

Credit Condition Survey

2015

Notes to readers

The Credit Condition Survey was conducted between January and March of 2016. The questions were fact-based and focused on financing sought by small enterprises (1 to 99 employees) during the 2015 calendar year.

A total of 2,090 small businesses completed the questionnaire, which included questions. This is the second largest Canadian survey on small business financing. The margin of error is 2.1% for questions addressed to all respondents. R.A. Malatest & Associates administered the survey for Innovation, Science and Economic Development Canada.

The following tables present the key statistics from this survey.

**Industry Canada
Library - LKC**

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**Industrie Canada
Bibliothèque - BCS**

Table 1: Request Rates, Approval Rates and Average Amounts Authorized, 2015

Type of Financing	Request Rate	Approval Rate*	Average Amount Authorized	Amount authorized-to-requested ratio
Debt Financing	23	88	\$350,000	90
Leasing	8	94	-	93
Equity	2	-	-	
Trade Credit	6	-	-	

*A request that received either full approval or partial approval was considered "approved".

Table 2: Debt Financing (Long Term versus Short Term), 2015

Type of Debt	Request Rate	Approval Rate*	Average Interest Rate	% Collateral Required	Average Amount Authorized	Amount authorized-to-requested ratio
Long Term**	11	89	5.0	92	\$530,000	90
Short Term***	17	84	5.3	78	\$260,000	88
Overall	23	88	5.1	82	\$350,000	90

*A request that received either full approval or partial approval was considered "approved".

**Non-residential mortgages and term loans

***Business lines of credit and credit cards

Industrial Canada
 Library - LRC
 2015 - 2017
 Industrial Canada
 Bibliothèque - BCC

Table 3: Debt Financing By Enterprise Characteristics, 2015

	Request Rate	Approval Rate*	Average Amount Authorized	Amount authorized-to-requested ratio
Number of Employees				
1 to 4 employees	21	83	\$90,000	88
5 to 9 employees	21	89	\$480,000	88
10 to 19 employees	25	89	\$680,000	93
20 to 99 employees	33	97	\$550,000	97
Region				
Atlantic	21	94	\$110,000	96
Quebec	28	86	\$440,000	88
Ontario	19	89	\$280,000	91
Manitoba-Saskatchewan	24	97	\$230,000	89
Alberta	26	81	\$390,000	90
British Columbia & Territories	22	91	\$440,000	94
Industry				
Accommodation and Food	16	79	\$140,000	82
Construction	23	96	\$160,000	94
Manufacturing	24	83	\$270,000	90
Agriculture and Fishing, Forestry, and Oil and Mining	24	85	\$780,000	98
Professional Services	23	93	\$180,000	97
Transportation/Warehousing	26	89	\$150,000	92
Retail and Wholesale	24	85	\$240,000	82
Age of Business				
3 years old or younger	31	76	\$260,000	81
4 to 10 years old	26	84	\$370,000	91
More than 10 years old	21	91	\$360,000	92
Exporting Activities				
Exporter	27	90	\$220,000	89
Non-exporter	23	87	\$360,000	91
Innovation				
Product	30	84	\$350,000	86
Process	32	85	\$200,000	85
Organizational	36	87	\$390,000	86
Marketing	29	81	\$190,000	85
Innovator**	29	85	\$340,000	88
Non-innovator	17	93	\$370,000	95
Gender of Majority Owner				
Male	24	88	\$420,000	89
Female	20	87	\$130,000	96
Jointly owned	21	95	\$270,000	90
Education Level of Majority Owner				
Less than high school	27	88	\$240,000	93
High school	21	88	\$650,000	89
College/Cegep/Trade School	27	88	\$300,000	91
Bachelor's degree	21	85	\$240,000	88
Master's degree or above	22	91	\$340,000	94
Experience level of Majority Owner				
< 5 years	34	84	\$60,000	95
5 to 10 years	26	88	\$220,000	89
> 10 years	23	88	\$410,000	90
Age of Majority Owner				
Younger than 40 years old	25	82	\$150,000	88
40 to 49 years old	26	89	\$380,000	92
50 to 64 years old	21	90	\$340,000	91
65 years old or older	19	87	\$700,000	89

*A request that received either full approval or partial approval was considered "approved".

**A firm that developed or introduced a product, process, organizational or marketing innovation in the 2015 calendar year was considered an "innovator".

Table 4: Main Reason for Not Seeking Financing, 2015

Reason	%
Financing not needed	89
Unaware of financing sources	2
Thought the request would be turned down	3
Applying for financing too difficult	2
Cost of financing too high	2
Other reason	2

Table 5: Main Intended Use of Debt Financing, 2015

Intended Use	%
Fixed asset	45
Working/Operational capital	41
Research and development	2
Debt Consolidation	6
Enter a new market	3
Other use	3

Table 6: Sale Destinations, 2015

Destination	%
Local municipality or region	80
Rest of province/territory	13
Rest of Canada	4
Rest of the world	3

