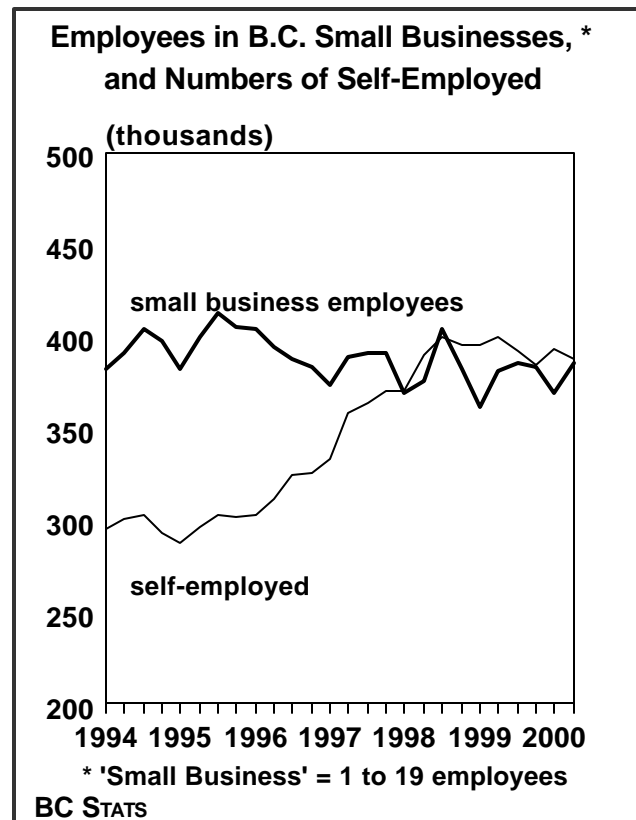


## Small Business Quarterly ♦ Second Quarter 2000

- The number of self-employed persons with employees of their own rose 4 per cent in second quarter 2000, over the same months of 1999, reflecting a net increase of 6 thousand people. There was a 7 per cent drop in the number of self-employed people without paid employees. This is a difficult indicator to interpret because, while it may indicate shutting down of small business activity, it could also indicate that some people who had been forced into self-employment by the scarcity of good jobs have since been able to find employee work that suited them better.
- Although the number of businesses with between 1 and 4 employees fell 3 per cent, the number of small businesses in other size categories was on the rise. Businesses with 5 to 9 employees increased 4 per cent. Those with 10 to 19 employees increased 8 per cent. And those with 20 to 49 employees increased 12 per cent.
- Another positive indicator of small business growth in British Columbia was a 2 per cent rise in the number of new business incorporations, from 5,362 in second quarter 1999 to 5,471 in second quarter of 2000. There was an even stronger gain (7 per cent) in the number of businesses incorporated outside the province registering to do business in British Columbia.
- Yet another positive indicator was an 11 per cent drop in the number of business bankruptcies in the province. Consumer bankruptcies rose 10 per cent. This is definitely a negative indicator but it does not necessarily indicate current difficulties for small businesses. It could warn of possible future problems if consumers are obliged to cut back on spending.
- The value of commercial building permits issued in British Columbia was up 15 per cent in second quarter 2000 from the same months of 1999, and urban housing starts were up 2 per cent. Both indicators suggest increases in construction activity that could be beneficial to the small business sector.



# Latest Small Business Employment Numbers Show Three Year Changes

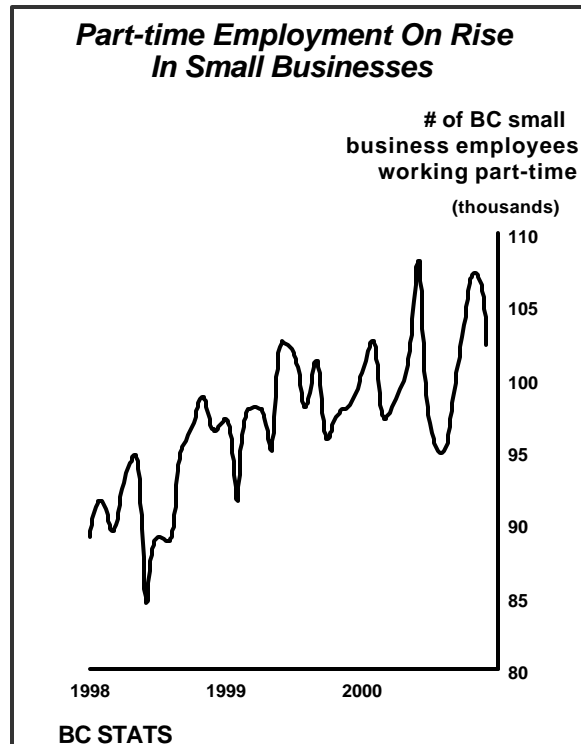
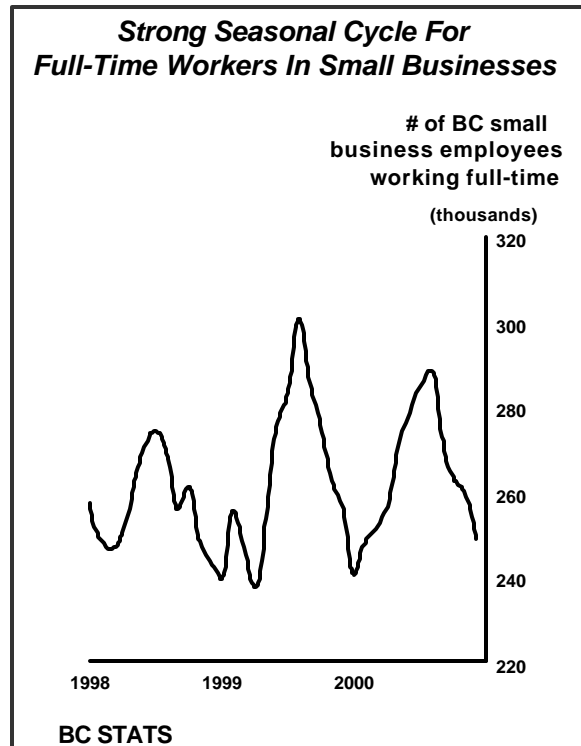
## Seasonal Swings For Full Time Workers

Employment figures from Statistics Canada's Labour Force Survey for 1999 and 2000 show a marked seasonal pattern in the number of full time employees of small businesses in British Columbia. The Survey defines small businesses as those with less than twenty employees.

But underneath these seasonal patterns, there is no evidence of small businesses hiring greater numbers of full-time workers in the past two years. Monthly numbers of full-time small business employees ranged from summer peaks around 290 thousand to winter lows of around 240 thousand.

For part-time employees, on the other hand, there has been significant growth since 1998. Numbers of part-time small business employees averaged 101 thousand in 2000, up from 92 thousand in 1998 and 98 thousand in 1999. Increases in part-time employment have not been unique to small businesses. The numbers of part-time employees in larger businesses were also growing over these years, expanding from 147 thousand in 1998 to 154 thousand in 2000.

But in small businesses, part-time employment has been expanding faster than full-time employment, while in larger businesses both have expanded at the same pace. The result is that part-time work has become more prevalent in small businesses, while workers in larger businesses are no more or less likely to be working part-time in 2000 than they were in 1999 or 1998.



The part-time rate for small businesses in British Columbia rose from 26 per cent in 1998, to 27 per cent in 1999, to 28 per cent in 2000. Over the same years, the part-time employment rate for larger businesses remained unchanged at 18 per cent.

**British Columbia Still A Small Business Province**

Small business employment figures for 2000 also show that British Columbia continues to rely more on small businesses for jobs than most provinces. Only Saskatchewan and the Atlantic Provinces (as a whole) recorded larger percentages of their total employee workforces in small businesses.

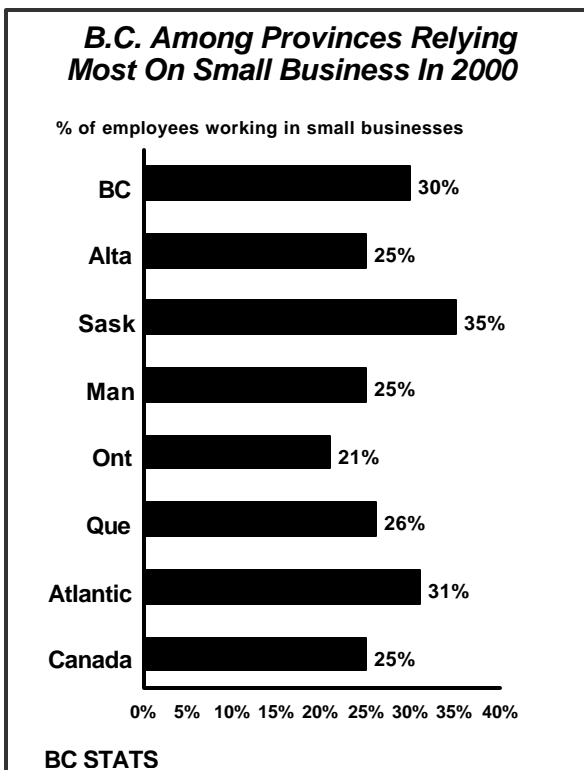
In 2000, the portion of all private sector employees who were working for small firms was 30 per cent in British Columbia, as compared to 35 per cent for Saskatchewan, and 31 per cent in the Atlantic region. For Canada as a whole the ratio was 25 per cent. Ontario, with its concentration of large companies, recorded the lowest provincial ratio of only 21 per cent of employees working in small businesses.

**Small Businesses Are Relatively Highly Unionised In British Columbia**

Small business employees anywhere in Canada are much less likely to be unionised than employees in large firms. Four per cent of all employees of small private sector firms in Canada were union members in 2000, as compared to 23 per cent of employees of larger firms (those with 20 or more employees).

British Columbia is one of the most heavily unionised places in Canada. Small business employees here are more likely to be unionised than almost anywhere else in Canada. Six per cent of all British Columbia employees of small firms were unionised in 2000, as compared to 28 per cent of employees in larger businesses in the province.

Only in Quebec was a higher proportion of small business employees unionised. Quebec employees of small firms included 7 per cent who were union members. Thirty per cent of employees of larger businesses in Quebec were union members.



## Feature Articles Listed By Issue Number

**00-1:** *'Some Distinctive Features of The Small Business Workplace'* (released Jan. 01)

**99-4:** *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'* (released July 2000)

**99-3:** *'755 Thousand British Columbians Rely On Small Businesses For Jobs'* (released Mar 00)

**99-2:** *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 99)

**99-1:** *'Self-Employment In British Columbia Takes On New Profile'* (released Sep 99)

**98-4:** *'Co-Operative Movement Grows Through the 1990s'* (released Apr 99)

**98-3:** *'The Long and the Short of Working Hours For Self-Employed'* (released Dec98)

**98-2:** *'People Trying Self-Employment As A Second Job'* (released Aug 98)

**98-1:** *'British Columbians Still Making Their Own Jobs'* (released May 98)

**97-4:** *'Business Bankruptcies Ease With Low Interest Rates, But Consumer Bankruptcies Continue to Climb'* (released Mar 98)

**97-3:** *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 98)

**97-2:** *'Doing Our Thing In Lotusland - The New Self-Employed In British Columbia'* (released Sep 97)

**97-1:** *'Immigrants Boost Self-Employment In British Columbia'* (released Aug 97)

**96-3:** *'Changes in Business Confidence Expressed In Numbers of New Incorporations'* (released Mar 97)

**96-2:** *'Bankruptcies Rise With Self-Employment and Mounting Consumer Debt Loads'* (released Oct 96)

**96-1:** *'Counting the Business Community in British Columbia'* (released Jul 96)