

Business Barometer®

September 2019 SME business outlook survey results

Ted Mallett, VP & Chief Economist

Small business owners were a little less optimistic in September. CFIB's Business Barometer® Index fell back by just over a point to land at 59.3, continuing with its up-and-down monthly pattern of late.

Provincial performance was pretty evenly mixed, with improvements in sentiment seen in five and declines seen in five regions. Again, the most optimistic business owners can be found in Quebec (68.8) and Nova Scotia (68.5), which both saw one-plus point improvements in their index levels. A bigger boost in New Brunswick this month to 63.7 brought that province the nation's third-highest index score.

Business owners in Ontario and Manitoba saw only slight improvements in their outlooks, but at 62.6 and 60.5 respectively, index levels still exceeded the national average. Optimism was a shade higher in Prince Edward Island (62.9), but was a result of an almost four-point decline from August index levels. Sentiment continued to be weak—and moving in the wrong direction—in the resource provinces. Index levels in Newfoundland and Labrador, Saskatchewan, Alberta and British Columbia are clustered in the low 50s.

The industry picture remained mixed as well, with sentiment in the professional services, health and information sectors over performing, while transportation, agriculture, retail and construction lagging the national average. Short-term hiring plans are fairly weak compared to this time last year, with only 16 per cent of business owners expecting to add staff in the next few months—versus 15 per cent who expect to cut numbers. Unfilled orders and accounts receivables performance are also underwhelming compared to past estimates, while both wage and price plans have eased off to 1.7 per cent on an annual basis.

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

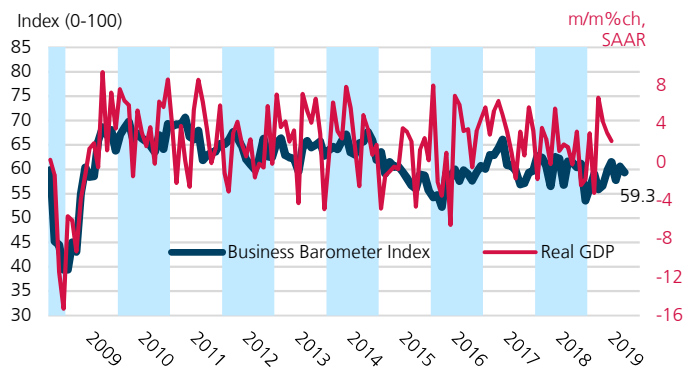


Figure 2: **Index by province***

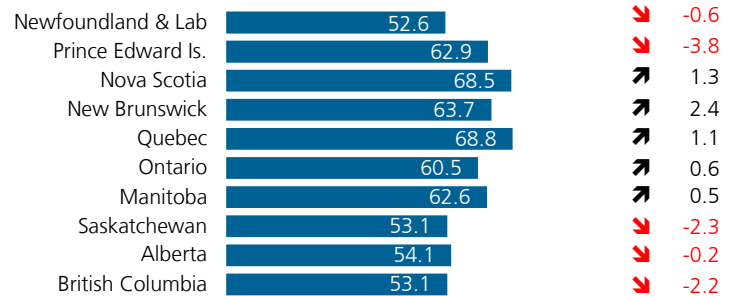
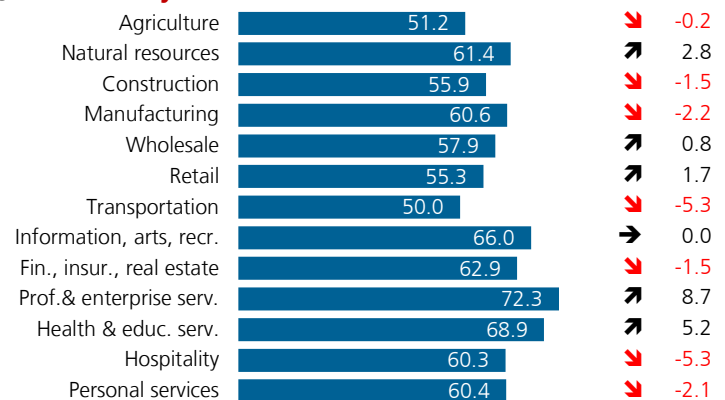


Figure 3: **Index by sector***



* 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

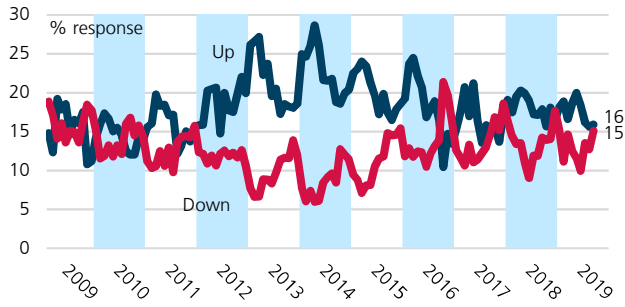


Figure 5: General state of business health

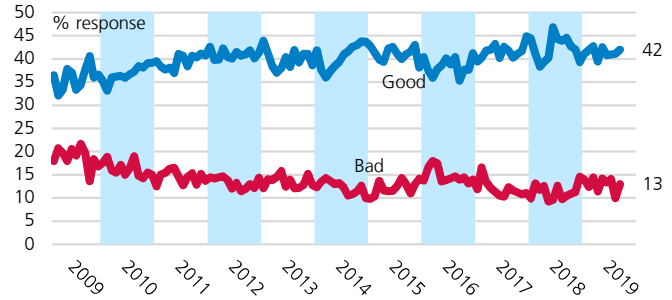


Figure 6: Future pricing and wage plans

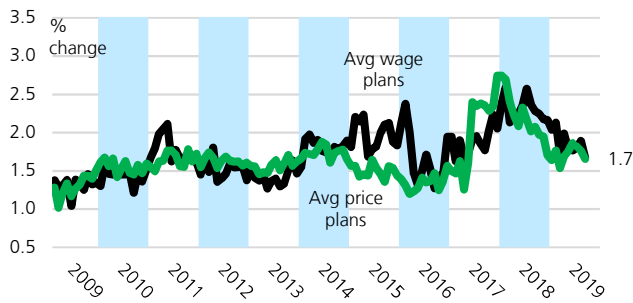


Figure 7: Business indicators 'normal' or 'better than normal'

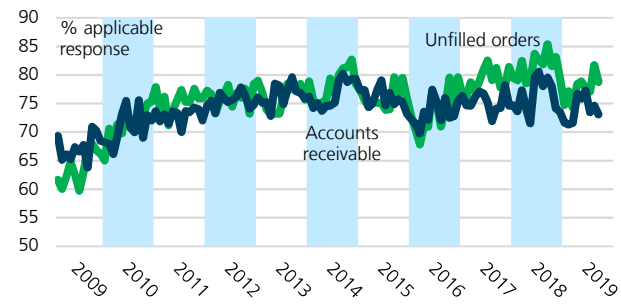


Figure 8: Limitations on sales or production growth



Figure 9: 3-month capital spending plans

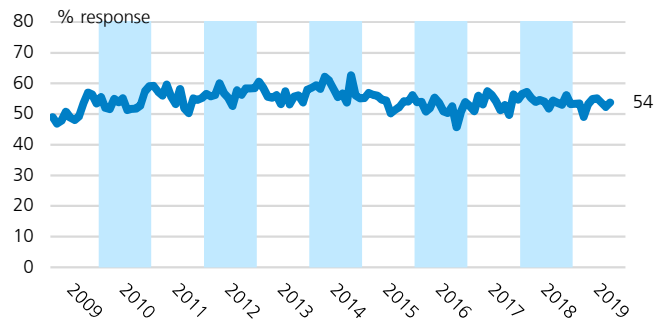


Figure 10: Trends: limitations on growth

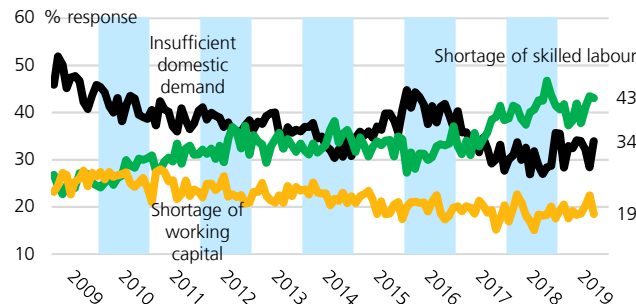
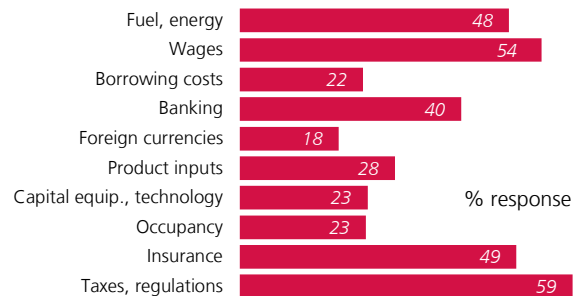


Figure 11: Major cost constraints



September 2019 findings are based on 642 responses, collected from a stratified random sample of CFIB members, to a controlled-access web survey. Data reflect responses received from September 2nd to the 19. Findings are statistically accurate to +/- 3.9 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