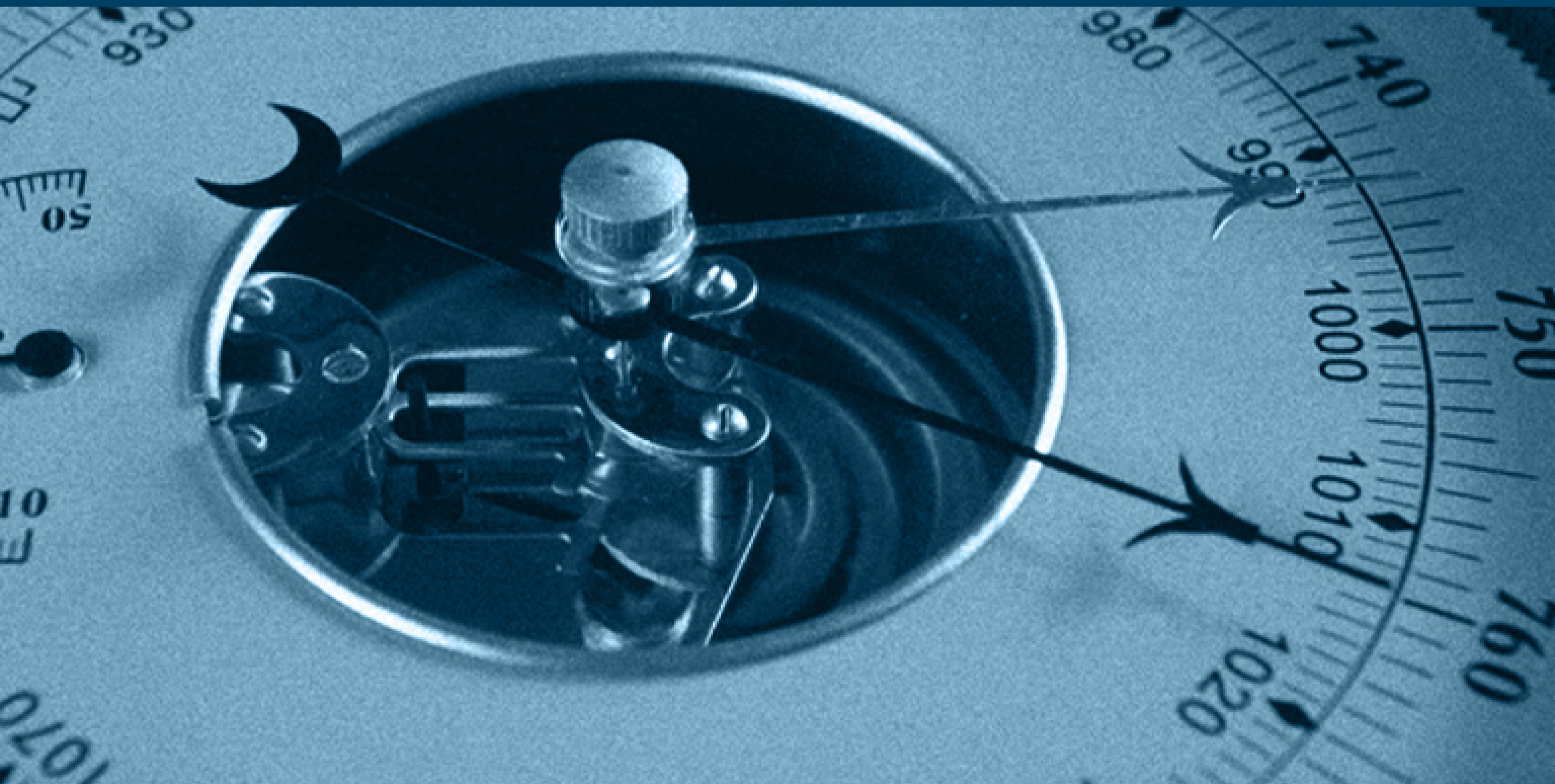




In business
for your business.

Monthly Business Barometer®

October 2025



12-month Small Business Confidence Index

46.3

Monthly change

↓ -3.9

3-month Small Business Confidence Index

44.8

Monthly change

↑ 0.1

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, edged down to 46.3—about 3.9 points lower than in September. The short-term optimism index, based on a 3-month outlook, remained virtually unchanged at 44.8.

Provincial overview

The long-term confidence is decreasing in most provinces, with the exception of Nova Scotia, British Columbia, and Newfoundland and Labrador. Only New Brunswick, Prince Edward Island, Newfoundland and Labrador, and Manitoba remain above the 50-point threshold - the level where equal shares of entrepreneurs expect stronger and weaker performances.

Inflation indicators

These indicators remain unchanged from September, with the average price increase holding at 2.7%, and the average wage increase steady at 2.2%.

Sectoral overview

Long-term confidence has also deteriorated across most sectors, except for health and education, agriculture, professional services, personal services and insurance, real estate, and financial services. Health and education, agriculture and professional services are the only sectors above the 50-point mark.

(Chart)

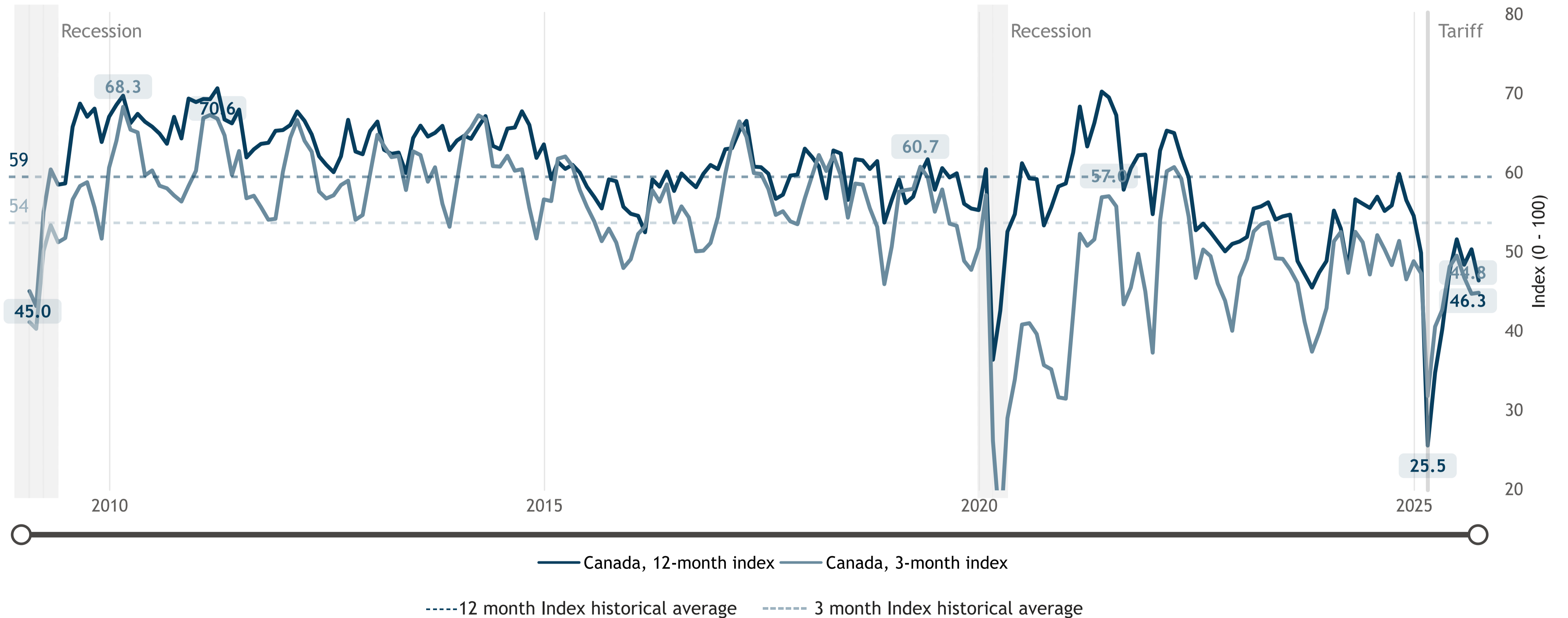
The current U.S.-Canada trade situation has negatively affected 72% of firms, with 19% reporting a significant impact. The effect is particularly pronounced in the transportation (38%), manufacturing (27%), and wholesale (26%) industries.

Other indicators

Full-time staffing plans show a continuing deterioration of the labour market, with more employers looking to reduce staff (19%) than to hire (12%).

Insufficient demand persists as the primary barrier to business and production expansion (as reported by 52% of SMEs). The lack of demand has been higher than its historical average for 24 months continuously. Key cost constraints hindering business growth include insurance costs (68%), tax and regulatory expenses (67%), and wage costs (64%).

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?

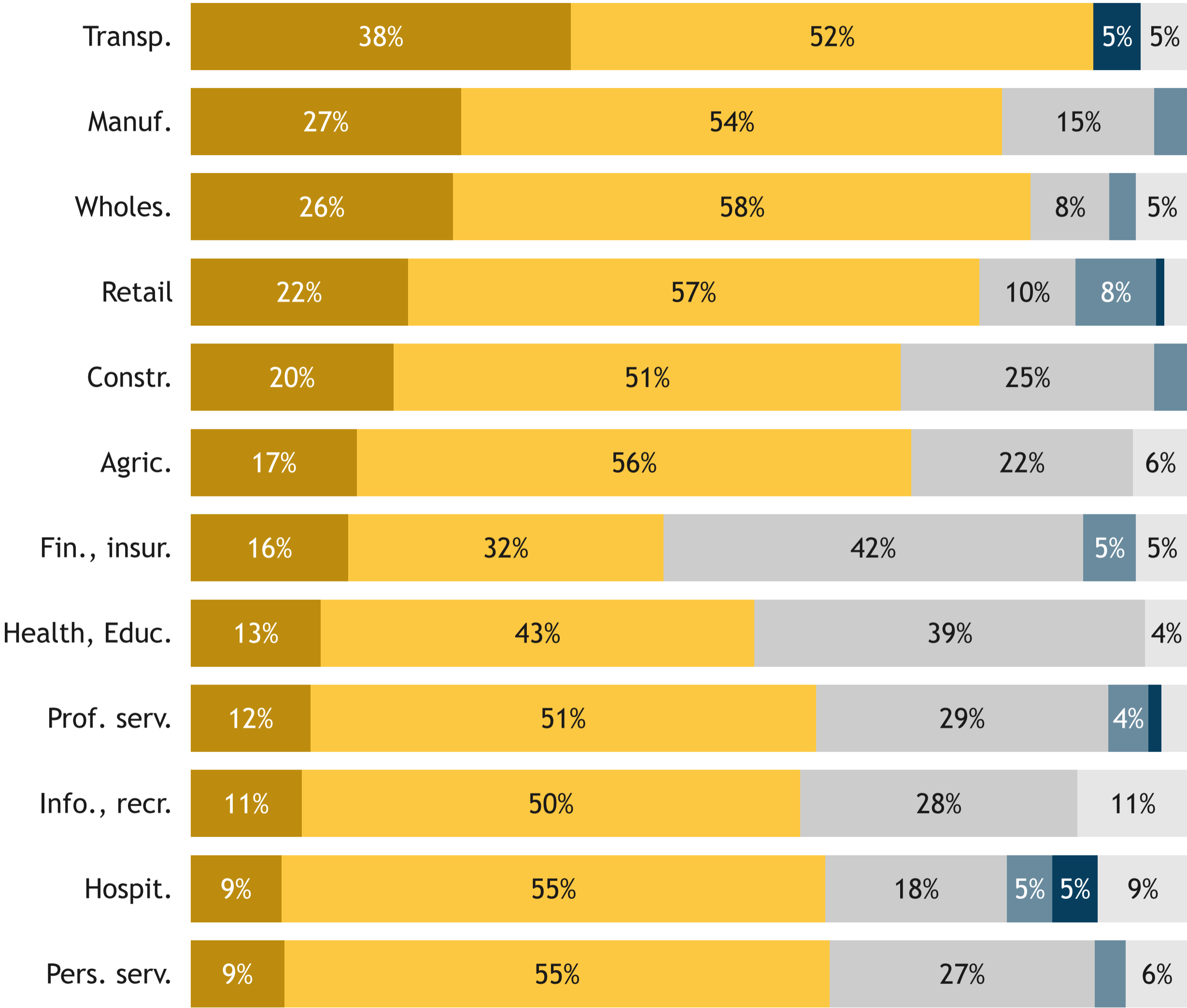
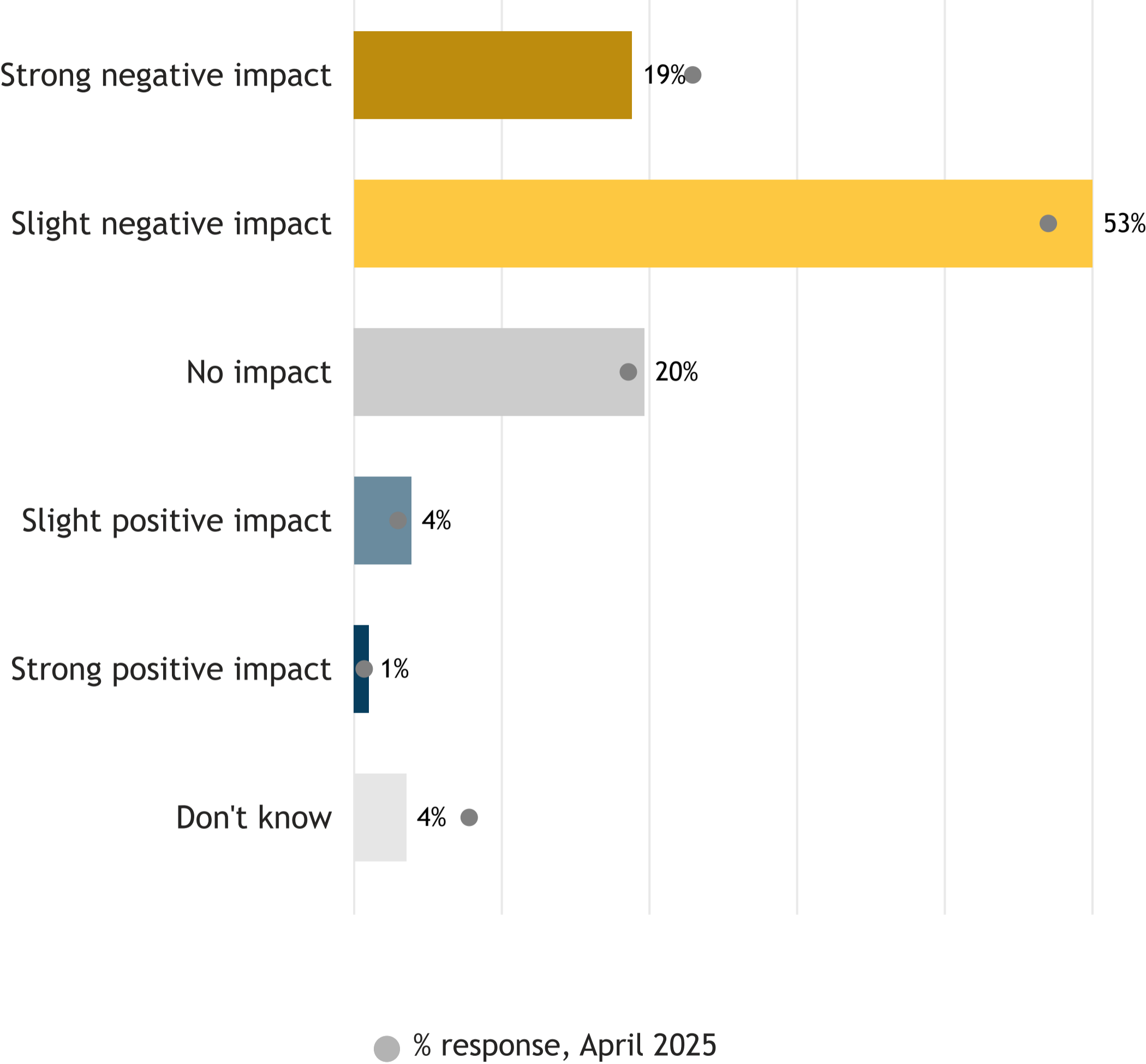
Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Sources : CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.

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

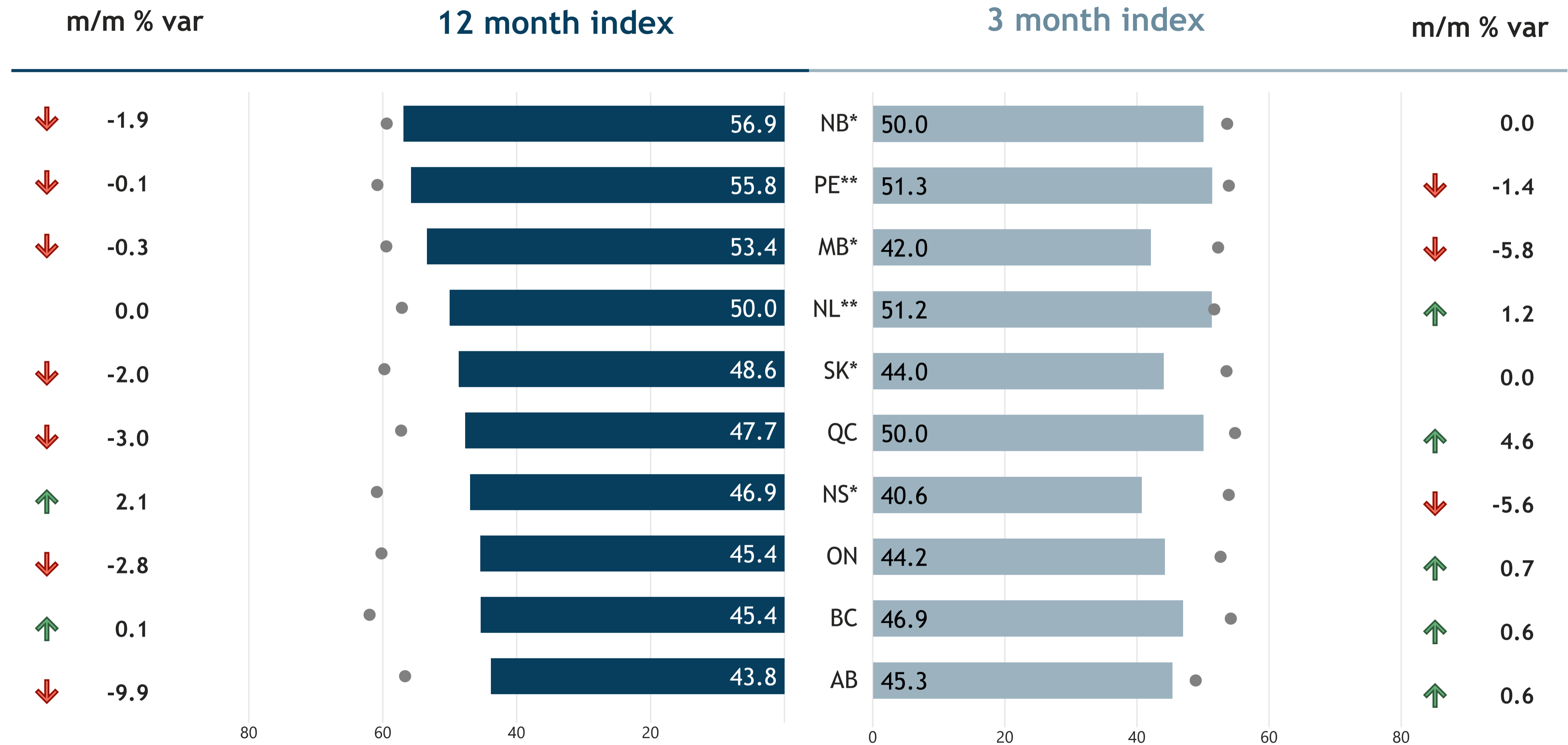
Note: Index < 50 = more businesses expecting weaker performance than stronger performance

Business Barometer®: Impact of tariffs on small businesses, Canada



Survey question: How has the current US-Canada trade situation impacted your business so far?
 Source: CFIB, Your business outlook survey. 596 responses received from October 1-7.

Business Barometer®: Small business confidence index, provinces



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

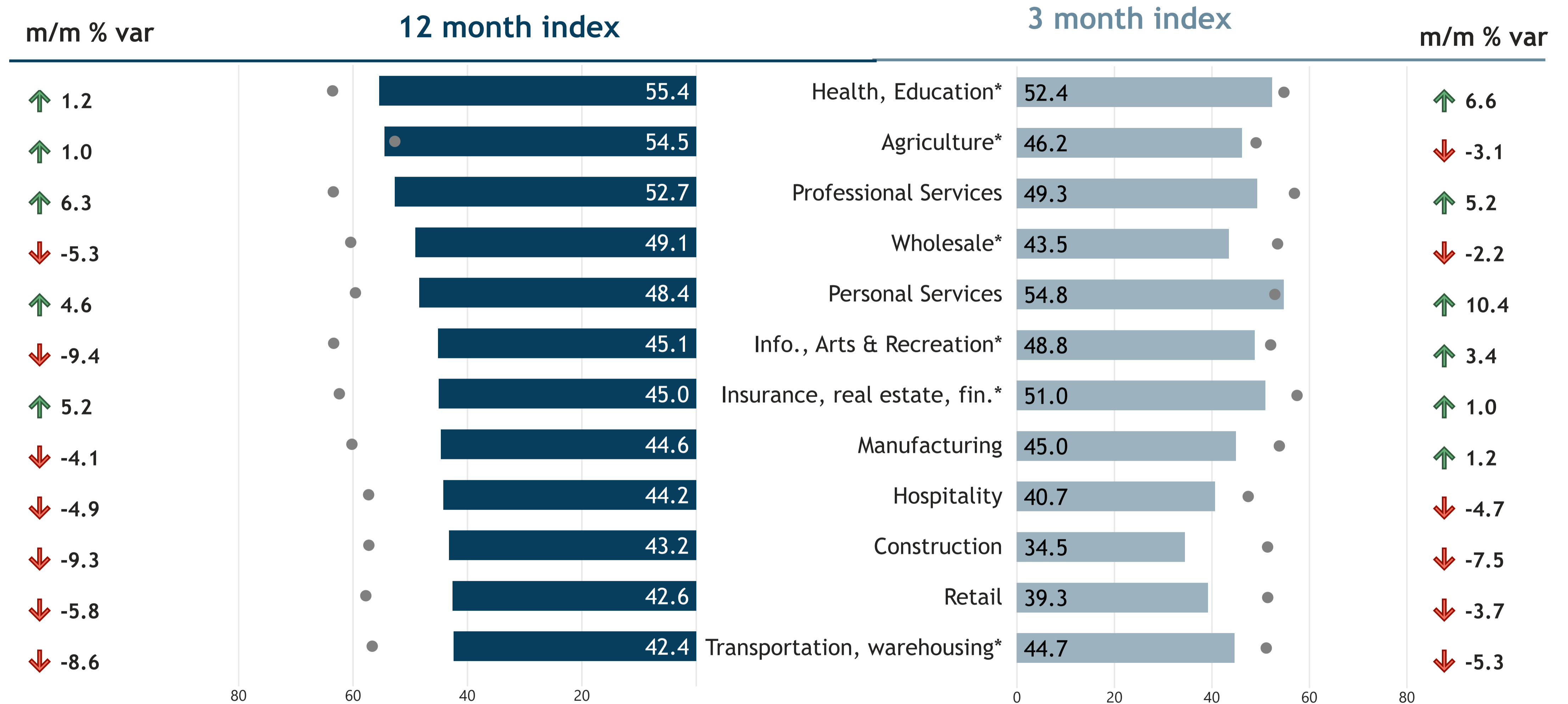
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.

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

Index < 50 = more businesses expecting weaker performance than stronger 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?

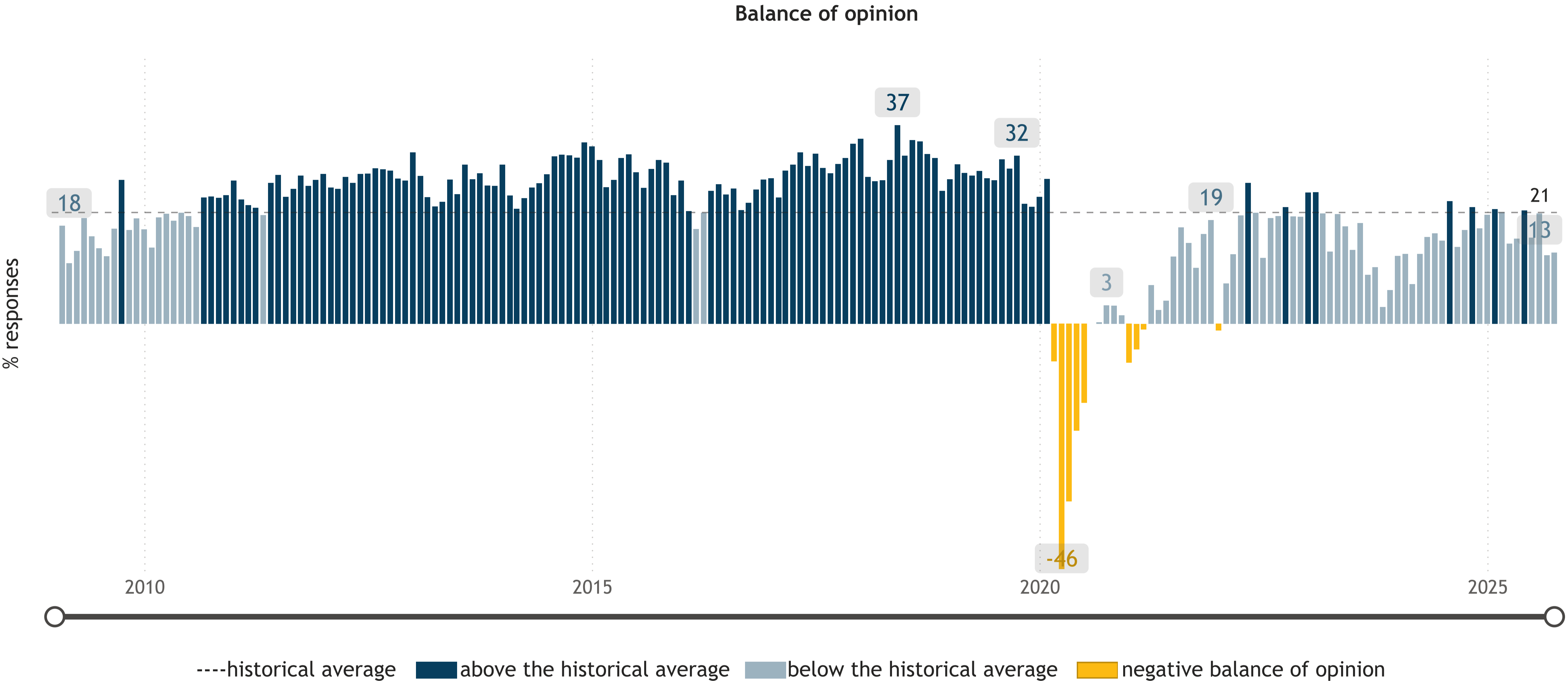
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.

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

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

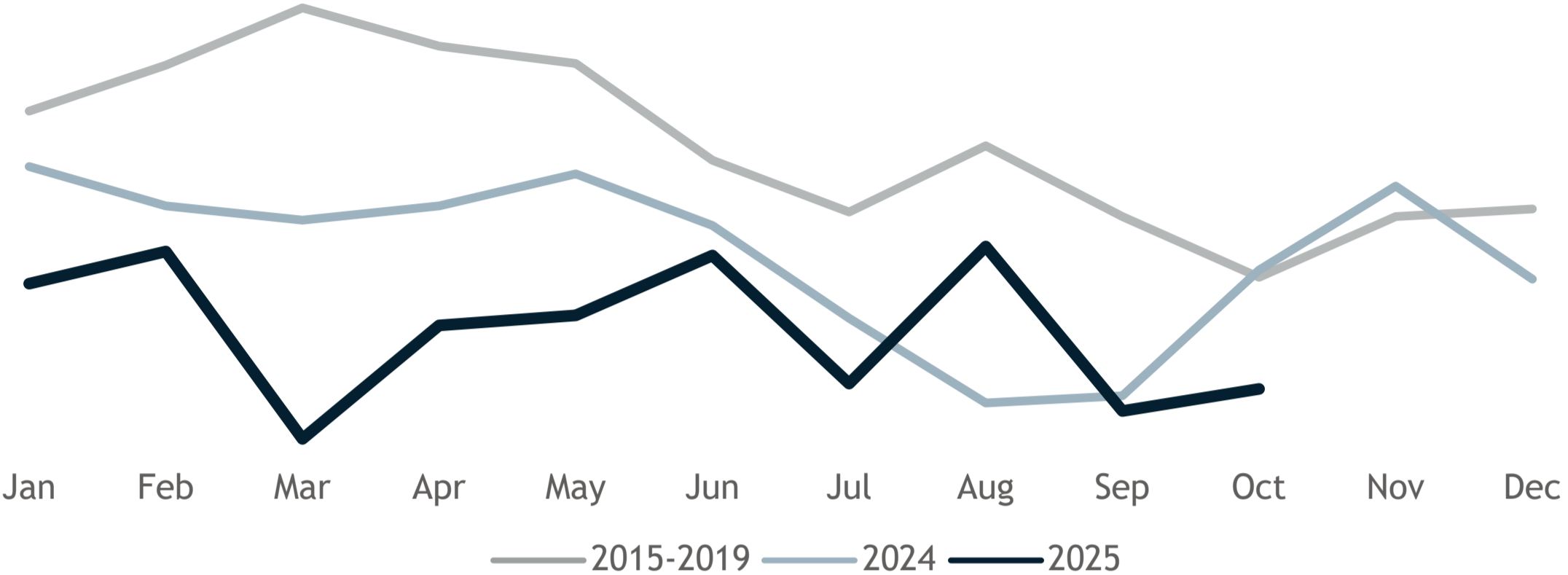
Business Barometer®: General state of business health



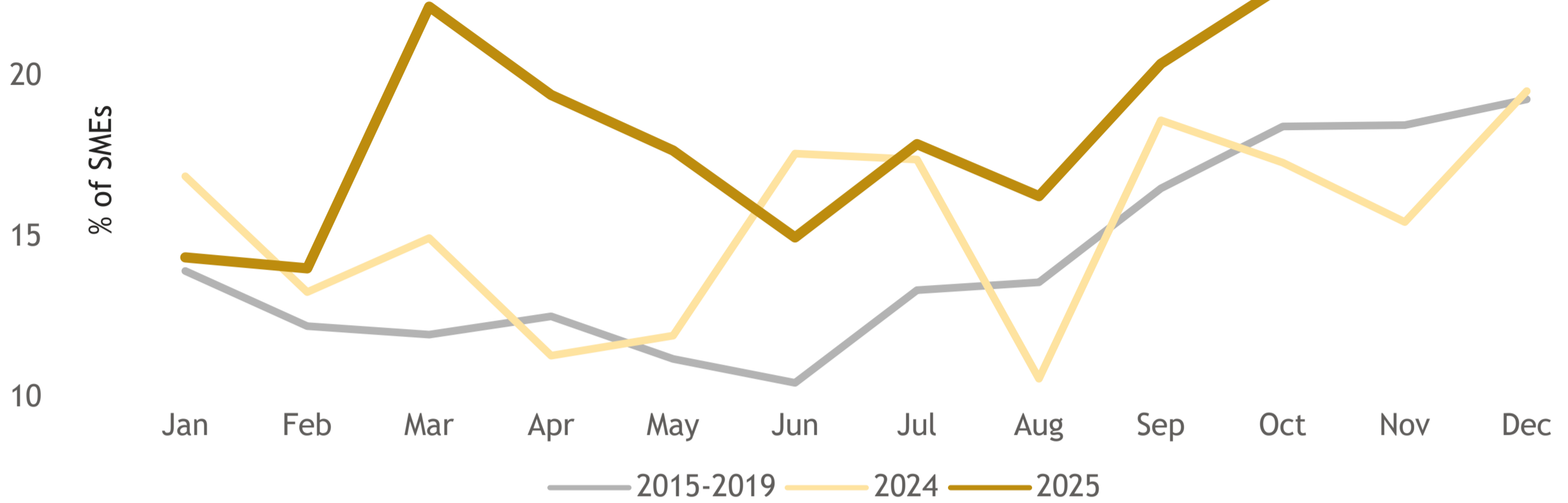
Survey question: Currently, what is the general business situation of your company?
Source: CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.
Note: Balance of opinion = [Share of respondents answering **Good**]- [Share of respondents answering **Bad**].

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

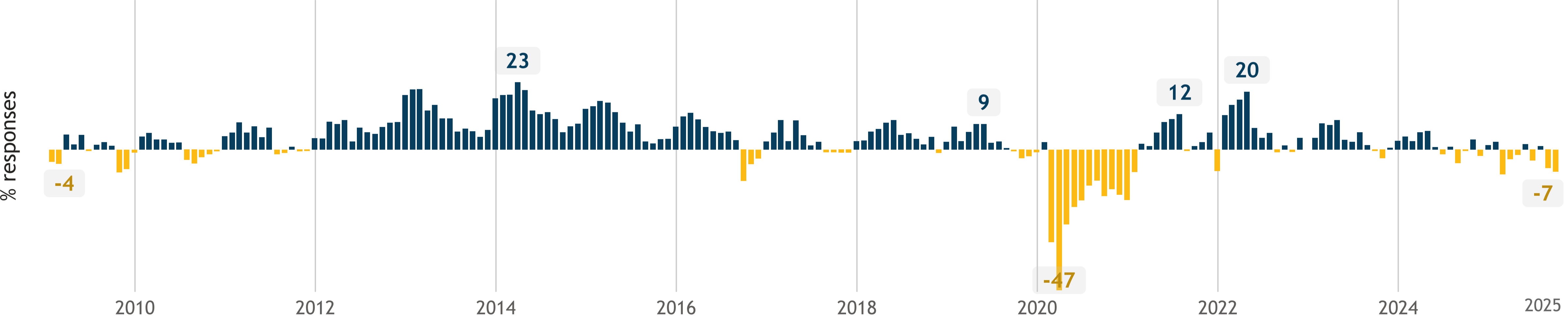
Adding staff



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 - October 2025. 596 responses received from October 1-7.
Note: Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]



Business Barometer®: Future price and wage increase plans



— Average price plans — Average wage plans

----- Historical averages

Survey questions:

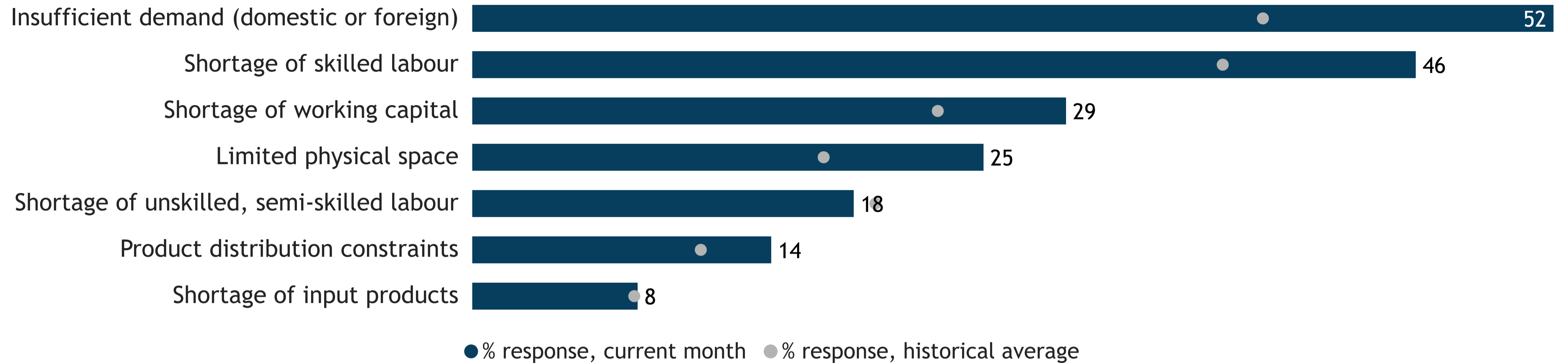
In the next year, how much do you expect **average prices** to change?

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

Source: CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.



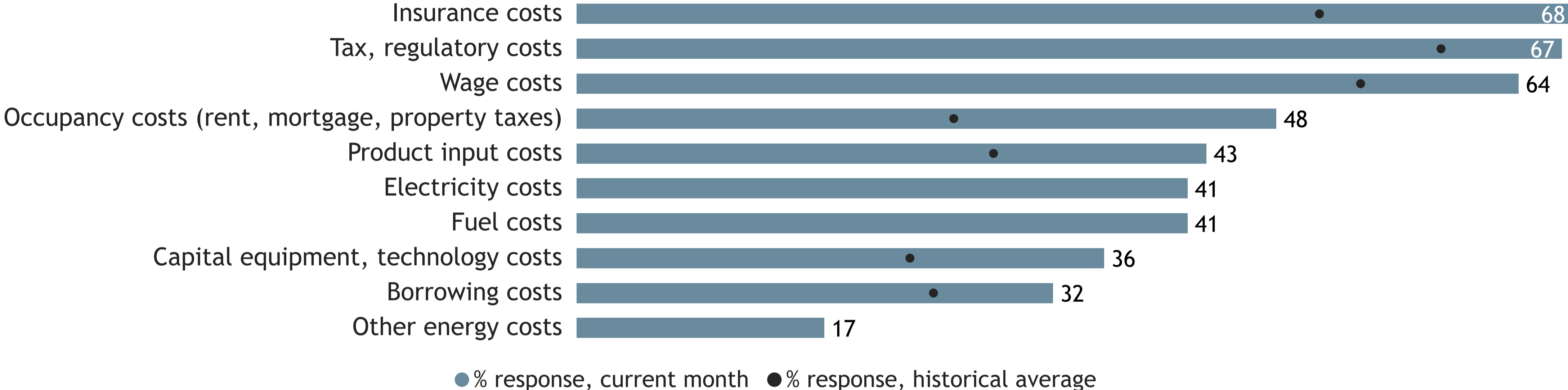
Business Barometer®: Factors limiting sales or production growth- current levels and trend



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

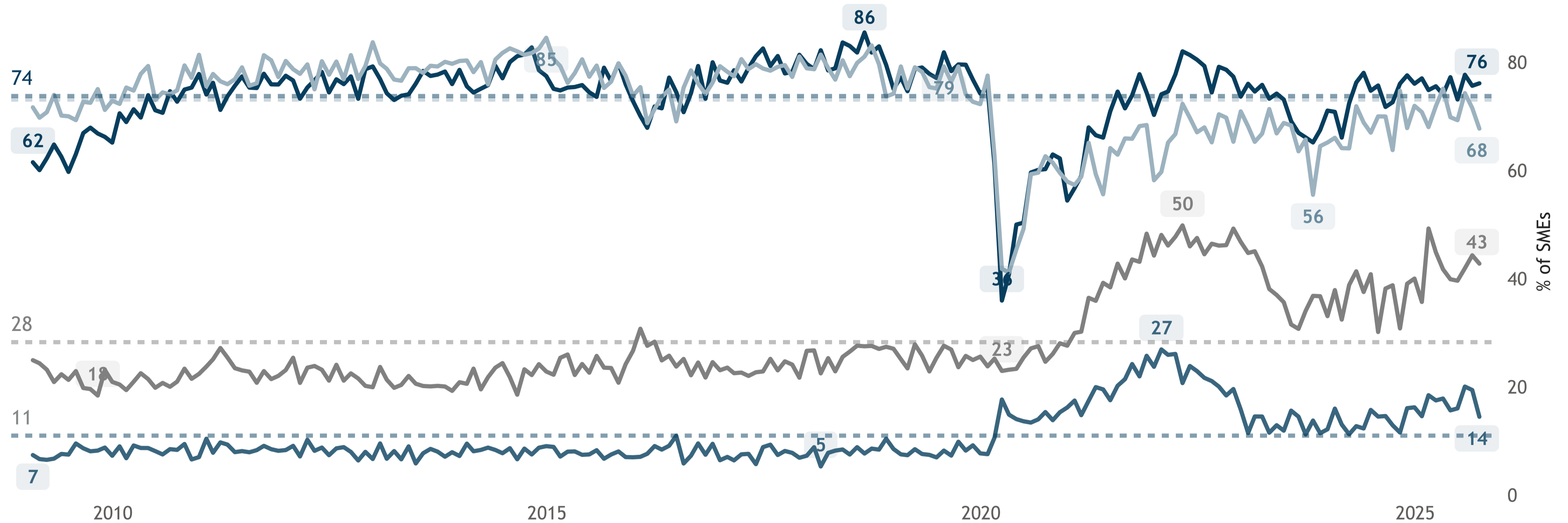
Source: CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.

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 - October 2025. 596 responses received from October 1-7.

Business Barometer®: Supply chain indicators



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?

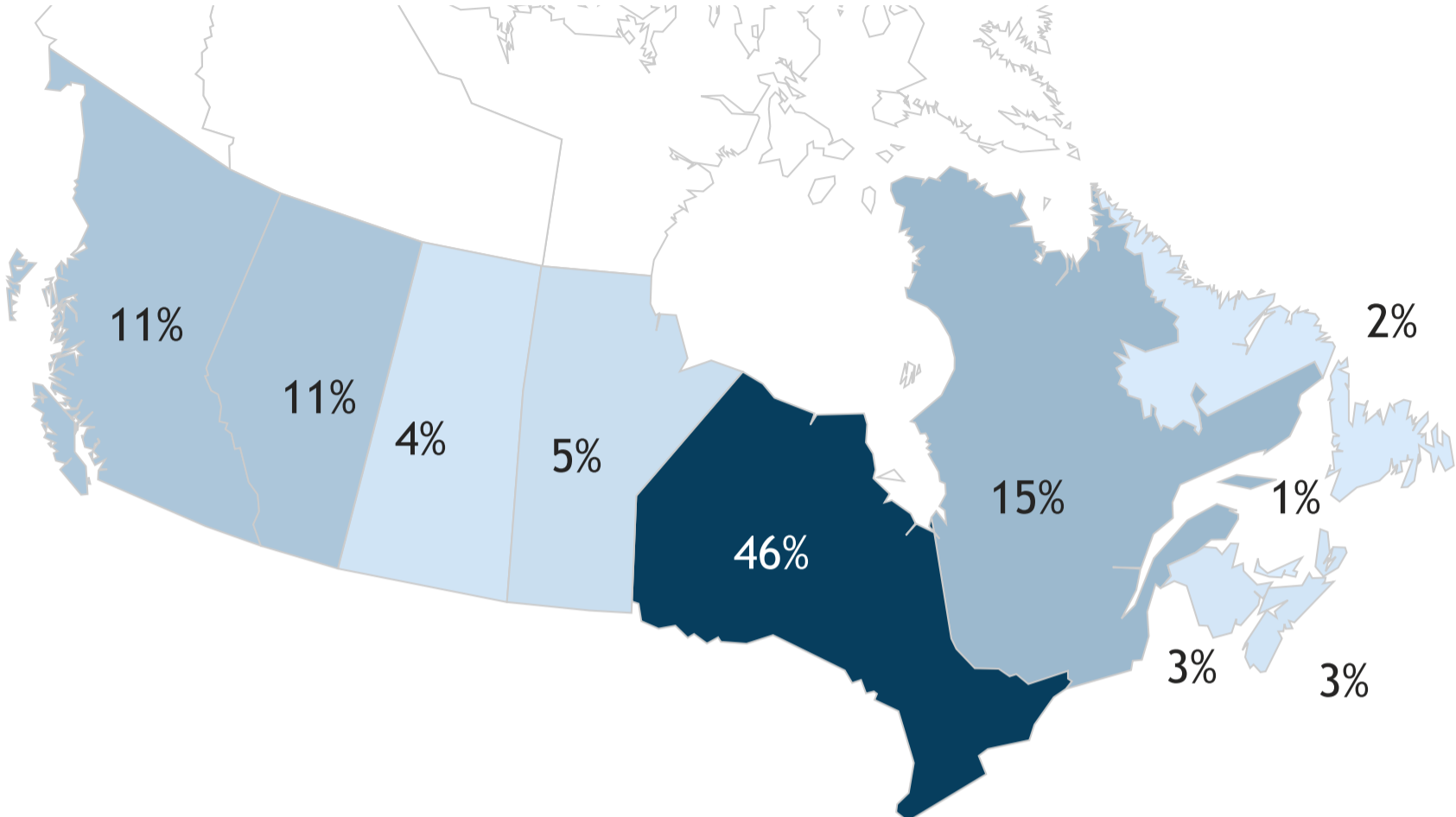
What types of input costs are currently causing difficulties for your business? [Respondents selecting "Product input costs"]

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

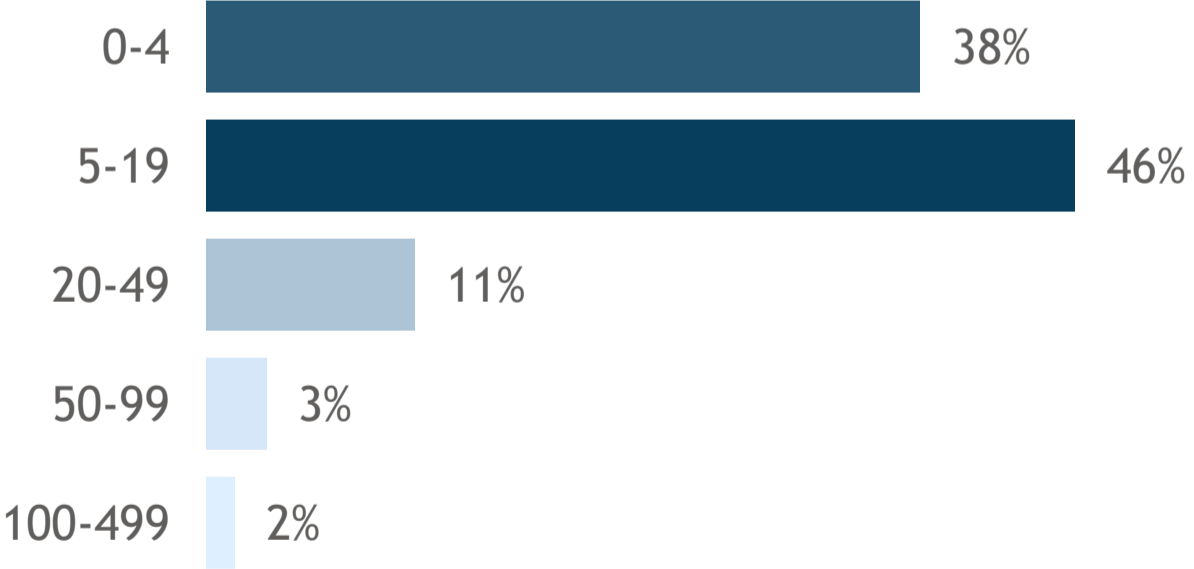
Source: CFIB, Your business outlook survey, February 2009 - October 2025. 596 responses received from October 1-7.

Business Barometer®: Sample distribution

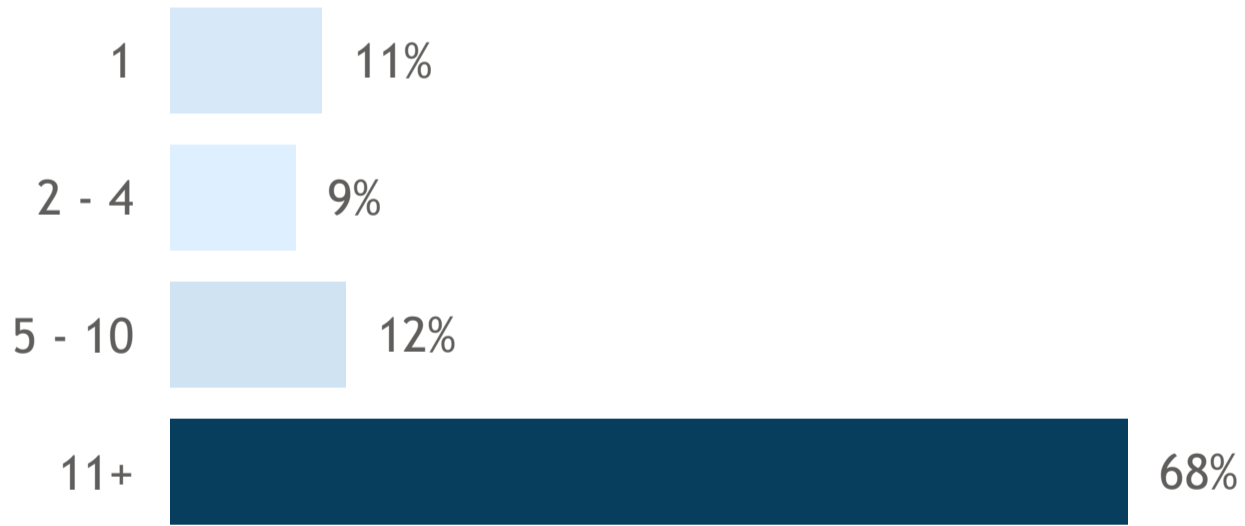
By location of the business



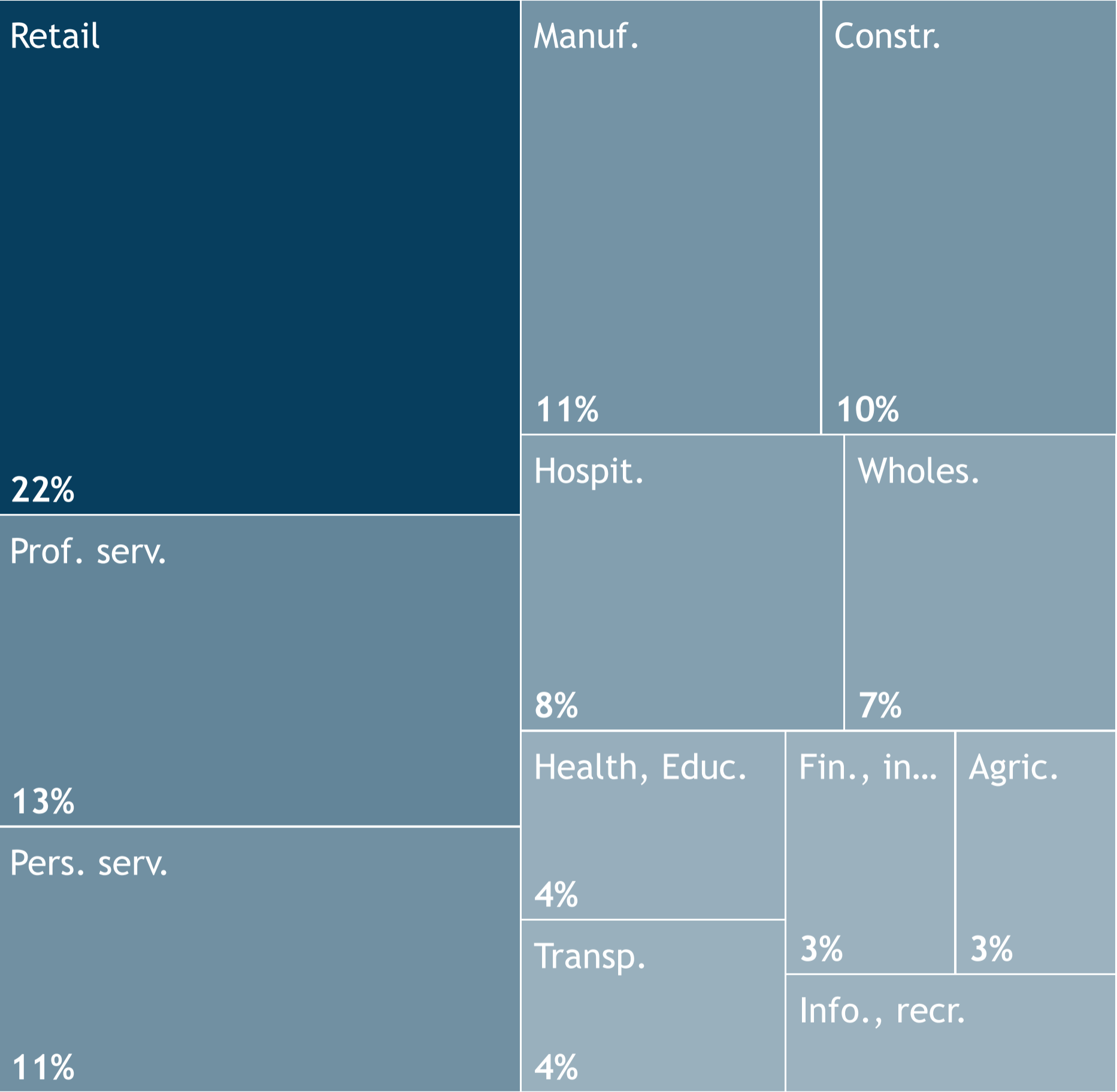
By number of employees



By years in business



By industry



Methodology

- CFIB, Your business outlook survey, February 2009 - October 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 596 responses
- Responses were received from: October 1-7
- 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 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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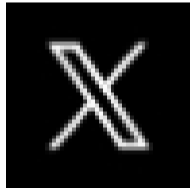


Additional information

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