

Fact Sheet: Calgary Small Business

CALGARY CENSUS METROPOLITAN AREA (CMA)
2021 EDITION

RESEARCH & STRATEGY
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Highlights

In 2020, as in 2019, Calgary small businesses accounted for 95 per cent of all businesses—they are a driving force within the city's business community. Small businesses provide jobs for residents and are important for the vitality of local communities and culture. Small business owners have the advantage over larger corporations in that their size often gives them the flexibility to adapt quickly in terms of aligning resources. They fuel innovation, and encourage further entrepreneurship. These advantages, together with their general passion for their business and

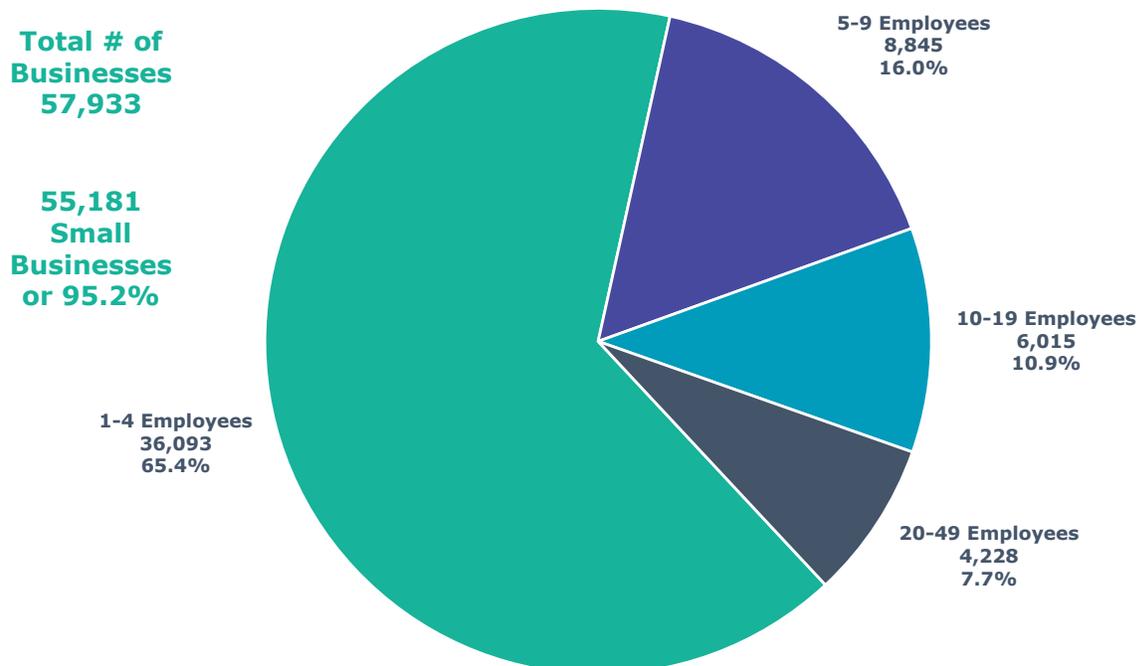
ability to enjoy the advantage of customer focus, sets them apart from larger corporations.

Business Counts

Of Calgary's total number of businesses in 2020 (57,933), small business (businesses with less than 50 employees) accounted for 95.2 per cent or 55,181 businesses.

A breakdown of Calgary's small businesses by employee size illustrates that the smallest segment (1 to 4 employees) is the largest at 36,093 businesses or 65.4 per cent.

Calgary CMA Small Business by Number of Employees



Source: Statistics Canada, December 2020

Small Business by Industry and Employee Size

The dominant industries that made up Calgary's small business sector in 2020 were:

- Professional, scientific, and technical services - 11,454 small businesses (20.8 per cent of total share)
- Construction - 6,104 small businesses (11.1 per cent of total share)
- Health care and social assistance - 5,213 small businesses (9.4 per cent of total share)



Highly educated, globally connected workforce.

Calgary has the highest proportion of STEM degree completions of major cities in Canada.

Calgary is a global city and one of the most ethnically diverse cities in Canada. 33.7 per cent of Calgary's population is visible minority and 29.4 per cent are immigrants.

Census 2016, Statistics Canada

Note:

For the purposes of this publication, a small business is one that has between 1 and 49 employees.

Small Business by Industry and Employee Size

| Industry | 1-4 Employees | 5-9 Employees | 10-19 Employees | 20-49 Employees | Total | % Distribution |
|---|---------------|---------------|-----------------|-----------------|---------------|----------------|
| Professional, scientific and technical services | 9,580 | 963 | 544 | 367 | 11,454 | 20.8% |
| Construction | 4,297 | 889 | 567 | 351 | 6,104 | 11.1% |
| Health care and social assistance | 3,355 | 885 | 610 | 363 | 5,213 | 9.4% |
| Retail trade | 1,896 | 1,321 | 971 | 497 | 4,685 | 8.5% |
| Other services (except public administration) | 2,716 | 948 | 452 | 193 | 4,309 | 7.8% |
| Accommodation and food services | 771 | 911 | 748 | 765 | 3,195 | 5.8% |
| Administrative and support, waste management and remediation services | 1,534 | 500 | 270 | 206 | 2,510 | 4.5% |
| Transportation and warehousing | 1,958 | 229 | 137 | 144 | 2,468 | 4.5% |
| Real estate and rental and leasing | 1,864 | 239 | 138 | 101 | 2,342 | 4.2% |
| Wholesale trade | 942 | 523 | 439 | 311 | 2,215 | 4.0% |
| Finance and insurance | 1,057 | 279 | 277 | 207 | 1,820 | 3.3% |
| Manufacturing | 603 | 296 | 263 | 247 | 1,409 | 2.6% |
| Mining, quarrying, and oil and gas extraction | 488 | 125 | 121 | 101 | 835 | 1.5% |
| Educational services | 373 | 119 | 97 | 73 | 662 | 1.2% |
| Information and cultural industries | 303 | 123 | 78 | 57 | 561 | 1.0% |
| Arts, entertainment and recreation | 254 | 83 | 84 | 87 | 508 | 0.9% |
| Agriculture, forestry, fishing and hunting | 230 | 37 | 19 | 12 | 298 | 0.5% |
| Management of companies and enterprises | 124 | 59 | 51 | 62 | 296 | 0.5% |
| Utilities | 33 | 16 | 11 | 22 | 82 | 0.1% |
| Public administration | 45 | 3 | 4 | 5 | 57 | 0.1% |
| Unclassified | 3,670 | 297 | 134 | 57 | 4,158 | 7.5% |
| Total | 36,093 | 8,845 | 6,015 | 4,228 | 55,181 | 100.0% |

Note: Unclassified businesses are included in the Small Business Total.

Source: Calgary Census Metropolitan Area (CMA), Total With Employees, Canadian Business Counts, Statistics Canada, December 2020

Small Business Growth

In 2020, amid the global Covid-19 pandemic, 253 small businesses were lost in Calgary, reflecting -0.5 per cent growth over the previous year. The total number of Calgary businesses (all employee sizes) decreased by 289 year-over-year.

Industries representing the highest percentage in small business growth were:

- Transportation and warehousing - 2,468 small businesses in 2020 versus 2,336 in 2019, an increase of 132 businesses or 5.7 per cent
- Health care and social assistance - 5,213 small businesses in 2020 versus 4,958 in 2019, an increase of 255 businesses or 5.1 per cent
- Agriculture, forestry, fishing, and hunting - 298 small businesses in 2020 versus 284 in 2019, an increase of 14 businesses or 4.9 per cent

Industries representing the lowest percentage in small business growth were:

- Utilities - 82 small businesses in 2020 versus 87 in 2019, a decrease of 5 businesses or -5.7 per cent
- Mining, quarrying, and oil and gas extraction - 835 small businesses in 2020 versus 876 in 2019, a decrease of 41 businesses or -4.7 per cent
- Construction - 6,104 small businesses in 2020 versus 6,373 in 2019, a decrease of 269 businesses or -4.2 per cent

| Industry | Business Counts Year-Over-Year Change | | | | | | | |
|---|---------------------------------------|---------------------------|-------------|--------------|-----------------------------|-----------------------------|-------------|--------------|
| | Small Business | | | | Total Business | | | |
| | 2019 1-49 Employees | 2020 1-49 Employees | # Change | % Change | 2019 1-500+ Employees | 2020 1-500+ Employees | # Change | % Change |
| Transportation and warehousing | 2,336 | 2,468 | 132 | 5.7% | 2,462 | 2,591 | 129 | 5.2% |
| Health care and social assistance | 4,958 | 5,213 | 255 | 5.1% | 5,144 | 5,450 | 306 | 5.9% |
| Agriculture, forestry, fishing and hunting | 284 | 298 | 14 | 4.9% | 291 | 306 | 15 | 5.2% |
| Accommodation and food services | 3,146 | 3,195 | 49 | 1.6% | 3,416 | 3,426 | 10 | 0.3% |
| Management of companies and enterprises | 292 | 296 | 4 | 1.4% | 403 | 411 | 8 | 2.0% |
| Other services (except public administration) | 4,264 | 4,309 | 45 | 1.1% | 4,349 | 4,394 | 45 | 1.0% |
| Professional, scientific and technical services | 11,356 | 11,454 | 98 | 0.9% | 11,567 | 11,659 | 92 | 0.8% |
| Manufacturing | 1,400 | 1,409 | 9 | 0.6% | 1,617 | 1,616 | -1 | -0.1% |
| Public administration | 57 | 57 | 0 | 0.0% | 68 | 71 | 3 | 4.4% |
| Information and cultural industries | 562 | 561 | -1 | -0.2% | 611 | 610 | -1 | -0.2% |
| Retail trade | 4,701 | 4,685 | -16 | -0.3% | 5,111 | 5,090 | -21 | -0.4% |
| Arts, entertainment and recreation | 512 | 508 | -4 | -0.8% | 589 | 577 | -12 | -2.0% |
| Finance and insurance | 1,839 | 1,820 | -19 | -1.0% | 1,931 | 1,911 | -20 | -1.0% |
| Wholesale trade | 2,251 | 2,215 | -36 | -1.6% | 2,408 | 2,373 | -35 | -1.5% |
| Real estate and rental and leasing | 2,382 | 2,342 | -40 | -1.7% | 2,446 | 2,400 | -46 | -1.9% |
| Educational services | 678 | 662 | -16 | -2.4% | 749 | 730 | -19 | -2.5% |
| Administrative and support, waste management and remediation services | 2,571 | 2,510 | -61 | -2.4% | 2,745 | 2,679 | -66 | -2.4% |
| Construction | 6,373 | 6,104 | -269 | -4.2% | 6,645 | 6,375 | -270 | -4.1% |
| Mining, quarrying, and oil and gas extraction | 876 | 835 | -41 | -4.7% | 1,034 | 986 | -48 | -4.6% |
| Utilities | 87 | 82 | -5 | -5.7% | 106 | 99 | -7 | -6.6% |
| Unclassified | 4,509 | 4,158 | -351 | -7.8% | 4,530 | 4,179 | -351 | -7.7% |
| Total | 55,434 | 55,181 | -253 | -0.5% | 58,222 | 57,933 | -289 | -0.5% |

Note: Unclassified businesses are included in the Small Business Total.

Source: Calgary Census Metropolitan Area (CMA), Total With Employees, Canadian Business Counts, Statistics Canada, December 2019 & 2020

Small Business Per Capita

Relative to its population, Calgary had the second highest number of small businesses per capita of major cities in Canada in 2020 at a rate of 36.4 per 1,000 population.

Self-Employment

In 2020, there were 128,900 self-employed Calgarians, a decline in of -1.7 per cent from the 131,100 self-employed in 2019. On a per capita basis, Calgary had the third highest number of self-employment of major cities in Canada at 83.5 per 1,000 population.

During the past 10 years (2009-2019), Calgary experienced self-employment growth of 18.3 per cent.

In 2020, the largest group of Calgary entrepreneurs was the 35 to 44 age group with 36,800 self-employed or 28.5 per cent, followed by the 45 to 54 age group at 33,500 or 26.0 per cent of total self-employed.

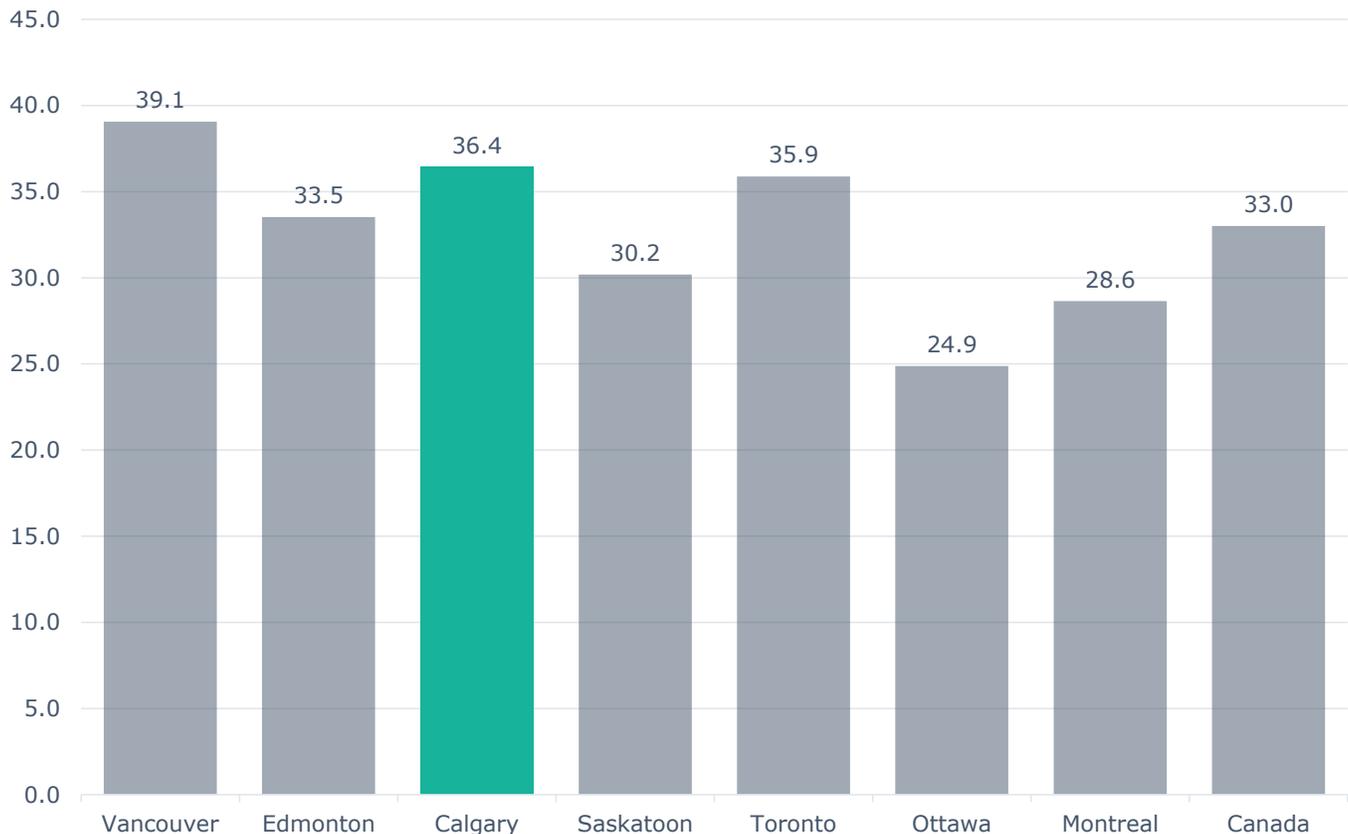


Exceptional quality of life.

Calgary has ranked among the Top 5 most liveable cities in the world every year from 2009 to 2019 because of our economy, safety, infrastructure, social programs and a healthy lifestyle.

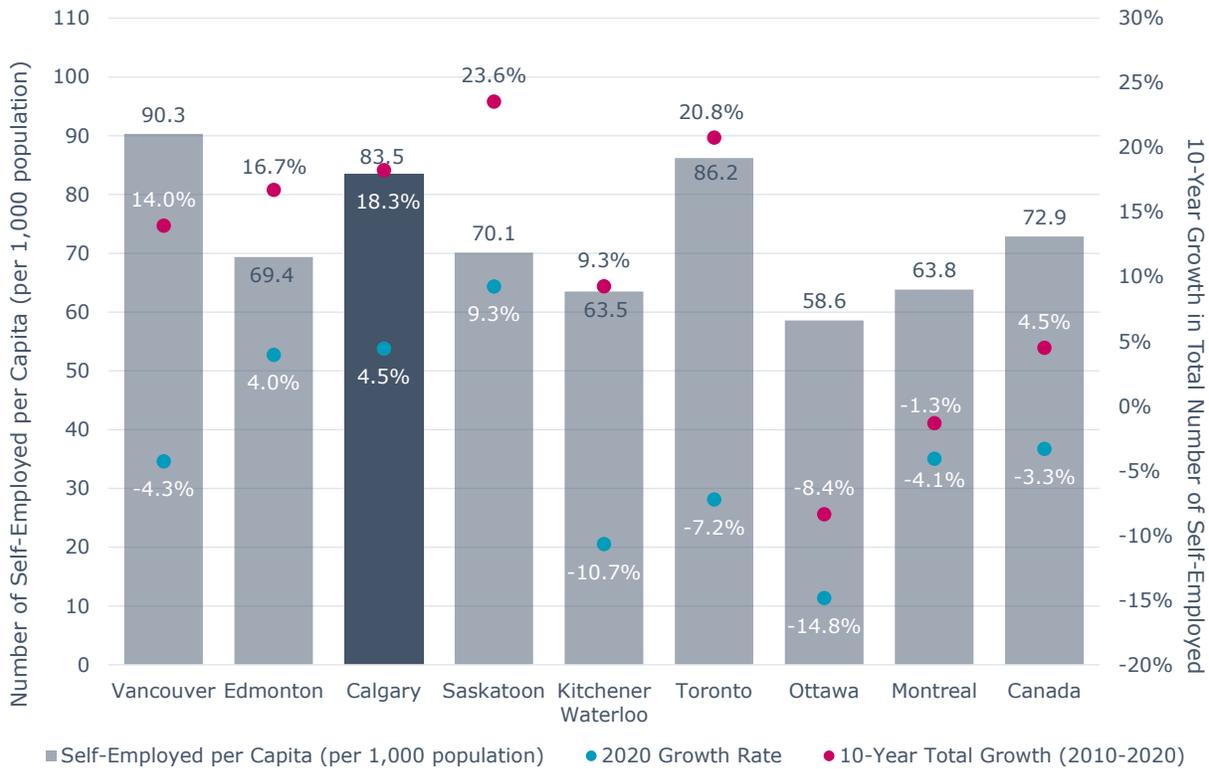
The Economist Intelligence Unit, 2009-2019

Small Business per Capita Across Canada



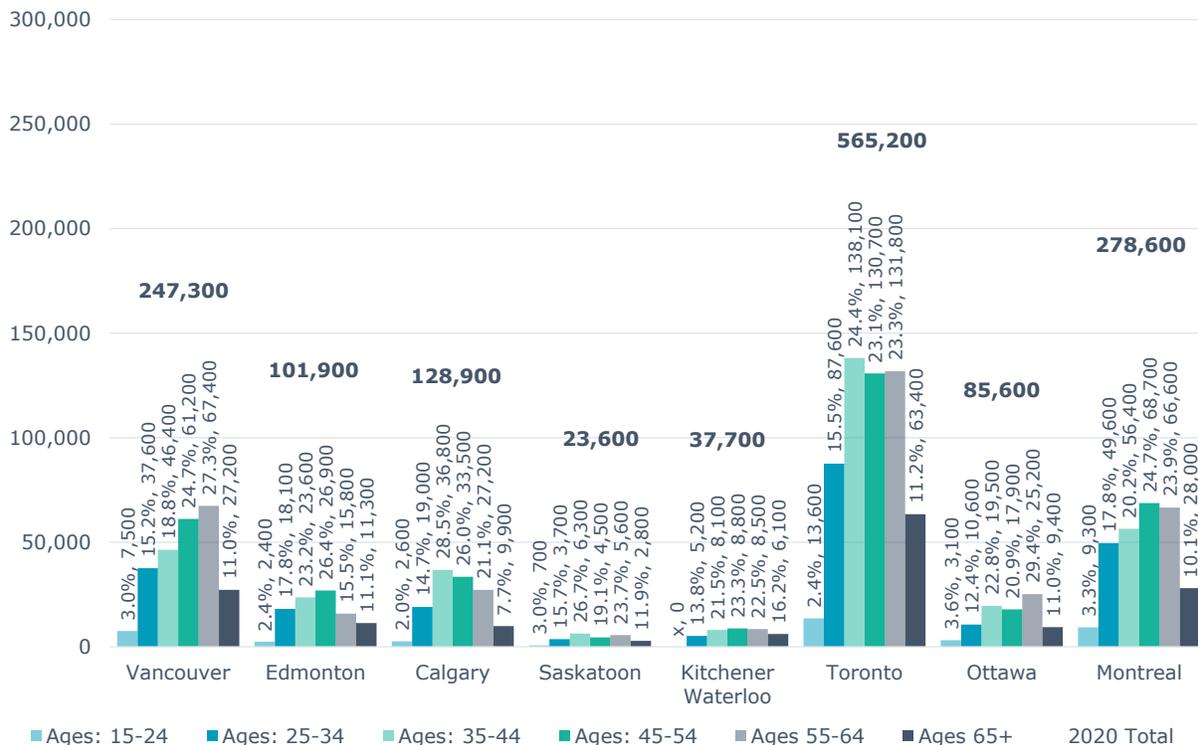
Source: Statistics Canada, CMA Population, July 1, 2020 and Canadian Business Counts, December 2020 1 to 49 Employees (Per 1,000 Population)

Self-Employed per Capita and 10-Year Growth



Source: Both Sexes, Annual 2020, Statistics Canada, per 1,000 Population, May 2021

Number of Self-Employed by Age Group



Source: Annual 2020, Statistics Canada, May 2021

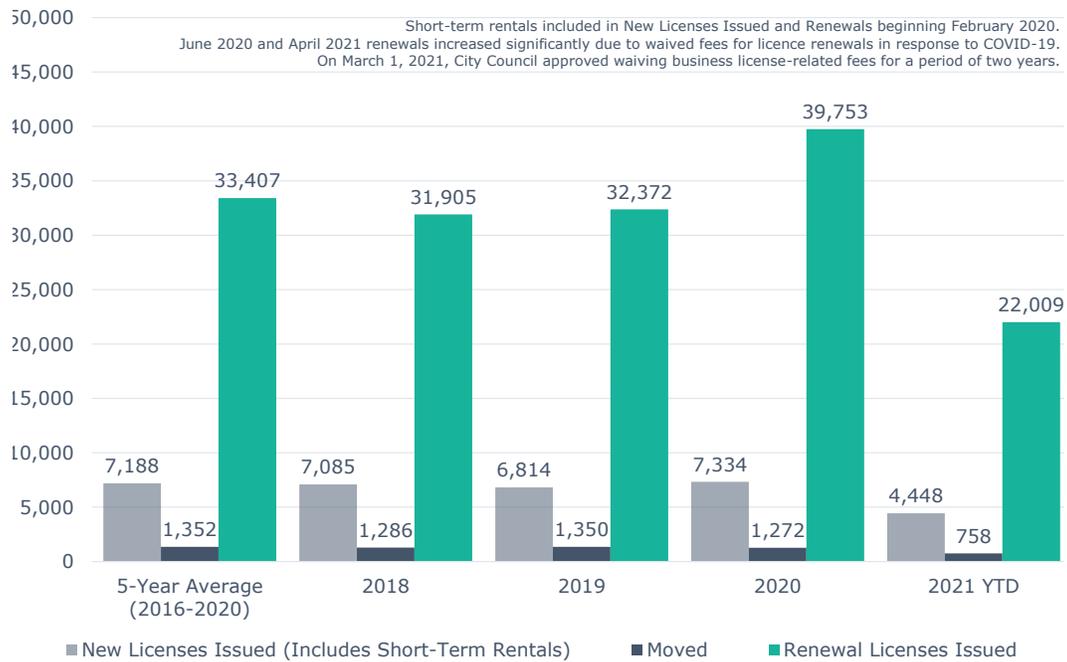
Business Licenses

Any time a business makes changes, moves, changes owners or ownership structure, the City of Calgary ends one business licence and issues a new one. In 2020, there were 39,753 business license renewals and 7,334 new business licenses

issued. These results are in line with the 5-year average (2016-2020) of 33,407 business license renewals and 7,188 new business licenses issued.

Note: Results do not include businesses licenses issued by higher levels of government or associations.

City of Calgary Business Licenses



Source: The City of Calgary Planning and Development, July 2021

Business Bankruptcies

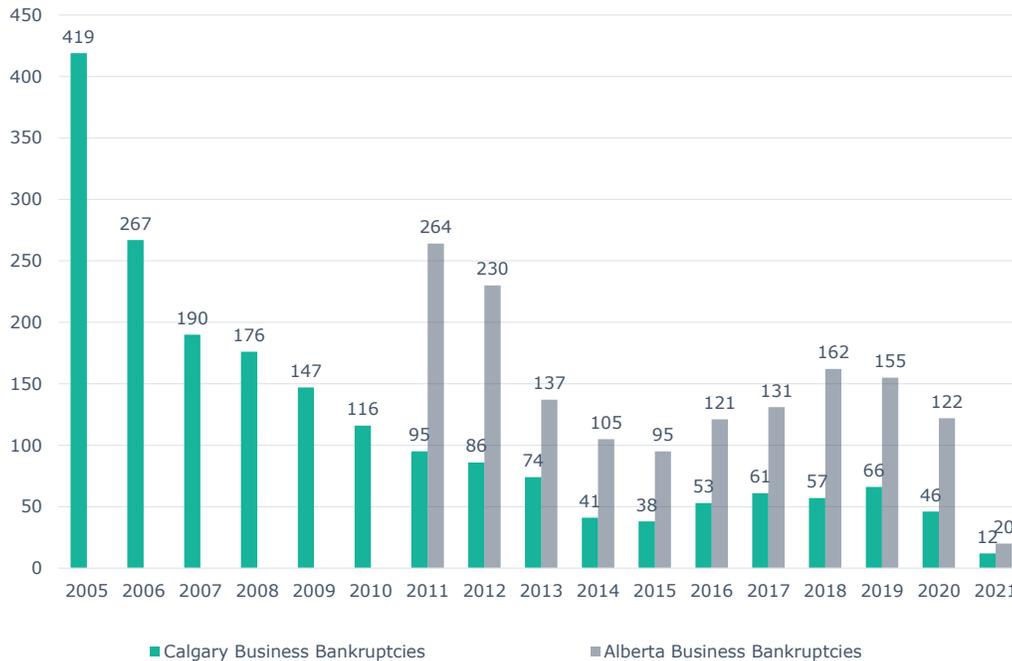
Historically, Calgary has experienced a steady decline in business bankruptcies, from a high of 419 in 2005 to a low of 38 in 2015. Since 2015, business bankruptcies have fluctuated with 46 recorded in 2020, 22 fewer than the previous year.

Of Alberta's 122 business bankruptcies in 2020,

37.7 per cent were Calgary businesses.

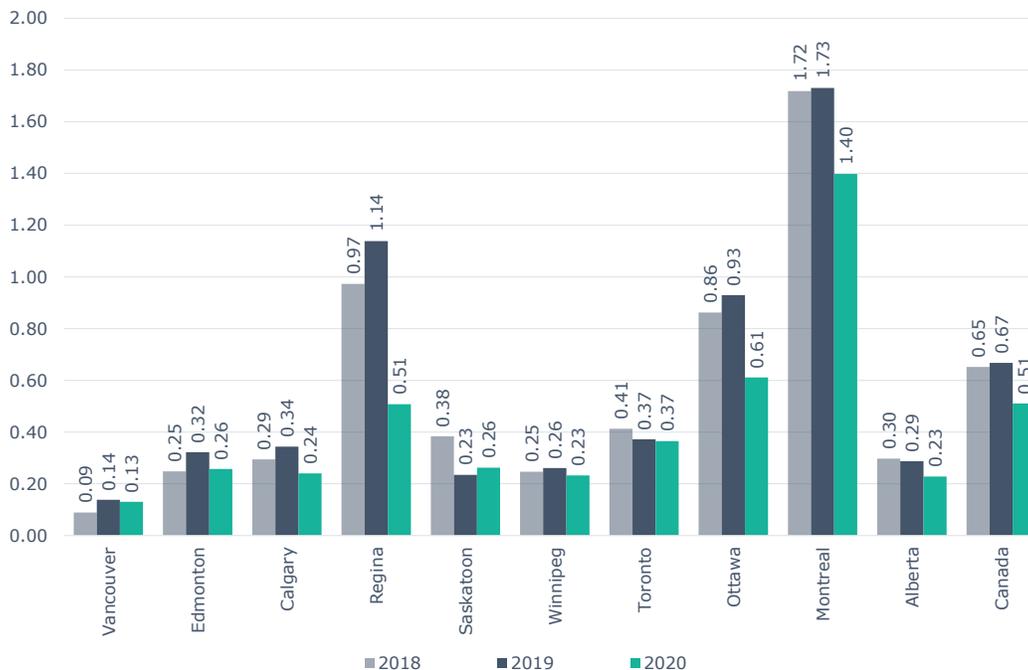
With 95.2 per cent of Calgary businesses in the small business segment, it is assumed that the majority of business bankruptcies involve small businesses. Calgary business bankruptcy rates are low compared to the Canadian average and other major Canadian cities.

Calgary and Alberta Business Bankruptcies



Source: Office of the Superintendent of Bankruptcy Canada, Q1 2021

Business Bankruptcy Rates Across Canada



Source: Office of the Superintendent of Bankruptcy Canada, June 2021, (Per 1,000 Businesses)