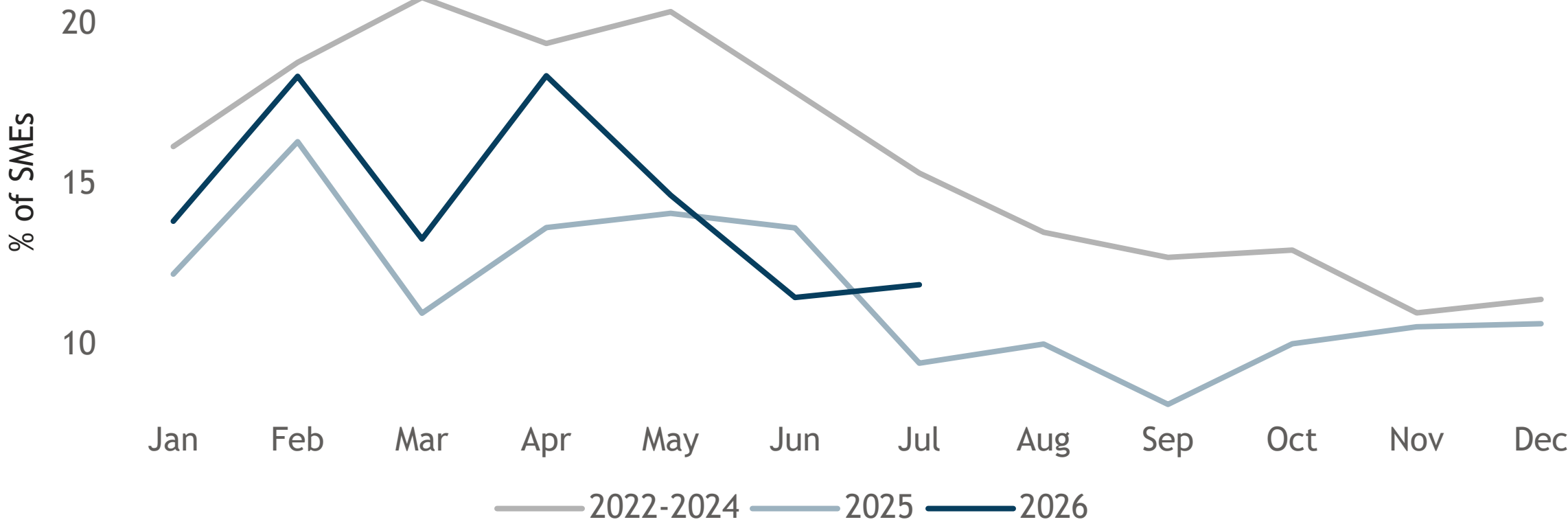


Survey question: How are your expected employment levels to change in the next 3 or 4 months? ( Up, Same, Down)  
Source: CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.  
Note: Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]

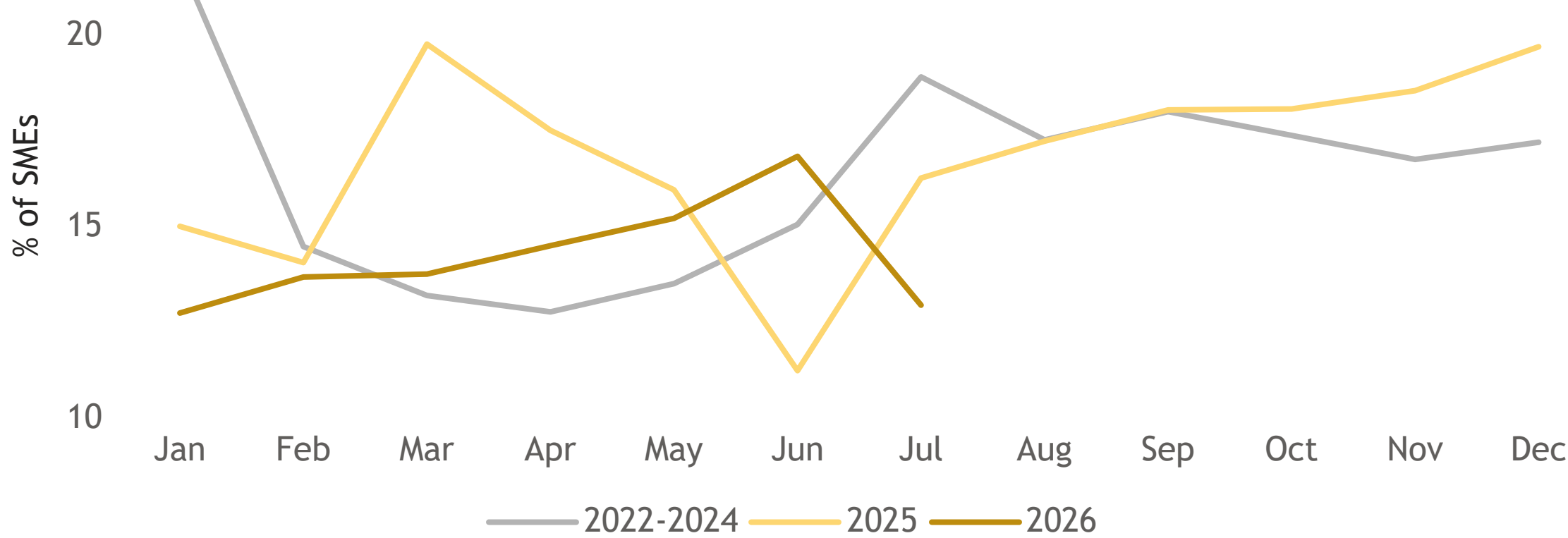


Business Barometer®: Part-time staffing plans, short term

Adding staff, part time



Reducing staff, part time



Net staffing intentions, part 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 - July 2026. 520 responses received from July 7-13.  
**Note:** Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]

# Business Barometer®: Future price and wage increase plans



**Survey questions:**

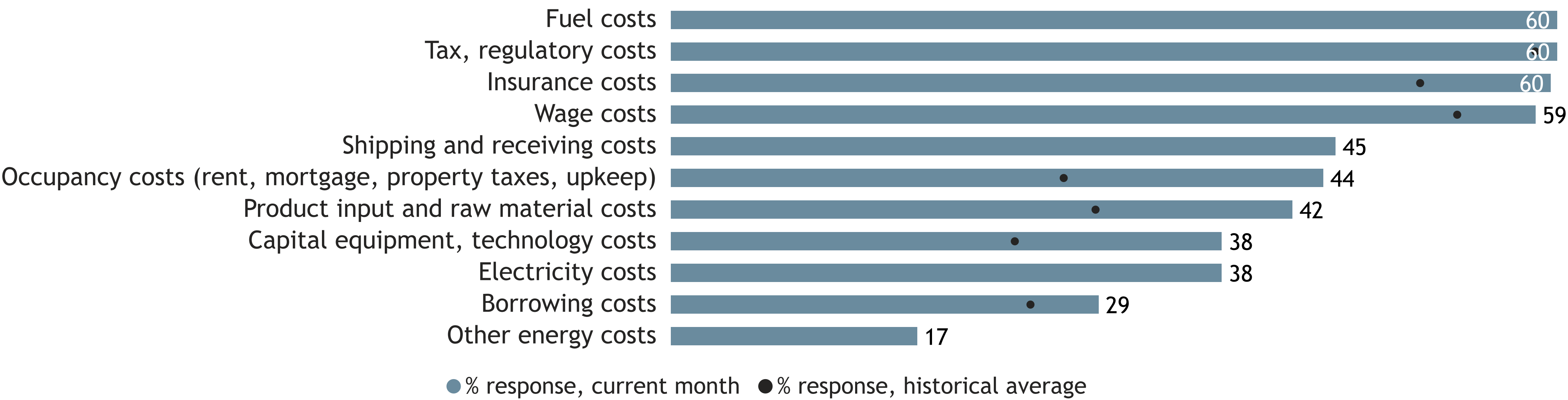
In the next year, how much do you expect **average prices** to change?

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

**Source:** CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.



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



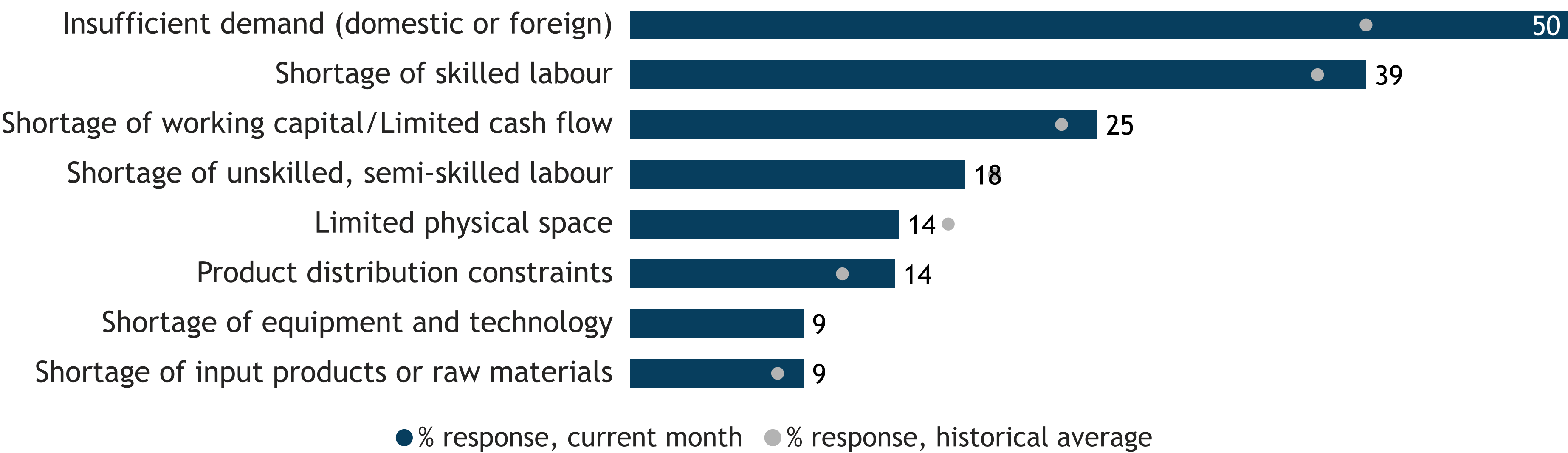
**Survey question:** What types of input costs are currently causing difficulties for your business?  
**Source:** CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.  
**Note:** Since February 2026, the question includes a new data point on shipping and receiving costs.

## Cost Constraints in Canada

% response

— % response, current month   - - - % response, historical average

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

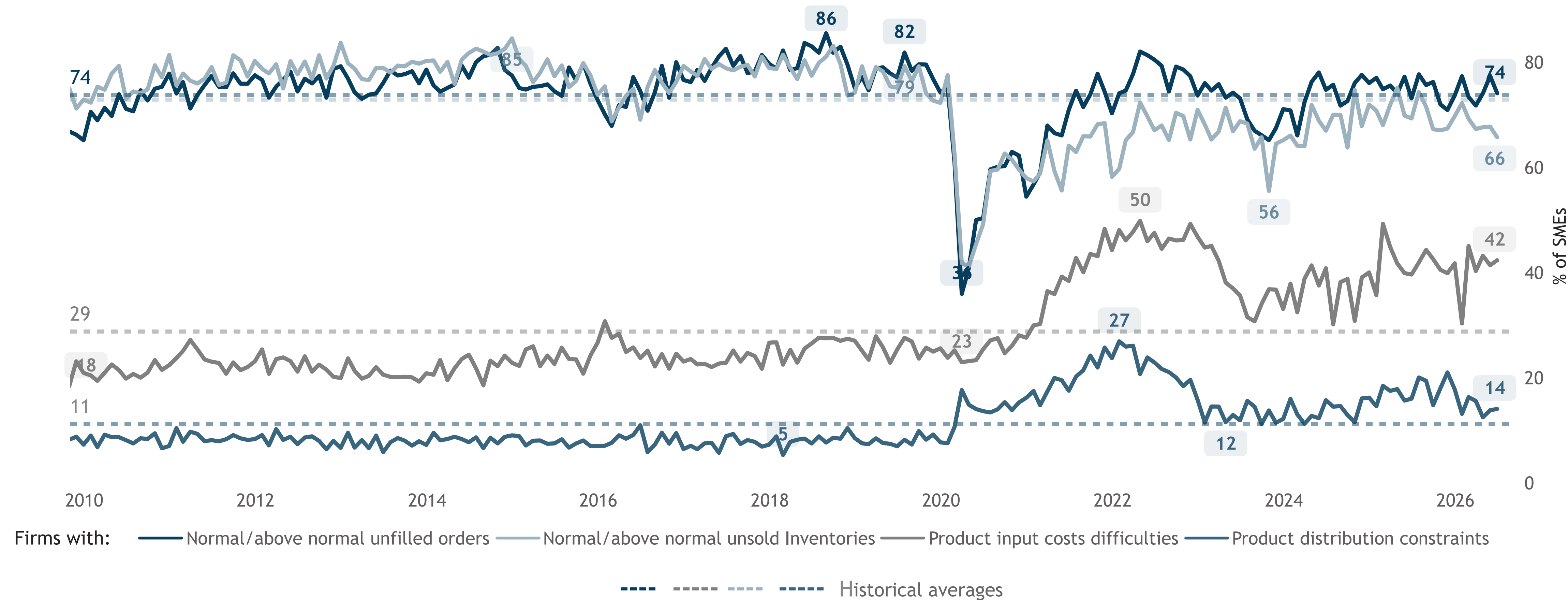


**Survey question:** What factors are limiting your ability to increase sales or production?  
**Source:** CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.  
**Note:** Since February 2026, the question includes a new data point on shortages of equipment and technology.

Limitations in Canada

—— % response, current month    ---- % response, historical average

# Business Barometer®: Supply chain indicators



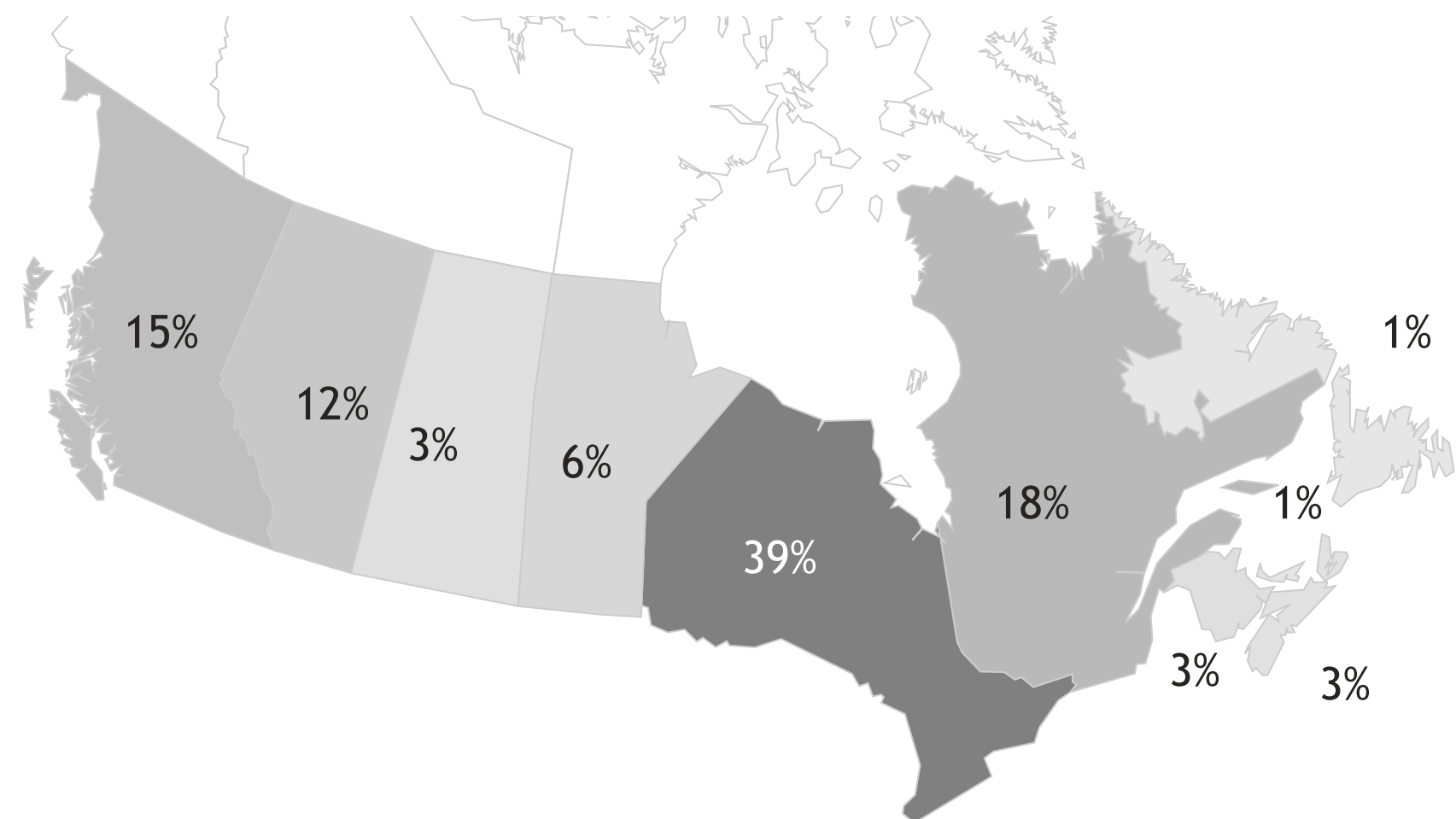
## Survey questions:

- 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"]

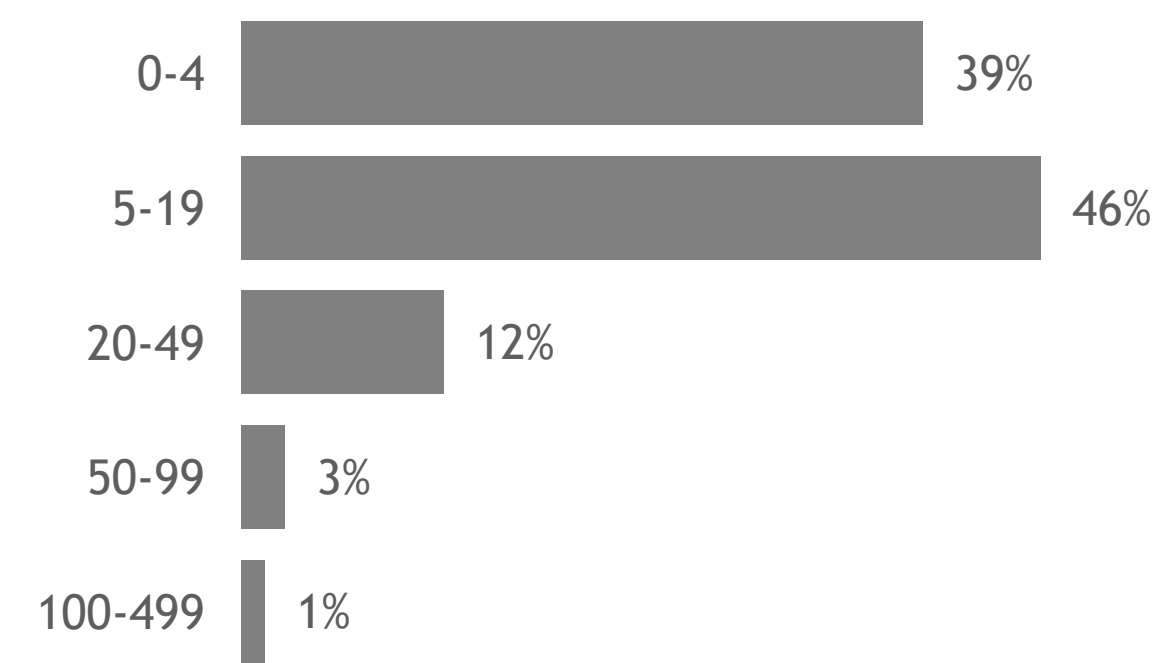
Source: CFIB, Your business outlook survey, February 2009 - July 2026. 520 responses received from July 7-13.

# Business Barometer®: Sample distribution

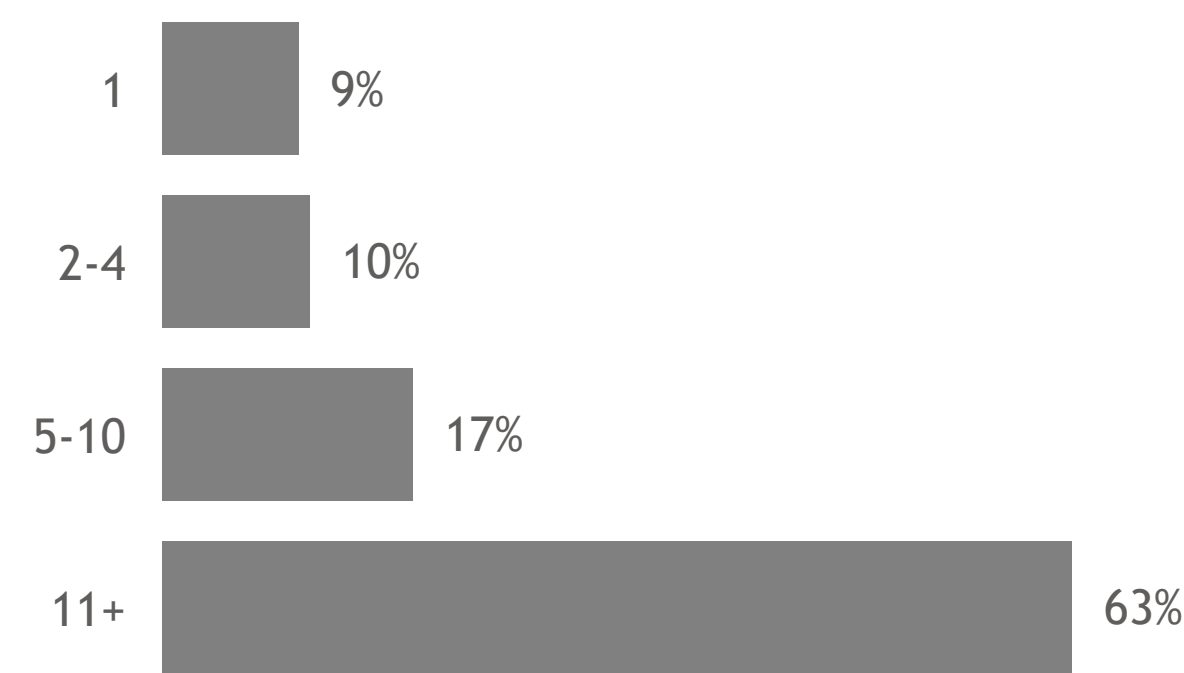
By location of the business



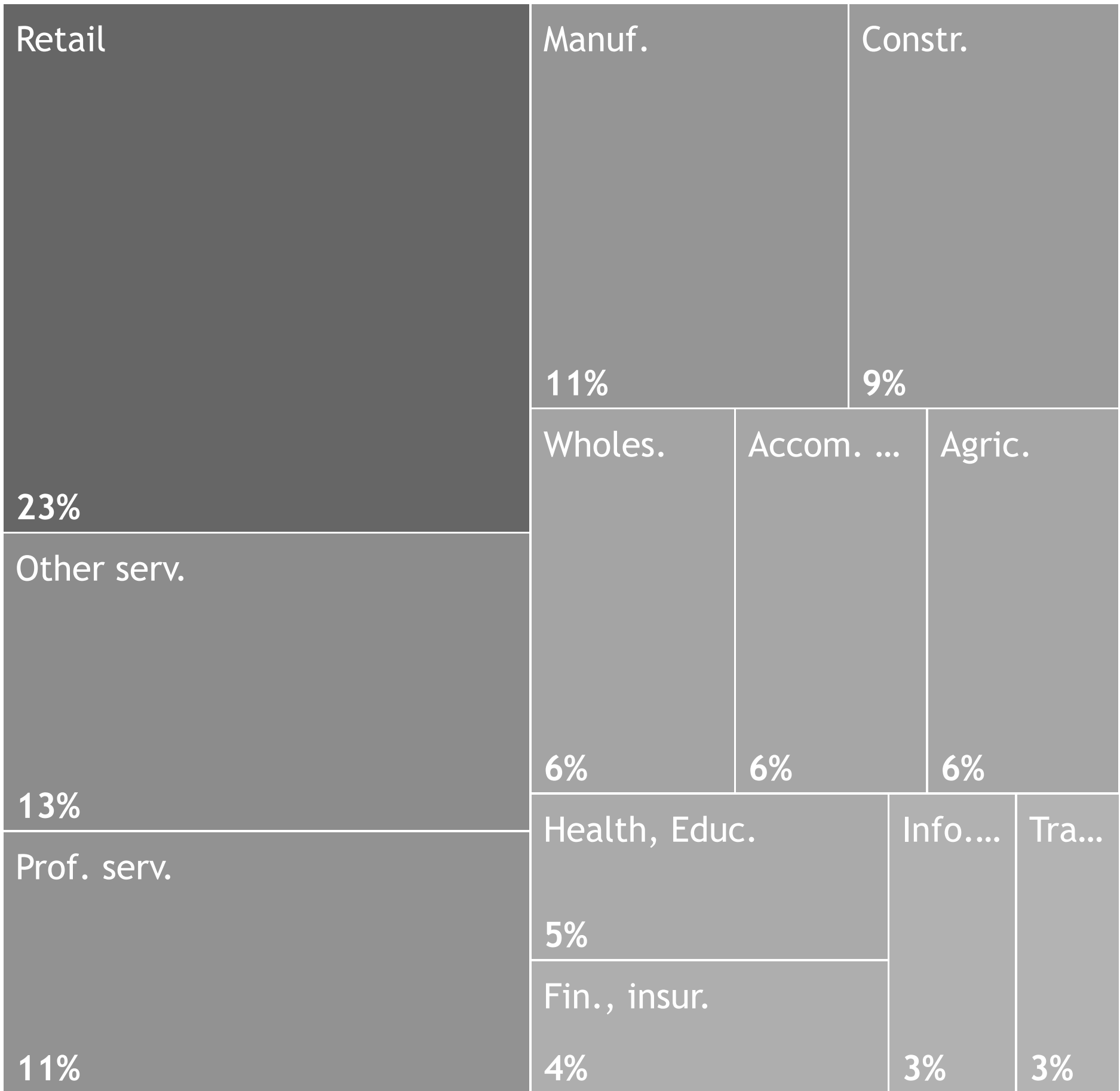
By number of employees



By years in business



By industry



## Methodology

- CFIB, Your business outlook survey, July 2026
- Stratified random sample of CFIB members to a controlled-access web survey: 520 responses
- Responses were received from: July 7-13.
- 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. Accordingly, June's results were recalculated to include 22 additional responses beyond the 347 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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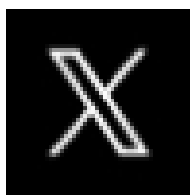


# Additional information

All CFIB research



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