

# Workforce Focus

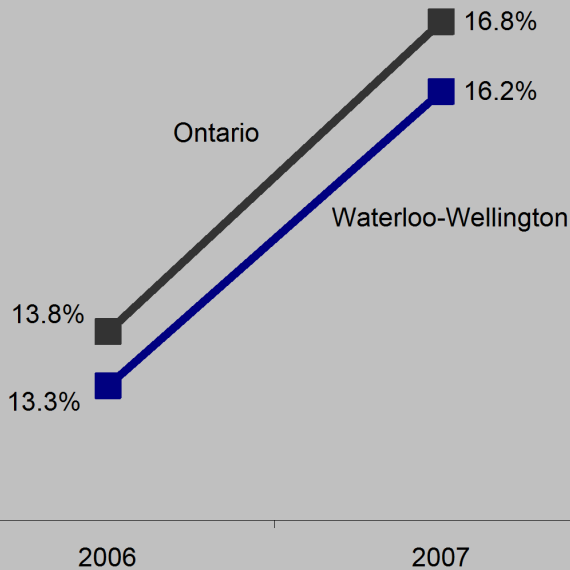
*From the Waterloo-Wellington Training & Adjustment Board  
"Guiding today's workforce for tomorrow's workplace"*

**In this Issue:**  
**Small Business and Self-employment**

- Profile
- Trends

## Recent Trends

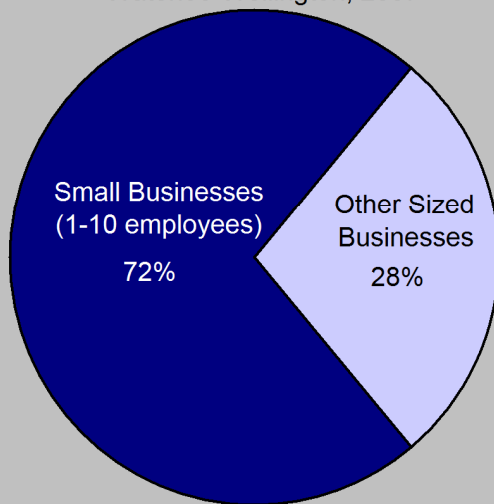
Estimated share of total employment in small businesses  
(Excludes self-employed)  
Waterloo-Wellington and Ontario, 2006-2007



Source: Canadian Business Patterns, 2006-07.

## Establishment Composition by Size

Small business share of all local business establishments  
(Excludes self-employed)  
Waterloo-Wellington, 2007



Source: Canadian Business Patterns, 2007.

## The Nature of Small Business

Small business activity is highly cyclical, usually outpacing the overall economy during periods of an economic recovery, and under-performing the economy during periods of economic weakness. The out-performance of small business in recent years also reflects the fact that small firms were less damaged by the rising dollar than larger companies.

There has been a reduction in the growth orientation of small firms in Canada. Almost 60% of small business owners in Canada consider themselves as "lifestylers" that use their business as a means of generating income, while balancing other commitments and choices.

Source: CIBC, Small business in Canada, Tal, 2006.

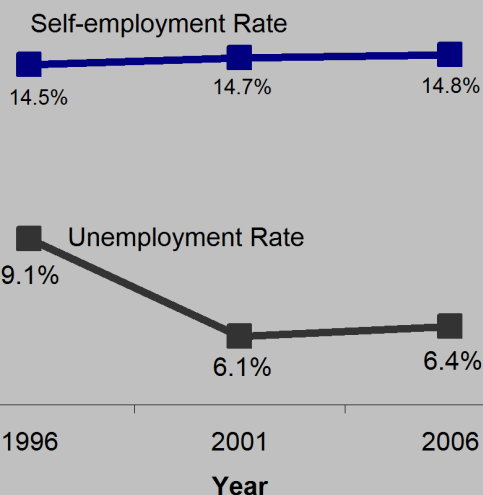
## Small Business Share by Sector

Share of establishments employing 1 to 10 people  
(Excludes self-employed)  
Waterloo-Wellington, 2007

Other Services (except Public Administration)	86%
Agriculture, Forestry, Fishing and Hunting	85%
Real Estate and Rental and Leasing	85%
Professional, Scientific and Technical Services	85%
Construction	79%
Health Care and Social Assistance	79%
Management of Companies and Enterprises	75%
Administrative and Support, Waste Management	75%
Finance and Insurance	75%
Retail Trade	68%
Transportation and Warehousing	67%
Educational Services	66%
Wholesale Trade	64%
Arts, Entertainment and Recreation	60%
Information and Cultural Industries	57%
Mining and Oil and Gas Extraction	47%
Manufacturing	46%
Accommodation and Food Services	44%
Utilities	44%
Public Administration	14%

### Employment Trends

Self-employment and unemployment rates, Ontario 1996, 2001, 2006



Source: Statistics Canada, 1996-2006

### Top Self-employment Occupations

Waterloo-Wellington, 2006

Occupation and number of people self-employed

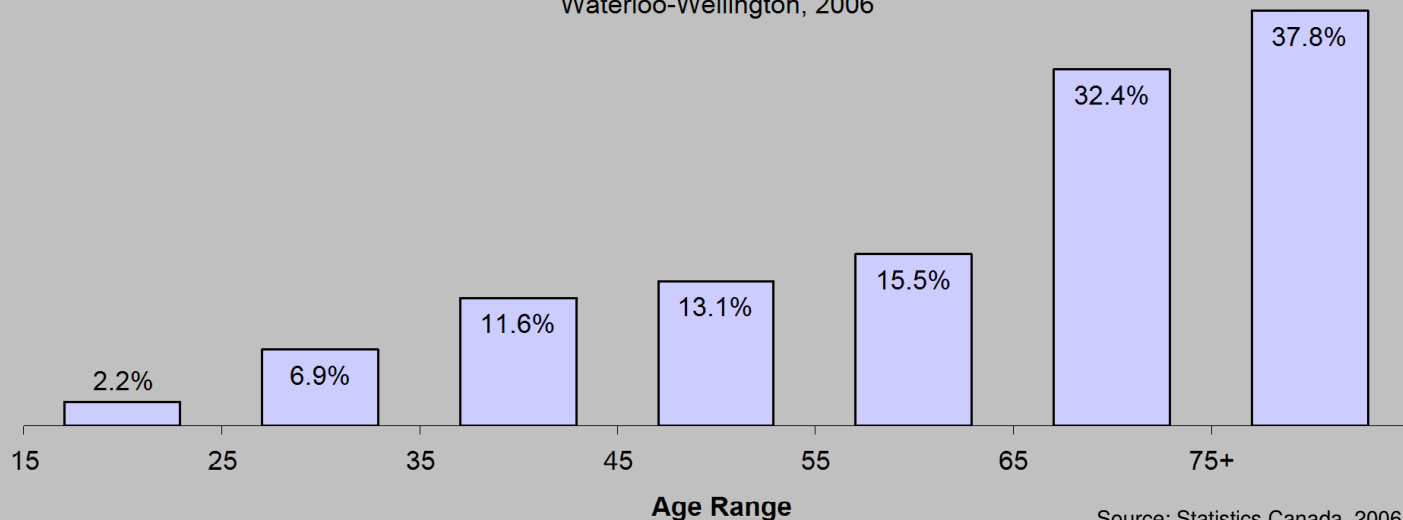
Occupations unique to agriculture, excluding labourers	3,480
Other sales and service occupations	2,900
Managers in retail trade, food and accommodation services	2,895
Construction trades	2,645
Professional occupations in health	1,890
Other managers	1,740
Transportation equipment operators and related workers, excluding labourers	1,705
Professional occupations in business and finance	1,465
Professional occupations in art and culture	1,455
Paralegals, social services workers and occupations in education and religion.	1,410

Individuals tend to enter self-employment when economic conditions are better. Ontario's self-employment rate has remained quite stable, despite a lower un-employment rate. This is likely due to a balance in the number of people entering self-employment due to a healthy economy, and declining employment in agriculture where self-employment is very common. If economic conditions deteriorate, some people may be pushed into self-employment because of poor job opportunities, but just as many could be pushed out, as self-employment and small business is vulnerable to decreases in consumer spending.

Source: Bank of Canada, Kamhi and Leung, 2005.

### Self-employment Rate by Age

Waterloo-Wellington, 2006



Source: Statistics Canada, 2006.

Self-employment remains more prominent among older workers. Higher levels of experience, skills, capital and contacts, work to pull many older workers into this avenue of employment. Another factor is that older displaced workers may have more difficulty than younger ones in finding paid employment, leaving self-employment as the only alternative.

Source: Canadian Labour Market, Drost and Hird, 2000.

**EMPLOYMENT  
ONTARIO**

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