

# Monthly Business Barometer®

March 2024



## 12-month Small Business Confidence Index

52.7

Monthly change

↓ -2.5

## 3-month Small Business Confidence Index

52.6

Monthly change

↑ 1.4

## 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 moderate decrease in March, to reach 52.7. The short-term optimism index, based on a 3-month outlook, gained one point and reached 52.6. Both levels are below historical averages but better than the previous months and similar to last summer readings.

### Provincial overview

Most provinces have improved modestly their long-term outlook. Ontario (55.7) has gained slightly in optimism and is the 2nd most confident province after Nova Scotia (59.3). Confidence in Quebec (49.2) and New Brunswick (49.0) is trending upwards but at slow pace; both provinces are sitting just shy of the 50 mark.

### Demand indicators

Half of small businesses (51%) are reporting insufficient domestic/foreign demand as main limitation on sales or production growth. The trend has been on an upwards slope for the past 12 months.

### Sectoral overview

The sectoral picture is more mixed. Some sectors have registered gains (information, arts and recreation +10 points, transportation +5.8 points, professional services +5 points) while others have seen decreases (retail -5.3 points, financial services -3.2 points). The information, arts and recreation sector, followed by the professional services and the finance, insurance and real estate industry are leading in terms of long-term confidence.

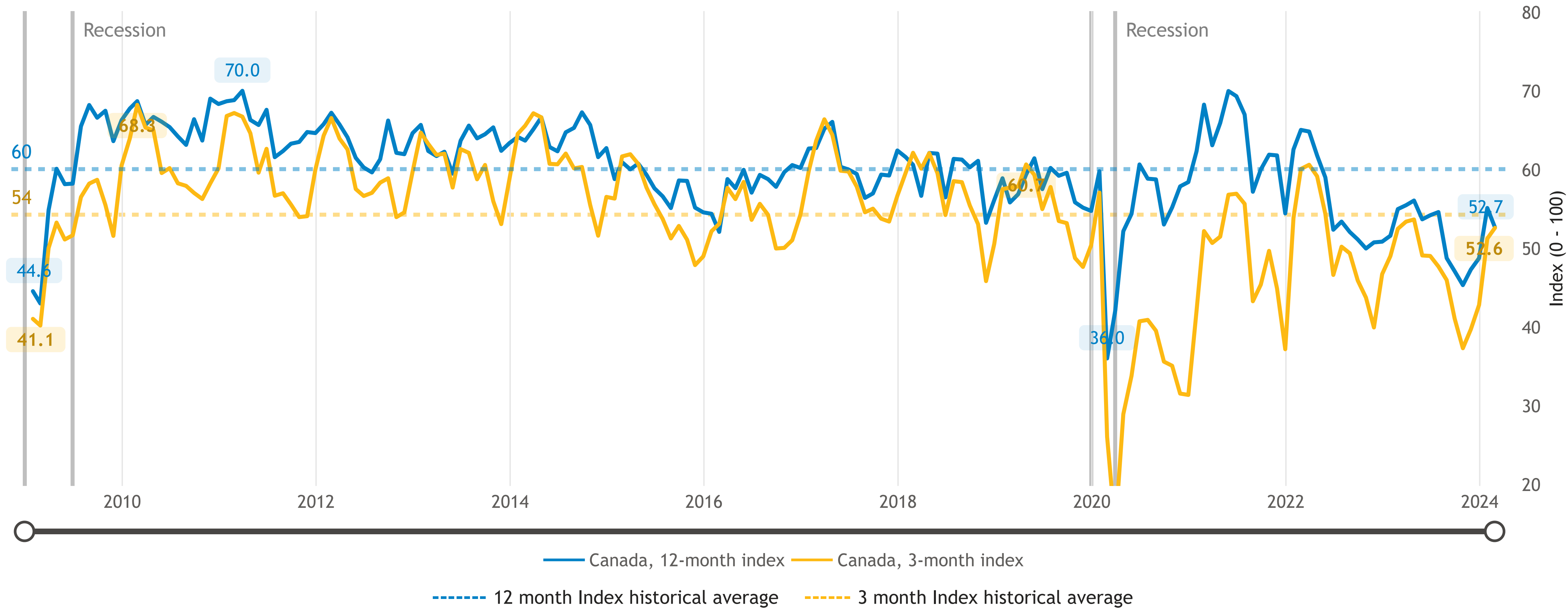
### Inflation indicator

Average price increase plans for the next 12 months dropped 0.1 to 2.7%, trending downwards at an even pace. Average wage increase remained largely unchanged at 2.6%.

### Main costs on business

The share of businesses citing insurance costs as a challenge has increased slightly (69%)- more than two-thirds of businesses see it as number one cost affecting their operations. Borrowing costs are affecting twice as many businesses as in the previous twelve months.

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

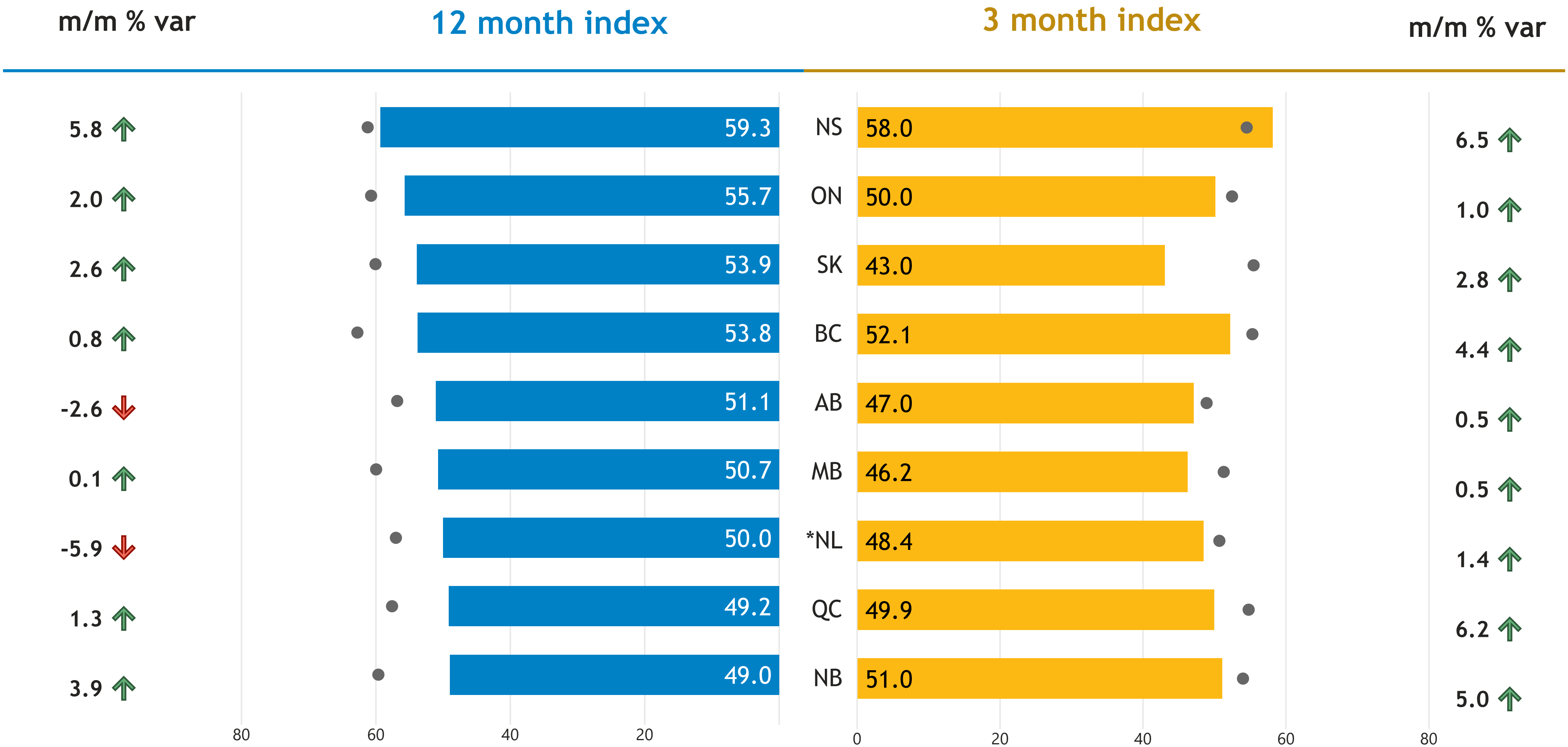


Survey questions:

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

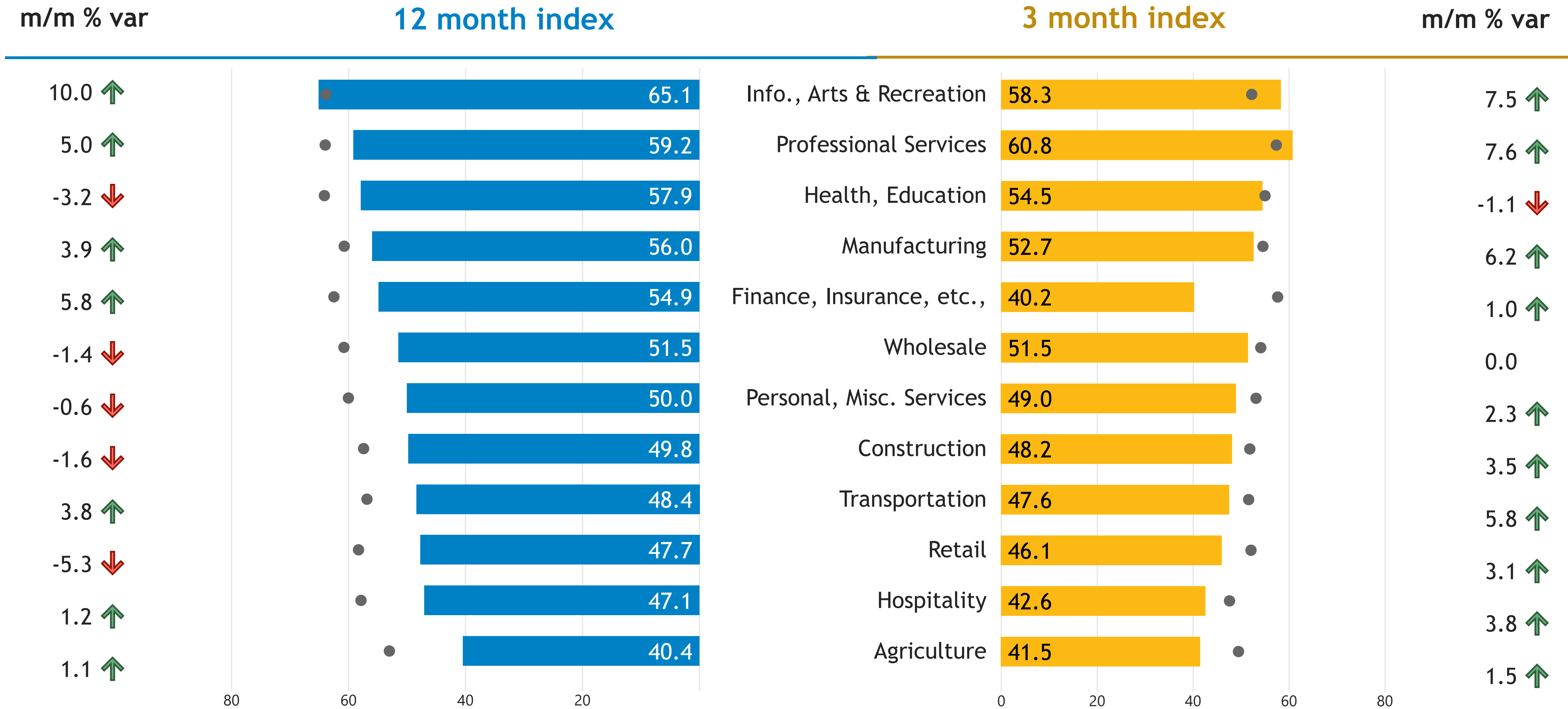
Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

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    \*\*PEI data available upon request only



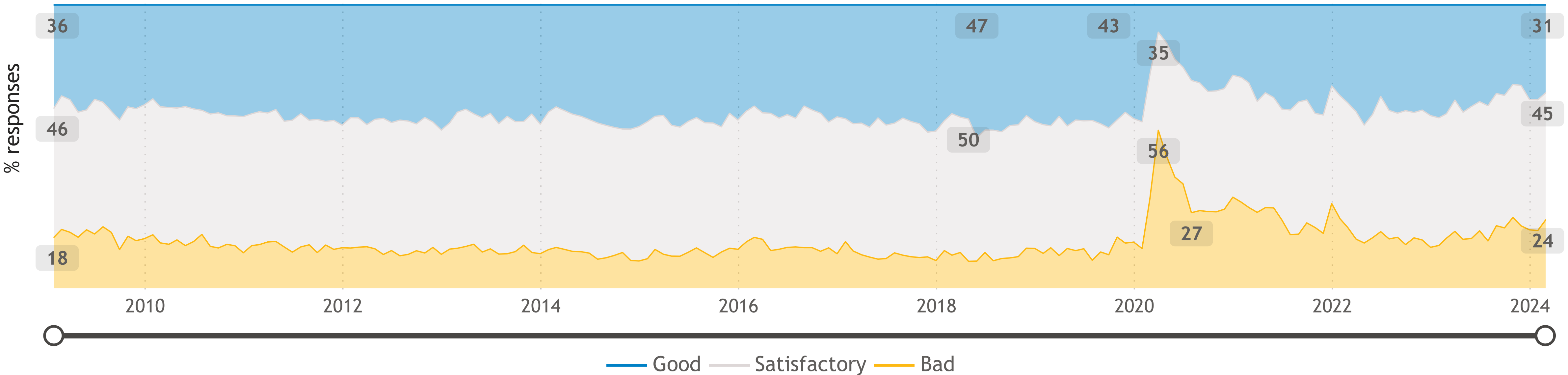


Survey question: How do you expect your firm to be performing in 12 months compared to now?

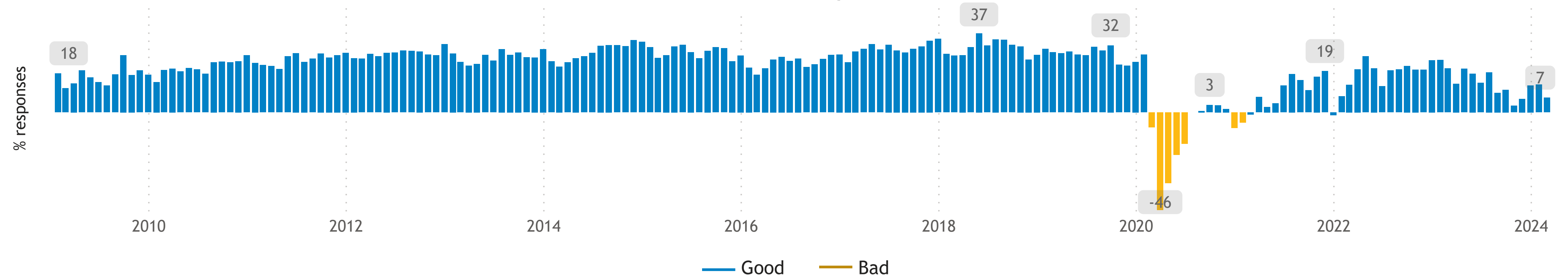
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next 3 or 4 months?

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

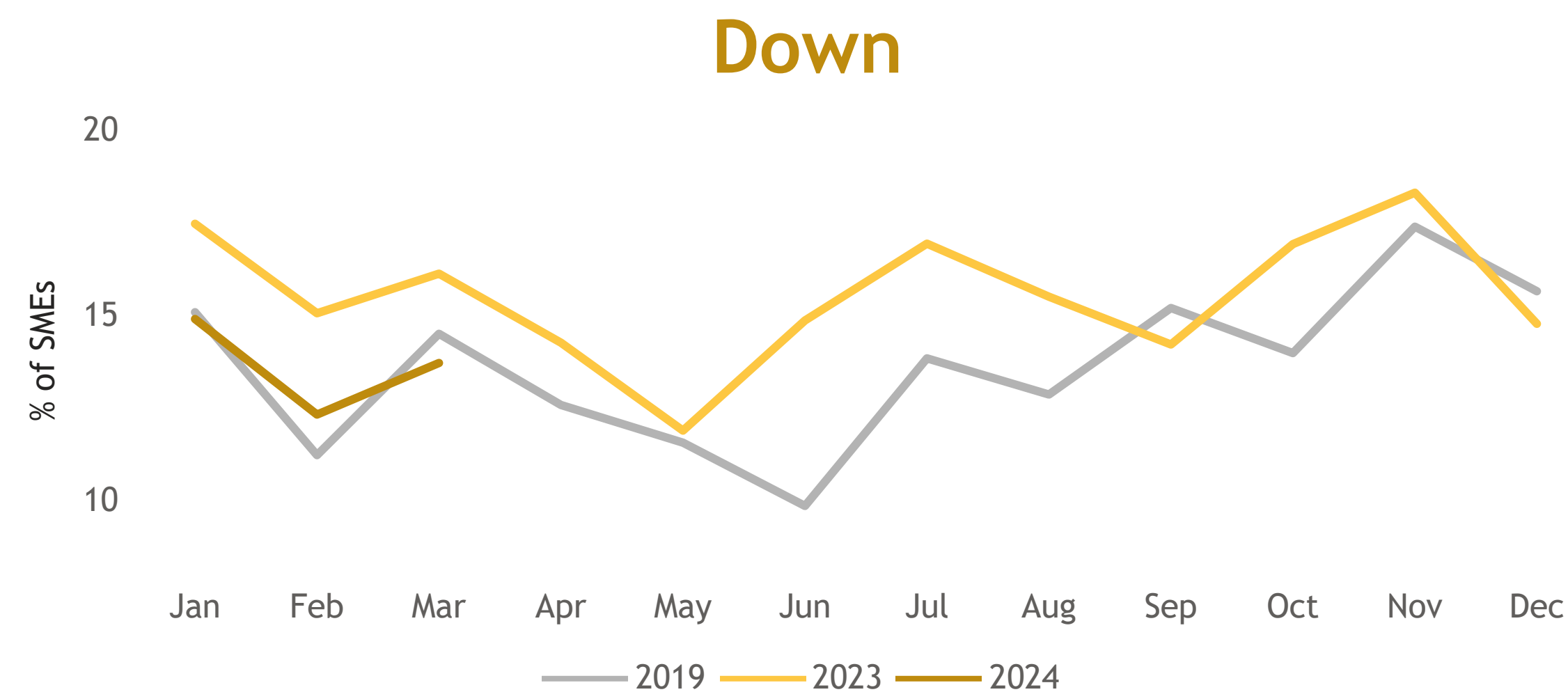
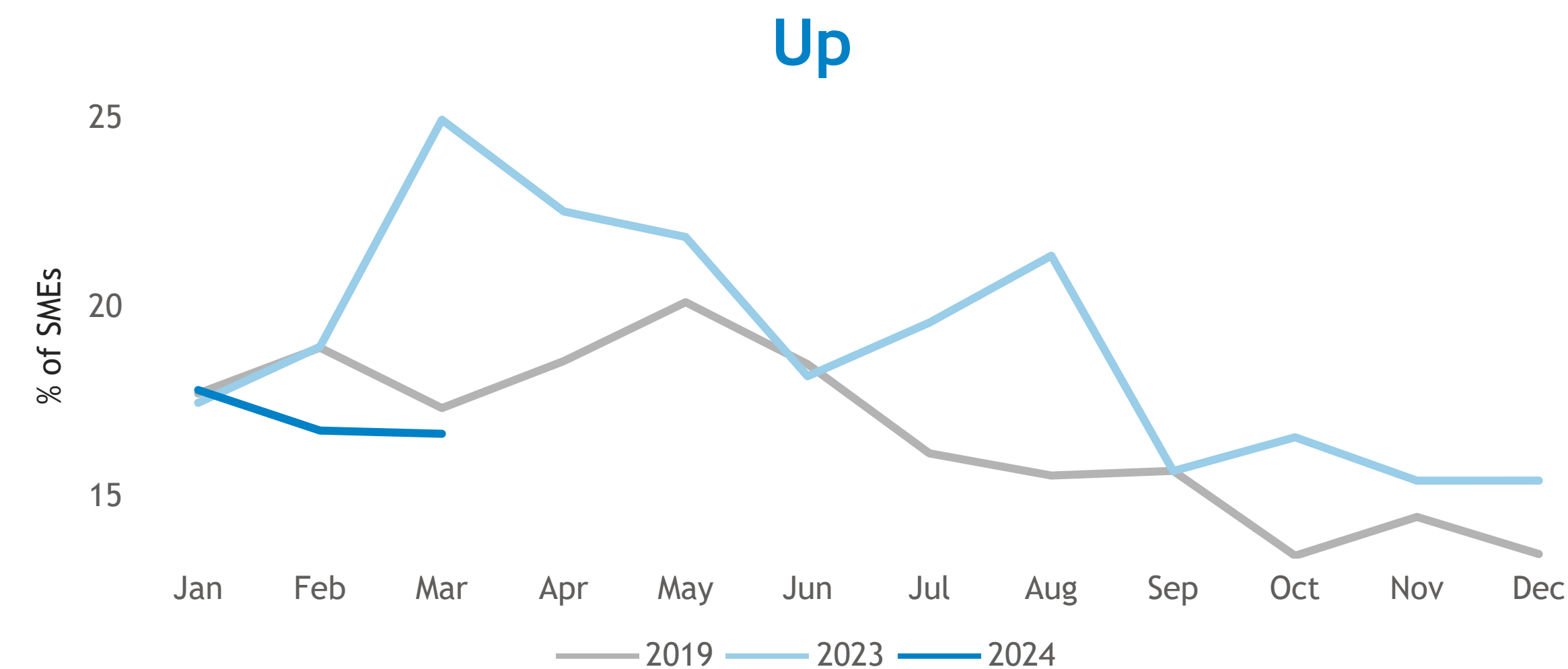
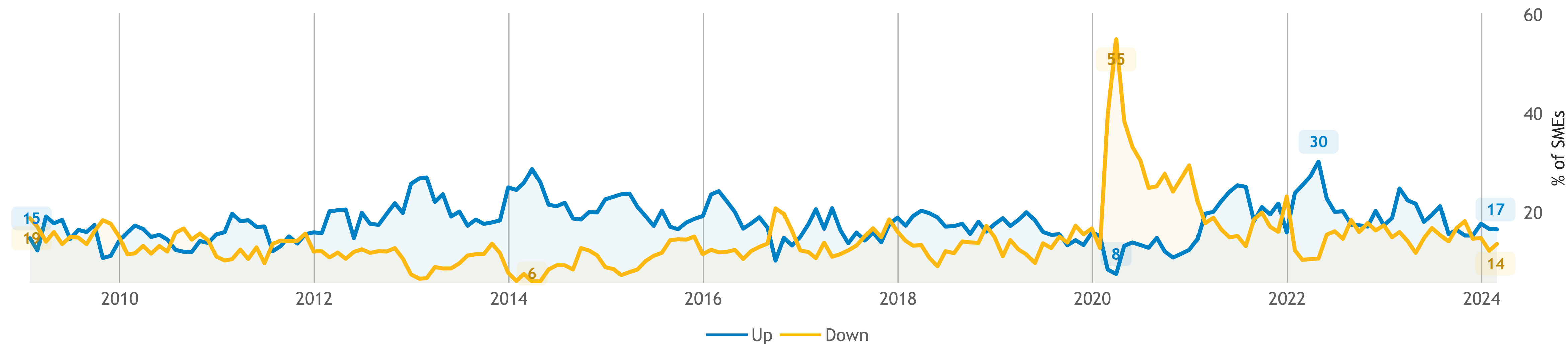
# Business Barometer®: General state of business health



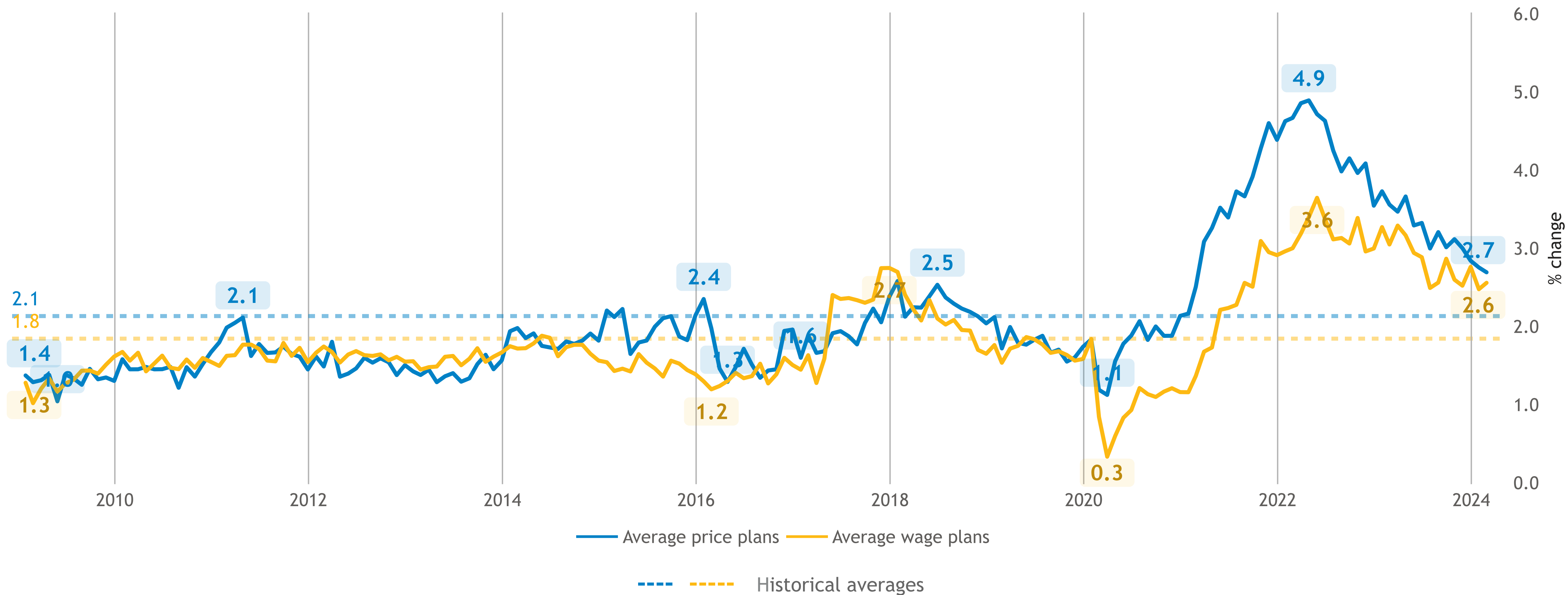
## Balance of opinion



**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**]



Survey question: How are your expected employment levels to change in the next 3 or 4 months? ( Up, Same, Down)

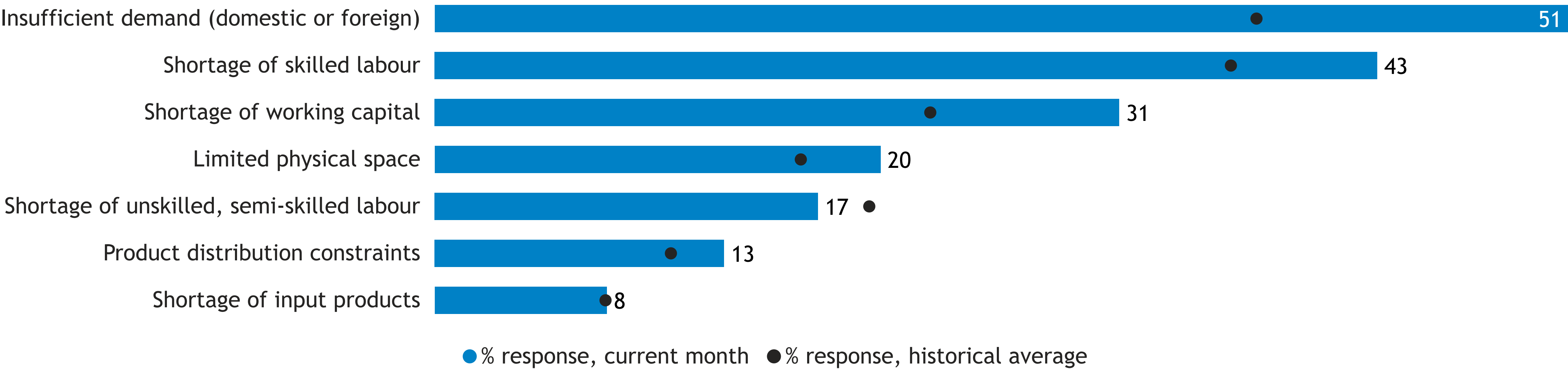


Survey questions:

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?

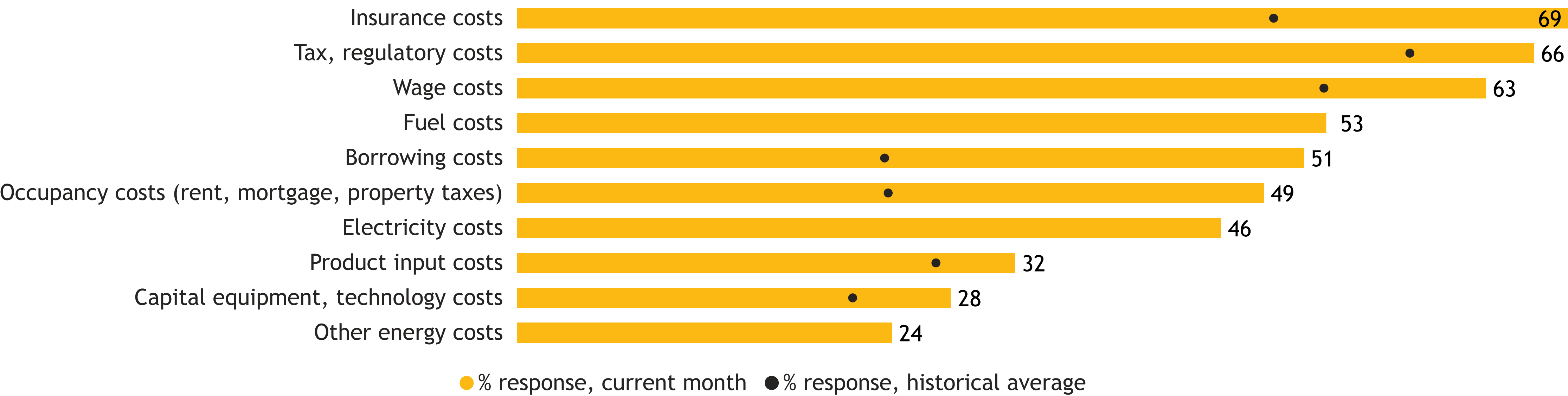


Business Barometer®: Factors limiting sales or production growth- current levels and trend

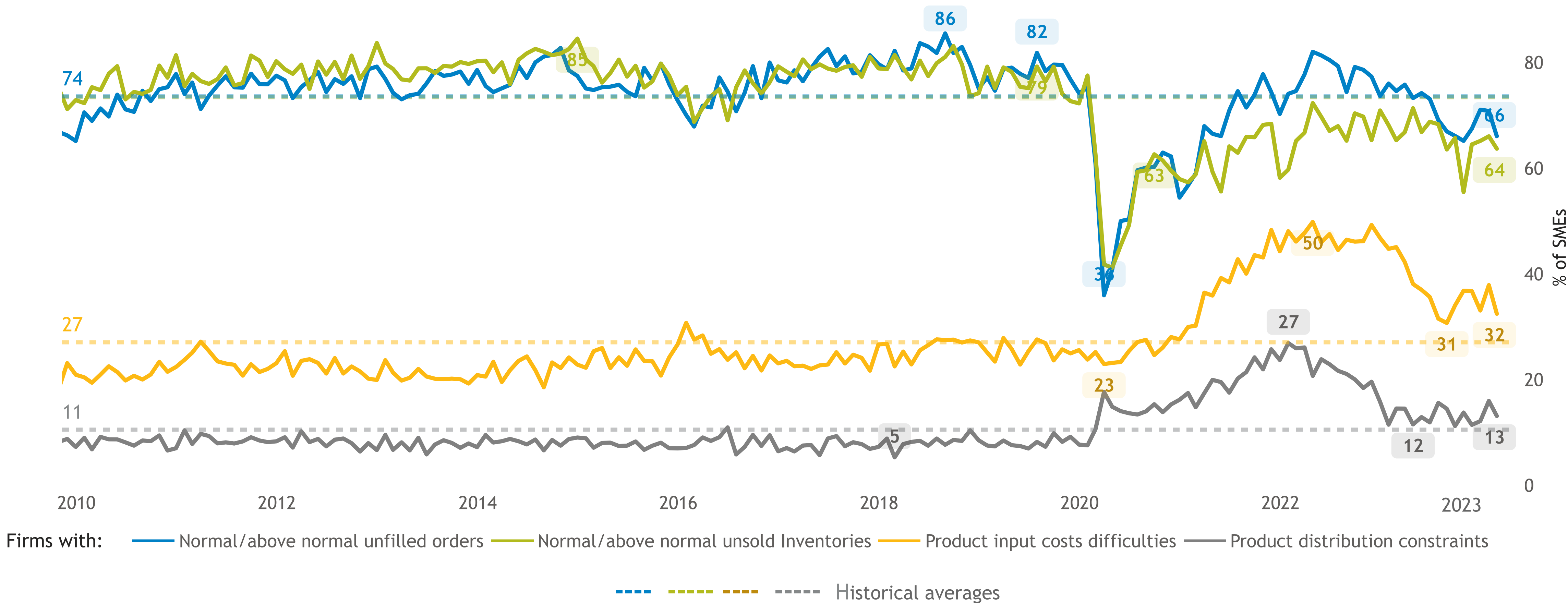


**Survey question:** What factors are limiting your ability to increase sales or production?  
**Note:** Starting January 2024, the options "Insufficient domestic demand" and "insufficient foreign demand" have been combined into one option "insufficient demand". The option 'foreign competition' has been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

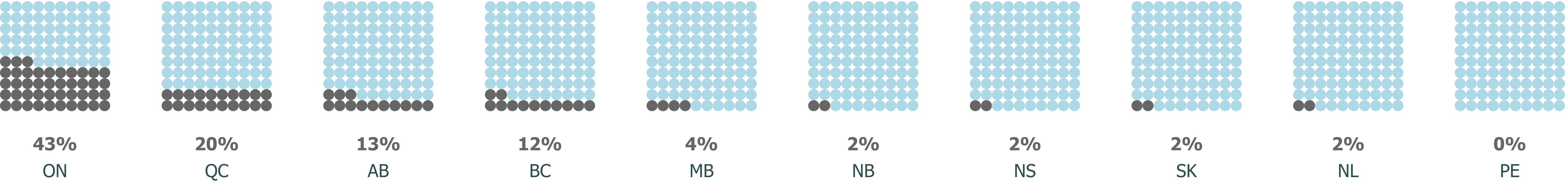


Survey questions:

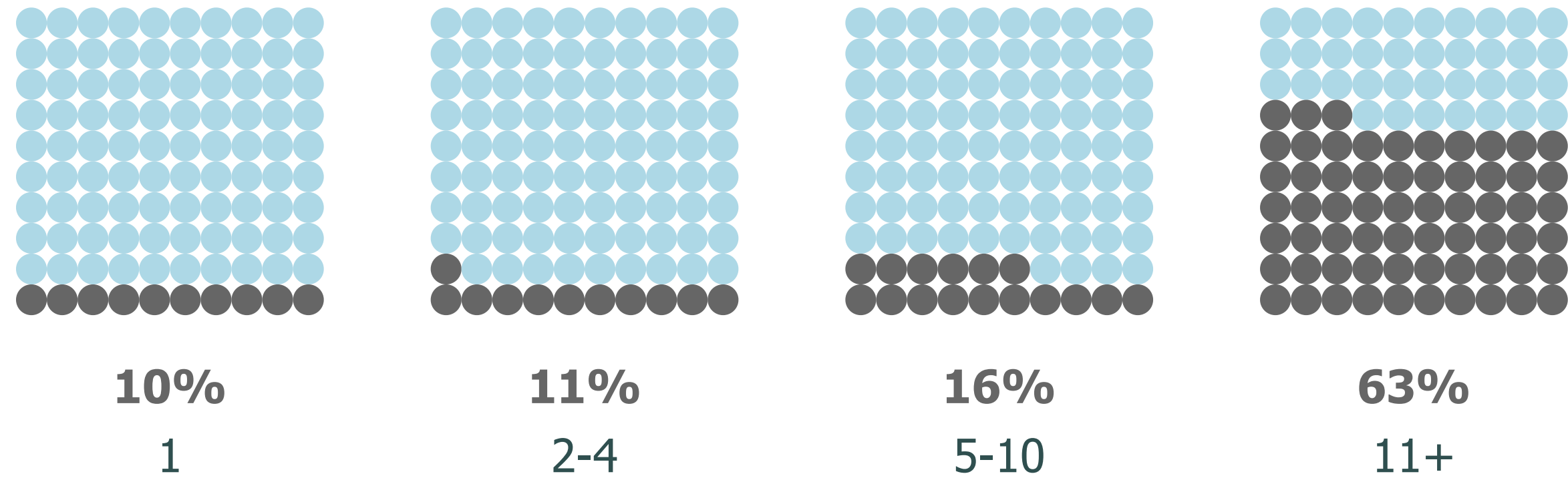
- Allowing for normal seasonal influences, what are **current unfilled orders** and **unsold inventories** compared to normal?
- What types of input costs are currently causing difficulties for your business? [Respondents selecting "**Product input costs**"]
- What factors are limiting your ability to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

# Current month sample distribution

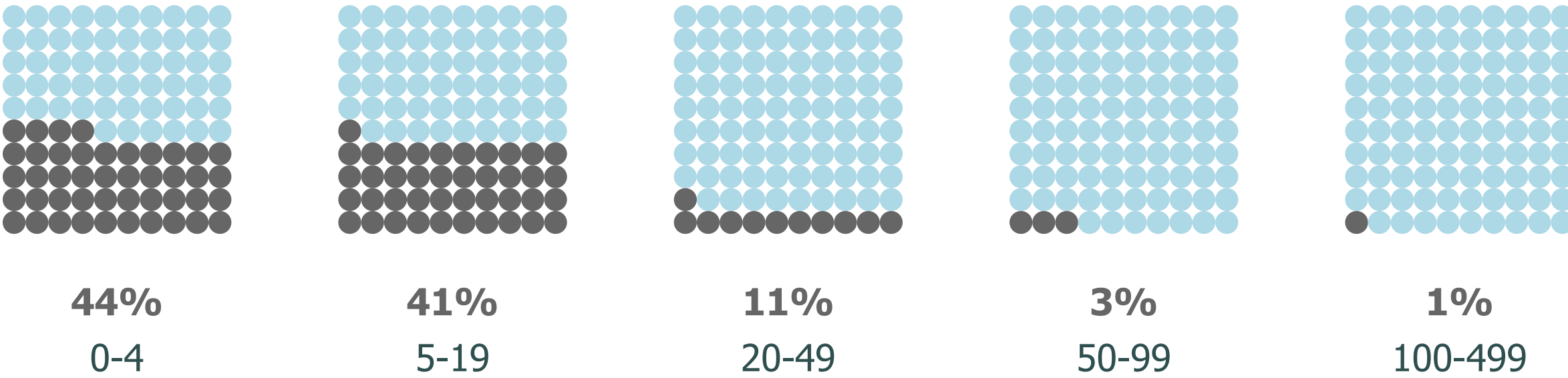
## By location of business



## By number of years in business



## By number of employees



## Methodology

- Stratified random sample of CFIB members to a controlled-access web survey: 614 responses
- Responses were received from: March 5-12
- The survey is considered accurate to within +/-4.0 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 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.