

Longitudinal Economic Impact Study of the Canada Small Business Financing (CSBF) Program

December 2004

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Acknowledgements

First and foremost, Gilles Paré from SBSS provided on-going invaluable guidance and direction. In addition, the author acknowledges the support of Industry Canada's analysts, Jean Clark, Brad Bélanger and Jeremy Porzuczek for their support and inputs throughout the development of this study, as well as Statistics Canada methodology support offered from Peter Wright and technical support offered from Serge Bourret and Joanne Linekar from the Record linkage section of Small Business and Special Surveys Division (SBSS) without which this project would not have been possible.

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Introduction

The Small Business and Special Surveys Division (SBSSD) of Statistics Canada is pleased to present to Industry Canada this report as a result of generating statistical data to help analyse the economic impact of the Canada Small Business Financing (CSBF) Program.

This study has produced new statistical information to provide objective measures that can be used to assess the impact of the CSBF program on small businesses in Canada. One of the primary objectives of the study was to provide key performance indicators on employment and wages. In addition, the study provides data on SME borrower economic performance, revenue generation and revenue to the Crown. To enable Industry Canada to assess the impact of the program on these measures, businesses taking part in the CSBF have been compared to those that are not part of the program. The results presented are aimed at supporting the evaluation of the Canada Small Business Financing Program in the realm of the statutory report to Parliament.

Background

The Canada Small Business Financing (CSBF) Program, formerly the Small Business Loans (SBL) Program, is delivered by approximately 1,500 financial service providers across the country. Under the program, financial service providers can make loans of up to \$250,000, over a maximum lending term of 10 years, to SMEs. Lenders are responsible for credit decisions and administering loans. The Government of Canada pays lenders up to 85 percent of any eligible loss incurred on loans that have defaulted, after the lender has taken the steps to recover any associated security to reduce the amount outstanding.

Industry Canada has started a broad program evaluation to assess the CSBF for the April 1999 to March 2004 period. This study produces data to assist Industry Canada in evaluating the effectiveness of the program and to measure economic impacts of CSBF loans by comparing CSBF borrowers to non-CSBF borrowers. Financial forecasts carried out by the department have determined that the Program will not achieve cost recovery, a program objective, for loans made during the 1999-2004 period. The Program is statutorily obligated to table a report in Parliament within 15 sitting days of March 31, 2005 on the operation of the *Canada Small Business Financing Act*.

Objective for Industry Canada

To evaluate the performance of SMEs benefiting from the *Canada Small Business Financing Program (CSBF)* and assess the economic impacts of the Program.

The objective of this study is to follow CSBF borrowers longitudinally both prior to and after reception of their loan. In order to provide a measure of economic benefits, borrowers need to be tracked over a period of time since impacts are not often immediately observable. Although the loans program has existed in one form or another since 1961, a unique identifier – the Goods and Services Tax number (GST number) - is available on the Industry Canada file only since 1996. This research, however, is limited to SMEs that have been part of the loans program between April 1999 and March 2000, as it was felt this cohort fairly represents the CSBF universe. The GST number was the key matching variable between the CSBF file and Statistics Canada files.

A second study objective is to examine the impact of the loan program on revenues, profits over time and firm survival. To do this, the same SMEs used in the Longitudinal Employment Analysis Program (LEAP) file will be linked to T2 data using the Business Number (BN number) for 1998 to 2002.

Statement of Hypotheses

Statistics Canada is providing Industry Canada with data tables and statistical analyses designed to draw conclusions on the validity of the following hypotheses:

- 1) CSBF loans promote employment growth.
- 2) CSBF loans promote higher business survival rates.
- 3) CSBF loans promote sales growth.
- 4) CSBF loans promote higher government tax receipts (corporate and GST).
- 5) CSBF loans promote improved profit ratios (i.e., Return on Assets).
- 6) CSBF loans promote improved operating efficiency (Sales/Assets, Sales/Employee).

STUDY FINDINGS AND DISCUSSION

Introduction

The data tables and regression results are designed to allow Industry Canada to thoroughly analyse the rich database. Statistics Canada is limited by its mandate to the analysis of facts. We applied, however, rigorous financial ratio analysis and furthermore routinely checked if specific industrial patterns or firm size patterns applied to account for specific findings.

Because Statistics Canada is limited by its mandate to the analysis of facts, it will in several cases be up to Industry Canada to explain the findings further. For example, the findings for Hypothesis #6 showed that the sales/employee ratios are persistently lower for CSBF borrowers than for the comparison group across a broad cross-section of industries. A large number of different economic explanations can account for phenomena such as these, but it is outside the mandate of Statistics Canada to favour one explanation over another.

The advantage of the output tables is that they are intuitive and readily understood and interpreted by analysts regardless of specialty and extent of training in quantitative methods.

The advantage of regression analysis is that it allows for statistical rigour and precision that cannot be matched by the data tables. Regression analysis is ideally suited to isolate the effect of the loan program from the multitude of variables in the study. The very strength of regression analysis is its ability to isolate cause and effect despite variability in the data. Throughout the statistical analysis, it was found that the regression results are remarkably stable and robust.

The ensuing discussion of the study hypotheses and their support by the data will, therefore, make more reference to the regression results than to the tables. **The output tables often show similar results, but in cases where the data are conflicting, the regression results are deemed more reliable.** Reasons for differences between table and regression results are addressed in the section of the report titled, "Reasons for differences between results from the regression analysis and the output tables".

Hypothesis #1: CSBF loans promote employment growth

Facts: Across the spectrum of industries, business size and regions, the evidence suggests that CSBF borrowers had higher employment growth than non-CSBF borrowers. On average, growth for CSBF borrowers was 10% higher for the period 1999-2001 and 20% higher for the period 1998-2001. This “core group” of CSBF borrower businesses - those that were alive between 1998 and 2001, and where reliable data including employment counts are available (3,723 businesses) - increased employment from 32,307 employees in 1998 by 9197 to 41,504 in 2001. By contrast, the 3,723 businesses in the comparison group employed 34,392 people in 1998 and 36,435 in 2001, an increase of 2,043 employees. In total, therefore, CSBF borrowers created net employment of 7154 full-time equivalent positions more than the comparison group.

Regressions showed that the Atlantic Provinces were the only region that failed to show higher employment growth for CSBF borrowers than for non-CSBF borrowers. Further, Agricultural Support Industries and Information/Cultural businesses were the only industries - out of 17 non-financial 2-digit NAICS – that did not show higher employment growth for CSBF borrowers.

Discussion

What explanations could account for the fact that CSBF borrowers in the Atlantic Provinces and in the Agricultural support industries + Information/Cultural sectors failed to show higher employment growth than non-CSBF borrowers? For this phenomenon to be understood, it will be useful to be explicit about the assumptions underlying the hypothesis that increased financing promotes employment growth. Every business in the CSBF group received a loan. Businesses use financing to increase profits, which is achieved either by; a) increasing output, or b) lowering costs by modernizing production equipment. In the case of (a), sales and employment will increase. In the case of (b), the loan may not increase the level of employment – it may even decrease it as the business rationalizes production and substitutes capital for labour. In this case, sales may not increase; however, economic theory suggests that the increased labour productivity should show up in the data as higher average annual earnings. Third, the increased profitability should show up in the Return on Equity results.

Sales

Regression results suggest that sales growth for CSBF borrowers was 20% higher for the period 1998-2001 than for non-CSBF borrowers; however, CSBF borrowers in the Atlantic Provinces and Agriculture showed no higher sales growth than non-CSBF borrowers.

Average annual earnings

From the Output tables it is seen that Average Annual Earnings in the Atlantic Provinces increased by 7.1% from 1998-2001, a result which is materially different from the comparison group, where Average Annual Earnings increased by only 2.1% (Table 1). Because the measure of Average Annual earnings appears volatile in the table for the comparison group, a regression was run to confirm results. Regression results showed that average annual earnings among CSBF borrowers in the Atlantic Provinces were 6.4% higher than for the comparison group, compared to 1.6% for Canada as a whole. As for the two industries failing to show employment growth, only Agriculture had enough observations to conduct a statistical test with confidence. Regression analysis showed that average annual earnings increased by 2.4% more than for the comparison group; that is, by a third more than Canada as a whole.

Return on Equity

CSBF borrowers boosted Return on Equity by 3.2% in the period 1999-2001 compared to the comparison group for the all-Canada aggregate, but by a full 6.2% in Atlantic Canada and 7.5% in Agriculture.

Therefore, the evidence is consistent with an interpretation that loans in Atlantic Canada could have been used to modernize production processes.

Conclusions: On average, growth for CSBF borrowers was 10% higher for the period 1999-2001 and 20% higher for the period 1998-2001. This “core group” of CSBF borrower businesses, i.e. those that were alive between 1998 and 2001 (3,723 businesses), generated net employment growth of 7,154 full-time equivalent positions more than the comparison group.

In addition and as shown above, Hypothesis #1 implicitly assumes that most CSBF borrowers will make use of loans not solely to modernize production processes and raise labour productivity, but that most loans will be used to increase the size and scope of operations, which in turn promotes employment growth. Hypothesis #1 is supported by the evidence across a broad spectrum of industries, business size groups and regions. The regressions found no instances where the CSBF group generated less employment growth than the comparison group. For the few cases where employment growth was indistinguishable between the two groups, the evidence is consistent with an interpretation that loans were used to modernize the production process and raise labour productivity.

Hypothesis #2: CSBF loans promote higher business survival rates

Facts: Small businesses with fewer than 5 employees that became CSBF borrowers had materially higher survival rates than the comparison group (Output table 7). About two-thirds to three-quarters of CSBF borrowers were still alive in 2001, which compares to 60% for the comparison group. For businesses with 5-19 employees, however, survival rates were approximately 80-90% for both groups. No conclusions were drawn about the remaining employment size groups due to the small number of observations.

Addendum

An authoritative Statistics Canada article discusses the prevalence and reasons for Small Business Failure rates: John Baldwin et al., Failure Rates for New Canadian Firms: New Perspectives on Entry and Exit, Statistics Canada, 2000.

Pertinent points directly taken from the article are:

- 1) 77% of new business start-ups survive their first year of operation, 50% survive for three years, and 20% for ten years.
- 2) Survival rates after ten years of operation are the highest in wholesale trade (27%), manufacturing (26%). New firms in the accommodation, food and beverage industry have some of the lowest survival rates (15% after ten years).
- 3) If the costs of entry are high – due, for example, to the existence of sunk costs – fewer firms can be expected to enter the industry. As a result, fewer new firms can be expected to fail. As a corollary, new firms in industries with relatively large firm sizes are less likely to fail than those in industries with smaller size characteristics.
- 4) Firms that are large relative to the industry first-year average stand a much better chance of surviving than those that are small relative to this average. Large new firms make more substantial investments in the entry process, and the initial higher stock of assets cushion the business against early failure and thus allows for more time to gain market experience (“honeymoon effect”). Many suboptimal scale firms enter the marketplace – those that do not address their size disadvantages are likely to fail; those that do grow and obtain minimum efficiency scale are apt to survive.
- 5) New start-ups benefit from industry structures that are more concentrated. Presumably the higher margins earned in these industries increase the chances of survival.
- 6) Businesses that enter the market during times of good macroeconomic conditions have lower failure rates.

Hypothesis #3: CSBF loans promote sales growth

Facts: Regressions focused on the group of CSBF borrowers that were alive between 1998 and 2002 and that had reliable data available (3,673 businesses). For this group, sales growth was 13% higher than for non-CSBF borrowers for the period 1999-2001. Similarly, sales growth for CSBF borrowers was 20% higher for the period 1998-2001, and 43% higher for the period 1998-2002, than for the comparison group. In no industry, region or business size group was there an instance where sales increased by more in the comparison group than in the CSBF group. The smallest CSBF borrowing businesses (1-4 employees) benefited the most, increasing sales by 51% for the period 1998-2002, followed by those with 5-19 employees (37.4%) and businesses with 20-49 employees (36%).

These 3,673 CSBF borrowers increased sales from \$2.3 Billion in 1998 by \$2.0 Billion to \$4.3 Billion in 2002. By contrast, the 3,673 businesses in the comparison group increased sales from \$2.8 Billion in 1998 by only \$ 0.6 Billion to \$3.4 Billion in 2002. In total, therefore, CSBF borrowers generated net sales growth of \$1.4 Billion over and above that achieved by the comparison group.

Discussion

While higher sales growth among CSBF borrowers is strongly supported by the evidence, an important economic issue is: did the sales lead to higher profits? If profits increased together with sales growth, then businesses used CSBF loans to finance projects that were economically meaningful and created “value added”. Conversely, if CSBF loans were used to finance projects that generated additional costs that exceeded the value of additional sales, then projects financed by CSBF loans would have been unprofitable, and “destroyed value” in the economy. Costs can exceed revenues during the start-up phase of a project, but it would be surprising if lead times exceeded 2-3 years for most industries. Since businesses in this study received a CSBF loan in the April 1999 to March 2000 period, the higher sales growth CSBF borrowers experienced, compared to non-CSBF borrowers, should have led to higher profits and, therefore, higher value added, by 2002. To answer the question whether or not this occurred, three points are considered when examining the evidence from the data:

- 1) If sales growth was followed by increases in operating profits, the evidence would suggest that CSBF loans create economic value.
- 2) If sales growth was followed by a fall in operating profit at the broad aggregate levels, the evidence could be interpreted that CSBF loans create significant “adverse selection” problems.¹

¹ “Adverse selection” could occur if credit-worthy businesses with sound business plans were easily able to obtain loans at a reasonable interest rate from lending institutions without applying for the CSBF program, and only

- 3) If sales growth went hand-in-hand with an unchanged level of operating profit, it is inconclusive whether or not CSBF loans create economic value.

This study found no instance except one where operating profits decreased for any CSBF size group, industry or region when compared to non-CSBF borrowers.² The evidence, therefore, soundly rejects a proposition that the loan program created adverse selection problems. Evidence suggests that growth in operating profits was higher than for non-CSBF borrowers for a large number of industries (NAICS 23,32,41,48,49,53,56,72,81). Growth in operating profits for CSBF borrowers was statistically indistinguishable from that of the comparison group for NAICS 31,33,44,54,51,52,71,62. No particular pattern that explained these industrial differences was apparent.

Conclusion: There is strong evidence that CSBF borrowers increased sales substantially more than the comparison group. Sales growth was 43% higher than for non-CSBF borrowers for the period 1998-2002, with net sales \$1.6 Billion higher for the study group compared to non-CSBF borrowers. Furthermore, sales growth created value added in the economy, as operating profits rose, on average, by \$13,500 more for CSBF borrowers than for non-CSBF borrowers, for the period 1998-2002. In addition, the alternative hypothesis that the loan program created adverse selection problems is soundly rejected by the data.

Addendum:

We attempted to test which loan categories were most strongly correlated with sales growth. The loan categories are; a) purchase or improvements of real property; b) leasehold improvements; c) equipment; d) software. Regression coefficients and error terms were however found to be highly unstable due to severe multicollinearity issues and heteroscedastically distributed error terms. Small changes in model specification changed the regression outcomes materially. Various model specifications were tried and rejected. Similarly, it was tested how the term length of the loan was correlated to sales growth. Again, however, regression results were unstable.

credit-unworthy businesses without sound business plans would apply for and receive CSBF loans from lending institutions who have most of their lending risk removed by the government's share of the loan loss.

² The exception is NAICS 11 – agricultural support activities.

Hypothesis #4 - CSBF loans promote higher government tax receipts

Facts: The data tables show that CSBF borrowers increased net GST remittances from \$9,470 per business in 1998 by 28.7% to \$12,190 in 2002. By contrast, the comparison group increased net GST remittances from \$9,420 per business by 6.2% to \$10,000 in 2002.

Discussion: Corporate Income tax remittances. The “current income tax” and “deferred income tax” fields on GIFI files contain large and unexpected numbers of missing values and other data quality issues. (Please refer to Appendix E for details) that could not be sufficiently corrected during the time frame of this study. Therefore, no confident conclusions about the remittance of income taxes can be provided at this time. It should be mentioned that all other GIFI information (sales, assets, etc.) is complete. For the data quality of these data, please refer to Appendix E of this report.

Conclusion: CSBF borrowers increased net GST remittances by a materially higher margin than non-CSBF borrowers. This result is consistent with the hypothesis. No reliable conclusions are presently possible on corporate income tax remittances.

Hypothesis #5: CSBF loans promote improved profit ratios (i.e., Return on Assets)

Facts: Return on Assets dropped by 1.2 percentage points for CSBF borrowers for the period 1998-2002 compared to non-CSBF borrowers.³ Return on Assets dropped for about half the industries, although three (Information and Cultural Industries / Arts, Entertainment and Recreation / Other Services) showed increases in Return on Assets when compared to non-CSBF borrowers.

Discussion

It will be useful to be explicit about the assumptions underlying the hypothesis that increased financing will promote improved profit ratios.

First, it is not an intrinsic goal for any business to maximise its Return on Assets. Often an increase in business profits will be achieved by allowing the Return on Assets to fall. This is because business investment decisions are made by evaluating the expected return of a project against the cost of financing that project (which is equal to the firm's cost of capital). For example, if the cost of capital was 8%, and a project was expected to earn 10%, then an investment is profitable and will take place. If the same business earned a Return on Assets of 20% on all its business projects hitherto, and the new project earns 10%, it is easy to see that the average Return on Assets will fall. Conversely, if the business earned hitherto 9% on its equity, than with the addition of the new project, which earns 10%, average Return on Assets will rise.

It thus can be seen that the hypothesis that CSBF borrowers will have an increased Return on Assets is a strong one. It assumes that businesses will use the loan to finance projects that earn a rate of return that exceeds that of all of its existing projects.

Conclusion: Return on Assets fell for CSBF borrowers when compared to the comparison group, which is inconsistent with the hypothesis. It needs to be stressed, however, that a higher Return on Assets is not an intrinsic goal for any business. In the discussion of Hypothesis #2 it was shown that CSBF borrowers increased operating profits more than non-CSBF borrowers following the loan. If the Return of Assets had increased also, then businesses would have used the loan for projects that earned a higher rate of return than the average of all its existing projects. This strong hypothesis is rejected, however, as stated, business profits increased for the CSBF borrowers compared to non-CSBF borrowers.

³ Return on Assets is sometimes called Return on Capital, which is identical. The capital of a business is equal to debt and equity capital, which in turn is equal, by definition to assets, as can be seen in the standard accounting equation $Assets = Liabilities + Equity$.

Addendum: Profitability can also be measured using the concept of “Return on Equity”. Return on Equity by itself cannot, however, answer the question as to whether the loan boosted the profitability of the business. This is because profits are earned on the firm’s capital base, not on equity alone. A firm’s capital consists of equity+debt. Receiving a CSBF loan boosts debt, but not equity. That is, the loan increases the financial leverage of the firm. To answer the question whether business profitability has increased, it is important to look at Return on Equity in context to changes in the debt ratios of businesses. If evidence suggests that the debt ratio - defined as the proportion of the firm’s capital that is debt rather than equity - stayed constant after receiving the loan, then the CSBF loan would have been followed by equity injections into the business so that the overall financial leverage stayed the same. In that case, growth in Return on Equity would indeed indicate that the business had invested the proceeds of the loan in projects that earned a return in excess of the average of all its existing projects.

The alternative (and more direct) measure is to look at the Return on Assets. Assets are equal to Liability+Equity; therefore an increase in business liability as a result of the CSBF loan also increases its assets. The Return on Assets measures how effectively a business is using its capital directly.

CSBF borrowers boosted Return on Equity by 3.2 percentage points (1999-2001) and 2.4 percentage points (1998-2002) when compared to the comparison group. No industry, region or revenue size group showed a decrease in Return on Equity when compared to the comparison group; however, only for about half the industries increases in Return on Equity were of statistical significance. The evidence suggests that businesses in the study group have had no change in the business debt ratio compared to the comparison group after receiving the loan; suggesting that loan injections were followed by increases in equity also. On that measure, the stronger growth in Return on Equity by CSBF borrowers suggests that the loans triggered profitability gains; i.e. that the loans were used for projects that earned a higher return on capital than what the business had experienced in the past - on average by 4.2 percentage points higher than the comparison group. As concluded above, however, the direct measure of business profitability, Return on Assets, does not support this conclusion. In addition, the generally insignificant gross margin growth of CSBF borrowers as compared to non-CSBF borrowers, are additional evidence that CSBF loans have not increased business profitability. Some of these contradictory results are probably caused by quality issues related to the GIFI database. Appendix “E” includes a discussion on data quality issues with GIFI data. Given a choice between a direct measure of profitability (Return on Assets) and indirect measures (Return on Equity together with the debt ratio), the direct measure was used to answer the hypothesis, as is usual in scientific enquiry.

Hypothesis #6: CSBF loans promote improved operating efficiency.

Facts: The sales/asset ratio and the sales/employee ratio are persistently lower for CSBF borrowers than for the comparison group across a broad cross-section of industries. This is inconsistent with the study hypothesis. There are very few instances where the ratios improved when compared to the non-CSBF borrower group.

Discussion

The observation that the Sales/Asset ratio had fallen is an interesting finding. The Sales/Asset ratio is a measure of the capital intensity of a business, and, despite demonstrated employment growth (Hypothesis #1), a higher ratio would be consistent with an increased capital intensity of CSBF businesses. It was postulated that therefore the capital/labour ratio could have been rising for the CSBF group. A specialized regression equation, however, rejected that hypothesis. It is currently unclear why these ratios behave the way they do, unless one is inclined to accept an explanation of long lead times. It is theoretically possible that operating efficiency ratios take longer to show up in the data than employment growth, sales growth, profit growth and even profitability growth.

Conclusion: the hypothesis that CSBF loans promote improved operating efficiency ratios is rejected by the data. There are very few instances where the ratios improved when compared to the non-CSBF borrower group.

Reasons For Differences Between Results From The Regression Analysis And The Output Tables

The CSBF and comparison groups were used in two ways to test the study hypotheses:

- 1) Regression analysis
- 2) Comparative tables

The regression methodology is described below. The data tables were developed in coordination with the client to ensure consistency in presentation for both the Study group and the comparison group. The summary tables (appendices H and I) display employment changes of the CSBF borrowers by industry groupings, business revenue size, and age of business. The structure follows a standard format. Information is shown for each variable of interest and year.

The comparative tables and the regressions often show qualitatively the same results. In cases where they don't, this is because

- 1) The regressions include the cohort of businesses that were continuously active from 1998-2002, whereas the tables report results for all businesses that were operating within a given year. That is, the data set that was the basis for the tables include exits, whereas the data set used for regression analysis excludes all exits. For example, the regressions include the 3,700 loan recipients that were continuously active from 1998-2001, whereas the tables for the CSBF group include 4,867 loan recipients (1998); 9,149 recipients (2000) and 8,840 recipients (2001).
- 2) Results by employment and revenue size groups: the regressions report results by constant year 2000 employment and revenue size groups, whereas the tables assign businesses to employment and revenue size groups on a dynamic year-by-year basis. Most data have been tabulated using employment size and/or revenue size groups. Thus a business must have been accounted in one or the other employment or revenue size category for a selected year but may have been grouped differently in subsequent years given its change in employment or revenue. This approach limits the analysis when interpreting solely the data from these groupings as shown in the data table to an extent. For instance, a business with 3 employees in 2000 and 6 employees in 2001 will be in the "1-4" size group for regression purposes for both 2000 and 2001, but in the "5-19" size group for the 2001 output tables. In this case, the data in the tables (but not the regressions that are reported by employment size group) could conceivably even show a decrease in average employment for both employment size groups. The reason for this dynamic way of recording revenue and employment size groups is that the tables, developed jointly with Industry Canada, fulfill a profiling function in addition

- to testing the study hypotheses. The regressions, however, are solely meant to test the study hypotheses. While the issue of stratum jumpers is real for conducting hypothesis tests purely from table values, evidence shows that the tables remain meaningful for comparison purposes. Thus the table results by revenue and employment size groups are meaningful for comparative purposes as well as for profiling, but when used for comparative purposes must be approached with a measure of caution. It should be noted that this issue does not exist for industry or regional groupings because of the inherent stability of the type of industrial activity and regional presence of businesses.
- 3) Regression analysis is very well suited to isolate the effect of the loan program from the multitude of variables in the study. The very strength of regression analysis is its ability to isolate cause and effect despite variability in the data. One factor to consider in cases where the tables and regression analysis show different results is that regressions more effectively control for variability in the data.
 - 4) While large outliers were removed from the data set entirely, suspected data errors in the GIFI tax data were removed from the regression data set but not from the table data set. These data errors are not expected to influence table results, but a reversal of results due to data errors cannot be entirely excluded (Appendix E, "Data risks and quality", subsection "Data errors in GIFI").
 - 5) The data tables use "net income" while the regressions use "operating income" as the measure of profits. Similarly, Return on Equity is defined on an operating income basis in the regressions, and on a net income basis in the data tables. This is a direct result of the finding from the data tables that "net income" is very volatile due to the inclusion of extraordinary items. There is enough statistical "noise" in the net income data that interpretability is highly limited. Therefore, the regressions used operating income (which excludes extraordinary items), and as a result, interpretability has been markedly enhanced.
 - 6) The debt ratio has been defined as Debt/Equity in the data tables, and as $\text{Debt}/(\text{Debt}+\text{Equity})$ in the regressions. That is, the regressions use a definition that expresses debt as a percentage of business capital. Both formulations are widely used in financial analysis. The issue with the simple ratio is that its value will increase exponentially as the denominator becomes small. In these cases interpretability is compromised. Expressing the debt ratio, as is done in the regressions, avoids this problem altogether, and it is felt that it adds stability and interpretability to the data.

Further research to help enhance measures of the CSBF program

- Extending the study to encompassing 2002 LEAP data, which will become available in February 2005.
- As input data files are not used for statistical purposes – re.: tax data - more time could be devoted to data quality – outlier detection; in particular this would allow an answer to Hypothesis #4 (Do CSBF loans promote higher tax receipts?). Corporate income tax information could be carefully verified. To improve measures of Return on Equity and the debt ratio, time could equally be devoted to carefully verifying the “equity” variable.
- Use of the CSBF file to study in-depth the impact of the loan amount on subsequent business performance. In the current approach, a CSBF borrower was hypothesised to have better business performance than non-CSBF borrowers regardless of the size of the loan, especially when compared to the overall size of the business. The data exists to examine these relationships more closely. Similarly, information exists to delineate more precisely lead-times between the time the loan was received, and the time it took for businesses to improve business performance. The CSBF file contains precise dates when loans were received; however, study results presently do not distinguish between businesses that received the loan at the start of the study period (April 1999) versus those who received the loan at the end of the period (March 2000).
- Bringing in elements of the SME Financing surveys of 2000 and 2004 would enhance the report by offering valuable information on ownership and business characteristics to help further explain entrepreneurship behaviour. A sample of CSBF clients will be reporting under the 2004 SME Financing survey. This survey source would also provide information on businesses who have borrowed from credit suppliers other than the CSBF.

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APPENDIX A - Variable selection and Definitions

Retained variables for the study

The list of variables used on the composite file was a result of exchanges with the client and analysts in order to ensure the essential variables to test the hypothesis were kept as well as variables deemed as key to data interpretation or control.

Variables under study and categories

From the Business Register (BR) file

- NAICS code
- Revenue (GBI)
- Region Code
- Urban/Rural (based on Postal code)

From the Longitudinal employment analysis program (LEAP) file

- Payroll Earnings
- Average Annual Earnings
- Average Labour Unit (ALU) (= Payroll Earnings/Average Annual Earnings)
- Number of Businesses
- Industry
- Business size (determined by average labour unit size)

LEAP information is available for all employer businesses and until 2001.

From Tax data files

- Sales
- Revenues
- Profits
- Balance sheet data (Assets, Liabilities, Equity)
- Current/Deferred Income Taxes (GIFI Annex 1)
- Net GST ratios.

Essential variables were kept to derive the basic financial ratios such as: gross margin; sales per dollar of assets; dollar of sales per employee, return on Assets; return on equity, liabilities / equity; sales per business.

Final data output or aggregated domains of observations were defined. In determining the following groups, prior analysis of distribution from the study

group was completed. Client in collaboration with contractor helped define the following:

Region; Six standard regions have been defined and presented in the data tables:

- Atlantic,
- Québec,
- Ontario,
- the Prairies;
- British Columbia and;
- the Territories.

Employment size category (Generally, recognized employment size category adapted to small and medium size firms)

- 1 to 4 employees;
- 5 to 19;
- 20 to 49 and;
- 50 and more employees.

Revenue sizes

- 0 to 100,000\$;
- 100,001\$ to 250,000\$;
- 250,001\$ to 500,000\$;
- 500,001\$ to 1 million\$;
- 1 million\$ to 2 million\$
- and 2 million\$ to 6 million\$.

These were determined using the study group business distribution from the CSBF. While CSBF borrowers are businesses that had (estimated) less than \$5 million in revenues at the time of the loan application, a ceiling of \$6 million was used to allow for some growth between the time of the loan application and year-end 2000.

Business age

The client was active in defining these with STC, reflecting on our ability to produce meaningful statistics where data would permit. The business age categories are, as defined in the CSBF program:

- less than one year;
- 1 year to under 2 years;
- 2 years to under 3 years and;
- more than 3 years

Industry groups

The industry groups are based on the North American Industry Classification system (NAICS). The groupings were subject to exchanges and input by both the client and STC analysts, to help present the distribution of CSBF clients while ensuring sufficient number of businesses in each category to help support the study results. In addition, groupings used in prior CSBF Program research studies were used for purposes of comparability of results.

Eight Industry groupings were defined:

- Manufacturing (NAICS 31-33);
- Retail Trade (NAICS 44-45);
- Transportation and warehousing (NAICS 48-49);
- Accommodation and Food Services (NAICS 72);
- Professional, Scientific and Technical Services (NAICS 54);
- Agricultural Support Activities, Forestry, Fishing & Hunting and Construction (NAICS 11,23);

Group A

NAICS	Industrial Activity
21	Mining and Oil and Gas Extraction
22	Utilities
51	Information and Cultural Industries
52	Finance and Insurance
53	Real Estate and Rental and Leasing
56	Admin.& Support, Waste Mgmt and Remediation Serv.
61	Educational Services
71	Arts, Entertainment and Recreation

Group B

NAICS	Industrial Activity
41	Wholesale Trade
55	Management of Companies and Enterprises
62	Health Care and Social Assistance
81	Other Services (except Public Administration)
91	Public Administration

Urban and rural concept

The "Rural and Small Town" (RST) definition of "rural" was used. RST is the non-CMA/CA population. The boundaries separating RST from CMA/CA distinguish populations with less access to markets of larger urban centers from those with greater access. Even though this definition is based on commuter flow thresholds, its application is not limited to labour market issues. In broader terms, commuter flows proxy "access" of a population to services such as

financial institutions (excerpt from "Definitions of rural", 21-601-MIE-061 by Valerie du Plessis, Roland Beshiri, Ray D. Bollman and Heather Clemenson, Dec. 2002).

Financial ratios

The selected financial ratios were calculated and presented in the data tables:

- Gross margin (Gross Profit/ Sales) in %
- Sales per dollars of assets
- Sales per employees
- Return on equity (Profits / Equity) in %
- Financial leverage (Liabilities /Equity)

Other request from the client included:

- Number of units per net Profit Gains or Loss – To help calculate average net profit gains/loss.

Appendix B - Data availability

1) Employment data from LEAP

While financial data is currently available until 2002 from GIFI tax returns, one important constraint of this study as outlined in the contract was the lack of availability of more recent data on employment as taken from the Longitudinal employment analysis program (LEAP). The latest year for which data was available was 2001.

This study will use LEAP data up to 2001 as this source is the last reference year for which data is available for longitudinal measures on employment. As employment growth is a key variable in comparing the study group to the comparison group, it is felt that 4 years of observations (1998-2001) should foster sufficient information given the large number of businesses under observation.

2) Corporate income tax information from GIFI

This hypothesis could not be reliably tested. Testing hypothesis 6 was found to be severely compromised by tax data availability issues, in addition to data quality issues in the same data. Data were processed and are included in this report, but they should not be relied upon to come to conclusions on hypothesis 6. The data issues were the following:

GIFI corporate income tax information is available from 1999-2002. No records exist for 1998. As for the 1999-2002 period, approximately 30% of records have no entry for "current tax", and 75% have no entry for "deferred tax". As both variables also contain numerous values of "0", it cannot be assumed that the missing variables are equal to zero. Furthermore, omission of tax information is not systematic for businesses over the 4 years; a business might have recorded a value for one year but not for another. In addition, in a significant number of records, reported income tax appears to have no relation to income, which leads to questions about data quality for this field (see Appendix E, "Data risks and quality").

It should be mentioned that GIFI data for the remaining Income Statement items and all Balance Sheet items were substantially complete and reliable. Data quality is discussed in Appendix E.

3) Businesses operating in more than one Province

For businesses operating in more than one Province a weighting procedure was used to allocate financial data from GIFI, which is only available on a national

basis. The allocator used was "total payroll", which comes from provincial LEAP data.

4) Goods and Services Tax (GST)

Ideally, the study could have looked at net GST payments for each business in both the study and the comparison groups. Given that Industry Canada asked for GST information after work for the initial record linkage proposal had been completed, it was felt that the timelines to produce a complete report would not be met. Effectively, this approach would have required the formal submission of a second record linkage proposal that would have jeopardized our ability to produce the report under the existing contract conditions. The following approach was taken:

Companies that remit GST to the Canada Revenue Agency (CRA) must, file a one page return that provides information for the reporting period. Statistics Canada (STC) receives a file on a monthly basis from the CRA which contains the information supplied to them at the time of remittance of the GST amounts owed. Thus, for each business which remitted GST in the month, STC receives the reported sales, total GST collected, input tax credits (ITC) claimed, and net GST remitted, among other variables.

Businesses in the Atlantic Provinces, except Prince Edward Island, report Harmonised Sales Tax (HST remittances). Given that a) the harmonization of the provincial and the federal portion of the tax is close to 100%, b) the very small weight of PEI, c) a HST rate of 15%, and d) a GST rate of 7%, the GST net remittance was estimated by the formula (HST net remittance x 7/15).

STC assigns to each of these businesses a North American Industrial Classification (NAICS) code, outliers are identified and treated, and missing revenue amounts are imputed. As businesses are allowed to file GST on a monthly, quarterly and annual basis, all records are also converted to calendar months.

The revenues and the net GST remitted were summed according to the defined geographic (urban/rural), industrial, and revenue groups for the years 1998 to 2002. The ratio of net GST remitted to revenue was calculated by region and territorial location (urban / rural), industry, and revenue group.

The estimated net GST remittance of each business was then estimated by the formula, (sales x net remittance ratio).

As businesses do not collect GST on goods they produce for export, for food commodities, or prescription drugs, in some instances the ITC's claimed are greater than the GST collected. This gives rise to a negative amount for the net GST variable. This result can also hold for entire industry groups and so affect the ratios calculated. The net effect on government is zero as these refunds of GST paid by exporting companies represent a refund of GST collected on the value added of upstream companies. In this exercise, negative ratios for all groups were set to zero.

Appendix C - Methodology Overview

The chosen method for conducting hypothesis testing is to compare specific characteristics of CSBF borrowers with a group of businesses that have not received such loans and track their performance over time in order to measure the impact of the loan program. By definition, all CSBF borrowers have received financing. While it is likely that some non-CSBF borrowers have received other financing, many will not have received financing. It is therefore believed that, as a group, CSBF borrowers will have received more financing than non-CSBF borrowers; and hence differences in business performance can be attributed to the impact of the CSBF loan program. In this context, much of the validity of the statistical comparative tables will depend on keeping all other characteristics between the two groups constant. For example, if "CSBF participation" and "profit ratio" pattern are hypothesised to be correlated, all other variables, such as industry composition, employment size group, must be held constant. The methodology for choosing the comparison group is described in Appendix G. Basically, the methodology matched business characteristics for the following variables:

- Employment size (number of full-time equivalent employees and payroll)
- Industrial activity (8 NAICS groupings)
- Sales
- Size of the Balance Sheet (Assets and Liabilities)
- Operating profit

Subject to the caveats discussed below, Statistics Canada has identified a comparison group that is tightly matched on these criteria. Therefore, comparisons can be made with confidence.

The use of any additional criteria would have materially compromised the quality of the match on employment size and NAICS. A consequence is that the regional tables must be approached with caution because no specific control was possible. Businesses that operate in more than one province posed a particular problem. For example, if a business operates in the Atlantic Provinces, Quebec and Ontario, it is in most cases exceedingly difficult or impossible to find a business for the comparison group that is active in the same three provinces, and, particularly, with the same distribution of business activity among the three provinces.

Appendix D - Regression analysis – methodology

These regressions have been designed to test the Hypotheses of the Economic Impact Study. These are that the CSBF Program promotes growth and business performance for the following measures: employment, sales, profit, tax revenue; business profitability ratios (Return on Equity, Return on Assets) and other selected business ratios (Sales/Employee, Sales/Assets).

The impact of the loan program was measured for 5 distinct periods:

1. 1999-2001 for all variables;
2. 1998-2001 for all variables except tax (where data was only available starting in 1999);
3. 1999-2002 for all financial variables;
4. 1998-2002 for all financial variables except corporate income tax.

Each regression was of the general form (illustrated by the 1998-2001 study period):

Hypothesised variable (2001) = a + b(CSBF) + c(Hypothesised variable 1998) + d(employment count 1998) + e(sales 1998) + f(operating profits 1998) + g(gross profit 1998) + h(assets 1998) + i(liability 1998) + j(size of payroll 1998) + k(NAICS) + l(urban/rural) + m(geographic region) + error term

The variable of interest is the coefficient "b" that corresponds to the "CSBF" variable. This is a dummy variable that takes the value of "1" if the business was a participant in the CSBF Program and a value of "0" otherwise. The control variables hold other characteristics between businesses constant in order to isolate the effect of the loan program.

While several of the control variables are exhibiting multicollinearity, they were found to be strictly collinear with one another rather than with the CSBF dummy variable. Further, while regression error terms were found to be heteroscedastic, its extent was found to be relatively benign. Nonetheless, the Huber/White sandwich estimator of variance was used in place of the traditional calculation.

The regression results are remarkably stable and robust. That is, the results do not change materially if the regression model is altered by exclusion or inclusion of some control variables, or using a logarithmic versus a non-logarithmic specification.

Guide for interpreting regression results

The regression tables show the performance of CSBF businesses compared to non-CSBF businesses over the study period. For example, businesses that participated in the loan program had employment growth that was 19.1% higher than businesses that did not participate in the loan program. Of course, percentage changes can only be meaningfully calculated if variable values are strictly positive (such as sales and employment count). In cases where negative values are possible (such as losses rather than profits), an absolute dollar value has been provided in the regression tables. For example, businesses that participated in the CSBF Program had an operating profit in 2001 that was \$8,300 higher than for businesses that did not participate in the program, after keeping all other factors constant between the study and the comparison group, including the level of operating profit in 1998.

Regressions that are not statistically significant at the 5% level or better (F-statistics) are indicated by a hyphen (-). Estimates of the coefficient corresponding to the CSBF dummy variable are indicated as follows:

- a) statistically significant at the 5% level or better - no specific indication (default);
- b) significant at the 10% level - indicated by the coefficient shown in italics or by an asterisk (*);
- c) statistically insignificant at the 10% level - indicated by an "x".

Appendix E - Data risks and quality

The use of several files entails the acceptance of the quality of each input files. While data from Statistics Canada sources were found to be of high quality (LEAP), in this particular study the quality may vary from one reference year to the next because of the inclusion of tax and GIFI data. STC receives a data file for its Tax data program from the CRA. These files are not collected for statistical purposes, and the content of which is not generally thoroughly verified for completeness and consistency. Therefore, it was uncommon in LEAP files, but not uncommon in tax-GIFI data, to find records where variables remained blank for selected reference years or even contained erroneous values.

Outliers

Throughout the creation of the data tables and regression analysis for both the Study and the Comparison group, many outlier values were identified. Tests were conducted to define when a value was deemed an outlier when compared to all businesses under observations. A decision was taken in coordination with the client to remove extreme values from the tables for reference years 1998-2002. This activity was not conducted for the 1994-1997 reference years (Table 1A), as this data was not specifically being used in the comparative analysis but provided as added value.

Outliers were identified throughout the creation of the data tables. The primary method consisted of visually plotting the distribution of each variable on a scatter diagram and examining – and in many cases removing from the data set - isolated values that were far removed from the central tendency. This affected less than one value in a thousand.

Data errors in GIFI

As stated earlier, the CRA does not verify financial data from GIFI for internal consistency. The financial data for the CSBF and the comparison groups contain an unknown, but significant, number of data errors which do not show up as statistical outliers on a scatter diagram. Therefore, they are time-consuming to identify. To illustrate, if a GIFI record reported sales for 1999 as “\$500” and “gross profit” as “\$200,000”, then in all likelihood this record contains a data error, because accounting rules dictate that sales cannot be lower than gross profits. (Gross Profits = Sales – Cost of Goods Sold). The record would have to be examined whether the error is in the “sales” field or the “gross profits” field, and this would usually be done by examining the entire record and its history from previous years. Considering there are thousands of records in the data base, a rigorous process of examining each record separately is highly labour

intensive. Fortunately, and for two reasons, such a process is not warranted when values are later aggregated, as they are in the output tables for this study:

- 1) As long as the erroneous values are small, they do not affect aggregates that contain thousands of records;
- 2) Erroneous values are likely randomly distributed (both up and down) and, therefore, they can be expected to net out.

By sharp contrast, regression analysis is unforgiving to the impact of erroneous data. The impact is not benign. In regressions, which examine a hypothesized relationship among variables one record at a time, and where regression fit is established by the Ordinary Least Squares method – with error terms squared separately for each record – erroneous data can substantially weaken the precision of the regression model. A process of cleaning up data errors at the start is not to be neglected.

Given the labour intensive process of thorough clean-up described above, a more mechanical approach was used that attempted to identify probable errors efficiently. For each year (1998-2002), data clean-up affected one or more variable for 5% of all records. During clean-up, variable values were never changed. They – or in severe cases entire records - were deleted.

Summary:

In summary, values were identified and deleted that had:

- 1) Less than \$1,000 in reported sales
- 2) Less than \$1,000 in Assets or more than \$10 Million;
- 3) Liability <0;
- 4) Sales lower or equal to Gross profit, Operating Profit or Net Profit;
- 5) Profit = 0 (Gross profit, Operating profit, Net profit);
- 6) Gross profit < Operating profit;

Justification for each of the above six exclusions:

Case 1) was examined for several records and mostly found reflecting data errors which became evident when compared to recorded sales values for previous years (missing zeros, etc.). Further, sales <\$1,000 is suspect for employer businesses. All sales fields with values <\$1,000 were deleted. There remain 30 businesses with less than \$30,000 sales on the regression database, which are also suspect but where sales fields were not deleted. (\$30,000 is the usual lower threshold for GST reporting and detailed records being kept on file by Statistics Canada.)

Case 2) was examined for several records and mostly found reflecting data errors in context of other information about the business. These values were deleted. When deleted, the related fields “liability” and “equity” were also frequently deleted in order not to distort Balance Sheet ratios.

Case 3) is an impossibility under standard accounting rules, and Cases 4) and 6) are, while theoretically possible, extremely unlikely and extraordinary accounting events; therefore, these values were deleted.

Case 5) is too coincidental for the number of times it occurred compared to the probability of occurring. A business can have profits or losses across the spectrum from large positive to large negative; that Sales in a fiscal year are exactly equal - to the dollar - as expenses, is an extremely unlikely event. A number of records were examined and mostly found erroneous in the context of other financial information available about the business; therefore, these values were deleted.

In addition, business ratios that are also study hypothesis variables (Return on Equity, Return on Assets) were calculated and deleted in the following cases:

- 1) Equity <0
- 2) Return on Equity and Return on Assets less than -40% or higher than +60%.

Return on Equity measures the implicit “interest rate” that owners earn on their investment in the business. Similarly, Return on Assets measures the implicit “interest rate” that the business earns on its invested capital, which includes debt capital in addition to equity capital. The investment in the business is measured in accounting terms by the standard balance sheet equation, $Equity = Assets - Liabilities$. Equity can be negative because asset write-downs and accumulated losses can diminish the value of assets without reducing the amount of debt outstanding. The ratio, “Return on Equity”, however, is only a meaningful measure if Equity is larger than zero. Furthermore, Return on Equity and Return on Assets is only a meaningful measure if the asset base and the equity base are sufficiently large to avoid the problem of low denominators. Return on Equity and Return on Assets are not a meaningful measure if they are, for example 250% or -80%, or if equity is negative. Again, these ratios are meant to indicate the implicit “interest rate” that the business earns on its equity and its capital. A low capital or equity base can lead to absurd ratios that are the mathematical result of the low denominator used in the calculations without true economic meaning. The present study bounded reasonable values between -40% and +60%, and all other values were deleted. Ratios are indicated by n/m (not meaningful) in the tables.

Data Confidentiality

Whenever the number of observations (businesses) was less than 5 the data was suppressed whenever financial data is presented.

N/A in tables – meant data not applicable

APPENDIX F – Files linked, content description and process

1.0 Files linkage process

1.1 Source Files linked

- Canada Small Business Financing Program database - 1999-2000
- Business Register – (1999, 2000, 2002)
- Longitudinal employment analysis program - (LEAP) 1994 to 2001
- T2 Corporate Tax Data file (T2 Admin) – 1998 and;
- General Index of Financial Information (GIFI) (1999-2002)

A step by step description of the process is outlined below :

1.2 Linkage procedure

This study required linking CSBF records from a file provided by Industry Canada, to the Business Register, using Goods and Services Tax (GST) numbers in order to obtain both the Business Number (BN) and the Statistical Enterprise Number (SNUM) identifiers for these SMEs. Using SNUM identifiers, these records were linked to the Longitudinal Employment Analysis Program (LEAP) data base to obtain year over year employment growth.

The SMEs used in the LEAP analysis were linked to T2 Admin data 1998 and General Index of Financial Information (GIFI) for year 1999 to 2002 using BN numbers for year 1998.

The steps required to link the records were as follows:

Step 1. a) The list of 13,516 businesses registered with the CSBF Program in 1999-2000 was matched to the Business Register (reference year 1999 and 2000), using GST numbers.

b) Two output files were created for matched BR records.

i) The first file contained attributes of Program Participants for use in determining stratification variables to be used in selecting a random sample of other SMEs with similar characteristics that did not use the CSBF Program (Business size, number of employees, NAICS Code, and Region)

ii) The second file contained a list of BN and SNUM identifiers of program participants for subsequent matching with LEAP/GIFI /T2 Admin data for the study group)

Step 2. Using the attributes file created in step 1 to identify the stratification criteria, a random sample of SMEs was selected from the Business Register unmatched file to form a comparison group.

Step 3. These two groups – study and comparison - were matched to LEAP and T2 Admin data (reference year 1998) to create a baseline of employment and financial data. It should be recognized that:

- i) non employers were not retained as LEAP is an employers only file;

- ii) non-incorporated businesses were not retained as T2 Admin data contains no information on unincorporated businesses and;
- iii) if a business was a start-up in 1999 and joined the CSBF Program that year, there can be no pre-program picture of the business.

- Step 4. These two groups will then be linked to LEAP data (reference year 1999 through 2001) to show year over year changes in employment growth between the two groups. It is expected that the data obtained from these files are of good quality and will permit a solid evaluation of the program. This study also examined employment for the period 1994 to 1998 of firms prior to joining the CSBF Program in 1999 (see step # 7).
- Step 5. These two groups were then linked to GIF1 (reference year 1999 through 2002) to show year over year changes in revenue and expense data between the two groups.
- Step 6. To measure survival rates we counted the number of businesses that existed in 1998 in each group on the LEAP files with the number that still existed in 2002 (as recorded by the Business Register). Although this may not appear to be a long time series (4 years), most businesses terminate within the first 3 years.
- Step 7. Those businesses linked under Step 1 were further traced back to reference year 1994 to provide longitudinal information. This step only included linked businesses* that were in operation between 1994 -1999 and that had entered the CSBF Program in the 1999-2000 period. This helped provide a profile of businesses prior to entering the CSBF Program between 1999 and 2000. Businesses included in this longitudinal analysis represent a cohort of the sub-study group. Using the LEAP file attributes (employment and payroll earnings), a random sample of SMEs was selected from LEAP/GIF1 to form a cohort of the comparison group.

*This will be limited by the fact that approximately 55% of CSBF borrowers are start-ups.

1.3 Removal of businesses from the study group and comparison group

There are basically 4 types of businesses that were removed:

For the study group:

Removal of unincorporated businesses: Selected Unincorporated businesses were purged from the CSBF files, as LEAP is an employer only data file used in the first match. Others were purged following the match to the Tax file as only incorporated tax data records were used.

Removal due to unmatched identifiers: Units that were not identified from the Business Register were removed due either to invalid GST or invalid BN.

There were 17,741 registrations in CSBF of which up to 13,516 were used for this study with the LEAP data from 1998 to 2001. – (LEAP file contains only employer businesses thus 4,225 non-employer businesses make up the difference).

Removal of enterprises with annual revenues greater than \$6 million

An analysis of the enterprises from the study grouped revealed this threshold to be the most appropriate given the CSBF loan eligibility criteria (maximum firm size is based on (borrower estimates of) maximum annual revenues of \$5M at the time of loan registration).

For both the study and comparison group:

Further removal at the analysis stage had taken place for businesses where the records showed highly extreme “outlier” values.

1.4 Treatment of duplicates

Enterprises under the CSBF Program are eligible to request more than one loan from this program (even within the same year). As agreed to with Industry Canada, a business was represented in the data as many times as it received CSBF loans.

1.5 Decision process from the file matching process


As the record linkage process involved several matching processes every linkage resulted in a reduced number of observations from the original file.

A decision needed be taken to produce a consistent number of units in the analytical data table. At each record linkage step, approximately 20% of the businesses were lost (unmatched on identifier key). Thus the option of examining businesses’ employment growth after LEAP matching process or further to GIFI matching process resulted in a further 20 % reduction in the number of matched observations.

1.6 – Weighting procedures

For businesses operating in more than one Province, a weighing procedure was used to allocate financial data from GIFI. The allocator used is "total payroll", which comes from LEAP, where provincial data is available

Appendix G – Methodology Report on the Creation of the Comparison group

	<p>Report on the creation of a comparison group for the SME Economic Impact Study</p> <p>Prepared in November 2004 by Business Surveys Methods Division (BSMD) and Small Business and Special Surveys Division (SBSS), Statistics Canada.</p>
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OVERVIEW

A comparison group (non-CSBF borrowers) was identified from Business Register (BR) records. Businesses in the comparison group were matched to study group records based on variables common to both data sets. A distance function was used to choose the best comparison record for each record in the CSBF group. Of 9,149 records in the CSBF group, 8858 were assigned non-CSBF borrowers, all of which seemed to be well matched.

DATA FILES

The file for the study group included fields from the BR, LEAP and GIF1. In addition to NAICS and business age, five numerical variables (or groups of variables) were used to match a comparison group to the study group:

- ALU - Average labour units (i.e., employment as recorded by LEAP – Payroll/average annual earnings),
- Size of payroll,
- Sales,
- Size of balance sheet (assets, liabilities),
- Profits (Gross profit, operating profit).

METHOD

We classified each CSBF business into a subset according to the decile (tenth percentile) in which each of its variables belonged. Using the frequency distributions of the study group variables, bounds of deciles of each of the variables were identified.

By way of example, the decile bounds of the variable “size of payroll” were:

interval	decile	Interval	decile
Up to 21 546	1	113 240 – 156 650	6
21 547 – 39 391	2	156 651 – 218 023	7
39 392 – 59 205	3	218 024 – 315 417	8
59 206 – 83 003	4	315 418 – 529 904	9
83 004 – 113 239	5	529 905 – 11 535 440	10

For each of the variables, a decile variable was created using the same bounds for both the non-borrower records as well as the study group. To clarify, the non-CSBF borrower records were classified according to the distributions of variables of the CSBF group.

The CSBF group was divided into eight exclusive subgroups based on industrial sector. Each sector was defined by NAICS at the two-digit level. The use of eight mutually exclusive subsets on which to match not only ensured better comparison records but also reduced processing time considerably.

The maximum value of each of the matching variables in the set of CSBF borrowers was identified. The potential comparison set was restricted to organisations for which all matching values were no higher than 110% of the maximum values in the set of CSBF borrowers. Due to the fact that \$0 of assets was probably indicative of a missing rather than actual value in the data set, organizations with \$0 of assets were excluded from the potential comparison set. Next, organizations that already appeared among the set of client organizations were removed, leaving a potential comparison set of 557 789 organizations. The distributions of the values of the matching variables seemed to be reasonably consistent across both data sets - that of CSBF borrowers and of the potential comparison organisations. For example, the maximum ALU value of the potential comparison group was 335.89, compared to 307.06 among CSBF borrowers.

Distance function

Within each industrial sector set, each record of the study group was compared to each non-CSBF record using the deciles of the six matching variables according to the following algorithm.

Let X_{ij} denote variable i for study group observation j , $i = 1$ to 6 and $j = 1$ to n_q where q is the industrial sector set, $q = 1$ to 8.

Let D_{ij} denote in which decile the value of X_{ij} belongs.

Similarly define X_{ik} and D_{ik} non-CSBF observation k .

Then the distance function is defined as $D_{ijk} = \sum_{i=1}^6 (D_{ij} - D_{ik})^2$.

Once the distance function value had been obtained for all non-CSBF borrower records in a quintile set, non-CSBF borrowers were assigned to CSBF group records on the basis of minimum distance.

That result of the distance function is the highest observed value of D among matched records.

Illustrative simplified example:

A CSBF record:

Decile of ALUs: 3

Decile of assets: 3

Decile of liability: 3

Decile of Payroll: 3

Decile of grossprofits: 3

Decile of sales: 3

A non-CSBF comparison record:

Decile of ALUs: 3

Decile of assets: 4

Decile of liability: 4

Decile of Payroll: 3

Decile of grossprofits: 5

Decile of sales: 5

Then the distance function becomes:

$$\begin{aligned} D &= (3-3)^2 + (3-4)^2 + (3-4)^2 + (3-3)^2 + (3-5)^2 + (3-5)^2 \\ &= 0 + 1 + 1 + 0 + 4 + 4 \\ &= 10 \end{aligned}$$

Suitable non-CSBF borrower records could be found for 9113 records of the study group. The maximum distance was 10, which was considered of very good quality. Comparison records were allowed to appear only once in the comparison group, otherwise a further 36 study group records would have been assigned comparison records.

Quality evaluation

Quality was assessed in two ways. First, the value of the distance function was considered to verify an appropriate match if its value were no greater than 25, given that six variables were included in the matching process.

Second, standardized differences were inspected for large values. The standardized differences were defined as $(X_{ij} - X_{ik})/s(X_{i\bullet})$ using the standard deviation of the variable across observations of the study group. While most observations had acceptably low values of standardized differences, an inconsistency was identified that occurred when either or both the borrower or non-borrower record had a value of a variable in the 10th decile. Since most of these variables were positively skewed, it was possible for two values to fall within the 10th decile and yet be different by one order of magnitude or more. The following criteria were implemented:

- Eight variables (the six matching variables, operating profits, revenue) were included when inspecting for outlying values;
- No standardized difference could be more than a value of 5;
- No more than one standardized difference could be more than a value of 3;
- No more than three standardized differences could be more than a value of 2.

After excluding 255 records due to matching on outlying values, 8858 comparison records were assigned to CSBF borrowers for analysis by SBSS. Of these matches, 8775 (99%) had a distance function value D_{ijk} of no more than 3. The maximum value of ALU among the comparison organizations was 209.07.

Assessment of approach

This approach was a solid one to implement. The built-in flexibility of the use of deciles made it possible to identify controls for each CSBF group record within a known maximum difference.

The alternative approach would have been to select a control for each CSBF borrower business judged to have the closest resemblance according to a computer resource-intensive algorithm, similar to what would be used in donor imputation using a “nearest neighbour approach”. Using that approach, however, we would not be able to quantify meaningfully the maximum differences between CSBF borrowers and comparison businesses.

Appendix H - Study and Comparison groups table outputs



Statistics
Canada

Statistique
Canada

**ECONOMIC IMPACT STUDY for INDUSTRY CANADA
Canadian Small Business Financing Act (CSBF)**

Data tables

December, 2004



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Table 1 Economic Impact Study - Employment Characteristics 1998-2001

Series 1 : Study Group

Data shown refer to businesses that were alive in 2000.

	1998				1999				2000				2001			
	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$
Canada Total	4,867	1,002,626	44,110	22,730	8,120	1,756,257	69,498	25,271	9,149	2,105,523	86,217	24,421	8,569	2,177,942	85,482	25,478
Region 1 Atlantic	463	68,908	3,490	19,744	748	119,394	5,633	21,197	830	142,927	6,959	20,539	775	147,483	6,977	21,139
Region 2 Quebec	2,137	446,412	20,443	21,837	3,243	743,545	30,372	24,482	3,561	871,615	35,928	24,260	3,310	886,085	35,737	24,794
Region 3 Ontario	1,041	260,660	10,071	25,881	1,980	479,531	16,795	28,552	2,265	620,651	22,016	28,191	2,151	662,269	22,383	29,588
Region 4 Prairies	806	141,808	6,389	22,194	1,425	263,393	10,921	24,117	1,662	300,380	13,758	21,833	1,565	316,168	13,371	23,645
Region 5 BC	407	82,372	3,653	22,552	701	147,174	5,684	25,893	807	165,724	7,417	22,344	748	161,023	6,760	23,818
Region 6 Territories	13	2,466	64	38,430	23	3,219	93	34,442	24	4,225	139	30,325	20	4,914	253	19,453
Industry Group	4,867	1,002,626	44,110	22,730	8,120	1,756,257	69,498	25,271	9,149	2,105,523	86,217	24,421	8,569	2,177,942	85,482	25,478
Manufacturing	816	227,738	9,631	23,647	1,199	326,275	13,106	24,894	1,311	404,464	15,674	25,804	1,212	422,761	15,626	27,055
Retail Trade	632	88,184	4,889	18,039	1,159	134,444	6,947	19,353	1,372	186,483	9,148	20,385	1,271	181,733	8,783	20,691
Transp. and Warehousing	552	73,544	2,912	25,253	775	97,799	3,650	26,797	809	125,194	4,464	28,044	766	134,119	4,647	28,862
Accomm. and Food Services	373	76,441	6,711	11,390	1,137	150,819	12,388	12,174	1,476	257,211	20,584	12,496	1,372	250,182	19,923	12,557
Prof., Scientific and Tech. Serv.	375	96,954	2,719	35,654	584	199,055	5,041	39,484	615	300,207	6,835	43,921	570	322,296	6,576	49,009
Agri., For., Fish., Hun., Const.	728	144,495	5,057	28,575	982	190,603	6,078	31,359	1,028	232,361	7,044	32,988	967	232,544	7,065	32,917
Group A	646	144,133	6,192	23,278	1,072	220,769	8,991	24,553	1,183	287,923	11,342	25,386	1,110	307,066	11,538	26,613
Group B	745	151,137	5,999	25,192	1,212	436,493	13,296	32,829	1,355	311,679	11,126	28,012	1,301	327,241	11,323	28,900
Business Employment Size	4,867	1,002,626	44,110	22,730	8,120	1,756,257	69,498	25,271	9,149	2,105,523	86,217	24,421	8,569	2,177,942	85,482	25,478
1-4 employees	2,417	157,894	5,388	29,304	4,623	247,830	8,978	27,603	4,646	295,746	10,190	29,022	4,168	278,917	9,229	30,223
5-19 employees	1,907	460,672	19,209	23,982	2,693	665,304	26,802	24,823	3,402	860,999	33,931	25,375	3,262	855,661	32,497	26,331
20-49 employees	466	272,786	13,240	20,603	670	452,621	19,431	23,294	912	625,481	27,083	23,095	933	669,595	27,578	24,280
50 and more employees	77	111,273	6,274	17,737	134	390,502	14,287	27,333	189	323,297	15,013	21,535	206	373,768	16,178	23,103
Business Revenues in \$	4,867	1,002,626	44,110	22,730	8,120	1,756,257	69,498	25,271	9,149	2,105,523	86,217	24,421	8,569	2,177,942	85,482	25,478
0 to 100,000	869	115,325	4,970	23,202	2,111	187,278	7,643	24,503	2,515	307,350	12,164	25,267	2,250	332,238	12,573	26,425
100,001 to 250,000	790	43,177	2,044	21,121	1,573	83,322	3,975	20,959	1,860	148,335	7,027	21,108	1,735	162,077	7,308	22,177
250,001 to 500,000	857	99,065	4,466	22,182	1,405	160,041	7,218	22,173	1,623	238,410	10,856	21,960	1,556	261,240	11,250	23,221
500,001 to 1,000,000	1,123	199,797	9,504	21,022	1,462	292,628	13,104	22,331	1,554	393,348	17,080	23,029	1,494	415,558	17,237	24,108
1,000,001 to 2,000,000	810	285,262	12,782	22,317	1,018	423,710	17,798	23,807	1,059	536,352	22,054	24,319	1,022	537,106	21,678	24,777
2,000,001 to 6,000,000	418	260,001	10,343	25,138	551	609,278	19,760	30,834	538	481,728	17,034	28,280	512	469,722	15,435	30,432
Territorial Location	4,867	1,002,626	44,110	22,730	8,120	1,756,257	69,498	25,271	9,149	2,105,523	86,217	24,421	8,569	2,177,942	85,482	25,478
Urban	3,255	728,433	31,844	22,875	5,648	1,390,896	53,716	25,893	6,410	1,626,458	65,692	24,759	5,991	1,684,602	65,227	25,827
Rural	1,612	274,193	12,267	22,353	2,472	365,361	15,782	23,151	2,739	479,065	20,525	23,340	2,578	493,340	20,255	24,356

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 1 Economic Impact Study - Employment Characteristics 1998-2001

Series 2 : Comparison Group

Data shown refer to businesses that were alive in 2000.

	1998				1999				2000				2001			
	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$
Canada Total	7,751	1,556,568	70,354	22,125	9,061	1,961,569	80,906	24,245	9,558	2,072,736	83,868	24,714	8,840	1,976,887	79,595	24,837
Region 1 Atlantic	648	132,775	6,409	20,718	789	154,929	7,256	21,351	816	167,069	7,548	22,135	747	153,246	7,246	21,149
Region 2 Quebec	1,995	331,841	16,482	20,133	2,249	411,255	19,380	21,221	2,358	552,717	22,142	24,963	2,209	520,277	20,757	25,065
Region 3 Ontario	2,360	502,908	21,791	23,079	2,815	686,589	24,868	27,610	2,983	689,989	23,397	25,217	2,733	552,677	20,249	27,294
Region 4 Prairies	1,428	300,011	13,962	21,487	1,631	358,323	17,067	20,995	1,741	391,893	16,742	23,407	1,613	403,938	18,022	22,414
Region 5 BC	1,268	277,957	11,297	24,604	1,521	337,756	11,857	28,487	1,600	353,994	13,457	26,306	1,482	329,375	12,853	25,626
Region 6 Territories	52	11,076	412	26,866	56	12,716	479	26,550	60	17,074	582	29,312	56	17,374	468	37,128
Industry Group	7,751	1,556,568	70,354	22,125	9,061	1,961,569	80,906	24,245	9,558	2,072,736	83,868	24,714	8,840	1,996,887	79,595	25,088
Manufacturing	1,085	257,577	10,274	25,070	1,274	307,583	11,574	26,576	1,338	351,554	12,903	27,245	1,247	369,026	12,623	29,235
Retail Trade	1,151	142,395	7,515	18,949	1,331	162,235	8,019	20,233	1,383	170,715	8,081	21,124	1,288	167,526	7,604	22,032
Transp. and Warehousing	696	133,330	4,871	27,374	807	151,662	5,268	28,788	855	109,802	4,180	26,270	777	111,706	4,506	24,790
Accomm. and Food Service	1,134	201,109	18,508	10,866	1,403	246,402	19,925	12,366	1,494	270,974	21,224	12,767	1,357	254,943	19,967	12,768
Prof., Scientific and Tech.Se	508	140,515	3,593	39,106	582	174,122	4,012	43,401	620	218,425	4,687	46,607	589	209,174	4,333	48,270
Agri.,For.,Fish.,Hun.,Const.	931	187,558	5,767	32,522	1,001	219,366	6,804	32,239	1,067	258,014	7,282	35,432	1,002	250,076	7,017	35,641
Group A	1,042	237,555	9,875	24,057	1,225	338,673	12,305	27,523	1,285	332,316	12,641	26,289	1,183	291,836	11,603	25,152
Group B	1,204	256,529	9,951	25,778	1,438	361,525	12,999	27,812	1,516	360,934	12,870	28,045	1,397	342,599	11,943	28,687
Business Employment Size	7,751	1,556,568	70,354	22,125	9,061	1,961,569	80,906	24,245	9,558	2,072,736	83,868	24,714	8,840	1,996,887	79,595	25,088
1-4 employees	3,907	246,406	8,710	28,288	4,698	301,299	10,360	29,082	4,913	307,088	10,275	29,887	4,525	307,419	9,808	31,345
5-19 employees	3,079	714,417	30,501	23,423	3,484	852,220	34,488	24,710	3,745	979,955	37,373	26,221	3,397	907,857	33,600	27,019
20-49 employees	617	355,851	17,529	20,301	705	444,490	20,059	22,159	744	489,193	21,545	22,706	747	515,479	21,726	23,727
50 and more employees	148	239,894	13,613	17,622	174	363,559	15,999	22,724	156	296,500	14,676	20,204	171	266,132	14,462	18,402
Business Revenues in \$	7,751	1,556,568	70,354	22,125	9,061	1,961,569	80,906	24,245	9,558	2,072,736	83,868	24,714	8,840	1,996,887	79,595	25,088
0 to 100,000	972	112,979	5,662	19,956	1,196	164,663	8,150	20,205	1,361	174,291	7,911	22,031	941	133,555	5,835	22,888
100,001 to 250,000	1,656	119,234	5,873	20,300	1,904	149,431	6,963	21,462	1,976	139,392	6,665	20,913	1,696	112,508	5,119	21,977
250,001 to 500,000	1,814	208,707	9,551	21,853	2,137	275,630	12,037	22,899	2,148	292,171	13,471	21,689	2,014	263,202	11,822	22,263
500,001 to 1,000,000	1,641	342,761	16,181	21,183	1,851	431,823	18,350	23,533	1,925	427,666	17,036	25,103	1,918	420,872	15,440	27,258
1,000,001 to 2,000,000	1,095	472,849	21,679	21,811	1,237	508,591	22,067	23,047	1,335	610,003	24,581	24,816	1,390	631,623	25,462	24,806
2,000,001 to 6,000,000	573	300,037	11,408	26,300	736	431,432	13,340	32,342	813	429,213	14,203	30,219	881	435,127	15,916	27,339
Territorial Location	7,751	1,556,568	70,354	22,125	9,061	1,961,569	80,906	24,245	9,558	2,072,736	83,868	24,714	8,840	1,996,887	79,595	25,088
Urban	6,016	1,187,915	57,127	20,794	7,116	1,573,898	66,665	23,609	7,509	1,594,492	68,276	23,354	6,937	1,512,178	64,173	23,564
Rural	1,735	368,653	13,227	27,872	1,945	387,671	14,241	27,222	2,049	478,243	15,592	30,673	1,903	484,708	15,422	31,429

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 1A Economic Impact Study - SME Employment Characteristics 1994-1997

Series 1 : Study Group

Data shown refer to businesses that were born and operating within a given year, and still alive in 2000.

	1994				1995				1996				1997			
	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$	Business number	Payroll '000 \$	ALU number	Average annual earnings \$
Canada Total	2,891	726,722	31,831	22,831	3,372	841,021	36,410	23,098	3,851	972,867	40,700	23,903	4,456	1,115,242	45,784	24,359
Region 1 Atlantic	312	53,796	2,796	19,240	340	60,348	3,134	19,258	381	66,753	3,394	19,669	432	74,248	3,691	20,114
Region 2 Quebec	1,314	301,751	13,242	22,788	1,525	348,640	15,610	22,334	1,731	391,788	16,975	23,080	1,978	450,785	19,203	23,474
Region 3 Ontario	598	183,624	7,311	25,118	713	215,268	8,280	25,997	814	270,004	9,735	27,736	960	315,330	11,368	27,740
Region 4 Prairies	430	103,191	5,414	19,060	511	119,006	6,068	19,613	600	133,925	6,784	19,741	708	160,716	7,462	21,538
Region 5 BC	231	83,011	3,042	27,291	277	96,347	3,292	29,264	316	108,932	3,787	28,768	364	112,383	4,017	27,978
Region 6 Territories	6	1,348	27	50,554	6	1,413	26	54,228	9	1,466	26	56,944	14	1,780	43	41,833
Industry Group	2,891	726,722	31,831	22,831	3,372	841,021	36,410	23,098	3,851	972,867	40,700	23,903	4,456	1,115,242	45,784	24,359
1 Manufacturing	487	122,823	5,591	21,967	577	143,842	6,468	22,240	641	168,355	7,277	23,135	734	199,324	8,463	23,553
2 Retail Trade	426	63,482	3,562	17,821	486	72,419	4,052	17,873	536	81,965	4,487	18,269	608	92,325	4,971	18,571
3 Transp. and Warehousing	299	36,470	1,744	20,914	348	42,173	1,900	22,199	415	48,439	2,122	22,832	504	59,934	2,406	24,914
4 Accom. and Food Services	235	44,511	4,414	10,083	289	54,907	5,358	10,248	326	60,569	5,837	10,378	374	68,119	6,471	10,527
5 Prof., Scientific and Tech.Serv	164	34,120	981	34,780	206	45,640	1,290	35,377	258	55,804	1,596	34,963	314	71,338	2,114	33,739
6 Agri.,For.,Fish.,Hun.,Const.	450	76,756	2,982	25,742	522	88,286	3,312	26,655	586	97,328	3,534	27,540	656	113,415	3,895	29,120
7 Group A	361	73,234	3,986	18,375	414	76,728	4,246	18,071	484	107,121	5,080	21,087	572	124,623	6,001	20,768
8 Group B	469	275,326	8,571	32,123	530	317,025	9,785	32,399	605	353,286	10,769	32,807	694	386,164	11,463	33,688
Business Employment Size	2,891	726,722	31,831	22,831	3,372	841,021	36,410	23,098	3,851	972,867	40,700	23,903	4,456	1,115,242	45,784	24,359
1-4 employees	950	69,165	3,025	22,868	1,143	81,830	3,435	23,823	1,373	96,369	3,888	24,789	1,673	114,029	4,441	25,674
5-19 employees	1,340	207,704	10,250	20,265	1,554	244,563	11,646	21,000	1,745	286,186	13,284	21,544	1,964	339,585	15,005	22,631
20-49 employees	479	166,758	8,922	18,692	542	200,031	10,368	19,294	585	224,210	11,263	19,906	653	263,724	12,854	20,517
50 and more employees	122	283,095	9,635	29,381	133	314,598	10,962	28,700	148	366,102	12,266	29,848	166	397,904	13,483	29,511
Territorial Location	2,891	726,722	31,831	22,831	3,372	841,021	36,410	23,098	3,851	972,867	40,700	23,903	4,456	1,115,242	45,784	24,359
Urban	1,938	581,883	24,626	23,629	2,278	683,840	28,416	24,065	2,579	777,355	31,482	24,692	2,984	888,195	35,265	25,186
Rural	953	144,838	7,205	20,102	1,094	157,182	7,994	19,662	1,272	195,512	9,218	21,210	1,472	227,047	10,519	21,585

Business Revenue Size groups are not included in this table because no link with tax data is possible from 1994-7.

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 2 CSBF / Borrowers 1999-2000 matched with Leap-GIFI data for year 1999

	Number of Loans and Size						Class of Loan							
	Total	0 to 49,999	50,000 to 99,999	100,000 to 149,999	150,000 to 249,999	250,000 (max. eligible)	Total		Purchase or improvements of real properties or immovables (25)		Leasehold for new improvements (26) and purchasing existing improvements (27)		Equipment (28) and Software (29)	
		#	#	#	#	#	#	\$ '000	#	\$ '000	#	\$ '000	#	\$ '000
Canada Total	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
Region 1 Atlantic	531	354	177	x	x	x	748	43,610	144	15,229	55	2,895	549	25,486
Region 2 Quebec	3,243	1,774	740	364	252	113	3,243	172,279	582	44,086	160	7,146	2,501	121,047
Region 3 Ontario	1,980	618	577	360	276	149	1,980	142,260	171	17,610	232	17,912	1,577	106,738
Region 4 Prairies	1,425	551	401	228	185	60	1,425	92,000	172	18,289	119	8,378	1,134	65,333
Region 5 BC	701	261	216	102	85	37	701	43,438	x	4,928	x	3,250	590	35,261
Region 6 Territories	16	10	6	x	x	x	23	1,257	x	544	x	101	15	613
Industry Group	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
Manufacturing	1,199	525	316	159	135	64	1,199	82,263	137	11,185	57	2,789	1,005	68,289
Retail Trade	1,159	504	286	184	140	45	1,159	65,425	198	18,229	178	11,357	783	35,839
Transportation and Warehousing	775	393	215	122	36	9	775	42,812	100	7,298	9	259	666	35,255
Accommodation and Food Services	1,137	299	331	203	176	128	1,137	77,141	121	11,690	166	12,841	850	52,609
Prof., Scientific and Tech.Services	584	278	164	72	52	18	584	31,495	38	3,629	29	1,804	517	26,062
Agri.,For.,Fish.,Hun.,Const.	982	503	215	128	97	39	982	61,259	186	15,903	14	856	782	44,500
Group A	1,072	473	286	137	129	47	1,072	67,395	136	13,466	89	5,137	847	48,792
Group B	1,212	593	304	152	130	33	1,212	67,054	208	19,285	88	4,637	916	43,132
Enterprise Employment Size	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
1-4 employees	4,624	2,107	1,229	659	480	149	4,623	261,495	674	55,605	318	17,107	3,631	188,783
5-19 employees	2,692	1,197	666	363	313	153	2,693	171,928	378	37,654	232	14,108	2,083	120,166
20-49 employees	670	225	173	110	93	69	670	52,542	61	6,587	63	6,562	546	39,393
50 and more employees	134	39	49	25	9	12	134	8,878	11	840	17	1,903	106	6,135
Business Revenues in \$	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
0 to 100,000	2,111	1,072	557	298	157	27	2,111	96,303	303	18,752	151	5,985	1,657	71,566
100,001 to 250,000	1,573	699	440	223	167	44	1,573	93,197	228	20,361	108	5,346	1,237	67,490
250,001 to 500,000	1,405	632	347	188	178	60	1,405	90,923	215	20,168	106	6,651	1,084	64,104
500,001 to 1,000,000	1,462	633	356	203	169	101	1,462	97,285	234	24,263	121	7,881	1,107	65,141
1,000,001 to 2,000,000	1,018	367	261	160	140	90	1,018	75,092	100	12,655	93	8,317	825	54,120
2,000,001 to 6,000,000	551	165	156	85	84	61	551	42,045	44	4,487	51	5,501	456	32,057
Territorial Location	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
Urban	6,139	2,571	1,617	909	723	319	6,139	380,969	702	65,086	552	36,248	4,885	279,635
Rural	1,981	997	500	248	172	64	1,981	113,875	422	35,600	78	3,433	1,481	74,842
Business Age	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
less than 1 year		867	741	467	398	212	2,685	189,728	295	27,310	222	17,011	2,168	145,407
1 year to under 2 years		399	206	103	83	36	827	50,854	122	12,420	57	2,980	648	35,454
2 years to under 3 years		302	181	81	60	22	646	37,815	89	8,374	39	1,656	518	27,785
more than 3 years		2,000	989	506	354	113	3,962	216,447	618	52,582	312	18,035	3,032	145,830
Business type	8,120	3,568	2,117	1,157	895	383	8,120	494,844	1,124	100,686	630	39,681	6,366	354,477
Franchise		231	282	204	150	80	947	61,939	40	2,941	148	10,446	759	48,553
Non Franchise		3,337	1,835	953	745	303	7,173	432,905	1,084	97,745	482	29,235	5,607	305,925
Lender type	8,120	3,568	2,117	1,157	895	383	8,120	494,934	1,124	100,776	630	39,681	6,366	354,477
Chartered Banks		2,377	1,644	911	717	329	5,978	385,936	660	66,574	504	34,435	4,814	284,927
Credit Union		995	325	152	103	30	1,605	71,739	394	27,212	91	2,472	1,120	42,055
Caisses Populaires		102	66	45	38	19	270	17,734	38	3,789	24	1,998	208	11,947
Other institutions		94	82	49	37	5	267	19,525	32	3,202	11	776	224	15,548

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (incl. Public Administration).

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 1998

Series 1 : Study Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	4,867	463	2,137	1,041	806	407	13
Total Employment (ALUs)	44,110	3,490	20,443	10,071	6,389	3,653	64
ALU/business	9.1	7.5	9.6	9.7	7.9	9.0	4.9
Financial Characteristics							
	000 \$						
Total Sales	3,491,337	277,047	1,573,647	820,314	519,494	292,682	8,154
Assets	1,793,872	147,870	860,364	390,628	250,502	137,986	6,522
Liabilities	1,387,891	116,831	618,463	331,751	194,825	121,415	4,605
Equity	405,981	31,038	241,901	58,877	55,677	16,571	1,917
Net income	86,307	9,938	36,049	15,081	19,610	5,086	543
Net Income (Profit)	150,349	13,001	68,781	31,539	27,007	9,440	581
Net Income (Loss)	-64,042	-3,064	-32,732	-16,458	-7,396	-4,353	-38
Net Income (Profit) (counts)	3,521	331	1,619	745	570	247	9
Net Income (Loss) (counts)	1,346	132	518	296	236	160	4
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	25.3	15.6	26.2	26.8	24.7	26.3	31.9
Sales per dollar of Assets	1.9	1.9	1.8	2.1	2.1	2.1	1.3
Sales/employee \$	79,150	79,380	76,978	81,450	81,306	80,132	127,065
Return on equity (=Net income/Equity) (%)	21.3	32.0	14.9	25.6	35.2	30.7	28.3
Financial leverage (=Liabilities / Equity)	3.4	3.8	2.6	5.6	3.5	7.3	2.4
Sales/business '000 \$	717	598	736	788	645	719	627
Tax							
	000 \$						
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	1.4	1.3	1.4	1.1	1.6	0.9
Net GST remittance '000 \$	46,086	3,796	19,828	11,484	5,455	4,566	72

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 1998

Series 2 : Comparison Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	7,751	648	1,995	2,360	1,428	1,268	52
Total Employment (ALUs)	70,354	6,409	16,482	21,791	13,962	11,297	412
ALU/business	9.1	9.9	8.3	9.2	9.8	8.9	7.9
Financial Characteristics	000 \$						
Total Sales	5,533,470	395,344	1,298,086	1,883,000	1,031,794	875,647	49,599
Assets	3,306,732	264,596	785,433	1,049,777	634,041	537,904	34,980
Liabilities	2,513,278	206,608	572,871	822,035	448,799	436,866	26,099
Equity	793,454	57,988	212,562	227,743	185,242	101,038	8,881
Net income	159,122	5,117	37,557	62,351	32,673	19,850	1,574
Net Income (Profit)	255,386	15,677	61,565	84,571	54,343	37,376	1,854
Net Income (Loss)	-96,264	-10,561	-24,008	-22,220	-21,670	-17,526	-280
Net Income (Profit) (counts)	5,061	432	1,309	1,596	975	718	31
Net Income (Loss) (counts)	2,690	216	686	764	453	550	21
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	24.6	17.2	25.5	25.4	24.1	25.5	23.3
Sales per dollar of Assets	1.7	1.5	1.7	1.8	1.6	1.6	1.4
Sales/Employee \$	78,652	61,688	78,756	86,412	73,899	77,511	120,309
Return on equity (=Net income/Equity) (%)	20.1	8.8	17.7	27.4	17.6	19.6	17.7
Financial leverage (=Liabilities / Equity)	3.2	3.6	2.7	3.6	2.4	4.3	2.9
Sales/business '000 \$	714	610	651	798	723	691	954
Tax	000 \$						
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	1.4	1.3	1.4	1.1	1.6	0.9
Net GST remittance '000 \$	73,042	5,416	16,356	26,362	10,834	13,660	436

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 1999

Series 1 : Study Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	8,120	748	3,243	1,980	1,425	701	23
Total Employment (ALUs)	69,498	5,633	30,372	16,795	10,921	5,684	93
ALU/business	8.6	7.5	9.4	8.5	7.7	8.1	4.1
Financial Characteristics							
	000 \$						
Total Sales	5,065,551	398,911	2,213,032	1,321,907	710,083	408,885	12,734
Assets	2,904,651	253,071	1,259,673	710,566	435,294	235,012	11,034
Liabilities	2,270,026	204,880	923,288	613,327	316,543	204,422	7,566
Equity	634,625	48,191	336,385	97,239	118,751	30,590	3,468
Net income	114,875	14,984	54,935	15,087	24,250	4,883	736
Net Income (Profit)	258,841	22,732	114,046	63,975	41,831	15,267	990
Net Income (Loss)	-143,966	-7,749	-59,111	-48,887	-17,580	-10,385	-254
Net Income (Profit) (counts)	5,066	478	2,254	1,156	786	377	15
Net Income (Loss) (counts)	3,054	270	989	824	639	324	8
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	45.6	50.8	41.3	46.0	53.9	47.2	50.2
Sales per dollar of Assets	1.7	1.6	1.8	1.9	1.6	1.7	1.2
Sales/employee \$	72,888	70,822	72,865	78,708	65,018	71,937	136,247
Return on equity (=Net income/Equity) (%)	18.1	31.1	16.3	15.5	20.4	16.0	21.2
Financial leverage (=Liabilities / Equity)	3.6	4.3	2.7	6.3	2.7	6.7	2.2
Sales/business '000 \$	624	533	682	668	498	583	554
Tax							
	000 \$						
Income tax	41,080	5,054	20,101	10,391	2,280	2,849	406
Current	43,197	4,370	19,100	9,661	6,887	2,768	411
Deferred	-2,117	684	1,001	730	-4,607	81	-05
Net GST remittance (% of sales)	1.3	1.4	1.2	1.5	1.1	1.6	0.9
Net GST remittance '000 \$	67,878	5,425	27,220	19,432	7,456	6,338	117

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 1999

Series 2 : Comparison Group							
	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	9,061	789	2,249	2,815	1,631	1,521	56
Total Employment (ALUs)	80,906	7,256	19,380	24,868	17,067	11,857	479
ALU/business	8.9	9.2	8.6	8.8	10.5	7.8	8.6
Financial Characteristics	000 \$						
Total Sales	6,357,377	481,367	1,520,264	2,209,101	1,133,023	968,058	45,564
Assets	3,902,473	314,991	952,576	1,255,223	740,289	608,631	30,764
Liabilities	2,940,764	236,544	675,191	987,585	537,372	477,702	26,369
Equity	961,710	78,447	277,385	267,637	202,917	130,929	4,394
Net income	224,602	6,471	50,665	69,900	32,060	65,355	152
Net Income (Profit)	340,915	21,625	74,875	106,512	53,940	82,986	978
Net Income (Loss)	-116,313	-15,154	-24,210	-36,613	-21,880	-17,631	-826
Net Income (Profit) (counts)	5,860	518	1,492	1,880	1,015	924	31
Net Income (Loss) (counts)	3,201	271	757	935	616	597	25
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	47.6	46.1	44.2	47.1	51.0	50.7	43.5
Sales per dollar of Assets	1.6	1.5	1.6	1.8	1.5	1.6	1.5
Sales/Employee \$	78,577	66,338	78,447	88,834	66,386	81,647	95,135
Return on equity (=Net income/Equity) (%)	23.4	8.2	18.3	26.1	15.8	49.9	n/a
Financial leverage (=Liabilities / Equity)	3.1	3.0	2.4	3.7	2.6	3.6	n/a
Sales/business '000 \$	701,620	610,098	675,973	784,761	694,680	636,461	813,642
Tax	000 \$						
Income tax	251,797	46,612	33,209	54,489	56,333	58,737	2,417
Current	256,844	50,512	34,177	55,902	55,057	56,740	4,456
Deferred	-5,047	-3,900	-967	-1,414	1,277	1,997	-2,039
Net GST remittance (% of sales)	1.3	1.4	1.2	1.5	1.1	1.6	0.9
Net GST remittance '000 \$	85,189	6,547	18,699	32,474	11,897	15,005	419

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 2000

Series 1 : Study Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	9,149	830	3,561	2,265	1,662	807	24
Total Employment (ALUs)	86,217	6,959	35,928	22,016	13,758	7,417	139
ALU/business	9.4	8.4	10.1	9.7	8.3	9.2	5.8
Financial Characteristics	000 \$						
Total Sales	6,603,567	518,546	2,758,053	1,779,132	991,362	539,779	16,694
Assets	3,937,487	302,426	1,752,324	1,014,093	540,964	314,238	13,442
Liabilities	3,336,089	258,734	1,346,701	943,010	480,357	297,604	9,682
Equity	601,398	43,692	405,623	71,083	60,607	16,634	3,759
Net income	-55,172	1,226	156	-52,757	1,705	-6,358	856
Net Income (Profit)	266,382	20,883	128,269	59,360	38,491	18,284	1,094
Net Income (Loss)	-321,555	-19,658	-128,113	-112,117	-36,786	-24,643	-238
Net Income (Profit) (counts)	4,905	540	2,203	1,103	771	373	15
Net Income (Loss) (counts)	4,244	290	1,358	1,162	891	434	9
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	45.0	49.7	39.9	45.6	54.9	46.5	53.4
Sales per dollar of Assets	1.7	1.7	1.6	1.8	1.8	1.7	1.2
Sales/employee \$	76,592	74,515	76,767	80,810	72,058	72,775	119,810
Return on equity (=Net income/Equity) (%)	-9.2	2.8	n/m	n/m	2.8	n/m	22.8
Financial leverage (=Liabilities / Equity)	5.5	5.9	3.3	n/m	7.9	n/m	2.6
Sales/business '000 \$	722	625	775	785	596	669	696
Tax	000 \$						
Income tax	49,229	4,825	21,403	11,739	6,413	4,722	127
Current	44,891	4,707	18,606	10,662	6,184	4,610	123
Deferred	4,338	118	2,798	1,077	229	112	4
Net GST remittance (% of sales)	1.3	1.3	1.2	1.4	1.0	1.5	0.9
Net GST remittance '000 \$	85,846	6,897	34,200	25,264	10,211	7,827	152

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 2000

Series 2 : Comparison Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	9,558	816	2,358	2,983	1,741	1,600	60
Total Employment (ALUs)	83,868	7,548	22,142	23,397	16,742	13,457	582
ALU/business	8.8	9.2	9.4	7.8	9.6	8.4	9.7
Financial Characteristics	000 \$						
Total Sales	6,829,923	505,382	1,610,780	2,432,838	1,193,170	1,034,180	53,573
Assets	4,584,592	329,520	1,081,397	1,574,672	860,420	704,007	34,577
Liabilities	3,552,115	268,638	806,159	1,236,167	641,893	570,309	28,949
Equity	1,032,477	60,882	275,238	338,505	218,527	133,697	5,628
Net income	140,939	6,975	36,098	46,866	35,212	15,492	295
Net Income (Profit)	326,732	23,344	79,346	115,515	61,389	45,611	1,527
Net Income (Loss)	-185,793	-16,369	-43,248	-68,648	-26,176	-30,120	-1,232
Net Income (Profit) (counts)	5,779	480	1,493	1,790	1,082	898	36
Net Income (Loss) (counts)	3,779	336	865	1,193	659	702	24
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	46.6	42.8	43.1	46.4	50.5	50.1	38.1
Sales per dollar of Assets	1.5	1.5	1.5	1.5	1.4	1.5	1.5
Sales/Employee \$	81,437	66,957	72,749	103,982	71,267	76,851	91,974
Return on equity (=Net income/Equity) (%)	13.7	11.5	13.1	13.8	16.1	11.6	5.2
Financial leverage (=Liabilities / Equity)	3.4	4.4	2.9	3.7	2.9	4.3	5.1
Sales/business '000 \$	715	619	683	816	685	646	893
Tax	000 \$						
Income tax	316,891	65,585	44,881	64,698	68,589	68,219	4,920
Current	294,863	57,596	42,832	56,989	65,783	70,197	1,467
Deferred	22,028	7,988	2,049	7,709	2,806	-1,978	3,454
Net GST remittance (% of sales)	1.3	1.3	1.2	1.4	1.0	1.5	0.9
Net GST remittance '000 \$	88,789	6,722	19,974	34,546	12,290	14,996	488

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 2001

Series 1 : Study Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	8,569	775	3,310	2,151	1,565	748	20
Total Employment (ALUs)	85,482	6,977	35,737	22,383	13,371	6,760	253
ALU/business	10.0	9.0	10.8	10.4	8.5	9.0	12.6
Financial Characteristics							
	000 \$						
Total Sales	7,154,287	550,993	2,967,503	1,951,741	1,104,051	562,952	17,048
Assets	3,923,535	308,797	1,718,389	1,022,426	556,397	302,869	14,658
Liabilities	3,359,486	265,455	1,358,619	946,901	486,153	291,821	10,536
Equity	564,049	43,341	359,770	75,525	70,244	11,047	4,122
Net income	-21,254	1,126	23,314	-62,338	15,014	1,425	205
Net Income (Profit)	293,258	22,249	129,454	70,391	48,227	21,947	990
Net Income (Loss)	-314,512	-21,123	-106,140	-132,729	-33,213	-20,522	-785
Net Income (Profit) (counts)	5,107	450	2,160	1,153	926	406	12
Net Income (Loss) (counts)	3,462	325	1,150	998	639	342	8
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	45.2	48.1	39.9	46.2	55.1	47.7	42.8
Sales per dollar of Assets	1.8	1.8	1.7	1.9	2.0	1.9	1.2
Sales/employee \$	83,694	78,973	83,036	87,197	82,569	83,272	67,489
Return on equity (=Net income/Equity) (%)	-3.8	2.6	6.5	n/m	21.4	12.9	5.0
Financial leverage (=Liabilities / Equity)	6.0	6.1	3.8	n/m	6.9	n/m	2.6
Sales/business '000 \$	835	711	897	907	705	753	852
Tax							
	000 \$						
Income tax	72,985	29,487	22,444	9,638	10,594	4,734	-3,913
Current	63,378	22,266	20,040	10,324	10,206	4,415	-3,872
Deferred	9,607	7,222	2,404	-685	388	319	-41
Net GST remittance (% of sales)	1.4	1.4	1.3	1.5	1.1	1.5	1.0
Net GST remittance '000 \$	97,298	7,714	37,984	29,081	12,255	8,557	174

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 2001

Series 2 : Comparison Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	8,840	747	2,209	2,733	1,613	1,482	56
Total Employment (ALUs)	79,595	7,246	20,757	20,249	18,022	12,853	468
ALU/business	9.0	9.7	9.4	7.4	11.2	8.7	8.4
Financial Characteristics	000 \$						
Total Sales	6,888,747	520,249	1,646,720	2,390,308	1,222,731	1,047,510	61,231
Assets	4,280,833	334,014	1,046,490	1,318,445	863,527	672,623	45,734
Liabilities	3,284,864	272,962	765,663	1,038,248	623,188	548,659	36,145
Equity	995,969	61,052	280,827	280,197	240,340	123,964	9,589
Net income	176,027	5,341	51,679	64,591	40,073	12,848	1,494
Net Income (Profit)	354,488	23,818	93,645	121,090	67,089	46,059	2,786
Net Income (Loss)	-178,461	-18,477	-41,966	-56,499	-27,016	-33,211	-1,292
Net Income (Profit) (counts)	5,578	461	1,502	1,717	1,034	830	34
Net Income (Loss) (counts)	3,262	286	707	1,016	579	652	22
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	46.0	42.8	41.7	46.0	50.7	49.4	41.3
Sales per dollar of Assets	1.6	1.6	1.6	1.8	1.4	1.6	1.3
Sales/Employee \$	86,547	71,797	79,332	118,046	67,847	81,499	130,851
Return on equity (=Net income/Equity) (%)	17.7	8.7	18.4	23.1	16.7	10.4	15.6
Financial leverage (=Liabilities / Equity)	3.3	4.5	2.7	3.7	2.6	4.4	3.8
Sales/business '000 \$	779	696	745	875	758	707	1,093
Tax	000 \$						
Income tax	316,110	53,491	67,276	69,738	58,713	68,025	-1,133
Current	302,967	55,904	37,237	68,822	66,834	75,814	-1,644
Deferred	13,143	-2,412	30,039	916	-8,121	-7,789	511
Net GST remittance (% of sales)	1.4	1.4	1.3	1.5	1.1	1.5	1.0
Net GST remittance '000 \$	93,687	7,283	21,078	35,616	13,572	15,922	625

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 2002

Series 1 : Study Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	10,024	880	3,881	2,599	1,803	838	23
Total Employment (ALUs)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financial Characteristics	000 \$						
Total Sales	8,984,807	723,670	3,764,983	2,427,267	1,361,500	684,559	22,828
Assets	5,134,521	414,530	2,300,883	1,337,099	707,588	354,737	19,684
Liabilities	4,291,559	354,100	1,760,472	1,214,940	603,396	343,772	14,879
Equity	842,962	60,430	540,411	122,159	104,192	10,965	4,805
Net income	79,742	9,785	54,595	-10,050	23,265	451	1,697
Net Income (Profit)	383,428	29,883	177,447	88,599	62,104	23,366	2,028
Net Income (Loss)	-303,685	-20,098	-122,853	-98,649	-38,839	-22,915	-331
Net Income (Profit) (counts)	6,058	525	2,565	1,416	1,069	465	18
Net Income (Loss) (counts)	3,966	355	1,316	1,183	734	373	5
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	46.0	48.7	40.1	47.6	56.4	48.8	50.1
Sales per dollar of Assets	1.7	1.7	1.6	1.8	1.9	1.9	1.2
Sales/employee \$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	9.5	16.2	10.1	-8.2	22.3	4.1	35.3
Financial leverage (=Liabilities / Equity)	5.1	5.9	3.3	9.9	5.8	n/m	3.1
Sales/business '000 \$	896	822	970	934	755	817	993
Tax	000 \$						
Income tax	51,383	3,375	30,102	9,673	5,516	2,430	287
Current	49,731	3,728	27,264	9,772	6,352	2,377	238
Deferred	1,652	-353	2,839	-99	-837	53	50
Net GST remittance (% of sales)	1.4	1.4	1.3	1.5	1.1	1.6	1.1
Net GST remittance '000 \$	122,193	10,276	48,568	35,681	14,296	10,816	240

Table 3 Economic Impact Study - Financial Characteristics Summary by Region, 2002

Series 2 : Comparison Group

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia	Territories
# of businesses	8,238	641	2,112	2,673	1,443	1,331	38
Total Employment (ALUs)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financial Characteristics	000 \$						
Total Sales	6,055,117	400,931	1,464,262	2,179,377	1,034,520	921,653	54,374
Assets	4,027,450	308,599	980,590	1,377,676	759,606	557,871	43,108
Liabilities	2,960,635	242,616	658,235	1,032,191	536,426	459,102	32,065
Equity	1,066,815	65,982	322,355	345,485	223,179	98,770	11,043
Net income	190,003	9,643	53,917	46,393	53,113	24,348	2,589
Net Income (Profit)	347,928	23,208	93,490	112,924	71,687	43,809	2,812
Net Income (Loss)	-157,925	-13,565	-39,573	-66,530	-18,574	-19,461	-222
Net Income (Profit) (counts)	5,198	410	1,448	1,641	915	753	31
Net Income (Loss) (counts)	3,040	231	664	1,032	528	578	7
Financial Ratios							
Gross Margin (=Gross Profit/Sales)(%)	48.1	46.5	43.5	48.1	53.3	50.3	48.3
Sales per dollar of Assets	1.5	1.3	1.5	1.6	1.4	1.7	1.3
Sales/Employee \$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	17.8	14.6	16.7	13.4	23.8	24.7	23.4
Financial leverage (=Liabilities / Equity)	2.8	3.7	2.0	3.0	2.4	4.6	2.9
Sales/business '000 \$	735	625	693	815	717	692	1,431
Tax	000 \$						
Income tax	51,905	1,937	18,255	15,795	8,894	6,656	367
Current	51,648	2,544	17,230	15,961	8,526	7,148	237
Deferred	257	-608	1,025	-166	368	-492	130
Net GST remittance (% of sales)	1.4	1.4	1.3	1.5	1.1	1.6	1.1
Net GST remittance '000 \$	82,350	5,693	18,889	32,037	10,862	14,562	571

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 1998

Series 1 : Study Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	4,867	816	632	552	373	375	728	646	745
Total Employment (ALUs)	44,110	9,631	4,889	2,912	6,711	2,719	5,057	6,192	5,999
ALU/business	9.1	11.8	7.7	5.3	18.0	7.3	6.9	9.6	8.1
Financial Characteristics									
	000 \$								
Total Sales	3,491,337	710,593	586,429	265,790	248,079	217,152	477,891	370,067	615,336
Assets	1,793,872	402,692	208,318	145,480	120,647	121,964	255,282	254,243	285,247
Liabilities	1,387,891	304,723	161,200	117,573	106,624	82,689	190,785	207,550	216,747
Equity	405,981	97,969	47,119	27,907	14,023	39,274	64,497	46,693	68,499
Net income	86,307	17,411	11,960	8,471	5,192	8,013	13,944	9,046	12,271
Net Income (Profit)	150,349	32,740	15,874	12,744	8,471	16,049	21,499	21,990	20,981
Net Income (Loss)	-64,042	-15,329	-3,914	-4,273	-3,280	-8,036	-7,555	-12,944	-8,711
Net Income (Profit) (counts)	3,521	601	460	397	253	273	521	474	542
Net Income (Loss) (counts)	1,346	215	172	155	120	102	207	172	203
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		27.8	28.6	8.7	47.2	23.8	17.8	20.0	27.2
Sales per dollar of Assets	1.9	1.8	2.8	1.8	2.1	1.8	1.9	1.5	2.2
Sales/employee \$	79,150	73,783	119,960	91,267	36,964	79,856	94,506	59,766	102,565
Return on equity (=Net income/Equity) (%)	21.3	17.8	25.4	30.4	37.0	20.4	21.6	19.4	17.9
Financial leverage (=Liabilities / Equity)	3.4	3.1	3.4	4.2	7.6	2.1	3.0	4.4	3.2
Sales/business '000 \$	717	871	928	482	665	579	656	573	826
Tax									
	000 \$								
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	0.8	0.6	1.1	3.6	2.9	0.9	1.6	1.1
Net GST remittance '000 \$	46,086	5,329	3,577	2,817	9,005	6,319	4,444	5,773	6,646

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 1998

Series 2 : Comparison Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	7,751	1,085	1,151	696	1,134	508	931	1,042	1,204
Total Employment (ALUs)	70,354	10,274	7,515	4,871	18,508	3,593	5,767	9,875	9,951
ALU/business	9.1	9.5	6.5	7.0	16.3	7.1	6.2	9.5	8.3
Financial Characteristics	000 \$								
Total Sales	5,533,470	934,311	905,806	445,102	643,262	318,517	674,356	602,784	1,009,330
Assets	3,306,732	596,655	373,033	264,718	325,172	193,669	372,416	602,724	578,344
Liabilities	2,513,278	445,130	316,921	201,734	274,377	136,304	253,531	461,225	424,056
Equity	793,454	151,525	56,112	62,984	50,795	57,365	118,885	141,499	154,288
Net income	158,122	30,096	10,940	12,718	12,746	14,054	24,628	33,289	19,652
Net Income (Profit)	255,386	47,561	24,768	18,762	22,898	23,492	34,134	46,176	37,594
Net Income (Loss)	-97,264	-17,465	-13,828	-6,044	-10,153	-9,439	-9,506	-12,887	-17,943
Net Income (Profit) (counts)	5,061	736	734	442	650	346	657	684	812
Net Income (Loss) (counts)	2,690	349	417	254	484	162	274	358	392
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		27.3	29.1	8.0	45.3	16.4	19.3	14.8	24.3
Sales per dollar of Assets	1.7	1.6	2.4	1.7	2.0	1.6	1.8	1.0	1.7
Sales/Employee \$	78,652	90,938	120,536	91,383	34,756	88,644	116,931	61,045	101,427
Return on equity (=Net income/Equity) (%)	19.9	19.9	19.5	20.2	25.1	24.5	20.7	23.5	12.7
Financial leverage (=Liabilities / Equity)	3.2	2.9	5.6	3.2	5.4	2.4	2.1	3.3	2.7
Sales/business '000 \$	714	861	787	640	567	627	724	578	838
Tax	000 \$								
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	0.8	0.6	1.1	3.6	2.9	0.9	1.6	1.1
Net GST remittance '000 \$	73,042	7,007	5,525	4,718	23,350	9,269	6,272	9,403	10,901

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 1999

Series 1 : Study Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	8,120	1,199	1,159	775	1,137	584	982	1,072	1,212
Total Employment (ALUs)	69,498	13,106	6,947	3,650	12,388	5,041	6,078	8,991	13,296
ALU/business	8.6	10.9	6.0	4.7	10.9	8.6	6.2	8.4	11.0
Financial Characteristics									
	000 \$								
Total Sales	5,065,551	1,011,962	803,000	353,610	487,841	376,278	618,247	544,212	870,401
Assets	2,904,651	569,052	304,169	198,550	282,981	229,811	398,813	427,140	494,134
Liabilities	2,270,026	434,955	240,304	158,814	278,764	166,818	261,616	350,506	378,249
Equity	634,625	134,097	63,866	39,736	4,217	62,993	137,197	76,634	115,885
Net income	114,875	29,103	14,256	8,544	6,880	-8,209	36,529	10,321	17,452
Net Income (Profit)	258,841	51,407	22,704	15,179	24,690	28,482	45,573	34,011	36,797
Net Income (Loss)	-143,966	-22,304	-8,448	-6,635	-17,810	-36,691	-9,044	-23,690	-19,345
Net Income (Profit) (counts)	5,066	812	718	503	506	395	693	670	769
Net Income (Loss) (counts)	3,054	387	441	272	631	189	289	402	443
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		33.4	31.7	70.8	56.5	61.9	45.3	63.9	37.8
Sales per dollar of Assets	1.7	1.8	2.6	1.8	1.7	1.6	1.6	1.3	1.8
Sales/employee \$	72,888	77,211	115,593	96,889	39,379	74,638	101,717	60,526	65,463
Return on equity (=Net income/Equity) (%)	18.1	21.7	22.3	21.5	n/m	-13.0	26.6	13.5	15.1
Financial leverage (=Liabilities / Equity)	3.6	3.2	3.8	4.0	n/m	2.6	1.9	4.6	3.3
Sales/business '000 \$	624	844	693	456	429	644	630	508	718
Tax									
	000 \$								
Income tax	41,080	8,893	4,411	2,854	2,672	2,174	9,762	13,115	-2,801
Current	43,197	7,985	4,226	2,538	2,694	2,708	8,675	7,367	7,003
Deferred	-2,117	909	185	316	-22	-534	1,086	5,748	-9,804
Net GST remittance (% of sales)	1.3	0.7	0.6	1.0	3.6	2.8	0.9	1.8	1.1
Net GST remittance '000 \$	67,878	6,679	4,898	3,678	17,709	10,461	5,688	9,524	9,748

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 1999

Series 2 : Comparison Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	9,061	1,274	1,331	807	1,403	582	1,001	1,225	1,438
Total Employment (ALUs)	80,906	11,574	8,019	5,268	19,925	4,012	6,804	12,305	12,999
ALU/business	8.9	9.1	6.0	6.5	14.2	6.9	6.8	10.0	9.0
Financial Characteristics	000 \$								
Total Sales	6,357,377	1,095,399	1,010,186	450,082	765,508	376,880	741,857	683,386	1,234,079
Assets	3,902,473	701,755	421,076	276,624	421,460	254,436	434,911	657,816	734,396
Liabilities	2,940,764	502,396	344,399	212,570	359,409	184,051	294,378	508,140	535,421
Equity	961,710	199,359	76,677	64,054	62,051	70,385	140,533	149,676	198,975
Net income	224,602	36,765	17,292	9,008	9,847	13,121	27,334	72,259	38,975
Net Income (Profit)	340,915	53,343	26,876	19,921	26,028	31,234	37,893	92,316	53,304
Net Income (Loss)	-116,313	-16,578	-9,584	-10,913	-16,181	-18,113	-10,559	-20,057	-14,329
Net Income (Profit) (counts)	5,860	882	844	502	759	394	659	802	1,018
Net Income (Loss) (counts)	3,201	392	487	305	644	188	342	423	420
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		36.7	31.9	74.5	55.5	70.2	42.8	67.9	40.0
Sales per dollar of Assets	1.6	1.6	2.4	1.6	1.8	1.5	1.7	1.0	1.7
Sales/Employee \$	78,577	94,645	125,982	85,432	38,419	93,941	109,027	55,536	94,936
Return on equity (=Net income/Equity) (%)	23.4	18.4	22.6	14.1	15.9	18.6	19.5	48.3	19.6
Financial leverage (=Liabilities / Equity)	3.1	2.5	4.5	3.3	5.8	2.6	2.1	3.4	2.7
Sales/business '000 \$	702	860	759	558	546	648	741	558	858
Tax	000 \$								
Income tax	251,797	86,824	3,541	9,112	-151	10,609	32,149	52,644	57,070
Current	256,844	77,943	3,258	8,585	4,593	10,817	31,288	57,911	62,448
Deferred	-5,047	8,880	283	526	-4,744	-208	860	-5,267	-5,378
Net GST remittance (% of sales)	1.3	0.7	0.6	1.0	3.6	2.8	0.9	1.8	1.1
Net GST remittance '000 \$	85,189	7,230	6,162	4,681	27,788	10,477	6,825	11,959	13,822

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin. & Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 2000

Series 1 : Study Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	9,149	1,311	1,372	809	1,476	615	1,028	1,183	1,355
Total Employment (ALUs)	86,217	15,674	9,148	4,464	20,584	6,835	7,044	11,342	11,126
ALU/business	9.4	12.0	6.7	5.5	13.9	11.1	6.9	9.6	8.2
Financial Characteristics									
	000 \$								
Total Sales	6,603,567	1,238,017	1,143,173	453,076	781,758	469,259	738,025	700,490	1,079,769
Assets	3,937,487	775,733	468,551	247,228	415,481	411,937	454,420	544,361	619,776
Liabilities	3,336,089	630,535	419,243	210,261	447,124	280,518	376,156	468,416	503,835
Equity	601,398	145,197	49,307	36,967	-31,642	131,419	78,263	75,945	115,941
Net income	-55,172	13,828	-7,036	9,034	-28,423	-62,043	5,089	12,295	2,083
Net Income (Profit)	266,382	53,508	24,231	19,153	16,965	27,332	33,206	54,464	37,523
Net Income (Loss)	-321,555	-39,680	-31,267	-10,119	-45,388	-89,375	-28,117	-42,169	-35,440
Net Income (Profit) (counts)	4,905	807	710	453	523	361	620	682	749
Net Income (Loss) (counts)	4,244	504	662	356	953	254	408	501	606
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		33.0	30.8	74.3	52.4	58.4	42.9	65.6	38.6
Sales per dollar of Assets	1.7	1.6	2.4	1.8	1.9	1.1	1.6	1.3	1.7
Sales/employee \$	76,592	78,984	124,966	101,489	37,980	68,654	104,776	61,762	97,045
Return on equity (=Net income/Equity) (%)	-9.2	9.5	-14.3	24.4	n/m	n/m	6.5	16.2	1.8
Financial leverage (=Liabilities / Equity)	5.5	4.3	8.5	5.7	n/m	2.1	4.8	6.2	4.3
Sales/business '000 \$	722	944	833	560	530	763	718	592	797
Tax									
	000 \$								
Income tax	49,229	8,505	4,585	3,322	2,549	4,765	5,614	8,769	11,121
Current	44,891	7,837	4,272	2,658	2,318	3,579	4,783	8,506	10,937
Deferred	4,338	668	313	663	230	1,186	831	262	184
Net GST remittance (% of sales)	1.3	0.8	0.6	0.9	3.6	2.7	0.9	1.5	1.1
Net GST remittance '000 \$	85,846	9,904	6,745	4,168	28,456	12,717	6,495	10,437	12,201

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 2000

Series 2 : Comparison Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	9,558	1,338	1,383	855	1,494	620	1,067	1,285	1,516
Total Employment (ALUs)	83,868	12,903	8,081	4,180	21,224	4,687	7,282	12,641	12,870
ALU/business	8.8	9.6	5.8	4.9	14.2	7.6	6.8	9.8	8.5
Financial Characteristics	000 \$								
Total Sales	6,829,923	1,195,765	1,059,905	475,926	808,651	444,590	823,036	743,034	1,279,018
Assets	5,404,592	926,354	454,270	316,126	445,003	372,199	493,057	1,555,570	842,014
Liabilities	3,652,115	686,880	397,946	249,439	395,886	233,658	359,672	688,643	639,991
Equity	1,752,477	239,474	56,323	66,686	49,118	138,541	133,385	866,927	202,023
Net income	315,939	15,725	6,648	16,363	6,379	1,671	26,306	205,488	37,360
Net Income (Profit)	501,732	61,598	25,010	26,007	26,701	33,275	41,653	228,038	59,449
Net Income (Loss)	-185,793	-45,874	-18,362	-9,645	-20,322	-31,604	-15,347	-22,550	-22,089
Net Income (Profit) (counts)	5,779	836	796	521	741	388	712	815	970
Net Income (Loss) (counts)	3,779	502	587	334	753	232	355	470	546
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		36.1	30.0	72.6	54.4	64.4	41.9	68.5	39.5
Sales per dollar of Assets	1.3	1.3	2.3	1.5	1.8	1.2	1.7	0.5	1.5
Sales/Employee \$	81,437	92,670	131,154	113,862	38,101	94,865	113,023	58,781	99,380
Return on equity (=Net income/Equity) (%)	18.0	6.6	11.8	n/m	13.0	1.2	19.7	23.7	18.5
Financial leverage (=Liabilities / Equity)	2.1	2.9	7.1	3.7	8.1	1.7	2.7	0.8	3.2
Sales/business '000 \$	715	894	766	557	541	717	771	578	844
Tax	000 \$								
Income tax	316,891	105,889	5,902	16,481	5,205	17,264	43,597	30,663	91,891
Current	294,863	101,637	5,737	11,973	4,571	17,912	34,085	27,143	91,804
Deferred	22,028	4,252	164	4,508	633	-648	9,512	3,519	87
Net GST remittance (% of sales)	1.3	0.8	0.6	0.9	3.6	2.7	0.9	1.5	1.1
Net GST remittance '000 \$	88,789	9,566	6,253	4,379	29,435	12,048	7,243	11,071	14,453

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 2001

Series 1 : Study Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	8,569	1,212	1,271	766	1,372	570	967	1,110	1,301
Total Employment (ALUs)	85,482	15,626	8,783	4,647	19,923	6,576	7,065	11,538	11,323
ALU/business	10.0	12.9	6.9	6.1	14.5	11.5	7.3	10.4	8.7
Financial Characteristics									
000 \$									
Total Sales	7,154,287	1,315,668	1,211,555	516,195	865,412	503,757	769,155	792,310	1,180,236
Assets	3,923,535	807,335	457,579	255,668	397,663	384,792	446,608	559,076	614,815
Liabilities	3,359,486	659,330	402,184	215,732	420,722	275,088	367,598	502,550	516,281
Equity	564,049	148,004	55,395	39,936	-23,059	109,704	79,010	56,525	98,534
Net income	-21,254	18,293	4,831	9,708	-9,566	-74,640	21,255	-3,303	12,168
Net Income (Profit)	293,258	62,750	28,366	20,748	22,906	29,813	37,132	43,876	47,666
Net Income (Loss)	-314,512	-44,458	-23,535	-11,040	-32,472	-104,453	-15,877	-47,179	-35,499
Net Income (Profit) (counts)	5,107	788	750	456	613	329	641	714	816
Net Income (Loss) (counts)	3,462	424	521	310	759	241	326	396	485
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		34.2	30.1	71.0	53.0	57.0	44.0	65.8	37.8
Sales per dollar of Assets	1.8	1.6	2.6	2.0	2.2	1.3	1.7	1.4	1.9
Sales/employee \$	83,694	84,196	137,940	111,082	43,437	76,602	108,874	68,669	104,232
Return on equity (=Net income/Equity) (%)	-3.8	12.4	8.7	24.3	n/m	n/m	26.9	-5.8	12.3
Financial leverage (=Liabilities / Equity)	6.0	4.5	7.3	5.4	n/m	2.5	4.7	8.9	5.2
Sales/business '000 \$	835	1,086	953	674	631	884	795	714	907
Tax									
000 \$									
Income tax	72,985	9,948	4,933	3,515	3,329	2,480	6,604	15,812	26,365
Current	63,378	8,836	4,703	3,121	3,171	1,519	6,212	9,753	26,064
Deferred	9,607	1,111	229	395	159	961	392	6,059	301
Net GST remittance (% of sales)	1.4	0.9	0.7	0.9	3.7	2.7	0.9	1.7	1.2
Net GST remittance '000 \$	97,298	11,183	7,875	4,749	31,934	13,601	7,230	13,152	13,691

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 2001

Series 2 : Comparison Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	8,840	1,247	1,288	777	1,357	589	1,002	1,183	1,397
Total Employment (ALUs)	79,595	12,623	7,604	4,506	19,967	4,333	7,017	11,603	11,943
ALU/business	9.0	10.1	5.9	5.8	14.7	7.4	7.0	9.8	8.5
Financial Characteristics									
	000 \$								
Total Sales	6,888,747	1,173,714	1,069,009	477,496	826,147	460,880	863,142	771,999	1,246,359
Assets	4,280,833	831,878	434,637	282,871	399,114	306,040	480,428	757,404	788,459
Liabilities	3,284,864	608,297	375,234	212,022	350,099	218,207	329,854	618,285	572,865
Equity	995,969	223,580	59,403	70,849	49,015	87,833	150,574	139,119	215,595
Net income	176,027	29,919	8,799	13,050	13,496	11,246	31,429	22,866	45,221
Net Income (Profit)	354,488	71,433	26,375	22,201	31,965	41,624	43,940	52,881	64,067
Net Income (Loss)	-178,461	-41,514	-17,576	-9,151	-18,469	-30,378	-12,512	-30,015	-18,846
Net Income (Profit) (counts)	5,578	797	773	474	755	398	676	774	931
Net Income (Loss) (counts)	3,262	450	515	303	602	191	326	409	466
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		35.5	30.7	69.7	54.2	64.8	40.7	65.1	39.6
Sales per dollar of Assets	1.6	1.4	2.5	1.7	2.1	1.5	1.8	1.0	1.6
Sales/Employee \$	86,547	92,983	140,590	105,966	41,376	106,355	123,015	66,535	104,361
Return on equity (=Net income/Equity) (%)	17.7	13.4	14.8	18.4	27.5	12.8	20.9	16.4	21.0
Financial leverage (=Liabilities / Equity)	3.3	2.7	6.3	3.0	7.1	2.5	2.2	4.4	2.7
Sales/business '000 \$	779	941	830	615	609	782	861	653	892
Tax									
	000 \$								
Income tax	316,110	122,549	6,702	19,436	6,304	22,072	21,445	30,584	87,018
Current	302,967	87,415	6,301	20,844	6,004	26,750	30,604	36,083	88,967
Deferred	13,143	35,134	401	-1,408	301	-4,678	-9,159	-5,499	-1,949
Net GST remittance (% of sales)	1.4	0.9	0.7	0.9	3.7	2.7	0.9	1.7	1.2
Net GST remittance '000 \$	93,687	9,977	6,949	4,393	30,485	12,444	8,114	12,815	14,458

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS 2002

Series 1 : Study Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	10,024	1,354	1,463	949	1,623	652	1,152	1,344	1,487
Total Employment (ALUs)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financial Characteristics									
	000 \$								
Total Sales	8,984,807	1,573,997	1,482,881	665,532	1,104,139	621,165	1,045,805	1,014,665	1,476,622
Assets	5,134,521	1,005,116	565,492	337,928	473,729	553,089	637,872	804,227	757,068
Liabilities	4,291,559	799,856	494,722	279,986	492,662	405,408	518,466	690,470	609,990
Equity	842,962	205,260	70,770	57,942	-18,933	147,681	119,407	113,756	147,079
Net income	79,742	22,328	15,556	16,693	-3,741	-40,709	29,507	15,969	24,139
Net Income (Profit)	383,428	73,950	40,422	28,824	34,576	35,832	47,690	60,096	62,037
Net Income (Loss)	-303,685	-51,622	-24,866	-12,132	-38,317	-76,541	-18,183	-44,127	-37,898
Net Income (Profit) (counts)	6,058	871	894	597	807	370	755	823	941
Net Income (Loss) (counts)	3,966	483	569	352	816	282	397	521	546
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		33.9	30.4	72.4	52.6	61.3	41.9	65.8	40.6
Sales per dollar of Assets	1.7	1.6	2.6	2.0	2.3	1.1	1.6	1.3	2.0
Sales/employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	9.5	10.9	22.0	28.8	n/m	-27.6	24.7	14.0	16.4
Financial leverage (=Liabilities / Equity)	5.1	3.9	7.0	4.8	n/m	2.7	4.3	6.1	4.1
Sales/business '000 \$	896	1,162	1,014	701	680	953	908	755	993
Tax									
	000 \$								
Income tax	51,383	10,903	6,052	4,094	4,153	4,113	6,307	7,138	8,624
Current	49,731	9,832	6,121	3,468	4,284	3,331	5,760	8,339	8,595
Deferred	1,652	1,071	-69	625	-131	781	547	-1,201	29
Net GST remittance (% of sales)	1.4	0.8	0.6	0.9	3.7	2.8	1.0	1.6	1.2
Net GST remittance '000 \$	122,193	11,805	9,046	5,857	40,743	17,082	10,040	16,438	17,719

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 4 Economic Impact Study - Financial Characteristics Summary by NAICS, 2002

Series 2 : Comparison Group

	Total	Manufacturing	Retail Trade	Transportation and Warehousing	Accommod. and Food Services	Professional, Scientific and Technical Services	Agriculture, Forestry, Fishing & Hunting and Construction	Group A (1)	Group B (2)
# of businesses	8,238	1,110	1,262	742	1,415	518	972	1,062	1,157
Total Employment (ALUs)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financial Characteristics	000 \$								
Total Sales	6,055,117	1,018,354	992,629	457,615	834,704	390,516	814,195	660,121	886,982
Assets	4,027,450	700,439	417,532	381,720	400,793	293,297	485,633	736,085	611,952
Liabilities	2,960,635	506,490	344,178	243,850	349,298	206,279	316,380	557,095	437,065
Equity	1,066,815	193,949	73,354	137,870	51,495	87,018	169,253	178,989	174,887
Net income	190,003	25,391	14,963	7,953	14,079	5,775	36,629	46,533	38,680
Net Income (Profit)	347,928	66,024	29,538	20,739	34,026	31,706	47,047	66,707	52,141
Net Income (Loss)	-157,925	-40,633	-14,575	-12,786	-19,947	-25,931	-10,418	-20,174	-13,461
Net Income (Profit) (counts)	5,198	694	751	467	809	336	665	703	773
Net Income (Loss) (counts)	3,040	416	511	275	606	182	307	359	384
Financial Ratios									
Gross Margin (=Gross Profit/Sales)(%)		36.9	30.4	70.8	54.5	67.5	41.1	70.2	44.6
Sales per dollar of Assets	1.5	1.5	2.4	1.2	2.1	1.3	1.7	0.9	1.4
Sales/Employee \$	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	17.8	13.1	20.4	5.8	27.3	6.6	21.6	n/m	22.1
Financial leverage (=Liabilities / Equity)	2.8	2.6	4.7	1.8	6.8	2.4	1.9	3.1	2.5
Sales/business '000 \$	735	917	787	617	590	754	838	622	767
Tax	000 \$								
Income tax	51,905	10,709	4,031	3,929	4,926	6,089	6,049	8,748	7,423
Current	51,648	10,231	4,055	3,670	5,189	6,206	6,494	8,447	7,355
Deferred	257	478	-24	260	-263	-117	-445	301	68
Net GST remittance (% of sales)	1.4	0.8	0.6	0.9	3.7	2.8	1.0	1.6	1.2
Net GST remittance '000 \$	82,350	7,638	6,055	4,027	30,801	10,739	7,816	10,694	10,644

Group A contains the following NAICS sectors : Mining and Oil and Gas Extraction, Utilities, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Admin.& Support, Waste Mgmt and Remediation Services, Educational Services and Arts, Entertainment and Recreation.

Group B contains the following NAICS sectors : Wholesale Trade, Management of Companies and businesses, Health Care and Social Assistance, Other Services (including Public Administration).

Table 5 CSBF Financial and Borrowers Characteristics (1999-2000) for 1998

	Business Type			Class of Loan			Lender type					
	Total	Franchise	Non Franchise	Total	Purchase or improvements of real properties or immovables (25)	Leasehold for new improvements (26) and purchasing existing improvements (27)	Equipment (28) and Software (29)	Total	Chartered Banks	Credit Union	Caisses Populaires	Other institutions
# of businesses	4,867	297	4,570	4,867	756	352	3759	4,867	3,528	1,031	151	157
Total Employment (ALUs)	44,110	3,574	40,536	44,110	5857.8	4239.63	34012.95	44,110	34,057	7,915	1,217	921
ALU/business	9.1	12.0	8.9	9.1	7.7	12.0	9.0	9.1	9.7	7.7	8.1	5.9
Financial Characteristics												
	000 \$											
Total Sales	3,491,337	208,003	3,283,335	3,491,337	507,883	296,483	2,686,971	3,491,337	2,714,855	588,541	85,550	102,391
Assets	1,793,872	82,465	1,711,408	1,793,872	252,383	111,005	1,430,484	1,793,872	1,389,347	308,514	39,790	56,222
Liabilities	1,387,891	67,114	1,320,777	1,387,891	189,772	85,436	1,112,683	1,387,891	1,070,376	236,019	33,234	48,262
Equity	405,981	15,350	390,631	405,981	62,611	25,569	317,801	405,981	318,970	72,495	6,556	7,959
Net income	86,307	2,952	83,355	86,307	17,309	6,628	62,371	86,307	65,576	17,725	-011	3,016
Net Income (Profit)	150,349	5,765	144,583	150,349	21,903	9,483	118,963	150,349	118,593	24,042	2,988	4,725
Net Income (Loss)	-64,042	-2,813	-61,228	-64,042	-4,594	-2,855	-56,593	-64,042	-53,017	-6,317	-2,999	-1,709
Net Income (Profit) (counts)	3,521	189	3,332	3,137	186	239	2,712	3,521	2,561	755	99	106
Net Income (Loss) (counts)	1,346	108	1,238	1,730	570	113	1,047	1,346	967	276	52	51
Financial Ratios												
Gross Margin (=Gross Profit/Sales)(%)		37.5	24.5		22.5	31.9	25.1		25.5	25.1	27.8	17.7
Sales per dollar of Assets	1.9	2.5	1.9	1.9	2.0	2.7	1.9	1.9	2.0	1.9	2.2	1.8
Sales/employee \$	79,150	58,195	80,998	79,150	86,702	69,931	78,998	79,150	79,714	74,354	70,315	111,170
Return on equity (=Net income/Equity) (%)	21.3	19.2	21.3	21.3	9.1	7.8	5.6	21.3	20.6	24.5	-0.2	37.9
Financial leverage (=Liabilities / Equity)	4.4	3.4	3.4	3.4	0.3	0.3	0.3	3.4	3.4	3.3	5.1	6.1
Sales/business '000 \$	717	700	718	717	672	842	715	717	770	571	567	652
Tax												
	000 \$											
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	46,086	2,746	43,340	46,086	6,704	3,914	35,468	46,086	35,836	7,769	1,129	1,352

Table 5 CSBF Financial and Borrowers Characteristics (1999-2000) for 1999

	Business Type			Class of Loan				Lender type				
	Total	Franchise	Non Franchise	Total	Purchase or improvements of real properties or immovables (25)	Leasehold for new improvements (26) and purchasing existing improvements (27)	Equipment (28) and Software (29)	Total	Chartered Banks	Credit Union	Caisses Populaires	Other institutions
# of businesses	8,120	947	7,173	8,120	1,124	630	6,366	8,120	5,978	1,605	270	267
Total Employment (ALUs)	69,498	9,939	59,559	69,498	7,626	6,376	55,496	69,498	55,134	10,965	2,089	1,310
ALU/business	8.6	10.5	8.3	8.6	6.8	10.1	8.7	8.6	9.2			
Financial Characteristics	000 \$											
Total Sales	5,065,551	389,469	4,676,082	5,065,551	690,864	427,389	3,947,298	5,065,551	3,969,814	836,986	126,756	131,995
Assets	2,904,651	221,071	2,683,579	2,904,651	407,490	199,116	2,298,045	2,904,651	1,862,393	453,222	500,648	88,387
Liabilities	2,270,026	198,020	2,072,007	2,270,026	298,666	200,070	1,771,291	2,270,026	1,375,768	358,141	467,441	68,676
Equity	634,625	23,052	611,573	634,625	108,824	-954	526,754	634,625	486,626	95,081	33,207	19,711
Net income	114,875	2,740	112,135	114,875	31,019	10,088	73,768	114,875	81,752	26,178	4,657	2,288
Net Income (Profit)	258,841	15,557	243,285	258,841	38,212	17,792	202,837	258,841	203,311	41,146	7,311	7,073
Net Income (Loss)	-143,966	-12,817	-131,149	-143,966	-7,193	-7,704	-129,069	-143,966	-121,560	-14,968	-2,654	-4,785
Net Income (Profit) (counts)	5,066	437	4,629	5,066	778	365	3,923	5,055	3,690	1,081	156	128
Net Income (Loss) (counts)	3,054	510	2,544	3,054	346	265	2,443	3,065	2,288	524	114	139
Financial Ratios												
Gross Margin (=Gross Profit/Sales)(%)		49.2	45.2		40.8	44.4	46.5		46.1	42.4	34.7	59.2
Sales per dollar of Assets	1.7	1.8	1.7	1.7	1.7	2.1	1.7	1.7	2.1	1.8	0.3	1.5
Sales/employee \$	72,888	39,184	78,512	72,888	90,593	67,031	71,127	72,888	72,003	76,330	60,682	100,772
Return on equity (=Net income/Equity) (%)	18.1	11.9	18.3	18.1	28.5	n/m	14.0	18.1	16.8	27.5	14.0	11.6
Financial leverage (=Liabilities / Equity)	3.6	8.6	3.4	3.6	2.7	n/m	3.4	3.6	2.8	3.8	14.1	3.5
Sales/business '000 \$	624	411	652	624	615	678	620	624	664	521	469	494
Tax	000 \$											
Income tax	41,080	8,411	32,669	41,080	7,537	3,554	29,989	41,080	30,150	6,901	2,529	1,501
Current	43,197	3,531	39,666	43,197	7,007	3,451	32,739	43,197	33,651	6,167	1,712	1,667
Deferred	-2,117	4,880	-6,996	-2,117	530	103	-2,751	-2,117	-3,501	734	817	-166
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	67,878	5,219	62,659	67,878	9,258	5,727	52,894	67,878	53,196	11,216	1,699	1,769

Table 5 CSBF Financial and Borrowers Characteristics (1999-2000) for 2000

	Business Type			Class of Loan			Lender type					
	Total	Franchise	Non Franchise	Total	Purchase or improvements of real properties or immovables (25)	Leasehold for new improvements (26) and purchasing existing improvements (27)	Equipment (28) and Software (29)	Total	Chartered Banks	Credit Union	Caissees Populaires	Other institutions
# of businesses	9,149	1,216	7,933	9,149	1,291	700	7,158	9,149	6,813	1,760	305	271
Total Employment (ALUs)	86,217	11,450	74,767	86,217	9,730	8,664	67,822	86,217	67,679	14,140	2,799	1,599
ALU/business	9.4	9.4	9.4	9.4	7.5	12.4	9.5	9.4	9.9	8.0	9.2	5.9
Financial Characteristics	000 \$											
Total Sales	6,603,567	629,199	5,974,367	6,603,567	880,220	591,196	5,132,151	6,603,567	5,163,171	1,098,125	174,806	167,465
Assets	3,937,487	308,309	3,629,178	3,937,487	547,015	270,952	3,119,520	3,937,487	2,626,456	635,279	575,703	100,048
Liabilities	3,336,089	318,424	3,017,665	3,336,089	458,010	248,663	2,629,416	3,336,089	2,186,439	508,947	545,793	94,910
Equity	601,398	-10,115	611,513	601,398	89,006	22,289	490,104	601,398	440,018	126,332	29,910	5,138
Net income	-55,172	-15,329	-39,843	-55,172	16,220	-4,030	-67,362	-55,172	-72,967	16,948	-262	1,108
Net Income (Profit)	266,382	13,185	253,198	266,382	35,958	14,678	215,747	266,382	204,970	46,963	8,262	6,188
Net Income (Loss)	-321,555	-28,514	-293,041	-321,555	-19,738	-18,707	-283,109	-321,555	-277,937	-30,015	-8,524	-5,079
Net Income (Profit) (counts)	3,950	461	3,489	4,905	773	356	3,776	4,905	3,546	1,091	141	127
Net Income (Loss) (counts)	5,199	755	4,444	4,244	518	344	3,382	4,244	3,267	669	164	144
Financial Ratios												
Gross Margin (=Gross Profit/Sales)(%)		40.1	36.0		41.2	43.3	45.9		45.4	40.5	52.2	57.8
Sales per dollar of Assets	1.7	2.0	1.6	1.7	1.6	2.2	1.6	1.7	2.0	1.9	2.2	1.8
Sales/employee \$	76,592	54,951	79,906	76,592	90,460	68,234	75,670	76,592	76,289	74,354	70,315	111,170
Return on equity (=Net income/Equity) (%)	-9.2	n/m	-6.5	-9.2	18.2	-18.1	-13.7	-9.2	-16.6	24.5	-0.2	37.9
Financial leverage (=Liabilities / Equity)	5.5	n/m	4.9	5.5	5.1	11.2	5.4	5.5	5.0	3.3	5.1	6.1
Sales/business '000 \$	722	517	753	722	682	845	717	722	758	624	573	618
Tax	000 \$											
Income tax	49,229	7,805	41,424	49,229	6,999	2,574	39,656	49,229	37,125	9,265	1,771	1,067
Current	44,891	7,383	37,508	44,891	6,307	2,348	36,236	44,891	33,950	8,077	1,986	878
Deferred	4,338	422	3,916	4,338	692	226	3,420	4,338	3,176	1,188	-215	189
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	85,846	8,180	77,667	85,846	11,443	7,686	66,718	85,846	67,121	14,276	2,272	2,177

Table 5 CSBF Financial and Borrowers Characteristics (1999-2000) for 2001

	Business Type			Class of Loan			Lender type					
	Total	Franchise	Non Franchise	Total	Purchase or improvements of real properties or immovables (25)	Leasehold for new improvements (26) and purchasing existing improvements (27)	Equipment (28) and Software (29)	Total	Chartered Banks	Credit Union	Caisses Populaires	Other institutions
# of businesses	8,569	1,134	7,435	8,569	1,220	650	6,699	8,569	6,383	1,647	281	258
Total Employment (ALUs)	85,482	10,983	74,499	85,482	9,997	7,926	67,559	85,482	66,728	14,689	2,505	1,560
ALU/business	10.0	9.7	10.0	10.0	8.2	12.2	10.1	10.0	10.5	8.9	8.9	6.0
Financial Characteristics												
000 \$												
Total Sales	7,154,287	696,909	6,457,377	7,154,287	921,149	600,227	5,632,910	7,154,287	5,565,420	1,202,371	188,652	197,845
Assets	3,923,535	288,760	3,634,774	3,923,535	543,789	250,635	3,129,111	3,923,535	3,041,885	670,971	99,044	111,635
Liabilities	3,359,486	299,186	3,060,300	3,359,486	450,331	225,087	2,684,068	3,359,486	2,633,977	527,722	96,987	100,800
Equity	564,049	-10,426	574,475	564,049	93,458	25,548	445,043	564,049	407,908	143,249	2,058	10,835
Net income	-21,254	-8,836	-12,419	-21,254	19,669	-5,790	-35,133	-21,254	-49,693	23,859	1,346	3,234
Net Income (Profit)	293,258	15,950	277,307	293,258	38,261	18,756	236,241	293,258	225,035	52,488	7,261	8,473
Net Income (Loss)	-314,512	-24,786	-289,726	-314,512	-18,593	-24,546	-271,373	-314,512	-274,728	-28,629	-5,915	-5,239
Net Income (Profit) (counts)	5,107	498	4,609	5,107	794	349	3,964	5,107	3,732	1,059	157	159
Net Income (Loss) (counts)	3,462	636	2,826	3,462	426	301	2,735	3,462	2,651	588	124	99
Financial Ratios												
Gross Margin (=Gross Profit/Sales)(%)		49.4	44.7		41.1	45.2	45.9		45.6	40.4	52.4	55.1
Sales per dollar of Assets	1.8	2.4	1.8	1.8	1.7	2.4	1.8	1.8	1.8	1.9	2.2	1.8
Sales/employee \$	83,694	63,452	86,678	83,694	92,145	75,725	83,378	83,694	83,405	74,354	70,315	111,170
Return on equity (=Net income/Equity) (%)	-3.8	n/m	-2.2	-3.8	21.0	-22.7	-7.9	-3.8	-12.2	24.5	-0.2	37.9
Financial leverage (=Liabilities / Equity)	6.0	n/m	5.3	6.0	4.8	8.8	6.0	6.0	6.5	3.3	5.1	6.1
Sales/business '000 \$	835	615	869	835	755	923	841	835	872	730	671	767
Tax												
000 \$												
Income tax	72,985	8,070	64,915	72,985	7,412	3,224	62,349	72,985	60,176	10,463	1,316	1,030
Current	63,378	985	62,393	63,378	6,998	2,962	53,418	63,378	51,846	9,316	1,214	1,001
Deferred	9,607	7,085	2,522	9,607	414	261	8,932	9,607	8,329	1,147	101	29
Net GST remittance (% of sales)	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Net GST remittance '000 \$	97,298	9,478	87,820	97,298	12,528	8,163	76,608	97,298	75,690	16,352	2,566	2,691

Table 5 CSBF Financial and Borrowers Characteristics (1999-2000) for 2002

	Business Type			Class of Loan				Lender type				
	Total	Franchise	Non Franchise	Total	Purchase or improvements of real properties or immovables (25)	Leasehold for new improvements (26) and purchasing existing improvements (27)	Equipment (28) and Software (29)	Total	Chartered Banks	Credit Union	Caissees Populaires	Other institutions
# of businesses	10,024	1,283	8,741	10,009	1,431	758	7,820	10,024	7,412	1,962	329	321
Total Employment (ALUs)		n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	n/a
Financial Characteristics												
	000 \$											
Total Sales	8,984,807	825,595	8,159,212	8,976,603	1,186,267	715,629	7,074,708	8,984,807	6,952,149	1,570,255	229,929	232,473
Assets	5,134,521	345,752	4,788,770	5,127,161	716,271	314,035	4,096,855	5,134,521	3,980,792	900,199	121,581	131,950
Liabilities	4,291,559	349,100	3,942,459	4,275,469	570,582	282,753	3,422,134	4,291,559	3,364,582	694,269	114,613	118,095
Equity	842,962	-3,348	846,310	851,692	145,689	31,281	674,721	842,962	616,209	205,930	6,968	13,855
Net income	79,742	2,682	77,061	84,633	35,658	30,487	18,488	79,742	29,283	44,072	2,368	4,020
Net Income (Profit)	383,428	28,749	354,678	382,810	53,527	25,009	304,274	383,428	284,881	78,545	10,038	9,964
Net Income (Loss)	-303,685	-26,068	-277,618	-298,177	-17,869	5,478	-285,787	-303,685	-255,598	-34,472	-7,670	-5,944
Net Income (Profit) (counts)	3,941	629	3,312	6,058	951	414	4,693	6,058	4,362	1,320	191	185
Net Income (Loss) (counts)	6,083	654	5,429	3,966	495	344	3,127	3,966	3,050	642	138	136
Financial Ratios												
Gross Margin (=Gross Profit/Sales)(%)	95.9	50.4	45.6	135.3	40.4	48.2	46.7	201.8	46.6	39.8	55.1	60.2
Sales per dollar of Assets	1.7	2.4	1.7	1.8	1.7	2.3	1.7	1.7	1.7	1.7	1.9	1.8
Sales/employee \$	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	9.5%	n/m	9.1%	9.9%	24.5%	n/m	2.7%	9.5%	4.8%	21.4%	34.0%	29.0%
Financial leverage (=Liabilities / Equity)	5.1	n/m	4.7	5.0	3.9	n/m	5.1	5.1	5.5	3.4	16.4	8.5
Sales/business '000 \$	896	643	933	897	829	n/a	905	896	938	800	699	724
Tax												
	000 \$											
Income tax	51,383	2,916	48,467	51,252	8,407	1,289	41,556	00	00	00	00	00
Current	49,731	2,991	46,740	49,627	7,758	2,550	39,319					
Deferred	1,652	-074	1,727	1,624	649	-1,262	2,237					
Net GST remittance (% of sales)	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Net GST remittance '000 \$	122,193	11,228	110,965	122,082	16,133	9,733	96,216	122,193	94,549	21,355	3,127	3,162

Table 6 Financial and Borrowers Characteristics (1999-2000) for 1998

Series 1 : Study Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	4,867	2,417	1,907	466	77	4,867	527	1,052	1,072	1,111	733	372	4,867	462	619	467	3,319
Total Employment (ALUs)	44,110	5,388	19,209	13,240	6,274	44,110	1,477	4,033	6,396	11,082	11,749	9,373	44,110	1,379.60	4,089.31	2,837.24	35,804.23
ALU/business	9.1	2.2	10.1	28.4	81.5	9.1	2.8	3.8	6.0	10.0	16.0	25.2	9.1	3.0	6.6	6.1	10.8
Financial Characteristics																	
	000 \$																
Total Sales	3,491,337	866,463	1,689,838	756,600	178,436	3,491,337	26,969	181,351	391,133	784,529	1,021,180	1,086,174	3,491,337	124,537	275,294	248,974	2,842,532
Assets	1,793,872	485,400	814,498	410,436	83,539	1,793,872	70,100	146,132	235,330	418,457	468,974	454,881	1,793,872	108,753	150,464	116,583	1,418,072
Liabilities	1,387,891	396,452	618,932	306,970	65,537	1,387,891	59,885	117,592	190,204	323,351	356,681	340,178	1,387,891	92,369	126,491	94,531	1,074,500
Equity	405,981	88,947	195,566	103,466	18,002	405,981	10,215	28,540	45,126	95,105	112,292	114,703	405,981	16,384	23,973	22,052	343,572
Net income	86,307	28,377	45,109	9,263	3,558	86,307	-5,387	348	13,582	23,229	31,443	23,093	86,307	4,819	3,243	1,877	76,368
Net Income (Profit)	150,349	43,832	71,723	27,800	6,993	150,349	1,408	11,938	20,574	37,993	43,935	34,500	150,349	8,137	12,929	11,132	118,151
Net Income (Loss)	-64,042	-15,455	-26,615	-18,536	-3,435	-64,042	-6,796	-11,591	-6,992	-14,764	-12,492	-11,407	-64,042	-3,318	-9,687	-9,255	-41,782
Net Income (Profit) (counts)	3,571	1,679	1,472	358	62	3,464	252	678	781	853	588	312	3,521	280	392	326	2,523
Net Income (Loss) (counts)	1,296	738	435	108	15	1,403	275	374	291	258	145	60	1,346	182	227	141	796
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		3.3	2.7	1.2	2.0		-20.0	0.2	3.5	3.0	3.1	2.1		3.9	1.2	0.8	2.7
Sales per dollar of Assets	1.9	1.8	2.1	1.8	2.1	1.9	0.4	1.2	1.7	1.9	2.2	2.4	1.9	1.1	1.8	2.1	2.0
Sales/employee \$	79,150	160,808	87,972	57,146	28,443	79,150	18,257	44,968	61,157	70,792	86,915	115,878	79,150	90,270	67,320	87,752	79,391
Return on equity (=Net income/Equity) (%)	21.3	31.9	23.1	9.0	19.8	21.3	n/m	1.2	30.1	24.4	28.0	20.1	21.3	29.4	13.5	8.5	22.2
Financial leverage (=Liabilities / Equity)	3.4	4.5	3.2	3.0	3.6	3.4	5.9	4.1	4.2	3.4	3.2	3.0	3.4	5.6	5.3	4.3	3.1
Sales/business '000 \$	717	358	886	1,624	2,317	717	051	172	365	706	1,393	2,920	717	270	445	533	856
Tax																	
	000 \$																
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	0.52	1.4	1.7	1.6	1.4	1.2	1.3	1.3	1.3	1.3	
Net GST remittance '000 \$	46,086	11,437	22,306	9,987	2,355	46,086	140	2,513	6,482	12,297	14,561	12,833	46,086	1,644	3,634	3,286	37,521

Table 6 Financial and Borrowers Characteristics (1999-2000) for 1998

Series 2 : Comparison Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	7,751	3,907	3,079	617	148	7,751	972	1,656	1,814	1,641	1,095	573	7,751	246	320	355	6,830
Total Employment (ALUs)	70,354	8,710	30,501	17,529	13,613	70,354	5,662	5,873	9,551	16,181	21,679	11,408	70,354	754	1,870	2,119	65,611
ALU/business	9.1	2.2	9.9	28.4	92.0	9.1	5.8	3.5	5.3	9.9	19.8	19.9	9.1	3.1	5.8	6.0	9.6
Financial Characteristics	000 \$																
Total Sales	5,533,470	1,313,132	2,731,502	1,035,106	453,729	5,533,470	58,529	293,082	660,484	1,163,517	1,553,265	1,804,592	5,533,470	69,176	131,862	177,341	5,155,091
Assets	3,306,732	888,421	1,528,667	628,799	260,845	3,306,732	102,174	221,726	472,703	729,471	897,115	883,542	3,306,732	59,539	104,860	89,983	3,052,350
Liabilities	2,513,278	737,142	1,141,152	442,605	192,379	2,513,278	99,293	199,411	376,728	573,065	635,301	629,482	2,513,278	59,360	92,463	84,351	2,277,104
Equity	793,454	151,278	387,515	186,194	68,466	793,454	2,882	22,315	95,975	156,407	261,815	254,060	793,454	179	12,396	5,632	775,246
Net income	158,122	40,538	82,074	18,859	16,650	158,122	-2,031	-3,710	20,193	45,005	55,402	43,262	158,122	-48	-487	3,708	154,948
Net Income (Profit)	255,386	70,653	121,069	39,411	24,253	255,386	6,043	13,917	33,716	62,575	72,374	66,762	255,386	4,457	6,389	6,725	237,815
Net Income (Loss)	-97,264	-30,114	-38,995	-20,552	-7,603	-97,264	-8,074	-17,627	-13,522	-17,570	-16,972	-23,500	-97,264	-4,505	-6,875	-3,016	-82,867
Net Income (Profit) (counts)	5,061	2,372	2,129	434	126	5,061	486	917	1,189	1,123	887	459	5,061	109	153	215	4,584
Net Income (Loss) (counts)	2,690	1,535	950	183	22	2,690	486	739	625	518	208	114	2,690	137	167	140	2,246
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		21.8	25.1	25.7	27.4		-3.5	-1.3	-6.8	3.9	3.6	2.4		17.8	25.0	24.8	24.7
Sales per dollar of Assets	1.7	1.5	1.8	1.6	1.7	1.7	0.6	1.3	1.4	1.6	1.7	2.0	1.7	1.2	1.3	2.0	1.7
Sales/Employee \$	78,652	150,753	89,555	59,051	33,330	78,652	10,338	49,899	69,157	71,906	71,648	158,185	78,652	91,745	70,524	83,684	78,571
Return on equity (=Net income/Equity) (%)	19.9	26.8	21.2	10.1	n/a	19.9	-70.5	-16.6	21.0	28.8	21.2	17.0	19.9	-26.9	-3.9	65.8	20.0
Financial leverage (=Liabilities / Equity)	3.2	4.9	2.9	2.4	n/a	3.2	34.5	8.9	3.9	3.7	2.4	2.5	3.2	n/m	7.5	15.0	2.9
Sales/business '000 \$	714	336	887	1,678	3,066	714	060	177	364	709	1,419	3,149	714	281	412	500	755
Tax	000 \$																
Income tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deferred	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	0.5	1.4	1.7	1.6	1.4	1.2	1.3	1.3	1.3	1.3	
Net GST remittance '000 \$	73,042	17,333	36,056	13,663	5,989	73,042	304	4,061	10,945	18,237	22,147	21,322	73,042	913	1,741	2,341	68,047

Table 6 Financial and Borrowers Characteristics (1999-2000) for 1999

Series 1 : Study Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	8,120	4,623	2,693	670	134	8,120	1,664	1,680	1,652	1,542	1,015	567	8,120	2,685	827	646	3,962
Total Employment (ALUs)	69,498	8,978	26,802	19,431	14,287	69,498	3,801	5,644	10,847	16,579	17,675	14,953	69,498	9,591	5,337	5,100	49,470
ALU/business	8.6	1.9	10.0	29.0	106.6	8.6	2.3	3.4	6.6	10.8	17.4	26.4	8.6	3.6	6.5	7.9	12.5
Financial Characteristics																	
000 \$																	
Total Sales	5,065,551	1,319,171	2,282,549	1,159,828	304,003	5,065,551	66,497	279,169	586,935	1,060,361	1,397,393	1,675,196	5,065,551	702,162	440,533	396,882	3,525,975
Assets	2,904,651	888,577	1,153,901	665,253	196,920	2,904,651	245,675	236,009	368,408	571,078	673,102	810,377	2,904,651	506,672	295,246	213,764	1,888,968
Liabilities	2,270,026	723,978	900,569	493,322	152,156	2,270,026	183,355	217,955	306,893	450,098	495,083	616,642	2,270,026	460,916	245,794	171,318	1,391,998
Equity	634,625	164,599	253,331	171,931	44,763	634,625	62,320	18,054	61,516	120,980	178,019	193,735	634,625	45,757	49,452	42,446	496,970
Net income	114,875	30,027	63,234	17,608	4,006	114,875	-10,829	189	15,474	32,908	38,849	38,284	114,875	-3,567	75	8,653	109,713
Net Income (Profit)	258,841	79,647	108,721	56,471	14,002	258,841	16,386	17,284	36,615	58,513	61,774	68,269	258,841	47,532	24,899	21,541	164,870
Net Income (Loss)	-143,966	-49,620	-45,487	-38,863	-9,996	-143,966	-27,215	-17,095	-21,142	-25,605	-22,925	-29,985	-143,966	-51,099	-24,823	-12,888	-55,157
Net Income (Profit) (counts)	5,135	2,614	1,919	510	92	4,944	621	895	1,088	1,098	790	452	5,066	1,152	503	452	2,959
Net Income (Loss) (counts)	2,985	2,009	774	160	42	3,176	1,043	785	564	444	225	115	3,054	1,533	324	194	1,003
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		51.4	44.2	41.5	45.8		61.0	67.1	61.5	51.2	42.8	34.5		51.1	49.1	50.9	43.4
Sales per dollar of Assets	1.7	1.5	2.0	1.7	1.5	1.7	0.3	1.2	1.6	1.9	2.1	2.1	1.7	1.4	1.5	1.9	1.9
Sales/employee \$	72,888	146,930	85,163	59,690	21,278	72,888	17,497	49,462	54,112	63,959	79,062	112,029	72,888	73,207	82,551	77,824	71,274
Return on equity (=Net income/Equity) (%)	18.1	18.2	25.0	10.2	8.9	18.1	-17.4	1.0	25.2	27.2	21.8	19.8	18.1	-7.8	0.2	20.4	22.1
Financial leverage (=Liabilities / Equity)	3.6	4.4	3.6	2.9	3.4	3.6	2.9	12.1	5.0	3.7	2.8	3.2	3.6	10.1	5.0	4.0	2.8
Sales/business '000 \$	624	285	848	1,731	2,269	624	40	166	355	688	1,377	2,954	624	262	533	614	890
Tax																	
000 \$																	
Income tax	41,080	4,956	19,286	15,068	1,770	41,080	3,273	2,845	5,588	10,297	11,003	8,074	41,080	5,888	7,424	4,536	23,234
Current	43,197	13,866	17,869	10,075	1,387	43,197	2,580	2,672	5,286	9,840	9,828	12,991	43,197	5,735	2,431	4,355	30,676
Deferred	-2,117	-8,910	1,418	4,993	382	-2,117	693	173	302	457	1,176	-4,917	-2,117	152	4,993	181	-7,443
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	0.4	1.6	1.7	1.6	1.4	1.2	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	67,878	17,677	30,586	15,542	4,074	67,878	298	4,602	9,881	17,282	19,957	19,302	67,878	9,409	5,903	5,318	47,248

Table 6 Financial and Borrowers Characteristics (1999-2000) for 1999

Series 2 : Comparison Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	9,061	4,698	3,484	705	174	9,061	1,196	1,904	2,137	1,851	1,237	736	9,061	441	407	367	7,846
Total Employment (ALUs)	80,906	10,360	34,488	20,059	15,999	80,906	8,150	6,963	12,037	18,350	22,067	13,340	80,906	1,775	2,261	2,291	74,579
ALU/business	8.9	2.2	9.9	28.5	91.9	8.9	6.8	3.7	5.6	9.9	17.8	18.1	8.9	4.0	5.6	6.2	9.5
Financial Characteristics	000 \$																
Total Sales	6,357,377	1,541,994	3,205,134	1,184,889	425,359	6,357,377	54,620	324,240	755,500	1,284,815	1,698,539	2,239,662	6,357,377	151,076	173,394	198,092	5,834,815
Assets	3,902,473	1,028,770	1,798,642	753,955	321,106	3,902,473	142,364	298,404	516,372	851,055	827,744	1,266,535	3,902,473	102,647	96,365	114,532	3,588,930
Liabilities	2,940,764	842,463	1,340,495	536,997	220,809	2,940,764	114,740	265,923	417,946	616,976	636,612	888,568	2,940,764	95,374	91,904	97,899	2,655,587
Equity	961,710	186,306	458,147	216,959	100,297	961,710	27,624	32,482	98,425	234,079	191,132	377,967	961,710	7,273	4,460	16,633	933,343
Net income	224,602	40,017	90,451	45,094	49,040	224,602	-4,397	3,419	19,410	42,575	61,331	102,264	224,602	657	-3,218	2,077	225,086
Net Income (Profit)	340,915	80,959	139,656	64,596	55,703	340,915	9,657	19,857	39,277	66,618	81,889	123,616	340,915	10,131	7,060	8,173	315,550
Net Income (Loss)	-116,313	-40,942	-49,206	-19,502	-6,663	-116,313	-14,055	-16,438	-19,867	-24,043	-20,558	-21,352	-116,313	-9,475	-10,278	-6,096	-90,464
Net Income (Profit) (counts)	5,860	2,786	2,418	517	139	5,860	580	1,090	1,361	1,268	944	617	5,860	223	210	193	5,234
Net Income (Loss) (counts)	3,201	1,912	1,066	188	35	3,201	616	814	776	583	293	119	3,201	218	197	174	2,612
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		0.5	0.4	0.5	0.6		0.7	0.7	0.6	0.5	0.5	0.4		0.5	0.5	0.5	0.5
Sales per dollar of Assets	1.6	1.5	1.8	1.6	1.3	1.6	0.4	1.1	1.5	1.5	2.1	1.8	1.6	1.5	1.8	1.7	1.6
Sales/Employee \$	78,577	148,838	92,934	59,070	26,587	78,577	6,702	46,569	57,951	78,582	78,755	150,923	78,577	85,105	76,676	86,462	78,237
Return on equity (=Net income/Equity) (%)	23.4%	21.5%	19.7%	20.8%	48.9%	23.4%	-15.9%	10.5%	19.7%	18.2%	32.1%	27.1%	23.4%	9.0%	n/m	12.5%	24.1%
Financial leverage (=Liabilities / Equity)	3.1	4.5	2.9	2.5	2.2	3.1	4.2	8.2	4.2	2.6	3.3	2.4	3.1	13.1	n/m	5.9	2.8
Sales/business '000 \$	702	328	920	1,681	2,445	702	46	170	354	694	1,373	3,043	702	343	426	540	744
Tax	000 \$																
Income tax	251,797	113,446	90,479	34,650	13,222	251,797	20,384	19,223	29,673	38,789	69,983	73,744	251,797	1,406	893	1,622	247,876
Current	256,844	111,163	90,039	37,066	18,576	256,844	21,434	20,892	29,747	39,812	70,308	74,650	256,844	1,378	1,127	1,303	253,035
Deferred	-5,047	2,284	440	-2,417	-5,354	-5,047	-1,050	-1,669	-74	-1,023	-325	-906	-5,047	28	-234	319	-5,159
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	0.4	1.6	1.7	1.6	1.4	1.2	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	85,189	20,663	42,949	15,878	5,700	85,189	245	5,345	12,719	20,940	24,257	25,805	85,189	2,024	2,323	2,654	78,187

Table 6 Financial and Borrowers Characteristics (1999-2000) for 2000

Series 1 : Study Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	9,149	4,646	3,402	912	189	9,149	1,251	1,946	2,031	1,859	1,268	794	9,149	1,133	2,848	764	4,404
Total Employment (ALUs)	86,217	10,190	33,931	27,083	15,013	86,217	4,252	7,125	12,938	18,830	20,515	22,557	86,217	5,573.87	20,010.49	6,574.21	54,058.62
ALU/business	9.4	2.2	10.0	29.7	79.4	9.4	3.4	3.7	6.4	10.1	16.2	28.4	9.4	4.9	7.0	8.6	12.3
Financial Characteristics																	
	000 \$																
Total Sales	6,603,567	1,553,429	2,999,876	1,579,649	470,613	6,603,567	58,424	334,140	725,302	1,304,592	1,731,999	2,449,111	6,603,567	367,626	1,307,872	562,960	4,365,109
Assets	3,937,487	1,020,730	1,577,655	950,165	388,937	3,937,487	224,356	316,584	492,444	798,738	473,423	1,631,941	3,937,487	251,200	754,857	421,053	2,510,377
Liabilities	3,336,089	957,992	1,328,165	757,207	292,726	3,336,089	182,727	316,816	456,668	679,080	319,337	1,381,461	3,336,089	261,964	765,073	340,561	1,968,491
Equity	601,398	62,739	249,489	192,959	96,211	601,398	41,629	-232	35,776	119,659	154,087	250,480	601,398	-10,763	-10,216	80,492	541,885
Net income	-55,172	-7,671	20,156	-17,713	-49,944	-55,172	-61,692	-39,219	-21,553	21,294	20,945	25,053	-55,172	-23,806	-43,982	-18,976	31,591
Net Income (Profit)	266,382	78,171	110,993	58,543	18,675	266,382	7,031	13,103	28,017	71,121	68,673	78,437	266,382	13,716	53,083	25,601	173,983
Net Income (Loss)	-321,555	-85,842	-90,837	-76,257	-68,619	-321,555	-68,722	-52,322	-49,570	-49,827	-47,728	-53,384	-321,555	-37,522	-97,065	-44,576	-142,392
Net Income (Profit) (counts)	4,905	2,198	2,018	584	105	4,748	290	783	1,030	1,188	876	581	4,905	398	1,097	458	2,952
Net Income (Loss) (counts)	4,244	2,448	1,384	328	84	4,401	961	1,163	1,001	671	392	213	4,244	735	1,751	306	1,452
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		49.2	44.2	42.0	47.1		64.0	64.6	57.1	52.0	43.9	35.5	36.5	37.5	38.5	39.5	44.6
Sales per dollar of Assets	1.7	1.5	1.9	1.7	1.2	1.7	0.3	1.1	1.5	1.6	3.7	1.5	1.7	1.5	1.7	1.3	1.4
Sales/employee	76,592	152,443	88,410	58,326	31,348	76,592	13,742	46,896	56,058	69,281	84,427	108,575	76,592	65,955	65,359	85,632	88,003
Return on equity (=Net income/Equity) (%)	-9.2	-12.2	8.1	-9.2	n/m	-9.2	n/m	n/m	n/m	17.8	13.6	10.0	-9.2	n/m	n/m	-23.6	5.8
Financial leverage (=Liabilities / Equity)	5.5	15.3	5.3	3.9	3.0	5.5	4.4	n/m	12.8	5.7	2.1	5.5	5.5	n/m	n/m	4.2	5.2
Sales/business '000 \$	722	334	882	1,732	2,490	722	047	172	357	702	1,366	3,085	722	324	459	737	991
Tax																	
	000 \$																
Income tax	49,229	11,488	22,323	10,285	5,134	49,229	4,184	2,170	3,957	11,393	11,997	15,529	49,229	1,437	6,071	10,371	31,350
Current	44,891	10,786	20,205	9,190	4,710	44,891	4,235	2,033	3,824	10,383	10,347	14,068	44,891	1,614	5,968	3,609	33,701
Deferred	4,338	701	2,118	1,095	424	4,338	-52	137	132	1,010	1,650	1,460	4,338	-177	103	6,762	-2,350
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	0.3	1.7	1.6	1.6	1.5	1.1	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	85,846	20,195	38,998	20,535	6,118	85,846	203	5,583	11,797	20,716	26,076	25,874	85,846	4,779	17,002	7,318	56,746

Table 6 Financial and Borrowers Characteristics (1999-2000) for 2000

Series 2 : Comparison Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	9,558	4,913	3,745	744	156	9,558	1,361	1,976	2,148	1,925	1,335	813	9,558	347	497	409	8,305
Total Employment (ALUs)	83,868	10,275	37,373	21,545	14,676	83,868	7,911	6,665	13,471	17,036	24,581	14,203	83,868	1,543	3,355	2,281	76,689
ALU/business	8.8	2.1	10.0	29.0	94.1	8.8	5.8	3.4	6.3	8.9	18.4	17.5	8.8	4.4	6.7	5.6	9.2
Financial Characteristics																	
Total Sales	6,829,923	1,593,760	3,613,528	1,213,044	409,591	6,829,923	58,975	340,068	762,859	1,344,883	1,823,827	2,499,313	6,829,923	124,338	239,500	187,204	6,278,882
Assets	5,404,592	1,113,763	2,179,115	875,980	1,235,734	5,404,592	177,442	337,823	549,989	1,778,081	1,170,698	1,390,559	5,404,592	112,234	164,864	124,400	5,003,094
Liabilities	3,652,115	992,671	1,691,529	647,798	320,117	3,652,115	176,187	323,685	497,754	805,431	871,212	977,847	3,652,115	105,049	155,224	124,643	3,267,200
Equity	1,752,477	121,092	487,586	228,182	915,617	1,752,477	1,255	14,138	52,236	972,651	299,486	412,712	1,752,477	7,186	9,640	-243	1,735,895
Net income	315,939	34,140	83,326	n/a	n/a	315,939	-15,568	-5,005	-1,430	202,392	65,675	69,874	315,939	-4,372	-4,179	-3,463	327,953
Net Income (Profit)	501,732	88,595	157,897	51,224	204,016	501,732	6,557	18,826	34,631	501,732	242,269	95,145	501,732	6,522	16,398	7,450	471,361
Net Income (Loss)	-185,793	-54,455	-74,572	-43,052	-13,715	-185,793	-22,125	-23,831	-36,060	-39,877	-29,470	-34,430	-185,793	-10,894	-20,577	-10,913	-143,408
Net Income (Profit) (counts)	5,779	2757	2,406	493	123	5,779	641	1,023	1,213	1,262	980	600	5,779	158	220	199	5,202
Net Income (Loss) (counts)	3,779	2156	1,339	251	33	3,779	720	953	935	663	355	153	3,779	189	277	210	3,103
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		49.7	43.0	47.8	62.6		69.3	66.2	58.1	52.1	45.0	38.1		48.3	49.2	52.8	46.3
Sales per dollar of Assets	1.3	1.4	1.7	n/a	n/a	1.3	0.3	1.0	1.4	0.8	1.6	1.8	1.3	1.1	1.5	1.5	1.3
Sales/Employee \$	81,437	155,113	96,689	n/a	n/a	81,437	7,455	51,019	56,630	78,942	74,198	175,965	81,437	80,568	71,393	82,082	81,874
Return on equity (=Net income/Equity) (%)	18.0	28.2	17.1	n/a	n/a	18.0	n/m	-35.4	-2.7	20.8	21.9	16.9	18.0	n/m	n/m	1,426.4	18.9
Financial leverage (=Liabilities / Equity)	2.1	8.2	3.5	n/a	n/a	2.1	140.4	22.9	9.5	0.8	2.9	2.4	2.1	14.6	16.1	n/m	1.9
Sales/business '000 \$	715	324	965	n/a	n/a	715	043	172	355	699	1,366	3,074	715	358	482	458	756
Tax																	
Income tax	316,891	139,910	131,898	32,795	12,288	316,891	34,400	22,279	25,865	43,842	74,005	116,500	316,891	-1,056	8,886	1,912	307,148
Current	294,863	131,152	126,213	30,231	7,268	294,863	29,370	23,663	28,664	40,271	68,240	104,655	294,863	322	8,632	1,472	284,437
Deferred	22,028	8,758	5,685	2,564	5,020	22,028	5,030	-1,384	-2,798	3,571	5,765	11,844	22,028	-1,377	254	440	22,711
Net GST remittance (% of sales)	1.3	1.3	1.3	1.3	1.3	1.3	0.3	1.7	1.6	1.6	1.5	1.1	1.3	1.3	1.3	1.3	1.3
Net GST remittance '000 \$	88,789	20,719	46,976	15,770	5,325	88,789	204	5,682	12,408	21,356	27,459	26,404	88,789	1,616	3,113	2,434	81,625

Table 6 Financial and Borrowers Characteristics (1999-2000) for 2001

Series 1 : Study Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	8,569	4,168	3,262	933	206	8,569	772	1,574	1,981	1,906	1,397	939	8,569	136	1,040	2,511	4,882
Total Employment (ALUs)	85,482	9,229	32,497	27,578	16,178	85,482	2,474	4,639	11,530	18,945	21,558	26,337	85,482	613.98	6567.43	19080.19	59220.31
ALU/business	10.0	2.2	10.0	29.6	78.5	10.0	3.2	2.9	5.8	9.9	15.4	28.0	10.0	4.5	6.3	7.6	12.1
Financial Characteristics	000 \$																
Total Sales	7,154,287	1,639,114	3,247,820	1,714,053	553,299	7,154,287	37,521	274,783	706,505	1,335,643	1,911,311	2,888,524	7,154,287	62,886	504,740	1,487,088	5,099,572
Assets	3,923,535	947,171	1,645,097	965,337	365,930	3,923,535	112,642	234,750	464,998	770,768	985,785	1,354,592	3,923,535	70,672	280,759	769,626	2,802,478
Liabilities	3,359,486	885,938	1,372,953	770,644	329,951	3,359,486	128,012	239,464	439,547	651,380	806,819	1,094,263	3,359,486	39,958	283,658	778,714	2,257,157
Equity	564,049	61,233	272,144	194,693	35,980	564,049	-15,370	-4,715	25,451	119,388	178,966	260,328	564,049	30,715	-2,899	-9,087	545,321
Net income	-21,254	-19,494	48,112	-22,433	-27,439	-21,254	-15,786	-13,959	-33,402	-7,859	14,339	35,412	-21,254	-9,555	-21,043	-52,937	62,282
Net Income (Profit)	293,258	66,378	134,197	69,419	23,263	293,258	7,305	12,655	31,199	58,390	77,377	106,332	293,258	3,307	18,210	62,107	209,633
Net Income (Loss)	-314,512	-85,872	-86,086	-91,852	-50,702	-314,512	-23,091	-26,613	-64,601	-66,249	-63,038	-70,919	-314,512	-12,862	-39,253	-115,045	-147,352
Net Income (Profit) (counts)	5,107	2,212	2,124	633	138	4,993	236	729	1,110	1,201	989	728	5,107	73	484	1,252	3,298
Net Income (Loss) (counts)	3,462	1,956	1,138	300	68	3,576	536	845	871	705	408	211	3,462	63	556	1,259	1,584
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		48.7	44.3	43.7	44.8		65.4	66.6	58.2	52.4	45.4	36.2		56.6	49.1	45.2	44.7
Sales per dollar of Assets	1.8	1.7	2.0	1.8	1.5	1.8	0.3	1.2	1.5	1.7	1.9	2.1	1.8	0.9	1.8	1.9	1.8
Sales/employee \$	83,694	177,613	99,943	62,152	34,200	83,694	15,166	59,234	61,277	70,502	88,660	109,677	83,694	102,424	76,855	77,939	86,112
Return on equity (=Net income/Equity) (%)	-3.8	-31.8	17.7	-11.5	n/m	-3.8	n/m	n/m	n/m	-6.6	8.0	13.6	-3.8	-31.1	n/m	n/m	11.4
Financial leverage (=Liabilities / Equity)	6.0	14.5	5.0	4.0	9.2	6.0	n/m	n/m	17.3	5.5	4.5	4.2	6.0	1.3	n/m	n/m	4.1
Sales/business '000 \$	835	393	996	1,837	2,686	835	49	175	357	701	1,368	3,076	835	462	485	592	1,045
Tax	000 \$																
Income tax	72,985	25,142	19,422	22,125	6,295	72,985	4,399	3,128	1,966	8,471	9,083	45,938	72,985	441	2,683	6,467	63,393
Current	63,378	25,951	17,770	13,471	6,186	63,378	5,637	3,141	1,684	8,013	8,080	36,823	63,378	437	2,559	5,668	54,713
Deferred	9,607	-808	1,652	8,654	109	9,607	-1,238	-013	282	458	1,003	9,115	9,607	4	124	799	8,680
Net GST remittance (% of sales)	1.4	1.4	1.4	1.4	1.4	1.4	0.3	1.7	1.7	1.6	1.5	1.2	1.4	1.4	1.4	1.4	1.4
Net GST remittance '000 \$	97,298	22,292	44,170	23,311	7,525	97,298	103	4,615	11,905	21,500	29,618	34,313	97,298	855	6,864	20,224	69,354

Table 6 Financial and Borrowers Characteristics (1999-2000) for 2001

Series 2 : Comparison Group

	Employment Size (# of employees)					Firm Revenues (in dollars)						Business Age					
	Total	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	8,840	4,525	3,397	747	171	8,840	941	1,696	2,014	1,918	1,390	881	8,840		297	440	8,103
Total Employment (ALUs)	79,595	9,808	33,600	21,726	14,462	79,595	5,835	5,119	11,822	15,440	25,462	15,916	97,595		1,918	3,319	92,359
ALU/business	9.0	2.2	9.9	29.1	84.6	9.0	6.2	3.0	5.9	8.1	18.3	18.1	11.0		6.5	7.5	11.4
Financial Characteristics	000 \$																
Total Sales	6,888,747	1,704,907	3,457,540	1,304,942	421,358	6,888,747	42,935	288,765	704,918	1,333,310	1,876,257	2,642,562	6,888,747		170,502	281,666	6,436,578
Assets	4,280,833	1,110,865	2,001,014	909,882	259,072	4,280,833	171,252	313,871	573,895	736,505	1,021,792	1,463,518	4,280,833		136,405	156,635	3,987,793
Liabilities	3,284,864	949,285	1,519,294	658,753	157,531	3,284,864	139,473	299,623	507,527	562,544	796,522	979,174	3,284,864		132,808	148,387	3,003,668
Equity	995,969	161,580	481,719	251,129	101,541	995,969	31,778	14,248	66,369	173,960	225,270	484,345	995,969		3,597	8,247	984,125
Net income	176,027	42,629	86,826	23,073	23,499	176,027	-11,029	-3,246	1,024	30,250	56,560	102,467	176,027		-5,921	-14,509	196,456
Net Income (Profit)	354,488	97,889	164,556	62,181	29,863	354,488	3,926	17,904	40,055	73,000	93,400	126,203	354,488		7,580	15,074	331,834
Net Income (Loss)	-178,461	-55,260	-77,730	-39,107	-6,364	-178,461	-14,955	-21,150	-39,031	-42,750	-36,839	-23,736	-178,461		-13,500	-29,583	-135,378
Net Income (Profit) (counts)	5,578	2,653	2,275	516	134	5,578	469	876	1,207	1,297	1,015	714	5,578		139	243	5,196
Net Income (Loss) (counts)	3,262	1,872	1,122	231	37	3,262	472	820	807	621	375	167	3,262		158	197	2,907
Financial Ratios																	
Gross Margin (=Gross Profit/Sales)(%)		0.5	0.4	0.5	0.5		0.7	0.7	0.6	0.5	0.4	0.4			0.5	0.5	0.5
Sales per dollar of Assets	1.6	1.5	1.7	1.4	1.6	1.6	0.3	0.9	1.2	1.8	1.8	1.8	1.6		1.2	1.8	n/a
Sales/Employee \$	86,547	173,834	102,902	60,065	29,136	86,547	18,385	56,407	59,626	95,645	61,593	166,032	70,585		88,894	84,874	n/a
Return on equity (=Net income/Equity) (%)	17.7%	26.4%	18.0%	9.2%	23.1%	17.7%	-34.7%	-22.8%	1.5%	17.4%	25.1%	21.2%	17.7%		n/m	n/m	20.0%
Financial leverage (=Liabilities / Equity)	3.3	5.9	3.2	2.6	1.6	3.3	4.4	n/m	7.6	3.2	3.5	2.0	3.3		n/m	n/m	3.1
Sales/business '000 \$	779	377	1,018	1,747	2,464	779	046	170	350	695	1,350	3,000	779		574	640	n/a
Tax	000 \$																
Income tax	316,110	137,864	127,534	42,990	7,722	316,110	20,580	10,445	47,882	48,597	87,479	101,127	12,457		1,540	10,917	n/a
Current	302,967	134,058	126,197	48,400	-5,688	302,967	11,645	12,087	47,357	43,177	89,313	99,389	302,967		1,519	12,500	288,948
Deferred	13,143	3,806	1,337	-5,409	13,410	13,143	8,936	-1,642	525	5,420	-1,834	1,738	13,143		21	-1,583	14,705
Net GST remittance (% of sales)	1.4	1.4	1.4	1.4	1.4	1.4	0.3	1.7	1.7	1.6	1.5	1.2	1.4		1.4	1.4	
Net GST remittance '000 \$	93,687	23,187	47,023	17,747	5,730	93,687	118	4,850	11,878	21,463	29,075	31,391	93,687		2,319	3,831	n/a

Table 6 Financial and Borrowers Characteristics (1999-2000) for 2002

Series 1 : Study Group

	Employment Size (# of employees)				Firm Revenues (in dollars)						Business Age as per LEAP 2001 ^a					
	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	n/a	n/a	n/a	n/a	10024 ^b	1,138	1,691	2,074	2,139	1,726	1,256	8,436		267	1,059	7,110
Total Employment (ALUs)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financial Characteristics	000 \$															
Total Sales	n/a	n/a	n/a	n/a	8,984,807	43,975	291,283	755,206	1,522,186	2,400,891	3,971,267	8,234,265		253,234	680,865	7,300,166
Assets	n/a	n/a	n/a	n/a	5,134,521	157,303	289,417	484,905	907,914	1,255,650	2,039,333	4,753,703		182,879	400,990	4,169,833
Liabilities	n/a	n/a	n/a	n/a	4,291,559	203,955	310,801	472,545	759,726	994,061	1,550,472	3,890,803		151,481	356,274	3,383,049
Equity	n/a	n/a	n/a	n/a	842,962	-46,652	-21,384	12,361	148,188	261,589	488,861	862,900		31,399	44,717	786,784
Net income	n/a	n/a	n/a	n/a	79,742	-24,240	-18,793	-15,513	10,343	42,838	85,107	37,866		-29,428	-22,458	89,752
Net Income (Profit)	n/a	n/a	n/a	n/a	383,428	6,915	19,113	35,294	72,148	100,456	149,501	347,996		10,681	27,339	309,975
Net Income (Loss)	n/a	n/a	n/a	n/a	-303,685	-31,155	-37,906	-50,807	-61,805	-57,618	-64,394	-310,130		-40,109	-49,797	-220,223
Net Income (Profit) (counts)	n/a	n/a	n/a	n/a	5,888	316	833	1,162	1,370	1,241	966					
Net Income (Loss) (counts)	n/a	n/a	n/a	n/a	4,136	822	858	912	769	485	290					
Financial Ratios																
Gross Margin (=Gross Profit/Sales)(%)	n/a	n/a	n/a	n/a		70.8	68.5	59.6	54.1	47.1	37.7			55.5	49.3	45.8
Sales per dollar of Assets	n/a	n/a	n/a	n/a	1.7	0.3	1.0	1.6	1.7	1.9	1.9	1.7		1.4	1.7	1.8
Sales/employee \$	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	n/a	n/a	n/a	n/a	9.5	n/m	n/m	n/m	7.0	16.4	17.4	4.4		n/m	n/m	11.4
Financial leverage (=Liabilities / Equity)	n/a	n/a	n/a	n/a	5.1	n/m	n/m	n/m	5.1	3.8	3.2	4.5		4.8	8.0	4.3
Sales/business '000 \$	n/a	n/a	n/a	n/a	896	039	172	364	712	1,391	3,162	976		948	643	1,027
Tax	000 \$															
Income tax	n/a	n/a	n/a	n/a	51,383	-550	1,342	3,510	7,371	15,389	24,322	43,986		1,887	1,335	40,765
Current	n/a	n/a	n/a	n/a	49,731	-525	1,414	3,515	7,972	14,880	22,474	44,854		1,825	2,491	40,538
Deferred	n/a	n/a	n/a	n/a	1,652	-25	-73	-5	-601	508	1,848	-867		62	-1,156	227
Net GST remittance (% of sales)	n/a	n/a	n/a	n/a	1.4	0.3	1.7	1.7	1.6	1.5	1.1	1.4		1.4	1.4	1.4
Net GST remittance '000 \$	n/a	n/a	n/a	n/a	122,193	131	5,046	12,704	24,605	37,063	45,363	111,986		3,444	9,260	123,336

a) These statistics record financial information by business age as of 2001.

b) These statistics were derived by linking CSBF borrowers to GIF1 2002.

Table 6 Financial and Borrowers Characteristics (1999-2000) for 2002

Series 2 : Comparison Group

	Employment Size (# of employees)				Firm Revenues (in dollars)							Business Age as per LEAP 2001 ^a				
	1 - 4	5 - 19	20 - 49	50 or more	Total	0 - 100 000	100 001 - 250 000	250 001 - 500 000	500 001 - 1 000 000	1,000,001 - 2,000,000	2,000,001 - 6,000,000	Total	less than 1 year	1 year to under 2 years	2 years to under 3 years	more than 3 years
# of businesses	n/a	n/a	n/a	n/a	8,238	1,091	1,624	1,847	1,726	1,205	745	7,840		278	394	7,168
Total Employment (ALUs)	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a	0		n/a	n/a	n/a
Financial Characteristics	000 \$															
Total Sales	n/a	n/a	n/a	n/a	6,055,117	45,508	277,323	656,350	1,220,905	1,651,442	2,203,589	5,950,858		162,140	255,748	5,532,970
Assets	n/a	n/a	n/a	n/a	4,027,450	206,045	295,121	488,376	744,636	1,036,729	1,256,544	3,933,999		104,264	134,791	3,694,944
Liabilities	n/a	n/a	n/a	n/a	2,960,635	173,835	256,962	417,118	597,596	713,928	801,197	2,862,304		98,874	128,231	2,635,199
Equity	n/a	n/a	n/a	n/a	1,066,815	32,210	38,159	71,258	147,041	322,801	455,347	1,071,695		5,390	6,560	1,059,745
Net income	n/a	n/a	n/a	n/a	190,003	4,518	-879	8,943	21,661	64,589	91,171	180,501		584	4,029	175,888
Net Income (Profit)	n/a	n/a	n/a	n/a	347,928	19,417	23,049	34,965	63,895	91,628	114,975	340,335		8,148	16,292	315,895
Net Income (Loss)	n/a	n/a	n/a	n/a	-157,925	-14,899	-23,928	-26,022	-42,234	-27,038	-23,804	-148,811		-7,564	-12,262	-128,984
Net Income (Profit) (counts)	n/a	n/a	n/a	n/a	5,198	489	886	1,103	1,186	924	610	5,023	n/a	149	222	4,652
Net Income (Loss) (counts)	n/a	n/a	n/a	n/a	3,040	602	738	744	540	281	135	2,817	n/a	129	172	2,516
Financial Ratios																
Gross Margin (=Gross Profit/Sales)(%)	n/a	n/a	n/a	n/a		73.3	66.6	60.2	53.8	45.9	40.2			52.9	50.9	47.8
Sales per dollar of Assets	n/a	n/a	n/a	n/a	1.5	0.2	0.9	1.3	1.6	1.6	1.8	1.5		1.6	1.9	1.5
Sales/Employee \$	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a
Return on equity (=Net income/Equity) (%)	n/a	n/a	n/a	n/a	17.8%	14.0%	-2.3%	12.6%	14.7%	20.0%	20.0%	16.8%		10.8%	n/m	16.6%
Financial leverage (=Liabilities / Equity)	n/a	n/a	n/a	n/a	2.8	5.4	6.7	5.9	4.1	2.2	1.8	2.7		n/m	n/m	2.5
Sales/business '000 \$	n/a	n/a	n/a	n/a	735	42	171	355	707	1,370	2,958	759		583	649	772
Tax	000 \$															
Income tax	n/a	n/a	n/a	n/a	51,905	3,277	2,630	4,189	9,460	13,483	18,865	3,064		1,072	1,991	n/m
Current	n/a	n/a	n/a	n/a	51,648	2,457	2,660	4,721	9,696	13,328	18,786	50,956		1,171	1,933	47,852
Deferred	n/a	n/a	n/a	n/a	257	821	-30	-532	-236	155	79	235		-99	58	276
Net GST remittance (% of sales)	n/a	n/a	n/a	n/a	1.4	0.3	1.7	1.7	1.6	1.5	1.1	1.4		1.4	1.4	1.4
Net GST remittance '000 \$	n/a	n/a	n/a	n/a	82,350	135	4,804	11,041	19,735	25,494	25,171	80,932		2,205	3,478	n/a

a) These statistics record financial information by business age as of 2001.

b) These statistics were derived by linking CSBF borrowers to GIF1 2002.

Table 7 Economic Impact Study - Entry and Exits by Employment Size								
Series 1 : Study Group								
Employment Size	Business Life Status	Total of SME (no.)	Exit 1999 (no.)	Exit 2000 (no.)	ALIVE 2001 (no.)	Exit 1999 (%)	Exit 2000 (%)	ALIVE 2001 (%)
1 - 4 ALU	Born in 1998	1,026	79	105	691	7.7	10.2	67.4
	Born in 1999	3,237	449	460	2,328	13.9	14.2	71.9
	Born in 2000	1,230	n/a	297	933	0.0	24.2	75.9
5 - 19 ALU	Born in 1998	116	8	9	94	6.9	7.8	81.0
	Born in 1999	436	26	48	362	6.0	11.0	83.0
	Born in 2000	262	n/a	22	240	0.0	8.4	91.6
20 - 49 ALU	Born in 1998	14	0	1	13	0.0	7.1	92.9
	Born in 1999	52	1	5	46	1.9	9.6	88.5
	Born in 2000	56	n/a	2	54	0.0	3.6	96.4
50 and more ALU	Born in 1998	6	0	0	6	0.0	0.0	100.0
	Born in 1999	7	0	3	4	0.0	42.9	57.1
	Born in 2000	6	n/a	0	6	0.0	0.0	100.0

Table 7 Economic Impact Study - Entry and Exits by Employment Size								
Series 2 : Comparison Group								
Employment Size	Business Life Status	Total of SME (no.)	Exit 1999 (no.)	Exit 2000 (no.)	ALIVE 2001 (no.)	Exit 1999 (%)	Exit 2000 (%)	ALIVE 2001 (%)
1 - 4 ALU	Born in 1998	648	20	62	394	3.1	9.6	60.8
	Born in 1999	683	182	77	424	26.7	11.3	62.1
	Born in 2000	560	0	209	351	0.0	37.3	62.7
5 - 19 ALU	Born in 1998	89	0	10	74	0.0	11.2	83.2
	Born in 1999	113	6	13	94	5.3	11.5	83.2
	Born in 2000	113	0	8	105	0.0	7.1	92.9
20 - 49 ALU	Born in 1998	11	0	2	8	0.0	18.2	72.7
	Born in 1999	13	0	3	10	0.0	23.1	76.9
	Born in 2000	17	0	1	16	0.0	5.9	94.1
50 and more ALU	Born in 1998	2	0	0	2	0.0	0.0	100.0
	Born in 1999	2	0	0	2	0.0	0.0	100.0
	Born in 2000	2	0	1	1	0.0	50.0	50.0

APPENDIX I - Regression results

Note: the tables include entries for regression that were used in the analysis. Blank fields indicate regressions that were either not in-scope for this study, or not necessary to run to establish the study conclusions, or could not be run as indicated.

Significant at the 5% level or better:	no symbol.
Significant at the 10% level:	<i>italics or *</i>
Insignificant:	x
insufficient number of observations:	-
coefficient not calculated	(blank)

The Territories did not have enough observations for meaningful regression results.

Similarly, NAICS 21, 55, 61 did not have enough observations for meaningful regression results.

Entries of tax data in the "98-02" fields are "99-02".

		# of obs.	Employment	Sales	Operating profit	Net profit	Gross profit	Debt ratio	Current tax (1)	Deferred tax (1)	Return on Equity	Gross margin	Sales/Asset ratio	Return on Assets	Sales/Emplo yee	Average annual earnings
	98-02	7055	n/a	42.7%	\$ 13,500	x		x	-\$ 1,600	\$ 2,800	2.4%	x		-1.2%	n/a	
Canada	98-01	7441	19.1%	20.0%	\$ 8,300	x	\$ 44,600	x	n/a	n/a		x	-8.4%	-0.8%	-5.8%	1.6%
	99-01		10.8%	13.1%	3800*		\$ 30,200	x	x	x	3.2%			x		
Atlantic	98-02	595	n/a		x										n/a	
	98-01	618	x	x	x	x	x	x	n/a	n/a		x	-21.6%	x	x	6.4%
	99-01		x	x	x		x	x		x	6.2%			x		
Québec	98-02	2618	n/a	48.4%	\$ 20,600										n/a	
	98-01	2774	23.6%	24.4%	8000*	x	\$ 40,100	2.65%	n/a	n/a		x	-8.6%	-1.9%	-6.6%	
	99-01		12.7%	15.5%	x		\$ 34,100	4.37%		x	2.2%*			x		
Ontario	98-02	1821	n/a	40.3%	\$ 17,900										n/a	
	98-01	1897	24.3%	25.6%	7700*	x	\$ 87,400	-4.86%	n/a	n/a		x	-5.7%	x	-6.6%	
	99-01		12.2%	15.2%	x		\$ 47,200	x		x	3.6%			x		
Prairies	98-02	1206	n/a	36.7%	x										n/a	
	98-01	1273	6.4%*	14.0%	x	x	\$ 44,200	x	n/a	n/a		x	x	x	x	
	99-01		x	13.0%	x		38100*	11.29%*		x	3.9%*			x		
BC	98-02		n/a		x										n/a	
	98-01	853	20.5%	20.5%	15100*	x	\$ 52,700	x	n/a	n/a		x	-15.9%	x	x	
	99-01		12.9%	13.4%	\$ 13,600		x	x		x	x			x		
(1) Entries for the "98-02" period are "99-02".																

Growth rate of businesses in the study group compared to those in the control group.											* significant at the 10% level.					
NAICS		# obs	Employment	Sales	Operating profit	Net profit	Gross profit	Debt ratio	Current tax	Deferred tax	Return on Equity	Gross margin	Sales/Asset ratio	Return on Assets	Sales/Emp loyee	average annual earnings
CANADA	98-02	7055	n/a	42.7%	\$ 13,500	x		x	-\$ 1,600	\$ 2,800	2.4%	x		-1.2%	n/a	
	98-01	7441	19.1%	20.0%	\$ 8,300	x	\$ 44,600	x	n/a	n/a		x	-8.4%	-0.8%	-5.8%	1.6%
	99-01		10.8%	13.1%	3800*		\$ 30,200	x	x	x	3.2%			x		
Group 1																
31	98-02		n/a		x				x			x		x		
	98-01	238	39.1%	37.8%	x	x	\$ 123,900	4.85%*			x	x	x	-3.0%	-13.9%	
	99-01		21.4%	21.78%	x		64800*	x	x	x	x			x		
32	98-02	382	43.5%		\$ 33,600				-\$ 13,300			x		x		
	98-01	404	23.0%	19.1%	x	x	x	x			9.3%	-2.7%	-11.4%	x	-9.5%	
	99-01	x		x	x		x	x	-6500*	x	6.9%			x		
33	98-02	540	n/a	28.2%	x				x			x		x		
	98-01	578	20.0%	14.5%	x	x	x	x			6.4%	x	-10.9%	x	-10.1%	
	99-01	x		7.4%	x		x	x	x	x	5.1%			x		
Group 2																
44	98-02	673	n/a	30.9%	x				x			x		x		
	98-01	736	11.1%		x	x	\$ 53,300	x			x	x	-10.5%	-1.8%	x	
	99-01	x		6.2%	x		\$ 39,100	x	x	x	x			x		
45	98-02	265	n/a	55.6%	x				-			x		x		
	98-01	282	x	9.4%	x	x	\$ 73,000	x			x	x	-16.2%	x	x	
	99-01		12.2%	15.2%	16300*		\$ 49,300	x	x	x	x			x		
Group 3																
48	98-02	789	n/a	50.8%	\$ 19,600				x				-7.8%	x		
	98-01	822	17.8%	19.6%	x	x	x	6.4%			5.7%	-13.7%	x	-2.1%	x	
	99-01		12.5%	17.5%	x		x	6.05%*	x	x	x			x		
49	98-02	56	n/a	51.7%	\$ 60,800				\$ 16,600			x		x		
	98-01	60	x	x	x	x	\$ 232,400	x			x	x	-47.8%	-10.8%	x	
	99-01		54.2%	19.09%	\$ 36,500		\$ 296,700	x	x	-	-			x		
Group 4																
72	98-02	526	n/a	33.3%	x				x			x		x		
	98-01	541	11.9%	19.9%	\$ 10,200	x	\$ 50,000	-9.1%			x	x	x	x	1.5%	
	99-01		9.0%	16.2%	x		42900*	x	x	x	x			x		
Group 5																
54	98-02	465	n/a	25.9%	x				x			x		-3.8%		
	98-01	478	23.2%*	18.0%	x	-24057.34*	x	x			x	x	x	-5.1%	-9.7%	
	99-01	x		x	x		x	6.13%*	x	x	x			x		
Group 6																
11	98-02	284	n/a		-\$ 40,900			9.2%	x	-\$ 10,700		x		x		
	98-01	283	x	x	x	-24331.92	x	x			x	x	x	x	x	2.4%
	99-01	x		x	x		x	x	x	x	7.5%			x		
23	98-02	920	n/a	46.2%	x				-\$ 3,700	\$ 4,400			-2.3%	-2.2%		
	98-01	954	14.3%	16.2%	\$ 5,076	x	\$ 49,200	x			x		-2.9%	-7.5%	x	
	99-01	x		5.9%*	x		32800*	x	-	x	x			x		
Group 7																
51	98-02	100	n/a	47.5%				85.7%	x			x		x		
	98-01	101	x	x	x	x	116200*	x			x	x	x	x	x	
	99-01		-33.4%	x	x		x	x	x	-	x			6.7%		
52	98-02	75	n/a	x	x				x			x		x		
	98-01	91	x	x	x	x	x	x			x	x	-31.0%	-9.2%	x	
	99-01	x		29.33%	x		x	x	x	-	16.4%			x		
53	98-02	142	n/a	40.8%	\$ 93,500			-6.5%	x			8.5%		x		
	98-01	155	x	24.9%	x	x	x	x			x	x	x	x	x	
	99-01		x	12.71%	x		x	x	x	x	x			x		

Growth rate of businesses in the study group compared to those in the control group.											* significant at the 10% level.					
NAICS		# obs	Employment	Sales	Operating profit	Net profit	Gross profit	Debt ratio	Current tax	Deferred tax	Return on Equity	Gross margin	Sales/Asset ratio	Return on Assets	Sales/Employee	average annual earnings
56	98-02	312	n/a	47.8%	x				x	-\$ 2,900		x		x		
	98-01	320	17.6%	23.0%	\$ 22,100	16280.06	\$ 95,000	x			8.0%	x	x	x	x	
	99-01		x	12.7%	\$ 20,200		\$ 84,200	x	x	x	6.9%			x		
71	98-02	165	n/a	41.1%	x				x			x		5.2%		
	98-01	169	22.8%*	x	x	x	x	x			x	x	-19.5%	x	-19.0%	
	99-01		x	x	x		x	x	\$ 10,600	x	x					
<u>Group 8</u>																
41	98-02	456	n/a	60.3%	\$ 37,000			-5.2%	x			0.5%		x		
	98-01	515	x	31.7%	x	x	\$ 97,400	x			6.6%	x	-11.1%	x	-20.0%	
	99-01		26.1%	20.7%	x		x	x	x	x	5.3%			x		
62	98-02	101	n/a	26.9%	x				x			3.9%		x		
	98-01	98	x	x	x	x	x	x			-	-	x	x	x	
	99-01		31.7%	x	x		x	x	x	x	x			x		
81	98-02	444	n/a	38.3%	\$ 13,600				x			x		x		
	98-01	464	22.4%	29.5%	\$ 19,600	x	\$ 98,900	x			9.8%	2.6%	-13.2%	3.6%	x	
	99-01		17.5%	19.5%	\$ 19,400		\$ 68,600	x	x	x	10.7%			-2.3%		

		# obs.	Employment	Sales	Operating profit	Net profit	Gross profit	Debt ratio	Current tax	Deferred tax	Return on Equity	Gross margin	Sales/Asset ratio	Return on Assets	Sales/Employee
Canada	98-02	7055	n/a	42.7%	\$ 13,500	x		x	-\$ 1,600	\$ 2,800	2.4%	x		-1.2%	n/a
	98-01	7441	19.1%	20.0%	\$ 8,300	x	\$ 44,600	x	n/a	n/a		x	-8.4%	-0.8%	-5.8%
	99-01		10.8%	13.1%	3800*		\$ 30,200	x	x	x	3.2%			x	
1-4.	98-02	2757	n/a	51.1%	\$ 16,800							x			
	98-01	2632	11.6%	19.5%	3900*	-4225.384	\$ 36,700	x			4.8%	x	-8.6%	x	x
	99-01		7.5%	16.3%	x		\$ 21,200	x	x	x	5.9%			x	
5-19.	98-02	3549	n/a	37.4%	\$ 8,500							x			
	98-01	3892	10.6%	11.4%	\$ 7,600	x	\$ 43,700	x			3.4%	0.9%	-9.9%	-1.6%	-5.6%
	99-01		9.3%	9.2%	x		\$ 38,300	x	-\$ 4,500	x	-2.1%			x	
20-49.	98-02	693	n/a	36.0%	\$ 33,100							x			
	98-01	837	7.0%	17.8%	x	x	x	6.10%			5.1%	x	-7.1%	x	x
	99-01		5.4%	11.6%	x		54100*	7.03%	\$ 7,900	x	x			-3.0%	
50+	98-02	56	n/a	x	x							x			
	98-01	80	x	x	x	-59289.83*	-289300*	x			x	x	-10.1%	x	x
	99-01		x	x	x		-\$ 398,400	x	x	x	26.8%			x	

		# obs.	Employment	Sales	Operating profit	Net profit	Gross profit	Debt ratio	Current tax	Deferred tax	Return on Equity	Gross margin	Sales/Asset ratio	Return on Assets	Sales/Emplo yee		
CANADA	98-01	7441	19.1%	20.0%	\$ 8,300	x	\$ 44,600	x	n/a	n/a		x	-8.4%	-0.8%	-5.8%		
	99-01		10.8%	13.1%	3800*		\$ 30,200	x	x	x	3.2%			x			
0-100k	98-01	188	x	47.4%	x	x	x	x	n/a	n/a	21.8%	x	2.3%	x	x		
	99-01		x	31.9%	x		x	x	x	-	x			x			
100-250k	98-01	1127		21.2%	15.5%	x	-\$ 6,833	\$ 12,000	x	n/a	n/a	x	3.0%	x	-15.2%	x	-8.5%
	99-01			14.9%	14.0%	x		\$ 11,900	-8.2%	x	x		4.9%		x		
250-500k	98-01	1853		7.1%	4.1%	x	x	\$ 18,400	x	n/a	n/a	x	3.3%	-18.2%	x	x	
	99-01			6.2%	4.0%	x		\$ 18,700	x	-\$ 4,600	x		7.6%		x		
500k-1m	98-01	2089		7.4%	6.9%	x	\$ 7,400	-\$ 4,900	\$ 34,900	x	n/a	n/a	x	x	-10.4%	x	x
	99-01			6.9%	6.2%	x		\$ 28,800	-3.2%	x	x		x		x		
1-2m	98-01	1507		5.1%	x	x	x	x	2.2%	n/a	n/a	x	x	-11.5%	1.4%	-4.7%	
	99-01			4.9%	2.4%	x		x	2.6%	x	x		x		x		
2-6m	98-01	677		17.0%	6.0%	x	x	x	x	n/a	n/a	x	x	-8.1%	-2.5%	-13.2%	
	99-01			8.1%	x	x		x	5.3%	-\$ 8,700	x		x		x		