



2018

Credit Conditions Survey

Credit Condition Survey

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Notes to readers

The Credit Condition Survey was conducted between January and March of 2019. The questions were fact-based and focused on financing sought by small enterprises (1 to 99 employees) during the 2018 calendar year.

A total of 1,877 small businesses completed the questionnaire.

This is the second largest Canadian survey on small business financing. The margin of error is 2.3% 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.

Table 1: Request Rates, Approval Rates and Average Amounts Authorized, 2018

Type of Financing	Request Rate	Approval Rate*	Average Amount Authorized
Debt Financing	27	83	\$268,000
Leasing	9	96	-
Equity	3	-	-
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), 2018

Type of Debt	Request Rate	Approval Rate*	Average Interest Rate	% Collateral Required	Average Amount Authorized
Long Term**	15	79	4.9	79	\$400,000
Short Term***	20	83	6.2	47	\$194,000
Overall	27	83	5.7	55	\$268,000

*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

Table 3: Debt Financing By Enterprise Characteristics, 2018

	Request Rate	Approval Rate*	Average Amount Authorized
Number of Employees			
1 to 4 employees	23	78	\$118,000
5 to 9 employees	26	90	\$417,000
10 to 19 employees	34	87	\$289,000
20 to 99 employees	36	78	\$322,000
Region			
Atlantic	31	81	\$185,000
Quebec	35	80	\$231,000
Ontario	25	84	\$370,000
Manitoba-Saskatchewan	30	95	\$232,000
Alberta	26	78	\$277,000
British Columbia & Territories	22	81	\$173,000
Industry			
Accommodation and Food	29	85	\$114,000
Construction	29	87	\$199,000
Manufacturing	27	84	\$190,000
Agriculture and Fishing, Forestry, and Oil and Mining	29	89	\$412,000
Professional Services	24	78	\$163,000
Transportation/Warehousing	31	79	\$143,000
Retail and Wholesale	29	89	\$245,000
Age of Business			
3 years old or younger	47	81	\$154,000
4 to 10 years old	28	74	\$120,000
More than 10 years old	27	81	\$311,000
Exporting Activities			
Exporter	32	73	\$672,000
Non-exporter	28	84	\$194,000
Innovation			
Product	33	74	\$156,000
Process	33	77	\$281,000
Organizational	34	79	\$161,000
Marketing	37	72	\$132,000
Innovator**	32	76	\$209,000
Non-innovator	23	90	\$184,000
Gender of Majority Owner			
Male	27	80	\$329,000
Female	28	88	\$129,000
Jointly owned	30	87	\$144,000
Education Level of Majority Owner			
Less than high school	32	80	\$160,000
High school	25	84	\$576,000
College/Cegep/Trade School	28	87	\$194,000
Bachelor's degree	31	74	\$224,000
Master's degree or above	24	88	\$163,000
Experience level of Majority Owner			
< 5 years	47	88	\$227,000
5 to 10 years	32	83	\$116,000
> 10 years	26	82	\$305,000
Age of Majority Owner			
Younger than 40 years old	28	84	\$238,000
40 to 49 years old	29	85	\$132,000
50 to 64 years old	29	79	\$209,000
65 years old or older	21	91	\$683,000

*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 2018 calendar year was considered an "innovator".

Table 4: Main Reason for Not Seeking Financing, 2018

Reason	%
Financing not needed	85
Unaware of financing sources	2
Thought the request would be turned down	4
Applying for financing too difficult or time consuming	4
Cost of financing too high	5
Other reason	2

Table 5: Main Intended Use of Debt Financing, 2018

Intended Use	%
Fixed asset	32
Working/Operational capital	51
Research and development	1
Debt Consolidation	7
Enter a new market	4
Other use	6

Table 6: Sale Destinations, 2018

Destination	%
Local municipality or region	76
Rest of province/territory	16
Rest of Canada	4
Rest of the world	4