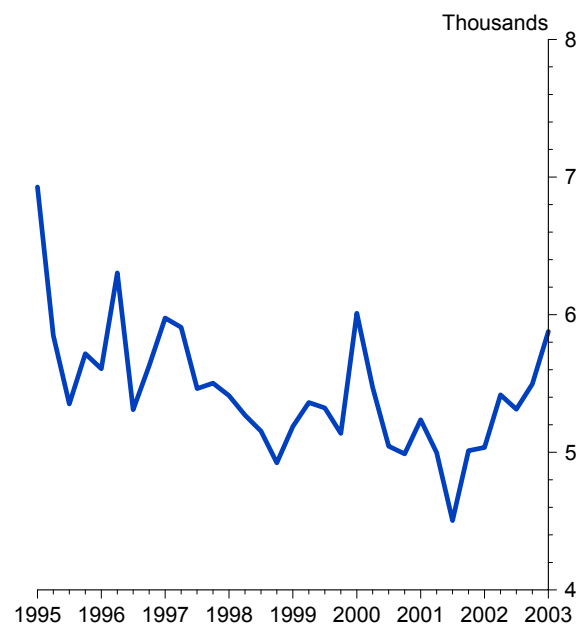


## Small Business Quarterly ♦ 1<sup>st</sup> Quarter 2003

- The number of small businesses in BC (excluding self-employed persons) increased marginally in the first quarter (+0.6%) compared to the same period in 2002. Robust growth in businesses with 5-49 employees (+3.1%) offset a 1.1% drop in businesses with fewer than five employees.
- The number of self-employed in BC edged up 0.6% year-over-year in the first quarter of 2003. A 3.1% increase in self-employed without paid help offset a 4.9% decline in self-employed with paid employees.
- Employment in British Columbia businesses jumped 2.3% in the fourth quarter of 2002 compared to the same quarter in 2001. Employment growth in small businesses (+2.5%) was slightly better than in larger businesses (+2.2%). The strongest growth was in businesses employing between 20 and 49 people (+6.3%).
- New business incorporations soared to their highest level in three years in the first quarter. Incorporations jumped almost 17% over the number recorded in the first three months of 2002. This is the fourth straight quarter of year-over-year growth.
- Business bankruptcies fell for the second straight quarter, dropping 8.6% from the first quarter of 2002. Consumer bankruptcies were virtually unchanged, experiencing only a marginal decline (-0.1%).
- The value of commercial building permits issued in BC were up 0.8% in the first quarter, while the value of industrial building permits increased substantially, up 57.4% from a year earlier.
- The number of chartered bank business loans in BC fell 8.6% in the first quarter compared to the same quarter in 2002. With the exception of the second quarter of 2002, which recorded marginal year-over-year growth of 0.7%, there has been a year-over-year decline in the number of loans in every quarter since the beginning of 1999. The number of loans dispensed in the first quarter of 2003 is 18.4% lower than in the same period in 1999.
- For both companies with annual shipments less than \$10 million and those with shipments \$10 million or more, the balance of opinion from the latest *Business Conditions Survey* shows confidence that production in the second quarter will improve dramatically.

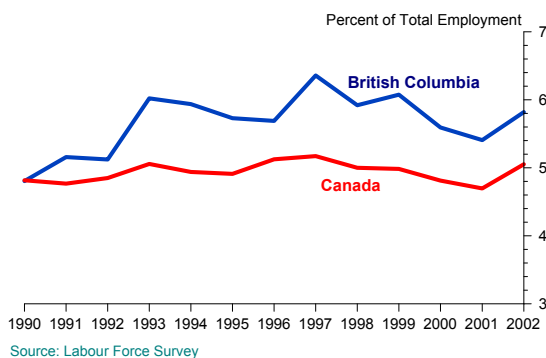
The number of new business incorporations in BC is climbing



## Moonlighting in British Columbia

After a rapid rise through the eighties and early nineties, it appears that the rate of *moonlighting*<sup>1</sup> has levelled off in British Columbia. Over the last decade, for the most part, the percentage of total employed (including self-employed) in BC that were multiple job holders has remained steady between 5.5% and 6.0%. For Canada as a whole, the rate has been even more stable, deviating only slightly from the five percent mark.

Moonlighting rates have been relatively stable over the last decade



### Moonlighting and self-employment

People take a second job for different reasons. While financial reasons are generally what first come to mind, they are not the only explanation. There is evidence to suggest that many multiple jobholders are self-employed in their second job. These people may have entrepreneurial ambitions and perhaps wish to move away from paid employment into self-employment altogether. Others may simply want to pursue another area of employment out of personal interest and have no intention of ever quitting their day job, so to speak.

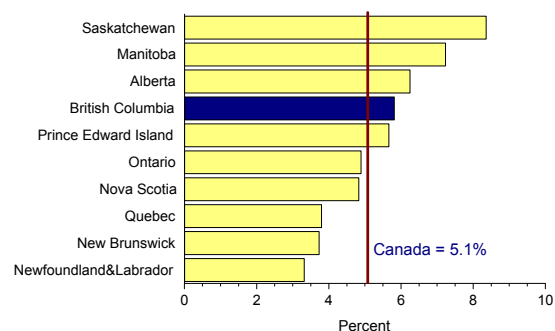
<sup>1</sup> A *moonlighter* is defined as a person, including someone who is self-employed, who has two or more jobs, or who owns or operates two or more businesses at the same time.

One factor contributing to the significant increase in moonlighters could be the corresponding rise in self-employment. Self-employed in BC as a percent of all employed experienced a strong increase through the eighties, rising from 12% in 1980 to 17% by the early nineties. The greater incidence of part-time employment may also be partially responsible. In BC, the percentage of people working part-time increased from around 15% in the late seventies to 20% in the early nineties and has remained fairly steady at or around that mark since that time (although there was a significant increase in 2002 to almost 23%). It is possible that people who could find only part-time work needed to supplement their income with a second part-time job.

### Provincial distribution

Although British Columbia has a higher percentage of moonlighters than the Canadian average, it ranked only fourth in the country in 2002. The Prairie Provinces ranked as the top three, with Saskatchewan leading the way, followed by Manitoba.

BC ranks fourth among the provinces in terms of moonlighters as a percent of all workers



Those provinces with the smallest percentage of moonlighters also tend to

have higher unemployment rates. It makes sense that in a province where it is difficult to find a first job, it is also less likely that someone will hold more than one job. The one exception is Prince Edward Island, which is among the leaders in rate of unemployment, but is also above the Canadian average in percentage of multiple jobholders.

The industrial composition of the provinces is probably one of the main reasons for the difference in rates of moonlighting. The industries with the highest incidence of moonlighting<sup>2</sup> are health care and social assistance, agriculture, and educational services. The Prairie Provinces and Prince Edward Island have the largest agricultural sectors in the country, which likely explains why they have above average rates of moonlighting. For P.E.I., although it has a comparable percentage of agricultural workers to Manitoba, its significantly higher rate of unemployment has likely suppressed the number of multiple jobholders to some extent.

Since agriculture is not a large industry in British Columbia, there must be other reasons explaining the higher than average incidence of moonlighting in this province. The demographic make-up of the province is one likely explanation. BC has a higher percentage of people over the age of 65 compared to the Canadian average, which likely translates to a greater need for health care services. As noted above, workers in the health care industry are more likely to have more than one job than those in other industries. Also, BC has a much higher percentage of immigrants compared to other provinces. Studies have

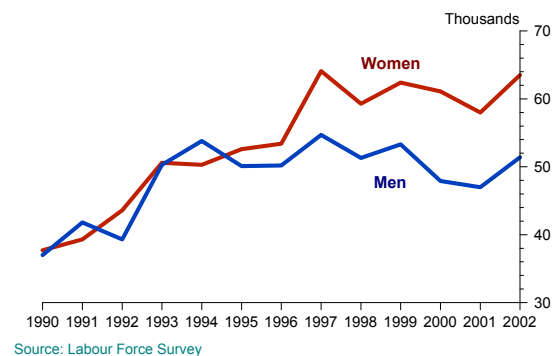
shown that more recent immigrants are more likely to become self-employed than people born in Canada. It is possible, since many multiple jobholders are self-employed in at least one of their jobs, that this is part of the reason for BC's greater incidence of moonlighters. The higher cost of living in BC, particularly in the Greater Vancouver and Victoria areas, may also contribute to a higher rate of multiple jobholding, as more people may need to take a second job for financial reasons.

### Who is moonlighting?

In BC, the highest rate of moonlighting is in the 15 to 24 age range (7.4% in 2002), while older workers, 55 and over, are the least likeliest (4.2%). The higher rates among young people may be due to difficulty in finding full-time, well-paid employment.

In terms of gender differences, women in BC were far more likely to be holding more than one job than men. In 2002, 6.8% of working women held two jobs or more, compared to 4.9% of men. These percentages translated into larger absolute numbers as well, as female moonlighters outnumbered those that were men by over 12,000 in 2002.

There are more women than men moonlighting in BC

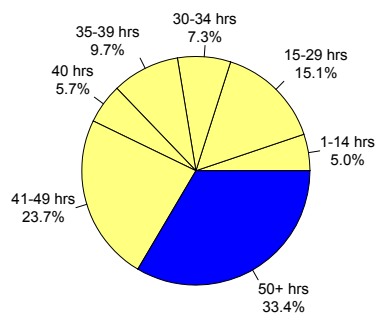


<sup>2</sup> Where the specified industry is wherein the main job is situated.

## Hours worked

It is not all that surprising that, on average, having more than one job leads to more hours worked. In 2002, a third of moonlighters in BC worked more than 50 hours in a week. This compares to only 9% for those working only one job. However, as is the case for workers as a whole, hours worked by moonlighters has been declining. In the early nineties over 40% of multiple jobholders were working 50 hours or more a week.

A third of moonlighters in BC work 50 hours or more per week



Source: Labour Force Survey

## Conclusion

The growth in the number of moonlighters has levelled off in recent years, but there is no sign that multiple jobholding will decline any time soon. Economic conditions, cost of living, entrepreneurial aspirations and opportunities for training are all possible factors in the decision to work in more than one job. For those who want to pursue their own small business interests, moonlighting can provide a bridge between being a paid employee and becoming totally self-employed.

## Feature Articles Listed by Issue Number

- 03-1:** *'Moonlighting in British Columbia'*  
(released Jun 2003)
- 02-4:** *'Stay-at-Home Workers'*  
(released Mar 2003)
- 02-3:** *'Profile of Women Entrepreneurs'*  
(released Jan 2003)
- 02-2:** *'A Comparison of Small Business Size, 1993 and 2001'* (released Sep 2002)
- 02-1:** *'Will Retiring Boomers Lead to Labour Bust?'* (released Jun 2002)
- 01-4:** *'Expectations of Manufacturers Showing Signs of Improvement'*  
(released Mar 2002)
- 01-3:** *'Business and Consumer Bankruptcies are on the Rise in BC'*  
(released Jan 2002)
- 01-2:** *'The Benefits and Costs of a Higher Minimum Wage'* (released Nov 2001)
- 01-1:** *'Small Business On-Line: Internet Use Among SMEs'* (released Sep 2001)
- 00-4:** *'Co-operatives Grew Steadily Throughout the 1990s'* (released May 2001)
- 00-3:** *'Profile of Self-Employed in British Columbia'* (released Mar 2001)
- 00-2:** *'Latest Small Business Employment Numbers Show Three Year Changes'* (released Jan 2001)
- 00-1:** *'Some Distinctive Features of The Small Business Workplace'*  
(released Oct 2000)
- 99-4:** *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'*  
(released Jul 2000)
- 99-3:** *'755 Thousand British Columbians Rely On Small Businesses For Jobs'* (released Mar 2000)
- 99-2:** *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 1999)
- 99-1:** *'Self-Employment In British Columbia Takes On New Profile'*  
(released Sep 1999)
- 98-4:** *'Co-Operative Movement Grows Through the 1990s'* (released Apr 1999)
- 98-3:** *'The Long and the Short of Working Hours For Self-Employed'*  
(released Dec 1998)
- 98-2:** *'People Trying Self-Employment As A Second Job'* (released Aug 1998)
- 98-1:** *'British Columbians Still Making Their Own Jobs'* (released May 1998)
- 97-4:** *'Business Bankruptcies Ease With Low Interest Rates, but Consumer Bankruptcies Continue to Climb'*  
(released Mar 1998)
- 97-3:** *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 1998)
- 97-2:** *'Doing Our Thing In Lotusland – The New Self-Employed In British Columbia'* (released Sep 1997)
- 97-1:** *'Immigrants Boost Self-Employment In British Columbia'*  
(released Aug 1997)
- 96-4:** *'More British Columbia Companies Shift Corporate Charters to Alberta and Ontario'* (released Apr 1997)
- 96-3:** *'Changes in Business Confidence Expressed In Numbers of New Incorporations'* (released Mar 1997)