

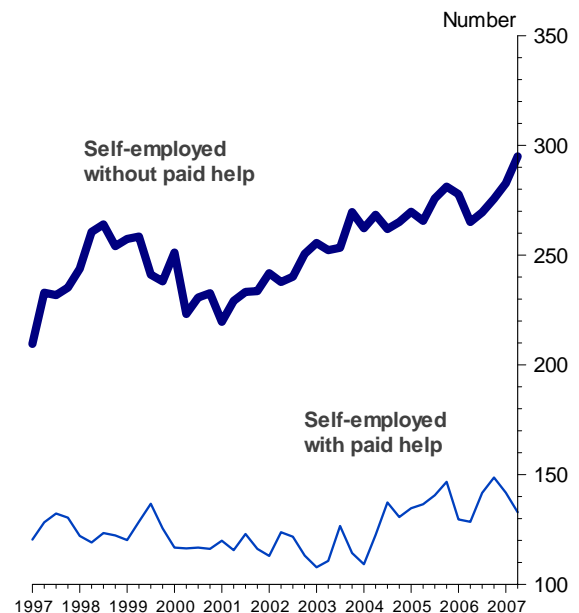
Small Business Quarterly ♦ 2nd Quarter 2007

- Employment in all British Columbia businesses climbed 3.0% in the second quarter compared to the same period in 2006. At 1.4%, small business employment grew at a slower rate than that of larger businesses (+4.0%). Among small businesses, the strongest growth was in businesses employing between 20 and 49 people (+3.3%).
- The number of self-employed in BC climbed significantly (+7.9%) in the second quarter. Strong growth of 11.3% in the number of self-employed without paid help continued to exceed that of self-employed with paid employees (+3.4%).
- The number of small businesses in BC (excluding self-employed persons) increased in the second quarter (+1.7%) compared to the same period of last year. Robust growth in businesses with fewer than five employees (+3.1%) offset a 1.5% drop in businesses with 10 to 19 employees.
- New business incorporations continued to expand, climbing 1.5% compared to the second quarter of 2006.
- Consumer bankruptcies fell 8.1% from the same quarter of last year. Business bankruptcies also continued to slide, experiencing a substantial decrease (-19.5%).
- The value of industrial building permits issued in BC declined (-20.3%) in the second quarter. Sharp drops in permits issued in Vancouver were a big part of the decline with permits falling 31.0%, easily offsetting a similar increase in Victoria (+30.3%). On the other hand, commercial permits in the province

experienced a substantial jump (+38.0%), backed by a 66.0% surge in Vancouver.

- The number of chartered bank business loans in BC continued to climb, jumping 14.7% in the second quarter compared to the same quarter in 2006. Those valued at less than \$200,000 dropped 10.5%, while those valued between \$200,000 and \$500,000 rose 16.3%.

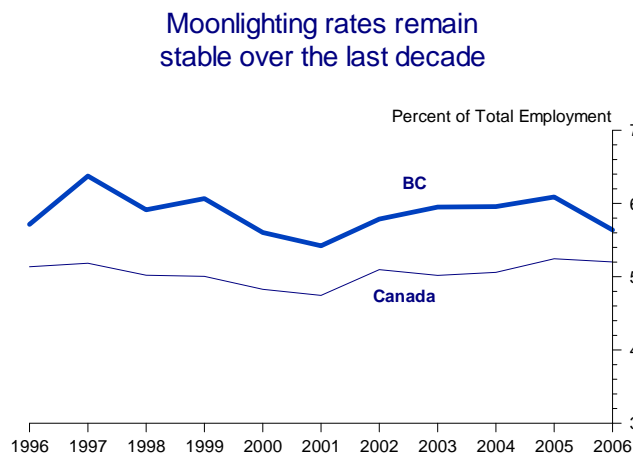
Most of the increase in self-employment over the past decade had been among those working without paid help



Notice to Readers: Please note that this will be the final edition of the *Small Business Quarterly*. Some of the data contained in the *Small Business Quarterly* are available in BC Stats' *Business Indicators* report as well as the annual *Small Business Report*, which can be found in the publications section of our website at <http://www.bcstats.gov.bc.ca>

Multiple Job Holders in BC

Out of Canada's total workforce of approximately 16.5 million people, a substantial 857 thousand have another job in addition to their main one – they moonlight. Throughout the 1980s and early 1990s the incidence of British Columbians working multiple jobs escalated at a rapid pace. Over the past decade, the growth rate of moonlighting in the province has slowed, but has grown at a pace similar to that of overall employment, indicating that it is still a reality for many British Columbians. Since 2000, the percentage of total employed in BC that were multiple job-holders has fluctuated by only half a percentage point, remaining between 5.6% and 6.1%. Despite its relative stability, BC's rate is still higher than that of Canada as a whole, whose rate has ranged from 4.8% to 5.2% since the beginning of the decade.



Data Source: Statistics Canada

People have all sorts of reasons for taking a second job. Some may work multiple jobs simply to meet everyday living expenses, or to earn extra money to save or pay off debt. However, financial reasons are not always the only explanation. Some may do it as a stepping stone to a

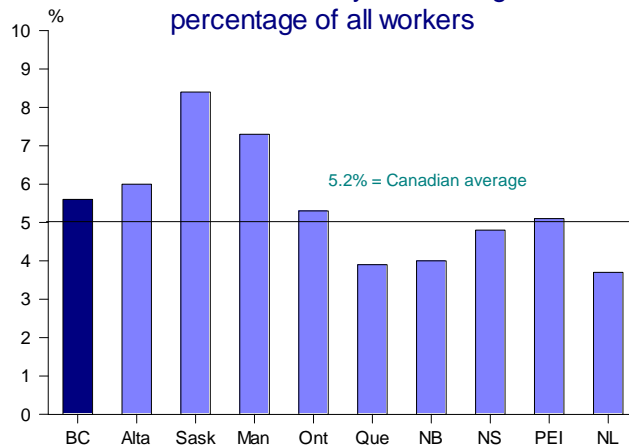
career change, gaining new experience before making a full switch, while still others may do it for professional growth or even personal enjoyment. Not surprisingly, many multiple job-holders are self-employed in their second job. Entrepreneurial-minded people are likely to aim at moving away from paid employment and into self-employment altogether. Entrepreneurs may sometimes find their lives split between seemingly incongruous businesses. Some may intentionally turn a hobby or interest into a moneymaking venture, while others may see an opportunity for a side business and seize it.

How does BC compare to other provinces?

As in BC, moonlighters in Canada as a whole remain as common today as they were a decade ago. In 2006, approximately 5.1% of all Canadian workers were multiple job-holders. Although British Columbia had a higher percentage of moonlighters than the Canadian average last year, it ranked fourth in the country. BC was close to par with Alberta (6.0%) and behind only Manitoba (7.3%) and Saskatchewan (8.4%) in terms of the share of workers holding more than one job.

The incidence of moonlighting is not a phenomenon unique to the western provinces. More and more Canadians across the country are working more than one job. Indeed, British Columbia's five-year growth rate of 18.8% between 2001 and 2006 is slightly lower than that of the national average (+20.9%) over the same period. Quebec (+29.7%), Newfoundland & Labrador (+29.0%) and Ontario (+24.3%) saw greater growth in the number of moonlighters than BC.

BC ranks fourth in the country for moonlighters as a percentage of all workers



Data Source: Statistics Canada

Usually, provinces with higher unemployment rates also tend to have the smallest percentage of moonlighters. This is not surprising since it corresponds that in a province where it is more difficult to find employment, it is also less likely that workers will hold more than one job. The one exception is Prince Edward Island, which had the second highest rate of unemployment in 2006, but was also close to the Canadian average in percentage of multiple jobholders.

Self Employment

Given the connection between entrepreneurialism and multiple job-holders, one possible component contributing to the prevalence of moonlighters in BC is the comparable rise in self-employment. Self-employment has been rising at pace similar to that of multiple job-holders and much faster than that of employment as a whole. BC experienced a slight decrease (-0.5%) in self-employment between 2005 and 2006 as the number of self-employed slipped from 415,800 to 413,700. This coincided with a 3.5% increase in overall employment in the province. One possible explanation for the decline in self-employment is that, given BC's tight economy and recent labour shortages,

some self-employed workers are making a move into the employee workforce.

Despite the stall in self-employment growth last year, the overall picture has been notably positive in recent years. Between 1996 and 2006, there was a 38% increase in self-employment in the province. As in the incidence of British Columbians working multiple jobs, self-employed in BC as a percent of all employed has remained relatively stable over the past ten years, ranging from 18% to 21%. Like moonlighting, the rate of self employment slipped between 2005 and 2006 (down from 20% to 19%).

Another possible factor in the prevalence of moonlighting is the increase in number of people working part-time jobs. Some people who work only part-time may need to supplement their income with a second part-time job. The percentage of people working part-time hit a record high of 23% in 2002 and by 2006, it had declined to 20% but still remains relatively high.

Younger, female British Columbians account for larger proportion of moonlighters

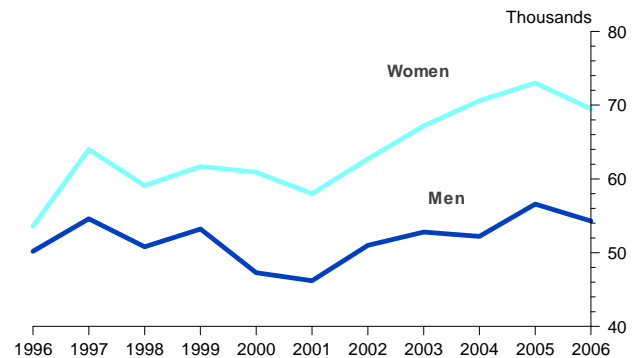
While there is no specific profile of a typical moonlighter, there are some ways in which multiple job-holders differ from the average worker in British Columbia. In BC, the highest rate of moonlighting was among those in the 15 to 24 age range (6.9% in 2006), while older workers, 45 and over, were the least likely (4.9%). The higher rates among young people may be due to difficulty in finding full-time, well-paid employment. It is also likely that young people who are students are more prone to working multiple part-time jobs during the school year.

As previously noted, as a percentage of all workers, moonlighting has been relatively stable since the beginning of the decade; however, some shifts are apparent among certain age groups. Despite the continued lower likelihood of moonlighting among older workers and higher likelihood among younger workers, the gap has been narrowing in recent years. In 2000, just 3.5% of workers over 55 were working multiple jobs. By 2006, the share had grown to 5.1%. Over the same period, among workers aged 15 to 24, the share slipped from 7.6% to 6.9%.

One possible reason for the rising incidence of moonlighting among older workers may be related to retirement. Many of those who have retired or semi-retired from their professions seek alternative sources of income and livelihood that offer them the flexibility. Of course, it remains to be seen what sort of effect the loosening of mandatory retirement regulations will have on the employment and self-employment of older British Columbians.

Moonlighting is more common among women than men. Over the last decade, the number of women working at two or more jobs has increased at a faster pace than that of men. Women in BC remain far more likely to hold more than one job than men. In 2006, 6.7% of working women held two or more jobs, compared to 4.7% of men. These percentages translated into larger absolute numbers as well, as female moonlighters outnumbered men by over 15,200 last year.

Fewer men work multiple jobs than women



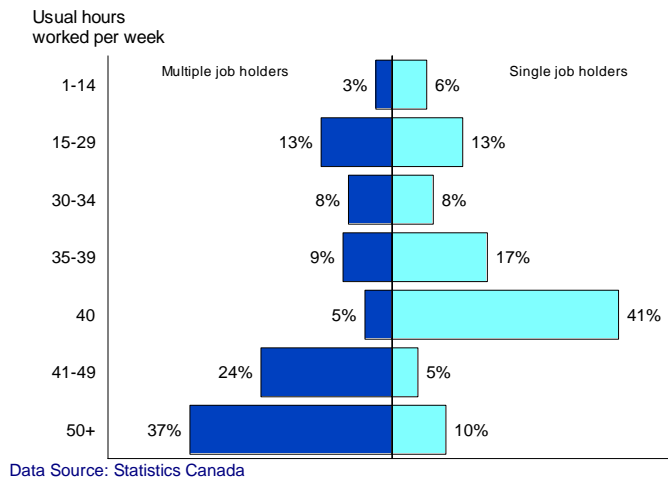
Data Source: Statistics Canada

Longer work weeks

Not surprisingly, those who work more than one job tend to work more hours than single job-holders. There is a substantial difference between multiple job-holders and single job-holders in terms of the usual number of hours worked per week. On average, moonlighters have longer work days than their one-job counterparts. While a significant share of moonlighting workers work in excess of 50 hours per week (40%), only 17% of those working only one job work such long hours. For Canada as a whole, the group of long working moonlighters represents an even larger proportion, with over 41% averaging 50 hours or more per week.

The disparity between workers in terms of hours worked per week has remained comparatively unchanged over the last five years and could result from a myriad of reasons such as types of jobs held by workers, self-employment and the motivations behind the decision to work multiple jobs.

Moonlighters tend to work longer hours



In what industries do BC’s moonlighters work?

Last year, most (87%) multiple job-holders in British Columbia worked in a service sector industry.¹ Within this group, 19% were in the health care & social assistance services classification. Retail & wholesale trade (18%), educational services (12%) and accommodation & food services (11%) were the other largest industries in the service sector. Of the workers who were occupied in a goods-producing industry, moonlighters tended to work in manufacturing or construction.

British Columbia’s numbers are similar to those for Canada as a whole. Nationally, there is a slightly smaller proportion of moonlighting workers in the service sector (85% versus BC’s 87%), but the breakdown of industries within the service sector is fairly similar in terms of their share of workers. One notable difference between Canada and BC is that agriculture is more significant at the national level, with a 20% share of goods-producing multiple job workers (compared to only 16% in BC). Also,

¹ The industry specified refers to the main job of the multiple job-holders.

more moonlighters work in accommodation & food services in BC than in Canada as a whole.

Each province has a different industrial composition and this is a probable component in the different rates of moonlighting. Since the Prairie Provinces have the largest agricultural industries in the country, it stands to reason that they would have higher than average rates of moonlighting. Similarly, in British Columbia, demographic components such as the province’s high percentage of people over the age of 65 can contribute to a greater need for health care workers, which is a common moonlighting industry. Also, since BC’s cost of living is higher than that of other provinces, there may be more pressure for people to take on second jobs for financial reasons.

Looking ahead

Despite the slight decline in the number of moonlighters last year, it appears likely that the incidence of people working more than one job will remain a reality in the years to come. Moonlighting can be lucrative for those in it for the money and with the province’s strong economy, the high cost of living and entrepreneurial opportunities, the decision to moonlight could very well remain a viable option for some BC workers.

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