



Your Voice

Omnibus Survey

Key final results for April 2024

April Omnibus Survey Insights

Small businesses are vital to Canada's economy, and results from our April Omnibus survey reveal the present financial health of the sector, how businesses are coping with the repayment of the Canada Emergency Business Account (CEBA) loan, and the effects of the recent carbon tax hike.

The financial health across the small business sector varies widely: 29% are in strong shape, 37% are average, and 33% face challenges (with 25% indicating weak financial health, and a concerning 8% in critical condition).

The CEBA loan has had mixed outcomes for small businesses. Firms with solid financials tended to sidestep the loan or repay it with their own funds. Notably, of businesses that used their own assets to repay their CEBA loan, 38% report being in a strong financial position. On the other end, businesses that accrued additional debt to repay CEBA appear to have deepened their financial difficulties, with just 10% reporting strong financial health. This pattern underscores how a business's financial situation directly influences its debt management capabilities and highlights the risks of increased borrowing.

The recent hike in the carbon tax on April 1, 2024, has added pressure, with four in five businesses finding it hard to cover other operational costs. As a response to this financial strain, businesses expect to make tough decisions including raising prices for consumers (67%), cutting back on investments (39%), and implementing wage freezes or reductions (30%). Most business owners (92%) urge the government to rebate the \$2.5 billion in carbon tax revenue to help businesses in all sectors.

Overall, some Canadian small businesses demonstrate resilience, while others confront significant obstacles. Loan repayments reflect financial stability, and the carbon tax creates added financial stress, pushing businesses to make tough economic choices.



Marvin Cruz

Marvin Cruz
Director of Research
CFIB

Methodology

Your Voice April 2024

Type: An omnibus, controlled-access online CFIB survey.

Active dates: April 4-22, 2024

Final results: Based on responses from 2,750 CFIB members who are owners of Canadian independent businesses, from all sectors and regions of the country.

For comparison purposes, a probability samples with the same number of respondents would have a margin of error of +/-1.9%, 19 times out of 20.

Highlights

Small business financial health

- One-third of small businesses report strong financial health, while another third are struggling.
- Alberta and Ontario show highest share of businesses with weak financial health; Hospitality and retail emerge as most financially troubled sectors.

Canada Emergency Business Account (CEBA)

- 63% of business owners repaid their CEBA loan using existing deposits and 27% borrowed to pay it back.
- Businesses with stronger financial health did not access CEBA loan or self-financed their CEBA loan repayment, while those in weaker financial situations borrowed more or failed to repay their CEBA loan.

Carbon tax

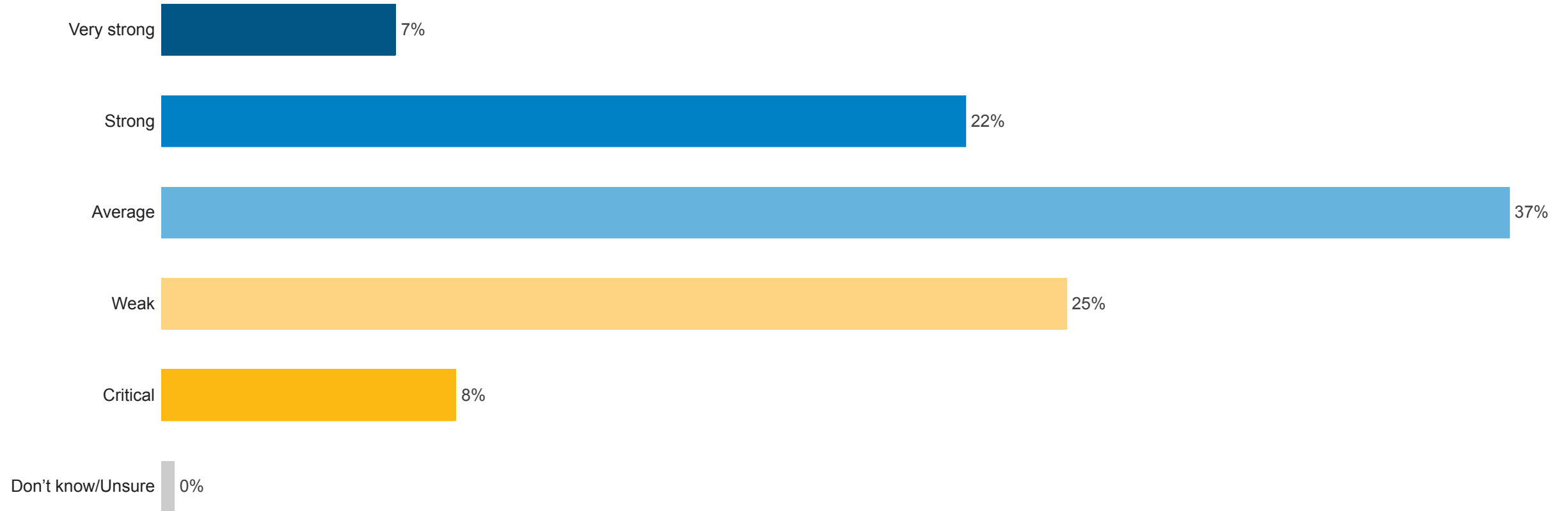
- The recent carbon tax hike hit businesses hard, potentially leading 67% of businesses to raise consumer prices, 39% to slash investments, and 30% to cut or freeze wages.
- 4 in 5 small businesses struggle with covering other operational costs due to carbon tax hike; Agriculture, Construction, Transportation and Hospitality among most impacted sectors.
- Most (92%) of small businesses say the government should immediately return the \$2.5 billion owed to SMEs in all sectors.

Small business financial health

A mix of financial fortune: About one-third of small businesses report strong financial health, while another third are struggling

Small business financial health

2748 Responses



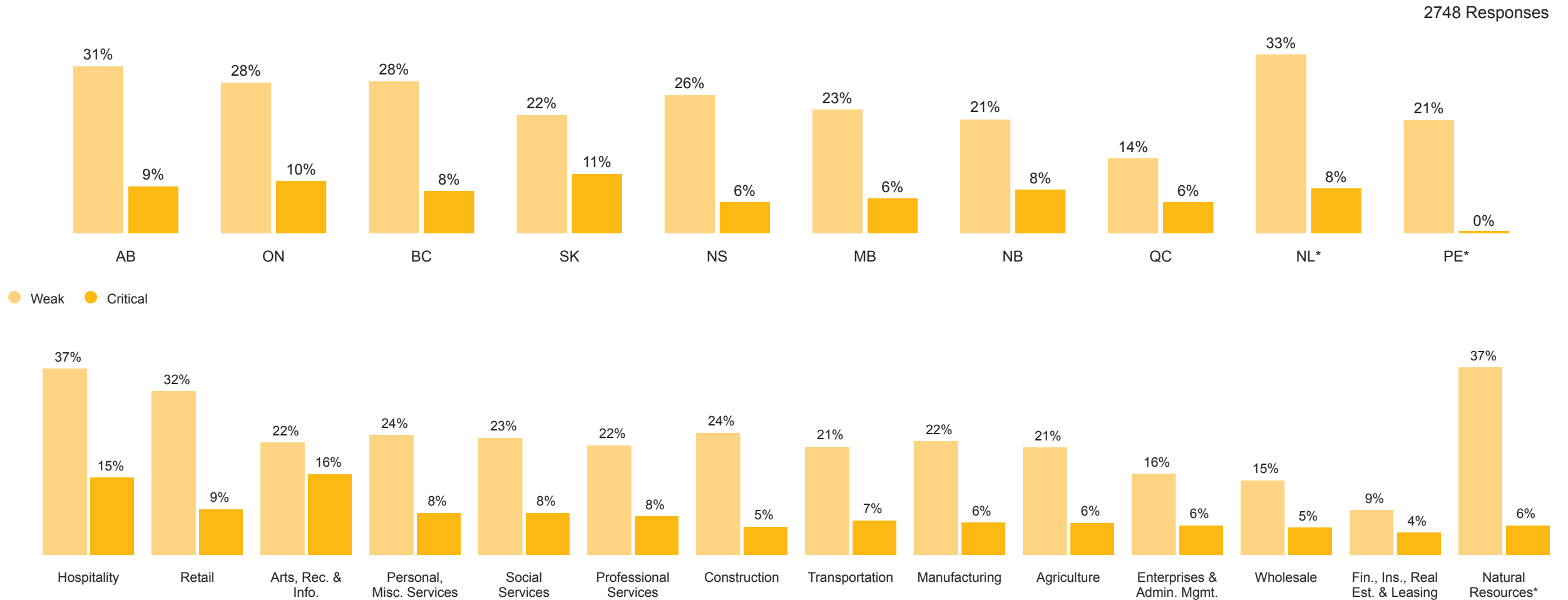
Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

Question: How would you describe the overall financial health of your business right now (e.g., cash flow, debt levels, revenues and profitability)? (Select one)



Alberta and Ontario show highest share of businesses with weak financial health; hospitality and retail emerge as most financially troubled sectors.

Small business financial health by province and sector



Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

Question: How would you describe the overall financial health of your business right now (e.g., cash flow, debt levels, revenues and profitability)? (Select one)

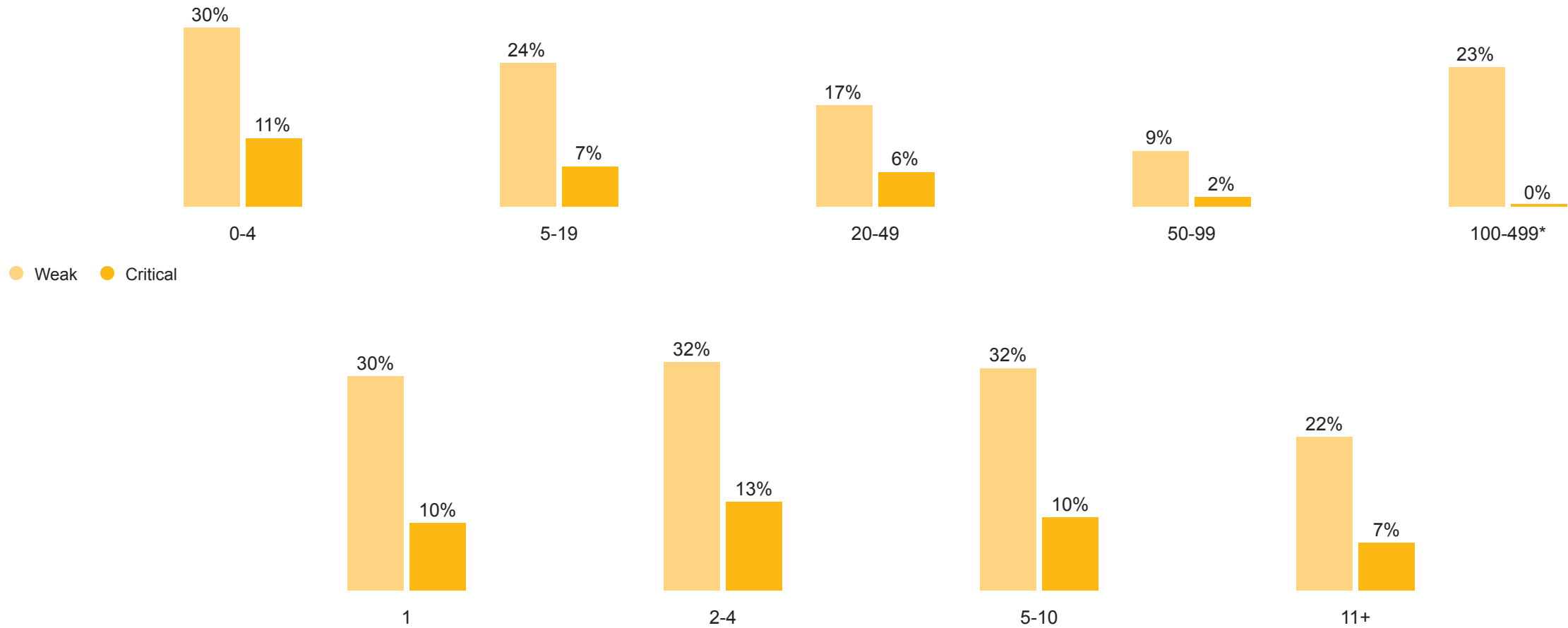
Note: *Small sample size (<40)



Financial health correlates with business size, posing greater challenges for smaller enterprises. Mature businesses (those 11+ years old) reported the lowest percentage of poor financial health.

Small business financial health by business size and age of business

2748 Responses



Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

Question: How would you describe the overall financial health of your business right now (e.g., cash flow, debt levels, revenues and profitability)? (Select one)

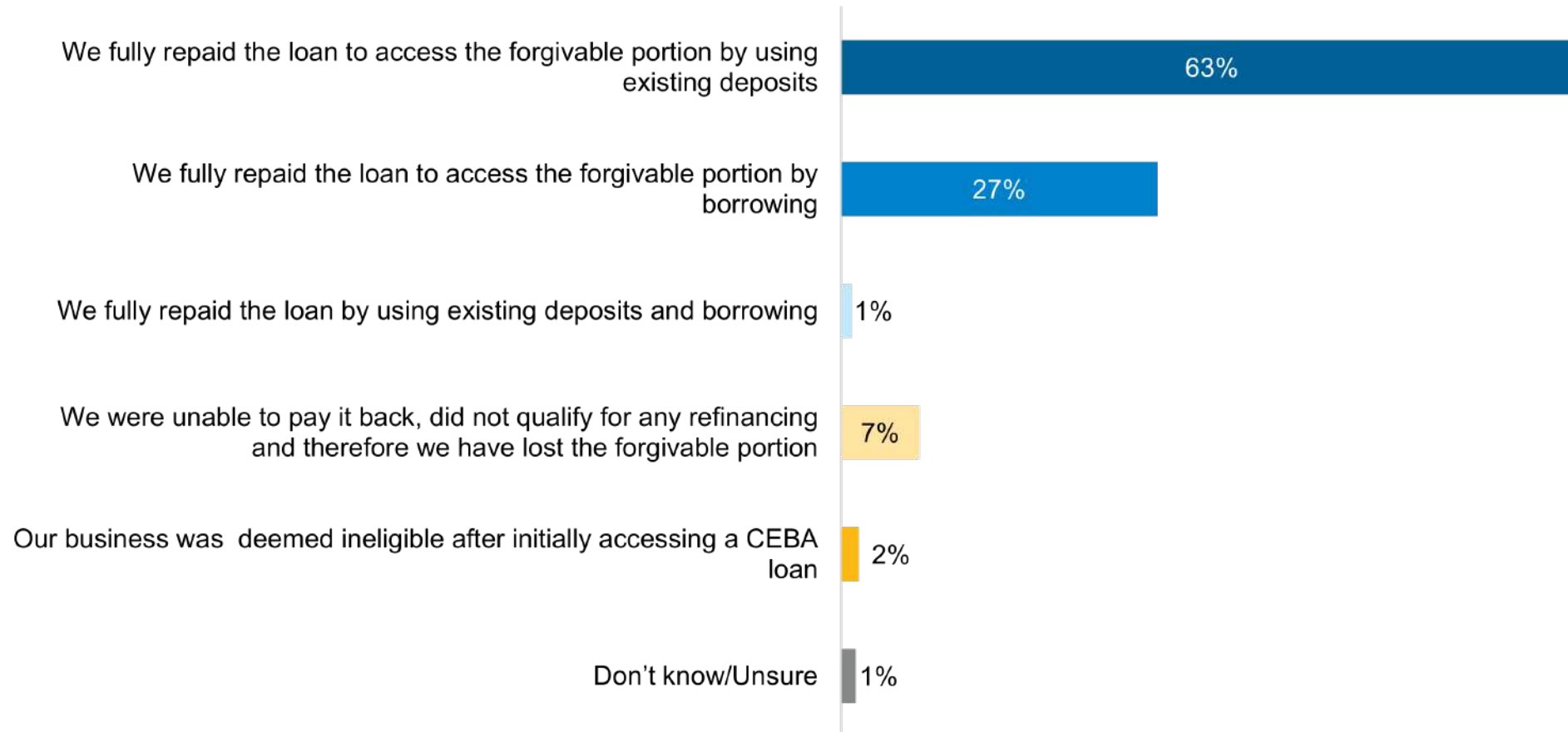
Note: *Small sample size (<40)



CEBA

Majority of CEBA loans have been repaid and benefited from partial loan forgiveness; with 63% of business owners paying it using existing deposit and 27% borrowing to pay it back.

CEBA loan repayment status



Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024, n = 2,029.

Question: Was your business able to repay its CEBA loan in time to access the forgivable portion (either by the January 18, 2024 or the March 28, 2024 deadlines)? (Select as many as apply)

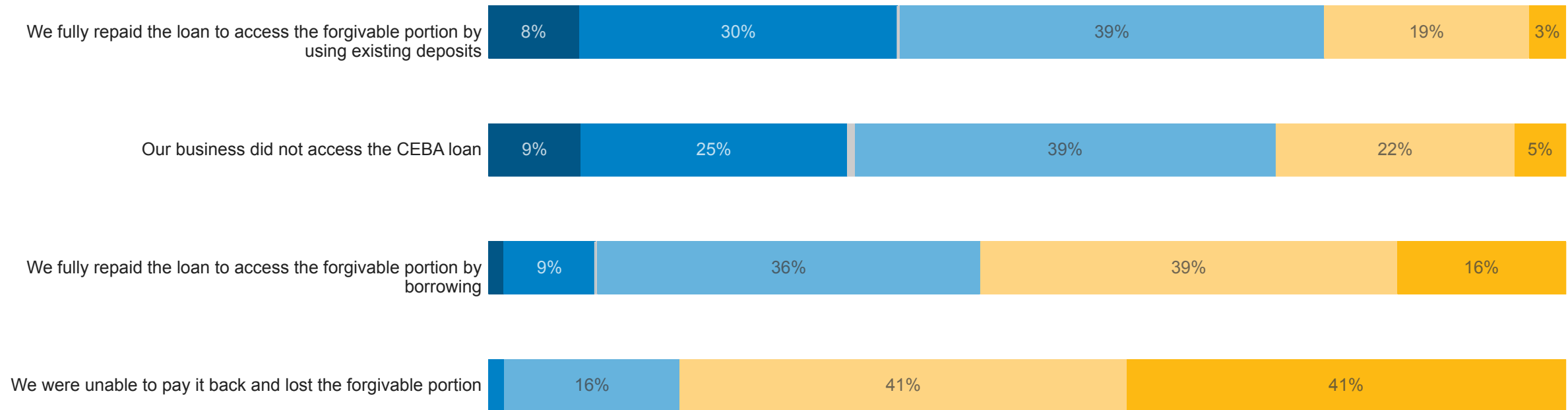
Note: Only respondents who used the CEBA loan are displayed in this question.



Businesses that did not access CEBA loan or self-financed their CEBA loan repayment display stronger financial health than those that borrowed more or failed to repay their CEBA loan.

Correlation between CEBA loan repayment and financial health

2705 Responses



● Very strong financial health
 ● Strong financial health
 ● Don't know/Unsure
 ● Average financial health
 ● Weak financial health
 ● Critical financial health

Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

Questions: Was your business able to repay its CEBA loan in time to access the forgivable portion (either by the January 18, 2024 or the March 28, 2024 deadlines)? (Select as many as apply) *and* How would you describe the overall financial health of your business right now (e.g., cash flow, debt levels, revenues and profitability)? (Select one)

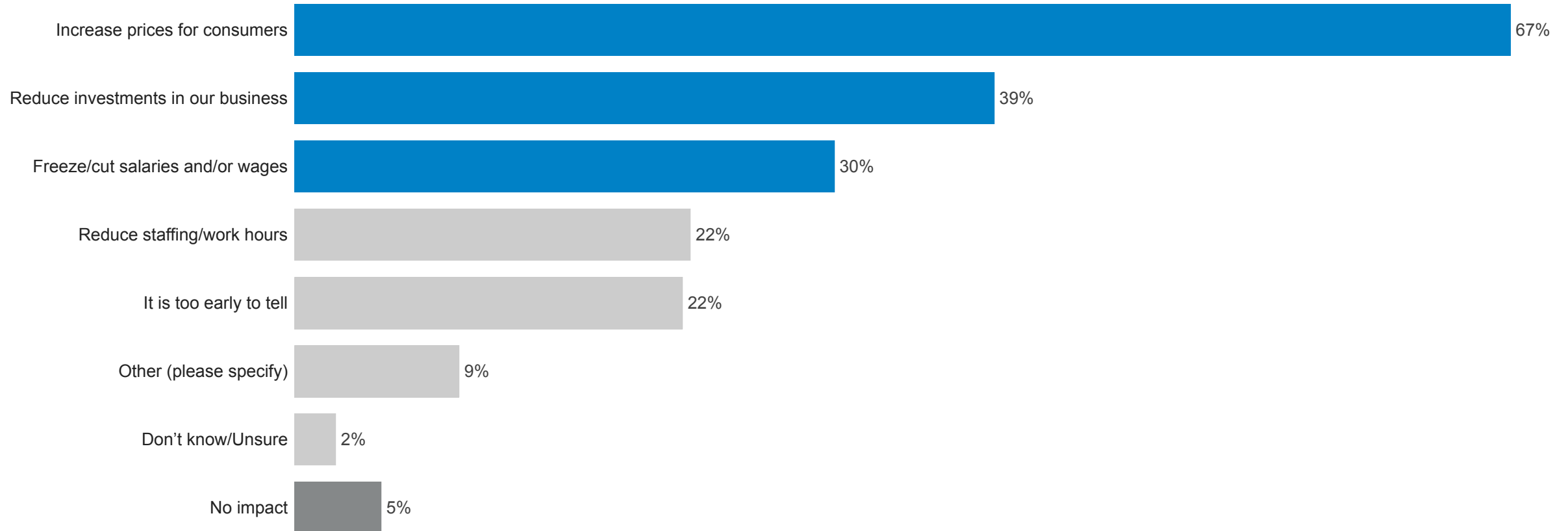


Carbon Tax

The recent carbon tax hike hits businesses hard, forcing 67% to raise consumer prices, 39% to slash investments, and 30% to cut or freeze wages.

Top impacts of the most recent increase in the carbon tax on businesses

2220 Responses



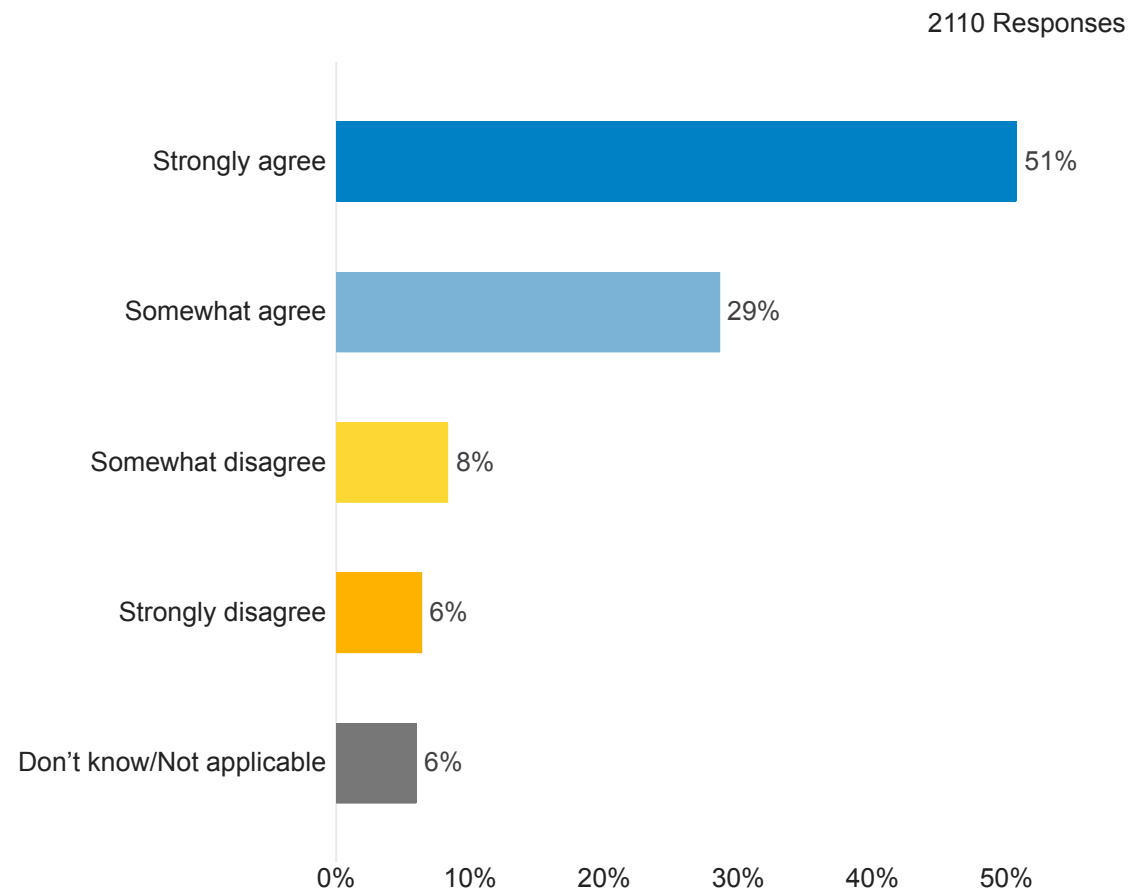
Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

Question: How do you expect the recent 23% increase in the carbon tax on April 1st, 2024, will impact your business? (Select all that apply)

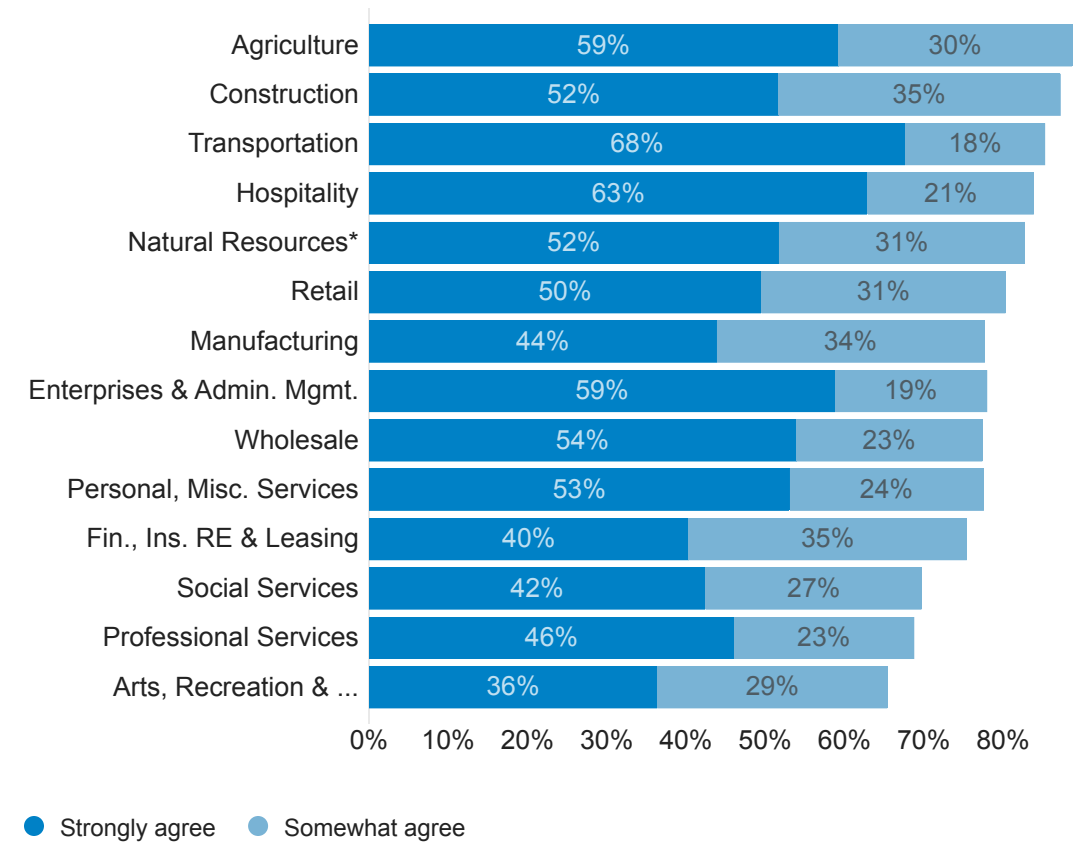


Four in five businesses struggle with covering other operational costs due to carbon tax hike; Agriculture, Construction, Transportation and Hospitality among most impacted sectors.

Statement: The increase in the carbon tax rate poses a challenge for our business, making it difficult to cover other operational expenses



by sector



Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

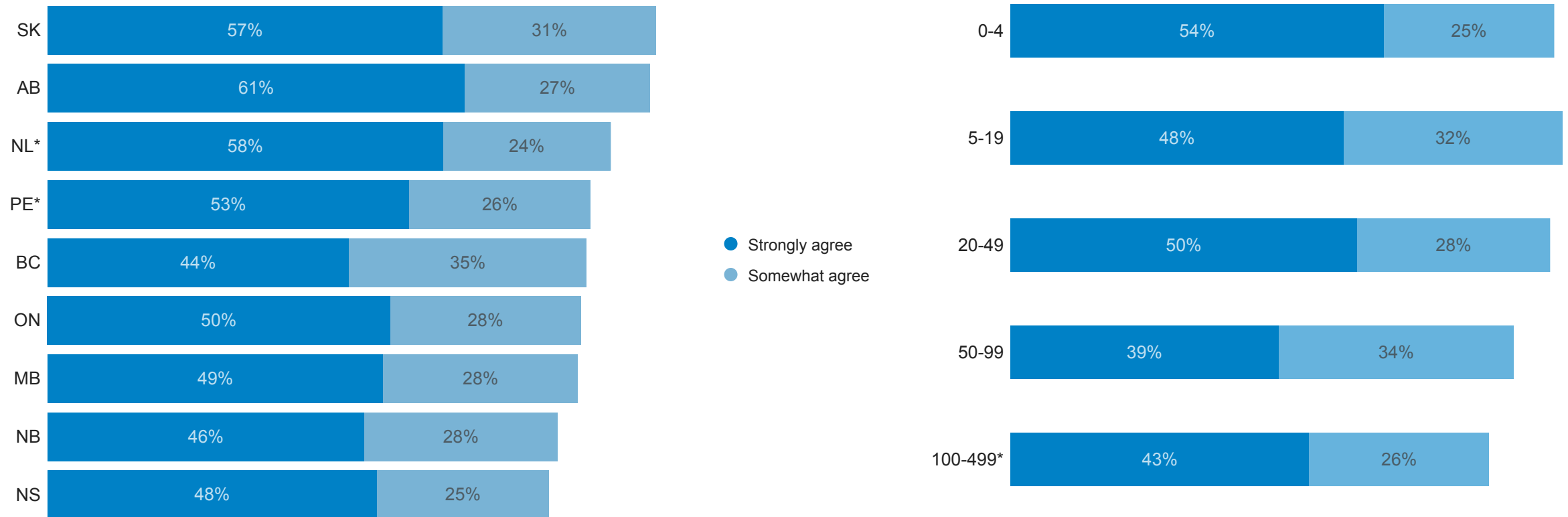
Question: To what extent do you agree or disagree with the following statements regarding the carbon tax system and its use of revenues?: "The increase in the carbon tax rate poses a challenge for our business, making it difficult to cover other operational expenses."

Note: QC not included in this question

The carbon tax poses a greater challenge for businesses in Saskatchewan and Alberta; smaller businesses bear a disproportionately higher burden from increases in the carbon tax.

Statement: The increase in the carbon tax rate poses a challenge for our business, making it difficult to cover other operational expenses

2110 Responses



Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

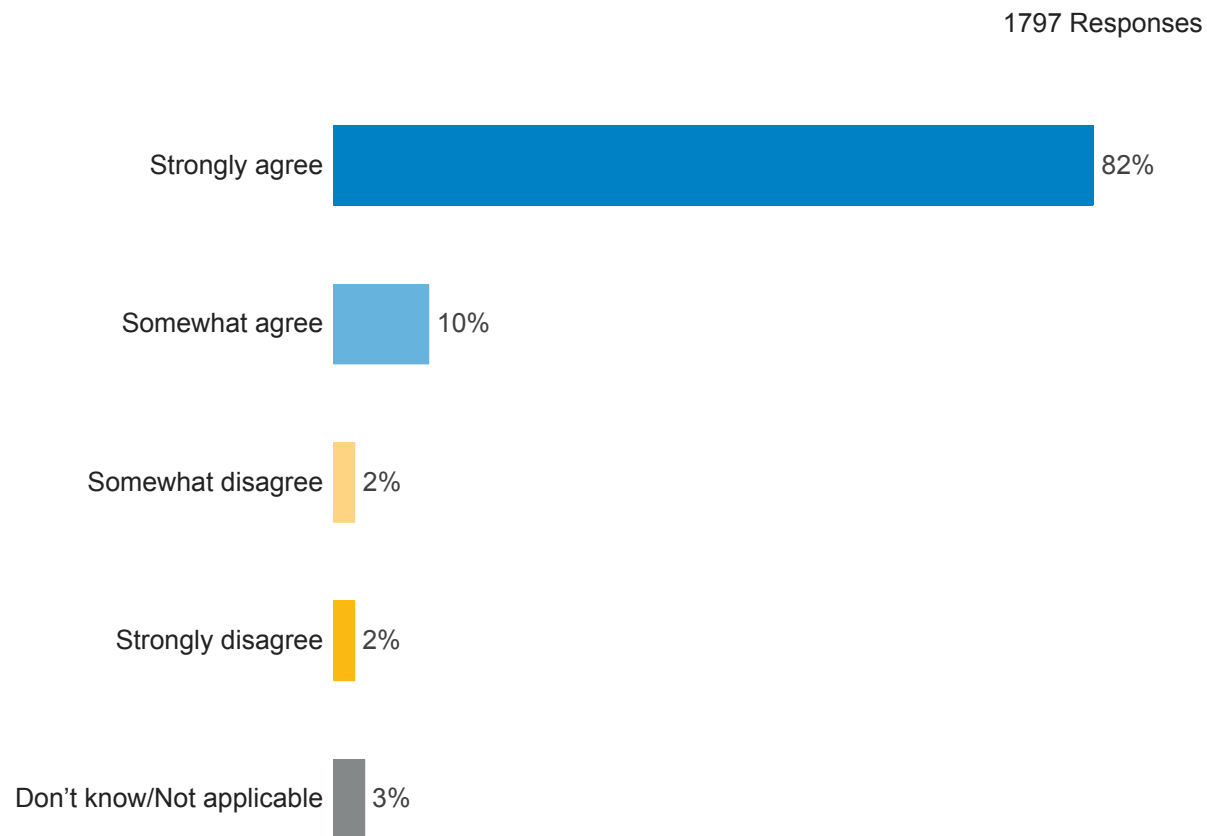
Question: To what extent do you agree or disagree with the following statements regarding the carbon tax system and its use of revenues?: "The increase in the carbon tax rate poses a challenge for our business, making it difficult to cover other operational expenses."

Notes: QC not included in this question; *Small sample size (<40)

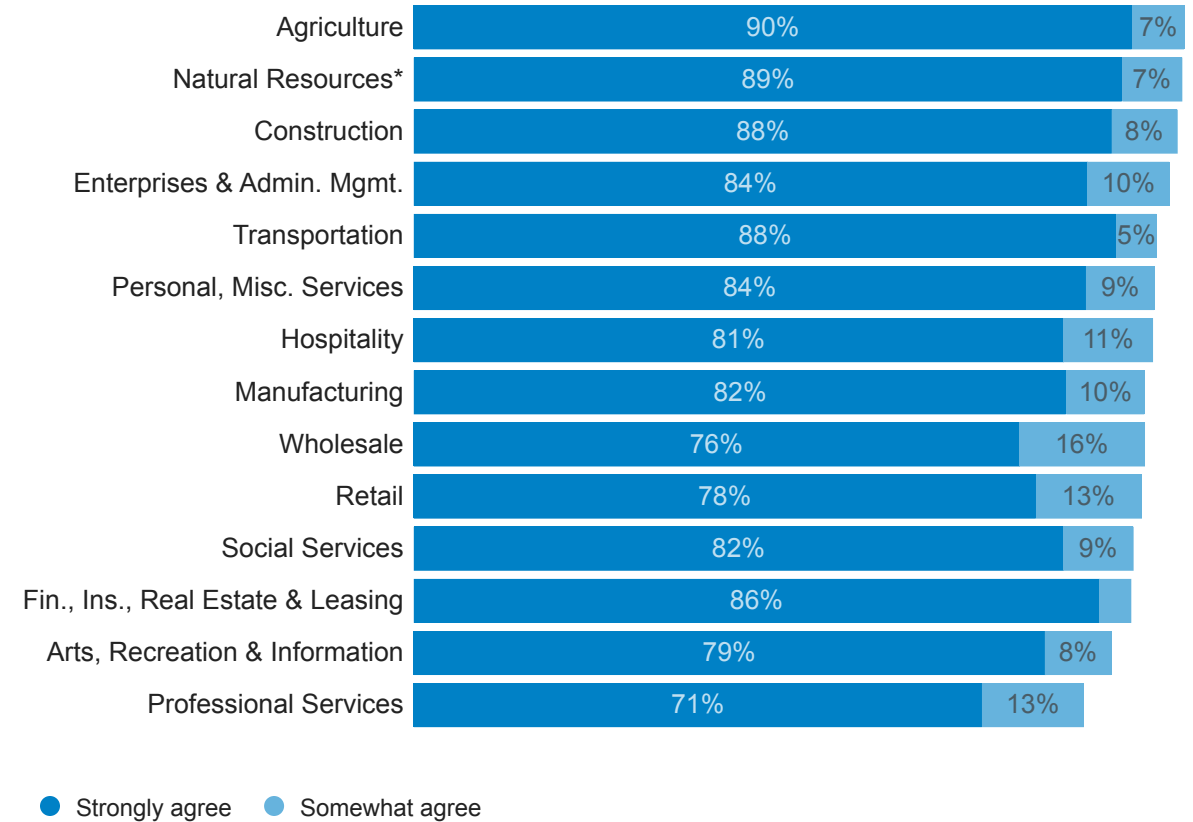


Carbon tax rebates: 92% of small businesses demand immediate \$2.5 rebate payout; across all sectors, businesses are in agreement.

Business owners level of agreement on statements regarding the carbon tax rebates, Ordered by NET agreement



by sector



Source: CFIB, Your Voice – April 2024 survey, April 4-22, 2024.

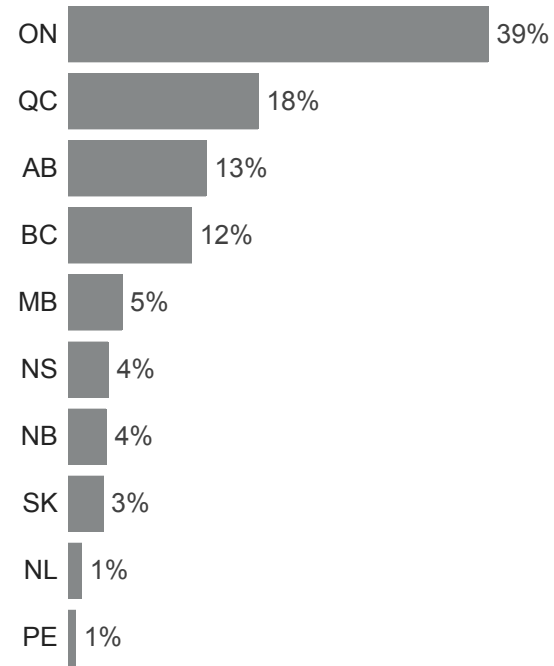
Question: To what extent do you agree or disagree with the following statements regarding the carbon tax system and its use of revenues? (Select one for each line): "The government should immediately return the \$2.5 billion owed to small businesses across all sectors, not just select sectors."

Notes: QC, BC and NT not included in this question; *Small sample size (<40)

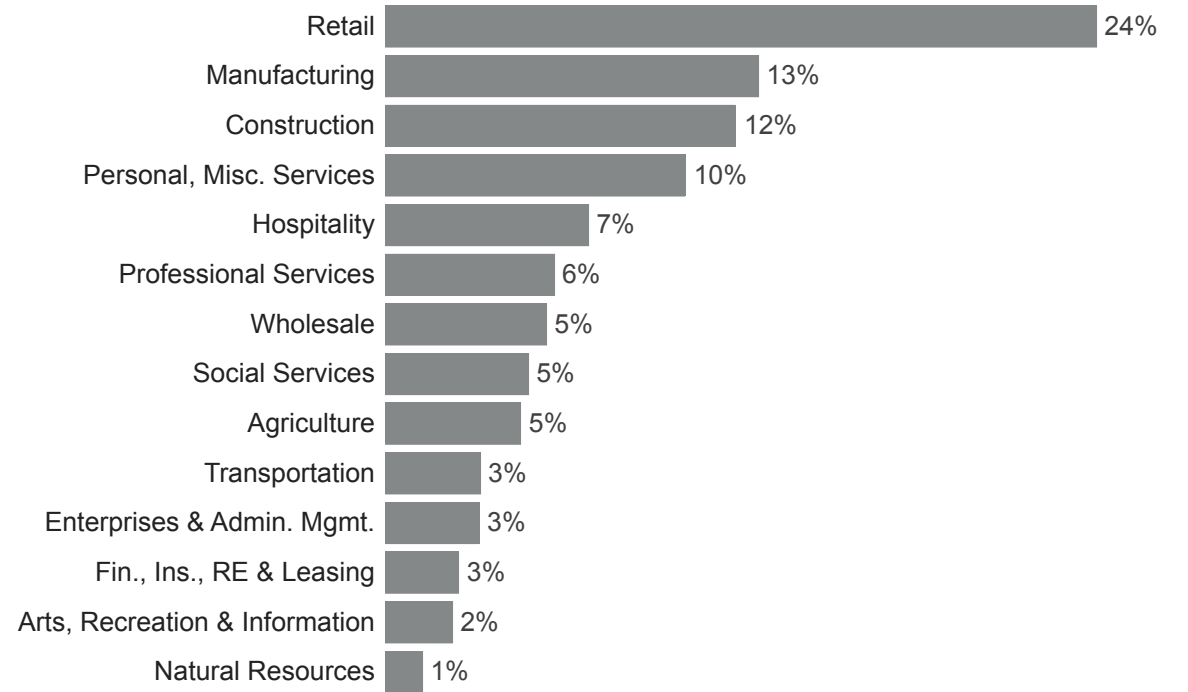
Respondent Profile

2750 respondents

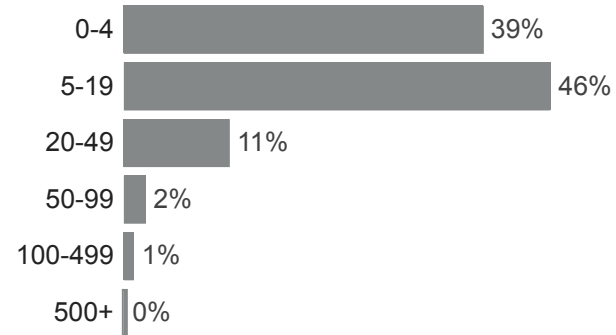
Province



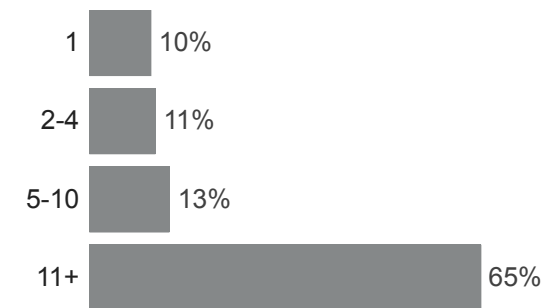
Sector



Business size



Age of business



Questions or data requests

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Additional information

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