



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada



CREDIT CONDITIONS SURVEY

Innovation, Science and Economic Development Canada
Small Business Branch
Research and Analysis Directorate

ic.gc.ca/smeresearch

Canada

Notes to readers

The Credit Conditions Survey was conducted between January and March of 2023. The questions were fact-based and focused on financing sought by small enterprises (1 to 99 employees) during the 2022 calendar year.

A total of 1,881 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@ISED-ISDE.gc.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, 2022

Type of financing	Request rate (%)	Approval rate* (%)	Average amount authorized (\$)
Government financing	7	100	81,398
Debt financing	18	88	673,376
Leasing	4	97	-
Equity	1	-	-
Trade credit	3	-	-

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

TABLE 2: DEBT FINANCING (LONG TERM VERSUS SHORT TERM), 2022

Type of debt	Request rate (%)	Approval rate* (%)	Average interest rate**** (%)	Percentage of collateral required	Average amount authorized (\$)
Short term**	11	88	6.4	52	264,091
Long term***	10	88	6.1	71	1,068,591
Overall	18	88	6.2	62	701,202

* 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 BUSINESS CHARACTERISTICS, 2022

	Request rate (%)	Approval rate* (%)	Average amount authorized (\$)
Number of employees			
1 to 4 employees	13	89	239,158
5 to 9 employees	19	93	1,096,551
10 to 19 employees	20	85	920,964
20 to 99 employees	27	83	595,649
Region			
Atlantic	14	98	258,676
Quebec	16	91	276,147
Ontario	18	88	1,036,364
Manitoba-Saskatchewan	17	100	180,920
Alberta	20	81	835,008
British Columbia and Territories	19	85	783,114
Industry			
Primary	20	93	1,187,183
Construction	17	93	918,482
Manufacturing	23	88	289,586
Wholesale and retail trade	16	86	173,786
Transportation and warehousing	22	87	538,758
Professional, scientific and technical services	16	92	316,564
Accommodation and food services	12	74	313,207
Other services (except public administration)	14		385,282
Other sectors	20	87	1,283,743
Age of business			
2 years old or younger	36	78	268,040
3 to 10 years old	25	82	268,981
11 to 20 years old	14	90	261,501
More than 20 years old	16	93	1,140,732

Exporting activities			
Exporter	19	88	720,305
Non-exporter	18	88	717,204
Innovation			
Product	24	80	788,039
Process	20	93	696,369
Organizational	27	89	400,941
Marketing	22	93	1,101,890
Innovator**	23	90	853,954
Non-innovator	13	85	461,646
Gender of majority owner			
Male	19	93	887,196
Female	20	77	128,238
Jointly owned	16	90	553,803
Education level of majority owner			
Less than high school	14	60	847,550
High school	16	93	241,539
College/Cégep/Trade School	21	88	424,981
Bachelor's degree	17	86	622,919
Master's degree or above	18	94	2,395,139
Experience level of majority owner			
Less than 5 years	16	74	178,711
5 to 10 years	27	90	263,449
More than 10 years	17	88	863,888
Age of majority owner			
Younger than 40 years old	23	86	405,170
40 to 49 years old	23	86	427,503
50 to 64 years old	18	89	902,940
65 years old or older	10	97	795,683

* A request that received either full approval or partial approval was considered "approved". ** A business that developed or introduced a product, process organizational or marketing innovation in the last three years (with reference year 2022) was considered as "innovator".

TABLE 4: MAIN REASON FOR NOT SEEKING FINANCING, 2022

Reason	Percentage
Financing not needed	83
Unaware of financing sources	3
Thought the request would be turned down	3
Applying for financing too difficult or time consuming	1
Cost of financing too high	4
Don't want to borrow or have debt	2
Economic instability	0.3
Other reason	0

TABLE 5: MAIN INTENDED USE OF DEBT FINANCING, 2022

Intended Use	Percentage
Working/Operating capital	45
Purchase or maintain fixed assets	33
Purchase or expand business	11
Consolidate other debt	9
Support entering new market	1
Research and development	0.5
Other	0.5

TABLE 6: AVERAGE PERCENTAGE OF TOTAL SALES BY DESTINATION, 2022

Destination	Percentage
Local municipality or region	77
Rest of province/territory	15
Rest of Canada	5
Rest of the world	4