

Investment and Financing Outlook

SME business survey, wave 27

Survey report
Research and Market Intelligence at BDC



October 2025

1



Key highlights

Current state of the situation

SMEs are more optimistic about their business than they are about the Canadian economy, but the latter dictates much of the perceptions and actions they take. Over half expect a deterioration of economic conditions, which has a negative ripple effect.



Expectations for the year ahead echo July results but represent a significant contrast to results obtained a year ago, i.e., prior to the new administration South of the border.



53%

believe that economic conditions will deteriorate in the next 12 months

(-1pt)



28%

think that their cash flow situation will improve

(-1pt)



25%

say that debt repayment is limiting business activities

(unchanged)

SMEs are treading carefully so as not to expose their business to undue risk

82%

Stand below full capacity operation

(-1pt)

62%

Are profitable

(-3pts)

29%

Have used or will use significant resources for growth projects

(-2pts)

SMEs are showing some signs of wear and tear

52%

Are deemed bankable

(-5pts↓)

47%

Say that FIs totally meet their needs

(-4pts)

49%

Believe that access to financing will be difficult

(+8pts)

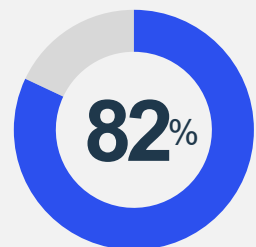
Note: Numbers in parentheses and arrows indicate differences between this wave and the previous one. If there is an arrow next to the percentage, it means that the difference is statistically significant.

Investment outlook

The most notable contrast with the previous wave is the significant decrease in SMEs' confidence in their ability to pursue their intended investments which, along with investment intentions, have fallen below the 50% threshold.



Fewer SMEs plan to invest over the next 12 months



Plan to invest
about the same
amount or more
(-2pts)



Type of investment	Plan to invest	Same amount or more
Non-residential building	21% (-2pts)	82% (-3pts)
Machinery & equipment	34% (-1pt)	82% (-1pt)
Intangible assets	43% (-2pts)	83% (-2pts)

49%

of those planning to invest are **confident** they will pursue their investment in the next 12 months
(-9pts↓)

SMEs' main investment goals:



43%

Increase efficiency
(+6pts)



32%

Improve sales and marketing
(+1pt)



26%

Adopt new technologies
(-2pts)



23%

Introduce new products or services
(+2pts)

What could limit SMEs' investments?

37%

High economic uncertainty
(+1pt)

21%

Low demand
(unchanged)

17%

High input costs
(-1pt)

Note: Numbers in parentheses and arrows indicate differences between this wave and the previous one. If there is an arrow next to the percentage, it means that the difference is statistically significant.

Financing outlook

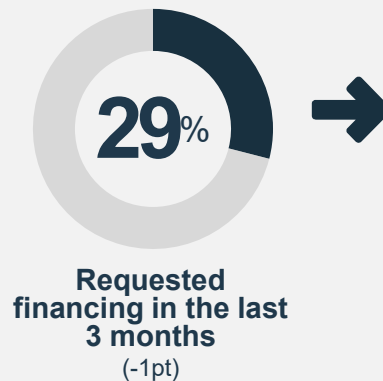
After propping up above 80%, approval rates are down again, especially among SMEs that approached another lender than their main FI or a Crown corporation. Financing demand is down and fewer SMEs plan to request financing for growth-related projects.



77%

of those who requested financing were **approved**
(-6pts)

Fewer SMEs that requested financing turned to traditional lenders



SMEs that asked for financing mainly turned to:



47%

Main financial institution
(-4pts)



20%

Another FI other than main
(-5pts)



19%

A Crown corporation
(-5pts)

Planned financing requests have decreased slightly



73% Will need short-term financing
(+4pts)

41% For growth-related projects
(-7pts)

39% Will request up to \$100,000
(+2pts)

37% To cover expenses
(+4pts)

Perceived ease of access has reverted once again

51%

of those planning to request financing believe it will be **easy** to obtain
(-8pts)

Note: Numbers in parentheses and arrows indicate differences between this wave and the previous one. If there is an arrow next to the percentage, it means that the difference is statistically significant.

2



Methodology

Methodology



Survey methodology

- ➔ Online tracking survey.

Respondent profile

- ➔ Business owners and business decision-makers from the Sago (formerly Schlesinger Group) panel.

Survey dates

- ➔ October 7th to 17th, 2025.

Note: Unless otherwise noted, the bases for calculation exclude respondents who chose not to answer the question. Other appropriate exclusions are detailed on the individual slides.

Margin of error

- ➔ For a probabilistic sample of 1,004 respondents, the maximum margin of error is ± 3.1 percentage points, 19 times out of 20. However, as this survey is based on a non-probabilistic sample, this information is provided for reference only.

Data processing and analysis

- ➔ Were performed by the BDC Research and Market Intelligence team.

Weighting factors

- ➔ Results were weighted by region and number of employees to be representative of the Canadian SME population.

Thank you

Research and Market Intelligence team

