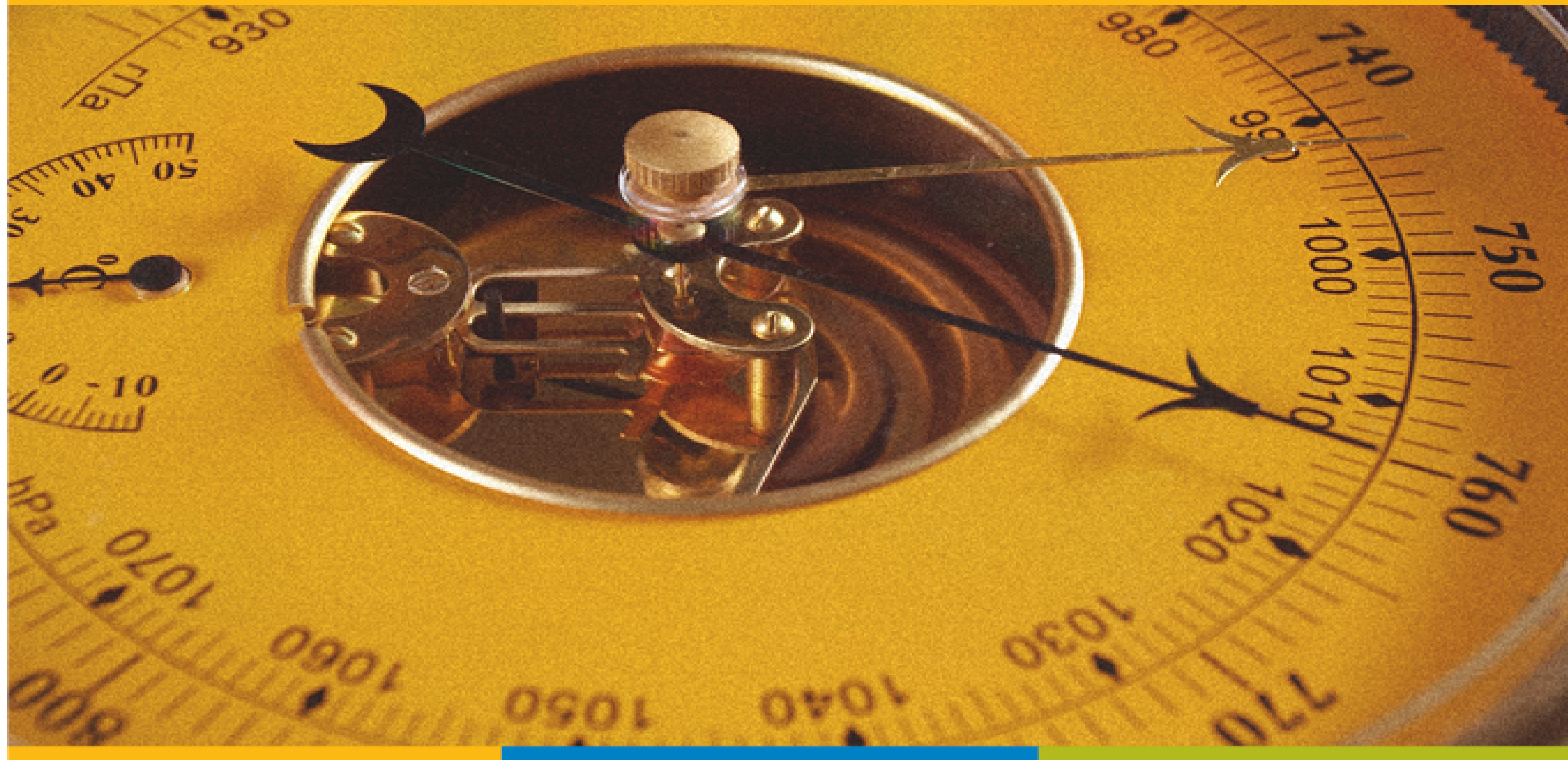


Monthly Business Barometer®

January 2024



12-month Small Business Confidence Index

49.0

Monthly change

↑ 1.6

3-month Small Business Confidence Index

43.0

Monthly change

↑ 3.3

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, has seen a small uptick to start the new year, to reach 49.0. The short-term optimism index, based on a 3-month outlook, also increased by three points, and reached 43.0. Both levels are significantly below historical readings.

Provincial overview

Overall, the provincial outlook is mixed. Six provinces have registered increases in long term optimism. Prince Edward Island, Newfoundland and Labrador, Saskatchewan and Manitoba are at or above 50, while the rest are ranging from 41.3 in New Brunswick to 49.8 in British Columbia.

Demand indicators

Concern over insufficient demand, domestic or foreign, has remained very high (48% of small business owners reporting it as the main limitation on sales or production growth).

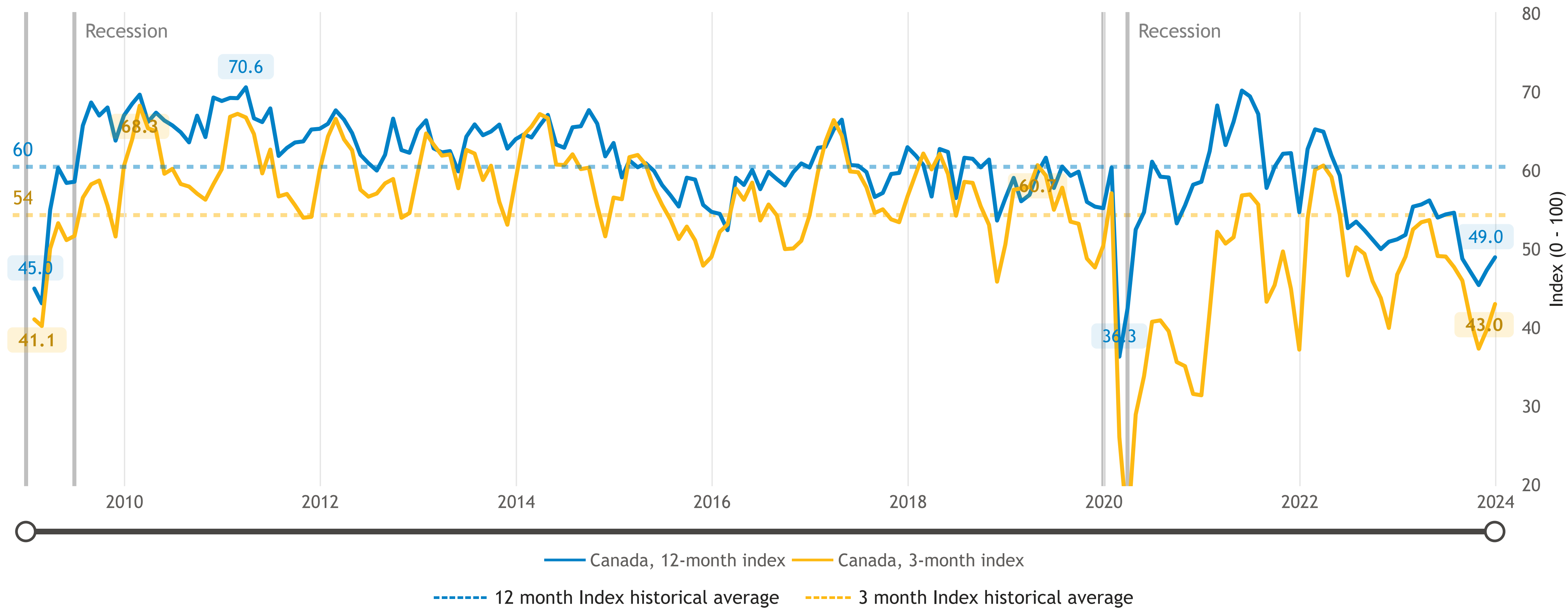
Sectoral overview

Most sectors registered some gains in long term optimism, with retail reporting the largest jump (+6.3 points). Personal services, wholesale and transportation have seen decreases in long term confidence. Similar to the last three months, agriculture and hospitality are at the bottom of the optimism scale.

Inflation indicator

Average price increase plans for the next 12 months dropped at 2.8%. This marks the indicator's first time since Spring 2021 being below the upper band of Bank of Canada's range for inflation of 1% to 3%. Average wage plans increased slightly to 2.7%.

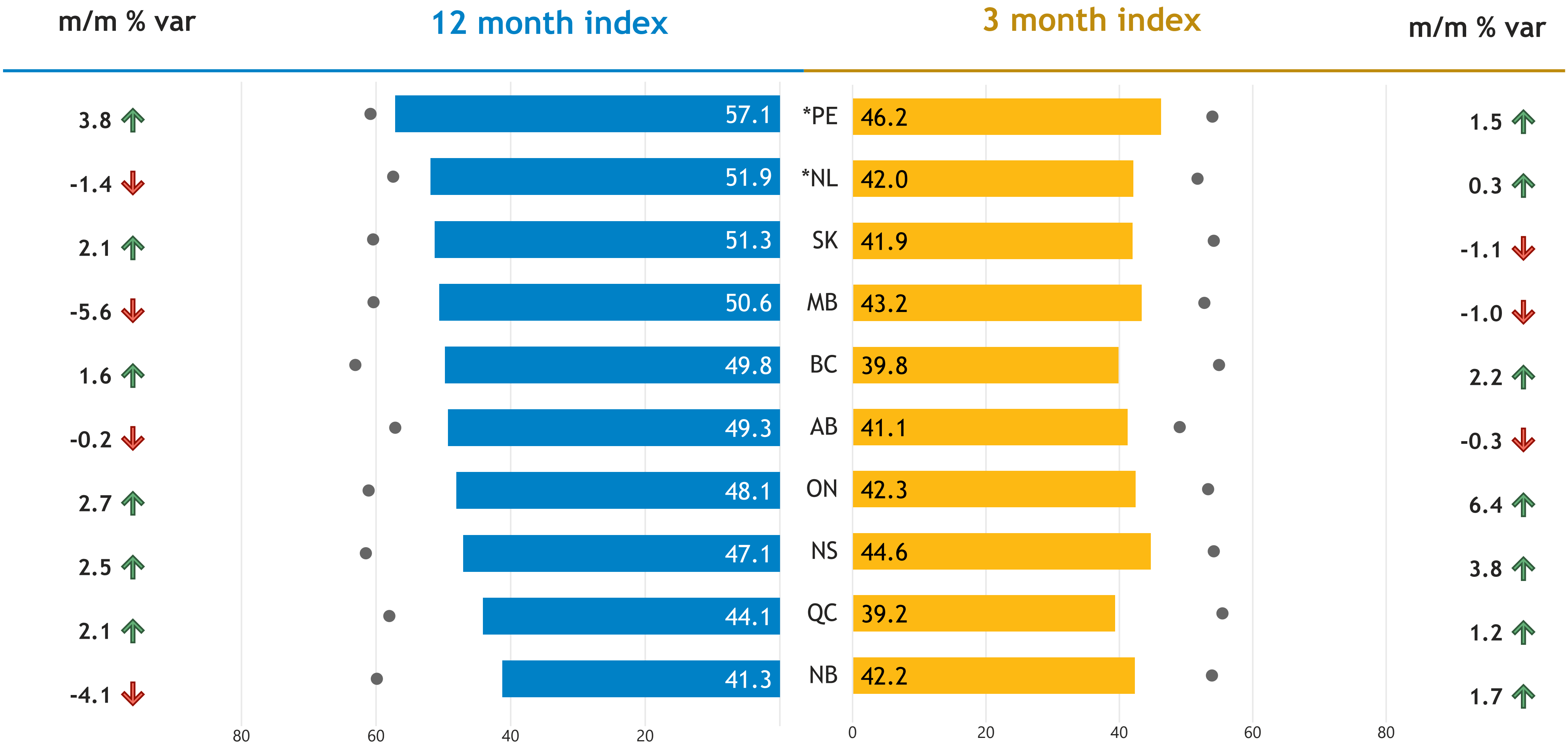
Business Barometer®: 12-month and 3-month small business confidence index, Canada



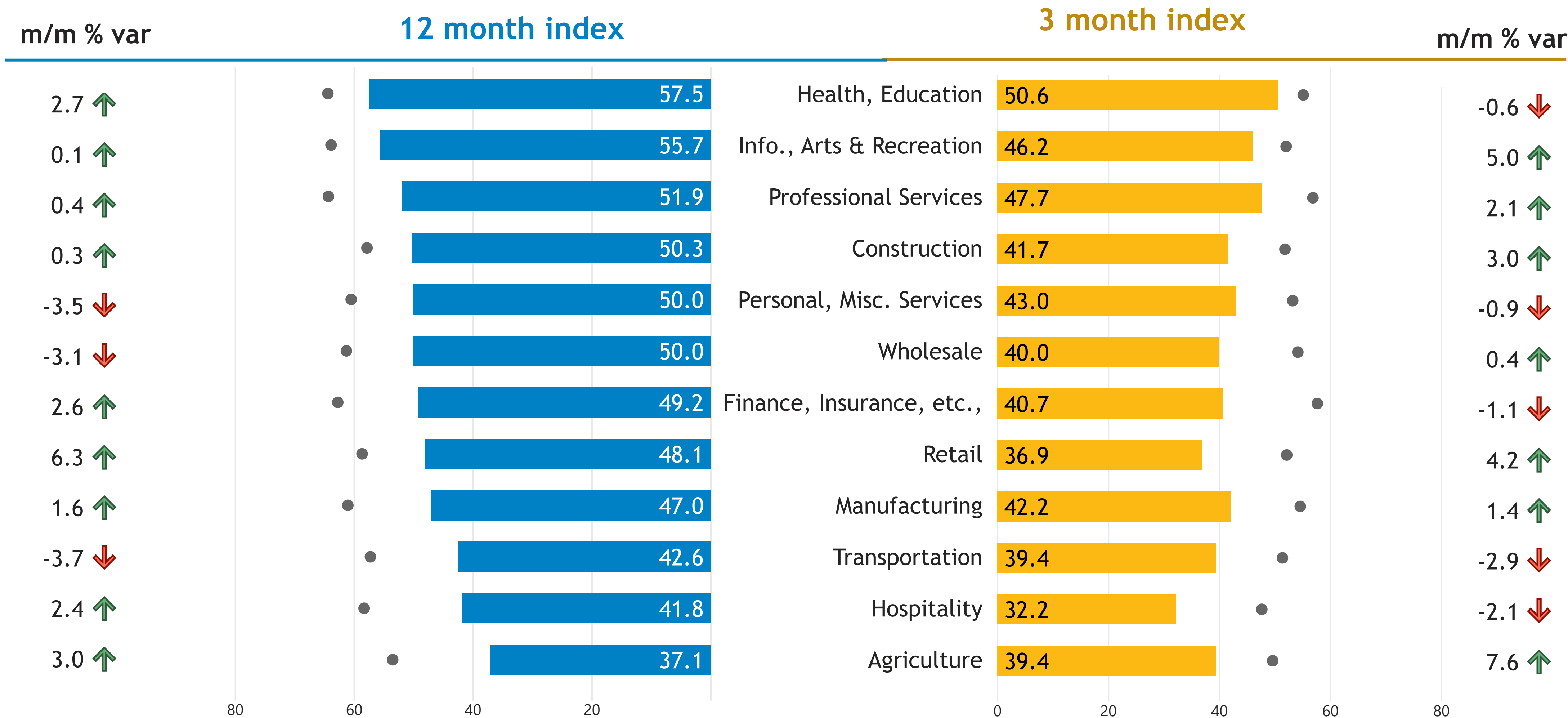
Survey questions:

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**?

Source : CFIB and Recession: [C.D. Howe Institute Business Cycle Council](#)



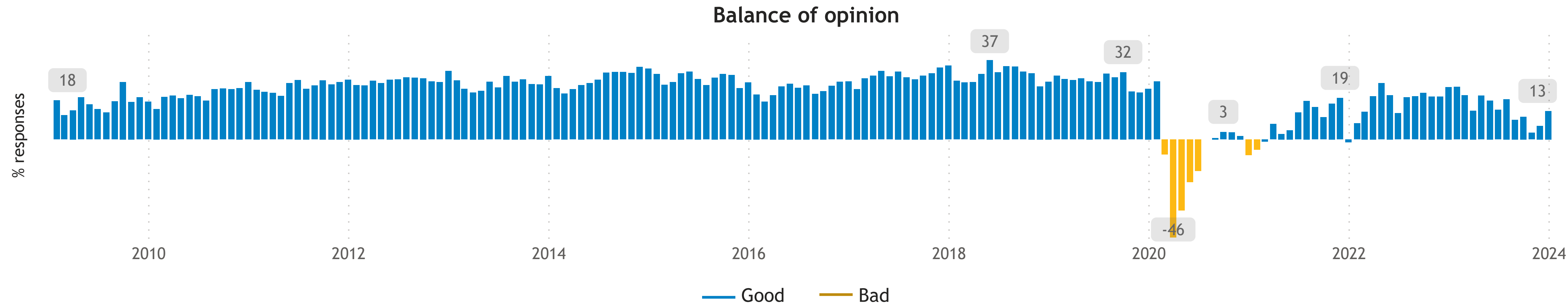
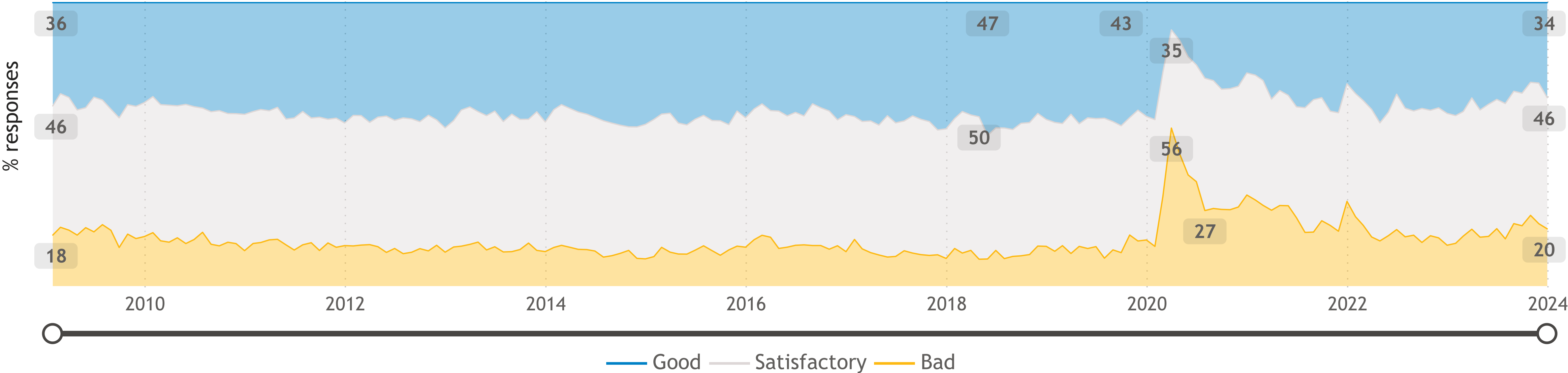
Survey question: How do you expect your firm to be performing in 12 months compared to now?
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next 3 or 4 months?
Notes : *Number of responses under 40 ● Historical averages



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

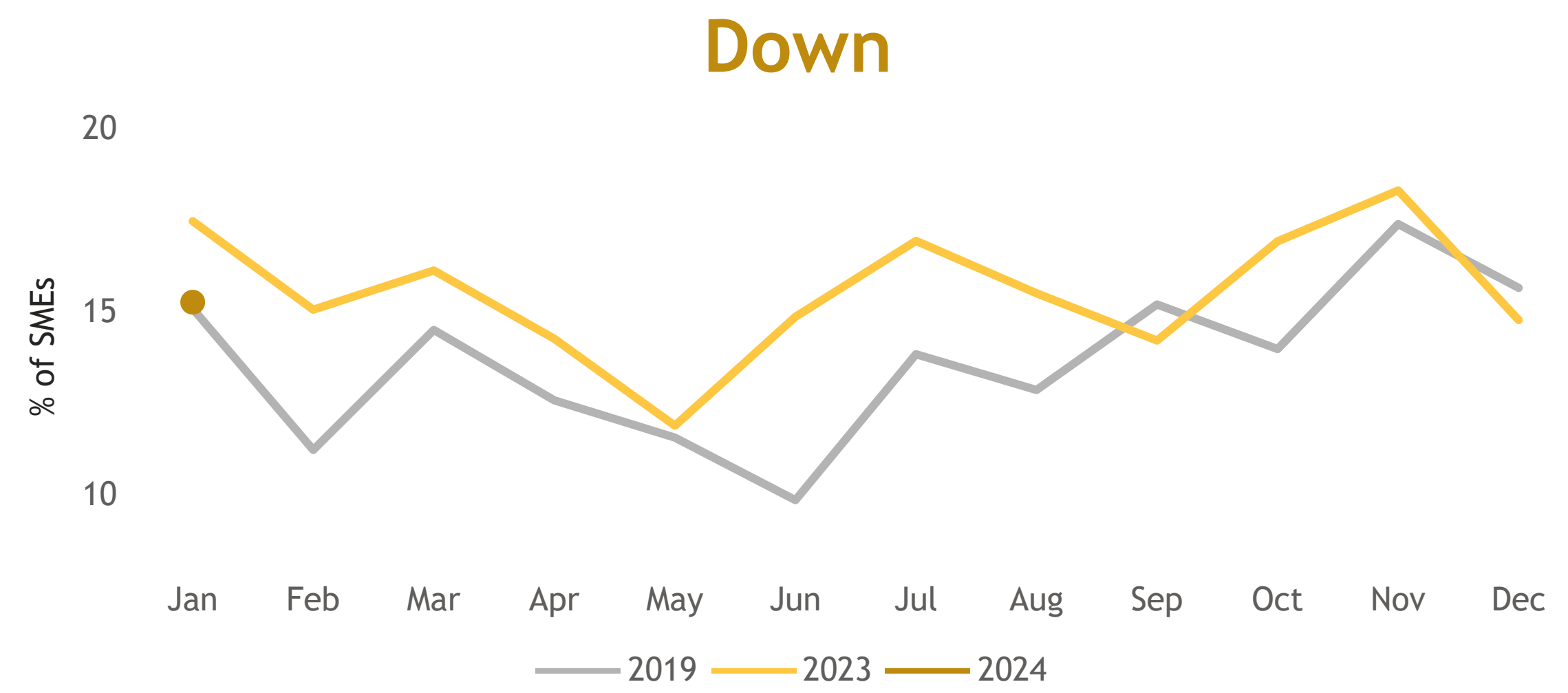
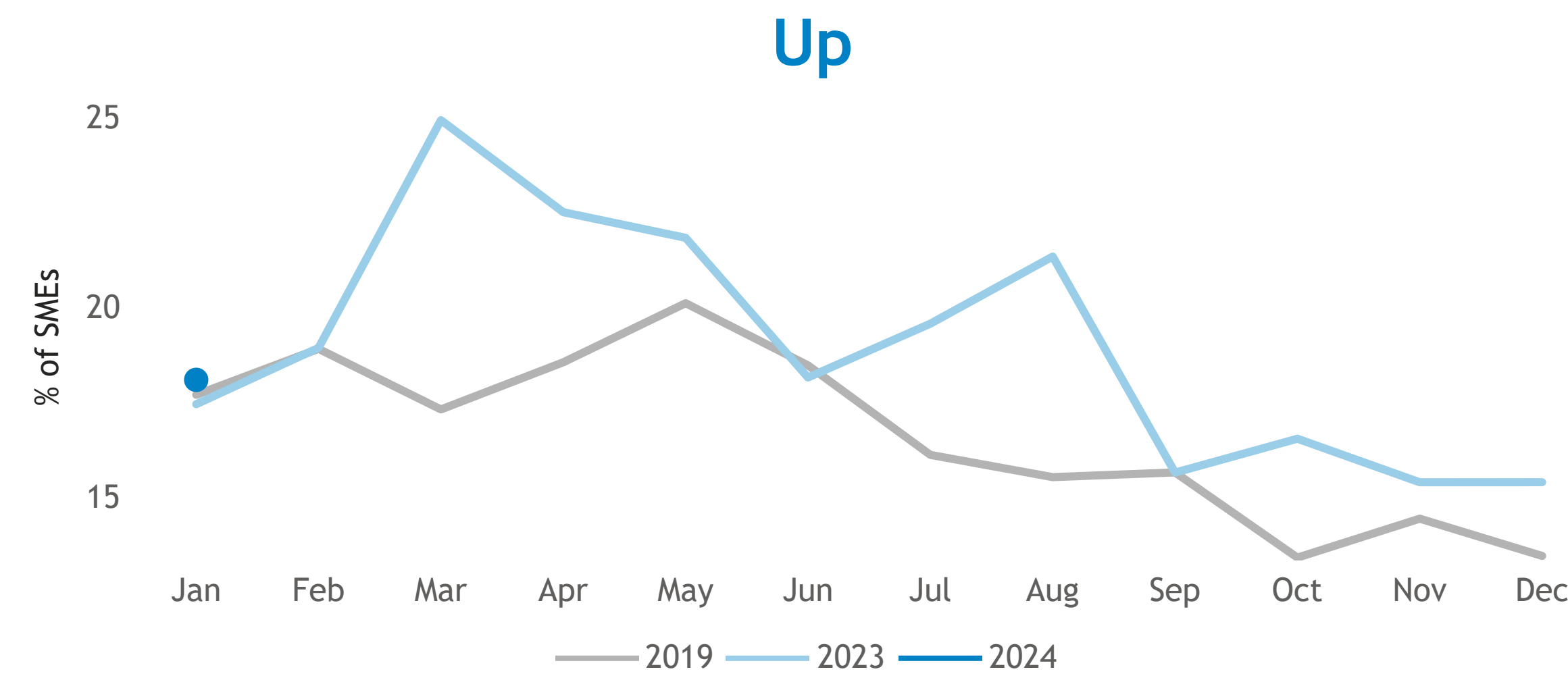
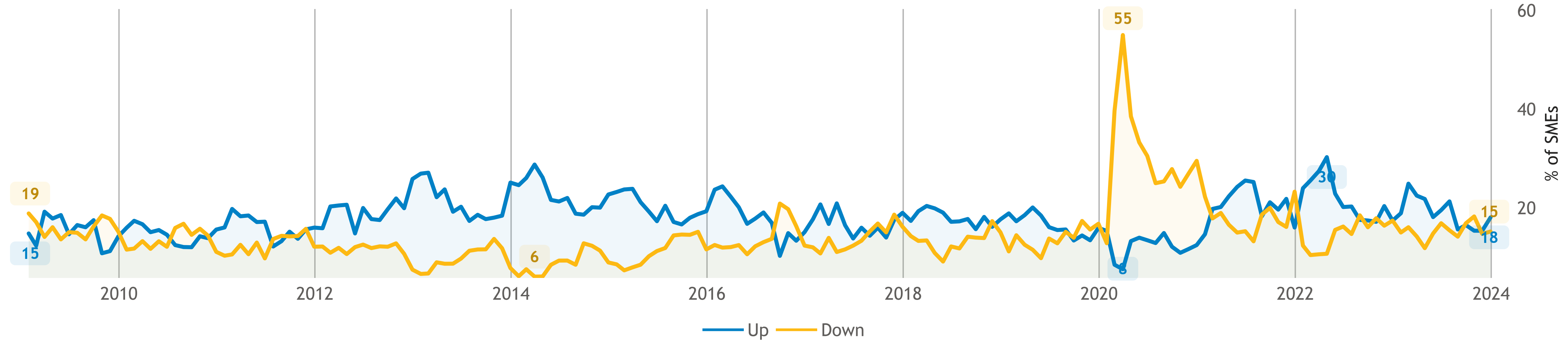
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

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

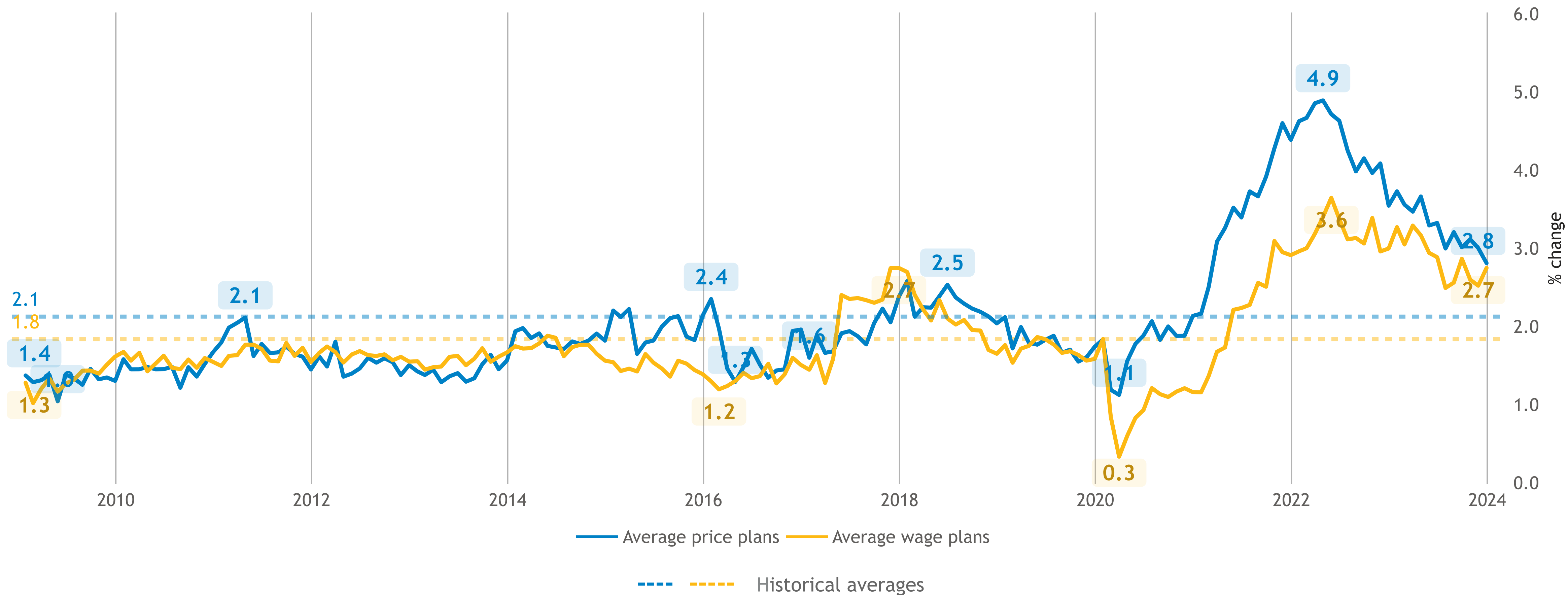


Survey question: Currently, what is the general business situation of your company?
Note: Balance of opinion = [Share of respondents answering Good]- [Share of respondents answering Bad]

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)

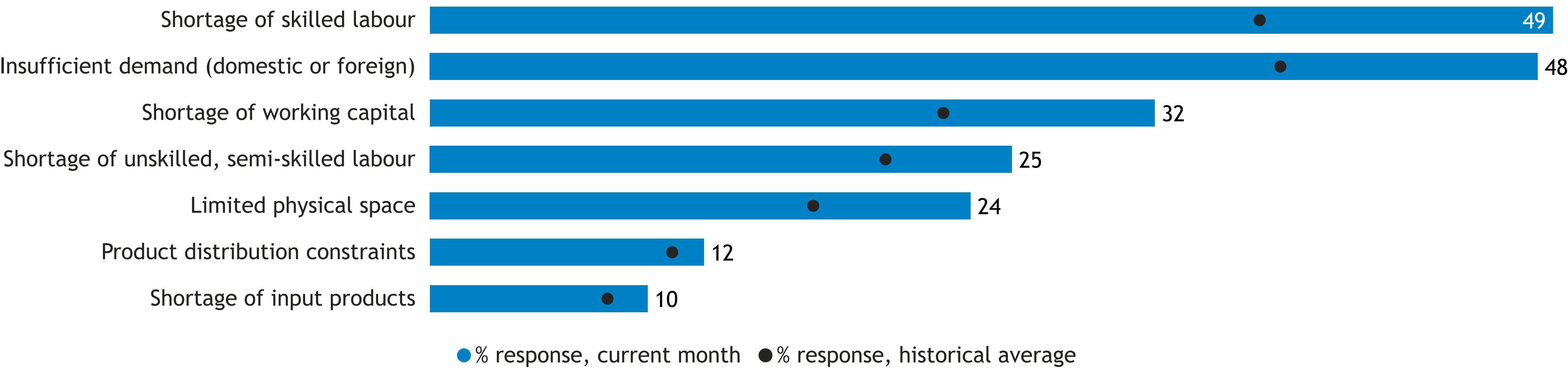


Survey questions:

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

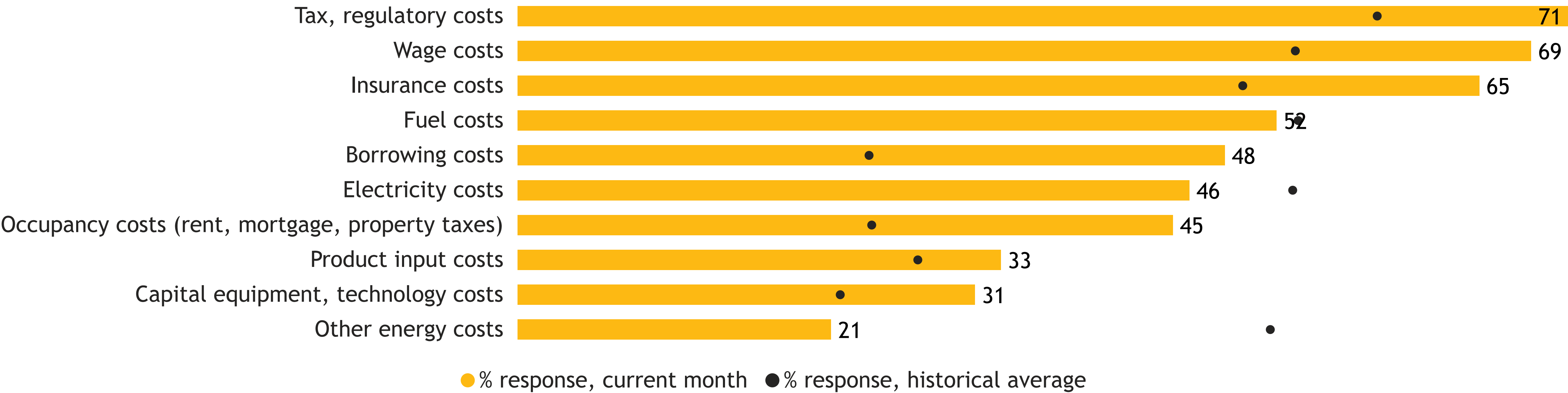
In the next year, how much do you expect **average wages** to change?

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

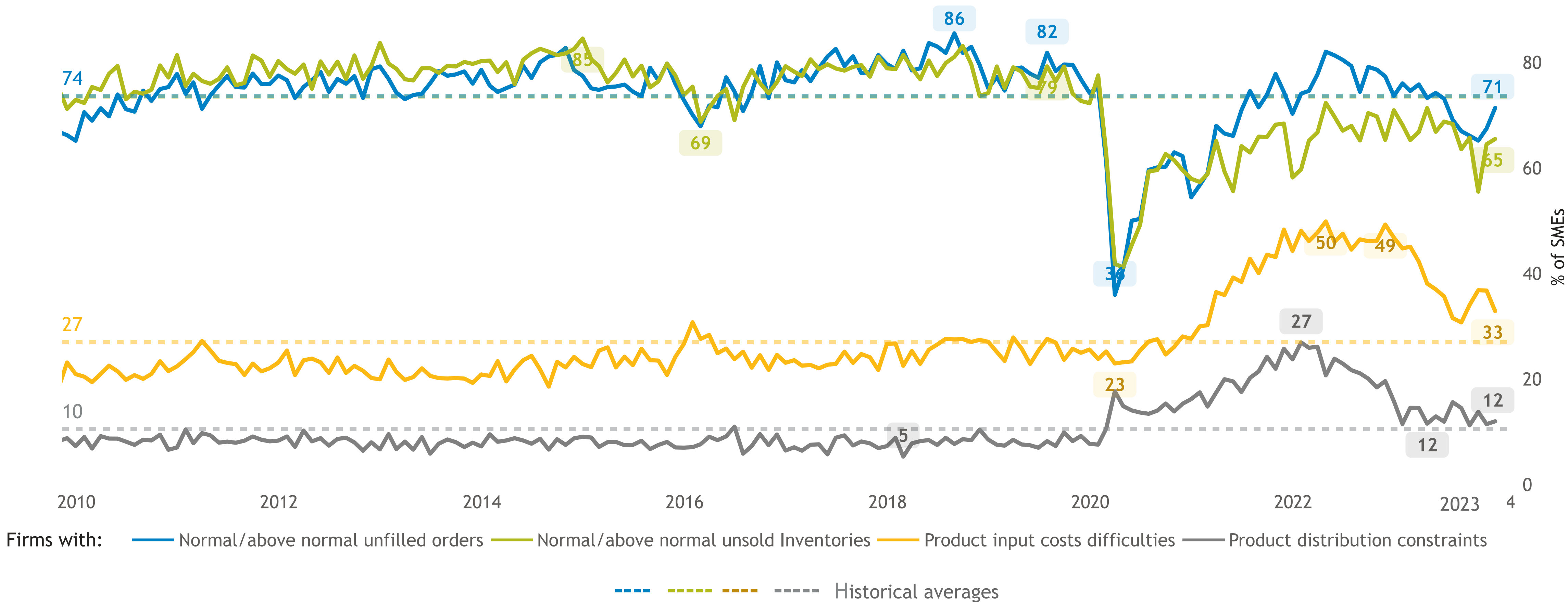


Survey question: What factors are limiting your ability to increase sales or production?
Note: Starting January 2024, the options "Insufficient domestic demand" and "insufficient foreign demand" have been combined into one option "insufficient demand". The option 'foreign competition' has been removed.

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



Survey question: What types of input costs are currently causing difficulties for your business?
Note: Starting January 2024, the option "Fuel, energy costs" was divided into separate options: "Fuel costs", "Electricity costs", "Other energy costs".

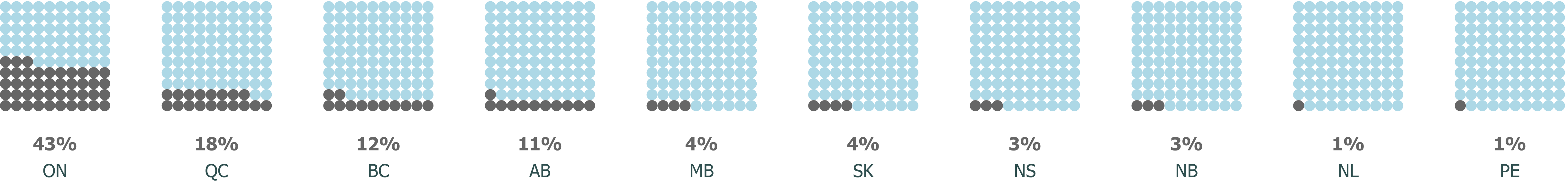


Survey questions:

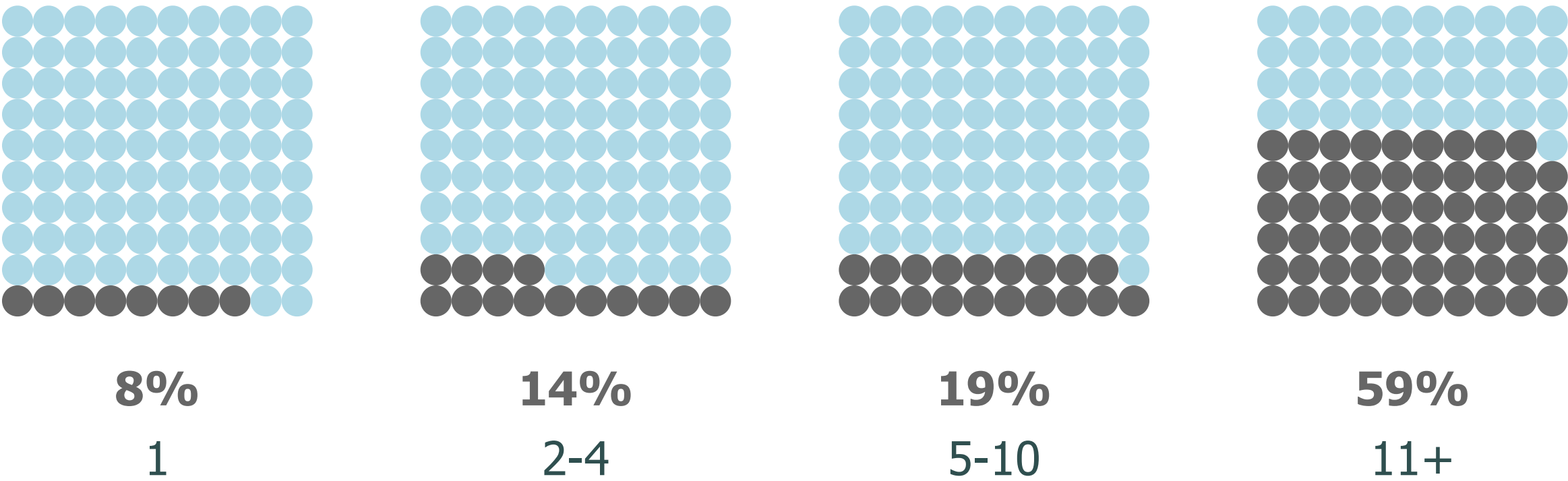
- Allowing for normal seasonal influences, what are **current unfilled orders** and **unsold inventories** compared to normal?
- What types of input costs are currently causing difficulties for your business? [Respondents selecting "**Product input costs**"]
- What factors are limiting your ability to increase sales or production? [Respondents selecting "**Product distribution constraints**"]

Current month sample distribution

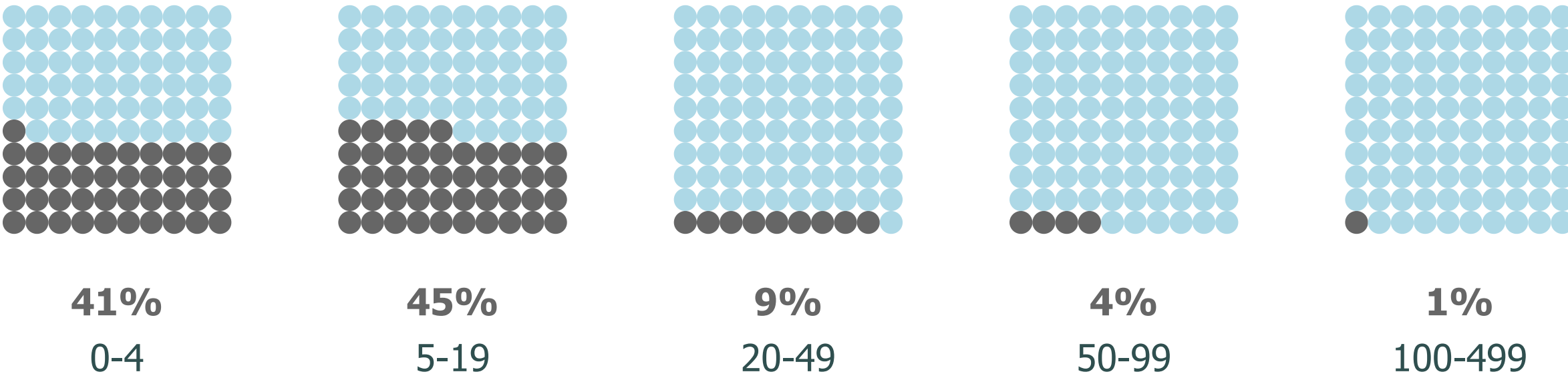
By location of business



By number of years in business



By number of employees



Methodology

- Stratified random sample of CFIB members to a controlled-access web survey: 670 responses
- Responses were received from: January 9-16
- The survey is considered accurate to within +/- 3.8 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.