

# Business Barometer®

## September 2020 SME business outlook survey results

Ted Mallett, VP & Chief Economist

Small business sentiment saw no forward progress in September as the headwinds to the recovery continue to be strong. CFIB's Business Barometer® Index, which is based on a 12-month forward expectation for business performance, held steady at 59.2 and its equivalent measure based on a shorter three-month horizon stumbled slightly to a considerably weaker 39.7. The gap suggests many businesses are still facing significant difficulties.

Nova Scotia business owners remain the most upbeat with an index of 65.8, while those in Ontario and New Brunswick are close to that level at 65.4 and 64.5 respectively. Sentiment in British Columbia and Alberta are at the national average, while in Newfoundland & Labrador, Manitoba and Saskatchewan it falls just short. Business owners are least optimistic in Prince Edward Island and Quebec.

The industry picture is mixed—with a fair bit of volatility—this month, showing sentiment rising in eight sectors and declining in five. The result, though is a relatively consistent reading of sentiment across the board with variations of only a few points above or below the sector-wide average.

Pretty much every other performance measure from our survey showed no progress at all in September. Owners report they were only operating at 69 per cent capacity on average, which was a slight step back from August's 70 per cent. Hiring plans were nearly identical to August with only 15 per cent planning to add, compared to 25 per cent planning to cut numbers of full-timers in the next few months. Those considering themselves to be in either good or bad shape financially also showed no change this month. The same can be said about pricing plans, wage-setting and capital investment--all remaining well below pre-pandemic norms.

Figure 1: **Business Barometer Index, 3 and 12-month outlook**

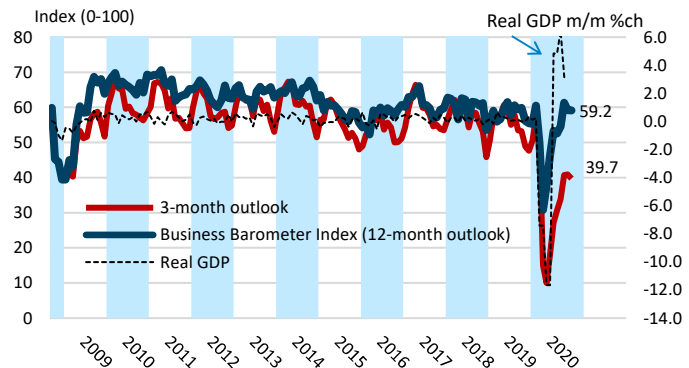


Figure 2: **Index by province\***

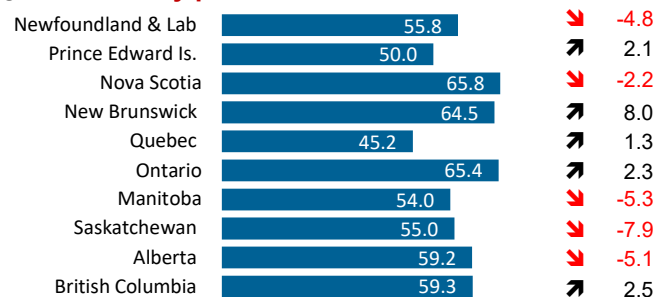
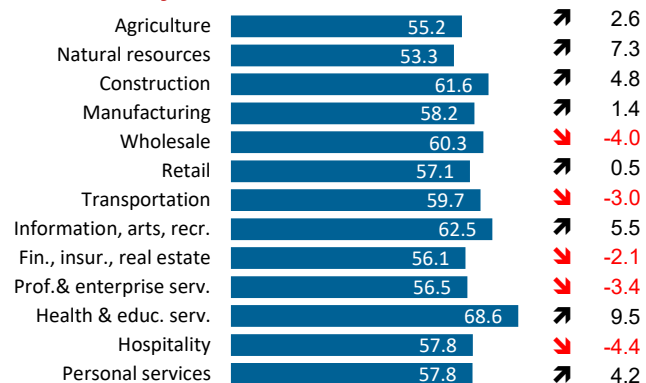


Figure 3: **Index by sector\***



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

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

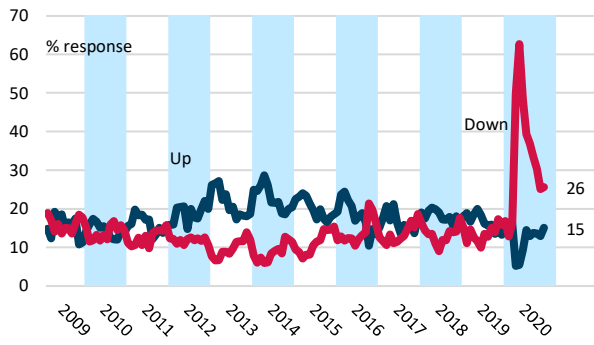


Figure 5: **General state of business health**

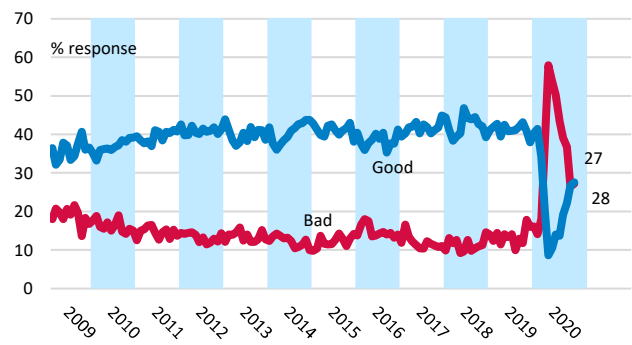


Figure 6: **Future pricing and wage plans**

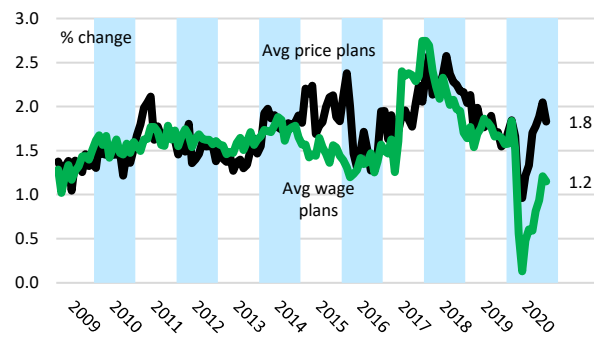


Figure 7: **Business indicators 'normal' or 'better than normal'**

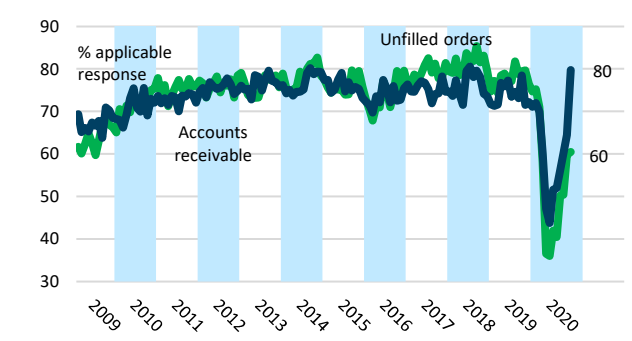


Figure 8: **Trends: limitations on growth**

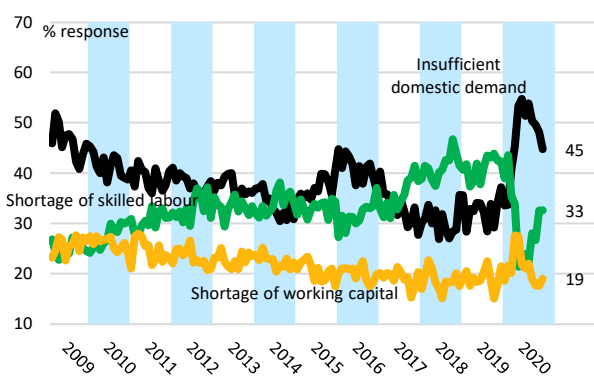


Figure 9: **3-month capital spending plans**

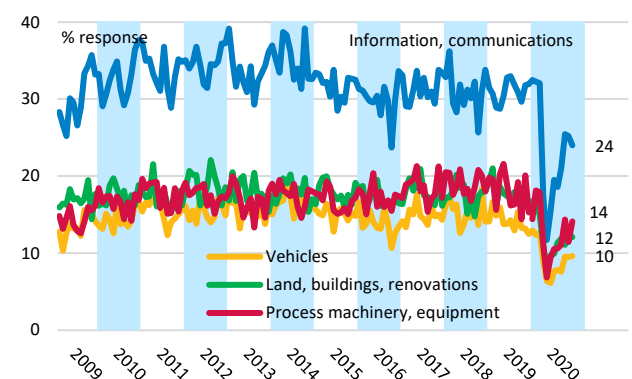


Figure 10: **Limitations on sales or production growth**

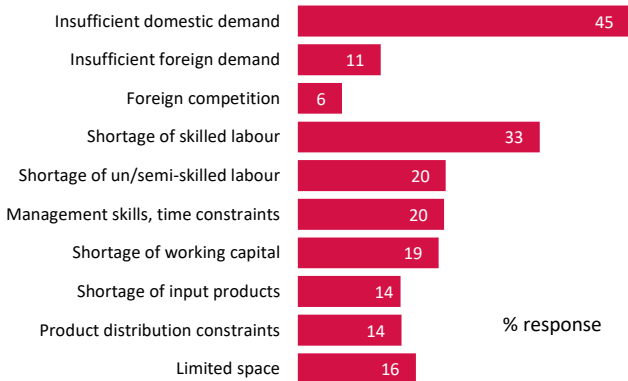


Figure 11: **Major cost constraints**

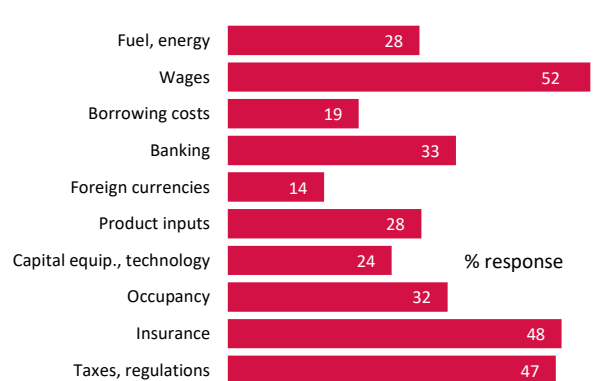


Figure 12: **% Capacity utilization rates**  
(Industry trends in grey)

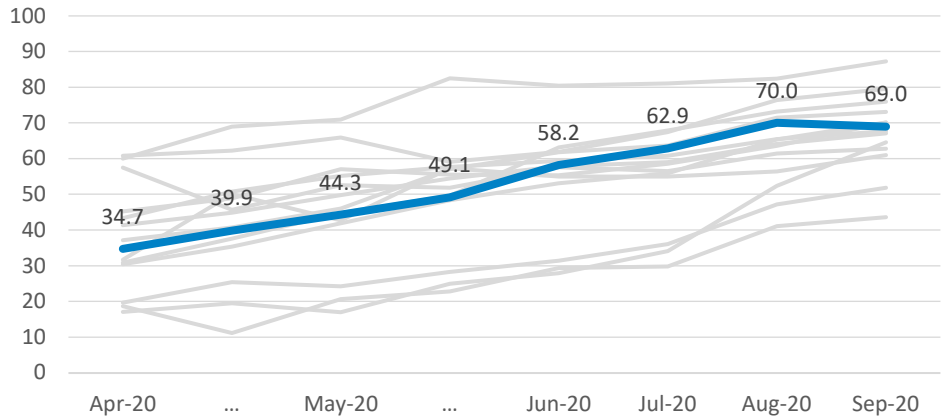


Figure 13: **Capacity utilization by province Septembre 2020**

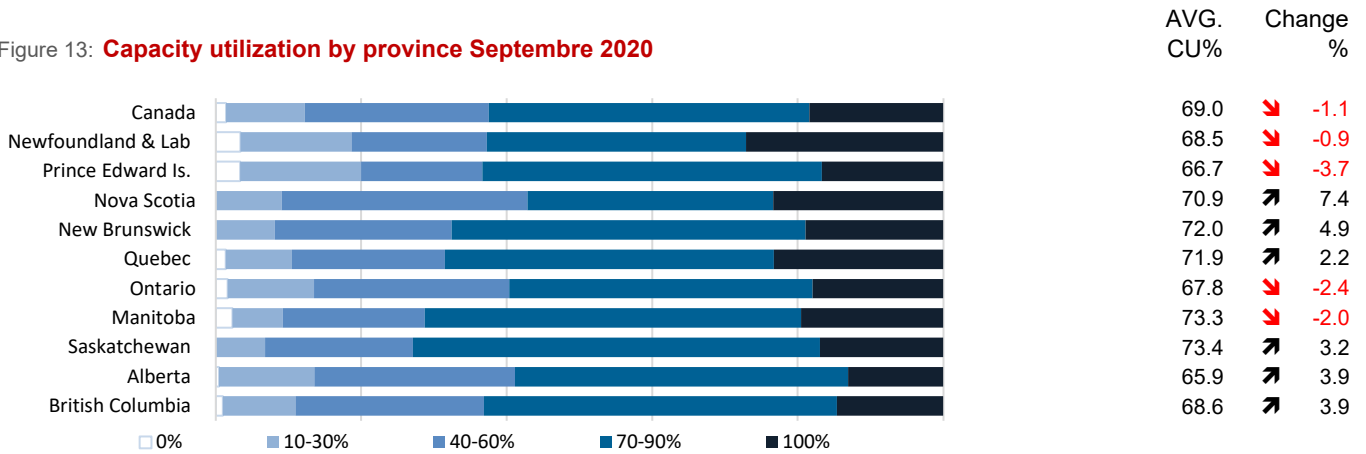
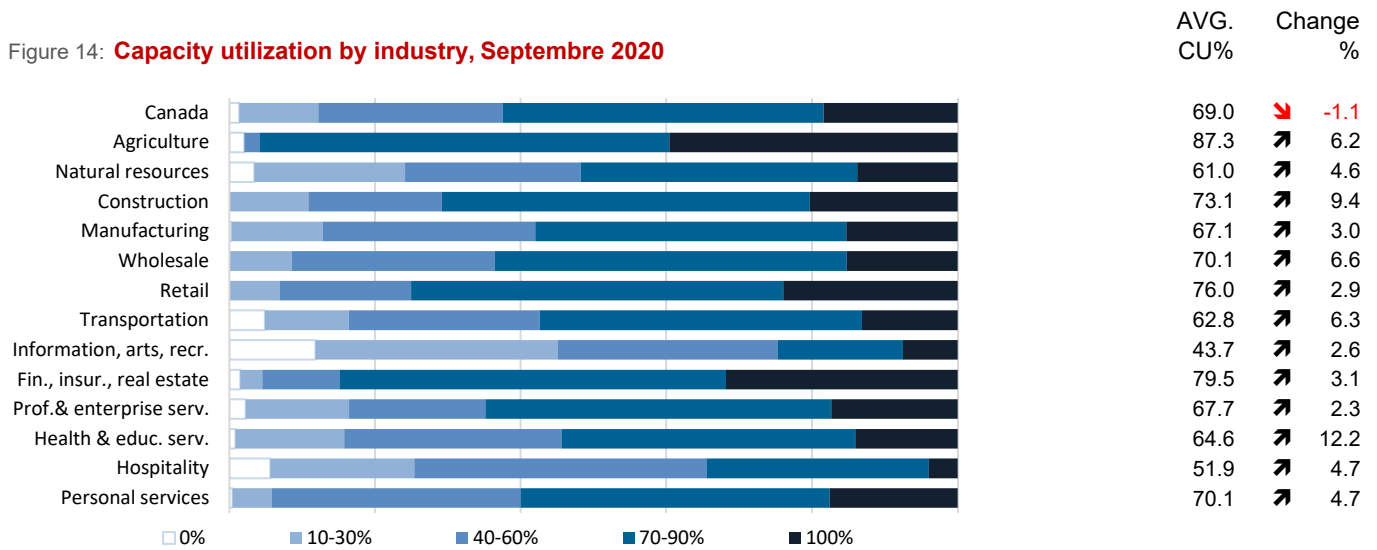


Figure 14: **Capacity utilization by industry, Septembre 2020**



The September findings are based on 874 responses from a stratified random sample of CFIB members, to a controlled-access web survey. Data reflect responses received from September 2 to 14. Findings are statistically accurate to +/- 3.3 per cent 19 times in 20.

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