



BUSINESS SIZES

Economy - Structure

Step 1: Understanding Yesterday and Today

Metropolitan Core Jobs & Economy Land Use Plan

Highlights

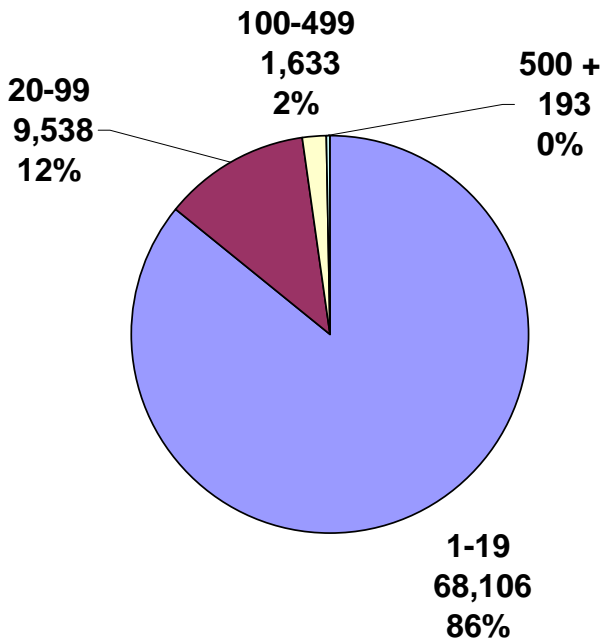
- Businesses are concentrated in the 1-to-19 employee category size.
- Jobs are spread out among a diversity of businesses sizes, with roughly 30-35% of jobs in each of the following categories: 1-to-19 employees; 20-99 employees; and 100+ employees.
- Between 1991 and 2001, on the Downtown Peninsula, the number of businesses in the 1-to-4 category did not change. The largest increase in number of businesses was in the 5-19 category. The fastest increase in number of businesses was in the 50-99 category.
- Public Admin., accommodation, & utilities are the economic sectors where businesses are most likely to employ over 100 people.
- Using Industry Canada definitions, the vast majority of Metro Core businesses are "small & medium" - i.e., less than 500 employees.



WHAT SIZES ARE BUSINESSES AND HOW MANY EMPLOYEES WORK IN THEM?

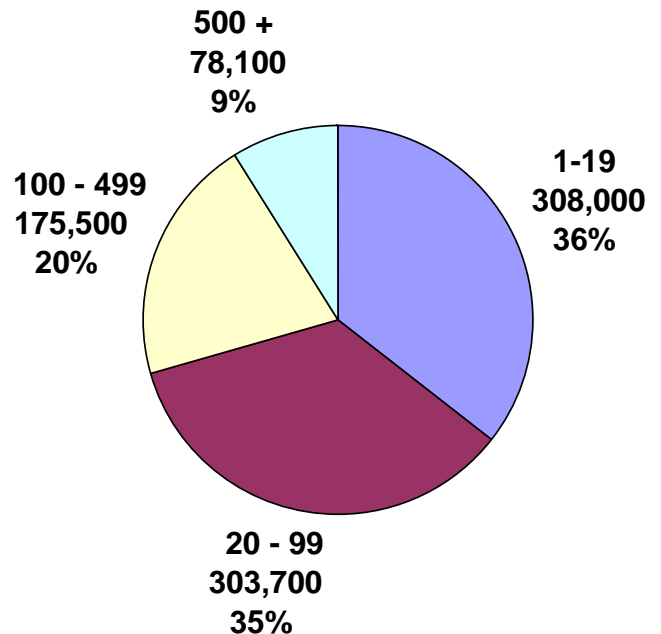
While most businesses employ less than 20 people, most employees work in larger businesses (Figures 1 and 2; GVRD).

Figure 1: Businesses by business size category, GVRD



Statistics Canada 2001 Business Register: Businesses by NAICS (2-digit) by Size, 2001.xls. Does not include businesses of indeterminate size - see Note 1.

Figure 2: Employees by business size category, GVRD

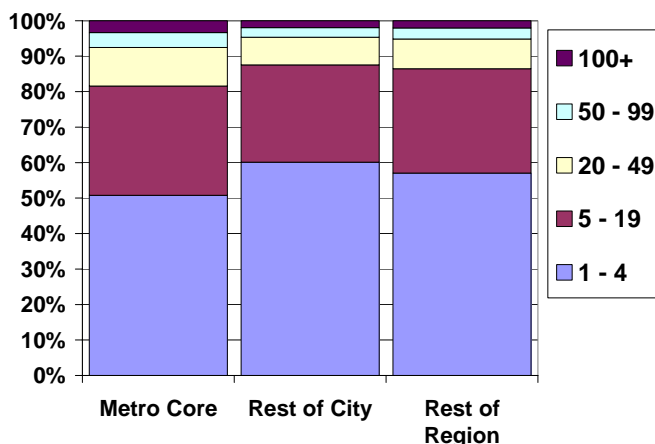


Statistics Canada Labour Force Survey June 2001: Employees by Business Size, GVRD, BC, Canada June 2001.xls. See Note 2

HOW DO BUSINESS SIZES IN THE METRO CORE COMPARE TO THE REST OF THE CITY AND REGION?

The Metro Core has a smaller percent of smaller businesses and a higher percent of larger businesses than the rest of the city and region. For example, in the Metro Core, 18% of businesses employ over 20 people, compared to 12% in the rest of the city and 14% in the rest of the region (Figure 3 and Table 1 on next page).

Figure 3: Business sizes in the Metro Core and the rest of the city and region



Statistics Canada 2001 Business Register: Businesses by NAICS (2-digit) by Size, 2001.xls. Does not include businesses of indeterminate size -see Note 1.

Business Size Definitions

- ❖ Micro: less than 5 employees
- ❖ Small (services): less than 50 employees
Small (goods): less than 100 employees
- ❖ Medium (services): 50-499
Medium (goods): 100-499
- ❖ Large: 500+

Industry Canada. 2004. Key Small Business Statistics - April 2004. Industry Canada website:
<http://strategis.ic.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd00866e.html>.
see Note 3

Examples of Large Metro Core Businesses

Public Sector	
Vancouver General Hospital ¹	6,000
St. Paul's Hospital ¹	2,900
City Hall ²	1,500
Revenue Canada ²	1,500
Service Canada ²	900
BC Hydro (at 333 Dunsmuir) ²	700
Private Sector	
Accenture Inc. ³	2,000
Business Objects ³	1,204
KPMG ²	550
Hyatt Regency Hotel ²	522
Price Waterhouse Coopers ²	500
Hotel Vancouver ²	500

Sources:

1. Statistics Canada. 2001 Census: Jobs by NAICS (4 digit), Employment Areas, 2001.xls.
 2. Phone calls to Human Resources Departments.
 3. Business in Vancouver. 2005. Book of Lists.
- Note: List includes Metro Core employees only

HOW HAVE BUSINESS SIZES CHANGED?

Between 1991 and 2001, the number of Metro Core businesses increased by 2,200, most of this growth occurred on the Downtown Peninsula (Figure 4 and Tables 2 & 3 on next page.)

On the Downtown Peninsula:

- There was no change in the number of businesses in the 1-to-4-employee business size.
- The largest increase in number of businesses was in the 5-to-19 employee business size.
- The fastest increase in number of businesses was in the 50-to-99 employee business size.

A similar pattern emerged in the South of False Creek area, but a much different pattern in the Eastern Core where the number of businesses in the 1-to-4-employee business size category increased the most.

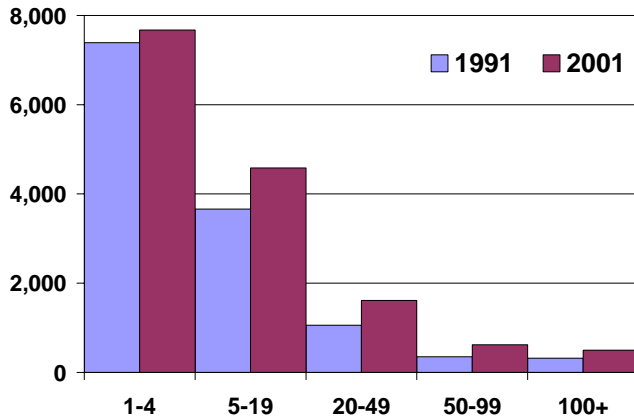
Overall in the Metro Core, the increase in number of businesses with 5 to 49 employees saw significant growth in:

- Computer services: 123 more businesses in the 5-19 category, 65 in the 20-49 category
- Doctor and dentist offices: 143 more businesses in the 5-19 category, 28 in the 20-49 category
- Lawyers offices: 108 more businesses in the 5-19 category, 38 in the 20-49 category

The increase in the number of businesses with 50-99 employees saw growth in:

- Food services: 37 more businesses
- Computer Services: 33 more businesses

Figure 4: Metro Core # of businesses by business size: 1991 & 2001



Statistics Canada Business Register: Businesses by SIC 1991 to 2001.xls. Does not include businesses of indeterminate size -see Note 1.

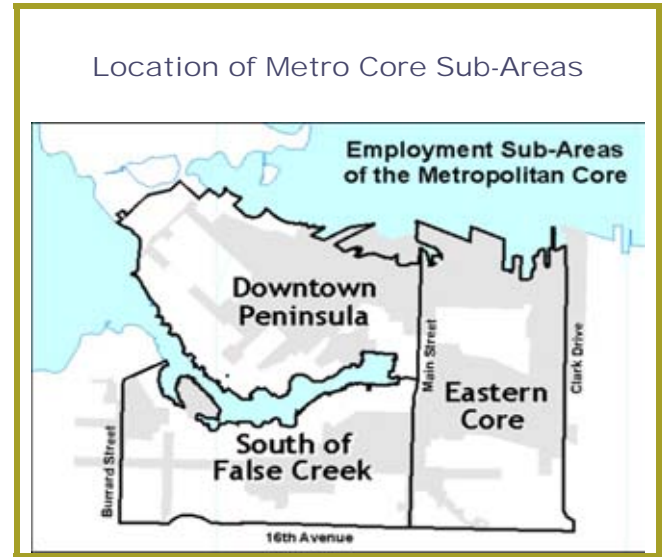


Table 1: Business sizes in the Metro Core and the rest of the city and region

	Metro Core	Rest of City	Rest of Region
1 - 4	7,669	7,973	29,152
5 - 19	4,646	3,639	15,027
20 - 49	1,644	1,033	4,292
50 - 99	634	360	1,575
100+	506	261	1,059
Total - All Businesses	15,099	13,266	51,105

Statistics Canada 2001 Business Register: Businesses by NAICS (2-digit) by Size, 2001.xls. Does not include businesses of indeterminate size -see Note 1.

Table 3: Change in Metro Core business sizes

	1991	2001	Growth	% Growth
1-4	7,389	7,671	282	4%
5-19	3,662	4,580	918	25%
20-49	1,056	1,613	557	53%
50-99	349	620	271	78%
100+	315	498	183	58%
Total - All Businesses	12,771	14,982	2,211	17%

Statistics Canada Business Register: Businesses by SIC 1991 to 2001.xls. Does not include businesses of indeterminate size - see Note 1.

Table 2: Business sizes in Metro Core sub-areas

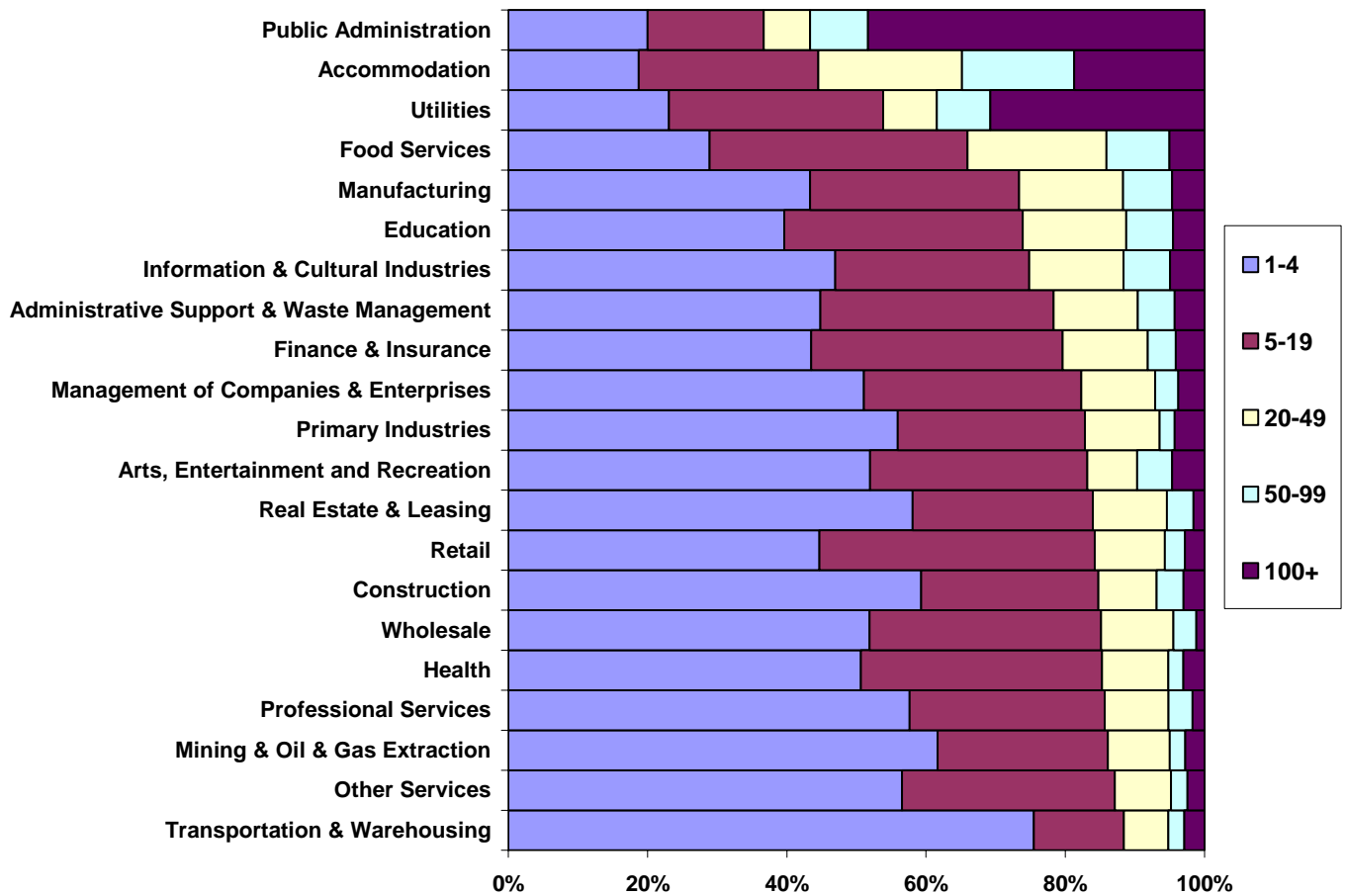
	Downtown Peninsula		South of False Creek		Eastern Core	
	1991	2001	1991	2001	1991	2001
1-4	4,432	4,431	2,086	2,160	871	1,080
5-19	2,043	2,709	1,118	1,414	501	457
20-49	614	985	287	466	155	162
50-99	203	408	92	150	54	62
100+	191	320	78	116	46	62
Total - All Businesses	7,483	8,853	3,661	4,306	1,627	1,823

Statistics Canada 2001 Business Register: Businesses by NAICS (2-digit) by Size, 2001.xls. Does not include businesses of indeterminate size -see Note 1.

HOW DO BUSINESS SIZES VARY BY ECONOMIC SECTOR?

Overall, most Metro Core sectors do not vary by business size. However, there are some sectors, such as: public administration; accommodation; utilities; and food services; where establishments tend to employ more workers than average (Figure 5).

Figure 5: Metro Core businesses by sector and size category



Statistics Canada 2001 Business Register: Businesses by NAICS (2-digit) by Size, 2001.xls. Does not include businesses of indeterminate size -see Notes 1 and 4.

Sources / Contacts

Sources of data and information are recorded throughout this Information Sheet. Additional notes and sources are provided here:

- 1) Re: Figures 1, 3, 4 and 5 and Tables 1, 2 and 3: An establishment must meet at least one of the following criteria to be included in Statistics Canada Business Register:
 - have at least one paid employee with payroll deductions remitted to Canada Revenue Agency (CRA); or
 - have annual sales revenues of \$30,000; or
 - be incorporated and have filed a federal corporate income tax return at least once in the previous three years.

Business establishments on the Business Register are classified into two types:

- About half are called "employer establishments" since they have a payroll of at least one person [possibly the owner]. For these establishments, the size in terms of number of employees is known.

-The other half are classified as "indeterminate" because they do not have any employees registered with CRA. Such businesses may indeed have no workforce (they may be simply paper entities that nonetheless meet one of the criteria for being recognized as a business establishment) or they may have a work force consisting of contract workers, family members, and/or owners. Because information about their workforce is not available, the "indeterminate" category was created. Source:

<http://strategis.ic.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd01832e.html>.

- 2) Re: Figure 2: The count of employees does not include self-employed individuals. Self employment makes up about 13% of the region's labour force.
- 3) Re: Business Size Definitions: BC Stats defines "small" business as the total of two categories (*Small Business Profile, BC Stats*). First, they use the same small business definition as Industry Canada - i.e., "small" businesses are those with fewer than 50 employees. Second, they add a count of "self-employed with no paid help." We have not used the latter part of the definition in this info sheet because this study is concerned with land use, location, and space needs. "Self-employed with no paid help" are not specifically correlated with a definable land use, location, and space occupancy. Self-employed with no paid help include those who work in a variety of workplaces and in businesses of varying sizes, including contract workers at a variety of large and small businesses.
- 4) In this paper, NAICS refers to the 1997 North American Industrial Classification System, which was the system used by Statistics Canada in 2001 to categorize jobs and businesses by industry sector. The Sector Information Sheets created for this study are available at:
www.vancouver.ca/commsvcs/planning/corejobs/research.htm
- 5) A variety of sources were consulted for this information sheet and include the following:
 - BC Stats, *Small Business Profile, 2005, 2004, and 2003*.
 - Business Council of BC, *Gauging the Economic Contribution of Large and Small Business: A Reassessment*, Policy Perspectives, Vol 10, No 4, August 2004.
 - Canadian Federation of Independent Business, *Small Business - Big Picture*, Nov 2003.
 - Industry Canada, *Key Small business Statistics*, August 2004.
 - Scotia Bank Group, *Special Report - Small Businesses and Jobs - Building on Canada's Construction Boom*, Global Economic Research, Sept 29, 2005.

This Information Sheet was published by the City of Vancouver. It is one in a series of Information Sheets produced for the Metropolitan Core Jobs and Economy Land Use Plan. The purpose of this initiative is to develop a long term land use policy plan to accommodate future economic activity and jobs in the Metro Core. For further information, please e-mail corejobs@vancouver.ca or visit the website www.vancouver.ca/corejobs