

SMALL BUSINESS QUARTERLY

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TABLE OF CONTENTS

	Page
About the Small Business Quarterly	2
Feature Story	3
Performance Trends	4
Job Creation	4
Business Establishments	7
Equity Financing	9
Economic Snapshot	10
Self-Employment	11
Business Bankruptcies	13
Business Loans	13
Recent Developments	13

About the Small Business Quarterly Small Business Policy Branch

The *Small Business Quarterly* (SBQ) provides a quick and easy-to-read snapshot of the recent performance of Canada's small business sector. The SBQ is published by the Small Business Policy Branch of Industry Canada.

Please send your comments to the editor:

Prichya Sethchindapong
E-mail: sethchindapong.prichya@ic.gc.ca

Small Business Policy Branch
Industry Canada
235 Queen Street
Ottawa ON K1A 0H5
Tel.: (613) 954-5494
Fax: (613) 954-5492
Web site: <http://www.strategis.gc.ca/sbresearch>

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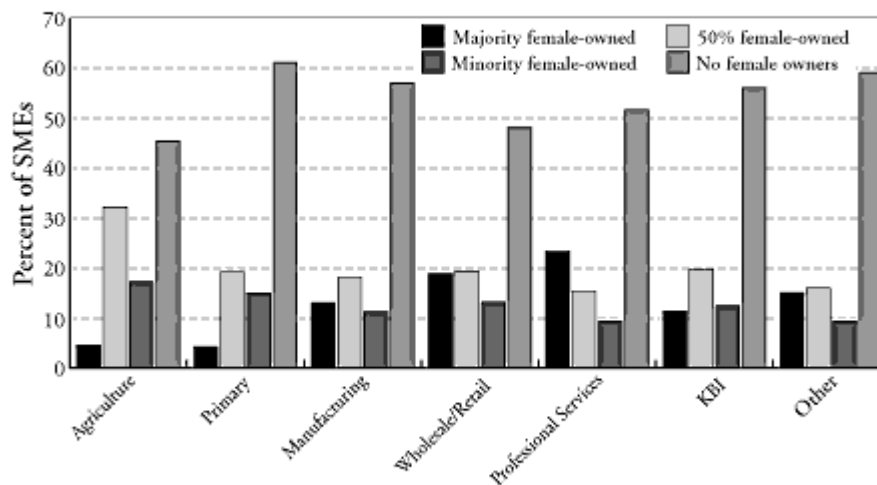
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Feature Story

New data from Statistics Canada¹ show that women are emerging as an important source of economic growth and job creation as they take on the risks and rewards of entrepreneurship. In 2000, women entrepreneurs held majority ownership in 15 percent (and some degree of ownership in 45 percent) of Canada's small and medium-sized enterprises (SMEs). Of all enterprises majority-owned and operated by women in 2000, 28 percent had started up since 1996 compared with 23 percent for enterprises majority-owned by men.

While SMEs majority-owned by women remained highly concentrated in the wholesale/retail and professional services sectors, they are gaining in prominence in non-traditional industries and the new economy. In 2000, they accounted for 13 percent of SMEs in the manufacturing industry and 12 percent of SMEs in the so-called Knowledge-Based Industries or KBIs (Chart 1).

Chart 1: Women Entrepreneurs by Industry



Source: Statistics Canada, *Financing of Small and Medium-sized Enterprises, 2000*.

These recent findings suggest a positive future for women entrepreneurs in Canada. However, differences persist between firms owned by women and those owned by men. Firms owned by women represent only 4 percent of SMEs with more than 100 employees. Only 44 percent of firms owned by women are incorporated, compared with 55 percent of firms owned by men.

The majority of women entrepreneurs (58 percent) reported that they are in a slow-growth stage of business development, while only 9 percent considered their businesses to be expanding rapidly.

Participation in export activity by women entrepreneurs was less than for firms owned by men; 8 percent of women entrepreneurs sold to foreign markets in 2000 compared with 11 percent of firms owned by men.

¹ Statistics Canada, *Financing of Small and Medium-sized Enterprises, 2000*. SMEs are here defined as enterprises with fewer than 500 employees and less than \$50 million in annual revenue.

Some have argued that business growth is slower for women entrepreneurs because of barriers such as access to financing. A 1995 comparison of SMEs owned by women with those owned by men suggested that women have more difficulty in securing credit, and when they do obtain credit, it is on more onerous terms. Gaining access to finance is a challenge for all small business owners — the latest findings suggest that size of a business and the sector it operates in (for example, small service or retail establishments), and not the business owner's gender *per se*, are key determinants of success in obtaining access to capital. The new data from Statistics Canada show that women entrepreneurs sought less financing in 2000, but were as successful in obtaining financing as men when they did apply.

For more data and reports from the Financing Data Initiative, including Industry Canada's first Report to Parliament on SME Financing, please visit <http://strategis.ic.gc.ca/fdi>. See also "Recent Developments" for the announcement of a Prime Minister's Task Force on Women Entrepreneurs.

Performance Trends

- Job creation by small businesses accounted for 78 percent of the number of net new jobs created in the economy between the second quarter of 2001 and the second quarter of 2002. In that period, small businesses created over 170 000 jobs.
- There were 2.36 million self-employed workers in the third quarter of 2002, up 2 percent from 2.31 million in the same quarter of 2001.
- The number of business establishments in June 2002 reached 2 173 598, or 3 percent more than in June 2001.
- Bankruptcies numbered 2151 in the third quarter of 2002, a decrease of 0.1 percent from the same quarter in 2001. Business liabilities involved in bankruptcies rose to \$0.8 billion in the third quarter of 2002, 9 percent higher than in the same quarter of 2001.
- Total business loans outstanding from chartered banks amounted to \$95.8 billion in the second quarter of 2002, 4 percent lower than \$100.2 billion recorded in the same quarter of 2001.

Job Creation

Data from Statistics Canada's *Survey of Employment, Payrolls and Hours* (SEPH)² indicate that more than 221 000 net new jobs were created in the second quarter of 2002 compared to the same quarter a year earlier. This figure represents over 100 000 more jobs than were created in the first quarter of 2002. Table 1 shows that small firms (those with fewer than 100 employees) created 78 percent of net new jobs in the second quarter of 2002. Employment in medium-sized firms (those with 100 to 499 employees) declined again in the second quarter of 2002, though less so than in previous quarters. Micro enterprises (those with fewer than 5 employees) also suffered job losses in the first half of 2002, a reversal from their strong contribution in the second half of 2001. Overall, the contribution of small businesses to job creation increased throughout 2001 but slowed down somewhat in the first half of 2002.

Table 2 indicates that the average annual year-over-year net change in employment to the second quarter of 2002 amounted to nearly 173 000 jobs. Over three quarters of these jobs were created in Ontario, Alberta and Quebec, but Prince Edward Island had the highest rate of net job growth (5.1 percent).

² SEPH data exclude self-employed workers who are not on a payroll and employees in the following industries: agriculture, fishing and trapping, private household services, religious organizations and military personnel of defence services. The data breaking down employment by size of firm also exclude unclassified industries.

There were very striking differences in employment growth by size of firm: compared with an overall increase of 1.4 percent, employment in small firms grew by 2.8 percent while that in medium-sized businesses fell by 1.5 percent. The same pattern is largely visible in most provinces and territories. Except for P.E.I., employment growth in small firms was greater than overall employment growth in each jurisdiction, often by a wide margin. Employment in medium-sized businesses fell in seven of twelve jurisdictions, but grew strongly in Newfoundland and Labrador. A calculation of employment changes by size of firm as a percent of total year-over-year changes (not shown in the tables) reveals that, across Canada, small businesses contributed 85 percent of the total net increase in employment over this period.

Table 1: Year-over-year Quarterly Net Change in Payroll Employment by Firm Size, Canada

Quarter	Total Net Change		% Contribution to Total Net Change by Size of Firm (Number of Employees)								
	%, y/y	Jobs, y/y	0-4	5-19	20-49	50-99	0-99	100-299	300-499	100-499	500+
Q1 2001	3.7	449 435	10.0	1.4	8.1	5.9	25.5	10.8	3.6	14.4	60.1
Q2 2001	2.8	353 334	2.2	8.7	13.0	11.9	35.8	10.5	2.5	13.1	51.1
Q3 2001	1.8	226 792	29.8	2.8	16.9	15.6	65.1	-0.4	-1.0	-1.4	36.3
Q4 2001	1.0	127 451	32.4	37.2	33.8	13.6	117.1	17.7	37.7	55.4	38.3
Q1 2002	0.9	114 841	-9.3	31.3	41.5	36.3	99.8	-7.2	25.9	33.1	33.3
Q2 2002	1.7	221 006	-2.1	5.5	36.6	37.7	77.7	13.9	16.4	-2.5	24.8

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours* (SEPH), July 2002.

Table 2: Year-over-year Annual Net Change³ in Payroll Employment⁴ by Province/Territory and Firm Size, Four-quarter Averages, 2000 Q3 to 2002 Q2

Province	Total Net Change		Growth Rate by Size of Firm and Province (Number of Employees)								
	Jobs, y/y	%, y/y	0-4 (%)	5-19 (%)	20-49 (%)	50-99 (%)	0-99 (%)	100-299 (%)	300-499 (%)	100-499 (%)	500+ (%)
Newfoundland	6 749	3.9	1.2	4.8	7.2	13.5	5.7	6.1	14.0	9.0	1.5
Prince Edward Island	2 808	5.1	0.9	2.1	7.7	10.5	4.5	5.7	-5.2	2.5	6.8
Nova Scotia	7 041	2.0	0.8	1.2	4.5	12.3	3.2	0.5	4.2	1.4	1.2
New Brunswick	5 387	1.9	1.8	0.1	6.6	0.7	2.0	-1.4	2.7	0.3	2.4
Quebec	31 580	1.1	1.2	1.6	3.0	4.7	2.5	-1.0	-8.3	3.3	1.3
Ontario	51 726	1.0	4.3	2.1	4.2	2.8	3.2	0.2	-3.6	0.9	0.1
Manitoba	12 762	2.6	0.7	0.3	4.5	9.9	3.3	3.6	-2.9	1.6	2.4
Saskatchewan	3 565	1.0	1.6	1.7	4.5	4.4	1.5	-1.9	-8.6	4.0	2.4
Alberta	48 385	3.6	4.9	3.5	5.2	6.8	4.8	1.7	-5.7	0.6	4.0
British Columbia	1 562	0.1	0.5	0.8	2.5	3.2	1.0	-1.4	-4.8	2.4	0.0
Yukon Territory ⁵	62	0.4	1.8	-0.3	10.8	11.4	5.0	-	-	-	-

³ The year-over-year change in net payroll employment is calculated as the difference between the average level of employment in the four quarters ending the second quarter of 2002 and the average level in the preceding four quarters.

⁴ SEPH data exclude self-employed workers who are not on a payroll and employees in the following industries: agriculture, fishing and trapping, private household services, religious organizations and military personnel of defence services. The data breaking down employment by size of firm also exclude unclassified industries.

									35.2			
Northwest Territories & Nunavut ⁵	484	1.7	4.1	5.4	7.4	-2.6	3.4	5.0	—	—	—	
Canada Total	172 523	1.4	2.6	1.4	3.9	4.3	2.8	0.0	-4.8	1.5	1.0	

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours* (SEPH), July 2002.

Business Establishments

According to Statistics Canada's *Business Register*, the total number of business establishments in Canada declined by 0.8 percent during the first six months of 2002, from 2 190 278 in December 2001 to 2 173 598 in June 2002. The June 2002 figure was 3 percent higher than in June 2001. The number of businesses in the indeterminate category (businesses without employees) decreased by 1.1 percent over the first half of 2002, while employer businesses slipped by 0.5 percent. See Table 3 for a breakdown of business establishments in Canada by size and industry in June 2002.

Businesses with fewer than 100 employees accounted for almost 98 percent of employer establishments; those with fewer than 50 employees represented approximately 95 percent of the total, while those with between one and four employees made up 58 percent of employer establishments in June 2002.

Over one third of all employees who work for small employer businesses (fewer than 100 employees) worked in retail trade; professional, scientific and technical services; or construction. Three industries accounted for almost 36 percent of micro employer businesses (one to four employees): professional, scientific and technical services; construction; and other services. Medium-sized businesses (100 to 499 employees) were most heavily concentrated in the manufacturing industry (22 percent) and retail trade (13 percent).

Table 3: *Business Establishments by Size of Employment and Industry, June 2002*

Industry	Grand Total	Indeter- minate ⁶	Total	Employer Businesses									Distribution (%)	
				Number of Employees										
				1-4	5-9	10-19	20-49	50-99	100-199	200-499	500+	1-99	100-499	

⁵ Data for firms with 300 or more employees in the territories are suppressed due to confidentiality restrictions but are included in the size category and territorial totals.

⁶ The indeterminate category consists of incorporated or unincorporated businesses without employees. The *Business Register* classifies a business as "indeterminate" when it cannot be determined through payroll data that the firm has paid employees. The firm may well provide work under contract.

Agriculture, forestry, fishing and hunting	196 715	134 409	62 306	48 400	7 249	3 873	1 997	524	196	59	8	6.1	1.2
Mining and oil and gas extraction	15 292	7 196	8 096	4 760	1 060	873	696	343	187	121	56	0.8	1.4
Utilities	1 905	714	1 191	528	203	132	135	69	46	45	33	0.1	0.4
Construction	240 277	131 543	108 734	70 301	16 877	10 698	7 308	2 332	867	294	57	10.6	5.4
Manufacturing	104 384	39 677	64 707	27 930	9 806	8 468	8 695	4 740	2 985	1 617	466	5.9	21.5
Wholesale trade	121 341	55 172	66 169	32 552	12 510	9 798	7 486	2 454	991	315	63	6.4	6.1
Retail trade	215 643	85 702	129 941	59 775	30 857	20 430	11 787	4 122	2 065	782	123	12.5	13.3
Transportation and warehousing	104 752	58 688	46 064	31 413	5 606	3 951	2 896	1 208	549	308	133	4.4	4.0
Information and cultural industries	29 354	15 371	13 983	7 115	2 135	1 775	1 679	676	345	181	77	1.3	2.5
Finance and insurance	104 681	69 336	35 345	18 086	5 674	4 608	4 853	1 183	529	252	160	3.4	3.6
Real estate and rental and leasing	158 636	119 270	39 366	25 567	5 848	3 857	2 692	927	326	117	32	3.8	2.1
Professional, scientific and technical services	277 729	164 902	112 827	79 390	14 687	9 145	6 147	2 124	884	345	105	11.0	5.7
Management of companies and enterprises	73 728	56 361	17 367	9 985	2 718	1 938	1 593	705	316	71	41	1.7	1.8
Administrative and support, waste management and remediation services	98 495	51 989	46 506	27 845	7 557	4 954	3 690	1 346	659	342	113	4.5	4.7
Educational services	18 930	7 737	11 193	5 986	1 745	1 189	997	378	245	220	433	1.0	2.2
Health care and social assistance	91 724	10 730	80 994	46 866	15 757	9 162	4 882	1 950	1 216	758	403	7.7	9.2
Arts, entertainment and recreation	38 927	20 991	17 936	10 150	3 024	2 137	1 621	575	252	129	48	1.7	1.8
Accommodation and food services	110 161	35 320	74 841	28 552	14 711	13 921	11 789	4 246	1 228	323	71	7.2	7.2
Other services (except public administration)	163 328	66 232	97 096	66 821	16 347	8 331	4 037	985	399	138	38	9.5	2.5
Public administration	7 596	55	7 541	2 387	1 618	935	995	565	386	335	320	0.6	3.4
Total all Industries	2 173 598	1 131 395	1 042 203	604 409	175 989	120 175	85 975	31 452	14 671	6 752	2 780	100.0	100.0

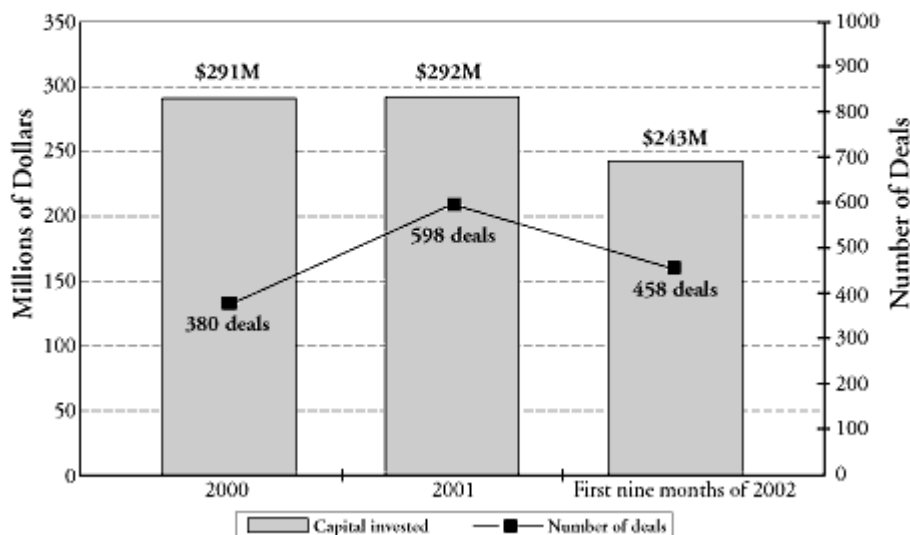
Source: Statistics Canada, *Business Register*, June 2002.

Equity Financing

As described in the March 2002 *Small Business Quarterly*, quasi-equity⁷ financing is a form of financing that allows owners of SMEs to gain access to venture capital without having to diminish control over their businesses by selling shares to investors.

In the third quarter of 2002, \$130 million of quasi-equity capital was invested in Canada, compared with \$81 million in the second quarter and \$32 million disbursed in the first quarter. Projecting the accumulated figure of \$243 million invested in the first three quarters of 2002 (see Chart 2) strongly indicates that the annual total will, for the first time, exceed \$300 million.

Chart 2: Quasi-equity Capital Invested and Number of Deals, 2000 to 2002



Source: Mary MacDonald and Associates, *Quasi-equity Activity: First 9 months of 2002*.

Over the first three quarters of 2002, Ontario remained at the forefront of quasi-equity activity with \$77 million invested (32 percent of the overall total), followed by Quebec with \$54 million (22 percent of quasi-equity flows). Traditional, mature sectors have remained the principal focus

⁷ Quasi-equity is a hybrid financial product that combines the cash flow of term lending with the capital gains of share ownership. The borrower has the obligation to repay the loan and part of the cost is in the form of a fixed-interest coupon (a deductible expense). Like equity financing, repayment of the loan is based on cash flow, not on depreciating company assets, and it is subordinated to secured lenders. Examples of quasi-equity are venture loans, mezzanine financing and subordinate financing.

of quasi-equity flows, absorbing \$172 million or 71 percent of all disbursements in the first nine months of 2002 among 375 established companies. Consumer products and services continued to be the leading industry, accounting for \$91 million, or a 37-percent share, followed by the manufacturing industry with \$61 million, or a one-quarter share.

Economic Snapshot

Data as of November 29, 2002

Canada's real Gross Domestic Product (GDP) growth... moderated to a 3.1 percent annualized rate in the third quarter of 2002 from 4.4 percent in the second quarter. Despite a jump in housing activity, growth in final domestic demand was half that of the second quarter due to reduced demand for durable goods and lower business investment in non-residential structures. Export activity posted its strongest gain in 10 quarters, while imports slowed growth, so that net exports (exports minus imports) accounted for almost half of GDP growth. On the income side, corporate profits continued to recover from their 2001 slump and robust gains in employment pushed personal disposable income up.

Monthly GDP data... show that the economy lost steam near the end of the third quarter, with real GDP edging up a modest 0.1 percent in September after increasing by 0.2 percent in August and 0.4 percent in July. Real GDP increased 0.2 percent in the goods sector in September, following a decline of 0.2 percent in August and a solid gain of 1.1 percent increase in July. In the services sector, monthly real GDP growth slowed to 0.1 percent in September after increasing from 0.1 percent in July and 0.3 percent in August.

The economic outlook... is for continued growth. Although there were soft spots in the third quarter (reduced demand for durable goods and lower investment in non-residential structures), the foundations remain solid; profits and personal disposable income are growing and the labour market has posted record job creation. Moreover, the economy of the United States posted better-than-expected numbers in the third quarter as its GDP increased 4.0 percent, up from 1.3 percent in the second quarter. The November 2002 consensus of private-sector forecasts⁸ expects Canada to lead the G-7 with growth averaging 3.4 percent in 2002 and 2003.

Consumer spending... grew modestly by 0.5 percent after three quarters of strong gains. The lower growth reflected lower demand for durable goods (though expenditures on cars remained at historically high levels). Spending on services and non-durable goods accounted for most of the growth as a result of warmer-than-normal temperatures, which led to higher consumption of electricity, while restaurant food expenditures increased 7.8 percent.

Housing investment... jumped 15.9 percent in the third quarter, following a 1.7 percent decline in the second quarter. Household demand for mortgages was up and new home starts reached their highest level since March 1990. Activity in the resale market continued to slow as unit sales dropped 5.3 percent from the level recorded in the second quarter.

Business investment in machinery and equipment... was up 4.8 percent after posting a gain of 16.7 percent in the second quarter. Investment in cars, trucks and other transportation

⁸ Based on *Consensus Forecasts*, published by Consensus Economics Inc. in the United Kingdom.

The Economic Snapshot is prepared by the Micro-Economic Policy Analysis Branch of Industry Canada.

Please address comments to François Poitras by phone at 613-957-3404 or by e-mail at

poitras.francois@ic.gc.ca

equipment increased while investment in industrial machinery fell. Non-residential investment in structures dropped 2.5 percent.

Corporate profits... increased 12.6 percent in the third quarter following a 51-percent increase in the second quarter. Gains were concentrated in the non-financial group of industries, especially in manufacturing and in petroleum and coal. Profits reached their highest level since their peak in the first quarter of 2001, which bodes well for business investment growth in the near future.

The current account surplus... was \$5.1 billion in the third quarter, \$0.4 billion higher than in the previous quarter, and in the \$5-billion range for the third consecutive quarter. Helped by record exports of cars and motor vehicle parts, the merchandise trade surplus was up \$0.5 billion to \$14.0 billion (its highest value since the first quarter of 2001), accounting for most of the increase in the current account surplus. The deficit on services edged down to \$2.1 billion, largely due to a lower commercial services deficit. The deficit on investment income increased by \$0.2 billion to \$7.1 billion, while the surplus on current transfers declined by about \$10 million to \$359 million.

The October Business Conditions Survey... revealed a generally positive outlook for production and employment prospects for the fourth quarter. Over 84 percent of manufacturers indicated that their production and work force will remain the same or increase. Only 14 percent believed their inventories were too high and 14 percent expected decreases in employment.

Employment... continued to grow in October, although at a slower pace, as 33 000 jobs were created compared with an average monthly gain of 47 000 since last December. In total, 459 000 net jobs have been created in the first 10 months of the year. Robust employment growth in 2002 has propelled the employment rate to its highest level (62.1 percent) since April 1990. The unemployment rate has remained stable in the past few months as improving labour market conditions have enticed more people to enter the labour force. It was 7.6 percent in October.

The Consumer Price Index (CPI)... rose 3.2 percent in October, up from 2.3 percent in September and the highest inflation rate since June 2001. The core rate of inflation, which excludes the most volatile components of the CPI, was 2.5 percent in October, above the mid-point of the 1- to 3-percent target range.

The Bank of Canada... kept its official rate at 2.75 percent in September and October after having increased it by 75 basis points earlier in the year. In its *Monetary Policy Report* of October 23, the Bank indicated official rate increases could be delayed unless warranted by pressures on capacity and inflation.

The Canadian dollar... has been trading between US\$0.63 and US\$0.64 since August, after rising to over US\$0.66 in early July. Despite a widening of the spread between Canadian and U.S. interest rates, global economic weakness and recent declines in non-energy prices have exerted a dampening effect on the currency.

Self-Employment

Using unpublished data from Statistics Canada's *Labour Force Survey*, the Small Business Policy Branch has derived educational profiles for different categories of self-employed workers.

The *Labour Force Survey* distinguishes between five categories of self-employed workers: those who work with paid help and those without paid help and, within each category, those whose businesses are incorporated and those whose businesses are unincorporated; unpaid family workers make up the fifth category. Table 4 shows the distribution by sex and education level of self-employed workers, as well as employees overall, in 2001.

The education profile of the self-employed is different from that of employees overall. Self-employed persons are more likely to have a university degree, but they are also more likely to have only 0–8 years of schooling. Nearly 18 percent of self-employed workers have not completed high school compared with almost 16 percent for employees overall. This discrepancy is particularly pronounced for unpaid family workers, 41 percent of whom have not completed high school.

Differences are also evident among the self-employment categories. Unincorporated self-employed workers without paid help are less likely to have a university degree and more likely not to have finished high school than the other three categories of remunerated self-employed. Approximately 20 percent of unincorporated self-employed workers without paid help had a university degree, compared with 28 percent for unincorporated self-employed persons with paid help and 25 percent each for incorporated self-employed workers with and without paid help. Similarly, 20 percent of unincorporated self-employed workers without paid help had not finished high school, compared with 14 to 17 percent for the other three categories of remunerated self-employed.

It is also notable that unincorporated self-employed persons with paid help, in particular males, have a higher proportion of post-graduate degrees (16 percent). Generally, since 1991, the proportion of university degrees among all employees and all categories of self-employed workers has risen and the numbers who have not completed high school declined.

Table 4: Distribution of Self-employed Workers by Sex and Education Level, Canada, Annual Average 2001

Education Level	All Employees (%)	Self-employed (%)	With Paid Help						Without Paid Help						Unpaid Family Workers (%)	
			Incorporated			Unincorporated			Incorporated			Unincorporated				
			All (%)	Males (%)	Females (%)	All (%)	Males (%)	Females (%)	All (%)	Males (%)	Females (%)	All (%)	Males (%)	Females (%)		
All levels	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0–8 years	3.0	5.2	3.7	4.2	1.8	5.4	6.2	3.2	4.1	4.5	2.5	5.9	7.3	3.9	15.2	
Some high school	12.8	12.4	11.0	11.2	10.3	11.5	12.0	10.4	10.0	11.0	7.0	13.6	14.7	12.0	25.6	
High school graduate	21.1	19.9	20.4	19.3	24.0	19.3	18.8	20.5	20.3	20.1	20.9	19.6	20.1	19.0	19.6	
Some post-secondary	9.8	7.5	7.6	7.4	8.2	6.0	5.2	7.9	6.7	6.5	7.0	8.1	7.4	9.2	7.7	
Post-secondary certificate/diploma	33.7	32.6	32.7	32.7	32.5	29.5	27.4	34.5	34.4	33.9	36.1	33.1	31.4	35.5	25.3	
University degree	19.6	22.3	24.6	25.2	22.9	28.4	30.5	23.3	24.6	24.0	26.2	19.7	19.1	20.5	5.4	
Bachelor's degree	13.7	13.2	14.8	14.3	16.4	12.1	12.8	10.3	16.7	16.2	18.5	12.0	11.1	13.3	3.7	
Above bachelor's degree	5.9	9.2	9.8	10.8	6.6	16.3	17.7	12.9	7.8	7.9	7.7	7.6	8.0	7.2	0.0	

Source: Statistics Canada, *Labour Force Historical Review, 2001*.

Business Bankruptcies

The number of business bankruptcies in the third quarter of 2002 fell by 14 percent from the second quarter, from 2495 to 2151, but the level was little different from that recorded in the third quarter of 2001.

The level of business liabilities involved in bankruptcies also dropped, to \$0.8 billion — an 82 percent decrease from the second quarter. Significant declines were evident in logging and forestry, manufacturing, and business service industries; but the value of business liabilities more than doubled in communication and other utilities, government services, and agriculture and related services.

Compared with the previous year, the level of business liabilities in the third quarter of 2002 rose by 9 percent from the corresponding quarter in 2001.

The value of business liabilities has displayed exceptional volatility on both a quarter-to-quarter and year-to-year basis. Over the last five quarters, the value of business liabilities has shown a quarterly drop of as much as 82 percent and a quarterly growth of as much as 167 percent.

Business Loans

The value of chartered bank loans outstanding⁹ rose to \$95.8 billion in the second quarter of 2002, 1 percent higher than the \$94.7 billion recorded in the first quarter of 2002 but 4 percent lower than in the second quarter of 2001. Small loans (for amounts below \$500 000) accounted for \$20.1 billion, or 21 percent of total business loans, in the second quarter of 2002. Both the average size of small loans and their percentage share dipped in this quarter.

Medium loans (for amounts between \$500 000 and \$5 million) rose in the second quarter of 2002 from \$30.3 billion to \$30.5 billion, or 32 percent of total business loans.

Compared with a year ago, the total value of small and medium loans — \$50.6 billion — was 3.9 percent lower than in the second quarter of 2001.

Recent Developments

Prime Minister's Task Force on Women Entrepreneurs

On November 19, 2002, the Prime Minister announced the creation of a Task Force on Women Entrepreneurs to examine the unique challenges faced by women entrepreneurs and to advise him on how the federal government can advance the economic contribution of women entrepreneurs. The Caucus Task Force will consult with Members of Parliament, experts and key stakeholders, and will: (i) identify factors required to encourage women's entrepreneurship; (ii) assess existing resources, both within and outside government; (iii) identify gaps and areas for possible action in the future; (iv) evaluate best international practices and their appropriateness to the Canadian context; (v) consider links to the government's current priorities; and (vi) improve collaboration with other levels of government and private and voluntary sector partners.

The Task Force will be chaired by Ms. Sarmite Bulte, M.P. (Parkdale — High Park) and will deliver its report to the Prime Minister by May 2003.

⁹ Not including non-residential mortgages, agriculture loans, customer's liability under acceptances and other business loans.

Congrès international Francophone sur la PME

About 120 participants from 17 different countries attended the 6^{ième} *Congrès international Francophone sur la PME* (a conference on SMEs) at the *École des Hautes Études Commerciales* (HEC) in Montréal, Quebec, on October 30–31 and November 1, 2002. This event also serves as the biennial conference of the *Association internationale de recherche en entrepreneuriat et PME*, whose current President is Prof. Camille Carrier (*Université du Québec à Trois-Rivières*). In his opening address, Prof. Jean-Marie Toulouse, Director of the *École des HEC*, sketched out what was old and new in the theory and practice of entrepreneurship. François Brouard of Carleton University was awarded a prize for his paper "*Pertinence d'un outil diagnostique des pratiques de veille stratégique pour aider les PME.*" The 2004 Conference will be held in Montpellier, France.

Conference of the Canadian Council for Small Business Entrepreneurship

The 19th annual conference of the Canadian Council for Small Business Entrepreneurship (CCSBE) was held in Halifax on November 14–16, 2002. At the conference, the first eight Small Business Counsellor certificates in the Asia-Pacific Economic Cooperation (APEC) IBIZ program were presented by Chris Pelham, Head of APEC-IBIZ (Canada). The program provides professional development and accreditation to individuals who are practising small business counsellors and are able to demonstrate required levels of competency in 104 skills. Individuals who complete the program will be recognized nationally and internationally as professional small business counsellors and be authorized to use the designation "APEC-SBC."

Demand for the program continues to grow and an intake of 150 individuals drawn from all parts of Canada is anticipated by early 2003. For more information, visit the program Web site at <http://www.apec-ibiz.org> or contact either Chris Pelham (chris.pelham@acadiu.ca) or Don Bureaux (dbureaux@acadiu.ca).

The next CCSBE conference will be held in Victoria in the fall of 2004.