

Most businesses in Ontario are small and medium enterprises (SMEs), firms with fewer than 500 employees. These businesses have a major impact on Ontario's economy in terms of jobs, investment, trade, innovation and prosperity.

Over 379,000 Small and Medium Employer Businesses are Located in Ontario

- In Ontario, there were 379,385 small and medium businesses with employees on their payroll in December 2009, representing 99.7% of employer businesses in the province.
- Over one-third (35%) of small and medium employer businesses in Canada are located in Ontario. The next largest number of business establishments are in Quebec (238,574) and British Columbia (170,481).
- About 80% of Ontario's small and medium employer businesses are located in the province's 15 largest metropolitan areas. More than 178,000 (47%) are located in the Toronto metropolitan area, which is more small and medium employer businesses than in all other provinces in Canada except Quebec.
- Small and medium businesses with employees on their payroll operate across all sectors of Ontario's diversified economy, from cutting-edge biotechs to fly-in camps and everything in-between. Over 308,000, or 81%, of all Ontario small and medium employer businesses are in service industries. The remaining 19%, or 71,000 Ontario small and medium employer businesses operate in goods-producing industries.
- The greatest concentration of employer establishments is in the business services sector (71,808).

SMEs Employ More Than 2.8 Million Ontarians

- In 2009, there were more than 2.8 million Ontarians working for SME employers across the province. Large enterprises with 500 or more employees employed 2.7 million individuals in 2009.
- SMEs employ over half of all Ontarians working for businesses.
- Manufacturers are the largest SME employer in Ontario. They employ approximately 387,500 individuals in the province, accounting for close to 14% of SME employees.
- In 2009, SMEs lost approximately 98,000 jobs compared with a loss of almost 36,000 jobs by large firms. SME manufacturers accounted for 43% of the SME job losses.

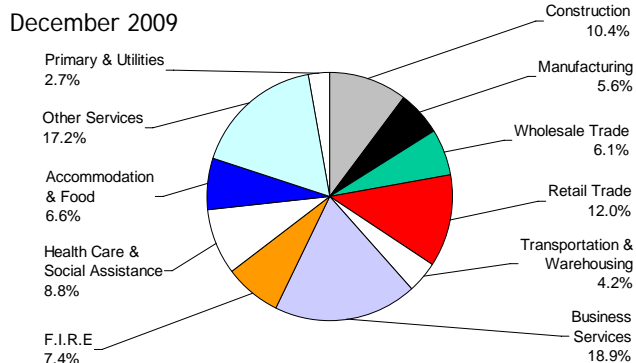
Snapshot of Ontario's Small and Medium Enterprises

Number of Employer Businesses in Ontario by Size

Employment Level	Number of Establishments	Percent of Total
Small and Medium (<500)	379,385	99.7
Of Which:		
1-4	213,194	56.0
5-9	73,065	19.2
10-19	45,397	11.9
20-49	29,179	7.7
50-99	10,509	2.8
100-199	5,248	1.4
200-499	2,793	0.7
Large (≥ 500)	1,216	0.3
Employer Total	380,601	100.0

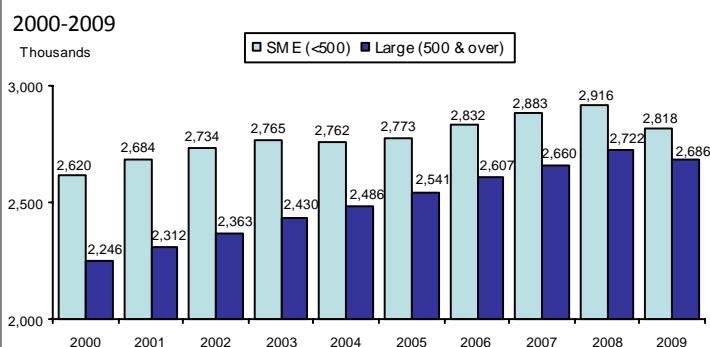
Source: Statistics Canada, Canadian Business Patterns.

Small and Medium Establishments in Ontario by Sector



F.I.R.E: Finance, insurance, real estate, rental and leasing.
Business Services: Professional, scientific and technical services; management of companies and enterprises; administrative and support; and, waste management and remediation services.
Shares may not add up due to rounding.
Source: Statistics Canada, Canadian Business Patterns.

Number of Employees in Ontario by Size of Enterprise



Note: Data by size of enterprise excludes unclassified employees

Source: Statistics Canada, Survey of Employment, Payrolls and Hours



Ontario SMEs are Important Exporters

- In 2006, there were about 17,000 SMEs in Ontario that exported goods to international markets, accounting for 96% of all goods exporters in the province. Ontario SMEs exported over \$50 billion in goods to international markets in 2006, accounting for 29% of total goods exported.
- The U.S. is the most important trading partner for Ontario businesses of all sizes. In 2006, 81% of goods exported by Ontario SMEs were shipped to the U.S. The U.S. was the destination for 88% of the goods exported by the province's larger exporters in 2006.

Financing Challenges Ontario SMEs

- Personal savings were the most common source of funds for business financing used by new and existing Ontario SMEs in 2007.
- In addition to personal and commercial sources of financing, SMEs also obtained loans from friends and family members, and "angel" investors.
- The average loan amount requested by Ontario SMEs was approximately \$300,000 in 2007.

Economic Contribution of Ontario SMEs

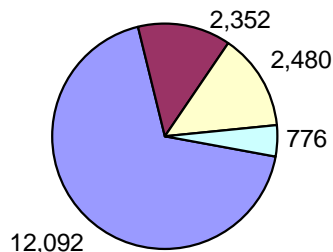
- Ontario SMEs account for more than 40% of economic activity in the province, equivalent to approximately \$245 billion in 2009.

Diversity of Ontario SME Owners

- In 2007, women owned, or co-owned, almost 48% of SMEs in Ontario.
- Visible minorities held a majority ownership in 12% of Ontario SMEs in 2007. Ontario has the second highest share of minority-owned SMEs in Canada.
- In 2007, recent immigrants held a majority ownership in 3% of Ontario SMEs, where a recent immigrant is defined as a person who has resided in Canada for less than 5 years.

Number of Exporting Enterprises in Ontario by Employment Size

2006



■ 0-49 ■ 50-99 □ 100-499 □ 500+

Source: Statistics Canada, Exporter Registry (custom tabulation)

Types of Financing Instruments Used by Ontario Small and Medium Enterprises

2007

	Start-up (Percent)	Ongoing Operations (Percent)
Personal savings of business owner(s)	77.0	60.1
Commercial or personal loans from financial institutions	45.9	59.7
Leasing	15.6	26.3
Trade credit owing to suppliers	10.3	21.9
Loans from friends and/or relatives of business owner(s)	5.9	8.5
Loans from individuals unrelated to the firm or its owner ("angels")	2.4	4.6
Government, lending agencies/grants	2.3	6.5
Other sources of financing	2.0	3.8
Micro-credit	0.3	1.2
Retained earnings	N/A	54.9
Loans from employees	N/A	1.7

N/A: Not applicable

Source: Statistics Canada, Survey on Financing of Small and Medium Enterprises.

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Statistics Canada compiles statistics on business activity by conducting surveys and obtaining data from Canada Revenue Agency administrative files. Data is published by business units, which include enterprises, establishments, and locations. An enterprise is any unit of a business that directs and controls the allocation of resources for its domestic operations; the enterprise is the level at which consolidated financial and balance sheet accounts are maintained. Producing units are described as establishments. The enterprise and the establishment are identical for most SMEs. The activities of an establishment are generally performed at a single location, but an establishment may have more than one location.

This report publishes the number of business establishments by size. Employment, demographic, financing estimates, and the number of exporters are published by size of business enterprise.