

Workforce Focus

From the Workforce Planning Board
of Waterloo Wellington Dufferin

In this Issue:

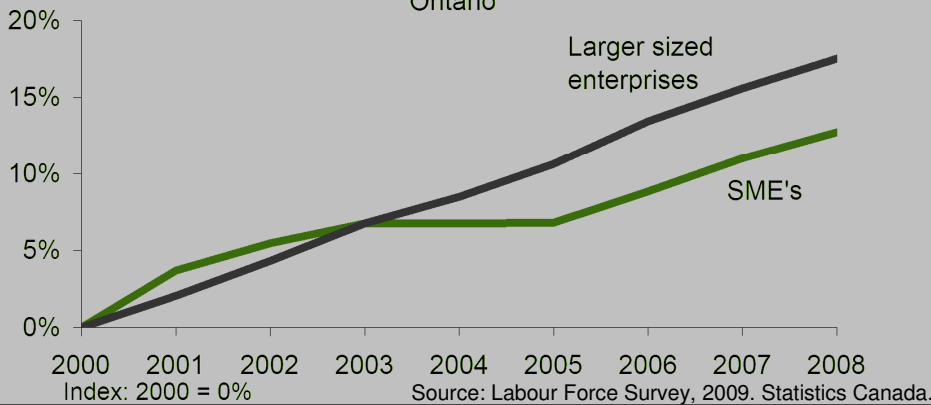
Small and Medium-Sized Enterprises (SME's)

- Trends
- Characteristics
- Composition

Small and Medium-Sized Enterprises (SME's) are employers of less than 100 people, including the self-employed.

Long Term Trend

Employment Change Rate by Employment Size Groups
Ontario

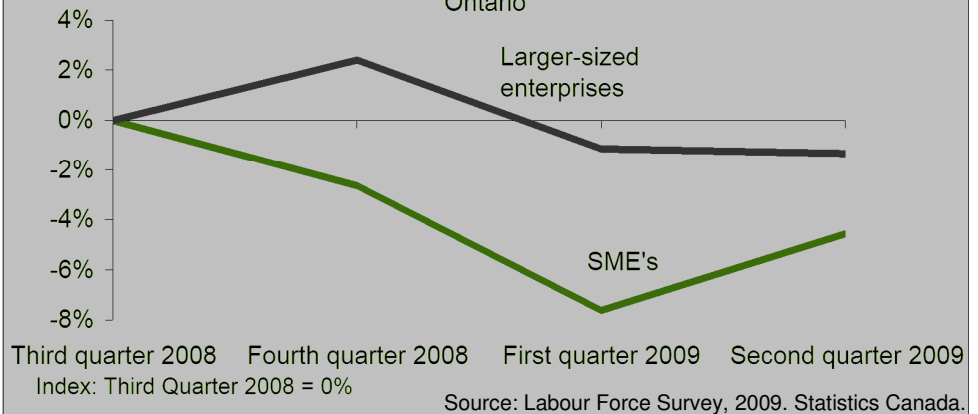


Small and medium-sized enterprises employ approximately 2 million people in Ontario. For the past decade, employment in SME's has made up 36% of all employment in the province. In the first part of this decade, SME's were leading the employment growth rate. Though a flattening occurred between 2003 and 2005, the annual employment growth rate of SME's matched that of larger-sized enterprises until mid 2008.

In response to the recession, the third quarter of 2008 represented the last stable month for the national unemployment rate before a sharp and prolonged increase occurred. Collectively SME's were the initial contributors to this as their employment dropped by 2% by the next quarter. A subtle recovery of employment in the second quarter of 2009 is likely the result of laid off workers from larger enterprises becoming self-employed. As such, there has been less net employment loss in small-sized enterprises than in medium-size enterprises.

The Recession's Impact

Employment Change Rate by Employment Size Groups
Ontario



Characteristics

- Collectively, small-sized enterprises with less than 20 workers, have high rates of net job creation and net job destruction as these workplaces experience a large rate of expansion and contraction.
- Collectively, medium-sized enterprises with 20 to 99 workers, have high rates of transitional activity as workers shift in and out of jobs. Though the workforce does not necessarily change in size, a high share of workers change positions.
- Though not a full-out recession, the downturn of 2001 had an unbalanced impact on small-sized enterprises. While labour market dynamics remained fairly stable for medium and large-sized enterprises, there was a great increase in activity within small enterprises, as net job creation and hirings each jumped significantly.
- The self-employed in Ontario have a five-year survival rate of 57%, the lowest among SME employment size groups. Enterprises employing 1 to 4 people have the highest five-year survival rate at 74%.

Sources: Workplace and Employee Survey, 2005. Small and Medium-Sized Enterprises Data Warehouse, 2008. Statistics Canada.



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Guiding Today's Workforce for Tomorrow's Workplace

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Prominent Industries Within SME's

Waterloo-Wellington-Dufferin

Industry	Estimated employment in SME's	Share of local SME employment
Food Services and Drinking Places	20,900	9%
Professional, Scientific and Technical Services	17,300	7%
Specialty Trade Contractors	15,000	6%
Administrative and Support Services	9,700	4%
Ambulatory Health Care	8,300	4%
Real Estate	6,900	3%
Fabricated Metal Product Manufacturing	6,100	3%
Truck Transportation	5,900	3%
Food and Beverage Stores	5,900	3%
Construction of Buildings	5,900	3%

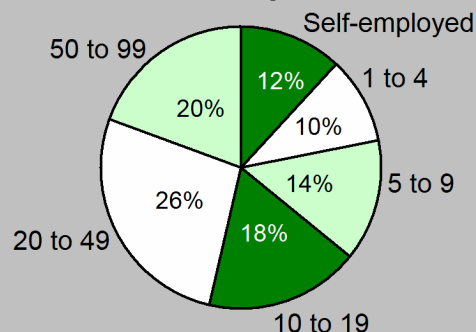
Within local small and medium sized enterprises, food services and drinking places employ the greatest number of workers, followed by professional, scientific and technical services and specialty trade contractors.

As workplace size increases, the relative importance of the local market decreases. Only 24% of small enterprises with 1 to 19 employees sell goods or services beyond the local market. Medium size enterprises are substantially more broad in their customer base, as 45% sell beyond the local market.

Source: Workplace and Employee Survey, 2005. Statistics Canada.

Composition

SME's Employment by Sub-Employee Size Groups
Waterloo-Wellington-Dufferin



Though quite balanced, the greatest share of local SME employment is in companies with 20 to 49 workers.

Prominent Manufacturing Sectors Within SME's

Waterloo-Wellington-Dufferin

Industry	Estimated employment in SME's	Change in Number of Establishments Dec. 2008 to June 2009
Fabricated Metal Product	6,100	1
Machinery	4,800	-4
Food	2,200	3
Plastics and Rubber	2,200	-6
Miscellaneous	1,600	-5
Transportation Equipment	1,500	4
Furniture and Related	1,500	1

This region has seven manufacturing sectors that each employ at least 1,500 people in small and medium-sized enterprises.

Recent Gainers and Losers

Industries with significant net change in the number of establishments, December 2008 to June 2009
Waterloo-Wellington-Dufferin

Religious, Grant-Making, Civic, and Professional and Similar Organizations	+45	Professional, Scientific and Technical Services	-213
Transit and Ground Passenger Transportation	+20	Specialty Trade Contractors	-94
Private Households	+17	Real Estate	-53
Food Services and Drinking Places	+12	Administrative and Support Services	-29
Social Assistance	+9	Securities, Commodity Contracts, and Other Financial Investment and Related Activities	-26

Source: All data on this page is from the Canadian Business Patterns, 2008-2009. Statistics Canada.

**EMPLOYMENT
ONTARIO**

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