

Business Barometer®

February 2019 SME business outlook survey results

Ted Mallett, VP & Chief Economist

Small business owners are a little more upbeat in February, recovering some more of what had been lost suddenly last December. CFIB's Business Barometer® Index rose almost 3 points to 59.0, but it remains a few points shy of what we had seen a year ago. Healthy index levels should be 65 or above.

The provincial picture is mixed. Owners in Nova Scotia (66.3), Quebec (64.8) and Ontario (64.1) are all a little more upbeat and now lead the country in optimism. PEI (60.6) remains above the national average, but has lost ground this month. Sentiment weakened further in British Columbia (55.4), New Brunswick (54.2) and Manitoba (52.6), while holding steady, but sub-par, in Saskatchewan (55.2) and Newfoundland & Labrador (47.7). Alberta business owners are a little more upbeat this month, but as the nexus of discontent in this country their 40.3 index remains far from healthy levels.

The industry perspective is also mixed, showing improvement in seven and falling in six of the main sector categories. However apart from continued pessimism in agriculture and resources businesses, index levels are in a fairly narrow band ranging from the mid-50s to low-60s--a sign of general stability.

Overall, 42 per cent of owners say their businesses are in good shape while 12 per cent say they are in bad shape, typical results for the past number of years. Hiring plans show some improvement, though, with 19 per cent planning on adding full-time staff and only 11 per cent expecting to cut back in the short term. Twelve-month wage and price plans are also on trend, straddling the 2 per cent mark, but new orders and accounts receivable performance remain somewhat weak by standards of the past couple of years.

Figure 1: **Business Barometer Index and GDP**

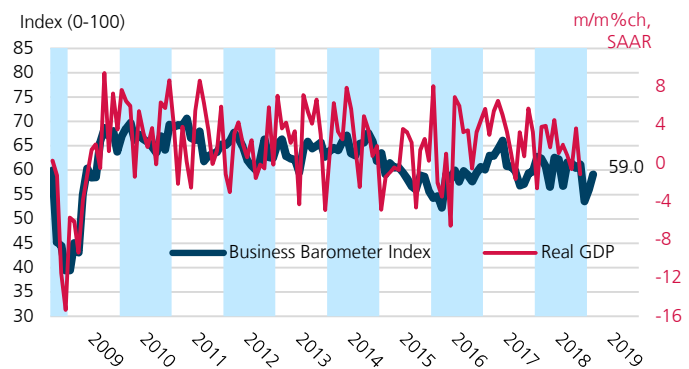


Figure 2: **Index by province***

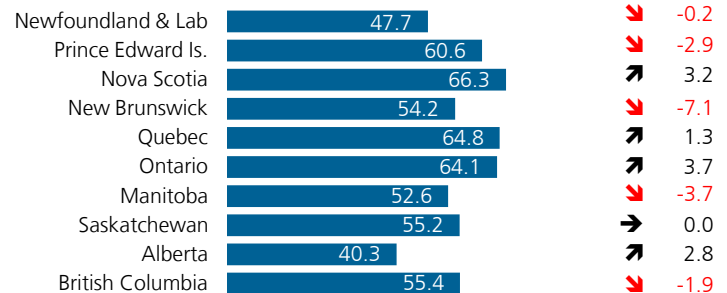
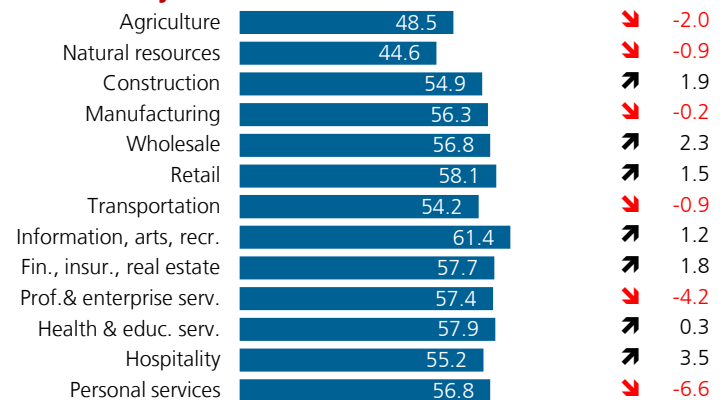


Figure 3: **Index by sector***



* Provincial and sector sub-indexes, with the exception of Ontario and Retail are calculated as 2-,3- or 4-month moving averages.

Figure 4: **Full-time staffing plans, next 3 months**

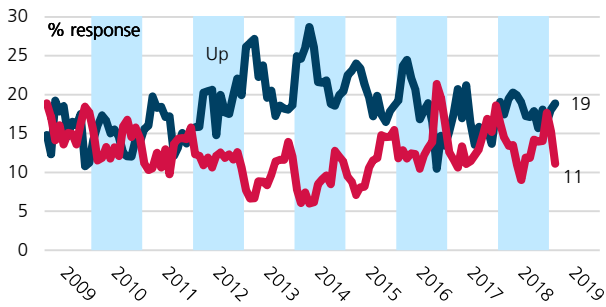


Figure 5: **General state of business health**

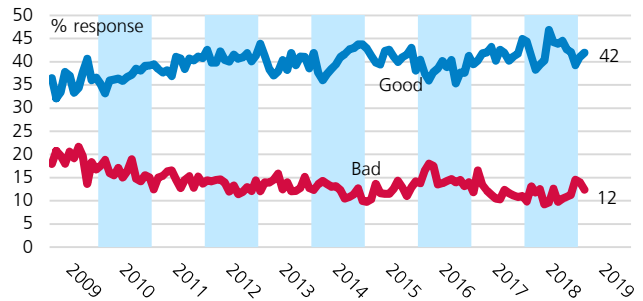


Figure 6: **Future pricing and wage plans**

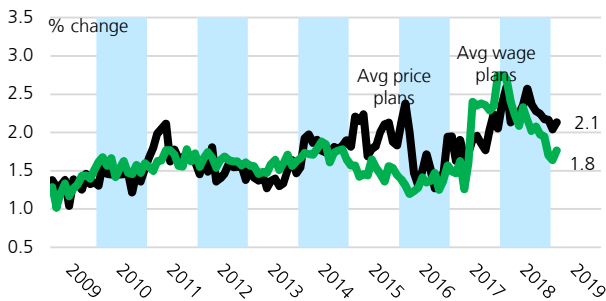


Figure 7: **Business indicators 'normal' or 'better than normal'**

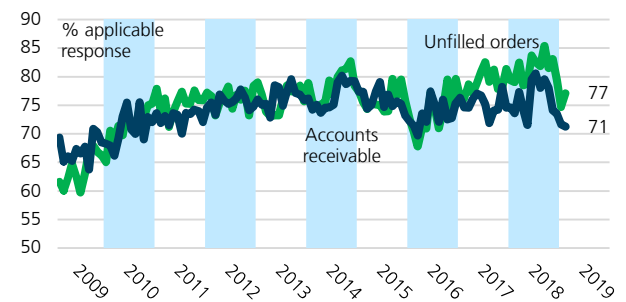


Figure 8: **Limitations on sales or production growth**



Figure 9: **3-month capital spending plans**

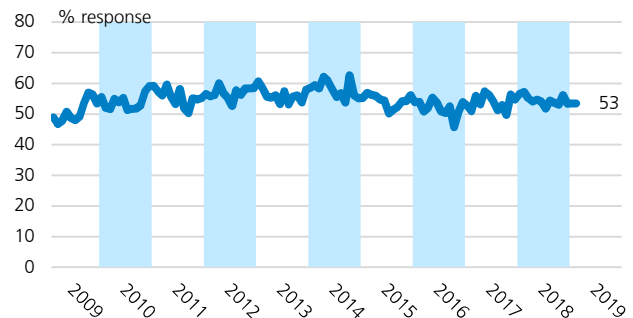


Figure 10: **Trends: limitations on growth**

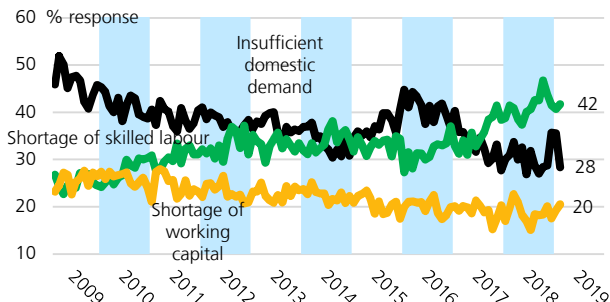
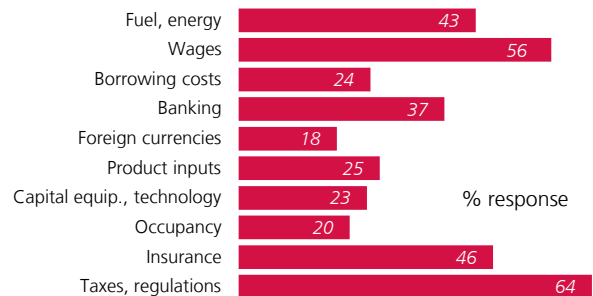


Figure 11: **Major cost constraints**



February 2019 findings are based on 829 responses, collected from a stratified random sample of CFIB members, to a controlled access web survey. Data reflect responses received through February 15. Findings are statistically accurate to +/- 3.4 per cent 19 times in 20.

Ted Mallett, vice-president & chief economist, 416 222-8022
 Andreea Bourgeois, senior analyst, 506 855-2526
 Simon Gaudreault, senior director, national research, 514 861-3234