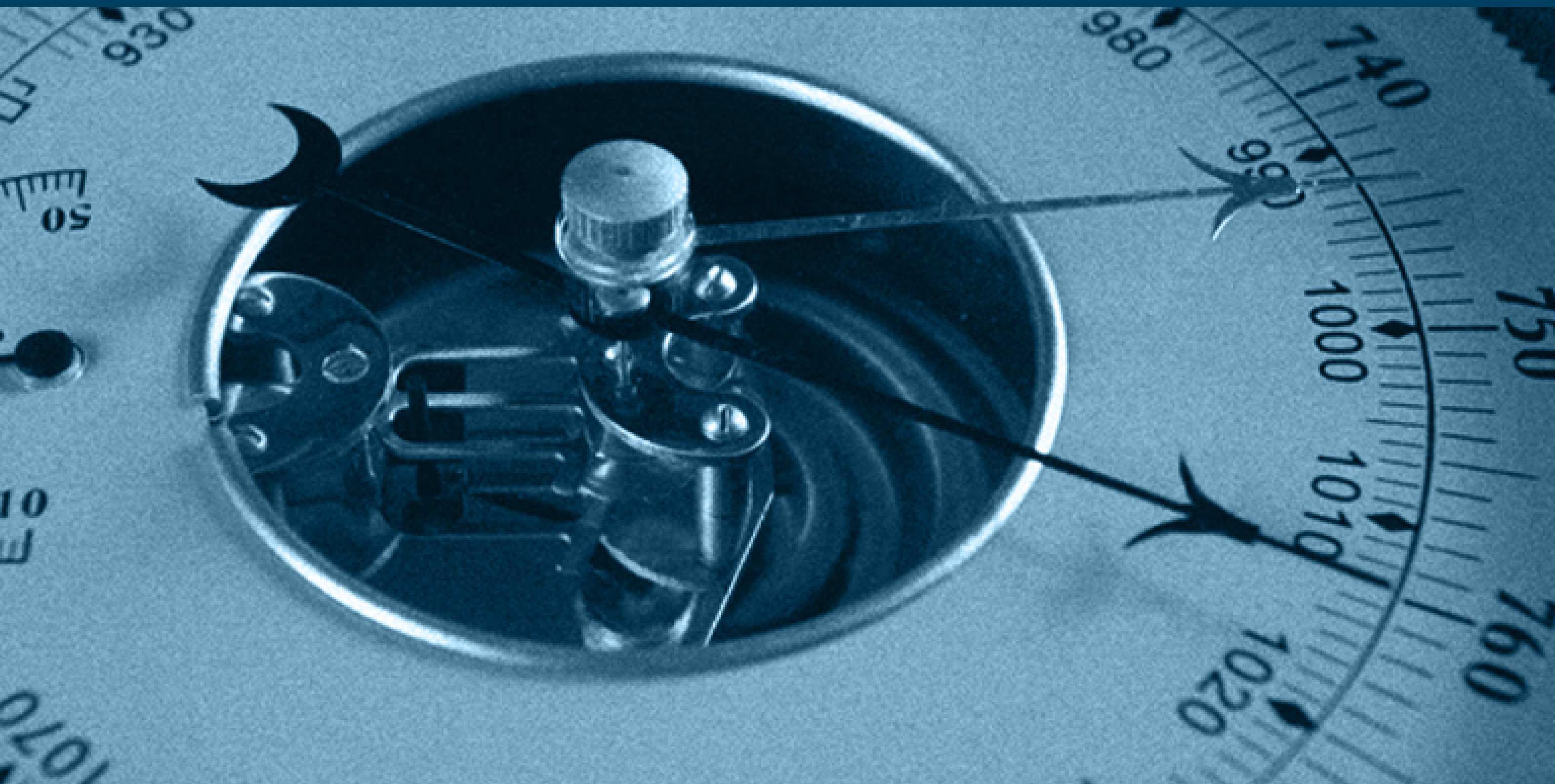




In business
for your business.

Monthly Business Barometer®

July 2025



12-month Small Business Confidence Index

50.9

Monthly change

↑ 3.4

3-month Small Business Confidence Index

49.3

Monthly change

↑ 1.3

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, inched forward by three points above the June level to reach 50.9. The short-term optimism index, based on a 3-month outlook, held steady at 49.3—just one point above its previous reading. Overall, small business confidence is edging up but it remains at the breakeven point where equal shares of business owners expect stronger and weaker performances.

While both exporting firms and importing firms gained in optimism, they are still lagging firms trading within Canada only.

Provincial overview

All provinces but one, British Columbia, gained momentum over the long- and short-term. However, long-term optimism among the four largest provinces is very timid, sitting around 55 in Alberta, and Quebec and around 48 in British Columbia, and Ontario.

Inflation indicators

The average price increase planned for next 12 months dropped to 2.7 from the June's 2.9 level. This is a positive change which shows inflation to be back to about January 2025 reading. The average wage increase hovers around 2.1, and it has not been moving much over the past months.

Sectoral overview

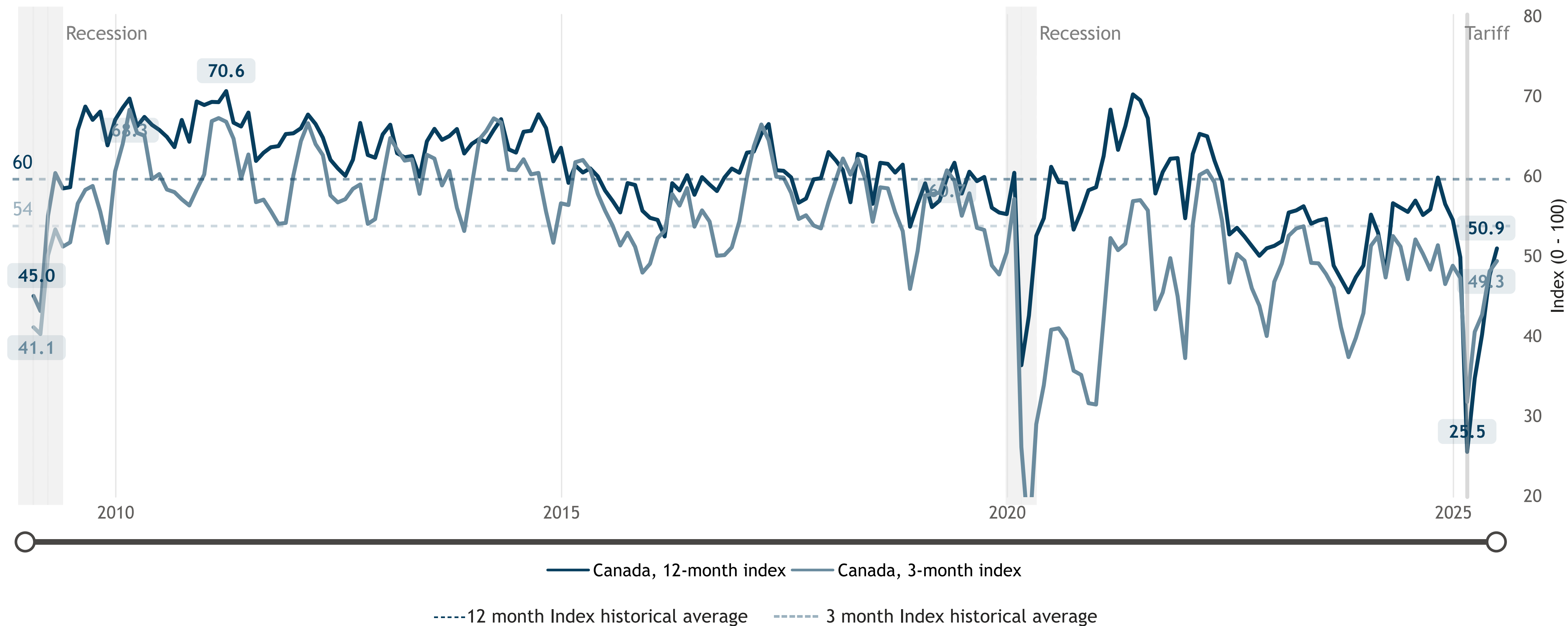
Sectoral optimism remains uneven, ranging from a high of 55.6 in health and education to a low of 39.0 in agriculture and in finance, insurance, real estate and leasing. The broader industry picture points to an economy at a crossroads: six sectors posted optimism levels above the 50 mark, while the rest remain below it.

Other indicators

The labour market remains weak - there are more employers looking to reduce staffing than to increase it. This continues the trend observed since the beginning of the year, with firms looking to hire being significantly under the historical trend while firms looking to lay off are more numerous than the historical average.

Insufficient demand remains elevated due to tariffs and counter-tariffs, and high uncertainty. Labour shortages are easing overall with employers having less appetite for hiring.

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**?

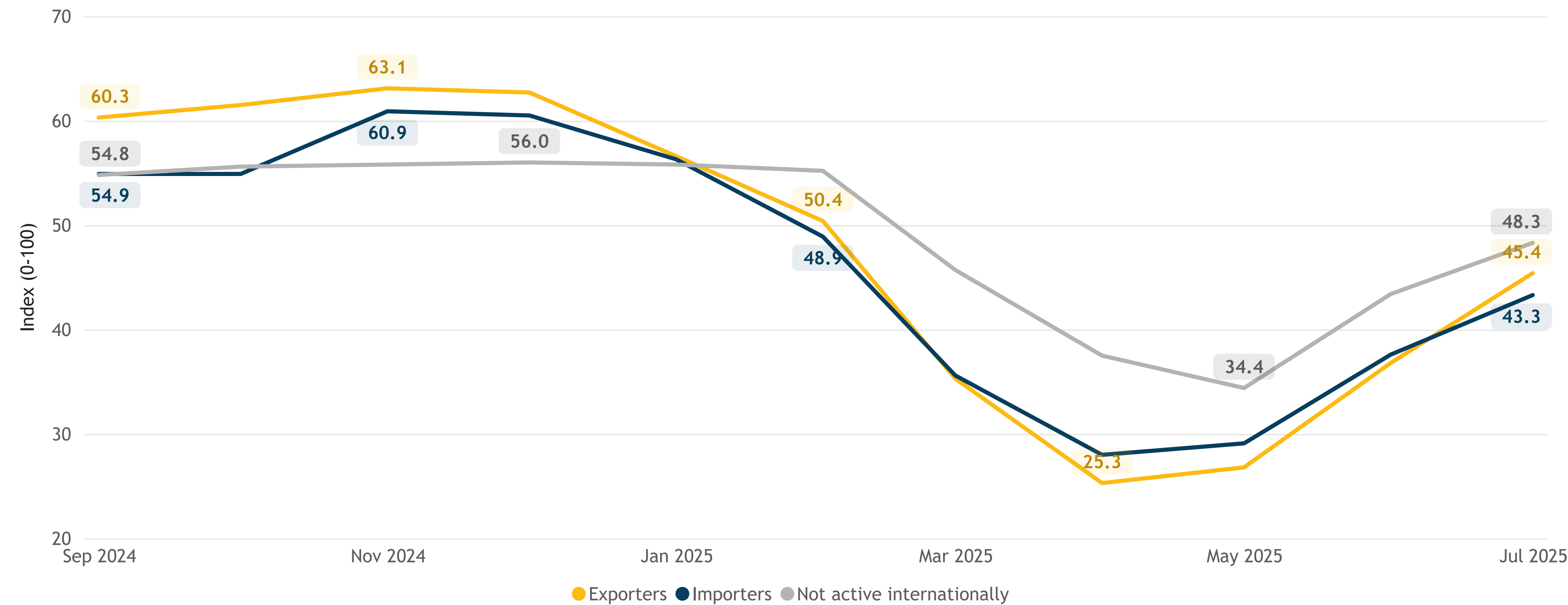
Sources : CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.

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

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



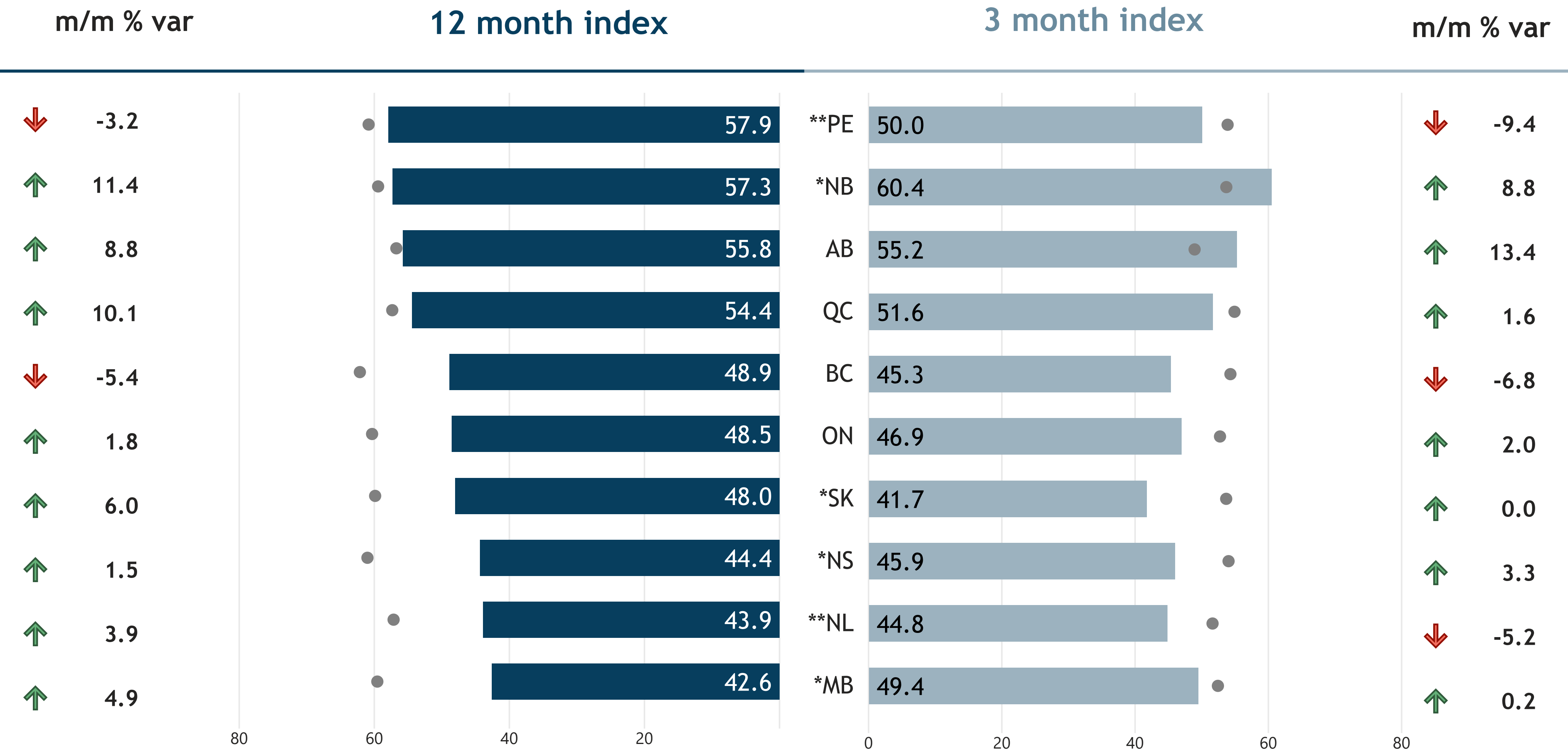
Business Barometer®: 12-month small business confidence index for exporters and importers, Canada



Survey questions: How do you expect your firm to be performing in 12 months compared to now?
International trade (Select one): **Buying from abroad**, **Selling abroad**, **A mix of both**, **Not active internationally**
Source: CFIB, Your business outlook survey. 719 responses received from July 3-8.
Note: Data presented as 3-month moving averages. New series started from September 2024.



Business Barometer®: Small business confidence index, provinces



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

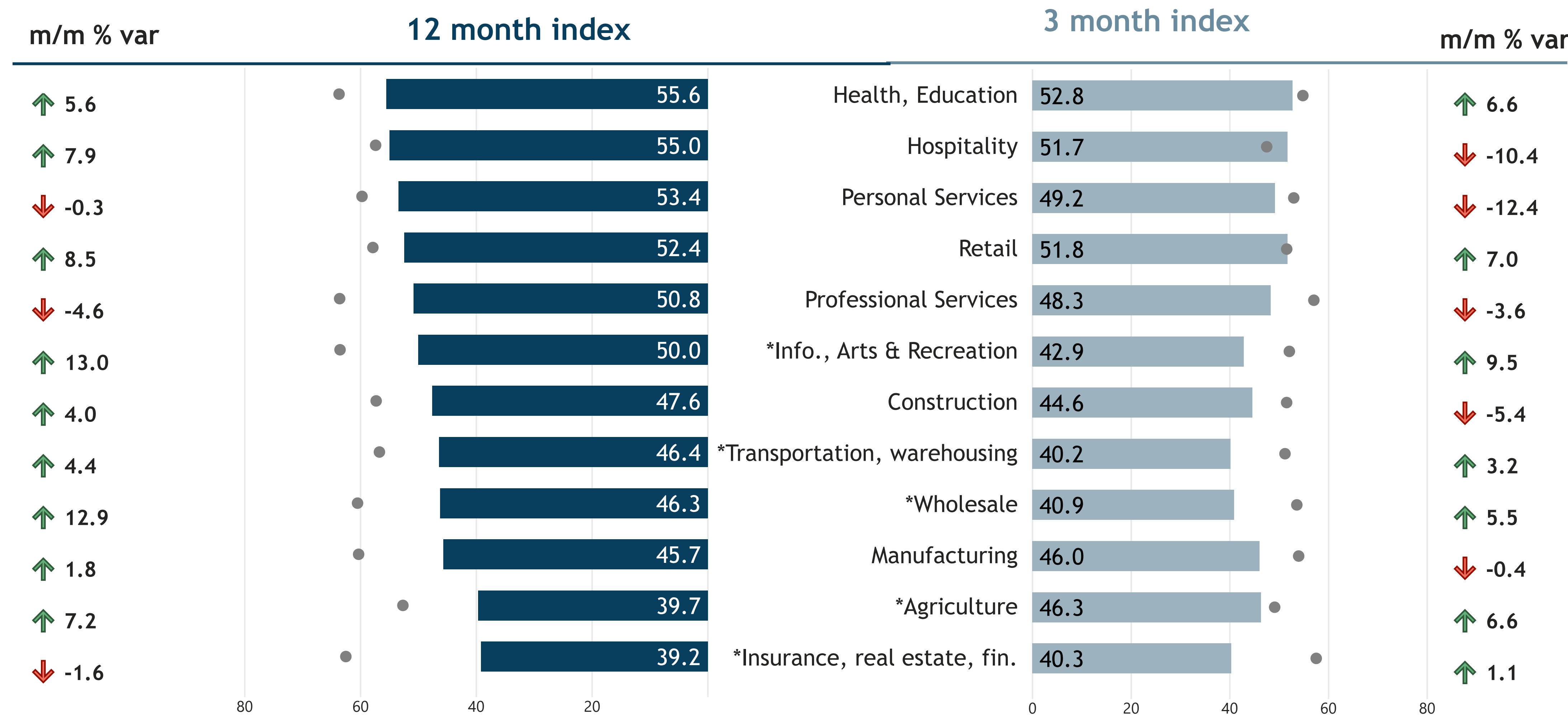
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.

Note: ● Historical averages. **Data presented by 12-month moving average *Data presented by 3-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?

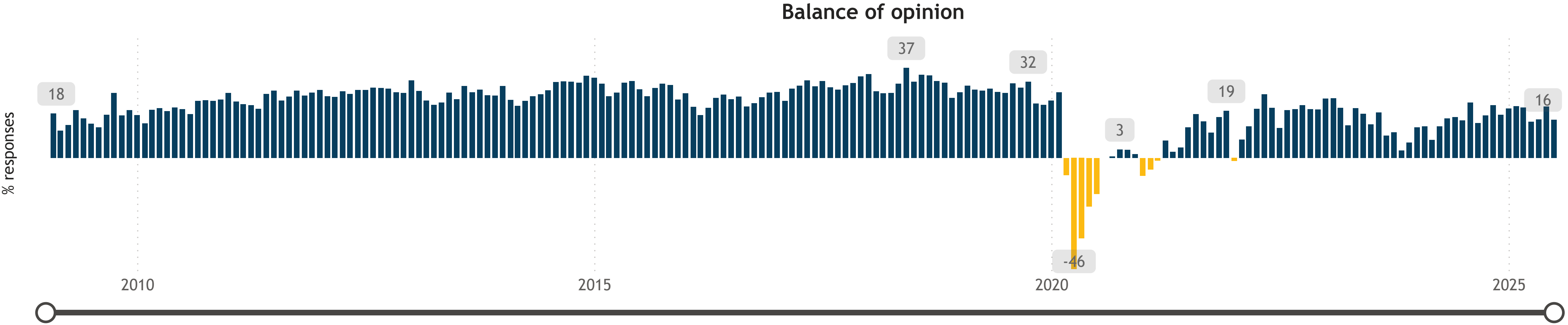
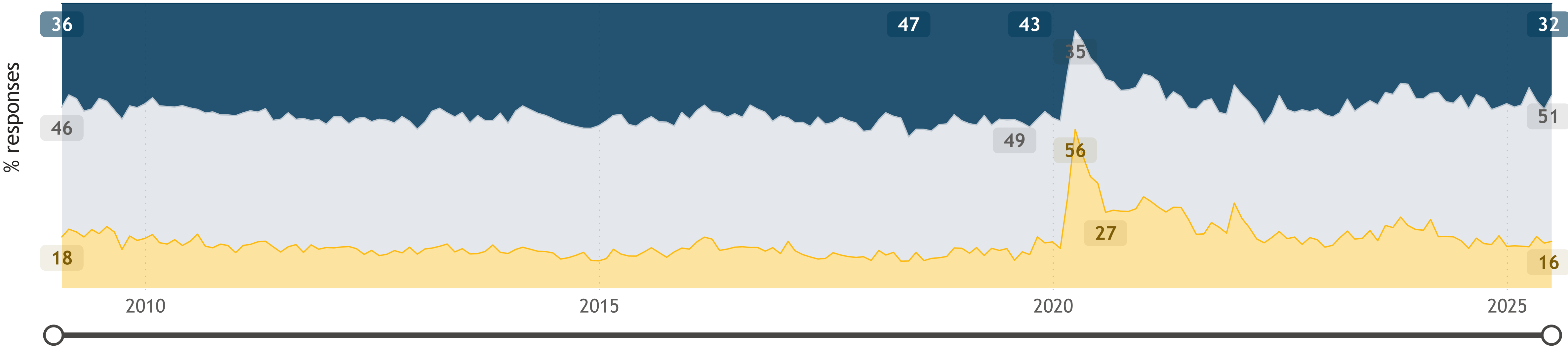
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.

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

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

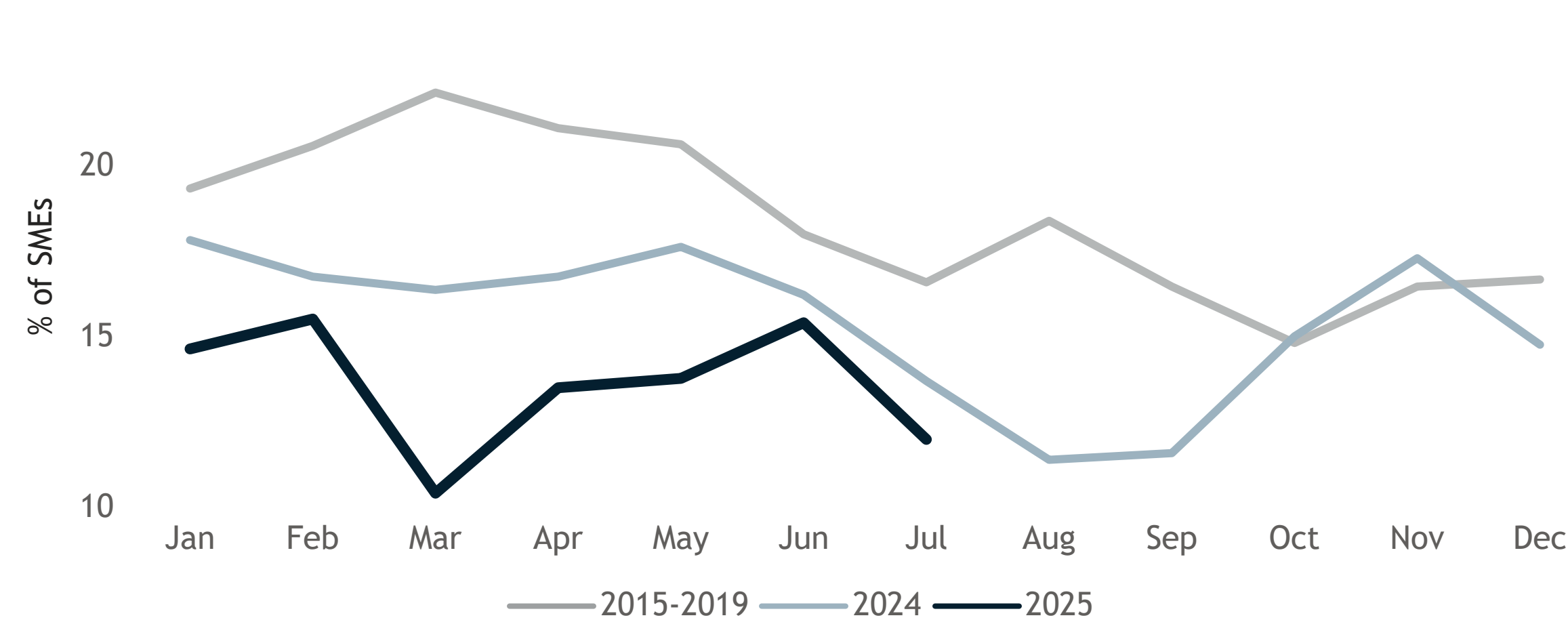
Business Barometer®: General state of business health



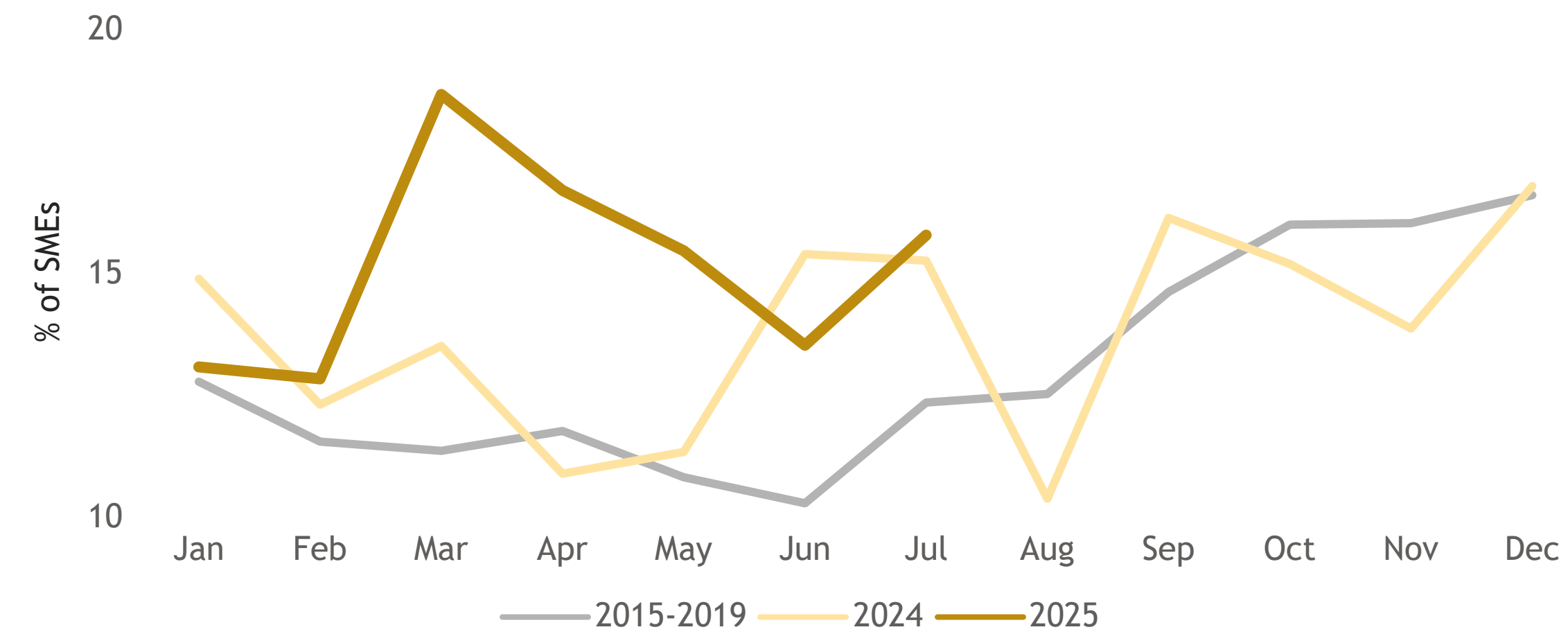
Survey question: Currently, what is the general business situation of your company?
Source: CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.
Note: Values are automatically rounded, so totals may not always equal 100%. Balance of opinion = [Share of respondents answering **Good**]- [Share of respondents answering **Bad**].

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

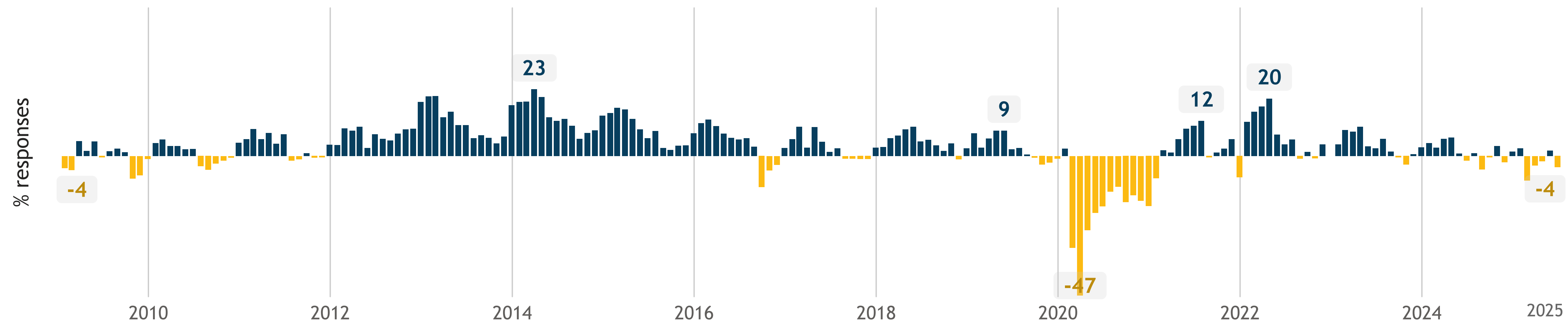
Adding staff



Reducing staff



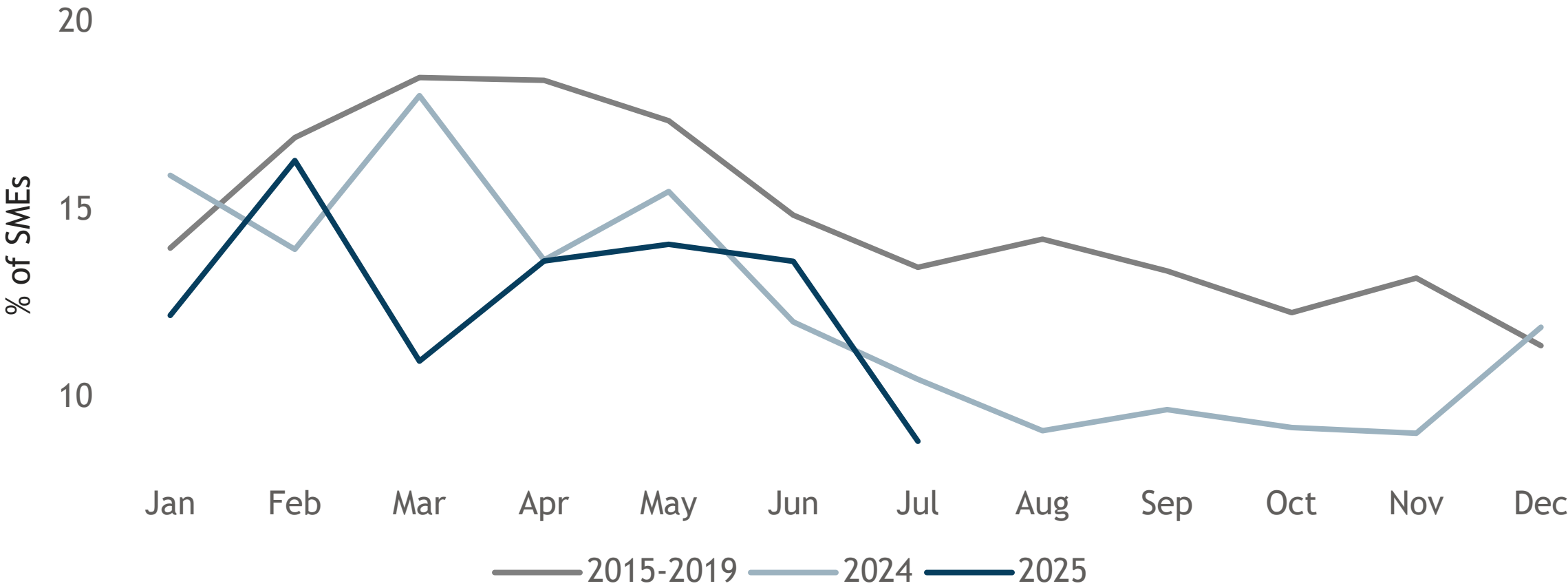
Net staffing intentions, full time



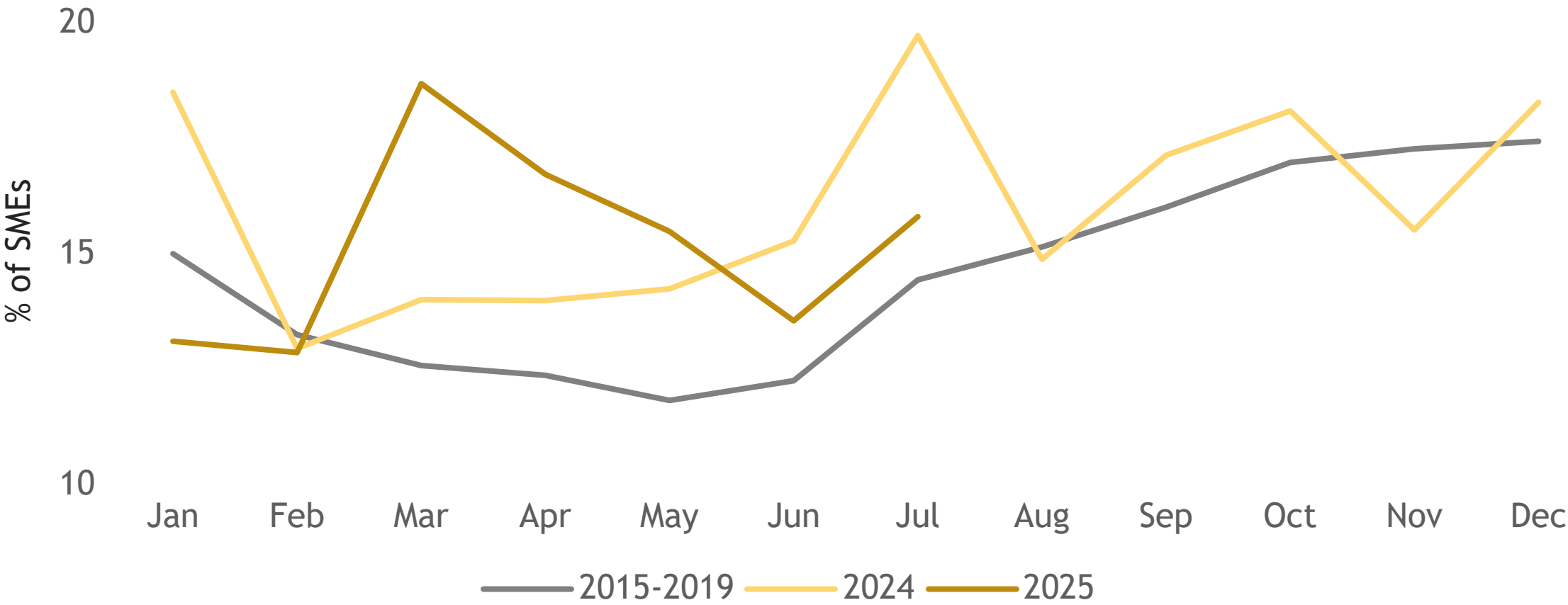
Survey question: How are your expected employment levels to change in the next 3 or 4 months? (Up, Same, Down)
Source: CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.
Note: Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]

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

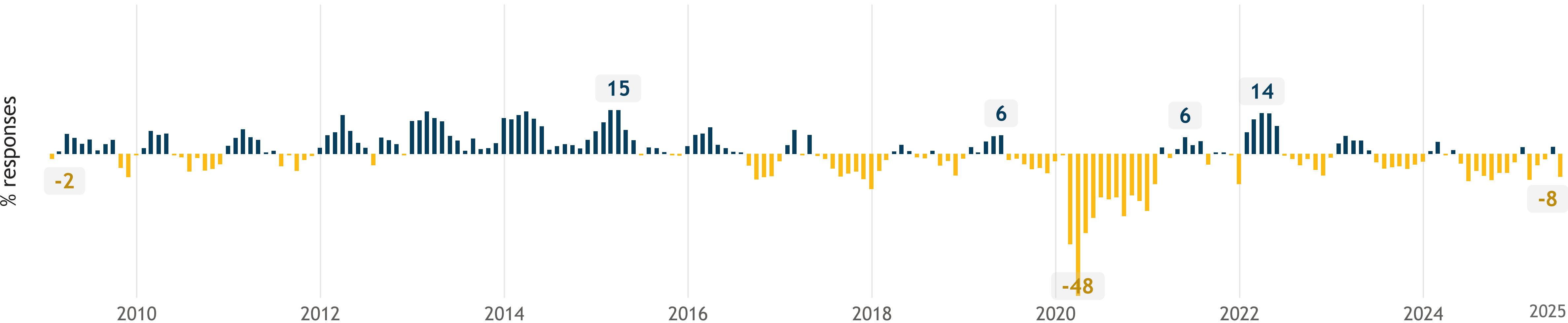
Adding staff, part time



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 2025. 719 responses received from July 3-8.
Note: Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]

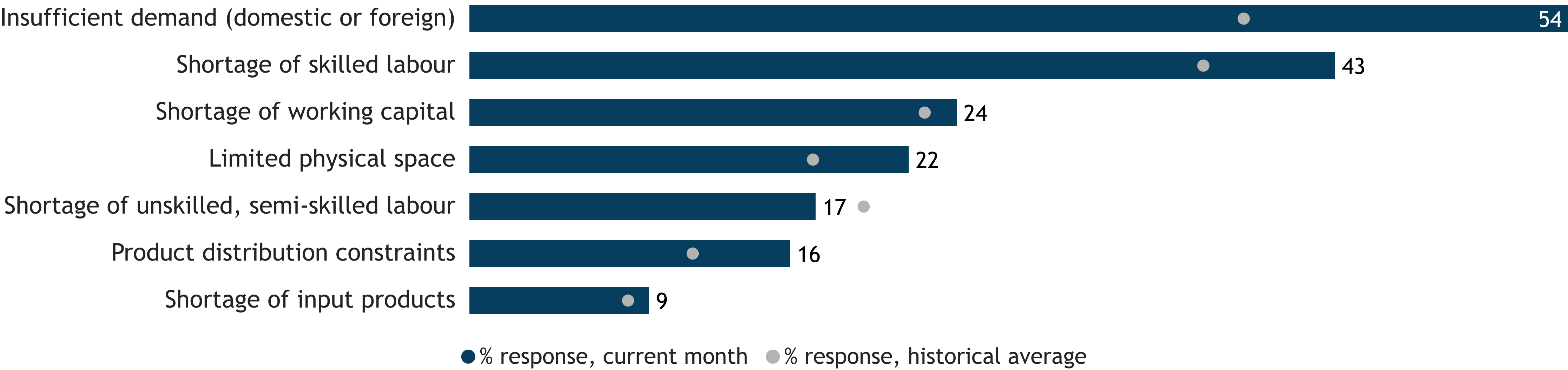
Business Barometer®: Future price and wage increase plans



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 2025. 719 responses received from July 3-8.

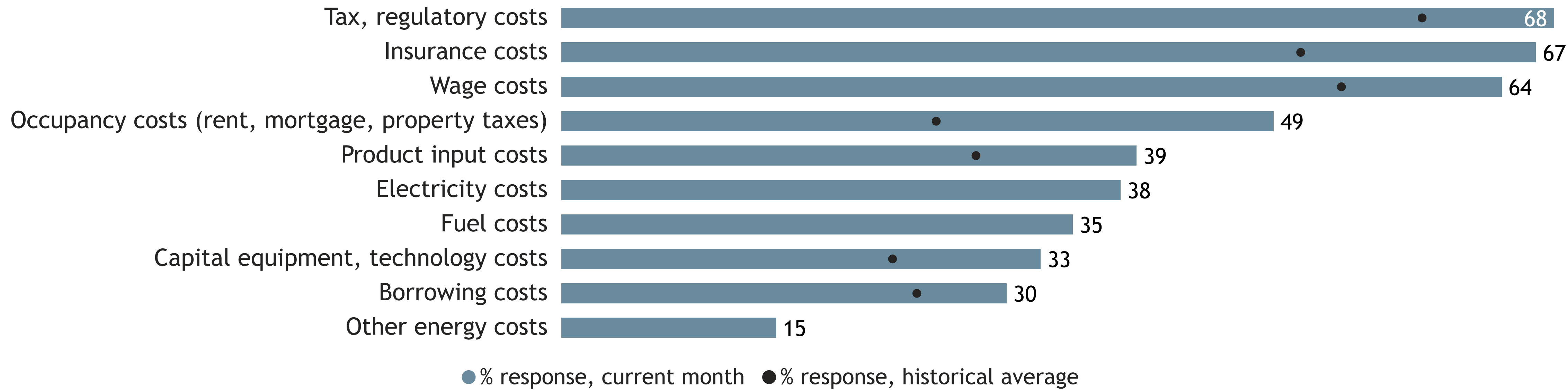


Business Barometer®: Factors limiting sales or production growth- current levels and trend



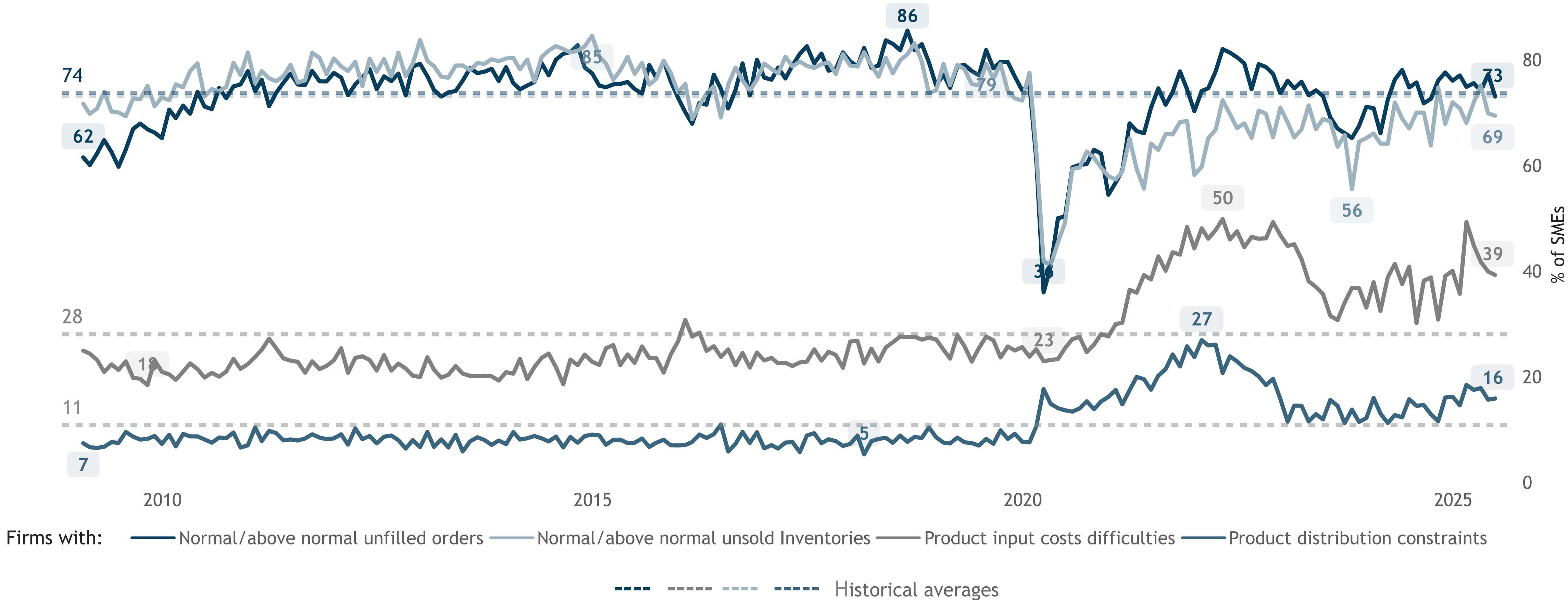
Survey question: What factors are limiting your ability to increase sales or production?
Source: CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.

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 2025. 719 responses received from July 3-8.

Business Barometer®: Supply chain indicators



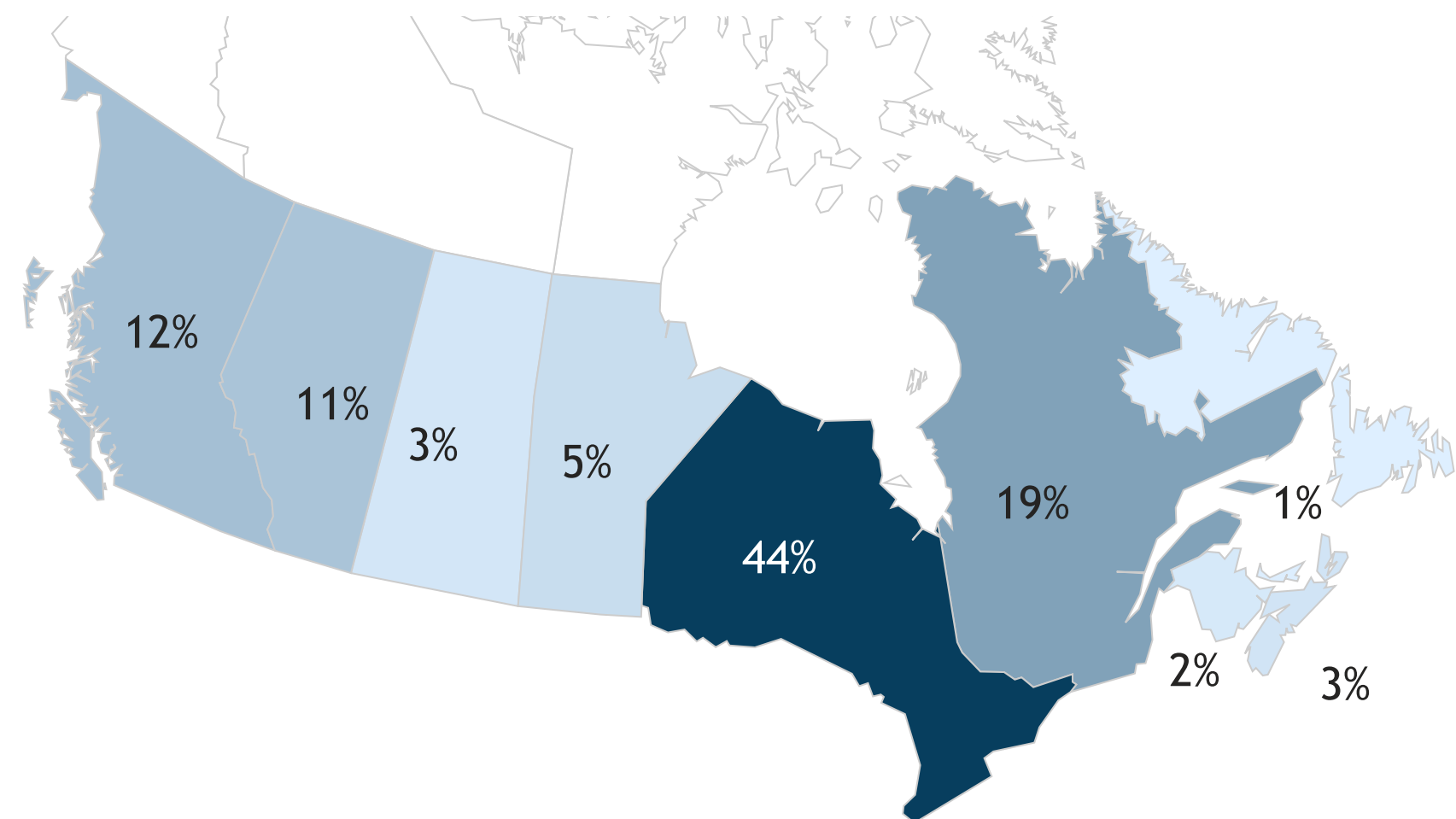
Survey questions:

- 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"]

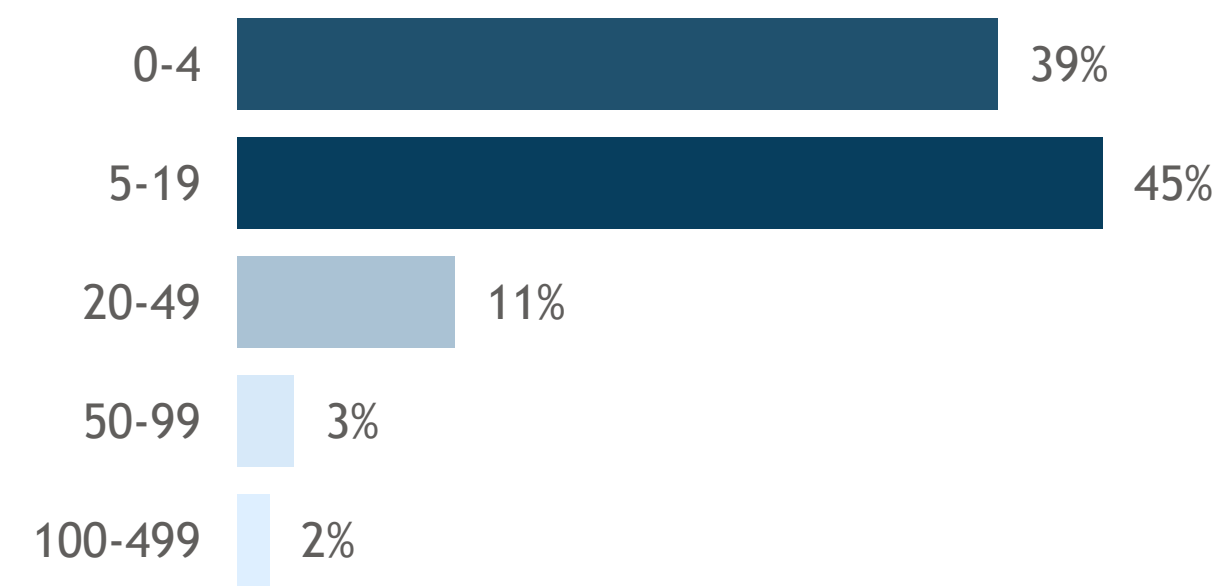
Source: CFIB, Your business outlook survey, February 2009 - July 2025. 719 responses received from July 3-8.

Business Barometer®: Sample distribution

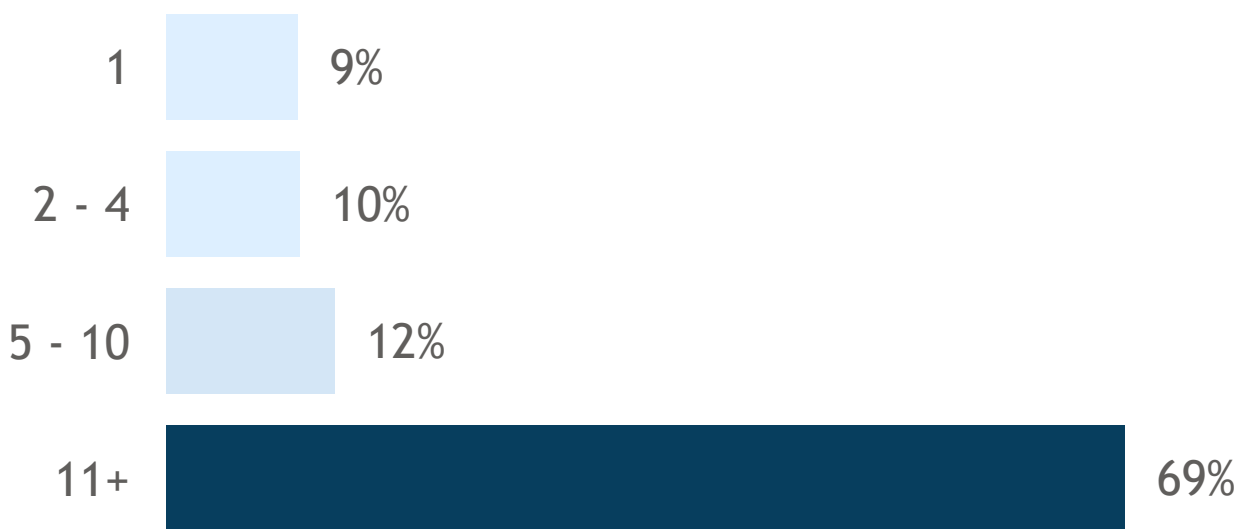
By location of the business



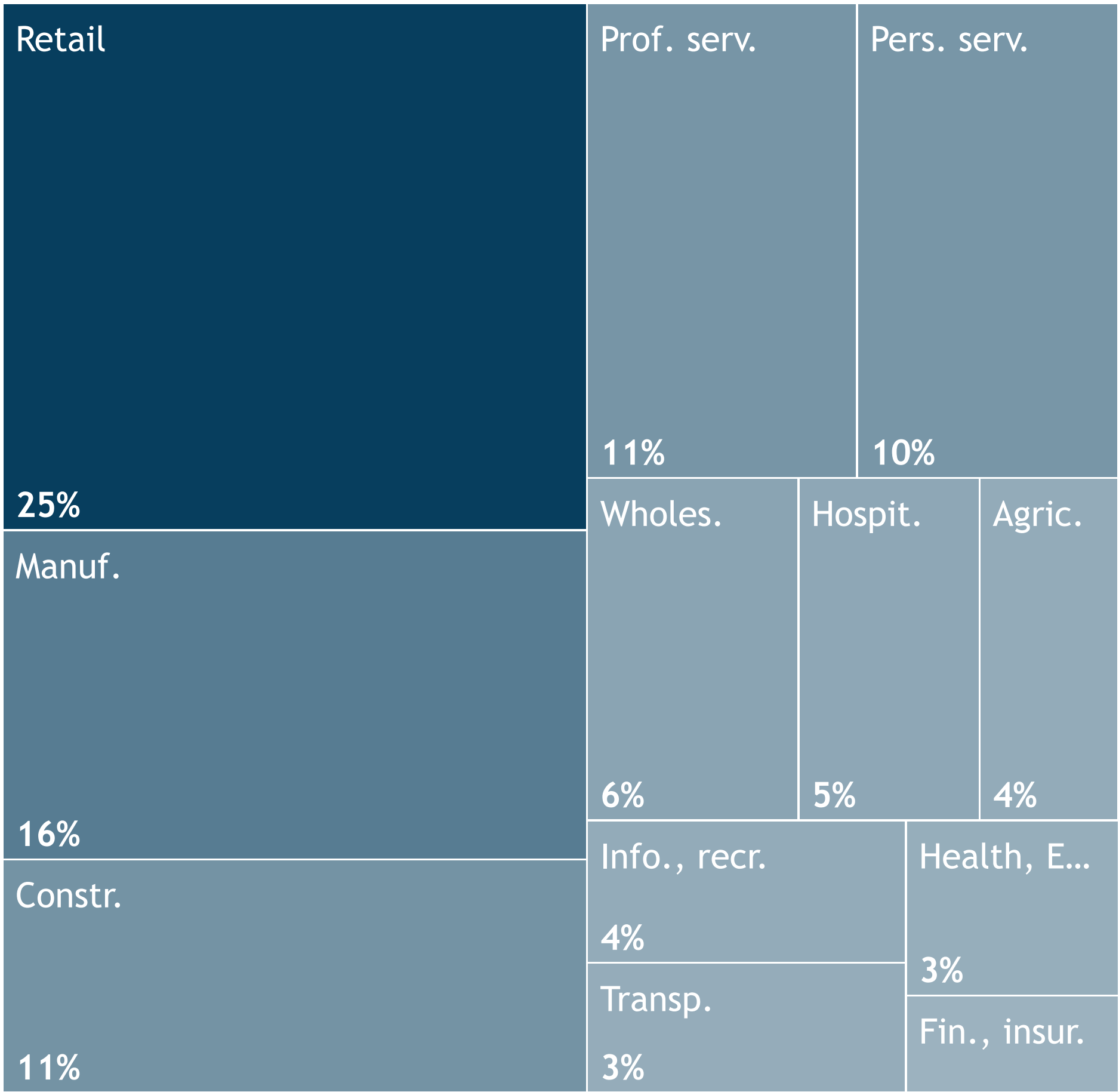
By number of employees



By years in business



By industry



Methodology

- CFIB, Your business outlook survey, February 2009 - July 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 719 responses
- Responses were received from: July 3-8
- The survey is considered accurate to within +/- 3.7 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 below 50 means owners expecting their business's performance to be weaker over the next three or 12 months outnumber those expecting stronger performance.

Questions or data requests

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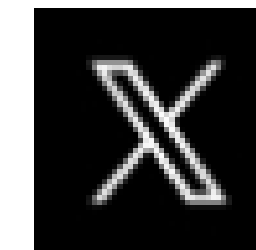


Additional information

All CFIB research



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