

Monthly Business Barometer®

December 2025



12-month Small Business Confidence Index

59.9

Monthly change

↑ 4.2

3-month Small Business Confidence Index

48.6

Monthly change

↑ 2.0

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, reached 59.9—an increase of 4.2 points from November. The short-term optimism index, based on a 3-month outlook, rose by 2.0 point to 48.6, indicating only a modest improvement.

Provincial overview

The long-term confidence gained traction in British Columbia, Ontario and Alberta—all registering levels on or above 60. Quebec lost all the confidence gained last month and dropped to 50.0 - the lowest reading among all provinces. Short-term confidence is significantly lower in all provinces showing economic uncertainty to start 2026.

Inflation indicators

The average price increase increased slightly to 2.6% in December, while the average wage increase remained steady at 2.2% for the fourth consecutive month.

Sectoral overview

Long-term confidence was somewhat stable overall. The biggest drops in optimism were registered in hospitality and construction, not surprisingly as they are somewhat seasonal industries. The health and education, retail and the insurance sectors gained momentum.

Other indicators

Full-time staffing plans show a continuingly weak labour market, with more employers looking to reduce staffing (16%) than to hire (14%), illustrating a negative share of net staffing intentions for the fourth consecutive month.

Insufficient demand remains the primary barrier to business and production expansion (as reported by 54% of SMEs), about 16 points above its historical average. Key cost constraints hindering growth include tax and regulatory expenses (62%), wage costs (60%), and insurance costs (58%).

Business sentiment is mixed about 2025. Many described the current year as challenging, uncertain, or difficult, while others use words such as 'growing', 'busy', 'great'. A significant share of respondents depict the instability of the economy as 'rollercoaster', 'frustrating' and 'uncertain'.

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**?

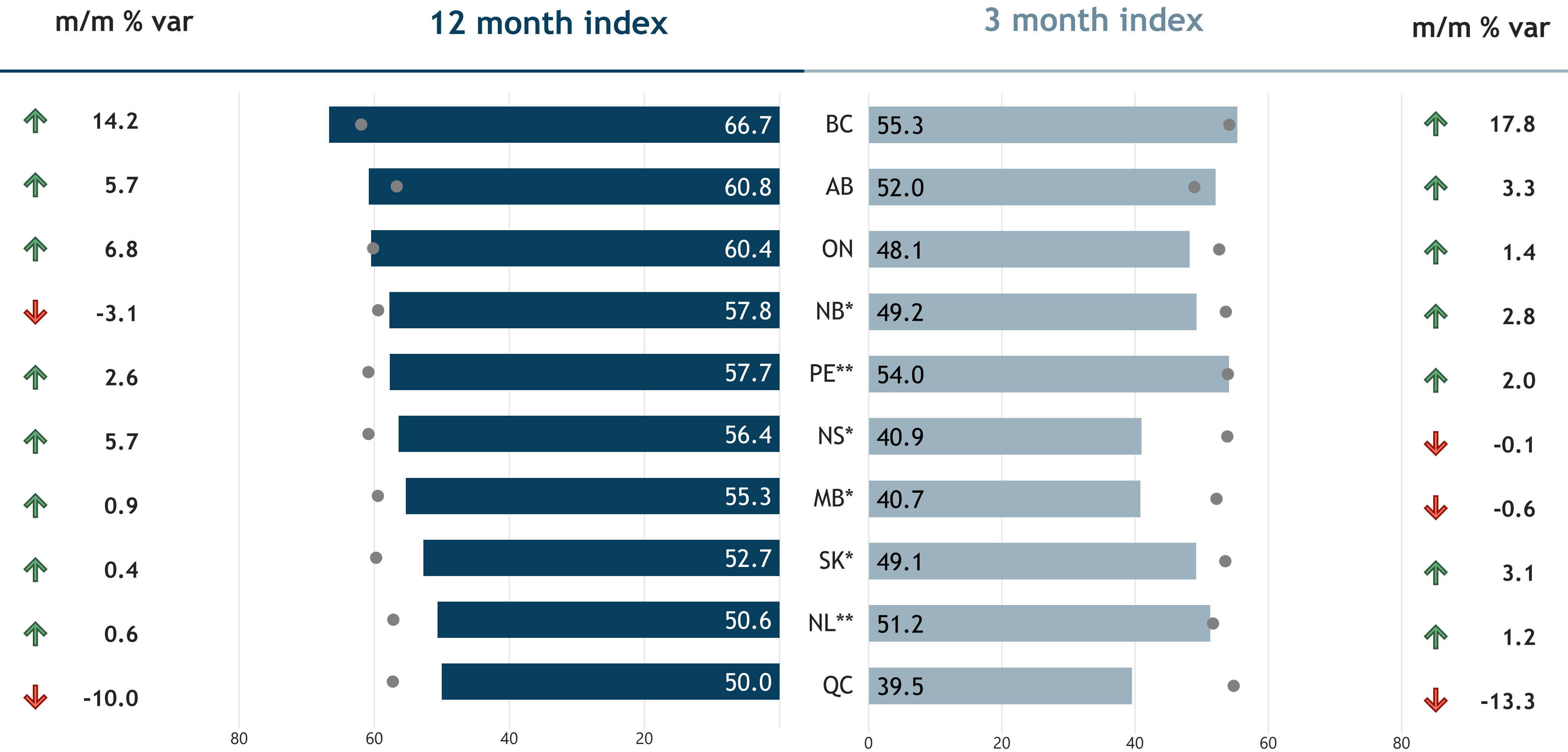
Sources : CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.

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

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



Business Barometer®: Small business confidence index, provinces



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

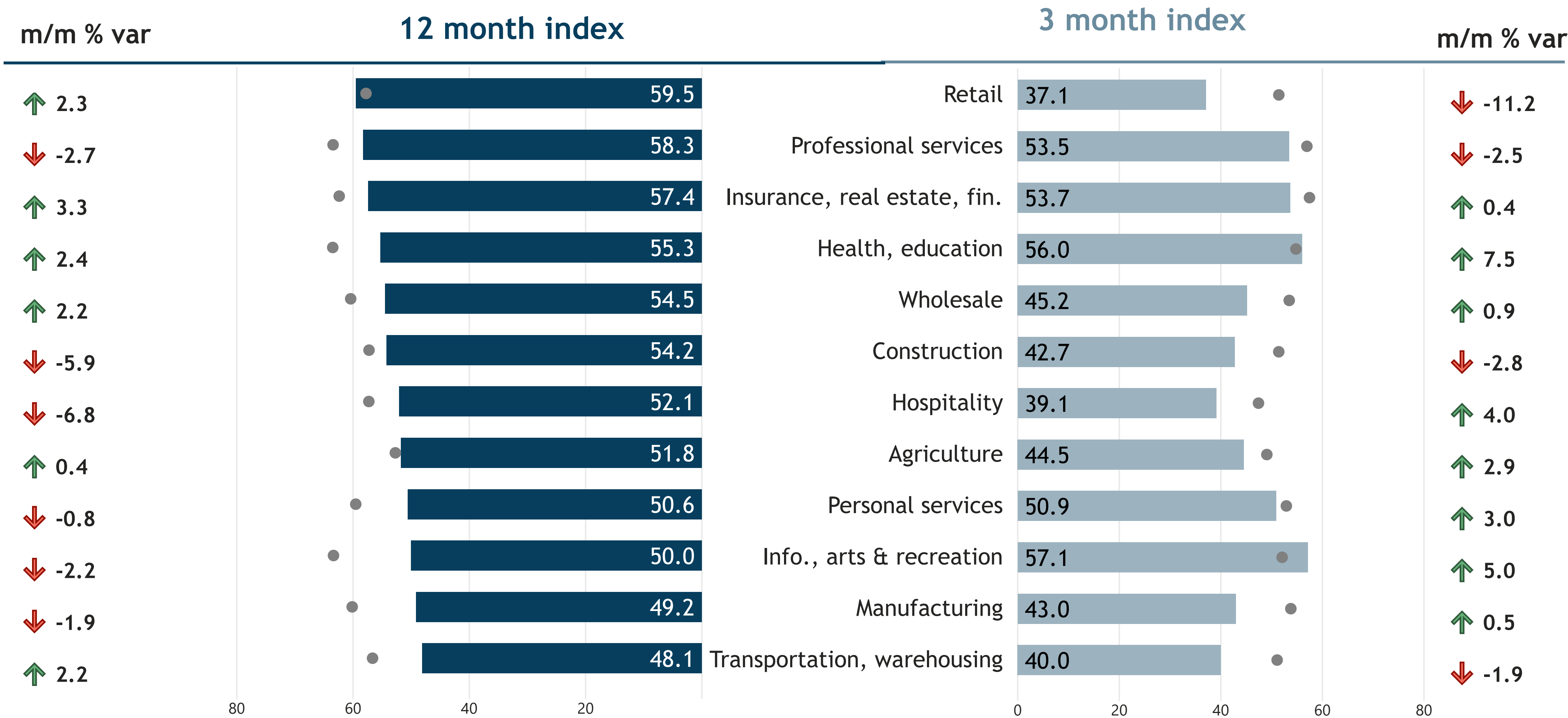
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.

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?

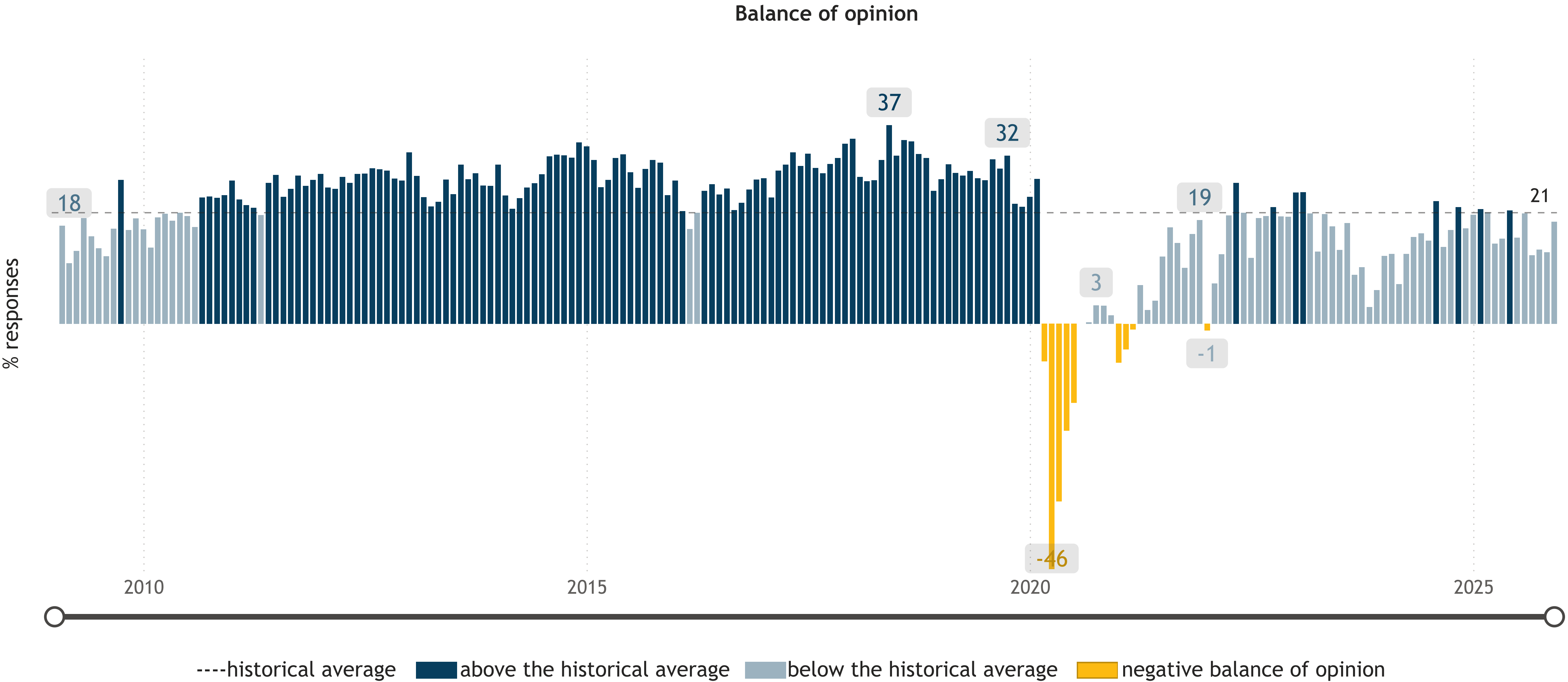
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.

Notes: ● Historical averages. Except Retail, all data is presented as 3-month moving average. Natural resources is not included.

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

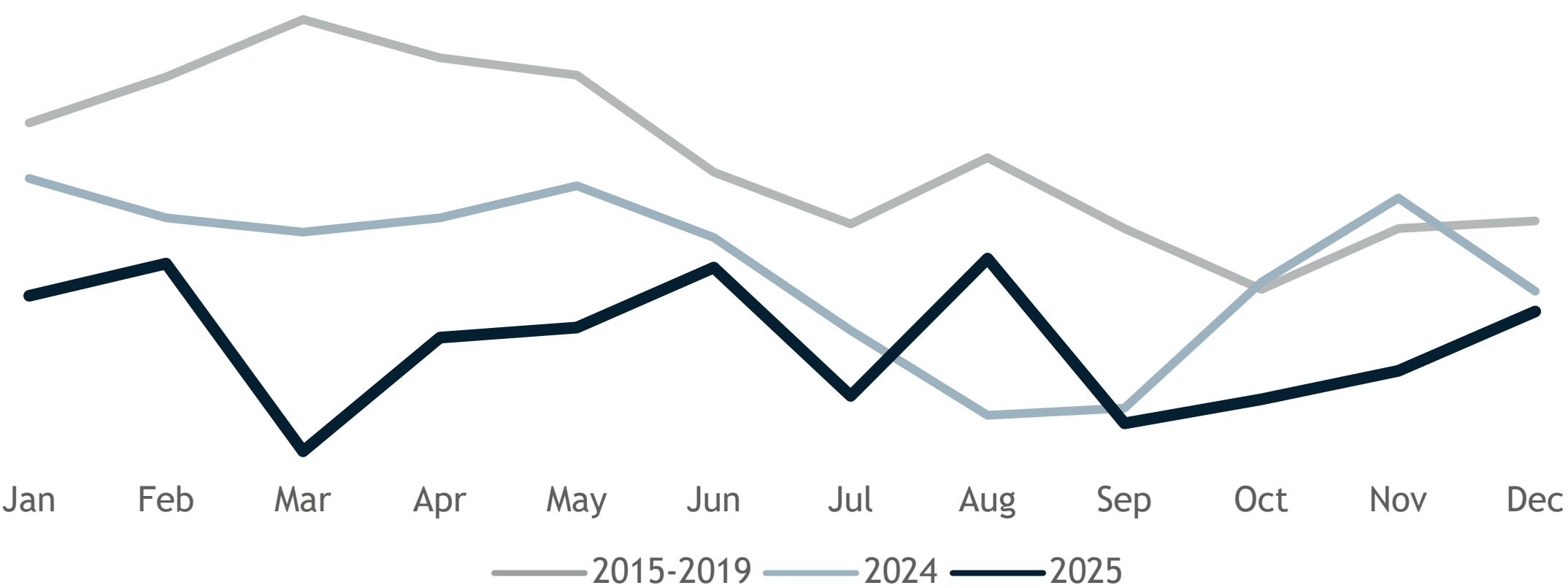
Business Barometer®: General state of business health



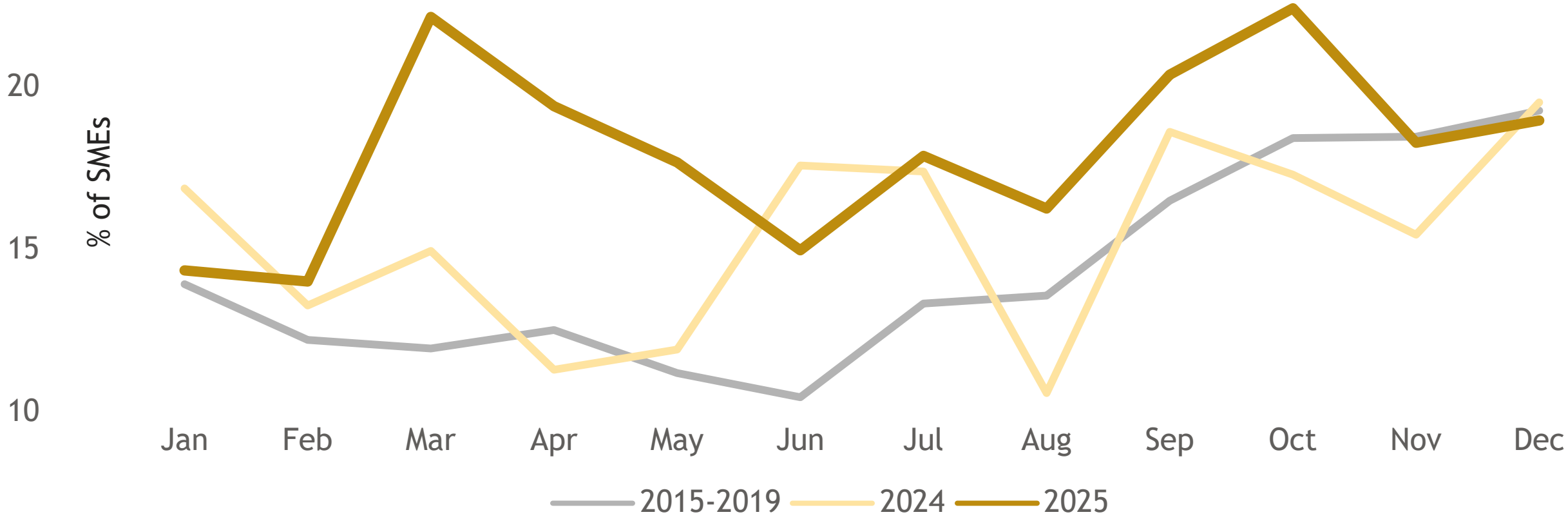
Survey question: Currently, what is the general business situation of your company?
Source: CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.
Note: Balance of opinion = [Share of respondents answering **Good**]- [Share of respondents answering **Bad**].

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

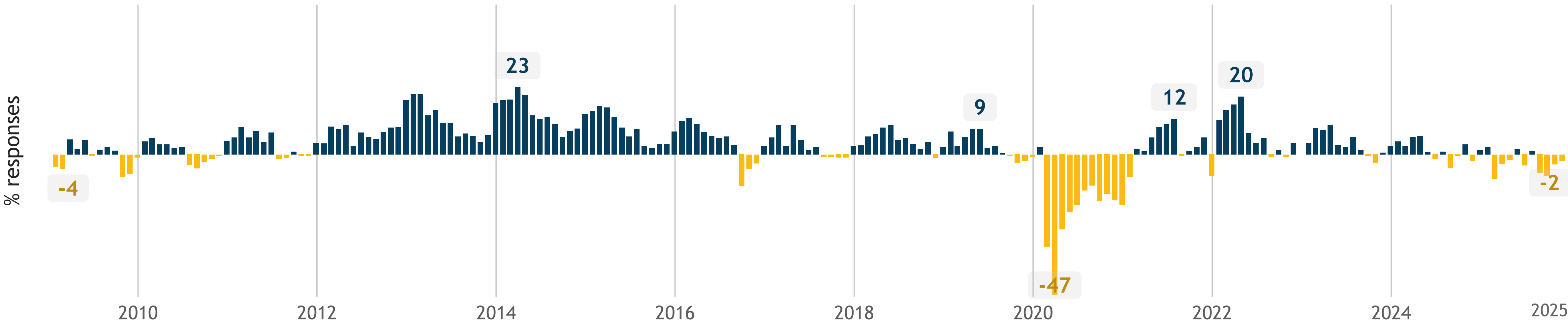
Adding staff



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 - December 2025. 355 responses received from December 2-8.
Note: Net staffing intentions = [Share of respondents answering UP]- [Share of respondents answering Down]

Business Barometer®: Future price and wage increase plans



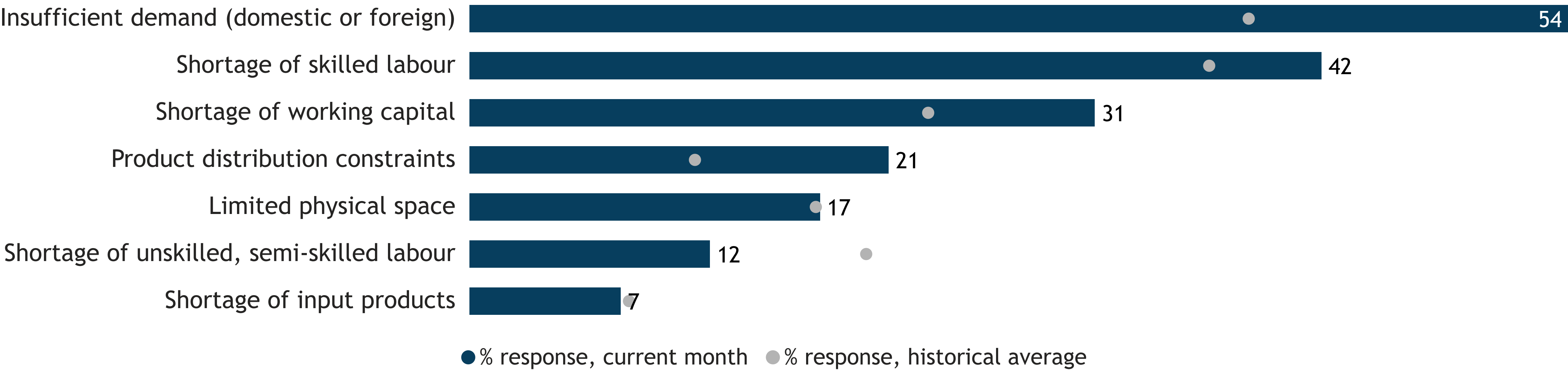
Survey questions:

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?

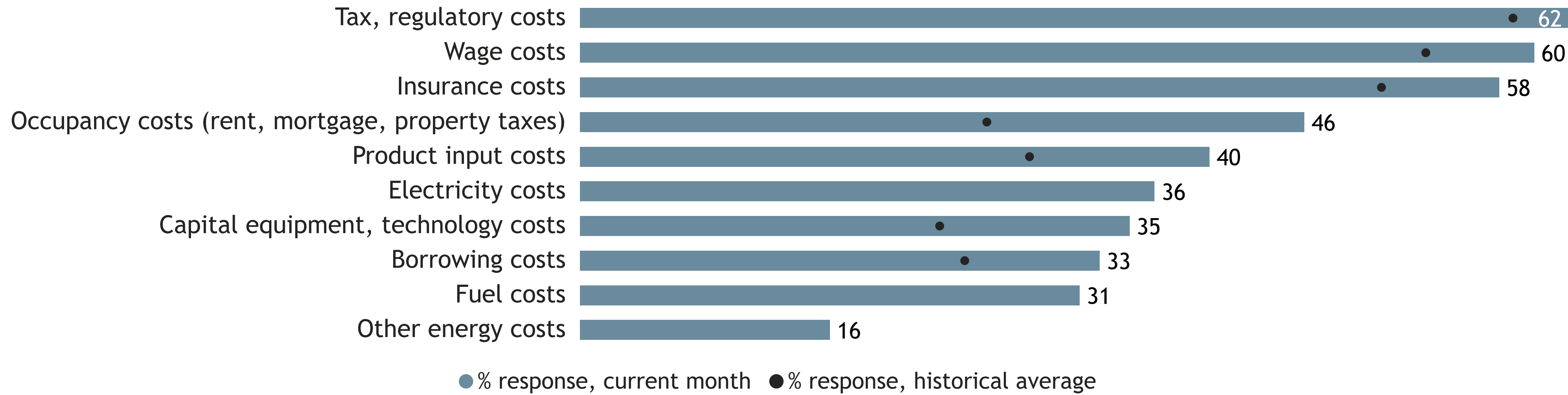
Source: CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.

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



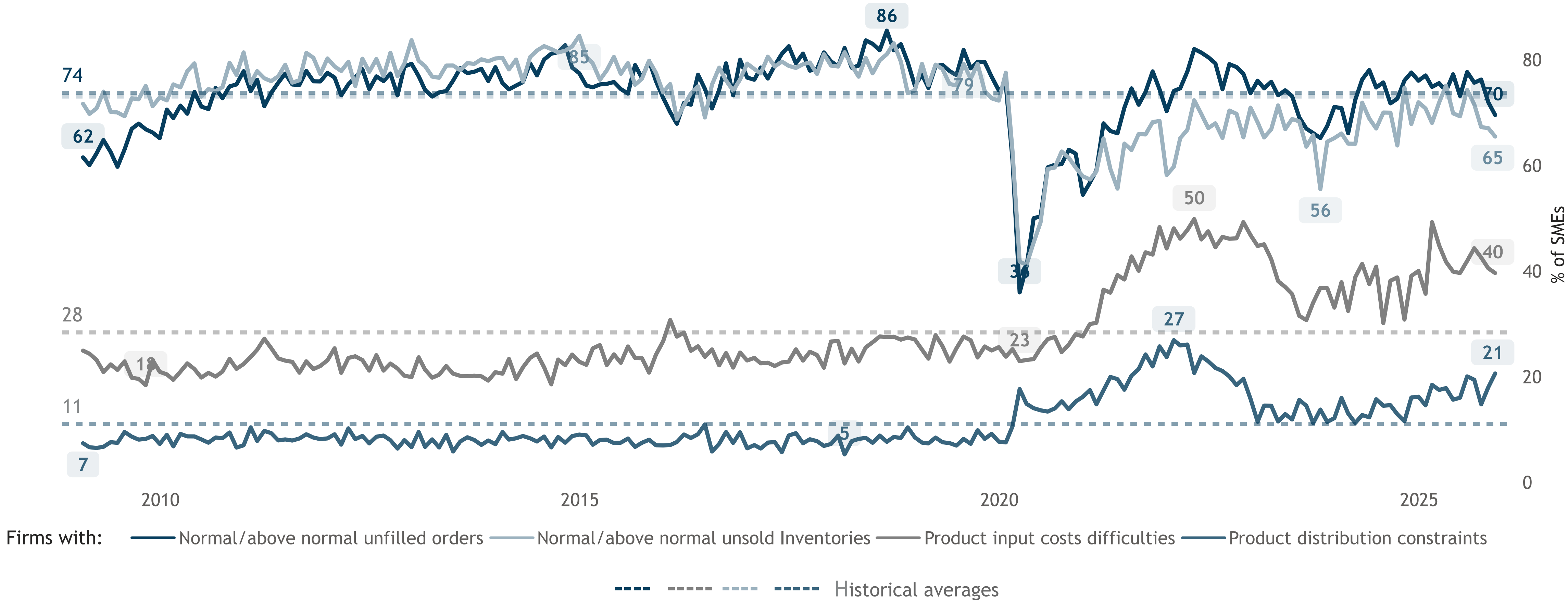
Survey question: What factors are limiting your ability to increase sales or production?
Source: CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.

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 - December 2025. 355 responses received from December 2-8.

Business Barometer®: Supply chain indicators



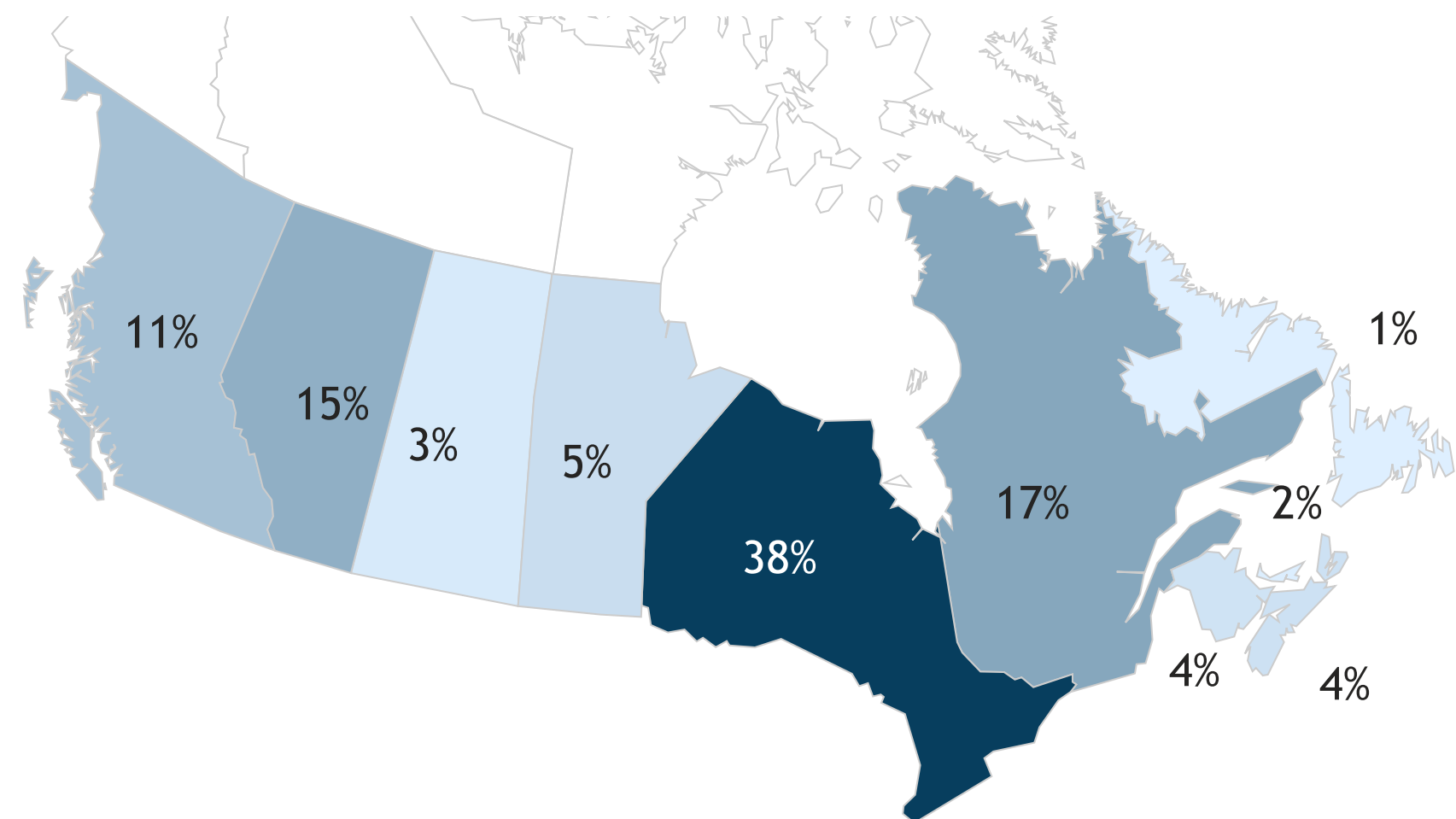
Survey questions:

- 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"]

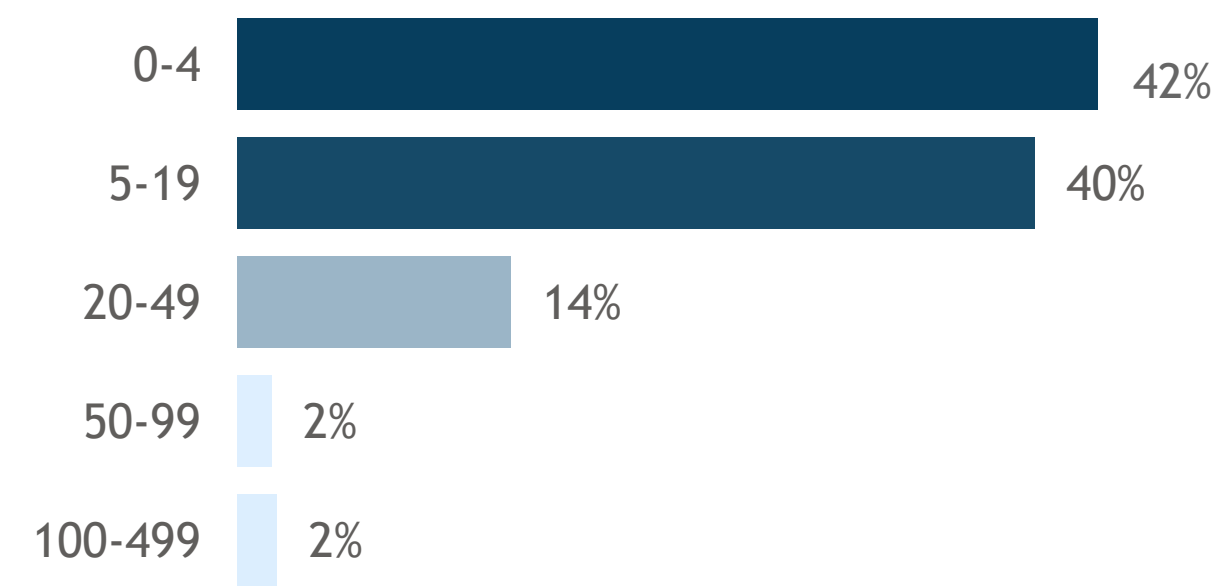
Source: CFIB, Your business outlook survey, February 2009 - December 2025. 355 responses received from December 2-8.

Business Barometer®: Sample distribution

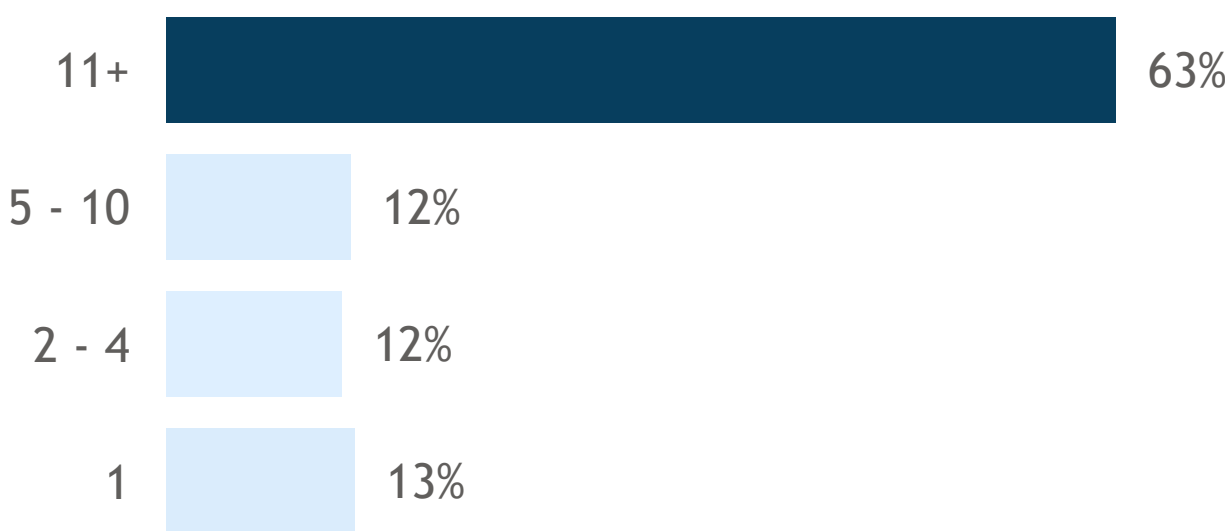
By location of the business



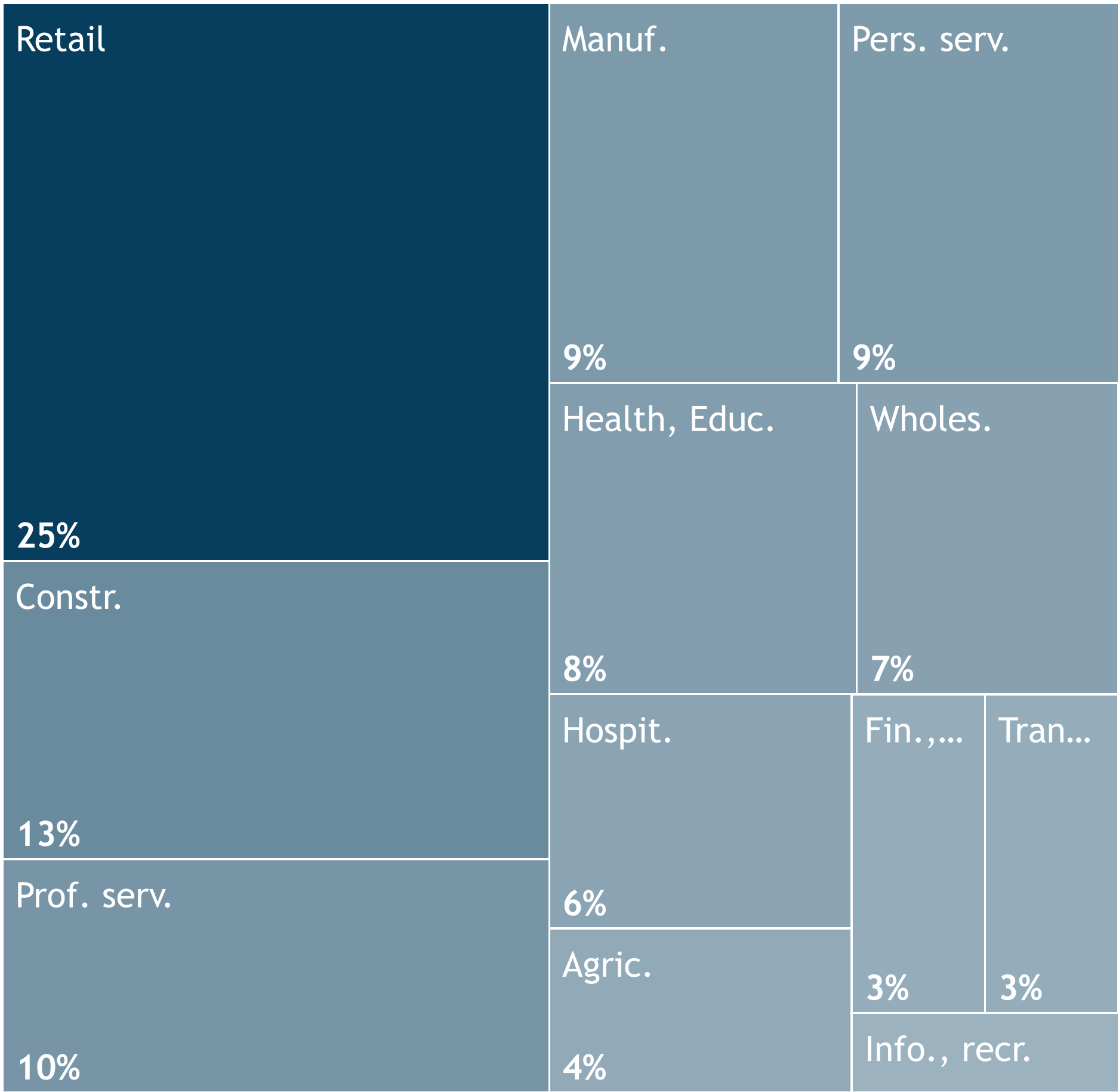
By number of employees



By years in business



By industry



Methodology

- CFIB, Your business outlook survey, February 2009 - December 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 355 responses
- Responses were received from: December 2-8
- The survey is considered accurate to within +/- 5.2 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.

Questions or data requests

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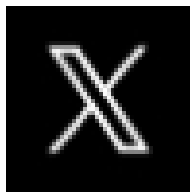


Additional information

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