

Calgary Small Businesses: Fact Sheet

As the economy begins to show signs of improvement, Canada's small business owners present certain optimism about the success and growth of their companies. A recent BMO study¹ finds that Alberta small business owners are Canada's most optimistic in terms of their general feeling about the economy (four out of five) and the fact that they are currently investing in their business (three out of four). The study also reveals that 89 per cent of Albertans anticipate that the economy will remain at its current level of growth or expand, while 86 per cent believe that their own businesses will grow or remain the same.

Calgary small businesses account for nearly 95 per cent of all businesses – they are a driving force within the city's business community. Small business owners have the advantage over larger corporations in that their size gives them the flexibility to adapt quickly in terms of aligning resources. They are able to be innovative with products and implement processes and efficiencies. These advantages, married with their general passion for their business and ability to enjoy the advantage of customer focus sets them apart from larger corporations.

¹ BMO Financial Group (March 11, 2011). ["BMO Study: 82 per cent of Alberta's Small Business Owners Are Optimistic About the Economy and their Prospects For Growth"](#). Press release. Retrieved 2011-05-31.

BUSINESS ESTABLISHMENTS

Of Calgary's total business establishments (48,839) in 2010, small businesses (businesses with less than 50 employees) accounted for 94.9 per cent. Over the past decade, the number of small businesses has primarily increased, though a slight decline of 1.2 per cent was observed over the past year (2009-2010).

A breakdown of small businesses by employee size range demonstrates that the smallest segment (1-4 employees) is, in fact, the fastest growing at a rate of 23.8 per cent.

| Small Businesses by Employee Size 2001-2010 Calgary CMA | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------------------|
| Employee Size Range | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 10-Year (2001-2010) Total Growth Rate |
| 1-4 Employees | 24,153 | 24,283 | 25,132 | 24,621 | 25,369 | 26,218 | 28,848 | 29,282 | 30,252 | 29,897 | 23.8% |
| 5-9 Employees | 7,171 | 7,442 | 7,544 | 7,703 | 7,770 | 7,936 | 8,167 | 8,105 | 8,083 | 7,943 | 10.8% |
| 10-19 Employees | 5,309 | 5,533 | 5,656 | 5,791 | 5,659 | 5,921 | 5,161 | 5,233 | 5,121 | 5,136 | -3.3% |
| 20-49 Employees | 3,984 | 4,121 | 4,053 | 4,184 | 4,203 | 4,592 | 3,632 | 3,493 | 3,498 | 3,394 | -14.8% |
| Total (<50 Employees) | 40,617 | 41,379 | 42,385 | 42,299 | 43,001 | 44,667 | 45,808 | 46,113 | 46,954 | 46,370 | 14.2% |

Source: Statistics Canada. Canadian Business Patterns

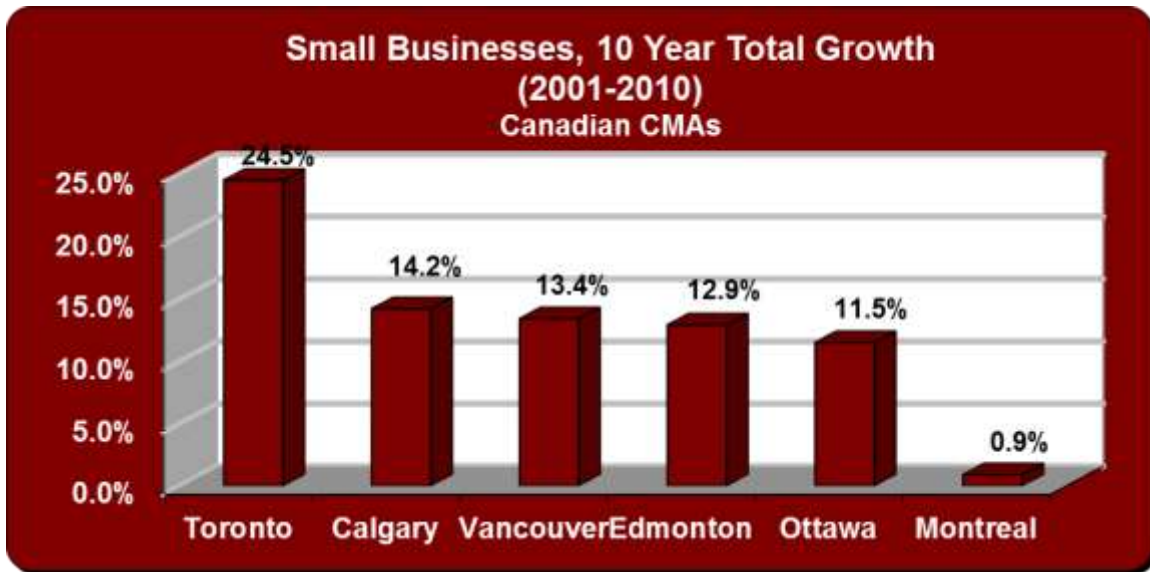
The dominant industries that made up Calgary's small business sector in 2010 were:

- Professional, Scientific, and Technical Services --10,442 businesses (22.5 per cent of total share)
- Construction --5,711 businesses (12.3 per cent of total share)
- Other Services (except Public Administration) --5,243 businesses (11.3 per cent of total share).

| Small Businesses by Industry and Employee Size 2010 Calgary CMA | | | | | | |
|--|------------------|------------------|--------------------|--------------------|---------------|-------------------|
| Industry | 1-4 Employees | 5-9 Employees | 10-19 Employees | 20-49 Employees | Total | % Distribution |
| Total | 29,897 | 7,943 | 5,136 | 3,394 | 46,370 | 100.0 |
| % of Total | 64.5 | 17.1 | 11.1 | 7.3 | 100.0 | 100.0 |
| Agriculture, Forestry, Fishing and Hunting | 251 | 47 | 17 | 18 | 333 | 0.7 |
| Mining and Oil and Gas Extraction | 809 | 215 | 151 | 167 | 1,342 | 2.9 |
| Utilities | 26 | 14 | 16 | 14 | 70 | 0.2 |
| Construction | 3,926 | 931 | 541 | 313 | 5,711 | 12.3 |
| Manufacturing | 609 | 321 | 267 | 243 | 1,440 | 3.1 |
| Wholesale Trade | 1,136 | 594 | 389 | 303 | 2,422 | 5.2 |
| Retail Trade | 1,599 | 1,372 | 811 | 347 | 4,129 | 8.9 |
| Transportation and Warehousing | 1,044 | 194 | 128 | 107 | 1,473 | 3.2 |
| Information and Cultural Industries | 216 | 66 | 65 | 53 | 400 | 0.9 |
| Finance and Insurance | 1,071 | 237 | 183 | 149 | 1,640 | 3.5 |
| Real Estate and Rental and Leasing | 1,444 | 249 | 170 | 87 | 1,950 | 4.2 |
| Professional, Scientific and Technical Services | 8,837 | 844 | 449 | 312 | 10,442 | 22.5 |
| Management of Companies and Enterprises | 489 | 103 | 70 | 87 | 749 | 1.6 |
| Administrative and Support, Waste Management and Remediation Services | 1,377 | 482 | 285 | 172 | 2,316 | 5.0 |
| Educational Services | 287 | 85 | 67 | 45 | 484 | 1.0 |
| Health Care and Social Assistance | 1,984 | 665 | 436 | 193 | 3,278 | 7.1 |
| Arts, Entertainment and Recreation | 222 | 92 | 50 | 56 | 420 | 0.9 |
| Accommodation and Food Services | 703 | 616 | 630 | 546 | 2,495 | 5.4 |
| Other Services (except Public Administration) | 3,858 | 810 | 402 | 173 | 5,243 | 11.3 |
| Public Administration | 9 | 6 | 9 | 9 | 33 | .07 |

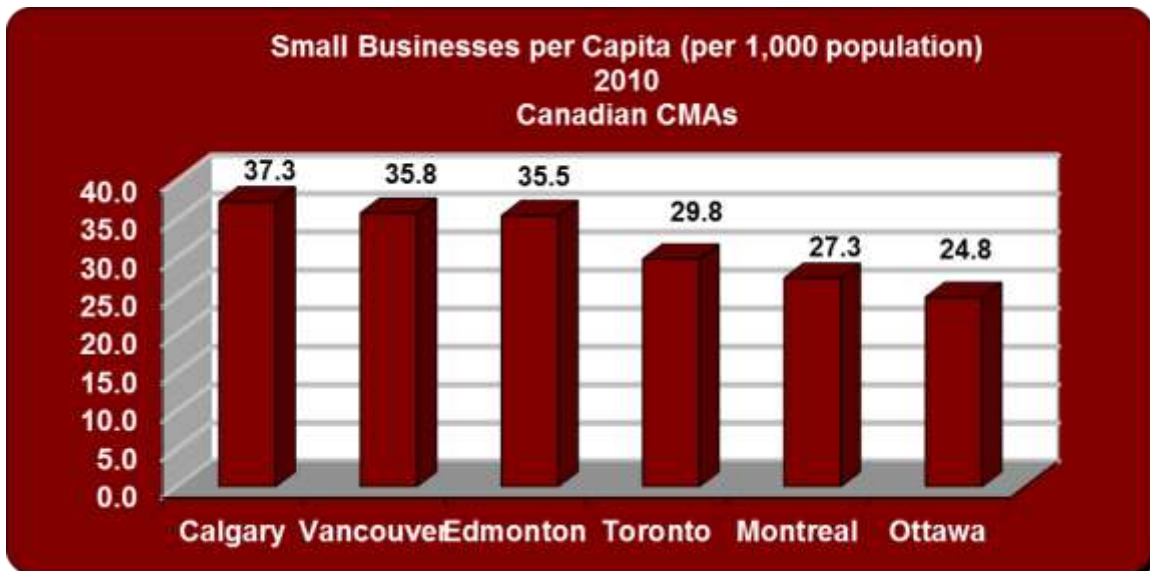
Source: Statistics Canada, Canadian Business Patterns

Among Canada's major Census Metropolitan Areas, Calgary ranked second for small business growth over the 2001 to 2010 period, at a rate of 14.2 per cent.



Source: Statistics Canada, Canadian Business Patterns

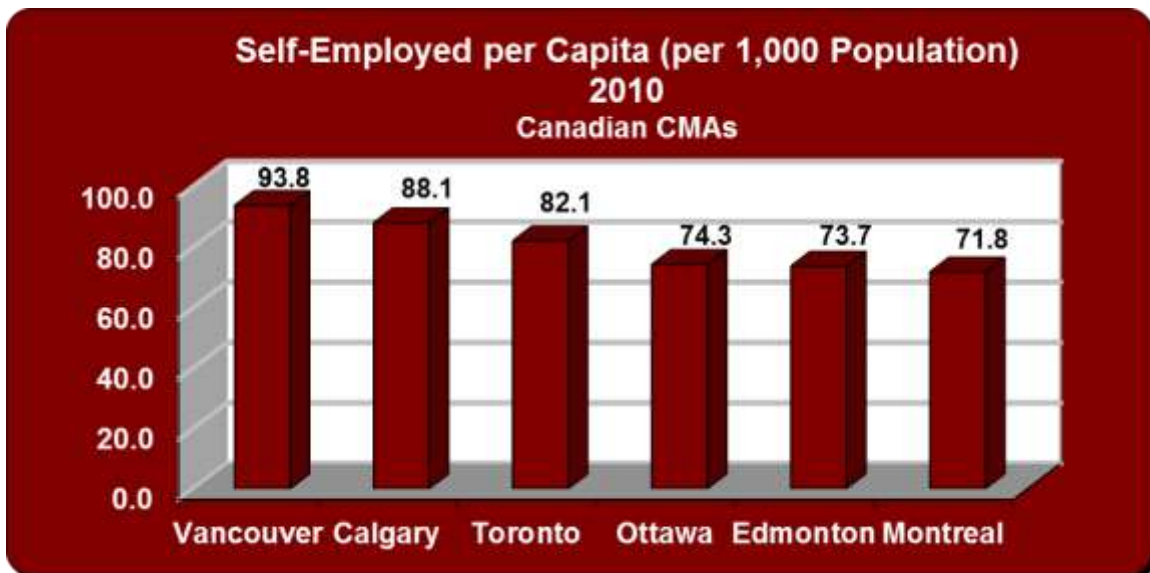
Relative to its population, Calgary had the highest number of small businesses per capita of the major cities in Canada in 2010 at a rate of 37.3 per 1,000 population.



Source: Statistics Canada, Canadian Business Patterns

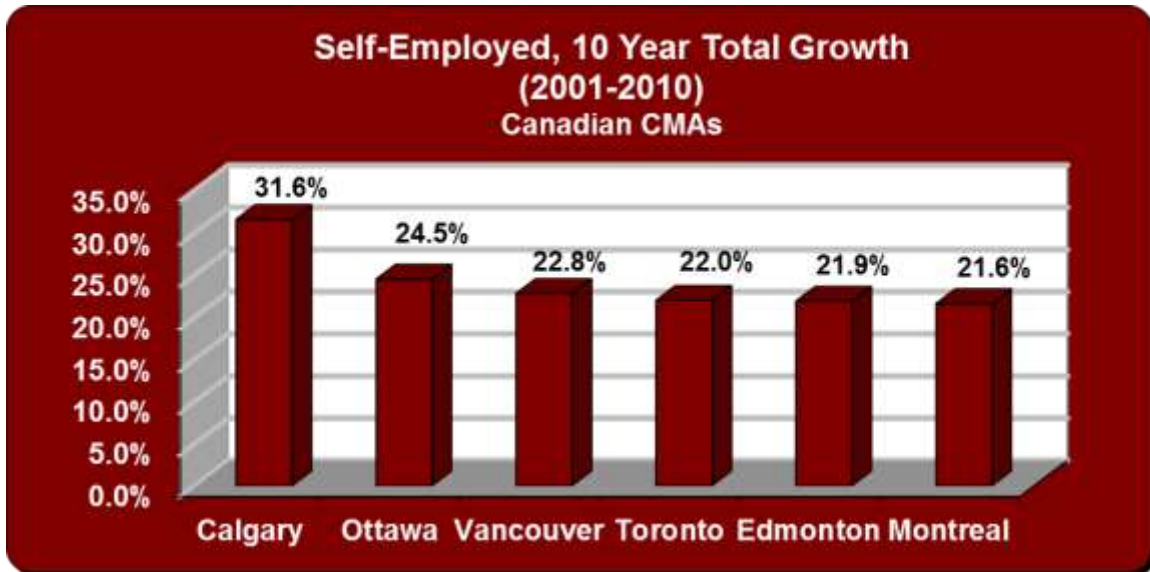
SELF-EMPLOYMENT

In 2010, there were 109,500 self-employed Calgarians. On a per capita basis, Calgary had the second highest number of self-employed people in Canada at 88.1 per 1,000 population.



Source: Statistics Canada, Labour Force Survey

During the past 10 years (2001-2010), Calgary experienced the highest total growth in self-employment in Canada, at a rate of 31.6 per cent.



Source: Statistics Canada, Labour Force Survey

Calgarians are among the youngest entrepreneurs in Canada. Its 15-34 age cohort of self-employed was proportionately larger than most other major Canadian centres, at a rate of 21.1 per cent.

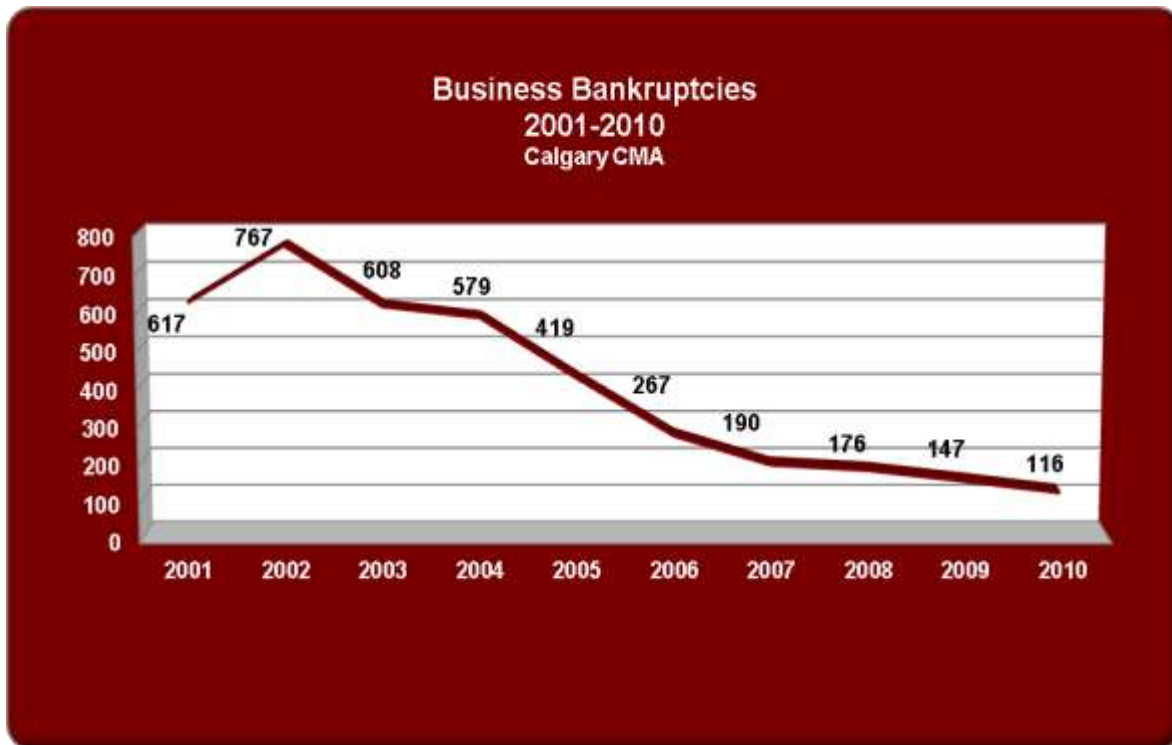
| Number and Distribution of Self-Employed by Age Cohort | | | | | | | | | | | | |
|---|-----------------|--------------|---------------|--------------|----------------|--------------|----------------|--------------|-----------------|--------------|------------------|--------------|
| 2010 | | | | | | | | | | | | |
| Canadian CMAs | | | | | | | | | | | | |
| Age Cohort | Montreal | | Ottawa | | Toronto | | Calgary | | Edmonton | | Vancouver | |
| | Number | Share | Number | Share | Number | Share | Number | Share | Number | Share | Number | Share |
| Total | 277,200 | 100.0% | 92,100 | 100.0% | 471,500 | 100.0% | 109,500 | 100.0% | 86,700 | 100.0% | 224,300 | 100.0% |
| 15-24 | 8,000 | 2.9% | 3,900 | 4.2% | 11,400 | 2.4% | 4,000 | 3.7% | 5,100 | 5.9% | 6,300 | 2.8% |
| 25-34 | 40,700 | 14.7% | 16,700 | 18.1% | 63,300 | 13.4% | 19,000 | 17.4% | 13,100 | 15.1% | 33,000 | 14.7% |
| 35-44 | 74,300 | 26.8% | 26,300 | 28.6% | 105,300 | 22.3% | 28,000 | 25.6% | 19,000 | 21.9% | 52,300 | 23.3% |
| 45-54 | 82,100 | 29.6% | 22,200 | 24.1% | 147,000 | 31.2% | 30,800 | 28.1% | 21,600 | 24.9% | 67,700 | 30.2% |
| 55-64 | 48,900 | 17.6% | 16,100 | 17.5% | 105,100 | 22.3% | 22,000 | 20.1% | 21,000 | 24.2% | 47,500 | 21.2% |
| 65+ | 23,200 | 8.4% | 6,900 | 7.5% | 39,400 | 8.4% | 5,800 | 5.3% | 6,800 | 7.8% | 17,500 | 7.8% |

Source: Statistics Canada, Labour Force Survey (Numbers may not add due to rounding).

BANKRUPTCIES

Calgary has experienced a staggering decline in business bankruptcies over the past decade (2001-2010) to 116 in 2010 from 617 in 2001.

Since 94.9 per cent of Calgary CMA's business establishments are small businesses, it is assumed that the majority of business bankruptcies involve small businesses.



Source: Industry Canada. Office of the Superintendent of Bankruptcy Canada