



In business
for your business.

Monthly Business Barometer®

May 2025



12-month Small Business Confidence Index

40.0

Monthly change

↑ 5.3

3-month Small Business Confidence Index

42.4

Monthly change

↑ 1.9

May 2025

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, registered another slight gain reaching 40.0 –about five points above April level. The short-term optimism index, based on a 3-month outlook, tiptoed upwards by a mere two points to 42.4. While confidence is trending in the right direction for a second consecutive month, it hasn't even reached the breakeven point of 50 on long or short-term.

Optimism among all SMEs is extremely low, albeit firms trading internationally register lower levels than firms doing business only in Canada. The current state of business health is still significantly below regular readings in May.

Provincial overview

Confidence in all jurisdictions ranges from low 30s to mid 40s - showing weak-to-none economic growth. Quebec and Alberta are the closest to reaching 50 - the level where equal shares of entrepreneurs expect stronger or weaker performances.

Sectoral overview

Sectoral long-term confidence spans a wider range - from mid20s to high 40s. Health and education, followed by professional services are the top least pessimistic industries followed closely by manufacturing and hospitality. Manufacturing was the sector which registered the largest monthly jump in confidence, followed by hospitality.

Inflation indicators

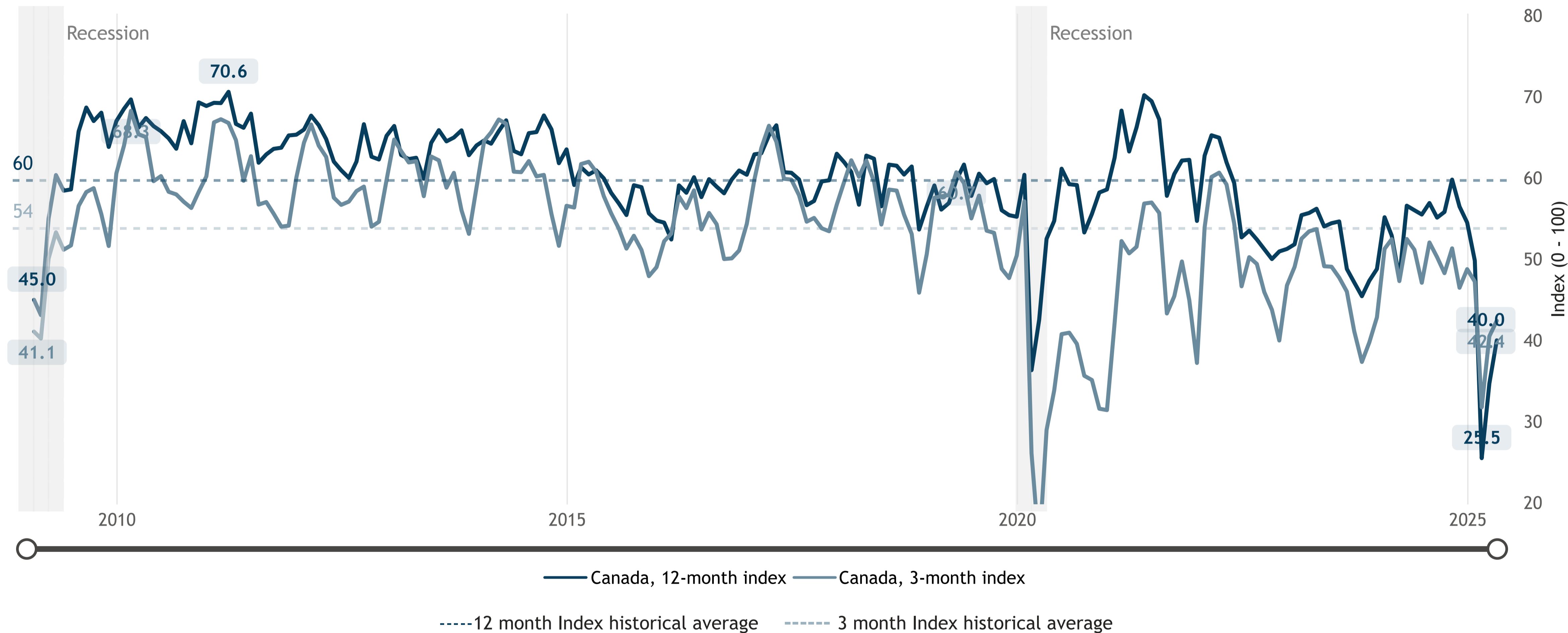
The average price increase indicator dropped to 2.9. The average wage increase planned for the next 12 months remained largely unchanged since December 2024, sitting currently at 2.1.

Other indicators

Currently, 14% of firms are planning to hire and 16% are considering layoffs for the next 12 months. These numbers show a very low-key employment market despite the seasonal bump brought in by the summer months. The same negative employment trends are observed for part-time employment.

Insufficient demand remains the primary barrier to business and production growth - 59% of SMEs are reporting it as main limitation. Some key cost constraints have lessened this month (fuel costs, wage costs), while others have maintained their elevated pressure (taxes and insurance in particular).

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**?

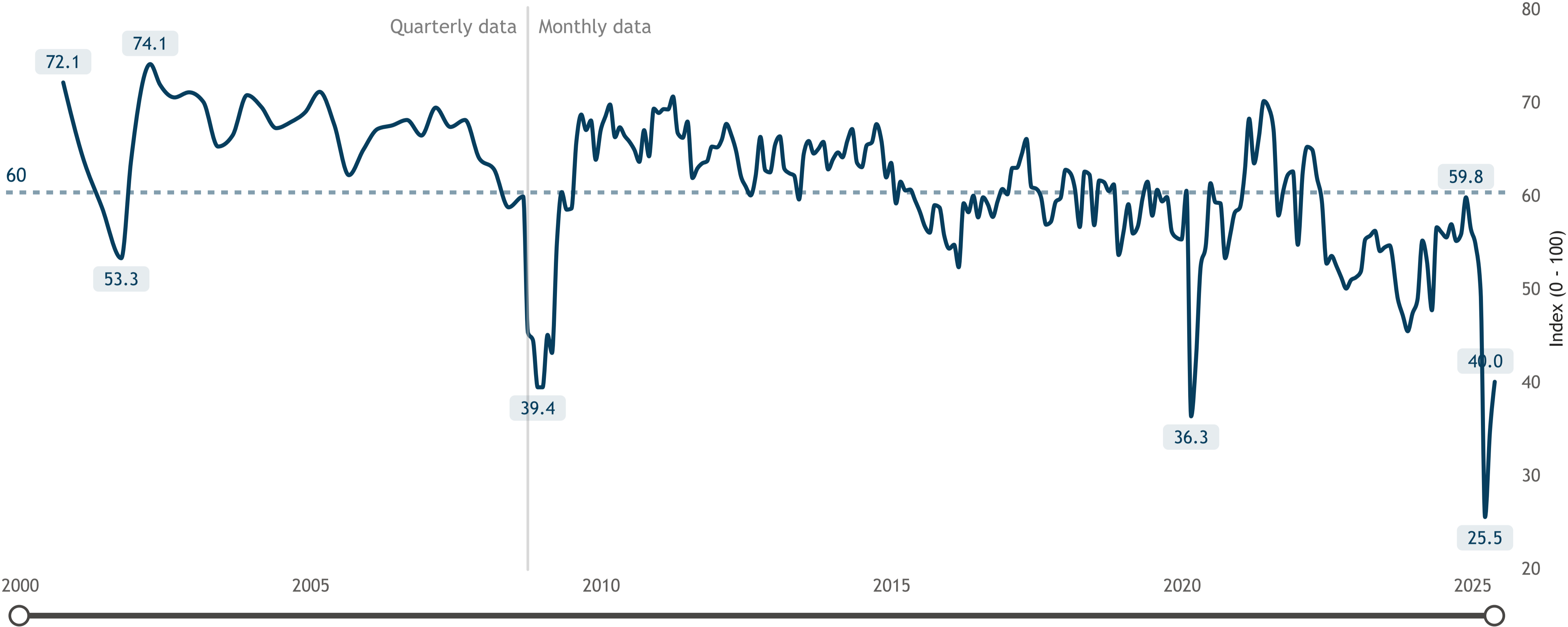
Sources : CFIB, Your business outlook survey, February 2009 - May 2025. 719 responses received from May 6-12.

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

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



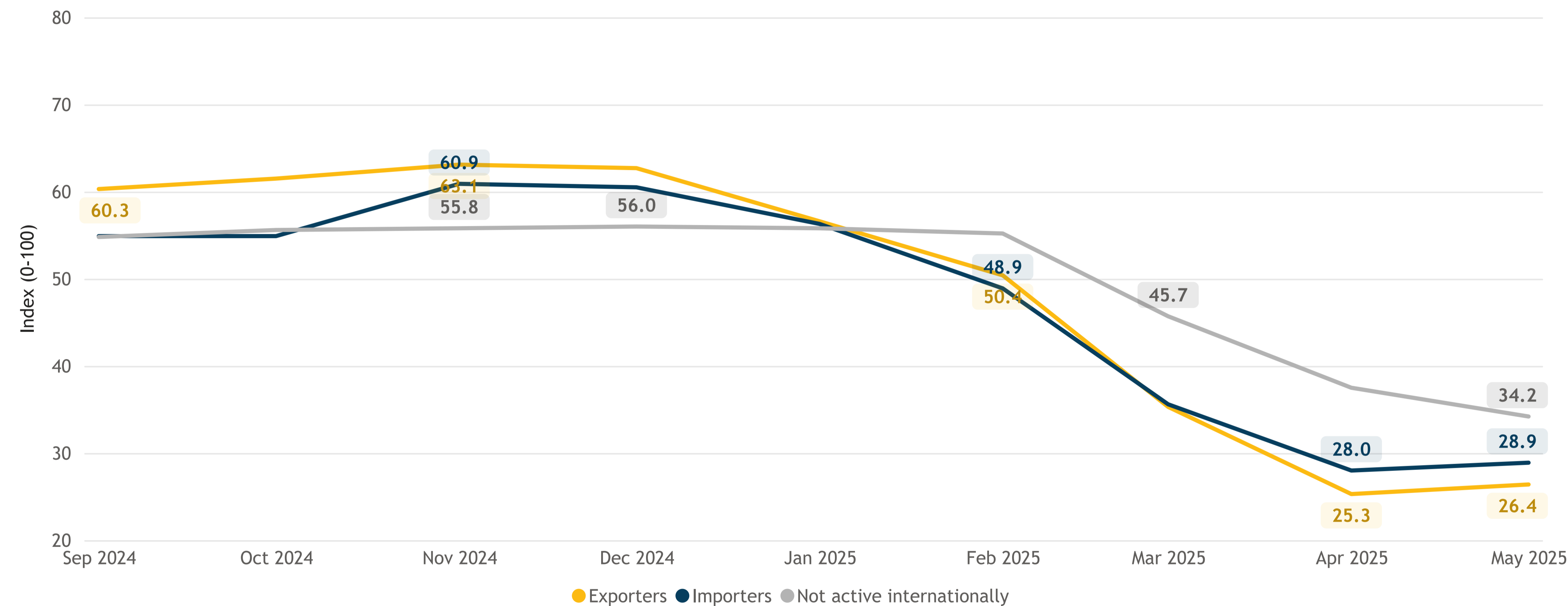
Business Barometer®: 12-month small business confidence index (2000-2025), Canada



Survey question: How do you expect your firm to be performing in **12 months** compared to now?
Source: CFIB, Your business outlook survey, October 2000 - May 2025. 719 responses received from May 6-12.
The data for Oct. 2000 to Sept. 2008 is presented on a quarterly basis. Oct. 2008 to present is presented monthly.



Business Barometer®: 12-month small business confidence index for exporters and importers, Canada



Survey questions: How do you expect your firm to be performing in 12 months compared to now?
International trade (Select one): **Buying from abroad**, **Selling abroad**, **A mix of both**, **Not active internationally**
Source: CFIB, Your business outlook survey. 719 responses received from May 6-12.
Note: Data presented as 3-month moving averages. New series started from September 2024.



Business Barometer®: Small business confidence index, provinces



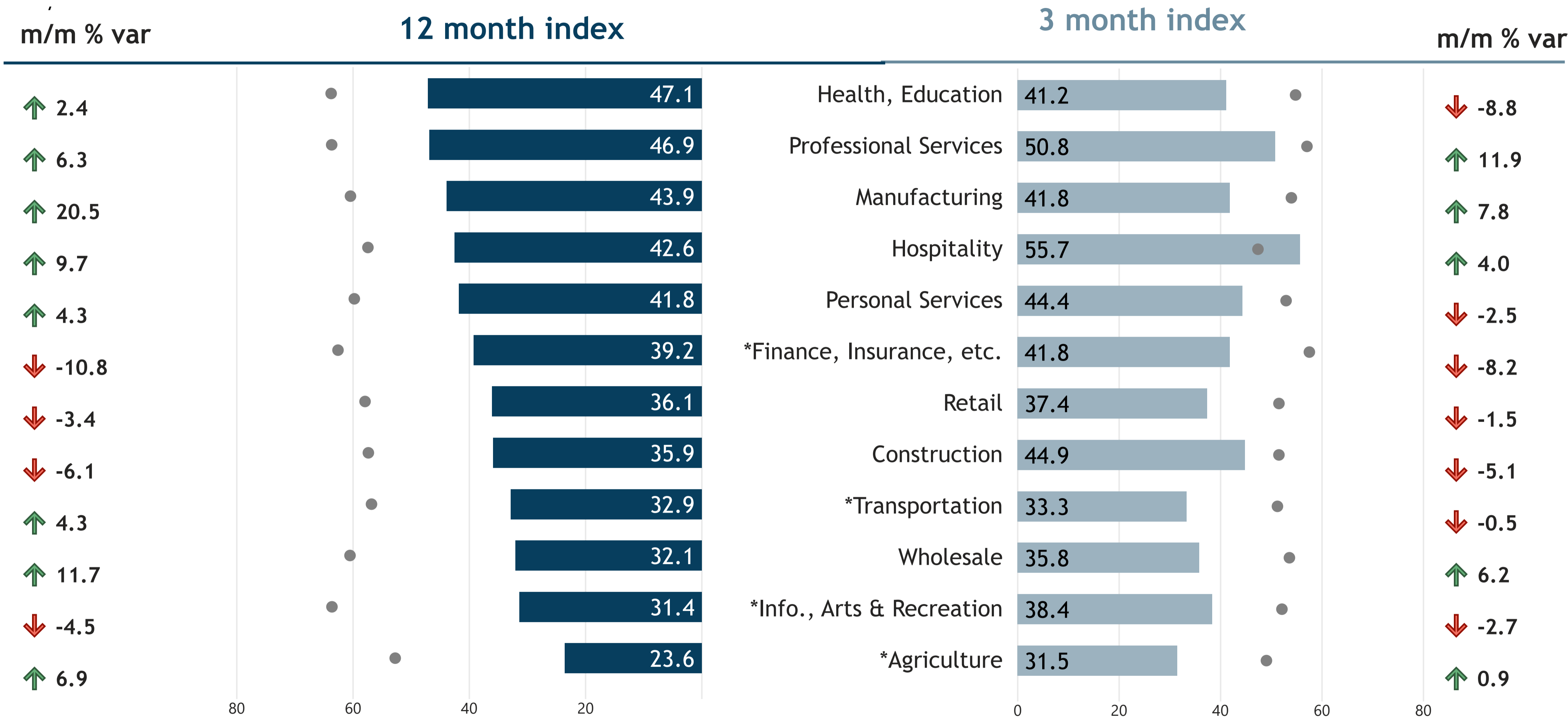
Survey question: How do you expect your firm to be performing in **12 months** compared to now?

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 - May 2025. 719 responses received from May 6-12.

Note: ● Historical averages. *Data presented by 3-month moving average. Index < 50 = more businesses expecting weaker performance than stronger 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?

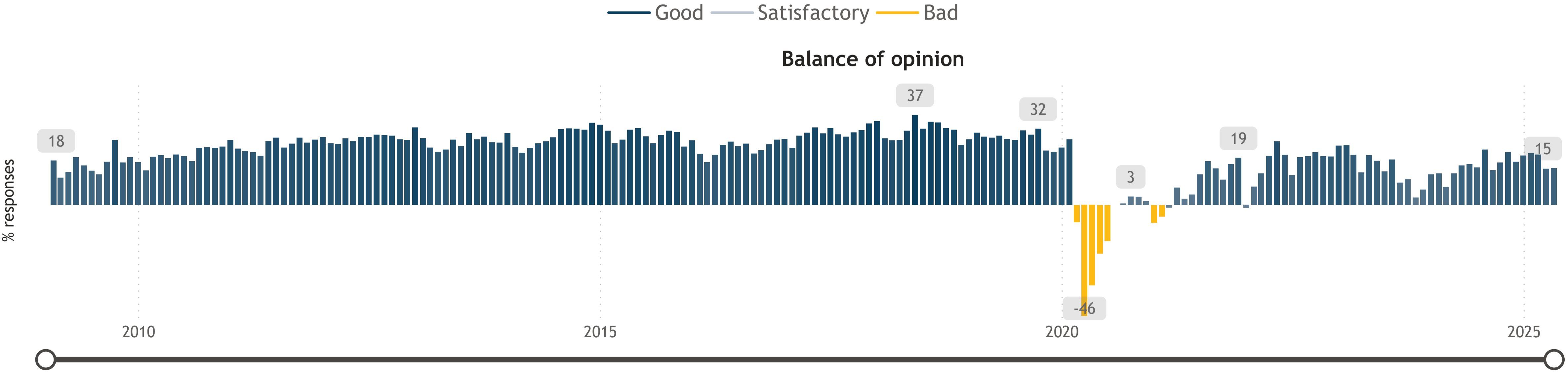
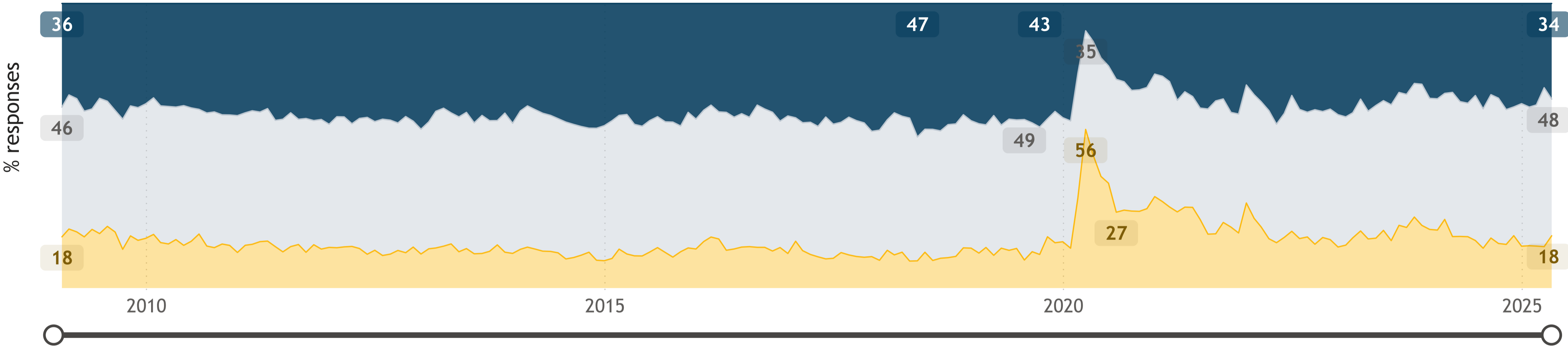
Survey question: Allowing for normal seasonal influences, what are your business performance expectations for the next **3 or 4 months**?

Source: CFIB, Your business outlook survey, February 2009 - May 2025. 719 responses received from May 6-12.

Notes: ● Historical averages. *Data presented by 3-month moving average. **Natural resources is not included.

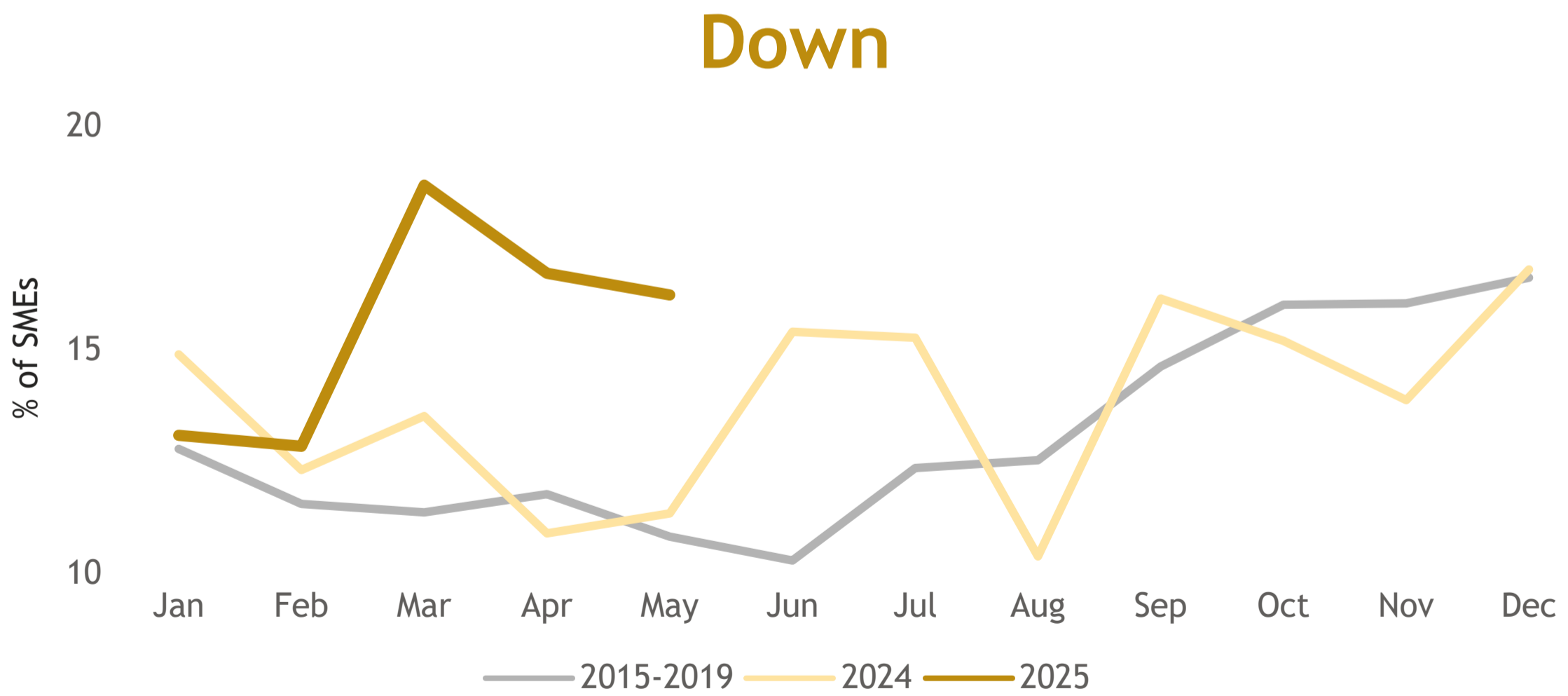
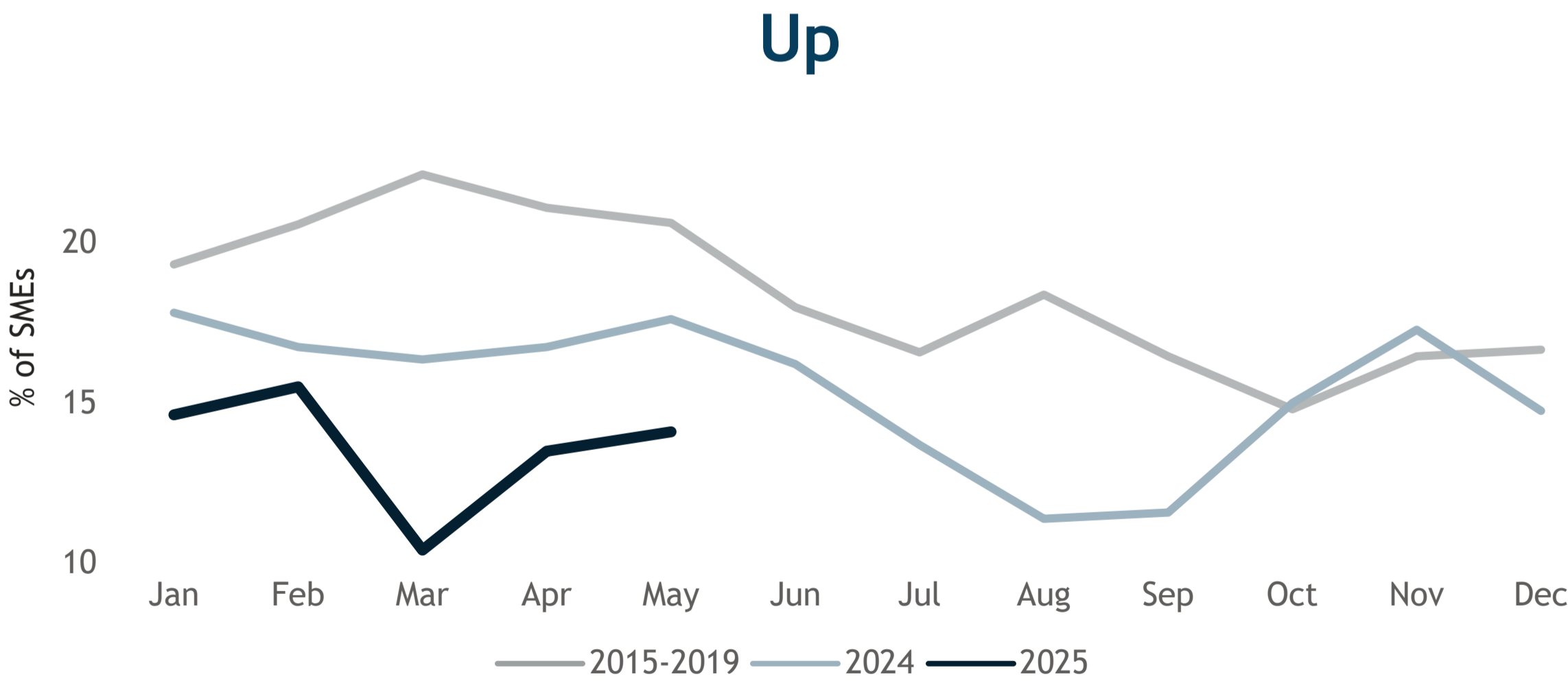
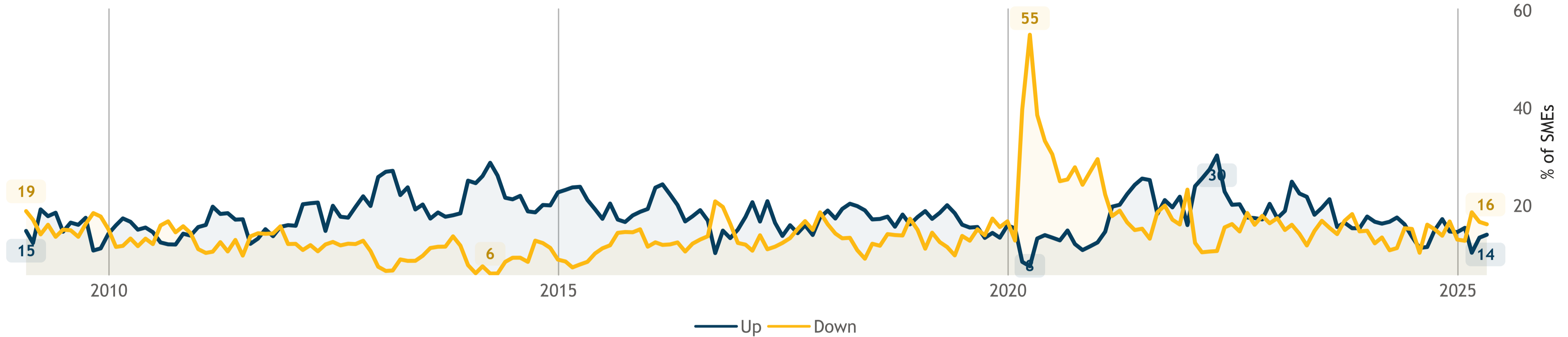
Index < 50 = more businesses expecting weaker performance than stronger performance

Business Barometer®: General state of business health



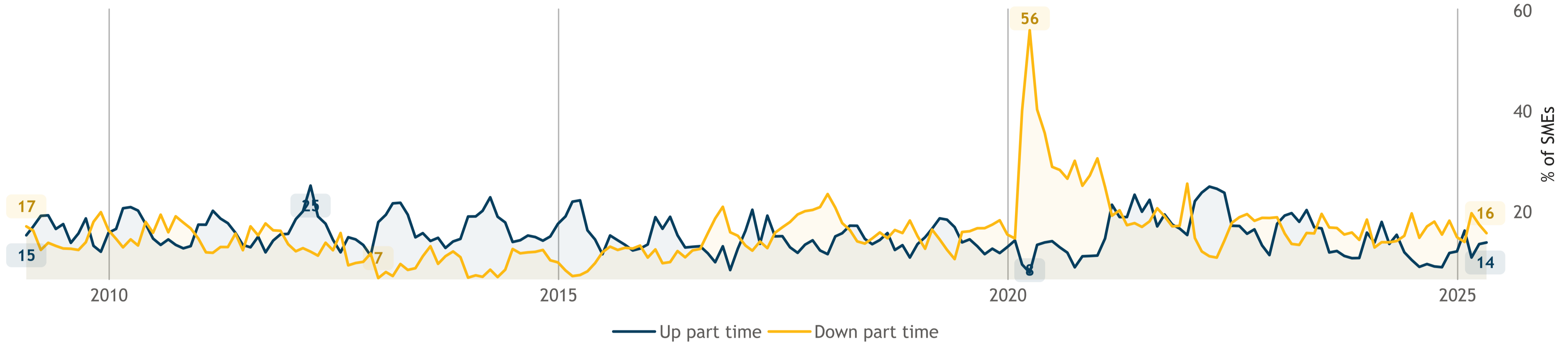
Survey question: Currently, what is the general business situation of your company?
Source: CFIB, Your business outlook survey, February 2009 - May 2025. 719 responses received from May 6-12.
Note: Values are automatically rounded, so totals may not always equal 100%. Balance of opinion = [Share of respondents answering **Good**]- [Share of respondents answering **Bad**].

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

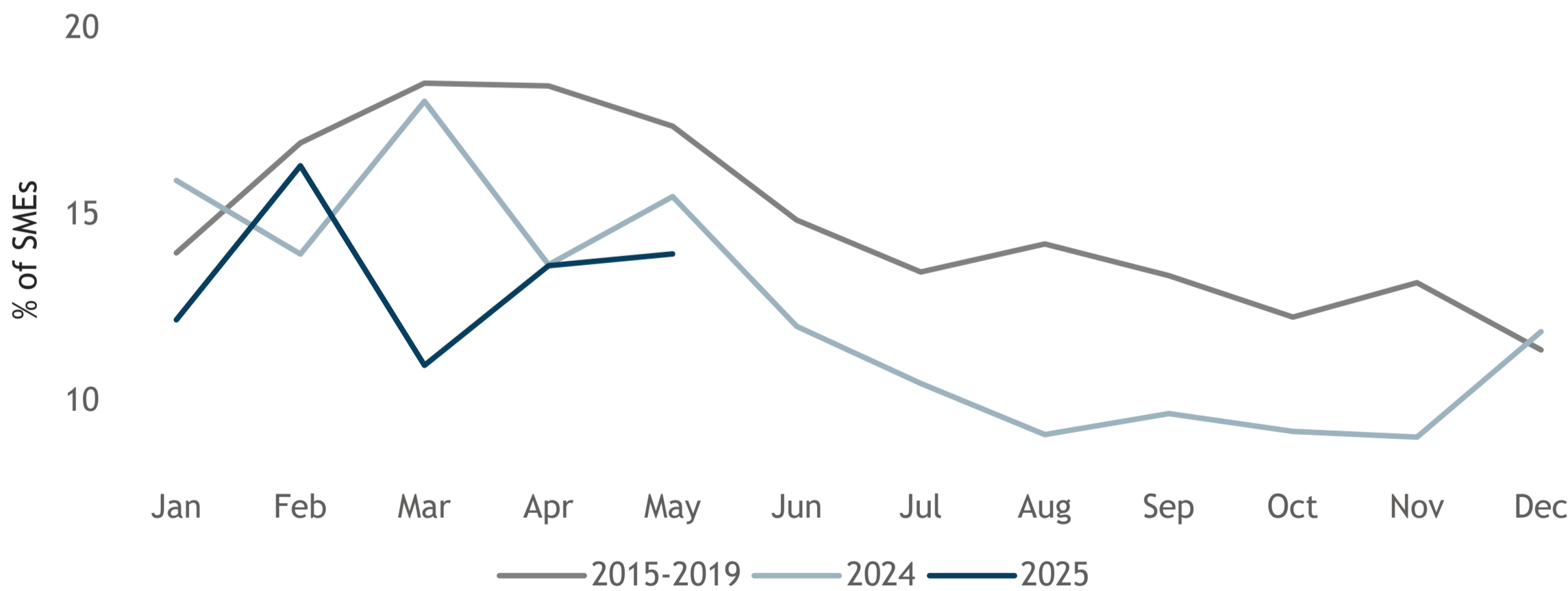


Survey question: How are your expected employment levels to change in the next 3 or 4 months? (Up, Same, Down)
Source: CFIB, Your business outlook survey, February 2009 - May 2025. 719 responses received from May 6-12.

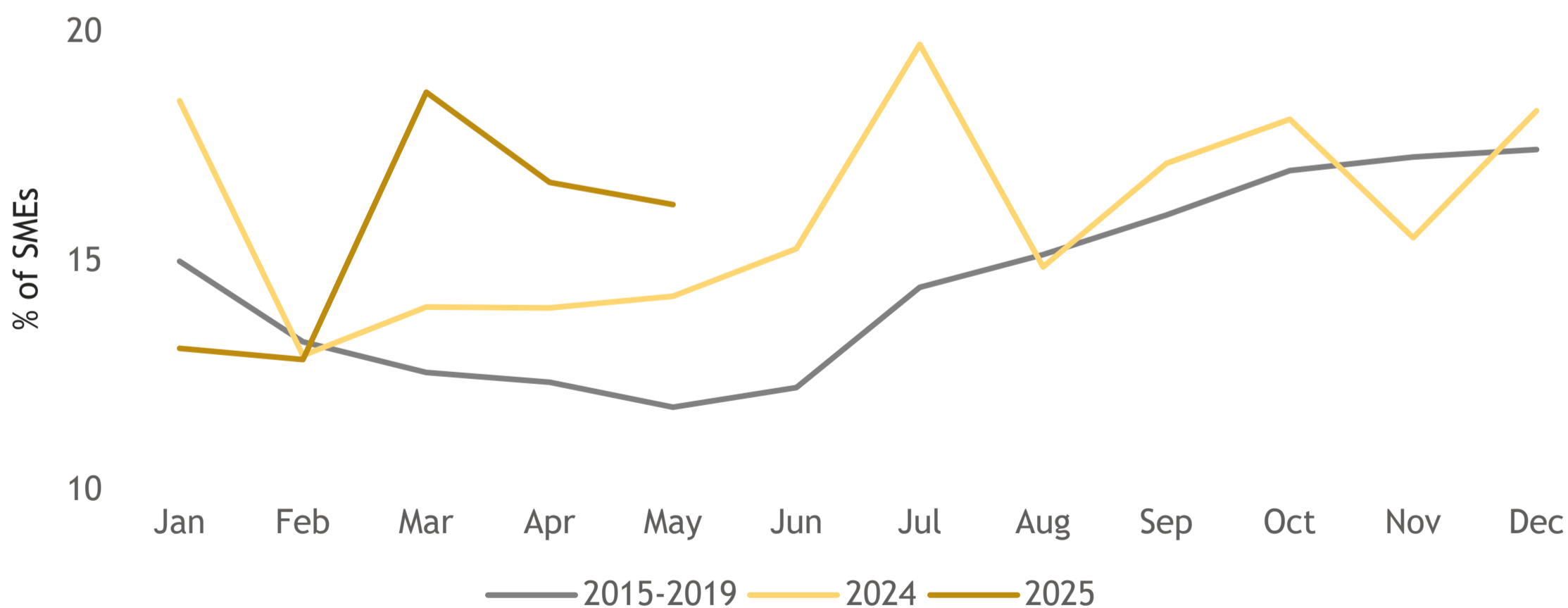
Business Barometer®: Part-time staffing plans, short term



Up part time



Down part 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 - May 2025. 719 responses received from May 6-12.



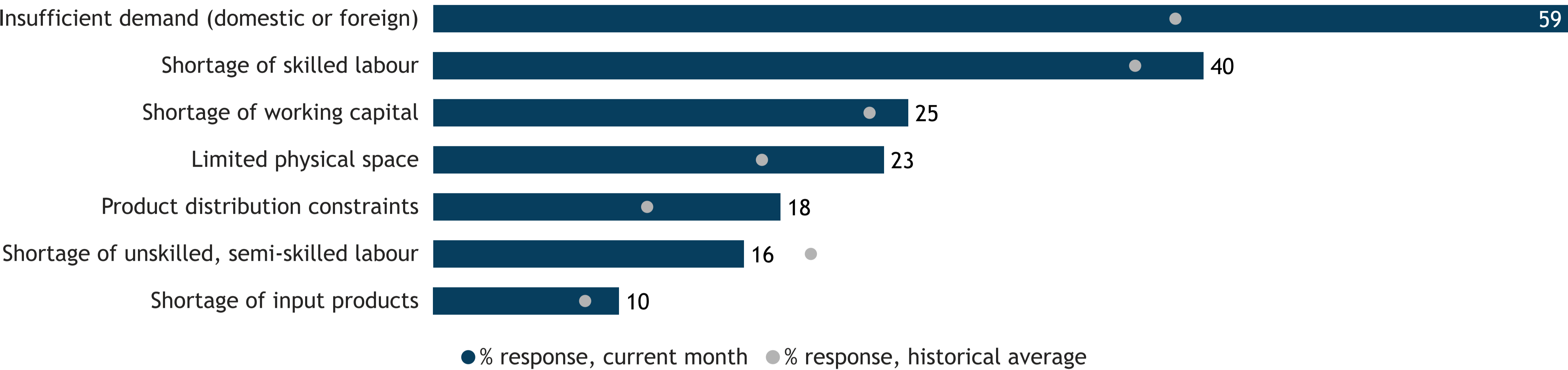
Business Barometer®: Future price and wage increase plans



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 - May 2025. 719 responses received from May 6-12.

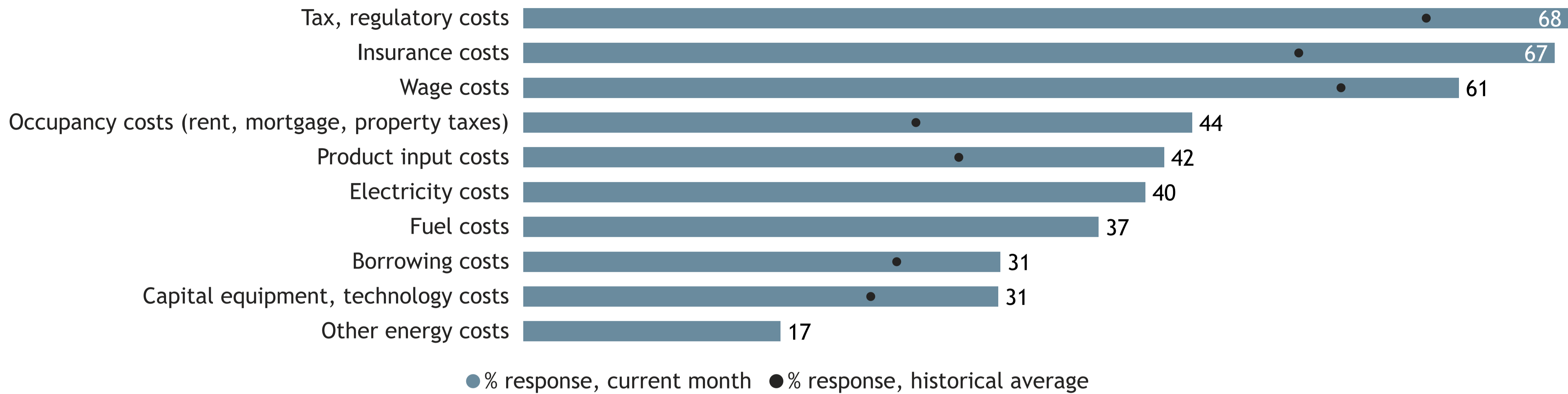


Business Barometer®: Factors limiting sales or production growth- current levels and trend



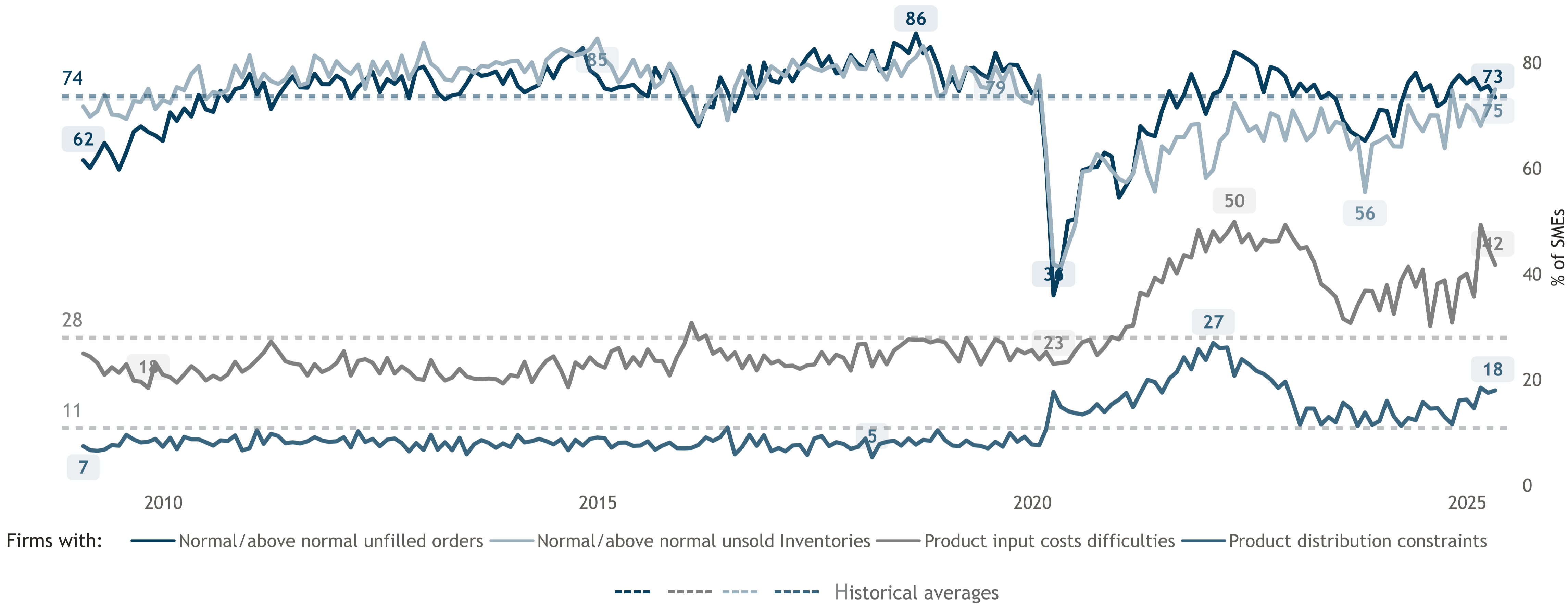
Survey question: What factors are limiting your ability to increase sales or production?
Source: CFIB, Your business outlook survey, February 2009 - May 2025. 719 responses received from May 6-12.

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 - May 2025. 719 responses received from May 6-12.

Business Barometer®: Supply chain indicators

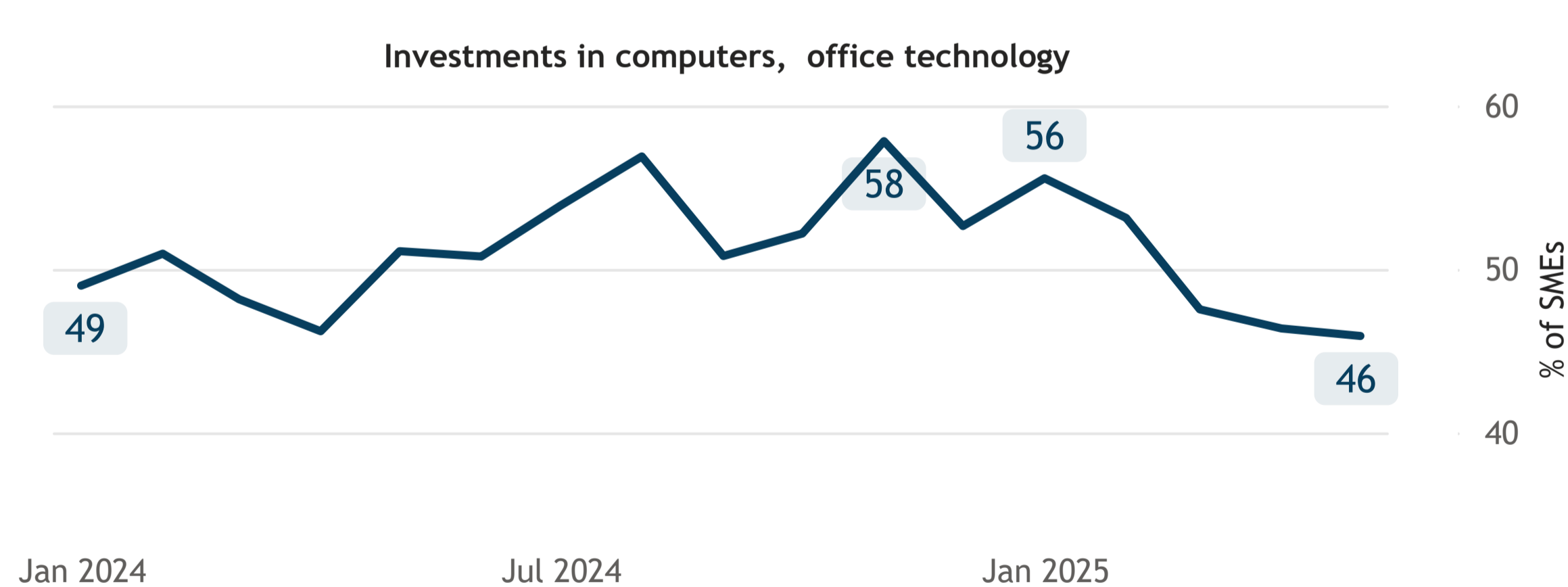
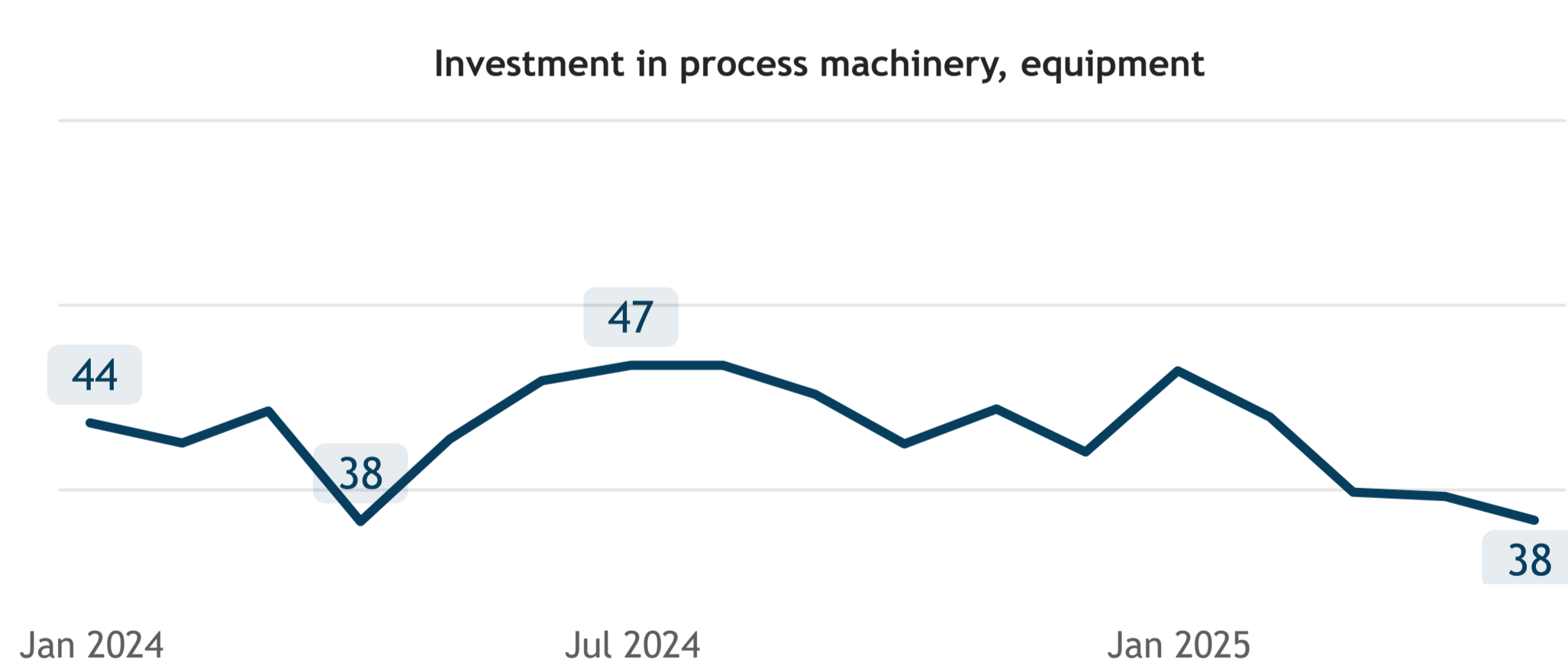
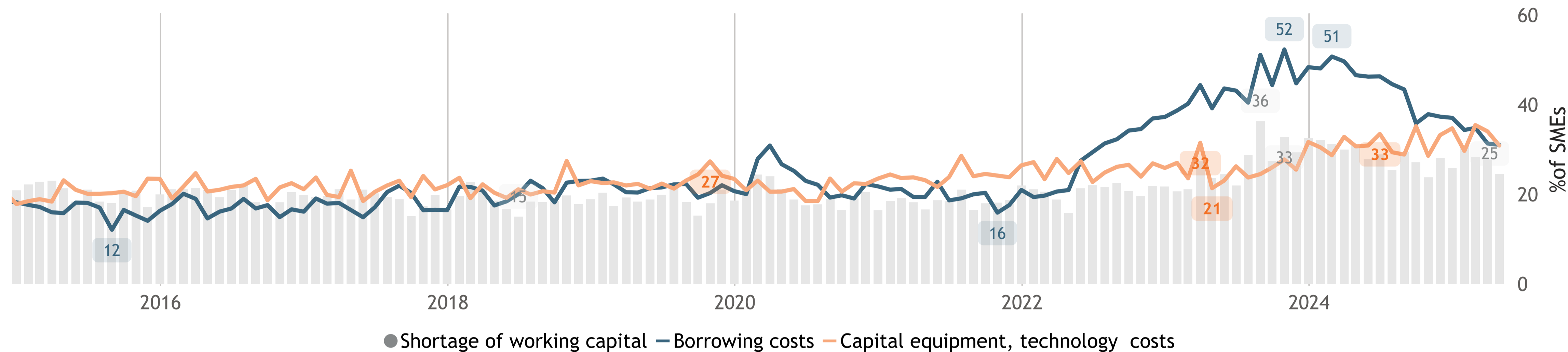


Survey questions:

- 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 - May 2025. 719 responses received from May 6-12.

Business Barometer®: Investments



Survey questions:

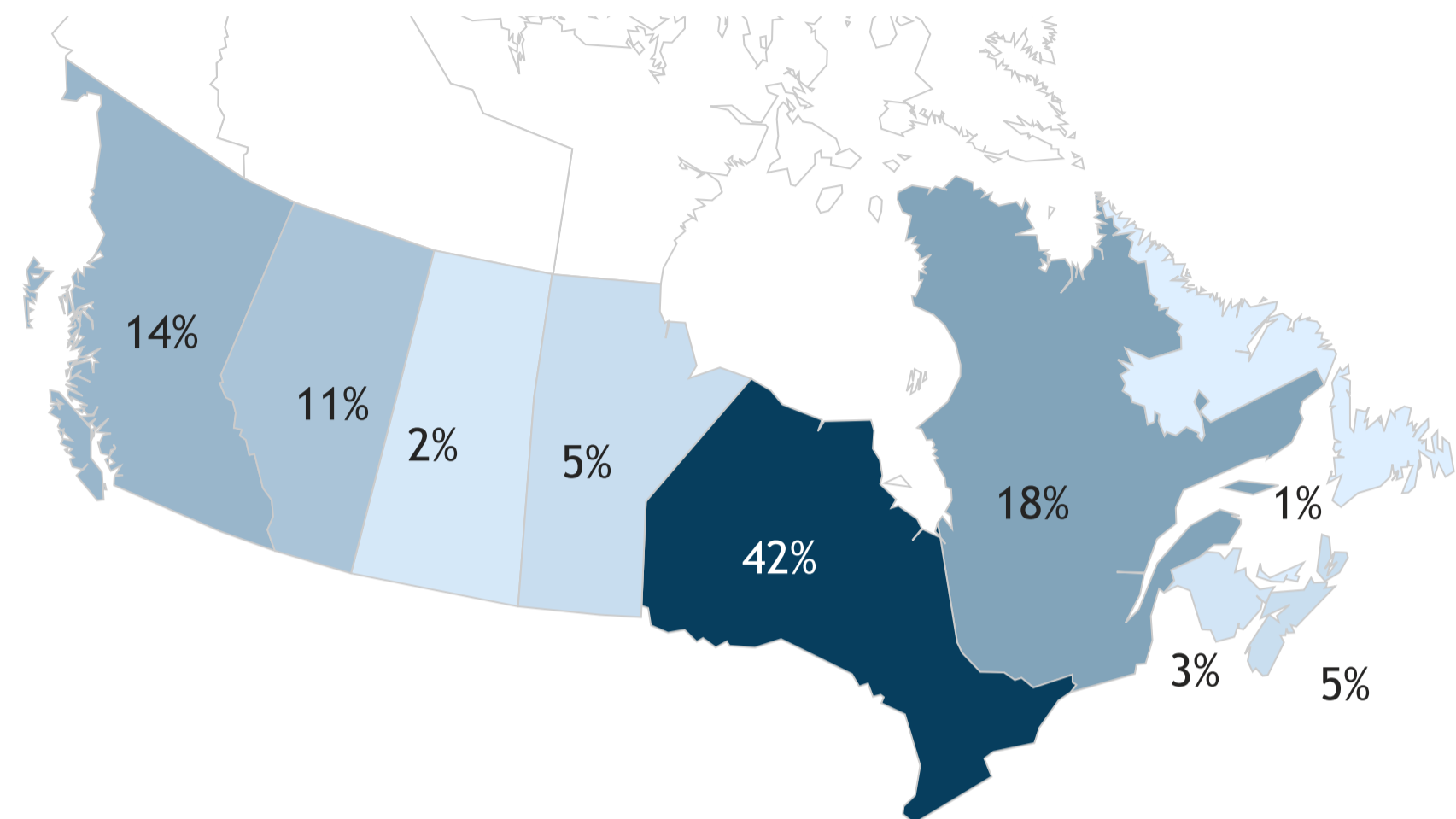
Allowing for normal seasonal influences, what are the **investments in computers, communications, office technology** and investments in process machinery, equipment?
[% of Respondents selecting "Above Normal", "Normal"]

What types of input costs are currently causing difficulties for your business? [Respondents selecting "**Capital equipment, technology costs**"]

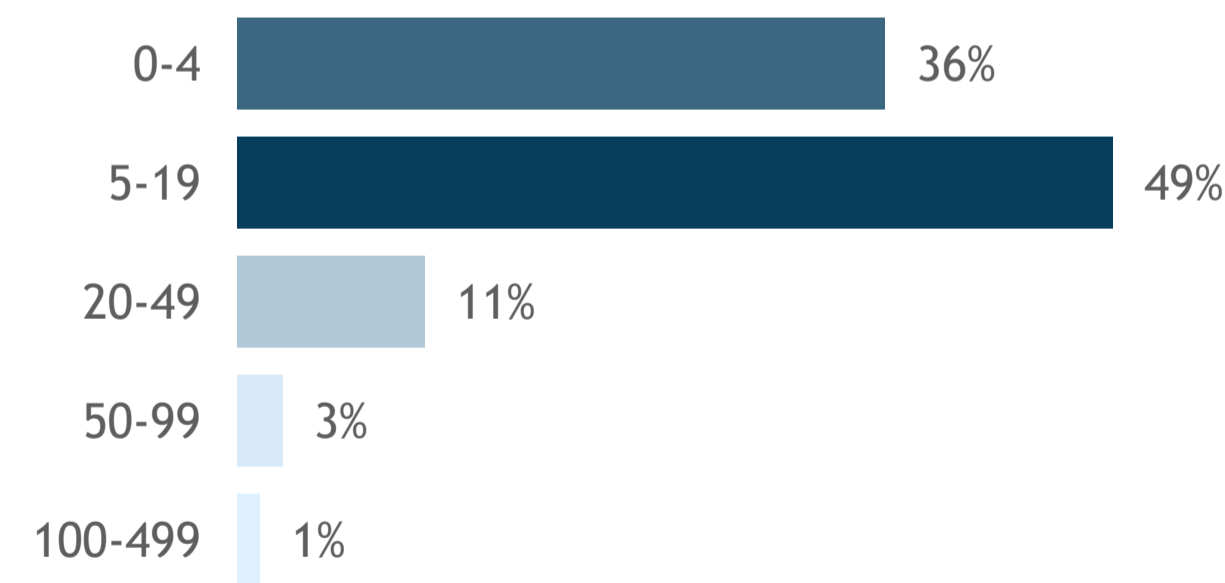
Source: CFIB, Your business outlook survey, February 2009 - May 2025. 719 responses received from May 6-12.

Business Barometer®: Sample distribution

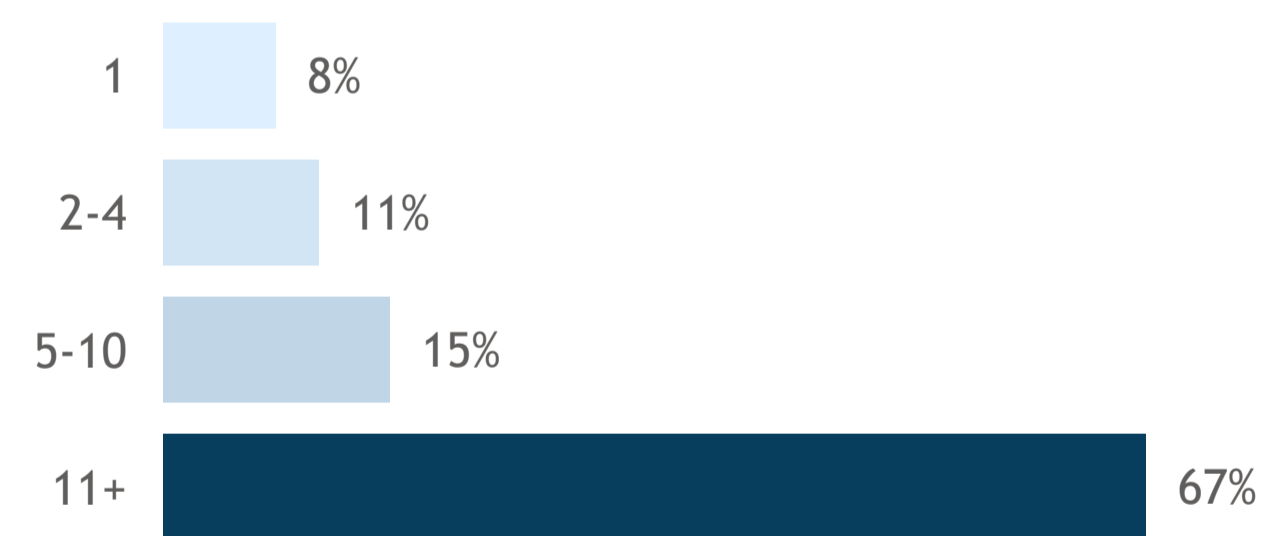
By location of the business



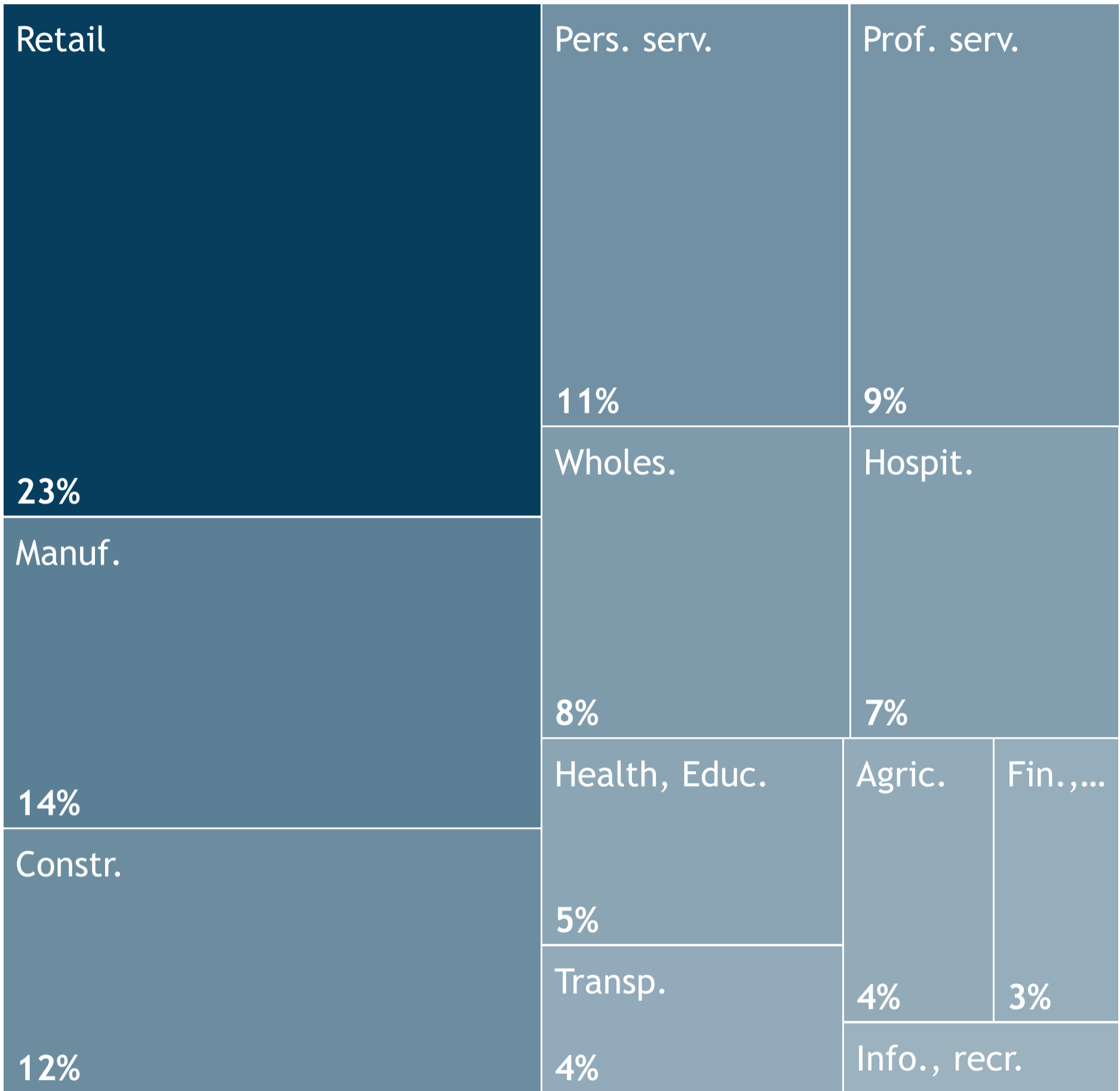
By number of employees



By years in business



By industry



Methodology

- CFIB, Your business outlook survey, February 2009 - May 2025
- Stratified random sample of CFIB members to a controlled-access web survey: 719 responses
- Responses were received from: May 6 - 12
- The survey is considered accurate to within +/- 3.7 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 below 50 means owners expecting their business's performance to be weaker over the next three or 12 months outnumber those expecting stronger performance.

Questions or data requests

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