



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 April of 2022. The questions were fact-based and focused on financing sought by small enterprises (1 to 99 employees) during the 2021 calendar year.

A total of 1,814 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, 2021

Type of financing	Request rate (%)	Approval rate* (%)	Average amount authorized (\$)
Government financing	42	95	73,089
Debt financing	17	94	550,852
Leasing	7	99	-
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), 2021

Type of debt	Request rate (%)	Approval rate* (%)	Average interest rate**** (%)	Percentage of collateral required	Average amount authorized (\$)
Short term**	12	93	4.1	44	267,929
Long term***	8	96	4.1	78	991,177
Overall	17	89	4.1	58	550,851

* 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, 2021

	Request rate (%)	Approval rate* (%)	Average amount authorized (\$)
Number of employees			
1 to 4 employees	11	96	67,301
5 to 9 employees	16	96	166,917
10 to 19 employees	24	95	464,929
20 to 99 employees	31	87	2,146,525
Region			
Atlantic	13	100	84,066
Quebec	28	96	945,577
Ontario	11	87	334,929
Manitoba-Saskatchewan	14	94	90,815
Alberta	18	95	181,442
British Columbia and Territories	18	96	352,698
Industry			
Primary	23	97	372,036
Construction	20	96	302,916
Manufacturing	18	80	103,826
Wholesale and retail trade	17	98	499,207
Transportation and warehousing	18	97	1,091,931
Professional, scientific and technical services	12	91	168,553
Accommodation and food services	20	91	87,633
Other services (except public administration)	11	92	74,500
Other sectors	17	92	972,110
Age of business			
2 years old or younger	31	96	40,943
3 to 10 years old	20	95	85,716
11 to 20 years old	15	94	698,211
More than 20 years old	16	94	740,303

Exporting activities			
Exporter	18	92	590,512
Non-exporter	17	94	591,016
Innovation			
Product	15	84	483,796
Process	20	95	621,278
Organizational	30	86	662,830
Marketing	19	92	1,189,927
Innovator**	20	90	847,967
Non-innovator	14	99	213,244
Gender of majority owner			
Male	20	92	644,459
Female	12	98	115,177
Jointly owned	16	98	559,642
Education level of majority owner			
Less than high school	14	97	54,447
High school	15	94	181,577
College/Cégep/Trade School	19	97	170,594
Bachelor's degree	17	95	1,514,065
Master's degree or above	16	78	85,286
Experience level of majority owner			
Less than 5 years	29	91	226,883
5 to 10 years	26	97	403,677
More than 10 years	15	94	628,787
Age of majority owner			
Younger than 40 years old	21	96	147,391
40 to 49 years old	25	92	568,712
50 to 64 years old	16	93	186,017
65 years old or older	11	98	2,087,821

* 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 2021) was considered as "innovator".

TABLE 4: MAIN REASON FOR NOT SEEKING FINANCING, 2021

Reason	Percentage
Financing not needed	85
Unaware of financing sources	3
Thought the request would be turned down	4
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

TABLE 5: MAIN INTENDED USE OF DEBT FINANCING, 2021

Intended Use	Percentage
Working/Operating capital	55
Purchase or maintain fixed assets	27
Purchase or expand business	14
Consolidate other debt	2
Support entering new market	2
Research and development	1
Other	0

TABLE 6: AVERAGE PERCENTAGE OF TOTAL SALES BY DESTINATION, 2021

Destination	Percentage
Local municipality or region	78
Rest of province/territory	15
Rest of Canada	3
Rest of the world	3