



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada

2019

CREDIT CONDITIONS SURVEY

Canada 

Notes to readers

The Credit Conditions Survey was conducted between January and March of 2020. The questions were fact-based and focused on financing sought by small enterprises (1 to 99 employees) during the 2019 calendar year.

A total of 1,804 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.

This analysis was conducted by the Small Business Branch.

The Research and Analysis directorate brings you the latest research and exclusive statistics on SMEs in Canada. For all questions or comments, contact our team at ic.sbbsmers-rspmedgpe.ic@canada.ca.

The data used for the purpose of this analysis is also available on ic.gc.ca/smeresearch.

Table 1: Request rates, approval rates and average amount authorized, 2019

Type of financing	Request rate (%)	Approval rate* (%)	Average amount authorized (\$)
Debt financing	31	89	451,064
Leasing	13	96	-
Equity	3	-	-
Trade credit	7	-	-

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

Table 2: Debt financing (long term versus short term), 2019

Type of debt	Request rate (%)	Approval rate* (%)	Average interest rate**** (%)	Percentage of collateral required	Average amount authorized (\$)
Short term**	22	92	5.8	45	211,887
Long term***	19	86	5.0	80	657,972
Overall	31	89	5.3	63	451,064

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

** Business lines of credit and credit cards.

*** Non-residential mortgages and term loans.

**** Interest charged for credit cards are excluded.

Table 3: Debt financing by enterprise characteristics, 2019

	Request rate (%)	Approval rate*(%)	Average amount authorized (\$)
Number of employees			
1 to 4 employees	24	84	315,562
5 to 9 employees	28	86	257,615
10 to 19 employees	39	90	260,086
20 to 99 employees	46	97	1,021,737
Region			
Atlantic	19	97	405,667
Quebec	38	92	236,388
Ontario	24	90	724,897
Manitoba-Saskatchewan	35	90	345,541
Alberta	37	81	461,804
British Columbia and Territories	34	86	405,570
Industry			
Primary	43	94	783,983
Construction	31	91	203,522
Manufacturing	29	83	388,102
Wholesale and retail trade	25	89	252,782
Transportation and warehousing	34	83	1,162,435
Professional, scientific and technical services	30	85	300,323
Accommodation and food services	23	88	311,574

Other services (except public administration)	24	92	180,770
Other sectors	36	90	563,874
Age of business			
2 years old or younger	39	85	734,765
3 to 10 years old	38	87	291,269
11 to 20 years old	26	89	322,837
More than 20 years old	30	90	549,985
Exporting activities			
Exporter	35	90	574,689
Non-exporter	31	88	380,415
Innovation			
Product	37	92	269,003
Process	31	78	214,147
Organizational	43	92	238,803
Marketing	44	86	505,639
Innovator**	40	87	373,938
Non-innovator	22	92	573,970
Gender of majority owner			
Male	31	88	545,657
Female	33	89	98,475
Jointly owned	24	95	389,537
Education level of majority owner			
Less than high school	24	83	69,546
High school	31	85	308,475

College/Cegep/Trade School	34	86	530,669
Bachelor's degree	29	92	224,338
Master's degree or above	31	94	706,761
Experience level of majority owner			
Less than 5 years	40	98	248,445
5 to 10 years	45	85	417,891
More than 10 years	29	89	474,407
Age of majority owner			
Younger than 40 years old	37	95	212,493
40 to 49 years old	38	90	358,717
50 to 64 years old	31	88	487,329
65 years old or older	18	83	1,091,391

* 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 2019 calendar year was considered as "innovator".

Table 4: Main reason for not seeking financing, 2019

Reason	Percentage
Financing not needed	88
Unaware of financing sources	2
Thought the request would be turned down	2
Applying for financing too difficult or time consuming	2
Cost of financing too high	2
Don't want to borrow or have debt	2
Economic instability	1
Other reason	0.3

Table 5: Main intended use of debt financing, 2019

Intended Use	Percentage
Working/Operating capital	44
Purchase or maintain fixed assets	29
Purchase or expand business	17
Consolidate other debt	7
Support entering new market	2
Research and development	1
Other	1

Table 6: Average percentage of total sales by destination, 2019

Destination	Percentage
Local municipality or region	76
Rest of province/territory	16
Rest of Canada	5
Rest of the world	4