

Survey on Financing and Growth of Small and Medium Enterprises, 2014

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Just over half of small and medium-sized enterprises (SMEs) requested external financing in 2014.

The largest enterprises were the most likely to request external financing. Of the SMEs with 100 to 499 employees, 71.2% requested external financing, compared with 42.8% of those with 1 to 4 employees.

Enterprises in the construction (62.9%), primary (61.3%) and wholesale trade (61.0%) sectors made the most requests for external financing. The professional, scientific and technical services sector (39.8%) made the fewest external financing requests.

In 2014, 60.7% of SME exporters of goods or services requested external financing compared with 50.0% of non-exporters.

SMEs wholly owned by men (51.5%) were more likely to request external funding than those wholly owned by women (43.1%).

Among all types of external financing, SMEs most often requested trade credit (29.4%) and debt financing (28.1%) in 2014. Equity financing (0.9%) was the least requested.

SME requests for debt financing totalled \$32.5 billion in 2014, 86.1% of which was approved. Business lines of credit and credit cards were the most often requested types of debt financing.

SME requests for lease financing totalled \$4.7 billion, 98.3% of which was approved.

SMEs have most often used personal financing (84.3%) and credit from financial institutions (44.9%) to finance the start-up of their businesses. Financing from angel investors and venture capital providers (1.8%) was used the least.

Table 1
Percentage of enterprises that requested external financing, by type of external financing

	Debt financing	Lease financing	Trade credit financing	Equity financing	Government financing
	%				
Small and medium enterprises, total					
1 to 499 employees	28.1	7.9	29.4	0.9	4.4
Employment size					
1 to 4 employees	22.6	4.8	24.1	0.5	3.1
5 to 19 employees	31.8	10.1	34.0	1.2	4.9
20 to 99 employees	41.0	14.0	38.8	1.6	8.3
100 to 499 employees	44.9	19.5	42.1	2.1	12.9

Source(s): Survey on Financing and Growth of Small and Medium Enterprises (2941).

Table 2
Percentage of enterprises that requested debt financing, by type of debt financing

	Non-residential mortgage	Line of credit	Term loan	Credit card
	%			
Small and medium enterprises, total 1 to 499 employees	4.3	13.8	6.9	11.2
Employment size				
1 to 4 employees	2.9	11.2	4.6	9.2
5 to 19 employees	5.2	14.8	8.4	13.3
20 to 99 employees	8.1	21.6	12.3	13.9
100 to 499 employees	8.3	23.4	13.2	16.8

Source(s): Survey on Financing and Growth of Small and Medium Enterprises (2941).

Note to readers

The 2014 Survey on Financing of Small and Medium-sized Enterprises was conducted in partnership with a consortium of organizations led by Innovation, Science and Economic Development Canada.

Data are based on responses from approximately 12,000 enterprises selected from Statistics Canada's Business Register, which is a database of all businesses producing goods and services in Canada.

The following enterprises are excluded from the survey: enterprises with no employees or with 500 or more employees; enterprises with less than \$30,000 in gross revenue; non-profit organizations (such as schools, hospitals and charities); joint ventures; and government agencies.

Survey coverage also excludes enterprises in the following industries (identified by the North American Industry Classification System):

- Utilities
- finance and insurance
- management of companies and enterprises
- educational services
- public administration
- automotive equipment rental and leasing
- commercial and industrial machinery and equipment rental and leasing
- out-patient care centres
- medical and diagnostic laboratories
- other ambulatory health care services
- general medical and surgical hospitals
- psychiatric and substance abuse hospitals
- specialty (except psychiatric and substance abuse) hospitals
- community food and housing, and emergency and other relief services.

The survey results cover 10 industry groupings, 4 employment sizes, 10 geographic regions and whether firms are start-ups or established.

Data are also available for 2000, 2004, 2007 and 2011. To meet the sponsor's needs, changes were made to each survey iteration. These include changes to the target population, sample design and questionnaire content. Direct comparisons of results across reference years cannot be made.

Data from the Biannual Survey of Suppliers of Business Financing for the first half of 2015 were released on November 10, 2015, and provide an up-to-date portrait of the supplier side of business financing.

Definitions, data sources and methods: survey number [2941](#).

For additional information, or to view the results from this release, visit the [Innovation, Science and Economic Development Canada](#) website.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca).

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