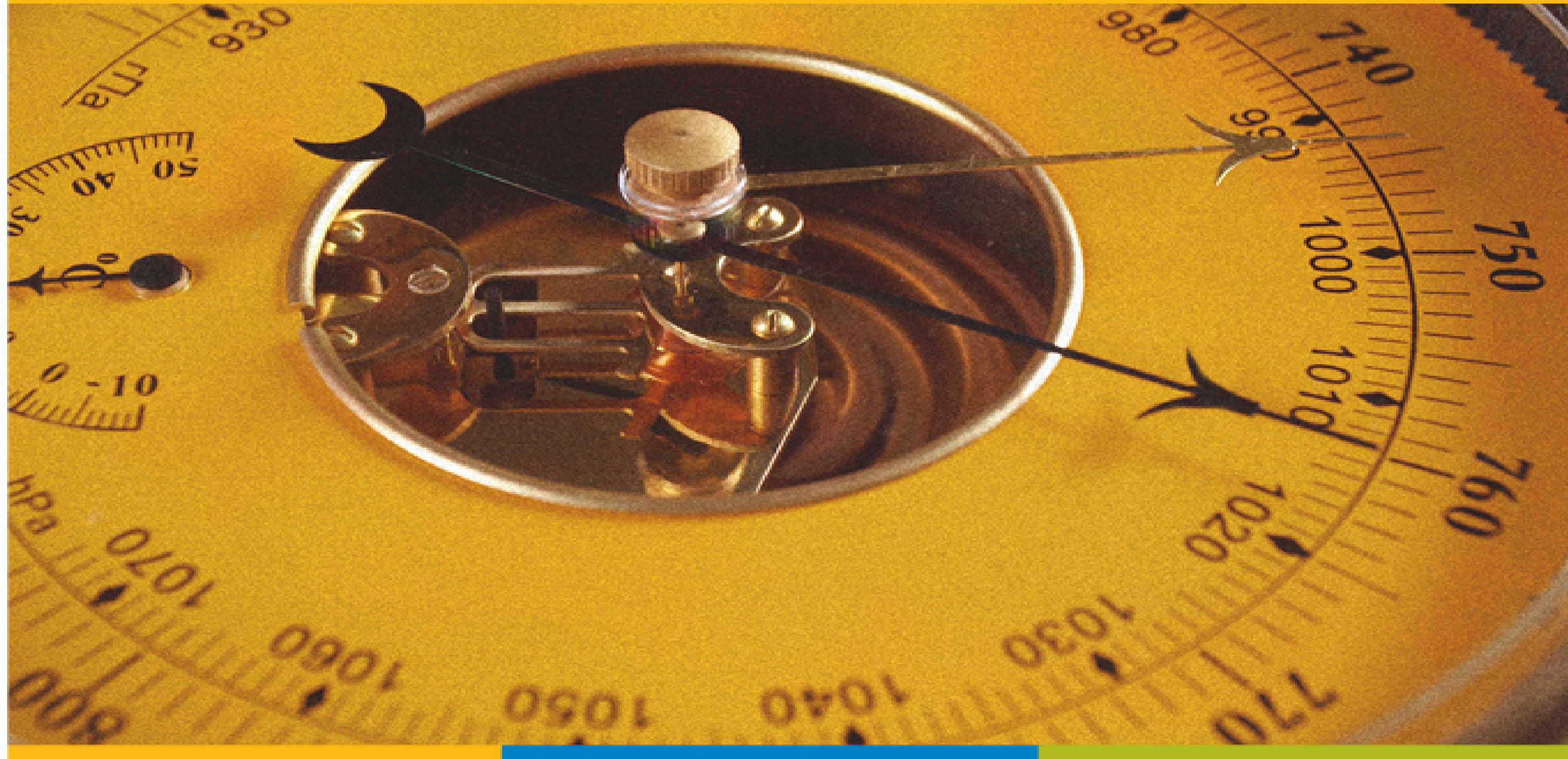


Monthly Business Barometer®

April 2024



12-month Small Business Confidence Index

47.5

Monthly change

↓ -5.4

3-month Small Business Confidence Index

47.0

Monthly change

↓ -5.4

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 sharp drop in April, to reach 47.5. The short-term optimism index, based on a 3-month outlook, also lost five points, and reached 47.0. Both indexes are at about the same levels as they were at the beginning of the year.

Provincial overview

The drop in long-term confidence touched most provinces also. Saskatchewan (-7.0) and Ontario (-6.7) have seen the most severe declines, and both settled just below 50 at 49.2 and 47.6 respectively. The two largest provinces, Ontario and Quebec, are sitting at historically low levels and below the 50-mark casting a glooming light on the Canadian economy overall.

Demand indicators

Slightly more business owners report insufficient domestic/foreign demand as main limitation on sales or production growth 52%.

Sectoral overview

The sectoral monthly changes are more mixed. Some sectors have registered modest gains (such as professional services +2 points, manufacturing +1.9 points) while others have seen decreases (health and education -5.5, agriculture -3.9, and construction -2.4).

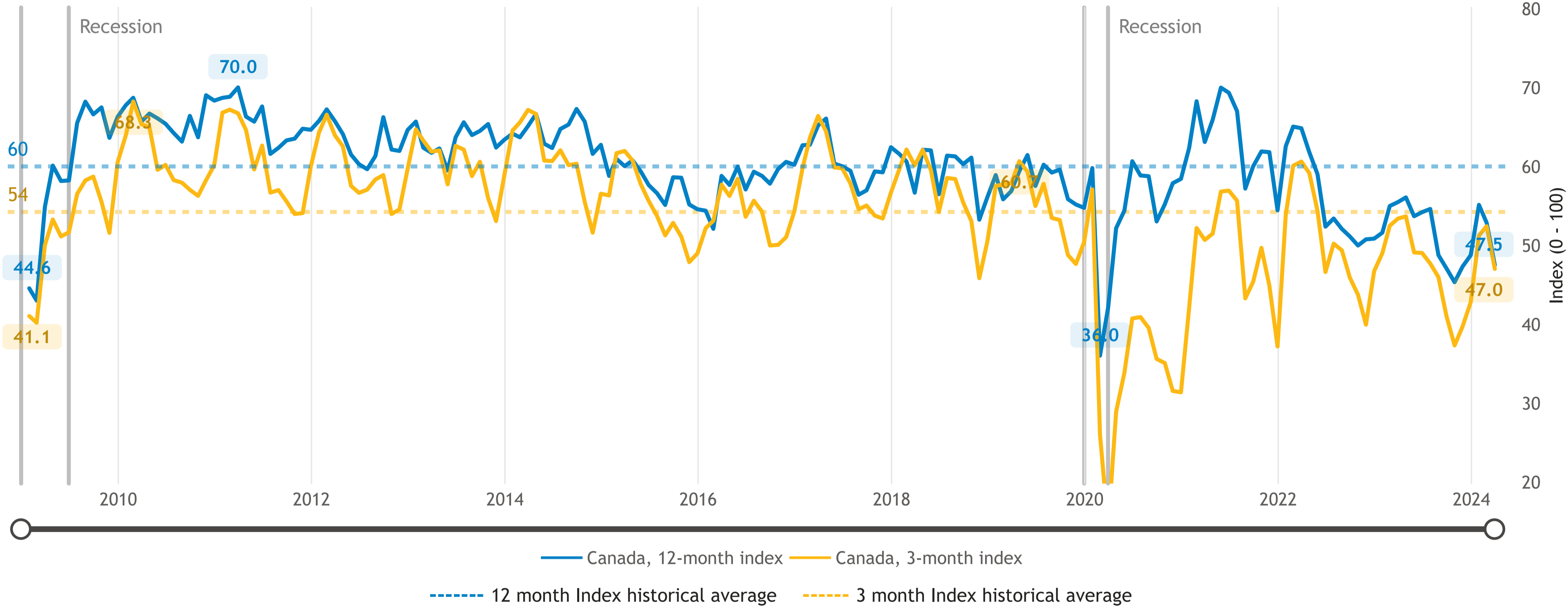
Inflation indicator

For the first time since May 2022, the average price increase indicator gained abruptly (+0.5 points) and reached 3.2. This breaks the series of gradual decreases or minor gains and jumps above the upper limit of the inflation range of 3.0. Average wage increase plans for the next 12 months also increased from 2.5 in March to 2.9 currently.

Main costs on business

The share of businesses citing insurance costs as a challenge has increased even more (72%)- a new record for this indicator. Wage costs (68%) had seen a sharp increase also, most likely on the heels of many provinces increasing the minimum wage costs on April 1st.

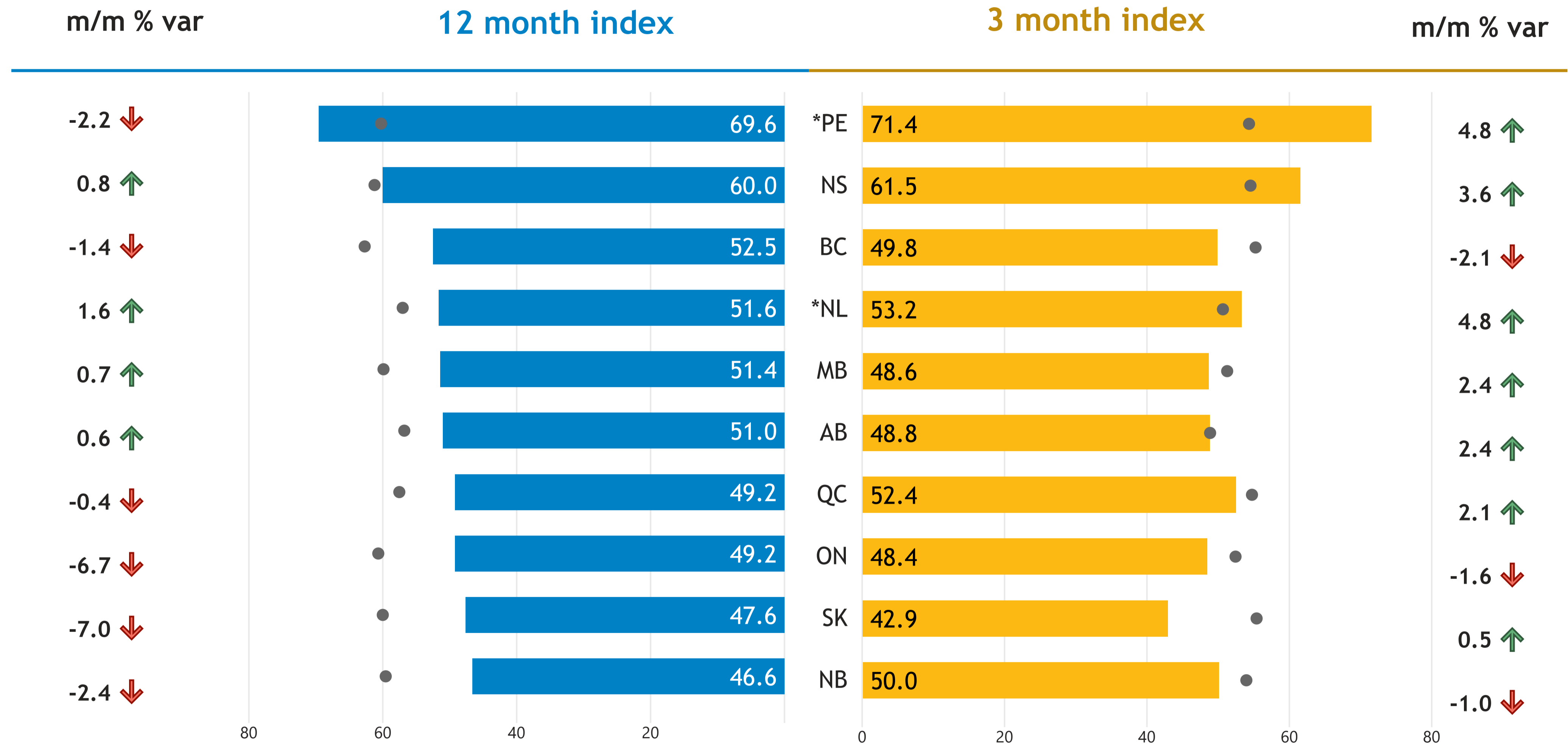
Business Barometer®: 12-month and 3-month small business confidence index, Canada



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**?

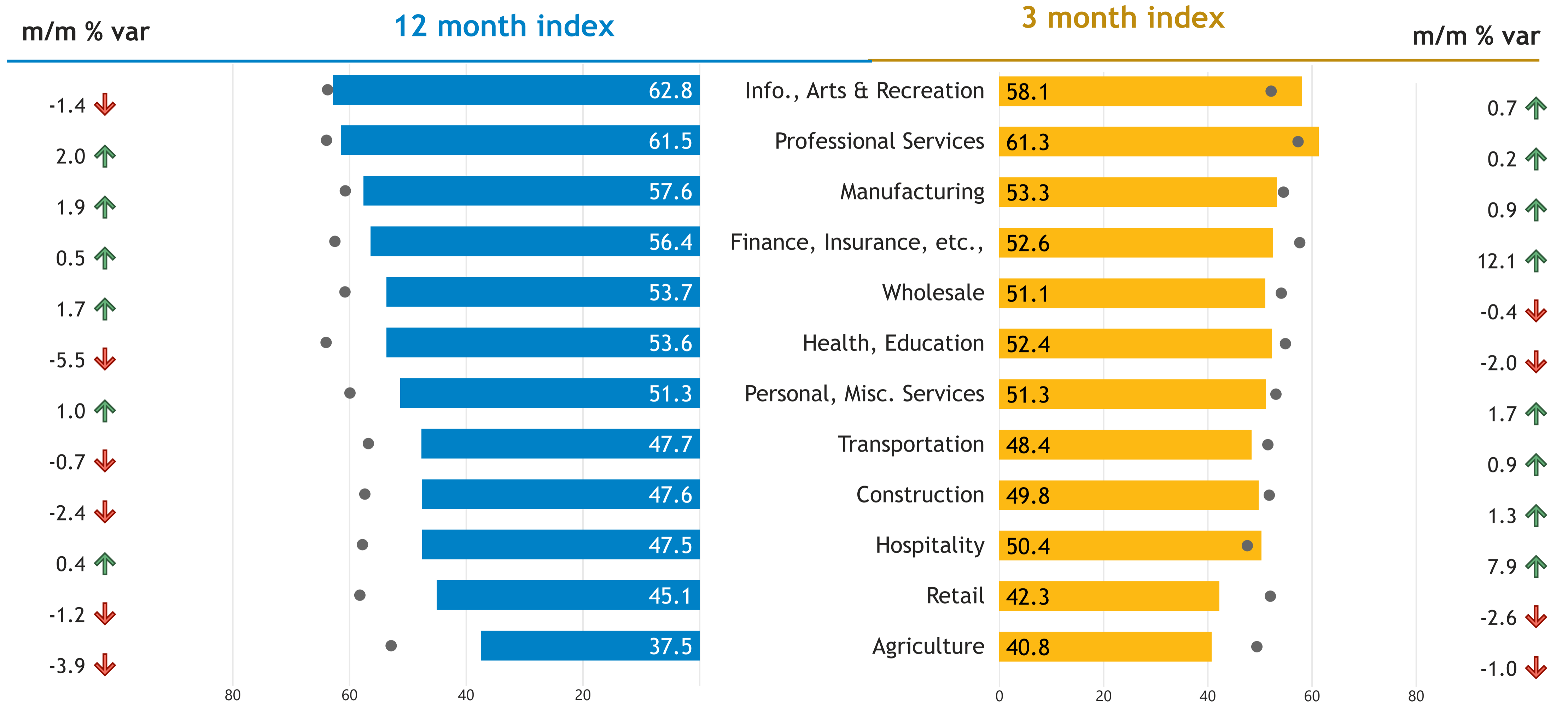
Source : CFIB and Recession: C.D. Howe Institute Business Cycle Council



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

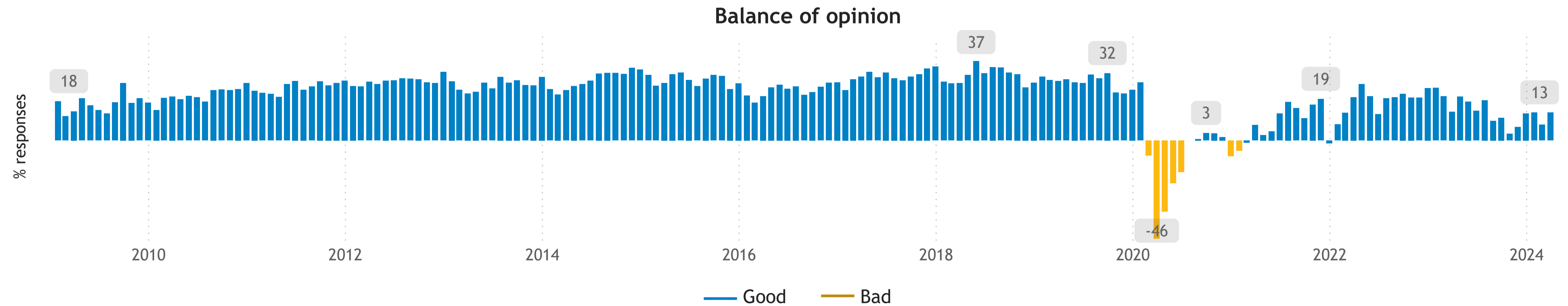
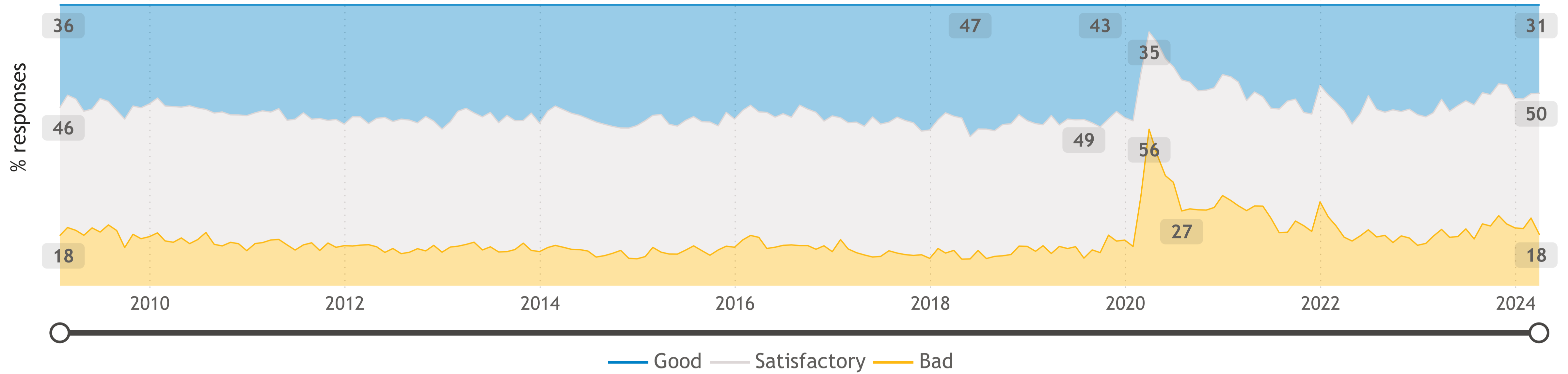


Survey question: How do you expect your firm to be performing in **12 months** compared to now?

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.

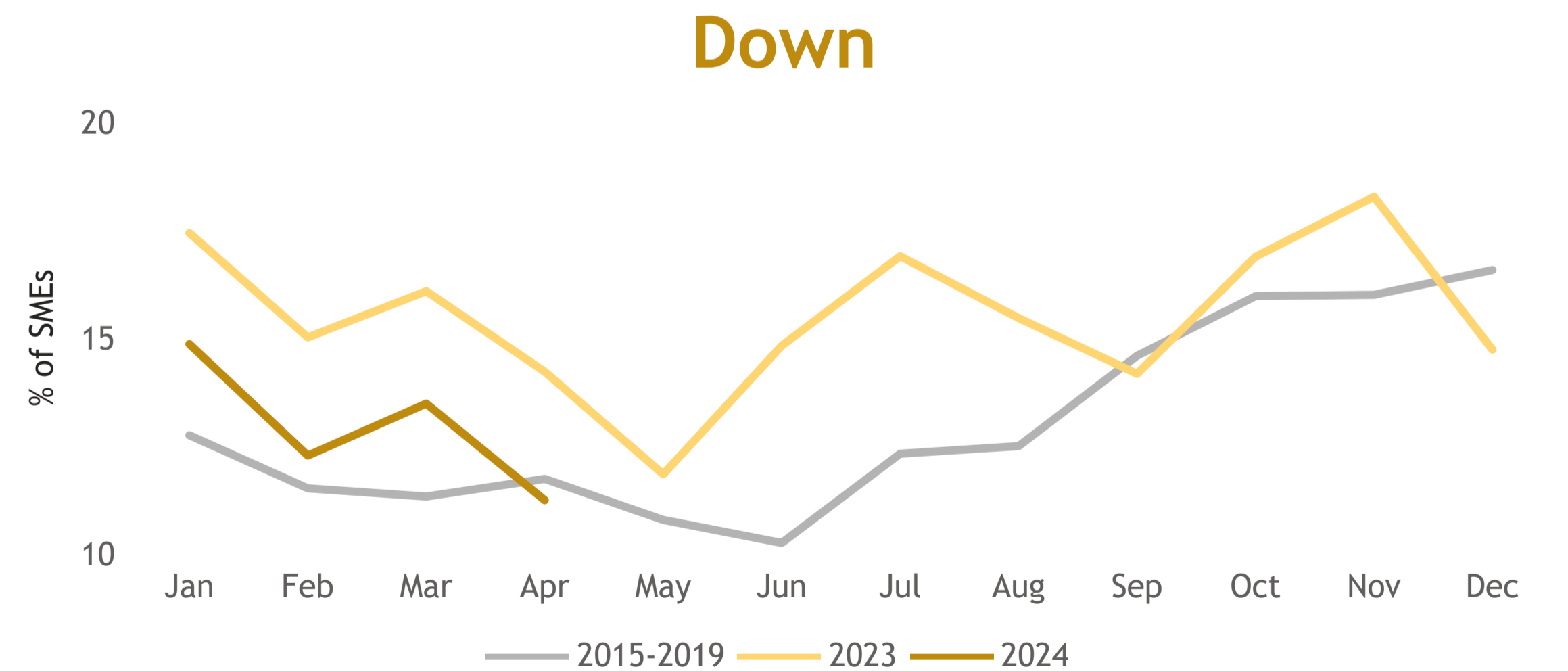
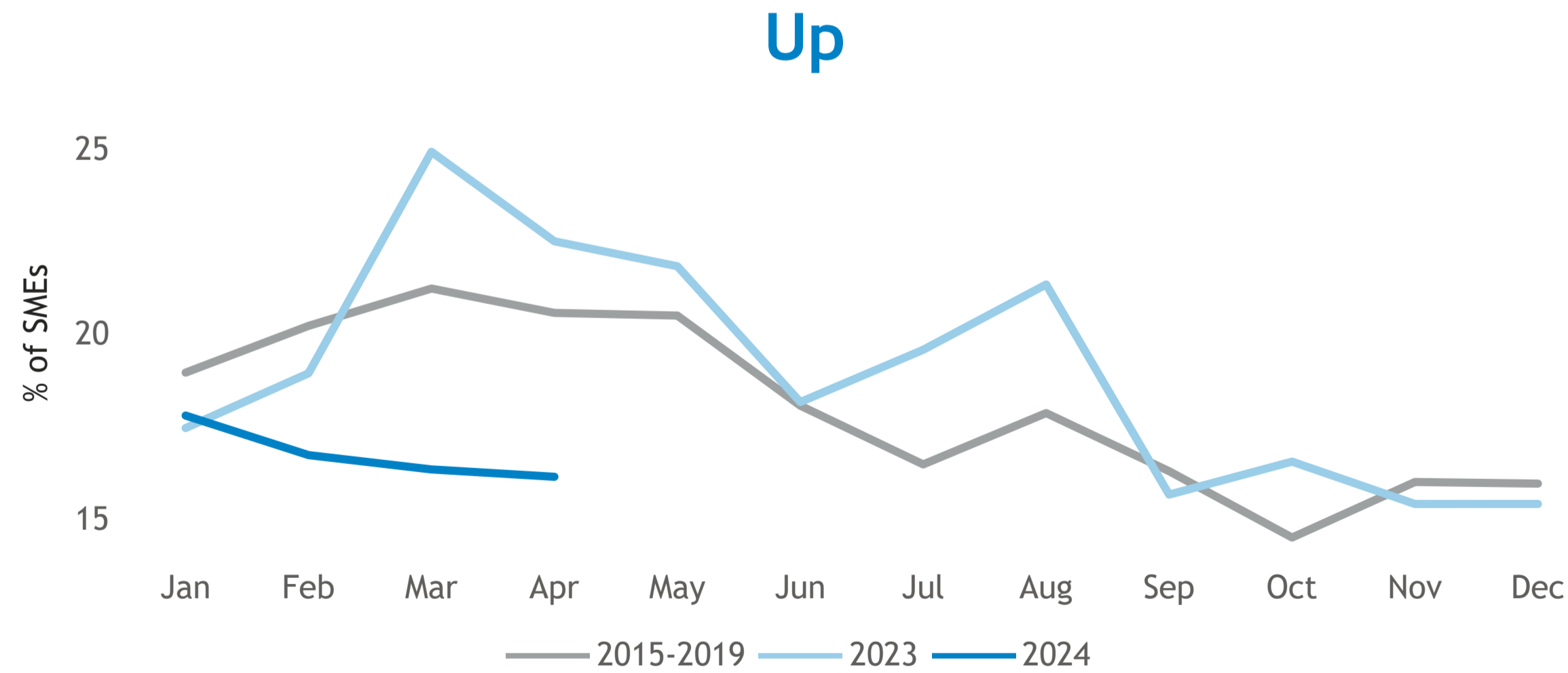
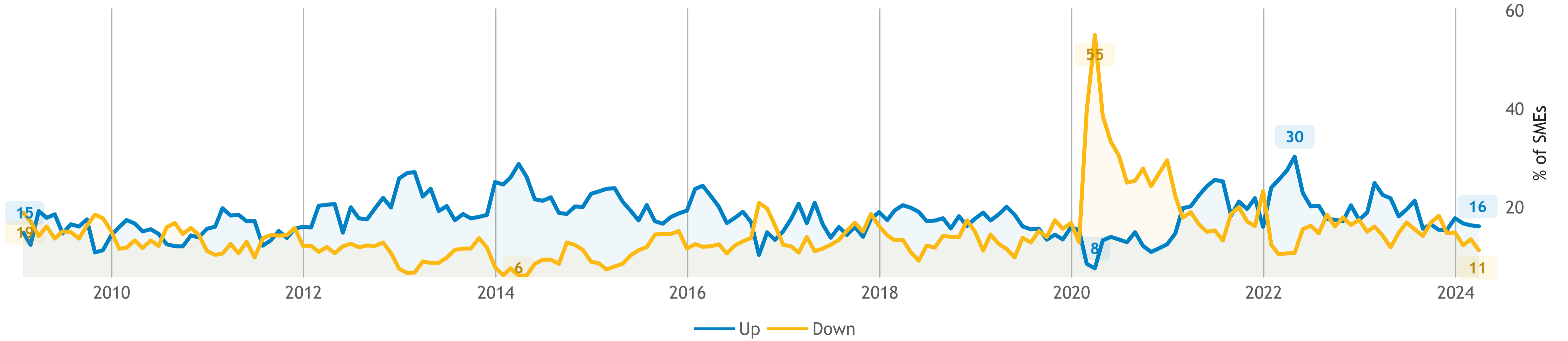
Business Barometer®: General state of business health



Survey question: Currently, what is the general business situation of your company?

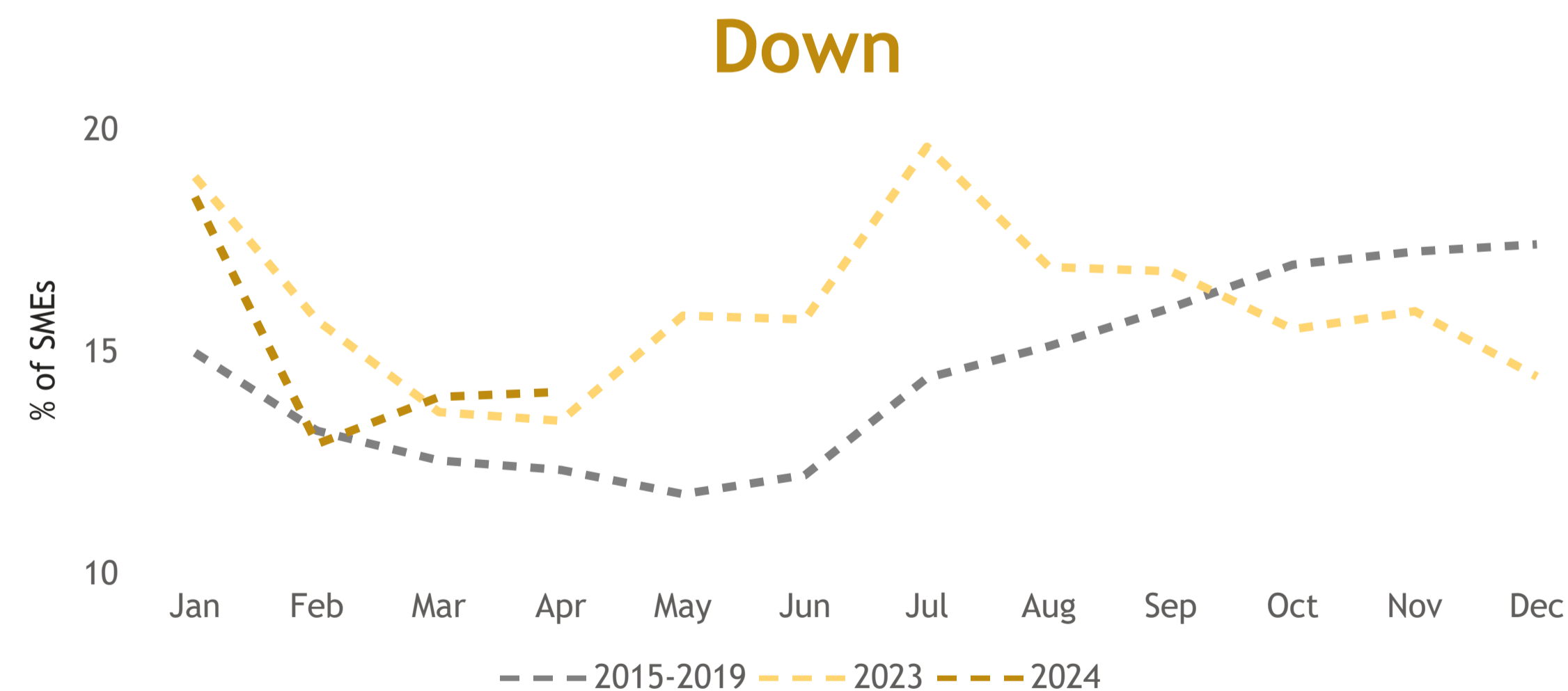
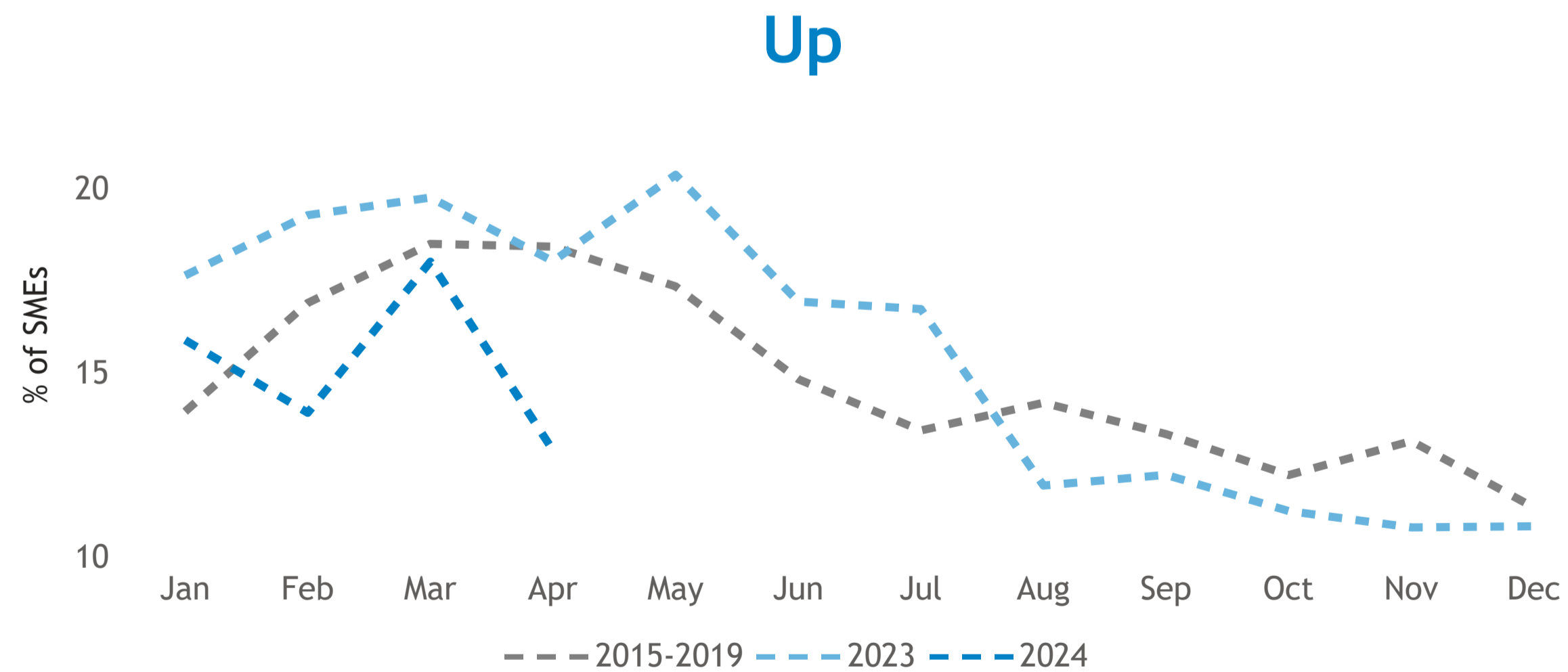
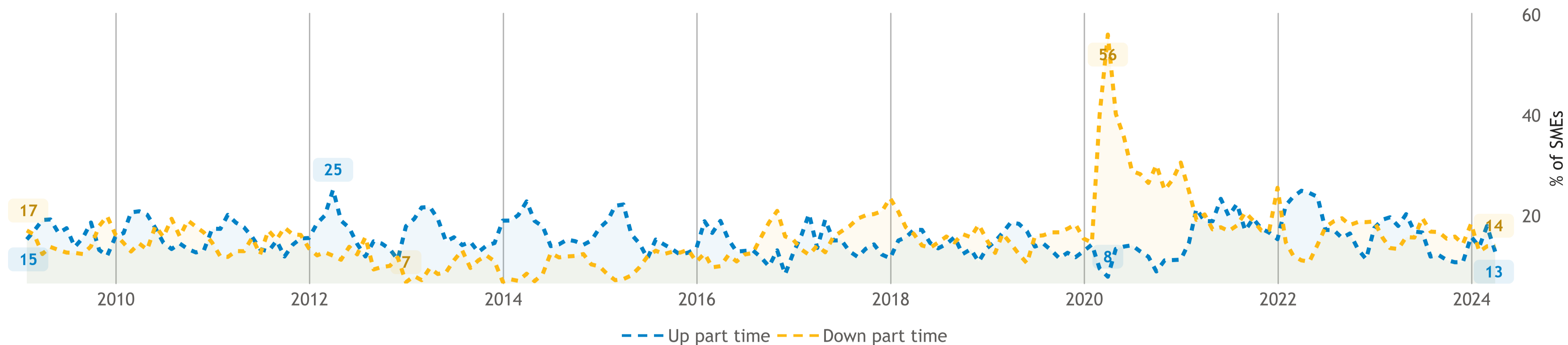
Note: Balance of opinion = [Share of respondents answering **Good**]- [Share of respondents answering **Bad**]

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



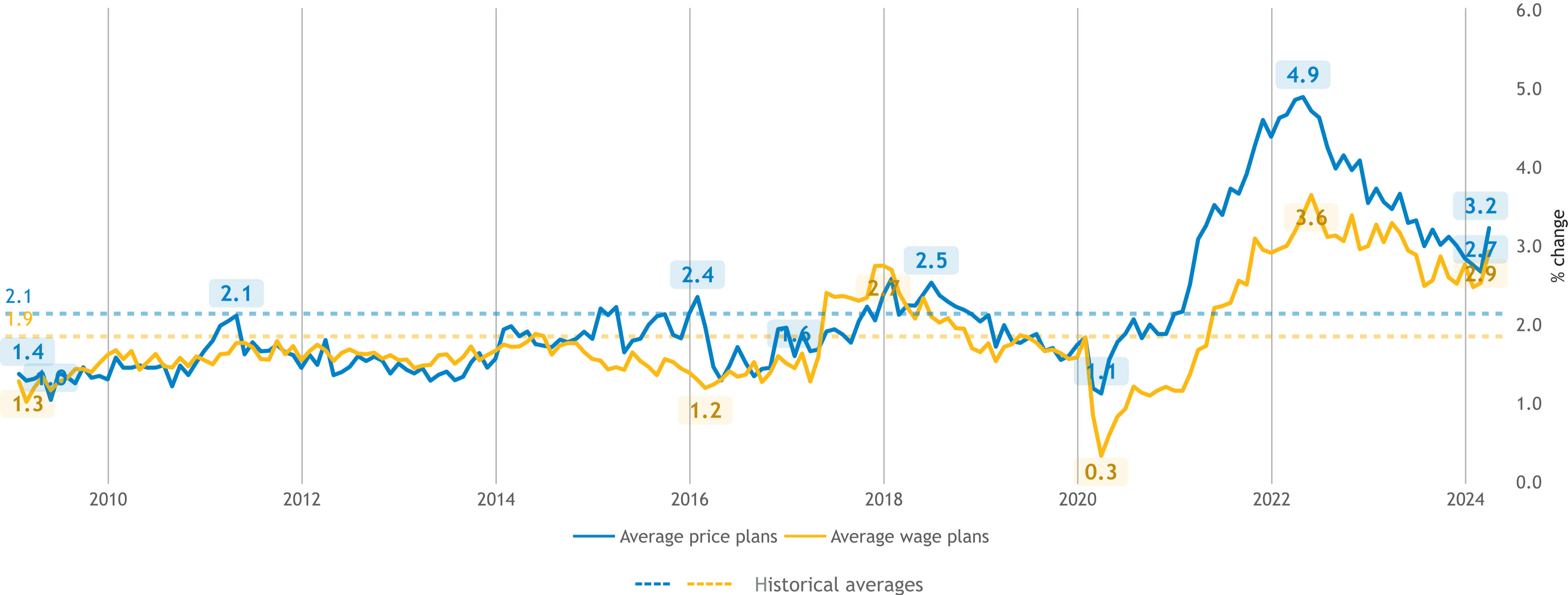
Survey question: How are your expected employment levels to change in the next 3 or 4 months? (Up, Same, Down)

Business Barometer®: Part-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)

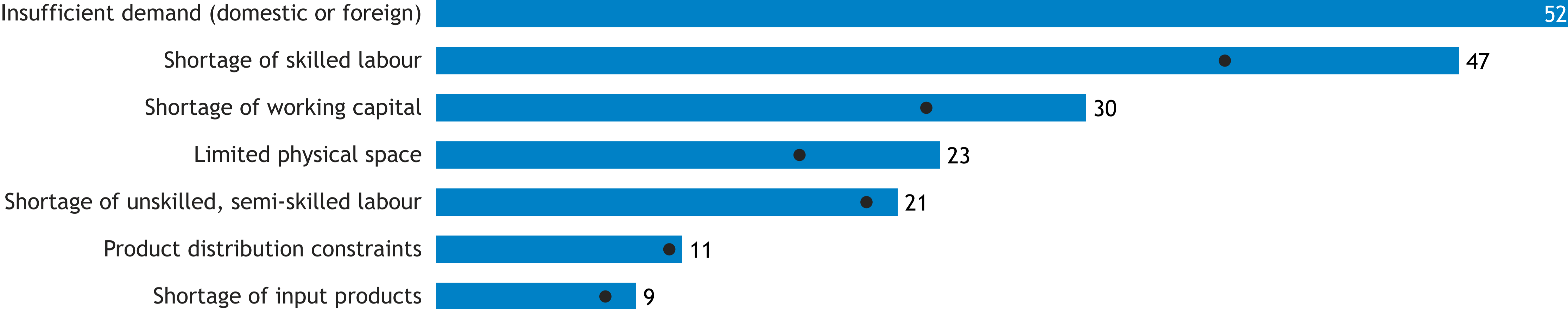
Business Barometer®: Future price and wage increase plans



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?

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

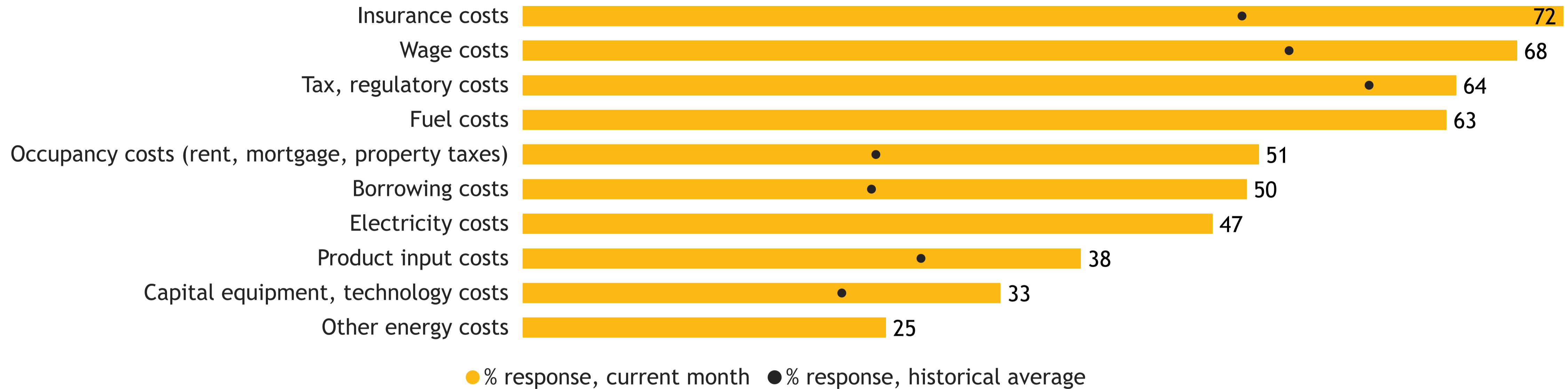


● % response, current month ● 2009-2022 average limitation

Survey question: What factors are limiting your ability to increase sales or production?

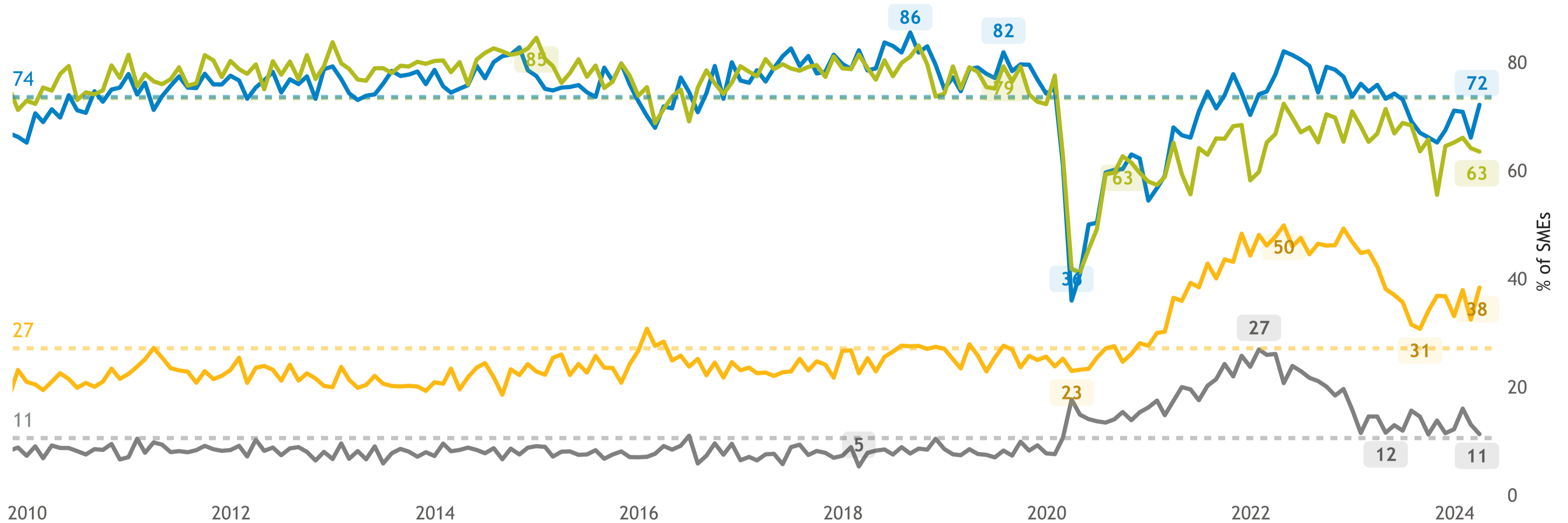
Note: Starting January 2024, the options "Insufficient domestic demand" and "insufficient foreign demand" have been combined into one option "insufficient demand". The option 'foreign competition' has been removed.

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".



Firms with: — Normal/above normal unfilled orders — Normal/above normal unsold inventories — Product input costs difficulties — Product distribution constraints

--- Historical averages

Survey questions:

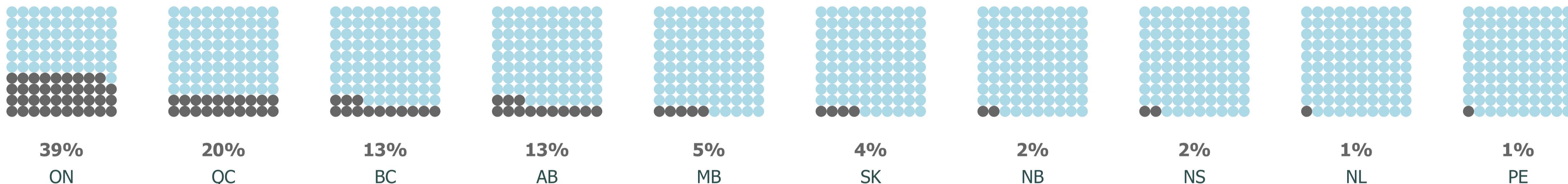
Allowing for normal seasonal influences, what are **current unfilled orders** and **unsold inventories** compared to normal?

What types of input costs are currently causing difficulties for your business? [Respondents selecting "Product input costs"]

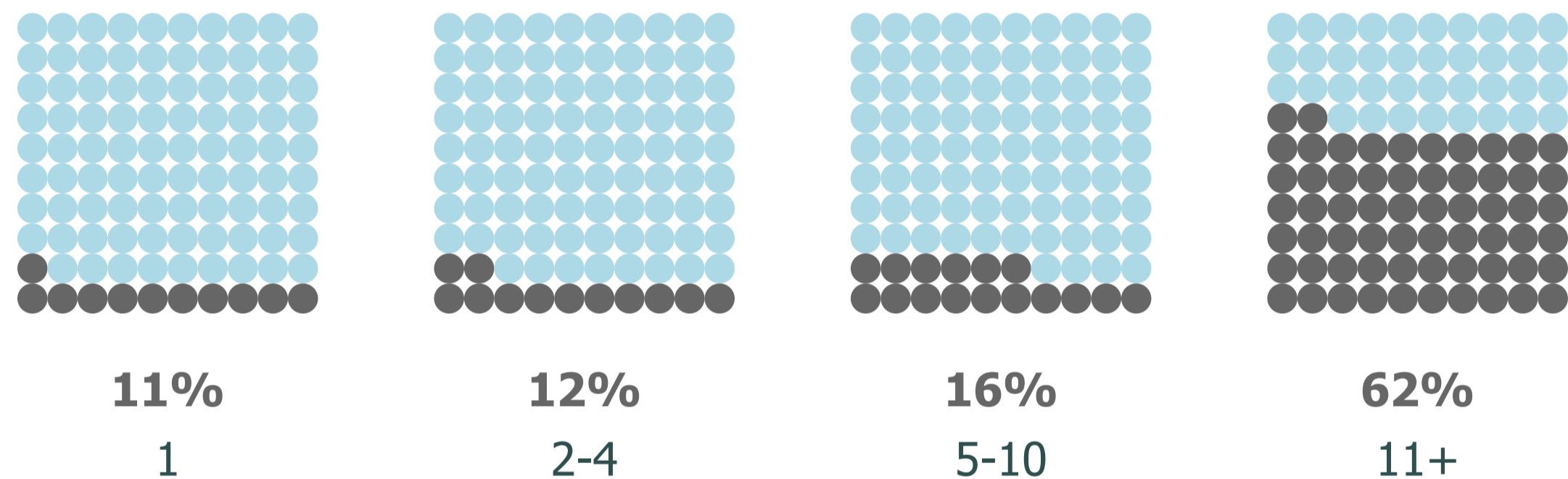
What factors are limiting your ability to increase sales or production? [Respondents selecting "Product distribution constraints"]

Current month sample distribution

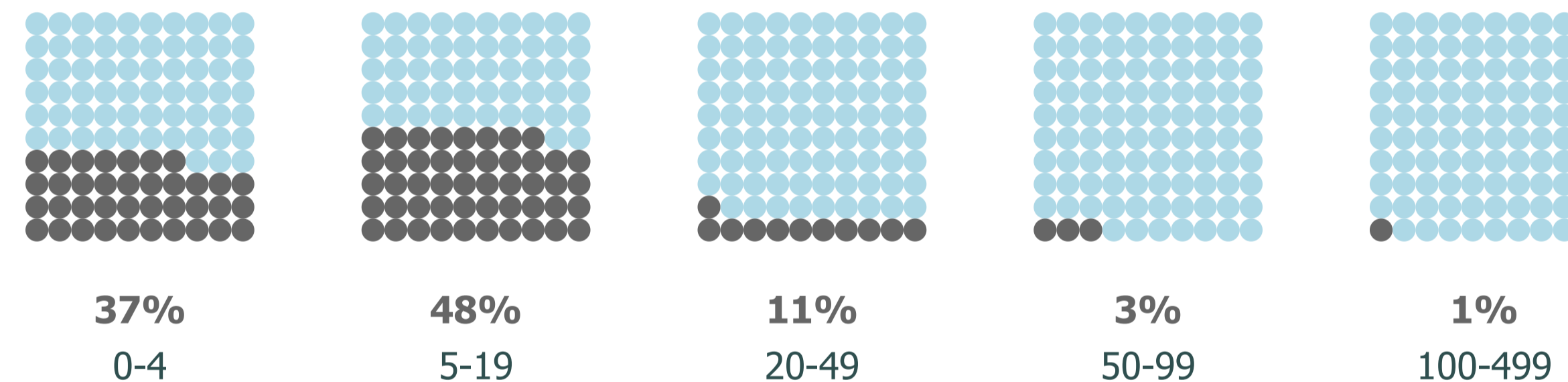
By location of business



By number of years in business



By number of employees



Methodology

- Stratified random sample of CFIB members to a controlled-access web survey: 657 responses
- Responses were received from: April 2-17
- 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.